CONTENTS

1

Introduction

THE UNITED STATES is a low-tax country. Revenues collected by federal, state, and local governments combined amount to a smaller share of the economy than any of the nation's economic peers (Canada, Germany, France, and so on). Some say low taxes make economic dynamism possible. Others point to a lack of investment in physical infrastructure and human capital as a threat to that very economic dynamism and a reason to raise revenues. But doing so is difficult: the total size of the government as a share of the economy has been the same for sixty years.

Why is it so hard to raise taxes in the United States? Why is it so difficult to fund government? This book examines one factor: the nature of American public opinion on taxes. It explores how Americans react to the tax system in place and how in turn their attitudes shape the possibilities for further policymaking. It argues that the progressive system of taxes in the United States, especially at the federal level, is self-undermining. Ordinary Americans support the abstract notion of progressive taxation, the idea that higher-income groups should pay not just more but instead progressively more, with tax rates that climb with income, in order to help fund government on an "ability-to-pay" principle. This is the philosophy behind the federal income tax, the main source of federal revenues, and as we'll see, the most salient and high-profile tax in the United States around which much of the politics of taxation revolves. The difficulty is that progressive taxes take the most from the most well-resourced, organized, and vocal elements in society. The privileged have spent the century since the enactment of the federal income tax in 1913 trying to lower their effective rates of taxation—what they actually pay as a share of income. They have been spectacularly successful, achieving reductions not just in the federal income tax but also in other progressive taxes: the capital gains tax, estate tax, and corporate tax. Ironically, the rest of the public, the nonrich, have often been unwitting allies in the quest of the well-heeled to minimize their taxes, in contradiction to both their material self-interest and abstract commitment to progressive taxation. The puzzle is why the public has served this role contra its own interests. The answer lies in a toxic brew of tax structures, race, racism, and party.

Because taxes are an economic issue, attitudes should be based on self-interest: the objective costs and benefits associated with this form of public policy. Tax attitudes, however, typically do not differ systematically with such material stakes. Instead, they vary sometimes with partisanship, and among whites, vary strongly with levels of racial animus. Many whites resent taxes because they believe they fund benefits for undeserving nonwhites. In the meantime, Black and Hispanic taxpayers are penalized by tax policies that overburden them relative to similar whites, for both intentional and inadvertent reasons. The result is that everyone has a reason to dislike taxes. The factors underlying tax opinion ultimately have consequences for who pays and how large government is. Public opinion is far from the only influence on tax policymaking, but it is a facilitating force; it is easier to get policies enacted if the public is on board. The rich tend to prevail in their efforts to minimize their taxes due to the failure of the rest of the public to serve as an effective counterweight, with the result that funding the government is incredibly difficult.

Taxes in the United States

Governments need revenues to conduct all of their other functions, from building roads to providing for citizen well-being to ensuring national defense. Raising money from taxes on individuals and corporations is the main way governments do so. In the United States, all levels of government levy taxes. The federal government imposes individual and corporate income taxes along with payroll taxes that support Social Security retirement and disability benefits and Medicare health benefits for older Americans. Estate taxes, customs duties, and excise taxes on gasoline, alcohol, and cigarettes generate smaller amounts of revenue. Most state governments also tax individual and corporate incomes and impose a retail sales tax. Many have an estate or inheritance tax as well. Local governments typically employ property taxes and sometimes sales taxes to fund their operations. Altogether, taxes total just under 28 percent of gross domestic product (GDP). Relative to the size of the economy, taxes in the United States are lower than in most other high-income democracies. Tax revenues as a share of the economy have also been virtually unchanged since the 1960s.

Moreover, taxes are complicated in the United States. One reason is that every level of government can impose taxes (as opposed to, say, the federal government collecting all taxes, and then redistributing them to states and local governments). Taxes are levied on different resources: earned income, unearned income from capital gains and dividends, wealth in the form of estate or property taxes, and consumption in the form of sales or gas taxes. They are also imposed in different ways. Some are effortless, like the sales taxes that are taken with each purchase or payroll taxes that are withheld from paychecks. Some are difficult to pay, either because the bills arrive in lump sums, like property taxes, or because filing them and reconciling one's payments with one's tax liability is arduous, as with the federal income tax.

Another reason that taxes, especially the federal income tax, are complicated is because of the machinations of the rich to reduce their burden. In their long campaign to get their effective taxes minimized, the privileged have sought both reductions in the tax rates they pay and tax breaks—credits, deductions, and preferential rates that reduce income taxes owed. These tax breaks, collectively called the tax expenditure system, benefit lower- and middle-income taxpayers too: the Earned Income Tax Credit (EITC) refunds the federal taxes paid by low-wage workers, essentially acting as a wage supplement; the tax exclusions for employer-provided health insurance and retirement plans frees from taxation the premiums workers (and their employers) pay along with the contributions they make to their retirement savings. Tax breaks, or "indirect" spending, have become a default way to enact social policy in the United States because partisan gridlock makes passing direct spending programs difficult. Tax expenditures are easier politically because they solve some social problem, which Democrats desire, but do so by reducing tax revenues, to the satisfaction of Republicans. There are scores of such tax breaks in the federal tax code. But while the nonrich do benefit from some important tax breaks, the vast majority of the tax savings go to the affluent. And tax breaks create a plethora of other problems that affect tax attitudes. They are outstanding examples, although not the only ones, of tax policies and structures that affect public opinion.

Tax Policy and Tax Attitudes

Surveys show that large majorities of Americans support the notion of progressive taxation—that those with more should pay more to support the government, not just proportionately more, but progressively more (higher rates on higher incomes). Indeed, progressive taxation and the ability-to-pay principle that it encapsulates was the basis for the modern federal tax system as adopted in the early twentieth century. And yet the American system has become far less progressive over time, with effective tax rates—taxes as a portion of income—falling, especially for the rich.[1] The federal system, centered around income taxes, remains progressive, but less than in the past. State and local taxes are regressive on balance, and have become more so over time, taking a greater share of the incomes of low earners than of higher earners. The result is an overall system that is nearly flat: each income quintile pays about the same share of all taxes as it earns of all income. Meanwhile, large majorities of survey respondents say the rich and corporations do not pay enough.

Why have taxes for the privileged fallen so much, counter to the abstract preferences of the majority of ordinary taxpayers? This book argues that the progressive tax system fails to generate sufficient political support among those who should favor it. It examines how individuals react to the tax system, shaped so much by the privileged in their own interest, in ways that undermine the interests of the nonrich.

Standard political economy models assume that people will think about taxes according to their material stakes, with the nonrich desirous of high taxes on the rich. In the abstract, people's preferences do comport with this self-interest-driven view. And tax policy has long been upheld by public opinion researchers as one of the few issue areas where attitudes vary with material stakes. But exploring a broader array of tax attitudes, I find that self-interest shapes tax attitudes only sometimes.

Nor do tax attitudes vary reliably with partisanship or ideology. Given that taxes define the scope of government activity, we might imagine sharp divisions between partisans and ideologues, as the size of government is supposed to be a central divide between Republicans and Democrats, conservatives and liberals. Instead, Republicans are especially more likely than Democrats to express antitax attitudes when they are cued and reminded to think in this way. And one reason that partisan differences are relatively muted is that while the majority of Republicans think many taxes are unfair, so do large minorities of Democrats. And independents are particularly likely to find a variety of taxes unfair and want them decreased. It turns out attitudes do not vary as much as we anticipate by partisanship and ideology, because partisans of all stripes tend to like and dislike the same taxes to relatively similar degrees.

I do find one factor that is consistently related to tax attitudes among white Americans: racial resentment. Indeed, racial sentiment is the single-largest influence on whites' tax attitudes. Moreover, the racially resentful particularly oppose progressive taxes, yet another boon to the rich in their efforts to reduce them.

Why is the role of self-interest—costs and benefits—so minimal when it comes to tax attitudes? Why don't partisans differ more in their preferences, and why does racial sentiment play such a strong role in whites' tax attitudes? One element of American tax policy that feeds all of these phenomena is the tax break system. Tax expenditures introduce a plethora of problems into the economics and politics of tax policy that undermine support for progressive taxation even as they reduce its bite. As tax expenditures have proliferated, often at the behest of the rich seeking to reduce their own tax burdens, taxes have become more complicated, undermining the ability of people to see their costs and benefits clearly. Tax breaks help reduce partisan differences in tax attitudes by making Democrats and independents, not just Republicans, angry about taxes. And they exacerbate the racial politics of taxing and spending to a profound degree.

To the extent to which nonrich taxpayers benefit from tax expenditures, they tend not to recognize the concomitant tax reductions as government benefits, as political scientist Suzanne Mettler (2011) has written. But tax breaks have an even more harmful effect on public opinion, creating confusion about who benefits from government spending, thereby heightening the racial politics of taxation. Taxes and direct spending on social welfare policies are highly visible to white Americans, and racialized, with whites who harbor more animus toward Black Americans less supportive of social spending, which they believe goes to the undeserving (Rosenthal 2021). At the same time, social policy benefits that people derive from the tax break system are not visible because they come in the form of taxes not collected, hiding the government subsidy. Large shares of white Americans thus think they pay taxes that fund visible benefits for others who they find unworthy while failing to realize that they too benefit from government benefits. This makes for a pernicious tax politics, dating back to the post–Civil War era, of white Americans perceiving themselves as taxpayers and nonwhites as tax eaters (Walsh 2018). In contemporary public opinion data, these age-old perceptions manifest as a strong relationship between racial resentment and tax attitudes.

While white Americans, especially the racially resentful, grouse about confiscatory taxation, the bigger victims of US tax policy are Black and Hispanic households.[2] Tax expenditures play a role here too. As scholars of critical tax theory in law and sociology have argued, tax policy has been written by whites, for whites.[3] Sometimes taxes have been used as a deliberate tool of racial repression. The fiscal regime adopted in many southern states in the 1930s is one example, with high sales taxes and low property taxes enacted to shift the tax burden onto low-income Black residents, and away from white property owners (Newman and O'Brien 2011). The excessive assessment of Black-owned homes for property tax purposes is a historical practice that continues to this day.[4] In other instances, the racial penalty has been more inadvertent, at least initially. Tax expenditure policies written to benefit white taxpayers overtax nonwhites who have less access to employer-provided benefits. Numerous such "race-neutral" provisions have differential effects across race, resulting in the greater taxation of Black and Hispanic households compared to similar white ones.[5] Some discriminatory tax policies are well-known, such as the overassessment of Black-owned homes mentioned above. Others, like differential Black access to the tax expenditure system, are more subtle and less publicized. Either way, taxation is one of the most coercive functions of government for any taxpayer. And communities that have suffered government coercion in other arenas such as the criminal justice and social welfare systems have every reason to be concerned about government coercion in the tax sphere as well. Indeed, even though Black and Hispanic Americans are more supportive of a wider role for government and government spending, they have more negative attitudes toward taxes than do white Americans.

In the end, many Americans have reasons to dislike taxes. And many of these reasons derive from the efforts of the rich to get their taxes reduced. These attempts have greatly complicated the tax code, making it difficult for the nonrich to recognize their stakes in tax policy. They have resulted in the overtaxation of nonwhites because of lesser access to the tax expenditure system at the same time that whites do not recognize their own benefits from that "indirect spending" system and think their tax dollars only go to direct spending programs, which they resent. These patterns in public opinion have profound implications for the politics of tax policy. At an abstract level, nonrich Americans prefer progressive tax systems, and think the rich and corporations should pay more. As a conceptual matter, many Americans support the ability-to-pay principle on which most federal taxation (and some state taxation) is based. These are class-based, self-interested stances. Many Americans, however, also have great difficulty connecting these abstract preferences to attitudes on specific taxes, where their preferences often stray from an embrace of the ability to pay and their own material stake. Middle-income Americans should like federal income taxes, which fall lightly on them, and estate taxes, which they do not pay at all (almost no one does). They should dislike sales taxes, which are costlier as a share of their incomes (and perhaps payroll taxes for Social Security, although the associated benefits are visible, offsetting tax regressivity). Instead, their attitudes are the opposite, resembling those of high-income people: acceptance of regressive sales and payroll taxes, and pronounced dislike of progressive income and estate taxes. Enmity among ordinary people toward income and estate taxes is a great boon to the rich, easing the reductions in these taxes that the rich seek. Even though ordinary taxpayers say those at the top pay too little, they support policies that result in exactly that situation.

Progressive taxation is not the only way to raise government revenues. The tax systems of peer nations in Europe rely on regressive taxation to a greater extent than does the United States (especially via a value-added tax (VAT), a consumption tax that the United States does not have). But progressivity is the foundation on which federal taxation in particular was built, and it is the form of taxation that nonrich Americans prefer in theory. In a country with pronounced and growing income inequality, where incomes among high earners have soared in recent decades, progressive taxation may also be just, depending on one's political views. But progressive taxation has waned in the United States due to the concerted efforts of the privileged to get their effective rates of taxation reduced. This book shows how the nature of public opinion among the nonrich has inadvertently aided and abetted these efforts.

Why This Examination of Tax Attitudes Is Needed

Taxation and Resentment seeks to fill a number of holes in our understanding of Americans' attitudes about taxes. In exploring variation in tax opinion and the factors behind these preferences, I try to address political scientist James Stimson's (2004, 49) concern that "most of what is said about attitudes toward taxes in American politics is based on assumptions, not facts."

First, although there are many studies of public opinion toward government spending, there are far fewer about tax attitudes. We know some basics from compendiums of survey questions by public opinion analyst Karlyn Bowman and associates as well as other researchers (Bowman, Sims, and O'Neil 2017). Consistent time series of tax questions are rare, as pollsters tend to ask questions about a topic when it is in the news, perhaps returning to the issue periodically, but often dropping it altogether. Ongoing issues such as taxes tend to get less coverage (Bowman 2019). But one can distill some generalizations about American tax attitudes from the available historical data.

Many express skepticism about the magnitude of taxes and use of tax revenues. When asked to make predictions for the coming year, most say taxes will go up. Majorities say the rich and corporations do not pay enough, and that they themselves pay too much—as do middle-class households (where most Americans place themselves). Majorities think the government wastes a lot of the money that "we pay in taxes." Extant surveys also reveal many contradictions, such as large shares of survey respondents saying the rich should pay more and professing support for progressive taxation, but many more opposing the government use of taxation to achieve redistribution. As valuable as these compendiums are, they do not offer explanations for these attitudes nor explore their consequences. Nor do they show how these attitudes might vary across different taxes and types of individuals.

For their part, political scientists have tended to examine Americans' tax attitudes only at certain moments and for certain taxes, such as the property tax during the tax revolt of the late 1970s, and the estate and income taxes when the George W. Bush tax cuts were enacted in the early 2000s.[6] And yet collecting taxes is a key government function, without which all other functions would be impossible. We might think that taxes, and attitudes toward them, would be a central focus for political scientists.[7] Thus another goal of this book is simply descriptive: What do Americans of different demographic and political subgroups think about various types of taxes? Do high- and low-income people have different opinions of income, estate, and property taxes? What about taxes beyond the three most typically studied? Who thinks state sales taxes are unfair? What about the capital gains tax, which is lower than the income tax? Or the gas tax, which is rarely examined, or the payroll tax? One important function of the book is to establish the opinions held among a broad range of societal groups on a broader array of taxes than previously examined.

A second goal is to explore the factors behind tax attitudes. Can we explain variation in tax attitudes with self-interest? With partisanship and political ideology? One would think "yes" in both cases. A durable finding in public opinion research is that attitudes are rarely congruent with basic measures of self-interest. Individuals who seemingly would have distinctive attitudes about a given issue based on their material stakes often do not have preferences that differ from those whose interests are less implicated. But taxes have long been thought an exception to the usual irrelevance of self-interest. Perhaps the most well-known example comes from the tax revolt: homeowners were more likely than renters to support Prop 13, the 1978 California ballot initiative that limited property taxes (Sears and Citrin 1985). A few other examples have cropped up over the years as well.[8] We might also expect tax attitudes to vary with partisanship and ideology, since taxes get to the heart of partisan and ideological battles about the size and scope of government. Especially in an era of political polarization, we might imagine that tax attitudes differ systematically between Democrats and Republicans, liberals and conservatives.

What we'll see, as noted above, is that tax attitudes are only sometimes correlated with self-interest, party identification, and ideology. Perhaps this is not a surprise with regard to self-interest, which is somewhat of a straw man in public opinion research (although it is not supposed to be a straw man with regard to tax attitudes). But the fact that party identification and ideology are not consistent predictors of tax opinion is startling.

What does predict tax attitudes? In chapter 6, we will see that among whites, racial resentment is a powerful influence. It drives attitudes toward every tax, with the exception (barely) of the sales tax. The strong influence of racial resentment helps solve some conundrums in existing tax opinion research. Previous scholars examining the estate tax have been perplexed over the seeming irrationality of people who will never, ever possibly pay the estate tax supporting its repeal (Graetz and Shapiro 2005). Analysts have also puzzled over the lack of a relationship between inequality concerns and estate tax attitudes (Bartels 2016). But we'll see that neither a class- nor inequality-based lens is useful in understanding estate tax attitudes. Instead, these attitudes are about race and racial resentment. Almost all wealth in the United States is owned by whites (Wolff 2017). The groups that the estate tax supposedly harms—farmers and small business owners—are white coded. The analyses here show that the racially resentful are less supportive of progressive taxation as a general concept, more supportive of regressive taxation, and concomitantly more likely to say that specific progressive taxes are unfair and should be decreased, from the estate tax on down. Racial resentment is also an important correlate of attitudes toward tax expenditures. Scholars may characterize the tax expenditure system as "the hidden welfare state" (Howard 1997), but it's not entirely hidden: people have impressions about which groups benefit from which tax breaks. These impressions shape their attitudes. Just as with taxes, the racially resentful prefer tax expenditure policies that help the economic elite and diminish progressivity, like the low capital gains rate, and disapprove of tax breaks that help lower-income groups, such as the EITC. At the same time, racial resentment bears no relationship to policies that are white coded, whether that's federal spending on Social Security, the payroll tax itself, or tax breaks that these respondents believe go primarily to the middle class, such as the tax exclusions for employer-provided health and retirement benefits. Among whites, attitudes toward federal spending, taxes, and tax expenditures all have the same structure: the most important correlate is racial resentment. This is yet another attitudinal characteristic that helps the rich (who are mostly white) in their enduring efforts to get their own taxes reduced. They have allies among the public who are on board not for self-interested reasons but rather racialized ones.

As potent a factor as racial resentment is on white tax opinion, a third goal of the book is to turn the lens from whites to Black and Hispanic taxpayers. Not only have political scientists focused less on taxes than have economists, fiscal sociologists, historians, and legal scholars. When they have examined tax attitudes, they have tended to concentrate on whites' attitudes.[9] As historian Andrew Kahrl (2019, 191) puts it, tax scholarship has centered on white opinion, with Black and Hispanic people appearing only as the object of white displeasure, not as "taxpayers in their own right." Black and Hispanic Americans have long been on the receiving end of many forms of government coercion, from historical instances of the dispossession of assets to the modern, highly punitive criminal justice and welfare systems, which disproportionately affect Black and Hispanic individuals, families, and communities. Since extracting revenues from individuals to fund its operations is one of the most coercive functions of government, it is easy to imagine that those facing coercion in other arenas might be skeptical of this one as well. It turns out that there is structural racism woven into American tax provisions at all levels of government that lead to Black and Hispanic Americans paying more than comparable whites. As mentioned, at the local level, Black homeowners are often overassessed for property tax purposes. At the state level, sales taxes are high, with fewer exemptions for necessities, in states where Black citizens are concentrated. At the federal level, Black taxpayers are less likely to benefit from the tax expenditure system that reduces the tax liability for whites (such as the tax breaks on employer-provided benefits along with the low capital gains and dividends rate). Although some of these inequalities are well-known, others are less visible. I do not think that they affect Black and Hispanic Americans' tax opinions directly through a material stake mechanism, which seems unlikely as Black and Hispanic Americans also have lower levels of formal tax knowledge than whites. Instead, the mechanism is more likely to be concern over a coercive state as it carries out a particularly coercive set of policies. The upshot is this. Hispanic and especially Black survey respondents are generally more positive toward government than whites, with one exception: they have more negative attitudes toward nearly every tax. The irony is that many whites see themselves as the victims of tax policy, but Black and Hispanic taxpayers are the actual victims. And this harm at the hands of government is all the more problematic because much tax policy seems race neutral but in fact is not.

As this review of the book's goals hopefully makes apparent, I bring the sensibility of the policy feedbacks school of thought to this project.[10] Much of my scholarly work examines how public policies are not merely the outcomes of political processes but also key inputs. The designs of public policies can shape public attitudes. This plays out in the following way in tax politics. Progressivity is redistributive, which the nonrich are supposed to prefer (Meltzer and Richard 1981). And they do, in their theoretical support of progressivity, but not in their preferences on particular taxes, which resemble those of the rich (a dislike of income and estate taxes, for example). Complex designs obscure the costs and benefits, confusing taxpayers and rendering them unable to think about taxes in clear, self-interested ways (the "fog of tax," to use legal scholar Edward McCaffery's [2008] term). Even partisans do not consistently differ in their tax attitudes, in part because of the obscuring designs. As tax complexity sends the usual factors that structure policy attitudes off the rails, nonrich whites are left vulnerable to racialized entreaties. What is supposed to be a class politics of tax, as political economy models assume, is actually a racial politics of tax. At the same time, tax structures disproportionately penalize Black and Hispanic taxpayers.

This pattern of tax attitudes, arising in part from the designs of existing tax policies, greatly complicates support for specific progressive taxes and the prospects for reforming the tax system in the progressive direction that nonrich taxpayers say they want in the abstract. Some political scientists have shown that public policy, despite many challenges, is roughly responsive to public opinion.[11] Others have argued that policy is much more responsive to the preferences of the economically privileged.[12] The issue in tax policy is that the preferences of the nonrich resemble those of the rich. The mass public's preferences are upside down. As a result, it is difficult to enlist the public as an ally in tax reforms that would make people better off. And electoral politics cannot solve the problem because the GOP wins both Republican and Democratic votes with an antitax stance. Meanwhile, the rich are pretty happy with this situation, as they have capitalized on the public's confusion to chip away at virtually every progressive tax since the Reagan revolution of the 1980s.

Data

This book explores what we can learn about public opinion on taxes from both extant and new survey data. I will examine attitudes across time, taxes, and different types of people. Note that because these are survey data, I have information on the attitudes of the affluent—say, the top 20 percent of the income spectrum—but not the attitudes of the truly rich. Hence the attitudes I report are for the "nonrich," as I term them.

Almost all the data are observational and descriptive. Except for a couple of survey experiments that I conducted, I will be reporting relationships among variables, testing hypotheses against each other, and assessing the generalizability of findings from existing interview-based work, but for the most part, not reporting causal relationships. Some scholars have begun to perform survey experiments on tax attitudes, mostly around tax expenditures, and I will reference that work.[13] My chief purpose, however, is to look at the basics of what people think of taxes and the correlates of those attitudes in order to set up experimentally minded researchers with a series of hypotheses to explore going forward.

In part I rely on historical surveys. The longest-running survey question on taxes is a Gallup item asking respondents whether the federal income tax they will have to pay that year is too high, too low, or about right. Gallup has asked this item regularly, although not quite annually, since 1947; the General Social Survey (GSS) began asking this item in 1976. Several scholars have examined the national marginals of this "too high" question, as I'll refer to it, in their studies of aggregate public opinion.[14] I have concatenated the entire series in order to perform individual-level analysis. Another historical source is the polling conducted by the Advisory Commission on Intergovernmental Relations (ACIR), a federal commission established by Congress to collect data and perform analyses on federal, state, and local governments, and abolished after Republicans took control of Congress in the mid-1990s. Between 1972 and 1994, the ACIR conducted nearly annual surveys asking Americans a variety of questions, including what they thought "the worst tax is—that is, the least fair." I employ individual-level data from 1983 through 1994 (the individual-level data from the earlier survey years seem to have been lost to history). In 2003, Kaiser, National Public Radio (NPR), and the Harvard Kennedy School conducted a particularly rich survey of tax attitudes (hereafter referred to as the 2003 NPR Taxes Study or simply NPR), although it lacks key explanatory variables such as racial animus. One measure of political scientists' relative neglect of tax policy is that there are few questions on taxes in the flagship American National Election Study (ANES), and it too excluded racial resentment measures on several of the rare occasions when tax items were included. In chapter 6, I look at a few ANES cross-sectional datasets that included individual tax items and relevant explanatory variables.

Because of the limitations of existing datasets, most of the analyses in the book come from modules I placed on the 2012, 2016, and 2019 Cooperative Congressional Election Surveys (now known as the Cooperative Election Study, although I will continue to refer to this source as the CCES). I replicated earlier questions from the ACIR and NPR studies to see what had changed in the intervening decades. I also expanded the list of taxes included and broadened the array of explanatory variables. We will learn not just about attitudes toward the federal income, estate, and local property taxes that political scientists have previously examined but about attitudes toward many others as well: state income, state sales, payroll, gas, and capital gains and dividend taxes (which I often term "investment" taxes in the text). We will learn about attitudes not just on direct federal spending, as has been included in the ANES and GSS—and analyzed—for years, but also on "indirect" spending in the form of tax expenditures (tax breaks for employer-provided health and retirement benefits, excess medical expenses, home mortgage interest, and charitable contributions; the preferential rate on unearned income [that is, the lower rate on capital gains and dividends; I analyze investment taxes both as taxes and as tax breaks]; and the Child Tax Credit [CTC] and EITC). Moreover, the timing of these surveys allows me to delve into attitudes at moments when taxes were not explicitly on the agenda, as was the case with earlier examinations of tax attitudes that focused on the late 1970s' tax revolt or Bush tax cuts. These CCES surveys were conducted when elite discourse was quieter. And I have data in hand from both the Barack Obama and Donald Trump presidencies as well as the Gallup and GSS items on the federal income tax back to 1947. Variation in party control of the presidency is important because it affects some relationships (Republicans only say their federal income taxes are too high when the president is a Democrat), but not others (Black Americans are always more likely to say their income taxes are too high, regardless of who is president).

The book's appendix discusses the analytic approach and modeling choices, and contains question wording for all survey items utilized as well as some supplementary figures. An online appendix contains the variable coding and descriptive statistics, regression tables underlying the figures in the text, and some additional figures.

The Plan of the Book

Chapter 2 provides a thumbnail sketch of the American tax system to inform later analyses and findings. It describes why each revenue source was chosen, how it is designed (what is taxed, who is taxed, and where the money goes), and how each tax has changed over time. It describes the ways in which tax policy, especially at the federal level, has become more complex, and how the privileged have benefited from reduced rates and tax breaks that make the system less progressive. It also discusses the American tax system in cross-national context, how tax revenues are lower than in peer nations, and how both reliance on progressive taxes and tax complexity is greater in the United States.

Chapter 3 is the first of five empirical chapters that explore the nature of American public opinion about taxes, assessing various factors in tax attitudes and the toll taken by system complexity. It asks what attitudes toward different taxes would look like if people thought about them in terms of their material stakes. Chapter 3 explores two barriers to the operation of self-interest: the obscuring effects of tax designs and effect of low information levels. The rich know a great deal about taxes and have little difficulty performing self-interested cost-benefit analyses. For everyone else, the story is quite different. With a few exceptions, attitudes do not vary across taxes in expected ways with regard to objective costs and benefits. Chapter 4 continues the investigation of self-interest by examining variation across individuals, with similar results: those individuals who pay more do not necessarily have more negative tax attitudes. Figures 1.1 and 1.2 offer a preview of these findings. For both the progressive federal income tax and regressive state sales tax, income, a leading indicator of stake in tax policy, is not correlated with the perceived fairness of the taxes or a desire to see them reduced.

Chapter 5 turns to the main alternatives to self-interest as an explanatory factor in attitudes: partisanship and ideology. These symbolic political attachments are usually highly correlated with individuals' policy preferences. Given that taxes are a principal factor in the size and role of government, we might imagine that tax attitudes vary significantly by party and ideology too. As with self-interest, however, the results are unexpected. Sometimes tax attitudes differ between Republicans and Democrats, conservatives and liberals, but often they do not. We see these inconsistencies in figures 1.1 and 1.2. Among all respondents, independents and Republicans are more likely than Democrats to say that the federal income tax is unfair and should be decreased, all things

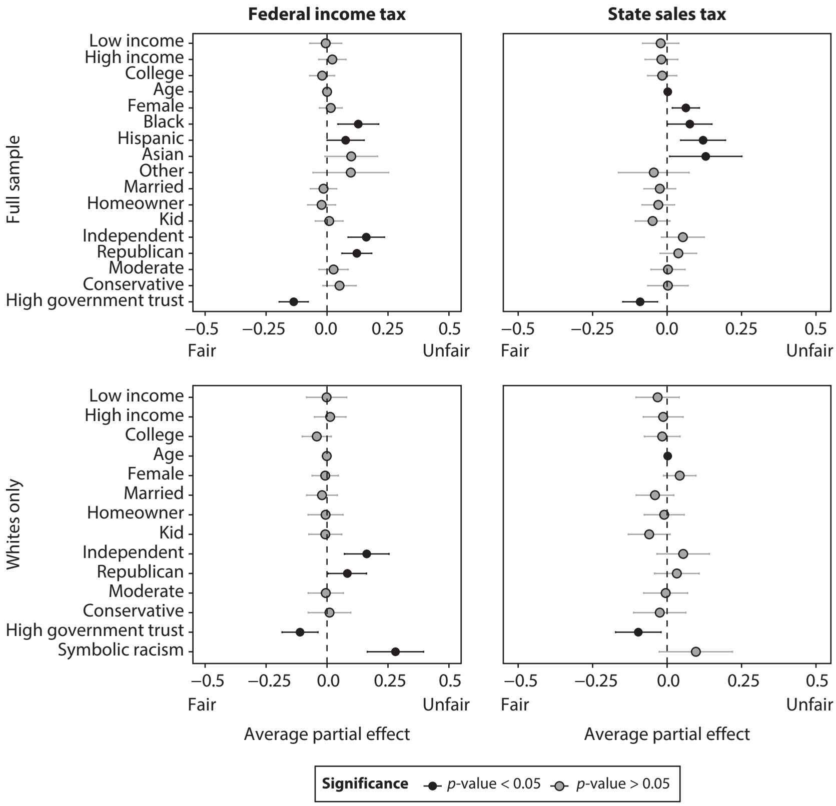

FIGURE 1.1 Correlates of Tax Unfairness
Note: Outcome coded so that tax very unfair is high. Average partial effects from ordinary least squares models. High income is the top quintile. Reference group for party identification is Democrat; for ideology, it is liberal.
Source: 2016 CCES.

being equal. But moderates and conservatives only differ from liberals in their desire to see the tax decreased, not in their fairness evaluation. And consider the sales tax. Partisanship and ideology bear no relationship to sales tax attitudes. We will see that pattern repeatedly: when partisans differ in their opinions, it's over progressive taxes; on regressive taxes, not so much. The other common pattern in descriptive data is that many political independents harbor strong antitax feelings, as do large shares of Democrats. These similarities help undercut partisanship as a correlate of tax attitudes. Politically they mean that the Republican Party has much to gain from an antitax stance, garnering support from its own partisans, a fair share of Democrats, and a

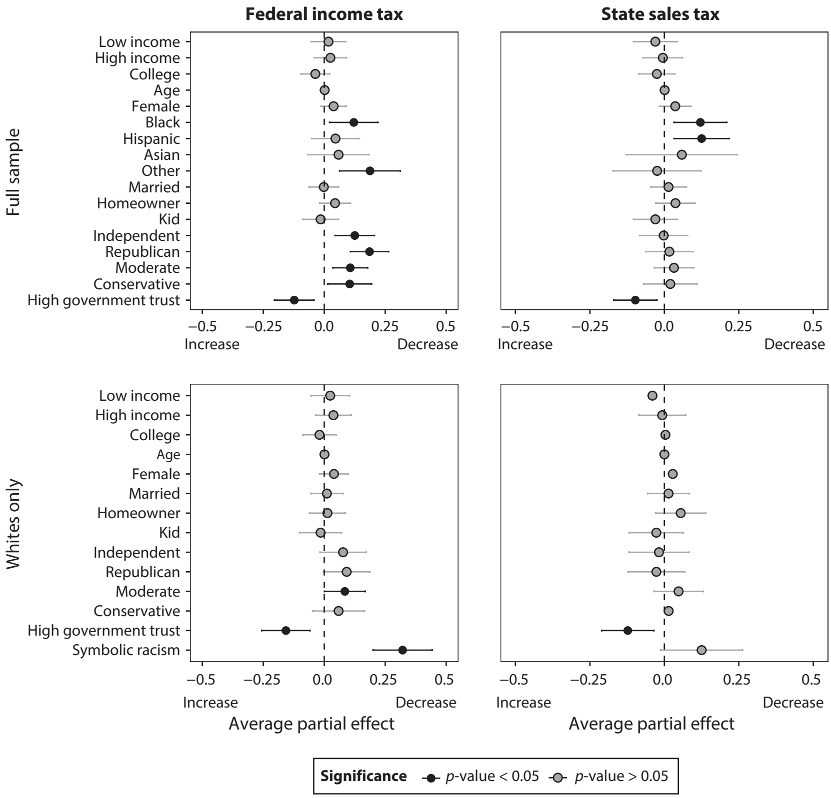

FIGURE 1.2 Correlates of Tax Change Preferences
Note: Outcome coded so that decrease tax is high. Average partial effects from ordinary least squares models. High income is the top quintile. Reference group for party identification is Democrat; for ideology, it is liberal.
Source: 2016 CCES.

large share of independents, who are even more antitax than Republicans on average.

If self-interest and symbolic attachments had inconsistent relationships to tax attitudes in chapters 3, 4, and 5, chapters 6 and 7 demonstrate the powerful associations between race and tax attitudes. Among white Americans, the symbolic attachment of racial resentment is strongly and consistently associated with tax attitudes. From previous work we knew that federal spending attitudes are strongly correlated with racial resentment. This chapter reveals that attitudes toward both taxes and tax expenditures are strongly associated with racial resentment as well. Figures 1.1 and 1.2 show that among whites, those who are more racially resentful are much more likely than others to deem the federal income tax unfair and in need of a decrease, even above and beyond other demographic and political factors as well as government trust. Symbolic racism is not a statistically significant correlate of sales tax opinion—the only tax for which that is the case. Over and over again, we will see a strong relationship between racial resentment and views on federal spending, taxes, and tax expenditures. They all have a similar attitudinal structure. The issue for tax politics is that racial resentment is chronically available in the United States, not only due to the nation's sorry racial history, but also to the active efforts of political elites, especially on the Right, to connect race, social spending, and taxes together in white Americans' minds.[15] These sinister—and cynical—stratagems take advantage of the nature of attitudes among the non-rich and help lawmakers achieve tax reduction for the economic elites who support them.

Chapter 7 examines the tax attitudes of Black and Hispanic Americans. Normally Black Americans hold more progovernment attitudes than whites. But Black Americans are more likely to say nearly every tax is unfair. In figures 1.1 and 1.2, we see that Black Americans are more likely than whites to say the federal income and sales taxes are unfair, and need to be decreased. The distinctiveness of Black (and often Hispanic) opinion will be found on both progressive and regressive taxes. Some of the few groups that otherwise support a strong role for government are punished at the hands of government in tax policy as in other policy areas.

Chapter 8 summarizes the book's findings and contemplates the lessons of the book's analyses for future tax reforms. Many of the pathologies of American politics are reflected in and exacerbated by tax policy. In combating progressive taxation, economic elites get a two-for-one deal with tax expenditures. These provisions lower their taxes yet simultaneously confuse and anger the public, undercutting the public's ability to see their true stakes and creating antitax sentiment that elites can harness for their own further tax-cutting purposes. The role of race also complicates reform of the nation's revenue system. To consider one example, peer nations use regressive VATs to fund expansive human capital and infrastructure investments (VAT is a consumption tax imposed on the value added in each stage of the production of a good or service).[16] On the one hand, regressive taxes are more popular than progressive taxes among the American public (one of the departures from self-interest that the book reveals). Perhaps the United States too could raise more revenues with a national consumption tax. On the other hand, the long history of elite-fanned linkages between taxes, spending, and race makes such a regressive tax–progressive spending bargain unlikely in the United States: the role of race undercuts the possibilities for increased redistributive spending. In these and many other ways, the design of tax policies shapes public opinion, which in turn constrains the possibilities for policy reform.

Finally, a brief word about government trust. The empirical chapters focus on self-interest, partisanship and ideology, and race and racism. As is clear from figures 1.1 and 1.2, trust in government is a strong correlate of tax attitudes as well: those who trust government more are less likely to deem taxes as unfair or in need of a decrease (the relationship exists for other taxes besides the two shown here).[17] This makes sense: if one trusts government, one is more sanguine about handing over one's hard-earned dollars to fund its operations. Scholars have long argued that government trust is a facilitating factor in policymaking as it shapes the openness of citizens to government activity. Individuals are more supportive of government policy—more willing to give government action a chance—when they are more trusting.[18] One consequence of the enormous decline in the United States in government trust since the 1960s is that low trust makes taxation more difficult.[19] Because government trust is so proximate to tax attitudes, I do not feature a separate chapter on it. But I do include it in all the empirical models in which it is available. Thus the effects that I show for partisanship, race, or racial resentment are above and beyond government trust. That is, when independents, Black Americans, or racially resentful whites say a tax is unfair compared to their Democratic, white, or racially sympathetic counterparts, it's not merely because they are less trusting of government.

INDEX

Note: Page numbers followed by an italicized *f* or *t* indicate figures or tables on that page. Page numbers followed by an n indicate notes.