

TO: Interested Parties
FROM: Guy Molyneux
DATE: August 27, 2020
RE: New Yorkers' Support for New Taxes on High Incomes

From August 12 to 18, 2020, Hart Research Associates conducted a survey among 663 registered New York voters assessing their priorities for addressing the state's budget deficit, including their support for increasing revenue by raising taxes on high-income individuals and families. This memo reports the survey's key findings.

An overwhelming majority of New York voters favor passing legislation that would address the state budget shortfall by raising taxes on incomes over \$550,000.

- A remarkable 87% of voters support legislation that would raise the state income tax rate on income over \$550,000 per year, creating progressively higher tax rates from 7.9% to 11.8% for higher income brackets. A 52% majority strongly approve of this policy.
- Starting higher tax rates at the \$550,000 level is essentially as popular as setting higher thresholds of \$1,000,000 (90%) or \$5,000,000 (88%).
- Support crosses partisan lines and is found in all parts of the state:
 - Democrats (92%), Republicans (82%), and unaffiliated voters (80%) all embrace higher rates starting at \$550,000.
 - Voters in New York City (87%), the New York suburbs (88%), and upstate (86%) all voice equal support for the proposal.

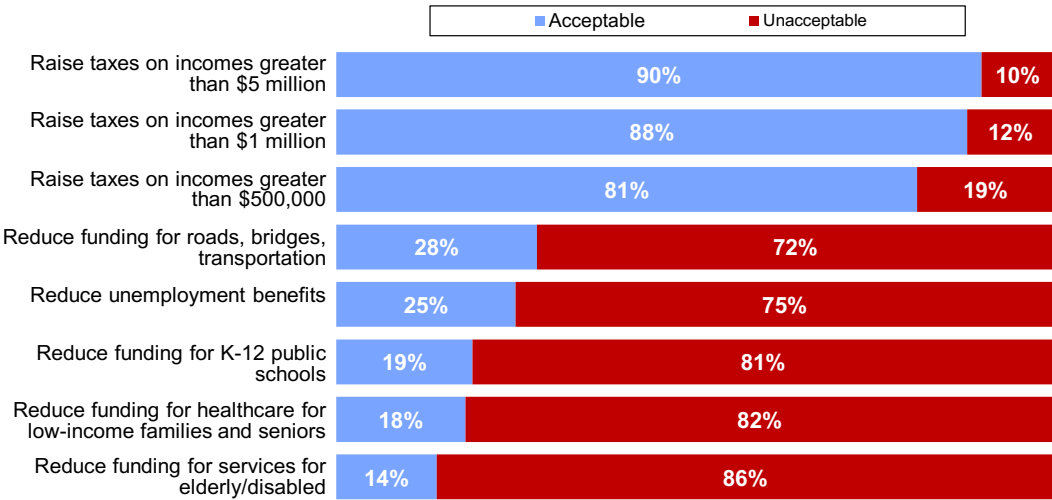
Raising Income Taxes on High Incomes

	<u>Favor</u> %	<u>Oppose</u> %
Raise the state income tax rate on income <u>over \$550,000 per year</u> , with progressively higher tax rates from 7.9% to 11.8% on these income brackets: \$550,000 to \$1 million, \$1 million to \$5 million, \$5 million to \$10 million, \$10 million to \$100 million, and over \$100 million	87	13
Raise the state income tax rate on income <u>over \$1 million per year</u> , with progressively higher tax rates from 9.6% to 11.8% on these income brackets: \$1 million to \$5 million, \$5 million to \$10 million, \$10 million to \$100 million, and over \$100 million	90	10
Raise the state income tax rate to 10.9% on income <u>over \$5 million per year</u>	88	12

Large majorities of New York voters also favor applying a new tax to luxury homes and apartments and taxing the appreciation of wealthy families’ assets each year.

- Fully 93% of voters statewide also support a proposal to apply a new tax on luxury homes and apartments in New York City that are worth over \$5 million and are not a family’s primary residence.
- Four in five (81%) voice support for taxing any increase in the value of a person’s financial assets each year, if they have a net worth above \$1 billion, regardless of whether they sell the asset.

Raising Taxes on Wealthy is Acceptable, But Not Cutting Services



Voters express clear priorities for addressing the state’s expected budget shortfall: raise taxes on those with high incomes instead of cutting essential services.

- When we present voters with a range of actions that state leaders might take to address the budget deficit, they consistently consider raising taxes on high-income New Yorkers to be an acceptable solution. More than 80% say that raising taxes on people with incomes over \$500,000 (81%), over \$1 million (89%), or over \$5 million (90%) would be *acceptable* steps for closing the deficit. Again we see that, above the \$500,000-per-year level, voters do not seem to discriminate between various threshold amounts for raising tax rates.
- By contrast, voters consistently reject cuts in funding for services as *unacceptable*, including services for the elderly and persons with disabilities (86% *unacceptable*), healthcare (82%), K-12 schools (81%), unemployment benefits (75%), and infrastructure (72%).

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By 40 points, voters reject the claim that these tax measures will not raise the revenue New York needs because high-income people will leave the state.

- Just 30% agree with this argument against taxing high incomes, while 70% believe shared sacrifice is needed today.
 - *New York cannot raise the revenue it needs just by taxing a few very wealthy families. Many successful New Yorkers will just move to New Jersey, Connecticut, or another state to avoid new taxes, and businesses will be less likely to come here. These taxes will hurt our economy without raising much revenue. (30% agree)*
 - *The pandemic has hit poor and working people the hardest—they are more likely to get the disease, more likely to lose their jobs, and more likely to work dangerous jobs on the front lines. In this crisis we need shared sacrifice, which includes asking the wealthiest to pay slightly higher taxes so services aren't slashed. (70% agree)*