



DATA FOR *PROGRESS*

The Billionaire Minimum Income Tax Is Popular

By Jason Katz-Brown

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Key Findings

- Two-thirds of likely voters, including 53 percent of Republicans, think billionaires should be paying more in taxes.
- Less than half of voters understand that no tax is owed on investment gains if the investment is not sold.
- Taxing billionaires' full income, including investment gains, as in President Biden's Billionaire Minimum Income Tax, is very popular: 59 percent of voters support an outline of the proposal, compared to only 31 percent opposed. Even Republicans support it.
- This support is robust: After hearing arguments against the Billionaire Minimum Income Tax, only 14 percent of supporters are persuaded to oppose the proposal. In contrast, after hearing arguments in favor of the proposal, 34 percent of opponents are persuaded to support it.

Introduction

As President Biden puts it, his budget “rewards work, not wealth.”

“America’s imbalanced tax code means that many millionaires and billionaires end up paying lower tax rates than middle class workers. In 2021 alone, America’s more than 700 billionaires saw their wealth increase by \$1 trillion, yet in a typical year, billionaires like these would pay just 8 percent of their total realized and unrealized income in taxes. A firefighter or teacher can pay double that tax rate.”

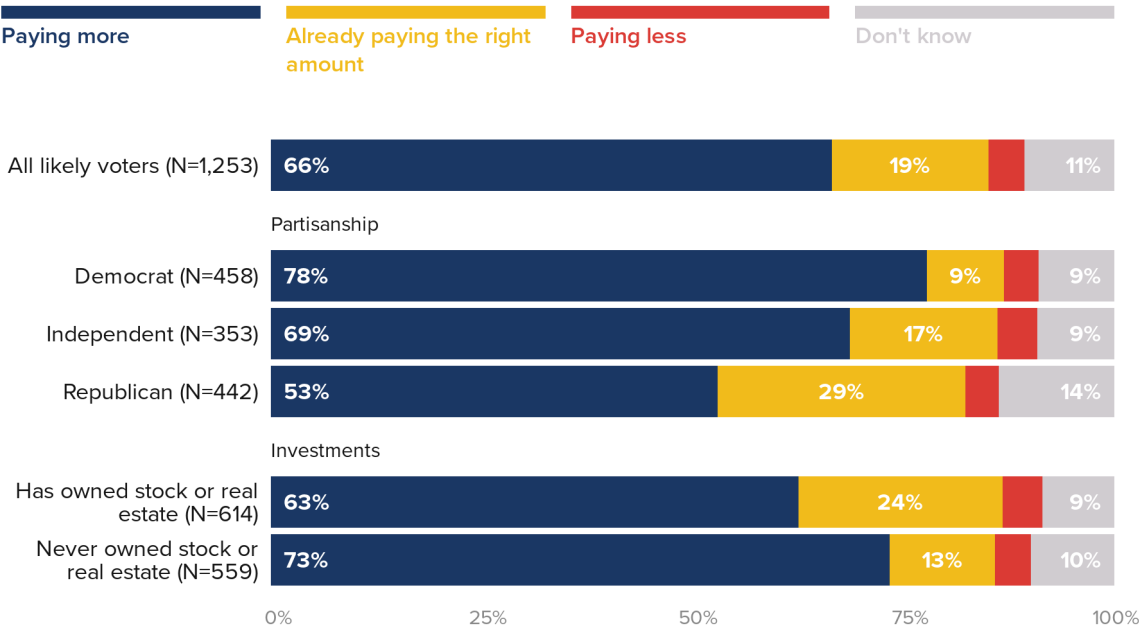
In an April 2022 [national survey](#), Data for Progress explored voters’ understanding of how income is taxed and gauged support of President Biden’s new plan, the Billionaire Minimum Income Tax.

First, we find that 66 percent of likely voters, including 53 percent of Republicans, think American billionaires should pay more in taxes, while only 4 percent think billionaires should pay less in taxes. (This replicates our [previous polling](#).)

There is bipartisan consensus that billionaires should pay more in taxes — but why are billionaires’ apparent tax rates so low in the first place?

Voters Think Billionaires Should Pay More in Taxes

Do you think that American billionaires should be paying more or less in taxes – or are they already paying the right amount?



April 1–4, 2022 survey of 1,253 likely voters

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Voters Have a Limited Understanding of How Investment Gains Are Taxed

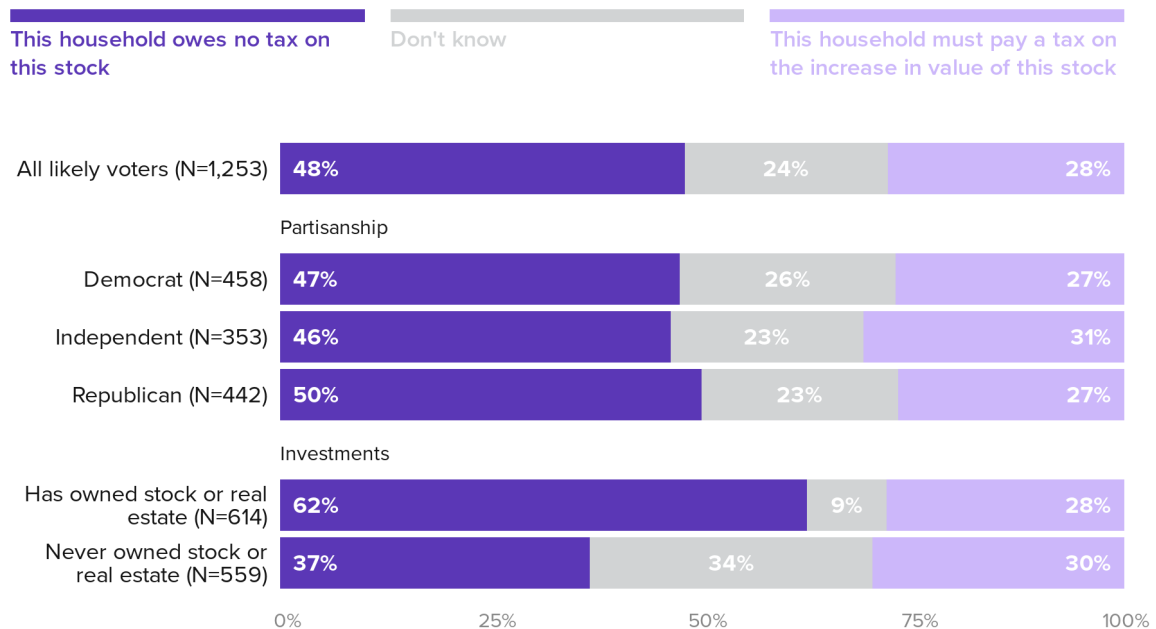
Let's imagine a household that owns stock that increases in value during the year. The household does not sell the stock and continues holding it through the end of the year. Must this household pay a tax on the increase in value of this stock?

This hypothetical household owes no tax on this stock, because no tax is owed on gains in investments like stock and real estate until one sells them. However, we find that only 48 percent of likely voters are able to correctly answer this question.

Grasping the intricacies of how investments are taxed (or not taxed, in this example of “unrealized capital gains”) is especially challenging when one has never owned investments like stock or real estate. Among those in our sample who have never owned stock or real estate, only 37 percent correctly answer that no tax is owed on stock gains, compared to 62 percent of real estate and stock holders.

Voters Do Not Understand How Investment Gains Are (Not) Taxed

Let's imagine a household that **owns stock that increases in value** during the year. The household **does not sell the stock** and continues holding it through the end of the year. What best describes your understanding of the yearly tax owed by this household?



April 1–4, 2022 survey of 1,253 likely voters

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This aspect of the tax code is part of why America’s billionaires pay just 8 percent of their full income in taxes in a typical year — they only pay taxes when they sell, and they avoid selling. Addressing this issue is one way to ensure billionaires pay more tax in a year like 2021, when they increased their wealth by \$1 trillion largely through gains in their corporate stock holdings.

Taxing All Income, Including Investment Gains, Is Popular

In March, President Biden [proposed a Billionaire Minimum Income Tax](#), which would introduce a tax on all income, including investment gains — even when those investments are not sold:

“For too long, our tax code has rewarded wealth, not work, and contributed to growing income and wealth inequality in America. Under current law, when an American worker earns a dollar of wages, that dollar is taxed as they earn it. But when a billionaire earns income because their investments increase in value, that gain is too often never taxed at all...

The Billionaire Minimum Income Tax will ensure that the very wealthiest Americans pay a tax rate of at least 20 percent on their full income, including unrealized appreciation. This minimum tax would make sure that the wealthiest Americans no longer pay a tax rate lower than teachers and firefighters. ...

In effect, the Billionaire Minimum Income Tax payments are a prepayment of tax obligations these households will owe when they later realize their gains. This approach means that the very wealthiest Americans pay taxes as they go, just like everyone else, and eliminates the inefficient sheltering of income for decades or generations.”

Data for Progress polled this proposal and attempted to simulate an environment where voters hear arguments for and against the Billionaire Minimum Income Tax. First, we described how capital gains are currently taxed and asked voters if they support a proposal in which households worth more than \$100 million would pay taxes on all of their income, including the increase in value of assets like corporate stock whether or not the asset is sold. We find that voters support this by a +20-point margin.

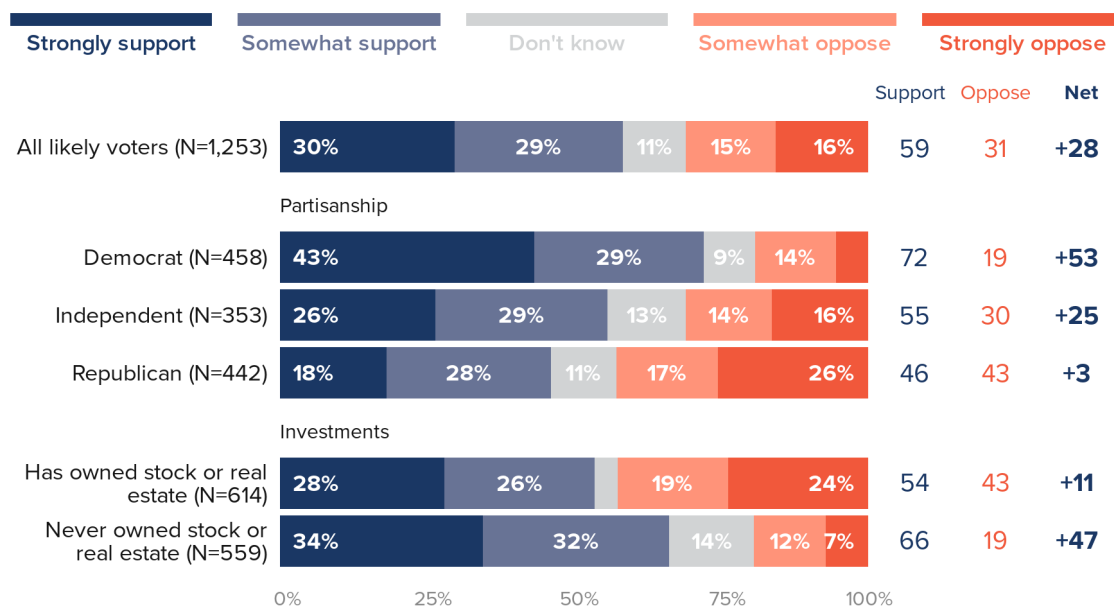
Next, we went into more detail, noting that gains are currently not taxed when passed on to heirs and that the Billionaire Minimum Income Tax is a 20 percent minimum tax that would apply only to the 20,000 wealthiest households. We find that support for the tax increases to a +28-point margin of support, including a +3-point margin among Republicans.

Voters Strongly Support the Billionaire Minimum Income Tax

Investment income that comes from an increase in the value of assets like corporate stock is currently taxed only when the asset is sold. And when these assets are passed on to heirs, the gains will never be taxed.

Some officials are proposing that households worth over \$100 million pay a minimum 20% tax on all of their income, including all gains in investments, even if those assets aren't sold. This would apply only to the 20,000 wealthiest households.

Do you support or oppose this proposal requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock?



April 1-4, 2022 survey of 1,253 likely voters

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Support for the Billionaire Minimum Income Tax Is Robust

Finally, we divided respondents into two groups: Supporters of the tax were shown arguments against the tax and opponents of the tax were shown arguments for it. We find that support for the proposal is robust: After hearing arguments against the proposal, only 14 percent of supporters are persuaded to oppose it. In contrast, after hearing arguments for the proposal, 34 percent of opponents, including 26 percent of Republicans, are persuaded to support it.

Thus, we find that after hearing arguments for and against, likely voters support the Billionaire Minimum Income Tax by a +30-point margin, including a +3-point margin among Republicans.

(Asked of respondents who answered “Strongly support” or “Somewhat support”)

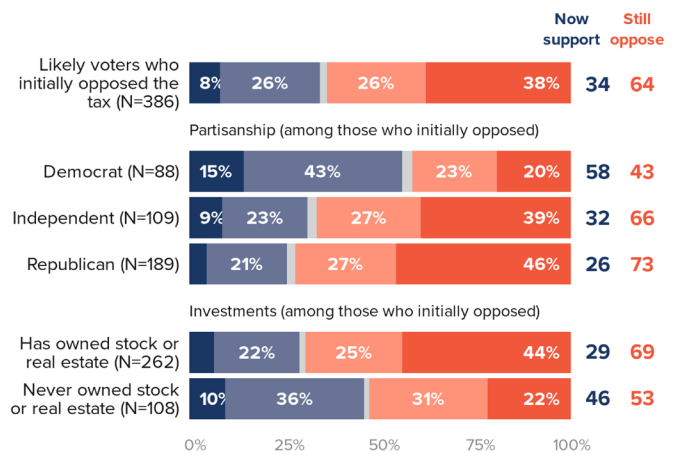
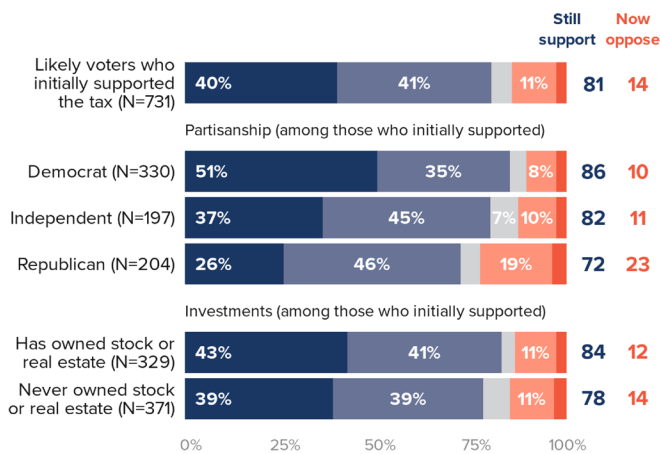
Some say that taxing billionaires’ income from investments such as corporate stock would be a giant tax increase that will strangle the economy by taking money away from job creators. The taxes will go to wasteful government spending that will lead to increased debt and inflation. This new tax would enormously complicate the tax code and create huge investment distortions. And these new taxes always start out applying to a few and then spread to millions. Furthermore, some legal experts say this tax proposal will be declared unconstitutional by the Supreme Court.

Knowing what you know now, do you support or oppose requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock?

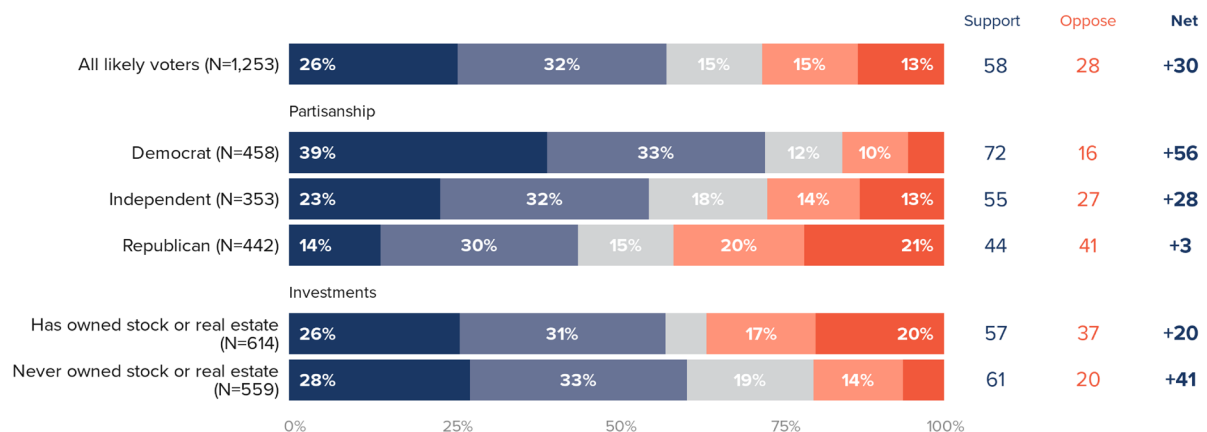
(Asked of respondents who answered “Strongly oppose” or “Somewhat oppose”)

Some say that taxing billionaires’ full income would make the tax code fairer, requiring America’s wealthiest households to pay as they profit each year, just as workers pay as they earn their wages. In a typical year, billionaires pay an average of just 8 percent of their total income in taxes, while a firefighter or teacher can pay double that tax rate. Furthermore, the ultra-wealthy can use cheap loans backed by their stocks to avoid selling assets and paying taxes on their investment gains. Once they pass along the gains to their heirs, those gains wind up never being taxed.

Knowing what you know now, do you support or oppose requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock?



(All respondents merged back together after messaging)



Conclusion

Most voters don't understand that wealthy Americans don't pay taxes as they profit on investment gains. Taxing all income, including investment gains, as President Biden's Billionaire Minimum Income Tax would do, is popular, and becomes more popular as voters learn about it. In addition to righting fundamental unfairness in the federal tax code, our polling shows that the Billionaire Minimum Income Tax is a political winner, with support robust to attacks and debate.

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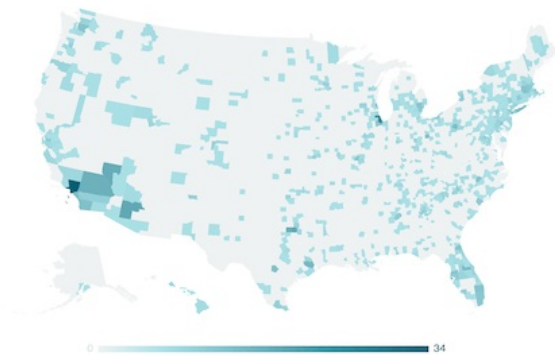
Appendix: Methodology and Full Results

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From April 1 to 4, 2022, Data for Progress conducted a survey of 1,253 likely voters nationally using web panel respondents. The sample was weighted to be representative of likely voters by age, gender, education, race, and voting history. The survey was conducted in English. The margin of error is ± 3 percentage points.

Characteristics of weighted sample:

Democrat 37% Independent 28% Republican 35%
Male 47% Female 53%
Over-45 65% Under-45 35%
College 39% No College 61%
White 74% Black 11% Asian 3% Other race 2% American Indian or Alaska Native 1%
Latino/a 12%
Do you approve or disapprove of the way Joe Biden is handling his job as president? 44% Approve 54% Disapprove



NB: subgroups with a n-size less than 50 (<50) are not shown on these cross-tabs. We choose not to display $N < 50$ subgroups because the sample is too small to have statistical significance. We did, however, take samples of these subgroups for representational and weighting purposes to accurately reflect the electorate makeup. Some values may not add up to 100 due to rounding.

N=1,253 unless otherwise specified.

[1] What best describes you?

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
I've never owned or sold any investments like stocks or real estate	45	47	52	37	55	33	55	39	57	25	58	42	49	0	100
I've owned or sold investments like stocks or real estate	49	45	45	56	35	64	36	56	35	71	34	53	37	100	0
Don't know	6	8	3	7	9	3	9	5	8	4	8	5	14	0	0
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559

[2] Let's imagine a household that **owns stock that increases in value** during the year. The household **does not sell the stock** and continues holding it through the end of the year. What best describes your understanding of the yearly tax owed by this household?

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
This household owes no tax on this stock	48	47	46	50	37	60	40	52	40	61	34	51	42	62	37
This household must pay a tax on the increase in value of this stock	28	27	31	27	30	26	34	25	30	25	37	26	34	28	30
Don't know	24	26	23	23	33	14	26	23	30	14	28	24	24	9	34
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559

[3] Do you think that American billionaires should be paying more or less in taxes — or are they already paying the right amount?

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
Paying more	66	78	69	53	69	64	62	69	65	68	65	67	56	63	73
Already paying the right amount	19	9	17	29	15	23	20	18	17	21	17	19	22	24	13
Paying less	4	4	5	4	4	4	6	3	5	3	7	4	5	5	4
Don't know	11	9	9	14	12	9	12	10	12	8	11	10	16	9	10
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559

[4] Currently, people pay federal taxes on their income from wages each year. They do not pay taxes on their income from investments, such as corporate stock, unless they sell the asset. Some officials are proposing that households worth more than \$100 million pay taxes on all of their income, including the increase in value of assets like corporate stock whether or not the asset is sold.

Do you support or oppose this proposal?

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
Strongly support	25	37	21	17	28	23	24	26	27	23	24	26	21	22	31
Somewhat support	29	33	29	26	32	27	32	28	31	27	36	28	29	28	31
Somewhat oppose	15	11	16	18	14	15	14	16	13	17	14	16	13	17	13
Strongly oppose	19	8	22	28	12	27	14	21	14	26	11	20	21	28	10
Don't know	11	11	12	12	15	8	15	9	15	6	15	11	16	4	15
SUPPORT (TOTAL)	54	70	50	43	60	50	56	54	58	50	60	54	50	50	62
OPPOSE (TOTAL)	34	19	38	46	26	42	28	37	27	43	25	36	34	45	23
SUPPORT (NET)	+20	+51	+12	-3	+34	+8	+28	+17	+31	+7	+35	+18	+16	+5	+39
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559

[5] Investment income that comes from an increase in the value of assets like corporate stock is currently taxed only when the asset is sold. And when these assets are passed on to heirs, the gains will never be taxed.

Some officials are proposing that households worth over \$100 million pay a minimum 20% tax on all of their income, including all gains in investments, even if those assets aren't sold. This would apply only to the 20,000 wealthiest households.

Do you support or oppose this proposal requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock?

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
Strongly support	30	43	26	18	32	27	26	31	30	29	32	30	20	28	34
Somewhat support	29	29	29	28	32	25	31	27	31	25	36	28	28	26	32
Somewhat oppose	15	14	14	17	13	18	17	15	13	18	13	15	17	19	12
Strongly oppose	16	5	16	26	10	22	11	18	11	22	7	18	15	24	7
Don't know	11	9	13	11	14	7	15	8	14	6	13	9	20	4	14
SUPPORT (TOTAL)	59	72	55	46	64	52	57	58	61	54	68	58	48	54	66
OPPOSE (TOTAL)	31	19	30	43	23	40	28	33	24	40	20	33	32	43	19
SUPPORT (NET)	+28	+53	+25	+3	+41	+12	+29	+25	+37	+14	+48	+25	+16	+11	+47
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559

[6] (Asked of respondents who answered "Strongly support" or "Somewhat support") Some say that taxing billionaires' income from investments such as corporate stock would be a giant tax increase that will strangle the economy by taking money away from job creators. The taxes will go to wasteful government spending that will lead to increased debt and inflation. This new tax would enormously complicate the tax code and create huge investment distortions. And these new taxes always start out applying to a few and then spread to millions. Furthermore, some legal experts say this tax proposal will be declared unconstitutional by the Supreme Court.

Knowing what you know now, do you support or oppose requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock? (N=731)

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
Strongly support	40	51	37	26	38	43	35	42	36	46	33	40	43	43	39
Somewhat support	41	35	45	46	41	41	44	39	41	40	40	42	36	41	39
Somewhat oppose	11	8	10	19	13	10	12	11	13	9	12	11	15	11	11
Strongly oppose	3	2	1	4	3	2	3	2	2	3	8	2	4	1	3
Don't know	5	4	7	5	6	4	7	5	8	2	8	5	3	4	7
SUPPORT (TOTAL)	81	86	82	72	79	84	79	81	77	86	73	82	79	84	78
OPPOSE (TOTAL)	14	10	11	23	16	12	15	13	15	12	20	13	19	12	14
SUPPORT (NET)	+67	+76	+71	+49	+63	+72	+64	+68	+62	+74	+53	+69	+60	+72	+64
Weighted N	731	330	197	204	423	308	254	476	466	265	96	536	75	329	371

[7] (Asked of respondents who answered "Strongly oppose" or "Somewhat oppose") Some say that taxing billionaires' full income would make the tax code fairer, requiring America's wealthiest households to pay as they profit each year, just as workers pay as they earn their wages. In a typical year, billionaires pay an average of just 8 percent of their total income in taxes, while a firefighter or teacher can pay double that tax rate. Furthermore, the ultra-wealthy can use cheap loans backed by their stocks to avoid selling assets and paying taxes on their investment gains. Once they pass along the gains to their heirs, those gains wind up never being taxed.

Knowing what you know now, do you support or oppose requiring households worth over \$100 million to pay yearly taxes on all of their income, including the increased value of assets like corporate stock? (N=386)

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	White	Has owned stock or real estate	Never owned stock or real estate
Strongly support	8	15	9	5	12	6	10	7	11	5	6	7	10
Somewhat support	26	43	23	21	30	24	34	23	31	22	23	22	36
Somewhat oppose	26	23	27	27	27	25	26	26	27	25	27	25	31
Strongly oppose	38	20	39	46	28	44	30	42	30	45	42	44	22
Don't know	2	0	2	2	3	1	0	2	1	2	2	2	1
SUPPORT (TOTAL)	34	58	32	26	42	30	44	30	42	27	29	29	46
OPPOSE (TOTAL)	64	43	66	73	55	69	56	68	57	70	69	69	53
SUPPORT (NET)	-30	+15	-34	-47	-13	-39	-12	-38	-15	-43	-40	-40	-7
Weighted N	386	88	109	189	148	238	121	265	190	197	306	262	108

[8] (All respondents of previous three questions merged back together after messaging)

Response	Topline	Democrat	Independent / Third party	Republican	Female	Male	Under 45	45+	No College	College	Black or African American	White	Latino/a	Has owned stock or real estate	Never owned stock or real estate
Strongly support	26	39	23	14	27	25	23	27	25	27	26	25	27	26	28
Somewhat support	32	33	32	30	33	31	34	30	33	30	31	32	29	31	33
Somewhat oppose	15	10	14	20	14	15	14	15	14	15	15	15	13	17	14
Strongly oppose	13	6	13	21	8	19	10	15	9	20	10	15	10	20	6
Don't know	15	12	18	15	19	10	19	12	19	8	18	13	22	6	19
SUPPORT (TOTAL)	58	72	55	44	60	56	57	57	58	57	57	57	56	57	61
OPPOSE (TOTAL)	28	16	27	41	22	34	24	30	23	35	25	30	23	37	20
SUPPORT (NET)	+30	+56	+28	+3	+38	+22	+33	+27	+35	+22	+32	+27	+33	+20	+41
Weighted N	1,253	458	353	442	664	589	443	810	764	489	143	926	155	614	559