

## Tax Policies, Public Opinions

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Andrea Louise Campbell, [What Americans Think of Taxes](#), in **The New Fiscal Sociology: Taxation in Comparative and Historical Perspective** (Isaac William Martin ET AL. eds., 2009).

Before reading Andrea Campbell's recent book chapter, I relied mainly on two reference points for a mental framework of public opinion relating to taxes: Donald Duck and Pat Soldano. The famous [Disney cartoon shorts from the 1940s](#) aimed to convince a patriotic public that mass income taxes would help "Beat the Axis," thus smoothing the transition from a class-based income tax. Lobbyist and anti-estate tax crusader Pat Soldano, as Michael Graetz and Ian Shapiro tell it in their book *Death by a Thousand Cuts*, helped persuade America that repealing the estate tax would save hardworking family farms and businesses from the clutches of the federal government, making passage of the 2001 estate tax bill possible. In my mental model, Donald Duck stood for effective pro-tax government propaganda. Pat Soldano represented successful grassroots cultivation of anti-tax popular sentiment with the power to hold policymakers hostage, leaving them mainly with the escape hatch of debt financing. But how did we get from Donald to Pat?

Campbell, a political scientist at MIT, gives a more comprehensive, empirical picture of the evolution of American public opinion on taxation. She uses two data sources: Gallup and other poll data, starting in 1939, and political communication such as presidential campaign speeches. Her work suggests that "the dawn of mass taxation came with surprising calm," with data such as 1943 Gallup poll results showing that 78 percent of respondents thought their annual federal income tax due was "fair." Campbell also traces increased public resistance to taxes starting in the late 1960s. As she acknowledges, many developments contributed to this shift to anti-tax sentiment, including decreasing real after-tax income and growing public disapproval of government spending, for example on Vietnam and on social programs associated with racial divides. She offers empirics to illustrate the trend, such as coded political speech data demonstrating a generally upward trend in the frequency with which taxes were mentioned starting in 1968. The data extends to 2000 and later, and she includes an analysis of the increased correlation between a belief that one's taxes are too high and a decision to vote for a Republican candidate for President in the 1990s, when other factors are held constant.

But it is the data from the 1950s and 1960s that I found most interesting. Campbell reports, for example, that "the percentage of Americans saying their federal income taxes were too high fell . . . from 71 percent in 1952, to 46 percent in 1961." This result, remarkably, coincides with a period of high rates—for example, the top marginal rate between 1954 and 1963 was 91% and the lowest 20%. According to Campbell's data, the Kennedy-Johnson tax cut of 1964, which cut marginal individual income tax rates across the board by as much as 20%, was not presaged by big swings in public opinion about taxes or accompanied by significant public political rhetoric.

Campbell characterizes the prevailing public tax policy sentiment during the 1950s as "ambivalence." The data may also be consistent with satisfaction with the public benefits obtained in exchange for taxes, or with acceptance of the goal of a balanced federal budget. In any case, they are striking in light of other accounts of contemporaneous elite tax policy debate, which engaged the tensions between fiscal conservatism and Keynesian policies, base broadening and tax expenditures, and equity and efficiency. (Campbell cites histories by W. Elliott Brownlee, [Dennis Ventry](#) and Julian Zelizer.) The public opinion data suggest a division between debates among policy making elites and public political discourse; one question is whether other indicators of public discussion about taxes, such as newspaper commentary, would also show such a divide.

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Campbell has a forthcoming book that will expand on her published chapter. It promises to add further to the discussion of how the American public used to think about taxes and how it came to adopt a visceral anti-tax viewpoint. Perhaps her work can also shed light on whether and how current public opinion might shift to accommodate fiscal crisis solutions that include (dare I say it) higher taxes.

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