

Memorandum

To: Interested Parties
 From: Tony Fabrizio & Bob Ward
 Date: February 14, 2025
 Re: BAF Economy & Tax Poll

Personal economic issues, especially the cost of living like groceries and healthcare, are top on the minds of voters in the most competitive Congressional Districts. They also prioritize, by a wide margin, helping working class families when it comes to changing tax policy. This context helps explain why extending tax credits that allow working families to afford premiums for health insurance they buy directly is supported by four out of five voters, and can significantly help Republicans, currently behind in these key districts, to win in the 2026 midterm elections.

Top Worry

Most voters (59%) in these key Districts are worried about their personal financial situation. That includes 61% of Swing Voters – those voters who don’t typically vote straight party tickets and often decide close election outcomes in Districts like these, and also a majority of Trump Voters (53%)

How worried are you about your personal financial situation?

	% Worried
All Voters	59%
Trump Voters	53%
Swing Voters	61%

The cost of living tops a list of worries among both Trump Voters and Swing Voters. Drilling down what types of costs worry voters most, Trump Voters rate groceries, taxes, and healthcare highest, while Swing Voters are most worried about groceries, healthcare, and utilities.

Which of the following worries you the most?

	All Voters	Trump Voters	Swing Voters
Cost of living	25	31	30
Government integrity.....	25	18	26
Personal freedoms	18	10	17
Security of the border	14	27	8
Public safety	6	5	5
The health of the environment.....	4	1	4
Foreign adversaries.....	2	2	2
Business environment.....	2	2	2
Not sure	4	3	6

*Thinking about the costs you pay for things, for each of the following please tell me how worried you are about your ability to afford it. (% **Worried**)*

	All <u>Voters</u>	Trump <u>Voters</u>	Swing <u>Voters</u>
Groceries.....	69	65	72
Healthcare.....	67	61	69
Taxes.....	63	65	65
Utilities	63	60	66
Gas.....	60	57	62
Housing.....	56	49	60
Debt payments	48	42	54
Education expenses	46	36	52
Vacations	45	38	47

Tax Priorities

Voters very clearly say that when it comes to changes in tax policy, helping working class families is their top priority. Both Trump Voters and Swing Voters prioritize working class families over the next closest group by more than 40-points.

When it comes to changes in tax policy, which of these is your top priority?

	All <u>Voters</u>	Trump <u>Voters</u>	Swing <u>Voters</u>
Helping working class families	63	64	66
Helping the poor	19	9	15
Helping small businesses.....	11	16	11
Helping the highest income earners .	1	3	1
Helping corporations	1	1	1
Unsure.....	5	6	7

Tax Policies

Seven tax policies that are in the mix in the current tax debate on the Hill were tested, yielding results that align with voter worries and priorities. The most supported tax policy, both overall and among Swing Voters, is to extend the expiring tax credits that allow working families to afford premiums for health insurance. This tax credit, aimed at the working class, is supported by four out of five voters, and is *strongly* supported by more than one in two voters.

Even among Trump Voters, the premium tax credits rank second, only narrowly behind support for their top choice of extending the 2017 Trump Tax Cuts and Jobs Act. Raising the per-child tax credit rated second overall and among Swing Voters, and third among Trump Voters.

*Congress will be debating changes in a number of tax policies over the next few months. For each of the following tax policies, please tell me whether you support or oppose the policy. **Support % (Net Support-Oppose)***

	<u>All Voters</u>	<u>Trump Voters</u>	<u>Swing Voters</u>
Extending the tax [a: credits / b: cuts] that allow working families to afford premiums for health insurance they buy directly, which will expire this year.	80 (+71).....	78 (+67) ...	78 (+66)
Expand the per child tax [a: credit / b: cut].	75 (+61).....	71 (+52) ...	70 (+55)
Raise the cap on the state and local tax deduction, called SALT. This is the amount of state income and local property taxes that can be deducted from federal income taxes.	57 (+34).....	64 (+44) ...	54 (+30)
Extending the Tax Cuts and Jobs Act President Trump signed in 2017, which will expire this year.	51 (+20).....	82 (+75) ...	48 (+17)
Extending the tax [a: credit / b: cuts] for U.S. built electric vehicles which will expire this year.....	42 (-3)	24 (-42).....	39 (-6)
Limiting the amount of mortgage interest that can be deducted.	39 (-4)	40 (-7).....	37 (-6)
Reduce the corporate income tax rate.....	34 (-19)	54 (+23) ...	30 (-24)

Raising the SALT deduction gets support from a majority (57%) of voters. Among Trump Voters, who support it by a 44-point margin, raising the SALT deduction trails the TCJA extension, the premium tax credits, and the per-child tax credit.

Extending the TCJA is supported by a 21-point margin, also receives majority support (51%), and is supported by a 17-point margin among Swing Voters.

The tax credit for U.S. made electric vehicles is polarizing, opposed by a 3-point margin overall, a 6-point margin among Swing Voters, and by a 42-point margin among Trump Voters.

Limiting the mortgage interest deduction is opposed by both Trump and Harris Voters.

Reducing the corporate income tax rate is opposed by a 19-point margin, and by a 24-point margin among Swing Voters. Trump Voters support this plan by 23-points, although it gets less support among this group than the TCJA extension, the premium tax credits, the per-child tax credit, and raising the SALT deduction.

Advantages for GOP?

Four of these policies were tested in the context of being supported by the Republican candidate for Congress: extending the healthcare premium tax credit, expanding the per-child tax credit,

reducing the corporate income tax rate, and extending the TCJA. Among these, the biggest advantage to the GOP comes from supporting the extension of the healthcare premium tax credits, moving a losing starting generic ballot margin of 5-points to a winning margin of 20-points, a net shift of 25-points.

Among Swing Voters, who started off supporting the Democratic candidate by 10-points, three of the policies shifted the ballot to the Republican’s favor, with the premium tax credit having the biggest impact. The candidate supporting the reduction in the corporate tax rate ends up losing to the Democrat by 3-points overall and among Swing Voters.

*If the Republican candidate for Congress supported _____, would you be more likely to vote for...? **Net GOP-Dem***

	<u>All Voters</u>	<u>Trump Voters</u>	<u>Swing Voters</u>
<i>Initial Generic House Ballot</i>	-5	+78	-10
Extending the tax [a: credits / b: cuts] that allow working families to afford premiums for health insurance they buy directly.....	+20	+84	+27
Expand the per child tax [a: credit / b: cut].	+12	+79	+19
Extending the Tax Cuts and Jobs Act President Trump signed in 2017.....	+7	+84	+10
Reducing the corporate income tax rate	-3	+70	-3

Tax Credit or Tax Cut

Are tax credits tax cuts, and do voters see a difference? Three of the tax policies tested involved tax credits: tax credits for health insurance premiums, the child tax credit, and tax credits for electric vehicles made in the U.S. For each the term “credit” was used in half of the interviews while the term “cut” was used in the half of the interviews. The A/B testing resulted in no significant difference for the premium tax credit or the child tax credit (which slightly favored the term “credit”), while the EV “tax credit” received more support than the EV “tax cut.”

*Congress will be debating changes in a number of tax policies over the next few months. For each of the following tax policies, please tell me whether you support or oppose the policy. **Support % (Net Support-Oppose)***

	<u>All Voters</u>	<u>(A) “Credit”</u>	<u>(B) “Cut”</u>
Extending the tax [a: credits / b: cuts] that allow working families to afford premiums for health insurance they buy directly, which will expire this year.	80 (+70)	80 (+70)	81 (+71)
Expand the per child tax [a: credit / b: cut].	75 (+61)	77 (+65)	72 (+57)
Extending the tax [a: credit / b: cuts] for U.S. built electric vehicles which will expire this year.....	42 (-3)	44 (+1)	40 (-8)

Political Environment

These 18 Congressional District, identified by the Cook Political Report as being the *Toss-Ups*, include eight districts held by Republicans (four freshmen), and ten held by Democrats (three freshman). Collectively, while essentially tied, the Democrat won these House races by 0.2-points, while Trump won them by 2.8-points.

Currently, the survey has the generic Democrat winning by 5-points, so the Republicans have to play catch-up. President Trump’s approval rating is 2-points under water. One advantage the Republicans in Congress have in these districts is that they are less negatively viewed than the Democrats in Congress.

As you may know, Congressional elections will be held next year. If the election for Congress were held today, would you be more likely to vote for (ROTATE) the Republican candidate or the Democratic candidate for Congress?

The Republicans41
The Democrats in Congress.....45

Do you approve or disapprove of the job Donald Trump is doing as President?

Approve47
Disapprove.....49

Would you say you have a favorable or unfavorable opinion of each of the following? If you have no opinion or have never heard of it, just say so.

Favorable %/Unfavorable % (Net Fav-Unfav)

The Republicans in Congress40/46 (-6)
The Democrats in Congress.....34/53 (-19)

Methodology

Fabrizio Ward surveyed 1,000 registered voters across eighteen Congressional Districts rated by the Cook Political Report as Toss-Ups. The survey was conducted February 11-13, 2025 via a mixed mode of interviewing, including 25% of interviews conducted by live interviewer calling landline phones, 35% live interviewer calling cell phones, and 40% of the interviews conducted online via text-to-web. The sample was sourced from the voter lists in these districts. The interviews were spread evenly across the districts. The margin of error for the full sample is ±3.1% at the 95% confidence level. The sample was weighted by gender, age, race/ethnicity, education, recalled 2024 vote to match registered voter targets based on voter file data, Census data, and 2024 election results.

The Districts surveyed included: AZ-01, AZ-06, CA-13, CA-45, CO-08, IA-01, ME-02, MI-07, NC-01, NE-02, NM-02, NY-04, OH-09, OH-13, PA-07, PA-10, TX-34, WA-03.