



MORNING CONSULT

American Farm Bureau

Polling Presentation

July 26, 2017

Key Points

- Voters overwhelmingly say passing a tax reform bill should be a top or important priority for Congress
- By a 3-1 margin, voters say U.S. tax system is unfair to farmers
- After learning about tax issues related to agriculture, two in three say farmers should be extended special tax considerations
- When it comes to reforming the tax code, voters especially favorable to family-owned businesses
- And, majorities support AFB priorities, including repealing the estate tax; decreasing capital gains taxes for farmland that is sold to the next generation; allowing farmers to deduct machinery purchases; and allowing farmers to average their income year-to-year

Methodology:

Morning Consult, on behalf of the American Farm Bureau, conducted an online survey of 1,996 registered voters from July 20 - July 24, 2017. Results from the full survey have a margin of error of +/- 2%.



Do voters prioritize tax reform, and which provisions are most important?

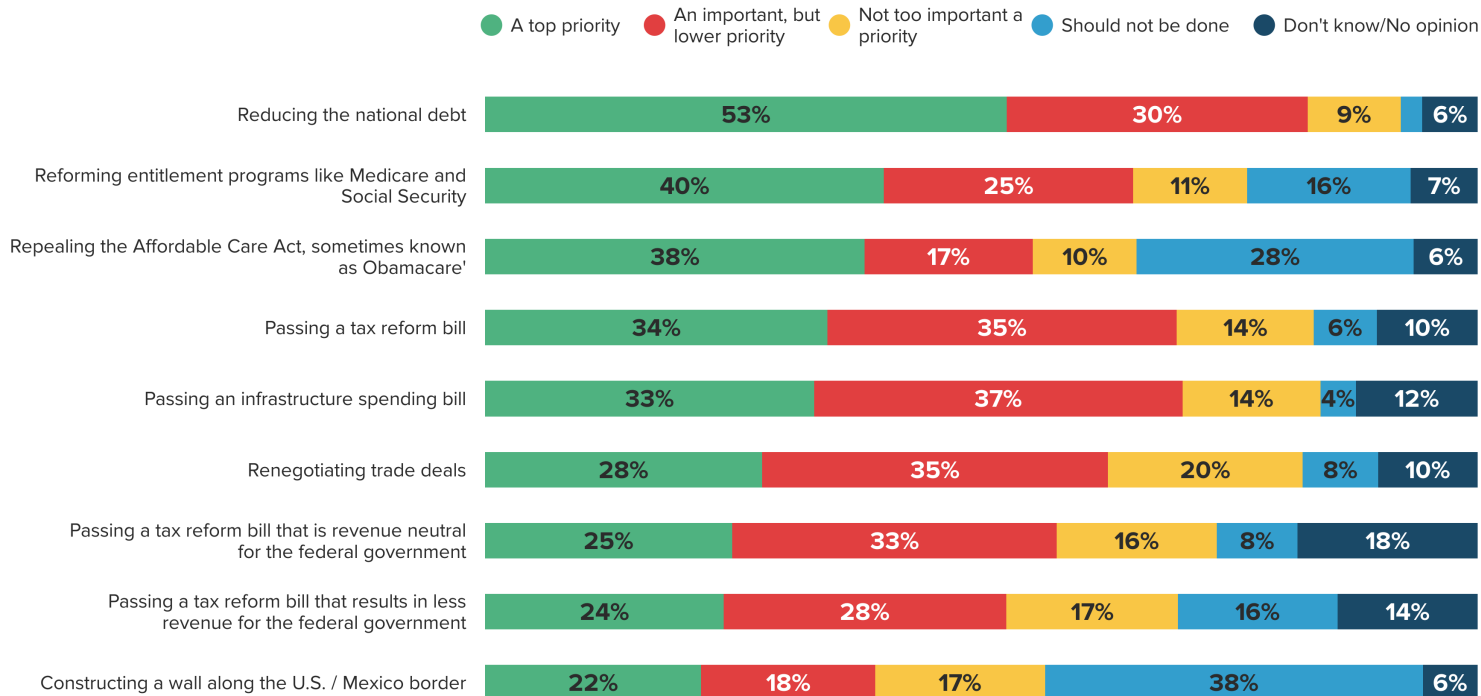
Do voters support AFB reform priorities that allow farmers and ranchers to operate most efficiently?

Should farmers and ranchers be extended special tax considerations?



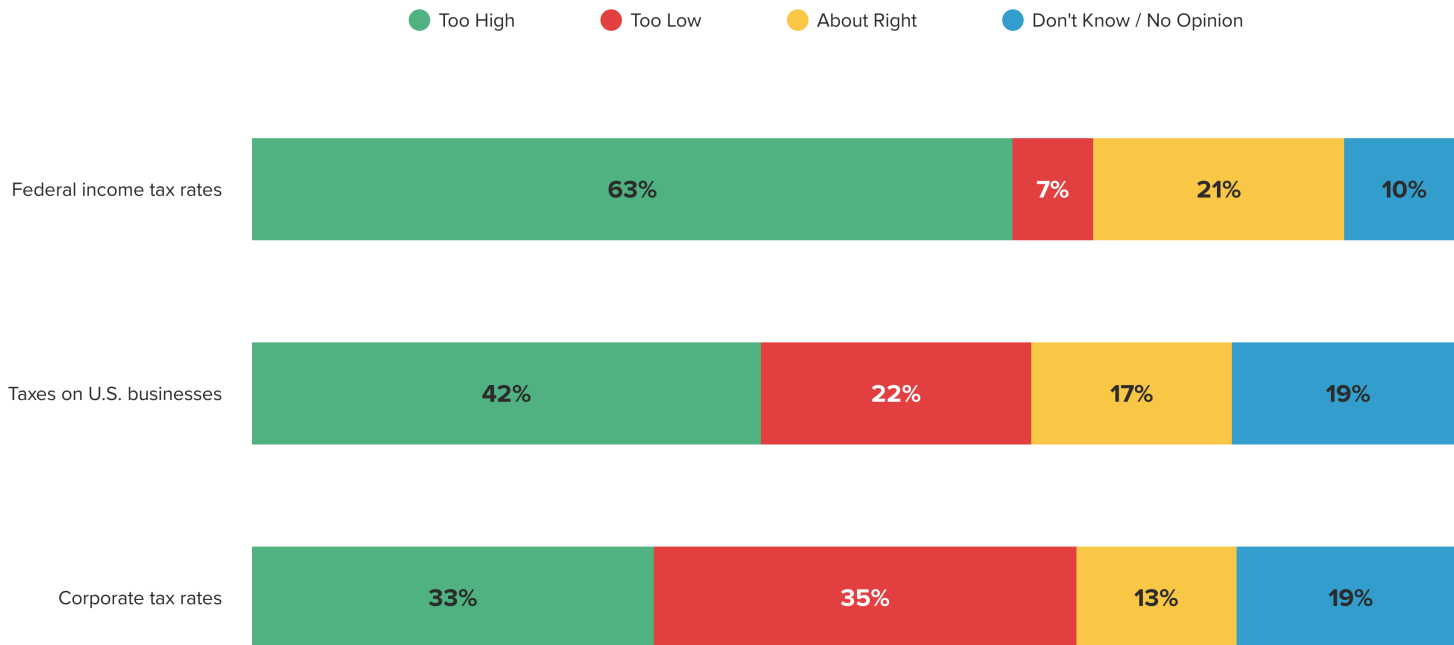
Seven in 10 Voters (69%) Say Passing a Tax Reform Bill Should Be Top or Important Priority

How important of a priority should each of the following be for President Trump and Congress?



Majority Say Federal Income Tax Rates are Too High; Plurality Say Same About Taxes on U.S. Businesses

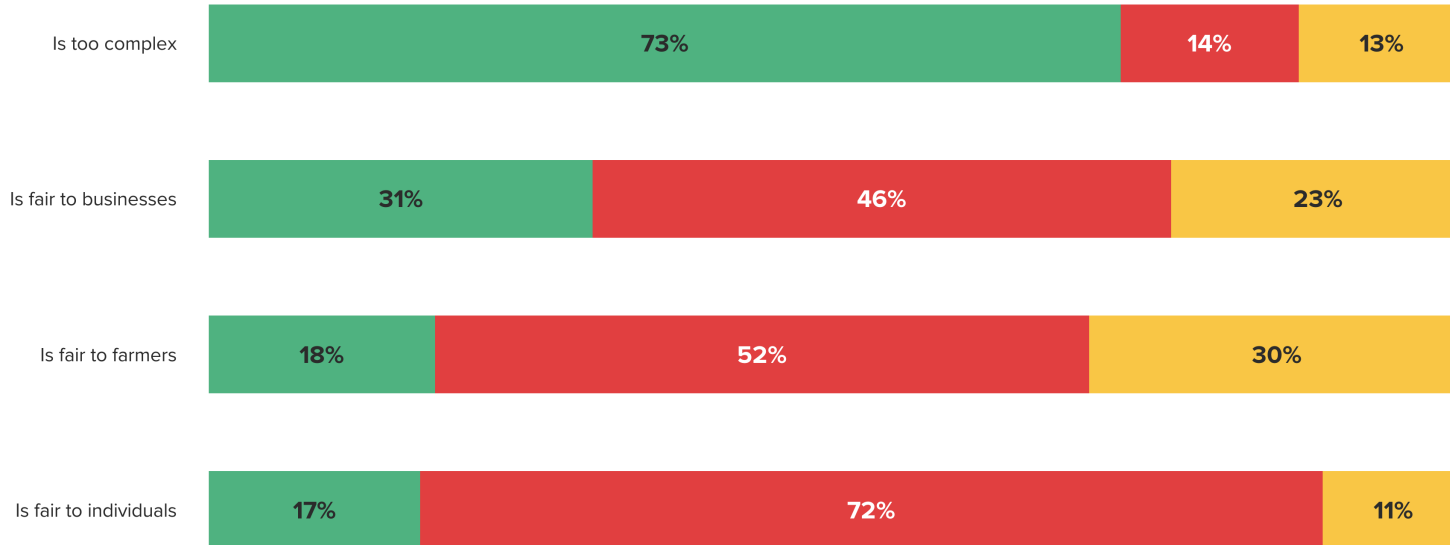
Generally speaking, would you say each of the following tax rates in the United States are too high, too low, or about right?



By a 3-1 Margin, Voters Say U.S. Tax System is Unfair to Farmers

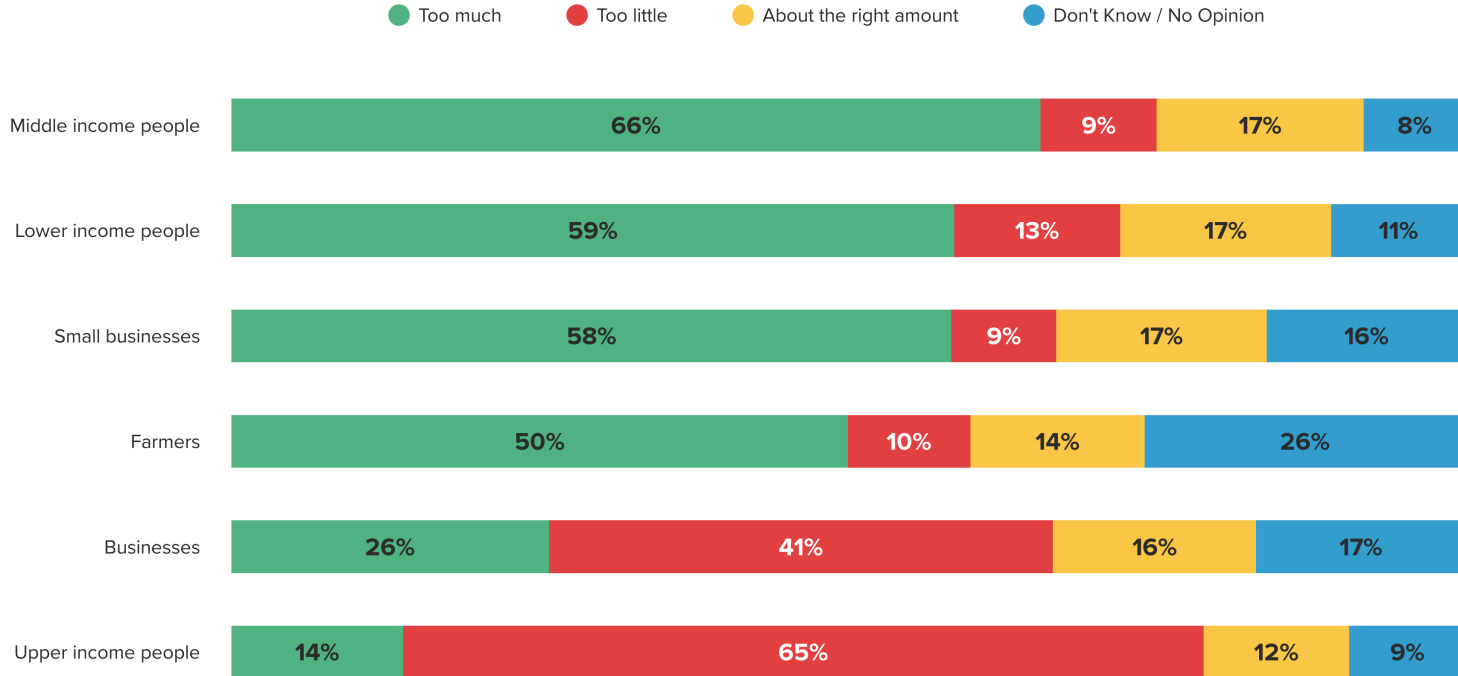
Do you think the tax system in the United States...

● Yes ● No ● Don't Know/ No Opinion



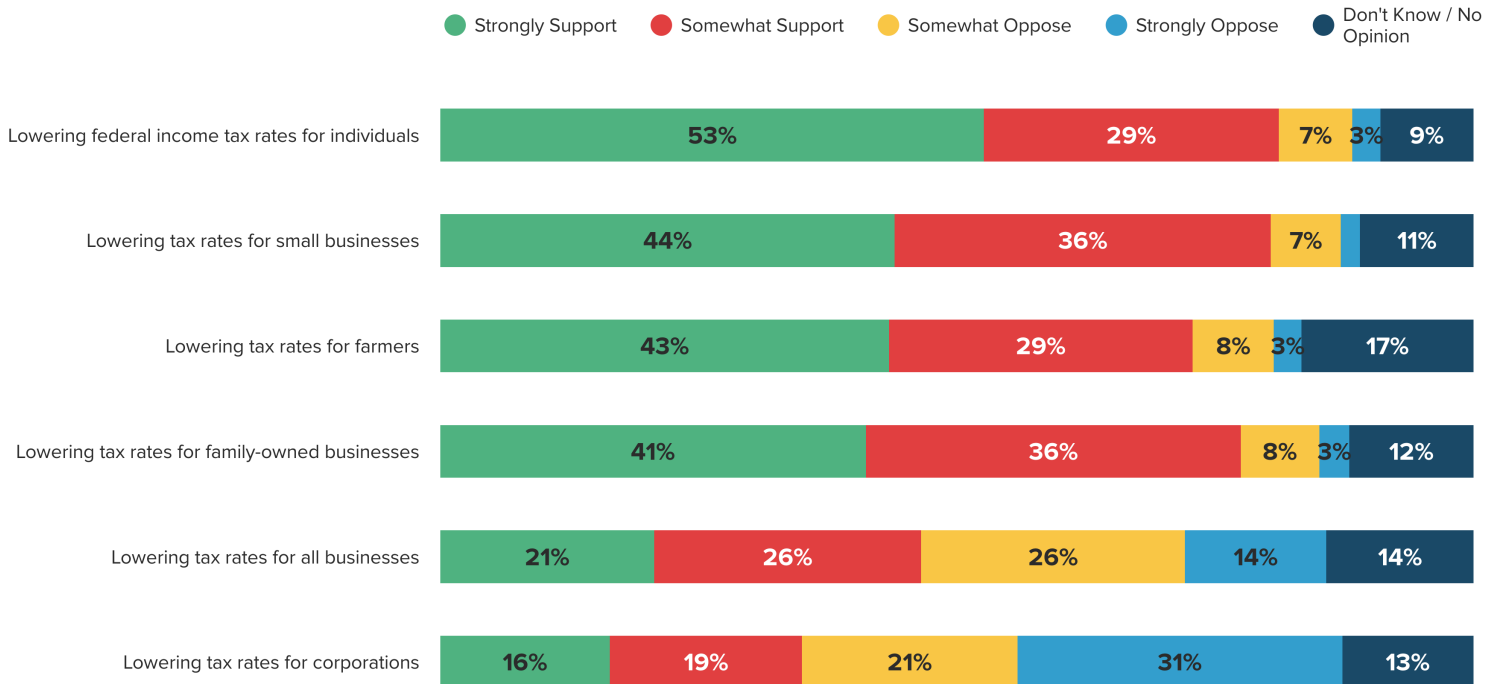
And, Half Say Farmers are Paying Too Much

Please indicate if you think the following groups are paying too much, paying too little, or paying about the right amount of taxes?



72% of Respondents Support Lowering Tax Rates for Farmers, While 77% Support Lowering Rates for Family-Owned Businesses

Now, thinking about tax reform specifically, do you support or oppose the each of the following?



And, Strong Majorities Support Repealing the Estate Tax and Expanding Write-Off Allowances for Small Businesses

Now, thinking about tax reform specifically, do you support or oppose the each of the following?

● Strongly Support ● Somewhat Support ● Somewhat Oppose ● Strongly Oppose ● Don't Know / No Opinion

Repealing the federal estate tax, a tax on the property someone inherits from a deceased individual



Expanding the ability of small businesses to write-off business-related expenses



Decreasing the capital gains tax, a tax placed on income an investor receives from the sale of property, or from an investment

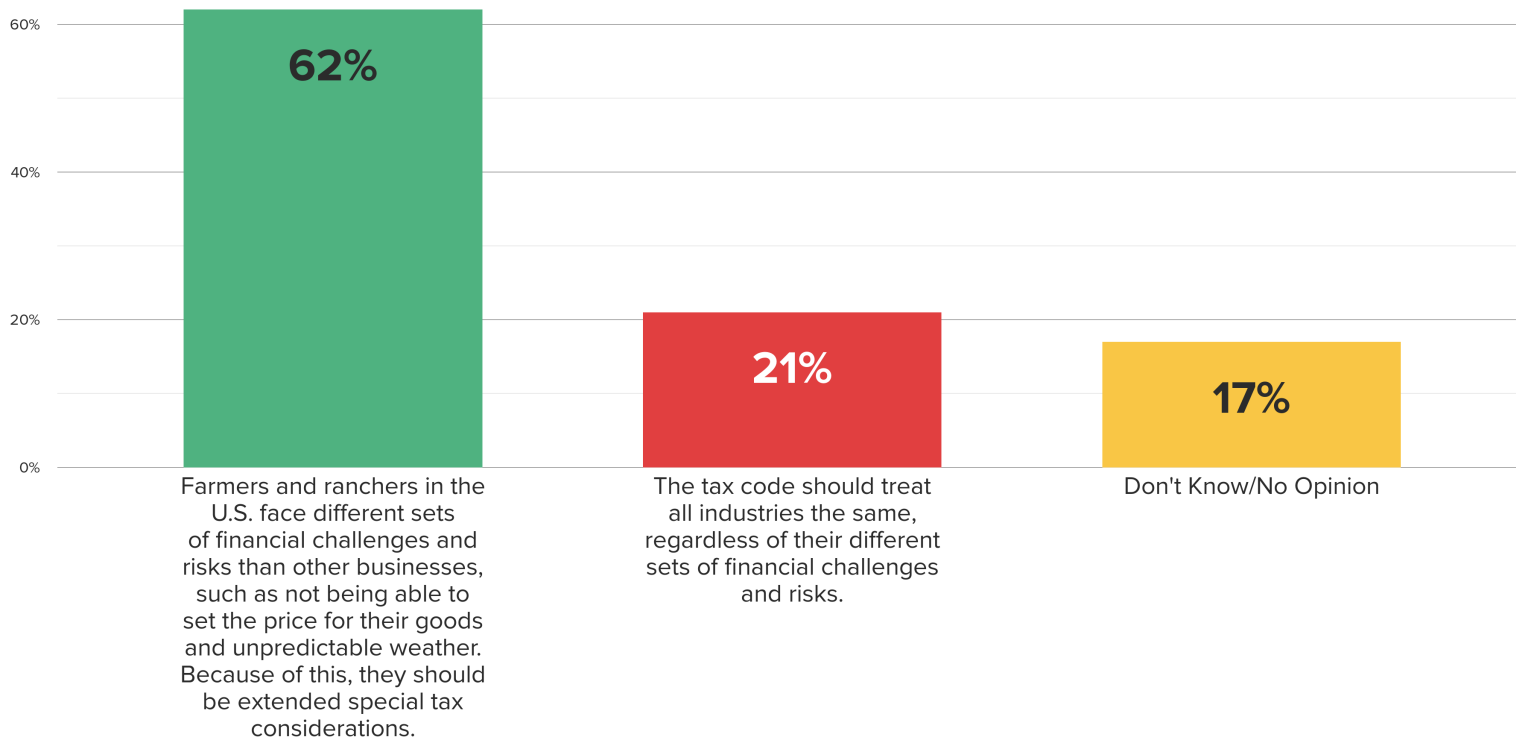


Keeping the tax deduction for interest on business loans



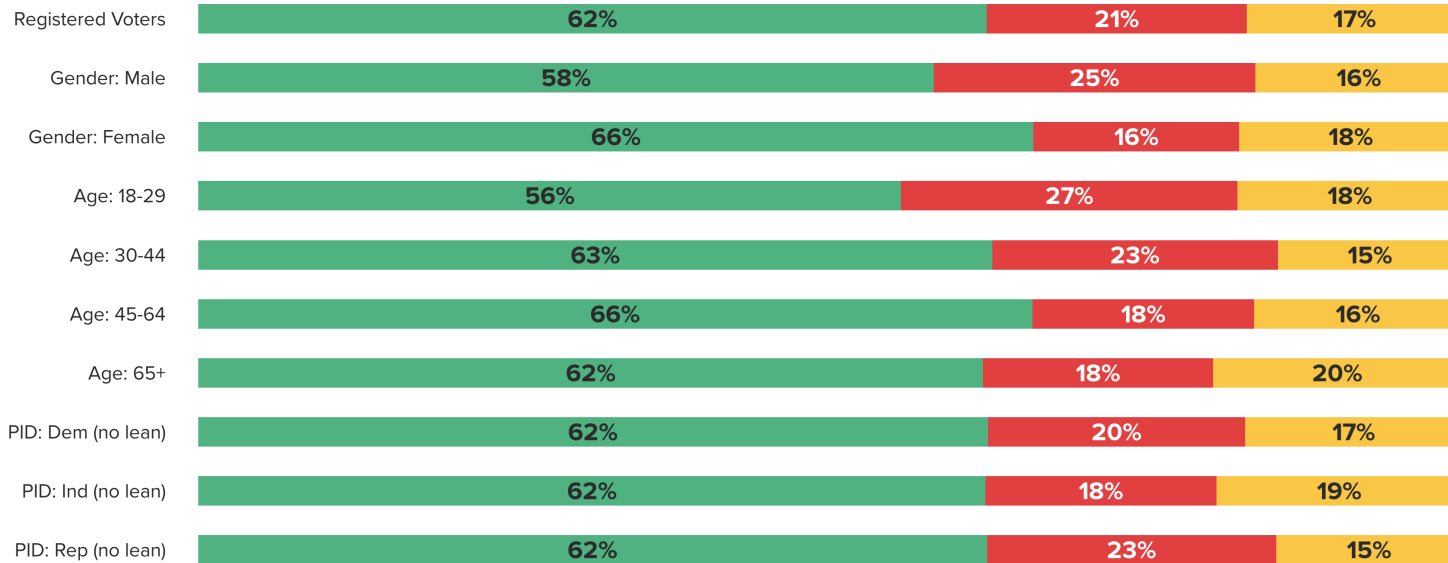
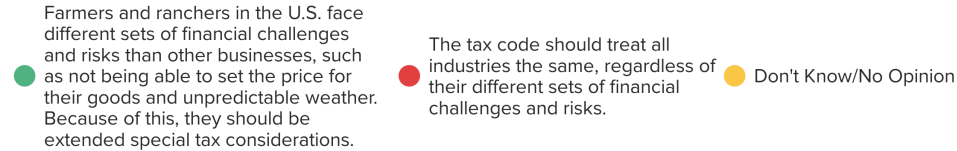
Voters Overwhelmingly Say Farmers and Ranchers Should Be Extended Special Tax Considerations

Which of the following statements do you agree with more, even if neither is exactly right?



And, Support is Consistent Across Party Lines

Which of the following statements do you agree with more, even if neither is exactly right?

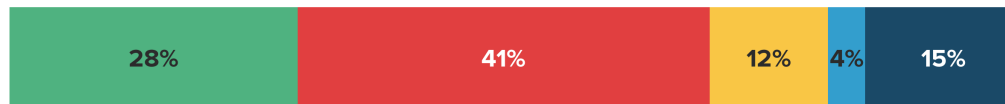


Strong Majorities Agree Small Businesses (69%) and Family-Owned Businesses (58%) Should Be Extended Preferential Tax Treatment

Do you agree or disagree with the following statements?

● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree ● Don't Know/No Opinion

Small businesses should be extended preferential tax considerations and treatment over larger businesses.



If a business is family owned, it should be extended special tax considerations and treatment.

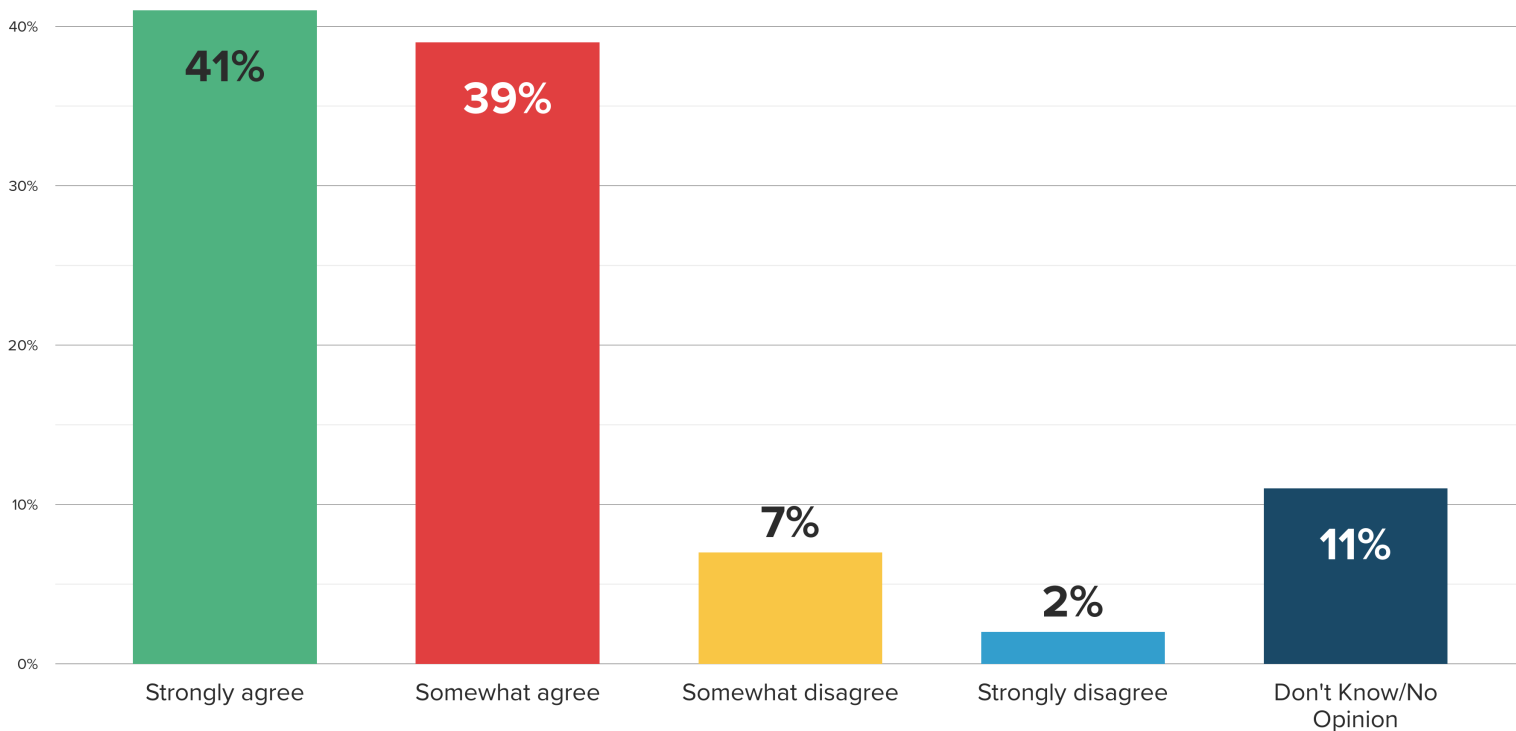


All businesses should be treated equally for tax purposes.



Four in Five Voters Agree Farms, Ranches Should be Extended Same Tax Treatment as Small Businesses, After Learning 98% are Family-Owned

As you may know, 98 percent of America's farms and ranches are family owned. Knowing this, do you agree or disagree with the following statement: Farms and ranches should be afforded the same favorable tax treatment extended to small businesses.



Do voters prioritize tax reform, and which provisions are most important?

Do voters support AFB reform priorities that allow farmers and ranchers to operate most efficiently?

Should farmers and ranchers be extended special tax considerations?



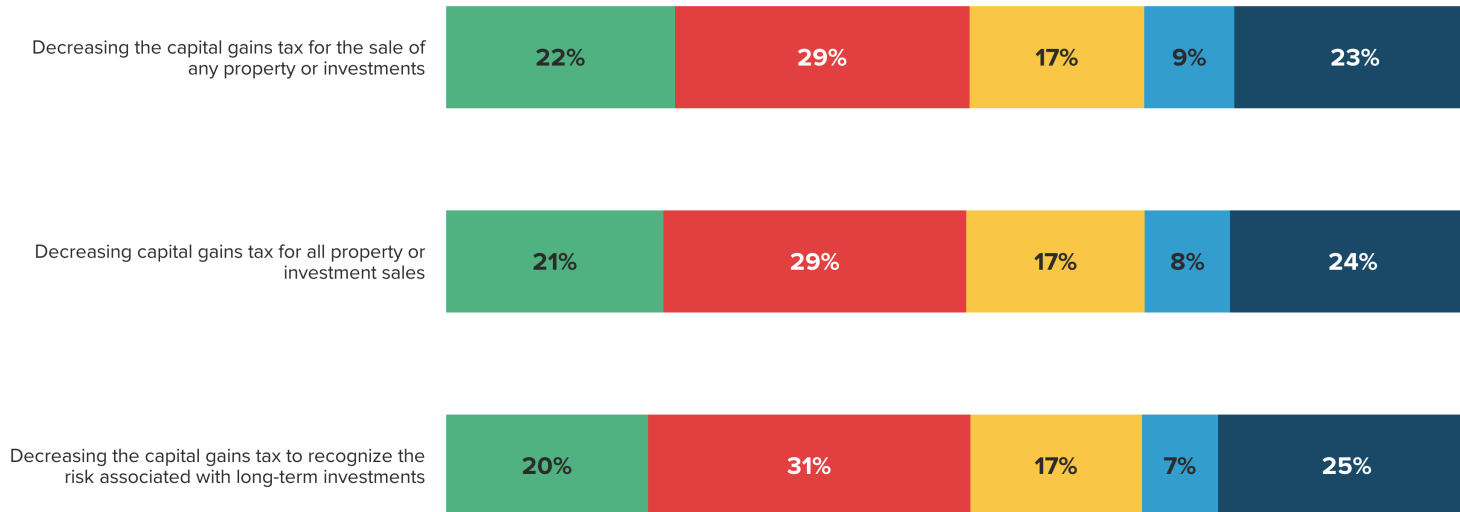
Capital Gains Tax



By a 2-1 Margin, Voters Support Decreasing the Capital Gains Tax for All Property and Investment Sales

As you may know, a capital gains tax is a tax placed on income an investor receives from the sale of property, or from an investment. Knowing this, do you support or oppose each of the following?

● Strongly support ● Somewhat support ● Somewhat oppose ● Strongly oppose ● Don't Know/No Opinion



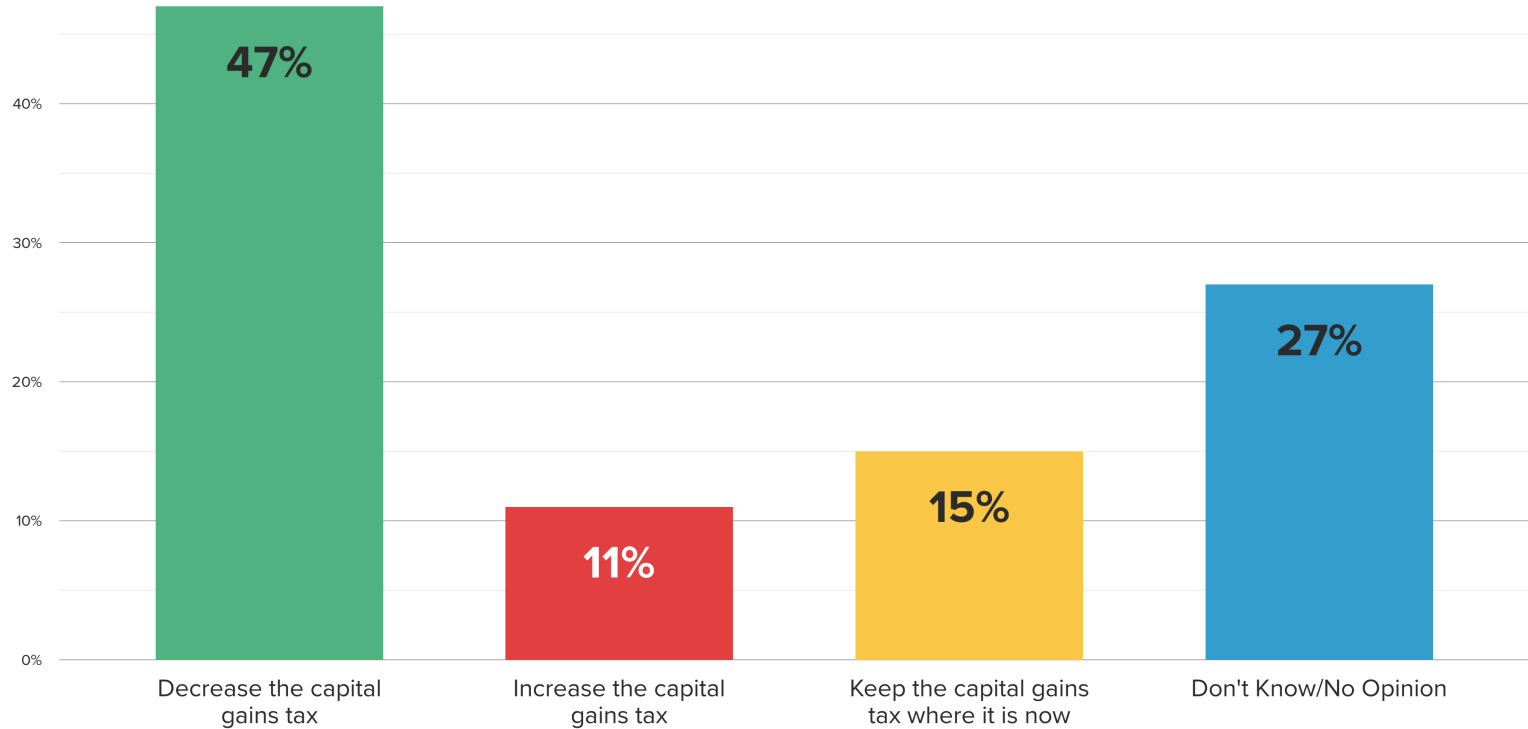
Most Effective Messages Convey the Negative Impact High Capital Gains Taxes Have on Farmers

And, if you knew the following, would that make you more likely to support or more likely to oppose decreasing the capital gains tax, or would it not change your mind either way?



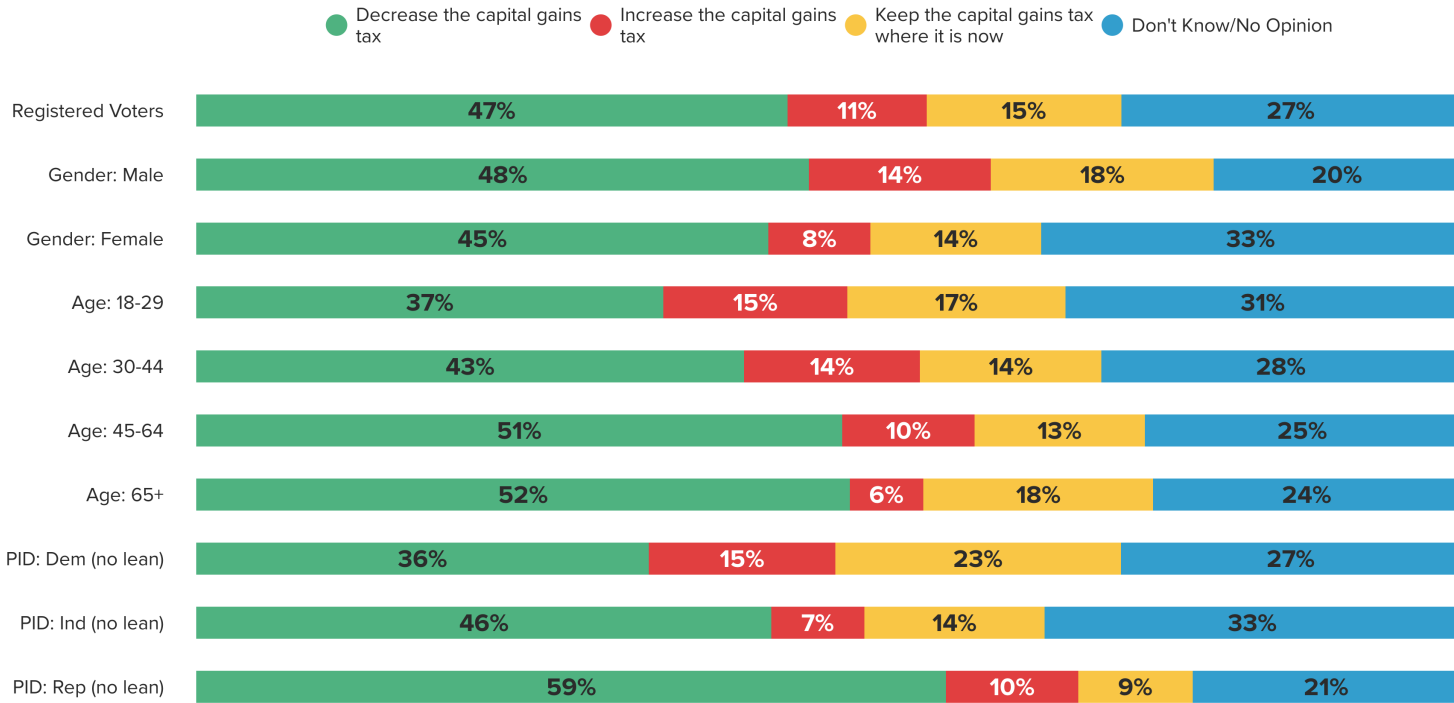
Voters Support Decreasing the Capital Gains Tax by a 4-1 Margin, Though Many Unsure

Do you believe Congress should...



Plurality of Democrats, Independents and Strong Majority of Republicans Support Decreasing Capital Gains Tax

Do you believe Congress should...



Three in 5 Voters Say Farm Land that is Sold to a Member of Next Generation Should Be Exempt from Capital Gains Tax

Do you believe each of the following should be exempt from paying a capital gains tax, or not:

● Yes, it should be exempt

● No, it should not be exempt

● Don't Know/No Opinion

Farm and agriculture land that is sold to a member of the next generation



Farm and agriculture land that is sold to another person who wants to farm

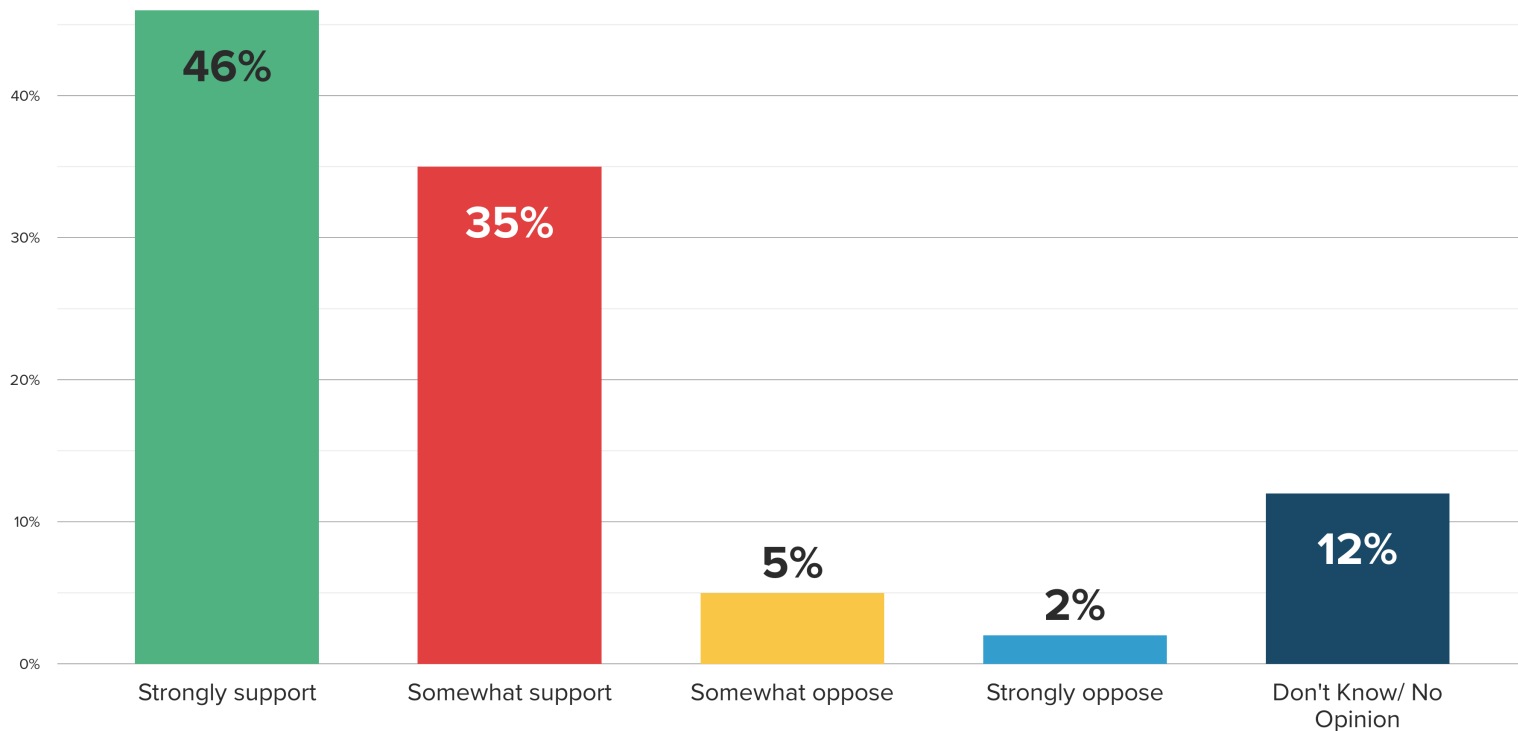


Equipment and Interest Deductions



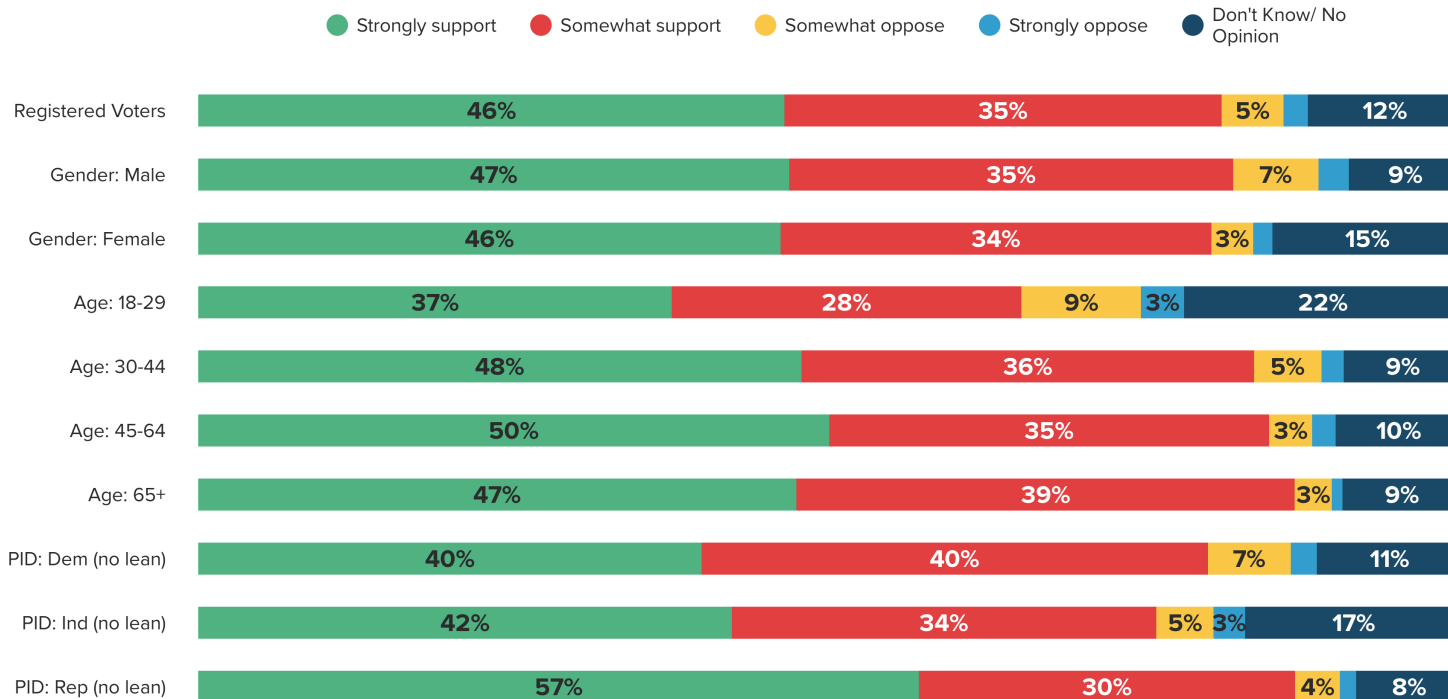
Voters Overwhelmingly Support Allowing Small Businesses to Deduct Equipment Purchases in Year They are Made

As you may know, the tax code allows small businesses to deduct equipment and machinery purchases in the year the purchase is made. Knowing this, do you support or oppose allowing small businesses to make this deduction?



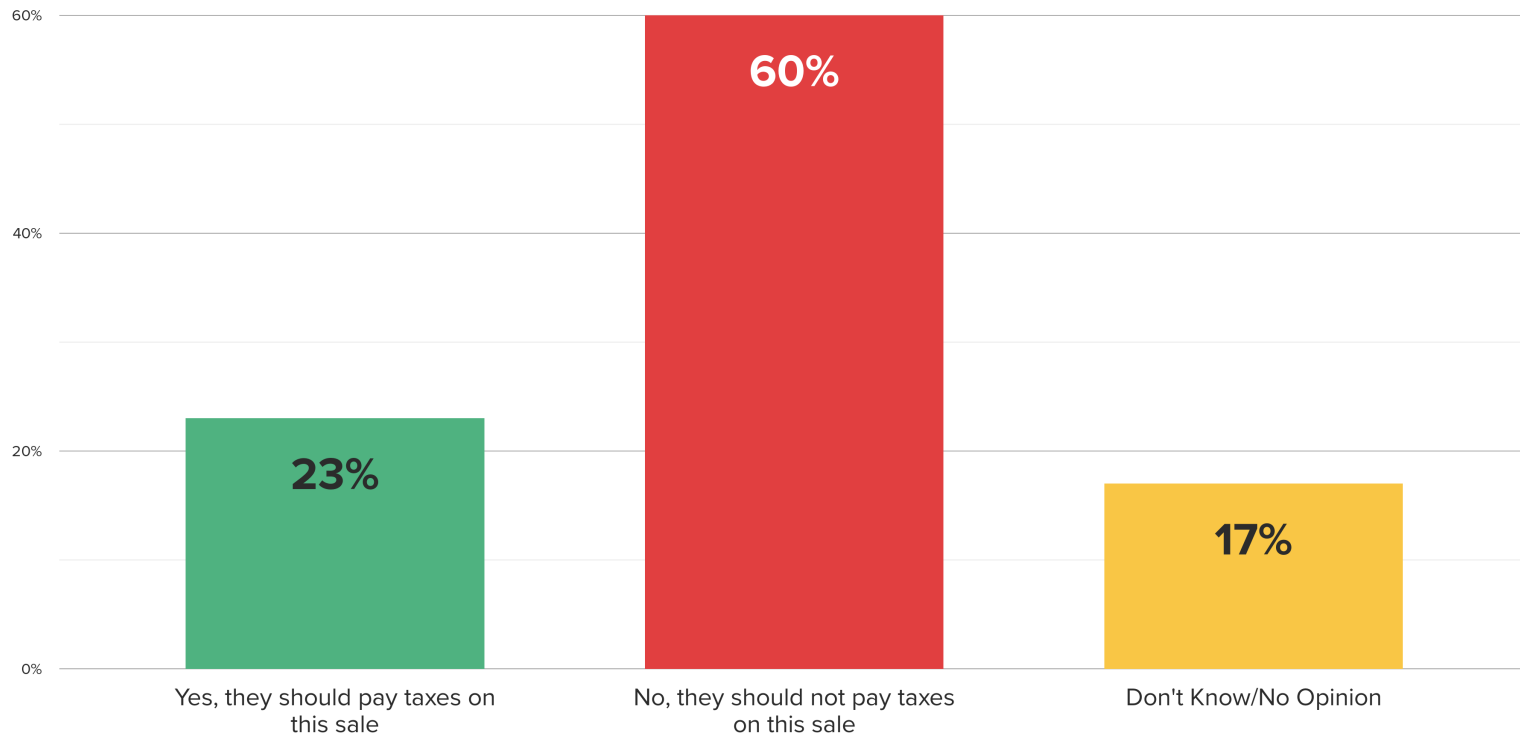
And, This Support is Consistent Across Party Lines

As you may know, the tax code allows small businesses to deduct equipment and machinery purchases in the year the purchase is made. Knowing this, do you support or oppose allowing small businesses to make this deduction?



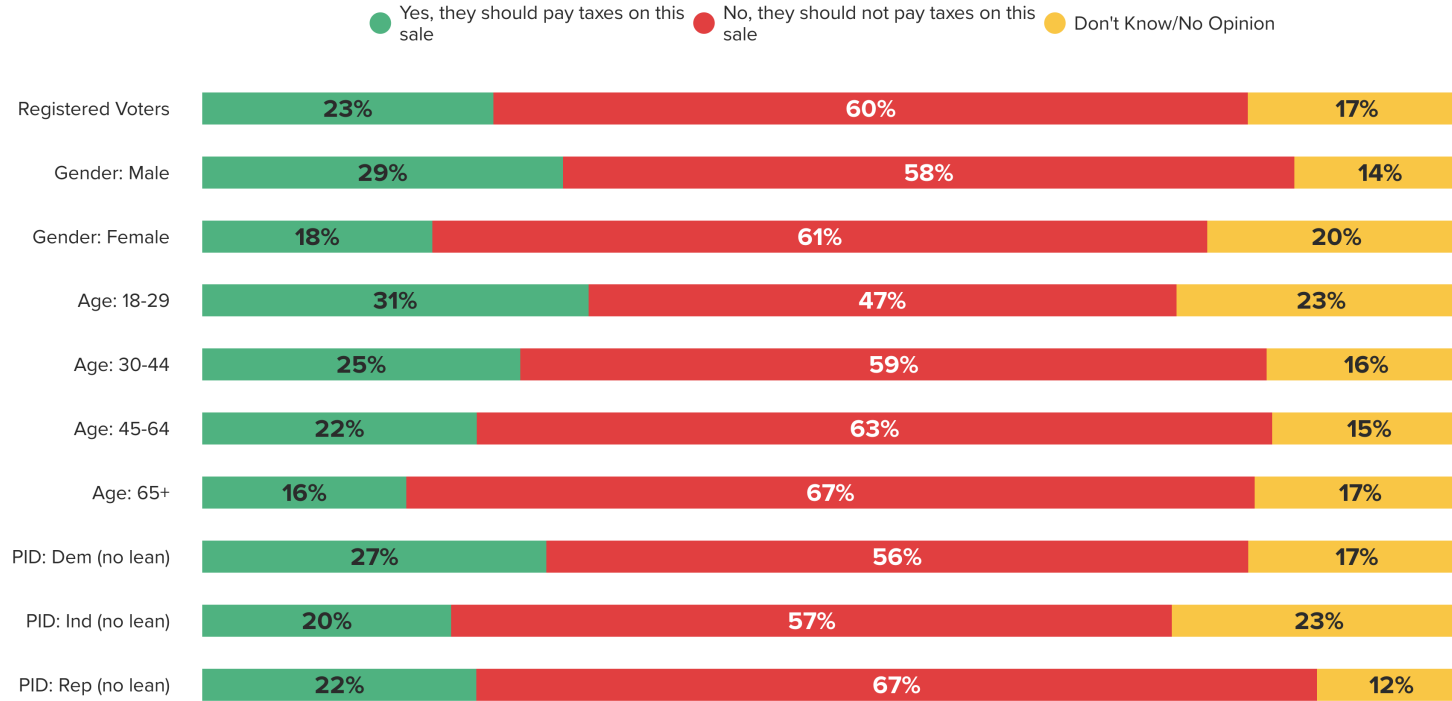
Three in 5 Voters Say Farmers or Small Businesses Should Not Pay Taxes on Sale of Equipment if Money Goes Towards Replacement

Do you believe farmers or small businesses should pay taxes when they sell a piece of equipment or machinery, and then use the money to replace or upgrade that older equipment or machinery?



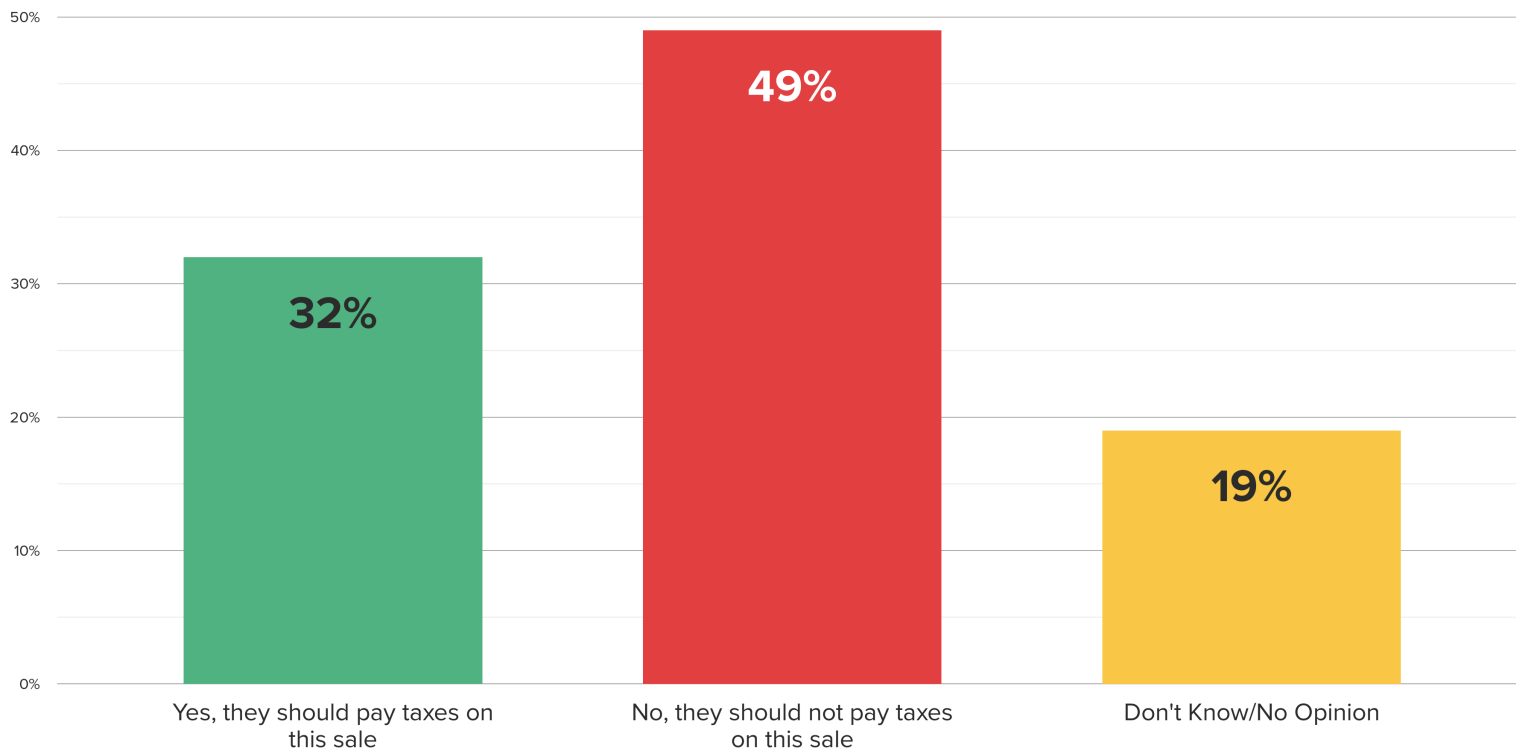
And, Consensus Exists Across Party Lines

Do you believe farmers or small businesses should pay taxes when they sell a piece of equipment or machinery, and then use the money to replace or upgrade that older equipment or machinery?



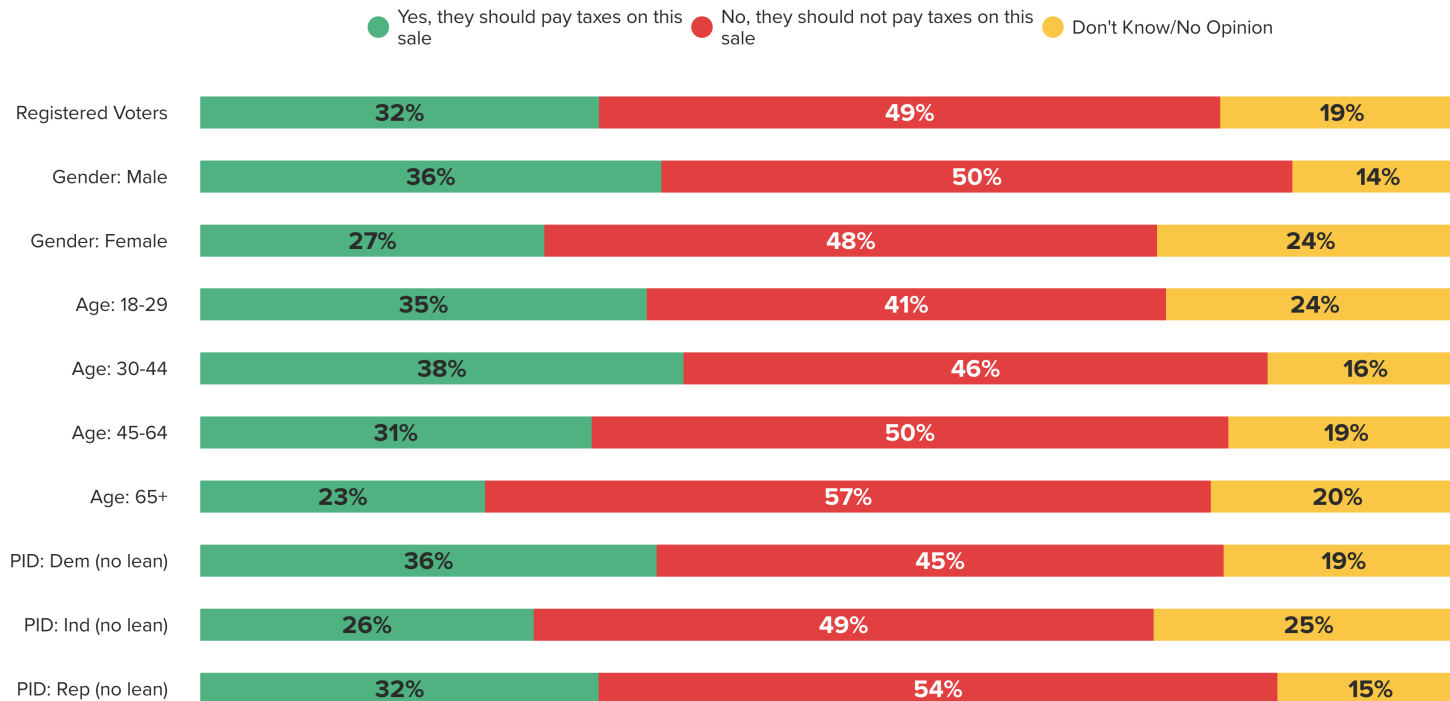
By 17-Point Margin, Voters Say Farmers Should Not Pay Taxes When They Sell Farmland and Use Money to Purchase Different Farmland

Do you believe farmers should pay taxes when they sell farmland, and then use the money to buy different farmland?



And, Plurality of Democrats, Independents and Majority of Republicans Say Farmers Should Not Pay Tax on this Sale

Do you believe farmers should pay taxes when they sell farmland, and then use the money to buy different farmland?



Positive Impacts of Equipment Deduction Much More Convincing than Loss of Government Revenue

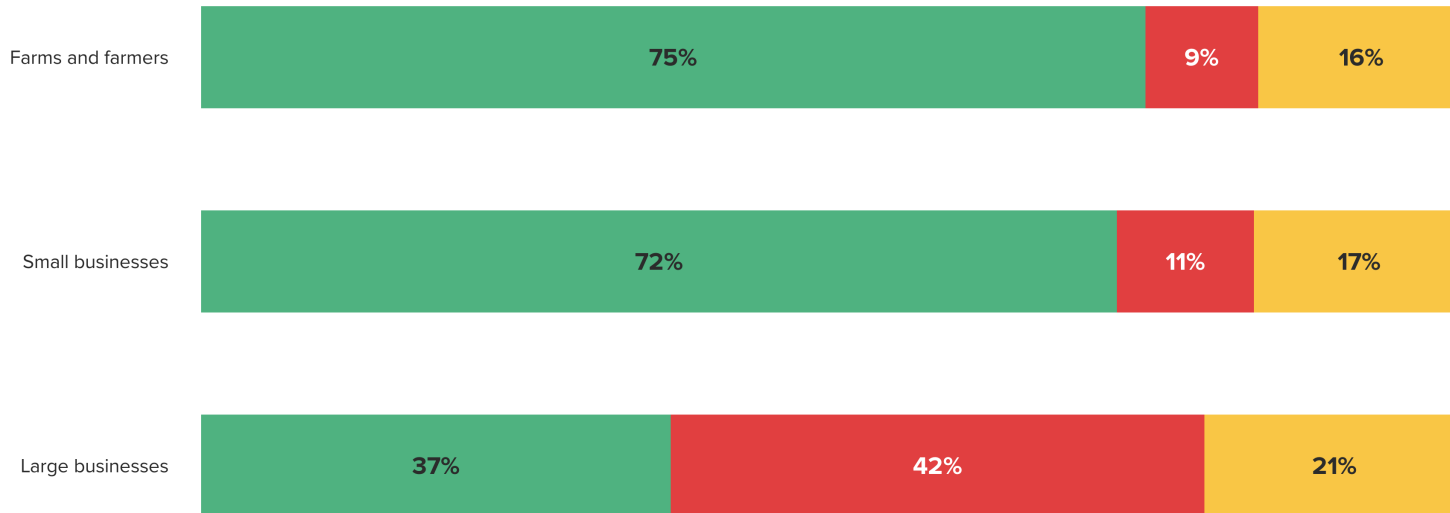
If you knew each the following, would that make you more likely to support or more likely to oppose allowing small businesses to deduct equipment and machinery purchases in the year the purchase is made, or would it not change your mind either way?



Three in 4 Voters Say Farmers, Small Businesses Should Be Allowed to Deduct Machinery in Year Purchased

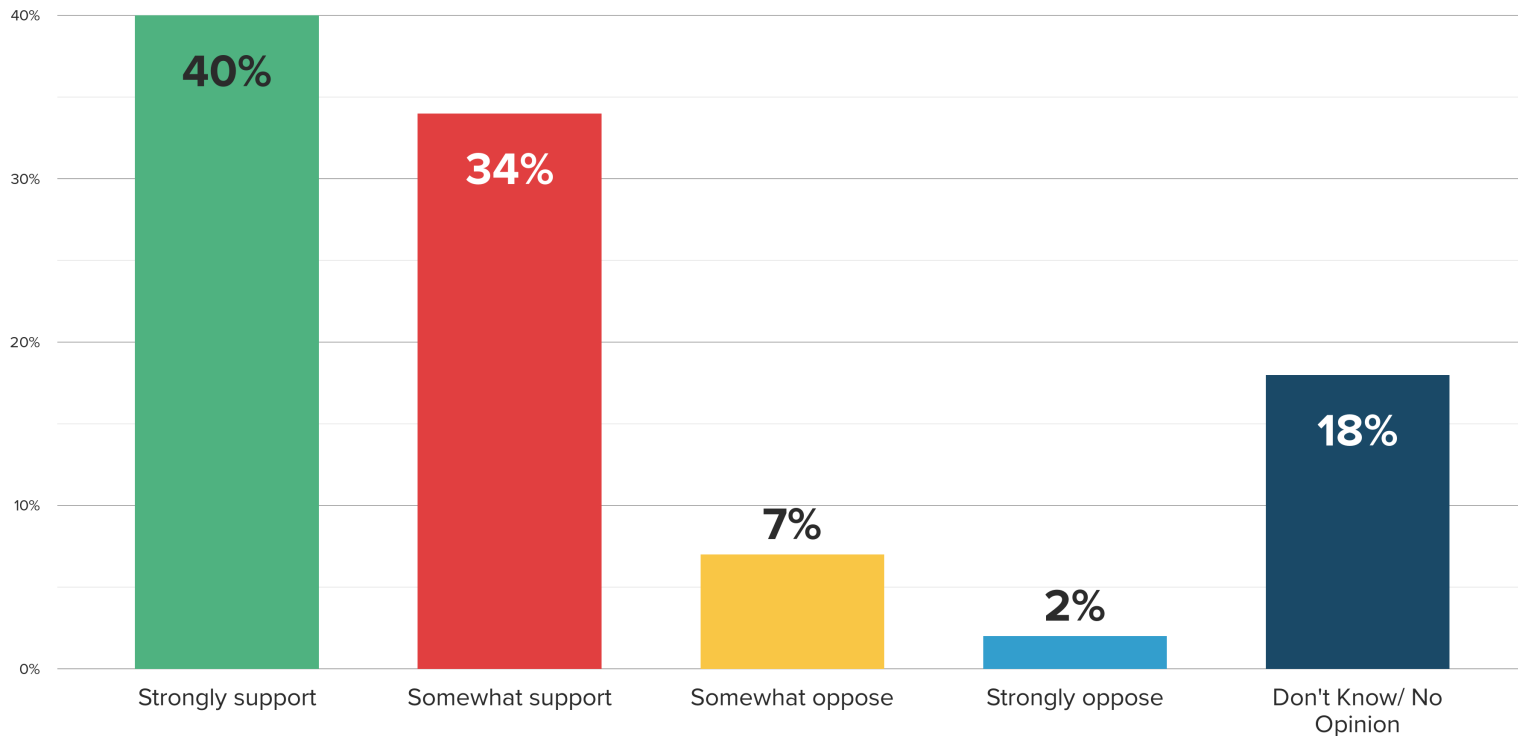
Do you believe each of the following should be allowed to deduct equipment and machinery in the year they are purchased, or not?

● Yes, should be allowed ● No, should not be allowed ● Don't Know/No Opinion



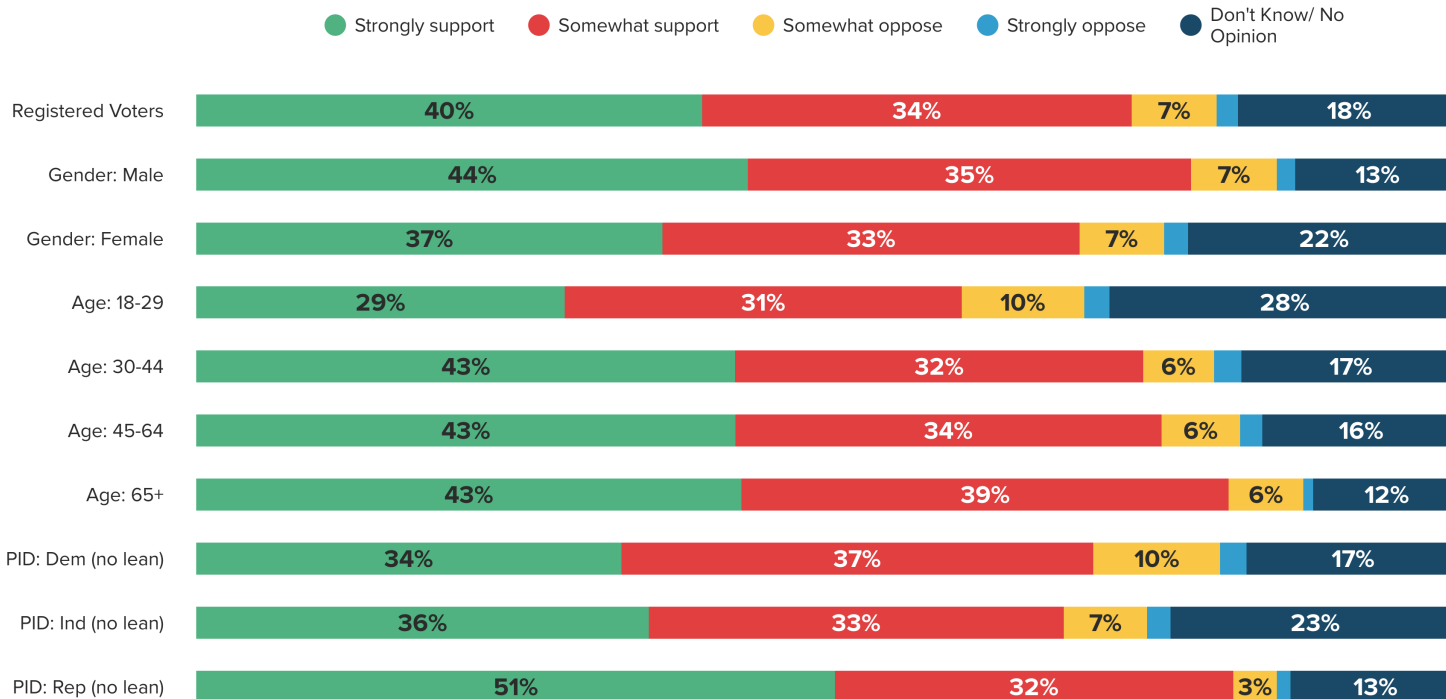
And, Three in Four Voters Also Support Allowing Farmers to Deduct Interest Paid on Borrowed Money they Invest in Their Business

As you may know, the tax code allows farmers to deduct interest paid on money they borrow to invest in their business. Knowing this, do you support or oppose allowing farmers to make this deduction?



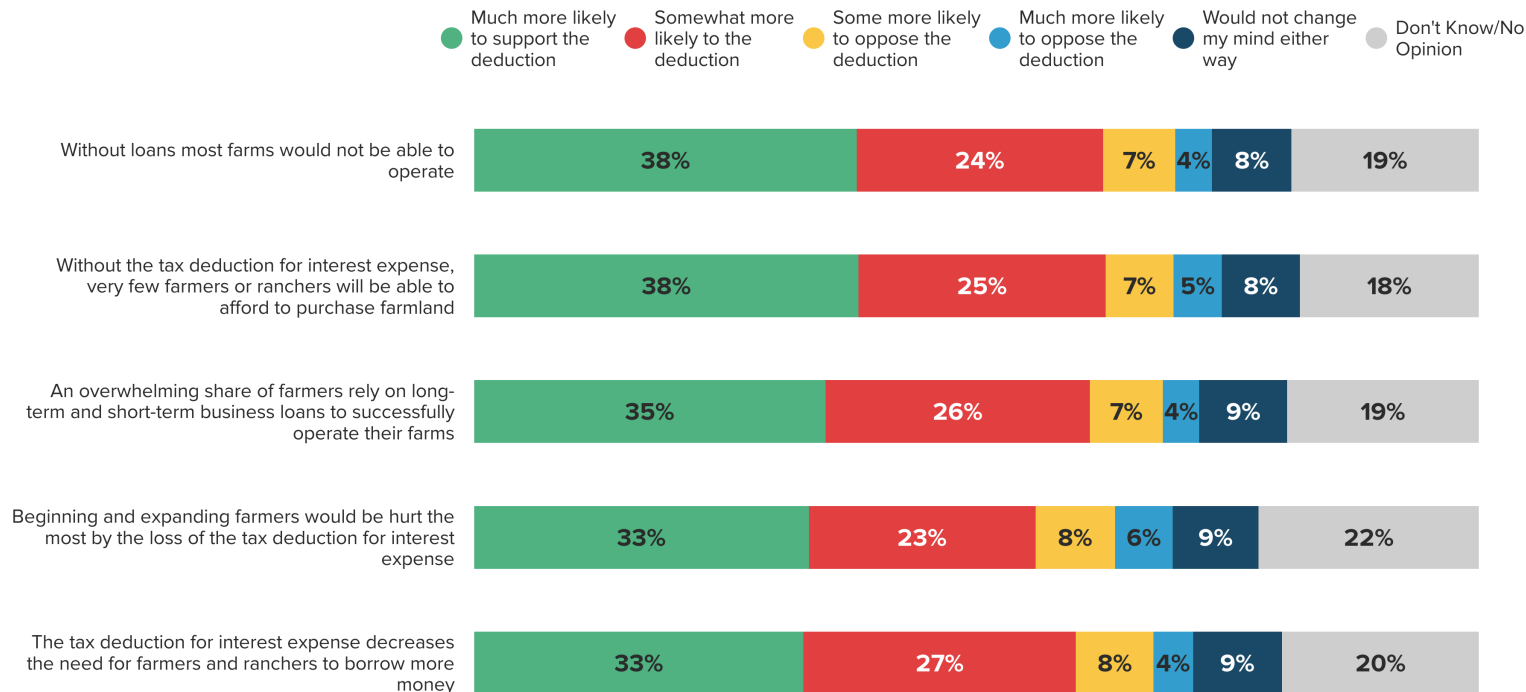
Support for Interest Deduction is Consistent Across Party Lines

As you may know, the tax code allows farmers to deduct interest paid on money they borrow to invest in their business. Knowing this, do you support or oppose allowing farmers to make this deduction?



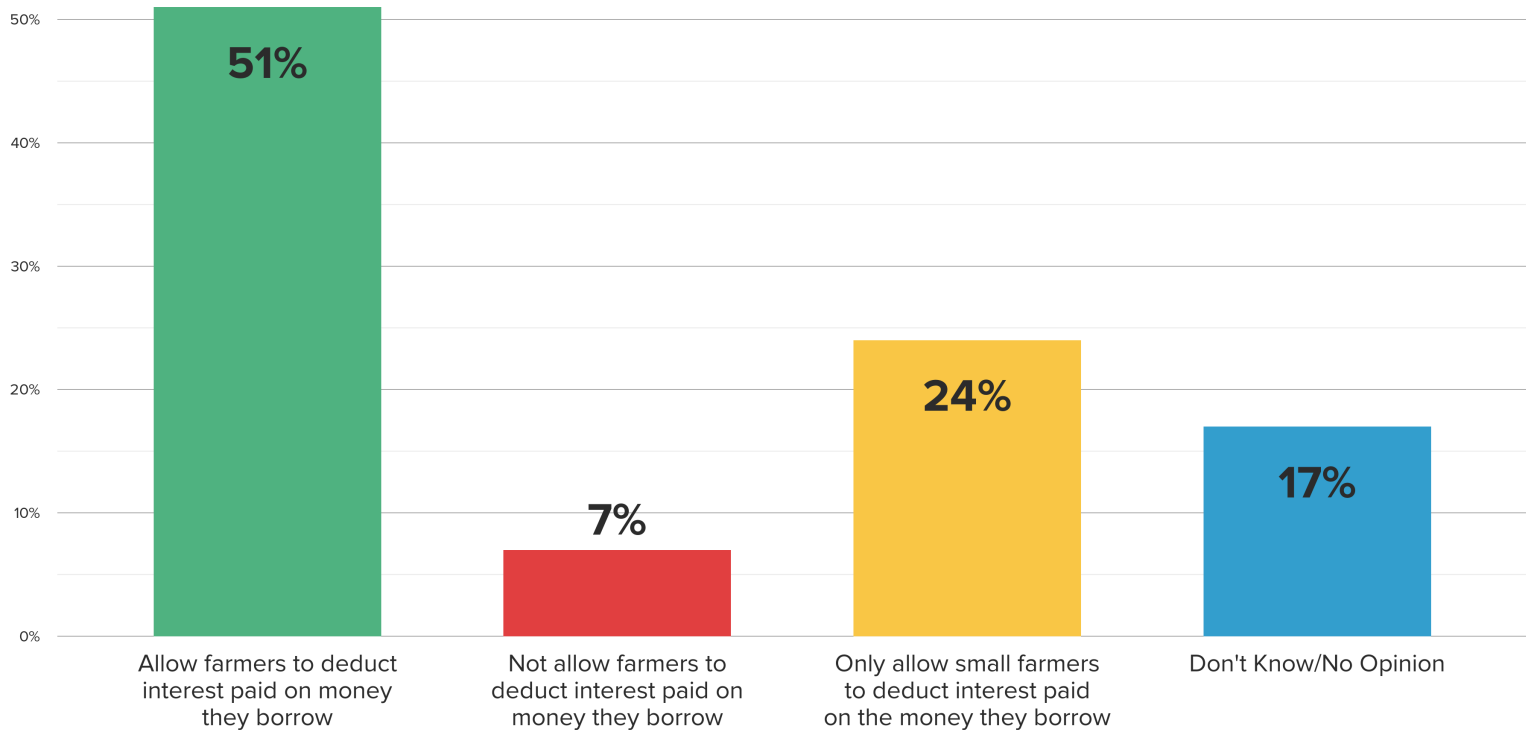
Most Effective Messages in Support of Interest Deduction Focus on Farm Operation, Opportunity

If you knew the following, would that make you more likely to support or more likely to oppose allowing farmers to deduct interest paid on money they borrow, or would it not change your mind either way?



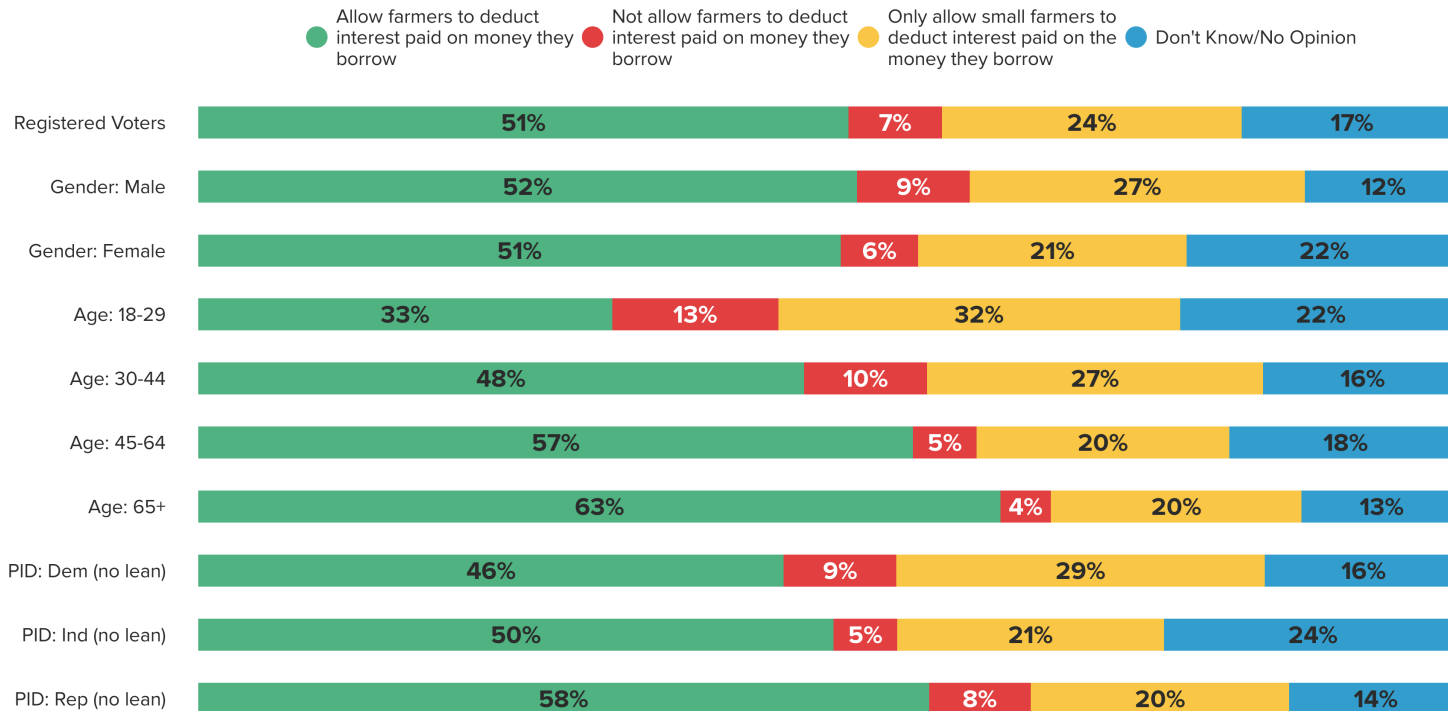
Majority Say Congress Should Allow Farmers to Deduct Interest Paid On Borrowed Money

Do you believe Congress should...



Most Democrats, Independents and a Majority of Republicans Say Congress Should Allow Farmers to Deduct Interest Paid On Borrowed Money

Do you believe Congress should...

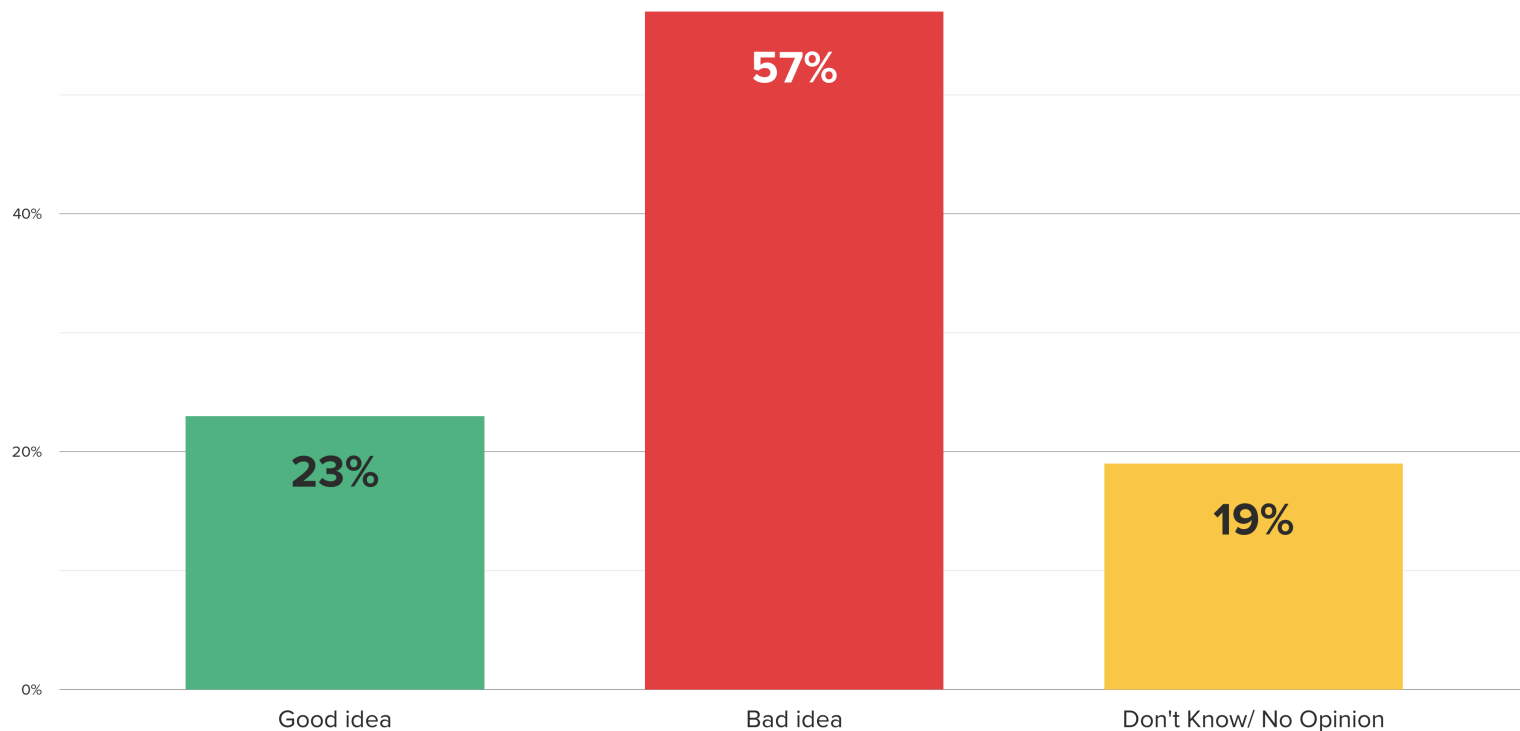


Federal Estate Tax



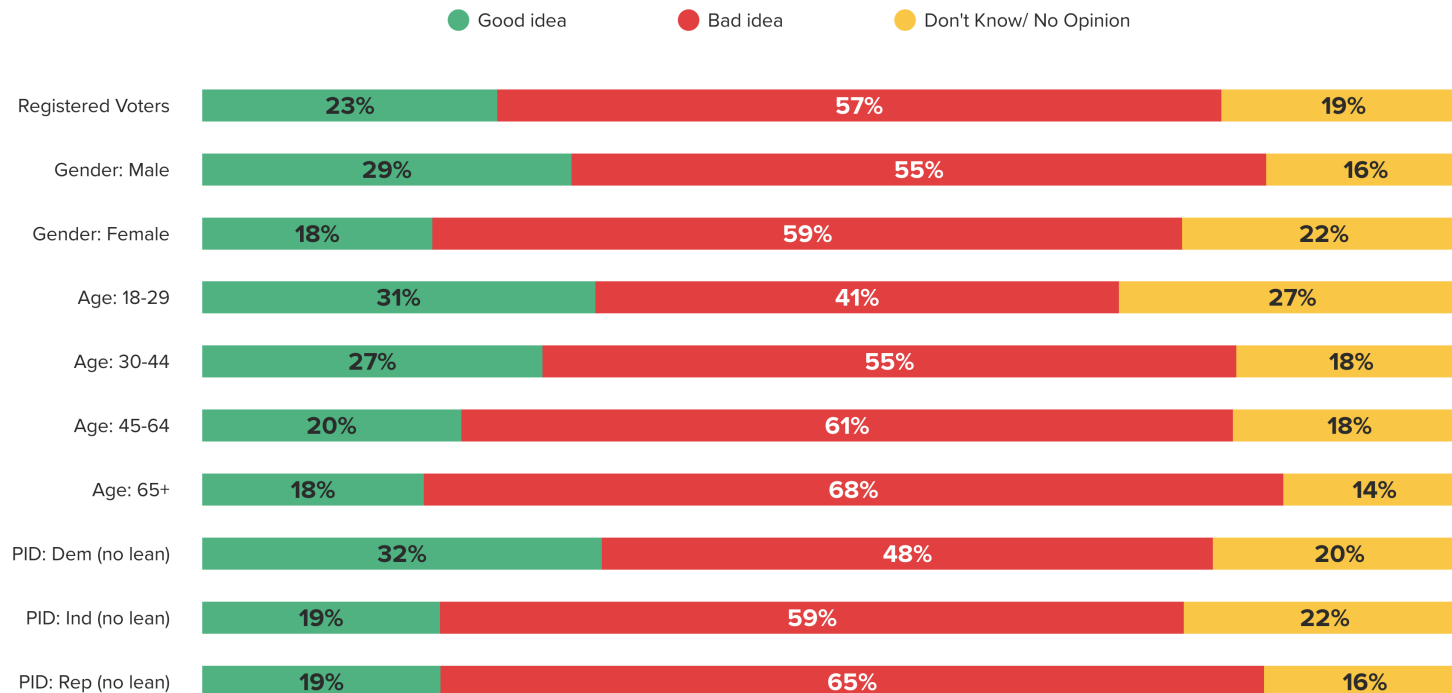
Nearly Three in Five Voters Say Federal Estate Tax is a Bad Idea

As you may know, the federal estate tax is a tax on property someone inherits from a deceased individual. Knowing this, would you say the federal estate tax is a good idea, or a bad idea?



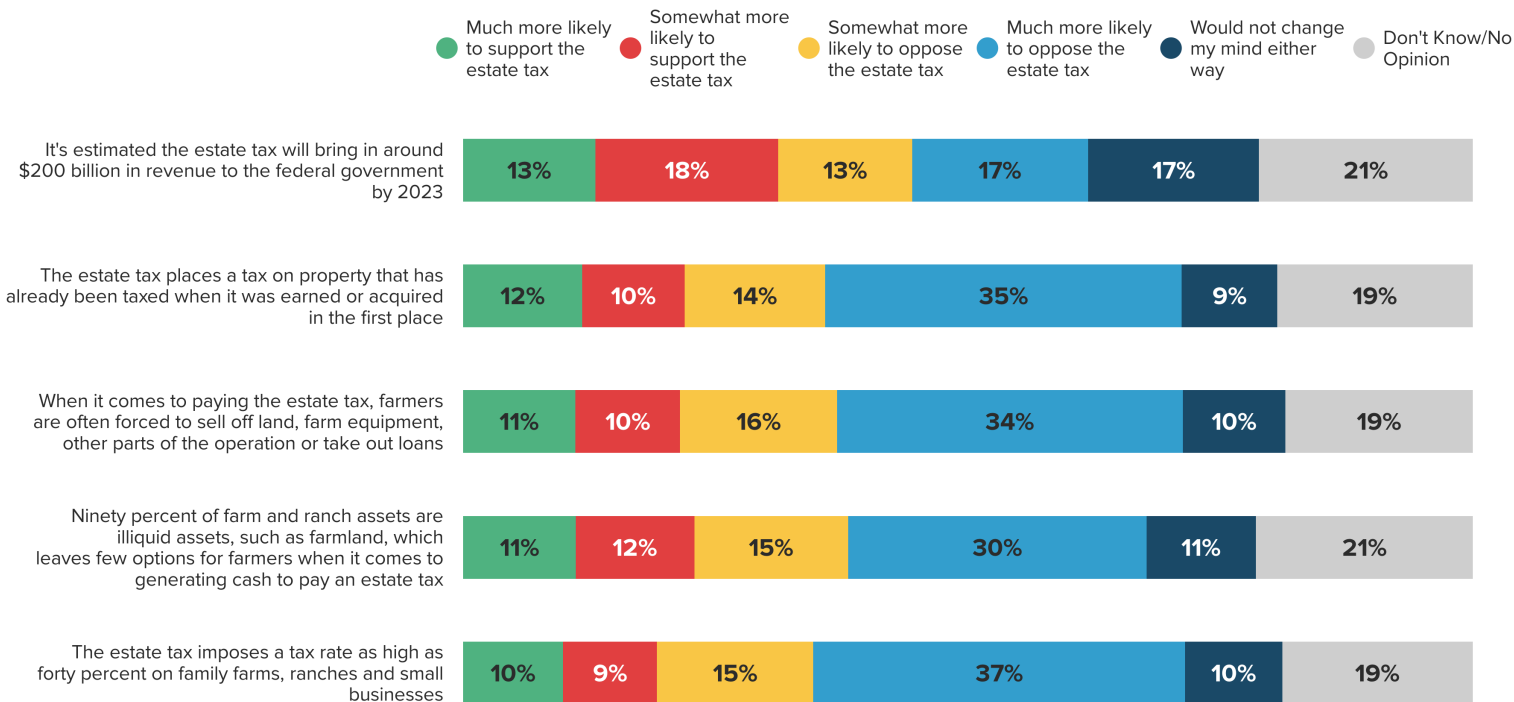
With Strong Majorities of Republicans and Independents in Agreement

As you may know, the federal estate tax is a tax on property someone inherits from a deceased individual. Knowing this, would you say the federal estate tax is a good idea, or a bad idea?



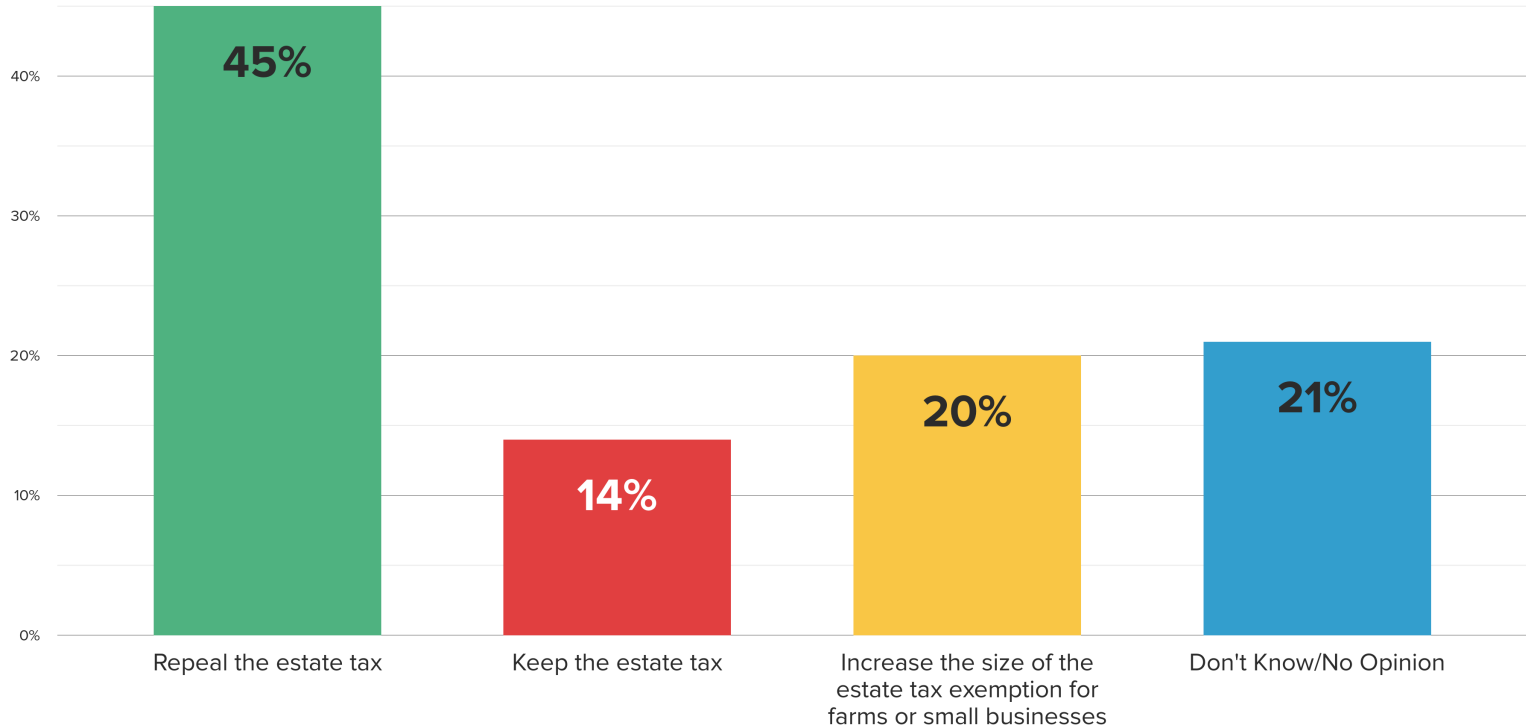
Estate Tax Imposing a Rate of 40% on Family Farms Most Effective Message in Opposition

If you knew the following, would that make you more likely to support or more likely to oppose the estate tax?



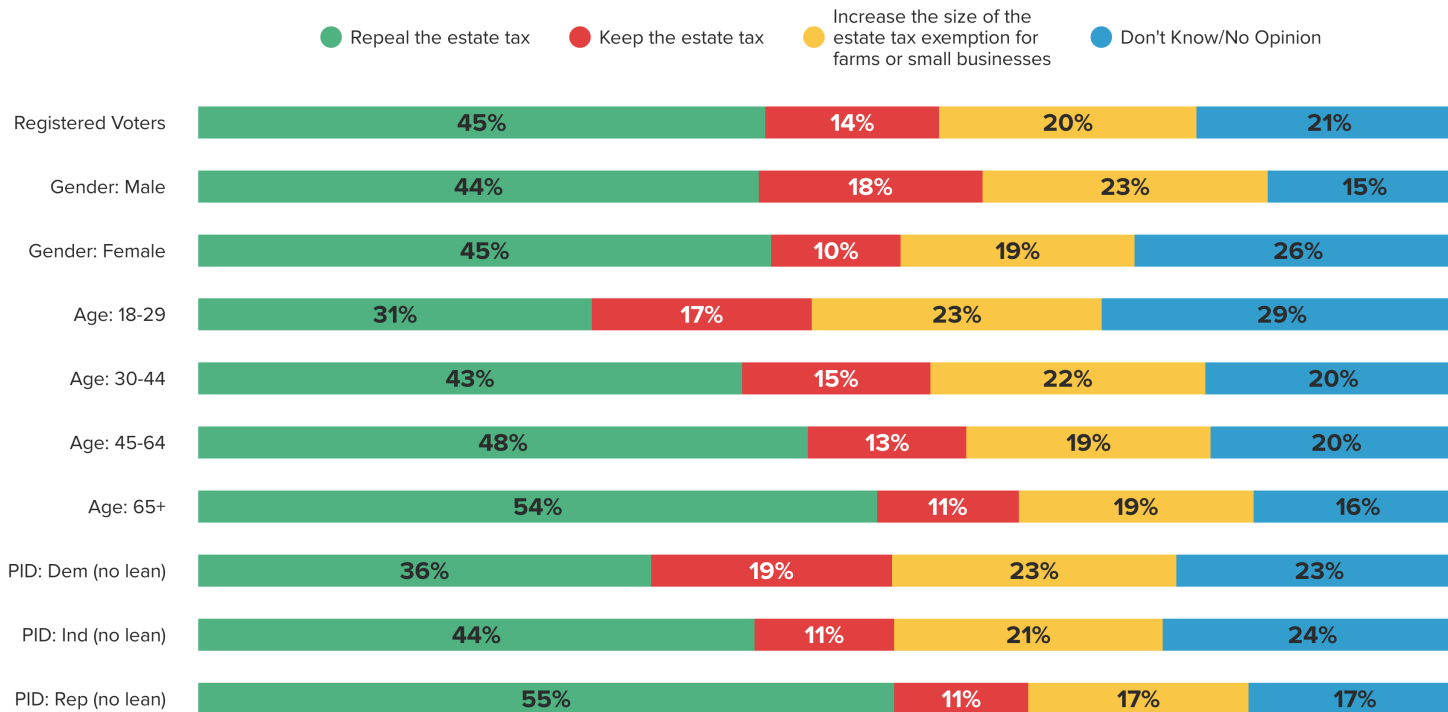
By a 3-1 Margin, Voters Say Congress Should Repeal the Estate Tax Over Keeping it in Place

Do you believe Congress should...



Across Party Lines, Most Members Say Congress Should Repeal the Estate Tax

Do you believe Congress should...

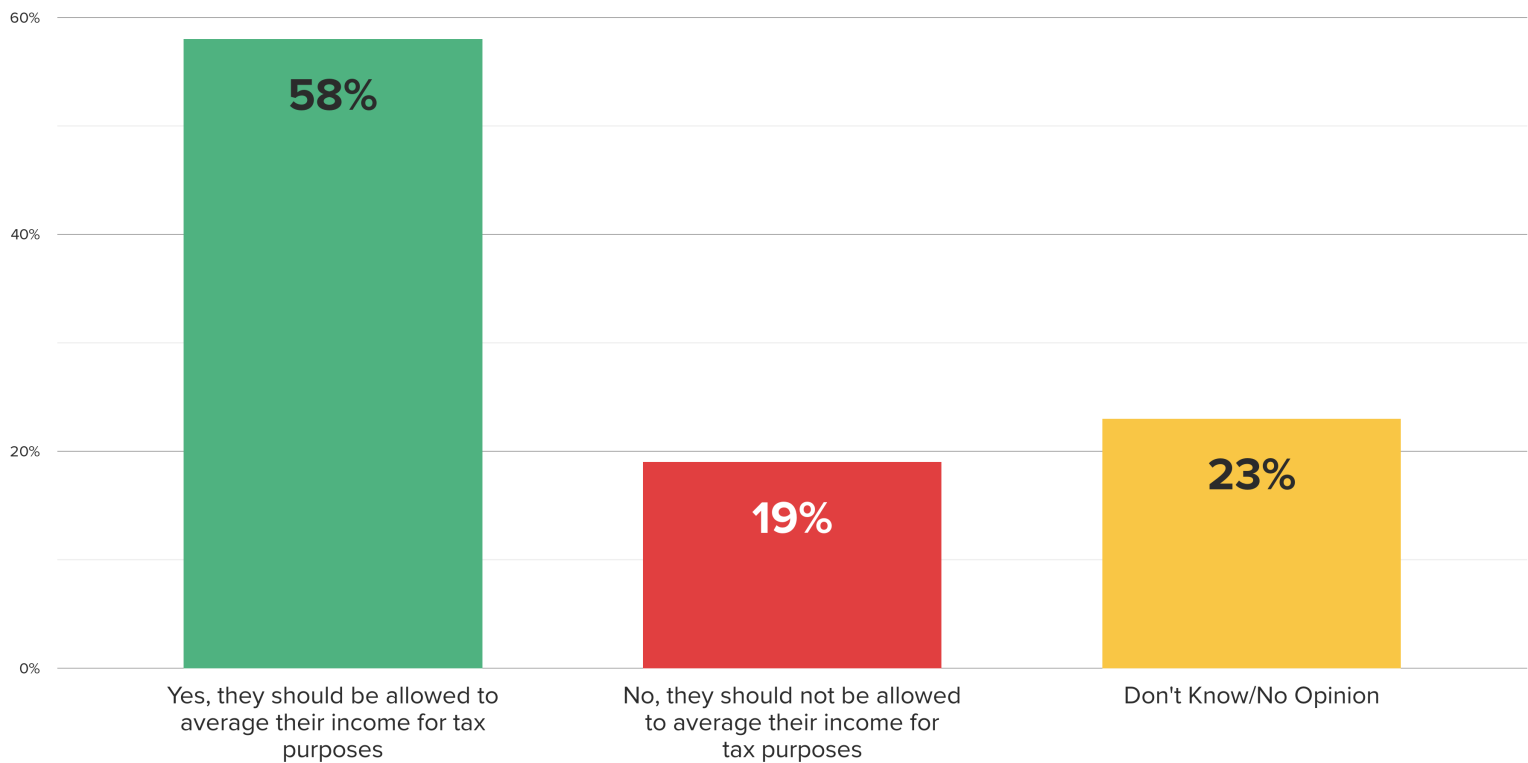


Averaging Income



Three in 5 Voters Say Farmers Should Be Able to Average Income for Tax Purposes Due to Yearly Variations

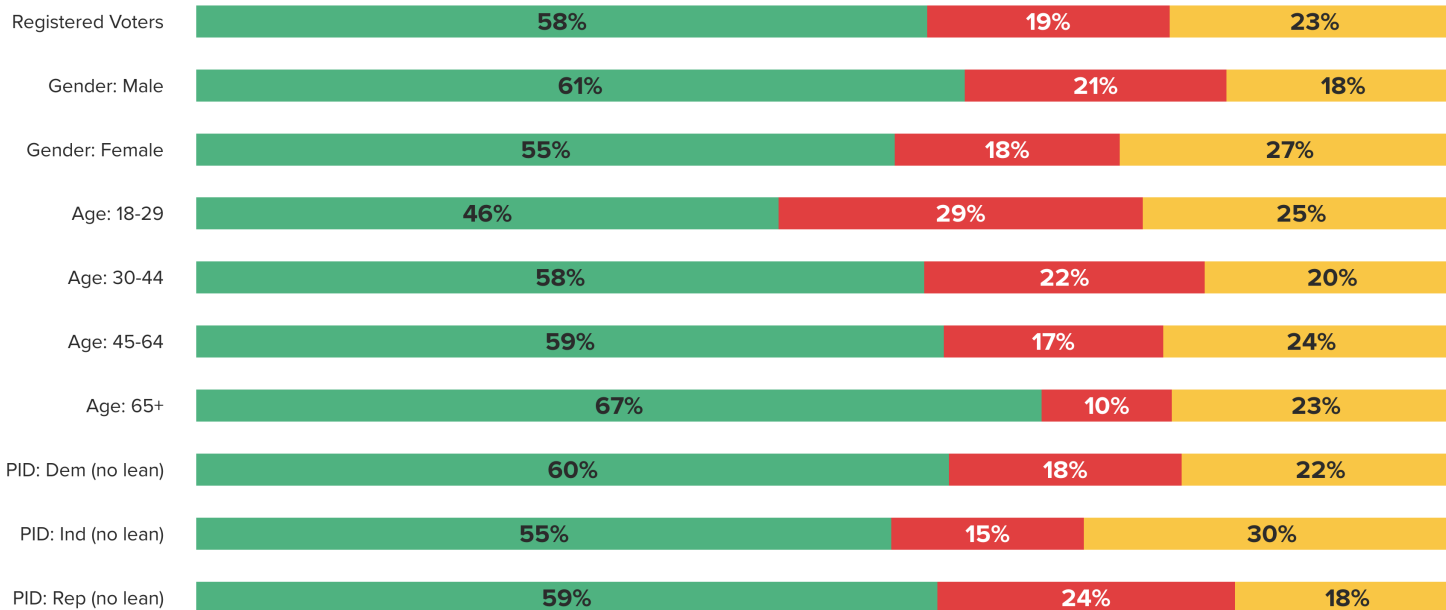
As you may know, farmers and ranchers can see wide variations in income from year to year. Knowing this, do you believe farmers and ranchers should be able to average their income for tax purposes, or not?



Bipartisan Majorities: Farmers Should Be Able to Average Income for Tax Purposes

As you may know, farmers and ranchers can see wide variations in income from year to year. Knowing this, do you believe farmers and ranchers should be able to average their income for tax purposes, or not?

● Yes, they should be allowed to average their income for tax purposes ● No, they should not be allowed to average their income for tax purposes ● Don't Know/No Opinion



Do voters prioritize tax reform, and which provisions are most important?

Do voters support AFB reform priorities that allow farmers and ranchers to operate most efficiently?

Should farmers and ranchers be extended special tax considerations?



When Asked Again, Two in Three Voters Say Farmers and Ranchers Should Be Extended Special Tax Considerations, a 5-Point Increase Over Pre-Ballot

Which of the following statements do you agree with more, even if neither is exactly right?

