

Survey Toplines

Opinion Poll: Small businesses support bottom-up tax reforms

Released: August 28, 2024

Download the full report from our website: <https://smallbusinessmajority.org/our-research/taxes-budget-economy/opinion-poll-small-businesses-support-bottom-tax-reforms>

Methodology

This poll reflects a survey of 588 small business owners from SurveyMonkey’s online small business panel, conducted between July 9-15, 2024. The margin of error is +/-4%.

1. Are you the owner of a small business?

Yes, owner..... 100%

2. How many people does your company employ, including yourself? Please include full-time and part-time employees, but do not include independent contractors.

Self-employed 25%
 Small business, 2-10 employees..... 18%
 Small business, 10-24 employees..... 14%
 Small business, 25-49 employees 13%
 Small business, 50-74 employees 16%
 Small business, 75-100 employees..... 14%

3. Which of the following categories best describes your business?

Agriculture & Mining 3%
 Consulting & Business Services 11%
 Education & Youth Services..... 8%
 Energy & Utilities..... 4%
 Engineering..... 5%
 Food & Beverage 9%
 Health, Beauty, Fitness 5%
 Healthcare, Pharmaceuticals & Biotech..... 6%
 Insurance & Financial Services 2%
 Manufacturing 9%
 Media & Entertainment 2%
 Non-profit..... 1%
 Real Estate & Construction..... 7%
 Retail..... 7%

Service and Consumer Services	3%
Software & Internet.....	1%
Technology, Computers & Electronics	9%
Telecommunications.....	4%
Transportation & Storage	1%
Travel, Recreation & Leisure.....	1%
Wholesale & Distributors.....	2%
Other	4%

4. For you personally, is your business your only source of income, your primary source of income, or a secondary source of income?

Only source of income.....	26%
Primary source of income	42%
Secondary source of income	28%
The business is not earning revenue.....	3%
Other (please specify)	0%

5. What is your business' annual revenue?

Less than \$25,000	15%
\$25,000 to \$49,999	6%
\$50,000 to \$99,999.....	13%
\$100,000 to \$249,999.....	24%
\$250,000 to \$499,999.....	18%
\$500,000 to \$999,999	16%
Over \$1 million	6%
Prefer not to say.....	1%

6. How optimistic or pessimistic are you about your business prospects over the next six months?

Very optimistic.....	52%
Somewhat optimistic	23%
Neither optimistic or pessimistic.....	12%
Somewhat pessimistic.....	6%
Very pessimistic	5%
I don't know	2%
Refused	0%

7. Please rank the overall state of your business, where 1 indicates that your business is performing very poorly and 5 indicates that your business is performing very well.

1.....	5%
2.....	14%
3.....	32%
4.....	28%
5.....	21%

8. In the past three months, has your revenue increased, decreased or stayed the same?

Increased.....	68%
Decreased.....	13%
Stayed the same	19%

9. In the past three months, have your expenses increased, decreased or stayed the same?

Increased.....	70%
Decreased.....	11%
Stayed the same	19%

10. In the past three months, has the number of people you employ increased, decreased or stayed the same?

Increased.....	55%
Decreased.....	10%
Stayed the same	35%

11. Do you identify with any of the following racial or ethnic groups?

Asian, Asian American, East Asian, South Asian, and/or Southeast Asian	11%
Black, African or African American	11%
Hispanic, Latino/a or Spanish Origin.....	11%
Middle Eastern or North African	3%
Native American or Alaskan Native.....	3%
Native Hawaiian or Other Pacific Islander	1%
White or Caucasian	71%
Prefer not to answer.....	2%
Other (please specify)	1%

12. What is your current gender identification?

Male	60%
Female.....	39%
Non-binary.....	0%
A gender not listed here	0%
Prefer not to answer.....	1%

13. How do you complete your individual federal taxes?

I use tax software such as TurboTax, H&R Block or FreeTaxUSA.....	58%
I do them myself on paper or through IRS' Direct File system.....	12%
I have a chief financial officer, controller or other employee at my business who does them ..	14%
I use a third-party accountant or other tax preparer	16%
Other (please specify)	1%

14. How is your business organized?

C-corporation.....	18%
S-corporation	11%
Partnership	23%
Limited liability corporation.....	22%
Sole proprietorship	25%
Other (please specify)	1%

15. What was your household's adjusted gross income last year?

Under \$50,000	11%
\$50,000 to \$99,999.....	17%
\$100,000 to \$249,999.....	36%
\$250,000 to \$399,999.....	24%
Over \$400,000	11%
I don't know	1%

16. Did your business earn a profit last year?

Yes.....	88%
No.....	10%
My business was not in operation last year	3%

17. What was your business' net income last year? (Net income is the business' profit or loss after expenses and other deductions are taken into account.)

The business had a loss or no income	8%
Under \$50,000	16%
\$50,000 to \$99,999.....	18%
\$100,000 to \$249,999.....	27%
\$250,000 to \$499,999.....	20%
Over \$500,000	9%
I don't know	2%

18. Below are a series of statements some have made about the federal tax system. For each of the following, indicate whether you agree or disagree with the statement:

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	I don't know
The tax system favors large corporations over small businesses like mine.....	54%	28%	11%	4%	3%	1%
Wealthy individuals and large corporations do not pay their fair share of taxes.....	52%	23%	15%	5%	4%	1%
Tax cuts are important, but decreasing the federal deficit is more important	43%	31%	17%	5%	3%	2%
Large corporations unfairly leverage their foreign presence to reduce their U.S. tax liability.....	53%	24%	14%	5%	3%	2%
Reducing taxes for large businesses allows these companies to create more jobs	42%	24%	15%	9%	8%	2%
Providing small business with tax breaks allows owners to reinvest in their company	54%	29%	12%	3%	1%	1%

19. Are you aware of the 20% tax deduction for most pass-through business income?

(Excluding C-corporations N=480)

Yes.....	76%
No.....	24%

20. Did you claim the 20% pass-through deduction in your most recent tax filing?

(Excluding C-corporations N=480)

Yes.....	64%
No.....	21%
My business just started	6%

21. Instead of a 20% deduction of qualified business income, would you support or oppose a fixed standard business deduction? This standard pass-through deduction would allow business owners to deduct the first \$25,000 in net business income each year.

(Excluding C-corporations N=480)

Strongly support	31%
Somewhat support.....	22%
Neither support nor oppose.....	19%
Somewhat oppose	9%
Strongly oppose	13%
I don't know	6%

22. The current corporate tax rate is 21%, which was permanently reduced from 35% in the 2017 Tax Cuts and Jobs Act. The corporate rate only applies to businesses registered as C-corporations. There are varying proposals to either increase or decrease the corporate tax rate. Which of the following best reflects your view on the corporate tax rate?

- Leave the rate at 21% 19%
- Increase the rate to 28% 52%
- Lower the rate to 15%..... 21%
- I don't know 9%

23. Right now, capital gains are taxed at a rate of up to 20%. There are proposals to increase the capital gains tax rate for individuals with more than \$1 million in income. Do you support or oppose such an increase?

- Strongly support 36%
- Somewhat support 19%
- Neither support nor oppose..... 14%
- Somewhat oppose 12%
- Strongly oppose 15%
- I don't know 4%

24. Currently, estates valued under \$13.61 million (\$27.22 million for married couples) are not taxed. Which of the following best reflects your views on the estate tax?

- The estate tax should be eliminated..... 22%
- The estate tax threshold should remain the same 27%
- The estate tax threshold should be lowered 23%
- The estate tax threshold should be raised..... 21%
- I don't know 7%

25. Have you ever claimed the Research and Experimentation (R&E) tax credit for your business?

- Yes..... 64%
- No..... 30%
- I don't know 6%

26. The 2022 Inflation Reduction Act provided \$80 billion in additional funding to the IRS to improve customer service, aid tax filers and step up audits of wealthy individuals and companies. There are proposals to extend this IRS funding. Would you support or oppose continued additional funding for the IRS?

- Strongly support 30%
- Somewhat support 20%
- Neither support nor oppose..... 15%
- Somewhat oppose 12%
- Strongly oppose 18%
- I don't know 4%

27. The following are some functions of the IRS. For each, indicate whether you believe the agency needs additional funding to properly execute them.

	Yes	No	I don't know
Improving customer service	85%	12%	3%
Providing tax filing assistance	81%	14%	4%
Auditing wealthy taxpayers.....	79%	14%	7%
Auditing large corporations	82%	14%	4%
Auditing individuals.....	67%	26%	7%
Auditing small businesses/self-employed individuals.....	67%	26%	7%