

An experimental analysis of the impact of tax policy on taxpayer perceptions and political views

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Abstract

Using 72 Volunteer Income Tax Assistance (VITA) program participants, we collected pre- and post-test data to analyse the impact of the *Tax Cuts and Jobs Act of 2017* (TCJA) tax code changes on taxpayer and vote perceptions. Pre-test data provided a baseline on participants' political views and beliefs of the tax system, while post-test data provided insights as to how the changed tax code and its potential benefits might have changed perceptions. Further, we analysed framing effects by randomly assigning participants to a treatment that either referred to the TCJA by name or referred to it as the 'Trump Tax Cuts'. Our data suggest that in the pre-test, subjects that identify as Republican have greater approval of the TCJA when it is framed as 'Trump Tax Cuts' as opposed to 'TCJA'. The framing had no impact on Democrats either in the pre-test or post-test survey data. For Independents the framing had no impact in the pre-test survey but once the impact of the tax law was revealed in the post-test survey, the evidence suggests that Independents who see the 'Trump Tax Cuts' found the Act significantly less favourably than Independents who saw the TCJA frame. Lastly, the data also supports the idea that the more someone benefits from the TCJA the more positively they see the Act.

Keywords: Tax Cuts and Jobs Act, taxpayer attitudes, President Trump, political orientation, framing effects

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1. INTRODUCTION

The *Tax Cuts and Jobs Act of 2017* (TCJA) represented the most significant changes to the tax code since the Reagan administration (Chalk, Keen & Perry, 2018). Among several campaign promises, then-candidate Donald Trump proposed several key tax reforms that centered around a tax cut (Qiu, 2016). It could be argued that economic and tax issues were critical issues in Donald Trump's surprise victory in the 2016 US presidential election, as the economy was listed as the top issue to registered voters prior to the election (Pew Research Center, 2016).

The Trump administration argued that the overhaul of the tax code should be targeted at several key objectives:

- simplifying the system;
- making the US business tax competitive internationally;
- providing low- and middle-income tax relief;
- avoiding tax relief to wealthy individuals;
- lowering statutory tax rates;
- broadening tax bases, and
- creating a more equitable system

(Chalk et al., 2018).

Analysis of the TCJA has yielded mixed results to date, though literature tends to focus on the impact of the TCJA on tax revenue and the impacts on corporations. While much has been written about the TCJA and associated planning and actions for corporations, little research has focused on the individual taxpayer perceptions of and reactions to the TCJA specifically. Additionally, political science research provides insights related to taxpayer reactions to tax legislation in general. Again, specific reactions to the TCJA are largely absent from the literature. This article attempts to bridge a gap in the literature related to the political impacts of tax legislation and its ability or inability to impact voter perceptions of a political candidate.

Recently, many of the provisions of the TCJA that were set to expire (and were part of the TCJA Permanency Act and the One Big Beautiful Bill¹) were made permanent (see also Wamhoff, Hughes & Gardner, 2023). The present research provides individual taxpayer reactions that should be considered related to the debate and considerations of the One Big Beautiful Bill. This research adds further significance related to political strategy and its impacts on tax legislation and voter behaviour.

Now serving his second term after winning the 2024 presidential election, President Donald Trump's tax policy is again in the news. Of particular interest is the fact that the

¹ See US House Committee on Ways and Means, 'The One, Big, Beautiful Bill', available at <https://waysandmeans.house.gov/wp-content/uploads/2025/05/The-One-Big-Beautiful-Bill-Section-by-Section.pdf>.

TCJA reforms were set to expire at the end of 2025 (Tax Foundation, 2024).² President Trump has expressed his commitment to making these tax cuts permanent during his new administration (Lai & Jacobs, 2024), a feat that was largely accomplished with the *One, Big, Beautiful Bill Act 2025*.

2. LITERATURE REVIEW: TCJA AND INDIVIDUAL TAXPAYERS

The United States has not seen a tax Act change as impactful as the *Tax Cuts and Jobs Act* (TCJA) since 1986 (Gale et al., 2018a). The TCJA brought broad and substantial changes to the tax rates, tax brackets and deductions, and some simplification that saw fewer taxpayers itemising following this dramatic change to the US tax code (Barro & Furman, 2018). Many of the provisions of the TCJA were intended to simplify the individual tax reporting requirements, though many of the provisions of the Act were not adopted by states, thereby increasing the overall compliance requirements (Field, 2021).

Analysts have argued that the TCJA has had a mixed impact on individual taxpayers. Gale and co-authors (2018a) asserted that the TCJA would: (1) provide short-term stimulation to the economy; (2) have small long-term growth impacts; (3) reduce federal revenues; (4) add to inequalities in the distribution of after-tax income; (5) simplify taxes in some ways but add complexity/compliance issues in others, and (6) reduce contributions to charities as well as health insurance coverage. Kallen and Mathur (2021) concluded that the Act would result in short-term increases in after-tax income for all taxpayers. They further assert that if provisions are allowed to expire in 2026 (as scheduled), there would be long-term decreases in after-tax income for lower-income households. However, their general conclusion is that the Act is progressive in nature (Kallen & Mathur, 2021).

As the press often noted after the TCJA's passage, Taite (2020) concludes that the Act follows historical trends of wealth inequities. The author defines wealth inequity as the ability to accumulate wealth. Generally, the conclusion is that the TCJA exacerbates inequities (Taite, 2020). As an example, Weeks McCormack (2020) compared how parents of minor children were taxed immediately before and after the TCJA. The author finds the TCJA favoured sole-earning caregivers over dual-earning and unmarried caregivers. The Act failed to address inequities in prior law and created new inequities (Weeks McCormack, 2020).

The TCJA has also been studied in relation to political factors and motivations. Altig and co-authors (2020) found that the TCJA resulted in more benefits to states whose voters vote primarily for the Republican Party. Republican states tend to have lower tax rates than Democrat states; therefore, the state and local tax (SALT) deduction limitation has a greater negative impact on Democrat states (Altig et al., 2020). Wu (2022) notes that there has been a debate over the SALT deduction limitation in the TCJA because many high-income and high-tax states such as California and New York have been hit the most by the limitation. However, the author continues by stating that even when Democrats gained control of the House, Senate, and White House, the call

² See Tax Foundation, 'Where do the candidates stand on taxes?', <https://taxfoundation.org/research/federal-tax/2024-tax-plans/> (accessed 13 January 2024).

for repeal of the deduction limitation failed because many members of Congress believed wealthy taxpayers benefit the most from SALT deductions (Wu, 2022).

Researchers have found that most taxpayers overstate their actual average tax rate (Ballard & Gupta, 2018; Rees-Jones & Taubinsky, 2020; Williamson, 1976). Blaufus and co-authors (2015) also find that even more taxpayers are unaware of their marginal tax rates than their average tax rates. However, studies have found that misperceptions decrease with higher knowledge and cognitive capacity in individual taxpayers (Blaufus et al., 2015; Gensemer, Lean & Neenan, 1965; Gideon, 2014; Slemrod, 2006; Williamson, 1976).

In retrospect, most of the research on the efficacy of the TCJA has focused on the impacts on corporations. Overesch, Reichert and Wamser (2023) found that US multinational corporations (MNCs) had largely successfully engaged in international tax planning prior to the TCJA, and such behaviour had been unchanged following the tax reform.

2.1 Hypothesis development

Prior studies and poll results have shown that the association of the name of a United States President with a particular policy or piece of legislation affected the perceptions of respondents (McKnight et al., 2022). In 2015, a Public Religion Research Institute (PRRI) survey found that when Republicans reacted differently to an identically worded immigration policy when then President Obama's name was associated with the legislation and when it was not with support dropping from 67% (without the Obama name) to 51% (with the Obama name) (Jones & Cox, 2015).

Similarly, in 2016, a Quinnipiac University survey found that the policy proposal related to President Trump's ban on Muslim immigrants was perceived differently by respondents when Trump's name was associated with the policy and when it was not. Of Trump voters, support for the policy rose when Trump's name was attached to the policy (88% approved) compared to when it was not (76% approved) (Schwartz, 2016). Of non-Trump voters, support for the policy dropped when Trump's name was attached to the policy (18% approved) compared to when it was not (26% approved) (Schwartz, 2016). In keeping with subjects' political identity/affiliation, we expect that those who identify as Republican will generally have more support for initiatives that are affiliated with the name Trump. Similarly, we expect those who do not identify as Republican to have a more negative perception of legislation that is related to the name 'Trump'. Hypotheses 1 and 2, below, reflect these expectations:

Hypothesis 1: In the pre-test survey, the subjects who identify as Republican will have greater approval of the new tax law after seeing the law framed as the Trump Tax Cuts relative to Republicans who see the law framed as the TCJA.

Hypothesis 2: In the pre-test survey, the non-Republicans will have lower approval of the new tax law as a consequence of the framing of the Act as the Trump Tax Cuts relative to other non-Republicans who see the law framed as the TCJA.

In hindsight, average income tax rates dropped for all income groups because of the TCJA. The TCJA reduced 'marginal statutory tax rates at almost all levels of taxable

income' (Gale et al., 2018b, p. 2). According to Tax Foundation,³ the average rate fell by at least a half per cent from 2017 to 2019; most income ranges saw the average income tax rate drop by 1% or more. Through the expansion of the standard deduction and a reduction of tax rates by nearly all the tax brackets, '[o]verall, most families' tax benefits increased modestly as a result of the TCJA' (Airi et al., 2024). Even so, we expect that Republicans will have more positive perceptions of the new tax law when it is framed as a 'Trump Tax Cuts' as compared to Republicans when the law is framed as the Tax Cuts and Jobs Act, as stated below in Hypothesis 3:

Hypothesis 3: In the post-test survey, the subjects who identify as Republican will have greater approval of the new tax law after seeing the law framed as the Trump Tax Cuts relative to Republicans who see the law framed as the TCJA.

As noted in Fatemi, Hasseldine and Hite (2008), prior research has asserted that the acceptability of a tax system could be threatened if the views of those subjected to that system are ignored (Frey, 1997; Feld & Tyran, 2002). Thus, understanding taxpayer views, especially their attitudes toward governmental bodies, politicians, and fiscal policy, can be instrumental in minimising non-compliance behaviours such as tax evasion (e.g., Cullen, Turner & Washington, 2018). Developing knowledge of taxpayer attitudes also requires that research examine the factors that may influence those attitudes. One such factor that may have a significant effect on one's views regarding taxes is his or her political orientation.

McGowan (2000) observed a link between political orientations and taxpayer attitudes regarding alternative tax systems. Based on this key finding, it was argued that research should address political affiliations when examining the viewpoints of taxpayers and suggests that those affiliations could have moderating effects on the factors that shape an individual's thoughts toward taxation. However, despite McGowan's (2000) appeal, there still exists a significant gap in the accounting literature that has explored the relationships between political associations and taxpayer attitudes.

In public economics, tax preferences are historically modelled as a 'function of the individual income' (Berens & Gelepithis, 2021, p. 375) for self-interested rational individuals (Meltzer & Richard, 1981; Roemer, 1999). Barnes (2015) found that both high- and low-income earners are less likely to support higher taxes than those in the middle of the income distribution. Berens and Gelepithis (2019) identify that reciprocity is a key determinant of the willingness to pay higher taxes. More specifically, the expectation of receiving valuable goods or services from the state in return for paying higher taxes increases a taxpayer's tolerance for higher tax rates.

Levi (1988) asserts that as individuals form tax preferences, they will consider both the cost of the taxes levied upon them and the corresponding personal benefit they may derive as a result. Berens and Gelepithis (2021) argue that the willingness to pay higher taxes depending on reciprocity explains why tax preferences are sensitive to the perceived trustworthiness of political institutions. As political trust increases, the belief that goods and services will benefit taxpayers (and not politicians) also increases (Barnes, 2015; Sears & Citrin, 1982). Further, ideology is also a strong predictor of

³ Tax Foundation, 'Tax Cuts and Jobs Act (TCJA)', <https://taxfoundation.org/taxedu/glossary/tax-cuts-and-jobs-act/> (accessed 26 November 2023).

individual tax preferences (Roosma, van Oorschot & Gelissen, 2016). Hypothesis 4 is based on the role of ideology as a predictor of an individual taxpayer's tax preferences:

Hypothesis 4: In the post-test survey, the non-Republicans will have lower approval of the new tax law as a consequence of the framing of the Act as the Trump Tax Cuts relative to other non-Republicans who see the law framed as the TCJA.

Hypothesis 5 controls for ideology-related bias, and isolates individual taxpayer self-interest:

Hypothesis 5: The larger someone's tax rebate is from the Act the more likely they are to support the Act after controlling for treatment effects, education, and self-identified political affiliation.

3. DATA AND RESEARCH DESIGN

Experimental tax research has utilised a range of methodologies to study tax compliance, tax policy preferences, and the effects of tax incentives on charitable giving. Each experimental method has its strengths and limitations, and researchers must carefully consider which approach is best suited to their research question. By using a combination of experimental methods, researchers can gain a more comprehensive understanding of the complex world of taxation and its impact on society. Our design attempted to use the strengths of several approaches while limiting the weaknesses inherent in each.

One popular experimental method in tax research is field experiments. These experiments implement tax policies or incentives in real-world settings and observe the resulting behaviour of taxpayers. Field experiments can provide valuable insights into taxpayer behaviour in real-world settings and offer greater external validity than laboratory experiments. However, they may be subject to issues related to selection bias, as participants may self-select into the experiment (Mascagni, 2018). We used a randomised assignment of participants to alleviate self-selection bias, though we acknowledge limitations based on those who sought tax assistance through the Volunteer Income Tax Assistance (VITA) program.

An additional experimental method used in tax research is the application of surveys or questionnaires. These methods involve asking individuals about their tax compliance behaviour or their opinions on tax policies. Surveys and questionnaires are easy to administer and can gather large amounts of data quickly. However, they may suffer from issues related to social desirability bias or self-reporting bias (Ganghof & Genschel, 2008). We integrated the use of survey questions in a pre- and post-test scenario to capture changes in perceptions regarding the TCJA and related constructs.

We additionally integrated elements of a fourth experimental method used in tax research – natural experiments. These experiments observe the behaviour of taxpayers in response to naturally occurring events, such as changes in tax policy or economic conditions. Natural experiments provide valuable insights into the effects of tax policy changes on taxpayer behaviour and offer greater external validity than laboratory experiments. However, they may be subject to issues related to endogeneity or confounding variables (Hallsworth et al., 2017). Through random assignment of participants into control and treatment groups we attempted to alleviate these issues.

3.1 Data collection

We collected data over a seven-week period during tax preparation for the Volunteer Income Tax Assistance (VITA) program. VITA is an IRS-sponsored program in which organisations have volunteers prepare tax returns for mid-to-low-income individuals at no cost.⁴ Clients arrived for their tax return preparation appointment, signed in, and were given a random code/client number. Once assigned a client number, clients were randomly assigned to one of two pre-test groups. Our first question of interest is how preferences for the Tax Cuts and Jobs Act (TCJA) will be affected by the association of the name 'Trump' with the Act. Thus, we randomly assigned some respondents to the framed version of the following question and some respondents to the unframed version:

1. Unframed Version: What is your opinion of the Tax Cuts and Jobs Act (TCJA)?
2. Framed Version: What is your opinion of the Trump Tax Cuts?

The respondents were given five options for a response: Strongly Support; Moderately Support; No Opinion; Moderately Oppose; Strongly Oppose. For the purposes of our analysis, we coded the responses to this question using a Likert Scale with 1 being associated with Strongly Support and 5 being associated with Strongly Oppose.

Based on groupings, clients completed a series of intake forms, including a statement of informed consent and the appropriate pre-test for their treatment group. Clients were informed that they could 'opt out' of the study at any point.

A total of 72 clients (out of 107 participating in the VITA program) participated in the research study. Once intake forms and pre-tests were completed, participating clients were assigned to a volunteer tax preparer, while researchers reviewed their intake forms for completeness or other issues.

After the client's tax return was prepared by volunteers and verified by the VITA site coordinator, the results (refund/underpayment status) as well as a side-by-side comparison of the effect of tax law changes as compared to the previous year were presented to participants. At this point, clients completed the post-test. Pre- and post-tests were combined into a single document using the codes provided to clients during their initial intake. Researchers collected and entered data into a database at the conclusion of each evening of the VITA program appointments.

3.2 Participants

The participant group provided a relatively representative sample. A total of 72 clients participated in the study; 48.6% were male, and 51.4% were female. The mean age of participants was 47.43, and the median age was 44. Self-reported political affiliation was relatively evenly distributed; 23 (31.9%) identified as Republican.⁵ Another 29.2% identified as independent, and 31.9% indicated they were Democrats. Two individuals identified as 'other' while three individuals failed to report any political affiliation.

⁴ Internal Revenue Service (IRS), 'Free tax return preparation for qualifying taxpayers', <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers> (accessed 27 May 2023).

⁵ Respondents were asked to gauge their political affiliation with the options being Strong Republican, Moderate Republican, Independent, Strong Democrat, Moderate Democrat, or Other.

Most participants reported receiving a tax refund for the previous tax year (69.4%), while 16.7% reported owing additional payments for the previous tax year, and 9.7% reported a zero balance (no refund or additional payments due). Three individuals (4.2%) did not answer the question.

The modal response to our education question was completion of high school (41%) with no respondent with less than high school completion. The remaining respondents indicated a level of educational attainment as vocational certification (4%), associate degree (13%), bachelor's degree (24%), master's degree (14%), or professional/doctoral (3%). Two respondents did not answer the question concerning education.

Of study participants who answered, they ranged from employed full-time (49.3%) to retired (29.6%). Another 15.3% identified as employed part-time while 5.6% identified as unemployed. The filing status of most participants (58.3%) was 'Single' while 29.2% were 'Married Filing Jointly'. The remaining participants filed as 'Head of Household' (5.6%) or 'Married Filing Separately' (6.9%). Related to income, participants adjusted gross income (AGI) ranged from 0 to USD 120,067, with a mean of USD 36,096 and a median of USD 26,669. The one individual reporting a high income (USD 120,067) was allowed to participate in the VITA program based on previously qualifying for the program in a prior tax year.

Participants spent between 75 and 90 minutes completing the entire process, from intake through tax preparation and the final post-test. Importantly, participants were involved for no more than 90 minutes, minimising the likelihood that changes in perspectives were influenced by factors other than the tax law changes themselves. The Tax Cuts and Jobs Act (TCJA), central to our research, was introduced in November 2017, signed into law in December 2017, and enacted in 2018 (HR 1, 2017). Data collection for the study occurred from February to April 2018, aligning with the early implementation phase of the TCJA. This timing allowed us to capture participants' initial reactions and assess the potential influence of framing based on the association of the Act with 'Trump' in a real-world setting.

3.3 VITA program participants

The VITA program, organised by the IRS, provides free tax preparation services to individuals who meet certain criteria, such as having low to moderate income, being elderly, or having disabilities. Generally, the income cap for eligibility is USD 67,000, but local VITA sites may make exceptions. For example, elderly or disabled taxpayers can still qualify regardless of income, especially if their returns are simple. The program is designed not only to help taxpayers file their taxes but also to ensure they claim key tax credits like the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), which they might otherwise miss. Additionally, the program aims to improve financial literacy among underserved populations by offering guidance on tax filing and financial management (Miller & Thalacker, 2013).⁶

Many VITA sites are tailored to the needs of their specific communities, sometimes extending services to those whose income slightly exceeds the usual limits, especially when local conditions, such as financial hardship, warrant such flexibility. VITA sites, often run by universities or community organisations, may also provide additional

⁶ See also IRS, 'Free tax return preparation for qualifying taxpayers', <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers> (accessed 27 May 2023).

educational resources to help taxpayers learn how to better manage their financial records and plan for future tax filings. This emphasis on education, along with flexible eligibility guidelines, makes the VITA program a vital tool for helping individuals improve their financial well-being while ensuring they meet their tax obligations (Miller & Thalacker, 2013).

4. DATA ANALYSIS

Our main empirical strategy utilises linear regression to explore how support for the Act changes with the framing of the Act for different political groups. To set the stage for the more rigorous regressions, we will first present the raw averages of support in the pre-test and post-test data. Then we will present our results of linear regressions including an array of controls to test for robustness. Lastly, we will relate these results to our formal hypothesis.

As noted previously there are 72 total observations from the VITA program. Of these 72 observations three did not provide political affiliation. We dropped these three observations, reducing our usable data to 69 observations. Further, there are 3 observations (1 Indep; 2 Republican) where subjects did not answer the question about support for the Act in the pre-test survey and 3 observations (2 Indep; 1 Democrat) where subjects did not answer the question (TJCA_P) about the support for the Act in the post-test survey. Therefore, there are a total of 66 Observations in the pre-test survey and 66 observations in the post-test survey.⁷ Table 1, below, provides a summary of the variables used in our analysis.

The variable *H_TaxRef* captures how much better (*H_TaxRef* is positive) or worse off (*H_TaxRef* is negative) someone is from the TJCA compared to tax law prior to implementing the TCJA. For example, a taxpayer whose tax liability was reduced by USD 1,000 would have been identified as ‘better off’ and *H_TaxRef* is coded as 10 and a taxpayer whose tax liability was increased by USD 500 would have been identified as ‘worse off’ with *H_TaxRef* is coded as negative 5 since the variable measures the change in tax liability in hundreds of dollars. This is only revealed to the subject at the post-test portion of the data collection and will allow us to measure the impact of self-interest on perceptions of the Act.

⁷ There are a total of 63 paired observations in the data. We chose to not use only the paired observations due to our (already) small sample size. Nonetheless, the results of the same analysis using only the paired observations yields qualitatively similar results.

Table 1: Summary of Variables Used in Analysis

Variable	Description	Mean	Std. Dev.	Min	Max
<i>Repub</i>	1 if self-identify as republican; 0 otherwise	0.32	0.47	0	1
<i>Indep</i>	1 if self-identify as independent or other	0.33	0.47	0	1
<i>Trump</i>	1 if framed version; 0 otherwise	0.44	0.50	0	1
<i>TCJA</i>	Question on pre-test about Act	3.16	1.22	1	5
<i>TCJA_P</i>	Question on post-test about Act	2.83	1.27	1	5
<i>H_Taxref</i>	Impact of new tax law on tax liability in hundreds of \$	6.76	8.56	-7.45	42.16
<i>EducHS</i>	1 if highest education attained is high school; 0 if highest level of education is more than high school	0.40	0.49	0	1
<i>Female</i>	1 if the subject indicated they were female	0.52	0.50	0	1
<i>Retired</i>	1 if the subject indicated they were retired	0.26	0.44	0	1
<i>Fstatus</i>	1 if the filing status of a subject Single	0.58	0.50	0	1

Figure 1 shows the mean support of the Act by political party for the pre-test data. The error bars represent a 95% confidence interval. Within each political party, except for Republicans, there is no statistically significant evidence that the Trump frame has much effect. For Republicans, on the other hand, the difference in the average support for the Act is statistically significant with a p-value of 1.2%.

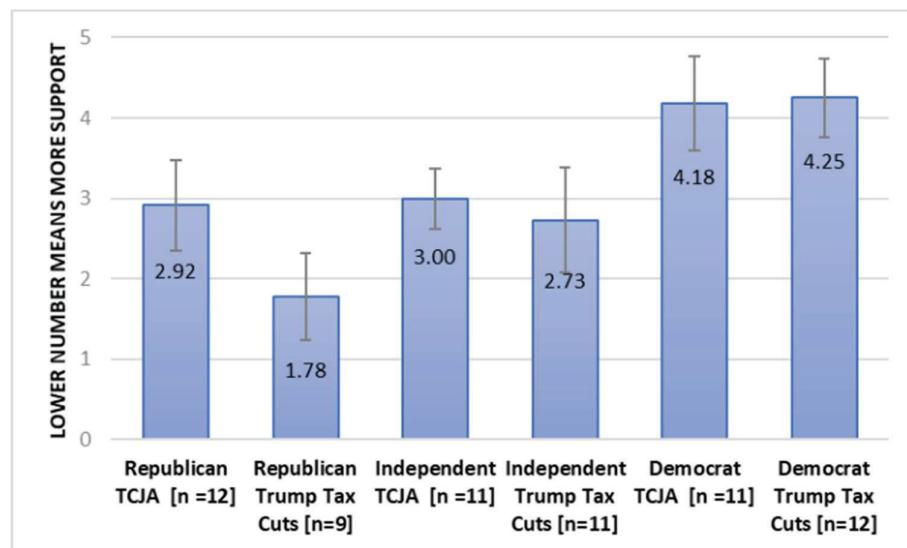
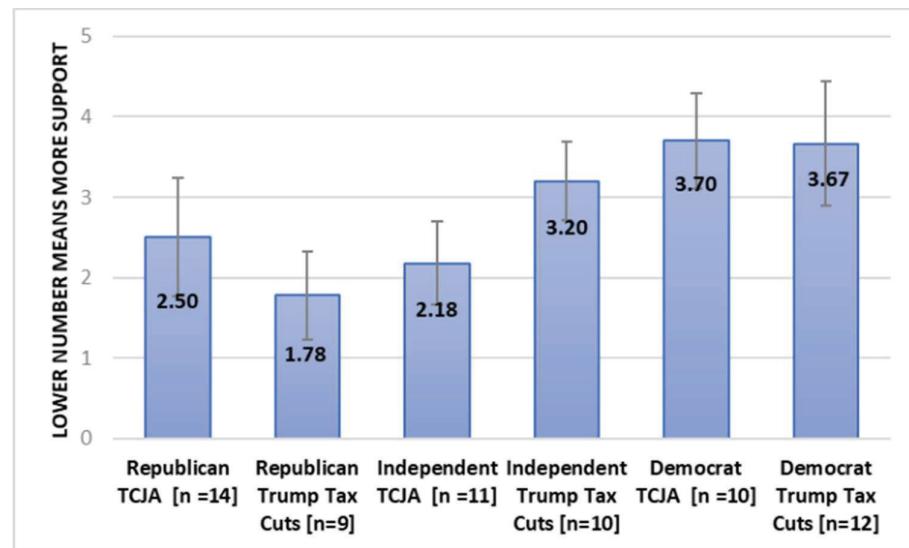
Fig. 1: Average Support by Political Party – Pre-Test Data

Figure 2 shows the mean support of the Act by political party for the post-test data. The error bars represent a 95% confidence interval. Within each political party, except for Independents, there is no statistically significant evidence that the Trump frame has much effect. For Independents, on the other hand, the difference in the average support for the Act is statistically significant with a p-value of 1.2%.

Fig. 2: Average Support by Political Party – Post-Test Data



Below we present the results of our regression analysis. The first two specifications deal with the pre-test measure of support for the Act, and the last two specifications concern the post-test measure of support for the Act. We chose to use regression analysis in addition to the averages for two reasons. First, the use of regression will allow us to control for other demographic effects. The introduction of these controls can be found in specifications 2 and 4 in the Table below as opposed to the more parsimonious models in columns 1 and 3. Second, the use of regression will allow us to also investigate more deeply the differences between political groups.⁸

⁸ The results in Table 2 are from Ordinary Least Squares regressions. Other specifications such as heteroscedastic errors, bootstrapped errors, and Ordered Probit specifications produce similar results and are available upon request.

Table 2: Regression Results

Specification	(1)	(2)	(3)	(4)
Dependent variable:	<i>TCJA</i>	<i>TCJA</i>	<i>TCJA_P</i>	<i>TCJA_P</i>
<i>Repub</i> (1 if republican)	-1.265*** (0.002)	-1.191*** (0.004)	-1.149** (0.013)	-1.164** (0.015)
<i>Trump</i> (1 if see Trump frame)	0.068 (0.859)	0.091 (0.816)	-0.066 (0.886)	-0.014 (0.977)
<i>Repub</i> * <i>Trump</i> (interaction term)	-1.207** (0.034)	-1.330** (0.024)	-0.864 (0.193)	-0.996 (0.152)
<i>Indep</i>	-1.181*** (0.004)	-1.046** (0.012)	-1.636*** (0.001)	-1.590*** (0.002)
<i>Indep</i> * <i>Trump</i>	-0.341 (0.536)	-0.322 (0.565)	1.223* (0.070)	1.278* (0.071)
<i>H_TaxRef</i>			-0.032** (0.045)	-0.036* (0.057)
<i>EducHS</i>		-0.195 (0.627)		0.124 (0.676)
<i>female</i> (1 if female)		0.261 (0.385)		-0.042 (0.883)
<i>retired</i> (1 if retired)		0.151 (0.166)		0.308 (0.357)
<i>Fstatus</i> (1 if filing status is single)		0.266 (0.443)		-0.239 (0.463)
<i>Constant</i>	4.182*** (<0.001)	3.844*** (<0.001)	3.960*** (<0.001)	3.619*** (<0.001)
Observations	66	66	66	66
F statistic	10.90***	6.41***	5.52***	3.37***
<i>R</i> ²	0.476	0.508	0.360	0.380

Results are from OLS regressions. The omitted category of political party is Democrats. P-values are in parenthesis beneath estimated coefficients and represent a two-sided test of the null hypothesis that the coefficient is equal to a value of zero. *** implies significant at 1%; ** implies significant at 5%; * implies significant at 10% level.

4.1 Hypothesis 1

Hypothesis 1 stated ‘In the pre-test survey, the subjects that identify as Republican will have greater approval of the new tax law after seeing the law framed as the Trump Tax Cuts relative to Republicans who see the law framed as the TCJA’.

If we consider specification 1 in the regression results, we can see from the interaction term of Trump with the Republican indicator that there is strong evidence that the Trump frame has an impact on the Republicans in our sample. The negative coefficient for this interaction term implies that Republicans who see the Trump frame are more supportive (i.e., lower number) than the Republicans who do not see the Trump frame. This is also seen in Figure 1 as the mean support for Republicans who see the Trump frame is 1.78 versus 2.50 for the Republicans who do not see the Trump frame. Notice that this

difference is also robust to including controls for other demographic characteristics of our sample as evidenced in specification 2.

4.2 Hypothesis 2

Hypothesis 2 stated ‘In the pre-test survey, the non-Republicans will have lower approval of the new tax law as a consequence of the framing of the Act as the Trump Tax Cuts relative to other non-Republicans who see the law framed as the TCJA’.

Using the regression results we can delineate how the Trump frame affects Independents and Democrats separately. By considering specification 1, we see that the interaction term with the Trump frame and the Independent indicator fails to be significantly different from zero. This suggests that subjects who self-identify as Independents have no measurable difference in support for the Act when seeing the Trump frame and seeing the TCJA frame. We conclude that there is no support for Hypothesis 2 for the group of Independents.

For Democrats, since they are the omitted category in our regressions, we must consider the significance of the *Trump* variable in our regressions. We see that the *Trump* variable fails to be significantly different from zero and we can conclude that that Democrats are not measurably affected by the Trump frame finding no support for Hypothesis 2 for Democrats.

Lastly, we can see that these results are robust to the inclusion of demographic characteristics as evidenced in column 2 in the Table.

For Hypotheses 3 and 4 we concern ourselves with specifications 3 and 4 in the regression results.

4.3 Hypothesis 3

Hypothesis 3 stated ‘In the post-test survey, the subjects that identify as Republican will have greater approval of the new tax law after seeing the law framed as the Trump Tax Cuts relative to Republicans who see the law framed as the TCJA’.

Using specification 3 in the Table we consider the interaction term between the Republican indicator and the Trump indicator. We see that this interaction term fails to be significantly different from zero with a p-value of 19.3%. This suggests that in the post-test survey no measurable difference exists between Republicans seeing the Trump frame and the TCJA frame. Therefore, we do not find support for Hypothesis 3 in our data.

4.4 Hypothesis 4

Hypothesis 4 stated ‘In the post-test survey, the non-Republicans will have lower approval of the new tax law as a consequence of the framing of the Act as the Trump Tax Cuts relative to other non-Republicans who see the law framed as the TCJA’.

Again, using the regression results we can delineate how the Trump frame affects Independents and Democrats separately. By considering specification 3, we see that the interaction term with the Trump frame and the Independent indicator is positive and significantly different from zero at the 10% level. This suggests that subjects who self-identify as Independents see the Act less favourably relative to Independents who see

the TCJA frame. We conclude that there is support for Hypothesis 4 for the group of Independents.

For Democrats, since they are the omitted category in our regressions, we must consider the significance of the *Trump* variable in specifications 3 and 4. We see that the *Trump* variable fails to be significantly different from zero and we can conclude that Democrats are not measurably affected by the *Trump* frame finding no support for Hypothesis 4 for Democrats.

Lastly, we can see that these results are robust to the inclusion of demographic characteristics as evidenced in column 4 in the Table.

4.5 Hypothesis 5

Hypothesis 5 stated ‘The larger someone’s tax rebate is from the Act the more likely they are to support the Act after controlling for treatment effects, education, and self-identified political affiliation’.

To test this hypothesis, we consider the coefficient on the variable *H_TaxRef*. In specification 3 we see that the coefficient is negative and significantly different from zero. Similarly in specification 4 after we also include controls for education level, self-identified political affiliation, sex, retirement status, and filing status. Therefore, we conclude that our data supports Hypothesis 5.

5. DISCUSSION

This study shows that how the Tax Cuts and Jobs Act (TCJA) is described can influence how people feel about it, especially among Republicans. As we expected, Republicans were more likely to support the Act when it was called the ‘Trump Tax Cuts’ rather than the TCJA. This suggests that political labels matter and can change how people think about policies. This result is robust to including controls for education, tax filing status, sex, and employment status. However, our results did not support our second prediction, which was that Democrats and Independents would be less likely to support the Act when it was linked to Trump. Their opinions did not measurably change based on how the Act was framed, which suggests they may have already made up their minds.

After learning more about how the Act affected them personally, Independents showed less support for it when it was called the Trump Tax Cuts, confirming part of our fourth prediction. This suggests that some people’s opinions are flexible, especially if they are not strongly tied to one political party. However, Democrats did not change their views based on framing, and Republicans no longer showed a significant difference in support. This means that while first impressions are important, they might not last once people get more details.

Finally, our results strongly support the idea that personal financial benefits play a big role in shaping opinions. People who saved money under the TCJA were more likely to support it, regardless of their political party. This suggests that while political labels influence opinions, financial benefits can be an even stronger factor. Overall, our study helps us understand how both political identity and personal gain shape public opinion on tax policies.

6. CONCLUSION

In the case of the Tax Cuts and Jobs Act, linking a specific political figure to the Act does impact how taxpayers view the Act. We find that the name ‘Trump’ being linked to the TCJA somewhat strengthens the President’s standing with his ‘base’ voter demographic. Additionally, we find that showing taxpayers how much they personally benefited from the TCJA, no matter their political affiliation, does increase support for the Act in general.

6.1 Significance and contributions

This study applied well-known research about taxpayers’ preferences on tax laws to a specific policy: the Tax Cuts and Jobs Act (TCJA). Using field experiments, the study examined how taxpayers view the TCJA and explored how those views are influenced by political ideologies and political figures. The findings offer important insights into how political identity and framing affect public opinion on tax legislation.

Consistent with earlier research (Jones & Cox, 2015; Schwartz, 2016; McKnight et al., 2022), the results show that associating the TCJA with a politically divisive figure, such as President Trump, significantly increases approval among Republicans. Results from Hypothesis 1 highlights this effect, showing that Republicans are more likely to approve of the TCJA when it is framed as the ‘Trump Tax Cuts’. This finding supports the idea that political identity amplifies support for policies aligned with one’s beliefs. It also builds on previous research by McKnight and co-authors (2022), which demonstrated how associating the name ‘Trump’ with the TCJA affects people’s satisfaction with the Act, particularly among self-identified Republicans. Additionally, the results expand earlier studies, showing that framing influences opinions about financial policies, not just social or cultural issues.

At the same time, the findings for non-Republicans challenge some assumptions from past research, as noted from Hypotheses 2 and 4. Earlier studies suggested that framing might decrease support among opposing political groups (Schwartz, 2016; McGowan, 2000). However, this study found no major framing effect on Independents or Democrats. One explanation is that non-Republicans had already formed strong opinions about the TCJA before the study began, leaving little room for framing to change their views. These results suggest that framing works differently for financial policies, especially when the legislation has a direct impact on taxpayers’ personal finances (Gale et al., 2018a).

The study also explores how self-interest influences support for tax policies as we posited with Hypothesis 5. Building on Levi’s (1988) theory that people consider both costs and personal benefits, the results show that receiving a tax rebate increased approval of the TCJA. This remained true even after accounting for political beliefs and framing effects. These findings align with earlier research (Barnes, 2015; Berens & Gelepithis, 2019), which highlights the role of personal financial gains in shaping tax preferences. Importantly, self-interest appears to stabilise opinions, reducing the polarising effects of framing by connecting attitudes to personal outcomes.

In addition to these findings, this research also identified a valuable participant group for future studies. Volunteer Income Tax Assistance (VITA) programs, particularly those affiliated with universities, provide a unique opportunity for data collection and research. VITA programs have already been recognised as important educational tools

for applied experiential learning (Boneck, Barnes & Stillman, 2014; McKnight et al., 2021; Strupeck & Whitten, 2004; Laing, 2013). Our research validates their potential as a reliable source for gathering data on taxpayer perspectives and behaviours, opening doors for future studies in this area.

Overall, this study adds to the research on framing effects, political identity, and self-interest in tax policy. It shows that while framing has a strong influence on Republicans, it has little effect on Independents or Democrats. At the same time, self-interest plays an important role in stabilising public opinion on tax laws like the TCJA. These findings offer valuable insights for policymakers and communicators, highlighting how messaging, political beliefs, and tangible financial outcomes shape public attitudes toward tax reforms.

6.2 Suggestions for further research

Use of a VITA program produced a solid sample for this research. However, future research should expand beyond those who are eligible to participate in a VITA program and should include taxpayers that represent demographics who were not eligible due to VITA program restrictions. Currently, IRS restrictions limit VITA participants to individuals making USD 67,000 annually or less, persons with disabilities, and those who speak limited English.⁹ Possibilities to consider would include those who exceed the income limitations – as is discussed below – as well as non-English speaking individuals.

Many of the changes that were enacted as a part of the TCJA of 2017 were scheduled to expire at the end of 2025. The passage of the One, Big, Beautiful Bill made many of the elements of the TCJA permanent. While cost estimates of that extension are high at USD 288.5 billion (Wamhoff et al., 2023), a replication of the current study adapted for provisions of the One, Big, Beautiful Bill would be appropriate once the new legislation becomes effective in 2026.

In addition to a potential replication following the settlement of the One, Big, Beautiful Bill, another consideration for future research should be whether to bracket income levels in greater numbers to get taxpayer reactions based on income levels. Potential methods of grouping by income could be based on IRS tax brackets, percentile ranks based on potential share of tax cuts should the TCJA provisions be extended (Wamhoff et al., 2023), or a more complex categorisation based not only on income but by filing status as well.

In the present research, as it pertained to our two dependent variables of interest, those who self-identified as ‘independents’ tended to behave more like Republicans than Democrats. Independent voters in this instance had moderately more approval for the changes to the tax law after seeing the general tendency for tax liability to decrease because of the Act. Future research in this area should isolate the opinions of independent voters to investigate the degree to which personal benefit resulting from changes to the tax code might impact voter intent.

⁹ IRS, ‘Free tax return preparation for qualifying taxpayers’, <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers> (accessed 27 May 2023).

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