

## Raising Taxes In A Time Of Inflation

In last week's CPI report, Republicans got some better inflation news with the lowest year-over-year rate since 2021 (2.3%). Inflation is definitely not conquered and we still don't know how the tariffs will affect rate of inflation. But for now, inflation appears to be gradually trending in the right direction.

From our [new numbers for the S Corporation Association](#) (May 13-15, 1000 registered voters) inflation is still a major concern, with almost half the electorate (49%) believing that inflation is getting worse, rather than better (30%) or not changing (18%). Half the country still believes inflation is getting worse, but this is some improvement from what we saw in mid-April at the height of the tariffs discussion. At that time, 57% said inflation was getting worse (Winning the Issues, April 8-10).

In our research for the S Corporation Association, we looked at the idea of raising taxes in the current environment. In the context of inflation, voters are opposed to a tax increase in this environment: *With the country still dealing with inflation, now is not the time to raise taxes* (62-25 believe-do not believe). This belief is even higher among conservative Republicans (71-17) and Republicans (68-20). Independents also believe this 58-27.

Belief Statements	Overall	Cons GOP	GOP	Indep
With the country still dealing with inflation, now is not the time to raise taxes.	62-25	71-17	68-20	58-27
If companies have to pay more in taxes, those costs will be passed on to consumers in higher prices.	70-16	73-17	73-16	70-14

There is also a belief that tax increases on businesses will lead to higher costs for consumers. 70% of the country believes that *if companies have to pay more in taxes, those costs will be passed on to consumers in higher prices* (70-16 believe-do not believe). This belief is consistent among conservative Republicans 73-17, Republicans 73-16, and independents 70-14. Even Democrats believe this (68-19).

For more findings from the new survey, [click here](#). We'll have more on taxes coming in Friday's Discussion Points.

Have a good week.

*David & Myra*