

**POLITICAL ALIGNMENT, ATTITUDES TOWARD GOVERNMENT AND TAX
EVASION
For Online Publication Only**

JULIE BERRY CULLEN, NICHOLAS TURNER & EBONYA WASHINGTON

Online Appendices

Appendix A. General Social Survey Analysis

This appendix provides details on the data, sample and empirical strategy used to produce the estimates relating political alignment to individual attitudes toward government and government activities that are summarized in Figure 3 in the main paper. These analyses exploit individual-level data from the General Social Survey (GSS) and help to support the argument that sharing the same party as the president is associated with improved tax morale, all else equal.

The GSS has been conducted during February, March and April for the years 1972-1978, 1980, 1982-1991, 1993-1994 and then for even years 1996-2014. We use the General Social Surveys 1972-2014 Cross-Sectional Cumulative Data File (Release 4, September 22, 2015). The survey includes questions on confidence in government and views on government spending and taxation, as well as respondent partisanship.

We restrict our sample to interviews that either were or could have been conducted in English. The GSS did not begin interviewing in Spanish until 2006, so we first drop the Spanish language interviews (SPANENG equals 2) that would not otherwise have been conducted to maintain consistency. Specifically, we drop cases where the interviewer reported that the respondent would have been excluded due to lack of English proficiency (SPANINT equals 2). Since this variable is not available in 2010, for this year we exclude Spanish interviews where the respondent self-reported that it would have been difficult or impossible to do the interview in English (SPANSELF equals 2 or 3). In years when both variables exist, 94.5% of these individuals would have been deemed ineligible by the interviewer, while only 11.3% of those believing it would have been easy would have been deemed ineligible. Across the 2006 through

2014 surveys, 84.6% of the Spanish interviews are dropped, amounting to 4.0% of all interviews conducted in those years. After these restrictions are imposed, the total sample size falls from 59,599 to 59,073.

Starting from this sample, we drop an additional 923 respondents who report a party affiliation that does not fall on the scale between Republican and Democrat (i.e., PARTYID equals 7 for “Other party”), as well as 349 respondents failing to answer the party affiliation question. This reduces the number of observations by 2.2%, leaving 57,801 observations. Finally, we drop another 1,346 observations with missing information for demographic variables (e.g., gender, years of education, household composition, work status, and/or religion). This reduces the sample size by another 2.3%, resulting in a maximum potential sample size for the analyses of 56,455. The number of observations differs depending on the outcome considered, since some attitudinal questions are asked in a subset of years and/or to a random subset of respondents. All specifications control for a full set of fixed effects for the year-specific versions of the survey administered.

Observations are weighted to be representative of the non-institutionalized English speaking adult population within each year. We begin with the weight (WTSSALL) that takes into account the number of adults in the household, since the GSS only interviews one adult per household, as well as the sub-sampling of non-respondents starting in 2004. We then interact this weight with multipliers that adjust for oversamples conducted in 1982 and 1987 (OVERSAMP) and imperfect randomization of survey forms in 1978, 1980 and 1982-85 (FORMWT). The composite weight maintains the original sample size for the weighted sample, by design.

Table A1 provides details on the political and attitudinal variables we use in the analysis, while Table A2 provides details on the demographic and interview variables included in the

control set.

We run models of the form of

$$(A1) \quad \textit{Government attitude}_{it} = \beta_1 \times \textit{Presalign}_{it} + \beta_2 \times \textit{Congalign}_{it} + \mathbf{X}_{it}\Omega + \varepsilon_{it} ,$$

where *Government attitude* is a measure of confidence in a government institution or support for government activities. *Presalign*, how well one’s own party identification corresponds with the presidential party, is calculated from a party identification variable whose values range from 0 (strong Democrat) through 6 (strong Republican). We create a “party id” index by rescaling this variable to range from 0 to 1, for ease of interpretation. Then, we define alignment to be equal to party id during Republican administrations, and to 1 – party id during Democratic administrations. We define *Congalign* analogously. It is equal to party id when the House and Senate are both majority Republican, 1 – party id when the House and Senate are both majority Democrat, and ½ when the chambers are split. The vector \mathbf{X} is a detailed set of individual controls, including party id and an ideological index (ranging from 0 for extremely liberal to 1 for extremely conservative). The reported standard errors are robust to clustering by party id-by-presidential term.

We first demonstrate that our constructed measure of presidential alignment predicts feelings toward the executive, namely confidence in the federal executive branch. Table A3 shows these results. The outcome variable, rescaled from the original, increases with confidence and ranges from 0 to 1 so that 0 is “hardly any” and 1 is “a great deal.” Thus, the .227 in column 1 of Table A3 indicates that when aligned, the strongest partisans (whose values of alignment are 0 or 1) are 23 percentage points more likely to say they have a great deal of confidence in the executive branch.¹ For the moderate partisans (who answer 1 or 5 on the original scale and have

¹ In this section, all of the dependent variables take on values between 0 and 1. For simplicity, we describe the estimates for those that take on intermediate values as if they were indicator variables.

values of alignment of 0.17 or 0.83), the difference in confidence across aligned and unaligned administrations is 15 percentage points. Results are robust to controlling for how liberal or conservative a respondent is (column 2) and demographics (column 3).

In our analysis in the main text, we construct our alignment measure from county vote shares rather than individuals' party identification. The small samples sizes and sampling frame in the GSS preclude creating representative county aggregates of respondents' political views. However, we explore robustness by moving from self-reported partisanship to self-reported vote choice.² In column 4, we restrict attention to respondents who answered the question on their choice for president in the most recent election. Amongst that sample, we find having favored the president in the last election is associated with an increase of 17 percentage points in the likelihood of great confidence. The association is strengthened when in column 5 we limit the sample to those who report having voted for their preferred candidate.

Across columns in Table A3, the relationship between congressional alignment and confidence in the executive branch is consistently positive, but either marginally or non-significant and an order of magnitude smaller than presidential alignment. While we find this comforting, we recognize that there may be some concern that political alignment may predict some general sense of satisfaction and not specifically satisfaction with the executive branch. We address this concern in Table A4 in which we examine the relationship between alignment and a cross-section of institutions. In the first column of the table we repeat our preferred specification from Table A3 for comparison. In columns 2 and 3 we demonstrate how confidence in Congress and the Supreme Court varies with alignment. In both cases, we find that presidential alignment

² We recognize that self-reported vote choice is influenced by party identification (Gerber, Huber and Washington 2010) and the election winner. Across the years 1950-1988, Wright (1993) finds over reports of voting for the winner in the American National Election Study only for the 1964 Goldwater-Johnson election.

is associated with much smaller increases in the likelihood of approval. For Congress we find congressional alignment has a greater impact than presidential alignment, as expected. In column 4, interestingly, we find a negative (but again small) relationship between approval of the press and presidential alignment. Perhaps this reflects some frustration at the press “attacking” the respondent’s president. In the remainder of the table, we find no relationship between presidential alignment and confidence in major companies (column 5) or the church (column 6). (We do, however, find that congressional alignment has small predictive power for the church.) All in all, the evidence of Table A4 demonstrates that presidential party alignment predicts first and foremost feelings about the executive branch.

In Table A5 we show that presidential alignment predicts support for federal government taxation and spending. On the tax side, while fewer than 1% of respondents say their taxes are too low, presidential alignment is associated with a six-percentage point decrease in responding that taxes are “too high” over “just right” and “too low”.³ In the next two columns we examine feelings about government spending. To create the outcome measures, we sum across a series of questions that ask whether spending in a particular area is too much, just right or too little to create variables on the fraction of categories for which the respondent held a given view.⁴ In column 2, we see that presidential alignment is negatively and significantly associated with feeling there is too much spending. We do not find that the too little spending margin moves with alignment. These findings are echoed in respondents’ attitudes toward government action. We find that alignment negatively and significantly predicts the view that the government should do less. However, alignment is not significantly associated with the view that government should do

³ While there are questions even more directly related to tax morale, such as whether it is okay to cheat on taxes, these are asked in too few years to identify the role of alignment conditional on party identification.

⁴ The spending categories are education, health, welfare, the environment, law enforcement, drug rehabilitation, assistance to big cities, assistance to blacks, defense, space exploration and foreign aid.

more. Across these measures of tax morale, the fact that we find no predictive power of congressional alignment supports our focus on presidential approval as the key independent variable in the analysis in the main text.

Appendix A References

- Gerber, A.S., G.A. Huber and E. Washington. 2010. Party affiliation, partisanship, and political beliefs: a field experiment. *The American Political Science Review* 104(4): 720-744.
- Wright, G.C. 1993. Errors in measuring vote choice in the National Election Studies, 1952-88. *American Journal of Political Science* 37(1): 291-316.

Table A1. GSS political and attitudinal variables

Analysis variable	GSS variable and question	Years
Republican party affiliation index (PARTYID rescaled to range from 0 to 1, treating 7 as missing)	PARTYID: Do you usually think of yourself as a Republican, Democrat, or Independent? 0 = Strong Democrat 1 = Not very strong Democrat 2 = Independent, close to Democrat 3 = Independent 4 = Independent, close to Republican 5 = Not very strong Republican 6 = Strong Republican 7 = Other party	All
Conservative views index (POLVIEWS rescaled to range from 0 to 1)	POLVIEWS: Where would you place yourself on this scale? 1 = Extremely liberal 2 = Liberal 3 = Slightly liberal 4 = Moderate 5 = Slightly conservative 6 = Conservative 7 = Extremely conservative	1974+
Voted for current president	PRES68, PRES72 ... PRES12: Which candidate did you vote for (if voted)?	All
Would have voted for the current president	IF68WHO, IF72WHO, ... IF12WHO: Who would you have voted for if you had voted?	All
Confidence in institutions (reversed and rescaled 0 to 1, so 0 = hardly any, 1 = great deal) Federal executive branch Congress U.S. Supreme Court Press Major companies Organized religion	As far as the people running these institutions, how much confidence do you have in them? 1 = A great deal, 2 = Only some, 3 = Hardly any CONFED CONLEGIS CONJUDGE COMPRESS CONBUS CONCLERG	1973-84, 1986+
Own income tax too high	TAX: Do you consider the amount of federal income tax you have to pay as too high, about right, or too low? 1 = Too high 2 = About right 3 = Too low 4 = Pays no income tax (volunteered)	1976-77, 1980-82, 1984-85, 1987+
Share of categories, among those with a valid response, that reports are spending too little, about right, and too much Space exploration	For the following programs, are we spending: 1 = Too little 2 = About right 3 = Too much NATSPAC: Space exploration program	1973+

	NATSPACY: Space exploration	
	NATSPACZ: Advancing space exploration	
Environment	NATENVIR, NATENVIZ: Improving and protecting the environment	
	NATENVIY: The environment	
Health	NATHEAL, NATHEALZ: Improving and protecting the nation's health	
	NATHEALY: Health	
Big cities	NATCITY, NATCITYZ: Solving the problems of big cities	
	NATCITYY: Assistance to big cities	
Crime	NATCRIME: Halting the rising crime rate	
	NATCRIMY: Law enforcement	
	NATCRIMZ: Reducing crime	
Drug addiction	NATDRUG: Dealing with drug addiction	
	NATDRUGY: Drug rehabilitation	
	NATDRUGZ: Reducing drug addiction	
Education	NATEDUC, NATEDUCZ: Improving the nation's education system	
	NATEDUCY: Education	
Assistance to blacks	NATRACE, NATRACEZ: Improving the conditions of blacks	
	NATRACEY: Assistance to blacks	
Military	NATARMS: The military, armaments and defense	
	NATARMSY: National defense	
	NATARMSZ: Strengthening national defense	
Foreign aid	NATAID: Foreign aid	
	NATAIDY: Assistance to other countries	
	NATAIDZ: Helping other countries	
Welfare	NATFARE: Welfare	
	NATFAREY: Assistance to the poor	
	NATFAREZ: Caring for the poor	
Government should do more (HELPNOT equals 1 or 2); Government should do less (HELPNOT equals 4 or 5)	HELPNOT: Some think the government in Washington is doing too many things that should be left to individuals and private businesses (they are at 5). Others think it should do even more to solve our country's programs (they are at 1). Where are you on this scale? Range: 1 to 5 (3 = Agree with both)	1975, 1983- 84, 1986+

Notes: For the spending questions, rather than the standard versions, Y and Z versions were each asked of a third of the sample in 1984, and then Y versions were asked of a subset 1985 onward. We pool responses from all three versions, which differ slightly in the wording used to describe the spending program.

Table A2. GSS demographic and interview control variables

Control variable	GSS variable
<i>Respondent demographic variables</i>	
Male	SEX equals 1
Age in years	AGE (89 is 89 and over)
White	RACE equals 1
Indicators for 2, 3, and 4+ household members 18 years and older	ADULTS
Indicators for 1, 2, 3 and 4+ earners in family	EARNRS
Indicators for 1, 2, 3, 4, 5 and 6+ children	CHILDS
Years of completed education	EDUC
Indicators for married, widowed, divorced and separated	MARITAL
Indicators for Protestant, Catholic, Jewish and Other Religion	RELIG
Indicators for respondent's current work status (8 categories)	WRKSTAT
Ever worked	WRKSLF not equal to N/A
Self-employed currently (or most recently if ever worked)	WRKSLF equal to 1
Log of real family income (in 2000 dollars)	CONINC
Indicators for size of place (10 categories)	XNORCSIZ
Indicators for region (9 categories)	REGION
<i>Interview variables</i>	
A respondent incentive or fee was used	FEEUSED equals 1 or 2
Interview done by phone	MODE equals 2
Respondent was friendly and interested	COOP2 equals 1 (1972)
	COOP equals 1 (1973+)
Respondent was cooperative but not particularly interested	COOP2 equals 2 (1972)
	COOP equals 2 (1973+)
Respondent's understanding of the questions was good	COMPREND equals 1
Indicators for version administered by year	1972-87: FORM
	1988-93: FORM*BALLOT
	1994+: FORM*VERSION

Notes: All of these variables are available in all survey years, other than FEEUSED (available starting 1998) and MODE (available starting 2004). For the interview variables, "no answers" and "refusals" are grouped with non-affirmative responses (so set to 0). For the other variables, "no answers" and "refusals" are set to missing, other than for log of real family income which has higher rates of missing values. For this variable, a separate indicator is included for missing income information, and log income is set to 0 in these cases.

Table A3. Alignment and confidence in government, General Social Survey

<i>Independent variables</i>	Dep. var. = Level of confidence in the people running the federal executive branch				
	(1)	(2)	(3)	(4)	(5)
Party-alignment with president	0.227*** (0.018)	0.225*** (0.018)	0.226*** (0.018)		
Choice for president				0.168*** (0.011)	0.191*** (0.012)
Party-alignment with Congress	0.032* (0.018)	0.034* (0.018)	0.034* (0.018)	0.020 (0.021)	0.021 (0.022)
Republican party identification index	0.031* (0.018)	0.028 (0.017)	0.035* (0.019)	0.044** (0.021)	0.034 (0.023)
Conservative views index		0.004 (0.020)	0.001 (0.018)	-0.008 (0.018)	-0.009 (0.021)
Includes additional controls	No	No	Yes	Yes	Yes
Restricted to voters	No	No	No	No	Yes
Mean of dependent variable	0.429	0.425	0.425	0.426	0.427
Number of observations	37,357	33,992	33,992	31,610	22,236

Notes: Data are drawn from the 1972-2014 General Social Survey. Each column reports the results from a separate ordinary least squares regression. The dependent variable is the reported level of confidence and takes on three values: 0 is hardly any, 0.5 is some, and 1 is a great deal. All specifications include survey version-by-year fixed effects. Standard errors are clustered at the level of party identification-by-presidential term. The additional controls are a comprehensive set of respondent and interview characteristics (as detailed in Appendix Table A2). *** p<0.01, ** p<0.05, * p<0.10

Table A4. Alignment and confidence in government and institutions, General Social Survey

<i>Independent variables</i>	Dependent variable = Level of confidence in:					
	Executive branch	Congress	Supreme Court	Press	Major companies	Church
	(1)	(2)	(3)	(4)	(5)	(6)
Party-alignment with president	0.226*** (0.018)	0.027*** (0.009)	0.044*** (0.009)	-0.021*** (0.006)	-0.002 (0.007)	0.006 (0.010)
Party-alignment with Congress	0.034* (0.018)	0.069*** (0.012)	0.012 (0.011)	0.001 (0.009)	-0.000 (0.007)	0.018** (0.009)
Republican party identification index	0.035* (0.019)	-0.002 (0.011)	0.018* (0.010)	-0.071*** (0.008)	0.087*** (0.007)	0.040*** (0.009)
Conservative views index	0.001 (0.018)	-0.014 (0.011)	-0.045*** (0.011)	-0.125*** (0.013)	0.068*** (0.010)	0.069*** (0.011)
Mean of dep. var.	0.425	0.411	0.593	0.418	0.551	0.534
Number of obs.	33,992	33,985	33,576	34,198	33,647	33,676

Notes: Data drawn from the 1972-2014 General Social Survey. Each column reports the results from a separate ordinary least squares regression. The dependent variable is the reported level of confidence in the people running the institution shown in the column heading, and takes on three values: 0 is hardly any, 0.5 is some, and 1 is a great deal. The control set includes fixed effects for survey version-by-year and a comprehensive set of respondent and interview characteristics (as detailed in Appendix Table A2). Standard errors are clustered at the level of party identification-by-presidential term. *** p<0.01, ** p<0.05, * p<0.10

Table A5. Alignment and tax and spending morale, General Social Survey

<i>Independent variables</i>	Dependent variables				
	Own income tax too high	Gov. spends too much	Gov. spends too little	Gov. should do less	Gov. should do more
	(1)	(2)	(3)	(4)	(5)
Party-alignment with president	-0.055*** (0.011)	-0.024*** (0.004)	-0.002 (0.004)	-0.070*** (0.016)	0.007 (0.015)
Party-alignment with Congress	0.020 (0.012)	0.008 (0.006)	-0.004 (0.004)	-0.011 (0.014)	0.010 (0.012)
Republican party identification index	0.040*** (0.012)	0.028*** (0.005)	-0.084*** (0.005)	0.250*** (0.015)	-0.169*** (0.017)
Conservative views index	0.108*** (0.018)	0.064*** (0.007)	-0.090*** (0.006)	0.253*** (0.025)	-0.145*** (0.019)
Mean of dep. var.	0.628	0.241	0.432	0.324	0.273
Number of obs.	29,301	46,362	46,362	25,493	25,493

Notes: Data drawn from the 1972-2014 General Social Survey. Each column reports the results from a separate ordinary least squares regression. The dependent variable is shown in the column heading, and the controls include fixed effects for survey version-by-year and a comprehensive set of respondent and interview characteristics (as detailed in Appendix Table A2). Standard errors are clustered at the level of party identification-by-presidential term. *** p<0.01, ** p<0.05, * p<0.10

Appendix B. IRS tax return sample and variable construction

We begin with the universe of unedited population-level income tax returns (Form 1040) for tax years 1999 through 2010. From these, we pull detailed income, adjustment, deduction and credit amounts and merge on information from all closed audits. We retain one tax return per primary taxpayer in each year, selecting the most recent form in the case of duplicates. To mitigate the effect of large outliers due to transcription and taxpayer reported errors, we truncate the amounts according to annual minimum and maximum values obtained from an edited nationally representative sample of returns (where the stratified random sampling technique samples high-income and high-loss returns with a rate approaching one).

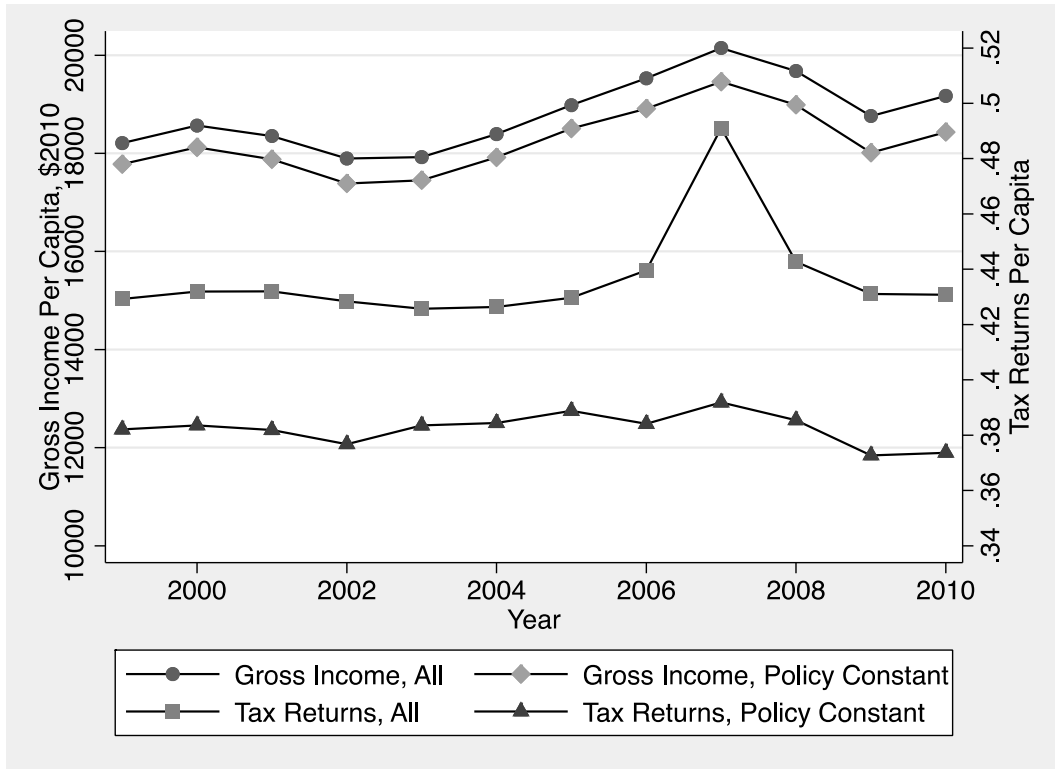
Then, in order to minimize changes in the composition of taxpayers induced by the stimulus and other less dramatic tax policy changes, we identify the subset of tax returns filed by “policy-constant” taxpayers. We define these taxpayers as those who would be likely to file taxes if the pre-period (i.e., 1996) tax law were held fixed and extended to all later years. This set includes three groups. The first is taxpayers that meet minimum income thresholds for filing. The thresholds are based on total income less social security benefits and vary by tax filing status and age. To identify this group, we apply the relevant 1996 threshold, indexed for inflation. The second group is taxpayers who report negative total income. These cases tend to be high wealth taxpayers experiencing business losses in a given year, and who are likely to file taxes in most years. The third group of taxpayers includes people below the filing threshold who are likely to file in order to claim the Earned Income Tax Credit (EITC), which is refundable. Specifically, these individuals are identified as having positive earnings (wages and self-employment income) and adjusted gross income below the inflation adjusted income limit in 1996. Notably, the overall structure of the EITC was quite stable over this period, so that inflation adjusting the

1996 policy closely mimics the actual policy.

For both all taxpayers and policy-constant taxpayers, we then aggregate the amounts and counts from the 1040s to the county level (using the zip codes from the tax returns and a crosswalk from zip codes to counties that we constructed using mappings available from the Census, US Postal Service and the IRS). We exclude the counties in Northern Florida and New York that include zip codes for which a large number of records were deleted from the system in 1999.

The main consequence of limiting the sample to policy-constant tax returns is to eliminate the spike in returns attributable to the 2007 and 2008 stimulus programs. This is demonstrated in Figure B1. The figure plots the average number of tax returns per capita by year for all filers and policy-constant filers, as well as gross income attributable to each type of filer. Across all years, returns filed by policy-constant filers (0.38 per capita) represent about 90% of all returns (0.43 per capita). In 2007, overall filing rates per capita jump up by nearly 30%, and rates are also slightly elevated in the following year. Our strategy effectively screens out those (typically elderly) individuals with low income and earnings induced to file in those years in order to claim refundable credits, yielding a much smoother series. As the graphs for gross income per capita show, however, restricting the sample to policy-constant filers has little impact on the aggregate amount of income reported. Since those pulled into filing are by definition low income, there is no comparable spike in all filers' gross income in the stimulus years, and nearly 99% of total gross income is attributable to policy-constant filers in every year.

Figure B1. Average reported gross income and tax returns per capita



Notes: The sample is the 3,005 counties in our full analysis sample. Average county per capita gross income (exclusive of capital gains) and number of tax returns are shown by year for all filers and for the subset that would be expected to file holding tax policy constant.

Appendix C. Subjective audit rates and partisan alignment

To understand if taxpayers' perceptions of audit and detection probabilities are systematically related to partisan alignment we would ideally analyze panel data over years that span turnover elections. However, we know of no such data. Instead, we analyze cross-sectional data using separate surveys from years that include both Democratic and Republican administrations. We first explore the relationship between partisan alignment and subjective audit, evasion and detection rates in 2016 when Democrats controlled the White House using data from the American Life Panel survey administered by the RAND Corporation. We then quantify the relationship between partisan alignment and audit perception in 2002 and 2003 under a Republican president using data from polls administered by Gallup/CNN/USA Today and by International Communications Research (ICR)/Associated Press (AP).

While there are differences in the measurement of audit perceptions and political affiliation across these surveys, we find no meaningful differences between Democrats and Republicans under either Democratic or Republican presidents. We interpret the results as evidence that voters' perceptions of audit probabilities are not related to political alignment.

Perceptions under Democratic administration in 2016

The American Life Panel (ALP) is a probability-based panel of over 4,900 individuals ages 18 and older routinely interviewed over the internet since 2006, though not all are interviewed in each round. We use data from interviews conducted in 2016 in months prior to the election. These are the only data we could find that include both political affiliation and perceptions about audits under a Democratic president.

We combine two waves from the ALP. First, we use information on political alignment from the 2016 presidential election round in the field 3/8/2016 to 4/7/2016. The survey asks three

questions to determine the likelihood the respondent would vote for the Democrat, the Republican or another candidate in the 2016 presidential election. We retain respondents who indicate they are most likely to vote for either the Democrat or the Republican, dropping those who say they are most likely to vote for an Independent. This sample restriction removes 8% of weighted observations. Results are virtually identical if we further drop the subset that indicates a likelihood below 50% for either major party. Second, we add information from the tax evasion wave that asks about perceptions of the likelihood of being audited, the share of people who evade taxes and the likelihood that people who evade are caught. This wave was in the field 7/14/2016 to 9/2/2016. In addition, we make use of demographic information in these surveys to control for family income, educational attainment, self-employment status and race. Table C1 provides details on the relevant survey questions and the construction of the analysis variables.

Since our analysis sample is based on the subset of respondents in both the presidential election and tax evasion waves, it is not obvious how to weight the sample to be nationally representative and we choose to use the weights from the tax wave. We confirmed that the characteristics that RAND uses to construct weights do not differ between the entire tax sample and the merged tax-election sample. Across gender and age (10 categories), gender and race (6 categories), gender and education (6 categories) and household size and income (12 categories), we find only one statistically significant difference. In the merged sample, the share of the population that is female and Hispanic/other is 0.038, compared to 0.058 in the full tax sample.

Using these data, we quantify whether Democrats have different subjective probabilities of audit, evasion and detection relative to Republicans. For ease of interpretation, these outcomes are scaled to range from 0 to 1. We then regress the subjective probabilities on Democratic party status and report results in Table C2.

Overall, we interpret our findings as showing that taxpayers' perceptions of audits, evasion and detection are not materially different between Democrats and Republicans in 2016, a year in which the Democrats controlled the White House. Panel A reveals no statistically significant differences in perceived audit rates. Interestingly, the mean subjective audit rate is 23%, over 40 times the actual rate of 0.5% in 2016 (<https://www.irs.gov/statistics/enforcement-examinations>). Panels B and C suggest that there are also no significant differences in the perception of the evasion rate or in the share of tax evaders that is caught. Panel D shows the similarity in the subjective probability of detection also holds after controlling for the subjective assessment of the evasion rate. Although not shown, we find that the same partisan results hold among respondents who indicate they are self-employed, though these individuals surprisingly have meaningfully lower perceptions of audit and detection risk.

Perceptions under Republican administration in 2002 and 2003

We combine information from two separate telephone surveys that ask respondents both about their political affiliations and their perceptions of being audited. For 2002, we use a Gallup/CNN/USA Today poll. This poll was in the field 4/5/2002 to 4/7/2002. For 2003, we use an ICR/AP poll. This poll was in the field 4/2/2003 to 4/6/2003. In our baseline sample, we retain respondents who indicate they are either Democrats or Republicans. This removes 37% of weighted observations in 2002 and 42% of weighted observations in 2003 identifying as independent, other or failing to provide a valid response. In 2002, the survey further asks these respondents which party they lean towards. As a robustness check, we also report results that retain individuals who lean Republican or Democratic, in which case only 10% of weighted observations are lost. The surveys include similar questions on family income, education and race, allowing us to control for these factors. Full details of the survey questions and the

construction of the analysis variables are in Tables C3 and C4.

The surveys ask about audits in slightly different ways. The 2002 poll asks how concerned respondents are that the IRS will audit their returns in that year, while the 2003 poll asks about the likelihood of being audited. To combine these measures, we recode the categories to range from 0 (not concerned/not likely) to 1 (very concerned/very likely) in order to pool the polls. The transformed variable has different means across years (0.190 in 2002 compared to 0.216 in 2003), which may reflect differences in the questions. Using z-scores instead of this transformation, we find qualitatively similar results. As a robustness check, we also report the results for each poll separately. To ensure the sample is nationally representative, we use weights from the surveys after normalizing weights in each poll by the sum of the weights to transform them into relative shares.

To quantify the difference in subjective audit probabilities across Democrats and Republicans under a Republican president, we regress the subjective audit probability on Democrat status. We show these results in Table C5. Like the results for the ALP in 2016, these findings suggest that there are not meaningful differences between Democrats and Republicans in their perceptions of audit probabilities. Panel A shows the results using the pooled data, while panels B and C show the results for each poll separately. Panel D uses a broader set of respondents, including both those who respond that they are Democrats or Republicans` in addition to respondents who lean towards one of the two parties. In all cases, we find no significant differences between Democrats and Republicans. The differences are generally substantively small as well. As in 2016, respondents in 2002-2003 pooled data overestimate the likelihood of audit. In 2002, the actual audit rate was 0.5% (see <https://www.irs.gov/pub/irs-soi/03databk.pdf>, Table 10).

Table C1. American Life Panel variables

Analysis variable	ALP variable and question
Audit rate (rescaled to range from 0 to 1)	Ms456_PerceivedAuditRate: In a typical year, what percent of taxpayers in the U.S. will have their income tax return audited by the IRS? Range: 0 to 100
Evasion rate (rescaled to range from 0 to 1)	Ms456_PerceivedEvasionRate: In a typical year, out of 100 people like you, how many intentionally underreport their taxes? Range: 0 to 100
Detection rate (rescaled to range from 0 to 1)	Ms456_PerceivedCaught: You previously stated that [Ms456_PerceivedEvasionRate]% of taxpayers in the US will intentionally underreport their taxes. In a typical year, what percent of these people are caught by the IRS? Range: 0 to 100
Democrat party affiliation (coded to 1 when Ms452_whovote_democrat is the maximum)	Ms452_whovote_democrat, Ms452_whovote_republican, Ms452_whovote_someoneelse: If you vote in the election, what is the percent chance that you will vote for a Democrat? A Republican? And for someone else? (Must sum to 100% or question is asked again.) Range: 0 to 100
Family income	Ms90002_familyincome: Which category represents the total combined income of all your family (living here) during the last 12 months? 1 = Less than \$5,000 2 = \$5,000 to \$7,499 3 = \$7,500 to \$9,999 4 = \$10,000 to \$12,499 5 = \$12,500 to \$14,999 6 = \$15,000 to \$19,999 7 = \$20,000 to \$24,999 8 = \$25,000 to \$29,999 9 = \$30,000 to \$34,999 10 = \$35,000 to \$39,999 11 = \$40,000 to \$49,999 12 = \$50,000 to \$59,999 13 = \$60,000 to \$74,999 14 = \$75,000 or more
Self employed	Ms456_SelfEmployed: Do you work for someone else, are you self-employed or what? 1 = Work for someone else, 2 = Self-employed, 3 = Other
Birth year (used to construct age groups 20-39, 40-59, 60-79 and 80+ years of age)	Ms90002_birthyear: What is your birth year?
Born in the United States	Ms90002_borninuns: Were you born in the US? 1 = Yes, 2 = No

Education (used to construct education groups high school graduate or less, some college but no degree, 2-year degree, 4-year degree and graduate degree)	<p>Ms90002_highesteducation: What is the highest level of school you have completed or the highest degree you received?</p> <p>1 = less than first grade 2 = first through fourth grade 3 = fifth through sixth grade 4 = seventh or eighth grade 5 = ninth grade 6 = tenth grade 7 = eleventh grade 8 = twelfth grade, no diploma 9 = high-school grad or equivalent 10 = some college, no degree 11 = AA in occupational program 12 = AA in academic program 13 = BA/BS 14 = MA/MS 15 = professional degree 16 = doctoral degree</p>
White	<p>Ms90002_ethnicity: Do you consider yourself primarily white, black, American Indian or Asian?</p> <p>1 = White, 2 = Black, 3 = American Indian, 4 = Asian, 5 = Other</p>

Table C2. Tax perceptions under Democratic president, 2016

<i>Panel A: Audit rate</i>		
Democrat	0.028 (0.052)	0.005 (0.019)
Demographic controls	No	Yes
N		802
Mean audit rate		0.230
<i>Panel B: Evasion rate</i>		
Democrat	0.019 (0.037)	-0.002 (0.022)
Demographic controls	No	Yes
N		797
Mean evasion rate		0.209
<i>Panel C: Detection rate</i>		
Democrat	0.019 (0.057)	-0.019 (0.022)
Demographic controls	No	Yes
N		795
Mean detection rate		0.227
<i>Panel D: Detection rate</i>		
Democrat	0.015 (0.052)	-0.019 (0.019)
Demographic controls	No	Yes
Evasion rate control	Yes	Yes
N		795
Mean detection rate		0.227

Notes: The analysis sample includes all respondents with valid responses for the outcome and control variables. Demographic controls include indicators for family income, self-employment, age group, born in the US, education and race as detailed in Table C1. Samples sizes differ slightly because of differences in non-response rates. Standard errors are clustered at the income group-by-Democrat status level and are reported in parentheses.

Table C3. Gallup/CNN/USA Today variables

Analysis variable	Gallup/CNN/USA Today variable and question
Audit rate (reversed and rescaled 0 to 1, so 0 = not at all and 1=very)	Q49: How concerned are you that the IRS will audit your return this year? 1 = Very concerned 2 = Somewhat concerned 3 = Not concerned 4 = Not at all concerned
Democratic party affiliation (coded to 1 when D7 = 2)	D7: In politics, as of today, do you consider yourself a Democrat, Republican, or Independent? 1 = Republican 2 = Democrat 3 = Independent 4 = Don't know, 5 = Other, 6 = Refused
Democratic party leaning (coded to 1 when D7 = 2 or D8 = 1)	D8: If D7 is 3, 4, 5 or 6, ask: As of today do you lean more to the Democratic Party or the Republican Party? 1 = Democrat 2 = Republican 3 = Neither/other 4 = Don't know, 5 = Refused
Family income	D5: Total family income before taxes is 1 = Less than \$10,000 2 = \$10,000 to \$14,999 3 = \$15,000 to \$19,999 4 = \$20,000 to \$29,999 5 = \$30,000 to \$49,999 6 = \$50,000 to \$74,999 7 = \$75,000 or more 8 = Don't know, 9 = Refused
Male	S3: What is your gender? 1 = Male, 2 = Female
Education (Used to construct education groups less than high school graduate, high school graduate, some college, graduated college, graduate school or more, technical/trade school and don't know/refused)	D3: What is the highest level of school you have completed or the highest degree you received? 1 = None or grades one through four 2 = Fifth through seventh grade 3 = Eighth grade 4 = Ninth through eleventh grade 5 = High school graduate 6 = Technical/trade school after high school 7 = Some college 8 = College graduate or higher 9 = Don't know/refused
White	D4A: What is your race? 1 = Other, 2 = Don't know 6 = White, 7 = Black, 8 = Hispanic, 9 = Asian

Table C4. ICR/AP variables

Analysis variable	ICR/AP variables and question
Audit rate (rescaled to range from 0 to 1)	AP3: How would you describe your chances of being audited this year? 1 = Not at all likely 2 = Not too likely 3 = Somewhat likely 4 = Very likely
Democratic party affiliation	Z11A: Generally speaking, do you consider yourself a Democrat, Republican, or Independent? 1 = Republican 2 = Democrat 3 = Independent 4 = Other 5 = Don't know, 6 = Refused
Family income	Z9: Is your total family income from all sources before taxes: 1 = Less than \$10,000 2 = \$10,000 to \$14,999 3 = \$15,000 to \$19,999 4 = \$20,000 to \$29,999 5 = \$30,000 to \$49,999 6 = \$50,000 to \$74,999 7 = \$75,000 or more 8 = Don't know, 9 = Refused
Male	Sex: What is your gender? 1 = male, 2 = female
Education	Z8: What is the last grade of school you completed? 1 = Less than high school graduate 2 = High school graduate 3 = Some college 4 = Graduated college 5 = Graduate school or more 6 = Technical/trade school after high school 9 = Don't know/refuse
White	Z10A: What is your race? 1 = Other, 2 = Don't know 6 = White, 7 = Black, 8 = Hispanic, 9 = Asian

Table C5. Tax perceptions under Republican president, 2002-2003

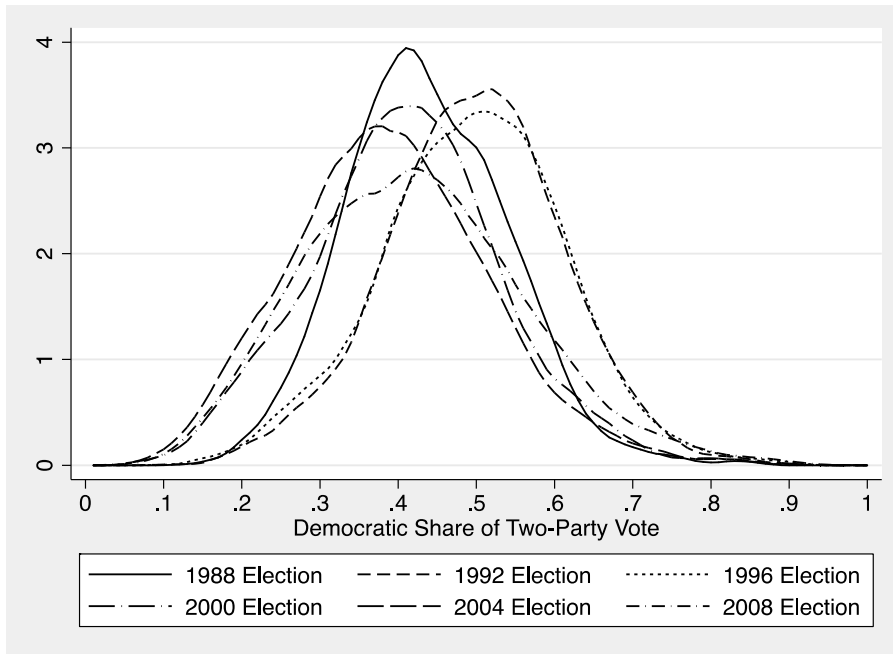
<i>Panel A: Audit Likelihood/Concern, 2002-2003</i>		
Democrat	0.016 (0.025)	0.015 (0.020)
Demographic controls	No	Yes
N	862	
Mean Audit Likelihood/Concern	0.223	
<i>Panel B: Audit Concern, 2003</i>		
Democrat	-0.004 (0.027)	-0.007 (0.026)
Demographic controls	No	Yes
N	439	
Mean Audit Concern	0.258	
<i>Panel C: Audit Likelihood, 2002</i>		
Democrat	0.036 (0.043)	0.029 (0.022)
Controls	No	Yes
N	423	
Mean Audit Likelihood	0.190	
<i>Panel D: Audit Likelihood, with weak partisans 2002</i>		
Democrat	0.042 (0.024)	0.038 (0.019)
Demographic controls	No	Yes
N	623	
Mean Audit Likelihood	0.197	

Notes: The analysis sample includes all respondents with valid responses for the outcome and control variables. Both columns in panel A include indicators for survey year. Demographic controls include indicators for family income, gender, education and race as detailed in Tables C3 and C4. Standard errors are clustered at the income-group-by-Democrat status and year level and are reported in parentheses.

Appendix D. County partisan status

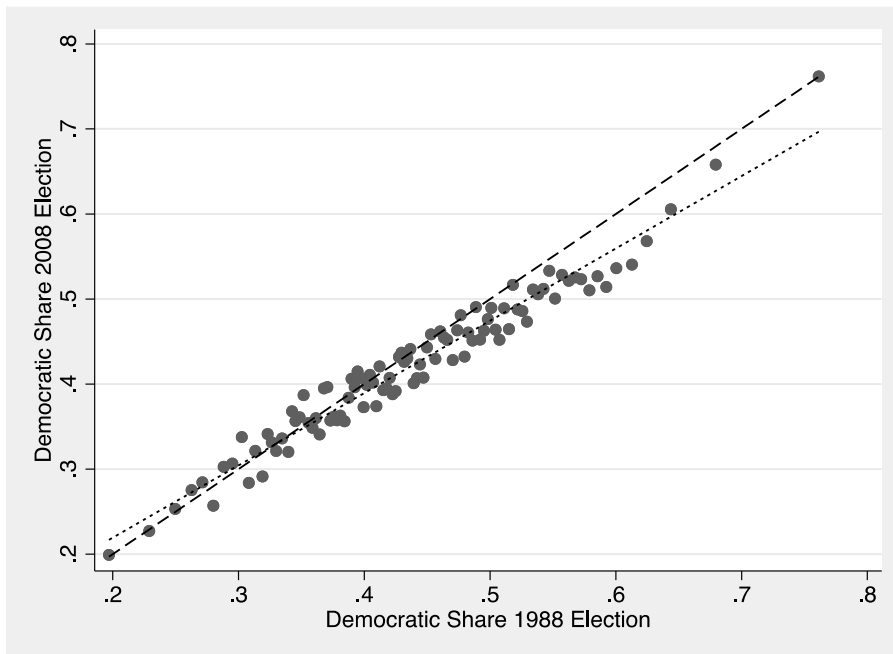
The longest time period we consider for classifying counties according to partisan status spans the 1988 to 2008 presidential elections. We base our classification on the Democratic share of the two-party vote. Figure D1 shows the probability distribution of this share for counties for each of the six elections in this period. National swings toward higher Democratic shares are apparent in the 1992 and 1996 elections. This trend reverses in 2000 and 2004, after which the pendulum swings back again. Despite these underlying time patterns, Democratic vote shares are highly persistent over time within counties. For example, Figure D2 shows the high correlation in vote shares across the 1988 and 2008 elections. Finally, Table D1 shows the shares of counties by partisan status using both the medium and longer run definitions.

Figure D1. Probability distribution of county Democratic vote shares by election



Notes: The sample underlying the distribution in each election is the 3,005 counties in our full analysis sample.

Figure D2. Correlation between 1988 and 2008 county Democratic vote shares



Notes: The sample is the 3,005 counties in our full analysis sample. Counties are binned by percentiles of the 1988 Democratic vote share distribution, and averages within those bins are plotted for both years. The thin dashed line shows the predicted value from a linear regression of the 2008 vote share on the 1988 vote share and a constant (which yields a coefficient of 0.85 (standard error 0.02) and an adjusted R-squared of 0.39).

Table D1. Types of counties by state

State	Counties	1996 to 2008 elections			1988 to 2008 elections		
		D	R	Non-partisan	D	R	Non-partisan
Alabama	67	0.16	0.52	0.31	0.15	0.51	0.34
Arkansas	75	0.12	0.12	0.76	0.09	0.05	0.85
Arizona	15	0.27	0.40	0.33	0.07	0.33	0.60
California	58	0.34	0.41	0.24	0.24	0.31	0.45
Colorado	63	0.19	0.56	0.25	0.17	0.54	0.29
Connecticut	8	0.88	0.00	0.13	0.13	0.00	0.88
D.C.	1	1.00	0.00	0.00	1.00	0.00	0.00
Delaware	3	0.33	0.00	0.67	0.00	0.00	1.00
Florida	18	0.28	0.56	0.17	0.00	0.56	0.44
Georgia	159	0.15	0.49	0.36	0.10	0.39	0.51
Hawaii	3	1.00	0.00	0.00	1.00	0.00	0.00
Iowa	99	0.27	0.20	0.53	0.27	0.16	0.57
Idaho	44	0.02	0.89	0.09	0.00	0.80	0.20
Illinois	102	0.15	0.28	0.57	0.12	0.18	0.71
Indiana	92	0.02	0.70	0.28	0.01	0.66	0.33
Kansas	105	0.02	0.96	0.02	0.01	0.90	0.09
Kentucky	120	0.02	0.51	0.47	0.01	0.38	0.61
Louisiana	64	0.13	0.17	0.70	0.11	0.17	0.72
Massachusetts	14	1.00	0.00	0.00	0.79	0.00	0.21
Maryland	24	0.21	0.63	0.17	0.13	0.63	0.25
Maine	16	0.69	0.00	0.31	0.00	0.00	1.00
Michigan	83	0.17	0.19	0.64	0.11	0.18	0.71
Minnesota	87	0.17	0.11	0.71	0.15	0.11	0.74
Missouri	115	0.03	0.44	0.52	0.03	0.29	0.69
Mississippi	82	0.27	0.56	0.17	0.21	0.55	0.24
Montana	56	0.09	0.71	0.20	0.09	0.66	0.25
North Carolina	100	0.18	0.55	0.27	0.17	0.47	0.36
North Dakota	53	0.04	0.72	0.25	0.04	0.72	0.25
Nebraska	93	0.00	0.95	0.05	0.00	0.95	0.05
New Hampshire	10	0.40	0.00	0.60	0.00	0.00	1.00
New Jersey	21	0.57	0.19	0.24	0.14	0.19	0.67
New Mexico	33	0.36	0.36	0.27	0.27	0.36	0.36
Nevada	17	0.06	0.76	0.18	0.00	0.65	0.35
New York	58	0.29	0.19	0.52	0.14	0.19	0.67
Ohio	88	0.17	0.55	0.28	0.13	0.53	0.34
Oklahoma	77	0.00	0.51	0.49	0.00	0.45	0.55
Oregon	36	0.22	0.56	0.22	0.19	0.47	0.33
Pennsylvania	67	0.15	0.52	0.33	0.06	0.51	0.43
Rhode Island	5	1.00	0.00	0.00	1.00	0.00	0.00
South Carolina	46	0.30	0.43	0.26	0.26	0.41	0.33
South Dakota	66	0.08	0.61	0.32	0.08	0.55	0.38
Tennessee	95	0.06	0.40	0.54	0.03	0.31	0.66

Texas	254	0.07	0.65	0.28	0.07	0.54	0.39
Utah	29	0.00	0.83	0.17	0.00	0.83	0.17
Virginia	81	0.16	0.59	0.25	0.12	0.59	0.28
Vermont	14	0.71	0.00	0.29	0.36	0.00	0.64
Washington	39	0.28	0.36	0.36	0.23	0.33	0.44
Wisconsin	72	0.35	0.13	0.53	0.29	0.11	0.60
West Virginia	55	0.09	0.22	0.69	0.09	0.20	0.71
Wyoming	23	0.00	0.87	0.13	0.00	0.78	0.22

Notes: The second column shows the number of counties included in the full analysis sample from each state. The next three columns show the share of counties that are classified as Democratic (D), Republican (R), and nonpartisan based on two-party vote shares across the 1996 through 2008 elections. The last three columns show the same shares based on vote shares across the 1988 through 2008 elections.

Appendix E. Robustness analyses

This appendix presents results from a series of robustness tests. Tables E1 and E2 provide summary statistics for any additional variables used in these analyses. Tables E3 and E4 report regression results for our window analysis (using years 1999, 2001, 2007 and 2009) of partisan counties using the baseline measure of alignment. Each row in Table E3 corresponds to an alternative control set, while each row in Table E4 corresponds to an alternative subsample. Tables E5 through E8 replicate Tables 2, 3, E3 and E4 incorporating nonpartisan districts, where alignment for these districts is defined in an analogous way (based on the average two-party vote share across the 1996 to 2008 presidential elections).

Table E1. Summary statistics for additional control variables used in robustness analyses

	1996 to 2008 elections		
	D	R	Non-partisan
<i>Demographic variables</i>			
Share of households single parent	0.190 (0.069)	0.135 (0.036)	0.153 (0.040)
Share of households non-family	0.333 (0.063)	0.295 (0.043)	0.310 (0.042)
Share of population under 18 years of age	0.246 (0.039)	0.251 (0.033)	0.243 (0.029)
Share of population over 64 years of age	0.137 (0.033)	0.156 (0.044)	0.155 (0.038)
Share of population foreign born	0.065 (0.080)	0.036 (0.042)	0.029 (0.038)
Share of population living in urban areas	0.575 (0.338)	0.364 (0.291)	0.370 (0.284)
Share aged 25+ with no high school diploma	0.199 (0.103)	0.190 (0.080)	0.208 (0.084)
Share aged 25+ with high school diploma only	0.318 (0.074)	0.353 (0.062)	0.369 (0.063)
Share aged 25+ with a BA or higher	0.218 (0.114)	0.174 (0.066)	0.162 (0.076)
<i>Political variables</i>			
Federal government grants and procurement contracts, per capita \$2010	3,292 (3,895)	2,031 (3,183)	2,420 (4,823)
<i>Economic variables</i>			
Private nonfarm wage employment, per capita	0.332 (0.167)	0.276 (0.137)	0.275 (0.113)
Government employment, per capita	0.096 (0.054)	0.085 (0.043)	0.082 (0.048)
Number unemployed, per capita	0.031 (0.014)	0.026 (0.013)	0.030 (0.013)
Number of private housing permits, per capita	0.003 (0.003)	0.004 (0.005)	0.003 (0.004)
Private nonfarm establishments, per capita	0.024 (0.010)	0.025 (0.008)	0.023 (0.008)
<i>Share of establishments by sector</i>			
Agriculture, forestry, fishing, hunting	0.012 (0.019)	0.011 (0.019)	0.014 (0.023)
Mining	0.004 (0.014)	0.013 (0.029)	0.009 (0.018)
Construction	0.100 (0.038)	0.120 (0.048)	0.109 (0.039)
Manufacturing	0.044 (0.019)	0.049 (0.026)	0.052 (0.024)

Transportation, utilities	0.043 (0.030)	0.051 (0.033)	0.050 (0.026)
Wholesale trade	0.048 (0.022)	0.050 (0.026)	0.045 (0.020)
Retail trade	0.178 (0.044)	0.179 (0.039)	0.186 (0.037)
Finance, insurance, real estate	0.095 (0.024)	0.093 (0.024)	0.092 (0.021)
Number of observations (county x year)	1,816	5,812	4,392

Notes: The sample is the 3,005 analysis counties for the four years (1999, 2001, 2007, 2009) bracketing the turnover elections in 2000 and 2008. Means are shown for counties by partisan status, with standard deviations in parentheses. The sources for the demographic variables are the Census (1980, 1990, 2000, 2010) and the ACS (2007, mid-year of 5-year average), and annual values are assigned based on linear interpolation. Federal government grants and procurement contract amounts are from the Census Governments Division. Information on private nonfarm employment and number of establishments and sector (NAICS) shares is from the Census County Business Patterns. Government employment is from the Bureau of Economic Analysis, the number unemployed is from the BLS, and private housing permits are from the Census Building Permits Survey.

Table E2. Summary statistics for variables identifying subsamples used in robustness analyses

	1996 to 2008 elections		
	D	R	Non-partisan
<i>Variables identifying subsamples</i>			
Population ever <1,000 (1990-2012)	0.002 (0.047)	0.021 (0.142)	0.004 (0.060)
Population ever <10,000 (1990-2012)	0.154 (0.361)	0.311 (0.463)	0.216 (0.411)
Propensity to be partisan Democrat from 0.1 to 0.9	0.941 (0.237)	0.677 (0.468)	0.863 (0.343)
County contains the state capital	0.055 (0.228)	0.006 (0.078)	0.013 (0.112)
Net commuter income flow >1/3 personal income	0.108 (0.310)	0.163 (0.369)	0.099 (0.299)
Median home values fell by >10% 2007-2010	0.183 (0.387)	0.087 (0.282)	0.107 (0.309)
Number of observations (county x year)	1,816	5,812	4,392

Notes: The sample is the 3,005 analysis counties for the four years (1999, 2001, 2007, 2009) bracketing the turnover elections in 2000 and 2008. Means are shown for counties by partisan status, with standard deviations in parentheses. Annual population estimates are from the Census. The predicted propensity for a county to be partisan Democrat is based on a Probit specification that includes 1990 (log per capita) non-farm private employment, government employment, unemployment, and number of establishments, as well as number of housing starts and share of establishments by industry. The BEA estimates the ratio of net commuter income flow to personal income generated, and the indicator is set to 1 if the absolute value of the ratio ever exceeds 1/3 in the period 1990-2012. Median home values are from the ACS in 2007 and the Census in 2010.

Table E3. Robustness of results to alternative control sets, window analysis for 2000 and 2008 elections

Control set	Log per capita reported income				Log per capita number of returns			
	Wages & salaries	Financial & retirement	Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Baseline specification	-0.004 (0.003)	-0.001 (0.005)	0.086*** (0.026)	-0.029*** (0.004)	-0.048*** (0.010)	-0.077*** (0.026)	-0.128*** (0.024)	-0.072*** (0.026)
<i>Alternative control sets</i>								
Adding information return variables x 2008 election indicators	-0.005 (0.003)	-0.006 (0.006)	0.052** (0.025)	-0.007 (0.005)	-0.125*** (0.012)	-0.159*** (0.032)	-0.107*** (0.029)	-0.071** (0.030)
Adding county-by-election fixed effects	-0.004 (0.003)	-0.001 (0.005)	0.098*** (0.025)	-0.027*** (0.004)	-0.031*** (0.010)	-0.055** (0.025)	-0.103*** (0.025)	-0.048* (0.026)
Adding demographic variables	-0.004 (0.003)	-0.001 (0.005)	0.083*** (0.026)	-0.028*** (0.004)	-0.046*** (0.010)	-0.074*** (0.026)	-0.127*** (0.024)	-0.070*** (0.026)
Adding federal grants and procurement spending per capita	-0.003 (0.003)	0.001 (0.005)	0.078*** (0.026)	-0.033*** (0.005)	-0.046*** (0.010)	-0.077*** (0.026)	-0.132*** (0.024)	-0.074*** (0.026)
Adding economic variables	-0.003 (0.003)	0.000 (0.005)	0.094*** (0.027)	-0.038*** (0.005)	-0.043*** (0.010)	-0.077*** (0.027)	-0.131*** (0.025)	-0.073*** (0.026)
Including economic variables while excluding information return variables	0.004 (0.004)	0.002 (0.006)	0.107*** (0.026)	-0.042*** (0.005)	-0.053*** (0.010)	-0.083*** (0.027)	-0.142*** (0.024)	-0.085*** (0.025)
<i>Alternative dependent variables</i>								
Aggregates based on all filers	-0.004 (0.003)	0.001 (0.005)	0.092*** (0.026)	-0.032*** (0.004)	-0.051*** (0.010)	-0.077*** (0.026)	-0.142*** (0.024)	-0.071*** (0.025)

Notes: The first row reports results for the baseline specifications shown in row 1 of Table 2. The remaining rows report the coefficient and standard error (robust to clustering at the county level) on the baseline alignment measure but either add or subtract variables from the baseline specification. Details on the additional variables are provided in Table E1. Other than the share variables and housing starts per capita (which are often equal to 0), the additional control variables are expressed in logarithmic form. *** p<0.01, ** p<0.05, * p<0.10

Table E4. Robustness of results to alternative samples, window analysis for 2000 and 2008 elections

Control set	Log per capita reported income			Log per capita number of returns				
	Wages & salaries	Financial & retirement	Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Baseline specification	-0.004 (0.003)	-0.001 (0.005)	0.086*** (0.026)	-0.029*** (0.004)	-0.048*** (0.010)	-0.077*** (0.026)	-0.128*** (0.024)	-0.072*** (0.026)
<i>Alternative samples</i>								
Including nonpartisan counties (alignment set to 0)	-0.002 (0.003)	0.000 (0.004)	0.099*** (0.022)	-0.031*** (0.004)	-0.050*** (0.008)	-0.079*** (0.023)	-0.102*** (0.022)	-0.055** (0.024)
Excluding counties with population <1,000	-0.004 (0.003)	-0.003 (0.005)	0.086*** (0.025)	-0.030*** (0.004)	-0.051*** (0.010)	-0.077*** (0.026)	-0.128*** (0.024)	-0.072*** (0.026)
Excluding counties with population <10,000	-0.001 (0.004)	-0.014*** (0.005)	0.097*** (0.022)	-0.031*** (0.004)	-0.054*** (0.010)	-0.077*** (0.026)	-0.128*** (0.024)	-0.072*** (0.026)
Restrict sample to economically similar counties (via propensity score trimming)	-0.007* (0.004)	-0.001 (0.005)	0.095*** (0.029)	-0.024*** (0.004)	-0.043*** (0.011)	-0.049* (0.027)	-0.153*** (0.025)	-0.081*** (0.027)
Exclude counties containing capital cities	-0.004 (0.003)	0.000 (0.005)	0.087*** (0.026)	-0.030*** (0.004)	-0.049*** (0.010)	-0.081*** (0.027)	-0.131*** (0.025)	-0.077*** (0.026)
Exclude counties with large commuter flows	-0.004 (0.004)	0.003 (0.005)	0.108*** (0.026)	-0.028*** (0.005)	-0.047*** (0.011)	-0.086*** (0.029)	-0.157*** (0.027)	-0.100*** (0.028)
Exclude counties hit hard by the housing crisis	-0.005 (0.004)	0.002 (0.005)	0.084*** (0.028)	-0.036*** (0.004)	-0.060*** (0.010)	-0.089*** (0.029)	-0.127*** (0.027)	-0.068** (0.028)

Notes: The first row reports results for the baseline specification shown in row 1 of Table 2. The remaining rows report the coefficient and standard error (robust to clustering at the county level) on the baseline alignment measure for alternative samples. Details on the variables used to identify the alternative samples are provided in Table E2. *** p<0.01, ** p<0.05, * p<0.10

Table E5. Estimates of the impact of alignment on proxies for tax compliance, baseline alignment measure, with nonpartisan counties

Control set	Log per capita reported income				Log per capita number of returns			
	Financial		Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	Wages & salaries	& retirement						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Baseline specification	-0.002 (0.003)	-0.001 (0.004)	0.091*** (0.022)	-0.030*** (0.004)	-0.048*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
<i>More restrictive control set</i>								
Omitting unemployment (U) x self-employment intensity	-0.004 (0.003)	0.007 (0.004)	0.094*** (0.022)	-0.029*** (0.004)	-0.017*** (0.008)	-0.007 (0.022)	-0.102*** (0.021)	-0.021 (0.023)
<i>More expansive control sets</i>								
Adding U x predicted propensity to be partisan Democrat	-0.002 (0.003)	0.000 (0.004)	0.086*** (0.022)	-0.029*** (0.004)	-0.059*** (0.009)	-0.091*** (0.024)	-0.132*** (0.022)	-0.071*** (0.024)
Adding U x predicted propensity and U x avg. Dem. vote share	-0.002 (0.003)	-0.005 (0.005)	0.067*** (0.022)	-0.009* (0.005)	-0.132*** (0.011)	-0.183*** (0.029)	-0.129*** (0.027)	-0.084*** (0.028)
Adding housing market controls (H)	-0.003 (0.003)	-0.004 (0.004)	0.091*** (0.023)	-0.031*** (0.004)	-0.047*** (0.009)	-0.071*** (0.024)	-0.122*** (0.022)	-0.059** (0.024)
Adding H and H x predicted propensity to be partisan Democrat	-0.003 (0.003)	-0.003 (0.004)	0.093*** (0.023)	-0.030*** (0.004)	-0.040*** (0.009)	-0.064*** (0.024)	-0.133*** (0.022)	-0.068*** (0.024)
Adding H, H x predicted propensity, and H x avg. Dem. vote share	-0.005** (0.003)	0.000 (0.005)	0.088*** (0.024)	-0.029*** (0.005)	-0.020** (0.010)	-0.056** (0.027)	-0.092*** (0.024)	-0.025 (0.027)
Dependent variable mean (in levels)	13,769	2,832	1,744	0.084	0.016	0.001	0.003	0.002
Dependent variable standard deviation	4,929	1,367	1,429	0.031	0.007	0.001	0.002	0.002

Notes: These results replicate those from Table 2 adding the counties that are classified as nonpartisan in the medium run, so that the regressions include the 3,005 counties in the full sample. See the notes to Table 2 for other details. *** p<0.01, ** p<0.05, * p<0.10

Table E6. Estimates of the impact of alignment on proxies for tax compliance, alternative alignment measures, with nonpartisan counties

Key independent variable	Log per capita reported income			Log per capita number of returns				
	Wages & salaries	Financial & retirement	Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Continuous alignment measures</i>								
Baseline alignment measure, vote share 1996 to 2008	-0.002 (0.003)	-0.001 (0.004)	0.091*** (0.022)	-0.030*** (0.004)	-0.048*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
Long-run alignment measure, vote share 1988 to 2008	-0.003 (0.003)	-0.000 (0.004)	0.097*** (0.023)	-0.034*** (0.004)	-0.052*** (0.009)	-0.089*** (0.025)	-0.114*** (0.023)	-0.060** (0.025)
<i>Binary alignment measures</i>								
Indicator for party alignment, baseline partisanship status	-0.000 (0.000)	-0.001 (0.001)	0.014*** (0.005)	-0.004*** (0.001)	-0.006*** (0.002)	-0.009* (0.005)	-0.027*** (0.005)	-0.014*** (0.005)
Indicator for party alignment, long-run partisanship status	-0.001 (0.000)	-0.001 (0.001)	0.014*** (0.005)	-0.005*** (0.001)	-0.006*** (0.002)	-0.014*** (0.005)	-0.023*** (0.005)	-0.011** (0.005)
<i>Continuous alignment x turnout</i>								
Baseline alignment measure x avg. two-party turnout 1996 to 2008	-0.004 (0.005)	0.000 (0.009)	0.142*** (0.043)	-0.056*** (0.009)	-0.093*** (0.017)	-0.157*** (0.049)	-0.225*** (0.046)	-0.098** (0.048)
Long-run alignment measure x avg. two-party turnout 1988 to 2008	-0.006 (0.005)	0.002 (0.010)	0.162*** (0.046)	-0.063*** (0.009)	-0.101*** (0.018)	-0.181*** (0.053)	-0.208*** (0.050)	-0.096* (0.053)
<i>Presidential approval</i>								
Party-specific presidential approval rating, baseline partisanship status	-0.000 (0.001)	-0.003* (0.001)	0.029*** (0.008)	-0.008*** (0.001)	-0.013*** (0.003)	-0.017* (0.009)	-0.053*** (0.008)	-0.032*** (0.009)
Party-specific presidential approval rating, long-run partisanship status	-0.001 (0.001)	-0.001 (0.001)	0.029*** (0.008)	-0.009*** (0.001)	-0.013*** (0.003)	-0.025*** (0.009)	-0.046*** (0.008)	-0.025*** (0.009)

Notes: These results replicate those from Table 3 adding the counties that are classified as nonpartisan in the medium run, so that the regressions include the 3,005 counties in the full sample. See the notes to Table 3 for other details. *** p<0.01, ** p<0.05, * p<0.10

Table E7. Robustness of results to alternative control sets, window analysis for 2000 and 2008 elections, with nonpartisan counties

Control set	Log per capita reported income			Log per capita number of returns				
	Wages & salaries	Financial & retirement	Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Baseline specification	-0.002 (0.003)	-0.001 (0.004)	0.091*** (0.022)	-0.030*** (0.004)	-0.048*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
<i>Alternative control sets</i>								
Adding information return variables x 2008 election indicators	-0.004 (0.003)	-0.007 (0.005)	0.067*** (0.022)	-0.006 (0.005)	-0.109*** (0.011)	-0.138*** (0.028)	-0.108*** (0.027)	-0.058** (0.028)
Adding county-by-election fixed effects	-0.002 (0.003)	-0.001 (0.004)	0.104*** (0.022)	-0.027*** (0.004)	-0.030*** (0.008)	-0.050** (0.023)	-0.088*** (0.022)	-0.028 (0.024)
Adding demographic variables	-0.002 (0.003)	-0.001 (0.004)	0.089*** (0.022)	-0.029*** (0.004)	-0.046*** (0.009)	-0.072*** (0.024)	-0.124*** (0.022)	-0.061** (0.024)
Adding federal grants and procurement spending per capita	-0.002 (0.003)	0.000 (0.004)	0.083*** (0.023)	-0.034*** (0.004)	-0.049*** (0.009)	-0.078*** (0.024)	-0.132*** (0.022)	-0.067*** (0.024)
Adding economic variables	-0.001 (0.003)	0.001 (0.004)	0.102*** (0.024)	-0.041*** (0.004)	-0.051*** (0.009)	-0.081*** (0.024)	-0.123*** (0.022)	-0.057** (0.024)
Including economic variables while excluding information return variables	0.007** (0.004)	0.003 (0.005)	0.115*** (0.023)	-0.045*** (0.004)	-0.058*** (0.009)	-0.084*** (0.024)	-0.130*** (0.022)	-0.062*** (0.023)
<i>Alternative dependent variables</i>								
Aggregates based on all filers	-0.002 (0.003)	-0.001 (0.004)	0.098*** (0.022)	-0.033*** (0.004)	-0.051*** (0.009)	-0.077*** (0.024)	-0.140*** (0.022)	-0.065*** (0.023)

Notes: These results replicate those from Table E3 adding the nonpartisan counties, so that the regressions include the 3,005 counties in the full sample. See the notes to Table E3 for other details. *** p<0.01, ** p<0.05, * p<0.10

Table E8. Robustness of results to alternative samples, window analysis for 2000 and 2008 elections, with nonpartisan counties

Control set	Log per capita reported income			Log per capita number of returns				
	Wages & salaries	Financial & retirement	Sched C&E	Claims EITC	Sched C & EITC	Sharp Bunch	Audit	Audit Owe
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Baseline specification	-0.002 (0.003)	-0.001 (0.004)	0.091*** (0.022)	-0.030*** (0.004)	-0.048*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
<i>Alternative samples</i>								
Excluding counties with population <1,000	-0.002 (0.003)	-0.002 (0.004)	0.092*** (0.022)	-0.030*** (0.004)	-0.050*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
Excluding counties with population <10,000	-0.000 (0.003)	-0.012*** (0.004)	0.085*** (0.020)	-0.029*** (0.004)	-0.053*** (0.009)	-0.077*** (0.024)	-0.126*** (0.022)	-0.064*** (0.024)
Restrict sample to economically similar counties (via propensity score trimming)	-0.004 (0.003)	-0.002 (0.005)	0.092*** (0.024)	-0.027*** (0.004)	-0.044*** (0.009)	-0.068*** (0.024)	-0.133*** (0.022)	-0.062** (0.025)
Exclude counties containing capital cities	-0.003 (0.003)	-0.000 (0.004)	0.092*** (0.023)	-0.031*** (0.004)	-0.049*** (0.009)	-0.078*** (0.024)	-0.127*** (0.022)	-0.066*** (0.024)
Exclude counties with large commuter flows	-0.004 (0.003)	0.003 (0.005)	0.105*** (0.023)	-0.027*** (0.004)	-0.047*** (0.009)	-0.080*** (0.027)	-0.154*** (0.024)	-0.090*** (0.026)
Exclude counties hit hard by the housing crisis	-0.004 (0.003)	0.002 (0.004)	0.086*** (0.024)	-0.036*** (0.004)	-0.057*** (0.009)	-0.092*** (0.026)	-0.123*** (0.024)	-0.058** (0.026)

Notes: These results replicate those from Table E4 adding the nonpartisan counties, so that the regressions include the 3,005 counties in the full sample. See the notes to Table E4 for other details. *** p<0.01, ** p<0.05, * p<0.10

Appendix F. Figures showing dynamics

This appendix shows the dynamics for our proxies for evasion for 5-year windows centered around each election. An important issue to flag upfront is that our central measure of alignment, which is county-specific and based on the average two-party vote share across the 1996 to 2008 presidential elections, is time-constant within presidential administrations, only changing with the party of the president. This works well for our main analysis that uses the two “window” years on either side of the 2000 and 2008 elections, since these turnover elections provide well-defined shocks to alignment based on how strongly partisan Democratic or Republican a county is. It is clear from Figure 4, though, that attitudes toward government (as captured by national polls) are not static across years within presidential terms. Thus, in an event-time framework, our identification strategy fails to distinguish between year-to-year shifts in tax evasion that are due to changing attitudes towards a particular president from secular trends.

With these caveats to interpretation in mind, in Figure F1 we plot estimates of the conditional differences from two years before through two years after elections for counties moving into alignment relative to those moving out of alignment. (Due to data limitations we have only one year of pre-period data for the 2000 election.) The estimates are from generalized difference-in-differences regressions that pool the years 1999 through 2010 for counties that are classified as partisan in the medium run. All specifications include the controls from the baseline specification in the first row of Table 2. In addition to county and state-by-year fixed effects, these include log per capita information return amounts, the shares of wages paid by different types of businesses, and an interaction between log per capita unemployment compensation and self-employment intensity. We also continue to cluster standard errors by county.

What varies across the three columns in Figure F1 is which election the estimates are centered on. To capture moving into vs. out of alignment, the key control variables of interest are year indicators interacted with the average share of county residents voting for the incoming President in the relevant election, with the election year difference normalized to zero. Specifically, for the 2000 election, the specification includes indicators for each year other than 2000 interacted with the average Republican vote share. Though the 2004 election was not a turnover election, we treat reelection of a Republican as possibly reinforcing approval (disapproval) among Republicans (Democrats), so model it analogously to the 2000 election. For the 2008 election, the year indicators are instead interacted with the average Democratic vote share, and the interaction with 2008 is omitted. The coefficient estimates on the relevant interactions are plotted along with their 95 percent confidence intervals. Thus, the point estimates show the differential effect of moving into vs. out of alignment among partisan counties in years before and after a given election, as compared to the difference in the election year.

What varies across the three rows in Figure F1 is the set of dependent variables. In the top row of figures, we present results for the three tax gap dependent variables based on reported income: reported wages and salaries, financial and retirement income, and Schedule C&E incomes (all expressed as log per capita \$2010 amounts). The next row shows results for the three types of (log per capita) return counts related to the EITC: claimed the EITC, filed a Schedule C and claimed the EITC, and filed a return exhibiting sharp bunching. The last row shows results for the share of returns that are audited, and the share audited and found owing.

As we turn to the dynamics shown in Figure F1, we note that it is not clear what pattern (outside of the last pre-period and the first post-period) is consistent with our hypothesis. The

2004 and 2008 tax gap specifications (first row) would seem to have near ideal shapes for our hypothesis. We see a flat impact of alignment on the two types of not easily-evaded third-party-reported income both before and after the election. We see a flat impact of alignment on the more easily evaded Schedule C&E income in the pre-period with a sustained large increase in the post-period. But should results weaken as we move further away from the election year and feelings about the president become less salient as we see in 2008? Or should they remain constant as we see in 2004, or even increase as the president's activities strengthen initial feelings toward the man? This lack of predictive clarity coupled with the fact that our time-invariant independent variable does not allow us to distinguish between tax morale changing, the impact of tax morale changing, and secular trends make this more a descriptive exercise than a dispositive one.

Looking across columns and rows, we see that there is a pre-trend for some of the EITC outcomes in 2004 and 2008. (We cannot make statements about pre-trends for the 2000 election as we have only one year of pre-period data.) As noted above, these could be due to true changing impacts or to secular trends. However, the 2008 wrong-signed sharp bunching results appear to be the latter as the magnitude and significance of the two-year window finding is sensitive to the control set, as demonstrated in Table 4 and discussed in the text. In other cases, we do not have pre-trends in the sense that the pre-period coefficients move in the same direction as the pre- to post-period change, but we have pre-period coefficients that are nonetheless distinguishable from each other. The 2004 and 2008 audit rates are cases in point.

While the wrong-signed tax gap coefficient two years after the 2000 election does not support our hypothesis, the tax gap results of 2004 and 2008 are consistent with our claim. So too are the EITC results of 2000 (Schedule C & EITC; sharp bunching) and 2004 (all three

series) and the audit series of 2008. We find the same pattern of evidence for evasion (in terms of outcome and year) shows up robustly across the window specifications in Table 4.

Figure F1. Conditional differences in tax evasion proxies for counties moving into vs. out of alignment

