

MEMORANDUM

TO: Interested Parties
FROM: Global Strategy Group
RE: Oklahoma Policy Survey Results
DATE: March 2014

Opposition to Income Tax Cuts Rises Over Funding Fears

Over the last year, support for cutting Oklahoma's personal income tax has dropped significantly among voters statewide, and less than half now support the plan to reduce the state's top rate. Support drops even further once voters learn of the disparity in the size of the cuts across income groups. Additionally, opposition is strongest when voters learn tax cuts will lead to less funding for state services such as education, public safety and health care. Key findings from Global Strategy Group's recent poll of 610 registered Oklahoma voters are as follows:

Support for a generic cut to income tax rates has slipped dramatically since last year

Less than half of all voters now support the proposal to reduce Oklahoma's personal income tax rate (46% support/31% oppose). This 15 point margin in favor of the plan is dramatically smaller than the net 27 point margin in our April 2013 survey (52% support/25% oppose).

- A plurality of Democrats now oppose the cuts (36% support/41% oppose now, down from 42%/37%) while there has been an 18 point swing against the plan among Independents (52%/30% now, down from 57%/17%) and a 14 point swing against it among Republicans (54%/21% now, down from 61%/14%).
- Due to a 17 point swing against the cuts, a plurality of self-described moderates now oppose the plan 34%/40% now, down from 42%/31%). There is also lower support among conservatives for the cuts (56%/20% now, down from 63%/16%) including less than half of all conservative Democrats (45%/29% now, down from 51%/30%).
- ***The bottom line – support for income tax cuts has fallen across all partisan and ideological groups.***

The unequal distribution of tax cuts causes support for the proposal to evaporate

Opposition to the plan doubles (rising 30 points to 61% oppose) once voters learn that "over 40 percent of Oklahomans will not receive a tax cut at all, the average reduction for middle-income families would be 29 dollars, and the largest tax cuts would go to the wealthiest one percent of Oklahoma households." Just 29% still support the plan when they learn how much more affluent voters benefit from it. This is consistent with our findings from last April (31% support/60% oppose).

- Based on this new information, Democrats (76%) and Independents (62%) overwhelmingly oppose the plan while Republicans are as likely to oppose it (44%), as support it (44%).
- Half of all self-described conservatives (50%) also oppose the plan, including two-thirds of conservative Democrats (68%).
- ***The bottom line – a tax cut plan that favors the wealthiest 1% of households is strongly opposed by Oklahomans.***

Opposition is greatest when voters learn tax cuts will jeopardize funding for state services

Voters are most opposed to the tax cut plan when they learn “Oklahoma will collect 120 million dollars less in tax revenues to fund state services, such as education, public safety and health care” (28% support/66% oppose) which is a 16 point net increase in opposition since April 2013 (34%/56%).

- Most Democrats (78%) and Independents (72%) oppose the plan after they learn of the revenue losses, while a majority (54%) of Republicans also say they are opposed. Even majorities of self-described conservatives (53%) and conservative Democrats (67%) oppose the plan.
- ***The bottom line – voters are increasingly sensitive to potential reductions in state revenue and will strongly oppose the tax cut plan if it means less funding for state services.***

Cutting important state services to pay for tax cuts is met with high opposition – even greater than last year

Since our survey last April, voters have become even less inclined to favor cutting funding for important state services to pay for tax cuts. The intensity of feeling as measured by those who strongly disagree is high and voters are clear about their wish to not place tax cuts ahead of the delivery of services:

- 84% of voters disagree – including 67% who strongly disagree – that “I would favor cutting funding for ***Oklahoma’s public safety services*** including police, fire and emergency services so that savings can be passed along to taxpayers in the form of a tax cut.” The number who disagree now is 4 points greater than in April 2013 (80%).
- 83% of voters disagree – including 69% who strongly disagree – that “I would favor cutting funding for ***Oklahoma’s public schools***, so that savings can be passed along to taxpayers in the form of a tax cut.” Disagreement with this statement is 5 points greater than last April (77%).
- 82% of voters disagree – including 66% who strongly disagree – that “I would favor cutting funding for ***Oklahoma’s public health services***, including Soonercare, mental health services, and care for children with developmental disabilities so that savings can be passed along to taxpayers in the form of a tax cut.” This is also 5 points greater than last April (77%).
- 74% of voters disagree – including 53% who strongly disagree – that “I would favor cutting funding for ***Oklahoma’s public universities and community colleges*** so that savings can be passed along to taxpayers in the form of a tax cut.”
- Disagreement with these statements even extends to the most conservative voters with 60%+ of Republicans and 58%+ of self-described very conservatives disagreeing with each of them.
- ***The bottom line – preserving funding for important state services takes precedence over tax cuts for voters across the political spectrum.***

Education and job training continue to trump income tax cuts as drivers of increased economic activity

Consistent with our research extending back to 2012, when it comes to “attracting businesses to locate and invest in Oklahoma,” voters continue to place more importance on “an educated and well-trained workforce” (68%) over “lower personal income tax rates” (25%). These findings are in line with our surveys from last April (68% education and job training/24% tax cuts) and in 2012 (70%/21%). When asked the importance of each to “create economic growth in Oklahoma,” voters were even more likely to place education and job training (74%) over lower income tax rates (17%).

ABOUT THIS POLL

This poll was conducted by Global Strategy Group (GSG) among 610 voters registered in Oklahoma on March 3-6, 2014. The margin of error on this poll is +/- 4.0%. The margin of error on subsamples is larger. GSG is a leading public opinion pollster whose clients include elected officials across the country at all levels of government, major non-profit institutions and Fortune 500 companies.

Q1. Are you at least 18 years old and registered to vote at this address [READ ADDRESS]?	Yes	100%
	No	-
	Don't know/Refused	-

And thinking about some issues facing state government in Oklahoma...

Q2. As you may know, there is a proposal in front of the state legislature to reduce Oklahoma's top personal income tax rate in the coming years. Do you support or oppose this proposal? [IF ANSWER] Do you feel that way strongly or just somewhat?		2014	2013
	Strongly support.....	25%	32%
	Somewhat support.....	21	21
	Somewhat oppose.....	10	7
	Strongly oppose.....	21	18
	VOL: (Don't Know/Refused).....	23	23
	SUPPORT (NET).....	46%	52
	OPPOSE (NET).....	31	25

Q3. An analysis of the proposal to reduce the state's top personal income tax rate says that under this plan, over 40 percent of Oklahomans will not receive a tax cut at all, the average reduction for middle-income families would be 29 dollars, and the largest tax cuts would go to the wealthiest one percent of Oklahoma households. Having heard this, do you support or oppose this proposal? [IF ANSWER] Do you feel that way strongly or just somewhat?		2014	2013*
	Strongly support.....	17%	18%
	Somewhat support.....	12	14
	Somewhat oppose.....	16	13
	Strongly oppose.....	44	47
	VOL: (Don't Know/Refused).....	10	8
	SUPPORT (NET).....	29%	31
	OPPOSE (NET).....	61	60

*In 2013, average tax reduction was calculated to be \$50 and question mentioned largest cuts going to wealthiest 5%, not wealthiest 1%.

A4. [FORM A] An analysis of the proposal to reduce the state's top personal income tax rate says that under this plan, Oklahoma will collect 120 million dollars less in tax revenues to fund state services, such as education, public safety and health care. Having heard this, do you support or oppose this proposal? [IF ANSWER] Do you feel that way strongly or just somewhat?		2014	2013
	Strongly support.....	17%	19%
	Somewhat support.....	12	15
	Somewhat oppose.....	15	13
	Strongly oppose.....	51	44
	VOL: (Don't Know/Refused).....	6	10
	SUPPORT (NET).....	28%	34
	OPPOSE (NET).....	66	56

*In 2013, reduction in revenue was calculated to be \$125 million

B4. [FORM B] Oklahoma faces a 188 million dollar budget shortfall next year. An analysis of the proposal to reduce the state's top personal income tax rate says that under this plan, Oklahoma's budget shortfall will increase as the state will collect 120 million dollars less in tax revenues to fund state services such as education, public safety and health care. Having heard this, do you support or oppose this proposal? [IF ANSWER] Do you feel that way strongly or just somewhat?			
	Strongly support		15%
	Somewhat support		13
	Somewhat oppose		20
	Strongly oppose		42
	VOL: (Don't Know/Refused)		10
	SUPPORT (NET)		28%
	OPPOSE (NET).....		62

I'm now going to read you a few statements. For each, please tell me whether you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with that statement.

	AGREE		DISAGREE		(DK/Ref.)	NET	
	Strong	Some	Some	Strong		AGREE	DISAGREE
• I would favor cutting funding for Oklahoma's public safety services, including police, fire and emergency services so that savings can be passed along to taxpayers in the form of a tax cut.....	7%	7	18	67	2	14%	84
2013	8%	9	15	65	3	17%	80
2012	10%	7	15	65	3	17%	80
• I would favor cutting funding for Oklahoma's public schools so that the savings can be passed along to taxpayers in the form of a tax cut.....	6%	9	15	69	2	15%	83
2013	10%	10	13	65	3	20%	77
2012	10%	6	14	67	3	16%	81
• I would favor cutting funding for Oklahoma's public health services, including Soonercare, mental health services, and care for children with developmental disabilities so that savings can be passed along to taxpayers in the form of a tax cut.....	7%	7	16	66	4	15%	82
2013	10%	8	16	61	5	18%	77
• I would favor cutting funding for Oklahoma's public universities and community colleges so that savings can be passed along to taxpayers in the form of a tax cut.....	12%	11	21	53	3	23%	74

A9. [FORM A] Which of the following do you think is more important to attract businesses to locate and invest in Oklahoma?

	2014	2013	2012
An educated and well trained workforce.....	68%	68%	70%
Low personal income tax rates.....	25	24	21
VOL: (Neither).....	5	2	3
VOL: (Don't Know/Refused).....	3	6	6

B9. [FORM B] Which of the following do you think is more important to create economic growth in Oklahoma?

An educated and well trained workforce	74%
Low personal income tax rates.....	17
VOL: (Neither)	4
VOL: (Don't Know/Refused)	5

Finally, I would like to ask you a few final questions for statistical purposes only.

P1. No matter how you are planning to vote this year, when it comes to politics, do you generally think of yourself as a strong Democrat, a not very strong Democrat, a strong Republican, a not very strong Republican, or an Independent?

Strong Democrat	24%
Weak Democrat.....	10
Independent / Closer to the Democrats.....	7
Independent	9
Independent / Closer to the Republicans	12
Weak Republican	12
Strong Republican.....	25
VOL: (Don't Know/Refused)	2
DEMOCRAT (NET)	34%
INDEPENDENT (NET)	29
REPUBLICAN (NET).....	36
DEMOCRAT W/ LEANERS (NET)	41%
REPUBLICAN W/ LEANERS (NET).....	48

D101. What is your age?	18-29	13%
	30-44	24
	45-54	18
	55-64	18
	65+	24
	VOL: (Refused)	3
D102. What is the last grade that you completed in school?	Some grade school	1%
	Some high school	3
	Graduated high school	21
	Technical/Vocational	4
	Some college	25
	Graduate college	28
	Graduate professional	15
VOL: (Refused)	2	
D105. When it comes to politics, do you generally think of yourself as very liberal, somewhat liberal, moderate, somewhat conservative, very conservative?	Very liberal	6%
	Somewhat liberal	13
	Moderate	27
	Somewhat conservative	28
	Very conservative	23
	VOL: (Refused)	3
		LIBERAL (NET)
	CONSERVATIVE (NET)	50
D900. What would you say is your total annual family income before taxes? Is it less than 20 thousand, 20 to 40 thousand, 40 to 60 thousand, 60 to 80 thousand, 80 to 100 thousand or more than 100 thousand?	Less than \$20,000	12%
	\$20,000-\$40,000	16
	\$40,001-\$60,000	15
	\$60,001-\$80,000	12
	\$80,001-\$100,000	9
	More than \$100,000	15
	VOL: (Don't Know/Refused)	20
Region [FROM SAMPLE]	Oklahoma City DMA - Oklahoma County	19%
	Oklahoma City DMA - Rest	29
	Tulsa DMA - Tulsa County	16
	Tulsa DMA - Rest	20
	Outer Markets	15
Party Registration [FROM SAMPLE]	Democrat	45%
	Independent	12
	Republican	43
Gender [BY OBSERVATION]	Male	45%
	Female	55