

TO: Interested Parties
FROM: Global Strategy Group
DATE: April 15, 2015
RE: **NEW POLL RESULTS — Oklahoma Voters Oppose Tax Cut While State Faces Budget Shortfall**

As Oklahoma faces a state budget shortfall, a majority of voters support delaying or cancelling next year's scheduled cut to the state's top personal income tax rate. Voters fear that the cut will lead to less funding for state services they value, and their opposition increases when told the largest cuts will go to the wealthiest households in Oklahoma. Voters also support accepting federal funding for the state's low-income healthcare programs and implementing the combined reporting tax reform. Key findings from Global Strategy Group's recent poll of 500 registered voters in Oklahoma are as follows:

Most Oklahomans oppose moving forward with next year's PIT cut if it risks funding for state services

A majority of voters (60%) are against the quarter percent cut to the state's top personal income tax rate scheduled for 2016 after hearing that "the tax cut will leave Oklahoma with \$57 million less in tax revenues to fund state services like education, public safety, and health care at a time when there is a \$611 million shortfall in next year's state budget." Only 33% still want to enact the cut despite the jeopardized funding.

- Democrats (70%) and Independents (68%) are strongly against the PIT cut, including 65% of self-described conservative Democrats. Republicans are also more likely to oppose (47%) than support (45%) lowering the rate.
- Among those opposed to the 2016 cut, just as many believe that the cut should be cancelled (45%) as that it should be delayed until there is no budget shortfall (45%).
- ***The bottom line – Oklahomans value the services provided by the state and believe an income tax cut can wait until sunnier days for the state budget.***

Concerns about fairness increases opposition to the scheduled cut even further

Opposition to the cut grows (29% support/64% oppose) when voters learn that "over 40% of Oklahomans will not receive a tax cut at all, the average reduction for middle-income families will be \$31, and the largest tax cuts will go to the wealthiest Oklahoma households."

- Based on this new information, large majorities of Democrats (75%) and Independents (71%) are against the planned cut, along with over half of all Republicans (52%). This includes half of all self-described conservatives (50%) and most conservative Democrats (61%).
- Disparities in how the cut will be distributed leads more of those opposed to lowering the PIT rate to say it should be cancelled (48%) than that it should be delayed (44%).
- ***The bottom line – voters oppose giving the wealthiest Oklahomans a tax break that could jeopardize funding for state services.***

Voters want Oklahoma to accept federal funds for health care programs and implement combined reporting to help erase the budget deficit

In order to reduce the state budget shortfall, a majority of voters support using federal funds to pay for the state's healthcare programs for low-income adults (63%) and implementing the combined reporting tax reform for corporations (56%). There is less support for delaying the funding increase for road and bridge repairs (44%) and ending the double deduction tax break for state income taxes (43%).

- Large majorities of Democrats (77%) and Independents (69%), as well as most conservative Democrats (69%), favor taking federal funds for programs like Soonercare and Insure Oklahoma. A plurality of Republicans (46% support/40% opposes) and conservatives (46% support/43% oppose) also support this idea to close the budget gap.
- Combined reporting has its strongest support among Republicans (60%) and conservatives (58%). Most Democrats (54%) and pluralities of Independents (48% support/46% oppose) and conservative Democrats (48% support/42% oppose) also favor implementing this tax reform.

Policy Proposal	Support	Oppose
Save 450 million dollars over the next 10 years by accepting federal funds to expand eligibility for low-income adults in Oklahoma's health insurance programs like Soonercare and Insure Oklahoma	63%	29%
Boost state corporate income tax collections by as much as 80 million dollars annually by closing the Oklahoma tax loophole that allows multi-state corporations to shift profits to out-of-state subsidiaries to decrease their state taxes	56%	36%
Delay next year's 60 million dollar automatic funding increase for maintaining and upgrading of Oklahoma's roads and bridges until the budget improves	44%	52%
Collect an additional 97 million dollars annually by ending the double deduction tax break that lets Oklahomans who claim itemized deductions on their federal return to also claim the deduction for their state income taxes on their state tax return.	43%	41%

Oklahomans believe there should be no delay in using the Rainy Day Fund this year

Two-thirds of voters (65%) think the state should use some of the eligible Rainy Day funds to protect funding for state services this year. Far fewer believe all of the available funds (17%) or none of the funds (16%) should be tapped.

- This preference for using some of the Rainy Day Fund extends to majorities of Independents (72%), Republicans (69%), and Democrats (58%).
- ***The bottom line – there are options available to Oklahoma's policymakers that will help close the budget gap and that hold strong voter approval.***

Voters are not demanding more income tax cuts and place a greater premium on education funding

More Oklahomans say the state has cut the top PIT rate too much (33%) or the right amount (29%) over the past decade than not enough (27%). Instead of more tax cuts, they believe the better policy is more education investments. A large majority (68%) continues to say that “an educated and well-trained workforce” is more important for attracting businesses to Oklahoma than “lower personal income tax rates” (20%), and an even larger majority believes that Oklahoma doesn’t spend enough on education (74%) rather than the right amount (13%) or too much (8%).

- Republicans have a greater tendency to believe the PIT has not been cut enough (33%), yet even they are more likely to believe cuts have been just about right (34%) or too much (22%). The largest number of Democrats (38%) and Independents (50%) say taxes have been cut too much, and few say not enough (24% of Democrats and 18% of Independents).
- Belief that “low personal income tax rates” are more important for attracting businesses to locate and invest in Oklahoma dropped 5 points from our findings last year (down from 25%) while those who say “an educated and well-trained workforce” has stayed the same.
- Most Democrats (83%), Independents (73%), and Republicans (65%) believe the state isn’t spending enough on education, including large majorities of conservatives (62%) and conservative Democrats (74%).

ABOUT THIS POLL

Global Strategy Group conducted a survey on March 26-29, 2015 with 500 registered voters in Oklahoma. The results have a margin of error of +/-4.4%, and care has been taken to ensure the geographic and demographic divisions of the expected electorate are properly represented based on past voter turnout statistics.

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

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

Q1. When it comes to education funding in Oklahoma, do you think the state is spending too much, not enough, or just about the right amount? Too much 8%
Not enough 74
Just about right amount 13
VOL: (Don't know/Refused) 5

Q2. Over the past decade, Oklahoma has cut the top state personal income tax rate several times. Do you think that Oklahoma has cut personal income taxes too much, not enough, or just about the right amount? Too much 33%
Not enough 27
Just about right amount 29
VOL: (Don't Know/Refused) 11

As you may know, Oklahoma's top personal income tax rate is scheduled to be cut by a quarter percent in 2016. The tax cut will leave Oklahoma with \$57 million less in tax revenues to fund state services like education, public safety, and health care at a time when there is a \$611 million shortfall in next year's state budget.

Q3. Having heard this do you support or oppose moving ahead with the scheduled cut to the top personal income tax rate? **[IF SUPPORT]** And do you strongly support it or just somewhat support it? **[IF OPPOSE]** And do you strongly oppose it or just somewhat oppose it? Strongly support 18%
Somewhat support 15
Somewhat oppose 22
Strongly oppose 37
VOL: (Don't Know/Refused) 7
SUPPORT (NET) 33%
OPPOSE (NET) 60

Q4. [IF OPPOSE TAX CUT] Which comes closest to how you feel about the scheduled cut to the top personal income tax rate? We should not cut the top income tax rate at all 45%
The cut to the top personal income tax rate should be delayed until there is no budget shortfall 45
VOL: (Neither) 5
VOL: (Don't Know/Refused) 4

An analysis of the personal income tax cut scheduled for next year says that over 40% of Oklahomans will not receive a tax cut at all, the average reduction for middle-income families will be \$31, and the largest tax cuts will go to the wealthiest Oklahoma households.

Q5. Having heard this do you support or oppose moving ahead with the scheduled cut to the top personal income tax rate? **[IF SUPPORT]** And do you strongly support it or just somewhat support it? **[IF OPPOSE]** And do you strongly oppose it or just somewhat oppose it? Strongly support 16%
Somewhat support 12
Somewhat oppose 17
Strongly oppose 48
VOL: (Don't Know/Refused) 7
SUPPORT (NET) 29%
OPPOSE (NET) 64

Q6. (IF OPPOSE TAX CUT) Which comes closest to how you feel about the scheduled cut to the top personal income tax rate?

	We should not cut the top income tax rate at all	48%
	The cut to the top personal income tax rate should be delayed until there is no budget shortfall.....	44
VOL:	(Neither).....	3
VOL:	(Don't Know/Refused)	4

Now I'm going to read you some specific policy ideas that have been proposed to reduce Oklahoma's \$611 million state budget shortfall and to protect funding for state services like education, public safety, and health care. I'd like to know whether you support or oppose each one.

	SUPPORT		OPPOSE		(DK/Ref.)	NET	
	Strongly	Somewhat	Somewhat	Strongly		SUPPORT	OPPOSE
• Save \$450 million over the next 10 years by accepting federal funds to expand eligibility for low-income adults in Oklahoma's health insurance programs like Soonercare and Insure Oklahoma	37%	25	10	19	9	63%	29
• Boost state corporate income tax collections by as much as \$30 million annually by closing the Oklahoma tax loophole that allows multi-state corporations to shift profits to out-of-state subsidiaries to decrease their state taxes.....	39%	17	12	24	9	56%	36
• Delay next year's \$60 million automatic funding increase for maintaining and upgrading of Oklahoma's roads and bridges until the budget improves	24%	21	15	38	3	44%	52
• Collect an additional \$97 million annually by ending the double deduction tax break that lets Oklahomans who claim itemized deductions on their federal return to also claim the deduction for their state income taxes on their state tax return.....	20%	23	18	23	16	48%	41

Q11. Oklahoma also has more than \$500 million saved up in a Rainy Day Fund which is designed to save extra funds in good times and to spend those funds when times are bad. Lawmakers can use slightly more than half of the Rainy Day Fund in next year's budget. How much of the available Rainy Day Funds should lawmakers use to protect funding for state services like education, public safety, and health care?

	None of the available funds	16%
	Some of the available funds	65
	All of the available funds	17
VOL:	(Don't Know/Refused)	2

Q12. Thinking again about taxes, which of the following do you think is more important to attract businesses to locate and invest in Oklahoma?

	2015	2014	2013	2012
An educated and well trained workforce	68%	68%	68%	70%
Low personal income tax rates	20	25	24	21
VOL: (Neither).....	5	5	2	3
VOL: (Don't Know/Refused)	6	3	6	6

Now I have just a few final questions for statistical purposes.

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.....	26%
Weak Democrat.....	8
Independent / Closer to the Democrats.....	7
Independent.....	11
Independent / Closer to the Republicans.....	9
Weak Republican.....	11
Strong Republican.....	27
VOL: (Don't Know/Refused).....	2
DEMOCRAT (NET).....	33%
INDEPENDENT (NET).....	29
REPUBLICAN (NET).....	37
DEMOCRAT UNLEARNERS (NET).....	40%
REPUBLICAN UNLEARNERS (NET).....	47

D101. In what year were you born?

18-29.....	13%
30-44.....	22
45-54.....	15
55-64.....	17
65+.....	24
VOL: (Refused).....	9

D102. What is the last grade of school or level of education you completed?

Did not complete high school.....	4%
Graduated high school.....	23
Attended technical/vocational school.....	1
Attended some college but no degree.....	15
Graduated two-year college with Associate's degree.....	12
Graduated four-year college with Bachelor's degree.....	31
Obtained Master's, PhD, or other professional degree.....	13
VOL: (Refused).....	1

D105. When it comes to politics, do you generally think of yourself as...

Very liberal.....	5%
Somewhat liberal.....	13
Moderate.....	29
Somewhat conservative.....	27
Very conservative.....	23
VOL: (Refused).....	4
LIBERAL (NET).....	18%
CONSERVATIVE (NET).....	49

D310. What is your total annual family income before taxes?

\$20,000 or less.....	11%
More than \$20,000 up to \$40,000.....	16
More than \$40,000 up to \$60,000.....	17
More than \$60,000 up to \$80,000.....	12
More than \$80,000 up to \$100,000.....	8
More than \$100,000.....	15
VOL: (Refused).....	22

Gender [BY OBSERVATION]

Male.....	46%
Female.....	54

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.....	43%
Independent.....	13
Republican.....	44