

TO: Interested Parties
FROM: Global Strategy Group
DATE: April 11, 2016
RE: **NEW POLL RESULTS — Oklahoma Voters Favor Raising Revenue to Address Budget Shortfall**

As Oklahoma faces another state budget shortfall, voters prefer that lawmakers raise revenue over cutting funding for critical state services, and there is strong support for restoring the state's top personal income tax rate to 6.65% for the wealthiest families. Oklahomans are clear that they do not want to balance the budget on the backs of the state's most vulnerable citizens by eliminating health care benefits and ending tax credits for many working families. In addition to rolling back more than a decade's worth of tax cuts for wealthy Oklahomans to help erase the deficit, voters also support accepting federal funds for the state's low-income health care programs and reforming how the state collects online sales taxes. Key findings from Global Strategy Group's recent poll of 500 registered voters in Oklahoma are as follows:

Oklahomans place a higher priority on protecting state services than immediate tax cuts

Most voters want to either cancel (37%) or delay (25%) the recent quarter percent cut to the top PIT rate that went into effect this year after hearing that the state faces a \$1.3 billion state budget shortfall and that the tax cut would leave "Oklahoma with about \$150 million less to fund state services like education, public safety, and health care." Only 22% want to keep the tax cut.

- A large majority Democrats want to cancel (47%) or delay (22%) the cut, and few want to keep it (16%). This includes most conservative Democrats (34% cancel/25% delay/26% keep).
- The number of Republicans (28% cancel/29% delay) and Independents (35% cancel/20% delay) who favor a delay in the cut outpaces those who want to keep it this year (only 30% of GOP and 12% of Independents).
- ***The bottom line – Oklahomans believe maintaining the services provided by the state is more important than immediately following through with an income tax cut.***

There is clear support for rolling back last decade's tax cuts for the wealthiest Oklahomans

In order to bring in \$250 million more in revenue to fund state services, two-thirds of Oklahomans (67%) support restoring the top PIT rate to 6.65% from 12 years ago on households with annual incomes above \$150,000, and a significant number of the 26% who oppose the idea favor restoring it temporarily.

- Impressive majorities of Democrats (74% support/18% oppose) and Independents (75% support/18% oppose) favor returning the top PIT rate to its previous level, along with a solid majority of Republicans (58% support/36% oppose).
- Even 23% of opponents of the idea to restore the higher rate support temporarily restoring it until the budget deficit improves.
- ***The bottom line – voters are clear in their support for asking the wealthiest Oklahomans to pay more of their fair share to adequately fund state services.***

Voters continue to want Oklahoma to accept federal health care funds to help ease the budget deficit and many view support reforming the collection of online sales taxes to raise revenue

Oklahomans find accepting federal funds to expand health-care eligibility to low income adults the most appealing policy idea to reduce the state budget shortfall (68% support/26% oppose), which is stronger than our findings last year (63% support/29% oppose). A majority also supports reforming online sales tax collections as a way to reduce the budget deficit (56% support/37% oppose).

- The idea of accepting federal funds for insurance programs like SoonerCare and Insure Oklahoma has broad bi-partisan support with large majorities of Democrats (81%), Republicans (60% support) and Independents (56% support) favoring it.
- Most Democrats (60%) and Independents (58%) support online sales tax collection reforms, while it has more mixed support among Republicans (51% support/44% oppose).

Ending healthcare benefits for poor families and eliminating tax credits targeted to regular Oklahomans are non-starters for most voters

Ending healthcare benefits for 100,000 non-disabled, low-income adults in the SoonerCare program has intense opposition (18% support/77% oppose; 59% strongly oppose). There is also strong opposition to eliminating the Earned Income Tax credit, the State Sales Tax Relief Credit and the Child Tax Credit that are granted to 40% of Oklahoma families (29% support/59% oppose).

- Kicking people off SoonerCare is opposed by most Democrats (81%), Independents (89%), and Republicans (69%). Even a large majority of self-described very conservatives (67%) are against the idea.
- There is also bi-partisan opposition to eliminating the tax credits that help many Oklahoma families, with nearly as many Republicans (54%) against the idea as Democrats (59%). Independents are even less in favor of the proposal (75% oppose).
- ***The bottom line – Oklahomans are adamantly against reducing the budget deficit on the backs of its most vulnerable citizens.***

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	68%	26%
Reform how Oklahoma collects sales taxes on purchases made online by requiring more online retailers to collect the state sales tax	56%	37%
Delay the \$60 million automatic funding increase for maintaining and upgrading of Oklahoma's roads and bridges until the budget improves	44%	53%
Collect an additional \$85 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	42%	40%
Collect an additional \$106 million by eliminating the state Earned Income Tax Credit, the state Child Tax Credit, and the state Sales Tax Relief Tax Credit that are currently granted to 40% of Oklahoma families	29%	59%
Save an estimated \$130 million a year by ending SoonerCare healthcare benefits for the more than 100,000 non-disabled parents of dependent children whose income is less than half the poverty level	18%	77%

Oklahomans strongly prefer that lawmakers increase state revenue over cutting critical state services

Few voters (15%) think “cutting funding for education, health care, public safety, and other state services” should be a higher priority for addressing the budget shortfall. Far more (56%) believe “increasing state revenue by raising taxes and reducing tax breaks” is the better way to address the deficit.

- Most Democrats (62%) and Independents (63%) prefer raising revenue as the best approach to dealing with the budget deficit, and they are joined by a plurality of Republicans (47% increasing revenue/20% cutting funding).
- Even self-described conservative voters believe increasing state revenue should be a higher priority than cutting funding for services (42% increasing revenue/20% cutting funding).
- ***The bottom line – voters understand that the state budget has been cut to the bone and it is time to raise revenue to protect state services from further cuts.***

Voters continue to value the benefit of increased education investments over lower tax rates

For the fifth year in a row, Oklahomans overwhelmingly believe “an educated and well-trained workforce” (68%) is more important to attract businesses to the state than “lower personal income tax rates” (24%). These findings are in line with our survey last year when 68% said an educated workforce to just 20% lower rates.

- Majorities of Democrats (74%), Independents (77%), Republicans (60%), conservative Democrats (58%), and self-described conservatives (59%) all believe an educated workforce is more important to bring businesses and investment to the state.
- ***The bottom line – Oklahomans believe investments in education are a greater driver of economic growth than the tax cuts that expand the state budget deficit***

ABOUT THIS POLL

Global Strategy Group conducted a survey on April 4-6, 2016 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.

S1. 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...

As you may know, Oklahoma faces a \$1.3 billion state budget shortfall for next year. Contributing to the budget shortfall is a quarter percent cut to the top personal income tax rate that went into effect this year, leaving Oklahoma with about \$150 million less to fund state services like education, public safety and health care.

Q1. Having heard this, do you support keeping the cut to the top personal income tax rate, delaying the cut to the top personal income tax rate until the budget improves, or cancelling the cut to the top personal income tax rate?

Support cancelling tax cut	37%
Support delaying tax cut	25
Support keeping tax cut	22
VOL: (Don't Know/Refused)	16

Over the past 12 years, Oklahoma's top personal income tax rate has been cut multiple times dropping it from 6.65% down to 5%. Restoring the tax rate to 6.65% on the wealthiest households with annual incomes above \$150,000 would reduce the state budget shortfall by bringing in about \$250 million more in revenue to fund state services.

Q2. Having heard this, do you support or oppose restoring the 6.65% top income tax rate on incomes above \$150,000? **[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	51%
Somewhat support	16
Somewhat oppose	7
Strongly oppose	19
VOL: (Don't Know/Refused)	7
SUPPORT (NET)	67%
OPPOSE (NET)	26

Q3. [IF OPPOSED OR DON'T KNOW/REFUSED] Would you support or oppose temporarily restoring the 6.65% top income tax rate on incomes above \$150,000 until the budget deficit improves? **[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	11%
Somewhat support	12
Somewhat oppose	15
Strongly oppose	52
VOL: (Don't Know/Refused)	10
SUPPORT (NET)	23%
OPPOSE (NET)	68

Now I'm going to read you some specific policy ideas that have been proposed to reduce Oklahoma's \$1.3 billion 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. Here's the first one...

	SUPPORT		OPPOSE		(DK/Ref.)	NET	
	Strongly	Somewhat	Somewhat	Strongly		SUPPORT	OPPOSE
<ul style="list-style-type: none"> [FORM A] 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..... 	51%	17	9	16	7	68%	26
2015	37%	25	10	19	9	63%	29
<ul style="list-style-type: none"> Reform how Oklahoma collects sales taxes on purchases made online by requiring more online retailers to collect the state sales tax..... 	39%	17	10	27	7	56%	37
<ul style="list-style-type: none"> Delay the \$60 million automatic funding increase for maintaining and upgrading of Oklahoma's roads and bridges until the budget improves 	24%	20	15	38	3	44%	53
2015	24%	21	15	38	3	44%	52
<ul style="list-style-type: none"> Collect an additional \$85 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..... 	22%	19	11	29	18	42%	40
2015*	20%	23	18	23	16	43%	41
*In 2015, the value was \$97 million.							
<ul style="list-style-type: none"> Collect an additional \$106 million by eliminating the state Earned Income Tax Credit, the state Child Tax Credit, and the state Sales Tax Relief Tax Credit that are currently granted to 40% of Oklahoma families..... 	16%	13	14	45	12	29%	59
<ul style="list-style-type: none"> [FORM B] Save an estimated \$130 million a year by ending SoonerCare healthcare benefits for the more than 100,000 non-disabled parents of dependent children whose income is less than half the poverty level..... 	13%	4	17	59	6	18%	77

Q9. Which of the following do you think lawmakers should make the highest priority to address Oklahoma's budget shortfall? **[READ CHOICES]**

Increasing state revenues by raising taxes and reducing tax breaks	56%
Cutting funding for education, health care, public safety and other state services	15
VOL: (Neither).....	25
VOL: (Don't Know/Refused)	5

Q10. And, which of the following do you think is more important to attract businesses to locate and invest in Oklahoma? **[READ CHOICES]**

	2016	2015	2014	2013	2012
An educated and well trained workforce	68%	68%	68%	68%	70%
Low personal income tax rates	24	20	25	24	21
VOL: (Neither)	4	5	5	2	3
VOL: (Don't Know/Refused)	4	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	25%
Weak Democrat	7
Independent / Closer to the Democrats	6
Independent	7
Independent / Closer to the Republicans	12
Weak Republican	9
Strong Republican	31
VOL: (Don't Know/Refused)	2
DEMOCRAT (NET)	32%
INDEPENDENT (NET)	28
REPUBLICAN (NET)	40
DEMOCRAT W/ LEANERS (NET)	39%
REPUBLICAN W/ LEANERS (NET)	52

D101. In what year were you born?

18-29	14%
30-44	23
45-54	15
55-64	17
65+	24
VOL: (Refused)	6

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

Did not complete high school	2%
Graduated high school	20
Attended technical/vocational school	5
Attended some college but no degree	20
Graduated two-year college with Associate's degree	15
Graduated four-year college with Bachelor's degree	22
Obtained Master's, PhD, or other professional degree	15
VOL: (Refused)	1

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

Very liberal	7%
Somewhat liberal	14
Moderate	29
Somewhat conservative	26
Very conservative	20
VOL: (Refused)	4
LIBERAL (NET)	21%
CONSERVATIVE (NET)	46