

MEMORANDUM

TO: Interested Parties
FROM: Global Strategy Group
RE: Tax Cut Survey Results
DATE: May 8, 2012

New poll shows Oklahomans oppose income tax cut plans

Voter opposition increases the more they learn about the specific trade-offs to tax cuts

Oklahoma voters express serious concerns about recent proposals to decrease or phase out the state income tax. **Voter opposition is highest when they are presented with specific alternatives and the consequences of such action** including that cutting income taxes will lead to cuts in funding for critical services like public schools, the elimination of popular tax credits like the child tax credit, or increases in sales taxes and property taxes to make up for lost revenue. Key findings from Global Strategy Group's recent poll of 603 registered Oklahoma voters are as follows:

Voters oppose paying for a decrease in the state income tax by eliminating tax credits

A plurality of voters (42%) opposes a plan to decrease the state income tax and pay for it "by eliminating some tax credits, including the child tax credit and the sales tax relief tax credit." Just one in three voters (35%) supports such a plan.

- Opposition to the proposal increases significantly (rising 28 points to 70% oppose), when voters are informed that the proposal will increase taxes for most families with children and seniors who earn under \$50,000 a year while the largest tax cuts will go to the wealthiest five percent of Oklahoma households.
- Even registered Republicans (59% oppose) strongly oppose such a plan.
- ***The conclusion is clear – voters strongly oppose income tax reductions that will be paid for by eliminating tax credits benefiting families and low-income seniors.***

Support for a phase out of the state income tax is largely theoretical

While a plurality of voters initially support the idea of a phase out of the state income tax over the next 10 years (45% support/40% oppose), their support evaporates with a brief discussion of the tax consequences of such a plan. Consider the following:

- A strong majority of voters (70%) agree with the statement that "phasing out the state income tax will lead to higher property taxes and sales taxes to provide necessary funding for public services like schools, roads, and public safety." The universal agreement to such a statement (79% of Democrats agree, 69% of Independents agree, 59% of Republicans agree) suggests this argument is credible and believable to voters of all ideologies.
- When voters are asked again whether they support phasing out the state income tax if it meant higher property taxes and sales taxes, opposition to an income tax phase-out skyrockets (opposition rises 27 points to 67% oppose).
- ***The conclusion is clear – voters strongly oppose any income tax reductions that will be paid for by increases in property taxes or sales taxes.***

Voters overwhelmingly oppose cutting funding for critical services to pay for tax cuts

By huge margins, voters disagree with the notion that Oklahoma should cut funding for its public schools, public safety services and transportation as a means of paying for income tax cuts. The evidence could not be clearer:

- 81% of voters disagree – including 67% who strongly disagree – that “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.”
- 80% of voters disagree – including 65% 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.”
- 78% of voters disagree – including 59% who strongly disagree – that “I would favor cutting funding for **Oklahoma’s roads, highways, and bridges** so that savings can be passed along to taxpayers in the form of a tax cut.”
- Disagreement with these statements is universal as 70%+ of Republicans disagree with each of them.
- **The conclusion is clear – while voters may like the idea of income tax reductions in theory, voters believe that protecting funding for schools, public safety and transportation services is a much higher priority.**

Education and workforce training is seen as a greater priority than income tax reductions

When asked to choose between the two, Oklahoma voters believe that the best way to attract businesses to locate and invest in Oklahoma is with an “educated and well trained workforce” (70%) – much more so than “low personal income tax rates” (21%). **It again follows that Oklahomans value investment in education and job training over income tax cuts.**

Opposition to tax triggers also stems from concern over cuts to critical services

When voters are given fair and balanced arguments from supporters and opponents of tax triggers, a plurality of voters agree with what opponents have to say (42% agree with opponents and 35% agree with supporters). While many voters are unsure who to agree with on this issue (23% say they aren’t sure), **it is clear that the “fiscal responsibility” argument made by proponents of tax triggers does not resonate with the public.** Full question text is below:

THE TAX TRIGGER DEBATE

42%
Agree w/
Opponents

Opponents of tax triggers say they lead to severe cuts to critical services like schools and public safety by forcing reductions in the tax base without giving any option to increase revenue after a recession.

35%
Agree w/
Supporters

Supporters of tax triggers say that they promote fiscal responsibility because they only cut taxes when the state has brought in enough revenue to pay for them.

ABOUT THIS POLL

This poll was conducted by Global Strategy Group (GSG) among 603 voters registered in Oklahoma on May 3-6, 2012. 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 in Oklahoma?
 Yes 100%
 No -
VOL: (Don't know/Refused) -

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

Q2. As you may know, there is a proposal in Oklahoma to decrease the state income tax and to pay for it by eliminating some tax credits, including the child tax credit and the sales tax relief tax credit. Do you support or oppose this proposal? [IF ANSWER] Do you feel that way strongly or just somewhat?
 Strongly support 18%
 Somewhat support..... 17
 Somewhat oppose..... 14
 Strongly oppose..... 28
VOL: (Don't Know/Refused) 23

SUPPORT (NET)..... 35%
 OPPOSE (NET)..... 42

Q3. An analysis of this proposal says that it will increase taxes for most families with children and seniors who earn under 50,000 dollars a year. At the same time, the largest tax cuts will go to the wealthiest five 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?
 Strongly support 12%
 Somewhat support..... 9
 Somewhat oppose..... 15
 Strongly oppose..... 55
VOL: (Don't Know/Refused) 10

SUPPORT (NET)..... 21%
 OPPOSE (NET)..... 70

Q4. And do you support or oppose phasing out the state income tax in Oklahoma over the next 10 years? [IF ANSWER] Do you feel that way strongly or just somewhat?
 Strongly support 26%
 Somewhat support..... 19
 Somewhat oppose..... 12
 Strongly oppose..... 28
VOL: (Don't Know/Refused) 15

SUPPORT (NET)..... 45%
 OPPOSE (NET)..... 40

Q5. Do you agree or disagree with the following statement:
 Phasing out the state income tax will lead to higher property taxes and sales taxes to provide necessary funding for public services like schools, roads, and public safety.
 Strongly agree 47%
 Somewhat agree 23
 Somewhat disagree..... 8
 Strongly disagree..... 14
VOL: (Don't Know/Refused) 9

AGREE (NET) 70%
 DISAGREE (NET) 21

[IF ANSWER] Do you feel that way strongly or just somewhat?

Q6. Would you support or oppose phasing out the state income tax in Oklahoma over the next 10 years if it meant higher property taxes and sales taxes? [IF ANSWER] Do you feel that way strongly or just somewhat?
 Strongly support 12%
 Somewhat support..... 14
 Somewhat oppose..... 16
 Strongly oppose..... 51
VOL: (Don't Know/Refused) 7

SUPPORT (NET)..... 26%
 OPPOSE (NET)..... 67

Q7. 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 schools so that the savings can be passed along to taxpayers in the form of a tax cut	10%	6	14	67	3	16%	81
• 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	10%	7	15	65	3	17%	80
• I would favor cutting funding for Oklahoma's roads, highways, and bridges so that savings can be passed along to taxpayers in the form of a tax cut	7%	10	19	59	4	17%	78

Q8. Which of the following do you think is more important to attract businesses to locate and invest in Oklahoma? [READ AND ROTATE RESPONSES]

Low personal income tax rates.....	21%
An educated and well trained workforce	70
VOL: (Neither).....	3
VOL: (Don't Know/Refused)	6

Q9. As you may know, there is a proposal to create a tax trigger in Oklahoma that will automatically cut taxes in future years if revenues grow by a certain amount. [READ AND ROTATE STATEMENTS]

Supporters of tax triggers say that they promote fiscal responsibility because they only cut taxes when the state has brought in enough revenue to pay for them.

Opponents of tax triggers say they lead to severe cuts to critical services like schools and public safety by forcing reductions in the tax base without giving any option to increase revenue after a recession.

Who do you agree with more? [IF ANSWER] Do you feel that way strongly or just somewhat?

Supporters / strongly	18%
Supporters / somewhat	17
Opponents / strongly	20
Opponents / somewhat	22
VOL: (Don't Know/Refused)	23
SUPPORTERS (NET)	35%
OPPONENTS (NET)	42