

SOONER SURVEY



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Voters On Addressing The Budget Pt. 2: Where Do Voters See Revenue?

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In the most recent issue of The Sooner Survey, we examined the public's unwillingness to entertain cuts to education, health care or road and bridge funding. As those (along with corrections, another non-starter with voters) comprise virtually all of the state budget, the other option is to look at ways to increase revenue. On this side, we see more willingness than we have recorded in our more than two decades of tracking public opinion.

Tax sensitivity is at a low-point. Currently, 41% of Oklahomans say taxes are too high. In the 1990s and early 2000s, we routinely saw this number in the high 40s and low 50s. The lack of tax sensitivity is seen in the recent spate of overwhelming local victories on issues ranging from sales taxes to school and career-tech bond issues. Perhaps more shocking than the 41% "too high" number is the 9% "too low." Until the last 18 months, we had never recorded this number in excess of 2% and have seen it reach double digits in a few recent studies. A few interesting facts about this data: **Those making more than**

\$75,000 are the least tax sensitive and when you look at those with household incomes in excess of \$100,000, 17% are now saying taxes are too low. Additionally, Republicans (42% too high) and Democrats (40% too high), do not differ much at this time. In the Oklahoma City media market, only 36% say taxes are too high and 10% see them as too low.

Key Facts

- 74% of voters support increasing the tobacco tax as a way to address the budget hole.
- Republicans (75% favor) are slightly more supportive of a tobacco tax increase than are Democrats (72% favor)
- By an 18-point margin, Oklahomans favor collecting sales tax on Internet purchases
- Support for accepting available funds for Medicaid expansion doubles opposition
- Overall tax sensitivity is at an historic low, yet only 37% support a gasoline tax increase

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Given the low sensitivity to taxes, it comes as no surprise that 74% of Oklahomans embrace an increase in taxes on tobacco products. Fully **59% say they “strongly favor” a tobacco tax increase. Only 23% of voters oppose increasing this tax. Fully three-quarters of Republicans (75%) support increasing tobacco taxes as do 72% of registered Democrats.** Among those who are reliable primary voters, 74% support this increase.

Super-majority support for a tobacco increase transcends all media markets and regions of the state. Tobacco taxes unite economic issue voters (81% support), moral issue voters (75% support) and health and education voters (85%). Even among the smaller group of liberty issue voters we see majority support for raising taxes on tobacco and we see 70% support from the 27% of Oklahomans who self-align with the Tea Party. For candidates interested in fundraising, they should note that 83% of those living in households with an income in excess of \$100,000 support an increase in tobacco taxes.

When turning to Internet sales tax, we again see a solid majority (**55% favor vs. 37% oppose**) supporting this potential revenue measure. (We know from other studies that explaining the tax is already due as a use tax quickly increases support for changing the point of collection – but that was not tested on this study). Again, we see a tax issue that crosses party lines with Republican primary voters (56% favor vs. 36% oppose) and Democrat primary voters (59% favor vs. 30% oppose) both being supportive by at least 20 points. Perhaps more important is that critical swing voting blocs are the most supportive like the 36% neutral toward the Tea Party (58% favor vs. 33% Oppose) and those Republicans with an unfavorable impression of Fallin and the Democrats with an unfavorable impression of Obama.

By a two-to-one margin (**57% favor vs. 29% oppose**), **Oklahoma voters embrace the state accepting available federal funds for providing health care services to the poor, including the incarcerated.** This would reduce the budget hole by roughly \$50 million dollars. While we still have a majority of Republican primary voters supportive (50% favor vs. 34% oppose) support among registered Democrats is very high (65% favor vs. 23% oppose). This issue does unite urban and rural Oklahoma and does have a slight ideological edge.

Tea Party advocates are almost evenly split (42% favor vs. 38% oppose) while those neutral (58% favor vs. 27% oppose) and opposed (75% favor vs. 20% oppose) to the Tea Party are very supportive.

The one revenue enhancer tested that does not garner majority support is a gasoline tax – but even this question reveals the change in Oklahomans on tax issues. In 2005, a 5 cent a gallon gasoline tax garnered less than 13% of the vote – a number consistent with polling at the time. Today, 37% of Oklahomans indicate support for an increase in the gasoline tax. Granted, the 2005 election occurred during the record high gasoline costs in the wake of Hurricane Katrina and were much higher than what we see today. This, however, does not account for the full change. Again, we see only minor differences between Republicans (35% favor vs. 59% oppose) and Democrats.

When compared to talking about cuts to education, health care or infrastructure, voters have a much greater appetite for raising revenue in the current environment. Given recent announcements regarding the larger shortfall, the reductions and raiding of the rainy day fund due to budget failure and the pending Medicaid provider cuts, one can only see the sentiment of voter support of revenue raising measures increasing ♦

Sooner Survey: The Questions

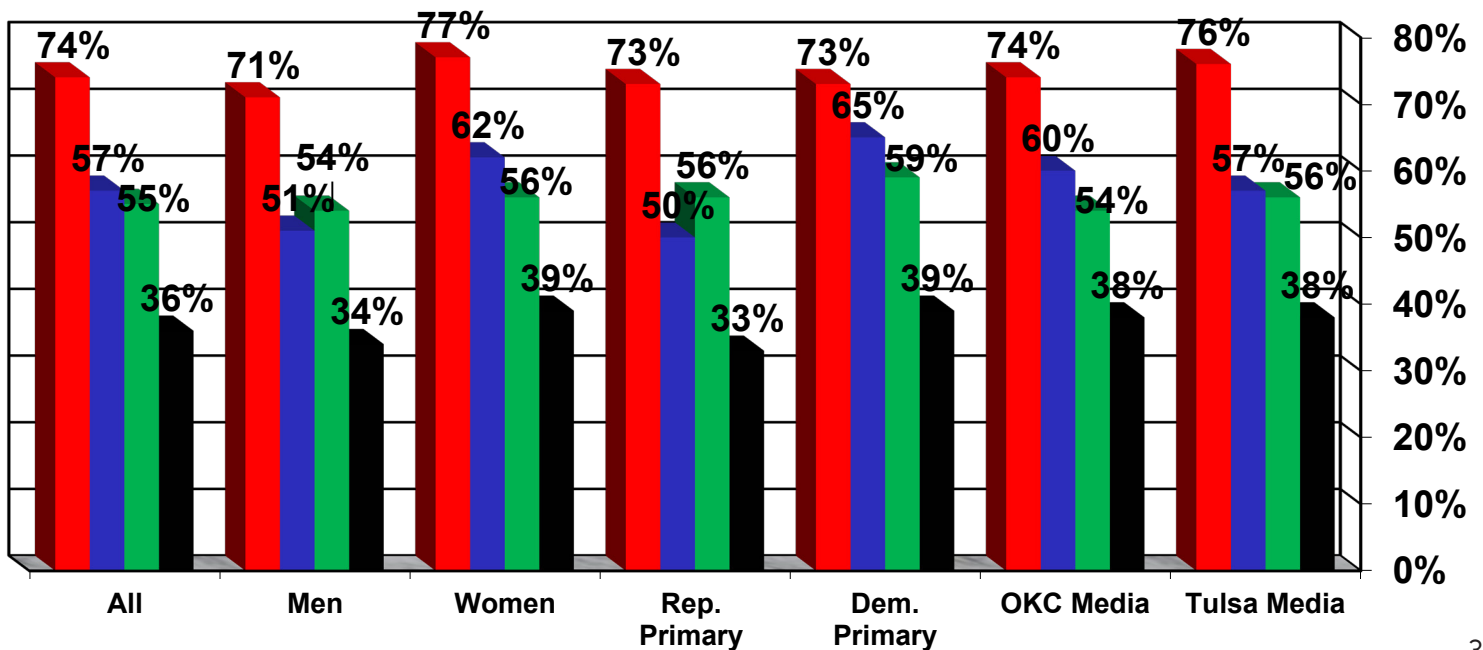
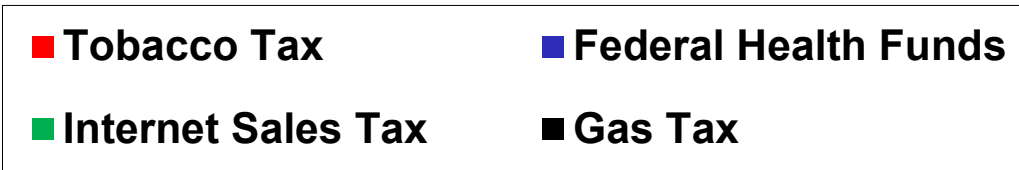
1. Do you think taxes in Oklahoma are too high, too low, or just about right?

- 41% Too high
- 9% Too low
- 45% Just about right
- 5% (Do not read) Undecided

As you may already know, due largely to the declining revenues from oil and gas sales, the state is facing a budget shortfall of possibly one billion dollars. The Governor and the state legislature may consider several proposals to close this budget shortfall that I will read to you now. For each one, please tell me if you would favor or oppose using this tactic as part of the way to balance the state budget. The first one is... (Randomize statements)

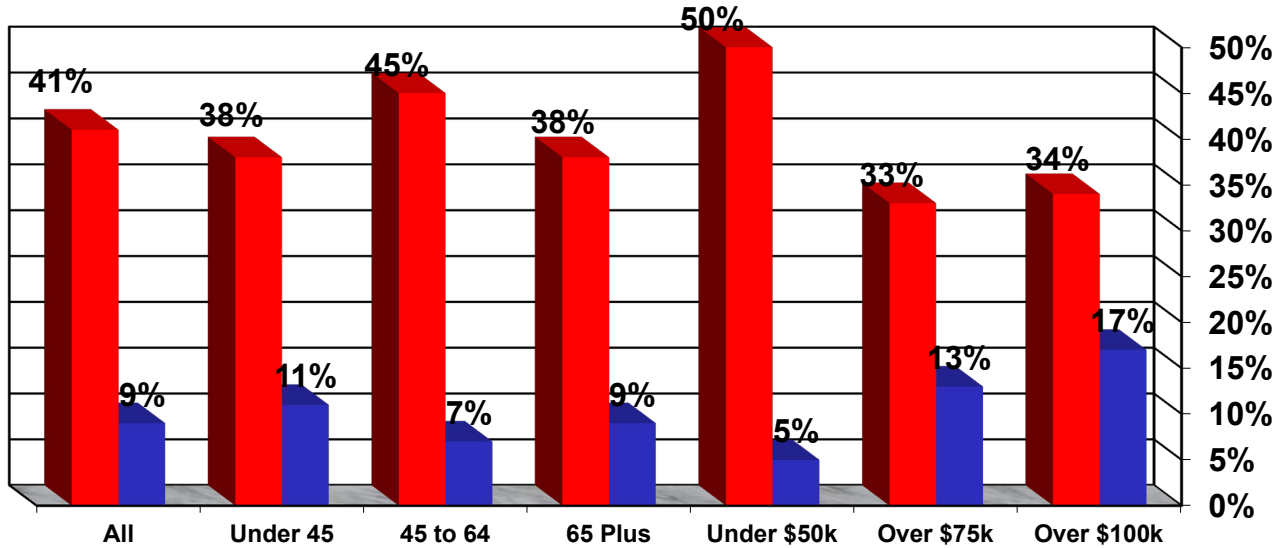
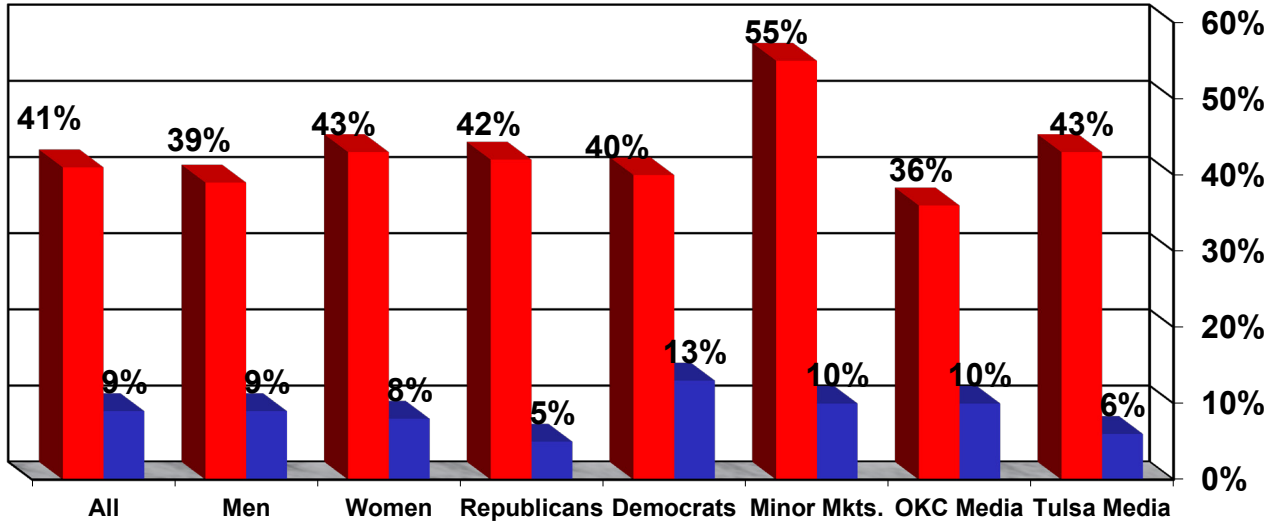
	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Undecided (vol.)
2. Raising taxes on tobacco products	59%	15%	7%	16%	4%
3. Collecting sales taxes on Internet purchases	31%	24%	12%	25%	8%
4. Accepting available federal funds for expanding Insure Oklahoma and defraying state costs for inmate health care and mental health services	34%	23%	11%	18%	14%
5. Increase the tax on gasoline	10%	27%	16%	42%	5%

Support For Revenue Measures



Opinion On Oklahoma Taxes

■ Too High ■ Too Low



During his more than 20 years with Cole Hargrave Snodgrass & Associates, Pat McFerron has supervised polling and telephone voter contact programs in more than 40 states – including polling for numerous successful gubernatorial, U.S. Senate, congressional and legislative clients throughout the nation. McFerron has been the pollster for all of the recent successful OKC initiatives, including Big League City, MAPs for Kids and MAPs 3, as well as Oklahoma’s historic right-to-work effort and many other state questions. McFerron also oversees marketing research projects for CHS clients who range from Fortune 100 companies to non-profits, universities and entrepreneurial start-ups.

This edition of Sooner Survey was taken February 2-5, 2016. It was a telephone survey of 500 registered voters in Oklahoma, including those on mobile lines. The confidence interval associated with this sample is that 95% of the time, the results are within a 4.3% of the true values

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