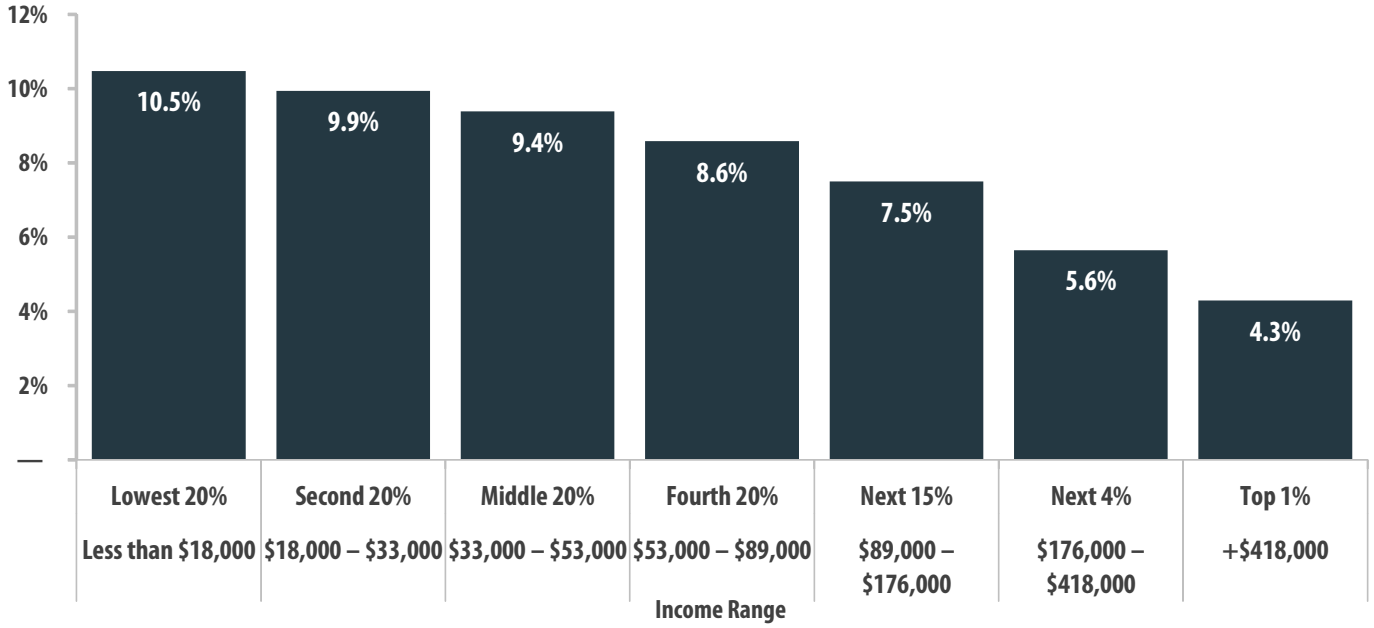
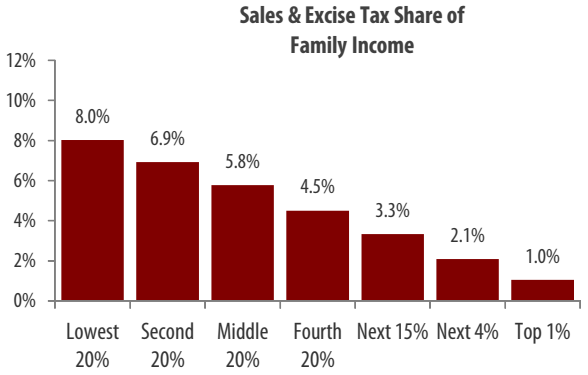
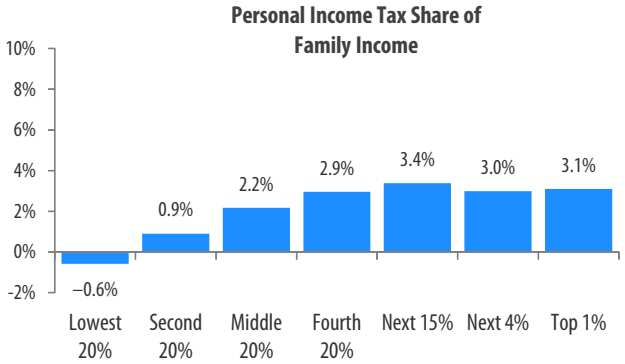
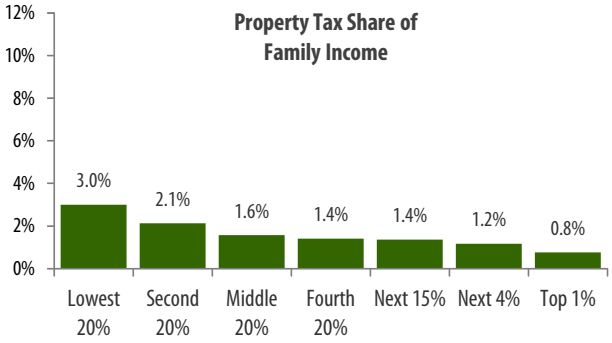
Oklahoma State & Local Taxes in 2015

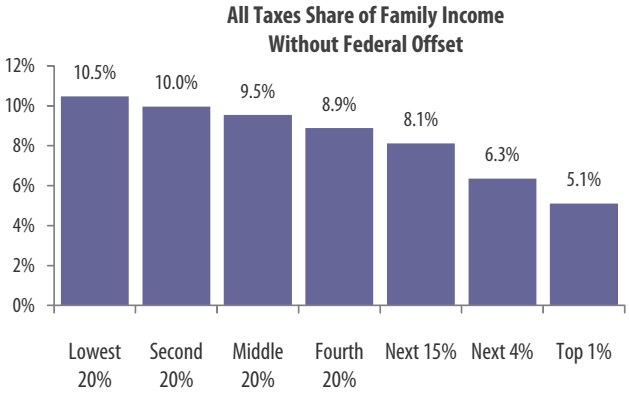
Shares of family income for non-elderly taxpayers











Note: Figures show permanent law in Oklahoma enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post- federal offset. Figures in Appendix D on page 27 show Oklahoma law under the assumption that current "triggers" in the law are eventually reached, thus reducing the top personal income tax rate from 5.25 to 4.85 percent.

Oklahoma State & Local Taxes in 2015

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than $18,000	$18,000 – $33,000	$33,000 – $53,000	$53,000 – $89,000	$89,000 – $176,000	$176,000 – $418,000	$418,000 or more
Average Income in Group	$10,300	$23,800	$42,100	$69,800	$118,000	$254,400	$1,456,600
Sales & Excise Taxes	**8.0%**	**6.9%**	**5.8%**	**4.5%**	**3.3%**	**2.1%**	**1.0%**
General Sales—Individuals	4.8%	4.3%	3.7%	3.0%	2.2%	1.5%	0.8%
Other Sales & Excise—Ind.	1.2%	0.8%	0.6%	0.4%	0.3%	0.1%	0.0%
Sales & Excise on Business	2.0%	1.9%	1.5%	1.1%	0.8%	0.5%	0.2%
Property Taxes	**3.0%**	**2.1%**	**1.6%**	**1.4%**	**1.4%**	**1.2%**	**0.8%**
Property Taxes on Families	3.0%	2.1%	1.5%	1.4%	1.3%	1.0%	0.4%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.4%
Income Taxes	**-0.6%**	**0.9%**	**2.2%**	**3.0%**	**3.4%**	**3.1%**	**3.3%**
Personal Income Tax	–0.6%	0.9%	2.2%	2.9%	3.4%	3.0%	3.1%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
Total Taxes	**10.5%**	**10.0%**	**9.5%**	**8.9%**	**8.1%**	**6.3%**	**5.1%**
Federal Deduction Offset	*–0.0%*	*–0.0%*	*–0.2%*	*–0.3%*	*–0.6%*	*–0.7%*	*–0.8%*
OVERALL TOTAL	**10.5%**	**9.9%**	**9.4%**	**8.6%**	**7.5%**	**5.6%**	**4.3%**

Note: Table shows detailed breakout of data on previous page.

Oklahoma Tax Code Features

Progressive Features

- Provides a 5 percent refundable Earned Income Tax Credit (EITC)
- Provides a refundable tax credit to reduce the impact of its sales tax on groceries

Regressive Features

- Provides an income tax deduction for state income taxes paid
- Fails to index income tax brackets to inflation
- State sales tax base includes groceries
- Local sales tax bases include groceries
- Comparatively high combined state and local sales tax rate
- Fails to provide a property tax "circuit breaker" credit for low-income non-elderly taxpayers

Tax Changes Enacted in 2013 & 2014

- Enacted law that could eventually reduce top personal income tax rate from 5.25 to 4.85 percent, dependent on state revenue growth

ITEP Tax Inequality Index

According to ITEP's Tax Inequality Index, Oklahoma has the **16th** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).