

# STRENGTHEN THE GROCERY TAX CREDIT



## ENDORSERS

AARP Oklahoma  
Archdiocese of Oklahoma City  
Areawide Aging Agency, Inc.  
Catholic Charities of the Archdiocese of Oklahoma City  
Community Food Bank of Eastern Oklahoma  
Council of Catholic Women  
Family Care Home Health, Inc.  
Cultural Homestead International  
Fellowship of American Indians Church  
Grace Lutheran Church  
Higher Education Association for Reform (HEAR)  
Just Hope, Inc.  
Love/Marshall County RSVP Programs – Big Five Community Services  
Mainstream Oklahoma Baptists  
National Association of Social Workers, Oklahoma Chapter  
Norman United Church of Christ  
Oklahoma Alliance on Aging, Inc.  
Oklahoma Conference of the United Methodist Church, Board of Church and Society  
Oklahoma Policy Institute  
OK Watchdog  
Parent Child Center of Tulsa  
Peace Lutheran Church  
The Peace House  
Presbytery of Cimarron, Presbyterian Church  
SODA Area Agency on Aging  
Tulsa RESULTS  
United Campus Ministry, University of Tulsa  
United Church of Christ Justice & Witness Commission  
Kansas/Oklahoma Conference

## FACTSHEET

- ✓ HB 2204 (Rep. Trebilcock) would help hard-pressed Oklahoma families by increasing Oklahoma's Sales Tax Relief credit, an existing tax credit intended to offset the sales tax on groceries for low- and moderate-income households. The bill as introduced would:
  - **Increase the amount** of the Sales Tax Relief credit from \$40 to \$60 per household member for those who are *currently eligible* for the credit (up to \$50,000 for tax filers claiming a dependent child, senior, or person with disability status, or \$20,000 for others);
  - **Expand eligibility** for a *partial credit* to \$60,000 or \$30,000, depending on household status. Those with income between current eligibility and expanded eligibility levels would receive a \$30 credit; and
  - **Index eligibility** levels annually to inflation beginning in 2011.
- ✓ Oklahoma families are struggling to meet their basic needs at a time of rising costs and economic uncertainty.
  - The Eastern Oklahoma Food Bank reports a 42 percent increase in the number of individuals seeking food assistance in the first eight months of 2008 compared to 2007.
  - Oklahoma has among the nation's highest rates of food insecurity. From 2005-07, an average of 13 percent of Oklahomans were found to have low or high levels of food security, the 7th highest rate in the nation.
- ✓ Oklahoma is one of just 16 states that taxes groceries.
  - Since poor and moderate-income families spend a greater share of their income on groceries than do wealthier families, taxing groceries is regressive.
  - Families with income between \$10,000 and \$15,000 spend, on average, 17.2 percent of income on groceries; families between \$30,000 and \$35,000 spend 7.8 percent, and families above \$70,000 average spend 3.8 percent (2006 Consumer Expenditure Survey).
- ✓ Increasing the Oklahoma Sales Tax Relief Credit (commonly known as the grocery tax credit) would be a targeted, fiscally responsible way of helping families in need keep pace with rising food costs.
  - The credit was claimed by some 850,000 Oklahomans in 2008, or about one in every four individuals, with credits totaling \$34.1 million.
  - Because eligibility for the credit has been unchanged while incomes rise, the number of recipients has been decreasing in recent years.

Please take a moment to call your legislators and encourage them to support strengthening the grocery tax credit. To reach the House, call 1-800-522-8502. For the Senate, call 1-800-856-6490.

For more information, go to: <http://okpolicy.org/boosting-grocery-tax-credit-stand-up-oklahomas-families> or contact David Blatt, [dblatt@okpolicy.org](mailto:dblatt@okpolicy.org); 918-382-3228.