

Strengthen Working Family Tax Credits

BACKGROUND

In a tax code that provides multiple breaks for high-income individuals and businesses, Oklahoma offers just three tax credits that help support the hundreds of thousands of low- and moderate-income working families in our state.

Two of these – the Earned Income Tax Credit and Child Tax Credit – are modeled on effective federal tax credits specifically designed to encourage work and support families with children. The third, the Sales Tax Relief Credit, is an Oklahoma-specific credit that is especially important because we are one of very few states that charge a sales tax on groceries.



But in recent years, lawmakers have targeted all three tax credits for cuts or complete elimination. In 2016, the Legislature slashed the state Earned Income Tax Credit for over 200,000 Oklahoma families by making the credit “non-refundable,” meaning it does nothing for families who pay sales taxes and property taxes but don’t earn enough to pay state income taxes.

Refundability is critical for the EITC to serve its function of making work pay and reducing poverty for those workers earning the least. A single parent with two kids working full-time at \$10 an hour lost more than \$200 last year because Oklahoma’s EITC is not refundable.

THE SOLUTION

In light of the state’s recovering budget, restoring the Earned Income Tax Credit and increasing the Sales Tax Relief Credit should be a priority. The Legislature has been very close to a bipartisan agreement to restore the EITC in the last two legislative sessions.

In 2019, lawmakers should finally undo that harmful cut to the EITC and also increase the Sales Tax Relief Credit to \$60 from the current \$40 per member of eligible households.

WHAT YOU CAN DO

Contact your state Representative and Senator and urge them to strengthen tax credits that help working families by restoring the Earned Income Tax Credit and boosting the Sales Tax Relief Credit.

To join the grassroots coalition of Oklahomans working to connect Oklahoma values with better budget and tax priorities, visit www.togetherok.org. To receive SMS advocacy alerts on important economic security issues, text **OKECON** to 51555.

You can look up your Senator and Representative on our website under the “Advocacy” tab on our main menu. You can also call the House switchboard at 405-521-2711, and the Senate switchboard at 405-524-0126.



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For links to additional information and to view our full list of 2019 Policy Priorities, visit us online at

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