



April 14, 2006

**An Open Letter to the Oklahoma State Senate:
Now is the Time to Provide Oklahomans with Income Tax Relief**

Dear Senator:

On behalf of the more than 5,700 members of the National Taxpayers Union (NTU) in Oklahoma, I urge you to once again pass Senate Bill 2022, which would cut Oklahoma's income tax rate from 6.25 percent to 4.9 percent starting with the 2007 tax year. This represents a 20 percent reduction for Oklahomans paying personal income taxes and could serve as the impetus for renewed economic activity in the state. In light of this year's projected \$600 million budget surplus, Sooner State taxpayers deserve additional tax relief sooner rather than later.

A variety of important proposals to lessen Oklahoma's tax burden (including a repeal of the destructive estate tax) are winding their way through the legislative process, but if enacted, SB 2022 would represent the largest tax cut in Oklahoma's history and would have a demonstrable impact on a large cross-section of Oklahomans. With 2004 income tax collections in Oklahoma averaging out to \$658 per capita, passage of a 20 percent rate cut could easily yield substantial savings for Oklahoma's families.

Right now, the highest rate for the Oklahoma state income tax kicks in at just \$10,000 and was until recently the 20th highest rate among states levying personal income taxes. Thankfully, the last time the State Legislature convened, lawmakers started down the path to lower taxes by reducing the income tax rate from 6.65 percent to 6.25 percent. Even so, the per capita tax burden on Oklahomans is still 20.4 percent above the average of six surrounding states in the Southwest region. Oklahoma's economy would benefit from further income tax reductions to make it competitive with nearby states like Texas.

Oklahoma is experiencing a boom in tax revenue brought about by levies on oil and gas resources. While some would like to squander these funds on questionable new spending programs, now is the time to ensure Oklahoma's prosperity with sensible tax policies. Voting for SB 2022 would help keep \$480 million in the wallets of Oklahoma's taxpayers, and at the same time keep Oklahoma's economy growing.

The Senate has already passed SB 2022 once by a strong margin, and moving this measure forward in the legislative process would help secure a brighter economic future for Oklahoma. We look forward to your pro-taxpayer vote in favor of SB 2022.

Sincerely,

Kristina Rasmussen
Government Affairs Manager