

# ACTION ALERT

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Governor Fallin and top legislators are seeking to further reduce and eliminate Oklahoma's income tax. The next few months are crucial in this debate with huge implications for Oklahoma's seniors.

## WHY SAVING THE INCOME TAX IS CRITICAL FOR SENIORS

- 1. Income tax is essential to funding seniors' programs.** Income tax provides one-third of all state revenue. State programs that serve seniors, including Medicaid, senior nutrition services, adult day services, adult protective services, and others can not be funded adequately without the income tax, unless other taxes were raised significantly.
- 2. Senior services have already absorbed major cuts.** As the state has struggled with budget shortfalls in recent years, state agencies have slashed funding for senior nutrition programs and adult day services, tightened eligibility for in-home support services, and cut provider rates. Further tax cuts will make it impossible to restore services or keep up with the rising cost of providing health care and social services to the aging population.
- 3. Many seniors would end up paying higher taxes.** The major tax proposals before the legislature would offset cuts to the top income tax rates by doing away with a wide array of tax preferences that currently benefit many seniors. Initial proposals would have eliminated deductions for retirement income and Social Security benefits. Proposals still on the table would eliminate the sales tax relief credit, standard deduction, personal exemption, and additional exemption for individuals over age 65.
- 4. Without the income tax, property taxes could rise.** Money to fund core services has to come from somewhere, and every state without an income tax pays more in property taxes than we do in Oklahoma. In Texas, property taxes are almost three times higher per capita. Eliminating or cutting the income tax would create pressure to raise local property taxes and to limit property tax exemptions that benefit senior homeowners.

## WHAT YOU CAN DO TODAY

- 1. Get Informed.** Resources to learn more about the income tax debate are freely available at <http://okpolicy.org/take-action>.
- 2. Contact your legislator.** Legislators do listen to their constituents. Let your voice be heard! Find your legislators' contact information at <http://okpolicy.org/find-your-legislator>. You can also reach the House switchboard at (405) 521-2711 and the Senate switchboard at (405) 524-0126.

*Questions or suggestions? Contact OK Policy at (918) 794-3944 or [info@okpolicy.org](mailto:info@okpolicy.org).*