# Oklahoma

### Poor Families in Oklahoma Remain Subject to Income Tax

Oklahoma's 2002 income tax threshold — the income level at which families begin paying income tax:		Ranking among 42 states with income taxes
$\Rightarrow$	For two-parent families of three: \$15,500.	19 <sup>th</sup> lowest
$\Rightarrow$	For single-parent families of four: \$16.500	15 <sup>th</sup> lowest

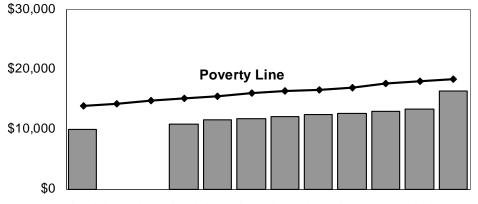
#### Oklahoma's 2002 income tax on working-poor and near-poor families:

$\Rightarrow$	No tax on families of three with <i>incomes at the poverty line</i> (\$14,351): <b>\$52 refund</b> .	11 <sup>th</sup> highest (refund)
$\Rightarrow$	For families of four with incomes at the poverty line (\$18,390): \$98.	14 <sup>th</sup> highest
⇔	For families of three with <i>minimum-wage earnings</i> (\$10,712): <b>\$145 refund</b> .	10 <sup>th</sup> highest (refund)
$\Rightarrow$	For families of four with <i>minimum-wage earnings</i> (\$10,712): <b>\$207 refund</b> .	10 <sup>th</sup> highest (refund)
$\Rightarrow$	For families of three with <i>incomes at 125% of poverty line (\$17,939):</i> <b>\$131.</b>	19 <sup>th</sup> highest
$\Rightarrow$	For families of four with <i>incomes at 125% of poverty line (\$22,988):</i> \$396.	12 <sup>th</sup> highest

# Oklahoma has consistently taxed families with income below the poverty line, but income taxes on poor declined in 2002.

- A new state Earned Income Tax Credit introduced in tax year 2002 raised the tax threshold for families of four from \$13,400 to \$16,500 and cut the tax for a family at the poverty line from \$252 to \$98.
- □ In 1991, a family of four owed tax when its income exceeded 72 percent of the poverty line. By 2002, Oklahoma's tax threshold rose to 90 percent of the poverty line.

### Income Tax Threshold for Family of Four



Year	Threshold
1991	\$10,000
1994	\$10,900
1995	\$11,600
1996	\$11,800
1997	\$12,200
1998	\$12,500
1999	\$12,700
2000	\$13,000
2001	\$13,400
2002	\$16,500

1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002

Source: Center on Budget and Policy Priorities, *State Income Tax Burdens on Low-Income Families in 2002*, April 11, 2003.