

# Oklahoma

## Federal Policies Have Cost Oklahoma \$1.9 Billion over the Past Four Years

### Federal Policies Affect Oklahoma Revenue and Spending Levels, 2002-2005

Cost to  
Oklahoma

➤	<i>Federal Tax Changes:</i> Recently enacted federal tax cuts affect state tax collections directly.	(\$16 million)
➤	<i>Remote Sales:</i> States cannot collect sales taxes on goods & services purchased over the Internet due to federal law and court decisions.	\$915 million
➤	<i>Internet Access:</i> States are generally prohibited from applying tax to Internet access charges.	\$61 million
➤	<i>Unfunded Mandates:</i> Federal government imposes responsibilities on states but provides insufficient funding.	\$983 million
➤	<i>Medicare/Medicaid Dual Eligibles:</i> Increased use of prescription drugs shifts costs of health care for low-income elderly from federal Medicare program to state Medicaid programs.	\$179 million
➤	<i>Federal Fiscal Relief:</i> Congress approved temporary grants in 2003.	(\$218 million)
<b>TOTAL COST</b> (net of fiscal relief), 2002-2005:		<b>\$1.9 billion</b>

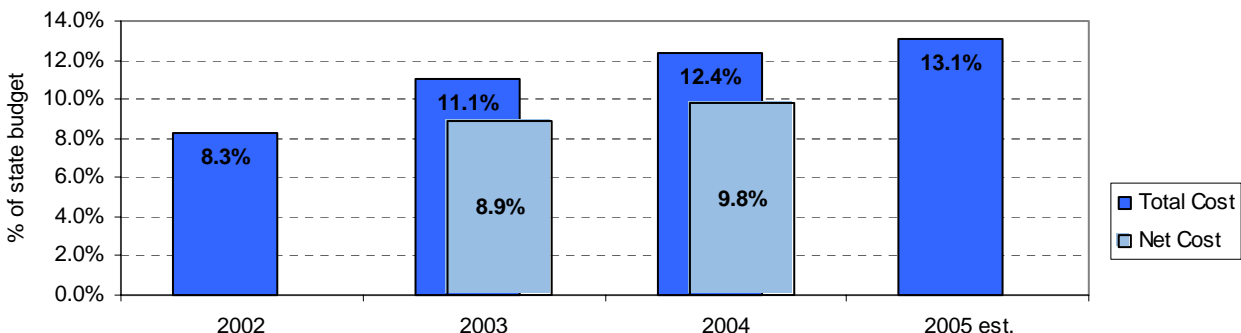
### Oklahoma has Been More Affected by Federal Policies than Most States

Ranking among 50  
states plus D.C.

➤	Total cost as percent of General Fund budget (2002-2005):	<b>11.2%</b>	<b>12<sup>th</sup></b>
➤	Net cost as percent of General Fund budget, including offsetting federal fiscal relief (2002-2005):	<b>10.0%</b>	<b>10<sup>th</sup></b>

Oklahoma has been affected heavily by federal policy in part because it is the one of the poorest states in the nation. Poor states tend to have greater needs for a variety of government services and less ability to raise their own funds to pay for those services, so they are hit harder by adverse federal policies.

### Net Cost of Federal Policy to Oklahoma as a Percentage of State General Fund Budget



Source: Center on Budget and Policy Priorities, *Passing Down the Deficit: Federal Policies Contribute to the Severity of the State Fiscal Crisis*, May 12, 2004.