



April 12, 2016

Oklahoma House of Representatives
Oklahoma State Senate

Dear Legislator,

I write today in opposition to any and all efforts to address Oklahoma's overspending problem with tax hikes. **Any vote for a tax hike that is not offset dollar-for-dollar with tax reductions elsewhere in the budget will constitute a violation of the Taxpayer Protection Pledge.**

In our letter to lawmakers on February 15, we urged you to keep taxpayers in mind as you reviewed important policies for this legislative session. One such proposal before the legislature remains an expansion of the state sales tax. **Oklahoma already imposes the 6th highest sales tax in the nation at the combined state and average local rate of 8.77 percent.** The average local sales tax rate is the fifth highest in the nation. The governor's proposal would raise taxes by roughly \$200 million annually, a tax increase that low-income consumers and retirees will feel the most.

Another target of tax-hungry politicians is smokers. The victim of the state's addiction to cigarette tax revenue is often a low-income taxpayer, given that smokers make an average annual income of less than \$28,000. **Cigarette tax hikes are the biggest reason smokers turn to the black market, not because they prefer to circumvent the legal consumption of the products but because they have few alternatives when the government increases costs.**

That's one of the reasons that cigarette tax hikes generally fail to meet revenue projections. Only three of the thirty-two state tobacco tax hikes that went into effect between 2009 and 2013 met or exceeded revenue projections. **The short-term goal of filling a budget hole often encounters the economic reality of less revenue, the destruction of small businesses like convenience stores on the state border, and an incentive for consumers to illegally seek out tobacco products.**

Perhaps the most troubling part of ongoing discussions regarding tax hikes is the admission by Gov. Mary Fallin that "there are some members who are waiting to see if they draw an opponent during candidate filing in April," indicating that lawmakers are "slow playing things" behind closed doors. **It is beyond reprehensible that legislators are postponing an open debate on the budget until they're sure to get re-elected this year.** Only cowards hide from voters when passing tax hikes on them in the dark of night.

A state leading by example in tough economic times is West Virginia, which has been devastated by President Obama's War on Coal and decades of overspending under Democrats. **Instead of taking the easy route out of a \$400 million budget shortfall, lawmakers in the Mountain State have significantly reduced spending across the board and cut taxes at the same time.** There is also an ongoing effort to further reduce the long term tax burden on consumers and retirees in that state, a recognition that you can't force economic growth by increasing the burden of government on those who can least afford it.

If you have any questions about ATR's position on this issue, please contact state affairs manager Paul Blair at 202-785-0266 or by email at pblair@atr.org.

Onward,

Grover Norquist
President, Americans for Tax Reform

22 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.atr.org