



Aligning Oklahoma's Tax Code to Our 21st Century Economy

November 11 – 14, River Spirit Conference Center, Tulsa

Oklahoma's tax system was created at the turn of the 20th Century, when Agriculture was king and the Energy and Manufacturing sectors were poised to surpass it. Economists call these industries "goods producing." Oklahoma legislatures of the 1900s did an effective job of adapting our existing tax system to changes in the state economy to maximize collections from it.

More recently, the state has experienced tremendous volatility in overall tax collections as well as significant tax cuts that shifted the relative burden to other tax streams. Local governments are also now bearing a greater share of the tax load relative to state government. Special tax provisions are increasingly being used as financial incentives within the economic development framework of the state. And an increasing share of total state revenue is now being raised through sources other than taxes.

Much has changed in Oklahoma in the 111 years that have passed since statehood... but not so much our fundamental tax system. Goods producing industries now represent only about 25% of our state's output and 15% of our state's employment. At nearly 4 million people, revenues needed to cover core services in Oklahoma have proven to be insufficient. Budget shortfalls, and the increased use of one-time budget maneuvers are the rule, not the exception. Our state cannot develop robustly and compete globally while using a tax system that fails to reflect our current economic structure.

The Oklahoma Academy 2018 Town Hall will address a number of issues and concerns surrounding the current structure of the state tax system. These include but are not limited to:

- Where our major tax collections come from;
- How sufficient/insufficient those tax sources are in addressing our needs;
- Why changes need to be made to both tax source coverages and rates;
- How restructuring the tax code might help stabilize our resources, ensuring they meet our basic needs; and
- How a fair, flexible, stable, transparent, and efficient tax code could work for all Oklahomans.

The outcome will strive to reflect the culture and political ethos that makes our state unique.

There is no perfect tax system, but the one we rely upon today and in the future, requires significant modifications. Oklahoma's economy has transitioned significantly from goods-producing to service-producing, highlighting the push for those modifications. Between our background resource document and the subject matter experts we have invited to address the Town Hall, Town Hall participants will be in a powerful position to recommend meaningful changes to our antiquated, 20th Century tax code.

We encourage you to join fellow Oklahomans at the 2018 Town Hall in an effort to modernize Oklahoma's tax code, one that combines fairness, adequacy, simplicity, transparency, and administrative ease. Given the state's continued budgetary struggles, the time is NOW to address this need for a brighter Oklahoma future. **Complete the 2018 Town Hall Nomination Application Form and submit it to [lauren @okacademy.org](mailto:lauren@okacademy.org) by July 25.**

For more information (or to learn more) visit www.okacademy.org TODAY!