



April 21, 2025

To: Members of the Oklahoma Legislature

Re: Prioritize Implementing a Path to Zero Income Tax—*Without* Raising Other Taxes

**The undersigned organizations strongly support and encourage you to prioritize passing a plan to phase out Oklahoma’s personal income tax this session.**

Oklahoma is falling behind as dozens of states lower their personal income tax rates—and some make commitments to eliminate income taxes altogether.

Since Oklahoma last enacted an income tax rate reduction, several states have made major strides:

- Mississippi enacted legislation to gradually eliminate their income tax, all the way to zero.
- Kansas passed a tax cut that will simplify and lower their income tax rate down to 4%.
- Arkansas and Nebraska have cut income taxes and intend to reduce them further.
  - **Arkansas now boasts a lower income tax rate than Oklahoma at 3.9%.**
- So does Louisiana, where last year lawmakers passed a tax reform package setting their rate at 3%.
- Ohio, Kentucky, and North Carolina continue marching toward zero.
- And Indiana is actively pursuing legislation to phase out their income tax.

**There is no way to sugar coat it -- Oklahoma has fallen behind in the tax cut revolution with a top rate of 4.75%.** This burdensome top rate is paid by nearly every working Oklahoman.

The opportunity is there for Oklahoma to implement a plan to zero-out the personal income tax—gradually and responsibly, over time, *without* raising other taxes.

Oklahoma has led the way on education choice, shaping the reforms that other states are just now passing – now it’s our turn to be the strongest state in the country with the best tax environment for families and businesses.

Legislators have labored diligently on multiple pieces of legislation that would use revenue thresholds to gradually reduce the income tax rate every time state revenue growth clears a specified amount.

This model establishes a conservative, pay-up-front approach to achieve a bold goal. It allows legislators to set a sober, levelheaded path to zero that avoids cutting rates if revenues ever fall short of the legislation's designated threshold or decline, accounting for revenue downturns by requiring that revenues fully rebound out of the hole before accumulating toward another cut in the tax rate.

This session, both chambers have passed [House Bill 1539](#). The bill would reduce the personal income tax rate on working Oklahomans by 0.25% each time revenues grow by \$300 million, so long as revenues are not below the applicable revenue baseline. All that remains is a procedural vote to send HB 1539 to the Governor's desk.

**Passing this plan shows that lawmakers are putting Oklahoma taxpayers first.** When the state takes in too many taxpayer dollars in the future, working Oklahomans know their taxes will be lowered, and they will not have to fight bureaucrats and special interests who clamor for surpluses to be spent on their own favored projects.

Please consider our organizations as a resource to help pass the best path-to-zero reform possible to eliminate Oklahoma's personal income tax over time.

Thank you for your service and your efforts to reduce the burden on hard-working Oklahoma families and businesses.

Sincerely,

Grover Norquist  
President  
Americans for Tax Reform

Jonathan Small  
President  
Oklahoma Council of Public Affairs

John Tidwell  
Oklahoma State Director  
Americans for Prosperity

Lisa B. Nelson  
CEO  
*ALEC Action*

Victor Riches  
President & CEO  
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Heather R. Higgins  
CEO  
Independent Women's Voice