



Community Action Solutions

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Tax Legislation Will Impact Struggling Families

Kanika Polk, a 38-year-old mother of seven children ages 5-14, has been coming to the Community Action Agency of Oklahoma City and Oklahoma/Canadian Counties for the past eight years to get her tax return prepared.

Working at two part-time jobs, she depends on the Federal and State Earned Income Tax Credits (EITC) to supplement her earned salary.

However, legislation passed by the Oklahoma State Legislature will make the state earned income tax credit nonrefundable in 2016, according to research and fiscal analysis prepared by legislative staff.

Under current law the Oklahoma Earned Income Credit is equal to 5 percent of the earned income credit allowed on a taxpayer's federal income tax return.

The credit is designed to encourage work by supplementing earned income from lower-wage jobs.

State legislators struggling to deal with a projected \$1.3 billion budget deficit looked to Oklahoma's lowest working citizens to help add nearly \$29 million to the state coffers.

The legislation was approved by the Senate by a vote of 30-11 and the House of Representatives by a vote of 51-45. It was submitted to Gov. Mary Fallin on May 24 for final action.

Christina Vass is one of 11 staff members and one volunteer who helped prepare 2,670 tax returns during the just completed filing period. There were 1,975 returns filed where the clients were eligible for EITC.



Kanika Polk (left) get assistance with her tax return from Christina Vass, Program Compliance Specialist at the Community Action Agency of Oklahoma City and Oklahoma/Canadian Counties.

Vass said she can foresee losing the tax credit could mean the difference for clients going hungry or being unable to pay utility bills.

"It's going to be very detrimental to our clients," she said. "I'm not looking forward to the upcoming tax preparation season."

In past years, Polk said tax refunds have helped pay for clothes for her children, car repairs, and other expenses.

She had hoped to make a downpayment on a house so the family could move out of the HUD-subsidized housing.

"Legislators who have not been in

this situation don't understand the impact on low-income families," Vass said.

Polk tries to make her limited food budget stretch. She buys food in bulk at Sam's Club and then breaks it down into smaller meal portions.

She said she relies on her relationship with God to help make it.

According to Oklahoma Policy Institute Executive Director David Blatt, more than 200,000 working families, most with children, will lose up to \$300 per year. OK Policy is an independent nonpartisan non-profit that provides factual information and advocates for fair and responsible public policies.