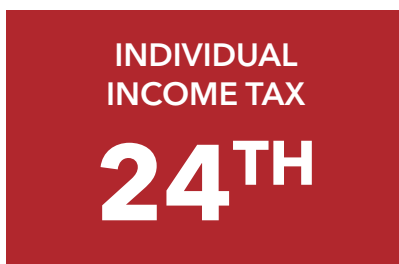


TAX COMPETITIVENESS



KEY FINDINGS:

- Oklahoma gained seven (7) spots in **overall tax competitiveness**, moving from 26th in the 2023 Scorecard to **19th in the 2024 Scorecard**.
- This significant improvement continues the state's steady march through the tax competitiveness rankings in recent years as legislators have enacted pro-growth tax reforms targeted at the areas of taxation where Oklahoma has been uncompetitive.
- Remarkably, Oklahoma's tax competitiveness ranking has climbed from 30th in the first edition of *The Scorecard* to 19th today, showing **more significant improvement of state tax environment than all other states, except Mississippi**.
- The state's rise through the tax rankings comes on the heels of targeted reforms enacted in recent legislative sessions, including:
 - Repeal of the franchise tax, taking the **property tax ranking from 29th to 15th**,
 - Elimination of the marriage penalty and reducing the income tax rate, boosting the individual income tax ranking from **33rd to 24th**, and
 - Becoming the first state to make full expensing of capital investments permanent and reducing the corporate tax rate, taking the **corporate tax ranking from 11th to 4th**.
- Oklahoma is now within striking distance of the Top Ten, which it can achieve by **simplifying the structure** of its individual income tax. By moving from the current six income tax brackets to a single bracket flat tax and marginally reducing the overall rate, Oklahoma would likely see enough improvement in its individual income tax competitiveness to boost its overall tax competitiveness securely into the Top Ten.



REGION

State	Regional Rank	National Rank
Missouri	1	12
Texas	2	13
Oklahoma	3	19
New Mexico	4	23
Kansas	5	26
Colorado	6	27
Arkansas	7	38

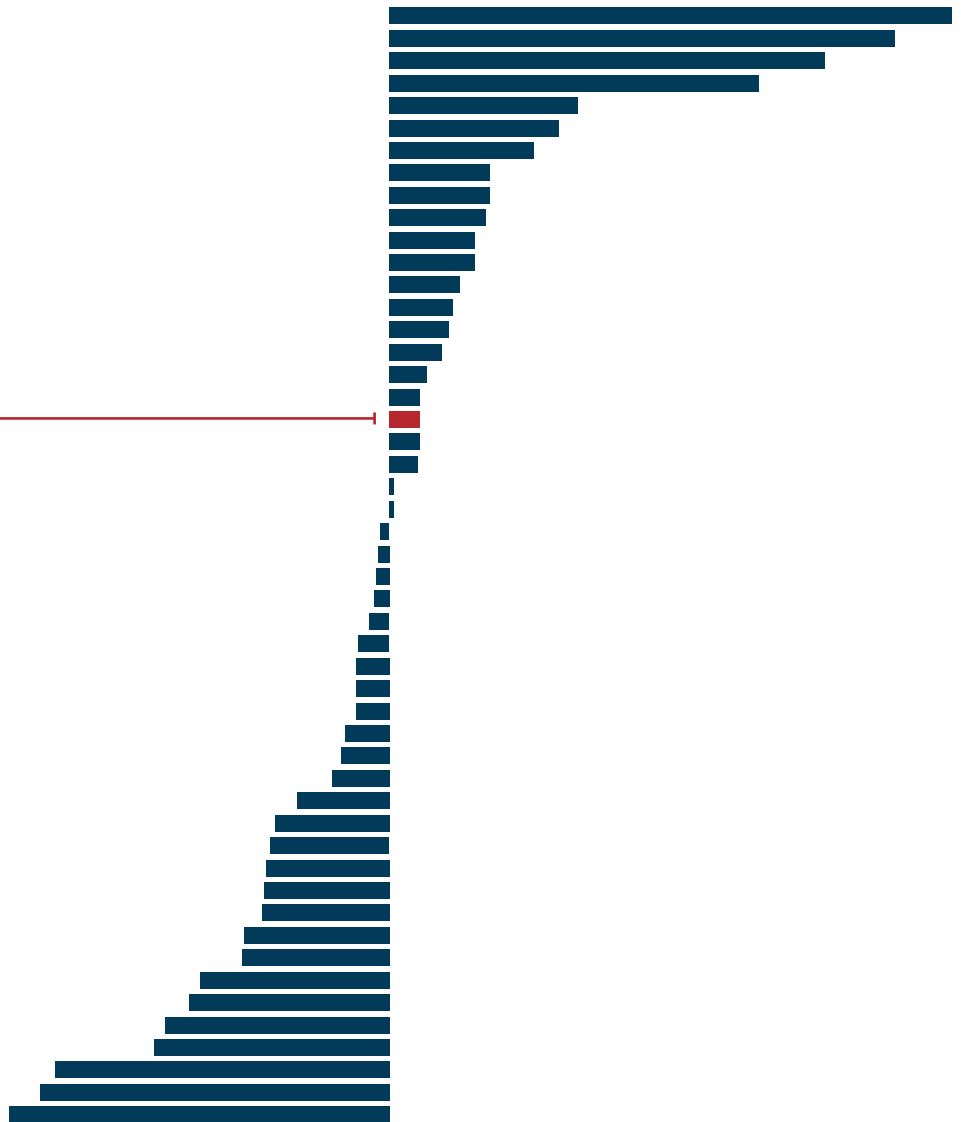
PEER STATES

State	Peer Rank	National Rank
Nevada	1	7
Utah	2	8
Indiana	3	10
Missouri	4	12
Tennessee	5	15
Kentucky	6	18
Oklahoma	7	19
Mississippi	8	20
Wisconsin	9	24
Kansas	10	26
Colorado	11	27
Iowa	12	33
Arkansas	13	38
Alabama	14	39

NATION

HIGHLY COMPETITIVE →

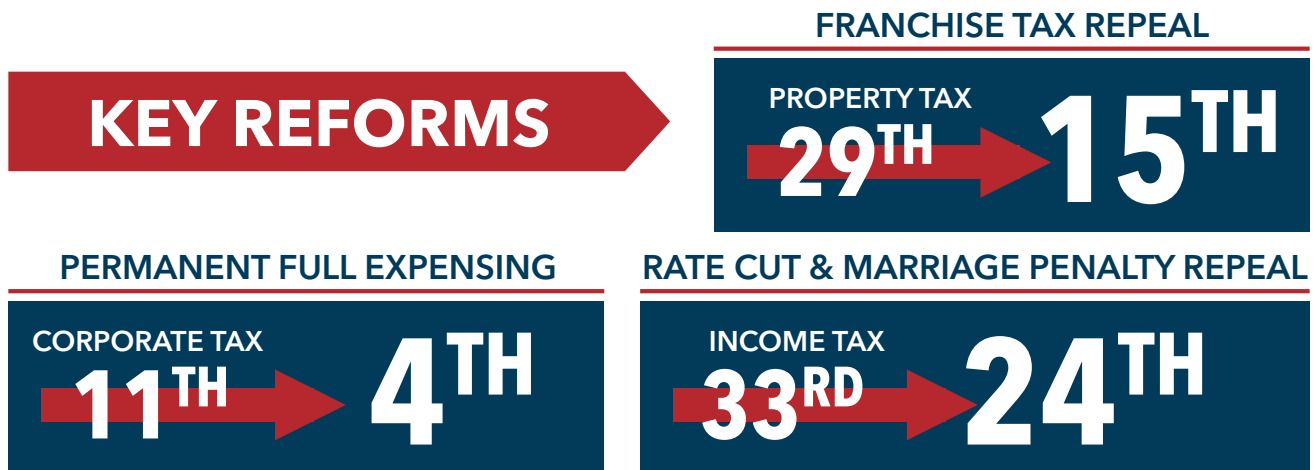
1. Wyoming
2. South Dakota
3. Alaska
4. Florida
5. Montana
6. New Hampshire
7. Nevada
8. Utah
9. North Carolina
10. Indiana
11. Michigan
12. Missouri
13. Texas
14. Arizona
15. Tennessee
16. Idaho
17. North Dakota
18. Kentucky
- 19. Oklahoma**
20. Mississippi
21. Delaware
22. West Virginia
23. New Mexico
24. Wisconsin
25. Virginia
26. Kansas
27. Colorado
28. Oregon
29. South Carolina
30. Nebraska
31. Pennsylvania
32. Georgia
33. Iowa
34. Maine
35. Washington
36. Ohio
37. Illinois
38. Arkansas
39. Alabama
40. Louisiana
41. Rhode Island
42. Hawaii
43. Vermont
44. Minnesota
45. Maryland
46. Massachusetts
47. Connecticut
48. California
49. New York
50. New Jersey



OKLAHOMA'S CLIMB TO TAX COMPETITIVENESS



Perhaps no public policy story better illustrates the utility of *The Scorecard* than Oklahoma's steady climb through the Tax Competitiveness rankings in recent years. Just two years ago, Oklahoma ranked 30th in the nation in overall Tax Competitiveness. To improve the state's standing on taxes, SCRF partnered with The Tax Foundation to comprehensively study Oklahoma's tax system and identify opportunities for pro-growth reform. In *Pro-Growth Tax Reform for Oklahoma* (October 2021) we identified numerous reform opportunities that were championed by the business community and enacted by the Oklahoma Legislature. Reforms included making permanent the full expensing of capital investments (the first state in the country to do so), repeal of the franchise tax, and elimination of the marriage penalty. The result has been a drastically improved Tax Competitiveness ranking for the state.



Oklahoma’s progress in the tax rankings has been remarkable, but it has not been a surprise. This is precisely the purpose of *The Scorecard*. *The Scorecard* measures the key economic and public policy factors that drive economic growth and competitiveness. SCRF then uses Oklahoma’s standing in the areas ranked in *The Scorecard* to prioritize policy issue selection, researching and developing policy reforms specifically targeted to the improvement of those factors measured in *The Scorecard*. As a result, reforms proposed by SCRF are as targeted as possible to the public policy factors that lead to improved economic performance for the state. We then track progress against the same key metrics to ensure the chosen policy interventions are working as designed.

But Oklahoma should not rest on its laurels. While moving from 30th to 19th in the nation is a laudable achievement, there is still more work to do. Enacting the remaining reforms identified in SCRF’s tax study would take Oklahoma the rest of the way to the top. Specifically, if Oklahoma moves to a single bracket flat income tax, as proposed by SCRF, the state will land in the Top Ten in Tax Competitiveness, an important turning point for the state and a signal to the business community that Oklahoma is serious about long-term economic growth.

