

OKLAHOMA TAX COMMISSION

TAX POLICY AND RESEARCH DIVISION
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December 5, 2001

Re: Our file number LR 01-136: Income Tax - General Questions concerning Individual Income Tax

Dear

This is in response to your inquiry of June 27, 2001 wherein you posed several questions concerning the proper income tax treatment of wages you earn. Following is a restatement of the facts outlined in your letter, the questions you posed and our responses thereto.

Facts:

You are currently an inmate at the _____ in _____ Oklahoma.
You are a full time employee at _____ in the facility and your employer is _____
You are paid an hourly rate of \$5.68 for your services, with time and a half for overtime. You are paid on a monthly basis, with state, federal and other tax withholdings. The remaining amount is split between you and the _____ for program support fees. Twenty percent (20%) of your half goes into a mandatory savings account with the remainder going into a draw account.

Question 1

Should the 20% mandatory savings come out after taxes are taken?

Response:

This is not a tax question. This should be taken up with the

Question 2

What am I entitled to during the filing of taxes at the end of the year? Since we are taxed on money that we never see is this considered a tax write-off?

Response:

Oklahoma's starting point for calculating income tax is federal adjusted gross income. As to any allowable deductions for your circumstances, there are none that are specific to Oklahoma. If there are any on the federal level to arrive at federal adjusted gross income, then those automatically are applicable to Oklahoma. For more information concerning federal income taxes, I suggest contacting the Internal Revenue Service and requesting Publication 17.

Question 3

Are we able to file earned income credits?

Response:

The earned income tax credit is a federal income tax credit. Please contact the Internal Revenue Service for more information.

Question 4

Can our family file taxes for us?

Response:

Oklahoma tax returns are required to have the valid signature of the taxpayer. Families can assist in preparation and mailing; however, the return must be signed by the taxpayer.

Question 5

Is any of the deductions legal under state law and federal law and if so could I please have a copy?

Response:

Generally taxpayers are entitled to personal exemptions and either a standard or itemized deduction amount. For Oklahoma income tax purposes, the personal exemption amount is \$1,000. If you are able to claim itemized deductions for federal income tax purposes, that

amount is available for Oklahoma as well, otherwise your Oklahoma standard deduction amount is the greater of \$1,000 or 15% of Oklahoma Adjusted gross Income, not to exceed \$2,000.

Question 6:

If there any rights that I am entitled to please inform me and could I have copies of all policies that pertain to me?

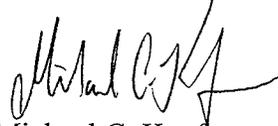
Response:

There are no specific Oklahoma Tax Commission policies for inmates.

This response applies only to the circumstances set out in your request of June 27, 2001. Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon **only** by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

Sincerely,

FOR THE OKLAHOMA TAX COMMISSION



Michael C. Kaufmann
Tax Policy Analyst