



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: March 3, 2006

Statement of State Treasurer Scott Meacham

(Treasurer calls for state tax credit to cover federal taxes on rebate checks and responds to IRS decision to allow short forms to be used to report tax rebate checks.)

“Governor Henry and I are glad the IRS is responding positively to our request to allow Oklahomans to report the rebate payments on their regular income tax forms. We disagreed with the IRS when it indicated the rebates couldn’t be reported on the short tax forms. This decision saves Oklahoma taxpayers money and needless hassles.

“This helps the reporting issue but does not deal with the tax bite the IRS wants to take out of the rebates. We pressed our case with the IRS over the taxability, but it is now clear there’s no chance the IRS is going to reverse its ruling on taxing the rebates.

“With the federal government’s huge deficits, the IRS is looking for every tax dollar it can find – even from these modest rebate checks. We can’t control the federal government.

“What we can control is what happens in our state government. The rebate program was our way of returning excess money collected by the state to the people who paid it. We never intended to have our citizens forced to turn over a share to the federal government as taxes. We have been exploring alternatives since learning of the IRS ruling on the rebates last September.

“I am recommending the legislature pass and the governor sign into law a tax credit equal to the income taxes paid on the rebate checks. If we can’t keep the federal government from taxing the rebates, we can at least make up the difference to Oklahomans through a state tax credit.”

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