

POINT OF VIEW | EDUCATIONAL TAX CREDITS WORTHWHILE

School choice, tax cuts: a win-win

BY BRANDON DUTCHER

I've long argued that Oklahoma should phase out its personal income tax and replace it with nothing. Simply use some growth revenue each year to buy down the tax rate little by little. Though I believe that we'll see movement in that direction, progress to date has been slow. In the meantime, I've decided to cut my own taxes.

"Any one may so arrange his affairs that his taxes shall be as low as possible," Judge Learned Hand famously declared. "He is not bound to choose that pattern which will best pay the Treasury."

An Oklahoma law enacted in 2011 allows businesses and individuals to donate to K-12 scholarship-granting organizations (full disclosure: I'm on the board of one such nonprofit, the Opportunity Scholarship Fund). Scholarship recipients get much-needed help paying private school tuition costs, while donors get not merely federal and state tax deductions but also a 50 percent state tax credit.

So, for example, if an Oklahoma taxpayer in the 15 percent federal tax bracket donates \$1,000 to a scholarship fund, his or her out-of-pocket cost could be less than \$300. In other words, rather than sending your money to the gaping maw at NE 23 and Lincoln, you can redirect some of it to rescue kids who are trapped in bad schools.

A 2011 SoonerPoll found that nearly nine in 10 Oklahoma voters think state

government wastes "a lot" or "some" of the money we pay in taxes. (A full 51 percent said "a lot.") Remember, we're talking about a state government that funds golf courses and rodeos, as well as the following:

- Gives unemployment benefits to people who aren't entitled to them.
- Bribes mothers not to marry the fathers of their children.
- Gives food stamps to people who promptly sell them on Craigslist and use the money to buy marijuana.
- Annually takes thousands of normal children and makes lifelong illiterates out of them.
- Pays six-figure salaries to more than 2,000 Oklahomans employed in the higher education system. (As another famed jurist said somewhere, taxes are the price we pay for ex-politicians to land cushy jobs in higher ed.)

It's no wonder people want their taxes to be as low as possible.

Happily, Oklahomans can use this school choice law to cut their taxes. But we should also use tax relief to get more school choice. Let's bulk up Oklahoma's tax-credit scholarship law by expanding eligibility and removing the funding cap.

In addition, let's enact individual tax credits. Allow Oklahoma parents to receive state income tax relief for private school tuition, online learning, tutoring and other educational expenses. In Alabama, for example, the value of the refundable tax credit is the tuition cost or 80 percent of per-pupil funding, whichever is less.

More than 150,000 students nationwide are benefiting from educational tax credits. Oklahoma policymakers should work to boost that number.



Brandon Dutcher