Reaching Regions

The Long-Standing Push to Eliminate State Personal Income Taxes in Oklahoma: Is There an Economic Growth Case to be Made?

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Using Oklahoma as a case study, this paper evaluates the claims that lower state and local taxes on personal income increase economic growth. We first demonstrate the fallacy of using simple cross-state comparisons of high- and low-income tax states to evaluate the claims. This motivates a brief review of our recently published academic articles on state and local fiscal policy, which suggest that higher state personal income taxes either have no effect on economic growth or in some cases increase growth. Based on insights from our published papers, we then analyze the most recent tax cuts implemented by Oklahoma in 2022 and fail to find any evidence that the tax cuts increased income and tax revenues.

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1. Introduction

As one of 26 states that cut income taxes from 2021 to 2023 (Tharpe, 2023), Oklahoma's reduction in the tax rate on personal income in 2022 followed long-standing efforts and actions to push the rate toward zero. During the past two decades, Oklahoma's top marginal tax rate on personal income has been reduced in a series of steps from 7% to the current rate of 4.75% (Laffer et al., 2024). This occurred against a backdrop of concern and opposition from numerous stakeholders in the state (Oklahoma Policy Institute, 2019) and the absence of academic evidence to support the tax cuts (Rickman, 2013; Wang, 2016). The recent tax cuts in Oklahoma and elsewhere followed the buildup of large state budget surpluses during the pandemic, occurring at least in part from the federal American Rescue Plan Act (ARPA) (Theale & Fleming, 2022). The ARPA funds were not supposed to be used to offset tax cuts, though it is difficult to separate the budget influence of the re-opening of the economy from the funds (Quinlan, 2023). Calls for further cuts in Oklahoma's state income tax have continued since 2022, accompanied by claims of stronger economic growth in states that do not have an income tax and stronger economic and tax revenue growth in Oklahoma since the cut in taxes in 2022 (Carter, 2024).

Using Oklahoma as a case study, in this article we evaluate the economic growth case for cutting taxes on personal income. We begin with a brief review of high-profile reports containing cross-state growth comparisons, including a report that was used to push for the elimination of personal income taxes in Oklahoma. To address the conflicting findings of the reports we update the period of analysis and consider potential factors that could affect simple growth comparisons of states and their taxation of personal income. This motivates discussion of the need for more scientific approaches, including the insights provided in our recently published research in peer-reviewed academic journals (Rickman & Wang, 2018, 2020a, 2024). We conclude the paper with an analysis that follows in the spirit of our research to assess whether Oklahoma's recent tax cuts spurred additional growth in income and tax revenue.

2. Cross-State Comparisons of Personal Income Taxes and Growth

2.1 Previous reports

The phasing out of individual and corporate income taxes has been a consistent theme of state tax-cutting efforts. The public debate often plays out as a comparison of growth in states with low- or no-income taxes with growth in high-income tax states. Proponents find examples of states and periods that support the argument for phasing out income taxes (Arduin, Laffer & Moore Econometrics, 2011), while critics provide counterexamples (Davis & Buffie, 2017). Rankings of state economic competitiveness similarly typically reflect the degree of taxation of corporate and personal income (Laffer et al., 2024).

In advocating reducing the personal income tax rate to zero over ten years in Oklahoma, Arduin, Laffer & Moore Econometrics (ALM) (2011, Tables 1 and 2) compared growth in several economic indicators from 2001 to 2010 for the top nine states with the bottom nine states in terms of the state and local tax burden as a percent of personal income and the top marginal personal income tax rate. The lower tax states according to the criteria grew much faster over the period. Nine states did not tax earned personal income, which included energy states (Alaska, Texas, and Wyoming) that grew faster during the national energy boom that occurred during the 2001 to 2010 period. The nine states also included those in the south with favorable climates

(Nevada, Tennessee, and Texas). Eight of the nine states with the highest taxes as a share of personal income (ALM, Table 1) are in the upper Midwest and Northeast, which have suffered in part from the long-standing population movement from the Frostbelt to the Sunbelt.

The Institute on Taxation and Economic Policy (ITEP) (Davis & Buffie, 2017) evaluated the claims of economic benefits from low personal income taxes that were based on simple comparisons between states without income taxes and those with high taxes such as by ALM.[1] ITEP used a similar approach in comparing growth in the nine states without broad-based personal income taxes with the nine states having the highest top marginal income tax rates for a different period (2007–2016) and reached the opposite conclusion. Over the 2007–2016 period, ITEP reported lower growth on a per capita basis in gross domestic product, personal income, disposable personal income, consumption, and prime-age employment in states without income taxes compared to states with the highest tax rates. ITEP (Davis & Buffie, 2017, p.4) acknowledges the limitations of such comparisons though because the states have different "industry mixes, natural resource endowments, tourism advantages, federal spending patterns, geography, and climate."

2.2 Updated cross-state growth comparisons

We update the simple growth comparisons by ALM and ITEP to 2012–2022 (the period used in Laffer et al., 2024) using total nonfarm employment, nominal per capita income, real gross domestic product (GDP), and population as indicators of state economic performance. The indicators are those most used in studies of the growth effects of state and local fiscal policy (Rickman & Wang, 2020a) and all are readily available from the US Bureau of Economic Analysis (BEA). We first examine the correlation between taxation of personal income and growth and then consider whether differences in a couple of key state characteristics that were highlighted above affect the conclusions from the comparisons.[2]

Focusing on the continental 48 states, six states did not tax personal income over most of the 2012–2022 period: Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. New Hampshire and Tennessee taxed dividends and interest income but did not tax earned income.[3] Therefore, we use two definitions of income taxation by states: (*a*) the six states that did not tax any personal income versus the other 42 states; and, (*b*) the eight states that did not tax earned income versus the other 40 states.

Table 1 reports growth rates of the indicators in the states without personal income taxes relative to those with income taxes for both the six-state and eight-state definitions of not taxing personal income. There appears to be a growth advantage for not taxing personal income according to both definitions. The population growth differences are statistically significant for both definitions of taxing income, while for employment growth only the difference for states

[1] Seven states were classified as low tax states in both the ALM (Table 1) and ITEP studies (Alaska, Nevada, New Hampshire, South Dakota, Tennessee, Texas, and Wyoming), while six states were classified as high-tax states in both studies. Table 2 in ALM lists the same nine states without broad-based personal income taxes and eight of the same states with the highest tax rates on personal income listed by ITEP.

[2] Correlation is assessed based on bivariate ordinary least squares regressions. Statistical significance is based on Huber-White heteroscedasticity-consistent standard errors.

[3] Tennessee eliminated its taxes of dividend and interest income beginning in 2022 (Drenkard, 2016), while New Hampshire's is scheduled to phase out in 2025 (Granite State Taxpayers, 2024). Washington passed a tax on capital gains income of high-income individuals that went into effect in 2022 (Washington State Department of Revenue, 2024).

not taxing earned income is statistically significant. Statistical significance means that the differences are unlikely to be by chance from the sample selected such as the period of analysis, though it does not imply causality. To put the relative growth advantages in context, we note an average growth in nominal per capita income from 2012–2022 of 46.4%, while the corresponding growth rates for real GDP, total nonfarm employment, and population are 20.6%, 11.0%, and 6.1%.

Table 1. Relative Growth in States without a Personal Income Tax (%)

	Nonfarm Employment	Per Capita Income	Real GDP	Population
No Pers. Income Tax	7.33	5.01	8.48	**6.29**
No Tax Earned Income	**6.54**	4.2	8.59	**5.29**

Notes: Boldface type indicates statistical significance. The full sample is the lower 48 states.

As noted above, there are differences in characteristics of the states that do not tax personal income that may be related to the differences in growth. According to the natural amenity ranking of counties by the Economic Research Service (ERS) of the United States Department of Agriculture, South Dakota is the only state that does not tax personal income which is below the median level of natural amenity ranking among its counties (weighted by population) (United States Department of Agriculture Economic Research Service, 2024a).

Considering only states above the median level of natural amenities, Table 2 displays the growth differences for both definitions of states that do not tax personal income. The differences in nominal per capita income growth become approximately zero, while the differences for the other indicators become much smaller. None of the growth differences are statistically significant.

Table 2. Relative Growth Rates in States without a Personal Income Tax and with Above Median Level Natural Amenities (%)

	Nonfarm Employment	Per Capita Income	Real GDP	Population
No Pers. Income Tax	4.15	0.33	4.99	4.16
No Tax Earned Income	2.42	-1.0	3.94	2.68

Notes: Boldface type indicates statistical significance. Twenty-four states have above the median level of natural amenities.

We next consider the role of county economic dependence on the mining sector in a state according to ERS (United States Department of Agriculture Economic Research Service, 2024b), though ignoring the influence of natural amenities. We first consider the 23 states that did not have any mining-dependent counties. Florida, New Hampshire, South Dakota, and Tennessee are among the states that do not have any mining-dependent counties. From Panel A of Table 3, we see growth advantages in all four economic indicators for not taxing personal income. The differences in nominal per capita income and population are statistically significant. From Panel B we see growth advantages for states that contain mining-dependent counties from not taxing

personal income, though the differences are not statistically significant. Nevada, Texas, Washington, and Wyoming are among the states with mining-dependent counties.

Because prices of regionally produced goods can respond to growth such as housing prices resulting from increased demand for housing (Rickman & Wang, 2018), we next examine real per capita income and real per capita consumption as reported by BEA. With the adjustments for prices, real per capita consumption and income likely better reflect social well-being than the other four indicators. The mean growth rates for real per capita income and real personal consumption expenditures over the period are 20.2% and 20.7%.

Table 3. Relative Growth Rates and Mining Sector Dependence of States (%)

Panel A. Relative Growth Effects in States without a Mining-Dependent County				
	Nonfarm Employment	Per Capita Income	Real GDP	Population
No Pers. Income Tax	8.31	**9.52**	8.46	**7.56**
No Tax Earned Income	6.66	**6.20**	9.01	**5.26**
Panel B. Relative Growth Effects in States with One or More Mining-Dependent Counties				
	Nonfarm Employment	Per Capita Income	Real GDP	Population
No Pers. Income Tax	6.52	2.3	8.25	5.38

Notes: Boldface type indicates statistical significance. Twenty-three states did not have any mining-dependent counties (Panel A), while 25 states had at least one mining-dependent county (Panel B).

Focusing on the six states that did not tax any personal income, Table 4 reports the relative growth rates of both indicators over the period 2012 to 2022. The evidence in Table 4 for real per capita income is consistent with that for nominal per capita income in Tables 1–3. There appears to be little or no real per capita consumption growth advantage for not taxing any personal income.

Table 4. Relative Growth Rates of Real Per Capita Personal Income and Consumption for States with No Personal Income Tax (Six States) (%)

	Real Per Capita Personal Income	Real Per Capita Personal Consumption
All States (48 states)	4.1	1.83
High Amenity Ranking (24 states)	0.31	-0.67
No Mining Dependence (23 states)	**8.95**	3.1
Mining Dependence (15 states)	0.74	0.45

Note: Boldface type indicates statistical significance.

For context specific to Oklahoma, Table 5 displays the relative growth rates in the six indicators for Oklahoma. In the first row, we see that Oklahoma's growth was lower than the other continental 47 states for all six indicators. The second row shows a comparison of Oklahoma's growth to the average of the four states above it and the four states below it in terms of their natural amenity ranking. Except for real GDP and real personal consumption

expenditures, Oklahoma's growth rates compared to these eight states are lower than those based on a comparison to all states. The third row shows that Oklahoma's relative growth rates also were lower compared to the other states with above-average shares of BEA wages and salaries in oil and gas extraction (excluding Alaska), which includes Colorado, Louisiana, Montana, New Mexico, North Dakota, Texas, West Virginia, and Wyoming.

Table 5. Oklahoma's Relative Growth (%)

	Nonfarm Employment	Per Capita Income	Real GDP	Population	Real Per Capita Income	Real Per Capita Consump.
Nation Comparison	-5.96	-12.29	-9.39	-0.79	-7.94	-3.06
Amenity Comparison	-8.49	-16.78	-9.27	-2.42	-11.07	-2.77
Energy State Comparison	-1.75	-8.77	-2.59	-0.56	-7.26	-4.06

Notes: Nation Comparison=other 47 states; Amenity Comparison=four states above and four states below Oklahoma in terms of amenity ranking; Energy State Comparison=eight other states with above-average shares of BEA wages and salaries in oil and gas extraction.

3. The Scientific Approach to Estimating the Effects of Tax Policies

The previous conflicting reports and updated comparisons reflected in Tables 1–4 highlight the fallacy of using cross-state growth comparisons to establish a link between state taxes and economic outcomes. There are numerous additional identifiable differences in state characteristics that we could consider that may be correlated with both state taxation of income and growth (Rickman & Wang, 2024). There also could be historical, cultural, or other unidentifiable reasons that affect both state taxation of income and growth. The existence of such factors would produce inaccurate, biased, assessments of the economic effects of state tax policies from cross-state growth comparisons.

Academic researchers have a long and varied history of attempting to overcome the limitations of cross-region growth comparisons by using more scientific approaches. In our survey of the literature on state and local fiscal policy, we highlighted that the early academic studies produced mixed findings and provided little guidance for policymakers (Rickman & Wang, 2020a). We assessed that the academic research that emerged since the early reviews improved the methods for examining the economic effects of tax policy. However, we concluded from the survey of recently published evidence (p. 462) that "state and local fiscal policy is not now predictably a major driver of economic growth in the United States."

The traditional academic approach has been to combine or pool time-series data from states or local areas to estimate an average growth response to changes in fiscal policy. Although there are numerous variations of the approach, they all have inherent limitations. Importantly, there can be heterogeneity in economic responses to taxes across states that relate to differences in their characteristics that are not fully observable, causing the estimated average growth response to be biased. The form of the relationship between fiscal policy and growth similarly is not readily known as there could be nonlinearities and threshold effects.

The approach that we used in our recent research to address the limitations of the traditional approach (Rickman & Wang, 2018, 2020a, 2024) is the synthetic control method (SCM). SCM attempts to create the conditions of an experiment. In SCM, a state that changes its tax policy is compared to a weighted average of other states that did not change their tax policies. The weights are derived to produce a unit for comparison that best matches the characteristics and economic trends in the economy of the state changing its tax policy before the policy change. It is easier to find a weighted average or synthesis of other states that match the state changing its taxes than it is to find a "twin" state. The comparison unit, referred to as the synthetic unit in SCM, represents the researcher's belief of what would have happened in a state had it not changed its tax policy. The differences in economic outcomes between the synthetic unit and tax-changing state after the change in tax policy compared to the differences before the policy change are the estimated effects of the change in tax policy.

In our first SCM study (Rickman & Wang, 2018), we examined the economic effects of the fiscal experiments of Kansas and Wisconsin. Both Kansas and Wisconsin enacted a series of tax cuts with the election of their governors in 2010, including large cuts in personal income taxes. States that did not dramatically cut taxes were eligible to become part of the synthetic unit. The study examined 10 economic indicators, labor force/population, nonfarm wage and salary employment, total employment, nominal per capita income, median income, population, poverty, housing prices, real gross state product, and unemployment rate. A separate synthetic unit for comparison was calculated for each indicator. For Kansas, the top five states in terms of the average weight in the synthetic units across the 10 indicators were Iowa, Washington, Nebraska, South Dakota, and Utah. For Wisconsin, across all 10 economic indicators, the top five states for its comparison synthetic control were Indiana, Iowa, Delaware, Pennsylvania, and Vermont. Based on the comparisons, the study concluded that the evidence was more consistent with the tax cuts hurting the economies in the two states rather than boosting them. The results are summarized in Panel A of Table 6.

In our second paper (Rickman & Wang, 2020a), along with a survey of the literature, we updated the SCM experiments of Kansas and Wisconsin from our first study and expanded the analysis to include the tax-cutting states of Maine and Ohio and the tax-increasing states of California and Minnesota. The study examined nonfarm wage and salary employment, real per capita gross state product, and nominal per capita income. The six states and three outcomes produced 18 comparisons.

Consistent with our first study, the updated study concluded that cuts in personal income taxes did not increase growth. Increasing personal income taxes more likely increased growth and cutting personal income taxes more likely reduced growth. Results concluded to be statistically significant based on robustness analysis were the positive effects on all three outcomes from raising taxes in California and the negative effects for nonfarm employment and real per capita gross state product from cutting taxes in Kansas. The results are summarized in Panel B of Table 6.

Although our case studies were useful in assessing the effects of high-profile large changes in taxes in several states, there was heterogeneity in the findings that was difficult to generalize to all states. We hypothesized that the heterogeneity in findings was likely related to differences across the states in the adjustments to other parts of the budget in response to the reduction of income taxes (Rickman & Wang, 2020a). Among the tax-cutting states, only Wisconsin experienced a reduction in its own-source-revenue-to-income-share. Kansas, Maine, and Ohio used rainy-day funds and/or raised other taxes to offset the loss of revenues from the

income tax cuts. California and Minnesota differed in their adjustment of other taxes and expenditures in response to their increases in personal income taxes.

Table 6. Income Taxation: Synthetic Control Evidence

Panel A. Rickman and Wang (2018)		
State	Period	Findings
Kansas	2011–2015	Underperformed for nine of ten economic indicators after reducing income taxes.
Wisconsin	2011–2015	Underperformed for eight of ten economic indicators after reducing income taxes.
Panel B. Rickman and Wang (2020a)		
State	Period	Findings
California	2011–2016	Overperformed for total employment, real per capita GDP, and per capita income after increasing income taxes.
Kansas	2011–2016	Underperformed for total employment and real per capita GDP with no difference for per capita income after reducing income taxes.
Maine	2011–2016	Underperformed for total employment and real per capita GDP with no difference for per capita income after reducing income taxes.
Minnesota	2011–2016	Overperformed for real per capita GDP with no difference for the other two indicators after raising income taxes.
Ohio	2011–2016	Overperformed for real per capita GDP with no difference for the other two indicators after reducing income taxes.
Wisconsin	2011–2016	Underperformed for total employment and real per capita GDP with a slight gain for per capita income after reducing income taxes.
Panel C. Rickman and Wang (2024)		
State	Period	Findings
Each of the lower 48 states	2002–2007, 2007–2012, 2012–2017	Cutting income taxes did not stimulate economic growth and more likely reduced growth relative to other state and local taxes or expenditures.
Panel D. Current Study		
State	Period	Findings
Oklahoma	2022–2023	Underperformed for personal income after reducing income taxes.

Therefore, rather than focus on selected states as case studies, in our third study (Rickman & Wang, 2024) we used SCM to create pairwise matches for each of the US 48 continental states for use in regression analysis. This followed the study by Goff et al. (2012) which created pairwise comparisons based on neighboring states for regression analysis. The SCM results in the studies suggested though that neighbors are not necessarily the most appropriate comparisons. The advantage of the third study over our SCM case studies is that the experiences of all states could be examined, and the effects of the full range of tax and policy changes could be estimated. Consistent with our case studies though, among the major findings of the study is that lower personal income taxes more likely reduced growth than increased growth.

4. Oklahoma's Economic Performance Since Implementation of Most Recent Tax Cuts

To assess the claim that Oklahoma's recent cuts in corporate and personal income taxes produced strong economic and tax revenue growth, we follow in the spirit of our SCM case studies and compare Oklahoma's nominal personal income growth since the enactment of tax cuts in January 2022 to that in several benchmark areas. Shown in Figure 1 are estimates that reflect cumulative income growth in Oklahoma since the fourth quarter of 2021 relative to each of the benchmark areas, including adjustments to reflect differences between Oklahoma and the benchmark areas in the average quarterly growth rates during the eight quarters of 2018–2019 preceding the pandemic. A negative number means that Oklahoma's cumulative growth to that quarter is lower than that of the benchmark area, adjusted for average quarterly growth differences that occurred before the tax cut.

The nation serves as one benchmark in Figure 1. A second benchmark is the unweighted average growth of bordering states. A third benchmark is the growth in the Southwest BEA Region. A fourth benchmark is the unweighted average of other states with shares of wages and salaries in oil and gas extraction above the national average. We create a fifth benchmark that is an unweighted average of the outcomes in the nineteen states that tax personal income but did not cut personal or corporate income taxes in 2021 or 2022.[4] The final benchmark is a weighted average of non-energy states produced by a synthetic control method (SCM) analysis of Oklahoma's nonfarm employment and nominal per capita income growth published in Rickman and Wang (2020b); the weights were those that best-matched movements in the economic indicators of interest during 1992–2004 and characteristics between Oklahoma and the synthetic unit.[5]

From Figure 1, we see that by the end of 2023, Oklahoma's nominal personal income growth lagged that of all benchmark areas. The gaps in growth mostly increased over the period rather than narrowed as would be suggested if there were positive lagged responses to the tax cuts. The growth comparisons provide evidence against the claims that Oklahoma's tax cuts

[4] Only four (Connecticut, Michigan, North Dakota, and West Virginia) of the 19 states enacted tax cuts in 2023. https://www.cbpp.org/sites/default/files/11-30-23sfp.pdf.

[5] Separate weights were estimated for nonfarm employment and nominal per capita income in the study. We average the weights across the two synthetic control comparisons.

caused personal income to grow and that increased revenue from income growth occurred to offset the direct loss of revenue from the tax cuts.[6]

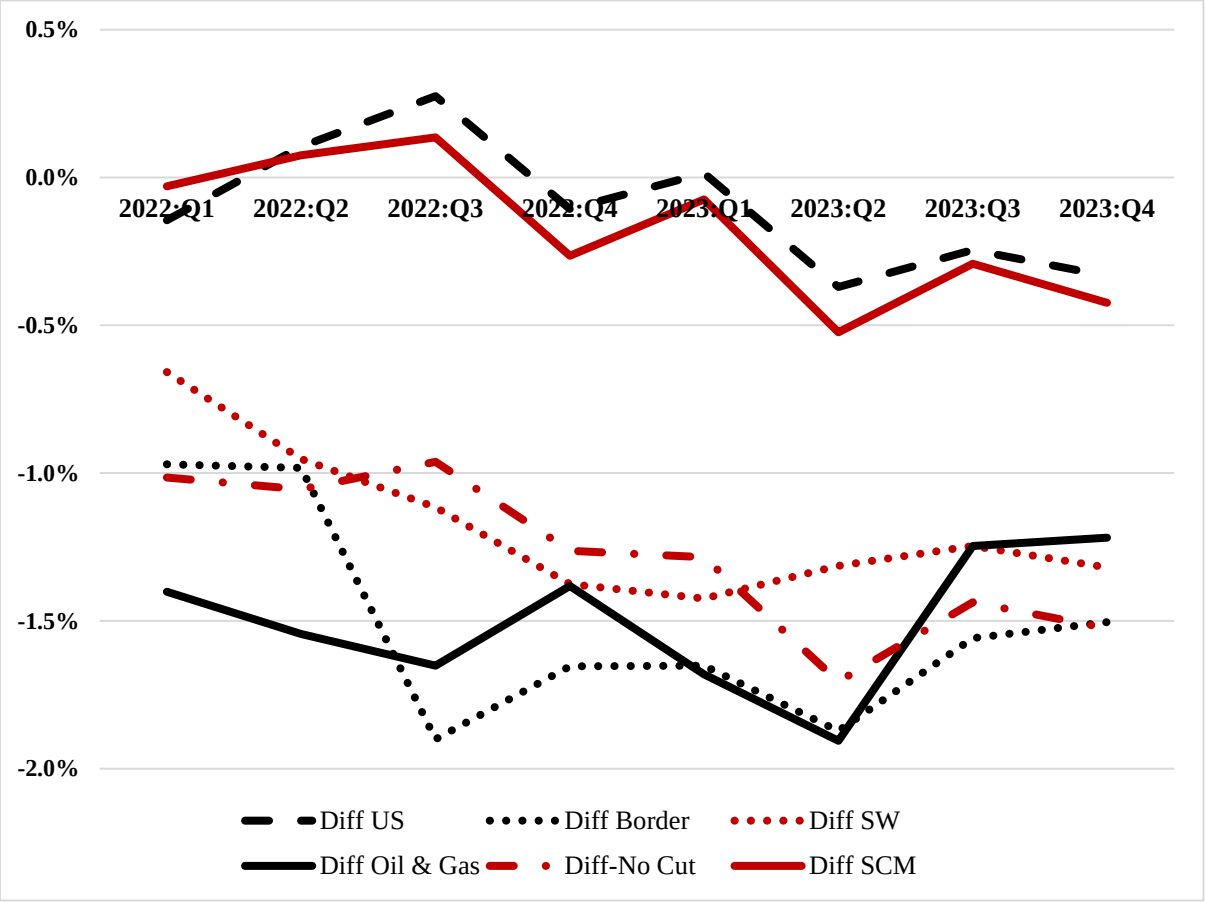

Figure 1. Oklahoma Nominal Personal Income Growth Differentials (Oklahoma-Benchmark, 2021Q4=0)

Notes: Diff US=national growth; Diff Border=unweighted average growth of bordering states; Diff SW=growth in the Southwest BEA Region; Diff Oil & Gas=unweighted average growth of other states with shares of wages and salaries in oil and gas extraction above the national average; Diff SCM=weighted average of non-energy states produced by a synthetic control method (SCM) analysis of Oklahoma's nonfarm employment and nominal per capita income growth published in Rickman and Wang (2020b).

More specifically, Oklahoma's personal income growth only temporarily exceeded growth in the nation and the synthetic unit for part of 2022. This occurred despite oil and gas employment (production and drilling) growing faster each quarter than total nonfarm employment in the nation (except in the final quarter of 2023). Oklahoma's personal income also grew slower than the average among oil and gas states, in which only Louisiana and West

[6] The estimated elasticity of response of quarterly tax collections in Oklahoma (the sum of personal income taxes, corporate income taxes, sales taxes, use taxes, and motor vehicle taxes) to quarterly personal income is 0.68 using data for the 2000s. Similarly, using annual data, population growth is unrelated to annual tax collections, while the income elasticity is approximately one.

Virginia experienced slower income growth (not shown). Among the border states, only Arkansas had slower growth in income than Oklahoma (not shown).

Especially relevant is the underperformance of Oklahoma compared to the average of the 19 states that taxed personal income but did not enact cuts in personal or corporate income taxes during 2021 or 2022.[7] Among the eight states that comprise the synthetic unit (weights in parentheses)—Alabama (0.2805), Missouri (0.2005), California (0.1725), Washington (0.134), Maryland (0.0905), Georgia (0.0535), Minnesota (0.0535), and South Dakota (0.015)—only Georgia and Missouri cut income taxes in 2021 or 2022. So, the synthetic unit is a benchmark mostly devoid of the influence of energy shocks or tax cuts during the period, providing additional evidence that the Oklahoma economy underperformed since the tax cuts of 2022 (Panel D of Table 6).

5. Conclusion

Using Oklahoma as a case study, we examined whether an economic growth case could be made for further reducing state personal income taxes. Proponents of cutting taxes often make two claims. One is that there are long-term growth advantages in states that do not tax income. The second is that tax cuts increase growth sufficiently in the short run such that the cuts do not require reductions in spending to balance budgets.

Based on a review of previous high-profile cross-state growth comparisons and our added comparisons, we showed that such comparisons cannot be used to establish growth advantages from not taxing personal income. The results of cross-state growth comparisons are shown to be sensitive to the period examined, economic indicators used, and consideration of other state characteristics that affect growth. The inability of cross-state comparisons to efficaciously guide policy points to the need for more scientific approaches.

We briefly discussed how academic researchers examine the issue and highlighted our recent academically published research (Rickman and Wang 2018; 2020a; 2024). Academic research mostly focuses on how changes in state and local taxes affect changes in economic activity. Our research attempted to create experimental settings by comparing states that cut income taxes with weighted averages (syntheses) of other states that did not cut taxes to best represent what would have happened in the absence of tax cuts. The evidence from the three studies more strongly supports the hypothesis that cuts to personal income taxes reduce growth rather than increase growth. The evidence comports with the conclusion from the review by Rickman and Wang (2020a, p. 462) of numerous studies performed over different times and places, and differing changes in income taxes, that "...state and local tax fiscal policy is not predictably a major driver of economic growth in the United States, particularly in more recent decades."

Considering Oklahoma's cuts to taxes on income in 2022 we then used the insights from our recent studies and compared Oklahoma's personal income growth during 2022–2023 to that of several benchmark areas. One benchmark area consisted of all states that taxed income but did not cut income taxes during 2021 or 2022. Personal income growth in all benchmark areas exceeded Oklahoma's by the end of the period, failing to support the claim of tax cut-induced growth in income and tax revenues.

[7] Oklahoma also underperformed throughout the entire period after omitting the four states that enacted tax cuts in 2023 (footnote 4) from the benchmark, though by lesser amounts (not shown).

The push to cut state taxes on income is unlikely to go away any time soon. Claims that cutting taxes from current levels spurs growth in state economies and tax revenues should not be accepted uncritically. Previous studies lacking scientific rigor should be dismissed from discussion (e.g., Arduin, Laffer & Moore Econometrics, 2011). Tax cut proponents should be forced to address current scientific evidence and provide evidence themselves that is rigorously reviewed by politically independent expert entities. Given an absence of compelling evidence that recent state tax cuts spurred growth, more focus should be put on the optimal size of state government and the composition of taxes and services from the perspective of quality of life and social well-being.

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