

Appleseed This Week

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A nonprofit network of 16 public interest justice centers in the U.S. and Mexico, Appleseed is dedicated to building a society in which opportunities are genuine, access to justice is universal and equal, and government advances the public interest.

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Oklahoma Tax Unfairly Targets Immigrants

Appleseed is mobilizing to oppose a recently enacted Oklahoma tax on remittances, passed by the state legislature in June. The first of its kind, the law imposes a five dollar fee on each remittance transaction made through a licensed money transmitter, plus an additional fee of one percent of amounts greater than five hundred dollars.

Having long advocated for fairer practices in the remittance market, Appleseed Centers have already helped block similar measures in Texas, Nebraska and Georgia. In response to the new tax, Appleseed is working with Centers, the White House, industry, and grassroots groups on strategies to overturn or ameliorate the effects of this bill and to ensure that similar bills are not replicated elsewhere.

"Because a tax credit for the new remittance fees is available to Oklahoma residents who file Oklahoma taxes, the law clearly is motivated by an anti-immigrant bias," said Appleseed executive director Betsy Cavendish. "It imposes a harsh financial burden on those who can least afford it."

If permitted to stand, the law will have a number of deleterious effects on Oklahoma's immigrant community. Many immigrants may attempt to circumvent the tax by remitting funds through unlicensed couriers or money transmitters, or by driving across the state border to make a wire transfer, thereby exposing themselves and their families to undue financial risk.

Meanwhile, the tax itself will further burden low-income individuals. An Appleseed study entitled [Access to Financial Institutions and Use of Financial Services](#) found that Mexican immigrants earning less than \$30,000 per year are more likely to send money back to Mexico than those in higher income brackets.

member of two combined giving campaigns: United Way of the National Capital Area (UWNCA) and the Combined Federal Campaign (CFC).

Both campaigns kick off in September.

Please make a note of the Appleseed designation codes below.

UNWCA: 9639

CFC: 10758

And because international remittances are crucial to meeting the daily needs of immigrants' families abroad, the Oklahoma tax will also place a strain on international poverty alleviation. Inter-American Dialogue estimates that 80 percent of remittances are spent on critical immediate needs by the receiving families on food, clothing and housing.

The law also applies to domestic transfers and therefore will affect those who send money to support family members in other states - primarily low-income and unbanked families.

Furthermore, low-income seniors and other Oklahoma residents who make less than the baseline for filing a state income tax form would be unable to claim the tax credit.

Appleseed calls upon the current administration to reaffirm the Treasury Department policy of supporting measures that lower the costs of remittances. For more information on Appleseed's work in the remittance field, [click here](#).