Client-Facing Letter for CPAs to Use

**Subject**: Important Update on Oklahoma Tribal Income Tax Exemption – *Stroble v. Oklahoma Tax Commission*

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Dear [Client Name],

We are writing to inform you of a recent decision by the Oklahoma Supreme Court that may affect your state income tax filings if you are a member of a federally recognized tribe residing or working within reservation boundaries.

On July 1, 2025, the Court issued its ruling in *Stroble v. Oklahoma Tax Commission* (2025 OK 48, Case No. 120806), holding that a tribal citizen who lives and works within the boundaries of the Muscogee (Creek) Reservation is not exempt from Oklahoma state income tax unless specific criteria are met. The Court declined to extend the U.S. Supreme Court’s ruling in *McGirt v. Oklahoma* (which recognized the continued existence of the Creek Reservation for criminal jurisdiction) to civil tax matters.

## Key Takeaways from the Decision

To qualify for the Exempt Tribal Income exclusion under Oklahoma law, all three of the following must be true:

1. You are a member of a federally recognized tribe;
2. You reside on Indian land belonging to your tribe;
3. Your income is earned from sources within that Indian land, such as employment by the tribe or its entities.

## What This Means for You

If you have filed or are considering filing for a state income tax exemption based on tribal status and residence:

* **Review your income sources**: If your income is not from tribal employment or tribal land-based sources, your exemption claim may be denied.
* **Pending Claims**: If you have a pending protest or appeal with the Oklahoma Tax Commission based on similar grounds, we recommend consulting with us immediately to reassess your position in light of this ruling.
* **Future Filings**: Going forward, we advise caution in claiming the exemption unless all three criteria are clearly met and documented.

## Next Steps

Please contact our office if:

* You have an open protest or audit with the Oklahoma Tax Commission;
* You are unsure whether your income qualifies for the exemption;
* You would like assistance amending prior returns or preparing future filings.

We are here to help you navigate these changes and ensure compliance while protecting your rights.

Sincerely,  
[CPA Name]  
[Firm Name]  
[Contact Information]