



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: September 3, 2015

Gross Receipts to the Treasury Continue to Fall in August

OKLAHOMA CITY – Gross Receipts to the Treasury in August dropped 3.5 percent below collections from the same month of the prior year. This is the fourth consecutive month and the fifth time in six months the year-over-year comparison has been negative, State Treasurer Ken Miller announced today.

As has been the case for nine of the past 10 months, collections from oil and natural gas production taxes were lower, and that was the primary reason for the downturn in August. Sales tax collections for the month were also lower, while gross income tax and motor vehicle receipts showed growth.

“If there is good news in the August gross receipts report, it’s that the oil price decline hasn’t yet erased all of the economic gains of the past year,” Miller said. “In spite of job losses in the energy sector, the state unemployment rate remains relatively low and the spillover effect of the price drop is reasonably small at this point.”

August gross production collections are from oil field activity in June, when the average price of West Texas Intermediate crude oil was \$59.82 per barrel. Oil prices have since fallen to below \$39 and were at less than \$45 per barrel earlier this week. The impact of those lower prices will be seen in the coming months.

Gross production collections were off by almost 46 percent for the month, and sales taxes shrank by 1.5 percent. Combined personal and corporate income tax collections for the month were up by 7.4 percent, while motor vehicle collections grew by 2.7 percent.

Gross receipts for the past 12 months total \$11.9 billion, with a growth rate of 0.6 percent compared to the prior 12 months. While the rate of growth in 12-month collections has remained positive for almost five years, the current rate is the lowest since October 2010 and compares to 12-month growth of 4.6 percent in August of last year.

In the past 12-months, gross production tax collections are down by almost 29 percent and motor vehicle collections are off by more than 3 percent. Income tax and sales tax collections remain growth positive over the 12 months, at 5.2 percent and 2 percent, respectively.

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Other indicators

Following three months of consecutive increases, Oklahoma's unemployment rate held steady at 4.5 percent in July. The Mining and Logging supersector, which includes the energy sector, is down by 9,100 jobs from its peak set last November. The national unemployment rate was also unchanged in July at 5.3 percent.

Oklahoma City metropolitan unemployment decreased 0.4 percentage points to 3.9 percent in July, and Tulsa's jobless rate dropped by 0.3 percentage points to 4.5 percent.

The Business Conditions Index for Oklahoma in August remained below growth neutral for a fourth consecutive month and slipped to 48.1 from July's 48.3. Numbers below 50 indicate economic contraction is expected during the next three to six month. Survey results indicate economic losses are anticipated through the end of the calendar year.

August collections

Receipts for August set gross collections at \$866.55 million, down \$31.89 million or 3.5 percent from August 2014.

Gross income tax collections, a combination of personal and corporate income taxes, generated \$258.17 million, an increase of \$17.84 million or 7.4 percent from the previous August.

Personal income tax collections for the month are \$230.37 million, down by \$58,900 or 0.03 percent from the prior year. Corporate collections are \$27.8 million, up by \$17.9 million or 180.8 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$372.77 million in August. That is \$5.85 million or 1.5 percent lower than August 2014.

Gross production taxes on oil and natural gas generated \$40.84 million in August, a decrease of \$34.5 million or 45.8 percent from last August. Compared to July reports, gross production collections are down by \$228,000 or 0.6 percent.

Motor vehicle taxes produced \$65.72 million, up by \$1.75 million or 2.7 percent from the prior year.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$129.05 million during the month. That is \$11.14 million or 7.9 percent lower than last August.

Twelve-month collections

Gross revenue totals \$11.9 billion between September 2014 and August 2015. That is \$74.99 million or 0.6 percent higher than collections from September 2013 to August 2014.

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Gross income taxes generated \$4.4 billion for the period, reflecting an increase of \$215.91 million or 5.2 percent from the prior period.

Personal income tax collections total \$3.79 billion, up by \$143.99 million or 3.9 percent from the prior 12 months. Corporate collections are \$613.37 million for the period, an increase of \$71.93 million or 13.3 percent over the previous period.

Sales taxes for the period generated \$4.46 billion, an increase of \$87.34 million or 2 percent from the prior 12 months.

Oil and gas gross production tax collections brought in \$627.25 million during the 12 months, down by \$249.73 million or 28.5 percent from the previous 12 months.

Motor vehicle collections total \$768.41 million for the period. This is a drop of \$24.78 million or 3.1 percent from the trailing period.

Other sources generated \$1.64 billion, up \$46.24 million or 2.9 percent from the previous 12 months.

About Gross Receipts to the Treasury

Since March 2011, the Treasurer's Office has issued the monthly Gross Receipts to the Treasury report, which provides a timely and broad view of the state's macro economy.

It is provided in conjunction with the General Revenue Fund (GRF) allocation report from the Office of Management and Enterprise Services, which provides important information to state agencies for budgetary planning purposes.

The GRF receives just less than half of the state's gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and placed into off-the-top earmarks to other state funds.

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For more information contact:

Tim Allen, Deputy Treasurer for Communications & Program Administration
(405) 522-4212

Gross Receipts to Treasury

PRELIMINARY

MONTHLY COMPARISON

(In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	August-14	August-15	\$	%
Income Tax	240.33	258.17	17.84	7.4%
Gross Production	75.33	40.84	-34.50	-45.8%
Sales Tax (1)	378.61	372.77	-5.85	-1.5%
Motor Vehicle	63.97	65.72	1.75	2.7%
Other Sources (2)	140.19	129.05	-11.14	-7.9%
TOTAL REVENUE	898.44	866.55	-31.89	-3.5%

(1) Includes Collections for Counties and Municipalities

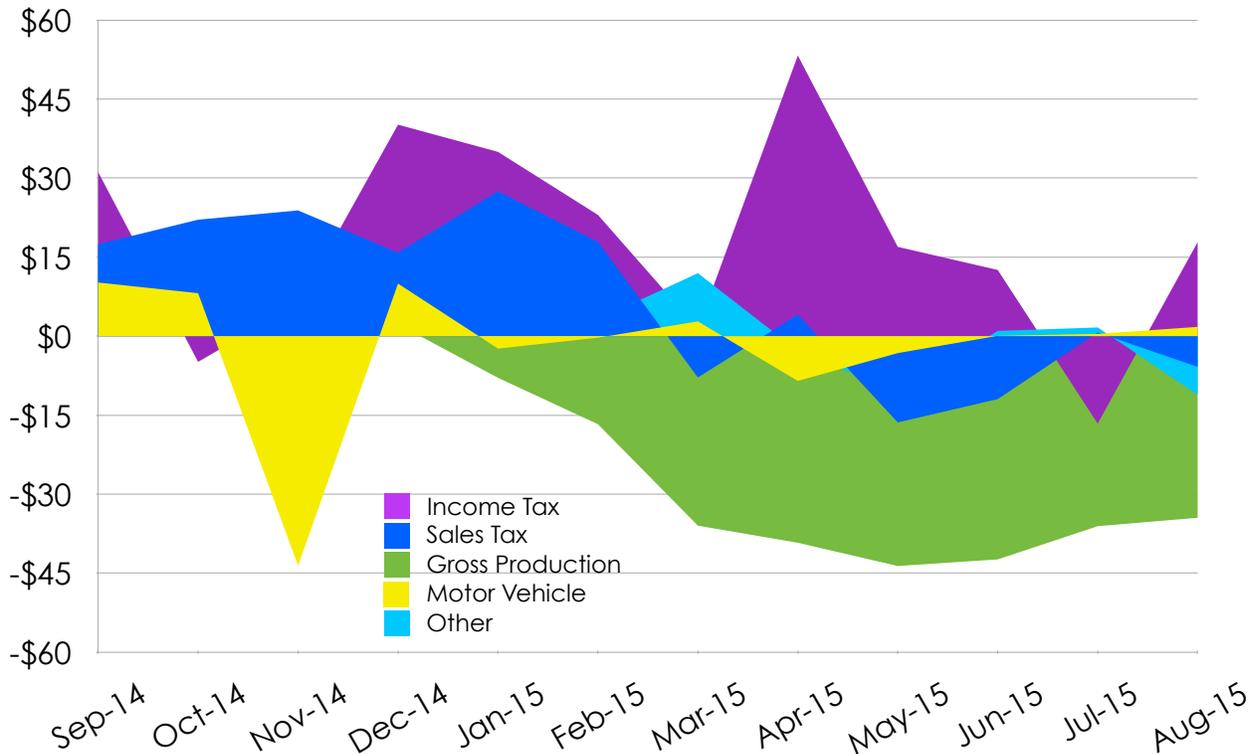
(2) Gross Collections from OTC

Details may not sum due to rounding.

Monthly Gross Receipts vs. Prior Year

September 2014 – August 2015

Dollar Variance in Millions from Same Month of Prior Year



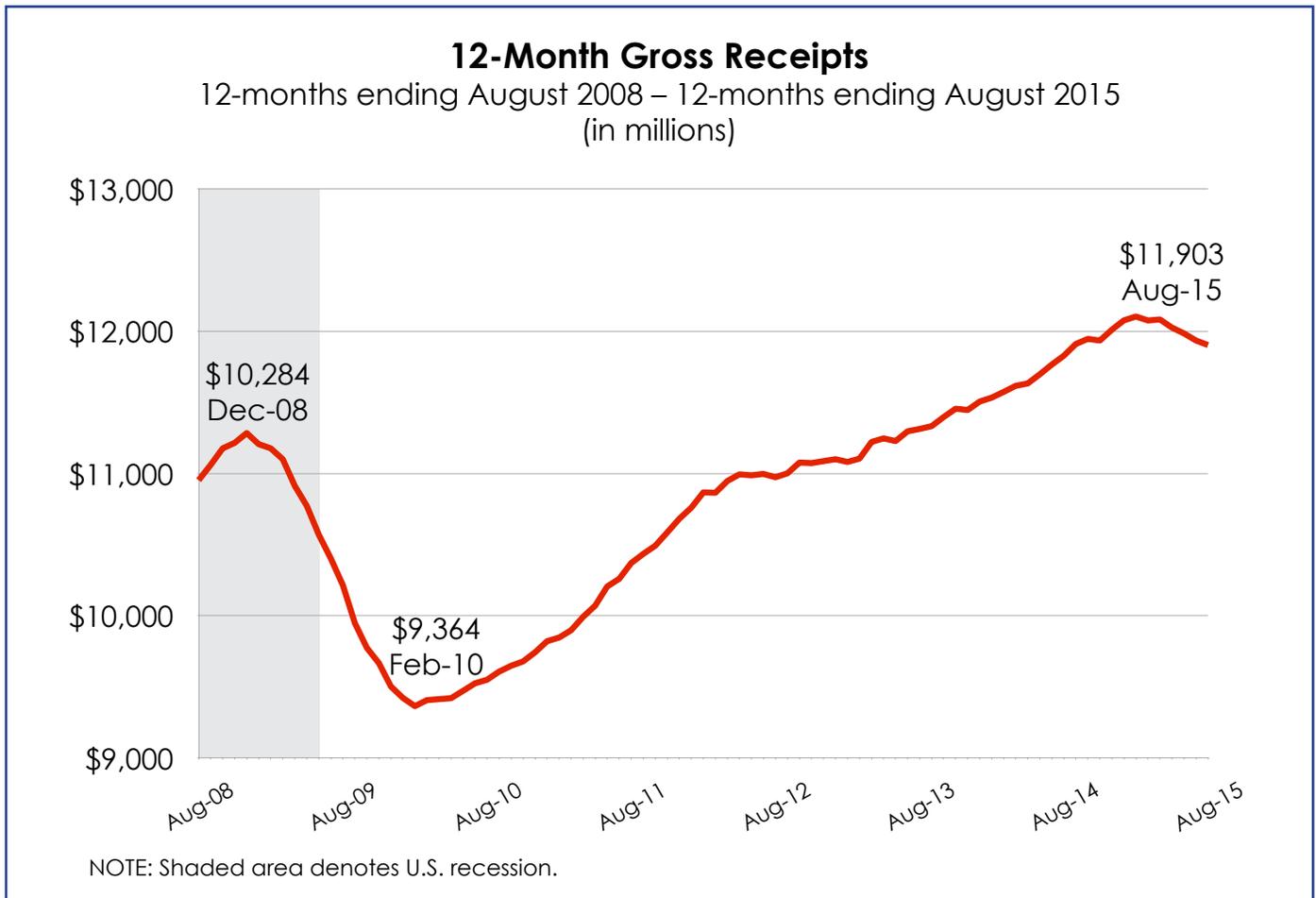
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending September 2014-August 2015		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	Sept 2013 - Aug 2014	Sept 2014 - Aug 2015	\$	%
Income Tax	4,189.03	4,404.95	215.91	5.2%
Gross Production	876.97	627.25	-249.73	-28.5%
Sales Tax (1)	4,372.44	4,459.78	87.34	2.0%
Motor Vehicle	793.19	768.41	-24.78	-3.1%
Other Sources (2)	1,596.11	1,642.35	46.24	2.9%
TOTAL REVENUE	11,827.75	11,902.74	74.99	0.6%

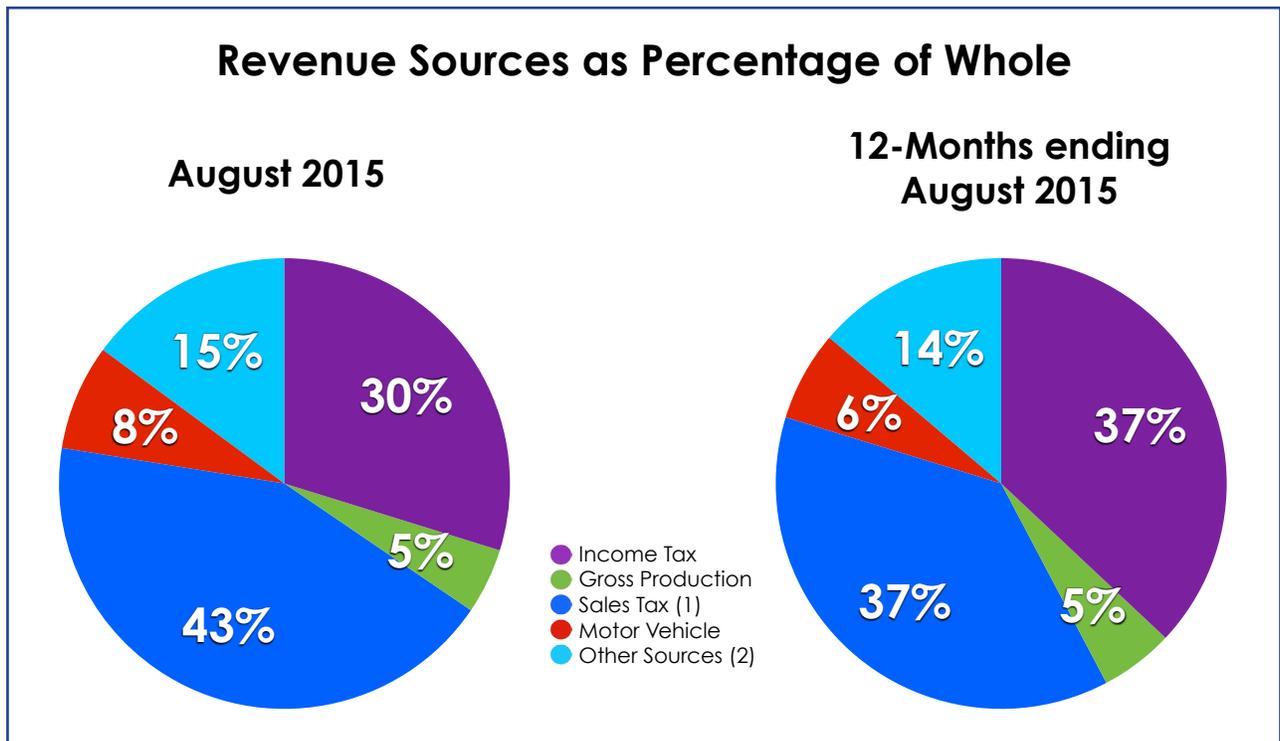
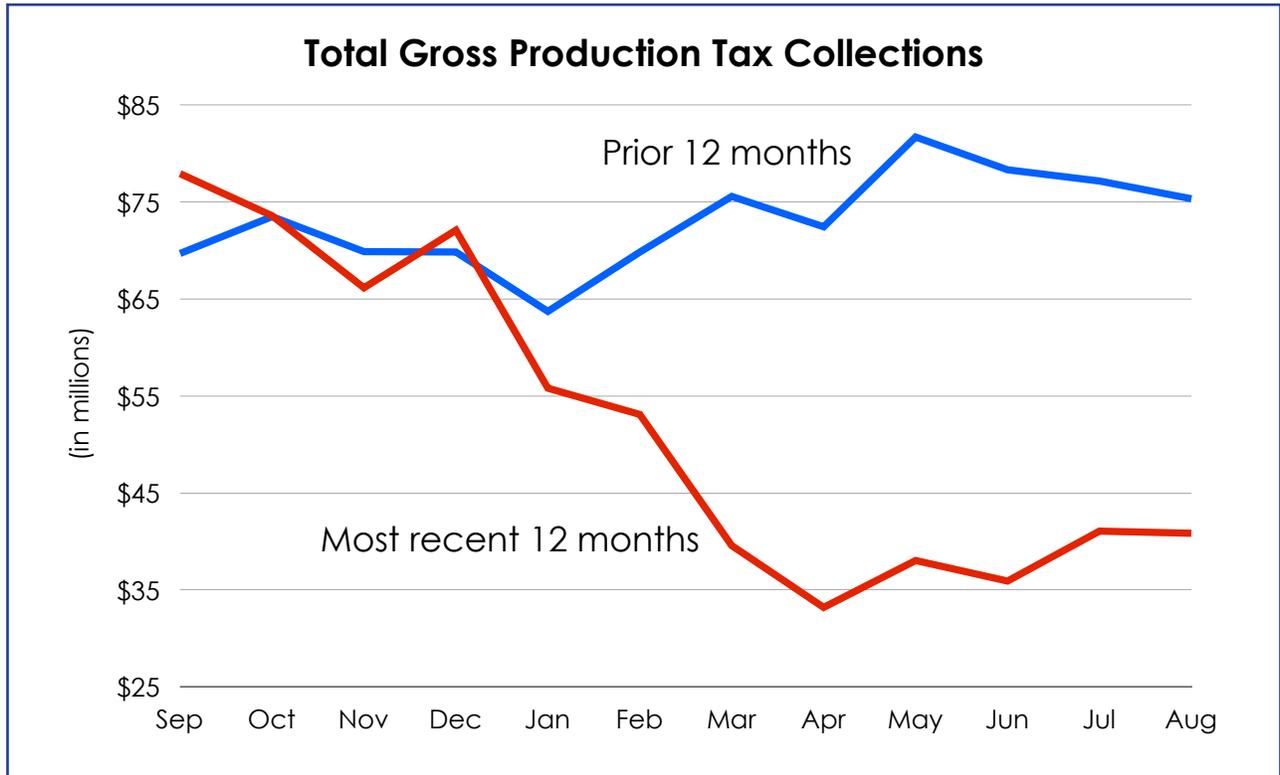
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Gross Receipts to Treasury



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