



**OKLAHOMA STATE TREASURER  
KEN MILLER**

**For Immediate Release: September 6, 2012**

**Oil and Gas Again Pull Collections into  
Negative Territory**

**OKLAHOMA CITY** – For the third time in the past six months, collections to the Oklahoma Treasury fell below prior year receipts in August, State Treasurer Ken Miller announced today as he released the monthly gross receipts to the treasury report.

As with the two prior negative months, markedly lower gross production tax collections are the cause, Miller said.

“Spending by businesses and consumers continues to be strong,” Miller said. “Unfortunately, the growth in that area is insufficient to keep the overall trend from dipping into negative territory again.”

Gross collections for August are 2.8 percent below August of last year. Collections on oil and natural gas production are 53.7 percent lower for the month, while sales tax collections are up by 10.4 percent.

Gross production collections have been lower than the prior year for nine consecutive months, which Miller said presents a somewhat skewed picture of the Oklahoma economy.

“Low unemployment continues to strengthen personal income which in turn continues to boost purchases, but weak gross production collections drag down an otherwise healthy report.” he said.

August personal income tax collections are also lower than the prior year for a second time in three months. As with June collections, the downturn is in withholding taxes remitted by businesses for hourly and salaried employees. Also as with June, withholding remittances for August are 6.2 percent lower than the prior year.

However, Oklahoma Tax Commission officials believe the drop in withholding taxes is an anomaly due to remittance deadlines set by the Internal Revenue Service.

**(more)**

## **Mixed signals**

Leading economic indicators are sending mixed signals. Oklahoma's Business Conditions Index was in positive territory at 53.6 in August, compared to 52.7 in July. The state's consumer confidence index was listed at a relatively weak 42.3, even though it rose from July's rate of 37.5.

"These numbers are a bit of head scratcher," Miller said. "Typically good retail numbers coincide with better consumer confidence data, but we are seeing conflicting measures this month. Sales reports appear to indicate higher confidence than is measured by the survey."

Oklahoma's low unemployment rate of 4.9 percent in July compares to a national rate of 8.3 percent and shows the state's relatively positive position. The Oklahoma City metro area continues to top the list of lowest jobless rates among large U.S. cities with the July rate set at 4.7 percent.

Miller said state treasury officials will be paying close attention to overall collections in the coming months.

"For 10 of the past 12 months, we've seen the drop off in gross production collections accelerate while sales and income collections have kept growing," he said. "But because of the large impact of the energy industry on the state economy, it's important to keep an eye out for spillover effects that may be attributable to weakness in oil and gas collections."

Miller said consumers today appear to be more uncertain about the future due to the state's drought, concerns with Washington's inability to manage federal fiscal issues, the impending elections and a weakened China and Europe.

"I remain confident in the ability of Oklahomans to manage through any obstacles that may come our way," he said. "It's the external economic, political and fiscal issues beyond our control that can give one pause."

## **August collections**

The revenue report for August sets gross collections at \$819.55 million, down \$23.31 million or 2.8 percent from August 2011.

Gross income tax collections, a combination of personal and corporate income taxes, generated \$229.46 million, a decrease of \$9.17 million or 3.8 percent from the previous August.

Personal income tax collections for the month are \$221.43 million, down \$12.14 million or 5.2 percent from the prior year. Corporate collections are \$8.03 million, up by \$2.98 million or 58.9 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$357.11 million in August. That is \$33.58 million or 10.4 percent above August 2011.

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Gross production taxes on oil and natural gas generated \$46.92 million in August, a decrease of \$54.41 million or 53.7 percent from last August. Compared to July reports, gross production collections are down by \$11.4 million or 19.6 percent.

Motor vehicle taxes produced \$64.74 million for the month, up by \$4.47 million or 7.4 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 \$121.32 million during the month. That is \$2.22 million or 1.9 percent more than last August.

### **Twelve-month collections**

Gross revenue totals \$10.97 billion during the September 2011-August 2012 period. That is \$603.17 million or 5.8 percent higher than collections from the previous 12-month period.

Gross income taxes generated \$3.87 billion for the period, reflecting an increase of \$328.54 million or 9.3 percent from the prior 12 months.

Personal income tax collections total \$3.32 billion, up by \$222.89 million or 7.2 percent from the prior 12 months. Corporate collections are \$552.51 million for the period, an increase of \$105.64 million or 23.6 percent over the previous period.

Sales taxes for the period generated \$4.1 billion, an increase of \$344.63 million or 9.2 percent from the prior 12-months.

Oil and gas gross production tax collections brought in \$797.78 million during the 12 months, down by \$237.49 million or 22.9 percent from the previous period.

Motor vehicle collections total \$697.88 million for the period. This is an increase of \$56.1 million or 8.7 percent from the trailing 12 months.

Other sources generated \$1.51 billion, up \$111.39 million or 7.9 percent from the previous 12 months.

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### **For more information contact:**

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# Gross Receipts to Treasury

PRELIMINARY

## MONTHLY COMPARISON

SUMMARY August 2012  
Variance From Prior Year

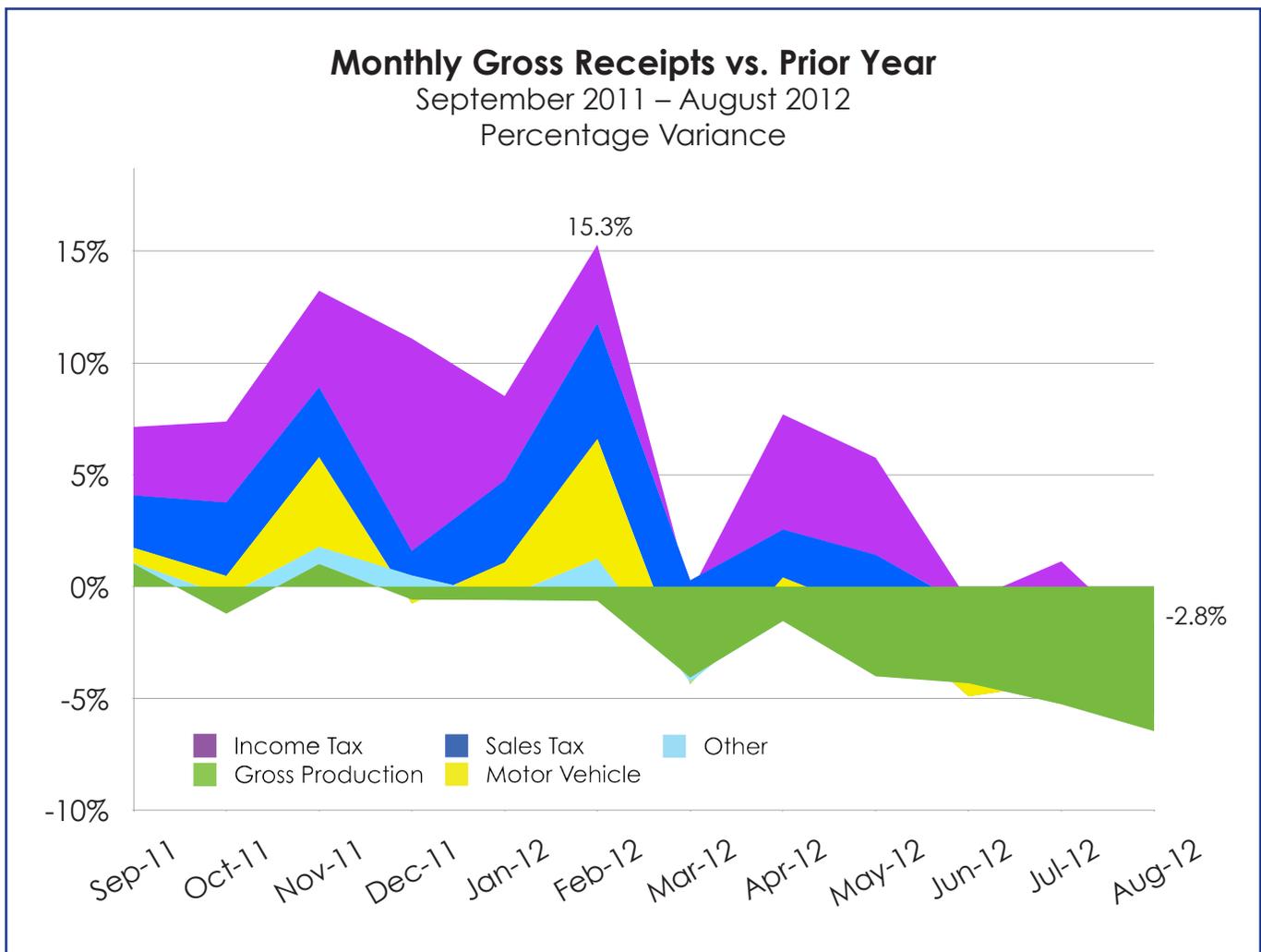
(In \$ millions)

	August-11	August-12	\$	%
Income Tax	238.63	229.46	-9.17	-3.8%
Gross Production	101.33	46.92	-54.41	-53.7%
Sales Tax (1)	323.53	357.11	33.58	10.4%
Motor Vehicle	60.27	64.74	4.47	7.4%
Other Sources (2)	119.10	121.32	2.22	1.9%
<b>TOTAL REVENUE</b>	<b>842.86</b>	<b>819.55</b>	<b>-23.31</b>	<b>-2.8%</b>

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



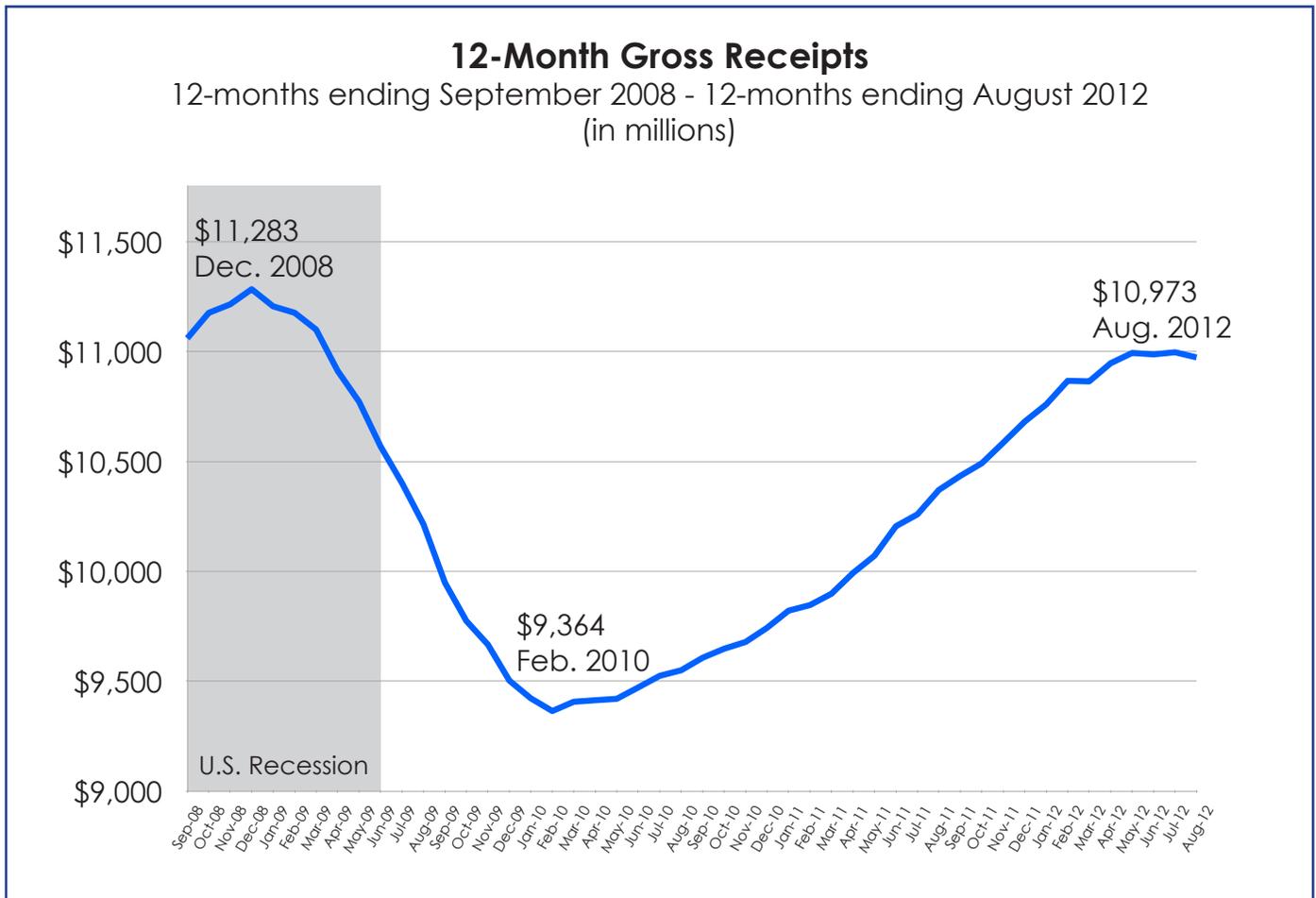
# Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending September 2011 - August 2012		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	Sept. 2010 - Aug. 2011	Sept. 2011 - Aug. 2012	\$	%
Income Tax	3,540.58	3,869.12	328.54	9.3%
Gross Production	1,035.27	797.78	-237.49	-22.9%
Sales Tax (1)	3,751.30	4,095.93	344.63	9.2%
Motor Vehicle	641.78	697.88	56.10	8.7%
Other Sources (2)	1,401.34	1,512.74	111.39	7.9%
<b>TOTAL REVENUE</b>	<b>10,370.28</b>	<b>10,973.45</b>	<b>603.17</b>	<b>5.8%</b>

(1) Includes Collections for Counties and Municipalities

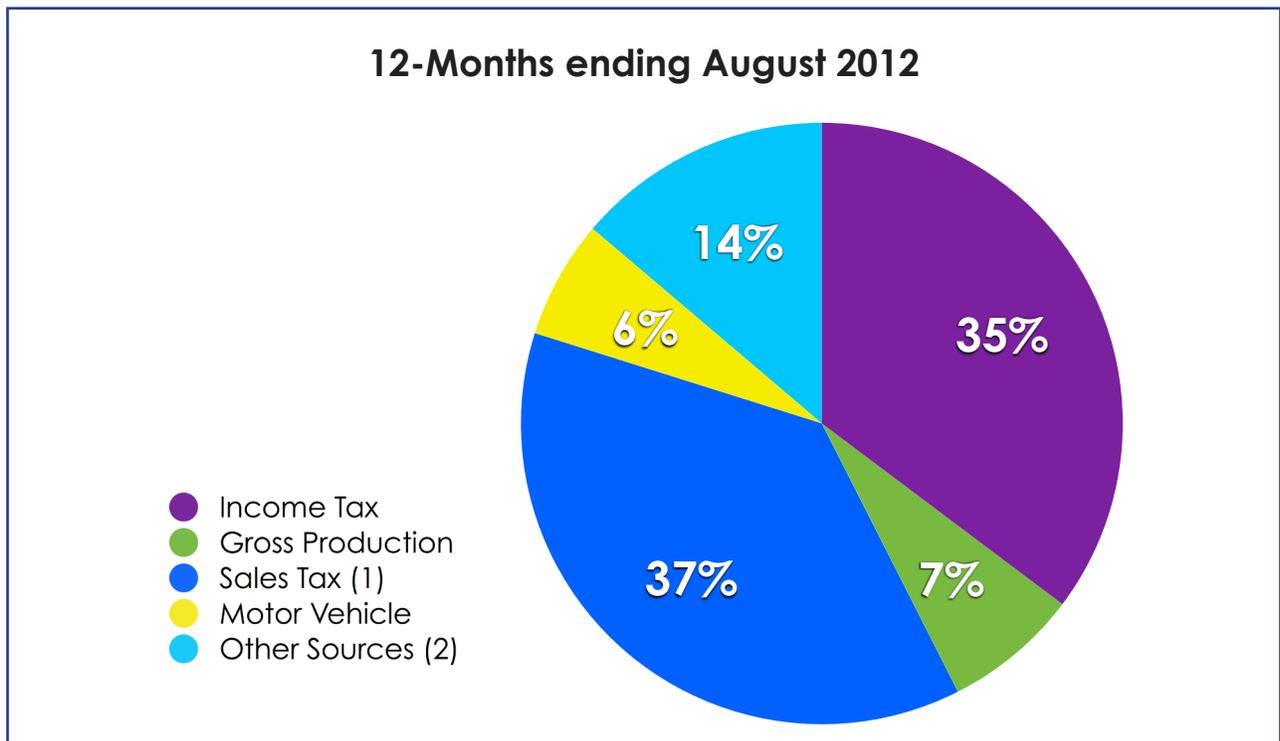
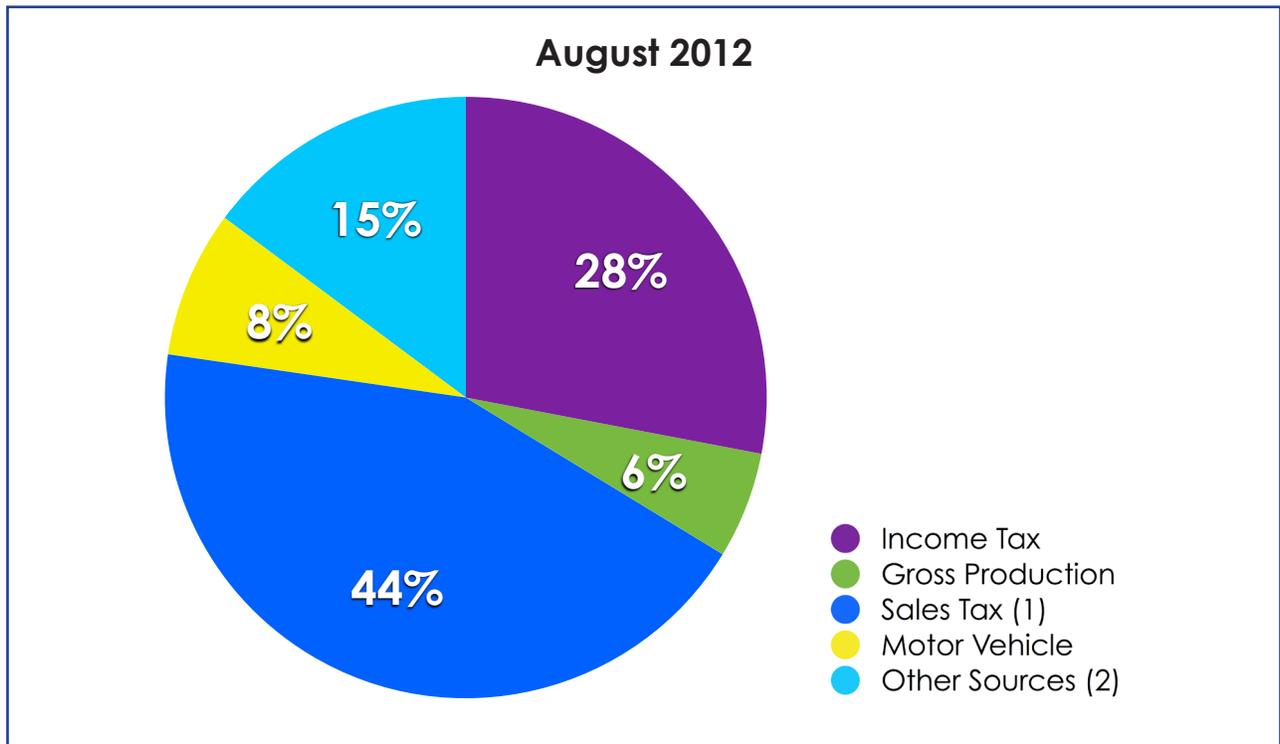
(2) Gross Collections from OTC

Details may not sum due to rounding.



# Gross Receipts to Treasury

## Revenue Sources as Percentage of Whole



(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC