



**OKLAHOMA STATE TREASURER
KEN MILLER**

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Oklahoma Economy Yields Moderated Growth in 2013

OKLAHOMA CITY – The Oklahoma economy continues to advance but backed off the accelerator a little during 2013, State Treasurer Ken Miller said today as he released the state’s monthly gross receipts to the treasury report.

“All major sources of revenue finished the year in growth territory, just not as robust as during the past few years,” Miller said. “National and state economic data, such as consumer and business confidence, real estate and stock prices, point to continued growth in the new year.”

The growth in gross collections during 2013 was 3.2 percent, compared to 3.8 percent in 2012 and 9.6 percent in 2011. In December, a more than 10 percent drop in gross income tax collections pushed the bottom line down by almost one percent from December of last year.

Monthly gross receipts were less than prior year collections only three times during 2013. However, gross income tax numbers underperformed the prior year during five months, with corporate income taxes missing the mark eight times. Corporate collections finished the year down by 1.6 percent from the prior 12-months.

Miller said performance in the oil patch is the brightest spot in the annual numbers.

“After falling throughout 2012 and the beginning of 2013, gross production receipts have topped prior year collections for the past eight consecutive months and finished the year up by more than 9 percent over 2012,” he said.

Sales tax collections indicate a Christmas shopping season marginally better than last year. December sales tax collections, reflecting sales between mid-November and mid-December, were \$3.5 million or 1 percent higher than the same period of 2012. Last December, sales taxes were up by 5.9 percent over the prior year.

Positive outlook

Miller said that while the federal government provided impediments to growth during 2013, recent developments in Washington give reason to be hopeful in future months.

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“Taking the economy to the brink in the showdown over the federal budget and debt limit during the past year had a chilling effect on the nation’s economy,” he said. “But now that lawmakers have finally approved a budget, perhaps some stability will be restored.”

While the near term looks positive, Miller said long term economic challenges still remain with the Affordable Care Act, federal deficit spending and public pension problems across the nation, including in Oklahoma.

“More must be done to bring Washington’s appetite for spending under control,” he said. “Plus, the implementation problems with Obamacare continue to prolong the uncertainty of its costs to individuals and businesses.”

Other measurements

During the past 12 months, figures from the Oklahoma Employment Security Commission show the number of those unemployed increased by 5,310, while the number of jobs dropped by 2,350. During that time, the unemployment rate increased from 5.1 percent to 5.4 percent.

The Oklahoma Business Conditions Index anticipates economic expansion in Oklahoma’s economy during at least the first half of 2014. The index rate jumped to 60.2 in December from November’s rate of 49.3. Numbers above 50 indicate anticipated economic growth in the coming months.

December collections

The revenue report for December shows gross collections at \$965.61 million, down \$9.16 million or 0.9 percent from December 2012.

Gross income tax collections, a combination of personal and corporate income taxes, generated \$340.64 million, a decrease of \$38.19 million or 10.1 percent from the previous December.

Personal income tax collections for the month are \$284.73 million, down \$6.88 million or 2.4 percent from the prior year. Corporate collections are \$55.9 million, a decrease of \$31.31 million or 35.9 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$368.49 million in December. That is \$3.51 million or 1 percent above December 2012.

Gross production taxes on oil and natural gas generated \$69.84 million in December, an increase of \$9.67 million or 16.1 percent from last December. Compared to November reports, gross production collections are down by \$41,000 or 0.1 percent.

Motor vehicle taxes produced \$55.64 million, up by \$3.46 million or 6.6 percent from the prior year.

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Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$131.01 million during the month. That is \$12.39 million or 10.4 percent more than last December.

2013 collections

During 2013, gross revenue totals \$11.446 billion. That is \$359.17 million or 3.2 percent higher than collections in 2012.

Gross income taxes generated \$4.11 billion for the year, reflecting an increase of \$148.06 million or 3.7 percent from the prior calendar year.

Personal income tax collections total \$3.528 billion, up by \$157.42 million or 4.7 percent from 2012. Corporate collections are \$579.62 million for the period, a decrease of \$9.36 million or 1.6 percent over the previous year.

Sales taxes for the period generated \$4.267 billion, an increase of \$91.84 million or 2.2 percent from the prior 12-months.

Oil and gas gross production tax collections brought in \$795.5 million during the 12 months, up by \$67.46 million or 9.3 percent from the previous period.

Motor vehicle collections total \$723.93 million for the period. This is an increase of \$22.04 million or 3.1 percent from the trailing 12 months.

Other sources generated \$1.552 billion, up \$29.78 million or 2 percent from the previous calendar year.

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Gross Receipts to Treasury

PRELIMINARY

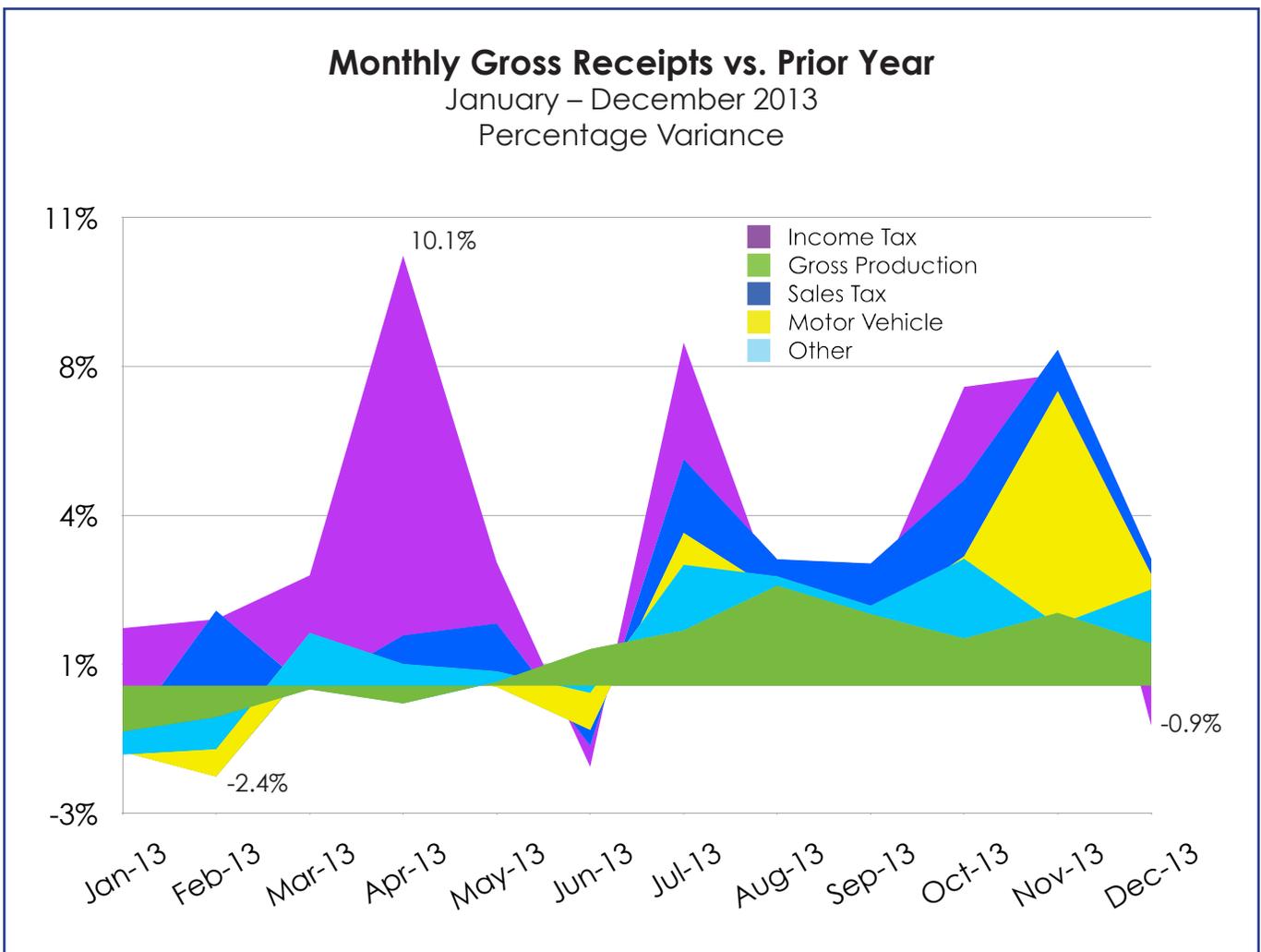
MONTHLY COMPARISON

| (In \$ millions) | December-12 | December-13 | Variance From Prior Year | |
|----------------------|---------------|---------------|--------------------------|--------------|
| | | | \$ | % |
| Income Tax | 378.82 | 340.64 | -38.19 | -10.1% |
| Gross Production | 60.16 | 69.84 | 9.67 | 16.1% |
| Sales Tax (1) | 364.97 | 368.49 | 3.51 | 1.0% |
| Motor Vehicle | 52.18 | 55.64 | 3.46 | 6.6% |
| Other Sources (2) | 118.63 | 131.01 | 12.39 | 10.4% |
| TOTAL REVENUE | 974.77 | 965.61 | -9.16 | -0.9% |

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



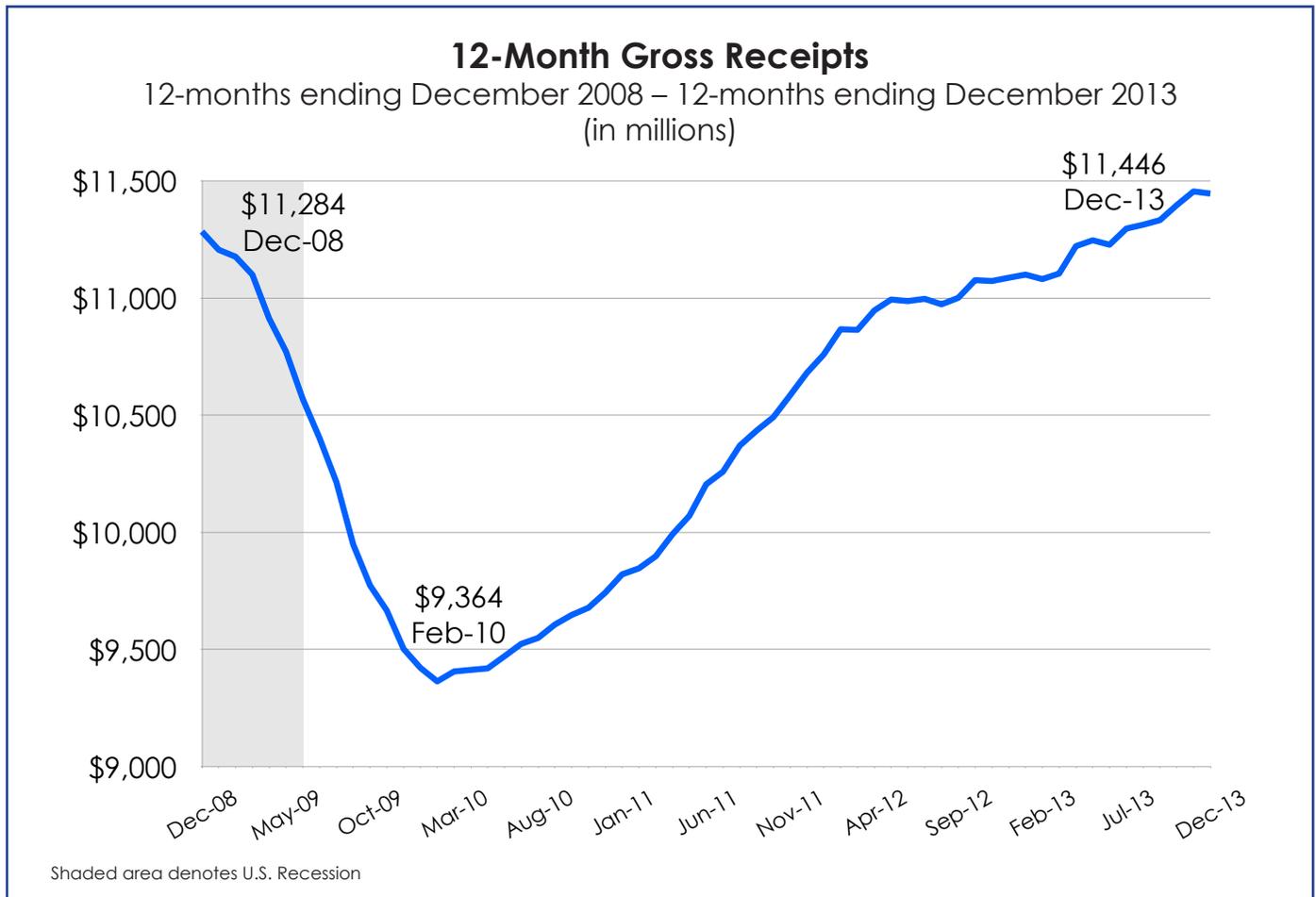
Gross Receipts to Treasury

| PRELIMINARY (In \$ millions) | 12 Month Period Ending Jan 2013 - Dec 2013 | | Summary | |
|---------------------------------|---|---------------------|--------------------------|-------------|
| | Prior Year | Current Year | Variance From Prior Year | |
| | Jan 2012 - Dec 2012 | Jan 2013 - Dec 2013 | \$ | % |
| Income Tax | 3,959.62 | 4,107.68 | 148.06 | 3.7% |
| Gross Production | 728.04 | 795.50 | 67.46 | 9.3% |
| Sales Tax (1) | 4,175.37 | 4,267.21 | 91.84 | 2.2% |
| Motor Vehicle | 701.89 | 723.93 | 22.04 | 3.1% |
| Other Sources (2) | 1,521.89 | 1,551.67 | 29.78 | 2.0% |
| TOTAL REVENUE | 11,086.81 | 11,445.98 | 359.17 | 3.2% |

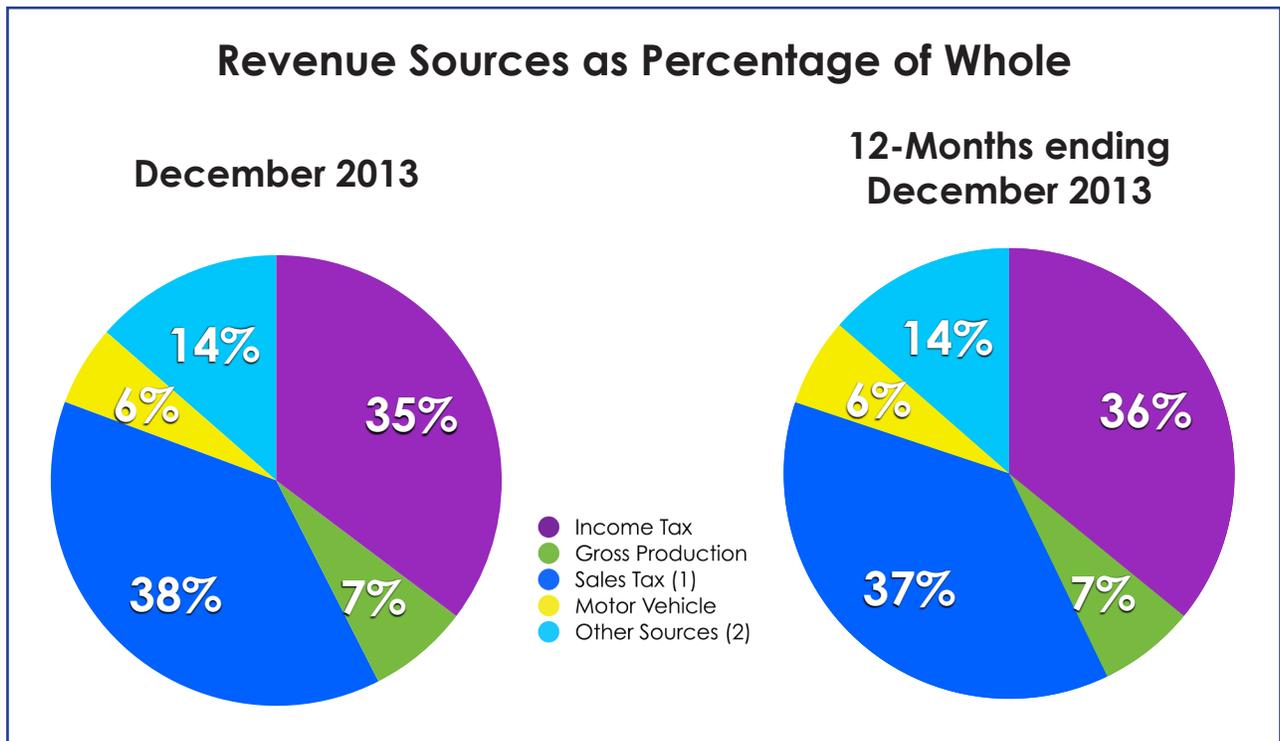
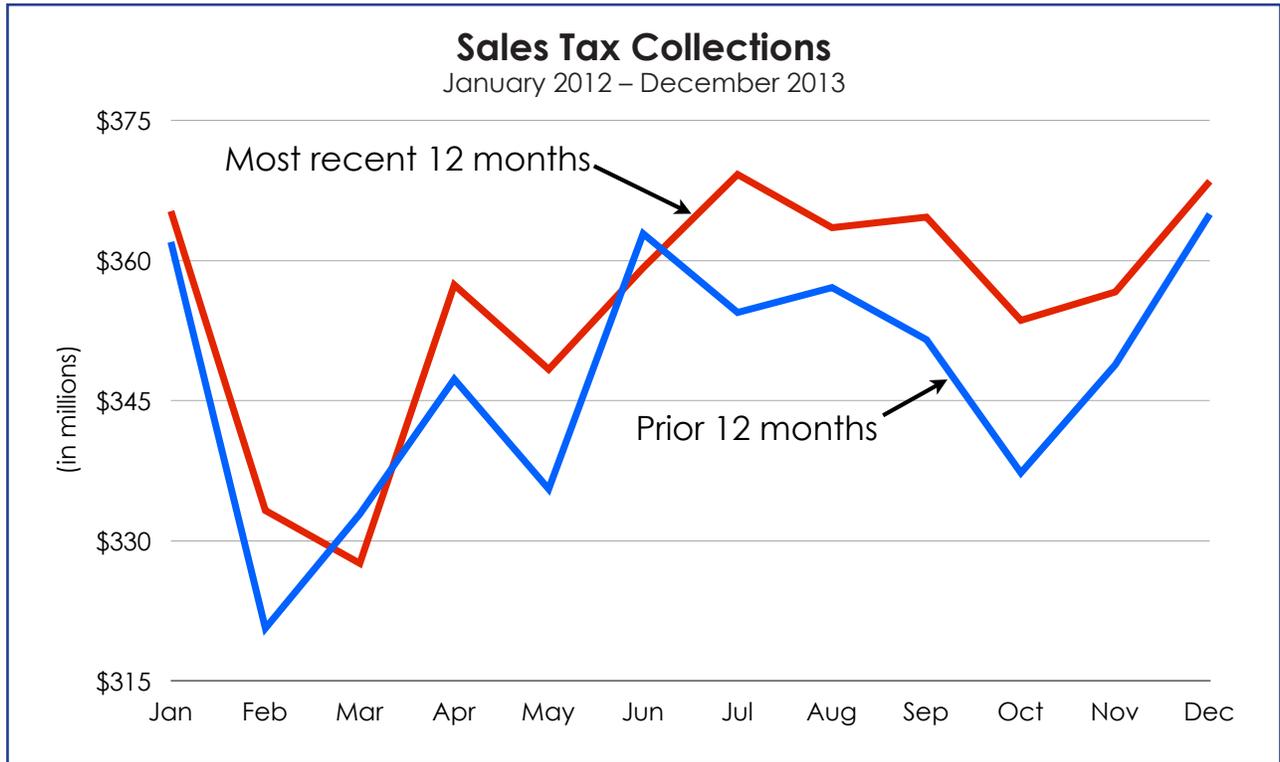
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Gross Receipts to Treasury



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