



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: August 2, 2011

July Revenue Shows Moderated Economic Growth

Treasurer says energy industry continues to lead revenues

OKLAHOMA CITY – July revenues show moderate economic growth as collections continue to beat the prior year, although collections have pulled back from the double-digit numbers seen last month, Treasurer Ken Miller said today as he released the state’s monthly gross revenue report.

“July collections were up by 6.8 percent from July of last year and 14.4 percent above July 2009,” Miller said. “With year-over-year growth last month exceptionally strong at 15.5 percent, it is not surprising to see growth moderate some this month.”

Miller said collections over the past 12 months totaled \$10.259 billion; the highest level since July 2009, when 12-month collections totaled \$10.402 billion.

Debt ceiling and weak national growth

Miller said Oklahoma’s economy has most likely felt the dampening effects of forces outside its borders.

“It is likely the showdown over the federal debt ceiling negatively impacted Oklahoma by providing uncertainty to markets and eroding producer, consumer and investor confidence in the recovery,” he said.

“Although the compromise bill is a small step in the right direction and stems the immediate crisis, it does little to address the systemic federal spending problem and nothing to actually reduce debt that is 100 percent of our GDP. With passage of the bill, the U.S. will still borrow money to finance current expenditures and will continue to add to our national debt.

“I hardly think Washington should congratulate itself for averting an economic meltdown of its own making,” Miller continued.

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“Predictions that states will bear the burden of federal cuts seem to be overstated. The spending reductions are relatively small with the more significant cuts years away and entitlement spending, like Medicaid, completely exempt from the cuts. To the extent that future costs are shifted to the states, that will provide further opportunity to force better prioritization and to re-examine the proper role of government,” he concluded.

Because macro conditions eventually affect Oklahoma, recent national economic data is also of concern, Miller said.

“Data released last week by the Bureau of Economic Analysis show the U.S. economy expanded at an annual rate of just 1.3 percent in the second quarter, not near as strong as expected,” he said. “Of even more concern is that revisions to first quarter GDP show growth at only 0.4 percent.”

Projections of national economic growth have been scaled back recently due to flat job growth numbers, geopolitical factors and data from the Institute for Supply Management that show worsening manufacturing conditions.

July collections up by almost seven percent

The revenue report for July shows gross collections at \$845.44 million, up \$53.82 million or 6.8 percent from July of last year. That compares to year-over-year growth of 15.5 percent in June.

Net income tax collections, a combination of personal and corporate income taxes, generated \$224.89 million, a decrease of \$0.33 million or 0.1 percent from the previous July.

Personal income tax collections for the month are \$213.34 million, up \$2.25 million or 1.1 percent from the prior year. Corporate collections are \$11.55 million, a decrease of \$2.58 million or 18.3 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$330.94 million in July. That is \$18.77 million or 6 percent above July of last year.

Gross production taxes on oil and gas generated \$102.81 million in July, an increase of \$27.39 million or 36.3 percent from last July. Compared to June reports, gross production collections are up \$0.28 million or 0.3 percent.

Motor vehicle taxes produced \$54.96 million, down by \$2.68 million or 4.6 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 \$131.83 million during the month. That is \$10.67 million or 8.8 percent higher than last July.

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Twelve-month collections increase

In the past 12 months, gross revenue totals \$10.259 billion. That is \$734.73 million or 7.7 percent higher than the 12-month period ending in July 2010.

Net income taxes generated \$3.496 billion for the 12 months, reflecting an increase of \$223.32 million or 6.8 percent from the trailing 12 months.

Personal income tax collections total \$3.049 billion, up by \$139.18 million or 4.8 percent from the prior 12 months. Corporate collections are \$446.61 million for the period, an increase of \$84.15 million or 23.2 percent over the previous 12 months.

Sales taxes for the period generated \$3.733 billion, an increase of \$290.35 million or 8.4 percent from the prior 12-month period.

Oil and gas gross production tax collections brought in \$1.006 billion during the 12 months, up by \$116.69 million or 13.1 percent from the previous period.

Motor vehicle collections total \$635.57 million for the period. This is an increase of \$49.71 million or 8.5 percent from the trailing 12 months.

Other sources generated \$1.389 billion, up \$54.65 million or 4.1 percent from the previous period.

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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

SUMMARY July 2011
Variance From Prior Year

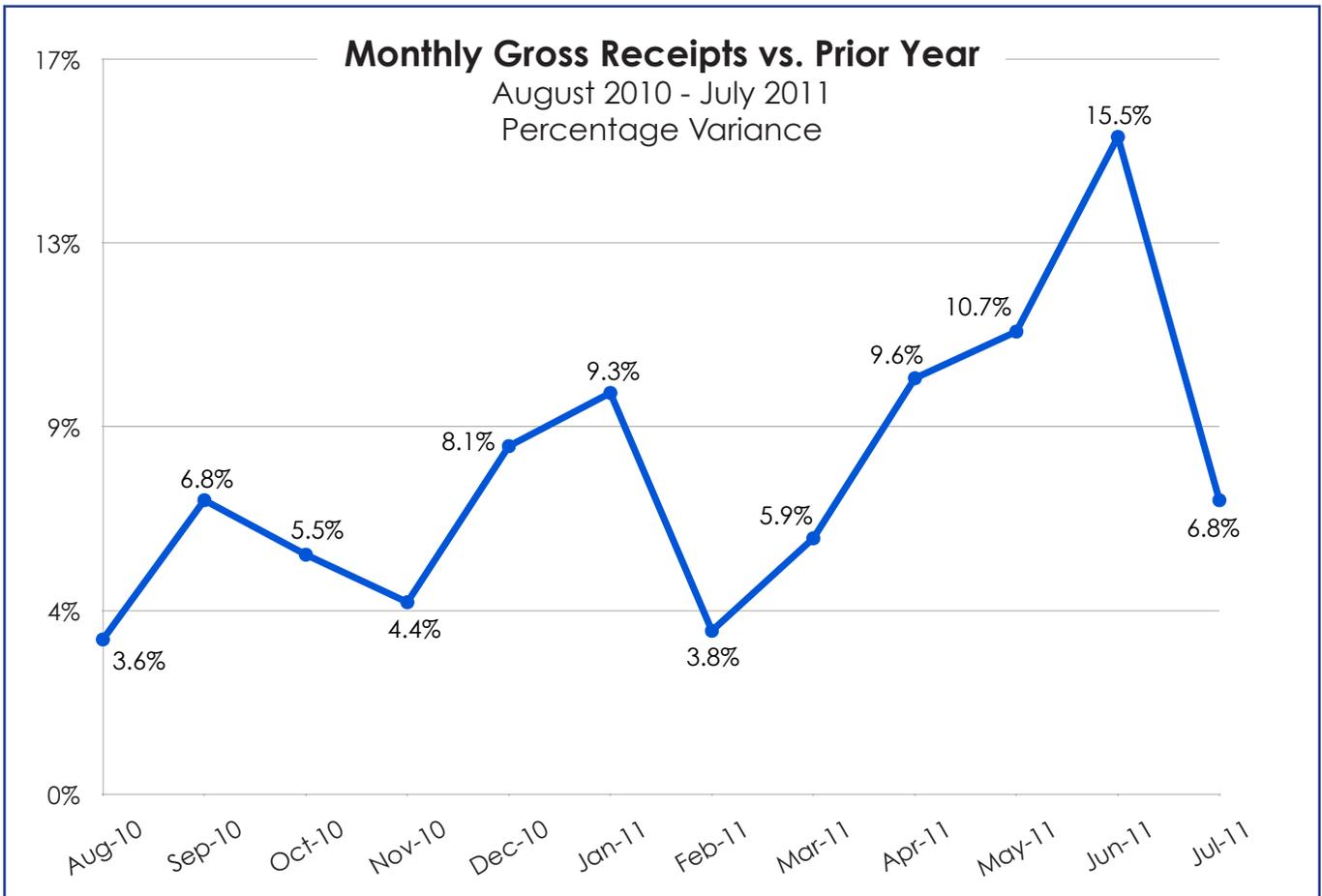
(In \$ millions)

	July-10	July-11	\$	%
Income Tax	225.22	224.89	-0.33	-0.1%
Gross Production	75.42	102.81	27.39	36.3%
Sales Tax (1)	312.18	330.94	18.77	6.0%
Motor Vehicle	57.64	54.96	-2.68	-4.6%
Other Sources (2)	121.16	131.83	10.67	8.8%
TOTAL REVENUE	791.62	845.44	53.82	6.8%

(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 July		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	Aug 2009 - July 2010	Aug 2010 - July 2011	\$	%
Income Tax	3,272.63	3,495.95	223.32	6.8%
Gross Production	888.87	1,005.56	116.69	13.1%
Sales Tax (1)	3,442.84	3,733.20	290.35	8.4%
Motor Vehicle	585.86	635.57	49.71	8.5%
Other Sources (2)	1,334.10	1,388.74	54.65	4.1%
TOTAL REVENUE	9,524.29	10,259.02	734.73	7.7%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.

