



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: August 5, 2016

**Current Downturn in Gross Receipts
Lasting Longer than During Great Recession**

OKLAHOMA CITY – The ongoing contraction in state Gross Receipts to the Treasury has now lasted longer than the downturn experienced from the Great Recession, State Treasurer Ken Miller said today as he released the July revenue report.

The current decline has thus far lasted 17 months, while the previous contraction ended after 14 months. From the last peak, in February 2015, 12-month collections have fallen by \$1.1 billion, or 8.8 percent. During the Great Recession, 12-month gross receipts shrank by \$1.9 billion, or 17 percent, between December 2008 and February 2010.

“Though we are still looking for the bottom of the current economic contraction, the news is not all dire,” Miller said. “To date, this downturn has not been as steep as before and unemployment rates have not risen as high.”

At its peak, in 2010, Oklahoma unemployment reached 7.1 percent. Most recent jobless figures, from June, show state unemployment at 4.8 percent.

The July Gross Receipts to the Treasury report shows monthly collections are 9.4 percent below collections of the same month of the prior year and are down in each major source of revenue – individual income, corporate income, sales, gross production, and motor vehicle taxes. During the past 12 months, total collections are down by 7.6 percent compared to the prior period and also show contraction in all major revenue streams.

State recession

The Bureau of Economic Analysis issued state gross domestic product (GDP) figures in late July showing the downturn in the Oklahoma economy, which began in the second quarter of 2015, continued through the first quarter of 2016. Oklahoma’s first quarter GDP was listed as having shrunk by 0.5 percent.

The data would appear to indicate Oklahoma has been in a recession for at least a full year. Recessions are traditionally defined as at least two consecutive quarters of GDP reduction.

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Other indicators

After matching the national unemployment rate in May, Oklahoma's jobless rate was unchanged in June. However, national unemployment rose slightly. State unemployment was listed at 4.8 percent in June, while the U.S. rate was set at 4.9 percent.

The Business Conditions Index for Oklahoma fell further into negative territory in July. The index, based on a survey of supply managers, dropped to 45.2 in July from 48.1 in June. Numbers below 50 mean economic contraction is expected during the next three to six months.

July collections

The report for July shows gross receipts at \$853.9 million, down \$88.4 million, or 9.4 percent, from July 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$257.7 million, a drop of \$32.7 million, or 11.3 percent, from the previous July.

Individual income tax collections for the month are \$246 million, down \$29.7 million, or 10.8 percent, from the prior year. Corporate collections are \$11.7 million, down by \$3 million, or 20.2 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$355.4 million in July. That is \$23.2 million, or 6.1 percent, below July 2015.

Gross production taxes on oil and natural gas generated \$30.5 million in July, a decrease of \$10.5 million, or 25.7 percent, from last July. Compared to June reports, gross production collections are up by \$5.1 million, or 19.9 percent.

Motor vehicle taxes produced \$60.5 million, down by \$8.7 million, or 12.5 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 \$149.7 million during the month. That is \$13.3 million, or 8.2 percent, less than last July.

Twelve month collections

During the past 12 months, August 2015 through July 2016, gross revenue totals \$11 billion. That is \$901.4 million, or 7.6 percent, below collections for the previous 12-month period.

Gross income taxes generated \$4.1 billion for the period, reflecting a drop of \$296.1 million, or 6.7 percent, from the preceding 12 months, August 2014 to July 2015.

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Individual income tax collections total \$3.6 billion, down by \$224.7 million, or 5.9 percent, from the prior 12 months. Corporate collections are \$524 million for the period, a decrease of \$71.4 million, or 12 percent, from the previous period.

Sales taxes for the 12 months generated \$4.3 billion, a decrease of \$201.7 million, or 4.5 percent, from the preceding period.

Oil and gas gross production tax collections brought in \$356.1 million during the 12 months, down by \$305.7 million, or 46.2 percent, from the trailing period.

Motor vehicle collections total \$750.2 million for the period. This is a decrease of \$16.5 million, or 2.2 percent, from the trailing 12 months.

Other sources generated \$1.6 billion, down \$81.4 million, or 4.9 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 allocation report from the Office of Management and Enterprise Services, which provides important information to state agencies for budgetary planning purposes.

The General Revenue Fund receives about 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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Gross Receipts to Treasury

PRELIMINARY

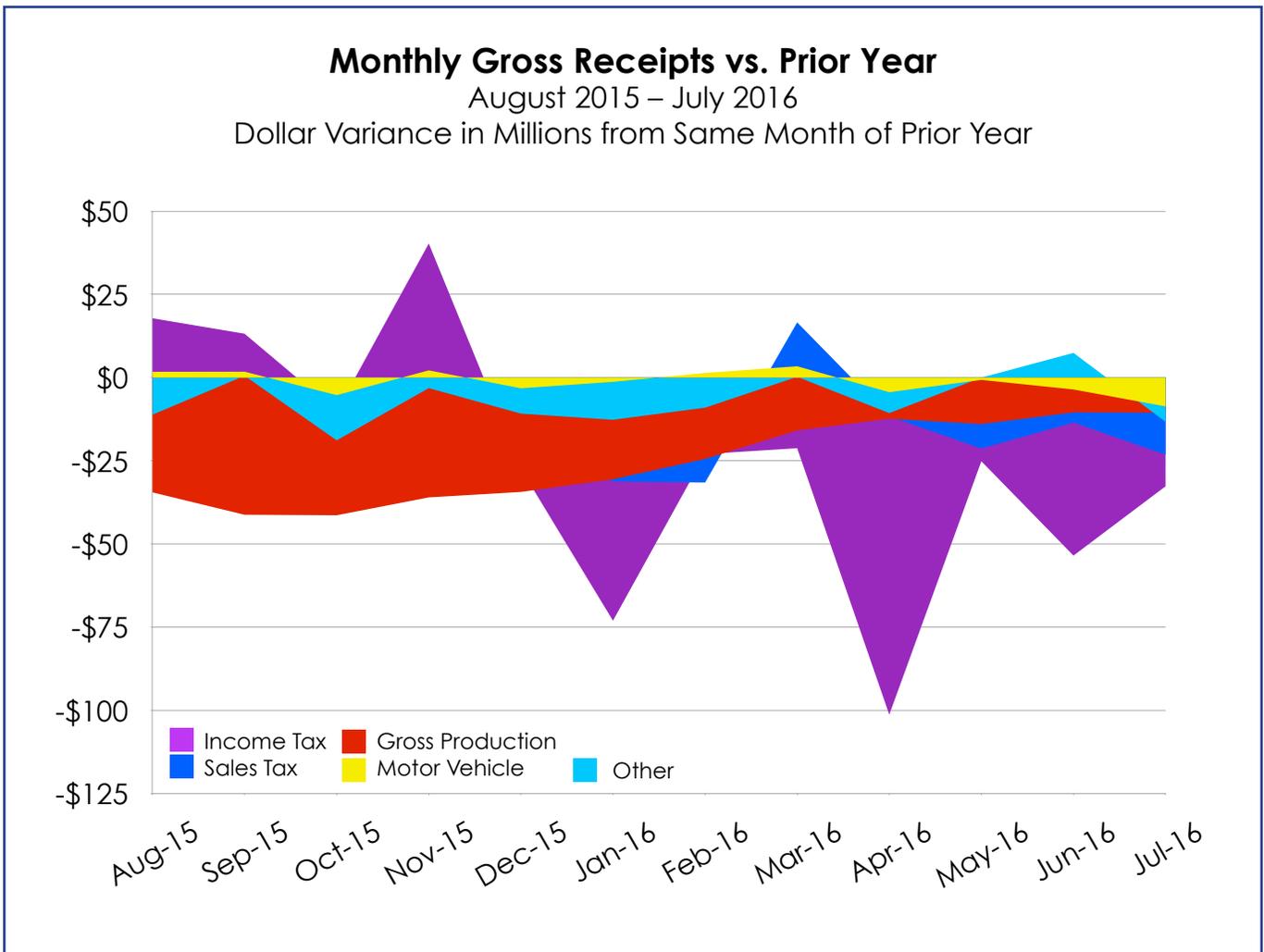
MONTHLY COMPARISON

(In \$ millions)	July-15	July-16	Variance From Prior Year	
			\$	%
Income Tax	290.41	257.73	-32.68	-11.3%
Gross Production	41.06	30.52	-10.54	-25.7%
Sales Tax (1)	378.59	355.38	-23.20	-6.1%
Motor Vehicle	69.15	60.49	-8.65	-12.5%
Other Sources (2)	163.03	149.73	-13.29	-8.2%
TOTAL REVENUE	942.23	853.86	-88.37	-9.4%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



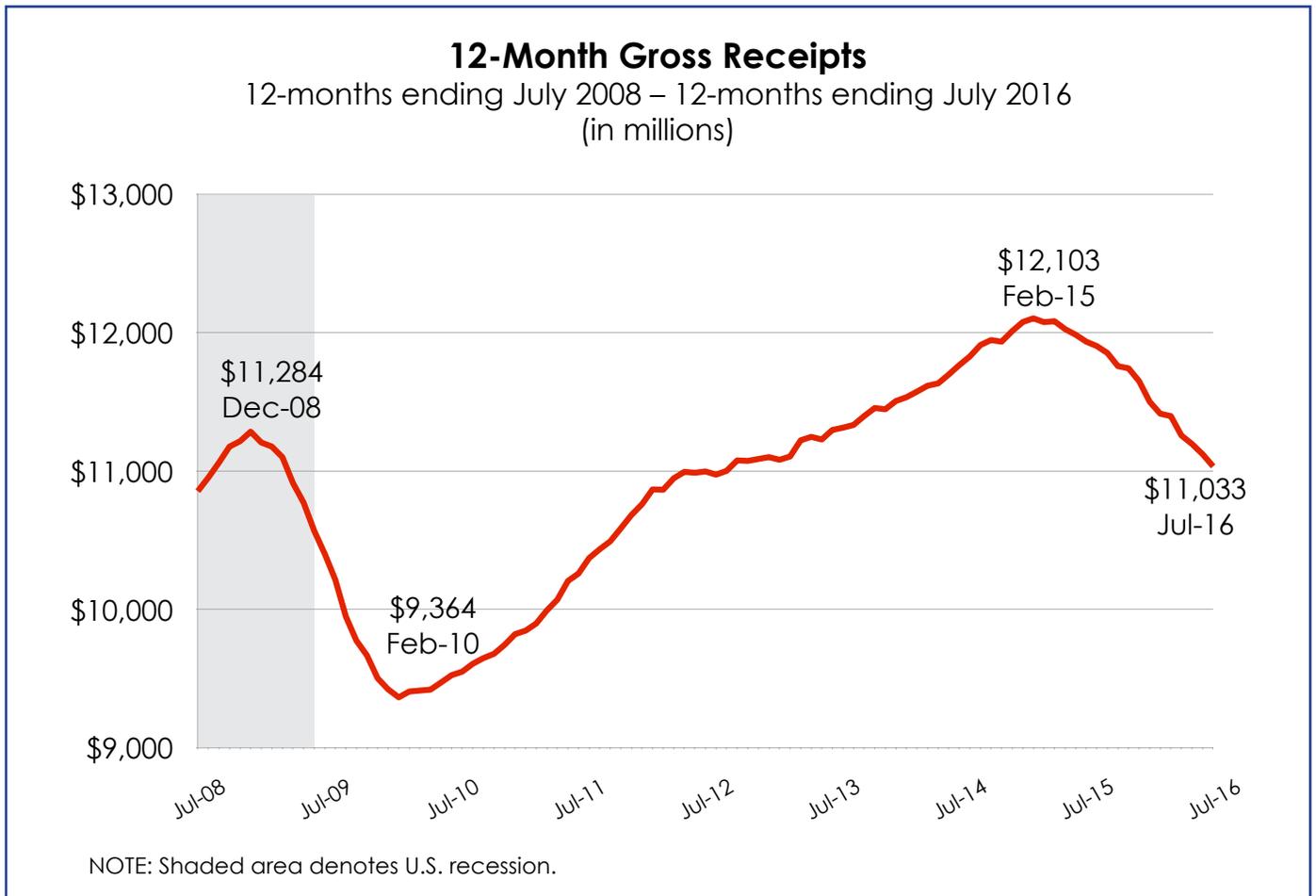
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending AUG 2015 - JULY 2016		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	AUG 2014 - JULY 2015	AUG 2015 - JULY 2016	\$	%
Income Tax	4,387.10	4,090.99	-296.11	-6.7%
Gross Production	661.75	356.06	-305.68	-46.2%
Sales Tax (1)	4,465.63	4,263.96	-201.67	-4.5%
Motor Vehicle	766.66	750.16	-16.50	-2.2%
Other Sources (2)	1,653.49	1,572.09	-81.39	-4.9%
TOTAL REVENUE	11,934.63	11,033.27	-901.36	-7.6%

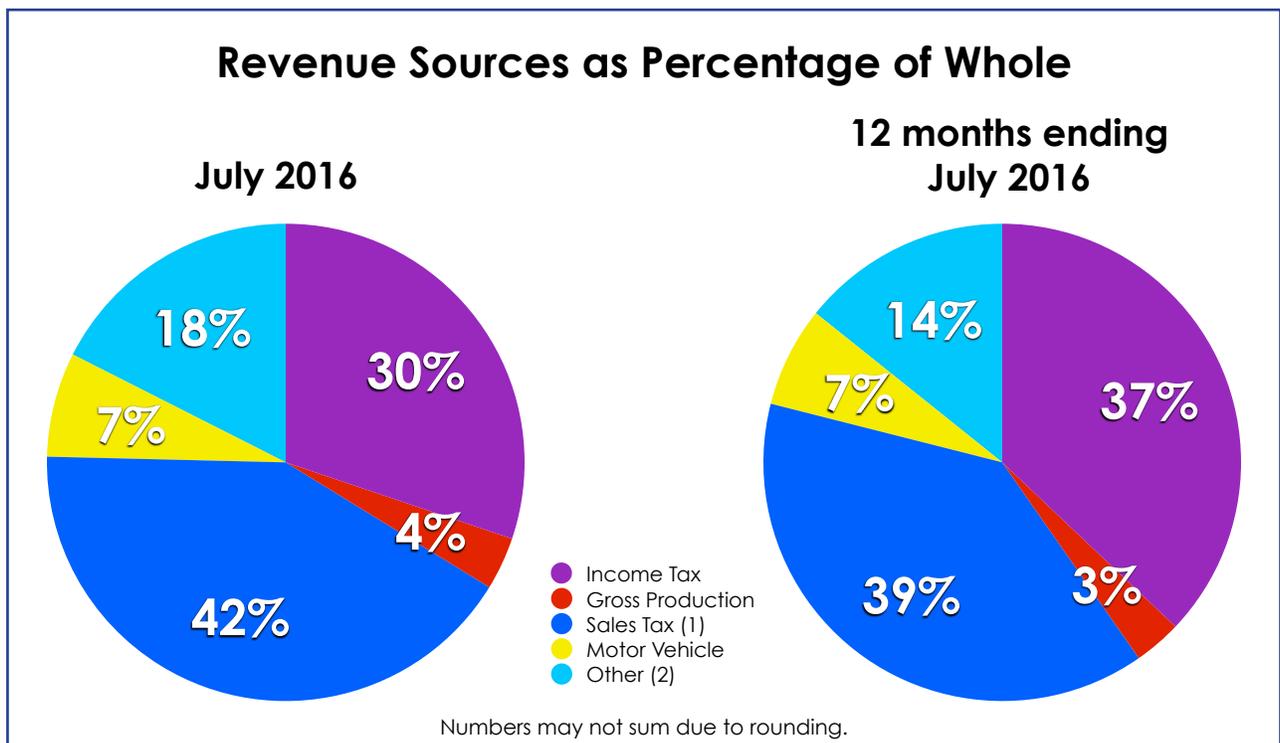
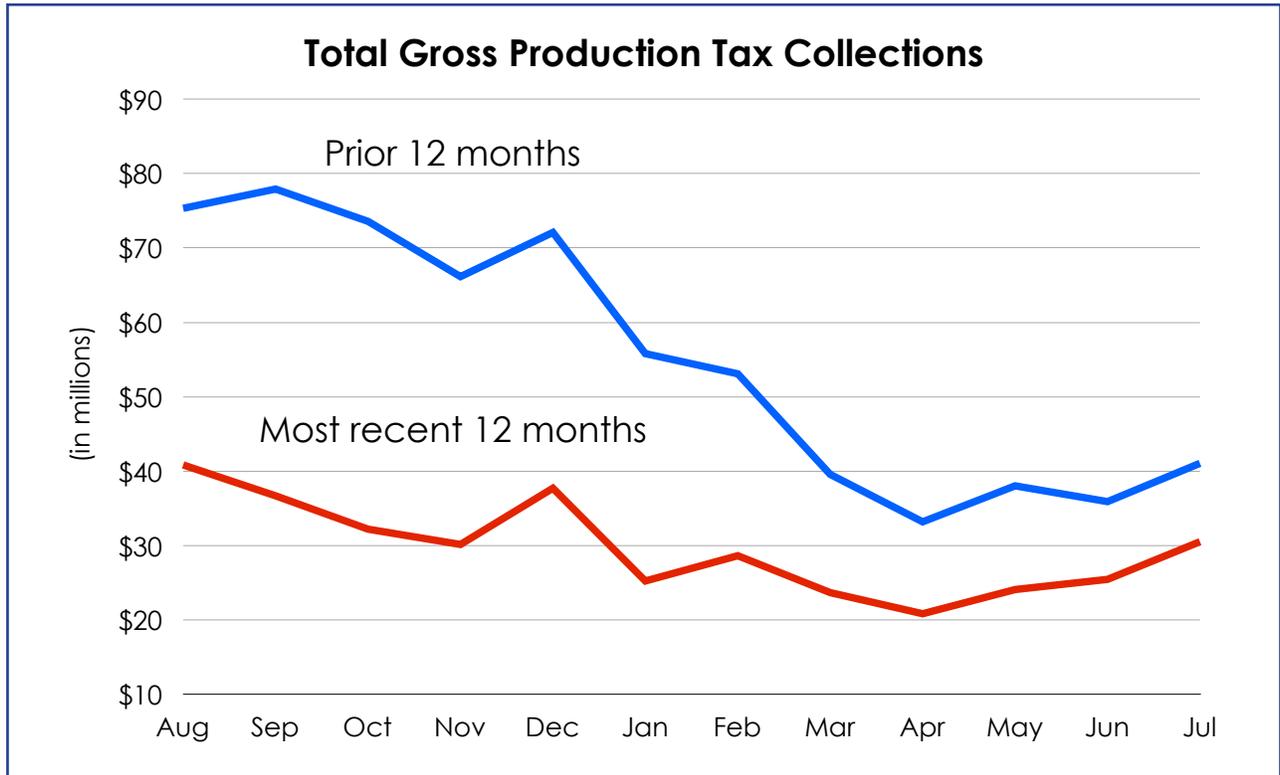
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Gross Receipts to Treasury



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