



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: July 6, 2016

**Gross Receipts to the Treasury Show
Ongoing Economic Contraction**

OKLAHOMA CITY – Oklahoma Gross Receipts to the Treasury continued on a downward trajectory during the month of June and Fiscal Year 2016, as economic data released during the month shows the state entered a recession more than a year ago, State Treasurer Ken Miller said today during a State Capitol news conference.

Receipts from all major revenue streams – income, sales, gross production, and motor vehicle taxes – are smaller when compared to the same month of the prior year and the previous fiscal year. The monthly bottom line has been less than the same month of the prior year for 14 consecutive months. The 12-month total has contracted for 14 consecutive months, as well.

The federal Bureau of Economic Analysis issued state gross domestic product (GDP) figures in June showing the Oklahoma economy contracted starting in second quarter of 2015 and continued to do so through the fourth quarter of the year. Recessions are typically defined as two consecutive quarters of GDP reduction.

“The latest GDP data show Oklahoma entered a recession starting in spring of last year. We will get new data late this month to show whether the recession continued into first quarter of this year; however, there is no indication of any marked recovery at this point,” Miller said.

Collections from gross production taxes on crude oil and natural gas remain below prior year numbers, but have risen slightly for two months in a row after hitting a 17-year low in April. June receipts are based on oil prices in April, when the spot price of West Texas Intermediate crude oil was \$40.75 per barrel.

June gross receipts are \$925.7 million, down by almost \$74 million or 7.4 percent from June 2015. It is the lowest June total in six years.

Fiscal Year 2016 collections are \$11.1 billion, down by more than \$860 million or 7.2 percent from FY-15. It marks the lowest 12-month total in 39 months – since March 2013 – and is down by more than \$980 million or more than 8 percent from the last peak of \$12.1 billion in February 2015.

(more)

Other indicators

After almost 13 years with unemployment rates below the national average, Oklahoma's monthly jobless rate climbed by two-tenths of one percentage point in May to match the U.S. rate. The state and national rates were set at 4.7 percent in May, the first time both numbers have been the same since September 2003.

After rising above growth neutral in May, the Business Conditions Index for Oklahoma fell into negative territory during June. The index based on a survey of supply managers dropped to 48.1 in June from 51.4 in May. Numbers below 50 mean economic contraction is expected during the next three to six months.

June collections

The report for June shows gross receipts at \$925.7 million, down \$73.6 million or 7.4 percent from June 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$353.4 million, a drop of \$53.5 million or 13.1 percent from the previous June.

Individual income tax collections for the month are \$285.4 million, down \$22.4 million or 7.3 percent from the prior year. Corporate collections are \$68 million, down by \$31.1 million or 31.4 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$351.1 million in June. That is \$13.5 million or 3.7 percent below June 2015.

Gross production taxes on oil and natural gas generated \$25.5 million in June, a decrease of \$10.5 million or 29.1 percent from last June. Compared to May reports, gross production collections are up by \$1.4 million or 5.7 percent.

Motor vehicle taxes produced \$65.8 million, down by \$3.6 million or 5.1 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 \$129.9 million during the month. That is \$7.4 million or 6.1 percent more than last June.

Fiscal Year 2016 collections

During Fiscal Year 2016, July 2015 through June 2016, gross revenue totals \$11.1 billion. That is \$863 million or 7.2 percent below collections for the previous 12-month period.

Gross income taxes generated \$4.1 billion for the period, reflecting a drop of \$280.1 million or 6.4 percent from Fiscal Year 2016, July 2014 to June 2015.

(more)

Individual income tax collections total \$3.6 billion, down by \$209.6 million or 5.5 percent from the prior fiscal year. Corporate collections are \$527 million for the period, a decrease of \$70.4 million or 11.8 percent from the previous period.

Sales taxes for FY-16 generated \$4.3 billion, a decrease of \$177.8 million or 4 percent from FY-15.

Oil and gas gross production tax collections brought in \$366.6 million during the 12 months, down by \$331.2 million or 47.5 percent from the previous period.

Motor vehicle collections total \$758.8 million for the period. This is a decrease of \$7.4 million or 1 percent from the trailing 12 months.

Other sources generated \$1.6 billion, down \$66.5 million or 4 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.

###

For more information contact:

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

Gross Receipts to Treasury

PRELIMINARY

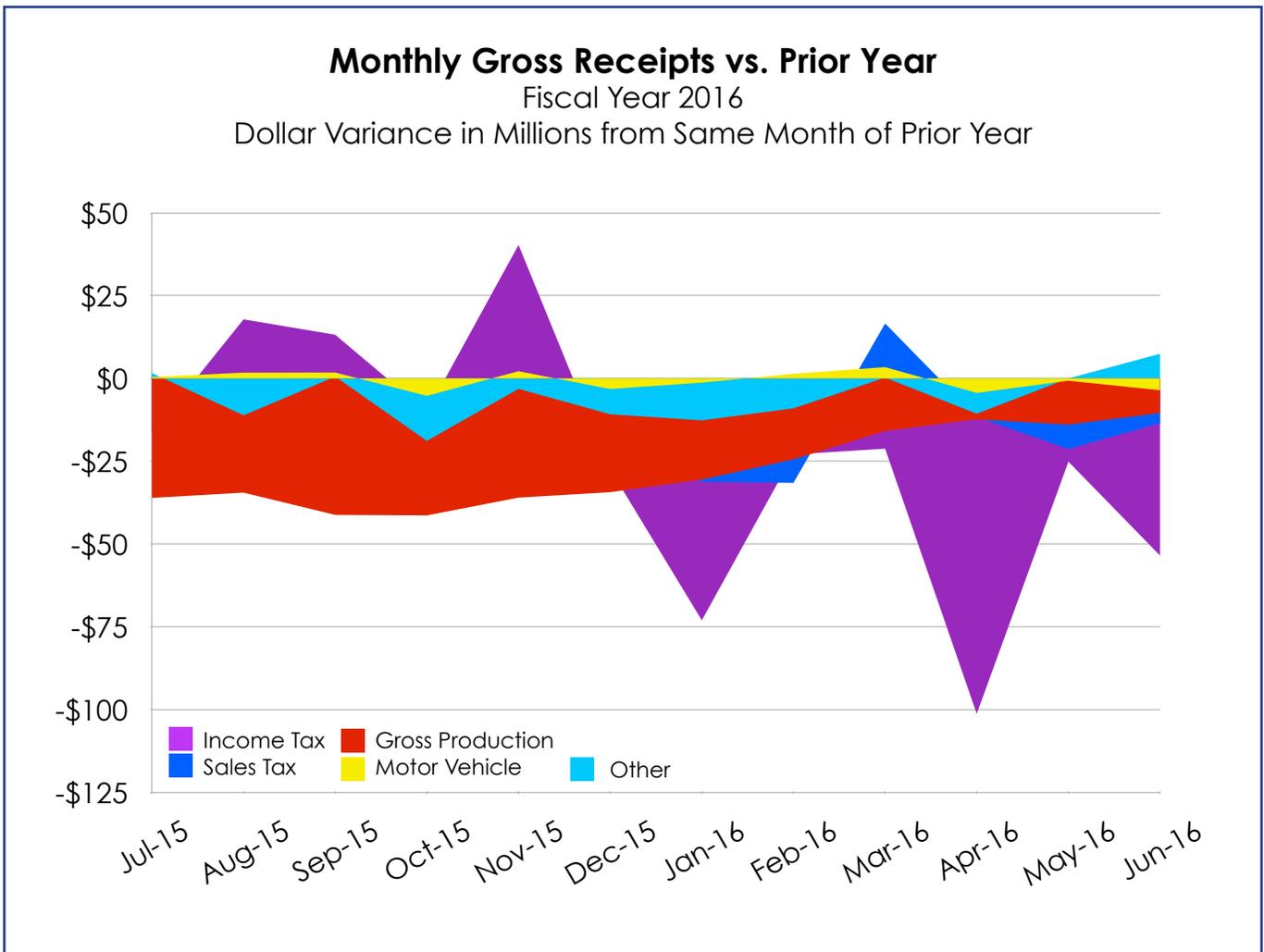
MONTHLY COMPARISON

(In \$ millions)	June-15	June-16	Variance From Prior Year	
			\$	%
Income Tax	406.92	353.42	-53.50	-13.1%
Gross Production	35.91	25.46	-10.45	-29.1%
Sales Tax (1)	364.65	351.14	-13.51	-3.7%
Motor Vehicle	69.39	65.82	-3.57	-5.1%
Other Sources (2)	122.49	129.92	7.43	6.1%
TOTAL REVENUE	999.36	925.75	-73.61	-7.4%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



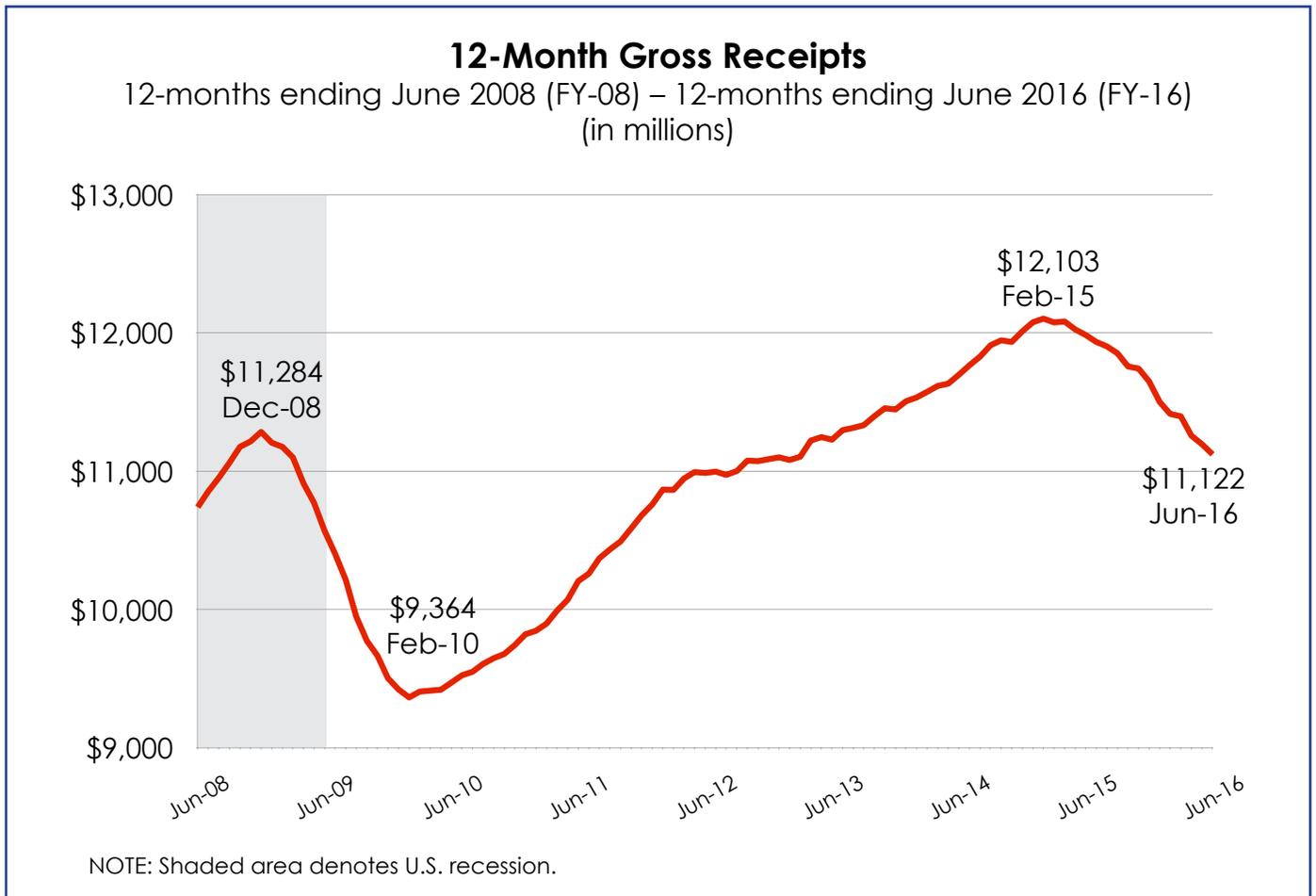
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending July 2015 - June 2016		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	July 2014 - June 2015	July 2015 - June 2016	\$	%
Income Tax	4,403.73	4,123.67	-280.06	-6.4%
Gross Production	697.85	366.60	-331.24	-47.5%
Sales Tax (1)	4,464.94	4,287.16	-177.78	-4.0%
Motor Vehicle	766.25	758.81	-7.44	-1.0%
Other Sources (2)	1,651.85	1,585.39	-66.46	-4.0%
TOTAL REVENUE	11,984.61	11,121.64	-862.97	-7.2%

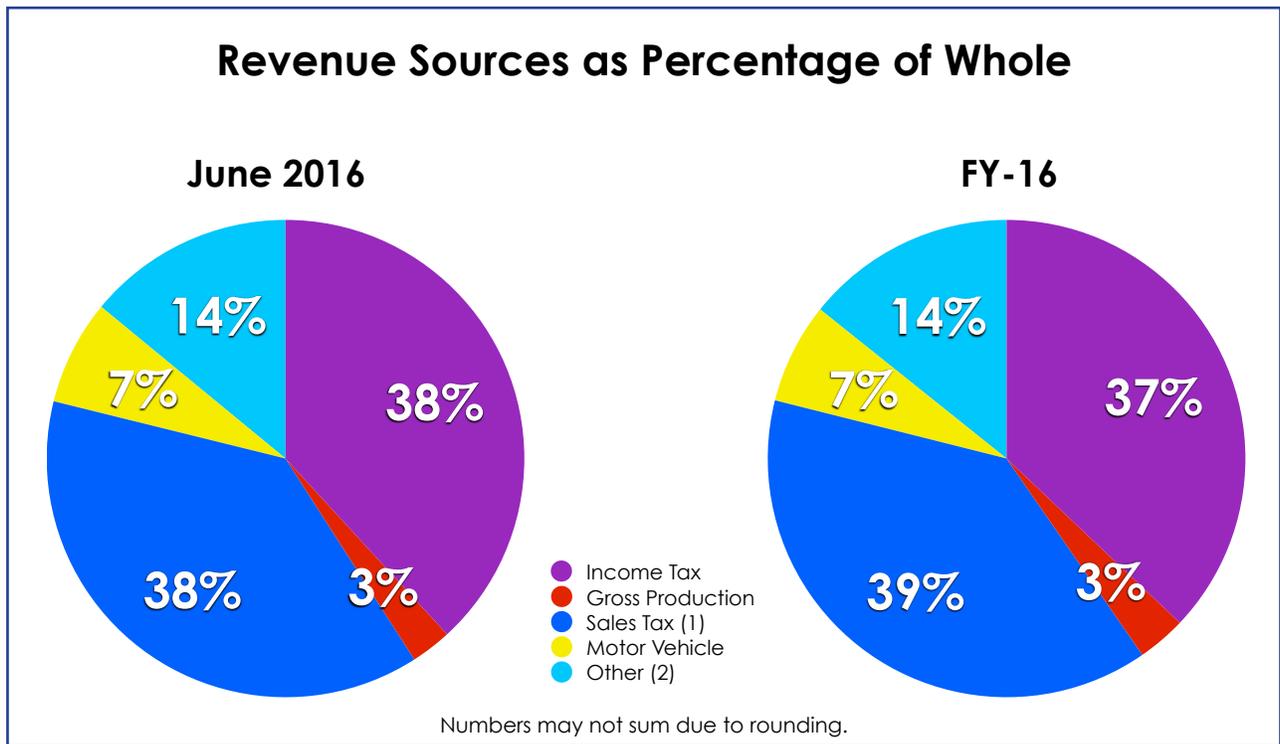
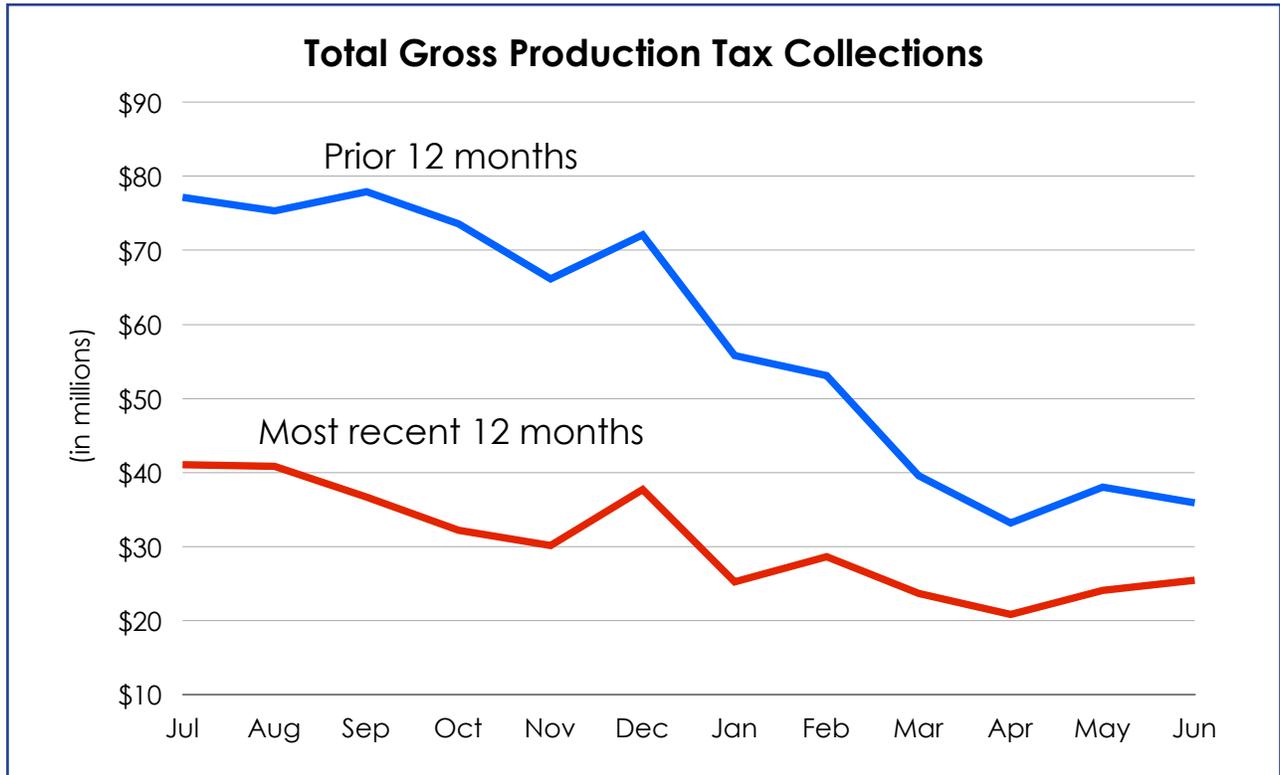
(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



Gross Receipts to Treasury



(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC