



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: October 6, 2016

State Gross Receipts to the Treasury Fall in September

OKLAHOMA CITY – Gross Receipts to the Treasury in September fell by almost 10 percent compared to the same month of the prior year, continuing a 19-month contraction in the broad measure of state economic activity, State Treasurer Ken Miller said during a State Capitol news conference on Thursday.

September collections were \$939.6 million. The last time September collections were lower was in 2010, when Oklahoma was only a few months past the revenue trough brought on by the Great Recession. Collections during the past 12 months, at \$10.9 billion, are the lowest since March 2012.

“As has been the story for almost two years, Oklahoma is feeling the effects of a supply-driven downturn in energy prices that has spilled over into the rest of the economy,” Miller said. “We are monitoring discussions within OPEC on reducing oil production volumes. Should an agreement to dial back production come to fruition, it could spur oil prices and turn the current negative cycle.”

Gross production taxes on crude oil and natural gas activity generated \$31.5 million during the month, down by 14 percent from last September, and continued a string of 21 consecutive months of year-over-year contraction.

After ticking up slightly in August, individual income tax collections dropped by more than 12 percent in September. Tax officials attribute much of the reduction to last year’s tax amnesty program that generated more than \$30 million in addition revenue last September. However, monthly individual income tax collections were down by more than \$40 million.

Sales tax collections were down by 2.6 percent compared to September of last year. It marks the 16th time in the past 19 months that sales tax collections have been below that of the prior year.

Other indicators

For a second month in a row, Oklahoma’s unemployment rate in August was reported as being higher than the national jobless rate. The U.S. rate was set at 4.9 percent, while the state’s rate was reported at 5.1 percent.

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Prior to July, Oklahoma's unemployment rate had been lower than the U.S. rate for almost 26 years.

The Oklahoma Business Conditions Index, predicting economic activity for the next three to six months, was set at 40.3 in September. It is the fourth consecutive month that the state has had numbers below 50, which indicate continued economic slowing.

September collections

The report for September lists gross receipts at \$939.6 million, down \$100.5 million, or 9.7 percent, from September 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$349.4 million, a reduction of \$89 million, or 20.3 percent, from the previous September.

Individual income tax collections for the month are \$283.3 million, down by \$40.3 million, or 12.5 percent, from the prior year. Corporate collections are \$66.1 million, down by \$48.6 million, or 42.4 percent. Wide variances in corporate collections are not uncommon.

Sales tax collections, including remittances on behalf of cities and counties, total \$348.4 million in September. That is \$9.4 million, or 2.6 percent, below September of last year.

Gross production taxes on oil and natural gas generated \$31.5 million during the month, a decrease of \$5.2 million, or 14.2 percent, from last September. Compared to August reports, gross production collections are down by \$332,000, or 1 percent, over the month.

Motor vehicle taxes produced \$64.3 million, down by \$3.2 million, or 4.7 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 \$146 million during the month. That is \$6.3 million, or 4.5 percent, more than last September.

Twelve-month collections

During the past 12 months, October 2015 through September 2016, gross revenue totals \$10.9 billion. That is \$954.2 million, or 8.1 percent, below collections for the previous 12-month period.

Gross income taxes generated \$4 billion for the period, reflecting a drop of \$420.1 million, or 9.5 percent, from the preceding 12 months, October 2014 through September 2015.

Individual income tax collections total \$3.5 billion, down by \$256 million, or 6.7 percent, from the prior 12 months. Corporate collections are \$459.1 million for the period, a decrease of \$164.1 million, or 26.3 percent, from the previous period.

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Sales taxes for the 12 months generated \$4.2 billion, a decrease of \$202.5 million, or 4.6 percent, from the preceding period.

Oil and gas gross production tax collections brought in \$341.8 million during the 12 months, down by \$244.2 million, or 41.7 percent, from the trailing period.

Motor vehicle collections total \$749.9 million for the period. This is a decrease of \$20.3 million, or 2.6 percent, from the trailing 12 months.

Other sources generated \$1.6 billion, down \$67.2 million, or 4.1 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 slightly less than 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

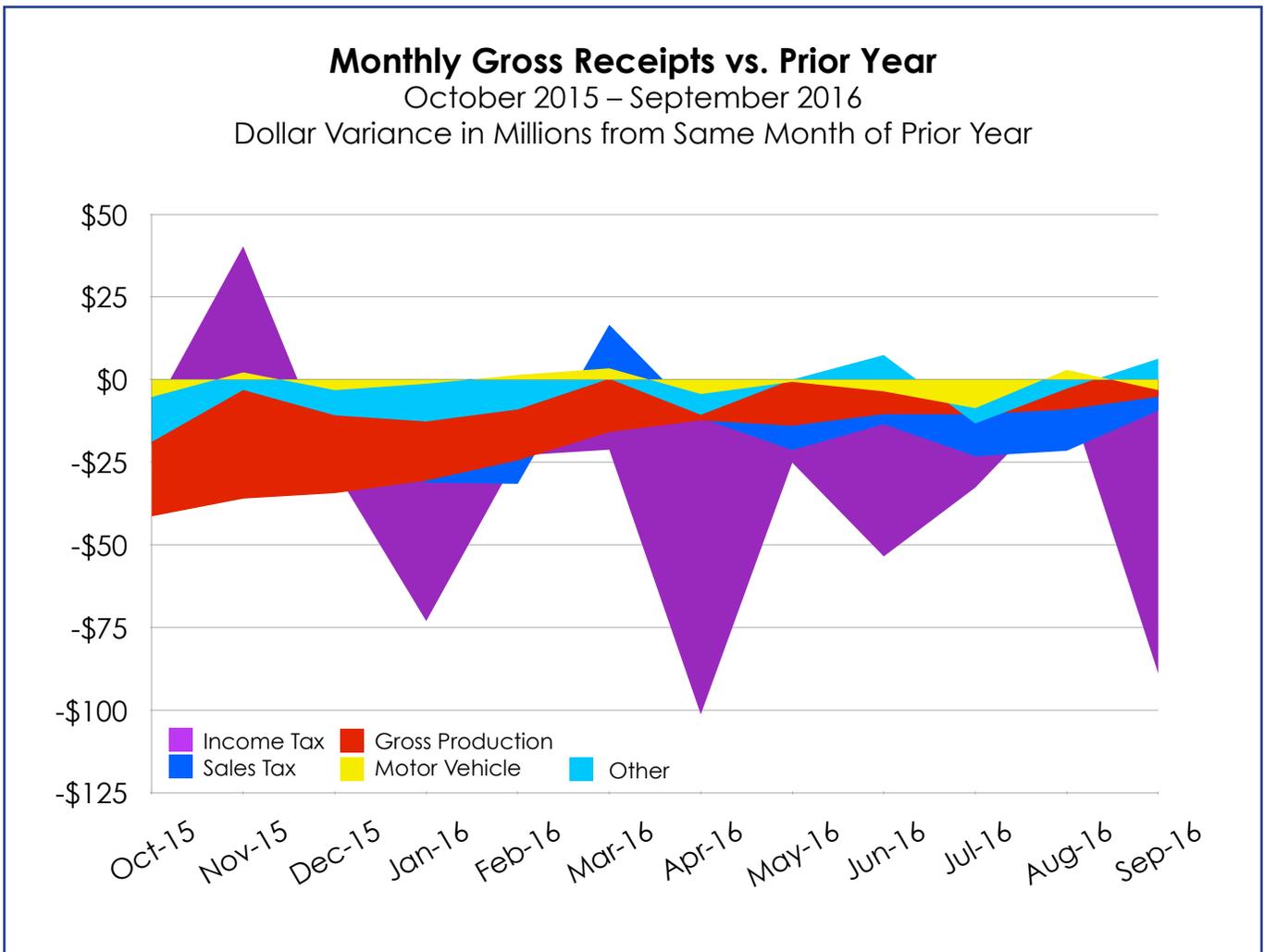
MONTHLY COMPARISON

| (In \$ millions) | September-15 | September-16 | Variance From Prior Year | |
|----------------------|-----------------|---------------|--------------------------|--------------|
| | | | \$ | % |
| Income Tax | 438.36 | 349.39 | -88.96 | -20.3% |
| Gross Production | 36.69 | 31.48 | -5.21 | -14.2% |
| Sales Tax (1) | 357.79 | 348.38 | -9.41 | -2.6% |
| Motor Vehicle | 67.51 | 64.32 | -3.18 | -4.7% |
| Other Sources (2) | 139.71 | 146.03 | 6.32 | 4.5% |
| TOTAL REVENUE | 1,040.06 | 939.61 | -100.45 | -9.7% |

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



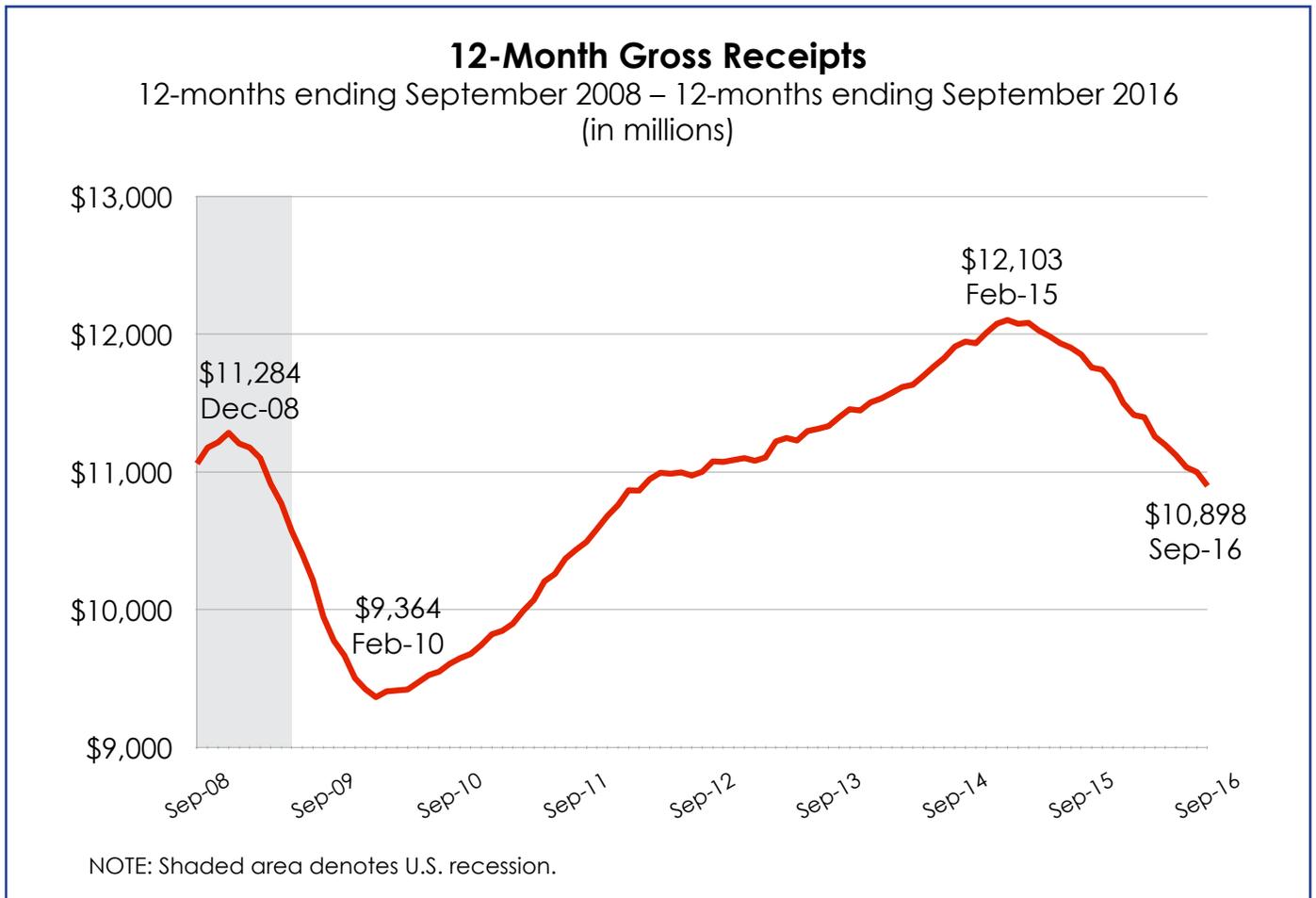
Gross Receipts to Treasury

| PRELIMINARY (In \$ millions) | 12 Month Period Ending OCT 2015 - SEPT 2016 | | Summary | |
|---------------------------------|--|----------------------|--------------------------|--------------|
| | Prior Year | Current Year | Variance From Prior Year | |
| | OCT 2014 - SEPT 2015 | OCT 2015 - SEPT 2016 | \$ | % |
| Income Tax | 4,418.13 | 3,998.07 | -420.07 | -9.5% |
| Gross Production | 586.02 | 341.83 | -244.19 | -41.7% |
| Sales Tax (1) | 4,435.48 | 4,233.01 | -202.47 | -4.6% |
| Motor Vehicle | 770.19 | 749.92 | -20.27 | -2.6% |
| Other Sources (2) | 1,642.90 | 1,575.67 | -67.23 | -4.1% |
| TOTAL REVENUE | 11,852.72 | 10,898.49 | -954.23 | -8.1% |

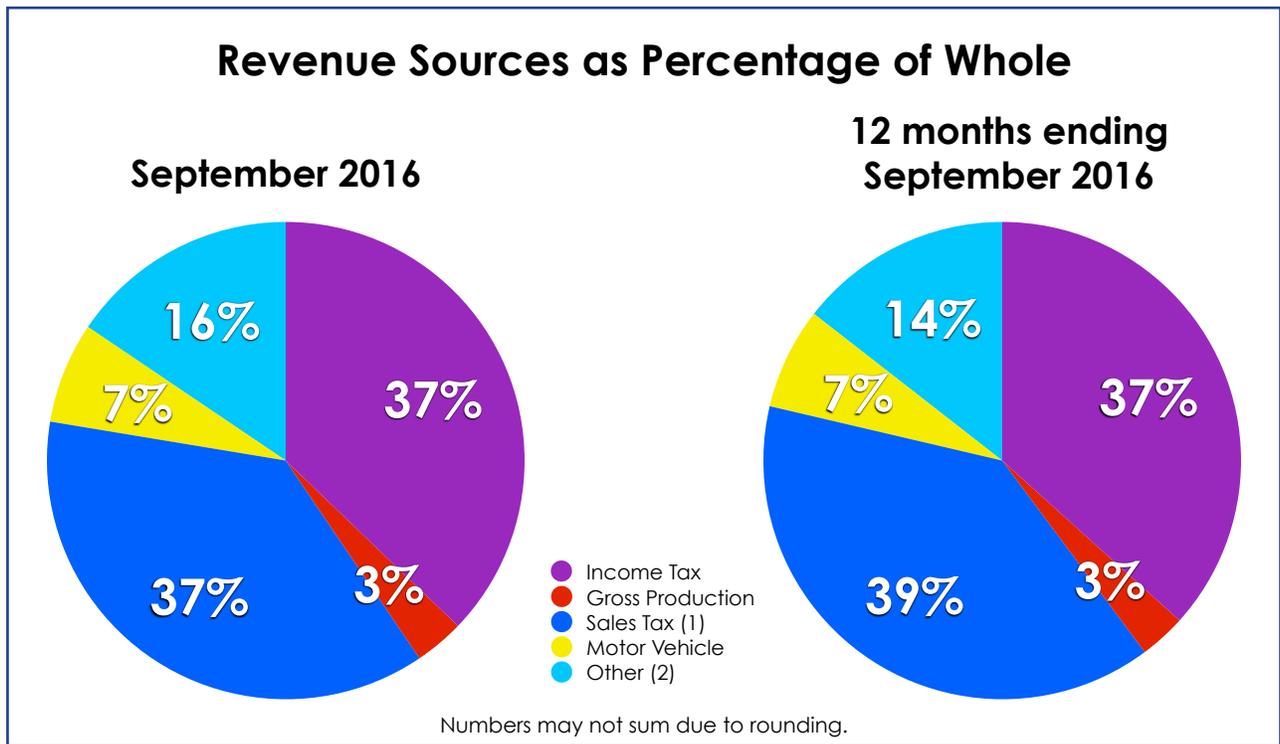
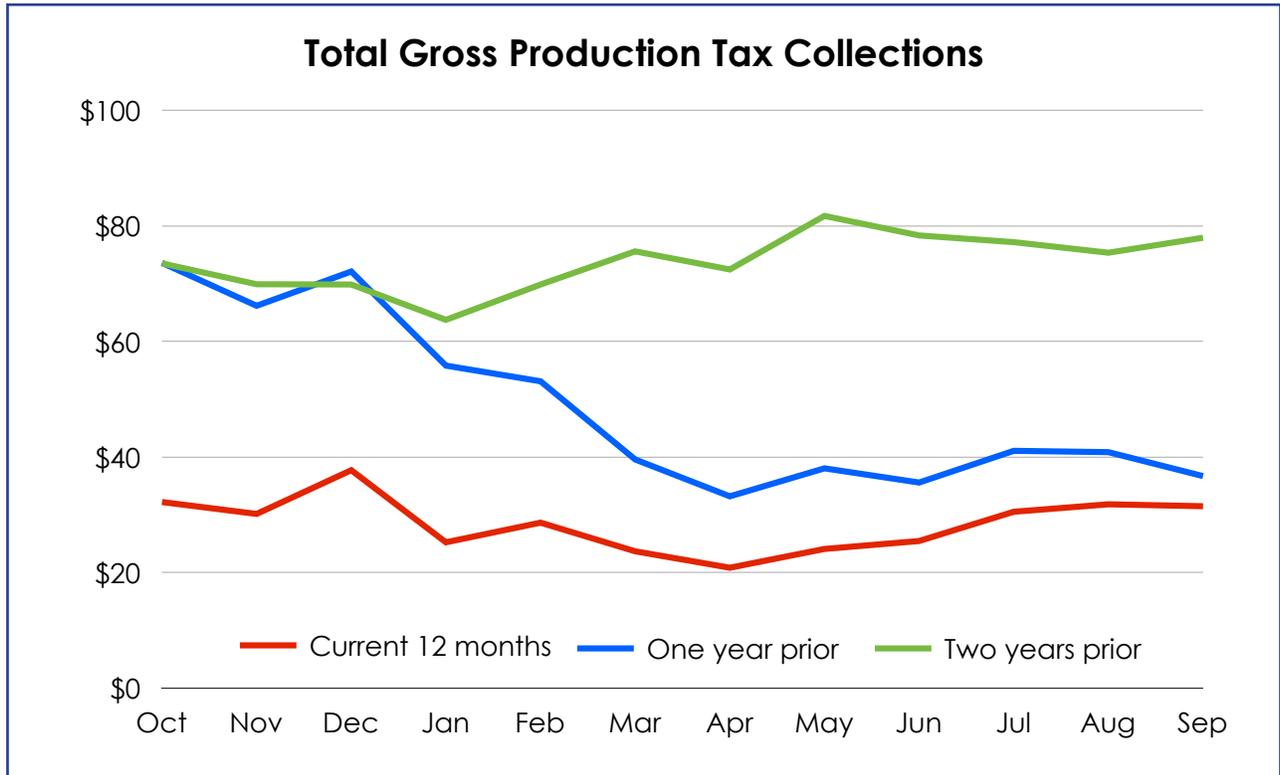
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Gross Receipts to Treasury



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