



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: July 14, 2009

Recession Hits Oklahoma's Revenue Collections
Meacham Says Shortfall is Probable during New Fiscal Year

OKLAHOMA CITY – Oklahoma's fiscal year has ended with evidence the state's revenues are being deeply impacted by the nationwide recession, State Treasurer Scott Meacham announced today.

Meacham said June collections were sufficient to fund appropriated obligations for July, the first month of the new fiscal year, but action may be required in coming months.

"It appears very likely at this point that Fiscal Year 2010 revenues will be less than originally estimated by the tax commission. That means a revenue shortfall is probable," he said. "I will be meeting with state finance officials and Governor Henry to determine if it will be necessary to begin reducing allocations to state agencies to meet the anticipated revenue shortfall."

Preliminary reports show general revenue fund collections for Fiscal Year 2009 that ended June 30 totaled \$5.519 billion. That amount was:

- \$434.7 million or 7.3 percent below the prior year; and
- \$427.8 million or 7.2 percent below the estimate.

The recession started significantly impacting Oklahoma during the last half of the fiscal year, Meacham said. During the first half of the fiscal year, July through December, collections exceeded the estimate by \$189.5 million or 6.6 percent. During the final six months, January through June, collections were below the estimate by \$617.3 million or 20.1 percent.

"We are seeing a slowdown in every revenue source. Only sales tax collections were higher than collections in the prior fiscal year, but they failed to meet the estimate," he said.

"The fall off in gross production taxes on oil and gas was particularly steep. While total fiscal year gross production collections were 5.5 percent below the estimate, in the month of June they were off the estimate by 81.7 percent reflecting the current low prices of these commodities"

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Net income taxes, a combination of personal and corporate income taxes, produced \$2.279 billion, which was \$238.9 million or 9.5 percent below the prior year and \$174.8 million or 7.1 percent below the estimate.

Personal income tax collections for the year were \$2.014 billion. That is \$225.5 million or 10.1 percent below the prior year and \$151.2 million or 7 percent below the estimate. Corporate income tax collections were \$265.6 million. That is \$13.4 million or 4.8 percent below the prior year and \$23.6 million or 8.2 percent below the estimate.

Gross production taxes on oil and natural gas yielded \$718.5 million for the year, which was \$106.7 million or 12.9 percent below prior year collections and \$41.8 million or 5.5 percent below the estimate.

The state sales tax produced \$1.647 billion for the year, which was \$34.8 million or 2.2 percent above the prior year but \$54.8 million or 3.2 percent below the estimate.

Motor vehicle taxes produced \$175.8 million, which was \$75.9 million or 30.1 percent below the prior year and \$71.1 million or 28.8 percent below the estimate.

For the fiscal year, investments by the treasurer's office yielded \$157.2 million. That is \$14.2 million or 8.3 percent below the prior year.

Other revenue, including investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others, produced \$698.4 million for the year. This was \$47.9 million or 6.4 percent below the prior year and \$85.3 million or 10.9 percent below the estimate.

Preliminary reports for collections in the month of June, the last month of the fiscal year, show General Revenue Fund collections totaled \$441.2 million. That amount is:

- \$190.3 million or 30.1 percent below the prior year; and
- \$156.7 million or 26.2 percent below the estimate.

Income Taxes – This source generated \$220.6 million, which is \$74.3 million or 25.2 percent below the prior year and \$50.8 million or 18.7 percent below the estimate. Personal income taxes were \$186 million, which is \$47.7 million or 20.4 percent below the prior year and \$31.7 million or 14.6 percent below the estimate. Corporate income taxes were \$34.6 million, which is \$26.5 million or 43.3 percent below the prior year and \$19.1 million or 35.5 percent below the estimate.

Sales Taxes – This source produced \$129.4 million for the month, which is \$16.8 million or 11.5 percent below the prior year and \$22.2 million or 14.6 percent below the estimate.

Gross Production Taxes – In June, this source generated \$13 million, which is \$91.7 million or 87.6 percent below the prior year and \$57.8 million or 81.7 percent below the estimate.

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Motor Vehicle Taxes – June collections generated \$14.5 million, which is \$4.9 million or 25.1 percent below the prior year and \$8.1 million or 35.9 percent below the estimate.

Other Revenue – Other revenue produced \$63.7 million for the last month of the fiscal year. That is \$2.8 million or 4.1 percent below the prior year and \$17.9 million or 21.9 percent below the estimate. For the month of June, investments by the treasurer’s office yielded \$9.6 million. That is \$4.2 million or 30.8 percent below the same month a year ago.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY June 2009	
	FY-08 Actual June 2008	FY-09 Actual June 2009	Variance From Prior Year	
			\$	%
Net Income Tax	294.9	220.6	-74.3	-25.2%
Gross Production	104.7	13.0	-91.7	-87.6%
Sales Tax	146.2	129.4	-16.8	-11.5%
Motor Vehicle	19.3	14.5	-4.9	-25.1%
Subtotal: Major Taxes	565.1	377.5	-187.6	-33.2%
Other Sources (1)	66.5	63.7	-2.8	-4.1%
TOTAL GEN REVENUE	631.6	441.2	-190.3	-30.1%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	631.6	441.2	-190.3	-30.1%

PRELIMINARY (In \$ millions)	12 MONTH YEAR TO DATE		SUMMARY June 2009	
	FY-08 Actual Thru June 2008	FY-09 Actual Thru June 2009	Variance From Prior Year	
			\$	%
Net Income Tax	2,518.2	2,279.2	-238.9	-9.5%
Gross Production	825.2	718.5	-106.7	-12.9%
Sales Tax	1,611.8	1,646.6	34.8	2.2%
Motor Vehicle	251.7	175.8	-75.9	-30.1%
Subtotal: Major Taxes	5,206.9	4,820.1	-386.7	-7.4%
Other Sources (1)	746.3	698.4	-47.9	-6.4%
TOTAL GEN REVENUE	5,953.2	5,518.5	-434.7	-7.3%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	5,953.2	5,518.5	-434.7	-7.3%

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.

General Revenue Comparisons With Estimate

CHART II

PRELIMINARY

(In \$ millions)	MONTHLY COMPARISON		SUMMARY June 2009	
	FY-09 Estimate	FY-09 Actual	Variance From Estimate	
	June 2009	June 2009	\$	%
Net Income Tax	271.4	220.6	-50.8	-18.7%
Gross Production	70.7	13.0	-57.8	-81.7%
Sales Tax	151.7	129.4	-22.2	-14.6%
Motor Vehicle	22.6	14.5	-8.1	-35.9%
Subtotal: Major Taxes	516.3	377.5	-138.8	-26.9%
Other Sources (1)	81.6	63.7	-17.9	-21.9%
TOTAL GEN REVENUE	598.0	441.2	-156.7	-26.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	598.0	441.2	-156.7	-26.2%

PRELIMINARY

(In \$ millions)	12 MONTH YEAR TO DATE		SUMMARY June 2009	
	FY-09 Estimate	FY-09 Actual	Variance From Estimate	
	Thru June 2009	Thru June 2009	\$	%
Net Income Tax	2,454.0	2,279.2	-174.8	-7.1%
Gross Production	760.3	718.5	-41.8	-5.5%
Sales Tax	1,701.4	1,646.6	-54.8	-3.2%
Motor Vehicle	246.9	175.8	-71.1	-28.8%
Subtotal: Major Taxes	5,162.7	4,820.1	-342.5	-6.6%
Other Sources (1)	783.7	698.4	-85.3	-10.9%
TOTAL GEN REVENUE	5,946.4	5,518.5	-427.8	-7.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	5,946.4	5,518.5	-427.8	-7.2%

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.