



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

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Revenue Collections Provide Cushion if State Economy Slows Down

OKLAHOMA CITY – State Treasurer Scott Meacham says the state is well poised three months into the fiscal year should the national economic downturn begin to take a toll on the local economy.

“First quarter collections are at 106.5 percent of the estimate and, including the five-percent cushion between the estimate and appropriations, we have collected \$169.9 million more than is needed to pay the state’s bills so far this year,” he said.

Meacham said collections are buoyed primarily by higher than expected receipts from the gross production tax on natural gas.

“Year-to-date gross production collections are running 64.4 percent or \$111.8 million ahead of the estimate,” he said. “However, we can’t expect this trend to continue as natural gas prices have dropped significantly in the past few weeks.”

Meacham explained there is a two-month delay between assessment and remittance of gross production taxes, meaning the current low prices will not be seen in collections until November or December.

Also, on a positive note, Meacham said income tax collections in September were up slightly over the prior year and significantly over the estimate, driven primarily by stronger corporate tax collections.

Meacham noted that sales tax collections for September were below the prior year.

“This comes as no real surprise since last September was uncharacteristically high due to a one-time payment of \$29.4 million from a company that sold a large amount of assets,” he said. “If not for that one payment, sales tax receipts for the month would have shown considerable growth over the prior year.”

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September Collections

Preliminary reports show general revenue fund collections totaled \$620.5 million for September. That amount is:

- \$8 million or 1.3 percent above the prior year; and
- \$22 million or 3.7 percent above the estimate.

Net income taxes, a combination of personal and corporate incomes tax collections, yielded \$303.3 million to the general revenue fund in September, which was \$1 million or 0.3 percent above the prior year and \$10.7 million or 3.7 percent above the estimate.

Individual income tax collections produced \$232.6 million, which was \$4.5 million or 1.9 percent below the prior year and \$2 million or 0.8 percent below the estimate. Corporate returns produced \$70.7 million, which was \$5.5 million or 8.4 percent above the prior year and \$12.7 million or 21.8 percent above the estimate.

Sales taxes produced \$142.8 million for general revenue, down \$18.3 million or 11.4 percent from the prior year and \$12.1 million or 7.8 percent below the estimate for the month.

The gross production tax on natural gas accounted for \$98.8 million for September, which was \$34.9 million or 54.5 percent above the prior year and \$40.7 million or 70.1 percent above the estimate.

Motor vehicle taxes produced \$19.2 million, which was \$5.2 million or 21.2 percent below the prior year and \$2.9 million or 13.1 percent below the estimate.

Other revenue, which includes investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others, produced \$56.4 million in September. This was \$4.3 million or 7.1 percent below the prior year and \$14.4 million or 20.4 percent below the estimate.

The treasurer's investment earnings totaled \$13.5 million for the month, which is \$1.8 million or 15.9 percent above the prior year in spite of the current low interest rate environment.

First Quarter Collections

Year-to-date collections for the first quarter of the fiscal year totaled \$1.568 billion. That amount is:

- \$101.6 million or 6.9 percent above the prior year; and
- \$96.3 million or 6.5 percent above the estimate.

Net income tax collections for the quarter were below the prior year. Collections totaled \$617.9 million -- \$4 million or 0.6 percent below the prior year, but \$18.1 million or 3 percent above the estimate.

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Corporate collections for the quarter were \$78 million, which is \$6.3 million or 8.8 percent above the prior year and \$13.5 million or 20.9 percent above the estimate. Personal income tax collections were \$539.8 million, \$10.3 million or 1.9 percent less than the prior year, but \$4.6 million or 0.9 percent above the estimate.

Sales tax collections for the first three months of the fiscal year totaled \$437.3 million. This is \$13.9 million or 3.3 percent above the prior year and \$5.1 million or 1.2 percent above the estimate.

Gross production tax collections for the quarter were \$285.4 million -- \$108 million or 60.9 percent above the prior year and \$111.8 million or 64.4 percent above the estimate.

Motor vehicle tax collections brought \$56.8 million to the general revenue fund during the first quarter. This is \$11.9 million or 17.3 percent below the prior year and \$9.7 million or 14.6 percent below the estimate.

Other sources totaled \$170.4 million for the quarter, which is \$4.4 million or 2.5 percent below the prior year and \$29 million or 14.5 percent below the estimate. The treasurer's investment earnings brought \$39.7 million to the general revenue fund, which is \$0.8 million or 1.95 percent below the prior year.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

MONTHLY COMPARISON

SUMMARY September 2008

(In \$ millions)	FY-08 Actual	FY-09 Actual	Variance From Prior Year	
	September 2007	September 2008	\$	%
Net Income Tax	302.4	303.3	1.0	0.3%
Gross Production	63.9	98.8	34.9	54.5%
Sales Tax	161.2	142.8	-18.3	-11.4%
Motor Vehicle	24.3	19.2	-5.2	-21.2%
Subtotal: Major Taxes	551.8	564.1	12.3	2.2%
Other Sources (1)	60.7	56.4	-4.3	-7.1%
TOTAL GEN REVENUE	612.5	620.5	8.0	1.3%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	612.5	620.5	8.0	1.3%

PRELIMINARY

3 MONTH YEAR TO DATE

SUMMARY September 2008

(In \$ millions)	FY-08 Actual	FY-09 Actual	Variance From Prior Year	
	Thru September 2007	Thru September 2008	\$	%
Net Income Tax	621.8	617.9	-4.0	-0.6%
Gross Production	177.4	285.4	108.0	60.9%
Sales Tax	423.4	437.3	13.9	3.3%
Motor Vehicle	68.7	56.8	-11.9	-17.3%
Subtotal: Major Taxes	1,291.3	1,397.4	106.0	8.2%
Other Sources (1)	174.9	170.4	-4.4	-2.5%
TOTAL GEN REVENUE	1,466.2	1,567.8	101.6	6.9%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,466.2	1,567.8	101.6	6.9%

(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 September 2008	
	FY-09 Estimate	FY-09 Actual	Variance From Estimate	
	September 2008	September 2008	\$	%
Net Income Tax	292.6	303.3	10.7	3.7%
Gross Production	58.0	98.8	40.7	70.1%
Sales Tax	154.9	142.8	-12.1	-7.8%
Motor Vehicle	22.1	19.2	-2.9	-13.1%
Subtotal: Major Taxes	527.6	564.1	36.5	6.9%
Other Sources (1)	70.9	56.4	-14.4	-20.4%
TOTAL GEN REVENUE	598.5	620.5	22.0	3.7%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	598.5	620.5	22.0	3.7%

PRELIMINARY (In \$ millions)	3 MONTH YEAR TO DATE		SUMMARY September 2008	
	FY-09 Estimate	FY-09 Actual	Variance From Estimate	
	Thru September 2008	Thru September 2008	\$	%
Net Income Tax	599.7	617.9	18.1	3.0%
Gross Production	173.6	285.4	111.8	64.4%
Sales Tax	432.2	437.3	5.1	1.2%
Motor Vehicle	66.5	56.8	-9.7	-14.6%
Subtotal: Major Taxes	1,272.0	1,397.4	125.3	9.9%
Other Sources (1)	199.4	170.4	-29.0	-14.5%
TOTAL GEN REVENUE	1,471.5	1,567.8	96.3	6.5%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,471.5	1,567.8	96.3	6.5%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.