



**OKLAHOMA STATE TREASURER  
RANDY MCDANIEL**

**For Immediate Release: September 6, 2019**

## **Gross Receipts Reflect Modest Economic Growth in August**

**OKLAHOMA CITY** – August Gross Receipts to the Treasury grew by a modest 3.2 percent over collections from the same month of last year, curtailed by a slowing of oil and gas tax receipts and a slight drop in income tax collections, State Treasurer Randy McDaniel announced today.

Monthly gross receipts were \$1.03 billion, up by \$31.7 million. Gross collections from the past 12 month topped \$13.7 billion, and are \$1.3 billion, or 10.8 percent, higher than during the prior 12 months.

“Oklahoma’s economy is still expanding,” McDaniel said. “While we continue to see economic growth, it’s not as robust as in previous months.”

The growth rate in total August gross receipts is the lowest in more than two years, and is driven by reduced collections from oil and gas production. In the past year, crude oil prices have fallen by almost 20 percent and rig counts are off by more than 40 percent.

Receipts from the gross production tax on oil and gas have dropped by more than a third since collections peaked in November 2018.

A slight decline from the prior year in income tax collections is credited to non-economic reasons. Tax officials said there were fewer reporting deadlines for remittance of withholding taxes this August compared to last.

Sales tax receipts rebounded slightly, growing by 3.1 percent compared to August 2018 after falling below prior year collections for two consecutive months.

### **New Tax Revenue**

In August, the gross production incentive tax rate increase approved in House Bill 1010 during special session last year added \$26.5 million to monthly collections, 2.6 percent of all August gross receipts.

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This is the last month in which comparison to the same month of the prior year is impacted by any of the tax hikes in HB 1010.

Increased revenue from higher rates on gasoline and diesel fuel, along with a \$1 per pack increase on cigarettes was first collected in August 2018 and is therefore included in the monthly bottom line comparison this month.

The increase in the incentive tax rate on the gross production of oil and natural gas was first collected in September 2018 and will not provide a straight-line comparison with the prior year until next month's report.

### **Other indicators**

The Oklahoma Business Conditions index for August dipped into negative territory after two months above growth neutral. August's rate of 49.6 is down from July's rate of 52.8. The index was also below growth neutral in April and May. Numbers below 50 indicate anticipated economic contraction during the next three to six months.

Oklahoma's seasonally adjusted unemployment rate of 3.2 percent and the U.S. jobless rate of 3.7 percent were both unchanged in July from the previous month, according to figures released by the Oklahoma Employment Security Commission.

### **August collections**

August gross collections total \$1.03 billion, up by \$31.7 million, or 3.2 percent, from August 2018.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$266 million, a decrease of \$11.4 million, or 4.1 percent, from the previous August.

Individual income tax collections for the month are \$259.2 million, down by \$9.1 million, or 3.4 percent, from the prior year. Corporate collections are \$6.8 million, a decrease of \$2.3 million, or 25.2 percent. Wide variances in corporate receipts are not uncommon.

Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$483.6 million in August. That is \$21.2 million, or 4.6 percent, more than August 2018.

Sales tax collections in August total \$419.5 million, an increase of \$12.6 million, or 3.1 percent from the same month of the prior year. Use tax receipts, paid on out-of-state purchases including online sales, generated \$64.1 million, an increase of \$8.6 million, or 15.6 percent, over the year. Tax officials primarily credit increased compliance by online retailers for the use tax growth.

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Gross production taxes on oil and natural gas generated \$75.8 million in August, an increase of \$3.9 million, or 5.5 percent, from last August. Compared to July 2019 reports, gross production collections are down by \$4.9 million, or 6.1 percent.

Motor vehicle taxes produced \$69.9 million, up by \$1 million, or 1.5 percent, from the same month of 2018.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$131.5 million during the month. That is \$16.9 million, or 14.7 percent, more than last August.

### **Twelve-month collections**

Gross revenue totals \$13.7 billion from the past 12 months, September 2018 through August 2019. That is \$1.3 billion, or 10.8 percent, more than collections from the previous 12-month period.

Gross income taxes generated \$4.6 billion for the 12 months, reflecting an increase of \$316.2 million, or 7.3 percent, from the prior 12 months.

Individual income tax collections total \$4.1 billion, up by \$275.3 million, or 7.2 percent, from the prior period. Corporate collections are \$516.2 million for the period, an increase of \$40.9 million, or 8.6 percent, over the previous 12 months.

Combined sales and use taxes for the 12 months generated \$5.6 billion, an increase of \$331.9 million, or 6.3 percent, from the prior period.

Gross sales tax receipts total \$4.9 billion, up by \$152.5 million, or 3.2 percent, during the period. Use tax collections generated \$708.5 million, an increase of \$179.4 million, or 33.9 percent over the previous 12 months.

Oil and gas gross production tax collections brought in \$1.17 billion during the 12 months, up by \$414.1 million, or 54.9 percent, from the previous period.

Motor vehicle collections total \$788.4 million for the 12 months. This is an increase of \$13.8 million, or 1.8 percent, from the trailing period.

Other sources generated \$1.5 billion, up by \$257.1 million, or 20.1 percent, from the previous period.

### **About Gross Receipts to the Treasury**

The Office of the State Treasurer developed the monthly Gross Receipts to the Treasury report in order to provide a timely and broad view of the state's macro economy.

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It is released 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 less than half of the state's gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and apportioned to other state funds.

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**For more information contact:**

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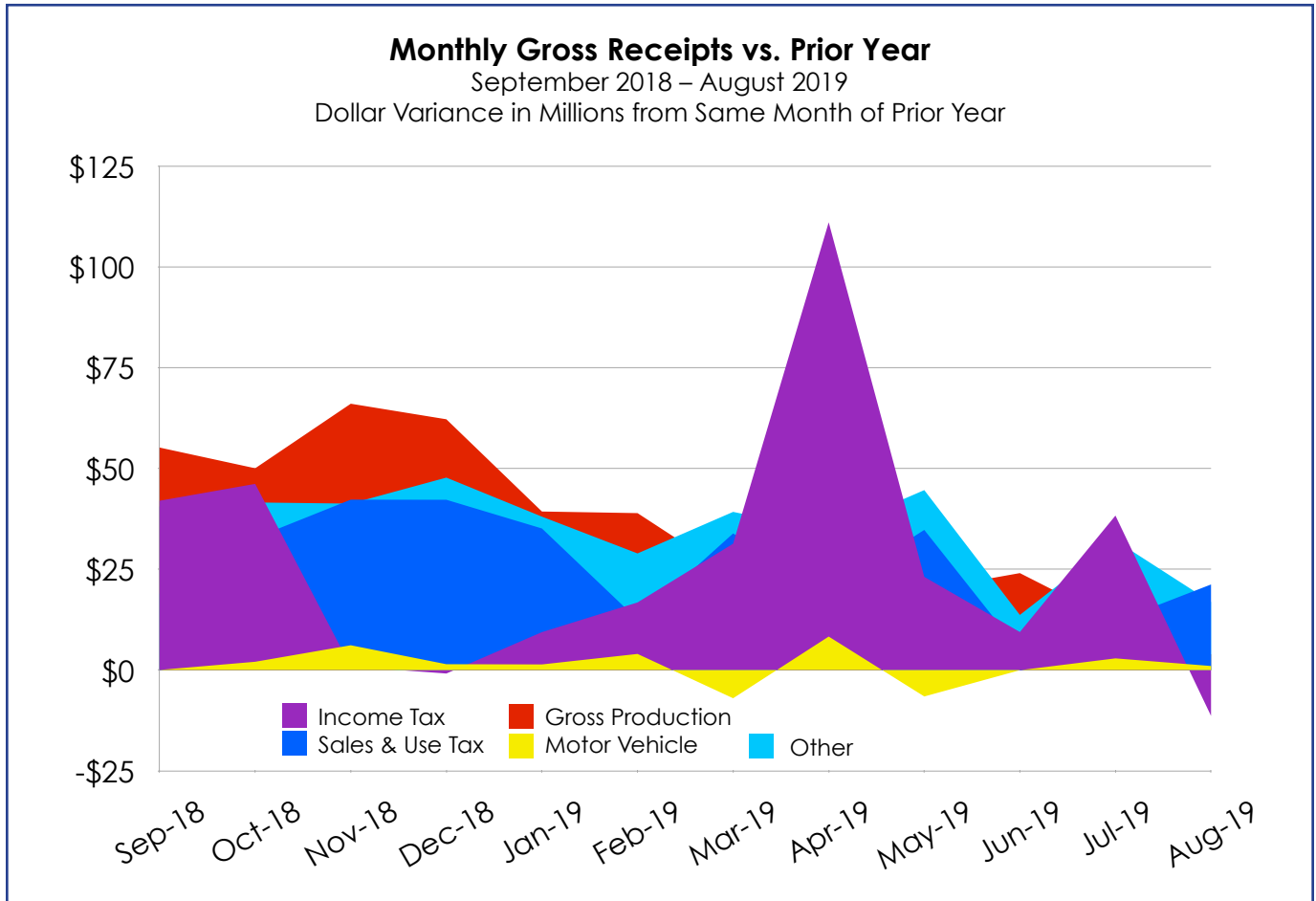
# Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	August-18	August-19	\$	%
<b>Total Income Tax</b>	<b>277.3</b>	<b>266.0</b>	<b>(11.4)</b>	<b>-4.1%</b>
<i>Individual</i>	268.3	259.2	(9.1)	-3.4%
<i>Corporate</i>	9.1	6.8	(2.3)	-25.2%
<b>Sales &amp; Use Tax (1)</b>	<b>462.3</b>	<b>483.6</b>	<b>21.2</b>	<b>4.6%</b>
<i>Sales Tax</i>	406.9	419.5	12.6	3.1%
<i>Use Tax</i>	55.5	64.1	8.6	15.6%
<b>Gross Production</b>	<b>71.9</b>	<b>75.8</b>	<b>3.9</b>	<b>5.5%</b>
<b>Motor Vehicle</b>	<b>68.9</b>	<b>69.9</b>	<b>1.0</b>	<b>1.5%</b>
<b>Other Sources (2)</b>	<b>114.6</b>	<b>131.5</b>	<b>16.9</b>	<b>14.7%</b>
<b>TOTAL REVENUE</b>	<b>995.1</b>	<b>1,026.8</b>	<b>31.7</b>	<b>3.2%</b>

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



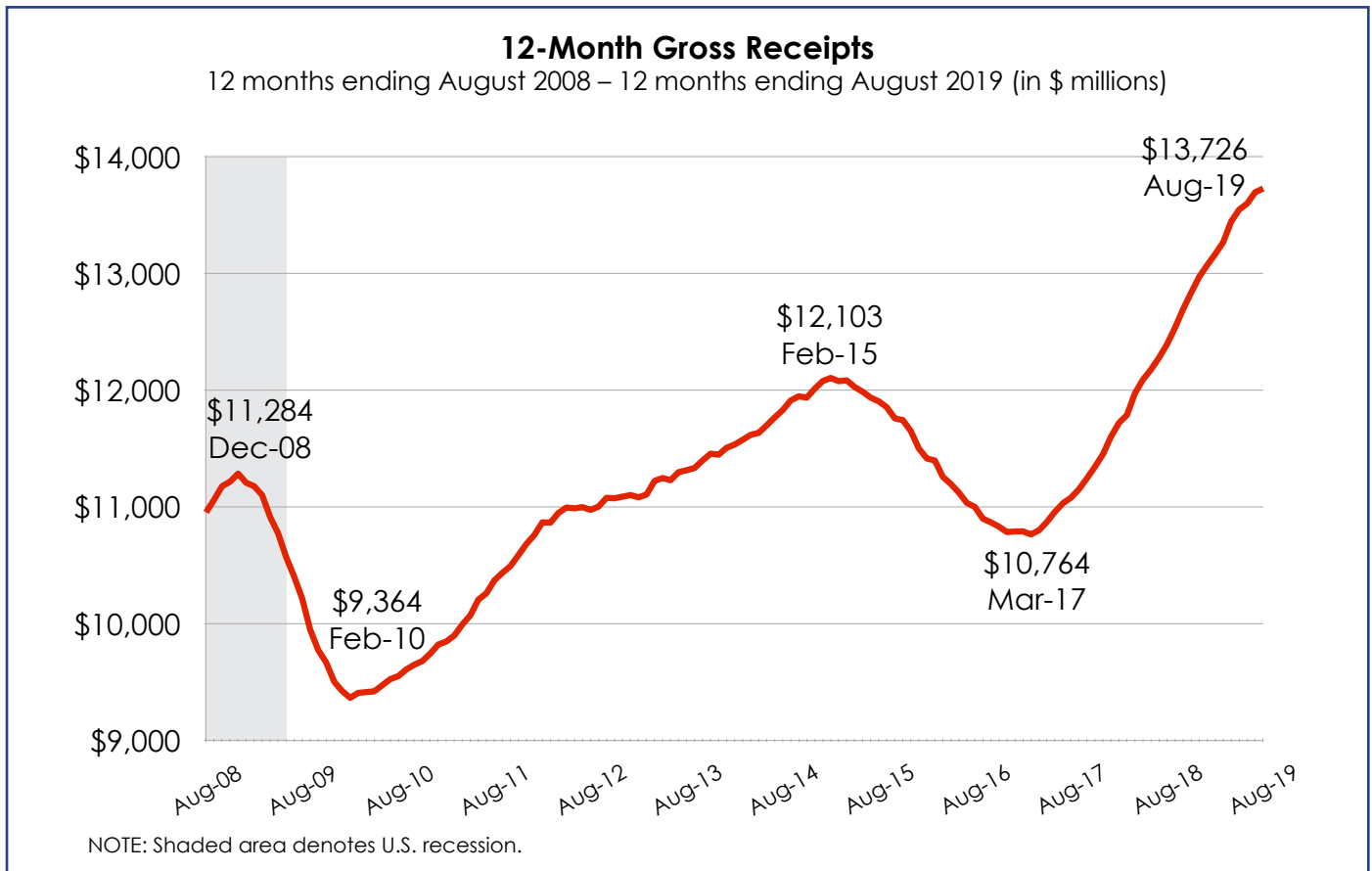
# Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Sept 18 - Aug 19			
	Prior Year	Current Year	Variance From Prior Year	
	Sept 17 - Aug 18	Sept 18 - Aug 19	\$	%
<b>Total Income Tax</b>	<b>4,311.0</b>	<b>4,627.3</b>	<b>316.2</b>	<b>7.3%</b>
<i>Individual</i>	3,835.8	4,111.1	275.3	7.2%
<i>Corporate</i>	475.2	516.2	40.9	8.6%
<b>Sales and Use Tax (1)</b>	<b>5,273.9</b>	<b>5,605.8</b>	<b>331.9</b>	<b>6.3%</b>
<i>Sales Tax</i>	4,744.9	4,897.3	152.5	3.2%
<i>Use Tax</i>	529.0	708.5	179.4	33.9%
<b>Gross Production</b>	<b>754.9</b>	<b>1,169.1</b>	<b>414.1</b>	<b>54.9%</b>
<b>Motor Vehicle</b>	<b>774.6</b>	<b>788.4</b>	<b>13.8</b>	<b>1.8%</b>
<b>Other Sources (2)</b>	<b>1,277.9</b>	<b>1,535.0</b>	<b>257.1</b>	<b>20.1%</b>
<b>TOTAL REVENUE</b>	<b>12,392.4</b>	<b>13,725.5</b>	<b>1,333.1</b>	<b>10.8%</b>

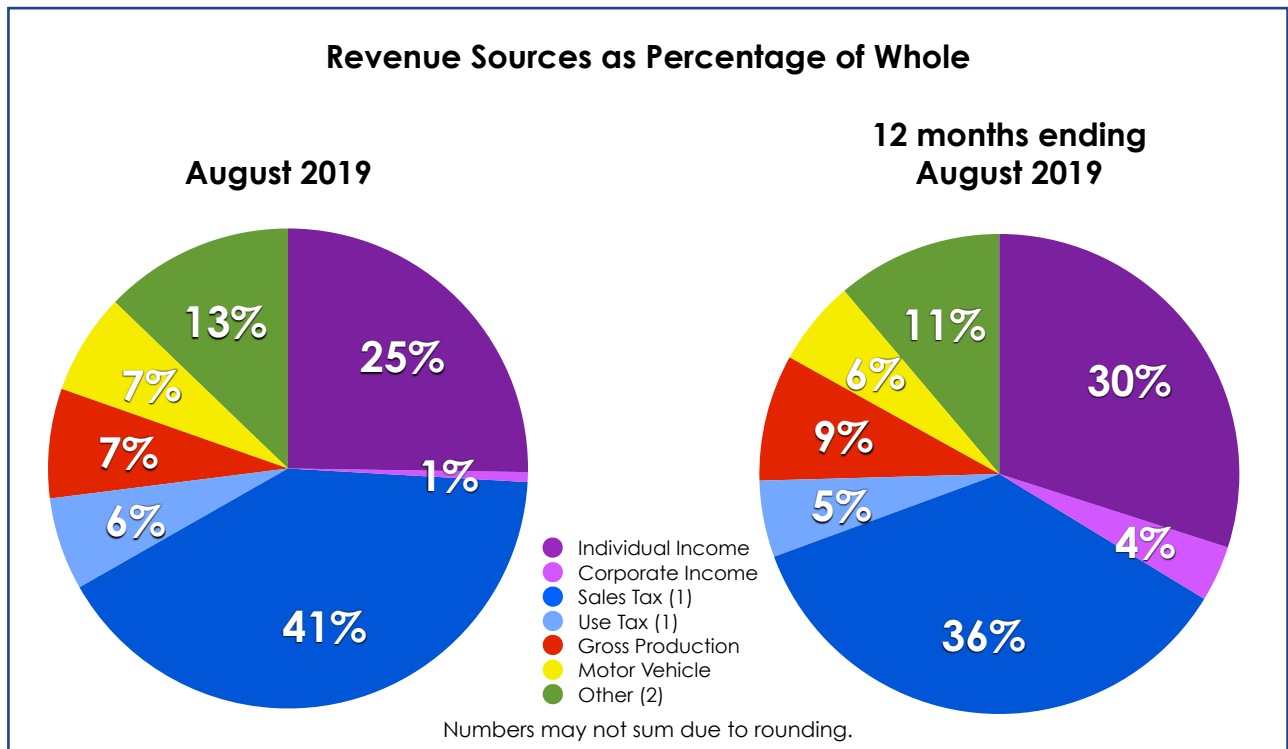
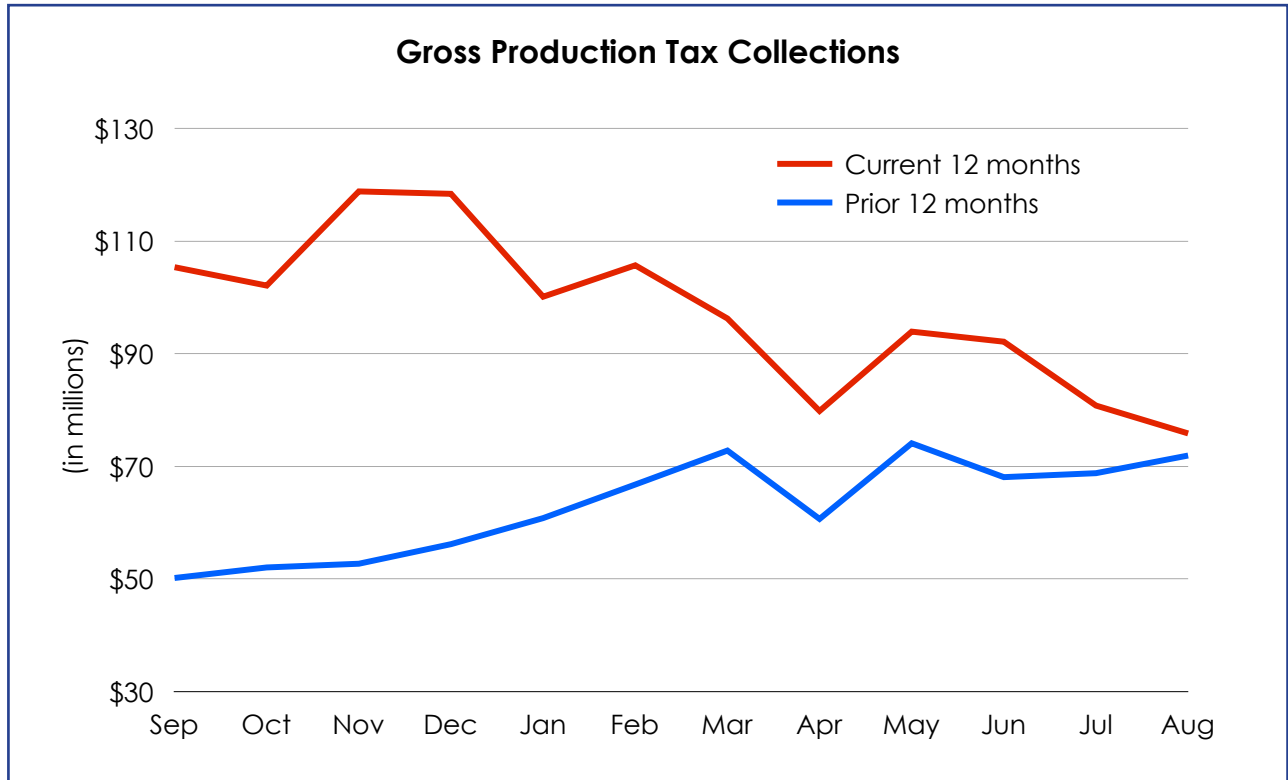
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# Gross Receipts to Treasury



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