



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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**Revenue Collections Top Estimate, Prior Year for
First Half of Fiscal Year**

Gross Production Taxes Drive Revenue in December

OKLAHOMA CITY – General Revenue Fund collections for the first six months of the fiscal year topped prior year receipts and the estimate, but at a slower pace than in previous years, State Treasurer Scott Meacham announced today.

Preliminary reports show General Revenue Fund collections for the first six months of FY '08 totaled \$2.844 billion. That amount is:

- \$11 million or 0.4 percent above the prior year; and
- \$90.6 million or 3.3 percent above the estimate.

“Halfway through the fiscal year, General Revenue Fund collections are ahead of both prior year collections and the estimate,” Treasurer Meacham said. “However, as we’ve been seeing for several months, the rate of growth has slowed significantly.”

Meacham said strong gross production tax receipts are pushing up the numbers. The gross production tax on natural gas yielded \$329.5 million during the six-month period, which is \$62.6 million or 23.4 percent above the prior year and \$36.1 million or 12.3 percent above the estimate.

“At this point last year, natural gas prices were running well below anticipated levels, Meacham said. “Prices have rebounded and we are now seeing the effects.”

“Sales tax collections year-to-date are \$58.6 million ahead of those of one year ago and are \$32.6 million above the estimate,” he said. “The current numbers reflect sales tax collections from the last half of November through the first half of December. Preliminarily, it looks like the first half of the Christmas shopping season was very good despite the ice storm.”

“Additionally, we saw increases in sales tax collections in the building materials, restaurant and hotel sectors, which we attribute in large part to the ice storm.”

During the first half of the current fiscal year, net income taxes, a combination of personal and corporate collections, produced \$1.222 billion, falling below collections of one year ago by \$107.1 million or 8.1 percent but exceeding the estimate by \$18.3 million or 1.5 percent.

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Year-to-date personal income tax collections total \$1.102 billion, which is \$70.4 million or 6 percent below the prior year but \$57.4 million or 5.5 percent above the estimate. Corporate collections for the same time period total \$120.1 million, which is \$36.8 million or 23.4 percent below the prior year and \$39.1 million or 24.5 percent below the estimate.

Other revenue, which includes investment earnings along with taxes on insurance, alcoholic beverages and others, produced \$343.9 million during the first half of the fiscal year. This is \$4.7 million or 1.4 percent below the prior year and \$2.4 million or 0.7 percent above the estimate.

The treasurer's earnings on investments for the first half of the fiscal year were \$84.2 million, which is \$13.1 million or 18.4 percent above the prior year.

The state sales tax produced \$822 million for the period, which is \$58.6 million or 7.7 percent above the prior year and \$32.6 million or 4.1 percent above the estimate.

Motor vehicle tax receipts, which come primarily from vehicle sales and licenses, produced \$126 million in FY-08's first half. This is \$1.7 million or 1.4 percent above the prior year and \$1.2 million or 0.9 percent above the estimate.

"Collections in December were very strong," Meacham said. "Personal income tax collections were up as were sales tax collections. Gross Production numbers were outstanding. The only negative was with motor vehicle collections and that probably can be blamed on the bad weather."

For the month of December, preliminary reports show General Revenue Fund collections totaled \$529.7 million. That amount is:

- \$38.4 million or 7.8 percent above the prior year; and
- \$23.4 million or 4.6 percent above the estimate.

Net income taxes produced \$261.2 million, which was \$7.1 million or 2.8 percent above the prior year and \$18.2 million or 7.5 percent above the estimate. Personal income tax collections for the month totaled \$225.3 million, which is \$28.1 million or 14.3 percent above the prior year and \$38.7 million or 20.7 percent above the estimate. Corporate collections totaled \$35.9 million, which is \$21 million or 36.9 percent below the prior year and \$20.5 million or 36.4 percent below the estimate.

The gross production tax on natural gas yielded \$56.5 million for the month, which was \$23.1 million or 69.3 percent above the prior year and \$6.6 million or 13.2 percent above the estimate.

The state sales tax produced \$143.8 million for the month, which was \$11.3 million or 8.5 percent above the prior year and \$6.2 million or 4.5 percent above the estimate. An analysis from the tax commission shows much of the increase came from sales tax paid on building materials, restaurants and hotels – areas that might have seen increases due to the ice storms.

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Motor vehicle collections for the month were \$12.3 million, which was \$2.9 million or 19.3 percent below the prior year and \$4.9 million or 28.4 percent below the estimate.

Other revenue produced \$55.9 million for the month of December. This was \$0.3 million or 0.5 percent below the prior year and \$2.7 million or 4.6 percent below the estimate.

The treasurer's investment earnings for December were \$13.3 million, which is \$2.4 million or 2.9 percent above the prior year.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY December 2007	
	FY-07 Actual December 2006	FY-08 Actual December 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	254.0	261.2	7.1	2.8%
Gross Production	33.4	56.5	23.1	69.3%
Sales Tax	132.5	143.8	11.3	8.5%
Motor Vehicle	15.3	12.3	-2.9	-19.3%
Subtotal: Major Taxes	435.2	473.8	38.6	8.9%
Other Sources (1)	56.1	55.9	-0.3	-0.5%
TOTAL GEN REVENUE	491.3	529.7	38.4	7.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	491.3	529.7	38.4	7.8%

PRELIMINARY (In \$ millions)	6 MONTH YEAR TO DATE		SUMMARY December 2007	
	FY-07 Actual Thru December 2006	FY-08 Actual Thru December 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	1,329.6	1,222.4	-107.1	-8.1%
Gross Production	267.0	329.5	62.6	23.4%
Sales Tax	763.4	822.0	58.6	7.7%
Motor Vehicle	124.3	126.0	1.7	1.4%
Subtotal: Major Taxes	2,484.2	2,499.9	15.7	0.6%
Other Sources (1)	348.6	343.9	-4.7	-1.4%
TOTAL GEN REVENUE	2,832.8	2,843.8	11.0	0.4%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	2,832.8	2,843.8	11.0	0.4%

(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 December 2007	
	FY-08 Estimate December 2007	FY-08 Actual December 2007	Variance From Estimate \$	Variance From Estimate %
Net Income Tax	243.0	261.2	18.2	7.5%
Gross Production	50.0	56.5	6.6	13.2%
Sales Tax	137.6	143.8	6.2	4.5%
Motor Vehicle	17.2	12.3	-4.9	-28.4%
Subtotal: Major Taxes	447.7	473.8	26.1	5.8%
Other Sources (1)	58.6	55.9	-2.7	-4.6%
TOTAL GEN REVENUI	506.3	529.7	23.4	4.6%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	506.3	529.7	23.4	4.6%

PRELIMINARY (In \$ millions)	6 MONTH YEAR TO DATE		SUMMARY December 2007	
	FY-08 Estimate Thru December 2007	FY-08 Actual Thru December 2007	Variance From Estimate \$	Variance From Estimate %
Net Income Tax	1,204.1	1,222.4	18.3	1.5%
Gross Production	293.4	329.5	36.1	12.3%
Sales Tax	789.4	822.0	32.6	4.1%
Motor Vehicle	124.8	126.0	1.2	0.9%
Subtotal: Major Taxes	2,411.8	2,499.9	88.1	3.7%
Other Sources (1)	341.5	343.9	2.4	0.7%
TOTAL GEN REVENUI	2,753.2	2,843.8	90.6	3.3%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	2,753.2	2,843.8	90.6	3.3%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.