



**SCOTT MEACHAM**  
**OKLAHOMA STATE TREASURER**

**For Immediate Release: January 9, 2007**

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

*However, Gross Production Tax Collections Miss Mark Due to Low Prices*

**OKLAHOMA CITY** – General Revenue Fund collections for the first six months of the fiscal year topped prior year receipts and the estimate, State Treasurer Scott Meacham announced today.

Preliminary reports show General Revenue Fund collections for the first six months of FY '07 totaled \$2.836 billion. That amount was:

- \$176.5 million or 6.6 percent above the prior year; and
- \$108.5 million or 4.0 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. “We are seeing a reduction in gross production tax collections, however, due to lower than estimated natural gas prices.”

The gross production tax on natural gas yielded \$267 million during the six-month period, which is \$48.9 million or 15.5 percent below the prior year and \$60.3 million or 18.4 percent below the estimate.

“These numbers emphasize my concerns about gross production tax estimates for the coming fiscal year,” Meacham said. “I think the state needs to be cautious in forecasting future gross production revenue from natural gas as we go through the budget process for next fiscal year.”

In spite of the lower-than-estimated gross production collections, Meacham said income tax and sales tax collections showed continued strength in Oklahoma’s economy.

**(more)**

“Sales tax collections year-to-date are \$49.4 million ahead of those of one year ago and are \$26.9 million above the estimate,” Meacham said. “The current numbers reflect sales tax collections from the last half of November through the first half of December. Next month, we anticipate seeing the full impact of the Christmas shopping season and those numbers are expected to be even better.

“Income tax collections also are ahead of the prior year and the year-to-date estimate. That, too, shows the versatility and diversity in our economy,” Meacham said.

During the first half of the current fiscal year, income taxes produced \$1.333 billion, exceeding collections of one year ago by \$95.1 million or 7.7 percent and the estimate by \$85.6 million or 6.9 percent.

Other revenue, which includes a wide range of sources including Treasurer Meacham’s earnings on state investments, has produced \$348.6 million during the first half of the fiscal year. This is \$66.3 million or 23.5 percent above the prior year and \$40.3 million or 13.1 percent above the estimate.

The treasurer’s earnings on investments for the first half of the fiscal year were \$71.2 million, which is \$36.4 million or 104.5 percent above the prior year.

The state sales tax produced \$763.4 million for the period, which is \$49.4 million or 6.9 percent above the prior year and \$26.9 million or 3.6 percent above the estimate.

Motor vehicle tax receipts, which come primarily from vehicle sales and licenses, produced \$124.3 million in FY-07’s first half. This is \$14.6 million or 13.4 percent above the prior year and \$16 million or 14.8 percent above the estimate.

For the month of December, preliminary reports show General Revenue Fund collections totaled \$491.3 million. That amount was:

- \$16.7 million or 3.3 percent below the prior year; and
- \$15.3 million or 3.0 percent below the estimate.

Income taxes produced \$254 million, which was \$14.6 million or 6.1 percent above the prior year and \$22.5 million or 9.7 percent above the estimate.

The gross production taxes on natural gas yielded \$33.4 million for the month, which was \$48.9 million or 59.4 percent below the prior year and \$39.6 million or 54.2 percent below the estimate.

The state sales tax produced \$132.5 million for the month, which was \$5.6 million or 4.4 percent above the prior year and was \$4.3 million or 3.3 percent above the estimate.

Motor vehicle collections for the month were \$15.3 million, which was \$0.6 million or 3.9 percent above the estimate and \$0.8 million or 4.9 percent below the estimate.

**(more)**

Other revenue produced \$56.1 million for the month of December. This was \$11.5 million or 25.6 percent above the prior year and \$1.7 million or 2.9 percent below the estimate.

The treasurer's investment earnings for December were \$10.9 million, which is \$7.8 million or 246.6 percent above the prior year.

###

**For more information contact:**

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212

# General Revenue Comparisons With Prior Year

## CHART I

PRELIMINARY

### MONTHLY COMPARISON

SUMMARY December 2006

(In \$ millions)	FY-06 Actual	FY-07 Actual	Variance From Prior Year	
	December, 2005	December, 2006	\$	%
Net Income Tax	239.5	254.0	14.6	6.1%
Gross Production	82.3	33.4	-48.9	-59.4%
Sales Tax	126.9	132.5	5.6	4.4%
Motor Vehicle	14.7	15.3	0.6	3.9%
<b>Subtotal: Major Taxes</b>	<b>463.4</b>	<b>435.2</b>	<b>-28.2</b>	<b>-6.1%</b>
Other Sources (1)	44.7	56.1	11.5	25.6%
<b>TOTAL GEN REVENUE</b>	<b>508.0</b>	<b>491.3</b>	<b>-16.7</b>	<b>-3.3%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	508.0	491.3	-16.7	-3.3%

PRELIMINARY

### 6 MONTH YEAR TO DATE

SUMMARY December 2006

(In \$ millions)	FY-06 Actual	FY-07 Actual	Variance From Prior Year	
	Thru December 2005	Thru December 2006	\$	%
Net Income Tax	1,237.6	1,332.7	95.1	7.7%
Gross Production	315.9	267.0	-48.9	-15.5%
Sales Tax	714.0	763.4	49.4	6.9%
Motor Vehicle	109.6	124.3	14.6	13.4%
<b>Subtotal: Major Taxes</b>	<b>2,377.1</b>	<b>2,487.3</b>	<b>110.2</b>	<b>4.6%</b>
Other Sources (1)	282.3	348.6	66.3	23.5%
<b>TOTAL GEN REVENUE</b>	<b>2,659.4</b>	<b>2,835.9</b>	<b>176.5</b>	<b>6.6%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	2,659.4	2,835.9	176.5	6.6%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.

Office of the State Treasurer

# General Revenue Comparisons With Estimate

## CHART II

PRELIMINARY

(In \$ millions)	MONTHLY COMPARISON		SUMMARY December 2006	
	FY-07 Estimate	FY-07 Actual	Variance From Estimate	
	December, 2006	December, 2006	\$	%
Net Income Tax	231.6	254.0	22.5	9.7%
Gross Production	73.0	33.4	-39.6	-54.2%
Sales Tax	128.2	132.5	4.3	3.3%
Motor Vehicle	16.1	15.3	-0.8	-4.9%
<b>Subtotal: Major Taxes</b>	<b>448.9</b>	<b>435.2</b>	<b>-13.7</b>	<b>-3.0%</b>
Other Sources (1)	57.8	56.1	-1.7	-2.9%
<b>TOTAL GEN REVENUE</b>	<b>506.7</b>	<b>491.3</b>	<b>-15.3</b>	<b>-3.0%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	506.7	491.3	-15.3	-3.0%

PRELIMINARY

(In \$ millions)	6 MONTH YEAR TO DATE		SUMMARY December 2006	
	FY-07 Estimate	FY-07 Actual	Variance From Estimate	
	Thru December 2006	Thru December 2006	\$	%
Net Income Tax	1,247.1	1,332.7	85.6	6.9%
Gross Production	327.2	267.0	-60.3	-18.4%
Sales Tax	736.5	763.4	26.9	3.6%
Motor Vehicle	108.2	124.3	16.0	14.8%
<b>Subtotal: Major Taxes</b>	<b>2,419.1</b>	<b>2,487.3</b>	<b>68.2</b>	<b>2.8%</b>
Other Sources (1)	308.3	348.6	40.3	13.1%
<b>TOTAL GEN REVENUE</b>	<b>2,727.4</b>	<b>2,835.9</b>	<b>108.5</b>	<b>4.0%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	2,727.4	2,835.9	108.5	4.0%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.

Office of the State Treasurer