For Immediate Release: January 6, 2017

Gross Receipts to the Treasury in Calendar Year 2016 Show Ongoing Impact of Energy Sector Contraction

OKLAHOMA CITY – Gross Receipts to the Treasury during the 2016 calendar year are less than receipts from 2015, marking a second consecutive calendar year of contraction, State Treasurer Ken Miller announced today.

Annual Gross Receipts to the Treasury shrank by 7.4 percent compared to calendar year 2015, and – at $10.78 billion – is the lowest 12-month total since January 2012. During the 2015 calendar year, gross receipts fell by 3 percent.

“Gross Receipts to the Treasury show the ongoing impact of the prolonged downturn in the energy industry on all four major revenue streams,” Miller said. “However, the overall rate of decline has slowed during each of the past three months as oil and gas gross production collections have shown moderate increases.”

Gross Receipts to the Treasury for December are $901.8 million, down by more than $47 million, or 5 percent, from December 2015. It is the smallest December bottom line since 2010.

Following almost two years of steady decline, collections from oil and natural gas gross production taxes are higher than the same month of the prior year for a third consecutive month. December gross production receipts total $39.4 million, up by $1.7 million, or 4.4 percent, from December 2015. Monthly receipts are based on production activity from October when the average price of benchmark West Texas Intermediate crude oil was $49.78 per barrel.

In December, the three other major revenue streams – income, sales, and motor vehicle taxes – show collections less than the same month of the prior year.

Other indicators

For a fifth consecutive month, Oklahoma’s unemployment rate in November was higher than the national jobless number. The state’s rate was reported at 5.1 percent, while the U.S. rate was set at 4.6 percent.

(more)
The Oklahoma Business Conditions Index, predicting economic activity for the next three to six months, was set at 48.8 in December. It is the seventh consecutive month the state has had numbers below 50, which indicate continued economic slowing.

**December collections**

The report for December lists gross receipts at $901.8 million, down $47.1 million, or 5 percent, from December 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated $319 million, a reduction of $34.4 million, or 9.7 percent, from the previous December.

Individual income tax collections for the month are $268.7 million, down by $28.6 million, or 9.6 percent, from the prior year. Corporate collections are $50.3 million, down by $5.8 million, or 10.3 percent.

Sales tax collections, including remittances on behalf of cities and counties, total $363.4 million in December. That is $3.7 million, or 1 percent, below December of last year.

Gross production taxes on oil and natural gas generated $39.4 million during the month, an increase of $1.7 million, or 4.4 percent, from last December. Compared to November reports, gross production collections are up by $5.3 million, or 15.6 percent, over the month.

Motor vehicle taxes produced $57 million, down by $5.4 million, or 8.7 percent, from the prior year.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced $123.1 million during the month. That is $5.3 million, or 4.1 percent, less than last December.

**Calendar year collections**

During the 2016 calendar year, gross revenue totals $10.8 billion. That is $865.7 million, or 7.4 percent, below collections from the 2015 calendar year.

Gross income taxes generated $3.9 billion for the period, reflecting a drop of $494.6 million, or 11.2 percent, from the preceding year.

Individual income tax collections total $3.5 billion, down by $313.7 million, or 8.3 percent, from the prior calendar year. Corporate collections are $446.4 million for the year, a decrease of $181 million, or 28.8 percent, from the previous year.

During 2016, sales taxes generated $4.2 billion, a decrease of $182 million, or 4.2 percent, from 2015.
Oil and gas gross production tax collections brought in $350.2 million during the 12 months, down by $124 million, or 26.1 percent, from the trailing year.

Motor vehicle collections total $741.9 million for the period. This is a decrease of $22 million, or 2.9 percent, from the prior 12 months.

Other sources generated $1.6 billion, down $43 million, or 2.7 percent, from the previous 12 months.

About Gross Receipts to the Treasury

Since March 2011, the Treasurer’s Office has issued the monthly Gross Receipts to the Treasury report, which provides a timely and broad view of the state’s macro economy.

It is provided 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 slightly less than half of the state’s gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and placed into off-the-top earmarks to other state funds.

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For more information contact:
Tim Allen, Deputy Treasurer for Communications & Program Administration
(405) 522-4212
### Gross Receipts to Treasury

#### Preliminary

<table>
<thead>
<tr>
<th>Source</th>
<th>December-15</th>
<th>December-16</th>
<th>Variance From Prior Year</th>
</tr>
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<tbody>
<tr>
<td>Income Tax</td>
<td>353.37</td>
<td>318.98</td>
<td>-34.39 -9.7%</td>
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<td>Gross Production</td>
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<td>-5.31 -4.1%</td>
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<td><strong>TOTAL REVENUE</strong></td>
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<td><strong>901.76</strong></td>
<td><strong>-47.14 -5.0%</strong></td>
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(1) Includes Collections for Counties and Municipalities
(2) Gross Collections from OTC

Details may not sum due to rounding.

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#### Monthly Comparison

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### Monthly Gross Receipts vs. Prior Year

January – December 2016

Dollar Variance in Millions from Same Month of Prior Year

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Office of the State Treasurer
### Gross Receipts to Treasury

#### 12 Month Period Ending

**JAN 2016- DEC 2016**

<table>
<thead>
<tr>
<th>(In $ millions)</th>
<th>Prior Year JAN 2015 - DEC 2015</th>
<th>Current Year JAN 2016 - DEC 2016</th>
<th>Variance From Prior Year</th>
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</thead>
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<tr>
<td>Income Tax</td>
<td>4,420.91</td>
<td>3,926.29</td>
<td>-494.62 -11.2%</td>
</tr>
<tr>
<td>Gross Production</td>
<td>474.26</td>
<td>350.25</td>
<td>-124.02 -26.1%</td>
</tr>
<tr>
<td>Sales Tax (1)</td>
<td>4,379.87</td>
<td>4,197.86</td>
<td>-182.00 -4.2%</td>
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<tr>
<td>Motor Vehicle</td>
<td>763.92</td>
<td>741.92</td>
<td>-21.99 -2.9%</td>
</tr>
<tr>
<td>Other Sources (2)</td>
<td>1,610.07</td>
<td>1,567.02</td>
<td>-43.05 -2.7%</td>
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**TOTAL REVENUE**

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<th>Current Year</th>
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<td>11,649.02</td>
<td>10,783.34</td>
<td>-865.68 -7.4%</td>
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(1) Includes Collections for Counties and Municipalities
(2) Gross Collections from OTC

Details may not sum due to rounding.

### 12-Month Gross Receipts

12-months ending June 2008 – 12-months ending December 2016

(in millions)

- **$9,000**
- **$10,000**
- **$11,000**
- **$12,000**
- **$13,000**

- **$9,364** Feb-10
- **$11,284** Dec-08
- **$12,103** Feb-15
- **$10,783** Dec-16

**NOTE:** Shaded area denotes U.S. recession.
Gross Receipts to Treasury

Total Gross Production Tax Collections

Revenue Sources as Percentage of Whole

(1) Includes Collections for Counties and Municipalities
(2) Gross Collections from OTC
Office of the State Treasurer