Oklahoma Gross Receipts Finish Strong in 2018

OKLAHOMA CITY – Gross Receipts to the Treasury grew at a double-digit pace, increasing by more than $1.5 billion, during calendar year 2018, State Treasurer Randy McDaniel announced today.

Gross receipts for 2018 were slightly less than $13 billion and grew by 13.2 percent compared to calendar year 2017 collections. During the month of December, total receipts topped $1.1 billion and were up by more than $135 million, or 13.4 percent, compared to December 2017.

“Oklahoma’s economy has been performing admirably,” Treasurer McDaniel said. “Gross receipts have improved significantly, while unemployment remains low. These and other economic indicators point to a favorable outlook for the state, but could be restrained by the downturn in energy prices, global trade uncertainty, and stock market volatility.”

Every major revenue stream expanded during 2018 at rates ranging from 84 percent for gross production taxes on oil and natural gas production to 2.5 percent for motor vehicle taxes.

For the month of December, every major revenue source except individual income tax receipts showed growth. The tax commission reports a 1 percent reduction in individual income tax collections was likely due to one less remittance deadline for withholding taxes this December compared to last.

Officials continue to closely watch gross production tax collections due to the recent downturn in crude oil prices. December gross production collections of $118.4 million are up by $62.2 million, or 110.7 percent, compared to December 2017.

However, December collections reflect oilfield activity from October when West Texas Intermediate crude oil at Cushing averaged $70.75 per barrel. Collections in January will reflect November production, when oil prices averaged $56.96 per barrel.

New Tax Revenue

Revenue generated by increased tax rates approved in House Bill 1010 during special session last year added $62.6 million to monthly collections, 5.5 percent of December gross receipts.

(more)
The largest share, $38.5 million, came from the increase from 2 percent to 5 percent in the incentive tax rate on oil and natural gas gross production. Higher tax rates on gasoline and diesel fuel generated $9.5 million, and the $1 per pack hike in cigarette taxes added $14.6 million to December’s total.

**Other indicators**

The Oklahoma Business Conditions Index has topped growth neutral for 17 consecutive months. The December index rose to 56.4 from 55.9 in November. Numbers above 50 indicate anticipated economic growth during the next three to six months.

Oklahoma’s seasonally adjusted unemployment rate of 3.3 percent in November is down by one-tenth of a percentage point from October. The U.S. jobless rate of 3.7 percent is unchanged from the prior month, according to figures released by the Oklahoma Employment Security Commission.

**December collections**

December gross collections total $1.1 billion, up $135.2 million, or 13.4 percent, from December 2017.

Gross income tax collections, a combination of individual and corporate income taxes, generated $350.4 million, a decrease of $855,385, or 0.2 percent, from the previous December.

Individual income tax collections for the month are $293.6 million, down by $2.9 million, or 1 percent, from the prior year. Corporate collections are $56.8 million, an increase of $2.1 million, or 3.8 percent.

Sales tax collections, including remittances on behalf of cities and counties, total $428.2 million in December. That is $24.7 million, or 6.1 percent, more than December 2017.

Gross production taxes on oil and natural gas generated $118.4 million in December, an increase of $62.2 million, or 110.7 percent, from last December. Compared to November reports, gross production remittances are down by $407,753, or 0.3 percent.

Motor vehicle taxes produced $61.4 million, up by $1.5 million, or 2.4 percent, from the same month of 2017.

Other collections, consisting of about 60 different sources including use taxes, along with taxes on fuel, tobacco, and alcoholic beverages, produced $186.7 million during the month. That is $47.7 million, or 34.4 percent, more than last December.

**2018 collections**

Gross revenue totals $13 billion from 2018. That is $1.5 billion, or 13.2 percent, more than collections from 2017.

*(more)*
Gross income taxes generated $4.4 billion for the period, reflecting an increase of $372.5 million, or 9.2 percent, from the prior calendar year.

Individual income tax collections total $3.9 billion, up by $278 million, or 7.7 percent, from the prior year. Corporate collections are $499.7 million for the period, an increase of $94.4 million, or 23.3 percent, over the previous period.

Sales taxes for the 12 months generated $4.8 billion, an increase of $404.2 million, or 9.1 percent, from the prior year.

Oil and gas gross production tax collections brought in $988.4 million during the year, up by $451.2 million, or 84 percent, from the previous year.

Motor vehicle collections total $784.3 million for the period. This is an increase of $19.4 million, or 2.5 percent, from the trailing year.

Other sources generated $2 billion, up by $269.2 million, or 16 percent, from the previous 12 months.

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.

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.

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

### PRELIMINARY

(In $ millions)  

| Description          | December-17 | December-18 | Variance | %  
|----------------------|-------------|-------------|----------|---
| Income Tax           | 351.2       | 350.4       | (0.9)    | -0.2%  
| Gross Production     | 56.2        | 118.4       | 62.2     | 110.7% 
| Sales Tax (1)        | 403.5       | 428.2       | 24.7     | 6.1%   
| Motor Vehicle        | 59.9        | 61.4        | 1.5      | 2.4%   
| Other Sources (2)    | 138.9       | 186.7       | 47.7     | 34.4%  
| **TOTAL REVENUE**    | **1,009.7** | **1,144.9** | **135.2**| **13.4%** |

(1) Includes Collections for Counties and Municipalities  
(2) Gross Collections from OTC  
Details may not sum due to rounding.

### MONTHLY COMPARISON

| Description   | December-17 | December-18 | Variance | %  
|---------------|-------------|-------------|----------|---
| Income Tax    |             |             |          |     
| Gross Production |         |             |          |     
| Sales Tax     |             |             |          |     
| Motor Vehicle |             |             |          |     
| Other Sources |             |             |          |     

### Monthly Gross Receipts vs. Prior Year

January – December 2018  
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 18 - Dec 18

<table>
<thead>
<tr>
<th></th>
<th>Prior Year Jan 17 - Dec 17</th>
<th>Current Year Jan 18 - Dec 18</th>
<th>Variance From Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax</td>
<td>4,026.7</td>
<td>4,399.2</td>
<td>372.5</td>
</tr>
<tr>
<td>Gross Production</td>
<td>537.2</td>
<td>988.4</td>
<td>451.2</td>
</tr>
<tr>
<td>Sales Tax (1)</td>
<td>4,434.7</td>
<td>4,839.0</td>
<td>404.2</td>
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<tr>
<td>Motor Vehicle</td>
<td>764.9</td>
<td>784.3</td>
<td>19.4</td>
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<tr>
<td>Other Sources (2)</td>
<td>1,687.3</td>
<td>1,956.5</td>
<td>269.2</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>11,450.9</strong></td>
<td><strong>12,967.4</strong></td>
<td><strong>1,516.5</strong></td>
</tr>
</tbody>
</table>

(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 2018
(in millions)

<table>
<thead>
<tr>
<th>Date</th>
<th>Gross Receipts (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-08</td>
<td>$11,284</td>
</tr>
<tr>
<td>Dec-08</td>
<td>$1,364</td>
</tr>
<tr>
<td>Dec-09</td>
<td>$12,103</td>
</tr>
<tr>
<td>Feb-10</td>
<td>$9,364</td>
</tr>
<tr>
<td>Mar-17</td>
<td>$10,764</td>
</tr>
<tr>
<td>Dec-18</td>
<td>$12,967</td>
</tr>
</tbody>
</table>

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

Total Gross Production Tax Collections

- Current 12 months
- Prior 12 months

Revenue Sources as Percentage of Whole

December 2018

- Income Tax: 16%
- Gross Production: 37%
- Sales Tax (1): 5%
- Motor Vehicle: 10%
- Other (2): 31%

12 months ending December 2018

- Income Tax: 15%
- Gross Production: 37%
- Sales Tax (1): 6%
- Motor Vehicle: 8%
- Other (2): 34%

Numbers may not sum due to rounding.

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Office of the State Treasurer