



KEN MILLER
OKLAHOMA STATE TREASURER

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December Revenue Tops Estimate and Prior Year

At Fiscal Year midpoint, Miller says state economy is gaining strength

OKLAHOMA CITY – Oklahoma’s economy appears to be continuing its slow and steady recovery from the recession, State Treasurer Ken Miller said today as he issued revenue reports for December and the first half of the state’s fiscal year.

Preliminary reports show General Revenue Fund collections in December are \$454.5 million. That amount is:

- \$52.1 million or 13 percent above the prior year; and,
- \$18.9 million or 4.3 percent above the estimate.

Happy Holidays Shown

Miller said the reports indicate Oklahoma had a much-improved Christmas season and is trending in a positive direction, but is still in the early stages of recovery.

“Sales tax collections show a seven-percent increase in spending from last December,” he said. “While those collections are \$3.7 million less than two years ago, they are up by \$9.4 million from last Christmas.”

Sales tax collections are widely viewed as an indicator of consumer confidence where an increase typically signals growing optimism. The December report reflects retail spending between mid-November and mid-December.

However, Miller said income tax collections seem to show the lagging effects of the deep economic downturn.

“We are seeing moderate growth in income tax collections, including in withholding taxes,” he said. “As seen in the continuing elevated state unemployment rate, income tax collections show Oklahoma businesses are beginning to gain confidence but are still shaking off the impact of the recession.”

Miller said year-to-date revenue reports show the recovery is occurring across virtually all sectors of Oklahoma’s economy although natural gas prices remain depressed.

(more)

December Collections

In December, net income taxes, a combination of personal and corporate income taxes, produced \$203.8 million. That figure is \$31.7 million or 18.4 percent above the prior year and \$6.9 million or 3.5 percent above the estimate.

Personal income tax collections for the month are \$172.9 million. That is \$18.7 million or 12.1 percent above the prior year but \$5.1 million or 2.9 percent below the estimate. Corporate income tax collections in December are \$31 million. That is \$12.9 million or 71.8 percent above the prior year and \$12 million or 63.3 percent above the estimate.

The state sales tax produced \$145.2 million for the month, which is \$9.4 million or 7 percent above the prior year and \$4.3 million or 3.1 percent above the estimate.

The gross production tax on oil and natural gas yielded \$34.5 million for the month, which is \$4.3 million or 14.2 percent above the prior year and \$1.8 million or 5.5 percent above the estimate.

Motor vehicle taxes produced \$13.6 million in December, which is \$2.6 million or 23.7 percent above the prior year and \$4.2 million or 45.1 percent above the estimate.

Other revenue, including investment earnings and taxes on insurance, alcoholic beverages and others produced \$57.3 million for the month. This is \$4.1 million or 7.7 percent above the prior year and \$1.6 million or 2.9 percent above the estimate.

Fiscal-Year-to-Date Collections

Preliminary reports show General Revenue Fund collections for the first six months of the fiscal year total \$2.365 billion. That amount is:

- \$165.8 million or 7.5 percent above the prior year; and,
- \$68.3 million or 3 percent above the estimate.

Net income tax collections for the first six months of the fiscal year total \$987 million, which is \$29.9 million or 3.1 percent above the prior year and \$55.2 million or 5.9 percent above the estimate.

Personal income tax collections for the period are \$899.8 million. That is \$17.7 million or 2 percent above the prior year and \$30.6 million or 3.5 percent above the estimate. Corporate income tax collections total \$87.2 million for the period. That is \$12.2 million or 16.3 percent above the prior year and \$24.6 million or 39.2 percent above the estimate.

The state sales tax has produced a total of \$828.1 million during the fiscal year, which is \$73 million or 9.7 percent above the prior year and \$44 million or 5.6 percent above the estimate.

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Gross production taxes on oil and natural gas total \$150.3 million for the first two quarters of the fiscal year. That is \$26.4 million or 21.3 percent above the prior year but \$32.2 million or 17.7 percent below the estimate.

Motor vehicle tax collections for the first half of the fiscal year are \$93.5 million, which is \$25.1 million or 36.7 percent above the prior year and \$23.4 million or 33.3 percent above the estimate.

Other revenue sources produced \$305.9 million during the six months. That is \$11.5 million or 3.9 percent above the prior year but \$22.1 million or 6.7 percent below the estimate.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY December 2010	
	FY-10 Actual December 2009	FY-11 Actual December 2010	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	\$172.2	\$203.8	\$31.7	18.4%
Gross Production	30.2	34.5	4.3	14.2%
Sales Tax	135.8	145.2	9.4	7.0%
Motor Vehicle	11.0	13.6	2.6	23.7%
Subtotal: Major Taxes	\$349.2	\$397.2	\$48.0	13.7%
Other Sources (1)	53.1	57.3	4.1	7.7%
TOTAL GEN REVENUE	\$402.3	\$454.5	\$52.1	13.0%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$402.3	\$454.5	\$52.1	13.0%

PRELIMINARY (In \$ millions)	6 MONTH YEAR TO DATE		SUMMARY December 2010	
	FY-10 Actual Thru December 2009	FY-11 Actual Thru December 2010	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	\$957.1	\$987.0	\$29.9	3.1%
Gross Production	123.9	150.3	26.4	21.3%
Sales Tax	755.1	828.1	73.0	9.7%
Motor Vehicle	68.4	93.5	25.1	36.7%
Subtotal: Major Taxes	\$1,904.5	\$2,058.9	\$154.3	8.1%
Other Sources (1)	294.5	305.9	11.5	3.9%
TOTAL GEN REVENUE	\$2,199.0	\$2,364.8	\$165.8	7.5%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$2,199.0	\$2,364.8	\$165.8	7.5%

(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

FY-11 Estimate December 2010	FY-11 Actual December 2010
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SUMMARY December 2010

Variance From Estimate \$	%
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Net Income Tax	\$196.9	\$203.8	\$6.9	3.5%
Gross Production	32.7	34.5	1.8	5.5%
Sales Tax	140.9	145.2	4.3	3.1%
Motor Vehicle	9.4	13.6	4.2	45.1%

Subtotal: Major Taxes	\$379.9	\$397.2	\$17.3	4.6%
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Other Sources (1)	55.6	57.3	1.6	2.9%
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TOTAL GEN REVENUE	\$435.5	\$454.5	\$18.9	4.3%
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Less 1-time receipts	0.0	0.0	0.0	0.0%
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Recurring Rev. (2)	\$435.5	\$454.5	\$18.9	4.3%
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PRELIMINARY

(In \$ millions)

6 MONTH YEAR TO DATE

FY-11 Estimate Thru December 2010	FY-11 Actual Thru December 2010
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SUMMARY December 2010

Variance From Estimate \$	%
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Net Income Tax	\$931.7	\$987.0	\$55.2	5.9%
Gross Production	182.5	150.3	-32.2	-17.7%
Sales Tax	784.1	828.1	44.0	5.6%
Motor Vehicle	70.2	93.5	23.4	33.3%

Subtotal: Major Taxes	\$1,968.5	\$2,058.9	\$90.4	4.6%
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Other Sources (1)	328.1	305.9	-22.1	-6.7%
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TOTAL GEN REVENUE	\$2,296.5	\$2,364.8	\$68.3	3.0%
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Less 1-time receipts	0.0	0.0	0.0	0.0%
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Recurring Rev. (2)	\$2,296.5	\$2,364.8	\$68.3	3.0%
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(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.