



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

For Immediate Release: March 10, 2009

State Collections Slow in February, Budget Picture Tightens

OKLAHOMA CITY – February revenue collections fell significantly below the prior year and the estimate for the month, reflecting Oklahoma’s participation in the national recession and significantly tightening the budget picture for state government, State Treasurer Scott Meacham announced today.

Preliminary reports show general revenue fund collections for February totaled \$237.9 million. That amount was:

- \$ 65.4 million or 21.6 percent below the prior year; and
- \$ 103.9 million or 30.4 percent below the estimate.

“The revenue picture in Oklahoma worsened during February,” Meacham said. “Collections in each of the four major tax categories were below the prior year and the estimate. February collections are typically light, but this February’s collections were significantly lower.”

Meacham said a large drop off in income tax collections for the month is partially due to faster filing for tax refunds.

“We saw a 10.4 percent increase in the number of Oklahomans who filed their income tax returns and received refunds this February compared to last year,” he said. “Personal and corporate income tax refunds paid in February totaled \$189.1 million, reflecting a \$32 million or 20.4 percent increase from a year ago.”

While the budget picture is tighter, Meacham said a healthy cushion still exists to fund government through the remainder of the fiscal year.

“Year-to-date collections are \$47.3 million or 1.3 percent above the estimate on which the budget is based,” he said. “Since the legislature appropriates only 95 percent of the estimate, there is a built-in five percent cushion; collections for the remainder of the fiscal year would have to fall more than \$297 million below the estimate before current spending commitments would be at risk.”

(more)

Net income tax collections produced \$7.9 million, which is \$32.8 million or 80.6 percent below the prior year and \$42.3 million or 84.3 percent below the estimate. Net income tax collections include personal income taxes and corporate income taxes less refunds paid for the month.

Personal income tax collections totaled \$46.2 million for the month, falling short of the prior year by \$13.4 million or 25.5 percent. Refunds from personal income taxes totaling \$155.3 million were paid during February compared to \$142.3 million the prior February. A transfer of \$21.4 million from personal collections to corporate collections was needed to help fund corporate refunds. The net apportionment to general revenue from personal income tax collections totaled \$7.9 million.

Corporate collections for the month are listed as zero – after the transfer from personal income tax collections to cover corporate refunds. Corporate collections in February of last year were \$1.8 million. Corporate refunds for the month totaled \$33.8 million compared to \$14.8 million the prior February.

The state sales tax produced \$125.3 million for the month, which is \$3.1 million or 2.4 percent below the prior year and \$7.1 million or 5.4 percent below the estimate. Total sales tax collections were within \$184,000 of the prior year, but refunds increased by \$3.3 million.

The gross production tax on oil and natural gas yielded \$40.5 million for the month, which is \$24.7 million or 37.9 percent below the prior year and \$31.3 million or 43.6 percent below the estimate.

Motor vehicle taxes produced \$17 million, which is \$5.2 million or 23.5 percent below the prior year and \$3 million or 14.8 percent below the estimate.

Investment of state funds produced \$12.6 million for the month. That is \$4.3 million or 25.7 percent less than the previous year.

Other revenue, which includes investment earnings along with taxes on insurance, alcoholic beverages and others, produced \$47.2 million for the month of February. This is \$0.5 million or 1 percent above the prior year but \$20.2 million or 30 percent below the estimate.

For the fiscal year to date, collections continue to be higher than the prior year and the estimate. Total general revenue collections for the first eight months of the fiscal year are \$3.812 billion. That is \$126.4 million or 3.4 percent above the prior year and \$47.3 million or 1.3 percent above the estimate.

###

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 February 2009

(In \$ millions)	FY-08 Actual	FY-09 Actual	Variance From Prior Year	
	February 2008	February 2009	\$	%
Net Income Tax	40.7	7.9	-32.8	-80.6%
Gross Production	65.2	40.5	-24.7	-37.9%
Sales Tax	128.3	125.3	-3.1	-2.4%
Motor Vehicle	22.2	17.0	-5.2	-23.5%
Subtotal: Major Taxes	256.5	190.7	-65.9	-25.7%
Other Sources (1)	46.8	47.2	0.5	1.0%
TOTAL GEN REVENUE	303.3	237.9	-65.4	-21.6%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	303.3	237.9	-65.4	-21.6%

PRELIMINARY

8 MONTH YEAR TO DATE

SUMMARY February 2009

(In \$ millions)	FY-08 Actual	FY-09 Actual	Variance From Prior Year	
	Thru February 2008	Thru February 2009	\$	%
Net Income Tax	1,522.4	1,493.9	-28.5	-1.9%
Gross Production	446.0	599.2	153.2	34.4%
Sales Tax	1,087.8	1,144.2	56.4	5.2%
Motor Vehicle	170.7	121.2	-49.5	-29.0%
Subtotal: Major Taxes	3,226.8	3,358.5	131.7	4.1%
Other Sources (1)	458.6	453.3	-5.2	-1.1%
TOTAL GEN REVENUE	3,685.4	3,811.9	126.4	3.4%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	3,685.4	3,811.9	126.4	3.4%

(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

	MONTHLY COMPARISON		SUMMARY February 2009	
	FY-09 Estimate February 2009	FY-09 Actual February 2009	Variance From Estimate \$	%
(In \$ millions)				
Net Income Tax	50.2	7.9	-42.3	-84.3%
Gross Production	71.8	40.5	-31.3	-43.6%
Sales Tax	132.3	125.3	-7.1	-5.4%
Motor Vehicle	20.0	17.0	-3.0	-14.8%
Subtotal: Major Taxes	274.3	190.7	-83.6	-30.5%
Other Sources (1)	67.5	47.2	-20.2	-30.0%
TOTAL GEN REVENUE	341.8	237.9	-103.9	-30.4%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	341.8	237.9	-103.9	-30.4%

PRELIMINARY

	8 MONTH YEAR TO DATE		SUMMARY February 2009	
	FY-09 Estimate Thru February 2008	FY-09 Actual Thru February 2009	Variance From Estimate \$	%
(In \$ millions)				
Net Income Tax	1,493.2	1,493.9	0.7	0.0%
Gross Production	464.5	599.2	134.7	29.0%
Sales Tax	1,138.3	1,144.2	5.9	0.5%
Motor Vehicle	163.4	121.2	-42.2	-25.8%
Subtotal: Major Taxes	3,259.4	3,358.5	99.1	3.0%
Other Sources (1)	505.1	453.3	-51.8	-10.3%
TOTAL GEN REVENUE	3,764.6	3,811.9	47.3	1.3%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	3,764.6	3,811.9	47.3	1.3%

(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