



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: March 11, 2008

Budget Picture Tightens But Economy Still Shows Growth
Timing Issues on Income Tax Collections Primarily to Blame, Treasurer Says

OKLAHOMA CITY – Year-to-date revenue collections have closed to within one percent of the estimate with February collections falling below the prior year and the estimate, State Treasurer Scott Meacham announced today.

Preliminary reports show general revenue fund collections for February totaled \$303 million. That amount was:

- \$ 1.8 million or 0.6 percent below the prior year; and
- \$ 26.9 million or 8.2 percent below the estimate.

“When the revenue loss from income tax cuts is factored in, Oklahoma’s economy is showing growth. The trend of the past few months continues – the Oklahoma economy is expanding, just not as fast as during the past few years,” said Meacham.

Collections from three of the four major tax categories – sales, gross production and motor vehicle taxes – exceeded the prior year by \$19.1 million and were above the estimate by a total of \$20.7 million. However, collections from income taxes were below the prior year by \$4.1 million and below the estimate by \$20.8 million.

Meacham said timing issues are primarily to blame for the less than estimated income tax collections. “Electronic filing of tax returns has sped up the rate at which refunds are being paid,” he said. “We anticipate this month’s income tax shortfall will balance out to a certain extent in the coming months.”

Net income tax collections produced \$40.7 million, which was \$4.1 million or 9.2 percent below the prior year and \$20.8 million or 33.8 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 \$38.9 million for the month, falling short of the prior year by \$1.3 million or 3.3 percent and failing to meet the estimate by \$19.6 million or 33.5 percent. Refunds totaling \$142.3 million were paid during February.

(more)

Corporate collections for the month totaled \$1.8 million, falling below February of last year by \$2.8 million or 60.7 percent. Compared to the estimate, corporate collections were off by \$1.2 million or 39.6 percent. Corporate refunds for the month totaled \$14.8 million.

The state sales tax produced \$128.3 million for the month, which was \$11.9 million or 10.2 percent above the prior year and \$6.6 million or 5.4 percent above the estimate.

The gross production tax on oil and natural gas yielded \$65.2 million for the month, which was \$3.8 million or 6.2 percent above the prior year and \$11 million or 20.2 percent above the estimate.

Motor vehicle taxes produced \$22.2 million, which was \$3.4 million or 17.8 percent above the prior year and \$3.1 million or 15.9 percent above the estimate.

Investment of state funds by Treasurer Meacham produced \$16.9 million for the month. That was \$2 million or 1.7 percent more than the previous year.

Other revenue, which includes investment earnings along with taxes on insurance, alcoholic beverages and others, produced \$46.5 million for the month of February. This was \$16.7 million or 26.4 percent below the prior year and \$26.7 million or 36.5 percent below the estimate.

For the fiscal year to date, collections are below the prior year but slightly above the estimate. Total general revenue collections for the first eight months of the fiscal year were \$3.685 billion. That is \$29.3 million or 0.8 percent below the prior year but \$37 million or 1 percent above the estimate.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

MONTHLY COMPARISON

SUMMARY February 2008

(In \$ millions)	FY-07 Actual	FY-08 Actual	Variance From Prior Year	
	February 2007	February 2008	\$	%
Net Income Tax	44.8	40.7	-4.1	-9.2%
Gross Production	61.4	65.2	3.8	6.2%
Sales Tax	116.5	128.3	11.9	10.2%
Motor Vehicle	18.9	22.2	3.4	17.8%
Subtotal: Major Taxes	241.6	256.5	14.9	6.2%
Other Sources (1)	63.2	46.5	-16.7	-26.4%
TOTAL GEN REVENUE	304.8	303.0	-1.8	-0.6%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	304.8	303.0	-1.8	-0.6%

PRELIMINARY

8 MONTH YEAR TO DATE

SUMMARY February 2008

(In \$ millions)	FY-07 Actual	FY-08 Actual	Variance From Prior Year	
	Thru February 2007	Thru February 2008	\$	%
Net Income Tax	1,673.3	1,522.4	-151.0	-9.0%
Gross Production	384.0	446.0	62.0	16.1%
Sales Tax	1,012.0	1,087.8	75.8	7.5%
Motor Vehicle	162.1	170.7	8.6	5.3%
Subtotal: Major Taxes	3,231.4	3,226.8	-4.6	-0.1%
Other Sources (1)	483.0	458.3	-24.7	-5.1%
TOTAL GEN REVENUE	3,714.4	3,685.1	-29.3	-0.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	3,714.4	3,685.1	-29.3	-0.8%

(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		SUMMARY February 2008 Variance From Estimate	
	FY-08 Estimate February 2008	FY-08 Actual February 2008	\$	%
Net Income Tax	61.5	40.7	-20.8	-33.8%
Gross Production	54.3	65.2	11.0	20.2%
Sales Tax	121.7	128.3	6.6	5.4%
Motor Vehicle	19.2	22.2	3.1	15.9%
Subtotal: Major Taxes	256.7	256.5	-0.2	-0.1%
Other Sources (1)	73.2	46.5	-26.7	-36.5%
TOTAL GEN REVENUI	329.9	303.0	-26.9	-8.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	329.9	303.0	-26.9	-8.2%

PRELIMINARY (In \$ millions)	8 MONTH YEAR TO DATE		SUMMARY February 2008 Variance From Estimate	
	FY-08 Estimate Thru February 2008	FY-08 Actual Thru February 2008	\$	%
Net Income Tax	1,545.4	1,522.4	-23.0	-1.5%
Gross Production	410.2	446.0	35.8	8.7%
Sales Tax	1,054.0	1,087.8	33.8	3.2%
Motor Vehicle	164.9	170.7	5.8	3.5%
Subtotal: Major Taxes	3,174.4	3,226.8	52.4	1.6%
Other Sources (1)	473.7	458.3	-15.4	-3.3%
TOTAL GEN REVENUI	3,648.2	3,685.1	37.0	1.0%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	3,648.2	3,685.1	37.0	1.0%

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