February Reports Reflect Increasing Growth Rate in Gross Receipts to the Treasury

OKLAHOMA CITY – February Gross Receipts to the Treasury grew by 15.5 percent from the same month of the prior year and reflect an increasing growth rate in collections over the past year, State Treasurer Ken Miller announced today.

For 13 of the past 14 months, monthly gross receipts have increased over the prior year. During that time, the monthly rate of growth has risen from 0.5 percent in January 2017 to this month’s 15.5 percent.

“The trend line shows increasing growth in Oklahoma gross collections,” Miller said. “Together with other economic indicators, it appears the state’s economy is gaining momentum.”

February gross receipts show increases in collections from individual income, sales, and gross production taxes. Decreases are seen in corporate income and motor vehicle tax collections. The bottom line for the month is up by $117.8 million.

Collections from the past 12 months compared to the previous 12 months show growth in every major revenue stream except for corporate income tax. Total 12-month collections are up by $929.3 million, or 8.6 percent.

New revenue collections

The tax commission attributes $31.7 million in February to new revenue resulting from legislation enacted during 2017. The additional revenue comes primarily from changes in sales tax exemptions and gross production tax incentives.

The new revenue accounts for 3.6 percent of February gross receipts. Out of $6.8 billion in gross collections since August, $172.6 million, or 2.5 percent, has resulted from law changes from last year.

Other indicators

The Oklahoma Business Conditions Index has topped growth neutral for seven consecutive months. The February index was set at 60.5, up from 57.8 in January. Numbers above 50 indicate anticipated economic growth during the next three to six months.
At 4.1 percent, Oklahoma’s seasonally adjusted unemployment rate in December was down by one-tenth of a percentage point from the prior month, according to figures released by the Oklahoma Employment Security Commission. The U.S. jobless rate was also set at 4.1 percent in December and January. Oklahoma unemployment figures for January are not scheduled for release until March 12.

**February collections**

February gross collections total $877.3 million, up $117.8 million, or 15.5 percent, from February 2017.

Gross income tax collections, a combination of individual and corporate income taxes, generated $273.7 million, an increase of $35.7 million, or 15 percent, from the previous February.

Individual income tax collections for the month are $268.5 million, up by $36.1 million, or 15.6 percent, from the prior year. Corporate collections are $5.2 million, a decrease of $474,000, or 8.3 percent.

Sales tax collections, including remittances on behalf of cities and counties, total $363.1 million in February. That is $39.2 million, or 12.1 percent, more than February 2017.

Gross production taxes on oil and natural gas generated $66.8 million in February, an increase of $28.9 million, or 76.1 percent, from last February. Compared to January reports, gross production collections are up by $6 million, or 9.8 percent.

Motor vehicle taxes produced $53.2 million, down by $280,000, or 0.5 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 $120.5 million during the month. That is $14.4 million, or 13.5 percent, more than last February.

**Twelve month collections**

Gross revenue totals $11.7 billion from the past 12 months. That is $929.3 million, or 8.6 percent, more than collections from the previous 12 months.

Gross income taxes generated $4.1 billion for the period, reflecting an increase of $212.2 million, or 5.4 percent, from the prior 12 months.

Individual income tax collections total $3.7 billion, up by $227.2 million, or 6.5 percent, from the prior 12 months. Corporate collections are $419.8 million for the period, a decrease of $15 million, or 3.5 percent, over the previous period.

*(more)*
Sales taxes for the 12 months generated $4.5 billion, an increase of $324.1 million, or 7.7 percent, from the prior period.

Oil and gas gross production tax collections brought in $593.8 million during the 12 months, up by $226.5 million, or 61.7 percent, from the previous period.

Motor vehicle collections total $759.4 million for the period. This is an increase of $19.4 million, or 2.6 percent, from the trailing period.

Other sources generated $1.7 billion, up by $147.2 million, or 9.4 percent, from the previous year.

**About Gross Receipts to the Treasury**

Since March 2011, the Office of the State Treasurer 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 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.

# # #

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

PRELIMINARY
(In $ millions)

<table>
<thead>
<tr>
<th></th>
<th>February-17</th>
<th>February-18</th>
<th>Variance From Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax</td>
<td>238.1</td>
<td>273.7</td>
<td>35.7</td>
</tr>
<tr>
<td>Gross Production</td>
<td>37.9</td>
<td>66.8</td>
<td>28.9</td>
</tr>
<tr>
<td>Sales Tax (1)</td>
<td>323.9</td>
<td>363.1</td>
<td>39.2</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>53.5</td>
<td>53.2</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Other Sources (2)</td>
<td>106.2</td>
<td>120.5</td>
<td>14.4</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>759.5</td>
<td>877.3</td>
<td>117.8</td>
</tr>
</tbody>
</table>

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

Monthly Gross Receipts vs. Prior Year
March 2017 – February 2018
Dollar Variance in Millions from Same Month of Prior Year

Office of the State Treasurer
Gross Receipts to Treasury

12 Month Period Ending
Mar 17 - Feb 18

Summary

Prior Year  Current Year  Variance From Prior Year
Mar 16 - Feb 17  Mar 17 - Feb 18  $  %

(In $ millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Prior Year</th>
<th>Current Year</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax</td>
<td>3,920.4</td>
<td>4,132.6</td>
<td>212.2</td>
<td>5.4%</td>
</tr>
<tr>
<td>Gross Production</td>
<td>367.3</td>
<td>593.8</td>
<td>226.5</td>
<td>61.7%</td>
</tr>
<tr>
<td>Sales Tax (1)</td>
<td>4,191.2</td>
<td>4,515.3</td>
<td>324.1</td>
<td>7.7%</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>740.1</td>
<td>759.4</td>
<td>19.4</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other Sources (2)</td>
<td>1,570.5</td>
<td>1,717.7</td>
<td>147.2</td>
<td>9.4%</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>10,789.4</td>
<td>11,718.7</td>
<td>929.3</td>
<td>8.6%</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 August 2008 – 12-months ending February 2018 (in millions)

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