



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: March 7, 2017

**February Gross Receipts to the Treasury Show Slight
Improvement Over Prior Year**

OKLAHOMA CITY – Gross Receipts to the Treasury in February were slightly higher than those in the same month of last year. It marked a second month of positive growth following 20 months of contraction, State Treasurer Ken Miller announced today.

February also marked the first increase in sales tax collections since March of last year and only the fourth month of positive sales tax numbers in the past two years.

At \$759.5 million, total February Gross Receipts to the Treasury expanded by \$1 million, or 0.1 percent, compared to February of 2016.

“State budget problems and missed estimates notwithstanding, indications from gross receipts and other measurements show a marginally improving Oklahoma economy,” Miller said. “The revitalized economic activity might take some time to filter down into the state budget, but we have good reasons to remain cautiously optimistic.”

State Finance Secretary Preston Doerflinger has declared a revenue failure for the remainder of the current fiscal year due to projections of General Revenue Fund (GRF) allocations falling further below appropriated levels. In addition, the state Board of Equalization has certified an almost \$900 million reduction in estimated revenue for Fiscal Year 2018.

The GRF, the state’s primary funding source, is a subset of Gross Receipts to the Treasury and growth in total collections don’t necessarily directly result in GRF increases. The latest report on GRF allocations will be made next week by the Office of Management and Enterprise Services.

February gross production collections from crude oil and natural gas rose to \$37.9 million and were more than the same month of the prior year for a fifth consecutive month. February collections come from December oil field activity when the average price of benchmark West Texas Intermediate crude oil was \$51.97 per barrel.

While February sales tax and gross production collections showed improvement, both individual and corporate income tax and motor vehicle gross collections decreased from the prior year.

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Gross receipts for the past 12 months total \$10.8 billion and are \$624.2 million, or 5.5 percent, less than collections from the previous 12-month period. Each of the state's major revenue sources – income, gross production, sales and motor vehicle taxes – are less than collections from the prior 12-months.

Other indicators

The Oklahoma Business Conditions Index, predicting economic activity for the next three to six months, was set at 59 in February. It marks a second consecutive month above growth neutral following seven months of negative ratings. Numbers above 50 indicate anticipated economic expansion.

February collections

The report for February lists gross receipts at \$759.5 million, up \$1 million, or 0.1 percent, from February 2016.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$238.1 million, a decrease of \$8.6 million, or 3.5 percent, from the previous February.

Individual income tax collections for the month are \$232.4 million, down by \$5.9 million, or 2.5 percent, from the prior year. Corporate collections are \$5.7 million, down by \$2.7 million, or 32.4 percent. Wide monthly variances in corporate collections are not uncommon.

Sales tax collections, including remittances on behalf of cities and counties, total \$323.9 million in February. That is \$2.2 million, or 0.7 percent, more than February of last year.

Gross production taxes on oil and natural gas generated \$37.9 million during the month, an increase of \$9.3 million, or 32.4 percent, from last February. Compared to January reports, gross production collections are up by \$4.8 million, or 14.7 percent, over the month.

Motor vehicle taxes produced \$53.5 million, down by \$6.6 million, or 11 percent, from the prior year.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$106.2 million during the month. That is \$4.7 million, or 4.6 percent, more than last February.

12-month collections

During the last 12 months, gross revenue totals \$10.8 billion. That is \$624.2 million, or 5.5 percent, below collections from the preceding 12-month period.

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Gross income taxes generated \$3.9 billion for the March 2016-February 2017 period, reflecting a drop of \$404.5 million, or 9.4 percent, from the preceding period, March 2015-February 2016.

Individual income tax collections total \$3.5 billion, down by \$259.4 million, or 6.9 percent, from the prior 12 months. Corporate collections are \$434.8 million for the period, a decrease of \$145 million, or 25 percent, from the previous 12 months.

During the past 12 months, sales taxes generated \$4.2 billion, a decrease of \$125.9 million, or 2.9 percent, from the trailing period.

Oil and gas gross production tax collections brought in \$367.3 million during the 12 months, down by \$51.9 million, or 12.4 percent, from the prior period.

Motor vehicle collections total \$740.1 million for the period. This is a decrease of \$24 million, or 3.1 percent, from the prior 12 months.

Other sources generated \$1.6 billion, down \$17.9 million, or 1.1 percent, from the previous 12 months.

About Gross Receipts to the Treasury

Since March 2011, the Treasurer's Office 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 slightly 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.

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Gross Receipts to Treasury

PRELIMINARY

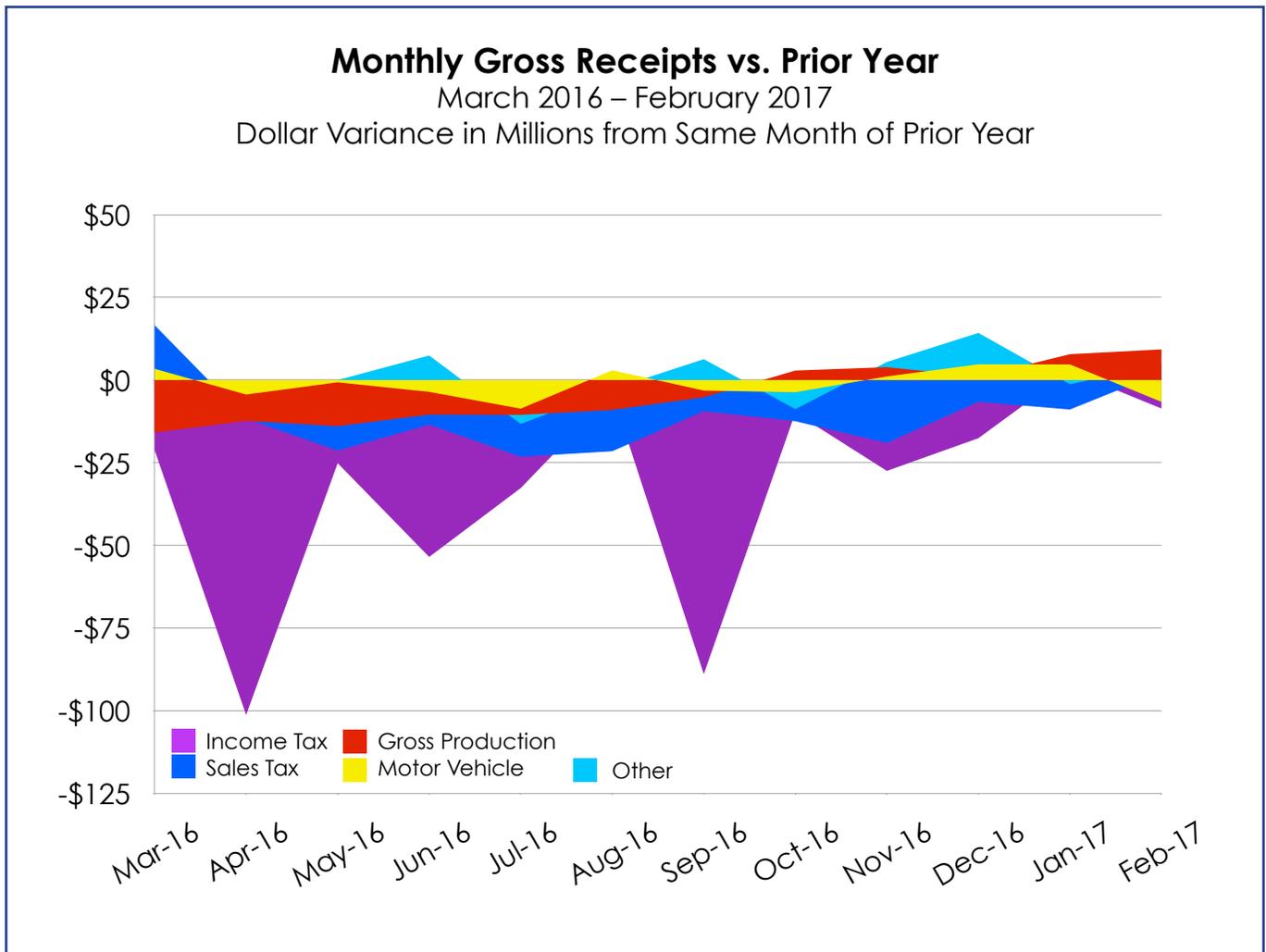
MONTHLY COMPARISON

(In \$ millions)			Variance From Prior Year	
	February-16	February-17	\$	%
Income Tax	246.68	238.08	-8.60	-3.5%
Gross Production	28.64	37.90	9.27	32.4%
Sales Tax (1)	321.63	323.86	2.23	0.7%
Motor Vehicle	60.10	53.51	-6.59	-11.0%
Other Sources (2)	101.44	106.16	4.71	4.6%
TOTAL REVENUE	758.48	759.50	1.02	0.1%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



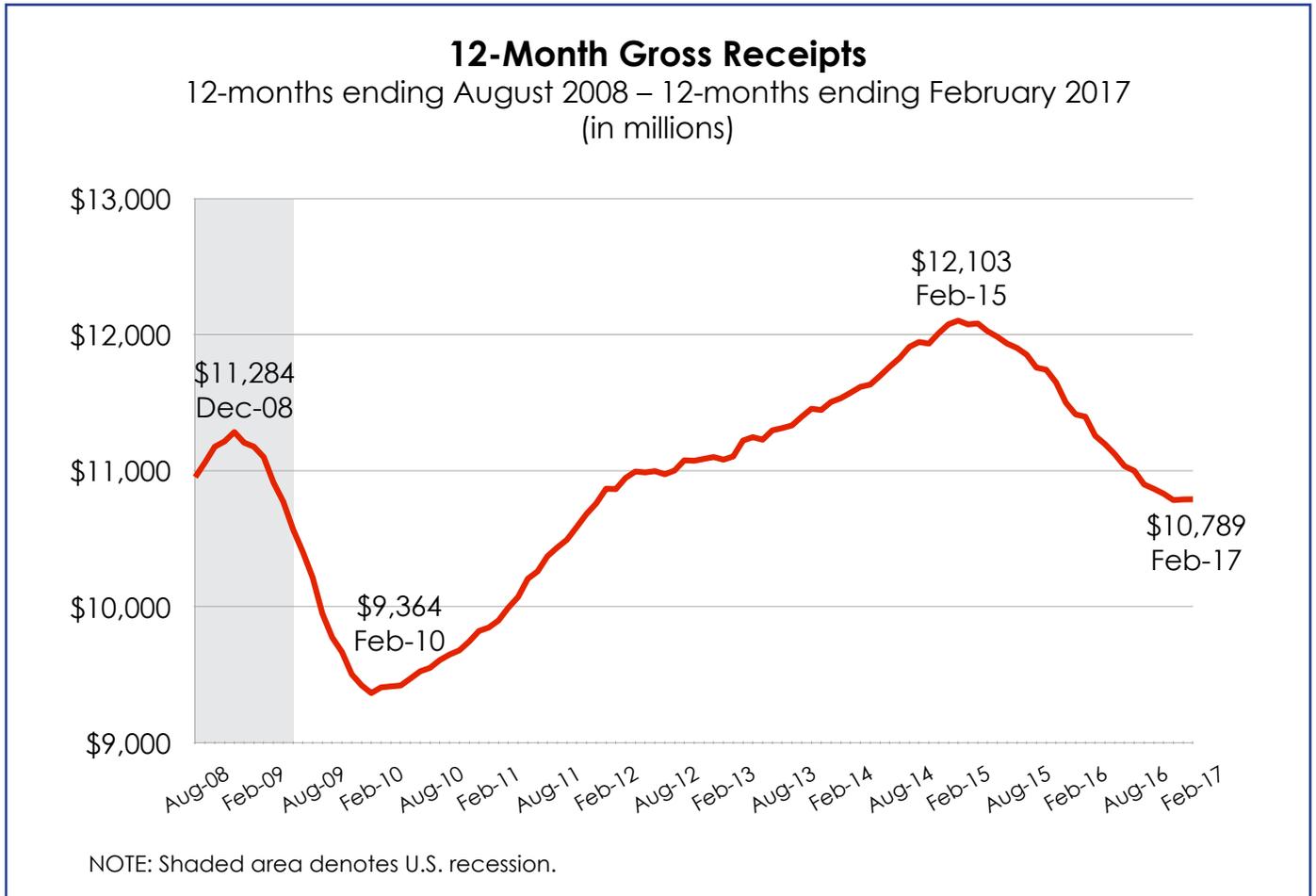
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending MARCH 2016 - FEB 2017		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	MAR 2015 - FEB 2016	MAR 2016 - FEB 2016	\$	%
Income Tax	4,324.86	3,920.38	-404.47	-9.4%
Gross Production	419.24	367.33	-51.91	-12.4%
Sales Tax (1)	4,317.10	4,191.18	-125.92	-2.9%
Motor Vehicle	764.05	740.06	-23.98	-3.1%
Other Sources (2)	1,588.36	1,570.47	-17.89	-1.1%
TOTAL REVENUE	11,413.60	10,789.43	-624.17	-5.5%

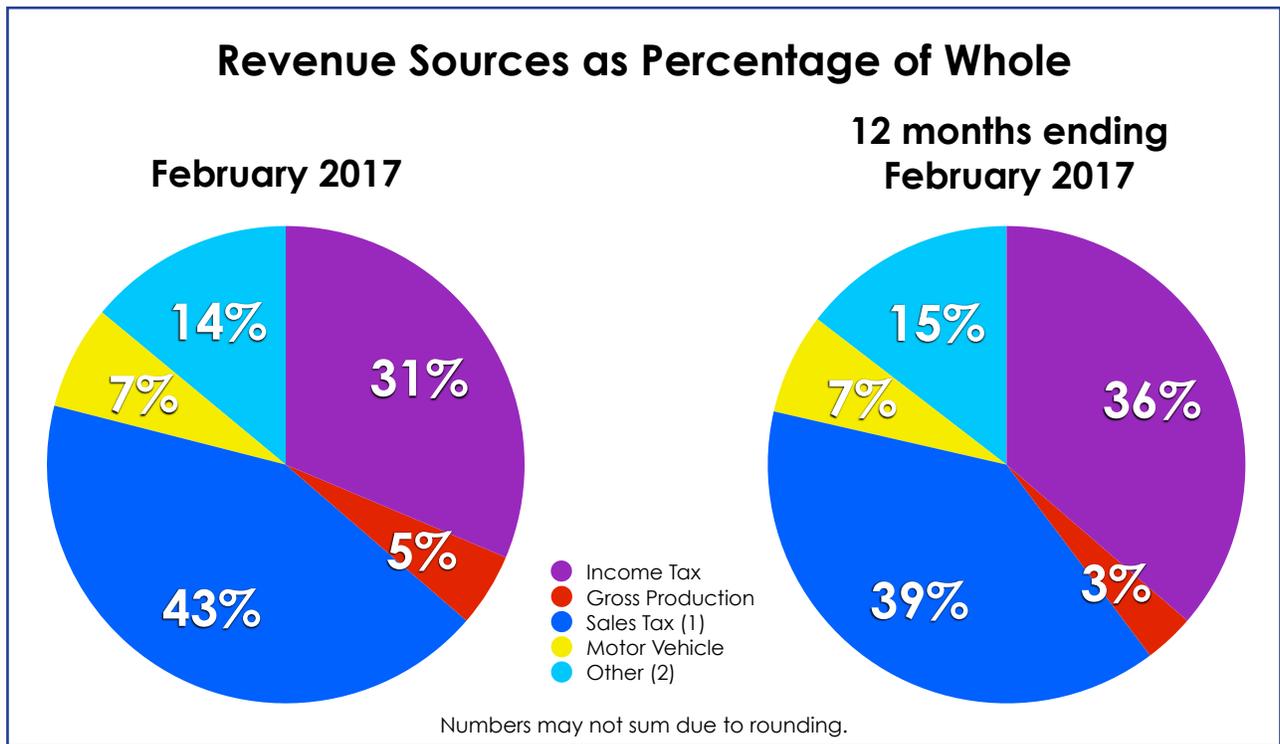
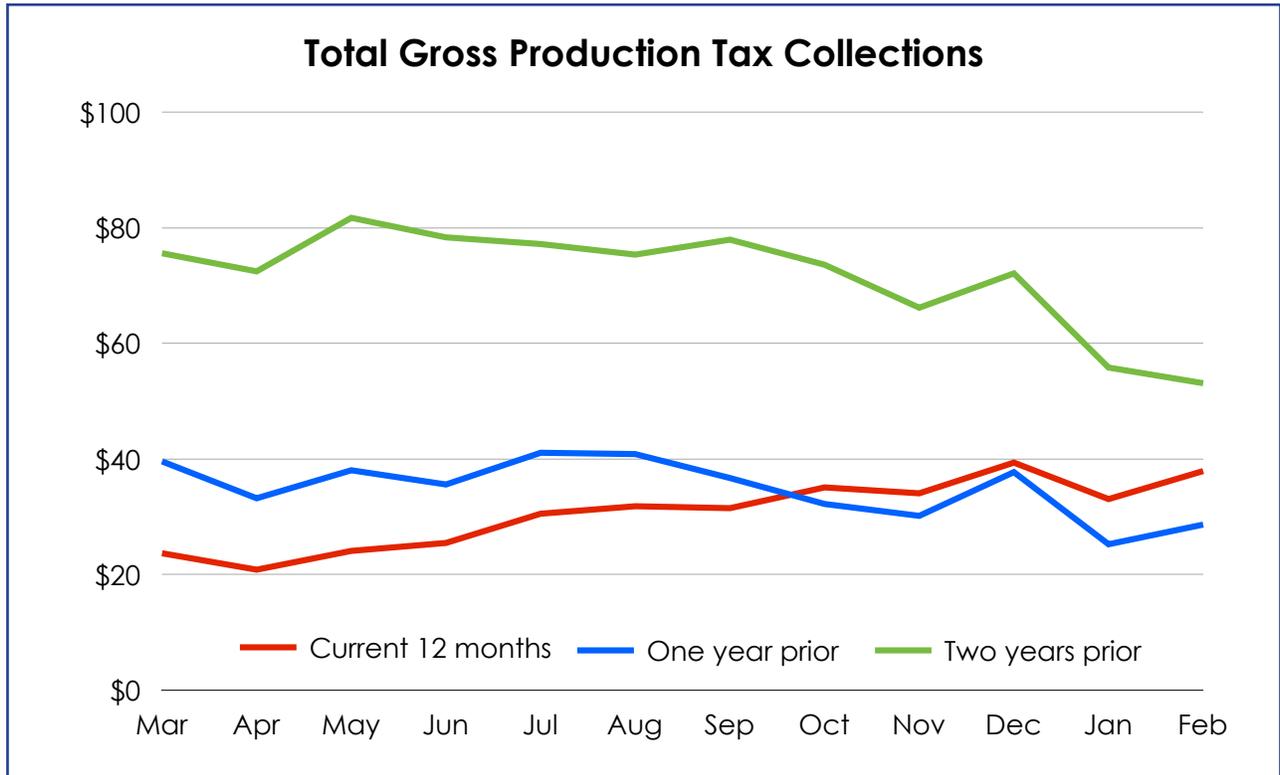
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Gross Receipts to Treasury



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