



OKLAHOMA STATE TREASURER RANDY MCDANIEL

For Immediate Release: February 4, 2021

Gross Receipts Slip to Start the Year

OKLAHOMA CITY – January Gross Receipts to the Treasury dropped by almost six percent compared to monthly collections from January of last year. This is the largest one-month revenue reduction in eight months, State Treasurer Randy McDaniel announced today.

Collections from all sources in January total \$1.19 billion, down by \$72.1 million, or 5.7 percent, from January 2020. Combined gross receipts from the past 12 months of \$13.12 billion are below collections from the trailing 12 months by \$610.4 million, or 4.4 percent.

This January had two less tax collection days than last January because of how the weekends fell. In addition, a pause in stimulus-related unemployment payments in late December is thought to have impacted income tax remittances. Combined individual and corporate income tax collections of \$432.4 million dipped by 8 percent in January, down by \$37.9 million during the month.

“Oklahomans have demonstrated remarkable strength and resiliency during the past year, but the state economy is clearly not immune to the fiscal impact caused by the pandemic,” Treasurer McDaniel said. “Even so, we continue to anticipate recovery as public health improves and economic activity increases.”

Collections from the gross production tax on crude oil and natural gas followed a more than yearlong pattern, falling by almost 35 percent, to \$57.5 million, during the month. Gross production tax payments in January are based on production from November, when the average price of West Texas Intermediate crude oil at Cushing was just under \$41 per barrel. Crude oil prices rose to more than \$50 per barrel in January, which will be reflected in future receipts.

Combined sales and use tax receipts of \$506.4 million in January rose above prior year collections by \$8.1 million, or 16 percent. However, the growth came exclusively from use tax, paid on out-of-state purchases including internet sales. January motor vehicle taxes collections of \$64.5 million were below those of the prior year by \$1.5 million, or 2.3 percent

Combined gross receipts from the past 12 months show contraction in all major revenue streams, ranging from 40.9 percent in gross production to 0.7 percent in total income tax collections.

Other economic indicators

The unemployment rate in Oklahoma was set at 5.3 percent in December, according to the U.S. Bureau of Labor Statistics. The state’s jobless rate is down from 6.1 percent in November, but up

from 3.4 percent in December 2019. The U.S. unemployment rate was set at 6.7 percent in December.

The Oklahoma Business Conditions Index in January remained above growth neutral for a second month. The January index was set at 65.4, compared to 55.9 in December and 49.4 in November. Numbers above 50 indicate economic expansion is expected during the next three to six months.

January collections

Compared to gross receipts from January 2020, collections in January 2021 showed:

- Total January 2021 gross collections are \$1.19 billion, down \$72.1 million, or 5.7 percent.
- Gross income tax collections, a combination of individual and corporate income taxes, generated \$432.4 million, down by \$37.9 million, or 8 percent.
 - Individual income tax collections are \$381.5 million, a decrease of \$30.8 million, or 7.5 percent.
 - Corporate collections are \$50.9 million, down by \$7 million, or 12.2 percent.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$506.4 million – up by \$8.1 million, or 1.6 percent.
 - Sales tax collections total \$415.1 million, a decrease of \$156,089, or 0.04 percent.
 - Use tax receipts, collected on out-of-state purchases including internet sales, generated \$91.2 million, an increase of \$8.3 million, or 9.9 percent.
- Gross production taxes on oil and natural gas total \$57.5 million, a decrease of \$30.8 million, or 34.9 percent.
- Motor vehicle taxes produced \$64.5 million, down by \$1.5 million, or 2.3 percent.
- Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$126.2 million – down by \$10 million, or 7.3 percent.
 - The medical marijuana tax produced \$5.2 million, up by \$2 million, or 59.7 percent from January 2020.

Twelve-month collections

Combined gross receipts for past 12 months compared to the trailing 12 months:

- Gross revenue totals \$13.12 billion. That is \$610.4 million, or 4.4 percent, below collections from the previous period.

- Gross income taxes generated \$4.73 billion, a decrease of \$34.2 million, or 0.7 percent.
 - Individual income tax collections total \$4.08 billion, down by \$99.4 million, or 2.4 percent.
 - Corporate collections are \$650.1 million, an increase of \$65.2 million, or 11.1 percent.
- Combined sales and use taxes generated \$5.48 billion, a drop of \$112.5 million, or 2 percent.
 - Gross sales tax receipts total \$4.68 billion, down by \$182.7 million, or 3.8 percent.
 - Use tax collections generated \$798.4 million, an increase of \$70.2 million, or 9.6 percent.
- Oil and gas gross production tax collections generated \$599.3 million, down by \$415.3 million, or 40.9 percent.
- Motor vehicle collections total \$774.2 million, a decrease of \$18.2 million, or 2.3 percent.
- Other sources generated \$1.54 billion, down by \$30.1 million, or 1.9 percent.
 - Medical marijuana taxes generated \$58.2 million, up by \$31.1 million, or 114.6 percent.

About Gross Receipts to the Treasury

The monthly Gross Receipts to the Treasury report, developed by the state treasurer's office, provides a timely and broad view of the state's economy.

It is released in conjunction with the General Revenue Fund report from the Office of Management and Enterprise Services, which provides information to state agencies for budgetary planning purposes.

The General Revenue Fund, the state's main operating account, receives less than half of the state's gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and apportioned to other state funds.

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Gross Receipts to Treasury

PRELIMINARY

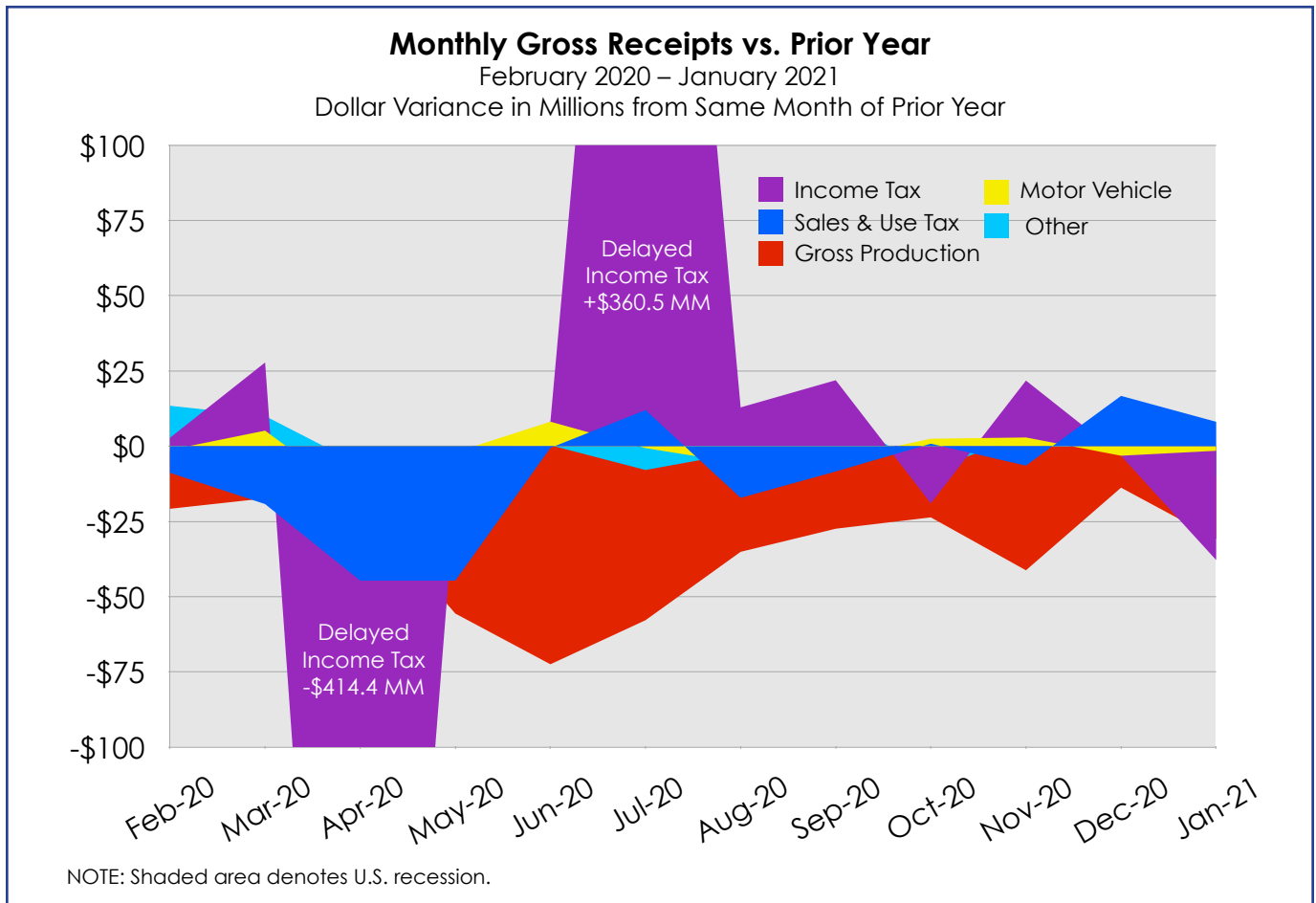
MONTHLY COMPARISON

(In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	January-20	January-21	\$	%
Total Income Tax	470.3	432.4	(37.9)	-8.0%
<i>Individual</i>	412.4	381.5	(30.8)	-7.5%
<i>Corporate</i>	57.9	50.9	(7.0)	-12.2%
Sales & Use Tax (1)	498.3	506.4	8.1	1.6%
<i>Sales Tax</i>	415.3	415.1	(0.2)	0.0%
<i>Use Tax</i>	83.0	91.2	8.3	9.9%
Gross Production	88.3	57.5	(30.8)	-34.9%
Motor Vehicle	66.0	64.5	(1.5)	-2.3%
Other Sources (2)	136.1	126.2	(10.0)	-7.3%
TOTAL REVENUE	1,259.0	1,186.9	(72.1)	-5.7%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



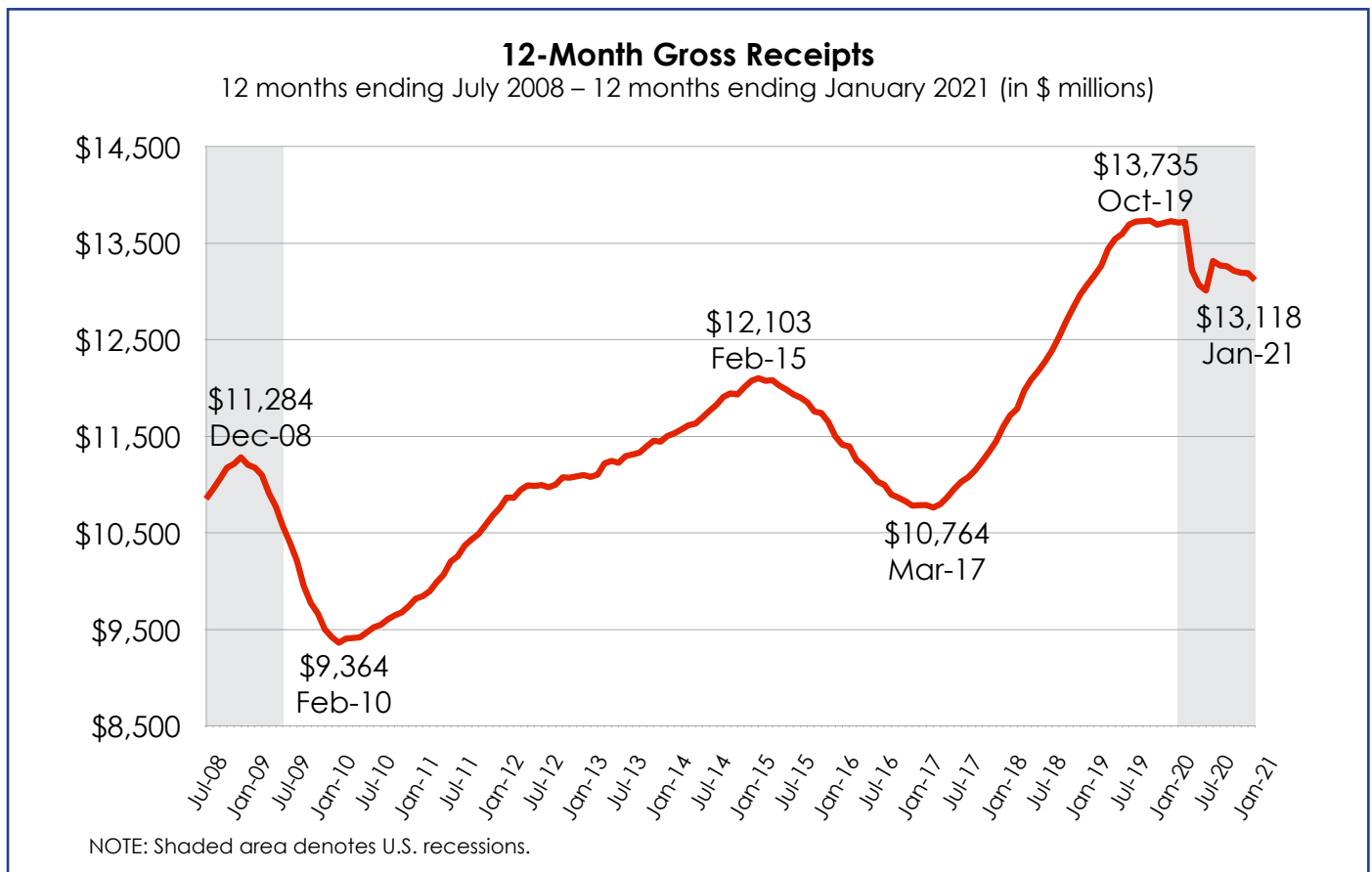
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Feb 20 - Jan 21		Variance From Prior Year	
	Prior Year Feb 19 - Jan 20	Current Year Feb 20 - Jan 21	\$	%
Total Income Tax	4,764.8	4,730.6	(34.2)	-0.7%
<i>Individual</i>	4,179.9	4,080.5	(99.4)	-2.4%
<i>Corporate</i>	584.9	650.1	65.2	11.1%
Sales and Use Tax (1)	5,589.8	5,477.3	(112.5)	-2.0%
<i>Sales Tax</i>	4,861.7	4,679.0	(182.7)	-3.8%
<i>Use Tax</i>	728.2	798.4	70.2	9.6%
Gross Production	1,014.6	599.3	(415.3)	-40.9%
Motor Vehicle	792.4	774.2	(18.2)	-2.3%
Other Sources (2)	1,567.0	1,536.9	(30.1)	-1.9%
TOTAL REVENUE	13,728.7	13,118.3	(610.4)	-4.4%

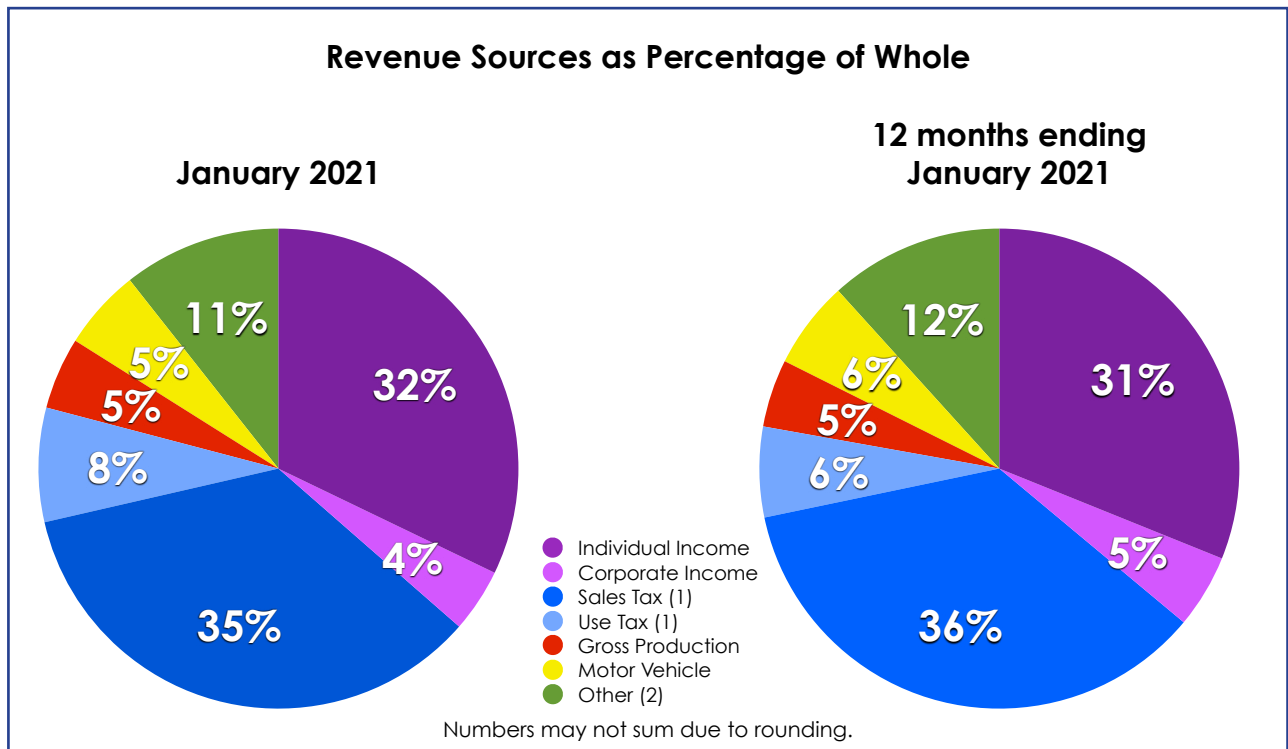
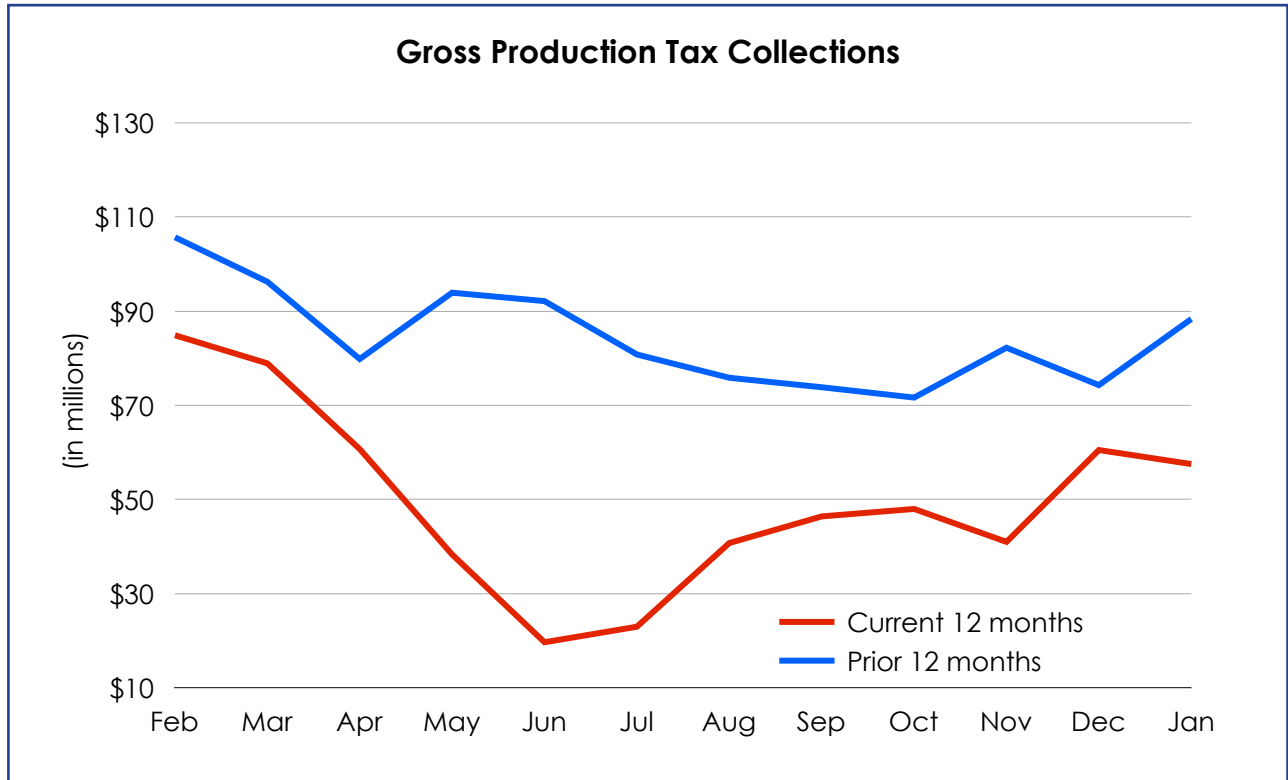
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Gross Receipts to Treasury



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