



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

For Immediate Release: February 9, 2010

State Revenue Collections Show Slight Improvement in January

OKLAHOMA CITY – State revenue collections in January improved slightly and are more closely tracking projections made by the Tax Commission in December, State Treasurer Scott Meacham announced today.

Preliminary reports show General Revenue Fund collections in January are \$410.4 million. That amount is:

- \$82.4 million or 16.7 percent below the prior year; and,
- \$107.6 million or 20.8 percent below the estimate.

As was the case in December, January revenue collections are sufficient to fund allocations to state agencies for the month at the previously announced 10-percent reduction from appropriated levels. After allocations totaling \$394.8 million are made, \$15.6 million remains for use in future months.

Revenue Picture Brightens

Meacham said January's numbers are somewhat encouraging, even though they remain below prior year collections and the official estimate.

"We're not out of the woods yet, but we are seeing positive movement," he said.

Income tax and gross production tax collections both showed improvement for the month.

"In January, net income tax collections showed improvement versus what we had been seeing in prior months," Meacham said. "We also received approximately \$10 million in gross production tax collections from oil for the first time this fiscal year."

The first \$150 million in oil gross production collections each fiscal year are used to fill three education-related funds. After that, the majority of the revenue flows to the General Revenue Fund. The majority of gross production collections on natural gas are consistently deposited to the General Revenue Fund.

(more)

Meacham said motor vehicle collections were substantially below the prior year and the estimate due to two factors. First, tag agencies were closed the last two days of the month due to inclement weather. Then, because of the weather-related decreased collections, allocations to school districts from motor vehicle collections were required by law to be supplemented.

An agreement reached last month by the governor and legislative leaders includes a 10-percent reduction in monthly allocations from appropriated levels for the remainder of the fiscal year.

The 10-percent reduction amounts to a monthly cut of \$42.9 million in budgetary allocations to state agencies. Year-to-date, a total of \$233.8 million has been utilized from cash funds to make reduced monthly allocations. Those funds must be replenished by June 30.

January Collection Details

In January, net income taxes, a combination of personal and corporate income taxes, produced \$192.4 million, which is \$52.3 million or 21.4 percent below the prior year and \$82 million or 29.9 percent below the estimate.

Personal income tax collections for the month are \$188.3 million. That is \$33.3 million or 15 percent below the prior year and \$59.4 million or 24 percent below the estimate. Corporate income tax collections in January are \$4.2 million. That is \$19 million or 82 percent below the prior year and \$22.6 million or 84.5 percent below the estimate.

The state sales tax produced \$130.5 million for the month, which is \$17.5 million or 11.8 percent below the prior year and \$27.2 million or 17.2 percent below the estimate.

The gross production tax on oil and natural gas yielded \$34.7 million for the month, which is \$0.5 million or 1.5 percent below the prior year but \$21.9 million or 171.6 percent above the estimate.

Motor vehicle taxes produced \$4 million in January, which is \$5.7 million or 58.7 percent below the prior year and \$3.8 million or 48.7 percent below the estimate.

For January, investments by the State Treasurer's Office yielded \$8.6 million. That is \$4.1 million below the same month of the prior year.

Other revenue, including investment earnings along with taxes on insurance, alcoholic beverages and others produced \$48.8 million for the month. This is \$6.4 million or 11.6 percent below the prior year and \$16.5 million or 25.3 percent below the estimate.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

MONTHLY COMPARISON

SUMMARY Jan 2010

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Jan 2009	Jan 2010	\$	%
Net Income Tax	\$244.8	\$192.4	-\$52.3	-21.4%
Gross Production	35.2	34.7	-0.5	-1.5%
Sales Tax	148.0	130.5	-17.5	-11.8%
Motor Vehicle	9.7	4.0	-5.7	-58.7%
Subtotal: Major Taxes	\$437.7	\$361.6	-\$76.0	-17.4%
Other Sources (1)	55.1	48.8	-6.4	-11.6%
TOTAL GEN REVENUE	\$492.8	\$410.4	-\$82.4	-16.7%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$492.8	\$410.4	-\$82.4	-16.7%

PRELIMINARY

7 MONTH YEAR TO DATE

SUMMARY Jan 2010

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Thru Jan 2009	Thru Jan 2010	\$	%
Net Income Tax	\$1,486.0	\$1,149.5	-\$336.4	-22.6%
Gross Production	558.7	158.6	-400.1	-71.6%
Sales Tax	1,019.0	885.6	-133.4	-13.1%
Motor Vehicle	104.2	72.4	-31.8	-30.5%
Subtotal: Major Taxes	\$3,167.9	\$2,266.2	-\$901.7	-28.5%
Other Sources (1)	406.1	343.2	-62.9	-15.5%
TOTAL GEN REVENUE	\$3,574.0	\$2,609.4	-\$964.6	-27.0%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$3,574.0	\$2,609.4	-\$964.6	-27.0%

(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 Jan 2010	
	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Jan 2010	Jan 2010	\$	%
Net Income Tax	\$274.4	\$192.4	-\$82.0	-29.9%
Gross Production	12.8	34.7	21.9	171.6%
Sales Tax	157.7	130.5	-27.2	-17.2%
Motor Vehicle	7.8	4.0	-3.8	-48.7%
Subtotal: Major Taxes	\$452.7	\$361.6	-\$91.1	-20.1%
Other Sources (1)	65.3	48.8	-16.5	-25.3%
TOTAL GEN REVENUE	\$518.0	\$410.4	-\$107.6	-20.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$518.0	\$410.4	-\$107.6	-20.8%

PRELIMINARY

(In \$ millions)	7 MONTH YEAR TO DATE		SUMMARY Jan 2010	
	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Thru Jan 2010	Thru Jan 2010	\$	%
Net Income Tax	\$1,550.2	\$1,149.5	-\$400.7	-25.8%
Gross Production	338.4	158.6	-179.8	-53.1%
Sales Tax	1,085.4	885.6	-199.7	-18.4%
Motor Vehicle	83.8	72.4	-11.4	-13.6%
Subtotal: Major Taxes	\$3,057.8	\$2,266.2	-\$791.6	-25.9%
Other Sources (1)	415.3	343.2	-72.0	-17.3%
TOTAL GEN REVENUE	\$3,473.0	\$2,609.4	-\$863.6	-24.9%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	\$3,473.0	\$2,609.4	-\$863.6	-24.9%

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Office of the State Treasurer