



**OKLAHOMA STATE TREASURER  
RANDY MCDANIEL**

**For Immediate Release: February 6, 2019**

## **Lower Energy Prices Impact Gross Receipts**

**OKLAHOMA CITY** – Oklahoma monthly Gross Receipts to the Treasury, while continuing to grow, are beginning to reflect the economic impact of lower energy prices, State Treasurer Randy McDaniel announced today.

Gross production taxes on crude oil and natural gas remitted in January are from oil field production during November, when crude oil prices fell throughout the month. Those receipts, at just over \$100 million, are the lowest monthly total since the production incentive tax rate was raised from 2 percent to 5 percent last year.

Even so, all major revenue streams show increases in gross receipts. January collections are up by almost 9 percent over last year and combined receipts for the past 12 months are up by almost 13 percent.

“The sustained expansion of the state’s economy is noteworthy, but the recent volatility of energy prices illuminates the importance of proceeding with caution,” Treasurer McDaniel said. “We have started to see the impact of lower prices on oil and gas tax collections. However, at least at this point, any substantial spillover effect on other major revenue sources has not materialized.”

Monthly income, sales, and motor vehicle tax collections all show growth in January of between 2.1 percent and 3.2 percent compared to January 2018. In comparison, combined receipts over the past 12 months show a higher growth rate in those revenue sources ranging from 3.4 percent to 8.4 percent.

### **New Tax Revenue**

Revenue generated by increased tax rates approved in House Bill 1010 during special session last year added \$50.3 million to monthly collections, 4 percent of January gross receipts.

The largest share, \$32 million, came from the increase in the incentive tax rate on oil and natural gas gross production. Higher tax rates on gasoline and diesel fuel generated \$9.9 million, and the \$1 per pack hike in cigarette taxes added \$8.4 million to January’s total.

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## **Other indicators**

The Oklahoma Business Conditions Index has topped growth neutral for 18 consecutive months. The January index was set at 57.1, up from 56.4 in November. Numbers above 50 indicate anticipated economic growth during the next three to six months.

Oklahoma's seasonally adjusted unemployment rate of 3.2 percent in December is down by one-tenth of a percentage point from November. The U.S. jobless rate of 3.9 percent is unchanged from the prior month, according to figures released by the Oklahoma Employment Security Commission.

## **January collections**

January gross collections total \$1.2 billion, up \$101.1 million, or 8.9 percent, from January 2018.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$459.4 million, an increase of \$9.4 million, or 2.1 percent, from the previous January.

Individual income tax collections for the month are \$412.9 million, up by \$4.6 million, or 1.1 percent, from the prior year. Corporate collections are \$46.5 million, an increase of \$4.8 million, or 11.5 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$419.9 million in January. That is \$13 million, or 3.2 percent, more than January 2018.

Gross production taxes on oil and natural gas generated \$100.1 million in January, an increase of \$39.3 million, or 64.7 percent, from last January. Compared to December reports, gross production collections are down by \$18.3 million, or 15.4 percent.

Motor vehicle taxes produced \$68.1 million, up by \$1.4 million, or 2.1 percent, from the same month of 2018.

Other collections, consisting of about 60 different sources including use taxes, along with taxes on fuel, tobacco, and alcoholic beverages, produced \$194.1 million during the month. That is \$38.1 million, or 24.4 percent, more than last January.

## **Twelve-month collections**

Gross revenue totals \$13.1 billion from the past 12 months. That is \$1.5 billion, or 12.7 percent, more than collections from the previous 12 months.

Gross income taxes generated \$4.4 billion for the period, reflecting an increase of \$311.7 million, or 7.6 percent, from the prior 12 months.

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Individual income tax collections total \$3.9 billion, up by \$227.5 million, or 6.2 percent, from the prior 12 months. Corporate collections are \$504.5 million for the period, an increase of \$84.3 million, or 20 percent, over the previous period.

Sales taxes for the 12 months generated \$4.9 billion, an increase of \$375.9 million, or 8.4 percent, from the prior period.

Oil and gas gross production tax collections brought in \$1 billion during the 12 months, up by \$462.8 million, or 81.9 percent, from the previous period.

Motor vehicle collections total \$785.7 million for the period. This is an increase of \$26 million, or 3.4 percent, from the trailing period.

Other sources generated \$2 billion, up by \$291.2 million, or 17.1 percent, from the previous year.

### **About Gross Receipts to the Treasury**

The Office of the State Treasurer developed the monthly Gross Receipts to the Treasury report in order to provide a timely and broad view of the state's macro economy.

It is released 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 apportioned to other state funds.

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### **For more information contact:**

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# Gross Receipts to Treasury

PRELIMINARY

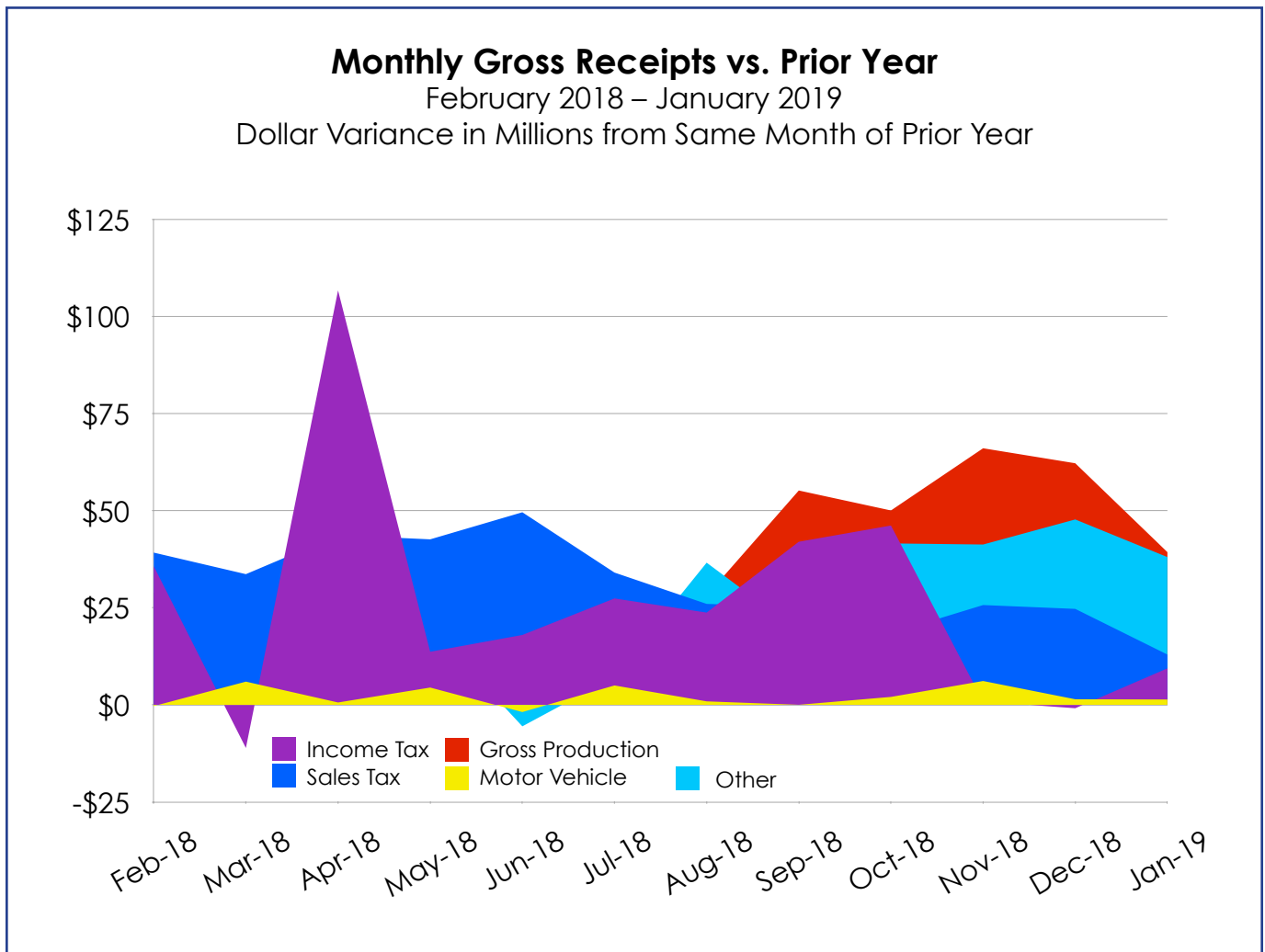
## MONTHLY COMPARISON

(In \$ millions)	January-18	January-19	Variance From Prior Year	
			\$	%
Income Tax	450.0	459.4	9.4	2.1%
Gross Production	60.8	100.1	39.3	64.7%
Sales Tax (1)	407.0	419.9	13.0	3.2%
Motor Vehicle	66.7	68.1	1.4	2.1%
Other Sources (2)	156.0	194.1	38.1	24.4%
<b>TOTAL REVENUE</b>	<b>1,140.5</b>	<b>1,241.6</b>	<b>101.1</b>	<b>8.9%</b>

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



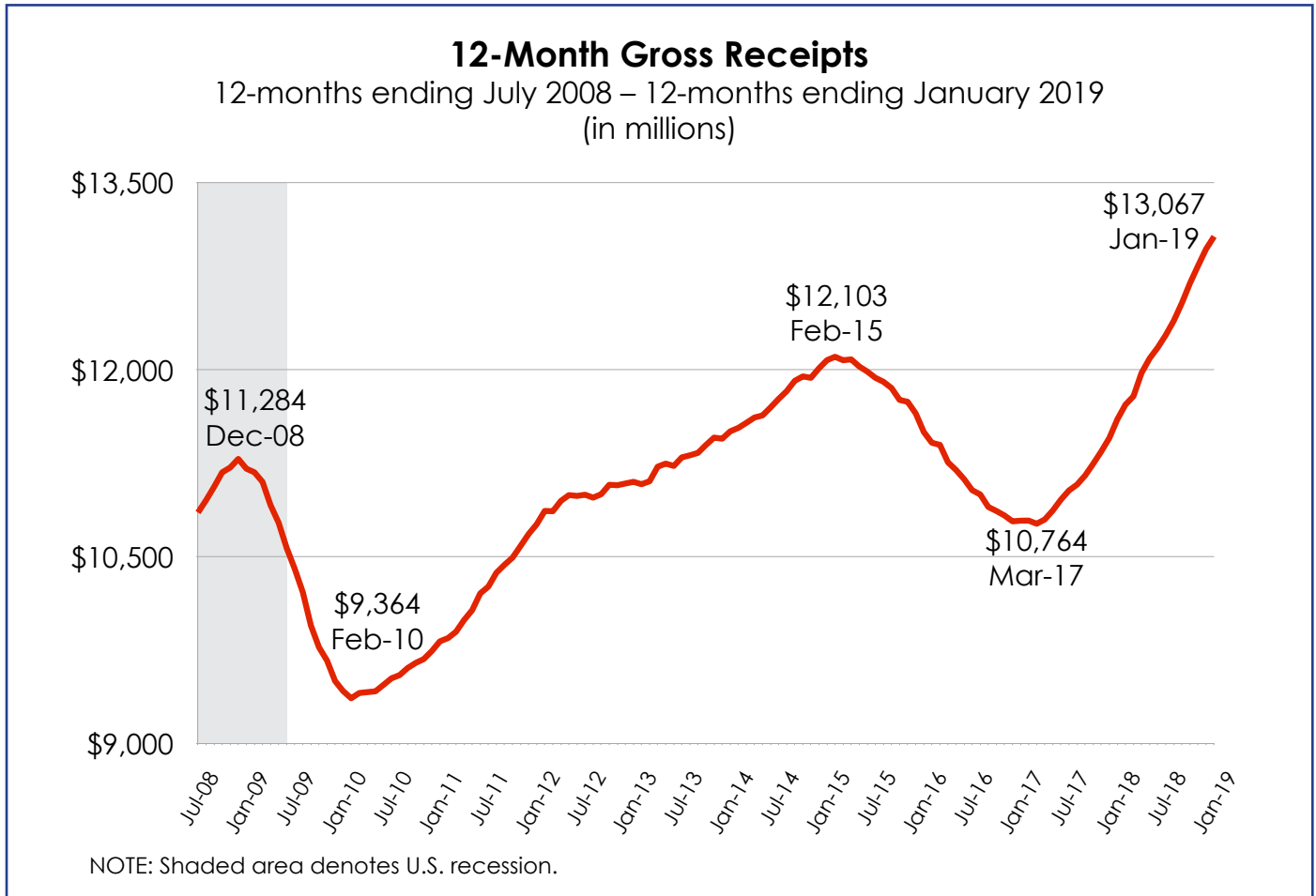
# Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Feb 18 - Jan 19		Summary	
	Prior Year Feb 17 - Jan 18	Current Year Feb 18 - Jan 19	Variance From Prior Year	
			\$	%
Income Tax	4,096.9	4,408.6	311.7	7.6%
Gross Production	564.9	1,027.7	462.8	81.9%
Sales Tax (1)	4,476.0	4,851.9	375.9	8.4%
Motor Vehicle	759.7	785.7	26.0	3.4%
Other Sources (2)	1,703.3	1,994.5	291.2	17.1%
<b>TOTAL REVENUE</b>	<b>11,600.9</b>	<b>13,068.5</b>	<b>1,467.6</b>	<b>12.7%</b>

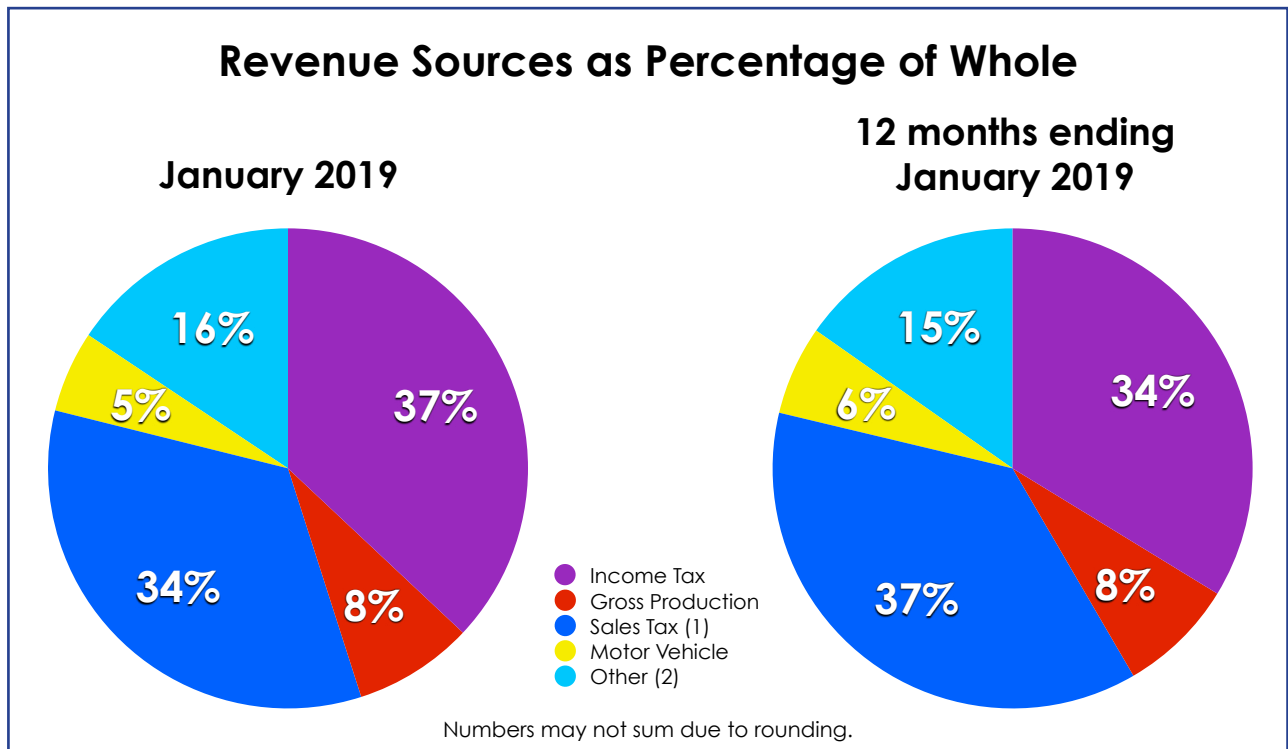
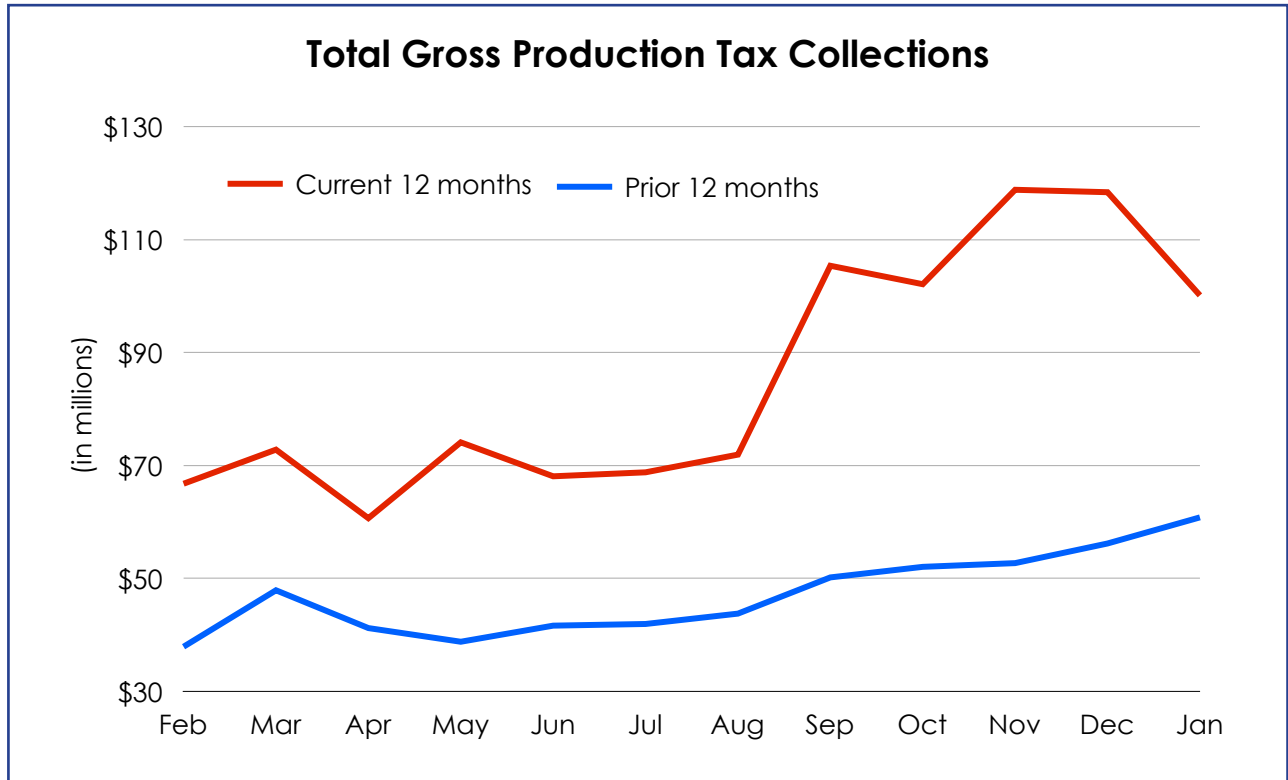
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# Gross Receipts to Treasury



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