



**OKLAHOMA STATE TREASURER
RANDY MCDANIEL**

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Signs of Economic Resiliency and Concern

OKLAHOMA CITY – In spite of a sharp downturn in oil and gas production tax collections, the Oklahoma economy displayed signs of resiliency in June, State Treasurer Randy McDaniel said as he released the monthly Gross Receipts to the Treasury report.

Total receipts in June topped \$1.1 billion and were below collections from June 2019 by \$56.4 million, or 4.9 percent. This is marked improvement from April and May, when receipts were below the prior year by 31.8 percent and 14 percent, respectively.

June collections from the gross production tax, Oklahoma’s severance tax on oil and gas extraction, totaled \$19.6 million, down by \$72.5 million, or 78.7 percent, compared to the same month of last year.

“The state economy showed strength in a number of key areas last month,” Treasurer McDaniel said. “However, the large drop in gross production tax receipts due to a decline in global demand shines a light on the challenges faced by a key Oklahoma industry.”

June severance tax receipts are paid on oil and gas production that occurred during April, when the price per barrel of crude oil averaged \$16.55 and included an unprecedented drop to negative \$36.98 on April 20. Prices have since rebounded to more than \$40 per barrel. Nevertheless, June extraction tax receipts are the lowest monthly total in more than 10 years.

In addition to extraction taxes, individual income and sales tax collections were below collections from June of last year. Sales tax was down by 1.9 percent and individual income tax was off by 0.3 percent. Corporate income, use, and motor vehicle tax receipts were all up by double digits.

June marked the reopening of many businesses that had been closed since mid-March and state residents had the benefit of \$1,200 stimulus payments from the federal government. Even so, the state unemployment rate was last reported as 12.6 percent with more than 200,000 Oklahomans out of work.

Twelve-month collections, reflecting economic performance during Fiscal Year 2020, total \$13.01 billion and are down by \$585.5 million, or 4.3 percent, from Fiscal Year 2019.

The only major revenue source showing growth for the year is the use tax, paid on out-of-state purchases including internet sales.

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Economic indicators

The unemployment rate in Oklahoma was reported as 12.6 percent in May, down from 14.7 percent in April. The seasonally adjusted number of Oklahomans listed as jobless increased by 170,265 over the year, according to figures released by the U.S. Bureau of Labor Statistics. The U.S. unemployment rate was listed at 13.3 percent in April.

The Oklahoma Business Conditions Index rose above growth neutral in June, following three months of numbers indicating expected economic contraction. The June index was set at 53.1, up from 43 in May. Numbers above 50 indicate economic expansion is expected during the next three to six months.

June collections

June gross collections total \$1.1 billion, down by \$56.4 million, or 4.9 percent, from June 2019.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$407.3 million, an increase of \$8.2 million, or 2.1 percent, from the previous June.

Individual income tax collections for the month are \$326.2 million, down by \$1 million, or 0.3 percent, from the prior year. Corporate collections are \$81.1 million, an increase of \$9.2 million, or 12.8 percent.

Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$470.8 million in June. That is \$575,475, or 0.1 percent, less than June 2019.

June sales tax collections total \$404.8 million, a drop of \$7.7 million, or 1.9 percent from the same month of the prior year. Use tax receipts, collected on out-of-state purchases including online sales, generated \$66 million, an increase of \$7.2 million, or 12.2 percent, over the year.

Gross production taxes on oil and natural gas total \$19.6 million in June, a decrease of \$72.5 million, or 78.7 percent, from last June. Compared to May 2020 reports, gross production collections are down by \$18.6 million, or 48.7 percent.

Motor vehicle taxes produced \$75.6 million, up by \$8.1 million, or 12 percent, from the same month of 2019.

Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$121.6 million during the month. That is \$290,517, or 0.2 percent, more than last June.

Fiscal Year 2020 collections

Gross revenue totals \$13.01 billion during Fiscal Year 2020, July 2019 through June 2020. That is \$585.5 million, or 4.3 percent, below collections from the previous fiscal year.

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Gross income taxes generated \$4.37 billion for the fiscal year, reflecting a decrease of \$226.8 million, or 4.9 percent, from the prior 12 months.

Individual income tax collections total \$3.86 billion, down by \$220.8 million, or 5.4 percent, from the prior fiscal year. Corporate collections are \$511 million for the period, a decrease of \$5.9 million, or 1.1 percent, over the previous 12 months.

Combined sales and use taxes for the 12 months generated \$5.47 billion, a decrease of \$100.8 million, or 1.8 percent, from the prior fiscal year.

Gross sales tax receipts total \$4.73 billion, down by \$158.8 million, or 3.2 percent, during the period. Use tax collections generated \$742.8 million, an increase of \$58 million, or 8.5 percent, over the previous 12 months.

Oil and gas gross production tax collections brought in \$829.2 million during the 12 months, down by \$323.9 million, or 28.1 percent, from the previous 12 months.

Motor vehicle collections total \$784.3 million for the fiscal year. This is a decrease of \$185,861, or 0.02 percent, from the trailing period.

Other sources generated \$1.55 billion, up by \$66.1 million, or 4.5 percent, from the previous period.

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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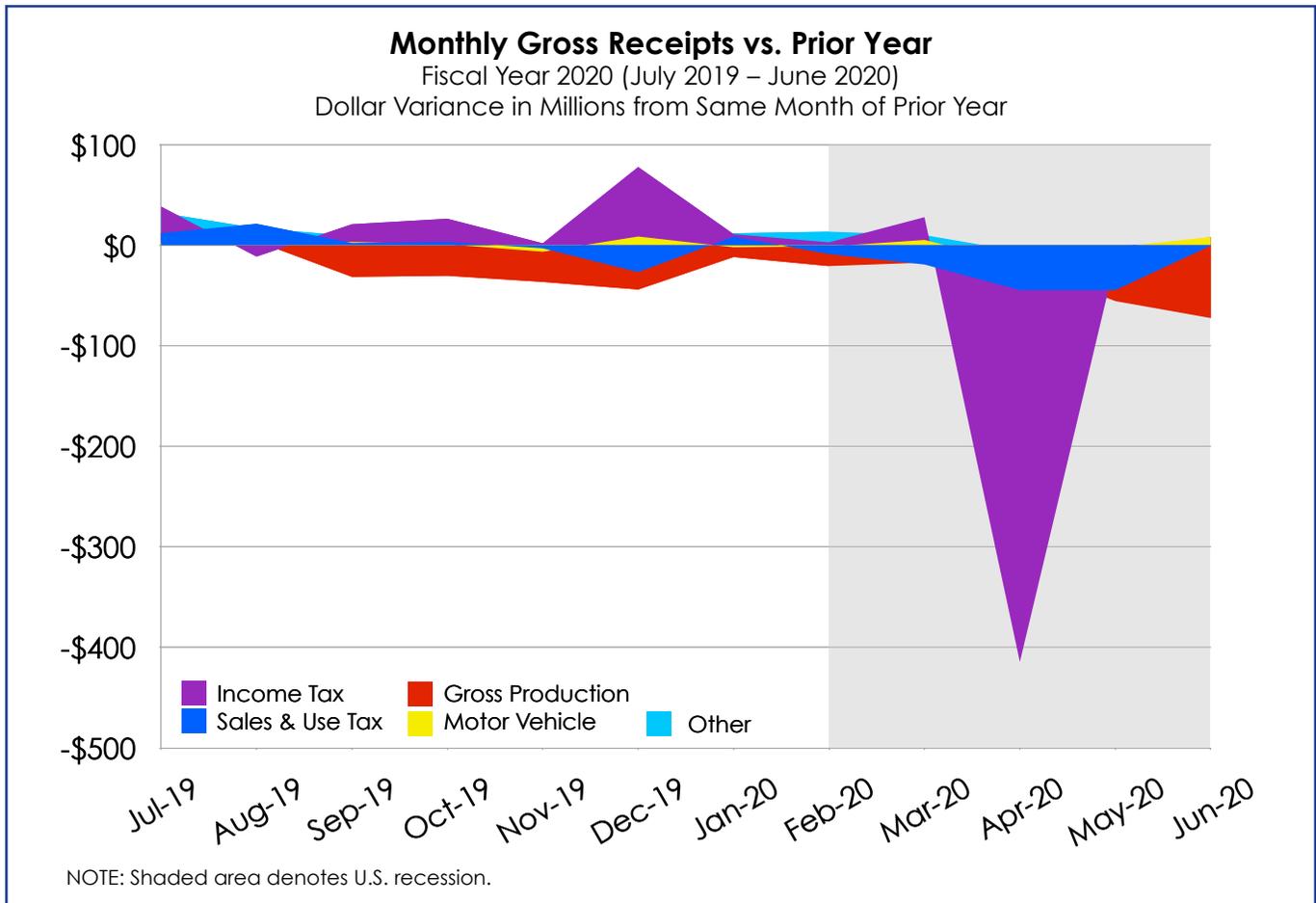
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	June-19	June-20	\$	%
Total Income Tax	399.1	407.3	8.2	2.1%
<i>Individual</i>	327.2	326.2	(1.0)	-0.3%
<i>Corporate</i>	71.9	81.1	9.2	12.8%
Sales & Use Tax (1)	471.4	470.8	(0.6)	-0.1%
<i>Sales Tax</i>	412.6	404.8	(7.7)	-1.9%
<i>Use Tax</i>	58.8	66.0	7.2	12.2%
Gross Production	92.1	19.6	(72.5)	-78.7%
Motor Vehicle	67.5	75.6	8.1	12.0%
Other Sources (2)	121.3	121.6	0.3	0.2%
TOTAL REVENUE	1,151.4	1,095.0	(56.4)	-4.9%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



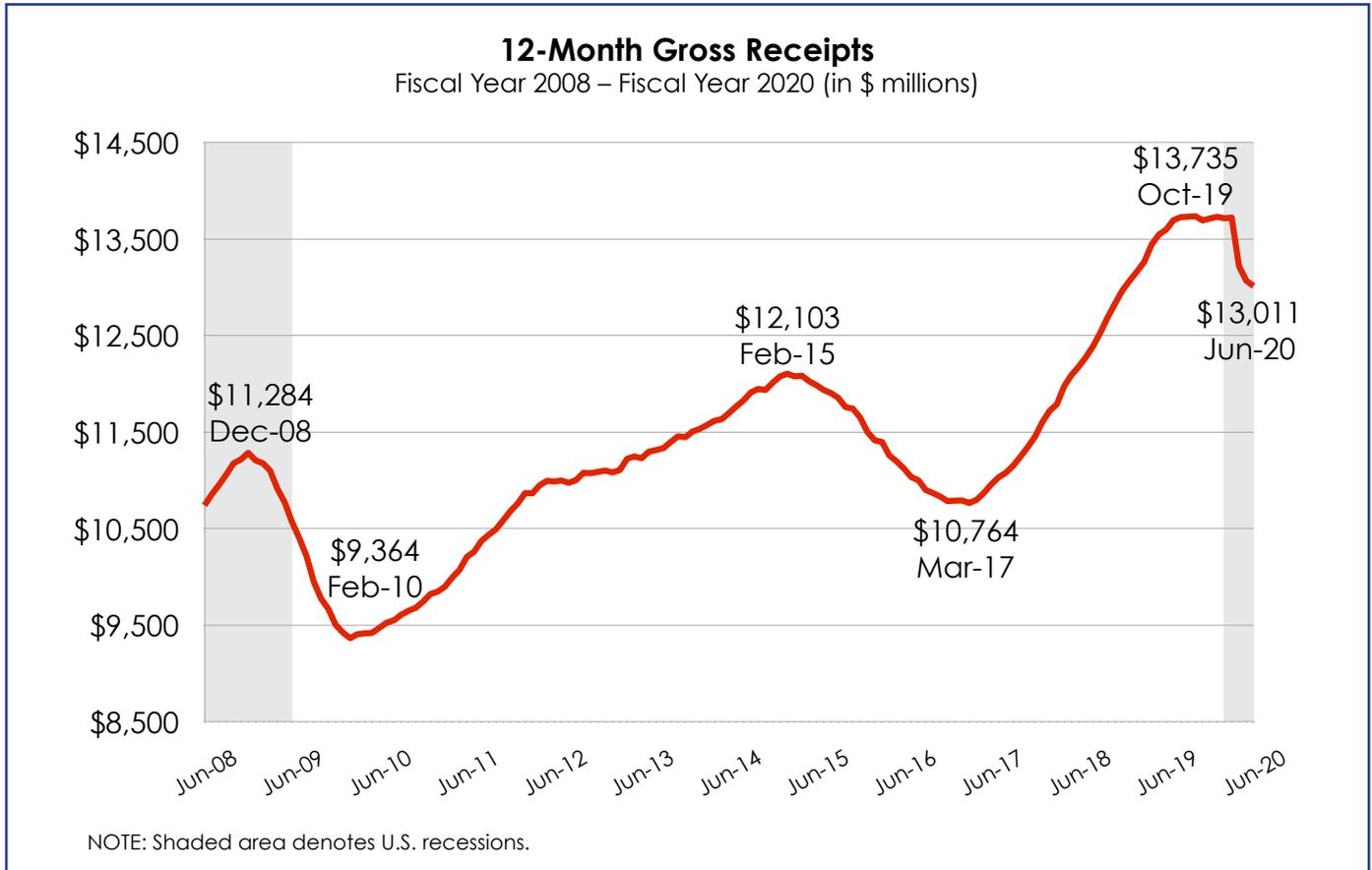
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Jul 19 - Jun 20		Variance From Prior Year	
	Prior Year Jul 18 - Jun 19	Current Year Jul 19 - Jun 20	\$	%
Total Income Tax	4,600.3	4,373.6	(226.8)	-4.9%
<i>Individual</i>	4,083.4	3,862.6	(220.8)	-5.4%
<i>Corporate</i>	516.9	511.0	(5.9)	-1.1%
Sales and Use Tax (1)	5,572.5	5,471.8	(100.8)	-1.8%
<i>Sales Tax</i>	4,887.8	4,729.0	(158.8)	-3.2%
<i>Use Tax</i>	684.8	742.8	58.0	8.5%
Gross Production	1,153.1	829.2	(323.9)	-28.1%
Motor Vehicle	784.4	784.3	(0.2)	0.0%
Other Sources (2)	1,486.0	1,552.1	66.1	4.5%
TOTAL REVENUE	13,596.4	13,010.9	(585.5)	-4.3%

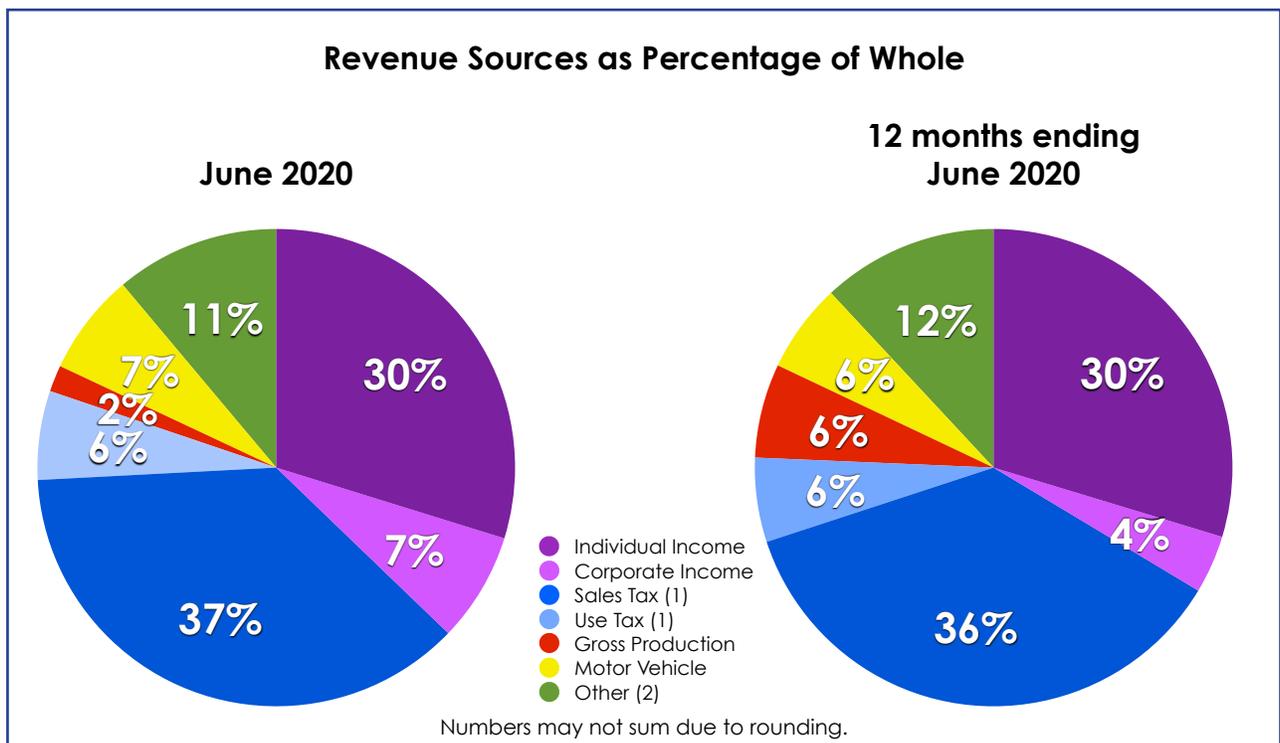
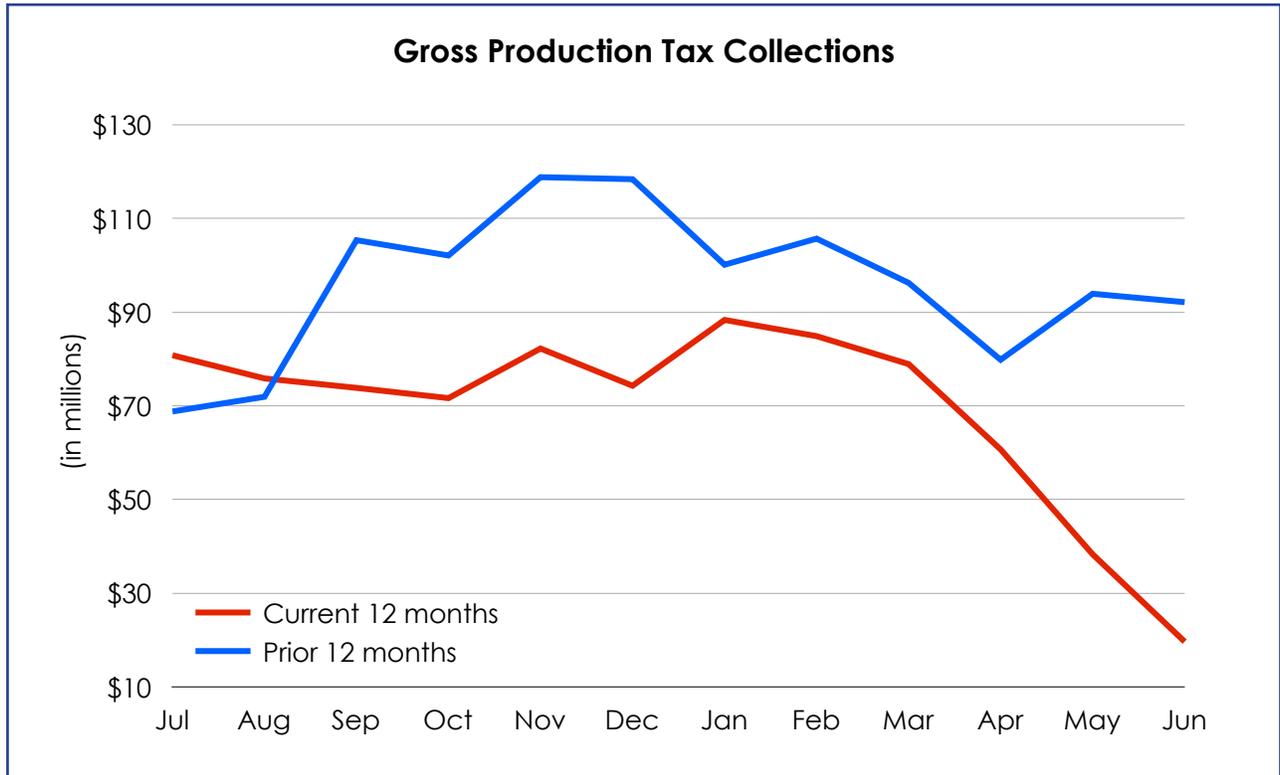
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Gross Receipts to Treasury



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(2) Gross Collections from OTC