



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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**Fiscal Year Collections Exceed Prior Year and Estimate,
Generate \$94 Million for Rebates**

OKLAHOMA CITY – Oklahoma taxpayers will share approximately \$94 million in tax rebates later this year, State Treasurer Scott Meacham announced today. The figure comes with the release of year-end fiscal data showing state revenue collections exceeded the prior year and estimate.

Preliminary reports show General Revenue Fund collections for the 2005 Fiscal Year that ended June 30, 2005 totaled \$4.96 billion. That amount is:

- \$357.2 million or 7.8 percent above the prior year; and
- \$432.1 million or 9.5 percent above the estimate.

In addition to \$94 million for rebates, the strong performance of the state's economy will enable a \$94 million deposit to the Oklahoma Dynamic Economy and Budget Security Fund for research and economic development and a maximum deposit to the Rainy Day Fund of \$243.8 million. This is the first time since the creation of the Rainy Day Fund that it has reached its maximum.

"Oklahoma's revenue picture looks very good," said Treasurer Meacham, who also serves as Cabinet Secretary for Revenue and Finance. "We're making the largest contribution possible to the state's Rainy Day Fund and we're going to send rebate checks to more than two million Oklahoma taxpayers. Additionally, we are setting aside \$94 million for research and economic development as recommended by the governor's EDGE task force."

Exact figures for the tax rebates will not be known for a few months as reconciliation is performed on the state's financial records and as taxpayers who filed for extensions submit their forms to the Tax Commission. However, Meacham said preliminary figures show taxpayers will receive healthy rebate payments.

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State finance officials originally estimated in January that the final surplus could be as high as \$200 million depending on economic conditions for the remainder of the fiscal year. Just last month, House budget leaders predicted the surplus would not exceed \$130 million. The final surplus was \$188.3 million, 45 percent higher than predicted by House budget leaders last month.

“In spite of dire predictions of very low rebates issued by naysayers last month, we currently anticipate sending checks for about \$90 to married couples and \$45 to single taxpayers,” Meacham said.

Deposits to the Rainy Day Fund, also known as the Constitutional Reserve Fund, occur at the end of the fiscal year when collections exceed the estimate. The state constitution directs that revenue in excess of the estimate be deposited into the Rainy Day Fund until the balance is 10 percent of the prior year’s certified General Revenue Fund collections. That cap will be reached with this year’s deposit when the Rainy Day Fund balance will hit \$461.3 million.

A total of \$188.3 million will be left over and will be split evenly between taxpayer rebates and a special economic development fund created in the closing days of the legislative session.

Every major tax category finished nearly even or ahead of prior year collections and the estimate. This also marks the second consecutive year of large deposits to the Rainy Day Fund. Last year, \$217.5 million was deposited to the fund.

Income Taxes – Net income taxes, a combination of individual and corporate income tax payments, brought \$2.312 billion to the General Revenue Fund in FY-05. That amount is \$190.2 million or 9 percent above the prior year and \$232.9 million or 11.2 percent above the estimate. Individual returns produced \$2.167 billion, which is \$150.5 million or 7.5 percent above the prior year and \$193.6 million or 9.8 percent above the estimate. Corporate returns produced \$145 million, which is \$39.7 million or 37.7 percent above the prior year and \$39.4 million or 37.3 percent above the estimate.

Sales Taxes – The state’s number two revenue source, which is driven by retail sales, produced \$1.34 billion in FY-05. That is \$52.9 million or 4.1 percent above the prior year and \$14.1 million or 1.1 percent above the estimate.

Gross Production Taxes – This tax on natural gas and crude oil production generated \$495.2 million for the General Revenue Fund. That is \$51.5 million or 11.6 percent above the prior year and \$141.4 million or 40 percent above the estimate.

Motor Vehicle Taxes – This revenue source, based on motor vehicle license sales, produced \$219.7 million in FY-05. That is \$2.3 million or 1 percent below the prior year and \$0.2 million or 0.1 percent below the estimate.

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Other Revenue – Other revenue, which includes a wide range of receipts such as insurance, liquor, cigarettes and interest on investments, produced \$592.3 million for FY-05. That is \$65 million or 12.3 percent above the prior year and \$43.9 million or 8 percent above the estimate.

Looking at the month of June, the last month of the fiscal year, preliminary reports show General Revenue Fund collections totaled \$535.4 million. That amount is:

- \$109.9 million or 25.8 percent above the prior year; and
- \$95.7 million or 21.8 percent above the estimate.

Income Taxes – This source generated \$259.1 million, which is \$33.8 million or 15 percent above the prior year and \$39.4 million or 17.9 percent above the estimate.

Sales Taxes – This source produced \$117 million, which is \$10.2 million or 9.6 percent above the prior year and \$6.5 million or 5.9 percent above the estimate.

Gross Production Taxes – In June, this source generated \$64.8 million, which is \$26.4 million or 68.6 percent above the prior year and \$37.6 million or 138.2 percent above the estimate.

Motor Vehicle Taxes – June collections generated \$24.6 million, which is \$3.2 million or 15 percent above the prior year and \$3.8 million or 18.4 percent above the estimate.

Other Revenue – Other revenue produced \$70 million for the last month of the fiscal year. That is \$36.3 million or 107.9 percent above the prior year and \$8.3 million or 13.5 percent above the estimate.

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Editor's Note: General Revenue comparison charts to the prior year and estimate are available on the Treasurer's home page (www.treasurer.ok.gov) under "News."

General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

MONTHLY COMPARISON

SUMMARY JUNE 2005

(In \$ millions)	FY-04 Actual	FY-05 Actual	Variance From Prior Year	
	June 2004	June 2005	\$	%
Net Income Tax	225.4	259.1	33.8	15.0%
Gross Production	38.4	64.8	26.4	68.6%
Sales Tax	106.7	117.0	10.2	9.6%
Motor Vehicle	21.4	24.6	3.2	15.0%
Subtot: Major Taxes	391.9	465.4	73.6	18.8%
Other Sources (1)	33.7	70.0	36.3	107.9%
TOTAL GEN REVENUE	425.5	535.4	109.9	25.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	425.5	535.4	109.9	25.8%

PRELIMINARY

12 MONTH YEAR TO DATE

SUMMARY JUNE 2005

(In \$ millions)	FY-04 Actual	FY-05 Actual	Variance From Prior Year	
	Thru June 2005	Thru June 2005	\$	%
Net Income Tax	2,121.8	2,312.0	190.2	9.0%
Gross Production	443.7	495.2	51.5	11.6%
Sales Tax	1,287.4	1,340.2	52.9	4.1%
Motor Vehicle	222.0	219.7	-2.3	-1.0%
Subtot: Major Taxes	4,074.8	4,367.1	292.3	7.2%
Other Sources (1)	527.4	592.3	65.0	12.3%
TOTAL GEN REVENUE	4,602.2	4,959.5	357.2	7.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	4,602.2	4,959.5	357.2	7.8%

(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

MONTHLY COMPARISON

SUMMARY JUNE 2005

(In \$ millions)	FY-05 Estimate	FY-05 Actual	Variance From OSF Estimate	
	June 2005	June 2005	\$	%
Net Income Tax	219.7	259.1	39.4	17.9%
Gross Production	27.2	64.8	37.6	138.2%
Sales Tax	110.5	117.0	6.5	5.9%
Motor Vehicle	20.8	24.6	3.8	18.4%
Subtot: Major Taxes	378.1	465.4	87.3	23.1%
Other Sources (1)	61.6	70.0	8.3	13.5%
TOTAL GEN REVENUE	439.8	535.4	95.7	21.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	439.8	535.4	95.7	21.8%

PRELIMINARY

12 MONTH YEAR TO DATE

SUMMARY JUNE 2005

(In \$ millions)	FY-05 Estimate	FY-05 Actual	Variance From OSF Estimate	
	Thru June 2005	Thru June 2005	\$	%
Net Income Tax	2,079.1	2,312.0	232.9	11.2%
Gross Production	353.8	495.2	141.4	40.0%
Sales Tax	1,326.1	1,340.2	14.1	1.1%
Motor Vehicle	219.9	219.7	-0.2	-0.1%
Subtot: Major Taxes	3,978.9	4,367.1	388.3	9.8%
Other Sources (1)	548.5	592.3	43.9	8.0%
TOTAL GEN REVENUE	4,527.3	4,959.5	432.1	9.5%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	4,527.3	4,959.5	432.1	9.5%

(1) Other sources revenue estimated pending final accounting.

(2) Recurring revenue after subtracting one-time funds.

Details may not sum due to rounding.