



**SCOTT MEACHAM**  
**OKLAHOMA STATE TREASURER**

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**Fiscal Year with Worst Revenue Shortfall in History Ends**

*Treasurer Meacham says "Global recession hit hard, but worst is behind us"*

**OKLAHOMA CITY** – Revenue collections for Fiscal Year 2010 showed the biggest decrease in state history, State Treasurer Scott Meacham said today as reports on collections for the year were released. However, Meacham said the news is not all bad. "While the global recession hit Oklahoma very hard during the recently completed fiscal year, all signs point toward better times ahead."

Preliminary reports show General Revenue Fund collections for Fiscal Year 2010 were \$4.6 billion. That amount is:

- \$945 million or 17 percent below the prior year; and
- \$815.7 million or 15.1 percent below the official estimate.

**Toughest Fiscal Year on Record**

"The effects of the global recession were felt strongly in Oklahoma during the fiscal year," Meacham said. "A drop of \$945 million or 17 percent in collections from the prior year illustrates the intensity of the historical downturn Oklahoma's economy experienced."

Meacham said Oklahoma experienced the worst of the recession during the first half of the fiscal year, while numbers started improving during the last half of the fiscal year.

"We felt the recession the most during the fiscal year's first six months," he said. "After December, we started to see improvements, which continued through this month, especially in gross production, sales and motor vehicle tax collections."

Meacham said that while income tax collections remain below the prior year and estimate, those numbers appear to be driven primarily by a slight reduction in individual estimated payments.

**Brighter Picture Ahead**

Meacham said the coming fiscal year promises to be brighter.

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“The worst is definitely behind us. The coming fiscal year promises to be much better as economic activity and resulting state revenue collections have begun to show improvement,” he said.

At the start of the fiscal year, a total of \$167.7 million remains after agency allocations are made for the month. A total of \$120 million will be transferred to the Special Cash Fund and \$47.7 million will remain in the Cash Flow Reserve Fund for any coming months when collections may fall short of monthly allocation requirements.

### **Fiscal Year Collections**

For the fiscal year, net income taxes, a combination of personal and corporate income taxes, produced \$1.86 billion, which is \$403.4 million or 17.7 percent below the prior year and \$475.5 million or 20.2 percent below the estimate.

Personal income tax produced \$1.7 billion, which is \$305.5 million or 15.2 percent below the prior year and \$336 million or 16.4 percent below the estimate. Corporate income tax produced \$167.7 million, which is \$97.9 million or 36.9 percent below the prior year and \$139.6 million or 45.4 percent below the estimate.

The state sales tax produced \$1.52 billion for the year, which is \$130.9 million or 7.9 percent below the prior year and \$238.3 million or 13.6 percent below the estimate.

The gross production tax on oil and natural gas yielded \$444.4 million for the year, which is \$282.9 million or 38.9 percent below the prior year but \$16.9 million or 3.9 percent above the estimate.

Motor vehicle taxes produced \$147.3 million in the fiscal year, which is \$28.6 million or 16.2 percent below the prior year but \$5.8 million or 4.1 percent above the estimate.

Investments by the treasurer’s office yielded \$120 million. That is \$37.2 million below the prior year.

Other revenue, including investment earnings along with taxes on insurance, alcoholic beverages and others produced \$616.4 million for the year. This is \$99.3 million or 13.9 percent below the prior year and \$124.6 million or 16.8 percent below the estimate.

### **June Collections**

Preliminary reports show General Revenue Fund collections for June were \$477.4 million. That amount is:

- \$10 million or 2.1 percent above the prior year; but
- \$34.8 million or 6.8 percent below the official estimate.

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In June, net income taxes, a combination of personal and corporate income taxes, produced \$217.2 million, which is \$3.4 million or 1.6 percent below the prior year and \$55.6 million or 20.4 percent below the estimate.

In June, personal income tax produced \$179.8 million, which is \$6.2 million or 3.3 percent below the prior year and \$52.9 million or 22.7 percent below the estimate. Corporate income tax produced \$37.4 million, which is \$2.7 million or 7.9 percent above the prior year but \$2.7 million or 6.8 percent below the estimate.

The state sales tax produced \$135.2 million for the month, which is \$5.7 million or 4.4 percent above the prior year but \$2.8 million or 2 percent below the estimate.

The gross production tax on oil and natural gas yielded \$51.4 million for the month, which is \$29.6 million or 135.9 percent above the prior year and \$42.8 million or 500.4 percent above the estimate.

Motor vehicle taxes produced \$19.1 million in June, which is \$4.6 million or 31.9 percent above the prior year and \$7.4 million or 63.9 percent above the estimate.

In June, investments by the treasurer's office yielded \$7.7 million. That is \$1.9 million below the same month of the prior year.

Other revenue, including investment earnings along with taxes on insurance, alcoholic beverages and others produced \$54.6 million for the month. This is \$26.5 million or 32.7 percent below the prior year and \$26.7 million or 32.8 percent below the estimate.

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**For more information contact:**

Tim Allen, Deputy Treasurer for Policy and Administration, (405) 522-4212

# General Revenue Comparisons With Prior Year

## CHART I

PRELIMINARY

### MONTHLY COMPARISON

**SUMMARY June 2010**

(In \$ millions)	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	June 2009	June 2010	\$	%
Net Income Tax	\$220.6	\$217.2	-\$3.4	-1.6%
Gross Production	21.8	51.4	29.6	135.9%
Sales Tax	129.4	135.2	5.7	4.4%
Motor Vehicle	14.5	19.1	4.6	31.9%
<b>Subtotal: Major Taxes</b>	<b>\$386.3</b>	<b>\$422.8</b>	<b>\$36.5</b>	<b>9.4%</b>
Other Sources (1)	81.0	54.6	-26.5	-32.7%
<b>TOTAL GEN REVENUE</b>	<b>\$467.4</b>	<b>\$477.4</b>	<b>\$10.0</b>	<b>2.1%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$467.4</b>	<b>\$477.4</b>	<b>\$10.0</b>	<b>2.1%</b>

PRELIMINARY

### 12 MONTH YEAR TO DATE

**SUMMARY June 2010**

(In \$ millio	FY-09 Actual	FY-10 Actual	Variance From Prior Year	
	Thru June 2009	Thru June 2010	\$	%
Net Income Tax	\$2,279.2	\$1,875.8	-\$403.4	-17.7%
Gross Production	727.3	444.4	-282.9	-38.9%
Sales Tax	1,646.6	1,515.7	-130.9	-7.9%
Motor Vehicle	175.8	147.3	-28.6	-16.2%
<b>Subtotal: Major Taxes</b>	<b>\$4,829.0</b>	<b>\$3,983.2</b>	<b>-\$845.8</b>	<b>-17.5%</b>
Other Sources (1)	715.7	616.4	-99.3	-13.9%
<b>TOTAL GEN REVENUE</b>	<b>\$5,544.7</b>	<b>\$4,599.6</b>	<b>-\$945.0</b>	<b>-17.0%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$5,544.7</b>	<b>\$4,599.6</b>	<b>-\$945.0</b>	<b>-17.0%</b>

(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 2010

(In \$ millions)	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	June 2010	June 2010	\$	%
Net Income Tax	\$272.8	\$217.2	-\$55.6	-20.4%
Gross Production	8.6	51.4	42.8	500.4%
Sales Tax	137.9	135.2	-2.8	-2.0%
Motor Vehicle	11.6	19.1	7.4	63.9%
<b>Subtotal: Major Taxes</b>	<b>\$430.9</b>	<b>\$422.8</b>	<b>-\$8.1</b>	<b>-1.9%</b>
Other Sources (1)	81.2	54.6	-26.7	-32.8%
<b>TOTAL GEN REVENUE</b>	<b>\$512.1</b>	<b>\$477.4</b>	<b>-\$34.8</b>	<b>-6.8%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$512.1</b>	<b>\$477.4</b>	<b>-\$34.8</b>	<b>-6.8%</b>

PRELIMINARY

### 12 MONTH YEAR TO DATE

SUMMARY June 2010

(In \$ millio	FY-10 Estimate	FY-10 Actual	Variance From Estimate	
	Thru June 2010	Thru June 2010	\$	%
Net Income Tax	\$2,351.4	\$1,875.8	-\$475.5	-20.2%
Gross Production	427.5	444.4	16.9	3.9%
Sales Tax	1,754.1	1,515.7	-238.3	-13.6%
Motor Vehicle	141.4	147.3	5.8	4.1%
<b>Subtotal: Major Taxes</b>	<b>\$4,674.4</b>	<b>\$3,983.2</b>	<b>-\$691.2</b>	<b>-14.8%</b>
Other Sources (1)	741.0	616.4	-124.6	-16.8%
<b>TOTAL GEN REVENUE</b>	<b>\$5,415.4</b>	<b>\$4,599.6</b>	<b>-\$815.7</b>	<b>-15.1%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	<b>\$5,415.4</b>	<b>\$4,599.6</b>	<b>-\$815.7</b>	<b>-15.1%</b>

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.