



**OKLAHOMA STATE TREASURER
RANDY MCDANIEL**

For Immediate Release: July 8, 2019

Fiscal Year Gross Receipts to the Treasury Show Growth In Spite of Recent Sales Tax Drop

OKLAHOMA CITY – Gross Receipts to the Treasury for both the month of June and Fiscal Year 2019 indicate ongoing growth in the state’s economy, but recent collection data is sending some mixed signals, State Treasurer Randy McDaniel announced today.

Reports released by McDaniel’s office show overall growth of 4.7 percent in total revenue collections for the month of June, and 11.7 percent for the entire fiscal year. However, sales tax collections in June were below those of the same month of the prior year for the first time in more than two years – since March 2017.

“The state’s ongoing economic growth remains encouraging,” McDaniel said.

“The falloff in sale tax collections last month is potentially due to the fiscal impact of May’s severe weather, which resulted in 27 counties designated as federal disaster sites eligible for assistance by FEMA. If severe weather is the cause, we should see a rebound due to spending on recovery efforts,” he said. “We will continue to keep a close watch on sales tax revenue because it is widely viewed as a barometer of consumer confidence.”

The rate of growth in sales tax collections has been generally slowing for several months and in June dropped below prior year collections by \$10.5 million, or 2.5 percent. The almost 5 percent growth in total June collections was made possible by increases in individual income tax and gross production taxes on oil and gas production. Motor vehicle collections were also down for the month, but only by about \$30,000, or 0.04 percent.

Increases in state taxes enacted last year helped boost the numbers, especially in June. Without the increased revenue, total monthly growth would have been less than one percent.

Gross receipts during FY-19, July 2018 to June 2019, show an almost 12 percent increase over FY-18 with all major revenue streams – income, gross production, sales, and motor vehicle taxes – measuring growth.

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New Tax Revenue

Revenue generated by increased tax rates approved in House Bill 1010 during special session last year added \$42.9 million to monthly collections, 3.7 percent of all June gross receipts.

The largest amount, \$21.3 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 \$7.4 million, and the \$1 per pack hike in cigarette taxes added \$14.2 million to the June total.

Other indicators

For the first time in three months, the Oklahoma Business Conditions Index was listed as above growth neutral in June. The Oklahoma index was set at 48.6 and 48.9 in April and May, respectively. It rose to 54.9 in June. Numbers above 50 indicate anticipated economic expansion during the next three to six months.

Oklahoma's seasonally adjusted unemployment rate of 3.2 percent in May was down by one tenth of a percentage point from the previous month, while the U.S. jobless rate of 3.6 percent was unchanged from April, according to figures released by the Oklahoma Employment Security Commission.

June collections

June gross collections total \$1.2 billion, up \$51.9 million, or 4.7 percent, from June 2018.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$399.1 million, an increase of \$9.4 million, or 2.4 percent, from the previous June.

Individual income tax collections for the month are \$327.2 million, up by \$17.8 million, or 5.8 percent, from the prior year. Corporate collections are \$71.9 million, a decrease of \$8.4 million, or 10.4 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$412.6 million in June. That is \$10.5 million, or 2.5 percent, less than June 2018.

Gross production taxes on oil and natural gas generated \$92.1 million in June, an increase of \$24 million, or 35.3 percent, from last June. Compared to May 2019 reports, gross production collections are down by \$1.8 million, or 1.9 percent.

Motor vehicle taxes produced \$67.5 million, down by \$30,360, or 0.04 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 \$180.1 million during the month. That is \$29 million, or 19.2 percent, more than last June.

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Fiscal Year 2019 collections

Gross revenue totals \$13.6 billion from Fiscal Year 2019, which ended on June 30. That is \$1.4 billion, or 11.7 percent, more than collections from the previous fiscal year.

Gross income taxes generated \$4.6 billion for the fiscal year, reflecting an increase of \$340.5 million, or 8 percent, from the prior 12 months.

Individual income tax collections total \$4.1 billion, up by \$294.3 million, or 7.8 percent, from the prior fiscal year. Corporate collections are \$516.9 million for the period, an increase of \$46.1 million, or 9.8 percent, over the previous fiscal year.

Sales taxes for the 12 months generated \$4.9 billion, an increase of \$203 million, or 4.3 percent, from the prior period.

Oil and gas gross production tax collections brought in \$1.2 billion during the 12 months, up by \$453.2 million, or 64.7 percent, from the previous period.

Motor vehicle collections total \$784.4 million for the fiscal year. This is an increase of \$15.8 million, or 2.1 percent, from the trailing fiscal year.

Other sources generated \$2.2 billion, up by \$407.6 million, or 23.1 percent, from the previous period.

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:

Tim Allen, Deputy Treasurer for Communications & Program Administration
(405) 522-4212

Gross Receipts to Treasury

PRELIMINARY

MONTHLY COMPARISON

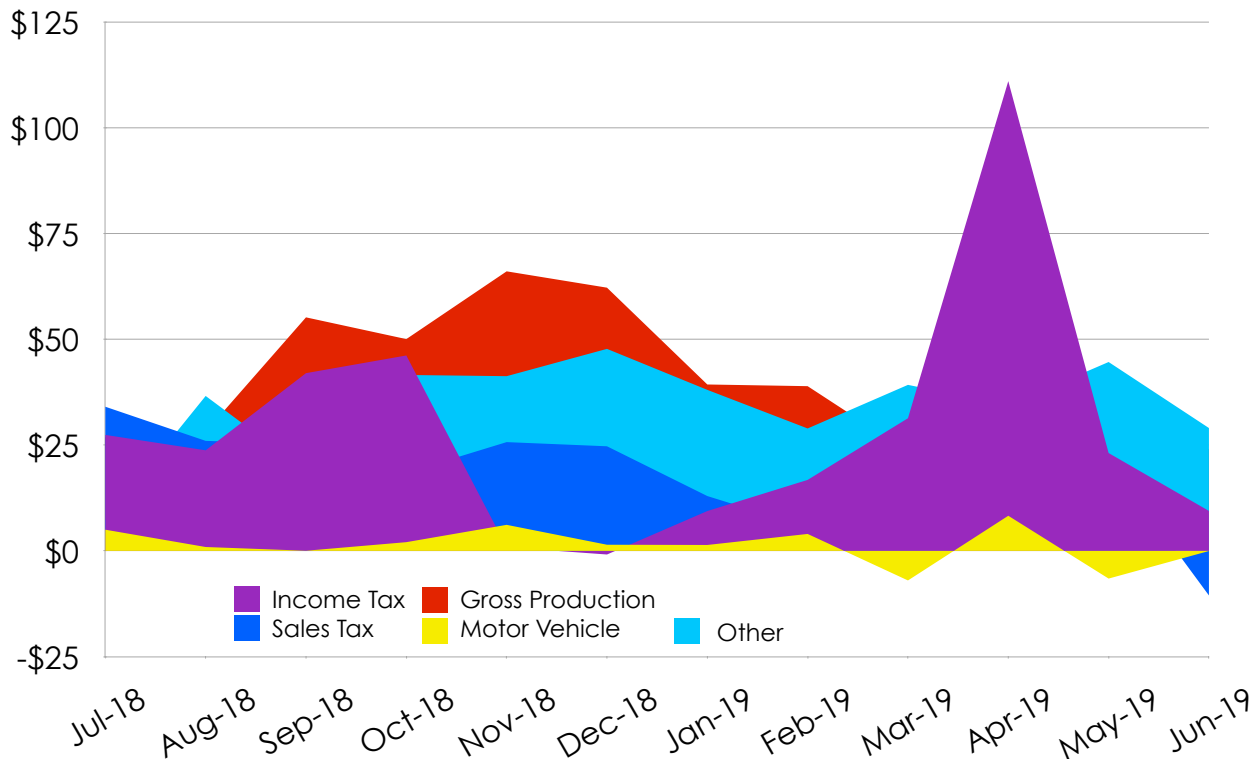
(In \$ millions)	June-18	June-19	Variance From Prior Year	
			\$	%
Income Tax	389.7	399.1	9.4	2.4%
Gross Production	68.1	92.1	24.0	35.3%
Sales Tax (1)	423.1	412.6	(10.5)	-2.5%
Motor Vehicle	67.5	67.5	(0.0)	0.0%
Other Sources (2)	151.1	180.1	29.0	19.2%
TOTAL REVENUE	1,099.4	1,151.4	51.9	4.7%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.

Monthly Gross Receipts vs. Prior Year
 Fiscal Year 2019 (July 2018 – June 2019)
 Dollar Variance in Millions from Same Month of Prior Year



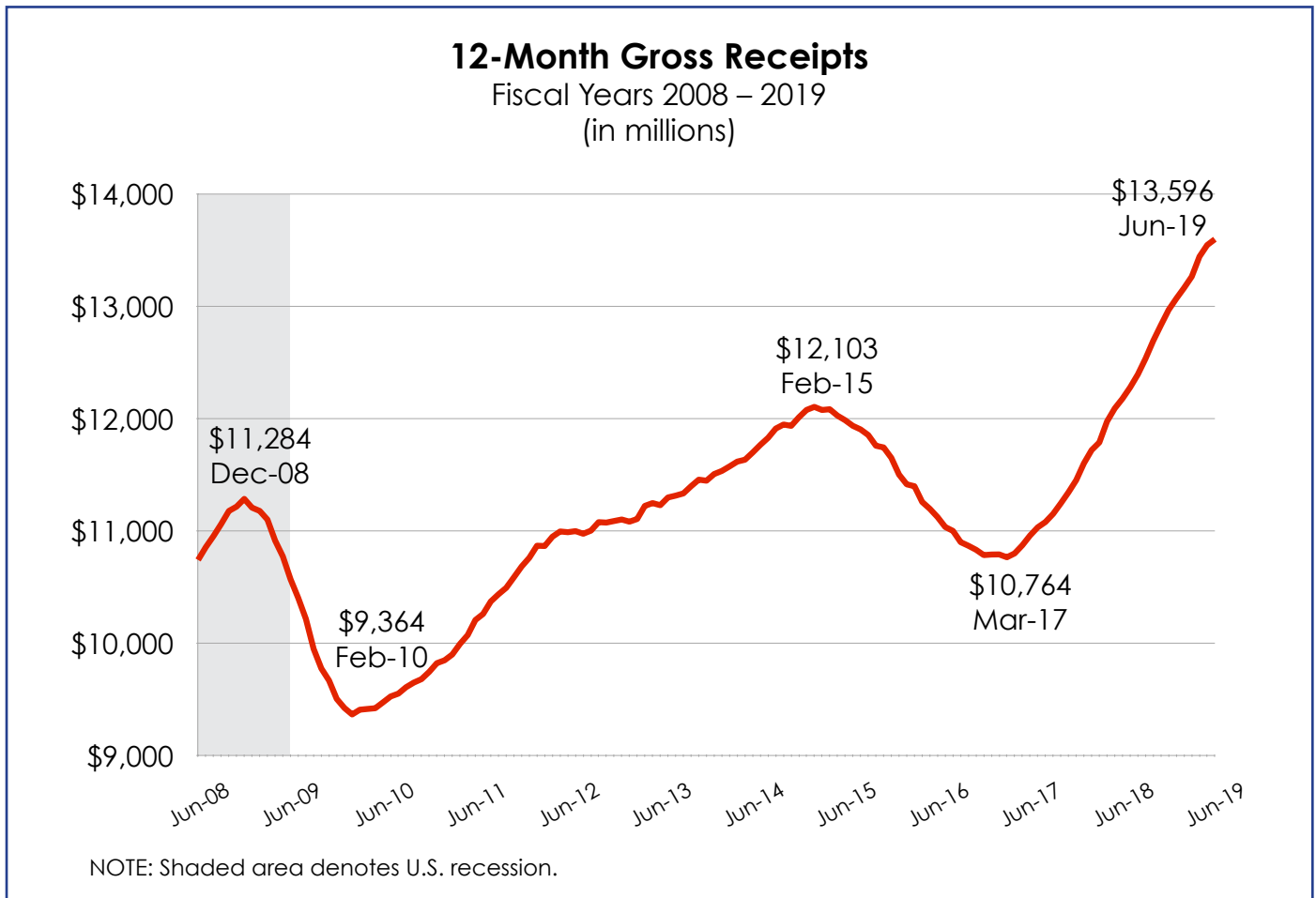
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Jul 18 - Jun 19		Summary	
	Prior Year Jul 17 - Jun 18	Current Year Jul 18 - Jun 19	Variance From Prior Year	
			\$	%
Income Tax	4,259.9	4,600.3	340.5	8.0%
Gross Production	699.9	1,153.1	453.2	64.7%
Sales Tax (1)	4,684.8	4,887.8	203.0	4.3%
Motor Vehicle	768.7	784.4	15.8	2.1%
Other Sources (2)	1,763.1	2,170.7	407.6	23.1%
TOTAL REVENUE	12,176.4	13,596.4	1,420.0	11.7%

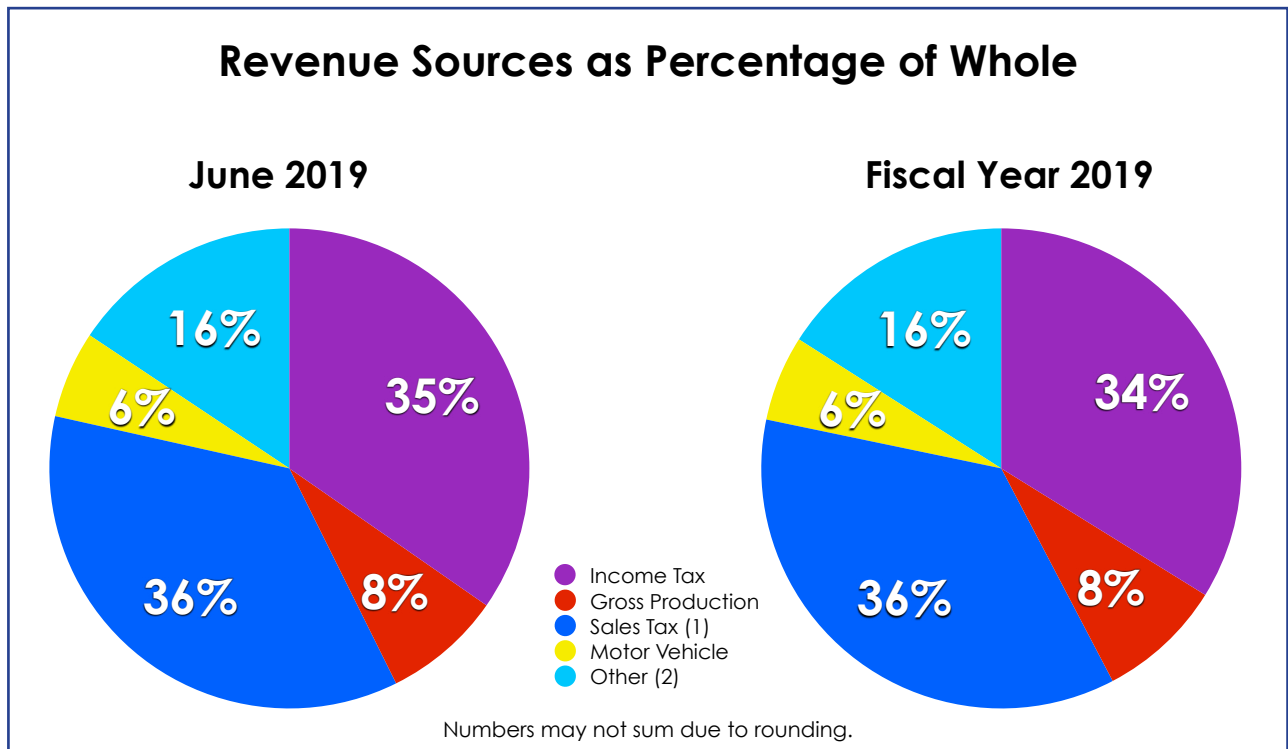
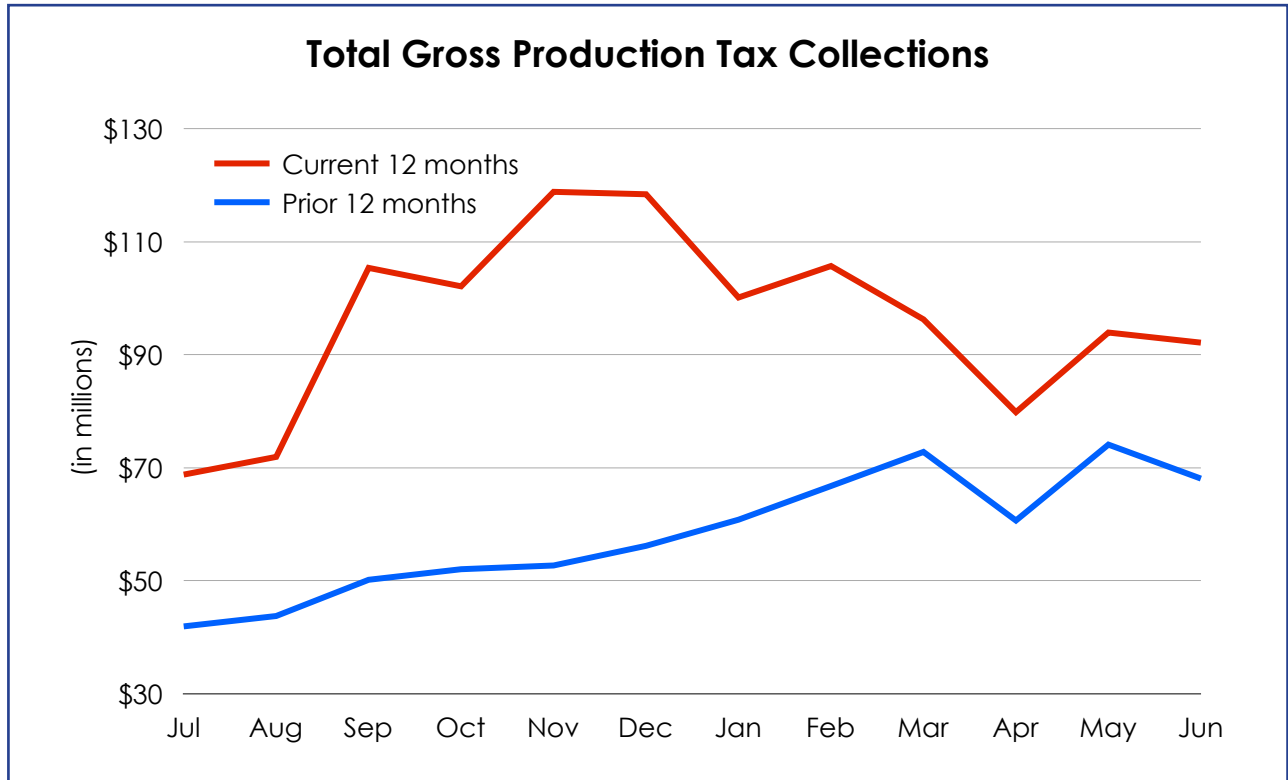
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Gross Receipts to Treasury



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(2) Gross Collections from OTC