



**OKLAHOMA STATE TREASURER
RANDY MCDANIEL**

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Oklahoma Gross Receipts Poised to Fall

OKLAHOMA CITY – Oklahoma Gross Receipts to the Treasury in March show the calm before the storm. As has been the case for several months, they indicate slight overall growth, but with slowing sales tax collections and reduced oil and gas production, State Treasurer Randy McDaniel announced on Friday.

“This month marks the end of almost three years of economic growth,” said Treasurer McDaniel. “I expect to see a much different picture emerge in the coming months.”

Total March receipts are \$1.09 billion, up by \$6.4 million, or 0.6 percent, from March of last year.

As a lagging economic indicator, Gross Receipts to the Treasury provide a look back at recent performance of the state’s economy. The numbers indicate the state’s economy remained relatively strong for almost three years, but had recently started to show signs of weakening. Then, the coronavirus pandemic hit Oklahoma.

McDaniel listed several data points showing a significant decline is underway:

- First-time unemployment claims hit almost 45,000 the last week of March, the highest number ever reported in Oklahoma.
- Oil prices fell from some \$47 per barrel at the start of the month to less than \$20 before month’s end. Already suppressed drilling dropped from 50 wells in April to 39 in March.
- The Dow Jones Industrial average dropped by 23 percent during the first quarter of the year, its worst quarterly performance in history.
- The Oklahoma Business Condition Index dropped to 45.7 in March, down from 51.5 in February. Numbers below 50 indicate expected economic contraction in the next three to six months.

“The economic indicators are disconcerting, but working together we will get through this downturn,” McDaniel said. “My thoughts and prayers are for the health and safety of my fellow Oklahomans. I am thankful for the first responders, health care providers and many others that are stepping up to make a difference.”

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March collections

March gross collections total \$1.09 billion, up by \$6.4 million, or 0.6 percent, from March 2019.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$382.6 million, an increase of \$27.8 million, or 7.8 percent, from the previous March.

Individual income tax collections for the month are \$328.4 million, up by \$851,048, or 0.3 percent, from the prior year. Corporate collections are \$54.2 million, an increase of \$27 million, or 98.8 percent. Large variances in monthly corporate collection are common.

Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$422 million in March. That is \$19.2 million, or 4.4 percent, less than March 2019.

Sales tax collections in March total \$368.2 million, a drop of \$14.8 million, or 3.9 percent from the same month of the prior year. Use tax receipts, collected on out-of-state purchases including online sales, generated \$53.8 million, a decrease of \$4.4 million, or 7.6 percent, over the year.

Gross production taxes on oil and natural gas total \$78.9 million in March, a decrease of \$17.3 million, or 18 percent, from last March. Compared to February 2020 reports, gross production collections are down by \$6 million, or 7 percent.

Motor vehicle taxes produced \$72.5 million, up by \$5.2 million, or 7.7 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 \$134.4 million during the month. That is \$10 million, or 8 percent, more than last March.

Twelve-month collections

Gross revenue totals \$13.72 billion from the past 12 months, April 2019 through March 2020. That is \$456.5 million, or 3.4 percent, above collections from the previous 12-month period.

Gross income taxes generated \$4.8 billion for the 12 months, reflecting an increase of \$338.7 million, or 7.6 percent, from the prior 12 months.

Individual income tax collections total \$4.18 billion, up by \$238.9 million, or 6.1 percent, from the prior period. Corporate collections are \$613.9 million for the period, an increase of \$99.8 million, or 19.4 percent, over the previous 12 months.

Combined sales and use taxes for the 12 months generated \$5.56 billion, an increase of \$48.5 million, or 0.9 percent, from the prior period.

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Gross sales tax receipts total \$4.83 billion, down by \$37.2 million, or 0.8 percent, during the period. Use tax collections generated \$727.2 million, an increase of \$85.6 million, or 13.3 percent, over the previous 12 months.

Oil and gas gross production tax collections brought in \$976.5 million during the 12 months, down by \$113.6 million, or 10.4 percent, from the previous 12 months.

Motor vehicle collections total \$796.3 million for the 12 months. This is an increase of \$13.6 million, or 1.7 percent, from the trailing period.

Other sources generated \$1.59 billion, up by \$169.4 million, or 11.9 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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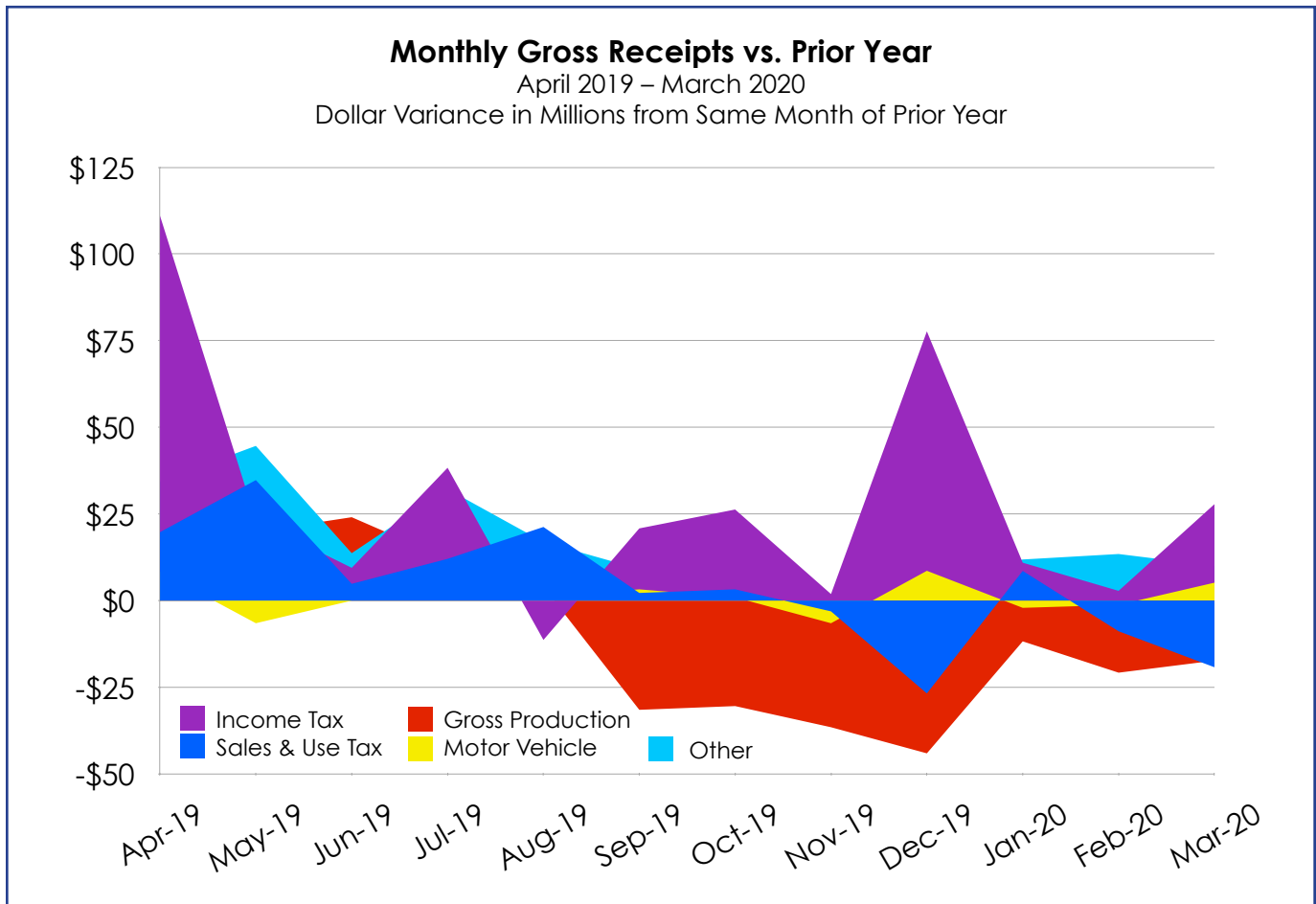
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	March-19	March-20	\$	%
Total Income Tax	354.8	382.6	27.8	7.8%
Individual	327.5	328.4	0.9	0.3%
Corporate	27.3	54.2	27.0	98.8%
Sales & Use Tax (1)	441.2	422.0	(19.2)	-4.4%
Sales Tax	383.0	368.2	(14.8)	-3.9%
Use Tax	58.2	53.8	(4.4)	-7.6%
Gross Production	96.2	78.9	(17.3)	-18.0%
Motor Vehicle	67.3	72.5	5.2	7.7%
Other Sources (2)	124.4	134.4	10.0	8.0%
TOTAL REVENUE	1,084.0	1,090.4	6.4	0.6%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



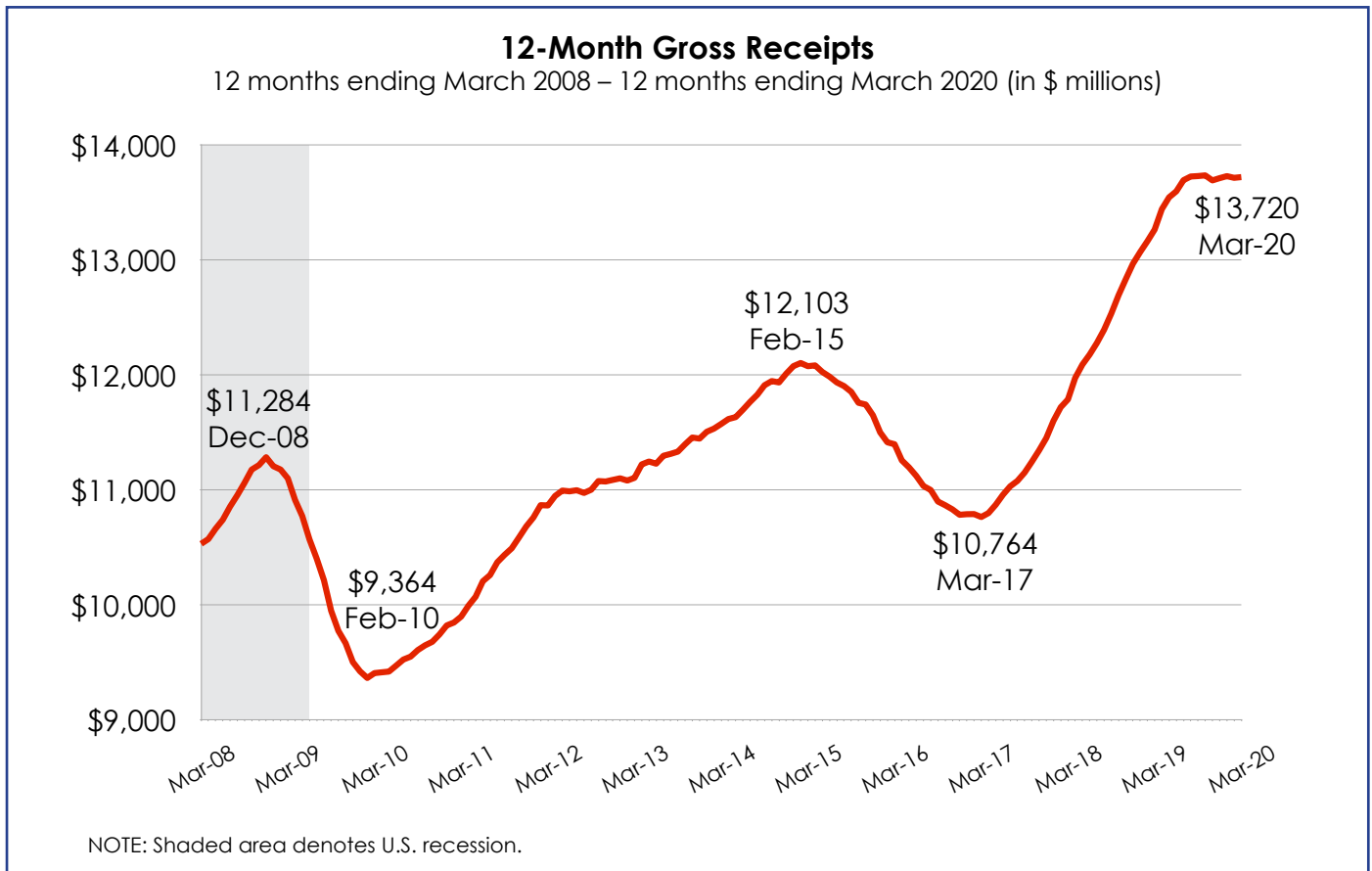
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Apr 19 - Mar 20		Variance From Prior Year	
	Prior Year Apr 18 - Mar 19	Current Year Apr 19 - Mar 20	\$	%
Total Income Tax	4,456.7	4,795.4	338.7	7.6%
<i>Individual</i>	3,942.6	4,181.5	238.9	6.1%
<i>Corporate</i>	514.1	613.9	99.8	19.4%
Sales and Use Tax (1)	5,513.2	5,561.7	48.5	0.9%
<i>Sales Tax</i>	4,871.6	4,834.5	-37.2	-0.8%
<i>Use Tax</i>	641.6	727.2	85.6	13.3%
Gross Production	1,090.1	976.5	-113.6	-10.4%
Motor Vehicle	782.7	796.3	13.6	1.7%
Other Sources (2)	1,421.1	1,590.4	169.4	11.9%
TOTAL REVENUE	13,263.9	13,720.4	456.5	3.4%

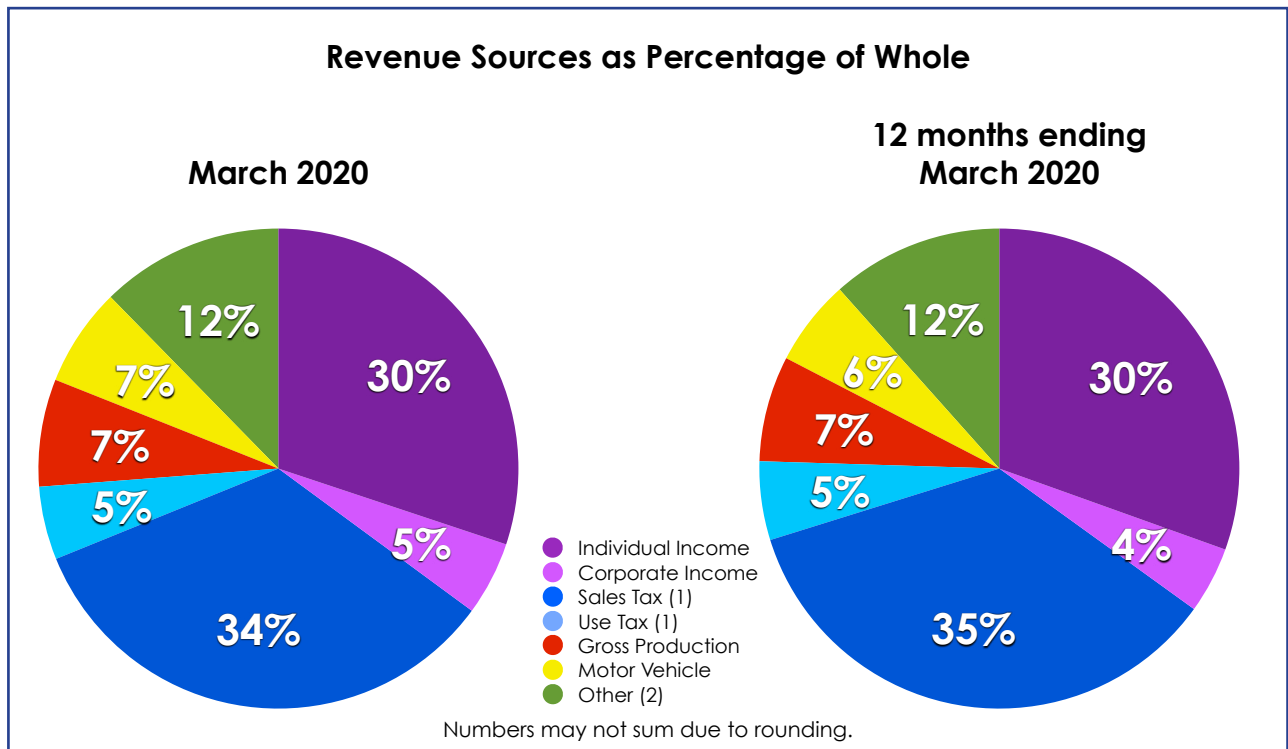
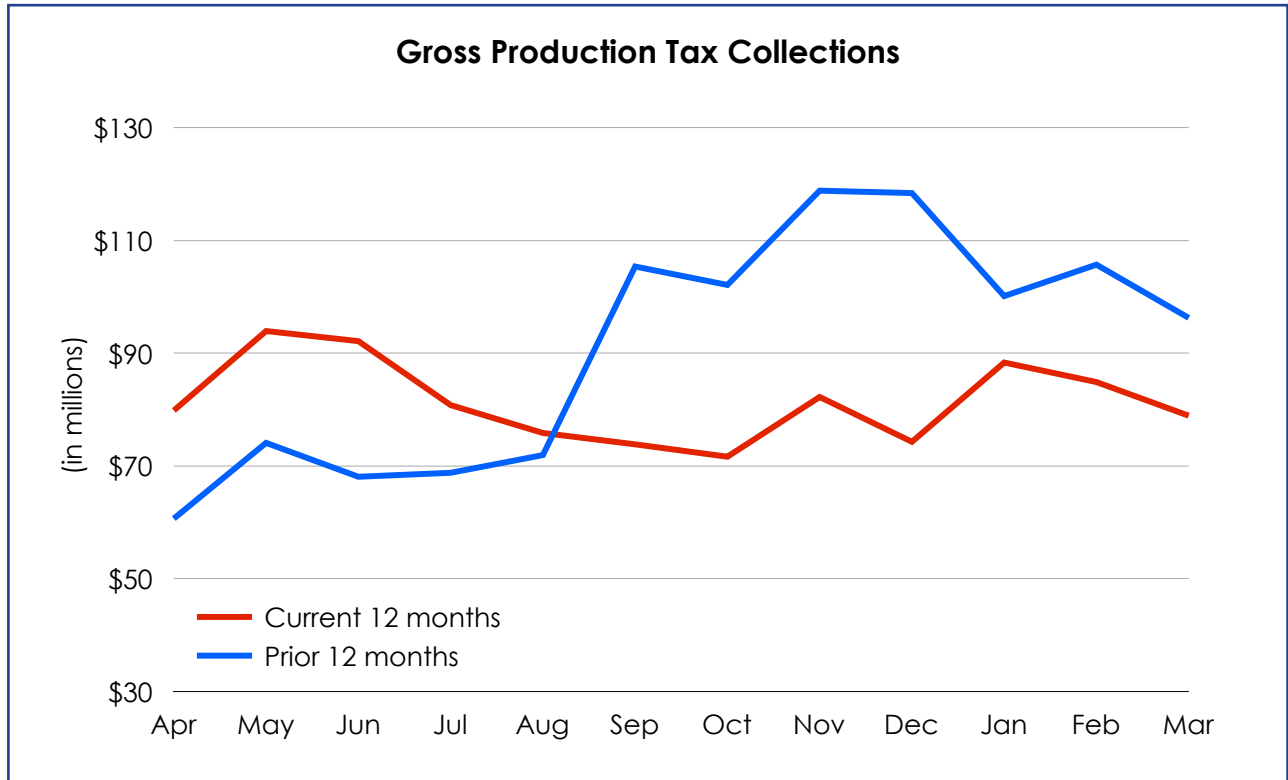
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Gross Receipts to Treasury



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