



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

For Immediate Release: June 13, 2006

May Revenue Collections above Prior Year and Estimate
Treasurer Warns of Future Decreases in Natural Gas Collections

OKLAHOMA CITY – Oklahoma’s economy continues to perform very well as General Revenue Fund collections for the month of May were above prior year receipts and state estimates, State Treasurer Scott Meacham announced today. However, Meacham issued a cautionary note about future gross production collections from natural gas.

“The state’s economy continues to grow, creating jobs and economic opportunity. We are in the midst of one of the strongest expansion in our state’s history. However, lower natural gas prices will probably start to impact the bottom line somewhat in the coming months,” Meacham said.

“While revenue from gross production taxes are strong today, we have seen prices on natural gas drop significantly in the past six months – from a high of almost \$15.50 per mcf in December to a current price of about \$5.86 per mcf,” he said. “Due to lags in revenue collections, we will not see the impact of the lower prices for a few more months.”

Preliminary reports show General Revenue Fund collections for May totaled \$440 million. That amount was:

- \$108.5 million or 32.7 percent above the prior year; and
- \$96.2 million or 28 percent above the estimate.

Gross production taxes on oil and natural gas yielded \$72.3 million for the month, which was \$35.1 million or 94.6 percent above the prior year collections and \$24.9 million or 52.4 percent above the estimate.

For the month of May, investments by Treasurer Meacham yielded \$15.3 million for the month. That is \$6.32 million or 70.4 percent above the prior year.

For the first 11 months of the fiscal year, the Treasurer’s investments have generated \$86.9 million. That is \$44.27 million or 103.8 percent above the previous year.

(more)

For the month of May, net income taxes produced \$161.9 million, which was \$40 million or 32.8 percent above the prior year and \$40.5 million or 33.4 percent above the estimate.

The state sales tax produced \$120.3 million for the month, which was \$8.1 million or 7.2 percent above the prior year and 3.1 million or 2.7 percent above the estimate.

Motor vehicle taxes produced \$19.6 million, which was \$3.6 million or 22.8 percent above the prior year and \$1.5 million or 8.5 percent above the estimate.

Other revenue, including the Treasurer's investment earnings, produced \$65.9 million for the month of May. This was \$21.6 million or 48.9 percent above the prior year and \$26.1 million or 65.6 percent above the estimate.

Overall, year-to-date collections are \$486.6 million over the estimate to-date, ensuring a maximum deposit into the state's Rainy Day Fund with more than \$450 million in surplus revenue.

The maximum balance of the Rainy Day Fund is limited to 10 percent of the prior year certified General Revenue Fund collections which was \$495.7 million in FY-2005. The fund currently has a balance of \$461.3 million, allowing a maximum deposit of \$34.4 million.

###

For more information contact:

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

General Revenue Comparisons With Prior Year

CHART I

| PRELIMINARY (In \$ millions) | MONTHLY COMPARISON | | SUMMARY MAY 2006 | |
|---------------------------------|--------------------------|--------------------------|--------------------------------|--------------|
| | FY-05 Actual 38,473.0 | FY-06 Actual 38,838.0 | Variance From Prior Year \$ | % |
| Net Income Tax | 121.9 | 161.9 | 40.0 | 32.8% |
| Gross Production | 37.2 | 72.3 | 35.1 | 94.6% |
| Sales Tax | 112.2 | 120.3 | 8.1 | 7.2% |
| Motor Vehicle | 16.0 | 19.6 | 3.6 | 22.8% |
| Subtot: Major Taxes | 287.2 | 374.1 | 86.8 | 30.2% |
| Other Sources (1) | 44.3 | 65.9 | 21.6 | 48.9% |
| TOTAL GEN REVENUE | 331.5 | 440.0 | 108.5 | 32.7% |
| Less 1-time receipts | 0.0 | 0.0 | 0.0 | 0.0% |
| Recurring Rev. (2) | 331.5 | 440.0 | 108.5 | 32.7% |

| PRELIMINARY (In \$ millions) | 11 MONTH YEAR TO DATE | | SUMMARY MAY 2006 | |
|---------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------|
| | FY-05 Actual Thru MAY 2005 | FY-06 Actual Thru MAY 2006 | Variance From Prior Year \$ | % |
| Net Income Tax | 2,052.8 | 2,353.3 | 300.5 | 14.6% |
| Gross Production | 430.4 | 665.5 | 235.1 | 54.6% |
| Sales Tax | 1,223.3 | 1,326.6 | 103.4 | 8.5% |
| Motor Vehicle | 195.1 | 207.8 | 12.7 | 6.5% |
| Subtot: Major Taxes | 3,901.7 | 4,553.2 | 651.6 | 16.7% |
| Other Sources (1) | 522.4 | 571.1 | 48.7 | 9.3% |
| TOTAL GEN REVENUE | 4,424.0 | 5,124.3 | 700.3 | 15.8% |
| Less 1-time receipts | 0.0 | 0.0 | 0.0 | 0.0% |
| Recurring Rev. (2) | 4,424.0 | 5,124.3 | 700.3 | 15.8% |

(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 MAY 2006

| (In \$ millions) | FY-06 Estimate | FY-06 Actual | Variance From Estimate | |
|----------------------------|----------------|--------------|------------------------|--------------|
| | 38,838.0 | 38,838.0 | \$ | % |
| Net Income Tax | 121.4 | 161.9 | 40.5 | 33.4% |
| Gross Production | 47.4 | 72.3 | 24.9 | 52.4% |
| Sales Tax | 117.1 | 120.3 | 3.1 | 2.7% |
| Motor Vehicle | 18.1 | 19.6 | 1.5 | 8.5% |
| Subtot: Major Taxes | 304.0 | 374.1 | 70.1 | 23.0% |
| Other Sources (1) | 39.8 | 65.9 | 26.1 | 65.6% |
| TOTAL GEN REVENUE | 343.8 | 440.0 | 96.2 | 28.0% |
| Less 1-time receipts | 0.0 | 0.0 | 0.0 | 0.0% |
| Recurring Rev. (2) | 343.8 | 440.0 | 96.2 | 28.0% |

PRELIMINARY

11 MONTH YEAR TO DATE

SUMMARY MAY 2006

| (In \$ millions) | FY-06 Estimate | FY-06 Actual | Variance From Estimate | |
|----------------------------|----------------|----------------|------------------------|--------------|
| | Thru MAY 2006 | Thru MAY 2006 | \$ | % |
| Net Income Tax | 2,028.7 | 2,353.3 | 324.6 | 16.0% |
| Gross Production | 590.1 | 665.5 | 75.4 | 12.8% |
| Sales Tax | 1,269.3 | 1,326.6 | 57.4 | 4.5% |
| Motor Vehicle | 207.5 | 207.8 | 0.3 | 0.2% |
| Subtot: Major Taxes | 4,095.6 | 4,553.2 | 457.6 | 11.2% |
| Other Sources (1) | 542.1 | 571.1 | 28.9 | 5.3% |
| TOTAL GEN REVENUE | 4,637.7 | 5,124.3 | 486.6 | 10.5% |
| Less 1-time receipts | 0.0 | 0.0 | 0.0 | 0.0% |
| Recurring Rev. (2) | 4,637.7 | 5,124.3 | 486.6 | 10.5% |

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.