



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: December 7, 2016

**Oil and Gas Gross Revenue Continues Climb as
Sales and Income Taxes Decline**

OKLAHOMA CITY – For a second month, November tax collections from the production of oil and natural gas exceeded collections from the same month of the prior year, State Treasurer Ken Miller announced today as he released the monthly Gross Receipts to the Treasury Report.

Prior to October, gross production tax collections had been lower than the prior year each month since December 2014. In November, gross production taxes generated \$34.1 million, up by \$3.9 million, or 12.9 percent, from November 2015.

While the improvement is welcome news, collections from the state's two largest revenue sources – income tax and sale tax – fell below prior year collections. Total gross receipts for November are 4.3 percent below last year's collections and extend the state's revenue contraction to 21 months.

"It would appear our anchor industry is making slow but steady improvement, while the spillover effect of the long energy price downturn on income and consumer spending is ongoing," Miller said. "My hope is that we will begin to see overall improvement with renewed oil field activity following OPEC's plans to cut production levels and bring supply more in line with demand."

November gross production collections are based on production activity from September when benchmark West Texas Intermediate crude oil sold for \$45.18 per barrel.

Motor vehicle collections in November also exceeded those of the prior year, up by \$1.1 million, or 2.1 percent. Gross income tax collections, a combination of individual income and corporate income tax collections, fell \$27.5 million, or 10.3 percent, from last November. Sales taxes were \$19 million, or 5.3 percent, below collections from the prior year.

November gross receipts totaled \$794.8 million and are the lowest November total since 2010. Collections during the past 12 months, at \$10.8 billion, are the lowest since January 2012.

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Other indicators

For a fourth consecutive month, Oklahoma's unemployment rate in October was higher than the national jobless number. The state's rate was reported at 5.2 percent, while the U.S. rate was set at 4.9 percent. Prior to July, the state's monthly jobless rate had been consistently below the U.S. rate for some 26 years.

The Oklahoma Business Conditions Index, predicting economic activity for the next three to six months, was set at 43.3 in November. It is the sixth consecutive month the state has had numbers below 50, which indicate continued economic slowing.

November collections

The report for November lists gross receipts at \$794.8 million, down \$36.1 million, or 4.3 percent, from November 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$239.9 million, a reduction of \$27.5 million, or 10.3 percent, from the previous November.

Individual income tax collections for the month are \$232.7 million, down by \$17.1 million, or 6.8 percent, from the prior year. Corporate collections are \$7.2 million, down by \$10.4 million, or 59 percent. Wide variances in monthly corporate collections are not uncommon.

Sales tax collections, including remittances on behalf of cities and counties, total \$342.9 million in November. That is \$19 million, or 5.3 percent, below November of last year.

Gross production taxes on oil and natural gas generated \$34.1 million during the month, an increase of \$3.9 million, or 12.9 percent, from last November. Compared to October reports, gross production collections are down by \$1 million, or 2.9 percent, over the month.

Motor vehicle taxes produced \$54.5 million, up by \$1.1 million, or 2.1 percent, from the prior year.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$123.4 million during the month. That is \$5.5 million, or 4.6 percent, more than last November.

Twelve-month collections

During the past 12 months, December 2015 through November 2016, gross revenue totals \$10.8 billion. That is \$911.6 million, or 7.8 percent, below collections for the previous 12-month period.

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Gross income taxes generated \$4 billion for the period, reflecting a drop of \$487.7 million, or 11 percent, from the preceding 12 months, December 2014 through November 2015.

Individual income tax collections total \$3.5 billion, down by \$304.1 million, or 8 percent, from the prior 12 months. Corporate collections are \$452.2 million for the period, a decrease of \$183.6 million, or 28.9 percent, from the previous period.

Sales taxes for the 12 months generated \$4.2 billion, a decrease of \$195.6 million, or 4.4 percent, from the preceding period.

Oil and gas gross production tax collections brought in \$348.6 million during the 12 months, down by \$160 million, or 31.5 percent, from the trailing period.

Motor vehicle collections total \$747.3 million for the period. This is a decrease of \$19.8 million, or 2.6 percent, from the trailing 12 months.

Other sources generated \$1.6 billion, down \$48.6 million, or 3 percent, from the previous 12 months.

About Gross Receipts to the Treasury

Since March 2011, the Treasurer's Office has issued the monthly Gross Receipts to the Treasury report, which provides a timely and broad view of the state's macro economy.

It is provided 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 slightly less than half of the state's gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and placed into off-the-top earmarks to other state funds.

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Gross Receipts to Treasury

PRELIMINARY

MONTHLY COMPARISON

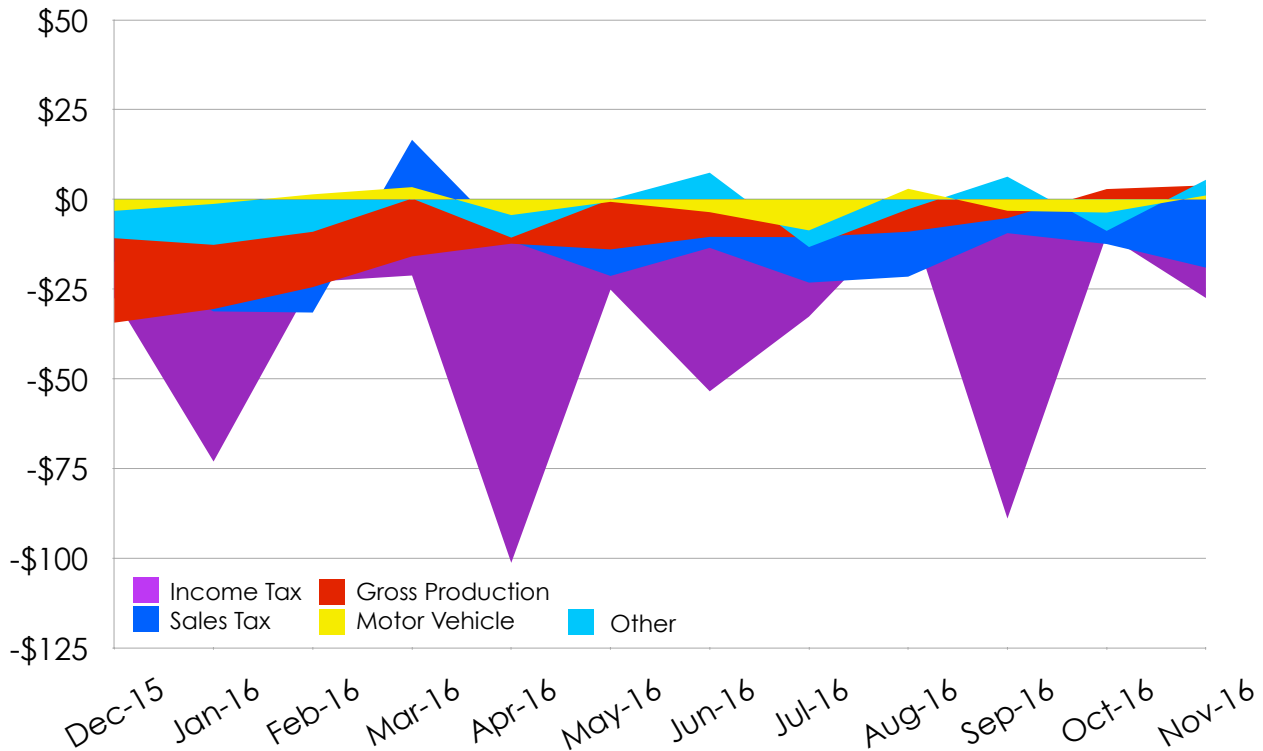
(In \$ millions)	November-15	November-16	Variance From Prior Year	
			\$	%
Income Tax	267.43	239.94	-27.49	-10.3%
Gross Production	30.15	34.05	3.90	12.9%
Sales Tax (1)	361.91	342.88	-19.03	-5.3%
Motor Vehicle	53.39	54.49	1.09	2.1%
Other Sources (2)	117.92	123.39	5.46	4.6%
TOTAL REVENUE	830.81	794.75	-36.06	-4.3%

(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
 December 2015 – November 2016
 Dollar Variance in Millions from Same Month of Prior Year



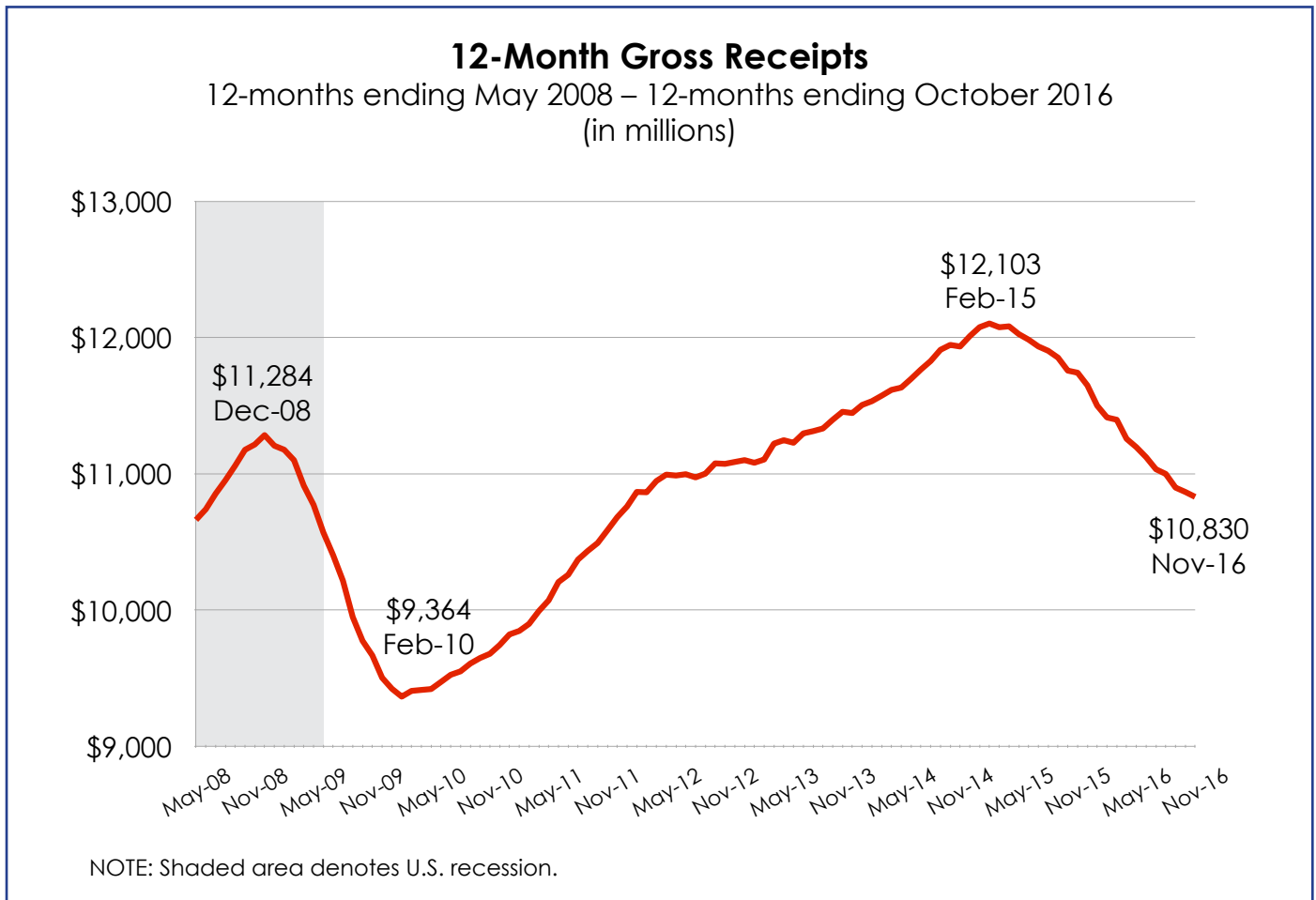
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending DEC 2015 - NOV 2016		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	DEC 2014 - NOV 2015	DEC 2015 - NOV 2016	\$	%
Income Tax	4,448.32	3,960.67	-487.65	-11.0%
Gross Production	508.64	348.60	-160.04	-31.5%
Sales Tax (1)	4,397.16	4,201.53	-195.62	-4.4%
Motor Vehicle	767.11	747.34	-19.77	-2.6%
Other Sources (2)	1,620.89	1,572.33	-48.55	-3.0%
TOTAL REVENUE	11,742.11	10,830.48	-911.63	-7.8%

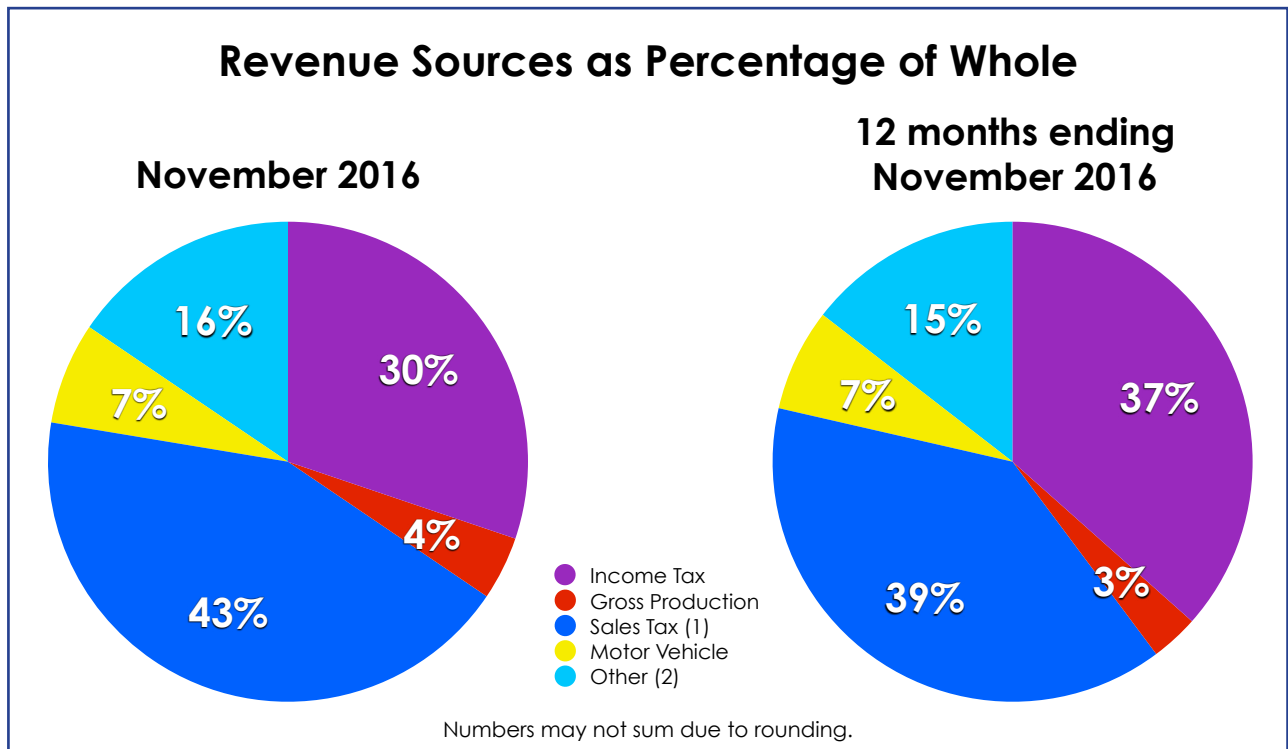
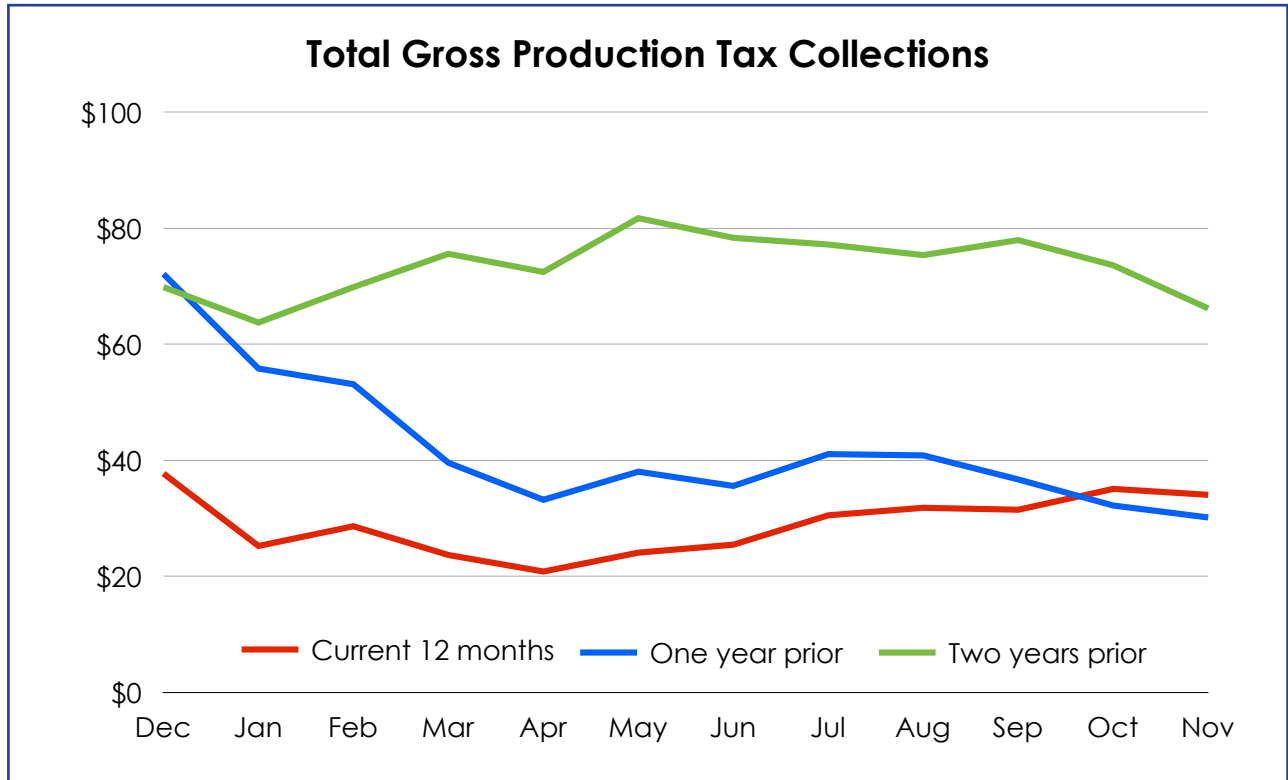
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Gross Receipts to Treasury



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