



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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Revenue Shortfall Continues in October

Treasurer Meacham says he's hopeful the worst is behind the state

OKLAHOMA CITY – Preliminary reports show October revenue collections in Oklahoma failed to meet the estimate for a tenth consecutive month, requiring a continued reduction of five percent from monthly allocations to state agencies, State Treasurer Scott Meacham announced today.

In spite of the continued negative numbers, Meacham said we might be seeing a silver lining in the storm clouds.

“I am cautiously optimistic that October collections could show our economy has finally bottomed and we may start seeing some recovery in actual revenue collections,” he said. “While the shortfall for the fiscal year prior to October was 26 percent below the estimate, October’s shortfall was 7.8 points lower at 18.2 percent.

“Coupled with other positive national economic indicators, I am hopeful that with today’s revenue report we have seen the bottom of the recession in Oklahoma and that recovery will begin in the next few months. However, we will need to watch collections for a few more months to know whether the tide has truly turned.”

The preliminary reports show General Revenue Fund collections in October were \$374.4 million. That amount is:

- \$116.1 million or 23.7 percent below the prior year; and,
- \$83.3 million or 18.2 percent below the estimate.

For the first four months of the fiscal year, collections total \$1.4 billion. That is \$578.1 million or 28.1 percent below the prior year and \$471.7 million or 24.2 percent below the estimate.

In order to fund the reduced allocations in October, transfer of an additional \$24.1 million from cash funds was required. A total of \$155.4 million has been utilized from cash funds since the start of the fiscal year in July to make monthly allocations at the five-percent reduced level. Those transferred funds will have to be repaid, most likely from Rainy Day funds, by the end of the fiscal year.

(more)

The five-percent reduction, in place since the start of the fiscal year and made permanent two weeks ago, amounts to a monthly cut of \$21 million in budgetary allocations to state agencies.

In October, net income taxes, a combination of personal and corporate income taxes, produced \$159.8 million, which is \$40.6 million or 20.3 percent below the prior year and \$22.6 million or 12.4 percent below the estimate.

Personal income tax produced \$140.2 million, which is \$51.3 million or 26.8 percent below the prior year and \$31.9 million or 18.5 percent below the estimate. Corporate income tax collections were \$19.6 million, which is \$10.7 million or 119.9 percent above the prior year and \$9.3 million or 90.3 percent above the estimate.

The state sales tax produced \$117.6 million for the month, which is \$17.5 million or 13 percent below the prior year and \$26.3 million or 18.3 percent below the estimate.

The gross production tax on natural gas yielded \$23.6 million for the month, which is \$52.5 million or 69 percent below the prior year and \$28.3 million or 54.5 percent below the estimate.

Motor vehicle taxes produced \$11 million in October, which is \$6.4 million or 36.7 percent below the prior year and \$3 million or 21.3 percent below the estimate.

For October, investments by the State Treasurer's Office yielded \$9.6 million. That is \$5 million below the same month of the prior year.

Other revenue, including investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others produced \$62.5 million for the month. This is \$1 million or 1.6 percent above the prior year but \$3.2 million or 4.8 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 (In \$ millions)	MONTHLY COMPARISON		SUMMARY Oct 2009	
	FY-09 Actual Oct 2008	FY-10 Actual Oct 2009	Variance From Prior Year	
			\$	%
Net Income Tax	200.5	159.8	-40.6	-20.3%
Gross Production	76.1	23.6	-52.5	-69.0%
Sales Tax	135.1	117.6	-17.5	-13.0%
Motor Vehicle	17.3	11.0	-6.4	-36.7%
Subtotal: Major Taxes	429.0	312.0	-117.0	-27.3%
Other Sources (1)	61.5	62.5	1.0	1.6%
TOTAL GEN REVENUE	490.5	374.4	-116.1	-23.7%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	490.5	374.4	-116.1	-23.7%

PRELIMINARY (In \$ millions)	4 MONTH YEAR TO DATE		SUMMARY Oct 2009	
	FY-09 Actual Thru Oct 2008	FY-10 Actual Thru Oct 2009	Variance From Prior Year	
			\$	%
Net Income Tax	818.3	647.5	-170.8	-20.9%
Gross Production	361.5	83.4	-278.1	-76.9%
Sales Tax	572.4	496.2	-76.2	-13.3%
Motor Vehicle	74.1	45.8	-28.3	-38.2%
Subtotal: Major Taxes	1,826.4	1,272.9	-553.4	-30.3%
Other Sources (1)	232.0	207.3	-24.7	-10.7%
TOTAL GEN REVENUE	2,058.4	1,480.2	-578.1	-28.1%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	2,058.4	1,480.2	-578.1	-28.1%

(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 (In \$ millions)	MONTHLY COMPARISON		SUMMARY Oct 2009	
	FY-10 Estimate Oct 2009	FY-10 Actual Oct 2009	Variance From Estimate \$	%
Net Income Tax	182.4	159.8	-22.6	-12.4%
Gross Production	51.9	23.6	-28.3	-54.5%
Sales Tax	143.9	117.6	-26.3	-18.3%
Motor Vehicle	13.9	11.0	-3.0	-21.3%
Subtotal: Major Taxes	392.2	312.0	-80.2	-20.4%
Other Sources (1)	65.6	62.5	-3.2	-4.8%
TOTAL GEN REVENUE	457.8	374.4	-83.3	-18.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	457.8	374.4	-83.3	-18.2%
PRELIMINARY (In \$ millions)	4 MONTH YEAR TO DATE		SUMMARY Oct 2009	
	FY-10 Estimate Thru Oct 2009	FY-10 Actual Thru Oct 2009	Variance From Estimate \$	%
Net Income Tax	788.1	647.5	-140.6	-17.8%
Gross Production	255.8	83.4	-172.4	-67.4%
Sales Tax	609.6	496.2	-113.4	-18.6%
Motor Vehicle	59.6	45.8	-13.8	-23.1%
Subtotal: Major Taxes	1,713.2	1,272.9	-440.2	-25.7%
Other Sources (1)	238.8	207.3	-31.4	-13.2%
TOTAL GEN REVENUE	1,951.9	1,480.2	-471.7	-24.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,951.9	1,480.2	-471.7	-24.2%

(1) Other sources revenue estimated pending final accounting.

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

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