



**SCOTT MEACHAM**  
**OKLAHOMA STATE TREASURER**

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## **Oklahoma Economy Shows Resiliency in October**

**OKLAHOMA CITY** – The second quarter of Oklahoma’s fiscal year began with revenue collections exceeding the prior year and estimates in all but one of the four major tax categories, State Treasurer Scott Meacham announced today. Income, sales and gross production taxes were up. Only motor vehicle taxes showed a decline.

Preliminary reports show general revenue fund collections totaled \$490.5 million for the month of October. That amount is:

- \$46.2 million or 10.4 percent above the same month of the prior year; and
- \$41.7 million or 9.3 percent above the estimate for the same period.

“Considering the disastrous October for the national economy, these numbers are very good for Oklahoma,” Meacham said. “However, we are keeping a very close watch on early indicators of any potential downturn in the state’s economy.”

Meacham said tax collections are being helped by the Clean Slate '08 program passed last session by the legislature to bring in past due taxes by waiving interest and penalties. The program ends on Friday, November 14.

“The benefit to the general revenue fund from Clean Slate in October was \$28.9 million,” Meacham said. “The collections come from \$20.2 million in personal income tax, \$5.2 million in corporate income tax, \$1.4 million in sales tax and \$2.1 million in use tax.

“If not for Clean Slate, income tax collections would have been below the estimate and the prior year.”

Meacham said collections of gross production taxes on natural gas and oil remained strong in October. “Gross production taxes on natural gas flow throughout the year to the general revenue fund, and in a typical year we begin receiving oil revenue towards the end of the third quarter after dedicated funds receive \$150 million from that source,” he said. “However, this year gross production taxes on oil have already filled the dedicated funds and that revenue is now flowing to general revenue.

“We do anticipate seeing a decline in gross production revenue in the coming months as lower oil and gas prices start showing up in collections.”

**(more)**

In October, \$3.4 million in oil revenue was deposited to the general revenue fund.

**Gross Production Tax** – This tax on natural gas and oil yielded \$76.1 million during the month, which is \$27 million or 54.9 percent above the prior year and \$20.1 million or 36 percent above the estimate.

**Net Income Tax** – The combination of individual and corporate income tax returns totaled \$200.5 million for the month. That is \$14.8 million or 8.0 percent above collections of one year ago and \$17.1 million or 9.4 percent above the estimate.

Personal income tax collections for the month totaled \$191.5 million, which is \$18.4 million or 10.7 percent above the prior year and \$17.1 million or 9.8 percent above the estimate. Corporate income tax collections were \$8.9 million, which is \$3.6 million or 28.7 percent below the prior year and \$18,000 or 0.2 percent below the estimate. Variances in corporate collections are common on a month-to-month basis.

**Sales Tax** – The state sales tax produced \$135.1 million for the month of October, which is \$11.4 million or 9.2 percent above the prior year and \$1 million or 0.8 percent above the estimate.

Last October, gross sales tax collections were higher than reported. This was due to a refund of \$1.67 million in overpaid sales taxes from the previous month.

Meacham said he will be closely watching sales tax collections in the coming months as it is often the first indicator of a slowing economy.

**Motor Vehicle Tax** – Motor vehicle tax receipts, which come primarily from vehicle sales and licenses, produced \$17.3 million in the month. That is \$6.8 million or 28.2 percent below the prior year and \$3.9 million or 18.3 percent below the estimate.

**Treasurer's Investment Earnings** – In October, investments managed by Treasurer Meacham generated \$14.6 million, an increase of \$619,000 or 4.4 percent from the same month last year.

**Other Revenue** – This source, which includes investment earnings along with taxes on insurance, alcoholic beverages and others, produced \$61.5 million during October. This is \$0.2 million or 0.3 percent below the prior year but \$7.3 million or 13.4 percent above the estimate.

**Year-to-Date** – Total collections for the first four months of the fiscal year total \$2.05 billion. This is \$135.4 million or 7.1 percent above the prior year and \$125.6 million or 6.5 percent above the estimate.

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# General Revenue Comparisons With Prior Year

## CHART I

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY October 2008	
	FY-08 Actual October 2007	FY-09 Actual October 2008	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	185.6	200.5	14.8	8.0%
Gross Production	49.1	76.1	27.0	54.9%
Sales Tax	123.7	135.1	11.4	9.2%
Motor Vehicle	24.1	17.3	-6.8	-28.2%
<b>Subtotal: Major Taxes</b>	<b>382.6</b>	<b>429.0</b>	<b>46.4</b>	<b>12.1%</b>
Other Sources (1)	61.7	61.5	-0.2	-0.3%
<b>TOTAL GEN REVENUE</b>	<b>444.3</b>	<b>490.5</b>	<b>46.2</b>	<b>10.4%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	444.3	490.5	46.2	10.4%

PRELIMINARY (In \$ millions)	4 MONTH YEAR TO DATE		SUMMARY October 2008	
	FY-08 Actual Thru October 2007	FY-09 Actual Thru October 2008	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	807.4	818.3	10.9	1.3%
Gross Production	226.5	361.5	135.0	59.6%
Sales Tax	547.1	572.4	25.3	4.6%
Motor Vehicle	92.8	74.1	-18.7	-20.1%
<b>Subtotal: Major Taxes</b>	<b>1,673.9</b>	<b>1,826.4</b>	<b>152.4</b>	<b>9.1%</b>
Other Sources (1)	236.6	219.5	-17.1	-7.2%
<b>TOTAL GEN REVENUE</b>	<b>1,910.5</b>	<b>2,045.9</b>	<b>135.4</b>	<b>7.1%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,910.5	2,045.9	135.4	7.1%

(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 October 2008	
	FY-09 Estimate October 2008	FY-09 Actual October 2008	Variance From Estimate \$	%
Net Income Tax	183.3	200.5	17.1	9.4%
Gross Production	56.0	76.1	20.1	36.0%
Sales Tax	134.1	135.1	1.0	0.8%
Motor Vehicle	21.2	17.3	-3.9	-18.3%
<b>Subtotal: Major Taxes</b>	<b>394.6</b>	<b>429.0</b>	<b>34.4</b>	<b>8.7%</b>
Other Sources (1)	54.2	61.5	7.3	13.4%
<b>TOTAL GEN REVENI</b>	<b>448.8</b>	<b>490.5</b>	<b>41.7</b>	<b>9.3%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	448.8	490.5	41.7	9.3%
PRELIMINARY (In \$ millions)	4 MONTH YEAR TO DATE		SUMMARY October 2008	
	FY-09 Estimate Thru October 2008	FY-09 Actual Thru October 2008	Variance From Estimate \$	%
Net Income Tax	783.1	818.3	35.3	4.5%
Gross Production	229.5	361.5	132.0	57.5%
Sales Tax	566.3	572.4	6.1	1.1%
Motor Vehicle	87.7	74.1	-13.6	-15.5%
<b>Subtotal: Major Taxes</b>	<b>1,666.6</b>	<b>1,826.4</b>	<b>159.8</b>	<b>9.6%</b>
Other Sources (1)	253.6	219.5	-34.1	-13.5%
<b>TOTAL GEN REVENI</b>	<b>1,920.2</b>	<b>2,045.9</b>	<b>125.6</b>	<b>6.5%</b>
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,920.2	2,045.9	125.6	6.5%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.