



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

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Three of Four Major Tax Categories Fail to Reach Prior Year or Estimate in October

OKLAHOMA CITY – The second quarter of Oklahoma’s fiscal year began with revenue collections falling short of the estimate and prior year collections in three of the four major tax categories, State Treasurer Scott Meacham announced today. Income, sales and gross production taxes fell short. Only motor vehicle taxes topped expectations.

Preliminary reports show general revenue fund collections totaled \$444.3 million for the month of October. That amount is:

- \$30.3 million or 6.4 percent below the same month of the prior year; and
- \$16.6 million or 3.6 percent below the estimate for the same period.

“Although these figures represent only one month’s collections, we certainly need to watch future collections closely,” said Meacham, who also serves as the governor’s cabinet secretary for revenue and finance.

“Often times, there are month-to-month variances in collections due to timing and seasonality factors. We know that is part of the explanation for the decrease in sales tax collections this month.”

Treasurer’s Investment Earnings – In October, investment earnings by Treasurer Meacham – the state’s largest source of non-tax revenue – totaled \$14 million. This is \$1.6 million or 2.9 percent above the same month one year ago.

Net Income Tax – The combination of individual and corporate income tax returns totaled \$185.6 million for the month. That is \$23.7 million or 11.3 percent below collections of one year ago and \$3.8 million or 2 percent below the estimate.

Personal income tax collections for the month totaled \$173.1 million, which is \$19.9 million or 10.3 percent below the prior year and \$2.8 million or 1.6 percent below the estimate. Corporate income tax collections were \$12.5 million, which is \$3.8 million or 23.3 percent below the prior year and \$1 million or 7.5 percent below the estimate. Variances in corporate collections are common on a month-to-month basis.

(more)

Sales Tax – The state sales tax produced \$123.7 million for the month of October, which is \$0.4 million or 0.3 percent below the prior year and \$6 million or 4.6 percent below the estimate.

In September, a company inadvertently made a sales tax payment of \$6 million instead of \$600,000. A \$5.4 million refund was paid to the company in early October. The effect of the refund on the general revenue fund, which receives 84.54 percent of gross sales tax receipts, is a reduction of \$4.6 million. If not for this one-time refund, sales tax collections would have exceeded the prior year but would have been slightly under the estimate.

Gross Production Tax – This tax on natural gas yielded \$49.1 million during the month, which is \$7 million or 12.5 percent below the prior year and \$6 million or 10.9 percent below the estimate.

Motor Vehicle Tax – Motor vehicle tax receipts, which come primarily from vehicle sales and licenses, produced \$24.1 million in the month. That is \$3.7 million or 18 percent above the prior year and \$3.9 million or 19.1 percent above the estimate.

Other Revenue – This source, which includes investment earnings along with taxes on insurance, alcoholic beverages and others, produced \$61.7 million during October. This is \$2.9 million or 4.5 percent below the prior year and \$4.7 million or 7.1 percent below the estimate.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY October 2007	
	FY-07 Actual October 2006	FY-08 Actual October 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	209.3	185.6	-23.7	-11.3%
Gross Production	56.2	49.1	-7.0	-12.5%
Sales Tax	124.1	123.7	-0.4	-0.3%
Motor Vehicle	20.5	24.1	3.7	18.0%
Subtotal: Major Taxes	410.0	382.6	-27.5	-6.7%
Other Sources (1)	64.6	61.7	-2.9	-4.5%
TOTAL GEN REVENUE	474.6	444.3	-30.3	-6.4%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	474.6	444.3	-30.3	-6.4%

PRELIMINARY (In \$ millions)	4 MONTH YEAR TO DATE		SUMMARY October 2007	
	FY-07 Actual Thru October 2006	FY-08 Actual Thru October 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	892.3	807.4	-84.9	-9.5%
Gross Production	187.5	226.5	39.0	20.8%
Sales Tax	505.4	547.1	41.7	8.3%
Motor Vehicle	84.0	92.8	8.8	10.5%
Subtotal: Major Taxes	1,669.3	1,673.9	4.6	0.3%
Other Sources (1)	241.2	236.6	-4.6	-1.9%
TOTAL GEN REVENUE	1,910.5	1,910.5	0.0	0.0%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,910.5	1,910.5	0.0	0.0%

(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 October 2007

(In \$ millions)	FY-08 Estimate	FY-08 Actual	Variance From Estimate	
	October 2007	October 2007	\$	%
Net Income Tax	189.4	185.6	-3.8	-2.0%
Gross Production	55.2	49.1	-6.0	-10.9%
Sales Tax	129.6	123.7	-6.0	-4.6%
Motor Vehicle	20.3	24.1	3.9	19.1%
Subtotal: Major Taxes	394.5	382.6	-11.9	-3.0%
Other Sources (1)	66.4	61.7	-4.7	-7.1%
TOTAL GEN REVENUI	460.9	444.3	-16.6	-3.6%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	460.9	444.3	-16.6	-3.6%

PRELIMINARY

4 MONTH YEAR TO DATE

SUMMARY October 2007

(In \$ millions)	FY-08 Estimate	FY-08 Actual	Variance From Estimate	
	Thru October 2007	Thru October 2007	\$	%
Net Income Tax	804.6	807.4	2.8	0.3%
Gross Production	193.8	226.5	32.7	16.9%
Sales Tax	520.7	547.1	26.4	5.1%
Motor Vehicle	87.2	92.8	5.7	6.5%
Subtotal: Major Taxes	1,606.4	1,673.9	67.5	4.2%
Other Sources (1)	234.7	236.6	1.9	0.8%
TOTAL GEN REVENUI	1,841.1	1,910.5	69.4	3.8%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,841.1	1,910.5	69.4	3.8%

(1) Other sources revenue estimated pending final accounting.

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Office of the State Treasurer