



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: November 8, 2016

Oil and Gas Tax Collections Rise in October Gross Receipts

OKLAHOMA CITY – For the first time in almost two years, October tax collections from the production of oil and natural gas topped 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.

While still significantly lower than collections prior to the ongoing oil price slump, October gross production collections of \$35.1 million were above October 2015 collections by \$2.9 million, or 8.9 percent. The last time monthly gross production collections topped those of the prior year was in December 2014, when receipts totaled \$72.1 million.

“It’s not yet time to sing ‘Happy Days Are Here Again,’ but this month’s gross production number is welcome news,” Miller said. “Since April, we’ve seen monthly gross production collections generally rise along with crude oil prices. Passing the prior year threshold this month is encouraging.”

October gross production collections are based on production activity from August when benchmark West Texas Intermediate crude oil sold for \$44.72 per barrel. An apparent trough was reached last April when gross production collections, based on February prices of \$30.32 per barrel, dropped to a 17-year low of \$20.8 million.

Oil and gas tax collections notwithstanding, all other major revenue streams – income, sales, and motor vehicle taxes – were lower in October and total monthly Gross Receipts to the Treasury continued a 20-month contraction. October collections, at \$886.2 million, were down by 3.5 percent from October of last year. The last time October collections were lower was in 2011. Collections during the past 12 months, at \$10.9 billion, are the lowest since March 2012.

Other indicators

For a third consecutive month, Oklahoma’s unemployment rate in September was higher than the national jobless number. The U.S. rate was set at 5.0 percent, while the state’s rate was reported at 5.2 percent. Prior to July, the state’s monthly jobless rate had been consistently below the U.S. rate for some 26 years.

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The Oklahoma Business Conditions Index, predicting economic activity for the next three to six months, was set at 38.8 in October. It is the fifth consecutive month the state has had numbers below 50, which indicate continued economic slowing.

October collections

The report for October lists gross receipts at \$886.2 million, down \$32 million, or 3.5 percent, from October 2015.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$310.2 million, a reduction of \$9.9 million, or 3.1 percent, from the previous October.

Individual income tax collections for the month are \$290.1 million, down by \$13.4 million, or 4.4 percent, from the prior year. Corporate collections are \$20.1 million, up by \$3.5 million, or 20.8 percent. Wide variances in monthly corporate collections are not uncommon.

Sales tax collections, including remittances on behalf of cities and counties, total \$343.5 million in October. That is \$12.5 million, or 3.5 percent, below October of last year.

Gross production taxes on oil and natural gas generated \$35.1 million during the month, an increase of \$2.9 million, or 8.9 percent, from last October. Compared to September reports, gross production collections are up by \$3.6 million, or 11.4 percent, over the month.

Motor vehicle taxes produced \$58.1 million, down by \$3.7 million, or 6 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 \$139.3 million during the month. That is \$8.8 million, or 5.9 percent, less than last October.

Twelve-month collections

During the past 12 months, November 2015 through October 2016, gross revenue totals \$10.9 billion. That is \$890.8 million, or 7.6 percent, below collections for the previous 12-month period.

Gross income taxes generated \$4 billion for the period, reflecting a drop of \$419.8 million, or 9.5 percent, from the preceding 12 months, November 2014 through October 2015.

Individual income tax collections total \$3.5 billion, down by \$256.1 million, or 6.8 percent, from the prior 12 months. Corporate collections are \$462.6 million for the period, a decrease of \$163.8 million, or 26.1 percent, from the previous period.

Sales taxes for the 12 months generated \$4.2 billion, a decrease of \$195.2 million, or 4.4 percent, from the preceding period.

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Oil and gas gross production tax collections brought in \$344.7 million during the 12 months, down by \$200 million, or 36.7 percent, from the trailing period.

Motor vehicle collections total \$746.3 million for the period. This is a decrease of \$18.7 million, or 2.4 percent, from the trailing 12 months.

Other sources generated \$1.6 billion, down \$57.2 million, or 3.5 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)	October-15	October-16	Variance From Prior Year	
			\$	%
Income Tax	320.15	310.24	-9.90	-3.1%
Gross Production	32.20	35.07	2.87	8.9%
Sales Tax (1)	355.97	343.52	-12.45	-3.5%
Motor Vehicle	61.72	58.05	-3.68	-6.0%
Other Sources (2)	148.07	139.27	-8.79	-5.9%
TOTAL REVENUE	918.12	886.16	-31.96	-3.5%

(1) Includes Collections for Counties and Municipalities

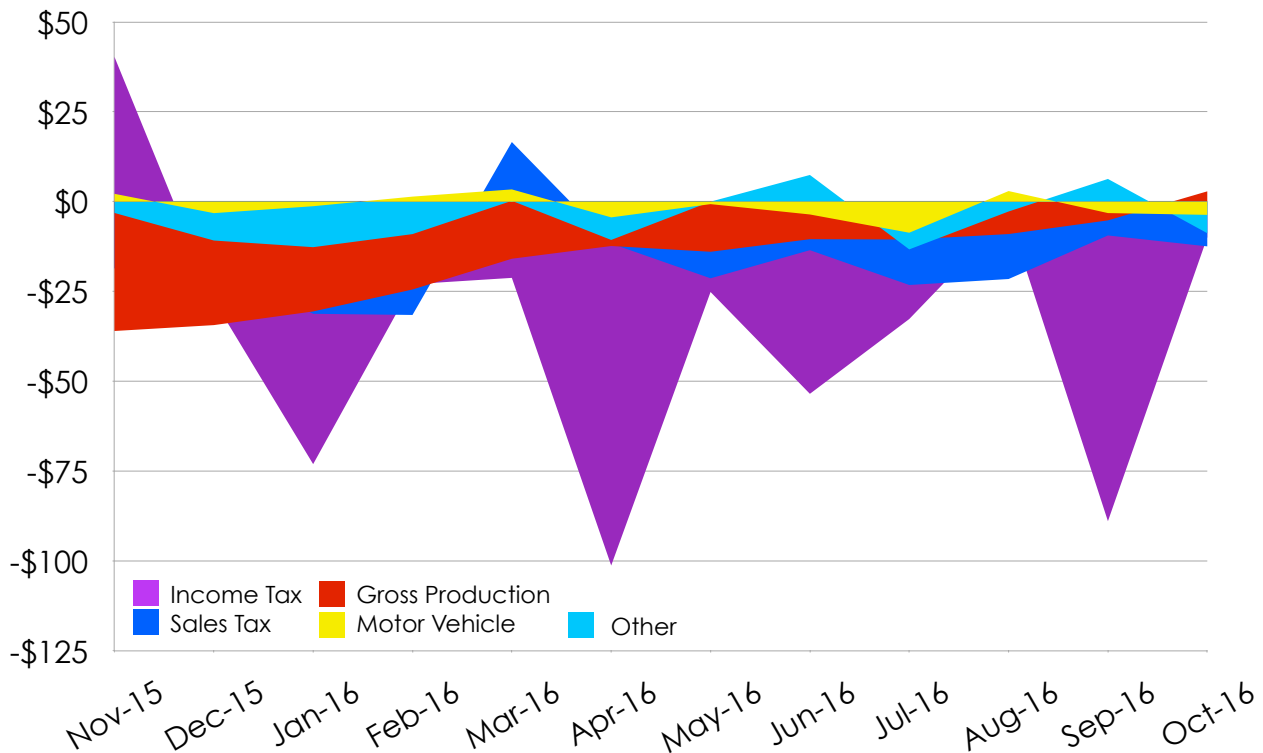
(2) Gross Collections from OTC

Details may not sum due to rounding.

Monthly Gross Receipts vs. Prior Year

November 2015 – October 2016

Dollar Variance in Millions from Same Month of Prior Year



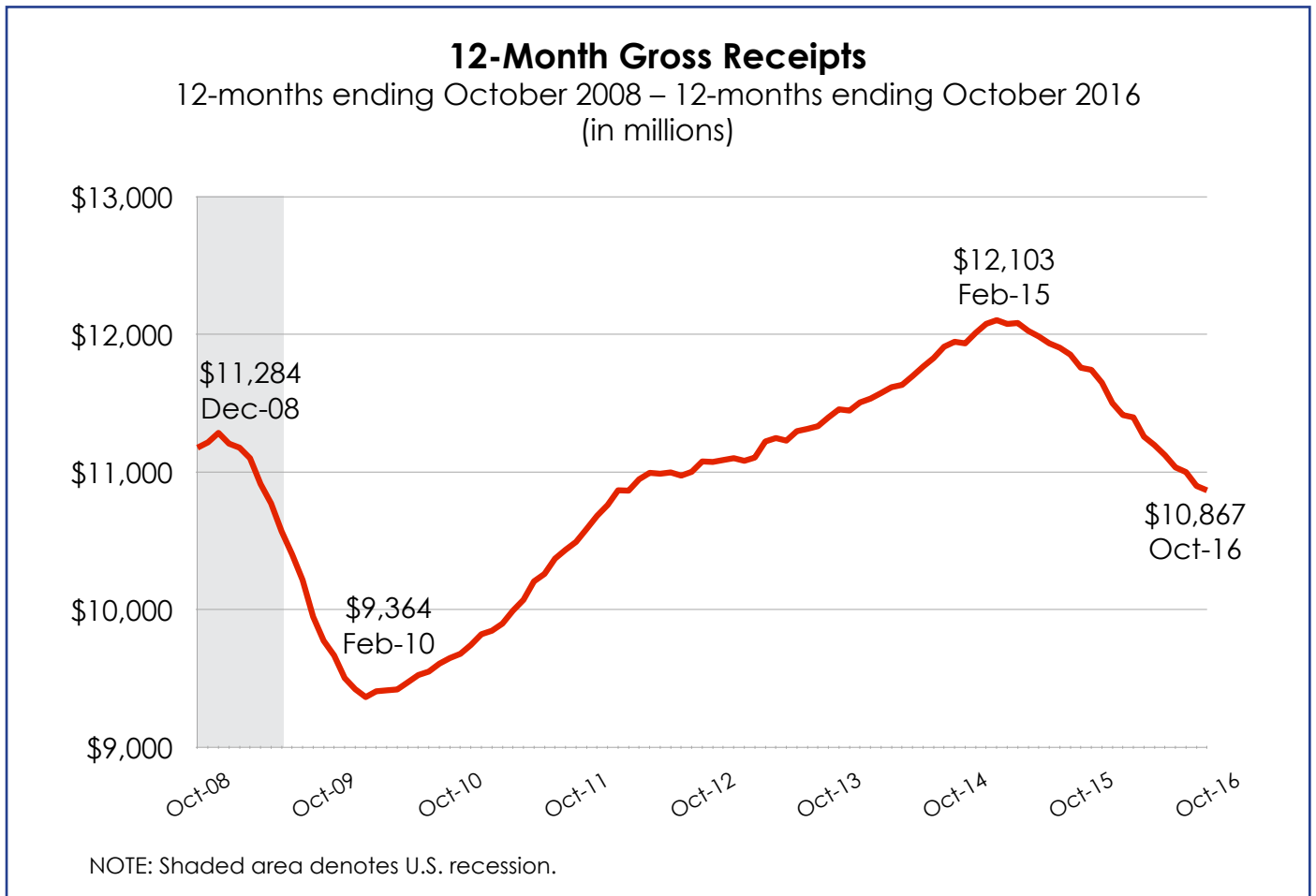
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending NOV 2015 - OCT 2016		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	NOV 2014 - OCT 2015	NOV 2015 - OCT2016	\$	%
Income Tax	4,408.01	3,988.16	-419.84	-9.5%
Gross Production	544.64	344.70	-199.95	-36.7%
Sales Tax (1)	4,415.74	4,220.56	-195.18	-4.4%
Motor Vehicle	764.93	746.25	-18.68	-2.4%
Other Sources (2)	1,624.04	1,566.87	-57.17	-3.5%
TOTAL REVENUE	11,757.36	10,866.54	-890.82	-7.6%

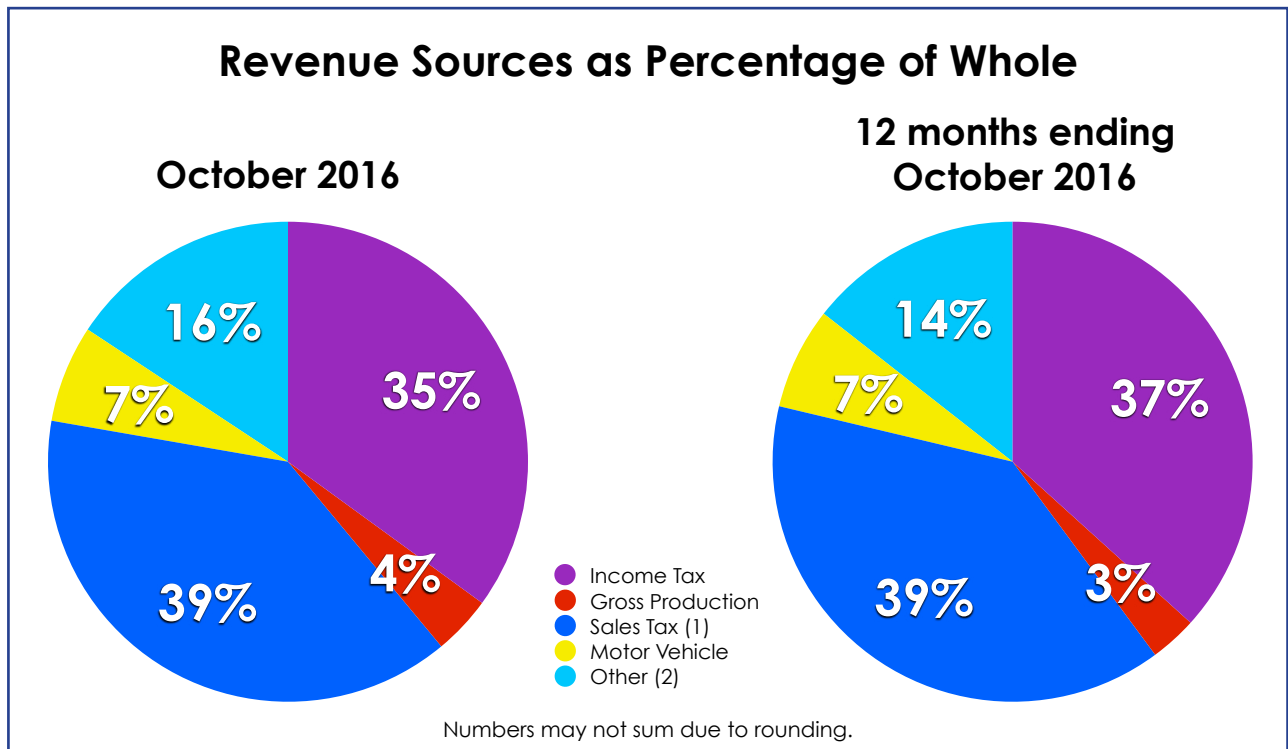
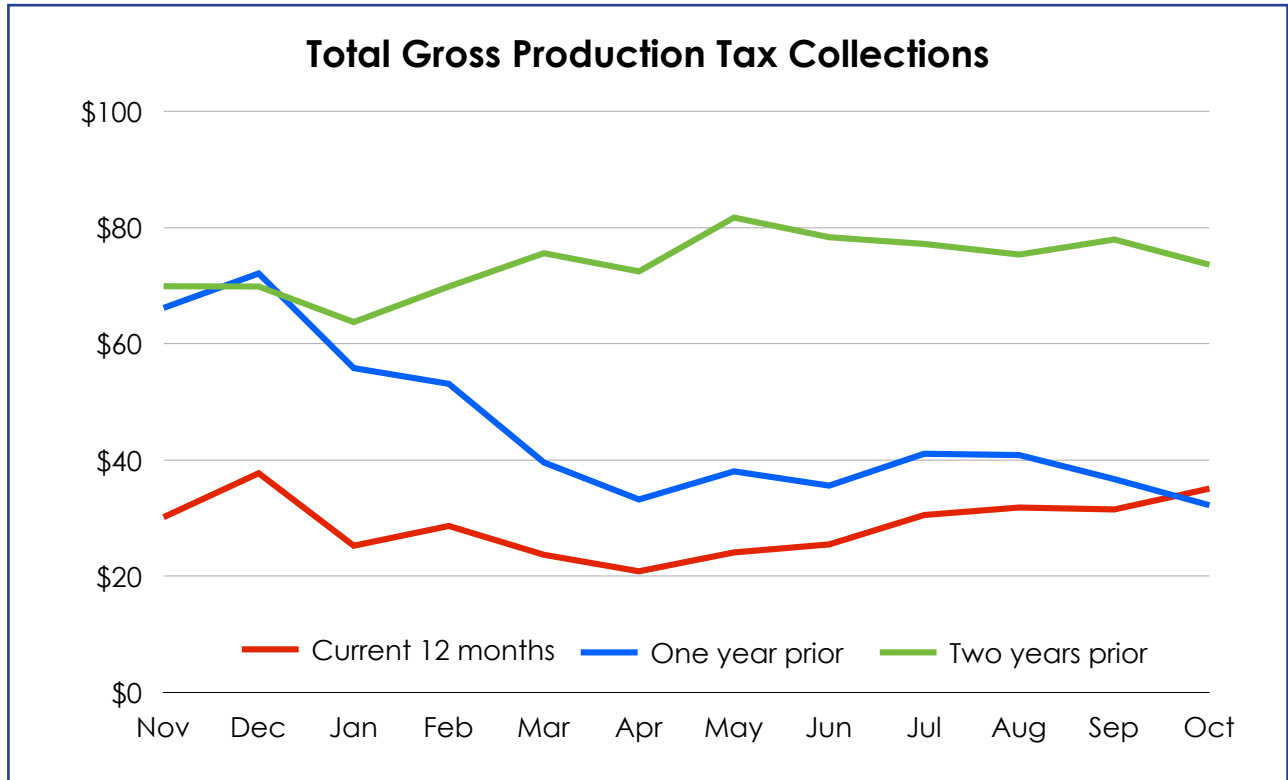
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Gross Receipts to Treasury



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