



SCOTT MEACHAM
OKLAHOMA STATE TREASURER

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Oklahoma's Economy Shows Continued Growth in First Quarter of Fiscal Year

OKLAHOMA CITY – Oklahoma's economy showed continuing growth during the first quarter of the fiscal year, State Treasurer Scott Meacham announced today. Meacham issued reports showing general revenue collections through the first three months of the current fiscal year were more than \$30 million above prior year receipts and \$86 million above the estimate for the period.

Preliminary reports show general revenue fund collections totaled \$1.466 billion for the first quarter of Fiscal Year 2008. That amount is:

- \$30.3 million or 2.1 percent above the first quarter of the prior year; and
- \$86 million or 6.2 percent above the estimate for the same period.

"First quarter collections show Oklahoma's economy is healthy and growing," Meacham said. "We are ahead of the estimate in all major tax categories, especially with the gross production tax on natural gas and sales tax.

"The only major area where collections are not greater than the prior year is income tax, but that is easily explained by the substantial tax cuts approved last year."

In the fiscal year's first three months, investment earnings by Treasurer Meacham totaled \$40.5 million. That compares with \$34.1 million in earnings during the first quarter of last year and reflects a \$6.4 million or 18.7 percent increase.

Net income tax collections – the combination of individual and corporate income tax returns – totaled \$621.8 million for the quarter. That is \$61.2 million or 9 percent below collections of one year ago but \$6.6 million or 1.1 percent more than the estimate.

Personal income tax collections for the quarter totaled \$550.1 million, which is \$53 million or 8.8 percent below the prior year but \$21.5 million or 4.1 percent above the estimate. Corporate income tax collections were \$71.7 million, which is \$8.2 million or 10.2 percent below the prior year and \$14.9 million or 17.2 percent below the estimate. Variances in corporate collections are common on a month-to-month basis.

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The state sales tax produced \$423.4 million for the three-month period ending in September, which is \$42.1 million or 11 percent above the prior year and \$32.3 million or 8.3 percent above the estimate.

The gross production tax on natural gas yielded \$177.4 million during the first quarter, which is \$46.1 million or 35.1 percent above the prior year and \$38.7 million or 27.9 percent above the estimate.

Motor vehicle tax receipts, which come primarily from vehicle sales and licenses, produced \$68.7 million in the first quarter. That is \$5.1 million or 8 percent above the prior year and \$1.8 million or 2.7 percent above the estimate.

Other revenue, which includes investment earnings along with taxes on insurance, inheritance, alcoholic beverages and others, produced \$174.9 million during the first quarter. This is \$1.8 million or 1 percent below the prior year but \$6.6 million or 3.9 percent above the estimate.

“September collections are on track with previous months,” Meacham said. “We did see a slight reduction in income tax collections, but that is due to a drop in corporate collections – not an uncommon occurrence this time of year.”

Preliminary reports show general revenue fund collections totaled \$612.5 million for September. This amount is \$20.4 million or 3.5 percent above the prior year and \$47.4 million or 8.4 percent above the estimate.

Treasurer’s Investment Earnings – This source yielded \$11.7 million, which was \$2.6 million or 6.5 percent above the same month one year ago.

Net Income Taxes – This source yielded \$302.4 million to the FY-08 general revenue fund, which was \$35 million or 10.4 percent below the prior year and \$1.5 million or 0.5 percent below the estimate.

Sales Tax – The state’s number two revenue source produced \$161.2 million for general revenue, up \$33.4 million or 26.2 percent from the prior year and \$29.2 million or 22.1 percent above the estimate.

However, the Tax Commission reports the sales tax numbers are higher than normal due to several one-time factors. One company inadvertently made a sales tax payment of \$6 million instead of \$600,000, which will show up as a refund next month. Also, a company sold a large amount of assets resulting in a one-time payment of \$26.2 million. The impact of those two payments to the general revenue fund, which receives 84.54 percent of gross sales tax receipts, is \$26.7 million. Excluding those payments, the sales tax growth would be \$6.5 million for the month, representing a 5.1 percent increase from last September.

Gross Production Tax – This tax on natural gas accounted for \$63.9 million for general revenue, which was \$22 million or 52.5 percent above the prior year and \$18.2 million or 39.7 percent above the estimate.

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Motor Vehicle Taxes – This source produced \$24.3 million. This was \$3.1 million or 14.4 percent above the prior year and \$2.6 million or 12.1 percent above the estimate.

Other Revenue – Other revenue produced \$60.7 million, which was \$3 million or 4.7 percent below the prior year and \$1.1 million or 1.8 percent below the estimate.

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General Revenue Comparisons With Prior Year

CHART I

PRELIMINARY

(In \$ millions)	MONTHLY COMPARISON		SUMMARY September 2007	
	FY-07 Actual September 2006	FY-08 Actual September 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	337.4	302.4	-35.0	-10.4%
Gross Production	41.9	63.9	22.0	52.5%
Sales Tax	127.7	161.2	33.4	26.2%
Motor Vehicle	21.3	24.3	3.1	14.4%
Subtotal: Major Taxes	528.3	551.8	23.4	4.4%
Other Sources (1)	63.8	60.7	-3.0	-4.7%
TOTAL GEN REVENUE	592.1	612.5	20.4	3.5%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	592.1	612.5	20.4	3.5%

PRELIMINARY

(In \$ millions)	3 MONTH YEAR TO DATE		SUMMARY September 2007	
	FY-07 Actual Thru September 2006	FY-08 Actual Thru September 2007	Variance From Prior Year \$	Variance From Prior Year %
Net Income Tax	683.0	621.8	-61.2	-9.0%
Gross Production	131.3	177.4	46.1	35.1%
Sales Tax	381.3	423.4	42.1	11.0%
Motor Vehicle	63.6	68.7	5.1	8.0%
Subtotal: Major Taxes	1,259.2	1,291.3	32.1	2.5%
Other Sources (1)	176.6	174.9	-1.8	-1.0%
TOTAL GEN REVENUE	1,435.9	1,466.2	30.3	2.1%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,435.9	1,466.2	30.3	2.1%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.

Office of the State Treasurer

General Revenue Comparisons With Estimate

CHART II

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		SUMMARY September 2007	
	FY-08 Estimate September 2007	FY-08 Actual September 2007	Variance From Estimate \$	Variance From Estimate %
Net Income Tax	303.8	302.4	-1.5	-0.5%
Gross Production	45.8	63.9	18.2	39.7%
Sales Tax	132.0	161.2	29.2	22.1%
Motor Vehicle	21.7	24.3	2.6	12.1%
Subtotal: Major Taxes	503.3	551.8	48.5	9.6%
Other Sources (1)	61.8	60.7	-1.1	-1.8%
TOTAL GEN REVENUI	565.1	612.5	47.4	8.4%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	565.1	612.5	47.4	8.4%

PRELIMINARY (In \$ millions)	3 MONTH YEAR TO DATE		SUMMARY September 2007	
	FY-08 Estimate Thru September 2007	FY-08 Actual Thru September 2007	Variance From Estimate \$	Variance From Estimate %
Net Income Tax	615.2	621.8	6.6	1.1%
Gross Production	138.7	177.4	38.7	27.9%
Sales Tax	391.1	423.4	32.3	8.3%
Motor Vehicle	66.9	68.7	1.8	2.7%
Subtotal: Major Taxes	1,211.9	1,291.3	79.4	6.6%
Other Sources (1)	168.3	174.9	6.6	3.9%
TOTAL GEN REVENUI	1,380.2	1,466.2	86.0	6.2%
Less 1-time receipts	0.0	0.0	0.0	0.0%
Recurring Rev. (2)	1,380.2	1,466.2	86.0	6.2%

(1) Other sources revenue estimated pending final accounting.

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

Details may not sum due to rounding.