



**OKLAHOMA STATE TREASURER
RANDY MCDANIEL**

For Immediate Release: June 7, 2019

**May Gross Receipts Show Economic Growth
In Spite of Weather**

OKLAHOMA CITY – Gross Receipts to the Treasury, an indicator of current economic activity in Oklahoma, continued to grow in May. This transpired in spite of devastating floods in large portions of the state, State Treasurer Randy McDaniel announced today.

“Our hearts go out to the flood victims and we remain encouraged by the strength and resiliency of fellow Oklahomans during difficult times,” McDaniel said. “Due to the timing of the immense flooding, which began late in May, we have yet to see any impact on gross revenue collections. We would expect to begin seeing any effect in next month’s report.”

May receipts of \$1.1 billion are 10.6 percent higher than collections from the same month of last year and mark a 26th consecutive month of expansion. Receipts from the past 12 months, at \$13.5 billion, are up by 12 percent over the prior period. Both reports set record highs.

During May, three of the four major revenue streams showed increases over the same month of last year. Income, sales, and gross production taxes showed growth, while motor vehicle taxes were down. Tax commission officials said the reduction in motor vehicle receipts is likely not an indicator of a change in current economic conditions.

May gross production taxes generated \$93.9 million, up by 26.8 percent from the prior year. Those receipts are based on the production of crude oil and natural gas in March, when the spot price for West Texas Intermediate Crude Oil at Cushing averaged \$58.15 per barrel. The oil and gas receipts show a rebound of almost 18 percent from collections during the prior month.

Total gross collections during the past 12 months reflect growth in all major revenue streams, ranging from 67.6 percent in gross production receipts to 1.8 percent in motor vehicle taxes.

New Tax Revenue

Revenue generated by increased tax rates approved in House Bill 1010 during special session last year added \$58.4 million to monthly collections, 5.4 percent of all May gross receipts.

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The largest amount, \$31.1 million, came from the increase in the incentive tax rate on oil and natural gas gross production. Higher tax rates on gasoline and diesel fuel generated \$12.4 million, and the \$1 per pack hike in cigarette taxes added \$14.9 million to the May total.

Other indicators

For a second consecutive month, the Oklahoma Business Conditions Index was listed as below growth neutral in May. The monthly index was set at 48.9, up slightly from 48.6 in April. Numbers below 50 indicate anticipated economic contraction during the next three to six months.

Oklahoma's seasonally adjusted unemployment rate of 3.3 percent in April was unchanged from the previous month, while the U.S. jobless rate of 3.6 percent was down by two-tenths of one percentage point from March, according to figures released by the Oklahoma Employment Security Commission.

May collections

May gross collections total \$1.1 billion, up \$102.7 million, or 10.6 percent, from May 2018.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$304.9 million, an increase of \$23.1 million, or 8.2 percent, from the previous May.

Individual income tax collections for the month are \$272 million, up by \$16.1 million, or 6.3 percent, from the prior year. Corporate collections are \$32.9 million, an increase of \$7 million, or 27.1 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$412.8 million in May. That is \$21.7 million, or 5.5 percent, more than May 2018.

Gross production taxes on oil and natural gas generated \$93.9 million in May, an increase of \$19.8 million, or 26.8 percent, from last May. Compared to April 2019 reports, gross production collections are up by \$14.1 million, or 17.7 percent.

Motor vehicle taxes produced \$63.2 million, down by \$6.5 million, or 9.4 percent, from the same month of 2018.

Other collections, consisting of about 60 different sources including use taxes, along with taxes on fuel, tobacco, and alcoholic beverages, produced \$198.8 million during the month. That is \$44.6 million, or 28.9 percent, more than last May.

Twelve-month collections

Gross revenue totals \$13.5 billion from the past 12 months. That is \$1.5 billion, or 12 percent, more than collections from the previous 12 months.

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Gross income taxes generated \$4.6 billion for the period, reflecting an increase of \$349 million, or 8.2 percent, from the prior 12 months.

Individual income tax collections total \$4.1 billion, up by \$283.7 million, or 7.5 percent, from the prior 12 months. Corporate collections are \$525.3 million for the period, an increase of \$65.4 million, or 14.2 percent, over the previous period.

Sales taxes for the 12 months generated \$4.9 billion, an increase of \$263.1million, or 5.7 percent, from the prior period.

Oil and gas gross production tax collections brought in \$1.1 billion during the 12 months, up by \$455.6 million, or 67.6 percent, from the previous period.

Motor vehicle collections total \$784.5 million for the period. This is an increase of \$14 million, or 1.8 percent, from the trailing period.

Other sources generated \$2.1 billion, up by \$373.1 million, or 21.1 percent, from the previous year.

About Gross Receipts to the Treasury

The Office of the State Treasurer developed the monthly Gross Receipts to the Treasury report in order to provide a timely and broad view of the state's macro economy.

It is released 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 less than half of the state's gross receipts with the remainder paid in rebates and refunds, remitted to cities and counties, and apportioned to other state funds.

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Gross Receipts to Treasury

PRELIMINARY

MONTHLY COMPARISON

| (In \$ millions) | | | Variance From Prior Year | |
|----------------------|--------------|----------------|--------------------------|--------------|
| | May-18 | May-19 | \$ | % |
| Income Tax | 281.8 | 304.9 | 23.1 | 8.2% |
| Gross Production | 74.1 | 93.9 | 19.8 | 26.8% |
| Sales Tax (1) | 391.1 | 412.8 | 21.7 | 5.5% |
| Motor Vehicle | 69.7 | 63.2 | (6.5) | -9.4% |
| Other Sources (2) | 154.2 | 198.8 | 44.6 | 28.9% |
| TOTAL REVENUE | 970.9 | 1,073.6 | 102.7 | 10.6% |

(1) Includes Collections for Counties and Municipalities

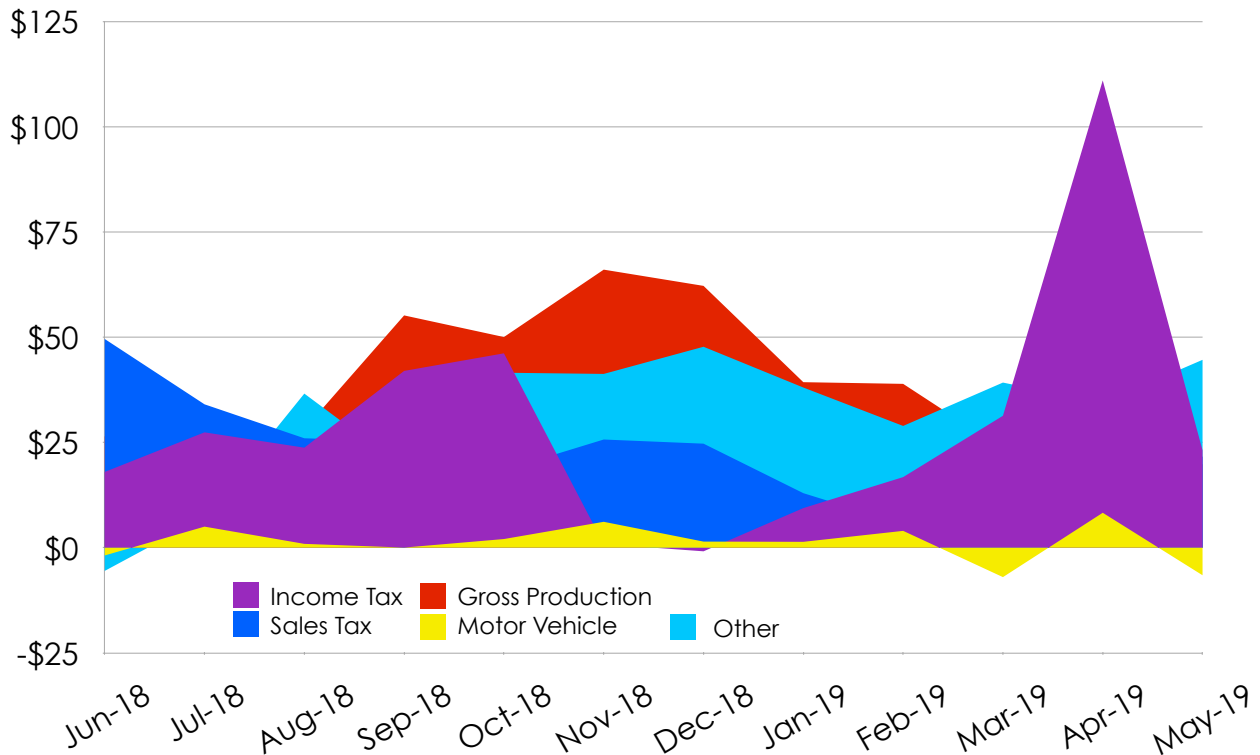
(2) Gross Collections from OTC

Details may not sum due to rounding.

Monthly Gross Receipts vs. Prior Year

June 2018 – May 2019

Dollar Variance in Millions from Same Month of Prior Year



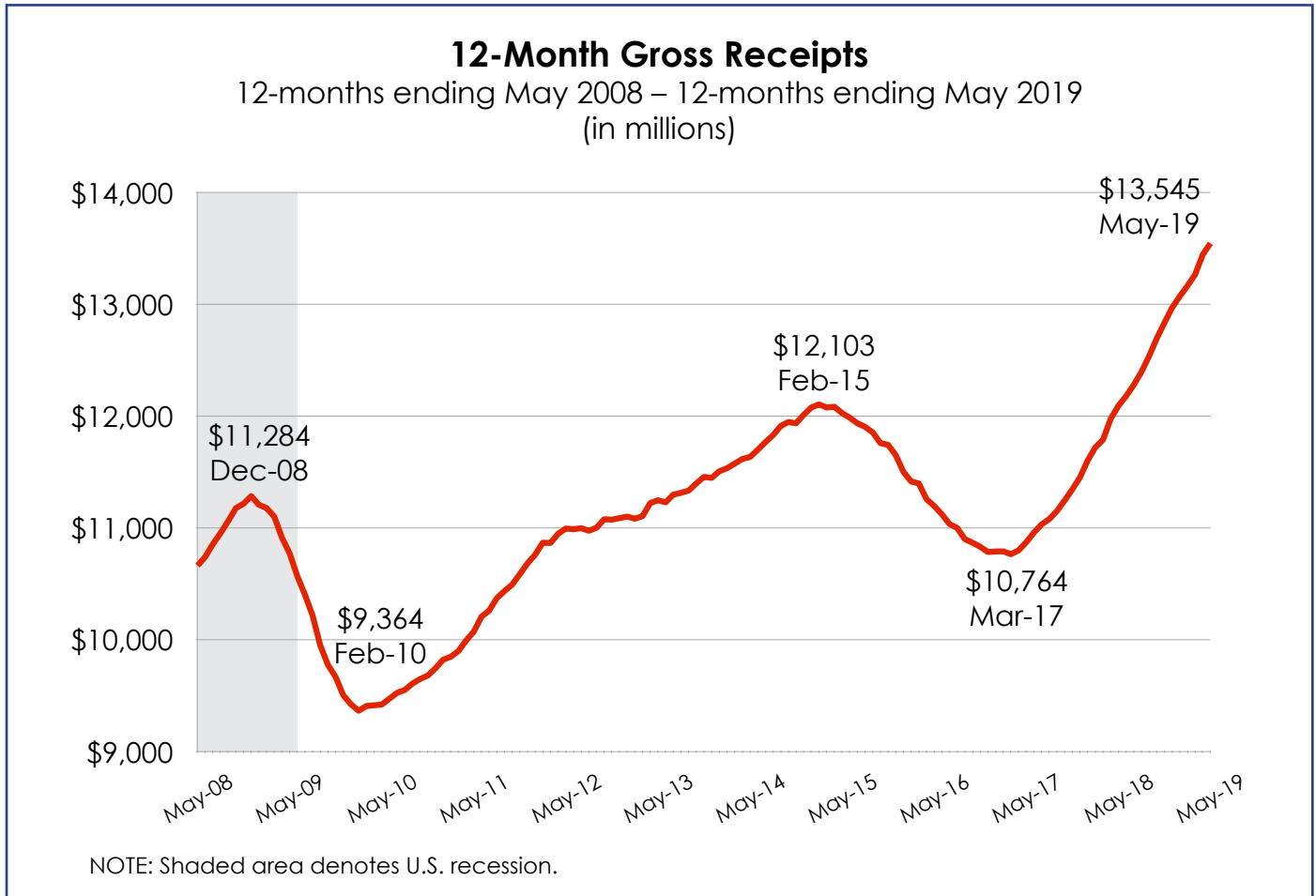
Gross Receipts to Treasury

| PRELIMINARY (In \$ millions) | 12 Month Period Ending Jun 18 - May 19 | | Summary | |
|---------------------------------|---|-----------------|--------------------------|--------------|
| | Prior Year | Current Year | Variance From Prior Year | |
| | Jun 17 - May 18 | Jun 18 - May 19 | \$ | % |
| Income Tax | 4,241.9 | 4,590.9 | 349.0 | 8.2% |
| Gross Production | 673.5 | 1,129.1 | 455.6 | 67.6% |
| Sales Tax (1) | 4,635.2 | 4,898.3 | 263.1 | 5.7% |
| Motor Vehicle | 770.5 | 784.5 | 14.0 | 1.8% |
| Other Sources (2) | 1,768.6 | 2,141.7 | 373.1 | 21.1% |
| TOTAL REVENUE | 12,089.7 | 13,544.5 | 1,454.8 | 12.0% |

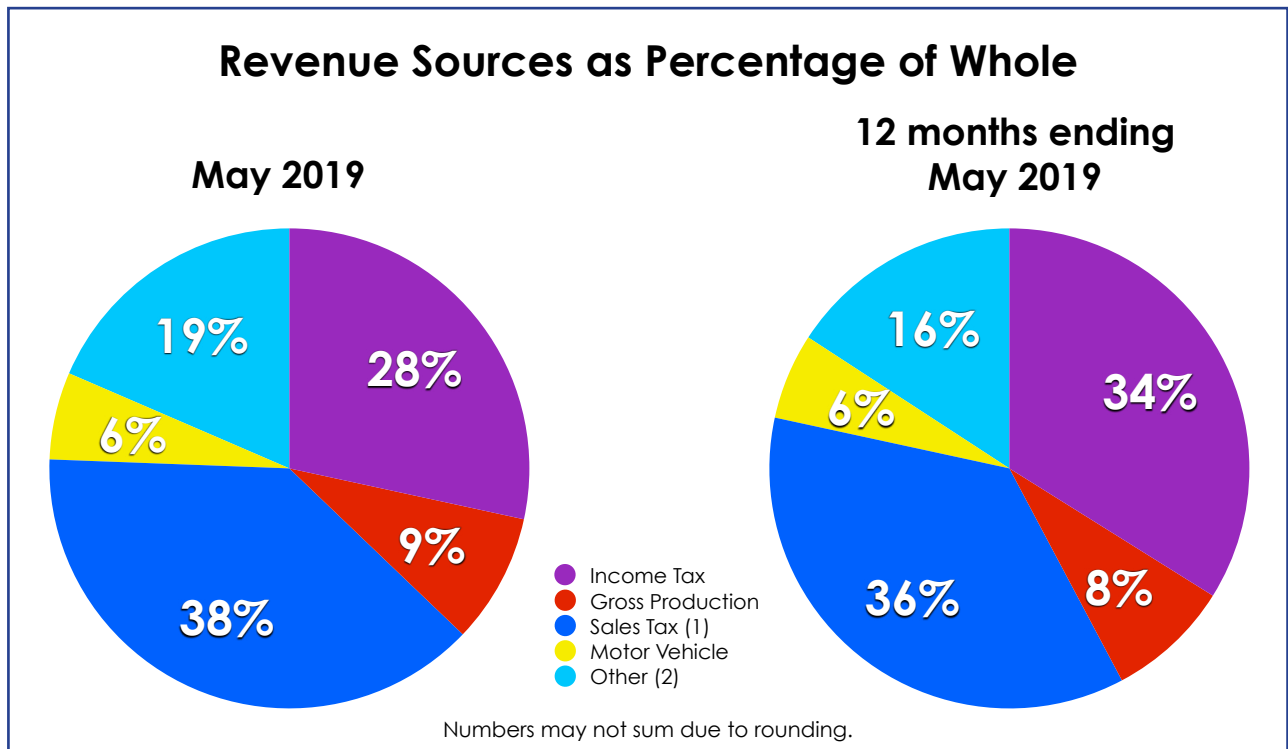
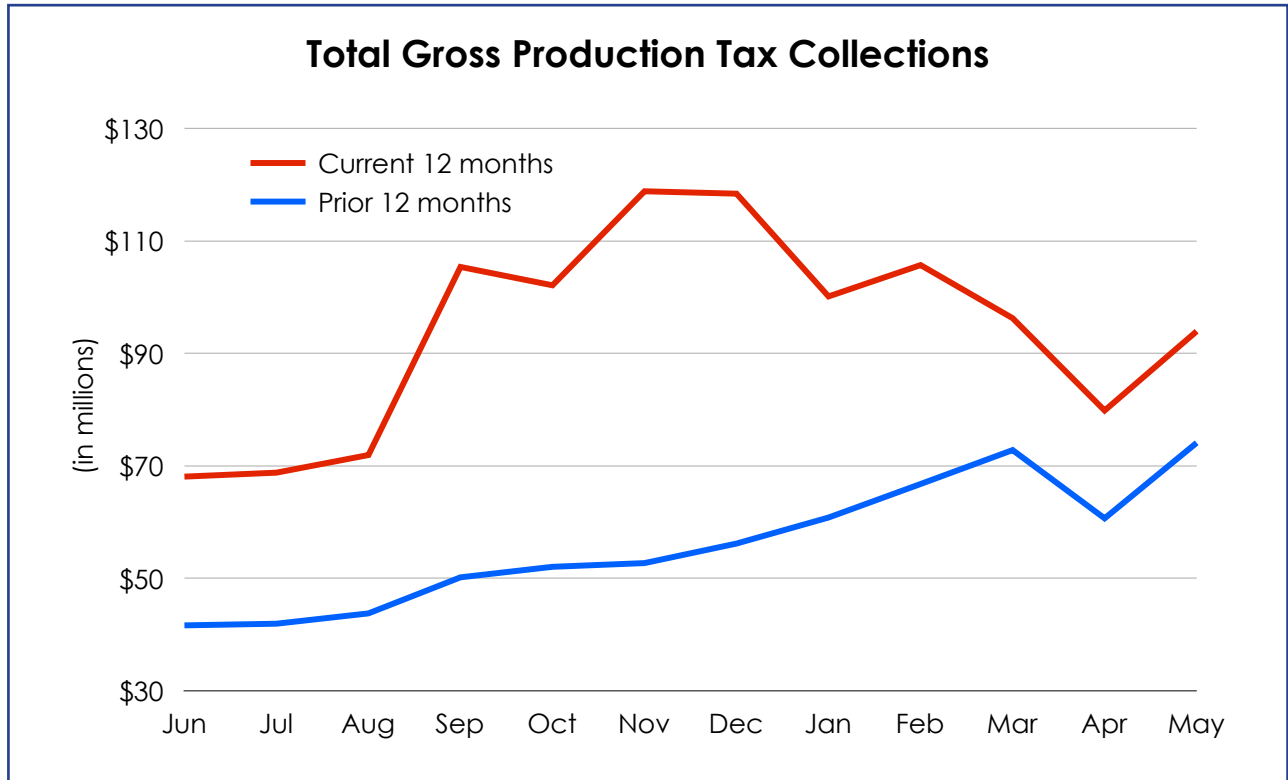
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Gross Receipts to Treasury



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