



**OKLAHOMA STATE TREASURER
RANDY MCDANIEL**

For Immediate Release: February 7, 2020

**Use Taxes Bring Bright Spot to
Otherwise Flat Gross Receipts**

OKLAHOMA CITY – Collections of the use tax on out-of-state sales, including online purchases, set a record high in January, while total revenue remained relatively flat, State Treasurer Randy McDaniel announced today.

January total monthly collections were \$1.26 billion, up by \$17.4 million, or 1.4 percent, from January 2019. Use tax receipts generated \$83 million, up by almost 19 percent from the prior year. However, collections from four of the six major revenue streams were less than the same month of the prior year.

Only use tax and corporate income tax receipts rose above prior year levels during the month. Individual income, sales, gross production, and motor vehicle taxes saw decreases ranging from 11.8 percent to 0.1 percent.

January sales and use tax collections reflect purchases made during most of December, a majority of the holiday shopping season. When combined, they are up by 1.7 percent from January of last year.

“As Oklahoma weathers an ongoing slowdown in oilfield drilling activity, it is encouraging to see total consumption taxes remain positive,” said Treasurer McDaniel. “Retail sales, both at brick-and-mortar stores and online, reflect healthy consumer confidence.”

Sales tax collections for the month were down from the prior year – as has been the case in seven of the past eight months – but analysis shows most of the slowdown is spillover from reduced spending in the oil and gas industry.

Gross production taxes on oil and gas production, at \$88.3 million in January, were down by \$11.8 million, or nearly 12 percent. January marked the fifth consecutive month of contraction in those revenues.

Total receipts from the past 12 months were reported as \$13.73 billion, an increase of \$660.2 million, or 5.1 percent, over the trailing 12 months.

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Other indicators

The Oklahoma Business Conditions Index for January rose above growth neutral for the first time since October of last year. January's rate of 52.2 is up from 48.4 in December. Numbers above 50 indicate economic growth is anticipated during the following three to six months.

The seasonally adjusted jobless rate for Oklahoma in December was unchanged from the prior month at 3.4 percent. The U.S. unemployment rate in December also held steady from the prior month at 3.5 percent, according to figures released by the Oklahoma Employment Security Commission.

January collections

January gross collections total \$1.26 billion, up by \$17.4 million, or 1.4 percent, from January 2019.

Gross income tax collections, a combination of individual and corporate income taxes, generated \$470.3 million, an increase of \$10.9 million, or 2.4 percent, from the previous January.

Individual income tax collections for the month are \$412.4 million, down by \$527,320, or 0.1 percent, from the prior year. Corporate collections are \$57.9 million, an increase of \$11.4 million, or 24.6 percent. Wide monthly variances are common for corporate income tax collections.

Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$498.3 million in January. That is \$8.5 million, or 1.7 percent, more than January 2019.

Sales tax collections in November total \$415.3 million, a drop of \$4.6 million, or 1.1 percent from the same month of the prior year. Use tax receipts, collected on out-of-state purchases including online sales, generated \$83 million, an increase of \$13.2 million, or 18.9 percent, over the year.

Gross production taxes on oil and natural gas generated \$88.3 million in January, a decrease of \$11.8 million, or 11.8 percent, from last January. Compared to December 2019 reports, gross production collections are up by \$14.1 million, or 18.9 percent.

Motor vehicle taxes produced \$66 million, down by \$2.1 million, or 3.1 percent, from the same month of 2019.

Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$136.1 million during the month. That is \$11.8 million, or 9.5 percent, more than last January.

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Twelve-month collections

Gross revenue totals \$13.73 billion from the past 12 months, February 2019 through January 2020. That is \$660.2 million, or 5.1 percent, above collections from the previous 12-month period.

Gross income taxes generated \$4.76 billion for the 12 months, reflecting an increase of \$356.2 million, or 8.1 percent, from the prior 12 months.

Individual income tax collections total \$4.18 billion, up by \$275.8 million, or 7.1 percent, from the prior period. Corporate collections are \$584.9 million for the period, an increase of \$80.4 million, or 15.9 percent, over the previous 12 months.

Combined sales and use taxes for the 12 months generated \$5.59 billion, an increase of \$123 million, or 2.2 percent, from the prior period.

Gross sales tax receipts total \$4.86 billion, up by \$9.7 million, or 0.2 percent, during the period. Use tax collections generated \$728.2 million, an increase of \$113.2 million, or 18.4 percent, over the previous 12 months.

Oil and gas gross production tax collections brought in \$1.01 billion during the 12 months, down by \$113.2 million, or 1.3 percent, from the previous 12 months.

Motor vehicle collections total \$792.4 million for the 12 months. This is an increase of \$6.7 million, or 0.9 percent, from the trailing period.

Other sources generated \$1.57 billion, up by \$187.4 million, or 13.6 percent, from the previous period.

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 economy.

It is released in conjunction with the General Revenue Fund report from the Office of Management and Enterprise Services, which provides information to state agencies for budgetary planning purposes.

The General Revenue Fund, the state's main operating account, 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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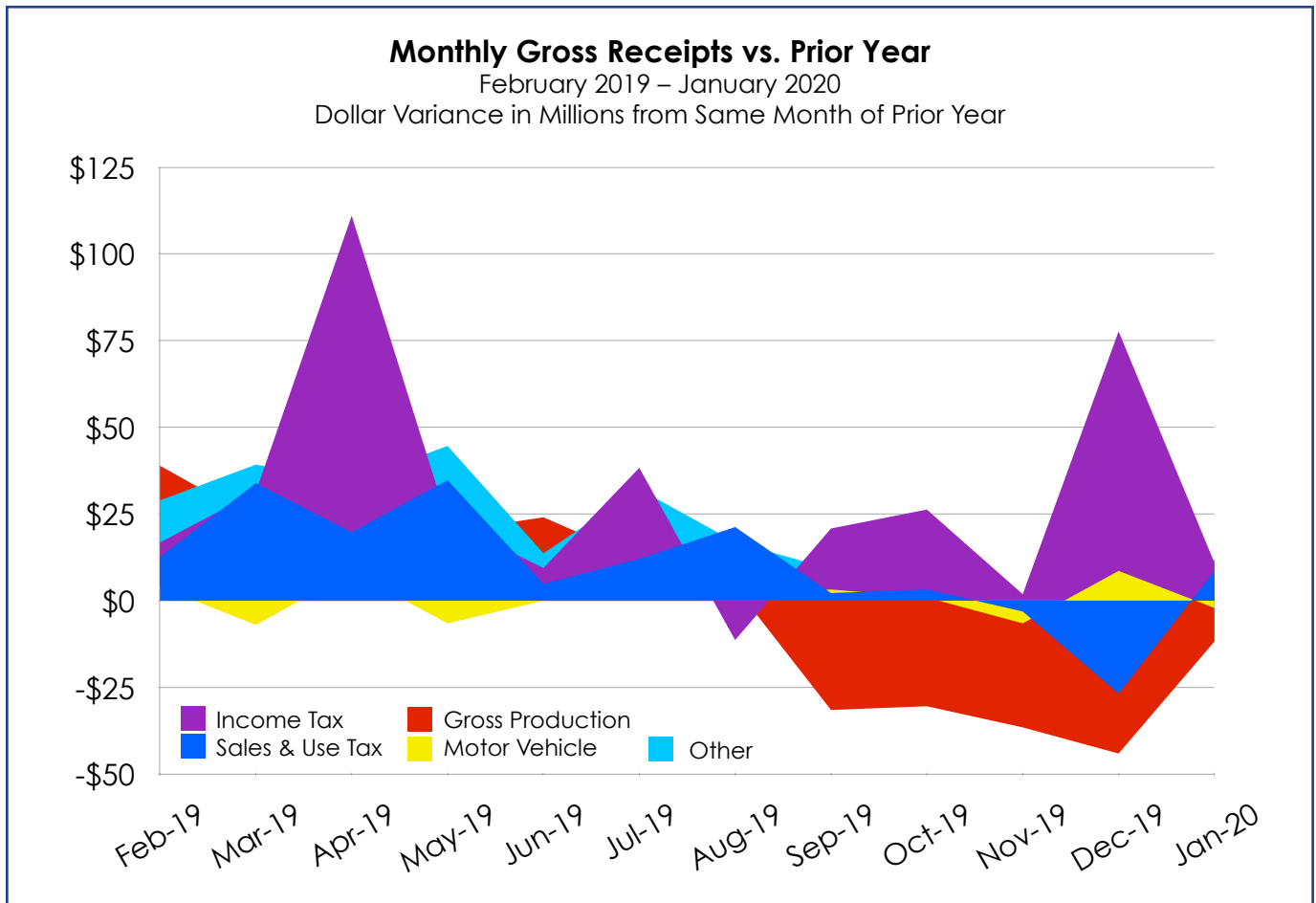
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	January-19	January-20	\$	%
Total Income Tax	459.4	470.3	10.9	2.4%
<i>Individual</i>	412.9	412.4	(0.5)	-0.1%
<i>Corporate</i>	46.5	57.9	11.4	24.6%
Sales & Use Tax (1)	489.7	498.3	8.5	1.7%
<i>Sales Tax</i>	419.9	415.3	(4.6)	-1.1%
<i>Use Tax</i>	69.8	83.0	13.2	18.9%
Gross Production	100.1	88.3	(11.8)	-11.8%
Motor Vehicle	68.1	66.0	(2.1)	-3.1%
Other Sources (2)	124.3	136.1	11.8	9.5%
TOTAL REVENUE	1,241.6	1,259.0	17.4	1.4%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



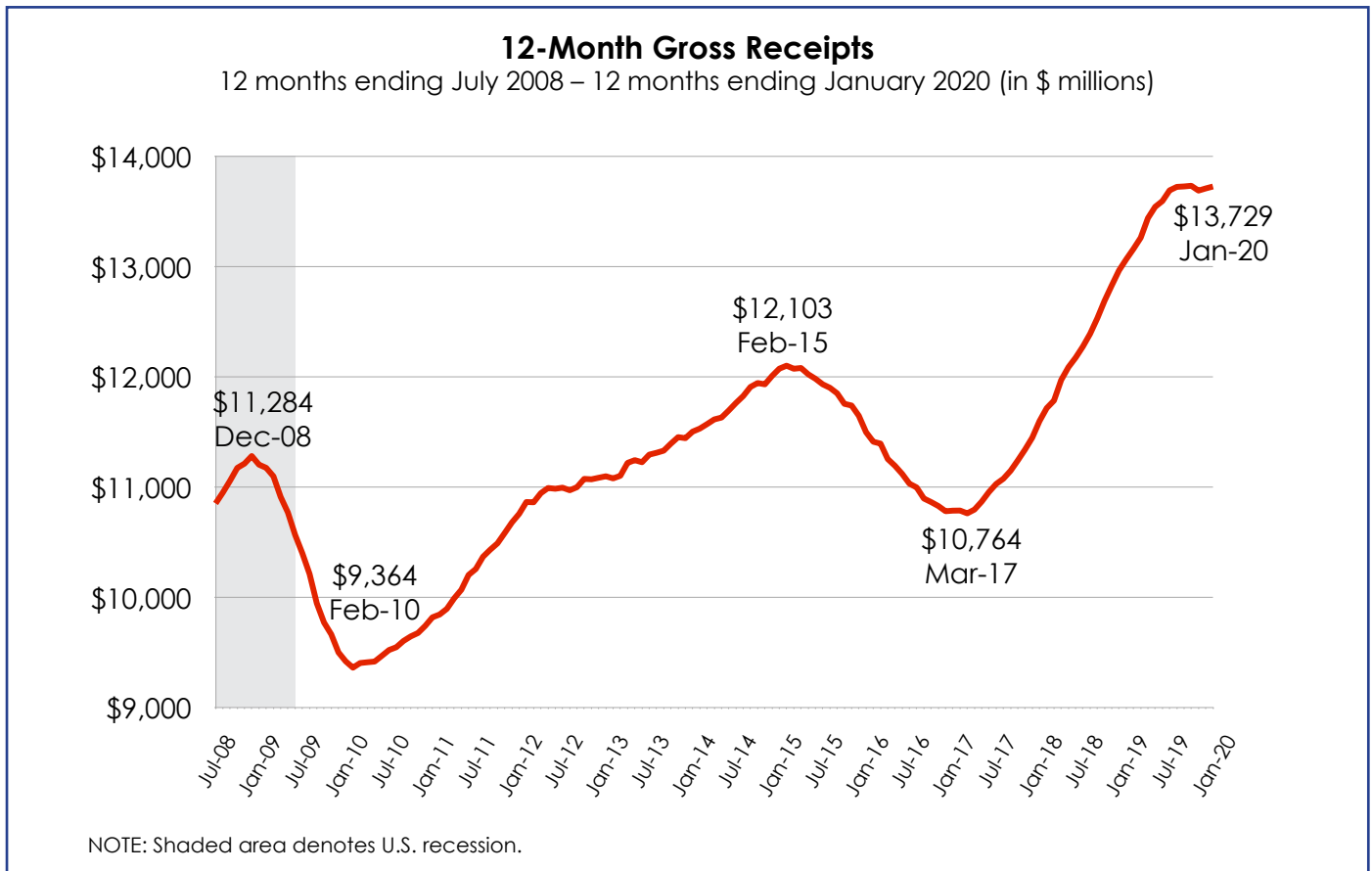
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Feb 19 - Jan 20		Variance From Prior Year	
	Prior Year Feb 18 - Jan 19	Current Year Feb 19 - Jan 20	\$	%
Total Income Tax	4,408.6	4,764.8	356.2	8.1%
<i>Individual</i>	3,904.1	4,179.9	275.8	7.1%
<i>Corporate</i>	504.5	584.9	80.4	15.9%
Sales and Use Tax (1)	5,466.8	5,589.8	123.0	2.2%
<i>Sales Tax</i>	4,851.9	4,861.7	9.7	0.2%
<i>Use Tax</i>	614.9	728.2	113.2	18.4%
Gross Production	1,027.7	1,014.6	-13.1	-1.3%
Motor Vehicle	785.7	792.4	6.7	0.9%
Other Sources (2)	1,379.6	1,567.0	187.4	13.6%
TOTAL REVENUE	13,068.5	13,728.7	660.2	5.1%

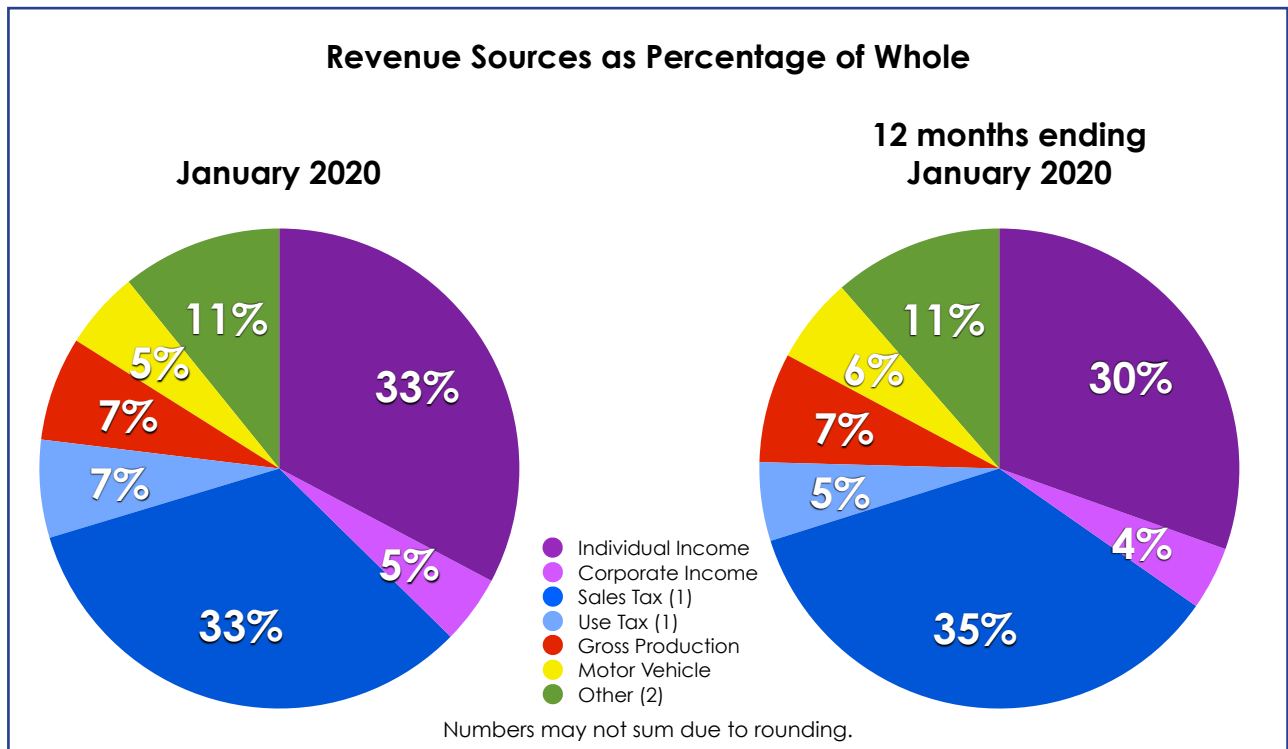
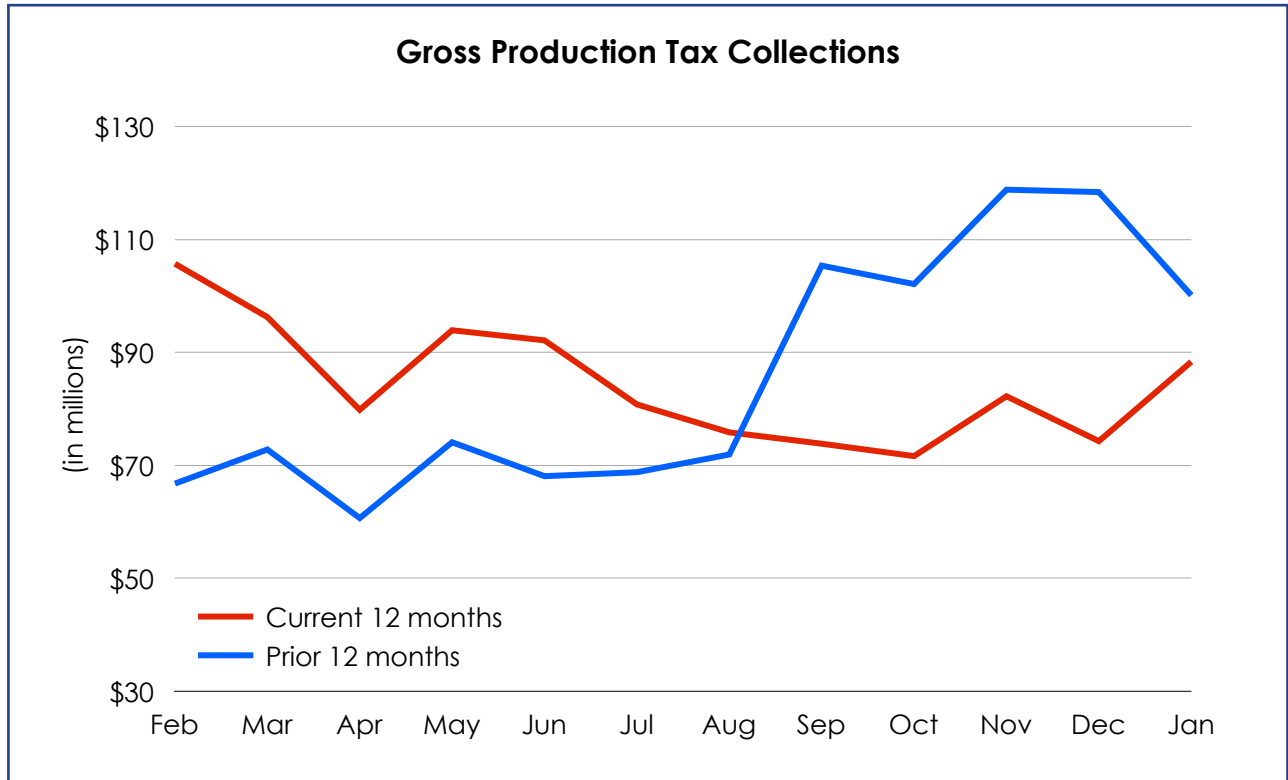
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Gross Receipts to Treasury



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(2) Gross Collections from OTC