



# Gross Receipts to the Treasury

November 2020

Oklahoma State Treasurer Randy McDaniel

## Energy Sector Hit Hard in November

Diminished oil field activity is having a significant impact on the Oklahoma economy, State Treasurer Randy McDaniel announced as he released the Gross Receipts to the Treasury report for November.

Collections from all sources in November total \$970.5 million, below receipts from a year ago by more than \$19 million, or almost two percent. Combined receipts from the past 12 months of \$13.2 billion are down from collections from the trailing 12 months by almost \$500 million, or 3.6 percent.

Meanwhile, November gross production tax collections on oil and natural gas are off by more than 50 percent from the prior year. Gross production receipts have been lower than those of the same month of the prior year for 15 consecutive months, but have trended lower since late 2018.

Underlying the shrinking energy tax collections are decreased commodity prices, production and energy sector employment. Since November 2018, oil prices are down 30 percent and natural gas prices are off more than 35 percent. During the same time, the

number of active rigs has plunged by more than 90 percent, from 148 to only 13.

Oklahoma oil fields have shed more than 20,000 jobs and employment levels are down by almost 40 percent in the past two years.

Current employment levels in the

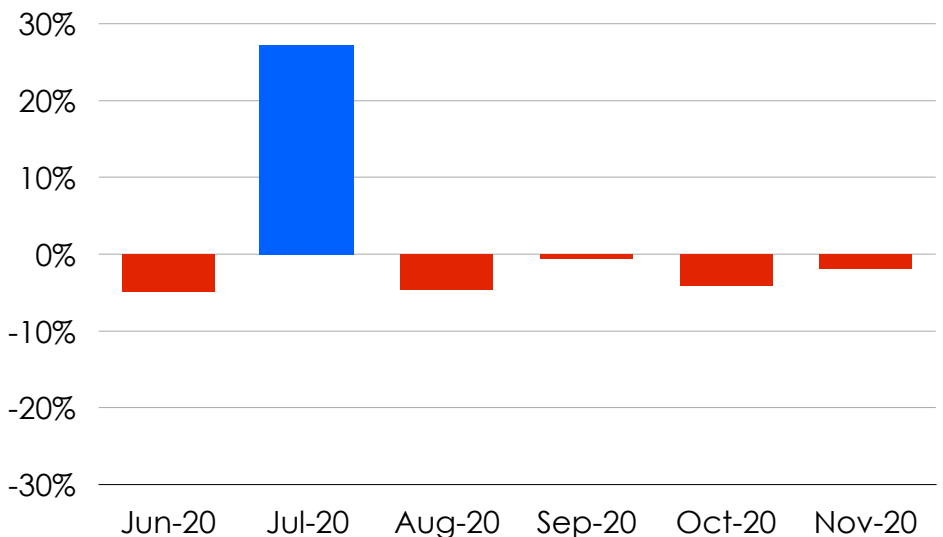
sector are lower than those reached in the trough that followed the Great Recession in late 2009.

*“We remain encouraged by the overall strength of the state’s economy during these difficult times.”*

“Oklahoma’s economic slowdown started with reduced oil field activity several months prior to the

virus outbreak,” Treasurer McDaniel

Monthly Gross Receipts Change from Prior Year



Source: Office of the State Treasurer



## November Gross Receipts

said. “The pandemic continues to be a major challenge for both the health and financial wellbeing of Oklahomans. However, we remain encouraged by the overall strength of the state’s economy during these difficult times.”

### Other economic indicators

The unemployment rate in Oklahoma rose to 6.1 percent in October, according to the U.S. Bureau of Labor

Statistics. The state’s jobless rate is up from 5.4 percent in September. The seasonally adjusted number of Oklahomans listed as jobless was reported as 114,400. The U.S. unemployment rate was listed at 6.9 percent in October.

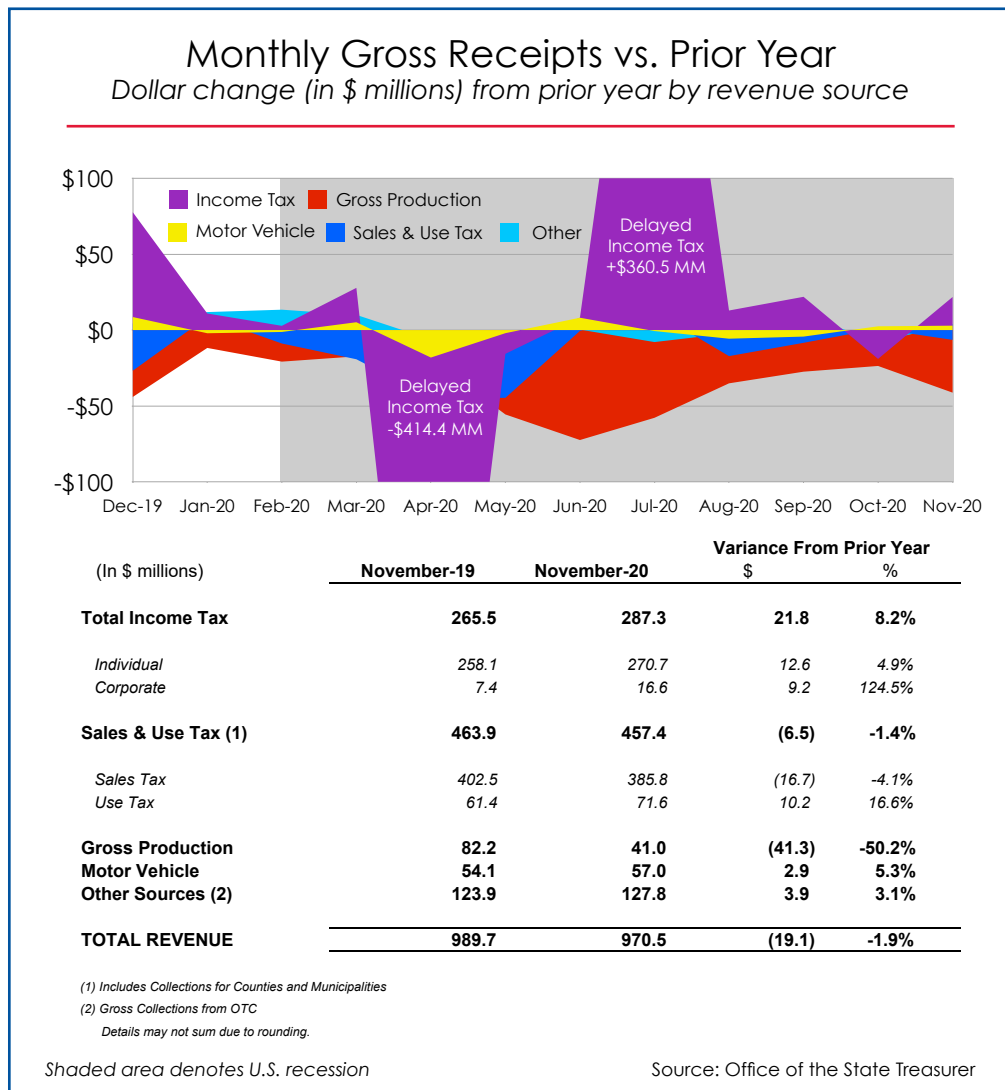
The Oklahoma Business Conditions Index in November fell below growth neutral after indicating growth for five consecutive months. The November

index was set at 49.4, down from 61.1 in October. Numbers below 50 suggest economic contraction is expected during the next three to six months.

### November collections

Compared to gross receipts from November 2019, collections in November 2020 showed:

- Total November 2020 gross collections are \$970.5 million, down \$19.1 million, or 1.9 percent.
- Gross income tax collections, a combination of individual and corporate income taxes, generated \$287.3 million, up by \$21.8 million, or 8.2 percent.
  - Individual income tax collections are \$270.7 million, an increase of \$12.6 million, or 4.9 percent.
  - Corporate collections are \$16.6 million, up by \$9.2 million, or 124.5 percent. Wide monthly variances are not uncommon.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$457.4 million – down by \$6.5, or 1.4 percent.
  - Sales tax collections total \$385.8 million, a decrease of \$16.7 million, or 4.1 percent.
  - Use tax receipts, collected on out-of-state purchases including internet sales, generated \$71.6 million, an increase of \$10.2 million, or 16.6 percent.





## November Gross Receipts

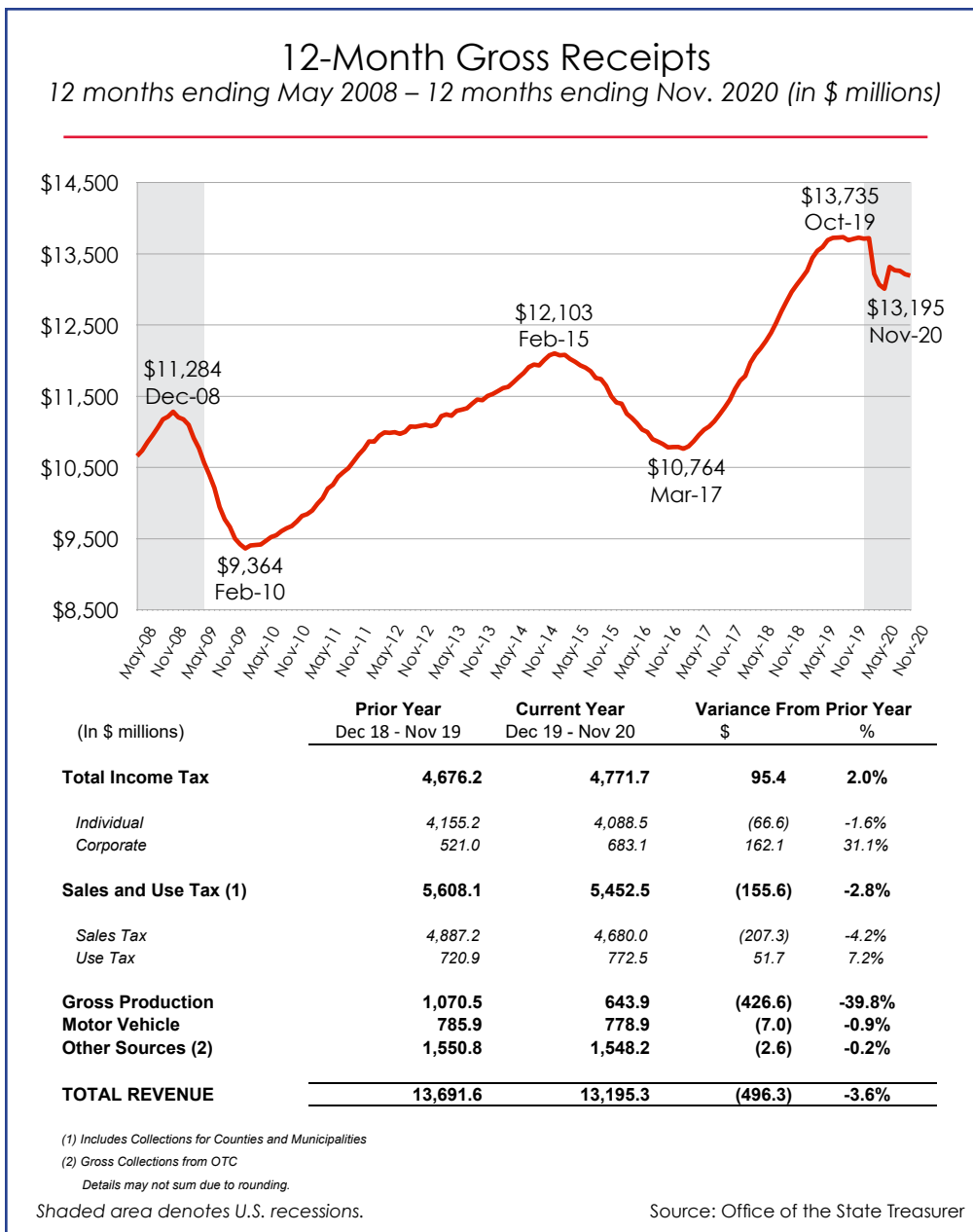
- Gross production taxes on oil and natural gas total \$41 million, a decrease of \$41.3 million, or 50.2 percent.
- Motor vehicle taxes produced \$57 million, up by \$2.9 million, or 5.3 percent.
- Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$127.8 million – up by \$3.9 million, or 3.1 percent.
  - The medical marijuana tax

produced \$4.8 million, up by \$2 million, or 73.6 percent from the prior November.

### Twelve-month collections

Combined gross receipts for the past 12 months (December 2019 through November 2020) compared to the prior 12 months showed:

- Gross revenue totals \$13.2 billion. That is \$496.3 million, or 3.6 percent, below collections from the previous 12-month period.
- Gross income taxes generated \$4.77 billion, reflecting an increase of \$95.4 million, or 2 percent.
  - Individual income tax collections total \$4.09 billion, down by \$66.6 million, or 1.6 percent.
  - Corporate collections are \$683.1 million, an increase of \$162.1 million, or 31.1 percent.
- Combined sales and use taxes generated \$5.45 billion, a drop of \$155.6 million, or 2.8 percent.
  - Gross sales tax receipts total \$4.68 billion, down by \$207.3 million, or 4.2 percent.
  - Use tax collections generated \$772.5 million, an increase of \$51.7 million, or 7.2 percent.
- Oil and gas gross production tax collections generated \$643.9 million, down by \$426.6 million, or 39.8 percent.





## November Gross Receipts

- Motor vehicle collections total \$778.9 million. This is a decrease of \$7 million, or 0.9 percent.
- Other sources generated \$1.55 billion, down by \$2.6 million, or 0.2 percent.
  - Medical marijuana taxes generated \$54.5 million, up by \$33.2 million, or 156.7 percent, from prior period collections of \$21.2 million.

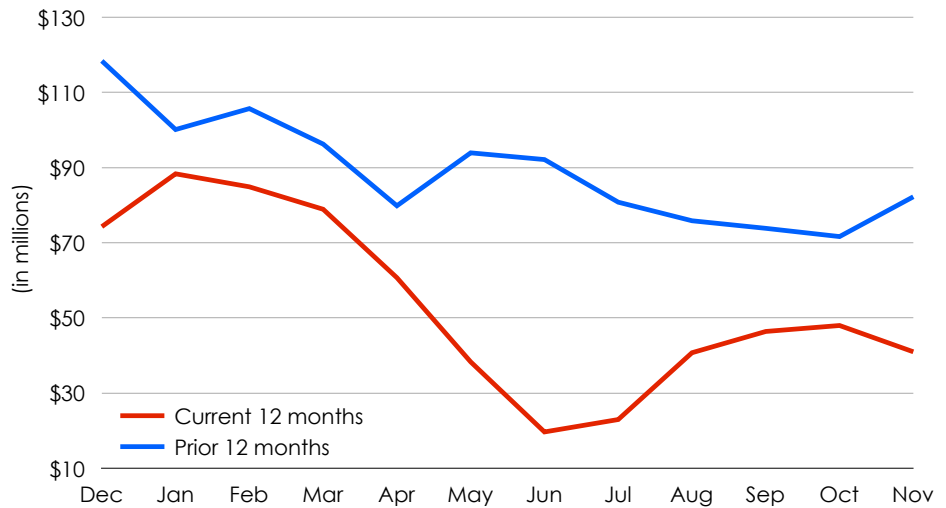
### About Gross Receipts to the Treasury

The monthly Gross Receipts to the Treasury report, developed by the state treasurer's office, provides 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.

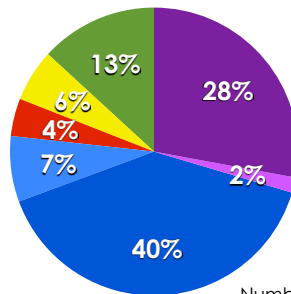
### Gross Production (Extraction) Tax Collections



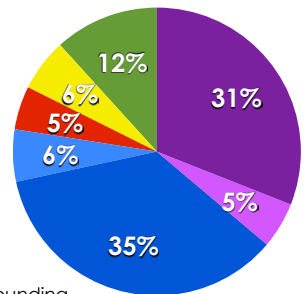
Source: Office of the State Treasurer

### Revenue Sources as Percentage of Whole

November 2020



Past 12 Months



Numbers may not sum due to rounding.

### More information

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## Economic Indicators

