



Gross Receipts to the Treasury

October 2020

Oklahoma State Treasurer Randy McDaniel

Income revenue drops amidst downturn

Oklahoma Gross Receipts to the Treasury continued their slide in October as individual income tax collections dropped by 7.5 percent, indicating the state’s economic downturn has yet to subside, State Treasurer Randy McDaniel announced on Thursday.

October receipts from all sources total \$1.1 billion, down by more than \$47 million, or 4.1 percent, from October of last year. Combined gross receipts for the past 12 months total \$13.2 billion, off by more than \$500 million compared to collections from the previous 12 months.

“We are experiencing the spillover effect of the pandemic as it chills global demand for oil and gas,” said Treasurer McDaniel. “When the energy industry is down in Oklahoma, it reduces economic activity across the state, including earned income and consumer spending.”

The gross production tax on oil and natural gas has been down significantly every month for more than a year. Oil field employment is at its lowest level, 33,700, since prior

to the Great Recession. Rig counts statewide are reported at 14 in October, compared to a peak of 213 six years ago.

Individual income tax receipts for the month are down for the first time since June, partially due to fewer unemployment checks

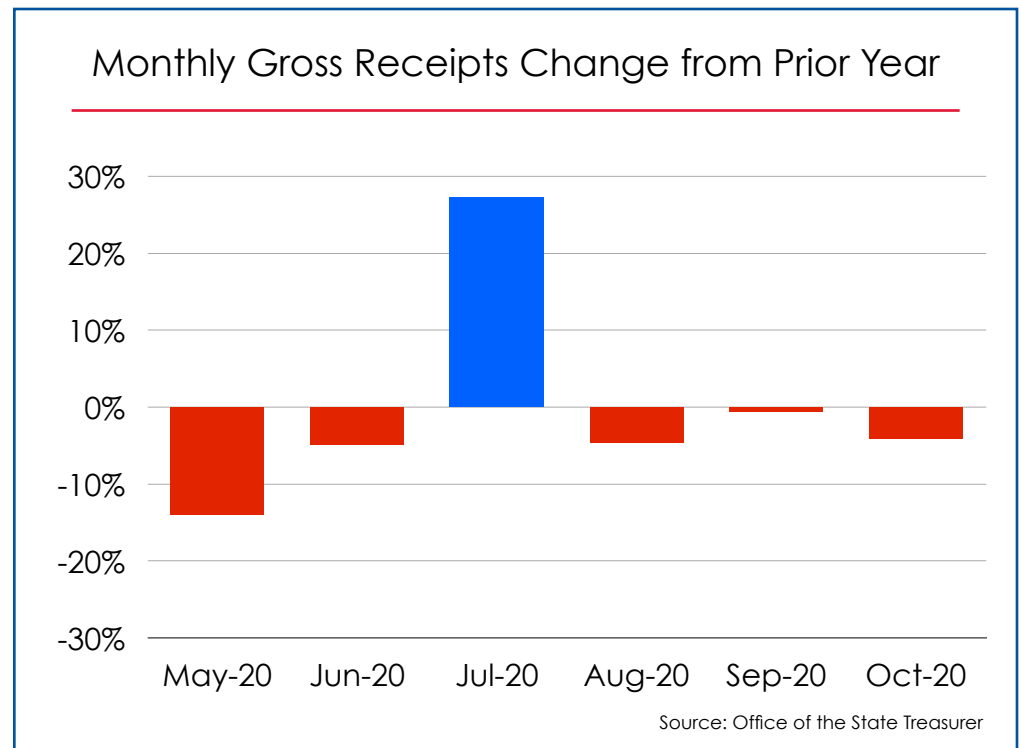
being sent to Oklahomans. Meanwhile, sales tax collections have been down

every month except one since September of last year.

Other economic indicators

“We are experiencing the spillover effect of the pandemic as it chills global demand for oil and gas.”

The Oklahoma Business Conditions Index in October remained above





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growth neutral for a fifth month. The October index was set at 61.1, up from 58.6 in September.

Numbers above 50 indicate economic expansion is expected during the next three to six months.

The unemployment rate in Oklahoma was reported as 5.3 percent in September, down from 5.7 percent in August.

The seasonally adjusted number of Oklahomans listed as jobless was reported as 99,800, according to figures released by the U.S. Bureau of Labor Statistics.

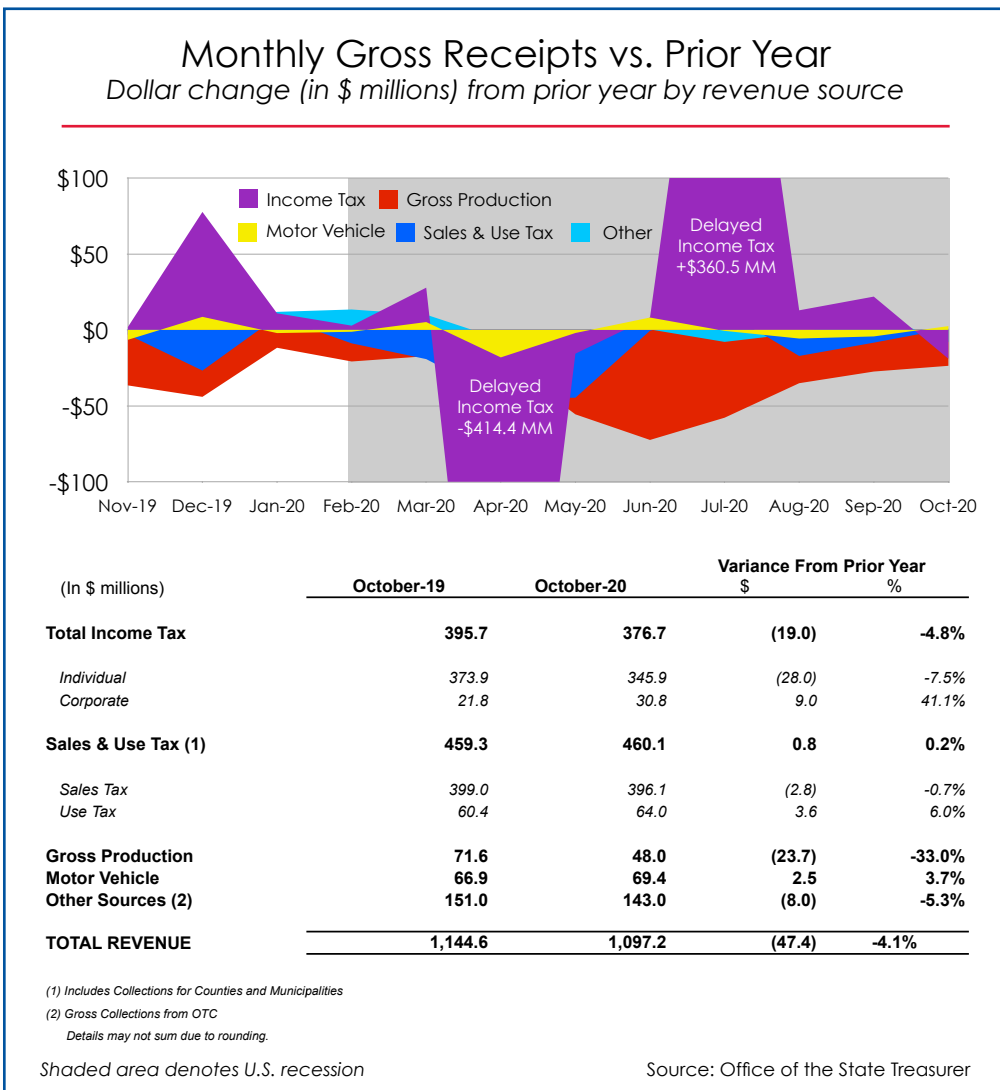
The U.S. unemployment rate was listed at 7.9 percent in September.

October collections

Compared to gross receipts from

October 2019, collections in October 2020 showed:

- Total October 2020 gross collections are \$1.1 billion, down \$47.4 million, or 4.1 percent.
- Gross income tax collections, a combination of individual and corporate income taxes, generated \$376.7 million, a decrease of \$19 million, or 4.8 percent.
 - Individual income tax collections are \$345.9 million, down by \$28 million, or 7.5 percent.
 - Corporate collections are \$30.8 million, an increase of \$9 million, or 41.1 percent.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$460.1 million – up by \$815,035, or 0.2 percent.
 - Sales tax collections total \$396.1 million, a decrease of \$2.8 million, or 0.7 percent.
 - Use tax receipts, collected on out-of-state purchases including online sales, generated \$64 million, an increase of \$3.6 million, or 6 percent.
- Gross production taxes on oil and natural gas total \$48 million, a decrease of \$23.7 million, or 33 percent.





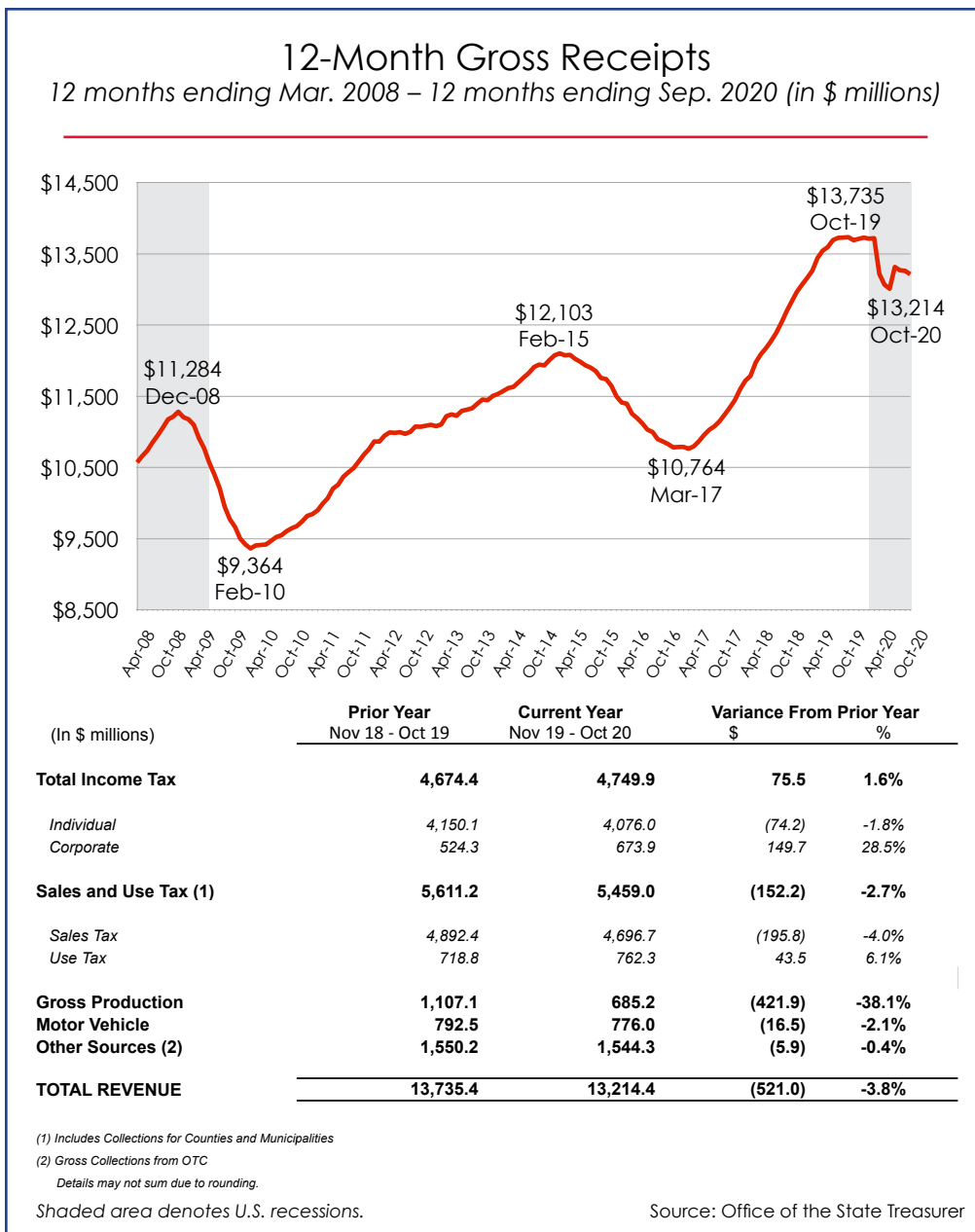
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- Motor vehicle taxes produced \$69.4 million, up by \$2.5 million, or 3.7 percent.
- Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$143 million – down by \$8 million, or 5.3 percent.
 - The medical marijuana tax produced \$5.3 million, up by \$2.2 million, or 73 percent from the prior October.

Twelve-month collections

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

- Gross revenue totals \$13.21 billion. That is \$521 million, or 3.8 percent, below collections from the previous 12-month period.
- Gross income taxes generated \$4.75 billion, reflecting an increase of \$75.5 million, or 1.6 percent.
 - Individual income tax collections total \$4.1 billion, down by \$74.2 million, or 1.8 percent.
 - Corporate collections are \$673.9 million, an increase of \$149.7 million, or 28.5 percent.
- Combined sales and use taxes generated \$5.46 billion, a drop of \$152.2 million, or 2.7 percent.
 - Gross sales tax receipts total \$4.7 billion, down by \$195.8 million, or 4 percent.
 - Use tax collections generated \$762.3 million, an increase of \$43.5 million, or 6.1 percent.
- Oil and gas gross production tax collections generated \$685.2 million, down by \$421.9 million, or 38.1 percent.
- Motor vehicle collections total \$776





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million. This is a decrease of \$16.5 million, or 2.1 percent.

- Other sources generated \$1.54 billion, down by \$5.9 million, or 0.4 percent.
- Medical marijuana taxes generated \$52.4 million, up by \$34.3 million, or 189 percent, from prior period collections of \$18.1 million.

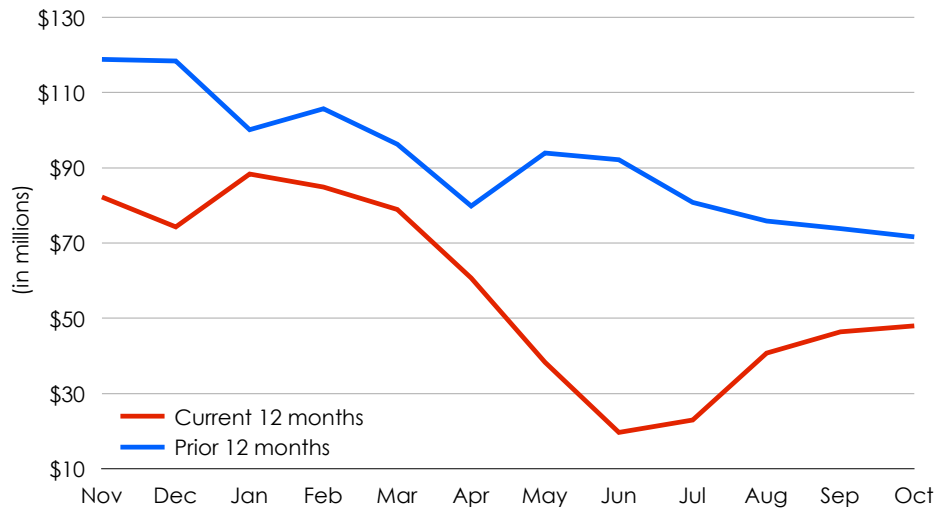
About Gross Receipts to the Treasury

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.

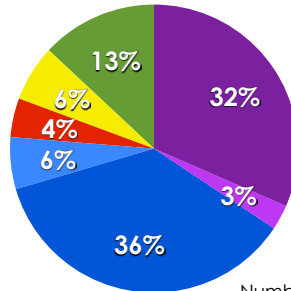
Gross Production (Extraction) Tax Collections



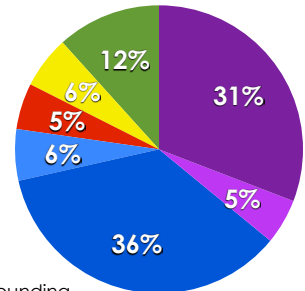
Source: Office of the State Treasurer

Revenue Sources as Percentage of Whole

September 2020



Past 12 Months



Numbers may not sum due to rounding.

More information

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Economic Indicators

