



**OKLAHOMA STATE TREASURER  
KEN MILLER**

**For Immediate Release: June 5, 2012**

**Total Collections Grow in May as Gross Production  
Continues Slide**

**OKLAHOMA CITY** – Even though natural gas and crude oil prices are lower than expected, Oklahoma’s total revenue collections continue to rise, driven primarily by income and sales, State Treasurer Ken Miller said today as he released the monthly gross receipts report for May.

“With incomes climbing and sales tax collections on the rise, Oklahomans continue to show confidence in the economy in spite of renewed global uncertainty and a pullback in U.S. job growth,” Miller said.

May collections are up by 5.8 percent from May of last year, Miller said. That compares to average growth over the past 12 months of 9.2 percent.

**Watching natural gas and oil prices**

In May, collections from gross production taxes on oil and natural gas were less than the same month of the prior year for a sixth consecutive month, and for the seventh time in eight months. Reflecting the continued downward slide in gross production collections, the 12-month running total for that revenue source turned negative this month.

The percentage of total gross production taxes generated by natural gas production has steadily fallen since last year. In October, 51 percent of gross production collections came from gas extraction. By April, the amount had dropped to 32 percent. The proportion of the tax produced by natural gas for May is not yet available.

Gross production collections in May reflect prices and production from March, when the spot price for natural gas at the Henry Hub in Louisiana, considered a benchmark for gas prices, averaged \$2.06 per thousand cubic feet. April prices dropped to an average of \$2.01, but May prices rose to an average of \$2.51.

In the past month, the price of crude oil has also trended downward. From late February until the end of April, the spot price of West Texas Intermediate Crude Oil at Cushing stayed above \$100 per barrel. In May, crude prices dropped throughout the month, closing May 31 at \$86.53/bbl, levels not seen since last October.

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Rig counts last week were set at 192 total, 22 higher than at the same time last year. However, active natural gas rigs have dropped from 122 last year to 53 this year. Active oil rigs have climbed from 48 last year to 139 this year.

“In the coming months, we will be keeping a close watch on natural gas and crude oil prices and any potential spillover effect on the Oklahoma economy,” Miller said.

### **Overall growth seen**

Income tax collections have risen by double-digits from the same month of the previous year in nine of the past 12 months, while sale tax collections have averaged eight percent growth during the same time.

Since hitting the trough on revenue collections from the recession in February 2010, 12-month collections have increased by \$1.63 billion and are now only \$289 million below the peak in December 2008.

Miller pointed to the latest reports on state and local unemployment as bright spots.

“At 5.0 percent, the April unemployment rate for Oklahoma is more than three percentage points lower than the national rate. Oklahoma City’s rate of 4.0 percent is the lowest of the nation’s 49 largest cities and speaks to the strength of the rebounding economy,” he said. “Reports show 38,500 more Oklahomans have jobs now than a year ago.”

### **May collections**

The revenue report for May sets gross collections at \$858.9 million, up \$46.7 million or 5.8 percent from May 2011.

Gross income tax collections, a combination of personal and corporate income taxes, generated \$268.5 million, an increase of \$35.2 million or 15.1 percent from the previous May.

Personal income tax collections for the month are \$258.2 million, up \$35.9 million or 16.1 percent from the prior year. Corporate collections are \$10.3 million, down by \$600,000 or 5.8 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$335.5 million in May. That is \$21.6 million or 6.9 percent above May 2011.

Gross production taxes on oil and natural gas generated \$63.1 million in May, a decrease of \$32.5 million or 34 percent from last May. Compared to April reports, gross production collections are up by \$1.1 million or 1.8 percent.

Motor vehicle taxes produced \$62.3 million, up by \$6.5 million or 11.6 percent from the prior year.

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Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$129.5 million during the month. That is \$16 million or 14.1 percent more than last May.

### **Twelve-month collections**

Between June 2011 and May 2012, gross revenue totals \$10.99 billion. That is \$923.1 million or 9.2 percent higher than collections from the previous 12-month period.

Gross income taxes generated \$3.85 billion for the period, reflecting an increase of \$420.5 million or 12.3 percent from the prior 12 months.

Personal income tax collections total \$3.32 billion, up by \$311.6 million or 10.3 percent from the June 2010 to May 2011 period. Corporate collections are \$530.6 million for the period, an increase of \$109 million or 25.9 percent over the previous period.

Sales taxes for the period generated \$4 billion, an increase of \$303.9 million or 8.2 percent from the prior 12-months.

Oil and gas gross production tax collections brought in \$940 million during the 12 months, down by \$15.5 million or 1.6 percent from the previous period.

Motor vehicle collections total \$688.8 million for the period. This is an increase of \$58.6 million or 9.3 percent from the trailing 12 months.

Other sources generated \$1.51 billion, up \$155.6 million or 11.5 percent from the previous 12 months.

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### **For more information contact:**

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# Gross Receipts to Treasury

PRELIMINARY

## MONTHLY COMPARISON

SUMMARY May 2012  
Variance From Prior Year

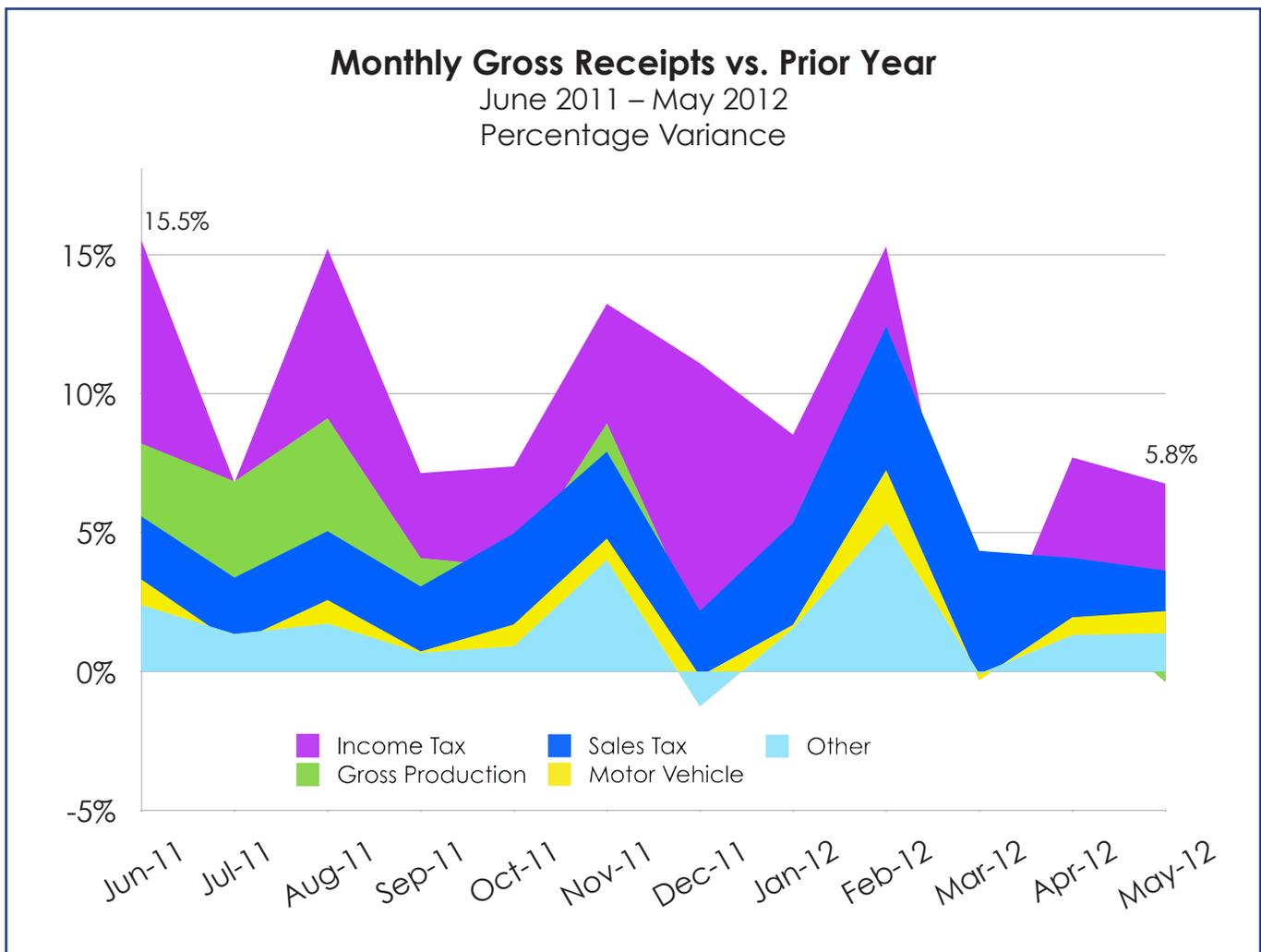
(In \$ millions)

	May-11	May-12	\$	%
Income Tax	233.27	268.49	35.22	15.1%
Gross Production	95.63	63.11	-32.52	-34.0%
Sales Tax (1)	313.97	335.54	21.57	6.9%
Motor Vehicle	55.76	62.25	6.49	11.6%
Other Sources (2)	113.52	129.50	15.98	14.1%
<b>TOTAL REVENUE</b>	<b>812.14</b>	<b>858.89</b>	<b>46.74</b>	<b>5.8%</b>

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



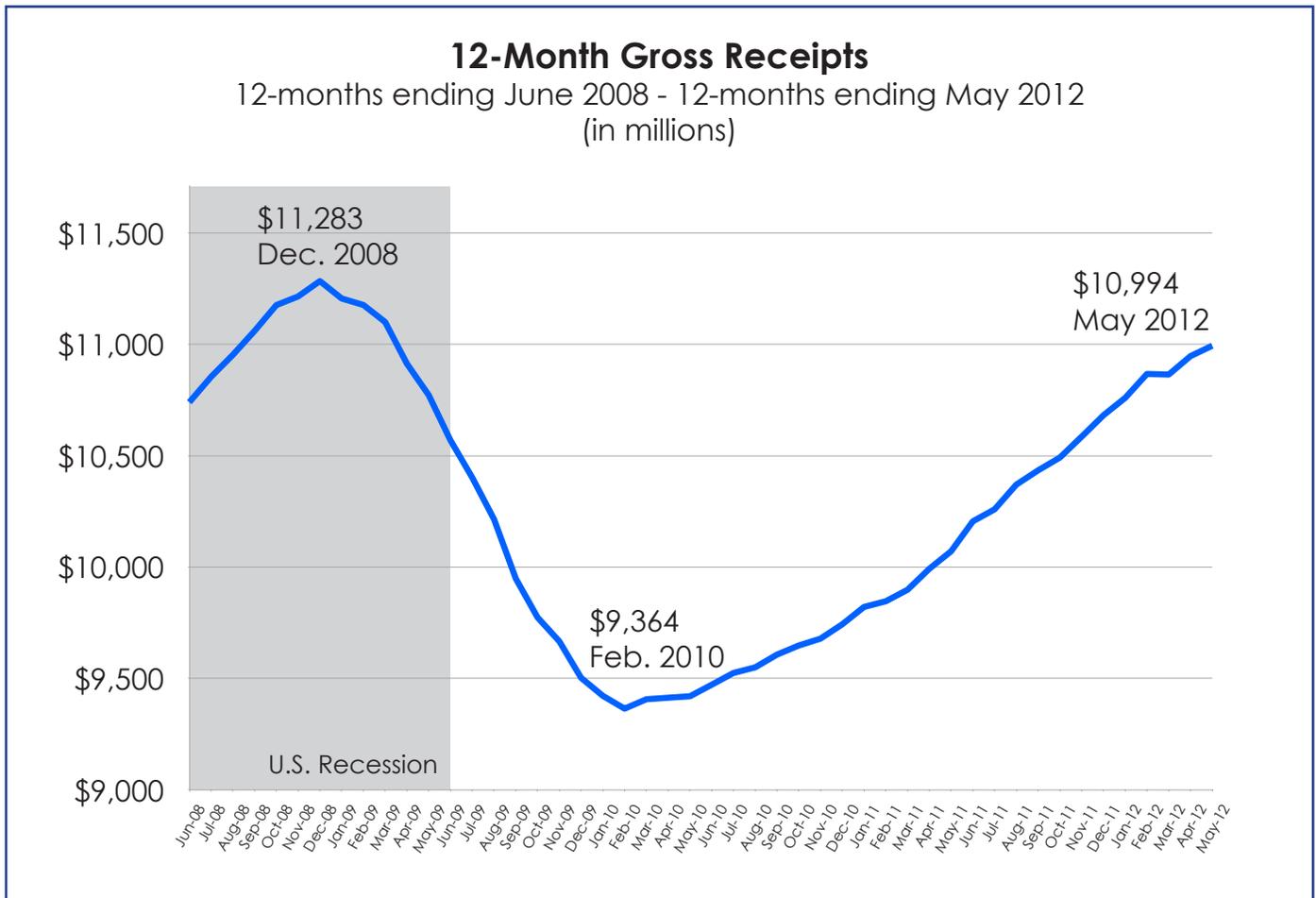
# Gross Receipts to Treasury

PRELIMINARY  (In \$ millions)	12 Month Period Ending June 2011 - May 2012		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	June 2010 - May 2011	June 2011 - May 2012	\$	%
Income Tax	3,432.81	3,853.35	420.54	12.3%
Gross Production	955.47	939.95	-15.52	-1.6%
Sales Tax (1)	3,694.79	3,998.67	303.88	8.2%
Motor Vehicle	630.23	688.79	58.56	9.3%
Other Sources (2)	1,357.37	1,512.97	155.60	11.5%
<b>TOTAL REVENUE</b>	<b>10,070.67</b>	<b>10,993.73</b>	<b>923.07</b>	<b>9.2%</b>

(1) Includes Collections for Counties and Municipalities

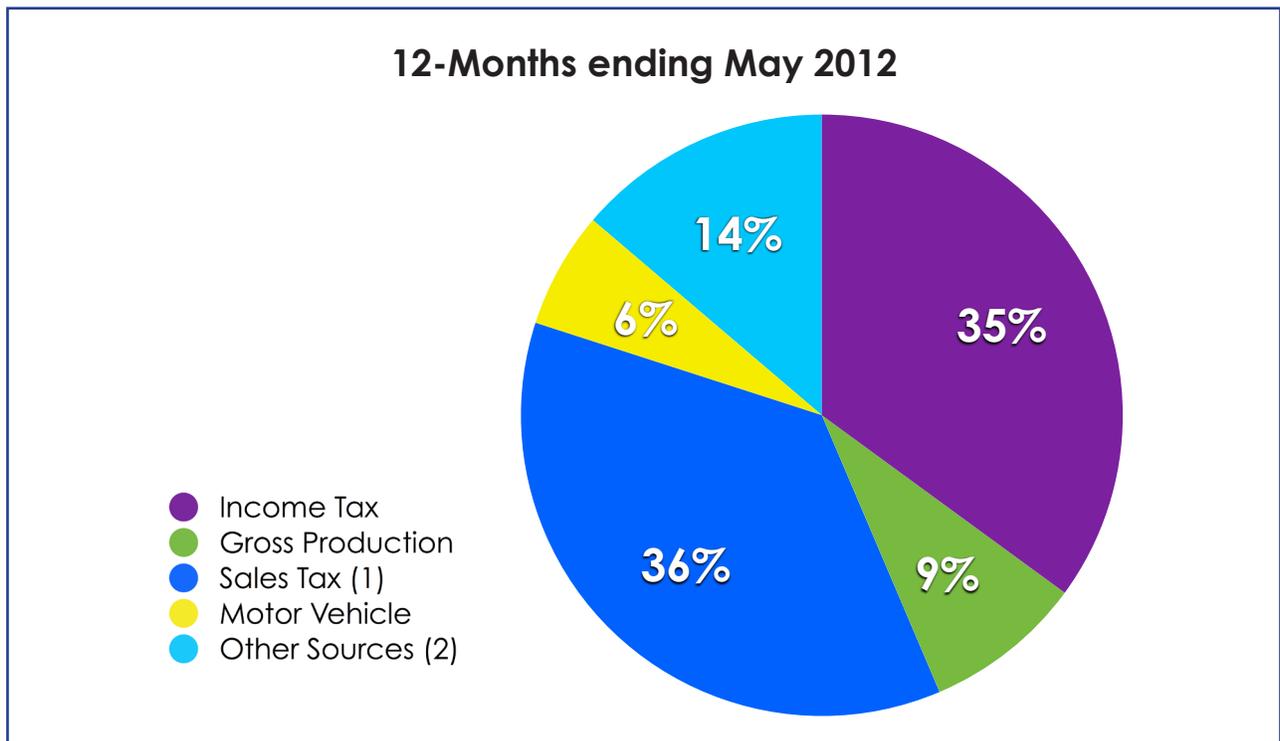
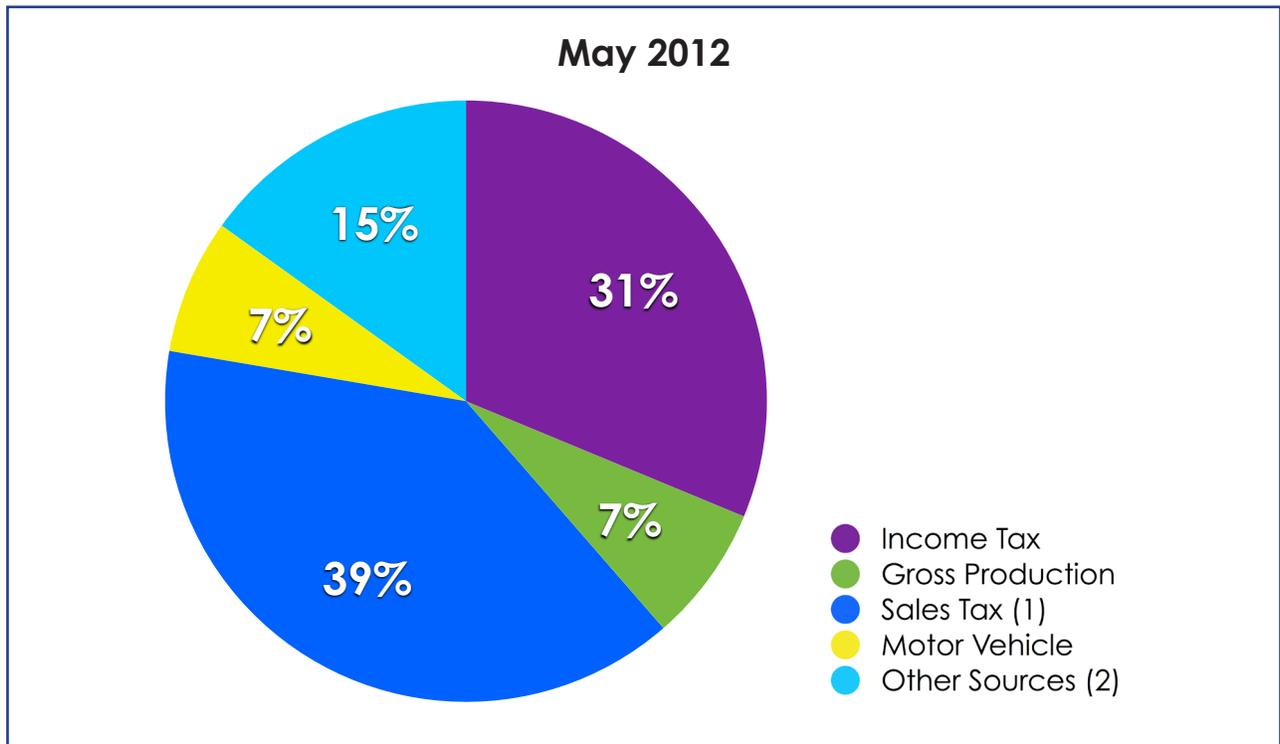
(2) Gross Collections from OTC

Details may not sum due to rounding.



# Gross Receipts to Treasury

## Revenue Sources as Percentage of Whole



(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC