



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: July 5, 2011

June Revenue Shows State Economic Growth Accelerating

Treasurer warns Washington inaction on debt could harm state recovery

OKLAHOMA CITY –Oklahoma’s economy is expanding at an accelerating pace, Treasurer Ken Miller said today as he released the revenue report on total tax commission collections in June.

“Now entering the third year of the cyclical expansion, Oklahoma’s double-digit revenue growth last month shows our state’s economy is clearly regaining its strength while the national economy continues its rather anemic growth.” Miller said.

“Gross receipts, reflecting a cross-section of the state’s economic activity, are encouraging from top to bottom,” he said. “Again this month, every major category shows growth with earnings and consumption especially strong.”

June collections compared to a year ago surged by more than 15 percent, the report from the state treasurer’s office shows. Collections for the past 12 months are almost eight percent above the trailing 12 months, according to the report. “Month after month, the Oklahoma economy gains steam,” Miller said.

External Threats

“Right now the major concerns that threaten this momentum are external and stem from Washington’s failure to address the U.S. debt crisis, and to a lesser extent, the EU’s problems with Greece and the continued unrest in the Middle East. We will also keep an eye on gasoline as the current easing on pump prices is likely temporary. Otherwise, our economic prospects are largely promising,” he continued.

“Congress should have never put the United States in the dangerous situation of having to choose between irresponsibly raising the debt ceiling again or the catastrophic default on debt,” Miller said.

“Hopefully, our national leaders will finally take responsible action on the debt crisis with a credible long-term deficit reduction plan that takes into account the fragile aggregate demand and the absolute peril of defaulting on U.S. debt.”

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Positive Signs, Otherwise

Miller pointed to two recent reports that underscore the positive revenue trend on the outlook for the state economy.

The state's unemployment rate dropped again in May to 5.3 percent. One year ago, state unemployment stood at 7.1 percent. National unemployment in May was 9.1 percent. "At nearly four percentage points below the national unemployment rate, Oklahoma's job market is not where it needs to be, but is exceptional on a relative basis."

Miller said a recent report commissioned by the U.S. Conference of Mayors and prepared by economic forecasters IHS Global Insight also paints a bright outlook for Oklahoma.

"The report predicts some U.S. metropolitan areas will not reach pre-recession levels until 2020, but says Oklahoma's three metro areas will fare much better," he said.

According to the report, the Lawton area should fully recover within the next year; Oklahoma City during 2013 and Tulsa in 2014.

June Collections Up By More than 15 Percent

The revenue report for June shows gross collections topped \$1 billion – \$1.001 billion, up \$134.53 million or 15.5 percent from June of last year.

Net income tax collections, a combination of personal and corporate income taxes, generated \$373.98 million, an increase of \$63.47 million or 20.4 percent from the previous June.

Personal income tax collections for the month are \$283.86 million, up \$35.87 million or 14.5 percent from the prior year. Corporate collections are \$90.12 million, an increase of \$27.6 million or 44.1 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$322.69 million in June. That is \$19.64 million or 6.5 percent above June of last year.

Gross production taxes on oil and gas generated \$102.53 million in June, an increase of \$22.7 million or 28.4 percent from last June. Compared to May reports, gross production collections are up \$6.91 million or 7.2 percent.

Miller said gross production collections are expected to be lower in the coming months, as current collections reflect drilling activity from a few months ago when oil prices topped \$100 per barrel. Prices have since dropped below the century mark.

Motor vehicle taxes produced \$65.83 million, up by \$8.01 million or 13.9 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 \$136.39 million during the month. That is \$20.71 million or 17.9 percent higher than last June.

Twelve-month Collections Grow

In the past 12 months, gross revenue totals \$10.205 billion. That is \$733.81 million or 7.7 percent higher than the 12-month period ending in June 2010.

Net income taxes generated \$3.496 billion for the 12 months, reflecting an increase of \$230.09 million or 7 percent from the trailing 12 months.

Personal income tax collections total \$3.047 billion, up by \$137.93 million or 4.7 percent from the prior 12 months. Corporate collections are \$449.19 million for the period, an increase of \$92.16 million or 25.8 percent over the previous 12 months.

Sales taxes for the period generated \$3.714 billion, an increase of \$293.77 million or 8.6 percent from the prior 12-month period.

Oil and gas gross production tax collections brought in \$978.17 million during the 12 months, up by \$109.04 million or 12.5 percent from the previous period.

Motor vehicle collections total \$638.24 million for the period. This is an increase of \$57.57 million or 9.9 percent from the trailing 12 months.

Other sources generated \$1.378 billion, up \$43.34 million or 3.2 percent from the previous period.

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Gross Receipts to Treasury

PRELIMINARY

MONTHLY COMPARISON

SUMMARY June 2011
Variance From Prior Year

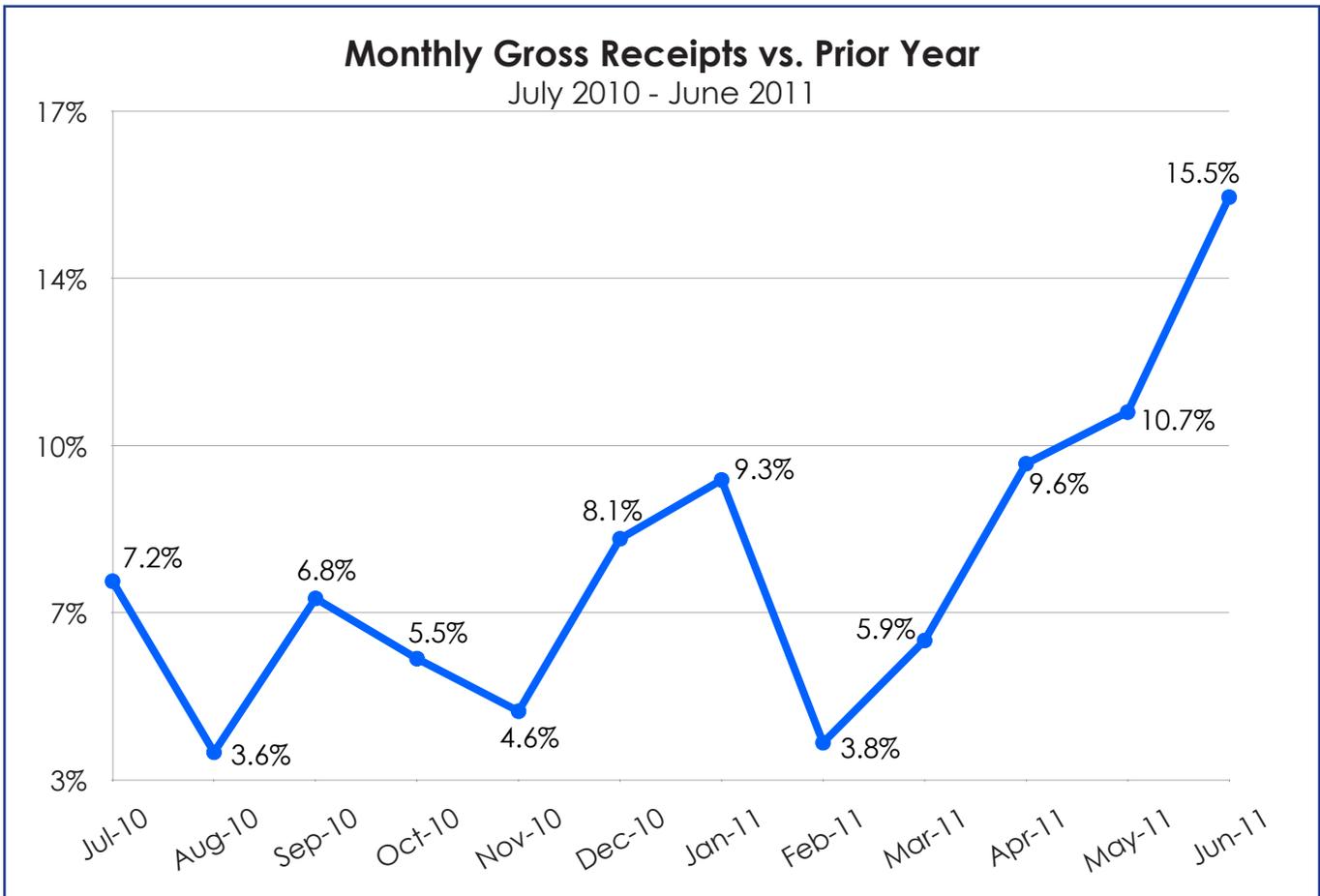
(In \$ millions)

	June-10	June-11	\$	%
Income Tax	310.51	373.98	63.47	20.4%
Gross Production	79.83	102.53	22.70	28.4%
Sales Tax (1)	303.05	322.69	19.64	6.5%
Motor Vehicle	57.81	65.83	8.01	13.9%
Other Sources (2)	115.68	136.39	20.71	17.9%
TOTAL REVENUE	866.89	1,001.42	134.53	15.5%

(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		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	July 2009 - Jun 2010	July 2010 - Jun 2011	\$	%
Income Tax	3,266.19	3,496.28	230.09	7.0%
Gross Production	869.13	978.17	109.04	12.5%
Sales Tax (1)	3,420.66	3,714.43	293.77	8.6%
Motor Vehicle	580.67	638.24	57.57	9.9%
Other Sources (2)	1,334.74	1,378.08	43.34	3.2%
TOTAL REVENUE	9,471.39	10,205.19	733.81	7.7%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.

