



**OKLAHOMA STATE TREASURER
KEN MILLER**

For Immediate Release: January 3, 2013

2012 Brought Moderated Economic Growth to Oklahoma

OKLAHOMA CITY – Oklahoma’s economy continued to grow, but the pace of recovery slowed during 2012, State Treasurer Ken Miller said today as he released the state’s monthly gross receipts to the treasury report.

“December receipts were 1.5 percent better than the prior year and total year collections surpassed the previous year by 3.8 percent,” Miller said. “That compares to growth last December of 11.1 percent and a 2011 growth rate of 9.6 percent.”

Miller said December was the eighth time in the past year that collections exceeded those of the same month of 2011. In four months of 2012, collections dipped slightly below prior year collections.

“Twelve-month collections now stand more than \$1.7 billion higher than in February of 2010. Since we hit the trough almost three years ago, almost 90 percent of the revenue lost from our peak in December 2008 has been recovered,” he said.

Miller said sales tax collections indicate a healthy Christmas shopping season in Oklahoma. December sales tax collections, reflecting sales between mid-November and mid-December, were \$20.45 million or 5.9 percent higher than the last holiday shopping season, a similar growth rate to sales during the same period in 2011.

Averting the cliff

Miller said the fiscal cliff deal reached earlier this week by Congress and the President brings both good news and bad.

“The good news is that 98 percent of Americans will avoid a tax increase and the Bush tax cuts were made permanent, providing needed certainty to families and small businesses,” Miller said. “Quite obviously, that’s good news for the Oklahoma economy as it is never advisable to raise taxes during a recession or weak recovery. Oklahoma’s recovery has been stronger than in most other states, but we need our country to do well so we can continue our economic gains.”

Miller said the bad news involves Washington’s appetite for spending.

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“This deal does nothing to address Washington’s overspending that must be corrected lest our federal leaders spend this country into oblivion,” he said. “During the coming months, policymakers must be cognizant of the near-term weak recovery but must finally get serious and implement a long-term solution that safeguards the economic and national security interests of our country.”

Miller said the biggest problem with spending cuts that would be started in two months if no further agreement is reached is that they disregard entitlements.

“Unfortunately with sequestration, the cuts are heavily weighted toward defense spending when the real problem, entitlement spending, is largely ignored,” he said.

“A strong defense is critical to our nation’s security and our state’s economy. Studies show Oklahoma could lose up to 20,000 jobs, including 4,000 military positions, if sequestration is triggered. This would be devastating to Oklahoma and can be avoided if Congress implements strategic rather than across-the-board spending cuts.”

Looking forward

During the past 12 months, figures from the Oklahoma Employment Security Commission and Bureau of Labor Statistics show the number of jobs grew by almost 60,000, while the labor force grew by just less than 42,000. During that time, the unemployment rate dropped from 6.3 percent to 5.2 percent.

The Mid-America Business Conditions Index anticipates Oklahoma’s economy will continue its expansion in 2013. The survey shows Oklahoma has among the best performing economies in the nine-state region, including in job creation during the last year and in anticipated overall growth in the coming year.

December collections

The revenue report for December shows gross collections at \$974.77 million, up \$13.95 million or 1.5 percent from December 2011.

Gross income tax collections, a combination of personal and corporate income taxes, generated \$378.82 million, an increase of \$6.1 million or 1.6 percent from the previous December.

Personal income tax collections for the month are \$291.61 million, up \$11.78 million or 4.2 percent from the prior year. Corporate collections are \$87.21 million, a decrease of \$5.69 million or 6.1 percent.

Sales tax collections, including remittances on behalf of cities and counties, total \$364.97 million in December. That is \$20.45 million or 5.9 percent above December 2011.

Gross production taxes on oil and natural gas generated \$60.16 million in December, a decrease of \$11.25 million or 15.7 percent from last December. Compared to November reports, gross production collections are up by \$3.92 million or 7.0 percent.

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Motor vehicle taxes produced \$52.18 million, down by \$7.4 million or 12.4 percent from the prior year.

Other collections, consisting of about 60 different sources including taxes on fuel, tobacco, horse race gambling and alcoholic beverages, produced \$118.63 million during the month. That is \$6.06 million or 5.4 percent more than last December.

2012 collections

During 2012, gross revenue totals \$11.087 billion. That is \$405.36 million or 3.8 percent higher than collections in 2011.

Gross income taxes generated \$3.96 billion for the year, reflecting an increase of \$250.81 million or 6.8 percent from the prior calendar year.

Personal income tax collections total \$3.371 billion, up by \$177.6 million or 5.6 percent from 2011. Corporate collections are \$588.98 million for the period, an increase of \$73.21 million or 14.2 percent over the previous year.

Sales taxes for the period generated \$4.175 billion, an increase of \$334.85 million or 8.7 percent from the prior 12-months.

Oil and gas gross production tax collections brought in \$728.04 million during the 12 months, down by \$309.09 million or 29.8 percent from the previous period.

Motor vehicle collections total \$701.89 million for the period. This is an increase of \$38.84 million or 5.9 percent from the trailing 12 months.

Other sources generated \$1.522 billion, up \$89.95 million or 6.3 percent from the previous calendar year.

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Gross Receipts to Treasury

PRELIMINARY

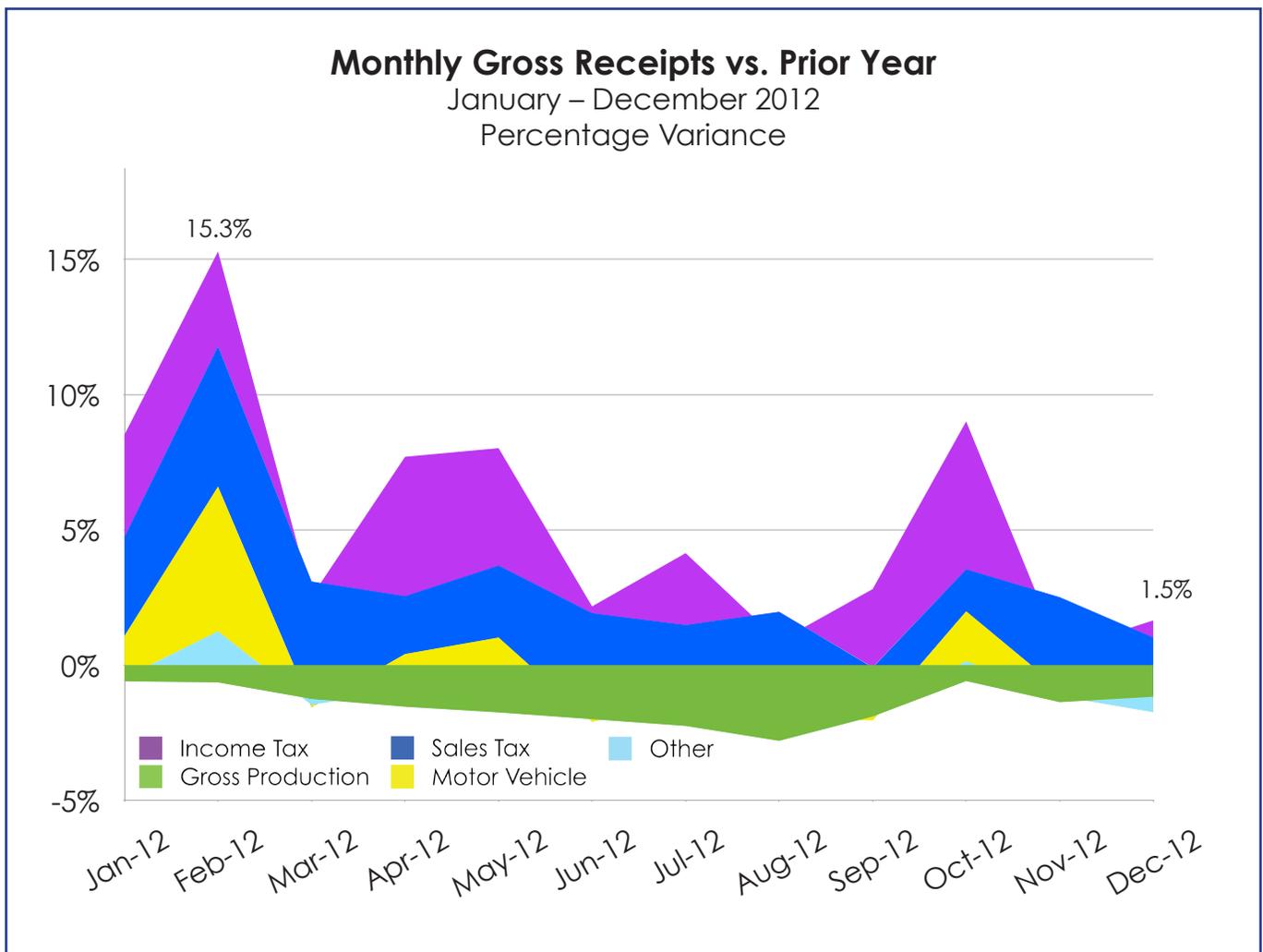
MONTHLY COMPARISON

(In \$ millions)			Variance From Prior Year	
	December-11	December-12	\$	%
Income Tax	372.73	378.82	6.10	1.6%
Gross Production	71.41	60.16	-11.25	-15.7%
Sales Tax (1)	344.53	364.97	20.45	5.9%
Motor Vehicle	59.58	52.18	-7.40	-12.4%
Other Sources (2)	112.56	118.63	6.06	5.4%
TOTAL REVENUE	960.81	974.77	13.95	1.5%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



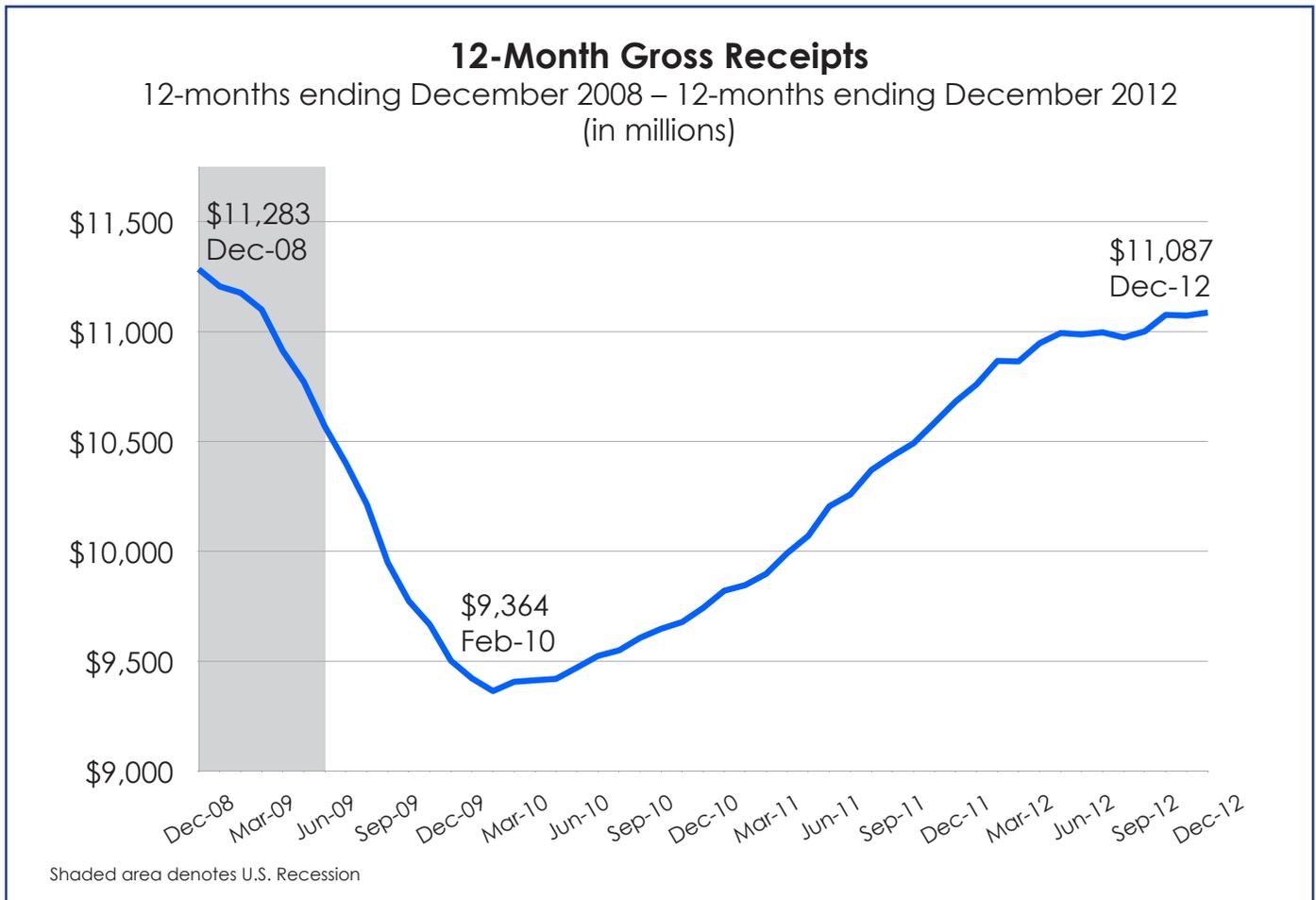
Gross Receipts to Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending January 2012 - December 2012		Summary	
	Prior Year	Current Year	Variance From Prior Year	
	Jan. 2011 - Dec. 2011	Jan. 2012 - Dec. 2012	\$	%
Income Tax	3,708.81	3,959.62	250.81	6.8%
Gross Production	1,037.13	728.04	-309.09	-29.8%
Sales Tax (1)	3,840.52	4,175.37	334.85	8.7%
Motor Vehicle	663.05	701.89	38.84	5.9%
Other Sources (2)	1,431.94	1,521.89	89.95	6.3%
TOTAL REVENUE	10,681.45	11,086.81	405.36	3.8%

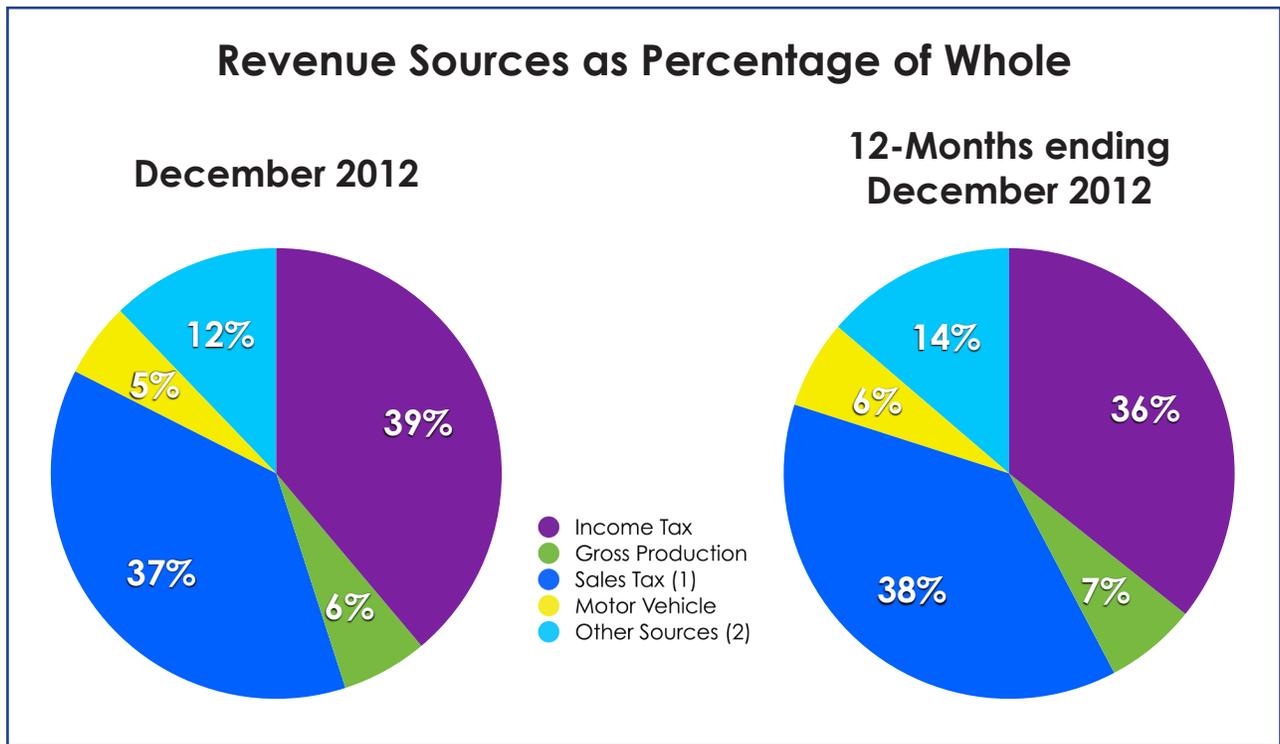
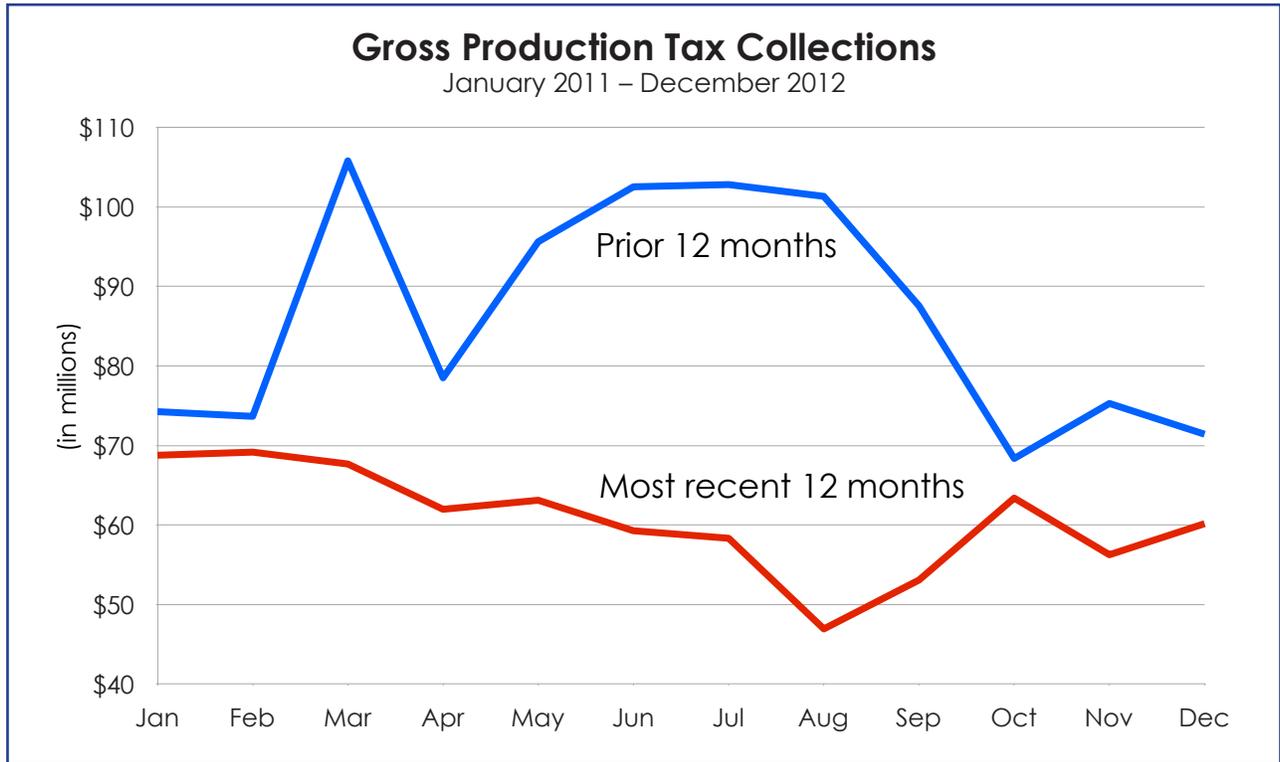
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Gross Receipts to Treasury



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