

## Oklahoma's economy continues to outpace projections

Oklahoma's general fund collections recorded double-digit growth in December and for the first six months of this fiscal year, according to reports released Tuesday.

BY MICHAEL MCNUTT [mmcnutt@opubco.com](mailto:mmcnutt@opubco.com)  6

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State general fund collections recorded double-digit growth in December and for the first six months of this fiscal year, according to reports released Tuesday.

All major categories of revenue collections were up by double digits in December, except sales taxes, according to revenue reports issued by the state finance office.

Sales tax collections produced \$153.5 million, or 5.7 percent more than a year ago, but came in below estimates. Sales tax collections for December came in 0.4 percent below projections. The sales tax collections covered actual and estimated sales for the last 15 days of November and the first 15 days of December.

“More Oklahomans had jobs this Christmas than in 2010,” state Finance Director Preston Doerflinger said. “But the sales tax figures for the first part of the holiday shopping period indicate our citizens were prudent in their spending, just as we need to be in state government as we move to modernize our agencies and systems for delivering services. We still face a difficult task in building a budget for the upcoming legislative session.”

Despite the increase in revenue so far this fiscal year, state officials are preparing for a flat budget in the upcoming fiscal year.

Lawmakers should have about \$6.5 billion in state funds to appropriate for the upcoming 2013 fiscal year, or about \$115 million more than this fiscal year. But in crafting this year's budget, lawmakers and the governor used about \$500 million in one-time funds that aren't available next year; based on early budget projections, lawmakers could face a budget shortfall of about \$150 million.

Tax collections for the state's general revenue fund, the principal funding source of state government, were up 19.3 percent for December compared with the same month a year ago, according to figures from the state finance office.

“We've had a vigorous recovery so far and collections to the general revenue fund have

exceeded the estimate for eight months in a row, while topping prior year collections for 20 consecutive months,” Doerflinger said. “So the future looks bright for Oklahoma, but we still have concerns over global economic uncertainty.”

Collections last month were \$542.4 million, an increase of \$87.9 million compared with December 2010. The amount collected in December was 16.6 percent more than projected.

Collections for the general revenue fund through the first half of this fiscal year were \$2.7 billion, or 14.1 percent more than a year ago. Collections so far this fiscal year, which started July 1, are 9.7 percent above the estimate.

In November, tax collections for the general revenue fund were 22.6 percent more than the same period a year ago.

“We had the best two months of the 2012 fiscal year in November and December, putting an exclamation point on our recovery from the Great Recession,” Doerflinger said.

A big reason for the economic growth has been the miniboom in the oil fields, which has generated activity throughout the state's economy and contributed to the growing manufacturing base, he said.

“As we look toward the second half of the fiscal year, it is unrealistic to expect that such dramatic increases in receipts will continue on a month-to-month basis,” said Doerflinger, who also serves as secretary of finance. “But all signs point to our economy continuing to outperform other states in our region and the nation as a whole.”



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