Economy Expands as Energy Prices Surge

Rapidly rising crude oil and natural gas prices helped push Oklahoma Gross Receipts to the Treasury into uncharted territory in October, State Treasurer Randy McDaniel announced today.

Gross receipts of $1.27 billion for October and $14.7 billion for the past 12 months set record highs yet again. Monthly receipts are up by 16 percent over the year and 12-month collections are 11.2 percent higher than during the prior period.

Treasurer McDaniel said the outlook for Oklahoma's economy remains favorable.

"The growth we are seeing reflects true economic expansion even when inflationary factors are taken into consideration," McDaniel said. "While the strong performance of the state economy – evidenced by record high collections and low unemployment – has become almost routine, it's still impressive."

Gross production collections topped $100 million for a third consecutive month and grew by more than 100 percent compared to the same month of the prior year for the seventh month in a row.

October gross production receipts are from oil field activity in August, when West Texas Intermediate Crude Oil at Cushing averaged $67.73 per barrel and Henry Hub natural gas averaged $4.07 per million BTU. As an indicator of what’s to come, crude oil prices have risen 20 percent and natural gas by 35 percent in the past two months.

In October, every major revenue stream showed growth except for motor vehicle collections, which were down less than 2 percent. However, one line item – the...
October Gross Receipts

medical marijuana tax – fell below collections from October of last year by almost 5 percent. It marks the first year-over-year decline in that revenue source.

Collections from the past 12 months show growth in every major revenue stream.

Other indicators
The Oklahoma Business Conditions Index for October points to anticipated economic growth in the coming months. The monthly index was set at 63.0, up from 58.6 in September. Numbers above 50 indicate expansion is expected during the next three to six months.

The September unemployment rate in Oklahoma was reported as 3.0 percent by the U.S. Bureau of Labor Statistics. The state’s jobless rate was down from 3.3 percent in August and from 5.7 percent in September 2020.

The U.S. unemployment rate was set at 4.8 percent in August.

October collections
Compared to gross receipts from October 2020, collections in October 2021 show:

- Total monthly gross collections are $1.27 billion, up $175.8 million, or 16 percent.
- Gross income tax collections, a combination of individual and corporate income taxes, generated $414.1 million, up by $37.4 million, or 9.9 percent.
  - Individual income tax collections are $380.5 million, an increase of $34.6 million, or 10 percent.
  - Corporate collections are $33.7 million, up by $2.8 million, or 9.2 percent.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total $529.1 million – up by $69 million, or 15 percent.
  - Sales tax collections total $452.2 million, an increase of $56 million, or 14.1 percent.
  - Use tax receipts, collected on out-of-state purchases including internet sales, generated $76.9 million, an increase of $12.9 million, or 20.2 percent.
- Gross production taxes on oil and natural gas total $105.8 million, an
October Gross Receipts

increase of $57.8 million, or 120.5 percent.

- Motor vehicle taxes produced $68.1 million, down by $1.3 million, or 1.9 percent.
- Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced $155.9 million – up by $12.9 million, or 9 percent.
  - The medical marijuana tax produced $5 million, down by $242,735, or 4.6 percent from October 2020.

Twelve-month collections

Combined gross receipts for past 12 months compared to the trailing 12 months show:

- Gross revenue totals $14.7 billion. That is $1.48 billion, or 11.2 percent, above collections from the previous period.
- Gross income taxes generated $5.12 billion, an increase of $368.7 million, or 7.8 percent.
  - Individual income tax collections total $4.31 billion, up by $231.6 million, or 5.7 percent.
  - Corporate collections are $811.1 million, an increase of $137.2 million, or 20.4 percent.
- Combined sales and use taxes generated $6.09 billion, an increase of $633.6 million, or 11.6 percent.
  - Gross sales tax receipts total $5.19 billion, up by $491.6 million, or 10.5 percent.
  - Use tax collections generated $904.4 million, an increase of $142 million, or 18.6 percent.
- Oil and gas gross production tax collections generated $993.8 million, up by $308.6 million, or 45 percent.
- Motor vehicle collections total $852.2 million, an increase of $76.2 million, or 9.8 percent.
October Gross Receipts

- Other sources generated $1.64 billion, up by $96.6 million, or 6.3 percent.
  - Medical marijuana taxes generated $66.3 million, up by $13.9 million, or 26.5 percent.

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 apportioned to other state funds, remitted to cities and counties, and paid in rebates and refunds.

Revenue Sources as Percentage of Whole

<table>
<thead>
<tr>
<th>October 2021</th>
<th>Past 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income</td>
<td>12%</td>
</tr>
<tr>
<td>Corporate Income</td>
<td>5%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>5%</td>
</tr>
<tr>
<td>Use Tax</td>
<td>3%</td>
</tr>
<tr>
<td>Gross Production</td>
<td>36%</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>30%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>

Numbers may not sum due to rounding.

More information

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Archived reports dating to March 2011: https://go.usa.gov/xfu5Q
Economic Indicators

Unemployment Rate
January 1980 – September 2021

Source: Bureau of Labor Statistics

Gross Receipts vs. Oil & Gas Employment
January 2008 – October 2021

Sources: BLS & State Treasurer

Business Conditions Index
January 2011 – October 2021

Source: Creighton University

Oklahoma Stock Index
January 2009 – October 2021

Source: Office of the State Treasurer

Oklahoma Crude Oil Prices & Active Rigs
January 2011 – October 2021

Sources: Baker Hughes & U.S. EIA

Oklahoma Natural Gas Prices & Active Rigs
January 2011 – October 2021

Sources: Baker Hughes & U.S. EIA