



## OKLAHOMA STATE TREASURER RANDY MCDANIEL

For Immediate Release: June 6, 2022

### **Inflation Taking Toll on State Economy**

**OKLAHOMA CITY** – Gross Receipts to the Treasury in May reflect the dampening effect of inflation on the Oklahoma economy, State Treasurer Randy McDaniel announced today.

May gross receipts of \$1.3 billion are up 5 percent from a year ago, the slowest rate of growth in 10 months. The current annual inflation rate is 8.3 percent. Energy prices are up 30.3 percent over the year and food costs are up 9.4 percent, the largest increase since April 1981.

“Oklahoma is holding its own in a challenging economic environment,” Treasurer McDaniel said. “While unemployment remains low, equity returns have not recovered and inflation is taking a toll on everyone.”

Consumption taxes – sales and use tax receipts – grew by 5.9 percent in May, less than the current rate of inflation.

“When inflation outpaces revenue, buying power decreases,” said McDaniel. “Spending more to purchase the same things impacts all budgets, especially those of hard-working Oklahomans.”

Income tax collections dropped by almost 12 percent but this outcome is related to last year’s delayed filing deadline which increased 2021 collections. Motor vehicle receipts are up by 5.5 percent from the prior year and gross production collections in May are up significantly.

Twelve-month collections of \$16.48 billion are up by \$2.6 billion, or 18.8 percent, compared to the previous 12 months with all four major revenue streams showing growth.

#### **Other indicators**

The Oklahoma unemployment rate in April was reported as 2.7 percent by the U.S. Bureau of Labor Statistics. That is unchanged from March. The U.S. jobless rate was listed as 3.6 percent in April, also unchanged from March.

The monthly Oklahoma Business Conditions Index improved in May. The index for the month was set at 66.1, up from 65.8 in April. The outlook remains positive as numbers above 50 indicate expected expansion during the next three to six months.

#### **May collections**

May 2022 collections compared to gross receipts from May 2021 show:

- Total monthly gross collections are \$1.3 billion, up \$62.2 million, or 5 percent.

- Gross income tax collections, a combination of individual and corporate income taxes, generated \$357 million, down by \$47.1 million, or 11.7 percent.
  - Individual income tax collections are \$314.2 million, a decrease of \$41.6 million, or 11.7 percent.
  - Corporate collections are \$42.8 million, down by \$5.5 million, or 11.4 percent.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$565.7 million – up by \$31.5 million, or 5.9 percent.
  - Sales tax collections total \$485.5 million, an increase of \$26.9 million, or 5.9 percent.
  - Use tax receipts, collected on out-of-state purchases including internet sales, generated \$80.2 million, an increase of \$4.5 million, or 6 percent.
- Gross production taxes on oil and natural gas total \$162.1 million, an increase of \$74.9 million, or 85.8 percent.
- Motor vehicle taxes produced \$75.2 million, up by \$3.9 million, or 5.5 percent.
- Other collections composed of some 60 different sources including taxes on fuel, tobacco, medical marijuana, and alcoholic beverages, produced \$140.1 million – down by \$883,539, or 0.6 percent.
  - The medical marijuana tax produced \$4.9 million, down by \$1.1 million, or 18.3 percent from May 2021.

### **Twelve-month collections**

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

- Gross revenue totals \$16.48 billion. That is \$2.61 billion, or 18.8 percent, above collections from the previous period.
- Gross income taxes generated \$5.94 billion, an increase of \$920.6 million, or 18.3 percent.
  - Individual income tax collections total \$4.91 billion, up by \$663.3 million, or 15.6 percent.
  - Corporate collections are \$1.03 billion, an increase of \$257.3 million, or 33.2 percent.
- Combined sales and use taxes generated \$6.54 billion, an increase of \$774.2 million, or 13.4 percent.
  - Gross sales tax receipts total \$5.56 billion, up by \$651.7 million, or 13.3 percent.

- Use tax collections generated \$976.6 million, an increase of \$122.6 million, or 14.4 percent.
- Oil and gas gross production tax collections generated \$1.44 billion, up by \$744.2 million, or 107.2 percent.
- Motor vehicle collections total \$882 million, an increase of \$70 million, or 8.6 percent.
- Other sources generated \$1.68 billion, up by \$98.2 million, or 6.2 percent.
  - Medical marijuana taxes generated \$61.5 million, down by \$4.1 million, or 6.3 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.

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

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# Gross Receipts to Treasury

PRELIMINARY

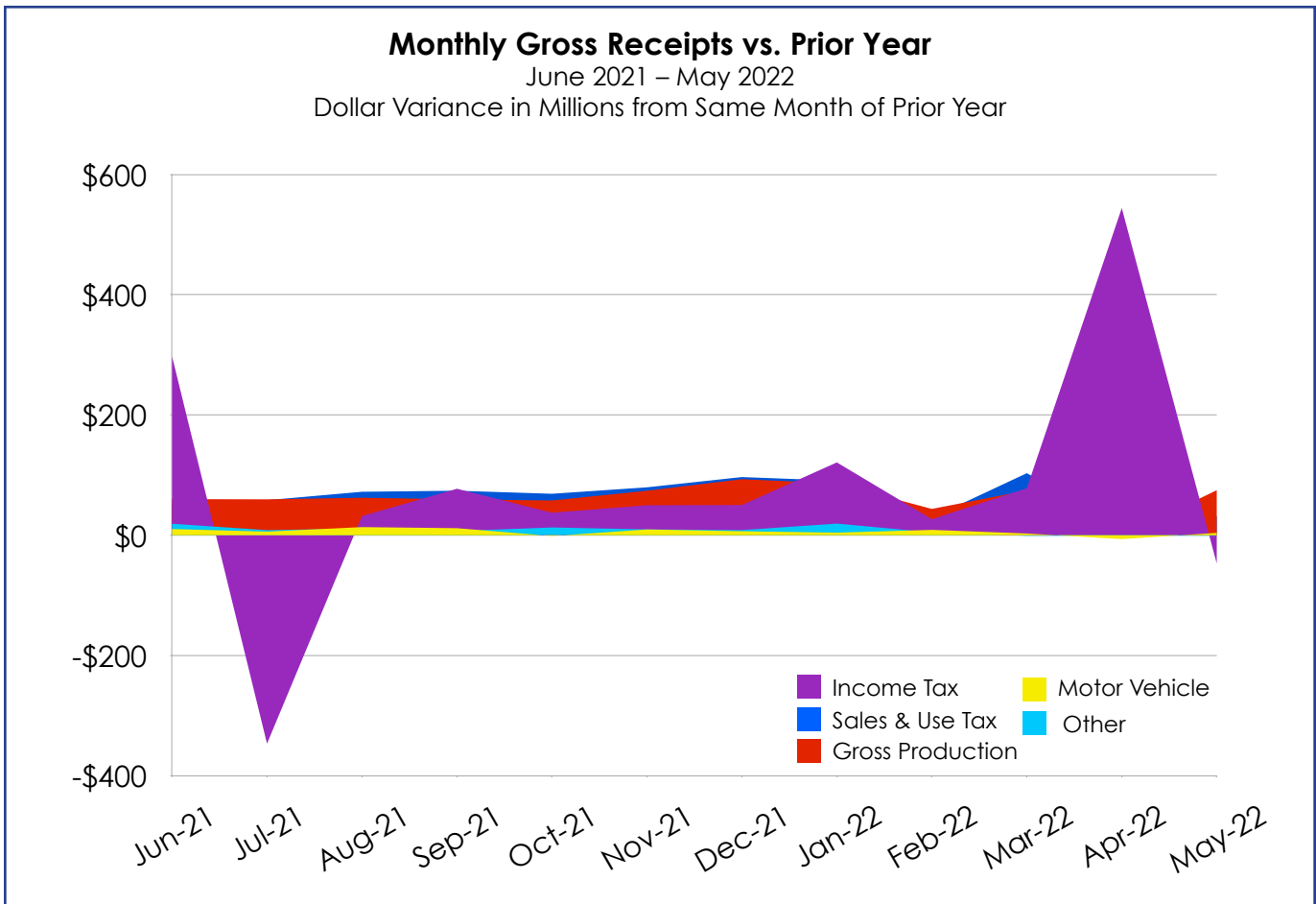
## MONTHLY COMPARISON

(In \$ millions)			Variance From Prior Year	
	May-21	May-22	\$	%
<b>Total Income Tax</b>	<b>404.1</b>	<b>357.0</b>	<b>(47.1)</b>	<b>-11.7%</b>
<i>Individual</i>	355.8	314.2	(41.6)	-11.7%
<i>Corporate</i>	48.3	42.8	(5.5)	-11.4%
<b>Sales &amp; Use Tax (1)</b>	<b>534.2</b>	<b>565.7</b>	<b>31.5</b>	<b>5.9%</b>
<i>Sales Tax</i>	458.6	485.5	26.9	5.9%
<i>Use Tax</i>	75.6	80.2	4.5	6.0%
<b>Gross Production</b>	<b>87.3</b>	<b>162.1</b>	<b>74.9</b>	<b>85.8%</b>
<b>Motor Vehicle</b>	<b>71.3</b>	<b>75.2</b>	<b>3.9</b>	<b>5.5%</b>
<b>Other Sources (2)</b>	<b>141.0</b>	<b>140.1</b>	<b>(0.9)</b>	<b>-0.6%</b>
<b>TOTAL REVENUE</b>	<b>1,237.8</b>	<b>1,300.1</b>	<b>62.2</b>	<b>5.0%</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 21-May 22			
	Prior Year	Current Year	Variance From Prior Year	
	June 20- May 21	June 21-May 22	\$	%
<b>Total Income Tax</b>	<b>5,021.0</b>	<b>5,941.6</b>	<b>920.6</b>	<b>18.3%</b>
<i>Individual</i>	4,246.2	4,909.5	663.3	15.6%
<i>Corporate</i>	774.8	1,032.1	257.3	33.2%
<b>Sales and Use Tax (1)</b>	<b>5,765.9</b>	<b>6,540.2</b>	<b>774.3</b>	<b>13.4%</b>
<i>Sales Tax</i>	4,911.9	5,563.5	651.7	13.3%
<i>Use Tax</i>	854.0	976.6	122.6	14.4%
<b>Gross Production</b>	<b>694.2</b>	<b>1,438.5</b>	<b>744.2</b>	<b>107.2%</b>
<b>Motor Vehicle</b>	<b>812.0</b>	<b>882.0</b>	<b>70.0</b>	<b>8.6%</b>
<b>Other Sources (2)</b>	<b>1,582.2</b>	<b>1,680.5</b>	<b>98.2</b>	<b>6.2%</b>
<b>TOTAL REVENUE</b>	<b>13,875.4</b>	<b>16,482.6</b>	<b>2,607.27</b>	<b>18.8%</b>

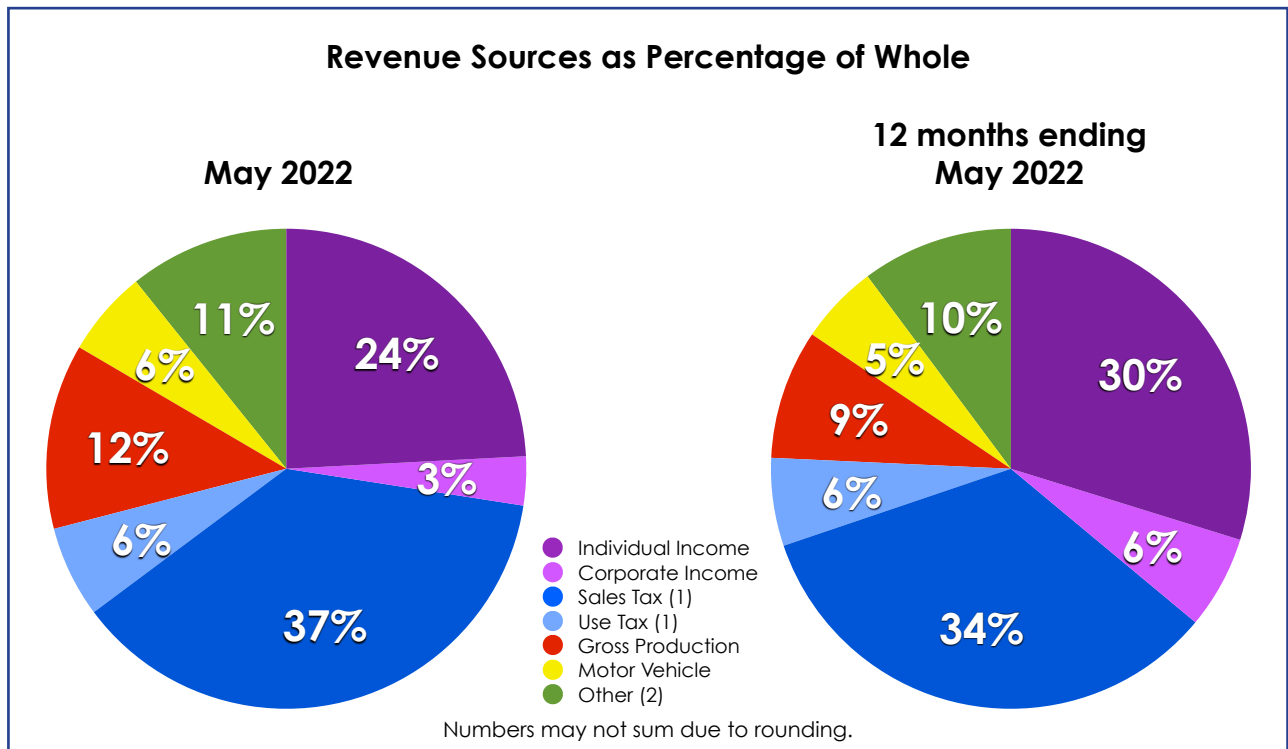
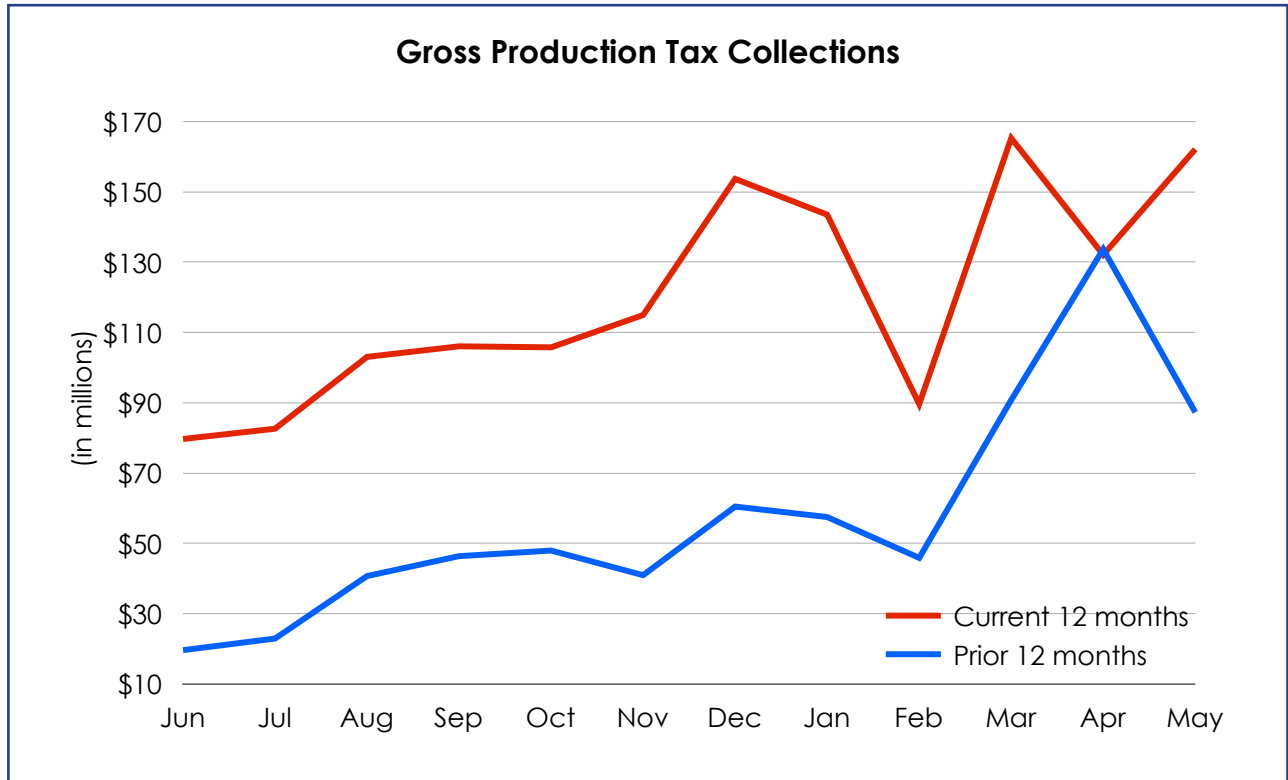
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# Gross Receipts to Treasury



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