



Oklahoma Economic Report

February 16, 2023

Oklahoma State Treasurer Todd Russ

Meet Treasurer Russ

Todd Russ is the 20th State Treasurer of Oklahoma. He was elected to a four-year term in 2022 with 65 percent of the vote, carrying all 77 counties.

Russ is a fourth-generation resident of Western Oklahoma. He earned a bachelor's degree in Finance from Southwestern Oklahoma State University. Russ is also a graduate of the University of Colorado Graduate School of Banking. He has specialized training in Asset/Liability Management and Interest Rate Risk Analysis.

Russ was the founder of the Burns Flat – Dill City Educational Foundation. He was one of the charter members of the Oklahoma Southwest Economic Alliance. Russ served as a member of the Cordell City Council and on

the advisory board for the Western Technology Center for Business. He is a member of Leadership Oklahoma, Class XXI.



Todd Russ has more than 30 years of banking experience. While President/CEO of the Washita State Bank in Burns Flat, his bank was rated as one of the top performing banks in

the nation. Russ sold the majority of his bank stock and began management consulting with banks and businesses in 2008. He has been on the Board of Directors of the Oklahoma Bankers Association and Chairman of the OBA Small Bank Council.

Russ also served six terms (2010-22) representing District 55 in the Oklahoma House of Representatives. During his tenure, he served as Chairman of the House Transportation Appropriations and Budget Committee and was a member of House Leadership.

Todd and Khristy Russ live in Cordell. They have been married for 39 years and are members of New Beginnings Assembly of God. They have three grown children and five grandchildren.



OKLAHOMA STATE TREASURER TODD RUSS

February 2023

Gross Receipts Remain Resilient

OKLAHOMA CITY – Gross Receipts to the Treasury recorded a new high over the past twelve months, yet rising interest rates are a cause for concern regarding future economic growth, State Treasurer Todd Russ recently announced.

Twelve-month gross receipts through January are \$17.48 billion, up by \$1.98 billion or 12.8 percent from the prior twelve months. For the month, total collections of \$1.59 billion are up by \$40.5 million, or only 2.7 percent compared to last January.

“The Gross Receipts report shows noteworthy improvement,” said Treasurer Russ. “Even so, higher interest rates are causing a slowdown in housing demand and other economic activity.”

Over the past year, all major revenue streams reflected growth. Sales and use tax collections exceeded the rate of inflation of 6.5 percent, growing at 8.6 percent. Income tax receipts increased by 13.1 percent.

The monthly Oklahoma Business Conditions Index rose slightly in January. This index, produced by Creighton University, increased from 40.2 in December to 43.3 depicting some economic improvement. However, an index number under 50 indicates a forecast for potential contraction during the next three to six months.

Other indicators

As measured by the Consumer Price Index, the U.S. Bureau of Labor Statistics (BLS) reports the annual inflation rate at 6.5 percent in December. The energy component of the index at 7.3 percent over the year is expected to remain high, along with the food index which stands at 10.4 percent.

Oklahoma’s employment numbers continue to exhibit strength, despite changes in workforce trends. The Oklahoma unemployment rate in December stayed at 3.4 percent, as reported by the BLS. This rate has not changed since September. The U.S. jobless rate was 3.5 percent in December, down by one-tenth of a percentage point from November.

According to Federal Reserve Economic Data from 2022, average mortgage rates doubled from 3.5 percent to 7 percent during the beginning of last year through October. Thereafter, 30-year mortgage rates have declined to approximately 6 percent, but the relatively high rates coupled with higher housing prices have caused a drop in housing demand.

January collections

January 2023 collections compared to gross receipts from January 2022 show:

- Total monthly gross collections are \$1.55 billion, up by \$40.5 million, or 2.7 percent.
- Gross income tax collections, a combination of individual and corporate income taxes, generated \$550.4 million, down by \$3.1 million, or 0.6 percent.
 - Individual income tax collections are \$482.2 million, an increase of \$35.9 million, or 8.0 percent.
 - Corporate collections are \$68.2 million, down by \$38.9 million, or 36.4 percent.
- Combined sales and use tax collections, including remittances on behalf of cities and counties, total \$629.4 million – up by \$32.3 million – or 5.4 percent.
 - Sales tax collections total \$515.2 million, an increase of \$21.9 million, or 4.4 percent.
 - Use tax receipts, collected on out-of-state purchases including internet sales, generated \$114.2 million, an increase of \$10.3 million, or 9.9 percent.
- Gross production taxes on oil and natural gas total \$153.1 million, an increase of \$9.6 million, or 6.7 percent.
- Motor vehicle taxes produced \$74.1 million, up by \$5.4 million, or 7.8 percent.
- Other collections composed of some 60 different sources produced \$141.8 million – down by \$3.7 million, or 2.5 percent.

Twelve-month collections

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

- Gross revenue totals \$17.48 billion. That is \$1.98 billion, or 12.8 percent, above collections from the previous 12 months.
- Gross income taxes generated \$6.0 billion, an increase of \$700.5 million, or 13.1 percent.
 - Individual income tax collections total \$5.0 billion, up by \$587.3 million, or 13.2 percent.
 - Corporate collections are \$1.0 billion, an increase of \$113.2 million, or 12.8 percent.
- Combined sales and use taxes generated \$6.9 billion, an increase of \$544.3 million, or 8.6 percent.
 - Gross sales tax receipts total \$5.8 billion, up by \$428.5 million, or 7.9 percent.
 - Use tax collections generated \$1.0 billion, an increase of \$115.8 million, or 12.3 percent.

- Oil and gas gross production tax collections generated almost \$2.0 billion, up by \$747.2 million, or 59.9 percent.
- Motor vehicle collections total \$875.7 million, an increase of \$3.0 million, or 0.3 percent.
- Other sources generated \$1.7 billion, down by \$13.5 million, or 0.8 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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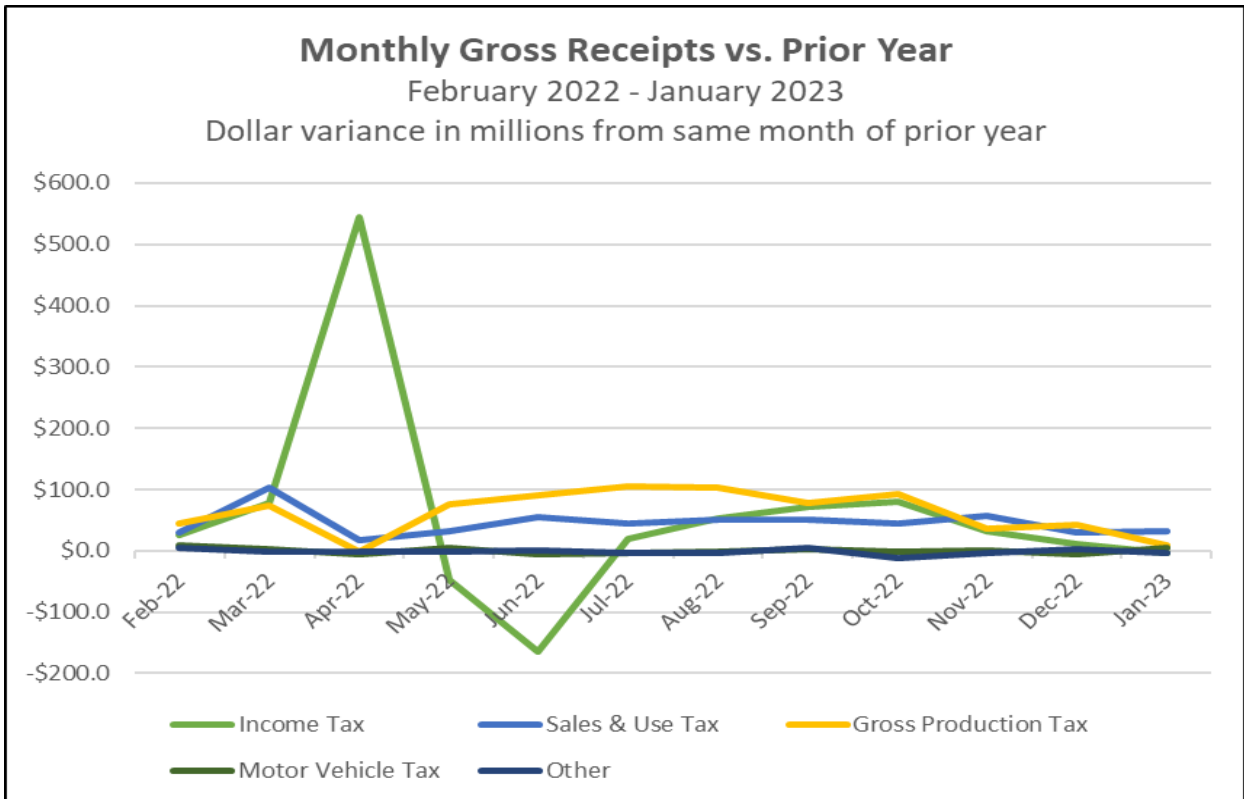
Gross Receipts to the Treasury

PRELIMINARY (In \$ millions)	MONTHLY COMPARISON		Variance From Prior Year	
	January-22	January-23	\$	%
Total Income Tax	553.5	550.4	(3.1)	-0.6%
<i>Individual</i>	446.4	482.2	35.9	8.0%
<i>Corporate</i>	107.1	68.2	(38.9)	-36.4%
Sales & Use Tax (1)	597.1	629.4	32.3	5.4%
<i>Sales Tax</i>	493.2	515.2	21.9	4.4%
<i>Use Tax</i>	103.9	114.2	10.3	9.9%
Gross Production	143.5	153.1	9.6	6.7%
Motor Vehicle	68.8	74.1	5.4	7.8%
Other Sources (2)	145.5	141.8	(3.7)	-2.5%
TOTAL REVENUE	1,508.4	1,548.9	40.5	2.7%

(1) Includes Collections for Counties and Municipalities

(2) Gross Collections from OTC

Details may not sum due to rounding.



Gross Receipts to the Treasury

PRELIMINARY (In \$ millions)	12 Month Period Ending Feb 22-Jan 23		Variance From Prior Year	
	Prior Year	Current Year	\$	%
	Feb 21-Jan 22	Feb 22-Jan 23		
Total Income Tax	5,339.7	6,040.3	700.5	13.1%
<i>Individual</i>	4,452.6	5,039.9	587.3	13.2%
<i>Corporate</i>	887.1	1,000.4	113.2	12.8%
Sales and Use Tax (1)	6,359.8	6,904.1	544.3	8.6%
<i>Sales Tax</i>	5,415.2	5,843.7	428.5	7.9%
<i>Use Tax</i>	944.6	1,060.4	115.8	12.3%
Gross Production	1,247.0	1,994.2	747.2	59.9%
Motor Vehicle	872.7	875.7	3.0	0.3%
Other Sources (2)	1,678.4	1,664.9	(13.5)	-0.8%
TOTAL REVENUE	15,497.7	17,479.2	1,981.51	12.8%

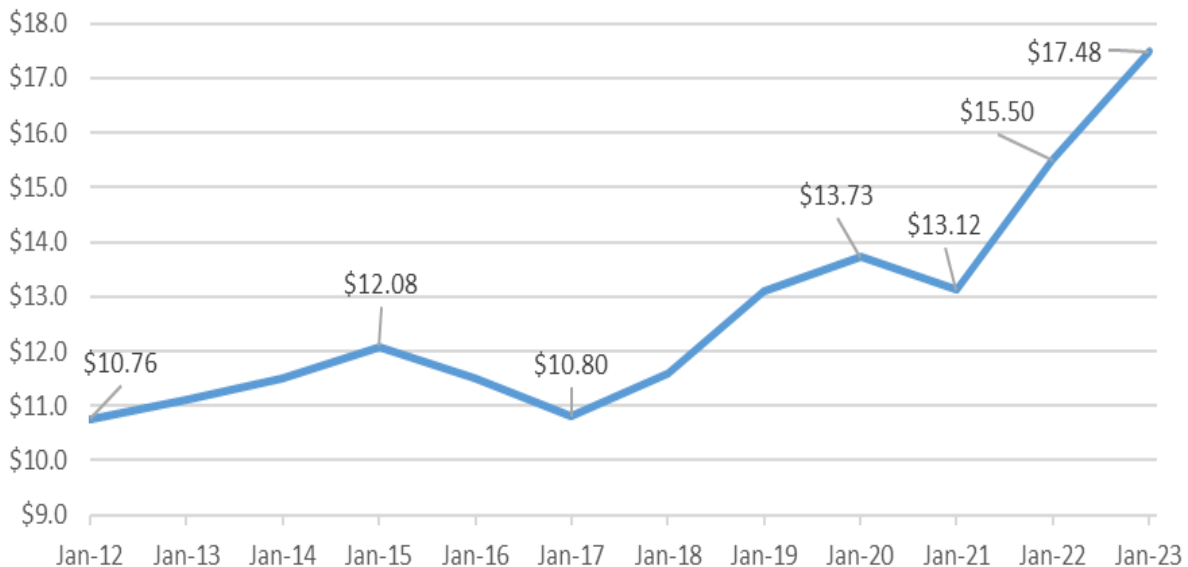
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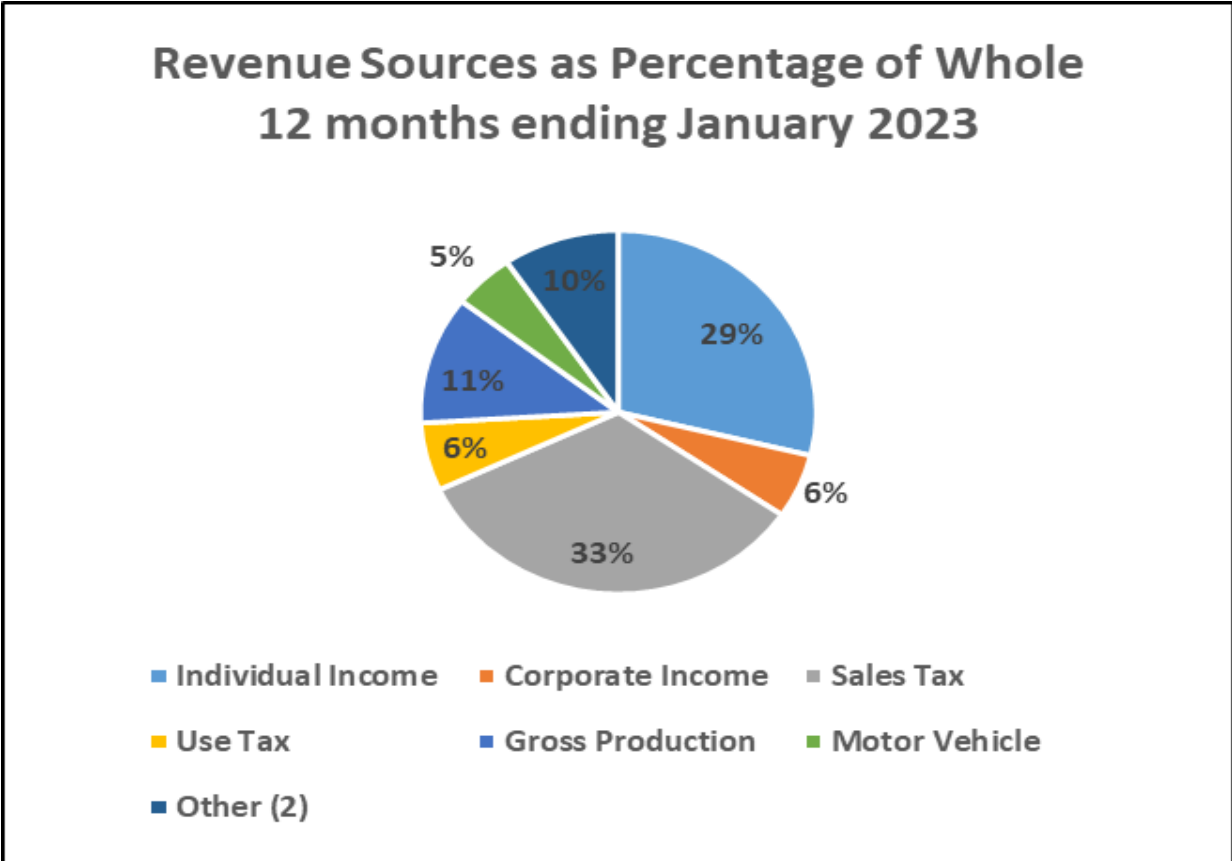
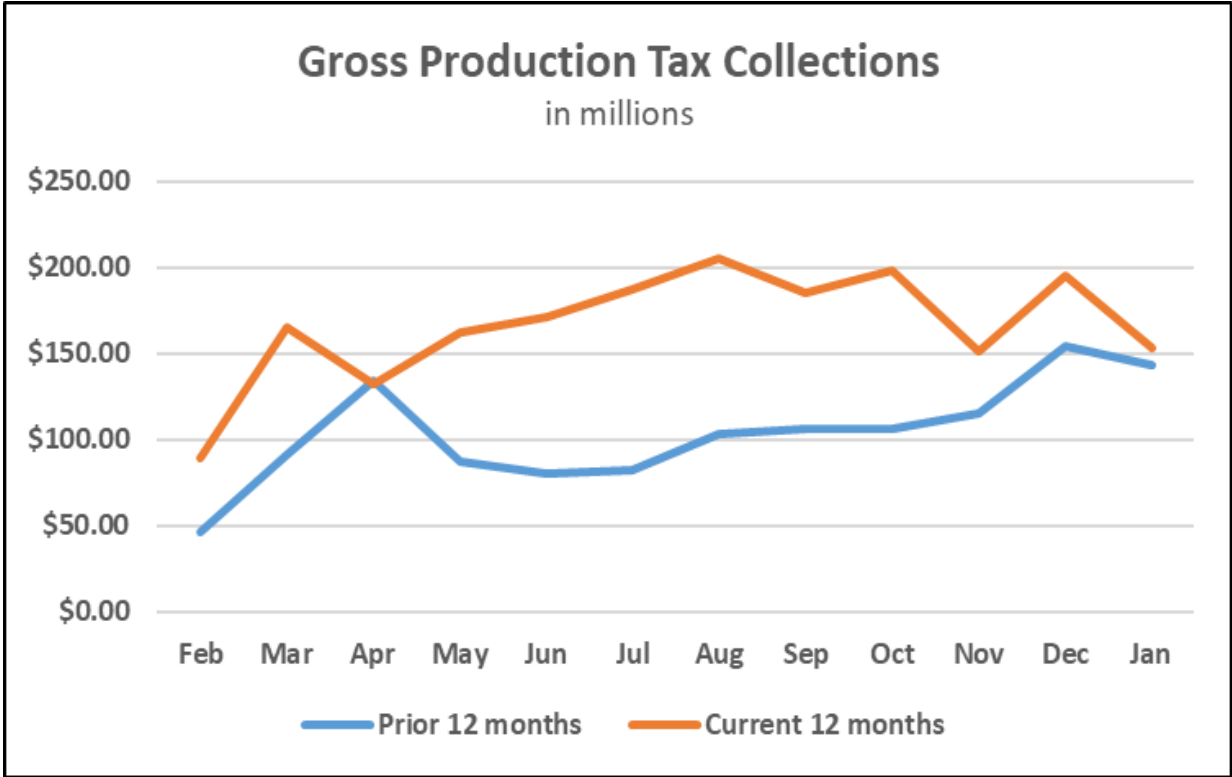
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12-Month Gross Receipts

12 months ending January 2012 - 12 months ending January 2023 (in \$ billions)



Gross Receipts to the Treasury



(1) Includes Collections for Counties and Municipalities
 (2) Gross Collections from OTC