



# OKLAHOMA State Treasurer



## June Economic Report

Gross Receipts to the state Treasury continue to slide with moderating oil and gas prices, Oklahoma State Treasurer Todd Russ announced.

The 12-month total in June of \$17.44 billion is nearly \$200 million less than the high set in March of \$17.64 billion and is almost \$40 million below last month's total of \$17.48 billion.

When comparing June 2022 to June 2023, the total receipts decreased \$38.1 million, or 2.5 percent. However, this monthly comparison includes a decrease in oil and gas production revenue of \$73.1 million, or 42.7 percent, which is evidence of the downward trend of energy prices.

### Other Indicators

According to AAA, the national average price for a gallon of unleaded gas surpassed \$5 for the

first time in June 2022. As of June 29, 2023, the average price per fuel type gallon was as follows: \$3.22 for regular, \$3.55 for mid-grade, \$3.83 for premium and \$3.48 for diesel.

The U.S. jobless rate rose to 3.7 percent in May, up by 0.3 percent from the prior month. Even so, however, Oklahoma's unemployment rate fell slightly, down by 0.1 percent, settling at 2.8 percent for May.

As measured by the Consumer Price Index, the U.S. Bureau of Labor Statistics reported the country's annual inflation rate stayed on a downward trajectory, dropping to 4.0 percent in May. The energy component of the index decreased over the last twelve months, but the food index continued to remain higher than the overall inflation rate, ending May at a rate of 6.7 percent.



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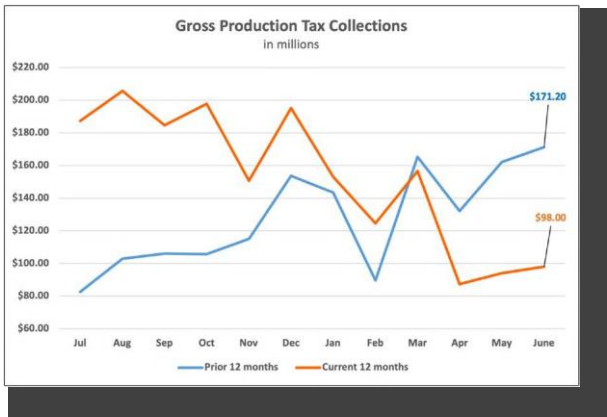
# Economic Report

### June collections

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

- Total monthly gross collections are \$1.47 billion, down by \$38.1 million, or 2.5 percent.
- Gross income tax collections, a combination of individual and corporate income

- Gross production taxes on oil and natural gas total \$98.0 million, a decrease of \$73.1 million, or 42.7 percent.
- Motor vehicle taxes produced \$77.3 million, a decrease of \$3.8 million, or 4.7 percent.
- Other collections composed of some 60 different sources produced \$134.4 million, a decrease of \$6.3 million, or 4.5 percent.



### Twelve-month collections

Combined gross receipts for the past 12 months com-

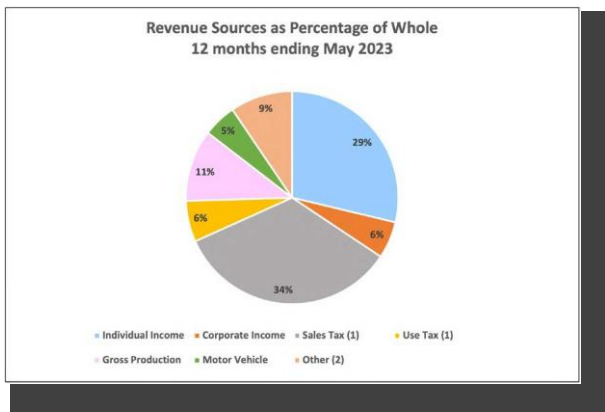


taxes, generated \$558.6 million, an increase of \$17.4 million, or 3.2 percent.

- Combined sales and use tax collections

pared to the prior year show:

- Gross revenue totals \$17.44 billion. That is \$980.5 million, or 6.0 percent, above collections from the previous 12 months.
- Gross income taxes generated \$6.0 billion, an increase of \$240.0 million, or 4.2 percent.
- Combined sales and use taxes produced \$7.0 billion, an increase of \$457.0 million, or 6.9 percent.
- Oil and gas gross production tax collections are \$1.83 billion, an increase of \$304.8 million, or 19.9 percent.
- Motor vehicle collections total \$882.0 million, up by \$4.9 million, or 0.6 percent.
- Other sources generated \$1.65 billion, down by \$26.2 million, or 1.6 percent.



– including remittances on behalf of cities and counties – total \$605.8 million, an increase of \$27.7 million, or 4.8 percent.



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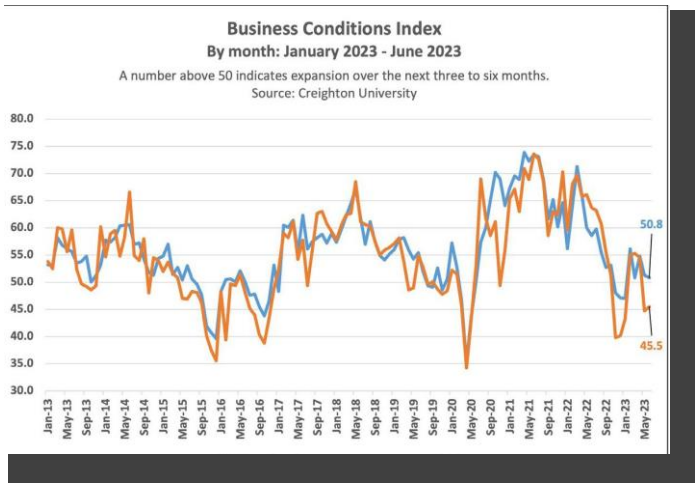
### About Gross Receipts to the Treasury

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.

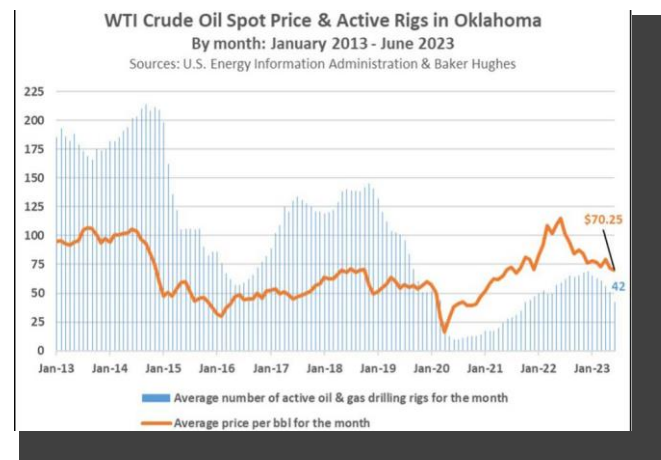
The General Revenue Fund, the state's main operating account, receives less than half of the state's gross receipts with the remainder apportioned to other state funds, remitted directly to cities and counties, and paid in rebates and refunds.

### Economic Indicators

The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north. For the fifth month in a row, the Index remained above 50 in June with a

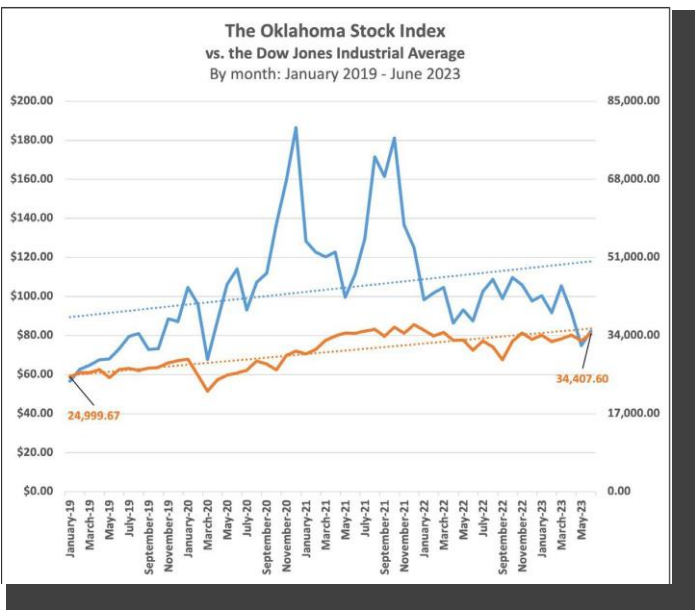


The monthly Gross Receipts to the Treasury report, developed by the State Treasurer's Office, provides a timely and broad view of the state's economy.



reading of 50.8, indicating moderate economic expansion over the next three to six months. The Index ranges between 0 and 100 with 50 being the point of growth neutrality.

The Business Conditions Index is based on the methodology of the Institute of Supply Management, which seeks to identify and analyze the key resources necessary for organizations to operate.





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# Economic Report

The goal for all businesses is to allocate their resources effectively as they make strategic decisions.

Oklahoma's index score increased to 45.5 in June, yet remained below 50 for the second consecutive month. As for the components of the overall index, only lead time for delivery came in above growth neutral at 52.5. All the other components fell below 50, with new orders at 47.2, production or sales at 47.7, inventories at 36.9 and employment at 43.2.

The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month. The Dow Jones Industrial Average, more commonly referred to as the Dow, is a stock market index. It's one of the oldest and most frequently followed indexes. The Dow tracks 30 major blue chip companies that trade on the NYSE or NASDAQ as a way to monitor the direction and performance of the equities market in the United States.

While there are many important factors, the number of rigs drilling for oil and gas tends to correlate with commodity prices over time – a higher sales price encourages more drilling activity. Hitting benchmark oil prices, such as over \$100 or below \$25 per barrel, has a major effect on drilling activity for the six to twelve months that follow.

In early 2014, the West Texas Intermediate (WTI) Crude Oil Price eclipsed \$100 per barrel, which preceded the rig count in Oklahoma jumping past 200 in the latter months of that year. Conversely, when the price of WTI plummeted to below \$25 per barrel in the beginning stages of the coronavirus pandemic in 2020, the number of rigs dropped from 50 in February 2020 and remained under 20 through March 2021.

June's average WTI Crude Oil Price of \$70.25 and average drilling rig count in Oklahoma of 42 have continued the trend line for the year. This follows the aftermath of oil topping \$100 per barrel in early 2022 for the first time since 2014, while the number of rigs in the state reached 69 in December 2022, the most since 2019.