Gross Receipts for the last 12 months of $17.07 billion are over $167 million, or 1 percent, below revenues from the previous year. Impacted by reduced oil and gas revenue, October marks the first time since March 2021 that receipts to the Treasury fell below the prior year’s 12-month revenue as expected.

Revenue from the state’s Gross Production Tax dropped more than $484 million over the last 12 months, a decrease of more than 25 percent for the year.

Revenues from all sources in October total $1.4 billion. As anticipated based on recent monthly trends, the October total receipts are down by $73.8 million, or 5 percent.

In addition, the previous month comparison shows a decline from September to October of $72 million, or 4.9 percent.

Other Indicators

The Oklahoma Business Conditions Index in October still remained above growth neutral for the second consecutive month. The October index was set at 53.0, compared to 53.7 in September. Numbers above 50 indicate economic expansion is expected during the next three to six months.

According to the U.S. Bureau of Labor Statistics, the September unemployment rate in Oklahoma was 3.0 percent. Meanwhile, the U.S. unemployment rate was 3.8 percent in September, unchanged from the previous month.

Inflation as measured by the Consumer Price Index showed an annualized rate of 3.7 percent in September. The energy component of the index reflected a decline over the year, dropping 0.5 percent, and the food index ended at the same level as the overall inflation rate.
12-Month Gross Receipts
Combined gross receipts for the past 12 months compared to the prior year show:
- Gross revenue totaled $17.07 billion, $167.68 million, or 1 percent, below the previous 12 months.
  - Gross income taxes generated $6 billion, an increase of $8.2 million, or 0.1 percent.
  - Combined sales tax and use tax produced $7.1 billion, an increase of $331.7 million, or 4.9 percent.
  - Oil and gas gross production taxes are $1.42 billion, a decrease of $484.1 million, or 25.4 percent.
  - Motor vehicle taxes total $880.5 million, up by $6 million, or 0.7 percent.
  - Other sources generated $1.64 billion, down by $29.4 million, or 1.8 percent.

October Gross Receipts
Comparing gross receipts from October 2023 to October 2022 show:
- Total monthly revenues are $1.4 billion, down by $73.8 million, or 5 percent.
  - Income taxes – a combination of individual income taxes and corporate income taxes – generated $495.8 million, an increase of $1.3 million, or 0.3 percent.
  - Combined sales tax and use tax – including remittances on behalf of cities and counties – total $590.3 million, an increase of $16.4 million, or 2.9 percent.
  - Gross production taxes on oil and natural gas total $99.8 million, a decrease of $97.9 million, or 49.5 percent.
  - Motor vehicle taxes produced $71 million, an increase of $4.2 million, or 6.3 percent.
  - Other sources, composed of some 60 different sources, produced $146.8 million, an increase of $2.2 million, or 1.5 percent.

Gross Receipts to the Treasury
Compared to last month, Gross Receipts in October decreased $71.8 million.

About the Oklahoma Economic Report
The monthly Oklahoma Economic Report, developed by the office of State Treasurer Todd Russ, provides a timely and broad overview of the state’s economy.
Gross Production Tax equaled $99.8 million for October, outpacing September by $6.38 million or 6.3 percent above last month's production.

The graph shows the monthly receipts from the Gross Production Tax (GPT) for the past year. The GPT is the Oklahoma severance tax imposed on producers for the extraction of oil and natural gas.

The revenue received from the GPT fluctuates widely because of the volatile nature of commodity prices and production levels. In response, the Revenue Stabilization Fund was created by the Legislature in 2016 to smooth out the peaks and valleys. This fund receives deposits from the gross production tax and corporate income taxes when they are above the five-year rolling average. The savings can then be used to offset future budget shortfalls.

The GPT is an important source of state funding. Over the last twelve months, GPT totaled $1.42 billion.

October's average WTI Crude Oil Price was down over $3 from the prior month, settling at $85.64. The average drilling rig count in Oklahoma of 37 continues the downward trend line for the year.

WTI Crude Oil Spot Price & Active Rigs in Oklahoma
By month: Jan ‘13 - Oct ‘23

The data for October follows in the aftermath of oil topping $100 per barrel in early 2022 for the first time since 2014, leading to the number of rigs in the state reaching 69 in December 2022.

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

Sources: U.S. Energy Information Administration & Baker Hughes
For October, the Dow Jones Industrial Average was down 1.2%. On an annualized basis, the Dow was down 0.29%.

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 performance of the equities market in the United States.

The Oklahoma component of the Index decreased slightly in October, slipping to 53.0 from 53.7 the previous month.

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. At 51.5 for the region, the Index decreased modestly in October from 52.5 the previous month. The Index ranges between 0 and 100 with 50 being the point of growth neutrality. As a result, the regional October reading is forecasting moderate economic growth over the next three to six months.

The Business Conditions Index is based on the methodology of the Institute of Supply Management, which identifies and analyzes the significant resources necessary for organizations to operate.
The U.S. jobless rate remained at 3.8 percent in September, while Oklahoma’s unemployment increased for the month ending at 3.0 percent, up by 0.2 percent.

Unemployment Rate
By month: Jan ‘00 - Sept ‘23

The unemployment rate is the percentage of the labor force who are actively pursuing employment but currently do not have a job. As shown in the graph, Oklahoma has maintained an unemployment rate below the national average.

Unemployment is one of the most significant factors economists, business executives and political leaders use to measure the health of the economy. As a general rule, a high unemployment rate depicts a contracting economy. Meanwhile, a low unemployment rate signals an expanding economy, as companies hire more workers to meet rising consumer demand for products and services.

Source: U.S. Bureau of Labor Statistics

The U.S. Bureau of Labor Statistics reports the annual inflation rate remained at 3.7 percent in September. The energy component of the index showed a decline over the year, dropping 0.5 percent and the food index ended at the same level as the overall inflation rate.

Consumer Price Index
1-Month Percent Change
By month: Jan ‘00 - Sept ‘23

The Consumer Price Index (CPI) is a key economic measure of inflation experienced by consumers in the prices paid for goods and services. The percentage of change in CPI over time is referred to as the inflation rate.

All items in graph are seasonally adjusted.

Source: U.S. Bureau of Labor Statistics
According to the U.S. Energy Information Administration, lower gas demand, alongside declining oil prices, has contributed to pushing pump prices down.

The U.S. Retail Gas Price is the average price that consumers pay per gallon at the pump, for all grades and formulations.

At the end of October, the national average price was $3.473 per gallon, with the lowest regional rates found in the Midwest and Gulf Coast and the highest costs seen on the West Coast.

Average 30-year fixed rate mortgage from January 2000 through October 2023.

Mortgage rates are the interest charged for home loans. Mortgage rates are based on a spread over U.S. Treasury bond yields as well as other economic factors. Rates are displayed as a percentage in graph.

Each week, Freddie Mac surveys lenders on the rates and points for their most popular 30-year fixed-rate mortgage products.

Lenders in the survey are a mix of lender types – credit unions, commercial banks and mortgage lending companies. The displayed rate is roughly proportional to the level of mortgage business that each type commands nationwide.