

Oklahoma

From 2002 to 2008, Oklahoma's spending increased the most in the debt service (79%), police (76%) and health (75%) categories. The increase in police spending was the third-highest in the nation in terms of percentage. The spending categories that saw the least growth were corrections (18%), administration (12%), natural resources (6%), and salaries and wages (1%). The state's overall general spending increase of 33% ranked slightly below the state average, ranking 30th-highest.

Oklahoma's total revenue growth of 43% ranked 26th for the period, and its total tax revenue growth of 40% ranked 33rd. Corporate income taxes were the fastest growing tax revenue category, increasing 107% and ranking 25th-highest.

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	520,912	13	616,933	21	-8	18%	39
Education	5,268,719	16	7,046,621	21	-5	34%	38
Government Administration	480,895	28	539,815	35	-7	12%	39
Health	445,552	29	780,680	18	+11	75%	6
Highways	1,263,088	19	1,472,367	21	-2	17%	28
Hospitals	172,039	41	227,554	38	+3	32%	29
Interest on Debt	258,281	34	461,086	30	+4	79%	12
Natural Resources	202,183	30	215,089	34	-4	6%	39
Parks and Recreation	72,160	24	99,929	16	+8	38%	22
Police Protection	91,636	40	161,213	25	+15	76%	3
Public Welfare	3,202,402	26	4,821,034	21	+5	51%	21
Salaries and Wages	2,940,522	10	2,976,703	25	-15	1%	47
Direct Expenditures	9,527,099	27	12,817,199	25	+2	35%	29
General Expenditures	12,904,144	31	17,208,905	34	-3	33%	30
Total Expenditures	14,727,332	31	19,517,639	31	0	33%	31

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	2,286,110	23	2,787,445	32	-9	22%	41
General Sales Tax ²	1,529,465	41	2,096,220	39	+2	37%	21
Corporate Income Tax ³	173,701	37	360,065	40	-3	107%	25
Total Taxes	6,052,680	29	8,484,227	34	-5	40%	33
Total Revenue	13,133,991	31	18,810,187	29	+2	43%	26

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Oklahoma’s population increased by 4%. This yields a “baseline” growth of 24% for the period. The figure below compares the difference in Oklahoma’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

