Formula for the Escalation and De-escalation of Crude Oil and Natural Gas Prices

TAX YEAR **2023**
Previous Calendar Year 2022

X (oil) = 261.1 for Crude petroleum (domestic production) - WPU0561

X (gas) = 245.7 for Natural gas - WPU0531
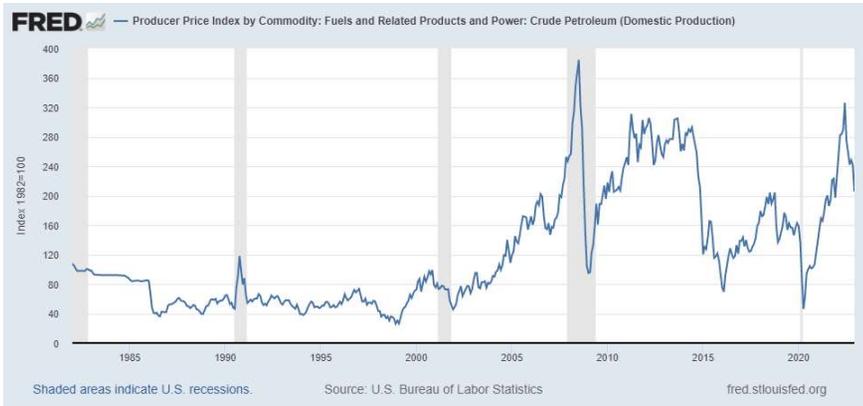
Y = 2022 - 1982 = **40**

1/Y = 0.025000

Escalation Factor for Crude petroleum (domestic production)

$((X_{(oil)} / 100)^{(1/Y)} - 1) * 100 =$ **2.428%**

Escalation Factor for Natural gas

$((X_{(gas)} / 100)^{(1/Y)} - 1) * 100 =$ **2.273%**

Producer Price Index by Commodity: Fuels and Related Products and Power: Crude Petroleum (Domestic Production) (WPU0561) | FRED | St. Louis Fed (stlouisfed.org)
Producer Price Index by Commodity: Fuels and Related Products and Power: Natural Gas (WPU0531) | FRED | St. Louis Fed (stlouisfed.org)