



## General Fund Revenue Tracking Report: FY24 Accruals through October 2023

General fund recurring revenues for FY24 through October were \$4.796 billion, up \$92.1 million, or 2.0 percent, from the same period a year ago.

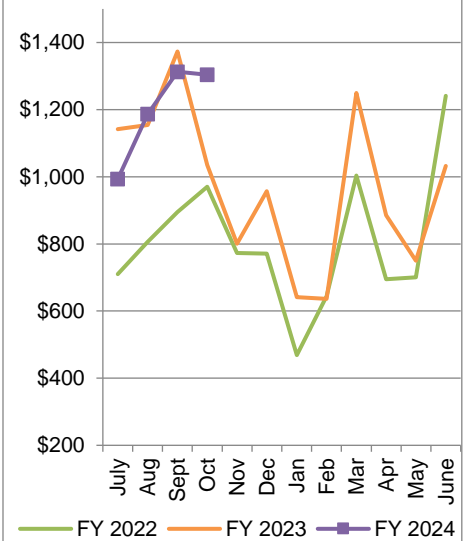
October 2023 recurring revenue collections were \$1.304 billion, up \$268.8 million, or 26 percent, from October 2022. October personal income tax collections were up \$36.0 million, or 25.2 percent, from the same time a year prior while gross receipts tax collections were up \$44.1 million, or 15.5 percent. October oil-related collections were up \$131.1 million, or 29.1 percent, from this period last year, driving nearly half of the total October 2023 growth over October 2022.

Over the first four months of the fiscal year, FY24 revenues regained speed after showing signs of moderation. Growth in FY24 is weaker than it had been in FY22 and FY23, which both produced record-breaking revenue growth. In FY22 and FY23, persistently high inflation and a tight labor market pushed incomes and consumption to record levels. Now, inflation has lowered and consumer spending has moderated.

Chart 1 shows total monthly revenues. Table 1 presents the components of fiscal year-to-date (FYTD) revenue through October for FY24 versus the same period in FY23.

**THIS REPORT:** This general fund revenue tracking report reflects FY24 revenue accruals as reported by the Department of Finance and Administration and preliminary reports from the Taxation and Revenue Department

**Chart 1. Recurring General Fund Revenue, July - June**



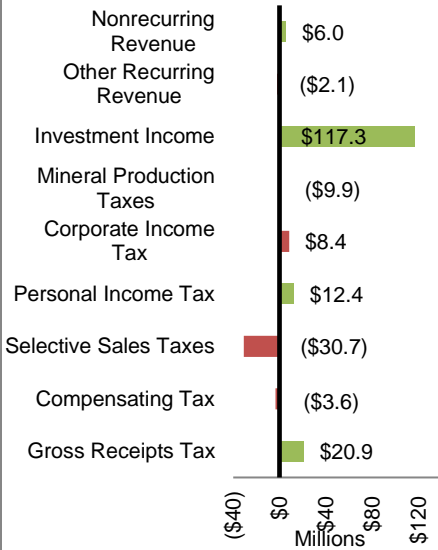
**Table 1. General Fund Revenue Accruals: FY24 vs. FY23**

Revenue Category	October Revenue		Month Year-over-Year Amount Change	Fiscal Year-to-Date Through October		Fiscal YTD Year-over-Year Amount Change	Fiscal YTD Year-over-Year Growth	Projected Full-Year Growth: December 23 Forecast
	FY23	FY24		FY23	FY24			
Gross Receipts Tax	\$283.9	\$328.0	\$44.1	\$1,249.3	\$1,338.7	\$89.4	7.2%	0.0%
Compensating Tax	\$8.6	\$7.6	-\$1.0	\$31.9	\$30.4	-\$1.6	-4.9%	0.0%
Selective Sales Taxes *	\$36.9	\$33.3	-\$3.6	\$198.8	\$214.4	\$15.6	7.8%	2.5%
Personal Income Tax	\$143.2	\$179.2	\$36.0	\$797.4	\$808.1	\$10.7	1.3%	-1.3%
Corporate Income Tax	-\$8.7	\$7.1	\$15.9	\$98.8	\$79.7	-\$19.1	-19.4%	-12.6%
Mineral Production Taxes **	\$187.3	\$176.5	-\$10.9	\$825.5	\$680.6	-\$144.9	-17.6%	33.3%
License Fees	\$0.4	\$0.5	\$0.1	\$1.6	\$2.1	\$0.5	29.5%	-3.0%
Investment Income	\$99.8	\$147.8	\$48.0	\$331.7	\$599.9	\$268.2	80.8%	33.2%
Rents and Royalties	\$262.7	\$404.7	\$142.0	\$1,138.5	\$1,019.1	-\$119.5	-10.5%	42.2%
Tribal Revenue Sharing	\$16.2	\$18.1	\$1.8	\$16.8	\$19.8	\$3.0	17.6%	3.2%
Miscellaneous Receipts	\$0.6	\$0.2	-\$0.4	\$2.6	\$2.5	-\$0.1	-4.1%	-15.1%
Reversions	\$4.7	\$1.5	-\$3.2	\$11.8	\$1.8	-\$10.0	-85.0%	-32.1%
<b>Subtotal Recurring Rev.</b>	<b>\$1,035.6</b>	<b>\$1,304.4</b>	<b>\$268.8</b>	<b>\$4,704.7</b>	<b>\$4,796.8</b>	<b>\$92.1</b>	<b>2.0%</b>	<b>11.4%</b>
Nonrecurring Revenue	-\$3.8	-\$1.8	\$2.0	-\$39.5	-\$7.6	\$32.0	80.8%	-98.8%
<b>Total Revenue</b>	<b>\$1,031.8</b>	<b>\$1,302.6</b>	<b>\$270.7</b>	<b>\$4,665.2</b>	<b>\$4,789.2</b>	<b>\$124.0</b>	<b>2.7%</b>	<b>14.4%</b>

\* Includes estimates for Insurance

\*\* Includes estimates for Oil and Gas School Tax and Oil and Gas Conservation Tax.

**Chart 2. FY24 General Fund Revenue Tracking vs. December 2023 Forecast**



Source: DFA General Fund Report, LFC Files

## Revenue Tracking

The last page of this report provides the general fund revenue-tracking chart for FY24. The chart details the actual revenues received year-to-date through October, and preliminary revenues for some revenue sources through December. Generally, projections for revenue collections through the end of the fiscal year are based on historical monthly shares of revenue collections by revenue source.

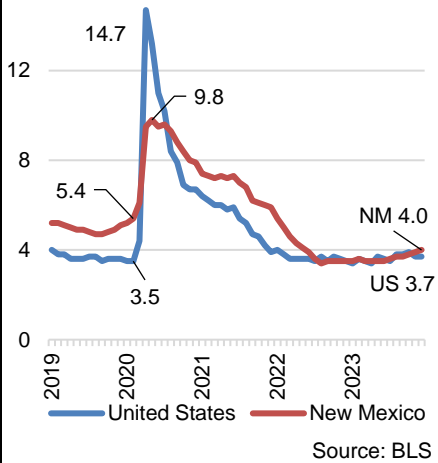
Total recurring revenues are currently tracking at \$112.6 million, or 1.1 percent, above the December 2023 CREG estimate. Most of this increase is attributable to higher-than-expected actual year-to-date investment income, tracking \$117.3 million, or 6.6 percent, above December projections. Gross receipts taxes and personal income taxes are above the December estimate by \$17.3 million and \$12.4 million, respectively.

## Employment and Income

New Mexico's seasonally adjusted unemployment rate was 4.0 percent in December 2023, up from the June 2023 low of 3.5 percent but still well below pre-pandemic levels. New Mexico's unemployment rate has hovered around national averages for several months. The state's 57.3 percent labor force participation rate has yet to recover to the prepandemic level of 58.7.

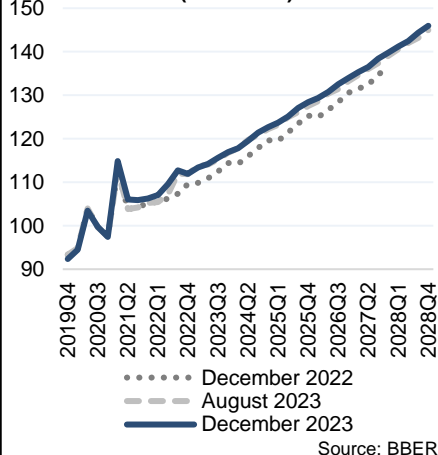
In FY23, New Mexico collected unprecedented income tax revenues from increased wages and from oil and gas withholding tax. In FY24, preliminary data indicate income tax collections remain strong but have shown moderating growth, likely driven by slowing inflation and a stabilizing labor market. Data from the Bureau of Business and Economic Research (BBER) at UNM show income forecasts effectively flat with where they were one quarter ago (see Chart 4).

**Chart 3. NM vs U.S. Unemployment Rate (%)**



Source: BLS

**Chart 4. New Mexico Personal Income (in billions)**



Source: BBER

## Gross Receipts Tax

Preliminary gross receipts tax data from the Taxation and Revenue Department (TRD) is available through December. Matched taxable gross receipts (MTGR)—a better indicator of overall economic activity in the state than other tax data because it matches taxable gross receipts to tax payments—were up 7.0 percent for FY24 through December compared with the same period last year. The construction industry had the largest nominal increase, up 18.3 percent, or \$1.0 billion, followed by professional, scientific, and technical services (up 12.4 percent, or \$516.4 million), and retail trade (up 3.9 percent, or \$400.3 million). Mining, which had been leading MTGR year-over-year increases for many periods, was up 4.3 percent, or \$245.0 million, a healthy increase that, nonetheless, has slowed in recent months and is now less than other sectors.

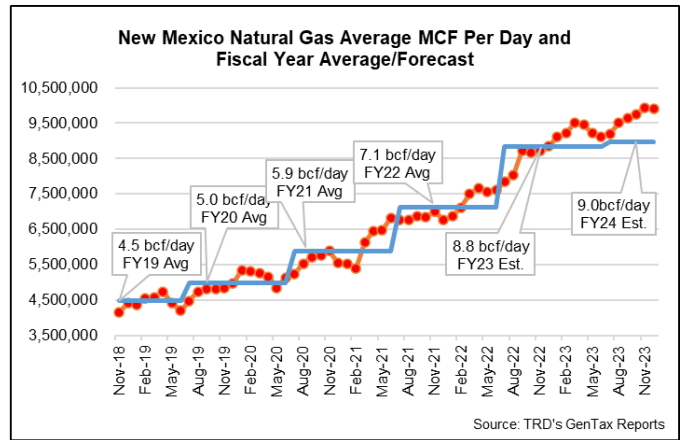
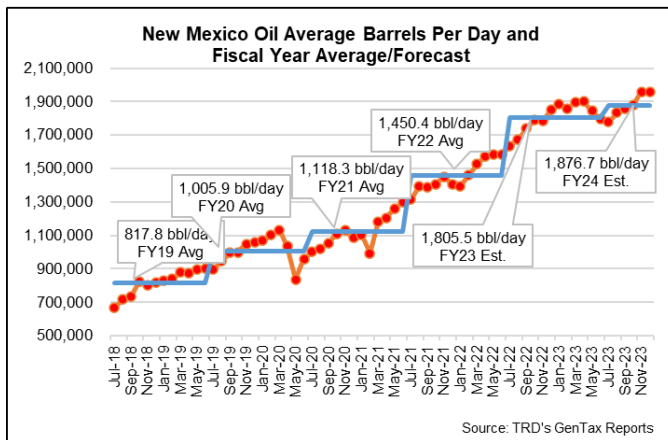
Other industries continue to grow, boosted by federal and state spending and healthy consumer spending. Inflation has also driven up all activity on a nominal basis, though less than it did in FY22 or FY23.

Matched Taxable Gross Receipts by Industry - FY24 vs FY23			
Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$5,944,080,273	\$245,043,170	4.3%
Utilities	\$1,593,916,919	-\$108,427,279	-6.4%
Construction	\$6,554,933,353	\$1,011,810,657	18.3%
Manufacturing	\$1,829,574,055	\$198,496,268	12.2%
Wholesale Trade	\$2,677,726,925	\$220,853,273	9.0%
Retail Trade	\$10,678,393,594	\$400,325,579	3.9%
Transportation and Warehousing	\$814,489,991	\$6,116,222	0.8%
Information	\$1,261,589,839	\$96,202,818	8.3%
Real Estate and Rental and Leasing	\$1,342,710,599	\$71,900,475	5.7%
Professional, Scientific, and Technical Services	\$4,680,990,144	\$516,388,075	12.4%
Administrative/Support & Waste Management/Remediation	\$2,339,273,860	\$98,561,173	4.4%
Health Care and Social Assistance	\$2,306,043,731	\$82,461,122	3.7%
Leisure and Hospitality Services	\$3,440,509,360	\$223,061,421	6.9%
Other Industries	\$4,948,854,503	\$255,527,589	35.1%
<b>Total</b>	<b>\$50,413,087,148</b>	<b>\$3,318,320,563</b>	<b>7.0%</b>

Source: RP500

## Oil and Natural Gas

Natural gas production continues to exceed the FY24 estimate through the first half of the fiscal year, recovering from a summer slowdown in the first months of FY24. After beating estimates in late 2023, oil production slowed through the summer, beginning the fiscal year below the forecast. The last few months of calendar year 2023 showed improvement and is tracking above the estimate. Underlying dynamics—impacted by producer’s capital discipline and industry acquisitions—are likely at play as companies hold onto capital and pull back on investments in new production. However, analysts foresee continued growth in New Mexico oil production in the mid-term, however at a slower rate and for a shorter period than in previous forecasts.



**FISCAL YEAR 2024 GENERAL FUND MONTHLY REVENUE TRACKING**

(dollars in millions; italics indicate preliminary actual revenue; bold indicates actual revenue)

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	ESTIMATED REVENUE ACCRUALS												FY24	TRACKING CHANGE		
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual +	FY24 Dec	% Diff.	\$ Diff.
	Actuals	Actuals	Actuals	Actuals	Prelim	Prelim	Est.	Est.	Est.	Est.	Est.	Est.	Estimate	Forecast		
Gross Receipts Tax	287.0	344.2	379.5	328.0	305.1	353.9	304.2	306.3	361.5	314.6	327.5	369.7	3,981.6	3,960.7	0.5%	20.9
Compensating Tax	7.6	7.1	8.1	7.6	6.8	4.6	10.2	9.7	8.7	2.6	8.1	9.4	90.4	94.0	-3.8%	(3.6)
<b>TOTAL GENERAL SALES TAXES</b>	<b>294.6</b>	<b>351.3</b>	<b>387.6</b>	<b>335.5</b>	<i>311.9</i>	<i>358.6</i>	314.4	315.9	370.2	317.2	335.7	379.2	4,072.0	4,054.7	0.4%	17.3
Cannabis Excise Tax	2.4	3.0	3.0	2.3	2.5	3.0	2.8	1.9	3.4	2.6	3.3	2.8	32.9	34.0	-3.1%	(1.1)
Tobacco Products & Cigarette Taxes	8.3	5.8	3.5	6.4	6.8	5.7	6.1	5.3	7.0	6.1	7.6	6.6	75.1	78.1	-3.8%	(3.0)
Liquor Excise Tax	1.9	2.2	2.0	2.0	2.2	2.4	1.5	1.7	2.2	1.9	2.3	2.3	24.5	24.9	-1.3%	(0.3)
Insurance Premiums Tax	2.5	5.0	81.1	2.5	9.5	77.3	1.2	1.2	100.1	1.2	1.2	100.1	383.0	410.3	-6.6%	(27.3)
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Excise Tax	14.3	15.8	13.3	14.4	12.5	12.5	13.6	11.9	15.1	14.1	14.4	14.5	166.5	165.5	0.6%	1.0
Gaming Excise Tax	6.1	5.7	5.6	5.3	5.1	5.3	5.4	5.6	6.1	5.6	5.9	5.3	66.9	66.0	1.3%	0.9
Leased Vehicle Surcharge & Other	0.6	0.9	3.7	(0.0)	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	7.7	4.0	90.6%	3.6
<b>TOTAL SELECTIVE SALES TAXES</b>	<b>33.7</b>	<b>35.4</b>	<b>112.0</b>	<b>33.3</b>	39.3	106.3	30.8	28.9	133.6	32.0	34.7	132.0	752.0	782.8	-3.9%	(30.7)
Withholding	142.3	164.7	193.6	153.3	167.3	230.5	157.7	161.5	188.9	161.0	158.4	218.9	2,098.1	2,039.4	2.9%	58.7
Final Settlements	22.6	60.1	46.4	29.3	37.6	(8.2)	14.9	53.8	190.9	109.5	51.1	47.7	655.8	696.1	-5.8%	(40.3)
Oil and Gas Withholding Tax	11.0	23.0	58.8	29.0	20.0	48.2	22.1	54.2	95.4	123.9	44.9	88.5	618.9	607.6	1.9%	11.3
Fiduciary Tax	0.9	9.1	(1.4)	0.5	(1.0)	1.7	(20.3)	8.2	16.6	2.6	5.8	2.3	24.9	23.7	4.9%	1.2
<b>Gross Personal Income Tax</b>	<b>176.9</b>	<b>256.8</b>	<b>297.3</b>	<b>212.1</b>	223.9	272.2	174.4	277.7	491.8	397.0	260.2	357.4	3,397.6	3,366.8	0.9%	30.8
Transfer to PIT Suspende	(20.2)	(22.5)	(47.8)	(29.0)	(7.4)	(128.5)	(263.6)	(143.6)	(102.0)	(32.8)	(32.7)	(27.0)	(857.0)	(838.5)	2.2%	(18.5)
Retiree Health Care	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(46.3)	(46.3)	0.0%	(0.0)
<b>Less: Refunds, distributions to other funds</b>	<b>(24.0)</b>	<b>(26.3)</b>	<b>(51.7)</b>	<b>(32.9)</b>	<i>(11.3)</i>	<i>(132.3)</i>	(267.4)	(147.5)	(105.9)	(36.7)	(36.5)	(30.8)	(903.3)	(884.8)	2.1%	(18.5)
<b>NET PERSONAL INCOME TAX</b>	<b>152.8</b>	<b>230.5</b>	<b>245.6</b>	<b>179.2</b>	212.6	139.9	(93.0)	130.3	386.0	360.3	223.6	326.6	2,494.4	2,482.0	0.5%	12.4
<b>CORPORATE INCOME TAX</b>	<b>12.9</b>	<b>(1.2)</b>	<b>60.8</b>	<b>7.1</b>	7.3	65.0	19.8	36.1	78.4	28.2	1.3	76.5	392.2	383.8	2.2%	8.4
<b>TOTAL INCOME TAXES</b>	<b>165.7</b>	<b>229.3</b>	<b>306.4</b>	<b>186.3</b>	219.9	204.8	(73.2)	166.3	464.3	388.6	225.0	403.1	2,886.5	2,865.8	0.7%	20.7
Oil and Gas School Tax **	142.7	156.6	162.9	162.5	143.2	143.2	143.2	91.2	-	-	-	-	1,145.3	1,145.3	0.0%	-
Oil Conservation Tax	8.1	8.9	9.3	9.4	9.6	8.9	8.0	7.6	8.9	8.1	9.6	9.6	105.9	114.8	-7.7%	(8.9)
Resources Excise Tax	0.7	0.6	0.5	0.2	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	7.4	7.9	-6.7%	(0.5)
Natural Gas Processors Tax	4.8	4.7	4.4	4.4	4.5	4.4	4.3	4.2	4.5	4.7	4.5	4.5	53.8	54.3	-0.9%	(0.5)
<b>TOTAL MINERAL PROD. TAXES</b>	<b>156.2</b>	<b>170.8</b>	<b>177.1</b>	<b>176.5</b>	157.9	157.2	156.1	103.6	14.1	13.4	14.7	14.8	1,312.4	1,322.3	-0.7%	(9.9)
<b>LICENSE FEES</b>	<b>0.4</b>	<b>0.8</b>	<b>0.4</b>	<b>0.5</b>	0.2	0.3	0.3	0.5	0.5	0.4	0.2	58.2	62.7	61.8	1.5%	0.9
Land Grant Perm. Fund Distributions	100.4	100.4	100.5	100.5	100.1	100.1	100.1	100.1	100.1	100.1	100.1	100.1	1,202.9	1,201.6	0.1%	1.3
State Treasurer's Earnings	35.5	36.0	6.9	23.1	76.1	76.9	31.5	24.3	24.3	24.3	24.3	24.3	407.4	291.4	39.8%	116.0
Severance Tax Perm. Fund Distributions	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	289.6	289.6	0.0%	-
<b>TOTAL INVESTMENT EARNINGS</b>	<b>160.1</b>	<b>160.6</b>	<b>131.5</b>	<b>147.8</b>	200.4	201.1	155.7	148.6	148.6	148.6	148.6	148.6	1,899.9	1,782.6	6.6%	117.3
Federal Mineral Leasing Royalties **	178.7	234.8	193.3	396.9	190.3	190.3	190.3	70.3	-	-	-	-	1,644.9	1,644.9	0.0%	-
State Land Office Bonuses, Rents	1.9	2.2	3.5	7.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	53.8	57.5	-6.5%	(3.7)
<b>TOTAL RENTS &amp; ROYALTIES</b>	<b>180.6</b>	<b>237.0</b>	<b>196.7</b>	<b>404.7</b>	195.1	195.1	195.1	75.1	4.8	4.8	4.8	4.8	1,698.7	1,702.4	-0.2%	(3.7)
<b>TRIBAL REVENUE SHARING</b>	<b>1.5</b>	<b>0.1</b>	<b>0.2</b>	<b>18.1</b>	0.5	11.4	8.0	0.4	12.2	7.4	0.7	20.6	80.9	80.7	0.2%	0.2
<b>MISCELLANEOUS RECEIPTS</b>	<b>0.5</b>	<b>1.1</b>	<b>0.7</b>	<b>0.2</b>	0.8	1.0	22.0	0.9	0.9	1.0	1.0	8.9	39.0	39.7	-1.6%	(0.6)
<b>REVERSIONS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>1.5</b>	1.0	2.8	3.7	5.5	9.5	0.7	-	51.3	76.3	75.0	1.8%	1.3
<b>TOTAL RECURRING REVENUE</b>	<b>993.2</b>	<b>1,186.3</b>	<b>1,313.0</b>	<b>1,304.4</b>	1,126.9	1,238.6	813.0	845.7	1,158.6	914.0	765.4	1,221.4	12,880.5	12,767.9	0.9%	112.6
Non-Recurring	(2.6)	(1.8)	(1.0)	(2.2)	(0.8)	(1.2)	-	-	-	-	-	(3.8)	(13.4)	(19.4)		6.0
Additional Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-RECURRING REVENUE</b>	<b>(2.6)</b>	<b>(1.8)</b>	<b>(1.0)</b>	<b>(2.2)</b>	(0.8)	(1.2)	-	-	-	-	-	(3.8)	(13.4)	(19.4)		6.0
<b>GRAND TOTAL REVENUE</b>	<b>990.6</b>	<b>1,184.5</b>	<b>1,312.0</b>	<b>1,302.2</b>	1,126.1	1,237.5	813.0	845.7	1,158.6	914.0	765.4	1,217.6	12,867.1	12,748.5	0.9%	118.6

Estimates are developed by LFC and based on the consensus revenue estimate and historical monthly patterns.

\*\* Distributions above the five-year average to tax stabilization reserve or early childhood trust fund expected to begin in March