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General Fund Revenue Report: April 2012

Summary. State revenues for FY12 are tracking at \$5,766 million. If compared to the December 2011 revenue estimate in Table 2, total revenues for the year are tracking at \$214 million, or 3.9 percent, greater than the estimate. Of the \$560 million revenue accrual reported for April (table 2), there was continuing strength in revenue from federal mineral leasing, mineral production taxes, and gross receipts taxes. As shown in Table 1, year-to-date general fund recurring revenues are \$4,588 million, an increase of \$291 million, or 6.8 percent, compared to the same period a year ago.

Table 1
General Fund Revenue Accruals: FY12 vs FY11
(dollar amounts in millions)

Revenue Category	Fiscal Year-to-Date Through April		Year-to-Date Growth	Projected Full-Year Growth: December 2011 Forecast
	FY11 *	FY12		
General Sales Taxes (GRT & Comp)	\$1,543.0	\$1,641.0	6.4%	2.3%
Personal Income Tax	\$849.4	\$880.7	3.7%	-0.6%
Corporate Income Tax	\$151.9	\$169.1	11.4%	34.9%
Oil & Gas Revenues **	\$722.7	\$850.6	17.7%	-1.5%
Investment Income & Other	\$1,029.4	\$1,046.2	1.6%	-1.1%
Total Recurring Revenue	\$4,296.4	\$4,587.6	6.8%	1.6%
Total Recurring Excluding Oil & Gas	\$3,573.7	\$3,737.0	4.6%	2.3%

* FY11 revenues adjusted to conform to the audit. Reversions are reported as recurring revenue.

** Oil & Gas revenues include mineral production taxes and rents & royalties.

April Year-to-Date Revenue. As shown in Table 1, general sales taxes (GRT & Comp) year-to-date growth is 6.4 percent compared to FY11. The share of taxable gross receipts attributable to the mining industry declined from last month to 6.4 percent from 6.9 percent.

Analysts' suspicions that last month's strength in personal income tax receipts (PIT) was illusory have been confirmed. To date, PIT receipts are now tracking below the estimates. PIT year-to-date growth (Table 1) is 3.7 percent; however, the full-year growth is forecast at -0.6 percent. As of the date of this publication, advanced knowledge of June collections suggests that receipts will be below the estimate. However, year-end closing rules could substantially add to the total.

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Corporate Income Tax (CIT) receipts are underperforming the December estimate by 20 percent. Congressional and state analysts have apparently mistimed the impact of the expiration of a federal provision that allowed businesses to immediately deduct from taxable income the cost of capital equipment. Preliminary June cash reports suggest that the tracking error may significantly close in June. CIT year-to-date growth (Table 1) is 11.4 percent.

Currently, the strength in oil and gas revenues accounts for almost 75 percent of the December revenue estimating error. Mineral production taxes are 12.1 percent over estimate; the equivalent statistic for rents and royalties is 22.9 percent. Revenue estimators were concerned that the midwinter crash in natural gas prices would outweigh strength in oil prices. Clearly this assumption was overly pessimistic. Also, oil production is surging to 10 percent in FY12 compared to the forecast of 1 percent. Further, oil production increases are concentrated on federal lands with FY12 production reaching almost 50 percent of the total compared to 43 percent five years ago. Oil and gas year-to-date growth (Table 1) is 17.7 percent; however, the full-year growth is forecast at -1.5 percent.

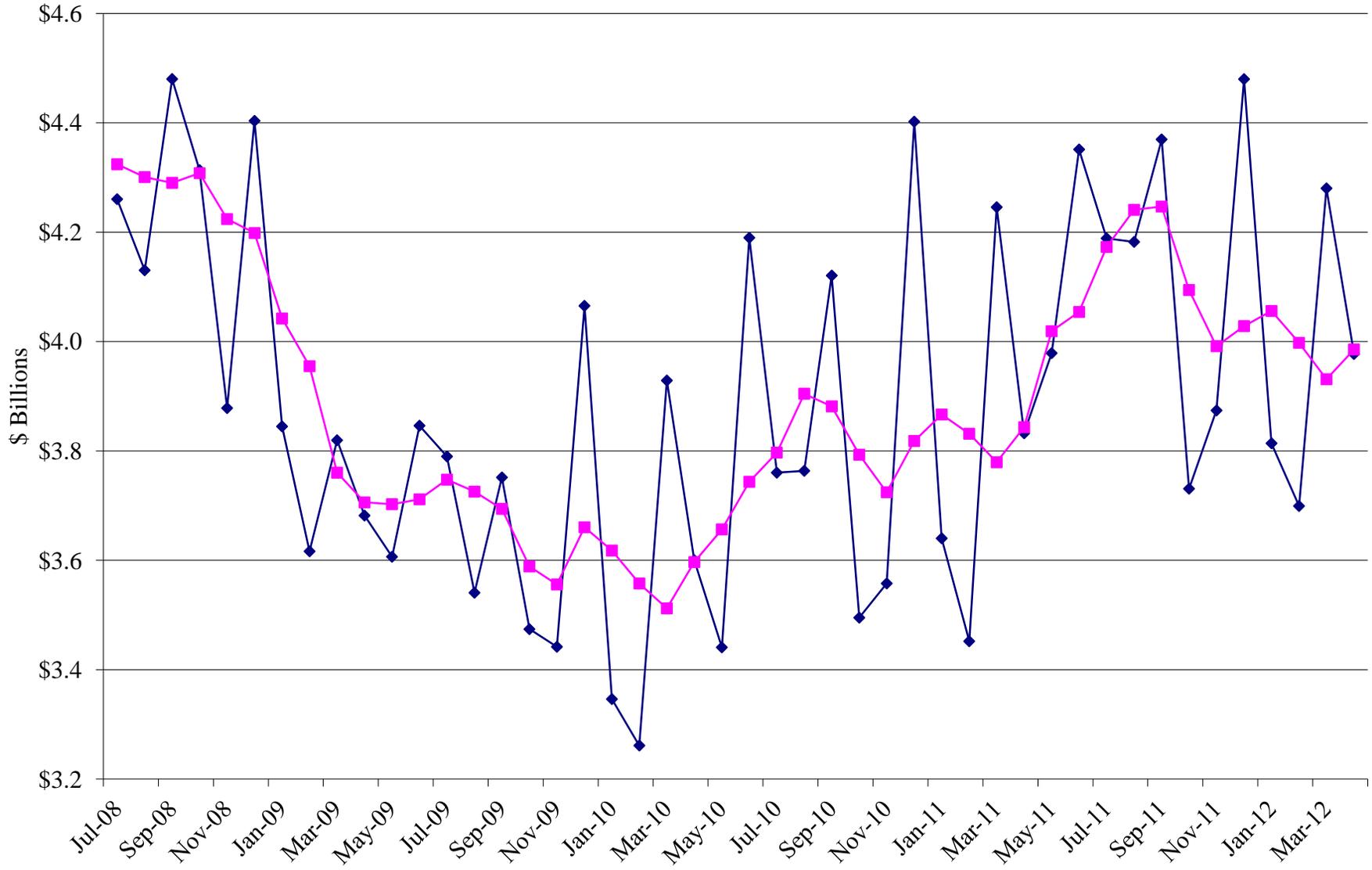
Taxable gross receipts trends (Figure 1). The three-month moving average of taxable gross receipts has trended up in FY12 from FY11. From May 2011 through April 2012, the year-over-year growth is approximately 6.6 percent. Taxable gross receipts collected in the months of February through April 2012 showed year-over-year growth rates of 7.2, 0.8, and 3.8 percent, respectively.

During FY12, most industries show positive growth with the highest year-over-year percentage growth in mining and oil and gas extraction (29 percent) followed by manufacturing (28 percent), public administration (24 percent), and transportation and warehousing (24 percent). The largest monetary changes occurred in mining and oil and gas extraction (\$761 million), retail trade (\$471 million), manufacturing (\$385 million), information and cultural industries (\$326 million), and professional, scientific and technical services (\$277 million). With natural gas and oil prices beginning to stabilize or decline, the high growth in the mining and oil and gas extraction industry is not expected to continue into FY13.

Explanation of Revenue Tracking Method. Table 2 shows the latest consensus revenue estimates and monthly accruals in detail. These estimates were based on data available through September and finalized in early December 2011. The monthly numbers shown in bold are actuals as reported by the Department of Finance and Administration. The entries in italics are extrapolated from Taxation and Revenue Department accounting documents. The entries in ordinary typeface are a monthly allocation of the annual estimate for the remaining months, based, on seasonal historical patterns. They are prepared by LFC staff.

The four shaded columns are of particular importance. The column labeled "FY12 Actual + Estimate" is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled "FY12 Dec 11 Estimate" is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

Figure 1. Taxable Gross Receipts



Source: TRD RP500



Table 2
FISCAL YEAR 2012 GENERAL FUND MONTHLY REVENUE TRACKING - Accruals through April
(dollars in millions; italics indicate preliminary actual revenue)

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Row #		ESTIMATED REVENUE ACCRUALS												FY12	TRACKING CHANGE (Δ)			FY11 Audit	Row #
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May Est.	June Est.	Actual + Estimate	FY 12 Dec 11 Est	YTD % Δ	YTD \$ Δ		
1	Gross Receipts Tax	163.7	161.1	151.8	146.5	160.8	179.8	151.0	157.7	159.8	159.3	152.8	183.3	1,927.6	1,865.0	3.4%	62.6	1,822.5	1
2	Compensating Tax	5.9	3.9	7.4	5.8	0.5	6.7	4.4	5.3	5.7	4.0	5.0	6.7	61.3	69.5	-11.8%	(8.2)	69.1	2
3	TOTAL GENERAL SALES TAXES	169.5	165.0	159.2	152.3	161.2	186.5	155.5	163.0	165.5	163.3	157.8	190.1	1,988.9	1,934.5	2.8%	54.4	1,891.6	3
4	Tobacco Products & Cigarette Taxes	7.2	7.9	7.5	6.7	6.7	6.6	6.7	7.2	7.1	6.6	6.2	10.3	86.9	86.4	0.5%	0.5	88.2	4
5	Liquor Excise Tax	2.0	2.3	2.3	2.3	2.2	2.7	1.6	1.9	2.1	2.0	2.3	2.0	25.6	25.9	-1.1%	(0.3)	25.7	5
6	Insurance Premiums Tax	0.7	37.1	0.7	0.9	34.4	4.8	1.6	13.8	0.6	-	24.5	4.3	123.5	129.3	-4.4%	(5.8)	132.7	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	15.9	15.9	15.9	0.0%	0.0	17.6	7
8	Motor Vehicle Excise Tax	8.8	10.5	9.0	9.1	8.2	8.2	9.6	9.2	10.8	10.0	9.4	9.6	112.5	110.2	2.0%	2.3	103.7	8
9	Gaming Excise Tax	5.9	5.3	5.3	5.3	5.2	5.4	5.3	5.8	6.0	5.3	5.8	5.2	65.9	66.6	-1.0%	(0.7)	65.8	9
10	Leased Vehicle Surcharge	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.5	5.2	5.2	-0.1%	(0.0)	5.0	10
11	Other	0.1	0.6	0.6	0.8	0.6	1.4	1.0	0.1	0.3	0.2	0.2	0.3	6.3	2.8	126.4%	3.5	2.4	11
12	TOTAL SELECTIVE SALES TAXES	25.2	64.3	25.9	25.6	57.7	29.6	26.3	38.3	27.5	24.5	48.8	48.1	441.8	442.3	-0.1%	(0.5)	440.9	12
13	Withholding	85.0	78.4	97.1	77.0	83.7	122.9	79.2	77.6	100.5	80.0	83.0	103.3	1,067.5	1,072.0	-0.4%	(4.5)	1,042.3	13
14	Final Settlements & Estimated Payments	(2.0)	13.1	37.5	14.4	8.3	17.1	42.6	9.0	27.6	110.2	18.1	48.6	344.5	357.0	-3.5%	(12.5)	359.3	14
15	Oil and Gas Withholding Tax	(0.0)	0.3	7.5	12.1	(0.7)	4.2	10.3	1.0	3.4	18.8	0.7	5.7	63.2	34.0	85.9%	29.2	23.4	15
16	Fiduciary Tax	0.1	1.6	0.4	0.3	1.6	1.5	0.0	0.1	2.1	0.3	0.3	(0.0)	8.3	1.0	725.1%	7.3	42.6	16
17	GROSS PERSONAL INCOME TAX	83.0	93.4	142.4	103.8	92.9	145.7	132.1	87.8	133.6	209.3	102.0	157.6	1,483.4	1,464.0	1.3%	19.4	1,467.6	17
18	Refunds	5.2	4.8	7.6	5.5	5.1	103.1	78.2	56.5	44.3	16.0	16.0	9.2	351.5	355.6	-1.1%	(4.1)	350.2	18
19	Retiree Health Care	0.2	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.3	1.5	17.7	16.0	10.9%	1.7	18.0	19
20	Less: Refunds, distributions to other funds	7.3	6.7	9.2	7.1	6.7	104.8	79.9	58.2	46.0	17.6	17.3	10.6	371.3	374.0	-0.7%	(2.7)	370.7	20
21	NET PERSONAL INCOME TAX	75.7	86.7	133.2	96.7	86.2	40.9	52.3	29.6	87.7	191.6	84.7	147.0	1,112.1	1,090.0	2.0%	22.1	1,096.9	21
22	Gross Corporate Payments	(3.4)	8.9	2.6	42.3	6.1	5.1	37.5	17.0	19.9	33.0	52.8	44.2	266.2	310.0	-14.1%	(43.8)	229.8	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	23
24	NET CORPORATE INCOME TAX	(3.4)	8.9	2.6	42.3	6.1	5.1	37.5	17.0	19.9	33.0	52.8	44.2	266.2	310.0	-14.1%	(43.8)	229.8	24
25	TOTAL INCOME TAXES	72.4	95.6	135.8	139.0	92.3	46.0	89.8	46.6	107.5	224.6	137.5	191.2	1,378.3	1,400.0	-1.5%	(21.7)	1,326.8	25
26	Oil and Gas School Tax	37.7	36.7	32.7	32.8	34.9	35.2	34.4	31.6	33.8	31.6	31.5	31.4	404.2	358.6	12.7%	45.6	376.1	26
27	Oil Conservation Tax	1.9	1.8	1.7	1.7	1.8	1.9	1.9	1.7	1.9	0.1	1.7	1.6	19.7	18.5	6.2%	1.2	19.4	27
28	Resources Excise Tax	1.0	0.3	1.7	0.9	0.9	1.1	1.1	1.0	1.0	1.0	1.1	0.7	11.6	10.0	16.4%	1.6	10.1	28
29	Natural Gas Processors Tax	2.0	2.0	2.0	2.0	1.9	2.0	2.0	1.8	1.8	2.0	1.8	1.8	23.2	22.0	5.4%	1.2	18.2	29
30	TOTAL MINERAL PROD. TAXES	42.6	40.8	38.0	37.4	39.5	40.1	39.3	36.1	38.5	34.7	36.1	35.4	458.7	409.1	12.1%	49.6	423.8	30
31	LICENSE FEES	1.8	2.2	1.9	2.0	2.1	7.3	2.1	3.6	7.5	13.5	3.4	2.9	50.2	51.5	-2.5%	-1.3	49.8	31
32	Land Grant Perm. Fund Distributions	38.4	38.4	38.4	38.5	38.5	38.5	38.5	38.5	38.5	38.5	38.3	38.3	461.3	459.7	0.3%	1.6	446.2	32
33	State Treasurer's Earnings	(0.1)	1.6	1.3	1.5	1.9	1.4	1.8	2.9	0.5	1.2	1.3	3.6	19.1	17.3	10.3%	1.8	17.6	33
34	Severance Tax Perm. Fund Distributions	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	183.4	183.4	0.0%	0.0	184.6	34
35	TOTAL INVESTMENT EARNINGS	53.6	55.4	55.0	55.3	55.6	55.1	55.6	56.7	54.3	55.0	54.9	57.2	663.8	660.4	0.5%	3.4	648.4	35
36	Federal Mineral Leasing Royalties	42.4	41.0	38.2	46.9	46.8	42.4	42.3	41.0	41.1	36.5	49.3	34.3	502.3	420.0	19.6%	82.3	411.8	36
37	State Land Office Bonuses, Rents	18.5	15.0	12.9	3.7	5.6	2.3	1.1	9.0	4.1	4.2	4.6	4.9	85.8	65.6	30.8%	20.2	65.6	37
38	TOTAL RENTS & ROYALTIES	60.9	56.0	51.2	50.6	52.4	44.7	43.3	50.0	45.3	40.7	53.9	39.2	588.2	478.6	22.9%	109.6	477.4	38
39	TRIBAL REVENUE SHARING	0.1	0.0	16.8	0.1	0.0	15.8	0.3	-	17.9	0.2	0.1	18.5	69.7	70.4	-1.1%	(0.7)	65.9	39
40	MISCELLANEOUS RECEIPTS	0.8	1.4	2.5	1.9	1.7	16.5	1.6	1.3	1.8	1.2	2.5	27.8	61.1	46.0	32.7%	15.1	52.2	40
41	REVERSIONS	0.5	0.0	0.0	0.5	0.0	0.2	7.7	0.8	13.1	2.2	3.1	18.5	46.6	40.0	16.6%	6.6	67.3	41
42	TOTAL RECURRING REVENUE	427.3	480.7	486.4	464.6	462.6	441.8	421.4	396.4	478.9	560.0	498.1	628.9	5,747.2	5,532.8	3.9%	214.4	5,444.1	42
43	Amnesty	-	-	-	-	-	-	-	-	-	-	-	6.9	6.9	6.9	NA	0.0	0.0	43
44	Non-Recurring	0.0	0.3	2.1	0.4	0.2	(0.1)	0.1	0.2	(0.1)	0.0	-	8.3	11.4	11.4	NA	0.0	39.1	44
45	TOTAL NON-RECURRING REVENUE	0.0	0.3	2.1	0.4	0.2	(0.1)	0.1	0.2	(0.1)	0.0	-	15.2	18.3	18.3	NA	-	39.1	45
46	GRAND TOTAL REVENUE	427.4	480.9	488.4	465.0	462.8	441.7	421.4	396.6	478.9	560.1	498.1	644.1	5,765.5	5,551.1	3.9%	214.4	5,483.1	46