

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

325 Don Gaspar, Suite 101 • Santa Fe, NM 87501
Phone: (505) 986-4550 • Fax: (505) 986-4545

David Abbey
Director



General Fund Revenue Tracking Report: April 2013 Accrual

This general fund revenue tracking report was developed at a time when the Department of Finance and Administration was not producing this type of report; however, DFA now regularly produces a revenue tracking report.¹ The LFC general fund revenue tracking report reflects revenue accruals through April 2013, and some preliminary revenues through May.

Summary. Recurring state revenues for FY13 are tracking at \$5,688 million, \$22 million (0.4) percent, more than the February 2013 estimate. A significant change from the previous month is that preliminary data from the Taxation and Revenue Department shows May corporate income tax revenue at \$2.4 million, \$26 million less than the amount forecasted for that month. The \$606 million revenue accrual reported for April (see table 2), showed strength in revenue from personal income taxes. Federal mineral leasing revenue remains subdued due to sequestration reductions. Table 1 shows fiscal year-to-date general fund recurring revenues are \$4,509 million, a decrease of \$112.2 million, or 2.4 percent, compared to the same period a year ago.

Table 1
General Fund Revenue Accruals: FY13 vs FY12
(in millions of dollars)

Revenue Category	Fiscal Year-to-Date Through April		Year-over-Year Growth	Projected Full-Year Growth: February 2013 Forecast
	FY12	FY13		
General Sales Taxes (GRT & Comp)	\$1,641.0	\$1,612.7	-1.7%	-0.1%
Personal Income Tax	\$880.7	\$945.8	7.4%	1.1%
Corporate Income Tax	\$169.1	\$204.8	21.1%	-5.7%
Oil & Gas Revenues *	\$882.6	\$750.9	-14.9%	-9.0%
Investment Income & Other	\$1,047.7	\$994.9	-5.0%	-2.7%
Total Recurring Revenue	\$4,621.2	\$4,509.0	-2.4%	-2.4%
Total Recurring Excluding Oil & Gas	\$3,738.6	\$3,758.2	0.5%	-0.9%

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

April Year-to-Date Revenue. As shown in Table 1, year-to-date general sales taxes (GRT & Comp) declined 1.7 percent from FY12. Receipts from personal income taxes (PIT) are tracking 7.4 percent above the prior year, and 4.9 percent above the FY13 estimate (see table 2). Corporate income tax (CIT) receipts are tracking \$4.2 million, or 1.6 percent, above the February estimate.

¹ The DFA general fund report can be found at http://www.nmdfa.state.nm.us/New_Mexico_Economic_Summary.aspx.

Strength in the energy outlook has had a positive impact on several revenues associated with the extractive industry. The consensus group projects strength in severance taxes on the back of projected increases in volumes and an upward revision in oil prices to \$86.50 per barrel in both FY13 and FY14. Strength in oil prices and volumes has offset weaknesses in gas. The average price of San Juan dry gas was \$3.35/mcf in January, \$3.30/mcf in February, \$3.71/mcf in March, and \$3.95/mcf in April; however, this is higher than the average price of \$2.85 in August and September.

Mineral production taxes are 0.7 percent over estimate; and rents and royalties are tracking 2.7 percent below the estimate, due largely to the sequester of FML revenues and due to State Land Office royalties tracking nearly 15 percent below the estimate. The Energy Information Administration expects US oil demand to increase modestly in 2013 and 2014 after falling in 2012.

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 November and finalized in February 2013. 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 "FY13 Actual + Estimate" is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled "FY13 Feb 13 Estimate" is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

Table 2
FISCAL YEAR 2013 GENERAL FUND MONTHLY REVENUE TRACKING -Accruals through April
(dollars in millions; italics indicate preliminary actual revenue)

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Row #		ESTIMATED REVENUE ACCRUALS												FY13	TRACKING CHANGE (Δ)			FY12 Prelim	Row #
		July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Actual	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.	Actual + Estimate	FY 13 Feb 13 Est	YTD % Δ	YTD \$ Δ		
1	Gross Receipts Tax	157.6	166.1	137.7	168.4	162.9	169.5	152.8	147.4	150.7	160.1	160.6	187.2	1,920.9	1,924.5	-0.2%	(3.6)	1,928.5	1
2	Compensating Tax	5.3	6.4	3.5	5.7	(0.5)	6.2	5.2	(0.4)	3.9	4.4	5.0	6.6	51.3	63.6	-19.4%	(12.3)	62.1	2
3	TOTAL GENERAL SALES TAXES	162.9	172.5	141.2	174.0	162.4	175.7	158.0	146.9	154.6	164.5	165.6	193.8	1,972.1	1,988.1	-0.8%	(16.0)	1,990.5	3
4	Tobacco Products & Cigarette Taxes	6.2	7.9	6.7	7.2	7.4	7.9	4.5	7.2	6.3	5.7	6.5	9.1	82.8	84.3	-1.8%	(1.5)	85.4	4
5	Liquor Excise Tax	2.1	2.3	2.0	1.6	3.0	2.7	1.7	1.7	2.2	2.1	2.3	2.6	26.3	26.5	-0.6%	(0.2)	26.1	5
6	Insurance Premiums Tax	0.4	30.4	0.7	2.6	32.7	2.1	1.9	14.7	0.8	1.1	21.6	1.8	110.8	122.5	-9.6%	(11.7)	114.1	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	18.3	18.3	0.0%	0.0	18.8	7	
8	Motor Vehicle Excise Tax	10.7	11.3	9.3	11.3	9.0	8.7	10.7	9.6	10.6	12.0	10.6	10.7	124.5	123.0	1.2%	1.5	114.7	8
9	Gaming Excise Tax	5.3	5.2	5.3	4.8	4.9	5.3	4.9	5.1	6.1	5.2	5.6	5.1	62.8	64.8	-3.1%	(2.0)	65.5	9
10	Leased Vehicle Surcharge	0.5	0.6	0.5	0.5	0.4	0.3	0.3	0.3	0.4	0.4	0.5	0.5	5.3	5.4	-2.4%	(0.1)	5.4	10
11	Other	(5.8)	0.1	0.1	0.1	0.1	0.1	0.7	0.7	0.2	0.1	-	0.2	(3.4)	(2.5)	NA	(0.9)	7.5	11
12	TOTAL SELECTIVE SALES TAXES	19.5	57.8	24.6	28.1	57.5	27.2	24.8	39.3	26.7	26.5	47.1	48.4	427.3	442.3	-3.4%	(15.0)	437.5	12
13	Withholding	75.8	92.9	94.8	81.9	91.7	110.6	81.1	81.7	93.4	78.4	91.3	106.4	1,080.0	1,168.4	-7.6%	(88.4)	1,060.8	13
14	Final Settlements & Estimated Payments	-	8.7	41.4	14.9	10.1	16.8	54.6	11.4	31.0	150.8	18.2	72.7	430.6	374.4	15.0%	56.2	355.7	14
15	Oil and Gas Withholding Tax	-	0.5	5.1	14.3	0.2	10.8	14.4	1.8	5.1	7.0	0.7	10.8	70.7	30.8	129.7%	39.9	91.1	15
16	Fiduciary Tax	(0.0)	1.1	(0.4)	(0.4)	(0.5)	1.3	0.2	0.1	4.0	0.1	3.1	(0.4)	8.1	23.2	-65.1%	(15.1)	9.0	16
17	Gross Personal Income Tax	75.7	103.2	140.8	110.7	101.4	139.5	150.2	94.9	133.6	236.3	113.4	189.5	1,589.3	1,596.8	-0.5%	(7.4)	1,516.6	17
18	Refunds	5.5	6.2	7.3	5.2	7.5	76.0	86.9	70.5	42.1	15.3	15.7	9.6	347.8	412.0	-15.6%	(64.2)	346.3	18
19	Retiree Health Care	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.6	1.7	21.4	19.1	12.0%	2.3	19.9	19
20	Less: Refunds, distributions to other funds	7.3	8.0	9.1	7.0	9.3	77.8	88.7	72.3	43.9	17.2	17.3	11.3	369.2	433.5	-14.8%	(64.3)	366.1	20
21	NET PERSONAL INCOME TAX	68.4	95.2	131.7	103.7	92.1	61.7	61.5	22.7	89.6	219.2	96.1	178.2	1,220.1	1,163.3	4.9%	56.9	1,150.5	21
22	Gross Corporate Payments	-	3.3	3.8	52.4	(14.3)	(7.5)	63.0	16.5	36.5	51.0	2.4	62.0	269.2	265.0	1.6%	4.2	281.0	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	23
24	NET CORPORATE INCOME TAX	-	3.3	3.8	52.4	(14.3)	(7.5)	63.0	16.5	36.5	51.0	2.4	62.0	269.2	265.0	1.6%	4.2	281.0	24
25	TOTAL INCOME TAXES	68.4	98.5	135.6	156.1	77.8	54.2	124.5	39.2	126.2	270.1	98.5	240.2	1,489.3	1,428.3	4.3%	61.0	1,431.5	25
26	Oil and Gas School Tax	29.8	31.2	29.2	32.7	30.9	31.4	30.8	28.7	32.6	33.5	32.6	33.3	376.9	376.4	0.1%	0.5	399.6	26
27	Oil Conservation Tax	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.6	1.8	0.0	1.6	1.8	18.6	20.2	-7.8%	(1.6)	21.5	27
28	Resources Excise Tax	1.0	1.9	1.9	1.2	1.3	1.1	1.2	1.1	1.2	0.9	0.8	1.0	14.6	10.0	46.1%	4.6	12.0	28
29	Natural Gas Processors Tax	2.1	2.1	2.0	2.2	2.0	2.0	1.8	1.8	2.0	2.0	2.1	1.9	24.2	24.5	-1.2%	(0.3)	23.3	29
30	TOTAL MINERAL PROD. TAXES	34.6	36.9	34.8	37.9	35.9	36.3	35.5	33.2	37.7	36.4	37.0	38.0	434.3	431.1	0.7%	3.2	456.4	30
31	LICENSE FEES	1.7	2.1	1.9	1.7	1.8	7.2	2.2	3.7	7.0	15.6	3.4	2.6	50.8	50.4	0.7%	0.4	49.6	31
32	Land Grant Perm. Fund Distributions	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.8	36.8	36.8	36.6	36.6	440.4	438.8	0.4%	1.6	461.7	32
33	State Treasurer's Earnings	2.5	1.3	0.8	(0.7)	2.0	1.1	2.6	2.9	(0.0)	0.0	1.1	2.3	16.0	16.0	0.0%	(0.0)	17.4	33
34	Severance Tax Perm. Fund Distributions	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	176.2	176.2	0.0%	(0.0)	183.4	34
35	TOTAL INVESTMENT EARNINGS	53.9	52.7	52.1	50.6	53.4	52.5	54.1	54.4	51.4	51.5	52.3	53.6	632.6	631.0	0.3%	1.6	662.6	35
36	Federal Mineral Leasing Royalties	40.5	39.1	29.4	37.6	46.9	37.8	46.7	40.2	32.0	36.3	33.8	39.6	459.6	465.0	-1.2%	(5.4)	502.6	36
37	State Land Office Bonuses, Rents	3.9	6.1	7.5	1.7	3.2	5.7	3.9	1.3	2.6	2.9	5.5	7.2	51.6	60.5	-14.7%	(8.9)	92.5	37
38	TOTAL RENTS & ROYALTIES	44.3	45.2	36.8	39.3	50.1	43.6	50.6	41.5	34.5	39.2	39.3	46.8	511.2	525.5	-2.7%	(14.3)	595.1	38
39	TRIBAL REVENUE SHARING	0.1	0.0	17.3	0.1	-	16.5	0.2	0.0	15.8	0.2	0.1	18.0	68.5	72.0	-4.8%	(3.5)	68.2	39
40	MISCELLANEOUS RECEIPTS	1.0	1.3	1.2	1.3	2.7	1.0	1.5	1.2	18.1	2.2	1.3	24.7	57.6	46.2	24.6%	11.4	45.1	40
41	REVERSIONS	-	-	-	0.0	3.4	0.0	7.5	0.7	0.0	0.1	3.9	28.8	44.5	51.0	-12.8%	(6.5)	65.9	41
42	TOTAL RECURRING REVENUE	386.4	466.9	445.7	489.3	445.1	414.2	458.9	360.2	472.0	606.3	448.6	694.8	5,688.3	5,666.0	0.4%	22.4	5,802.4	42
43	Non-Recurring	0.1	0.1	(0.0)	0.1	0.2	(0.0)	0.0	0.2	(0.0)	0.0	-	(3.8)	(3.3)	(3.3)	NA	0.0	14.7	43
44	TOTAL NON-RECURRING REVENUE	0.1	0.1	(0.0)	0.1	0.2	(0.0)	0.0	0.2	(0.0)	0.0	-	(3.8)	(3.3)	(3.3)	NA	-	14.7	44
45	GRAND TOTAL REVENUE	386.5	467.1	445.6	489.3	445.2	414.2	458.9	360.3	472.0	606.3	448.6	691.0	5,685.0	5,662.7	0.4%	22.4	5,817.1	45