

Senator John Arthur Smith
Chairman

Senator Sue Wilson Beffort
Senator Pete Campos
Senator Carlos R. Cisneros
Senator Carroll H. Leavell
Senator Howie C. Morales
Senator George K. Munoz
Senator Steven P. Neville

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

Representative Jimmie C. Hall
Vice-Chairman

Representative Paul C. Bandy
Representative George Dodge
Representative Jason C. Harper
Representative Larry A. Larrañaga
Representative Patricia A. Lundstrom
Representative Nick L. Salazar
Representative Luciano "Lucky" Varela

July 22, 2015



General Fund Revenue Tracking Report: Accruals through April, 2015

This general fund revenue tracking report reflects revenue accruals through April 2015 as reported by the Department of Finance and Administration, and some preliminary revenues through June 2015.

Summary. The months of March and April are traditionally associated with large uncertainty in revenue collections. Total recurring revenue collection in April was \$12.8 million (2.3 percent) higher than the same month a year ago. Chart 1 compares total recurring revenue between FY15 and FY14 through April.

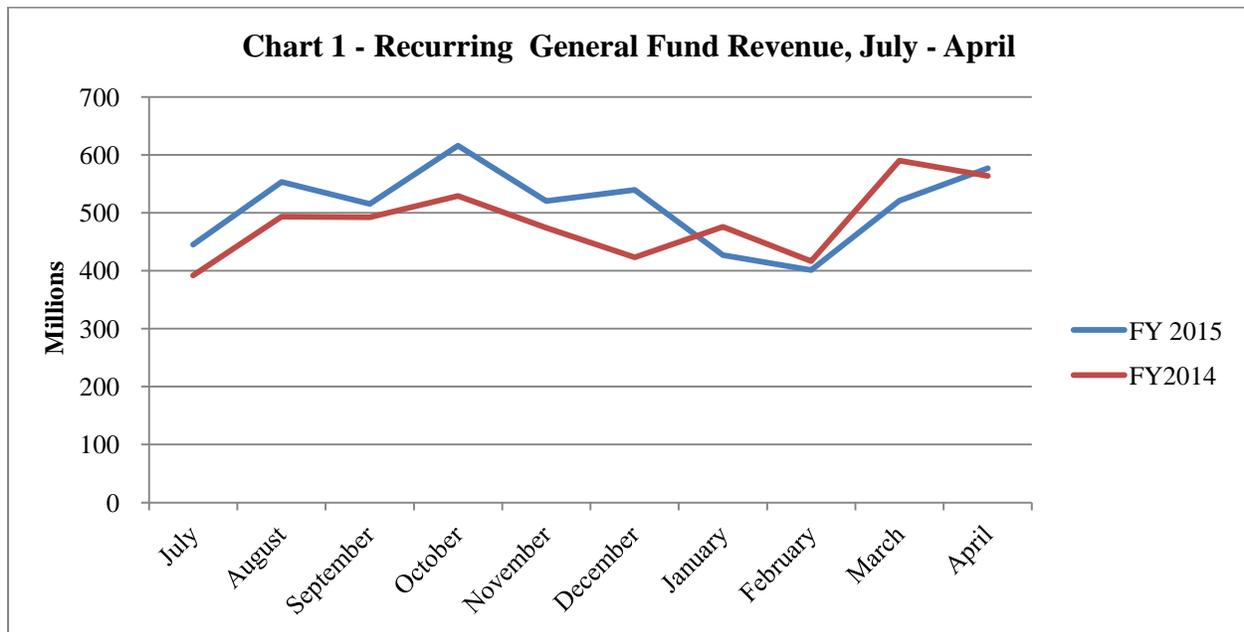
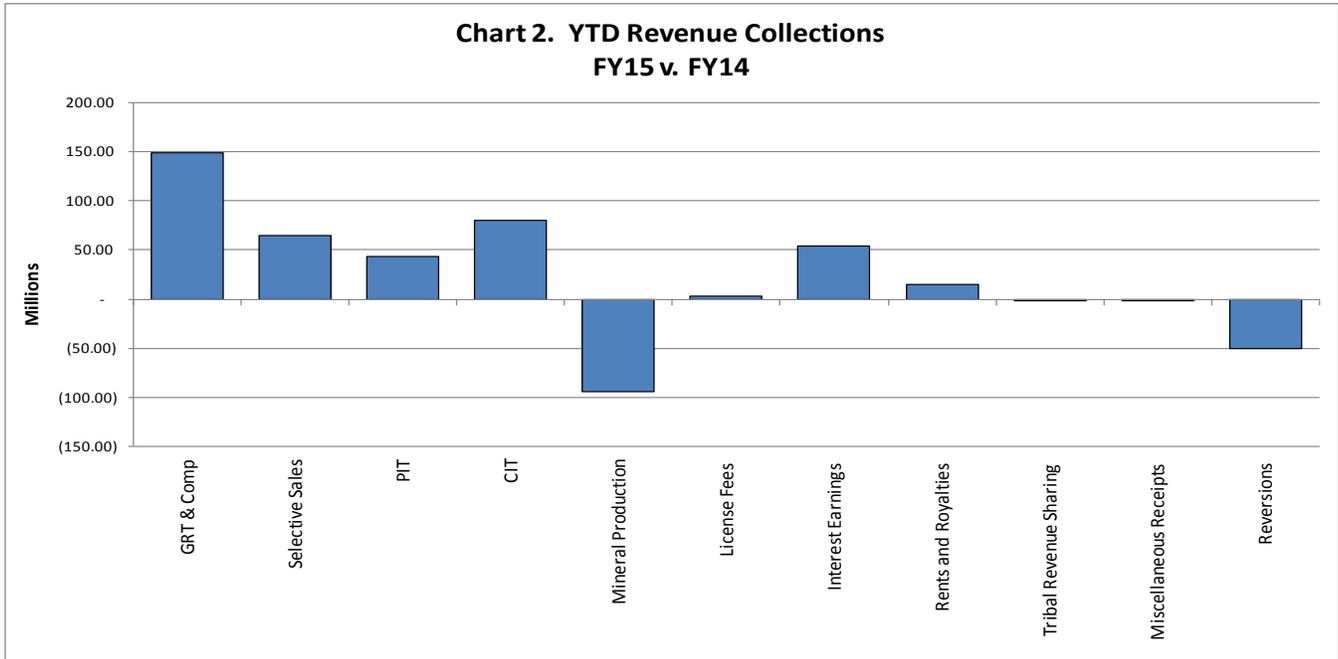


Chart 2 compares the components of fiscal year-to-date (FYTD) recurring revenue through April for FY15 and FY14. Appendix 1 tracks total FY15 revenue collections based on general fund accruals, some preliminary GenTax general fund transfer data from the Taxation and Revenue Department and the federal Office of Natural Resources Revenue. Projections for revenue collections through the remainder of the year are based on historical monthly shares of revenue collections by revenue source. Revenues are tracking at \$6.27 billion, \$155 million (2.5 percent) above the consensus revenue estimating group's (CREG) February forecast.



The largest risks to the fiscal year revenue forecast have passed, leaving the state on track to collect more revenue than the February consensus estimate. Table 1 compares FYTD revenue collections through April for FY15 and FY14. Recurring revenue is 5.5 percent above the same period in 2014, compared with estimated full-year growth of 1.2 percent. General sales taxes, for instance, were estimated to grow 6.5 percent in FY15. Through April, however, collections have outpaced the prior fiscal year by nearly nine percent due, in part, to large compensating tax collections. The largest fiscal-year-to-date change compared with the full-year forecast is in corporate income tax. Through April, CIT revenue has grown 62.4 percent over the same period in the prior fiscal year. This is well in excess of the estimated 17 percent growth. A large CIT payment in January 2015 contributes to this strength. Oil and gas revenue, expected to see an FY15 reduction of 17 percent due to the crash in prices, has seen only an 8 percent reduction through April. The more modest reduction in these revenues may be explained by stronger-than-anticipated oil production volumes.

**Table 1
General Fund Revenue Accruals: FY15 vs FY14**

(in millions of dollars)

Revenue Category	Fiscal Year-to-Date Through April		Year-over-Year Growth	Projected Full-Year Growth: February 2015 Forecast
	FY14	FY15		
General Sales Taxes (GRT & Comp)	\$1,688.5	\$1,837.8	8.8%	6.5%
Personal Income Tax	\$998.4	\$1,041.9	4.4%	4.8%
Corporate Income Tax	\$128.4	\$208.6	62.4%	16.9%
Oil & Gas Revenues *	\$961.3	\$882.5	-8.2%	-17.2%
Investment Income & Other	\$1,072.4	\$1,143.9	6.7%	3.7%
Total Recurring Revenue	\$4,849.1	\$5,114.7	5.5%	1.2%
Total Recurring Excluding Oil & Gas	\$3,887.8	\$4,232.2	8.9%	5.7%

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

Explanation of Revenue Tracking Method. Appendix 1 shows the latest consensus revenue estimates and monthly accruals in detail. These estimates were based on data available through December and finalized in January 2014. 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 “FY15 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled “FY15 Feb 15 Estimate” is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

APPENDIX 1 - FISCAL YEAR 2015 GENERAL FUND MONTHLY REVENUE TRACKING - Accruals through April

(dollars in millions; italics indicate preliminary actual revenue)

7/23/15 9:57 AM

Row #		ESTIMATED REVENUE ACCRUALS												FY15	TRACKING CHANGE (Δ)			FY14 Unaudited	Row #
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual +	FY 15	YTD	YTD		
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Prelim.	Est.	Estimate	Feb 15 Est	% Δ	\$ Δ		
1	Gross Receipts Tax	171.9	183.7	168.4	191.4	173.0	191.8	167.9	159.1	179.8	173.8	171.9	204.3	2,136.9	2,129.0	0.4%	7.9	1,992.0	1
2	Compensating Tax	9.0	8.9	10.0	10.7	9.2	4.8	9.8	10.1	1.2	3.4	4.7	4.9	86.6	75.0	15.4%	11.6	78.4	2
3	TOTAL GENERAL SALES TAXES	180.9	192.6	178.4	202.1	182.1	196.6	177.7	169.1	180.9	177.1	176.6	209.2	2,223.5	2,204.0	0.9%	19.5	2,070.4	3
4	Tobacco Products & Cigarette Taxes	6.4	7.0	6.6	7.0	6.5	8.2	4.6	7.9	6.4	6.4	6.6	8.3	81.8	79.0	3.6%	2.8	78.5	4
5	Liquor Excise Tax	2.2	2.1	2.2	2.1	1.8	3.7	1.6	1.7	1.3	3.0	2.2	2.7	26.6	26.7	-0.3%	(0.1)	26.4	5
6	Insurance Premiums Tax	0.2	29.6	1.0	10.4	28.3	10.6	1.3	54.3	3.8	0.9	27.4	1.0	168.8	140.0	20.6%	28.8	115.1	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	14.9	14.9	14.9	0.0%	0.0	16.1	7
8	Motor Vehicle Excise Tax	13.6	12.3	12.2	12.4	10.1	11.5	11.5	10.3	12.9	12.8	12.8	12.5	145.0	143.3	1.2%	1.7	133.3	8
9	Gaming Excise Tax	5.5	6.1	5.4	5.7	5.6	5.6	5.7	6.0	6.4	6.1	5.9	5.5	69.4	67.9	2.2%	1.5	66.5	9
10	Leased Vehicle Surcharge	0.3	0.5	0.5	0.9	0.4	0.4	0.3	0.3	0.3	0.4	0.5	0.4	5.2	5.2	-0.3%	(0.0)	5.2	10
11	Other	0.0	0.1	0.9	(0.5)	(0.3)	(0.1)	0.8	(0.8)	0.3	0.3	0.1	(0.0)	0.8	1.1	NA	(0.2)	2.9	11
12	TOTAL SELECTIVE SALES TAXES	28.3	57.6	28.8	38.0	52.4	39.9	25.7	79.7	31.4	30.0	55.5	45.3	512.6	478.1	7.2%	34.5	443.9	12
13	Withholding	88.3	111.4	84.9	100.6	81.0	144.9	89.4	91.8	90.0	102.0	93.2	109.2	1,186.8	1,189.5	-0.2%	(2.7)	1,116.2	13
14	Final Settlements & Estimated Payments	-	10.2	48.5	19.3	12.0	31.2	38.7	11.5	33.2	136.7	28.3	60.4	430.1	428.6	0.4%	1.5	396.6	14
15	Oil and Gas Withholding Tax	-	3.4	4.9	11.1	10.0	7.5	10.7	5.7	8.9	7.9	6.6	19.4	96.0	85.6	12.2%	10.4	109.6	15
16	Fiduciary Tax	(0.1)	1.0	(0.5)	(0.1)	0.5	0.4	(0.8)	0.1	4.1	1.0	3.9	(1.0)	8.7	19.3	-55.1%	(10.7)	8.0	16
17	Gross Personal Income Tax	88.2	126.1	137.8	130.9	103.5	184.1	138.0	109.1	136.1	247.7	132.0	188.0	1,721.6	1,723.0	-0.1%	(1.5)	1,630.4	17
18	Refunds	6.4	8.4	7.9	6.8	5.1	62.4	116.9	62.6	40.2	21.1	13.3	8.2	359.1	384.9	-6.7%	(25.8)	351.4	18
19	Retiree Health Care	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	1.7	1.9	25.6	23.1	10.7%	2.5	24.1	19
20	Less: Refunds, distributions to other funds	8.6	10.6	10.1	9.0	7.3	64.6	119.1	64.8	42.4	23.3	15.0	10.1	384.8	408.0	-5.7%	(23.3)	375.5	20
21	NET PERSONAL INCOME TAX	79.6	115.6	127.7	121.9	96.3	119.5	19.0	44.3	93.7	224.4	117.0	177.9	1,336.8	1,315.0	1.7%	21.8	1,254.9	21
22	Gross Corporate Payments	-	26.9	6.4	19.3	38.0	11.4	63.9	(11.1)	49.4	4.5	19.3	39.9	267.9	230.0	16.5%	37.9	196.8	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	0.0	0.0	23
24	NET CORPORATE INCOME TAX	-	26.9	6.4	19.3	38.0	11.4	63.9	(11.1)	49.4	4.5	19.3	39.9	267.9	230.0	16.5%	37.9	196.8	24
25	TOTAL INCOME TAXES	79.6	142.4	134.1	141.2	134.3	130.9	82.9	33.2	143.1	228.9	136.3	217.8	1,604.7	1,545.0	3.9%	59.7	1,451.7	25
26	Oil and Gas School Tax	45.0	41.8	37.8	35.2	35.1	27.7	22.8	23.5	24.0	25.0	26.9	27.3	372.1	370.0	0.6%	2.1	500.7	26
27	Oil Conservation Tax	2.5	2.3	2.1	1.9	1.9	1.5	1.3	1.3	1.3	1.6	1.7	1.3	20.7	20.0	3.7%	0.7	27.2	27
28	Resources Excise Tax	1.1	1.2	1.2	1.2	0.9	1.4	1.1	1.0	1.2	1.1	1.0	1.0	13.5	12.7	5.9%	0.8	13.0	28
29	Natural Gas Processors Tax	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.5	1.5	1.5	1.7	18.7	19.0	-1.6%	(0.3)	16.2	29
30	TOTAL MINERAL PROD. TAXES	50.2	46.9	42.6	39.8	39.5	32.1	26.8	27.2	28.0	29.3	31.2	31.3	425.0	421.7	0.8%	3.3	557.1	30
31	LICENSE FEES	2.1	2.2	2.1	2.1	1.8	8.0	2.0	4.7	6.7	18.4	2.7	2.6	55.4	51.6	7.4%	3.8	51.7	31
32	Land Grant Perm. Fund Distributions	41.8	41.8	41.8	41.9	41.9	41.9	41.9	41.9	41.9	41.9	41.1	41.1	501.0	496.2	1.0%	4.9	449.4	32
33	State Treasurer's Earnings	(2.8)	3.9	(1.2)	5.1	3.8	(3.9)	10.8	(4.4)	4.4	0.4	0.5	1.7	18.4	15.0	22.7%	3.4	19.0	33
34	Severance Tax Perm. Fund Distributions	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	182.7	182.7	0.0%	0.0	170.5	34
35	TOTAL INVESTMENT EARNINGS	54.3	61.0	55.9	62.2	60.9	53.2	67.9	52.7	61.5	57.6	56.8	58.1	702.2	693.9	1.2%	8.3	638.9	35
36	Federal Mineral Leasing Royalties	45.4	46.6	48.2	126.0	47.1	38.8	39.4	31.1	38.5	26.9	24.6	29.2	541.8	510.0	6.2%	31.8	569.9	36
37	State Land Office Bonuses, Rents	3.0	2.3	7.3	2.5	1.0	3.5	3.2	1.6	3.2	4.3	5.8	5.1	42.8	40.9	4.6%	1.9	47.5	37
38	TOTAL RENTS & ROYALTIES	48.4	48.9	55.5	128.5	48.2	42.3	42.6	32.7	41.7	31.3	30.3	34.3	584.6	550.9	6.1%	33.7	617.3	38
39	TRIBAL REVENUE SHARING	-	0.4	16.5	0.2	0.1	15.1	0.2	0.7	16.4	0.6	0.1	17.7	68.1	70.0	-2.7%	(1.9)	67.6	39
40	MISCELLANEOUS RECEIPTS	1.1	1.1	1.2	1.1	1.0	19.9	1.2	1.2	1.1	3.4	1.2	12.7	46.2	46.6	-0.8%	(0.4)	45.0	40
41	REVERSIONS	0.0	0.1	0.0	0.5	0.0	1.6	0.0	0.1	9.8	0.1	5.0	29.6	46.8	53.0	-11.6%	(6.2)	96.5	41
42	TOTAL RECURRING REVENUE	444.9	553.1	515.2	615.7	520.5	539.7	427.0	401.3	520.7	576.6	495.8	658.7	6,269.1	6,114.7	2.5%	154.4	6,040.1	42
43	Non-Recurring	0.0	0.5	(0.1)	0.0	0.3	(0.1)	0.0	0.4	(0.1)	(0.0)	-	-	0.9	0.0	NA	0.9	0.4	43
44	TOTAL NON-RECURRING REVENUE	0.0	0.5	(0.1)	0.0	0.3	(0.1)	0.0	0.4	(0.1)	(0.0)	-	-	0.9	0.0	NA	0.9	0.4	44
45	GRAND TOTAL REVENUE	444.9	553.6	515.0	615.7	520.8	539.7	427.0	401.7	520.6	576.6	495.8	658.7	6,270.0	6,114.7	2.5%	155.3	6,040.5	45