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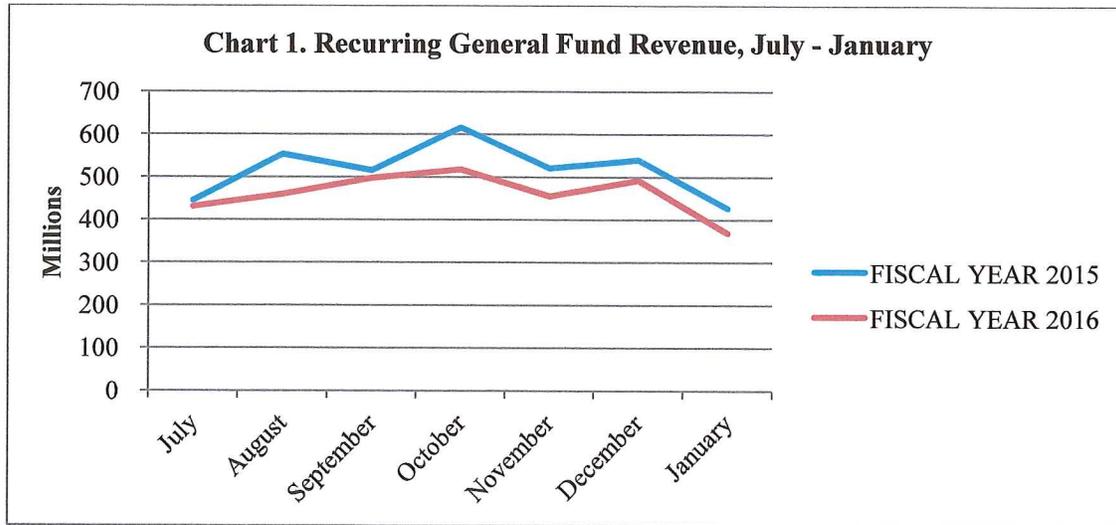
*April 15, 2016*



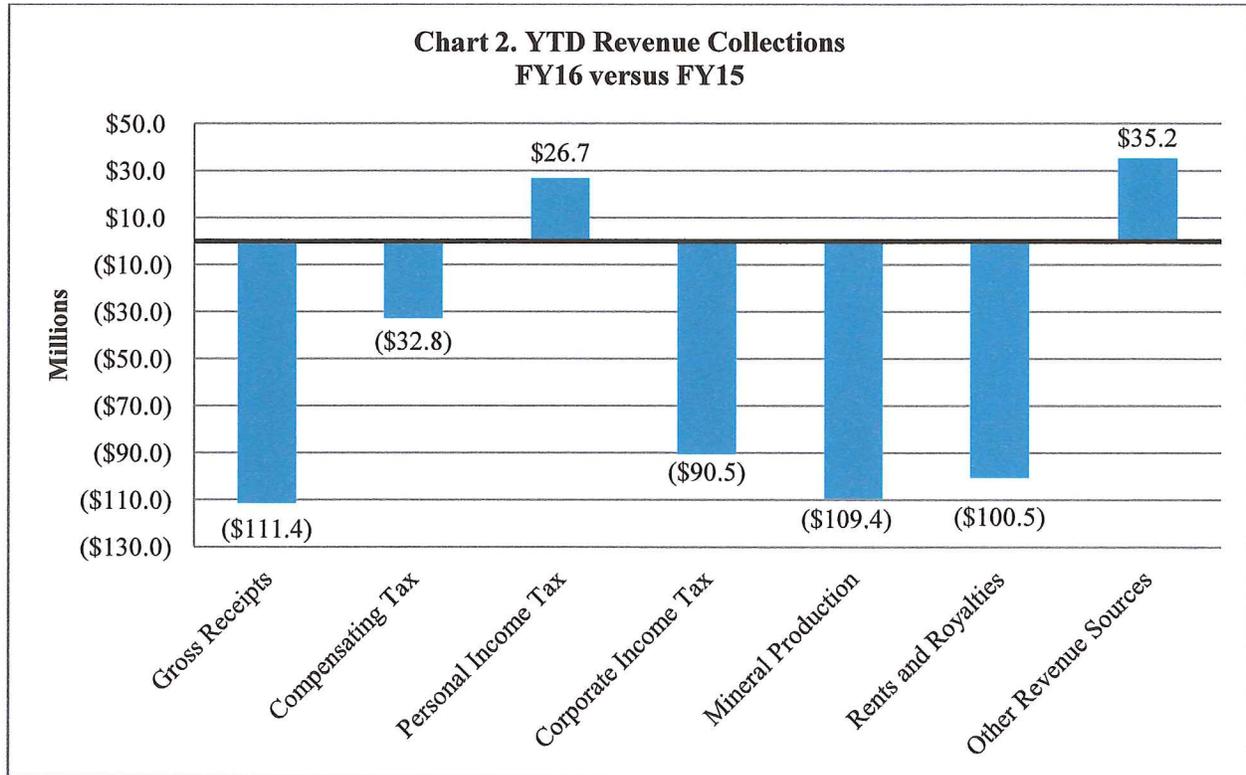
**General Fund Revenue Tracking Report: Accruals through January 2016**

This general fund revenue tracking report reflects revenue accruals through January 2016 as reported by the Department of Finance and Administration, and some preliminary revenues through February 2016.

**Summary.** Chart 1 compares total recurring revenue between FY16 and FY15 through January. Total recurring revenue collection in January was \$382 million, and year-to-date revenues were down -10.6 percent from the same period a year ago.



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 billion, at -0.8 percent or \$46.7 million below the consensus revenue estimating group's (CREG) revised January forecast. Revenues appear to be tracking approximately with the February guidance for a 2 percent revenue reduction from the January estimate.



**January and Year-To-Date Revenues.** Chart 2 and Table 1 compare the components of fiscal year-to-date (FYTD) revenue through January for FY16 versus FY15. Revenue collections are based on general fund accruals and GenTax general fund transfer data from Taxation and Revenue Department and rents and royalties. Revenue is -10.6 percent below the same period in 2015, compared with estimated full-year growth of -2.8 percent.

- Gross receipts through January are down -9 percent, hindered by a broad economic slowdown in the oil and gas sector. Some strength in the healthcare and hospitality sectors has helped to offset a portion of the downturn.
- Compensating tax continues to reflect the pull-back in the oil and gas industry over the last year and lags nearly 53 percent behind the prior year's revenues received.
- Corporate income tax (CIT) revenues at \$75.4 million are down -54.6 percent due to continued broad sector weakness in the manufacturing and mining sectors.
- Year-to-date personal income tax (PIT) revenues are 3.9 percent greater than FY15, yet still slightly weaker than forecasted at 4.6 percent. Refund payments and the level of transfers to PIT suspense masque how PIT is performing. It is uncertain how PIT revenues are tracking as refunds are varied from year to year.
- Preliminary federal mineral leasing revenues for March 2016 were \$15.7 million, down -59 percent compared to the average of the first eight months of FY16.
- The state treasurer's earnings in January, were \$10.7 million after three months of losses. The increase is mostly due to unrealized gains in the market value of the agency's holdings, with realized interest earnings contributing about 15 percent of the total.

**Table 1. General Fund Revenue Accruals: FY16 vs. FY15**  
(in millions of dollars)

Revenue Category	Fiscal Year-to-Date Through January		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: January 2016 Forecast
	FY15	FY16			
Gross Receipts	\$1,248.1	\$1,136.7	(\$111.4)	-8.9%	-0.2%
Compensating Tax	\$62.4	\$29.6	(\$32.8)	-52.6%	-24.3%
Selective Sales	\$270.7	\$274.6	\$3.8	1.4%	6.5%
Personal Income Tax	\$679.5	\$706.2	\$26.7	3.9%	4.6%
Corporate Income Tax	\$165.8	\$75.4	(\$90.5)	-54.6%	-12.4%
Oil & Gas Revenues *	\$692.3	\$482.5	(\$209.9)	-30.3%	-26.4%
License Fees	\$20.3	\$21.9	\$1.6	7.9%	-2.5%
Investment Income	\$415.5	\$448.0	\$32.6	7.8%	8.4%
Tribal Revenue Sharing	\$32.5	\$32.7	\$0.3	0.8%	-4.3%
Miscellaneous Receipts	\$26.6	\$24.1	(\$2.5)	-9.3%	0.6%
Reversions	\$2.3	\$2.5	\$0.2	8.0%	-2.9%
<b>Total Revenue</b>	<b>\$3,616.8</b>	<b>\$3,234.2</b>	<b>(\$382.6)</b>	<b>-10.6%</b>	<b>-2.8%</b>

\*Oil & Gas revenues include mineral production taxes and rents & royalties. Includes estimate for oil & gas school tax.

**Revenue Tracking.** The last page provides the general fund revenue tracking report for FY16. The report details the actual revenues received year-to-date and the estimated revenues for the remainder of the year.

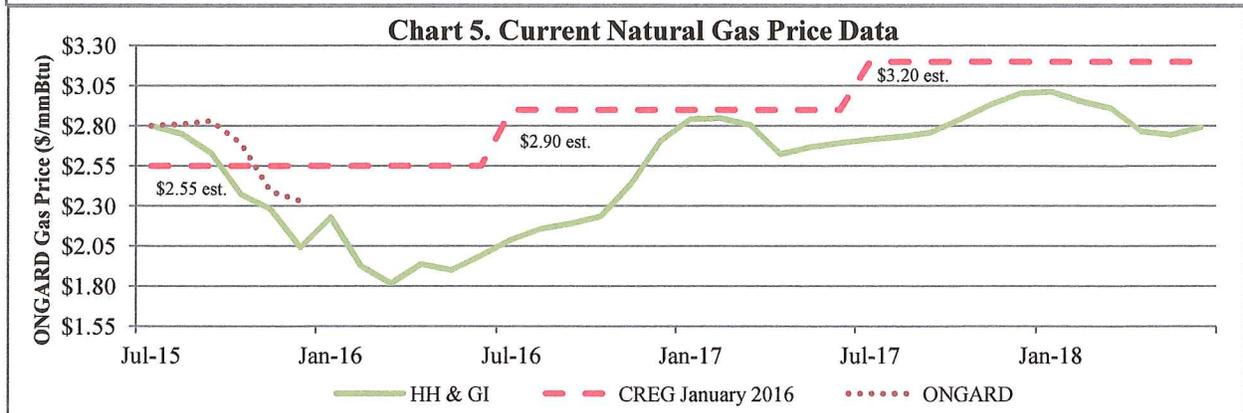
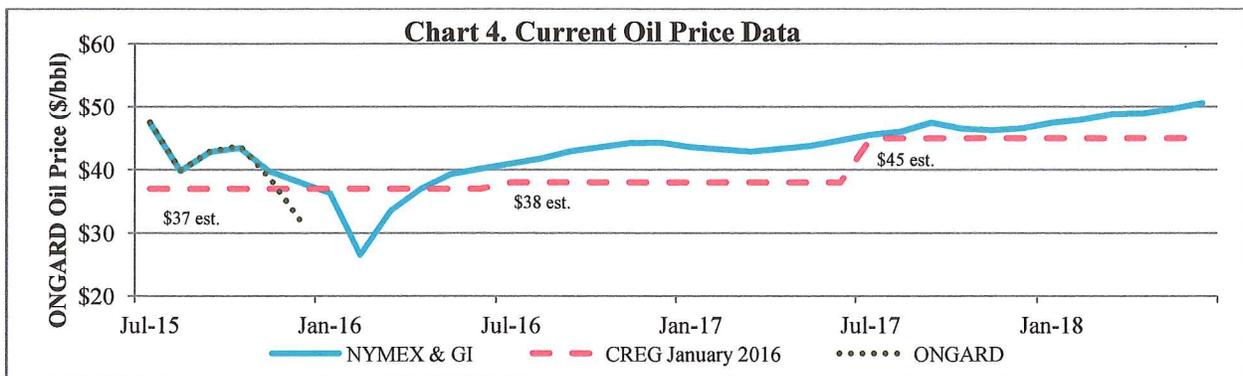
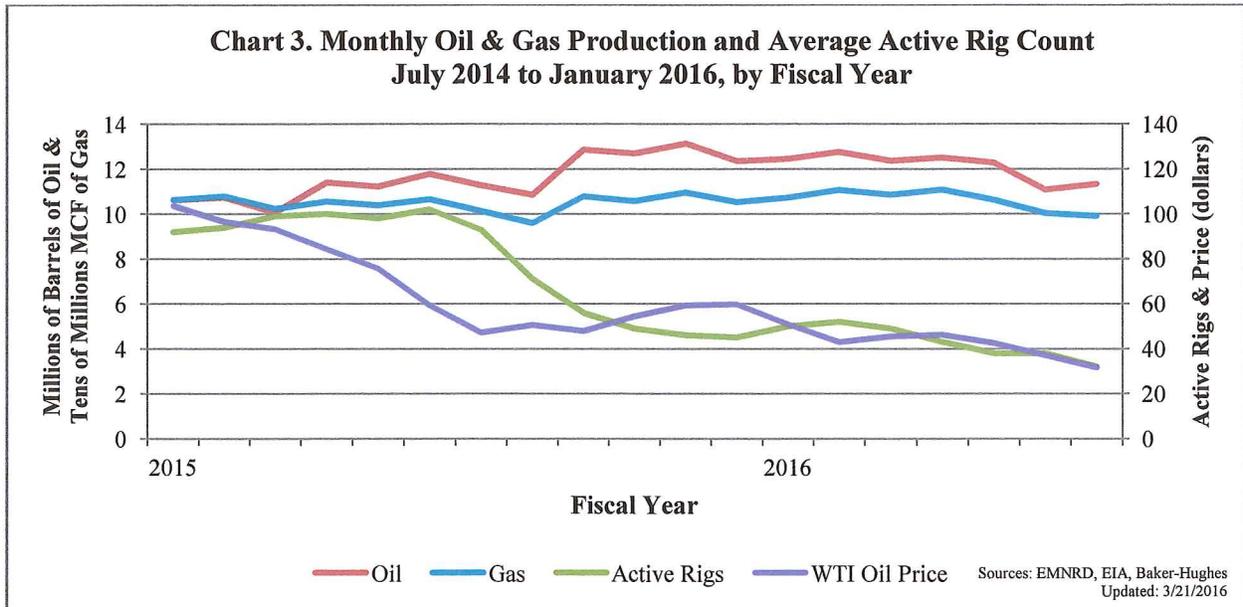
**Taxable Gross Receipts.** Table 2 compares fiscal-year-to-date growth of taxable gross receipts (TGR) by industry between FY15 and FY16 through January for both periods. Total TGR decreased by -5.4 percent compared with the same period in the prior fiscal year. The category of professional services, primarily in Los Alamos county, saw the largest positive increase with 21.7 percent growth followed by 4.4 percent in agriculture and healthcare. Wholesale trade was down nearly -15 percent, while mining and oil and gas extraction was down -41.8 percent and manufacturing continued a three year declining trend, down -27.6 percent.

**Table 2. Gross Receipts Tax -- Sectoral Performance**  
July - January 2016 over same period of FY15

	Matched Taxable Gross Receipts	General Fund Portion Taxes Paid	General Fund Taxes Pd for Period (millions)
Agriculture	4.4%	2.1%	\$2.6
Mining	-41.8%	-39.9%	\$73.5
Construction	0.7%	-0.2%	\$163.9
Manufacturing	-27.6%	-27.7%	\$46.1
Wholesale	-14.9%	-16.4%	\$57.2
Retail	-3.6%	-3.6%	\$294.8
Healthcare	4.4%	4.3%	\$59.2
Professional Services	21.7%	22.8%	\$171.3
Unclassified	-65.1%	-50.5%	\$9.3
All Others	-1.4%	-1.8%	\$434.5
All Categories	-5.4%	-5.2%	\$1,312.4

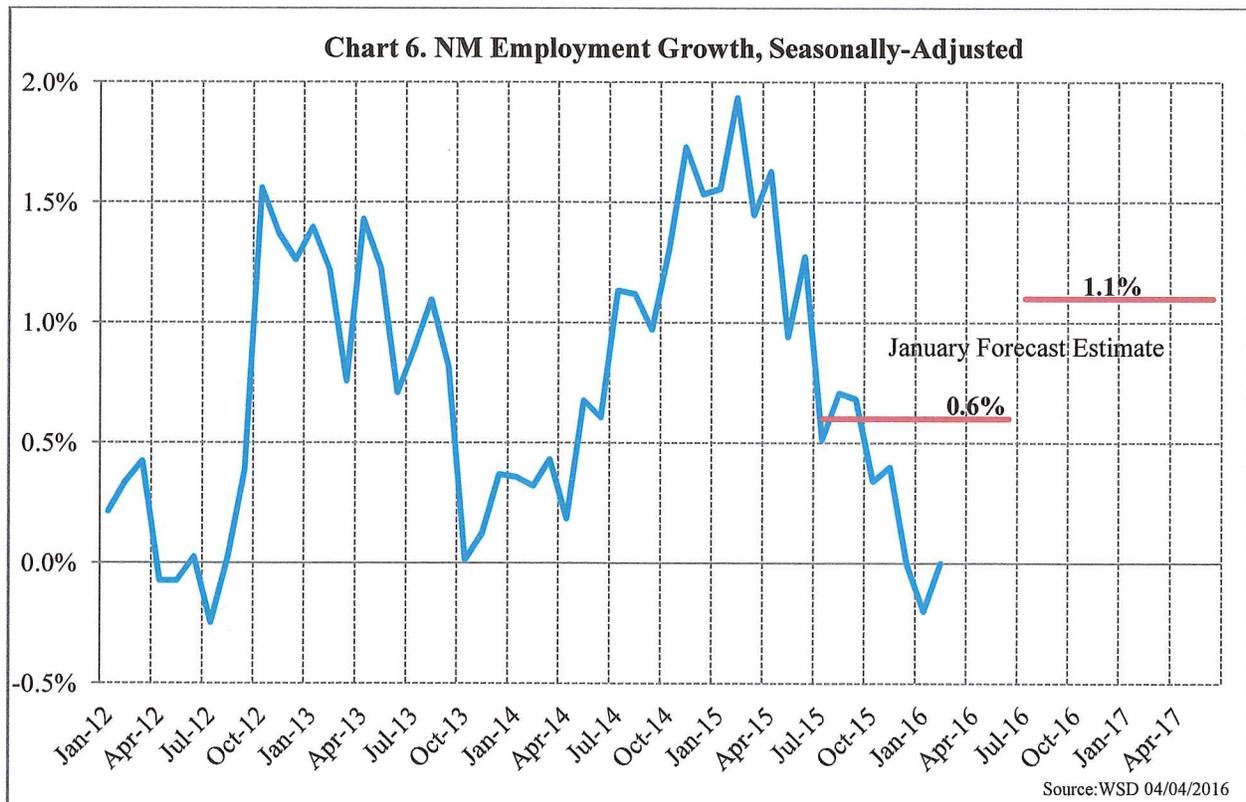
Note: these are RP-500 data and do not include CRS credits or administrative fees from the local governments.

**Oil and Gas.** As observed in the monthly oil and gas production chart, companies have slashed drilling activities in response to falling commodity prices, while production levels declined nearly 15 percent for the second month in a row. Over the last year, operating oil rigs in New Mexico have fallen from over 100 at the peak to 13 at the lowest point in March. Oil storage is at record levels and expected to remain elevated throughout the remainder of the fiscal year. The oil price is within a similar range as the estimate provided earlier in the year, while gas prices are significantly lower than the estimate as observed in Chart 5 below. Gas storage levels remain high as a warmer than expected winter and lower demand contributed to the buildup.



**Employment and Income Trends.**

- New Mexico had essentially flat job growth in February, adding just 300 jobs year-over-year and rounding to 0 percent growth. However, it is a slight improvement from January’s -0.2 percent decline in employment. The Albuquerque, Santa Fe, and Las Cruces metro areas continued a trend over most of the past year for about 1 percent combined job growth, and Farmington lost fewer jobs in February than in the previous four months. The remainder of the state lost more jobs than in every month in 2015, only shedding more jobs in January 2016.
- February continued the previous month’s loss of 7,700 jobs in the mining industry, a decline of -27.4 percent from February 2015. The transportation, warehousing, and utilities sector lost 1,700 jobs, or -6.9 percent, and manufacturing lost 700 jobs, or -2.6 percent.
- Education and health services continued January’s strong job growth, gaining 6,100 jobs, or 4.6 percent. The industry expanded more year-over-year in the past two months than at any time since 2002. The leisure and hospitality industry also helped offset job losses in other sectors, adding 3,200 jobs, or 3.6 percent.



**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 2016. 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 “FY16 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled “FY16 Jan 16 Est” is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

FISCAL YEAR 2016 GENERAL FUND MONTHLY REVENUE TRACKING

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

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	ESTIMATED REVENUE ACCRUALS												TRACKING CHANGE (Δ)			
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	FY 16 Actual + Estimate	FY 16 Est	YTD %Δ	YTD \$Δ
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Estimate	Jan 16 Est	-1.7%	(35.3)
Gross Receipts Tax	167.2	167.0	143.3	141.9	171.4	202.3	143.5	168.3	174.5	187.8	176.3	211.0	2,054.7	2,090.0	-1.7%	(35.3)
Compensating Tax	2.5	3.3	5.0	3.6	2.3	5.7	7.2	3.5	5.1	4.8	6.5	6.7	56.2	54.4	3.3%	1.8
<b>TOTAL GENERAL SALES TAXES</b>	<b>169.8</b>	<b>170.3</b>	<b>148.4</b>	<b>145.5</b>	<b>173.7</b>	<b>208.0</b>	<b>150.7</b>	<b>171.8</b>	<b>179.6</b>	<b>192.6</b>	<b>182.8</b>	<b>217.8</b>	<b>2,110.9</b>	<b>2,144.4</b>	<b>-1.6%</b>	<b>(33.5)</b>
Tobacco Products & Cigarette Taxes	6.0	7.2	7.8	6.9	5.4	6.7	5.6	6.6	6.9	6.9	6.6	8.9	81.4	82.4	-1.2%	(1.0)
Liquor Excise Tax	0.5	0.5	0.7	0.6	0.6	0.7	0.4	0.5	0.5	0.5	0.5	0.7	6.7	6.7	0.5%	0.0
Insurance Premiums Tax	0.5	45.7	1.0	1.2	45.1	0.8	-	37.3	2.2	1.5	43.1	1.4	180.0	188.0	-4.3%	(8.0)
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	13.7	13.7	0.0%	-	
Motor Vehicle Excise Tax	16.3	13.5	12.7	11.7	12.7	11.1	11.3	10.6	13.1	12.8	13.0	12.4	151.4	151.0	0.3%	0.4
Gaming Excise Tax	5.7	5.3	5.0	5.5	4.6	4.8	5.5	6.3	6.9	6.2	6.5	5.9	68.1	70.1	-2.8%	(2.0)
Leased Vehicle Surcharge	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.4	0.4	0.5	0.5	5.3	5.2	1.9%	0.1
Other	0.0	0.4	0.4	(0.3)	(0.0)	0.4	0.6	0.4	0.3	0.3	0.3	0.4	3.2	3.2	0.1%	0.0
<b>TOTAL SELECTIVE SALES TAXES</b>	<b>29.6</b>	<b>73.2</b>	<b>28.2</b>	<b>26.2</b>	<b>68.8</b>	<b>24.9</b>	<b>23.6</b>	<b>62.0</b>	<b>30.3</b>	<b>28.6</b>	<b>70.5</b>	<b>43.8</b>	<b>509.8</b>	<b>520.3</b>	<b>-2.0%</b>	<b>(10.5)</b>
Withholding	102.4	86.4	128.0	98.1	84.0	141.0	85.7	106.3	115.9	102.0	106.6	117.1	1,273.5	1,293.8	-1.6%	(20.3)
Final Settlements	0.0	13.4	45.3	23.6	12.0	33.1	41.2	12.4	36.4	149.2	27.4	67.9	461.8	466.1	-0.9%	(4.3)
Oil and Gas Withholding Tax	0.0	2.2	6.8	7.7	5.4	11.3	7.7	3.8	5.4	13.9	6.9	20.9	88.9	93.1	-4.5%	(4.2)
Fiduciary Tax	(0.1)	1.0	(0.7)	0.2	0.3	0.6	0.6	(0.0)	12.4	1.4	4.8	(1.1)	19.3	21.0	-8.2%	(1.7)
<b>Gross Personal Income Tax</b>	<b>102.3</b>	<b>103.0</b>	<b>179.4</b>	<b>129.6</b>	<b>101.6</b>	<b>179.2</b>	<b>138.8</b>	<b>122.4</b>	<b>170.1</b>	<b>266.5</b>	<b>145.7</b>	<b>204.8</b>	<b>1,843.4</b>	<b>1,874.1</b>	<b>-1.6%</b>	<b>(30.6)</b>
Refunds	6.6	8.6	9.2	11.7	4.7	70.7	99.2	82.1	52.9	22.4	13.6	9.0	390.7	443.8	-12.0%	(53.1)
Retiree Health Care	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.6	29.3	29.3	0.2%	0.1
<b>Less: Refunds, distributions to other funds</b>	<b>9.0</b>	<b>11.0</b>	<b>11.6</b>	<b>14.2</b>	<b>7.1</b>	<b>73.2</b>	<b>101.6</b>	<b>84.5</b>	<b>55.3</b>	<b>24.9</b>	<b>16.0</b>	<b>11.7</b>	<b>420.1</b>	<b>473.1</b>	<b>-11.2%</b>	<b>(53.0)</b>
<b>NET PERSONAL INCOME TAX</b>	<b>93.3</b>	<b>92.0</b>	<b>167.8</b>	<b>115.4</b>	<b>94.5</b>	<b>106.1</b>	<b>37.2</b>	<b>37.9</b>	<b>114.8</b>	<b>241.6</b>	<b>129.7</b>	<b>193.1</b>	<b>1,423.4</b>	<b>1,401.0</b>	<b>1.6%</b>	<b>22.4</b>
Gross Corporate Payments	0.0	(5.4)	3.6	43.4	(9.1)	(3.6)	46.4	(3.4)	40.4	17.5	18.9	56.7	205.5	223.0	-7.8%	(17.5)
<b>Less: Refunds, Credits &amp; Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.4)</b>	<b>40.4</b>	<b>17.5</b>	<b>18.9</b>	<b>56.7</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>(17.5)</b>
<b>NET CORPORATE INCOME TAX</b>	<b>0.0</b>	<b>(5.4)</b>	<b>3.6</b>	<b>43.4</b>	<b>(9.1)</b>	<b>(3.6)</b>	<b>46.4</b>	<b>(3.4)</b>	<b>40.4</b>	<b>17.5</b>	<b>18.9</b>	<b>56.7</b>	<b>205.5</b>	<b>223.0</b>	<b>-7.8%</b>	<b>(17.5)</b>
<b>TOTAL INCOME TAXES</b>	<b>93.3</b>	<b>86.6</b>	<b>171.4</b>	<b>158.8</b>	<b>85.4</b>	<b>102.4</b>	<b>83.6</b>	<b>34.6</b>	<b>155.3</b>	<b>259.1</b>	<b>148.6</b>	<b>249.9</b>	<b>1,628.9</b>	<b>1,624.0</b>	<b>0.3%</b>	<b>4.9</b>
Oil and Gas School Tax	24.6	22.9	23.2	23.8	19.5	16.9	12.1	17.7	20.6	19.8	18.7	19.0	238.9	248.5	-3.9%	(9.6)
Oil Conservation Tax	1.2	1.1	1.1	1.1	0.9	0.9	0.7	1.1	1.2	1.1	1.3	1.0	12.6	13.3	-5.1%	(0.7)
Resources Excise Tax	1.1	1.0	0.4	1.5	0.8	1.1	0.8	1.1	1.2	1.0	1.2	1.2	12.5	13.0	-4.1%	(0.5)
Natural Gas Processors Tax	1.6	1.7	1.8	1.8	1.7	1.5	1.6	1.4	1.6	1.6	1.6	1.6	19.7	19.7	-0.2%	(0.0)
<b>TOTAL MINERAL PROD. TAXES</b>	<b>28.6</b>	<b>26.7</b>	<b>26.5</b>	<b>28.3</b>	<b>23.0</b>	<b>20.4</b>	<b>15.2</b>	<b>21.3</b>	<b>24.5</b>	<b>23.5</b>	<b>22.9</b>	<b>22.7</b>	<b>283.6</b>	<b>294.5</b>	<b>-3.7%</b>	<b>(10.9)</b>
<b>LICENSE FEES</b>	<b>2.2</b>	<b>2.0</b>	<b>2.4</b>	<b>2.0</b>	<b>2.0</b>	<b>8.6</b>	<b>2.6</b>	<b>3.9</b>	<b>8.4</b>	<b>15.7</b>	<b>3.1</b>	<b>2.5</b>	<b>55.4</b>	<b>54.5</b>	<b>1.6%</b>	<b>0.9</b>
Land Grant Perm. Fund Distributions	46.2	46.2	46.2	46.2	46.2	46.3	46.3	46.0	46.0	46.0	46.0	46.0	553.7	553.2	0.1%	0.5
State Treasurer's Earnings	2.1	0.0	5.4	(1.9)	(3.3)	10.7	(1.5)	0.5	2.7	0.5	0.6	1.8	17.7	15.0	17.8%	2.7
Severance Tax Perm. Fund Distributions	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	193.5	193.5	0.0%	(0.0)
<b>TOTAL INVESTMENT EARNINGS</b>	<b>64.4</b>	<b>62.3</b>	<b>67.7</b>	<b>60.5</b>	<b>59.1</b>	<b>60.8</b>	<b>73.1</b>	<b>62.6</b>	<b>64.8</b>	<b>62.6</b>	<b>62.8</b>	<b>64.0</b>	<b>764.9</b>	<b>761.7</b>	<b>0.4%</b>	<b>3.1</b>
Federal Mineral Leasing Royalties	30.9	35.0	29.5	88.7	33.2	29.7	27.6	25.2	15.7	23.2	27.1	28.0	393.8	400.0	-1.5%	(6.2)
State Land Office Bonuses, Rents	9.9	2.2	6.6	6.0	8.6	3.8	2.1	-	2.1	1.9	3.1	3.0	49.3	50.0	-1.5%	(0.7)
<b>TOTAL RENTS &amp; ROYALTIES</b>	<b>40.8</b>	<b>37.2</b>	<b>36.1</b>	<b>94.7</b>	<b>41.9</b>	<b>33.5</b>	<b>29.7</b>	<b>25.2</b>	<b>17.7</b>	<b>25.1</b>	<b>30.2</b>	<b>31.0</b>	<b>443.1</b>	<b>450.0</b>	<b>-1.5%</b>	<b>(6.9)</b>
TRIBAL REVENUE SHARING	0.8	0.0	15.6	0.7	0.0	14.9	0.7	0.2	15.9	0.2	0.1	15.8	65.0	64.3	1.1%	0.7
MISCELLANEOUS RECEIPTS	0.8	1.0	1.2	1.0	0.9	17.9	1.2	4.7	1.9	5.5	5.7	22.2	64.1	56.5	13.5%	7.6
REVERSIONS	0.0	0.0	0.0	0.1	0.1	1.2	1.1	1.6	9.0	0.5	2.5	31.9	47.9	50.0	-4.2%	(2.1)
<b>TOTAL RECURRING REVENUE</b>	<b>430.3</b>	<b>459.4</b>	<b>497.4</b>	<b>517.9</b>	<b>454.9</b>	<b>492.7</b>	<b>381.7</b>	<b>387.9</b>	<b>507.4</b>	<b>613.3</b>	<b>529.2</b>	<b>701.5</b>	<b>5,973.6</b>	<b>6,020.2</b>	<b>-0.8%</b>	<b>(46.7)</b>
Non-Recurring	0.0	(0.1)	(0.1)	0.0	0.2	(0.1)	0.0	-	-	-	-	-	5.4	5.5	-1.7%	(0.1)
<b>TOTAL NON-RECURRING REVENUE</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.4</b>	<b>5.5</b>	<b>-1.7%</b>	<b>(0.1)</b>
<b>GRAND TOTAL REVENUE</b>	<b>430.3</b>	<b>459.3</b>	<b>497.2</b>	<b>517.9</b>	<b>455.1</b>	<b>492.6</b>	<b>381.7</b>	<b>387.9</b>	<b>507.4</b>	<b>613.3</b>	<b>529.2</b>	<b>701.5</b>	<b>5,979.0</b>	<b>6,025.7</b>	<b>-0.8%</b>	<b>(46.7)</b>

# General Fund Revenue Tracking

## FY13-FY16

