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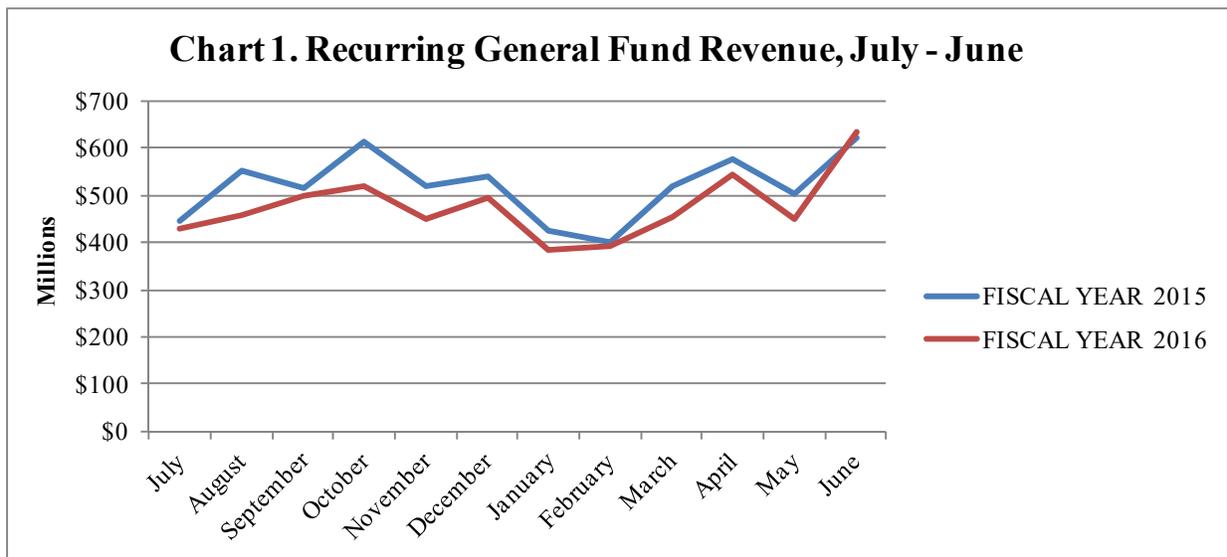
October 25, 2016



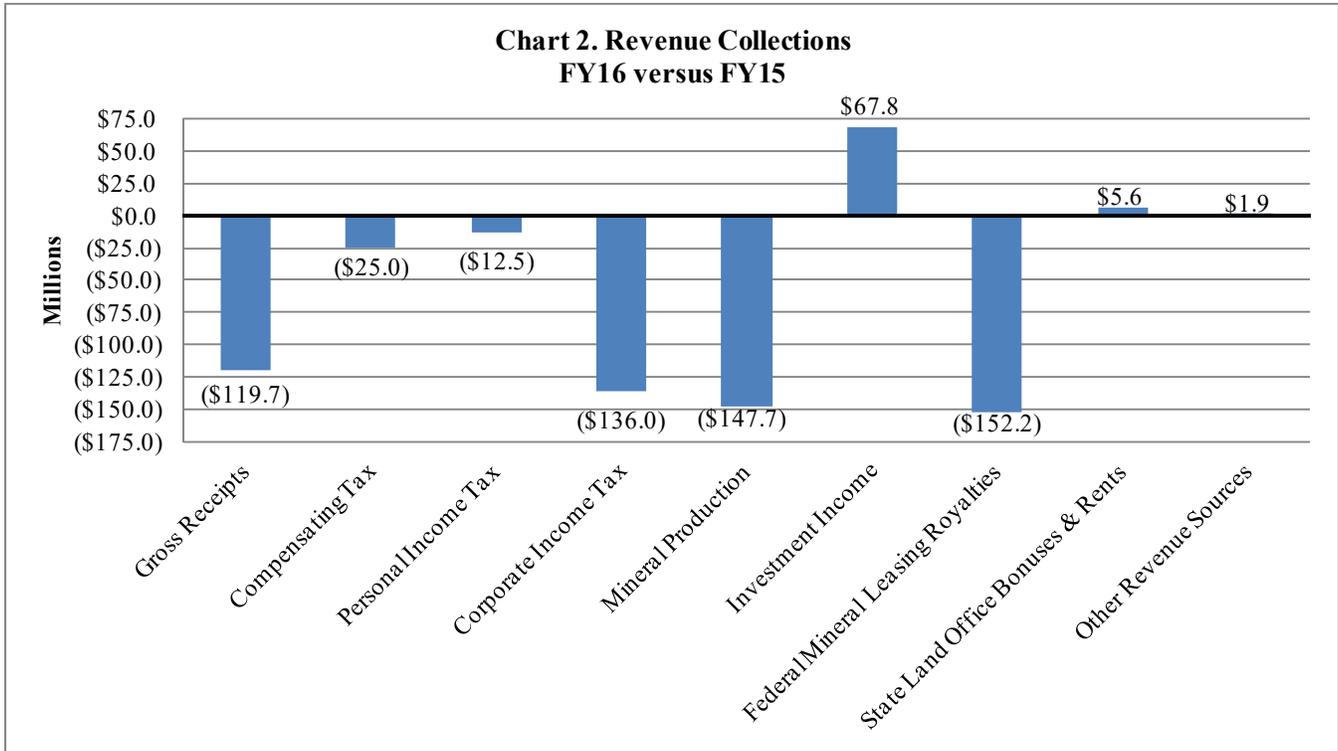
General Fund Revenue Tracking Report: Accruals through June 2016 (Unaudited)

This general fund revenue tracking report reflects unaudited revenue accruals through June 2016 as reported by the Department of Finance and Administration. These numbers may change as a result of audit processes.

Summary. Chart 1 compares total recurring revenue between FY15 and FY16. Total recurring revenue collection in FY16 was \$5.7 billion, down 7.8 percent from FY15. This is an increase of \$37.7 million from the August 2016 consensus revenue estimate presented on August 24 in Red River. However, this strength was mostly offset by initial weakness at the start of FY17. The consensus revenue estimating group made estimates based on historical data of how revenues received at the end of the fiscal year would be booked between FY16 and FY17, and it appears the strength in June is largely accounting, rather than economic, strength.



Fiscal Year 2016 Revenues. Chart 2 and Table 1 present the components of fiscal year-to-date (FYTD) revenue through June for FY16 versus FY15. Total revenue in FY16 was 8.4 percent below FY15, compared with the August 2016 consensus estimate of an 8.7 percent decline. There are three significant differences between actual revenues and the August estimate. The first is reversions, which came in \$10 million higher than projected. The second is personal income tax, which was also about \$10 million higher, although there is a chance some portion of revenues projected to be booked into FY17 are incorporated in this higher FY16 number. Finally, gross receipts taxes were \$18 million higher, and this likely largely represents revenues booked in FY16 instead of FY17.



Revenue Tracking. The last page provides the general fund revenue tracking chart for FY16. The report details the unaudited revenues received.

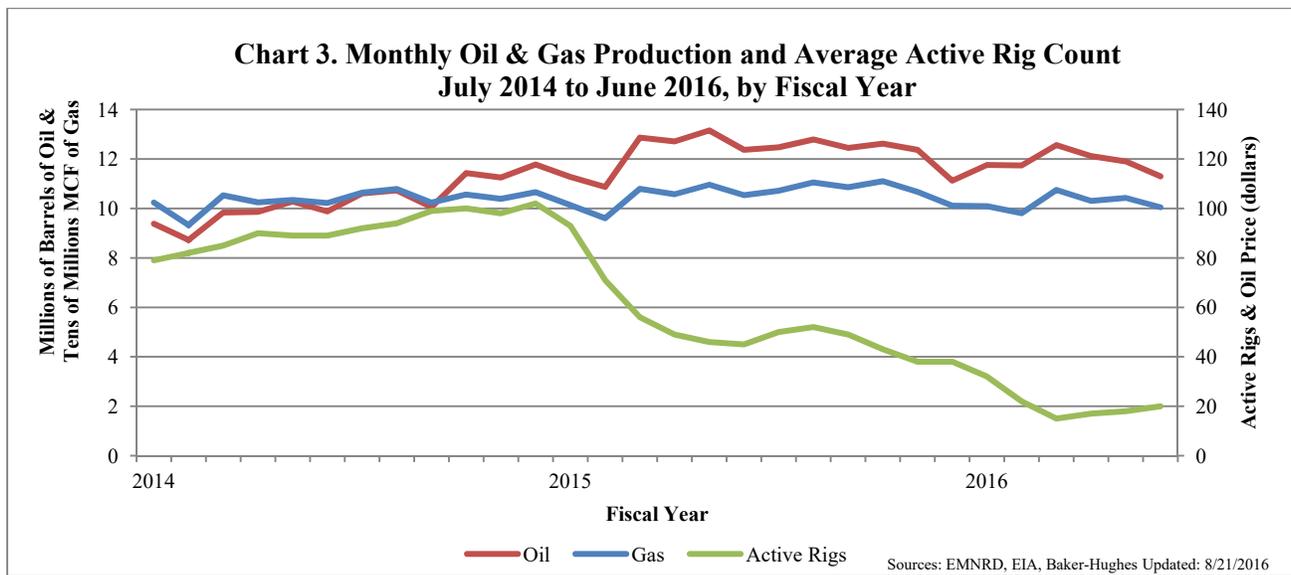
Revenue Category	June Revenue	June Revenue	Fiscal Year-to-Date Through June		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: August 2016 Estimate
	FY15	FY16	FY15	FY16			
Gross Receipts	\$ 179.0	\$ 197.6	\$2,095.2	\$1,975.4	(\$119.7)	-5.7%	-6.6%
Compensating Tax	\$ (7.0)	\$ 4.9	\$71.8	\$46.9	(\$25.0)	-34.7%	-35.0%
Selective Sales	\$ 41.8	\$ 43.1	\$488.5	\$531.5	\$43.0	8.8%	8.0%
Personal Income Tax	\$ 176.3	\$ 166.2	\$1,339.7	\$1,327.2	(\$12.5)	-0.9%	-1.7%
Corporate Income Tax	\$ 26.5	\$ 4.4	\$254.5	\$118.5	(\$136.0)	-53.4%	-52.8%
Oil & Gas Revenues	\$ 63.1	\$ 78.0	\$1,011.8	\$717.6	(\$294.2)	-29.1%	-28.9%
License Fees	\$ 3.1	\$ 3.0	\$55.9	\$54.8	(\$1.1)	-1.9%	-1.9%
Investment Income	\$ 57.0	\$ 69.7	\$702.5	\$770.3	\$67.8	9.6%	9.6%
Tribal Revenue Sharing	\$ 16.9	\$ 15.3	\$67.2	\$64.4	(\$2.8)	-4.1%	-7.4%
Miscellaneous Receipts	\$ 21.6	\$ 21.6	\$56.2	\$48.1	(\$8.1)	-14.4%	-8.7%
Reversions	\$ 44.4	\$ 31.7	\$51.5	\$55.2	\$3.7	7.3%	-12.6%
Subtotal Recurring Revenue	\$ 622.9	\$ 635.5	\$6,194.7	\$5,709.8	(\$484.9)	-7.8%	-8.4%
Nonrecurring Revenue	\$ (0.1)	\$ (0.1)	\$41.2	\$0.1	(\$41.1)	n/a	n/a
Total Revenue	\$ 622.8	\$ 635.3	\$6,235.9	\$5,709.9	(\$526.0)	-8.4%	-8.7%

Includes unaudited revenues for June 2016

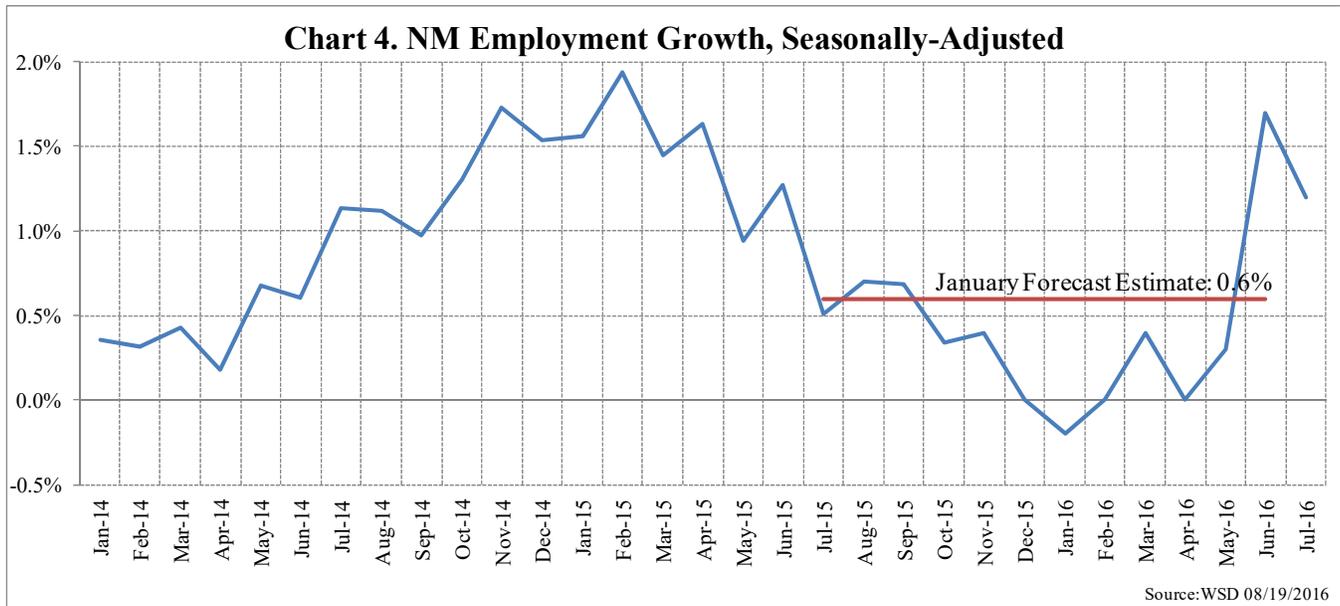
Gross Receipts. Table 2 reports fiscal-year-to-date matched taxable gross receipts (TGR) by industry between FY15 and FY16. Matched TGR reconciles tax returns against payments to account for total revenues generated by business activity within a given month. Total TGR in FY16 decreased by 6.6 percent compared with the same period in the prior fiscal year. June gross receipts continued May’s trend with no significant changes at the county or industry level. The oil, gas, and mining industry continued to lead year-over-year declines at -44.2 percent for FY16, followed by the manufacturing and transportation and warehousing industries at about -28 percent each.

Industry	Matched Taxable Gross Receipts	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$2,287,368,797	-44.2%
Utilities	\$2,255,285,013	-2.2%
Construction	\$6,337,815,351	1.8%
Manufacturing	\$1,626,196,773	-27.1%
Wholesale Trade	\$2,058,350,233	-18.4%
Retail Trade	\$12,003,425,439	-4.6%
Transportation and Warehousing	\$638,731,208	-27.8%
Information	\$2,529,114,738	-1.2%
Real Estate and Rental and Leasing	\$1,241,872,695	0.7%
Professional, Scientific, and Technical Services	\$6,416,457,733	9.7%
Administrative/Support & Waste Management/Remediation	\$1,286,834,402	17.9%
Health Care and Social Assistance	\$2,344,808,801	-7.6%
Leisure and Hospitality Services	\$4,343,078,578	4.1%
Other Industries	\$5,507,501,088	n/a
Total	\$50,876,840,849	-6.6%

Oil and Gas. Chart 3 presents the oil and gas production data reported by EMNRD’s Oil Conservation Division. Reporting by producers is due 45 days after the production month.



Employment and Income Trends. Employment growth in New Mexico moved down slightly from 1.7 percent in June to 1.2 percent in July, an increase of 9,600 jobs year-over-year. July continued the ongoing trend of losses in good-producing industries, dropping 7.7 percent year-over-year, a loss of 7,500 jobs mostly due to losses in mining. Health services provided continued strong job growth in July, gaining 11,700 jobs, or 9.1 percent. Professional and business services modestly gained 1,900 jobs, or 1.9 percent, while leisure and hospitality gained 2,800 jobs, 2.9 percent. Due to seasonal hiring patterns, June and July gains are expected to be revised down in the coming months.



FISCAL YEAR 2016 GENERAL FUND MONTHLY REVENUE TRACKING - ACTUAL THROUGH MAY, JUNE UNAUDITED: COMPARED WITH FEBRUARY GUIDANCE (-5.5%)

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

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Row #		ESTIMATED REVENUE ACCRUALS												FY16	TRACKING CHANGE (Δ)		
		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual	FY 16	YTD	YTD
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Unaudited	Unaudited	Feb 16 Guidance	% Δ	\$ Δ
1	Gross Receipts Tax	167.2	167.0	143.3	141.9	171.4	202.3	143.5	153.1	173.6	166.1	148.2	197.6	1,975.4	2,046.6	-3.5%	(71.2)
2	Compensating Tax	2.5	3.3	5.0	3.6	2.3	5.7	7.2	4.0	4.5	0.8	3.1	4.9	46.9	53.3	-12.0%	(6.4)
3	TOTAL GENERAL SALES TAXES	169.8	170.3	148.4	145.5	173.7	208.0	150.7	157.1	178.1	166.8	151.4	202.5	2,022.3	2,099.9	-3.7%	(77.6)
4	Tobacco Products & Cigarette Taxes	6.0	7.2	7.8	6.9	6.2	7.4	5.6	6.3	5.1	6.0	7.3	7.9	79.8	80.7	-1.1%	(0.9)
5	Liquor Excise Tax	0.5	0.5	0.7	0.6	0.6	0.7	0.4	0.5	0.6	0.5	0.6	0.6	6.7	6.6	2.6%	0.2
6	Insurance Premiums Tax	0.5	45.7	1.0	1.2	45.1	0.8	1.1	54.4	1.2	5.6	50.3	0.9	207.9	184.1	12.9%	23.8
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	15.1	15.1	13.4	12.3%	1.7
8	Motor Vehicle Excise Tax	16.3	13.5	12.7	11.7	12.7	11.1	11.3	10.8	13.4	12.1	12.1	12.6	150.4	147.9	1.7%	2.5
9	Gaming Excise Tax	5.7	5.3	5.0	5.5	4.6	4.8	5.4	5.4	5.6	5.5	5.5	4.9	63.1	68.6	-8.1%	(5.6)
10	Leased Vehicle Surcharge	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	5.5	5.1	8.7%	0.4
11	Other	0.0	0.4	0.4	(0.3)	(0.0)	0.4	0.6	(0.1)	0.2	0.0	0.6	0.6	3.0	3.2	-6.0%	(0.2)
12	TOTAL SELECTIVE SALES TAXES	29.6	73.2	28.2	26.2	69.7	25.6	24.7	77.7	26.4	30.2	76.8	43.1	531.5	509.5	4.3%	22.0
13	Withholding	102.4	86.4	128.0	98.1	84.0	141.0	85.7	86.3	106.8	93.1	84.2	104.1	1,200.2	1,266.9	-5.3%	(66.8)
14	Final Settlements	-	13.4	45.3	23.6	12.0	33.1	41.2	13.2	29.6	132.6	25.8	54.4	424.1	456.4	-7.1%	(32.3)
15	Oil and Gas Withholding Tax	-	2.2	6.8	7.7	5.4	4.5	11.3	4.6	6.1	10.2	7.2	18.5	84.4	91.2	-7.4%	(6.8)
16	Fiduciary Tax	(0.1)	1.0	(0.7)	0.2	0.3	0.6	0.6	0.3	2.9	0.4	1.8	(0.2)	7.1	20.6	-65.7%	(13.5)
17	Gross Personal Income Tax	102.3	103.0	179.4	129.6	101.6	179.2	138.8	104.4	145.3	236.4	119.0	176.8	1,715.8	1,835.2	-6.5%	(119.4)
18	Transfer to PIT Suspense	6.6	8.6	9.2	11.7	4.7	70.7	99.2	52.4	60.6	16.2	11.4	7.9	359.0	434.6	-17.4%	(75.5)
19	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	2.7	29.5	28.6	3.0%	0.9
20	Less: Refunds, distributions to other funds	9.0	11.0	11.6	14.2	7.1	73.2	101.6	54.8	63.0	18.6	13.8	10.6	388.6	463.2	-16.1%	(74.7)
21	NET PERSONAL INCOME TAX	93.3	92.0	167.8	115.4	94.5	106.1	37.2	49.6	82.3	217.8	105.2	166.2	1,327.2	1,371.9	-3.3%	(44.7)
22	Gross Corporate Payments	-	(5.4)	3.6	43.4	(9.1)	(3.6)	46.4	(28.6)	36.1	13.2	18.1	4.4	118.5	218.4	-45.7%	(99.9)
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	NET CORPORATE INCOME TAX	-	(5.4)	3.6	43.4	(9.1)	(3.6)	46.4	(28.6)	36.1	13.2	18.1	4.4	118.5	218.4	-45.7%	(99.9)
25	TOTAL INCOME TAXES	93.3	86.6	171.4	158.8	85.4	102.4	83.6	21.0	118.4	231.0	123.3	170.5	1,445.7	1,590.3	-9.1%	(144.6)
26	Oil and Gas School Tax	24.6	22.9	23.2	23.8	19.5	16.9	15.2	13.1	17.0	17.1	6.4	36.9	236.8	243.3	-2.7%	(6.5)
27	Oil Conservation Tax	1.2	1.1	1.1	1.1	0.9	0.9	0.7	0.6	0.8	0.8	(0.1)	2.2	11.4	13.0	-12.7%	(1.6)
28	Resources Excise Tax	1.1	1.0	0.4	1.5	0.8	1.1	0.8	0.5	1.3	0.9	0.8	1.1	11.2	12.7	-12.0%	(1.5)
29	Natural Gas Processors Tax	1.6	1.7	1.8	1.8	1.7	1.5	1.6	1.6	1.8	1.7	1.8	1.7	20.4	19.3	5.5%	1.1
30	TOTAL MINERAL PROD. TAXES	28.6	26.7	26.5	28.3	23.0	20.4	18.4	15.8	20.9	20.5	9.0	41.8	279.8	288.4	-3.0%	(8.6)
31	LICENSE FEES	2.2	2.0	2.4	2.0	2.0	8.6	2.6	4.6	9.5	13.3	2.6	3.0	54.8	53.4	2.7%	1.4
32	Land Grant Perm. Fund Distributions	46.2	46.2	46.2	46.2	46.2	46.3	46.3	46.3	46.3	46.3	46.3	46.3	555.1	541.7	2.5%	13.4
33	State Treasurer's Earnings	2.1	0.0	5.4	(1.9)	(3.3)	(1.5)	10.7	1.9	2.3	(0.0)	(1.3)	7.2	21.6	14.7	47.4%	7.0
34	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	189.5	2.1%	4.0
35	TOTAL INVESTMENT EARNINGS	64.4	62.3	67.7	60.5	59.1	60.8	73.1	64.3	64.7	62.4	61.1	69.7	770.3	745.9	3.3%	24.3
36	Federal Mineral Leasing Royalties	30.9	35.0	29.5	88.7	33.2	29.7	27.6	25.3	15.8	20.2	19.7	34.4	390.0	391.7	-0.4%	(1.7)
37	State Land Office Bonuses, Rents	9.9	2.2	6.6	6.0	2.7	3.8	2.1	5.5	2.0	2.7	2.7	1.7	47.8	49.0	-2.3%	(1.1)
38	TOTAL RENTS & ROYALTIES	40.8	37.2	36.1	94.7	35.9	33.5	29.7	30.7	17.7	22.9	22.4	36.2	437.8	440.7	-0.6%	(2.8)
39	TRIBAL REVENUE SHARING	0.8	0.0	15.6	0.7	0.0	14.9	0.7	0.3	15.9	0.1	0.0	15.3	64.4	63.0	2.3%	1.4
40	MISCELLANEOUS RECEIPTS	0.8	1.0	1.2	1.0	0.9	17.9	1.2	0.9	0.7	(0.5)	1.3	21.6	48.1	55.3	-13.1%	(7.3)
41	REVERSIONS	0.0	0.0	0.0	0.1	0.1	1.2	1.1	21.9	1.3	(2.1)	0.0	31.7	55.2	49.0	12.8%	6.3
42	TOTAL RECURRING REVENUE	430.3	459.4	497.4	517.9	449.8	493.4	385.9	394.2	453.6	544.5	447.9	635.5	5,709.8	5,895.2	-3.1%	(185.4)
43	Non-Recurring	0.0	(0.1)	(0.1)	0.0	0.2	(0.1)	0.0	0.3	(0.2)	(0.0)	0.2	(0.1)	0.1	5.5	-98.6%	(5.4)
44	TOTAL NON-RECURRING REVENUE	0.0	(0.1)	(0.1)	0.0	0.2	(0.1)	0.0	0.3	(0.2)	(0.0)	0.2	(0.1)	0.1	5.5	-98.6%	(5.4)
45	GRAND TOTAL REVENUE	430.3	459.3	497.2	517.9	450.0	493.3	385.9	394.6	453.4	544.5	448.1	635.3	5,709.9	5,900.7	-3.2%	(190.8)