

Representative Patricia A. Lundstrom
Vice-Chairwoman

Representative Gail Armstrong
Representative Randal S. Crowder
Representative Roberto “Bobby” J. Gonzalez
Representative Jason C. Harper
Representative Rodolpho “Rudy” S. Martinez
Representative Javier Martinez
Representative Candie G. Sweetser

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

Senator John Arthur Smith
Chairman

Senator William F. Burt
Senator Pete Campos
Senator Carlos R. Cisneros
Senator George K. Munoz
Senator Steven P. Neville
Senator Clemente Sanchez
Senator James P. White

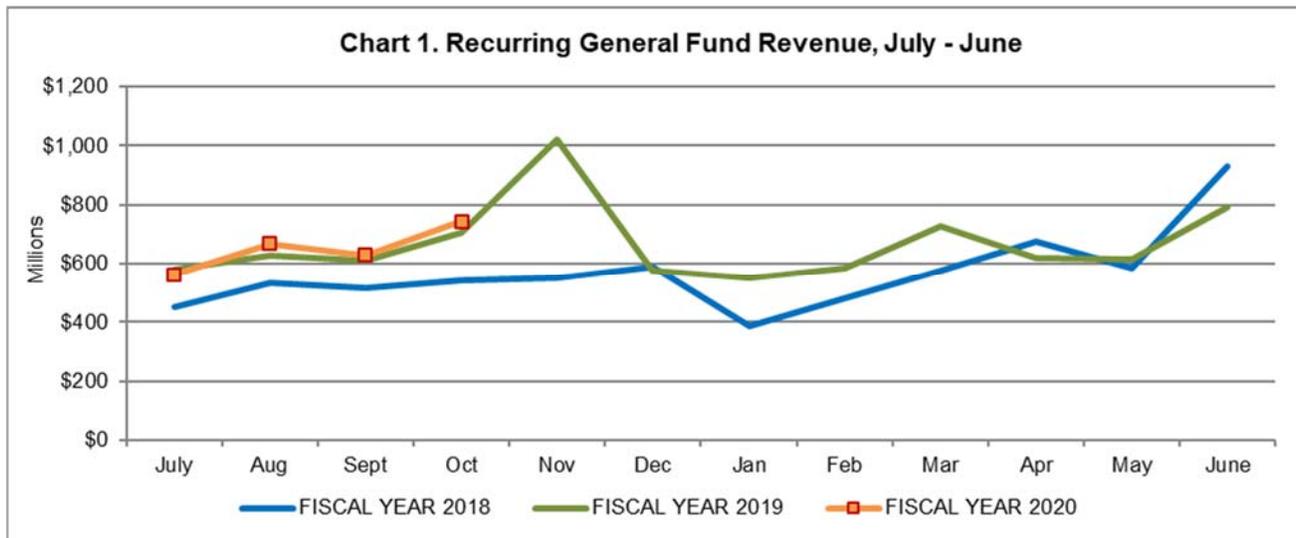


February 15, 2020

General Fund Revenue Tracking Report: Accruals through October 2019

This general fund revenue tracking report reflects FY20 revenue accruals through October 2019 as reported by the Department of Finance and Administration.

Summary. General fund recurring revenues for FY20 through October were \$2.523 billion, up \$80.7 million, or 3.2 percent, from the same period last year. General fund recurring revenue collection for the month of October was \$744.1 million, up \$39 million, or 5.5 percent, from the same month a year ago.



Revenue Tracking. The last page of this report provides the general fund revenue tracking chart for FY20. The charts detail the actual revenues received year-to-date and the projected revenues for the remainder of the fiscal year based on the December 2019 consensus revenue estimate. Traditionally, projections for revenue collections through the end of the fiscal year are based on historical monthly shares of revenue collections by revenue source.

Table 1 and Chart 2 below present the components of fiscal year-to-date (FYTD) revenue through October for FY20 versus the same period in FY19. Most of the FYTD revenue gains are from gross receipts taxes (up \$76 million), personal income taxes (up \$14 million), federal royalty payments (up \$44 million), and investment income (up \$30

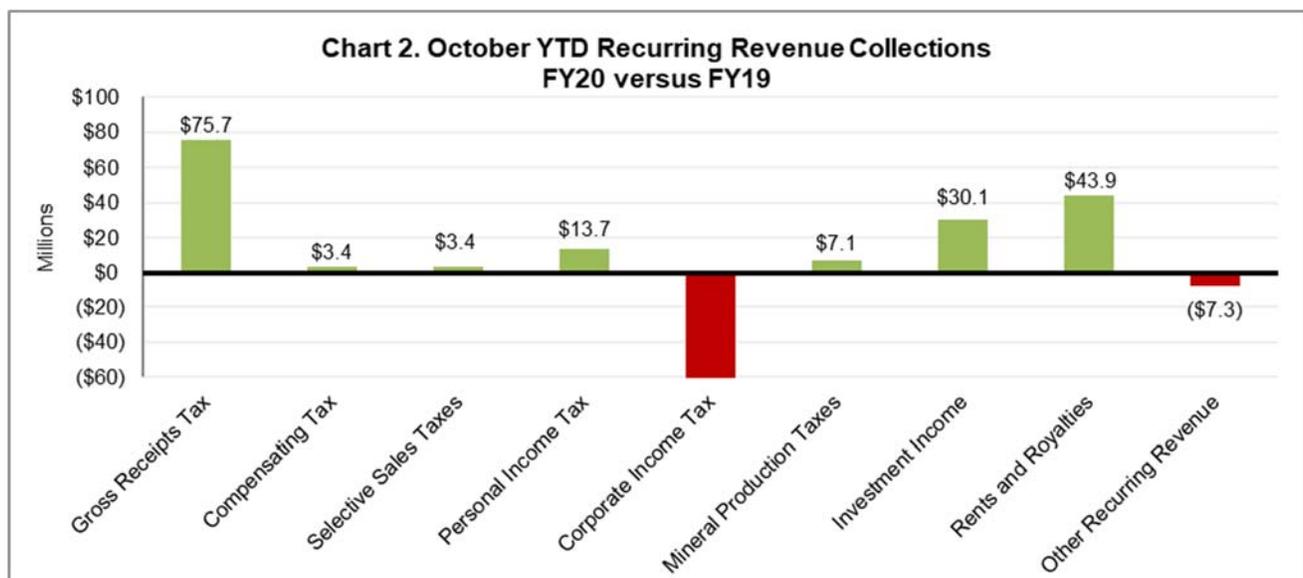
million). Although FYTD revenues are currently 3.2 percent above last year, total revenues for the year are tracking on par with the December forecast, which projected a 2.9 percent decline in FY20 revenues from FY19. In November of last year, the state received a large, unprecedented federal bonus payment for land lease sales, which is not expected to occur again but will not show up in the FYTD tables below. Additionally, increased personal income tax (PIT) credits approved in the 2019 session will reduce PIT revenues but will not show up in the general fund data until later in the fiscal year when tax refunds are issued.

Table 1. General Fund Revenue Accruals: FY20 vs. FY19

| Revenue Category | October Revenue | October Revenue | Fiscal Year-to-Date Through October | | Year-over-Year Amount Change | Year-over-Year Growth | Projected Full-Year Growth: December 2019 Forecast |
|--|-----------------|-----------------|-------------------------------------|------------------|------------------------------|-----------------------|--|
| | FY19 | FY20 | FY19 | FY20 | | | |
| Gross Receipts Tax | \$ 228.1 | \$ 267.3 | \$883.4 | \$959.1 | \$75.7 | 8.6% | 10.1% |
| Compensating Tax | \$ 8.0 | \$ 6.4 | \$23.1 | \$26.6 | \$3.4 | 14.8% | 6.0% |
| Selective Sales Taxes * | \$ 96.6 | \$ 75.7 | \$178.5 | \$181.9 | \$3.4 | 1.9% | 3.0% |
| Personal Income Tax | \$ 122.9 | \$ 121.0 | \$517.0 | \$530.7 | \$13.7 | 2.7% | -2.9% |
| Corporate Income Tax | \$ 11.1 | \$ (14.2) | \$63.4 | (\$25.9) | (\$89.3) | -140.8% | -54.7% |
| Mineral Production Taxes ** | \$ 55.1 | \$ 59.3 | \$215.9 | \$223.0 | \$7.1 | 3.3% | 2.5% |
| License Fees | \$ 2.1 | \$ 0.3 | \$9.2 | \$4.2 | (\$5.1) | -54.9% | -4.8% |
| Investment Income | \$ 74.6 | \$ 82.8 | \$295.6 | \$325.7 | \$30.1 | 10.2% | 3.5% |
| Rents and Royalties | \$ 106.0 | \$ 144.3 | \$310.5 | \$354.4 | \$43.9 | 14.2% | -30.9% |
| Tribal Revenue Sharing | \$ - | \$ - | \$18.7 | \$19.9 | \$1.1 | 5.9% | 2.1% |
| Miscellaneous Receipts | \$ 1.0 | \$ 0.9 | \$4.6 | \$3.6 | (\$1.0) | -21.7% | -7.9% |
| Reversions | \$ 0.1 | \$ 0.3 | \$2.7 | \$0.3 | (\$2.4) | -89.1% | -53.0% |
| Subtotal Recurring Rev. | \$ 705.6 | \$ 744.1 | \$2,522.7 | \$2,603.3 | \$80.7 | 3.2% | -2.9% |
| Nonrecurring Revenue | \$ 0.1 | \$ 0.3 | \$0.3 | \$0.3 | (\$0.0) | -3.2% | -129.1% |
| Total Recurring, Excluding Direct Oil & Gas | \$ 544.4 | \$ 540.5 | \$1,996.3 | \$2,026.0 | \$29.7 | 1.5% | 2.4% |
| Total Revenue | \$ 705.7 | \$ 744.5 | \$2,523.0 | \$2,603.6 | \$80.7 | 3.2% | -1.3% |

* Includes estimates for Insurance

** Includes estimates for Oil and Gas School Tax and Oil and Gas Conservation Tax.



Explanation of Revenue Tracking Method. Appendix 1 shows the latest consensus revenue estimates and monthly accruals in detail. These estimates were finalized in December 2019. 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 “FY20 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled “FY20 Forecast” is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms.

FISCAL YEAR 2020 GENERAL FUND MONTHLY REVENUE TRACKING

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

2/15/20 11:19 AM

| | ESTIMATED REVENUE ACCRUALS | | | | | | | | | | | | FY20 | TRACKING CHANGE | | |
|--|----------------------------|----------------------|-----------------------|----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-----------------------------|------------------------------|---------------|---------------|
| | July <i>Actual</i> | Aug <i>Actual</i> | Sept <i>Actual</i> | Oct <i>Actual</i> | Nov <i>Prelim.</i> | Dec <i>Estimate</i> | Jan <i>Estimate</i> | Feb <i>Estimate</i> | Mar <i>Estimate</i> | Apr <i>Estimate</i> | May <i>Estimate</i> | June <i>Estimate</i> | Actual + <i>Estimate</i> | FY20 Dec. <i>Forecast</i> | % Diff. | \$ Diff. |
| Gross Receipts Tax | 219.3 | 258.7 | 213.8 | 267.3 | 234.2 | 270.7 | 232.5 | 231.7 | 263.1 | 249.2 | 246.5 | 239.6 | 2,926.7 | 2,928.8 | -0.1% | (2.1) |
| Compensating Tax | 6.7 | 5.2 | 8.3 | 6.4 | 5.6 | 9.0 | 9.0 | 8.5 | 7.7 | 2.3 | 7.2 | 8.3 | 84.1 | 82.9 | 1.4% | 1.2 |
| TOTAL GENERAL SALES TAXES | 226.0 | 263.8 | 222.1 | 273.7 | 239.8 | 279.7 | 241.5 | 240.2 | 270.8 | 251.5 | 253.7 | 247.9 | 3,010.8 | 3,011.7 | 0.0% | (0.9) |
| Tobacco Products & Cigarette Taxes | 9.4 | 9.2 | 6.3 | 4.0 | 7.1 | 7.7 | 6.1 | 7.7 | 6.9 | 7.0 | 7.5 | 8.9 | 87.8 | 88.6 | -1.0% | (0.8) |
| Liquor Excise Tax | 2.2 | 2.4 | 1.7 | 1.7 | 2.0 | 2.4 | 1.5 | 1.6 | 1.9 | 1.8 | 1.9 | 2.3 | 23.6 | 23.2 | 1.6% | 0.4 |
| Insurance Premiums Tax | 0.3 | 2.4 | 15.8 | 50.4 | - | 1.2 | 55.6 | 0.6 | 0.6 | 61.8 | 0.6 | 0.6 | 190.0 | 206.1 | -7.8% | (16.1) |
| Fire Protection Fund Reversion | - | - | - | - | - | - | - | - | - | - | - | 16.9 | 16.9 | 0.0% | - | |
| Motor Vehicle Excise Tax | 11.4 | 14.1 | 12.3 | 13.9 | 11.2 | 11.1 | 12.4 | 11.1 | 13.6 | 13.2 | 13.1 | 13.0 | 150.4 | 150.0 | 0.3% | 0.4 |
| Gaming Excise Tax | 5.2 | 5.3 | 5.7 | 5.2 | 5.2 | 5.3 | 5.4 | 5.6 | 6.2 | 5.6 | 6.0 | 5.3 | 66.1 | 66.5 | -0.6% | (0.4) |
| Leased Vehicle Surcharge & Other | 0.7 | 0.8 | 0.9 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.6 | 0.7 | 0.7 | 8.0 | 8.3 | -4.0% | (0.3) |
| TOTAL SELECTIVE SALES TAXES | 29.2 | 34.2 | 42.7 | 75.7 | 26.2 | 28.3 | 81.5 | 27.2 | 29.9 | 90.1 | 29.9 | 47.7 | 542.7 | 559.7 | -3.0% | (17.0) |
| Withholding | 110.7 | 117.8 | 124.5 | 108.7 | 129.9 | 157.2 | 104.4 | 108.3 | 126.0 | 111.0 | 111.0 | 154.8 | 1,464.3 | 1,422.2 | 3.0% | 42.0 |
| Final Settlements | 20.5 | 53.5 | 14.4 | 16.9 | 39.1 | 17.2 | 22.9 | 53.4 | 185.3 | 30.4 | 76.6 | 38.4 | 568.6 | 549.4 | 3.5% | 19.2 |
| Oil and Gas Withholding Tax | 3.0 | 5.3 | 0.3 | 7.1 | 6.4 | 9.9 | 7.1 | 12.3 | 12.7 | 19.5 | 10.8 | 22.6 | 116.9 | 119.0 | -1.8% | (2.1) |
| Fiduciary Tax | (0.4) | 1.4 | 0.3 | 0.0 | (0.1) | 0.4 | 0.3 | 0.1 | 3.0 | 0.2 | 1.6 | (0.1) | 6.6 | 6.0 | 9.8% | 0.6 |
| Gross Personal Income Tax | 133.8 | 178.0 | 139.4 | 132.8 | 175.2 | 184.7 | 134.6 | 174.1 | 327.0 | 161.2 | 200.0 | 215.7 | 2,156.4 | 2,096.7 | 2.8% | 59.7 |
| Transfer to PIT Suspense | (9.7) | (10.1) | (14.4) | (9.4) | (6.0) | (94.1) | (118.3) | (76.4) | (58.3) | (20.8) | (14.3) | (10.5) | (442.2) | (442.4) | 0.0% | 0.1 |
| Retiree Health Care | (2.5) | (2.5) | (2.5) | (2.5) | (2.5) | (2.6) | (2.6) | (2.6) | (2.6) | (2.6) | (2.6) | (2.6) | (30.4) | (31.0) | -2.2% | 0.7 |
| Less: Refunds, distributions to other funds | (12.1) | (12.5) | (16.8) | (11.9) | (8.4) | (96.7) | (120.9) | (79.0) | (60.9) | (23.4) | (16.9) | (13.0) | (472.5) | (473.4) | -0.2% | 0.9 |
| NET PERSONAL INCOME TAX | 121.7 | 165.5 | 122.6 | 121.0 | 166.8 | 88.0 | 13.7 | 95.1 | 266.1 | 137.7 | 183.0 | 202.7 | 1,683.9 | 1,623.3 | 3.7% | 60.6 |
| CORPORATE INCOME TAX | (22.3) | (18.7) | 29.3 | (14.2) | (11.5) | 17.8 | 0.4 | 5.8 | 17.9 | (1.9) | (3.6) | 20.5 | 19.5 | 55.6 | -65.0% | (36.2) |
| TOTAL INCOME TAXES | 99.4 | 146.7 | 151.9 | 106.8 | 155.3 | 105.7 | 14.1 | 100.9 | 284.0 | 135.9 | 179.5 | 223.2 | 1,703.4 | 1,678.9 | 1.5% | 24.4 |
| Oil and Gas School Tax * | 48.5 | 49.3 | 52.6 | 54.5 | 47.8 | 47.8 | 47.8 | 35.2 | - | - | - | - | 383.3 | 382.0 | 0.4% | 1.3 |
| Oil Conservation Tax | 2.6 | 2.6 | 2.8 | 2.8 | 2.4 | 2.6 | 2.6 | 2.5 | 2.9 | 2.4 | 3.1 | 2.8 | 32.1 | 31.2 | 2.7% | 0.9 |
| Resources Excise Tax | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 7.2 | 7.4 | -2.9% | (0.2) |
| Natural Gas Processors Tax | 1.0 | 1.2 | 1.3 | 1.4 | 1.2 | 1.2 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 14.3 | 14.3 | 0.3% | 0.0 |
| TOTAL MINERAL PROD. TAXES | 52.8 | 53.5 | 57.4 | 59.3 | 51.9 | 52.1 | 52.1 | 39.3 | 4.7 | 4.2 | 4.9 | 4.6 | 436.9 | 434.9 | 0.5% | 2.0 |
| LICENSE FEES | 2.0 | 1.5 | 0.3 | 0.3 | 1.9 | 7.0 | 3.5 | 4.0 | 8.2 | 14.4 | 2.5 | 2.7 | 48.4 | 52.8 | -8.3% | (4.4) |
| Land Grant Perm. Fund Distributions | 56.0 | 56.0 | 56.0 | 56.1 | 56.0 | 56.0 | 56.0 | 56.0 | 56.0 | 56.0 | 56.0 | 56.0 | 671.9 | 671.8 | 0.0% | 0.2 |
| State Treasurer's Earnings | 1.5 | 18.3 | (1.3) | 8.0 | 0.7 | 4.2 | 13.0 | 6.8 | 6.8 | 6.8 | 6.8 | 6.8 | 78.7 | 82.1 | -4.1% | (3.4) |
| Severance Tax Perm. Fund Distributions | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 18.8 | 225.3 | 225.3 | 0.0% | 0.0 |
| TOTAL INVESTMENT EARNINGS | 76.3 | 93.1 | 73.5 | 82.8 | 75.5 | 79.0 | 87.8 | 81.6 | 81.6 | 81.6 | 81.6 | 81.6 | 975.9 | 979.1 | -0.3% | (3.2) |
| Federal Mineral Leasing Royalties | 73.4 | 61.3 | 57.4 | 137.8 | 55.9 | 72.0 | 62.0 | 55.1 | 55.1 | 55.1 | 55.1 | 78.7 | 818.9 | 810.4 | 1.1% | 8.6 |
| State Land Office Bonuses, Rents | 2.9 | 5.7 | 9.4 | 6.5 | 4.5 | 1.7 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 67.7 | 74.0 | -8.5% | (6.3) |
| TOTAL RENTS & ROYALTIES | 76.3 | 67.0 | 66.8 | 144.3 | 60.4 | 73.7 | 68.2 | 61.3 | 61.3 | 61.3 | 61.3 | 84.9 | 886.6 | 884.4 | 0.3% | 2.3 |
| TRIBAL REVENUE SHARING | - | 6.2 | 13.6 | - | 0.1 | 18.6 | 0.6 | 0.3 | 19.9 | 0.2 | 0.1 | 20.0 | 79.7 | 80.1 | -0.5% | (0.4) |
| MISCELLANEOUS RECEIPTS | 1.2 | 1.2 | 0.4 | 0.9 | 1.0 | 18.5 | 1.5 | 1.1 | 1.1 | 1.2 | 1.2 | 19.9 | 49.0 | 49.4 | -0.7% | (0.4) |
| REVERSIONS | 0.0 | 0.0 | 0.0 | 0.3 | 0.6 | 1.7 | 2.3 | 3.3 | 5.7 | 0.4 | 2.6 | 28.6 | 45.5 | 45.5 | 0.1% | 0.0 |
| TOTAL RECURRING REVENUE | 563.0 | 667.4 | 628.8 | 744.1 | 612.7 | 664.3 | 553.1 | 559.3 | 767.3 | 640.7 | 617.3 | 761.0 | 7,779.0 | 7,776.4 | 0.0% | 2.6 |
| Non-Recurring ** | 0.0 | 0.0 | (0.0) | 0.3 | - | - | - | - | - | - | - | 28.8 | 29.1 | 28.8 | | |
| Additional Transfers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| TOTAL NON-RECURRING REVENUE | 0.0 | 0.0 | (0.0) | 0.3 | - | - | - | - | - | - | - | 28.8 | 29.1 | 28.8 | | 0.3 |
| GRAND TOTAL REVENUE | 563.0 | 667.4 | 628.7 | 744.5 | 612.7 | 664.3 | 553.1 | 559.3 | 767.3 | 640.7 | 617.3 | 789.8 | 7,808.1 | 7,805.2 | 0.0% | 2.8 |

Estimates are developed by LFC and based on the consensus revenue estimate and historical monthly patterns.

*Oil and gas school tax distributions in excess of five-year average expected to divert to Tax Stabilization Reserve beginning in March 2020.

**Non-recurring revenue assumed to occur in June 2020.