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August 14, 2014

## **General Fund Revenue Tracking Report: Accruals through May, 2014**

This general fund revenue tracking report reflects revenue accruals through May 2014, and some preliminary revenues through June.

**Summary.** May was a moderate month for revenue collections, with total revenue coming in \$25 million (5.4 percent) higher than the same month a year ago. Federal Mineral Leasing royalties were \$14 million above May 2013, and total income taxes increased a further \$9 million. Preliminary TRD Gentax data shows June personal income tax final settlements are \$52 million, \$15 million below June, 2103, and \$12 million below the LFC staff projection for June 2014 collections. However, fiscal-year-to-date PIT collections continue to track above the December 2013 forecast.

Appendix 1 estimates total fiscal year revenue collection by combining actual revenue accruals through May with staff projections through the end of the year based on historical monthly shares of revenue collections. Based on this methodology revenues are tracking at \$6 billion, \$174 million (3 percent) above the Consensus Revenue Estimating Group's (CREG) December forecast. The largest single revenue source, gross receipts tax revenue, is tracking with the forecast. Key differences from the forecast are identified below:

- Personal income tax (PIT) revenue is tracking 4.5 percent above the estimate of \$1.2 billion, supported by higher-than-anticipated oil and gas withholding tax collections and lower-than-anticipated refunds.
- Corporate income tax (CIT) revenue is tracking at 27 percent below the \$280 million forecast.
- Total mineral production taxes are tracking 13 percent above the estimate, supported by the oil production boom and strength in oil prices.
- Federal mineral leasing funds show strength, also associated with strong oil prices, the boom in oil production, and the trend toward increased production on federal land. This revenue source is tracking 16 percent above the \$490 million estimate.

Table 1 compares fiscal-year-to-date (FYTD) revenue accruals through May. Recurring revenue is 5.6 percent above the same period in FY13, compared with estimated full-year growth of 2.7 percent. GRT collections are 4.4 percent over the same period in FY13, also above the full-year growth forecast. PIT revenue growth is 4.4 percent, exceeding the 2.4 percent contraction predicted for FY14. Withholding

tax revenue has grown 4.5 percent and oil and gas withholding tax revenue has increased 33 percent. Strength in oil and gas revenues continues to be driven by both production taxes and royalty revenues with FYTD growth of over 15 percent, well above the more conservative growth estimate adopted by the revenue estimating group.

**Table 1**  
**General Fund Revenue Accruals: FY14 vs FY13**

(in millions of dollars)

Revenue Category	Fiscal Year-to-Date Through May		Year-over-Year Growth	Projected Full-Year Growth: December 2013 Forecast
	FY13	FY14		
General Sales Taxes (GRT & Comp)	\$1,780.8	\$1,859.1	4.4%	2.9%
Personal Income Tax	\$1,057.6	\$1,104.1	4.4%	-2.4%
Corporate Income Tax	\$207.3	\$145.9	-29.6%	4.4%
Oil & Gas Revenues *	\$862.7	\$1,014.6	17.6%	7.7%
Investment Income & Other	\$1,109.8	\$1,173.6	5.8%	3.3%
<b>Total Recurring Revenue</b>	<b>\$5,018.3</b>	<b>\$5,297.3</b>	<b>5.6%</b>	<b>2.7%</b>
<b>Total Recurring Excluding Oil &amp; Gas</b>	<b>\$4,155.5</b>	<b>\$4,282.8</b>	<b>3.1%</b>	<b>1.7%</b>

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

**Taxable Gross Receipts.** Table 2 compares fiscal-year-to-date growth of taxable gross receipts (TGR) by industry between FY13 and FY14 through May for both periods. Appendix 2 illustrates the New Mexico TGR base by industry for FY14 through March. Total TGR increased 2.3 percent compared with the same period in the prior fiscal year. Retail trade, which comprises 24 percent of TGR, remained virtually flat, while mining and oil and gas extraction showed 8.3 percent growth. Real estate, rental and leasing also experienced growth, rising nearly ten percent, and taxable gross receipts from professional, scientific and technical services grew by near to 8 percent.

**Table 2**  
**Taxable Gross Receipts by Industry: FY14 vs FY13 Through May**

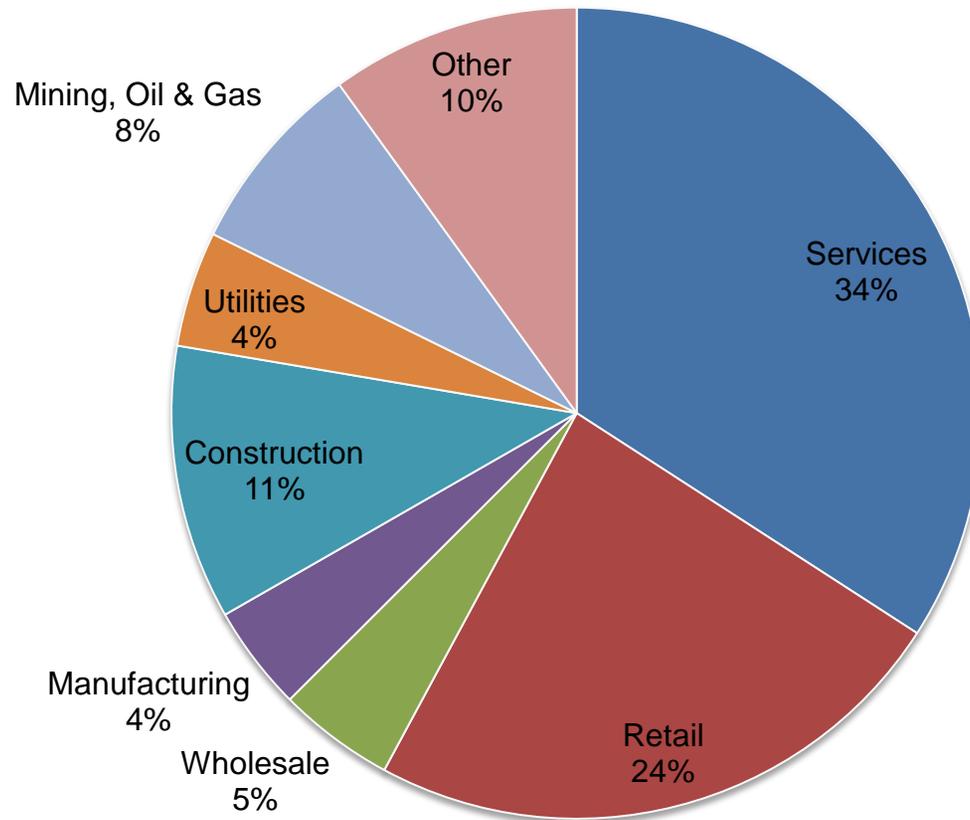
Industry	FY13 YTD (\$millions)	FY14 YTD (\$millions)	YY Change (%)
Agriculture, Forestry, Fishing and Hunting	\$ 52.8	\$ 66.8	26.4%
Mining and Oil and Gas Extraction	\$ 3,339.0	\$ 3,617.2	8.3%
Utilities	\$ 2,074.2	\$ 2,150.5	3.7%
Construction	\$ 5,075.1	\$ 5,103.2	0.6%
Manufacturing	\$ 1,828.3	\$ 1,958.0	7.1%
Wholesale Trade	\$ 2,109.9	\$ 2,167.2	2.7%
Retail Trade	\$ 11,140.1	\$ 11,074.9	-0.6%
Transportation and Warehousing	\$ 802.7	\$ 653.9	-18.5%
Information and Cultural Industries	\$ 2,205.6	\$ 2,280.8	3.4%
Finance and Insurance	\$ 255.9	\$ 261.3	2.1%
Real Estate and Rental and Leasing	\$ 929.6	\$ 1,022.0	9.9%
Professional, Scientific and Technical Services	\$ 3,854.2	\$ 4,156.7	7.8%
Management of Companies and Enterprises	\$ 36.4	\$ 39.1	7.5%
Admin and Support, Waste Mgt and Remed	\$ 1,636.0	\$ 1,522.2	-7.0%
Educational Services	\$ 182.0	\$ 187.8	3.2%
Health Care and Social Assistance	\$ 1,939.1	\$ 2,005.4	3.4%
Arts, Entertainment and Recreation	\$ 182.7	\$ 192.2	5.2%
Accommodation and Food Services	\$ 3,190.8	\$ 3,313.4	3.8%
Other Services (except Public Admin)	\$ 4,444.8	\$ 4,359.8	-1.9%
Public Administration	\$ 139.4	\$ 138.2	-0.9%
Unclassified Establishments	\$ 184.6	\$ 362.9	96.6%
<b>Total</b>	<b>\$ 45,603.2</b>	<b>\$ 46,633.4</b>	<b>2.3%</b>

**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 “FY14 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled “FY14 Dec 13 Estimate” is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

## Appendix 2

NM TGR Base by Industry: FY14 Through May



**APPENDIX 1 - FISCAL YEAR 2014 GENERAL FUND MONTHLY REVENUE TRACKING - Accruals through May**

(dollars in millions; italics indicate preliminary actual revenue)

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Row #		ESTIMATED REVENUE ACCRUALS												FY14	TRACKING CHANGE (Δ)			FY13	Row #
		July <i>Actual</i>	Aug <i>Actual</i>	Sept <i>Actual</i>	Oct <i>Actual</i>	Nov <i>Actual</i>	Dec <i>Actual</i>	Jan <i>Actual</i>	Feb <i>Actual</i>	Mar <i>Actual</i>	Apr <i>Actual</i>	May <i>Actual</i>	June <i>Est.</i>	Actual + <i>Estimate</i>	FY 14 <i>Dec 13 Est</i>	YTD <i>% Δ</i>	YTD <i>\$ Δ</i>	FY13 <i>Prelim</i>	
1	Gross Receipts Tax	155.7	168.7	152.3	163.7	168.7	190.9	155.1	134.1	167.9	169.5	162.9	190.0	1,979.6	1,976.2	0.2%	3.4	1,917.7	1
2	Compensating Tax	6.1	6.5	8.7	5.9	5.0	3.5	6.7	7.2	5.9	6.3	7.7	5.3	74.8	50.4	48.5%	24.4	50.9	2
3	<b>TOTAL GENERAL SALES TAXES</b>	161.8	175.3	161.0	169.6	173.7	194.4	161.8	141.3	173.8	175.8	170.6	195.4	2,054.5	2,026.6	1.4%	27.9	1,968.6	3
4	Tobacco Products & Cigarette Taxes	5.2	7.9	5.1	6.1	7.4	6.2	6.6	6.5	6.3	6.8	5.8	8.6	78.5	83.6	-6.1%	(5.1)	86.1	4
5	Liquor Excise Tax	2.1	2.2	2.0	2.5	2.0	2.5	2.1	1.8	2.0	2.2	2.2	2.7	26.4	27.3	-3.3%	(0.9)	26.2	5
6	Insurance Premiums Tax	0.8	30.3	0.8	3.9	25.3	0.8	1.6	24.7	0.7	0.7	22.7	0.8	113.2	126.7	-10.6%	(13.5)	107.5	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	17.4	17.4	17.4	0.0%	0.0	18.3	7
8	Motor Vehicle Excise Tax	11.8	11.8	11.0	11.5	9.3	9.9	11.6	9.2	12.3	12.0	11.8	11.9	134.4	133.2	0.9%	1.2	125.5	8
9	Gaming Excise Tax	5.5	6.0	5.3	5.0	5.3	5.4	5.4	5.6	6.3	5.5	5.9	5.2	66.5	64.4	3.3%	2.1	63.1	9
10	Leased Vehicle Surcharge	0.4	0.8	0.5	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.5	0.5	5.3	5.5	-4.0%	(0.2)	5.1	10
11	Other	0.0	0.4	0.8	(0.1)	0.1	0.6	(1.5)	0.8	(0.7)	0.4	1.6	0.2	2.6	2.4	NA	0.2	(2.7)	11
12	<b>TOTAL SELECTIVE SALES TAXES</b>	25.9	59.5	25.3	29.5	49.8	26.0	26.1	49.0	27.3	28.0	50.5	47.3	444.3	460.5	-3.5%	(16.2)	429.2	12
13	Withholding	74.4	96.7	87.4	83.3	88.1	108.1	95.4	112.9	110.1	80.0	87.8	105.3	1,129.6	1,157.8	-2.4%	(28.2)	1,078.0	13
14	Final Settlements & Estimated Payments	-	11.8	44.0	20.0	11.4	18.8	50.1	10.8	35.4	126.8	21.6	51.9	402.6	410.6	-2.0%	(8.0)	426.6	14
15	Oil and Gas Withholding Tax	-	0.3	10.9	18.0	3.2	0.6	14.1	8.8	9.6	10.7	11.1	15.8	103.0	75.7	36.1%	27.3	91.2	15
16	Fiduciary Tax	(0.5)	1.3	(0.1)	0.2	0.2	0.9	0.4	(0.4)	5.6	0.4	0.9	(0.1)	8.9	9.4	-6.0%	(0.6)	7.4	16
17	<b>Gross Personal Income Tax</b>	74.0	110.1	142.2	121.5	102.9	128.4	160.0	132.2	160.6	217.9	121.4	173.0	1,644.1	1,653.6	-0.6%	(9.5)	1,603.2	17
18	Refunds	6.9	6.7	7.2	3.9	9.0	85.5	85.2	69.3	38.9	18.7	13.7	9.3	354.4	418.0	-15.2%	(63.6)	340.4	18
19	Retiree Health Care	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2	24.1	24.0	0.5%	0.1	21.9	19
20	<b>Less: Refunds, distributions to other funds</b>	8.9	8.7	9.2	5.9	11.0	87.5	87.2	71.3	40.9	20.7	15.7	11.5	378.5	442.0	-14.4%	(63.5)	362.3	20
21	<b>NET PERSONAL INCOME TAX</b>	65.1	101.4	133.1	115.6	91.9	40.9	72.8	60.8	119.6	197.2	105.7	161.5	1,265.6	1,211.6	4.5%	54.0	1,240.9	21
22	Gross Corporate Payments	-	3.4	0.6	36.4	24.5	(3.8)	44.6	(0.2)	24.8	(1.9)	17.4	58.9	204.8	279.0	-26.6%	(74.2)	267.2	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	23
24	<b>NET CORPORATE INCOME TAX</b>	-	3.4	0.6	36.4	24.5	(3.8)	44.6	(0.2)	24.8	(1.9)	17.4	58.9	204.8	279.0	-26.6%	(74.2)	267.2	24
25	<b>TOTAL INCOME TAXES</b>	65.1	104.9	133.7	152.0	116.4	37.0	117.4	60.6	144.4	195.3	123.2	220.4	1,470.4	1,490.5	-1.3%	(20.1)	1,508.1	25
26	Oil and Gas School Tax	38.3	41.8	42.0	40.8	36.6	40.3	40.3	41.6	47.0	41.9	36.8	39.2	486.7	427.1	13.9%	59.6	379.9	26
27	Oil Conservation Tax	2.0	2.3	2.3	2.3	2.0	2.2	2.2	2.2	2.5	2.2	2.3	1.8	26.4	23.3	13.3%	3.1	20.8	27
28	Resources Excise Tax	0.9	1.0	0.9	1.1	1.5	0.7	1.7	1.0	0.9	0.8	1.2	1.3	13.2	11.5	14.7%	1.7	13.5	28
29	Natural Gas Processors Tax	1.4	1.3	1.4	1.4	1.2	1.3	1.3	1.2	1.4	1.3	0.9	1.3	15.4	15.8	-2.3%	(0.4)	24.2	29
30	<b>TOTAL MINERAL PROD. TAXES</b>	42.7	46.4	46.7	45.6	41.4	44.6	45.5	46.0	51.8	46.2	41.3	43.6	541.7	477.7	13.4%	64.0	438.4	30
31	<b>LICENSE FEES</b>	1.4	2.2	2.4	2.2	1.9	1.2	8.5	2.7	8.8	15.1	2.7	2.7	51.8	49.9	3.8%	1.9	50.0	31
32	Land Grant Perm. Fund Distributions	37.4	37.4	37.4	37.4	37.4	37.4	37.5	37.5	37.5	37.5	37.5	37.1	449.0	445.3	0.8%	3.7	440.9	32
33	State Treasurer's Earnings	0.1	6.5	(0.4)	6.7	0.9	3.6	3.7	3.9	3.6	2.2	1.8	2.0	34.5	12.1	185.2%	22.4	14.7	33
34	Severance Tax Perm. Fund Distributions	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	170.5	170.4	0.0%	0.1	176.2	34
35	<b>TOTAL INVESTMENT EARNINGS</b>	51.7	58.1	51.2	58.4	52.5	55.2	55.4	55.6	55.2	53.9	53.5	53.3	653.9	627.8	4.2%	26.1	631.8	35
36	Federal Mineral Leasing Royalties	38.0	40.7	51.1	69.3	37.4	41.9	45.3	51.7	41.2	46.9	46.9	59.4	569.8	490.0	16.3%	79.8	459.6	36
37	State Land Office Bonuses, Rents	5.6	6.3	3.7	2.5	1.3	6.2	5.8	3.8	3.6	2.2	4.2	2.3	47.5	47.6	-0.3%	(0.1)	44.6	37
38	<b>TOTAL RENTS &amp; ROYALTIES</b>	43.6	47.0	54.8	71.8	38.7	48.0	51.1	55.5	44.7	49.2	51.2	61.7	617.3	537.6	14.8%	79.7	504.3	38
39	<b>TRIBAL REVENUE SHARING</b>	0.0	-	17.1	-	0.0	16.0	0.2	0.3	16.7	0.1	0.5	18.1	69.2	72.5	-4.6%	(3.3)	70.7	39
40	<b>MISCELLANEOUS RECEIPTS</b>	1.0	1.1	1.2	1.1	0.9	1.8	1.2	1.1	22.9	1.6	1.3	13.5	49.0	49.2	-0.4%	(0.2)	41.3	40
41	<b>REVERSIONS</b>	-	0.0	0.0	0.6	0.0	0.2	9.9	5.7	45.7	(0.1)	1.1	21.5	84.5	71.4	18.4%	13.1	65.8	41
42	<b>TOTAL RECURRING REVENUE</b>	393.2	494.5	493.5	530.7	475.4	424.5	477.0	417.8	591.5	565.2	495.8	677.4	6,036.6	5,863.6	3.0%	173.0	5,708.0	42
43	Non-Recurring	0.0	0.6	(0.3)	(0.1)	0.5	(0.4)	(0.2)	0.5	(0.4)	0.0	0.4	-	0.7	0.0	NA	0.7	0.6	43
44	<b>TOTAL NON-RECURRING REVENUE</b>	0.0	0.6	(0.3)	(0.1)	0.5	(0.4)	(0.2)	0.5	(0.4)	0.0	0.4	-	0.7	0.0	NA	0.7	0.6	44
45	<b>GRAND TOTAL REVENUE</b>	393.2	495.1	493.2	530.7	475.9	424.1	476.8	418.2	591.1	565.2	496.1	677.4	6,037.3	5,863.6	3.0%	173.7	5,708.6	45