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~~December 22, 2015~~
January 6, 2016 - REVISED



General Fund Revenue Tracking Report: Accruals through October, 2015

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

Summary. New Mexico has been directly impacted across economic sectors by the continued turbulence in the oil industry. Total recurring revenue collection in October was \$100 million (19 percent) lower than the same month a year ago. Chart 1 compares total recurring revenue between FY16 and FY15 through October.

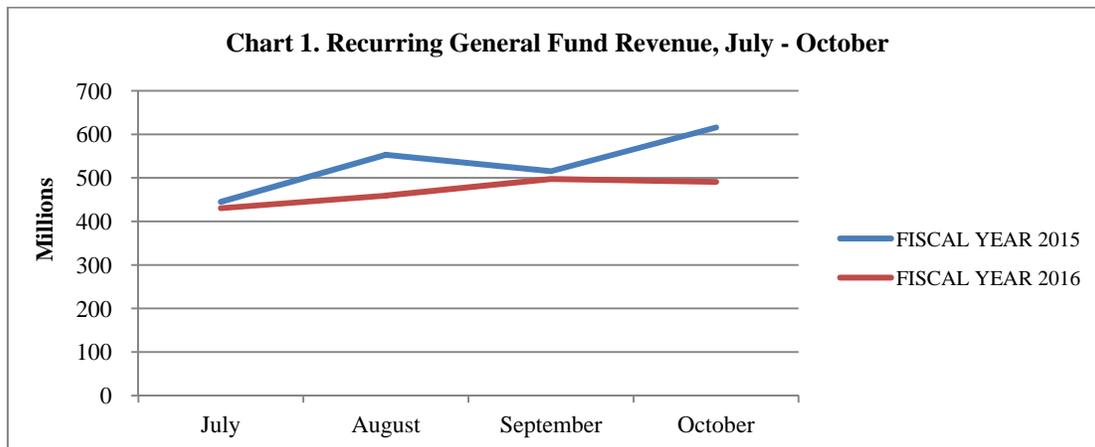


Chart 2 compares the components of fiscal year-to-date (FYTD) recurring revenue through October for FY16 versus FY15. Appendix 1 tracks total FY16 revenue collections based on general fund accruals, some preliminary GenTax general fund transfer data from the Taxation and Revenue Department and the federal 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 \$6.1 billion, \$52.7 million (-0.9 percent) below the consensus revenue estimating group's (CREG) December forecast.

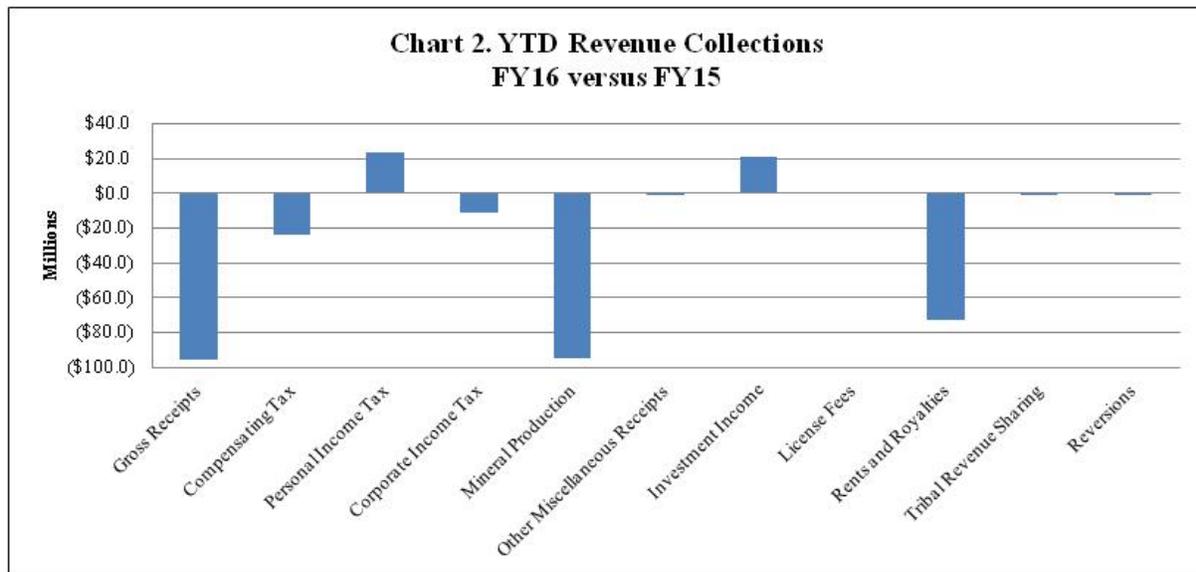


Table 1 compares FYTD revenue collections through October for FY16 and FY15. Recurring revenue is -10.2 percent below the same period in 2015, compared with estimated full-year growth of -0.5 percent. Gross receipts taxes, for instance, were estimated to grow 4 percent in FY16. Through October, however, collections fell short of the prior fiscal year by nearly -13.4 percent due, in part, to a broad economic slowdown in the oil and gas sector. High wage jobs tax credits dragged gross receipts tax revenues, although detailed information is not available from TRD. The impact of the energy sector decline was also felt in a large drop in compensating tax collections of nearly 62 percent from the prior year. Through October, corporate income tax revenue has slowed by -21 percent over the same period in the prior fiscal year. This is in excess of the estimated -14 percent decline. A couple of large CIT payments in FY15 contributed to the strength seen earlier in this area. Energy-related revenue, expected to see an FY16 reduction of -22 percent due to the sustained volatility in prices, has seen a -31 percent reduction through October. The more severe reduction in these revenues may be explained by stronger-than-anticipated oil production volumes leading to an oversupply of inventory and a slowdown in demand from emerging markets and China.

Revenue Category	Fiscal Year-to-Date Through October		Year-over-Year Growth	Projected Full-Year Growth: December 2015 Forecast
	FY15	FY16		
Gross Receipts	\$715.5	\$619.5	-13.4%	4.0%
Compensating Tax	\$38.6	\$14.5	-62.5%	-8.8%
Personal Income Tax	\$444.8	\$468.4	5.3%	4.6%
Corporate Income Tax	\$52.6	\$41.6	-20.9%	-14.3%
Oil & Gas Revenues *	\$419.0	\$289.8	-30.8%	-21.8%
Investment Income	\$233.3	\$254.0	8.9%	-1.8%
Other	\$188.0	\$190.0	1.1%	0.7%
Total Recurring Revenue	\$2,091.8	\$1,877.8	-10.2%	-0.5%
Total Recurring Excluding Oil & Gas	\$1,672.8	\$1,588.0	-5.1%	3.7%

* 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 2015. 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 Dec 15 Estimate” 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)

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	ESTIMATED REVENUE ACCRUALS												FY16 Actual + Estimate	TRACKING CHANGE (Δ)				FY15 Unaudited
	July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Est.	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.		FY 16 Dec 15 Est	YTD % Δ	YTD \$ Δ		
Gross Receipts Tax	167.2	167.0	143.3	141.9	184.5	209.8	177.8	170.3	180.5	191.1	184.8	219.7	2,138.1	2,178.0	-1.8%	(39.9)	2,095.2	
Compensating Tax	2.5	3.3	5.0	3.6	1.5	7.0	6.6	4.3	6.2	5.9	7.9	8.2	62.0	65.5	-5.4%	(3.5)	71.8	
TOTAL GENERAL SALES TAXES	169.8	170.3	148.4	145.5	186.1	216.8	184.4	174.6	186.7	196.9	192.7	227.9	2,200.1	2,243.5	-1.9%	(43.4)	2,167.0	
Tobacco Products & Cigarette Taxes	6.0	7.2	7.8	6.9	6.7	6.9	5.9	6.3	6.6	6.6	6.9	8.7	82.5	82.400	0.2%	0.1	82.3	
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	6.700	0.2%	0.0	26.3	
Insurance Premiums Tax	0.5	45.7	1.0	-	55.6	3.8	3.1	31.8	1.3	1.5	37.9	1.4	183.6	188.000	-2.4%	(4.4)	149.9	
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	13.7	13.7	13.700	0.0%	0.0	15.2	
Motor Vehicle Excise Tax	16.3	13.5	12.7	11.7	9.7	10.1	11.4	10.5	13.0	12.6	12.8	12.5	147.1	147.000	0.0%	0.1	138.7	
Gaming Excise Tax	5.7	5.3	5.0	5.5	5.7	6.0	5.8	6.1	6.9	5.9	6.3	5.8	70.0	70.100	-0.1%	(0.1)	70.4	
Leased Vehicle Surcharge	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.5	0.5	5.2	5.200	0.3%	0.0	5.2	
Other	0.0	0.4	0.4	(0.3)	0.2	0.2	0.7	0.4	0.2	0.2	0.2	0.3	2.8	3.2	NA	(0.5)	0.5	
TOTAL SELECTIVE SALES TAXES	29.6	73.2	28.2	25.0	78.8	28.0	27.6	55.9	28.9	27.7	65.1	43.6	511.6	516.3	-0.9%	(4.7)	488.5	
Withholding	102.4	86.4	128.0	98.1	95.3	133.1	94.7	98.7	125.6	94.1	97.8	114.5	1,268.6	1,267.3	0.1%	1.2	1,179.1	
Final Settlements	-	13.4	45.3	23.6	11.6	20.6	57.1	12.1	36.5	150.1	22.6	68.2	461.0	456.6	1.0%	4.4	433.5	
Oil and Gas Withholding Tax	-	2.2	6.8	7.7	0.7	5.1	11.9	3.3	5.4	11.3	5.8	25.1	85.4	91.2	-6.4%	(5.8)	101.8	
Fiduciary Tax	(0.1)	1.0	(0.7)	0.2	1.0	3.5	0.6	(0.2)	11.7	0.8	4.1	(1.1)	20.7	20.6	0.6%	0.1	7.5	
Gross Personal Income Tax	102.3	103.0	179.4	129.6	108.5	162.3	164.4	113.9	179.2	256.3	130.3	206.6	1,835.7	1,835.7	0.0%	(0.1)	1,721.9	
Refunds	6.6	8.6	9.2	11.7	7.9	105.7	96.4	72.9	49.4	20.6	13.9	8.6	411.5	410.1	0.3%	1.4	355.5	
Retiree Health Care	2.4	2.4	2.4	2.4	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.1	25.2	24.7	2.2%	0.5	26.7	
Less: Refunds, distributions to other fund	9.0	11.0	11.6	14.2	9.8	107.6	98.3	74.8	51.3	22.5	15.8	10.7	436.6	434.7	0.4%	1.9	382.2	
NET PERSONAL INCOME TAX	93.3	92.0	167.8	115.4	98.7	54.8	66.0	39.1	127.9	233.8	114.4	195.9	1,399.0	1,401.0	-0.1%	(2.0)	1,339.7	
Gross Corporate Payments	-	(5.4)	3.6	43.4	8.0	(5.3)	51.9	6.8	29.5	20.3	11.0	54.2	218.0	218.0	0.0%	0.0	254.5	
Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	0.0	0.0	
NET CORPORATE INCOME TAX	-	(5.4)	3.6	43.4	8.0	(5.3)	51.9	6.8	29.5	20.3	11.0	54.2	218.0	218.0	0.0%	0.0	254.5	
TOTAL INCOME TAXES	93.3	86.6	171.4	158.8	106.7	49.4	117.9	45.9	157.4	254.1	125.4	250.1	1,617.0	1,619.0	-0.1%	(2.0)	1,594.2	
Oil and Gas School Tax	24.6	22.9	23.2	23.1	22.5	24.2	24.4	22.3	25.9	24.9	23.6	23.9	285.5	283.7	0.6%	1.8	375.4	
Oil Conservation Tax	1.2	1.1	1.1	1.3	1.2	1.3	1.3	1.2	1.4	1.3	1.5	1.1	15.0	15.1	-1.0%	(0.1)	20.1	
Resources Excise Tax	1.1	1.0	0.4	1.5	1.3	1.0	1.4	1.1	1.1	1.0	1.2	1.2	13.4	13.0	2.9%	0.4	13.3	
Natural Gas Processors Tax	1.6	1.7	1.8	1.8	1.6	1.6	1.6	1.4	1.6	1.6	1.5	1.7	19.8	19.7	0.3%	0.1	18.6	
TOTAL MINERAL PROD. TAXES	28.6	26.7	26.5	27.7	26.7	28.2	28.6	26.1	30.0	28.8	27.9	27.9	333.6	331.5	0.6%	2.1	427.5	
LICENSE FEES	2.190	2.042	2.408	2.042	2.107	7.051	3.815	3.697	8.735	14.974	2.974	2.489	54.524	54.502	0.0%	0.0	55.9	
Land Grant Perm. Fund Distributions	46.2	46.2	46.2	45.2	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1	552.4	553.2	-0.2%	(0.8)	502.8	
State Treasurer's Earnings	2.1	0.0	5.4	(1.9)	1.4	1.7	2.6	3.3	0.9	0.7	0.7	2.4	19.5	23.4	-16.8%	(3.9)	17.0	
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	182.7	
TOTAL INVESTMENT EARNINGS	64.4	62.3	67.7	59.5	63.6	63.9	64.8	65.4	63.1	62.9	62.9	64.6	765.3	770.1	-0.6%	(4.8)	702.5	
Federal Mineral Leasing Royalties	30.9	35.0	29.5	88.7	33.1	25.9	30.5	29.9	29.2	27.5	30.4	31.3	421.7	421.7	0.0%	0.0	542.2	
State Land Office Bonuses, Rents	9.9	2.2	6.6	6.0	2.7	1.6	1.3	1.4	1.4	1.0	1.6	2.1	37.6	37.6	0.0%	0.0	42.2	
TOTAL RENTS & ROYALTIES	40.8	37.2	36.1	94.7	35.7	27.4	31.8	31.3	30.5	28.5	32.0	33.4	459.3	459.3	0.0%	0.0	584.4	
TRIBAL REVENUE SHARING	0.8	0.0	15.6	0.7	0.0	15.2	0.2	0.1	16.1	0.1	0.1	16.0	64.9	64.3	0.9%	0.6	67.2	
MISCELLANEOUS RECEIPTS	0.8	1.0	1.2	1.0	2.2	5.9	2.7	4.6	2.2	4.6	5.2	25.0	56.3	56.5	-0.4%	(0.2)	56.2	
REVERSIONS	0.0	0.0	0.0	0.1	0.6	2.8	4.2	1.7	7.2	0.8	4.6	27.8	49.9	50.0	-0.2%	(0.1)	51.5	
TOTAL RECURRING REVENUE	430.3	459.4	497.4	515.1	502.5	444.7	466.1	409.2	530.9	619.3	518.9	718.7	6,112.6	6,165.1	-0.9%	(52.5)	6,194.8	
Non-Recurring	0.0	(0.1)	(0.1)	0.0	-	-	-	-	-	-	-	-	5.3	5.5	NA	(0.2)	40.1	
TOTAL NON-RECURRING REVENUE	0.0	(0.1)	(0.1)	0.0	-	-	-	-	-	-	-	-	5.3	5.5	NA	(0.2)	40.1	
GRAND TOTAL REVENUE	430.3	459.3	497.2	515.1	502.5	444.7	466.1	409.2	530.9	619.3	518.9	718.7	6,117.9	6,170.6	-0.9%	(52.7)	6,234.9	