

Representative Luciano "Lucky" Varela
Chairman

Representative William "Bill" J. Gray
Representative Larry A. Larrañaga
Representative Henry "Kiki" Saavedra
Representative Nick L. Salazar
Representative Edward C. Sandoval
Representative Don L. Tripp
Representative James P. White

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
Vice-Chairman

Senator Sue Wilson Beffort
Senator Pete Campos
Senator Carlos R. Cisneros
Senator Carroll H. Leavell
Senator Howie C. Morales
Senator George K. Munoz
Senator Steven P. Neville

General Fund Revenue Tracking Report: March 2013 Accrual

This general fund revenue tracking report was developed at a time when the Department of Finance and Administration was not producing this type of report. DFA now regularly updates their tracking report.¹ This is the final report from the LFC. This general fund revenue tracking report reflects revenue accruals through March 2013, and some preliminary revenues through April.

Summary. Recurring state revenues for FY13 are tracking at \$5,734 million, \$68.5 million (1.2) percent, more than the February 2013 estimate. A significant change from the previous month is that preliminary April final settlements are reported at \$150.8 million, 37 percent above the same figure in FY12. The \$472 million revenue accrual reported for March (see table 2), showed continuing strength in revenue from income taxes and mineral production taxes. Federal mineral leasing revenue remains subdued due to sequestration reductions. As shown in Table 1, year-to-date general fund recurring revenues are \$3,893 million, a decrease of \$165.8 million, or 4.1 percent, compared to the same period a year ago.

Table 1
General Fund Revenue Accruals: FY13 vs FY12
(in millions of dollars)

Revenue Category	Fiscal Year-to-Date Through March		Year-over-Year Growth	Projected Full-Year Growth: February 2013 Forecast
	FY12	FY13		
General Sales Taxes (GRT & Comp)	\$1,477.7	\$1,448.2	-2.0%	-0.1%
Personal Income Tax	\$689.1	\$726.7	5.4%	1.1%
Corporate Income Tax	\$136.1	\$153.8	13.0%	-5.7%
Oil & Gas Revenues *	\$806.8	\$674.4	-16.4%	-9.0%
Investment Income & Other	\$949.7	\$890.6	-6.2%	-2.7%
Total Recurring Revenue	\$4,059.4	\$3,893.6	-4.1%	-2.4%
Total Recurring Excluding Oil & Gas	\$3,252.6	\$3,219.3	-1.0%	-0.9%

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

March Year-to-Date Revenue. As shown in Table 1, year-to-date general sales taxes (GRT & Comp) declined 2 percent from FY12. Receipts from personal income taxes (PIT) are tracking 5.1 percent above the estimate (see table 2). Corporate income tax (CIT) receipts are tracking \$39.7 million, or 15 percent, above the February estimate. Preliminary data from the TRD shows April CIT receipts are approximately \$51 million, helping collections to track above the estimate.

¹ The DFA general fund report can be found at http://www.nmdfa.state.nm.us/New_Mexico_Economic_Summary.aspx.

Strength in the energy outlook has had a positive impact on several revenues associated with the extractive industry. The consensus group projects strength in severance taxes on the back of projected increases in volumes and an upward revision in oil prices to \$86.50 per barrel in both FY13 and FY14. Strength in oil prices and volumes has offset weaknesses in gas. The average price of San Juan dry gas was \$3.35/mcf in January, \$3.30/mcf in February, \$3.71/mcf in March, and \$3.95/mcf in April; however, this is higher than the average price of \$2.85 in August and September.

Mineral production taxes are 1.5 percent over estimate; and rents and royalties are tracking 2.4 percent below the estimate, due largely to the sequester of FML revenues, but also due to State Land Office royalties tracking nearly 14 percent below the estimate. The Energy Information Administration expects US oil demand to increase modestly in 2013 and 2014 after falling in 2012.

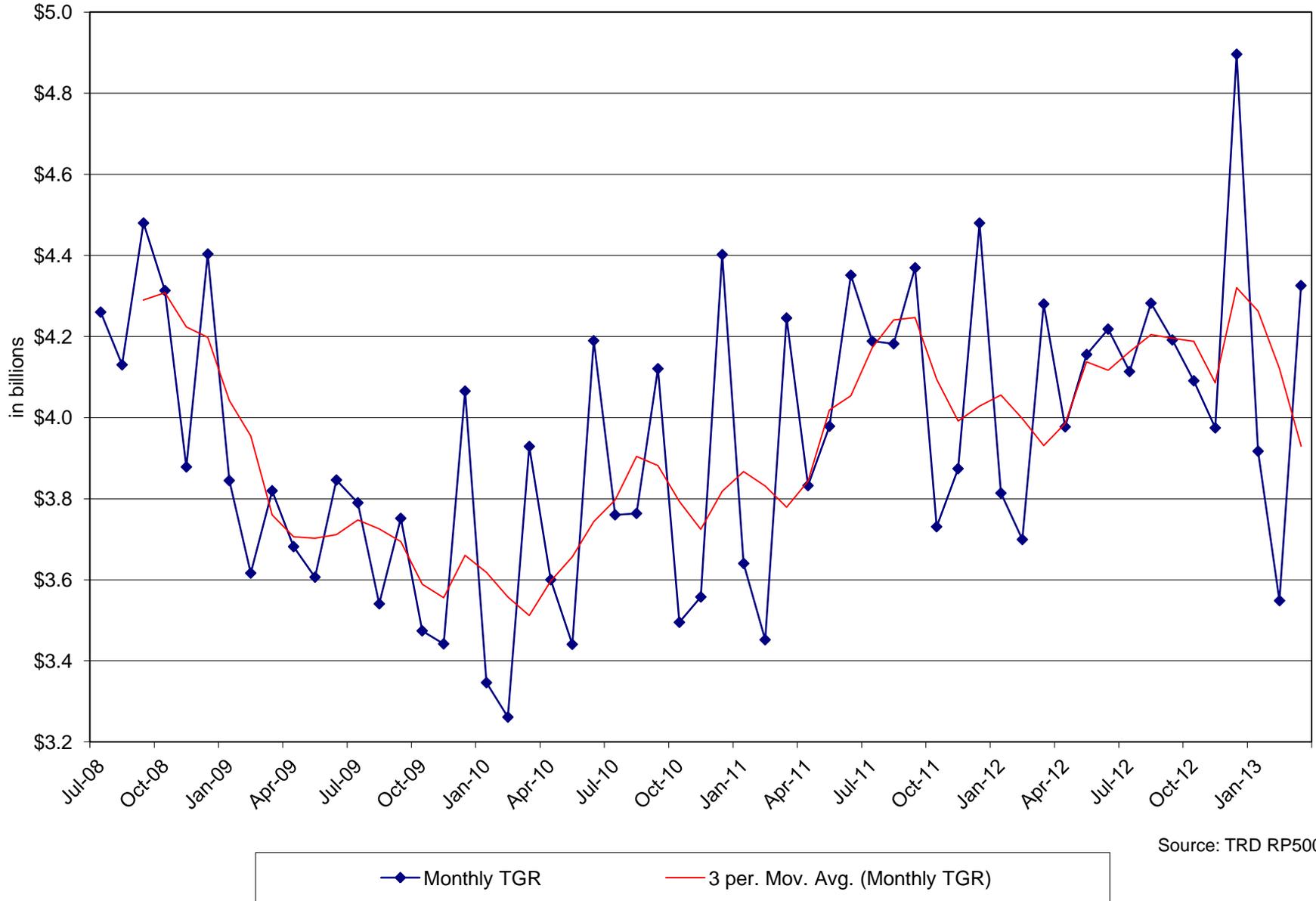
Taxable gross receipts (TGR) trends (Figure 1). The three-month moving average in March 2013 is flat compared to March 2012. Year-over-year growth TGR from April 2012 through March 2013 was approximately 1.9 percent. Taxable gross receipts collected in the months of January 2012 through March 2013 showed year-over-year growth rates of 2.7, -4.1, and 1.1 percent, respectively.

During FY13, most industries have shown positive growth with the highest year-over-year percentage growth in unclassified establishments (64 percent), management (30 percent), real estate and rental and leasing (21 percent), finance and insurance (13 percent), and manufacturing (13 percent). The largest monetary growth occurred in mining and oil and gas extraction (\$326 million), manufacturing (\$210 million), construction (\$191 million), real estate and rental leasing (\$175 million), and retail trade (\$146 million).

Explanation of Revenue Tracking Method. Table 2 shows the latest consensus revenue estimates and monthly accruals in detail. These estimates were based on data available through November and finalized in February 2013. 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 "FY13 Actual + Estimate" is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled "FY13 Feb 13 Estimate" is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

Figure 1. Taxable Gross Receipts



Source: TRD RP500

Table 2
FISCAL YEAR 2013 GENERAL FUND MONTHLY REVENUE TRACKING -Accruals through March
(dollars in millions; italics indicate preliminary actual revenue)

5/24/13 11:24 AM

Row #		ESTIMATED REVENUE ACCRUALS												FY13	TRACKING CHANGE (Δ)			FY12 Prelim	Row #
		July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Actual	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.	Actual + Estimate	FY 13 Feb 13 Est	YTD % Δ	YTD \$ Δ		
1	Gross Receipts Tax	157.6	166.1	137.7	168.4	162.9	169.5	152.8	147.4	150.7	164.9	160.6	187.2	1,925.6	1,924.5	0.1%	1.1	1,928.5	1
2	Compensating Tax	5.3	6.4	3.5	5.7	(0.5)	6.2	5.2	(0.4)	3.9	4.6	5.0	6.6	51.5	63.6	-19.1%	(12.1)	62.1	2
3	TOTAL GENERAL SALES TAXES	162.9	172.5	141.2	174.0	162.4	175.7	158.0	146.9	154.6	169.4	165.6	193.8	1,977.0	1,988.1	-0.6%	(11.1)	1,990.5	3
4	Tobacco Products & Cigarette Taxes	6.2	7.9	6.7	7.2	7.4	7.9	4.5	7.2	6.3	7.0	6.5	9.1	84.1	84.3	-0.2%	(0.2)	85.4	4
5	Liquor Excise Tax	2.1	2.3	2.0	1.6	3.0	2.7	1.7	1.7	2.2	2.1	2.3	2.6	26.4	26.5	-0.5%	(0.1)	26.1	5
6	Insurance Premiums Tax	0.4	30.4	0.7	2.6	32.7	2.1	1.9	14.7	0.7	1.1	21.6	1.8	110.7	122.5	-9.6%	(11.8)	114.1	6
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	18.3	18.3	0.0%	0.0	18.8	7	
8	Motor Vehicle Excise Tax	10.7	11.3	9.3	11.3	9.0	8.7	10.7	9.6	10.6	10.4	10.6	10.7	122.9	123.0	0.0%	(0.1)	114.7	8
9	Gaming Excise Tax	5.3	5.2	5.3	4.8	4.9	5.3	4.9	5.1	6.1	5.6	5.6	5.1	63.2	64.8	-2.5%	(1.6)	65.5	9
10	Leased Vehicle Surcharge	0.5	0.6	0.5	0.5	0.4	0.3	0.3	0.3	0.4	0.4	0.5	0.5	5.3	5.4	-2.6%	(0.1)	5.4	10
11	Other	(5.8)	0.1	0.1	0.1	0.1	0.1	0.7	0.7	0.2	-	-	0.2	(3.5)	(2.5)	NA	(1.0)	7.5	11
12	TOTAL SELECTIVE SALES TAXES	19.5	57.8	24.6	28.1	57.5	27.2	24.8	39.3	26.6	26.6	47.1	48.4	427.4	442.3	-3.4%	(14.9)	437.5	12
13	Withholding	75.8	92.9	94.8	81.9	91.7	110.6	81.1	81.7	93.4	88.1	91.3	106.4	1,089.7	1,168.4	-6.7%	(78.7)	1,060.8	13
14	Final Settlements & Estimated Payments	-	8.7	41.4	14.9	10.1	16.8	54.6	11.4	31.0	150.8	19.0	72.7	431.4	374.4	15.2%	57.0	355.7	14
15	Oil and Gas Withholding Tax	-	0.5	5.1	14.3	0.2	10.8	14.4	1.8	5.1	6.3	0.7	10.8	70.0	30.8	127.5%	39.2	91.1	15
16	Fiduciary Tax	(0.0)	1.1	(0.4)	(0.4)	(0.5)	1.3	0.2	0.1	4.0	0.7	3.1	(0.4)	8.7	23.2	-62.7%	(14.5)	9.0	16
17	Gross Personal Income Tax	75.7	103.2	140.8	110.7	101.4	139.5	150.2	94.9	133.6	245.9	114.2	189.5	1,599.8	1,596.8	0.2%	3.0	1,516.6	17
18	Refunds	5.5	6.2	7.3	5.2	7.5	76.0	86.9	70.5	42.1	23.2	15.7	9.6	355.7	412.0	-13.7%	(56.3)	346.3	18
19	Retiree Health Care	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.6	1.6	1.7	21.2	19.1	10.8%	2.1	19.9	19
20	Less: Refunds, distributions to other funds	7.3	8.0	9.1	7.0	9.3	77.8	88.7	72.3	43.9	24.8	17.3	11.3	376.8	433.5	-13.1%	(56.7)	366.1	20
21	NET PERSONAL INCOME TAX	68.4	95.2	131.7	103.7	92.1	61.7	61.5	22.7	89.6	221.2	97.0	178.2	1,223.0	1,163.3	5.1%	59.7	1,150.5	21
22	Gross Corporate Payments	-	3.3	3.8	52.4	(14.3)	(7.5)	63.0	16.5	36.5	50.7	38.3	62.0	304.7	265.0	15.0%	39.7	281.0	22
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	N/A	0.0	0.0	23
24	NET CORPORATE INCOME TAX	-	3.3	3.8	52.4	(14.3)	(7.5)	63.0	16.5	36.5	50.7	38.3	62.0	304.7	265.0	15.0%	39.7	281.0	24
25	TOTAL INCOME TAXES	68.4	98.5	135.6	156.1	77.8	54.2	124.5	39.2	126.2	271.8	135.2	240.2	1,527.7	1,428.3	7.0%	99.4	1,431.5	25
26	Oil and Gas School Tax	29.8	31.2	29.2	32.7	30.9	31.4	30.8	28.7	34.2	33.5	32.6	33.3	378.5	376.4	0.6%	2.1	399.6	26
27	Oil Conservation Tax	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.6	1.9	1.8	1.6	1.8	20.5	20.2	1.7%	0.3	21.5	27
28	Resources Excise Tax	1.0	1.9	1.9	1.2	1.3	1.1	1.2	1.1	1.2	0.7	0.8	1.0	14.5	10.0	44.9%	4.5	12.0	28
29	Natural Gas Processors Tax	2.1	2.1	2.0	2.2	2.0	2.0	1.8	1.8	2.0	2.0	2.1	1.9	24.2	24.5	-1.2%	(0.3)	23.3	29
30	TOTAL MINERAL PROD. TAXES	34.6	36.9	34.8	37.9	35.9	36.3	35.5	33.2	39.4	38.1	37.0	38.0	437.7	431.1	1.5%	6.6	456.4	30
31	LICENSE FEES	1.7	2.1	1.9	1.7	1.8	7.2	2.2	3.7	7.0	13.9	3.4	2.6	49.1	50.4	-2.6%	-1.3	49.6	31
32	Land Grant Perm. Fund Distributions	36.7	36.7	36.7	36.7	36.7	36.7	36.7	36.8	36.8	36.6	36.6	36.6	440.2	438.8	0.3%	1.4	461.7	32
33	State Treasurer's Earnings	2.5	1.3	0.8	(0.7)	2.0	1.1	0.6	1.3	1.4	0.8	1.1	2.3	14.4	16.0	-9.9%	(1.6)	17.4	33
34	Severance Tax Perm. Fund Distributions	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	176.2	176.2	0.0%	(0.0)	183.4	34
35	TOTAL INVESTMENT EARNINGS	53.9	52.7	52.1	50.6	53.4	52.5	52.0	52.7	52.9	52.0	52.3	53.6	630.8	631.0	0.0%	(0.2)	662.6	35
36	Federal Mineral Leasing Royalties	40.5	39.1	29.4	37.6	46.9	37.8	46.7	40.2	32.0	36.3	37.3	37.2	460.7	465.0	-0.9%	(4.3)	502.6	36
37	State Land Office Bonuses, Rents	3.9	6.1	7.5	1.7	3.2	5.7	3.9	1.3	2.6	3.4	5.5	7.2	52.1	60.5	-13.8%	(8.4)	92.5	37
38	TOTAL RENTS & ROYALTIES	44.3	45.2	36.8	39.3	50.1	43.6	50.6	41.5	34.5	39.7	42.8	44.4	512.9	525.5	-2.4%	(12.6)	595.1	38
39	TRIBAL REVENUE SHARING	0.1	0.0	17.3	0.1	-	16.5	0.2	0.0	12.9	0.1	0.1	18.0	65.6	72.0	-8.9%	(6.4)	68.2	39
40	MISCELLANEOUS RECEIPTS	1.0	1.3	1.2	1.3	2.7	1.0	1.5	1.2	18.1	3.2	1.3	24.7	58.5	46.2	26.6%	12.3	45.1	40
41	REVERSIONS	-	-	-	0.0	3.4	0.0	7.5	0.7	0.0	3.2	3.9	28.8	47.6	51.0	-6.6%	(3.4)	65.9	41
42	TOTAL RECURRING REVENUE	386.4	466.9	445.7	489.3	445.1	414.2	456.9	358.5	472.2	618.1	488.8	692.4	5,734.4	5,666.0	1.2%	68.5	5,802.4	42
43	Non-Recurring	0.1	0.1	(0.0)	0.1	0.2	(0.0)	0.0	0.2	(0.0)	-	-	(3.8)	(3.3)	(3.3)	NA	0.0	14.7	43
44	TOTAL NON-RECURRING REVENUE	0.1	0.1	(0.0)	0.1	0.2	(0.0)	0.0	0.2	(0.0)	-	-	(3.8)	(3.3)	(3.3)	NA	-	14.7	44
45	GRAND TOTAL REVENUE	386.5	467.1	445.6	489.3	445.2	414.2	456.9	358.6	472.2	618.1	488.8	688.6	5,731.1	5,662.7	1.2%	68.5	5,817.1	45