



General Fund Revenue Tracking Report: FY21 Accruals through September 2020

General fund recurring revenues for FY21 through September were \$1.853 billion, down \$96 million, or 5.2 percent, from the same period a year ago.

September collections were \$576.2 million, down \$52.4 million, or 8.3 percent, from September 2020. Gross receipts tax (GRT) collections were down \$8.2 million, or 3.8 percent from September of last year, rents and royalties were down \$25.9 million or 38.8 percent, and personal income tax (PIT) collections were up \$3.3 million, or 2.7 percent.

Revenue Tracking

The last page of this report provides the general fund revenue tracking chart for FY21. The chart details the actual revenues received year-to-date through September, and preliminary revenues for most revenue sources through November. Generally, 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 present the components of fiscal year-to-date (FYTD) revenue through September for FY21 versus the same period in FY20. Most of the FYTD revenue losses are from rents and royalties and gross receipts taxes due to low oil prices and reduced production during the pandemic.

THIS REPORT This general fund revenue tracking report reflects FY21 revenue accruals as reported by the Department of Finance and Administration.

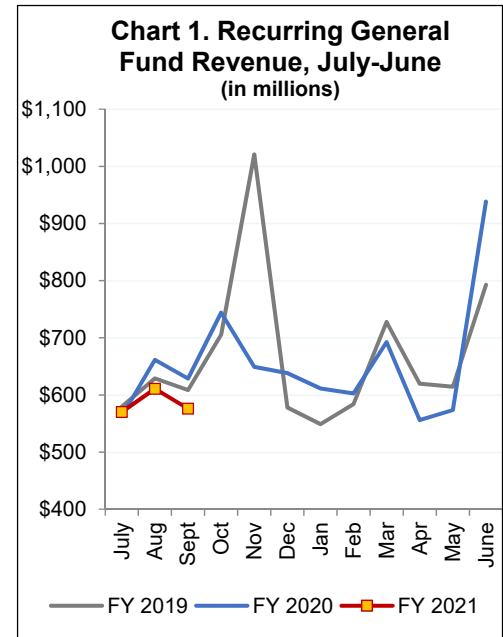


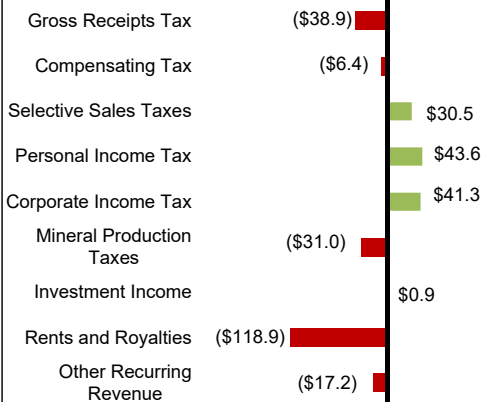
Table 1. General Fund Revenue Accruals: FY21 vs. FY20

Revenue Category	September Revenue	September Revenue	Fiscal Year-to-Date Through September		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: Dec 2020 Forecast
	FY20	FY21	FY20	FY21			
Gross Receipts Tax	\$213.8	\$205.6	\$691.8	\$652.9	-\$38.9	-5.6%	-16.2%
Compensating Tax	\$8.3	\$7.6	\$20.1	\$13.8	-\$6.4	-31.6%	-16.4%
Selective Sales Taxes *	\$42.7	\$55.0	\$106.2	\$136.7	\$30.5	28.7%	-4.2%
Personal Income Tax	\$122.6	\$125.8	\$409.7	\$453.3	\$43.6	10.6%	-7.2%
Corporate Income Tax	\$29.3	\$13.4	-\$11.7	\$29.6	\$41.3	-353.2%	-70.7%
Mineral Production Taxes **	\$57.4	\$46.2	\$163.7	\$132.7	-\$31.0	-18.9%	4.3%
License Fees	\$0.2	\$0.4	\$4.0	\$1.2	-\$2.8	-70.8%	6.6%
Investment Income	\$73.5	\$80.6	\$242.9	\$243.8	\$0.9	0.4%	-0.6%
Rents and Royalties	\$66.8	\$40.9	\$210.1	\$91.2	-\$118.9	-56.6%	-20.2%
Tribal Revenue Sharing	\$13.6	\$0.0	\$13.6	\$0.1	-\$13.5	-99.4%	18.4%
Miscellaneous Receipts	\$0.4	\$0.6	\$2.7	\$1.9	-\$0.8	-30.7%	13.4%
Reversions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-68.3%	-38.3%
Subtotal Recurring Rev.	\$628.6	\$576.2	\$1,853.2	\$1,757.1	-\$96.0	-5.2%	-10.9%
Nonrecurring Revenue	-\$0.1	-\$0.1	\$6.3	\$0.2	-\$6.1	n/a	n/a
Total Revenue	\$628.6	\$576.1	\$1,859.4	\$1,757.3	-\$102.1	-5.5%	-14.2%

* Includes estimates for Insurance

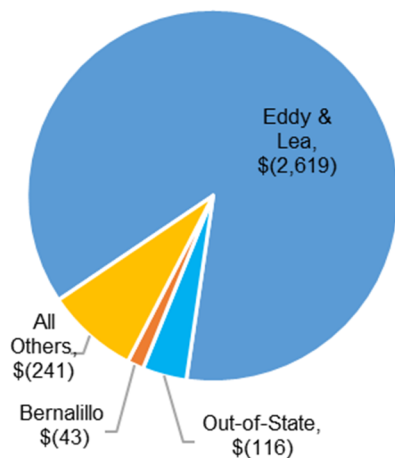
** Includes estimates for Oil and Gas School Tax and Oil and Gas Conservation Tax.

**Chart 2. September FYTD
Recurring Revenue
Collections
FY21 versus FY20 (in millions)**



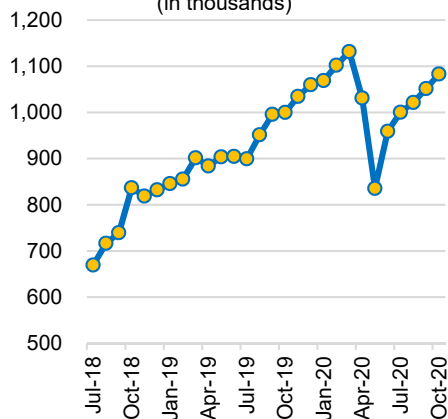
**MTGR Growth,
FY21 vs FY20
thru November
(in millions)**

Total Change: -\$3.019 billion



Source: RP-500, author's calculations

**New Mexico Oil
Average Barrels Per Day
(in thousands)**



Source: TRD's GenTax Reports

Gross Receipts Tax

Matched taxable gross receipts (MTGR) – taxable gross receipts matched to tax payments and more representative of overall economic activity in the state compared with other tax data – are down 10.1 percent for FY21 through November compared with the same period last year.

The largest declines are in the mining sector, down 45 percent, followed by the leisure and hospitality sector, down 24.2 percent. Other hard-hit sectors include construction, wholesale trade, the information industry, and other services (which captures repair and maintenance services, personal care services like salons and barbershops). Declines are most pronounced in Eddy and Lea counties (down 40.3 percent) due to reduced drilling activity, and those two counties account for over three-quarters of the decline in MTGR.

Matched Taxable Gross Receipts by Industry - FY21 vs FY20 thru November

Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$1,652,331,003	-\$1,349,922,977	-45.0%
Utilities	\$1,242,535,107	\$30,851,656	2.5%
Construction	\$3,434,343,114	-\$358,589,701	-9.5%
Manufacturing	\$736,079,782	-\$118,006,603	-13.8%
Wholesale Trade	\$1,071,596,466	-\$393,289,794	-26.8%
Retail Trade	\$6,436,877,877	\$329,017,698	5.4%
Transportation and Warehousing	\$274,088,244	-\$139,649,401	-33.8%
Information	\$806,372,647	-\$363,112,992	-31.0%
Real Estate and Rental and Leasing	\$683,055,874	-\$135,600,752	-16.6%
Professional, Scientific, and Technical Services	\$2,792,649,362	-\$33,280,381	-1.2%
Administrative/Support & Waste Management/Remediation	\$1,401,212,582	\$180,210,991	14.8%
Health Care and Social Assistance	\$1,605,044,901	\$201,425,717	14.4%
Leisure and Hospitality Services	\$1,670,019,879	-\$534,219,961	-24.2%
Other Industries	\$2,999,206,075	-\$334,921,728	-10.0%
Total	\$26,805,412,912	-\$3,019,088,228	-10.1%

Source: RP500

Notably, fiscal-year-to-date MTGR through November is down more than gross receipts tax collections, which are down 5.6 percent. In July 2019 the state received a large taxpayer amendment spanning 36 months for food retail receipts, which resulted in large food deductions against GRT for that month and additional large hold harmless payments to local governments. The timing of that amendment skews the comparison of MTGR and GRT collections for FY21 versus FY20.

Oil and Natural Gas

The state produced 33.6 million barrels of oil in October, up from 31.5 million barrels in September. October oil production is down 4 percent from the peak reached in March 2020 before the price collapse; however, production for FY21 through October is up 8 percent from the same month a year ago. The increase in October production was unexpected, as major energy analytics firms projected declines in fourth quarter of 2020). New Mexico's oil price averaged \$37.11/bbl in October, up from the low of \$14.39/bbl in April, but down from the average price of \$52.06/bbl in October 2019.

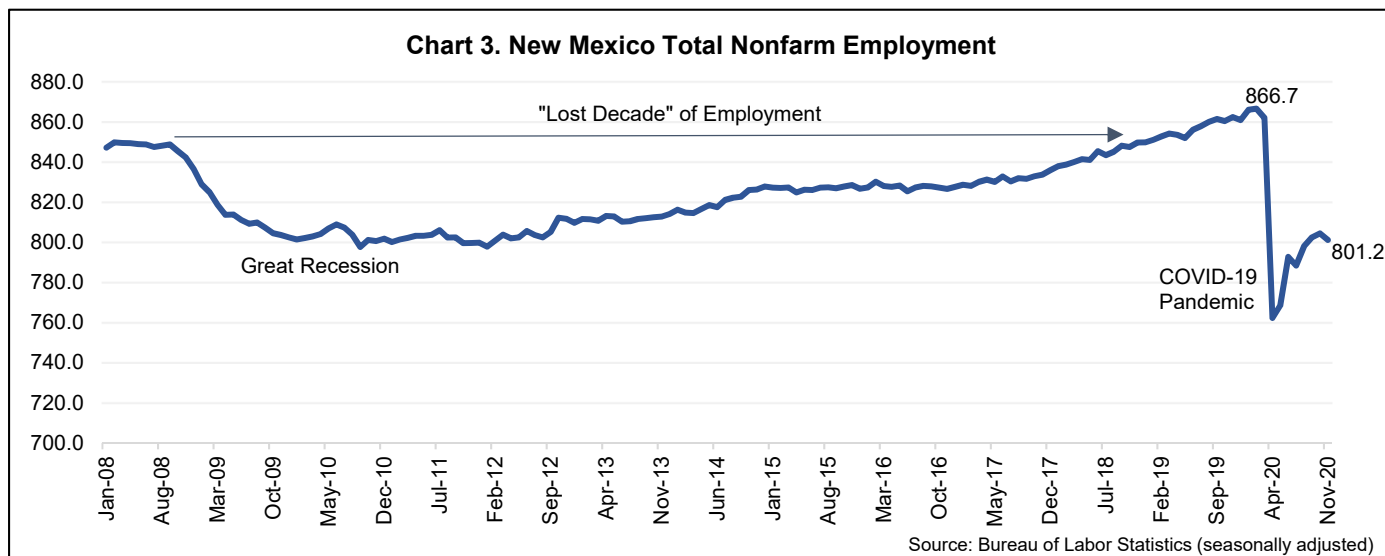
West Texas Intermediate (WTI) oil prices rose above \$50/bbl in January upon news of OPEC+ production cuts and expectations of the Covid-19 vaccines to improve global demand. New Mexico's oil prices average about \$2-\$3/bbl below WTI. If the oil prices continue at these levels, the state would be on track to average about \$44/bbl for FY21, up from the average \$38/bbl projected in the December 2020 consensus revenue estimate.

New Mexico produced 159.8 billion cubic feet (bcf) of natural gas in October, up 7 percent from the same month last year, but down from the 168.1 bcf produced in September. The state's average natural gas price in October was \$2.37/mcf, but after accounting for deductions the taxable price averaged \$1.46/mcf.

Employment Trends

Chart 3 below reflects New Mexico's employment with preliminary data from the U.S. Bureau of Labor Statistics' current employment statistics (CES) survey data. New Mexico lost 104.4 thousand jobs in April. By November, the state regained 37.3 percent of the jobs lost, with employment for the month still down 61.3 thousand jobs, or 7.7 percent. Service-producing jobs were down by 48.4 thousand in November, and goods-producing jobs were down 12.9 thousand.

Every major sector except federal and state government experienced job losses in November. Leisure and hospitality is down the most number of jobs, down 20 thousand jobs in November, or 20 percent. The mining sector was down 6.7 thousand jobs that month, or 26 percent, and education and health services jobs were down 7 thousand, or 5 percent.



FISCAL YEAR 2021 GENERAL FUND MONTHLY REVENUE TRACKING

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

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	ESTIMATED REVENUE ACCRUALS												FY21	TRACKING CHANGE		
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual + Estimate	FY21 Dec. Forecast	% Diff.	\$ Diff.
	Actual	Actual	Actual	Prelim.	Prelim.	Est.	Est.	Est.	Est.	Est.	Est.	Est.				
Gross Receipts Tax	220.5	226.8	205.6	232.4	207.9	243.0	176.3	183.4	200.1	206.8	206.4	199.2	2,508.3	2,464.7	1.8%	43.6
Compensating Tax	4.3	1.8	7.6	4.5	4.5	5.8	5.7	5.5	4.9	1.5	4.6	5.3	56.1	53.2	5.6%	3.0
TOTAL GENERAL SALES TAXES	224.8	228.7	213.2	236.9	212.5	248.7	182.0	188.9	205.0	208.3	211.0	204.5	2,564.4	2,517.9	1.8%	46.6
Tobacco Products & Cigarette Taxes	7.6	8.6	8.1	5.8	7.2	7.9	6.0	8.5	6.5	7.3	7.9	9.3	90.8	91.5	-0.8%	(0.7)
Liquor Excise Tax	1.7	2.5	2.1	2.2	2.2	2.6	1.6	1.7	2.1	2.0	2.1	2.5	25.2	24.9	1.0%	0.3
Insurance Premiums Tax	1.1	29.5	29.6	1.6	0.4	0.4	56.0	0.4	56.0	0.4	0.4	56.0	231.7	230.8	0.4%	0.9
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	12.0	12.0	0.0%	-	
Motor Vehicle Excise Tax	15.6	14.5	14.7	7.5	11.4	11.4	12.4	10.8	13.8	12.8	13.2	13.3	151.2	156.3	-3.3%	(5.1)
Gaming Excise Tax	0.0	0.0	0.0	(0.0)	2.0	2.1	2.1	2.1	2.3	2.2	2.3	2.1	17.2	19.2	-10.6%	(2.0)
Leased Vehicle Surcharge & Other	0.3	0.4	0.4	0.4	0.3	0.3	0.8	0.2	0.3	0.3	0.3	0.3	4.3	4.3	-0.5%	(0.0)
TOTAL SELECTIVE SALES TAXES	26.3	55.4	55.0	17.4	23.5	24.6	79.0	23.8	81.0	24.9	26.1	95.4	532.3	539.0	-1.2%	(6.7)
Withholding	133.2	109.9	121.4	130.7	116.8	165.3	112.4	112.8	125.1	111.3	115.1	126.9	1,480.9	1,477.9	0.2%	3.0
Final Settlements	27.3	65.8	22.6	11.6	36.4	13.1	19.0	39.1	164.0	25.6	62.1	45.0	531.5	519.9	2.2%	11.6
Oil and Gas Withholding Tax	4.8	5.3	14.4	2.8	2.5	10.2	4.5	8.2	14.1	20.2	5.0	14.0	106.1	102.1	3.9%	4.0
Fiduciary Tax	0.3	1.5	(0.8)	0.3	0.2	0.2	(0.7)	(0.1)	5.8	(0.0)	1.4	(1.1)	7.0	6.3	11.5%	0.7
Gross Personal Income Tax	165.6	182.5	157.6	145.4	155.9	188.8	135.2	160.0	309.1	157.1	183.6	184.7	2,125.4	2,106.1	0.9%	19.3
Transfer to PIT Suspense	(6.3)	(8.8)	(29.0)	(6.0)	(2.8)	(109.2)	(130.0)	(79.2)	(64.5)	(23.3)	(16.3)	(15.6)	(491.1)	(502.6)	-2.3%	11.5
Retiree Health Care	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(32.9)	(32.9)	0.0%	0.0
Less: Refunds, distributions to other funds	(9.0)	(11.5)	(31.7)	(8.8)	(5.5)	(111.9)	(132.8)	(82.0)	(67.3)	(26.1)	(19.0)	(18.4)	(524.0)	(535.5)	-2.1%	11.5
NET PERSONAL INCOME TAX	156.6	170.9	125.8	136.7	150.4	76.9	2.4	78.0	241.8	131.0	164.6	166.3	1,601.4	1,570.6	2.0%	30.9
CORPORATE INCOME TAX	19.1	(2.9)	13.4	16.3	0.9	2.0	(3.7)	(1.9)	2.1	(4.5)	(5.1)	2.9	38.7	18.5	109.2%	20.2
TOTAL INCOME TAXES	175.7	168.0	139.2	153.0	151.3	79.0	(1.3)	76.1	243.9	126.5	159.5	169.3	1,640.1	1,589.1	3.2%	51.1
Oil and Gas School Tax	39.5	40.2	42.9	43.5	42.1	35.0	35.0	35.0	35.0	35.0	35.0	2.1	420.5	420.4	0.0%	0.0
Oil Conservation Tax	2.1	2.2	2.2	2.5	2.4	1.9	1.7	1.6	1.9	1.7	2.1	2.1	24.4	24.7	-1.1%	(0.3)
Resources Excise Tax	0.4	0.5	0.2	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	6.3	6.7	-5.6%	(0.4)
Natural Gas Processors Tax	0.8	0.9	0.9	0.9	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7	8.8	8.2	7.9%	0.6
TOTAL MINERAL PROD. TAXES	42.8	43.7	46.2	47.6	45.7	38.2	38.0	37.9	38.2	38.0	38.3	5.4	460.1	460.0	0.0%	0.1
LICENSE FEES	0.4	0.3	0.4	2.3	2.2	7.9	4.0	4.3	7.5	13.3	2.6	2.9	48.1	52.7	-8.8%	(4.6)
Land Grant Perm. Fund Distributions	60.0	60.0	60.1	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	720.0	719.9	0.0%	0.2
State Treasurer's Earnings	3.5	0.5	1.1	(1.3)	2.5	2.1	3.4	3.4	3.4	3.4	3.4	3.4	28.8	31.0	-7.2%	(2.2)
Severance Tax Perm. Fund Distributions	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	234.0	234.0	0.0%	0.0
TOTAL INVESTMENT EARNINGS	83.1	80.1	80.6	78.2	82.0	81.6	82.9	82.9	82.9	82.9	82.9	82.9	982.8	984.9	-0.2%	(2.1)
Federal Mineral Leasing Royalties	14.1	31.4	39.2	108.5	57.4	50.5	52.1	52.1	52.1	52.1	52.1	84.9	646.6	648.2	-0.2%	(1.6)
State Land Office Bonuses, Rents	2.6	2.3	1.7	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	59.4	59.4	0.0%	(0.0)
TOTAL RENTS & ROYALTIES	16.7	33.6	40.9	114.4	63.3	56.4	58.0	58.0	58.0	58.0	58.0	90.8	706.0	707.6	-0.2%	(1.6)
TRIBAL REVENUE SHARING	0.0	0.1	-	7.5	1.0	0.1	12.5	0.2	13.4	0.2	0.1	13.4	48.4	53.8	-10.0%	(5.4)
MISCELLANEOUS RECEIPTS	0.4	0.8	0.6	1.0	16.5	1.2	1.4	1.2	1.2	1.2	1.2	19.4	46.2	47.5	-2.7%	(1.3)
REVERSIONS	0.0	-	-	0.2	0.7	1.9	2.5	3.7	6.3	0.5	-	34.2	49.9	50.0	-0.1%	(0.1)
TOTAL RECURRING REVENUE	570.2	610.7	576.2	658.6	598.6	539.4	458.9	476.8	737.3	553.7	579.8	718.2	7,078.4	7,002.5	1.1%	76.0
Non-Recurring	0.0	0.3	(0.1)	-	-	-	-	-	-	-	-	-	0.2	-	-	0.2
Additional Transfers *	-	-	-	-	-	-	-	-	-	-	-	17.0	17.0	17.0	-	-
TOTAL NON-RECURRING REVENUE	0.0	0.3	(0.1)	-	-	-	-	-	-	-	-	17.0	17.2	17.0	-	0.2
GRAND TOTAL REVENUE	570.2	611.0	576.1	658.6	598.6	539.4	458.9	476.8	737.3	553.7	579.8	735.2	7,095.6	7,019.5	1.1%	76.2

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

*Nonrecurring estimates for HB 349 from the 2020 regular session include \$2.9 million in reversions for general fund capital projects overfunded in the bill. Also includes \$14.1 million for FY20 fire protection fund reversion submitted too late for inclusion in FY20 audit..