

General Fund Revenue Tracking Report: FY21 Accruals through January 2021

General fund recurring revenues for FY21 through January were \$4.496 billion, down \$265.2 million, or 5.9 percent, from the same period a year ago.

January collections were \$445.4 million, down \$162.5 million, or 27.1 percent, from January 2020, as personal income tax (PIT) refunds that usually occur in December instead occurred in January after the Internal Revenue Service (IRS) delayed the tax filing season. Gross receipts tax collections for January were down \$10.3 million, or 4.2 percent, from January 2020 and rents and royalties were down \$8.6 million, or 11.1 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 January, and preliminary revenues for most revenue sources through February. Generally, projections for revenue collections through the end of the fiscal year are based on historical monthly shares of revenue collections by revenue source. Recurring revenues are currently tracking about \$124.5 million over the February 2021 consensus forecast.

Table 1 and Chart 2 present the components of fiscal year-to-date (FYTD) revenue through January for FY21 versus the same period in FY20.

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

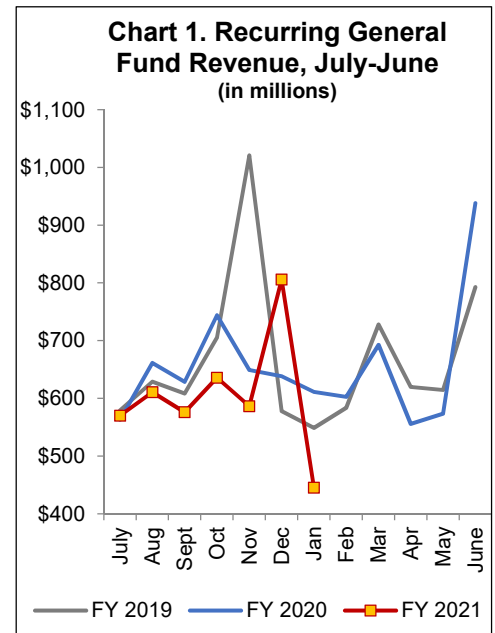


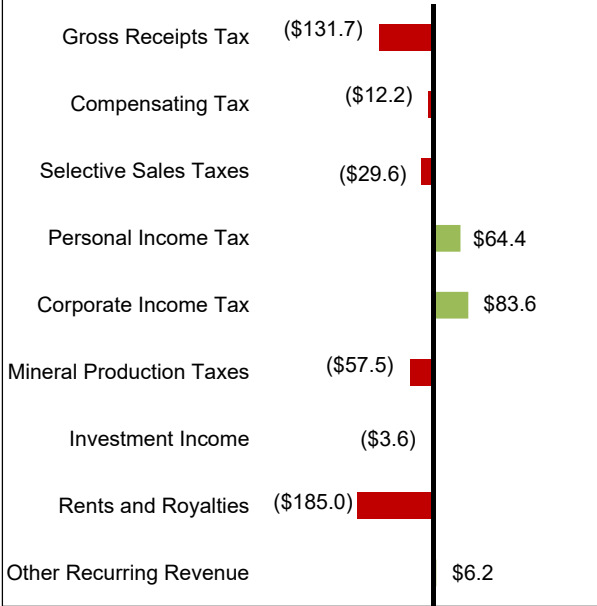
Table 1. General Fund Revenue Accruals: FY21 vs. FY20

Revenue Category	January Revenue	January Revenue	Fiscal Year-to-Date Through January		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: Feb 2021 Forecast
	FY20	FY21	FY20	FY21			
Gross Receipts Tax	\$244.5	\$234.2	\$1,714.0	\$1,582.3	-\$131.7	-7.7%	-14.3%
Compensating Tax	\$6.2	\$3.3	\$44.6	\$32.4	-\$12.2	-27.3%	-14.5%
Selective Sales Taxes *	\$79.6	\$24.7	\$318.9	\$289.3	-\$29.6	-9.3%	-6.1%
Personal Income Tax	\$48.1	-\$59.2	\$832.7	\$897.1	\$64.4	7.7%	-6.2%
Corporate Income Tax	\$1.6	-\$1.7	-\$18.2	\$65.3	\$83.6	-458.1%	-18.7%
Mineral Production Taxes **	\$64.8	\$69.9	\$422.7	\$365.2	-\$57.5	-13.6%	5.9%
License Fees	\$0.3	\$0.3	\$5.5	\$2.7	-\$2.8	-51.3%	4.5%
Investment Income	\$88.0	\$79.3	\$568.7	\$565.1	-\$3.6	-0.6%	-0.6%
Rents and Royalties	\$77.3	\$68.7	\$566.1	\$381.2	-\$185.0	-32.7%	-10.0%
Tribal Revenue Sharing	\$0.0	\$6.8	\$13.6	\$15.5	\$1.9	13.7%	18.4%
Miscellaneous Receipts	\$0.8	\$18.8	\$24.8	\$23.8	-\$1.0	-4.1%	11.5%
Reversions	\$0.1	\$0.3	\$2.8	\$11.0	\$8.2	295.1%	-38.3%
Subtotal Recurring Rev.	\$611.3	\$445.4	\$4,496.0	\$4,230.8	-\$265.2	-5.9%	-8.5%
Nonrecurring Revenue	\$0.0	\$0.4	\$28.8	\$6.7	-\$22.2	-76.9%	-80.5%
Total Revenue	\$611.3	\$445.7	\$4,524.8	\$4,237.5	-\$287.4	-6.4%	-11.3%

* Includes estimates for Insurance

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

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

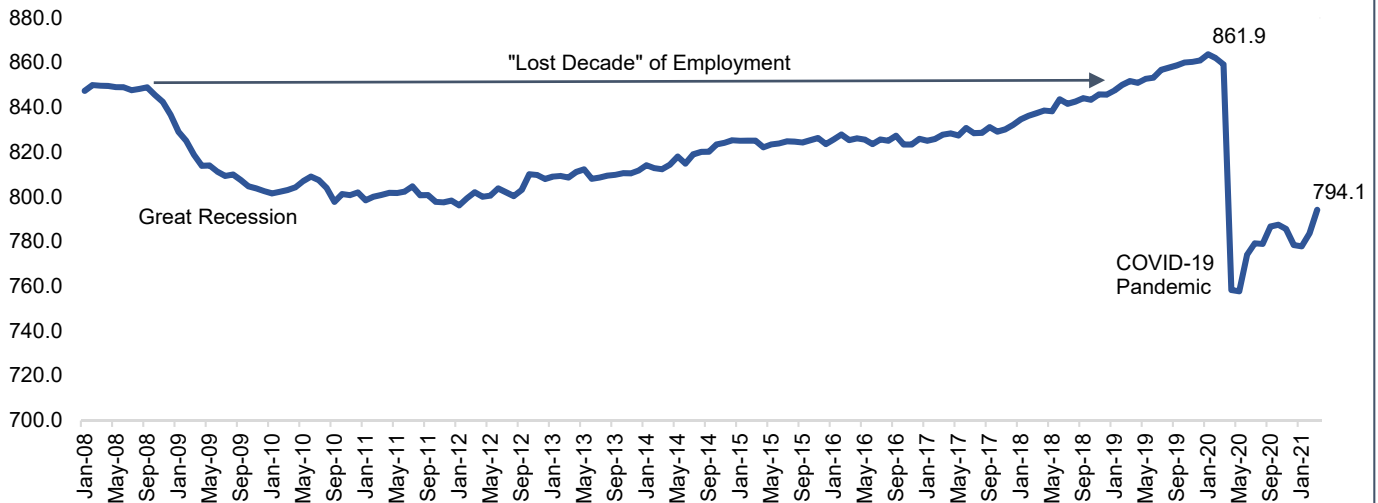


Employment

New Mexico's unemployment rate was 8.3 percent in February, unchanged from February but up from 5.4 percent in March 2020. The state was down 65.6 thousand jobs (down 7.7 percent) from the same month a year ago, with most losses in the private sector. Although slowly recovering from the troughs of the pandemic, employment in March remained below the lowest levels seen in the Great Recession.

All major industry sectors continued to experience over-the-year job losses. Leisure and hospitality, still the sector with the most employment losses, was down 17.7 thousand jobs, or 17.9 percent. However, the industry has improved on a seasonally-adjusted basis, with the Bureau of Labor Statistics reporting 81 thousand jobs in March, up from the 74.9 thousand jobs reported in February. Mining employment was down 7.4 thousand jobs, or 29.6 percent. Construction employment was down 6.3 percent (3.2 thousand jobs), manufacturing down 6.3 percent (1.8 thousand jobs), other services down 8.6 percent (2.5 thousand jobs), and government down 8.1 percent (15.3 thousand jobs).

New Mexico Total Nonfarm Employment



Source: Bureau of Labor Statistics (seasonally adjusted)

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 – were down 9.5 percent for FY21 through February compared with the same period last year. The largest year-to-date declines continue to be in the mining sector, down 43 percent, followed by the information industry (down 34 percent), wholesale trade (down 27.1 percent), and leisure and hospitality (down 24.8 percent).

Fiscal-year-to-date (FYTD) through February MTGR is down in 18 of the state's 33 counties. Eddy and Lea counties account for over 85 percent of all MTGR decline. Receipts in Bernalillo county are demonstrating modest growth of 0.4 percent FYTD.

Matched Taxable Gross Receipts by Industry - FY21 vs FY20 thru February			
Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$2,799,322,638	-\$2,005,048,505	-41.7%
Utilities	\$1,984,746,564	\$78,316,342	4.1%
Construction	\$5,445,057,614	-\$562,031,832	-9.4%
Manufacturing	\$1,216,752,658	-\$156,409,797	-11.4%
Wholesale Trade	\$1,775,077,247	-\$575,687,199	-24.5%
Retail Trade	\$10,591,089,747	\$448,741,595	4.4%
Transportation and Warehousing	\$480,598,186	-\$176,165,756	-26.8%
Information	\$1,303,508,052	-\$665,042,610	-33.8%
Real Estate and Rental and Leasing	\$1,102,094,559	-\$170,208,044	-13.4%
Professional, Scientific, and Technical Services	\$4,369,336,118	-\$53,356,643	-1.2%
Administrative/Support & Waste Management/Remediation	\$2,247,769,171	\$251,791,662	12.6%
Health Care and Social Assistance	\$2,555,523,473	\$226,334,877	9.7%
Leisure and Hospitality Services	\$2,643,715,342	-\$749,381,015	-22.1%
Other Industries	\$4,922,785,467	-\$473,208,436	-8.8%
Total	\$43,437,376,835	-\$4,581,355,360	-9.5%

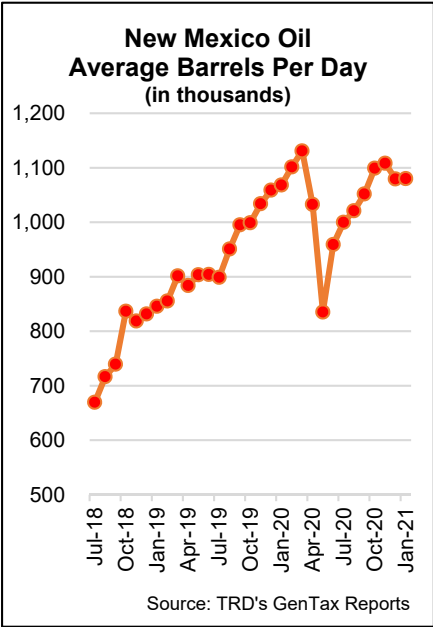
Source: RP500

Matched Taxable Gross Receipts by County FY21 vs FY20 thru February					
Jurisdiction	Year-over-Year Amount	Year-over-Year Percent	Jurisdiction	Year-over-Year Amount	Year-over-Year Percent
Bernalillo County	\$54,350,413	0.4%	McKinley County	-\$73,822,103	-9.2%
Catron County	\$967,679	3.6%	Mora County	\$574,415	2.3%
Chaves County	-\$69,611,887	-7.8%	Otero County	\$31,012,621	4.6%
Cibola County	-\$11,615,779	-4.5%	Quay County	\$6,456,214	6.7%
Colfax County	\$6,393,549	3.1%	Rio Arriba County	-\$9,701,488	-3.5%
Curry County	-\$13,665,642	-2.2%	Roosevelt County	\$57,665,587	15.7%
De Baca County	-\$6,143,758	-30.3%	San Juan County	-\$289,566,270	-14.6%
Dona Ana County	-\$12,503,988	-0.5%	San Miguel County	-\$19,027,089	-6.9%
Eddy County	-\$2,123,070,415	-38.4%	Sandoval County	\$47,161,134	4.1%
Grant County	-\$29,535,738	-8.9%	Santa Fe County	-\$349,205,560	-11.7%
Guadalupe County	\$13,128,084	20.9%	Sierra County	\$3,089,555	2.5%
Harding County	-\$1,662,515	-14.6%	Socorro County	-\$510,863	-0.4%
Hidalgo County	\$60,982,512	122.1%	Taos County	-\$66,770,671	-12.8%
Lea County	-\$1,810,616,831	-37.6%	Torrance County	\$80,141,039	55.1%
Lincoln County	-\$13,451,230	-3.3%	Union County	-\$18,487,095	-24.1%
Los Alamos	\$129,463,372	10.9%	Valencia County	\$119,784,094	17.5%
Luna County	\$228,379,905	92.7%	Out of State	-\$501,936,613	-6.6%

Source: RP 500

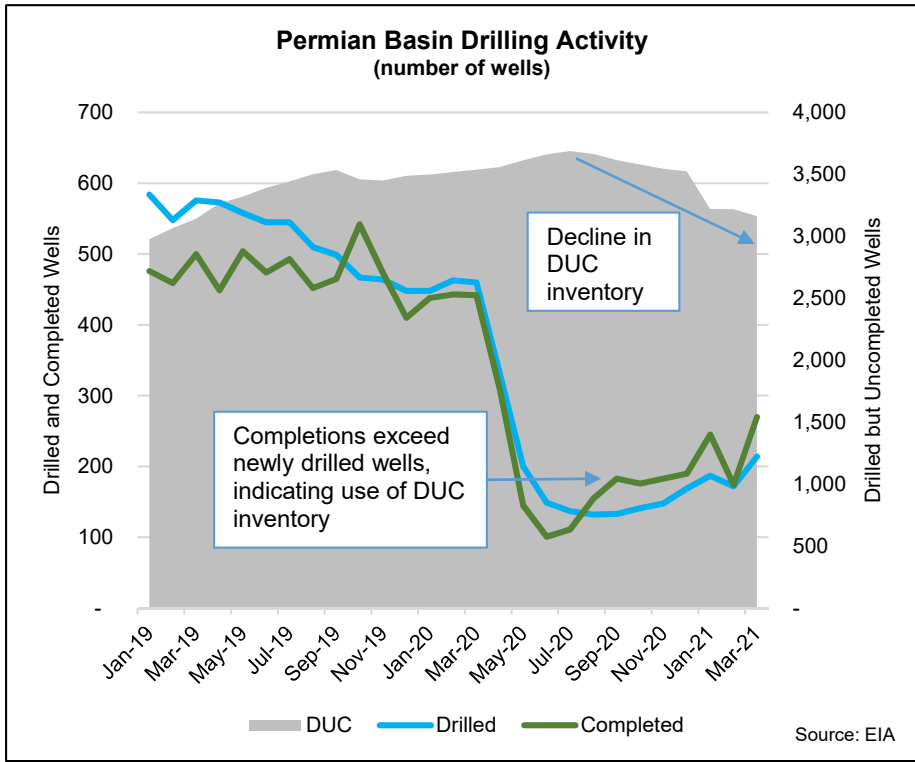
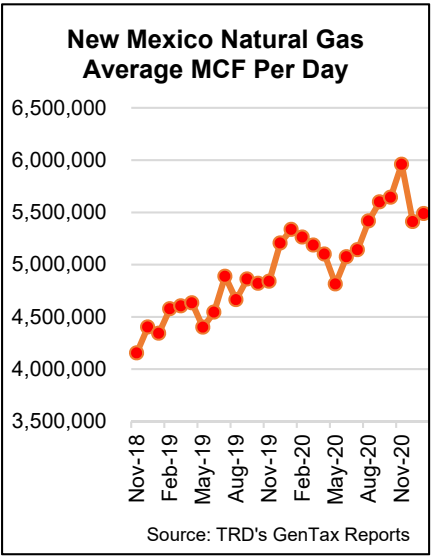
Oil and Natural Gas

New Mexico produced 33.5 million barrels of oil in January, up 1 percent from January 2020, at an average statewide price of \$50.36 per barrel. New Mexico's oil production has largely recovered from the significant declines in April and May 2020. However, the country's two other largest oil-producing states – Texas and North Dakota – are lagging New Mexico in their recovery.



North Dakota's oil production remains down 22 percent from its pre-pandemic peak. North Dakota, which produced an average 1.4 million barrels of oil per day in February 2020, produced 1.1 million barrels per day in January 2021, according to the Energy Information Administration. Texas' oil production remained down 13 percent in January 2021 compared with February 2020.

The state's production recovery comes despite rig counts being down 40 percent from their pre-pandemic peak. New Mexico had an average of 66 active rigs in January, down from a peak of 117 rigs in March 2020. As of April 2021, the state now has 70 active rigs. Much of the state's production recovery has more to do with the completion of existing inventories of drilled-but-uncompleted (DUC) wells, rather than the drilling of new wells. Data from the Energy Information Administration (EIA) shows completions of DUCs have exceeded new wells drilled in the Permian basin since August, and the basin's DUC inventory was down nearly 11 percent in March 2021 compared with the same month last year.



New Mexico produced 170.2 trillion cubic feet of natural gas in January, up an increase of 3 percent from the same month last year. Since August, average daily natural gas production has exceeded pre-pandemic peaks, with the state averaging 5.5 billion cubic feet (bcf) per day in FY21 to date, compared with an average 5 bcf/day in FY20. Statewide natural gas prices averaged \$3.69/mcf in January, with an average of \$2.64/mcf that month after accounting for various deductions.

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 +	FY21 Feb.	% Diff.	\$ Diff.
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Prelim.	Est.	Est.	Est.	Est.	Estimate	Forecast		
Gross Receipts Tax	220.5	226.8	205.6	226.1	207.7	261.3	234.2	216.9	200.2	207.0	206.6	199.3	2,612.2	2,520.5	3.6%	91.8
Compensating Tax	4.3	1.8	7.6	4.8	4.5	6.1	3.3	4.3	4.5	1.0	4.2	5.0	51.5	54.3	-5.3%	(2.9)
TOTAL GENERAL SALES TAXES	224.8	228.7	213.2	230.9	212.3	267.4	237.5	221.2	204.7	208.0	210.8	204.2	2,663.7	2,574.8	3.5%	88.9
Tobacco Products & Cigarette Taxes	7.6	8.6	8.1	6.5	7.5	7.5	5.5	8.5	6.5	7.3	7.9	9.3	90.9	91.5	-0.7%	(0.6)
Liquor Excise Tax	1.7	2.5	2.1	2.2	1.5	2.9	1.7	1.7	2.0	1.9	2.0	2.5	24.7	24.9	-0.7%	(0.2)
Insurance Premiums Tax	1.1	29.5	29.6	1.2	7.0	55.2	3.5	0.3	55.9	0.3	0.3	55.9	239.8	230.8	3.9%	9.0
Fire Protection Fund Reversion	-	-	-	-	0.0	-	-	-	-	-	-	12.0	12.0	12.0	0.1%	0.0
Motor Vehicle Excise Tax	15.6	14.5	14.7	15.0	7.5	12.5	13.3	12.4	13.5	12.5	12.9	13.0	157.3	156.3	0.7%	1.0
Gaming Excise Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	1.0	4.4	8.5	-48.3%	(4.1)
Leased Vehicle Surcharge & Other	0.3	0.4	0.4	0.4	0.3	0.8	0.7	0.2	0.3	0.3	0.3	0.3	4.7	4.3	10.4%	0.4
TOTAL SELECTIVE SALES TAXES	26.3	55.4	55.0	25.2	23.8	78.9	24.7	23.1	79.4	23.5	24.6	94.0	533.9	528.3	1.1%	5.6
Withholding	133.2	109.9	121.4	125.0	116.8	173.3	117.7	127.8	129.3	115.5	119.3	131.0	1,520.2	1,478.2	2.8%	42.1
Final Settlements	27.3	65.8	22.6	0.4	36.4	54.3	12.3	43.2	169.0	26.5	64.0	46.4	568.1	535.7	6.1%	32.5
Oil and Gas Withholding Tax	4.8	5.3	14.4	2.8	2.5	12.1	2.4	10.8	14.2	20.5	4.7	14.1	108.6	106.2	2.3%	2.4
Fiduciary Tax	0.3	1.5	(0.8)	0.2	0.2	0.6	(5.3)	1.4	5.7	(0.1)	1.3	(1.2)	3.6	6.2	-41.1%	(2.5)
Gross Personal Income Tax	165.6	182.5	157.6	128.4	155.9	240.3	127.0	183.2	318.2	162.4	189.4	190.4	2,200.6	2,126.2	3.5%	74.4
Transfer to PIT Suspense	(6.3)	(8.8)	(29.0)	(6.0)	(2.8)	(4.5)	(183.4)	(158.6)	(67.4)	(25.9)	(18.9)	(18.2)	(529.9)	(505.5)	4.8%	(24.4)
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)	(7.3)	(186.2)	(161.4)	(70.1)	(28.7)	(21.6)	(21.0)	(562.8)	(538.4)	4.5%	(24.4)
NET PERSONAL INCOME TAX	156.6	170.9	125.8	119.6	150.4	233.0	(59.2)	21.8	248.1	133.7	167.8	169.4	1,637.8	1,587.1	3.2%	50.7
CORPORATE INCOME TAX	19.1	(2.9)	13.4	12.8	0.9	23.8	(1.7)	(9.1)	10.2	(8.1)	(9.7)	12.6	61.3	51.4	19.3%	9.9
TOTAL INCOME TAXES	175.7	168.0	139.2	132.4	151.3	256.8	(60.9)	12.7	258.3	125.6	158.1	181.9	1,699.1	1,638.5	3.7%	60.6
Oil and Gas School Tax **	39.5	40.2	42.9	44.8	50.8	55.1	65.4	42.0	39.7	-	-	-	420.4	420.4	0.0%	0.0
Oil Conservation Tax	2.1	2.2	2.2	2.3	2.6	2.8	3.4	2.3	2.7	2.5	2.8	2.8	30.7	29.5	4.1%	1.2
Resources Excise Tax	0.4	0.5	0.2	0.7	0.4	0.4	0.2	0.6	0.6	0.6	0.6	0.6	5.9	6.7	-12.4%	(0.8)
Natural Gas Processors Tax	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.7	0.8	0.8	0.8	0.8	10.0	9.6	3.9%	0.4
TOTAL MINERAL PROD. TAXES	42.8	43.7	46.2	48.7	54.6	59.2	69.9	45.7	43.8	3.9	4.2	4.2	467.0	466.2	0.2%	0.8
LICENSE FEES	0.4	0.3	0.4	0.4	0.4	0.4	0.3	0.5	0.5	0.4	0.2	49.1	53.4	52.7	1.2%	0.6
Land Grant Perm. Fund Distributions	60.0	60.0	60.1	60.1	60.1	60.1	60.1	60.0	60.0	60.0	60.0	60.0	720.4	719.9	0.1%	0.5
State Treasurer's Earnings	3.5	0.5	1.1	(1.3)	2.5	2.1	(0.3)	(6.2)	(1.2)	4.6	4.6	4.6	14.4	31.0	-53.5%	(16.6)
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	82.1	81.7	79.3	73.2	78.3	84.1	84.1	84.1	968.8	984.9	-1.6%	(16.1)
Federal Mineral Leasing Royalties	14.1	31.4	39.2	108.7	57.5	50.6	66.5	78.9	74.5	69.9	69.9	91.3	752.5	738.5	1.9%	14.0
State Land Office Bonuses, Rents	2.6	2.3	1.7	1.7	0.9	1.8	2.3	8.1	2.5	2.5	2.5	2.5	31.1	59.4	-47.7%	(28.3)
TOTAL RENTS & ROYALTIES	16.7	33.6	40.9	110.4	58.4	52.4	68.7	86.9	77.0	72.4	72.4	93.7	783.5	797.9	-1.8%	(14.3)
TRIBAL REVENUE SHARING	0.0	0.1	-	7.5	1.0	0.1	6.8	0.6	14.3	1.1	1.0	14.3	46.7	53.8	-13.2%	(7.1)
MISCELLANEOUS RECEIPTS	0.4	0.8	0.6	0.9	1.7	0.5	18.8	1.2	1.2	1.2	1.2	19.8	48.4	47.5	1.9%	0.9
REVERSIONS	0.0	-	-	1.3	0.9	8.4	0.3	3.7	6.3	0.5	-	33.2	54.7	50.0	9.3%	4.7
TOTAL RECURRING REVENUE	570.2	610.7	576.2	635.9	586.6	805.8	445.4	468.9	763.8	520.5	556.6	778.5	7,319.1	7,194.6	1.7%	124.5
Non-Recurring	0.0	0.3	(0.1)	0.0	0.2	1.9	0.4	-	-	-	-	-	2.7	-	-	2.7
Additional Transfers *	-	-	-	-	(10.0)	14.0	-	-	-	-	-	48.7	52.7	62.8	(10.2)	
TOTAL NON-RECURRING REVENUE	0.0	0.3	(0.1)	0.0	(9.8)	15.8	0.4	-	-	-	-	48.7	55.4	62.8	(7.5)	
GRAND TOTAL REVENUE	570.3	611.0	576.1	635.9	576.8	821.6	445.7	468.9	763.8	520.5	556.6	827.2	7,374.5	7,257.4	1.6%	117.1

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 and \$45.8 million in expected Medicaid reversion. Negative \$10 million in November reflects adjustment for PED reversion in FY20. December amount of \$14 million for FY20 fire protection fund reversion submitted too late for inclusion in FY20 audit.

** Distributions to the Tax Stabilization Reserve estimated to begin in March 2021