



General Fund Revenue Tracking Report: FY21 Accruals through March 2021

General fund recurring revenues for FY21 through March were \$5.567 billion, down \$244.7 million, or 3.9 percent, from the same period a year ago.

March collections were \$796.4 million, up \$103.8 million, or 15 percent, from March 2020. Personal income tax collections were up \$40.6 million, or 24.3 percent from the same month a year ago, and corporate income tax collections were up \$29.6 million. March gross receipts tax collections were up \$11 million from the same month last year.

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 March, and preliminary revenues for most revenue sources through May. Generally, projections for revenue collections through the end of the fiscal year are based on historical monthly shares of revenue collections by revenue source. After adjusting the forecast for legislative changes in the 2021 regular and special sessions, recurring revenues are currently tracking about \$698 million over the February 2021 adjusted consensus forecast.

Table 1 and Chart 2 present the components of fiscal year-to-date (FYTD) revenue through March 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.

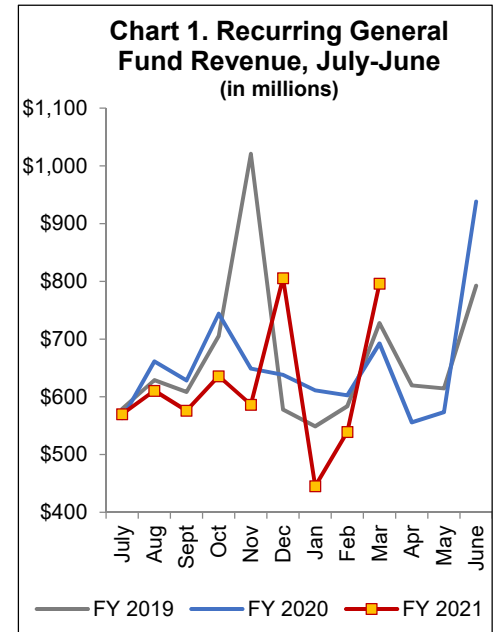


Table 1. General Fund Revenue Accruals: FY21 vs. FY20

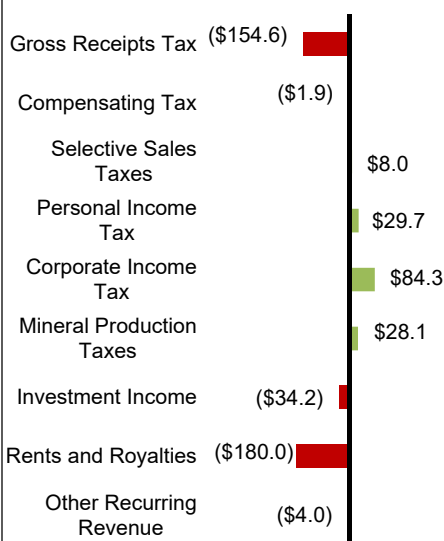
Revenue Category	March Revenue	March Revenue	Fiscal Year-to-Date Through March		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: Feb 2021 Forecast
	FY20	FY21	FY20	FY21			
Gross Receipts Tax	\$254.3	\$265.3	\$2,218.5	\$2,064.0	-\$154.6	-7.0%	-14.3%
Compensating Tax	\$5.0	\$10.6	\$49.3	\$47.4	-\$1.9	-3.9%	-14.5%
Selective Sales Taxes *	\$74.7	\$88.0	\$422.6	\$430.5	\$8.0	1.9%	-6.1%
Personal Income Tax	\$167.2	\$207.8	\$1,096.9	\$1,126.6	\$29.7	2.7%	-6.2%
Corporate Income Tax	\$18.9	\$48.4	\$20.5	\$104.7	\$84.3	411.6%	-18.7%
Mineral Production Taxes **	\$3.5	\$7.9	\$430.9	\$459.0	\$28.1	6.5%	5.9%
License Fees	\$1.7	\$9.4	\$7.8	\$12.7	\$4.9	62.7%	4.5%
Investment Income	\$91.3	\$78.5	\$751.2	\$717.1	-\$34.2	-4.5%	-0.6%
Rents and Royalties	\$78.9	\$78.4	\$727.1	\$547.0	-\$180.0	-24.8%	-10.0%
Tribal Revenue Sharing	\$0.1	\$0.3	\$39.8	\$16.3	-\$23.5	-59.0%	18.4%
Miscellaneous Receipts	-\$3.9	\$1.5	\$22.9	\$26.0	\$3.1	13.5%	11.5%
Reversions	\$1.1	\$0.4	\$3.9	\$15.4	\$11.5	296.9%	-38.3%
Subtotal Recurring Rev.	\$692.7	\$796.4	\$5,791.4	\$5,566.7	-\$224.7	-3.9%	-8.5%
Nonrecurring Revenue	\$0.1	\$1.4	\$29.3	\$8.7	-\$20.6	-70.3%	-80.5%
Total Revenue	\$692.8	\$797.9	\$5,820.6	\$5,575.4	-\$245.2	-4.2%	-11.3%

* Includes estimates for Insurance

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

**Chart 2. March FYTD
Recurring Revenue
Collections**

FY21 versus FY20 (in millions)

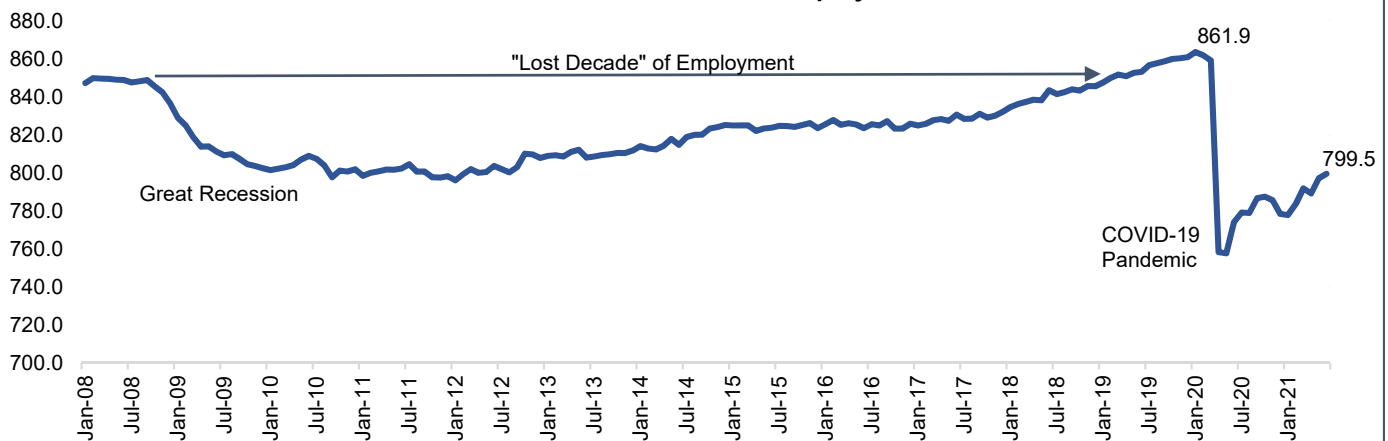


Employment

New Mexico's seasonally adjusted unemployment rate was 7.9 percent in June, down from 8 percent in May and down from 10.0 percent in April 2020. The state is up 32.1 thousand jobs (4.2 percent) from the same month a year ago, but down 64.1 thousand jobs (7.4 percent) from the pre-pandemic peak.

Leisure and hospitality experienced the largest employment growth in June, up 16.8 thousand jobs, or 22.6 percent, from the same month last year. However, employment levels in the industry remain down 14.1 thousand jobs, or 14 percent, from its pre-pandemic levels. Retail trade was up 3,700 jobs, or 4.4 percent, and the industry has regained about 85 percent of employment losses since the trough of the pandemic. Other industries experiencing year-over-year job growth in June include trade, transportation, and utilities (up 7,100 jobs, or 5.5 percent), education and health services (up 6,000 jobs, or 4.7 percent), professional and business services (up 4,900 jobs, or 4.7 percent), manufacturing (up 1,500 jobs, or 5.7 percent), and construction (up 1,600 jobs, or 3.4 percent). Losses continued in the mining industry, which was down 800 jobs, or 4.4 percent from June 2020.

New Mexico Total Nonfarm Employment



Source: Bureau of Labor Statistics (seasonally adjusted)

Gross Receipts Tax

Preliminary gross receipts tax data from the Taxation and Revenue Department (TRD) is available through May 2021. 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 5.6 percent for FY21 through May compared with the same period last year. The largest year-to-date percentage declines continue to be in the mining sector, down 36.4 percent, followed by the information industry (down 34 percent), transportation and warehousing (20 percent), wholesale trade (down 15.8 percent), and construction (down 12.2 percent).

Nineteen of the state's 33 counties are showing year-over-year growth in MTGR for FY21 through May. Receipts in Bernalillo county are demonstrating growth of 5.1 percent fiscal-year-to-date (FYTD). Counties still showing year-over-year declines FYTD are primarily rural, dependent on extractive industries, or dependent on tourism. Eddy and Lea counties

experienced the largest MTGR declines at 35.3 percent and 30.5 percent, respectively. Out-of-state receipts – reflecting activity from out-of-state sellers doing business in New Mexico – are down 4.1 percent, with losses in mining-related out-of-state receipts (down 31.2 percent) outpacing the growth in online retail receipts (up 17.5 percent).

Matched Taxable Gross Receipts by Industry - FY21 vs FY20 thru May			
Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$3,993,212,680	-\$2,283,683,027	-36.4%
Utilities	\$2,631,787,025	\$120,487,851	4.8%
Construction	\$7,460,560,518	-\$1,034,829,166	-12.2%
Manufacturing	\$1,754,720,056	-\$87,486,970	-4.7%
Wholesale Trade	\$2,577,375,749	-\$482,094,386	-15.8%
Retail Trade	\$15,116,151,255	\$1,254,755,729	9.1%
Transportation and Warehousing	\$712,269,981	-\$177,534,679	-20.0%
Information	\$1,795,364,050	-\$923,520,280	-34.0%
Real Estate and Rental and Leasing	\$1,535,562,023	-\$135,746,713	-8.1%
Professional, Scientific, and Technical Services	\$6,058,417,545	\$32,094,940	0.5%
Administrative/Support & Waste Management/Remediation	\$3,029,955,632	\$377,540,305	14.2%
Health Care and Social Assistance	\$3,507,012,052	\$347,379,553	11.0%
Leisure and Hospitality Services	\$3,908,927,099	-\$341,427,995	-8.0%
Other Industries	\$6,806,648,959	-\$276,153,925	-4.1%
Total	\$60,887,964,625	-\$3,609,718,761	-5.6%

Source: RP500

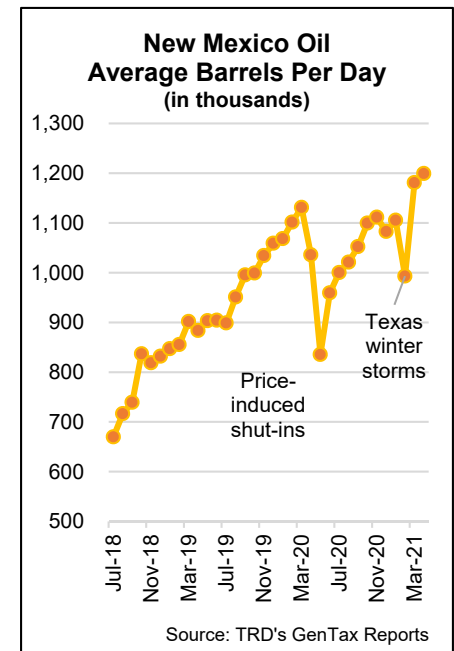
Consumer spending in second half of the fiscal year appears to be largely bolstered by the distribution of Covid-19 vaccine, pent up demand, the reopening of the New Mexico economy, and the distribution of a third round of federal stimulus checks.

Oil and Natural Gas

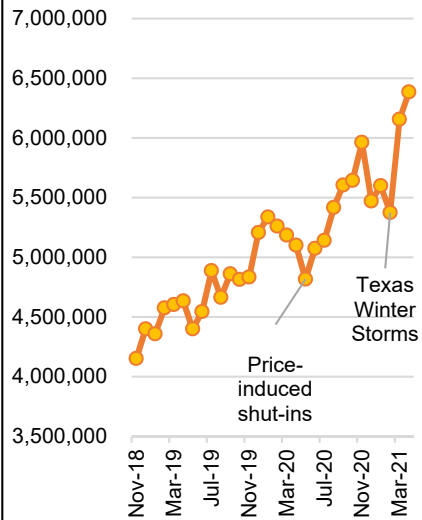
Data from TRD for oil and gas production in the state is available through April 2021. New Mexico produced 36 million barrels of oil in April, up 15.8 percent from April 2020, at an average statewide price of \$60.44 per barrel. Oil prices began climbing over \$60/bbl in March, as the global demand for oil began to recover but global production was constrained by continued OPEC+ production cut agreements. New Mexico's daily oil production reached a new record of 1.2 million barrels per day in April.

If production in May and June continues at those levels, the state would be on track to produce over 400 million barrels of oil in FY21, above the consensus forecast for the year of 370 million barrels. Oil prices within the state are on track to average nearly \$50/bbl for FY21, compared with the consensus forecast of \$43.50/bbl.

New Mexico also produced a record 191.6 trillion cubic feet of natural gas in April at an average price of \$3.36 per thousand cubic feet (mcf). Natural gas prices for FY21 are on track to average about \$3.25/mcf, above the consensus forecast of \$2.46/mcf.

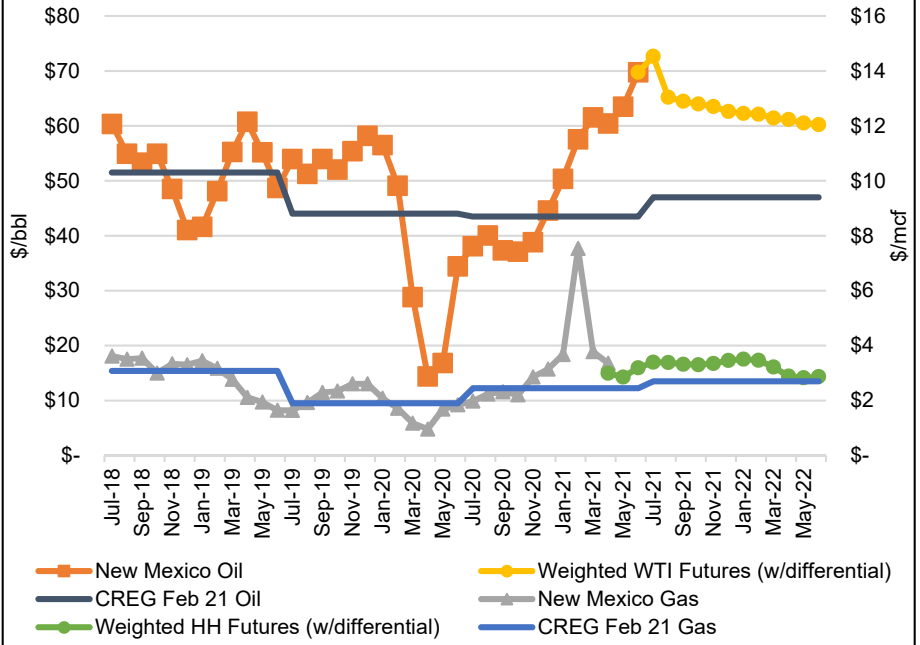


New Mexico Natural Gas Average MCF Per Day



Source: TRD's GenTax Reports

Current Oil and Natural Gas Prices



Source: Weighted oil and gas prices derived from EIA, IHS and NYMEX Forecasts; Updated 07/20/21

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.		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<i>Prelim.</i>	<i>Prelim.</i>	<i>Est.</i>	<u>Estimate</u>	<u>Forecast Leg. Adj.</u>	<u>% Diff.</u>	<u>\$ Diff.</u>
Gross Receipts Tax	220.5	226.8	205.6	226.1	207.7	261.3	234.2	216.4	265.3	237.9	200.8	191.9	2,694.6	2,430.1	10.9%	264.6
Compensating Tax	4.3	1.8	7.6	4.8	4.5	6.1	3.3	4.3	10.6	5.4	4.5	5.0	62.2	54.3	14.5%	7.9
TOTAL GENERAL SALES TAXES	224.8	228.7	213.2	230.9	212.3	267.4	237.5	220.7	275.9	243.3	205.4	196.9	2,756.8	2,484.4	11.0%	272.4
Tobacco Products & Cigarette Taxes	7.6	8.6	8.1	6.5	7.5	7.5	5.5	6.9	10.8	4.5	6.0	9.3	88.8	91.5	-2.9%	(2.7)
Liquor Excise Tax	1.7	2.5	2.1	2.2	1.5	2.9	1.7	1.9	1.6	2.1	2.0	2.5	24.7	24.9	-1.0%	(0.2)
Insurance Premiums Tax	1.1	29.5	29.6	1.2	7.0	55.2	3.5	31.7	52.6	0.3	0.3	55.9	267.9	230.8	16.1%	37.1
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	16.2	18.0	16.7	13.0	169.3	156.3	8.3%	13.0
Gaming Excise Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	6.2	5.9	6.5	1.0	19.6	8.5	131.0%	11.1
Leased Vehicle Surcharge & Other	0.3	0.4	0.4	0.4	0.3	0.8	0.7	0.3	0.7	0.4	0.4	0.3	5.3	4.3	22.8%	1.0
TOTAL SELECTIVE SALES TAXES	26.3	55.4	55.0	25.2	23.8	78.9	24.7	53.3	88.0	31.1	32.0	94.0	587.7	528.3	11.2%	59.4
Withholding	133.2	109.9	121.4	125.0	116.8	173.3	117.7	127.8	144.7	137.7	103.9	131.0	1,542.4	1,478.2	4.3%	64.3
Final Settlements	27.3	65.8	22.6	0.4	36.4	54.3	12.3	43.2	91.9	153.9	59.8	46.4	614.2	535.7	14.7%	78.5
Oil and Gas Withholding Tax	4.8	5.3	14.4	2.8	2.5	12.1	2.4	10.8	21.3	28.7	13.4	14.1	132.4	106.2	24.8%	26.3
Fiduciary Tax	0.3	1.5	(0.8)	0.2	0.2	0.6	(5.3)	1.4	2.8	0.6	1.1	(1.2)	1.3	6.2	-79.6%	(4.9)
Gross Personal Income Tax	165.6	182.5	157.6	128.4	155.9	240.3	127.0	183.2	260.8	320.8	178.1	190.4	2,290.3	2,126.2	7.7%	164.1
Transfer to PIT Suspense	(6.3)	(8.8)	(29.0)	(6.0)	(2.8)	(4.5)	(183.4)	(158.6)	(50.3)	(47.5)	(10.9)	(21.8)	(530.0)	(614.9)	-13.8%	84.9
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)	(53.0)	(50.2)	(13.7)	(24.6)	(562.9)	(647.8)	-13.1%	84.9
NET PERSONAL INCOME TAX	156.6	170.9	125.8	119.6	150.4	233.0	(59.2)	21.8	207.8	270.5	164.4	165.8	1,727.4	1,477.7	16.9%	249.7
CORPORATE INCOME TAX	19.1	(2.9)	13.4	12.8	0.9	23.8	(1.7)	(9.1)	48.4	16.0	18.1	12.6	151.3	51.4	194.4%	99.9
TOTAL INCOME TAXES	175.7	168.0	139.2	132.4	151.3	256.8	(60.9)	12.7	256.2	286.5	182.5	178.3	1,878.7	1,529.1	22.9%	349.6
Oil and Gas School Tax **	39.5	40.2	42.9	44.8	50.8	55.1	65.4	80.2	2.1	-	-	-	420.9	420.4	0.1%	0.5
Oil Conservation Tax	2.1	2.2	2.2	2.3	2.6	2.8	3.4	4.0	4.2	4.5	2.8	2.8	36.0	29.5	21.9%	6.5
Resources Excise Tax	0.4	0.5	0.2	0.7	0.4	0.4	0.2	1.0	0.6	0.6	0.6	0.6	6.3	6.7	-6.6%	(0.4)
Natural Gas Processors Tax	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.7	0.9	0.8	0.8	0.8	10.1	9.6	5.5%	0.5
TOTAL MINERAL PROD. TAXES	42.8	43.7	46.2	48.7	54.6	59.2	69.9	85.9	7.9	5.9	4.2	4.2	473.3	466.2	1.5%	7.1
LICENSE FEES	0.4	0.3	0.4	0.4	0.4	0.4	0.3	0.7	9.4	0.4	0.2	49.1	62.4	52.7	18.4%	9.7
Land Grant Perm. Fund Distributions	60.0	60.0	60.1	60.1	60.1	60.1	60.1	60.2	60.2	60.0	60.0	60.0	720.8	719.9	0.1%	0.9
State Treasurer's Earnings	3.5	0.5	1.1	(1.3)	2.5	2.1	(0.3)	(6.2)	(1.1)	3.7	3.2	(4.0)	3.6	31.0	-88.4%	(27.4)
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	73.4	78.5	83.1	82.7	75.5	958.4	984.9	-2.7%	(26.5)
Federal Mineral Leasing Royalties	14.1	31.4	39.2	108.7	57.5	50.6	66.5	79.4	74.6	94.2	95.4	99.4	810.9	738.5	9.8%	72.4
State Land Office Bonuses, Rents	2.6	2.3	1.7	1.7	0.9	1.8	2.3	8.1	3.8	3.6	6.9	2.5	38.0	59.4	-36.0%	(21.4)
TOTAL RENTS & ROYALTIES	16.7	33.6	40.9	110.4	58.4	52.4	68.7	87.4	78.4	97.7	102.3	101.8	848.9	797.9	6.4%	51.0
TRIBAL REVENUE SHARING	0.0	0.1	-	7.5	1.0	0.1	6.8	0.6	0.3	9.0	2.7	1.6	29.7	53.8	-44.7%	(24.1)
MISCELLANEOUS RECEIPTS	0.4	0.8	0.6	0.9	1.7	0.5	18.8	0.7	1.5	1.2	1.2	19.8	48.2	47.5	1.6%	0.8
REVERSIONS	0.0	-	-	1.3	0.9	8.4	0.3	4.0	0.4	0.5	-	33.2	49.0	50.0	-1.9%	(1.0)
TOTAL RECURRING REVENUE	570.2	610.7	576.2	635.9	586.6	805.8	445.4	539.5	796.4	758.8	613.3	754.5	7,693.2	6,994.8	10.0%	698.4
Non-Recurring	0.0	0.3	(0.1)	0.0	0.2	1.9	0.4	0.6	1.4	-	-	-	4.7	-		4.7
Additional Transfers *	-	-	-	-	(10.0)	14.0	-	-	-	-	-	75.7	79.7	62.8		16.8
TOTAL NON-RECURRING REVENUE	0.0	0.3	(0.1)	0.0	(9.8)	15.8	0.4	0.6	1.4	-	-	75.7	84.4	62.8		21.6
GRAND TOTAL REVENUE	570.3	611.0	576.1	635.9	576.8	821.6	445.7	540.1	797.9	758.8	613.3	830.2	7,777.6	7,057.6	10.2%	720.0

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 FY21 Medicaid reversion. Expect additional \$27 million in FY20 Medicaid reversion booked to FY21. 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 began in March 2021