



General Fund Revenue Tracking Report: FY22 Accruals through July 2022

General fund recurring revenues for July, the first month of FY22, were \$702.2 million, up \$132 million, or 23.2 percent, from the same period a year ago.

Personal income tax collections were down \$43.4 million, or 27.7 percent from the same month a year ago, and corporate income tax collections were down \$6.9 million. July gross receipts tax collections were down \$4.3 million from the same month last year. Oil and gas revenues were up \$175.8 million, accounting for the majority of the increase over July 2020.

Revenue Tracking

The last page of this report provides the general fund revenue tracking chart for FY22. The chart details the actual revenues received year-to-date through July, and preliminary revenues for most revenue sources through September. 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 \$36 million, or 0.4 percent over the December 2021 consensus forecast.

Table 1 and Chart 2 present the components of fiscal year-to-date (FYTD) revenue through July FY22 versus the same period in FY21. Given that July is the first month in the fiscal year, the FYTD and July revenues are the same.

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

Chart 1. Recurring General Fund Revenue, July-June (in millions)

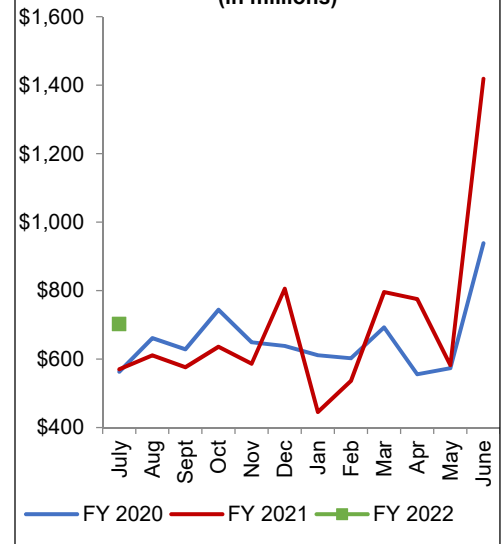


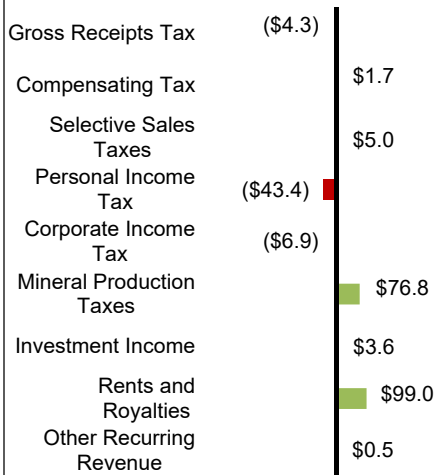
Table 1. General Fund Revenue Accruals: FY22 vs. FY21

Revenue Category	July Revenue		Fiscal Year-to-Date Through July		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: Dec 2021 Forecast
	FY21	FY22	FY21	FY22			
Gross Receipts Tax	\$220.5	\$216.2	\$220.5	\$216.2	-\$4.3	-2.0%	-1.9%
Compensating Tax	\$4.3	\$6.0	\$4.3	\$6.0	\$1.7	39.9%	-3.6%
Selective Sales Taxes *	\$26.3	\$31.3	\$26.3	\$31.3	\$5.0	18.9%	2.7%
Personal Income Tax	\$156.6	\$113.1	\$156.6	\$113.1	-\$43.4	-27.7%	-1.2%
Corporate Income Tax	\$19.1	\$12.2	\$19.1	\$12.2	-\$6.9	-36.3%	-26.7%
Mineral Production Taxes **	\$42.8	\$119.6	\$42.8	\$119.6	\$76.8	179.5%	26.6%
License Fees	\$0.4	\$0.5	\$0.4	\$0.5	\$0.1	13.5%	168.0%
Investment Income	\$83.1	\$86.7	\$83.1	\$86.7	\$3.6	4.3%	8.1%
Rents and Royalties	\$16.7	\$115.7	\$16.7	\$115.7	\$99.0	593.1%	-7.2%
Tribal Revenue Sharing	\$0.0	\$0.1	\$0.0	\$0.1	\$0.1	500.0%	51.2%
Miscellaneous Receipts	\$0.4	\$0.7	\$0.4	\$0.7	\$0.4	95.8%	19.6%
Reversions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-99.0%	-44.8%
Subtotal Recurring Rev.	\$570.2	\$702.2	\$570.2	\$702.2	\$132.0	23.2%	1.0%
Nonrecurring Revenue	\$0.0	-\$1.7	\$0.0	-\$1.7	-\$1.7	-3962.7%	-76.0%
Total Revenue	\$570.3	\$700.5	\$570.3	\$700.5	\$130.3	22.8%	1.3%

* Includes estimates for Insurance

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

**Chart 2. July FYTD
Recurring Revenue
Collections
FY22 versus FY21 (in millions)**



Personal Income Tax and Employment

Increasing incomes and rebounding employment are driving higher income tax collections. While personal income tax appears to have decreased by \$43.4 million year-over-year, this is largely due to an accounting issue where \$32 million of collections were credited to June 2021 instead of July 2021, and not indicative of economic conditions.

After reaching the last employment peak in January 2020 (861.9 thousand jobs), employment contracted by 103.6 thousand jobs, or 12 percent, by the subsequent quarter as a result of the pandemic. In July 2021, unemployment was 7.6 percent and total employment reached 817.1 thousand jobs. The most recent data indicates the state has recovered 69 percent of the jobs lost from the start of the pandemic, with total employment still down 32.1 thousand jobs from the pre-pandemic peak.

Additionally, employment is recovering at different rates across the income scale. As of mid-August 2021, low-wage employment (less than \$27 thousand) was down 18.1 percent from January 2020, while mid-wage (\$27 thousand to \$60 thousand) and high-wage employment percent (above \$60 thousand) were up 14.6 percent and 15.7 percent, respectively. Higher income earners carry a larger income tax burden than lower income earners; therefore, personal income tax collections have remained elevated even as total employment has not yet fully recovered.



Gross Receipts Tax

Preliminary gross receipts tax data from the Taxation and Revenue Department (TRD) is available through September 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 up 17.5 percent for FY22 through September compared with the same period last year. The largest year-to-date percentage increases are in the mining sector, up 56.6 percent, followed by real estate and rental and leasing (53.1 percent), transportation and warehousing (46.1 percent), wholesale trade (38.8 percent), and manufacturing (37.7 percent).

As of September, 29 of the state's 33 counties are showing year-over-year growth in MTGR for FY22. The four counties still experiencing declines are Hidalgo, Los Alamos, Luna, and Roosevelt counties.

Matched Taxable Gross Receipts by Industry - FY22 Q1 vs FY21 Q1			
Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$1,515,183,278	\$547,468,966	56.6%
Utilities	\$780,956,331	-\$42,797,026	-5.2%
Construction	\$2,206,450,739	\$124,657,017	6.0%
Manufacturing	\$624,155,288	\$171,037,058	37.7%
Wholesale Trade	\$892,299,615	\$249,454,248	38.8%
Retail Trade	\$4,573,716,976	\$652,192,958	16.6%
Transportation and Warehousing	\$250,943,665	\$79,207,267	46.1%
Information	\$517,529,592	\$26,788,221	5.5%
Real Estate and Rental and Leasing	\$606,755,337	\$210,389,717	53.1%
Professional, Scientific, and Technical Services	\$1,674,744,176	\$8,402,234	0.5%
Administrative/Support & Waste Management/Remediation	\$1,038,036,706	-\$26,567,304	-2.5%
Health Care and Social Assistance	\$1,024,056,193	\$50,409,425	5.2%
Leisure and Hospitality Services	\$1,512,287,804	\$142,086,831	10.4%
Other Industries	\$2,167,287,826	\$690,528,665	20.8%
Total	\$19,384,403,525	\$2,883,258,277	17.5%

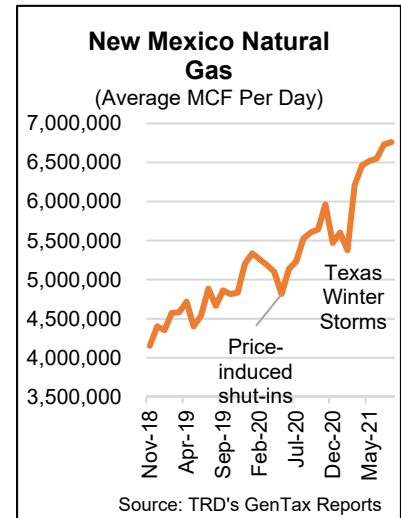
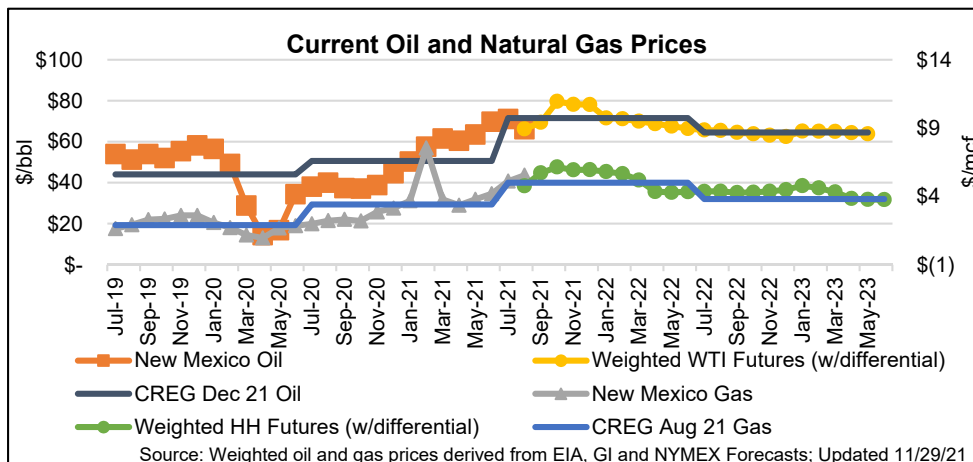
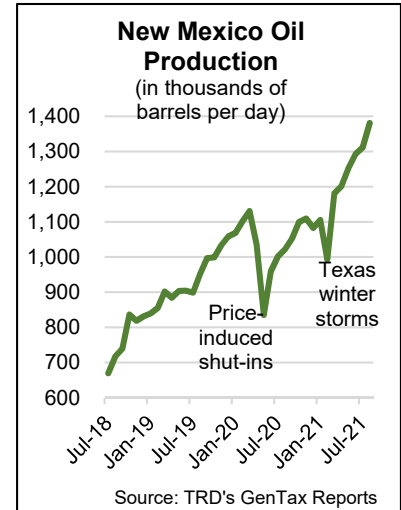
Source: RP 500

Among the reasons for strong GRT collections is the impact of federal stimulus legislation passed in March, rollout of the vaccine, businesses reopening, and pent-up consumer demand. Combined, these factors resulted in a resurgent GRT in the second half of FY21 that has continued into FY22.

Oil and Natural Gas

New Mexico produced 1.3 million barrels of oil in July, up 31 percent from July 2020, at an average statewide price of \$71.03 per barrel. New Mexico also produced a record 6.7 billion cubic feet of natural gas per day in July at an average price of \$5.11 per thousand cubic feet (mcf).

More recent data suggests August was no different, with oil production up 35.2 percent from a year prior, reaching 1.4 billion barrels of oil a day. Prices also climbed in August to \$71.50 per barrel for New Mexico production. Gas production similarly climbed to 6.8 billion cubic feet of natural gas per day in August, with prices reaching \$5.55 per thousand cubic feet.



FISCAL YEAR 2022 GENERAL FUND MONTHLY REVENUE TRACKING

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

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	ESTIMATED REVENUE ACCRUALS												FY22	TRACKING CHANGE		
	July Actual	Aug Prelim.	Sept Est.	Oct Est.	Nov Est.	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.	Actual + Estimate	FY 22 Dec Forecast	% Diff.	\$ Diff.
Gross Receipts Tax	216.2	229.9	235.7	269.2	231.6	249.3	227.2	225.0	249.3	215.8	238.3	261.7	2,849.3	2,803.5	1.6%	45.8
Compensating Tax	6.0	5.3	6.5	5.1	4.2	6.7	6.7	6.3	5.7	1.7	5.3	6.2	65.8	61.6	6.8%	4.2
TOTAL GENERAL SALES TAXES	222.2	235.2	242.2	274.2	235.9	256.0	233.9	231.3	255.0	217.5	243.7	267.9	2,915.1	2,865.1	1.7%	50.0
Tobacco Products & Cigarette Taxes	5.9	7.3	7.2	7.6	7.2	7.8	6.0	8.4	6.5	7.2	7.8	9.2	88.0	90.6	-2.9%	(2.6)
Liquor Excise Tax	2.1	2.2	2.1	2.0	2.2	2.6	1.6	1.7	2.0	2.0	2.1	2.5	25.0	24.8	0.9%	0.2
Cannabis Excise Tax	-	-	-	-	-	-	-	-	-	2.1	2.1	2.1	6.2	6.2	-	-
Insurance Premiums Tax	1.9	10.6	56.9	2.2	0.9	0.9	74.9	0.9	74.9	0.9	0.9	74.9	300.9	307.0	-2.0%	(6.1)
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Excise Tax	14.5	12.6	11.6	11.8	10.7	10.7	11.7	10.2	12.9	12.1	12.4	12.5	143.9	142.1	1.3%	1.8
Gaming Excise Tax	6.8	6.0	5.2	6.2	5.0	5.2	5.2	5.4	6.0	5.5	5.8	5.1	67.5	64.5	4.7%	3.0
Leased Vehicle Surcharge & Other	0.2	0.4	0.4	0.5	0.4	0.4	1.1	0.3	0.4	0.4	0.4	0.5	5.5	5.8	-5.4%	(0.3)
TOTAL SELECTIVE SALES TAXES	31.3	39.1	83.6	30.5	26.4	27.6	100.5	27.0	102.7	30.1	31.5	106.7	637.0	641.0	-0.6%	(3.9)
Withholding	104.2	137.0	137.2	154.5	129.5	175.0	127.5	129.8	151.8	127.2	136.9	183.0	1,693.6	1,664.5	1.7%	29.1
Final Settlements	22.6	63.7	23.6	18.8	30.0	19.8	27.0	51.4	142.8	35.1	79.3	118.6	632.7	630.9	0.3%	1.8
Oil and Gas Withholding Tax	2.4	14.7	27.4	4.4	3.3	21.1	10.0	17.2	28.6	40.2	11.1	28.3	208.8	195.7	6.7%	13.1
Fiduciary Tax	0.7	1.6	0.2	0.4	(0.0)	0.3	(0.5)	(0.0)	5.3	0.1	1.4	(0.9)	8.5	5.6	52.2%	2.9
Gross Personal Income Tax	129.9	217.0	188.4	178.1	162.8	216.2	164.1	198.5	328.6	202.5	228.7	329.1	2,543.7	2,496.7	1.9%	47.0
Transfer to PIT Suspense	(13.6)	(12.8)	(12.3)	(12.8)	(17.9)	(133.8)	(145.7)	(92.8)	(68.2)	(25.1)	(21.8)	(23.5)	(580.3)	(578.3)	0.3%	(2.0)
Retiree Health Care	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(3.1)	(36.9)	(36.9)	0.0%	0.0
Less: Refunds, distributions to other funds	(16.7)	(15.9)	(15.4)	(15.9)	(20.9)	(136.9)	(148.8)	(95.9)	(71.2)	(28.1)	(24.9)	(26.6)	(617.2)	(615.2)	0.3%	(2.0)
NET PERSONAL INCOME TAX	113.1	201.1	173.1	162.2	141.9	79.3	15.3	102.6	257.3	174.3	203.8	302.5	1,926.5	1,881.5	2.4%	45.0
CORPORATE INCOME TAX	12.2	(8.0)	(9.1)	10.6	1.3	26.4	(7.9)	2.8	26.8	(12.3)	(15.7)	31.8	58.9	109.8	-46.3%	(50.9)
TOTAL INCOME TAXES	125.3	193.1	164.0	172.9	143.2	105.7	7.4	105.3	284.1	162.0	188.1	334.3	1,985.4	1,991.3	-0.3%	(5.9)
Oil and Gas School Tax **	112.4	112.8	120.4	65.7	65.7	48.7	-	-	-	-	-	-	525.7	525.7	0.0%	0.0
Oil Conservation Tax	5.7	6.1	5.9	5.8	5.2	4.8	4.3	4.1	4.8	4.4	5.2	5.2	61.4	62.0	-0.9%	(0.5)
Resources Excise Tax	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	7.6	7.6	0.4%	0.0
Natural Gas Processors Tax	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	9.1	9.1	0.2%	0.0
TOTAL MINERAL PROD. TAXES	119.6	120.3	127.7	73.0	72.3	54.9	5.7	5.4	6.2	5.8	6.6	6.6	603.9	604.3	-0.1%	(0.5)
LICENSE FEES	0.5	0.3	0.2	0.3	0.2	0.3	0.2	0.4	0.5	0.4	0.2	55.1	58.6	58.5	0.3%	0.2
Land Grant Perm. Fund Distributions	60.7	67.0	67.8	67.7	64.8	64.8	64.8	64.8	64.8	64.8	64.8	64.8	781.2	777.1	0.5%	4.1
State Treasurer's Earnings	5.5	(1.0)	(4.8)	(10.6)	(0.2)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	(2.0)	15.8	-112.5%	(17.7)
Severance Tax Perm. Fund Distributions	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	246.4	246.4	0.0%	0.0
TOTAL INVESTMENT EARNINGS	86.7	86.5	83.5	77.7	85.1	86.6	86.6	86.6	86.6	86.6	86.6	86.6	1,025.6	1,039.2	-1.3%	(13.6)
Federal Mineral Leasing Royalties **	113.3	130.8	134.2	233.3	143.4	-	-	-	-	-	-	-	755.1	755.0	0.0%	0.1
State Land Office Bonuses, Rents	2.4	1.5	2.2	2.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	32.7	36.7	-10.8%	(4.0)
TOTAL RENTS & ROYALTIES	115.7	132.3	136.4	235.5	146.5	3.1	3.1	3.1	3.1	3.1	3.1	3.1	787.8	791.7	-0.5%	(3.9)
TRIBAL REVENUE SHARING	0.1	0.1	0.3	15.2	1.2	0.5	16.9	0.3	18.1	0.2	0.1	18.2	71.2	72.8	-2.2%	(1.6)
MISCELLANEOUS RECEIPTS	0.7	1.0	1.1	1.0	1.0	1.2	16.6	1.2	1.2	1.2	1.2	19.8	47.2	49.2	-4.0%	(2.0)
REVERSIONS	0.0	0.0	2.5	3.2	0.7	1.9	2.5	3.7	6.3	0.5	-	34.2	55.4	50.0	10.8%	5.4
TOTAL RECURRING REVENUE	702.2	807.9	841.4	883.4	712.4	537.6	473.4	464.4	763.8	507.4	561.0	932.3	8,187.3	8,163.1	0.3%	24.2
Non-Recurring	(1.7)	-	-	-	-	-	-	-	-	-	-	-	(1.7)	(8.2)	-	6.5
Additional Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-RECURRING REVENUE	(1.7)	-	-	-	-	-	-	-	-	-	-	-	(1.7)	(8.2)	-	6.5
GRAND TOTAL REVENUE	700.5	807.9	841.4	883.4	712.4	537.6	473.4	464.4	763.8	507.4	561.0	932.3	8,185.6	8,154.9	0.4%	30.7

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

** Distributions above the five-year average to tax stabilization reserve or early childhood trust fund expected to begin in March