



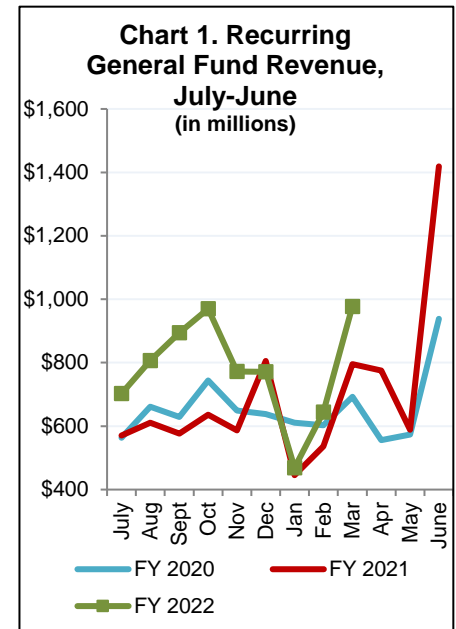
## General Fund Revenue Tracking Report: FY22 Accruals through March 2022

General fund recurring revenues for FY22 through March were \$7.007 billion, up \$1.444 billion, or 25.7 percent, from the same period a year ago.

March collections were \$977 million, up \$179.7 million, or 22.5 percent, from March 2021. Personal income tax collections are up \$511.6 million, or 45.4 percent, year-to-date from the same time a year ago. March gross receipts tax collections are up \$397.8 million, or 19.3 percent, year-to-date over last year. Investment income is the only major revenue category that has fallen from FY21, posting a \$46.9 million decrease (6.5 percent) due to \$47.6 million in losses in the state treasury in March. As oil-related collections pushed past their five-year averages, large transfers to the early childhood trust fund began in November and December and are not currently contributing to monthly year-over-year revenue growth.

FY22 revenues are significantly higher than FY21 for several reasons. First, the pandemic suppressed the tax base in FY21 resulting in lower than average receipts for most revenue streams (see Chart 1). Additionally, high and persistent inflation, consistently strong financial markets through tax year 2021, and a tight labor market are pushing incomes to record levels. Lastly, oil and gas prices have soared, remaining elevated due to geopolitical turmoil in Europe and supply-side constraints outside of the Permian Basin.

**THIS REPORT:** This general fund revenue tracking report reflects FY22 revenue accruals as reported by the Department of Finance and Administration.



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

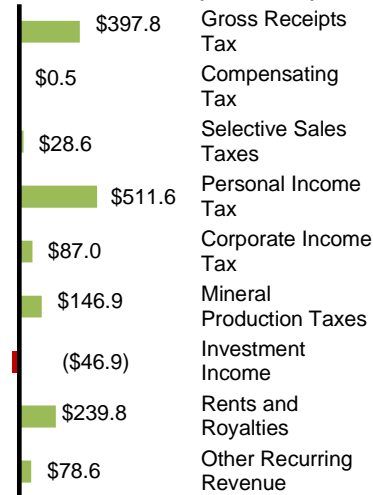
Revenue Category	March Revenue		Month Year-over-Year Amount Change	Fiscal Year-to-Date Through March		Fiscal YTD Year-over-Year Amount Change	Fiscal YTD Year-over-Year Growth	Projected Full-Year Growth: Dec 2021 Forecast
	FY21	FY22		FY21	FY22			
Gross Receipts Tax	\$265.3	\$326.2	\$60.9	\$2,064.0	\$2,461.7	\$397.8	19.3%	-1.9%
Compensating Tax	\$10.6	\$3.5	-\$7.0	\$47.4	\$47.9	\$0.5	1.1%	-3.6%
Selective Sales Taxes *	\$88.0	\$89.9	\$1.9	\$430.5	\$459.2	\$28.6	6.6%	2.7%
Personal Income Tax	\$207.8	\$451.0	\$243.2	\$1,126.6	\$1,638.3	\$511.6	45.4%	-1.2%
Corporate Income Tax	\$48.4	\$41.9	-\$6.6	\$104.7	\$191.7	\$87.0	83.1%	-26.7%
Mineral Production Taxes **	\$7.4	\$7.9	\$0.6	\$458.5	\$605.4	\$146.9	32.0%	26.6%
License Fees	\$9.4	\$7.7	-\$1.6	\$12.7	\$11.0	-\$1.7	-13.6%	168.0%
Investment Income	\$78.5	\$38.7	-\$39.9	\$717.1	\$670.2	-\$46.9	-6.5%	8.1%
Rents and Royalties	\$78.4	\$12.3	-\$66.1	\$547.0	\$786.8	\$239.8	43.8%	-7.2%
Tribal Revenue Sharing	\$0.3	\$0.3	\$0.0	\$16.3	\$34.8	\$18.5	113.1%	51.2%
Miscellaneous Receipts	\$1.5	-\$3.3	-\$4.8	\$26.0	\$32.9	\$6.9	26.7%	19.6%
Reversions	\$0.4	\$0.9	\$0.5	\$12.5	\$67.5	\$54.9	438.6%	-44.8%
<b>Subtotal Recurring Rev.</b>	<b>\$795.9</b>	<b>\$977.1</b>	<b>\$181.2</b>	<b>\$5,563.3</b>	<b>\$7,007.3</b>	<b>\$1,444.0</b>	<b>26.0%</b>	<b>1.0%</b>
Nonrecurring Revenue	\$1.4	\$0.0	-\$1.5	\$8.7	-\$0.7	-\$9.4	-108.2%	-76.0%
<b>Total Revenue</b>	<b>\$797.4</b>	<b>\$977.0</b>	<b>\$179.7</b>	<b>\$5,572.0</b>	<b>\$7,006.6</b>	<b>\$1,434.6</b>	<b>25.7%</b>	<b>1.3%</b>

\* Includes estimates for Insurance

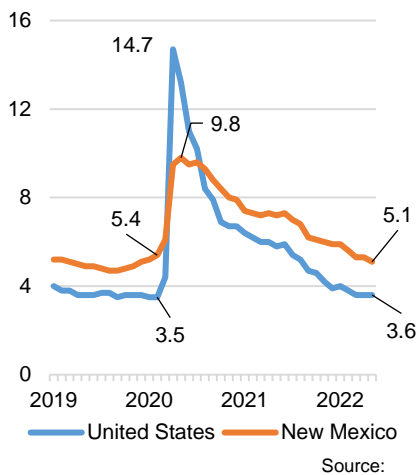
\*\* Includes estimates for Oil and Gas School Tax and Oil and Gas Conservation Tax.

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

FY22 versus FY21 (in millions)



**Chart 3: NM vs US  
Unemployment Rate**



**Chart 4: New Mexico  
Personal Income  
(in billions)**

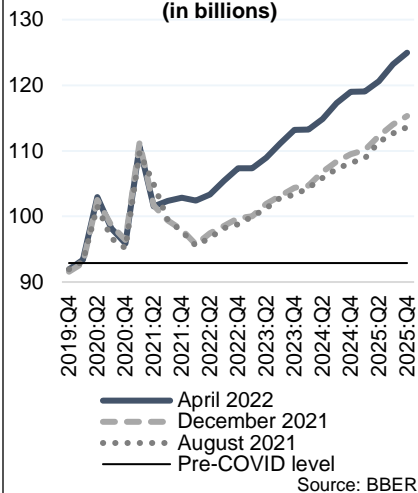


Chart 1 shows total monthly year-over-year revenues. Table 1 and Chart 2 present the components of fiscal year-to-date (FYTD) revenue through March for FY22 versus the same period in FY21.

## Revenue Tracking

The last page of this report provides the general fund revenue-tracking chart for FY22. The chart details actual revenues received year-to-date through March, and preliminary revenues for some revenue sources through April. Generally, projections for revenues 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 2022 regular and special sessions, total recurring revenues are currently tracking at \$964.7 million above the December 2022 CREG estimate. Nearly all of this increase is attributable to higher than expected actual year-to-date revenues for GRT and income tax, tracking \$459.4 million and \$481 million above December projections, respectively. March income tax revenues were the highest on record at \$451 million, reflecting April's record-breaking income tax cash payments experienced nationally and in other states. Additionally, the April personal income tax receipt was adjusted up \$299 million to reflect true collections when accounting for the cost of the rebates passed in HB2 during the 2022 third special session disbursed that month. The \$299 million cost was moved to the bottom of the tracking report to reflect the nonrecurring cost.

## Employment and Income

New Mexico's seasonally adjusted unemployment rate was 5.1 percent in May, down from 5.3 percent in April and down from 9.8 percent in May 2020 (See Chart 3). The unemployment rate has dropped below pre-pandemic levels. The state is up 88.4 thousand jobs (10.8 percent) from pandemic lows in April 2020, but still down just 17.4 thousand jobs (1.9 percent) from the pre-pandemic peak in December 2019. While New Mexico unemployment remains elevated over national averages, labor shortages, especially for low-skilled jobs, are driving up wages amid a very tight labor market.

New Mexico, similar to other states and the federal government, is collecting unprecedented income tax revenues. In addition to the tight labor market, strong financial markets through the tax year and high inflation are driving up incomes and tax receipts. According to the Congressional Budget Office, personal income tax is on track to reach 10.6 percent of the economy, a record in the history of federal income taxes. The increase has been most pronounced outside of regular wage withholding, a sign that business and capital gains taxes could be driving the trend. Data from the Bureau of Business and Economic Research (BBER) at UNM show income forecasts well above where they were one quarter ago (see Chart 4).

## Gross Receipts Tax

Preliminary gross receipts tax data from the Taxation and Revenue Department (TRD) is available through April 2022. 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 20.6 percent for FY22 through April compared with the same period last year. The largest year-to-date percentage increases continue to be in the mining sector, up 73.6 percent, followed by transportation and warehousing (up 44.9 percent), real estate (up 39.2 percent), and wholesale trade (up 36.9 percent).

Matched Taxable Gross Receipts by Industry - FY22 vs FY21			
Industry	Matched Taxable Gross Receipts	Year-over-Year Growth	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$6,323,855,606	\$2,680,655,946	73.6%
Utilities	\$2,536,952,300	\$88,950,409	3.6%
Construction	\$7,957,630,579	\$1,133,517,393	16.6%
Manufacturing	\$2,245,083,115	\$646,864,882	40.5%
Wholesale Trade	\$3,181,196,789	\$857,472,999	36.9%
Retail Trade	\$15,519,944,478	\$1,753,935,004	12.7%
Transportation and Warehousing	\$921,302,505	\$285,524,056	44.9%
Information	\$1,801,532,937	\$144,732,875	8.7%
Real Estate and Rental and Leasing	\$1,962,843,825	\$552,908,970	39.2%
Professional, Scientific, and Technical Services	\$5,928,300,207	\$379,135,421	6.8%
Administrative/Support & Waste Management/Remediation	\$3,125,476,546	\$318,954,985	11.4%
Health Care and Social Assistance	\$3,571,195,544	\$306,963,505	9.4%
Leisure and Hospitality Services	\$4,877,698,715	\$921,133,362	23.3%
Other Industries	\$7,186,827,126	\$1,374,809,851	14.5%
<b>Total</b>	<b>\$67,139,840,272</b>	<b>\$11,445,559,659</b>	<b>20.6%</b>

Source: RP 500

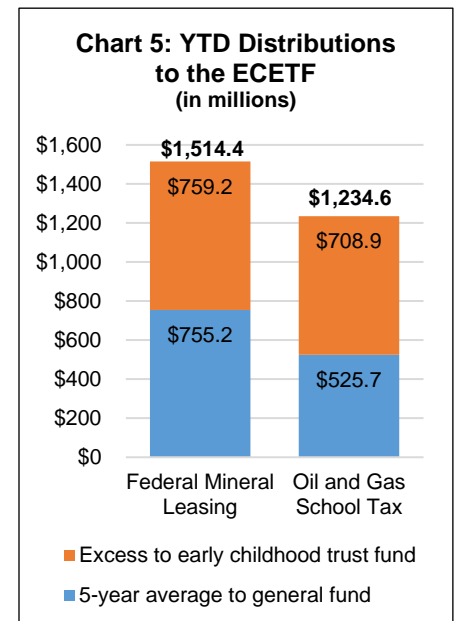
Twenty-eight of the state's 33 counties are showing year-over-year growth in MTGR for FY22 through April. Out-of-state receipts – reflecting activity from out-of-state sellers doing business in New Mexico – are down 42.1 percent, a reflection of growing taxpayer compliance with new destination based sourcing rules requiring in state reporting for most industries.

Consumer spending is slowing, however, as the Federal Reserve continues to rollout interest rate hikes, increasing recession risks and injecting pessimism into the market outlook.

## Oil and Natural Gas

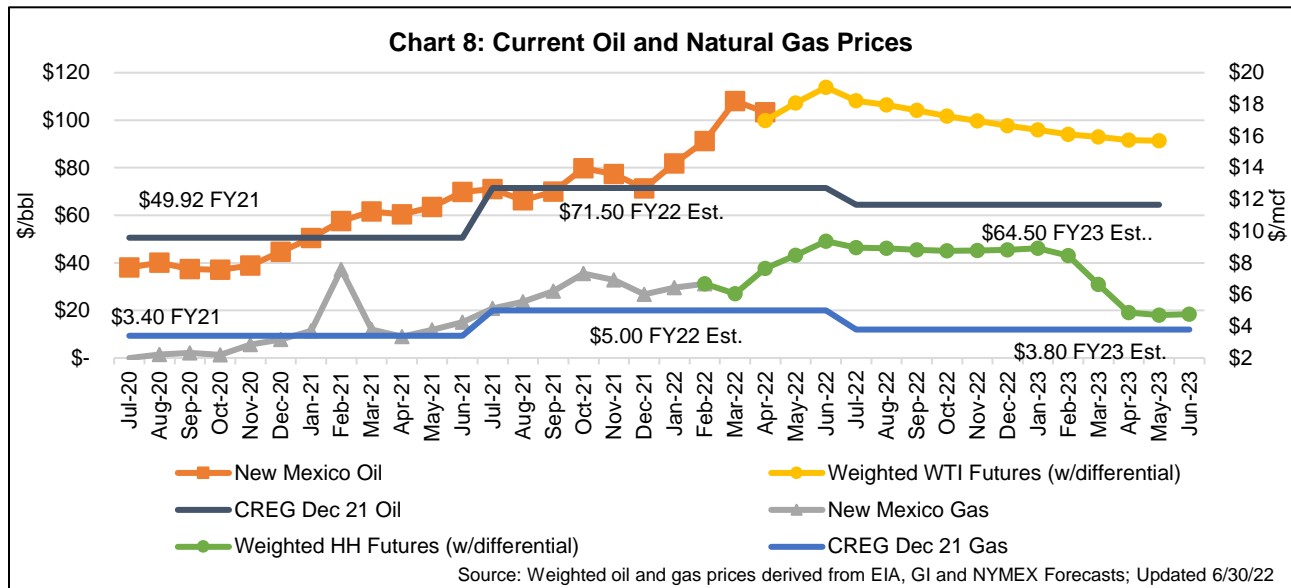
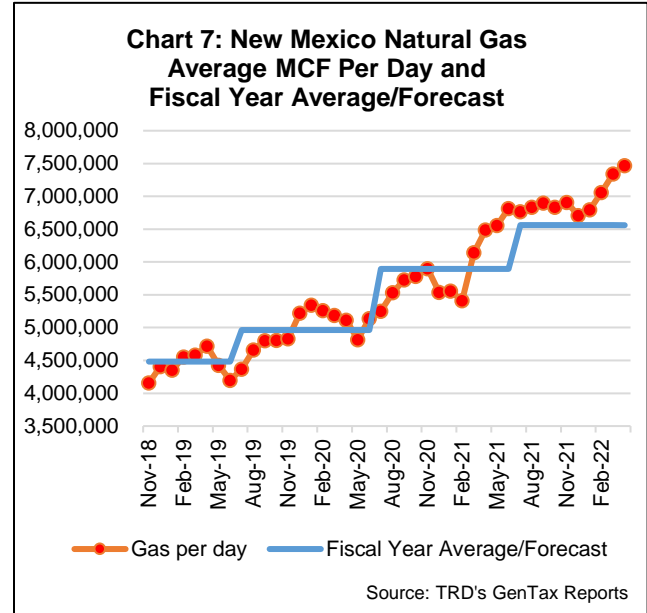
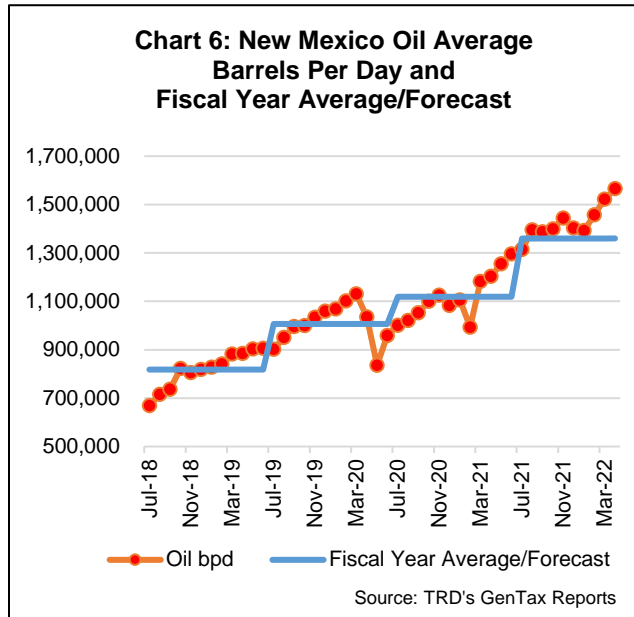
Preliminary data from TRD for oil and gas production in the state is available through April 2022. New Mexico produced nearly 47 million barrels of oil in April, up 30.1 percent from April 2021, at an average statewide price of \$104.28 per barrel. Oil prices topped \$109/bbl in March, as the global demand for oil outpaced global production due to supply chain constraints and geopolitical turmoil in Europe. New Mexico's daily oil production reached a new record of 1.57 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 529 million barrels of oil in FY22, above the consensus forecast for the year of 497 million barrels. Oil prices within the state are on track to average over \$82/bbl for FY22, compared with the consensus forecast of \$71.50/bbl.



New Mexico also produced a record 227.6 trillion cubic feet of natural gas in March at an average price of \$7.17 per thousand cubic feet (mcf). Natural gas prices for FY22 are on track to average about \$6.93/mcf, above the consensus forecast of \$5.00/mcf.

While New Mexico is posting record oil and gas revenues, not all of those revenues benefit the general fund. Beginning in November and December, both federal mineral leasing and oil and gas school tax revenues reached their 5-year averages, triggering all remaining revenue through the fiscal year to divert to the early childhood trust fund. Through March, those two revenue streams have generated \$2.75 billion, of which \$1.47 billion will be transferred to the trust fund (see Chart 5).



**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 <i>Actual</i>	Aug <i>Actual</i>	Sept <i>Actual</i>	Oct <i>Actual</i>	Nov <i>Actual</i>	Dec <i>Actual</i>	Jan <i>Actual</i>	Feb <i>Actual</i>	Mar <i>Actual</i>	Apr <i>Prelim</i>	May <i>Est.</i>	June <i>Est.</i>	Actual + <i>Estimate</i>	FY 22 Dec <i>Forecast</i>	% Diff.	\$ Diff.
Gross Receipts Tax	216.2	229.9	286.2	269.8	258.9	326.4	274.3	273.9	326.2	301.6	238.3	261.7	3,263.4	2,803.5	16.4%	459.9
Compensating Tax	6.0	5.3	6.6	5.1	4.4	7.0	5.2	4.7	3.5	1.7	5.3	6.2	61.1	61.6	-0.8%	(0.5)
<b>TOTAL GENERAL SALES TAXES</b>	<b>222.2</b>	<b>235.2</b>	<b>292.7</b>	<b>274.9</b>	<b>263.4</b>	<b>333.4</b>	<b>279.5</b>	<b>278.6</b>	<b>329.7</b>	<b>303.3</b>	<b>243.7</b>	<b>267.9</b>	<b>3,324.5</b>	<b>2,865.1</b>	<b>16.0%</b>	<b>459.4</b>
Tobacco Products & Cigarette Taxes	5.9	7.3	9.7	7.2	5.6	6.8	9.2	3.3	5.6	7.2	7.8	9.2	84.7	90.6	-6.5%	(5.9)
Liquor Excise Tax	2.1	2.2	2.2	2.0	2.1	2.5	1.6	1.9	2.3	2.0	2.1	2.5	25.3	24.8	2.1%	0.5
Cannabis Excise Tax	-	-	-	-	-	-	-	-	-	1.7	2.1	2.1	5.9	6.2	-5.3%	(0.3)
Insurance Premiums Tax	1.9	10.6	58.7	3.0	6.8	54.7	2.1	10.9	60.8	0.9	0.9	74.9	286.1	307.0	-6.8%	(20.8)
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Excise Tax	14.5	12.6	13.1	13.2	10.9	12.4	11.2	11.3	14.5	12.1	12.4	12.5	150.7	142.1	6.0%	8.6
Gaming Excise Tax	6.8	6.0	5.2	6.2	4.8	4.8	4.9	5.4	6.4	5.5	5.8	5.1	66.9	64.5	3.7%	2.4
Leased Vehicle Surcharge & Other	0.2	0.4	0.4	0.2	0.6	2.4	0.6	1.1	0.4	0.4	0.4	0.5	7.5	5.8	29.6%	1.7
<b>TOTAL SELECTIVE SALES TAXES</b>	<b>31.3</b>	<b>39.1</b>	<b>89.2</b>	<b>31.8</b>	<b>30.8</b>	<b>83.6</b>	<b>29.5</b>	<b>33.9</b>	<b>89.9</b>	<b>29.8</b>	<b>31.5</b>	<b>106.7</b>	<b>627.1</b>	<b>641.0</b>	<b>-2.2%</b>	<b>(13.8)</b>
Withholding	104.2	137.0	137.2	155.9	130.5	212.7	134.0	143.9	178.0	150.7	136.9	183.0	1,804.1	1,664.5	8.4%	139.6
Final Settlements	22.6	63.7	23.6	18.8	38.8	65.0	16.7	61.6	292.4	59.7	79.3	118.6	860.7	630.9	36.4%	229.8
Oil and Gas Withholding Tax	2.4	14.7	27.4	4.4	7.8	25.7	15.4	37.5	43.8	52.8	11.1	28.3	271.4	195.7	38.7%	75.7
Fiduciary Tax	0.7	1.6	(0.2)	0.4	(0.4)	2.3	0.1	8.4	16.9	1.4	1.4	(0.9)	31.7	5.6	465.5%	26.1
<b>Gross Personal Income Tax</b>	<b>129.9</b>	<b>217.0</b>	<b>188.0</b>	<b>179.5</b>	<b>176.6</b>	<b>305.7</b>	<b>166.3</b>	<b>251.4</b>	<b>531.2</b>	<b>264.5</b>	<b>228.7</b>	<b>329.1</b>	<b>2,967.8</b>	<b>2,496.7</b>	<b>18.9%</b>	<b>471.1</b>
Transfer to PIT Suspense	(13.6)	(12.8)	(12.3)	(12.8)	(2.1)	(116.0)	(133.2)	(99.6)	(77.1)	(43.4)	(21.8)	(23.5)	(568.4)	(578.3)	-1.7%	9.9
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
<b>Less: Refunds, distributions to other funds</b>	<b>(16.7)</b>	<b>(15.9)</b>	<b>(15.4)</b>	<b>(15.9)</b>	<b>(5.2)</b>	<b>(119.1)</b>	<b>(136.3)</b>	<b>(102.7)</b>	<b>(80.2)</b>	<b>(46.5)</b>	<b>(24.9)</b>	<b>(26.6)</b>	<b>(605.3)</b>	<b>(615.2)</b>	<b>-1.6%</b>	<b>9.9</b>
<b>NET PERSONAL INCOME TAX</b>	<b>113.1</b>	<b>201.1</b>	<b>172.7</b>	<b>163.6</b>	<b>171.4</b>	<b>186.6</b>	<b>30.1</b>	<b>148.7</b>	<b>451.0</b>	<b>218.0</b>	<b>203.8</b>	<b>302.5</b>	<b>2,362.5</b>	<b>1,881.5</b>	<b>25.6%</b>	<b>481.0</b>
<b>CORPORATE INCOME TAX</b>	<b>12.2</b>	<b>(8.0)</b>	<b>(9.1)</b>	<b>10.6</b>	<b>19.0</b>	<b>41.9</b>	<b>2.7</b>	<b>80.4</b>	<b>41.9</b>	<b>25.2</b>	<b>(15.7)</b>	<b>31.8</b>	<b>233.0</b>	<b>109.8</b>	<b>112.2%</b>	<b>123.2</b>
<b>TOTAL INCOME TAXES</b>	<b>125.3</b>	<b>193.1</b>	<b>163.6</b>	<b>174.3</b>	<b>190.4</b>	<b>228.5</b>	<b>32.8</b>	<b>229.1</b>	<b>492.8</b>	<b>243.2</b>	<b>188.1</b>	<b>334.3</b>	<b>2,595.5</b>	<b>1,991.3</b>	<b>30.3%</b>	<b>604.2</b>
Oil and Gas School Tax **	112.4	112.8	120.4	146.6	41.1	(0.1)	0.0	(7.7)	(0.0)	-	-	-	525.7	525.7	0.0%	0.0
Oil Conservation Tax	5.7	5.7	6.0	8.4	8.3	7.6	8.5	8.9	6.4	4.4	5.2	5.2	80.2	62.0	29.4%	18.2
Resources Excise Tax	0.7	0.8	0.2	0.7	1.3	0.9	0.3	1.2	0.6	0.6	0.6	0.6	8.5	7.6	11.4%	0.9
Natural Gas Processors Tax	0.8	0.7	0.9	0.9	0.8	0.9	0.8	0.8	0.9	0.8	0.8	0.8	9.9	9.1	8.9%	0.8
<b>TOTAL MINERAL PROD. TAXES</b>	<b>119.6</b>	<b>120.1</b>	<b>127.5</b>	<b>156.6</b>	<b>51.4</b>	<b>9.3</b>	<b>9.6</b>	<b>3.2</b>	<b>7.9</b>	<b>5.8</b>	<b>6.6</b>	<b>6.6</b>	<b>624.3</b>	<b>604.3</b>	<b>3.3%</b>	<b>19.9</b>
<b>LICENSE FEES</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.8</b>	<b>0.4</b>	<b>7.7</b>	<b>0.4</b>	<b>0.2</b>	<b>55.1</b>	<b>66.7</b>	<b>58.5</b>	<b>14.1%</b>	<b>8.2</b>
Land Grant Perm. Fund Distributions	60.7	65.5	65.5	65.6	65.6	65.6	65.7	65.7	65.7	64.8	64.8	64.8	780.0	777.1	0.4%	2.9
State Treasurer's Earnings	5.5	(1.0)	(4.8)	(10.6)	(0.2)	(3.7)	(24.8)	(13.0)	(47.6)	(20.6)	21.1	1.3	(98.5)	15.8	-725.6%	(114.3)
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
<b>TOTAL INVESTMENT EARNINGS</b>	<b>86.7</b>	<b>85.0</b>	<b>81.2</b>	<b>75.6</b>	<b>85.9</b>	<b>82.4</b>	<b>61.4</b>	<b>73.2</b>	<b>38.7</b>	<b>64.7</b>	<b>106.4</b>	<b>86.6</b>	<b>927.9</b>	<b>1,039.2</b>	<b>-10.7%</b>	<b>(111.4)</b>
Federal Mineral Leasing Royalties **	113.3	130.9	134.6	233.5	142.7	-	-	-	-	-	-	-	755.0	755.0	0.0%	0.0
State Land Office Bonuses, Rents	2.4	1.5	2.2	2.1	1.1	1.2	1.8	7.1	12.3	3.1	3.1	3.1	41.0	36.7	11.7%	4.3
<b>TOTAL RENTS &amp; ROYALTIES</b>	<b>115.7</b>	<b>132.4</b>	<b>136.8</b>	<b>235.6</b>	<b>143.8</b>	<b>1.2</b>	<b>1.8</b>	<b>7.1</b>	<b>12.3</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>796.0</b>	<b>791.7</b>	<b>0.5%</b>	<b>4.3</b>
<b>TRIBAL REVENUE SHARING</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>15.2</b>	<b>1.2</b>	<b>0.2</b>	<b>16.3</b>	<b>1.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>18.2</b>	<b>53.3</b>	<b>72.8</b>	<b>-26.8%</b>	<b>(19.5)</b>
<b>MISCELLANEOUS RECEIPTS</b>	<b>0.7</b>	<b>1.0</b>	<b>0.5</b>	<b>5.6</b>	<b>0.7</b>	<b>26.4</b>	<b>0.2</b>	<b>1.1</b>	<b>(3.3)</b>	<b>1.2</b>	<b>1.2</b>	<b>9.2</b>	<b>44.6</b>	<b>49.2</b>	<b>-9.3%</b>	<b>(4.6)</b>
<b>REVERSIONS</b>	<b>0.0</b>	<b>0.0</b>	<b>2.5</b>	<b>0.2</b>	<b>4.7</b>	<b>6.1</b>	<b>36.9</b>	<b>16.1</b>	<b>0.9</b>	<b>0.5</b>	<b>-</b>	<b>0.0</b>	<b>68.0</b>	<b>50.0</b>	<b>35.9%</b>	<b>18.0</b>
<b>TOTAL RECURRING REVENUE</b>	<b>702.2</b>	<b>806.4</b>	<b>894.7</b>	<b>970.1</b>	<b>772.7</b>	<b>771.4</b>	<b>468.8</b>	<b>643.9</b>	<b>977.1</b>	<b>652.1</b>	<b>580.8</b>	<b>887.6</b>	<b>9,127.8</b>	<b>8,163.1</b>	<b>11.8%</b>	<b>964.7</b>
Non-Recurring	(1.7)	0.3	(0.0)	(0.0)	0.4	(0.2)	0.0	0.5	(0.0)	(299.0)	-	-	(299.7)	(346.9)		47.2
Additional Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
<b>TOTAL NON-RECURRING REVENUE</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.4</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.5</b>	<b>(0.0)</b>	<b>(299.0)</b>	<b>-</b>	<b>-</b>	<b>(299.7)</b>	<b>(346.9)</b>		<b>47.2</b>
<b>GRAND TOTAL REVENUE</b>	<b>700.5</b>	<b>806.7</b>	<b>894.7</b>	<b>970.1</b>	<b>773.1</b>	<b>771.3</b>	<b>468.8</b>	<b>644.3</b>	<b>977.0</b>	<b>353.1</b>	<b>580.8</b>	<b>887.6</b>	<b>8,828.1</b>	<b>7,816.2</b>	<b>12.9%</b>	<b>1,011.9</b>

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