



**State of New Mexico**  
**Department of Finance & Administration**  
**180 Bataan Memorial Building**  
**Santa Fe, New Mexico 87501**  
**Phone: (505) 827-4985**  
**Fax: (505) 827-4984**

**Michelle Lujan Grisham**  
GOVERNOR

**Wayne Propst**  
Cabinet Secretary

**FY2025**  
**General Fund Report**  
**December 2024 Accruals**

Prepared by Leonardo Delgado, Chief Economist, and Noel Martinez, Senior Economist

This report summarizes general fund revenues accrued through December 2024 during fiscal year 2025 (FY25). Several state-level economic and oil/gas indicators are included as well as updated to provide a snapshot of the state's economy

From July 2024 through December 2024, New Mexico collected \$7.497 billion in total recurring general fund revenues. This represents an increase of \$151.9 million, or 2.1%, compared to the same period in FY24. Total general fund collections for December 2024 were \$1.22 billion, a decrease of 8.9% from December 2023, when collections totaled \$1.34 billion.

Gross receipts tax (GRT) revenue increased by 3.7 percent, or \$73.1 million, on a fiscal year-to-date basis through December 2024. Historical accrual data indicates that GRT revenue is growing at a slower pace compared to the previous few years. The moderation of inflation from its peak in 2022 through 2024 has contributed to this deceleration in growth. Additionally, recent declines in consumer confidence, driven by ongoing economic uncertainty, suggest a potential softening in consumer spending in 2025. Despite these headwinds, GRT revenue is expected to continue growing at a modest rate annually.

Personal income tax revenue decreased by 6.3 percent, or \$72.2 million, on a fiscal year-to-date basis through December 2024. While personal income tax collections remain a stable revenue source for New Mexico in FY25, recent legislative changes and the reclassification of pass-through entity taxes have contributed to shifts in collection patterns, with this component now attributed to corporate income tax (CIT) collections. CIT revenue increased by 69.6 percent, or \$105.6 million, over the same period. However, the percentage change in CIT can vary significantly due to the irregular timing of payments, which do not follow a consistent schedule. Despite the year-to-date increase, the full-year forecast projects a 13.2 percent increase in CIT revenue for FY25.

The State Treasurer's Office is managing \$17.7 billion in assets amid a dynamic investment environment influenced by federal policies that affect market conditions and investor behavior. Heightened uncertainty has prompted a shift toward shorter-duration U.S. Treasuries, while the Federal Reserve continues to monitor economic conditions to evaluate the need for interest rate cuts. State Treasurer's Office revenue increased by 4.5 percent, or \$45 million, on a fiscal year-to-date basis through December 2024.

Both severance tax and rents and royalties revenues declined on a fiscal year-to-date basis through December 2024, by 2.8 percent, or \$28.3 million, and 1.6 percent, or \$24.4 million, respectively. These declines are largely attributed to smaller oil and gas revenues. New Mexico's two largest oil and gas-related revenue sources: the Oil and Gas Emergency School Tax and Federal Mineral Leasing (FML) revenues are capped at FY24 levels. For FY25, both revenue streams have reached their statutory caps, \$1.45 billion for the School Tax and \$1.65 billion for FML. Once these caps are met, any additional revenues are redirected from the general fund to various other state funds.

Overall, total recurring revenue increased by 2.1 percent, or \$151.9 million, on a fiscal year-to-date basis through December 2024. Excluding oil and gas revenues, specifically the slight declines in severance tax and federal mineral leasing (FML) revenue, recurring revenue rose by \$204.6 million, or 4.2 percent, over the same period.

Table 1 provides a summary of year-to-date revenue collections for FY25 and FY24 across the major categories of general fund appropriation account revenues through December of each fiscal year.

Table 1. General Fund Revenue Accruals (FY25 vs. FY24)								
	December-23	December-24	% Change Dec '24 to Dec '23	FY24 Through December	FY25 Through December	\$ Difference from FY to FY to Date	FYTD % Change	December '25 Forecast Full Year Growth
Gross Receipts Tax	\$353.9	\$387.9	9.6%	\$1,997.7	\$2,070.7	\$73.1	3.7%	3.9%
Compensating Tax	\$4.7	\$7.7	65.9%	\$41.8	\$41.7	(\$0.1)	-0.2%	3.6%
Selective Sales Tax <sup>1</sup>	\$108.4	\$92.7	-14.5%	\$368.7	\$411.1	\$42.4	11.5%	11.9%
Personal Income Tax	\$138.6	\$77.3	-44.2%	\$1,151.2	\$1,079.0	(\$72.2)	-6.3%	-2.7%
Corporate Income Tax	\$64.8	\$80.5	24.2%	\$151.8	\$257.3	\$105.6	69.6%	13.2%
Severance Taxes <sup>2</sup>	\$160.6	\$170.8	6.4%	\$1,005.0	\$976.7	(\$28.3)	-2.8%	-2.5%
License Fees	\$0.4	\$0.5	5.6%	\$2.9	\$16.8	\$13.8	471.3%	-9.3%
Interest Earnings	\$201.7	\$144.5	-28.4%	\$1,002.3	\$1,047.3	\$45.0	4.5%	11.3%
Mineral Rents /Royalties <sup>3</sup>	\$253.5	\$207.3	-18.2%	\$1,509.3	\$1,485.0	(\$24.4)	-1.6%	-2.6%
Tribal Revenue Sharing	\$0.2	\$0.3	n/a	\$21.9	\$41.5	\$19.6	89.3%	0.5%
Miscellaneous Receipts	\$46.3	\$52.2	12.8%	\$50.0	\$67.6	\$17.6	35.2%	-42.9%
Reversions	\$8.0	\$0.0	n/a	\$43.4	\$3.2	(\$40.3)	n/a	n/a
<b>Total Recurring Revenues</b>	<b>\$1,341.1</b>	<b>\$1,221.7</b>	<b>-8.9%</b>	<b>\$7,346.1</b>	<b>\$7,497.9</b>	<b>\$151.9</b>	<b>2.1%</b>	<b>1.7%</b>
Total Recurring Revenue (Excluding Oil & Gas)	\$927.0	\$843.6	-9.0%	\$4,831.7	\$5,036.3	\$204.6	4.2%	3.0%

(1) Includes estimate for Insurance  
(2) Includes estimates for Oil & Gas Emergency School Tax transfers in excess of 5-year average to the Early Childhood Education and Care Fund  
(3) Includes estimates for Federal Mineral Leasing transfers in excess of 5-year average to the Early Childhood Education and Care Fund

## Update on New Mexico Oil and Natural Gas Production

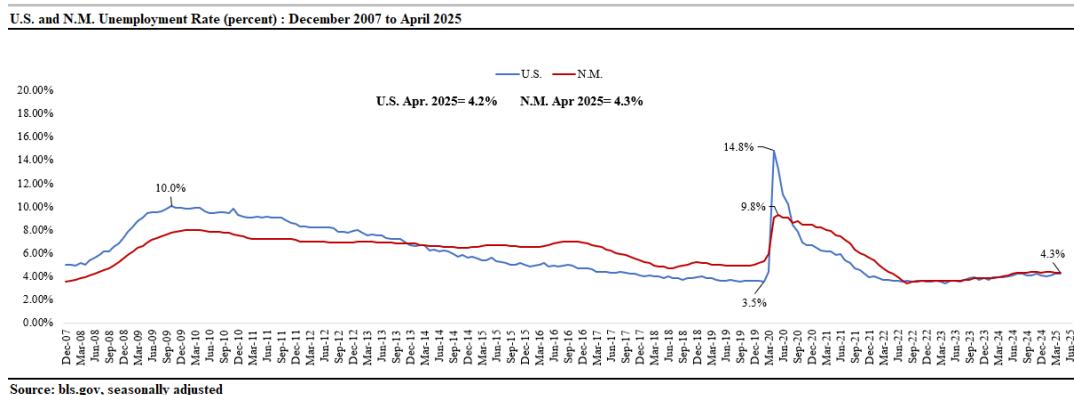
Preliminary oil prices for March 2025 averaged \$67.39 per barrel (bbl), down from \$79.32 per bbl in March 2024. Oil production in March 2024 was estimated at 2.2 million barrels per day (mbbl/day). Year-to-date through March 2025, total oil production reached 580.5 million barrels, an increase of 10.5% compared to 525 million barrels over the same period in the previous year. The fiscal year-to-date (FY25 YTD) average oil price in New Mexico is \$71.35 per bbl, slightly above the forecasted \$70.50 per bbl.

Preliminary natural gas prices for March 2025 averaged \$2.69 per thousand cubic feet (mcf), compared to \$2.61 per mcf in March 2024. Year-to-date natural gas production through March 2025 is 2,972.3 billion cubic feet (BCF), up 10.7% from 2,684.8 BCF in the same period of the previous year. The FY25 YTD average natural gas price is \$3.23 per mcf, closely aligning with the forecast of \$3.29 per mcf.

As of May 2025, New Mexico averaged 100 active drilling rigs, representing a 13% decrease from 108 rigs in May 2024.

## Update on New Mexico Employment Trends

In April 2025, New Mexico's total employment increased by 1.2 percent, or 10,800 jobs, compared to the previous year (not seasonally adjusted). Employment growth was observed across most sectors during the month. The construction sector led all industries, adding 7,100 jobs, an increase of 13.4 percent year-over-year. Other notable gains included 3,700 jobs (2.5 percent) in the education and health services sector, 1,800 jobs (3.1 percent) in state government, and 800 jobs (2.2 percent) in the financial activities sector.



However, several sectors experienced year-over-year declines. The leisure and hospitality sector lost 4,600 jobs, a 4.6 percent decrease. Employment in the information sector fell by 2,300 jobs or 19 percent, and federal government employment declined by 1,000 jobs, representing a 3.3 percent drop.

The state's unemployment rate held steady at 4.3 percent in April 2025, unchanged from the previous month and slightly above the national average of 4.2 percent.

## Matched Taxable Gross Receipts (MTGR)

Year-to-date matched taxable gross receipts (MTGR) through March 2025 increased by 4.1%. This growth, detailed in Table 2, represents the expansion of the tax base for gross receipts tax (GRT) collections. It is important to note that revenue growth can diverge from growth in the tax base for various reasons, including the timing of payments, the processing of refund claims, and other administrative factors. Most industries experienced year-over-year increases in MTGR.

The retail sector, the largest contributor, accounting for nearly one-fourth of total MTGR was essentially flat, showing a slight decline of 0.1% compared to the same period in the previous fiscal year. This suggests a potential softening in consumer spending through March 2025. The construction sector, now the second-largest contributor, grew by 5.2%, while the mining sector, which had previously held the second spot, increased by 2%. The shift in ranking between these sectors reflects the recent trend of more modest growth in oil production. Another key contributor, the accommodation and food services sector, recorded a 1% increase year-over-year.

## Preliminary Recurring Revenue Tracking

Table 3 illustrates the FY25 actual revenues through December 2024, some preliminary data in January and February 2025, and estimated revenues through the rest of the fiscal year based on historical patterns and shares. DFA tracking report illustrates that FY25 recurring revenues are tracking about \$261.2 million or 2% above the December 2024 consensus revenue forecast. With an estimated complete FY25, the following revenues are up compared to the baseline forecast, GRT, PIT, CIT, and miscellaneous revenues while STO is down.

Table 3 presents actual FY25 revenues through December 2024, includes preliminary data for January and February 2025, and provides estimated revenues for the remainder of the fiscal year based on historical trends and allocation shares. According to the DFA tracking report, FY25 recurring revenues are currently tracking approximately \$261.2 million, or 2 percent, above the December 2024 consensus revenue forecast. Based on current estimates for the full fiscal year, gross receipts tax (GRT), personal income tax (PIT), corporate income tax (CIT), and miscellaneous revenues are all projected to slightly exceed the baseline forecast, while the State Treasurer's Office (STO) revenue is expected to fall short.

For estimated details on the general fund tracking model see Table 3.

Table 2. FY25 Matched Taxable Gross Receipts by Sector Fiscal Year-to-Date through March 2025		
Sector	FYTD (\$millions)	FYTD Percent Change
Agriculture, Forestry, Fishing and Hunting	\$ 203.87	22.3%
Mining and Oil and Gas Extraction	\$ 9,251.47	2.0%
Utilities	\$ 2,468.31	1.6%
Construction	\$ 10,120.11	5.2%
Manufacturing	\$ 2,991.74	12.8%
Wholesale Trade	\$ 3,928.21	0.5%
Retail Trade	\$ 15,581.58	-0.1%
Transportation and Warehousing	\$ 1,254.93	4.5%
Information and Cultural Industries	\$ 2,044.75	9.4%
Finance and Insurance	\$ 466.72	19.1%
Real Estate and Rental and Leasing	\$ 2,244.56	10.7%
Professional, Scientific and Technical Services	\$ 7,829.54	10.3%
Management of Companies and Enterprises	\$ 31.24	0.7%
Admin and Support, Waste Mgt and Remed	\$ 3,156.05	-11.2%
Educational Services	\$ 265.71	7.8%
Health Care and Social Assistance	\$ 3,702.92	5.3%
Arts, Entertainment and Recreation	\$ 384.76	0.0%
Accommodation and Food Services	\$ 4,742.97	1.0%
Other Services (except Public Admin)	\$ 5,756.02	9.5%
Public Administration	\$ 225.27	-10.2%
Unclassified Establishments	\$ 1,605.38	36.1%
<b>All Industries</b>	<b>\$ 78,256.11</b>	<b>4.1%</b>
Excluding O&G	\$ 69,004.64	4.4%

Source: Author's calculations, TRD RP-500, (figures in millions)

**Table 3. Department of Finance & Administration**  
**Fiscal Year 2025 General Fund Revenue Tracking Summary Report**

(millions \$)	FY25 Actual + Estimate	FY25 Forecast	% Difference to Forecast	Forecast Year-to-Date Variance
Gross Receipts Tax	4,251.6	4,208.2	1.0%	43.3
Compensating Tax	83.4	86.2	-3.3%	-2.8
Insurance Premiums Tax	462.8	464.2	-0.3%	-1.4
Motor Vehicle Excise Tax	171.3	172.9	-0.9%	-1.6
Other Selective Excise Taxes	203.5	196.1	3.8%	7.4
Personal Income Tax	2,138.4	2,034.8	5.1%	103.6
Corporate Income Tax	790.4	709.8	11.4%	80.6
O&G Emergency School Tax	1,145.4	1,145.4	0.0%	0.0
Other Mineral Taxes	139.8	134.4	4.0%	5.4
License Fees	76.0	64.3	18.3%	11.7
Land Grant Permanent Fund Distributions	1,349.9	1,349.9	0.0%	0.0
State Treasurer's Earnings	370.3	417.7	-11.4%	-47.4
Severance Tax Perm. Fund Distributions	332.8	332.8	0.0%	0.0
Federal Mineral Leasing	1,646.0	1,644.9	0.1%	1.1
State Land Office (Bonuses, Rents)	60.1	71.3	-15.7%	-11.2
Tribal Revenue Sharing	91.0	84.0	8.4%	7.0
Miscellaneous Revenues	109.9	47.1	133.5%	62.9
Reversions	102.6	100.0	2.6%	2.6
<b>Recurring Total</b>	<b>13,525.1</b>	<b>13,263.96</b>	<b>1.97%</b>	<b>261.2</b>
Total Non-recurring Revenue	0.0	0.0		0.0
<b>Total</b>	<b>13,525.1</b>	<b>13,264.0</b>	<b>2.0%</b>	<b>261.2</b>

Source: DFA, CREG, and historical monthly patterns

A copy of this report can be found at: <https://www.nmdfa.state.nm.us/office-of-the-secretary/general-fund-information/eau-general-fund-report/>