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# General Fund Report

December 2012 Accrual Period

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**A copy of this report can be found at**  
[http://www.nmdfa.state.nm.us/New\\_Mexico\\_Economic\\_Summary.aspx](http://www.nmdfa.state.nm.us/New_Mexico_Economic_Summary.aspx)

## Highlights:

- Corporate income tax cash receipts were up 10.7 percent year-to-date through February compared to the same period in FY12, and personal income tax cash receipts were up 12.3 percent. Oil and gas revenue cash receipts were down 11.3 percent compared to the prior year.
- January employment totals were up 0.4 percent or 3,100 jobs compared to the same period last year. Calendar year 2012 employment experienced flat growth year-over-year, a modest improvement on earlier estimates of declining employment.
- Taxable gross receipts were up 7.3 percent in the second quarter of FY13 with 6.9 percent growth when excluding oil and natural gas sectors. Construction grew 11.6 percent compared to the same period in FY12. Professional services grew 8.1 percent in the second quarter, a marked improvement compared to the first quarter when professional services experienced a 15 percent decline compared to the first quarter of FY12.

## Appropriation Account Revenue Accruals – Appendix 1

Table 1 below presents a summary of year-to-date revenue collections for major categories of General Fund Appropriation Account revenues. Detailed information for each revenue is contained in Appendix 1 at the back of this report. Preliminary FY13 recurring revenue accruals through December 2012 are approximately \$2.6 billion, which represents a decrease of \$111 million or roughly 4.1 percent from the same period of FY12.

Mineral production taxes and public land mineral rents and royalties contributed to revenue declines. Lower oil and natural gas prices and lower State Land Office lease sales through FY13 year-to-date all contributed to a revenue decrease of \$74.6 million or 14.4 percent compared to the same period of FY12.

Gross receipts tax and compensating tax revenues remained essentially unchanged from the same period last year. Strong growth in taxable gross receipts (TGR) for mining and oil and gas extraction was partially offset by a 4.2 percent decline in TGR for professional services and weak growth in the retail sector. A detailed discussion of taxable gross receipts growth by sector is presented below.

Personal income tax revenues contributed \$33 million or 6.4 percent to the revenue growth. Personal income tax withholding was essentially flat while final payments and estimated settlements increased by 4.4 percent. Additional growth came from a 32.3 percent increase in oil and gas withholding and a 17.9 percent decline in refunds.

Corporate income tax revenues decreased by \$24 million or 38.8 percent from the same period the prior year. This decrease is largely due to film credit refunds totaling \$27 million that were processed in November. Motor vehicle excise tax revenues were up 12 percent for FY13 year-to-date compared to the same period last year.

Interest earnings have fallen year-over-year due to a decrease in the general fund distribution from the Land Grant Permanent Fund from 5.8 percent of the five-year average market value to 5.5 percent.

Unclaimed property revenues are down year-over-year due to the timing of accruals. FY13 revenues are expected to accrue in the third quarter of the fiscal year.

**Table 1**

**FY13 Appropriation Account Revenue - December 2012 Accruals (1)**  
Summary by Major Revenue Category

	Current Fiscal	Prior Fiscal	Year to Date Change	
	Year to Date	Year to Date	Amount	Percent
General Sales Tax	988,646,282	993,695,106	(5,048,824)	-0.5%
Selective Sales Tax	212,578,191	223,445,433	(10,867,242)	-4.9%
Personal Income Tax	552,829,685	519,598,712	33,230,973	6.4%
Corporate Income Tax	37,772,771	61,694,773	(23,922,002)	-38.8%
Mineral Production Taxes	183,337,654	201,564,606	(18,226,952)	-9.0%
Interest Earnings	315,315,504	330,062,086	(14,746,582)	-4.5%
Mineral Rents/Royalties	259,352,772	315,765,444	(56,412,673)	-17.9%
Other	42,646,006	58,467,807	(15,821,801)	-27.1%
<b>TOTAL RECURRING REVENUES</b>	<b>2,592,478,864</b>	<b>2,704,293,967</b>	<b>(111,815,104)</b>	<b>-4.1%</b>

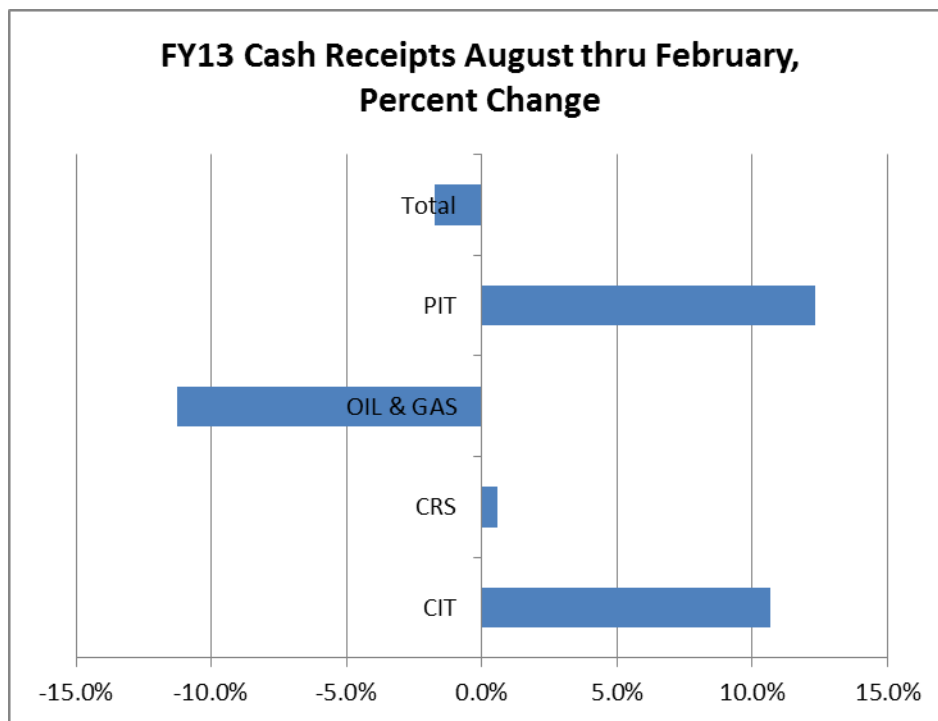
Source: DFA Financial Control Division

(1) All figures on modified accrual basis accounting.

**Cash Receipts: FY13 Year-to-date through February**

Corporate income tax cash receipts totaled \$189 million for FY13 year-to-date from August through February, a 10.7 percent increase from the prior year-to-date. Combined reporting system cash receipts, which include gross receipts and withholding taxes, totaled \$2.7 billion year-to-date, with relatively flat growth year-over-year. Personal income tax program cash receipts totaled \$195 million, an increase of 12.3 percent from the same period in FY12. Oil and gas tax program cash receipts totaled \$585 million for FY13 year-to-date, an 11.3 percent decrease from the prior year.

For purposes of comparison with the modified accrual revenues reported in the general fund, year-to-date cash receipts are presented on an August through July fiscal year as cash received in each month accrues to the prior month.



Source: Taxation and Revenue Department

### **New Mexico Oil and Natural Gas Production: December 2012 Sales**

Preliminary oil prices for December 2012, adjusted for a taxpayer reporting error, averaged \$79.66 per barrel (bbl) and preliminary volumes year-to-date are 18.3 percent higher than last year. Preliminary oil prices averaged \$83.61 per bbl year-to-date through December 2012.

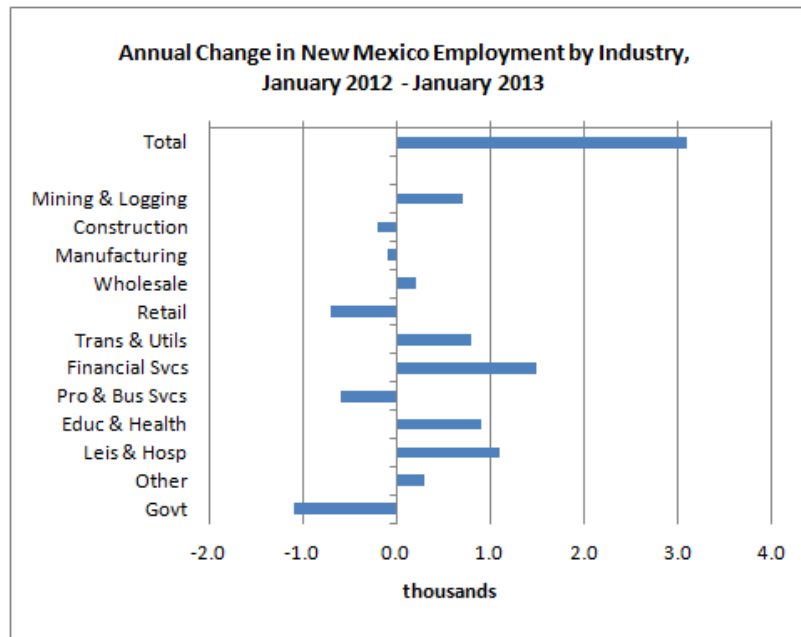
Preliminary natural gas prices for December 2012 averaged \$3.96 per thousand cubic feet (mcf). This amount includes the value of natural gas liquids, which added \$1.22 per mcf to the value of

“dry” gas. Preliminary volumes year-to-date are 2.5 percent lower than last year. Preliminary natural gas prices averaged \$4.09 per mcf year-to-date inclusive of the liquids premium.

### Update on New Mexico Employment Trends

When adjusted for seasonal variation, the New Mexico employment estimate in January 2013 is projected to have increased 0.4 percent compared with January 2012, an increase of 3,100 jobs. The largest annual increases were in the financial sector, which gained an estimated 1,500 jobs, and the education and health care sector, which grew by 900 jobs. The largest private annual decrease was projected to be in the retail sector, which saw a loss of an estimated 700 jobs. Government continues to experience declines with the estimated loss of 1,100 jobs since the same period last year. Construction experienced a projected loss of 200 jobs from the prior year.

The New Mexico seasonally adjusted unemployment rate was stable at 6.6 percent in January, well below the national average of 7.7 percent. Initial unemployment claims in February were down 15 percent from the same month the prior year.



Source: U.S. Bureau of Labor Statistics

## New Mexico Taxable Gross Receipts (TGR), FY13 Q2 and YTD

New Mexico taxable gross receipts reported in the second quarter of FY13 were approximately \$13.0 billion, a 7.3 percent increase from the prior year. Fiscal year-to-date growth through December was 2.9 percent. The top six sectors for total amount of TGR were retail trade, construction, professional, scientific and technical services, other services (except public administration), mining and oil and gas extraction and accommodation and food services, which together accounted for sixty percent of TGR.

FY13 Taxable Gross Receipts by Sector	FY13 Q2 (\$ millions)	FY12 Q2 (\$ millions)	Y/Y % Change
Agriculture, Forestry, Fishing and Hunting	\$15.6	\$14.3	8.5%
Mining and Oil and Gas Extraction	\$964.9	\$858.8	12.4%
Utilities	\$512.2	\$458.4	11.7%
Construction	\$1,477.3	\$1,324.0	11.6%
Manufacturing	\$529.1	\$444.2	19.1%
Wholesale Trade	\$590.7	\$555.8	6.3%
Retail Trade	\$3,278.1	\$3,218.5	1.8%
Transportation and Warehousing	\$328.1	\$180.1	82.2%
Information and Cultural Industries	\$612.4	\$579.1	5.7%
Finance and Insurance	\$70.1	\$65.4	7.1%
Real Estate and Rental and Leasing	\$279.0	\$211.9	31.6%
Professional, Scientific and Technical Services	\$1,202.1	\$1,111.7	8.1%
Management of Companies and Enterprises	\$12.6	\$7.6	67.4%
Admin and Support, Waste Mgt and Remed	\$247.8	\$354.4	-30.1%
Educational Services	\$50.5	\$57.7	-12.5%
Health Care and Social Assistance	\$526.6	\$519.4	1.4%
Arts, Entertainment and Recreation	\$49.3	\$47.0	4.9%
Accommodation and Food Services	\$839.8	\$801.3	4.8%
Other Services (except Public Admin)	\$1,281.9	\$1,191.3	7.6%
Public Administration	\$42.6	\$47.4	-10.2%
Unclassified Establishments	\$51.3	\$36.3	41.6%
All Industries	\$12,961.8	\$12,084.7	7.3%
Excluding O&G	\$11,996.9	\$11,226.0	6.9%

Taxable Gross Receipts by Sector FY13 YTD thru December 2012	FY13 YTD (\$ millions)	FY12 YTD (\$ millions)	Y/Y % Change
Agriculture, Forestry, Fishing and Hunting	\$29.8	\$28.9	3.0%
Mining and Oil and Gas Extraction	\$1,912.9	\$1,674.7	14.2%
Utilities	\$1,108.0	\$1,054.0	5.1%
Construction	\$2,890.6	\$2,702.6	7.0%
Manufacturing	\$1,018.8	\$906.3	12.4%
Wholesale Trade	\$1,184.5	\$1,126.2	5.2%
Retail Trade	\$6,284.1	\$6,177.4	1.7%
Transportation and Warehousing	\$506.1	\$531.3	-4.8%
Information and Cultural Industries	\$1,196.8	\$1,196.7	0.0%
Finance and Insurance	\$138.9	\$114.6	21.3%
Real Estate and Rental and Leasing	\$525.6	\$420.6	25.0%
Professional, Scientific and Technical Services	\$2,219.4	\$2,317.7	-4.2%
Management of Companies and Enterprises	\$22.1	\$16.6	33.2%
Admin and Support, Waste Mgt and Remed	\$836.1	\$1,038.3	-19.5%
Educational Services	\$100.4	\$114.0	-12.0%
Health Care and Social Assistance	\$1,058.7	\$1,054.2	0.4%
Arts, Entertainment and Recreation	\$101.6	\$103.8	-2.1%
Accommodation and Food Services	\$1,738.6	\$1,688.1	3.0%
Other Services (except Public Admin)	\$2,498.9	\$2,376.2	5.2%
Public Administration	\$85.4	\$122.3	-30.2%
Unclassified Establishments	\$92.0	\$60.6	51.9%
All Industries	\$25,549.2	\$24,825.1	2.9%
Excluding O&G	\$23,636.3	\$23,150.4	2.1%

The oil and gas sector showed strength, up 12.4 percent for the quarter and 14.2 percent year-to-date from the prior period. Construction TGR increased 11.6 percent this quarter relative to the prior year and shows 7.0 percent year-to-date strength. The retail sector continues to appear sluggish with year-to-date growth of only 1.7 percent. Professional services continued to exhibit year-over-year declines in FY13 year-to-date, falling 4.2 percent compared to the prior year. However, the second quarter growth in professional services was a strong 8.1 percent which may signal a positive change for this sector.

## FY13 General Fund Report - December 2012 Accruals (1)

Appropriation Account Revenue:	Current Month	Current Fiscal Year to Date	Prior Fiscal Year to Date	Budget	
				Estimate Full Fiscal Year	Prior Year Full Fiscal Year
Gross Receipts Tax	169,455,936	962,056,290	963,586,405	1,981,300,000	1,928,468,880
Compensating Tax	6,207,588	26,589,992	30,108,701	66,500,000	62,066,210
<b>SUBTOTAL Gen Sales Taxes</b>	<b>175,663,524</b>	<b>988,646,282</b>	<b>993,695,106</b>	<b>2,047,800,000</b>	<b>1,990,535,090</b>
Selective Sales Taxes					
Tobacco and Cigarette Tax	7,941,067	43,375,127	42,701,395	84,300,000	85,360,379
Alcoholic Beverage Tax	2,725,523	13,723,785	13,670,742	26,500,000	26,128,849
Insurance Premiums Tax (2)	-	66,772,826	73,817,303	122,500,000	114,075,812
Fire Protection Fund Reversions	-	-	-	18,300,000	18,812,069
Franchise Fees	-	1,900	6,970	20,000	19,055
Racing receipts	-	-	-	850,000	851,829
Private Car Tax	-	-	8,318	550,000	552,552
Motor vehicle excise tax	8,667,803	60,299,109	53,850,140	123,000,000	114,706,587
Gaming Tax	5,305,389	30,798,973	32,428,843	64,800,000	65,526,989
Leased Vehicles Surcharge	337,352	2,833,333	2,839,576	5,400,000	5,366,391
Gasoline Tax (3)	105,595	(5,420,884)	3,892,268	(4,460,000)	5,539,323
Telecommunications Relay Surcharge	7,540	46,781	47,139	90,000	97,930
Boat excise tax	10,158	147,241	182,738	450,000	452,914
<b>SUBTOTAL Sel Sales Taxes</b>	<b>25,100,427</b>	<b>212,578,191</b>	<b>223,445,433</b>	<b>442,300,000</b>	<b>437,490,681</b>
INCOME TAXES					
Gross Withholding	110,598,225	547,672,736	543,964,700	1,096,000,000	1,060,763,657
PIT-Final Settlements	16,817,386	91,843,828	88,008,565	362,000,000	355,733,699
PIT TAA - Oil & Gas Withholding	10,815,814	30,843,733	23,319,556	70,000,000	91,101,736
Fiduciary Tax	1,277,207	1,052,056	5,436,555	10,000,000	9,011,119
Less PIT Refunds, RHCA, Legis Retirement	77,768,625	118,582,669	141,130,663	371,400,000	366,142,232
<b>Net Personal Income Tax</b>	<b>61,740,006</b>	<b>552,829,685</b>	<b>519,598,712</b>	<b>1,166,600,000</b>	<b>1,150,467,978</b>
<b>Net Corporate Income Tax</b>	<b>(7,509,684)</b>	<b>37,772,771</b>	<b>61,694,773</b>	<b>280,000,000</b>	<b>281,047,492</b>
MINERAL PRODUCTION TAXES					
Oil & Gas School Tax (2)	-	153,851,325	174,689,258	366,000,000	399,588,896
7% Oil Conservation Tax	94,646	8,560,576	9,109,437	19,500,000	21,452,054
Resources excise tax	1,105,486	8,474,996	5,865,746	10,000,000	12,018,385
Natural Gas Processors Tax	2,001,508	12,450,757	11,900,166	23,900,000	23,342,458
<b>TOTAL Mineral Production Taxes</b>	<b>3,201,641</b>	<b>183,337,654</b>	<b>201,564,606</b>	<b>419,400,000</b>	<b>456,401,793</b>

## FY13 General Fund Report - December 2012 Accruals (1)

Appropriation Account Revenue:	Current Month	Current Fiscal Year to Date	Prior Fiscal Year to Date	Budget	
				Estimate Full Fiscal Year	Prior Year Full Fiscal Year
<b>LICENSE FEES</b>					
Financial institution receipts	113,290	362,035	362,097	3,050,000	2,917,436
Manufactured housing receipts	22,950	167,330	248,456	500,000	419,715
Construction industries receipts	260,324	1,746,333	2,647,751	5,300,000	5,052,172
Securities receipts	6,575,560	12,276,795	12,183,580	19,200,000	18,765,301
Gaming License and Permit Fees	-	-	126,075	350,000	391,712
Public Utilities	248	1,239	1,210	11,800,000	11,056,399
Corporate Filing	220,175	1,445,158	1,063,157	2,900,000	2,863,554
Alcohol and Gaming	32,685	315,148	459,101	4,000,000	3,855,629
Corporate Special	-	-	-	3,100,000	4,096,354
Pipeline fees	3,122	49,580	32,654	60,000	40,604
Mtr. Veh. Misc.	12,975	62,331	57,916	140,000	135,811
<b>TOTAL LICENSE FEES</b>	<b>7,241,329</b>	<b>16,425,949</b>	<b>17,181,996</b>	<b>50,400,000</b>	<b>49,594,688</b>
<b>INTEREST EARNINGS</b>					
Perm.Fund Income	36,732,349	220,261,577	230,705,296	438,800,000	461,737,162
Earnings on State Balances	1,086,667	6,967,585	7,645,039	16,000,000	17,427,160
Sev Tax Income Fund	14,681,057	88,086,342	91,711,752	176,200,000	183,423,504
<b>TOTAL Interest Earnings</b>	<b>52,500,073</b>	<b>315,315,504</b>	<b>330,062,086</b>	<b>631,000,000</b>	<b>662,587,826</b>
<b>RENTS AND ROYALTIES</b>					
Federal Mineral Leasing	37,815,043	231,225,280	257,741,390	440,000,000	502,573,870
Land Office Inc.	5,738,235	28,127,492	58,024,054	60,500,000	92,507,769
<b>TOTAL Rents/Royalties</b>	<b>43,553,277</b>	<b>259,352,772</b>	<b>315,765,444</b>	<b>500,500,000</b>	<b>595,081,639</b>
<b>TRIBAL GAMING REVENUE SHARING</b>	96,546	17,723,145	17,082,938	72,000,000	68,188,620
<b>MISCELLANEOUS RECEIPTS</b>					
MVD Penalty Assessment	376,316	2,807,490	2,691,131	6,100,000	5,704,994
Fines & Forfeitures	521,576	2,764,518	2,813,607	5,800,000	6,052,204
Birth/Death Certificates	-	323,096	273,224	1,000,000	1,075,284
District Judges' Rec Court Costs	61,539	502,359	491,816	1,000,000	1,064,087
Notary Public fees	42,453	307,000	1,023,174	1,400,000	1,386,475
Media Lease Payments	-	-	-	21,000	19,442
Legislative Receipts	2,650	6,375	3,535	19,000	19,547
Unclaimed Property	-	-	15,451,669	15,500,000	15,451,669
Small County Assistance Reversion	-	-	-	2,300,000	3,576,387
Law Enforcement Protection	-	-	-	10,300,000	8,291,058
Workers Compensation filing fees	-	2,150	-	20,000	3,803
Environment Dept. filing fees	(876)	1,655,650	1,279,793	2,300,000	2,047,673
Public Defender(Non-indigent reimb.)	-	127,993	174,578	440,000	410,853
<b>TOTAL MISCELLANEOUS FEES</b>	<b>1,003,719</b>	<b>8,496,912</b>	<b>24,202,830</b>	<b>46,200,000</b>	<b>45,104,088</b>
<b>TOTAL RECURRING REVENUES</b>	<b>362,590,858</b>	<b>2,592,478,864</b>	<b>2,704,293,967</b>	<b>5,656,200,000</b>	<b>5,736,499,938</b>

## FY13 General Fund Report - December 2012 Accruals (1)

Appropriation Account Revenue:	Current Month	Current Fiscal Year to Date	Prior Fiscal Year to Date	Budget	
				Estimate Full Fiscal Year	Prior Year Full Fiscal Year
NON-RECURRING REVENUES					
Miscellaneous - Restitution Payments	8,734	95,398	411,386	-	527,665
Misc. Revenues-TRD >60day Non Benefica	(27,196)	263,466	240,484	-	512,233
Miscellaneous Transfers (4)	-	-	-	-	11,400,000
Miscellaneous Revenues ( State Aircraft)	-	-	2,238,511	-	2,243,283
Reversions (5)	46,197	3,474,450	660,665	51,000,000	65,884,725
Misc. Revenues (6)	-	-	-	(3,300,000)	-
<b>TOTAL NON-RECURRING REVENUES</b>	<b>27,735</b>	<b>3,833,314</b>	<b>3,551,046</b>	<b>47,700,000</b>	<b>80,567,905</b>
<b>GRAND TOTAL REVENUES (7)</b>	<b>362,618,594</b>	<b>2,596,312,177</b>	<b>2,707,845,014</b>	<b>5,703,900,000</b>	<b>5,817,067,843</b>

Source: DFA Financial Control Division and December 2012 Consensus Revenue Estimate

(1) All figures on modified accrual basis accounting.

(2) Preliminary figure. December 2012 accruals for oil and gas school tax, oil and gas conservation tax, and insurance premiums tax were unavailable at time of publication. December 2011 amounts for these revenues were excluded from year over year comparisons to preserve consistency.

(3) Gasoline tax revenues are expected to be negative in FY13 due to a distribution adjustment resulting from an overpayment in FY12.

(4) FY12 includes \$11.4 million transfer for solvency.

(5) Reversions are included as recurring revenue in the consensus revenue forecast.

(6) FY13 includes negative adjustment resulting from acceleration of tax collection through the tax amnesty program.

(7) Total excludes reversions to Operating Reserve and Appropriation Contingency Fund, Tobacco Settlement Investment Income, and Tobacco Settlement revenues.