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General Fund Report

November 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

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 November 2012 are approximately \$2.2 billion, which represents a decrease of \$84 million or roughly 3.8 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 contributed to a revenue decrease of \$69.0 million or 16 percent compared to the same period in FY12.

Gross receipts tax and compensating tax revenues remained essentially unchanged from the same period last year. A 6.4 percent decline in taxable gross receipts for professional, scientific, and technical services is offsetting modest growth in other sectors. Construction grew by 6.3 percent year-to-date, while other services excluding public administration grew by 4.1 percent. A detailed discussion of taxable gross receipts growth by sector is presented below.

Personal income tax revenues contributed \$12 million or 2.6 percent to the revenue growth. Personal income tax withholding grew by 3.8 percent while final payments and estimated settlements increased by 4.9%. This growth was slightly offset by refunds.

Corporate income tax revenues decreased by \$11 million or 19.9 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 13.2 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.

Table 1

FY13 Appropriation Account Revenue - November 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	812,982,758	807,241,560	5,741,197	0.7%
Selective Sales Tax	154,795,430	164,333,789	(9,538,359)	-5.8%
Personal Income Tax	491,089,679	478,706,684	12,382,995	2.6%
Corporate Income Tax	45,282,455	56,562,941	(11,280,486)	-19.9%
Mineral Production Taxes	147,646,469	161,723,198	(14,076,730)	-8.7%
Interest Earnings	262,815,431	274,920,999	(12,105,568)	-4.4%
Mineral Rents/Royalties	215,799,494	271,094,010	(55,294,516)	-20.4%
Other	34,304,412	34,562,584	(258,173)	-0.7%
TOTAL RECURRING REVENUES	2,164,716,127	2,249,145,766	(84,429,639)	-3.8%

Source: DFA Financial Control Division

(1) All figures on modified accrual basis accounting.

Cash Receipts: FY13 Year-to-date through January

Corporate income tax cash receipts totaled \$185 million for FY13 year-to-date from August through December, a 10.4 percent increase from the prior year-to-date. Combined reporting system cash receipts, which include gross receipts, withholding and compensating taxes, totaled \$2.4 billion year-to-date, with relatively flat growth year over year. Personal income tax program cash receipts totaled \$185 million, an increase of 12.7 percent from the same period in FY12. Oil and gas tax program cash receipts totaled \$507 million for FY13 year-to-date from August through December, a 11.2 percent decrease from the prior year.

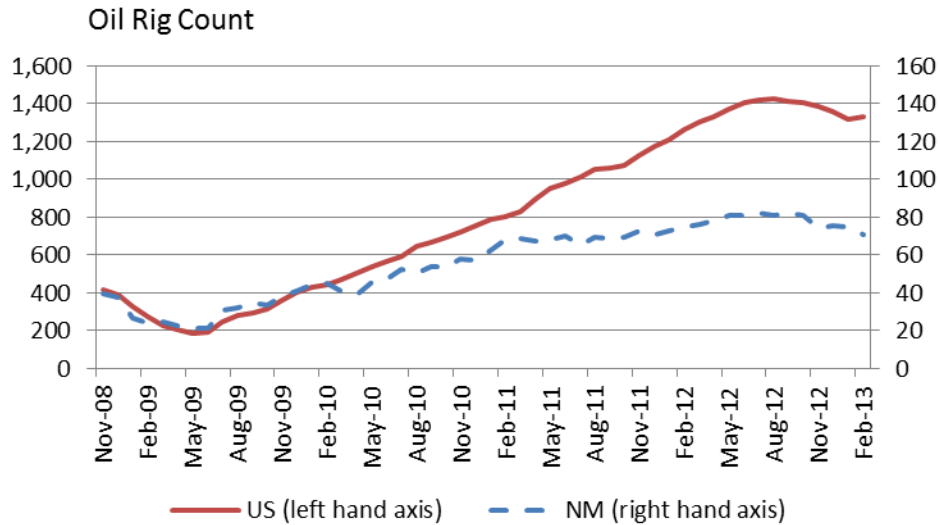
For purposes of comparison with the modified accrual revenues reported in the general fund, year-to-date cash receipts are presented on an August through July fiscal year as cash received in each month accrues to the prior month.

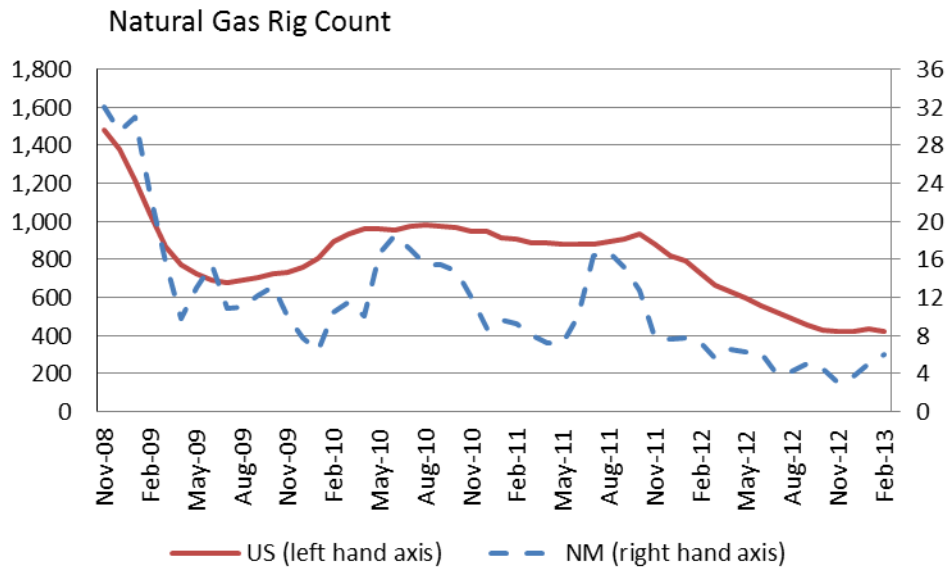
New Mexico Oil and Natural Gas Production: November 2012 Sales

Preliminary oil prices for November 2012 averaged \$79.17 per barrel (bbl) and preliminary volumes year-to-date are 14.1 percent higher than last year. Preliminary oil prices averaged \$84.52 per bbl year-to-date through November 2012.

Preliminary natural gas prices for November 2012 averaged \$4.53 per thousand cubic feet (mcf). This amount includes the value of natural gas liquids, which added \$1.00 per mcf to the value of “dry” gas. Preliminary volumes year-to-date are 4.3 percent lower than last year. Preliminary natural gas prices averaged \$4.14 per mcf year-to-date inclusive of the liquids premium.

Rig counts from Baker Hughes continue to show New Mexico lagging the U.S. in oil and natural gas rig activity. Natural gas rig counts for both New Mexico and the U.S. continue to decline, while oil rig counts appear to have hit a plateau.

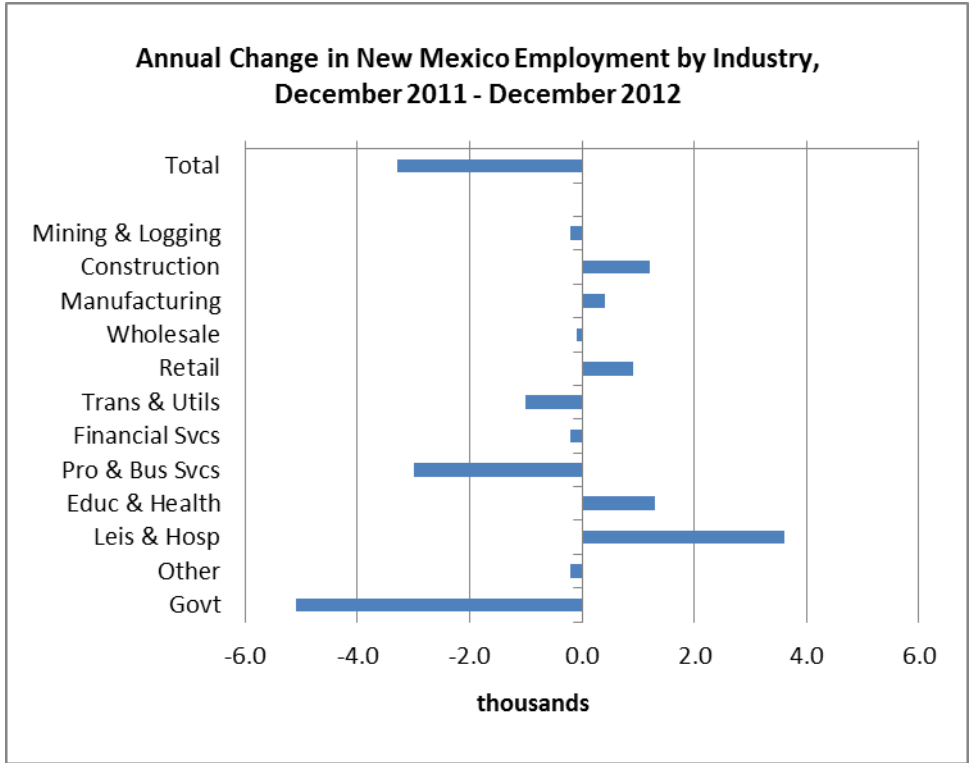




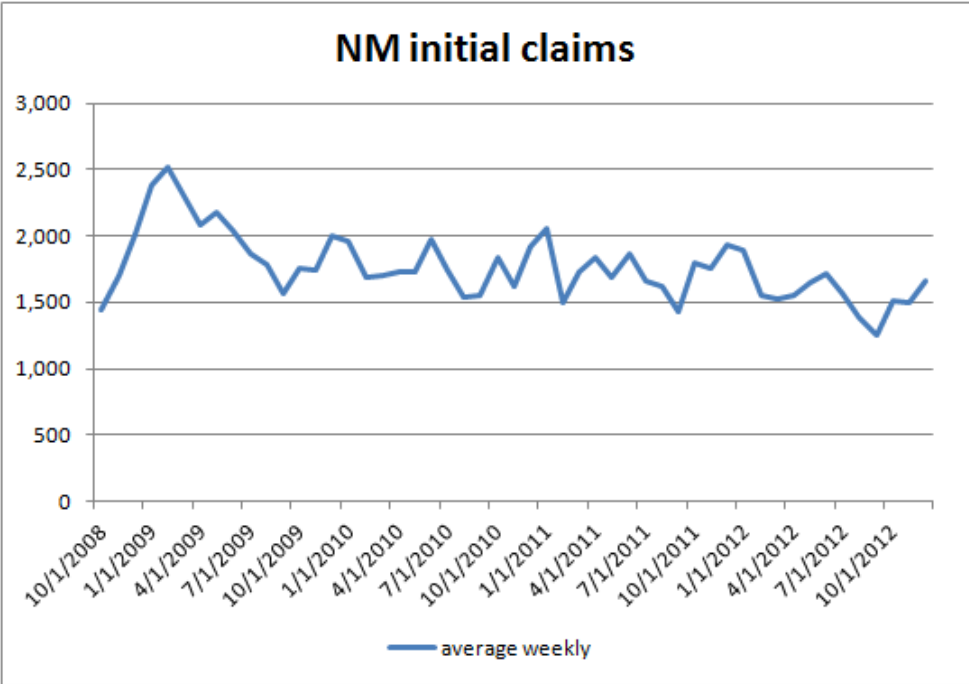
Update on New Mexico Employment Trends

When adjusted for seasonal variation, New Mexico employment in December 2012 is estimated to have fallen by 0.4 percent compared with December 2011, a decrease of 3,300 jobs. The largest annual increases were in the leisure and hospitality sector, which gained 3,600 jobs, and the education and health care sector, which grew by 1,300 jobs. The largest private annual decrease was felt in the professional and business services sector, which saw an estimated loss of 3,000 jobs. Government continues to experience declines with the estimated loss of 5,100 jobs since the same period last year. Construction has shown positive employment growth, gaining 1,200 jobs from the prior year.

The New Mexico seasonally adjusted unemployment rate increased 0.2 percent to 6.4 percent in November, well below the national average of 7.8 percent. The increase in the unemployment rate has resulted from an increase in the labor force without an accompanying increase in employment. This could be seen as a positive sign for labor markets as discouraged workers return to the workforce. Initial unemployment claims in November were down 23% from the same month the prior year.



Source: U.S. Bureau of Labor Statistics



Source: U.S. Dept of Labor

New Mexico Taxable Gross Receipts (TGR), November 2012 and FY13 YTD

New Mexico taxable gross receipts reported for November 2012 were \$4.0 billion, a 2.6 percent increase from the prior year. Fiscal year-to-date growth through November was 1.5 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	Nov-12 (\$ millions)	Nov-11 (\$ millions)	Y/Y % Change
Agriculture, Forestry, Fishing and Hunting	\$4.57	\$3.97	15.1%
Mining and Oil and Gas Extraction	\$304.62	\$267.76	13.8%
Utilities	\$158.94	\$163.53	-2.8%
Construction	\$469.93	\$431.76	8.8%
Manufacturing	\$149.83	\$137.56	8.9%
Wholesale Trade	\$176.87	\$175.13	1.0%
Retail Trade	\$1,010.70	\$1,002.49	0.8%
Transportation and Warehousing	\$75.74	\$57.14	32.6%
Information and Cultural Industries	\$203.11	\$190.34	6.7%
Finance and Insurance	\$22.07	\$21.61	2.1%
Real Estate and Rental and Leasing	\$81.15	\$62.88	29.1%
Professional, Scientific and Technical Services	\$340.05	\$355.08	-4.2%
Management of Companies and Enterprises	\$0.99	\$2.55	-61.2%
Admin and Support, Waste Mgt and Remed	\$119.29	\$132.50	-10.0%
Educational Services	\$15.85	\$19.20	-17.5%
Health Care and Social Assistance	\$163.62	\$169.77	-3.6%
Arts, Entertainment and Recreation	\$14.17	\$13.08	8.4%
Accommodation and Food Services	\$254.64	\$251.10	1.4%
Other Services (except Public Admin)	\$382.95	\$390.22	-1.9%
Public Administration	\$14.82	\$14.90	-0.5%
Unclassified Establishments	\$10.72	\$11.47	-6.5%
All Industries	\$3,974.64	\$3,874.04	2.6%
Excluding O&G	\$3,670.03	\$3,606.28	1.8%

Taxable Gross Receipts by Sector FY13 YTD thru November 2012	FY13 YTD (\$ millions)	FY12 YTD (\$ millions)	Y/Y % Change
Agriculture, Forestry, Fishing and Hunting	\$24.4	\$23.5	3.9%
Mining and Oil and Gas Extraction	\$1,566.8	\$1,368.6	14.5%
Utilities	\$919.9	\$856.5	7.4%
Construction	\$2,353.5	\$2,214.8	6.3%
Manufacturing	\$830.3	\$746.9	11.2%
Wholesale Trade	\$972.8	\$931.1	4.5%
Retail Trade	\$4,972.4	\$4,917.2	1.1%
Transportation and Warehousing	\$325.1	\$467.5	-30.5%
Information and Cultural Industries	\$980.9	\$1,000.3	-1.9%
Finance and Insurance	\$116.7	\$93.8	24.4%
Real Estate and Rental and Leasing	\$410.2	\$341.3	20.2%
Professional, Scientific and Technical Services	\$1,803.0	\$1,925.7	-6.4%
Management of Companies and Enterprises	\$13.4	\$14.3	-6.6%
Admin and Support, Waste Mgt and Remed	\$707.1	\$887.0	-20.3%
Educational Services	\$83.7	\$96.1	-12.8%
Health Care and Social Assistance	\$882.7	\$875.7	0.8%
Arts, Entertainment and Recreation	\$79.9	\$83.0	-3.7%
Accommodation and Food Services	\$1,449.9	\$1,411.9	2.7%
Other Services (except Public Admin)	\$2,022.6	\$1,942.9	4.1%
Public Administration	\$70.3	\$103.7	-32.2%
Unclassified Establishments	\$67.2	\$43.4	54.8%
All Industries	\$20,652.9	\$20,345.3	1.5%
Excluding O&G	\$19,086.1	\$18,976.6	0.6%

The oil and gas sector showed strength, up 13.8% for the month and 14.5% year-to-date compared to the same period last year. Construction TGR increased 8.8% this month relative to the prior year and shows 6.3% year-to-date strength. This is the first positive growth seen in this sector since FY11. This is the second largest sector. Retail continues to appear sluggish with YTD growth of only 1.1%.

FY13 General Fund Report - November 2012 Accruals (1)

Appropriation Account Revenue:	Budget				
	Nov-12	Current Fiscal Year to Date	Prior Fiscal Year to Date	Estimate Full Fiscal Year	Prior Year Full Fiscal Year
Gross Receipts Tax	162,885,791	792,600,354	783,798,156	1,981,300,000	1,928,468,880
Compensating Tax	(501,663)	20,382,404	23,443,404	66,500,000	62,066,210
SUBTOTAL Gen Sales Taxes	162,384,128	812,982,758	807,241,560	2,047,800,000	1,990,535,090
Selective Sales Taxes					
Tobacco and Cigarette Tax	7,443,952	35,434,060	36,055,041	84,300,000	85,360,379
Alcoholic Beverage Tax	3,002,316	10,998,172	11,012,305	26,500,000	26,128,849
Insurance Premiums Tax (2)	-	34,090,583	39,445,563	122,500,000	114,075,812
Fire Protection Fund Reversions	-	-	-	18,300,000	18,812,069
Franchise Fees	425	1,900	6,325	20,000	19,055
Racing receipts	-	-	-	850,000	851,829
Private Car Tax	-	-	8,318	550,000	552,552
Motor vehicle excise tax	8,962,708	51,631,306	45,618,139	123,000,000	114,706,587
Gaming Tax	4,880,213	25,493,584	26,979,105	64,800,000	65,526,989
Leased Vehicles Surcharge	395,315	2,495,981	2,484,826	5,400,000	5,366,391
Gasoline Tax (3)	101,541	(5,526,479)	2,500,486	(4,460,000)	5,539,323
Telecommunications Relay Surcharge	8,006	39,241	40,943	90,000	97,930
Boat excise tax	22,289	137,083	182,738	450,000	452,914
SUBTOTAL Sel Sales Taxes	24,816,766	154,795,430	164,333,789	442,300,000	437,490,681
INCOME TAXES					
Gross Withholding	91,703,012	437,074,512	421,030,202	1,096,000,000	1,060,763,657
PIT-Final Settlements	10,066,155	75,026,443	71,520,363	362,000,000	355,733,699
PIT TAA - Oil & Gas Withholding	154,276	20,027,919	19,127,504	70,000,000	91,101,736
Fiduciary Tax	(520,290)	(225,151)	3,972,748	10,000,000	9,011,119
Less PIT Refunds, RHCA, Legis Retirement	9,274,781	40,814,045	36,944,133	371,400,000	366,142,232
Net Personal Income Tax	92,128,373	491,089,679	478,706,684	1,166,600,000	1,150,467,978
Net Corporate Income Tax	(14,281,599)	45,282,455	56,562,941	280,000,000	281,047,492
MINERAL PRODUCTION TAXES					
Oil & Gas School Tax (2)	-	122,937,352	139,798,470	366,000,000	399,588,896
7% Oil Conservation Tax	91,084	6,890,357	7,248,131	19,500,000	21,452,054
Resources excise tax	1,312,476	7,369,510	4,797,858	10,000,000	12,018,385
Natural Gas Processors Tax	2,028,524	10,449,249	9,878,740	23,900,000	23,342,458
TOTAL Mineral Production Taxes	3,432,084	147,646,469	161,723,198	419,400,000	456,401,793
LICENSE FEES					
Financial institution receipts	127,760	248,745	269,017	3,050,000	2,917,436
Manufactured housing receipts	29,070	144,380	219,041	500,000	419,715
Construction industries receipts	286,644	1,486,009	2,483,922	5,300,000	5,052,172
Securities receipts	1,116,985	5,701,235	5,582,620	19,200,000	18,765,301
Gaming License and Permit Fees	-	-	36,785	350,000	391,712
Public Utilities	105	990	1,048	11,800,000	11,056,399
Corporate Filing	197,782	1,224,983	840,700	2,900,000	2,863,554
Alcohol and Gaming	38,545	282,463	370,362	4,000,000	3,855,629
Corporate Special	-	-	-	3,100,000	4,096,354
Pipeline fees	2,933	46,458	28,608	60,000	40,604
Mtr. Veh. Misc.	7,161	49,356	49,916	140,000	135,811
TOTAL LICENSE FEES	1,806,984	9,184,619	9,882,018	50,400,000	49,594,688

FY13 General Fund Report - November 2012 Accruals (1)

Appropriation Account Revenue:	Nov-12	Current Fiscal Year to Date	Prior Fiscal Year to Date	Budget	
				Estimate Full Fiscal Year	Prior Year Full Fiscal Year
INTEREST EARNINGS					
Perm.Fund Income	36,722,546	183,529,228	192,231,609	438,800,000	461,737,162
Earnings on State Balances	2,023,550	5,880,918	6,262,930	16,000,000	17,427,160
Sev Tax Income Fund	14,681,057	73,405,285	76,426,460	176,200,000	183,423,504
TOTAL Interest Earnings	53,427,154	262,815,431	274,920,999	631,000,000	662,587,826
RENTS AND ROYALTIES					
Federal Mineral Leasing	46,896,002	193,410,238	215,329,127	440,000,000	502,573,870
Land Office Inc.	3,211,984	22,389,257	55,764,883	60,500,000	92,507,769
TOTAL Rents/Royalties	50,107,986	215,799,494	271,094,010	500,500,000	595,081,639
TRIBAL GAMING REVENUE SHARING	-	17,626,600	16,994,423	72,000,000	68,188,620
MISCELLANEOUS RECEIPTS					
MVD Penalty Assessment	401,299	2,431,174	2,258,308	6,100,000	5,704,994
Fines & Forfeitures	398,449	2,242,941	2,346,909	5,800,000	6,052,204
Birth/Death Certificates	77,410	323,096	273,224	1,000,000	1,075,284
District Judges' Rec Court Costs	86,918	440,821	411,558	1,000,000	1,064,087
Notary Public fees	41,160	264,547	979,427	1,400,000	1,386,475
Media Lease Payments	-	-	-	21,000	19,442
Legislative Receipts	3,725	3,725	785	19,000	19,547
Unclaimed Property	-	-	-	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	1,655,932	1,656,526	1,280,442	2,300,000	2,047,673
Public Defender(Non-indigent reimb.)	-	127,993	135,204	440,000	410,853
TOTAL MISCELLANEOUS FEES	2,664,932	7,493,193	7,686,100	46,200,000	45,104,088
TOTAL RECURRING REVENUES	376,486,808	2,164,716,127	2,249,145,766	5,656,200,000	5,736,499,938

FY13 General Fund Report - November 2012 Accruals (1)

Appropriation Account Revenue:	Nov-12	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	4,456	86,664	404,563	-	527,665
Misc. Revenues-TRD >60day Non Benefica	149,877	290,661	303,372	-	512,233
Miscellaneous Transfers (4)	-	-	-	-	11,400,000
Miscellaneous Revenues (State Aircraft)	-	-	2,238,511	-	2,243,283
Reversions (5)	3,424,730	3,428,253	494,888	51,000,000	65,884,725
Misc. Revenues (6)	-	-	-	(3,300,000)	-
TOTAL NON-RECURRING REVENUES	3,579,063	3,805,578	3,441,334	47,700,000	80,567,905
GRAND TOTAL REVENUES (7)	380,065,871	2,168,521,705	2,252,587,100	5,703,900,000	5,817,067,843

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

(1) All figures on modified accrual basis accounting.

(2) Preliminary figure. November 2012 accruals for oil and gas school tax, oil and gas conservation tax, and insurance premiums tax were unavailable at time of publication. November 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.