



New Mexico Department of
Finance & Administration

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**Finance and Administration, Taxation and Revenue secretaries report General
Fund Revenue Outlook to Legislative Finance Committee**

Forecasts show strong economic promise

SANTA FE – The state administration’s top finance and revenue officials on Wednesday presented the latest state revenue forecast to the Legislative Finance Committee, announcing an overall more positive outlook for New Mexico.

The Consensus Revenue Estimating Group, made up of state agency economists and economists from the Legislative Finance Committee, is forecasting an improved revenue outlook for Fiscal Years 2023 and 2024 versus the previous years.

The state and federal unemployment rate forecast sees continued national employment recovery from the COVID-19 pandemic and have returned to pre-pandemic unemployment rate levels. National unemployment rate has declined to 3.5% as of July 2022. New Mexico unemployment has declined to 4.9% as of June 2022.

Severance tax revenues are projected to increase from \$644 million in Fiscal Year 2022 to \$987 million in Fiscal Year 2023. Federal and state rents and royalty revenues are projected to increase from \$808 million in Fiscal Year 2022 to \$1.01 billion in Fiscal Year 2023.

The improved revenue projection suggests total general fund reserves will increase to about 36.7% of recurring appropriations, or \$2.73 billion, at the end of Fiscal Year 2022 and 44.8%, or \$3.76 billion, at the end of Fiscal Year 2023.

In addition, Cannabis Excise Tax has an estimated general fund revenue of \$22.7 million for Fiscal Year 2023 and revenue is forecasted to grow by about 10.6% per year.

“The record high revenues we are anticipating are no accident – they are a direct result of responsible fiscal policy on the part of this administration and the healthy economic climate we

are fostering,” said Gov. Lujan Grisham. “I’m committed to continuing to build on our success and making investments that benefit New Mexico’s businesses, communities and families.” “Despite the many economic uncertainties following the COVID-19 pandemic, we are pushing forward as a state to ensure we continue to deliver services to New Mexicans,” said Finance and Administration Secretary Deborah Romero. “We will continue to control our spending and allocation of funds ensuring the state is in the best possible position moving forward.” “The strong reserves forecast in this report are a reflection of the responsible fiscal management this administration has practiced, while at the same time delivering much needed economic aid to New Mexico families,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

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About Department of Finance & Administration: *The New Mexico Department of Finance and Administration (DFA) serves New Mexico through fiscal management support for state agencies, local governments, and community-based programs to achieve responsible and quality fiscal services for all New Mexicans. DFA received a clean audit for FY21 and remains committed to the continued improvement of the state's financial reporting. DFA was also an instrumental part in the accurate count of the 2020 Census, ensuring the promise of additional federal funding for the state.*

About Taxation and Revenue Department: *The Taxation and Revenue Department serves the State of New Mexico by providing fair and efficient tax and motor vehicle services. It administers more than 35 tax programs and distributes revenue to the State and to local and tribal governments throughout New Mexico. The Department strives to reduce taxpayer burden through clearer communication, statutes, regulations, forms, correspondence and instructions.*