

Quarterly Economic Summary

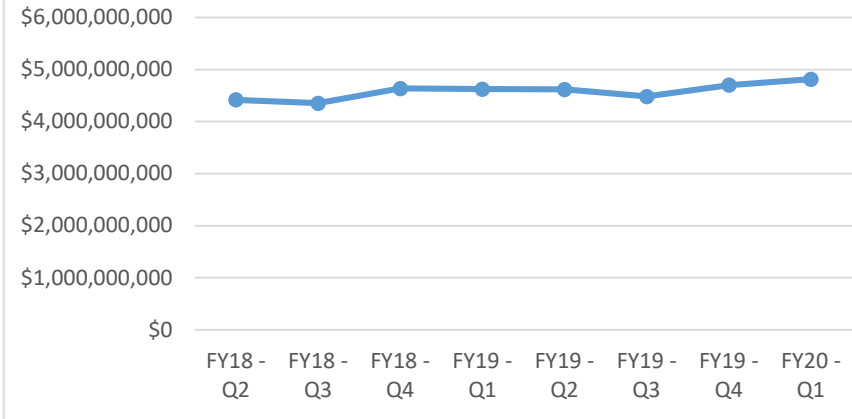
Bernalillo County

Quarterly Report: FY20 Q3



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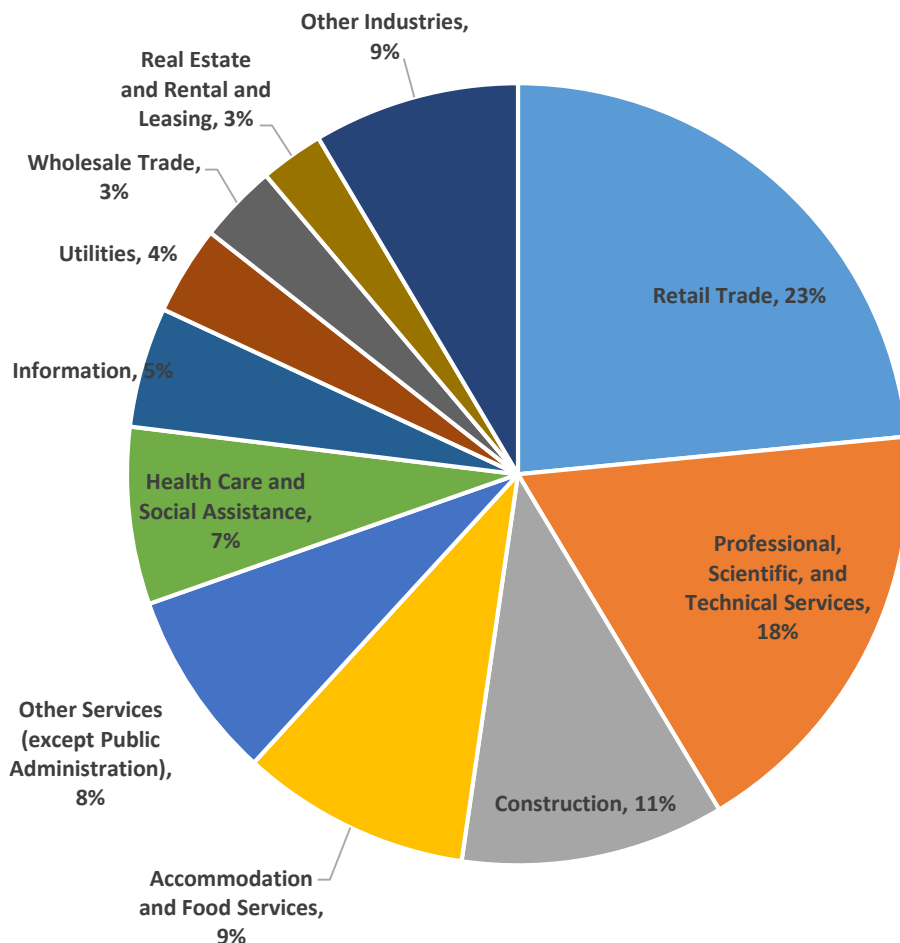
Chart 1. Matched Taxable Gross Receipts Per Quarter



Bernalillo County has seen its matched taxable gross receipts (MTGR) trending upwards in the last eight quarters. Notable increases in MTGR can be seen in the Public Administration sector, as seen in Table 1, on the next page. Public Administration, while not having the highest real increase, had the highest percentage growth with a year over year increase of 2,135% from Q1 FY19 to Q1 FY20 growing from \$640K to \$14.3M respectively. This increase can be attributed to a large defense contract that was recently awarded to a company

within the county. In addition to this, a previously existing company began to pay taxes as a result of the legislative changes from House Bill 6 of the 2019 Legislative Session. Another notable increase can be seen in the educational services industry which saw a 114% increase.

Chart 2. FY20 - Q1 Industry Size by Matched Taxable Gross Receipts



MATCHED TAXABLE GROSS RECEIPTS (MTGR) IS THE BEST TAX DATA AVAILABLE TO SHOW UNDERLYING ECONOMIC ACTIVITY. IT MATCHES A TAX PAYMENT WITH REPORTED RECEIPTS FOR EACH TAXPAYER, BY INDUSTRY.

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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 426,841,058	\$ 456,994,182	\$ 30,153,125	7%
Administrative/Support & Waste Management/Remediation	\$ 90,003,765	\$ 96,565,932	\$ 6,562,167	7%
Agriculture, Forestry, Fishing, and Hunting	\$ 6,485,170	\$ 7,929,669	\$ 1,444,499	22%
Arts, Entertainment, and Recreation	\$ 39,262,151	\$ 46,567,677	\$ 7,305,526	19%
Construction	\$ 457,565,336	\$ 525,113,705	\$ 67,548,369	15%
Educational Services	\$ 19,447,895	\$ 41,577,295	\$ 22,129,400	114%
Finance and Insurance	\$ 41,748,778	\$ 43,792,918	\$ 2,044,139	5%
Health Care and Social Assistance	\$ 345,893,520	\$ 352,543,552	\$ 6,650,031	2%
Information	\$ 231,816,019	\$ 239,569,567	\$ 7,753,548	3%
Management of Companies and Enterprises	\$ 3,979,175	\$ 4,909,199	\$ 930,024	23%
Manufacturing	\$ 92,458,768	\$ 94,168,564	\$ 1,709,796	2%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,305,938	\$ 563,323	\$ (742,614)	-57%
Other Services (except Public Administration)	\$ 378,989,155	\$ 376,618,080	\$ (2,371,075)	-1%
Professional, Scientific, and Technical Services	\$ 905,878,590	\$ 863,508,188	\$ (42,370,401)	-5%
Public Administration	\$ 640,408	\$ 14,312,515	\$ 13,672,107	2135%
Real Estate and Rental and Leasing	\$ 108,455,513	\$ 126,575,422	\$ 18,119,909	17%
Retail Trade	\$ 1,083,360,005	\$ 1,129,122,589	\$ 45,762,585	4%
Transportation and Warehousing	\$ 32,647,583	\$ 32,877,901	\$ 230,317	1%
Unclassified Establishments	\$ 24,016,728	\$ 27,093,535	\$ 3,076,807	13%
Utilities	\$ 181,591,882	\$ 176,789,981	\$ (4,801,902)	-3%
Wholesale Trade	\$ 152,682,276	\$ 156,254,490	\$ 3,572,214	2%
All Industries	\$ 4,625,069,712	\$ 4,813,448,282	\$ 188,378,570	4%

Bernalillo County's Gross Receipts Tax (GRT) revenue has been increasing since FY15. Q1 FY20 saw an increase of \$4.8M in GRT revenue collections compared to Q1 FY19.

HB6, PASSED IN 2019, MADE WIDESPREAD TAX CHANGES WITHIN NEW MEXICO. ONE NOTABLE CHANGE IS THE CONVERSION TO DESTINATION-BASED SOURCING THAT WILL BEGIN AFTER A TWO YEAR DELAY. DURING THIS DELAY LOCAL GOVERNMENTS WILL RECEIVE A DISTRIBUTION THAT IS A PORTION OF \$2M EACH MONTH. THE PORTION DISTRIBUTED WILL BE BASED ON WHAT THE POPULATION OF EACH COUNTY IS TO THE TOTAL POPULATION OF ALL COUNTIES, AS PER THE MOST RECENT DECENNIAL CENSUS.

Chart 3. Annual Total GRT Revenue Collections

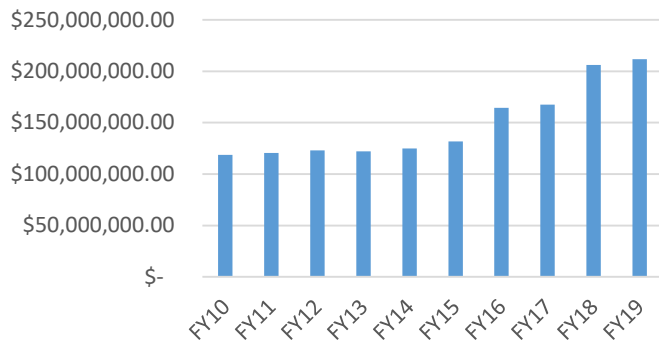
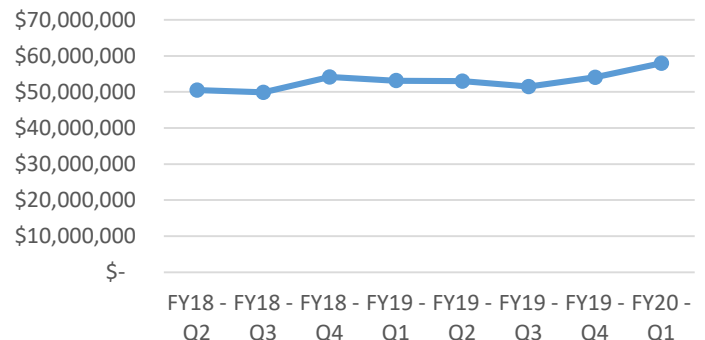


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

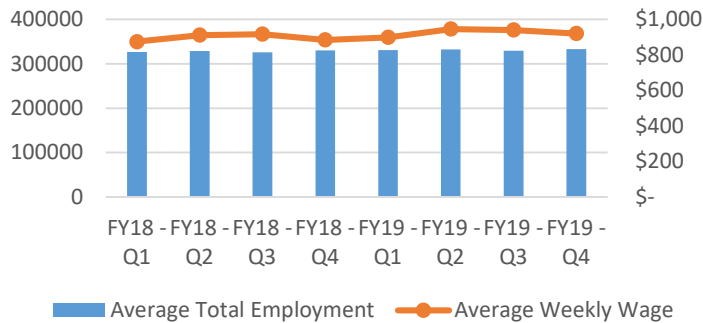


Chart 6. Quarterly Initial Unemployment Claims

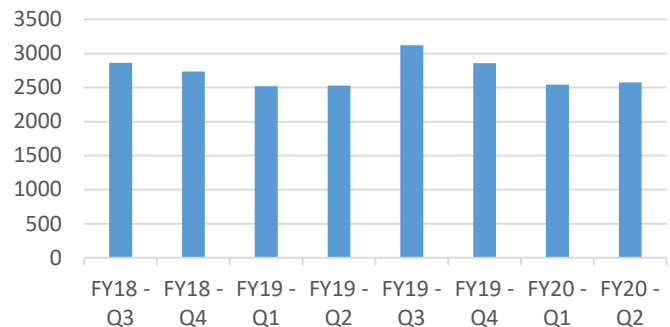
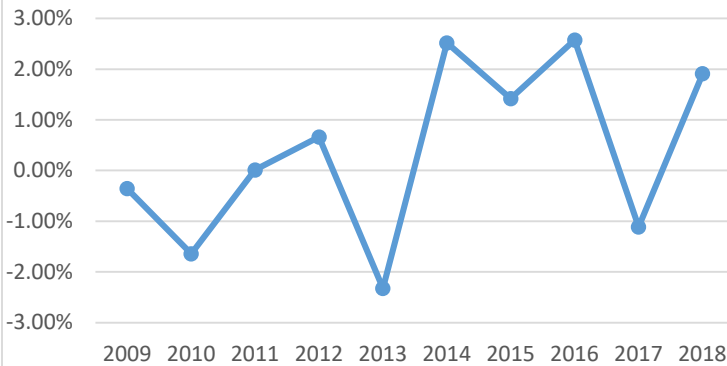


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A SIGNIFICANT UNEXPLAINED INCREASE IN INITIAL UNEMPLOYMENT CLAIMS CAN BE AN EARLY INDICATOR OF AN INCOMING ECONOMIC DOWNTURN. EXPLAINED INCREASES COMMONLY INCLUDE SEASONAL JOB FLUCTUATIONS, GOVERNMENT SHUTDOWNS RESULTING IN MASS EMPLOYEE FURLOUGHS AND THE CLOSING OF A MAJOR REGIONAL FACILITY.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Bernalillo, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.14%	2.94%	0.20%
Administrative and support and waste management and remediation services	3.00%	2.51%	0.49%
Arts, entertainment, and recreation	0.57%	0.68%	-0.10%
Educational services	0.73%	0.51%	0.22%
Finance and insurance	4.89%	2.75%	2.14%
Health care and social assistance	9.32%	7.39%	1.92%
Management of companies and enterprises	1.06%	0.61%	0.46%
Professional, scientific, and technical services	10.84%	7.21%	3.62%
Real estate and rental and leasing	13.13%	12.17%	0.96%
Agriculture, forestry, fishing and hunting	0.03%	1.78%	-1.75%
Construction	3.52%	3.12%	0.40%
Information	5.36%	3.21%	2.15%
Manufacturing	4.48%	4.31%	0.16%
Mining, quarrying, and oil and gas extraction	0.05%	14.79%	-14.74%
Other services (except government and government enterprises)	2.15%	1.96%	0.19%
Retail trade	6.41%	5.87%	0.54%
Transportation and warehousing	2.20%	2.58%	-0.38%
Utilities	0.36%	1.57%	-1.21%
Wholesale trade	4.84%	3.13%	1.71%
Government and government enterprises	23.97%	21.50%	2.47%