

Quarterly Economic Summary

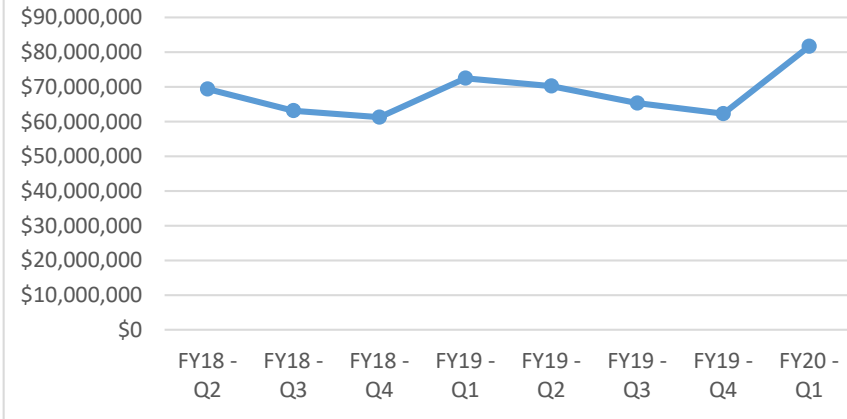
Colfax County



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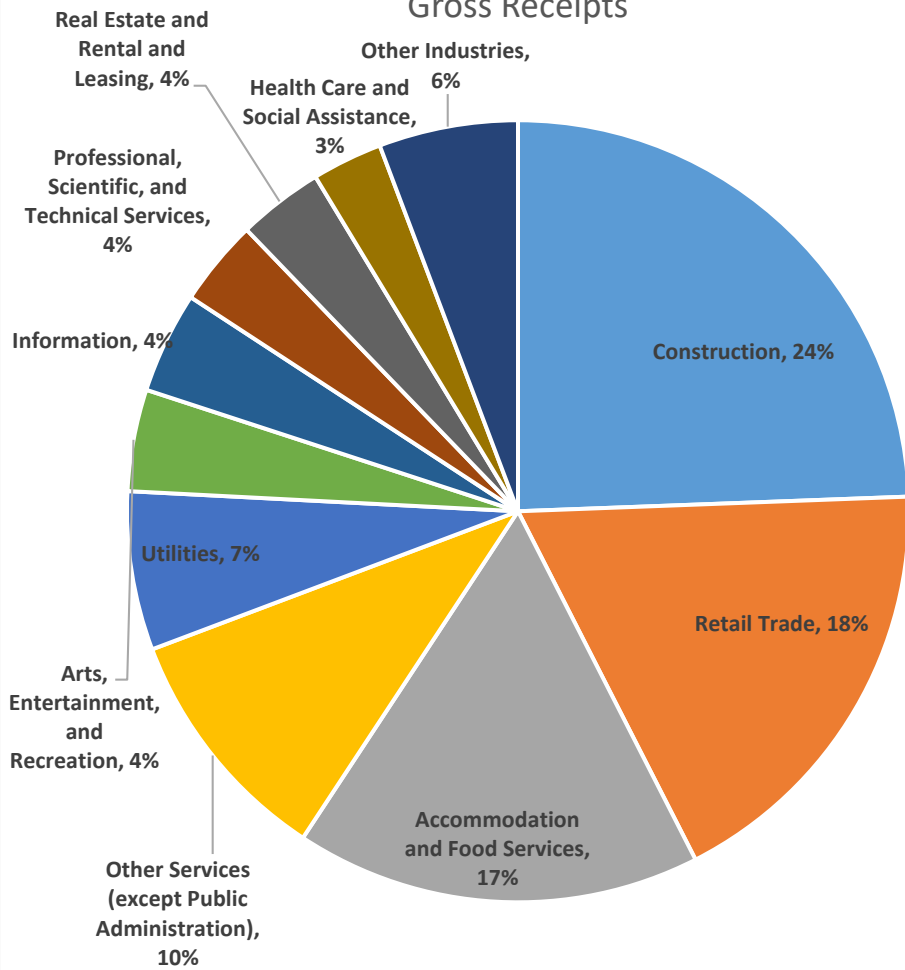
Chart 1. Matched Taxable Gross Receipts Per Quarter



Colfax County has seen relatively stable matched taxable gross receipts (MTGR) over the last eight quarters when accounting for seasonal fluctuations, as seen in Chart 1. Colfax County's MTGR hits a seasonal peak in the first quarter of the fiscal year and decreases each quarter after until the new year. Q1 FY20 MTGR returns to a level not seen since Q1 FY18. Table 1, on page 2, shows an increase of 156% from Q1 FY19 to Q1 FY20 in the manufacturing industry, the largest increase in the county representing total growth of \$694K.

Another notable increase is seen in the construction industry with an additional \$6.4M in Q1 FY20 compared to Q1 FY19.

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 | \$ 12,877,769 | \$ 13,697,772 | \$ 820,003 | 6% |
| Administrative/Support & Waste Management/Remediation | \$ 537,582 | \$ 884,795 | \$ 347,214 | 65% |
| Agriculture, Forestry, Fishing, and Hunting | \$ 697,740 | \$ 981,001 | \$ 283,261 | 41% |
| Arts, Entertainment, and Recreation | \$ 3,675,246 | \$ 3,434,221 | \$ (241,025) | -7% |
| Construction | \$ 13,536,581 | \$ 19,929,239 | \$ 6,392,658 | 47% |
| Educational Services | \$ 16,593 | \$ 20,608 | \$ 4,016 | 24% |
| Finance and Insurance | \$ 420,222 | \$ 396,080 | \$ (24,142) | -6% |
| Health Care and Social Assistance | \$ 3,249,368 | \$ 2,379,071 | \$ (870,297) | -27% |
| Information | \$ 3,051,614 | \$ 3,422,545 | \$ 370,931 | 12% |
| Manufacturing | \$ 444,239 | \$ 1,137,818 | \$ 693,579 | 156% |
| Mining, Quarrying, and Oil and Gas Extraction | \$ - | \$ - | \$ - | N/A |
| Other Services (except Public Administration) | \$ 6,475,331 | \$ 8,156,368 | \$ 1,681,037 | 26% |
| Professional, Scientific, and Technical Services | \$ 2,451,388 | \$ 2,918,730 | \$ 467,341 | 19% |
| Public Administration | \$ 49,687 | \$ 9,927 | \$ (39,760) | -80% |
| Real Estate and Rental and Leasing | \$ 3,076,444 | \$ 2,892,628 | \$ (183,816) | -6% |
| Retail Trade | \$ 14,662,057 | \$ 14,778,298 | \$ 116,241 | 1% |
| Transportation and Warehousing | \$ 365,352 | \$ 385,345 | \$ 19,993 | 5% |
| Unclassified Establishments | \$ 272,114 | \$ 156,277 | \$ (115,837) | -43% |
| Utilities | \$ 5,451,923 | \$ 5,362,407 | \$ (89,516) | -2% |
| Wholesale Trade | \$ 1,170,949 | \$ 726,183 | \$ (444,766) | -38% |
| All Industries | \$ 72,482,199 | \$ 81,669,314 | \$ 9,187,116 | 13% |

Gross Receipts Tax (GRT) revenue collections were approximately \$83K higher in the first quarter of FY20 than they were in the same period of FY19, as seen in Chart 4. GRT revenue collections in Q1 FY20 were nearing \$500K which has not been seen since Q1 FY18 and Q1 FY16 prior to.

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

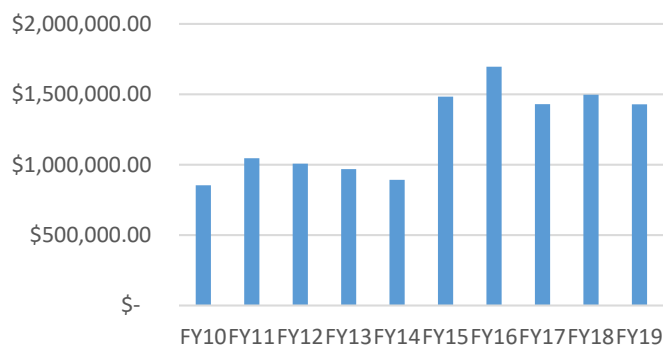
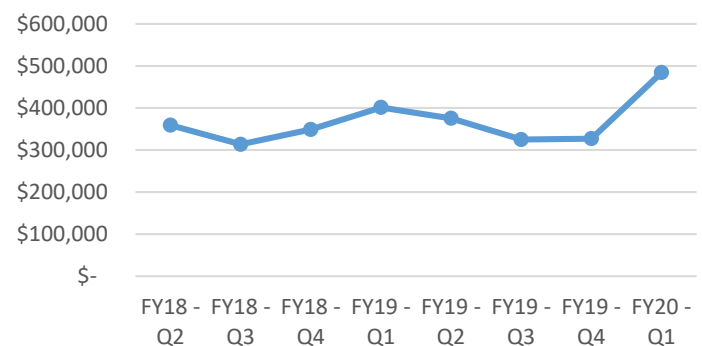


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

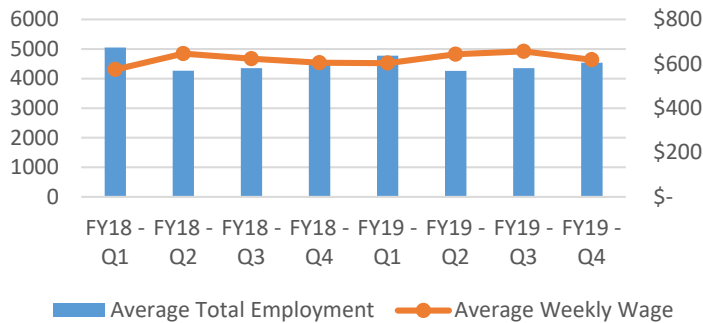


Chart 6. Quarterly Initial Unemployment Claims

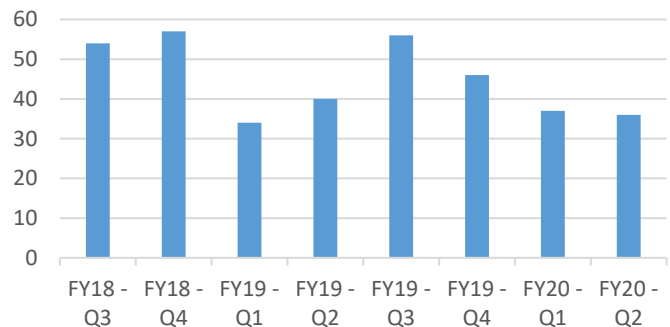
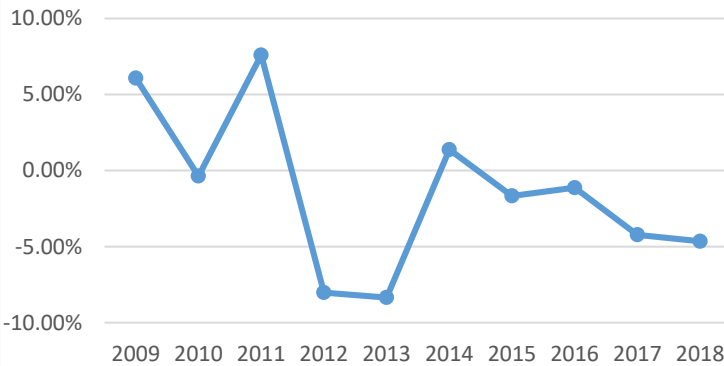


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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 | Colfax, NM | New Mexico | Difference Between County and State |
|--|------------|------------|-------------------------------------|
| Accommodation and food services | 9.28% | 2.94% | 6.34% |
| Administrative and support and waste management and remediation services | 0.00% | 2.51% | -2.51% |
| Arts, entertainment, and recreation | 0.82% | 0.68% | 0.14% |
| Educational services | 0.00% | 0.51% | -0.51% |
| Finance and insurance | 2.23% | 2.75% | -0.52% |
| Health care and social assistance | 0.00% | 7.39% | -7.39% |
| Management of companies and enterprises | 0.00% | 0.61% | -0.61% |
| Professional, scientific, and technical services | 1.66% | 7.21% | -5.55% |
| Real estate and rental and leasing | 25.04% | 12.17% | 12.88% |
| Agriculture, forestry, fishing and hunting | 0.81% | 1.78% | -0.97% |
| Construction | 2.49% | 3.12% | -0.63% |
| Information | 0.90% | 3.21% | -2.31% |
| Manufacturing | 1.36% | 4.31% | -2.96% |
| Mining, quarrying, and oil and gas extraction | 10.82% | 14.79% | -3.97% |
| Other services (except government and government enterprises) | 4.39% | 1.96% | 2.43% |
| Retail trade | 7.27% | 5.87% | 1.40% |
| Transportation and warehousing | 0.90% | 2.58% | -1.68% |
| Utilities | 1.17% | 1.57% | -0.41% |
| Wholesale trade | 1.86% | 3.13% | -1.27% |
| Government and government enterprises | 21.88% | 21.50% | 0.38% |