

# Quarterly Economic Summary

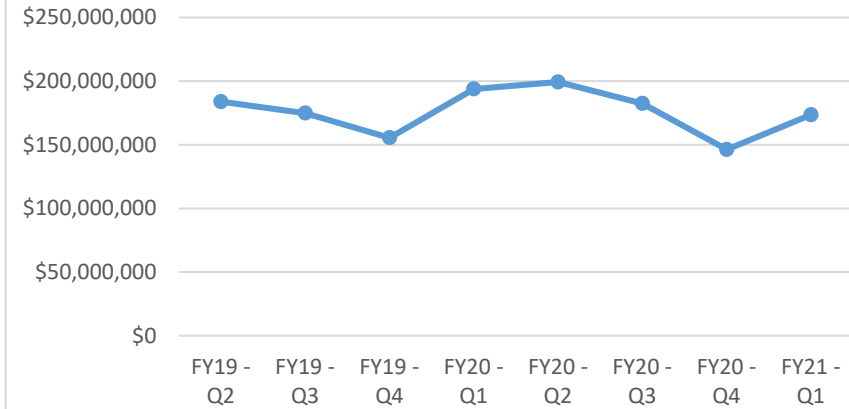
## Taos County

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Chart 1. Matched Taxable Gross Receipts Per Quarter

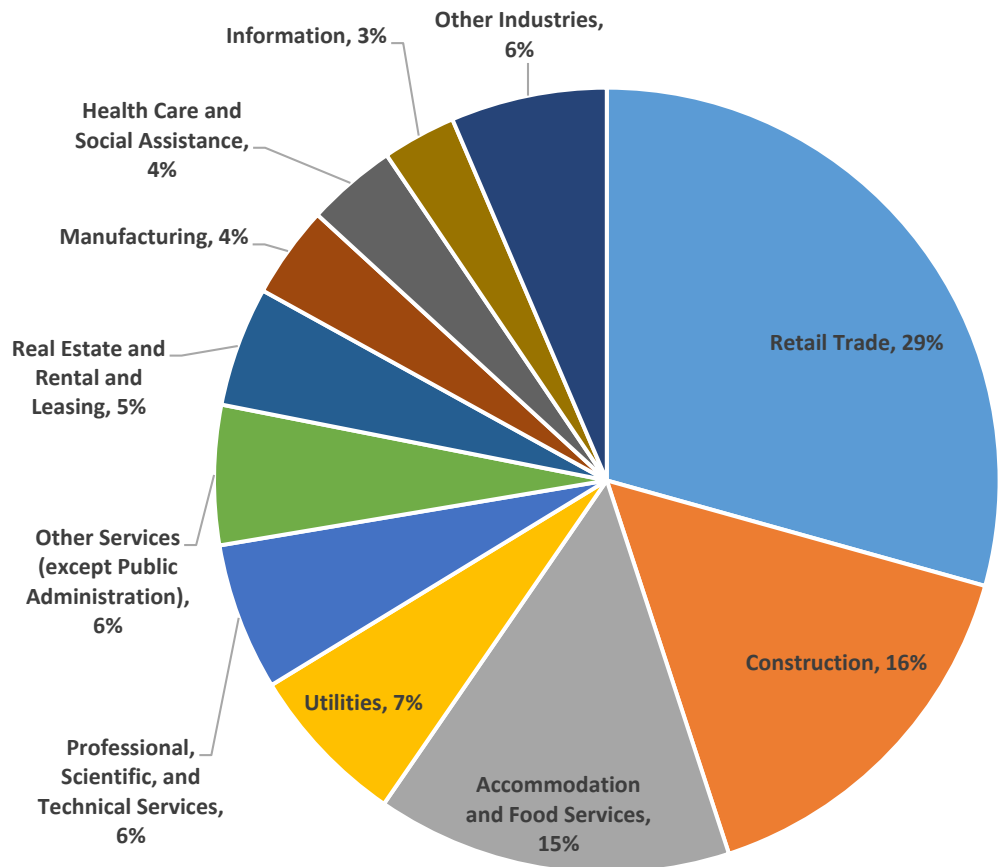


The three months making up FY21 Q1 were the worst three months of the state's economic impact from COVID-19, comparing gross receipts data with the same period a year ago, despite 14 counties experiencing a year-over-year increase. The impacts were significantly worse due to lapsing federal support and no new federal aid package. Importantly, the federal bonus for unemployment benefits of an additional \$600/week expired, reducing consumer spending power.

Taos County, from Q4 FY20 to Q1 FY21, saw a jump in its matched taxable gross receipts (MTGR) of \$27M or 19%, shown in Chart 1. Taos County continued a seasonal trend where MTGR jumps from Q4 to Q1. Starting at Q4 FY16 the average percent increase in MTGR, from Q4 to Q1, has been 14%, with the largest increase occurring between Q4 FY19 and Q1 FY20 (25%). Table 1, on the next page, shows a decrease of \$20.3M from Q1 in FY20 to FY21 of

**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.

Chart 2. FY21 - Q1 Industry Size by Matched Taxable Gross Receipts



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**Table 1. Matched Taxable Gross Receipts by Industry**

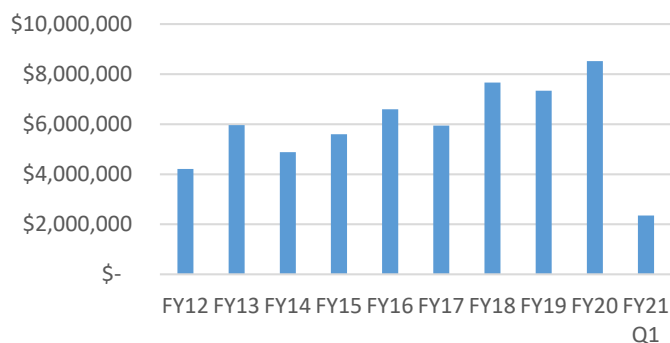
Industries	FY20 - Q1	FY21 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 38,082,247	\$ 25,374,302	\$ (12,707,946)	-33%
Administrative/Support & Waste Management/Remediation	\$ 2,634,402	\$ 3,242,458	\$ 608,055	23%
Agriculture, Forestry, Fishing, and Hunting	\$ 350,634	\$ 208,144	\$ (142,490)	-41%
Arts, Entertainment, and Recreation	\$ 1,831,344	\$ 1,118,103	\$ (713,241)	-39%
Construction	\$ 33,902,251	\$ 27,111,293	\$ (6,790,957)	-20%
Educational Services	\$ 362,569	\$ 377,145	\$ 14,576	4%
Finance and Insurance	\$ 626,932	\$ 662,551	\$ 35,619	6%
Health Care and Social Assistance	\$ 7,915,447	\$ 6,432,249	\$ (1,483,198)	-19%
Information	\$ 8,415,057	\$ 5,265,675	\$ (3,149,382)	-37%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 6,060,689	\$ 6,578,216	\$ 517,527	9%
Mining, Quarrying, and Oil and Gas Extraction	\$ 73,343	\$ -	\$ (73,343)	-100%
Other Services (except Public Administration)	\$ 9,937,323	\$ 9,955,057	\$ 17,735	0%
Professional, Scientific, and Technical Services	\$ 10,734,365	\$ 10,531,013	\$ (203,352)	-2%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 7,094,787	\$ 8,552,517	\$ 1,457,730	21%
Retail Trade	\$ 49,506,909	\$ 50,848,239	\$ 1,341,329	3%
Transportation and Warehousing	\$ 309,447	\$ 255,230	\$ (54,216)	-18%
Unclassified Establishments	\$ 413,585	\$ 1,314,640	\$ 901,055	218%
Utilities	\$ 10,832,749	\$ 11,574,647	\$ 741,898	7%
Wholesale Trade	\$ 4,535,869	\$ 3,970,782	\$ (565,087)	-12%
<b>All Industries</b>	<b>\$ 193,795,089</b>	<b>\$ 173,531,196</b>	<b>\$ (20,263,892)</b>	<b>-10%</b>

the same time period. The largest contributor to the year over year loss occurred in the accommodation and food services industry. This sector, when comparing Q1 FY20 to Q1 FY21, saw a decline in MTGR of \$12.7M, or 33%.

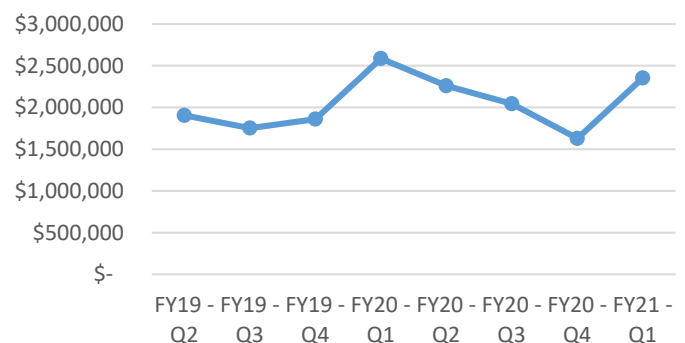
Gross receipts tax (GRT) revenue collections rose significantly in Q1 FY21, as seen in Chart 4. From Q4 FY20 to Q1 FY21 quarterly collections increased by \$725K, or 45%. From Q1 FY20 to Q1 FY21, year over year quarterly collections decreased by \$232K, or 9%.

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 the 2020 Special Session, that legislation was amended, increasing a temporary distribution to municipalities and counties. Now municipalities will receive a distribution that is a portion of \$2.5 million while counties will receive a distribution that is a portion of \$1.5 million. The amounts distributed will be proportional to the size of that community's population versus that of the entire group. These amounts are subject to change if the federal government provides municipalities and counties future grants to offset revenue declines attributable to COVID-19.

**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

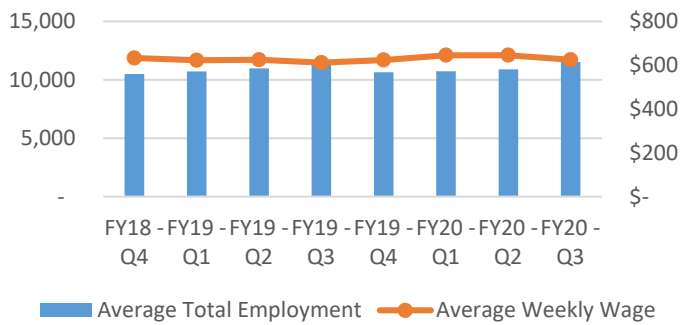


Chart 6. Quarterly Initial Unemployment Claims

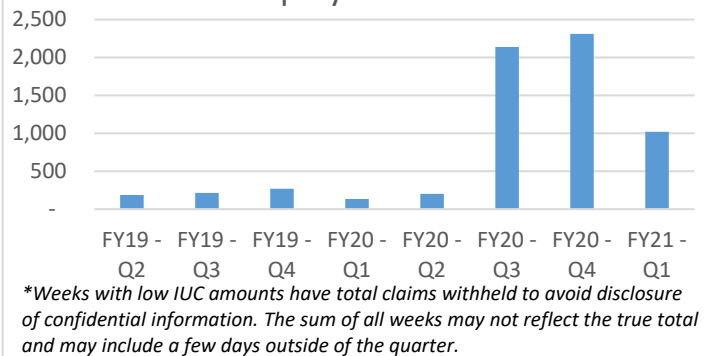
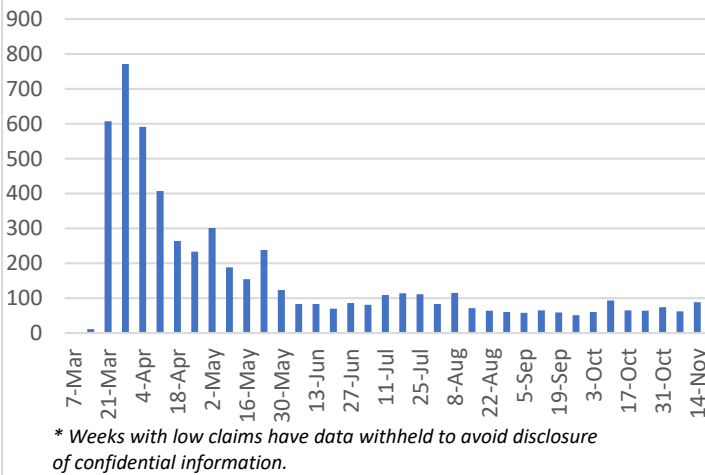


Chart. 7 Initial UI Claims - Weekly



A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Explained increases commonly include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. This unprecedented uptick in initial unemployment claims is tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As we continue into early and mid-2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic but gradually wane; however, it is impossible to predict how quickly the employment numbers will return to pre-COVID-19 levels.

**Chart 7** – Includes weekly initial claims for regular unemployment insurance (UI) but excludes pandemic unemployment assistance (PUA) and pandemic emergency unemployment assistance (PEUA) claims. Weeks shown as zero were redacted for confidentiality.

**Chart 8** – Includes claimants receiving payment and pending certifications for standard UI, PUA, PEUA, extended benefits, and trade readjustment allowances. As of 11/2/2020, claimants who were initially considered eligible but have either never filed a certification or have not certified within 14 days have been removed from data, resulting in lower numbers.

Chart 8. Ongoing UI Claimants - Weekly

