

Quarterly Economic Summary

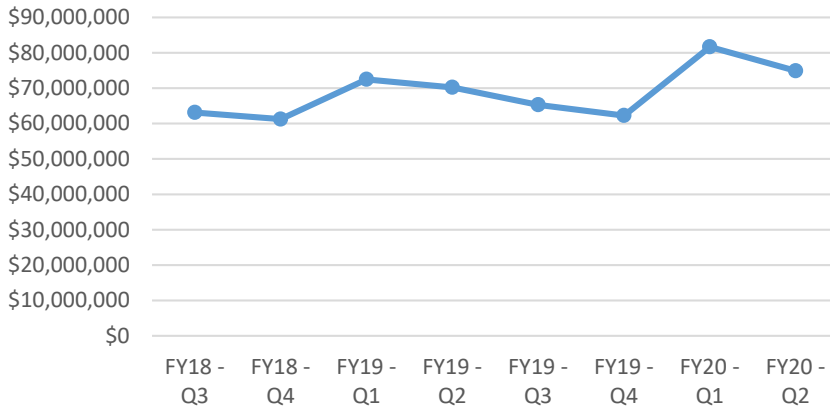
Colfax County



Released: February 2020

Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist

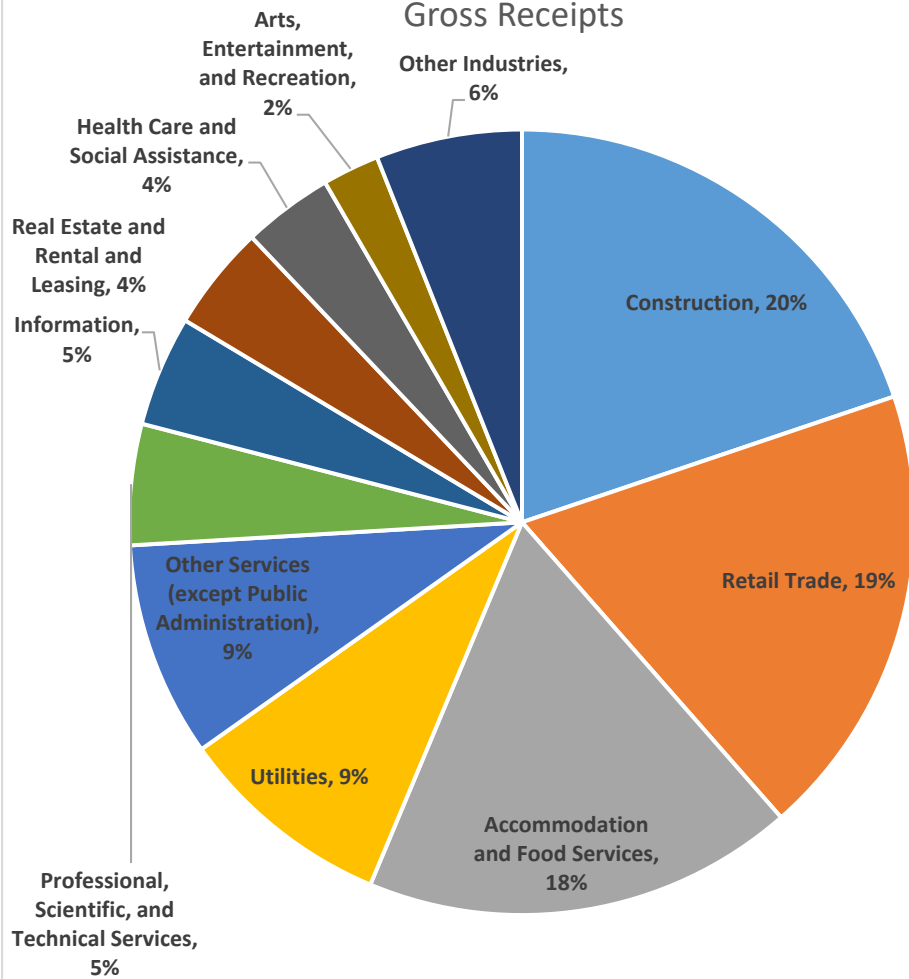
Chart 1. Matched Taxable Gross Receipts Per Quarter



Colfax County saw a reduction in its matched taxable gross receipts (MTGR) from Q1 to Q2 FY20, as seen in Chart 1. This reduction amounts to nearly \$7M. Colfax County's MTGR hit a seasonal peak in Q1 of the fiscal year. This seasonality can be seen going back to FY16 where Q1 is consistently the peak followed by a sustained decline throughout the remainder of the fiscal year. Table 1, on the next page, shows an increase of \$4.68M from Q2 in FY19 to FY20 of the same period.

This increase comes from the Accommodation and Food Service industry (\$1.5M) and Construction industry (\$1.7M) despite the substantial losses in the Agriculture, Forestry, Fishing and Hunting industry (-\$2.7M).

Chart 2. FY20 - Q2 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.

Quarterly Economic Summary

Colfax County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 11,798,570	\$ 13,316,379	\$ 1,517,809	13%
Administrative/Support & Waste Management/Remediation	\$ 510,840	\$ 1,019,862	\$ 509,022	100%
Agriculture, Forestry, Fishing, and Hunting	\$ 3,627,018	\$ 917,046	\$ (2,709,972)	-75%
Arts, Entertainment, and Recreation	\$ 1,374,579	\$ 1,752,864	\$ 378,284	28%
Construction	\$ 13,070,035	\$ 14,839,360	\$ 1,769,325	14%
Educational Services	\$ 129,077	\$ 161,895	\$ 32,818	25%
Finance and Insurance	\$ 422,163	\$ 384,775	\$ (37,388)	-9%
Health Care and Social Assistance	\$ 2,076,297	\$ 2,784,656	\$ 708,359	34%
Information	\$ 2,926,400	\$ 3,412,445	\$ 486,045	17%
Manufacturing	\$ 579,323	\$ 501,758	\$ (77,565)	-13%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 6,948,526	\$ 6,641,225	\$ (307,301)	-4%
Professional, Scientific, and Technical Services	\$ 2,382,767	\$ 3,727,376	\$ 1,344,609	56%
Public Administration	\$ 351,451	\$ 107,031	\$ (244,420)	-70%
Real Estate and Rental and Leasing	\$ 3,354,814	\$ 3,243,625	\$ (111,189)	-3%
Retail Trade	\$ 13,262,674	\$ 14,021,465	\$ 758,790	6%
Transportation and Warehousing	\$ 231,387	\$ 403,101	\$ 171,714	74%
Unclassified Establishments	\$ 110,647	\$ 319,116	\$ 208,469	188%
Utilities	\$ 6,486,391	\$ 6,654,285	\$ 167,894	3%
Wholesale Trade	\$ 576,502	\$ 692,548	\$ 116,046	20%
All Industries	\$ 70,219,463	\$ 74,900,813	\$ 4,681,351	7%

Gross Receipts Tax (GRT) revenue collections decreased in Q2 FY20, as seen in Chart 4. This decrease, representing an 8% contraction, is almost exclusively due to an increase in the county share GRT collection, which saw a 13% decrease from the previous quarter. Even with the loss in Q2, the eight quarter trend is positive.



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

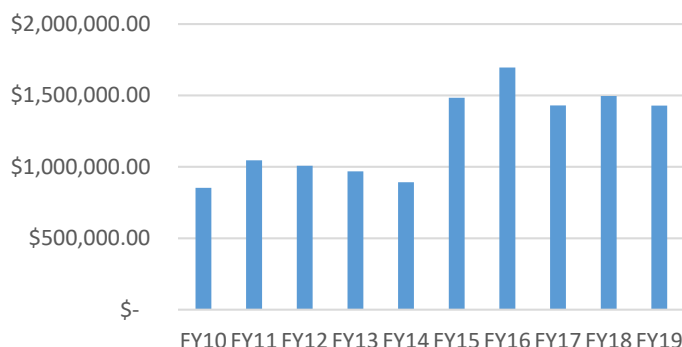
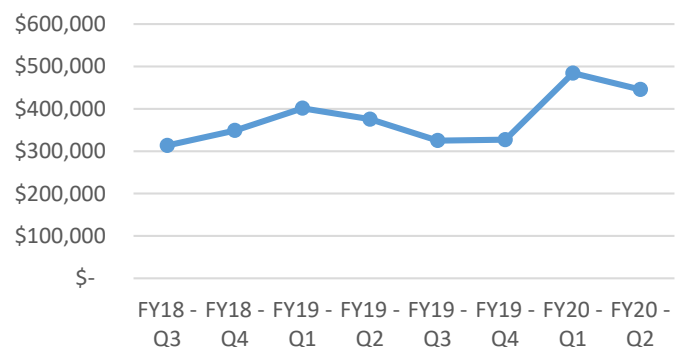


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary Colfax County



Chart 5. Quarterly Average Total Employment & Weekly Wage

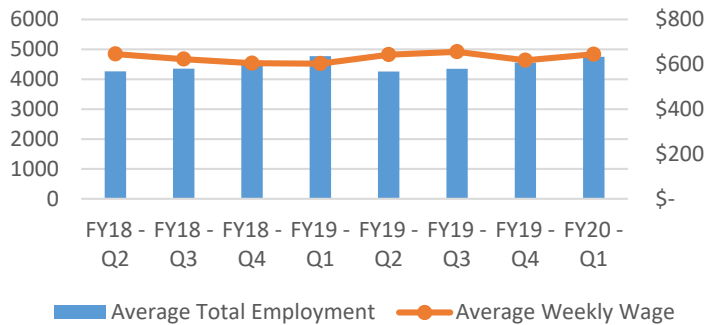


Chart 6. Quarterly Initial Unemployment Claims

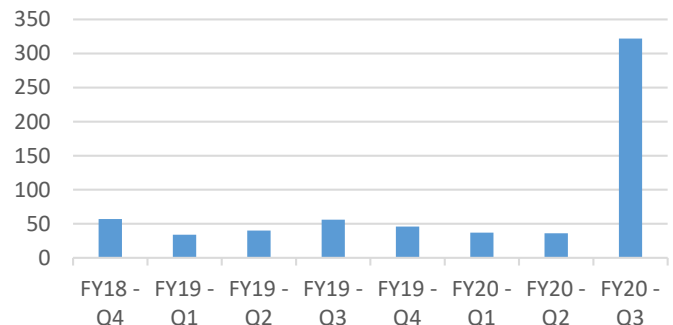
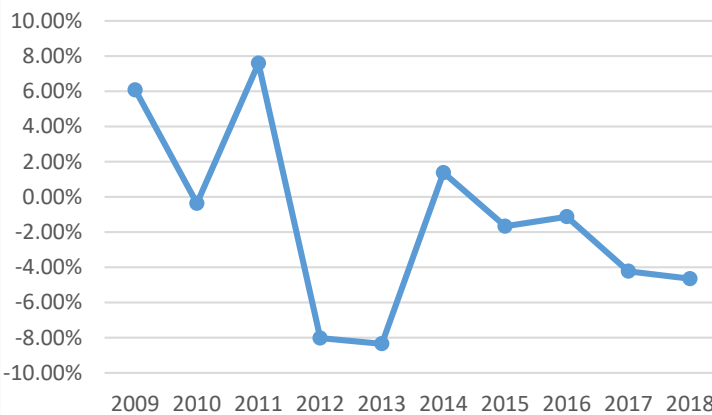


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

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%