

Quarterly Economic Summary

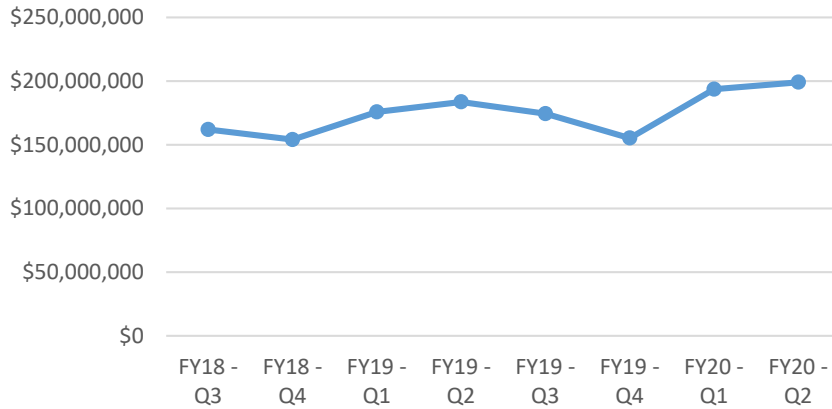
Taos County

Released: February 2020



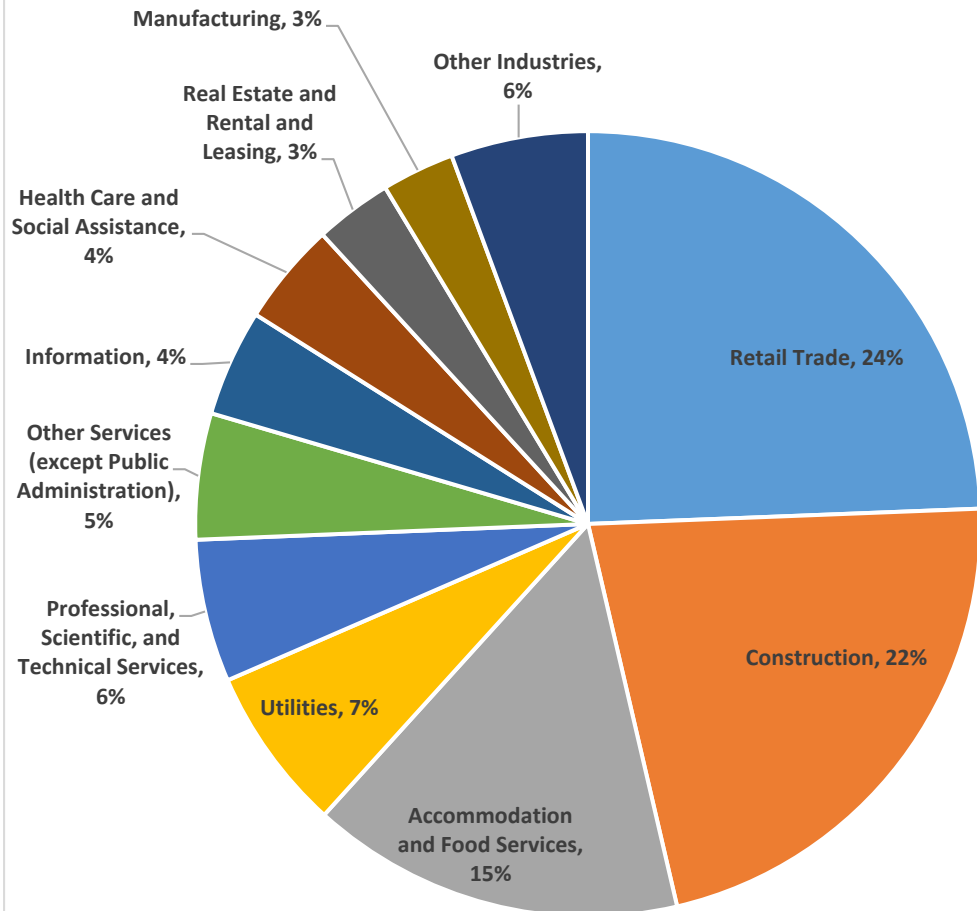
Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist

Chart 1. Matched Taxable Gross Receipts Per Quarter



Taos County's matched taxable gross receipts (MTGR) continue to trend upwards, as seen in Chart 1. Taos County's MTGR hits a seasonal peak in the second quarter of the fiscal year with a low in the fourth quarter. Q2 FY20 saw a year over year increase of 8%, equal to \$15.5M. Table 1, on page 2, shows an industry with -100% growth or no MTGR in the second quarter of FY20. This may be due to the industry's smaller size and the few companies within being late to file. In this case, the missing MTGR is likely to be included in the next period.

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

Taos County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 27,601,572	\$ 30,589,707	\$ 2,988,135	11%
Administrative/Support & Waste Management/Remediation	\$ 2,781,074	\$ 3,126,096	\$ 345,022	12%
Agriculture, Forestry, Fishing, and Hunting	\$ 290,845	\$ 238,558	\$ (52,287)	-18%
Arts, Entertainment, and Recreation	\$ 2,094,958	\$ 2,257,203	\$ 162,245	8%
Construction	\$ 37,963,895	\$ 43,751,559	\$ 5,787,664	15%
Educational Services	\$ 496,346	\$ 366,850	\$ (129,496)	-26%
Finance and Insurance	\$ 601,095	\$ 685,899	\$ 84,804	14%
Health Care and Social Assistance	\$ 5,346,259	\$ 8,431,941	\$ 3,085,683	58%
Information	\$ 8,349,146	\$ 8,758,219	\$ 409,073	5%
Management of Companies and Enterprises	\$ 38,357	\$ -	\$ (38,357)	-100%
Manufacturing	\$ 6,730,217	\$ 5,954,855	\$ (775,362)	-12%
Mining, Quarrying, and Oil and Gas Extraction	\$ 146,093	\$ 26,846	\$ (119,247)	-82%
Other Services (except Public Administration)	\$ 10,162,451	\$ 10,333,797	\$ 171,346	2%
Professional, Scientific, and Technical Services	\$ 8,817,165	\$ 11,693,104	\$ 2,875,939	33%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 7,205,281	\$ 6,331,229	\$ (874,051)	-12%
Retail Trade	\$ 48,007,860	\$ 48,533,447	\$ 525,586	1%
Transportation and Warehousing	\$ 305,577	\$ 305,940	\$ 363	0%
Unclassified Establishments	\$ 973,556	\$ 738,954	\$ (234,602)	-24%
Utilities	\$ 12,908,108	\$ 13,466,510	\$ 558,403	4%
Wholesale Trade	\$ 2,806,199	\$ 3,489,928	\$ 683,728	24%
All Industries	\$ 183,626,052	\$ 199,080,642	\$ 15,454,590	8%

Gross Receipts Tax (GRT) revenue collections saw a decrease of 13% or \$326K in Q2 FY20 from the previous quarter. Q2 FY20 did surpass Q2 FY19 with total GRT revenue collection topping out at \$2.3M compared to \$1.9M in Q2 FY19. A year over year growth of 19%.

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

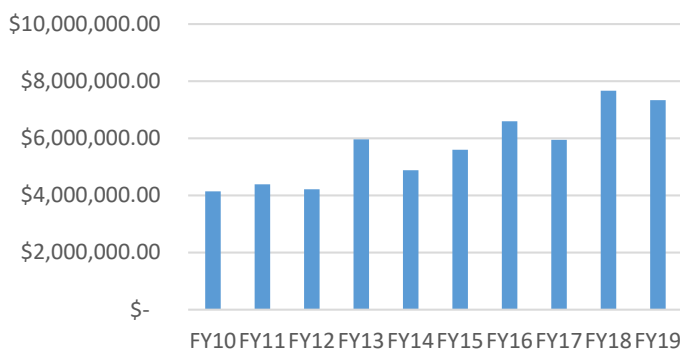
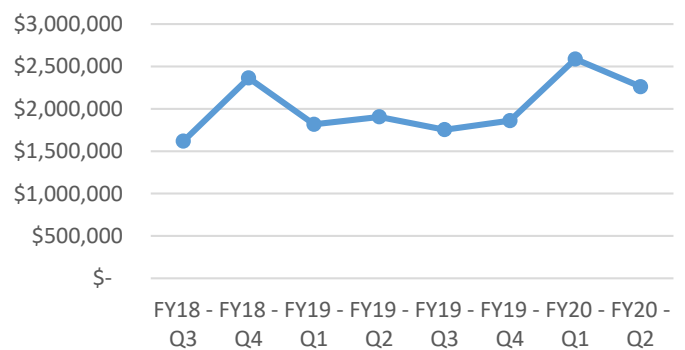


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary

Taos County



Chart 5. Quarterly Average Total Employment & Weekly Wage

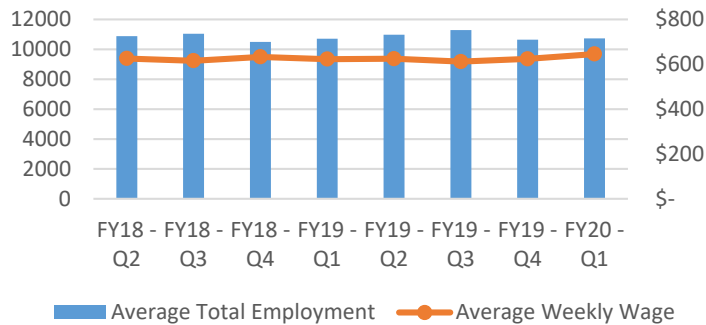


Chart 6. Quarterly Initial Unemployment Claims

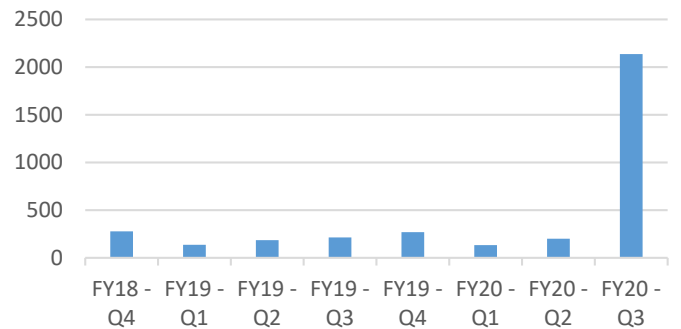
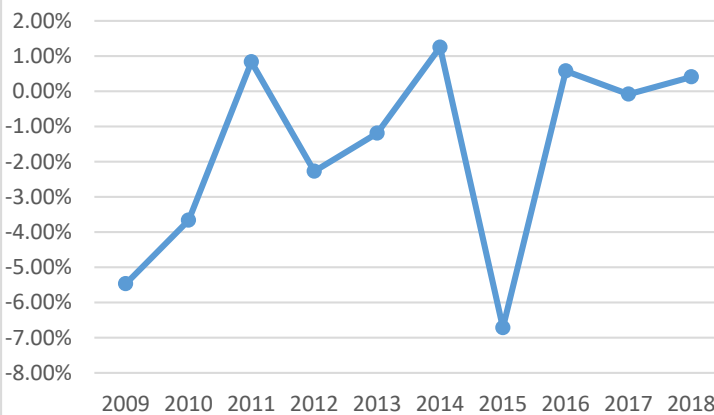


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Taos, NM	New Mexico	Difference Between County and State
Accommodation and food services	7.27%	2.94%	4.33%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	4.62%	0.68%	3.95%
Educational services	1.12%	0.51%	0.60%
Finance and insurance	2.03%	2.75%	-0.72%
Health care and social assistance	11.01%	7.39%	3.61%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	3.95%	7.21%	-3.26%
Real estate and rental and leasing	23.64%	12.17%	11.47%
Agriculture, forestry, fishing and hunting	0.19%	1.78%	-1.59%
Construction	3.81%	3.12%	0.70%
Information	2.78%	3.21%	-0.43%
Manufacturing	1.16%	4.31%	-3.15%
Mining, quarrying, and oil and gas extraction	1.25%	14.79%	-13.54%
Other services (except government and government enterprises)	2.78%	1.96%	0.82%
Retail trade	7.68%	5.87%	1.81%
Transportation and warehousing	0.60%	2.58%	-1.98%
Utilities	1.09%	1.57%	-0.48%
Wholesale trade	1.55%	3.13%	-1.58%
Government and government enterprises	18.81%	21.50%	-2.69%