

# Quarterly Economic Summary

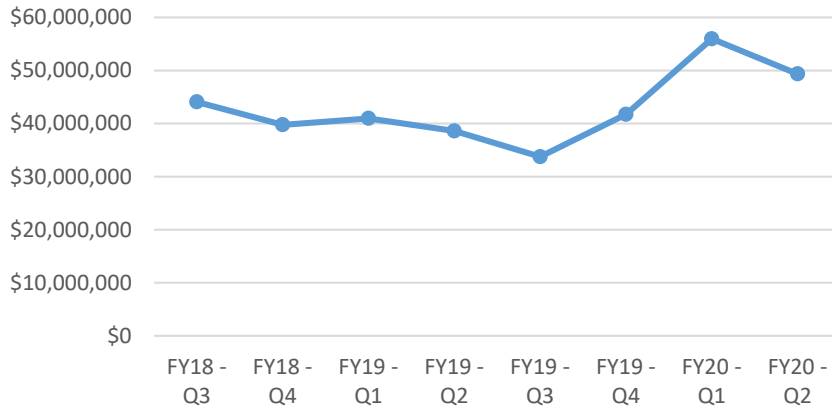
## Torrance County

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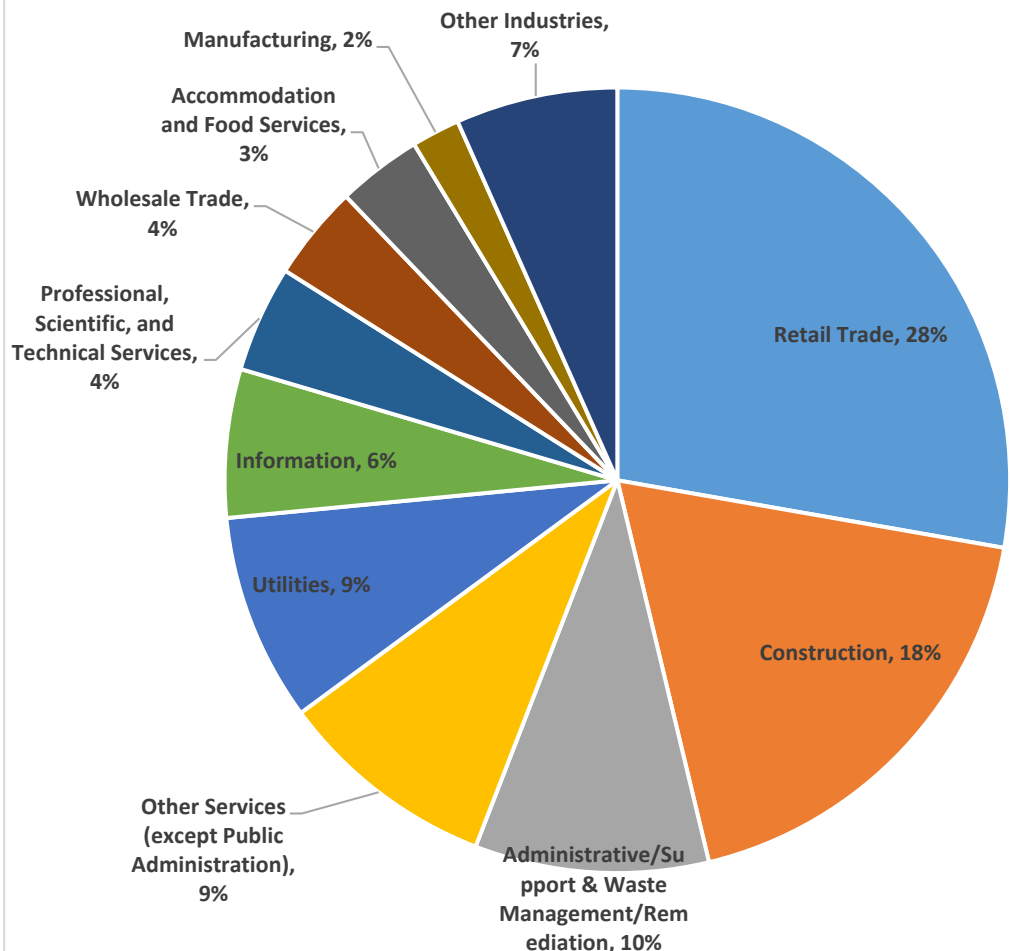
Chart 1. Matched Taxable Gross Receipts Per Quarter



Torrance County saw a decrease in matched taxable gross receipts (MTGR) in the second quarter of FY20 after two consecutive quarters of growth. Q2 FY20 saw a year over year (YOY) increase of 28% or \$10.8M in total MTGR. Table 1, on page 2, shows an exceptionally high increase in the Mining/Oil and Gas industry. The relatively low reported MTGR for this industry indicates that this increase could be due to late tax filings by the companies in the industry. The Administrative/Support & Waste

Management/Remediation industry also saw a significant increase (2,111%) totaling \$4.8M in Q2. This returns the MTGR for the industry to a level last seen in FY17 after an unusually low period from Q2 FY18 through Q1 FY20.

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.

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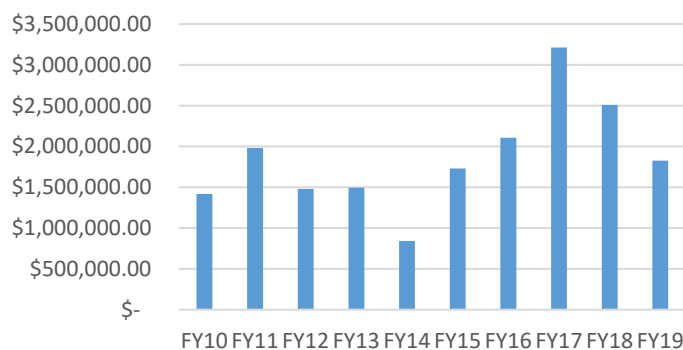
**Table 1. Matched Taxable Gross Receipts by Industry**

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 1,669,212	\$ 1,720,036	\$ 50,824	3%
Administrative/Support & Waste Management/Remediation	\$ 214,940	\$ 4,752,884	\$ 4,537,945	2111%
Agriculture, Forestry, Fishing, and Hunting	\$ 543,843	\$ 531,773	\$ (12,069)	-2%
Arts, Entertainment, and Recreation	\$ 101,901	\$ 51,030	\$ (50,870)	-50%
Construction	\$ 4,412,966	\$ 9,128,145	\$ 4,715,178	107%
Educational Services	\$ 107,998	\$ 148,216	\$ 40,218	37%
Finance and Insurance	\$ 71,078	\$ 64,889	\$ (6,190)	-9%
Health Care and Social Assistance	\$ 317,219	\$ 468,931	\$ 151,711	48%
Information	\$ 2,930,919	\$ 3,013,762	\$ 82,843	3%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 823,860	\$ 982,837	\$ 158,976	19%
Mining, Quarrying, and Oil and Gas Extraction	\$ 401	\$ 43,893	\$ 43,492	10837%
Other Services (except Public Administration)	\$ 5,688,401	\$ 4,459,939	\$ (1,228,462)	-22%
Professional, Scientific, and Technical Services	\$ 1,222,412	\$ 2,166,340	\$ 943,928	77%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 611,186	\$ 681,814	\$ 70,628	12%
Retail Trade	\$ 13,740,556	\$ 13,699,514	\$ (41,043)	0%
Transportation and Warehousing	\$ 998,316	\$ 651,008	\$ (347,308)	-35%
Unclassified Establishments	\$ 149,869	\$ 648,314	\$ 498,445	333%
Utilities	\$ 3,145,658	\$ 4,221,785	\$ 1,076,127	34%
Wholesale Trade	\$ 1,845,992	\$ 1,924,015	\$ 78,022	4%
<b>All Industries</b>	<b>\$ 38,596,727</b>	<b>\$ 49,359,124</b>	<b>\$ 10,762,396</b>	<b>28%</b>

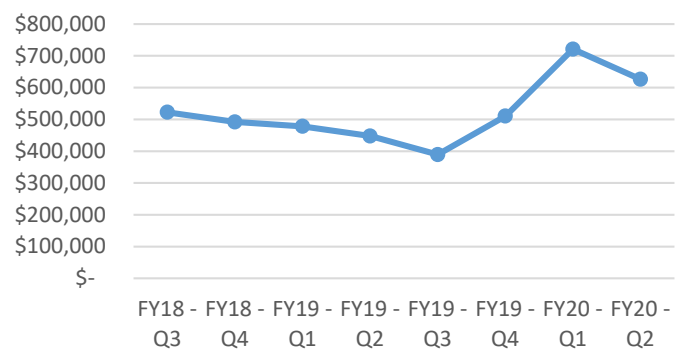
Gross Receipts Tax (GRT) revenue collections decreased by 15% from Q1 FY20 to Q2 FY20. However, Q2 FY20, saw a year over year increase of 40% where total GRT revenue collections were \$448K in Q2 FY19 and \$626K in Q2 FY20.

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

## Torrance County



Chart 5. Quarterly Average Total Employment & Weekly Wage

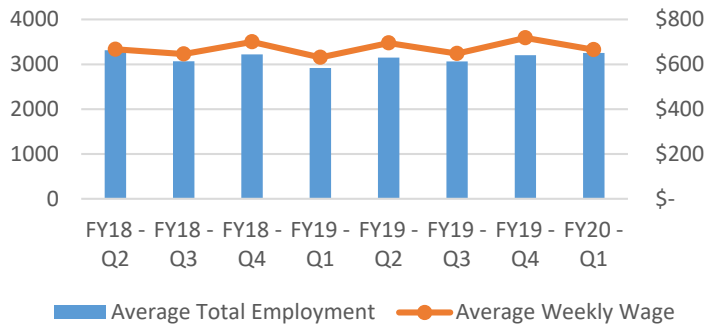


Chart 6. Quarterly Initial Unemployment Claims

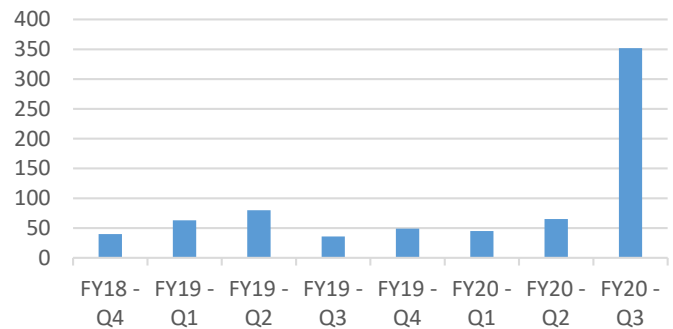
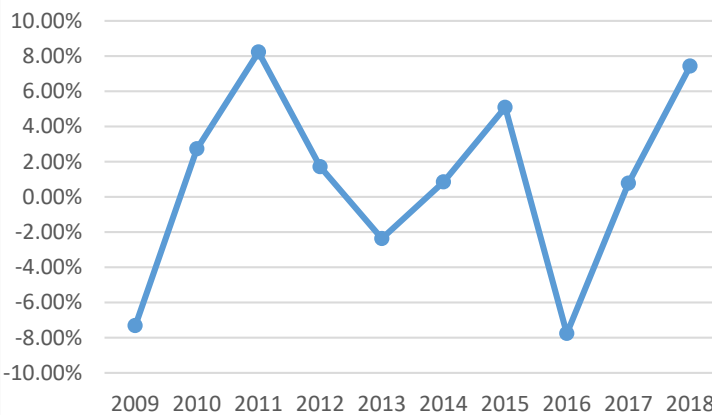


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Torrance, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.91%	2.94%	-1.03%
Administrative and support and waste management and remediation services	2.95%	2.51%	0.44%
Arts, entertainment, and recreation	0.27%	0.68%	-0.41%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	1.12%	2.75%	-1.63%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	0.67%	0.61%	0.07%
Professional, scientific, and technical services	1.59%	7.21%	-5.62%
Real estate and rental and leasing	17.90%	12.17%	5.74%
Agriculture, forestry, fishing and hunting	0.49%	1.78%	-1.29%
Construction	2.39%	3.12%	-0.73%
Information	1.08%	3.21%	-2.13%
Manufacturing	3.04%	4.31%	-1.27%
Mining, quarrying, and oil and gas extraction	2.57%	14.79%	-12.22%
Other services (except government and government enterprises)	2.11%	1.96%	0.15%
Retail trade	8.73%	5.87%	2.86%
Transportation and warehousing	2.71%	2.58%	0.13%
Utilities	14.70%	1.57%	13.12%
Wholesale trade	8.09%	3.13%	4.96%
Government and government enterprises	19.60%	21.50%	-1.90%