

Quarterly Economic Summary

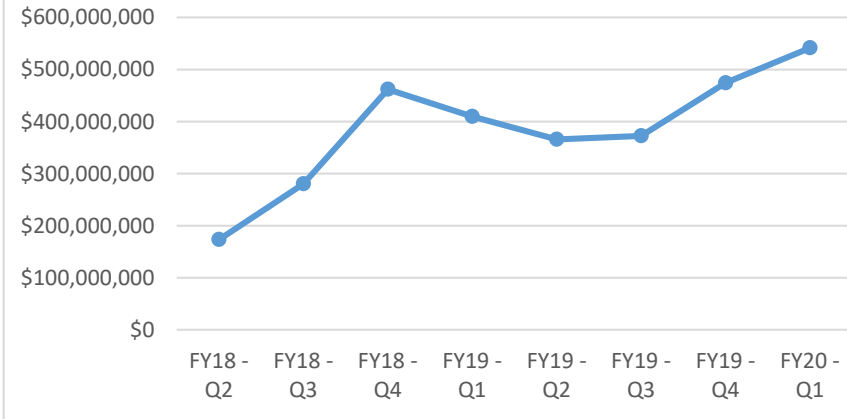
Los Alamos County



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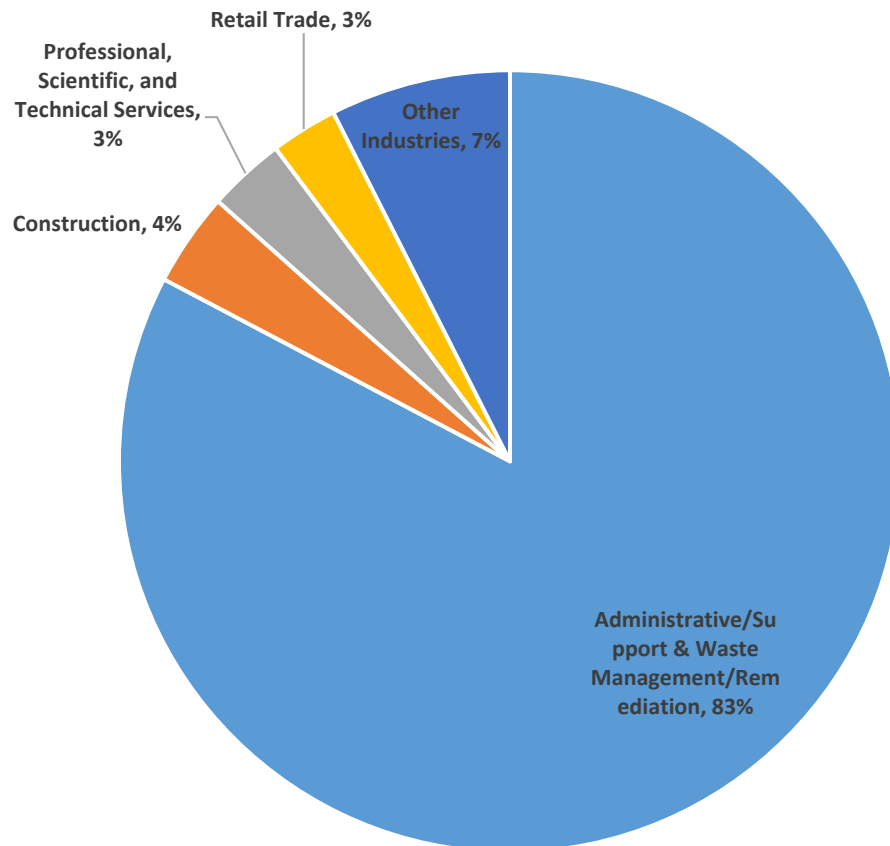
Chart 1. Matched Taxable Gross Receipts Per Quarter



Los Alamos County has seen growth in its matched taxable gross receipts (MTGR) over the last eight quarters, as seen in Chart 1. Los Alamos County's MTGR has historically hit a seasonal peak in the first quarter of the fiscal year and the lowest point during the second quarter. Table 1, on the next page, shows an exceptionally large increase of \$428M from Q1 FY19 to FY20 of the same period for the Administrative/Support & Waste Management/Remediation industry. This large increase may be explained by a reclassification by one or multiple

entities from the Professional, Scientific and Technical Services industry, which saw an exceptionally large decrease for the same period. The county saw a 32% increase in MTGR in Q1 FY20 over 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	\$ 8,102,914	\$ 8,300,931	\$ 198,017	2%
Administrative/Support & Waste Management/Remediation	\$ 19,797,447	\$ 447,943,619	\$ 428,146,173	2163%
Agriculture, Forestry, Fishing, and Hunting	\$ 31,701	\$ 43,454	\$ 11,752	37%
Arts, Entertainment, and Recreation	\$ 512,951	\$ 293,912	\$ (219,040)	-43%
Construction	\$ 21,017,166	\$ 20,978,699	\$ (38,467)	0%
Educational Services	\$ 237,015	\$ 264,058	\$ 27,044	11%
Finance and Insurance	\$ 1,459,822	\$ 1,477,999	\$ 18,177	1%
Health Care and Social Assistance	\$ 11,108,143	\$ 9,086,411	\$ (2,021,732)	-18%
Information	\$ 6,861,042	\$ 6,864,812	\$ 3,770	0%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 1,396,377	\$ 2,076,171	\$ 679,794	49%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 5,338,948	\$ 5,744,240	\$ 405,293	8%
Professional, Scientific, and Technical Services	\$ 317,147,727	\$ 17,284,758	\$ (299,862,969)	-95%
Public Administration	\$ -	\$ 11,849	\$ 11,849	N/A
Real Estate and Rental and Leasing	\$ 3,163,784	\$ 3,132,568	\$ (31,215)	-1%
Retail Trade	\$ 12,140,781	\$ 14,989,518	\$ 2,848,737	23%
Transportation and Warehousing	\$ 66,011	\$ 224,581	\$ 158,570	240%
Unclassified Establishments	\$ 693,795	\$ 1,364,852	\$ 671,057	97%
Utilities	\$ 24,324	\$ 24,488	\$ 164	1%
Wholesale Trade	\$ 629,271	\$ 1,502,610	\$ 873,339	139%
All Industries	\$ 409,729,216	\$ 541,609,530	\$ 131,880,314	32%

Gross Receipts Tax (GRT) revenue collections have been increasing over the last eight quarters, as seen in Chart 4, with a similar seasonality that is seen in MTGR. Table 2, on page 3, shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.

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

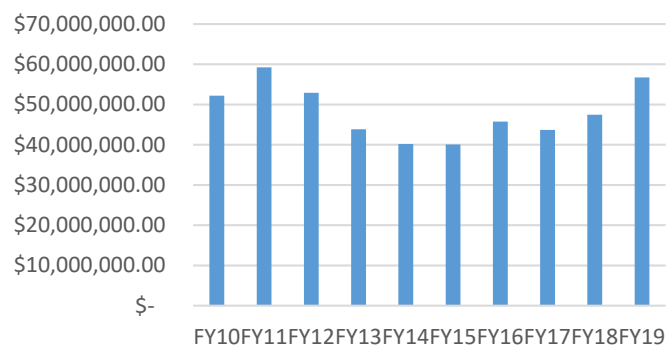
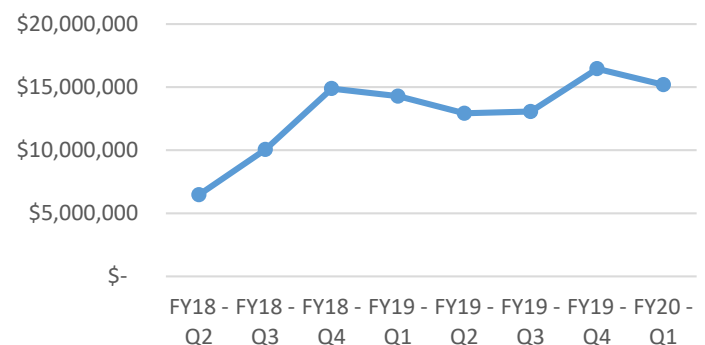


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

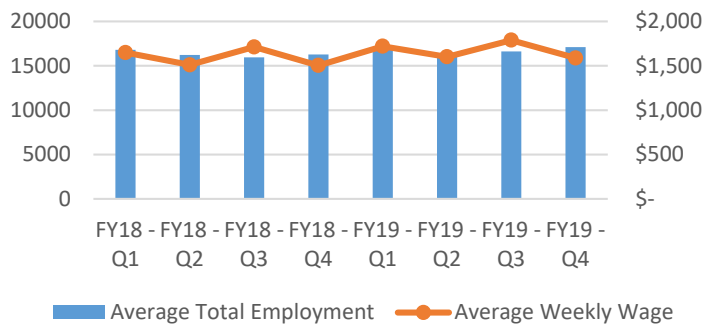


Chart 6. Quarterly Initial Unemployment Claims

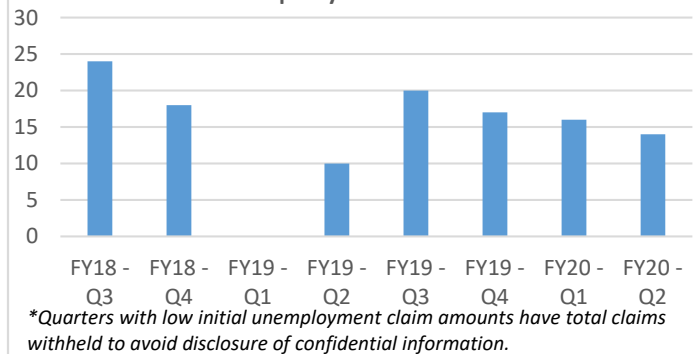
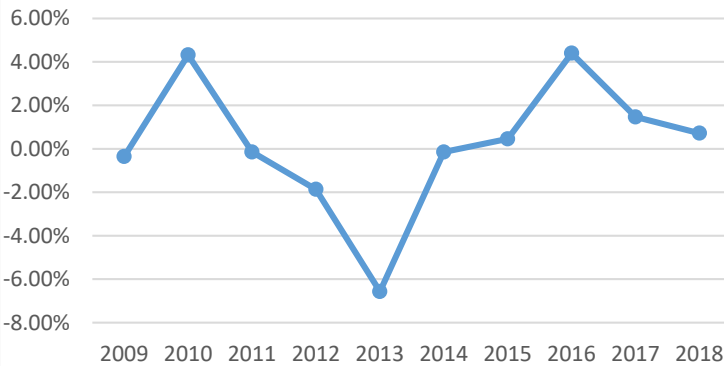


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Los Alamos, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.68%	2.94%	-2.26%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.21%	0.68%	-0.47%
Educational services	0.16%	0.51%	-0.35%
Finance and insurance	0.99%	2.75%	-1.75%
Health care and social assistance	2.94%	7.39%	-4.46%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	72.91%	7.21%	65.70%
Real estate and rental and leasing	6.06%	12.17%	-6.11%
Agriculture, forestry, fishing and hunting	0.00%	1.78%	-1.78%
Construction	0.67%	3.12%	-2.45%
Information	0.50%	3.21%	-2.71%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	0.02%	14.79%	-14.77%
Other services (except government and government enterprises)	0.74%	1.96%	-1.22%
Retail trade	1.23%	5.87%	-4.64%
Transportation and warehousing	0.00%	2.58%	-2.58%
Utilities	0.00%	1.57%	-1.57%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	7.92%	21.50%	-13.58%