

Quarterly Economic Summary

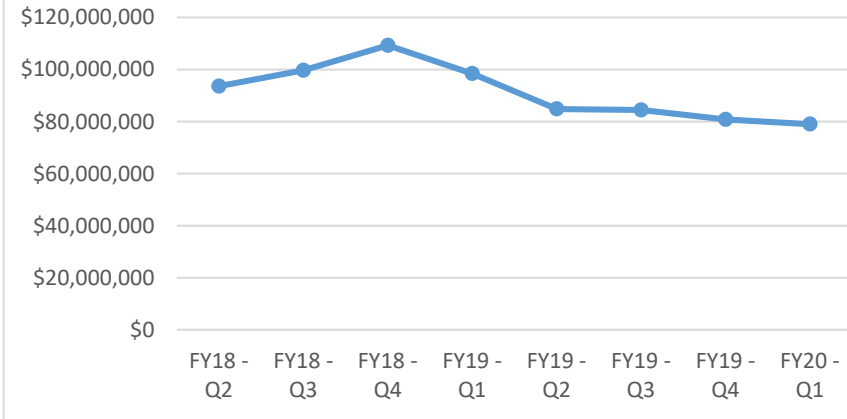
Luna County

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

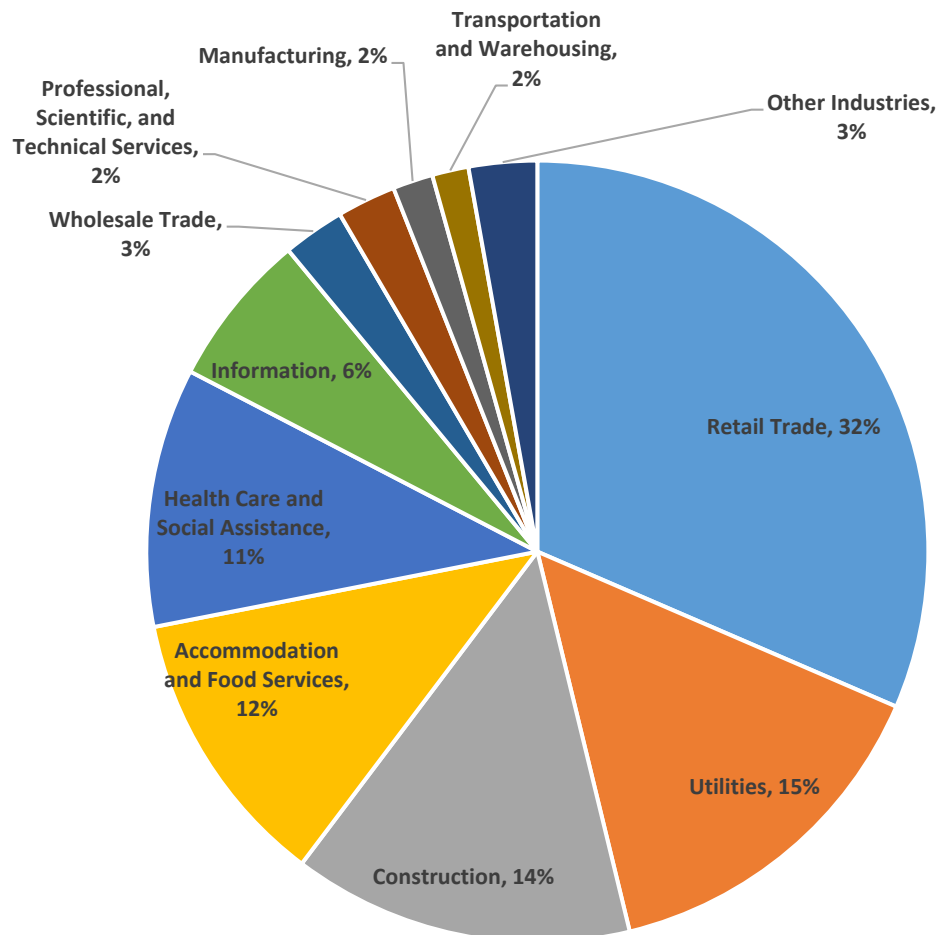
Chart 1. Matched Taxable Gross Receipts Per Quarter



Luna County's matched taxable gross receipts (MTGR) have been trending downward over the last eight quarters, as seen in Chart 1, and has seen quarter over quarter decline since Q4 FY18. Q1 FY20 saw a year over year (YOY) 20% decrease in MTGR. The Construction industry saw the largest YOY decrease in Q1 FY20, decreasing by \$9.7M. Other notable decrease was the Administrative/ Support & Waste Management/ Remediation industry which saw a \$5.5M decrease. The Other Services (except Public Administration)

Industry saw a negative amount in the first quarter of FY20, as seen in Table 1, on page 2. This negative amount for the quarter is likely due to over reporting in a prior period which is being corrected.

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	\$ 8,271,356	\$ 9,320,192	\$ 1,048,836	13%
Administrative/Support & Waste Management/Remediation	\$ 5,704,995	\$ 164,108	\$ (5,540,886)	-97%
Agriculture, Forestry, Fishing, and Hunting	\$ 91,584	\$ 100,970	\$ 9,386	10%
Arts, Entertainment, and Recreation	\$ 80,622	\$ 58,361	\$ (22,261)	-28%
Construction	\$ 21,039,628	\$ 11,303,657	\$ (9,735,970)	-46%
Educational Services	\$ 703,076	\$ 9,539	\$ (693,537)	-99%
Finance and Insurance	\$ 284,359	\$ 369,088	\$ 84,729	30%
Health Care and Social Assistance	\$ 8,468,866	\$ 8,589,262	\$ 120,397	1%
Information	\$ 4,972,455	\$ 5,127,493	\$ 155,037	3%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 1,433,757	\$ 1,335,144	\$ (98,613)	-7%
Mining, Quarrying, and Oil and Gas Extraction	\$ 148,026	\$ 61,383	\$ (86,643)	-59%
Other Services (except Public Administration)	\$ 4,703,749	\$ (1,233,698)	\$ (5,937,447)	-126%
Professional, Scientific, and Technical Services	\$ 1,949,235	\$ 1,952,546	\$ 3,311	0%
Public Administration	\$ 4,907	\$ 306,915	\$ 302,007	6154%
Real Estate and Rental and Leasing	\$ 1,176,304	\$ 1,048,371	\$ (127,934)	-11%
Retail Trade	\$ 23,383,604	\$ 25,259,562	\$ 1,875,957	8%
Transportation and Warehousing	\$ 672,218	\$ 1,208,540	\$ 536,321	80%
Unclassified Establishments	\$ 93,873	\$ 147,459	\$ 53,586	57%
Utilities	\$ 13,996,875	\$ 11,802,902	\$ (2,193,973)	-16%
Wholesale Trade	\$ 1,242,632	\$ 2,053,444	\$ 810,812	65%
All Industries	\$ 98,422,123	\$ 78,985,238	\$ (19,436,885)	-20%

Gross Receipts Tax (GRT) revenue collections have been trending downwards over the last eight quarters, as seen in Chart 4. Q1 FY20 saw the first quarter over quarter increase since Q4 FY18. 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

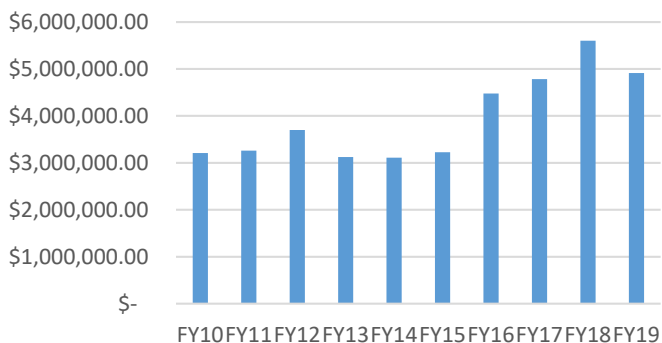
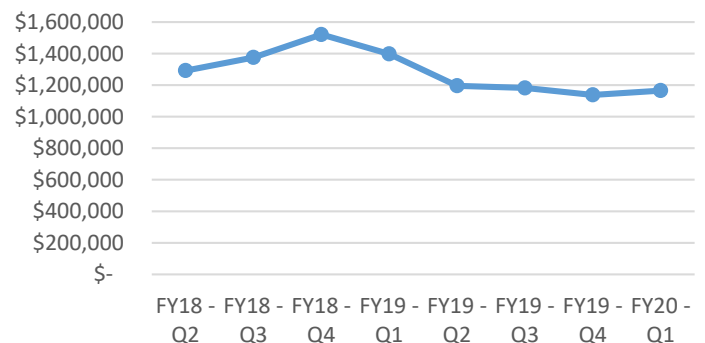


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

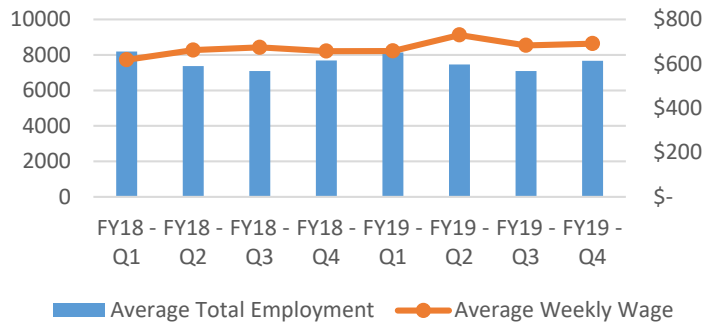


Chart 6. Quarterly Initial Unemployment Claims

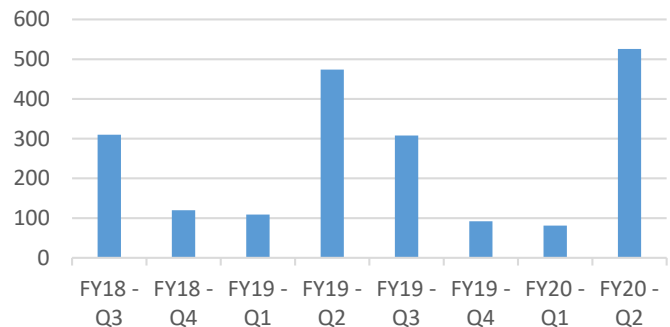
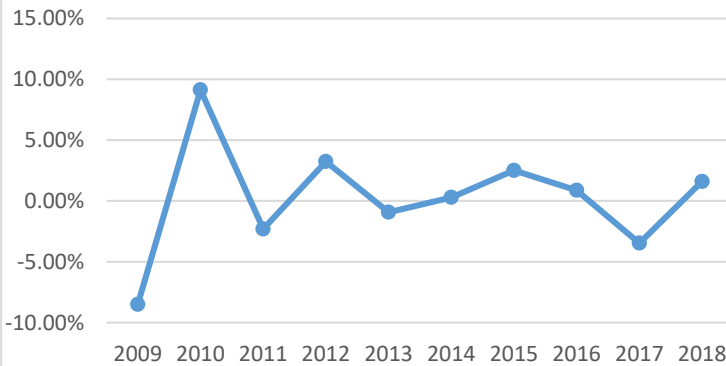


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Luna, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.90%	2.94%	-1.04%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.33%	0.68%	-0.34%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	1.07%	2.75%	-1.68%
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	1.02%	7.21%	-6.19%
Real estate and rental and leasing	15.24%	12.17%	3.07%
Agriculture, forestry, fishing and hunting	4.57%	1.78%	2.78%
Construction	3.13%	3.12%	0.02%
Information	0.00%	3.21%	-3.21%
Manufacturing	8.72%	4.31%	4.41%
Mining, quarrying, and oil and gas extraction	0.15%	14.79%	-14.64%
Other services (except government and government enterprises)	0.00%	1.96%	-1.96%
Retail trade	5.86%	5.87%	-0.01%
Transportation and warehousing	3.72%	2.58%	1.13%
Utilities	13.85%	1.57%	12.28%
Wholesale trade	1.33%	3.13%	-1.80%
Government and government enterprises	27.84%	21.50%	6.34%