

Quarterly Economic Summary

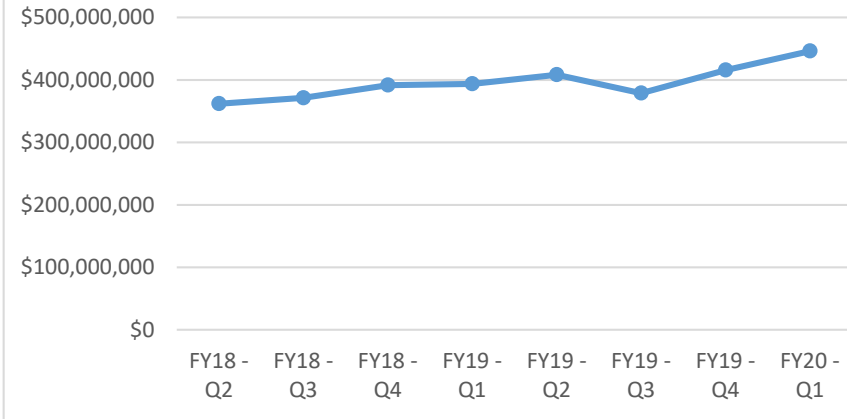
Sandoval County



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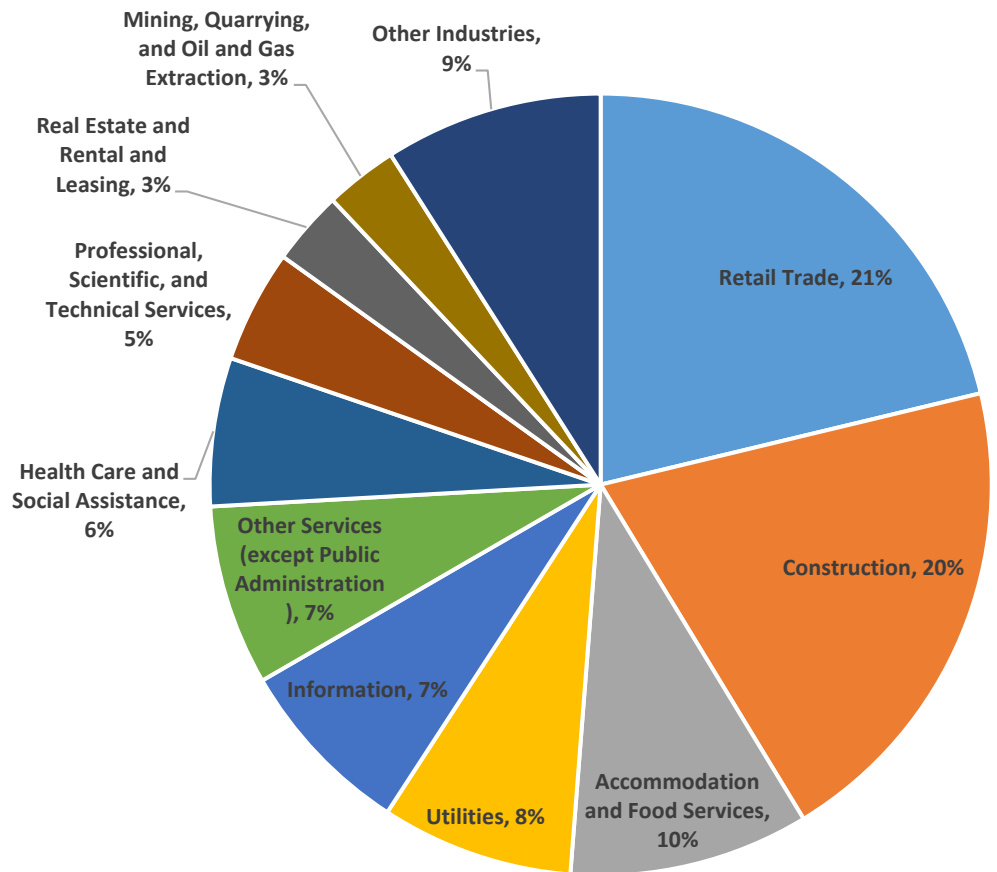
Chart 1. Matched Taxable Gross Receipts Per Quarter



Sandoval County has seen nearly stable growth in its matched taxable gross receipts (MTGR) over the last eight quarters, as seen in Chart 1. Sandoval County's MTGR has grown 23% from Q2 FY18 to quarter one of FY20. Table 1, on the next page, shows an increase of \$53M from Q1 FY19 to FY20 of the same period. The majority of the growth took place in Construction and Mining, with Mining seeing the largest increase, \$11M. This could be due to a filing error.

Sandoval County is home to Intel, so any reverberations throughout the economy could be a result of what that one company is doing, whether expanding or contracting.

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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Sandoval County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 39,191,667	\$ 44,275,032	\$ 5,083,366	13%
Administrative/Support & Waste Management/Remediation	\$ 7,266,915	\$ 9,015,117	\$ 1,748,202	24%
Agriculture, Forestry, Fishing, and Hunting	\$ 618,199	\$ 487,340	\$ (130,859)	-21%
Arts, Entertainment, and Recreation	\$ 2,164,995	\$ 2,279,300	\$ 114,305	5%
Construction	\$ 78,773,436	\$ 89,548,763	\$ 10,775,327	14%
Educational Services	\$ 2,840,923	\$ 2,918,267	\$ 77,344	3%
Finance and Insurance	\$ 1,022,391	\$ 1,032,681	\$ 10,290	1%
Health Care and Social Assistance	\$ 22,937,806	\$ 27,379,632	\$ 4,441,826	19%
Information	\$ 32,036,271	\$ 33,284,984	\$ 1,248,713	4%
Management of Companies and Enterprises	\$ -	\$ 53,619	\$ 53,619	N/A
Manufacturing	\$ 8,508,131	\$ 10,973,656	\$ 2,465,525	29%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,896,293	\$ 13,410,694	\$ 11,514,402	607%
Other Services (except Public Administration)	\$ 31,870,853	\$ 33,282,175	\$ 1,411,322	4%
Professional, Scientific, and Technical Services	\$ 17,637,965	\$ 20,810,700	\$ 3,172,735	18%
Public Administration	\$ 6,087	\$ 16,912	\$ 10,825	178%
Real Estate and Rental and Leasing	\$ 12,051,652	\$ 13,672,387	\$ 1,620,734	13%
Retail Trade	\$ 87,542,941	\$ 94,780,367	\$ 7,237,425	8%
Transportation and Warehousing	\$ 2,805,480	\$ 5,338,542	\$ 2,533,062	90%
Unclassified Establishments	\$ 1,513,913	\$ 1,261,779	\$ (252,133)	-17%
Utilities	\$ 36,049,368	\$ 35,468,774	\$ (580,593)	-2%
Wholesale Trade	\$ 6,921,966	\$ 6,888,906	\$ (33,060)	0%
All Industries	\$ 393,657,251	\$ 446,179,627	\$ 52,522,376	13%

Gross Receipts Tax (GRT) revenue collections rose significantly in Q1 FY20, as seen in Chart 4. Annual GRT collections have trended slightly downwards since FY10. With that being said, an uptick was seen in FY19 that represented an 18% increase year over year.

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

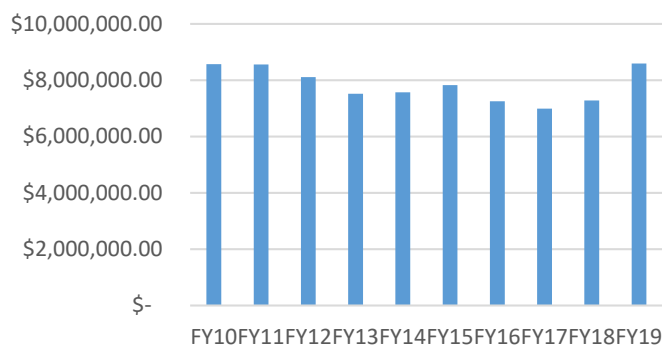
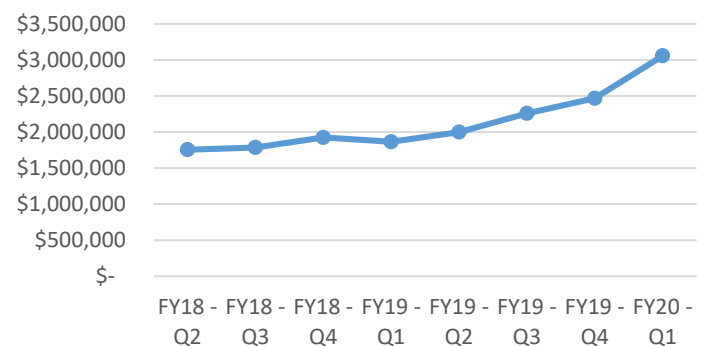


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary

Sandoval County



Chart 5. Quarterly Average Total Employment & Weekly Wage

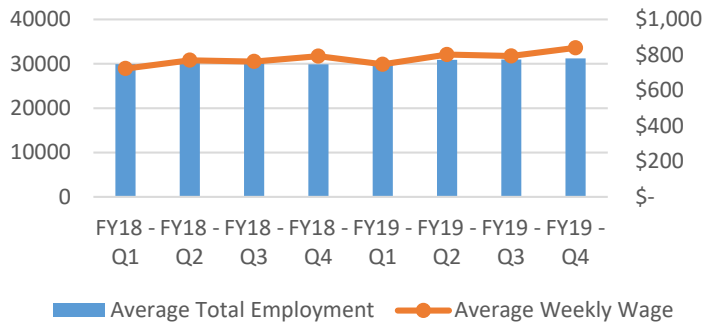


Chart 6. Quarterly Initial Unemployment Claims

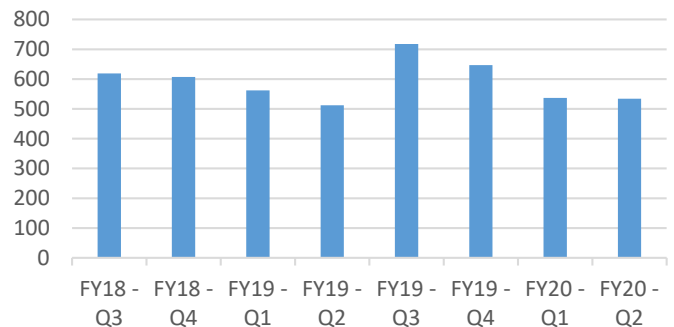
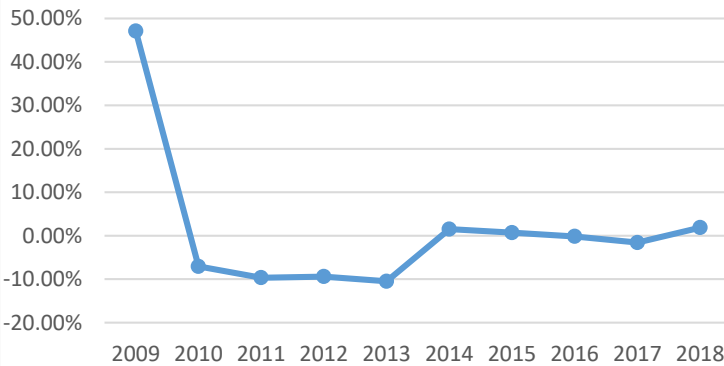


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Sandoval, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.86%	2.94%	0.92%
Administrative and support and waste management and remediation services	8.27%	2.51%	5.76%
Arts, entertainment, and recreation	0.71%	0.68%	0.03%
Educational services	0.38%	0.51%	-0.13%
Finance and insurance	1.66%	2.75%	-1.09%
Health care and social assistance	6.47%	7.39%	-0.92%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	4.47%	7.21%	-2.74%
Real estate and rental and leasing	16.43%	12.17%	4.26%
Agriculture, forestry, fishing and hunting	0.00%	1.78%	-1.78%
Construction	3.71%	3.12%	0.60%
Information	3.47%	3.21%	0.26%
Manufacturing	14.31%	4.31%	9.99%
Mining, quarrying, and oil and gas extraction	3.45%	14.79%	-11.34%
Other services (except government and government enterprises)	2.90%	1.96%	0.94%
Retail trade	6.20%	5.87%	0.33%
Transportation and warehousing	1.04%	2.58%	-1.54%
Utilities	0.00%	1.57%	-1.57%
Wholesale trade	2.43%	3.13%	-0.70%
Government and government enterprises	18.67%	21.50%	-2.83%