CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE:

November 20, 2013

TO:

Mayor Thomas Swisstack,

Council Members: Chuck Wilkins, Patricia Thomas, Tamara Gutierrez, Mark

Scott, Timothy Crum, and Lonnie Clayton

Keith Riesberg, City Manager and Laura Fitzpatrick, Assistant City Manager

FROM:

Marta Ortiz, Acting Financial Services Director

SUBJECT:

November 2013 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for November, which is based on September economic activity, was \$2,432,809 after adjustments, \$244,394 or 11.17 percent above the monthly estimate. Fiscal year to date, GRT distributions are 1.55 percent or \$164,892 above the annual estimate. Below are highlights of the month's distribution and attached is the Gross Receipts Tax Dashboard showing notable GRT trends.

- The total fiscal year to date through November GRT distribution was 2.3 percent higher than November of 2012. The Manufacturing sector bounced back on a year over year basis. 13 out of 22 sectors rose compared to last November.
- This month's total Construction sector distribution was \$142,971, or 6.8 percent lower than fiscal year to date through November of 2012 and slightly lower than the FY13 monthly average of \$394,765. November Construction GRT distributions are 17 percent lower.
- The Manufacturing distribution shows a moderate decline in November to \$102,532. Manufacturing companies are now remitting GRT on various utility expenditures, including electricity, instead of the utility companies. Timing of these tax payments likely led to the large swings seen over the last two months (See Chart 6).
- The Utilities distribution amount rose significantly to \$715,265 or 114.7 percent from last November and is about 5.4 percent lower fiscal year to date. The State Taxation and Revenue Department (TRD) specify a continued issue with Utility Distribution is volatility. As noted above, the decline is the change in reporting for electricity used in the manufacturing process. TRD is researching further to determine why the large variance in the Utilities distribution from the prior month.
- The other two major sectors, Retail and Services, were little changed compared to one year ago. However, fiscal year to date, these two major sectors are moving in different directions.

Retail is 5.1 percent lower, fiscal year to date, while Services are 3.9 percent higher. While overall Retail sector is lower, food related sales are slightly higher compared to the same period last year. Within the Services sector, the Admin and Support sector, fiscal year to date is 54.1 percent higher compared to the same time last year, health care related distributions, and educational services are also stronger. Professional Scientific and Technical GRT is about 6.4 percent lower fiscal year to date.

Rio Rancho Gross Receipts Tax Dashboard











