## CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

## **MEMORANDUM**

DATE: October 16, 2012

TO: Mayor Thomas Swisstack,

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

Scott, Timothy Crum, and Lonnie Clayton

James Babin, Acting City Manager

Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

**SUBJECT:** October 2012 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for October, which is based on August economic activity, was \$2,139,678 after adjustments, \$158,166 or eight percent above the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$147 below the estimate, which reflects a 0.0 percent error rate in the annual estimate. Below are some highlights of this month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The October General Fund GRT distribution was approximately 10 percent lower than the distribution in October of 2011, with construction seeing the most significant year over year declines. Fiscal year to date, the General Fund GRT distribution is 9.1 percent lower compared to the same period last year.
- Construction GRT rose considerably from last month, over 45 percent to \$475,222 before adjustments. Fiscal year to date, however, construction is down 29 percent. We continue to see improvements in monthly housing construction permits, though construction GRT revenue is still lower when compared to last October, a time when both hospitals were continuing to pay construction GRT.
- The Services sector revenue is mostly unchanged from October of 2011 to \$697,706. Fiscal year to date, the sector is down 0.7 percent, with Professional, Scientific and Technical Services and Information and Cultural Industries leading the YTD declines. On a positive note, the Medical Hold Harmless distribution is 25 percent higher fiscal year to date. Similarly, the Health Care and Social Assistance sector revenue continues to show strength and is 24 percent higher fiscal year to date. Educational Services is another industry to keep an eye on, as it is 54 percent lower fiscal year to date.
- After seeing some volatility in the monthly distributions over recent months, the Finance

and Insurance sector revenue has returned closer to the historical monthly average at \$27,188. Fiscal year to date, this sector is down 26 percent.

- Revenue from the broad Retail sector (which incorporates Retail, Accommodation and Food Services and the Food Hold Harmless distribution) rose four percent compared to the amount received in October of 2011, to \$1,030,798. Fiscal year to date, this broad sector is two percent higher, with the Food Hold Harmless distribution and the Accommodation and Food Services subsector leading the gains, up 4.5 and 3.9 percent, respectively, fiscal year to date.
- The Utilities, Transportation and Warehousing sector monthly distribution was comparable to last October, but is 2.9 percent higher fiscal year to date.

## **Rio Rancho Gross Receipts Tax Dashboard**











