CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: April 17, 2013

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: April 2013 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for April, which is based on February economic activity, was \$1,568,779 after adjustments, \$195,688 or 11.1 percent below the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$60,626 above the estimate, which reflects a 0.3 percent variance. Below are highlights of the month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The total April GRT distribution was approximately 12 percent lower than the total in April of 2012. Compared to last April, the Utilities sector saw the largest change, falling 63 percent. Construction, Retail, and Professional Scientific and Technical Services sector distributions fell 29, 8.7, and 26.4 percent, respectively, from last April. Year over year, 8 sectors were higher than last April, while 13 sectors were lower than last April. Fiscal year to date, total (cumulative) GRT revenue is 4 percent lower compared to FY12 (the majority of which is related to the Hospital construction impact in FY11 and FY12).
- Fiscal year to date, the Construction sector has experienced the largest decline, though that negative growth continues to diminish, currently at -25 percent from -35 percent in November. The Utilities sector has also seen considerable declines, fiscal year to date, down a little over 8 percent and is the second worse performing sector.
- The April Utilities sector distribution of \$116,261 is one of the lowest on record. This could be a tax reporting issue and we may likely see a makeup payment next month.
- On the positive side, the Services sector is 4.6 percent higher fiscal year to date, the Manufacturing sector is 85 percent higher, FYTD, which translates to approximately \$200,000 for the General Fund. Also, Retail is 1 percent higher, FYTD. Note, the Health Care and Social Assistance sector, which is taxable activity (not hold harmless portion), has grown about \$280,000 FYTD and is the strongest performing sector.

Rio Rancho Gross Receipts Tax Dashboard











