

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: September 16, 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: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: **September 2013 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for September, which is based on July economic activity, was \$2,224,696 after adjustments, \$205,498 or 10.2 percent above the monthly estimate. Fiscal year to date, GRT payments are 2.5 percent below 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 September GRT distribution was 7.4 percent higher than September of 2012. Two major sectors bounced back on a year over year and a month over month basis, Manufacturing and Construction. 13 out of 22 sectors rose compared to last September.
- This month's total Construction sector distribution was \$494,246, or 38 percent higher than September of 2012 and significantly higher than the FY13 monthly average of \$390,490. Fiscal year to date, Construction GRT distributions are 5.8 percent higher.
- After averaging \$90K in each of the last six months, and declining significantly last month, the Manufacturing distribution rose sharply in September to \$205,175. 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 fell 35 percent from last September and is about 35 percent lower fiscal year to date. As noted above, one of the primary reasons for the decline is the change in reporting for electricity used in the manufacturing process, however, other factors such as demand related to weather, may be coming into play.
- 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 2 percent lower, fiscal year to date, while Services are 6 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 is 71 percent higher compared to the same time last year, health care related distributions, and educational services are stronger. Professional Scientific and Technical GRT is about 30 percent lower fiscal year to date.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

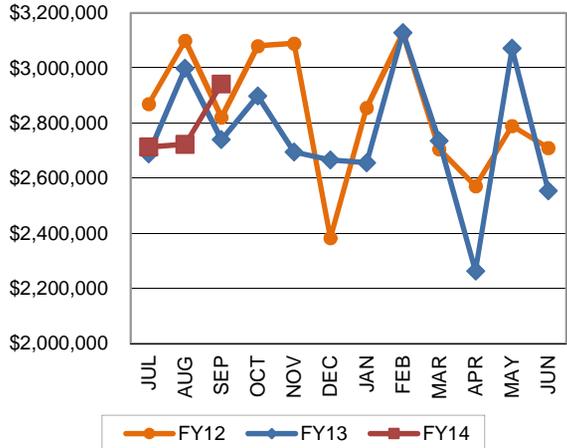


Chart 2: FY14 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

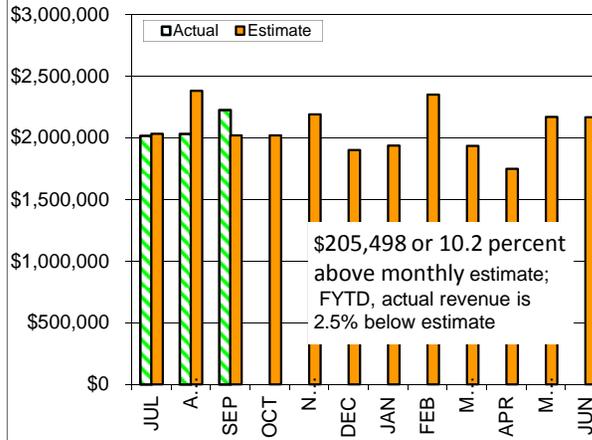


Chart 3: FY14 YTD Total GRT Distribution compared to FY13 YTD through September

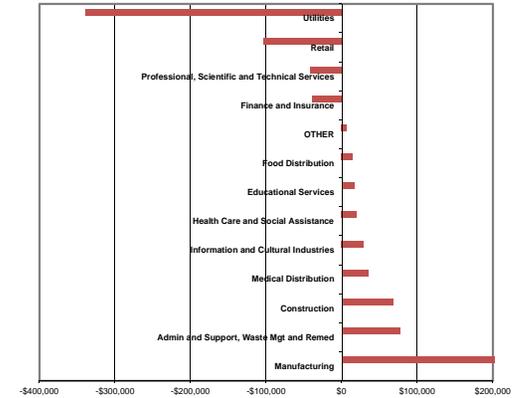


Chart 4: Health Care and Social Assistance and Medical Hold Harmless Distribution

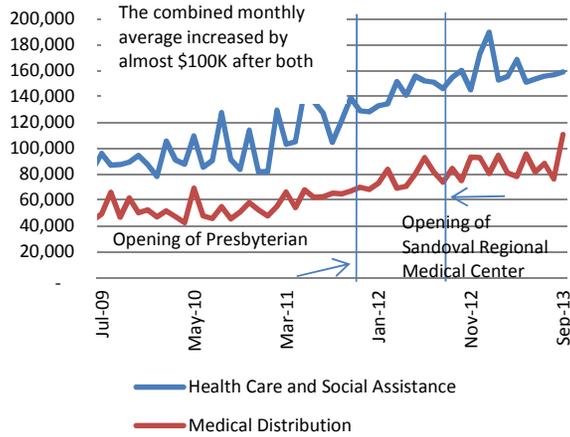


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

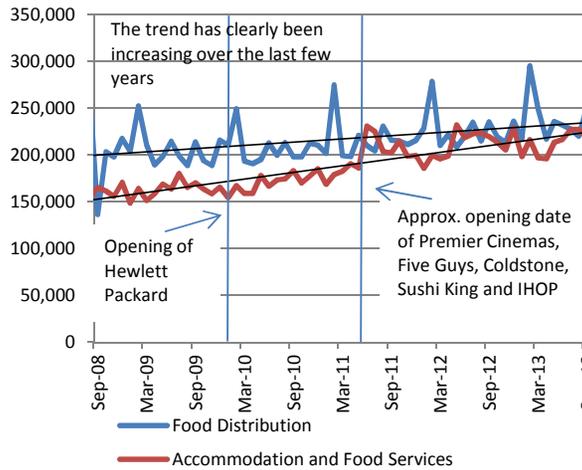


Chart 6: Manufacturing GRT Distribution

