

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: January 22, 2014

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: **January 2014 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for January, which is based on November economic activity, was \$1,788,421 after adjustments, (\$147,899) or 7.64 percent below the monthly estimate. Fiscal year to date, GRT distributions are 0.60 percent or \$86,690 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 January GRT distribution was 0.6 percent higher than January of 2013. The Manufacturing sector continues to moderately increase on a year over year basis. 8 out of 22 sectors fell compared to last January.
- This month's total Construction sector distribution was \$238,085, or 8.1 percent lower than fiscal year to date through January of 2013 and slightly lower than the FY13 monthly average of \$58,404 or 14.3 percent.
- The Manufacturing distribution shows a decrease from \$108,307 in December to \$85,090 in January, due to a slight adjustment made from prior period adjustments. Manufacturing companies are continuing to remit 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 several months (See Chart 6).
- The Utilities distribution amount fell 23.9 percent from last January and is about 12.5 percent lower fiscal year to date. As noted above, the decline is the change in reporting for electricity used in the manufacturing process.
- The other two major sectors, Retail and Services, show a slight change compared to one year ago. Retail is on average 4.2 percent higher, fiscal year to date, while Services are lower by 0.7 percent.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

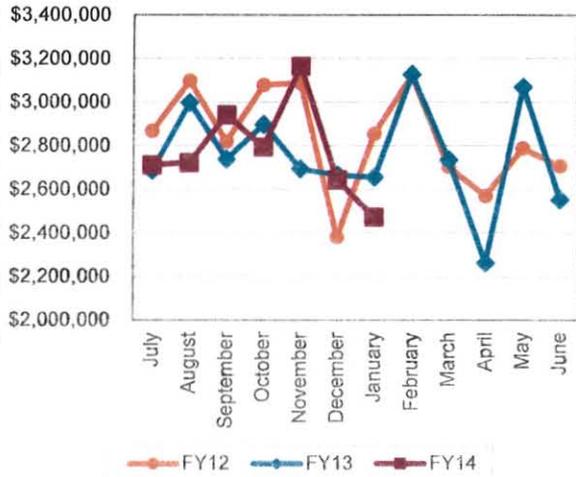


Chart 2: FY14 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

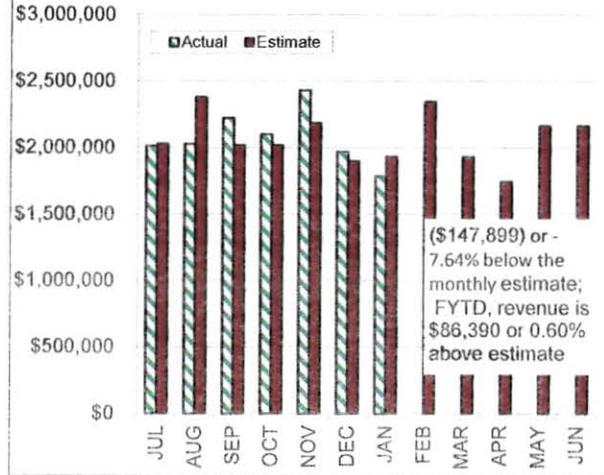


Chart 3: FY14 YTD Total GRT Distribution compared to FY13 YTD through January

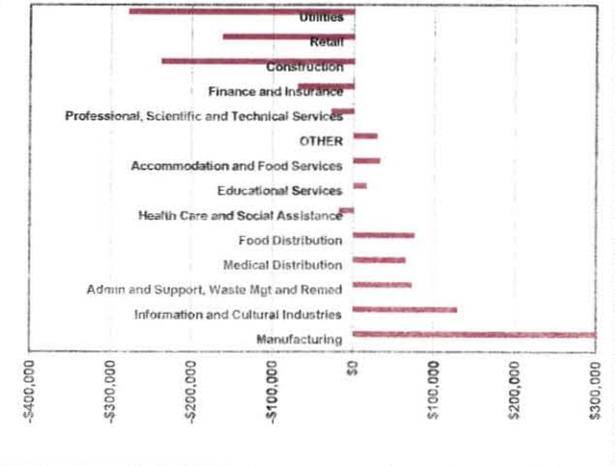


Chart 4: Health Care and Social Assistance and Medical Hold Harmless Distribution

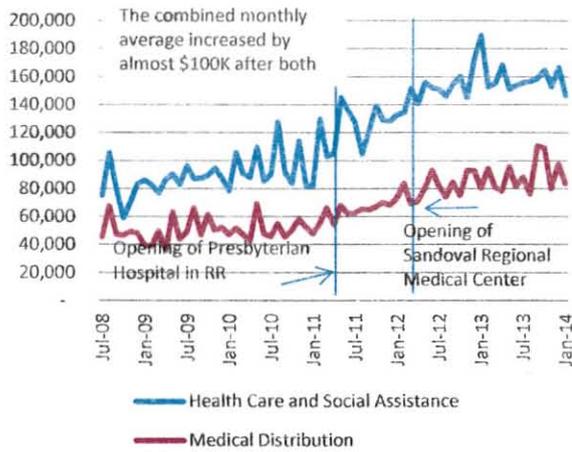


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

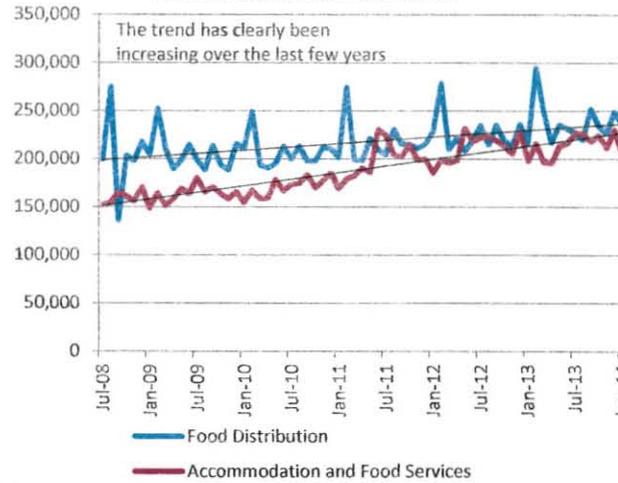


Chart 6: Manufacturing and Utilities GRT Distribution

