

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: February 17, 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, Interim Financial Services Director

SUBJECT: **February 2014 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for February, which is based on December economic activity, was \$2,396,325 after adjustments, \$40,261 or 1.71 percent above the monthly estimate. Fiscal year to date, GRT distributions are 0.49 percent or \$82,318 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 February GRT distribution was 0.5 percent higher than February of 2013. The Manufacturing sector grew considerably from last February, growing 145 percent and continues to moderately increase on a year over year basis.
- This month's total Construction sector distribution was \$280,962, or 8.3 percent lower than fiscal year to date through February of 2013 and slightly lower than the FY13 monthly average of \$42,876 or 10.5 percent.
- The Manufacturing distribution grew considerably from last February fiscal year to date, growing 145.6 percent. While month over month shows a slight increase of \$20,595 or 66.6 percent from last February. 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 15.8 percent from last February and is 13.0 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 0.06 percent lower, fiscal year to date, while Services are higher by 4.7 percent. 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

and Educational sectors are 25.9 and 38.3 percent, respectively, higher compared to the same time last year.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

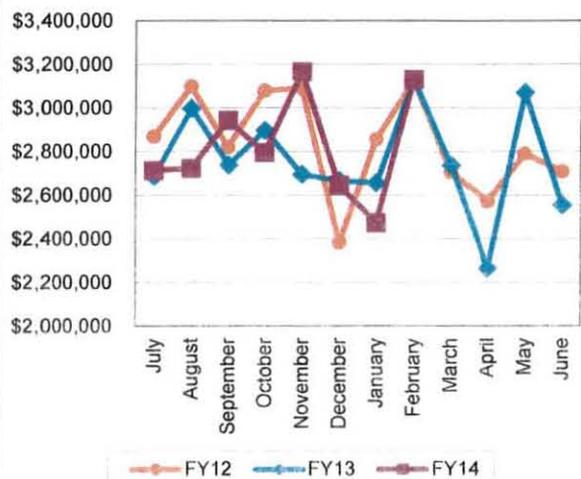


Chart 2: FY14 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

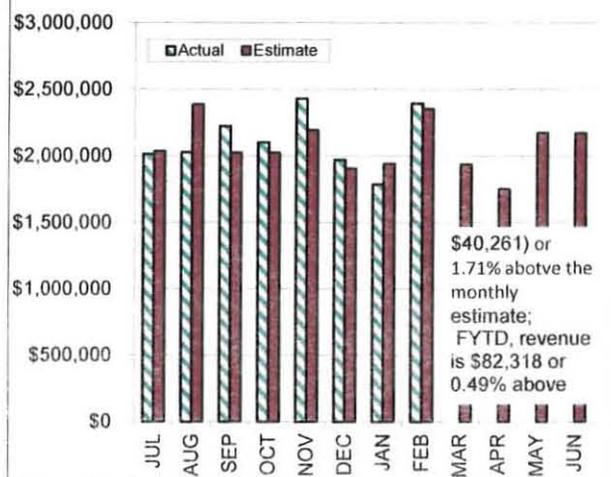


Chart 3: FY14 YTD Total GRT Distribution compared to FY13 YTD through February

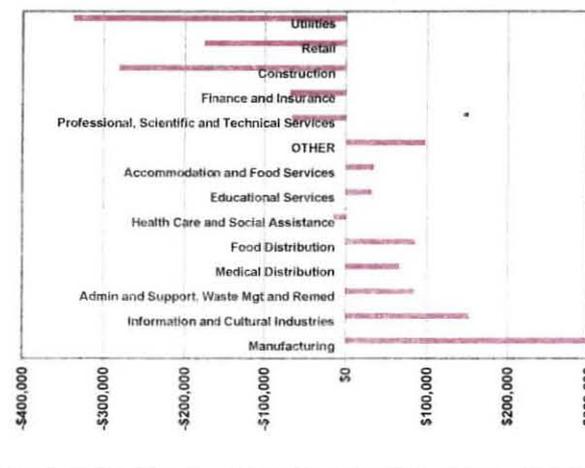


Chart 4: Health Care and Social Assistance and Medical Hold Harmless Distribution

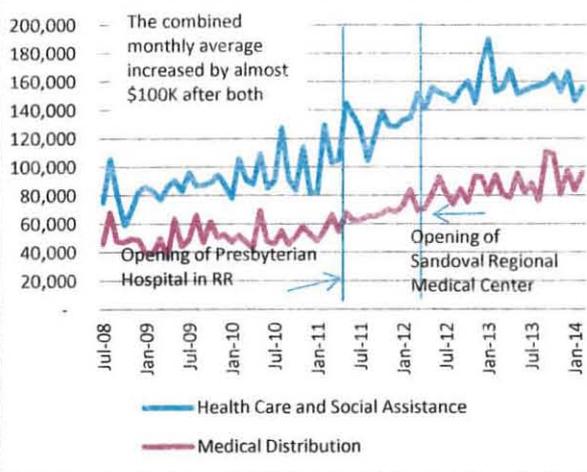


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

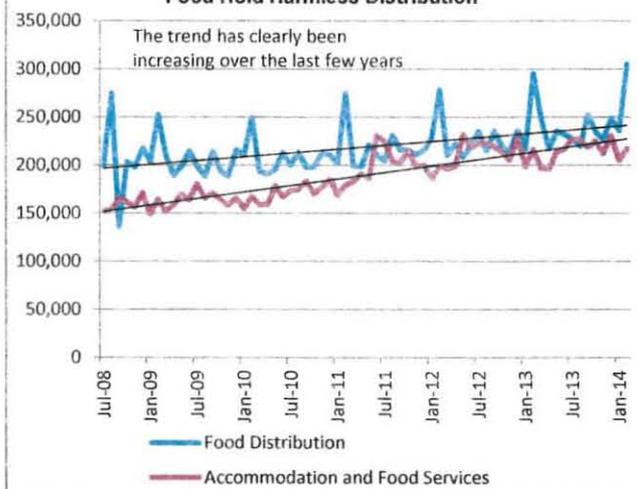


Chart 6: Manufacturing and Utilities GRT Distribution

