

**CITY OF RIO RANCHO  
DEPARTMENT OF FINANCIAL SERVICES**

**MEMORANDUM**

DATE: July 30, 2018

TO: Mayor Gregory Hull, Council Members Jim Owen, Dawnn Robinson, Bob Tyler,  
Marlene Feuer, Jennifer Flor, and Dave Bency  
Keith Riesberg, City Manager  
John Craig, Deputy City Manager

FROM: Carole H. Jaramillo, Director of Financial Services

SUBJECT: **July Gross Receipts Tax and Recent Labor Market Indicators**

**Gross Receipts Tax**

Attached please find the monthly dashboard for July GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,547,285 which was \$264,202 above the revenue estimate, starting off the year with a positive variance of 11.6%. Compared to the prior fiscal year, there is a positive variance of \$298,484 or 13.3 percent for the General Fund. Staff is faced with significant challenges analyzing gross receipts tax revenues due to the limited information the Taxation and Revenue Department (TRD) provides. Ensuring the City is receiving all of the GRT it is due cannot be accomplished under the current system which makes validating the information received from TRD impossible.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Sectors with positive growth compared to the same period in FY 2018 are health care and social assistance at 47.9 percent, professional, education and other services at 19.5 percent, accommodation and food services at 17.0 percent, the food distribution at 15.0 percent, retail trade at 9.5 percent, and "other" industries at 2.3 percent. The manufacturing sector is reporting a 135.3 percent positive growth from last fiscal year. Although this is large percentage increase, it is important to note that manufacturing is a relatively small sector within the City's gross receipts tax collections, thus this large increase has a relatively small impact. There is significant negative growth in finance, insurance and real estate of 12.5 percent, information and cultural industries at 10.7 percent, utilities, transportation and warehousing at 6.6 percent and medical distribution at 5.9 percent. The key sector of construction, which reflected significant negative growth throughout fiscal year 2018, shows that it has somewhat stabilized with negative growth of just 2.2 percent.

**Labor Market Indicators**

Employment data for the State as a whole the seasonally adjusted unemployment rate was 4.9 percent in June 2018, down from 5.1 percent in May and 6.1 percent in June, 2017. In contrast, the national unemployment rate was 4.0 percent, up from 3.8 percent in May but down from 4.3 percent in June 2017. The full June *Employment News Release* (statewide numbers only) can be found here:

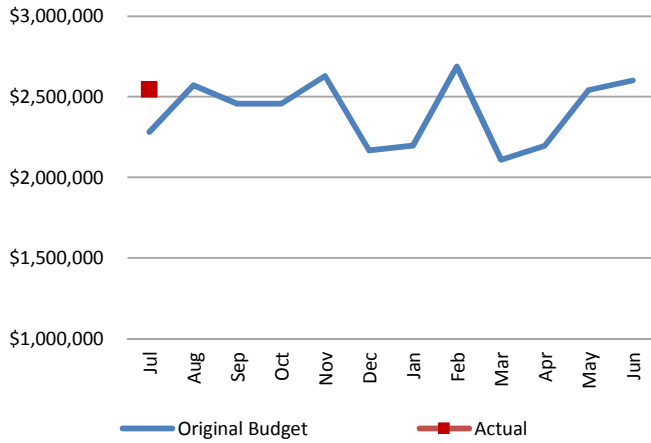
[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_0618.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0618.pdf)

Employment for the Albuquerque MSA for the month of June, 2018 increased by 1.3 percent gaining 5,200 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr\\_June\\_18.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr_June_18.pdf)

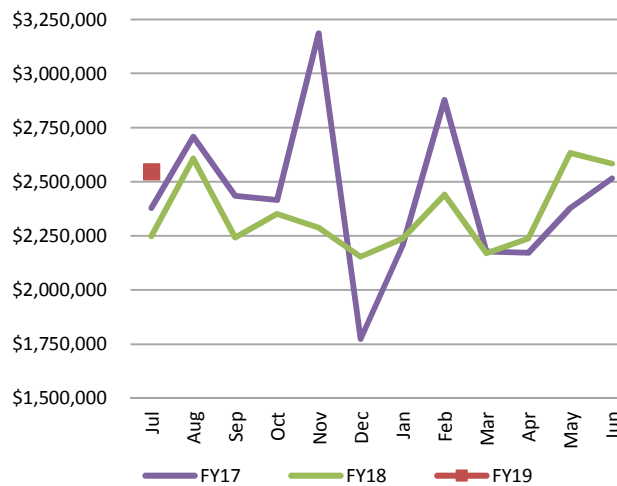
# Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY19 Original vs. Actual**



*\*July 2018 is \$264K or 13.3% above the FY19 estimate*

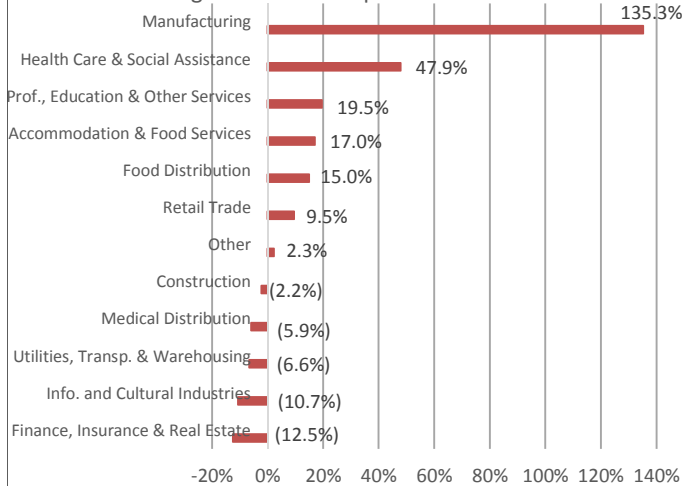
**Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years**



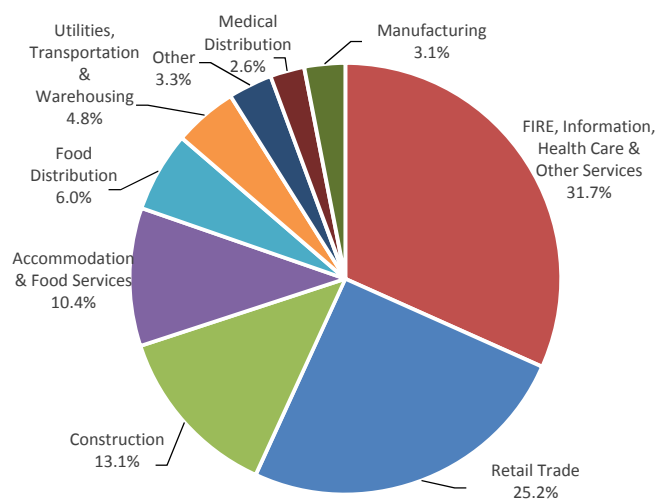
**Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years**



**Chart 4: GRT Distribution by Industry % Change FY19 YTD compared to FY18 YTD**



**Chart 5: GRT Distribution by Industry FY18 YTD**



**Chart 6: Changing Composition of GRT**

