

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

MEMORANDUM

DATE: May 28, 2019

TO: Mayor Gregory Hull, Council Members Jim Owen, Jeremy Lenentine, Bob Tyler, Marlene Feuer, Jennifer Flor, and Dave Bency  
John Craig, Acting City Manager

FROM: Juan C Mejia, Budget & Grants Division Manager

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

**Gross Receipts Tax**

Attached please find the monthly dashboard for April GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,831,275, which was \$126,585 above the revised revenue estimate. Year-to-date the City has a positive revised budget to actual gross receipts tax variance of 5.7 percent. Compared to the prior fiscal year actuals, there is a positive variance of \$3.0 million or 11.9 percent for the General Fund. This is a significant year over year variance. Staff does not believe the increase is entirely related to business activity. Although there does seem to be increased business activity, staff believes GRT adjustments account for a significant portion of the increase. Staff is not able to validate this belief due to limitations on the information obtainable from the Taxation and Revenue Department.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Year-to-date, sectors with positive growth compared to the same period in FY 2018 are manufacturing at 22.5 percent, professional, education and other services at 15.6 percent, health care and social assistance at 10.1 percent, utilities, transportation and warehousing at 11.4 percent, "other" industries at 10.1 percent, retail trade at 4.7 percent, and accommodation and food services at 1.9 percent. The key sector of construction, which reflected negative growth throughout fiscal year 2018, is now showing significant growth of 25.0 percent. This is a very positive sign, however the large swing and is likely due to adjustments as well as the increased construction activity. The finance, insurance and real estate sector has a spike growth of 124.8 percent. The food distribution is negative, 4.1 percent, when compared to fiscal year 2018. There is negative growth in the information and cultural industries sector of 2.4 percent, and the medical distribution of 11.4 percent.

**Labor Market Indicators**

Employment data for the State as a whole shows the seasonally adjusted unemployment rate was 5.0 percent in April 2019, down from the rates in March 2019 at 5.1 percent and up from 4.9 percent in the previous year. In contrast, the national unemployment rate in April was 3.6 percent, down from 3.8 percent in March 2019 and 3.9 percent in April 2018. Employment news release

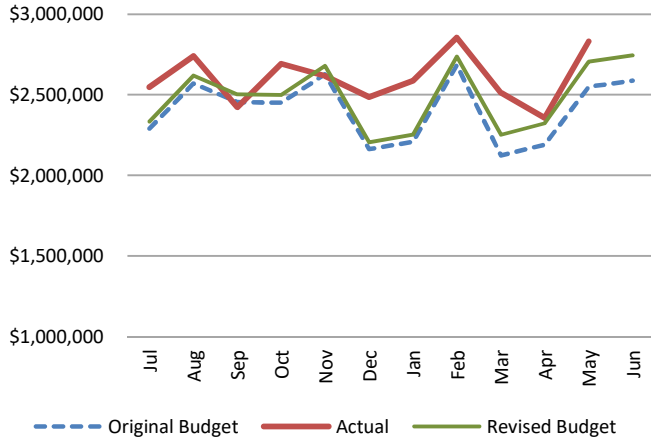
[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_0419.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0419.pdf)

Employment for the Albuquerque MSA for the month of April 2019 increased by 2,500 jobs, or 0.6 percent year-over-year. Following is the link to the *Labor Market Review* for the month of March: Labor market review

[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr\\_Apr\\_19.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr_Apr_19.pdf)

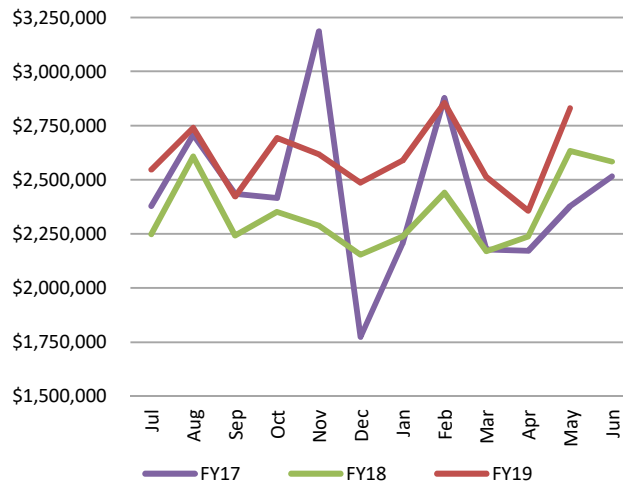
# Rio Rancho Gross Receipts Tax Dashboard

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

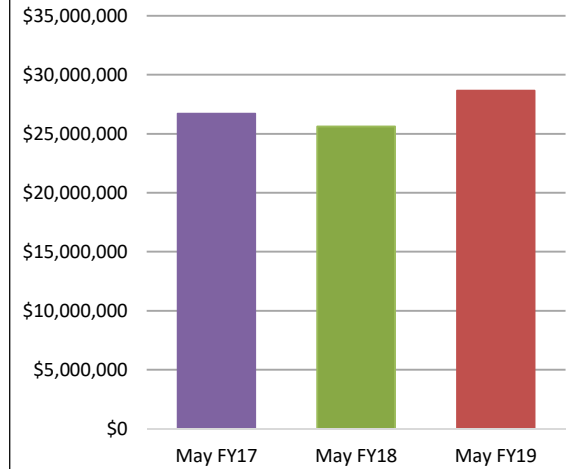


**\*Y-T-D March 2019 is \$1.4 million or 6.5% above the FY19 revised**

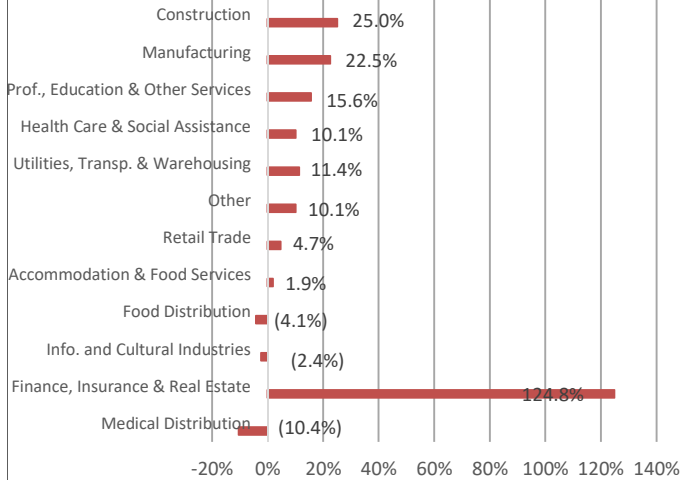
**Chart 2: Gross Receipts Tax Monthly Revenue  
General Fund Current Year vs. Prior Years**



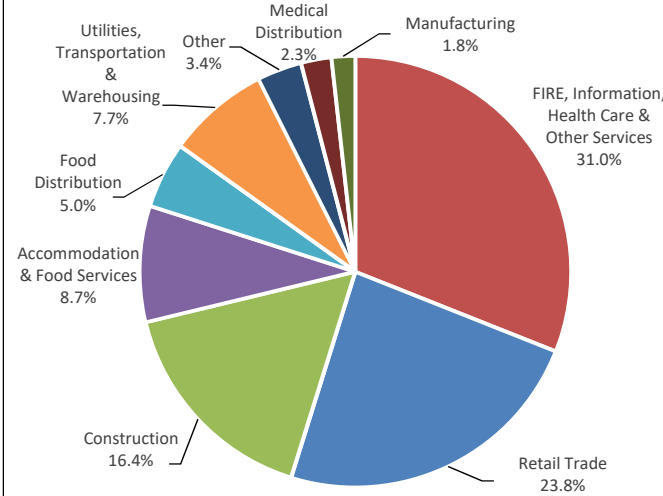
**Chart 3: Gross Receipts Tax Year-to-Date Revenue  
General Fund Current vs. Prior Years**



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



**Chart 5: GRT Distribution by Industry FY19 YTD**



**Chart 6: Changing Composition of GRT**

