

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

MEMORANDUM

DATE: May 16, 2011

TO: Mayor Thomas Swisstack  
Michael J. Williams, Council Member  
Patricia Thomas, Council Member  
Tamara L. Gutierrez, Council Member  
Steven L. Shaw, Council Member  
Timothy C. Crum, Council Member  
Kathleen Colley, Council Member  
James Jimenez, City Manager  
Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: **May 2011 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for the month of May, which is based on February activity, was \$2,389,369 after deductions, \$179,581 above the monthly estimate (see Attachment 1, FY11 Gross Receipts Tax Revenue Estimate vs. Actual). Year-to-date Fiscal Year 2011 (FY11), GRT revenue is \$845,697 or 4 percent higher than the annual estimate and approximately 6.2 percent higher than FY10 through the same period.

Attachments 3 and 4 illustrate the trends in Gross Receipts Tax revenues by monthly totals and major sector activity. Below are some highlights of these graphs.

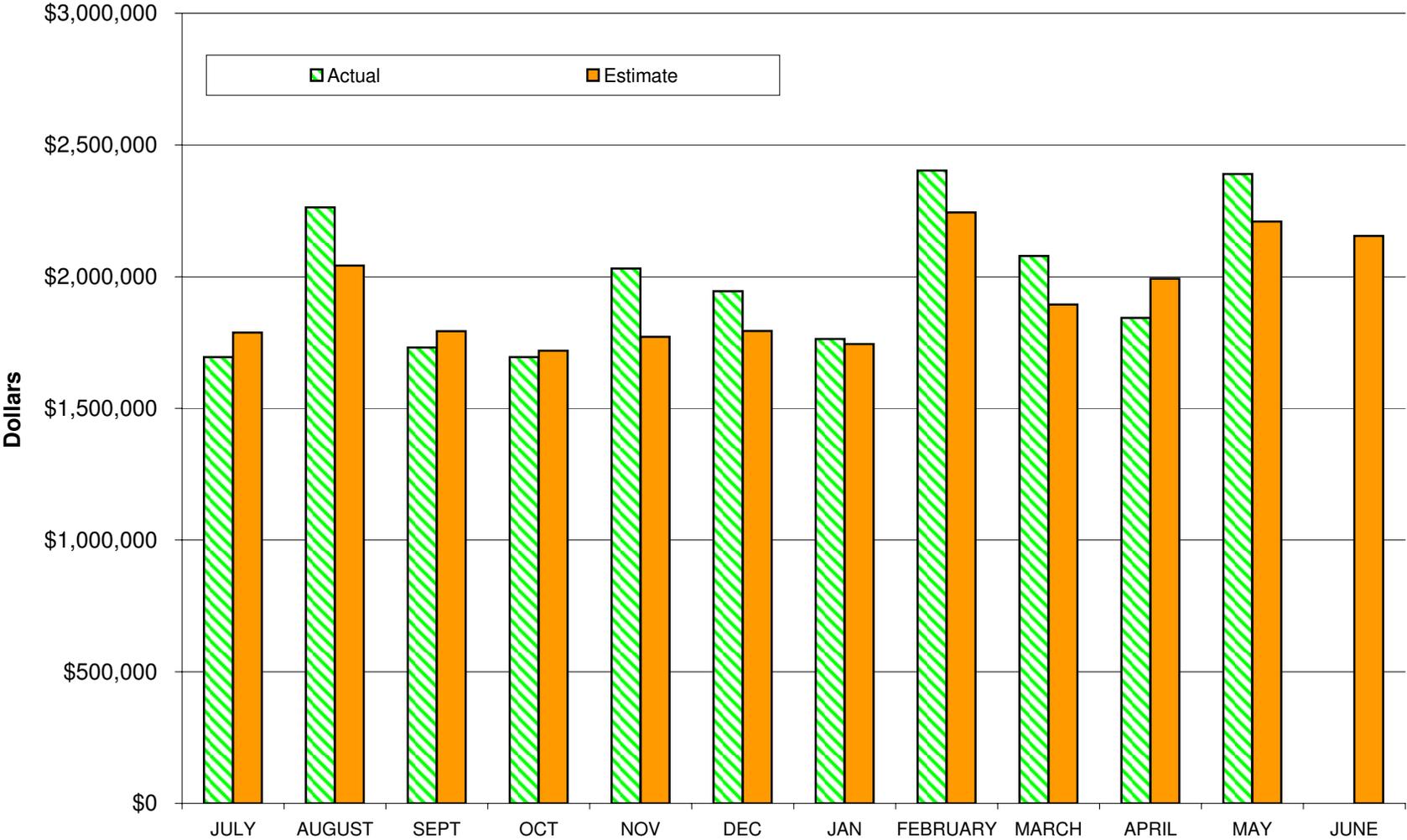
- The May GRT distribution was 26 percent or \$496,015 above May 2010. Our estimate indicates that \$167,397 of this amount is due to the new 0.25% GRT increment. YTD, there are only three major sectors that are below FY10, these are retail, wholesale trade and manufacturing. Services and utilities are significantly higher compared to FY10.
- Construction GRT revenue increased over 68.5 percent compared to May 2010, most of which is attributed to the two hospital construction projects and other commercial projects underway. As noted recently, the strength of these commercial projects has greatly improved the overall GRT revenue since the low of October. With the May distribution, GRT revenue from construction activity is now almost 1 percent higher compared to the same period last year, or \$48,633 higher.
- Retail revenue was about 8.4 percent higher than the amount in May 2010. Revenue from

retail activity has continued to improve and is now only 0.4 percent lower than FY10.

- The Services sector revenue was 21 percent higher than May 2010. Compared to FY10 YTD, this revenue is 5.7 percent higher. Last month, the Professional, Scientific, and Technical Services, a sub sector of Services saw a large net negative payment of -\$50,835, which was attributed to amended returns. This month, this number bounced back, above the historical monthly average at \$146,820.
- The Transportation, Communications, and Utilities (TCU) sector monthly revenue was 4.9 percent below last May. This sector is about 6.1 percent higher compared to the same period in FY10, losing some of its previous gains.
- Manufacturing GRT was 90 percent higher than last May at \$33,602. Fiscal year to date, Manufacturing is 5.1 percent lower compared with the same period last fiscal year, which is an improvement from previous months.

Please see Attachment 2 that shows the amounts of GRT collected by industry and compares YTD revenue and percent of total to the prior fiscal year.

# FY11 Gross Receipts Tax Revenue Estimate vs. Actual

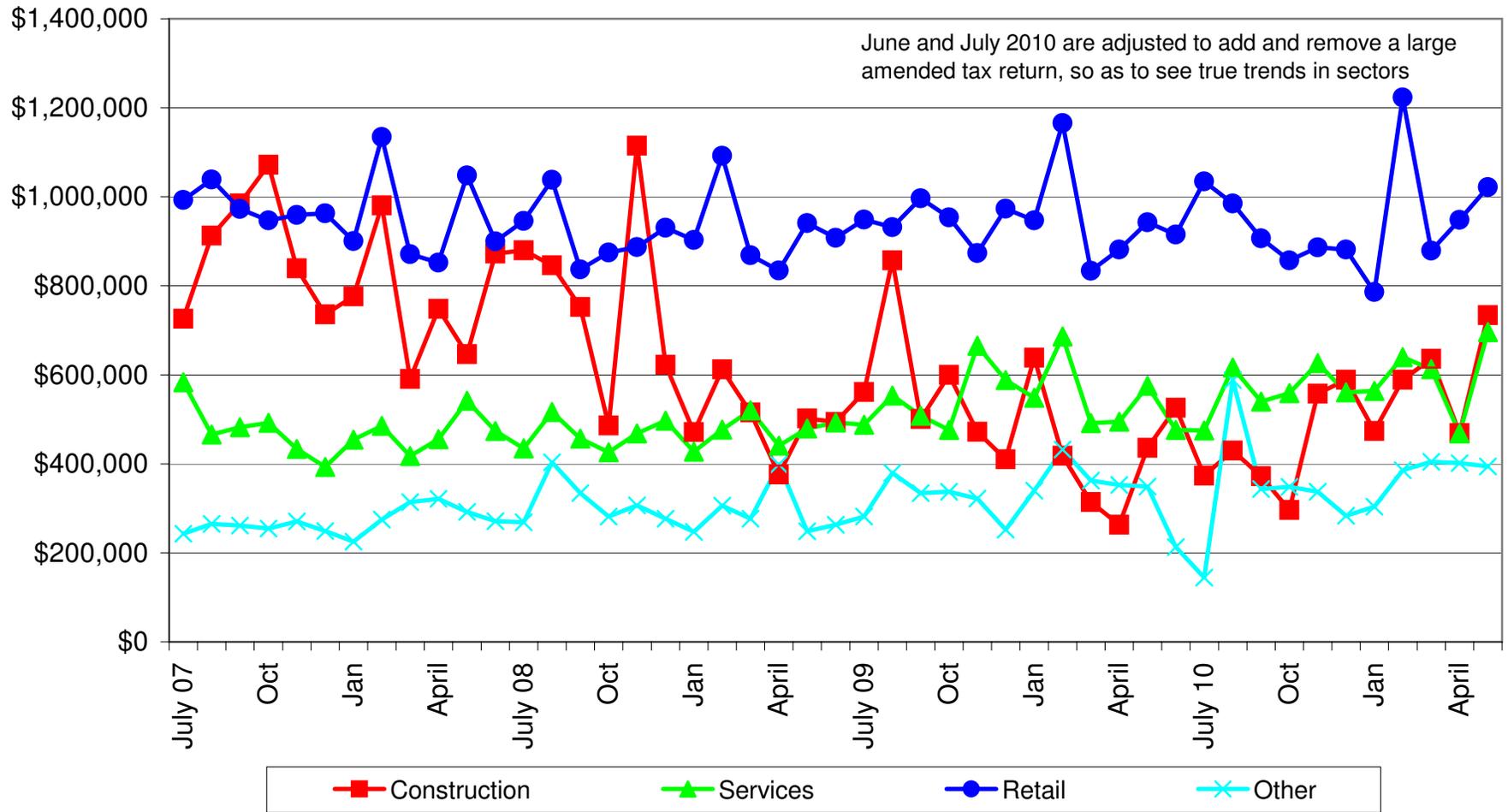


\*For purposes of comparison only, this graph excludes \$1.19 million returned by TRD in July for previously and erroneously withheld amended returns.

## FY11 GROSS RECEIPTS REVENUES

	<u>May</u> (March Activity)	<u>FY11 Y-T-D</u>	<u>FY10 Y-T-D</u>	Y-T-D % Change Over FY10	Y-T-D \$ Change Over FY10
Construction	\$733,818 23.60%	\$5,519,507 19.17%	\$5,470,874 19.74%	0.89%	\$48,633
Manufacturing	\$33,602 1.08%	\$207,325 0.72%	\$218,358 0.79%	-5.05%	(\$11,033)
Trans/Comm/Util	\$256,371 8.25%	\$2,798,872 9.72%	\$2,637,387 9.52%	6.12%	\$161,485
Wholesale Trade	\$29,539 0.95%	\$229,264 0.80%	\$247,470 0.89%	-7.36%	(\$18,206)
Retail Trade	\$1,021,451 32.85%	\$10,408,962 36.15%	\$10,447,741 37.70%	-0.37%	(\$38,779)
Fin/Ins/Real Estate	\$73,617 2.37%	\$665,670 2.31%	\$639,843 2.31%	4.04%	\$25,827
Services	\$696,200 22.39%	\$6,421,577 22.30%	\$6,075,542 21.93%	5.70%	\$346,035

## Monthly Gross Receipts Tax Revenue by Sector FY08 to FY11 YTD



### Monthly GRT Distribution to General Fund

