

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

MEMORANDUM

DATE: April 19, 2012

TO: Mayor Thomas Swisstack
Chuck Wilkins, 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: April 2012 General Fund Gross Receipts Tax Revenue Distribution

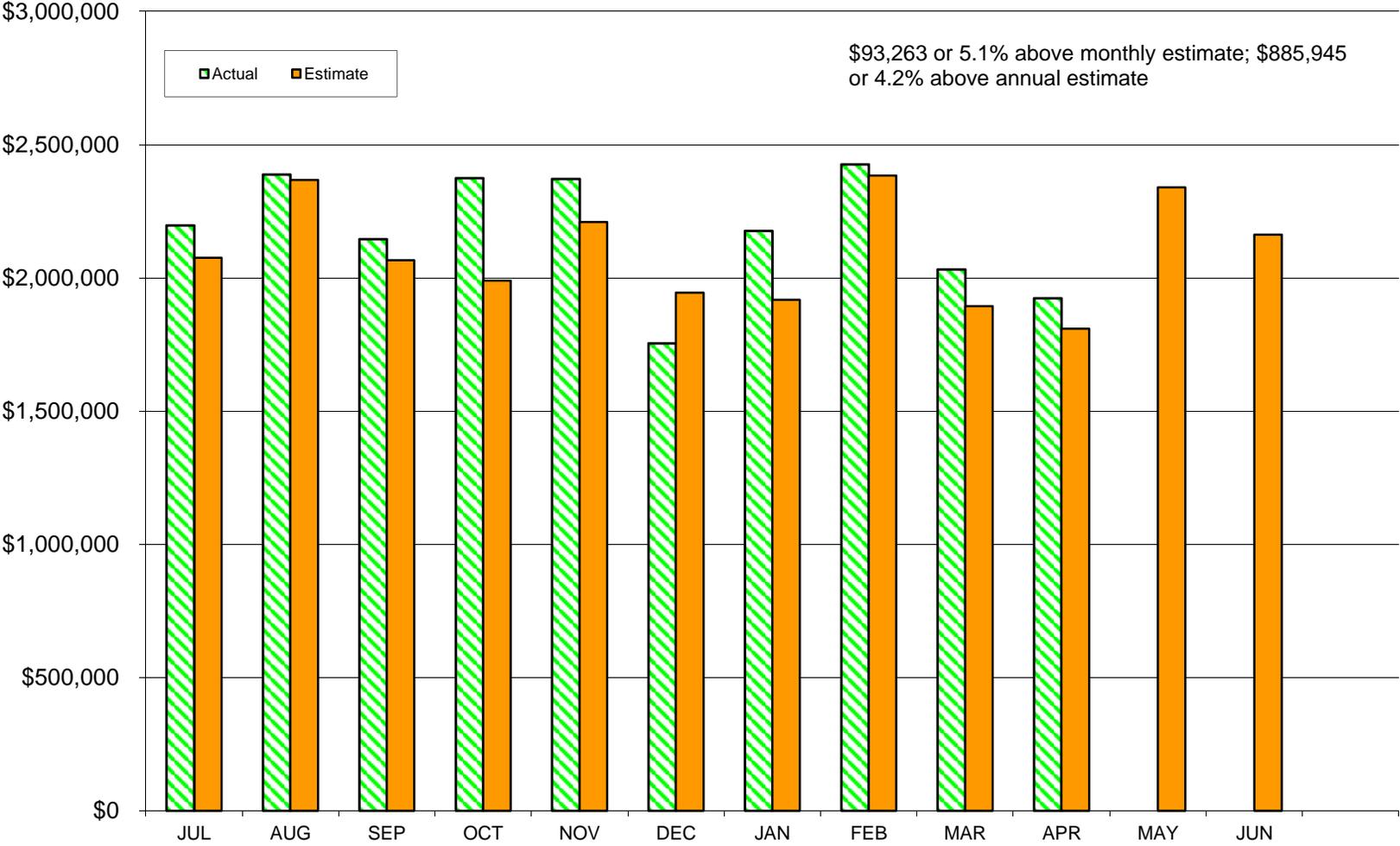
The General Fund Gross Receipts Tax (GRT) revenue distribution for the month of April, which is based on February economic activity, was \$1,924,191 after adjustments, \$93,263 or 5.1 percent above the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$885,945 or 4.2 percent above the annual estimate (see Attachment 1, FY12 Gross Receipts Tax Revenue Estimate vs. Actual). Below are some highlights of this month's distribution.

- The April GRT distribution was approximately 4.4 percent higher than the distribution in April of 2011. Construction GRT revenue decreased 40 percent from last year, reaching a 2-year low. Services revenue grew 43 percent from last April and Retail Trade saw a five percent growth compared with April 2011, more than offsetting the decline in construction revenues.
- Construction GRT revenue saw the largest decline compared to last year, falling \$186,524 or 53 percent to 282,277 before adjustments. This month's Construction distribution is the smallest since April of 2010.
- The Services sector revenue increased 43 percent from April of 2011 to \$676,083 and has grown 19 percent fiscal year to date compared to 2011. Specifically, the Professional, Scientific and Technical service category rose sharply from last April, only because last April, we saw a negative distribution. However, fiscal year to date, this sector is lower by about four percent. The Healthcare and Social Assistance subsector revenue rose 34 percent from last April and has grown 30 percent fiscal year to date compared to the same period in Fiscal Year 2011.

- Retail sector revenue, the largest revenue category, grew five percent from April of 2011 to \$1,011,931. Within the Retail sector, all three subsectors rose, including Retail Trade, Accommodation and Food Services and the Food Hold Harmless distribution. The overall Retail sector has grown almost eight percent fiscal year to date.
- The Utilities, Transportation and Warehousing sector increased modestly from last April, to \$298,904, closer to the monthly average after having dropped significantly in December and then rising sharply over the last two months. Fiscal year to date, Utilities, Transportation and Warehousing has grown about 27 percent compared to FY11.

Attachment 2 shows the amounts of GRT collected by NAICS category and compares YTD revenue and percent of total to the prior fiscal year. Attachments 3 and 4 illustrate the trends in Gross Receipts Tax revenues by monthly totals and major sector activity.

FY12 Gross Receipts Tax Revenue Estimate vs. Actual



Monthly GRT Distribution Amounts by Sector

ATTACHMENT 2

| | <u>April</u> (February Activity) | <u>FY12 Y-T-D</u> | <u>FY11 Y-T-D</u> | Y-T-D % Change Over FY11 | Y-T-D \$ Change Over FY11 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------|
| Construction | \$282,277 11.12% | \$4,866,570 17.27% | \$4,785,690 18.76% | 1.69% | \$80,881 |
| Manufacturing | \$15,963 0.63% | \$241,194 0.86% | \$173,723 0.68% | 38.84% | \$67,471 |
| Util/Trans/Warehousing | \$298,904 11.77% | \$3,225,926 11.45% | \$2,542,501 9.97% | 26.88% | \$683,425 |
| Wholesale Trade | \$24,343 0.96% | \$278,999 0.99% | \$199,726 0.78% | 39.69% | \$79,274 |
| Retail Trade | \$1,011,931 39.86% | \$10,290,906 36.51% | \$9,530,041 37.36% | 7.98% | \$760,866 |
| Fin/Ins/Real Estate | \$57,227 2.25% | \$624,843 2.22% | \$592,054 2.32% | 5.54% | \$32,789 |
| Services | \$676,083 26.63% | \$6,839,324 24.27% | \$5,736,444 22.49% | 19.23% | \$1,102,880 |
| Other | \$197,595 7.78% | \$2,110,519 7.49% | \$2,140,458 8.39% | -1.40% | (\$29,939) |
| Admin, Penalty, & Interest | (\$25,786) | (\$292,449) | (\$189,393) | | |
| Total GRT Receipts | <u>\$2,538,538</u> | <u>\$28,185,833</u> | <u>\$25,511,244</u> | 10.48% | <u>\$2,674,589</u> |
| Adjustment/Reclass* | (\$614,347) | (\$6,382,748) | (\$6,072,576) | | |
| General Fund | <u>\$1,924,191</u> | <u>\$21,803,085</u> | <u>\$19,438,668</u> | 12.16% | <u>\$2,364,417</u> |

*Includes Environmental and Higher Education GRT distributions, which are deposited into the respective special funds for a dedicated purpose as required in State statute, amounts set aside for GRT bond/loan payments, and GRIP reimbursements.

Monthly Gross Receipts Tax Revenue by Sector FY08 to FY12 YTD

