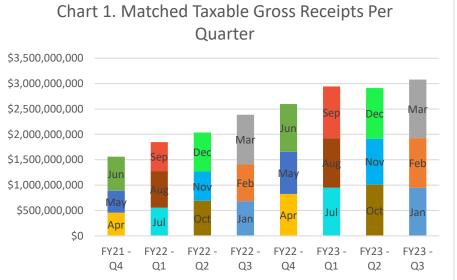


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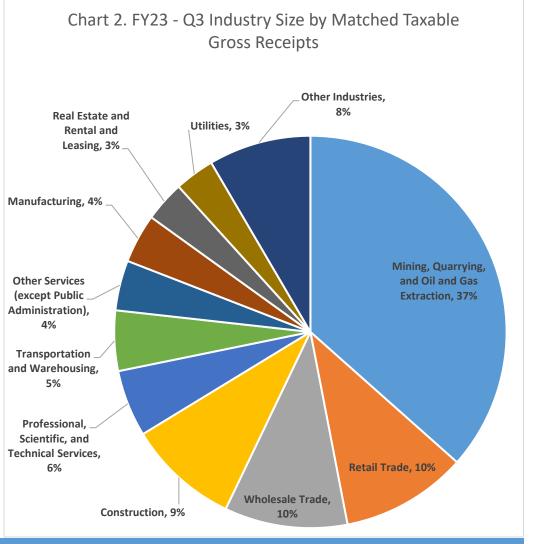


In the third quarter of FY23, 26 of 33 counties saw year-over-year economic growth, averaging 12% growth statewide in matched taxable gross receipts. State gross receipts decreased from the second quarter of FY23. This, however, follows the seasonal trend that the state has experienced historically in Q3. As growth in New Mexico continues, national concerns remain regarding inflation and rising interest rates while labor markets continue to adjust post pandemic.

Eddy County's matched taxable gross receipts (MTGR) reported an all-time high in Q3 FY23, seen in Chart 1. From Q2 FY23 to Q3 FY23 MTGR increased by \$166M or nearly 6%. The oil and gas industry, in Chart 2, continues to be the largest contributor to the county's MTGR. The oil and gas increased industry its of percentage share quarterly MTGR by 2% from Q2 FY23 to Q3 FY23. Table 1, on the next page, shows an increase of \$694M from Q2

#### in FY22 to FY23 of the same

Matched Taxable Gross Receipts (MTGR) are the best tax data available to show underlying economic activity. The data collection process matches a tax payment with reported receipts for each taxpayer by industry.



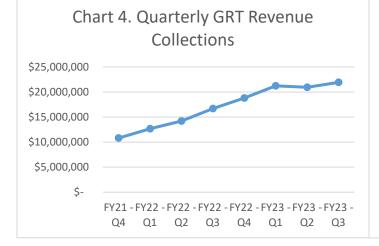


| Industries  | FY22 - Q3           | FY23 - Q3           | Growth             | Year over y | ear Change |
|---|---------------------|---------------------|--------------------|-------------|------------|
| Accommodation and Food Services                       | \$<br>53,412,623    | \$<br>71,055,595    | \$<br>17,642,972   |             | 33%        |
| Administrative/Support & Waste Management/Remediation | \$<br>163,444,436   | \$<br>74,483,831    | \$<br>(88,960,606) |             | -54%       |
| Agriculture, Forestry, Fishing, and Hunting           | \$<br>2,615,420     | \$<br>2,295,129     | \$<br>(320,291)    |             | -12%       |
| Arts, Entertainment, and Recreation                   | \$<br>696,148       | \$<br>1,181,315     | \$<br>485,168      |             | 70%        |
| Construction  | \$<br>212,442,765   | \$<br>282,566,169   | \$<br>70,123,404   |             | 33%        |
| Educational Services                                  | \$<br>1,988,614     | \$<br>1,750,062     | \$<br>(238,552)    |             | -12%       |
| Finance and Insurance                                 | \$<br>4,373,007     | \$<br>4,851,162     | \$<br>478,155      |             | 11%        |
| Health Care and Social Assistance                     | \$<br>15,288,132    | \$<br>17,251,712    | \$<br>1,963,579    |             | 13%        |
| Information   | \$<br>18,883,166    | \$<br>19,223,461    | \$<br>340,295      |             | 2%         |
| Management of Companies and Enterprises               | \$<br>397,208       | \$<br>160,473       | \$<br>(236,735)    |             | -60%       |
| Manufacturing   | \$<br>127,161,835   | \$<br>124,453,949   | \$<br>(2,707,887)  |             | -2%        |
| Mining, Quarrying, and Oil and Gas Extraction         | \$<br>894,725,506   | \$<br>1,125,581,517 | \$<br>230,856,010  |             | 26%        |
| Other Services (except Public Administration)         | \$<br>83,584,218    | \$<br>127,112,787   | \$<br>43,528,568   |             | 52%        |
| Professional, Scientific, and Technical Services      | \$<br>79,551,296    | \$<br>169,618,640   | \$<br>90,067,344   |             | 113%       |
| Public Administration                                 | \$<br>-             | \$<br>5,948         | \$<br>5,948        | N/A         |            |
| Real Estate and Rental and Leasing                    | \$<br>70,427,019    | \$<br>102,770,418   | \$<br>32,343,398   |             | 46%        |
| Retail Trade  | \$<br>267,233,350   | \$<br>320,134,276   | \$<br>52,900,926   |             | 20%        |
| Transportation and Warehousing                        | \$<br>119,614,305   | \$<br>153,067,131   | \$<br>33,452,826   |             | 28%        |
| Unclassified Establishments                           | \$<br>24,610,874    | \$<br>67,466,189    | \$<br>42,855,314   |             | 174%       |
| Utilities   | \$<br>79,645,776    | \$<br>101,160,454   | \$<br>21,514,678   |             | 27%        |
| Wholesale Trade                                       | \$<br>164,137,284   | \$<br>312,166,097   | \$<br>148,028,813  |             | 90%        |
| All Industries  | \$<br>2,384,325,941 | \$<br>3,078,454,138 | \$<br>694,128,197  |             | 29%        |

period. Table 1 also shows 16 industries that reported a year-over-year (YOY) increase. The largest increase came from the oil and gas industry, which posted a YOY increase of \$230M or 26%.

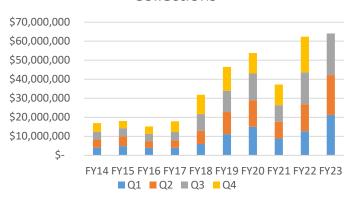
Gross receipts tax (GRT) revenue collections increased by \$986K, or 4.7%, from Q2 FY23 to Q3 FY23, shown in Chart 4.

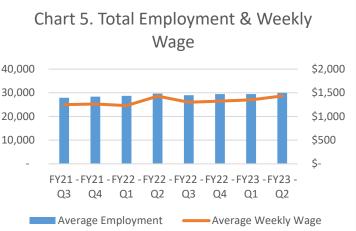
In Chart 3 the amount collected through three quarters of FY23 (\$64M) is the largest amount ever collected for Eddy County, surpassing all FY22 by \$2M.



SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS











An **establishment**, as used in the QCEW and subsequently Chart 6 and Table 2, is an economic unit, such as a farm, factory, or store, which produces goods or provides services at a single physical worksite and is engaged, predominantly, in one type of economic activity.

The **Quarterly Census of Employment and Wages,** or the **QCEW**, used in Charts 5-6 and Table 2, produces comprehensive data on the number of establishments, monthly employment and quarterly wages for workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. These data are aggregated to many different levels, starting at the 6-digit NAICS industry level, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (MSA, state and national).

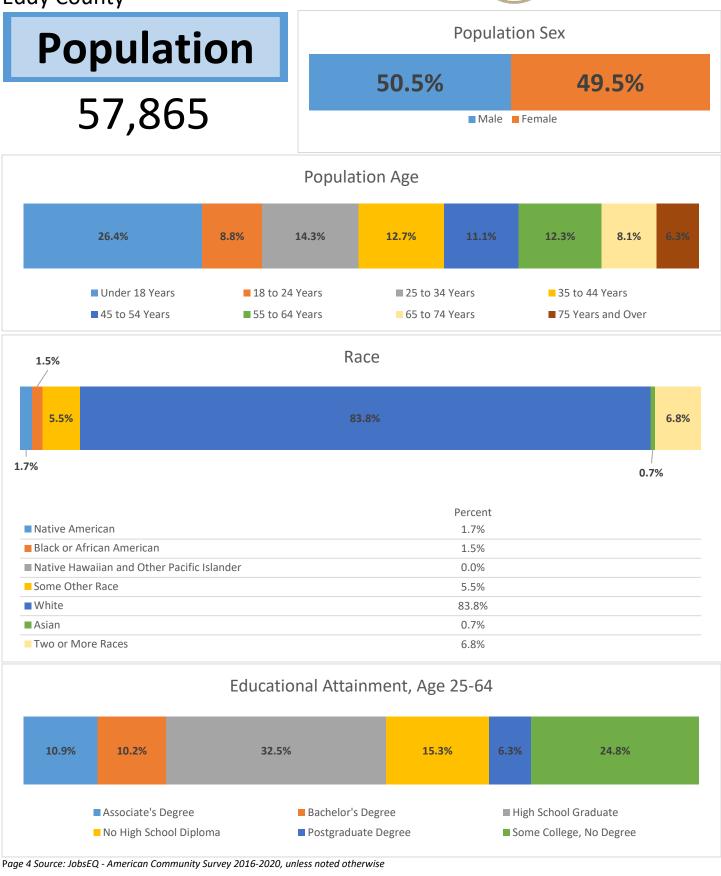
Data are based on information reported by New Mexico employers, covering 97% of nonfarm wage and salary workers. Data are published every quarter. Considered the gold standard for its reliability of industry data, the QCEW data are the most complete universe of monthly employment and quarterly wage information by detailed industry.

| Table 2. F125 -  | QZ Employme                      |        | a anu t | Sla           | DIISIIIIEI | IS DY I | iuusti | У              |                |
|--|----------------------------------|--------|---------|---------------|------------|---------|--------|----------------|----------------|
|  | YOY Change in<br>Average Average |        | ange in | YOY Change in |            |         |        |                |                |
|  |                                  |        | 9       | Average       |            | Average |        | Number of      | YOY Change in  |
| Industry   | Employment                       | Employ | ment    | Wee           | ekly Wage  | Weekly  | Wage   | Establishments | Establishments |
| Accommodation and Food Services                          | 2,473                            |        | -1.4%   | \$            | 488        |         | -1.2%  | 155            | -1.3%          |
| Administrative/Support & Waste                           |                                  |        |         |               |            |         |        |                |                |
| Management/Remediation                                   | 1,563                            |        | 0.4%    | \$            | 1,793      |         | -2.8%  | 87             | 2.4%           |
| Agriculture, Forestry, Fishing, and Hunting              | 398                              |        | 12.7%   | \$            | 1,184      |         | 19.8%  | 39             | 0.0%           |
| Arts, Entertainment, and Recreation                      | 236                              | 6      | -20.5%  | \$            | 823        |         | 19.4%  | 22             | 0.0%           |
| Construction   | 2,743                            |        | -0.8%   | \$            | 1,476      |         | 4.0%   | 194            | -2.0%          |
| Educational Services                                     | 2,130                            | )      | 24.1%   | \$            | 1,068      |         | 20.7%  | 38             | -2.6%          |
| Finance and Insurance                                    | 469                              |        | -1.7%   | \$            | 1,499      |         | 39.7%  | 70             | -1.4%          |
| Health Care and Social Assistance                        | 2,625                            |        | 1.0%    | \$            | 1,006      |         | -0.9%  | 157            | 0.0%           |
| Information  | 181                              |        | -15.8%  | \$            | 1,299      |         | 5.8%   | 21             | -4.5%          |
| Management of Companies and Enterprises                  | 126                              | i      | 3.3%    | \$            | 1,898      |         | -0.2%  | 10             | -16.7%         |
| Manufacturing  | 1,155                            |        | 3.6%    | \$            | 2,331      |         | 29.3%  | 45             | 2.3%           |
| Mining, Quarrying, and Oil and Gas Extraction            | 6,089                            |        | 1.8%    | \$            | 2,071      |         | 7.9%   | 278            | -0.4%          |
| Other Services (except Public Administration)            | 936                              | i      | 3.7%    | \$            | 1,322      |         | 7.7%   | 143            | -2.7%          |
| Professional, Scientific, and Technical Services         | 957                              | ,      | -8.9%   | \$            | 1,452      |         | -4.3%  | 136            | 1.5%           |
| Public Administration                                    | 1,259                            |        | -0.2%   | \$            | 1,986      |         | 16.6%  | 63             | 1.6%           |
| Real Estate and Rental and Leasing                       | 514                              |        | -1.5%   | \$            | 1,426      |         | 4.5%   | 87             | 1.2%           |
| Retail Trade   | 3,482                            |        | 0.0%    | \$            | 734        |         | 0.8%   | 188            | 0.5%           |
| Transportation and Warehousing                           | 1,503                            |        | 6.0%    | \$            | 1,650      |         | -12.2% | 119            | -4.0%          |
| Utilities  | 528                              |        | 2.9%    | \$            | 1,835      |         | 10.8%  | 29             | 0.0%           |
| Wholesale Trade  | 632                              |        | 2.1%    | \$            | 1,615      |         | 3.9%   | 90             | -3.2%          |
| All Industries   | 29,999                           |        | 1.8%    | \$            | 1,434      |         | 6.1%   | 1,971          | -0.8%          |
| *Some data may be withheld to avoid disclosure of confic | lential information.             |        |         |               |            |         |        |                |                |

#### Table 2. FY23 - Q2 Employment Data and Establishments by Industry

SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS





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