

Quarterly Economic Summary

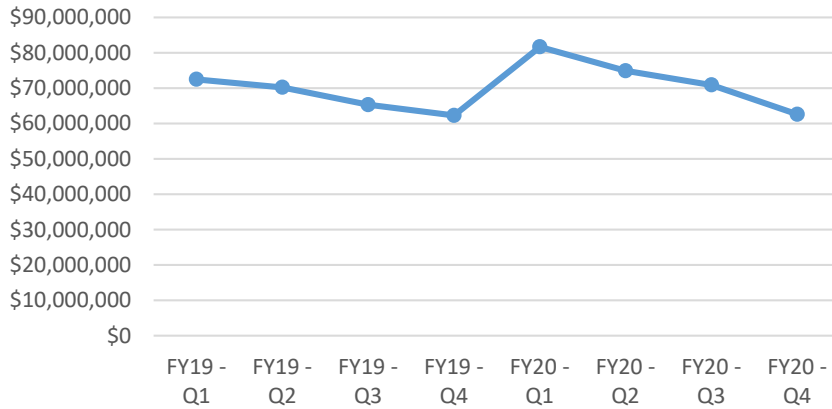
Colfax County

Released: August 2020



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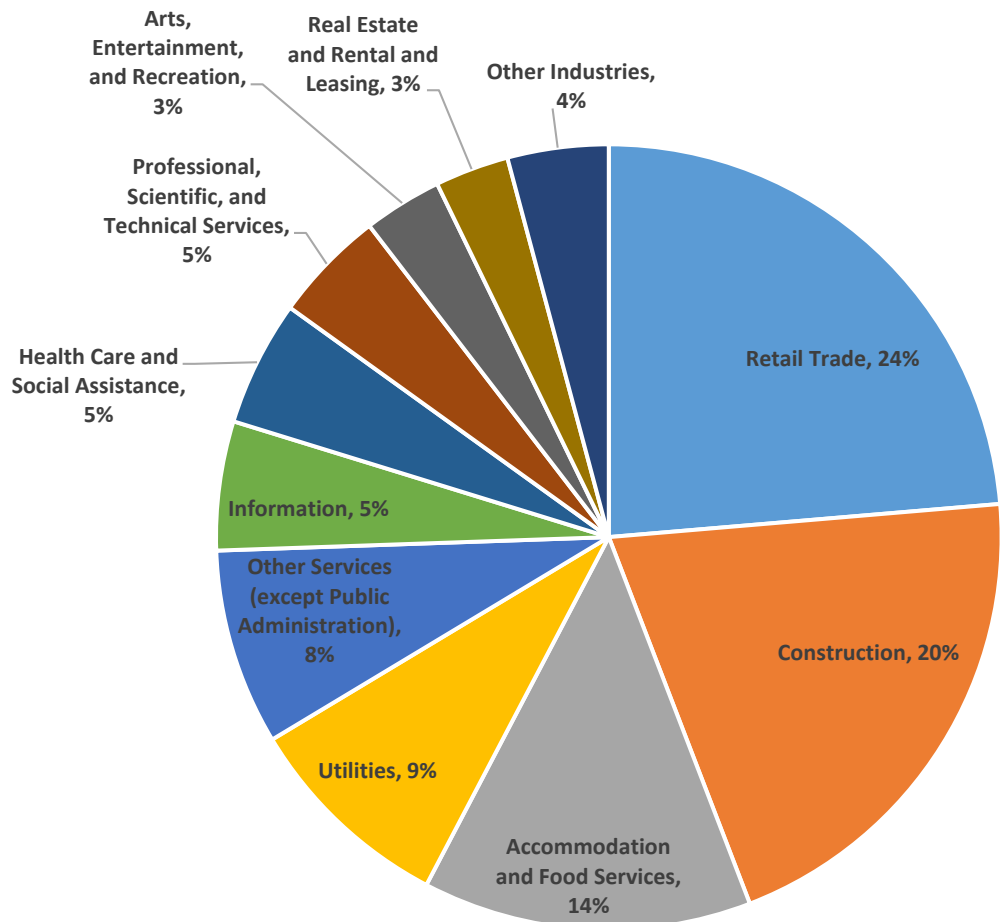
Chart 1. Matched Taxable Gross Receipts Per Quarter



The fourth quarter of FY20 is the first full quarter of economic impacts from the COVID-19 pandemic. Business closures and reduced consumer spending locally began to take effect at the end of March. Since then, the state instituted reopening phases designed to slow the spread of the virus while providing a systematic approach to reopening the economy. However, the continuation of the COVID-19 health crisis and the subsequent closures of many businesses statewide caused downward trends in matched taxable gross receipts across the state.

Colfax County's matched taxable gross receipts (MTGR) decreased by 12%, \$8.3M, from Q3 to Q4 of FY20, as seen in Chart 1. Colfax County's MTGR hits a seasonal peak in the first quarter of the fiscal year that steadily decreases through Q4. Retail trade increased to the largest industry, previously second by MTGR, in Q4 FY20. Construction increased from third to second largest while accommodation and food services decreased

Chart 2. FY20 - Q4 Industry Size by Matched Taxable Gross Receipts



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

Quarterly Economic Summary

Colfax County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q4	FY20 - Q4	Growth	Year over year Change
Accommodation and Food Services	\$ 9,172,663	\$ 8,470,637	\$ (702,026)	-8%
Administrative/Support & Waste Management/Remediation	\$ 545,836	\$ 877,409	\$ 331,573	61%
Agriculture, Forestry, Fishing, and Hunting	\$ 314,532	\$ 131,269	\$ (183,263)	-58%
Arts, Entertainment, and Recreation	\$ 2,308,383	\$ 2,025,518	\$ (282,865)	-12%
Construction	\$ 10,155,342	\$ 12,829,847	\$ 2,674,505	26%
Educational Services	\$ 11,757	\$ 16,945	\$ 5,188	44%
Finance and Insurance	\$ 464,250	\$ 298,318	\$ (165,933)	-36%
Health Care and Social Assistance	\$ 2,710,375	\$ 3,233,882	\$ 523,507	19%
Information	\$ 3,334,961	\$ 3,323,597	\$ (11,364)	0%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 323,289	\$ 332,278	\$ 8,990	3%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 7,129,980	\$ 5,050,913	\$ (2,079,067)	-29%
Professional, Scientific, and Technical Services	\$ 3,045,389	\$ 2,900,950	\$ (144,439)	-5%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 2,086,576	\$ 1,902,519	\$ (184,057)	-9%
Retail Trade	\$ 13,583,812	\$ 14,804,293	\$ 1,220,481	9%
Transportation and Warehousing	\$ 243,547	\$ 220,405	\$ (23,142)	-10%
Unclassified Establishments	\$ 317,020	\$ 232,784	\$ (84,236)	-27%
Utilities	\$ 5,798,905	\$ 5,442,059	\$ (356,846)	-6%
Wholesale Trade	\$ 725,447	\$ 493,410	\$ (232,037)	-32%
All Industries	\$ 62,272,063	\$ 62,587,032	\$ 314,969	1%

from the largest to third largest from Q3 to Q4 of FY20. Q4 FY20 saw a \$315K (1%) year over year (YOY) increase in its MTGR, as seen in Table 1. The other services industry saw the largest YOY decline (-\$2.1M) while construction saw the largest YOY increase (\$2.7M). Annual gross receipts tax (GRT) revenue collections saw a 15% increase in FY20, compared to FY19, as seen in Chart 4. Quarterly GRT revenue collections saw a 9% decrease from Q3 to Q4 of FY20. Q4 FY20, at \$343K, is a 5% increase compared to Q4 FY19.

HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two-year delay. During the 2020 Special Session, that legislation was amended, increasing a temporary distribution to municipalities and counties. Now municipalities will receive a distribution that is a portion of \$2.5 million while counties will receive a distribution that is a portion of \$1.5 million. The amounts distributed will be proportional to the size of the community's population versus that of the entire group. These amounts are subject to change if the federal government provides municipalities and counties future grants to offset revenue declines attributable to COVID-19.

Chart 3. Annual Total GRT Revenue Collections

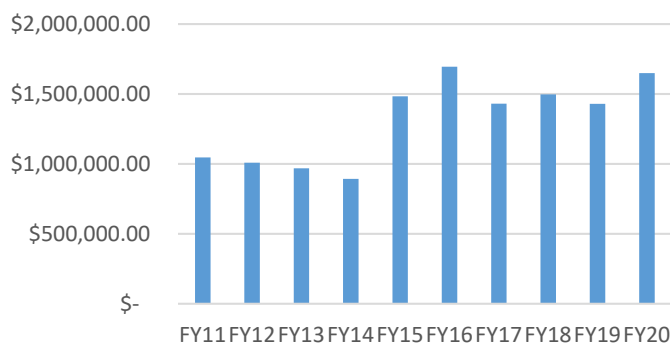
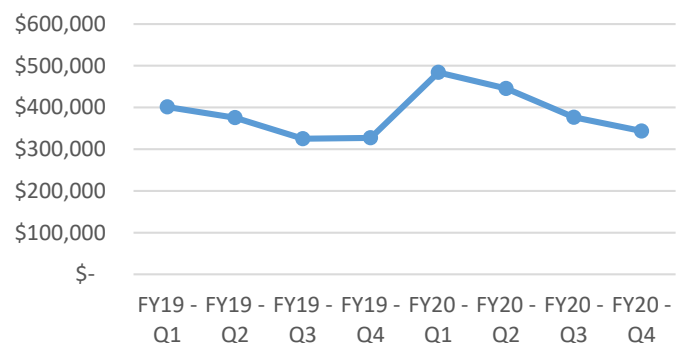


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary Colfax County



Chart 5. Quarterly Average Total Employment & Weekly Wage

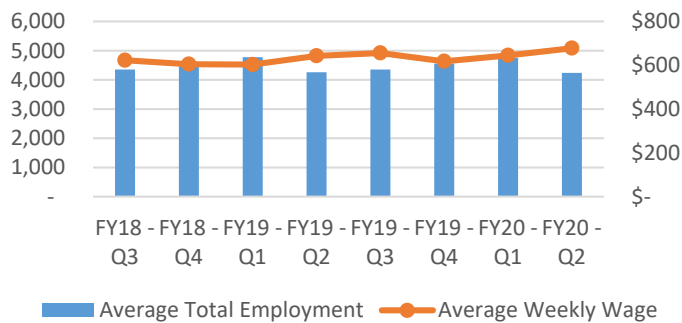
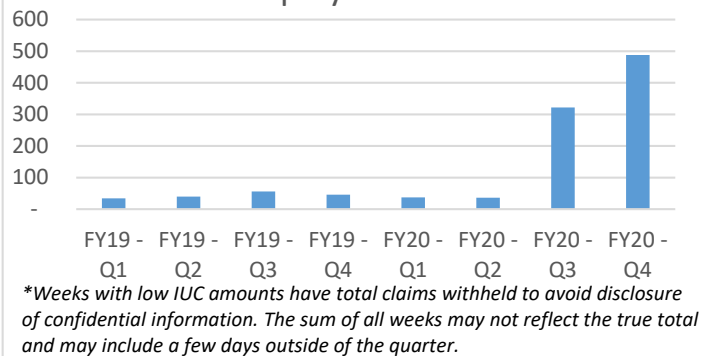


Chart 6. Quarterly Initial Unemployment Claims



New Mexico receives over \$6 billion each year through federal programs which benefit the entire community: health care, nutrition, highways, education, housing, jobs and more that allocate funds on per capita basis. Each New Mexican not counted equates to a loss of approximately \$3,745 in funding per year. If New Mexico undercounts residents by only 1%, the state would lose \$780 million in revenue over the next 10 years.

A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Explained increases commonly include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. This unprecedented uptick in initial unemployment claims is obviously tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As the phased reopening continues, it is likely the number of initial unemployment claims will flatten out and then decrease, but it is impossible to predict how quickly the employment numbers will return to pre-COVID levels.

Cost of 1% Census Undercount Over 10 Years in Colfax County

\$3,618,113

Census Self-Response Rates

