

# Quarterly Economic Summary

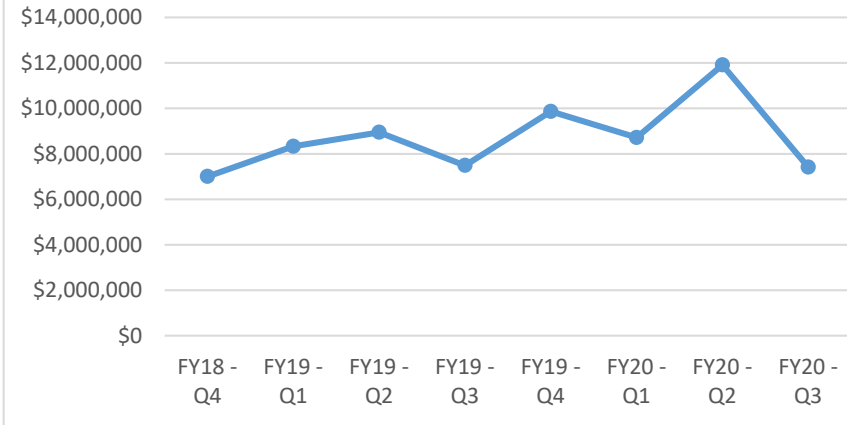
## Catron County



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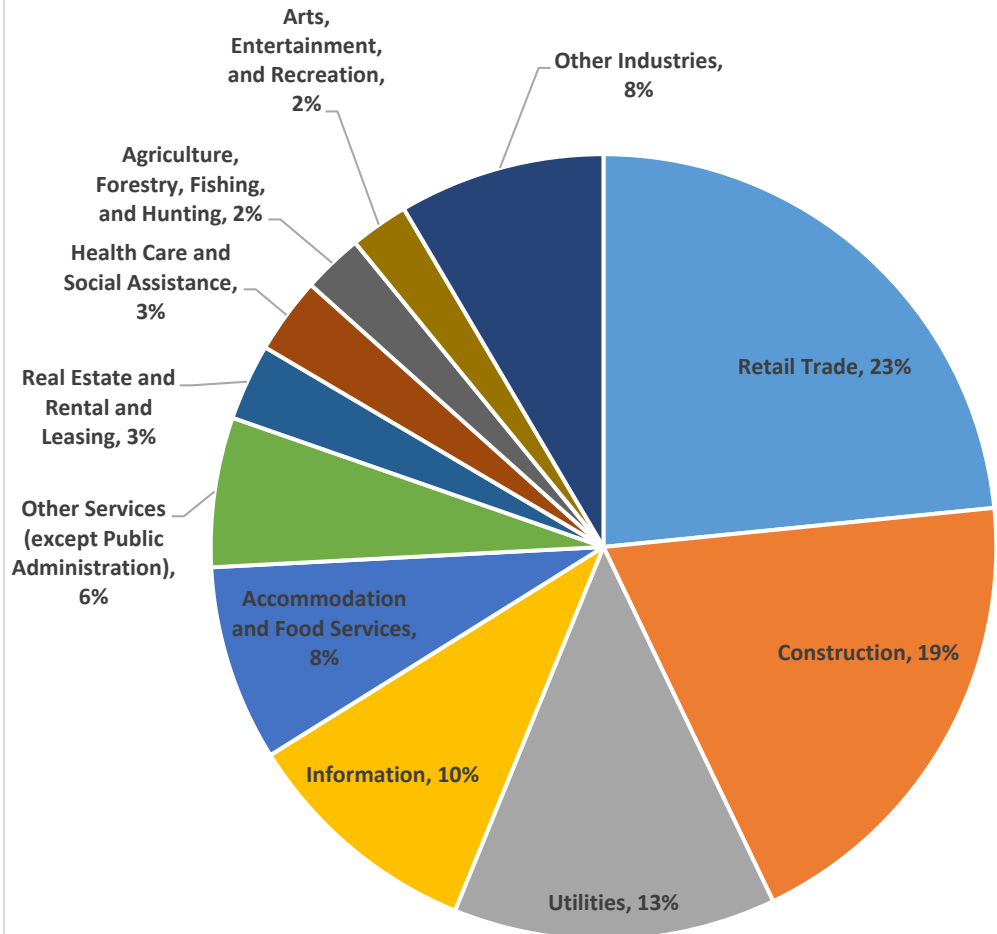
Chart 1. Matched Taxable Gross Receipts Per Quarter



Due to the necessity of the statewide business closure, which went into effect on March 24<sup>th</sup>, and the health and economic effects COVID-19 had since early March, matched taxable gross receipts and revenue collections may have declined in the third quarter of FY20. Most of the gross receipts tax decline is due to COVID-19 and the loss in business revenue, but potential delays in taxpayer reporting may add to the level of decline seen in the quarter. It is anticipated that the next quarter will have greater declines.

Catron County has seen a substantial decrease in its matched taxable gross receipts (MTGR) from Q2 FY20 to Q3, as seen in Chart 1. The quarterly decrease of 38% in Catron County's MTGR is tied directly to a near \$2.8M decrease in the construction industry. Table 1, on the next page, shows a decrease of \$76K from Q3 in FY19 to FY20 of the same period. Table 1 also shows three industries with no MTGR in the third quarter of FY20.

Chart 2. FY20 - Q3 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.

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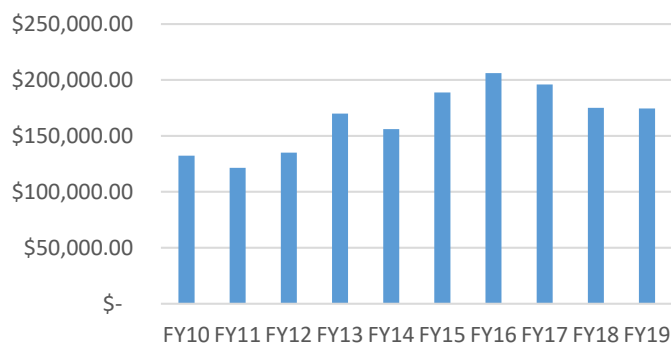
**Table 1. Matched Taxable Gross Receipts by Industry**

Industries	FY19 - Q3	FY20 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 499,441	\$ 597,701	\$ 98,260	20%
Administrative/Support & Waste Management/Remediation	\$ 22,880	\$ 44,713	\$ 21,833	95%
Agriculture, Forestry, Fishing, and Hunting	\$ 176,762	\$ 183,665	\$ 6,903	4%
Arts, Entertainment, and Recreation	\$ -	\$ 178,522	\$ 178,522	N/A
Construction	\$ 1,762,224	\$ 1,443,506	\$ (318,718)	-18%
Educational Services	\$ 38,327	\$ 34,699	\$ (3,628)	-9%
Finance and Insurance	\$ -	\$ -	\$ -	N/A
Health Care and Social Assistance	\$ 264,257	\$ 232,796	\$ (31,461)	-12%
Information	\$ 701,102	\$ 736,610	\$ 35,507	5%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 49,196	\$ 72,343	\$ 23,147	47%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ 26,225	\$ 26,225	N/A
Other Services (except Public Administration)	\$ 344,871	\$ 456,458	\$ 111,587	32%
Professional, Scientific, and Technical Services	\$ 101,551	\$ 152,370	\$ 50,819	50%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 669,773	\$ 233,462	\$ (436,310)	-65%
Retail Trade	\$ 1,439,560	\$ 1,735,089	\$ 295,529	21%
Transportation and Warehousing	\$ 77,608	\$ 60,557	\$ (17,051)	-22%
Unclassified Establishments	\$ 157,445	\$ 168,112	\$ 10,667	7%
Utilities	\$ 1,129,131	\$ 984,146	\$ (144,985)	-13%
Wholesale Trade	\$ 53,144	\$ 69,901	\$ 16,757	32%
<b>All Industries</b>	<b>\$ 7,487,273</b>	<b>\$ 7,410,876</b>	<b>\$ (76,397)</b>	<b>-1%</b>

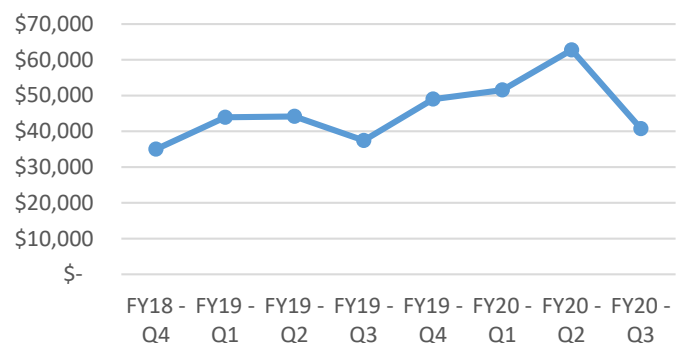
This may be due to the county's smaller size and, thus, fewer companies within each industry. Gross receipts tax (GRT) revenue collections also decreased significantly in Q3 FY20, as seen in Chart 4. This decrease is almost exclusively due to the decrease in the county share GRT collection, which saw a \$16K decrease from the previous quarter. Comparing Q3 FY19 to the same time period in FY20, revenue collections are up by 9%.

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 this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed will be based on what the population of each county is to the total population of all counties, as per the most recent decennial census.

**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



# Quarterly Economic Summary

## Catron County



Chart 5. Quarterly Average Total Employment & Weekly Wage

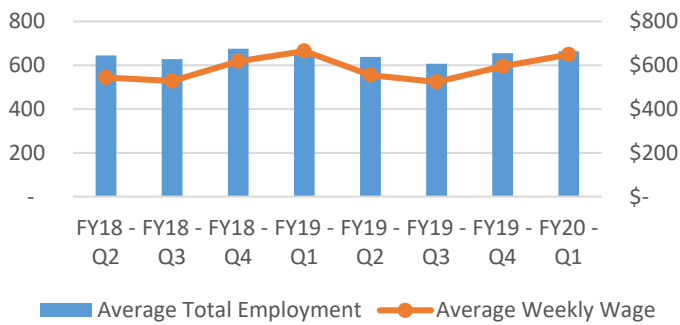
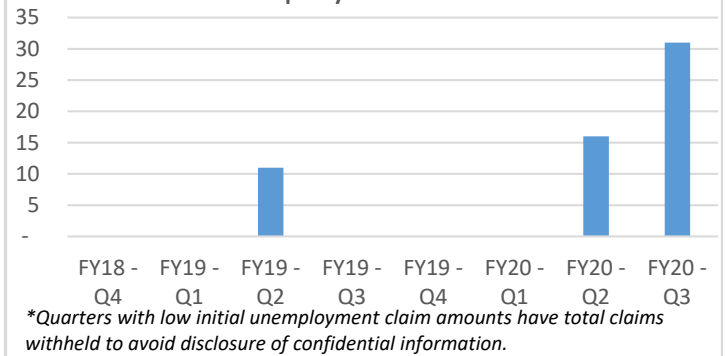


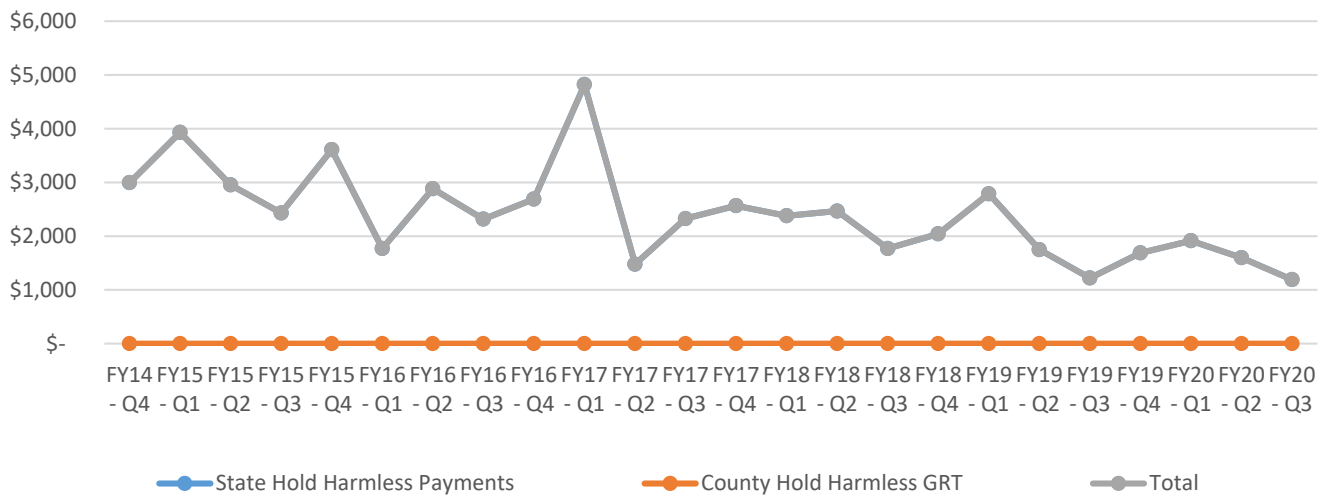
Chart 6. Quarterly Initial Unemployment Claims



The state makes “hold harmless” payments to local governments equal to the tax revenue that would have been generated if the state had not enacted deductions for food and healthcare practitioner services. These payments will be gradually phased out by 2029, but local governments were able to enact up to three 1/8% GRT increments to offset this loss. These GRT increments were repealed and consolidated in 2019 with a number of other restricted local options under the unrestricted countywide local option with an increased rate cap.

A significant unexplained increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee furloughs and the closing of a major regional facility. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

Chart 7. County Hold Harmless Revenue



\* Total may overlap state hold harmless payments