

Quarterly Economic Summary

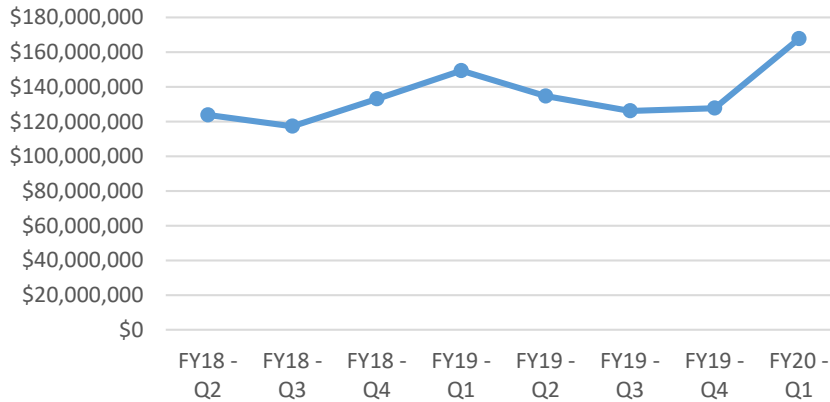
Lincoln County



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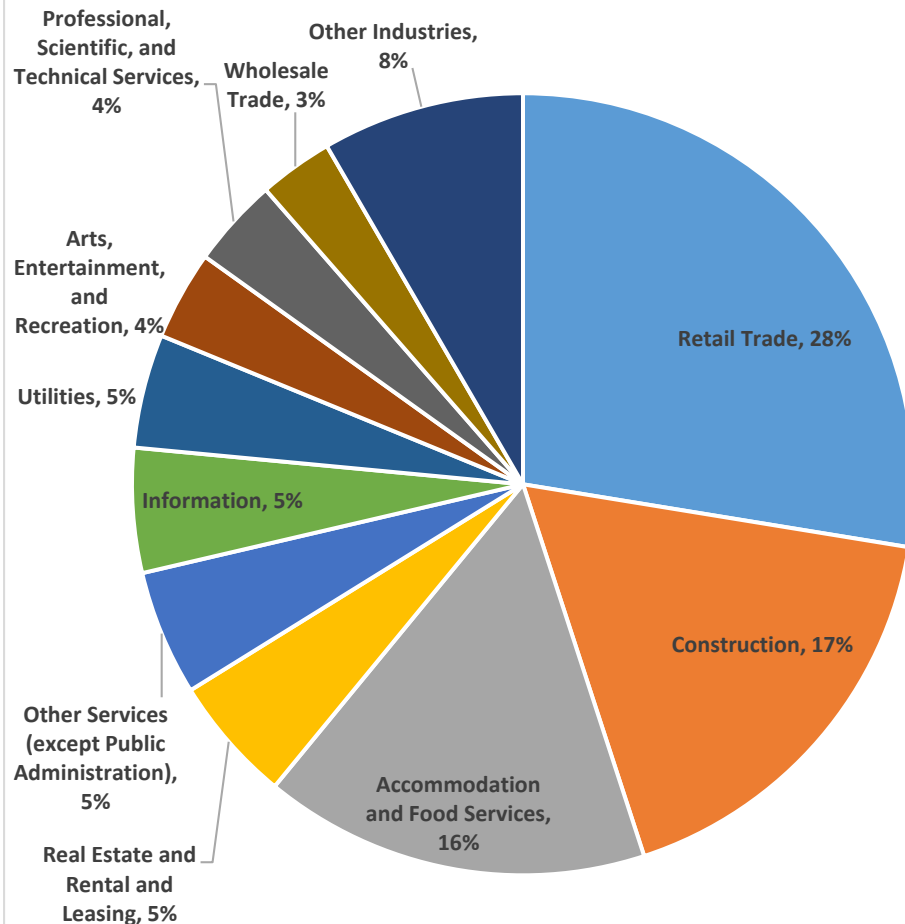
Chart 1. Matched Taxable Gross Receipts Per Quarter



Lincoln County has seen nearly stable growth in its matched taxable gross receipts (MTGR) over the last eight quarters, as seen in Chart 1. Lincoln County's MTGR hits a seasonal peak in the first quarter of the fiscal year. Table 1, on the next page, shows an increase of \$18M from Q1 FY19 to FY20 of the same period. Table 1 also shows three industries, with -100% growth or no MTGR in the first quarter of FY20. This may be due to the county's smaller size and thus fewer companies within each industry.

The few companies working in these industries may be late in filing, resulting in no MTGR being reported for the period. In this case, the missing MTGR is expected to be included in the next period.

Chart 2. FY20 - Q1 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 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 23,075,859	\$ 26,788,778	\$ 3,712,919	16%
Administrative/Support & Waste Management/Remediation	\$ 1,512,541	\$ 1,943,012	\$ 430,471	28%
Agriculture, Forestry, Fishing, and Hunting	\$ 914,167	\$ 845,655	\$ (68,512)	-7%
Arts, Entertainment, and Recreation	\$ 5,559,117	\$ 6,181,758	\$ 622,641	11%
Construction	\$ 24,516,584	\$ 29,216,441	\$ 4,699,857	19%
Educational Services	\$ 47,094	\$ 57,170	\$ 10,076	21%
Finance and Insurance	\$ 1,472,520	\$ 1,357,627	\$ (114,893)	-8%
Health Care and Social Assistance	\$ 2,539,832	\$ 2,635,096	\$ 95,264	4%
Information	\$ 8,038,636	\$ 8,640,975	\$ 602,339	7%
Management of Companies and Enterprises	\$ 4,500	\$ -	\$ (4,500)	-100%
Manufacturing	\$ 3,509,253	\$ 4,120,093	\$ 610,840	17%
Mining, Quarrying, and Oil and Gas Extraction	\$ 99,010	\$ -	\$ (99,010)	-100%
Other Services (except Public Administration)	\$ 7,588,760	\$ 8,691,667	\$ 1,102,907	15%
Professional, Scientific, and Technical Services	\$ 4,327,241	\$ 6,180,484	\$ 1,853,243	43%
Public Administration	\$ 88,023	\$ -	\$ (88,023)	-100%
Real Estate and Rental and Leasing	\$ 9,045,231	\$ 8,758,112	\$ (287,119)	-3%
Retail Trade	\$ 41,760,888	\$ 46,265,798	\$ 4,504,910	11%
Transportation and Warehousing	\$ 1,037,447	\$ 1,396,083	\$ 358,635	35%
Unclassified Establishments	\$ 2,261,459	\$ 1,679,935	\$ (581,524)	-26%
Utilities	\$ 7,835,946	\$ 7,892,370	\$ 56,424	1%
Wholesale Trade	\$ 4,120,374	\$ 5,139,187	\$ 1,018,813	25%
All Industries	\$ 149,354,483	\$ 167,790,239	\$ 18,435,756	12%

Gross Receipts Tax (GRT) revenue collections rose significantly in the first quarter of FY20, as seen in Chart 4. This increase is almost exclusively due to an increase in the county share GRT (food) collection, which saw a \$136K increase from the same period of the previous year. The increase is likely due to the timing of taxpayer reporting.

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

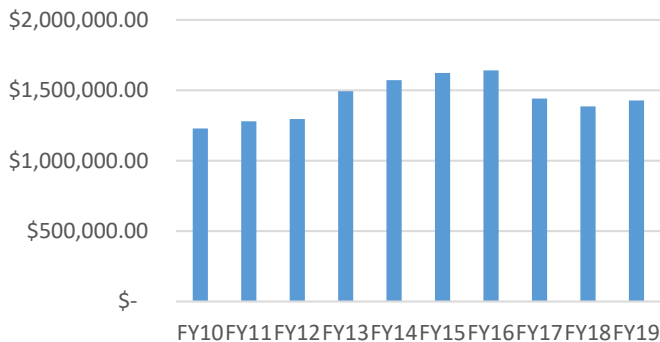
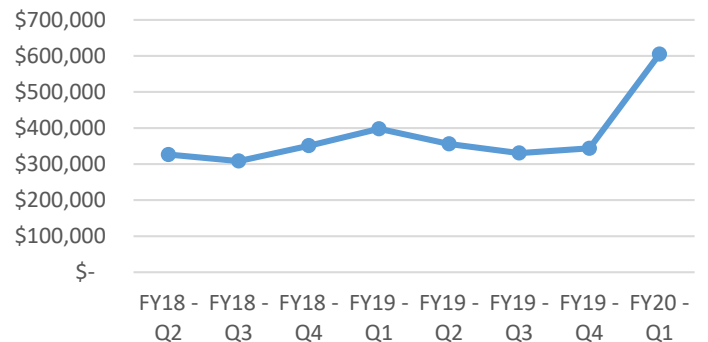


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary Lincoln County



Chart 5. Quarterly Average Total Employment & Weekly Wage

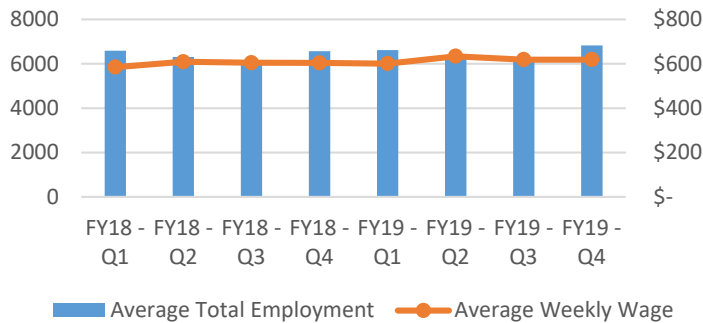


Chart 6. Quarterly Initial Unemployment Claims

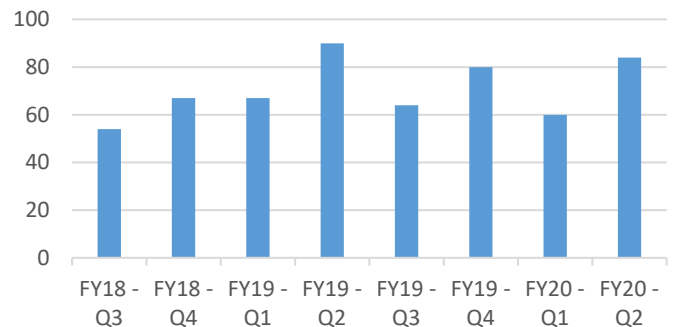
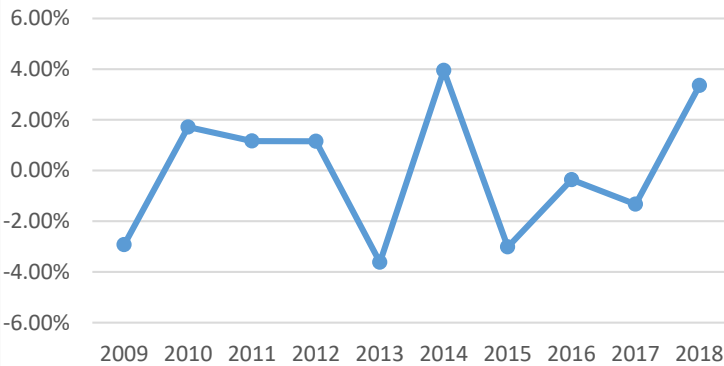


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Lincoln, NM	New Mexico	Difference Between County and State
Accommodation and food services	6.32%	2.94%	3.39%
Administrative and support and waste management and remediation services	2.12%	2.51%	-0.39%
Arts, entertainment, and recreation	5.23%	0.68%	4.56%
Educational services	0.13%	0.51%	-0.38%
Finance and insurance	2.45%	2.75%	-0.30%
Health care and social assistance	7.39%	7.39%	-0.01%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	29.09%	12.17%	16.93%
Agriculture, forestry, fishing and hunting	0.84%	1.78%	-0.94%
Construction	3.81%	3.12%	0.70%
Information	1.54%	3.21%	-1.67%
Manufacturing	5.47%	4.31%	1.16%
Mining, quarrying, and oil and gas extraction	0.02%	14.79%	-14.77%
Other services (except government and government enterprises)	3.07%	1.96%	1.11%
Retail trade	10.45%	5.87%	4.58%
Transportation and warehousing	0.53%	2.58%	-2.05%
Utilities	0.99%	1.57%	-0.59%
Wholesale trade	1.23%	3.13%	-1.89%
Government and government enterprises	16.11%	21.50%	-5.39%