

Quarterly Economic Summary

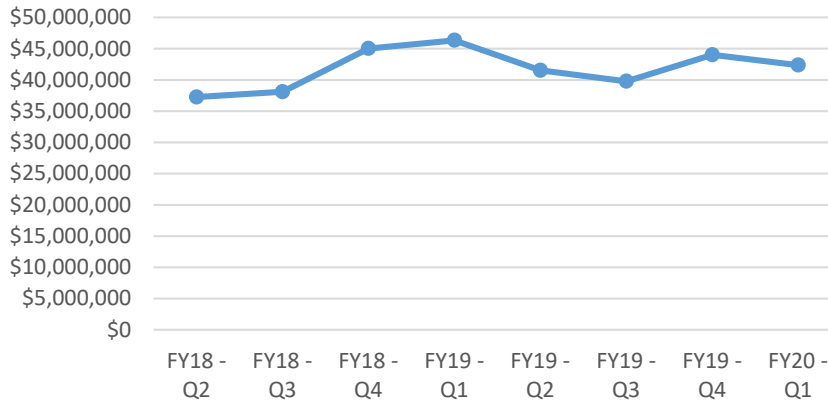
Sierra County



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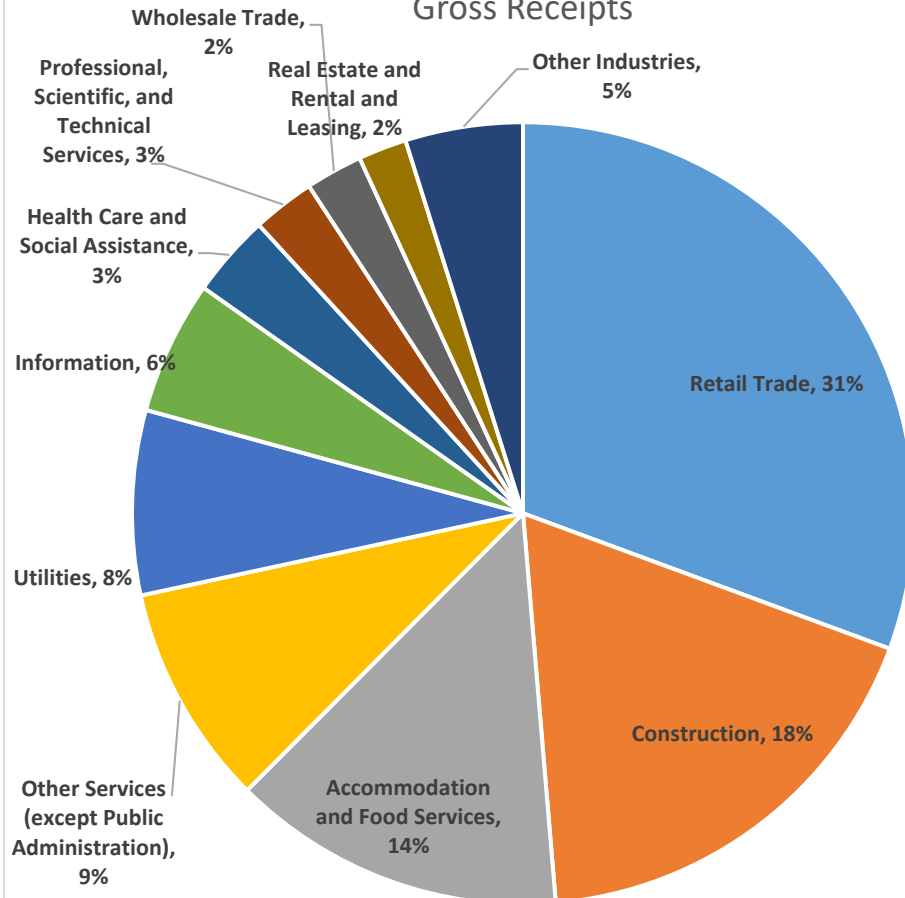
Chart 1. Matched Taxable Gross Receipts Per Quarter



Sierra County has seen its matched taxable gross receipts (MTGR) fluctuate over the last eight quarters, as seen in Chart 1. Sierra County's MTGR has consistently fluctuated between \$40M and \$46M since FY17. Table 1, on the next page, shows a decrease of nearly \$4M from Q1 FY19 to FY20 of the same period. Table 1 also shows two industries, with -100% growth or no MTGR in Q1 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. The largest dollar amount change came from the Construction industry.

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	\$ 5,327,754	\$ 5,849,045	\$ 521,291	10%
Administrative/Support & Waste Management/Remediation	\$ 563,629	\$ 621,565	\$ 57,935	10%
Agriculture, Forestry, Fishing, and Hunting	\$ 415,037	\$ 293,179	\$ (121,858)	-29%
Arts, Entertainment, and Recreation	\$ 263,027	\$ 184,625	\$ (78,403)	-30%
Construction	\$ 12,879,935	\$ 7,639,716	\$ (5,240,220)	-41%
Educational Services	\$ 60,051	\$ 44,387	\$ (15,664)	-26%
Finance and Insurance	\$ 122,226	\$ 121,847	\$ (379)	0%
Health Care and Social Assistance	\$ 1,551,294	\$ 1,445,645	\$ (105,648)	-7%
Information	\$ 2,241,039	\$ 2,341,509	\$ 100,470	4%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 428,246	\$ 418,991	\$ (9,256)	-2%
Mining, Quarrying, and Oil and Gas Extraction	\$ 32,535	\$ -	\$ (32,535)	-100%
Other Services (except Public Administration)	\$ 3,323,559	\$ 3,881,193	\$ 557,635	17%
Professional, Scientific, and Technical Services	\$ 1,280,999	\$ 1,095,362	\$ (185,637)	-14%
Public Administration	\$ 70,210	\$ -	\$ (70,210)	-100%
Real Estate and Rental and Leasing	\$ 829,030	\$ 848,332	\$ 19,301	2%
Retail Trade	\$ 12,399,180	\$ 12,978,467	\$ 579,287	5%
Transportation and Warehousing	\$ 66,942	\$ 26,156	\$ (40,786)	-61%
Unclassified Establishments	\$ 291,821	\$ 348,094	\$ 56,273	19%
Utilities	\$ 3,204,018	\$ 3,233,757	\$ 29,739	1%
Wholesale Trade	\$ 989,265	\$ 998,273	\$ 9,007	1%
All Industries	\$ 46,339,797	\$ 42,370,140	\$ (3,969,656)	-9%

Gross Receipts Tax (GRT) revenue collections have stayed fairly constant over the last six quarters, as seen in Chart 4. The annual GRT revenue collections is up from FY18 to FY19, as seen in Chart 3 below.

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

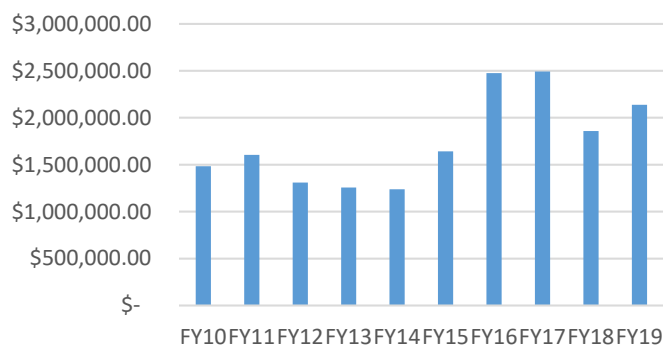
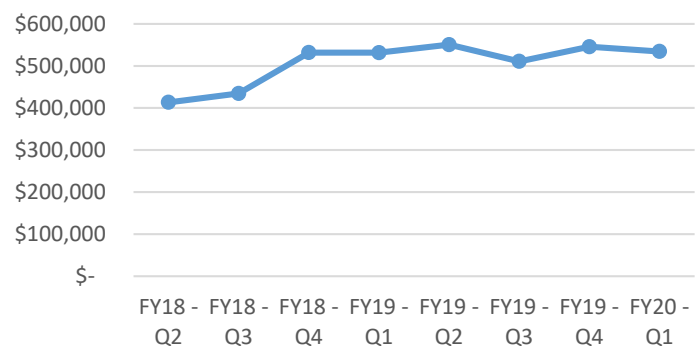


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

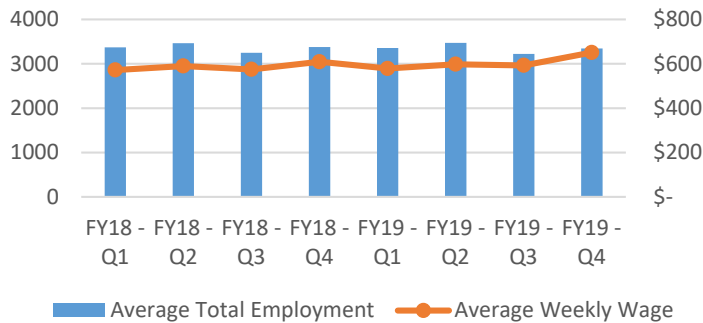


Chart 6. Quarterly Initial Unemployment Claims

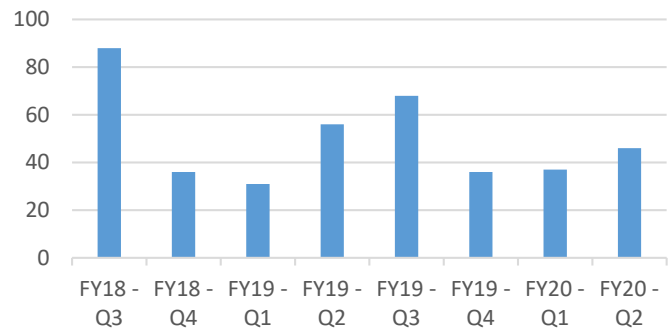
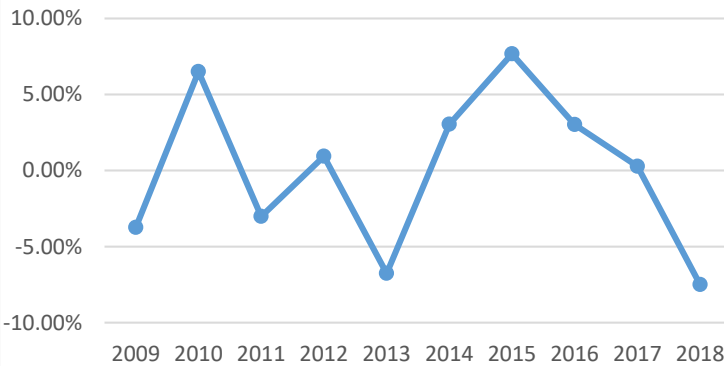


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Sierra, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.67%	2.94%	0.74%
Administrative and support and waste management and remediation services	0.67%	2.51%	-1.85%
Arts, entertainment, and recreation	0.64%	0.68%	-0.04%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	1.23%	2.75%	-1.51%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	0.78%	0.61%	0.17%
Professional, scientific, and technical services	1.66%	7.21%	-5.55%
Real estate and rental and leasing	28.48%	12.17%	16.31%
Agriculture, forestry, fishing and hunting	4.55%	1.78%	2.77%
Construction	3.89%	3.12%	0.77%
Information	0.67%	3.21%	-2.53%
Manufacturing	2.38%	4.31%	-1.93%
Mining, quarrying, and oil and gas extraction	2.17%	14.79%	-12.62%
Other services (except government and government enterprises)	1.82%	1.96%	-0.14%
Retail trade	7.20%	5.87%	1.33%
Transportation and warehousing	0.79%	2.58%	-1.79%
Utilities	1.22%	1.57%	-0.35%
Wholesale trade	0.22%	3.13%	-2.91%
Government and government enterprises	24.85%	21.50%	3.35%