

Quarterly Economic Summary

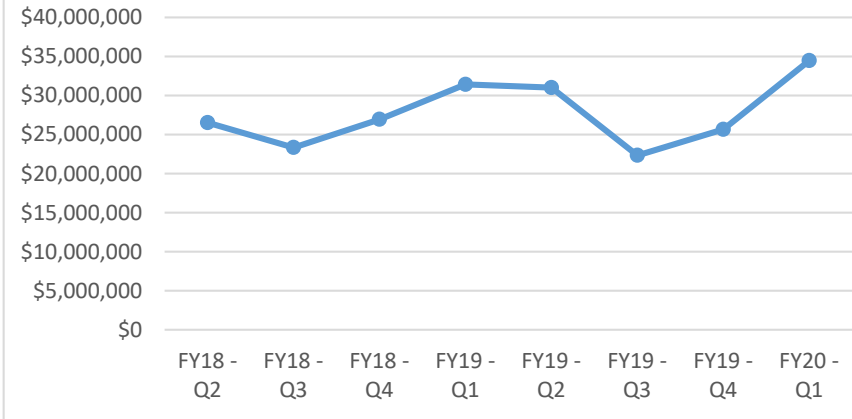
Union County



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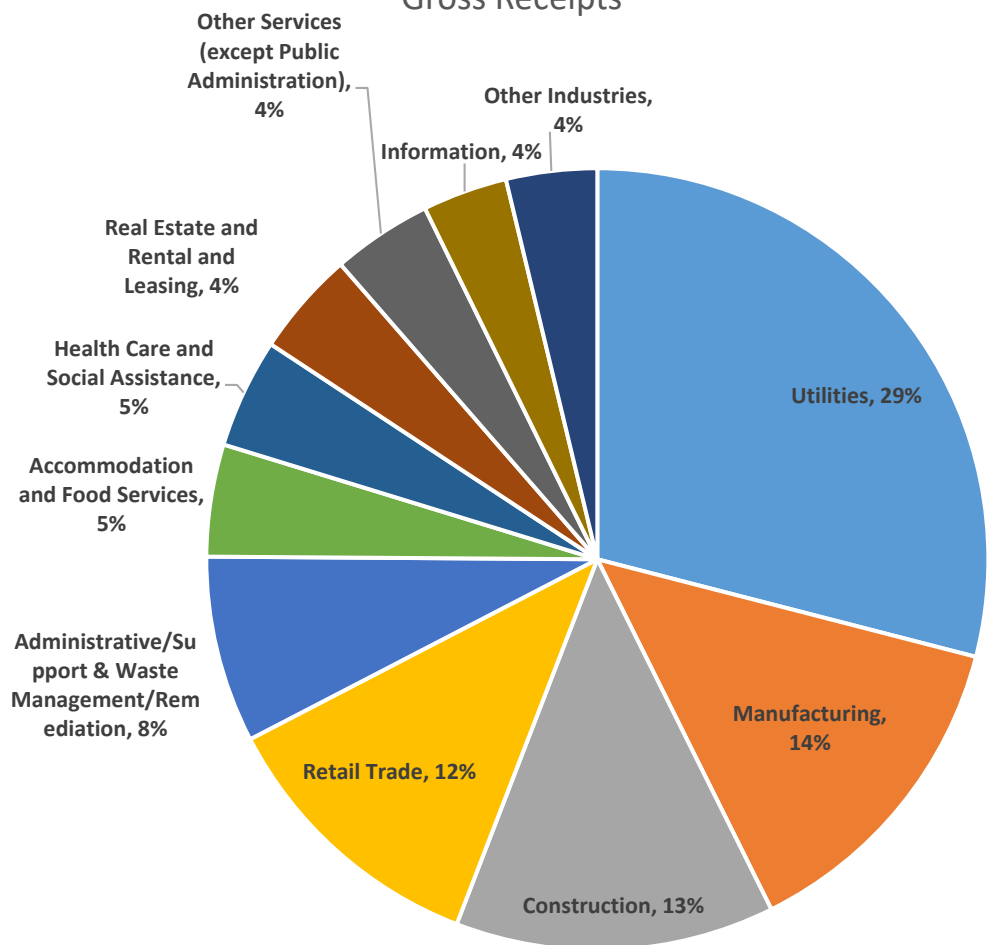
Chart 1. Matched Taxable Gross Receipts Per Quarter



Union County's matched taxable gross receipts (MTGR) in Q1 FY20 has been the County's largest amount, \$34M, in over sixteen quarters. Chart 1 demonstrates the significant jump in MTGR from Q4 FY19 to Q1 FY20 representing an increase of \$3M. Table 1, on the next page, demonstrates the massive jump particularly in Manufacturing. The growth in that sector is over 7,000% which could be due to a reporting error by a taxpayer that misclassified their industry.

There is one industry that shows negative 100% growth, this is likely due to the timing of the filer and would likely show up in the next quarter.

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	\$ 2,249,386	\$ 1,597,393	\$ (651,994)	-29%
Administrative/Support & Waste Management/Remediation	\$ 2,655,052	\$ 2,661,146	\$ 6,094	0%
Agriculture, Forestry, Fishing, and Hunting	\$ 240,133	\$ 342,496	\$ 102,363	43%
Arts, Entertainment, and Recreation	\$ 61,557	\$ 59,302	\$ (2,256)	-4%
Construction	\$ 5,881,475	\$ 4,550,272	\$ (1,331,203)	-23%
Educational Services	\$ -	\$ 1,072	\$ 1,072	N/A
Finance and Insurance	\$ 250,594	\$ 221,533	\$ (29,061)	-12%
Health Care and Social Assistance	\$ 1,598,567	\$ 1,560,821	\$ (37,746)	-2%
Information	\$ 1,185,066	\$ 1,209,254	\$ 24,188	2%
Manufacturing	\$ 65,596	\$ 4,702,565	\$ 4,636,969	7069%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ 33	\$ 33	N/A
Other Services (except Public Administration)	\$ 1,558,036	\$ 1,424,352	\$ (133,684)	-9%
Professional, Scientific, and Technical Services	\$ 527,390	\$ 432,256	\$ (95,134)	-18%
Public Administration	\$ 499	\$ -	\$ (499)	-100%
Real Estate and Rental and Leasing	\$ 817,313	\$ 1,492,760	\$ 675,447	83%
Retail Trade	\$ 3,550,721	\$ 3,975,455	\$ 424,733	12%
Transportation and Warehousing	\$ 126,746	\$ 117,697	\$ (9,049)	-7%
Unclassified Establishments	\$ 22,913	\$ 17,133	\$ (5,780)	-25%
Utilities	\$ 10,591,776	\$ 10,001,614	\$ (590,161)	-6%
Wholesale Trade	\$ 43,577	\$ 104,256	\$ 60,679	139%
All Industries	\$ 31,426,395	\$ 34,471,409	\$ 3,045,013	10%

Gross Receipts Tax (GRT) revenue collections rose significantly in the first quarter of FY20, as seen in Chart 4. This increase follows a seasonal trend with Union County, where Q1 of each fiscal year dating back to FY16 has been the highest.

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

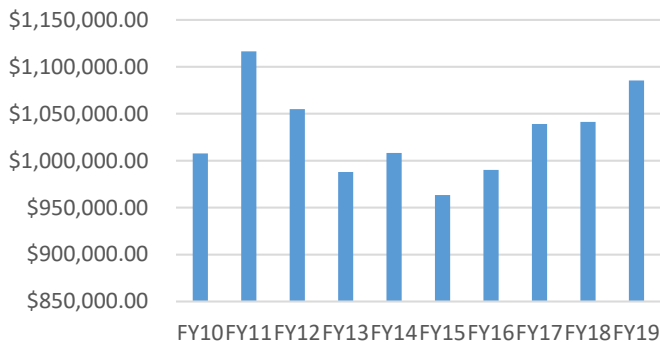
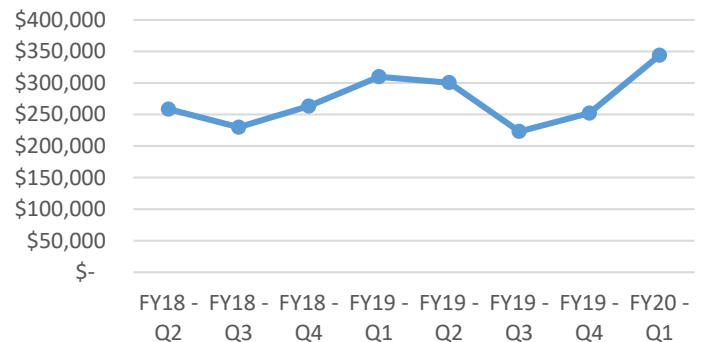


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

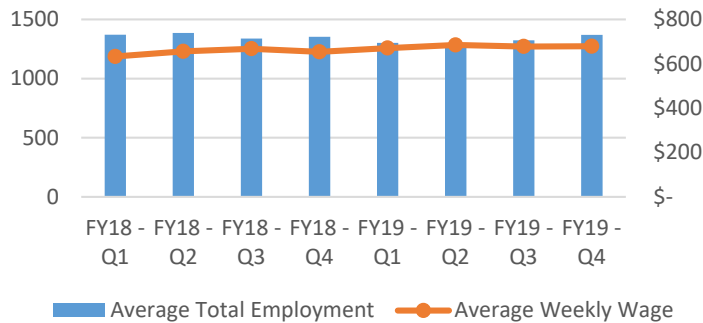


Chart 6. Quarterly Initial Unemployment Claims

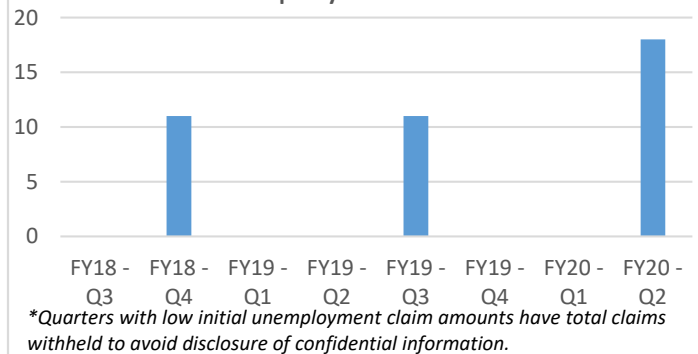
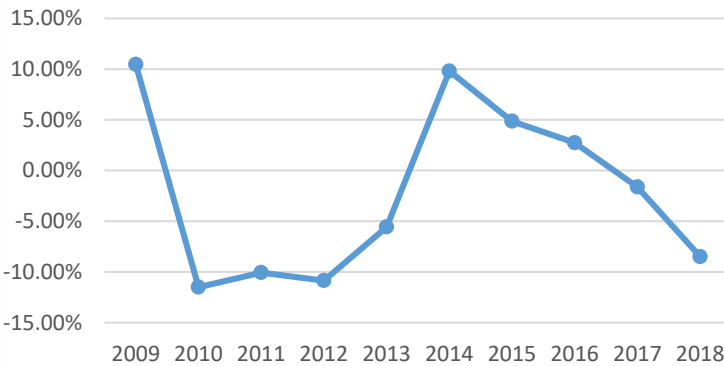


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Union, NM	New Mexico	Difference Between County and State
Accommodation and food services	2.01%	2.94%	-0.92%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.40%	0.68%	-0.28%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	2.13%	2.75%	-0.61%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	1.01%	0.61%	0.41%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	11.17%	12.17%	-1.00%
Agriculture, forestry, fishing and hunting	2.41%	1.78%	0.63%
Construction	0.00%	3.12%	-3.12%
Information	3.34%	3.21%	0.13%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	43.05%	14.79%	28.26%
Other services (except government and government enterprises)	2.14%	1.96%	0.18%
Retail trade	4.31%	5.87%	-1.56%
Transportation and warehousing	0.00%	2.58%	-2.58%
Utilities	0.76%	1.57%	-0.81%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	11.31%	21.50%	-10.19%