

Quarterly Economic Summary

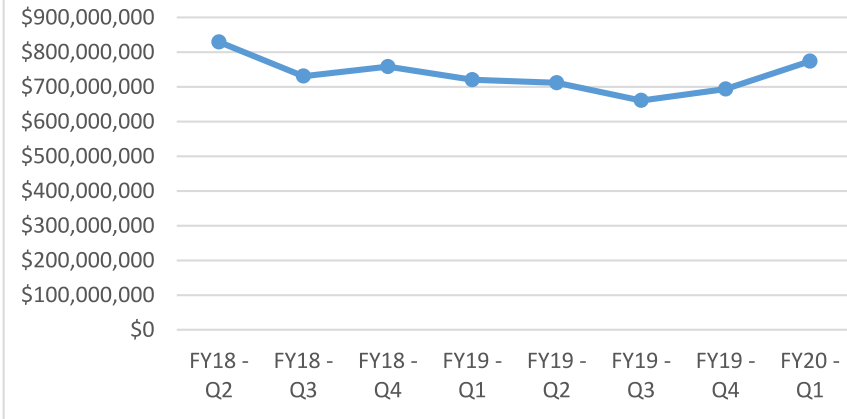
San Juan County

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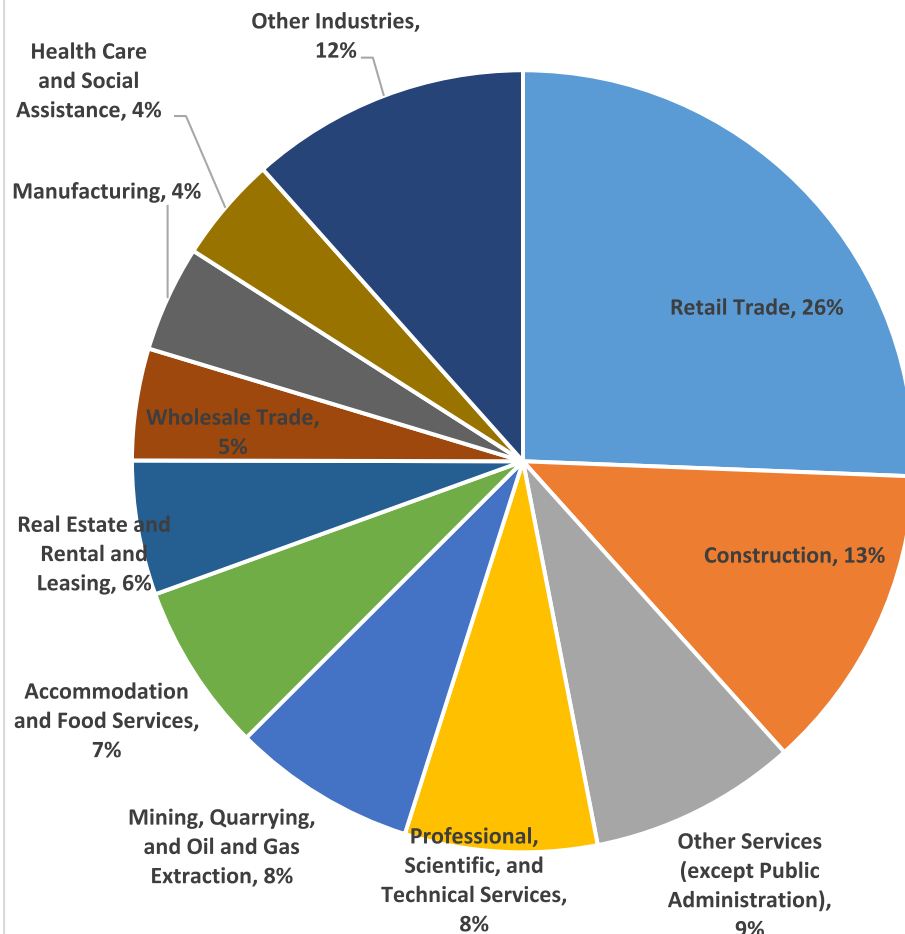
Chart 1. Matched Taxable Gross Receipts Per Quarter



San Juan County's matched taxable gross receipts (MTGR) have been trending downward over the last eight quarters, as seen in Chart 1. The county has, however, experienced two consecutive quarters of growth in MTGR during Q4 FY19 and Q1 FY20. The county saw a 7% year over year growth in MTGR during Q1 FY20 with the Real Estate and Mining, Oil and Gas industries seeing the largest growth. Table 1, on page 2, shows the Public Administration industry, with -100% growth or no MTGR in the first quarter of FY20.

This may be due to companies working in this industry 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	\$ 54,180,012	\$ 53,949,693	\$ (230,320)	0%
Administrative/Support & Waste Management/Remediation	\$ 10,551,217	\$ 10,203,181	\$ (348,036)	-3%
Agriculture, Forestry, Fishing, and Hunting	\$ 757,671	\$ 943,713	\$ 186,042	25%
Arts, Entertainment, and Recreation	\$ 1,916,329	\$ 2,490,258	\$ 573,929	30%
Construction	\$ 94,778,180	\$ 98,546,385	\$ 3,768,205	4%
Educational Services	\$ 838,973	\$ 864,345	\$ 25,372	3%
Finance and Insurance	\$ 2,541,403	\$ 3,150,239	\$ 608,836	24%
Health Care and Social Assistance	\$ 32,027,666	\$ 33,862,791	\$ 1,835,126	6%
Information	\$ 28,617,425	\$ 29,294,035	\$ 676,610	2%
Management of Companies and Enterprises	\$ -	\$ 230,515	\$ 230,515	N/A
Manufacturing	\$ 35,555,831	\$ 33,946,476	\$ (1,609,355)	-5%
Mining, Quarrying, and Oil and Gas Extraction	\$ 38,999,087	\$ 58,961,978	\$ 19,962,892	51%
Other Services (except Public Administration)	\$ 72,062,497	\$ 66,460,974	\$ (5,601,523)	-8%
Professional, Scientific, and Technical Services	\$ 54,907,378	\$ 61,500,080	\$ 6,592,702	12%
Public Administration	\$ 8,058,253	\$ -	\$ (8,058,253)	-100%
Real Estate and Rental and Leasing	\$ 17,133,040	\$ 42,991,189	\$ 25,858,149	151%
Retail Trade	\$ 191,020,975	\$ 198,195,156	\$ 7,174,181	4%
Transportation and Warehousing	\$ 13,141,298	\$ 15,228,225	\$ 2,086,927	16%
Unclassified Establishments	\$ 2,003,382	\$ 2,914,714	\$ 911,332	45%
Utilities	\$ 24,838,635	\$ 24,293,506	\$ (545,129)	-2%
Wholesale Trade	\$ 36,469,670	\$ 35,764,011	\$ (705,659)	-2%
All Industries	\$ 720,398,921	\$ 773,791,465	\$ 53,392,544	7%

Annual Gross Receipts Tax (GRT) revenue collections in FY19 were at their lowest point in the last ten years, reaching \$32.2M, as seen in Chart 1. GRT revenue collections saw a quarter over quarter decline from Q2 FY18 until Q3 FY19. Q1 FY20 saw an 11% year over year growth, with an increase of \$886K in GRT revenue collections. Table 2, on page 3, shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.

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

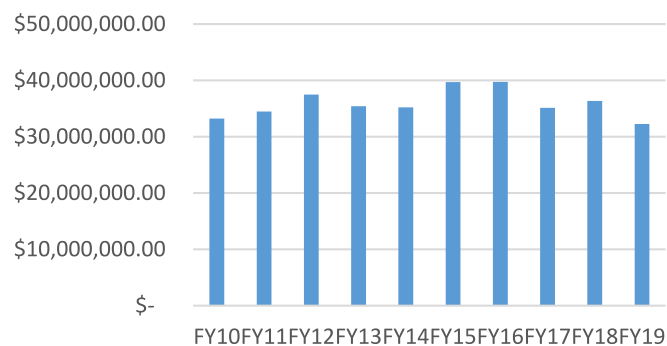
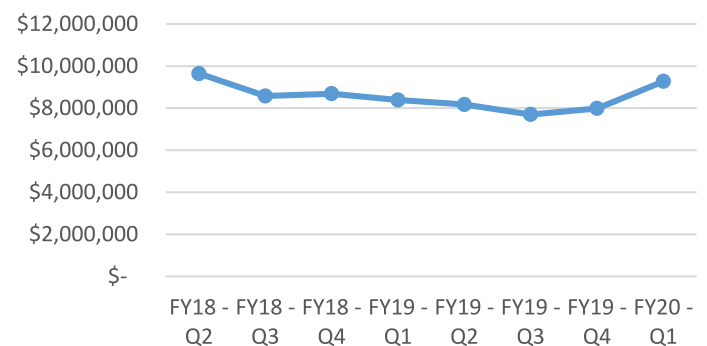


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

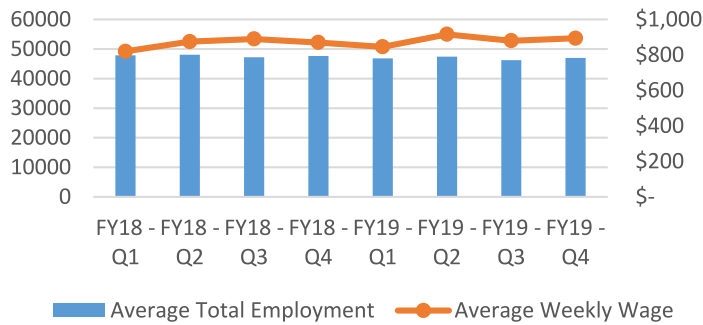


Chart 6. Quarterly Initial Unemployment Claims

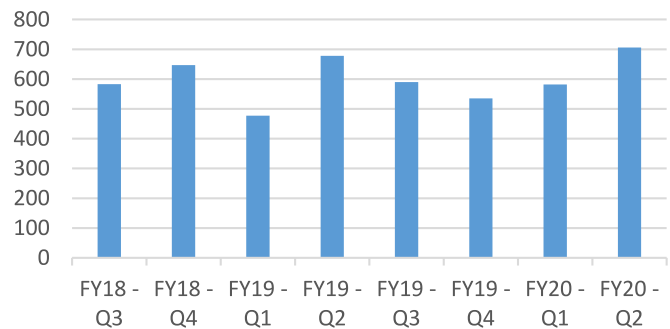
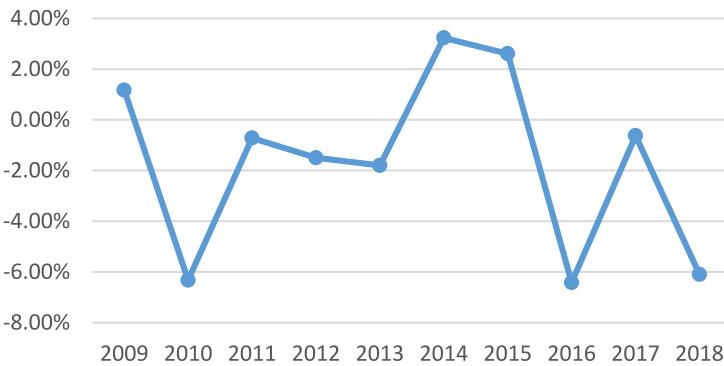


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	San Juan, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.99%	2.94%	-0.94%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.28%	0.51%	-0.23%
Finance and insurance	0.00%	2.75%	-2.75%
Health care and social assistance	7.14%	7.39%	-0.25%
Management of companies and enterprises	0.34%	0.61%	-0.26%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	0.00%	12.17%	-12.17%
Agriculture, forestry, fishing and hunting	0.08%	1.78%	-1.70%
Construction	3.75%	3.12%	0.64%
Information	0.00%	3.21%	-3.21%
Manufacturing	1.98%	4.31%	-2.33%
Mining, quarrying, and oil and gas extraction	28.15%	14.79%	13.36%
Other services (except government and government enterprises)	1.74%	1.96%	-0.22%
Retail trade	6.84%	5.87%	0.97%
Transportation and warehousing	1.89%	2.58%	-0.70%
Utilities	8.67%	1.57%	7.09%
Wholesale trade	4.16%	3.13%	1.03%
Government and government enterprises	16.08%	21.50%	-5.42%