

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: September 19, 2012

TO: Mayor Thomas Swisstack,
Council Members: Chuck Wilkins, Patricia Thomas, Tamara Gutierrez, Mark Scott, Timothy Crum, and Lonnie Clayton
James Babin, Acting City Manager
Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: **September 2012 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for September, which is based on July economic activity, was \$1,994,395 after adjustments, \$13,876 or 0.7 percent below the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$158,314, or 2.5 percent below the annual estimate. Below are some highlights of this month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The September General Fund GRT distribution was approximately 7.1 percent lower than the distribution in September of 2011, with construction experiencing the largest decline, as expected. Retail and Service revenue is generally lower than expected, so far this year.
- Construction GRT revenue fell \$120,821 or 27 percent to \$328,114 before adjustments. Fiscal year to date, construction is down 28 percent. We continue to see increases in monthly housing construction permits, though construction GRT revenue is still lower when compared to last September, a time when both hospitals were under construction.
- Revenue from the broad Retail sector (which incorporates Retail, Accommodation and Food Services and the Food Hold Harmless distribution) rose three percent from September of 2011 to \$1,054,966 and is about 1.3 percent higher fiscal year to date. The Food Hold Harmless distribution rose 9.2 percent from last September, in the amount by \$19,842 and is up 5.3 percent fiscal year to date.
- The Services sector revenue rose one percent from September of 2011 to \$705,813. Fiscal year to date, the sector is down almost one percent, with Professional, Scientific and Technical Services and Information and Cultural Industries the leading YTD declines. The Medical Hold Harmless distribution rose 31 percent compared to September of 2011 by 19,726 and is 25 percent higher fiscal year to date. Similarly, the

Medical and Social Assistance sector revenue continues to show strength, rising 28 percent from last September and 28 percent higher fiscal year to date.

- The Finance and Insurance sector revenue saw a 42 percent decline, equal to -\$15,186 compared to last September. Fiscal year to date, this sector is down 32 percent.
- The Utilities, Transportation and Warehousing sector rose six percent compared to last September by \$19,339 and is 1.3 percent higher fiscal year to date.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution to General Fund

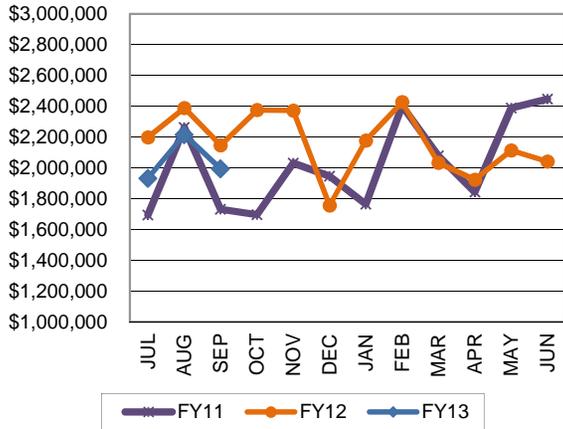


Chart 2: FY13 Gross Receipts Tax Monthly Revenue Estimate vs. Actual

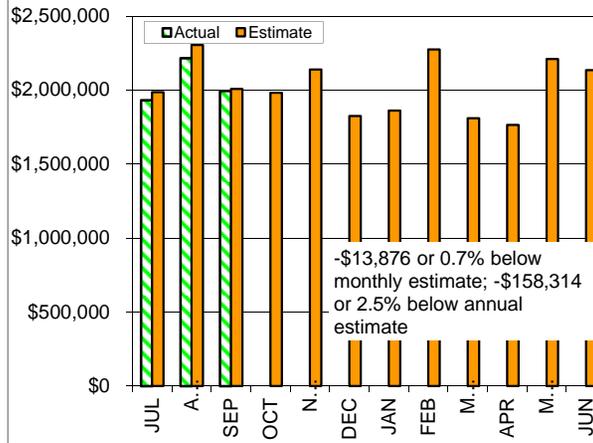


Chart 3: September Total GRT Distribution: Dollar Change compared to FY12

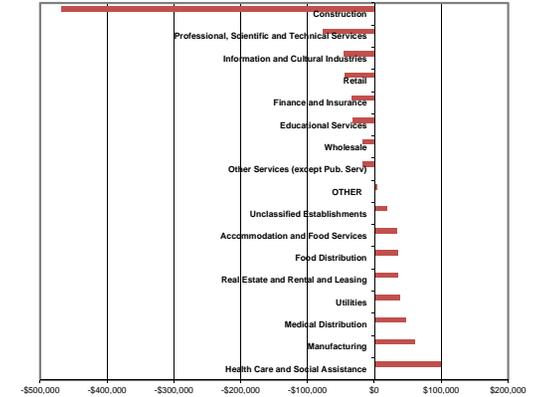


Chart 4: Health Care and Social Assistance plus Medical Hold Harmless Distribution

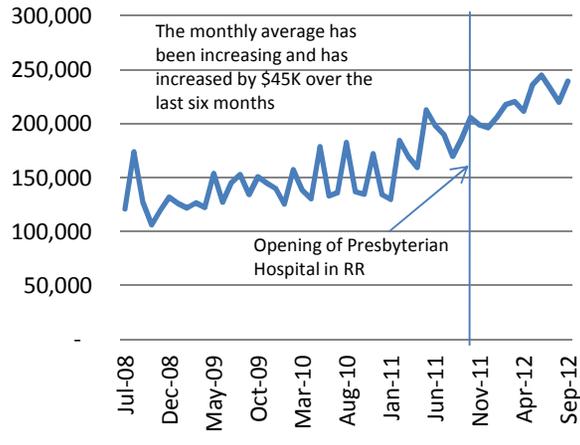


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

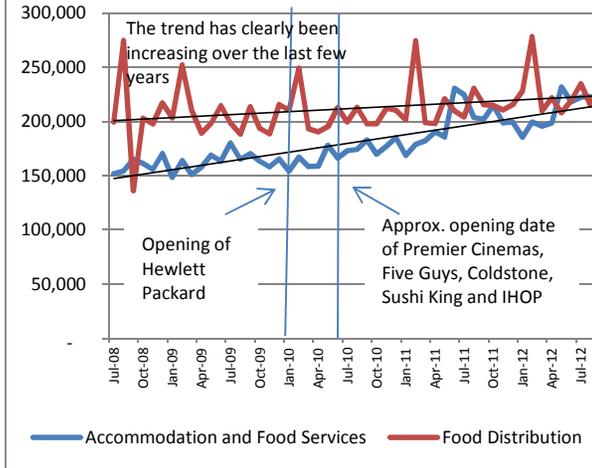


Chart 6: Information and Cultural Industries

