

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: July 31, 2014

TO: Mayor Gregory Hull
Council Members: Chuck Wilkins, Dawnn Robinson, Cheryl Everett, Mark Scott,
Shelby Smith, and Lonnie Clayton
Keith Riesberg, City Manager and Laura Fitzpatrick, Assistant City Manager

FROM: Dan Olsen, Financial Services Director

SUBJECT: **July 2014 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund GRT distribution for July was \$1,983,000. This amount is \$207,000 (9.4%) below the budgeted monthly estimate and \$32,000 (1.6%) lower than actual collections in July 2013. Attached is the monthly Gross Receipts Tax Dashboard showing notable GRT trends, and below are highlights from the July data:

- The Retail sector showed the largest decline of any category, falling 18% compared to July 2013 and 21% from the prior month. According to the State Tax and Revenue Department (TRD), the large decline in July is due in part to untimely tax filings for several large retailers. TRD stated that the City's June distribution was slightly larger than usual because some large retailers filed early, and the City's August distribution should be larger than usual because other retailers filed late. Without more detailed information from TRD, we will need to closely monitor our GRT distributions in the coming months to verify this analysis.
- The Construction sector decreased 2.8% compared to July 2013, but was 3.3% higher than last month.
- The Utilities and Manufacturing sectors increased 17% and 14%, respectively, compared to July 2013. Changes in reporting methods for these two sectors have passed the one-year mark, so future GRT comparisons should not be skewed because of reporting methods.
- Accommodation and Food Services continues to grow, increasing 7.9% over the prior month and 6.2% compared to July 2013.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

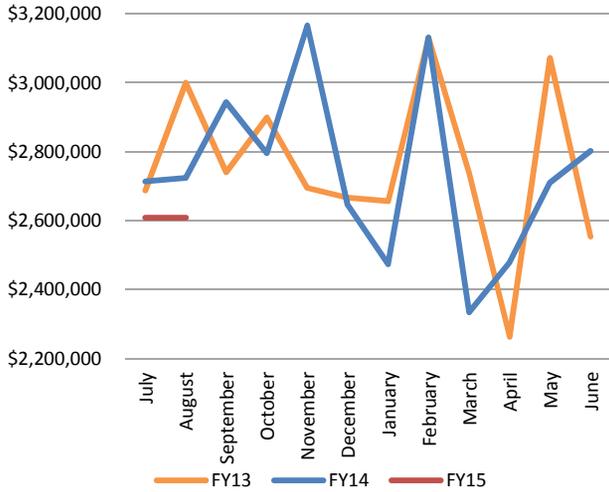


Chart 2: FY15 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

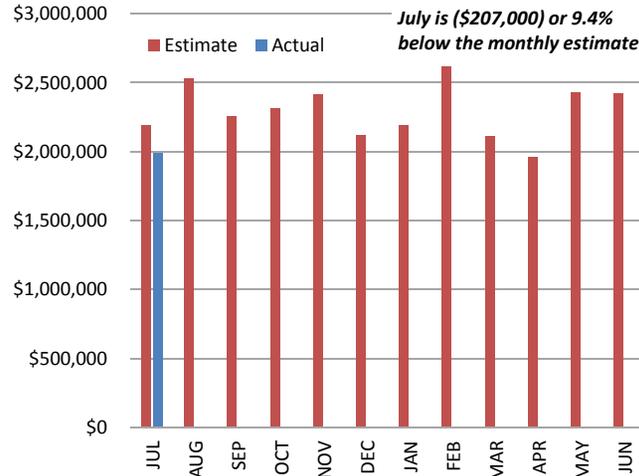


Chart 3: FY15 YTD GRT Distribution compared to FY14 YTD through July

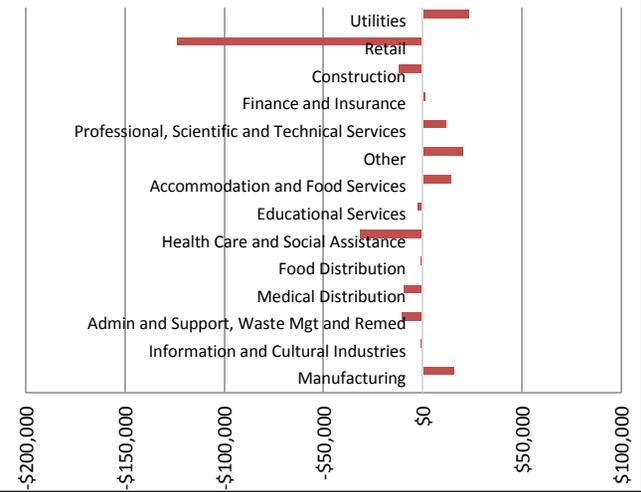


Chart 4: Health Care and Social Assistance vs. Medical Hold Harmless Distribution

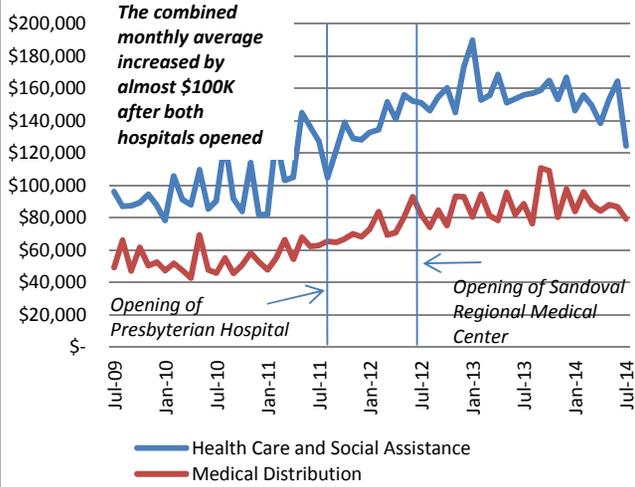


Chart 5: Accommodation and Food Services vs. Food Distribution

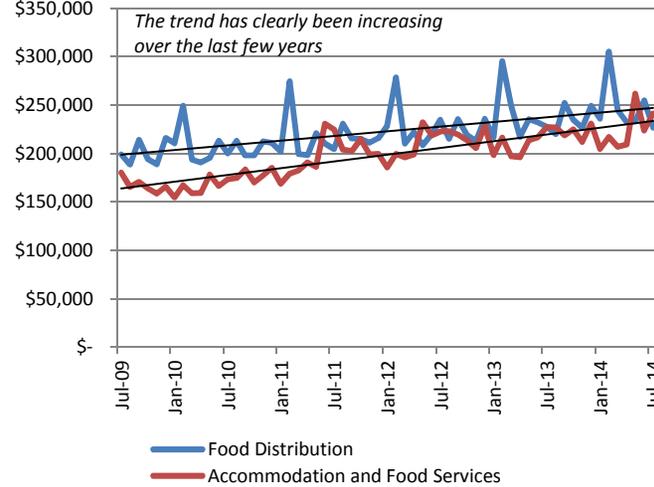


Chart 6: GRT Distribution by Industry FY15

