

**CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES**

MEMORANDUM

DATE: April 20, 2011

TO: Mayor Thomas Swisstack
Michael J. Williams, Council Member
Patricia Thomas, Council Member
Tamara L. Gutierrez, Council Member
Steven L. Shaw, Council Member
Timothy C. Crum, Council Member
Kathleen Colley, Council Member
James Jimenez, City Manager
Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: **April 2011 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for the month of April, which is based on January activity, was \$1,843,162 after deductions, \$149,487 below the monthly estimate (see Attachment 1, FY11 Gross Receipts Tax Revenue Estimate vs. Actual). Year-to-date Fiscal Year 2011 (FY11), GRT revenue is \$666,116 or 3.6 percent higher than the annual estimate and approximately 4.2 percent higher than FY10 through the same period.

Attachments 3 and 4 illustrate the trends in Gross Receipts Tax revenues by monthly totals and major sector activity. Below are some highlights of these graphs.

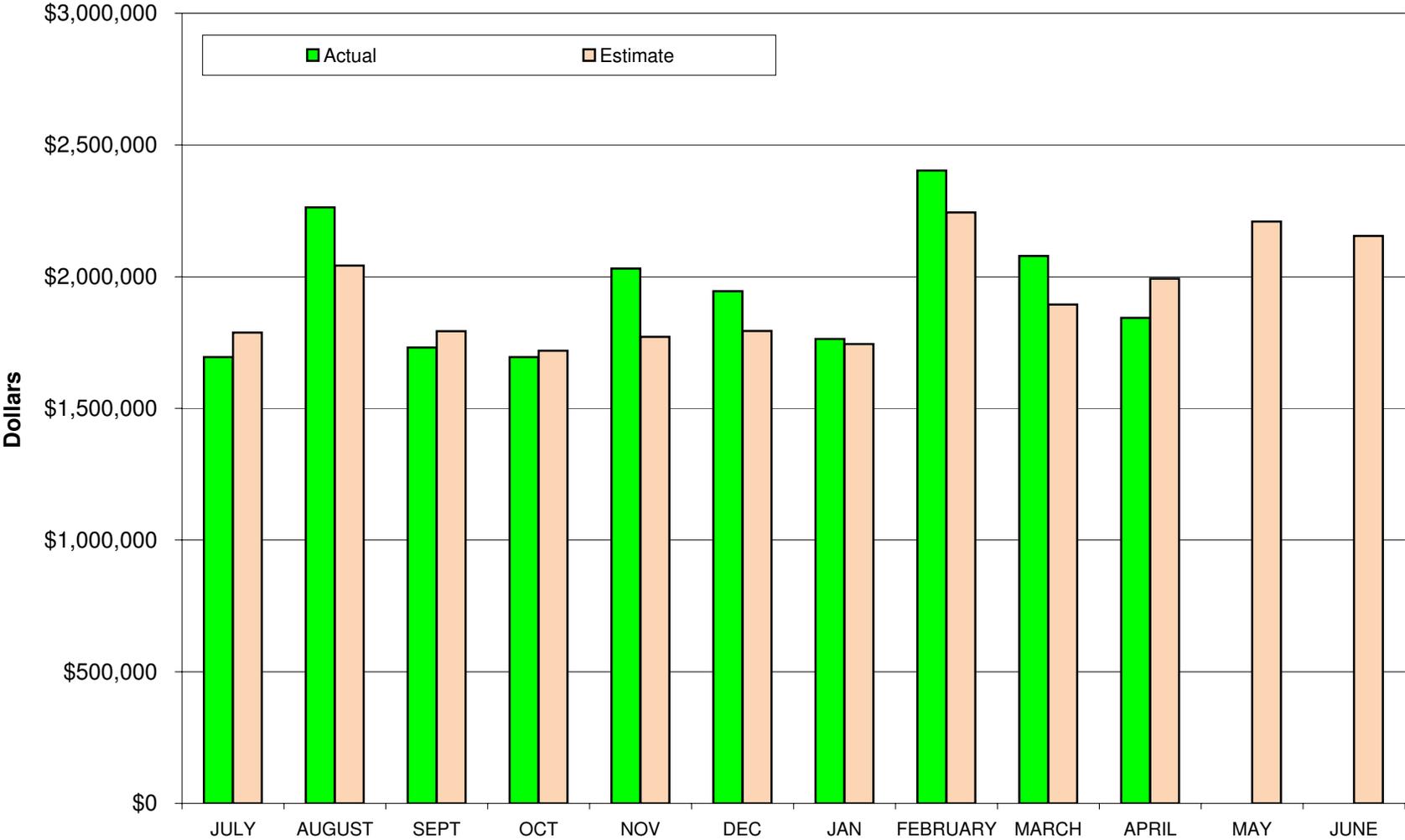
- The April GRT distribution was 21 percent above the April 2010. YTD, construction and retail activity continue to be the most significant drag, though both sectors continue to improve each month. Utilities and services are significantly higher compared to FY10.
- Construction GRT revenue increased over 78.3 percent compared to April 2010, most of which is attributed to the two hospital construction projects and other commercial projects underway. As noted recently, the strength of these commercial projects has greatly improved the overall GRT revenue since the low of October. As of April, GRT revenue from construction activity is down 5 percent compared to the same period last year, or \$249,591 lower. This is a significant improvement from the low in October when construction was down 41.6% YTD compared to FY10.
- Retail revenue was about 7.5 percent higher than the amount in April 2010. Revenue

from retail activity is about 1.2 percent lower than FY10, improving each month.

- The Services sector revenue was 5.4 percent lower than April 2010. Compared to FY10 YTD, this revenue is 4.1 percent higher. The Professional, Scientific, and Technical Services, a sub sector of Services saw a large net negative payment of -\$50,835, which may be related to amended returns. The monthly average so far this year for this sector has been about \$110,000, so this sector distribution alone could explain the reason the total GRT distribution was \$150,000 below the estimate this month.
- The Transportation, Communications, and Utilities (TCU) sector revenue is 8.1 percent higher compared to last April. This sector is about 7.4 percent higher compared to the same period in FY10, which appears to be related to higher electricity prices.
- Manufacturing GRT was 32 percent higher than last April. Fiscal year to date, Manufacturing is 13.5 percent lower compared with the same period last fiscal year.

Please see Attachment 2 that shows the amounts of GRT collected by industry and compares YTD revenue and percent of total to the prior fiscal year.

FY11 Gross Receipts Tax Revenue Estimate vs. Actual

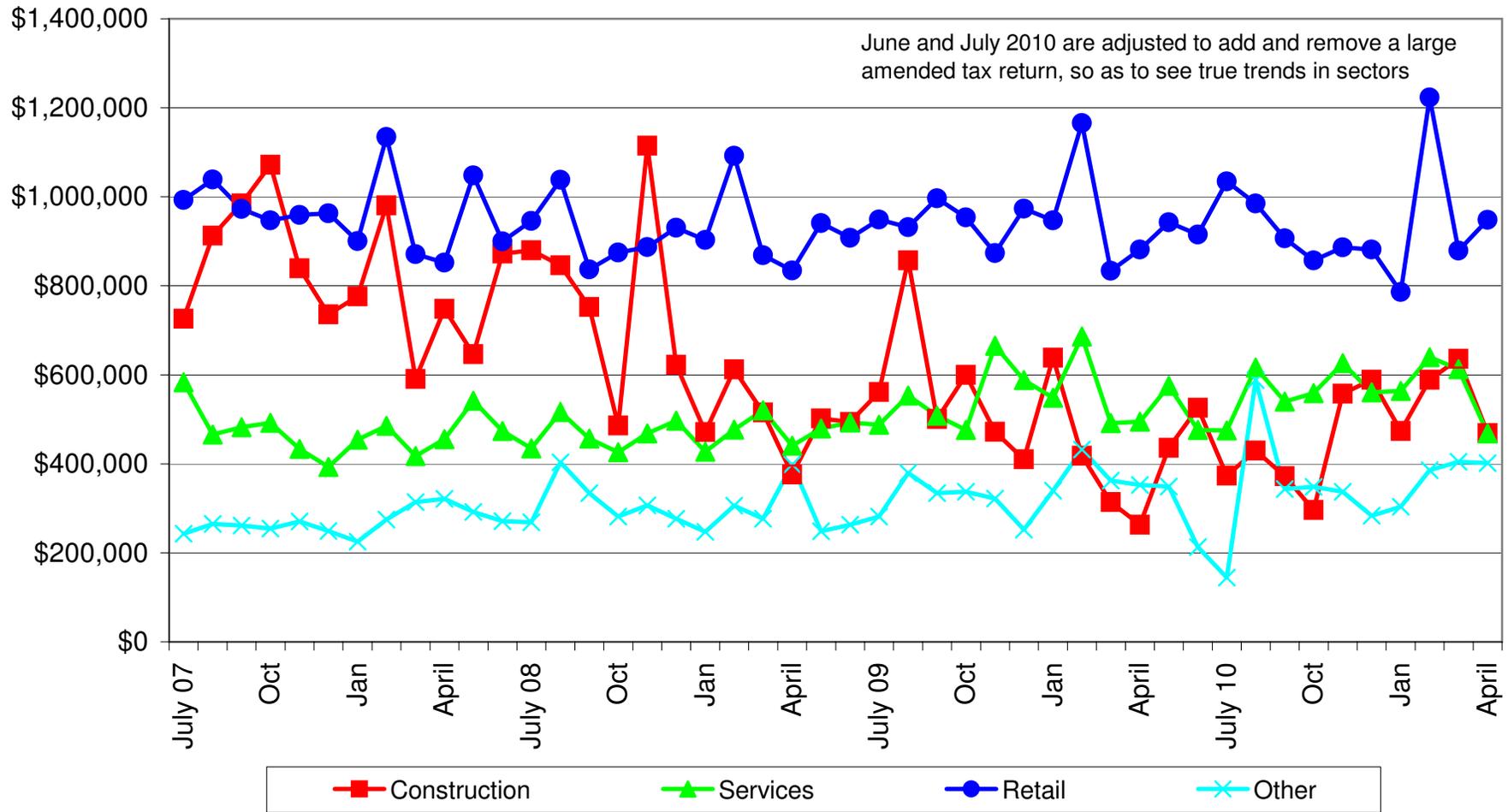


*For purposes of comparison only, this graph excludes \$1.19 million returned by TRD in July for previously and erroneously withheld amended returns.

FY11 GROSS RECEIPTS REVENUES

	<u>April</u> (February Activity)	<u>FY11 Y-T-D</u>	<u>FY10 Y-T-D</u>	Y-T-D % Change Over FY10	Y-T-D \$ Change Over FY10
Construction	\$468,801 18.80%	\$4,785,690 18.63%	\$5,035,281 19.95%	-4.96%	(\$249,591)
Manufacturing	\$18,743 0.75%	\$173,723 0.68%	\$200,736 0.80%	-13.46%	(\$27,012)
Trans/Comm/Util	\$296,152 11.87%	\$2,542,501 9.90%	\$2,367,845 9.38%	7.38%	\$174,657
Wholesale Trade	\$20,513 0.82%	\$199,726 0.78%	\$228,134 0.90%	-12.45%	(\$28,409)
Retail Trade	\$948,126 38.01%	\$9,387,511 36.54%	\$9,505,130 37.67%	-1.24%	(\$117,620)
Fin/Ins/Real Estate	\$55,022 2.21%	\$592,054 2.30%	\$597,267 2.37%	-0.87%	(\$5,213)
Services	\$468,062 18.77%	\$5,725,377 22.29%	\$5,499,992 21.79%	4.10%	\$225,386

Monthly Gross Receipts Tax Revenue by Sector FY08 to FY11 YTD



Monthly GRT Distribution to General Fund

