DATE: April 26, 2019

TO: Mayor Greggory Hull, Council Members Jim Owen, Jeremy Lenentine, Bob Tyler, Marlene Feuer, Jennifer Flor, and Dave Bency
John Craig, Acting City Manager

FROM: Juan C Mejia, Budget & Grants Division Manager

SUBJECT: April Gross Receipts Tax and Recent Labor Market Indicators

Gross Receipts Tax

Attached please find the monthly dashboard for April GRT collections. For the month, the City’s GRT revenue in the General Fund totaled $2,357,097, which was $34,033 above the revised revenue estimate. Year-to-date the City has a positive revised budget to actual gross receipts tax variance of 5.8 percent. Compared to the prior fiscal year actuals, there is a positive variance of $2.8 million or 12.4 percent for the General Fund. This is a significant year over year variance. Staff does not believe the increase is entirely related to business activity. Although there does seem to be increased business activity, staff believes GRT adjustments account for a significant portion of the increase. Staff is not able to validate this belief due to limitations on the information obtainable from the Taxation and Revenue Department.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Year-to-date, sectors with positive growth compared to the same period in FY 2018 are manufacturing at 23.8 percent, professional, education and other services at 18 percent, health care and social assistance at 11.8 percent, utilities, transportation and warehousing at 9.4 percent, “other” industries at 11.5 percent, retail trade at 3.7 percent, and accommodation and food services at 1.3 percent. The key sector of construction, which reflected negative growth throughout fiscal year 2018, is now showing significant growth of 45.9 percent. This is a very positive sign, however the large swing and is likely due to adjustments as well as the increased construction activity. The food distribution is slightly down, 3.2 percent, when compared to fiscal year 2018. There is negative growth in the information and cultural industries sector of 2.7 percent, the finance, insurance and real estate sector of 4.4 percent, and the medical distribution of 11.1 percent.

Labor Market Indicators

Employment data for the State as a whole shows the seasonally adjusted unemployment rate was 5.1 percent in March 2019, unchanged from the rates in February 2019 and up from 5.0 percent in February 2018. In contrast, the national unemployment rate in March was 3.9 percent, down from 4.1 percent in both February 2019 and March 2018. Employment news release


Employment for the Albuquerque MSA for the month of March 2019 increased by 2,800 jobs, or 0.7 percent year-over-year. Following is the link to the Labor Market Review for the month of March: Labor market review

*Y-T-D March 2019 is $1.4 million or 6.5% above the FY19 revised