DATE: August 17, 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: August 2012 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for August, which is based on June economic activity, was $2,215,661 after adjustments, $89,132 or 3.9 percent below the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is $144,437, or 3.4 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 August General Fund GRT distribution was approximately 7.2 percent lower than the distribution in August of 2011, with construction experiencing the largest decline.

- Construction GRT revenue fell $168,674 or 35 percent to $403,655 before adjustments. We continue to see modest increases in single family housing construction permits, though construction GRT revenue is still lower when compared to last August, a time when both hospitals were under construction.

- Wholesale Trade, which is a relatively small sector, declined over $24,808 compared to an unusually high August 2011.

- The Services sector revenue rose two percent from August of 2011 to $746,852. Fiscal-year-to-date, the sector is down 2.1 percent, with Professional, Scientific and Technical Services and Information and Cultural Industries the leading YTD declines.

- Retail sector revenue was little changed from August of 2011 at $1,086,657 and is little changed fiscal year to date.

- The Utilities, Transportation and Warehousing sector rose 12 percent compared to last August to $342,880 and is almost four 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: August Total GRT Distribution: Dollar Change compared to FY12

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

The monthly average has been increasing and has increased by $45K over the last six months.

Opening of Presbyterian Hospital in RR

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

The trend has clearly been increasing over the last few years.

Opening of Hewlett Packard

Approx. opening date of Premier Cinemas, Five Guys, Coldstone, Sushi King and IHOP

Chart 6: Information and Cultural Industries

Opening of Premier Cinemas

Monthly Average more than Doubled: Primarily in Telecom

43 telecom companies are currently reporting, including AT&T, Quest, Sprint, Verizon, Time Warner, Nextel, and T-Mobile

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