## CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

## **MEMORANDUM**

DATE:

December 19, 2013

TO:

Mayor Thomas Swisstack,

Council Members: Chuck Wilkins, Patricia Thomas, Tamara Gutierrez, Mark

Scott, Timothy Crum, and Lonnie Clayton

Keith Riesberg, City Manager and Laura Fitzpatrick, Assistant City Manager

FROM:

Marta Ortiz, Acting Financial Services Director

SUBJECT: December 2013 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for December, which is based on October economic activity, was \$1,970,735 after adjustments, \$69,398 or 3.65 percent above the monthly estimate. Fiscal year to date, GRT distributions are 1.87 percent or \$234,290 above the annual estimate. Below are highlights of the month's distribution and attached is the Gross Receipts Tax Dashboard showing notable GRT trends.

- The total fiscal year to date through December GRT distribution was 1.8 percent higher than December of 2012. The Manufacturing sector continues to increase on a year over year basis. 14 out of 22 sectors rose compared to last December.
- This month's total Construction sector distribution was \$179,682, or 7.1 percent lower than fiscal year to date through December of 2012 and slightly lower than the FY13 monthly average of \$389,865. December Construction GRT distributions are 7.1 percent lower.
- The Manufacturing distribution shows a moderate increase in December to \$108,307. Manufacturing companies are continuing to remit GRT on various utility expenditures, including electricity, instead of the utility companies. Timing of these tax payments likely led to the large swings seen over the last three months (See Chart 6).
- The Utilities distribution amount continues to decline over the last several months to \$178,017 from last November and is about 9.7 percent lower fiscal year to date. November distribution was significantly higher than December due to \$499,061.13 of prior period adjustments, and the State Taxation and Revenue Department (TRD) specify indicated a continued issue with Utility Distribution is volatility. As noted above, the decline is the change in reporting for electricity used in the manufacturing process.
- The other two major sectors, Retail and Services, were little changed compared to one year ago. Retail is on average 0.8 percent higher, fiscal year to date, while Services are 14.3 percent higher.

## Rio Rancho Gross Receipts Tax Dashboard











