



MEMORANDUM

VIA: Governing Body
Jarel LaPan Hill, City Manager
Alexis Lotero, Acting Deputy Finance Director

FROM: Bradley Fluetsch, CFA Planning and Investment Officer

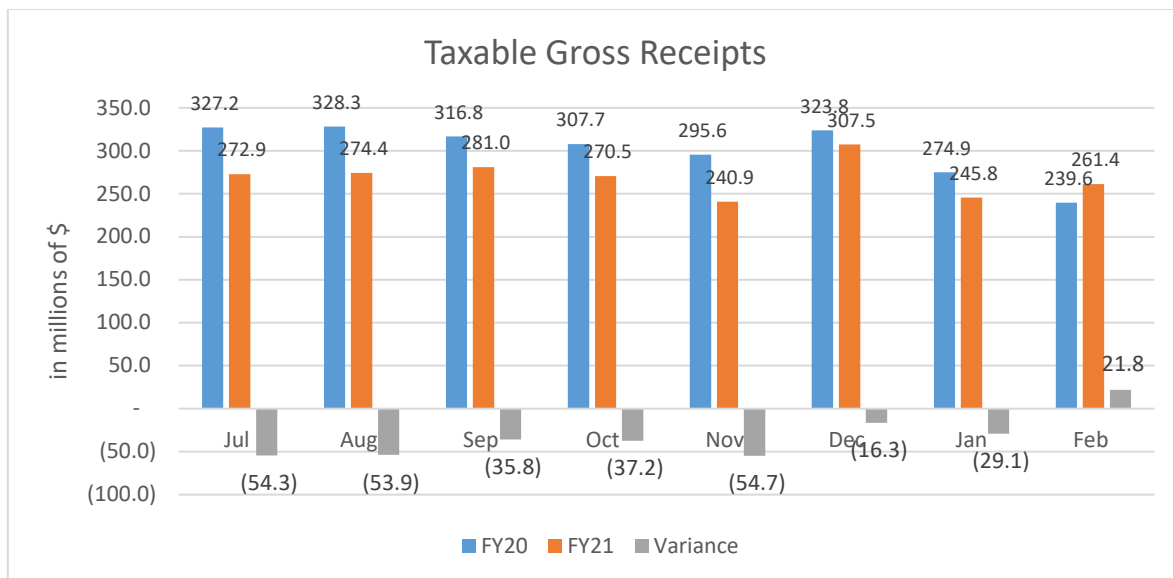
RE: February 2021 GRT

DATE: May 7, 2021

City staff continues to monitor GRT receipts as part of the City's revenue forecasting efforts. Due to the two month delay, the City received the Gross Receipts Tax generated in February 2021 from the Taxation and Revenue Department in April 2021.

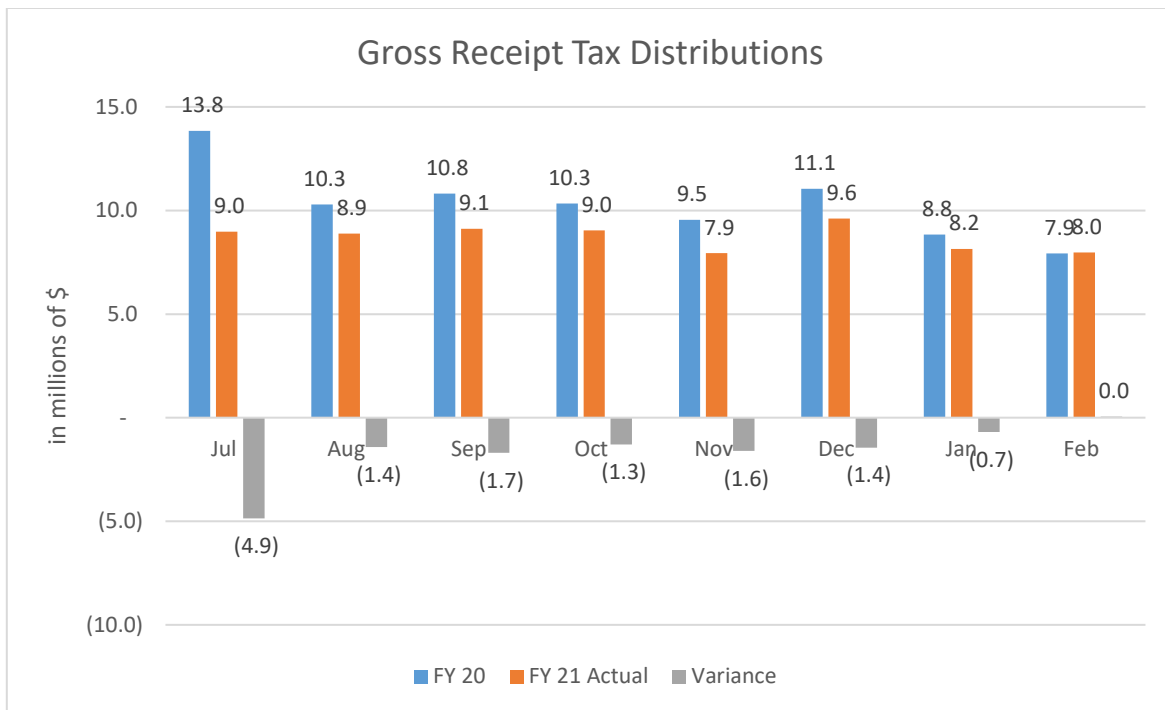
For the first time since February 2020, taxable gross receipts had year over year growth in February 2021. Taxable gross receipts in February 2021 was \$261.4 million, 9.1 percent greater than February 2020, \$239.6 million and 4.4 percent greater than February 2019, \$250.3 million.

When comparing February 2020 data to February 2021 data, the taxable gross receipts in Santa Fe increased \$21.8 million, or 9.1 percent. (See Taxable Gross Receipts chart below.) Of the 21 industry sectors, 14 experienced year over year growth, the most this fiscal year. (Please see attached source data from TRD.)



*New Mexico Tax and Revenue Department RP500

The February 2021 distribution was 0.6 percent, or a \$48,306 increase from February 2020. The City received \$7,978,284 for the Gross Receipts Tax revenue generated in February 2021, compared to \$7,929,979 in February 2020. (See Gross Receipts Tax Distributions chart below.)



*New Mexico Tax and Revenue Department RP500

In February, retail trade was positive year over year by 17.9 percent and is the largest contributor at 30 percent of total taxable gross receipts, up from 28 percent in February 2020. Construction, up \$7.3 million, Wholesale Trade up \$4.3 million and Professional Scientific and Technical Services was also up \$4.3 million. Based on continued positive GRT data, the City of Santa Fe has revised the FY21 estimates for the GRT distributions from \$90 million to \$97 million.

Below is a highlight of the taxable gross receipts by industry from February 2020 to February 2021.

- Accommodation and Food Services sector decreased 33.3 percent (\$10.8 million) year-over-year. This sector accounted for 8 percent of the activity in February 2021 down from 13 percent in 2020.
- Retail Trade increased 17.9 percent (\$12 million). This sector accounted for 30 percent of the activity in February 2021.
- Other Services decreased 61.7 percent (\$12.3 million). This sector accounted for 3 percent of the activity in February 2021.
- Health Care and Social Assistance increased 5.9 percent (\$1 million). This sector accounted for 6 percent of the activity in February 2021.
- Information decreased 39.9 percent (\$4.7 million). This sector accounted for 3 percent of the activity in February 2021 down from 5 percent in 2020.
- Manufacturing increased 53.2 percent (\$1.4 million). This sector accounted for 2 percent of the activity in February 2021.
- Utilities were up 5.8 percent, (\$600 thousand). This sector accounted for 4 percent of the activity in February 2021.
- Real Estate and Rental and Leasing decreased 5.2 percent (\$400 thousand). This sector accounted for 3 percent of the activity in February 2021.
- Arts, Entertainment, and Recreation sector decreased 54.0 percent (\$1.7 million). This sector accounted for less than 1 percent of the activity in February 2021.