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STATE AND LOCAL REVENUE IMPACTS OF THE OIL AND GAS INDUSTRY

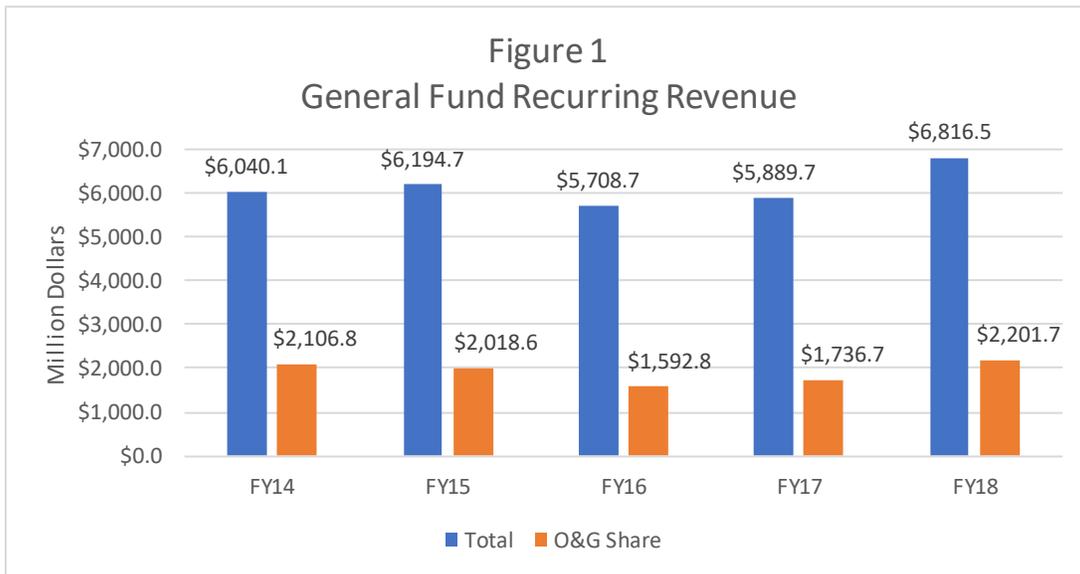
FISCAL YEAR 2018 UPDATE

EXECUTIVE SUMMARY

Revenue attributable to the oil and gas industry comprised \$2.2 billion in FY18 or 32.3 percent of total State General Fund Recurring revenue. Oil and gas revenue increased by \$465 million from FY17, comprising one half of total General Fund recurring revenue growth.

The uses of this revenue as determined through the state budget were as follows:

- \$822 million of support to public education;
- \$240 million of support to higher education;
- \$858 million of spending for other programs funded through the General Fund, including \$290 million for health and human services;
- \$237 million to the revenue surplus, of which a portion was spent on non-recurring purposes and the remainder was added to the State's reserves which reached a total of 20% of recurring spending.



In addition to General Fund revenue, oil and gas revenue provided an additional total of \$1.55 billion to State and Local budgets in FY18. The larger components of this amount are listed below:

- \$679 million of royalty payments to the Land Grant Permanent Fund;
- \$493 million of Oil and Gas Severance Tax payments, the bulk of which are used for capital outlay spending with a remainder going to the Severance Tax Permanent Fund;
- \$192 million of ad valorem tax payments to local governments and
- \$99 million of Land Grant Permanent Fund distributions to beneficiaries other than the State General Fund.

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Methodology:

As in prior versions of this report, estimated revenues attributable to oil and gas production are the authors' calculations based on various reports from state government and are limited to amounts that can be tied directly to industry activity. The estimates do not include the potential "multiplier" effects of the industry on, for example, household spending by employees or business purchases and net income of suppliers to the industry. Thus, the aggregate amount attributed to the industry in this report represents a conservative estimate of the total state and local revenue and spending attributable to the industry.

Acknowledgements:

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STATE GENERAL FUND REVENUE

Table 1 presents FY18 General Fund recurring revenue attributable to oil and gas production. The methods for determining the oil and gas share are described below. For information on the methodology for revenues not discussed below, see previous versions of this report. The majority of the increased revenue came in the form of higher excise taxes on production, and in higher royalty payments from production on federal lands. Significant additional amounts were received from Gross Receipts Tax (GRT) collections from service providers to the industry, State Land Office rental and bonus payments, increased distributions from both Permanent Funds and Corporate Income Tax payments. Appendix 1 provides a comparison of these results with those from FY17.

Table 1
FY18 General Fund Revenue Attributed to Oil and Gas Production
Dollar amounts in millions

	FISCAL YEAR 2018		
	Total	O&G Share	O&G %
Gross Receipts Tax	\$2,381.1	\$188.0	7.9%
Compensating Tax	\$56.1	\$12.5	22.3%
Personal Income Tax	\$1,519.0	\$96.8	6.4%
Corporate Income Tax	\$106.6	\$22.8	21.4%
Oil & Gas School Tax	\$450.8	\$450.8	100.0%
O&G Conservation Tax	\$22.9	\$22.4	98.0%
Natural Gas Processors Tax	\$10.8	\$10.8	100.0%
Land Grant Perm. Fund Income	\$586.6	\$567.5	96.7%
Earnings on State Balances	\$5.9	\$1.9	31.5%
Sev Tax Perm. Fund Income	\$210.4	\$182.2	86.6%
Federal Mineral Leasing	\$564.2	\$541.7	96.0%
Land Office Income	\$111.8	\$79.4	71.0%
Miscellaneous Receipts	\$46.9	\$0.9	2.0%
Reversions	\$79.8	\$23.9	30.0%
TOTAL Recurring Revenues	\$6,816.5	\$2,201.7	32.3%
TOTAL Non-Recurring Revenues	\$64.8	\$0.0	0.0%
GRAND TOTAL REVENUES	\$6,881.3	\$2,201.7	32.0%

Sources:

Total General Fund revenue by source from DFA: "General Fund Year to Date Accrual"; Updated with the December 2018 Consensus Revenue Estimating Group forecast and Permanent Fund distributions from the State Investment Council; O&G Share are calculations described in this report.

FY18 are final but not yet audited figures as of December 2018

Table 1 shows only those General Fund revenues with an O&G share.

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Gross Receipts Tax:

As in previous versions of this report, the Gross Receipts Tax (GRT) share attributable to oil and gas production was estimated in a two-step process using two different reports published by the Taxation and Revenue Department (TRD) that identify the share of GRT attributable to various industries. At the time they register to pay the GRT, taxpayers are asked to choose one of the North American Industry Classification System (NAICS) categories that best characterizes their business. TRD’s RP-80 report breaks down the GRT base as reported on monthly or quarterly tax returns into the most granular 6-digit NAICS categories available. This report was used to determine how much of the GRT due to the larger 2-digit NAICS sectors is attributable to the oil and gas related businesses. Appendix 2 presents the 6-digit industries that were used to calculate the oil and gas share of the tax base.

In the second step, the oil and gas share of large industry groups was applied to the total tax liability of each group as reported in TRD’s RP-500. Table 2 presents the resulting share of the 2-digit industries calculated in this step.

Table 2
FY18 GRT attributable to O&G production

	<u>General Fund</u>	<u>Local Governments</u>	<u>Total</u>
Mining Total GRT <1>	\$189,062,073	\$38,672,516	\$227,734,589
O&G Share <2>	95.6%	95.6%	95.6%
Mining GRT due to O&G	\$180,831,302	\$36,988,918	\$217,820,221
Construction Total GRT <1>	\$307,399,855	\$191,680,947	\$499,080,802
O&G Share <2>	1.1%	1.1%	1.1%
Construction GRT due to O&G	\$3,267,594	\$2,037,527	\$5,305,121
Manufacturing Total GRT <1>	\$69,048,380	\$33,688,815	\$102,737,194
O&G Share <2>	2.6%	2.6%	2.6%
Manufacturing GRT due to O&G	\$1,765,763	\$861,519	\$2,627,282
Transportation Total GRT <1>	\$34,707,888	\$14,633,231	\$49,341,120
O&G Share <2>	6.0%	6.0%	6.0%
Transportation GRT due to O&G	\$2,093,126	\$882,485	\$2,975,611
Total GRT Due to O&G	\$187,957,786	\$40,770,449	\$228,728,235

Sources:

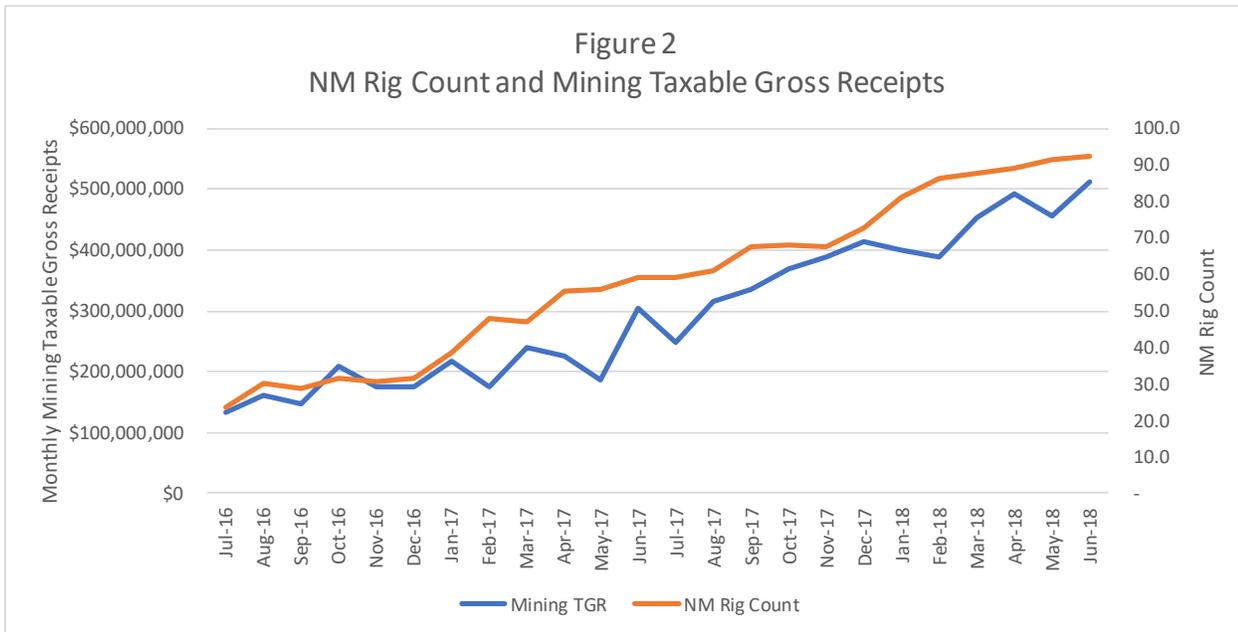
<1> RP-500

<2> Calculations from RP-80

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The estimated \$188 million GRT attributable to O&G operations represents an increase of \$84 million, or 81 percent compared with FY17. This is attributable to the sharp jump in drilling activity in New Mexico during FY18 as illustrated in Figure 2. After plummeting to less than 20 active rigs at the end of FY16, the rig count began a dramatic increase around the middle of FY17 that continued all the way through FY18 ending up at over 90 rigs by the end of that year. During this period Taxable Gross Receipts (TGR) in the Mining industry increased by an average of \$200 million per month or \$2.4 billion per year. On average, each rig was associated with an increase of \$5 million dollars of TGR per month, which accounts for the sharp increase of General Fund GRT estimated in Table 2.



Source: Mining Taxable Gross Receipts from monthly RP 500. NM Rig Count from Baker Hughes Inc.

Personal Income Tax:

Personal Income Tax (PIT) revenue attributable to the O&G industry was estimated from two sources. TRD reports the amount of Withholding Tax paid by pass-through entities operating oil and gas producing businesses. This represents the income tax due from the owners of interests in oil and gas production. The total amount was \$41.3 million in FY18.

PIT attributable to wages and salaries paid by the O&G industry in FY18 was estimated using data from the NM Workforce Solutions Department (WSD). WSD uses information from Unemployment Insurance reports to prepare a “Quarterly Census of Employment and Wages” (QCEW). The QCEW reports total employment and total wages by industry. For this report, two industries were included: Oil and Gas Extraction (NAICS 211) and Support Activity for Mining and Oil and Gas Extraction (NAICS 213). Since the latter group may include some non-oil and gas related activity, the total was reduced by 5 percent, which reflects the non-oil and gas share of the GRT base during FY18.

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Table 3
FY18 Employment, Wages and Estimated Income Tax Related to Oil and Gas Production

Description	Oil and Gas Extraction (NAICS 211)	Support for Mining, O&G Extraction (NAICS 213)	Total
Total Employment	4,204	14,175	18,378
Total "covered Wages" (million dollars)	\$444.5	\$992.6	\$1,437.1
Average Annual Wage	\$105,737	\$70,026	\$78,194
Estimated PIT (million dollars)	\$17.2	\$38.3	\$55.5

Source: Authors' calculations and data from NM Workforce Solutions Department

PIT liability associated with the total wages shown in Table 3 was estimated by comparing the average salaries with the Personal Income Tax tables. The result was an average effective tax rate of 3.85 percent, yielding estimated PIT liability of \$55.5 million. When combined with the O&G Pass-Through Entity remittances of \$41.3 million, this yields the \$96.8 million estimated PIT liability due to the industry included in Table 1.

Corporate Income Tax:

In the 2017 edition of the *Tax Expenditure Report*, TRD presented calculations showing that in tax year 2015, then the most recent data available, the Mining and Oil and Gas sectors paid a total of \$65 million, or 22.5 percent of the total \$290 million of Corporate Income Tax (CIT) paid by all industries. This share was reduced by five percent to reflect the oil and gas industry's share using the share of total GRT paid by the industry. The result is a 21.4 percent share of total FY18 CIT. The State pays film credits out of CIT collections before transferring the residual to the General Fund. The allocation of Total CIT collections and the oil and gas share is shown in Table 4.

Table 4
FY18 Corporate Income Tax Attributable to the Oil and Gas Industry (Million dollars)

	Total Net CIT Collections	Oil and Gas Share
Total Net CIT Revenue	\$156.6	\$33.5
Film Credits	\$50.0	\$10.7
State General Fund	\$106.6	\$22.8

Source: Authors' calculations using information from NM TRD

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EDUCATION SPENDING SUPPORTED BY OIL AND GAS REVENUE

The largest single category of General Fund recurring spending is public education. A total of \$2.6 billion was distributed from the General Fund to local school districts during FY18. 32.3 percent of this amount, or \$822 million, is attributable to revenue from oil and gas production. An additional \$744 million was distributed from the General Fund to institutions of higher education in the state, of which \$240 million is attributable to oil and gas production. Thus, a combined total of \$1.06 billion in support of public and higher education in FY18 is attributable to the oil and gas producing industry.

Table 5 presents education spending supported by oil and gas revenue in each county. Information from the Public Education Department was used to calculate countywide totals of State General Fund distributions to each school district and charter school. Information from the Higher Education Department was used to calculate countywide total State-funded distributions to institutions of higher education. The oil and gas share of this spending is the 32.3 percent of total General Fund revenue comprised of oil and gas revenue.

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Table 5
Education Funding in Each County Supported by Oil and Gas Revenue

County	School District	District Charters	State Charters	Total K-12 Funding	Higher Ed Funding	Total Education Funding
Bernalillo	\$200,640,452	\$19,896,753	\$21,120,584	\$241,657,789	\$105,226,682	\$346,884,470
Catron	\$1,055,485	\$0	\$0	\$1,055,485	\$0	\$1,055,485
Chaves	\$28,647,837	\$223,000	\$0	\$28,870,837	\$4,510,986	\$33,381,823
Cibola	\$8,685,106	\$0	\$0	\$8,685,106	\$1,072,392	\$9,757,498
Colfax	\$5,025,291	\$224,468	\$0	\$5,249,759	\$0	\$5,249,759
Curry	\$21,766,161	\$0	\$0	\$21,766,161	\$3,025,541	\$24,791,702
DeBaca	\$1,019,761	\$0	\$0	\$1,019,761	\$0	\$1,019,761
Dona Ana	\$94,405,640	\$0	\$3,161,166	\$97,566,806	\$56,877,619	\$154,444,425
Eddy	\$27,483,275	\$1,959,808	\$0	\$29,443,083	\$1,351,917	\$30,794,999
Grant	\$11,501,491	\$0	\$599,702	\$12,101,192	\$6,137,194	\$18,238,386
Guadalupe	\$2,343,386	\$0	\$0	\$2,343,386	\$0	\$2,343,386
Harding	\$844,192	\$0	\$0	\$844,192	\$0	\$844,192
Hidalgo	\$2,384,484	\$0	\$0	\$2,384,484	\$0	\$2,384,484
Lea	\$35,937,428	\$0	\$0	\$35,937,428	\$1,963,194	\$37,900,622
Lincoln	\$7,817,920	\$0	\$0	\$7,817,920	\$625,360	\$8,443,280
Los Alamos	\$9,011,706	\$0	\$0	\$9,011,706	\$552,459	\$9,564,165
Luna	\$12,856,913	\$562,409	\$0	\$13,419,322	\$0	\$13,419,322
McKinley	\$23,430,564	\$426,598	\$360,713	\$24,217,874	\$2,777,542	\$26,995,416
Mora	\$1,997,655	\$0	\$0	\$1,997,655	\$0	\$1,997,655
Otero	\$18,769,061	\$0	\$0	\$18,769,061	\$2,743,336	\$21,512,397
Quay	\$5,080,748	\$0	\$0	\$5,080,748	\$1,329,080	\$6,409,829
Rio Arriba	\$11,919,667	\$95,642	\$2,955,032	\$14,970,341	\$3,371,571	\$18,341,912
Roosevelt	\$9,523,222	\$0	\$0	\$9,523,222	\$9,640,839	\$19,164,061
San Juan	\$48,193,042	\$1,466,070	\$108,818	\$49,767,930	\$7,399,090	\$57,167,020
San Miguel	\$10,811,323	\$262,591	\$0	\$11,073,914	\$11,951,581	\$23,025,495
Sandoval	\$56,695,166	\$298,312	\$1,535,762	\$58,529,239	\$0	\$58,529,239
Santa Fe	\$40,881,292	\$950,889	\$8,181,783	\$50,013,964	\$5,712,513	\$55,726,478
Sierra	\$3,425,305	\$0	\$0	\$3,425,305	\$0	\$3,425,305
Socorro	\$5,707,129	\$439,654	\$0	\$6,146,783	\$11,420,343	\$17,567,126
Taos	\$9,156,334	\$1,432,721	\$2,117,614	\$12,706,670	\$1,129,822	\$13,836,492
Torrance	\$4,814,149	\$0	\$920,503	\$5,734,652	\$0	\$5,734,652
Union	\$2,015,950	\$0	\$0	\$2,015,950	\$0	\$2,015,950
Valencia	\$27,957,128	\$0	\$1,195,887	\$29,153,015	\$1,708,993	\$30,862,008
Total	\$751,804,262	\$28,238,916	\$42,257,564	\$822,300,741	\$240,528,055	\$1,062,828,796

Source: Authors' calculations using data from NM PED and HED.

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OTHER STATE GENERAL FUND SPENDING SUPPORTED BY OIL AND GAS REVENUE

Table 6 presents a summary of General Fund spending by major category with the oil and gas-funded share of each component. In addition to \$1.1 billion of education spending, oil and gas revenues funded another \$878 million of spending on other General Fund budgets. Spending on health and human services was by far the largest single component with \$533 million funded by oil and gas revenue.

Table 6
FY18 General Fund Operating Budget:
(Million Dollars)

<u>Function</u>	<u>Total GF Operating Budget</u>	<u>O&G Funded</u>	<u>Share of Total GF Budget</u>
Legislative	\$18.9	\$6.10	0.3%
Judicial	\$274.4	\$88.61	4.5%
General Control	\$114.8	\$37.09	1.9%
Commerce and Industry	\$47.9	\$15.49	0.8%
Agriculture, Energy, Natural Resources	\$62.8	\$20.28	1.0%
Health and Human Services	\$1,651.4	\$533.38	27.2%
Public Safety	\$428.2	\$138.30	7.0%
Other Education*	\$99.3	\$32.06	1.6%
Higher Education*	\$779.3	\$251.72	12.8%
Public Education*	\$2,585.7	\$835.16	42.5%
Total	\$6,082.3	\$1,964.52	100.0%
Surplus recurring revenue	\$734.2	\$237.14	

*Includes amounts not distributed to local institutions such as agency budgets.

Source: Authors' calculations and DFA and LFC reports on FY18 Operating Budget

Recurring FY18 General Fund revenue was well in excess of the forecast amount on which the budget was based. Hence, recurring revenue exceeded recurring spending by \$734 million. 32.3 percent of this amount, or \$237 million, was due to oil and gas revenue.¹ The large surplus of recurring revenue, plus non-recurring revenue, enabled \$122 million of the total surplus to be spent on nonrecurring purposes and another \$690 million to be transferred to General Fund reserves, which reached 20 percent of recurring spending at the end of FY18.²

¹ This calculation applies the oil and gas share of total revenue, it does not classify the excess of actual revenue to forecast revenue by specific revenue type.

² Source: General Fund Financial Summary presented by DFA in revenue forecast testimony, December 2018.

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OTHER STATE FUNDS AND LOCAL GOVERNMENT REVENUES

In addition to General Fund revenue, oil and gas production added \$1.55 billion of tax, royalty and investment income revenue to other State funds and to local governments. Table 7 presents a breakdown of this amount.

Table 7
Oil and Gas Related Revenue to Other State Funds and Local Governments

	<u>FY17</u>	<u>FY18</u>
Taxes:		
O&G Severance Tax	\$334,424,999	\$492,614,167
O&G Conservation to Reclamation Fund	\$2,376,108	\$2,619,252
O&G Share of film credits	\$7,000,000	\$10,700,000
Subtotal State Taxes to other funds	\$343,801,107	\$505,933,419
Local Taxes:		
Ad Valorem Production	\$118,719,960	\$172,761,795
AV Production Equipment	\$22,223,381	\$19,521,778
Local Gross Receipts Tax	\$25,240,605	\$40,770,449
Subtotal Local Taxes	\$166,183,946	\$233,054,022
State Land Office: O&G Revenue to other funds		
Royalties to LGPF	\$554,072,680	\$679,420,057
Rental and Bonus Income	\$21,419,621	\$32,835,591
Subtotal	\$575,492,301	\$712,255,648
Permanent Fund Distributions Attributable to O&G:		
LGPF to Funds Other Than State General Fund	\$93,387,501	\$99,243,282
Total: S&L revenue from O&G	\$1,178,864,855	\$1,550,486,371
Capital Outlay Attributable to O&G Revenue:		
Severance Tax Bonds/Notes	\$87,262,500	\$119,496,000
Supplemental Severance Tax Bonds/Notes	\$117,390,000	\$0
Total	\$204,652,500	\$119,496,000

Sources:

O&G Severance, Conservation and Ad Valorem Taxes: NM TRD

Local GRT: Authors' calculations described in the report

State Land Office revenues: State Land Office revenue reports as of June each year

Permanent Fund Distributions: State Investment Council

Capital outlay: NM DFA, Official Statement for Series 2018A NM Severance Tax Bonds.

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Capital outlay spending supported by oil and gas was about \$119 million in FY18. This was lower than the typical amount due to budget-saving measures adopted in the previous budget making cycle.

OIL AND GAS PRODUCTION AND SALES REVENUE

The total marketed value of oil and gas produced in New Mexico increased to almost \$16 billion in FY18, an increase of 47 percent over FY17. Both oil and gas prices were higher, as was gas production. The largest contributor to growth was the 33 percent increase in the volume of oil production, from 153 million barrels to 204 million barrels. Details are presented in Table 8.

Table 8
Oil and Gas Production volume and Revenue by Fiscal Year

	<u>FY17</u>	<u>FY18</u>	<u>Change</u>
Oil Price (dollars per barrel)	\$45.00	\$55.05	22.3%
Oil Volume (million barrels)	153.0	204.4	33.6%
Oil Value (million dollars)	\$6,885	\$11,252	63.4%
Gas Price (per thousand cubic feet)	\$3.26	\$3.47	6.4%
Gas Volume (billion cubic feet)	1,220	1,361	11.6%
Gas Value (million dollars)	3,977.2	4,722.7	18.7%
Total Value (million dollars)	\$10,862	\$15,975	47.1%

Source:

Author's calculations from Consensus Revenue Estimating Group reports

OIL AND GAS PRODUCTION RELATED TAXES

New Mexico collects several excise and ad valorem taxes based on the marketed value of production. Total collections from these taxes was \$1.16 billion in FY18, an increase of \$356 million or 44 percent from FY17. Table 9 summarizes these taxes.

Table 9

Oil and Gas Production-Related Taxes (Million dollars)

	FY17	FY18
O&G Emergency School Tax	\$304.3	\$442.3
O&G Conservation Tax	\$16.9	\$25.0
O&G Severance Tax	\$334.4	\$492.6
O&G Ad Valorem Production Tax	\$118.7	\$172.8
O&G Production Equipment Tax	\$22.2	\$19.5
Natural Gas Processors Tax	\$10.3	\$10.8
Total	\$806.9	\$1,163.0

Source: NM TRD and authors' calculations

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LOCAL AD VALOREM TAX REVENUES

Table 10 presents FY18 distributions of local ad valorem taxes from the oil and gas industry. New Mexico imposes two ad valorem taxes, the Oil and Gas Ad Valorem Production Tax (“Production”) and the Oil and Gas Production Equipment Ad Valorem Tax (“Equipment”). These taxes are intended to serve in lieu of property taxes on oil and gas producing property. The Production tax is due monthly while the Equipment tax is due annually. Taxable value for these taxes is defined in the same manner as for the Oil and Gas School, Severance and Conservation taxes.

Table 10
FY18 Local Ad Valorem Tax Distributions by County

<u>County</u>	<u>Ad Valorem Production Tax</u>	<u>Ad Valorem Equipment Tax</u>	<u>Total</u>
Chaves	\$862,108	\$127,479	\$989,588
Colfax	\$418,494	\$74,952	\$493,446
Eddy	\$52,267,849	\$6,038,919	\$58,306,768
Harding	\$398,275	\$67,496	\$465,771
Lea	\$85,728,772	\$8,724,516	\$94,453,288
McKinley	\$7,041	\$1,664	\$8,705
Quay	\$26,748	\$4,608	\$31,356
Rio Arriba	\$10,619,513	\$1,442,334	\$12,061,847
Roosevelt	\$190,831	\$20,406	\$211,237
San Juan	\$12,181,626	\$1,835,272	\$14,016,898
Sandoval	\$929,168	\$137,946	\$1,067,114
Union	\$195,576	\$33,758	\$229,334
Total	\$163,826,002	\$18,509,350	\$182,335,353

Amounts shown exclude the State Debt Service portion of these taxes

Source: TRD Ad Valorem Tax distribution reports

Fiscal year totals reflect modified accrual basis of accounting.

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Appendix 1:

General Fund Revenue Attributed to Oil and Gas Production

Dollar amounts in millions

	FISCAL YEAR 2017			FISCAL YEAR 2018		
	Total	O&G Share	O&G %	Total	O&G Share	O&G %
Gross Receipts Tax	\$2,013.5	\$103.8	5.2%	\$2,381.1	\$188.0	7.9%
Compensating Tax	\$48.5	\$10.8	22.2%	\$56.1	\$12.5	22.3%
Personal Income Tax	\$1,380.7	\$94.0	5.2%	\$1,519.0	\$96.8	6.4%
Corporate Income Tax	\$70.2	\$9.8	14.0%	\$106.6	\$22.8	21.4%
Oil & Gas School Tax	\$304.3	\$304.3	100.0%	\$450.8	\$450.8	100.0%
O&G Conservation Tax	\$16.8	\$16.5	98.0%	\$22.9	\$22.4	98.0%
Natural Gas Processors Tax	\$10.3	\$10.3	100.0%	\$10.8	\$10.8	100.0%
Land Grant Perm. Fund Income	\$541.5	\$523.9	96.7%	\$586.6	\$567.5	96.7%
Earnings on State Balances	-\$3.3	-\$1.0	31.5%	\$5.9	\$1.9	31.5%
Sev Tax Perm. Fund Income	\$200.4	\$173.6	86.6%	\$210.4	\$182.2	86.6%
Federal Mineral Leasing	\$435.6	\$418.2	96.0%	\$564.2	\$541.7	96.0%
Land Office Income	\$71.5	\$48.6	68.0%	\$111.8	\$79.4	71.0%
Miscellaneous Receipts	\$55.3	\$1.1	2.0%	\$46.9	\$0.9	2.0%
Reversions	\$76.5	\$23.0	30.0%	\$79.8	\$23.9	30.0%
TOTAL Recurring Revenues	\$5,889.7	\$1,736.7	29.5%	\$6,816.5	\$2,201.7	32.3%
TOTAL Non-Recurring Revenues	\$525.4	\$0.0	0.0%	\$64.8	\$0.0	0.0%
GRAND TOTAL REVENUES	\$6,415.1	\$1,736.7	27.1%	\$6,881.3	\$2,201.7	32.0%

Sources:

Total General Fund revenue by source from DFA: "General Fund Year to Date Accrual"; Updated with the December 2018 Consensus Revenue Estimating Group forecast and Permanent Fund distributions from the State Investment Council; O&G Share are calculations described in this report. FY17 amounts from previous version of this report.

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Appendix 2: Industry sectors and sub-sectors comprising oil and gas related business

NAICS Code	Industry
211	Oil and gas extraction
2111	Oil and gas extraction
21111	Oil and gas extraction
211111	Crude petroleum and natural gas extraction
211112	Natural gas liquid extraction
211113	Conventional oil and gas extraction
213	Support activities for mining
2131	Support activities for mining
21311	Support activities for mining
213111	Drilling oil and gas wells
213112	Support activities for oil and gas operations
213118	Services to oil and gas extraction
213119	Other support activities for mining
21	Total Mining
23712	Oil and gas pipeline and related structures construction
237120	Oil and gas pipeline and related structures construction
23	Total Construction
333132	Oil and gas field machinery and equipment manufacturing
33	Total Manufacturing
486	Pipeline transportation
4861	Pipeline transportation of crude oil
486110	Pipeline transportation of crude oil
48	Total Transportation