



TAX REVENUE FACT SHEET

Energy Advances New Mexico is focused on realizing domestic energy solutions to help meet our nation's energy demand, while reducing dependence on foreign resources.



Assessment

- The revenue from the industry comes from the royalty payments collected from ad valorem production taxes, equipment ad valorem taxes, and lease payments.
- These taxes are assessed in the twelve natural gas, oil, and carbon dioxide producing counties in NM.
- In the northwestern corner of the state the counties of San Juan, Rio Arriba, McKinley, and Sandoval produce mostly natural gas out of the San Juan Basin.
- In the southeastern corner of the state the counties of Roosevelt, Chaves, Lea, and Eddy produce oil from the Permian Basin.

Tax Revenue

- In 2010 tax revenues from mineral extraction in the state amounted to 16.76% of the state's total tax revenue.
- In 2010, the estimated total recurring general fund revenues will be \$4.79 billion dollars. The State estimates \$803.3 million in recurring revenue was generated by the natural gas and oil industry (NM State Board of Finance, 2010).
- In 2010, the oil and gas industry generated an additional \$437.1 million dollars in revenues from earnings on the land grant and permanent fund that were deposited into the State General Fund. Including the interest earnings from previous year's production, the oil and gas industry contributed more than 21.5% of the State General Fund.
- The revenues from the natural gas and oil industry go to the Land Grant Permanent Fund of the State of New Mexico.
- The Land Grant Permanent Fund benefits: NM public schools; seven NM Universities, NM school for the deaf, blind, and visually impaired; NM Military Institute; the three major NM hospitals; public building repair; the penitentiary; and water projects.

Tax Distribution

- Revenues from natural gas and oil taxes were distributed to four major categories. These included: (1) the state general fund, (2) local governments, (3) the severance tax bond fund, and (4) other state funds.
- Natural gas and oil taxes rank 4th in terms of New Mexico state's general fund income sources (behind Sales Tax and Federal Mineral Leasing).