

# Methods Documentation: New Mexico

Appendix of Working Paper 24-01 by **Daniel Raimi, Elena Davert, Haley Neuenfeldt, Amy Van Zanen, and Zach Whitlock**

## 1. Table of Contents

This document details our methods for collecting and estimating amounts from those taxes, royalties, fees and payments that are distributed to the local level in New Mexico.

### Federal Collections

NM receives substantial federal mineral royalties, and some of these funds support local governments through a statewide equalization program – This policy design is not unique to NM. Because this mechanism is more similar to supporting state general funds than a direct distribution, we have decided to exclude it from the analysis, as we have for other states that use fossil fuel revenues for statewide equalization programs.

### State Collections

Oil & Gas Ad Valorem Production and Equipment Tax – Final values can be found in ‘Ad\_Valorem\_Final’ tab in the Estimation\_NM.xlsx. *Note that the Umich students did not disaggregate these revenues by local government type. DR and ZW completed this disaggregation, and documentation can be found in the “Post-UM research” folder in the “NM” folder.*

State severance tax – *Severance taxes support local governments through a bonding fund, which is a policy design that is unique to NM. Because it is more similar to supporting state general funds than a direct distribution, we have decided to exclude it from the analysis, just like we exclude general fund allocations to local governments and schools from other states.*

### Local Collections

Property Tax – *Final values can be found in ‘Property\_Tax\_Final’ tab in the Estimation\_NM.xlsx. Note that the Umich students did not disaggregate these revenues by local government type. DR and ZW completed this disaggregation, and documentation can be found in the “Post-UM research” folder in the “NM” folder. UM students did not collect wind and solar property tax data. DR was able to collect some wind data (solar was impossible), including comprehensive wind data for Lea, Luna, and Roosevelt Counties (complete data were not available from Curry or Sandoval).*

## 2. Gross Receipts Tax

This data and section has been removed by DR because the GRT is basically a sales tax, which we are not systematically collecting or aggregating across states. It could be useful for a future project, but not this one.

## 3. Severance Tax

DR collected historical severance tax revenue and determined allocations to local governments based on 2020-2022 allocations from the Capital Outlay from the Severance Tax Bonding Fund.

## 4. Oil and Gas Ad Valorem Production and Equipment Taxes

### 4.1. Policy

The Oil and Gas Ad Valorem Production and Equipment Taxes are taxes based on the assessed value of products severed and sold from each production unit and the assessed value of equipment, respectively.

The rate is the property tax rate for the taxing district in which oil and gas are produced, and is collected by the county assessor's office in each county where oil and gas production occurs.

The county assessor's office is responsible for determining the assessed value of oil and gas resources within their county, based on the production and market value of these resources. The assessed value is then used to calculate the amount of ad valorem taxes owed by oil and gas producers.

Once the ad valorem taxes are collected by the county assessor's office, they are distributed to various local government entities, including the county government, school districts, and other special districts. The distribution of ad valorem tax revenue is governed by state law and varies depending on the location and type of oil and gas production (NM\_9).

### 4.2. Data Inputs

Unique ID	Source	Data Name, Shorthand	Description
NM_2	New Mexico State Department of Finance and Administration	Property Tax Facts Reports	Publications from 2012 to 2021 which include a series of charts and tables depicting 1) distribution of New Mexico tax obligations or revenues; 2) various statewide aggregates by county; 3) various types of rate data; 4) property tax information pertaining to municipalities.

## 4.3. Calculations and Assumptions

### 1) Download Property Tax PDFs

We downloaded the Property Tax Fact publications for each fiscal year.

### 2) Copy the data to an aggregated spreadsheet

We copied the ad valorem production and equipment tax amount obligated to each county for each fiscal year to a new spreadsheet.

Note: These values are reported on the “Ad\_Valorem\_Raw” tab.

### 3) Sum the Ad Valorem Production and Equipment Tax

We summed the ad valorem production and equipment tax for each county for each year to get an amount that represents the total “property” tax each county receives.

Note: These values are reported on the “Ad\_Valorem\_Final” tab.

## 4.4. Output

Distribution of Oil and Gas Production tax to counties from 2012 to 2021.

# 5. Property Taxes: Electric Generation, Distribution, Processing

## 5.1. Policy

In New Mexico public utilities such as power plants, transmission lines, oil and gas pipelines, and mines and mineral rights are centrally assessed by the New Mexico State Taxation and Revenue Department. The department determines the value of these properties and calculates the property taxes owed based on that value. The revenue generated from centrally assessed property taxes is distributed to various local government entities, including counties, school districts, and other special districts (7-36-2, NMAC).

Counties in New Mexico are responsible for assessing oil and gas wells, refineries, renewable energy facilities, distribution pipelines, and storage facilities. The assessment of these properties by counties is overseen by the county assessor’s office. The assessor determines the value of these properties and calculates the property taxes owed based on that value. The revenue generated from property taxes on energy-related properties is distributed to various local government entities, including counties, school districts, and other special districts (7-36-2, NMAC).

## 5.2. Data Inputs

Unique ID	Source	Data Name, Shorthand	Description
NM_3	San Juan County Treasurer	Tax Account Receipts	Query to look up tax receipts.
NM_4	Sandoval County Assessor	Tax Account Receipts	Query to look up tax receipts.
NM_5	McKinley County Assessor	Tax Account Receipts	Query to look up tax receipts.
NM_6	Lea County Assessor	Tax Account Receipts	Query to look up tax receipts.
NM_7	Eddy County Assessor	Tax Account Receipts	Query to look up tax receipts.
Fed_4	U.S. Energy Information Agency	860-m	Excel downloads for generation and locations of powerplants, renewable energy facilities by county reported annually. The 2021 data will be used to search for facility names.

## 5.3. Calculations and Assumptions

### 1) Collect Electric Generating Station Information

We collected a list of electric generating stations using EIA 860 data and matched each generating station with the correct energy type and retained information on ownership.

*Note: These values are reported on the “EIA\_Fac\_Raw” tab.*

### 2) Search for Property Tax Records

We used the county assessor or county treasurer property tax search queries using the owner name of each electric generating station. The county databases tags these properties as residential, commercial, industrial, and utility properties. We were only interested in utility properties for the purpose of this project. We determined the correct properties by matching the owner name, property tax type (utility) when it was available, and/or property address (when available). Where there were multiple properties with the same owner and no corresponding address, we used data from the properties with the largest property taxes. We did this because our assumption was that those properties are the most likely to be generating stations whereas smaller amounts are likely to be other kinds of property. Some generators at the same power plant were taxed separately. We pulled tax receipts for all generators at a given power plant.

*Note: Please see the ‘notes’, ‘Parcel No.’ and ‘Account No.’ columns in “EIA\_Fac\_Raw” for detailed notes on which properties were selected for each power plant.*

### **3) Download and Copy Property Tax Receipts**

For the properties that we determined corresponded to the electric generating stations, we copied the tax data for as many years as possible for those properties. In some counties data is available as far back as 2011. In others we only have data for 2021.

Note: Copy and pasted amounts can be found in the 'Property\_Tax\_Raw.' Final formatted values are in the "Property\_Tax\_Final" tab.

## **5.4. Output**

Property tax collections from electric generating stations for each county by year and energy type.

## Sources

Unique ID	Source	Data Name	Description	Access	Type	Years	Original Source link
NM_2	New Mexico State Department of Finance and Administration	Property Tax Facts Reports	Publications from 2011 to 2021 which include series of charts and tables depicting 1) distribution of New Mexico tax obligations or revenues; 2) various statewide aggregates by county; 3) various types of rate data; 4) property tax information pertaining to municipalities.	Public	Oil and Gas Conservation Tax	2011-2021	<a href="https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/property-taxes/property-tax-facts/">https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/property-taxes/property-tax-facts/</a>
NM_3	San Juan County Treasurer	Tax Account Receipts	Query to look up tax receipts.	Public	Property Tax		<a href="https://parcel.sanjuanco.com/PropertyAccess/PropertySearch.aspx?cid=0">https://parcel.sanjuanco.com/PropertyAccess/PropertySearch.aspx?cid=0</a>
NM_4	Sandoval County Assessor	Tax Account Receipts	Query to look up tax receipts.	Public	Property Tax		<a href="https://eaweb.sandovalcountynm.gov/Assessor/taxweb/search.jsp">https://eaweb.sandovalcountynm.gov/Assessor/taxweb/search.jsp</a>
NM_5	McKinley County Assessor	Tax Account Receipts	Query to look up tax receipts.	Public	Property Tax		<a href="http://eagleweb.co.mckinley.nm.us/assessor/taxweb/search.jsp">http://eagleweb.co.mckinley.nm.us/assessor/taxweb/search.jsp</a>
NM_6	Lea County Assessor	Tax Account Receipts	Query to look up tax receipts.	Public	Property Tax		<a href="http://liveweb.leacounty-nm.org/assessor.aspx?source=assessor&amp;page=optUPC">http://liveweb.leacounty-nm.org/assessor.aspx?source=assessor&amp;page=optUPC</a>
NM_7	Eddy County Assessor	Tax Account Receipts	Query to look up tax receipts.	Public	Property Tax		<a href="http://liveassessor.co.eddy.nm.us/assessor/taxweb/search.jsp">http://liveassessor.co.eddy.nm.us/assessor/taxweb/search.jsp</a>

NM_8	New Mexico State Department of Taxation and Revenue	Gross Receipts Tax Overview	Information on the Gross Receipts Tax	Public	Gross Receipts Tax	na	Gross Receipts Tax Overview : Businesses (newmexico.gov)
NM_9	New Mexico State Department of Taxation and Revenue	Overview of New Mexico Taxes on Oil and Gas Production	Overview of oil and gas taxes	Public	Production Tax	na	RSTP 072111 Item 0 rstpjul21.11.oilandgas.pdf (nmlegis.gov)

