

LIVERMORE SALES TAX

Third Quarter Receipts for Second Quarter Sales (April - June 2005)

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In Brief

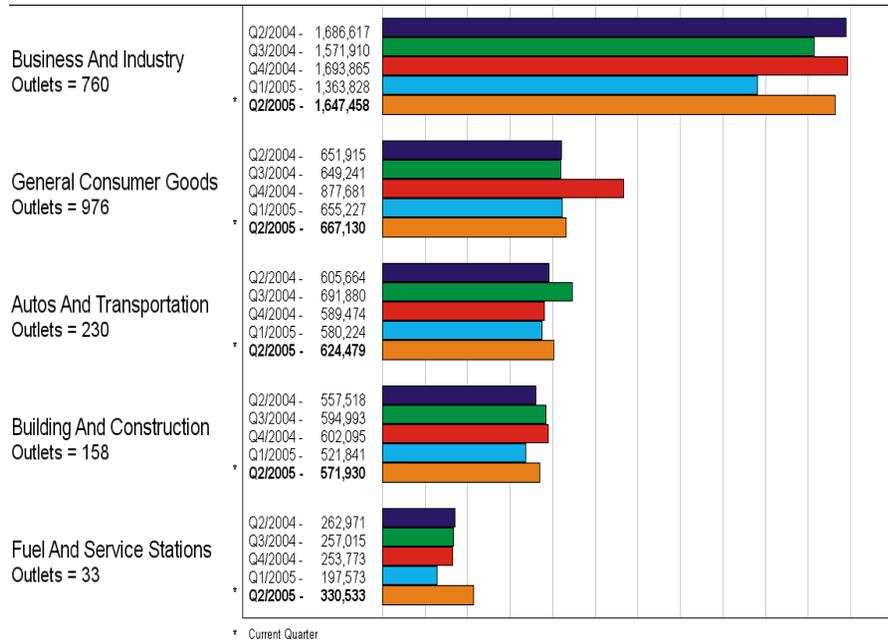
Receipts from April - June sales were 3.6% higher than one year ago, but onetime payment aberrations boosted gains. Adjusted for anomalies, actual sales were up .5%.

Service station gains were due to higher prices at the pump and allocations from prior quarter sales. A new outlet and receipts due in prior quarters boosted office supplies/furniture totals. Temporary accounting shifts also bolstered lumber/building materials and office equipment increases. The city's share of the countywide use tax pool jumped as back quarter collections bolstered pool proceeds.

Onetime accounting adjustments exaggerated farm/construction equipment, light industrial/printer, contractor and restaurant no alcohol declines.

Before factoring out anomalies, all of Alameda County gained 6%.

Sales Tax By Major Business Group



* Current Quarter

CALIFORNIA OVERALL

Statewide receipts from the April through June sales period jumped 9.3% over the previous year. Much of the increase was due to the state's tax amnesty program, audit remittances, rising gasoline prices and a payment aberration that distorted the gain in lumber/building materials. Real sales activity was down 2.2% when one time payments and aberrations are factored out.

The amnesty program added roughly \$70,000,000 to this quarter's local allocations although the Board of Equalization estimates that 78% of those funds were "accelerated revenue" that would have been received from future years' audit activity. Approximately 20% of the remaining portion was from protective claims that may later be refunded pending adjudication of individual tax returns.

Except for the Bay Area and Central Coast, auto sales remained mod-

erately positive. Recent legislation that lengthened the time that boats, aircraft, and RVs must remain outside the state to avoid taxation also produced gains in those categories.

Building material sales continued to boom in most regions. However, over half of the current allocation's increase was due to special reporting status granted to a major home improvement chain that temporarily reduced last year's receipts.

Back payments from state audit and amnesty activity were most prevalent in the Business & Industry group and generated significant one time increases in the Bay Area, the Sacramento Region and Southern California.

Food & Drugs remained generally flat except in areas with significant population growth. Gains in the Fuel & Service Stations group coincided with regional pricing trends.

Top 25 Producers Listed Alphabetically

- Alliant Food Service
- Arco Am Pm Mini Mart
- Codioli Motor
- Costco
- Flow Solutions
- Form Factor
- Harris Rebar
- Herning Underground Supplies
- Home Depot
- J A Momaney Services
- J Cs R Vs
- Kaiser Pharmacy
- Livermore Audi/Subaru/Land Rover/Jaguar/Honda
- Livermore Harley Davidson
- Lowes
- Mervyns
- Mobile Modular Management Corp
- Nec Business Network Solutions
- Orco Construction Supply
- Owens & Minor
- Quik Stop Markets
- Safeway
- Safeway Gas Sales
- Target
- Wal Mart

con't on back page

Top 20 Business Categories

Code	Business Type Description (Count)	AGENCY			COUNTY		HdL STATE	
		2nd Qtr '05	2nd Qtr '04	Change	2nd Qtr '05	Change	2nd Qtr '05	Change
99	Light Industrial/Printers (178)	717,062	753,036	-4.8%	3,225,201	-8.9%	44,424,514	5.3%
08	Discount Dept Stores (6)	388,328	378,315	2.6%	2,219,803	11.3%	66,246,832	7.7%
50	Lumber/Building Materials (26)	334,122	278,864	19.8%	2,758,839	38.8%	66,363,082	39.7%
62	Service Stations (32)	330,533	262,969	25.7%	3,620,699	10.0%	94,087,448	14.7%
60	New Motor Vehicle Dealers (9)	314,774	262,693	19.8%	6,327,426	3.1%	148,588,460	3.4%
98	Heavy Industrial (67)	184,655	186,267	-0.9%	1,125,316	-10.0%	15,870,170	2.2%
34	Grocery Stores Liquor (13)	121,452	120,552	0.7%	1,228,192	-1.4%	31,441,168	3.1%
18	Office Supplies/Furniture (69)	119,037	51,877	129.5%	2,108,303	2.8%	28,952,562	8.8%
24	Restaurants No Alcohol (121)	116,602	136,161	-14.4%	2,000,494	8.2%	51,965,496	5.3%
82	Contractors (106)	111,956	138,459	-19.1%	2,283,566	9.2%	43,963,208	11.0%
40	Farm/Construction Equip. (9)	107,851	203,454	-47.0%	511,900	-11.9%	8,002,613	9.1%
86	Electrical Equipment (44)	107,802	75,402	43.0%	2,005,317	17.6%	23,701,934	41.0%
19	Specialty Stores (427)	107,159	90,965	17.8%	1,611,860	-2.3%	39,429,921	5.5%
63	Trailers/RVs (3)	--CONFIDENTIAL--			190,063	-12.3%	6,869,220	18.4%
72	Repair Shop/Hand Tool Rentals (101)	79,672	88,063	-9.5%	776,729	9.5%	12,903,156	10.8%
90	Farm Products/Equipment (17)	--CONFIDENTIAL--			392,548	3.9%	5,000,433	7.9%
52	Plumbing/Electrical Supplies (12)	73,825	87,374	-15.5%	523,835	-5.1%	11,288,072	4.9%
83	Office Equipment (28)	69,524	41,662	66.9%	532,322	1.7%	9,563,410	9.4%
35	Restaurants Beer And Wine (56)	65,702	60,722	8.2%	1,277,818	3.2%	28,425,068	6.4%
84	Health Services (30)	--CONFIDENTIAL--			312,942	27.4%	7,087,653	4.8%
	Retail Stores (1277)	2,298,085	2,221,566	3.4%	34,819,109	4.8%	831,429,759	7.6%
	Non-Store/Part Time Retailers (129)	3,434	5,429	-36.7%	137,636	-1.2%	6,211,871	0.5%
	Business, Service & Repairs (505)	262,755	251,063	4.7%	4,036,027	6.5%	86,680,346	4.2%
	All Other Outlets-Industrial (505)	1,317,713	1,305,074	1.0%	12,272,788	-0.9%	185,714,398	10.4%
TOTAL ALL ACCOUNTS (2437)		4,274,948	4,223,897	1.2%	53,550,452	3.6%	1,178,917,876	7.7%
COUNTY & STATE POOL ALLOCATION		660,473	540,056	22.3%				
GROSS RECEIPTS		4,935,420	4,763,953	3.6%				

con't from front page

Receipts from General Consumer Goods and restaurants were weak in the extreme north and on the Central Coast, but solid in other areas of the state. Areas around Sacramento, Southern California's Inland Empire and the San Joaquin Valley continued to outpace statewide trends. uncertain future . . .

Rising prices for fuel and construction material plus the summer's auto discount program should boost next quarter's receipts. However, economists disagree on what will follow. Much of the debate evolves around the outcome of a housing market where property is estimated to be overvalued by 40% to 45% and half of all mortgages are adjustable rates or interest only.

UCLA's September Anderson Report predicts an end to the bubble in the next six months thereby reducing construction related employment and the substantial consumer spending being funded by equity borrowing.

Others however, believe that continued demand, job growth in the service sectors and an improving trade deficit will keep the momentum going. The most recent consensus from the Western Blue Chip Economic Forecast is for a 5.1% statewide increase in retail sales through 2005 and 4.9% in 2006.

Fiscal Year To Date Revenue Comparison

	2004-05	2005-06
Point-of-Sale	4,223,897	4,274,948
County Pool	535,519	653,367
State Pool	4,537	7,106
Gross Receipts	4,763,953	4,935,420
Less Triple Flip*	0	(1,233,855)

*Reimbursed from county compensation fund

