

## LIVERMORE SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2003)

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#### In Brief

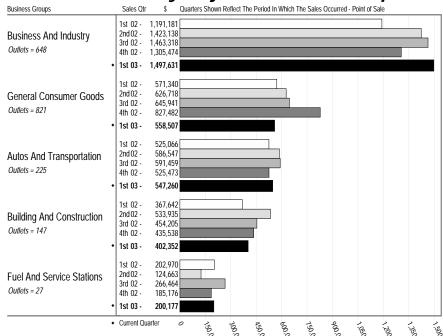
Receipts from January - March sales grew 12.2% compared to the same period last year but aberrations skewed results primarily in business and fuel-related sectors. With anomalies removed, actual sales rose 5.6%.

Medical classifications fared well reflecting higher receipts in light industirial/printers. Proceeds received for previous quarters accounted for the increase in office supplies/furniture while a new outlet boosted electrical equipment. Sales activity improved in the new auto and lumber/building material categories.

An allocation correction which inflated year-ago returns negatively impacted service stations which when adjusted gained 24%. Heavy industrial, farm construction, health services and specialty stores declined.

Revenues for all of Alameda County dipped 2.5% over a year ago.

### Sales Tax By Major Business Group



# Top 25 Producers Listed Alphabetically

#### SALES TAX NOTES

### Statewide Receipts Up in First Ouarter

The statewide allocation of sales and use tax for local governments was 4.6% higher than the same quarter one year ago, but results varied widely by region. The Silicon Valley and Bay Area continued to decline while much of the Sacramento area, the San Joaquin Valley, and Southern California exhibited gains.

New car sales were surprisingly strong in some parts of the state – apparently in response to enhanced incentives. Fuel & Service Station revenues were inflated by a temporary spike in gasoline prices and reporting aberrations.

Building & Construction, Food & Drugs, General Consumer Goods and Restaurants/Hotels were strong in the high growth areas surrounding Sacramento, the Inland Empire, and parts

of the San Joaquin Valley but generally down in the Bay Area, Central Coast, and Far Northern counties.

Business-to-business sales in the Bay Area/Silicon Valley, Sacramento, and Central Coast continued downward while the restoration of sales tax on bunker fuel, boosts in agricultural spending, and electrical energy plant construction helped produce modest to solid gains elsewhere.

#### Increased Sales Tax Funding Proposed

California continues to focus on sales and use tax as the primary source for new revenue despite gradual diminution by new exemptions and changing consumer habits. In addition to the debate over a 0.5% increase to cover the state's deficit financing, a number of bills are proposed to allow voter consideration of increased sales tax for specific purposes such as pub-

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Target

Waxies

Wal Mart

Albertsons Alliant Codiroli Motor Costco Groth Brothers Chevrolet Harris Rebar Herning Underground Supplies Home Depot JA Momaney Services JC's RVs Kaiser Pharmacy Livermore Honda Lowe's Mensco Mervyn's Mobile Modular Management Nec Business Network Solutions **Orco Construction Supply** Owens & Minor Medical Suppliers Safeway Safeway Gas Sales

Taylor Made Digital Systems

Top 20 Business Categories

				Percent	Percent of Total	
Business Type	Outlets	1st Qtr '03	1st Qtr '02	Change	City_	County State
Light Industrial/Printers	138	664,792	560,423	18.6%	18.7%	4.0%
Discount Dept Stores	28	328,798	319,101	3.0%	9.2%	5.7%
New Motor Vehicle Dealers	5	258,631	233,948	10.6%	7.3%	13.5%
Office Supplies/Furniture	56	228,632	51,717	342.1%	6.4%	2.6%
Lumber/Building Materials	19	225,351	194,527	15.8%	6.3%	4.6%
Service Stations	25	187,877	202,970	-7.4%	5.3%	6.4%
Heavy Industrial	69	122,680	143,641	-14.6%	3.4%	1.3%
Grocery Stores Liquor	14	101,564	99,508	2.1%	2.9%	3.1%
Trailers And Supplies		idential Information				0.4%
Electrical Equipment	40	92,708	53,499	73.3%	2.6%	1.5%
Contractors	103	89,199	84,280	5.8%	2.5%	3.0%
Fast Food	89	88,765	86,798	2.3%	2.5%	4.7%
Farm/Construction Equip.	9	83,357	88,004	-5.3%	2.3%	0.5%
Repair Shops	83	64,242	66,516	-3.4%	1.8%	1.1%
Farm Products/Equipment	20	59,926	86,537	-30.8%	1.7%	0.6%
Specialty Stores	347	57,435	75,266	-23.7%	1.6%	3.2%
Drugs/Chemicals	5	53,945	2,160	na	1.5%	0.9%
Boats/Motorcycles	14	50,470	53,865	-6.3%	1.4%	0.6%
Plumbing/Electrical Supplies	12	47,037	46,660	0.8%	1.3%	0.8%
Health Services	24	46,997	58,503	-19.7%	1.3%	0.4%
Retail Stores	1,097	2,221,294	1,996,752	11.2%	62.5%	76.7%
Non-Store/Part Time Retailers	143	4,349	11,779	-63.1%	0.1%	0.6%
Business, Service & Repairs	406	197,722	222,345	-11.1%	5.6%	7.7%
All Other Outlets (Industrial)	456	1,133,284	965,398	17.4%	31.9%	15.0%
Total All Accounts	2,102	3,556,649	3,196,274	11.3%		
County & State Pool Allocation		509,689	428,446	19.0%		
Gross Receipts		4,066,338	3,624,720	12.2%		

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lic safety, transportation and infrastructure (AB1065, SCA2, ACA7, and AB875).

Other bills (AB1412, SB566 and SB402) would allow local government to go to their voters for transactions tax financing. Although counties have such authorization, cities must first obtain approval from the state. There are currently 44 transaction tax districts in 31 counties including nine districts imposed by cities.

Majority voter approval is required for a transactions tax to be used for general purposes and a two-thirds approval is required for a tax to be used for specific purposes. A previous court case upheld majority approval of a general tax when accompanied by an advisory measure specifying how the money should be spent.

A transactions tax is imposed in the same manner and on the same goods as a sales or use tax but is allocated to the place of use rather than the point of sale. The state assumes that the district of use for merchandise sold by

stores, restaurants and markets is the district where the retailer is located. However, the tax on materials, equipment and supplies sold under contract or boats, vehicles, and airplanes is collected for the district where the sales contract specifies delivery or where the conveyance is registered. For more on proposed legislation, go to www.hdlcompanies.com.

Fiscal Year To Date Revenue Comparison								
2001-02	2002-03							
14,507,797	14,675,207							
1,950,825	1,982,749							
27,584	34,095							
16,486,206	16,692,050							
	2001-02 14,507,797 1,950,825 27,584							

