

LIVERMORE SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2001)

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In Brief

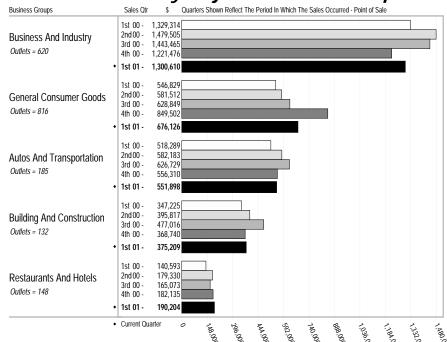
The City's June receipts for sales occurring January through March were 12.4% higher than the same period one year ago.

Livermore experienced a strong quarter for most categories of General Consumer Goods. Service stations, drugs/chemicals, lumber/building materials, trailers & supplies, farm/construction equipment and heavy industry categories contributed to the overall increase. A 40.1% jump in the county wide "use tax" allocation pool significantly boosted results.

The only major business group to decline was Business & Industry which was impacted by slower business-to-business sales and apparent late payments.

Receipts for the nine county Bay area increased 1.6% while the state gained 3% over the comparable time period.

Sales Tax By Major Business Group



SALES TAX NOTES

Statewide Sales Slow

California's "point of sale" receipts from January through March grew just 2.3% over the same quarter one year ago which was a significant contrast to the double digit increases of recent years. Countywide "use tax" pools pushed the gain in total receipts to 3%.

The anticipated slow down was regional in nature with jurisdictions in El Dorado, Kern, Merced, Napa, Placer, Sacramento, San Diego, San Joaquin, Solano, Sutter and Stanislaus Counties all continuing to exhibit healthy gains. Actual decreases occurred in the San Francisco Bay area and Silicon Valley regions due to sharp declines in high tech industries.

Soft good and restaurant sales exhibited healthy growth rates statewide as did building and construction materials. However, durable goods including new cars and appliances were flat or down as were most categories of "business-to-business" sales.

Honk If You Love Exemptions!

The incremental adoption of new exemptions each year has resulted in California imposing sales and use tax on fewer goods and services than all but two of the 45 states that levy sales tax. This session, the State Legislature has introduced 46 new bills that if adopted, would further reduce local government revenues by \$1.4 billion per year, transit districts, \$407 million and the state general fund, \$4.6 billion.

Some of the larger local losses include: AB 1199 (Cardenas) sales tax holiday for school purchases; AB 1246 (Leonard) college textbooks; AB con't on back page

Top 25 Producers Listed Alphabetically

Albertsons Alliant Codiroli Motor Costco Elease Returns Com Groth Brothers Oldsmobile Herning Underground Supplies Home Depot JA Momaney Services JC's RVs Kaiser Pharmacy Las Positas Shell Livermore Honda Mensco Mervvns Mobile Modular Management Oberthur Card Sys & Serv Orchard Supply Hardware Orco Construction Supply Owens & Minor West Relizon

Safeway

Vermeer

Wal Mart

Target

Top 20 Business Categories

				Percent	Percent of Total		
Business Type	Outlets	1st Qtr '01	1st Qtr '00	Change	City_	County	State
Drugs/Chemicals	7	411,444	328,956	25.1%	12.0%	1.7%	0.9%
Discount Dept Stores	20	308,744	300,882	2.6%	9.0%	3.5%	4.9%
New Motor Vehicle Dealers	5	248,097	280,989	-11.7%	7.2%	13.1%	12.1%
Light Industrial/Printers	143	223,649	372,959	-40.0%	6.5%	6.7%	4.5%
Service Stations	26	183,755	155,579	18.1%	5.3%	5.1%	6.2%
Lumber/Building Materials	13	176,632	146,397	20.7%	5.1%	3.5%	3.9%
Trailers And Supplies	4	140,218	97,955	43.1%	4.1%	0.4%	0.4%
Stationery/Book Stores	30	137,760	16,529	733.5%	4.0%	1.2%	1.1%
Farm/Construction Equip.	7	130,324	77,673	67.8%	3.8%	1.0%	0.5%
Heavy Industrial	56	120,552	83,451	44.5%	3.5%	3.1%	1.7%
Contractors	96	118,554	139,551	-15.0%	3.4%	3.6%	3.0%
Grocery Stores Liquor	15	109,711	83,970	30.7%	3.2%	3.1%	3.4%
Fast Food	77	87,694	62,825	39.6%	2.5%	3.2%	4.3%
Farm Products/Equipment	21	80,440	91,700	-12.3%	2.3%	1.1%	0.6%
Specialty Stores	326	79,103	88,539	-10.7%	2.3%	3.4%	3.2%
Repair Shops	97	70,616	56,333	25.4%	2.1%	1.6%	1.3%
Health Services	21	68,948	71,362	-3.4%	2.0%	0.6%	0.4%
Restaurants Beer And Wine	43	60,667	43,098	40.8%	1.8%	2.4%	2.4%
Electrical Equipment	34	54,074	110,124	-50.9%	1.6%	3.9%	2.4%
Office Supplies/Furniture	55	41,889	59,631	-29.8%	1.2%	3.9%	3.5%
Retail Stores	974	2,140,098	1,788,640	19.6%	62.2%	67.5%	73.6%
Non-Store/Part Time Retailers	191	4,192	3,079	36.2%	0.1%	0.4%	0.7%
Business, Service & Repairs	396	251,854	205,017	22.8%	7.3%	8.5%	8.7%
All Other Outlets (Industrial)	418	1,046,765	1,169,779	-10.5%	30.4%	23.6%	17.0%
Total All Accounts	1,979	3,442,909	3,166,514	8.7%			
County & State Pool Allocation		597,529	427,888	39.6%			
Gross Receipts		4,040,437	3,594,402	12.4%			

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1291 (Hollingsworth) diapers and baby formula; AB 37 (Strickland) gasoline and diesel fuel; and SB 1064 (Polanco) purchases by school districts. A complete listing can be found at www.hdlcompanies.com.

E-Commerce Squabble Continues

The federal moratorium on new Internet taxation by local governments expires on October 1. The temporary ban was originally imposed in 1998 to allow Congress three years to study the issue. However, the Federal Advisory Commission divided between those that want the technology tax free and those who believe that it should be treated as other retailers. It disbanded last year without the two-thirds votes needed for an official recommendation.

The Senate Commerce Committee is now attempting to find a compromise between two bills: Senator Ron Wyden's (D-Oregon) Internet non-discrimination Act S 288 and Senator Bryan Dorgan's (D-North Dakota)

Internet Tax Moratorium and Equity Act, S 512. Backed by E commerce companies, S 288 would extend the moratorium for five years and permanently ban Internet access taxes. Supported by traditional retailers, S 512 would extend the moratorium four years but allow taxation of out of state E-commerce sales if the states adopt uniform procedures.

Fiscal Year To Date Revenue Comparison							
	1999-00	2000-01					
Point-of-Sale	12,414,666	14,224,050					
County Pool	1,652,953	2,098,480					
State Pool	63,492	36,634					
Gross Receipts	14,131,110	16,359,164					

