

# Q3 2015

LIVERMORE

# City of Livermore Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2015)

## Livermore In Brief

Livermore's receipts from July through September were 9.0% above the third sales period in 2014.

The city enjoyed a robust quarter as all major business groups posted gains except for fuel, which was down consistent with statewide trends due to lower gas prices.

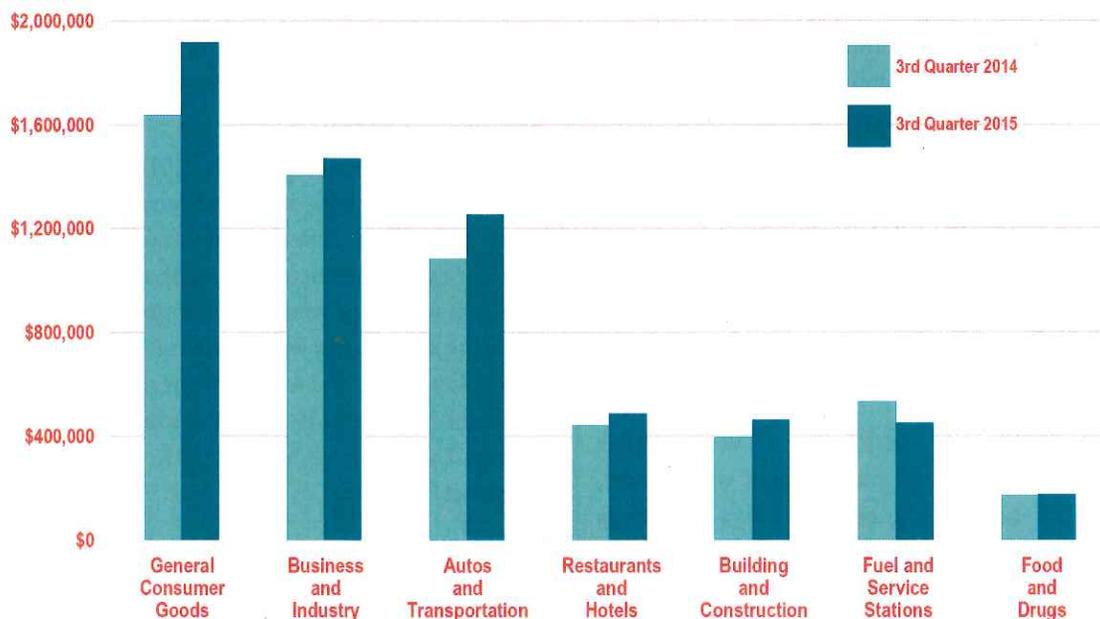
Multiple new outlet stores and a prior year reporting error in women's apparel boosted the general retail group, which accounted for almost half of the overall gain. Another strong quarter for new auto sales and leases was also a major factor.

Higher sales from lumber/building materials, contractors, and plumbing and electrical supplies produced a solid quarter for the construction sector. Multiple business to business categories including light industrial/printers, repair shop/ equipment rentals, electrical equipment, business services and garden/agricultural supplies, and all restaurant types posted increased results.

The city's allocation from the countywide use tax pool increased 5.5% over the comparative quarter.

Net of aberrations, taxable sales for all of Alameda County grew 6.1% over the comparable time period; the Bay Area was up 3.1%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Coach	Mobile Modular Management
Costco	Nike
Cresco Equipment Rentals	Polo Ralph Lauren
Harris Rebar	Porsche of Livermore
Home Depot	Prada
J A Momaney Services	Quik Stop Market
Kate Spade	Safeway
Livermore Audi/ Subaru/Honda	Safeway Fuel
Livermore Ford Lincoln Mitsubishi	Target
Livermore Toyota & Scion	Tommy Hillfiger
Lowe's	US Foodservice
Macpherson Western Tool Supply	Walmart
	Waxies

### REVENUE COMPARISON

Two Quarters - Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$11,391,598	\$12,198,637
County Pool	1,751,001	1,921,949
State Pool	8,484	6,378
Gross Receipts	\$13,151,084	\$14,126,963
Less Triple Flip*	\$(3,287,771)	\$(3,531,741)

\*Reimbursed from county compensation fund

Published by HdL Companies in Winter 2016

www.hdlcompanies.com | 888.861.0220



**Statewide Results**

The local share of sales and use tax revenues from the summer sales quarter were up 2.4% over last year's comparable quarter after adjusting for payment aberrations.

New and used auto sales and leases continued to exhibit solid gains and were the primary contributor to the quarter's statewide growth. The countywide allocation pools were the second largest contributors to the overall gain, boosted by increased online sales activity. The state's travel and tourism industry contributed to a robust increase in receipts from restaurants and hotels. Recovering building and construction activity was also significant with an 8.6% increase over the comparison period.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the fourth consecutive quarter.

Overall performance was similar throughout most regions of the state, however the effect of lower fuel prices significantly dampened results in portions of the San Joaquin Valley.

**Online Retail Sales Continue to Outpace Brick & Mortar Stores**

Fourth quarter tax results will not be available until March but preliminary reports indicate holiday purchases from some brick and mortar stores are flat or down from 2014, while the volume of online shopping has set new records.

Although stores are not in danger of disappearing, the trend has many retail chains considering long-term plans for smaller "showroom" units with less square footage, employees, and in-store inventory.

HdL's statewide sales tax database for the first three quarters of 2015 shows that online orders for general consumer goods rose 17.6% over the first three quarters of 2014, while the overall sales gains at brick and mortar stores grew a modest 2.2%.

**New Restrictions on Tax Sharing Agreements**

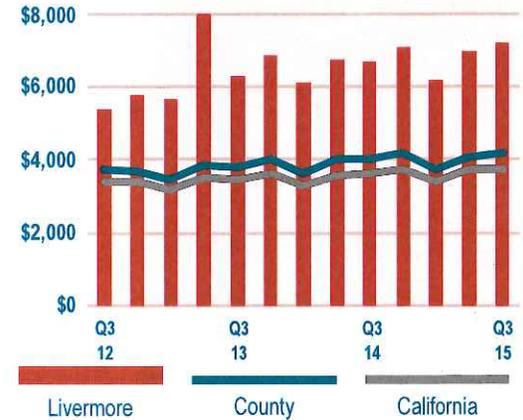
Tax rebates are subject to additional restrictions and reporting requirements in 2016.

Newly adopted Government Code Section 53084.5 prohibits tax sharing agreements that reduce another agency's sales tax if the business generating the tax continues to maintain a physical presence in the losing agency's jurisdiction.

The Government Accounting Standards Board (GASB) has also adopted new requirements outlined in GASB Statement 77 for detailed disclosure of rebates in government financial reports.

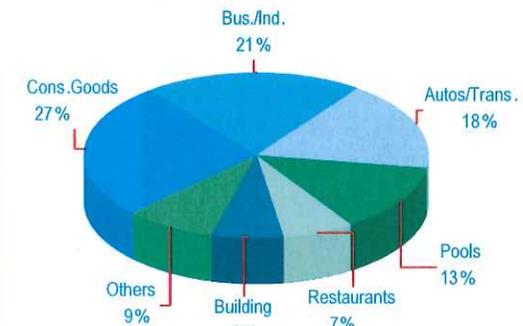
The rule issued on August 14, 2015 by GASB will require state and local governments to disclose the amount of property, sales, and income taxes that have been waived or rebated under tax abatement agreements with companies or other taxpayers. The requirements of Statement 77 are effective for financial statements with periods beginning after December 15, 2015.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**

Livermore This Quarter



**LIVERMORE TOP 15 BUSINESS TYPES**

Business Type	Livermore		County	HdL State
	Q3 '15*	Change	Change	Change
Casual Dining	267.5	4.6%	4.1%	5.4%
Discount Dept Stores	— CONFIDENTIAL —	—	-0.2%	2.1%
Drugs/Chemicals	— CONFIDENTIAL —	—	28.5%	0.5%
Electrical Equipment	149.7	5.0%	12.0%	-0.4%
Family Apparel	534.1	8.8%	3.9%	2.2%
Food Service Equip./Supplies	— CONFIDENTIAL —	—	6.1%	8.0%
Heavy Industrial	240.6	-8.1%	7.8%	6.2%
Light Industrial/Printers	258.7	35.9%	12.6%	1.4%
Lumber/Building Materials	260.7	16.9%	11.4%	6.7%
New Motor Vehicle Dealers	887.2	16.3%	12.3%	8.2%
Quick-Service Restaurants	169.5	15.2%	17.2%	6.7%
Service Stations	438.0	-15.4%	-13.6%	-11.8%
Shoe Stores	155.2	33.2%	0.7%	3.7%
Specialty Stores	137.2	15.1%	10.7%	5.8%
Women's Apparel	216.6	136.5%	12.0%	-1.0%
<b>Total All Accounts</b>	<b>6,215.1</b>	<b>9.6%</b>	<b>6.1%</b>	<b>2.3%</b>
<b>County &amp; State Pool Allocation</b>	<b>940.7</b>	<b>5.2%</b>	<b>1.9%</b>	<b>3.5%</b>
<b>Gross Receipts</b>	<b>7,155.8</b>	<b>9.0%</b>	<b>5.6%</b>	<b>2.4%</b>