

# Q3 2006

LIVERMORE

# City of Livermore Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (Jul-Sep 2006)

## Livermore In Brief

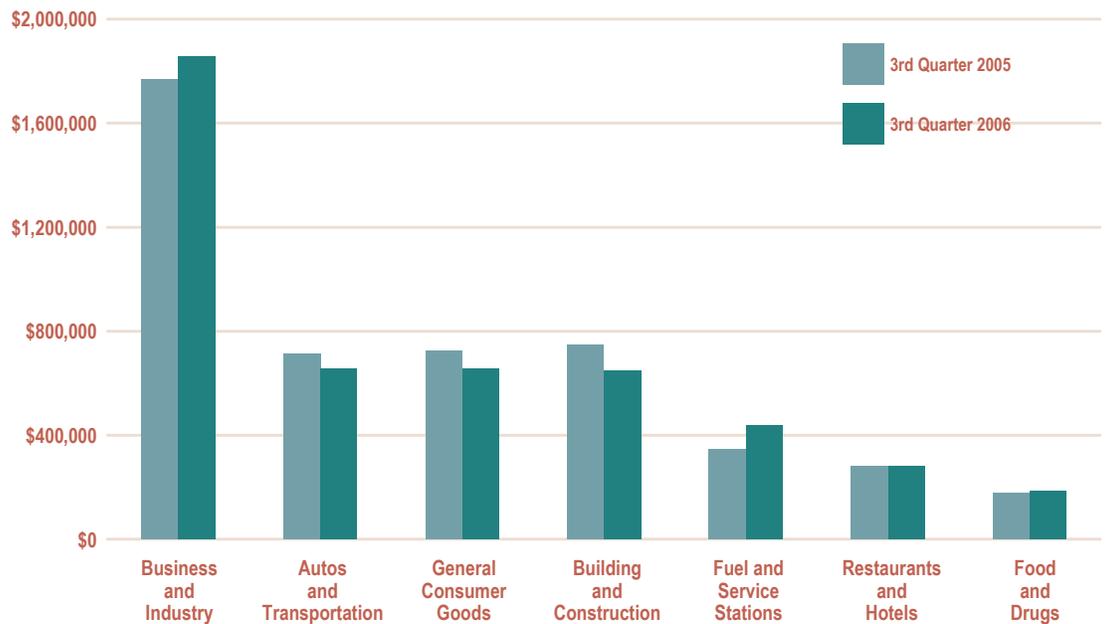
Receipts for sales occurring in the July to September quarter were 0.8% lower than the same period last year but aberrations skewed results. With anomalies removed, actual sales increased 4.7%.

New auto sales slowed with business closeouts in contractors and plumbing/electrical supplies adding to the overall loss in the building/construction sector. A onetime allocation error that inflated the year-ago period exaggerated the decline in farm/construction equipment.

Sales activity increased in the discount department store, heavy industry, electrical equipment and farm products/equipment categories. An apparent error overstated results in the office equipment classification. New outlets boosted returns in restaurants with no alcohol and restaurants with liquor. Continuing year-to-year fuel price gains benefited service station revenues.

Sales for all of Alameda County gained 0.9% compared to a year ago while the Bay area as a whole rose 0.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

AMS Net	Lowes
Costco	Microgear
Flow Solutions	Mobile Modular Management
Harris Rebar	Orco Construction Supply
Herning Underground Supplies	Owens & Minor
Home Depot	Quik Stop Markets
JA Momaney Services	Safeway
JCs RVs	Safeway Gas Sales
Jifco	Target
Kaiser Pharmacy	US Foodservice
Livermore Audi/Subaru/Honda	Wal Mart
Livermore Ford Lincoln Mercury	Waxies
	White Cap Industries

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2005-06	2006-07
Point-of-Sale	\$9,030,110	\$9,354,216
County Pool	1,248,642	1,239,059
State Pool	11,697	12,403
<b>Gross Receipts</b>	<b>\$10,290,449</b>	<b>\$10,605,678</b>
<b>Less Triple Flip*</b>	<b>\$(2,572,612)</b>	<b>\$(2,651,419)</b>

\*Reimbursed from county compensation fund

## Statewide Receipts

Statewide revenues from the July through September sales period exhibited a 2.9% gain over the same quarter one year ago after onetime payments from last year's amnesty program and other accounting adjustments are factored out.

Higher fuel prices continued to be responsible for much of the growth with receipts from service stations and bulk fuel sellers up 8.8%. General consumer goods produced a modest 2.7% increase with the highest gains from discount department stores. Revenues from the various categories of restaurants were up 4.3%.

Business spending, particularly in the light industry, office, farm and textiles/furnishings categories remained strong as did non-residential contractor supplies.

The gains were offset by an 8.5% drop in new car sales as well as declines in used cars, boats/motorcycles, RVs and lumber/building materials (net of accounting aberrations).

## Unlicensed Retailers

The state has budgeted for a two year pilot program of stepped up field inspections to identify retailers without sellers' permits. The teams are also checking for proper tobacco, motor fuel and other state licenses.

The program was initiated in August because of concerns that years of budget cutbacks have reduced revenue due to lagging compliance. The fears appear to be well founded as four percent of the retailers canvassed thus far were not properly registered.

In addition to raising awareness of permit requirements and increasing compliance, it is estimated that the experiment could generate up to \$25 million in new revenues annually.

The permit checks are being conducted in portions of Los Angeles, San Mateo and San Francisco Counties. Local jurisdictions have placed representatives

with state field crews to also check for business licenses and other permits.

## November Tax Measures

November's ballots included 38 proposals for adding, increasing or extending existing local transactions and use tax levies of which 20 passed.

Although basically an additional sales tax, the transactions tax is allocated to the place of use rather than point of sale. Eight of the passed measures required two thirds approval, the others a majority. The measures will go into effect April 1, 2007 and bring the total number of transactions tax districts to 101 including those in 53 cities.

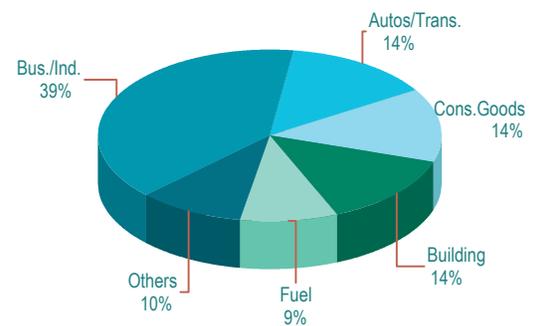
Cities approving new districts in November included: Arroyo Grande, Del Rey Oaks, Grover Beach, Inglewood, Manteca, Morro Bay, Nevada City, Pinole, San Bernardino, San Luis Obispo, Santa Cruz, Vista, Watsonville and Williams.

The revenues are used for a wide variety of purposes including public safety, parks and open space, transit and road improvements.

## SALES PER CAPITA



## REVENUE BY BUSINESS GROUP Livermore This Quarter



## LIVERMORE TOP 15 BUSINESS TYPES

Business Type	Livermore		County	HdL State
	Q3 '06*	Change	Change	Change
Health/Medical	\$619.6	7.2%	-1.4%	-2.0%
Service Stations	437.3	26.6%	9.5%	12.3%
Discount Dept Stores	425.0	8.2%	10.4%	7.4%
Lumber/Building Materials	385.7	1.0%	19.5%	14.2%
New Motor Vehicle Dealers	300.9	-7.3%	-8.9%	-12.2%
Light Industrial/Printers	241.4	3.8%	12.0%	2.2%
Heavy Industrial	206.1	3.3%	-6.1%	0.9%
Repair Shop/Hand Tool Rentals	145.3	13.1%	33.3%	-22.6%
Trailers/RVs	— CONFIDENTIAL —		-13.4%	-11.0%
Restaurants No Alcohol	130.2	5.0%	1.7%	1.5%
Contractors	122.7	-42.9%	-8.4%	4.1%
Electrical Equipment	121.3	37.3%	-21.0%	15.1%
Farm/Construction Equip.	119.2	-56.0%	-15.5%	-4.9%
Farm Products/Equipment	102.6	27.6%	9.8%	10.4%
Grocery Stores Liquor	98.2	10.3%	9.2%	5.3%
<b>Total All Accounts</b>	<b>\$4,719.7</b>	<b>-0.7%</b>	<b>0.9%</b>	<b>0.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>591.9</b>	<b>-1.3%</b>		
<b>Gross Receipts</b>	<b>\$5,311.6</b>	<b>-0.8%</b>		<i>*In thousands</i>