



LIVERMORE SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2001)

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In Brief

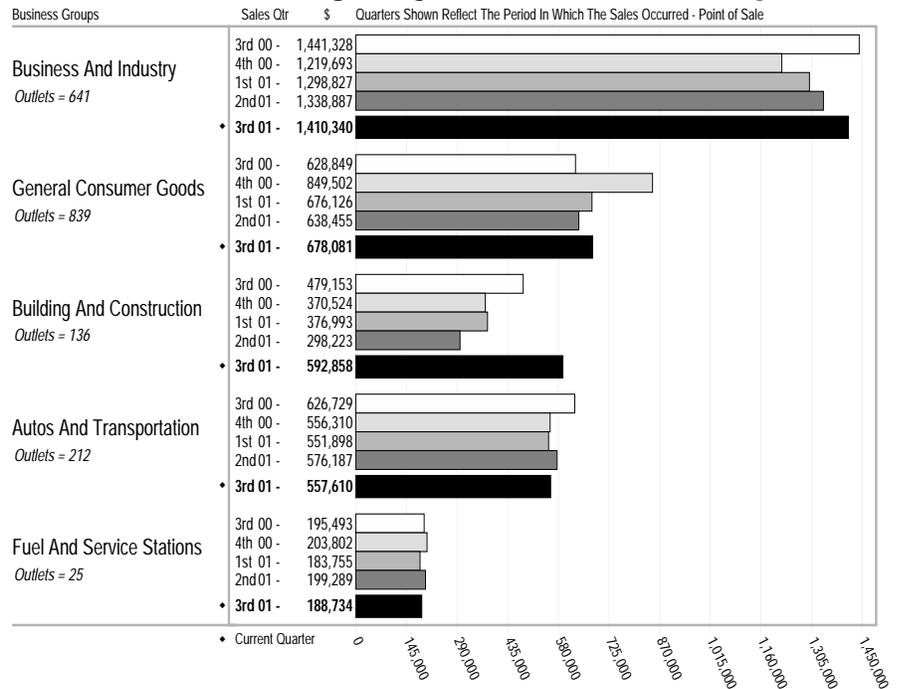
Receipts for sales occurring from July-September were up 1.4% over the same period last year.

Strong sales boosted gains from drugs/chemicals, repair shop, and health services categories. Big gains from lumber/building materials were inflated by double-up payments. Results of the ongoing audit activity boosted results for office supplies/furniture & home furnishings sectors. New business and receipt of late payments benefited the Restaurant group.

Slower sales hurt most areas of Autos & Transportation, while increased wholesale business negatively impacted the light industrial/printers sector resulting in a decline for the Business & Industry group.

Receipts for the nine county Bay area declined 11.5% and the County was down 5.4% over the same period.

Sales Tax By Major Business Group



SALES TAX NOTES

STATEWIDE SALES DECLINE

The local share of California's sales and use tax revenues decreased three percent from last year's comparable quarter after the "double up" of a previously late allocation from a major retail chain is factored out. The declines occurred primarily in the nine-county Bay area while Southern California's Inland Empire, the Sacramento Valley Foothill regions, the Central Coast and much of the San Joaquin Valley continued to exhibit modest to strong gains.

Business-to-business sales declined in all areas of the state while receipts from new car sales and discount consumer goods remained strong in all areas except the North Bay. Sales of construction supplies declined in all areas but the San Joaquin Valley.

Economists project a gradual recovery beginning in the spring of 2002,

and a return to previous sales levels in 2003 for all but high tech goods.

NEW REALLOCATION PROPOSAL

Borrowing from a property tax redistribution idea in Minneapolis-St. Paul, Assemblyman Darrell Steinberg (D-Sacramento) has altered his previous proposal to redistribute the local share of sales and use tax.

Under revised AB 680, all jurisdictions in the greater Sacramento region (El Dorado, Placer, Sacramento, Yolo, Yuba and Sutter Counties) would continue to receive the sales tax that they generated in calendar year 2001. Beginning in January 2002, all growth above the 2001 base would be distributed 1/3 to point of sale, and 1/3 per capita. The remaining 1/3 would be allocated to the point of sale for jurisdictions that comply with state

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Top 25 Producers Listed Alphabetically

Alliant
Ams Net
Codioli Motor
Costco
Groth Brothers Oldsmobile
Herning Underground Supplies
Hertz Car Sales
Home Depot
JA Momaney Services
JC's RVs
Jifco
Kaiser Pharmacy
Livermore Honda
Lucky
Mensco
Mervyns
Mobile Modular Management
Orchard Supply Hardware
Orco Construction Supply
Owens & Minor West
Safeway
TCI Materials Management
Target
Wal Mart
Wente Bros.

Top 20 Business Categories

Business Type	Outlets	3rd Qtr '01	3rd Qtr '00	Percent Change	Percent of Total			
					City	County	State	
Drugs/Chemicals	6	444,668	362,656	22.6%	11.8%	1.9%	1.0%	
Discount Dept Stores	21	364,899	352,008	3.7%	9.7%	3.6%	5.2%	
Lumber/Building Materials	13	363,711	240,870	51.0%	9.6%	5.9%	6.5%	
New Motor Vehicle Dealers	5	257,350	285,560	-9.9%	6.8%	12.5%	12.8%	
Light Industrial/Printers	145	247,218	373,148	-33.7%	6.5%	6.2%	4.0%	
Service Stations	26	188,734	195,493	-3.5%	5.0%	4.9%	6.2%	
Contractors	94	134,593	154,882	-13.1%	3.6%	4.1%	3.4%	
Farm/Construction Equip.	7	121,316	135,433	-10.4%	3.2%	1.0%	0.6%	
Trailers And Supplies	Confidential Information						0.4%	0.4%
Farm Products/Equipment	22	103,572	99,540	4.1%	2.7%	1.0%	0.6%	
Repair Shops	98	102,074	67,346	51.6%	2.7%	1.9%	1.3%	
Specialty Stores	334	101,065	92,884	8.8%	2.7%	2.7%	2.9%	
Grocery Stores Liquor	15	100,063	94,439	6.0%	2.7%	2.3%	3.0%	
Heavy Industrial	62	99,097	118,636	-16.5%	2.6%	4.8%	1.6%	
Fast Food	76	83,302	78,215	6.5%	2.2%	3.0%	4.3%	
Electrical Equipment	37	66,207	94,658	-30.1%	1.8%	3.0%	1.9%	
Health Services	20	64,404	33,932	89.8%	1.7%	0.6%	0.4%	
Office Supplies/Furniture	57	63,245	55,741	13.5%	1.7%	3.7%	2.7%	
Restaurants Beer And Wine	45	51,586	49,343	4.5%	1.4%	2.2%	2.4%	
Restaurants Liquor	22	48,956	34,699	41.1%	1.3%	2.1%	2.8%	
Retail Stores	1,019	2,357,628	2,243,732	5.1%	62.4%	66.2%	74.8%	
Non-Store/Part Time Retailers	181	4,176	4,246	-1.7%	0.1%	0.4%	0.7%	
Business, Service & Repairs	405	278,239	198,383	40.3%	7.4%	8.2%	8.2%	
All Other Outlets (Industrial)	433	1,135,398	1,247,084	-9.0%	30.1%	25.2%	16.4%	
Total All Accounts	2,038	3,775,441	3,693,445	2.2%				
County & State Pool Allocation		446,280	470,154	-5.1%				
Gross Receipts		4,221,721	4,163,599	1.4%				

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low cost housing and infill development targets.

Residuals from jurisdictions not qualifying for the last 1/3 would be given to the regional Council of Governments for local projects. As an incentive to support the proposal, jurisdictions within the region would be given top priority for state transportation, library bonding and infrastructure bank funding.

If the pilot proposal is adopted, supporters hope to eventually use the formula statewide.

CASINO COLLECTIONS DISCONTINUED

Over-ruling its staff, the State Board of Equalization has decided to discontinue collection of sales tax from bars and restaurants located on Indian reservations. Although Indians living on reservations are exempt from sales tax, current requirements are that reservation businesses collect and remit

tax on sales to non-Indian reservation customers. A few tribes had previously refused to collect the tax for meals and liquor served at their casinos and on December 19, the Board directed staff not to pursue enforcement. The California Restaurant Association has expressed interest in expanding the exemption to all bars and restaurants.

Fiscal Year To Date Revenue Comparison

	2000-01	2001-02
Point-of-Sale	7,222,877	7,151,032
County Pool	958,548	967,385
State Pool	14,115	7,446
Gross Receipts	8,195,540	8,125,863

