

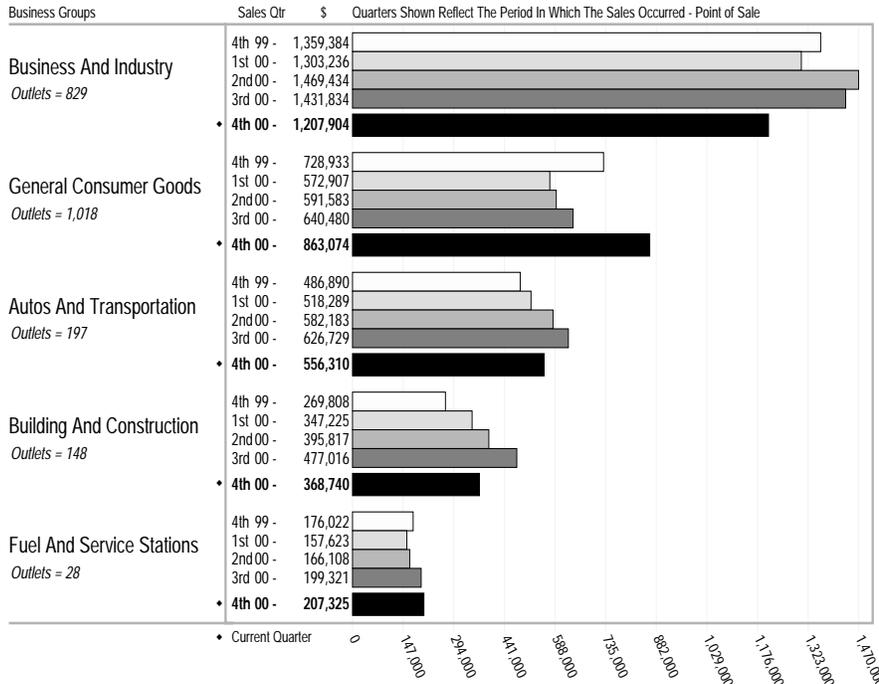


# LIVERMORE SALES TAX

First Quarter Receipts for Fourth Quarter Sales (Oct. - Dec. 2000)

Publication Date: April 2001 The HdL Companies (www.hdlcompanies.com)

## Sales Tax By Major Business Group



## Top 25 Producers Listed Alphabetically

Albertsons  
Alliant  
Codioli Motor  
Costco  
Groth Brothers Oldsmobile  
Herning Underground Supplies  
Hertz Car Sales  
Home Depot  
Hoover Universal  
ISG Acquisition  
JA Momaney Services  
KGP Telecommunication  
Livermore Honda  
Mensco  
Mervyns  
Mobile Modular Management  
Orchard Supply Hardware  
Orco Construction Supply  
Owens & Minor West  
Safeway  
TCI Materials Management  
Target  
Torrex Equipment  
Wal Mart  
Wente Bros.

## This Quarter

Receipts from October through December sales grew 8.9% over the same period one year ago.

Discount department store, service station, heavy industrial, lumber/building materials, farm products/equipment, repair shops, and stationery/book store sectors grew most. Service station gains were aided by higher prices at the pump; new stores helped lumber/building materials, stationery/book store, and repair shop gains.

Declines mainly affected health services, light industrial/printers, contractors, office supplies/furniture, and electrical equipment categories. Temporary payment aberrations heavily exaggerated the health services and light industrial/printer decreases. A delayed payment caused the farm/construction equipment drop.

The 9-county Bay Area grew 12.4%; the state rose 9.0%.

## SALES TAX NOTES

### Fourth Quarter Exceeds Expectations But Future Is Cloudy

A study of HdL's statewide database reveals that California's holiday sales increased 9% over the same quarter of 1999. This was higher than most economists had predicted. The largest gains occurred among family apparel, limited-price variety stores, new and used auto dealers, and fuel and electronic/office equipment.

In the general consumer goods group, statewide sales for limited price variety stores increased 11.1%, family apparel outlets, 10%, discount department store sales, 6.8%, specialty stores, 4.3%, and department stores, 2.5%.

Auto sales exhibited continued strength through December by rising 12.1% over the previous year while "use tax" from auto leases was up 10.2%. High prices at the pump

helped to boost revenues from service stations by 27.6% and bulk fuel distributors, 24.9%.

Several categories of industrial related sales continued to show gains. Office equipment, electrical manufacturers, and industrial repair shops increased 16.6%, 12.4% and 13.9% respectively. The Silicon Valley region, with its concentration of businesses in these sectors, again posted higher revenue growth than other areas of the state.

Despite intensive media coverage of layoffs, lower corporate earnings and declining stock values, anecdotal evidence suggests that June's receipts from first quarter sales will be at least steady. Revenues from value-oriented retailers such as discount department stores are expected to be up

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## Top 20 Business Categories

Business Type	4th Qtr '00		4th Qtr '99		Percent Change	% Of Total		
	Outlets	\$	Outlets	\$		City	County	State
Discount Dept Stores	21	502,668	22	433,732	15.9%	14.1%	4.5%	6.4%
Drugs/Chemicals	10	381,769	10	318,094	20.0%	10.7%	1.5%	0.9%
Light Industrial/Printers	170	297,171	155	365,265	-18.6%	8.4%	7.3%	4.3%
New Motor Vehicle Dealers	7	260,185	7	250,879	3.7%	7.3%	11.9%	10.7%
Service Stations	27	207,325	29	176,022	17.8%	5.8%	4.9%	6.2%
Heavy Industrial	93	197,818	92	73,294	169.9%	5.6%	3.4%	1.6%
Lumber/Building Materials	13	176,458	12	43,373	306.8%	5.0%	3.4%	3.7%
Trailers And Supplies	5	112,926	4	91,797	23.0%	3.2%	0.3%	0.3%
Contractors	109	112,698	105	149,121	-24.4%	3.2%	3.3%	3.0%
Specialty Stores	388	104,849	377	78,422	33.7%	2.9%	3.7%	3.7%
Grocery Stores Liquor	15	101,896	15	96,507	5.6%	2.9%	2.6%	3.1%
Farm/Construction Equip.	8	100,353	7	130,861	-23.3%	2.8%	1.2%	0.5%
Farm Products/Equipment	25	97,638	19	48,841	99.9%	2.7%	1.1%	0.6%
Repair Shops	92	93,509	95	57,942	61.4%	2.6%	1.9%	1.3%
Fast Food	78	90,223	67	71,741	25.8%	2.5%	2.9%	3.9%
Department Stores	4	60,466	5	56,615	6.8%	1.7%	4.6%	5.5%
Stationery/Book Stores	30	55,692	27	21,320	161.2%	1.6%	1.6%	0.9%
Restaurants Beer And Wine	43	51,752	46	47,242	9.5%	1.5%	2.1%	2.1%
Office Supplies/Furniture	59	50,104	59	73,416	-31.8%	1.4%	3.6%	3.4%
Public Utilities/Trans.	35	49,705	31	37,761	31.6%	1.4%	1.5%	1.4%
<b>Retail Stores</b>	<b>1,071</b>	<b>2,325,214</b>	<b>1,027</b>	<b>1,977,359</b>	<b>17.6%</b>	<b>65.3%</b>	<b>68.4%</b>	<b>73.8%</b>
Non-Store/Part Time Retailers	307	8,406	328	6,622	26.9%	0.2%	0.5%	0.9%
Business, Service & Repairs	444	59,745	429	260,122	-77.0%	1.7%	7.7%	8.2%
All Other Outlets (Industrial)	638	1,164,900	583	1,081,639	7.7%	32.7%	23.4%	17.0%
<b>Total All Accounts</b>	<b>2,460</b>	<b>3,558,265</b>	<b>2,367</b>	<b>3,325,741</b>	<b>7.0%</b>			
County & State Pool Allocation		564,923		459,860	22.8%			
<b>Gross Receipts</b>		<b>4,123,187</b>		<b>3,785,601</b>	<b>8.9%</b>			

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as are receipts from import auto dealers, service stations and bulk fuel. However, "business-to-business" sales should begin showing decreases as corporations "lean down" to satisfy investor concerns and to reduce excess inventories and capacity.

The revenue picture for next year remains murky with no clear indicators of where the economy is heading. To date, consumer confidence in California has remained upbeat and unemployment is still low. Most of the much-publicized layoffs from the high tech sectors appear to be absorbed by more traditional firms needing to update their internal systems.

Higher energy costs will have an impact on specific elements of the economy although much of this will be absorbed by conservation measures and more efficient usage. The real danger is frequent, unpredictable outages that would disrupt production schedules and spoil output.

Industrial intensive jurisdictions such

as the Silicon Valley experienced the most dramatic increases in sales tax in recent years and could experience equally dramatic declines as corporations cut back on capital expenditures while the economy sorts itself out. Economists are divided on how long this might take and local governments should be cautious in developing their 2001/2002 projections.

### Fiscal Year To Date Revenue Comparison

	1999-00	2000-01
Point-of-Sale	9,248,152	10,781,141
County Pool	1,235,068	1,512,982
State Pool	53,489	24,604
Gross Receipts	10,536,708	12,318,727

