



LIVERMORE SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2000)

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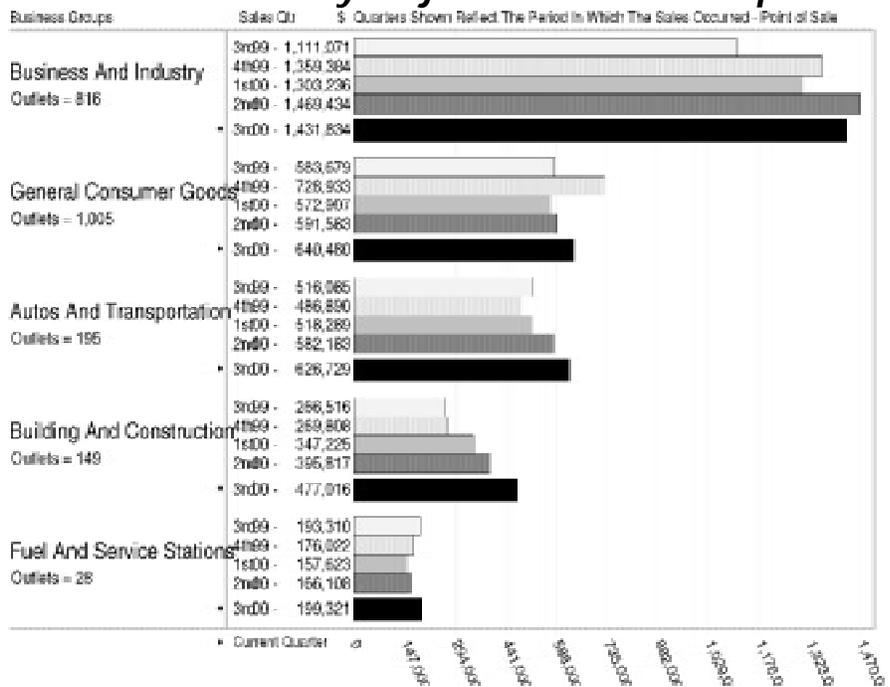
In Brief

Receipts from Livermore's third quarter sales were 23.7% higher than the same quarter one year ago. Actual sales activity was up 9.8% when retro-active adjustments related to the city's ongoing "point of sale" audits plus other aberrations are adjusted out.

Generally strong sales in most all sales classifications plus previous additions in the lumber/building materials, boat/motorcycle and various industrial categories all contributed to the increase. The gains were partially offset by adjustments that temporarily inflated last year's revenues from specialty stores, electrical equipment and auto supplies.

Unadjusted receipts for all of Alameda County increased 18.4% over the comparable time period while the nine-county Bay area was up 20.6%.

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

- Albertson's
- Alliant
- American Communications Supply
- California Nail & Supply
- Codioli Motor
- Columbia Diagonistics
- Costco
- Groth Brothers Oldsmobile
- Herning Underground Supplies
- Home Depot
- JA Momaney Services
- KGP Telecommunication
- Livermore Honda
- Mensco
- Mervyn's
- Mobile Modular Management
- Orchard Supply Hardware
- Orco Construction Supply
- Owens & Minor West
- Safeway
- Target
- Trinet Communications
- Vermeer
- Wal Mart
- Wente Brothers

SALES TAX NOTES

Lower Tax Rate in 2001

With a 1999/2000 reserve of 10.1%, the state's portion of California's sales and use tax dropped from 5.0% to 4.75% effective Jan. 1, as provided by 1991 legislation that triggers a 1/4% reduction whenever the state's prior year general fund reserve exceeds four percent. The rate for local government is not impacted and the 1/4% is reimposed if future reserves again fall below the four percent threshold.

Streamlined Sales Tax

On December 22, a coalition of 29 states approved a model uniform Sales and Use Tax Administration Act to forward to their state legislatures for review and recommended adoption. The proposal would lighten the tax collection burden on sellers by creating uniform definitions for various

categories of taxable goods and exemptions, uniform administrative procedures, a centralized registration system, and a certified automated collection and remittance system using third party collectors that would operate similar to credit card companies.

If adopted by enough states, the Act would negate the current arguments against requiring out-of-state catalog and e-commerce retailers from charging the same sales tax as their "in-state" competitors. Of the 29 states involved in the project, only Utah, Nevada and Wyoming are from the western half of the country. Ten additional states have been participating as "observers."

For more information and a copy of the proposed legislation, go to <http://www.streamlinedsalestax.org>.

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Top 20 Business Categories

Business Type	3rd Qtr '00		3rd Qtr '99		Percent Change	% Of Total		
	Outlets	\$	Outlets	\$		City	County	State
Light Industrial/Printers	163	373,148	148	173,645	114.9%	10.1%	4.8%	4.5%
Drugs/Chemicals	10	362,656	12	308,186	17.7%	9.8%	1.8%	0.9%
Discount Dept Stores	18	352,008	22	296,665	18.7%	9.5%	3.3%	4.9%
New Motor Vehicle Dealers	7	285,560	6	256,467	11.3%	7.7%	16.8%	12.3%
Lumber/Building Materials	13	240,870	9	47,245	409.8%	6.5%	3.5%	4.0%
Service Stations	27	199,321	30	193,310	3.1%	5.4%	4.9%	6.3%
Contractors	110	154,882	106	138,922	11.5%	4.2%	3.2%	3.4%
Farm/Construction Equip.	7	135,433	7	118,427	14.4%	3.7%	0.8%	0.6%
Trailers And Supplies	5	126,228	4	117,435	7.5%	3.4%	0.7%	0.4%
Heavy Industrial	92	118,636	92	74,909	58.4%	3.2%	2.0%	1.6%
Farm Products/Equipment	23	99,540	16	45,364	119.4%	2.7%	1.3%	0.6%
Specialty Stores	379	99,330	348	107,250	-7.4%	2.7%	2.6%	3.1%
Electrical Equipment	92	94,658	92	110,430	-14.3%	2.6%	5.2%	2.8%
Grocery Stores Liquor	15	90,611	14	71,204	27.3%	2.5%	2.4%	2.9%
Fast Food	75	78,215	63	71,371	9.6%	2.1%	2.8%	4.1%
Repair Shops	99	67,346	95	50,026	34.6%	1.8%	2.0%	1.5%
Office Supplies/Furniture	59	55,741	58	64,017	-12.9%	1.5%	5.2%	3.5%
Public Utilities/Trans.	34	49,835	28	40,738	22.3%	1.3%	2.2%	1.7%
Restaurants Beer And Wine	44	49,343	46	46,060	7.1%	1.3%	2.1%	2.3%
Used Automotive Dealers	13	42,804	10	19,362	121.1%	1.2%	1.1%	1.3%
Retail Stores	1,059	2,228,997	974	1,828,542	21.9%	60.4%	69.0%	72.0%
Non-Store/Part Time Retailers	307	4,246	328	3,463	22.6%	0.1%	0.4%	0.8%
Business, Service & Repairs	441	224,749	433	232,903	-3.5%	6.1%	9.0%	9.1%
All Other Outlets (Industrial)	623	1,235,453	567	887,313	39.2%	33.4%	21.5%	18.1%
Total All Accounts	2,430	3,693,445	2,302	2,952,220	25.1%			
County & State Pool Allocation		470,154		413,077	13.8%			
Gross Receipts		4,163,599		3,365,297	23.7%			

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Preliminary Holiday Shopping Results

Californians took advantage of the long weekend before Christmas to boost retail sales 3.5% over the previous year according to Telecheck International, a company that performs check approval services for retailers. The resulting tax revenues which will not be received until March, are about half of the growth experienced in 1999 but better than the rest of the country where consumer spending was slowed by winter storms as well as higher energy costs and a falling stock market.

E-commerce accounted for a bigger piece of this year's Christmas shopping with \$74 billion in sales versus \$45 billion in 1999 according to Forrester Research of Boston. The surprise was that traditional "brick & mortar" merchants siphoned off the

bulk of the increase by initiating their own websites. "Point of sale" for e-commerce sales is the order desk if shipped from California or the county allocation pool if shipped from outside the state. The retailer does not have to collect sales tax if it establishes a separate legal corporation for its e-commerce operation that has no "nexus" in California.

Fiscal Year To Date Revenue Comparison

	1999-00	2000-01
Point-of-Sale	5,922,410	7,222,877
County Pool	789,990	958,548
State Pool	38,706	14,115
Gross Receipts	6,751,107	8,195,540

