

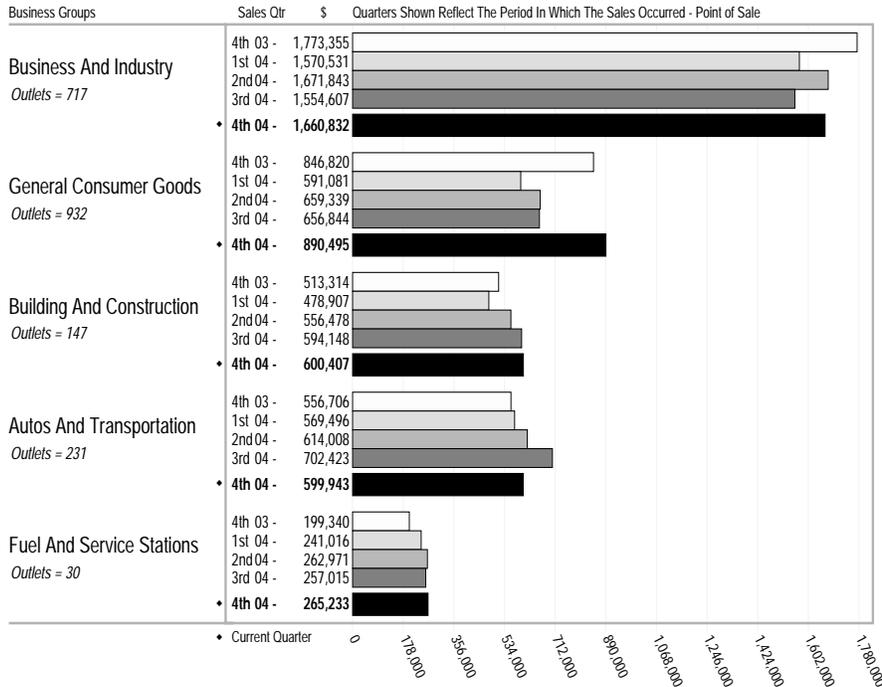


# LIVERMORE SALES TAX

First Quarter Receipts for Fourth Quarter Sales (Oct. - Dec. 2004)

Publication Date: April 2005 The HdL Companies (www.hdlcompanies.com)

## Sales Tax By Major Business Group



## This Quarter

Receipts from Livermore's Christmas quarter were 5% higher than the same period one year ago.

Higher fuel prices, a strong quarter for building/construction materials, discount department stores, new cars and farm/construction equipment all contributed to the increase. The gains were offset by a tax refund in light industrial equipment, a previous close-out in office supplies and a onetime payment that temporarily inflated the comparison of last year's receipts from electrical equipment.

Unadjusted gross receipts for all of Alameda County increased 9.2% over the comparable time period while the nine-county Bay Region as a whole, was up 7.7%

## Top 25 Producers

Listed Alphabetically

Alliant  
 Amerimade Technology  
 Bay Counties Pitcock Petroleum  
 Codiroli Motor  
 Costco  
 Flow Solutions  
 Form Factor  
 Harris Rebar  
 Herning Underground Supplies  
 Home Depot  
 Hoover Universal  
 J A Momaney Services  
 Jifco  
 Kaiser Pharmacy  
 Livermore Honda  
 Lowes  
 Mervyns  
 Mobile Modular Management  
 Orco Construction Supply  
 Owens & Minor  
 Safeway  
 Safeway Gas Sales  
 Target  
 Wal Mart  
 White Cap Industries

## Sales Tax Notes

### Christmas Quarter Up

California's current allocation of local sales tax was 11.3% higher than the previous year's Christmas quarter. Double up payments resulting from the state's failure to fully process prior quarter returns accounted for a portion of the increase making the actual gain closer to 6.5%.

Higher fuel prices, continued demand for building and construction materials, and a surprising rebound in new car sales all contributed to the statewide increase. The Sacramento and San Joaquin Valleys and Southern California's Inland Empire exhibited the highest overall gains.

### Amnesty Program Success

By the end of its deadline date of March 31, 2005, the state's amnesty program produced 5,960 returns totaling \$33.5 million in previously uncollected sales and use tax according to the State Board of Equalization.

Implemented by last year's SB 1100, the program provided taxpayers the opportunity to pay taxes and interest on pre-2003 obligations without penalties or criminal prosecution.

In addition to a variety of other temporary tax measures, the bill extended through July 1, 2006, the time period that any vehicle, vessel or aircraft purchased from out of state by a California resident must remain outside the state to exempt the purchase from use tax. The required time period is now 12 months rather than the previous minimum of 90 days.

### Buy More - It's Deductible!

Approximately five percent of California's taxpayers are deducting sales and use tax rather than state income tax credits from their federal returns under a new law that provides the option for 2004 and 2005.

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## Top 20 Business Categories

Business Type	Outlets	4th Qtr '04	4th Qtr '03	Percent Change	Percent of Total			
					City	County	State	
Light Industrial/Printers	159	611,607	707,523	-13.6%	13.7%	6.4%	3.8%	
Discount Dept Stores	39	523,037	499,251	4.8%	11.7%	5.0%	7.1%	
Lumber/Building Materials	23	330,578	273,155	21.0%	7.4%	4.9%	4.9%	
New Motor Vehicle Dealers	5	291,242	269,722	8.0%	6.5%	11.3%	12.0%	
Service Stations	29	263,137	198,787	32.4%	5.9%	5.3%	6.7%	
Heavy Industrial	68	243,730	205,233	18.8%	5.5%	2.7%	1.5%	
Farm/Construction Equip.	9	182,487	111,959	63.0%	4.1%	1.0%	0.7%	
Contractors	99	147,058	126,413	16.3%	3.3%	3.6%	3.3%	
Specialty Stores	408	132,587	119,730	10.7%	3.0%	3.4%	3.7%	
Grocery Stores Liquor	13	132,070	126,553	4.4%	3.0%	2.6%	2.7%	
Farm Products/Equipment	30	124,752	107,858	15.7%	2.8%	0.9%	0.6%	
Fast Food	104	114,517	98,180	16.6%	2.6%	3.5%	4.2%	
Electrical Equipment	41	113,818	277,255	-58.9%	2.6%	2.2%	1.5%	
Office Supplies/Furniture	62	85,104	108,595	-21.6%	1.9%	3.8%	2.3%	
Plumbing/Electrical Supplies	12	79,090	69,531	13.7%	1.8%	0.9%	0.8%	
Trailers And Supplies	Confidential Information						0.2%	0.5%
Repair Shops	96	75,695	74,289	1.9%	1.7%	1.4%	1.2%	
Office Equipment	25	64,416	30,108	113.9%	1.4%	1.5%	0.8%	
Restaurants Beer And Wine	54	63,585	48,855	30.2%	1.4%	2.2%	2.2%	
Boats/Motorcycles	15	63,311	39,453	60.5%	1.4%	0.6%	0.6%	
Retail Stores	1,236	2,844,389	2,557,127	11.2%	63.8%	70.3%	76.9%	
Non-Store/Part Time Retailers	127	6,924	5,205	33.0%	0.2%	0.3%	0.6%	
Business, Service & Repairs	459	265,183	242,063	9.6%	5.9%	7.6%	7.5%	
All Other Outlets (Industrial)	488	1,343,799	1,486,930	-9.6%	30.1%	21.8%	15.0%	
Total All Accounts	2,310	4,460,294	4,291,325	3.9%				
County & State Pool Allocation		596,439	526,898	13.2%				
Gross Receipts		5,056,733	4,818,223	5.0%				

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Because of California's high income tax, the optional sales tax deduction was not expected to be of significant value in this state. However, the low income and elderly, persons whose state income taxes were significantly over-withheld or under-withheld in 2004, and those who spent significant amounts on cars, boats or home building materials are evidently finding the option useful in reducing their federal tax burden.

### Exemptions Proposed for Capital Investment

A new round of sales and use tax exemptions has been proposed to reduce the costs of acquiring equipment, materials and supplies used in manufacturing, telecommunications and electrical generation. The proposals could cut state sales tax revenues by as much as 8.5% depending on how the exemptions are ultimately defined. AB 80 (Houston), AB 1580 (Torricco) and SB 552 (Alquist/

Maldonado) would exempt such purchases from sales and use tax altogether, while AB 344 (Villines), AB 845 (Ridley-Thomas) and SB 631 (Dutton) would allow the tax to be deducted from income and corporate taxes. Initial proposals do not exempt the local portion of the tax.

### Fiscal Year To Date Revenue Comparison

	2003-04	2004-05
Point-of-Sale	12,166,986	12,858,730
County Pool	1,337,223	1,657,875
State Pool	25,379	15,298
Gross Receipts	13,529,587	14,531,903
Less Triple Flip*	0	(2,441,988)

\*Reimbursed from county compensation fund

