

# Q4 2010

LIVERMORE

# City of Livermore Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

## Livermore In Brief

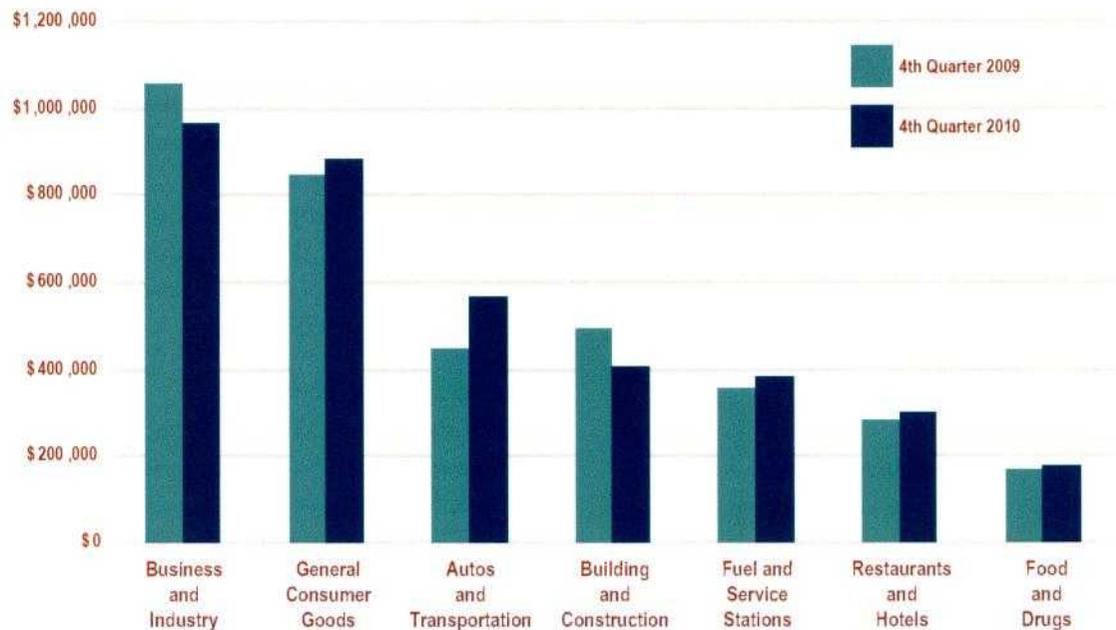
Fourth quarter receipts were 1.1% higher than the same period one year earlier but payment aberrations skewed the data. With anomalies excluded, actual sales were up 4.4%.

New motor vehicle dealer, contractor, light industrial/printer, service station, food manufacturing, and electronics/appliance store groups showed the largest gains. Net of accounting adjustments, electronics/appliance store results were stronger than they appeared. The city also realized a 4.5% increase in its allocation from the countywide use tax pool.

Declines were generally limited to lumber/building materials where a retroactive payment adjustment inflated year ago receipts and to plumbing/electrical supplies which benefited from onetime use tax payments in the comparison quarter. Weak sales affected business services totals and therefore overall results in the business and industry group.

Net of reporting aberrations, all of Alameda County was up 5.7%; statewide sales grew 7.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

7 Eleven	Macpherson
All Roofing Materials	Western Tool Supply
Arco AM PM	Mobile Modular Management
Costco	Porsche of Livermore
F Rodgers	Quik Stop Markets
Harris Rebar	Safeway
Home Depot	Safeway Gas Sales
JA Momaney Services	Target
Jifco	Trinet
Kaiser Pharmacy	Trinet Communications
Kohls	US Foodservice
Livermore Audi/Subaru/Honda	Walmart
Livermore Ford Lincoln Mercury	Waxies
Lowes	

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$10,275,652	\$10,754,433
County Pool	1,290,437	1,501,571
State Pool	10,086	5,698
<b>Gross Receipts</b>	<b>\$11,576,175</b>	<b>\$12,261,701</b>
Less Triple Flip*	\$(2,894,044)	\$(3,065,425)

\*Reimbursed from county compensation fund

### Statewide Sales Increase!

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

### Some Problems Remain

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

### Green Energy Exemptions

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually.

Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million.

Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

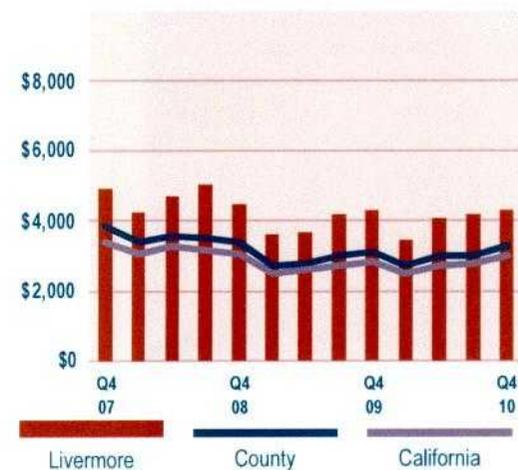
### Renewable Energy Exemptions

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

### SALES PER CAPITA



### LIVERMORE TOP 15 BUSINESS TYPES

Business Type	Livermore		County	HdL State
	Q4 '10*	Change	Change	Change
Contractors	133.7	29.9%	2.4%	-2.1%
Discount Dept Stores	538.4	-0.8%	2.7%	2.2%
Drugs/Chemicals	88.9	-0.1%	67.9%	-4.3%
Electrical Equipment	120.8	-2.7%	10.1%	21.0%
Electronics/Appliance Stores	74.0	33.0%	4.6%	8.8%
Family Apparel	74.0	1.1%	2.7%	5.8%
Food Mfg.	111.1	11.5%	17.4%	8.3%
Grocery Stores Liquor	108.1	1.3%	0.4%	4.6%
Heavy Industrial	139.9	-31.9%	-14.6%	1.1%
Light Industrial/Printers	146.6	15.4%	-5.8%	-3.8%
Lumber/Building Materials	192.2	-20.0%	-12.6%	-14.7%
New Motor Vehicle Dealers	328.5	55.9%	17.8%	14.4%
Restaurants Liquor	93.7	0.4%	2.8%	7.8%
Restaurants No Alcohol	133.5	6.6%	10.3%	5.6%
Service Stations	384.0	7.4%	12.3%	13.1%
<b>Total All Accounts</b>	<b>\$3,686.1</b>	<b>0.7%</b>	<b>6.6%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>504.6</b>	<b>3.9%</b>		
<b>Gross Receipts</b>	<b>\$4,190.7</b>	<b>1.1%</b>		<i>*In thousands</i>