Q4
2012

LIVERMORE

City of Livermore Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2012)

Livermore In Brief

The allocation of sales and use tax revenues from Livermore's October through December sales was 23.8% higher than the same quarter one year ago.

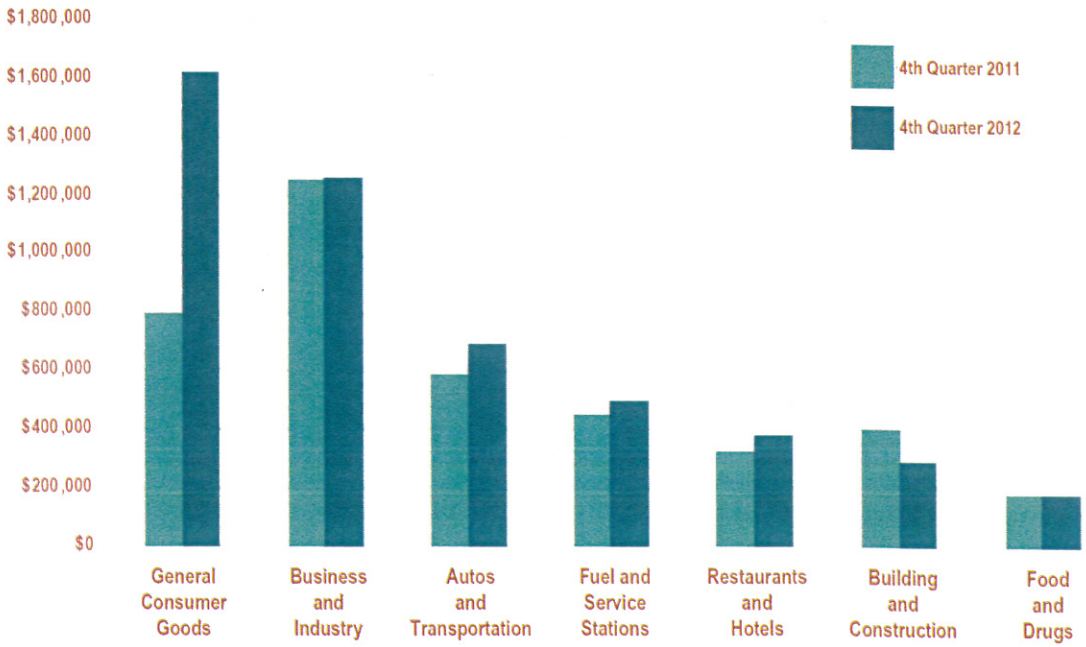
The opening of the Livermore Valley Outlet Center, higher fuel prices and a solid quarter for new car sales, restaurants and some categories of industrial goods all contributed to the increase.

The gains were partially offset by declines in receipts from office and electrical equipment. Comparisons in the building-construction group were skewed by accounting anomalies though the group overall was slightly up after aberrations were factored out.

Revenues from the countywide use tax allocation pool were inflated by reporting anomalies. The real gain of approximately 10% was largely due to the previous passage of AB155 which expanded the definition of out-of-state companies required to collect California's sales and use tax.

Adjusted for aberrations, sales and use tax receipts for al of Alameda County increased 5.2% over the comparable time period while the nine-county bay region as a whole was up 6.2%.

Sales Tax by Major Business Group



Top 25 Producers

In Alphabetical Order

7 Eleven
AMS Net
Costco
Harris Rebar
JAM Services
Jifco
Kaiser Pharmacy
Kohls
Livermore Audi/ Subaru/Honda
Livermore Ford Lincoln Mitsubishi
Macpherson Western Tool Supply
Mobile Modular Management
Porsche of Livermore
Prada
Quik Stop Market
Safeway
Safeway Gas
Saks Off Fifth
Solar Universe
Tapestry Medical
Target
US Foodservice
Vanstar Corporation
Walmart
Waxies

Revenue Comparison

Three Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	$14,053,821	$14,863,385
County Pool	1,913,886	2,194,090
State Pool	3,660	7,652
Gross Receipts	**$15,971,368**	**$17,065,127**
Less Triple Flip*	$(3,992,842)	$(4,266,282)

**Reimbursed from county compensation fund*

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NOTES

Statewide Results

Statewide sales tax receipts for October through December sales were up 3.4%; however, net of onetime payment aberrations, actual sales increased 6.1% compared to the same sales period in 2011.

The autos and transportation group, led by continued strong sales of new cars and light trucks, recorded another quarter of robust increases over prior year results and accounted for 26% of the adjusted statewide gain. For many general consumer goods retailers the holiday sales season can be the difference between a profit and a loss for the year. This group bested year-ago receipts by 4.3%. Business and industry totals again included tax receipts from a variety of alternative energy projects. Heavy industrial, office equipment and office supplies/furniture also contributed to the group's 5.3% increase. Restaurant dining remained popular as overall sales moved up 5.7%, with most of the increase going to full and quick-service operators. Higher prices at the pump bolstered returns for fuel and service stations which posted a 2.1% rise, even as gasoline consumption for the period trended down. Receipts for building and construction increased 5.3%, while food and drugs gained 1.5%. County use tax pool totals were buoyed by receipt of previously uncollected taxes on internet sales.

First Full Quarter for AB 155

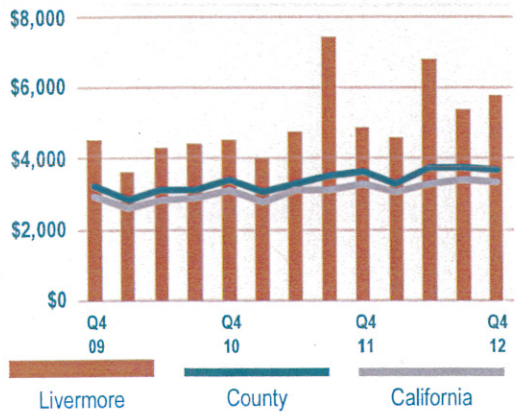
AB 155 expanded the definition of nexus to include out-of-state sellers with statewide annual sales of $1M or more and who have in-state affiliates providing services tied to those out-of-state sales. Effective September 15, 2012 companies meeting these criteria were required to collect California sales and use tax.

The 26 companies HdL has identified to date as falling under AB 155's criteria produced slightly over $12M in local one-cent sales tax revenues in the fourth quarter of 2012. It is estimated that this will translate into annual revenues of about $0.80 per capita. To date, the revenues are being allocated to all jurisdictions in California via the countywide use tax allocation pools. Each city and county receives its proportionate share of the pool based on its ratio of taxable sales.

Past deal making by high volume retailers suggests that new revenues could eventually be redirected to just a few agencies in exchange for sales tax rebates as more out-of-state companies decide where to locate their in-state distribution warehouses. Online sellers already located in the state have negotiated rebates as high as 85% of the local sales tax they collect.

S.336/HR.684, the Federal Marketplace Fairness Act, would provide a uniform approach to allowing all states to require online and remote sellers to collect sales taxes. The bills are strongly supported by a coalition of national retailers and local governments but are opposed by eBay and anti-tax groups. Although the Sentate has adopted a resolution of support, the bills themselves have not been formally acted upon in either the Senate or House of Representatives.

Sales Per Capita



Livermore Top 15 Business Types

Business Type	Livermore Q4 '12*	Livermore Change	County Change	HdL State Change
Discount Dept Stores	614.4	8.4%	4.4%	4.4%
Drugs/Chemicals	105.6	15.7%	11.0%	3.7%
Electrical Equipment	128.4	-25.3%	-20.8%	4.5%
Family Apparel	303.5	555.3%	22.4%	8.4%
Food Mfg.	137.0	8.1%	9.8%	1.1%
Grocery Stores Liquor	110.9	1.5%	4.6%	-17.6%
Heavy Industrial	192.9	34.7%	-5.4%	11.0%
Light Industrial/Printers	144.7	14.0%	2.6%	-3.8%
Medical/Biotech	126.7	17.5%	5.6%	-12.2%
New Motor Vehicle Dealers	438.4	23.1%	18.1%	17.2%
Office Equipment	132.1	-19.8%	-4.0%	20.7%
Restaurants Liquor	120.1	19.7%	10.6%	8.1%
Restaurants No Alcohol	166.1	18.7%	6.9%	5.1%
Service Stations	490.8	11.1%	5.2%	2.8%
Specialty Stores	156.8	123.1%	3.1%	-0.7%
Total All Accounts	**$4,785.0**	**19.7%**	**1.1%**	**2.0%**
County & State Pool Allocation	**806.2**	**55.2%**		
Gross Receipts	**$5,591.2**	**23.8%**		

*In thousands