

# Q3 2006



# City of Pleasanton Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (Jul-Sep 2006)

## Pleasanton In Brief

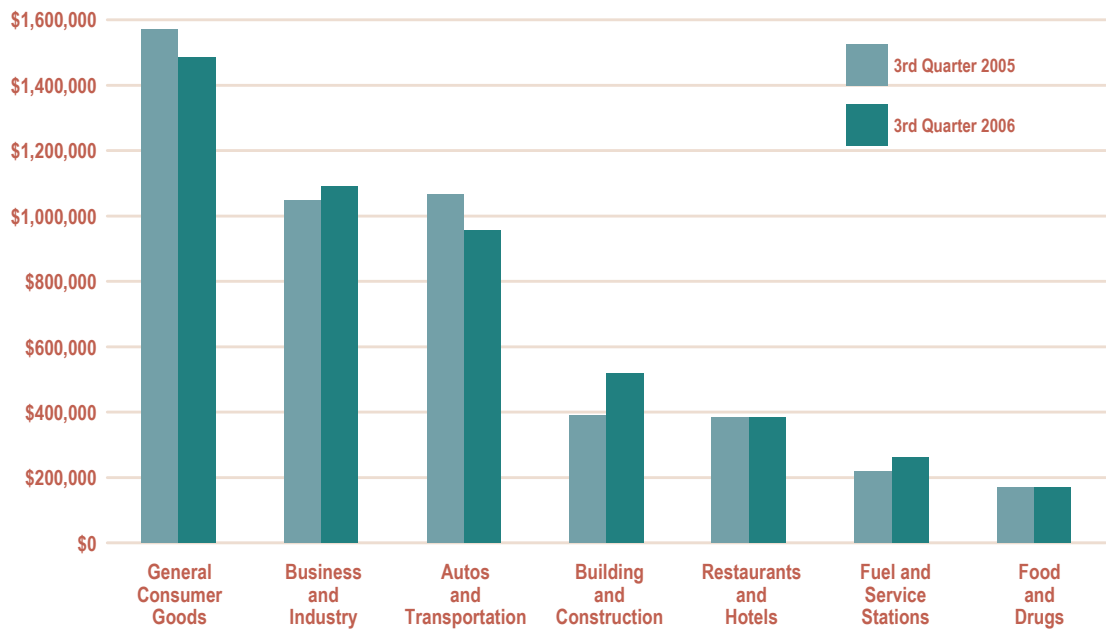
Receipts for sales occurring in the July to September quarter were 0.3% greater than the same period last year.

Sales activity increased in restaurants with no alcohol and office equipment. Additional outlets boosted returns in several general retail categories including home furnishings, women's apparel and jewelry stores. Retroactive adjustments overstated positive results in lumber/building materials and contractors with an apparent error accounting for the bump in the light industrial/printer group. Continuing year-to-year fuel price gains benefited service station revenues.

New auto sales slowed, declining at a lesser rate than the region overall. Overtime corrections exaggerated the loss in the department store classification and accounted for the drop in health/medical.

Sales for all of Alameda County gained 0.9% compared to a year ago while the Bay area as a whole rose 0.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

Acura of Pleasanton	Lexus of Pleasanton
Anixter Bros	Macys
Central Precast Concrete	Mercedes Benz Pleasanton
Central Wholesale Electric	Nordstrom
Directbuy East Bay	Peoplesoft USA
East Bay BMW East Bay Mini	Saturn of Pleasanton
Ellison Manufacturing Technologie	Sears
Home Depot	Shell/Texaco
Hopyard Shell	Siemens Med Solutions
Hummer Saab of Pleasanton	Software House International
Infiniti of Pleasanton	Unisource Paper
J C Penney	Volvo of Pleasanton
	Wal Mart

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2005-06	2006-07
<b>Point-of-Sale</b>	\$10,003,308	\$9,997,286
<b>County Pool</b>	1,394,730	1,327,200
<b>State Pool</b>	13,248	13,284
<b>Gross Receipts</b>	\$11,411,286	\$11,337,770
<b>Cty/Cnty Share</b>	(570,564)	(566,889)
<b>Net Receipts</b>	<b>\$10,840,722</b>	<b>\$10,770,882</b>
<b>Less Triple Flip*</b>	\$(2,710,180)	\$(2,692,720)

\*Reimbursed from county compensation fund

## Statewide Receipts

Statewide revenues from the July through September sales period exhibited a 2.9% gain over the same quarter one year ago after onetime payments from last year's amnesty program and other accounting adjustments are factored out.

Higher fuel prices continued to be responsible for much of the growth with receipts from service stations and bulk fuel sellers up 8.8%. General consumer goods produced a modest 2.7% increase with the highest gains from discount department stores. Revenues from the various categories of restaurants were up 4.3%.

Business spending, particularly in the light industry, office, farm and textiles/furnishings categories remained strong as did non-residential contractor supplies.

The gains were offset by an 8.5% drop in new car sales as well as declines in used cars, boats/motorcycles, RVs and lumber/building materials (net of accounting aberrations).

## Unlicensed Retailers

The state has budgeted for a two year pilot program of stepped up field inspections to identify retailers without sellers' permits. The teams are also checking for proper tobacco, motor fuel and other state licenses.

The program was initiated in August because of concerns that years of budget cutbacks have reduced revenue due to lagging compliance. The fears appear to be well founded as four percent of the retailers canvassed thus far were not properly registered.

In addition to raising awareness of permit requirements and increasing compliance, it is estimated that the experiment could generate up to \$25 million in new revenues annually.

The permit checks are being conducted in portions of Los Angeles, San Mateo and San Francisco Counties. Local jurisdictions have placed representatives

with state field crews to also check for business licenses and other permits.

## November Tax Measures

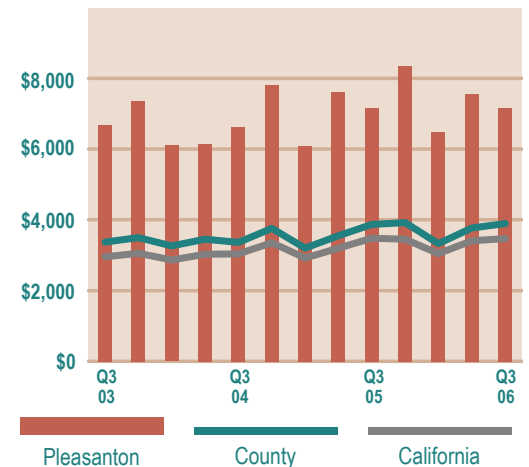
November's ballots included 38 proposals for adding, increasing or extending existing local transactions and use tax levies of which 20 passed.

Although basically an additional sales tax, the transactions tax is allocated to the place of use rather than point of sale. Eight of the passed measures required two thirds approval, the others a majority. The measures will go into effect April 1, 2007 and bring the total number of transactions tax districts to 101 including those in 53 cities.

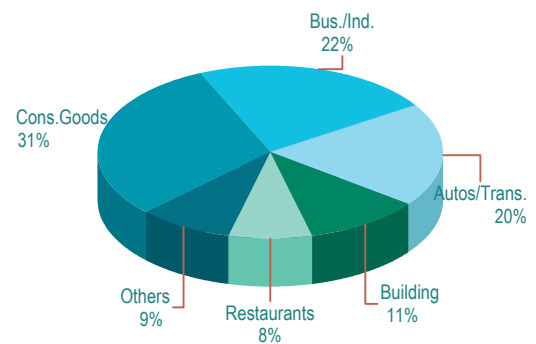
Cities approving new districts in November included: Arroyo Grande, Del Rey Oaks, Grover Beach, Inglewood, Manteca, Morro Bay, Nevada City, Pinole, San Bernardino, San Luis Obispo, Santa Cruz, Vista, Watsonville and Williams.

The revenues are used for a wide variety of purposes including public safety, parks and open space, transit and road improvements.

## SALES PER CAPITA



## REVENUE BY BUSINESS GROUP Pleasanton This Quarter



## PLEASANTON TOP 15 BUSINESS TYPES

Business Type	Pleasanton		County	HdL State
	Q3 '06*	Change	Change	Change
New Motor Vehicle Dealers	\$751.9	-6.6%	-8.9%	-12.2%
Department Stores	451.7	-20.4%	-11.6%	-1.8%
Light Industrial/Printers	299.3	36.7%	12.0%	2.2%
Lumber/Building Materials	288.2	40.4%	19.5%	14.2%
Service Stations	259.9	19.2%	9.5%	12.3%
Home Furnishings	200.6	37.3%	-4.6%	-5.7%
Electrical Equipment	168.8	-9.8%	-21.0%	15.1%
Contractors	154.7	27.9%	-8.4%	4.1%
Family Apparel	154.2	1.4%	-3.6%	3.6%
Business Services	146.9	12.1%	-31.6%	-1.6%
Restaurants Beer And Wine	130.7	-10.0%	-5.1%	-4.5%
Restaurants No Alcohol	128.1	6.2%	1.7%	1.5%
Discount Dept Stores	— CONFIDENTIAL —		10.4%	7.4%
Specialty Stores	127.1	-7.5%	-2.0%	-4.0%
Women's Apparel	125.7	7.6%	4.4%	8.1%
<b>Total All Accounts</b>	<b>\$4,867.1</b>	<b>0.3%</b>	<b>0.9%</b>	<b>0.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>610.4</b>	<b>-0.2%</b>		
<b>Gross Receipts</b>	<b>\$5,477.6</b>	<b>0.3%</b>		
City/County Share	(273.9)	-0.3%		
<b>Net Receipts</b>	<b>\$5,203.7</b>	<b>0.3%</b>		

\*In thousands