

# Q3 2013



# City of Pleasanton Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (July - September 2013)

## Pleasanton In Brief

Receipts for Pleasanton's July through September sales were 0.7% higher than the same quarter one year ago. Actual sales activity was up 9.1% when reporting aberrations were factored out.

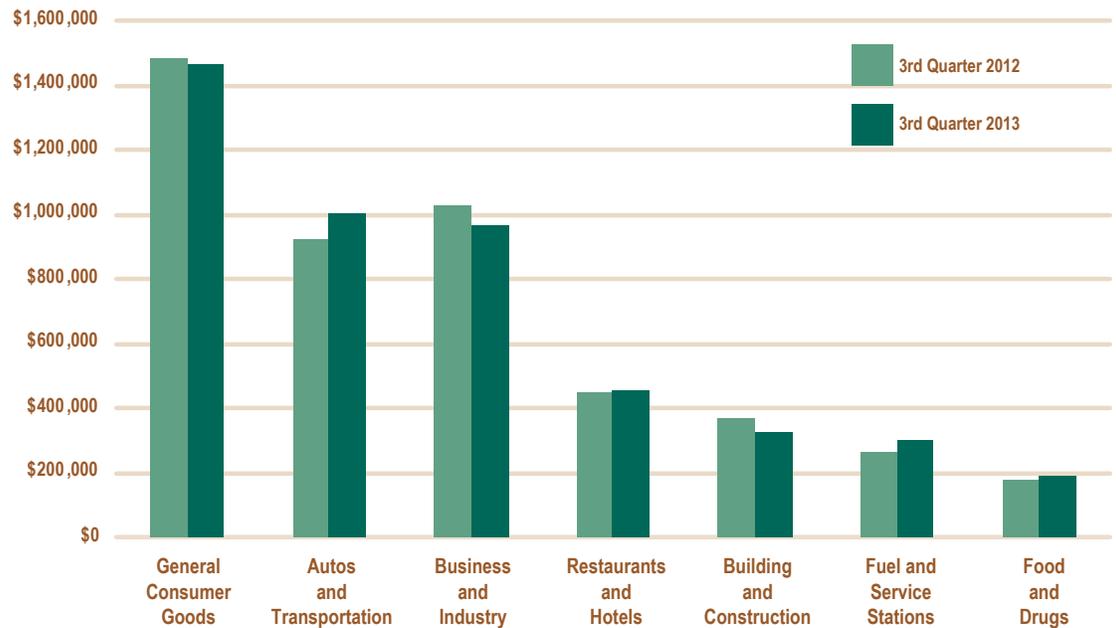
A retroactive adjustment that inflated the year ago period accounted for the decline in the business and industry group. Nonetheless, there were gains in office equipment, business services and light industrial/printers. Building-related sectors exhibited solid performance rising 15.6% once temporary payment deviations were removed.

New auto sales were up but lagged regional and statewide trends. Recent openings boosted the fuel and service stations and food and drugs groups while a late payment detracted from restaurant receipts.

Lower returns in department stores, specialty stores and family apparel were partially offset by a temporary reporting error in women's apparel.

Adjusted for aberrations, taxable sales for all of Alameda County increased 6.0% over the comparable time period, while the Bay Area as a whole was up 5.6%.

## SALES TAX BY MAJOR BUSINESS GROUP



## REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$4,694,026	\$4,700,977
County Pool	683,895	710,823
State Pool	(1,746)	1,832
<b>Gross Receipts</b>	<b>\$5,376,175</b>	<b>\$5,413,631</b>
Cty/Cnty Share	(268,809)	(270,682)
<b>Net Receipts</b>	<b>\$5,107,366</b>	<b>\$5,142,949</b>
Less Triple Flip*	\$(1,276,842)	\$(1,285,737)

\*Reimbursed from county compensation fund

**Statewide Results**

The local share of sales and use tax revenues from the summer sales quarter was temporarily reduced by a state computer glitch that failed to fully fund receipts from sellers of building and construction supplies. Actual sales activity was up 5.8% over last year's comparable quarter after adjusting for this and other aberrations. Overall performance was generally similar throughout most regions of the state.

New and used auto sales and leases again grew at double digit rates and were the primary contributor to the quarter's statewide growth. With on-line sales remaining strong and more businesses reporting due to the state's new out-of-state reporting requirements, countywide pool allocations became the second largest portion of this quarter's overall increase. Recovering building and construction activity was also significant with a 9.7% gain after adjusting for the delayed allocations.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the third consecutive quarter.

**Local Sales Tax Measures**

Ten of twelve proposals for sales tax add-ons were approved in November as voters continued to support funding local services where they have more input and control.

New taxes were approved in Antioch, Corte Madera, Huron, Larkspur, San Anselmo and Scotts Valley. Existing add-ons were either increased or extended in El Monte, Rohnert Park, San Rafael and Stockton.

This brings the total number of city transactions and use tax districts to 135 and countywide districts to 44. Additional measures are expected to appear on local ballots in 2014.

**Tax Rebates**

Effective January 1, AB 562 (Williams) requires public notice and hearings on economic subsidies exceeding \$100,000. Identification of beneficiaries of the subsidy, the amounts, the beginning and ending dates and promised tax and job benefits are required as are periodic up-dates.

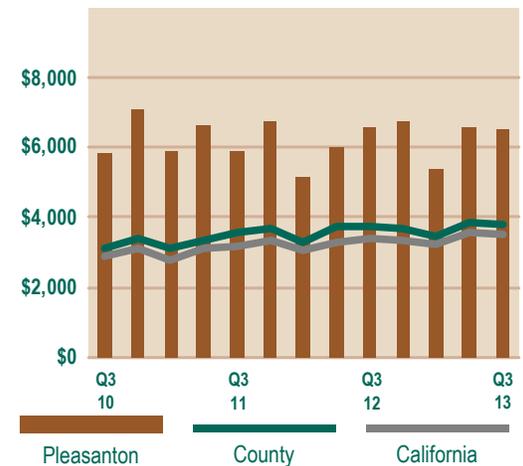
As on-line sales divert a greater portion of tax revenues from business and consumer purchases to centralized fulfillment centers, rebates of up to 85% are being bid in exchange for being the "point of sale" for the remainder. This bill encourages deeper evaluation of agreements that are collectively transferring an alarming share of statewide local sales tax to corporate bottom lines while cutting revenues for public services.

**Holiday Sales Tax Shifts**

Local tax receipts from fourth quarter sales will not be seen until March but may differ from previous years. Some forecasters predicted that on-line shopping would account for

up to 40% of holiday sales which would transfer that portion of the tax from stores to central fulfillment centers or county allocation pools. Final tax results from holiday spending will be pushed into June based on a National Retail Federation survey that showed 80% of shoppers gave at least one gift card. Tax is not charged until a gift card is redeemed.

**SALES PER CAPITA**



**PLEASANTON TOP 15 BUSINESS TYPES**

Business Type	*In thousands			
	Pleasanton Q3 '13*	Pleasanton Change	County Change	HdL State Change
Casual Dining	147.6	-6.1%	-0.9%	2.5%
Contractors	132.6	-17.8%	11.6%	11.1%
Department Stores	496.1	-3.6%	1.6%	1.8%
Electrical Equipment	153.0	8.0%	18.4%	-2.7%
Electronics/Appliance Stores	154.2	2.1%	2.8%	4.2%
Family Apparel	128.7	-7.5%	31.1%	5.6%
Light Industrial/Printers	141.5	-6.4%	-2.5%	4.0%
Lumber/Building Materials	176.9	-9.7%	-14.4%	-15.8%
Medical/Biotech	253.6	194.5%	17.5%	-1.1%
New Motor Vehicle Dealers	768.9	7.7%	12.8%	12.8%
Office Supplies/Furniture	228.4	-1.9%	-11.0%	2.2%
Quick-Service Restaurants	154.9	0.7%	7.1%	4.0%
Service Stations	302.2	14.6%	-2.7%	-1.5%
Specialty Stores	132.1	-6.8%	12.8%	7.7%
Women's Apparel	161.7	59.0%	45.1%	1.0%
<b>Total All Accounts</b>	<b>\$4,701.0</b>	<b>0.1%</b>	<b>3.0%</b>	<b>2.5%</b>
<b>County &amp; State Pool Allocation</b>	<b>\$712.7</b>	<b>4.5%</b>	<b>7.4%</b>	<b>12.5%</b>
<b>Gross Receipts</b>	<b>\$5,413.6</b>	<b>0.7%</b>	<b>3.5%</b>	<b>3.5%</b>
City/County Share	(270.7)	-0.7%		
<b>Net Receipts</b>	<b>\$5,142.9</b>	<b>0.7%</b>		