

# Q4

2010



# City of Red Bluff Sales Tax *Update*

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

## Red Bluff In Brief

Revenues for sales occurring October through December were 3.0% higher than the same quarter last year but aberrations skewed results. With anomalies removed, actual sales rose 5.2%.

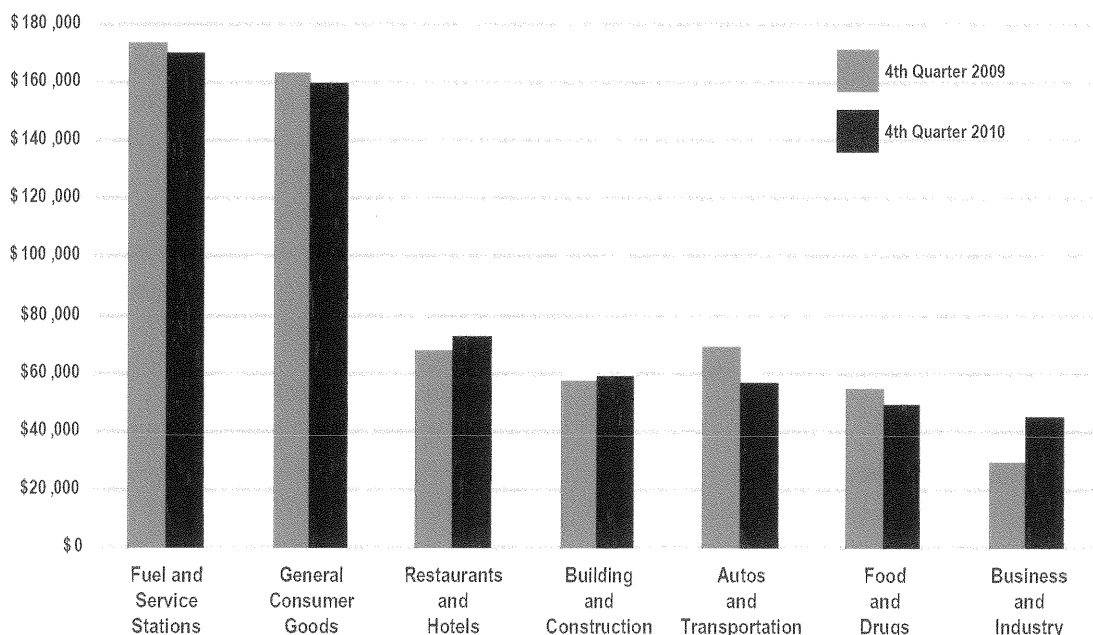
New eateries contributed to the gain in restaurants & hotels. The overall increase in business & industry was inflated by a correction that reduced year ago returns in the garden/agricultural supplies group. Nonetheless both agricultural-related and repair shop sectors showed gains over the year-ago period.

An increase in the countywide use tax allocation pool contributed to the overall rise in gross receipts.

Multiple payment deviations accounted for the loss in service stations while a store closeout was a factor in the decline in general retail. Additional business closures accounted for the drop in autos & transportation.

Adjusted for reporting aberrations, taxable sales for all of Tehama County including its cities gained 24.5% over the comparable time period while the Far North region as a whole was up 4.8%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

In Alphabetical Order

1 Stop	Les Schwab Tire Center
Adobe Road Chevron	Liquor & Food
Antelope Valero	Main Street Chevron
Arco AM PM Mini Mart	McDonalds
Big Five Sporting Goods	More for Less
Circle 7 Days	Raleys
CVS Pharmacy	Riverside Bar & Grill
Exxon Food Mart	Staples
Five Star Gas & Food Mart	Taco Bell
Food Maxx	Tesoro West Coast
Growney Motors Buick Pontiac	Tractor Supply Company
Home Depot	Walgreens
	Walmart

## REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$1,835,094	\$1,881,900
County Pool	210,135	258,856
State Pool	1,788	1,013
Gross Receipts	\$2,047,017	\$2,141,769
Cty/Cnty Share	(204,702)	(214,177)
Net Receipts	\$1,842,315	\$1,927,592
Less Triple Flip*	\$(460,579)	\$(481,898)

\*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.

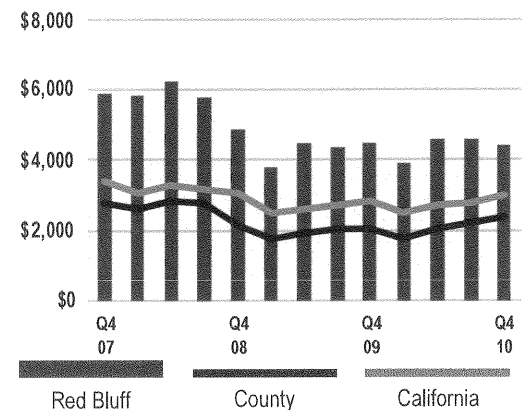
### Renewable Energy Exemptions

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



### RED BLUFF TOP 15 BUSINESS TYPES

Business Type	Red Bluff		County	HdL State
	Q4 '10	Change	Change	Change
Auto Repair Shops	11,832	61.6%	27.9%	0.3%
Automotive Supply Stores	20,584	146.6%	12.4%	11.3%
Discount Dept Stores	— CONFIDENTIAL —		1.5%	2.2%
Drug Stores	11,387	2.5%	5.0%	0.2%
Electronics/Appliance Stores	7,777	5.6%	8.3%	8.8%
Garden/Agricultural Supplies	22,298	386.4%	107.5%	1.1%
Grocery Stores Liquor	31,567	-9.2%	-6.1%	4.7%
Lumber/Building Materials	— CONFIDENTIAL —		-3.3%	-14.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —		14.1%	14.4%
Office Supplies/Furniture	— CONFIDENTIAL —		-6.9%	5.0%
Restaurants Beer And Wine	9,236	-7.7%	-7.0%	-2.2%
Restaurants Liquor	26,303	16.2%	32.2%	7.8%
Restaurants No Alcohol	36,612	5.2%	2.1%	5.5%
Service Stations	165,047	-1.8%	42.9%	13.1%
Specialty Stores	8,128	-8.8%	-4.3%	7.5%
<b>Total All Accounts</b>	<b>\$613,743</b>	<b>-0.4%</b>	<b>16.0%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>83,291</b>	<b>36.9%</b>		
<b>Gross Receipts</b>	<b>\$697,034</b>	<b>3.0%</b>		
<b>City/County Share</b>	<b>(69,703)</b>	<b>-3.0%</b>		
<b>Net Receipts</b>	<b>\$627,331</b>	<b>3.0%</b>		