

# Q1 2013



# City of Brentwood Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

## Brentwood In Brief

Receipts for first quarter sales were 4.8% above the same sales period one year earlier but payment aberrations skewed the data. Excluding anomalies, actual sales gained 6.4%.

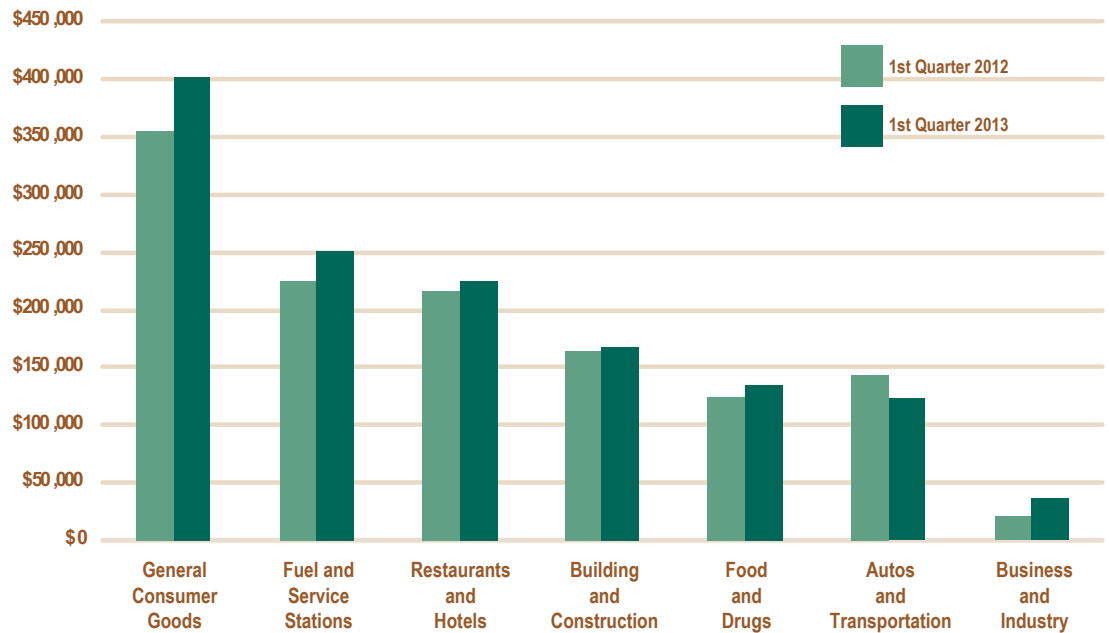
All major industry groups except autos and transportation were up with the largest dollar increases occurring in the general consumer goods, fuel and service station, business and industry and restaurants and hotels segments. Among these, retroactive payment adjustments inflated the fuel and service station comparison which, net of those adjustments, was down.

Building and construction and business and industry categories showed more moderate increases, but a onetime payment aberration that boosted year-ago building and construction totals masked bigger gains in that group.

Only autos and transportation receipts declined. A combination of business closeouts and accounting adjustments caused most of the drop.

Net of payment adjustments, all of Contra Costa County increased 5%; statewide sales grew 6.5%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

Arco AM PM	Dallas Shanks
AT&T Mobility	Chevron
Best Buy	Home Depot
Big B Lumber	Home Goods
Bill Brandt Ford	Hurtados Auto Sales
BJs Restaurant & Brewhouse	Kohls
Brentwood Petroleum	Michaels Arts & Crafts
Brentwood Ready Mix	Ross
Brentwood Service Station	Safeway
Chevron	TJ Maxx
Circle K Gas	Tower Mart
D Devi Oil Shell	Verizon Wireless
	Walgreens
	Winco Foods

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$5,177,940	\$5,493,400
County Pool	746,533	732,277
State Pool	1,987	2,831
<b>Gross Receipts</b>	<b>\$5,926,460</b>	<b>\$6,228,509</b>
City/Cnty Share	(148,161)	(155,713)
<b>Net Receipts</b>	<b>\$5,778,298</b>	<b>\$6,072,796</b>
Less Triple Flip*	\$(1,444,575)	\$(1,518,199)

\*Reimbursed from county compensation fund

**California Overall**

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

**Energy Projects Boost Business and Industry Gains**

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

**Decline in Fuel Consumption Continues**

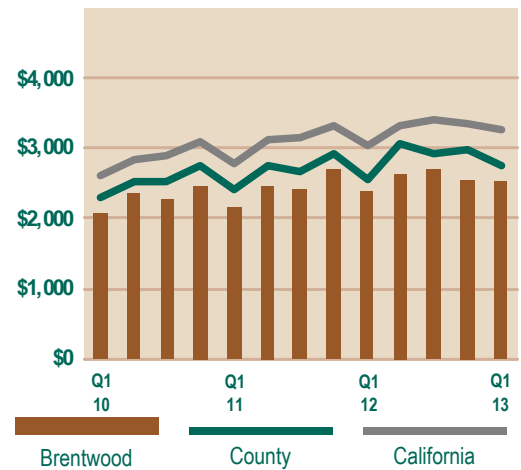
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

**SALES PER CAPITA**



**BRENTWOOD TOP 15 BUSINESS TYPES**

Business Type	Brentwood		County	HdL State
	Q1 '13*	Change	Change	Change
Automotive Supply Stores	42.9	4.4%	8.7%	5.0%
Contractors	36.7	225.1%	73.8%	6.0%
Department Stores	— CONFIDENTIAL —		5.0%	5.1%
Drug Stores	31.7	5.1%	5.1%	3.0%
Electronics/Appliance Stores	101.1	16.2%	-1.5%	-3.3%
Family Apparel	75.7	16.0%	13.1%	16.2%
Grocery Stores Liquor	91.7	6.0%	8.8%	24.7%
Home Furnishings	40.5	-13.1%	9.9%	4.7%
Lumber/Building Materials	— CONFIDENTIAL —		4.5%	7.2%
New Motor Vehicle Dealers	— CONFIDENTIAL —		11.5%	9.5%
Restaurants Beer And Wine	43.9	1.5%	-2.4%	-1.5%
Restaurants Liquor	66.6	5.9%	8.2%	6.5%
Restaurants No Alcohol	99.6	6.1%	9.4%	6.0%
Service Stations	250.4	11.0%	9.9%	-2.2%
Specialty Stores	48.5	8.9%	4.7%	2.5%
<b>Total All Accounts</b>	<b>\$1,340.4</b>	<b>7.2%</b>	<b>8.7%</b>	<b>5.7%</b>
<b>County &amp; State Pool Allocation</b>	<b>183.6</b>	<b>-9.8%</b>		
<b>Gross Receipts</b>	<b>\$1,523.9</b>	<b>4.8%</b>		
<b>City/County Share</b>	<b>(38.1)</b>	<b>-4.8%</b>		
<b>Net Receipts</b>	<b>\$1,485.8</b>	<b>4.8%</b>		

\*In thousands