

# Q4 2010



# City of Paso Robles Sales Tax *Update*

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

## Paso Robles In Brief

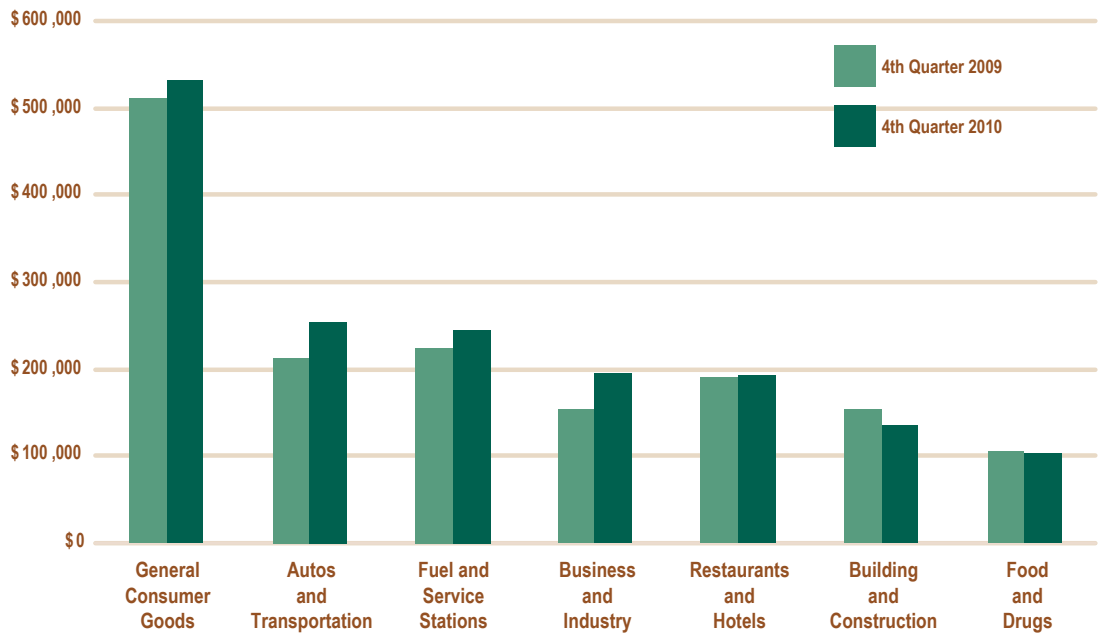
Receipts for Paso Robles' fourth quarter sales were 7.1% higher than the same quarter one year ago. Actual sales were up 11.4% when reporting aberrations were factored out.

The city experienced a strong sales quarter for new motor vehicle dealers. Higher fuel prices increased returns from service stations. A recent addition helped boost revenues from home furnishings.

A double-up payment that inflated last year's allocation exaggerated the drop in lumber/building materials.

Adjusted for reporting aberrations, taxable sales for all of San Luis Obispo County increased 6.4% over the comparable time period while the Central Coast region, as a whole, was up 7.1%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Albertsons	Paso Robles Ford
AM PM Mini Mart	Lincoln Mercury
Arco AM PM	Paso Robles GMC
BP West Coast	Truck
Products	Rite Aid
Chevron	Ross
Chevron	San Luis Bay
Food 4 Less	Suzuki Kia
JB Dewar	Santa Cruz
JC Penney	Biotechnology
Kohls	Sky River
Lowes	Target
Orchard Supply	Tesoro Refining &
Hardware	Marketing
Paso Robles	Valero Corner Store
Chevrolet	Vons
Cadillac	Wal Mart

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
<b>Point-of-Sale</b>	\$4,524,153	\$4,803,396
<b>County Pool</b>	473,530	532,590
<b>State Pool</b>	4,358	2,457
<b>Gross Receipts</b>	<b>\$5,002,041</b>	<b>\$5,338,443</b>
<b>Less Triple Flip*</b>	<b>\$(1,250,510)</b>	<b>\$(1,334,611)</b>

\*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.

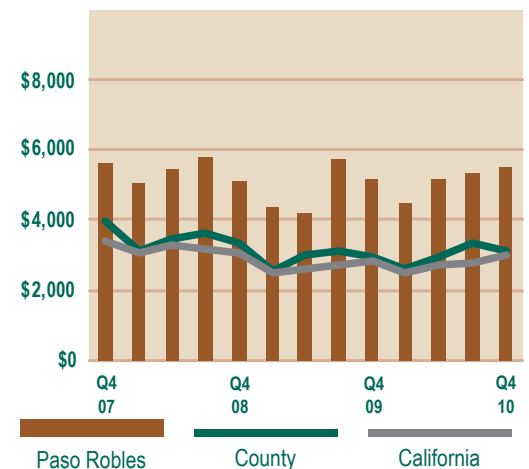
## Renewable Energy Exemptions

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



## PASO ROBLES TOP 15 BUSINESS TYPES

Business Type	Paso Robles		County	HdL State
	Q4 '10*	Change	Change	Change
Automotive Supply Stores	36.2	9.9%	9.2%	11.3%
Discount Dept Stores	— CONFIDENTIAL —		1.0%	2.2%
Electronics/Appliance Stores	34.4	9.9%	4.4%	8.8%
Family Apparel	74.8	1.8%	-3.0%	5.8%
Garden/Agricultural Supplies	32.2	2.1%	7.2%	1.1%
Grocery Stores Liquor	64.5	-1.9%	2.8%	4.7%
Home Furnishings	31.8	59.6%	5.9%	5.8%
Light Industrial/Printers	26.5	41.8%	22.6%	-3.7%
Lumber/Building Materials	77.4	-17.8%	-8.1%	-14.6%
New Motor Vehicle Dealers	157.2	31.7%	23.1%	14.4%
Restaurants Beer And Wine	49.4	0.8%	7.2%	-2.2%
Restaurants Liquor	57.5	-8.1%	2.1%	7.8%
Restaurants No Alcohol	70.2	5.5%	1.2%	5.5%
Service Stations	222.8	19.2%	18.6%	13.1%
Trailers/RVs	29.0	-4.6%	14.2%	-2.0%
<b>Total All Accounts</b>	<b>\$1,659.5</b>	<b>6.9%</b>	<b>5.5%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>196.8</b>	<b>8.9%</b>		
<b>Gross Receipts</b>	<b>\$1,856.3</b>	<b>7.1%</b>		<i>*In thousands</i>