

# Q2 2008



# City of Rocklin Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (Apr-Jun 2008)

## Rocklin In Brief

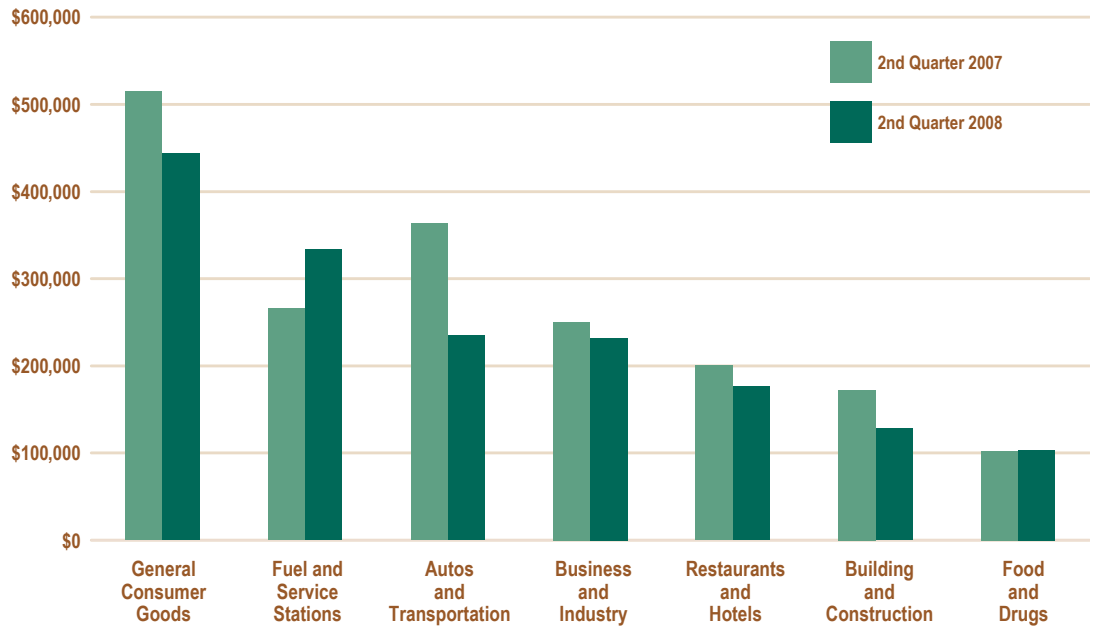
Receipts for Rocklin's April through June sales were 14.9% lower than the same quarter one year ago. Actual sales were down 11.9% when reporting aberrations were factored out.

The city experienced a decline in sales from the autos & transportation sector. A business closeout and a decline in sales reduced receipts from contractor supplies. Reporting problems depressed returns from sporting goods/bike stores and restaurants.

The losses were partially offset by a strong sales quarter and a recent addition in the fuel & service station group.

Adjusted for reporting aberrations, taxable sales for all of Placer County declined 13.7% over the comparable time period while the Sacramento region, as a whole, was down 7.6%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Lucilles
Arco AM PM Mini Mart	Smokehouse Bar B Que
BP West Coast Products	Meeks Building Center
California Hydronics	Mervyns
Camping World	Oracle
Chevron	Pottery World
Cope & McPhetres Marine Sales	R C Willey Home Furnishings
Dan Gamel RV	Ray A Morgan Company
Dawson Oil	Safeway
Direct Buy	Safeway Gasoline Sales
Granite Motorsports	Sunset Park AM PM
K Mart	Tri Pacific Supply
Land Rover Rocklin	United Rentals
Niello Porsche	

### REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2007-08	2008-09
<b>Point-of-Sale</b>	\$1,869,890	\$1,652,804
<b>County Pool</b>	252,374	156,223
<b>State Pool</b>	1,815	(429)
<b>Gross Receipts</b>	<b>\$2,124,080</b>	<b>\$1,808,598</b>
<b>Less Triple Flip*</b>	\$(531,020)	\$(452,149)

\*Reimbursed from county compensation fund

**Statewide Sales Decline Continues**

After adjusting for accounting aberrations, California's taxable sales for April through June declined four percent from the same quarter of 2007.

The losses were felt throughout California although recent store openings in Yolo County and fuel-related purchases in San Francisco, San Mateo and Kern Counties allowed those specific regions to give the appearance of overall gains. Generally, the Sacramento/Stockton, Riverside/San Bernardino and Solano County areas had more severe declines than the rest of the state.

Double digit declines in auto and building-related sales continued to be the primary contributors to the decrease. Another quarter of record increases in fuel prices provided a significant offset to the losses in other business categories.

The spring sales data suggest that consumers are shopping down to lower priced goods and restaurant meals with fewer discretionary purchases. Although consumer electronics reported modest gains, the only other positive categories were discount department stores and value priced family apparel.

**The News is Not Getting Better**

Local agencies will not see the results of their July through September sales until the end of December. However, preliminary data from various government and trade association surveys indicate that taxable sales will continue to fall.

Auto manufacturers are reporting another quarter of double digit declines and most industry analysts are pushing their predictions for an auto sales recovery out to 2010.

Retailers of apparel and general consumer goods are reporting sluggish fall sales and disappointment in the back to school buying season which failed to live up to expectations raised by the

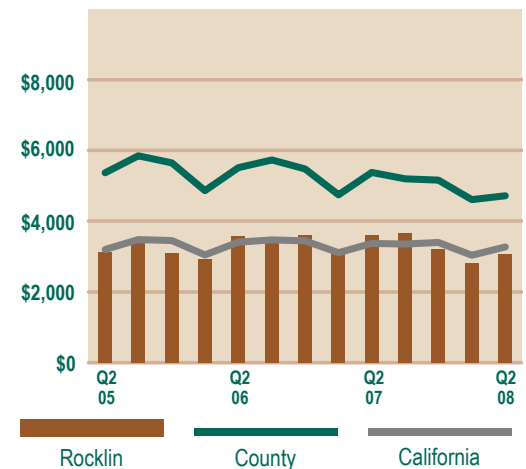
federal tax rebate stimulus. Latest predictions are for the lowest holiday spending since 1991.

Despite the federal credit rescue, liquidations of commercial real estate debt and continued housing oversupply make an immediate recovery in construction activity unlikely. Although institutional and public projects will help, a significant recovery in sales tax from building-related goods and services is not expected until after 2010.

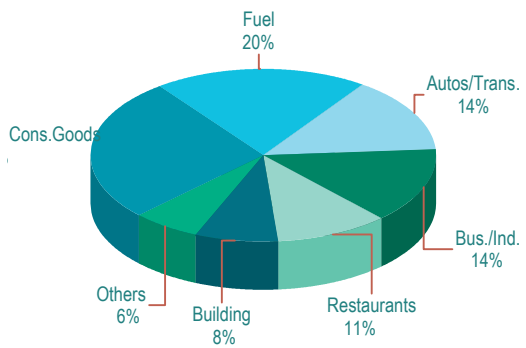
With some of California's biggest overseas markets going into recession, sales tax from business spending on capital equipment, supplies and fuel is also expected to level off. OPEC has cut production quotas to hold prices up against falling demand.

Every agency's sales tax revenues will differ with the makeup of its specific base and some agencies with new projects will be buffered from declines in other areas. However, for the state as a whole, current forecasts are for a downturn that may last through fiscal year 2009/2010.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Rocklin This Quarter



**ROCKLIN TOP 15 BUSINESS TYPES**

Business Type	Rocklin		County	HdL State
	Q2 '08*	Change	Change	Change
Service Stations	\$235.9	22.2%	9.8%	18.3%
Home Furnishings	231.3	-5.9%	-9.9%	-14.0%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	25.1%	47.2%
Restaurants No Alcohol	90.7	0.6%	-1.0%	-2.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	-17.5%	-18.7%
Restaurants Liquor	68.5	-19.8%	0.7%	3.4%
Boats/Motorcycles	63.9	-42.5%	-24.9%	-23.2%
Contractors	63.8	-28.6%	-29.8%	-17.1%
Heavy Industrial	62.5	24.0%	-4.6%	5.6%
Business Services	62.0	-10.5%	18.2%	0.7%
Specialty Stores	61.5	-13.5%	-8.0%	-2.2%
Grocery Stores Liquor	45.5	-7.7%	-1.7%	2.3%
Sporting Goods/Bike Stores	37.3	-49.1%	-24.3%	-3.6%
Lumber/Building Materials	35.4	-23.2%	-18.8%	-17.1%
Department Stores	33.4	-16.3%	-5.8%	-9.6%
<b>Total All Accounts</b>	<b>\$1,652.8</b>	<b>-11.6%</b>	<b>-9.9%</b>	<b>-1.9%</b>
<b>County &amp; State Pool Allocation</b>	<b>155.8</b>	<b>-38.7%</b>		
<b>Gross Receipts</b>	<b>\$1,808.6</b>	<b>-14.9%</b>		<i>*In thousands</i>