

# Q4 2010



# City of Rocklin Sales Tax Update

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

## Rocklin In Brief

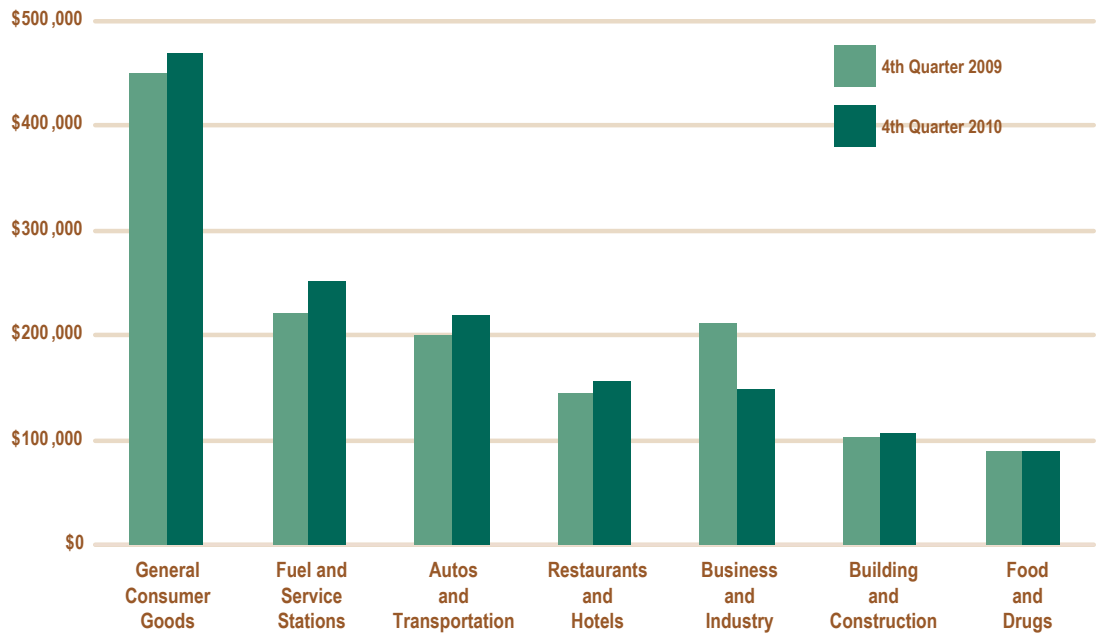
Receipts for Rocklin's October through December sales were 0.4% higher than the same quarter one year ago. Actual sales activity was up 4.8% when reporting aberrations were factored out.

The city experienced a strong sales quarter for new motor vehicle dealers. Higher fuel prices helped boost revenues from service stations. Receipts from general consumer goods were inflated by a onetime reporting aberration.

An accounting adjustment that inflated year-ago returns and a business closeout reduced receipts from the business & industry sector.

Adjusted for aberrations, taxable sales for all of Placer County increased 5.3% over the comparable time period, while the Sacramento region as a whole was up 4.0%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

7 Eleven	Mercedes Benz of Rocklin
Arco AM PM Mini Mart	Niello Porsche
Bel Air Mart	R C Willey Home Furnishings
Chevron	Rocklin Gas
CVS Pharmacy	Safeway
Dawson Oil	Safeway Gasoline Sales
Direct Buy	Sierra College Book Store
Harbor Freight Tools	Sma America
Johl Petroleum	Sportsmans Warehouse
K Mart	Sunset Park AM PM
Land Rover Rocklin	Tasq Technology
Lucilles	Tri Pacific Supply
Smokehouse Bar B Que	
Meeks Building Center	

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$4,031,943	\$4,297,851
County Pool	429,963	418,937
State Pool	3,896	2,210
<b>Gross Receipts</b>	<b>\$4,465,802</b>	<b>\$4,718,998</b>
<b>Less Triple Flip*</b>	<b>\$(1,116,451)</b>	<b>\$(1,179,749)</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.

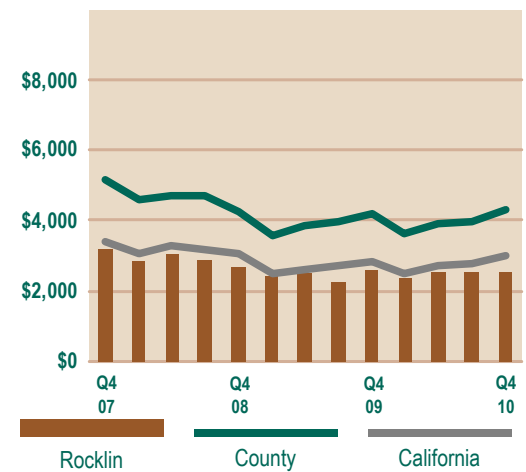
**Renewable Energy Exemptions**

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**



**ROCKLIN TOP 15 BUSINESS TYPES**

Business Type	Rocklin		County	HdL State
	Q4 '10*	Change	Change	Change
Automotive Supply Stores	27.9	6.0%	13.9%	11.3%
Contractors	53.2	1.3%	48.7%	-2.0%
Discount Dept Stores	— CONFIDENTIAL —		4.0%	2.2%
Electrical Equipment	25.7	-47.9%	57.2%	21.1%
Grocery Stores Liquor	52.8	-2.3%	1.3%	4.6%
Heavy Industrial	55.5	-0.8%	22.2%	1.2%
Home Furnishings	214.6	-1.1%	13.1%	5.8%
New Motor Vehicle Dealers	154.6	43.0%	16.0%	14.4%
Petroleum Prod/Equipment	44.0	13.0%	26.9%	18.0%
Restaurants Beer And Wine	28.8	-22.1%	-13.3%	-2.1%
Restaurants Liquor	34.6	19.5%	12.1%	7.8%
Restaurants No Alcohol	87.9	16.3%	4.4%	5.5%
Service Stations	207.0	13.9%	12.6%	13.1%
Specialty Stores	54.0	8.9%	-2.9%	7.5%
Sporting Goods/Bike Stores	70.2	27.3%	14.0%	2.3%
<b>Total All Accounts</b>	<b>\$1,440.6</b>	<b>1.2%</b>	<b>5.6%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>128.3</b>	<b>-7.9%</b>		
<b>Gross Receipts</b>	<b>\$1,568.9</b>	<b>0.4%</b>		<i>*In thousands</i>