

Q3  
2013



# City of Lompoc Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (July - September 2013)

## Lompoc In Brief

Receipts for Lompoc's July through September sales were 1.7% higher than the same quarter one year ago. Actual sales activity was up 9.6% when reporting aberrations were factored out.

Payment anomalies that inflated last year's receipts were primarily responsible for temporarily cutting the city's results. Although general consumer goods benefited from the addition of a new retailer, the overall outcome was understated by an accounting adjustment that boosted the comparison quarter.

Higher receipts from the fuel and service stations group were significant factors in the city's overall increase. In addition, a new business was responsible for the gain from business and industry.

New eateries boosted restaurant receipts while, the addition of a new car dealership helped produce positive results from the autos and transportation sector.

Adjusted for aberrations, taxable sales for all of Santa Barbara County increased 5.6% over the comparable time period, while the Central Coast region as a whole was up 2.4%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Ross
Advanced Minerals	Stuarts Valero Mart
Albertsons	Sunset Auto Center
Bet Plant Services	Sunshine Gas & Market
Chevron	Tesoro West Coast
Circle K	Toyota of Lompoc
Den Mat Holdings	Valero Corner Store
Food 4 Less	Valley Rock Ready Mix
Home Depot	Vons
JB Dewar	Vons Gas
Lompoc Honda	Walmart
Marshalls	
McDonalds	
Rockettown Chrysler	
Dodge Jeep Ram	

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$1,786,274	\$1,785,525
County Pool	229,277	218,241
State Pool	556	951
<b>Gross Receipts</b>	<b>\$2,016,106</b>	<b>\$2,004,718</b>
<b>Less Triple Flip*</b>	<b>\$(504,027)</b>	<b>\$(501,179)</b>

\*Reimbursed from county compensation fund

**Statewide Results**

The local share of sales and use tax revenues from the summer sales quarter was temporarily reduced by a state computer glitch that failed to fully fund receipts from sellers of building and construction supplies. Actual sales activity was up 5.8% over last year's comparable quarter after adjusting for this and other aberrations. Overall performance was generally similar throughout most regions of the state.

New and used auto sales and leases again grew at double digit rates and were the primary contributor to the quarter's statewide growth. With on-line sales remaining strong and more businesses reporting due to the state's new out-of-state reporting requirements, countywide pool allocations became the second largest portion of this quarter's overall increase. Recovering building and construction activity was also significant with a 9.7% gain after adjusting for the delayed allocations.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the third consecutive quarter.

**Local Sales Tax Measures**

Ten of twelve proposals for sales tax add-ons were approved in November as voters continued to support funding local services where they have more input and control.

New taxes were approved in Antioch, Corte Madera, Huron, Larkspur, San Anselmo and Scotts Valley. Existing add-ons were either increased or extended in El Monte, Rohnert Park, San Rafael and Stockton.

This brings the total number of city transactions and use tax districts to 135 and countywide districts to 44. Additional measures are expected to appear on local ballots in 2014.

**Tax Rebates**

Effective January 1, AB 562 (Williams) requires public notice and hearings on economic subsidies exceeding \$100,000. Identification of beneficiaries of the subsidy, the amounts, the beginning and ending dates and promised tax and job benefits are required as are periodic up-dates.

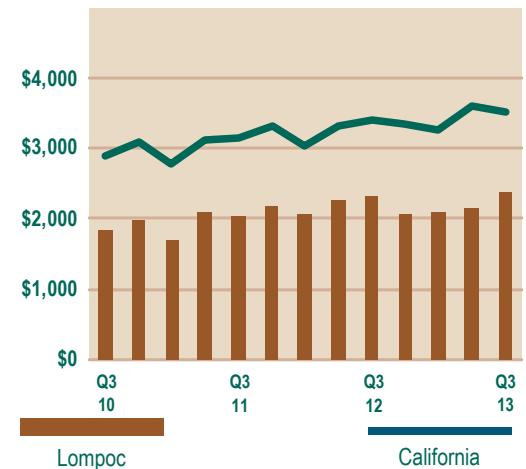
As on-line sales divert a greater portion of tax revenues from business and consumer purchases to centralized fulfillment centers, rebates of up to 85% are being bid in exchange for being the "point of sale" for the remainder. This bill encourages deeper evaluation of agreements that are collectively transferring an alarming share of statewide local sales tax to corporate bottom lines while cutting revenues for public services.

**Holiday Sales Tax Shifts**

Local tax receipts from fourth quarter sales will not be seen until March but may differ from previous years. Some forecasters predicted that on-line shopping would account for

up to 40% of holiday sales which would transfer that portion of the tax from stores to central fulfillment centers or county allocation pools. Final tax results from holiday spending will be pushed into June based on a National Retail Federation survey that showed 80% of shoppers gave at least one gift card. Tax is not charged until a gift card is redeemed.

**SALES PER CAPITA**



**LOMPOC TOP 15 BUSINESS TYPES**

Business Type	Lompoc		HdL State
	Q3 '13	Change	Change
Automotive Supply Stores	21,459	-3.1%	5.7%
Casual Dining	40,335	2.3%	1.9%
Discount Dept Stores	— CONFIDENTIAL —		-8.2%
Electronics/Appliance Stores	15,345	5.6%	4.2%
Family Apparel	34,558	28.2%	5.6%
Grocery Stores Beer/Wine	14,057	3.4%	-2.6%
Grocery Stores Liquor	48,652	-15.6%	-9.8%
Lumber/Building Materials	— CONFIDENTIAL —		-15.8%
Medical/Biotech	19,950	150.2%	-1.1%
New Motor Vehicle Dealers	105,071	5.7%	12.8%
Petroleum Prod/Equipment	— CONFIDENTIAL —		-7.1%
Quick-Service Restaurants	56,414	7.1%	4.1%
Repair Shop/Equip. Rentals	14,485	-15.6%	10.8%
Service Stations	171,068	-2.4%	-1.5%
Specialty Stores	14,233	1.0%	7.7%
<b>Total All Accounts</b>	<b>\$934,587</b>	<b>3.3%</b>	<b>2.5%</b>
<b>County &amp; State Pool Allocation</b>	<b>\$107,771</b>	<b>-10.1%</b>	<b>-8.9%</b>
<b>Gross Receipts</b>	<b>\$1,042,358</b>	<b>1.7%</b>	<b>-8.9%</b>