

# Q4 2012



# City of Lompoc Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (October - December 2012)

## Lompoc In Brief

Receipts for Lompoc's October through December sales were 6.6% lower than the same quarter one year ago. Actual sales activity was up 0.8% when reporting aberrations were factored out.

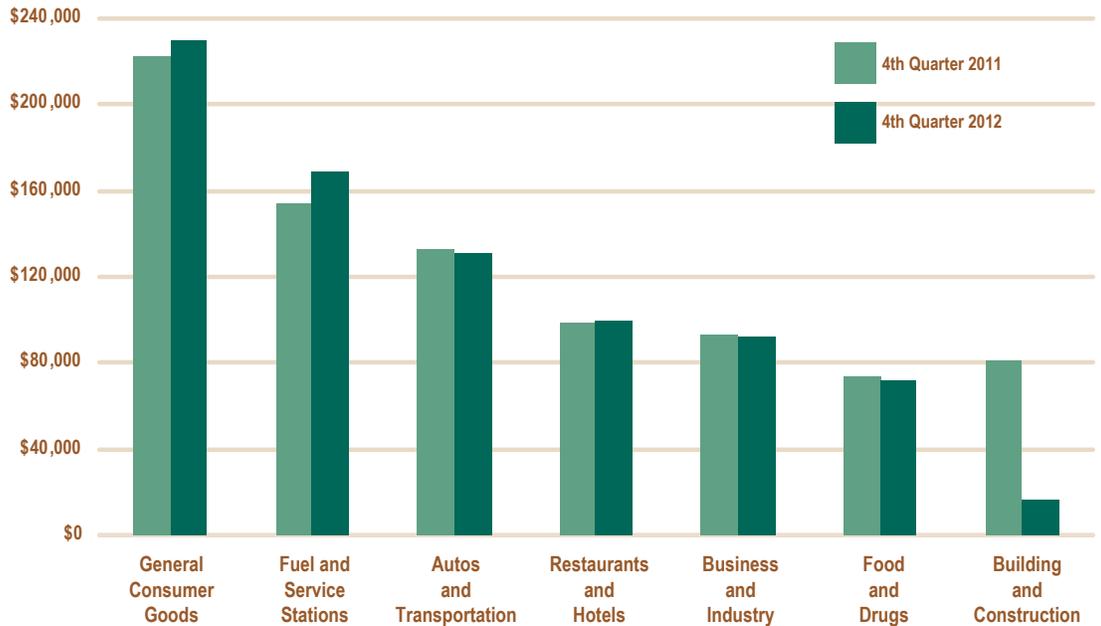
Payment anomalies from various categories of the building and construction and food and drugs groups were responsible for temporarily depressing the city's overall results.

Losses from the business and industry and autos and transportation groups were due to sales declines from multiple categories.

Gains from service station receipts partially offset the city's overall decrease. In addition, general consumer goods benefited from the addition of a new store. Receipts from restaurants were essentially flat as increases from restaurants without alcohol were offset by eateries serving beer and wine.

Adjusted for aberrations, taxable sales for the Central Coast region as a whole were up 10.8%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Ross
Albertsons	Seasmoke Cellars
Bet Plant Services	Staples
Big Brand Tire	Stuarts Valero Mart
Chevron	Sunset Auto Center
Circle K	Tesoro West Coast
Florianos Mexican Food & Fresh Cuts	Toyota of Lompoc
Lompoc Honda	Valero Corner Store
Marshalls	Valley Rock Ready Mix
McDonalds	Vons
Michaels Arts & Crafts	Vons Gas
Robertson Dental Lab	Walgreens
	Walmart

### REVENUE COMPARISON

Three Quarters - Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$2,478,006	\$2,596,698
County Pool	322,531	330,652
State Pool	372	1,141
<b>Gross Receipts</b>	<b>\$2,800,910</b>	<b>\$2,928,491</b>
<b>Less Triple Flip*</b>	<b>\$(700,228)</b>	<b>\$(732,123)</b>

\*Reimbursed from county compensation fund

## Statewide Results

Statewide sales tax receipts for October through December sales were up 3.4%; however, net of onetime payment aberrations, actual sales increased 6.1% compared to the same sales period in 2011.

The autos and transportation group, led by continued strong sales of new cars and light trucks, recorded another quarter of robust increases over prior year results and accounted for 26% of the adjusted statewide gain. For many general consumer goods retailers the holiday sales season can be the difference between a profit and a loss for the year. This group bested year-ago receipts by 4.3%. Business and industry totals again included tax receipts from a variety of alternative energy projects. Heavy industrial, office equipment and office supplies/furniture also contributed to the group's 5.3% increase. Restaurant dining remained popular as overall sales moved up 5.7%, with most of the increase going to full and quick-service operators. Higher prices at the pump bolstered returns for fuel and service stations which posted a 2.1% rise, even as gasoline consumption for the period trended down. Receipts for building and construction increased 5.3%, while food and drugs gained 1.5%. County use tax pool totals were buoyed by receipt of previously uncollected taxes on internet sales.

## First Full Quarter for AB 155

AB 155 expanded the definition of nexus to include out-of-state sellers with statewide annual sales of \$1M or more and who have in-state affiliates providing services tied to those out-of-state sales. Effective September 15, 2012 companies meeting these criteria were required to collect California sales and use tax.

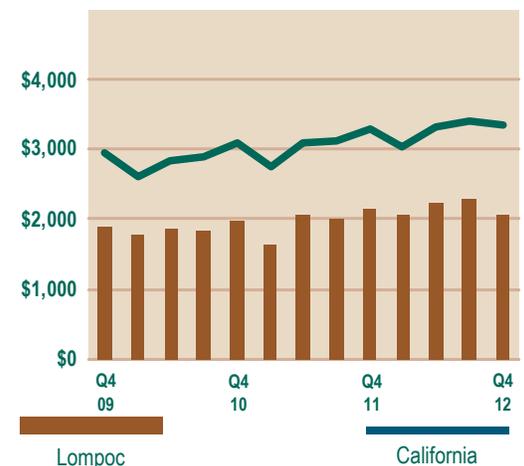
The 26 companies HdL has identified to date as falling under AB 155's criteria produced slightly over \$12M in local one-cent sales tax revenues in the fourth quarter of 2012. It is estimated that this will translate into annual revenues of about \$0.80 per capita. To date, the revenues are being allocated to all jurisdictions in California via the countywide use tax allocation pools. Each city and county receives its proportionate share of the pool based on its ratio of taxable sales.

Past deal making by high volume retailers suggests that new revenues could eventually be redirected to just a few agencies in exchange for sales tax rebates as more out-of-state companies decide where to locate their in-state distribution warehouses. Online sellers already located in the state have negotiated rebates as high as 85% of the local sales tax they collect.

S.336/HR.684, the Federal Marketplace Fairness Act, would provide

a uniform approach to allowing all states to require online and remote sellers to collect sales taxes. The bills are strongly supported by a coalition of national retailers and local governments but are opposed by eBay and anti-tax groups. Although the Senate has adopted a resolution of support, the bills themselves have not been formally acted upon in either the Senate or House of Representatives.

## SALES PER CAPITA



## LOMPOC TOP 15 BUSINESS TYPES

Business Type	Lompoc		HdL State
	Q4 '12	Change	Change
Automotive Supply Stores	21,121	11.4%	4.9%
Contractors	13,335	-20.5%	2.0%
Discount Dept Stores	— CONFIDENTIAL —		4.4%
Drug Stores	— CONFIDENTIAL —		-4.5%
Electronics/Appliance Stores	19,894	3.9%	3.6%
Family Apparel	37,508	49.2%	8.3%
Grocery Stores Beer/Wine	14,620	12.2%	2.5%
Grocery Stores Liquor	34,016	-9.8%	-17.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —		17.2%
Repair Shop/Equip. Rentals	14,025	15.8%	8.5%
Restaurants Beer And Wine	29,416	-19.2%	0.2%
Restaurants No Alcohol	61,986	12.0%	5.1%
Service Stations	168,711	14.2%	2.8%
Specialty Stores	13,969	-7.6%	-0.6%
Wineries	— CONFIDENTIAL —		6.5%
<b>Total All Accounts</b>	<b>\$810,424</b>	<b>-5.5%</b>	<b>2.0%</b>
<b>County &amp; State Pool Allocation</b>	<b>101,960</b>	<b>-14.8%</b>	
<b>Gross Receipts</b>	<b>\$912,385</b>	<b>-6.6%</b>	