

Q3 2013



Temple City Sales Tax *Update*

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

Temple City In Brief

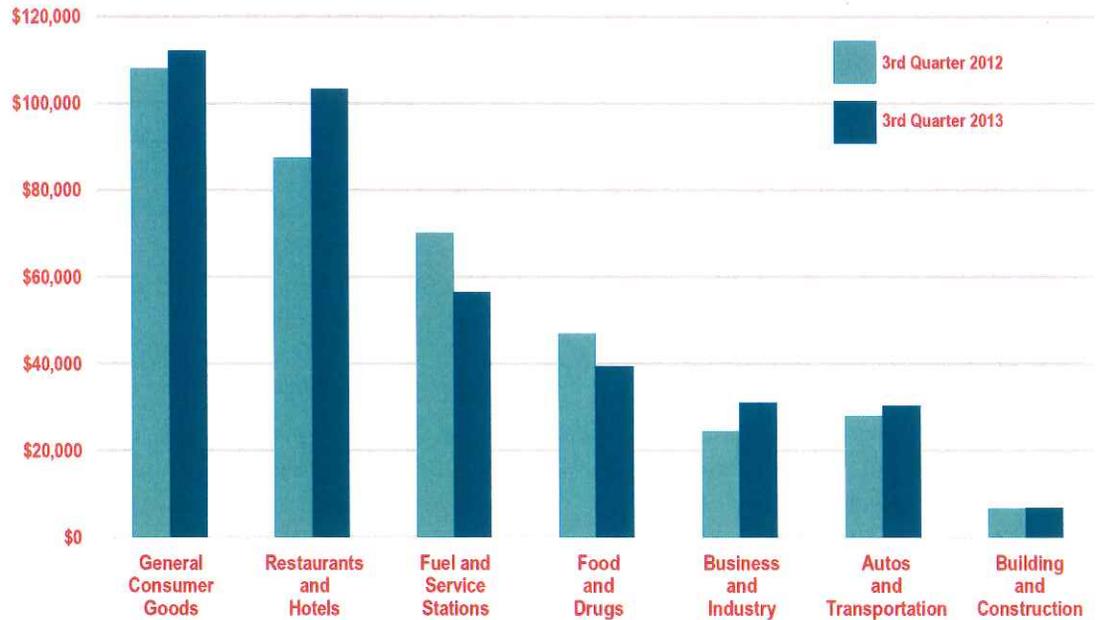
Receipts from Temple City's July through September sales were 3.2% higher than the same quarter one year ago. Actual sales activity increased 4.5% after accounting aberrations were factored.

Eatery openings and net higher sales boosted most restaurant categories and were primarily responsible for the overall quarterly increase. Improving sales and a new business addition buoyed business and industry while general consumer goods experienced mixed results with a net positive gain. A larger allocation from the countywide use tax pool further contributed to the increase.

The gains were partially offset by reduced gasoline consumption while payment problems temporarily depressed receipts from food and drugs.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 4.5% over the comparable time period, while the Southern California region as a whole was up 5.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

99 Cents Only	Peters Mobil Service
Applebees	Ralphs
AT&T Mobility	Rite Aid
Chevron	Seafood Village
CVS Pharmacy	Super A Foods
Golden Carpets	Super Pets
Hometown Buffet	Temple City Mobil
In N Out Burgers	Temple City Powersports
K Mart	Temple City Shell
McDonalds	The Hat
Modern Lighting	TJ Maxx
Office Depot	
OO Kook BBQ	
Pep Boys	

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$764,193	\$762,757
County Pool	86,816	85,605
State Pool	260	407
Gross Receipts	\$851,269	\$848,770
Less Triple Flip*	\$(212,817)	\$(212,192)

*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 updates.

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



TEMPLE CITY TOP 15 BUSINESS TYPES

Business Type	Temple City		County	HdL State
	Q3 '13	Change	Change	Change
Auto Repair Shops	6,155	-10.0%	3.2%	5.4%
Automotive Supply Stores	11,795	2.0%	7.4%	5.9%
Boats/Motorcycles	10,279	22.2%	21.9%	9.4%
Casual Dining	44,044	48.8%	4.6%	4.4%
Discount Dept Stores	— CONFIDENTIAL —	—	-10.8%	-8.2%
Drug Stores	11,347	10.7%	-0.8%	-0.2%
Electronics/Appliance Stores	8,253	-14.5%	3.4%	4.0%
Family Apparel	27,024	3.0%	6.6%	5.6%
Fast-Casual Restaurants	— CONFIDENTIAL —	—	2.3%	4.9%
Grocery Stores Liquor	21,920	-27.9%	-20.5%	-9.7%
Home Furnishings	9,016	29.9%	7.7%	10.1%
Office Supplies/Furniture	11,597	3.3%	-5.6%	2.8%
Quick-Service Restaurants	48,599	3.0%	3.6%	4.0%
Service Stations	56,479	-19.5%	-1.2%	-1.4%
Specialty Stores	18,678	-1.6%	6.1%	7.8%
Total All Accounts	\$379,566	2.1%	1.4%	2.5%
County & State Pool Allocation	\$45,680	12.9%	12.1%	12.5%
Gross Receipts	\$425,246	3.2%	2.4%	3.5%