

# Q2 2010



# Temple City Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (Apr-Jun 2010)

## Temple City In Brief

Receipts from April through June sales jumped 8.5% over the comparable quarter one year earlier.

Service station results, pushed up by higher prices at the pump, provided most of the quarterly increase but grocery stores with liquor, home furnishings, auto supply stores and contractor groups were also bright spots. Restaurants with beer/wine appeared to be down but the drop was due to a reporting aberration that boosted year-ago results.

Declines mainly affected the specialty store, family apparel and electronics/appliance store groups but onetime accounting adjustments exaggerated decreases for all. Most business categories were little-changed from one year ago.

Excluding temporary payment aberrations, all of Los Angeles County was up 3.5%; statewide sales grew 4.7%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

American Gas	Peters Mobile Service
Applebees	Ralphs
AT&T Mobility	Rite Aid
Chevron	Seafood Village
CVS Pharmacy	Super A Foods
Farada Cabinet & Stone	Super Pets
Hat	Temple City Powersports
Hometown Buffet	Temple City Shell
In N Out Burgers	TJ Maxx
K Mart	Valu Mart
McDonalds	Zen Buffet
Modern Lighting	
Office Depot	
Pep Boys	

### REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$345,173	\$374,723
County Pool	38,700	41,804
State Pool	347	201
<b>Gross Receipts</b>	<b>\$384,220</b>	<b>\$416,728</b>
<b>Less Triple Flip*</b>	<b>\$(96,055)</b>	<b>\$(104,182)</b>

\*Reimbursed from county compensation fund

**California Overall**

Local sales and use tax revenues for sales occurring April through June 2010 were 4.7% higher than the same quarter of 2009 after accounting aberrations were factored out. However, the comparison is against a quarter that was 18.4% below the same quarter of 2008 which in turn, was 4.0% lower than the same period of 2007.

Rising fuel prices were again a major part of the quarterly increase. Pent-up demand and manufacturer incentives produced impressive gains in auto and RV sales. Capital investment in technology, equipment and supplies to reduce labor and energy costs drove expanded receipts from business and industrial purchases.

Areas surrounding the Silicon Valley continue to be the center of greatest recovery though a recent up-tick in travel helped produce gains in some vacation/resort communities. The inland parts of California still lag the coastal regions.

**It's Official! The Recession is Over!**

The National Bureau of Economic Research (NBER) has announced that the recession ended in June of 2009. Technically, this means that economic indicators show that the economy has finally bottomed out. It does not mean that a recovery has occurred.

This year's earlier exuberance has given way to near consensus among economists that the state's recovery will be slow with less than average growth over the next two years.

The argument is that further deleveraging from years of over-spending, over-borrowing, hyper-speculative investment and unsustainable real estate prices must occur before we reach the base on which normal growth restarts. With the focus on productivity innovations rather than jobs, unemployment is expected to stay in double digits at least until the end of 2012. Sales tax revenues are expected to continue to recover but at slightly lower rates than

experienced earlier in the year from various tax credit, stimulus rebate and manufacturer incentive programs.

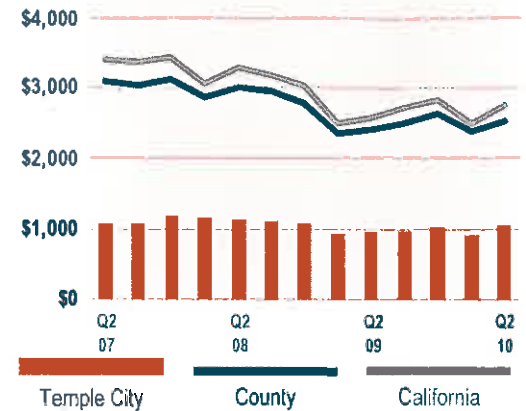
**Green Energy Exemptions**

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) has fast-tracked adoption of their emergency regulations for implementing new sales and use tax exemptions for "Green Manufacturing" authorized by SB 71, the only significant new sales tax related bill adopted in 2010 to date. The first approvals are planned for their November 17 meeting.

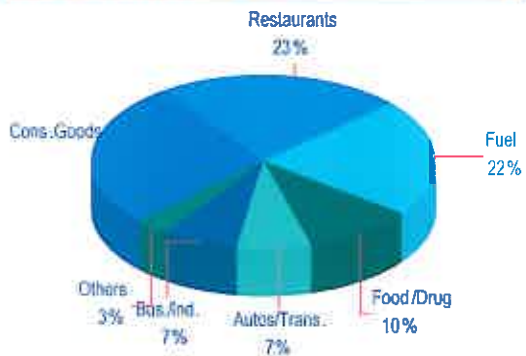
Industry lobbyists have shut local governments out of the process and additional regulations are now being developed for exempting major alternative energy projects such as solar, geothermal and wind. There is no cap on the value of state and local sales tax losses that CAEATFA may approve.

Local governments will not be notified of applications potentially impacting their revenues. However, agenda notices can be obtained by signing up at <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Temple City This Quarter



**TEMPLE CITY TOP 15 BUSINESS TYPES**

Business Type	Temple City		County	HdL State
	Q2 '10	Change	Change	Change
Service Stations	582,450	64.1%	15.6%	18.2%
Restaurants No Alcohol	65,126	-2.8%	4.7%	4.6%
Discount Dept Stores	— CONFIDENTIAL —		0.3%	0.1%
Family Apparel	24,187	-9.2%	9.3%	10.3%
Grocery Stores Liquor	21,521	21.1%	2.7%	1.0%
Specialty Stores	18,202	-10.6%	-3.5%	1.2%
Office Supplies/Furniture	12,151	1.5%	11.5%	10.0%
Restaurants Beer And Wine	11,746	-1.1%	-3.7%	-3.4%
Automotive Supply Stores	10,565	12.8%	5.2%	4.8%
Drug Stores	10,421	-7.0%	-0.7%	-1.2%
Boats/Motorcycles	— CONFIDENTIAL —		-18.5%	-11.0%
Restaurants Liquor	8,845	-5.6%	4.1%	6.9%
Electronics/Appliance Stores	7,591	-17.7%	10.3%	9.3%
Home Furnishings	6,625	16.4%	0.3%	3.1%
Contractors	6,413	248.1%	-6.2%	-6.2%
<b>Total All Accounts</b>	<b>\$374,723</b>	<b>8.6%</b>	<b>5.4%</b>	<b>7.4%</b>
<b>County &amp; State Pool Allocation</b>	<b>42,005</b>	<b>7.6%</b>		
<b>Gross Receipts</b>	<b>\$416,728</b>	<b>8.5%</b>		