

# Q4 2010



# City of Corning Sales Tax Update

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

## Corning In Brief

Revenues for sales occurring October through December were 69.8% higher than the same quarter last year.

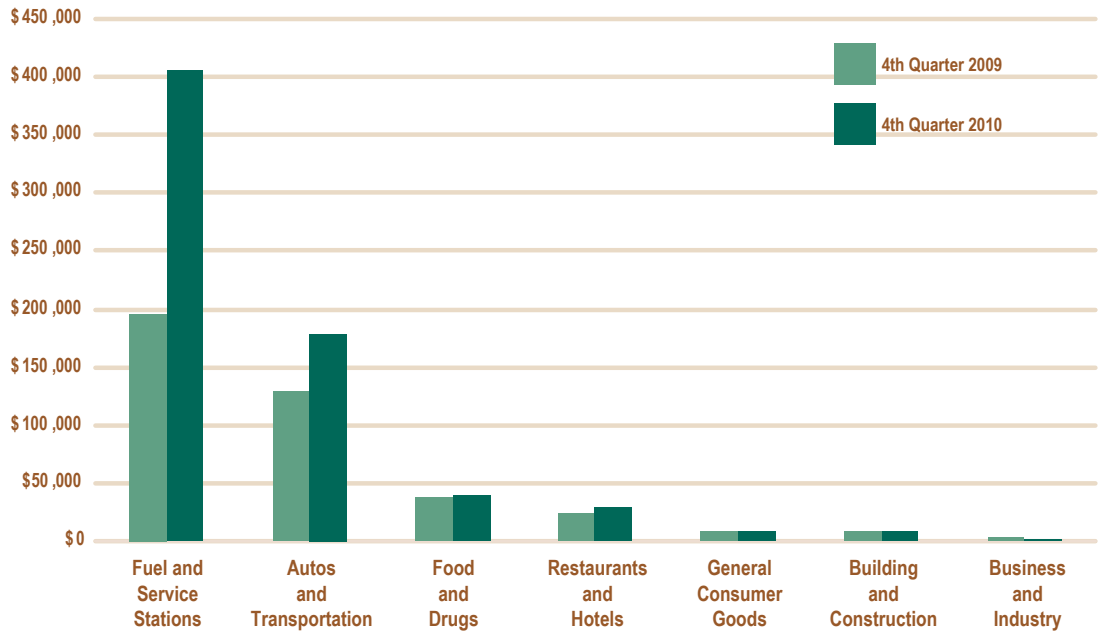
Higher fuel prices combined with a change in ownership boosted service station returns. Sales activity increased in auto-related sectors while a new restaurant contributed to the overall rise in restaurants & hotels.

An increase in the countywide use tax allocation pool contributed to the stellar performance in gross receipts in this quarter compared to a year ago.

Multiple onetime deviations accounted for the loss in business & industry.

Adjusted for reporting aberrations, taxable sales for all of Tehama County including its cities gained 24.5% over the comparable time period while the Far North region as a whole was up 4.8%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	McDonalds
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Burger King	Porters Petroleum Products
Corning Ford Mercury	Redding Oil
Corning Lumber	Rite Aid
Cross Country Travel Centers	Safeway
Dennys	Sav More
Dollar Tree	Speedco
Jack in the Box	Spirit Gas & Food Mart
Kragen Auto Parts	TA Operating
Les Schwab Tire Centers	Taco Bell
Loves Travel Stop	Tower Energy Group
McCoy Hardware & Farm Supply	

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$1,352,165	\$1,642,863
County Pool	155,715	227,933
State Pool	1,320	826
<b>Gross Receipts</b>	<b>\$1,509,200</b>	<b>\$1,871,622</b>
Cty/Cnty Share	(150,920)	(187,162)
<b>Net Receipts</b>	<b>\$1,358,280</b>	<b>\$1,684,460</b>
Less Triple Flip*	\$(339,570)	\$(421,115)

\*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.

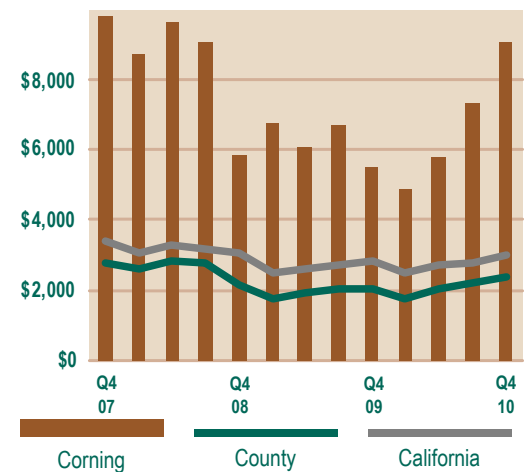
**Renewable Energy Exemptions**

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**



**CORNING TOP 15 BUSINESS TYPES**

Business Type	Corning		County	HdL State
	Q4 '10	Change	Change	Change
Auto Repair Shops	2,680	na	27.9%	0.3%
Automotive Supply Stores	19,351	9.9%	12.4%	11.3%
Drug Stores	8,010	9.0%	5.0%	0.2%
Grocery Stores Beer/Wine	14,376	11.1%	-17.2%	1.7%
Grocery Stores Liquor	11,923	-16.3%	-6.1%	4.7%
Hardware Stores	— CONFIDENTIAL —		20.7%	-1.1%
Lumber/Building Materials	— CONFIDENTIAL —		-3.3%	-14.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —		14.1%	14.4%
Package Liquor Stores	— CONFIDENTIAL —		22.5%	6.5%
Petroleum Prod/Equipment	— CONFIDENTIAL —		6.7%	18.1%
Restaurants Beer And Wine	2,491	-6.8%	-7.0%	-2.2%
Restaurants Liquor	7,855	79.0%	32.2%	7.8%
Restaurants No Alcohol	19,004	9.9%	2.1%	5.5%
Service Stations	386,828	113.8%	42.9%	13.1%
Variety Stores	5,684	4.8%	4.6%	7.7%
<b>Total All Accounts</b>	<b>\$671,550</b>	<b>64.3%</b>	<b>16.0%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>91,136</b>	<b>125.7%</b>		
<b>Gross Receipts</b>	<b>\$762,686</b>	<b>69.8%</b>		
<b>City/County Share</b>	<b>(76,269)</b>	<b>-69.8%</b>		
<b>Net Receipts</b>	<b>\$686,417</b>	<b>69.8%</b>		