

# Q1 2013



# City of Lemoore Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

## Lemoore In Brief

Receipts for Lemoore's January through March sales were 8.3% higher than the same quarter one year ago. Actual sales activity was up 9.3% when reporting aberrations were factored out.

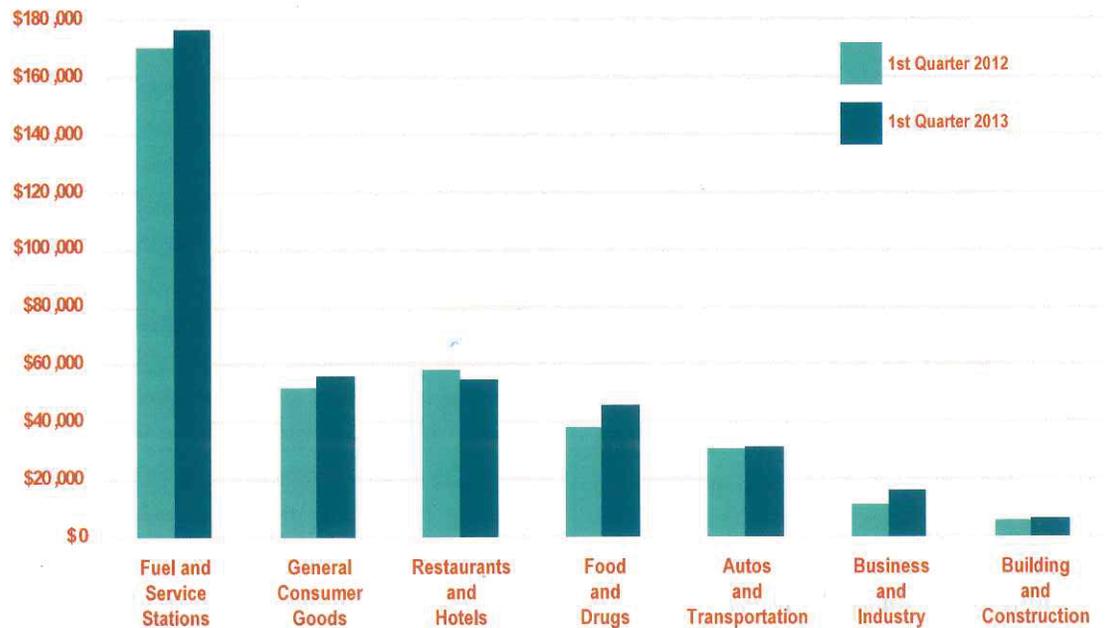
The city experienced a strong sales quarter for the fuel & service stations and business & industry sectors.

Recent additions helped boost revenues from grocery stores and general consumer goods.

The gains were partially offset by a onetime accounting adjustment that negatively impacted results from restaurants.

Adjusted for aberrations, taxable sales for all of Kings County increased 6.1% over the comparable time period, while the San Joaquin Valley as a whole was up 5.1%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	K Mart
Adolfos Liquor	Lemoore Auto Mall
AutoZone	Lemoore Crossings
Best Buy Market	Lemoore Mini Mart
Billingsley Tire	Lemoore Mobil
Buford Oil	Leprino Foods
Burrows & Castadio	McDonalds
Bush Street Chevron	Me N Eds Pizza Parlors
Fastrip	Rite Aid
Fastrip	Save Mart
Gary Burrows	Taco Bell
Jack in the Box	Walgreens
K & H Liquor Food & Gas	

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$1,634,629	\$1,751,776
County Pool	253,529	288,284
State Pool	588	908
<b>Gross Receipts</b>	<b>\$1,888,745</b>	<b>\$2,040,967</b>
Cty/Cnty Share	(37,775)	(40,819)
<b>Net Receipts</b>	<b>\$1,850,970</b>	<b>\$2,000,148</b>
Less Triple Flip*	\$(462,743)	\$(500,037)

\*Reimbursed from county compensation fund

**California Overall**

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

**Energy Projects Boost Business and Industry Gains**

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

**Decline in Fuel Consumption Continues**

According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

**SALES PER CAPITA**



**LEMOORE TOP 15 BUSINESS TYPES**

Business Type	Lemoore		County	HdL State
	Q1 '13	Change	Change	Change
Auto Repair Shops	4,215	12.2%	-1.8%	3.9%
Automotive Supply Stores	22,720	-1.8%	-0.9%	4.9%
Boats/Motorcycles	— CONFIDENTIAL —	—	653.0%	10.2%
Discount Dept Stores	— CONFIDENTIAL —	—	2.4%	5.1%
Drug Stores	— CONFIDENTIAL —	—	1.5%	2.9%
Food Mfg.	10,513	58.5%	372.2%	5.7%
Grocery Stores Beer/Wine	13,758	28.6%	-4.0%	0.6%
Grocery Stores Liquor	— CONFIDENTIAL —	—	29.1%	24.7%
Heavy Industrial	4,177	57.5%	19.4%	7.8%
Package Liquor Stores	— CONFIDENTIAL —	—	12.0%	2.7%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	30.1%	-3.4%
Restaurants Beer And Wine	11,947	-9.6%	-8.7%	-1.4%
Restaurants No Alcohol	38,459	8.2%	2.8%	6.0%
Service Stations	78,865	-8.6%	2.4%	-2.2%
Variety Stores	5,771	101.0%	58.5%	17.4%
<b>Total All Accounts</b>	<b>\$387,090</b>	<b>5.9%</b>	<b>6.3%</b>	<b>5.7%</b>
<b>County &amp; State Pool Allocation</b>	<b>66,452</b>	<b>24.5%</b>		
<b>Gross Receipts</b>	<b>\$453,542</b>	<b>8.3%</b>		
City/County Share	(9,071)	-8.3%		
<b>Net Receipts</b>	<b>\$444,471</b>	<b>8.3%</b>		