

# Q4 2014



# American Canyon Sales Tax *Update*

*First Quarter Receipts for Fourth Quarter Sales (October - December 2014)*

## American Canyon In Brief

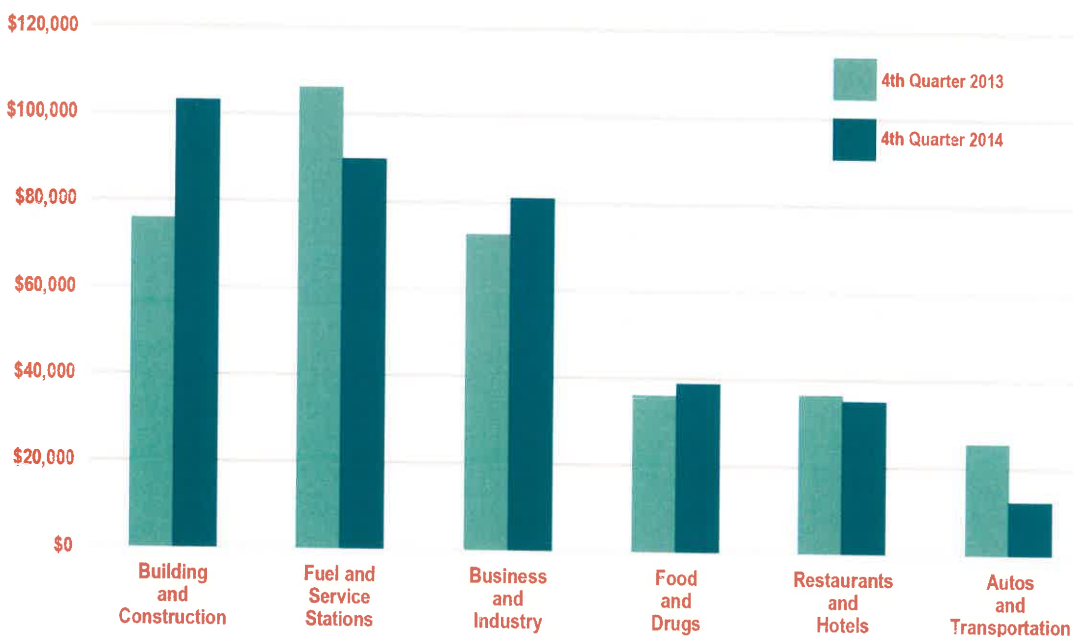
Receipts for American Canyon's October through December sales were 2.3% higher than the same quarter one year ago. Actual sales activity was up 3.7% when reporting aberrations were factored out.

The city experienced a strong sales quarter for general consumer goods, lumber/building materials, and some sectors of the business and industry group. A recent addition contributed to the increase from light industrial/printers.

The gains were partially offset by business closures that reduced receipts from autos/transportation and restaurants.

Adjusted for aberrations, taxable sales for all of Napa County increased 3.9% over the comparable time period, while the Bay Area as a whole was up 3.2%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

7 Eleven	Industrial Wholesale Lumber
Acorn Paper Products	Jack in the Box
All Bay Mill & Lumber	McDonalds
Ancor Sunclipse	Mike's Mini Mart & Gas Station
Auto Zone	Naked Wines
Blueline Rental	Panda Express
Central Valley Builders Supply	Quinlans Tire Service
Chevron	Round Table Pizza
Facilities Resource Group	Safeway
Gaia Napa Valley	Safeway Gasoline
Gamestop	Sonic Drive In
General Plumbing Supply	Walgreens
	Walmart

## REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$1,519,792	\$1,603,206
County Pool	206,873	208,635
State Pool	918	1,368
Gross Receipts	\$1,727,583	\$1,813,209
Less Triple Flip*	\$(431,896)	\$(453,302)

\*Reimbursed from county compensation fund

### Holiday Quarter Up

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter (October – December) of 2014 were 3.6% higher than last year's holiday quarter.

The gain was primarily due to continued strong demand for new cars and trucks, increased restaurant patronage and a rise in the countywide "use tax" allocation pools resulting from a shift to online shopping where much of the merchandise is shipped from out of state. General consumer goods sales allocated via the pools rose 22% during this holiday quarter versus an increase in tax receipts from brick and mortar stores of only 2.8%.

Robust sales for building and construction materials added to the overall increase which was largely offset by significant declines in revenues from petroleum related industries and service stations.

### Gasoline Supply and Demand

Statewide, fourth quarter's tax receipts from fuel and service stations dropped 10.4% from the previous year. Prices rebounded in the first quarter of 2015 due to refinery shutdowns and labor strife but remained well below the prior year due to a worldwide supply glut and weak demand.

Spending cuts by oil producers and a sharp decline in the number of rigs drilling for crude in the U.S. could reduce output and place upward pressure on prices in the second half of 2015. However, improved fuel efficiency and demographic changes continue to reduce demand for gasoline, with consumption at the lowest it has been in 30 years.

From 2008 through 2014 Californians purchased just over 10 million new vehicles, with mileage ratings almost 22% higher than those they replaced. Also, usage has further declined as baby boomers age into retirement and millennials increasingly favor public transportation and car services that make owning a vehicle less necessary.

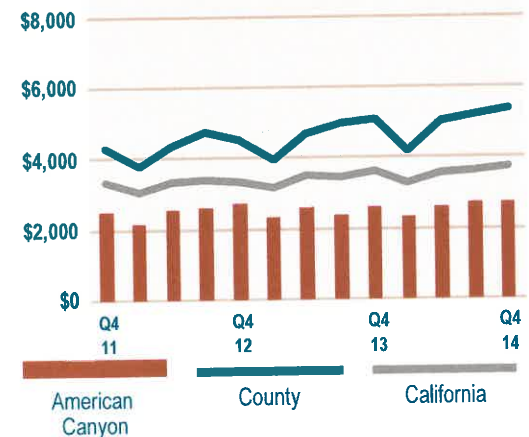
### Triple Flip Unwind

In March 2004, California voters approved Proposition 57, the California Economic Recovery Bond Act that authorized the issuance of \$15 billion in "Economic Recovery Bonds" to close the state's operating budget deficit.

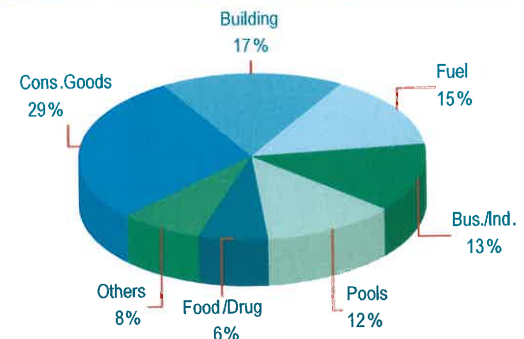
The Bradley-Burns local sales tax rate was decreased from 1 percent to 0.75 percent and the diverted 0.25 percent rate was pledged to repay the bonds. The state then directed that counties reimburse local governments for the 0.25 percent loss with property tax from the Educational Revenue Augmentation Fund (ERAF) set up for schools and then reimburse schools for the ERAF loss from the State General Fund. The funding scheme became known as the "Triple Flip."

The governor's FY 2014-15 state budget currently provides for retiring the bonds as early as July 2015. If carried out as planned, local agencies would receive their final "true-ups" of triple flip reimbursements in the first half of 2016 and the full one cent Bradley-Burns tax reinstated in their second quarter 2016 receipts.

### SALES PER CAPITA



### REVENUE BY BUSINESS GROUP American Canyon This Quarter



### AMERICAN CANYON TOP 15 BUSINESS TYPES

Business Type	American Canyon		County	HdL State
	Q4 '14	Change	Change	Change
Automotive Supply Stores	9,118	6.6%	6.9%	2.0%
Casual Dining	8,026	-22.1%	-2.5%	5.8%
Contractors	11,424	-3.3%	4.7%	9.0%
Discount Dept Stores	— CONFIDENTIAL —	—	1.7%	0.9%
Drug Stores	— CONFIDENTIAL —	—	0.9%	-2.3%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	-8.2%	1.3%
Fast-Casual Restaurants	8,923	10.6%	8.8%	8.9%
Fulfillment Centers	— CONFIDENTIAL —	—	24.4%	4.7%
Grocery Stores Liquor	— CONFIDENTIAL —	—	10.1%	3.5%
Light Industrial/Printers	25,489	31.2%	-5.4%	-1.4%
Lumber/Building Materials	82,058	50.2%	36.1%	-0.7%
Plumbing/Electrical Supplies	— CONFIDENTIAL —	—	8.3%	7.2%
Quick-Service Restaurants	15,245	-3.3%	3.6%	7.5%
Repair Shop/Equip. Rentals	23,269	10.8%	-15.8%	-4.1%
Service Stations	89,873	-15.4%	-11.1%	-10.5%
<b>Total All Accounts</b>	<b>\$537,655</b>	<b>2.8%</b>	<b>5.7%</b>	<b>3.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>\$75,110</b>	<b>-0.7%</b>	<b>2.1%</b>	<b>4.7%</b>
<b>Gross Receipts</b>	<b>\$612,765</b>	<b>2.3%</b>	<b>5.2%</b>	<b>3.9%</b>