



# City of Winters Sales Tax Update

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

## Winters In Brief

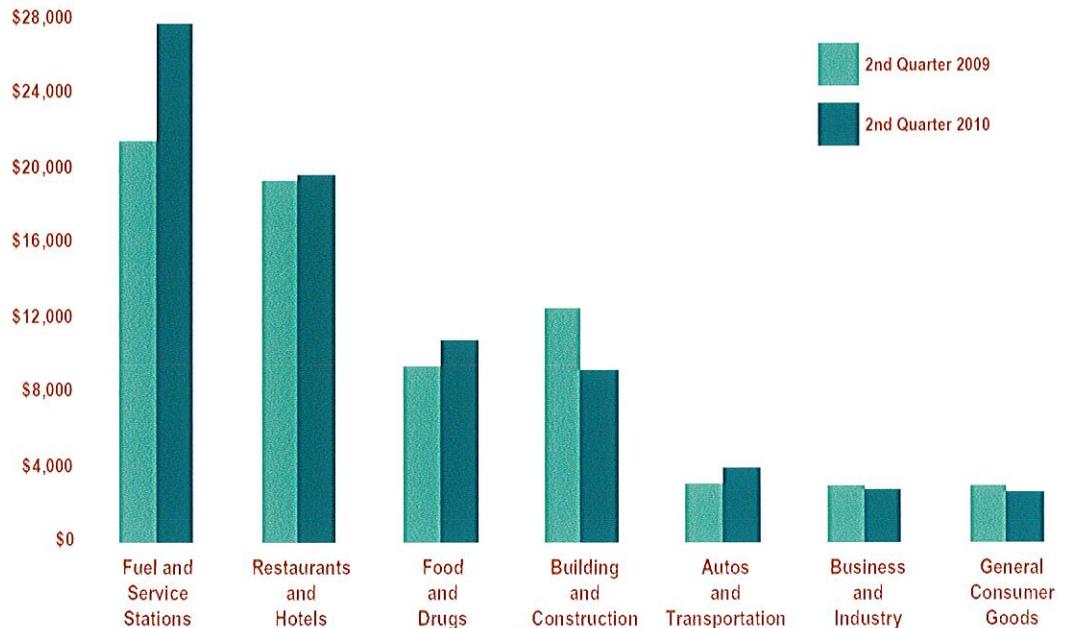
Gross receipts from Winters' April through June sales were 7.2% higher than the same quarter one year ago. Actual sales activity was flat after accounting anomalies were excluded.

Fuel price increases that lifted service station returns and a larger allocation from the countywide use tax pool were major factors for the overall increase. The pool, which is distributed to county agencies as a ratio of taxable sales, was 13.9% larger than last year when retroactive adjustments cut its size. Payment aberrations overstated results from both grocery stores selling beer & wine and those with no alcoholic beverages, restaurants with full liquor service and auto repair shops.

Accounting anomalies that inflated last year's returns depressed the comparisons for contractor supplies and some classifications in the business/industry group.

Adjusted for onetime reporting events, taxable sales for all of Yolo County increased 6.3% over the same time period. The Sacramento region, as a whole, was up 2.7%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

In Alphabetical Order

A Teichert & Son	Pisanis Service
Berryessa Sporting Goods	Pizza Factory
Bob Pisani & Sons	Round Table Pizza
Buckhorn Cafe	Steady Eddys
Chevron Winters	Coffee House
Chuys Taqueria	Subway
Eagle Drug	Suisun Valley Fruit Growers
Fast & Easy Mart	Tienda Delicious
Food Mart	Tomats California Cuisine
JJs Saloon	Town & Country Market
Mikes Velo City	True Value Hardware
Pacific Hardware	West Coast Equipment
Pavestone California	
Peekaboo Hills Winery	

## REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$71,800	\$76,730
County Pool	9,792	10,795
State Pool	74	42
<b>Gross Receipts</b>	<b>\$81,666</b>	<b>\$87,567</b>
Less Triple Flip*	\$(20,416)	\$(21,892)

\*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.

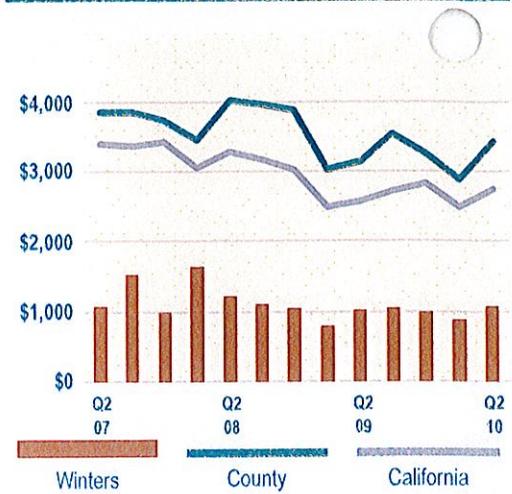
**Green Energy Exemptions**

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.

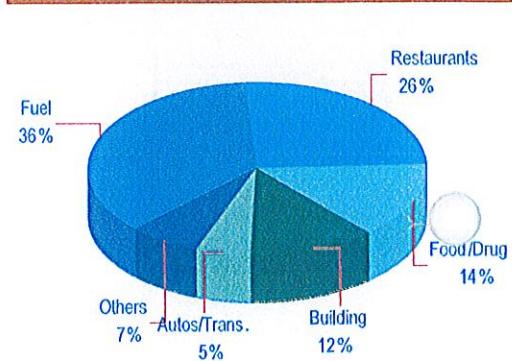
Local governments will not be notified of applications potentially impacting their revenues. However, agenda notices can be obtained by signing up at <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**

Winters This Quarter



**WINTERS TOP 15 BUSINESS TYPES**

Business Type	Winters		County	HdL State
	Q2 '10	Change	Change	Change
Service Stations	\$27,791	29.1%	24.5%	18.2%
Restaurants Beer And Wine	15,108	-5.0%	-5.1%	-3.3%
Hardware Stores	— CONFIDENTIAL —	—	209.1%	166.0%
Grocery Stores Beer/Wine	3,975	58.9%	2.9%	2.6%
Grocery Stores Liquor	— CONFIDENTIAL —	—	-3.0%	1.0%
Contractors	3,161	-56.1%	-0.6%	-6.2%
Automotive Supply Stores	— CONFIDENTIAL —	—	0.2%	4.8%
Restaurants Liquor	2,666	40.6%	15.9%	6.9%
Restaurants No Alcohol	— CONFIDENTIAL —	—	-3.4%	4.6%
Food Stores Non-Grocery	— CONFIDENTIAL —	—	-73.9%	1.2%
Wineries	— CONFIDENTIAL —	—	23.6%	0.8%
Auto Repair Shops	894	370.5%	1.8%	1.6%
Drug Stores	— CONFIDENTIAL —	—	-10.7%	-1.3%
Grocery-No Alcohol	862	94.6%	-5.5%	7.5%
Warehouse/Farm/Const. Equip.	— CONFIDENTIAL —	—	5.7%	5.0%
<b>Total All Accounts</b>	<b>\$76,730</b>	<b>6.9%</b>	<b>10.4%</b>	<b>7.4%</b>
<b>County &amp; State Pool Allocation</b>	<b>10,837</b>	<b>9.8%</b>		
<b>Gross Receipts</b>	<b>\$87,567</b>	<b>7.2%</b>		