

Q3  
2006



# City of Murrieta Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (Jul-Sep 2006)

## Murrieta In Brief

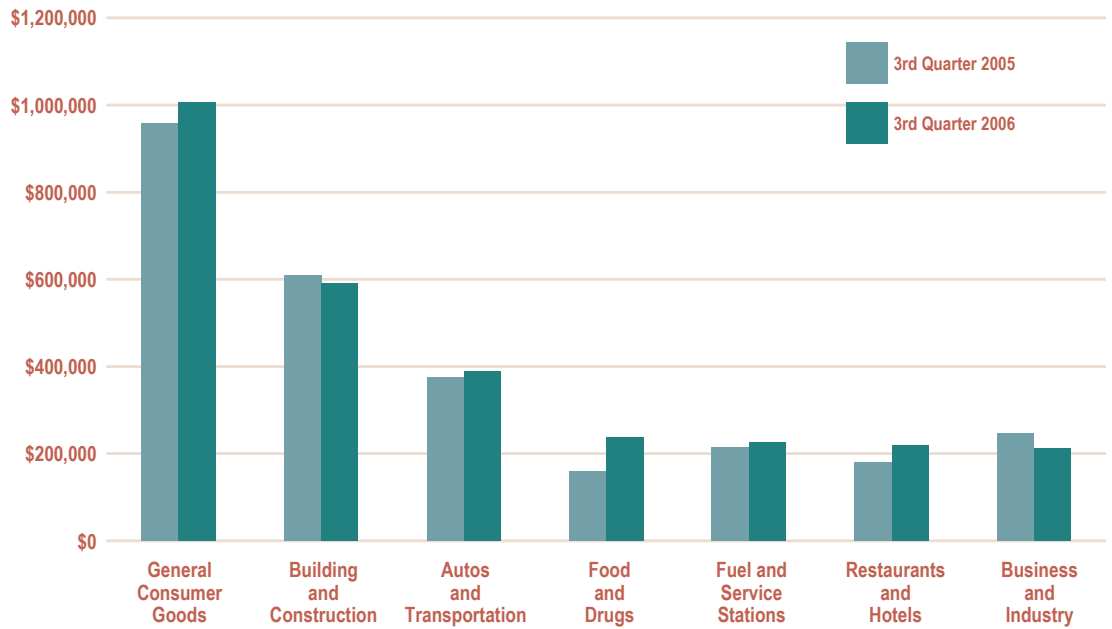
Receipts from July – September sales were 5.6% higher than one year ago.

New stores added to gains in the restaurants with no alcohol, restaurants with liquor, home furnishings, electronics/appliance store and grocery store with liquor categories. The lumber/building materials group appeared to be up slightly, but excluding a onetime reporting aberration, actual sales dropped.

Business closeouts led to the decline in contractor results. Delayed receipts from sales in prior quarters caused the boats/ motorcycles drop by temporarily inflating year-ago proceeds.

Over the same period all of Riverside County was up 0.4%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Murrieta
Albertsons	Volkswagen
Arizona Tile	Ralphs
Ashley Furniture	Robertsons Ready Mix
Best Buy	Sams Club
Carriage Mitsubishi/Suzuki	SCP Distributors
Chevron	Shell/Texaco
Ferguson	Staples
Enterprises	Superior Ready Mix Concrete
Giant Inland Empire RV Center	Target
Home Depot	Temecula Motorsports
Kohls	Wal Mart
Lowes	Wickes
Mobil Oil	

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2005-06	2006-07
Point-of-Sale	\$5,155,047	\$5,868,840
County Pool	585,466	651,555
State Pool	6,506	7,642
<b>Gross Receipts</b>	<b>\$5,747,019</b>	<b>\$6,528,037</b>
Less Triple Flip*	\$(1,436,755)	\$(1,632,009)

\*Reimbursed from county compensation fund

**Statewide Receipts**

Statewide revenues from the July through September sales period exhibited a 2.9% gain over the same quarter one year ago after onetime payments from last year's amnesty program and other accounting adjustments are factored out.

Higher fuel prices continued to be responsible for much of the growth with receipts from service stations and bulk fuel sellers up 8.8%. General consumer goods produced a modest 2.7% increase with the highest gains from discount department stores. Revenues from the various categories of restaurants were up 4.3%.

Business spending, particularly in the light industry, office, farm and textiles/furnishings categories remained strong as did non-residential contractor supplies.

The gains were offset by an 8.5% drop in new car sales as well as declines in used cars, boats/motorcycles, RVs and lumber/building materials (net of accounting aberrations).

**Unlicensed Retailers**

The state has budgeted for a two year pilot program of stepped up field inspections to identify retailers without sellers' permits. The teams are also checking for proper tobacco, motor fuel and other state licenses.

The program was initiated in August because of concerns that years of budget cutbacks have reduced revenue due to lagging compliance. The fears appear to be well founded as four percent of the retailers canvassed thus far were not properly registered.

In addition to raising awareness of permit requirements and increasing compliance, it is estimated that the experiment could generate up to \$25 million in new revenues annually.

The permit checks are being conducted in portions of Los Angeles, San Mateo and San Francisco Counties. Local jurisdictions have placed representatives

with state field crews to also check for business licenses and other permits.

**November Tax Measures**

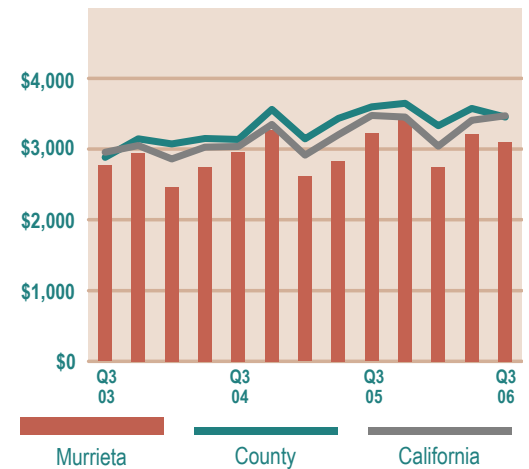
November's ballots included 38 proposals for adding, increasing or extending existing local transactions and use tax levies of which 20 passed.

Although basically an additional sales tax, the transactions tax is allocated to the place of use rather than point of sale. Eight of the passed measures required two thirds approval, the others a majority. The measures will go into effect April 1, 2007 and bring the total number of transactions tax districts to 101 including those in 53 cities.

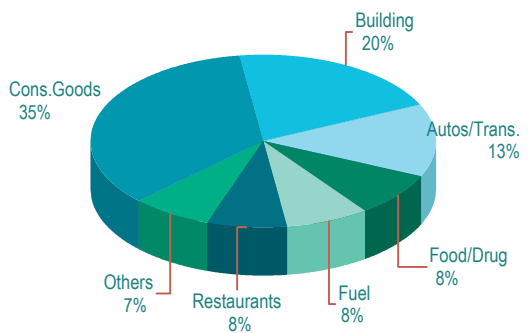
Cities approving new districts in November included: Arroyo Grande, Del Rey Oaks, Grover Beach, Inglewood, Manteca, Morro Bay, Nevada City, Pinole, San Bernardino, San Luis Obispo, Santa Cruz, Vista, Watsonville and Williams.

The revenues are used for a wide variety of purposes including public safety, parks and open space, transit and road improvements.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Murrieta This Quarter



**MURRIETA TOP 15 BUSINESS TYPES**

Business Type	Murrieta		County	HdL State
	Q3 '06*	Change	Change	Change
Lumber/Building Materials	\$408.4	0.2%	4.2%	14.3%
Discount Dept Stores	— CONFIDENTIAL —		4.5%	7.4%
Service Stations	226.3	5.1%	14.0%	12.4%
Home Furnishings	212.3	11.8%	-4.2%	-5.7%
Electronics/Appliance Stores	177.2	16.9%	8.1%	3.5%
Restaurants No Alcohol	151.6	8.9%	4.9%	1.6%
Grocery Stores Liquor	148.0	95.6%	6.4%	5.2%
Specialty Stores	119.8	1.9%	-2.8%	-4.1%
Contractors	111.9	-19.7%	13.5%	4.2%
Trailers/RVs	110.1	16.6%	-11.6%	-11.2%
New Motor Vehicle Dealers	106.0	32.2%	-16.6%	-12.2%
Family Apparel	75.1	6.3%	5.9%	3.5%
Plumbing/Electrical Supplies	66.2	13.4%	9.4%	9.6%
Grocery Stores Beer/Wine	63.8	40.5%	12.4%	2.6%
Boats/Motorcycles	62.4	-32.5%	-19.4%	-9.6%
<b>Total All Accounts</b>	<b>\$2,879.7</b>	<b>5.0%</b>	<b>-0.1%</b>	<b>0.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>325.0</b>	<b>10.8%</b>		
<b>Gross Receipts</b>	<b>\$3,204.7</b>	<b>5.6%</b>		<i>*In thousands</i>