Contra Costa County
In Brief

The unincorporated area’s receipts from April through June were 4.1% above the second sales period in 2014. Excluding reporting aberrations, actual sales were up 7.3%.

Retroactive adjustments exaggerated the decrease in business to business receipts. Light industrial printers declined while a new business boosted business services and garden/agricultural supplies were up.

The spike in the sale of petroleum products/equipment/equipment more than offset the impact of lower fuel prices in service stations. Despite reporting errors that overstated the contractor category, building and construction as a whole exceeded the statewide trend.

Both restaurants and hotels and auto-related sectors posted higher returns than a year ago.

Net of aberrations, taxable sales for all of Contra Costa County grew 6.8% over the comparable time period; the Bay Area was up 3.9%.

Top 25 Producers
In Alphabetical Order

Alamo Shell
Axens North America
BDV Chevron
Blackhawk Country Club
Brickyard Building Materials
C & H Sugar
Chevron
County Asphalt
Criterion Catalysts Technologies
Dead Fish
El Sobrante Arco
General Electric
General Plumbing Supply

McGuire Harley Davidson
Mid Valley Agricultural
New York Times Sales
Roofing Supply Group
Rotten Robbie
Safeway
Safeway Fuel
Sams Club
Shell
Tower Mart
Walgreens
Wesco Distribution

Revenue Comparison
One Quarter – Fiscal Year To Date

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<thead>
<tr>
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<th>2014-15</th>
<th>2015-16</th>
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<tbody>
<tr>
<td>Point-of-Sale</td>
<td>$2,406,553</td>
<td>$2,471,776</td>
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<tr>
<td>County Pool</td>
<td>368,025</td>
<td>396,763</td>
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<tr>
<td>State Pool</td>
<td>1,885</td>
<td>2,137</td>
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<td>Gross Receipts</td>
<td>$2,776,464</td>
<td>$2,870,676</td>
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<td>Cty/Cnty Share</td>
<td>866,568</td>
<td>921,595</td>
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<tr>
<td>Net Receipts</td>
<td>$3,643,031</td>
<td>$3,792,271</td>
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<td>Less Triple Flip*</td>
<td>$(910,758)</td>
<td>$(948,068)</td>
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*Reimbursed from county compensation fund.
Statewide Sales Tax Trends
Excluding accounting aberrations, the local one cent share of statewide sales occurring April through June was 3.4% higher than the comparable quarter of 2014.

Receipts from the countywide use tax allocation pools accounted for the largest portion of the increase reflecting a continuing shift in consumer preferences from brick and mortar stores to online shopping for merchandise shipped from out of state.

Sales and leases of new cars continued to post impressive gains as did contractor supplies and restaurants. Overall gains were offset by a 17.1% decline in receipts from service stations and petroleum related industries.

The Remaining Fiscal Year
The state's unemployment rate continues to decline and real disposable income is expected to grow 2.5% to 3.0% in the second half of 2015. This improvement in incomes coupled with easy credit conditions should stimulate an increase in housing starts as well as capital investment in equipment, alternate energy and technology.

The auto industry is anticipating continuing strong sales until tapering to more sustainable levels in 2016-2017. Building and construction, the only retail segment yet to return to pre-recession levels, is gaining momentum in several regions and is expected to account for 10% of sales tax growth in the second half of the fiscal year.

Restaurant sales continue to rise although there are some concerns that the strong dollar may impact sales in areas that cater to tourists from abroad. Gains from consumer goods are expected to be modest with the strong dollar cutting prices of imported goods and an ongoing shift in consumer spending from tangible goods to services, entertainment and other non-taxable purchases.

Gasoline prices remain well below the previous year due to a worldwide glut of oil. Barring unexpected supply or refinery disruptions, prices are expected to trend lower through the first half of 2015-16 but begin rebounding in the second half.

Internet Sales Tax Proposal
HR 2775 (The Remote Transaction Parity Act) is a new proposal by Representative Jason Chaffetz (R-Utah) authorizing states to require remote sellers without physical presence in their state to collect state and local sales tax from in-state buyers.

The bill currently has 52 sponsors and attempts to address objections to elements of the Marketplace Fairness Act that preceded it. The proposal provides for a three year phase in for small businesses, prohibits auditing remote sellers with annual sales under $5 million, and requires states to provide software to enable remote sellers to collect and remit their tax.

The Board of Equalization estimates that local governments in California currently lose approximately $44 per capita in uncollected sales and use tax on e-commerce purchases.