

Q1 2015



City of Red Bluff Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2015)

Red Bluff In Brief

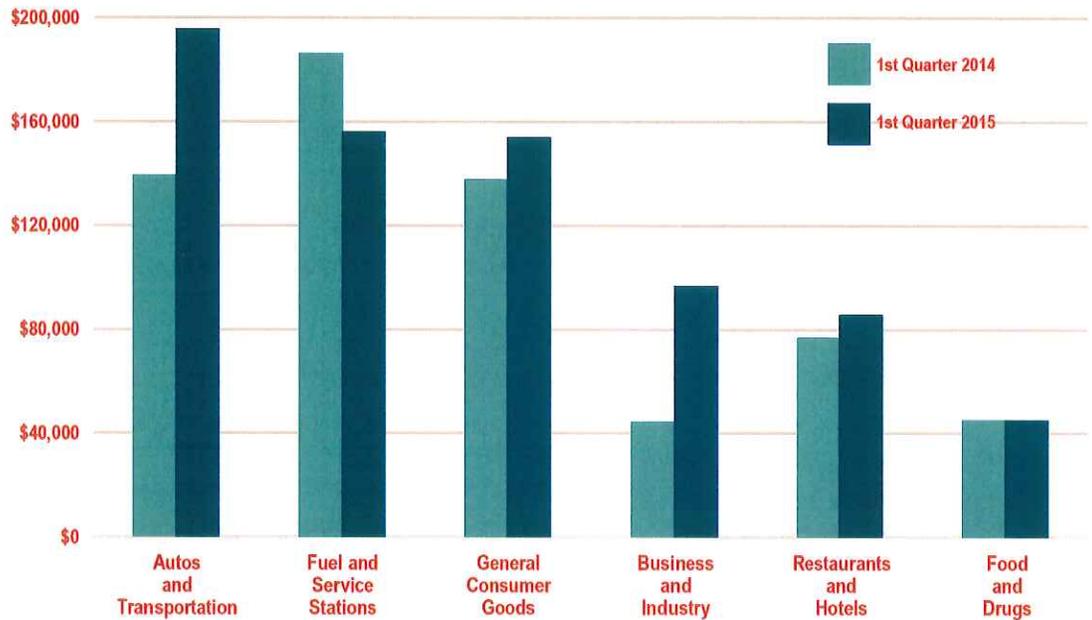
Receipts for Red Bluff's January through March sales were 15.4% higher than the same quarter one year ago. Actual sales activity was up 10.3% when reporting aberrations were factored out.

One-time use tax receipts and strong sales boosted both autos and transportation and business and industry results. A new outlet opening and favorable payment adjustments lifted general consumer goods revenues while net higher sales drove all restaurant categories. A larger allocation from the countywide use tax pool was also a factor.

The gains were partially offset by continued declining fuel prices which negatively impacted service station returns.

Adjusted for aberrations, taxable sales for all of Tehama County increased 0.3% over the comparable time period, while the Far North region as a whole was up 4.9%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	More for Less Gas
Adobe Minimart	One Stop Gas & Food
Arco AM PM	Pneumatic Conveying & Manufacturing
Dollar General	Raleys Supermarket
Exxon Food Mart	Red Bluff AM PM
Food Maxx	Red Bluff Chrysler Dodge Jeep Ram
General Electric Company	Red Bluff Shell
Growney Motors Buick/GMC	Staples
Helibro	Tesoro West Coast
Home Depot	Tractor Supply
Les Schwab Tire Center	Valero Gas
Main Street Chevron	Walmart
McDonalds	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$2,218,627	\$2,425,043
County Pool	246,945	263,836
State Pool	1,449	1,439
Gross Receipts	\$2,467,021	\$2,690,318
Cty/Cnty Share	(246,702)	(269,032)
Net Receipts	\$2,220,319	\$2,421,286
Less Triple Flip*	\$(555,080)	\$(605,322)
Measure D	\$0	\$164

*Reimbursed from county compensation fund

California as a Whole

Local one cent tax receipts from sales occurring January through March rose 3.65% over 2014's comparable quarter after adjusting for reporting anomalies.

An exceptionally strong quarter for auto sales/leases and restaurants was the primary contributor to the overall increase. A rise in building-construction materials was also a factor although much of this growth came from specific office and sports facility projects in Northern California.

Gains from sales of general consumer goods were primarily in value priced clothing, home furnishings and specialty retail which includes pet supplies and cosmetics. Online shopping involving goods shipped from out of state continues to shift a major portion of the growth in general consumer goods to the countywide pools.

The statewide gains were largely offset by a 21% decline in receipts from fuel and service stations.

Tax on Services

The Board of Equalization has released an estimate that levying sales and use tax on services would raise over \$122.5 billion in state and local revenues or enough to lower the overall tax rate to under 4%.

Originally imposed in 1933 as a 2 1/2% tax with only three exemptions, the legislature has gradually exempted more and more goods from the sales tax while raising rates to compensate for the corresponding revenue loss. This and the state's shift from a manufacturing to service economy has created the nation's highest sales tax rate on the narrowest basket of goods.

Although more discussion is needed, there is interest in expanding the sales tax to services and lowering the rate to make the tax less regressive and

more competitive while providing greater flexibility in the development of local tax bases.

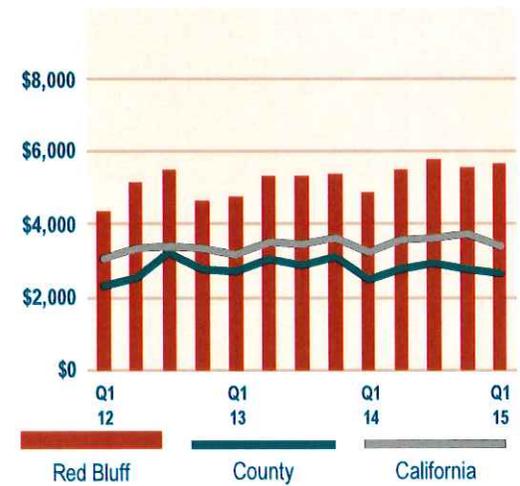
Tax on Jet Fuel

The Federal Aviation Administration has ruled that sales taxes on jet fuel must only be used for airport and aviation programs. The rule applies to taxes levied after 1987 but is unclear as to transactions tax districts, Proposition 172 revenues, or revenues collected by jurisdictions without airports. Clarification will not be available until FAA review and approval of a plan that has to be submitted by the state Department of Finance by December 8, 2015.

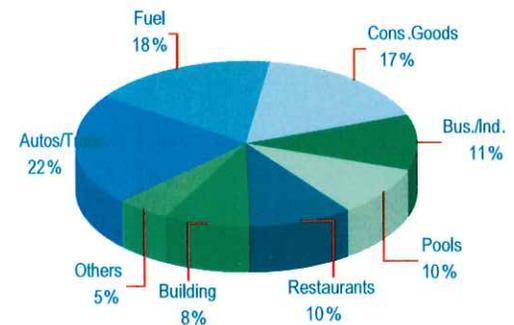
Tax on Marijuana

A pilot study for more effective tracking and collection of sales taxes on medical cannabis is underway in the central and northern California districts. Because current registration policy allows a "decline to state" to avoid self-incrimination, the precise number of cannabis retailers is unknown. BOE findings are expected by November 2015.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Red Bluff This Quarter



RED BLUFF TOP 15 BUSINESS TYPES

Business Type	Red Bluff		County	HdL State
	Q1 '15	Change	Change	Change
Aircraft Sales & Service	\$35,414	na	na	-44.7%
Auto Repair Shops	11,413	19.5%	52.1%	7.2%
Automotive Supply Stores	23,641	8.3%	0.9%	5.3%
Casual Dining	44,608	15.9%	11.1%	6.1%
Discount Dept Stores	— CONFIDENTIAL —	—	10.6%	4.2%
Electrical Equipment	— CONFIDENTIAL —	—	na	-2.3%
Electronics/Appliance Stores	14,174	28.4%	41.5%	-1.0%
Garden/Agricultural Supplies	24,741	19.5%	26.8%	17.4%
Grocery Stores Liquor	— CONFIDENTIAL —	—	3.7%	5.0%
Heavy Industrial	— CONFIDENTIAL —	—	51.0%	11.6%
Lumber/Building Materials	— CONFIDENTIAL —	—	1.6%	-3.1%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	16.4%	11.1%
Quick-Service Restaurants	38,021	6.0%	6.5%	10.5%
Service Stations	151,034	-16.1%	-18.8%	-21.9%
Used Automotive Dealers	12,700	12.0%	8.9%	15.7%
Total All Accounts	\$806,872	16.2%	6.4%	3.6%
County & State Pool Allocation	\$87,011	8.8%	-0.4%	1.1%
Gross Receipts	\$893,883	15.4%	5.7%	3.3%
City/County Share	(89,388)	-15.4%		
Net Receipts	\$804,495	15.4%		