In Brief

Receipts for Poway’s April through June sales were 1.3% higher than the same quarter one year ago.

Higher receipts from car sales were a major factor in the overall gain from the autos and transportation group. Business and industry posted sales increases from multiple categories including, light industrial supplies, electrical equipment, medical/biotech, and heavy industrial supplies; however, the overall results were lifted by payment anomalies.

Receipts from general consumer goods were flattened by losses from sporting goods, family apparel and other categories that largely offset sales increases from specialty stores, home furnishings and novelty stores. Building and construction posted positive results as gains from various categories helped offset the sales decline from contractor supplies.

Double payments that temporarily inflated the comparison quarter, exaggerated the decrease from service stations. Last year’s retroactive payments also boosted the drop from the restaurant group.

Adjusted for aberrations, taxable sales for all of San Diego County increased 5.2% over the comparable time period, while the Southern California region as a whole was up 5.2%.

Sales Tax by Major Business Group

Revenue Comparison

Top 25 Producers

Bay City Electric Works
Chevron
Chevron
Circle K
Costco
Crawford & Company
Delta Design
Exoil
Exxon
Ferguson Waterworks
General Atomics
Aeronautical Systems
Home Depot
Home Goods
Kohls
Mitchell Repair
Mossy Nissan
Perry Ford
Poway Chrysler
Dodge Jeep Ram
Poway Honda
Poway Mitsubishi
Hyundai & Vespa
Poway Toyota/Scion
Stein Mart
Sysco Food Services
Target
Walmart

Point-of-Sale

2011-12 $10,194,689
2012-13 $10,454,304

County Pool

2011-12 1,214,900
2012-13 1,253,385

State Pool

2011-12 7,810
2012-13 4,654

Gross Receipts

2011-12 $11,417,399
2012-13 $11,712,343

Less Triple Flip*

2011-12 $(2,854,350)
2012-13 $(2,928,086)

*Reimbursed from county compensation fund
City of Poway Sales Tax Update

NOTES

State Overall

Adjusted for accounting anomalies, receipts from local governments’ one cent sales and use tax were up 5.4% over the second quarter of 2012. More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155’s expanded definition of nexus for out-of-state companies required to collect California sales and use taxes. Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses. Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year’s comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state’s economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half. Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check. The six year boom in the state’s technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today’s new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated. Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER CAPITA

REVENUE BY BUSINESS GROUP

POWAY TOP 15 BUSINESS TYPES