



**CITY OF OCEANSIDE**  
**SALES TAX NEWSLETTER**  
**Fourth Quarter of Calendar Year 2007**  
**(Second Quarter of Fiscal Year 2007-2008)**

OVERVIEW

This newsletter covers the City's sales tax revenues received for sales occurring from October through December 2007. The State reporting cycle lags three months behind, therefore the December 31<sup>st</sup> quarter data was just remitted to the City and is the most recent data available.

Revenues for the fourth quarter of 2007 increased by 9.8 percent compared to the same quarter last year. While it appears that the Building & Construction category has increased over 42 percent from last year, there was a continued aberration from last year with a business changing their payment schedule. This skews the comparative data from 2006. In addition, another local business paid a one-time use tax this quarter. Backing out these two aberrations, the Building & Construction category has increased a modest 3 percent due to holiday sales.

The Autos & Transportation category has increased almost 15 percent, which reflects a few aberrations due to the payment of a prior quarter tax, along with a one-time use tax, paid by local businesses. Sales in this category remain sluggish as consumers defer large-ticket purchases.

Fuel & Service Stations reflect an increase of over 18 percent due to the high gasoline prices. This is an area to watch as higher prices could translate into less fuel purchases.

Restaurants & Hotels show a positive increase of 10 percent due to the addition of new businesses.

At this time, we are on target with the sales tax revenue projections for Fiscal Year 2007-2008, and are closely monitoring them for the remainder of the year.

Sales tax revenues comprise approximately 17 percent of general fund revenues. Future budget projections are taking a conservative, "flat" approach based on the economy. While the local consumer confidence is at an all-time low based on bad news in the housing and jobs market, coupled with gas prices hitting record highs, Oceanside's general economic outlook for the remainder of the fiscal year is cautious.

**Adjusted Sales Tax Receipts by Type**

Major Industry Groups	4 <sup>th</sup> Qtr 07	4 <sup>th</sup> Qtr 06	% Change
General Consumer Goods	\$1,488,994	\$1,525,659	-2.40%
Restaurants & Hotels	\$530,671	\$480,743	10.39%
Building & Construction	\$498,275	\$350,503	42.16%
Fuel & Service Stations	\$495,654	\$417,907	18.60%
Autos & Transportation	\$488,839	\$425,409	14.91%
Business & Industry	\$462,155	\$388,803	18.87%
Food & Drugs	\$355,109	\$345,492	2.78%
<b>Total</b>	<b>\$4,319,697</b>	<b>\$3,934,516</b>	<b>9.79%</b>

ATTACHMENTS

- Sales Tax Update prepared by The HdL Companies which highlights key trends and sales tax issues.
- Major Industry Groups (13 quarter history) – this graph is helpful in identifying cyclical trends especially in the General Consumer Goods category
- Sales Per Capita (13 quarter history) – this graph reflects the cyclical trends of the City compared to other cities in San Diego County. In spite of the revenue decline, Oceanside's per capita sales remains fairly stable.

FOR MORE INFORMATION

If you require additional information about the City's retail base, or have questions about this newsletter, please contact the finance department at (760) 435-3890.

# Q4 2007



# City of Oceanside Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2007)

## Oceanside In Brief

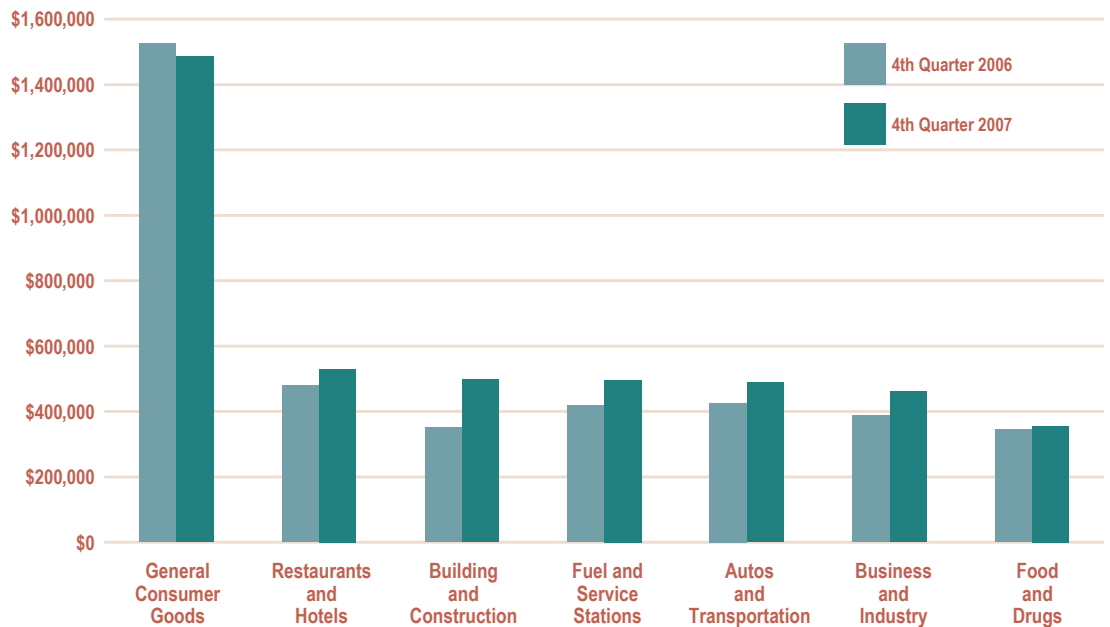
The allocation from Oceanside's October through December sales tax was 11.6% higher than the same quarter one year ago. When reporting aberrations are factored out, sales activity was 5.9% more than a year ago.

Higher fuel prices plus increased sales from restaurants with no alcohol, new auto dealers, grocery with liquor, electronics/appliance stores, specialty stores, electrical equipment and restaurants with beer and wine were partially responsible for the increase. Recent additions helped boost revenues from restaurants with liquor, family apparel and light industrial/printers. Comparisons of lumber/building materials and contractors were temporarily inflated by onetime accounting adjustments.

The gains were offset by decreased sales from department stores, discount department stores and sporting goods/bike stores.

Adjusted for reporting aberrations, taxable sales for all of San Diego County decreased 3.6% over the comparable time period while Southern California as a whole was down 3.0%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Albertsons	North San Diego
Best Buy	County Transit
Chevron	Development
Exxon	One Source
Hanson Aggregates	Distributors
Home Depot	Ralphs
K Mart	San Luis Rey
Kohls	Service Station
Lowe's	Superior Ready Mix
Melrose Arco	Concrete
Mervyn's	Target
Mission AM PM	Toys R Us
Mission Equipment & Lifts	Veridiam Allied
Moshen Oil	Swiss
Mossy Nissan	Vons
	Wal Mart

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2006-07	2007-08
<b>Point-of-Sale</b>	\$12,264,952	\$12,233,620
<b>County Pool</b>	1,338,072	1,414,410
<b>State Pool</b>	18,099	5,814
<b>Gross Receipts</b>	<b>\$13,621,123</b>	<b>\$13,653,845</b>
<b>Less Triple Flip*</b>	<b>\$(3,405,281)</b>	<b>\$(3,413,461)</b>

\*Reimbursed from county compensation fund

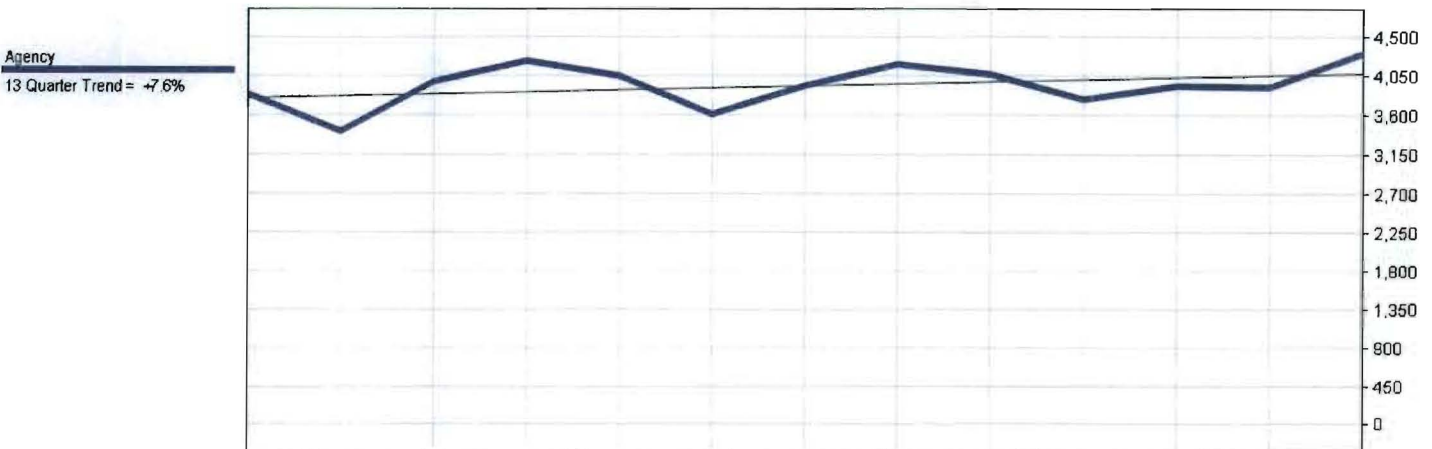
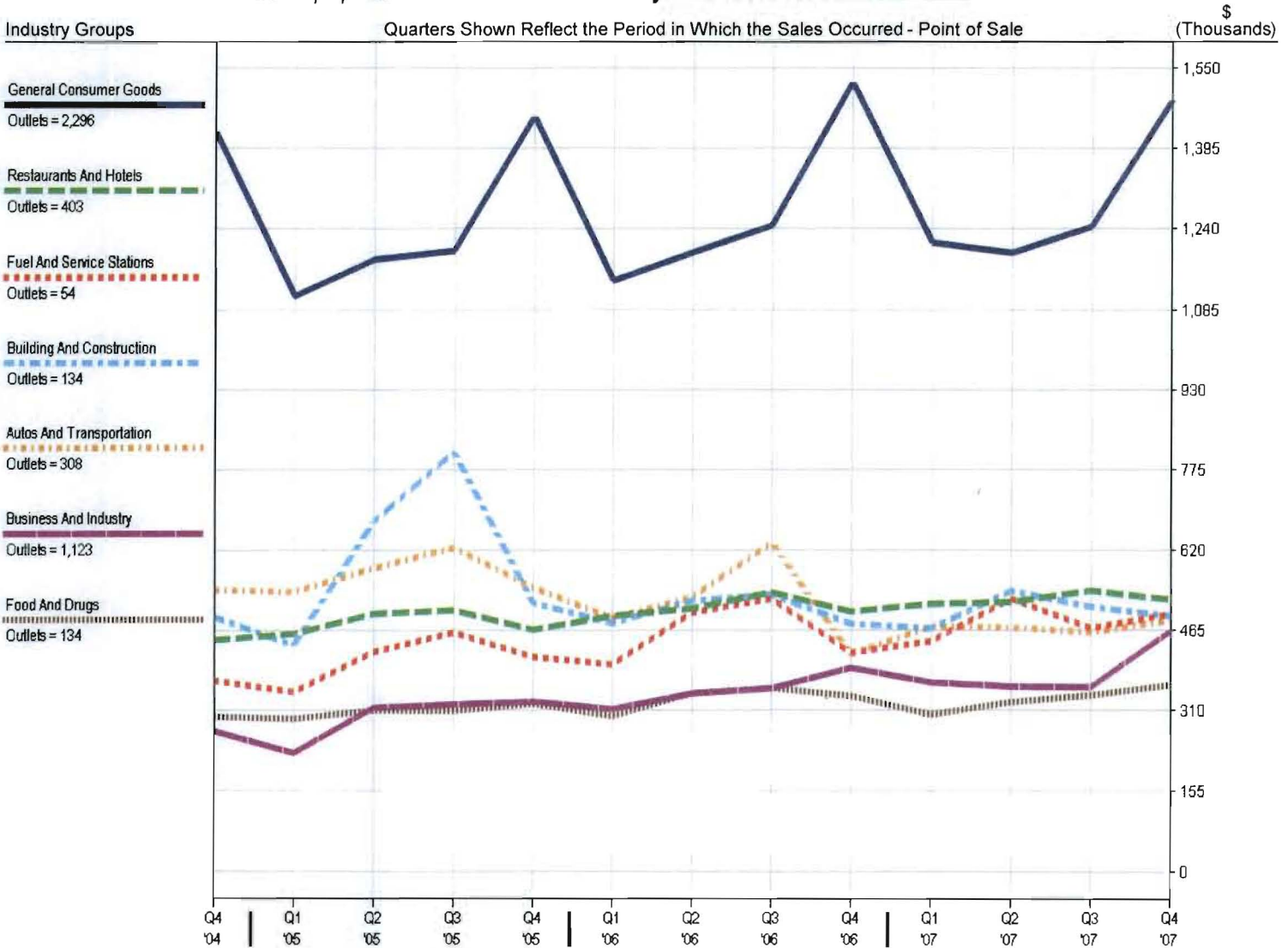




# CITY OF OCEANSIDE MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated

Chart Description: This chart compares sales tax for the Major Industry Groups. The prior 12 quarters are shown graphically for historical reference purposes. **Allocations have been adjusted to reflect economic data.**





# CITY OF OCEANSIDE ALL BUSINESS TYPES - 13 QUARTER HISTORY

Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated

Chart Description: This chart compares **per capita** sales to that of 6 other jurisdictions. The prior 12 quarters are shown graphically for historical reference purposes. **Allocations have been adjusted to reflect economic data.**

