



For Immediate Release
April 22, 2008

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Michelle Steel Releases 1st Quarter 2007 Taxable Sales

Michelle Steel, Third District Member of the Board of Equalization, today released figures indicating sales in California went up modestly in the first quarter of 2007, reflecting a continuation of slower overall economic growth that started in late 2006.

Taxable sales totaled \$132.8 billion in the first quarter of 2007, up \$4.0 billion (3.1%) from the first quarter of 2006. Growth was somewhat stronger than that of the fourth quarter of 2006, when taxable sales rose 2.1 percent.

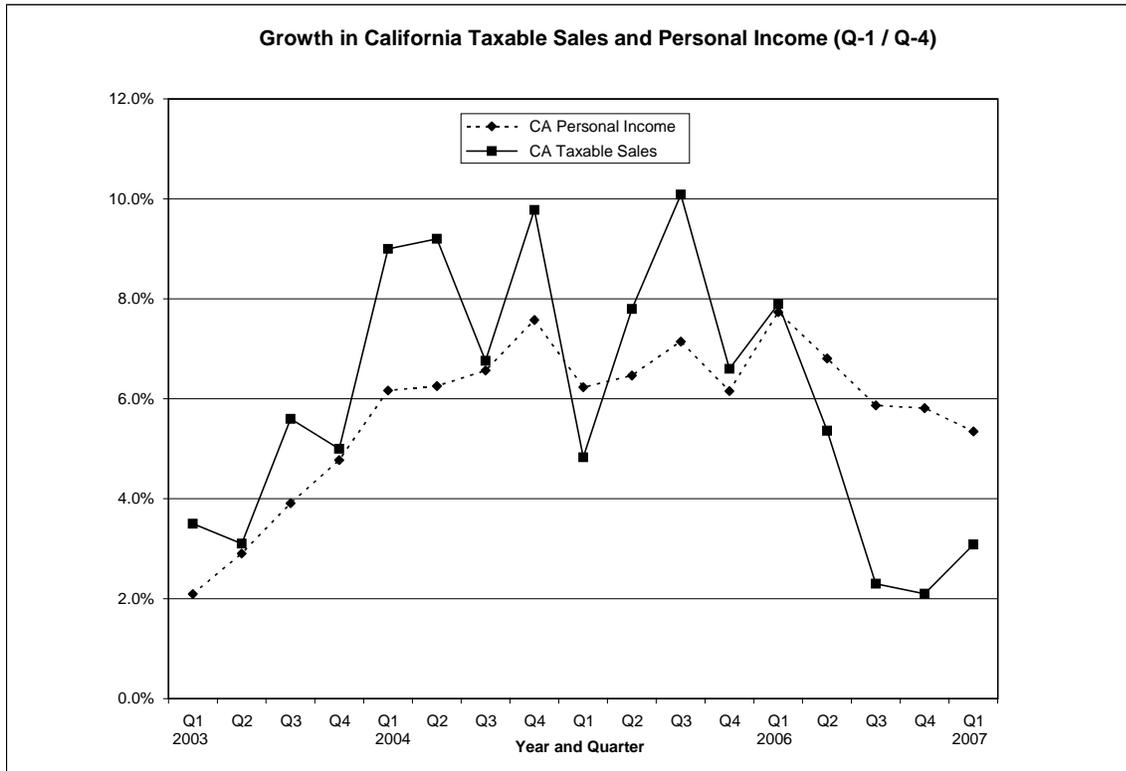
Taxable sales rose 3.8 percent in Orange County, faster than the statewide average. Taxable sales in the Inland Empire increased 1.3 percent. Irvine was one of the fastest growing large cities in California, with an increase in taxable sales of 5.1 percent. Taxable sales in the city of San Diego increased 1.1 percent. Cities with double digit growth rates include La Quinta, Chula Vista, and Newport Beach.

In constant dollar terms, taxable sales increased by 2.3 percent over the same quarter a year ago. The California Taxable Sales Deflator measured an inflation rate of 0.8 percent for the first quarter of 2007. The California CPI rose 3.4 percent. (The CPI includes services, whose prices tend to increase faster than those of most taxable goods.)

Taxable sales rose much more slowly than personal income, continuing a pattern evident since early 2006. California personal income increased 5.3 percent in the first quarter (*Editor's note: See chart and links to tables on 2nd page*).

The slower growth in taxable sales may have reflected the state's declines in median home prices from double-digit year-over-year growth. California median home prices of existing single-family detached homes increased just 2.7 percent in the first quarter of 2007, down from 13.4 percent growth in the first quarter of 2006.

Notice: In early 2007, the Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. Over one million permit holders will be converted over time from the previous business coding system to the NAICS codes. As a result of the coding change process, industry data for 2007 are not comparable with data from 2006. Therefore, we will not publish percentage changes by industry until the coding process has been substantially completed. The NAICS coding process has also caused us to change the format of Table 1 attached to this release. We will continue to follow the general structure of our tables in past reports. However, some industries were previously listed within categories that no longer exist, and others have been combined into new ones.



On the BOE’s website: View 1st Quarter 2007 Taxable Sales by [Type of Business](#), by [County](#), by [City](#), or in the [Taxable Sales in California Report](#)

Elected to the Board of Equalization in 2006, Michelle Steel serves as the country’s highest ranking Korean-American elected official. She represents the more than 8.5 million taxpayers of the Third Board of Equalization District, including the counties of Los Angeles, Orange, San Diego, Riverside, Imperial and San Bernardino.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes.

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