



State Board of Equalization

# News Release

**Chairwoman Betty T. Yee**

**1<sup>st</sup> District – San Francisco**

Ramon J. Hirsig  
Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

**For Immediate Release**  
**April 6, 2008**

**Contact:** NR 31-09-Y  
**Anita Gore**  
**916-327-8988**

## **Betty T. Yee: California's 1<sup>st</sup> Quarter 2008 Taxable Sales Declined 3.7%**

*Taxable Sales in the San Francisco Bay Area Decreased 1.9%; City of San Francisco rose 4.8%*

Betty T. Yee, Chairwoman of the Board of Equalization (BOE), announced today that taxable sales in California decreased 3.7 percent in the first quarter of 2008, reflecting the beginning quarter of a national recession.

Taxable sales totaled \$127.9 billion in the first quarter of 2008, down \$4.9 billion from the first quarter of 2007.

This is the third consecutive quarter of declines in taxable sales. Taxable sales have not fallen in three consecutive quarters since 2002. Income growth continued to be much stronger than taxable sales, a trend seen since early 2007.

*Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the first quarter of 2008.*

In the nine-county San Francisco Bay Area, first quarter 2008 taxable sales decreased 1.9 percent, a slightly better performance than the 3.7 percent decline for California as a whole. Taxable sales rose 4.8 percent in the City of San Francisco, the only city of the ten most populous cities in California to have an increase in the first quarter of 2008. Other Bay Area cities had taxable sales growth in the first quarter of 2008, including increases of 9.4 percent in Richmond, 4.8 percent in Menlo Park, and 2.5 percent in Berkeley.

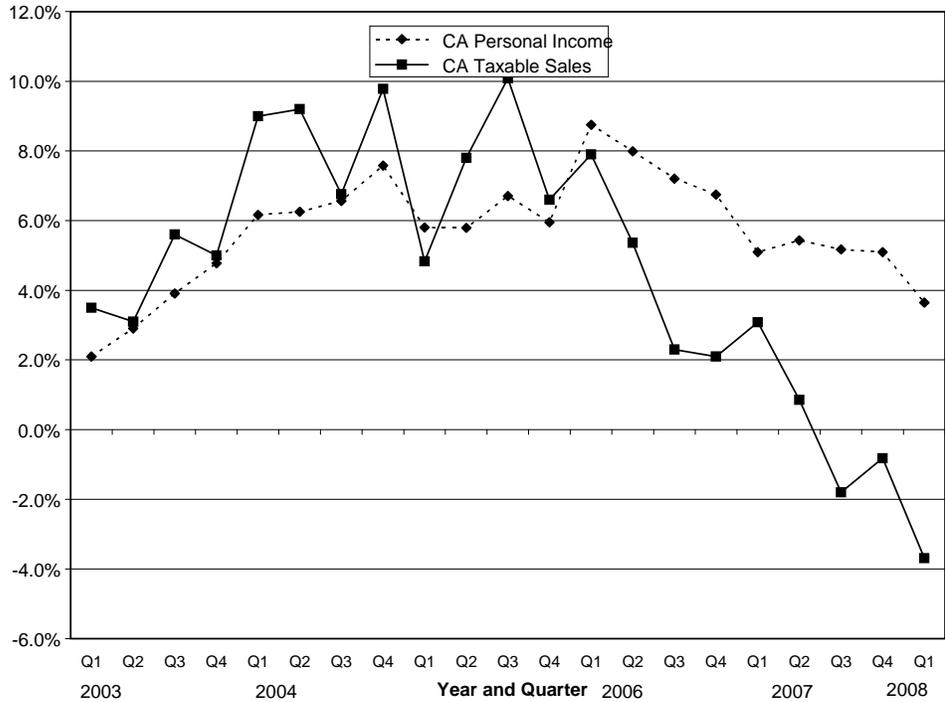
In constant dollar terms, taxable sales decreased by 6.3 percent over the same quarter a year ago. The California Taxable Sales Deflator measured an inflation rate of 2.8 percent for the first quarter of 2008. In contrast, the California CPI rose 3.2 percent. (The CPI includes services, whose prices tend to increase faster than those of most taxable goods.) Constant-dollar taxable sales have not declined as much since 1991.

*Taxable Sales in California* is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the first quarter of 2008 and can be viewed on the BOE website at: [www.boe.ca.gov/news/tsalescont.htm](http://www.boe.ca.gov/news/tsalescont.htm).

Taxable Sales in California First Quarter 2008: [www.boe.ca.gov/news/tsalescont08.htm](http://www.boe.ca.gov/news/tsalescont08.htm)

**Notice:** In early 2007 the California State Board of Equalization (BOE) 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 and 2008 are not comparable. Therefore, the BOE will not publish percentage changes by industry until the coding process has been substantially completed.

### Growth in California Taxable Sales and Personal Income (1Q03 to 1Q08)



Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California’s coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

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.

###