



State Board of Equalization

News Release

Barbara Alby, Acting Member

2nd District – Sacramento

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www.boe.ca.gov

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California Taxable Sales Declined 15% in 3Q09

Year-Over-Year Decline in Quarterly Taxable Sales Continues for Ninth Consecutive Quarter

Barbara Alby, Acting Member of the State Board of Equalization (BOE), announced today that taxable sales in California declined 15 percent in the third quarter of 2009 when compared to the same quarter of the previous year.

Taxable sales in California totaled \$115.5 billion during the third quarter of 2009, a drop of \$20.4 billion (or 15 percent) from the third quarter of 2008. The year-over-year decline in quarterly taxable sales continued for the ninth consecutive quarter. However, the decline was not as steep as the previous quarter, when taxable sales dropped 19 percent on a year-over-year basis.

Third quarter taxable sales in the Sacramento area fell by 14.8 percent, slightly better than the state as a whole. The San Joaquin Valley region declined by 18.6 percent, slightly better than last quarter, while smaller municipalities showed an increase for the period, with Alpine County up 4.3 percent, and the City of Tehama up 48 percent. The District's larger cities continued to post declines, with Sacramento declining 14.9 percent, and Fresno down 15.3 percent.

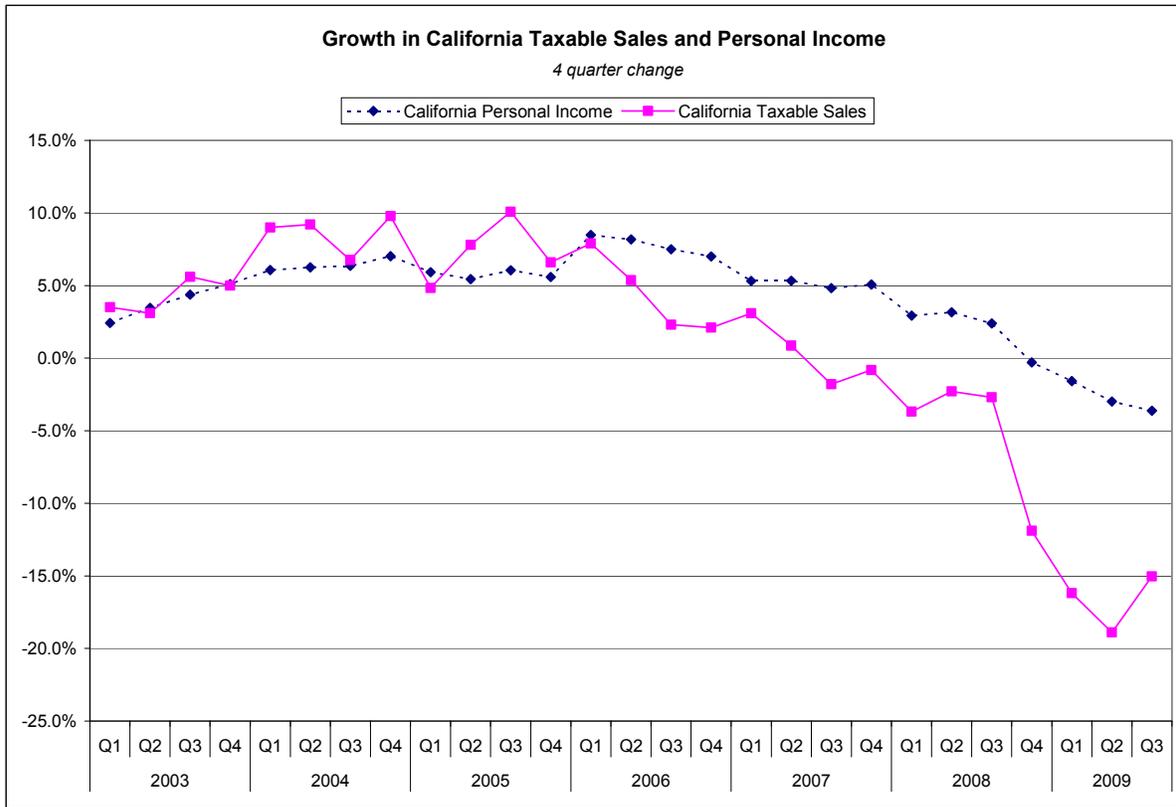
In constant dollar terms, taxable sales decreased by 11.7 percent over the same quarter a year ago. The California Taxable Sales Deflator declined by 3.8 percent for the third quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.0 percent.

View all Taxable Sales in California for the Third Quarter of 2009 here: www.boe.ca.gov/news/tsalescont09.htm

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 third quarter of 2009, and can be viewed on the BOE website at: www.boe.ca.gov/news/tsalescont.htm.

Note: In early 2007, the California State 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. This process is now complete; over one million permit holders were converted from the previous business coding system to the NAICS codes. Beginning in 2009, our reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years. Therefore, we will not publish year-over year percentage changes by industry until 2010.

Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the third quarter of 2009.



Barbara Alby, of Folsom, is the author of California's Megan's Law, alerting communities when sexual predators move into their neighborhood. She became Acting Board Member for the Second Equalization District in March, 2010. Prior to becoming Acting Member, she served as the Chief Deputy to Second District Board Member Bill Leonard. She also served in the State Assembly from 1993 to 1998, representing the Sacramento area.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 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. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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