



Vice Chairperson Jerome E. Horton

4th District – Los Angeles

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California Taxable Sales Declined 15% in 3Q09

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

Jerome E. Horton, Vice Chairperson of the California State Board of Equalization (BOE), today announced 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 third quarter decline was not as steep as the second quarter 2009, when taxable sales dropped 19 percent compared to the second quarter 2008.

Taxable sales for Los Angeles County declined 15.4 percent in the third quarter of 2009, about the same as the statewide decline (-15%).

Los Angeles, the state's largest city, posted a third quarter 2009 decline of 15.9 percent (not as steep as the second quarter 2009 decline of 19.2 percent), while in the City of Long Beach (the state's sixth largest city), taxable sales declined by only 2.6 percent in the third quarter 2009.

Taxable sales for all of Southern California declined 14.8 percent for the third quarter 2009, a slight improvement compared to the second quarter 2009's decline of 19.4% in the Southern California region.

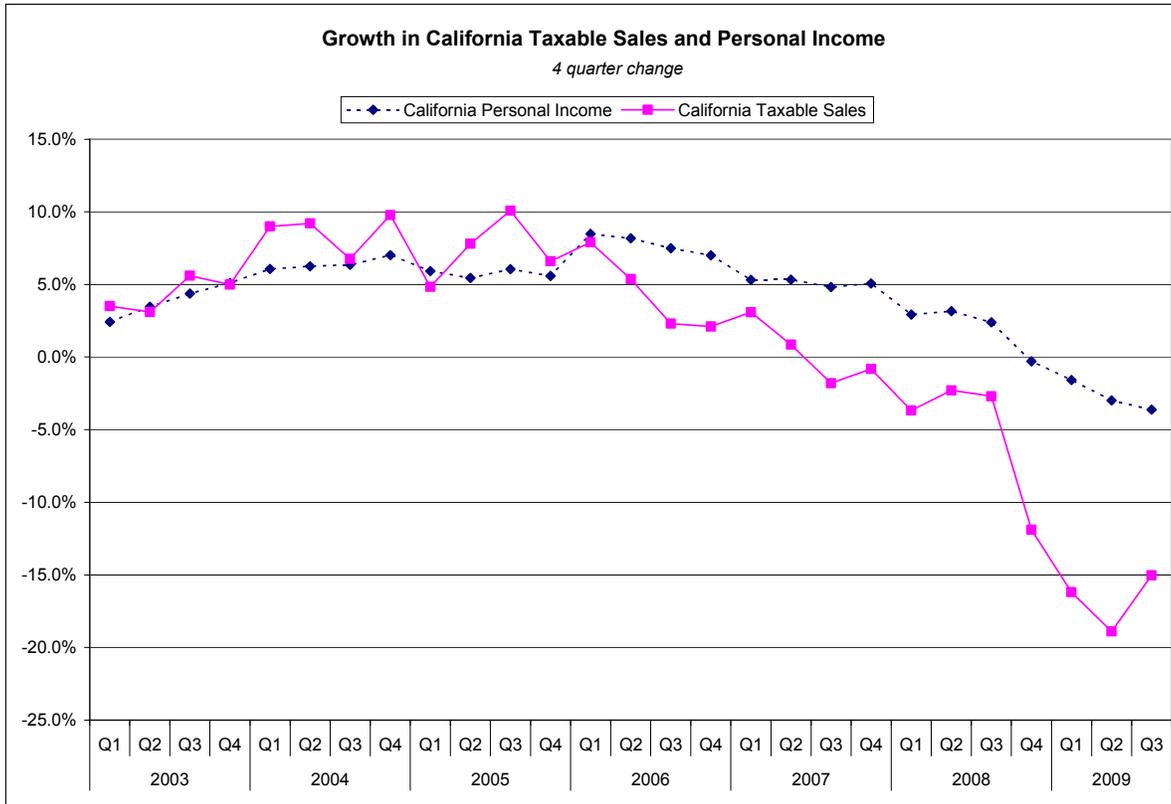
In constant dollar terms, taxable sales decreased by 11.7 percent over the same quarter a year ago. The California Taxable Sales Deflator declined by 3.8 percent for the third quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.0 percent. To view all Taxable Sales in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



Vice Chairperson Jerome E. Horton is the 4th District Member of the BOE, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chairperson. Horton is the first African American to serve on the BOE since its inception in 1879, and the third African American constitutional officer in California's history. Horton was appointed by the Governor and confirmed by both the Assembly and the Senate in 2009. Horton previously served as an Assembly member from 2000-2006.

The five-member California State Board of Equalization 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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