

**For Immediate Release**  
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## **Board of Equalization Sends Locals Expected Sales Tax Allocations**

*First quarterly allocation in a year without additional reduction*

The California State Board of Equalization today announced that for the first time since the fourth quarter of 2008, no secondary broad-scale adjustments will be made to sales tax allocations to local jurisdictions.

While economic conditions continue to cause a decline in taxable sales activity and sales tax revenues as compared to prior like periods, the allocations' initial downward adjustment, based on earlier Department of Finance negative growth projections and an analysis of cash receipts, is the only adjustment necessary at this time.

For the past four quarters, payments to many local taxing jurisdictions were reduced beyond projected negative growth factors due to the unprecedented drop-off in taxable sales due to the recession.

The February 2010 advance payments will not be further adjusted for the following reasons:

- The statewide cash receipts for fourth quarter 2009 were down 3.5%
- The return payments for the top 100 accounts were found to be down approximately 7.0%
- A growth factor of -5.0% had already been applied in calculating advances for the fourth quarter 2009

BOE makes monthly allocations to 768 local jurisdictions based on a formula that includes historical allocations, growth factor adjustments to the base, fund transfers and audits, and actual cash receipts. Broad scale downward monthly allocation adjustments were made in February, May, August, and November of 2009. In addition to the many local jurisdictions whose payments were reduced, some jurisdictions received no allocation at all in those months.

The 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. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

Schedule of February 2010 Payments: <http://www.boe.ca.gov/news/pdf/Jurisdiction%20with%20no%20adj's.xls>  
Sample Letter: <http://www.boe.ca.gov/news/pdf/No%20Adjustment%20to%20Feb%20%202010%20warrant.pdf>  
November 2009 Press Release: <http://www.boe.ca.gov/news/2009/120-09-G.pdf>  
August 2009 Press Release: <http://www.boe.ca.gov/news/2009/71-09-G.pdf>  
May 2009 Press Release: <http://www.boe.ca.gov/news/2009/44-09-G.pdf>

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