State Board of Equalization
News Release
Vice Chairperson Jerome E. Horton
4th District – Los Angeles

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Executive Director
www.boe.ca.gov

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California Taxable Sales Declined 19% in 2Q09

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

Jerome E. Horton, Vice Chairperson of the California State Board of Equalization (BOE), announced today that taxable sales in California decreased 19 percent in the second quarter of 2009 when compared to the same quarter the previous year.

Taxable sales in California continued their unprecedented decline, totaling only $113.4 billion during the second quarter of 2009, a drop of $26.6 billion from the second quarter of 2008. The year-over-year decline in quarterly taxable sales continued for the eighth consecutive quarter.

Taxable sales in the Fourth Equalization District in Los Angeles County declined 19.5 percent from the second quarter a year ago, about the same performance as the state a whole, which declined 19.0 percent.

The state's largest city, Los Angeles posted a second quarter decline of 19.2 percent, while taxable sales in Long Beach, the state's sixth largest city, declined by 16.6 percent.

For the all of Southern California, taxable sales declined 19.4 percent from the second quarter a year ago, worse that the first quarter decline of 16.3 percent.

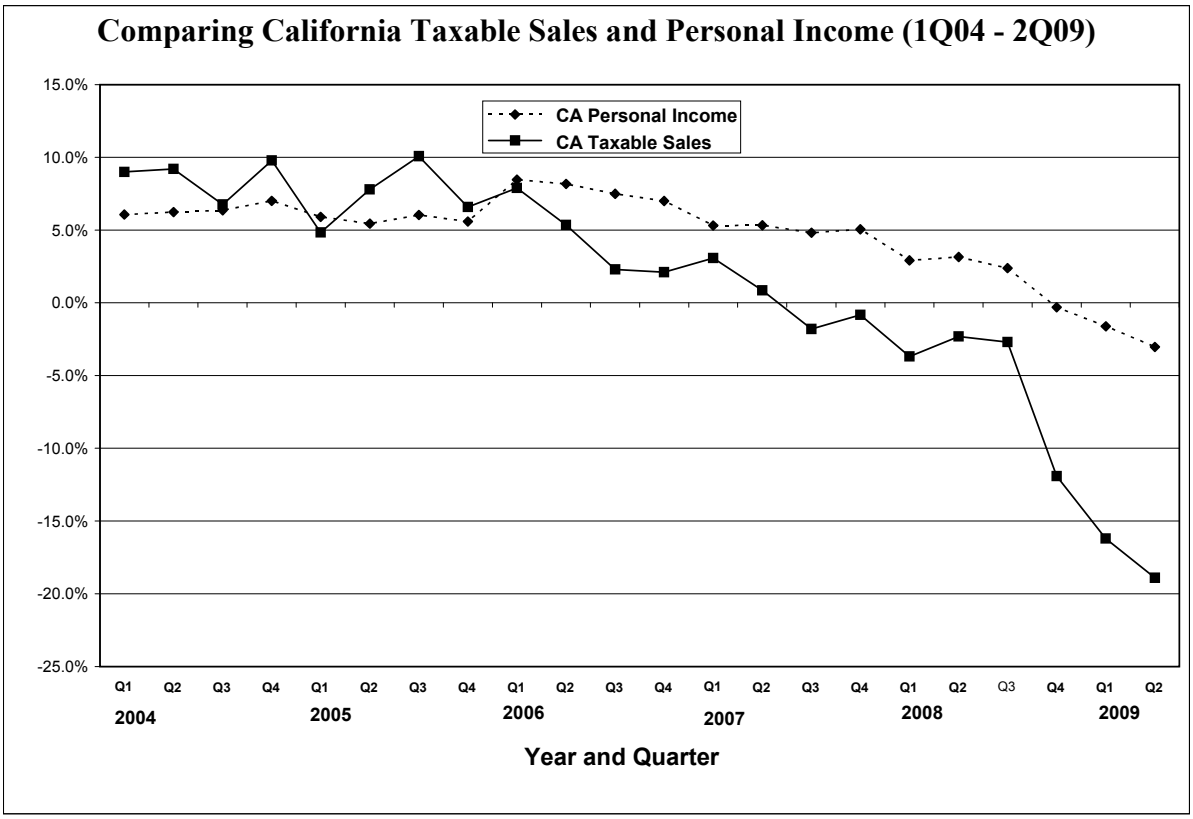
In constant dollar terms, taxable sales decreased by 15.5 percent over the same quarter a year ago. The California Taxable Sales Deflator measured an inflation rate of -4.1 percent for the second quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.1 percent.

Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2004 through the second quarter of 2009.

View all Taxable Sales in California for the Second 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 second 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 sale ands 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.



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 chair. 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 (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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