



State Board of Equalization

# News Release

**George Runner, Member**

**2<sup>nd</sup> District – Lancaster**

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## **California Statewide Taxable Sales Estimate Up 9% in Second Quarter 2011** *Statewide Taxable Sales Rose 4.6% in Second Quarter 2010*

George Runner, Second District Member of the California State Board of Equalization (BOE), today announced that new BOE data indicate a continued recovery in taxable sales.

BOE's estimate of statewide taxable sales for the second quarter of 2011, based on cash receipts, shows that taxable sales are estimated to have risen 9 percent in the second quarter of 2011 over the same period a year earlier.

"This report is encouraging news, said Senator Runner. "Stronger retail sales could help give California employers greater confidence to hire more workers. Even so, the Governor and Legislature should be doing a whole lot more to spur private sector job creation in our state."

The BOE also released the taxable sales report for second quarter 2010 showing taxable sales rose faster than personal income for the first time since 2005. California taxable sales totaled \$118.5 billion in the second quarter of 2010, up \$5.2 billion, a 4.6 percent increase from the same quarter the previous year.

The second quarter 2010 report shows regionally that many counties in the Second Equalization District showed increases in taxable sales: Sierra (+25.3%), Tulare (+8.8%), Mariposa (+5.9%), Kern (+5.3%), Shasta (+5.2%), San Joaquin (+4.5%), San Bernardino (+4.2%), Los Angeles (+3.6%), Butte (+3.6%), Ventura (+3.5%), Placer (+3.3%), Madera (+3.3%), Stanislaus (+3.1%), Santa Barbara (+2.9%), Merced (+2.7%), Nevada (+2.6%), Calaveras (+2.6%), Yuba (+2.5%), Amador (+2.2%), El Dorado (+2.0%), Inyo (+1.8%), Sacramento (+1.1%), Tehama (+0.8%),

The second quarter 2010 report shows, conversely, that taxable sales declined in some counties: Lassen (-11.1%), Plumas (-10.9%), Modoc (-10.7%), Alpine (-6.4%), Kings (-3.8%), Mono (-2.1%), Sutter (-2.1%), Tuolumne (-2.1%), Siskiyou (-1.2%), Glenn (-0.8%), and Fresno (-0.2%).

Second quarter 2010 taxable sales in some of the cities in the Second Equalization District varied widely, for example, Fresno was unchanged from a year ago and Sacramento declined by 1.5 percent (the only major city in the state to post a decline).

In constant dollar terms, California statewide taxable sales increased 2.5 percent from the same quarter the previous year. The California Taxable Sales Deflator, which measures the rate of change of all taxable sales in the state, was up 2.0 percent. In comparison, the California Consumer Price Index, which measures the rate of change of common consumer goods, was up 1.8 percent.

California gasoline station sales in the second quarter of 2010 increased 15.5 percent, the largest gain of any major category. Most of this growth is attributable to an increase in the price of gasoline. The average price of gasoline at the pump increased 19.4 percent during the second quarter of 2010, while gasoline consumption for the same period increased only 0.9 percent.

Second quarter 2010 taxable sales by California motor vehicle and parts dealers increased 13.3 percent. Most of that gain is attributable to both new car dealers that increased 16.6 percent and used car dealers that increased 11.4 percent. Other motor vehicle dealer sales that include RVs, motorcycles, boats, and aircraft, decreased by 2.2 percent, this might possibly be due to Californians having less “disposable income” in the second quarter of 2010.

Taxable sales made by electronic and appliance store sales did well during the second quarter of 2010, growing 7.9 percent from a year ago, with most of that increase due to sales from computer and software stores, which grew at 13.4 percent during the second quarter of 2010 in California.

The second quarter of 2010 taxable sales report shows that sales from “all other outlets” (comprised primarily of manufacturing and wholesale businesses in California) grew at a sluggish 2.9 percent, buoyed by wholesale trade that grew 5.8 percent, and manufacturing that had 8.3 percent growth. Growth in this period was constrained mainly by real estate and rental leasing (that declined 1.6 percent) and construction (declining 0.7 percent).

Furniture and home furnishings stores showed a modest growth in sales over the same quarter a year ago at 4.3 percent, mostly due to furniture store sales growing 6.7 percent, while the home furnishings segment grew only 0.8 percent in California during the second quarter of 2011.

General merchandise store sales, which represent the largest non-durable retail category, showed virtually no growth for the second quarter of 2010.

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.

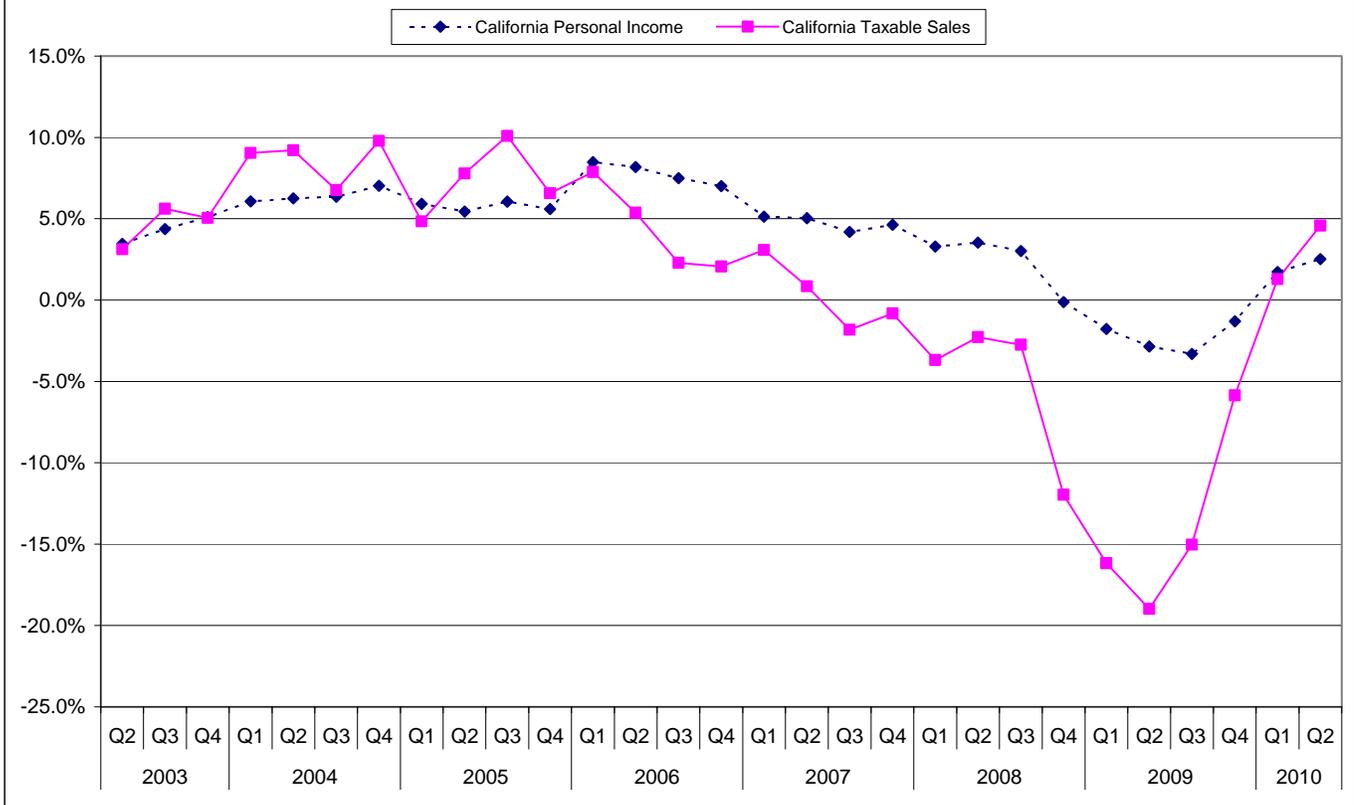
To view all taxable sales in California, visit [www.boe.ca.gov/news/tsalescont.htm](http://www.boe.ca.gov/news/tsalescont.htm).

To view the second quarter of 2010 taxable sales in California, visit [www.boe.ca.gov/news/tsalescont10.htm](http://www.boe.ca.gov/news/tsalescont10.htm).

***Editor’s Note: The chart below compares Growth in California Taxable Sales and Personal Income.***

## Growth in California Taxable Sales and Personal Income

*Four-Quarter Change*



Elected in November 2010, taxpayer advocate George Runner represents the Second District of the Board of Equalization. Runner was sworn in as Second District Board Member on January 3, 2011. Prior to his election to the Board, Runner served twelve years in the State Legislature. As a thoughtful conservative, his legislative priorities included improving the economy, business growth, education excellence, and public safety for all Californians. As a member of the Senate Revenue and Taxation Committee, Runner consistently led the fight against tax increases and supported tax relief for families and businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$50 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).

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