



State Board of Equalization

News Release

George Runner, Member

2nd District – Lancaster

Kristine Cazadd
Interim Executive Director
www.boe.ca.gov

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Contact: NR 7-11-R
Anita Gore
916-327-8988

California Taxable Sales Declined 5.9% in 4Q09

10th Consecutive Quarter Decline for Taxable Sales in California

George Runner, Second District Member of the California State Board of Equalization (BOE), announced today that taxable sales in California declined 5.9 percent in the fourth quarter of 2009, when compared to the same quarter of the previous year.

"These numbers remind us that many Californians are still struggling and without jobs," said Senator Runner. "The best way to generate more revenues for the state isn't by raising taxes but by helping the private sector get back on its feet."

Taxable sales in California declined for the 10th consecutive quarter; however, the decline is less steep than during the depths of the recent recession. Fourth quarter 2009 taxable sales totaled \$120.4 billion, \$7.5 billion less than the fourth quarter of 2008 (a decline of 5.9 percent). However, the decline was not as steep as the previous quarter, when taxable sales dropped 15 percent on a year-over-year basis.

Overall, 51 counties in California showed a decline in year-to-year taxable sales, while seven counties had increases. Both the Southern California counties and those in the San Francisco Bay Area fared slightly better than the statewide total, as each region declined by 5.6 percent on a year-over-year basis. Conversely, the decline in Central Valley counties exceeded the statewide total. For instance, taxable sales in San Joaquin Valley counties declined by 8.2 percent, while those in the Sacramento Area declined by 6.1 percent, with the City of Fresno, the state's fifth largest city, showing a decrease of 5.4 percent.

Taxable sales in most of the counties in the Second Equalization District declined in the fourth quarter of 2009 on a year-over-year basis, including the following counties: Sierra (-32.5%), Mono (-20.9%), Plumas (-17.6%), Kern (-14.4%), Kings (-12.8%), Siskiyou (-12.5%), Tuolumne (-10.3%), Lassen (-10%), Modoc (-8.9%), Yuba (-8.7%), Madera (-8.6%), Calaveras (-8.1%), San Joaquin (-8.0%), Tehama (-7.7%), Fresno County (-7.0%), Los Angeles County (-6.7%), Glenn (-6.6%), Sacramento County (-6.4%), Nevada (-6.0%), Amador (-5.8%), Stanislaus (-5.3%), Ventura (-4.9%), Butte (-4.8%), Santa Barbara (-4.7%), El Dorado (-4.4%), San Bernardino (-4.2%), Merced County (-3.9%), Placer (-2.6%), and Sutter (-1.0%).

Conversely, taxable sales in Shasta County increased 1.6 percent, Mariposa County increased 1.2 percent, Inyo County increased 0.7 percent, Alpine County increased 0.4 percent, and Tulare County was up 0.3 percent.

In constant dollar terms, taxable sales decreased by 7.5 percent over the same quarter a year ago. The California Taxable Sales Deflator increased by 1.7 percent for the fourth quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.2 percent.

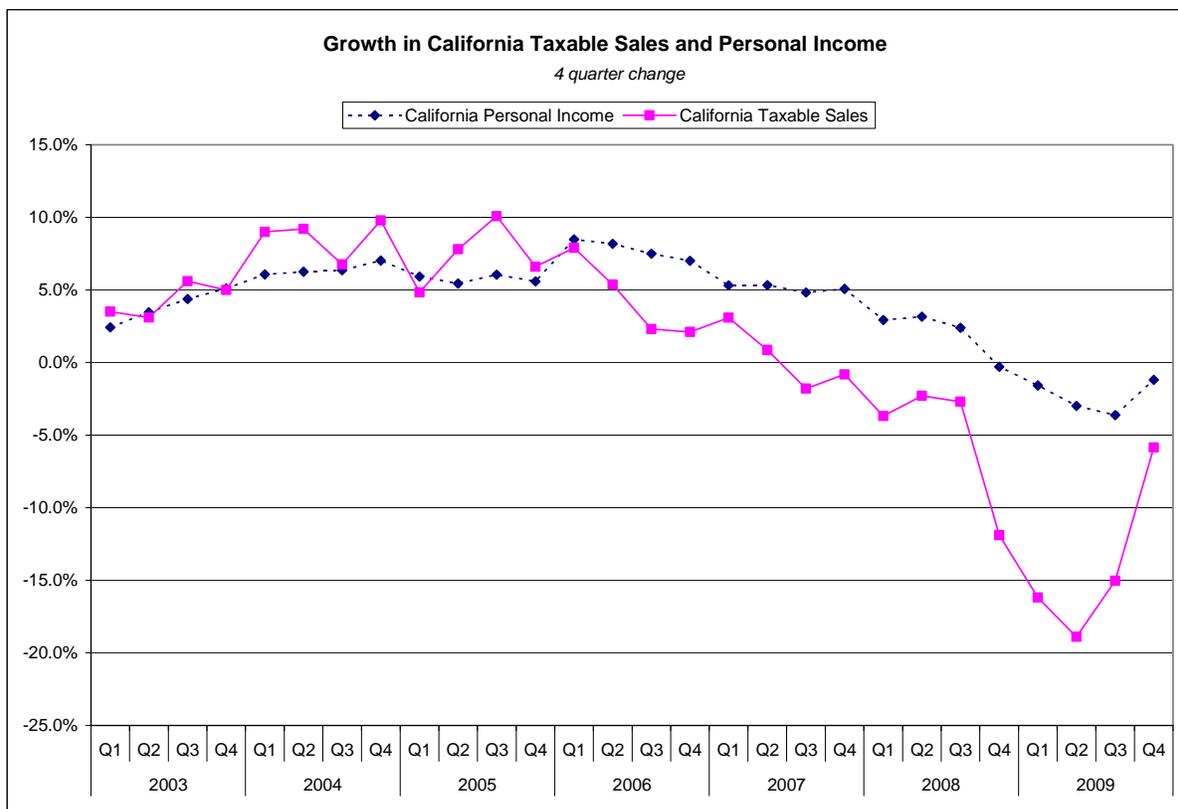
Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the fourth quarter of 2009 and can be viewed on the BOE website at:

www.boe.ca.gov/news/tsalescont.htm.

View all Taxable Sales in California for the fourth Quarter of 2009 here:

www.boe.ca.gov/news/tsalescont09.htm

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



Notice: In early 2007, the Board of Equalization began a process of converting business codes of sale 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.

Elected in November 2010, taxpayer advocate George Runner represents the 2nd 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 family preservation 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 \$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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