



## STATE BOARD OF EQUALIZATION

LOCAL REVENUE ALLOCATION SECTION  
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August 25, 2010

Finance Officer  
 City of "City Name"  
 Street Address  
 City, CA Zip Code

**Sent via facsimile and US Mail**

Dear Finance Officer:

No Warrant - Tax Area Code: #####  
Advance # 3 Second Quarter 2010

This letter is to inform you that your jurisdiction will **not** be receiving a Sales and Use Tax warrant for the month of August 2010.

When advances for the Second Quarter 2010 were finalized in June, 2010, we applied a flat growth factor since the cash receipts for the first sales and use tax prepayments for Second Quarter 2010 revealed a decline (statewide) in revenues. A subsequent review of the cash receipts for all of Second Quarter 2010 disclosed (statewide) that there was an overall decline in sales and use tax collections of approximately 10.4%.

Based on this information, the Local Revenue Allocation Unit reviewed the local tax allocations for the First Quarter of 2010, on a jurisdiction by jurisdiction basis. If the First Quarter 2010 receipts for a given jurisdiction were down more than 10% when compared to the like quarter, a comparison was made between the returns filed for the Second Quarter of 2009 and the Second Quarter of 2010. LRAU's in depth review of Second Quarter 2010 against Second Quarter 2009 revenues disclosed significant revenue declines that further supported the need to cancel your jurisdiction's August 2010 advance.

We have enclosed a schedule that details the sales and use tax accounts identified during our review of the Second Quarter 2010 returns that influenced our decision to cancel your jurisdictions August 2010 advance. We believe this action was necessary to avoid over advancing tax dollars to the point that future payments to your jurisdiction as well as those of your neighboring jurisdictions, would not be impacted. If you have any questions about the information contained in this letter, please contact Sonia Calistro at (916) 327-7133 or by email at EWGroup@boe.ca.gov.

Sincerely,

L. D. Micheli,  
 Supervisor  
 Local Revenue Allocation Unit

