

For Immediate Release
November 24, 2010

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Local Sales Tax Allocations Remain Mostly Flat

November sales tax allocations to local governments statewide will remain mostly flat compared to those made a year ago, the California State Board of Equalization announced today.

For November 2010 allocations, 13 jurisdictions will receive an increase, 42 will receive a negative adjustment, 678 will remain flat, and 35 will receive no allocation (see attached matrix).

BOE makes monthly allocations to 768 local jurisdictions based on a formula that includes historical allocations, growth factor adjustments to the base, transfers and audits, and actual cash receipts.

Initial statewide cash receipts from taxable transactions in the third quarter of 2010 indicated a decline of approximately 9.3 percent. A subsequent review of cash receipts for all of the third quarter of 2010 show an approximate 8 percent decline.

If a decline in revenues for a jurisdiction exceeded 5 percent, 5 percent was deducted from the November 2010 advance payment. If an increase in revenues for a jurisdiction was greater than 5 percent, 5 percent was added to the November 2010 advance payment. No adjustments were made to advances for jurisdictions whose increase or decrease in revenues fell between -5 and 5 percent.

Beginning in the fourth quarter of 2008, the BOE made broad scale reductions in payments to local taxing jurisdictions due to an unprecedented drop in taxable sales stemming from the recession.

The five-member California State Board of Equalization 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.

Schedule of November 2010 Payments: http://www.boe.ca.gov/news/november_2010_payments.xls

Sample Adjustment Letter: http://www.boe.ca.gov/news/3Q10_letter.doc

Sample No Adjustment Letter: http://www.boe.ca.gov/news/no_adjustment_letter.doc

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