

**For Immediate Release**  
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## **Local Sales Tax Allocations Remain Flat Statewide**

*Anticipated increase not supported by cash receipts*

The California State Board of Equalization (BOE) announced today that June sales tax allocations to local governments will not increase by anticipated 5.7 percent due to a decline in cash receipts for the second quarter 2010 of 3.53 percent compared to last year's receipts for the same time period.

An analysis of second quarter 2010 data, including cash receipts in April, caused the BOE to proceed without an increase to local jurisdictions while continuing to monitor the statewide cash receipts for the remainder of the calendar quarter to determine whether further adjustments will be required. The latest Department of Finance sales tax projections, dated June 2010, provide for an estimated 5.7 percent increase.

BOE makes monthly allocations to 764 local jurisdictions based on a formula that includes historical allocations, growth factor adjustments to the base, transfers and audits, and actual cash receipts. Beginning in the fourth quarter of 2008, the BOE reduced advance payments to local taxing jurisdictions beyond adjustments based on the negative growth factors projected at the time by the Department of Finance due to an unprecedented drop in taxable sales stemming from the recession. While there are indicators that taxable sales are beginning to recover from the recession, it is not reflected in the most recent cash receipts data available.

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](http://www.taxes.ca.gov).

Schedule of June 2010 Payments: [http://www.boe.ca.gov/news/pdf/june\\_2q10\\_warrant\\_amounts.xls](http://www.boe.ca.gov/news/pdf/june_2q10_warrant_amounts.xls)

Sample Letter: [http://www.boe.ca.gov/news/pdf/2Q10\\_flat\\_growth\\_letter.pdf](http://www.boe.ca.gov/news/pdf/2Q10_flat_growth_letter.pdf)

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