



NEWS RELEASE

**STATE BOARD
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FOR IMMEDIATE RELEASE

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2002 Third Quarter—Taxable Sales

Carole Migden, Chairwoman, State Board of Equalization, announced today that the growth in taxable sales in California increased during the third quarter of 2002, ending four consecutive declines in quarterly growth. Transactions subject to the sales and use tax totaled \$112.2 billion during the third quarter of 2002, an increase of \$2.9 billion, or 2.6 percent, from the third quarter of 2001.

In constant dollar terms, taxable sales increased by 3.8 percent over the third quarter 2001 figure. The California Taxable Sales Deflator measured a deflation rate of 1.2 percent for the third quarter of 2002.

Retail stores posted taxable sales of \$76.8 billion, a 5.7 percent increase over the same period a year ago. Retailers of durable goods experienced an 8.1 percent increase, while non-durable goods showed a 3.2 percent increase.

In the durable goods category, new car dealers posted taxable sales of \$14.8 billion during the third quarter, a 14.5 percent increase over the same period a year ago. Construction contractors declined compared to the third quarter 2001 with taxable transactions of \$4.7 billion, a decrease of 7.0 percent. However, retailers of building materials registered continuing growth in sales. Building material dealers posted taxable sales of \$6.9 billion, up 6.8 percent from a year earlier.

Gasoline consumption increased slightly and measured 4.0 billion gallons. Additionally, the average price of gasoline during the third quarter was \$1.495, a 7.3 percent decline from the previous year's price. However, total sales yielded \$6.5 billion, resulting in a 1.3 percent increase in sales for service stations.

While retail stores' sales experienced moderate growth of 5.7 percent during the third quarter 2002, business and personal services taxable transactions remained essentially flat at \$5.6 billion or a 0.1 percent increase compared to the third quarter 2001. Additionally, all other outlets, comprised primarily of manufacturing and wholesale businesses, saw their taxable transactions decline 4.1 percent on \$29.8 billion.

(Third Quarter 2002 lists of Statewide Taxable Sales by Type of Business, Taxable Sales by County, and Taxable Sales by City accompany this news release.)

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