

Q1 2013



Yuba City Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

Yuba City In Brief

Receipts for Yuba City's January through March sales were 7.9% higher than the same quarter one year ago. Actual sales activity was up 6.5% when reporting aberrations were factored out.

Payment deviations inflated positive results in the building and construction and business and industry groups. There was particularly strong performance in warehouse/farm/construction equipment and garden/agricultural supplies.

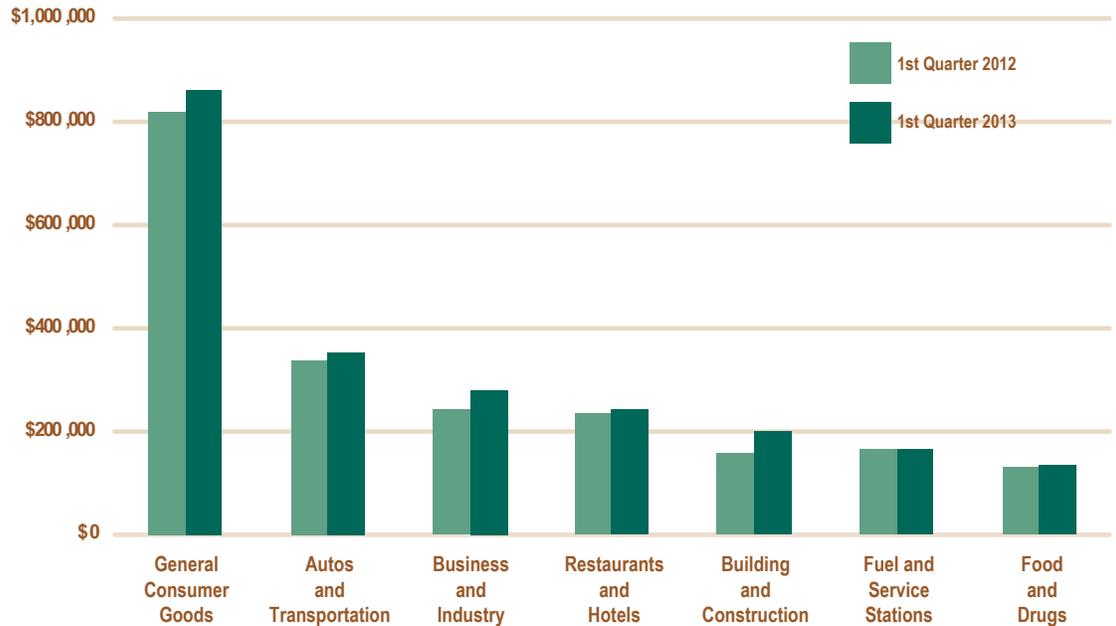
Post-holiday results posted higher than statewide averages in the family apparel, specialty store and home furnishing categories. The gain from a new auto dealership was depressed by an allocation error. Once adjusted for this onetime event, auto-related sectors rose 12.5%.

The gain in fuel and service stations was a result of temporary retroactive adjustments.

Despite several late payments restaurants as a whole were higher than a year ago.

Adjusted for aberrations, taxable sales for all of Sutter County increased 6.6% over the comparable time period, while the Sacramento region as a whole was up 7.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS In Alphabetical Order

76 Foodmart	Sunrise Group
Arco	Target
Bianchi Ag Services	Tractor Supply
Dawson Oil	United Agri Products
Dow Lewis Motors	Valley Truck & Tractor
Evans Furniture	Walgreens
Holt of California	Walmart
Home Depot	Wheeler Chevrolet
Kohls	Cadillac Mazda
Larry Geweke Ford	Winco Foods
Lowe's	Yuba City Toyota
Marshalls	Scion
Ross	
Sams Club	
Sears	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$9,426,373	\$9,958,787
County Pool	877,224	962,070
State Pool	3,329	4,995
Gross Receipts	\$10,306,926	\$10,925,852
Less Triple Flip*	\$(2,576,731)	\$(2,731,463)

*Reimbursed from county compensation fund

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

SALES PER CAPITA



YUBA CITY TOP 15 BUSINESS TYPES

Business Type	Yuba City		County	HdL State
	Q1 '13*	Change	Change	Change
Automotive Supply Stores	43.5	6.4%	11.5%	4.9%
Department Stores	91.5	4.4%	4.4%	5.1%
Discount Dept Stores	395.3	0.5%	0.5%	5.1%
Electronics/Appliance Stores	53.6	0.8%	0.8%	-3.3%
Family Apparel	69.8	28.0%	27.9%	16.3%
Garden/Agricultural Supplies	56.4	21.6%	37.1%	11.9%
Grocery Stores Liquor	74.1	6.1%	5.7%	24.7%
Home Furnishings	54.3	9.8%	7.1%	4.7%
Lumber/Building Materials	145.4	30.5%	28.6%	7.2%
New Motor Vehicle Dealers	228.3	17.3%	14.5%	9.5%
Restaurants Liquor	67.0	2.9%	3.0%	6.5%
Restaurants No Alcohol	135.4	3.0%	3.2%	6.0%
Service Stations	133.6	3.0%	23.3%	-2.2%
Specialty Stores	60.4	8.0%	1.2%	2.4%
Warehse/Farm/Const. Equip.	95.5	34.5%	8.5%	3.9%
Total All Accounts	\$2,245.8	7.7%	10.2%	5.7%
County & State Pool Allocation	256.6	9.6%		
Gross Receipts	\$2,502.4	7.9%		<i>*In thousands</i>