

Q1 2015



City of Brentwood Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2015)

Brentwood In Brief

Receipts for Brentwood's January through March sales were 5.8% higher than the same quarter one year ago. Actual sales activity was up 7.8% when reporting aberrations were factored out.

The city experienced a solid quarter as all major business groups were up, with the exception of fuel and service stations that saw a decline caused by significantly lower gas prices.

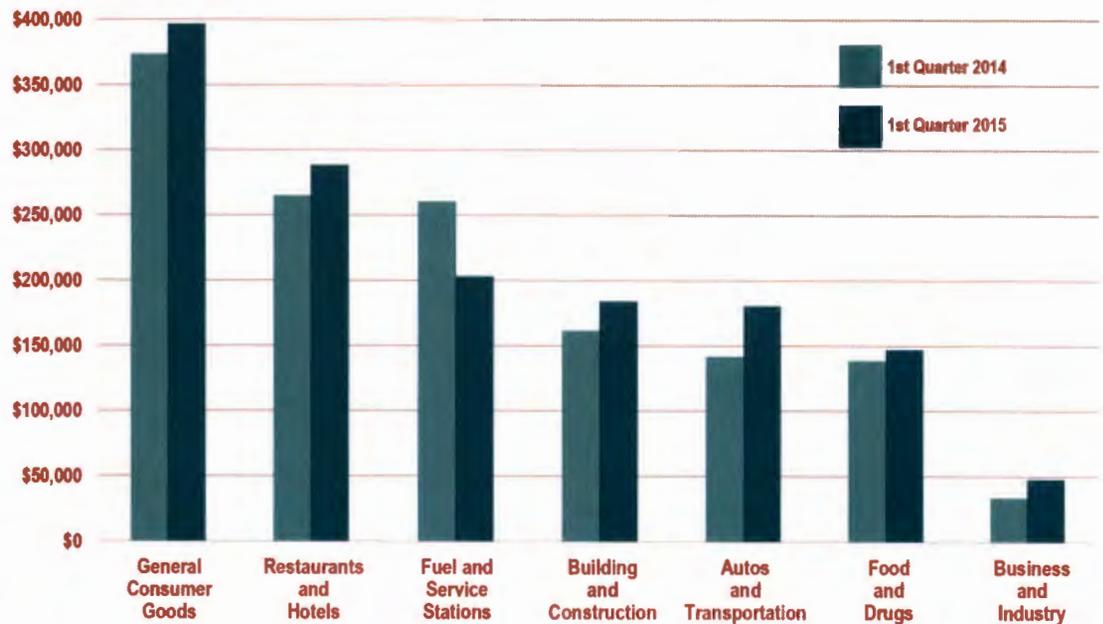
Broad based sales gains from multiple categories in autos and transportation, building and construction, and restaurants were major factors in the overall gain.

Increased sales in family and women's apparel, home furnishings and variety stores, and two new outlets boosted general consumer goods, while higher receipts from grocery stores lifted food and drugs. A payment aberration that inflated current quarter results produced the gain in business and industry.

The city's allocation from the countywide use tax increased 9.7% during the quarter.

Adjusted for aberrations, taxable sales for all of Contra Costa County increased 5.8% over the comparable time period, while the Bay Area as a whole was up 4.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Ace Hardware	Dallas Shanks
Americredit Financial Service	Chevron
Arco AM PM	Home Depot
AT&T Mobility	Home Goods
Best Buy	Kohls
Big B Lumber	Los Primos Auto Plaza
Bill Brandt Ford	Ross
BJs Restaurant & Brewhouse	Safeway
Brentwood Ready Mix	Save Mart
Brentwood Service Station	TJ Maxx
Chevron	Tower Mart
Circle K Gas	Vintners Shell Stations
	Walgreens
	Winco Foods

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$5,751,693	\$6,092,740
County Pool	870,756	971,327
State Pool	3,959	4,122
Gross Receipts	\$6,626,408	\$7,068,190
Cty/Cnty Share	(165,660)	(176,705)
Net Receipts	\$6,460,748	\$6,891,485
Less Triple Flip*	\$ (1,615,187)	\$ (1,722,871)

*Reimbursed from county compensation fund

California as a Whole

Local one cent tax receipts from sales occurring January through March rose 3.65% over 2014's comparable quarter after adjusting for reporting anomalies.

An exceptionally strong quarter for auto sales/leases and restaurants was the primary contributor to the overall increase. A rise in building-construction materials was also a factor although much of this growth came from specific office and sports facility projects in Northern California.

Gains from sales of general consumer goods were primarily in value priced clothing, home furnishings and specialty retail which includes pet supplies and cosmetics. Online shopping involving goods shipped from out of state continues to shift a major portion of the growth in general consumer goods to the countywide pools.

The statewide gains were largely offset by a 21% decline in receipts from fuel and service stations.

Tax on Services

The Board of Equalization has released an estimate that levying sales and use tax on services would raise over \$122.5 billion in state and local revenues or enough to lower the overall tax rate to under 4%.

Originally imposed in 1933 as a 2 ½% tax with only three exemptions, the legislature has gradually exempted more and more goods from the sales tax while raising rates to compensate for the corresponding revenue loss. This and the state's shift from a manufacturing to service economy has created the nation's highest sales tax rate on the narrowest basket of goods.

Although more discussion is needed, there is interest in expanding the sales tax to services and lowering the rate to make the tax less regressive and

more competitive while providing greater flexibility in the development of local tax bases.

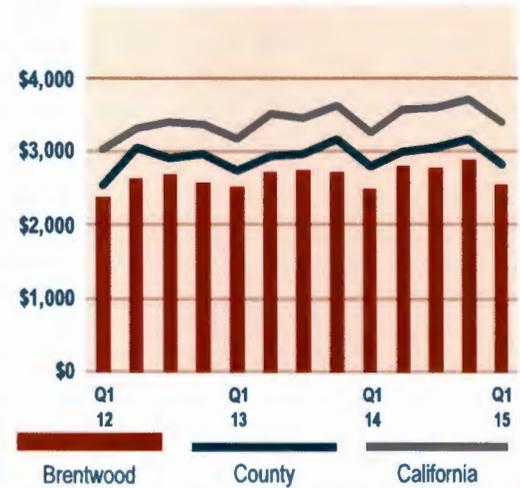
Tax on Jet Fuel

The Federal Aviation Administration has ruled that sales taxes on jet fuel must only be used for airport and aviation programs. The rule applies to taxes levied after 1987 but is unclear as to transactions tax districts, Proposition 172 revenues, or revenues collected by jurisdictions without airports. Clarification will not be available until FAA review and approval of a plan that has to be submitted by the state Department of Finance by December 8, 2015.

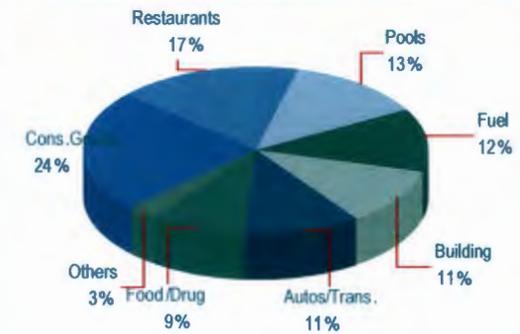
Tax on Marijuana

A pilot study for more effective tracking and collection of sales taxes on medical cannabis is underway in the central and northern California districts. Because current registration policy allows a "decline to state" to avoid self-incrimination, the precise number of cannabis retailers is unknown. BOE findings are expected by November 2015.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Brentwood This Quarter



BRENTWOOD TOP 15 BUSINESS TYPES

Business Type	*In thousands			
	Brentwood Q1 '15*	Brentwood Change	County Change	HdL State Change
Automotive Supply Stores	51.8	-0.9%	10.1%	5.2%
Casual Dining	135.2	10.8%	1.9%	5.5%
Contractors	37.0	21.1%	19.3%	15.2%
Department Stores	— CONFIDENTIAL —	—	-0.6%	2.0%
Drug Stores	— CONFIDENTIAL —	—	9.6%	10.7%
Electronics/Appliance Stores	96.0	-2.0%	19.0%	-0.4%
Family Apparel	73.8	14.0%	9.4%	9.8%
Grocery Stores Liquor	95.7	5.4%	4.4%	5.1%
Home Furnishings	53.1	15.3%	8.1%	8.2%
Lumber/Building Materials	— CONFIDENTIAL —	—	-1.6%	-2.9%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	19.6%	11.1%
Quick-Service Restaurants	94.2	5.9%	9.5%	10.6%
Service Stations	194.9	-25.2%	-26.2%	-21.9%
Specialty Stores	57.0	5.5%	11.4%	9.9%
Used Automotive Dealers	37.2	64.5%	35.2%	15.8%
Total All Accounts	\$1,448.2	5.3%	2.7%	3.6%
County & State Pool Allocation	\$217.7	9.0%	6.3%	1.1%
Gross Receipts	\$1,665.8	5.8%	3.2%	3.3%
City/County Share	(41.6)	-5.8%		
Net Receipts	\$1,624.2	5.8%		