



# Santa Ana

## Quarterly Sales Tax and Business Activity

### Sales Tax

#### Top 25

- BEACON SERVICE STATIONS
- BUILDERS SURPLUS
- CALIFORNIA MOTORS DIRECT
- COMMONWEALTH AUDI / VW
- CONSOLIDATED ELECTRICAL
- CREVIER BMW / MINI
- FINANCIAL SERVICES VEHICLE
- GUARANTY CHEVROLET
- HD SUPPLY
- HOME DEPOT
- HONDA SANTA ANA
- IPC
- KIA DEPOT
- KLASS MOTORS
- MACY'S
- MAIN ELECTRIC SUPPLY
- NORDSTROM
- NORTHGATE MARKET
- ROGER DUNN GOLF
- ROSS
- SAF - T - CO
- TARGET
- WAL MART
- WAXIE SANITARY SUPPLY
- XEROX

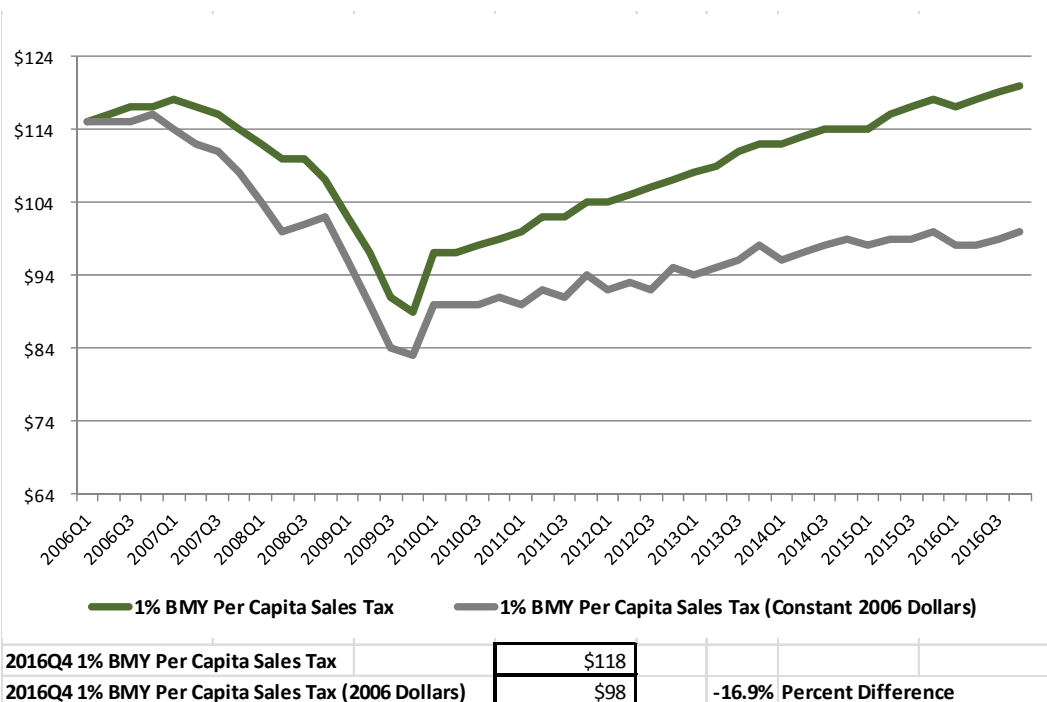
### 4th Quarter 2016 in Review

California sales tax receipts increased by 2.8% over the same quarter from last year. After adjusting for county and state pool receipts, the City's sales tax revenue grew by 3.9% or \$48,740,000 in taxable sales.

Cash Receipts	Quarter	Fiscal YTD	Calendar YTD
Santa Ana	3.9%	7.2%	6.9%
Santa Ana County Pool	6.1%	39.6%	34.2%
Orange Countywide	2.3%	-3.4%	-2.1%
South Coast Region	3.1%	1.0%	1.2%
Statewide	2.8%	2.0%	2.2%

The large one-time correction against Buena Park from 2016Q2 is still reflected in the fiscal YTD and calendar YTD percent changes for the city's county pool, but quarter over quarter change has been normalized. Santa Ana's cash receipts continue to grow, although the growth has slowed down since the revenue from the new energy related source is now part of regular stream of revenue. This can be seen in any of the three period measures for Santa Ana which are all lower this quarter than last quarter. In addition, even though the growth in quarter change for Santa Ana is lower this quarter than last quarter, the same period is higher for the county, region and state.

### The Impact of Inflation on Annual Per Capita Sales Tax Revenue

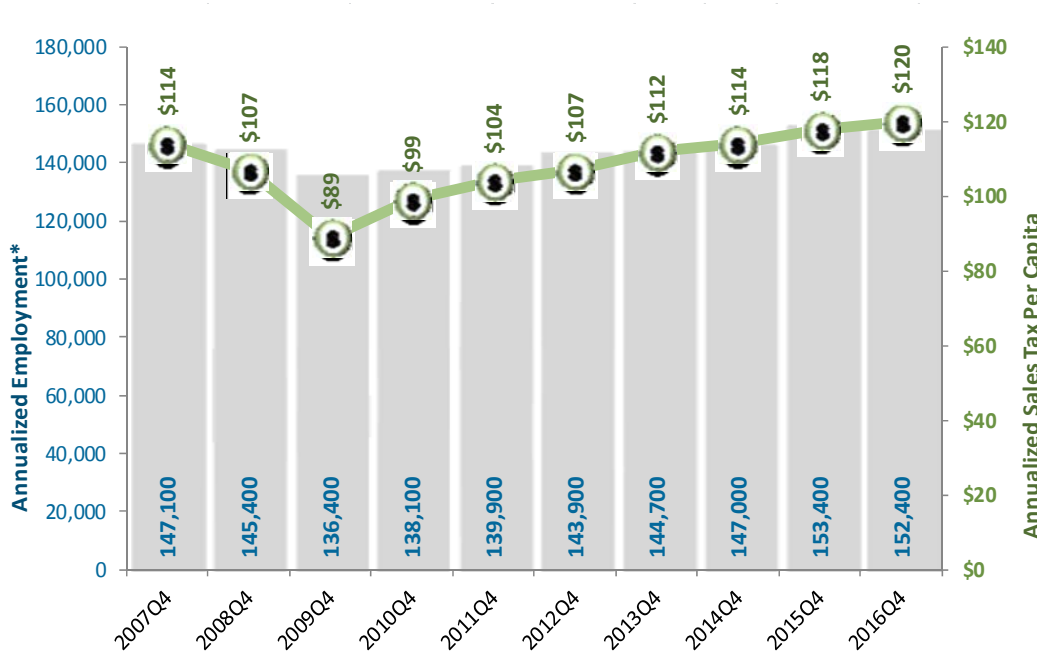




# Santa Ana

## Quarterly Sales Tax and Business Activity

### Estimated Annualized Employment and Gross Sales Tax Per Capita by Benchmark Year



A Correlation Coefficient of 1 indicates a Perfect Positive Correlation.

Correlation Coefficient: **0.94**

### Business Activity

	Quarter over Quarter			Year over Year		
	Santa Ana	South Coast	Statewide	Santa Ana	South Coast	Statewide
<b>TOTAL</b>	<b>1.3%</b>	<b>-0.8%</b>	<b>-0.4%</b>	<b>3.4%</b>	<b>1.2%</b>	<b>1.5%</b>
GENERAL RETAIL	<b>0.3%</b>	<b>-1.2%</b>	<b>0.0%</b>	<b>1.6%</b>	<b>0.4%</b>	<b>1.3%</b>
FOOD PRODUCTS	<b>2.1%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>3.7%</b>	<b>5.1%</b>	<b>4.6%</b>
TRANSPORTATION	<b>-4.1%</b>	<b>1.0%</b>	<b>2.4%</b>	<b>-5.0%</b>	<b>-1.9%</b>	<b>-0.6%</b>
CONSTRUCTION	<b>-4.6%</b>	<b>-14.4%</b>	<b>-14.1%</b>	<b>9.5%</b>	<b>2.4%</b>	<b>1.7%</b>
BUSINESS TO BUSINESS	<b>12.8%</b>	<b>-0.9%</b>	<b>-1.6%</b>	<b>11.6%</b>	<b>0.5%</b>	<b>0.4%</b>
Restaurants	<b>3.0%</b>	<b>3.9%</b>	<b>3.5%</b>	<b>5.2%</b>	<b>5.8%</b>	<b>5.4%</b>
Bldg.Matls-Whsle	<b>-7.2%</b>	<b>-4.4%</b>	<b>-8.2%</b>	<b>13.1%</b>	<b>1.9%</b>	<b>0.3%</b>
Auto Sales - New	<b>-3.6%</b>	<b>3.3%</b>	<b>5.2%</b>	<b>-3.8%</b>	<b>3.1%</b>	<b>4.3%</b>
Service Stations	<b>-2.4%</b>	<b>-2.0%</b>	<b>-1.1%</b>	<b>-13.5%</b>	<b>-12.3%</b>	<b>-11.0%</b>
Department Stores	<b>-4.8%</b>	<b>-2.3%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>-1.4%</b>	<b>-0.9%</b>
Miscellaneous Retail	<b>3.1%</b>	<b>-2.0%</b>	<b>-1.9%</b>	<b>-0.6%</b>	<b>0.0%</b>	<b>1.7%</b>
Apparel Stores	<b>-3.3%</b>	<b>1.2%</b>	<b>2.5%</b>	<b>0.4%</b>	<b>2.7%</b>	<b>2.9%</b>
Food Markets	<b>-0.3%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>2.8%</b>	<b>2.3%</b>
Bldg.Matls-Retail	<b>0.2%</b>	<b>-25.2%</b>	<b>-21.5%</b>	<b>3.5%</b>	<b>2.9%</b>	<b>3.3%</b>
Light Industry	<b>-13.0%</b>	<b>-0.5%</b>	<b>-2.5%</b>	<b>-2.8%</b>	<b>1.3%</b>	<b>3.8%</b>
Auto Sales - Used	<b>-4.3%</b>	<b>-0.2%</b>	<b>5.5%</b>	<b>1.2%</b>	<b>4.8%</b>	<b>8.7%</b>
Leasing	<b>13.4%</b>	<b>4.4%</b>	<b>5.4%</b>	<b>9.4%</b>	<b>6.1%</b>	<b>5.8%</b>
Auto Parts/Repair	<b>-16.6%</b>	<b>-1.0%</b>	<b>-1.1%</b>	<b>-5.1%</b>	<b>1.7%</b>	<b>2.6%</b>
Electronic Equipment	<b>38.8%</b>	<b>5.2%</b>	<b>-5.1%</b>	<b>-2.3%</b>	<b>2.9%</b>	<b>1.0%</b>

### How Does Employment Affect Sales Tax Revenue?

This quarter Santa Ana experienced a quarter over quarter decline in annualized employment. This is the first time since the great recession. Employment and unemployment are vital factors behind economic growth and stagnation.

- Higher rates of employment allow previously unemployed workers to better meet their financial obligations as well as to increase their disposable income.

- Increased employment and employee earnings create more disposable income which then leads to a higher rate of consumer spending on taxable goods.

- According to the chart on the top left which compares estimated annualized employment and gross sales tax per capita, there is a strong positive correlation between the number of workers employed and the amount of sales tax revenue received.

- When there is a high rate of unemployment, consumers may devote less to spending on goods other than the bare necessities, which reduces sales tax revenue.