Sales Tax

Top 25

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

1st Quarter 2017 in Review

California sales tax receipts increased by 2.3% over the same quarter from last year. After adjusting for county and state pool receipts, the City’s sales tax revenue declined by 0.9% or $14,803,000 in taxable sales.

<table>
<thead>
<tr>
<th>Cash Receipts</th>
<th>Quarter</th>
<th>Fiscal YTD</th>
<th>Calendar YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Ana</td>
<td>-0.9%</td>
<td>5.2%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Santa Ana County Pool</td>
<td>0.7%</td>
<td>29.4%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Orange Countywide</td>
<td>2.6%</td>
<td>-2.0%</td>
<td>2.6%</td>
</tr>
<tr>
<td>South Coast Region</td>
<td>2.9%</td>
<td>1.5%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Statewide</td>
<td>2.3%</td>
<td>2.1%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

The large one-time correction against Buena Park from 2016Q2 is still reflected in the fiscal YTD percent change for the city’s county pool, all other changes have been normalized. Santa Ana’s cash receipts declined this quarter compared to the same quarter last year ending an eleven quarter streak of positive change. Most of the decline was due to prior period adjustments against the city this quarter and prior period payments in the same quarter last year. The decline resulting from those adjustments was offset slightly by positive change from a new permit in the Auto Sales - New economic segment and growth from a permit in Electronic Equipment.

Annualized Change in Sales Tax Cash Receipts
What is ‘Tax-to-GDP Ratio’?

- California’s gross domestic product (GDP) is the total monetary value of the goods and services produced by the state’s economy, excluding the value of goods and services used in production.

- The tax-to-GDP ratio provides a metric which can be utilized to compare tax receipts from year to year. In most cases, because taxes are related to economic activity, the ratio should stay relatively consistent. Essentially, as the GDP grows, tax revenue should grow as well. (Investopedia)

- In the case of Santa Ana and the state of California as a whole, the tax-to-GDP is shrinking even though gross sales tax revenue is increasing.

- The reason for the decline in the tax-to-GDP ratio is because even though Santa Ana’s sales tax base is growing, California’s economy is growing at a greater rate.

- California’s economy is shifting to a more service oriented economy, resulting in less sales tax revenue growth due to the fact that most services are currently not subject to sales tax.

**Total Gross Benchmark Year Sales Tax as a Percent of California GDP**

[Graph showing the total gross sales tax as a percent of California GDP from 1994 to 2016. The graph illustrates the trend of sales tax as a percentage of GDP over the specified period.]