

Q1 2015



City of Glendale Sales Tax Update

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

Glendale In Brief

Receipts for Glendale's January through March sales were 42.0% higher than the same quarter one year ago. Actual sales activity was up 40.4% when reporting aberrations were factored out.

The spike in business and industry was due to amounts subject to future adjustment. Net of those receipts, actual gross receipts were up 10.4%.

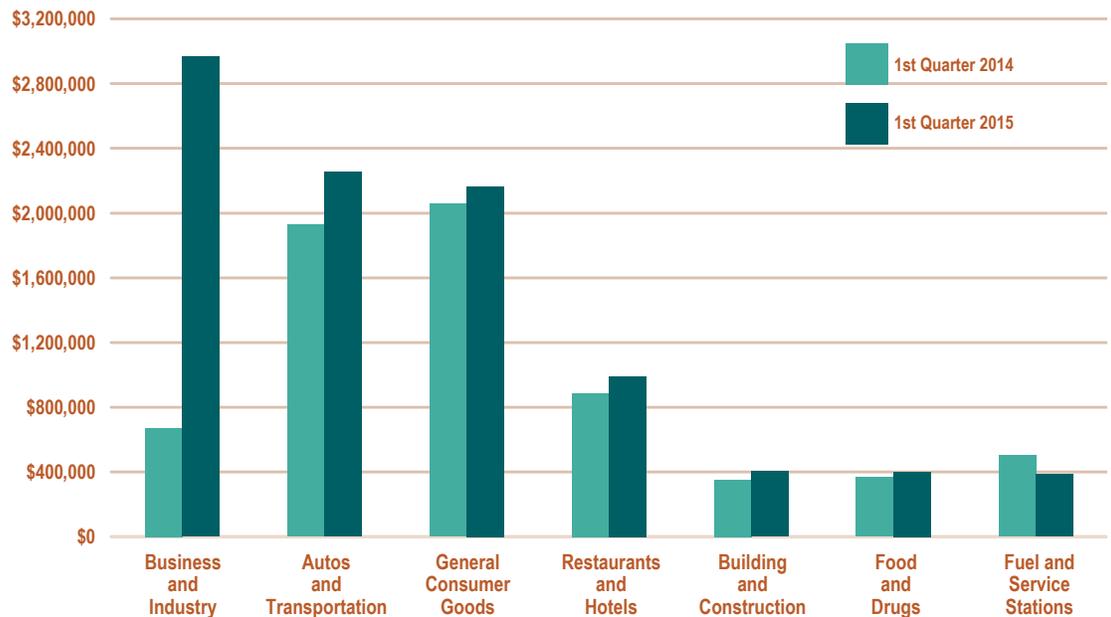
A new dealership added to the already double digit increase in new autos. Auto leasing was up as well. Similarly, recent openings boosted the restaurant and hotel group.

About half of the overall rise in post-holiday returns in general consumer goods resulted from the impressive performance in electronics/appliance stores. The increase in building and construction surpassed regional trends while a new store boosted food and drugs.

Lower fuel prices depressed revenues in fuel and service stations.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 3.0% over the comparable time period, while the Southern California region as a whole was up 3.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Allen Gwynn Chevrolet	Glendale Subaru/Mitsubishi
Apple	Home Depot
Bloomingdales	JC Penney
Bob Smith Toyota	Lexus of Glendale
Calstar Mercedes	Macys
Car Pros Kia	Nordstrom
CDW Direct	Pacific BMW
CDW Government	Star Ford Lincoln
Diamond Honda	Target
Financial Services Vehicle Trust	Toyota Lease Trust
Glendale Dodge Chrysler Jeep	Toyota of Glendale Scion
Glendale Nissan Infiniti	Video Equipment Rental
	Vons

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$27,953,822	\$37,441,668
County Pool	3,340,585	4,714,403
State Pool	18,850	24,372
Gross Receipts	\$31,313,257	\$42,180,442
Less Triple Flip*	\$(7,828,314)	\$(10,545,111)

*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 1/2% 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.

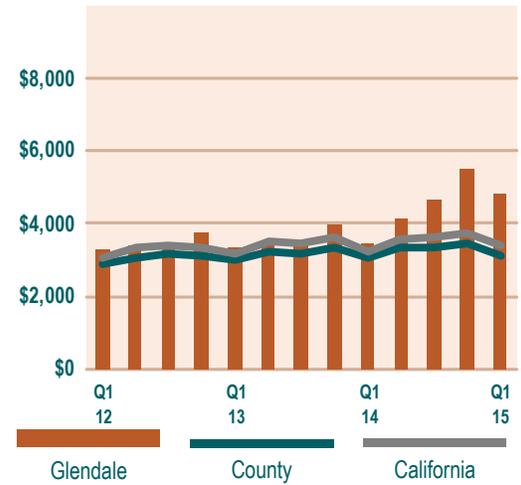
Tax on Jet Fuel

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

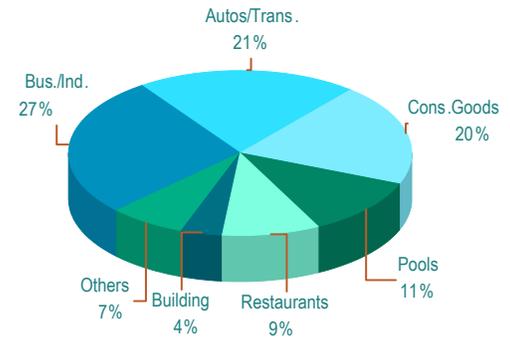
A pilot study for more effective tracking and collection of sales taxes on medical cannabis is underway in the central and northern California districts. Because current registration policy allows a "decline to state" to avoid self-incrimination, the precise number of cannabis retailers is unknown. BOE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

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Glendale This Quarter



GLENDALE TOP 15 BUSINESS TYPES

Business Type	*In thousands			
	Glendale Q1 '15*	Glendale Change	County Change	HdL State Change
Auto Lease	378.0	22.7%	18.3%	21.5%
Casual Dining	420.6	6.3%	5.6%	5.5%
Department Stores	472.5	1.0%	2.0%	2.1%
Discount Dept Stores	— CONFIDENTIAL —	—	4.3%	4.2%
Electronics/Appliance Stores	323.6	23.9%	-6.1%	-0.4%
Family Apparel	390.6	5.9%	8.7%	9.8%
Lumber/Building Materials	192.3	8.0%	-3.6%	-3.0%
Motion Pictures/Equipment	— CONFIDENTIAL —	—	-41.3%	-40.1%
New Motor Vehicle Dealers	1,607.0	20.4%	8.4%	11.1%
Office Supplies/Furniture	— CONFIDENTIAL —	—	62.0%	0.6%
Plumbing/Electrical Supplies	124.8	24.5%	5.7%	6.4%
Quick-Service Restaurants	376.4	10.9%	9.8%	10.6%
Service Stations	383.0	-23.6%	-21.8%	-21.9%
Specialty Stores	225.4	3.6%	8.4%	9.9%
Women's Apparel	147.7	-6.3%	-2.6%	1.7%
Total All Accounts	\$9,562.1	41.5%	3.0%	3.6%
County & State Pool Allocation	\$1,239.1	45.5%	5.9%	1.1%
Gross Receipts	\$10,801.2	42.0%	3.3%	3.3%