



## Fourth Quarter Sales Tax Report Fiscal Year 2013-14

Capitola sales tax revenue for Fiscal Year 2013-14 was \$1.1 million or 18.9% greater than the prior fiscal year. Two thirds of the increase was due to a full year of Measure O revenue versus a single quarter during the prior year; 11.7% or \$133,6000 resulted from increased local sales; and 21.9% was due to timing of In lieu triple flip payments and true ups from the State.

Sales tax revenues, net of Measure O and the In-Lieu Trip Flip, increased by 2.9% or \$133,600.

<b>Sales Tax Revenue – Annual Receipts</b>					
				% Incr./ (Decr.)	
	2013-14	2013-14		2013-14	
	Actual	Amended Budget	2012-13 Actual	Act. Vs Amended Budget	2013-14 Act. Vs 2012-13
Bradley Burns - 3/4%	\$ 3,791,520	\$ 3,816,859	\$ 3,662,709	-0.7%	3.5%
In Lieu Triple Flip	\$ 1,352,332	\$ 1,352,332	\$ 1,102,417	0.0%	22.7%
Measure D District Tax	\$ 1,025,513	\$ 1,034,970	\$ 1,020,747	-0.9%	0.5%
Measue O District Tax	\$ 1,010,362	\$ 1,016,444	\$ 254,668	-0.6%	296.7%
	<u>\$ 7,179,727</u>	<u>\$ 7,220,605</u>	<u>\$ 6,040,541</u>	-0.6%	18.9%

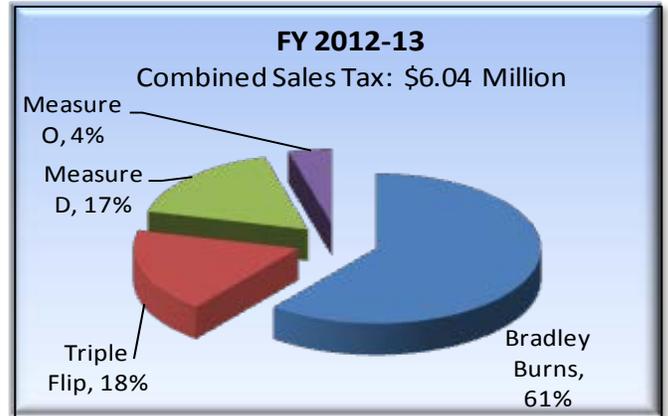
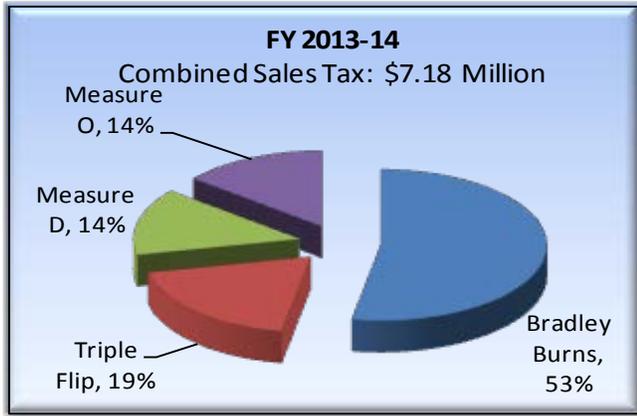
The Fourth Quarter sales tax revenue for fiscal year 2013-14 was \$18,900 or 1.3% higher than prior year and \$28,100 or 1.9% lower than the Amended Budget. Due to a sales tax audit adjustment of \$24,000 in the prior year quarter, the estimated increase in quarterly sales tax activity was actually closer to 2.9%. The City will be monitoring quarterly sales activity closely in the next two quarters to confirm whether or not revenue performance is meeting projections.

<b>Sales Tax Revenue - Q4 FY 2013-14</b>					
				% Incr./ (Decr.)	
	2013-14	2013-14		2013-14	
	Actual	Amended Budget	2012-13 Actual	Act. Vs Amended Budget	2013-14 Act. Vs 2012-13
Bradley Burns - 3/4%	\$ 941,553	\$ 959,148	\$ 927,382	-1.8%	1.5%
Measure D District Tax	\$ 262,190	\$ 266,075	\$ 263,481	-1.5%	-0.5%
Measure O District Tax	\$ 260,025	\$ 266,619	\$ 253,979	-2.5%	2.4%
	<u>\$ 1,463,768</u>	<u>\$ 1,491,842</u>	<u>\$ 1,444,842</u>	-1.9%	1.3%

**Proportional Sales Tax**

The charts below show the change in the composition of the City's sales tax revenue. While the proportional share of the Bradley Burns tax revenue is smaller due to the addition of Measure O, the absolute value of the Bradley Burns tax experienced a 3.5% increase over the prior year. Measure D and Measure O provide 1/4 or approximately \$1 million dollars in General Fund Revenues. Measure D is scheduled to sunset in December of 2017.

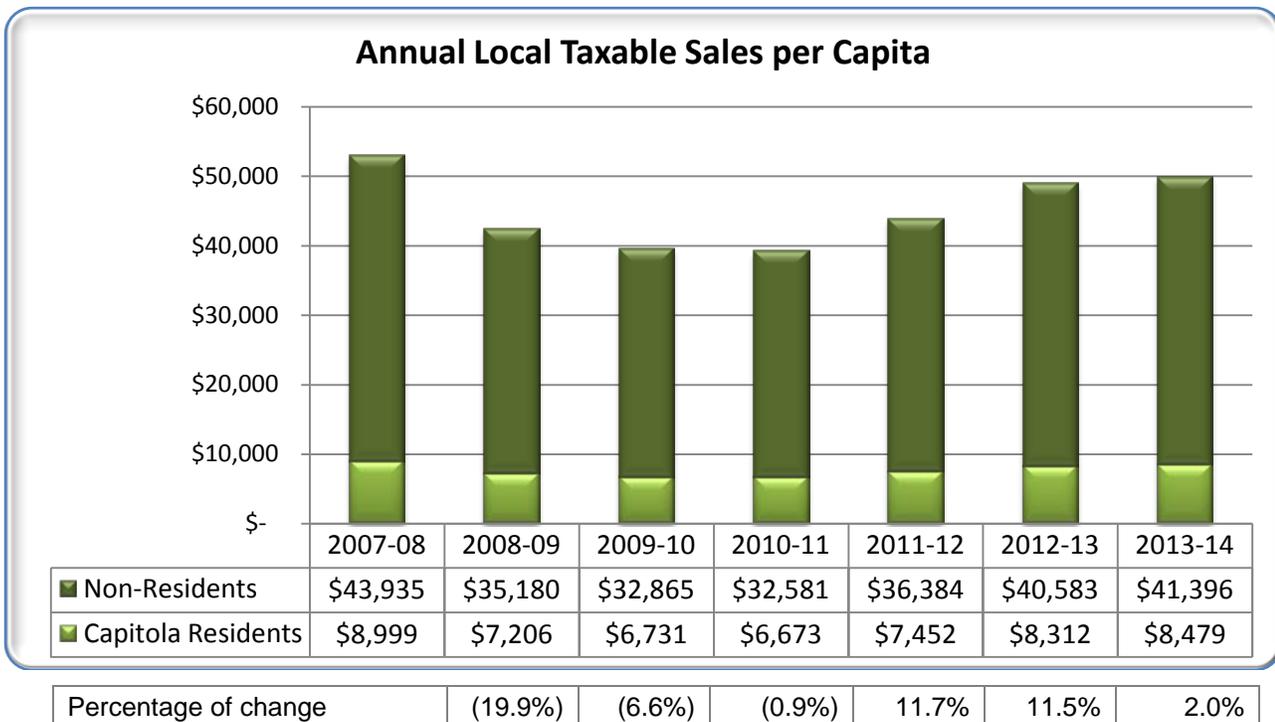
**Source of Sales Tax Revenue – Last Two Fiscal Years**



**Taxable Sales and Spending Trends**

The chart below shows the City's seven year taxable sale trends expressed on a per capita basis. The chart distinguishes between per capita Capitola resident and non-resident spending. While the annual local taxable sales per capita range is \$39,250 to \$52,900, approximately 83% of Capitola taxable sales are made by non-residents <sup>(1)</sup>. It is estimated that the resident portion of "per capita" sales is within the \$6,700 to \$9,000 range.

The City population has varied less than 1.5% from the average population over this time period. The following per capita chart identifies the lowest per capita spending in Fiscal Year 2010-11, with increases of just above 11% in the following two years; with a 2.0% increase last year. Fiscal 2013-14 is \$3,000 per capita or 5.8% below the Fiscal Year 2007-08 peak of \$52,900 per capita.



(1) City of Capitola Economic Development Strategic Plan, Applied Development Economics, 2007