San Jacinto
In Brief

San Jacinto’s receipts from October through December were 18.4% above the fourth sales period in 2014. Excluding reporting aberrations, actual sales were up 16.6%.

Two new additions helped boost revenue for service stations. Late payments in the comparison period exaggerated results for business and industry. Revenue from quick-service restaurants showed solid gains when compared to the year-ago period.

A recent closure was responsible for the drop in drug stores.

The City’s share of the countywide use tax pool increased 77.5% over the comparison period.

Net of aberrations, taxable sales for all of Riverside County grew 2.9% over the comparable time period; the Southern California region was up 2.2%.

**Sales Tax by Major Business Group**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>4th Quarter 2014</th>
<th>4th Quarter 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fuel and Service Stations</strong></td>
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<tr>
<td><strong>Restaurants and Hotels</strong></td>
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<td><strong>Food and Drugs</strong></td>
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<tr>
<td><strong>County and State Pools</strong></td>
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<tr>
<td><strong>Autos and Transportation</strong></td>
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<tr>
<td><strong>Business and Industry</strong></td>
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<tr>
<td><strong>Building and Construction</strong></td>
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</tbody>
</table>

**Top 25 Producers (in alphabetical order)**

- 7 Eleven
- Arco AM PM
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- AutoZone
- Cardenas Markets
- Chevron
- Circle K
- Crop Production Services
- CVS
- Del Taco
- Farmer Boys
- Gamestop
- Hemet Valley Pipe & Supply
- Inplant Sales
- Jack in the Box
- Jack in the Box
- McDonalds
- Mobil Shop N Go
- Rite Aid
- San Jacinto Fastrip
- San Jacinto Shell
- Stater Bros
- Walgreens
- Walmart
- Wendys

**Revenue Comparison**

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
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<tbody>
<tr>
<td><strong>Point-of-Sale</strong></td>
<td>$1,678,417</td>
<td>$1,877,483</td>
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<tr>
<td><strong>County Pool</strong></td>
<td>171,227</td>
<td>216,465</td>
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<tr>
<td><strong>State Pool</strong></td>
<td>1,389</td>
<td>2,034</td>
</tr>
<tr>
<td><strong>Gross Receipts</strong></td>
<td>$1,851,033</td>
<td>$2,095,982</td>
</tr>
<tr>
<td><strong>Less Triple Flip</strong></td>
<td>$(462,758)</td>
<td>$(523,996)</td>
</tr>
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*Reimbursed from county compensation fund
Excluding accounting aberrations, local sales and use tax receipts from the fourth quarter of 2015 ended 2.6% above 2014’s holiday quarter. Solid returns for autos, RVs, building materials and most categories of restaurants were the primary contributors to the statewide increase. The growth in online shopping for merchandise shipped from out-of-state continued to raise countywide use tax allocation pool revenues.

The gains were largely offset by a 13.2% drop in tax receipts from service stations and other fuel-related expenditures. Except for value price clothing and shoes, most categories of general consumer goods were flat or down, reflecting heavy price discounting to reduce excess holiday inventories and the impact of the strong dollar on international tourist spending.

With some exceptions, particularly in the areas of computers and agricultural chemicals, overall receipts from business and industrial expenditures were also down primarily due to cutbacks in capital spending by energy producers and manufacturers of exported goods, equipment and raw materials.

Intense competition and price pressures resulted in only modest gains in receipts from grocers and pharmacists with the largest increase in this group coming from liquor stores and marijuana dispensaries.

HdL’s most recent economic consensus forecast anticipates similar modest gains through 2016 with an eventual peak in auto sales replaced by strong sales of building and construction materials for home improvement and new housing. A recovery in tax receipts from fuel is not expected until the end of the year.

The Triple Flip Is Over!
Beginning with taxes collected in January and forward, local governments will again receive their full share of Bradley-Burns sales and use tax revenues thus ending an eleven-year program known as the Triple Flip.

The program began in 2004 when voters approved a $15 billion bond issue to cover operating deficits resulting from a combination of that year’s economic downturn plus failure to offset the loss of revenue from the Governor’s popular reduction in the 65-year-old, 2% Motor Vehicle In-Lieu Tax.

The State retained 25% of local sales tax to guarantee the bonds, reimbursed local governments from monies meant for schools and replaced the money taken from schools with state general funds thus creating what became known as the Triple Flip. The financing scheme resulted in interest payments totaling $4.8 billion, plus another $200 million in administrative fees while creating new budget challenges for local governments.

It also resulted in voter passage of constitutional amendment Proposition 1A that bars state tampering with local sales and use tax revenues in the future.