West Hollywood's allocation of sales and use tax from its April through June sales was 3.7% higher than the same quarter one year ago.

A combination of recent additions and solid sales activity within the restaurant, home furnishings and contractor supply categories were primarily responsible for the increase. One-time purchases of business equipment and a rise in the countywide use tax allocation pool were also factors.

The gains were partially offset by declining fuel prices and a generally soft quarter for some categories of auto-related sales, apparel and general consumer goods. The jump in electronics/appliances was an accounting anomaly. Actual sales receipts from this category were slightly lower than the comparable quarter of 2014.

Adjusted for aberrations, sales and use tax receipts for all of Los Angeles County increased 2.6% over the comparable time period while Southern California as a whole, was up 3.2%.

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**Top 25 Producers**

<table>
<thead>
<tr>
<th>1 Oak</th>
<th>Best Buy</th>
<th>BOA Steakhouse</th>
<th>Boxwood at the London</th>
<th>Bristol Farms</th>
<th>Cecconis</th>
<th>Christian Louboutin</th>
<th>Diva</th>
<th>Emser Tile</th>
<th>Gracias Madre</th>
<th>Hornburg Jaguar</th>
<th>Janus Et Cie</th>
<th>Maxfield Bleu</th>
<th>Pavilions</th>
<th>Ralphs</th>
<th>Ralphs</th>
<th>Shell</th>
<th>Soho House</th>
<th>Sunset Tower &amp; Tower Bar</th>
<th>Target</th>
<th>Tesoro Refining &amp; Marketing</th>
<th>The Abbey</th>
<th>Waterworks</th>
<th>Whole Foods Market</th>
<th>Yuanda USA</th>
</tr>
</thead>
</table>

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**Revenue Comparison**

One Quarter – Fiscal Year To Date

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point-of-Sale</strong></td>
<td>$3,311,999</td>
<td>$3,388,966</td>
</tr>
<tr>
<td><strong>County Pool</strong></td>
<td>380,043</td>
<td>440,807</td>
</tr>
<tr>
<td><strong>State Pool</strong></td>
<td>2,509</td>
<td>2,853</td>
</tr>
<tr>
<td><strong>Gross Receipts</strong></td>
<td>$3,694,552</td>
<td>$3,832,625</td>
</tr>
<tr>
<td><strong>Less Triple Flip</strong></td>
<td>$(923,638)</td>
<td>$(958,156)</td>
</tr>
</tbody>
</table>

*Reimbursed from county compensation fund
Statewide Sales Tax Trends
Excluding accounting aberrations, the local one cent share of statewide sales occurring April through June was 3.4% higher than the comparable quarter of 2014.

Receipts from the countywide use tax allocation pools accounted for the largest portion of the increase reflecting a continuing shift in consumer preferences from brick and mortar stores to online shopping for merchandise shipped from out of state.

Sales and leases of new cars continued to post impressive gains as did contractor supplies and restaurants. Overall gains were offset by a 17.1% decline in receipts from service stations and petroleum-related industries.

The Remaining Fiscal Year
The state’s unemployment rate continues to decline and real disposable income is expected to grow 2.5% to 3.0% in the second half of 2015. This improvement in incomes coupled with easy credit conditions should stimulate an increase in housing starts as well as capital investment in equipment, alternate energy and technology.

The auto industry is anticipating continuing strong sales until tapering to more sustainable levels in 2016-2017. Building and construction, the only retail segment yet to return to pre-recession levels, is gaining momentum in several regions and is expected to account for 10% of sales tax growth in the second half of the fiscal year.

Restaurant sales continue to rise although there are some concerns that the strong dollar may impact sales in areas that cater to tourists from abroad. Gains from consumer goods are expected to be modest with the strong dollar cutting prices of imported goods and an ongoing shift in consumer spending from tangible goods to services, entertainment and other non-taxable purchases.

Gasoline prices remain well below the previous year due to a worldwide glut of oil. Barring unexpected supply or refinery disruptions, prices are expected to trend lower through the first half of 2015-16 but begin rebounding in the second half.

Internet Sales Tax Proposal
HR 2775 (The Remote Transaction Parity Act) is a new proposal by Representative Jason Chaffetz (R-Utah) authorizing states to require remote sellers without physical presence in their state to collect state and local sales tax from in-state buyers.

The bill currently has 52 sponsors and attempts to address objections to elements of the Marketplace Fairness Act that preceded it. The proposal provides for a three year phase in for small businesses, prohibits auditing remote sellers with annual sales under $5 million, and requires states to provide software to enable remote sellers to collect and remit their tax.

The Board of Equalization estimates that local governments in California currently lose approximately $44 per capita in uncollected sales and use tax on e-commerce purchases.