



Economic Indicators – Sales Tax Revenue

Prepared for the Economic Development & Finance Committee

October 12, 2021

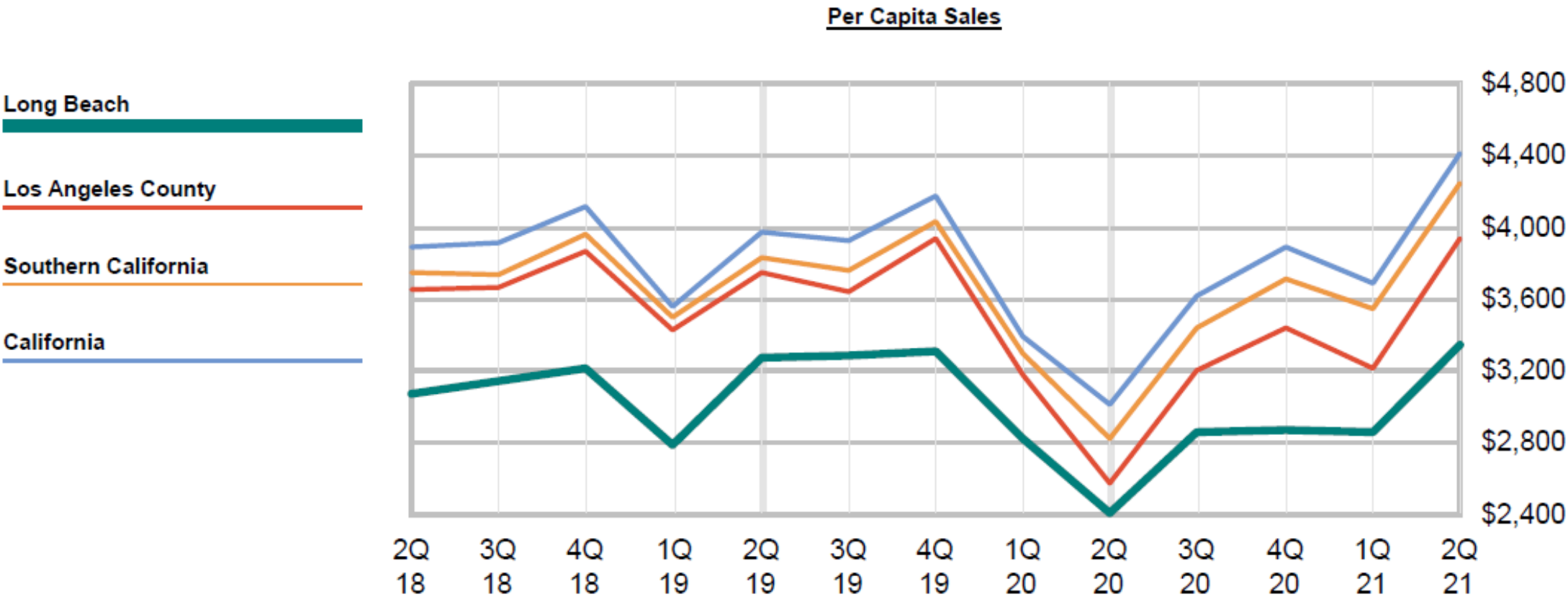
Introduction

Today's presentation will focus on the following indicators:

- Quarterly sales tax revenue comparisons (i.e., local, County, State)
- Annual sales tax revenue by major industry groups
- Annual sales tax revenue by BID areas
- Sales tax data confidentiality requirements

ED&F Committee may also request additional economic indicators that are reported by staff in future meetings.

Sales Tax Revenue Comparisons



Periods shown reflect the period in which the sales occurred - Point of Sale

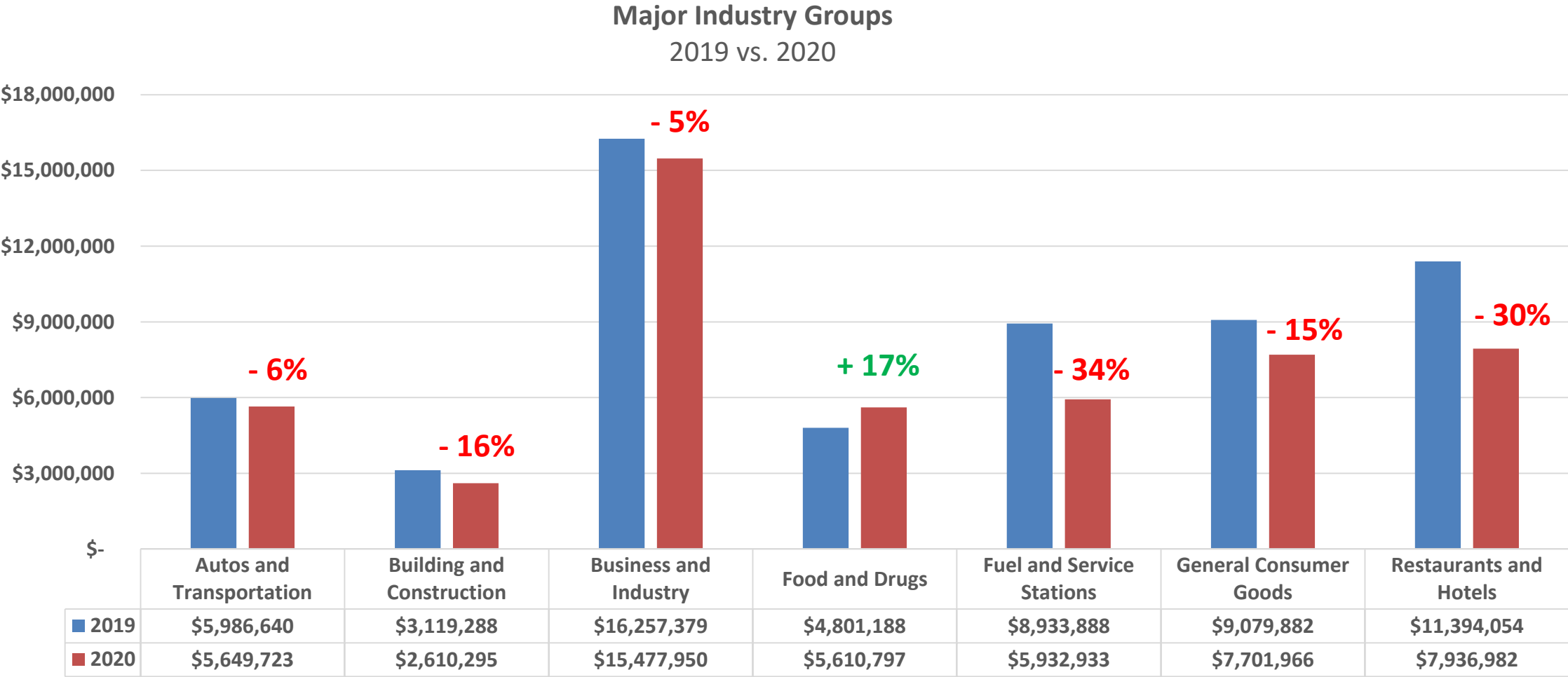
Source: HdL Companies

Sales Tax Revenue by Major Industry Groups

- **Autos and Transportation**
 - New motor vehicle dealers
 - Auto leases
 - Auto repair shops
 - Used car dealers
- **Business and Industry**
 - Office supplies/furniture
 - Energy/utilities
 - Medical/biotech
 - Government/social org.
 - Business services
- **Building and Construction**
 - Building materials
 - Plumbing/electrical supplies
- **Food and Drugs**
 - Grocery stores
 - Food stores
 - Cannabis related
 - Convenience/liquor stores
- **Fuel and Service Stations**
 - Service stations
 - Petroleum products/equipment
- **General Consumer Goods**
 - Apparel/shoes
 - Discount stores
 - Music stores
 - Electronic/appliance stores
- **Restaurants and Hotels**
 - Quick-service restaurants
 - Casual dining
 - Fine dining
 - Hotels
 - Leisure/entertainment

Source: HdL Companies

Sales Tax Revenue by Major Industry Groups



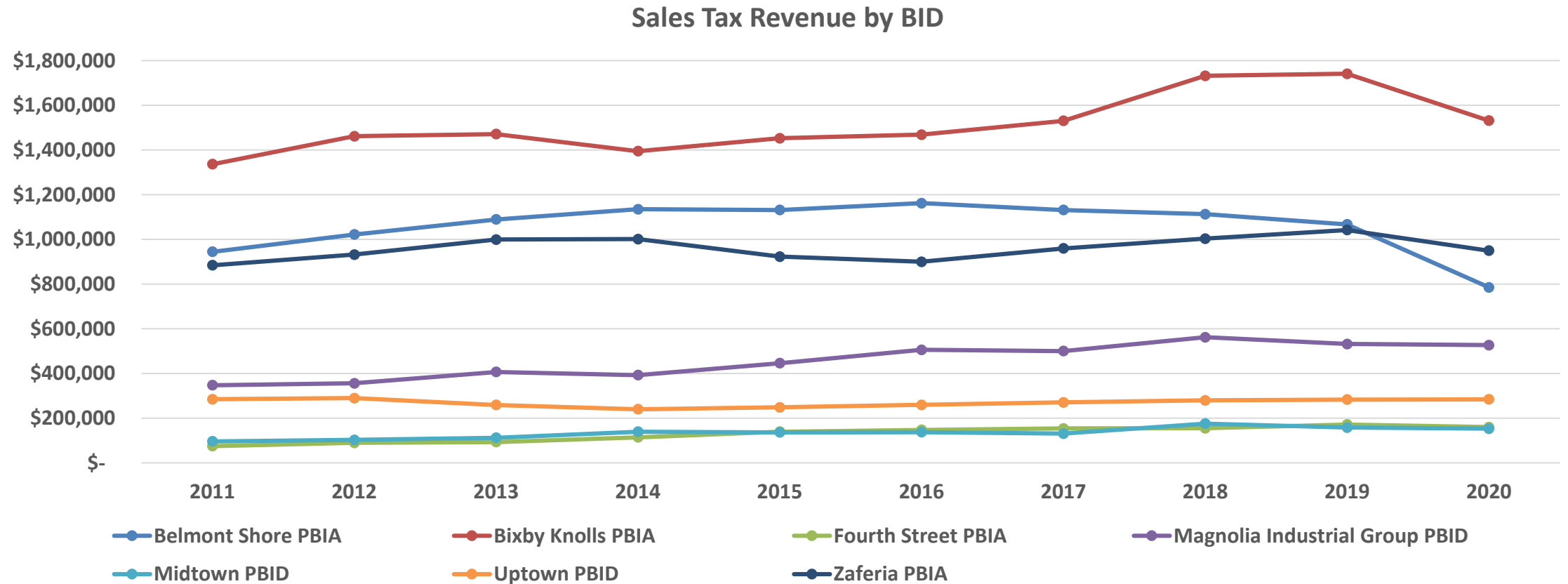
Source: HdL Companies

Sales Tax Revenue by Major Industry Groups

Industry Group	Q2 2020	Q2 2021	% Change
Autos and Transportation	\$ 1,271,852	\$ 1,770,142	+39%
Building and Construction	\$ 764,771	\$ 640,538	-16%
Business and Industry	\$ 3,681,785	\$ 4,105,140	+11%
Food and Drugs	\$ 1,461,409	\$ 1,559,604	+7%
Fuel and Service Stations	\$ 1,180,715	\$ 2,223,786	+88%
General Consumer Goods	\$ 1,429,482	\$ 2,446,831	+71%
Restaurants and Hotels	\$ 1,548,287	\$ 2,849,072	+84%

Source: HdL Companies

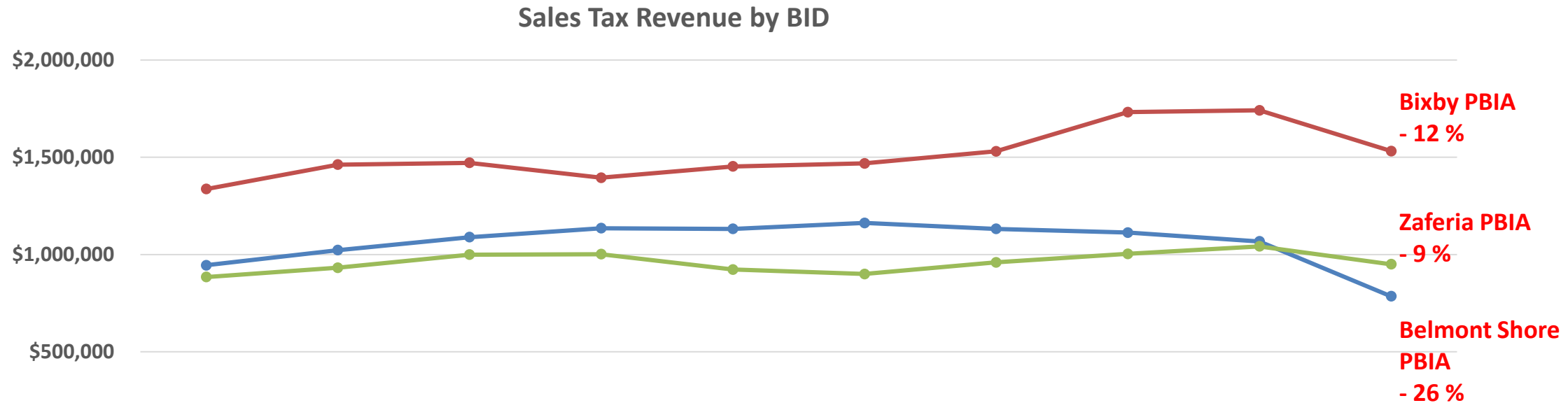
Sales Tax Revenue – Business Improvement Districts



*Does not include Downtown Long Beach and Long Beach Tourism BIA

Source: HdL Companies

Sales Tax Revenue – Business Improvement Districts

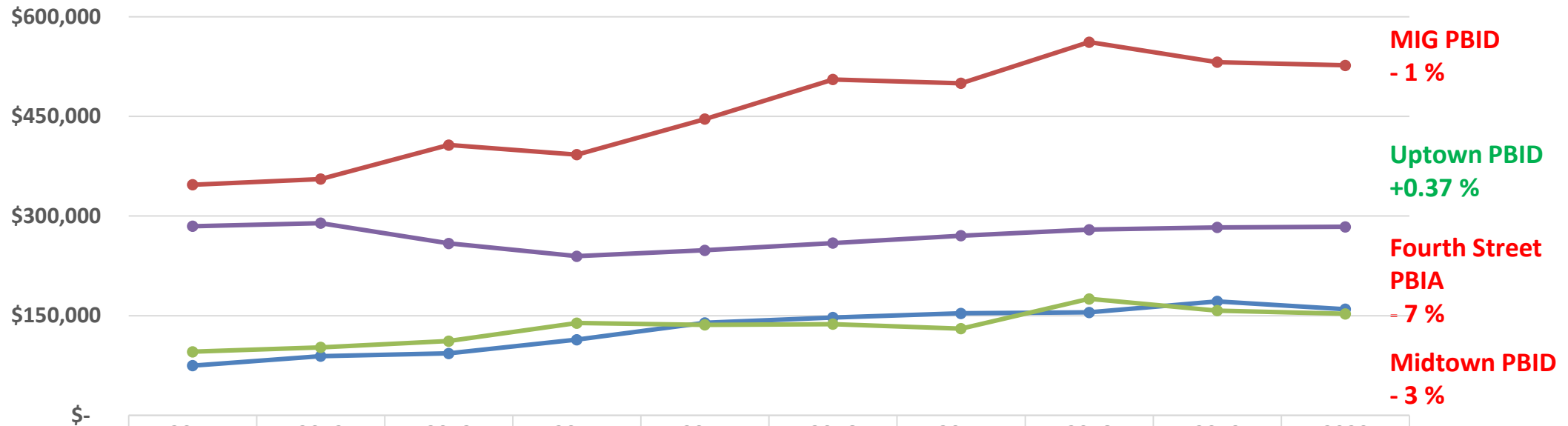


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Belmont Shore PBIA	\$944,409	\$1,022,140	\$1,089,183	\$1,135,093	\$1,131,547	\$1,162,211	\$1,131,655	\$1,112,914	\$1,067,263	\$785,076
Bixby Knolls PBIA	\$1,336,711	\$1,461,917	\$1,471,267	\$1,395,009	\$1,452,983	\$1,468,710	\$1,530,789	\$1,732,350	\$1,741,331	\$1,531,921
Zaferia PBIA	\$884,156	\$932,051	\$999,448	\$1,001,579	\$922,876	\$899,919	\$959,608	\$1,003,487	\$1,041,893	\$949,753

Source: HdL Companies

Sales Tax Revenue – Business Improvement Districts

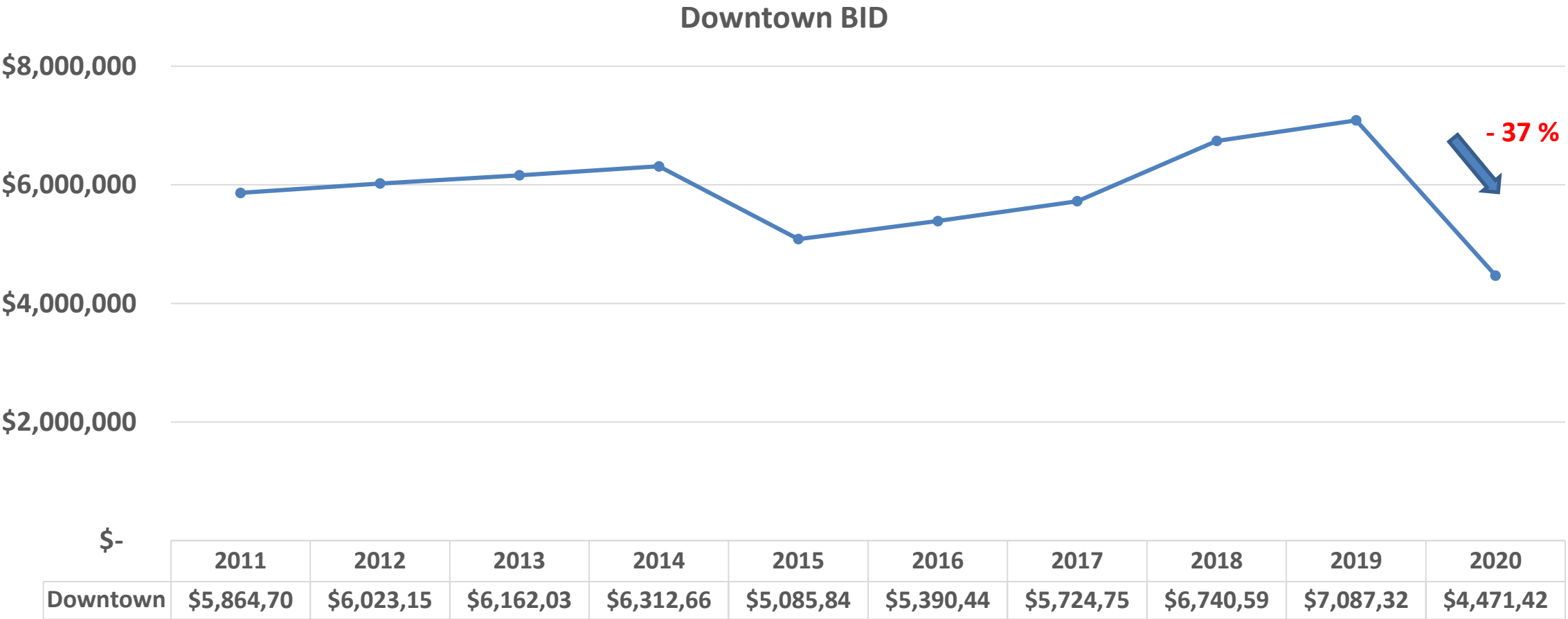
Sales Tax Revenue by BID



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fourth Street PBIA	\$74,891	\$89,206	\$93,216	\$113,998	\$139,372	\$147,315	\$153,588	\$154,935	\$171,518	\$159,868
Magnolia Industrial Group PBID	\$347,273	\$355,839	\$406,899	\$392,554	\$446,098	\$505,696	\$499,993	\$561,820	\$531,682	\$526,916
Midtown PBID	\$95,846	\$102,298	\$111,914	\$139,012	\$136,289	\$137,397	\$130,639	\$175,276	\$157,721	\$152,948
Uptown PBID	\$284,687	\$289,443	\$258,827	\$239,617	\$248,511	\$259,446	\$270,457	\$279,610	\$282,896	\$283,930

Source: HdL Companies

Sales Tax Revenue – Downtown Long Beach BID

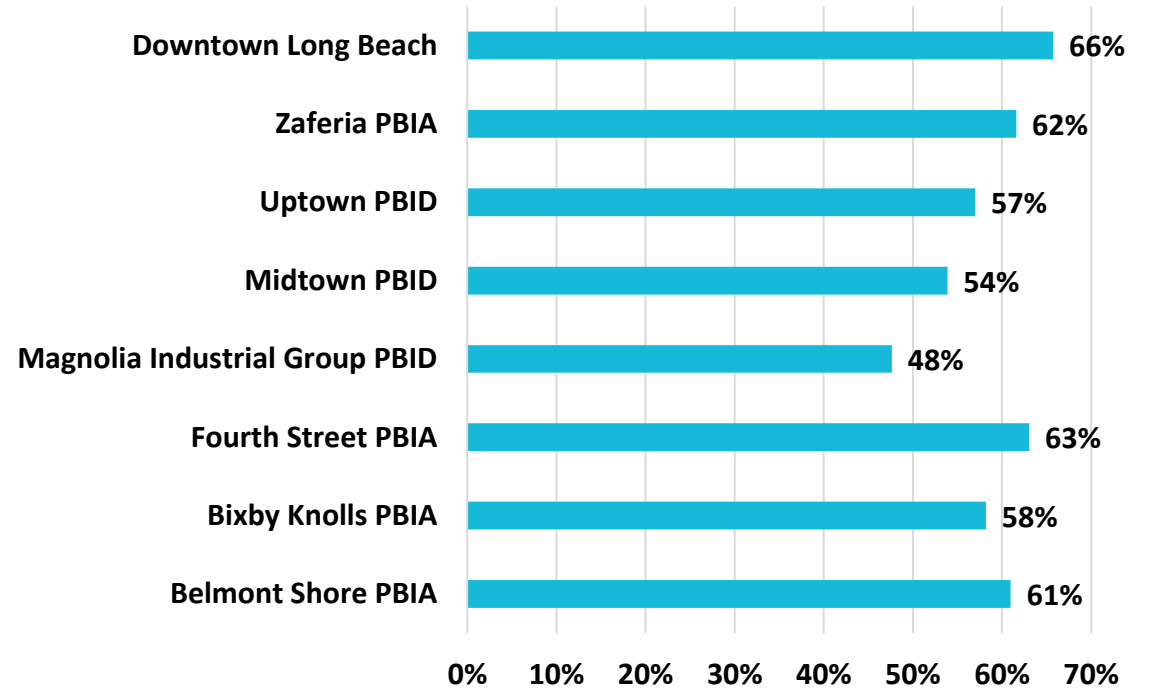


Source: HdL Companies

Sales Tax Revenue by BID – 2021 YTD

BID Name	2020	2021 (YTD)	2021 YTD %
Belmont Shore PBIA	\$ 785,076	\$ 478,592	61%
Bixby Knolls PBIA	\$ 1,531,921	\$ 891,371	58%
Fourth Street PBIA	\$ 159,868	\$ 100,762	63%
Magnolia Industrial Group PBID	\$ 526,916	\$ 250,970	48%
Midtown PBID	\$ 152,948	\$ 82,415	54%
Uptown PBID	\$ 283,930	\$ 161,791	57%
Zaferia PBIA	\$ 949,753	\$ 584,987	62%
Downtown PBIA & PBID	\$ 4,471,428	\$ 2,938,801	66%

2021 YTD as a Percentage of 2020 Revenue



Source: HdL Companies

Sales Tax Data – Confidentiality Requirements

Combined information may be disclosed

- Sales tax payments for groups of businesses may be revealed to the general public if the so-called "gang of four" and "80%" rules are followed.
- Allows combined data for four or more businesses to be released as long as no single member of the group is the source of a disproportionate percentage, defined herein as 80%, of the group total.
- Pursuant to an Executive Order signed by Governor Wilson in April 1994, it is also possible to publish a list of the top sales tax generators if all of the following conditions are met:
 - At least 25 retailers are included.
 - Businesses are presented in random or alphabetical order.
 - Businesses are not ranked by amount paid.
 - Sales or use tax amounts are omitted.

Source: HdL Companies

Sales Tax Data – Confidentiality Requirements

Authorization to Review Confidential Sales and Use Tax Information

- City Resolution No. 19-0002, Section 2, authorizes the City Manager to designate to the State Board of Equalization other officers, employees of the jurisdiction with the authority to examine sales and use tax records for the jurisdiction.
- The list includes:
 - Assistant City Manager
 - City Auditor
 - Certain Economic Development Staff
 - Certain Financial Management Staff
 - Chair of the Economic Development and Finance Committee
- Sales and use tax records may be examined for the following purposes:
 - Tracking key performance indicators and economic development
 - Forecasting and budget related functions
 - Detection of misallocations and deficiencies

Source: HdL Companies



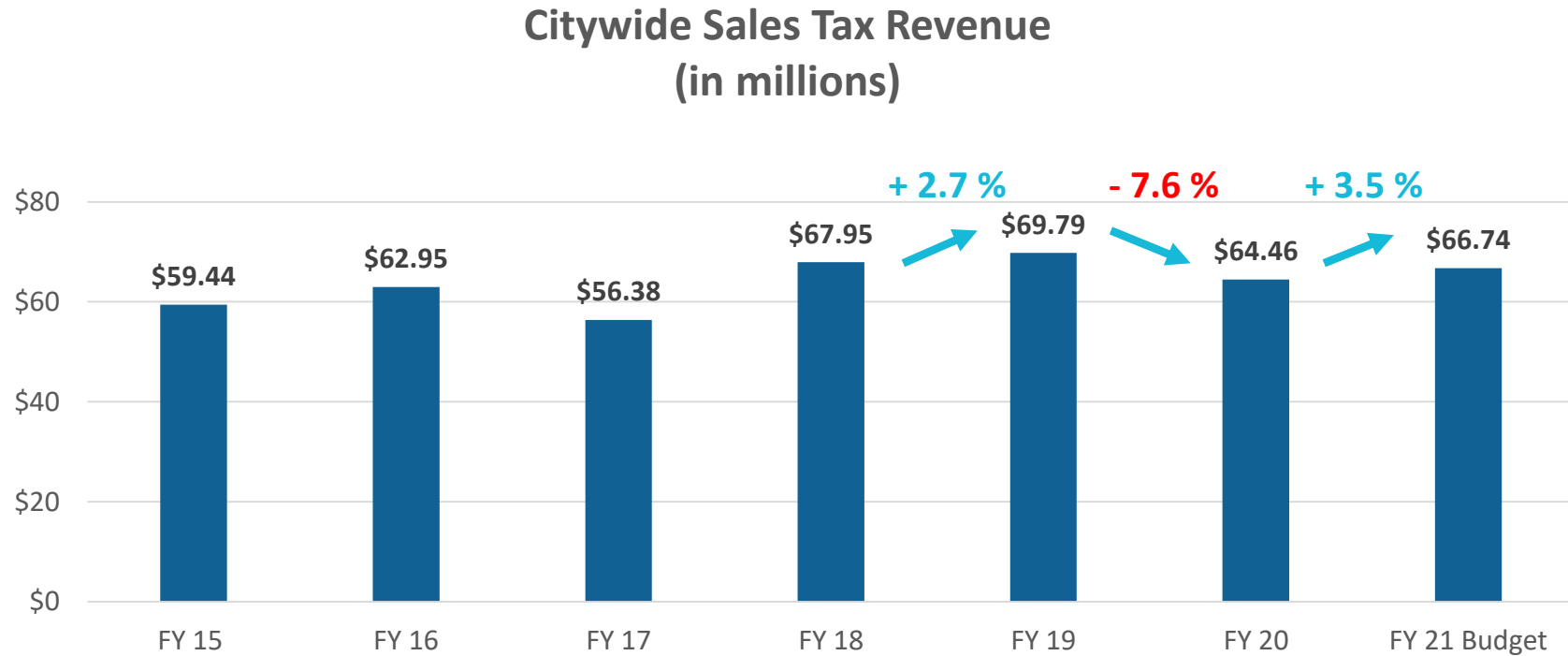
Thank you.

Future Economic Indicators Reports

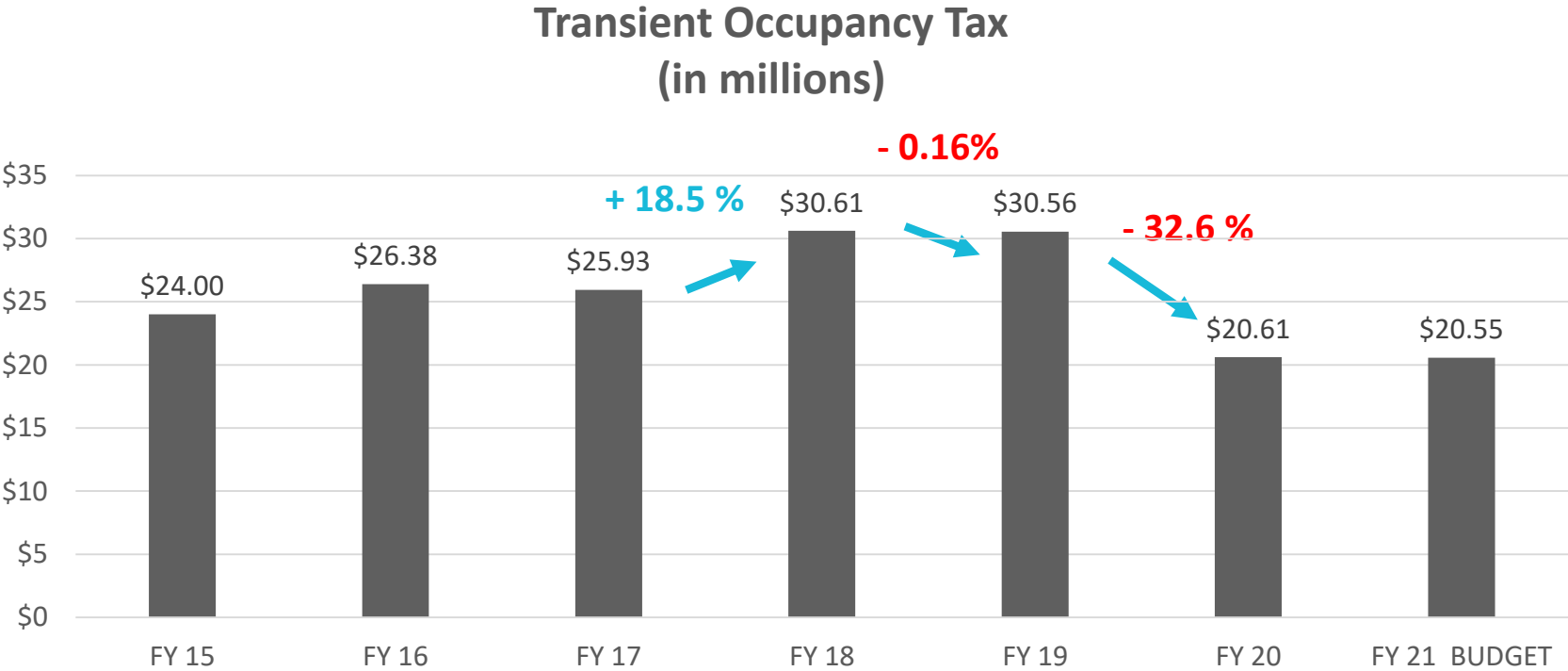
Potential Indicators and Presentations

- Commercial vacancy rates
- Property tax revenues
- Assessed value of properties
- Industry and sector specific information

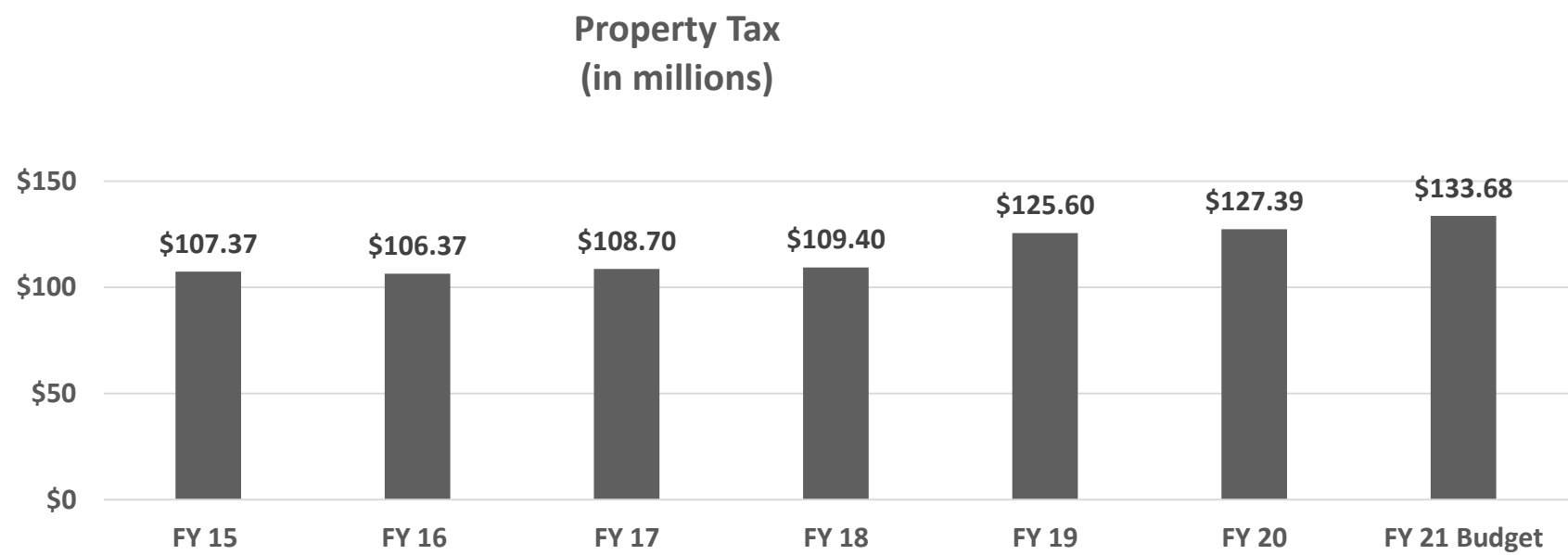
Sales Tax Revenue by Fiscal Year



Appendix - Transient Occupancy Tax by Fiscal Year



Appendix – Property Taxes by Fiscal Year



Growing State and County Pools – Marketplace Facilitators

- Per City's FY20 Year-End Budget Performance Report, increase in growth is due in part to AB 147 as well as a boost in online sales due to the transition to online shopping from the pandemic.
- **What is AB 147 – Marketplace Facilitator Act?**
 - Assembly Bill 147 required out-of-state retailers meeting specific requirements to collect and remit California's sales, use and transactions taxes effective April 1, 2019; however, marketplace facilitators were not required to begin reporting until October 1, 2019.
 - Effective October 1, 2019, "Marketplace Facilitators" will be required to collect and remit taxes for the out-of-state sellers who contract with them directly or indirectly for each sale facilitated.
 - A Marketplace Facilitator is any business that provides any of the following to out-of-state retailers: payment processing services, fulfillment or storage services, lists products for sale, sets prices, takes orders, provides customer service or assists with returns or exchanges.

Source: HdL Companies