



State Board of Equalization

# News Release

**Vice Chairperson Jerome E. Horton**

**4<sup>th</sup> District – Los Angeles**

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**For Immediate Release**  
**January 13, 2011**

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## **California Taxable Sales Declined 5.9% in 4Q09**

*10th Consecutive Quarter Decline for Taxable Sales in California*

Jerome E. Horton, Vice Chairperson of the California State Board of Equalization (BOE), announced today that taxable sales in California declined 5.9 percent in the fourth quarter of 2009, when compared to the same quarter of the previous year.

Taxable sales in California declined for the 10th consecutive quarter; however, the decline is less steep than during the depths of the recent recession. Fourth quarter 2009 taxable sales totaled \$120.4 billion, \$7.5 billion less than the fourth quarter of 2008 (a decline of 5.9 percent). However, the decline was not as steep as the previous quarter, when taxable sales dropped 15 percent on a year-over-year basis.

Overall, 51 counties in California showed a decline in year-to-year taxable sales, while seven counties had increases. Both the Southern California counties and those in the San Francisco Bay Area fared slightly better than the statewide total, as each region declined by 5.6 percent on a year-over-year basis. Conversely, the decline in Central Valley counties exceeded the statewide total. For instance, taxable sales in San Joaquin Valley counties declined by 8.2 percent, while those in the Sacramento Area declined by 6.1 percent.

Taxable sales for Los Angeles County were down by 6.7 percent from the fourth quarter a year ago. The City of Los Angeles, the state's largest city, posted a fourth quarter decline of 5.9 percent. Taxable sales for the City of Long Beach (the State's sixth largest city by population) increased by 3.4 percent.

In constant dollar terms, taxable sales decreased by 7.5 percent over the same quarter a year ago. The California Taxable Sales Deflator increased by 1.7 percent for the fourth quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.2 percent.

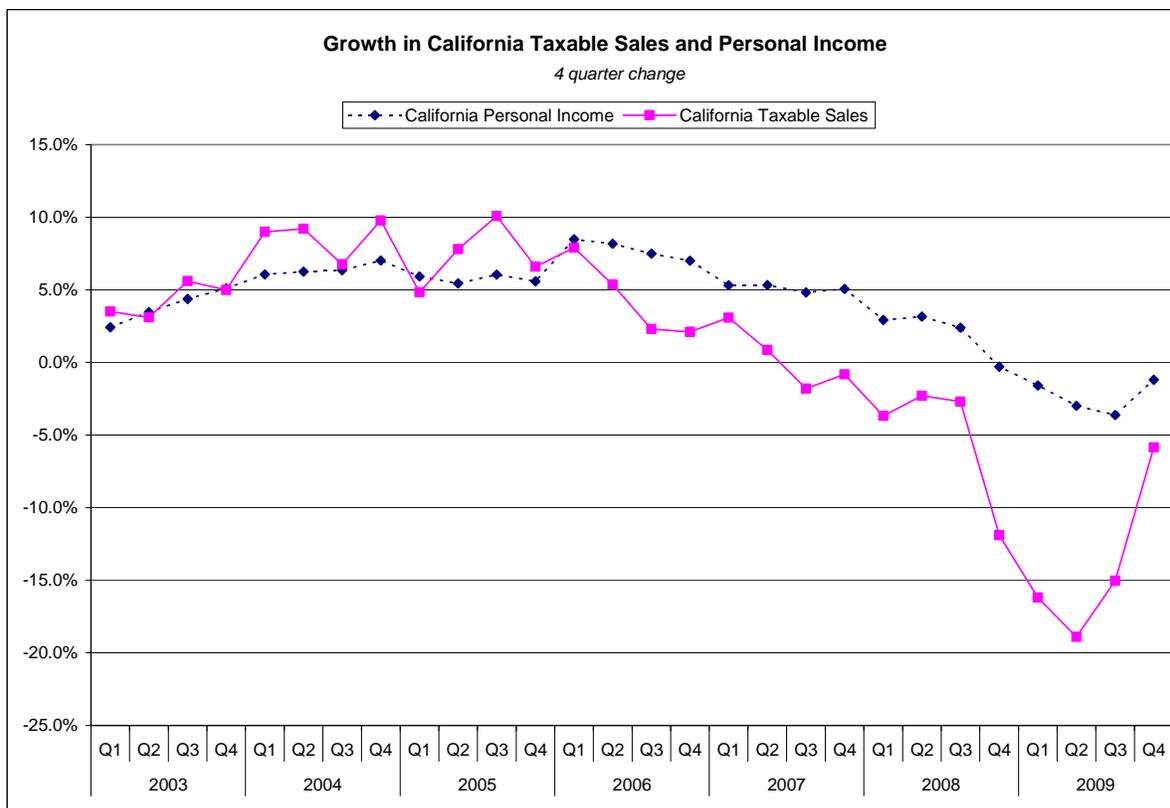
Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the fourth quarter of 2009 and can be viewed on the BOE website at:

[www.boe.ca.gov/news/tsalescont.htm](http://www.boe.ca.gov/news/tsalescont.htm).

View all Taxable Sales in California for the fourth Quarter of 2009 here:

[www.boe.ca.gov/news/tsalescont09.htm](http://www.boe.ca.gov/news/tsalescont09.htm)

*Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the fourth quarter of 2009.*



**Notice:** In early 2007, the Board of Equalization began a process of converting business codes of sale and use tax permit holders to North American Industry Classification System (NAICS) codes. This process is now complete; over one million permit holders were converted from the previous business coding system to the NAICS codes. Beginning in 2009, our reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years. Therefore, we will not publish year-over year percentage changes by industry until 2010.

Elected in 2010, Vice Chairperson Jerome E. Horton is the 4<sup>th</sup> District Member of the BOE, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chairperson. Horton is the first African American to serve on the BOE since its inception in 1879, and the third African American constitutional officer in California's history. Horton previously served as an Assembly member from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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