



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jennifer A. Maguire

**SUBJECT:** SALES TAX QUARTERLY  
GROWTH BY ECONOMIC SECTOR

**DATE:** February 18, 2015

Approved

Date

2/19/15

## INFORMATION

During the February 10, 2015 City Council meeting (Item 3.3, Approval of the 2014-2015 Mid-Year Budget Review Report), Councilmember Oliverio requested information regarding the City's most recent Sales Tax Receipts by economic sector.

## ANALYSIS

The City's Sales Tax consultant, MuniServices, provides economic performance data to the City which is considered to be a more accurate measure of the actual sales tax activity in San José for a particular period. This growth analysis measures sales tax receipts, excluding State and county pools, and adjusts for anomalies, payments to prior periods, and late payments. On a local economic basis, growth of 4.0% was realized in the most recent quarter. As shown in the chart below, this growth was the result of increases in all economic sectors with the largest increases in Construction (7.2%), driven by increases in wholesale building materials activity, and Food Products (6.3%) driven by increases in restaurant activity.

### Sales Tax Revenue Economic Performance July – September 2014

Economic Sector	% of Total Revenue	% Change July-Sept. 2014 to July – Sept 2014
General Retail	26.1%	+ 4.5%
Transportation	23.3%	+ 2.8%
Business to Business	22.5%	+ 1.3%
Food Products	15.9%	+ 6.3%
Construction	11.6%	+ 7.2%
Miscellaneous	0.6%	+ 1.9%
<b>Total</b>	<b>100.0%</b>	<b>+ 4.0%</b>

Jennifer A. Maguire  
Interim Senior Deputy City Manager / Budget Director