



## GENERAL OVERVIEW

The sales tax receipts for all economic categories in the City of Gilroy increased by 5.8% for the quarter over the same period the prior year. The yearly sales tax receipts for all economic categories in the City of Gilroy increased by 7.5% over the prior year. State and County pools less administrative fees dropped by 6.3%. The combined yearly sales tax receipts increased by 5.4%.

Meetings to discuss the implementation of *South Dakota v. Wayfair, Inc.* have taken place with the California Department of Tax and Fee Administration (CDTFA). The CDTFA's Director and legal team believe the CDTFA has the authority and is required to implement remote sales tax collection and remittance under the state's long-arm statute, a catchall that requires sales tax compliance from retailers to the fullest extent allowed under the commerce clause.

The consumer confidence index rose to 137.9 in October, the highest level since September 2000.

Food shoppers are going on-line and forcing supermarkets to change their layouts. An example is replacing candy stands with freezers and implementing pick up points.

American companies are raising prices. McDonalds Big Mac is up 4.7% and Starbucks freshly brewed coffee is up 8.9%.

California's unemployment rate in September 2018 was at 4.1%. It is currently the lowest jobless reading in 49 years.

## Reconciliation of First Quarter 2018 Sales

### TOP 25 SALES/USE TAX CONTRIBUTORS

The following list identifies Gilroy's Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents sales from April 2017 to March 2018. The Top 25 Sales/Use Tax contributors generate 50.2% of Gilroy's total local business sales and use tax revenue.

ARCO AMPM MINI MARTS	GILROY HYUNDAI	SHELL SERVICE STATIONS
BEST BUY STORES	GILROY TOYOTA	SOUTH COUNTY CHRYSLER-JEEP
CALVIN KLEIN	HOME DEPOT	STAR CONCRETE
CHEVRON SERVICE STATIONS	KOHL'S DEPARTMENT STORES	TARGET STPRES
COACH STORES	LOWE'S HOME CENTERS	UNION 76 SERVICE
COSTCO WHOLESALE	MCDONALD'S RESTAURANTS	VANS SHOES
CRESCO EQUIPMENT RENTALS	NIKE FACTORY STORE	WALMART STORES
GILROY BUICK GMC	ROTTEN ROBBIE SERVICE STATION	
GILROY CHEVROLET CADILLAC	SEE-GRINS RV	

### ANNUALIZED CHANGE IN SALES TAX CASH RECEIPTS

