



## GENERAL OVERVIEW

The sales tax receipts for all economic categories in the City of Gilroy increased by 1.0% for the second quarter of 2018 over the same period the prior year. The yearly sales tax receipts for all economic categories in the City of Gilroy increased by 6.4% over the prior year. State and County pools less administrative fees dropped by 17.8%. The combined yearly sales tax receipts increased by 2.9%.

AB 155 (approved 2011) expanded California's use tax collection requirements within the physical presence framework established by *Quill*. The Supreme Court decided the *South Dakota v. Wayfair, Inc.* case on June 21, 2018. This historical ruling provides states with the authority to require online retailers to collect sales taxes even without a local presence in that state. Implementation by the California Department of Tax and Fee Administration (CDTFA) is expected in early 2019.

The top 2018 U.S. e-commerce sales come from Amazon 49.1%, eBay 6.6%, Apple 3.9%, Walmart 3.7%, The Home Depot 1.5%, Best Buy 1.3%, QVC 1.2%, Macy's 1.2%, Costco 1.2%, and Wayfair 1.1%. Sales taxes from sellers located outside of California is allocated through the county-wide pool. Gilroy's share of the Santa Clara County pool for the second quarter of 2018 was 4.4% or \$707K.

California's unemployment rate for both September and October 2018 was at 4.1%, with 804,349 unemployed people. The national unemployment rate for the same months was 3.7% for both months.

## Reconciliation of Second 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 July 2017 to June 2018. The Top 25 Sales/Use Tax contributors generate 50.7% of Gilroy's total local business sales and use tax revenue.

ARCO AMPM MINI MARTS	GILROY HYUNDAI	SEE-GRINS RV
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
GARLIC TRAVEL CENTER	NIKE FACTORY STORE	WALMART STORES
GILROY BUICK GMC	PAPE MACHINERY	
GILROY CHEVROLET CADILLAC	ROTTEN ROBBIE SERVICE STATION	

### ANNUALIZED CHANGE IN SALES TAX CASH RECEIPTS



