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Article citation:
Gaffney, Mason. “California Sales Tax Revenues by City and Type of Sales.” No date. Notes.

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California Sales Tax Revenues by City and Type of Sales

By Mason Gaffney

1. The Riverside Press Enterprise 18 June 85 C1
Major sources of sales tax, Riverside County
Taxable sales, 1984 - ($b)

Other food stores	108
Eating places, no liquor	185
Other eating/drinking places	259
Bldg mtrls	284
Food stores selling liquor	343
Dept. and dry goods	396
Service sta.s	431
New motor veh. dlrs	577
Total	4,874

A second table shows intercity differences.

2. Taxable sales, 1984, from TPE 18 June 85 C1
A.V., 1995, from Rpt of B of Eq.
A.V., 1983, from ditto, rptd in TPE 13 Aug 82 B1

Sales given as % of "All Outlets"

Kind of Outlet	Blythe	CatCty	Corona	Hemet	Indio	Plm Des	Plm Spr	Riv	San Ber
Apparel	1.5	1.6	1.5	3.8	2.4	1.5	10	3.4	3.9
Gen Mdse	12	7.3	10	20	12	23	7	13	20
Food Store	13	14	7.2	9.0	14	5.9	6.5	7.7	5.8

Pkg. Liquor	--	--	.8	.9	.6	.9	1.3	.9	1.0
Eating & Drinking	14	7.4	9.5	11	8.3	14	15	7.6	8.4
Home Furn.	2.9	3.7	1.7	3.7	2.7	6.3	3.6	4.1	4.0
Bldg. Mtrls.	5.4	11	5.7	4.7	7.3	2.6	4.2	8.5	5.5
Auto Dlrs.	13	23	28	16	21	.8	9.9	20	15
Service Sta.	16	6.9	11	7.5	11	6.4	5.1	7.0	7.8
&c. Retail	8.0	9.4	4.6	7.5	6.3	13	9.3	8.2	9.3
All Retail	89	85	82	90	86	89	75	81	81
&c. Outlets	11	15	18	10	14	11	25	19	19
All Outlets	82	198	333	239	266	211	365	1,422	1,257
1995 A.V.	260	1,699	5,390	1,970	1,280	4,285	4,041	10,259	5,611
8% Sales/A.V. 1995	2.5	.93	.49	.97	1.67	.39	.72	1.1	1.8
1983 A.V.	97	360	981	548	473	1110	2333	3462	--
8% Sales/AV 1983	6.8	4.4	2.7	3.5	4.5	1.5	1.3	3.3	--
Income									
Pop									

Income/Pop									
A.V./Pop									

Findings and inferences from above table.

1. Sales tax/A.V. is highest in Blythe. Service stations and restaurants are strong there, but not that much above other cities, so main reason must be low A.V., owing to outpost location. Food stores also strong there, indicating poor people.

2. Palm Desert, Corona, and Palm Springs are low in Sales tax/A.V.

a. Palm Desert because it is rich.

b. Corona is rich, but also has lots of speculative vacant land. Also, Riverside got ahead of it in retailing. (These data predate McKinley power center—is that in Corona?)

c. Palm Springs does not lack for retail; must be rich.

3. San Bernardino is high in Sales tax/A.V.—lots of poor people. Ditto for Indio.

4. Median cities are Cathedral, Hemet, Riverside.

5. Apparel is much stronger in Palm Springs than other cities.

6. General Merchandise: leaders are Hemet, Palm Desert, and San Bernardino. Hemet and San Bern because they are lower-middle class; Palm Desert is probably a fluke, because it has little retailing, period.

7. Food Stores. Blythe and Cathedral and Indio are high. Blythe and Indio are poor. Cathedral—another fluke?

8. Package liquor: low everywhere.

9. Eating and drinking are highest in Blythe, Palm Desert, and Palm Springs: towns people visit?

10. Home furnishings: highest by far in Palm Desert. Because it is growing fast? But it is very low in building materials. Another fluke? In a small town, one big store can make a big difference.

11. Auto dealers: leaders are Cathedral, Corona, Indio, and Riverside.

Along with general merchandise, leads in revenues.

12. Service stations. After Blythe, Corona and Indio lead. Corona because of all the through traffic; Indio because other things are weak, because of poverty.

13. "Other outlets," Palm Springs leads by far.

14. WATCH THOSE DATES! You cannot match 1984 sales with 1995 A.V., as I did at first, because A.V.s rose a lot in those eleven years. Thus, I greatly understated the proptax rate needed to match the sales tax revenues. Unless I find some error in my data, or the PE's data, I have some heavy rethinking to do. It may be that underassessment is the key, in which case I

must home in on that.

3. TPE 25 Sept 86 F1

Riverside Cty Taxable Sales, from B of E Rpt, 1986 1st Qtr

Item	Am't ($m)	% of total
Women's apparel	21.3	1.44
Men's apparel	4.2	.28
Family apparel	15.6	1.05
Shoes	12.0	.81
Subtotal, apparel	53.0	*3.57
Low-price, variety	6.8	.46
Dept & dry-goods	98.6	6.64
Drug stores	24.7	1.66
&c gnrl mchdse	3.2	.22
Gnrl Mchdse Subtotal	133.3	*8.98
Gifts, art goods, novelty	4.0	
Sporting goods	10.5	
Florists	3.8	
Photographic	1.8	
Musical Instruments	12.5	.84

Stationery, books	16.6	1.12
Jewelry	7.0	
Office, store, school supplies	61.1	4.12
&c specialties	26.8	
Specialties, subtotal	142.9	*9.63
Food stores selling liq	94.7	6.38
All other food stores	31.8	
Pkg liquor stores	10.6	
Liquor, subtotal	137.10	*9.24
Eating, no liquor	64.7	4.36
Eating, beer & wine	34.2	
Eating, all liquors	51.3	3.46
Eat/drink, subtotal	150.1	*10.12
Home furnishings	29	
Home appliances	14.7	
2nd hand	2.0	
Farm implement dlrs	19.6	1.32
Farm & garden supply	11.6	
Fuel and ice	2.6	

Lumber & bldg mtrls	57.6	3.88
Hardware stores	9.7	
Plumbing, electrical	8.9	
Paint, glass, wallpaper	5.6	
Bldg mtrl subtotal	81.8	*5.51
New motor vehicle	160.5	10.82
Used motor vehicle	9.3	
Auto supplies, parts	27.7	
Service Stations	107.1	7.22
Mobile Homes	18.0	
Boat, cycle, planes	7.9	
Automotive subtotal	330.4	*22.27
Retail total	1,050	70.76
Services, bus & psnl	77.4	5.22
All other non-retail	356.2	24.0
Totals	1,483.9	100

Small problem: Retail total is a little larger than the sum of all the subtotals. In the original source, it was a lot larger, because the source omitted one of the subtotals (liquor).

Puzzles:

1. What is "all other non-retail?" It is 24% of the total, and this is supposedly a "retail" sales tax. It seems there is heavy double-taxation.

Morals:

1. Clothing is a small part of total.

2. Women's clothing is four to five times more than men's.

3. "Dept. and dry-goods" is 6.6%, but not defined clearly.

4. Office, store, and school supplies are 4.12%. They are then retaxed when the goods they produce are sold.

"School supplies" are retaxed when the schooling results in a higher output from the educated person. Extending this, the same is true of much human maintenance and human capital, from wedding and conception to the end of life.

5. Food stores and restaurants, with and without liquor, make up 19% or so of the total. Mere "food" may be untaxed, but a lot of things that go with it are taxed. Fast food and beer, the poor man's subsistence, may be bad nutrition, but that is judgmental. Do not accept the claim that food is all exempt.

6. Secondhand sales are negligible, except for used cars, and they aren't much.

7. Building materials' subtotal are 5.5%, paid up front, even though they are actually consumed over the next seventy-five years or so. (A tax of 8%, up front, has a present value of a proptax of 1% levied over a good deal more than eight years.)

8. New cars are nearly 11%; service stations another 7.2%. Considering the social cost of cars, such high taxes make some sense.

Service stations is mostly a tax on gasoline, I assume. For this we can thank state Sen. James Mills.

9. Mobile homes are taxed—the entire home, not just the materials in it.

They are listed in the "automotive" group—misleading.