

Summary of Sales and Use Tax Revenue (Dollars in Billions)

	Actual 2006-07	Actual 2007-08	Estimated 2008-09	Forecasted 2009-10
Sales and Use Tax Revenue:				
General Fund	28.4	27.8	25.8	28.3
Local Revenue Fund	2.9	2.8	2.5	2.4
Local Public Safety Fund	2.9	2.8	2.5	2.4
Fiscal Recovery Fund	1.4	1.4	1.2	1.2
Bradley Burns	5.7	5.7	5.0	4.8
Special District Taxes	3.9	4.0	3.5	4.1
Total	45.1	44.4	40.5	43.1
Percent Change		-1.5%	-8.9%	6.5%
Absolute Change		-0.7	-4.0	2.6

- Taxable sales increased at an average annual rate of 5.4 percent between 1981-82 and 2006-07. During that 25-year period, the year-to-year change went negative only four times, and never went lower than minus 2.3 percent (2001-02).
- Total sales and use tax (SUT) revenue in 2007-08 declined 1.5 percent from the previous fiscal year, reflecting the slowdown in taxable sales, employment and personal income that resulted from the onset of the current recession.
- SUT revenue is estimated to have fallen sharply in 2008-09, dropping a record \$4 billion (or 8.9 percent). This decline reflected (1) the deepening recession, and (2) the California real estate market.
- We currently estimate that SUT revenues will rise 6.5 percent in 2009-10. However, this reflects the temporary one percentage point increase to the SUT rate. The July 2009 budget agreement's forecast of underlying taxable sales assumes a further decline of 4.6 percent, with a modest rebound occurring in 2010-11.