



PRESIDENT'S CORNER

I read a depressing piece in the New York Times earlier this month about Japan's "Lost Decade" (and soon that might be the "Lost Decades" given the persistence of their difficulties). Grippled by a deflationary spiral, a whole generation of Japanese have cut back spending, seen their standard of living erode, and come to see spending now as "stupid" given that prices seem to be in continual decline. It is not a pretty picture and contrasts dramatically with the books about "Japan Inc." that filled book shelves in the 1980s.

In this edition of the *Economic Ledger*, Kelly Cunningham underscores some of the troubling numbers we are seeing in taxable sales in San Diego County. Empty malls and vacant storefronts are the visual evidence of a 17% decline in retail consumption in San Diego County since its 2006 peak. It is a brutal situation out there, as any store owners, commercial real estate broker, or retail mall owner can attest.

It also is a good thing to think about this November and beyond. The question we hope readers ask when they hear about proposed policies and macro economic fixes is whether or not such plans help or hinder the retail sector. While this isn't a call for everyone to run out and spend like drunken sailors, Mr. Cunningham's analysis makes clear that absent better retail sales numbers it will be a long brutal slog out of this recession.

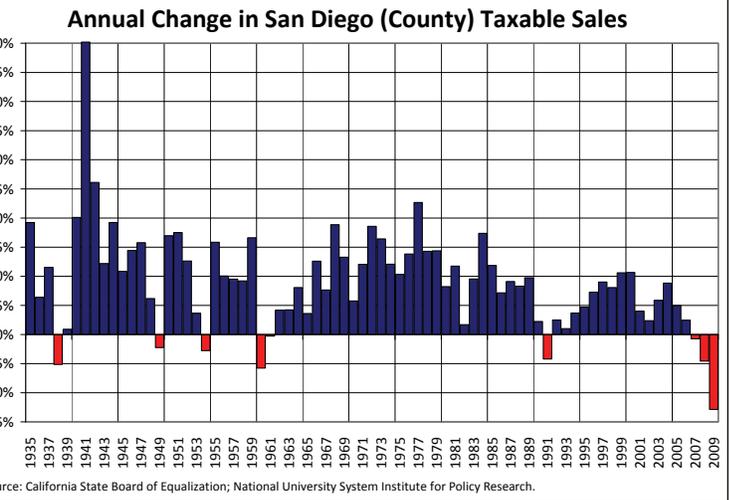
— *W. Erik Bruvold, President
National University System
Institute for Policy Research*

Consumer Spending Plummets in San Diego Beginnings of Recovery Evident in 2010

As a visit to the local mall makes abundantly clear – consumer sales in San Diego County have fallen substantially as the triple whammy of falling home prices, high unemployment, and battered consumer confidence caused residents to cut back, demand bargains, or forgo purchases.

Data on taxable sales vividly reveals consumer spending plummeted in San Diego over the past three years. Taxable sales across San Diego County reported by the California State Board of Equalization (BoE) have fallen 17.4 percent since 2006.¹ Adjusted for inflation, this represents a loss of \$12.1 billion in annual sales activity within the region.

A peak of \$47.8 billion was recorded in 2006. Sales slightly faltered in 2007, declining 0.7 percent, and fell another 4.5 percent in 2008 to \$45.3 billion. The big plunge was in 2009 when activity fell 12.8 percent to \$39.5 billion. The last year sales in San Diego were lower than \$40 billion was 2002. Adjusted for inflation,



sales actually fell below 1997 levels when San Diego had 560,000 (1 out of 5) fewer residents.

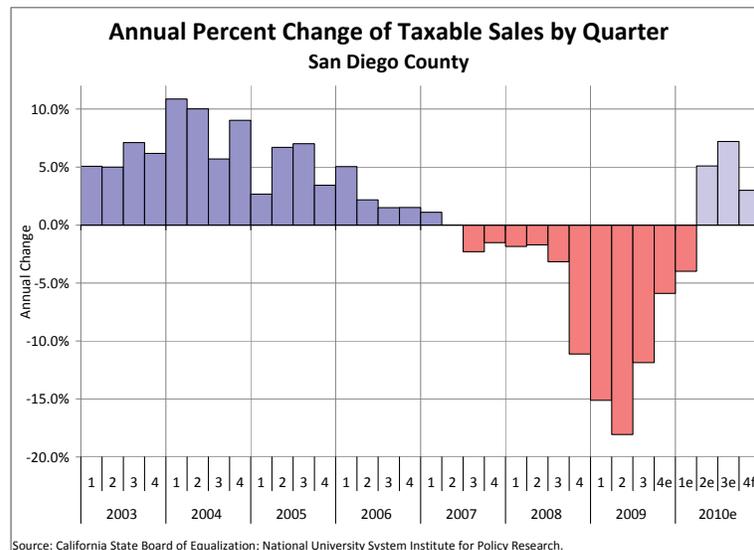
Sales and use taxes were first collected and reported by the state of California in the midst of the Great Depression in 1933. Sales activity generally increased as population and income grew, only occasionally dipping during times of economic distress. The longest and steepest decline of the past

nearly 80 years, far dwarfing any other economic setback, occurred the last three years.

Sales fell an unprecedented nine consecutive quarters on a year-over-year basis, with another two quarters estimated to show further declines. The 18.1 percent drop in the 2nd quarter, 15.1 percent in the 1st quarter, and 11.9 percent in the 3rd quarter of 2009 are the steepest on record.

The bit of good news is the decrease in the third quarter of 2009 was not as steep as the previous two quarters, and 4th quarter sales are estimated to have eased to "only" a 5.9 percent annual decrease.²

Estimates for 2010 indicate sales beginning to rise, although a long way to go to make up for lost ground. We believe that it will be 2013 before sales reach peaks seen in 2006 and 2007. Assuming moderate levels of inflation and no unexpected changes in population and income, it is likely to take



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Taxable Sales

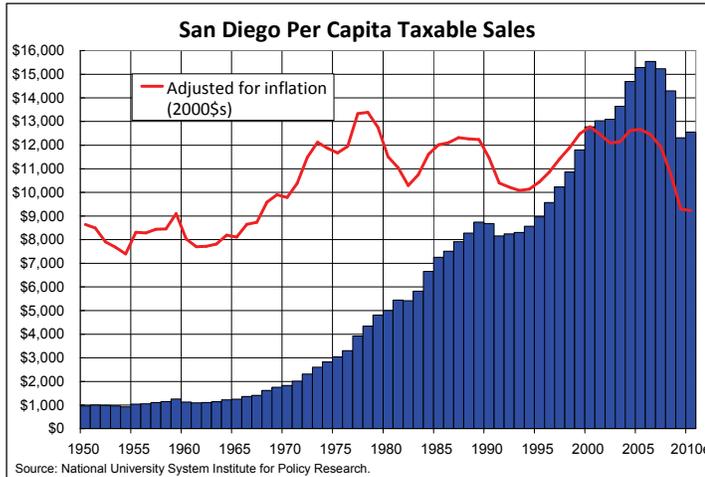
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more than a decade to regain previous "real" or inflation adjusted sales volumes for San Diego.

On a per capita basis, sales fell by even greater percentages. From a peak of \$15,545

Statewide drop in taxable sales

San Diego was not alone in the record drop of taxable sales, although the softening and decline was evident here first. As of the 3rd quarter of 2009, the last quarter currently reported by the BoE, taxable sales in California fell an unprecedented nine consecutive quarters, a decline of -19 per-



per resident in 2006, sales fell to \$12,338 in 2009. Adjusted for inflation, sales actually peaked in 2005, and have fallen by more than one-fourth (-25.6 percent) in "real" terms. Comparing San Diego's 2009 per capita sales, adjusted for inflation, are the lowest since 1967.

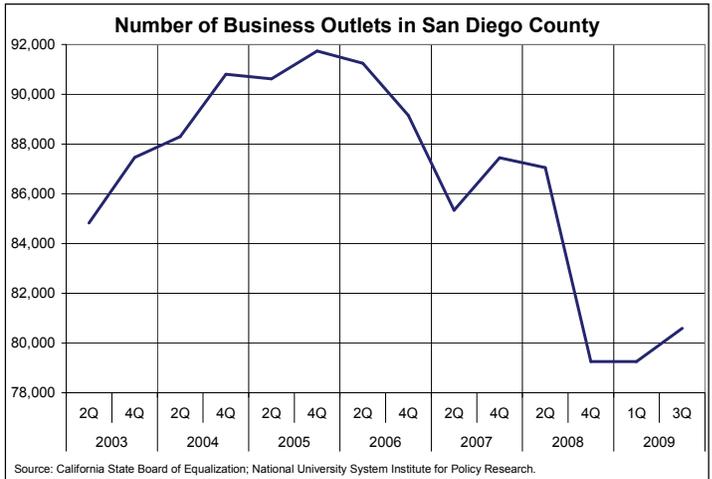
As sales declined, business outlets selling taxable goods and services in San Diego also fell. From a peak of 91,738 in the 4th quarter of 2006, the number reported by the 4th quarter of 2008 was only 79,251. The net decrease of 12,487 represents a 14 percent decline from 2006. Perhaps a sign for some returning optimism is the BoE reported 1,344 outlets added as of the 3rd quarter of 2009.

Employment among retail and wholesale businesses dropped as well, and remain below levels recorded in 2006-07. As of August 2010, retail employment is down 13.7 percent since 2007, while wholesale jobs are down 11.1 percent. This compares with overall employment in San Diego down 9.5 percent.

cent or \$105 billion across the state.

Recognizing misery loves company, the three-year decline in San Diego is relatively less than the rest of California and other southern-California counties. San Diego's 17.4 percent decline between 2006 and 2009 compares with an 18.7 percent drop in California over just two years. Sales in Los Angeles and Orange County also did not decline until 2007, but have since fallen 18.1 and 20.3 percent respectively. Riverside (-25.1 percent) and San Bernardino (-24.3 percent) have also recorded greater decreases since 2006.

The fall off was not quite as severe in San Francisco where sales declined 14.6 percent in only 2009. Santa Clara shows a two-year decrease of 18.5 percent, while Ala-



meda (-21.2 percent) and Sacramento (-22.3 percent) show greater and longer drops.

The data from the BoE also helps underscore the relationship in California between housing prices and taxable sales. San Diego was among the first housing markets to experience fast rising home prices over the first half of the past decade, accompanied by

significant increases in taxable sales. San Diego home values subsequently weakened and precipitously declined, which was soon followed by the rest of California. Similarly, taxable sales locally were among the first to soften in 2005 and 2006, before faltering in 2007. As sales plummeted in 2008 and 2009, the financial meltdown spread across the state and throughout the nation.

A significant increase of E-commerce or internet sales may have some, but only a minor factor in the downturn of taxable sales. Sales purchased from businesses that do not have a physical presence in California are not required to collect state sales taxes, although it should be noted the tax is still owed by individuals making the purchases. Consumers are supposed to keep track of on-line and catalog purchases and pay the equivalent sales tax as a "use" tax on their state tax returns. Few people do, however, and the use tax is almost impossible to enforce, which effectively exempts the purchases. In any case, E-commerce remains a small percentage of total retail sales. Although growing significantly over the past decade, E-

TAXABLE SALES - San Diego County					
Year	Qtr	Quarter (000s)	Annual Change	Annual (000s)	Annual Change
2002	1	\$8,830,682	1.2%	\$38,595,547	2.4%
	2	9,582,615	1.9%		
	3	9,920,745	5.6%		
	4	10,261,505	0.9%		
2003	1	9,279,083	5.1%	40,863,978	5.9%
	2	10,061,870	5.0%		
	3	10,626,888	7.1%		
	4	10,896,137	6.2%		
2004	1	10,287,490	10.9%	44,470,338	8.8%
	2	11,070,772	10.0%		
	3	11,232,007	5.7%		
	4	11,880,069	9.0%		
2005	1	10,560,865	2.7%	46,679,471	5.0%
	2	11,812,236	6.7%		
	3	12,019,021	7.0%		
	4	12,287,349	3.4%		
2006	1	11,092,889	5.0%	47,835,514	2.5%
	2	12,068,820	2.2%		
	3	12,199,800	1.5%		
	4	12,474,005	1.5%		
2007	1	11,214,037	1.1%	47,485,988	-0.7%
	2	12,069,563	0.0%		
	3	11,918,333	-2.3%		
	4	12,284,055	-1.5%		
2008	1	11,006,966	-1.8%	45,329,136	-4.5%
	2	11,862,623	-1.7%		
	3	11,541,461	-3.2%		
	4	10,918,086	-11.1%		
2009	1	9,343,723	-15.1%	39,508,447	-12.8%
	2	9,719,316	-18.1%		
	3	10,171,490	-11.9%		
	4e	10,273,919	-5.9%		
2010e	1e	8,969,974	-4.0%	40,671,238	2.9%
	2e	10,215,001	5.1%		
	3e	10,903,837	7.2%		
	4f	10,582,427	3.0%		

Source: California State Board of Equalization; National University System Institute for Policy Research. e: estimate; f: forecast

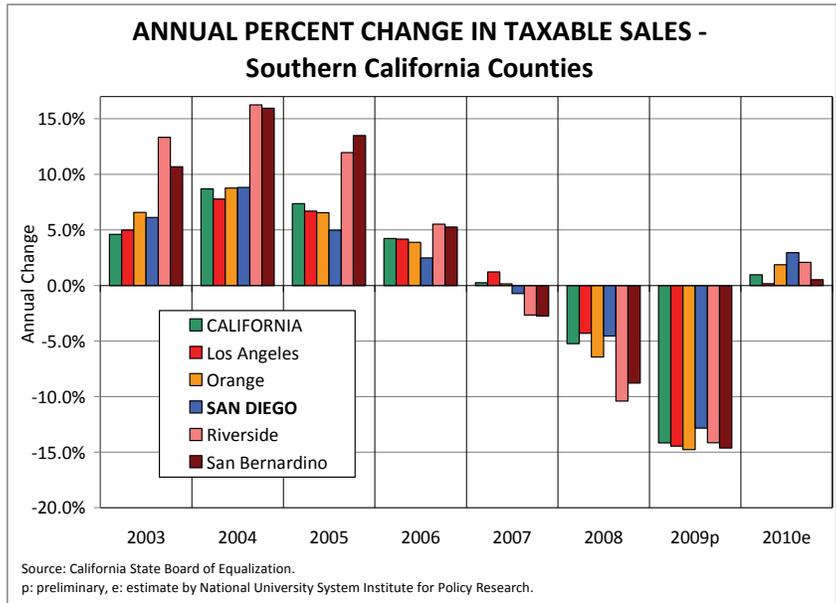
commerce sales still account for only 4.0 percent of retail purchases as of 2009-10 according to the U.S. Census Bureau.

Now for slightly better news

Based upon preliminary BoE reports for the 1st, 2nd, and 3rd quarters of 2010, sales are estimated to be increasing, with San Diego leading the way in southern California. California is projected to show a 1.0 percent year-over-year gain of sales in 2010, not much of an increase following such large declines, but significant indication that sales stopped falling. San Diego is projected to show a stronger 2.4 percent gain for

we see, especially comparing the smaller cities in the region, how consumers responded to the economically challenging situation.

All incorporated cities within San Diego County have recorded significant drops of taxable sales since 2006. The largest decline was in National City (-30.3 percent). Escondido, Lemon Grove, and El Cajon had the next largest



	2006	2007	2008	2009p	2010f	Number Change		Percent Change	
	(\$millions)					'06-'09	09-'10f	'06-'09	09-'10f
CALIFORNIA	\$559,652.4	\$561,050.1	\$531,653.5	\$456,295.0	\$460,694.1	-\$103,357.4	\$4,399.0	-18.5%	0.8%
Los Angeles	136,163	137,820	131,882	112,812	113,001	-23,350.5	189.0	-17.1%	0.1%
Orange	57,203	57,293	53,607	45,685	46,541	-11,517.6	855.6	-20.1%	1.5%
SAN DIEGO	47,836	47,486	45,329	39,508	40,671	-8,327.1	1,162.8	-17.4%	2.4%
Santa Clara	32,273	33,663	32,274	27,444	28,900	-4,829.0	1,455.4	-15.0%	4.3%
San Bernardino	31,310	30,451	27,778	23,714	23,838	-7,595.9	123.5	-24.3%	0.4%
Riverside	29,816	29,024	26,004	22,323	22,787	-7,493.6	464.7	-25.1%	1.6%
Alameda	25,223	25,831	23,863	20,364	20,442	-4,859.4	78.3	-19.3%	0.3%
Sacramento	21,140	20,561	19,332	16,601	16,515	-4,539.8	-85.6	-21.5%	-0.4%
San Francisco	13,892	14,615	14,838	12,667	12,760	-1,225.3	93.5	-8.8%	0.6%
Contra Costa	13,868	14,086	13,308	11,845	11,908	-2,022.2	62.3	-14.6%	0.4%

p: preliminary, 4th quarter 2009 estimated; f: forecast. Note: Peak sales designated by BLUE figures.
Source: California State Board of Equalization; National University System Institute for Policy Research.

Cajon, Solana Beach, and San Marcos, which were also the cities previously recording the greatest declines.

The number of outlets in each incorporated city has also fallen. Escondido (-22.2 percent) had the largest percentage decrease, followed by National City (-20.7 percent) and El Cajon (-19.9 percent).

2010, compared with Los Angeles (0.1 percent), Orange County (1.5 percent), Riverside (1.6 percent) and San Bernardino (0.4 percent).

declines (between -26 and -28 percent).

Based upon 1st and 2nd quarters estimates of tax allocations among California cities reported by the sales consult-

ing firm *The HdL Companies*, NUSIPR projects full 2010 calendar year sales.³ Taxable sales among most jurisdictions are rising in 2010, with the strongest gains projected in El

It should be noted that National City and El Cajon have the highest sales tax rate in the County at 9.75 percent followed by La Mesa at 9.50 percent and Vista at 9.25 percent.

Jurisdiction	2006	2007	2008	2009p	2010f	Number Change		Percent Change		Outlets		Change 2006-09	
	(millions of dollars)					'06-'09	09-'10f	'06-'09	09-'10f	2006	2009	Number	Percent
COUNTYWIDE	\$47,835.5	\$47,486.0	\$45,329.1	\$39,508.4	\$40,671.2	-\$8,327.1	1,162.8	-17.4%	2.9%	91,251	80,595	-10,656	-11.7%
Carlsbad	2,406.1	2,439.6	2,252.6	2,033.9	2,006.8	-372.2	-27.1	-15.5%	-1.3%	4,001	3,769	-232	-5.8%
Chula Vista	2,450.7	2,599.5	2,476.2	2,205.5	2,328.0	-245.2	122.6	-10.0%	5.6%	4,438	4,005	-433	-9.8%
Coronado	209.3	216.9	221.8	195.3	201.7	-13.9	6.4	-6.7%	3.3%	572	541	-31	-5.4%
Del Mar	145.4	142.1	125.4	116.8	127.7	-28.6	10.9	-19.7%	9.4%	1,220	1,080	-140	-11.5%
El Cajon	2,114.3	2,072.4	1,907.1	1,555.9	1,739.4	-558.4	183.6	-26.4%	11.8%	2,820	2,259	-561	-19.9%
Encinitas	1,023.8	996.3	955.8	852.2	875.3	-171.6	23.1	-16.8%	2.7%	2,949	2,667	-282	-9.6%
Escondido	2,840.9	2,696.2	2,395.1	2,043.1	2,131.0	-797.8	87.9	-28.1%	4.3%	4,597	3,576	-1,021	-22.2%
Imperial Beach	69.0	72.3	70.8	64.2	70.6	-4.8	6.3	-6.9%	9.9%	407	344	-63	-15.5%
La Mesa	1,075.0	1,036.2	949.4	871.1	907.9	-203.9	36.9	-19.0%	4.2%	1,761	1,537	-224	-12.7%
Lemon Grove	423.1	399.4	354.1	308.6	307.4	-114.4	-1.2	-27.1%	-0.4%	609	503	-106	-17.4%
National City	1,510.2	1,394.6	1,232.5	1,052.8	1,101.7	-457.4	49.0	-30.3%	4.7%	2,118	1,679	-439	-20.7%
Oceanside	1,564.6	1,582.2	1,568.8	1,456.8	1,459.8	-107.9	3.0	-6.9%	0.2%	4,265	3,818	-447	-10.5%
Poway	1,185.5	1,124.3	1,001.2	909.5	867.0	-276.0	-42.5	-23.3%	-4.7%	1,659	1,496	-163	-9.8%
San Diego	20,059.3	20,056.1	19,414.3	17,133.1	18,059.6	-2,926.2	926.5	-14.6%	5.4%	38,742	34,327	-4,415	-11.4%
San Marcos	1,459.1	1,412.4	1,290.8	1,116.3	1,229.6	-342.8	113.3	-23.5%	10.1%	2,387	2,159	-228	-9.6%
Santee	740.9	740.2	693.4	639.6	668.3	-101.3	28.7	-13.7%	4.5%	1,425	1,201	-224	-15.7%
Solana Beach	278.1	267.4	251.7	219.3	242.8	-58.8	23.5	-21.1%	10.7%	816	786	-30	-3.7%
Vista	1,216.1	1,206.6	1,148.5	1,034.5	1,078.1	-181.5	43.6	-14.9%	4.2%	2,739	2,291	-448	-16.4%
Unincorporated	7,064.1	7,031.2	7,019.5	5,700.1	5,268.6	-1,364.1	-431.5	-19.3%	-7.6%	13,726	12,557	-1,169	-8.5%

p: preliminary, 4th quarter 2009 estimated; f: forecast.
Source: California State Board of Equalization; National University System Institute for Policy Research.

TAXABLE SALES BY TYPE OF BUSINESS - SAN DIEGO COUNTY AND CITY

NAICS Type of Business	COUNTY OF SAN DIEGO			CITY OF SAN DIEGO			Percent of Total County	
	Outlets/ Permits 3rd Qtr 2009	Taxable Transactions 3Qtrs, 2009 (\$000s)	Percent of Total Trans- actions	Outlets/ Permits 3rd Qtr 2009	Taxable Transactions 3Qtrs 2009 (\$000s)	Percent Total Trans- actions	Permits	Trans- actions
	441 Motor Vehicle and Parts Dealers	2,750	\$3,199,174	10.9%	1,194	\$1,219,594	9.6%	43.4%
442-3 Home Furnishings, Appliance Stores	3,299	1,456,957	5.0%	1,537	729,905	5.7%	46.6%	50.1%
444 Bldg. Matrl., Garden Equip., Supplies	1,307	1,404,900	4.8%	391	543,221	4.3%	29.9%	38.7%
445 Food and Beverage Stores	1,986	1,425,746	4.9%	880	634,824	5.0%	44.3%	44.5%
447 Gasoline Stations	829	2,317,031	7.9%	344	973,727	7.7%	41.5%	42.0%
448 Clothing and Accessories Stores	5,195	1,767,733	6.0%	2,321	938,642	7.4%	44.7%	53.1%
452 General Merchandise Stores	813	2,903,833	9.9%	336	987,529	7.8%	41.3%	34.0%
722 Food Services and Drinking Places	7,469	3,590,870	12.3%	3,733	1,967,612	15.5%	50.0%	54.8%
Other Retail Group*	29,160	2,381,165	8.1%	11,752	1,087,024	8.6%	40.3%	45.7%
Total Retail and Food Services	52,808	\$20,447,408	69.9%	22,488	\$9,082,079	71.5%	42.6%	44.4%
All Other Outlets	27,787	8,787,120	30.1%	11,839	3,612,849	28.5%	42.6%	41.1%
Total All Outlets	80,595	\$29,234,528	100.0%	34,327	\$12,694,928	100.0%	42.6%	43.4%

*Includes 446 Health and Personal Care Stores; 451 Sporting Goods, Hobby, Book, and Music; 453 Miscellaneous; 454 Nonstore retailers.

Source: California State Board of Equalization; National University System Institute for Policy Research.

The tax rate among all other cities and areas currently within San Diego County is 8.75 percent.

Sales by “food services and drinking places” in both San Diego County and City account for the highest proportion of transactions. Within the City, both outlets (50.0 percent) and sales (54.8 percent) of food and beverage businesses are disproportionately greater than

in the rest of the County, indicating more consumers come from outside of the City, a result not only of patrons shopping from other parts of the county, but many non-resident visitors coming into the region.

“Motor vehicle and parts dealers” make up the second greatest portion of sales. Interestingly, although the number of dealers is relatively higher in the City of San Diego, taxable

transactions are proportionately lower, indicating more shoppers go elsewhere to make these purchases.

On the other hand, “building materials, garden equipment and supply stores” are much fewer in number in the City, but sales are much greater in proportion. Apparently these stores have larger operations within the City, as sales are significantly higher than County-wide averages. Clothing and accessory stores within the City have similar disproportionate share of outlets to sales.

Sales tax rates

Proposition D on the November 2010 ballot seeks to raise the City of San Diego’s sales tax rate from 8.75 percent to 9.25 percent, provided a set of 10 reforms are enacted.

The effect of higher sales tax rates on retail transactions remains a hotly debated topic in economics which is still not fully resolved. The impact of a higher sales tax rate seems more evident in communities in close proximity to other areas where the tax rate is significantly different. For example, the *Cascade Policy Institute* found the impact of implementing sales taxes in the state of Oregon was projected to lower sales in communities (and businesses) near borders with other states, and tax revenues would likely be significantly less than projected because of adverse effects from reduced cross-border activity on sales.⁴

Another study by DePaul University’s *Chaddick Institute for Metropolitan Development*, found communities near borders in Cook county and surrounding counties of Illinois suffered significantly greater losses of retail sales than other communities. They suggested the decreases could partially be attributed to a shift in consumer buying caused by the increased sales taxes to lower-taxed venues, more purchases of goods over the Internet, or basic changes in consumption patterns to avoid the tax.⁵

One question unanswered in the literature is just how significant the difference needs to be to shift behavior. The *HdL Companies* found no measurable evidence for additional sales taxes among California communities. If the sales tax rate had any impact, according to their findings, it was too small to be distinguished from other factors.⁶ Definitive findings for the effects from increased sales taxes do not seem to be conclusive, but suggests a need to be more attentively focused on probable changes in buyer behavior due to increasing the absolute rate of taxation and relative differences of sales taxes in the local region.

A much bigger impact on consumer spending is likely to result from the federal government allowing personal income taxes to rise in 2011. Expiration of the 2001 and 2003 Tax

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Details of sales and use tax rates:

In 2009 the state of California raised the sales tax rate from 7.25 percent to 8.25 percent in an effort to offset lost revenues due to the dramatic drop of taxable sales.

The allocation of the basic sales and use tax rate of 8.25 percent is divided by 6.00 percent for the state’s general fund. An additional .25 percent goes towards the state’s fiscal recovery fund to pay off economic recovery bonds, .50 percent goes to support local criminal justice activities, and .50 percent supports local health and social services program. The balance of 0.75 percent is for city and county operations, and 0.25 percent for county transportation funds.

Additional “District Taxes” are imposed by local and regional jurisdictions. The San Diego County Regional Transportation Commission (SDTC) adds 0.50 percent rate throughout

the County. The City of El Cajon has an additional 0.50 percent Public Safety Facilities Transactions and Use Tax (ECPS) and added another 0.50 percent Service Transactions and Use Tax (ECGF) in 2009. The City of La Mesa added 0.75 percent Transactions and Use Tax (LMSA) in 2009. The City of Vista has a 0.50 percent Transactions and Use Tax (VSTA), and National City adds 1.00 percent Transactions and Use Tax (NCGT) in their jurisdictions.

With the release of 2009 taxable sales data, the California BoE converted their reporting of sales by business type to North American Industry Classification System (NAICS) codes. Because of the coding change, industry-level data for 2009 are not comparable with prior years. Therefore year-over-year changes by industry will not be available until the release of 2010 data (which will not be well into 2011).

TAXABLE SALES

(Continued from page 4)

Relief Act, or so-called Bush tax cuts, in effect raises taxes on consumer incomes. Any increase of taxes lowers disposable income, which dampens consumer spending.

Possible shifts in spending behavior is only part of the story. Sales taxes are “regressive”, imposing a higher proportion of the burden to lower income households. The imposition of higher taxes on sales transactions still struggling to recover is also worth noting. **With 1 out of every 7 businesses in San Diego closing over the past four years, many still struggle to maintain profitability and remain open.** The impact of California adding the 1.0 percent higher sales tax rate in 2009 may have broadened the record drop of taxable sales throughout the state. The new rates may not have SHIFTED consumption as much as simply lowered it, as already struggling households further cut back as the post-tax price of goods increases.

Final Thoughts

We are a consumer driven society. Consumers buy about 70 percent of everything sold in the U.S., and are crucial to sustaining economic recovery.

Thus the challenge. With people uncertain about their employment situation and many unable to borrow with impaired credit, consumer-spending is likely to remain moribund through at least 2012. Until spending picks up, businesses are not likely to hire more workers. Until employment picks up,

Dashboard Observations—August 2010

By Kelly Cunningham, Economist, Senior Fellow

San Diego’s unemployment persists at elevated double-digit rates as of August 2010 at 10.6 percent. Significantly lower than California’s statewide rate of 12.4 percent, the local rate is a full percentage higher than the rest of the nation at 9.6 percent.

Although increasing from historic lows recorded in 2009, residential construction remains at recessionary levels in 2010. Units authorized for construction through August 2010 are 42 percent higher than the same period in 2009, but remain about one-third the pace of previous years, lower than any other year since 1993.

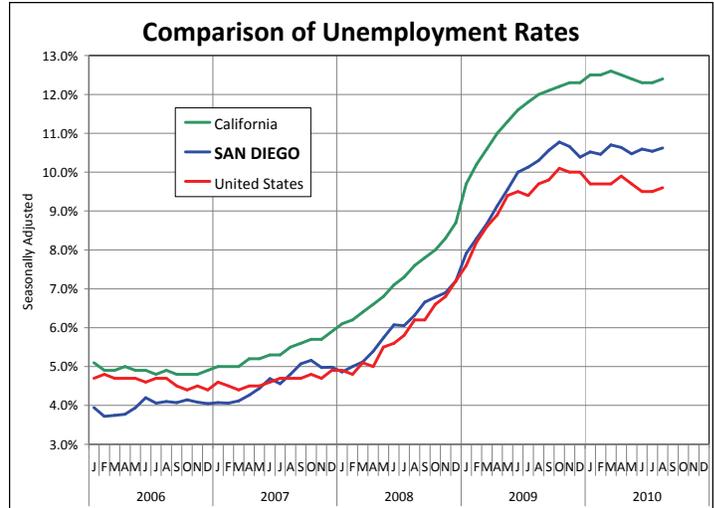
The City of San Diego certified 1,093 new businesses licenses in August, less than the previous month and over the past year. The number issued so far in 2010 is the lowest at this point of the year since 2002.

The stock index of San Diego based companies has rebounded somewhat since the end of 2008 and early 2009. The August 2010 index of 106.7 compares with indexes consistently between 120 and 140 two to five years ago.

consumers are not likely to resume spending.

The challenge (and conundrum) for macro-economic policy makers is figuring out how to entice American’s back to the cash register in a way that provides for sustained and robust long-term growth.

¹Annual 2009 sales are somewhat preliminary at this time as sales are only reported through the 3rd quarter of 2009. The final 4th quarter report of sales by the BoE is not currently



Indicator	August 2010	Month Change (Sea. Adj.)	Annual Change
Unemployment Rate¹ San Diego County	10.6%	0.1% ▲	0.3% ▲
Residential Building² Units authorized for construction San Diego County	219	-33.2% ▼	109% ▲
New Business Licenses³ Issued by City of San Diego	1,093	-16.9% ▼	-2.0% ▼
San Diego Stock Index⁴ San Diego based companies 2nd Thursday of month	106.7	0.6% ▲	-17.7% ▼

¹California Employment Development Department.

²U.S. Bureau of the Census.

³Business Tax Program, City of San Diego.

⁴Second Thursday of month, Bloomberg News, San Diego Daily Transcript.

available.

²Taxable sales are published each quarter by the California State Board of Equalization. The report of 3rd quarter 2009 sales was released in October 2010, with the report lagging by almost a year as businesses indicate actual sales volume when filing sales taxes with the state.

³“San Diego County Sales Tax Allocations”, *Hinderliter de Llamas and Associates* (HdL companies), www.hdlcompanies.com.

Richard K. Vedder, Ph.D., “The Economic Impact of an Oregon Sales Tax”, *Cascade Policy Institute*,

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⁴Joseph Schwieterman, Ph.D., Cyrus Khazai, Jill Doub, “Sales Tax Rates And Buying Behavior: Evidence From Communities Near The Cook County Boundary,” *Chaddick Institute for Metropolitan Development*, DePaul University, May 9, 2009, las.depaul.edu/chaddick.

⁵Cited by Tanya Mannes, “Does sales tax hike dampen sales?”, *San Diego Union-Tribune*, October 6, 2010, <http://www.signonsandiego.com/news/2010/oct/06/does-sales-tax-hike-dampen-sales/>.



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