

Orange County Transportation Authority (OCTA) Sales Tax and Economic Review

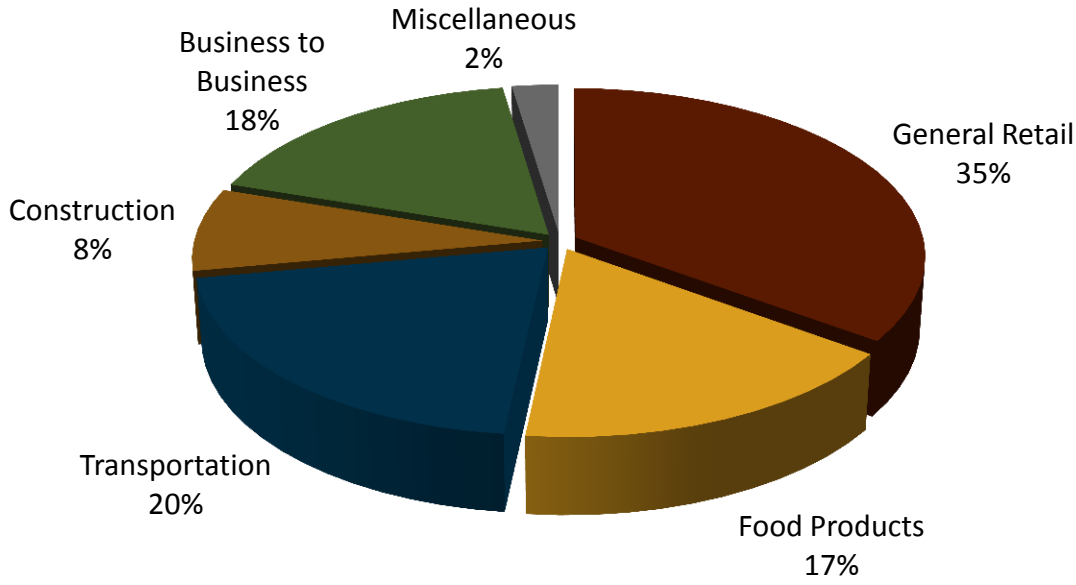
May 2014



OCTA Sales Tax Composition

Economics driving sales tax

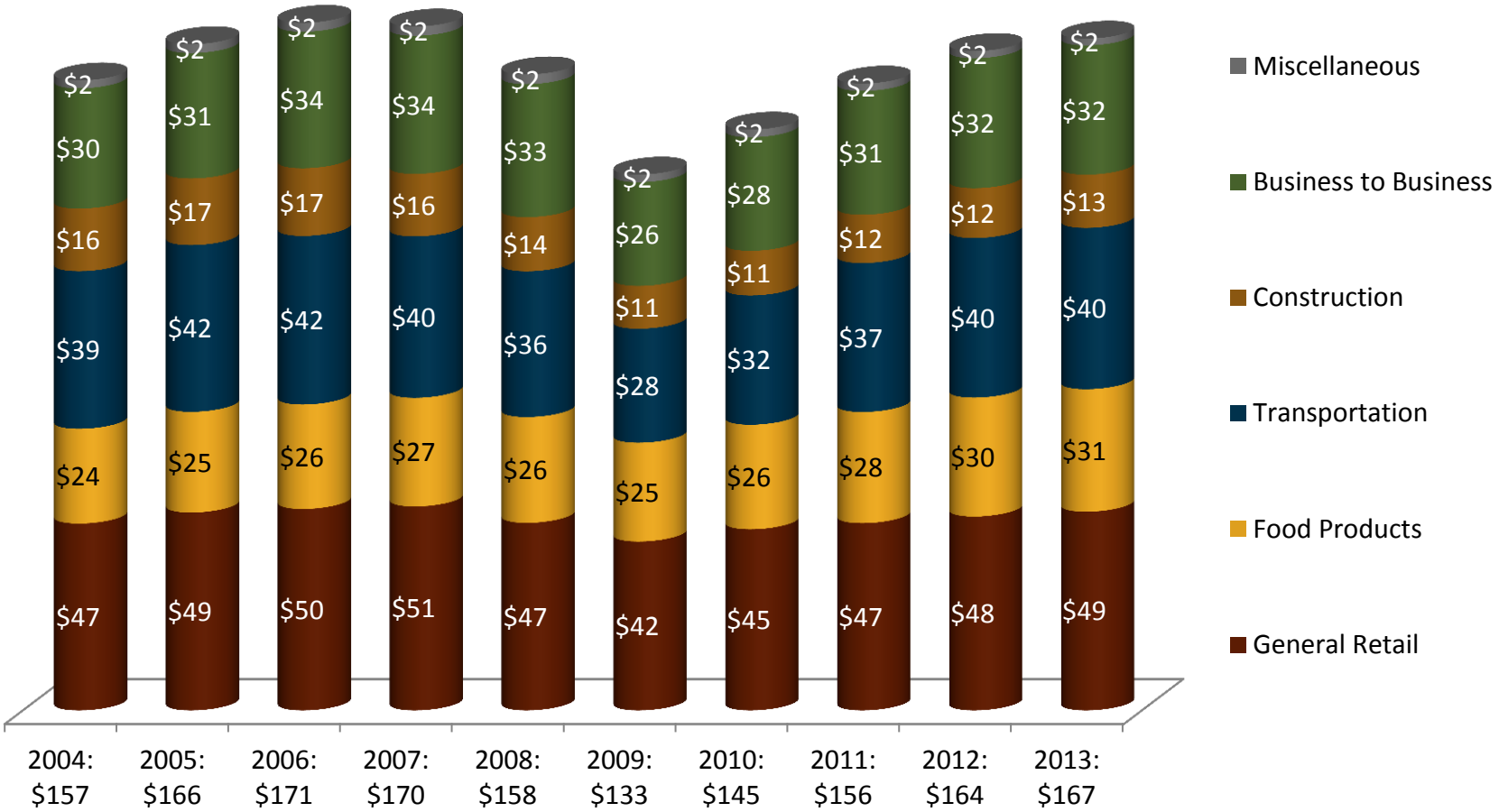
- 1. Current Sales Tax Picture
- 2. Auto Sales
- 3. Restaurants
- 4. Construction Boom
- 5. Goods & Services = Outmoded Tax Structure
- 6. Personal Income & Spending Power
- 7. Internet Sales



OCTA's Sales Tax Composition

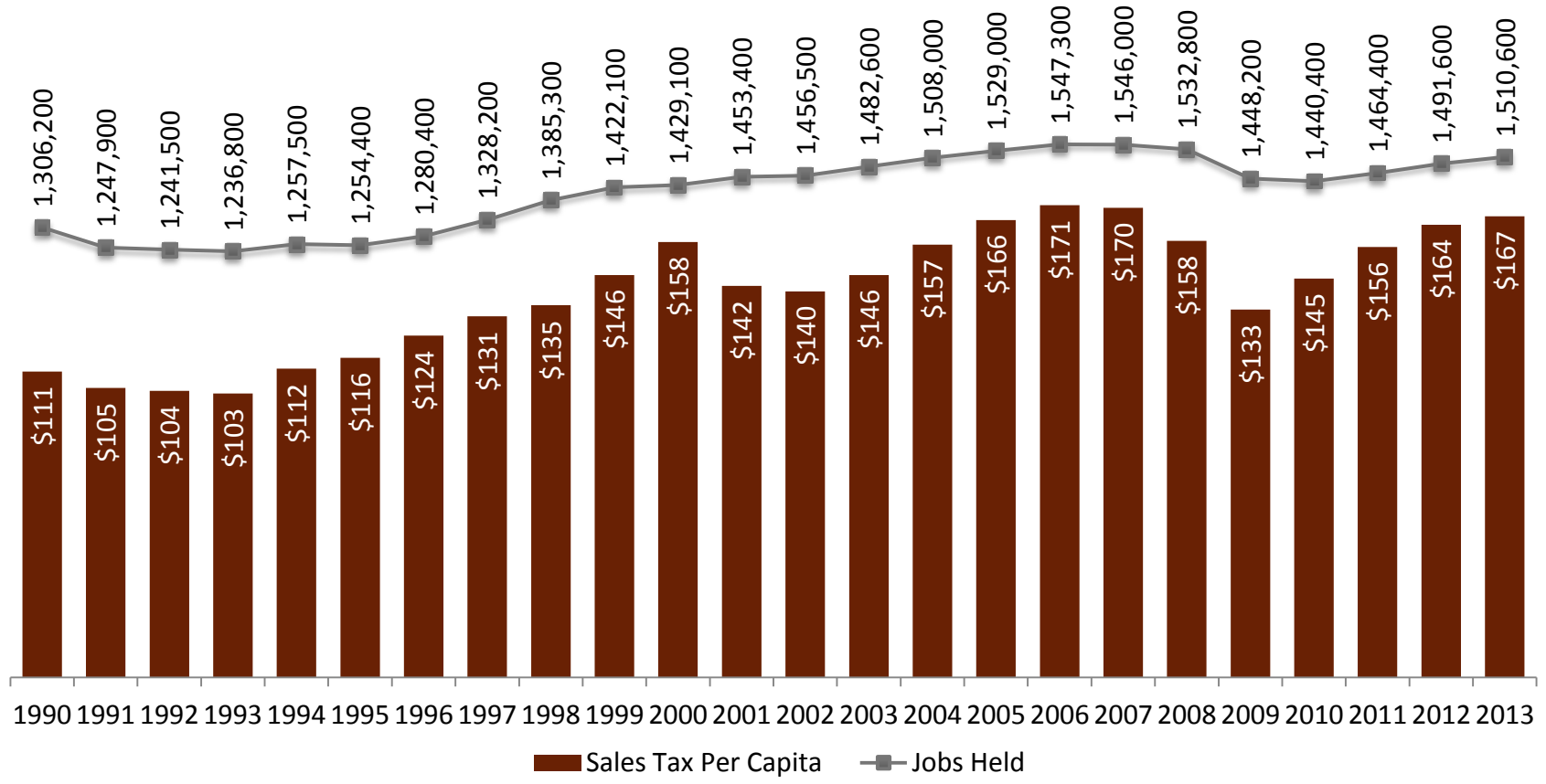
Orange Countywide Sales Tax Per Capita

(adjusted for anomalies)



Orange Countywide Jobs Held and Sales Tax Per Capita

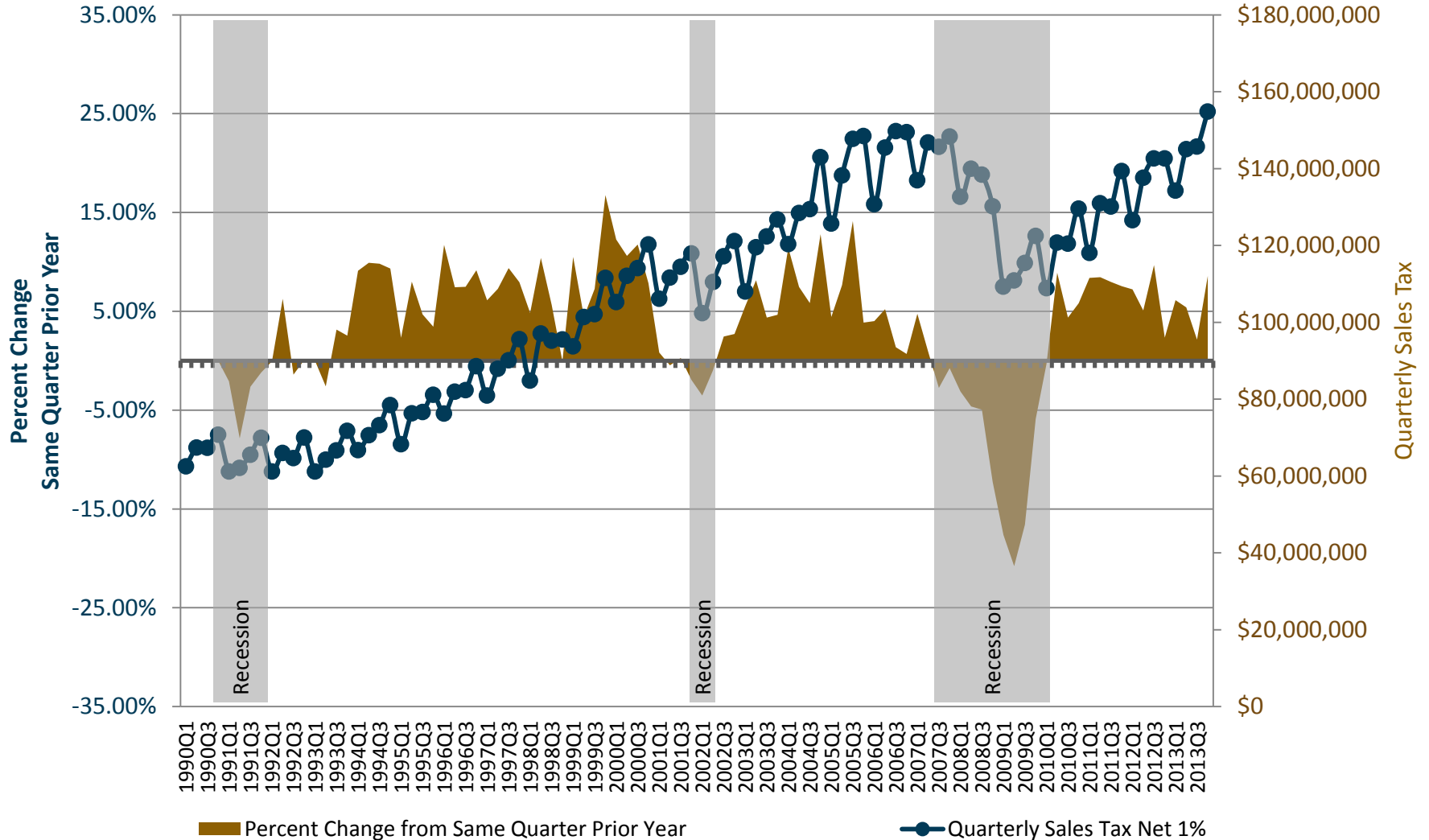
(not adjusted for anomalies)



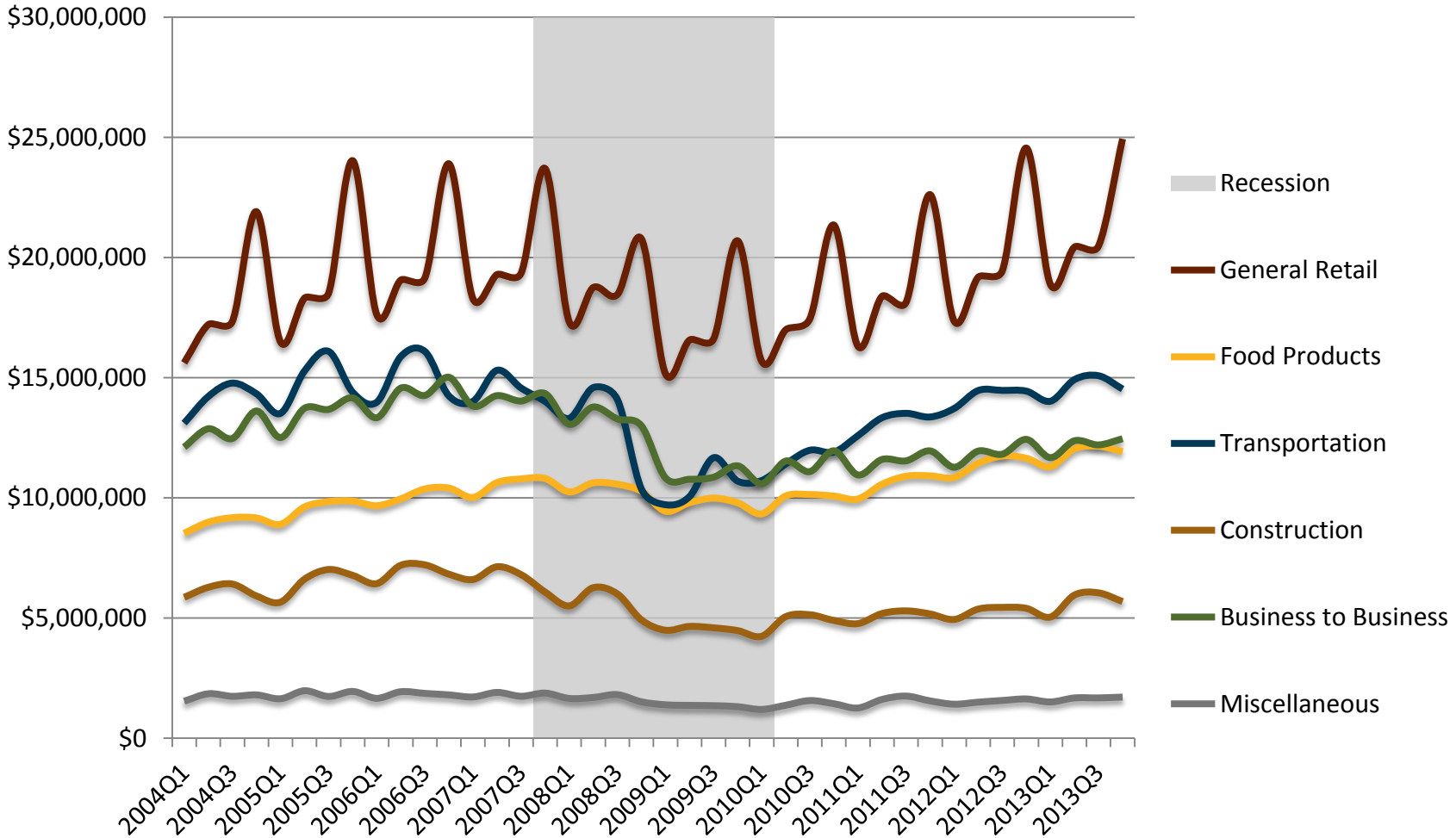
Correlation Coefficient (1990 – 2007) = 0.96
 Correlation Coefficient (2008 – 2012) = 0.81

Before, During, and After

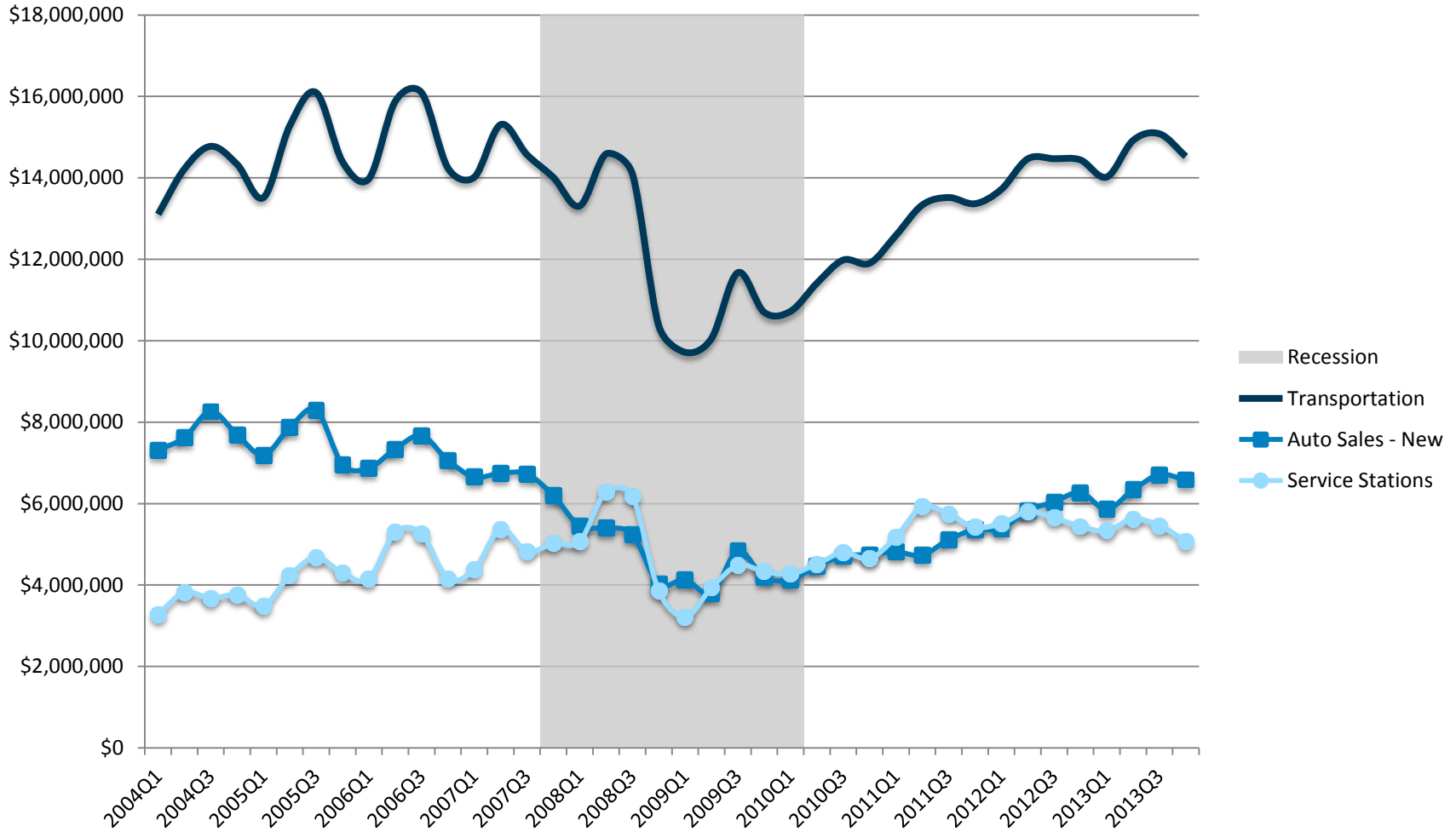
Orange Countywide: How Recessions Affect Local Sales and Use Tax
Net 1% by Quarter



Category Overview

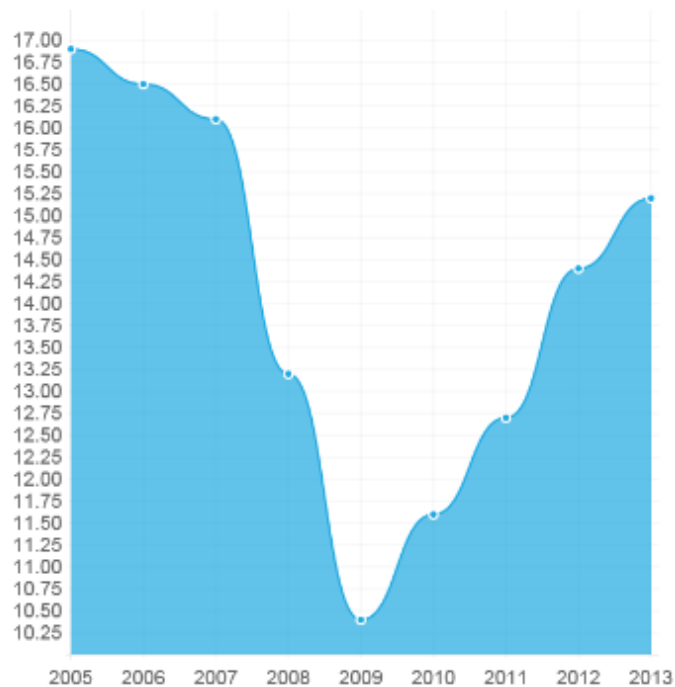


Transportation



Transportation

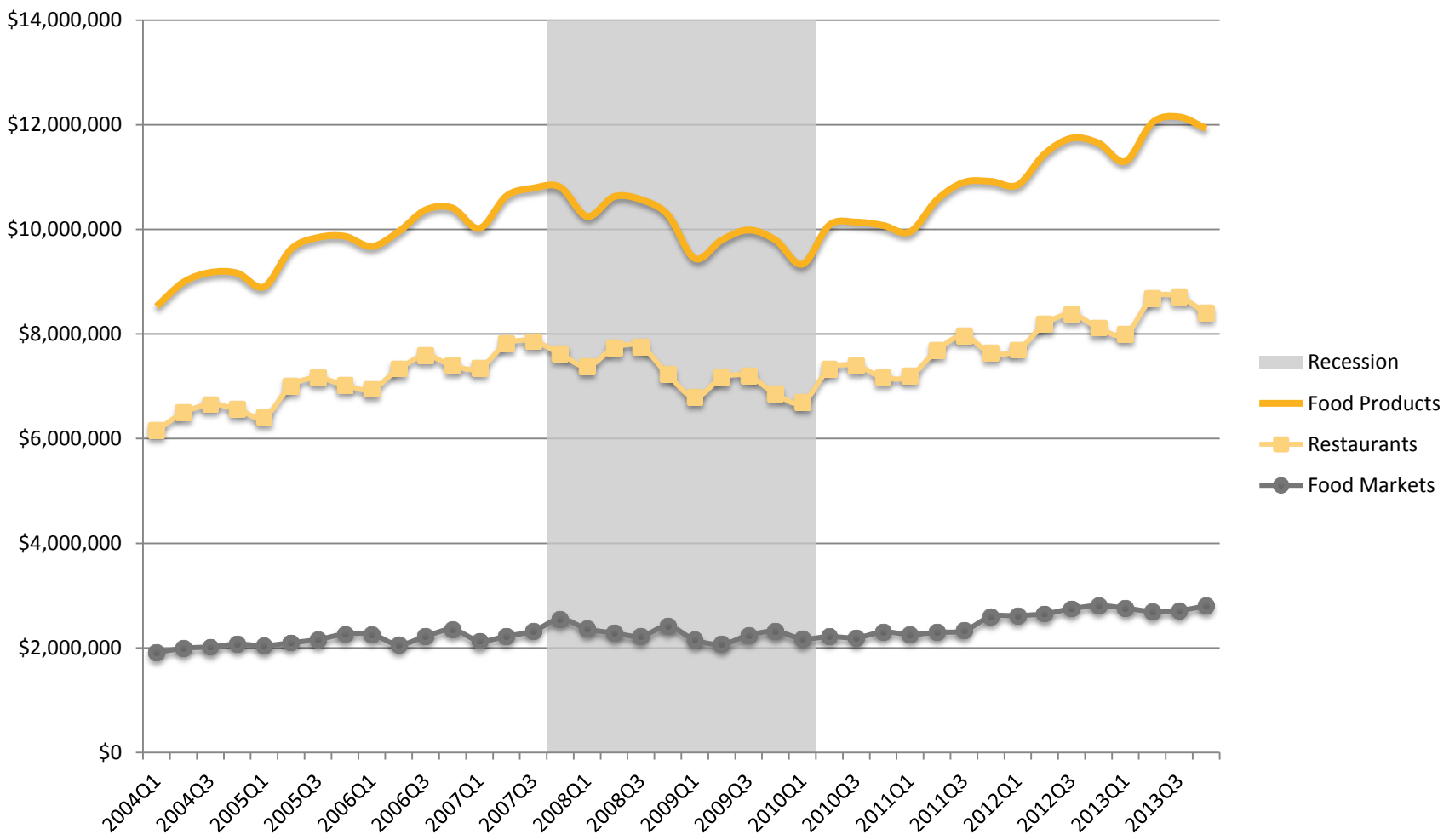
Auto Sales Recover to '08 Pre-recession Levels



Auto & Light Trucks sold in millions of units. Source: U.S. Department of Commerce: Bureau of Economic Analysis

- Forecast 16.4M units in 2014
- 300,000 additional lease returns in 2014
- New truck sales = 52% of all sales
- Luxury manufacturers introducing compact models
- 59% of Gen Y (80M pop.) expect to drive alternative engine vehicles in next 5 years

Food Products



Construction

