



September 27, 1999

TO: BOARD OF DIRECTORS

FROM: TERRY MATSUMOTO  
EXECUTIVE OFFICER, FINANCE & TREASURER

Metropolitan  
Transportation  
Authority

SUBJECT: SALES TAX REVENUES

**REPORT**

One Gateway Plaza  
Los Angeles, CA  
90012-2932

This report shows combined fiscal year-to-date Proposition A and C sales tax revenues received by the MTA.

(213) 922-2000

In the 1<sup>st</sup> quarter of FY00, the MTA realized an actual Prop A and C revenue growth rate of 5.4% over 1<sup>st</sup> quarter FY99. Revenue received is \$12.2 million more than last year and \$2.3 million more than budgeted.

The following tables detail 1<sup>st</sup> quarter FY00 revenue growth over 1<sup>st</sup> quarter FY99 and FY00 year-to-date actuals versus FY00 budget estimates.

**Prop A & C Combined - FY99 actual versus FY00 actual**  
*(millions)*

Period	FY99 Actual	FY00 Actual	Growth %	Growth \$
Jul - Sep	\$227.0	\$239.2	5.4%	\$12.2

**Prop A & C Combined - FY99 budget versus FY99 actual**  
*(millions)*

Period	FY00 Budget	FY00 Actual	Growth %	Growth \$
Jul - Sep	\$236.9	\$239.2	.97%	\$2.3

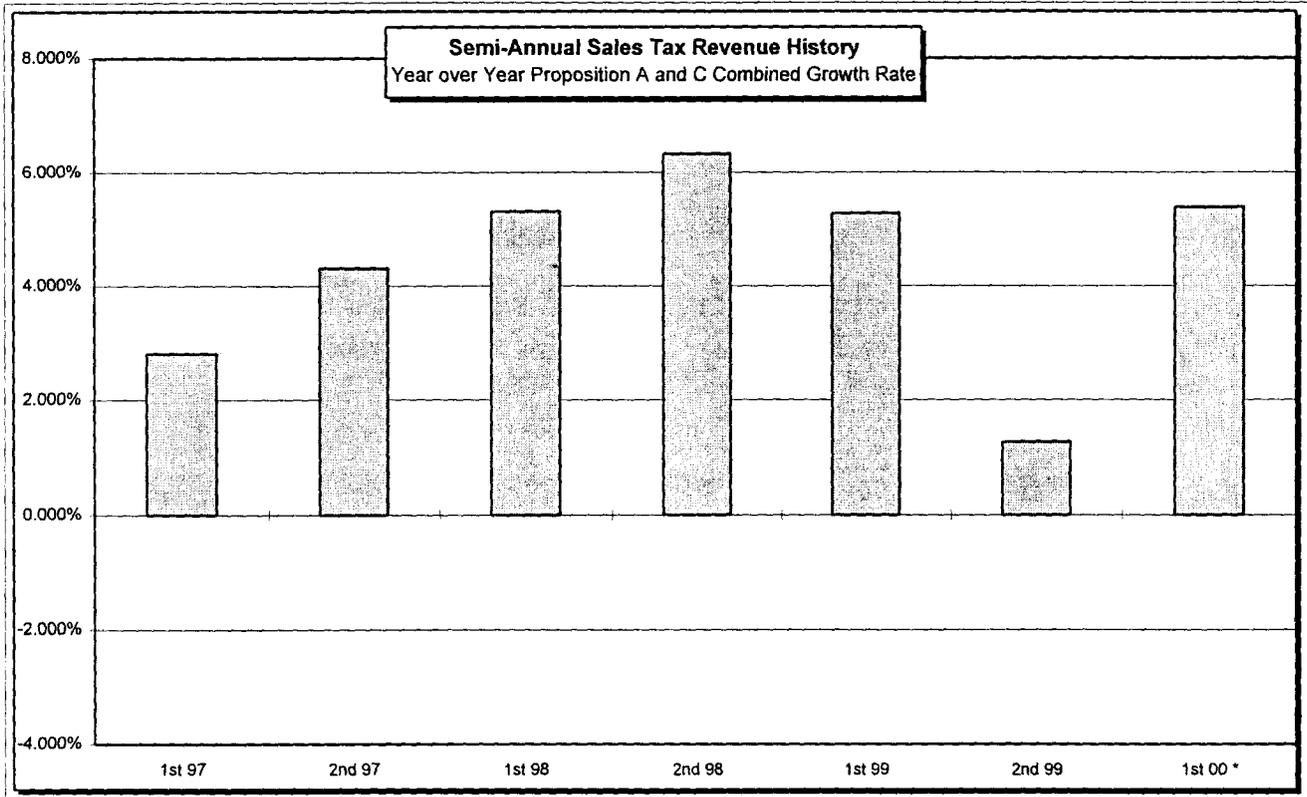
After a disappointing second half of FY99 where actual receipts showed barely a 1.5% growth rate, first quarter FY00 results appear more in line with MTA budgetary expectations. However, the State Board of Equalization (SBOE) recently announced that statewide taxable sales growth for the first half of CY99 (MTA's 2<sup>nd</sup> half of FY99) was over 9%!

Although, the SBOE had reported processing problems in handling MTA's March 1999 quarter's receipts, there has been no apparent correction in the subsequent quarters. MTA staff continues to pursue the FY99 reduced revenue issue with the SBOE without success to date.

MTA recently approved a contract with Municipal Resource Consultants (MRC) to identify and recover sales tax revenue errors. However, since there is a known

problem during this time period, we will attempt to resolve this directly with the SBOE to avoid MRC's fees.

The attachment graphs Prop A and C combined growth rate over the past 3 years and highlights the drop in revenues in the second half of FY99.



\* 1st half FY00 results include 1st quarter actuals and 2nd quarter forecast based on first quarter growth rate of 5.37%