California Travel Impacts
2000-2017p

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A Joint Marketing Venture of Visit California
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Prepared by

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Executive Summary

This report provides detailed statewide, regional and county travel impact estimates for California from 2000 to 2017. The estimates for 2017 are preliminary. The report also provides an analysis of travel-generated tax revenue and transient occupancy tax receipts for jurisdictions through the 2017 fiscal year.

The California Travel Industry Continues to Expand

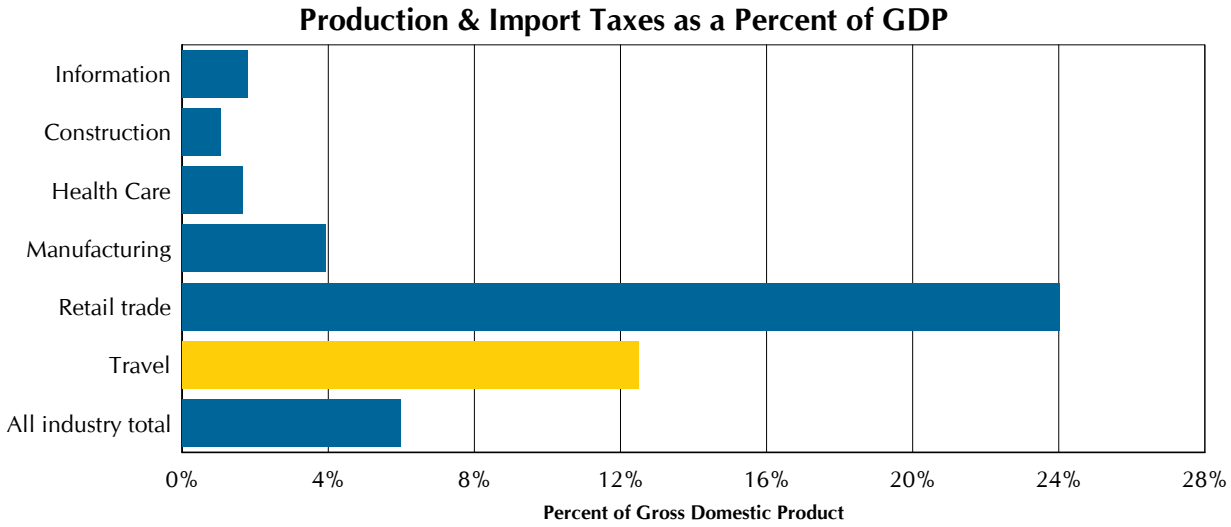
The California travel industry grew for the eighth consecutive year following the 2007-2009 recession. All visitation and economic impact estimates increased for the year.

- ***Spending.*** Total direct travel spending in California was $132.4 billion in 2017 (preliminary). This represents a 4.8 percent increase over 2016 in current dollars and a 3.0 percent increase in real (inflation-adjusted) dollars.
- ***Employment.*** Direct travel generated employment was 1.14 million in 2017, a 3.1 percent increase over 2016. Travel-generated employment has increased at 3.8 percent since 2010.
- ***Tax Revenues.*** Travel-generated state and local tax revenue was $10.9 billion in 2017, an increase of 2.8 percent over the preceding year.[1] Over seventy percent of these tax revenues were paid by visitors (e.g., lodging and sales taxes). The remainder were paid by travel industry employees and businesses (e.g., property and income taxes). This state and local tax revenue was equivalent to $820 per California resident household ($590 for taxes paid by visitors, $230 for taxes paid by employees and businesses.)
- ***Visitation.*** Visitor arrivals on domestic flights (38.9 million in 2017) increased by 5.6 percent.[2] Room demand increased by 1.4 percent for the year.[3]
- ***Origin.*** Six out of ten dollars spent at California visitor destinations were attributable to residents of other states and countries.
- ***Secondary Impacts.*** The re-spending of travel industry income by businesses and employees produces secondary effects. In 2017, these secondary impacts were 781,420 jobs with earnings of $50.3 billion. Total (direct and secondary) employment was 1.9 million jobs with earnings of $99.9 billion.
- ***Gross Domestic Product.*** The Gross Domestic Product (GDP) of the California travel industry was $74.9 billion in 2017. This represents about two and one-half percent of the total GDP of the state.

1. Local and state tax revenue sum to $10.9 million in the table on page 7. This discrepancy is due to the rounding of the separate components in the table.
2.Department of Transportation Origin and Destination survey. Estimates by Dean Runyan Associates.
3.STR Inc. lodging report prepared for Visit California.

Tax Revenue Impacts of the California Travel Industry

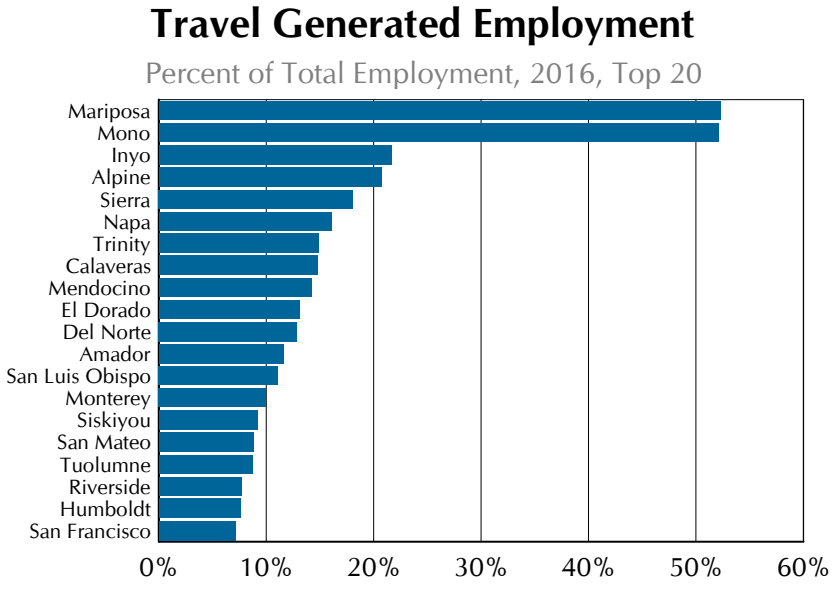
The California travel industry contributes more tax revenue to state and local governments than would be expected based on the size of the industry. Whereas the gross domestic product and employee earnings represent about two and one-half percent of the state economy, the travel industry generated 4 percent of tax revenue in the 2017 fiscal year. Not only are most travel industry goods and services taxed at the point of sale, but a large share of these commodities (lodging and motor fuel) are taxed at rates that are greater than the general sales tax. Furthermore, a large share of these taxes is not borne by California residents.



Note: Most of the taxes paid by business firms to local, state and federal governments are included except income taxes. This includes property taxes, licenses and fees and the sales and excise taxes collected from consumers. See page 17 of full report. The data in this chart is for 2016.

The Travel Industry Benefits All Regions of California

Although most travel spending and related economic impacts occur within California's primary metropolitan areas, the travel industry is important throughout California. In general, the counties with less total employment have a bigger share of travel-generated employment.



Note: Data for total employment only available for 2016

Preface

The purpose of this study is to document the economic significance of the travel industry in California from 2000 through 2017. These findings show the level of travel spending by those traveling to and through the state, and the impacts this spending has on statewide and local economies.

The California Travel Impacts 2000-2017p report provides a more accurate assessment of the state's travel-related spending than ever before.

In compiling the 2017 report, a number of historical revisions and methodology adjustments have been made based on new availability of revised source data for cities and counties across the state, leading to a full overhaul of the report from past years.

Four counties in particular, each serving as a principal visitor gateway, were reviewed in light of data made available by economic researchers working with the respective destinations. Revisions were made in these destinations to maintain consistency between current and historical findings. For San Diego and Orange counties, we incorporated location-specific expenditure distributions based on survey data provided by CIC Research Inc. For San Francisco and Los Angeles counties, we reviewed travel impact findings provided by Tourism Economics.

Considering the thorough historical revisions within the gateway counties, we reassessed the methodology being used to determine travel impacts in all counties. For each county, we revised our methodology to more thoroughly factor in lodging tax receipt data available for jurisdictions across the state. These lodging tax receipts in California are individually reported by each jurisdiction in fiscal years. The revisions in this year's report allow for a reduced long-term dependency on survey-based lodging data projections, and provide a more accurate determination moving forward.

The methodology incorporated in the gateway counties and historical revisions for each subsequent county provide a fully upgraded accounting of all data available. The methodology used to compile this report will continue to evolve as advancements in data collection and reporting become available, which may affect historical trends. Future iterations of the report will be updated and improved accordingly.

This study was prepared for Visit California.

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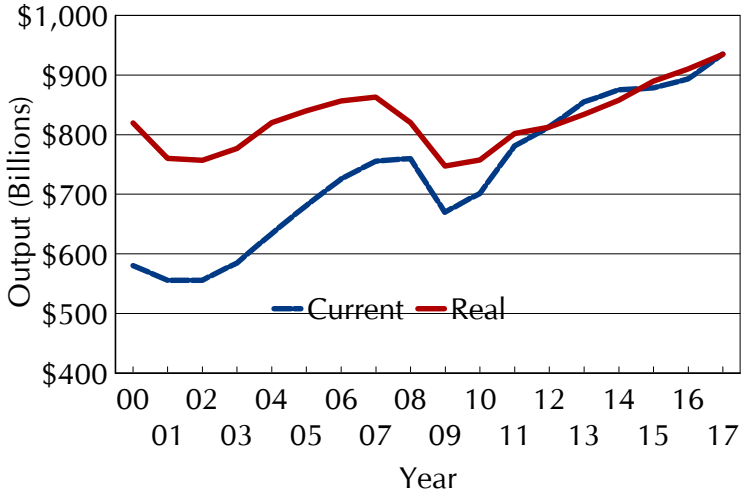
List of Tables and Figures

I. NATIONAL TRAVEL TRENDS

The national level data in this section focuses on visitor spending trends in current and real dollars, resident and foreign visitor spending in the U.S., and trends in travel-generated employment.

The following two graphs are derived from the Bureau of Economic Analysis Travel and Tourism Satellite Accounts*. Both graphs show direct tourism output for the United States - spending by resident and foreign visitors. The 2017 values are based on the first three quarters of the year.

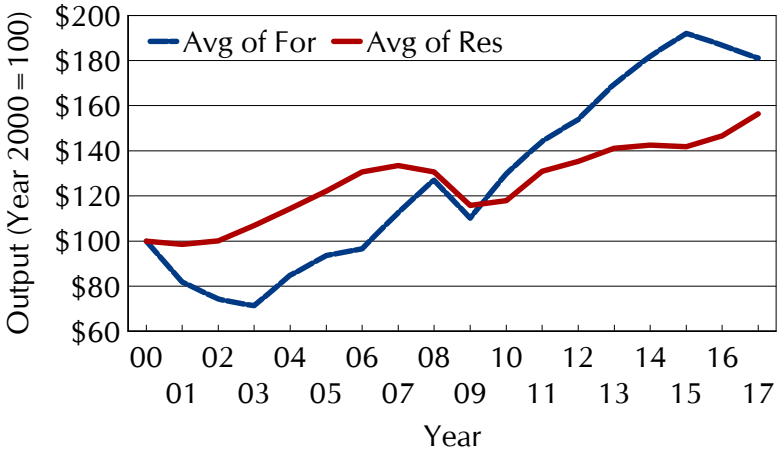
Annual Direct Travel Spending in U.S., 2000-17p



Spending by resident and foreign visitors was $933 billion in 2017 in current dollars. This represents a 3.0 percent increase over 2016. When adjusted for changes in prices (real dollars), spending increased by 2.3 percent from 2016 to 2017 compared to a 4.7 percent increase for the preceding year.

Spending by Foreign and Resident Travelers in U.S.

(Curent Dollars; Year 2000 = 100)

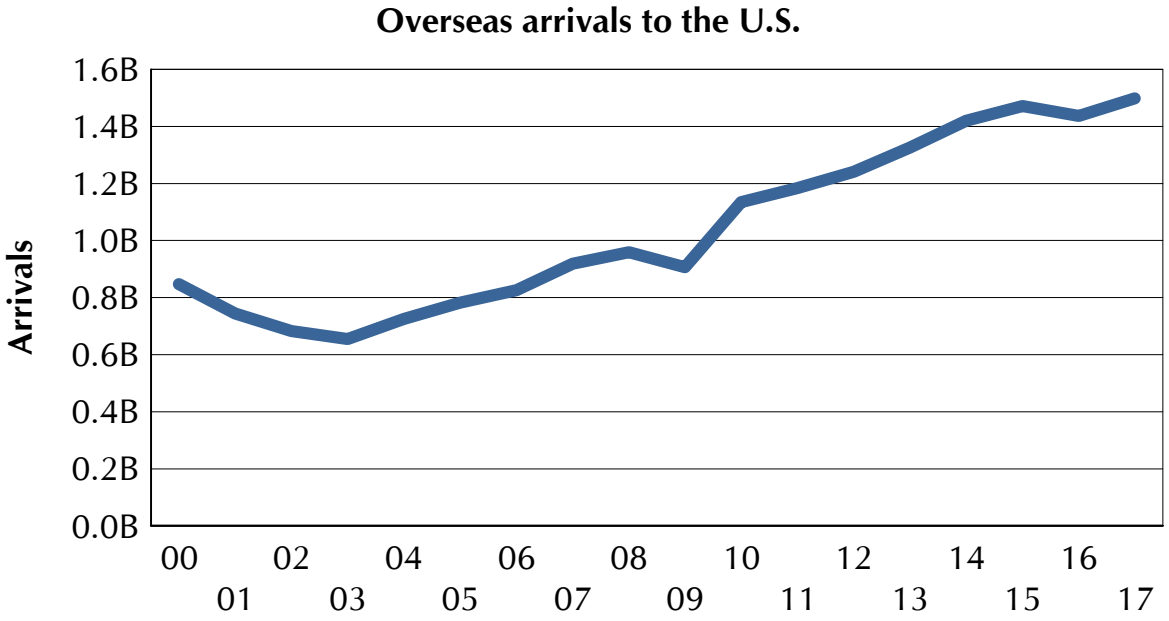


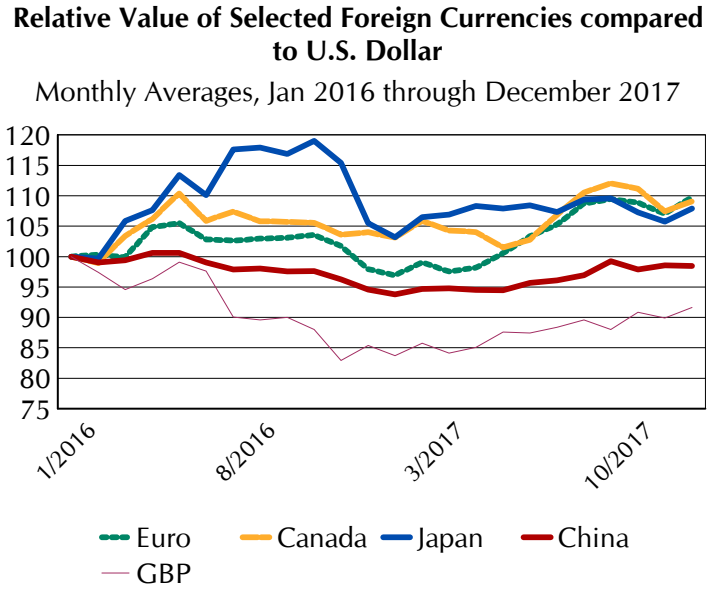
Note: Foreign visitor spending does not include expenditures on health and educational services or expenditures by short term seasonal workers.

*See http://www.bea.gov/industry/index.htm#satellite.

The bottom chart compares the change in current dollar spending by resident and foreign visitors since 2000. In 2017, the increase in spending by resident visitors (4.7 percent) compares to a 2.0 percent decrease in non-resident spending. Visitor spending by non-residents increased by 5.2 percent from 2014 to 2015.

Foreign arrivals increased 4.3 percent from 2016 to 2017. The dollar continues to remain strong against selected foreign currencies. This can apply downward pressure on international spending by lessening the purchasing power of the international visitor that has traveled to the U.S.





Sources:

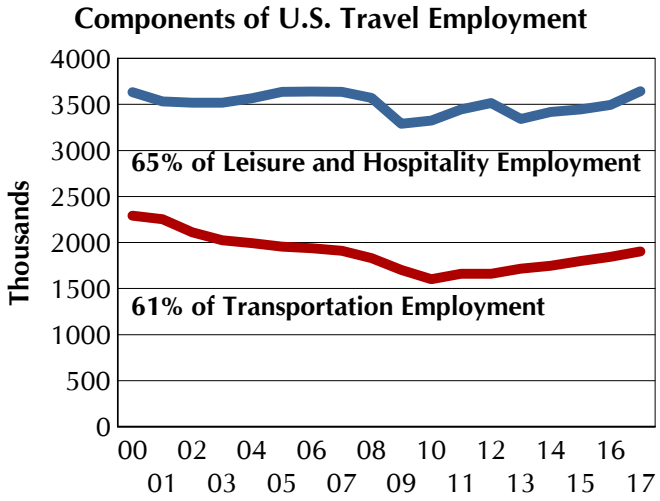
Foreign Share of U.S Internal Travel: Bureau of Economic Analysis Travel & Tourism Satellite Accounts and International Transactions.

Overseas Arrivals: 2017 has been estimated using Tourism Economics annual change for overseas visitors from 2017 to 2016. The original source data is under review by the NTTO. National Travel and Tourism Office, U.S. Department of Commerce. Tourism Economics. *NTTO press release. https://bit.ly/2JTgmH1

Relative Value of Selected Foreign Currencies: USForex, Inc.

The following two graphs show employment trends since 2000 and the composition of travel industry employment since the recession. The first graph shows that travel-generated employment recovered from the 2008-09 recession by 2013, and has continued to grow on an upward trend. Leisure and hospitality employment was 3.5 million in 2017 or 65 percent of total travel industry employment, compared to 3.6 million in 2000 or 61 percent of the total. Most of this growth was due to food services employment. However, employment in transportation and other industries declined over the same period from 2.3 million to 1.8 million, mostly due to decreased employment in the airline and related transportation industries.

Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts.



Source: Bureau of Economic Analysis Travel & Tourism Satellite Accounts. Leisure & hospitality includes accommodations, food services, and arts, entertainment & recreation. Transportation and other includes retail and all other industries.

II. CALIFORNIA TRAVEL

The multi-billion dollar travel industry in California is a vital part of the state and local economies. The industry is represented primarily by retail and service firms, including lodging establishments, restaurants, retail stores, gasoline service stations, and other types of businesses that sell their products and services to travelers. The money that visitors spend on various goods and services while in California produces business receipts at these firms, which in turn employ California residents and pay their wages and salaries. State and local government units benefit from travel as well. The state government collects taxes on the gross receipts of businesses operating in the state, as well as sales and use taxes levied on the sale of goods and services to travelers. Local governments also collect sales and use taxes generated from traveler purchases.

Impacts of Travel in California: A Summary

- Total direct travel spending in California was $132.4 billion in 2017 (preliminary). This represents a 4.8 percent increase over 2016.
- Direct travel generated employment was 1.14 million in 2017, a 3.1 percent increase over 2016. Travel-generated employment has increased at this 3.8 annual rate since 2010.
- Travel-generated state and local tax revenue was $10.9 billion in 2017, an increase of 3.1 percent over the preceding year. Over seventy percent of these tax revenues were paid by visitors (e.g., lodging and sales taxes). The remainder were paid by travel industry employess and businesses (e.g., property and income taxes). This state and local tax revenue was equivalent to $810 per California resident household ($590 for taxes paid by visitors, $220 for taxes paid by employees and businesses.)
- Visitor arrivals on domestic flights (38.9 million in 2017) increased by 5.6 percent.
- The Gross Domestic Product (GDP) of the California travel industry was $74.9 billion in 2017. This represents about two and one-half percent of the total GDP of the state.
- The re-spending of travel industry income by businesses and employees produces secondary effects. In 2017, these secondary impacts were 781,420 jobs with earnings of $50.3 billion. Total (direct and secondary) employment was 1.9 million jobs with earnings of $99.9 billion.

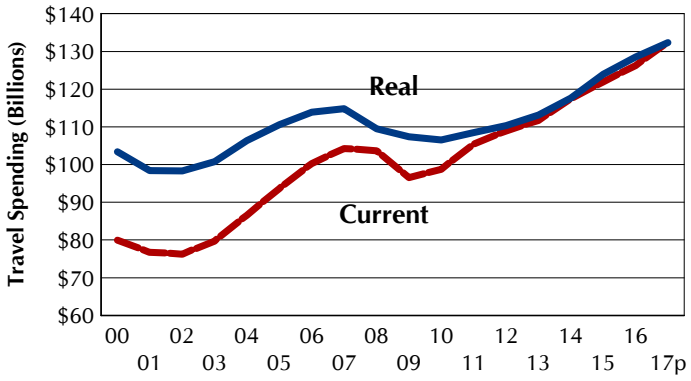
Direct Travel Impacts, 2010-2017

							Ave. Annual %Chg.	
Spending ($Billions)	**2010**	**2012**	**2014**	**2015**	**2016**	**2017p**	**16-17p**	**10-17p**
Total (Current $)	98.7	108.9	117.4	121.9	126.3	132.4	4.8%	4.3%
Other	7.9	8.5	10.0	10.7	11.5	12.2	6.6%	6.4%
Visitor	90.8	100.4	107.4	111.3	114.8	120.1	4.6%	4.1%
Non-transportation	68.4	76.0	83.5	88.4	93.1	96.7	3.8%	5.1%
Transportation	22.4	24.4	24.0	22.8	21.7	23.5	8.0%	0.7%
Earnings ($Billions)								
Earnings (Current $)	30.0	33.7	38.1	41.4	46.1	49.6	7.7%	7.5%
Employment (Thousands)								
Employment	880	950	1,030	1,060	1,110	1,140	3.1%	3.8%
Tax Revenue ($Billions)								
Total (Current $)	13.3	13.7	15.6	16.5	17.4	18.0	3.4%	4.4%
Local	3.4	3.8	4.5	4.9	5.3	5.6	5.7%	7.2%
Visitor	2.2	2.6	3.2	3.5	3.7	4.0	6.3%	8.7%
Businss or Employee	1.2	1.2	1.3	1.4	1.5	1.6	4.4%	4.2%
State	4.9	4.8	5.2	5.2	5.3	5.3	0.6%	1.2%
Visitor	3.8	3.7	3.9	3.8	3.8	3.9	2.0%	0.2%
Business or Employee	1.0	1.1	1.3	1.4	1.5	1.4	-2.8%	4.4%
Federal	5.0	5.1	6.0	6.4	6.9	7.1	3.8%	5.1%

Other spending includes resident air travel, travel arrangement and reservation services, and convention and trade show organizers. **Non-transportation visitor spending** includes accommodations, food services, retail, food stores, and arts, entertainment & recreation. **Visitor transportation spending** includes private auto, auto rental, other local ground transportation and one-way airfares.
Earnings include wages & salaries, earned benefits and proprietor income.
Employment includes all full- and part-time employment of payroll employees and proprietors.
Local tax revenue includes lodging taxes, sales taxes, auto rental taxes and airport passenger facility charges paid by visitors, and the property tax payments and sales tax payments attributable to the travel industry income of employees and businesses.
State tax revenue includes lodging, sales and motor fuel tax payments of visitors, and the income tax and sales tax payments attributable to the travel industry income of businesses and employees.
Federal tax revenue includes motor fuel excise taxes and airline ticket taxes paid by visitors, and the payroll and income taxes attributable to the travel industry income of employees and businesses.

California Travel Spending

Real and Current Dollars

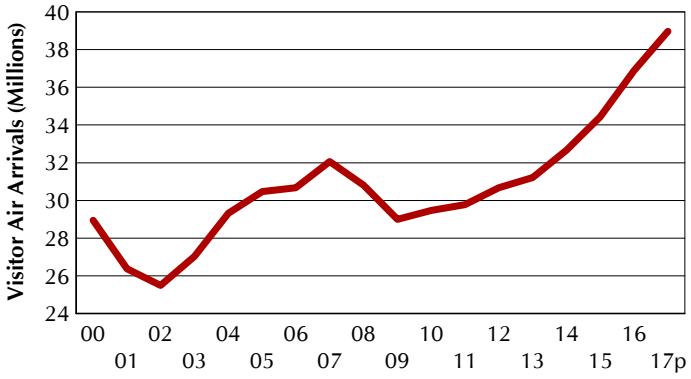


In real dollars (adjusted for inflation) California travel spending increased by 3.0 percent over 2016, following a 3.7 percent increase the preceding year (see top graph, left). Over the past five years, real and current travel spending have had similar rates of increase.

Sources: Real dollar travel spending was adjusted with a composite of price indices for the West Urban CPI, California room rates reported by STR, Inc., California gasoline prices reported by the Energy Information Administration, and airfares to California airports reported by the U.S. Department of Transportation Origin and Destination survey.

Domestic Air Passenger Visitor Arrivals

California Airports

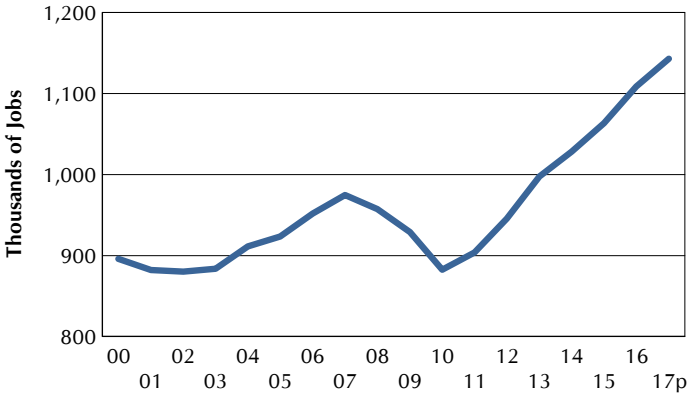


Visitor air travel on domestic flights to California destinations (38.9 million) increased by 5.6 percent in 2017. During the past three years, visitor arrivals on domestic flights have increased at 4.2 percent per year.

Sources: Dean Runyan Associates, Inc. and Bureau of Transportation Statistics (U.S. Dept. of Transportation).

Note: These estimates are for visitor arrivals only. They do not include return travel of California residents or connecting flights normally reported in air passenger statistics.

Travel-Generated Employment

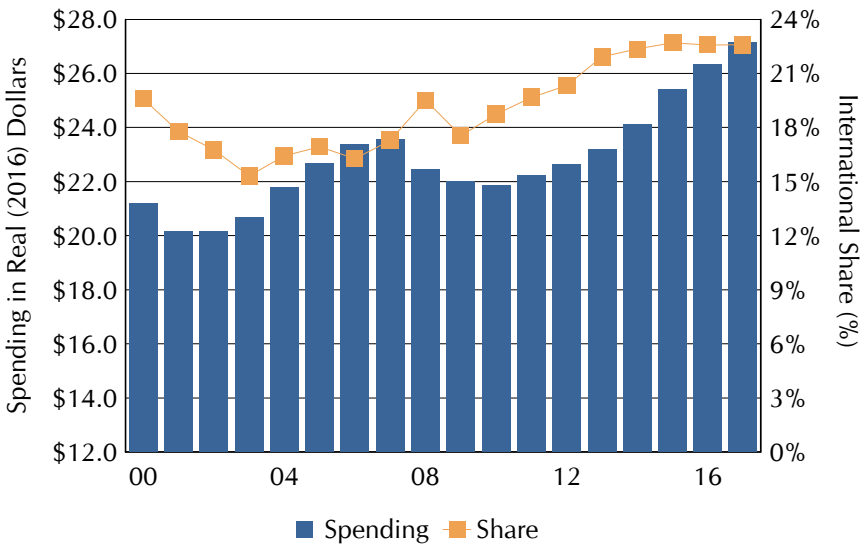


Travel-generated employment has increased by 3.8 percent per year since 2010.

Source: Dean Runyan Associates.

Origin

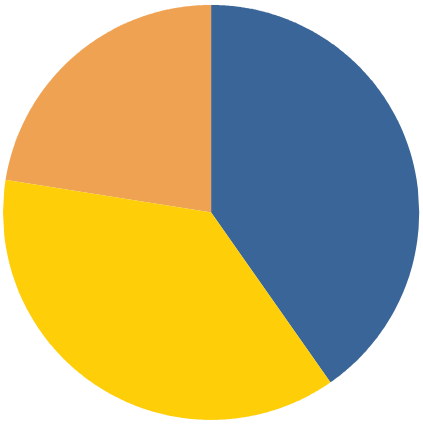
International Visitor Spending



The share of international travel spending in California has flattened over the past two after substantial increases in previous years. Spending is in real dollars.

Sources: Tourism Economics, International Trade Administration (U.S. Department of Commerce) and Bureau of Economic Analysis (U.S. Department of Commerce).

Visitor Spending by Origin, 2017p

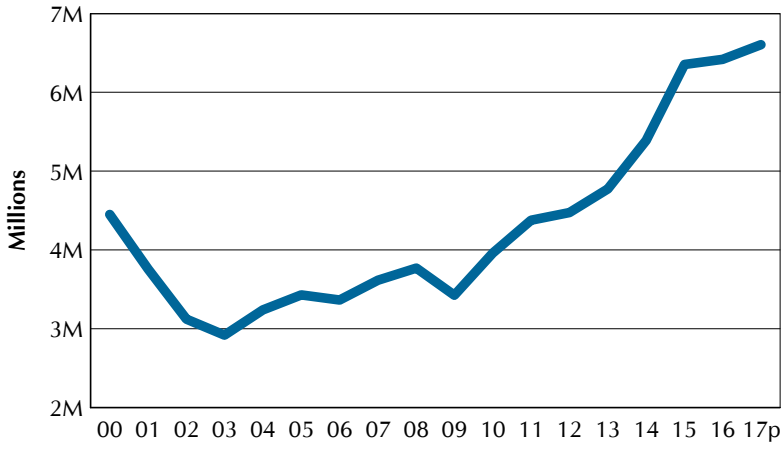


California	48.4	40.3%
Other US	44.5	37.1%
Intl.	27.1	22.6%
Total:	120.1	100.0%

In 2017, about six out of every ten dollars spent at California visitor destinations were attributable to residents of other states and countries.

Source: TNS Travels America visitor survey and sources cited for preceding graph.

Overseas Arrivals at California Ports of Entry



Overseas arrivals at California Ports of Entry is estimated to increase by 2.9 percent in 2017.

Note: 2017 has been estimated using Tourism Economics annual change for overseas visitors from 2017 to 2016. The original source data is under review by the NTTO. NTTO press release. https://bit.ly/2JTgmH1

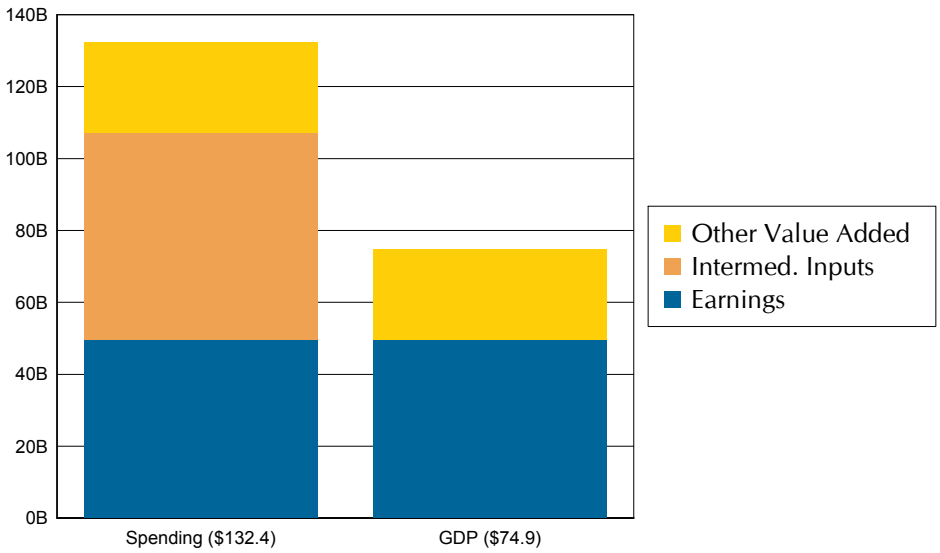
Sources: Office of Immigration Statistics (U.S. Department of Homeland Security). California total is the sum of LA and SF Ports of Entry. Tourism

California Travel Industry Gross Domestic Product

Gross Domestic Product (GDP, also referred to as value-added) is a measure of economic activity that reflects the market value of the labor and capital used to produce goods and services. The GDP for a particular industry within a state excludes the intermediate inputs purchased by businesses from other firms in the production process. It includes payments to individuals in the form of earnings, indirect business taxes to government, and other payments to individuals and corporations. The relationship between travel spending and the GDP of the California travel industry is shown below. California travel industry GDP of $74.9 billion represents approximately two and one-half percent of total California GDP.

The below estimates represent only the direct impacts of travel spending. A portion of the inputs purchased by travel businesses in California will be delivered by other California firms that are not strictly part of the travel industry. Restaurants, for example, will purchase agricultural products from other California businesses. These inputs are sometimes referred to as "indirect" effects.

Travel Spending and Gross Domestic Product of California Travel Industry, 2017p
($ Billions)



Direct, Secondary and Total Impacts

Travel spending within California brings money into many California communities in the form of business receipts. Portions of these receipts are spent within the state for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. This re-spending of travel-related revenues creates *indirect and induced impacts*. To summarize:

- **Direct** impacts represent the employment and earnings attributable to travel expenditures made directly by travelers at businesses throughout the state.
- **Indirect** impacts represent the employment and earnings associated with industries that supply goods and services to the direct businesses (i.e., those that receive money directly from travelers throughout the state).
- **Induced** impacts represent the employment and earnings that result from purchases for food, housing, transportation, recreation, and other goods and services made by travel industry employees, and the employees of the indirectly affected industries.

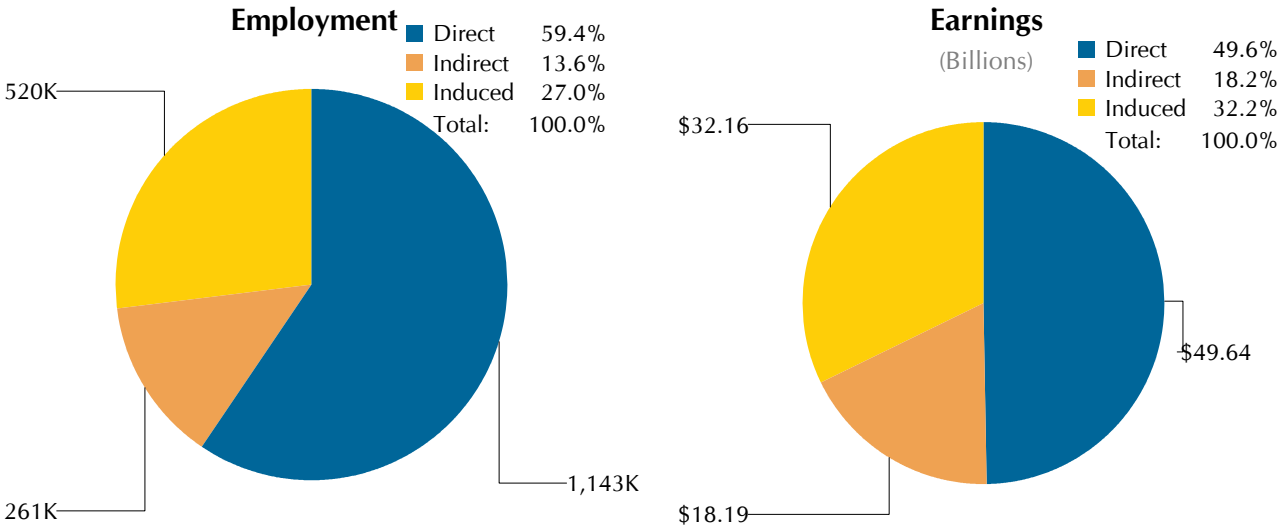
The impacts in this section are presented in terms of the employment and earnings of eleven major industry groups. These industry groups are similar, but not identical to the business service (or commodity) categories presented elsewhere in this report. (The specific industries that comprise these major groups are listed in Appendix D.) Direct travel impacts, such as those discussed in the first part of this section and the regional and county impacts presented elsewhere in this report are found in the following industry groups:

- **Accommodations & Food Services**
- **Arts, Entertainment and Recreation**
- **Trade**
- **Transportation**

As is indicated in the following tables and graphs, the total direct employment and earnings of these four industry groups is identical to the total direct employment and earnings shown in the first part of this section. The only difference is that these industry groups represent industry groupings (firms) rather than commodity or business service groupings.

The indirect and induced impacts of travel spending are found in all thirteen industry groupings shown in the following tables and graphs. To summarize the primary secondary impacts:

Total Employment and Earnings Generated by Travel Spending in California, 2017

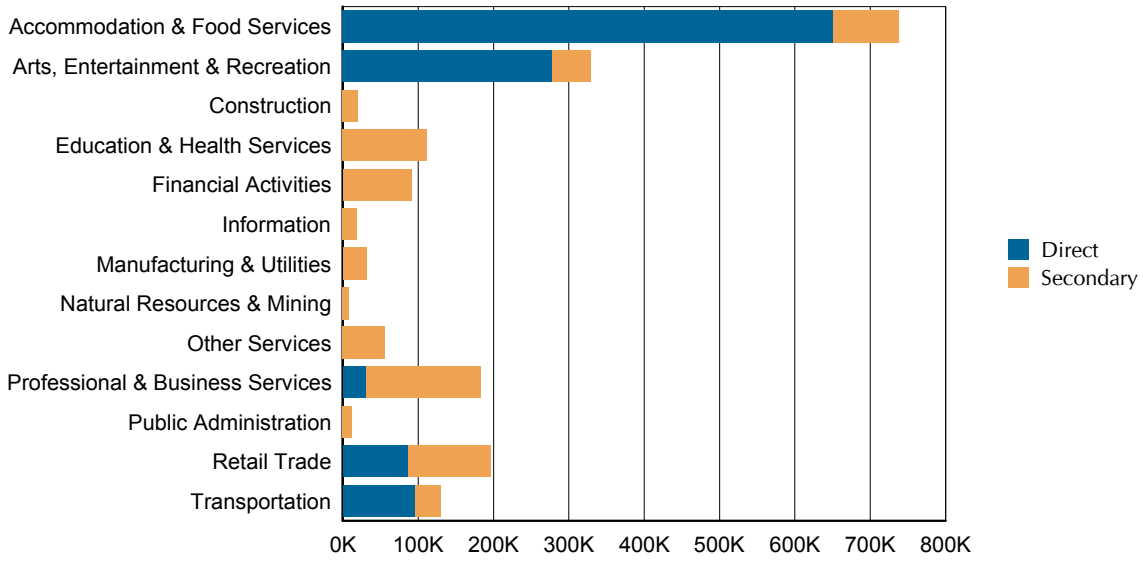


Sources: Dean Runyan Associates with IMPLAN GROUP, LLC. Total employment was 1,924,400 jobs. The employment multiplier for 2017 is 1.68 (1,924.38/1,142.96). Total earnings were $99.98 Billion. The earngins multiplier is 2.01 (99.98/49.64).

- **Professional and Business Services** (151,400 jobs and $11.1 billion earnings). A variety of administrative services (e.g., accounting and advertising) are utilized by travel businesses (indirect effect). Employees of these firms also purchase professional services (induced effect).
- **Education and Health Services** (111,400 jobs and $7.6 billion earnings). The secondary effects are primarily induced, such as employees of travel-related businesses use of medical services
- **Financial Activities** (91,100 jobs and $5.8 billion earnings). Both businesses and individuals make use of banking and insurance institutions.
- **Other Services** (56,000 jobs and $2.8 billion earnings). Employees of travel-related businesses purchase services from various providers, such as dry cleaners and repair shops.

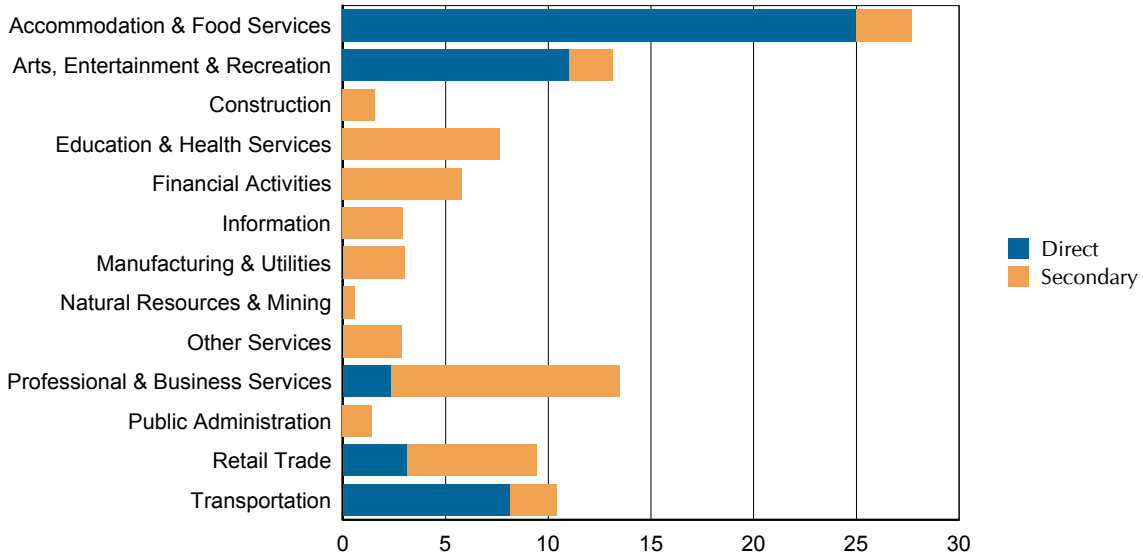
Direct and Secondary Employment

Generated by Travel Spending in California



Direct and Secondary Earnings

Generated by Travel Spending in California



Detailed estimates are reported in the following table. It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire state of California and do not necessarily reflect economic patterns for individual counties, regions or sub-regions within the state. While total economic impacts can be calculated on a county or regional level, such a detailed analysis is not included in this study. In general, geographic areas with lower levels of aggregate economic activity will have smaller secondary impacts within those same geographic boundaries.

Direct and Secondary Travel-Generated Earnings in California,
($Million)

Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	24,992	738	1,983	2,721	27,713
Arts, Entertainment & Recreation	11,017	1,450	650	2,100	13,117
Construction		485	1,075	1,560	1,560
Education & Health Services		79	7,571	7,650	7,650
Financial Activities		2,028	3,769	5,797	5,797
Information		1,746	1,192	2,938	2,938
Manufacturing & Utilities		1,362	1,637	2,999	2,999
Natural Resources & Mining		236	337	573	573
Other Services		748	2,099	2,847	2,847
Professional & Business Services	2,354	6,536	4,619	11,155	13,508
Public Administration		713	701	1,414	1,414
Retail Trade	3,133	801	5,492	6,294	9,427
Transportation	8,146	1,263	1,033	2,296	10,442
	49,642	**18,185**	**32,158**	**50,344**	**99,985**

Direct and Secondary Travel-Generated Employment in California,
(thousand jobs)

Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	650.8	23.6	62.8	86.4	737.2
Arts, Entertainment & Recreation	277.7	34.2	16.9	51.1	328.8
Construction		6.4	13.8	20.2	20.2
Education & Health Services		2.0	109.4	111.4	111.4
Financial Activities		33.4	57.7	91.1	91.1
Information		10.2	8.6	18.8	18.8
Manufacturing & Utilities		15.0	16.5	31.5	31.5
Natural Resources & Mining		3.9	4.3	8.3	8.3
Other Services		10.8	45.2	56.1	56.1
Professional & Business Services	31.2	88.1	63.3	151.4	182.6
Public Administration		5.9	6.1	12.0	12.0
Retail Trade	87.1	9.6	100.1	109.6	196.8
Transportation	96.2	18.0	15.7	33.7	129.8
	1,143	**261**	**520**	**781**	**1,924**

Source: Dean Runyan Associates and Minnesota Implan Group.

Note: These industry groups are not equivalent to the categories used in the direct impact tables used in this report. See Appendix G. Details may not add to totals due to rounding.

Detailed direct travel impacts for 2008 through 2017 follow:

CALIFORNIA
Travel Impacts, 2000-2017p

Total Direct Travel Spending ($Billion)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Destination Spending	70.8	85.1	95.0	97.0	107.4	111.3	114.8	120.1
Other Travel	9.1	8.6	9.2	8.3	10.0	10.7	11.5	12.2
Total	79.9	93.7	104.3	105.3	117.4	121.9	126.3	132.4
Visitor Spending by Type of Traveler Accommodation ($Billion)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Hotel, Motel	37.1	43.7	48.8	49.6	59.7	63.7	67.3	70.3
Private Home	10.0	12.8	14.5	15.9	16.1	15.9	15.7	16.5
Campground	1.8	2.6	3.0	2.5	2.6	2.6	2.6	2.7
Vacation Home	2.8	3.6	4.0	4.2	4.3	4.3	4.3	4.5
Day Travel	19.1	22.4	24.6	24.8	24.8	24.8	24.9	26.1
Total	70.8	85.1	95.0	97.0	107.4	111.3	114.8	120.1
Visitor Spending by Commodity Purchased ($Billion)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Accommodations	12.5	14.4	16.9	16.7	22.0	24.3	26.2	27.4
Food Service	16.6	20.6	22.5	24.5	27.2	28.7	30.4	32.0
Food Stores	2.2	2.8	3.0	3.3	3.6	3.8	3.9	3.9
Local Tran. & Gas	11.3	16.8	20.6	20.1	18.6	17.2	16.0	17.6
Arts, Ent. & Rec.	12.6	14.1	14.7	14.6	16.1	16.7	17.3	17.9
Retail Sales	12.3	12.7	13.1	13.3	14.5	15.0	15.3	15.5
Visitor Air Tran.	3.3	3.7	4.2	4.5	5.4	5.6	5.7	5.9
Total	70.8	85.1	95.0	97.0	107.4	111.3	114.8	120.1
Industry Earnings Generated by Travel Spending ($Billion)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Accom. & Food Serv.	10.3	13.5	15.7	15.8	19.4	21.2	23.4	25.0
Arts, Ent. & Rec.	5.4	6.8	7.7	7.6	9.3	9.9	10.6	11.0
Retail	2.0	2.4	2.6	2.4	2.7	2.8	3.0	3.1
Ground Tran.	0.9	1.1	1.2	1.1	1.3	1.4	1.5	1.7
Visitor Air Tran.	1.6	1.4	1.5	1.5	1.8	2.0	2.7	3.2
Other Travel	3.8	3.3	3.4	3.0	3.6	4.0	4.9	5.6
Total	24.1	28.4	32.2	31.5	38.1	41.4	46.1	49.6
Industry Employment Generated by Travel Spending (Thousand Jobs)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Accom. & Food Serv.	456.8	504.4	539.5	513.5	589.6	608.7	631.9	650.8
Arts, Ent. & Rec.	209.8	219.0	233.0	218.3	252.4	261.4	270.6	277.7
Retail	80.2	84.0	86.8	75.7	82.2	83.6	85.6	87.1
Ground Tran.	34.3	32.2	33.1	29.6	31.6	32.7	33.9	34.8
Visitor Air Tran.	29.9	22.4	22.5	20.7	22.8	24.2	27.5	30.4
Other Travel	85.0	61.5	59.7	45.9	49.8	52.6	59.0	62.1
Total	896.1	923.5	974.6	903.7	1,028.4	1,063.1	1,108.6	1,143.0
Tax Receipts Generated by Travel Spending ($Million)								
	2000	**2005**	**2007**	**2011**	**2014**	**2015**	**2016**	**2017**
Local Tax Receipts	2.4	2.8	3.5	3.6	4.5	4.9	5.3	5.6
State Tax Receipts	3.4	4.3	4.7	4.9	5.2	5.2	5.3	5.3
Federal Tax Receipts	3.7	4.9	5.4	4.9	6.0	6.4	6.9	7.1
Total	9.5	12.0	13.6	13.3	15.6	16.5	17.4	18.0

Details may not add to total due to rounding. * Other Travel includes air travel spending made by California residents for travel to out-of-state and other California visitor destinations and travel arrangement services.** Retail includes gasoline. Local tax receipts include transient occupancy taxes, sales taxes, and airport passenger facility charges paid by visitors, and the property tax payments and sales tax payments attributable to the travel industry income of employees and businesses. State tax receipts include sales tax payments and motor fuel tax payments of visitors, and the income tax payments and sales tax payments attributable to the travel industry income of employees and businesses. Historical revisions have been made on prior years based on the availability of revised source data for cities and counties throughout the state. Economic impacts are based on visitor trips which are defined as trips taken by individuals that stay overnight away from home, or travel more than 50 miles one-way on a non-routine trip, as defined by the California Tourism Marketing Act.

III. State and Local Government Revenue

This section is concerned with the contribution of the California travel industry to state and local government finance. The first part of the report compares the travel industry to various other sectors of the state economy. The remainder provides an overview of state and local finance and the revenue contribution of the travel industry.

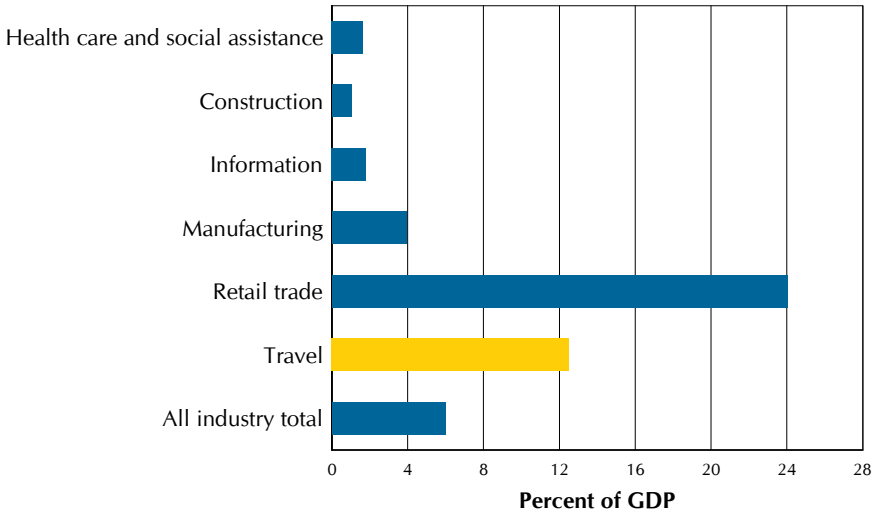
Industry Gross Domestic Product and Taxes

One way to consider the tax contributions of various sectors of the economy is to express the tax payments of businesses to government as a percentage of Gross Domestic Product. The bar chart and accompanying table show these tax payments (taxes on production and imports or TOPI) for a sample of goods-producing and service sectors in the state, including travel. TOPI include most of the taxes paid by the business firm to local, state and federal governments except for income taxes. This includes property taxes, licenses and fees and the sales and excise taxes collected from consumers. It is because of these later taxes that retail trade and travel have relatively high proportions of tax payments in relation to their gross domestic products.

Production & Import Taxes as a Percent of GDP

Selected California Industry Sectors, 2016 Calendar Year

	GDP	TOPI	Percent
Information	217,629	3,911	1.8%
Construction	100,835	1,053	1.0%
Health care and social as	164,523	2,702	1.6%
Manufacturing	288,976	11,340	3.9%
Retail trade	144,881	34,804	24.0%
Travel	62,432	7,807	12.5%
All industry total	2,602,672	155,757	6.0%



Sources: Bureau of Economic Analysis and Dean Runyan Associates.

*TOPI denotes taxes on production and imports less subsidies.

GDP & TOPI expressed in $Million.

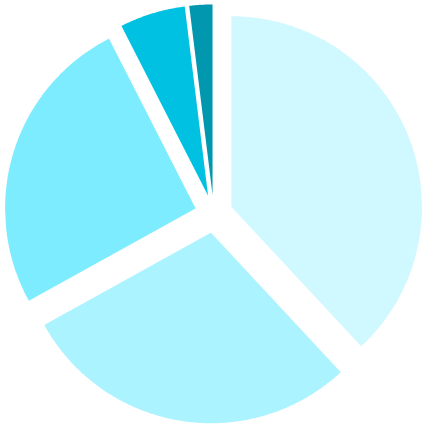
The remainder of this report will focus on the travel industry and the specific tax contributions made to state and local government in California. In addition to the taxes on production discussed in the previous section, the tax payments of travel industry employees derived from the income earned from travel industry businesses will be included.[1] The three primary sources of tax revenue generated by the travel industry are:

- Sales tax receipts generated by ***visitor spending.*** This includes local and state sales taxes, lodging taxes, alcoholic beverage taxes, motor vehicle rental taxes and motor fuel taxes.
- Taxes paid by ***travel industry businesses*** attributable to travel generated business receipts (property and income taxes).
- Taxes paid by ***travel industry employees*** attributable to travel generated earnings (sales and property taxes).

California Tax Structure

The pie chart below, adapted from the Bureau of the Census' State and Local Government Finance and other data sources, shows the main categories of tax revenue in California. Approximately 30 percent of all tax revenue is derived from sales and gross receipts taxes. Property taxes, paid primarily by homeowners and businesses to local governments, constitute one-fourth of all tax revenue.[2] Income taxes constitute about 38 percent of all tax revenue.

California State and Local Government Tax Revenues
2016-2017 Fiscal Year ($Billions)



Income	93.2	38.1%
Sales & Gross Receipts	70.2	28.7%
Property	62.6	25.6%
License & Other	13.5	5.5%
Motor Fuel	4.9	2.0%
Total:	244.4	100.0%

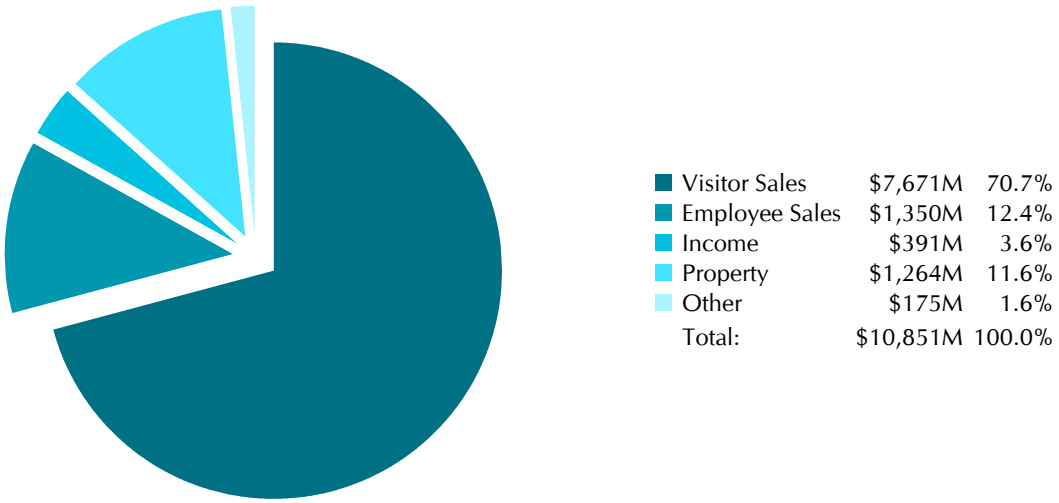
Sources: The 2016-17 fiscal year estimates of state and local tax revenues in California were prepared by Dean Runyan Associates from various sources, including the Bureau of the Census (State and Local Government Finance), the California Department of Revenue, the Bureau of Economic Analysis and a selection of annual financial reports for cities and counties. Sales and gross receipts taxes include the state privilege tax, local sales taxes and a variety of selective taxes, such as those on lodging.

[1]In effect, this means re-allocating some of the sales and excise payments made by other industries to the travel industry because the payments are ultimately made by consumers that earned their income in the travel industry.

Travel Industry Tax Revenue

The distribution of taxes generated by the travel industry for the 2016-17 fiscal year is shown in the following pie chart. The categories are the same as the preceding figure, with the exception that sales tax receipts are also distinguished between those that are generated by visitor spending and those that are generated by the spending of travel industry employees.

California Travel Industry State and Local Government Tax Revenues
2016-2017 Fiscal Year ($Million)



Source: Dean Runyan Associates. "Other" travel generated tax revenue includes passenger facility charges for visitors who travel to California Airports.

Whereas about one-quarter of all state and local tax revenue in California was attributable to sales tax collections in the 2016-17 fiscal year, 83 percent of all travel industry tax revenue was attributable to sales tax receipts from visitors (70 percent) and the purchases of employees in the travel industry (13 percent).

Travel industry state and local tax revenues are compared to total California state and local tax revenues in the following table. Because the travel industry generates a relatively high proportion of sales tax revenues, it is associated with proportionately more tax revenues than would be expected given the size of the industry, as measured by earnings or gross domestic product. Whereas the earnings and GDP of the travel industry are in the range of two and one-half percent of the state totals, travel industry tax revenues represent 4 percent of all state and local tax revenues in California (see table, following page). This is consistent with the initial analysis that compared different industries within the state.

California State and Local Tax Revenues
2016-2017 Fiscal Year ($Million)

Type	Total	Travel Generated	Percent Travel
Sales & Gross Receipts	$70,185	$8,045	11.5%
Property	$62,617	$1,264	2.0%
Motor Fuel	$4,891	$976	20.0%
Income	$93,209	$391	0.4%
License & Other	$13,532	$175	1.3%
Total*	**$244,434**	**$10,851**	**4.4%**

Source: Dean Runyan Associates and Bureau of the Census, State and Local Government Finance.

Summary

This analysis of the tax revenue generated by the California travel industry can be summarized as follows:

- The California travel industry contributes more tax revenue to state and local governments than would be expected based on the size of the industry. Whereas the gross domestic product and employee earnings represent about two and one half percent of the state economy, the travel industry generated 4.0 percent of tax revenue in the 2017 fiscal year.
- Over eighty percent of all travel-generated tax revenue is attributable to sales and gross receipts taxes. The travel industry share of the state total is more than 10 percent. Not only are most travel industry goods and services taxed, but a large share of these commodities (lodging and motor fuel) are taxed at rates that are greater than the general sales tax.
- A large share of these tax revenues are borne by visitors who reside in other states and countries.

The revenue contributions of California's fifty-eight counties are detailed in the following two tables. (Note: The 2016 calendar taxable sales were the most current data available from the California State Board of Equalization at the time that this report was prepared.)

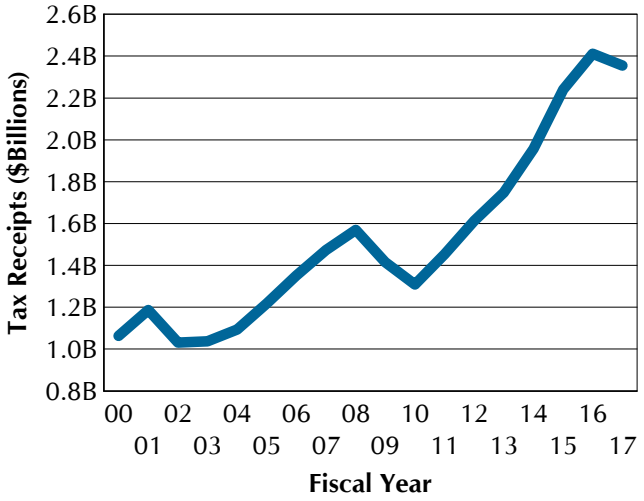
VI. Transient Occupancy Tax Receipts

Transient lodging taxes are one of the most direct means for jurisdictions to collect revenues from visitors. They are also a useful indicator of travel activity in the state, since almost all of these sales are made to travelers. Transient lodging tax receipts therefore provide a basis for evaluating both travel trends and the distribution of travel activity in the state.

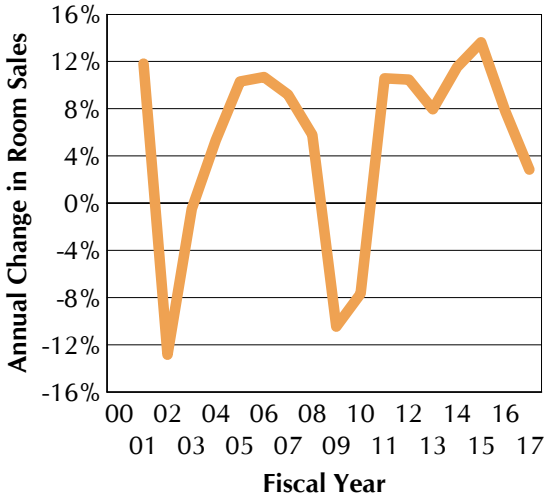
More than 450 jurisdictions in California levy a locally administered transient lodging tax. This tax, ranging from 4 percent to 15 percent, is collected on the sale (i.e., rental) of a room at a lodging establishment such as a hotel, motel, bed & breakfast or at a campground site. *(The rates reported here are for the last fiscal year.)*
The tax collections and tax rates compiled by Dean Runyan Associates, Inc. in this section were reported by various taxing jurisdictions and visitor associations. The receipts are reported on a fiscal year basis. Typically, this corresponds to July 1 through June 30, although there are exceptions. The rates reported are for the most recent fiscal year shown. In many cases, these rates have changed over the reported time period. Some jurisdictions also have variable tax rates for different properties or districts. Finally, transient lodging tax data are subject to frequent revisions. The revisions can be a result of late payments, back taxes and/or interest fees. Users of this information may therefore wish to contact specific jurisdictions to verify this data depending on the purpose of any analysis.

The information provided in this report is also available on the Dean Runyan Associates website (www.deanrunyan.com). The website report will be periodically updated with more current information, as well as revisions and corrections. ***Those with more current information or corrections are encouraged to notify Dean Runyan Associates, Inc.***

California Transient Occupancy Tax Receipts



Year over Year Percent Change



California Transient Occupancy Tax by County

Fiscal Year
Amount in $000

	*Rate	2010	2011	2012	2013	2014	2015	2016	2017
ALAMEDA	11.4%	30,022	35,744	40,480	46,675	53,748	62,550	71,707	63,531
ALPINE	10.0%	490	563	438	561	143	154	166	735
AMADOR	10.0%	619	638	652	722	1,007	1,204	1,153	1,351
BUTTE	9.7%	2,316	2,440	2,554	2,709	2,869	3,071	3,307	3,631
CALAVERAS	8.2%	1,111	1,144	1,156	1,187	1,271	1,460	1,502	1,663
COLUSA	9.9%	314	309	368	358	390	366	424	467
CONTRA COSTA	9.2%	9,327	9,512	10,876	12,098	14,072	15,689	17,385	18,594
DEL NORTE	9.4%	1,213	1,209	1,200	1,306	1,400	1,584	1,734	1,871
EL DORADO	11.6%	10,303	10,598	10,889	12,620	13,632	15,699	19,117	20,472
FRESNO	11.7%	9,843	10,185	10,951	11,496	12,411	13,586	14,837	15,834
GLENN	9.6%	440	440	449	458	508	556	557	88
HUMBOLDT	10.0%	4,396	4,882	4,877	5,217	5,625	6,183	6,930	6,800
IMPERIAL	9.9%	1,741	1,859	2,172	2,230	2,394	2,264	2,277	1,722
INYO	12.0%	4,276	4,538	4,693	4,707	5,261	5,416	5,691	6,348
KERN	9.9%	9,786	10,481	11,710	12,192	13,139	14,355	14,813	15,013
KINGS	8.7%	631	654	723	732	760	922	1,010	720
LAKE	9.3%	932	819	842	694	955	893	1,242	482
LASSEN	10.0%	422	408	431	409	430	470	480	535
LOS ANGELES	13.0%	293,919	327,626	367,512	406,994	432,562	474,746	513,661	542,116
MADERA	9.1%	2,426	2,588	2,683	2,828	3,282	3,384	3,551	4,312
MARIN	10.0%	6,531	7,143	8,184	9,192	10,488	12,150	13,239	7,874
MARIPOSA	1.0%	11,406	10,664	11,461	11,438	11,624	13,523	14,342	14,883
MENDOCINO	10.1%	5,547	5,507	6,018	6,288	6,748	7,907	8,215	8,627
MERCED	10.0%	1,556	1,482	1,600	1,691	1,996	2,944	2,637	2,758
MODOC	7.4%	151	171	161	156	167	189	200	202
MONO	12.0%	12,909	13,519	12,394	14,126	13,077	14,018	18,748	3,321
MONTEREY	10.3%	39,596	40,507	46,522	49,995	53,739	59,484	63,548	63,158
NAPA	12.0%	23,667	27,887	31,403	34,582	40,555	44,569	48,876	44,009
NEVADA	10.0%	2,372	2,463	2,508	2,781	3,115	3,608	4,347	5,081
ORANGE	13.1%	155,772	172,711	189,382	208,294	218,396	246,618	276,623	249,335
California ($M)	10.0%	1,309	1,454	1,614	1,748	1,957	2,241	2,411	2,354

*The reported rate represents a county-wide average for the last fiscal year.

California Transient Occupancy Tax by County

Fiscal Year
Amount in $000

	*Rate	2010	2011	2012	2013	2014	2015	2016	2017
PLACER	9.0%	11,607	13,149	13,221	14,520	15,264	15,245	20,158	22,484
PLUMAS	9.0%	1,049	1,077	1,180	1,250	1,640	1,300	29	29
RIVERSIDE	11.3%	47,913	53,055	60,135	66,583	71,325	81,155	87,579	101,835
SACRAMENTO	11.7%	24,630	26,290	26,294	27,910	31,522	34,854	38,249	42,372
SAN BENITO	8.8%	239	217	247	282	297	332	385	536
SAN BERNARDINO	9.7%	24,130	25,625	26,501	28,253	26,746	33,528	37,141	40,011
SAN DIEGO	10.1%	158,291	177,992	189,187	203,924	223,586	247,070	267,743	287,565
SAN FRANCISCO	14.0%	186,849	209,962	239,567	238,782	310,052	399,363	392,686	375,291
SAN JOAQUIN	8.2%	3,687	3,980	4,330	4,859	4,691	5,909	6,889	7,552
SAN LUIS OBISPO	9.7%	21,784	23,878	26,146	28,439	32,700	35,601	36,896	34,268
SAN MATEO	11.3%	37,789	46,622	56,095	63,621	82,363	83,894	92,208	82,410
SANTA BARBARA	11.7%	27,994	30,742	33,021	34,418	39,058	44,071	44,865	44,687
SANTA CLARA	10.8%	54,489	61,974	74,455	84,382	98,126	121,654	136,487	114,790
SANTA CRUZ	10.9%	9,125	10,207	11,799	12,802	15,517	17,915	18,623	21,006
SHASTA	10.0%	4,513	4,671	4,931	5,310	5,384	5,714	6,010	6,230
SIERRA	10.0%	285	289	324	343	349	339	325	305
SISKIYOU	9.2%	1,965	1,934	2,019	2,153	2,204	2,435	2,505	1,830
SOLANO	9.5%	4,018	4,340	4,626	4,915	5,432	6,396	7,751	4,716
SONOMA	10.9%	17,870	19,850	22,196	24,961	28,407	31,589	34,406	15,745
STANISLAUS	8.8%	3,004	3,263	3,618	3,839	3,998	4,448	5,440	7,324
SUTTER	10.0%	570	683	700	691	715	835	831	1,007
TEHAMA	9.9%	847	895	883	1,038	1,054	1,223	1,350	1,377
TRINITY	5.0%	165	191	203	221	219	214	194	262
TULARE	9.6%	4,116	4,443	4,629	5,155	5,402	6,374	6,291	3,720
TUOLUMNE	10.0%	1,721	2,103	2,540	2,792	2,558	2,943	3,718	4,536
VENTURA	9.4%	13,677	14,755	16,346	17,894	19,816	21,907	24,751	21,512
YOLO	11.8%	2,622	3,099	3,135	3,450	2,737	4,330	4,961	5,301
YUBA	11.5%	289	319	399	341	379	459	478	121
California ($M)	10.0%	1,309	1,454	1,614	1,748	1,957	2,241	2,411	2,354

*The reported rate represents a county-wide average for the last fiscal year.

California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Alameda									
Alameda	10.0%	1,085	1,119	1,295	1,396	1,612	1,929	2,175	2,127
Berkeley	0.0%	3,673	4,698	4,609	5,556	6,169	7,039	7,813	N/A
Dublin	0.0%	557	684	880	1,003	1,118	1,354	1,506	N/A
Emeryville	12.0%	3,298	3,598	4,233	4,852	5,277	5,912	6,895	7,426
Fremont	10.0%	2,867	3,476	4,133	4,872	5,988	7,818	8,086	8,278
Hayward	8.5%	1,110	1,253	1,466	1,679	1,918	2,033	2,591	2,560
Livermore	0.0%	1,310	1,481	1,754	2,001	2,570	2,570	2,784	N/A
Newark	10.0%	2,331	2,785	3,323	3,705	4,320	5,067	5,859	6,094
Oakland	14.0%	10,085	12,484	13,822	15,831	18,208	21,145	25,027	28,252
Pleasanton	8.0%	2,720	2,966	3,487	3,939	4,299	5,057	6,038	6,263
San Leandro	0.0%	538	610	711	775	889	540	610	N/A
Union City	12.5%	448	591	767	1,067	1,379	2,085	2,322	2,530
Alpine									
Unincorporated	10.0%	490	563	438	561	143	154	166	735
Amador									
Amador	7.3%	8	9	N/A	N/A	175	203	N/A	14
Ione	10.0%	3	2	1	0	N/A	N/A	N/A	81
Jackson	10.0%	296	284	285	308	305	353	447	450
Plymouth	10.0%	74	85	95	142	194	221	253	296
Sutter Creek	10.0%	154	169	175	170	157	225	230	279
Unincorporated	10.0%	83	89	96	103	175	203	223	232
Butte									
Chico	10.0%	1,765	1,880	1,970	2,049	2,211	2,362	2,522	2,704
Gridley	6.0%	21	22	21	21	22	25	27	22
Oroville	9.0%	335	347	364	421	428	469	524	677
Paradise	10.0%	168	162	171	190	186	198	214	211
Unincorporated	6.0%	28	29	28	27	21	18	20	18
Calaveras									
Angels Camp	10.0%	777	782	816	861	943	1,065	1,116	1,098
Unincorporated	6.0%	334	362	341	327	327	395	385	565
Colusa									
Colusa	8.0%	19	14	25	19	25	22	23	24
Williams	10.0%	295	296	344	339	365	345	401	443

Note: Values listed as N/A are missing, those with more current informaiton or corrections are encouraged to contact Dean Runyan Associates.

California Transient Occupancy Tax by Jurisdiction

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Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Contra Costa									
Antioch	10.0%	113	80	120	116	136	150	158	256
Brentwood	0.0%	132	206	233	270	284	350	377	N/A
Concord	10.0%	1,428	1,391	1,479	1,695	2,171	2,619	2,713	2,787
Danville	6.5%	75	87	97	109	121	121	147	160
El Cerrito	10.0%	75	86	98	103	131	115	139	184
Lafayette	9.5%	414	451	523	562	631	702	746	733
Martinez	10.0%	269	290	303	308	291	383	521	561
Pinole	10.0%	188	198	208	223	302	391	459	484
Pittsburg	10.0%	256	280	361	N/A	503	645	711	759
Pleasant Hill	10.0%	1,147	1,235	1,350	1,573	1,610	1,930	2,107	2,223
Richmond	10.0%	687	660	727	858	986	1,049	1,264	1,295
San Pablo	12.0%	247	262	309	356	425	455	791	514
San Ramon	7.3%	1,247	1,501	1,741	2,096	2,246	2,470	2,808	2,894
Unincorporated	10.0%	1,907	1,439	1,836	2,171	2,500	2,367	2,367	3,361
Walnut Creek	8.5%	1,142	1,345	1,492	1,659	1,735	1,942	2,077	2,382
Del Norte									
Crescent City	10.0%	889	891	860	962	966	1,150	1,255	1,385
Unincorporated	8.0%	324	319	340	344	434	434	479	485
El Dorado									
Placerville	0.0%	116	116	131	137	159	188	187	N/A
So. Lake Tahoe	12.0%	8,456	8,670	8,825	10,298	11,031	12,708	15,687	16,772
Unincorporated	10.0%	1,731	1,813	1,933	2,186	2,443	2,802	3,243	3,700
Fresno									
Clovis	10.0%	1,024	1,309	1,441	1,519	1,683	1,827	2,007	2,077
Coalinga	0.0%	23	38	33	25	28	27	19	N/A
Firebaugh	0.0%	8	6	4	5	6	11	4	N/A
Fresno	12.0%	8,493	8,458	9,072	9,508	10,037	10,987	12,006	12,919
Huron	10.0%	3	2	4	4	4	4	3	2
Kingsburg	12.0%	72	162	176	202	322	266	282	331
Reedley	8.0%	35	37	36	38	40	42	42	44
Sanger	4.0%	6	8	9	6	9	9	7	9
Selma	12.0%	181	165	176	189	282	414	466	453
Glenn									
Orland	10.0%	44	48	46	47	50	53	54	85
Unincorporated	5.0%	5	4	3	4	3	3	2	3
Willows	0.0%	391	389	400	407	455	500	500	N/A

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Humboldt									
Arcata	10.0%	892	934	1,038	1,195	1,296	1,296	1,365	1,469
Eureka	10.0%	1,798	2,149	1,923	1,947	2,125	2,420	2,871	2,975
Ferndale	10.0%	70	76	98	99	128	163	168	168
Fortuna	10.0%	444	472	516	524	507	532	613	679
Rio Dell	8.0%	10	12	12	10	12	10	11	12
Trinidad	12.0%	88	72	96	132	133	167	176	165
Unincorporated	10.0%	1,093	1,167	1,193	1,311	1,423	1,597	1,725	1,332
Imperial									
Brawley	0.0%	252	287	315	283	323	335	341	N/A
Calexico	0.0%	210	185	246	237	315	267	273	N/A
Calipatria	8.0%	26	25	29	22	32	19	21	23
El Centro	10.0%	1,235	1,343	1,561	1,660	1,667	1,592	1,592	1,667
Holtville	4.0%	1	1	1	1	1	1	1	1
Imperial	8.0%	15	17	18	21	31	26	28	27
Unincorporated	8.0%	1	1	3	6	26	23	22	3
Inyo									
Bishop	12.0%	1,659	1,871	1,811	1,829	1,958	2,110	2,226	2,618
Unincorporated	12.0%	2,618	2,667	2,882	2,878	3,303	3,306	3,465	3,730
Kern									
Bakersfield	12.0%	6,494	6,852	7,828	8,274	8,826	9,488	9,451	9,578
California City	6.0%	2	1	16	50	60	62	68	77
Delano	10.0%	135	166	180	214	193	253	308	338
Maricopa	10.0%	24	20	27	22	21	24	21	19
McFarland	6.0%	1	0	0	N/A	N/A	N/A	N/A	N/A
Ridgecrest	10.0%	1,412	1,144	1,151	1,095	1,165	1,218	1,443	1,584
Taft	10.0%	30	24	56	40	68	133	123	199
Tehachapi	8.0%	251	500	567	500	830	684	641	629
Unincorporated	6.0%	1,346	1,658	1,732	1,845	1,775	2,270	2,575	2,405
Wasco	10.0%	92	118	152	152	200	223	184	185
Kings									
Avenal	6.0%	4	5	5	5	4	4	6	5
Corcoran	8.0%	38	46	49	48	42	45	69	48
Hanford	8.0%	272	258	263	277	288	348	381	381
Lemoore	0.0%	118	112	126	124	127	210	260	N/A
Unincorporated	10.0%	199	233	280	277	298	315	295	287

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California Transient Occupancy Tax by Jurisdiction

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	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Lake									
Clearlake	9.0%	161	160	159	168	200	207	350	340
Lakeport	10.0%	95	69	83	85	95	81	111	141
Unincorporated	0.0%	677	590	601	441	660	605	781	N/A
Lassen									
Susanville	10.0%	380	366	392	379	401	442	455	508
Unincorporated	10.0%	42	42	40	30	29	28	25	27

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California Transient Occupancy Tax by Jurisdiction

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	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Los Angeles									
Agoura Hills	0.0%	1,590	1,709	1,738	1,915	2,131	2,245	2,764	N/A
Alhambra	0.0%	146	148	176	167	193	268	643	N/A
Arcadia	10.0%	2,238	2,394	2,560	2,823	3,215	3,365	3,532	3,544
Artesia	12.5%	254	366	426	450	443	535	553	486
Avalon	12.0%	2,614	3,085	3,320	3,516	4,464	4,983	4,938	5,152
Azusa	10.0%	201	193	211	231	243	262	348	366
Baldwin Park	10.0%	219	217	216	223	254	294	321	557
Bell	0.0%	176	94	5	N/A	N/A	N/A	N/A	N/A
Bell Gardens	8.0%	188	221	238	259	314	365	548	555
Bellflower	9.0%	451	444	487	526	591	657	730	757
Beverly Hills	14.0%	23,447	26,595	29,789	31,086	34,380	36,359	39,989	43,521
Burbank	10.0%	5,273	5,686	5,943	6,548	7,145	7,909	10,598	11,206
Calabasas	12.0%	1,013	1,199	1,143	1,265	1,492	1,683	2,261	1,928
Carson	9.0%	1,121	1,198	1,308	1,462	1,598	1,743	2,068	2,313
Cerritos	12.0%	356	399	445	461	504	698	1,130	1,187
Claremont	10.0%	780	917	1,001	1,077	1,148	1,284	1,334	1,398
Compton	0.0%	157	150	152	115	114	107	106	N/A
Covina	10.0%	356	318	317	395	101	348	483	328
Cudahy	8.0%	44	66	53	50	53	54	57	62
Culver City	14.0%	2,963	3,284	3,781	5,195	5,608	6,700	7,572	7,567
Diamond Bar	10.0%	570	643	692	783	851	935	994	924
Downey	0.0%	936	991	1,123	1,219	1,315	1,317	1,629	N/A
Duarte	10.0%	43	60	69	94	97	105	142	128
El Monte	10.0%	266	266	278	299	318	380	420	476
El Segundo	0.0%	3,956	4,153	4,617	5,156	5,964	5,400	6,400	N/A
Gardena	11.0%	410	414	478	554	640	738	1,006	1,295
Glendale	12.0%	2,690	3,045	3,368	3,545	3,979	4,467	6,426	6,600
Glendora	6.0%	86	76	88	130	134	137	149	138
Hawthorne	12.0%	2,017	2,017	2,393	2,659	2,765	3,357	4,806	5,200
Hermosa Beach	0.0%	1,559	1,689	1,815	1,996	2,204	2,350	2,762	N/A
Huntington Park	5.0%	39	55	47	48	50	50	70	70
Industry	10.0%	665	747	793	876	1,012	1,000	1,052	1,037
Inglewood	14.0%	2,517	2,979	3,136	3,456	4,094	4,860	5,218	5,577
La Mirada	10.0%	803	1,022	973	1,165	1,389	1,506	1,690	1,568
La Puente	10.0%	83	137	153	167	192	207	228	241
Lakewood	8.0%	42	60	50	46	46	48	59	67
Lancaster	7.0%	1,381	1,300	1,338	1,315	1,313	1,614	1,866	2,077
Lawndale	0.0%	374	407	453	490	507	600	610	N/A
Lomita	10.0%	112	106	118	127	123	134	150	178
Long Beach	0.0%	12,243	13,782	16,791	18,784	21,265	23,999	N/A	N/A
Los Angeles	14.0%	127,626	145,167	163,395	180,734	184,382	202,897	230,818	265,653

California Transient Occupancy Tax by Jurisdiction

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Los Angeles									
Malibu	12.0%	1,075	1,160	1,336	1,421	1,535	1,983	2,620	3,287
Manhattan Beach	10.0%	3,174	3,230	3,240	3,881	4,167	4,548	4,987	5,117
Maywood	0.0%	38	34	11	39	46	47	N/A	N/A
Monrovia	10.0%	1,076	1,179	1,329	1,454	1,563	1,760	1,891	1,945
Montebello	0.0%	243	256	298	312	325	353	N/A	N/A
Monterey Park	12.0%	661	757	876	957	1,049	1,159	1,249	1,262
Norwalk	10.0%	922	877	1,128	1,227	1,309	1,379	1,533	1,545
Palmdale	10.0%	2,582	2,633	2,789	2,908	2,824	3,090	3,279	3,671
Pasadena	12.1%	6,942	7,668	9,553	11,109	12,043	13,165	14,856	15,186
Pico Rivera	10.0%	252	304	309	333	368	398	418	405
Pomona	10.0%	1,300	1,267	1,359	1,474	1,561	1,561	1,548	1,502
Rancho Palos Verdes	0.0%	1,955	2,640	3,349	3,790	4,250	4,812	5,197	N/A
Redondo Beach	12.0%	3,204	3,267	3,534	3,693	3,971	4,465	8,628	7,690
Rosemead	10.0%	1,188	1,170	1,347	1,450	1,590	1,575	1,999	2,209
San Dimas	12.0%	649	670	700	779	1,278	1,426	1,558	1,630
San Gabriel	12.0%	761	880	948	1,168	1,426	1,454	1,592	1,603
Santa Clarita	10.0%	2,051	2,107	2,381	2,557	2,782	3,125	3,813	3,639
Santa Fe Springs	10.0%	219	145	120	113	117	144	165	174
Santa Monica	14.0%	29,804	32,747	36,143	40,997	44,412	47,629	51,021	55,532
Signal Hill	9.0%	136	136	150	156	169	149	163	220
South El Monte	8.0%	171	194	186	195	214	219	212	208
South Gate	8.0%	223	278	230	250	278	267	350	390
Temple City	10.0%	35	34	33	29	47	54	60	55
Torrance	11.0%	6,400	6,959	7,900	8,636	9,292	10,529	11,919	12,015
Unincorporated	12.0%	10,850	11,437	13,119	14,180	15,458	17,470	19,791	21,642
West Covina	10.0%	647	757	1,052	1,228	1,238	1,614	1,841	1,966
West Hollywood	12.5%	12,590	14,090	15,414	18,062	18,980	20,418	21,993	22,637
Westlake Village	10.0%	2,220	2,394	2,613	2,623	2,907	3,218	3,619	3,602
Whittier	10.0%	546	560	586	564	730	779	890	832
Madera									
Chowchilla	10.0%	159	187	143	208	245	269	213	306
Madera	9.0%	421	436	522	577	647	723	736	772
Unincorporated	9.0%	1,846	1,965	2,017	2,044	2,390	2,392	2,602	3,234

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Marin									
Corte Madera	10.0%	525	571	685	729	862	964	1,052	1,003
Fairfax	10.0%	18	18	19	30	26	28	28	21
Larkspur	0.0%	453	507	567	648	703	812	888	N/A
Mill Valley	10.0%	374	414	481	566	636	715	773	823
Novato	10.0%	897	942	1,054	1,218	1,354	1,544	1,643	1,648
San Rafael	0.0%	1,558	1,644	1,867	2,185	2,332	2,662	3,063	N/A
Sausalito	0.0%	784	829	894	967	1,202	1,463	1,589	N/A
Tiburon	10.0%	416	471	581	605	700	811	832	805
Unincorporated	10.0%	1,506	1,747	2,037	2,244	2,673	3,151	3,371	3,575
Mariposa									
Unincorporated	1.0%	11,406	10,664	11,461	11,438	11,624	13,523	14,342	14,883
Mendocino									
Fort Bragg	10.5%	1,379	1,325	1,414	1,546	1,679	1,854	2,091	2,148
Point Arena	12.0%	57	44	35	34	23	73	79	86
Ukiah	10.0%	661	692	776	828	925	1,173	1,213	1,311
Unincorporated	10.0%	3,256	3,294	3,556	3,618	3,856	4,491	4,491	5,081
Willits	0.0%	194	153	237	263	265	316	341	N/A
Merced									
Atwater	0.0%	36	36	35	35	38	38	29	N/A
Gustine	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Livingston	9.0%	3	3	5	6	5	5	5	5
Los Banos	10.0%	206	203	216	220	288	307	407	446
Merced	10.0%	745	718	803	883	990	1,874	1,519	1,609
Unincorporated	10.0%	565	522	541	547	675	719	676	698
Modoc									
Alturas	10.0%	120	134	127	125	132	150	160	156
Unincorporated	4.0%	32	37	34	31	35	39	40	46
Mono									
Mammoth Lakes	0.0%	10,473	11,196	9,924	11,712	10,479	11,309	15,722	N/A
Unincorporated	12.0%	2,437	2,323	2,470	2,414	2,598	2,709	3,026	3,321

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Monterey									
Carmel-By-The-Sea	10.0%	3,830	4,003	4,178	4,616	5,127	5,589	5,896	6,100
Gonzales	8.0%	1	1	2	2	2	2	N/A	2
Greenfield	8.0%	12	12	12	12	N/A	14	17	31
King City	10.0%	276	253	285	327	334	344	429	419
Marina	12.0%	1,368	1,458	1,876	1,932	2,125	2,395	2,550	2,686
Monterey	10.0%	14,703	14,655	16,537	17,601	19,325	20,828	22,486	23,180
Pacific Grove	10.0%	3,071	2,891	3,142	3,360	3,157	3,639	3,786	3,976
Salinas	10.0%	1,530	1,604	1,749	2,037	1,852	2,432	2,601	2,772
Seaside	12.0%	1,733	1,779	2,025	2,092	2,420	2,668	2,881	2,702
Soledad	12.0%	69	72	71	71	73	78	88	113
Unincorporated	10.5%	13,002	13,779	16,645	17,945	19,325	21,496	22,815	21,177
Napa									
Americn Canyon	12.0%	557	784	1,090	1,201	1,249	1,429	1,509	1,546
Calistoga	0.0%	3,042	3,431	3,768	3,949	4,456	5,037	5,623	N/A
Napa	12.0%	8,256	9,872	11,505	12,773	15,167	15,869	18,233	19,418
St. Helena	12.0%	1,194	1,465	1,521	1,308	1,732	1,860	1,981	2,176
Unincorporated	12.0%	7,549	8,299	9,227	9,673	11,689	13,792	14,722	13,713
Yountville	12.0%	3,069	4,035	4,292	5,678	6,261	6,582	6,809	7,155
Nevada									
Grass Valley	10.0%	482	583	657	516	692	816	826	828
Nevada City	10.0%	180	187	268	270	341	288	324	402
Truckee	10.0%	1,432	1,436	1,351	1,718	1,847	2,119	2,820	3,410
Unincorporated	10.0%	278	257	233	277	236	384	377	441

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Orange									
Anaheim	15.0%	77,138	82,605	90,376	102,936	101,042	118,099	137,024	148,744
Brea	10.0%	1,176	1,227	1,281	1,401	1,513	1,592	1,606	1,716
Buena Park	12.0%	3,698	3,816	3,920	4,403	5,002	5,675	6,435	6,529
Costa Mesa	8.0%	4,269	5,345	6,525	7,258	7,676	7,995	8,623	8,925
Cypress	10.0%	1,514	1,760	2,098	1,926	1,980	2,210	2,559	2,712
Dana Point	10.0%	7,221	8,338	9,382	10,086	11,122	12,467	12,091	12,600
Fountain Valley	9.0%	616	733	744	900	1,015	1,278	1,458	1,454
Fullerton	10.0%	1,571	1,754	1,898	2,068	2,249	2,418	2,680	2,877
Garden Grove	14.5%	9,805	11,134	11,648	13,626	16,353	17,217	20,897	25,121
Huntington Beach	0.0%	5,820	6,470	7,204	7,630	8,440	9,215	10,035	N/A
Irvine	0.0%	7,268	8,294	8,489	9,005	9,315	10,594	12,218	N/A
La Palma	8.0%	198	216	228	258	378	346	391	378
Laguna Beach	12.0%	6,759	7,073	7,905	8,537	9,278	9,979	10,355	12,238
Laguna Hills	10.0%	752	870	1,004	1,108	1,203	1,285	1,407	1,437
Laguna Niguel	8.0%	24	29	33	29	34	43	41	45
Lake Forest	0.0%	1,939	2,439	2,670	2,823	3,141	3,405	3,573	N/A
Los Alamitos	8.0%	70	80	88	104	113	132	156	159
Mission Viejo	8.0%	520	594	608	630	749	826	882	882
Newport Beach	0.0%	12,542	15,855	17,976	16,500	18,176	20,365	21,083	N/A
Orange	10.0%	2,724	3,169	3,440	3,819	3,849	4,542	5,169	5,413
Placentia	0.0%	562	647	620	788	820	770	945	N/A
San Clemente	10.0%	1,372	1,461	1,541	1,588	1,781	2,220	2,333	2,799
San Juan Capistrano	10.0%	162	175	314	618	681	801	851	855
Santa Ana	11.0%	5,650	5,970	7,024	7,490	8,519	8,983	8,882	9,287
Seal Beach	12.0%	1,109	1,221	970	1,289	1,509	1,526	1,655	1,694
Stanton	8.0%	290	326	357	342	324	384	429	513
Tustin	10.0%	141	143	137	137	1,091	1,091	1,555	1,609
Unincorporated	10.0%	133	151	37	N/A	N/A	N/A	N/A	N/A
Westminster	8.0%	452	496	511	593	609	717	802	867
Yorba Linda	10.0%	274	318	355	400	435	443	488	483

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Placer									
Auburn	0.0%	181	198	211	209	226	264	262	N/A
Colfax	8.0%	23	17	19	21	18	14	N/A	16
Lincoln	10.0%	360	117	193	145	232	260	222	284
Loomis	8.0%	37	30	30	37	18	10	1	11
Rocklin	8.0%	345	384	396	403	474	486	564	678
Roseville	6.0%	1,590	1,759	1,897	2,079	2,281	2,067	3,117	3,151
Unincorporated	9.9%	9,071	10,645	10,474	11,626	12,013	12,145	15,991	18,344

California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Plumas									
Portola	9.0%	29	35	41	33	407	29	29	29
Unincorporated	0.0%	1,020	1,042	1,139	1,217	1,233	1,271	N/A	N/A
Riverside									
Banning	12.0%	332	505	573	626	674	726	790	861
Beaumont	10.0%	181	186	194	236	196	225	213	334
Blythe	10.0%	794	700	899	1,147	982	949	1,175	1,068
Calimesa	10.0%	28	26	29	36	34	41	44	52
Canyon Lake	10.0%	27	34	35	36	41	51	61	62
Cathedral City	12.0%	1,023	999	1,136	1,114	1,340	1,447	1,771	2,503
Corona	10.0%	1,097	1,184	1,306	1,599	1,656	1,787	2,039	2,487
Desert Hot Springs	12.0%	892	1,088	1,149	1,235	1,314	1,352	1,505	1,768
Hemet	10.0%	621	603	557	626	643	727	854	963
Indian Wells	11.3%	4,294	4,805	5,690	6,342	6,406	6,735	6,996	7,590
Indio	10.0%	1,845	1,945	2,547	2,820	3,078	3,907	4,520	6,298
La Quinta	11.0%	4,175	4,725	5,550	5,989	6,286	6,613	7,442	6,483
Lake Elsinore	10.0%	272	275	313	275	462	451	487	566
Moreno Valley	13.0%	536	693	747	832	991	1,197	1,416	1,853
Norco	11.0%	173	190	224	257	296	427	520	562
Palm Desert	11.0%	8,331	8,614	9,195	10,482	9,810	10,723	11,195	15,018
Palm Springs	12.7%	13,448	15,797	18,106	19,620	22,297	25,487	26,996	30,951
Perris	10.0%	64	60	121	72	66	137	158	160
Rancho Mirage	10.0%	3,892	4,302	4,925	5,168	5,682	7,415	7,304	9,003
Riverside	13.0%	2,488	2,732	2,995	3,703	4,189	5,280	6,093	6,622
San Jacinto	8.0%	20	18	18	20	27	34	37	38
Temecula	8.0%	1,962	2,169	2,400	2,505	2,717	3,008	3,184	3,322
Unincorporated	10.0%	1,415	1,404	1,423	1,844	2,137	2,435	2,777	3,269

Note: Values listed as N/A are missing, those with more current informaiton or corrections are encouraged to contact Dean Runyan Associates.

Sacramento									
Citrus Heights	12.0%	17	17	17	19	20	16	21	16
Folsom	8.0%	1,109	1,153	1,235	1,366	1,462	1,565	1,845	2,065
Galt	10.0%	135	131	139	143	214	215	261	272
Isleton	8.0%	1	0	N/A	N/A	N/A	N/A	N/A	0
Rancho Cordova	12.0%	1,822	2,515	2,626	2,637	4,124	4,684	4,971	5,429
Sacramento	12.0%	17,079	18,522	18,894	19,867	21,444	23,810	26,003	28,553
Unincorporated	12.0%	4,467	3,953	3,383	3,878	4,258	4,563	5,148	6,037
San Benito									
Hollister	8.0%	119	105	123	128	152	178	171	218
San Juan Bautista	12.0%	37	32	38	62	53	71	111	142
Unincorporated	8.0%	82	80	85	92	93	83	103	176

California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
San Bernardino									
Adelanto	0.0%	28	27	24	24	16	19	25	N/A
Apple Valley	7.0%	7	6	7	7	8	7	6	6
Barstow	12.5%	2,393	2,542	2,626	2,650	2,749	2,892	2,858	3,097
Big Bear Lake	8.0%	2,936	3,068	3,177	3,497	2,562	2,965	3,437	5,246
Chino	8.0%	192	220	228	282	268	296	336	371
Colton	0.0%	293	370	346	501	567	575	575	N/A
Fontana	8.0%	467	574	558	587	704	793	884	941
Hesperia	10.0%	807	843	966	837	1,040	1,163	1,148	1,102
Highland	7.0%	167	179	204	228	250	265	274	302
Loma Linda	10.0%	59	57	53	41	32	49	271	335
Montclair	10.0%	31	33	31	29	30	31	25	41
Needles	10.0%	438	454	499	522	589	592	643	889
Ontario	11.8%	8,398	8,790	9,149	9,731	10,614	12,058	13,091	13,887
Rancho Cucamonga	10.0%	1,587	1,827	1,928	2,057	2,555	2,729	3,055	3,282
Redlands	0.0%	752	766	820	921	948	1,064	1,102	N/A
Rialto	9.0%	93	97	128	149	153	195	170	333
San Bernardino	10.0%	2,222	2,507	2,217	2,689	N/A	3,396	4,338	4,496
Twentynine Palms	9.0%	902	979	1,036	893	816	878	944	1,107
Unincorporated	7.0%	1,340	1,286	1,501	1,519	1,697	2,071	2,449	2,878
Upland	10.0%	94	99	97	110	117	151	160	168
Victorville	7.0%	765	723	705	817	881	1,064	1,074	1,191
Yucaipa	7.0%	15	14	12	16	18	23	23	23
Yucca Valley	7.0%	144	165	188	147	134	254	254	317

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California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
San Diego									
Carlsbad	10.0%	11,490	11,569	12,872	14,702	17,284	19,712	20,922	22,263
Chula Vista	10.0%	2,036	2,059	2,296	2,471	2,696	3,137	3,827	3,657
Coronado	10.0%	7,623	8,320	8,903	10,366	12,443	13,764	13,819	14,578
Del Mar	12.5%	1,506	1,705	1,805	1,940	2,102	2,444	2,618	2,697
El Cajon	10.0%	825	900	1,046	1,057	1,140	1,324	1,378	1,432
Encinitas	10.0%	1,180	1,280	1,412	1,490	1,568	1,824	2,009	2,208
Escondido	10.0%	954	1,025	1,203	1,228	1,322	1,435	1,606	1,683
Imperial Beach	1.0%	164	224	231	194	386	640	668	672
La Mesa	10.0%	808	917	910	957	1,038	1,148	1,209	1,250
Lemon Grove	6.0%	30	31	36	37	39	45	53	52
National City	0.0%	709	759	888	896	1,082	1,384	1,612	N/A
Oceanside	10.0%	3,185	3,326	3,817	4,239	4,707	5,323	6,382	6,929
Poway	10.0%	367	434	463	484	523	574	615	609
San Diego	10.5%	123,332	140,752	148,184	158,105	170,330	186,159	202,659	221,415
San Marcos	10.0%	298	610	714	736	795	830	874	978
Santee	10.0%	100	106	115	207	386	432	483	512
Solana Beach	13.0%	930	979	1,119	1,186	1,220	1,467	1,606	1,740
Unincorporated	8.0%	2,423	2,449	2,579	2,647	3,404	4,166	4,128	4,889
Vista	0.0%	330	546	596	982	1,119	1,263	1,275	N/A
San Francisco									
San Francisco	14.0%	186,849	209,962	239,567	238,782	310,052	399,363	392,686	375,291
San Joaquin									
Escalon	10.0%	3	2	2	3	2	3	4	4
Lathrop	9.0%	205	231	232	466	469	450	518	636
Lodi	6.0%	382	426	486	545	594	666	783	1,092
Manteca	9.0%	344	483	508	634	133	794	913	1,005
Ripon	10.0%	72	84	100	97	101	113	130	144
Stockton	8.0%	1,749	1,799	1,933	2,006	2,080	2,378	2,711	2,710
Tracy	10.0%	643	676	746	787	974	1,117	1,385	1,481
Unincorporated	8.0%	290	280	323	320	338	387	445	479

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California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
San Luis Obispo									
Arroyo Grande	10.0%	348	390	630	746	841	922	N/A	963
Atascadero	10.0%	409	526	638	704	779	900	1,242	1,338
El Paso De Robles	10.0%	2,735	2,998	3,230	3,350	4,174	4,246	4,279	5,408
Grover Beach	10.0%	220	220	261	273	249	314	363	354
Morro Bay	0.0%	2,208	2,287	2,784	2,803	2,542	2,916	3,143	N/A
Pismo Beach	10.0%	5,780	6,270	6,931	7,280	7,988	8,680	9,200	9,346
San Luis Obispo	10.0%	4,502	4,844	5,222	5,572	8,063	8,811	9,335	7,357
Unincorporated	9.0%	5,582	6,342	6,450	7,711	8,063	8,811	9,335	9,502
San Mateo									
Belmont	10.0%	892	1,115	1,359	1,572	1,723	1,937	2,339	2,387
Brisbane	0.0%	969	1,306	1,560	1,668	2,038	2,444	2,650	N/A
Burlingame	12.0%	10,342	13,404	16,183	18,244	31,357	23,698	26,092	26,263
Daly City	10.0%	461	533	635	690	787	946	1,028	1,404
Foster City	9.5%	1,175	1,341	1,730	2,016	2,109	2,581	2,821	2,915
Half Moon Bay	12.0%	3,395	3,732	4,231	4,525	4,950	5,431	5,925	6,040
Menlo Park	12.0%	2,074	2,454	2,939	3,468	4,159	4,720	6,268	6,663
Millbrae	12.0%	2,865	3,686	3,928	4,809	6,137	7,467	8,210	8,025
Pacifica	0.0%	709	776	1,118	1,277	1,485	1,667	1,713	N/A
Redwood City	0.0%	2,658	2,994	3,924	4,526	5,262	6,032	6,459	N/A
San Bruno	12.0%	1,344	1,764	2,184	2,412	2,790	3,066	3,317	3,284
San Carlos	10.0%	683	815	944	1,121	1,270	1,397	1,579	1,571
San Mateo	12.0%	3,529	4,530	5,635	6,391	5,728	8,008	8,887	8,610
So. San Francisco	10.0%	5,821	7,192	8,619	9,659	11,174	12,947	13,430	13,618
Unincorporated	10.0%	873	979	1,105	1,242	1,394	1,552	1,490	1,631
Santa Barbara									
Buellton	12.0%	1,164	1,193	1,240	1,345	1,611	1,830	1,783	1,938
Carpinteria	0.0%	1,262	1,306	1,422	1,631	1,924	2,380	2,380	N/A
Lompoc	10.0%	1,371	1,444	1,270	1,320	1,509	1,678	1,706	1,796
Santa Barbara	12.0%	13,757	14,951	16,394	17,611	20,184	22,523	22,372	23,097
Santa Maria	10.0%	2,116	2,363	2,441	2,532	2,844	3,224	3,395	3,456
Solvang	12.0%	2,372	2,508	2,684	2,986	3,435	3,834	4,266	4,331
Unincorporated	12.0%	5,950	6,977	7,570	6,993	7,551	8,601	8,963	10,070

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California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Santa Clara									
Campbell	12.0%	1,298	2,032	2,578	2,876	3,417	4,092	4,440	4,406
Cupertino	0.0%	2,142	2,537	3,113	3,769	4,590	5,582	4,552	N/A
Gilroy	9.0%	889	889	999	1,092	1,235	1,502	1,677	1,709
Los Altos	11.0%	1,346	1,518	1,782	1,946	2,169	2,450	2,608	2,985
Los Gatos	0.0%	924	833	1,174	1,296	1,513	1,897	1,943	N/A
Milpitas	10.0%	5,297	6,124	7,067	7,933	9,336	10,827	11,764	11,702
Morgan Hill	10.0%	904	938	1,119	1,411	1,714	2,062	2,276	2,654
Mountain View	10.0%	3,267	3,914	4,397	4,668	5,645	6,559	6,591	6,973
Palo Alto	14.0%	6,858	8,082	9,664	10,794	12,555	16,699	22,377	23,478
San Jose	10.0%	17,250	18,102	22,451	25,258	29,362	36,998	41,114	43,400
Santa Clara	0.0%	8,302	9,910	11,755	13,673	15,042	17,869	20,040	N/A
Saratoga	10.0%	144	184	205	228	257	310	319	344
Sunnyvale	10.5%	5,578	6,589	7,778	9,016	10,857	14,132	16,262	16,568
Unincorporated	8.0%	289	322	371	420	433	674	524	570
Santa Cruz									
Capitola	10.0%	592	602	913	1,075	1,237	1,276	1,452	1,458
Santa Cruz	11.0%	3,861	4,228	4,739	5,559	7,059	8,228	8,228	9,283
Scotts Valley	10.0%	544	570	713	781	926	1,059	1,011	1,218
Unincorporated	11.0%	3,511	4,101	4,605	4,515	5,514	6,462	6,941	8,002
Watsonville	11.0%	617	707	830	873	781	889	990	1,046
Shasta									
Anderson	10.0%	357	355	349	430	436	492	519	540
Redding	10.0%	3,498	3,616	3,838	4,100	4,126	4,358	4,612	4,794
Shasta Lake	10.0%	8	8	5	5	7	8	8	9
Unincorporated	10.0%	651	692	739	774	815	857	872	887
Sierra									
Unincorporated	10.0%	285	289	324	343	349	339	325	305
Siskiyou									
Dorris	0.0%	6	6	6	5	N/A	N/A	N/A	N/A
Dunsmuir	0.0%	109	106	99	107	112	112	117	N/A
Etna	6.0%	6	6	6	6	7	9	11	12
Mt. Shasta	0.0%	503	504	511	576	546	620	716	N/A
Unincorporated	8.0%	454	438	471	517	515	523	575	609
Weed	10.0%	312	306	300	298	311	361	344	411
Yreka	10.0%	576	568	626	643	712	811	742	798

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California Transient Occupancy Tax by Jurisdiction

Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Solano									
Benecia	0.0%	228	229	297	260	386	425	483	N/A
Dixon	9.0%	157	170	173	221	300	350	494	564
Fairfield	0.0%	1,446	1,635	1,718	1,849	2,046	2,338	2,667	N/A
Rio Vista	10.0%	8	27	49	20	14	27	23	19
Vacaville	8.0%	1,159	1,191	1,232	1,332	1,205	1,403	1,705	1,701
Vallejo	11.0%	1,019	1,088	1,158	1,234	1,481	1,852	2,379	2,432
Sonoma									
Cloverdale	0.0%	143	145	144	161	191	220	217	N/A
Healdsburg	14.0%	1,595	1,928	2,209	2,461	2,637	2,889	3,058	3,643
Petaluma	0.0%	1,166	1,342	1,485	1,681	1,923	2,065	2,495	N/A
Rohnert Park	12.0%	1,575	1,748	1,941	2,203	2,687	2,981	3,256	3,503
Santa Rosa	9.0%	2,863	3,184	3,654	4,285	4,361	4,890	5,467	6,110
Sebastopol	10.0%	239	270	361	395	360	482	484	514
Sonoma	0.0%	2,084	2,113	2,359	2,645	3,569	3,564	3,651	N/A
Unincorporated	0.0%	7,138	7,930	8,757	9,705	11,046	12,763	13,894	N/A
Windsor	12.0%	1,068	1,191	1,287	1,426	1,634	1,735	1,884	1,975
Stanislaus									
Ceres	10.0%	61	59	61	70	76	84	101	228
Modesto	9.0%	1,461	1,640	1,769	1,884	1,880	2,098	2,523	4,213
Oakdale	7.0%	163	203	233	221	229	261	298	311
Turlock	9.0%	639	700	799	902	979	1,100	1,226	1,455
Unincorporated	8.0%	681	661	756	763	834	904	1,291	1,118
Sutter									
Unincorporated	10.0%	40	31	29	18	19	19	15	20
Yuba City	10.0%	531	652	671	674	696	816	816	987
Tehama									
Corning	10.0%	359	266	261	294	300	344	354	387
Red Bluff	10.0%	458	597	594	711	720	836	928	936
Unincorporated	8.0%	31	32	28	33	34	43	68	54
Toulumne									
Sonora	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unincorporated	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trinity									
Unincorporated	5.0%	165	191	203	221	219	214	194	262

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California Transient Occupancy Tax by Jurisdiction
Fiscal Year
Amounts in $000

	Rate	2010	2011	2012	2013	2014	2015	2016	2017
Tulare									
Dinuba	10.0%	91	145	134	172	184	227	249	263
Exeter	8.0%	30	33	37	55	71	84	87	94
Lindsay	8.0%	32	N/A	41	29	44	57	50	56
Porterville	8.0%	276	301	310	335	371	447	491	551
Tulare	0.0%	722	844	820	1,042	1,029	1,188	1,182	N/A
Unincorporated	0.0%	1,138	1,200	1,280	1,366	1,402	1,749	1,749	N/A
Visalia	10.0%	1,827	1,920	2,008	2,155	2,301	2,622	2,484	2,757
Ventura									
Camarillo	9.0%	1,432	1,582	1,702	1,850	2,034	2,270	2,545	2,418
Fillmore	0.0%	59	76	89	114	121	106	120	N/A
Ojai	0.0%	1,640	1,848	2,180	2,434	2,798	2,960	3,127	N/A
Oxnard	10.0%	3,061	3,294	3,402	3,826	4,228	4,654	5,375	5,174
Port Hueneme	10.0%	329	295	326	301	393	455	508	559
San Buenaventura	10.0%	3,468	3,436	4,045	4,450	4,780	5,333	5,810	6,105
Santa Paula	1.0%	82	74	83	97	103	111	110	100
Simi Valley	10.0%	1,134	1,218	1,289	1,344	1,411	1,605	1,877	1,810
Thousand Oaks	10.0%	2,282	2,703	2,978	3,162	3,538	3,916	4,671	4,537
Unincorporated	8.0%	191	230	251	317	410	496	608	808
Yolo									
Davis	12.0%	912	958	1,039	1,129	1,252	1,320	1,459	1,780
Unincorporated	0.0%	105	286	279	293	357	488	488	N/A
West Sacramento	12.0%	827	933	901	1,019	1,129	1,290	1,421	1,581
Woodland	11.5%	778	922	916	1,010	N/A	1,233	1,593	1,940
Yuba									
Marysville	11.5%	66	75	83	81	94	101	120	121
Unincorporated	0.0%	223	244	316	261	285	358	358	N/A

Note: Values listed as N/A are missing, those with more current informaiton or corrections are encouraged to contact Dean Runyan Associates.

APPENDICES

2017 TRAVEL IMPACT ESTIMATES

This appendix provides a brief overview of the methodology, terminology and limitations of the travel impact and visitor volume estimates.

DIRECT IMPACTS

The estimates of the direct impacts associated with traveler spending in California were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The input data used to detail the economic impacts of the California travel industry were gathered from various local, state and federal sources.

Travel impacts consist of estimates of travel spending and the employment, earnings, and state and local taxes generated by this spending. These estimates are also broken out by type of traveler accommodation and by the type of business in which the expenditures occur.

PRELIMINARY ESTIMATES

Preliminary estimates for 2017 were prepared at the state, regional and county level. These estimates take advantage of the most current available data. However, because full-year data was not available in all cases, these estimates are subject to subsequent revision as additional information relating to travel and its economic impact in 2017 becomes available.

TRANSPORTATION IMPACTS

The treatment of ground transportation expenditures depends upon the level of geography (county, region or state). County and regional level estimates of destination spending include only a portion of ground transportation expenditures because some county and regional transportation expenditures are for travel to other California destinations. These expenditures are allocated to "other travel." State level estimates include all in-state expenditures for ground transportation.

SECONDARY (INDIRECT AND INDUCED) IMPACTS

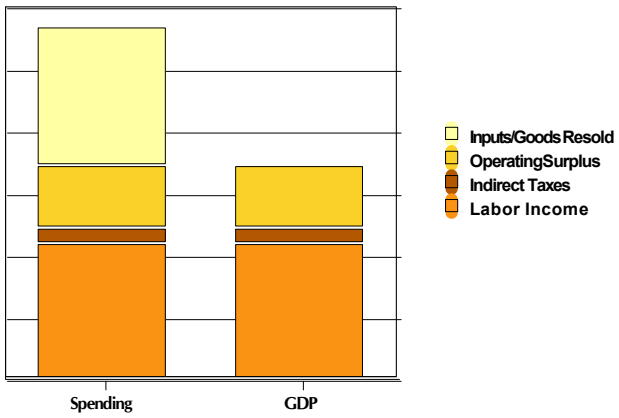
Direct impacts are reported for all counties within California. Secondary employment and earnings impacts over and above direct impacts are reported at the state level only for the year 2016. These indirect and induced impacts are generated from the direct impacts produced by the RTIM, discussed above, and an input-output model of the California economy prepared by the IMPLAN Group, Inc. Indirect impacts represent the purchases of goods and services from other firms by businesses that directly receive expenditures

part derived from travel expenditures. The sum of the direct, indirect and induced impacts equals the total impact of all spending by visitors in the state. The "multiplier" refers to the ratio of the total impacts to the direct impacts for employment or earnings.

GROSS DOMESTIC PRODUCT

An estimate of the Gross Domestic Product (GDP) of the California travel industry based on the RTIM direct travel impacts is also provided in this report. The GDP of an industry is equal to gross output (sales or receipts) minus intermediate inputs (the goods and services purchased from other industries).GDP is always less than output or sales because GDP measures only the "value added" of an industry and does not include the cost of the inputs that are also necessary to produce a good or service. GDP is a useful concept because it permits comparisons of the economic contributions of different industries. The relationship between spending and gross domestic product is illustrated inthe figure below. Examples of inputs are the food or accounting services that restaurants purchase from suppliers. "Goods resold" are the commodities that retail establishments purchase from manufacturers or wholesale trade

Relationship Between Spending and Gross Domestic Product



It is for this reason that "travel spending" - as measured from surveys of visitors - is not the best measure of the travel industry's real economic contribution. This is because some visitor spending is actually counted as the GDP of other industries (e.g., agriculture, accounting, manufacturing). Furthermore, these other industries may or may not be located within the geographic area of interest. If the farm were located within the region of interest, then the GDP of

the local farm would be included as an indirect or secondary effect. If not (e.g., a manufacturing firm in another state or country), then that portion of GDP is not counted.

The preceding graph also shows the three main components of GDP. For most industries, labor income (essentially equivalent to earnings in this report) is the primary component of GDP. This is true of the travel industry. A second component is the tax payments that businesses make to government, such as sales, excise and property taxes. In the case of excise taxes, businesses are essentially a collection agency for the government. The final component, operating surplus, represents the income and payments (e.g., dividends, interest) to other stakeholders of the firm.

The concept of GDP also illustrates that with small geographic units of analysis (e.g., counties), earnings, employment, and tax revenues are the best measures of the economic value of the travel industry to the local economy. Small area measures of GDP are less reliable and much of the operating surplus may leak out of the local economy anyway. Indirect effects are also generally less in smaller economies.

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of several issues regarding the interpretation of the impact estimates contained herein:

- The estimates contained in this report are based on the most current data available and supersede all previous estimates of travel impacts.
- The estimates in this report are expressed in *current* dollars unless otherwise noted.
- The employment estimates in this report are estimates of the total number of full and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.
- In general, estimates of small geographic areas (e.g., rural counties) are less reliable than estimates for regions or metropolitan counties. Trend analysis and comparisons of counties with relatively low levels of travel related economic activity should therefore be interpreted cautiously.
- The estimates of travel impacts published in this report will necessarily differ somewhat from estimates generated from different models, methodologies and data sources. Nonetheless, it should be emphasized that all credible estimates of direct travel impacts at the state level, including those of Dean Runyan Associates, are of similar magnitude.

DEFINITION OF TERMS

Commodity: A classification of a product or service, such as lodging or food service. An establishment or industry may produce more than one commodity.

Direct Impacts: Employment, earnings and tax receipts *directly* generated by travel spending, as distinguished from secondary and total impacts.

Earnings: Earnings include wage and salary disbursements, other earned income or benefits, and proprietor income. Only the earnings attributable to travel expenditures are included.

Employment: Industry employment (jobs) associated with travel-generated *earnings*. Includes both full-time and part-time positions, and salaried or self-employed individuals. Employment is reported as an average for a time period, typically annual. (Unless otherwise noted, the employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.)

Federal Taxes: Federal taxes include the motor fuel excise tax, airline ticket taxes, and personal income and payroll taxes.

Industry: A classification of business or government establishments based on their primary technological process. (See NAICS Appendix table.)

Local Taxes: Lodging and sales taxes imposed by cities, counties and other regional tax jurisdictions in California. These taxes are levied on sales to visitors and the spending of employees attributable to travel industry earnings. Passenger Facility Charges attributable to visitors (a fee imposed on airline tickets) are included in counties with airports. Property tax payments attributable to travel industry businesses and employees are also included.

Other spending: Other spending includes spending by residents on ground and air transportation for travel to other destinations, spending on travel arrangement services, and convention/ trade shows.

Private Home: Unpaid overnight accommodations of friends and relatives.

Receipts: Travel expenditures less the sales and excise taxes paid by the consumer.

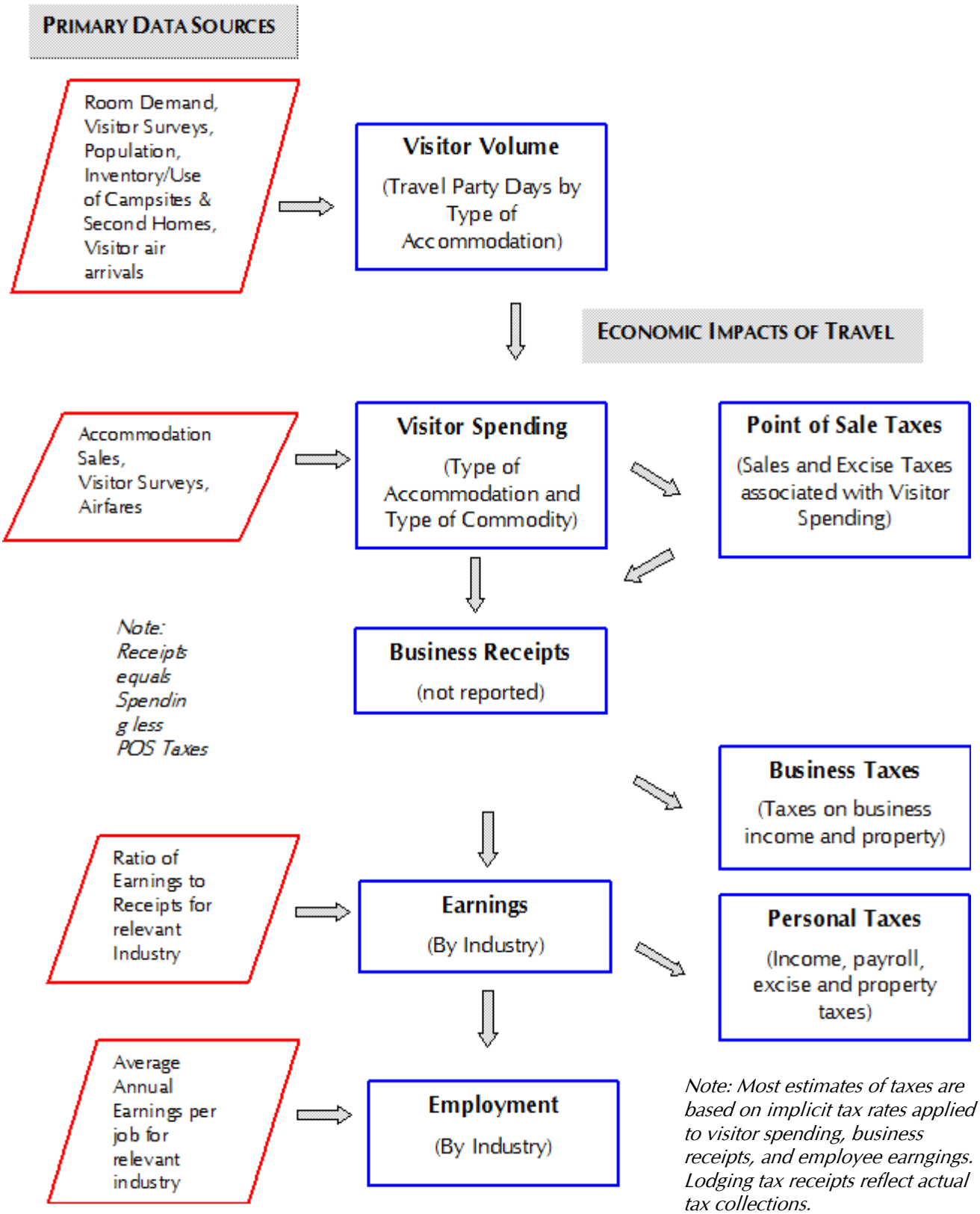
State Taxes: Sales, motor fuel, and business and personal income taxes imposed by the state of California. These taxes are levied on sales to visitors and the spending of employees attributable to travel industry earnings.

Total Impacts: The sum of *Direct* and *Secondary* impacts.

Travel spending: The sum of visitor and other spending related to travel.

Visitor spending: All spending on goods & services by visitors at the destination. Also referred to as destination spending.

REGIONAL TRAVEL IMPACT MODEL



Note: Most estimates of taxes are based on implicit tax rates applied to visitor spending, business receipts, and employee earngings. Lodging tax receipts reflect actual tax collections.

TRAVEL INDUSTRY ACCOUNTS: A COMPARISON OF THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS

An economic account is a method for displaying inter-related information about a set of economic activities. A travel industry account is a method to report different types of related information about the purchase of goods and services by visitors. The Bureau of Economic Analysis (BEA), which now provides annual and quarterly estimates of travel and tourism at the national level, describes a Travel and Tourism Satellite Account (TTSA) as "present(ing) a rearrangement of information from the National Income and Product Accounts, from the industry accounts, and from other sources so that travel and tourism activities can be analyzed more completely than is possible in the structure of the traditional national economic accounts."[1] Similarly, the RTIM has been developed by Dean Runyan Associates to estimate travel spending, earnings, employment, and tax receipts at the state, county, and regional levels. These initial findings can, in turn, be used as input data for deriving estimates of other economic measures, such as value-added and indirect effects.

This appendix provides an overview of the Regional Travel Impact Model (RTIM) and travel and tourism satellite accounts (TTSAs). Although there is no single or absolute form of a TTSA, the one developed by the Bureau of Economic Analysis (BEA) will be the basis of the analysis here. The definitions, framework, and estimating methods used for the U.S. BEA TTSA follow, as closely as is practicable, the guidelines for similar travel satellite accounts that were developed by the World Tourism Organization (WTO) and the Organization for Economic Co-operation and Development (OECD).

The primary focus is on the direct impacts of visitor spending. Visitors are defined as persons that stay overnight away from home, or travel more than fifty miles one- way on a non-routine trip. Only the expenditures related to specific trips are counted as visitor spending. Other travel related expenditures such as the consumption of durable goods (e.g., recreational vehicles or sporting equipment) or the purchase of vacation homes are not considered.

While such a definition of the travel industry (i.e., the trip related expenditures of visitors) is conservative, it is also in keeping with the notion of the travel industry as being an export-oriented industry for specific local communities. That is, visitors are important to regions because they inject money into the local economy. This focus on the export-oriented nature of the travel industry for local communities becomes blurred if the industry is defined so as to include non-trip related expenditures.

[1] Peter D. Kuhbach, Mark A. Planting, and Erich H. Strassner, "U.S. Travel and Tourism Satellite Accounts for 1998-2003," Survey of Current Business 84 (September 2004): 43-59.

PRIMARY CONCEPTS, CATEGORIES & DATA REQUIREMENTS

There are three primary types of information that are measured and/or estimated in a travel industry account. The first is a measure of the ***travel industry*** in terms of both the characteristics of the business firms that sell travel goods and services and the characteristics of consumers that purchase travel industry goods and services. The second is a measure of the ***demand segments*** that consume travel industry goods and services. For example, the distinction between business and leisure travel is a measure of demand segments. The third is a measure of the ***components of economic output*** associated with the travel industry. The employee earnings generated by visitor spending is one such component. Travel-generated tax receipts are another. These three categories of information represent different aspects of the accounting ledger - they represent different ways of viewing or analyzing the travel industry.

The bulk of this paper will discuss these three types of information in terms of their conceptual foundations, the data requirements, and some of the more salient issues that users of this information should be aware of. There will also be some discussion of ***indirect and induced effects*** in that these effects can be reasonably estimated from the direct travel industry accounts. These secondary (versus direct) effects describe the relationship of the travel industry to other sectors of the larger economy.

The intent of this discussion will be to provide a general overview of the process of constructing travel industry accounts and the underlying similarity between the RTIM and a TTSA. More technical issues are generally placed in footnotes.

TRAVEL INDUSTRY

Defining the travel industry is probably the most critical and data intensive effort involved in developing a travel industry account. It is an exercise in matching supply (sellers of goods and services) with demand (the travelers that purchase those particular goods and services). It is complicated by the fact that no single industrial classification scheme provides a valid measure of the travel industry.[2] There are only three significant industrial classifications (Accommodations [NAICS 721], Scheduled Passenger Air Transportation [NAICS 481111] and Travel Arrangement and Reservation Services [NAICS 5615]) that *primarily* sell travel industry goods and services.[3] Firms in other industries (retail, recreation, transportation) provide goods and services to both travelers and other types of consumers.

Because of this, most satellite accounts, as well as the RTIM, incorporate at least some information about the expenditures of visitors in order to define the supply of

[2] The North American Industrial Classification System (NAICS) is the current standard in the United States.
[3] Even these industries are not purely travel. For example, the accommodations industry provides services to local residents (food service and meeting rooms). Passenger airlines also ship cargo on the same planes that carry passengers. Fortunately, it is usually possible to make adjustments for these non-travel components through the use of additional data.

visitor industry firms. For example, if there is an estimate of visitor-days and an estimate of how much the average visitor spends on food services per day, then an estimate of visitor spending on food services can be calculated. In most cases, this will be only a fraction of all food service sales in that residents are a larger market for most restaurants.[4]
The industry sectors that are usually matched to visitor spending in this way are: accommodations (NAICS 721), food service (722), arts, entertainment and recreation (71), and retail trade (44-45). A portion of transportation business is also part of the travel industry for obvious reasons.

In the case of the transportation sector, the definition and measurement of the travel industry component is more complicated because most transportation spending by visitors involves travel to and from the destination, rather than travel at or within the destination market. This is not an issue if the geographic scope of the travel industry market includes the origin and destination of travel. National travel industry accounts thus include all domestic passenger air transportation in the travel industry. The issue is more complicated at the state or regional level, however.

Suppose, for example, that the focus of a travel industry account is the state of California. How should the purchase of a round trip airline ticket by a Chicago resident traveling to Phoenix be treated in that only some of the economic impact of this spending will occur in California? A reasonable approach would be to allocate only a portion of this spending (and related payroll, taxes, etc.) to California and ignore the remainder for the purpose of creating a travel industry account for California. However, if this procedure were followed for every state, the sum of the state accounts would be less than the national travel account. The state accounts would be additive if outbound air travel from each state were included. However, this is methodologically inconsistent with the construction of a national account, which does not include outbound travel as a component of domestic tourism demand. The approach used in the RTIM is to make a distinction between the *visitor industry*, that includes only visitor demand, and the *travel industry*, which includes visitor demand and that portion of outbound travel that can be attributed to the resident economy. For example, the passenger air transportation employment in California can be divided between three groups of travelers: inbound, outbound, and pass-through. Only that employment attributable to inbound travel is part of the California *visitor industry*. Employment attributable to outbound and pass- through travelers is included with the larger *travel industry*.[5]

[4] The proportion can vary enormously among regions and localities, however. In many popular visitor destinations, the primary market for food service will be visitors. It should also be noted that even with reliable visitor survey data, there is still the issue of how to translate spending on food service *commodities* to the supply of food service by *industry*. As indicated in the footnote above, food service is also supplied by the accommodation industry.
[5] The same issue arises with travel agencies and reservation services (NAICS 5615). Most of these services are probably related to outbound travel and are treated as such in the RTIM.

The following two tables display the specific industries that are included in the travel industry for the BEA's national TTSA and the RTIM. Although not identical, the industries are equivalent with only a few exceptions.[6]

Bureau of Economic Analysis Tourism Industries
Distribution of Travel-Generated Compensation
in United States, 2007

Accommodation & Food Services	**38.1%**
Traveler accommodations	21.5%
Food services and drinking places	16.6%
Transportation	**23.3%**
Air transportation	15.4%
Rail transportation	0.4%
Water transportation	1.2%
Interurban bus transportation	0.3%
Interurban charter bus transportation	0.2%
Urban transit systems & other tran.	1.7%
Taxi service	1.0%
Automotive equipment rental & leasing	2.0%
Automotive repair services	0.8%
Parking lots and garages	0.2%
Toll highways	0.1%
Recreation	**11.2%**
Scenic and sightseeing transportation	0.4%
Motion pictures and performing arts	1.1%
Spectator sports	2.3%
Participant sports	2.4%
Gambling	3.0%
All other recreation and entertainment	2.0%
Retail & Nondurable Goods Production	**16.2%**
Petroleum refineries	0.6%
Industries producing nondurable PCE commodities, excluding petroleum refineries	4.4%
Wholesale trade & tran. services	4.2%
Gasoline service stations	1.3%
Retail trade services, excluding gasoline service stations	5.8%
Travel Arrangement	**7.3%**
All other industries	**2.2%**
Total Tourism Compensation	**100.0%**

Source: Adapted from Eric S. Griffith and Steven L. Zemanek, "U.S. Travel andTourism Satellite Accounts for 2005-2008," Survey of Current Business (June 2009): 37, table 6.

[6] The major exception is that the BEA includes the production of consumer non-durables that are sold through retail outlets. This is not a major component and would be even less so at the level of the state.

RTIM Travel Impact Industries Matched to NAICS

Travel Impact Industry	NAICS Industry (code)
Accommodation & Food Services	
	Accommodation (721)
	Food Services and Drinking Places (722)
Arts, Entertainment & Recreation	
	Performing Arts, Spectator Sports (711)
	Museums (712)
	Amusement, Gambling (713)
	Scenic and Sightseeing Transportation (487)
Retail	
	Food & Beverage Stores (445)
	Gasoline Stations (447)
	Clothing and Clothing Accessories Stores (448)
	Sporting Goods, Hobby, Book, and Music Stores (451)
	General Merchandise Stores (452)
	Miscellaneous Store Retailers (453)
Ground Transportation	
	Interurban and rural bus transportation (4852)
	Taxi and Limousine Service (4853)
	Charter Bus Industry (4855)
	Passenger Car Rental (532111)
	Parking Lots and Garages (812930)
Air Transportation	
	Scheduled Air Passenger Transportation (481111)
	Support Activities for Air Transportation (4881)
Administrative/Support Services	
	Travel Arrangement and Reservation Services (5615)
	Convention and Trade Show Organizers (56192)

Source: Dean Runyan Associates

DEMAND SEGMENTS

The distinction between inbound and outbound travel has already been discussed in the previous section and in terms of the concepts of the *visitor industry* and the *travel industry*. Three other types of demand segments that are related exclusively to the *visitor industry* will be discussed here. The first two demand categories are reported by the BEA in their national TTSA. They are: ***leisure versus business travel***, and ***resident versus non-resident travel***. The third demand category is typically reported in the RTIM: ***type of traveler accommodation***. These three demand categories will be discussed in turn.

The distinction between ***leisure versus business travel*** is useful for several reasons. Economists like to distinguish between personal consumption expenditures on the one hand and business expenditures on the other. Indeed, this distinction is central for the National Income and Product Accounts (NIPAs). Those in the travel industry are more likely to be interested in this distinction because leisure travelers represent a more "marketable" segment because their travel choices are less determined by economic and business factors. Futhermore, business and leisure travelers tend to have different spending profiles. The availability of this information in either a state or regional TTSA or RTIM is essentially dependent on the availability of survey data (as it is at the national level). It should be noted, however, that such estimates are considerably less reliable for smaller geographic areas because of the limitations of survey data. Even at the state level, year-to-year changes in the composition of this demand segment should be interpreted in conjunction with other data.

The distinction between ***resident versus non-resident travel*** is fundamental to a national TTSA because it mirrors the distinction between the domestic economy and international transactions. Non-resident travel in the United States is considered an export in the official international transaction accounts.[7] The distinction is obviously also important because it is based on different political, legal, and currency regimes - factors that in themselves influence travel behavior. At the level of the state or region, the distinction between resident and nonresident travel is less important, although it is often reported.[8] There are at least two reasons why this distinction is less useful at state and regional levels.

First, there is considerably less of an economic rationale for distinguishing resident and non-resident travel at the level of the state, or any other political jurisdiction within the United States, than there is at the national level. States do not maintain interstate trade balance sheets that chart the flow of goods and services across state boundaries. From an economic point of view, the administration of the tax system is the primary, if only, reason for this distinction. In the case of travel and tourism,

[7] Conversely, the spending of U.S. visitors in other countries is treated as an import in the international transaction accounts.

[8] The issues discussed with regard to the reliability of survey data for leisure versus business travel also applies to this category

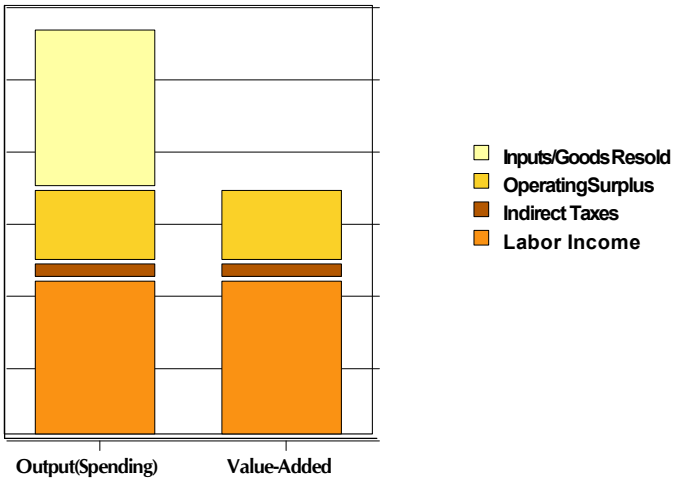
COMPONENTS OF INDUSTRY OUTPUT

Because both the RTIM and the TTSA are empirically linked to NAICS industry accounts, it is possible to provide estimates of different components of economic output. The major economic components most often estimated are:[11]

- Travel spending (Gross Output)
- Value-added (Gross Product)
- Earnings (labor income)
- Indirect business taxes (sales, excise, property taxes & fees).

The relationship of these components is shown below. As indicated, the value- added of a particular industry (the bar on the right) is equal to gross output (travel spending) minus the intermediate inputs used by travel industry businesses to produce the good or service. Restaurants, for example, prepare and serve the food products that are purchased from suppliers. Airlines purchase or lease airplanes from other firms. These intermediate inputs are not counted as part of the value- added of the travel industry. They are counted as value-added in other industries (e.g., agriculture, aerospace manufacturing).

Components of Industry Output



The distinction between gross output and value-added is probably even more important at the state or regional level. This is because the intermediate inputs that are purchased from other industries are even more likely to be purchased from businesses located in different regions or states. For example, the economic impact

[11] There are some small differences between the BEA TTSA and the RTIM in what these components include. The BEA allocates proprietor income to Operating Surplus, the RTIM allocates it to Labor Income. The RTIM does not have an estimate of property taxes in indirect taxes. Overall, property taxes on businesses are a relatively small proportion of indirect taxes.

of air passenger travel in the state of Hawaii should not include the purchase of airplanes manufactured in other parts of the world. Travel industry value-added is a more meaningful measure of the true economic impact of visitor spending in Hawaii because a portion of the economic impact of visitor spending in the state will actually occur elsewhere.[12]
Value-added can also be viewed in terms of the distribution or payout of industry receipts, exclusive of those paid to other firms for intermediate inputs. Some of the receipts are distributed to labor as wages, benefits, and proprietor income. Some receipts are paid to government as indirect taxes. These taxes are called "indirect" because most of them are actually paid by consumers in the form of sales or excise taxes.[13] The remainder leaves gross operating surplus. Out of gross operating surplus various payments are made in the form of dividends, interest, and other payments, or retained by the firm. The sum of these three broad categories of payments is equal to travel industry value-added. To summarize:

Value-added = Spending *less* intermediate goods & services, or
Value-added = Labor Income *plus* indirect business taxes *plus* gross operating surplus.

The RTIM is similar to the TTSA in that it also provides estimates of these components of economic output. Travel spending, earnings, and tax impacts are generally provided at the state or regional level. Value-added is generally reported at the state-level only (sometimes referred to as Travel Industry Gross State Product). At the level of the state, travel industry value-added or GSP is an important measure -- more economically meaningful than travel spending.[14] For smaller geographic areas, however, the rationale for reporting value-added is less clear. First, there are real data limitations and data costs in deriving these estimates. Second, ***the most important components of value added for the travel industry are earnings and tax receipts***. Because the travel industry is relatively labor intensive and because a large proportion of travel industry goods and services are subject to excise and sales taxes, these two components of value-added (labor income and indirect taxes) are relatively high for the travel industry. The local effects of gross operating surplus are generally less important and certainly much more difficult to assess than are earnings and tax impacts. The relevance of earnings and tax receipts is also in keeping the export-oriented emphasis of the travel industry: earnings and tax receipts are more likely to stay in the local economy than is operating surplus.

[12] It should also be noted the value of the intermediate inputs used by travel industry firms will not necessarily disappear if the travel industry stops buying them. Aerospace firms will shift their production to other users (e.g., military). Agriculture will seek new markets for their products.
[13] Other taxes included here are property taxes, business franchise taxes, and other fees. Income taxes are not included, because they are paid out of operating surplus.
[14] It is also possible to compare different industries with respect to their value-added. It is more difficult and less useful to compare industries on the basis of sales.

INDIRECT, INDUCED AND SECONDARY EFFECTS

To this point, the discussion of travel industry accounts has referred only to the direct output components. That is, the ripple effects of the re-spending of travel industry receipts throughout the larger economy have not been analyzed. The structure of both the TTSA and the RTIM permit such analysis.

- **Indirect** effects refer to the intermediate inputs used to produce the final product or service, providing that those inputs are themselves produced within the designated geographic area.

- **Induced** effects refer to the purchase of goods and services by *employees* that are attributable to direct and indirect impacts. These induced impacts are derived from economic data that describe the purchasing patterns of households. For example, employees of all the designated export-oriented industries will spend their income on food, household durables, health care, and so on.

- The sum of indirect and induced impacts is sometimes referred to as the **secondary** effect. These secondary impacts may be as great or greater than the direct impact alone.

- The ratio of the total effects (direct plus either indirect, induced, or secondary) to the direct effects is the **multiplier**.

The BEA reports the **indirect** components of economic output. This is equivalent to domestic travel spending less the goods and services imported from abroad to meet domestic demand. For travel, these imports would include souvenirs manufactured in China and petroleum extracted in Saudi Arabia. The indirect output multiplier for 2002 was 1.76. The ratio of domestic travel spending to travel industry value-added was 1.88. The difference reflects the intermediate inputs for travel imported from abroad.

At the state level, these indirect output multipliers are typically lower because relatively more of the intermediate inputs are purchased from outside of the state. At the county or metropolitan level, the multipliers are generally even lower for the same reason. Furthermore, the estimates are usually less reliable because of the data limitations of the regional input-output model used to estimate the indirect effects.

The BEA does not report **induced** effects - the effect of household spending of the direct and indirect labor income. Typically, these induced effects will be larger than the indirect effects at the state or regional level, in part because they are based on both the direct and indirect components.[15] As with indirect effects, the induced effects will also tend to be lower for smaller economic areas and the reliability of the estimates will be less.

[15] The induced effects can be estimated with the Implan model maintained by the Minnesota Implan Group.

Secondary effects should be interpreted cautiously. These effects describe the relationship of economic transactions at a point in time. These relationships will not necessarily remain constant with a change in direct economic output. This is because all economic resources have alternative uses. Because of this, it is often difficult to determine the effect of an increase or decrease in visitor spending on the larger economic system over time.

THE REGIONAL TRAVEL IMPACT MODEL AND TRAVEL & TOURISM SATELLITE ACCOUNTS COMPARED

This appendix has provided an overview of Dean Runyan Associates RTIM and the Bureau of Economic Analysis' domestic TTSA. These travel industry accounts are similar in terms of how they define the travel industry and the measures of the industry that are reported. The differences stem largely from their different levels of analysis - the BEA provides estimates at the national level only, while the RTIM's are typically constructed on a state or regional level. Because of this geographic focus, the RTIM provides a distinction between the visitor industry and the travel industry. The RTIM also provides measures of all of the components of economic output and secondary effects at the state or large region level. At smaller units of analysis, however, the emphasis is on earnings and tax receipts generated by travel spending as these are the most reliable and meaningful measures of the economic impact of travel at the local level.

California Earnings and Employment by Industry Sector, 2016

Industry Sector	Earnings ($Billion)	Percent of Total	Employment (Thousand)	Percent of Total
Primarily Export-Oriented	**175.6**	**11.1%**	**1,961**	**8.4%**
Agriculture, Forestry, Fishing and related	26.0	1.6%	489	2.1%
Mining	4.2	0.3%	59	0.3%
Manufacturing	145.3	9.2%	1,412	6.1%
***Travel*	46.1	*2.9%*	1,109	*4.8%*
Primarily Non Export-Oriented	**728.1**	**45.9%**	**11,257**	**48.4%**
Construction	84.0	5.3%	1,103	4.7%
Utilities	10.6	0.7%	63	0.3%
Wholesale trade	70.5	4.4%	875	3.8%
Retail trade	87.5	5.5%	2,106	9.1%
Real estate and rental and leasing	50.4	3.2%	1,175	5.0%
Management of companies and enterprises	33.8	2.1%	251	1.1%
Administrative and waste services	63.5	4.0%	1,484	6.4%
Other services, except public administration	57.3	3.6%	1,450	6.2%
Government and government enterprises	270.4	17.1%	2,751	11.8%
Mixed	**681.2**	**43.0%**	**10,047**	**43.2%**
Transportation and warehousing	47.8	3.0%	881	3.8%
Information	103.0	6.5%	612	2.6%
Finance and insurance	80.6	5.1%	1,026	4.4%
Professional and technical services	193.1	12.2%	2,007	8.6%
Educational services	23.9	1.5%	536	2.3%
Health care and social assistance	150.1	9.5%	2,599	11.2%
Leisure and Hospitality	82.6	5.2%	2,386	10.3%
California Total**	**1,584.9**	**100.0%**	**23,265**	**100.0%**

**Travel is not included in the sub and grand totals because it is also represented in other sectors (primarily leisure and hospitality, transporation, and retail trade).

Industry Groups

Accommodation & Food Services

Food services and drinking places
Hotels and motels, including casino hotels
Other accommodations

Arts, Entertainment & Recreation

Amusement parks, arcades, and gambling industries Bowling centers
Fitness and recreational sports centers
Independent artists, writers, and performers
Museums, historical sites, zoos, and parks
Other amusement and recreation industries
Performing arts companies
Promoters of performing arts and sports and agents for public figures
Spectator sports companies

Construction

Construction of new nonresidential commercial and health care structures
Construction of new nonresidential manufacturing structures
Construction of new residential permanent site single- and multi-family structures
Construction of other new nonresidential structures
Construction of other new residential structures
Maintenance and repair construction of nonresidential structures
Maintenance and repair construction of residential structures

Education and Health Services

Child day care services
Community food, housing, and other relief services, including rehabilitation services Home health care services
Individual and family services
Medical and diagnostic labs and outpatient and other ambulatory care services
Nursing and residential care facilities
Offices of physicians, dentists, and other health practitioners
Other private educational services
Private elementary and secondary schools
Private hospitals
Private junior colleges, colleges, universities, and professional schools

Financial Activities

Commercial and industrial machinery and equipment rental and leasing
Funds, trusts, and other financial vehicles
General and consumer goods rental except video tapes and discs Imputed rental activity for owner-occupied dwellings
Insurance agencies, brokerages, and related activities Insurance carriers
Lessors of nonfinancial intangible assets
Monetary authorities and depository credit intermediation activities
Nondepository credit intermediation and related activities
Real estate establishments
Securities, commodity contracts, investments, and related activities
Video tape and disc rental

Information

Book publishers
Cable and other subscription programming
Data processing, hosting, ISP, web search portals and related services
Directory, mailing list, and other publishers
Internet publishing and broadcasting
Motion picture and video industries
Newspaper publishers
Other information services
Periodical publishers
Radio and television broadcasting
Software publishers
Sound recording industries
Telecommunications

Manufacturing & Utilities

(280 industries)

Natural Resources and Mining

All other crop farming
Animal production, except cattle and poultry and eggs
Cattle ranching and farming
Commercial Fishing
Commercial hunting and trapping
Commercial logging
Cotton farming
Dairy cattle and milk production
Drilling oil and gas wells
Extraction of oil and natural gas
Forestry, forest products, and timber tract production
Fruit farming
Grain farming
Greenhouse, nursery, and floriculture production
Mining and quarrying other nonmetallic minerals
Mining and quarrying sand, gravel, clay, and ceramic and refractory minerals
Mining and quarrying stone
Mining coal
Mining copper, nickel, lead, and zinc
Mining gold, silver, and other metal ore
Mining iron ore
Oilseed farming
Poultry and egg production
Sugarcane and sugar beet farming
Support activities for agriculture and forestry
Support activities for oil and gas operations
Support activities for other mining
Tobacco farming
Tree nut farming
Vegetable and melon farming

Other Services

Automotive repair and maintenance, except car washes
Car washes
Civic, social, professional, and similar organizations
Commercial and industrial machinery and equipment repair and maintenance
Death care services
Dry-cleaning and laundry services
Electronic and precision equipment repair and maintenance
Grantmaking, giving, and social advocacy organizations
Other personal services
Personal and household goods repair and maintenance
Personal care services
Private household operations
Religious organizations

Professional and Business Services

Accounting, tax preparation, bookkeeping, and payroll services
Advertising and related services
All other miscellaneous professional, scientific, and technical services
Architectural, engineering, and related services
Business support services
Computer systems design services
Custom computer programming services
Employment services
Environmental and other technical consulting services
Facilities support services
Investigation and security services
Legal services
Management of companies and enterprises
Management, scientific, and technical consulting services
Office administrative services
Other computer related services, including facilities management
Other support services
Photographic services
Scientific research and development services
Services to buildings and dwellings
Specialized design services
Travel arrangement and reservation services
Veterinary services
Waste management and remediation services

Public Administration

Federal electric utilities
Other Federal Government enterprises
Other state and local government enterprises
State and local government electric utilities
State and local government passenger transit
US Postal Service

Trade

Retail Nonstores - Direct and electronic sales
Retail Stores - Building material and garden supply
Retail Stores - Clothing and clothing accessories
Retail Stores - Electronics and appliances
Retail Stores - Food and beverage
Retail Stores - Furniture and home furnishings
Retail Stores - Gasoline stations
Retail Stores - General merchandise
Retail Stores - Health and personal care
Retail Stores - Miscellaneous
Retail Stores - Motor vehicle and parts
Retail Stores - Sporting goods, hobby, book and music
Wholesale trade businesses

Transport

Automotive equipment rental and leasing
Couriers and messengers
Scenic and sightseeing transportation and support activities for transportation
Transit and ground passenger transportation
Transport by air
Transport by pipeline
Transport by rail
Transport by truck
Transport by water
Warehousing and storage