

# CITY OF RED BLUFF

## SALES TAX UPDATE

### 1Q 2023 (JANUARY - MARCH)



#### RED BLUFF

TOTAL: \$ 1,268,733

2.4%  
1Q2023



-2.1%  
COUNTY

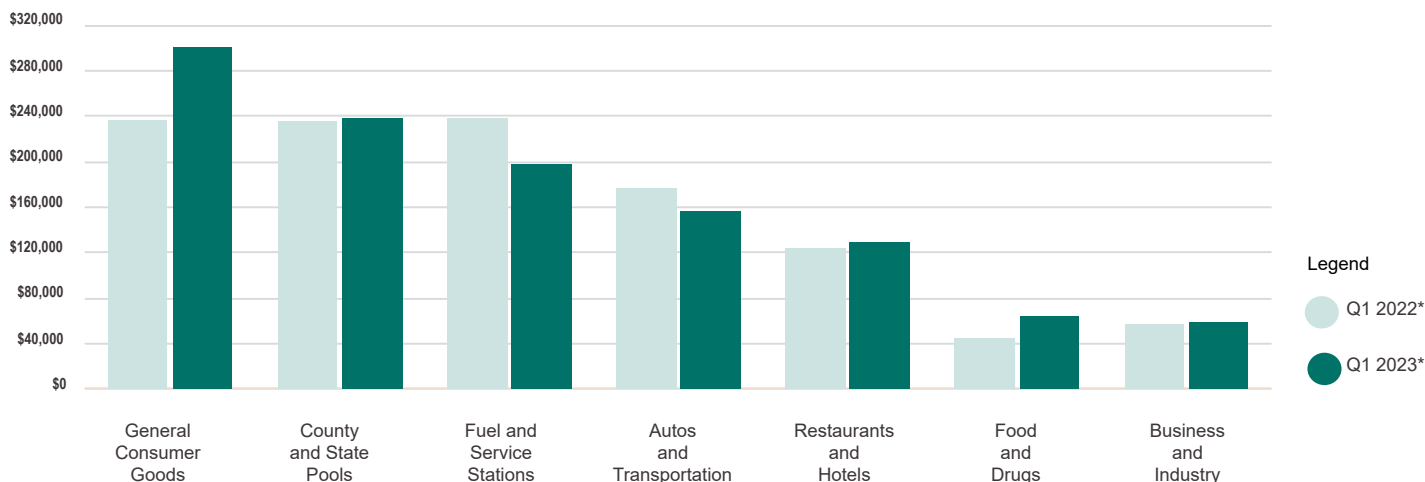


-1.1%  
STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure A

TOTAL: \$326,400

↓ -3.9%



#### CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from January through March were 11.4% above the first sales period in 2022. Excluding reporting aberrations, actual sales were up 2.4%.

A business with sporadic sales had a spike this quarter creating the 26% gain in the general consumer goods group; this spike hid the declines in other categories in the group such as the 17% decline in home furnishings. Restaurants also contributed to the positive results this quarter; quick-service was up 8% and casual dining held steady at 0.7% gain. A new outlet in the food-drug group was the main reason for the 45% growth in that group.

Lessening the gains were declines in the service station category as prices at the pump dropped during this quarter.

The receipts to the countywide pool were down, but the city's strong point of sale resulted in the allocation increasing 1.5%.

Measure A dropped due a slowing in vehicle purchases by residents.

Net of aberrations, taxable sales for all of Tehama County declined 2.1% over the comparable time period; the Far North region was down 8.1%.



#### TOP 25 PRODUCERS

- A Wireless
- Adobe Minimart
- Antelope Liquors & Gas
- Arco
- Arco AM PM
- Dollar General
- Flyers
- Food Maxx
- Growney Motors
- Home Depot
- Marshalls
- McDonald's
- One Stop Gas & Food
- Park Planet
- PJ Helicopters
- Raley's
- Red Bluff Chrysler Dodge Jeep Ram
- Red Bluff Gas
- Reynolds Ranch & Farm Supply
- Ross
- Sundial Collective
- Taco Bell
- Tractor Supply
- Valero
- Walmart Supercenter



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

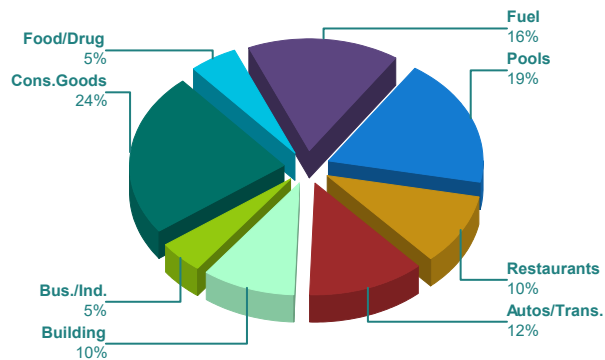
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

### REVENUE BY BUSINESS GROUP Red Bluff This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q1 '23*	Change	County Change	HdL State Change
Service Stations	189.5	-17.9% ↓	-12.6% ↓	-9.8% ↓
Quick-Service Restaurants	58.8	8.1% ↑	5.3% ↑	5.1% ↑
Casual Dining	58.3	0.7% ↑	-4.1% ↓	9.6% ↑
Automotive Supply Stores	39.4	0.4% ↑	1.0% ↑	5.4% ↑
Garden/Agricultural Supplies	35.2	-1.5% ↓	-17.2% ↓	-18.9% ↓
Grocery Stores	33.7	12.4% ↑	11.8% ↑	5.4% ↑
Family Apparel	30.6	8.5% ↑	8.6% ↑	2.3% ↑
Auto Repair Shops	12.1	42.1% ↑	3.1% ↑	5.7% ↑
Home Furnishings	11.4	-17.4% ↓	-18.2% ↓	-10.3% ↓
Heavy Industrial	7.8	18.3% ↑	7.9% ↑	-5.6% ↓

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\*In thousands of dollars