

# CITY OF RED BLUFF

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### RED BLUFF

TOTAL: \$ 1,221,070

-0.9%

1Q2022



2.1%

COUNTY



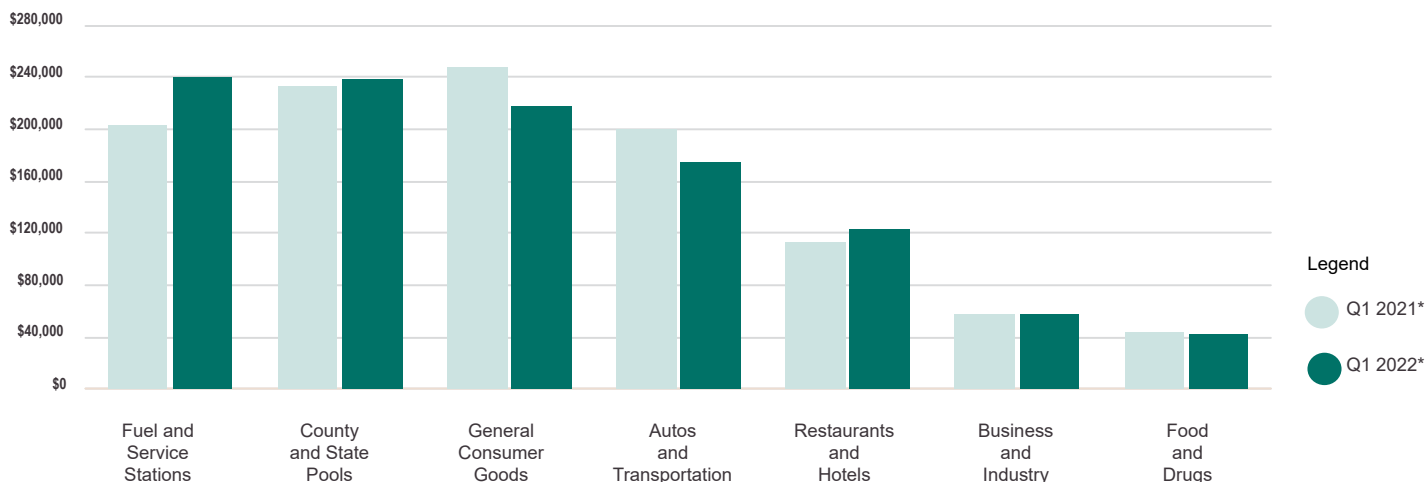
17.1%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure A

TOTAL: \$345,402

↑ 2.7%



#### CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from January through March were 2.5% below the first sales period in 2021. Excluding reporting aberrations, actual sales were down 0.9%.

Unlike other regions in the State, multiple industry groups felt the post-holiday pinch with only the fuel and restaurant sectors generating gains. With concerns about the economy, many people are moving away from purchasing products. General consumer goods sales slumped with home furnishings and family apparel pushing the results lower.

On the plus side, allocations from the countywide use tax pool grew boosted by strong business-industrial activity in

the region.

Fuel sales strengthened as the Russia Ukraine crisis contributed to restricted supplies along with record crude oil prices. Increased traffic on the road along with higher prices at the pump have contributed to these gains.

Voter approved Measure A benefited from service station results due to the higher fuel prices, increased casual dining activity and vehicles purchased-registered in the City.

Net of aberrations, taxable sales for all of Tehama County grew 2.1% over the comparable time period; the Far North region was up 3.4%.



#### TOP 25 PRODUCERS

- |                         |                              |
|-------------------------|------------------------------|
| A Wireless              | Raley's                      |
| Adobe Minimart          | Red Bluff Chrysler           |
| Advanced Auto Wholesale | Dodge Jeep Ram               |
| Antelope Liquors & Gas  | Red Bluff Gas                |
| Arco                    | Red Bluff Shell              |
| Arco AM PM              | Reynolds Ranch & Farm Supply |
| Dollar General          | Ross                         |
| Flyers                  | Taco Bell                    |
| Food Maxx               | Tractor Supply               |
| Growney Motors          | Valero                       |
| Home Depot              | Walmart Supercenter          |
| Marshalls               |                              |
| McDonalds               |                              |
| More for Less Gas       |                              |
| One Stop Gas & Food     |                              |



## STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

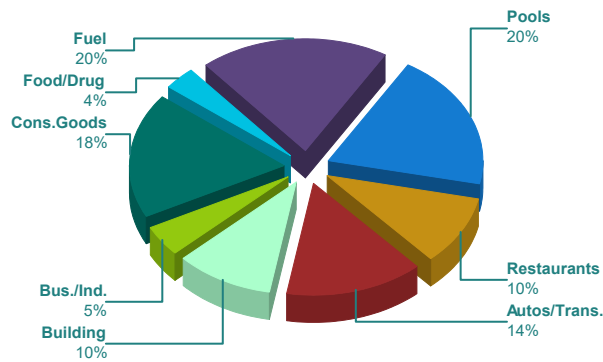
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

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



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q1 '22	Change	County Change	HdL State Change
Service Stations	232,901	19.0% ↑	26.4% ↑	43.4% ↑
Casual Dining	57,520	16.5% ↑	13.3% ↑	55.7% ↑
Quick-Service Restaurants	54,021	-2.7% ↓	3.0% ↑	7.8% ↑
Automotive Supply Stores	38,210	-4.4% ↓	-4.3% ↓	4.6% ↑
Garden/Agricultural Supplies	35,780	-8.0% ↓	-12.7% ↓	2.6% ↑
Grocery Stores	30,011	1.2% ↑	4.3% ↑	3.3% ↑
Family Apparel	29,962	-18.2% ↓	-18.0% ↓	9.4% ↑
Electronics/Appliance Stores	14,112	-1.4% ↓	-0.8% ↓	12.5% ↑
Home Furnishings	13,849	-11.2% ↓	-10.4% ↓	1.0% ↑
Cigarette/Cigar Stores	10,709	20.1% ↑	22.6% ↑	8.5% ↑

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