

# CITY OF RED BLUFF

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### RED BLUFF

TOTAL: \$ 1,362,880

-22.5%

4Q2022



-11.2%

COUNTY



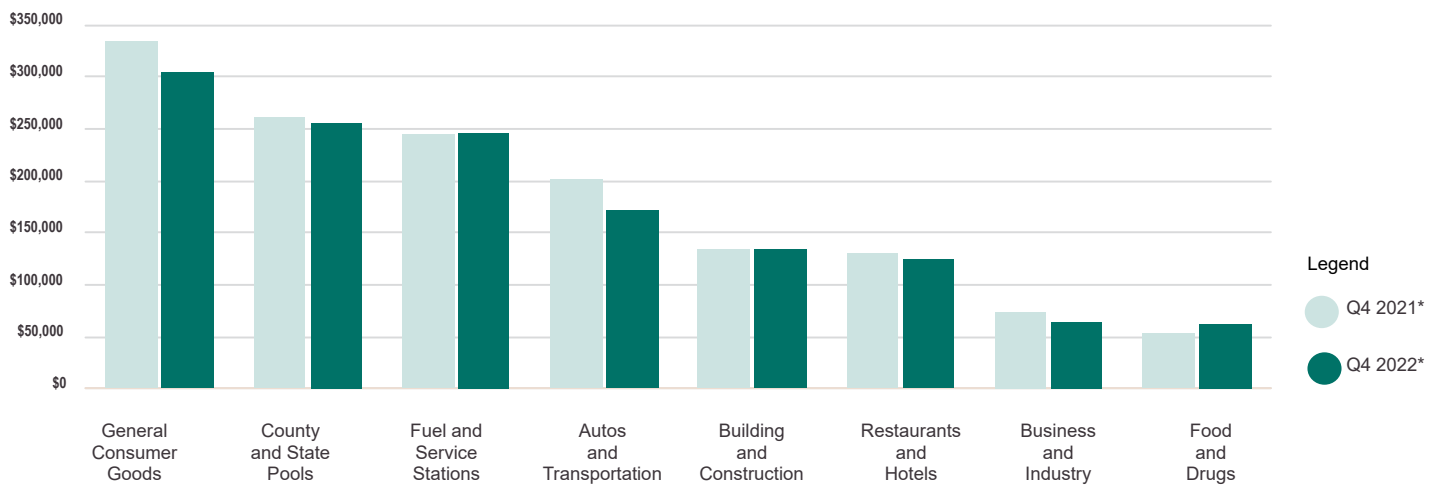
4.6%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure A

TOTAL: \$370,929

↓ -17.2%



#### CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from October through December were 2.0% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were down 22.5%.

General consumer goods saw shrinking revenues at family apparel and electronic appliance stores. State-county pools the City's second largest revenue classification was soft posting -2.0% returns.

Autos-transportation had weak collections from auto repair shops along with other business activity in this group.

The business-industry sector was adversely impacted as heavy industry and repair shop-equipment rental

vendors struggled. In addition, restaurant-hotels experienced negative returns from casual dining and quick-service establishments.

As people slowly return back to their workplace, services stations continued to see optimistic profits. Building-construction had encouraging revenue from contractors as they continue to be in demand. The food-drug sector had positive gross receipts from grocery markets this quarter.

Measure A, the voter approved transaction tax experienced negative collections with returns of -17.2%.

Net of aberrations, taxable sales for all of Tehama County declined 11.2% over the comparable time period; the



#### TOP 25 PRODUCERS

- |                        |                              |
|------------------------|------------------------------|
| A Wireless             | Raley's                      |
| Adobe Minimart         | Red Bluff Chrysler           |
| Antelope Liquors & Gas | Dodge Jeep Ram               |
| Arco AM PM             | Red Bluff Gas                |
| Dollar General         | Red Bluff Shell              |
| Flyers                 | Reynolds Ranch & Farm Supply |
| Food Maxx              | Ross                         |
| Growney Motors         | Tractor Supply               |
| Home Depot             | Valero                       |
| Les Schwab Tire Center | Walmart Supercenter          |
| Marshalls              |                              |
| McDonald's             |                              |
| More for Less Gas      |                              |
| One Stop Gas & Food    |                              |
| Park Planet            |                              |
| PJ Helicopters         |                              |



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-

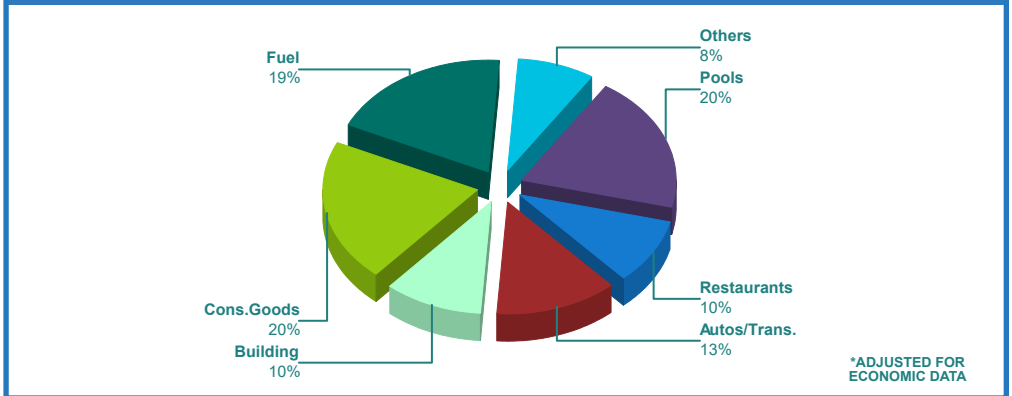
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

### REVENUE BY BUSINESS GROUP Red Bluff This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	239.8	0.8% ↑	-7.6% ↓	7.5% ↑
Casual Dining	58.5	-8.5% ↓	-8.1% ↓	8.1% ↑
Quick-Service Restaurants	56.8	1.4% ↑	2.6% ↑	5.7% ↑
Automotive Supply Stores	43.1	3.1% ↑	-2.6% ↓	2.6% ↑
Family Apparel	43.0	-5.9% ↓	-4.7% ↓	-0.9% ↓
Grocery Stores	41.2	12.4% ↑	10.5% ↑	6.2% ↑
Garden/Agricultural Supplies	39.2	-1.8% ↓	-10.2% ↓	-5.6% ↓
Electronics/Appliance Stores	15.4	-8.0% ↓	-5.0% ↓	10.8% ↑
Home Furnishings	12.1	-4.7% ↓	-4.6% ↓	-6.9% ↓
Auto Repair Shops	8.5	-5.6% ↓	11.4% ↑	6.5% ↑

\*Allocation aberrations have been adjusted to reflect sales activity      \*In thousands of dollars