

CITY OF RED BLUFF

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



RED BLUFF

TOTAL: \$ 1,425,054

18.8%
2Q2021



18.1%
COUNTY

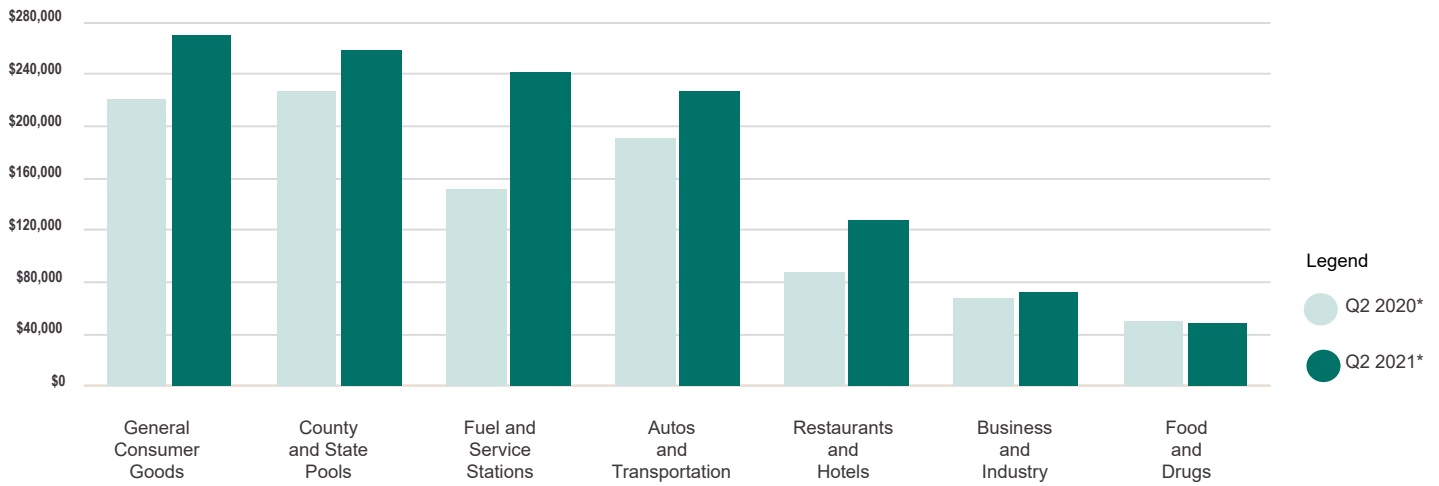


37.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$372,077

↑ 18.6%



CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from April through June were 31.7% above the second sales period in 2020. Several taxpayer returns owed in the comparable quarter were remitted late; thus, cash comparisons are exaggerated. Excluding reporting aberrations, actual sales were up 18.8%.

Year ago totals were down as the pandemic required many closures. This quarter, a fully opened economy spurred sizeable recovery in fuel-service stations; restaurants-hotels and general consumer goods. Apparel, specialty stores and casual dining captured robust sales rebounds when measured against figures from the spring of 2020.

As was the case for the previous several quarters, online sales climbed upward and provided enhanced use tax distributions from the countywide pool. Autos-transportation's gain revealed stronger buyer demand for on-hand merchandise.

Voter-approved Measure A remitted \$58,300 more than last year; fuel sellers along with new vehicle acquisitions and general retail purchases by residents delivered the biggest growth.

Net of aberrations, taxable sales for all of Tehama County grew 18.1% over the comparable time period; the Far North region was up 22.4%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

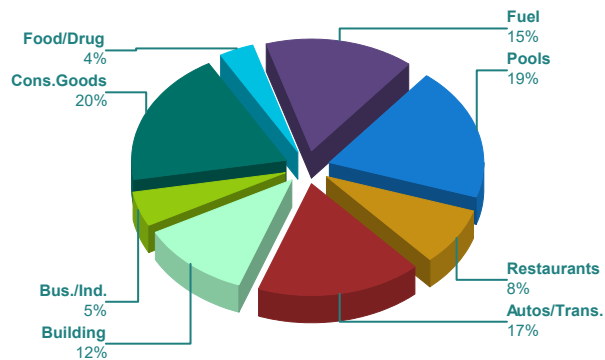
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP Red Bluff This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q2 '21*	Change	County Change	HdL State Change
Service Stations	238.8	60.7% ↑	44.4% ↑	73.9% ↑
Quick-Service Restaurants	59.0	15.6% ↑	20.7% ↑	28.9% ↑
Casual Dining	58.5	87.6% ↑	81.6% ↑	130.2% ↑
Garden/Agricultural Supplies	48.2	20.2% ↑	24.9% ↑	10.2% ↑
Automotive Supply Stores	42.5	6.6% ↑	4.1% ↑	15.1% ↑
Family Apparel	39.5	212.5% ↑	204.5% ↑	230.5% ↑
Grocery Stores	33.3	-5.8% ↓	1.8% ↑	-0.9% ↓
Home Furnishings	15.4	30.8% ↑	31.4% ↑	88.3% ↑
Specialty Stores	13.1	95.7% ↑	58.4% ↑	67.7% ↑
Cigarette/Cigar Stores	10.2	19.3% ↑	30.8% ↑	43.2% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars