

CITY OF RED BLUFF

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



RED BLUFF

TOTAL: \$ 1,385,758

5.3%
3Q2021



7.4%
COUNTY

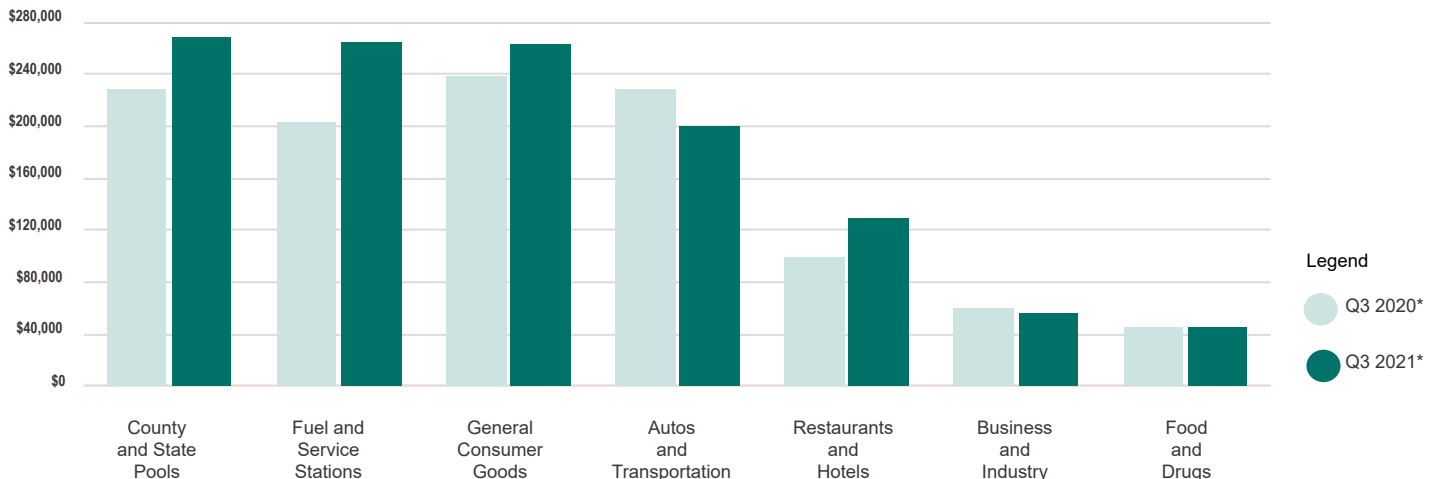


18.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$374,505

8.4%



CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from July through September were 15.5% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 5.3%.

Rising prices at the pumps pushed the fuel and service station results up 108%. Rising menu prices and the strong desire to dine out contributed to the growth in restaurants and hotel, but most of the growth is attributed to the capacity restrictions in the comparable quarter; casual dining restaurants grew 77% while quick-service restaurants were down 4%.

A business that recently relocated to Red Bluff is boosting the general consumer goods group along with the recovery of

apparel stores.

The countywide pool was boosted by strong auto sales and a one-time allocation in business-industry which hid the expected declines from a large online retailer but the drop in place of sale for the City reduced the City's share of the pool.

Measure A had one-time spikes in the current and comparable quarters; the results reflect the growth in fuel sales and vehicle purchases. Net of aberrations, taxable sales for all of Tehama County grew 7.4% over the comparable time period; the Far North region was up 6.0%.



TOP 25 PRODUCERS

- A Wireless
- Adobe Minimart
- Antelope Liquors & Gas
- 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
- Nsp3
- One Stop Gas & Food
- Raley's
- Red Bluff Chrysler Dodge Jeep Ram
- Red Bluff Gas
- Red Bluff Shell
- Ross
- Tractor Supply
- Valero
- Walmart Supercenter



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

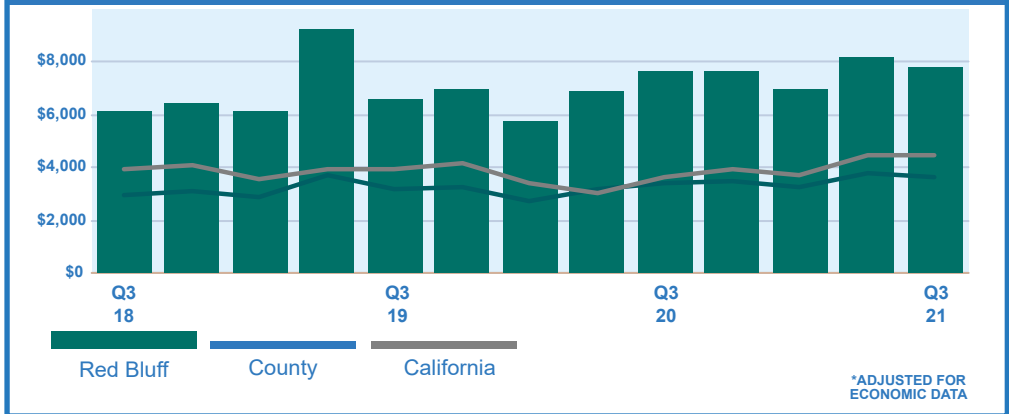
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q3 '21*	Change	County Change	HdL State Change
Service Stations	256.9	28.4% ↑	36.5% ↑	53.5% ↑
Casual Dining	66.0	77.2% ↑	56.3% ↑	68.4% ↑
Quick-Service Restaurants	53.0	-4.0% ↓	-2.8% ↓	13.5% ↑
Automotive Supply Stores	43.9	1.1% ↑	3.0% ↑	4.5% ↑
Family Apparel	37.2	10.1% ↑	11.0% ↑	38.9% ↑
Garden/Agricultural Supplies	33.3	1.9% ↑	13.0% ↑	1.2% ↑
Specialty Stores	32.0	342.6% ↑	221.4% ↑	21.4% ↑
Grocery Stores	31.4	-0.8% ↓	4.9% ↑	-0.2% ↓
Home Furnishings	14.3	-1.0% ↓	-0.4% ↓	11.0% ↑
Auto Repair Shops	10.6	12.7% ↑	10.7% ↑	15.2% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars