

# Q1 2016



# City of Red Bluff Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

## Red Bluff In Brief

Red Bluff's receipts from January through March were 3.1% below the first sales period in 2015. Excluding reporting aberrations, actual sales were down 0.9%.

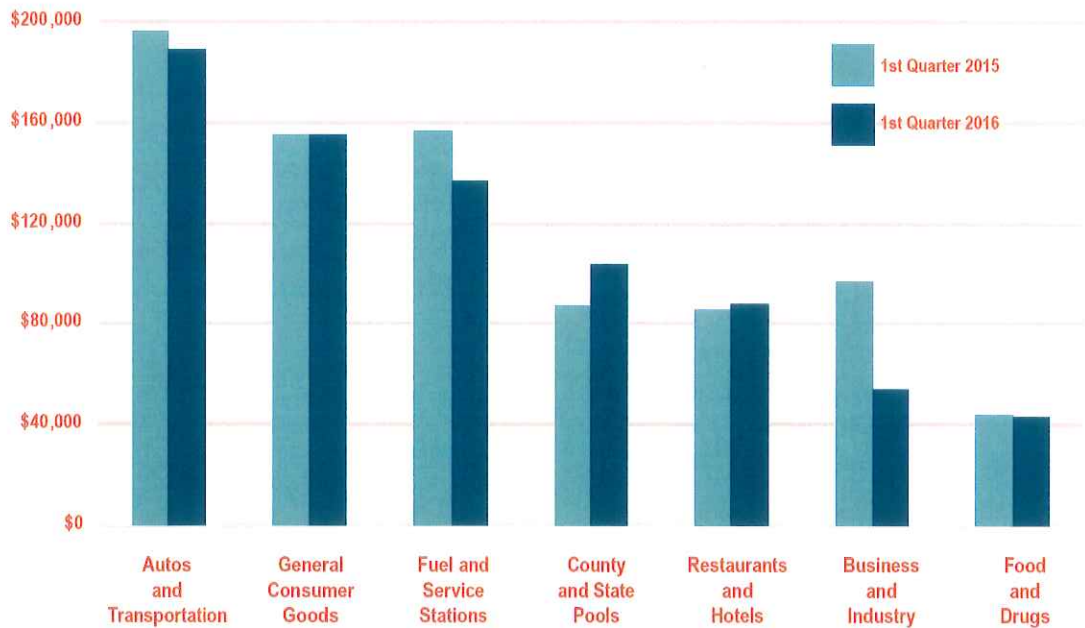
Lower fuel prices were responsible for the drop in fuel and service stations. Onetime payments that temporarily inflated last year's allocation from business and industry was responsible for the current decrease.

A new addition helped boost revenues for fast casual restaurants. Revenue from autos and transportation showed solid gains when compared to the year-ago period.

The City's share of the countywide use tax pool increased 20.1% over the comparison period. Proceeds from the City's voter-approved Measure D quarter cent transactions tax generated an additional \$215,995.

Net of aberrations, taxable sales for all of Tehama County declined 1.9% over the comparable time period; the Far North region was up 1.8%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Adobe Minimart	Pneumatic Conveying & Manufacturing
Arco AM PM (2)	Raleys
Dollar General	Red Bluff Chrysler Dodge Jeep Ram
Food Maxx	Red Bluff Shell
Growney Motors Buick/GMC	Staples
Helibro	Taco Bell
Home Depot	Tesoro West Coast
Les Schwab Tire Center	Tractor Supply
Main Street Chevron	Valero
McDonalds	Valero Gas
More for Less Gas	Walmart
Nice Auto	
One Stop Gas	

## REVENUE COMPARISON

Three Quarters - Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$2,425,043	\$2,370,632
County Pool	263,836	330,141
State Pool	1,439	1,462
<b>Gross Receipts</b>	<b>\$2,690,318</b>	<b>\$2,702,235</b>
Cty/Cnty Share	(269,032)	(270,223)
<b>Net Receipts</b>	<b>\$2,421,286</b>	<b>\$2,432,011</b>
<b>Less Triple Flip*</b>	<b>\$(605,322)</b>	<b>\$(413,183)</b>
<b>Measure D</b>	<b>\$164</b>	<b>\$715,969</b>

\*Reimbursed from county compensation fund

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**California Overall**

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

**Robust Growth in Online Sales**

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

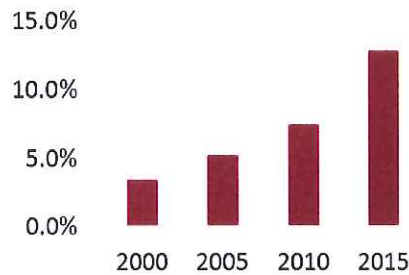
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

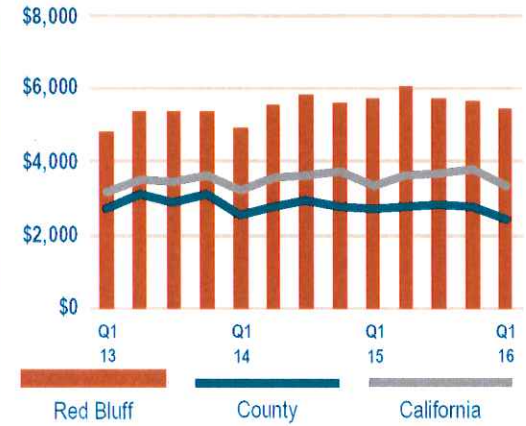
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

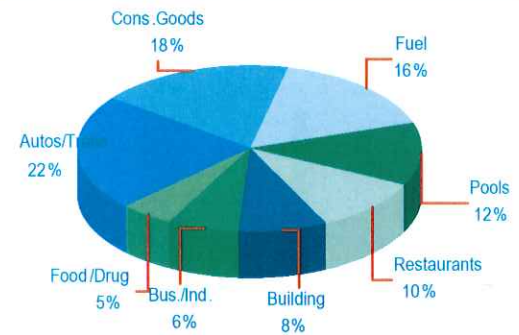
**Online General Consumer Goods  
YOY Percentage Growth**



**SALES PER CAPITA**



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



**RED BLUFF TOP 15 BUSINESS TYPES**

Business Type	Red Bluff		County	HdL State
	Q1 '16	Change	Change	Change
Auto Repair Shops	11,535	1.1%	-25.4%	7.4%
Automotive Supply Stores	25,099	6.2%	4.1%	4.8%
Casual Dining	44,086	-1.2%	0.3%	5.7%
Discount Dept Stores	— CONFIDENTIAL —		-3.6%	-0.3%
Drug Stores	10,911	7.4%	1.4%	0.0%
Electronics/Appliance Stores	14,014	-1.1%	0.7%	2.8%
Garden/Agricultural Supplies	23,670	-4.3%	18.1%	0.2%
Grocery Stores Liquor	— CONFIDENTIAL —		-3.8%	1.6%
Lumber/Building Materials	— CONFIDENTIAL —		0.6%	4.5%
New Motor Vehicle Dealers	— CONFIDENTIAL —		8.2%	3.1%
Quick-Service Restaurants	39,984	4.4%	4.5%	6.4%
Receivables/Master Outlets	— CONFIDENTIAL —		na	66.5%
Service Stations	133,176	-11.8%	-10.1%	-9.3%
Used Automotive Dealers	13,805	8.7%	5.9%	9.2%
Variety Stores	— CONFIDENTIAL —		26.5%	0.5%
<b>Total All Accounts</b>	<b>761,888</b>	<b>-5.6%</b>	<b>-8.5%</b>	<b>1.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>103,979</b>	<b>19.5%</b>	<b>15.8%</b>	<b>14.1%</b>
<b>Gross Receipts</b>	<b>865,867</b>	<b>-3.1%</b>	<b>-6.1%</b>	<b>3.2%</b>
City/County Share	(86,587)	3.1%		
<b>Net Receipts</b>	<b>779,281</b>	<b>-3.1%</b>		