

Q2 2019



City of Red Bluff Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2019)

Red Bluff In Brief

Red Bluff's receipts from April through June sales were 44.9% above the second sales period in 2018. Actual cash receipts rose by 95.2% because the comparison period was missing a substantial amount of money due to the CDTFA's transition to a new reporting system in the prior year which temporarily delayed distributions to the City.

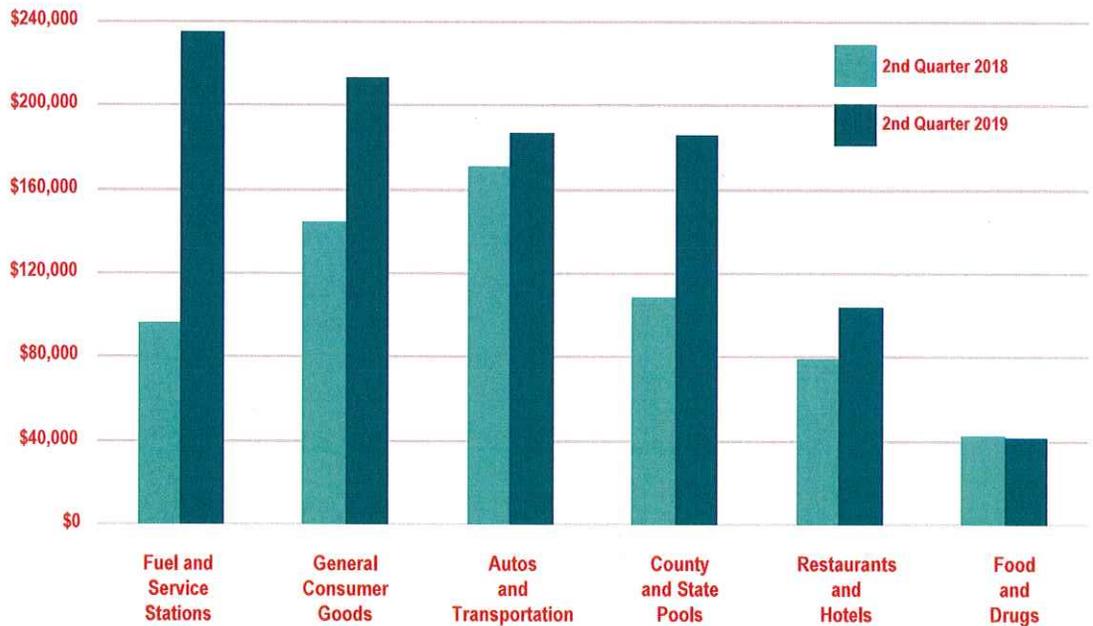
The confidentiality requirements imposed by the CDTFA prevent a more thorough discussion regarding the largest increase in sales for this period which came from a onetime transaction. Fuel sales and the prior opening of a new general consumer goods outlet also boosted the City's receipts. Restaurants collectively reported activity that exceeded the statewide average.

The large increase in cash receipts coupled with a jump in the size of the countywide use tax pool pushed up the City's allocation from the pool by 50%.

Measure A generated \$373,898 which is 40.8% more than at this time last year. The onetime sale discussed above was also subject to Measure A. Additional gains came from auto sales and a bump in construction activity.

Net of adjustments, taxable receipts for all of Tehama County grew 23.6% over the comparable time period while those of the entire Far North region were up 6.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

A Wireless	Pacific Gas & Electric
Adobe Minimart	Raley's
Antelope Liquors & Gas	Red Bluff Chrysler Dodge Jeep Ram
Arco AM PM	Red Bluff Gas
Dollar General	Red Bluff Shell
Flyers	Rina's Mini Mart
Food Maxx	Ross
Growney Motors Buick/GMC	Taco Bell
Harbor Freight Tools	Tractor Supply
Home Depot	USA Gas
Les Schwab Tire Center	Valero
More for Less Gas	Walmart Supercenter
One Stop Gas & Food	

REVENUE COMPARISON

Four Quarters - Fiscal Year To Date (Q3 to Q2)

	2017-18	2018-19
Point-of-Sale	\$3,145,187	\$4,174,480
County Pool	474,439	642,055
State Pool	1,850	2,078
Gross Receipts	\$3,621,477	\$4,818,614
Cty/Cnty Share	(362,148)	(481,861)
Net Receipts	\$3,259,329	\$4,336,752
Measure A	\$938,525	\$1,280,210

NOTES

California Overall

The local one percent share of California's sales and use tax from April through June sales was 20.4% higher than the same quarter of 2018. However, the actual gain came to 2.9% after factoring for online filing issues and accounting anomalies. Fiscal year 2018-19 ended with an increase of 3.6% over the previous year after similarly adjusting for reporting aberrations.

The quarter exhibited continuation of a recent softening for most taxable categories. Rising used car sales and rentals helped offset what was otherwise, a generally flat quarter for the auto-transportation group. An acceleration in online shopping boosted receipts from county wide pools while gains for brick and mortar stores were limited to value priced apparel, discount department stores and jewelry.

Restaurant patronage appears to be leveling with a shift toward lower cost dining options that produced relatively modest gains for the group when compared to previous quarters. New cannabis operations resulted in a small rise in food and drug receipts.

A 2.5% gain in business-industrial sales and use tax revenues came primarily from online fulfillment centers, logistics and utility company purchases and ongoing investment in automation and information technology. A similar rise in receipts from the building-construction group was due to a variety of infrastructure and onetime special projects that offset declines in material purchases for new home construction.

Marketplace Facilitator Act

Effective Oct. 1, 2019, companies such as Amazon, eBay and Google who provide sales tax related services to other retailers are required to assume the obligation for collecting and remitting their client's sales and use tax. The definition of sales-related services includes payment processing, inventory and shipping of merchandise, order taking, providing customer service, or assisting with re-

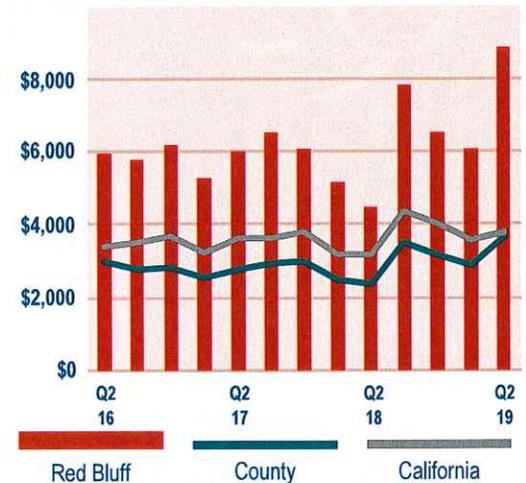
turns and exchanges.

The Marketplace provision was part of AB 147 which was adopted to implement California's approach to the U.S. Supreme Court decision in South Dakota v. Wayfair Inc.

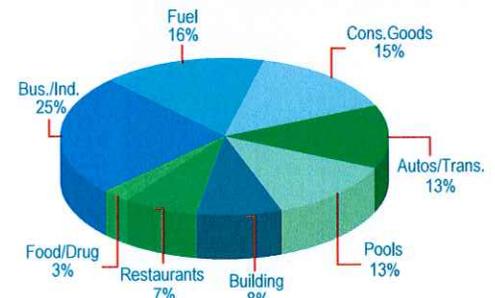
AB 147 requires out-of-state retailers with annual combined sales of \$500,000 or more to now collect and remit this state's sales and use tax from its customers. Applying the \$500,000 threshold to the sum total of all the third-party transactions that facilitators process for their clients, is hoped to produce moderate gains in previously uncollected revenues for the state, cities, counties and local transaction tax districts.

Facilitator tax remittances from merchandise inventoried in California will be allocated to specific jurisdictions while receipts from deliveries outside of the state will be distributed via the pools. Some facilitators have begun to collect and remit taxes ahead of this deadline. This is evidenced by new pool allocations and increases in direct allocations to certain jurisdictions.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Red Bluff This Quarter



RED BLUFF TOP 15 BUSINESS TYPES

Business Type	*In thousands of dollars			
	Red Bluff Q2 '19*	Red Bluff Change	County Change	HdL State Change
Auto Repair Shops	13.1	81.1%	24.4%	21.6%
Automotive Supply Stores	32.8	61.1%	40.7%	16.4%
Building Materials	— CONFIDENTIAL —		85.8%	34.2%
Casual Dining	56.5	49.2%	42.5%	24.5%
Discount Dept Stores	— CONFIDENTIAL —		45.3%	26.3%
Electronics/Appliance Stores	13.4	167.0%	143.8%	7.0%
Energy/Utilities	— CONFIDENTIAL —		na	67.4%
Family Apparel	— CONFIDENTIAL —		861.0%	45.3%
Garden/Agricultural Supplies	31.1	9.8%	28.5%	22.0%
Grocery Stores	27.0	2.9%	10.9%	9.6%
Home Furnishings	10.3	13.7%	16.6%	15.8%
New Motor Vehicle Dealers	— CONFIDENTIAL —		2.7%	5.4%
Quick-Service Restaurants	40.0	6.9%	12.3%	15.7%
Service Stations	233.9	154.1%	59.7%	51.4%
Variety Stores	— CONFIDENTIAL —		10.8%	10.2%
Total All Accounts	1,262.3	99.2%	56.4%	20.1%
County & State Pool Allocation	186.4	71.8%	34.9%	22.4%
Gross Receipts	1,448.7	95.2%	53.3%	20.4%
City/County Share	(144.9)	-95.2%		
Net Receipts	1,303.8	95.2%		