

CITY OF RED BLUFF

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



RED BLUFF

TOTAL: \$ 1,335,195

13.1%
4Q2020



8.1%
COUNTY

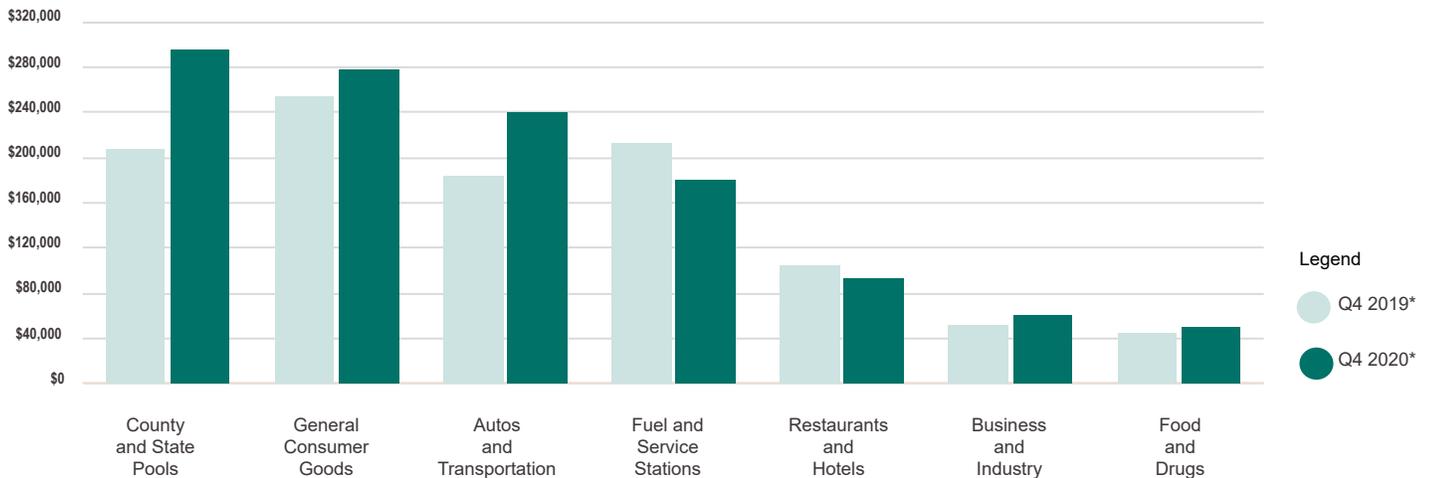


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$352,816

↑ 11.9%



CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from October through December were 11.0% above the fourth sales period in 2019. Excluding reporting adjustments, receipts for this period were up 13.1%.

Residents and businesses invested heavily in transportation this quarter while spending on garden and agricultural materials rose sharply on a percentage basis.

Twenty-two percent of this period's total receipts came from the City's use tax pool allocation. This accounted for six percent of the overall increase in receipts as the use tax pool continues to benefit from the sharp rise in online

sales triggered by the pandemic. This will moderate in the near future as dollars shift to purchases made at brick and mortar locations and spending on real life experiences.

Results for Measure A, the City's .25% district tax, reflect that residents and businesses invested nearly 50% more in new vehicle purchases and more than twice what they spent last year on used vehicles.

Net of adjustments, taxable sales for all of Tehama County grew 8.1% over the comparable time period while those of the Far North region were up 6.5%.



TOP 25 PRODUCERS

- A Wireless
- Adobe Minimart
- 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
- PJ Helicopters
- 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 October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national

presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

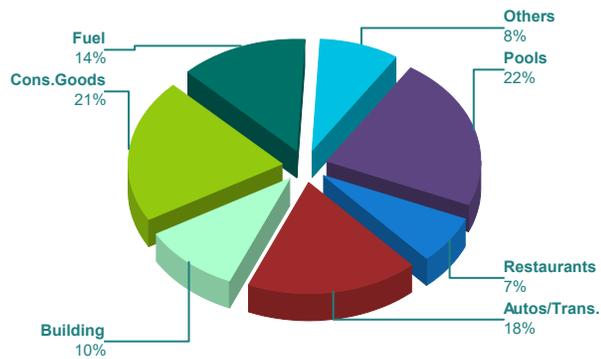
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset the declines. Greater online shopping signifying a permanent shift of consumer

habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP
Red Bluff This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q4 '20*	Change	County Change	HdL State Change
Service Stations	175.9	-15.5% ↓	-17.6% ↓	-31.2% ↓
Quick-Service Restaurants	53.3	13.5% ↑	-2.1% ↓	-8.7% ↓
Family Apparel	42.7	11.8% ↑	11.5% ↑	-16.1% ↓
Automotive Supply Stores	38.1	4.0% ↑	5.1% ↑	3.3% ↑
Garden/Agricultural Supplies	35.8	35.5% ↑	43.9% ↑	14.0% ↑
Grocery Stores	35.5	16.2% ↑	22.4% ↑	5.2% ↑
Casual Dining	33.3	-34.1% ↓	-33.6% ↓	-39.4% ↓
Home Furnishings	14.0	32.6% ↑	30.3% ↑	1.1% ↑
Electronics/Appliance Stores	13.7	-13.0% ↓	-1.6% ↓	-25.0% ↓
Specialty Stores	13.6	121.0% ↑	74.8% ↑	-6.7% ↓

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*In thousands of dollars