

# CITY OF STANTON

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### STANTON

TOTAL: \$ 1,124,064

4.6%  
1Q2021



7.2%  
COUNTY

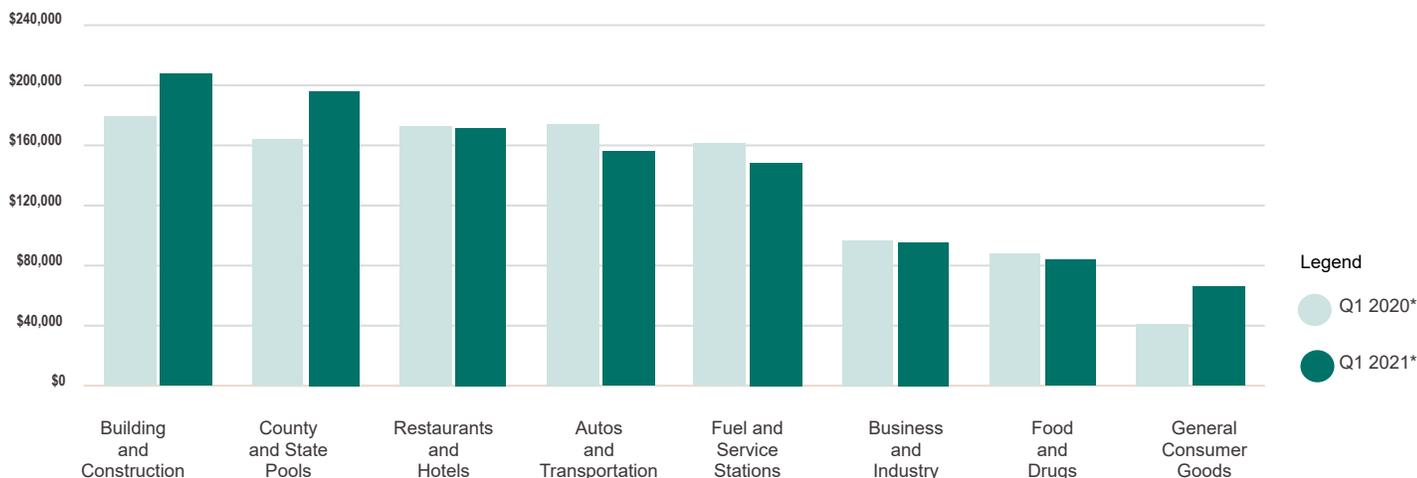


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure GG

TOTAL: \$1,189,969

6.1%



#### CITY OF STANTON HIGHLIGHTS

Stanton's receipts from January through March were 32.1% above the first sales period in 2020. Excluding reporting aberrations, actual sales were up 4.6%.

The home improvement trend continued to boost sales from building and construction as consumers focused on upgrading outdoor spaces, adding gardens and home offices. As online shopping exploded during the pandemic, traditional in-person retailers transitioned to online ordering and curbside pickup to help boost sales during reduced in-store capacity.

Used car prices skyrocketed during

the pandemic while supply of vehicles shrunk, causing a decline in auto-transportation. Fuel prices began to climb in 1Q21, but decreased consumption ultimately impacted revenues.

The City's share of the countywide use tax pool increased 19.6% when compared to the same period in the prior year. Measure GG, the City's 1%, voter-approved transactions and use tax, brought in an additional \$1,225,985 in revenue.

Net of aberrations, taxable sales for all of Orange County grew 7.2% over the comparable time period; the Southern California region was up 9.0%.



#### TOP 25 PRODUCERS

- |                              |                              |
|------------------------------|------------------------------|
| 5 Star Homes                 | Orco Block                   |
| American Camper Shells       | Pick Your Part Auto Wrecking |
| Arco AM PM                   | Premium Finance              |
| Berri Brothers Gas Station   | Raising Cane's               |
| California Motors Direct     | Resource Building Materials  |
| Chem Mark                    | Shell                        |
| Chevron                      | Shell                        |
| Custom Pipe & Coupling       | Stanton 76                   |
| Field Time Target & Training | Super King Market            |
| Food 4 Less                  | Walmart Neighborhood Market  |
| Home Depot                   | Wholesale Tiny Homes         |
| In N Out Burger              |                              |
| JB Lumber                    |                              |
| Katella Plywood & Lumber     |                              |



## STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

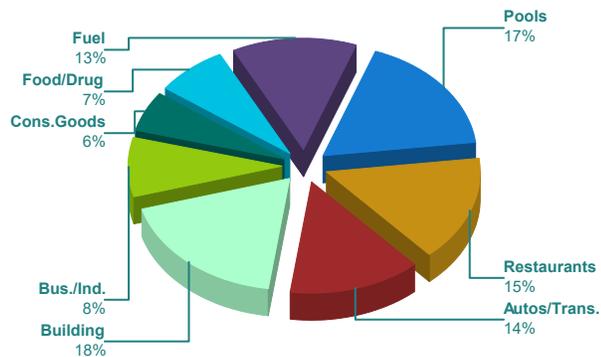
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

### REVENUE BY BUSINESS GROUP Stanton This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Stanton Business Type	Q1 '21	Change	County Change	HdL State Change
Building Materials	174,858	24.5% ↑	17.5% ↑	18.9% ↑
Service Stations	148,775	-7.3% ↓	-4.6% ↓	-3.9% ↓
Quick-Service Restaurants	113,734	7.7% ↑	1.3% ↑	1.1% ↑
Trailers/RVs	62,730	3.7% ↑	30.4% ↑	40.4% ↑
Grocery Stores	56,031	-2.6% ↓	-6.8% ↓	-6.3% ↓
Casual Dining	47,425	17.4% ↑	-10.3% ↓	-18.9% ↓
Automotive Supply Stores	37,367	9.5% ↑	10.7% ↑	13.7% ↑
Used Automotive Dealers	36,984	-31.0% ↓	3.2% ↑	10.3% ↑
Heavy Industrial	25,325	8.1% ↑	-9.1% ↓	-4.1% ↓
Light Industrial/Printers	24,552	3.8% ↑	-1.9% ↓	-1.6% ↓

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