

# CITY OF SAN JACINTO

## SALES TAX UPDATE

### 2Q 2021 (APRIL - JUNE)



**SAN JACINTO**  
TOTAL: \$ 1,079,095

30.0%  
2Q2021



41.8%  
COUNTY

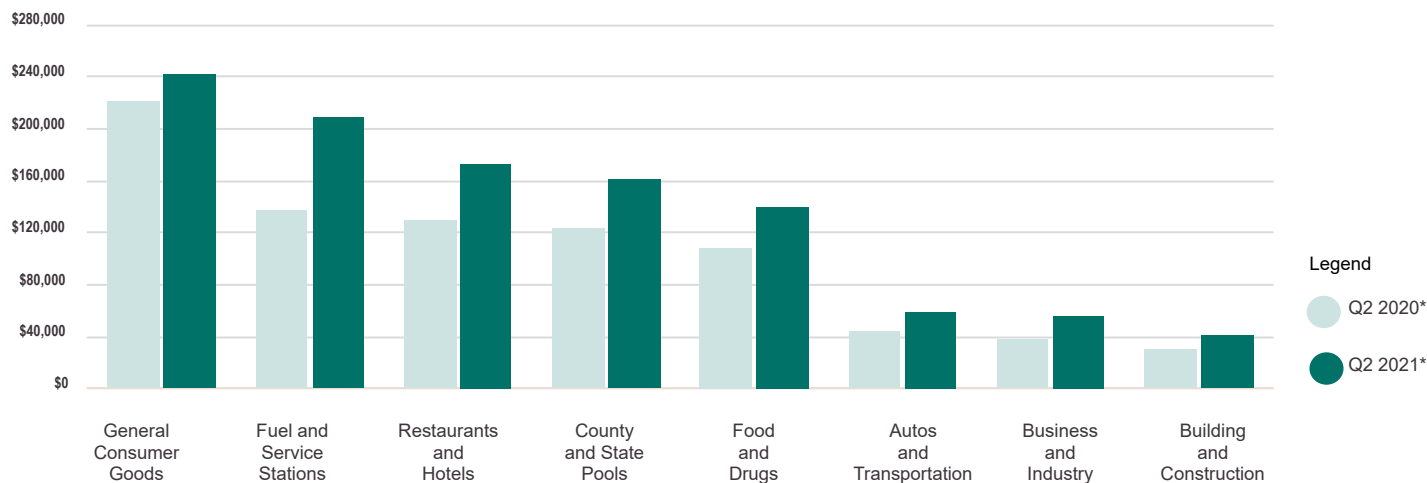


37.3%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



**Measure V**  
TOTAL: \$1,665,935



#### CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from April through June were 56.8% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 30.0%.

The Southern California region continues to emerge from COVID-19. The two industries that were hit the hardest during the pandemic were fuel and service stations and restaurants and hotels. Shelter-in-place requirements reduced the need to use vehicles and purchase fuel. One year later, demand for fuel was solid, and the sales tax associated increased significantly.

Consumers are dining out again, and this resulted in a positive burst of quick

service and casual dining activity.

Strong receipts were also realized from food-drugs, electronics/appliance stores, business-industry, used automotive dealers, auto supply stores, contractors, plumbing/electrical and the state and county pools.

The City's Transaction and Use Tax Measure V generated 155.2% of the Bradley Burns amount.

Net of aberrations, taxable sales for all of Riverside County grew 41.8% over the comparable time period; the Southern California region was up 40.3%.



#### TOP 25 PRODUCERS

7 Eleven  
Arco AM PM  
Ays Auto Group  
Blazed Utopia  
Cardenas  
Chevron  
Circle K  
Del Taco  
Farmer Boys  
Hemet Valley Pipe & Supply  
Interstate Steel Structures  
Jack in the Box  
Lca Metal Components  
McDonalds

Mobil Shop N Go Food Store  
Nutrien Ag Solutions  
Quality Turf  
Rite Aid  
San Jacinto Fastrip  
San Jacinto Shell  
Stater Bros  
Summit Livestock Facilities  
T Mobile  
Walgreens  
Walmart Supercenter



## STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2<sup>nd</sup> quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

## SALES TAX RATE BREAKDOWN

**8.75%**

State General Fund	3.9375%
City/County General Fund (Bradley-Burns)	1.0000%
San Jacinto Transactions & Use Tax (SJTU)	1.0000%
County Public Safety (Prop 172)	0.5000%
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%
Countywide Transportation Fund	0.2500%
Riverside County Transportation Commission (RCTC)	0.5000%

**Tax Rate Effective April 01, 2021**
**8.7500%**

## TOP NON-CONFIDENTIAL BUSINESS TYPES

San Jacinto Business Type	Q2 '21	Change	County Change	HdL State Change
Service Stations	208,949	52.5% ↑	78.5% ↑	73.9% ↑
Quick-Service Restaurants	129,185	26.5% ↑	27.1% ↑	28.9% ↑
Casual Dining	28,770	84.3% ↑	147.3% ↑	130.2% ↑
Drug Stores	26,352	-5.1% ↓	3.0% ↑	-0.4% ↓
Contractors	24,401	38.0% ↑	14.9% ↑	23.7% ↑
Automotive Supply Stores	22,900	16.1% ↑	12.7% ↑	15.1% ↑
Convenience Stores/Liquor	21,201	12.4% ↑	14.6% ↑	7.0% ↑
Auto Repair Shops	17,775	33.1% ↑	28.0% ↑	27.3% ↑
Used Automotive Dealers	16,632	81.7% ↑	62.9% ↑	50.4% ↑
Electronics/Appliance Stores	14,729	79.9% ↑	116.6% ↑	52.7% ↑

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