

# CITY OF SAN JACINTO

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



**SAN JACINTO**  
TOTAL: \$ 1,038,917

14.1%  
4Q2020



4.5%  
COUNTY

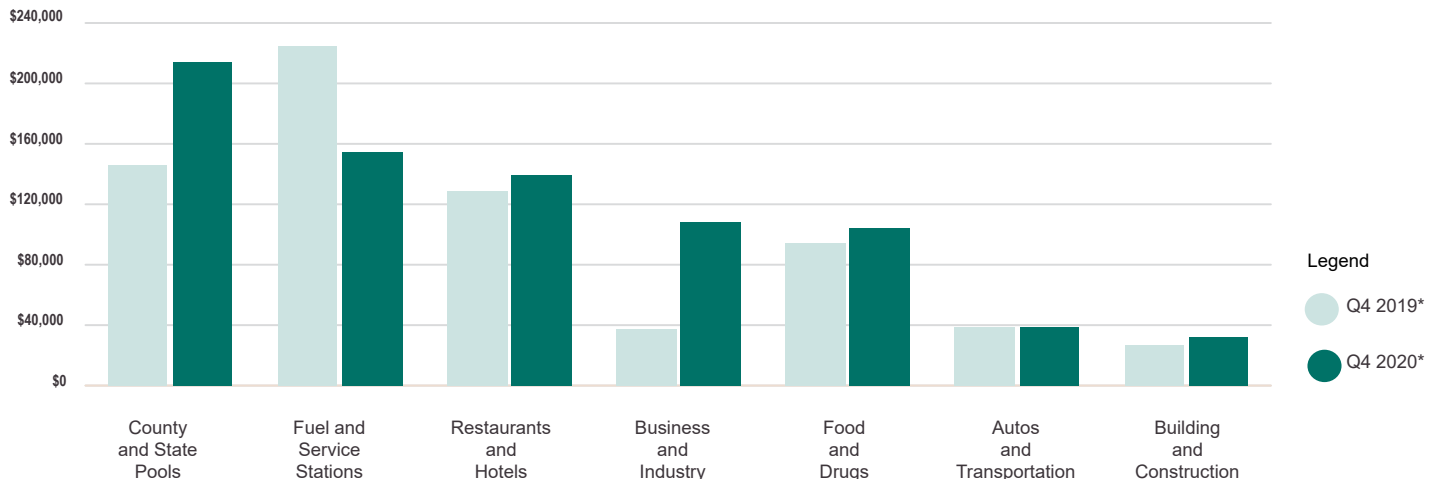


-2.0%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from October through December were 4.0% above the fourth sales period in 2019. Excluding reporting aberrations, actual sales were up 14.1%.

A one-time use tax payment temporarily pushed up totals from the business-industry sector. Food and drug stores continue to increase their omnichannel investments to reap Covid-driven gains from online ordering and curbside grocery pick-up.

While consumers remain focused on home improvement projects, dramatic price spikes on an array of construction supplies in 2020 combined with a 20%+ tariff on some goods imported from Canada resulted in higher receipts from building and construction.

Throughout the Southern California

region and the state, revenue from general consumer goods declined further in the fourth quarter as measures to slow the spread of Covid-19 reduced traffic to shopping malls and retail stores.

Gasoline prices have seen a slow, steady increase since reaching a multiyear low late April 2020, but still far below pre-pandemic levels.

The City's share of the countywide use tax pool increased 46.6% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Riverside County grew 4.5% over the comparable time period; the Southern California region was down 2.7%.



#### TOP 25 PRODUCERS

7 Eleven  
Arco AM PM  
AutoZone  
Cardenas  
Chevron  
Circle K  
Del Taco  
Farmer Boys  
Hemet Valley Pipe & Supply  
Interstate Steel Structures  
Jack in the Box  
McDonalds  
Metropolitan Water District of So Cal  
Mobil Shop N Go Food Store  
Nutrien Ag Solutions  
O'Reilly Auto Parts  
Quality Turf

Rite Aid  
San Jacinto Fastrip  
San Jacinto Shell  
Stater Bros  
T Mobile  
Walgreens  
Walmart Supercenter  
Wendy's



## 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.

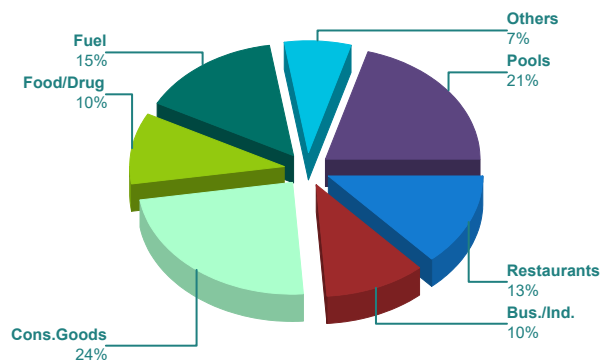
The building-construction sector, with 1) increased price of goods – like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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 San Jacinto This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

| San Jacinto Business Type    | Q4 '20  | Change   | County Change | HdL State Change |
|------------------------------|---------|----------|---------------|------------------|
| Service Stations             | 154,619 | -30.9% ↓ | -23.2% ↓      | -31.2% ↓         |
| Quick-Service Restaurants    | 105,556 | 15.9% ↑  | 7.4% ↑        | -8.7% ↓          |
| Drug Stores                  | 28,008  | 15.1% ↑  | 4.6% ↑        | -4.1% ↓          |
| Casual Dining                | 20,527  | -18.0% ↓ | -32.4% ↓      | -39.4% ↓         |
| Automotive Supply Stores     | 20,217  | 21.6% ↑  | 13.3% ↑       | 3.3% ↑           |
| Contractors                  | 16,800  | 11.8% ↑  | 2.5% ↑        | 2.3% ↑           |
| Auto Repair Shops            | 14,965  | -2.8% ↓  | -5.4% ↓       | -12.1% ↓         |
| Convenience Stores/Liquor    | 14,430  | -12.4% ↓ | 7.8% ↑        | -2.0% ↓          |
| Electronics/Appliance Stores | 12,154  | 3.2% ↑   | -15.4% ↓      | -25.0% ↓         |
| Plumbing/Electrical Supplies | 11,170  | 31.5% ↑  | 9.7% ↑        | 2.0% ↑           |

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