

CITY OF COALINGA

SALES TAX UPDATE

3Q 2020 (JULY - SEPTEMBER)



COALINGA

TOTAL: \$ 265,150

-0.1%

3Q2020



5.9%

COUNTY



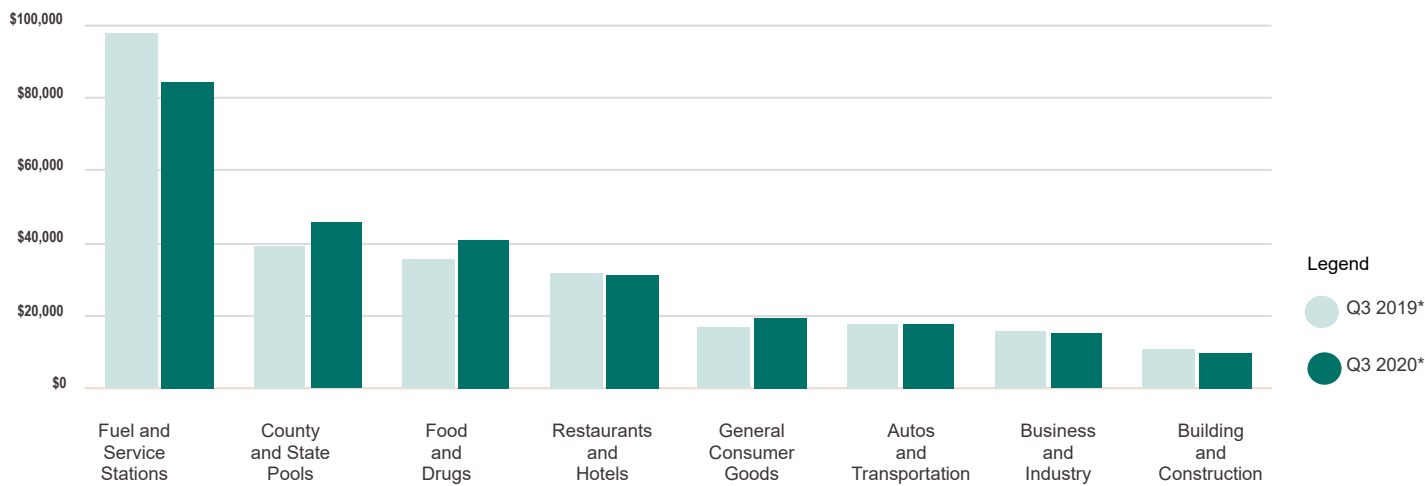
-0.9%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure J

TOTAL: \$470,924

↑ 0.8%



CITY OF COALINGA HIGHLIGHTS

Coalinga's receipts from July through September were 10.7% below the third sales period in 2019. Excluding reporting aberrations, actual sales were flat.

During this period of brief recovery, most business sectors reported a drop in activity with the exception of food-drug outlets and general consumer good sales. Overall, receipts from local businesses were 3% lower than at this time last year.

A 39% jump in the value of the countywide use tax pool helped increase the City's allocation by nearly 16% and this offset most of the decline in local sales activity.

Measure J posted total receipts of \$497,631 which is .8% better than at this time last year after discounting reporting adjustments. All business groups posted increases with the exception of fuel and the business and industry group.

Net of adjustments, taxable sales for the entire San Joaquin Valley grew 8.9% over the comparable time period.



TOP 25 PRODUCERS

- AutoZone
- Beacon Valley Food Mart
- Big 5 Sporting Goods
- Billingsley Tire Service
- Burger King
- Coalinga Fastrip Food Store
- Coalinga Hardware
- Dollar General
- Dollar Tree
- Endurance Lift Solutions
- Fastrip Mini Mart
- Fatte Alberts Pizza
- Green Leaf AG
- Have a Heart
- Ice Bucket Chevron
- Little Caesars Pizza
- McDonald's
- O'Reilly Auto Parts
- Rite Aid
- Save Mart
- State Foods Coalinga
- Taco Bell
- Triple J Ready Mix
- Walgreens
- West Hills Oil



STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last

year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

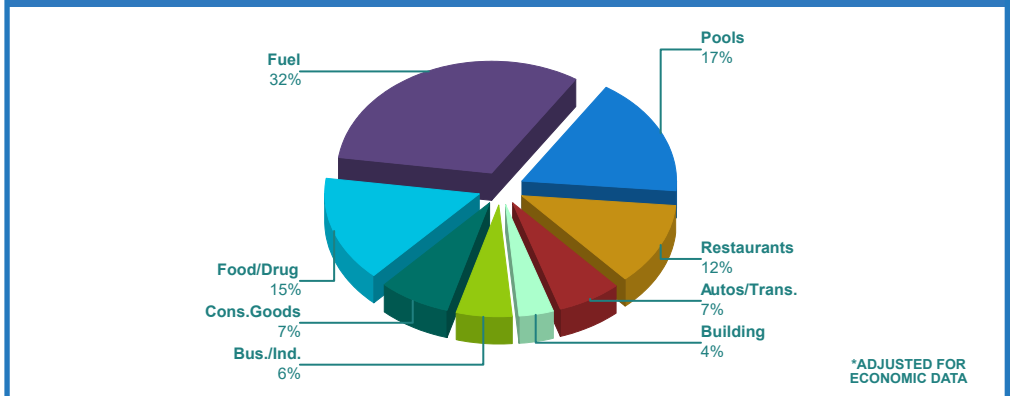
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up

of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

REVENUE BY BUSINESS GROUP
Coalinga This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Coalinga Business Type	Q3 '20	Change	County Change	HdL State Change
Service Stations	39,319	-11.7% ↓	-22.4% ↓	-29.0% ↓
Quick-Service Restaurants	22,892	3.4% ↑	6.9% ↑	-10.3% ↓
Grocery Stores	15,112	19.4% ↑	10.5% ↑	7.2% ↑
Casual Dining	4,491	-21.4% ↓	-29.2% ↓	-37.9% ↓
Auto Repair Shops	749	-62.1% ↓	-1.7% ↓	-13.7% ↓
Newspaper Stands	-	na ●	-11.2% ↓	-66.7% ↓
Art/Gift/Novelty Stores	-	na ●	-3.1% ↓	-19.1% ↓
Department Stores	-	na ●	-40.2% ↓	-42.5% ↓
Discount Dept Stores	-	na ●	12.1% ↑	2.8% ↑
Women's Apparel	-	na ●	-50.7% ↓	-47.6% ↓

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