

# CITY OF HUGHSON

## SALES TAX UPDATE

### 2Q 2021 (APRIL - JUNE)



**HUGHSON**  
TOTAL: \$ 279,547

36.8%  
2Q2021



32.0%  
COUNTY

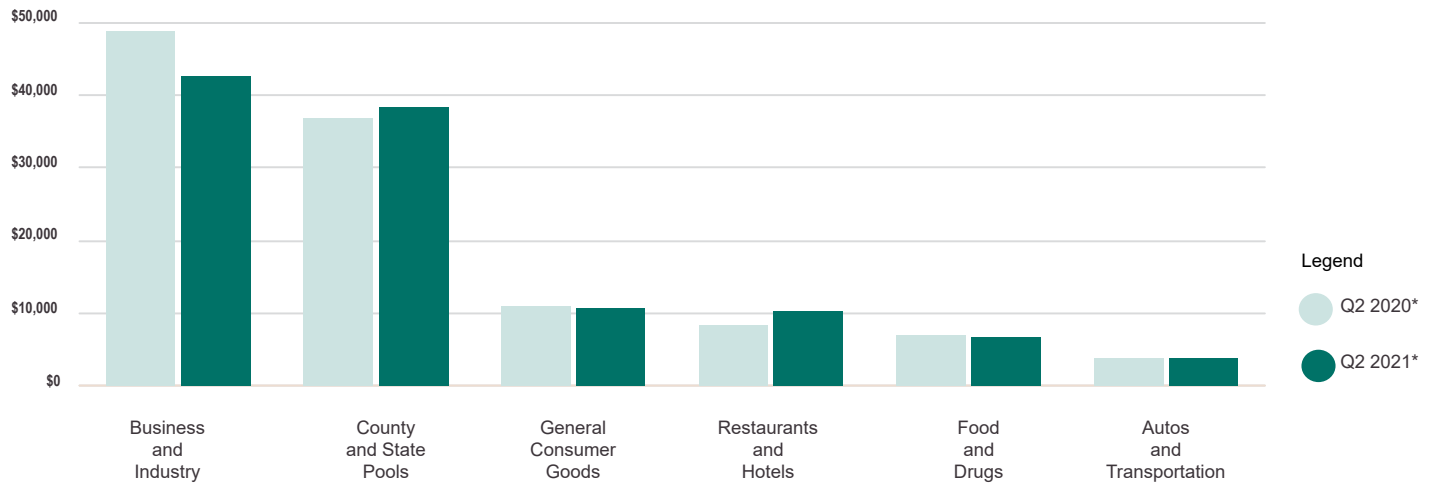


37.3%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF HUGHSON HIGHLIGHTS

Hughson's receipts from April through June were 32.6% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 36.8%.

The business and industry category reported a 12.7% decline to the adjusted total while the cash total saw an increase of 0.9% quarter over quarter.

General consumer goods benefitted on a cash basis with double payments pushing the cash total up by \$1,332, but the adjusted total declined by \$227 this quarter.

Both building and construction and fuel and service stations have rebounded since most Covid restrictions have been lifted. This has helped the City with additional allocations from taxpayers in these categories.

Retailers in the food and drugs category reported a cash decline of \$2,410, but the adjusted decline was only \$227 compared to the previous quarter.

Businesses in the restaurants and hotels category reported a cash decline of \$389 which was an adjusted increase of \$1,783 quarter over quarter.

Net of aberrations, taxable sales for all of Stanislaus County grew 32.0% over the comparable time period; the San Joaquin Valley was up 34.3%.



#### TOP 25 PRODUCERS

Boulet Consulting  
California Trusframe  
Coco's Taqueria  
Dollar General  
Dollar Tree  
Golden Bowl  
Grossi Fabrication  
Hughson Asian Kitchen  
Hughson Chevron  
Hughson Farm Supply  
Industrial Softener Service  
La Perla Tapatia  
Lacy's Furniture & Home Decor  
Master Blasterz  
Mid Valley Agricultural Services  
Napa Auto Parts  
Pizza Factory

Pure Water Pool Service  
Quick N Save  
Santa Fe Market & Liquor  
Save Mor Market  
Scott's Pool Repair & Remodeling  
Slick Fork BBQ  
Subway  
Wilbur Ellis



## 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 2nd 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

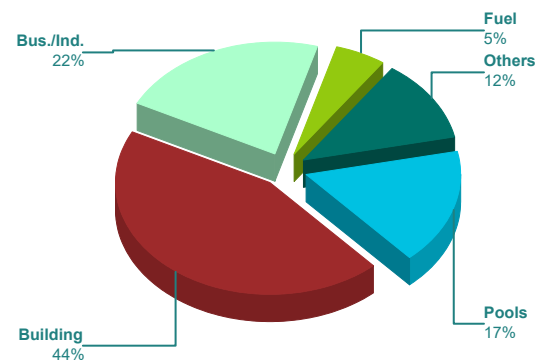
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

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.

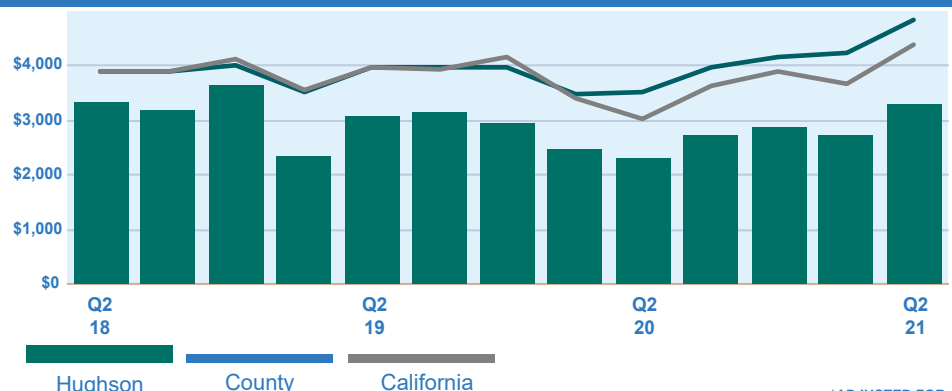
Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward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

### REVENUE BY BUSINESS GROUP Hughson This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

### SALES PER CAPITA\*



\*ADJUSTED FOR ECONOMIC DATA