

# CITY OF HUGHSON

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### HUGHSON

TOTAL: \$ 231,338

9.5%  
1Q2021



19.8%  
COUNTY

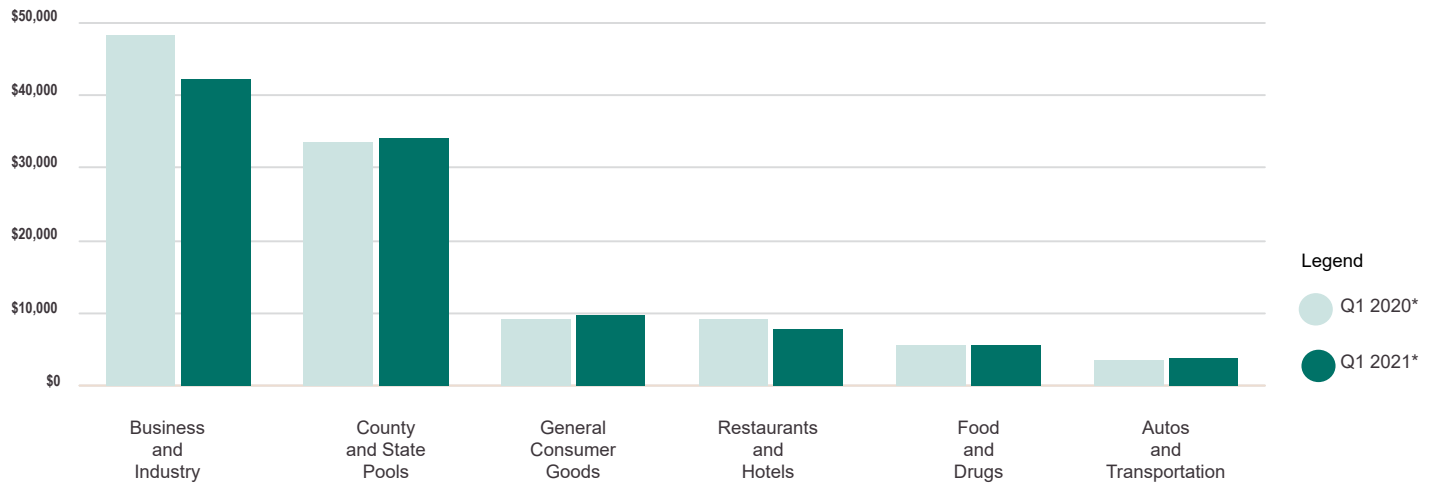


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF HUGHSON HIGHLIGHTS

Hughson's receipts from January through March were 15.7% above the first sales period in 2020. Excluding reporting aberrations, actual sales were up 9.5%.

Businesses in the autos and transportation category reported modest gains quarter over quarter.

The business and industry category reported a 21.7% cash decline compared to the same time last year, but the adjusted declines were only 13.0% after aberrations were accounted for.

General consumer goods saw a modest 5.8% increase in reported revenues quarter over quarter.

Stanislaus County moved into the state's less restrictive tier in March 2021, allowing restaurants to open for in-person dining that will pull the category

out of its pandemic slump. The category reported an 87.9% increase in cash receipts while also reporting an adjusted decrease of 15.8% quarter over quarter to Hughson.

Net of aberrations, taxable sales for all of Stanislaus County grew 19.8% over the comparable time period; the San Joaquin Valley was up 26.1%.



#### TOP 25 PRODUCERS

Bobs Coffee Shop  
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  
Mid Valley Agricultural Services  
Napa Auto Parts  
Pizza Factory

Pure Water Pool Service  
Quick N Save  
Santa Fe Market & Liquor  
Save Mor Market  
Slick Fork BBQ  
Subway  
Valley Tool & Manufacturing  
Wilbur Ellis



## 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

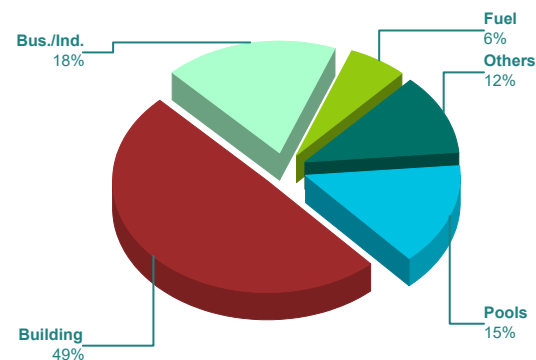
taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With 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.

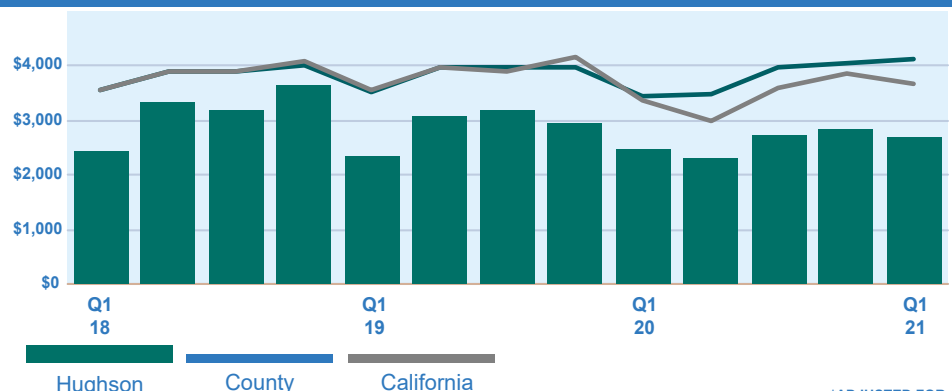
Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

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



\*ADJUSTED FOR ECONOMIC DATA

### SALES PER CAPITA\*



\*ADJUSTED FOR ECONOMIC DATA