

# CITY OF CORONA

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



#### CORONA

TOTAL: \$ 13,866,042

2.6%  
1Q2024



-0.3%  
COUNTY

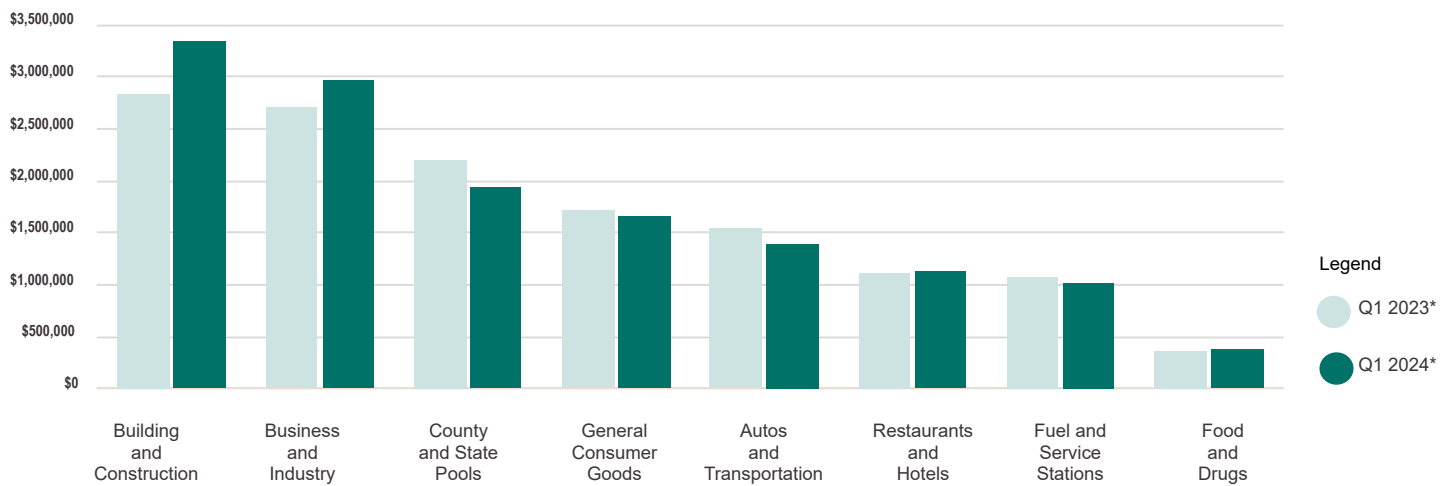


-0.2%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure X

TOTAL: \$10,057,732

↓ -1.5%



#### CITY OF CORONA HIGHLIGHTS

Corona's receipts from January through March were 12.2% below the same period in 2023, largely due to a significant audit recovery in the comparison year. Excluding this and other anomalies, actual sales increased by 2.6%.

Sales of contractor construction supplies surged, rebounding from last year's dip caused by an unusually rainy winter. Fulfillment centers benefited from the ongoing shift to online shopping, and heavy industrial equipment sales rose due to a local entity's acquisition of equipment and the opening of a new local supplier.

Conversely, allocations from the countywide use-tax pool were negatively

affected by the previously mentioned audit recovery, as funding is based on proportional cash receipts among local jurisdictions. Auto sales were also down as high financing costs made purchases more expensive.

Measure X underperformed the Bradley-Burns results because, as a destination-based tax, it did not benefit from the surge in contractor construction supply or fulfillment sales, which were mostly delivered to other jurisdictions.

Net of anomalies, taxable sales for Riverside County declined 0.3%, while the Southern California region remained flat.



#### TOP 25 PRODUCERS

Agile Sourcing Partners	Larry H Miller Toyota Corona
All American Asphalt	Liberty Glass Fabricators
Amazon MFA	Sams Club w/ Fuel
American Electric Supply	Spren Honda Corona
Anixter	Stater Bros
CardinaleWay Hyundai	Supply Patriot
Circle K	Target
Corona Nissan	Vulcan Materials
Costco	Walmart Supercenter
Culver Newlin	West Coast Copper Supply
Downs Energy	
Ganahl Lumber Company	
Guest Supply	
Home Depot	



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they'll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn't enough data

yet to understand if this new bill impacted revenue.

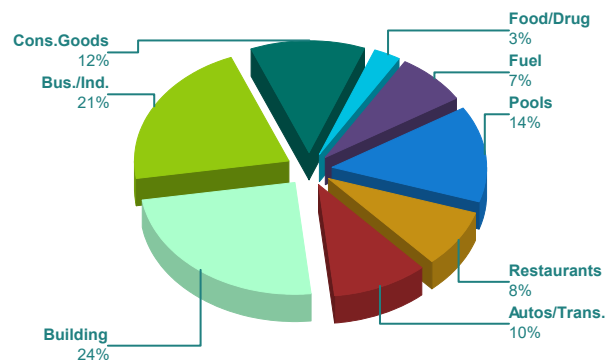
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify 'the floor' helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

## REVENUE BY BUSINESS GROUP

Corona This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Corona Business Type	Q1 '24*	Change	County Change	HdL State Change
Contractors	2,210.4	30.2% ↑	17.2% ↑	4.6% ↑
Fulfillment Centers	1,096.6	13.4% ↑	4.4% ↑	5.5% ↑
Discount Dept Stores	922.0	0.3% ↑	3.3% ↑	1.6% ↑
New Motor Vehicle Dealers	727.9	-17.8% ↓	-3.7% ↓	-10.4% ↓
Building Materials	681.8	8.8% ↑	0.3% ↑	-1.0% ↓
Service Stations	583.4	-4.6% ↓	-3.4% ↓	-0.9% ↓
Casual Dining	545.2	2.5% ↑	2.1% ↑	2.4% ↑
Quick-Service Restaurants	466.2	3.6% ↑	6.7% ↑	2.6% ↑
Heavy Industrial	454.6	27.4% ↑	1.9% ↑	-4.6% ↓
Plumbing/Electrical Supplies	439.8	-10.5% ↓	-12.8% ↓	-4.2% ↓

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\*In thousands of dollars