

Sales Tax Update

3rd Quarter 2021

(July-September 2021 Results)

City of Corona
Committee of the Whole Meeting
January 12, 2022

HdL[®] Companies



City of Corona, CA

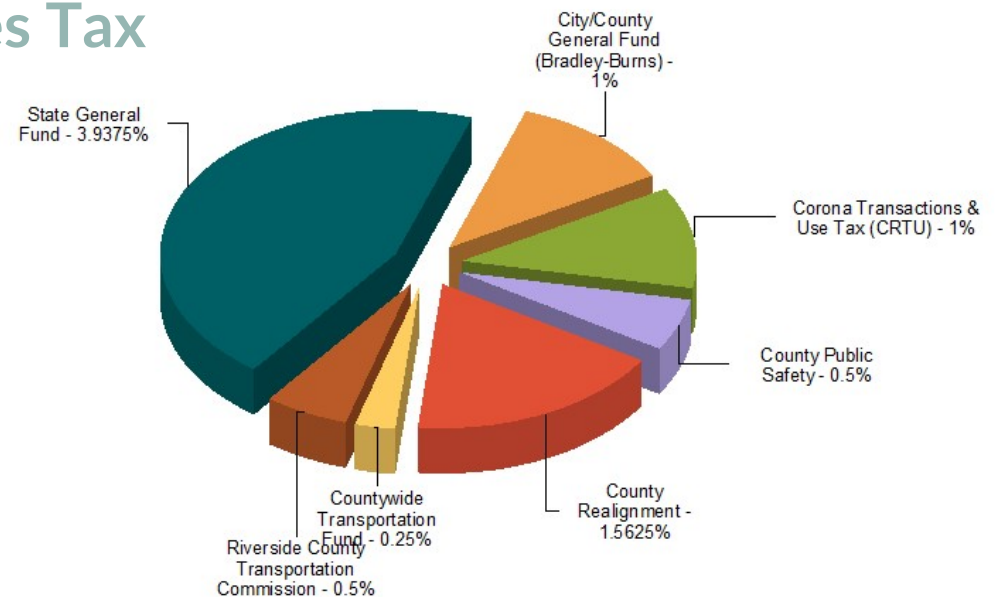




Corona Measure X

Voter-Approved 1% Add-on Sales Tax

- Also known as: “District Tax, or Transactions and Use Tax”
- Went into effect July 1, 2021 (first quarter with results!)
- In addition to the City’s 1% Bradley-Burns (local share) sales tax (total Corona tax rate is 8.75%)





Corona Measure X

Major Difference between Bradley-Burns and Add-on Sales Tax

Bradley-Burns 1% sales tax

Generally allocated to the jurisdiction where the sale is negotiated, or the order is taken

(or a California fulfillment center location from where the goods ship, if the order is taken outside of the State, but then shipped from within California)

Measure X

Allocated to the district where the goods are delivered or placed into use



District (*Transaction*) Tax vs. Sales Tax

District Taxes follow the merchandise. Generally...

- Distributed to the district (city) where the goods are delivered (and presumably used)
- Local merchants shipping products out of district do not generate transaction tax

EXAMPLE:

SALES TAX

Allocated to city
where the dealership
is located.



DISTRICT TAX

Allocated to
city where the
vehicle is registered.



Measure X vs. Bradley-Burns Results

3rd Quarter 2021 Adjusted

Major Industry Group	Bradley-		Measure X	Ratio
	Burns			
General Consumer Goods	\$ 1,873,883	\$	2,451,748	130.8%
Autos and Transportation	1,523,968		1,882,384	123.5%
Business and Industry	1,548,083		1,511,755	97.7%
Building and Construction	3,291,969		989,364	30.1%
Restaurants and Hotels	995,120		944,399	94.9%
Fuel and Service Stations	1,144,575		712,589	62.3%
Food and Drugs	328,591		327,943	99.8%
Transfers & Unidentified	538		60,286	11205.6%
State and County Pools	1,939,112		-	
TOTAL	\$ 12,645,839	\$	8,880,468	70.2%

versus September 2019 estimate of 70.0%



Measure X vs. Bradley-Burns

25 Largest Taxpayers in Alphabetical Order (3Q21 Adjusted)

Bradley-Burns Sales Tax

Agile Sourcing Partners	Ganahl Lumber Company
All American Asphalt	Home Depot
American Electric Supply	Larry H Miller Toyota Corona
Arco Am PM	Robertsons Ready Mix-Contractors
CardinaleWay Hyundai	Robertsons Ready Mix-Heavy Industrial
Chevron	Ross
Circle K	Sam's Club w/Fuel
Corona Nissan	Spren Honda Corona
Costco	Target
Culver Newlin	Vulcan Materials
Downs Energy	Walmart Supercenter
Duralum Products	West Coast Copper Supply
Elite Roofing Supply	

Measure X District Tax

Amazon Com Services	Ganahl Lumber
Amazon MFA	Home Depot
Anixter Bros	Kohls
Best Buy	Larry H Miller Toyota Corona
CardinaleWay Hyundai	Lowes
Carmax	McDonald's
Chevron	Ross
Circle K	Sam's Club w/ Fuel
Costco	Stater Brothers
Dept of Motor Vehicles Allocation	Target
Downs Energy	Tesla Motors
Duralum Products	Vons Fuel
	Walmart Supercenter



Bradley-Burns Regional Report

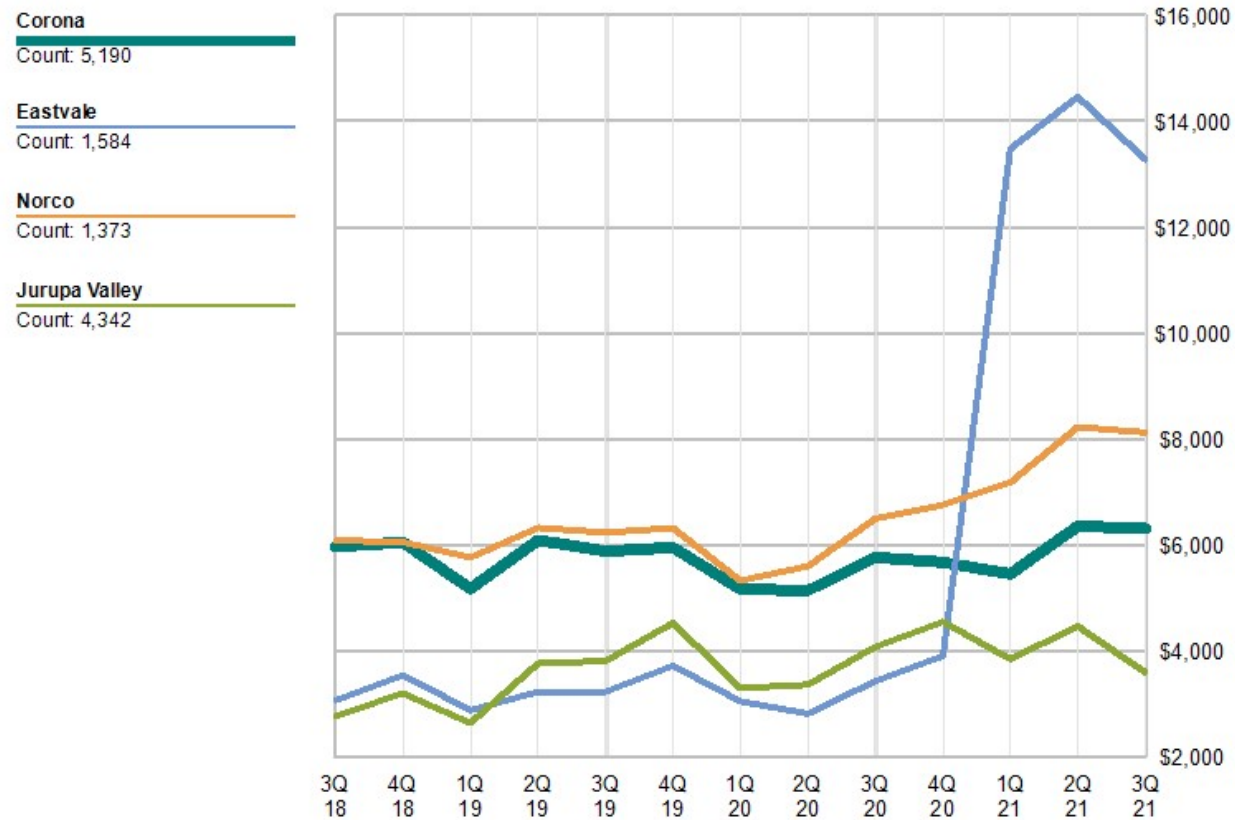
3Q21 Adjusted Sales Tax Growth

Region	3Q21 vs 3Q20 % Change
Corona	+6.6%
Riverside County	+24.6%
Southern California	+19.8%
California	+18.2%



City Comparison

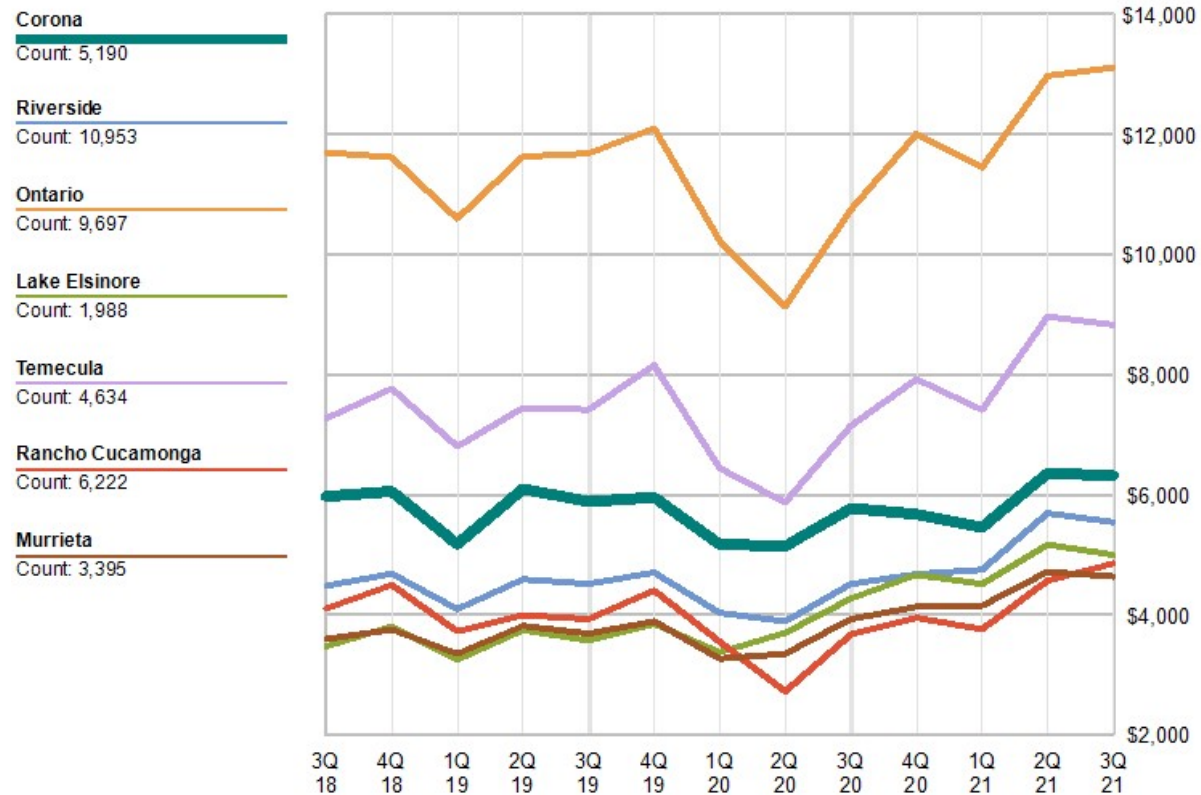
Per Capita Adjusted Sales Tax Graph





City Comparison

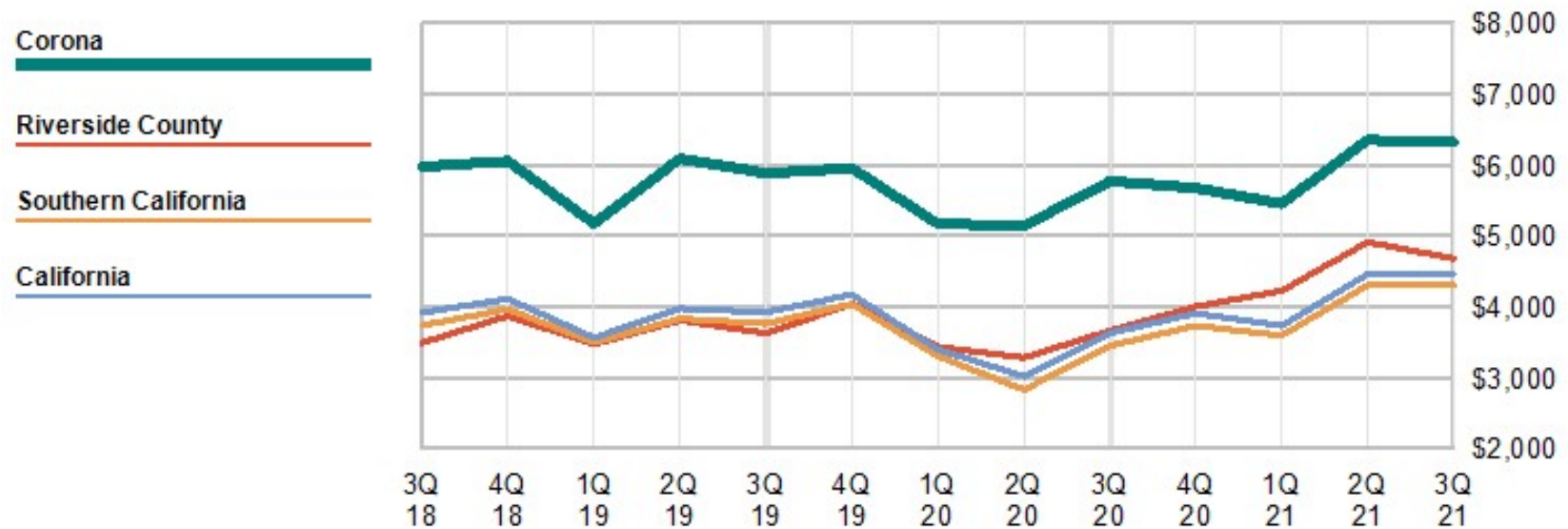
Per Capita Adjusted Sales Tax Graph





Regional Comparison

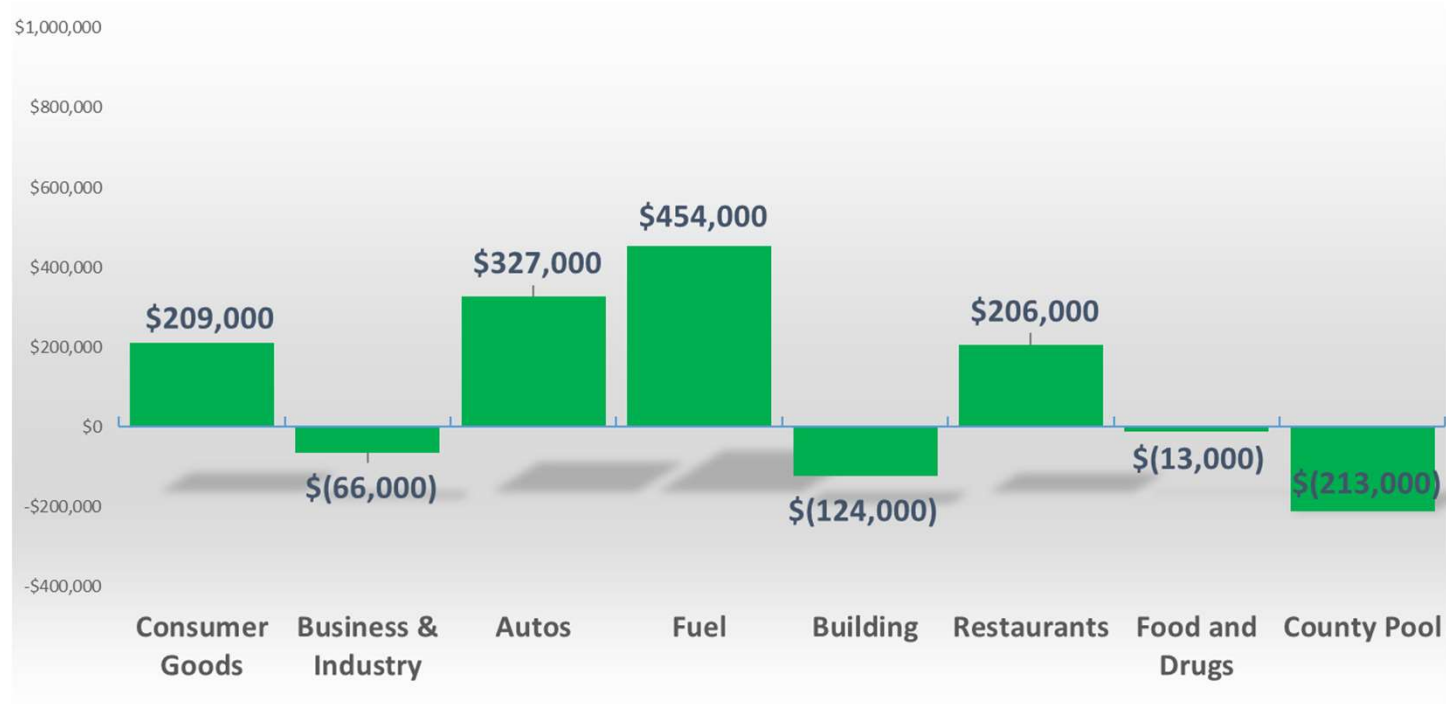
Per Capita Adjusted Sales Tax Graph





Corona Major Industry Group Performance

3Q21 Change in Adjusted Sales Tax by Category (vs 3Q20)





Corona Long-Term Sales Tax Trend

Adjusted Point-of-Sale Receipts: 13-quarter trend: +10.8%

Corona

13 Quarter Trend: +10.8%

