

CITY OF CORONA

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



CORONA

TOTAL: \$ 12,645,839

6.6%
3Q2021



24.6%
COUNTY

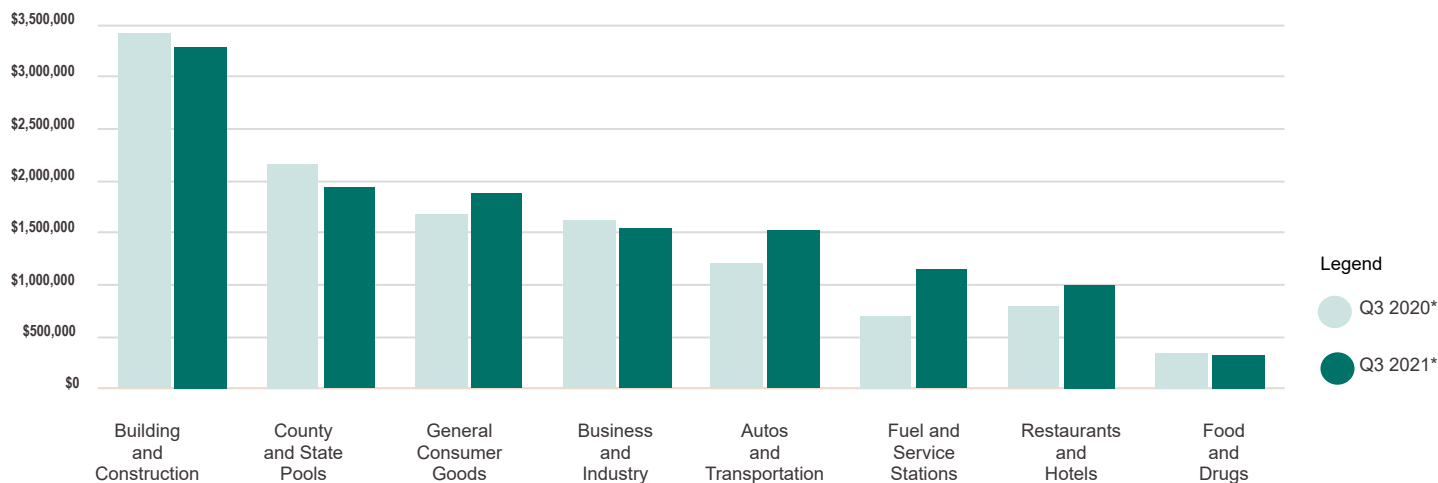


18.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$8,880,468



CITY OF CORONA HIGHLIGHTS

Corona's receipts from July through September were 5.2% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 6.6%.

The largest factor in this improvement was a 60% surge in receipts remitted from fuel and service station outlets as the price of gasoline spiked above \$4.50 per gallon. This also boosted the local discount department stores that sell fuel.

Proceeds from new car sales jumped \$233,000 as the average transaction price for a new vehicle hit a record high nationally, boosted by strong demand from the recovering economy coupled with low inventory caused

by supply chain disruptions. Casual dining restaurants also increased 63% as consumers were eager to leave the house and dine-out again.

Corona's voter-approved add-on sales tax, Measure X, generated \$8.9 million in additional revenue in its first quarter of implementation, or 70.2% of the City's local sales tax share amounts previously discussed.

Net of aberrations, taxable sales for all of Riverside County grew 24.6% over the comparable time period; the Southern California region was up 19.8%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor's Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

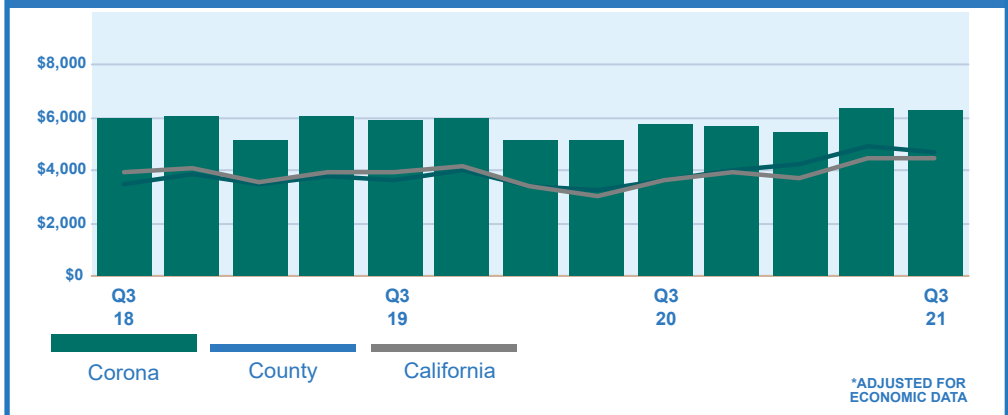
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer's disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Corona Business Type	Q3 '21*	Change	County Change	HdL State Change
Contractors	2,026.8	-5.2% ↓	6.1% ↑	12.0% ↑
Discount Dept Stores	952.7	13.9% ↑	12.7% ↑	12.7% ↑
New Motor Vehicle Dealers	842.6	38.2% ↑	19.4% ↑	18.7% ↑
Service Stations	813.7	68.1% ↑	54.2% ↑	53.3% ↑
Building Materials	721.4	5.8% ↑	10.5% ↑	5.2% ↑
Plumbing/Electrical Supplies	522.8	-9.1% ↓	10.2% ↑	13.8% ↑
Casual Dining	447.9	63.0% ↑	77.1% ↑	69.1% ↑
Quick-Service Restaurants	430.4	4.2% ↑	9.2% ↑	14.3% ↑
Heavy Industrial	340.1	-1.6% ↓	-11.9% ↓	10.9% ↑
Grocery Stores	217.8	-6.2% ↓	2.4% ↑	-0.2% ↓

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*In thousands of dollars