



SALES TAX Update 1st Quarter 2021

**City of Corona
Committee of the Whole
July 14, 2021**



Sales Tax vs. Use Tax

Sales tax: generally, applies when goods are located in California at the time the sale occurs. (Nexus)

Use tax: generally, applies when goods ship to a customer from outside the state.





Allocation of Sales vs. Use Taxes

Sales Tax

- **PLACE OF SALE** (where the sale/order was placed or negotiated)
- Allocated directly to city/county
- Collecting/remitting the tax is the responsibility of the seller

Use Tax

- **PLACE OF USE** (county pool of first use)
- Allocated indirectly to city/county through the countywide pool system
- Collecting/remitting the tax is the responsibility of the buyer



Company Operational Change

Historical Co. Structure

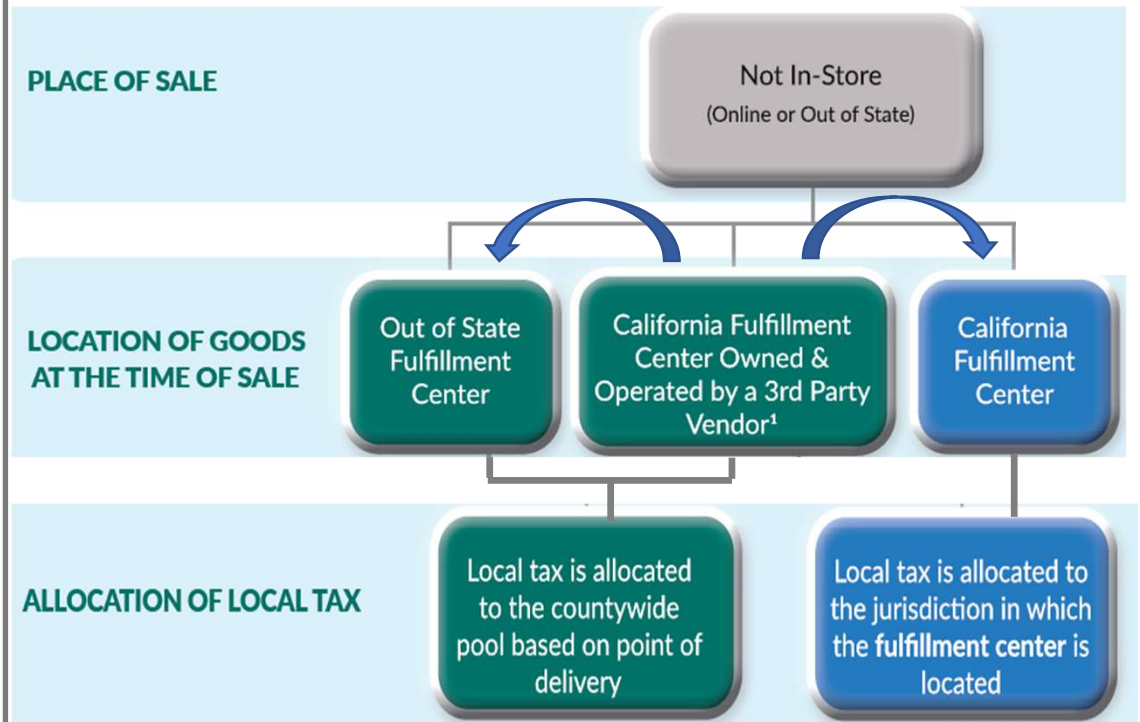
- Out-of-state
- Facilities in CA were owned and operated by a **subsidiary company**
- Inventory in CA subject to **use tax**
- Local tax allocated to countywide use tax pools based on where the goods were shipped/**place of use**

New Co. Structure

- In-state & out-of-state
- Facilities in CA are owned and operated by **parent company**
- Inventory in CA is subject to **sales tax**
- Local tax allocated directly based on **place of sale** and indirectly based on **place of use**

Local Tax Allocation Guidelines

When sales tax
applies



REGIONAL REPORT *Adjusted Sales Tax Growth*

Corona

Count: 5,129

Eastvale

Count: 1,511

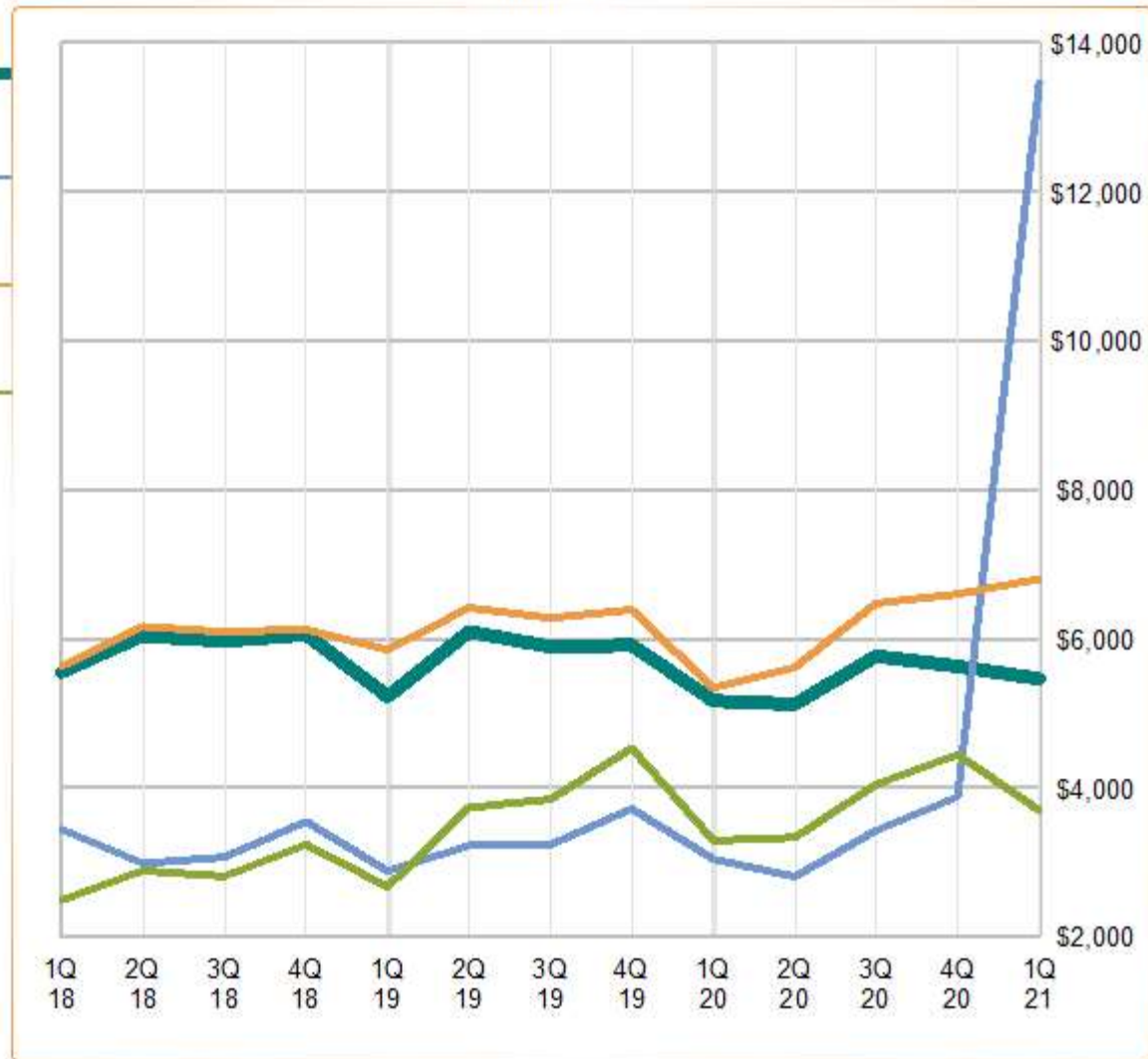
Norco

Count: 1,367

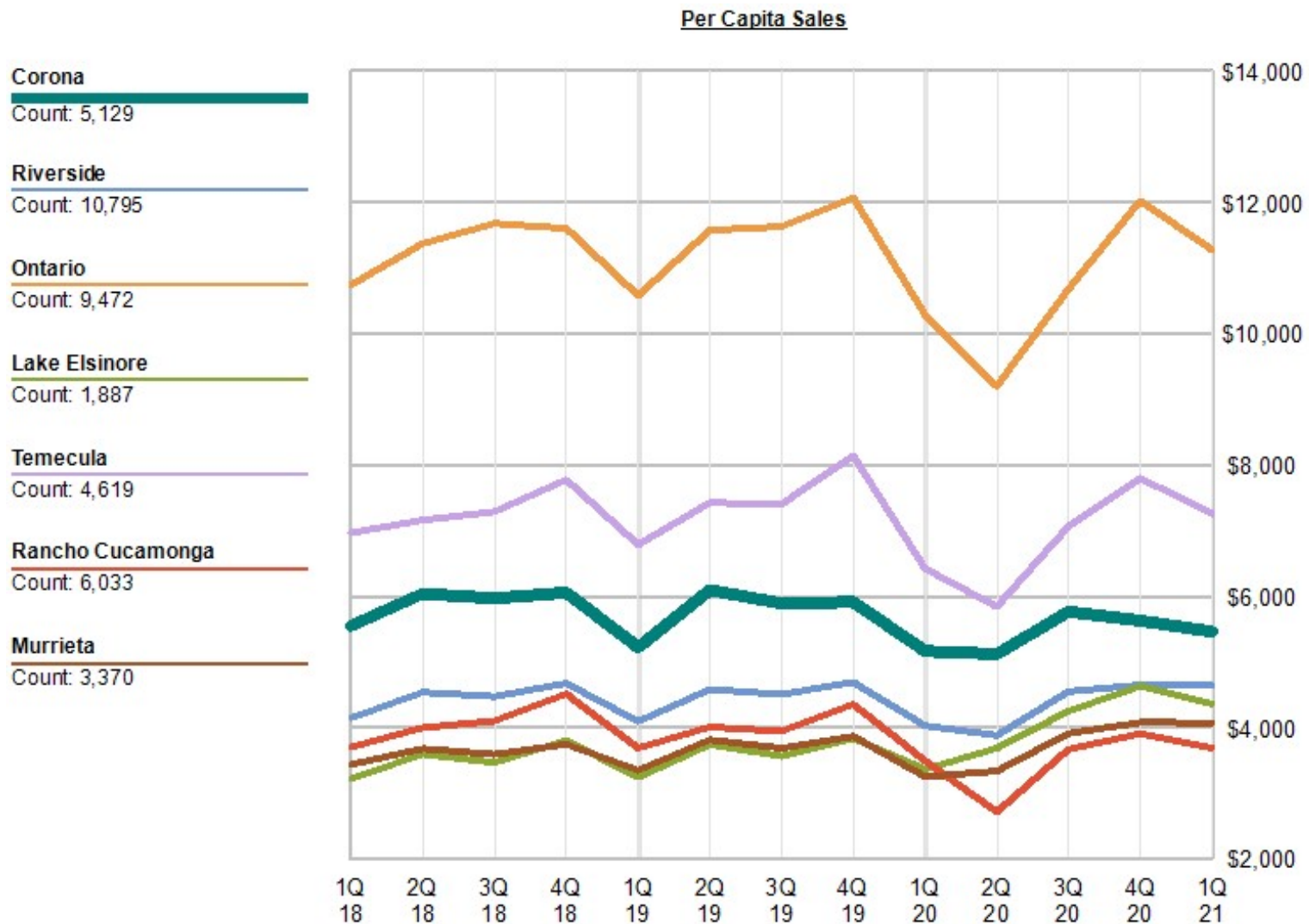
Jurupa Valley

Count: 4,236

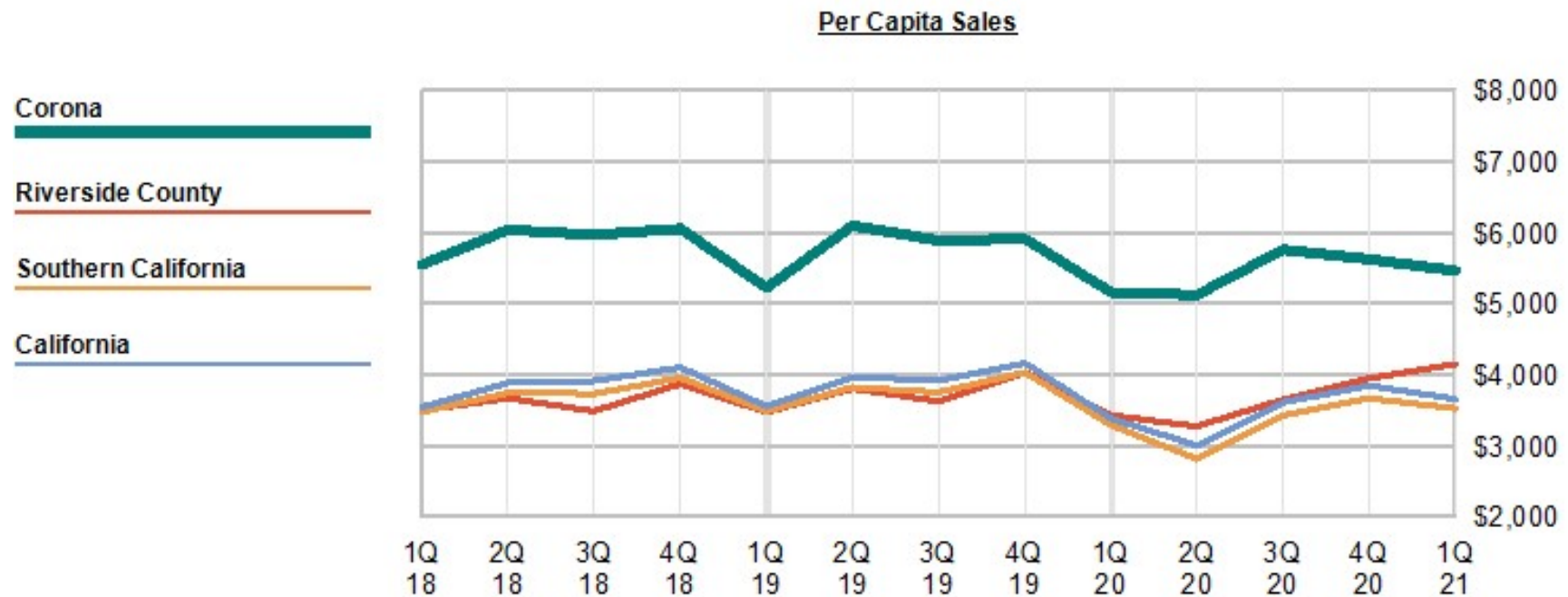
Per Capita Sales



REGIONAL REPORT *Adjusted Sales Tax Growth*



REGIONAL REPORT *Adjusted Sales Tax Growth*

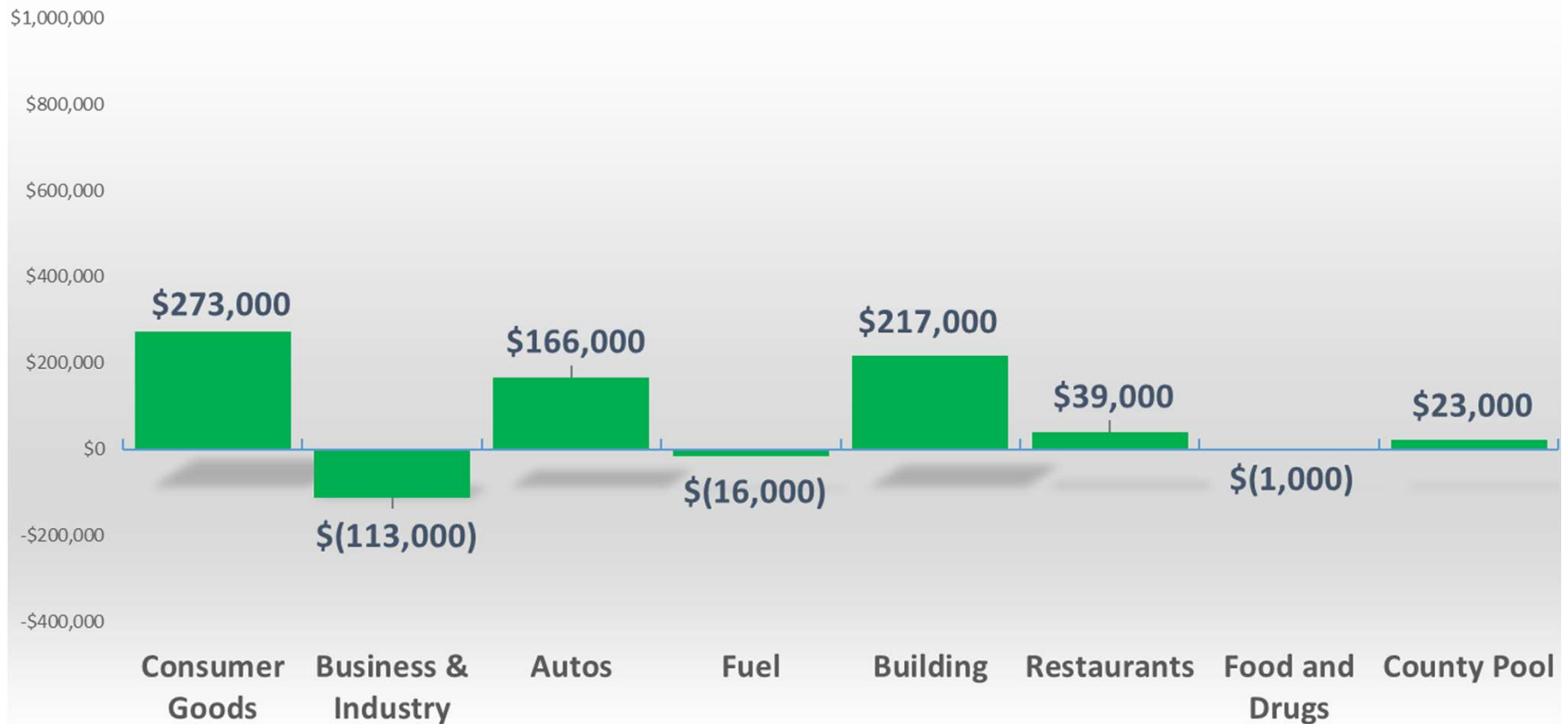


REGIONAL REPORT *Adjusted Sales Tax Growth*

Region	1Q21 vs 1Q20 % Change
Corona	+5.7%
Riverside County	+22.7%
Southern California	+9.0%
California	+9.5%

CORONA MAJOR GROUPS: 1Q21 vs 1Q20

Adjusted Receipts
\$ Increase (or Decrease) by Category



CORONA MAJOR INDUSTRY GROUPS (Top 5)

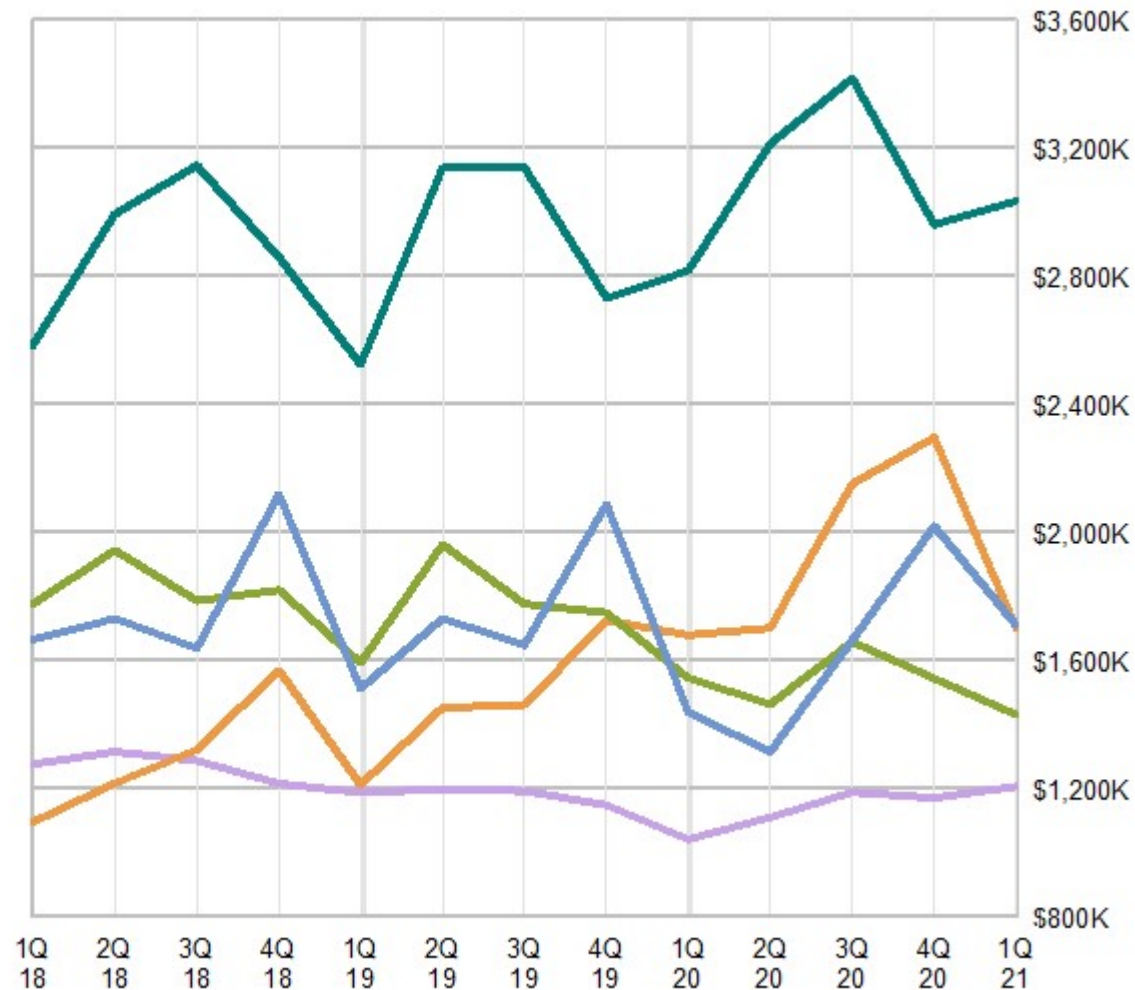
Building And Construction
Count: 253

General Consumer Goods
Count: 1,926

State & County Pools

Business And Industry
Count: 1,731

Autos And Transportation
Count: 486



CORONA MAJOR INDUSTRY GROUPS (Final 3)

Restaurants And Hotels

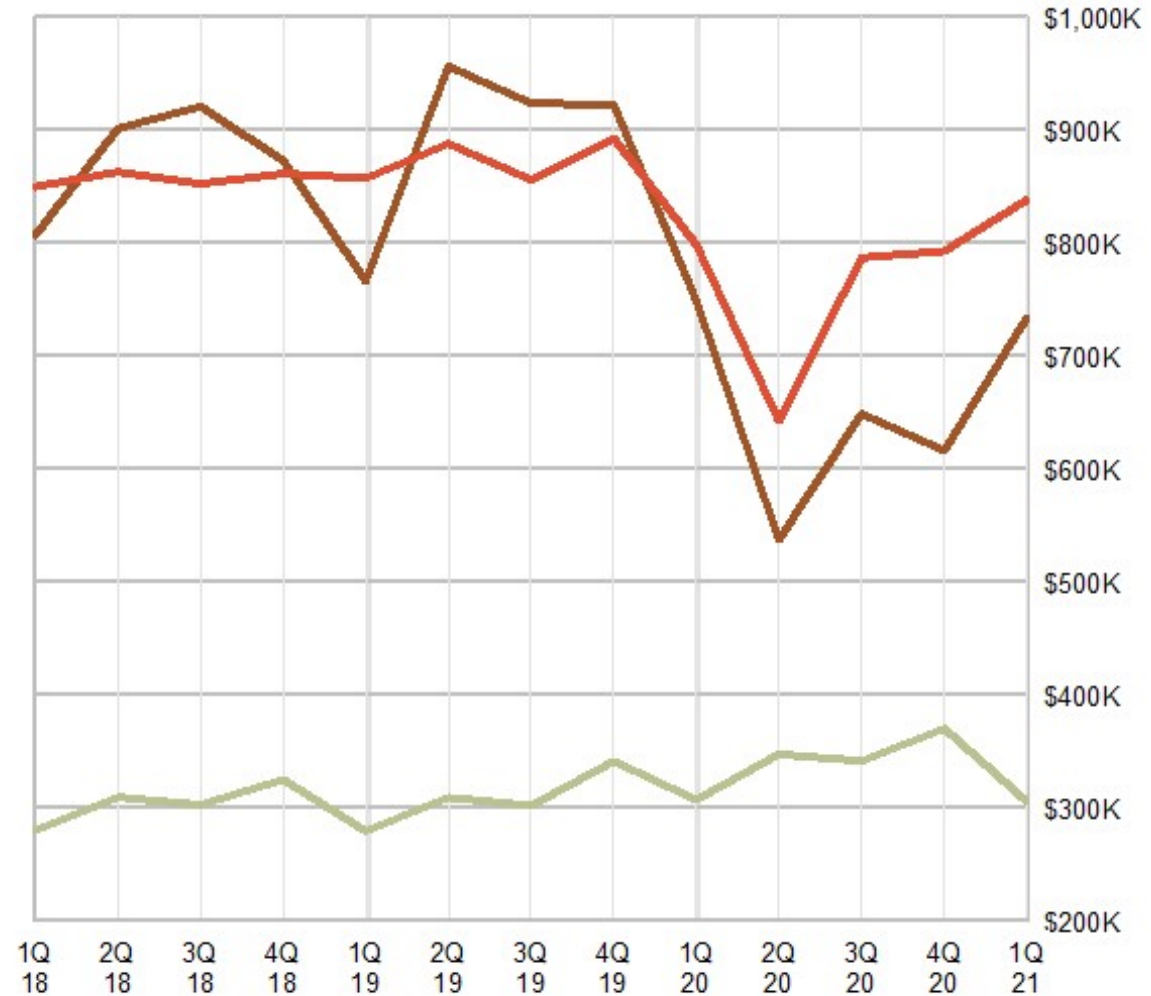
Count: 451

Fuel And Service Stations

Count: 58

Food And Drugs

Count: 154



CORONA

ADJUSTED POINT-OF-SALE - SALES TAX TREND

13 QTR Trend: +3.4%

