

# CITY OF BRAWLEY

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### BRAWLEY

TOTAL: \$ 697,914

1.4%  
1Q2021



10.9%  
COUNTY

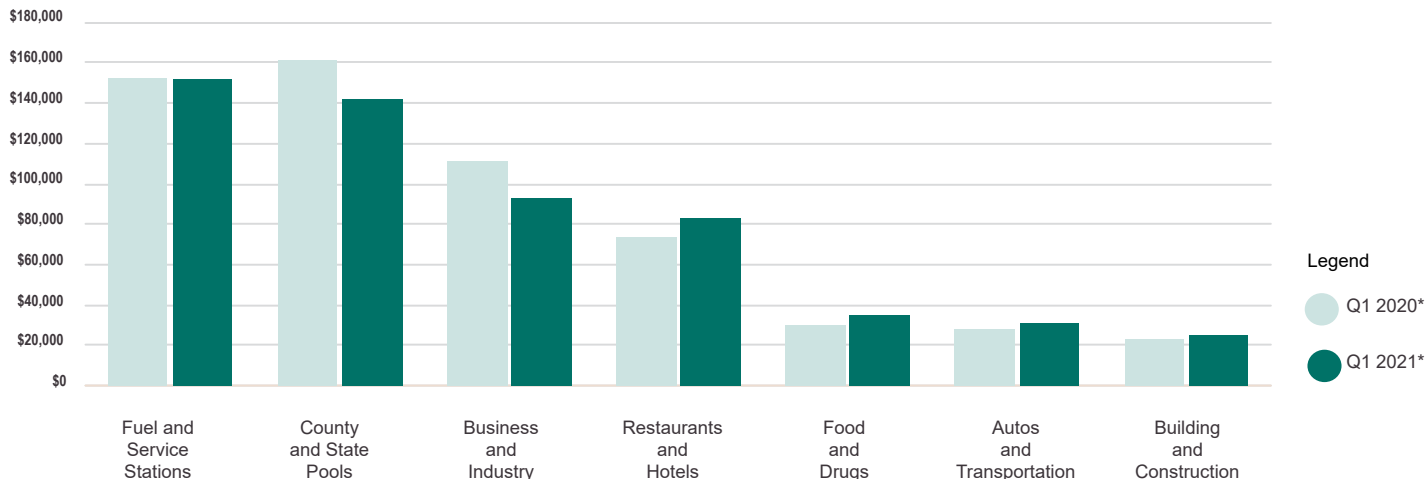


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF BRAWLEY HIGHLIGHTS

Brawley's receipts from January through March were 4.6% above the first sales period in 2020. However, adjustments for delayed payments, audits, and other reporting modifications resulted in actual sales that were up 1.4%.

Overall place of sale collections increased 5.5%, seemingly pulling out of the pandemic contraction. Autos-transportation receipts grew 11.7%, driven by auto supply and repair business activity. Home and building projects lifted building-construction revenues; and a boom in retail spending bolstered general consumer goods sales.

Contrary to statewide downward trends, quick service and casual dining receipts jumped up 13.5%. Additionally, at home dining assisted in bolstering spending in the food-drug category.

The City's share of the countywide use tax pool allocations slumped 12% - a result of growth in other agencies in the Imperial countywide pool. Pool revenues are primarily derived from taxes on in-state and out of state internet purchases.

Mirroring statewide trends, gas stations felt the pinch of fewer driving miles for the quarter. While some business-industry sales like farm/construction equipment performed well, other categories pulled down the overall results.

Net of modifications, taxable sales for all of Imperial County grew 10.9% over the comparable time period; the Southern California region was up 9.0%.



#### TOP 25 PRODUCERS

- |                       |                     |
|-----------------------|---------------------|
| Arco AM PM            | Pilot Travel Center |
| AutoZone              | RDO Water           |
| Brawley Ace Hardware  | Rite Aid            |
| Brawley Fuel & Food   | USA Gasoline        |
| Brawley Tractor Parts | Vons                |
| Circle K 76           | Walmart Supercenter |
| Circle K Shell        |                     |
| Dollar Tree           |                     |
| Fillco                |                     |
| HD Supply Waterworks  |                     |
| Jack in the Box       |                     |
| Johnnys Burritos      |                     |
| Jordan Implement      |                     |
| Lidco Imperial Valley |                     |
| McDonalds             |                     |
| McNeece Bros Oil      |                     |
| Ojeda Industries      |                     |
| O'Reilly Auto Parts   |                     |
| Pacific Ag Rentals    |                     |



## 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.

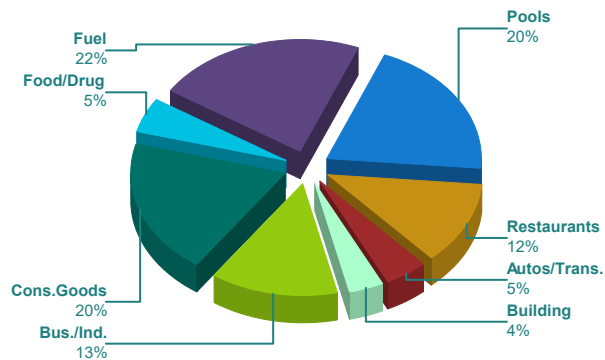
Although indoor dining was available in many counties, the recovery for restaurants

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

Brawley This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Brawley Business Type	Q1 '21	Change	County Change	HdL State Change
Service Stations	121,285	-4.0% ↓	-3.2% ↓	-4.0% ↓
Quick-Service Restaurants	70,924	17.4% ↑	2.7% ↑	1.1% ↑
Warehse/Farm/Const. Equip.	39,278	-1.6% ↓	16.1% ↑	7.4% ↑
Automotive Supply Stores	25,890	18.5% ↑	11.7% ↑	13.7% ↑
Repair Shop/Equip. Rentals	17,590	-19.5% ↓	-11.1% ↓	-4.2% ↓
Casual Dining	12,537	6.2% ↑	-28.2% ↓	-18.9% ↓
Convenience Stores/Liquor	10,626	27.3% ↑	10.7% ↑	10.9% ↑
Electronics/Appliance Stores	6,813	63.1% ↑	21.3% ↑	9.0% ↑
Auto Repair Shops	5,460	-12.2% ↓	-5.9% ↓	-8.7% ↓
Heavy Industrial	4,535	2.0% ↑	3.8% ↑	-4.0% ↓

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