

# CITY OF BRAWLEY

## SALES TAX UPDATE

### 1Q 2025 (JANUARY - MARCH)



#### BRAWLEY

TOTAL: \$ 813,643

-0.6%

1Q2025



-7.1%

COUNTY



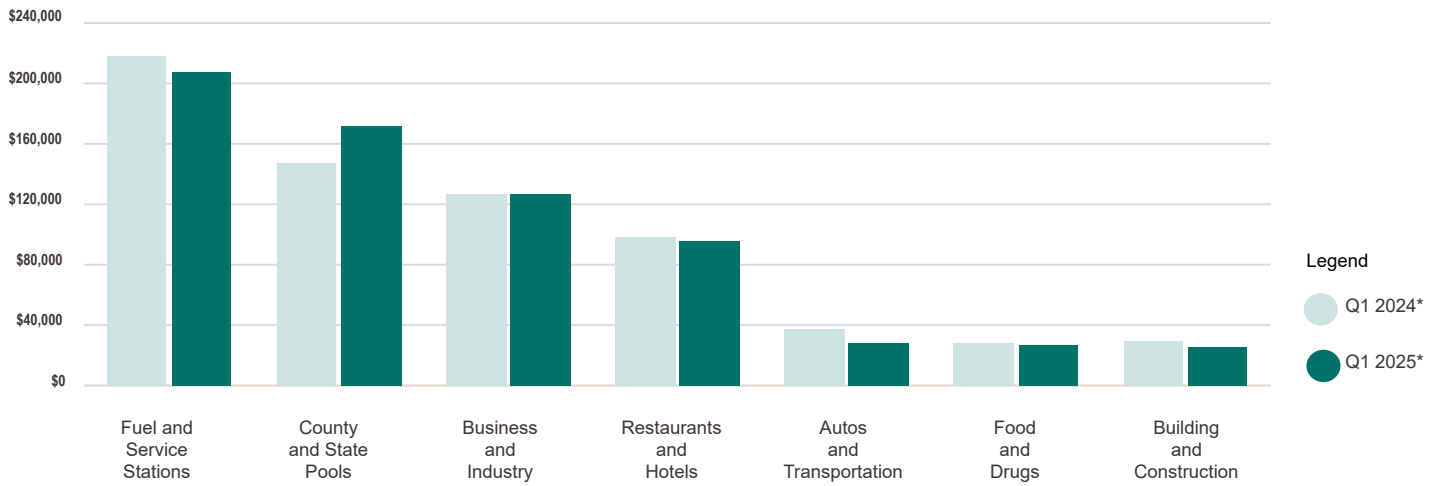
0.3%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF BRAWLEY HIGHLIGHTS

Brawley's gross receipts from January – March 2025 were down 6% compared to the first sales period in 2024. However, after adjusting for reporting modifications from audit adjustments and a number of delayed payments, actual sales were 0.6% lower. Most tax groups declined for the quarter as consumers pulled back on spending.

State confidentiality laws limit the amount of data that can be shared publicly.

The fluctuating price of crude oil directly affected fuel-service stations receipts – with revenues slipping 4.7%. Contraction in auto supply and repair related sales drove a 22% drop in autos-transportation.

While casual dining receipts increased with people enjoying the experience of dining out, a decline in quick-service

pulled down the restaurants-hotels group. All sectors of the food-drugs group, including convenience/liquor store sales, fell below last year's results. Building-construction returns also fell.

On the positive, the City's allocation from the countywide use tax improved 16.1% due to a larger pool share for the period and growth in pool payments. Business-industry revenues varied, but netted up slightly – assisted by repair shop/equipment rentals revenues.

Measure J, the City's newly voter-approved transactions and use tax, went into effect on April 1, 2025, and therefore no data is available for this quarter.

Net of adjustments, taxable sales for all of Imperial County declined 7.1% over the comparable time period; the Southern California region was flat.



#### TOP 25 PRODUCERS

Arco AM PM  
AutoZone  
Brawley Ace Hardware  
Brawley Tractor Parts  
Circle K Gas  
Dollar Tree  
Domino's Pizza  
Elms Equipment  
HD Supply Waterworks  
Jack in the Box  
Johnnys Burritos  
Jordan Implement  
Las Chabelas Restaurant  
Little Caesars  
McDonald's  
McNeece Bros Oil  
Ojeda Industries  
O'Reilly Auto Parts  
Pacific Ag Rentals

Pilot Travel Center  
Prime Fuel & Mini Mart  
RDO Equipment  
US Super Fuel Circle K  
Vons  
Walmart Supercenter



## STATEWIDE RESULTS

California's local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-

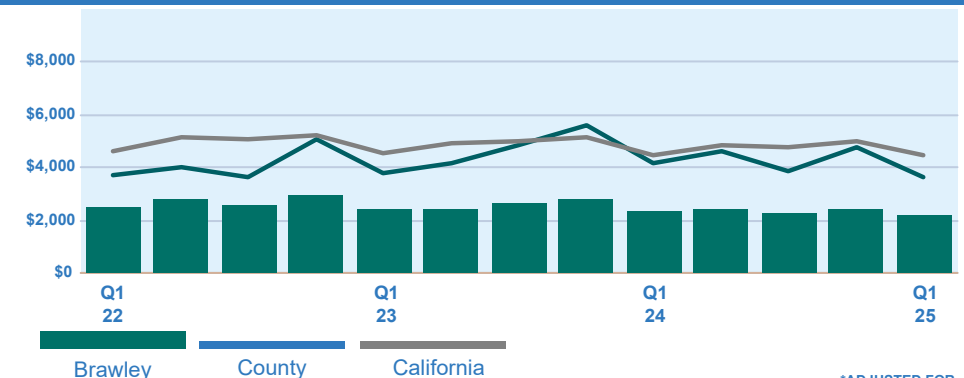
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping

alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, "uncertainty" remains the most accurate descriptor of California's current and future economic climate.

### SALES PER CAPITA\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Brawley Business Type	Q1 '25	Change	County Change	HdL State Change
Service Stations	141,172	-2.8% ↓	-11.5% ↓	-5.8% ↓
Quick-Service Restaurants	71,849	-6.2% ↓	-6.1% ↓	-0.9% ↓
Warehse/Farm/Const. Equip.	68,517	-1.5% ↓	19.3% ↑	-3.7% ↓
Repair Shop/Equip. Rentals	33,157	9.4% ↑	-4.7% ↓	-1.3% ↓
Automotive Supply Stores	21,456	-22.4% ↓	3.3% ↑	-0.4% ↓
Casual Dining	20,049	13.7% ↑	-0.5% ↓	1.3% ↑
Auto Repair Shops	7,029	-26.2% ↓	-29.7% ↓	-5.1% ↓
Convenience Stores/Liquor	5,699	-1.8% ↓	-7.4% ↓	-2.2% ↓
Heavy Industrial	4,672	5.0% ↑	-45.4% ↓	2.1% ↑
Electronics/Appliance Stores	4,050	29.4% ↑	-8.2% ↓	-0.5% ↓

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