

CITY OF BRAWLEY

SALES TAX UPDATE

4Q 2024 (OCTOBER - DECEMBER)



BRAWLEY

TOTAL: \$ 859,403

-10.3%

4Q2024



-14.1%

COUNTY



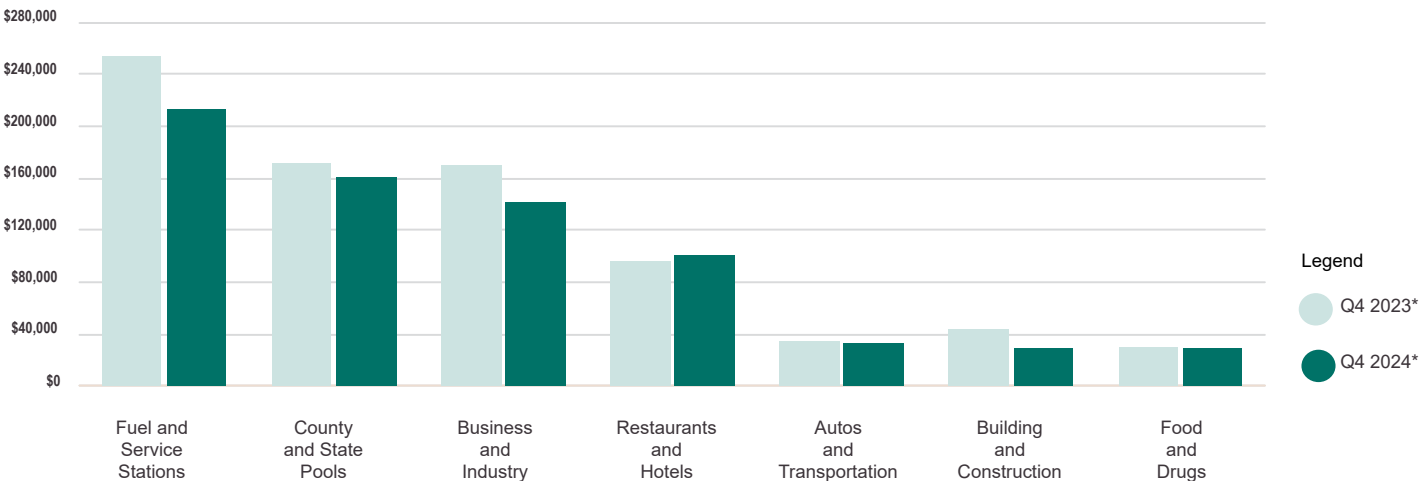
-1.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRAWLEY HIGHLIGHTS

Brawley's receipts from October through December were 11.7% below the fourth sales period in 2023. Excluding reporting aberrations, actual sales were down 10.3%.

Fuel-service stations felt shrinking returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand. In addition, the business-industry group saw bleak revenues from warehouse/farm/construction equipment and repair shops/equipment rentals.

Electronic/appliance experienced soft proceeds at stores as consumers limited their purchases.

The autos-transportation category had adverse proceeds from automotive supply stores and auto repair shops as

car owners choose to suspend servicing their vehicles. The restaurants-hotels group enjoyed modest gross receipts at casual dining primarily due to higher menu prices businesses implemented.

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

Net of aberrations, taxable sales for all of Imperial County declined 14.1% over the comparable time period; the Southern California region was down 1.2%.



TOP 25 PRODUCERS

Arco AM PM	Pacific Ag Rentals
AutoZone	Pilot Travel Center
Axis Mso	Prime Fuel & Mini Mart
Brawley Ace Hardware	RDO Equipment
Brawley Tractor Parts	Vons
Carl's Jr	Walmart Supercenter
Circle K Gas	
Circle K Shell	
Dollar Tree	
Domino's Pizza	
HD Supply Waterworks	
Jack in the Box	
Johnnys Burritos	
Jordan Implement	
Las Chabelas Restaurant	
Little Caesars	
McDonald's	
McNeece Bros Oil	
O'Reilly Auto Parts	



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they're more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/ low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/ luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county's use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments - consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a 'return to office' call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn't signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES TAX RATE BREAKDOWN

8.75%

State General Fund	3.9375%
City/County General Fund (Bradley-Burns)	1.0000%
Brawley Measure J (BRWJ)	1.0000%
County Public Safety (Prop 172)	0.5000%
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%
Countywide Transportation Fund	0.2500%
Imperial County Local Transportation Authority (ICLTA) (IMTA)	0.5000%

Tax Rate Effective April 01, 2025
8.7500%

TOP NON-CONFIDENTIAL BUSINESS TYPES

Brawley Business Type	Q4 '24	Change	County Change	HdL State Change
Service Stations	143,772	-9.9% ↓	-10.6% ↓	-12.9% ↓
Warehse/Farm/Const. Equip.	79,570	-12.0% ↓	8.2% ↑	-7.8% ↓
Quick-Service Restaurants	74,105	-1.2% ↓	-0.7% ↓	1.7% ↑
Repair Shop/Equip. Rentals	33,750	-18.9% ↓	-19.6% ↓	0.6% ↑
Automotive Supply Stores	23,467	-6.9% ↓	-0.6% ↓	1.0% ↑
Casual Dining	21,973	12.7% ↑	1.7% ↑	1.9% ↑
Auto Repair Shops	8,989	-12.8% ↓	-6.8% ↓	-5.1% ↓
Convenience Stores/Liquor	6,110	5.1% ↑	-2.9% ↓	-2.3% ↓
Light Industrial/Printers	5,300	22.6% ↑	16.5% ↑	-1.9% ↓
Heavy Industrial	5,038	-57.6% ↓	259.9% ↑	-2.8% ↓

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