

# CITY OF CORNING

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



#### CORNING

TOTAL: \$ 1,042,969

9.7%  
4Q2020



8.1%  
COUNTY

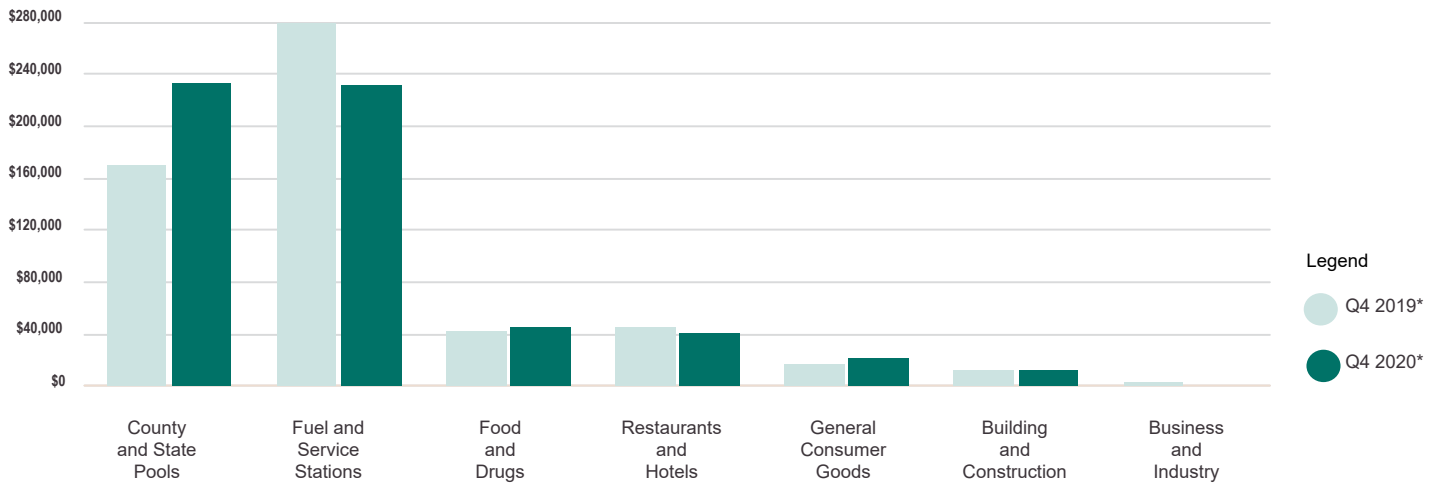


-2.0%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure A

TOTAL: \$297,321

0.1%



#### CITY OF CORNING HIGHLIGHTS

Corning's receipts from October through December were 7.1% above the fourth sales period in 2019. Excluding all reporting adjustments, receipts for this period were up 9.7%.

Absent the City's allocation from the use tax pool, which is swelling with new tax receipts triggered by the surge in online sales spawned by the pandemic, the results reflect a 3.9% increase in receipts.

This is still a very respectable outcome and one that is far better than expected at the start of the pandemic. Consumer optimism continues to surprise economists as spending on big ticket

items subsided only at the start of the pandemic but came roaring back once the stay at home orders were lifted.

Measure A's gains this period were from significant increases in the number of new and used cars along with RV's that were bought and registered in the City.

Net of adjustments, taxable sales for all of Tehama County grew 8.1% over the comparable time period while those of the Far North region were up 6.5%.



#### TOP 25 PRODUCERS

A Wireless  
AutoZone  
Burger King  
Chevron  
Corning Chevron  
Corning Ford Mercury  
Chrysler  
Corning Shell  
Corning Valero  
Dollar General  
Dollar Tree  
Jack in the Box  
Les Schwab Tire Center  
Liquor Cabinet 1  
Loves Travel Stop  
McDonalds

Mcoys Hardware & Farm Supply  
Napa Auto Parts  
O'Reilly Auto Parts  
Rite Aid  
Safeway  
Sav More  
Solano St Liquor & Grocery  
Speedco California  
TA & Petro Travel Centers  
Taco Bell



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national

presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

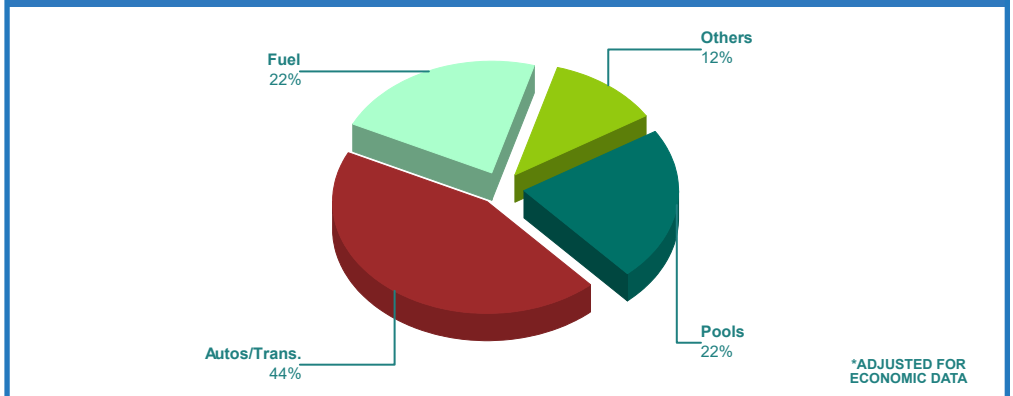
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset the declines. Greater online shopping signifying a permanent shift of consumer

habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP  
Corning This Quarter\*



SALES PER CAPITA\*

