

# Q1 2019



# City of Anderson Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2019)

## Anderson In Brief

Anderson's receipts from January through March were 11.1% above the first sales period in 2018. Excluding reporting aberrations, actual sales were up 6.9%.

The autos and transportation group posted solid gains boosted by the 13.2% increase in trailers/RVs category.

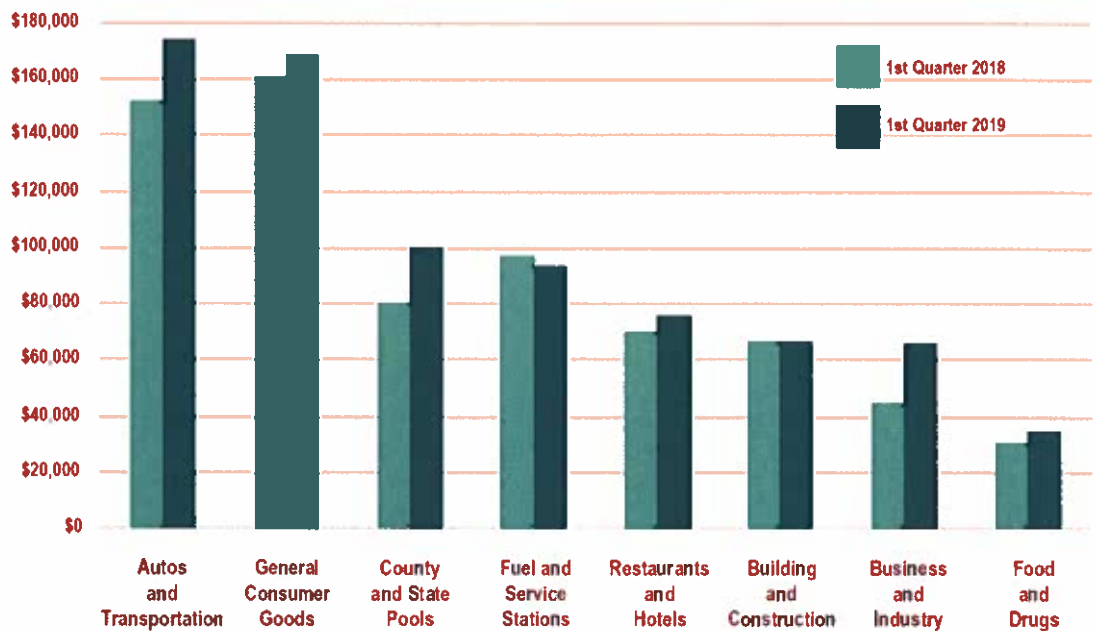
Double payments and a large one-time purchase inflated results in business and industry which posted gains of 23.6% after accounting for the double payments. An audit adjustment inflated results in general consumer goods which otherwise posted gains of 2.4%, partially boosted by a one-time sale.

Voter approved Measure A generated \$380,069 of revenue this quarter, also inflated by double payments.

A large one-time payment and reporting irregularities inflated results in the Shasta countywide pool. The city's pool allocation increased by \$20,317 due to the irregularities.

Net of aberrations, taxable sales for all of Shasta County grew 5.5% over the comparable time period; the Far North region was up 4.4%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

A Wireless	Norcal Kenworth Anderson
Ace Hardware Express	O'Reilly Auto Parts
Advanced Auto Wholesale	Outdoor Creations
Anderson Landfill	Payless Building Supply
Anderson RV Sales	Rite Aid
Arco AM PM	Safeway
B & B RV	Safeway Fuel
Beacon w/Mikes Food & Fuel	Systems Plus Lumber
Boot Barn	Taco Bell
Camping World RV	Tower Mart
Les Schwab Tire Center	Tractor Supply
McDonalds	USA Gas
	Walmart Supercenter

### REVENUE COMPARISON

Three Quarters - Fiscal Year To Date (Q3 to Q1)

	2017-18	2018-19
Point-of-Sale	\$1,975,308	\$2,273,576
County Pool	226,223	315,841
State Pool	1,242	1,178
<b>Gross Receipts</b>	<b>\$2,202,773</b>	<b>\$2,590,595</b>
<b>Measure A</b>	<b>\$1,041,423</b>	<b>\$1,281,271</b>

**Statewide Results**

Local sales and use tax receipts from January through March sales were 1.0% higher than the first quarter of 2018 after factoring out accounting anomalies and back payments from previous state reporting shortfalls. This was the lowest percentage increase since first quarter, 2010.

The growth came primarily from a solid quarter for purchases related to expanding logistics, medical and technology facilities and modest gains in building-construction supplies and restaurants. Cannabis sales produced a slight uptick in the food-drug group.

Lower fuel prices and declining general consumer good purchases offset the gains. The shift to internet purchases continued with online shopping accounting for 22.3% of the total general consumer goods segment versus 20.2% one year ago. Tax receipts from new car sales exhibited significant reductions although the drop was partially offset by an upswing in used autos and auto leases.

Regional changes ranged from a decline of 2.1% to gains as high as 4.4%. However, the differences were primarily attributable to onetime projects or capital purchases and not reflective of overall economic trends.

**Slower Growth Ahead?**

July marks ten years of continuous economic growth which is the longest period of U.S. economic expansion on record. However, analysts from a variety of economic segments are reporting signs that we may be leveling off.

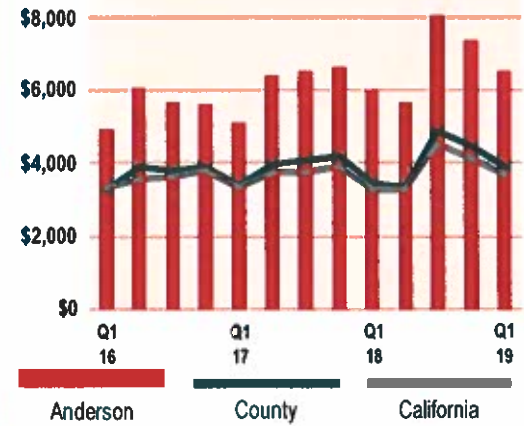
This quarter marked the eighth consecutive comparative period decline in California new car registrations with analysts noting that higher prices and a growing supply of vehicles coming off lease are making used cars more attractive. They also note that on-demand services such as Uber and Lyft are making it easier for debt-burdened millennials to avoid buying cars altogether.

Rising restaurant menu prices, renewed competition from grocer prepared meals, and cutbacks in foreign tourism appear to be reducing restaurant patronage which in recent years was one of the state's fastest growth segments. There will be an uptick in the second quarter's fuel-related tax receipts because of that period's refinery shutdowns; lower crude oil costs are expected to produce subsequent declines.

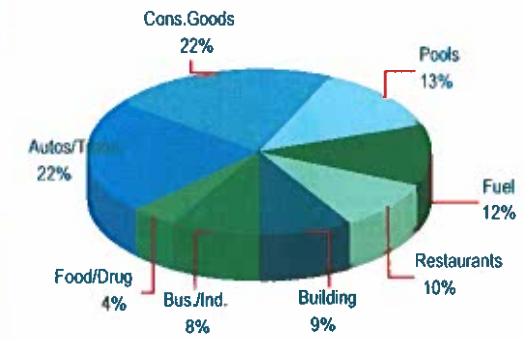
Uncertainty over U.S. tariff and trade policies plus labor shortages are delaying some investment and business expansion decisions while reduced home sales and two quarters of declining construction permit values suggest a potential future leveling in that sector. Investment in technological advances should continue and remain strong.

Economic shifts are not the only factor leveling sales tax revenues. With an economy based on intellectual technology rather than goods and consumer priorities shifting to non-taxable services and experiences, sales tax no longer reflects 21st century spending. Each year therefore, the portion of the economy that is taxed, shrinks.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Anderson This Quarter



**ANDERSON TOP 15 BUSINESS TYPES**

Business Type	Anderson		County	HdL State
	Q1 '19	Change	Change	Change
Automotive Supply Stores	19,535	8.5%	11.9%	8.8%
Building Materials	50,349	15.4%	7.3%	4.0%
Casual Dining	24,110	11.4%	18.2%	13.3%
Contractors	15,462	-31.9%	-6.4%	4.8%
Discount Dept Stores	— CONFIDENTIAL —	—	2.8%	2.9%
Family Apparel	12,794	3.7%	8.4%	7.1%
Garden/Agricultural Supplies	— CONFIDENTIAL —	—	44.4%	3.7%
Grocery Stores	— CONFIDENTIAL —	—	18.5%	25.7%
Light Industrial/Printers	16,463	287.6%	32.6%	13.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	-1.3%	-1.8%
Quick-Service Restaurants	42,202	5.8%	9.2%	10.1%
Service Stations	88,626	-2.9%	0.0%	15.8%
Shoe Stores	— CONFIDENTIAL —	—	19.2%	-0.6%
Trailers/RVs	99,406	13.2%	33.1%	-0.8%
Used Automotive Dealers	13,791	6.9%	20.5%	13.4%
<b>Total All Accounts</b>	<b>680,188</b>	<b>9.3%</b>	<b>13.4%</b>	<b>13.5%</b>
<b>County &amp; State Pool Allocation</b>	<b>100,275</b>	<b>25.4%</b>	<b>30.1%</b>	<b>23.8%</b>
<b>Gross Receipts</b>	<b>780,463</b>	<b>11.1%</b>	<b>15.3%</b>	<b>14.9%</b>