

CITY OF PASO ROBLES

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



PASO ROBLES

TOTAL: \$ 2,701,594

14.1%
1Q2021



17.0%
COUNTY

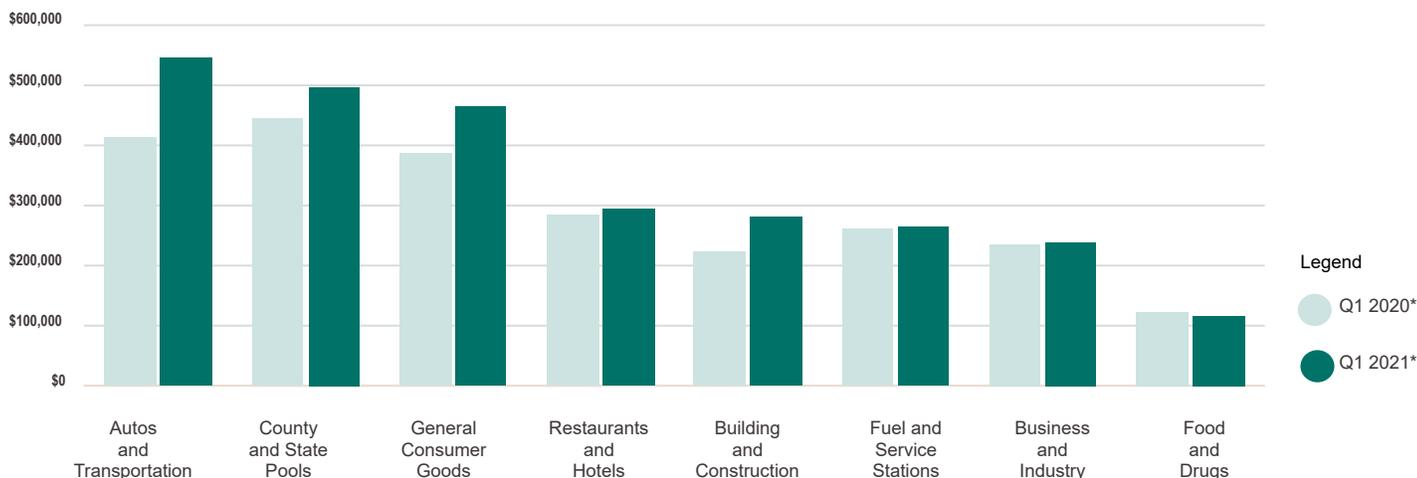


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Supplemental Tax

TOTAL: \$1,291,517

↑ 15.3%



CITY OF PASO ROBLES HIGHLIGHTS

Paso Robles' receipts from January through March were 32.9% above the first sales period in 2020. Excluding reporting aberrations, actual sales were up 14.1%.

The variance between cash receipts and actual sales was due mainly to businesses taking advantage of the tax deferral programs put in place in the first quarter of 2020 at the onset of the pandemic. Locally, point of sale receipts were up 14.9% as most business sectors were higher.

The automotive group continued its strong surge as new auto sales rose 28.2%, trailers/RVs grew 97.2% and

boats/motorcycles were up 70.0%. Building and construction supply sales also remained strong, up 25.5%. Double-digit growth in multiple retail categories pushed general consumer goods up 20.4%, surpassing pre-pandemic levels. Business and industry, fuel sales and restaurants all posted modest gains.

The City's allocation from the countywide use tax pool increased 20.3% as pool receipts remained strong.

Net of aberrations, taxable sales for all of San Luis Obispo County grew 17.0% over the comparable time period; the Central Coast region was up 9.7%.



TOP 25 PRODUCERS

ABC Supply Co	Paso Robles Chevrolet
Albertsons	Paso Robles Ford
Arco AM PM	Paso Robles Kia
Big Creek Lumber	Ross
Borjon Auto Center	Sky River RV
Buick GMC	Smart & Final
Eagle Energy 76	South Paso Chevron
Golden Hill Mobil	Speedway Express
Idler's Home	Target
JB Dewar	TJ Maxx
Kohls	Tractor Supply
Lowe's	Walmart
McDonalds	
Mullahey Chrysler	
Dodge Jeep Ram	



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.

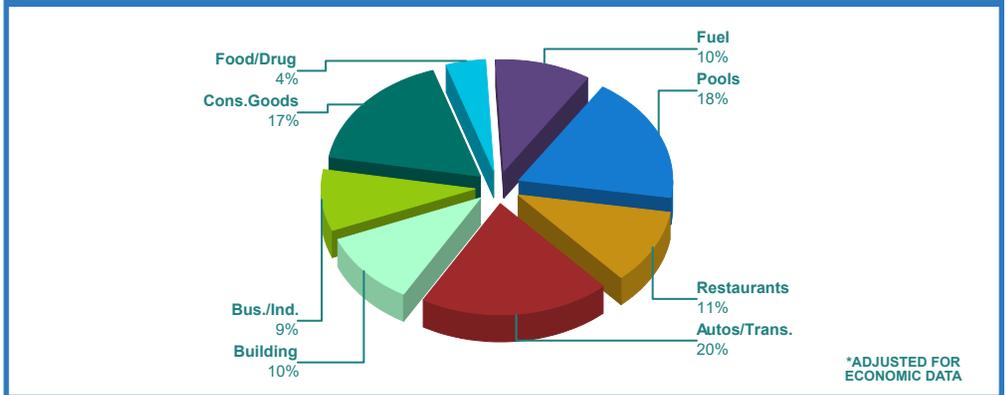
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to 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 Paso Robles This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Paso Robles Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	344.3	28.2% ↑	30.1% ↑	33.2% ↑
Service Stations	238.0	1.1% ↑	0.4% ↑	-4.1% ↓
Building Materials	193.6	22.1% ↑	20.8% ↑	18.9% ↑
Casual Dining	136.8	1.9% ↑	-4.2% ↓	-18.9% ↓
Quick-Service Restaurants	96.2	11.9% ↑	10.9% ↑	1.0% ↑
Grocery Stores	69.3	-7.9% ↓	-4.6% ↓	-6.2% ↓
Family Apparel	57.0	50.6% ↑	38.9% ↑	20.5% ↑
Automotive Supply Stores	56.2	17.3% ↑	12.7% ↑	13.7% ↑
Garden/Agricultural Supplies	53.6	9.9% ↑	13.4% ↑	8.8% ↑
Electronics/Appliance Stores	47.8	31.9% ↑	5.3% ↑	9.0% ↑

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*In thousands of dollars