

CITY OF COLUSA

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



COLUSA

TOTAL: \$ 387,398

-6.1%

1Q2022



6.5%

COUNTY



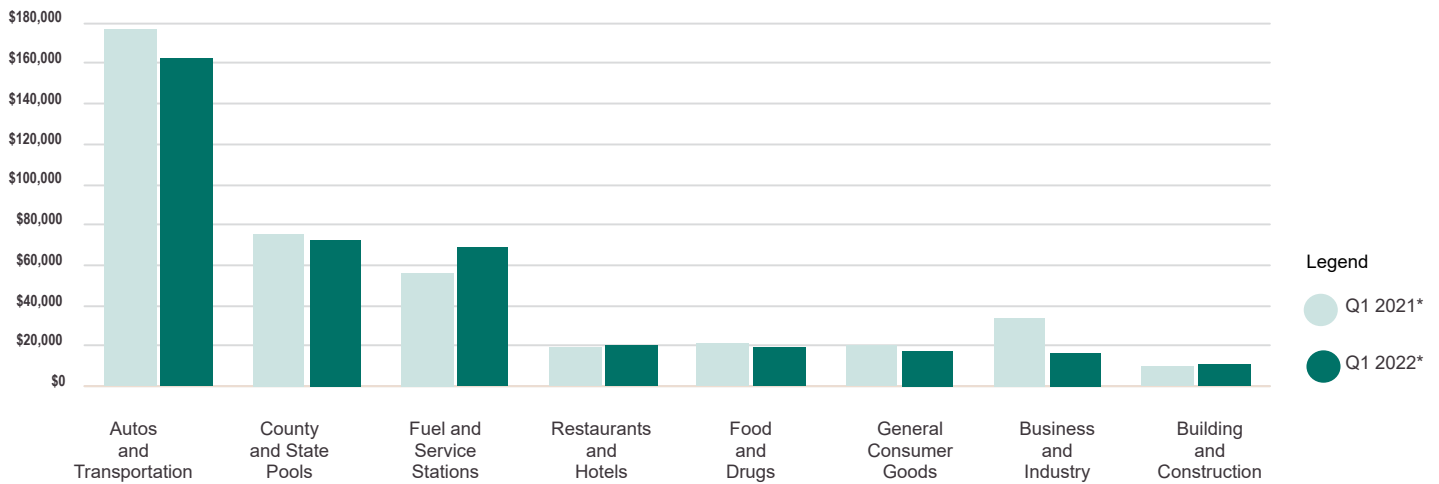
17.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF COLUSA HIGHLIGHTS

Colusa's receipts from January through March were 4.9% below the first sales period in 2021. Excluding reporting aberrations, actual sales were down 6.1%.

Weaker demand within the automotive sector may be the result of supply chain disruptions for mixed results within business segments in the group. Many people have opted to invest in repairs/maintenance of their vehicles improving receipts at auto repair shops and supply stores. Fuel sales strengthened as the Russia Ukraine crisis contributed to restricted supplies along with record crude oil prices pushing prices higher at the pump.

Restaurants realized modest gains this quarter as patrons remain unfazed by higher menu price, especially enjoying dining at casual eateries. This sector has faced ongoing challenges post pandemic

with supply costs and labor shortages that may impact operational hours.

Unlike the statewide trend which reported steady growth in the business-industry group, activity declined in part due to onetime activity reported last year, and influenced by materials shortages. During this post-holiday period, general consumer goods sales declined as consumers felt the pinch with higher food and fuel prices.

The countywide use tax pool results decreased with lower general merchandise and specialty store sales; although the pools remain a solid source of local revenues for e-commerce activity for consumer and business sales.

Net of aberrations, taxable sales for all of Colusa County grew 6.5% over the comparable time period; the Far North region was up 3.4%.



TOP 25 PRODUCERS

Ace Hardware
AutoZone

Burger King

Chevron

Country Stop

Davie's Oil

Dollar General

Donald's Litchfield

Dos Rios

Hoblit Chevrolet Buick
GMC

Hoblit Motors Ford

Holiday Quality Foods

Jackpot Food Mart Of
Colusa

Jeff's Freezette

Kittles Outdoor & Sport
Co

Kwik Stop

Les Schwab Tire Center

Napa Auto Parts

Rite Aid

Round Table Pizza

Selovers Paint & Body

Shop N Save

Superior Tire Service

Valdez Eazy Tow Trailers

Wilbur Ellis



STATEWIDE RESULTS

California's local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven't yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

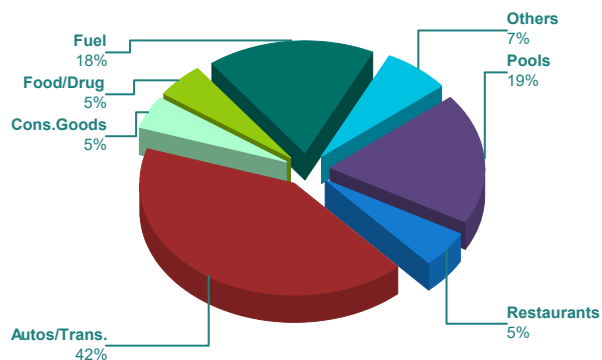
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP Colusa This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Colusa Business Type	Q1 '22	Change	County Change	HdL State Change
Service Stations	25,327	-5.8% ↓	27.4% ↑	43.4% ↑
Automotive Supply Stores	24,324	8.2% ↑	8.5% ↑	4.6% ↑
Casual Dining	10,306	20.0% ↑	37.0% ↑	55.7% ↑
Quick-Service Restaurants	9,881	-8.7% ↓	-11.1% ↓	7.8% ↑
Auto Repair Shops	2,200	14.5% ↑	8.6% ↑	18.7% ↑
Auto Lease	577	-34.8% ↓	-31.8% ↓	-7.5% ↓

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