

CITY OF COLUSA

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



COLUSA

TOTAL: \$ 382,458

-19.6%

2Q2024



0.3%

COUNTY



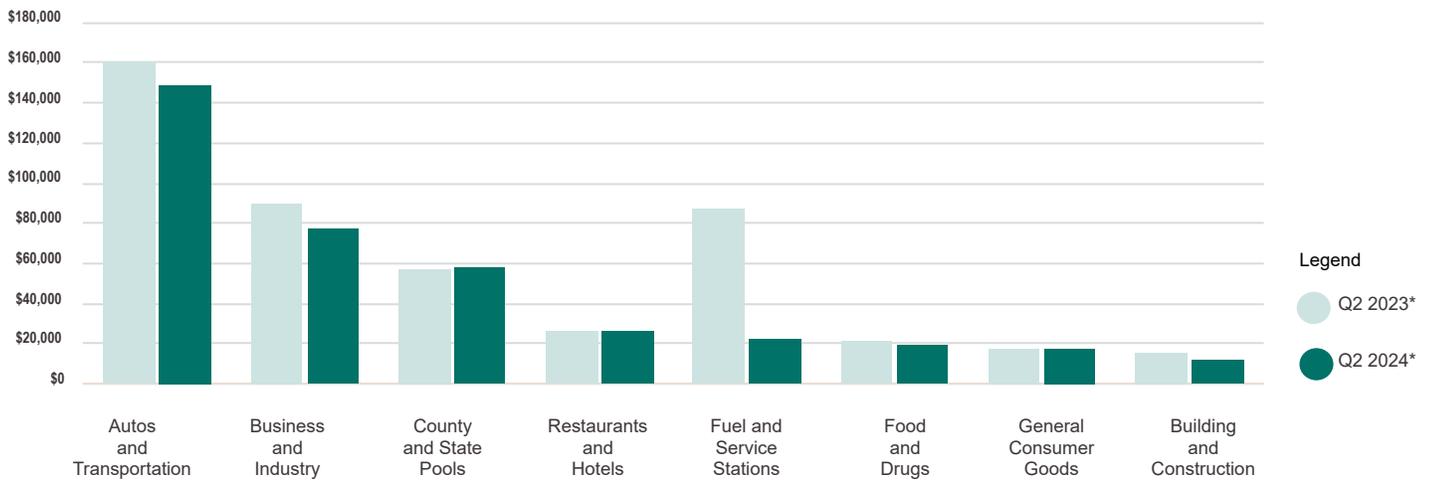
-0.7%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF COLUSA HIGHLIGHTS

Colusa's receipts from April through June were 15.5% below the second sales period in 2023. Excluding reporting aberrations, actual sales were down 19.6%.

The business-industry group experienced weak revenues from garden/agricultural supply vendors during this quarter.

Furthermore, service stations saw dismal gross receipts at the pumps as increased fuel supply stabilizes while advantages to consumers is challenging for sales tax revenue due to the declining demand.

Likewise, the food-drug category had discouraging proceeds with returns of -7.8% compared to the statewide average of -2.1%.

State and county pools, the City's third largest income category, had encouraging gains with a 1.9% return because several businesses in the pool performed well.

In addition, the restaurant-hotel sector showed promising profits at casual dining establishments, primarily due to higher menu prices businesses implemented during this period.

Net of aberrations, taxable sales for all of Colusa County increased 0.3% over the comparable time period; the Far North region was down 0.3%.



TOP 25 PRODUCERS

Ace Hardware
AutoZone
Burger King
Chevron
Country Stop
Dollar General
Dos Rios
Enterprise Fm Trust
Griffs Feed & Seed
Hoblit Chevrolet Gmc
Hoblit Motors Ford
Holiday Quality Foods
Jeff's Freezette
Kittles Outdoor & Sport Co
Kwik Stop
Les Schwab Tire Center
Little Caesars Pizza
Napa Auto Parts
Rite Aid

Rocco's Bar & Grill
Round Table Pizza
Simplot Grower Solutions
Superior Tire Service
T B Tools
Wilbur Ellis



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it's only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men's and women's apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper's preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

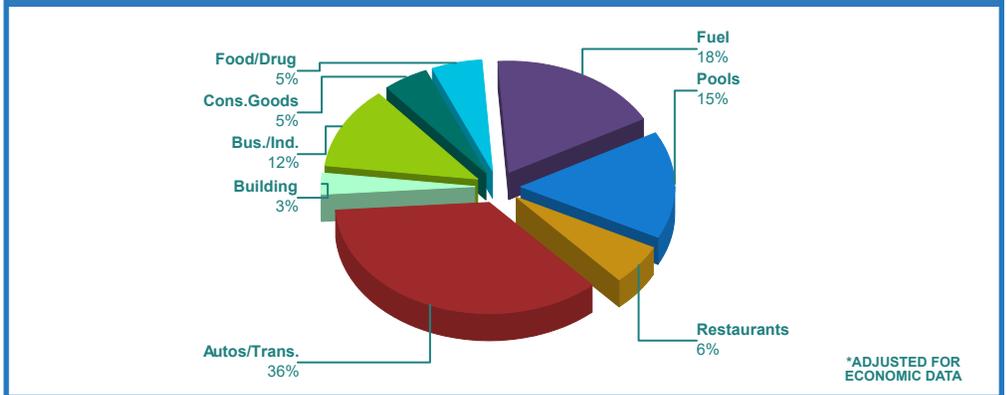
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted - state law increasing California's minimum wage at designated eateries - third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

REVENUE BY BUSINESS GROUP Colusa This Fiscal Year*



SALES PER CAPITA*

