

TOWN OF TRUCKEE

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



TRUCKEE

TOTAL: \$ 1,975,967

-3.1%

3Q2024



-5.5%

COUNTY



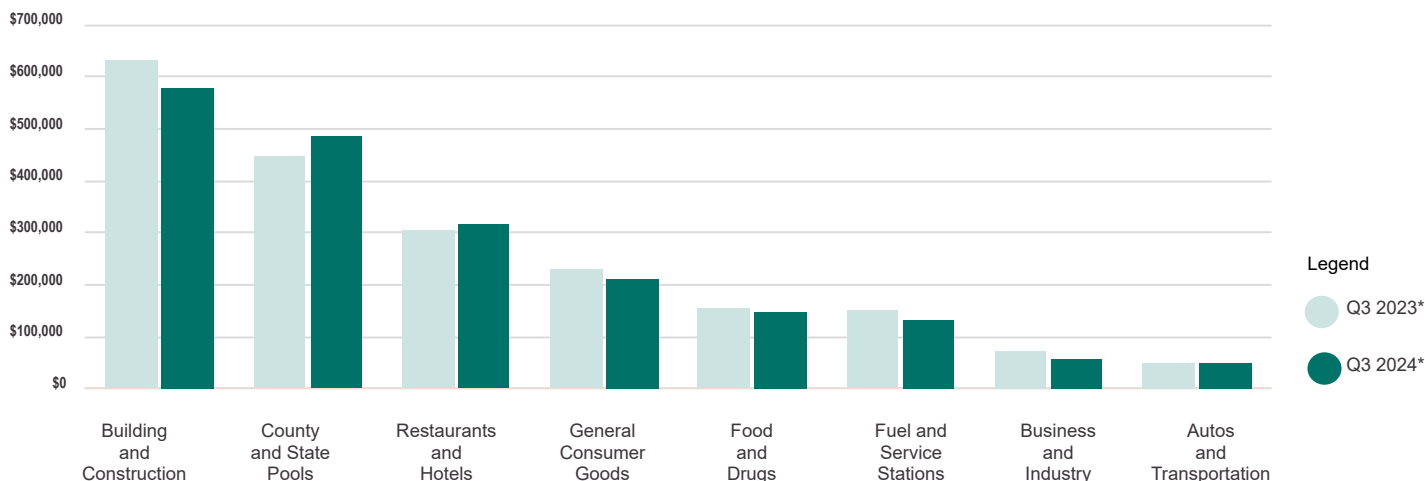
-2.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$1,043,387



-8.5%

Measure R

TOTAL: \$512,272



TOWN OF TRUCKEE HIGHLIGHTS

Truckee's receipts from July through September were 2.3% above the third sales period in 2023. Excluding reporting aberrations, actual sales were down 3.1%.

Multiple groups posted weaker returns as consumers and businesses continued to deal with tight credit conditions and economic uncertainty. Building-construction projects slowed as interest rates remained elevated during the summer, leading some consumers to postpone costly improvements focus more on repairs.

Service station sales slipped with crude oil pricing more stable making it more

affordable to fill-up for a tank of gas. While advantageous for the consumer, it equates to less tax revenue.

General consumer goods fell with double-digit drops from home furnishings and sporting goods, although cost conscious shoppers making purchases at family apparel stores helped boost the group. The food-drugs sector was hurt by a business closure.

People still enjoy dining out or takeout meals, although some gains can be attributed to higher menu pricing with the minimum wage requirement last April.



TOP 25 PRODUCERS

Al Pombo	Raley's O-N-E Market
Bar Of America	Safeway
Chevron	Save Mart
Edges Electrical Group	Sierra Mountain Pipe & Supply
Fast Lane Gas	Tahoe Donner Association
Ferguson Plumbing Supply	Teichert Aggregates
J & L Shell & Food	Tnt Materials
Marsh Ventures	Truckee Paint Mart
McDonald's	Truckee Shell
Moodys Bistro Bar & Beats	Truckee Tahoe Lumber Company
Mountain Hardware & Truckee Rentals	Western Nevada Supply
Mountain Home Center	
Outdoor Living Supply	
Pavilion	



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

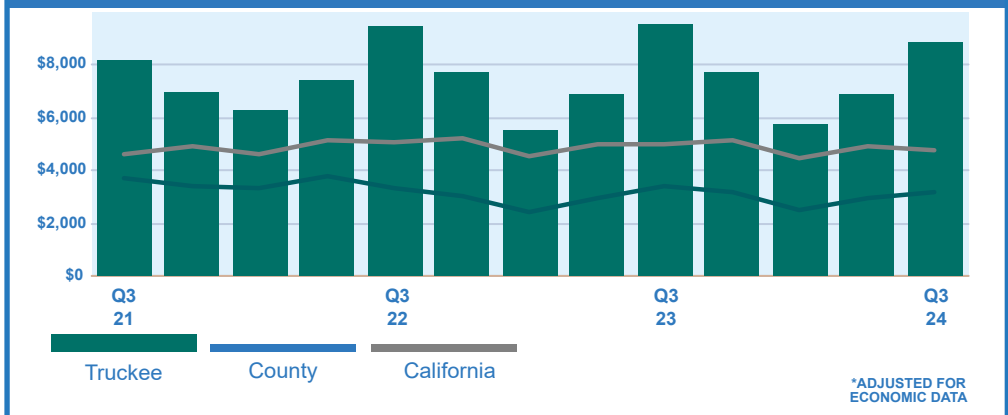
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Truckee Business Type	Q3 '24*	Change	County Change	HdL State Change
Building Materials	257.1	-10.6% ↓	-9.7% ↓	-4.2% ↓
Contractors	246.7	-8.6% ↓	-12.3% ↓	-1.8% ↓
Casual Dining	183.4	-1.4% ↓	-2.2% ↓	1.1% ↑
Service Stations	130.8	-13.1% ↓	-8.3% ↓	-12.8% ↓
Grocery Stores	101.5	3.8% ↑	-0.8% ↓	1.4% ↑
Home Furnishings	52.4	-11.1% ↓	-3.4% ↓	-6.8% ↓
Sporting Goods/Bike Stores	47.7	-17.2% ↓	-17.4% ↓	-4.3% ↓
Paint/Glass/Wallpaper	43.5	6.4% ↑	2.8% ↑	4.5% ↑
Quick-Service Restaurants	40.2	5.4% ↑	-2.5% ↓	1.0% ↑
Plumbing/Electrical Supplies	29.8	-2.9% ↓	-2.6% ↓	-3.1% ↓

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*In thousands of dollars