

TOWN OF TRUCKEE

SALES TAX UPDATE

4Q 2024 (OCTOBER - DECEMBER)



TRUCKEE

TOTAL: \$ 1,660,961

-7.3%

4Q2024



-4.5%

COUNTY



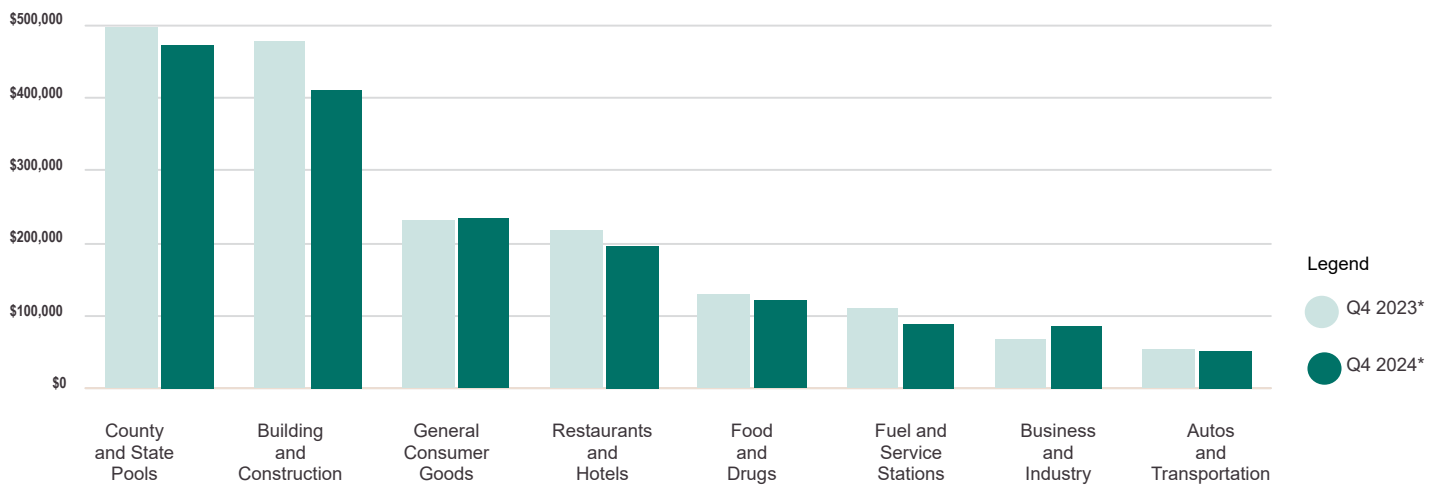
-1.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$984,783

↓ -2.0%

Measure R

TOTAL: \$28,274



Measure U

TOTAL: \$918,695



TOWN OF TRUCKEE HIGHLIGHTS

Truckee's receipts from October through December were 8.7% below the fourth sales period in 2023. Excluding reporting aberrations, actual sales were down 7.3%.

Weather variations year to year can impact this 4th quarter; ski season started about a month later than the previous year.

Restaurants were down with slowing in receipts, but also a reporting irregularity is decreasing receipts. In building materials this quarter there were changes in some business; statewide building-construction is seeing slowing. Fuel & service stations were down this quarter as prices at the pump were lower than in the comparable quarter.

There were a few bright spots. The increase of business-industry was due to one-time use tax allocations.

Voter approved Measure V posted 2% declines, impacted by the above and furthered by one-time allocations in the comparable quarter. Measure R was winding down this quarter while Measure U started reporting this quarter and Measure E will begin being collected April 2025.

Net of aberrations, taxable sales for all of Nevada County declined 4.5% over the comparable time period; the Far North region was down 3.7%.



TOP 25 PRODUCERS

Associated Building Supply
Chevron
Edges Electrical Group
Fast Lane Gas
Ferguson Plumbing Supply
INX - Presidio Solutions
J & L Shell & Food
Moody's Bistro Bar & Beats
Mountain Hardware & Truckee Rentals
Mountain Home Center
O'Reilly Auto Parts
Raley's O-N-E Market
Safeway

Siemens Medical Solutions
Sierra Mountain Pipe & Supply
Sports Exchange
Start Haus
Stones Country Tire
Teichert Aggregates
Tnt Materials
Truckee Laundry
Truckee Paint Mart
Truckee Shell
Truckee Tahoe Lumber Company
Western Nevada Supply



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they're more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/ low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/ luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county's use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments - consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a 'return to office' call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn't signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES TAX RATE BREAKDOWN

9%

| | |
|--|---------|
| State General Fund | 3.9375% |
| City/County General Fund (Bradley-Burns) | 1.0000% |
| Truckee Measure U (TTTU) | 0.5000% |
| Truckee Measure E (TRUC) | 0.5000% |
| Truckee Measure V (TRSR) | 0.5000% |
| County Public Safety (Prop 172) | 0.5000% |
| County Realignment (Mental Health/Welfare/Public Safety) | 1.5625% |
| Countywide Transportation Fund | 0.2500% |
| Nevada County Measure A (NEVL) | 0.2500% |

Tax Rate Effective April 01, 2025

9.0000%

TOP NON-CONFIDENTIAL BUSINESS TYPES

| Truckee Business Type | Q4 '24* | Change | County Change | HdL State Change |
|------------------------------|---------|----------|---------------|------------------|
| Building Materials | 216.8 | -12.5% ↓ | -11.2% ↓ | -3.4% ↓ |
| Contractors | 140.1 | -18.1% ↓ | -23.2% ↓ | -4.8% ↓ |
| Casual Dining | 119.7 | -12.5% ↓ | -8.1% ↓ | 1.9% ↑ |
| Grocery Stores | 84.0 | -2.9% ↓ | -2.1% ↓ | -0.9% ↓ |
| Service Stations | 81.1 | -20.5% ↓ | -11.3% ↓ | -12.9% ↓ |
| Sporting Goods/Bike Stores | 68.3 | 5.4% ↑ | 2.3% ↑ | -7.1% ↓ |
| Home Furnishings | 59.6 | -13.4% ↓ | -1.7% ↓ | -1.9% ↓ |
| Plumbing/Electrical Supplies | 29.5 | -6.3% ↓ | -3.6% ↓ | -0.6% ↓ |
| Quick-Service Restaurants | 28.0 | -1.5% ↓ | -3.3% ↓ | 1.7% ↑ |
| Automotive Supply Stores | 28.0 | -15.1% ↓ | -5.3% ↓ | 1.0% ↑ |

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*In thousands of dollars