



# STAFF REPORT

DATE: 02/05/2025  
TO: Honorable Mayor and City Council Members  
FROM: Finance Department

---

**2025-33**

## REQUEST FOR CITY COUNCIL ACTION

**SUBJECT:**  
QUARTERLY SALES TAX REPORT – 2024, QUARTER 3 (JULY – SEPTEMBER)

**EXECUTIVE SUMMARY:**

The City of Corona contracts with HdL Companies to provide sales tax consulting services, including quarterly data reports. The sales tax report for the third quarter of 2024 is provided to the City Council as a receive and file item.

**RECOMMENDED ACTION:**

That the City Council receive and file the quarterly sales tax information from HdL Companies for Quarter 3 2024 (July – September).

**BACKGROUND & HISTORY:**

HdL Companies is contracted to provide sales tax consulting services for the City. They review and analyze the City's sales tax activity quarterly. Their resources provide them with information to understand sales tax trends and how the City performs compared to agencies near Corona, agencies in Riverside County, Southern California, and the State. There is a one-quarter lag in when the information is available to HdL Companies for their review and analysis.

**ANALYSIS:**

Below are the Quarter 3 2024 (July – September) sales tax highlights. The attached newsletter and consensus forecast documents provide additional details.

**Quarter 3 2024 (July – September)**

Corona’s Bradley-Burns sales tax receipts from July through September 2024 were 1.5% lower than the same period in 2023. Excluding reporting anomalies, actual sales decreased by 1.2%

Lower crude oil prices this year, compared to last year’s high levels driven by OPEC production cuts and geopolitical conflicts, negatively impacted tax receipts for fuel service stations, including discount department stores that sell fuel. Automobile sales struggled due to high prices, elevated financing rates, and limited credit availability, which strained consumers’ budgets. The sale of building materials also declined as the real estate market remained stagnant. However, a local plumbing/electric supply distributor posted a strong quarter, and the sale of contractor supplies advanced modestly. A large machinery purchase also boosted heavy industrial returns.

Measure X, the voter-approved district tax, performed similarly overall to the Bradley-Burns results previously discussed. Net of anomalies, Riverside County's taxable sales decreased by 3.2% during this period, and the Southern California region also saw a 2.3% decline.

**FINANCIAL IMPACT:**

There is no financial impact associated with the recommended action.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to receive and file a quarterly sales tax report, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required

**PREPARED BY:** KIM SITTON, FINANCE DIRECTOR

**REVIEWED BY:** BRETT CHANNING, ASSISTANT CITY MANAGER

**ATTACHMENTS:**

1. Exhibit 1 – 2024-Q3 Sales Tax Update Newsletter
2. Exhibit 2 – HdL California Consensus Forecast Dec 2024