

CITY OF CORONA

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



CORONA

TOTAL: \$ 15,387,230

-1.2%

3Q2024



-3.2%

COUNTY



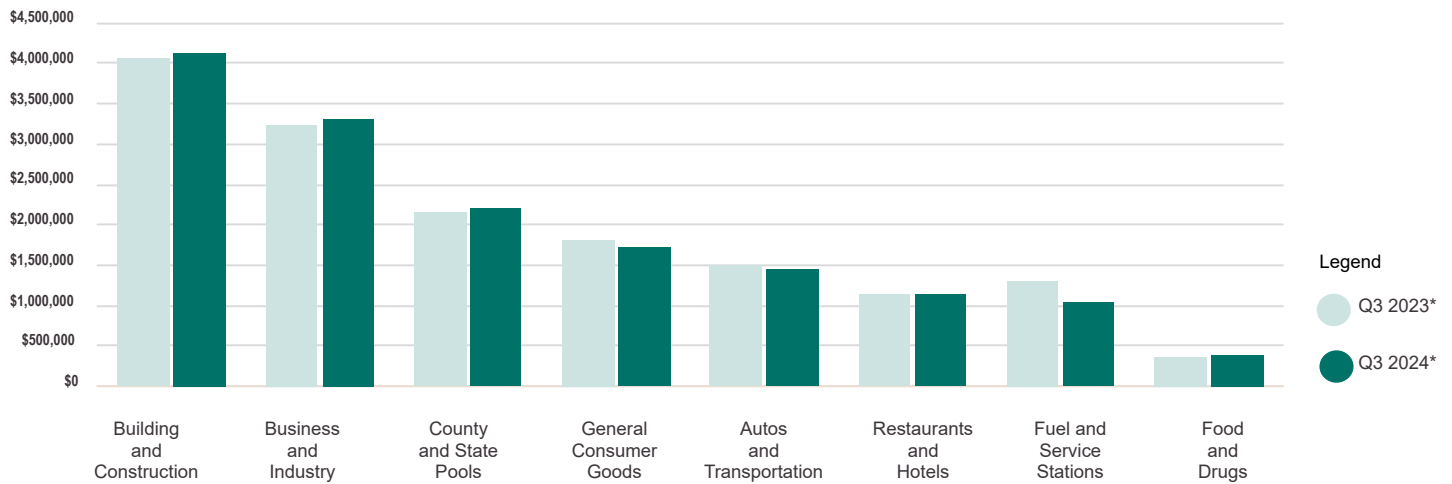
-2.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$10,642,880

↓ -1.8%



CITY OF CORONA HIGHLIGHTS

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

Lower prices for crude oil this year, compared to last year's high levels driven by OPEC production cuts and geopolitical conflicts, negatively impacted tax receipts for discount department stores that sell fuel, as well as local fuel-service stations.

Automobile sales continued to struggle 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.

Voter-approved district tax, Measure X, performed similarly overall to the Bradley-Burns results previously discussed.

Net of anomalies, taxable sales for all of Riverside County declined by 3.2% over the comparable time period, while the Southern California region saw a decrease of 2.3%.



TOP 25 PRODUCERS

Agile Sourcing Partners
All American Asphalt
Amazon Com Services
Amazon MFA
American Electric Supply
CardinaleWay Hyundai
Corona Nissan
Costco
Culver Newlin
Downs Energy
Duralum Products
Ganahl Lumber Company
Guest Supply
Home Depot

Larry H Miller Toyota Corona
Robertsons Ready Mix
Sams Club w/ Fuel
South Coast Fire Equipment
Spren Honda Corona
Stater Bros
Target
Vulcan Materials
Walmart Supercenter
West Coast Copper Supply



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.

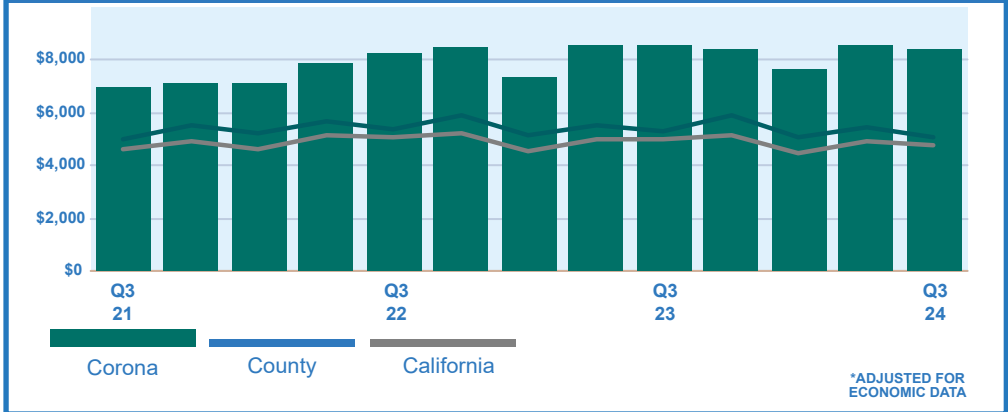
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the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

Corona Business Type	Q3 '24*	Change	County Change	HdL State Change
Contractors	2,778.4	2.9% ↑	-9.9% ↓	-1.9% ↓
Fulfillment Centers	1,258.4	18.0% ↑	-1.0% ↓	5.6% ↑
Discount Dept Stores	959.0	-6.0% ↓	-4.5% ↓	-4.3% ↓
New Motor Vehicle Dealers	791.8	-2.7% ↓	-6.5% ↓	-8.0% ↓
Building Materials	745.1	-7.9% ↓	-7.8% ↓	-4.2% ↓
Service Stations	626.6	-16.2% ↓	-12.9% ↓	-12.8% ↓
Plumbing/Electrical Supplies	589.5	12.3% ↑	-4.6% ↓	-3.2% ↓
Heavy Industrial	578.8	22.1% ↑	-1.3% ↓	-0.4% ↓
Casual Dining	527.8	0.5% ↑	0.5% ↑	1.1% ↑
Quick-Service Restaurants	487.5	2.6% ↑	4.1% ↑	1.1% ↑

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*In thousands of dollars