

CITY OF CORONA

SALES TAX UPDATE

1Q 2025 (JANUARY - MARCH)



CORONA

TOTAL: \$ 13,648,206

-2.7%

1Q2025



0.8%

COUNTY



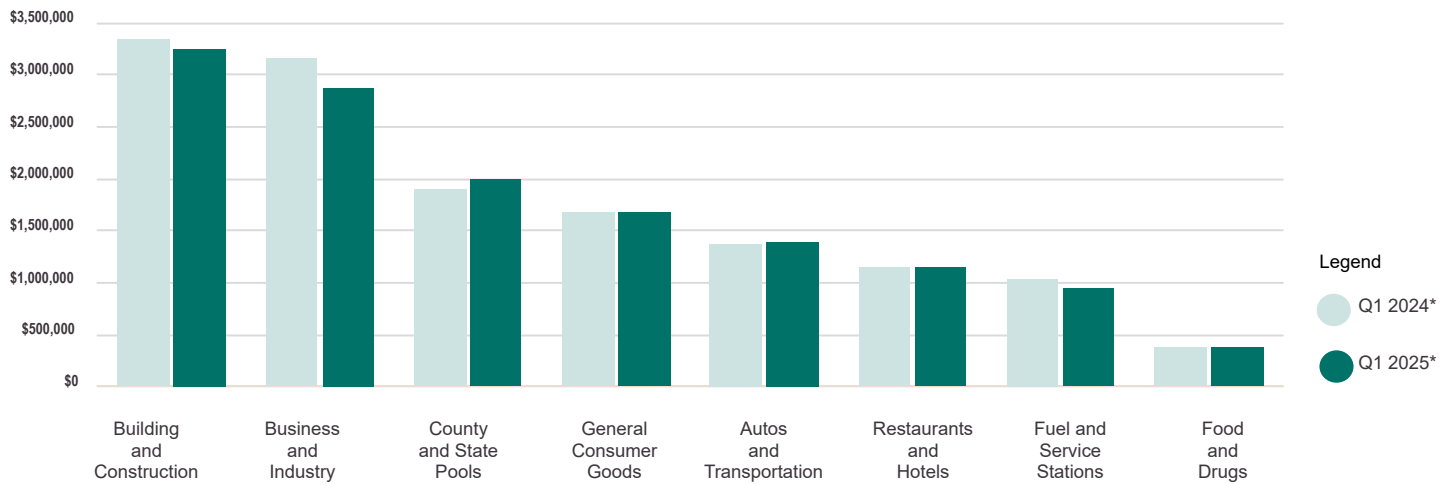
0.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$10,022,282

↑ 0.4%



CITY OF CORONA HIGHLIGHTS

From January through March, Corona's receipts were 1.2 percent lower than during the same period in 2024. After adjusting for reporting anomalies, actual sales declined by 2.7 percent.

Business-industrial returns decreased as a major local firm completed its expansion project. Lower energy prices reduced revenues from fuel and service stations, while the sluggish housing market negatively affected contractor-related sales.

The most notable positive factor this quarter was an increase in allocations from the Riverside County use tax pool, reflecting stronger business-industrial

activity within the region overall.

Measure X, the City's one percent voter-approved district tax, outperformed the previously mentioned Bradley-Burns returns, supported by continued growth in online shopping.

Across Riverside County, taxable sales excluding anomalies rose 0.8 percent compared to the same period last year. In contrast, the broader Southern California region showed no growth.



TOP 25 PRODUCERS

- Agile Sourcing Partners
- All American Asphalt
- Amazon Com Services
- Amazon MFA
- American Electric Supply
- CardinaleWay Hyundai
- Circle K
- Corona Nissan
- Costco
- Culver Newlin
- Downs Energy
- Ganahl Lumber Company
- Guest Supply
- Home Depot
- Larry H Miller Toyota Corona
- Robertsons Ready Mix
- Sams Club w/ Fuel
- South Coast Fire Equipment
- Spreen Honda Corona
- Stater Bros
- Target
- US Food Service
- Vulcan Materials
- Walmart Supercenter
- West Coast Copper Supply



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-

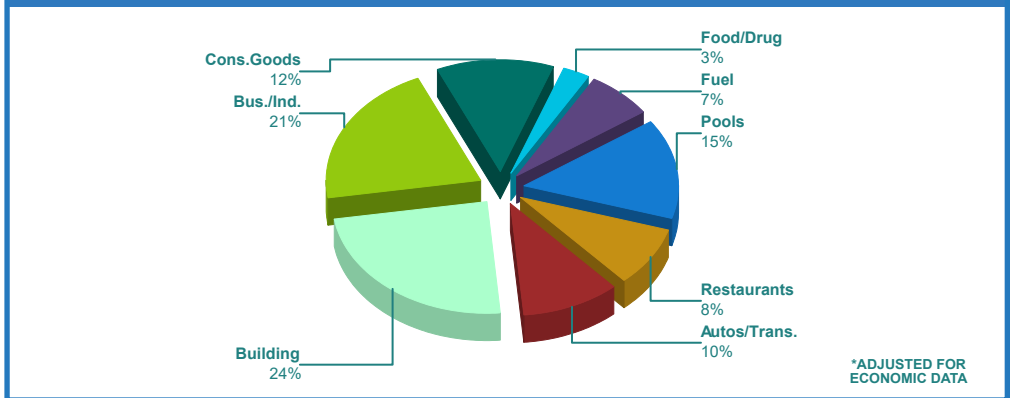
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping

alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, “uncertainty” remains the most accurate descriptor of California’s current and future economic climate.

REVENUE BY BUSINESS GROUP Corona This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Corona Business Type	Q1 '25*	Change	County Change	HdL State Change
Contractors	2,081.8	-5.6% ↓	-2.7% ↓	1.2% ↑
Fulfillment Centers	1,065.4	-2.8% ↓	-2.4% ↓	6.2% ↑
Discount Dept Stores	904.9	-1.9% ↓	-1.8% ↓	-2.1% ↓
New Motor Vehicle Dealers	743.2	0.9% ↑	0.6% ↑	-0.6% ↓
Building Materials	707.9	3.4% ↑	8.6% ↑	3.8% ↑
Heavy Industrial	635.6	3.6% ↑	-8.3% ↓	2.2% ↑
Service Stations	576.6	-3.5% ↓	-4.8% ↓	-5.8% ↓
Casual Dining	566.9	2.9% ↑	3.0% ↑	1.3% ↑
Quick-Service Restaurants	460.1	-1.7% ↓	0.6% ↑	-0.9% ↓
Plumbing/Electrical Supplies	436.6	-0.7% ↓	5.9% ↑	1.7% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars