

CITY OF ROSEMEAD

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



ROSEMEAD

TOTAL: \$ 1,296,615

0.8%
1Q2021



2.6%
COUNTY

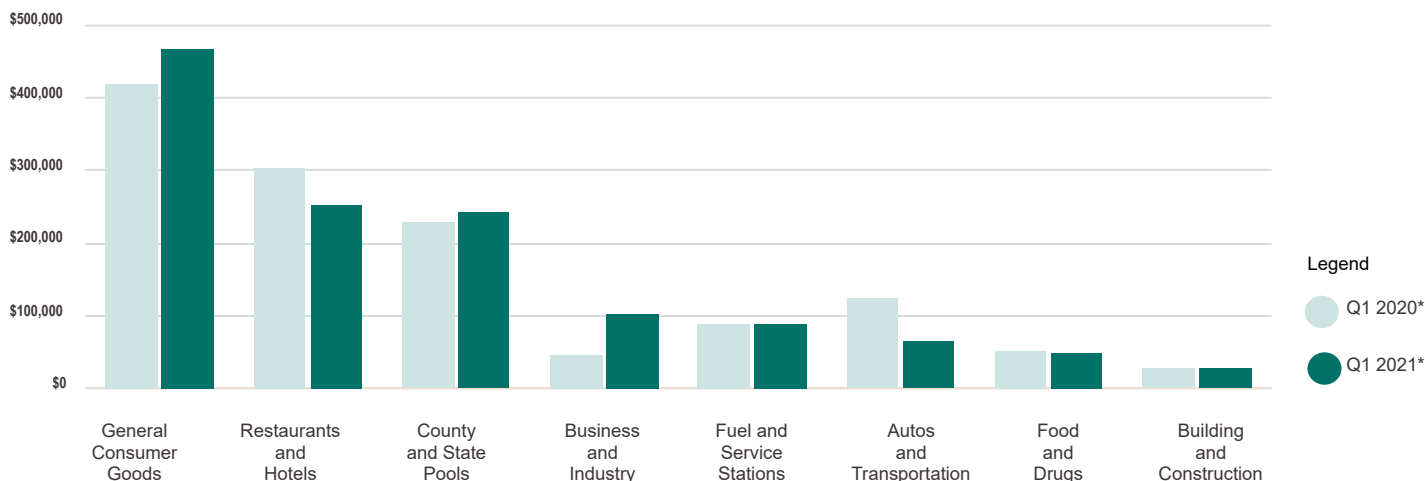


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF ROSEMEAD HIGHLIGHTS

Receipts for Rosemead's January through March sales were 18.9% higher than the same quarter last year. However, due to the Governor's sanctioned deferral of tax payments a year ago this comparison is temporarily exaggerated. After this and other accounting aberrations are factored out, actual sales activity increased 0.8%.

A large one-time use tax receipt from an out-of-state purchase buoyed business-industry returns 130.2%. A brisk sales quarter from the electronic/appliance sector and most general consumer goods categories boosted group revenues 11.7%. The City's allocation from the countywide use tax pool further added to the quarterly gain.

The gains were partially offset by current quarter missing used car payments and lower sales. While fast-casual eateries

were positive, both quick-service and casual dining restaurants were down, dropping group revenues 16.9% - in line with county and statewide results.

Net of aberrations, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



TOP 25 PRODUCERS

- Altec Industries
- AutoZone
- Boiling Crab
- CH Auto
- Circle K
- CVS
- In N Out Burger
- JHP USA
- LC Electrical & Lighting
- Lucille's Smokehouse Bar-B-Que
- Macys
- McDonalds
- Olive Garden
- Panda Express
- Petsmart
- Rosemead Valley Mart
- Mobil
- Ross
- Sam Woo Chinese BBQ
- Shell
- Spa Nails Supply
- T Mobile
- Target
- Ulta Beauty
- USA Gas
- Walmart Supercenter



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a

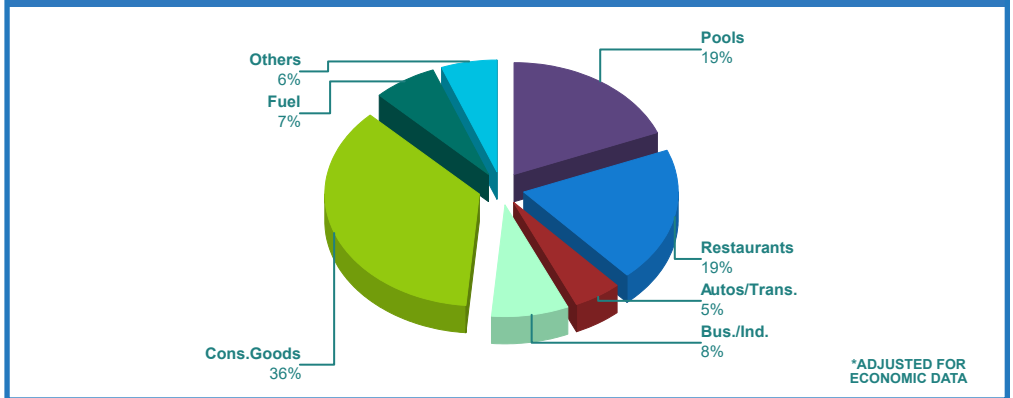
taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in many counties, the recovery for restaurants

and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP Rosemead This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Rosemead Business Type	Q1 '21*	Change	County Change	HdL State Change
Casual Dining	136.3	-25.9% ↓	-25.7% ↓	-18.9% ↓
Service Stations	88.7	0.4% ↑	-9.8% ↓	-3.9% ↓
Quick-Service Restaurants	85.5	-3.1% ↓	-2.8% ↓	1.1% ↑
Electronics/Appliance Stores	31.4	78.3% ↑	1.8% ↑	9.0% ↑
Specialty Stores	31.3	-7.4% ↓	5.8% ↑	9.0% ↑
Fast-Casual Restaurants	30.2	8.5% ↑	-2.3% ↓	1.2% ↑
Auto Repair Shops	20.2	-3.3% ↓	-13.9% ↓	-8.7% ↓
Automotive Supply Stores	20.1	22.1% ↑	9.8% ↑	13.7% ↑
Used Automotive Dealers	18.5	-77.5% ↓	11.3% ↑	10.3% ↑
Grocery Stores	17.6	3.2% ↑	-7.3% ↓	-6.2% ↓

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