San Jacinto's receipts from July through September were 15.3% above the third sales period in 2019. Excluding reporting aberrations, actual sales were up 13.5%.

Despite being the second quarter of significant economic impacts due to the Covid-19 pandemic, local point of sale receipts rose 6.3%. General consumer goods posted the largest gain in actual sales, up 22.9% during the quarter. Grocery, drug and convenience store outlets continued to be in high demand increasing 21.6%.

Strong sales at quick-service and fast casual eateries offset a drop in casual dining to lift the restaurant group 16.3%. Higher auto supply and used car sales boosted the automotive group 27.0%. Building and construction rose 12.6%, while business and industry gained 3.6%.

Lower retail gas prices and reduced demand for fuel pushed service station sales down 24.2% consistent with countywide trends.

The strong point of sale increase and a spike in receipts in the countywide use tax pool caused a 61.1% increase in the City's allocation from the pool. The continuing surge in pool receipts is due to the Wayfair decision that required out of state companies to collect sales tax and increased demand for online purchases due to the pandemic that has changed consumers' buying habits.

Net of aberrations, taxable sales for all of Riverside County grew 7.5% over the comparable time period; the Southern California region was down 1.6%.

7 Eleven  Arco AM PM  AutoZone  Cardenas  Chevron  Circle K  Del Taco  Farmer Boys  Hemet Valley Pipe & Supply  Immanuel Jewelry  Interstate Steel Structures  Jack in the Box  LCA Metal Components  McDonalds  Mobil Shop N Go Food Store  Nutrien Ag Solutions  O’Reilly Auto Parts  Rite Aid  San Jacinto Fastrip  San Jacinto Shell  Stater Bros  T Mobile  Walgreens  Walmart Supercenter  Wendy's
The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter’s overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV’s, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period’s deep decline, new coronavirus surges and reinstated restrictions from 2020’s Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter’s gains in county pool receipts that were generated by the shift to online shopping plus last year’s implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up of each jurisdiction’s tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.