

CITY OF WILLOWS

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



WILLOWS

TOTAL: \$ 379,412

-7.4%

2Q2022



8.6%

COUNTY



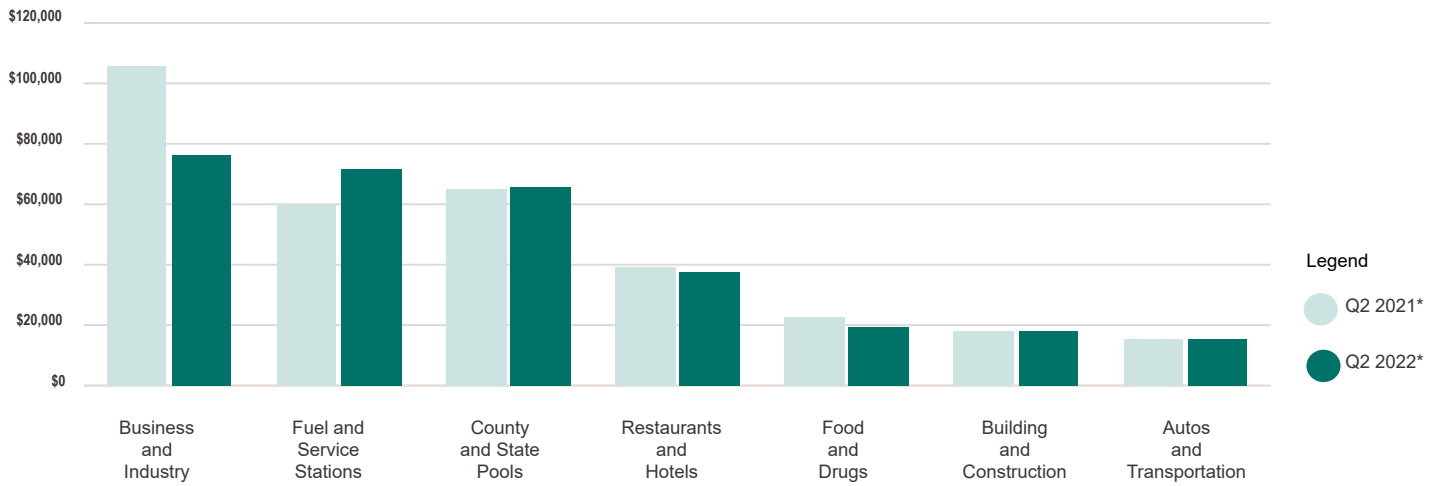
10.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF WILLOWS HIGHLIGHTS

Willows' receipts from April through June were 9.8% below the second sales period in 2021. Excluding reporting aberrations, actual sales were down 7.4%.

Inflation in this quarter was brutal, rising prices were hitting consumers' pocketbooks in many basic areas, and higher prices in fuel limited spending in other areas.

Confidentiality rules limit what can be shared.

Fuel-service stations were up 20.7%, quick service restaurants were down 5.7% and casual dining was down 6.0%. Business-industry group is being hit by drought related water restrictions, but the declines are amplified by spikes in the comparable quarter.

The building-construction group held steady with some categories seeing a little slowing and other categories posting modest gains.

Sales receipts in the countywide pool were up due to a several onetime allocations, continued strength in private party used vehicle sales and only modest slowing in online shopping.

Net of aberrations, taxable sales for all of Glenn County grew 8.6% over the comparable time period; the Far North region was down 1.9%.



TOP 25 PRODUCERS

- AlSCO Geyer Ace Hardware
- Black Bear Diner
- Buds AM PM
- Burger King
- Casa Ramos
- Chevron
- Circle K
- Diamond Gas & Mart 6
- Freeway Bottle Shop
- I T F Supply
- KFC
- Mar Val Food Store
- McDonalds
- Napa Auto Parts
- O'Reilly Auto Parts
- Pape Machinery
- Poly Riser & Pipe
- Round Table Pizza
- Safety Tire Service
- Taco Bell
- Tractor Supply
- Walmart Supercenter
- Wilbur Ellis
- Willows Hardware
- Willows Travel Plaza



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

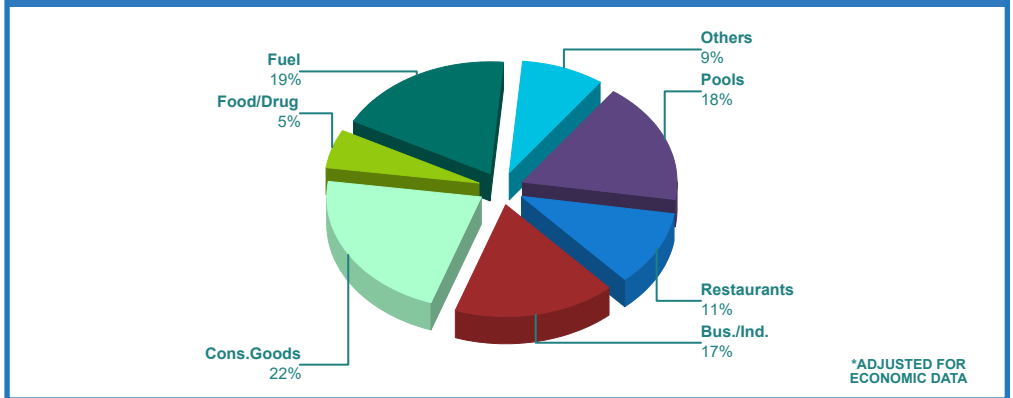
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP Willows This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Willows Business Type	Q2 '22	Change	County Change	HdL State Change
Service Stations	71,607	20.7% ↑	35.3% ↑	36.4% ↑
Quick-Service Restaurants	22,661	-5.7% ↓	1.6% ↑	5.2% ↑
Casual Dining	14,544	-6.0% ↓	-4.9% ↓	17.2% ↑
Convenience Stores/Liquor	14,379	-19.4% ↓	-16.9% ↓	-0.3% ↓
Auto Repair Shops	4,668	12.5% ↑	5.2% ↑	14.1% ↑
Government/Social Org.	876	-7.8% ↓	-11.2% ↓	2.0% ↑
Light Industrial/Printers	338	14.8% ↑	-51.6% ↓	11.7% ↑

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