

# RANCHO SANTA MARGARITA

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### RANCHO SANTA MARGARITA

TOTAL: \$ 1,767,695

15.1%



7.2%

COUNTY



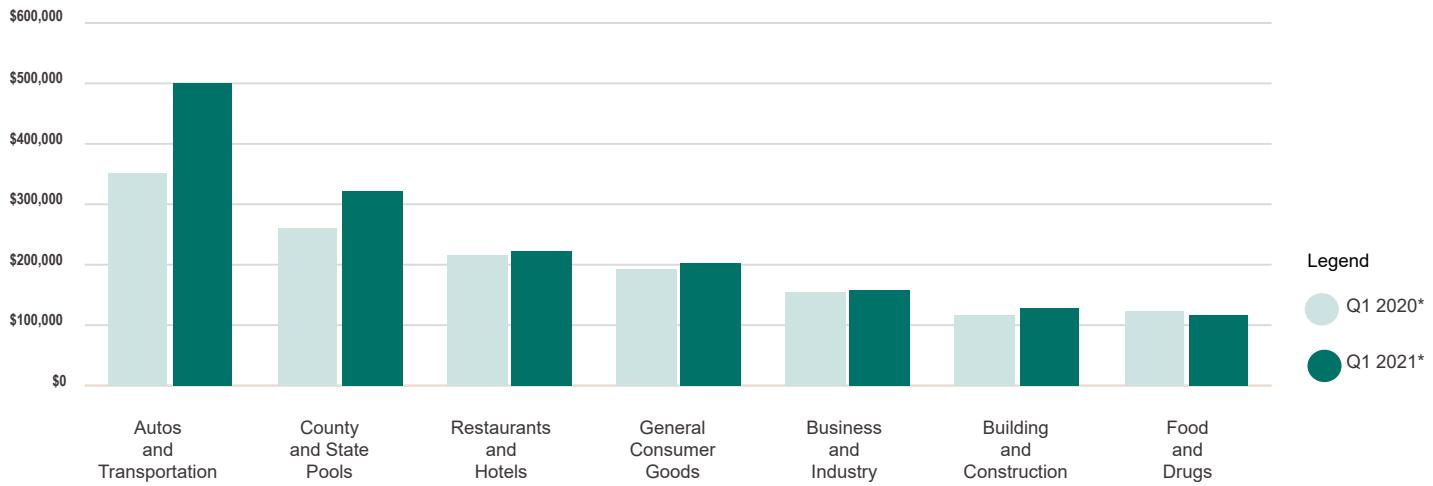
9.5%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### RANCHO SANTA MARGARITA HIGHLIGHTS

Rancho Santa Margarita's receipts from January through March were 37.0% above the first sales period in 2020. Adjusting for reporting aberrations, which included numerous tax payment delays at the beginning of the pandemic last year, actual sales were up 15.1%, outperforming the State and regional trend.

Tax proceeds from auto-transportation related purchases surged 42.6%, more than double the 20% statewide average growth rate for this major-industry group.

Allocations from the Orange Pool were also 24% higher as the City received a larger share of these funds due to its relative outperformance, as this money is allocated proportionally among local jurisdictions based on cash receipts. The County average was only 13% growth.

Building and construction purchases were also propelled 14% higher by the booming housing market.

Net of aberrations, taxable sales for all of Orange County grew 7.2% over the comparable time period; the Southern California region was up 9.0%.

Applied Medical Distribution  
BevMo  
Carmelitas  
Chevron  
Circle K  
Denault Commercial Supply  
Hannas Restaurants & Bar  
Honda Lease Trust  
In N Out Burger  
Kohls  
Lowes  
McDonalds  
Pavilions  
PetSmart  
Ralphs Fresh Fare  
Rancho Santa Margarita Honda  
Ross

Santa Margarita Ford  
Santa Margarita Toyota  
Shell  
Target  
Trader Joes  
Tutto Fresco  
Walmart Neighborhood Market  
Wood Ranch BBQ & Grill



#### TOP 25 PRODUCERS



## 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.

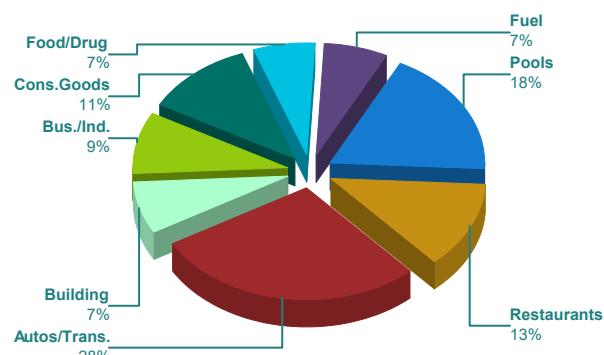
Although indoor dining was available in many counties, the recovery for restaurants

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

### Rancho Santa Margarita This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Rancho Santa Margarita Business Type	Q1 '21*	Change	County Change	HdL State Change
Casual Dining	90.4	4.1% <span style="color: green;">↑</span>	-10.3% <span style="color: red;">↓</span>	-18.9% <span style="color: red;">↓</span>
Grocery Stores	80.4	-6.8% <span style="color: red;">↓</span>	-6.8% <span style="color: red;">↓</span>	-6.3% <span style="color: red;">↓</span>
Quick-Service Restaurants	62.2	0.0% <span style="color: green;">↑</span>	1.3% <span style="color: green;">↑</span>	1.1% <span style="color: green;">↑</span>
Fast-Casual Restaurants	45.3	4.2% <span style="color: green;">↑</span>	-1.8% <span style="color: red;">↓</span>	1.2% <span style="color: green;">↑</span>
Auto Lease	37.0	5.6% <span style="color: green;">↑</span>	0.9% <span style="color: green;">↑</span>	-1.1% <span style="color: red;">↓</span>
Specialty Stores	35.6	3.0% <span style="color: green;">↑</span>	5.7% <span style="color: green;">↑</span>	9.0% <span style="color: green;">↑</span>
Light Industrial/Printers	22.8	0.4% <span style="color: green;">↑</span>	-1.9% <span style="color: red;">↓</span>	-1.6% <span style="color: red;">↓</span>
Family Apparel	19.6	45.5% <span style="color: green;">↑</span>	23.3% <span style="color: green;">↑</span>	20.5% <span style="color: green;">↑</span>
Drug Stores	19.4	-17.4% <span style="color: red;">↓</span>	-18.5% <span style="color: red;">↓</span>	-15.2% <span style="color: red;">↓</span>
Heavy Industrial	19.1	0.7% <span style="color: green;">↑</span>	-9.1% <span style="color: red;">↓</span>	-4.1% <span style="color: red;">↓</span>

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\*In thousands of dollars