

# CITY OF BUELLTON

## SALES TAX UPDATE

### 2Q 2021 (APRIL - JUNE)



**BUELLTON**

TOTAL: \$ 787,588

19.4%  
2Q2021



37.2%  
COUNTY

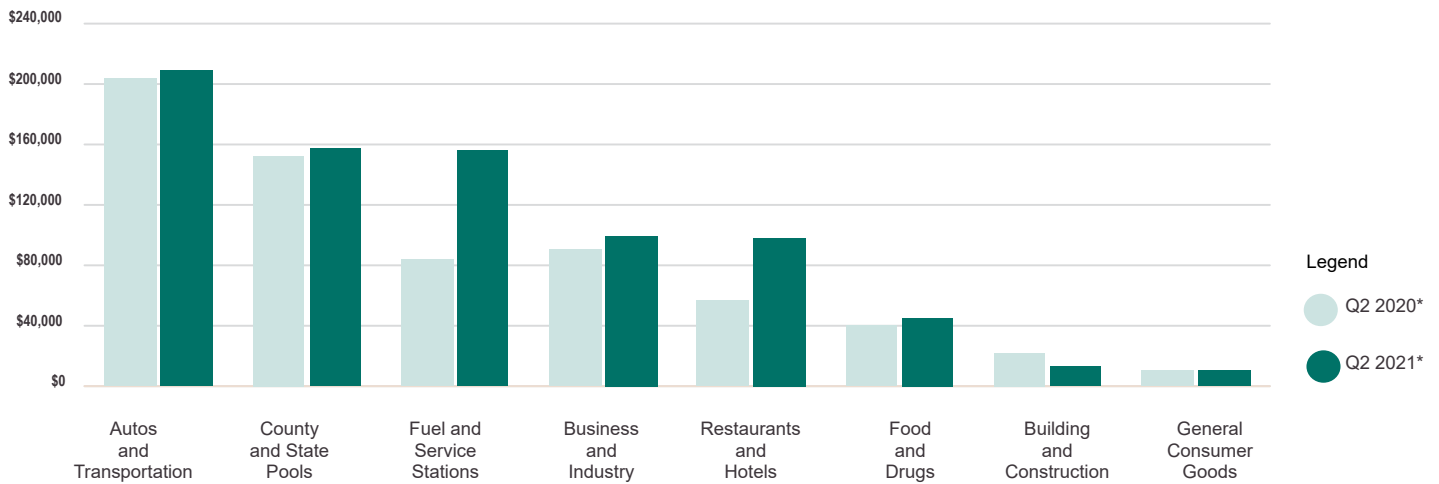


37.3%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF BUELLTON HIGHLIGHTS

Buellton's receipts from April through June were 12.3% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 19.4% compared to the pandemic bottom last year. Overall, revenue was \$135,000, or 20.7% higher than two years ago, in the second quarter of 2019, before the Covid-19 crisis began.

Allocations from the Santa Barbara countywide use-tax pool surged \$56,000, or 56%, after the Wayfair/AB147 legislative change in 2019 that resulted in the taxation of additional internet sales.

Proceeds related to the auto-transportation sector also increased \$55,000, or 33%, since 2Q19 as consumers have made large investments in private mobility during the pandemic. Business-industrial returns also

improved \$29,000, or 42%.

The closure of a building-construction supplier, however, contributed to a \$12,000 decline for that industry group since 2Q19.

Net of aberrations, taxable sales for all of Santa Barbara County grew 37.2% over last year and 14.5% higher than 2Q19; the Central Coast region was up 35.3% vs last year and 12.8% higher than 2Q19.



### TOP 25 PRODUCERS

Airstream of Santa Barbara by Sky River  
 AJ Spurs Saloon & Dining Hall  
 Albertsons  
 Buellton Shell  
 Buelton Mobil  
 Chevron  
 Conserv Fuel  
 CVS Pharmacy  
 Eagle Energy 76  
 Farm Supply  
 Go Wireless  
 Habit Burger Grill  
 Industrial Eats  
 Jim Vreeland Ford  
 McDonalds  
 O'Reilly Auto Parts  
 Platinum Performance  
 Rio Vista Chevrolet

Taproom & Barrelworks  
 The Hitching Post II  
 Toms Gas & Market  
 Tractor Supply  
 USA Gasoline  
 Wild Wood Door Factory  
 Wonderful Wine Co



## STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

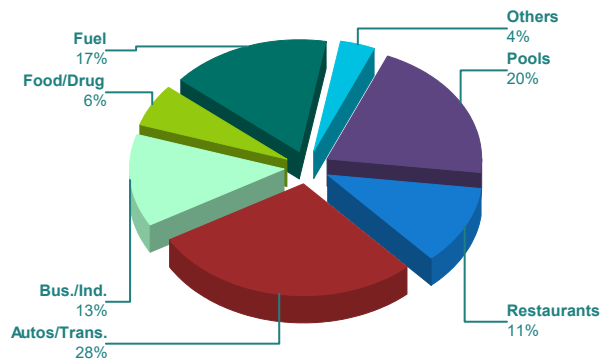
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

### REVENUE BY BUSINESS GROUP Buellton This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Buellton Business Type	Q2 '21	Change	County Change	HdL State Change
Service Stations	155,541	86.1% ↑	76.4% ↑	73.9% ↑
Casual Dining	37,619	73.5% ↑	129.4% ↑	130.2% ↑
Quick-Service Restaurants	31,872	50.2% ↑	28.0% ↑	28.9% ↑
Garden/Agricultural Supplies	30,883	9.4% ↑	2.3% ↑	10.2% ↑
Wineries	23,754	0.6% ↑	38.3% ↑	45.4% ↑
Automotive Supply Stores	10,135	13.6% ↑	13.2% ↑	15.1% ↑
Contractors	9,929	56.7% ↑	18.9% ↑	21.9% ↑
Auto Repair Shops	9,832	16.3% ↑	24.5% ↑	27.3% ↑
Convenience Stores/Liquor	9,427	32.3% ↑	3.9% ↑	7.0% ↑
Auto Lease	6,599	115.7% ↑	1.5% ↑	3.3% ↑

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