

# CITY OF GLENDALE

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



#### GLENDALE

TOTAL: \$ 11,072,841

-14.0%

4Q2020



-7.7%

COUNTY



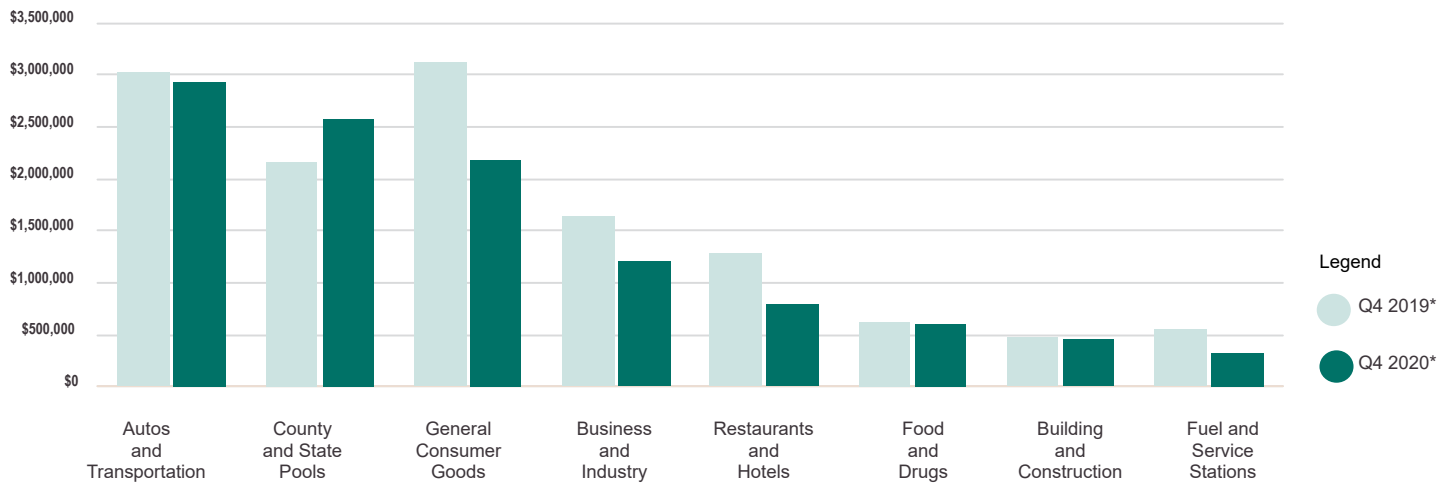
-2.0%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure S

TOTAL: \$6,778,562

↓ -4.0%



#### CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from October through December were 19.7% below the fourth sales period in 2019. However, tax payment deferrals offered by the State has temporarily delayed actual receipts. Once estimated payments are incorporated into the data and reporting aberrations excluded, actual sales were down 14.0%.

This was the third quarter impacted by the pandemic but also the normal holiday shopping period. Due to persistent in-store capacity limitation for both general consumer retailers, including family apparel and electronic-appliance stores, and indoor casual dining restaurants, these categories were expectantly

hindered the most. Continued reduced commuter frequency and lower gas prices compared to the prior year held service stations lower, while softer sales activity hurt business-industrial suppliers.

Gains from the countywide use tax pool continues to be a bright spot and partially offset the declines. With more online purchases being made and a greater number of out-of-state retailers collecting and remitting local sales tax, the City's share grew 18% from a year ago.

Net of aberrations, taxable sales for all of Los Angeles County declined 7.7% over the comparable time period.



#### TOP 25 PRODUCERS

- Allen Gwynn Chevrolet
- Apple
- Bhindi Jewelers
- Bloomingtondale's
- Calstar Mercedes
- Car Pros Kia Glendale
- CDW Direct
- CDW Government
- Financial Services Vehicle Trust
- Glendale Dodge Chrysler Jeep
- Glendale Nissan
- Glendale Subaru/Mitsubishi
- Home Depot
- Hyundai Lease Titling Trust
- Lexus of Glendale
- Macys
- Nordstrom
- Northwest Pump & Equipment
- Pacific BMW
- Star Auto Group
- Target
- Tesla Motors
- Toyota Lease Trust
- Toyota of Glendale Scion
- Vons



**STATEWIDE RESULTS**

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national

presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

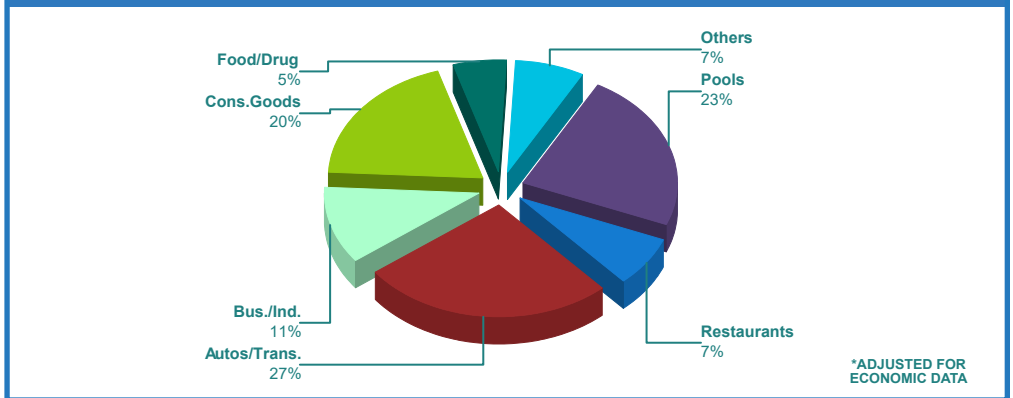
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset the declines. Greater online shopping signifying a permanent shift of consumer

habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

**REVENUE BY BUSINESS GROUP**  
Glendale This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Glendale Business Type	Q4 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,950.6	-1.9%	4.7%	7.2%
Office Supplies/Furniture	665.4	-40.5%	-17.3%	-11.8%
Auto Lease	629.0	-3.1%	0.5%	2.2%
Department Stores	448.5	-39.9%	-42.1%	-40.2%
Family Apparel	416.0	-23.7%	-19.2%	-16.1%
Casual Dining	363.7	-44.9%	-45.3%	-39.4%
Service Stations	330.4	-39.9%	-38.2%	-31.3%
Quick-Service Restaurants	312.9	-24.5%	-12.2%	-8.7%
Grocery Stores	282.7	0.4%	4.1%	5.2%
Building Materials	252.0	5.8%	15.0%	17.4%

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