

CITY OF MAYWOOD

SALES TAX UPDATE

3Q 2020 (JULY - SEPTEMBER)



MAYWOOD

TOTAL: \$ 529,875

8.8%
3Q2020



-6.0%
COUNTY

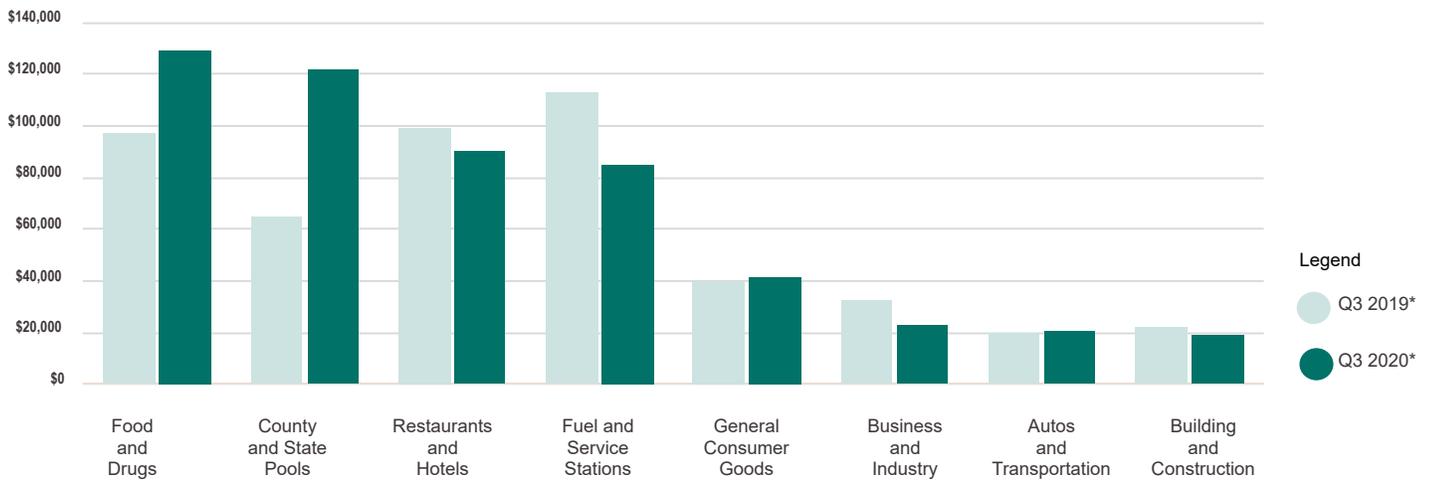


-0.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MAYWOOD HIGHLIGHTS

Maywood's receipts from July through September were 24.2% above the third sales period in 2019. Excluding reporting aberrations, actual sales were up 8.8%.

A new business additional coupled with the dine-at-home pandemic trend boosted grocery store profits at the expense of dine-in restaurants, who continued to struggle with on again, off again closures and restrictions.

The resurgence of COVID-19 cases in Southern California, ongoing work from home arrangements and crude oil oversupply resulting from the OPEC-Russia price war led to a slower-than-expected recovery for fuel-service stations.

The business-industry sector experienced a significant dip largely due to forced shutdowns and suppressed orders.

Construction activity has slowed in Southern California since the onset of the pandemic—but it could be set to rebound earlier than expected.

The auto-transportation sector saw a slightly stronger performance in the third quarter than expected at the onset of the COVID-19 pandemic. Consumer spending increased in the third quarter as more retail stores re-opened.

The City's share of the countywide use tax pool increased 88.3% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Los Angeles County declined 6.0% over the comparable time period; the Southern California region was down 1.5%.



TOP 25 PRODUCERS

- | | |
|---------------------|------------------|
| 76 | Rite Aid |
| 99 Cents Only | Sign Resource |
| AutoZone | Superior Grocers |
| Big Al's Pizzeria | Tapia Brothers |
| Burger King | Wingstop |
| Cookies Los Angeles | WS Dodge Oil |
| dd's Discounts | |
| Dunn Edwards Paint | |
| Food 4 Less | |
| Haven Maywood | |
| Jack in the Box | |
| King Taco | |
| LB Johnson Hardware | |
| Maywood Arco | |
| Maywood Arco AM PM | |
| Maywood Car Wash | |
| Maywood Shell | |
| McDonalds | |
| OG Maywood | |



STATEWIDE RESULTS

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.

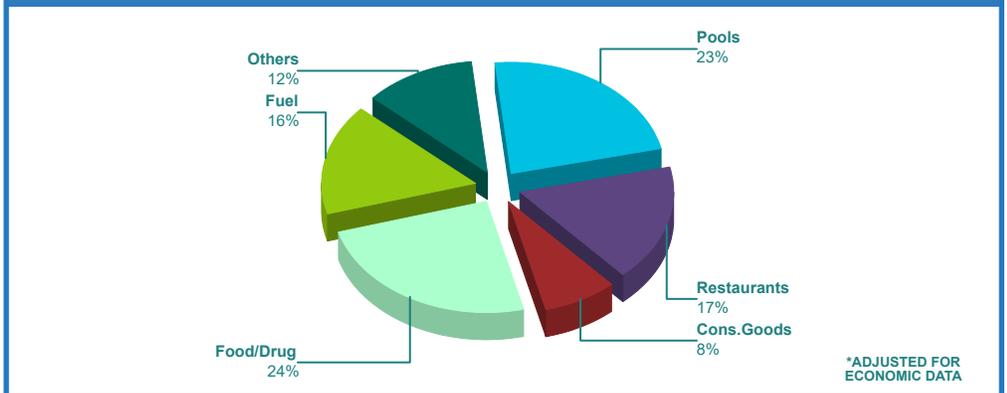
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until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

REVENUE BY BUSINESS GROUP
Maywood This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Maywood Business Type	Q3 '20	Change	County Change	HdL State Change
Cannabis Related	73,718	67.5% ↑	84.1% ↑	61.4% ↑
Quick-Service Restaurants	69,126	-7.7% ↓	-13.7% ↓	-10.3% ↓
Service Stations	60,364	-24.7% ↓	-34.8% ↓	-29.0% ↓
Grocery Stores	32,602	5.5% ↑	5.1% ↑	7.1% ↑
Automotive Supply Stores	14,954	7.7% ↑	0.5% ↑	5.6% ↑
Convenience Stores/Liquor	13,410	5.4% ↑	15.9% ↑	15.0% ↑
Variety Stores	11,883	9.4% ↑	-0.6% ↓	4.4% ↑
Fast-Casual Restaurants	10,383	22.3% ↑	-17.2% ↓	-14.2% ↓
Casual Dining	9,478	-32.4% ↓	-41.9% ↓	-38.0% ↓
Electronics/Appliance Stores	6,319	62.9% ↑	-20.1% ↓	-21.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity