**Redlands In Brief**

Redlands’ receipts from April through June were 19.6% above the second sales period in 2018. However, this comparison is inflated due to CDTFA’s transition to a new reporting system in the prior year which temporarily delayed distributions to the City. Excluding reporting aberrations, actual sales were up 3.4%.

The building-construction group experienced a strong sales quarter. Restaurants and hotels posted overall gains as consumers continue to prefer dining out with expanding options including carryout, drive-thru, delivery, and curbside pick-up.

Increased demand for technology and logistics resulted in an increase in revenue from the business and industry sector. Gas prices crept up during the second quarter of 2019, pushing totals up when compared to the year ago period.

For the last eight consecutive quarters, consumers have favored used car purchases over buying new cars, resulting in a slight decline for autos and transportation.

The City’s share of the countywide use tax pool increased 21.1% over the same period in the prior year.

Net of aberrations, taxable receipts for all of San Bernardino County grew 2.6% over the comparable time period; the Southern California region was up 2.6%.

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**Top 25 Producers**

**In Alphabetical Order**

- ACH Mechanical Contractors
- BD Microbiology System
- Big Lots
- Burlington
- Calphy
- Circle K
- Citrus Arco
- Core Health & Fitness
- Hatfield Buick & GMC Truck
- Home Depot
- HYR Powersports
- Lowes
- Marshalls
- McDonalds
- Metro Nissan of Redlands
- Redlands Chrysler Jeep Dodge Ram
- Redlands Ford
- Redlands Shell
- Stater Bros
- Tom Bell Chevrolet
- Tom Bell Toyota
- USA Gasoline
- Valero
- Vector Steel
- Walmart

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**Revenue Comparison**

Four Quarters – Fiscal Year To Date (Q3 to Q2)

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
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<tbody>
<tr>
<td>Point-of-Sale</td>
<td>$11,095,299</td>
<td>$12,768,889</td>
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<tr>
<td>County Pool</td>
<td>1,419,324</td>
<td>1,703,757</td>
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<tr>
<td>State Pool</td>
<td>6,361</td>
<td>6,318</td>
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<tr>
<td>Gross Receipts</td>
<td>$12,520,984</td>
<td>$14,478,964</td>
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</tbody>
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California Overall
The local one percent share of California's sales and use tax from April through June sales was 20.4% higher than the same quarter in 2018. However, the actual gain came to 2.9% after factoring for online filing issues and accounting anomalies. Fiscal year 2018-19 ended with an increase of 3.6% over the previous year after similarly adjusting for reporting aberrations.

The quarter exhibited continuation of a recent softening for most taxable categories. Rising used car sales and rentals helped offset what was otherwise, a generally flat quarter for the auto-transportation group. An acceleration in online shopping boosted receipts from county wide pools while gains for brick and mortar stores were limited to value-priced apparel, discount department stores and jewelry.

Restaurant patronage appears to be leveling with a shift toward lower cost dining options that produced relatively modest gains for the group when compared to previous quarters. New cannabis operations resulted in a small rise in food and drug receipts.

A 2.5% gain in business-industrial sales and use tax revenues came primarily from online fulfillment centers, logistics and utility company purchases and ongoing investment in automation and information technology. A similar rise in receipts from the building-construction group was due to a variety of infrastructure and onetime special projects that offset declines in material purchases for new home construction.

Marketplace Facilitator Act
Effective Oct. 1, 2019, companies such as Amazon, eBay and Google who provide sales tax related services to other retailers are required to assume the obligation for collecting and remitting their client's sales and use tax. The definition of sales-related services includes payment processing, inventory and shipping of merchandise, order taking, providing customer service, or assisting with returns and exchanges.

The Marketplace provision was part of AB 147 which was adopted to implement California’s approach to the U.S. Supreme Court decision in South Dakota v. Wayfair Inc.

AB 147 requires out-of-state retailers with annual combined sales of $500,000 or more to now collect and remit this state’s sales and use tax from its customers. Applying the $500,000 threshold to the sum total of all the third-party transactions that facilitators process for their clients, is hoped to produce moderate gains in previously uncollected revenues for the state, cities, counties and local transaction tax districts.

Facilitator tax remittances from merchandise inventoried in California will be allocated to specific jurisdictions while receipts from deliveries outside of the state will be distributed via the pools. Some facilitators have begun to collect and remit taxes ahead of this deadline. This is evidenced by new pool allocations and increases in direct allocations to certain jurisdictions.