

# Q2 2019



# City of Moorpark Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2019)

## Moorpark In Brief

Moorpark's receipts from April through June were 41.9% 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 6.1%.

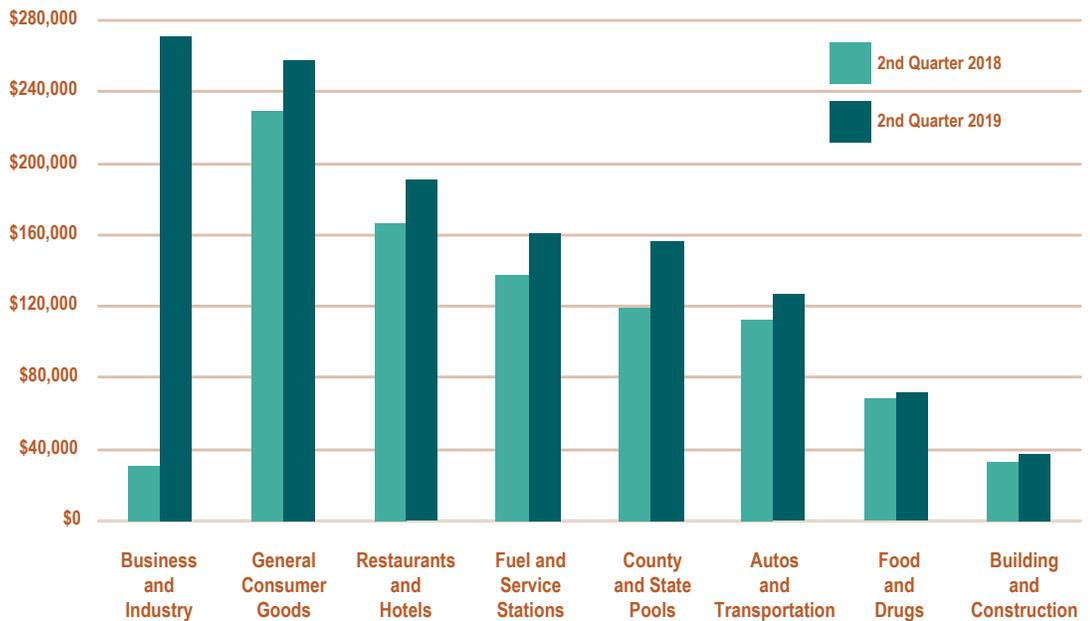
Adjusted for anomalies, the City's allocation from the countywide use tax pool increased 41.2% and represented the largest gain in actual sales during the quarter. The automotive sector posted a strong 8.7% increase in actual sales, while service station results were up 6.5%, besting regional and statewide trends.

Mixed results among the various retail categories netted a 2.3% gain in general consumer goods actual sales. Restaurant sales were 2.3% higher as casual dining and leisure-entertainment venues posted solid gains. A new grocery store helped lift food and drugs 6.6%.

The gains were partially offset by a misallocated payment that depressed building and construction and lower business-industrial sales.

Net of aberrations, taxable receipts for all of Ventura County grew 2.2% over the comparable time period; the Southern California region was up 2.7%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Pentair Pool Products
Barnes & Noble College Bookstores	QEP Company
Campus Plaza Shell	Ralphs
Command Performance Catering	Shell
Dick's Sporting Goods	Simi Valley Harley Davidson
In N Out Burger	Target
Kahoots Pet Store	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Moorpark 76	Tractor Supply
Moorpark Chevron	Vons
Moorpark Petroleum	Warehouse Discount Center
	Wood Ranch

### REVENUE COMPARISON

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

	2017-18	2018-19
Point-of-Sale	\$3,744,046	\$3,948,429
County Pool	484,265	563,286
State Pool	2,063	1,947
<b>Gross Receipts</b>	<b>\$4,230,374</b>	<b>\$4,513,662</b>
Cty/Cnty Share	(139,602)	(148,951)
<b>Net Receipts</b>	<b>\$4,090,772</b>	<b>\$4,364,711</b>

**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 of 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 re-

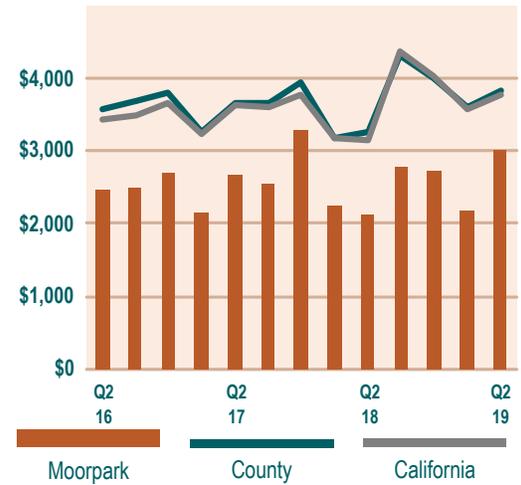
turns and exchanges.

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.

**SALES PER CAPITA**



**COUNTY OVERALL  
2Q YOY RECEIPTS % CHANGE**

Major Industry Groups	Cash	Adjusted*
Autos and Transportation	-6.5%	-3.0%
Building and Construction	43.3%	6.5%
Business and Industry	42.1%	-2.2%
Food and Drugs	5.4%	4.2%
Fuel and Service Stations	55.5%	2.3%
General Consumer Goods	9.4%	-1.9%
Restaurants and Hotels	20.9%	5.9%
County and State Pools	7.4%	14.7%
<b>Total</b>	<b>15.5%</b>	<b>2.2%</b>

\*Accounting anomalies factored out

**REVENUE BY BUSINESS GROUP  
Moorpark This Quarter**

