CULVER CITY
SALES TAX UPDATE
4Q 2020 (OCTOBER - DECEMBER)

CULVER CITY
TOTAL: $ 5,729,614
-8.0% 4Q2020
-7.7% COUNTY
-2.0% STATE

SALES TAX BY MAJOR BUSINESS GROUP

Allocation aberrations have been adjusted to reflect sales activity

Legend
Q4 2019*
Q4 2020*

Measure Y
TOTAL: $2,506,947
-13.2%

Measure C
TOTAL: $1,252,226
-13.2%

CULVER CITY HIGHLIGHTS

Culver City’s receipts from October through December were 11.6% below the fourth sales period in 2019. Excluding reporting aberrations, actual sales were down 8.0%.

Family apparel, department store, and other general consumer goods retailers were profoundly impacted by the Covid-19 pandemic as many shoppers chose to buy online rather than visit physical stores amid contagion fears and capacity restrictions.

Casual dining eateries and other restaurant-hotel outlets fell 43% as the Governor’s regional stay-at-home order in December prohibited on-site dining for a second time. Gasoline sales also dropped as fuel demand was softened by the pandemic.

Conversely, allocations from the countywide use tax pool were up 30% after a recent legislative change has expanded the number of internet purchases subject to taxation and as consumers have preferred online shopping during the epidemic. Business-industrial related receipts were also strong, aided by the recent relocation of a new outlet to Culver City from a neighboring jurisdiction.

TOP 25 PRODUCERS

Best Buy
Costco
Culver City Chevrolet
Culver City Honda
Culver City Toyota
Culver City Volvo Cars
Foot Locker
Goat
Hajoca
Howard Industries
I Am Beyond
JC Penney
Julien’s Auctions
Macys
Nordstrom Rack

Otto Nemenz International
Rite Aid
RM Sothebys
Ross
Target
TJ Maxx
Trader Joes
VCFS Auto Leasing
Company
Victoria’s Secret
Vons
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.