Wasco
In Brief

Receipts from Wasco’s July through September sales were 18.5% higher than the same quarter one year ago but reporting aberrations skewed the data. With anomalies removed, actual sales were down 5.9%.

While continued lower fuel prices negatively impacted fuel and service station revenues, the sharp disparity between cash receipts and actual sales activity was due to a missing payment in the year-ago period that temporarily inflates current quarter results.

Despite a new business addition, negative payment adjustments depressed autos and transportation returns. General consumer goods experience lower sales.

The losses were partially offset by newer eatery openings which increased restaurant receipts while a larger allocation from the county-wide use tax pool was also a factor.

Net of aberrations, taxable sales for all of Kern County decline 9.9% over the comparable time period; the San Joaquin Valley was up 0.7%.

Sales Tax by Major Business Group

Top 25 Producers

AutoZone
Booth Machinery
Builders Concrete
Carls Jr.
Carter Pump & Machine
Certis USA
Circle K
Dennys
Family Dollar
Fastrip
Fiesta Supermarket
Jack in the Box
Jeffries Bros
K Mart
McDonalds
Pacific Tire
Rite Aid
San Joaquin Tractor Company
Sandoval Industries
Save Mart
Seal Master of California
Taco Bell
Wasco Circle K
Chevron
Wasco Mini Mart
Wasco Tire Service

Revenue Comparison

Two Quarters – Fiscal Year To Date

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<tr>
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<th>2014-15</th>
<th>2015-16</th>
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<tbody>
<tr>
<td>Point-of-Sale</td>
<td>$612,568</td>
<td>$552,683</td>
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<tr>
<td>County Pool</td>
<td>74,607</td>
<td>74,831</td>
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<tr>
<td>State Pool</td>
<td>448</td>
<td>277</td>
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<tr>
<td>Gross Receipts</td>
<td>$687,623</td>
<td>$627,791</td>
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<tr>
<td>Less Triple Flip*</td>
<td>$(171,906)</td>
<td>$(156,948)</td>
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*Reimbursed from county compensation fund
Statewide Results
The local share of sales and use tax revenues from the summer sales quarter were up 2.4% over last year’s comparable quarter after adjusting for payment aberrations.

New and used auto sales and leases continued to exhibit solid gains and were the primary contributor to the quarter’s statewide growth. The countywide allocation pools were the second largest contributors to the overall gain, boosted by increased online sales activity. The state’s travel and tourism industry contributed to a robust increase in receipts from restaurants and hotels. Recovering building and construction activity was also significant with an 8.6% increase over the comparison period.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the fourth consecutive quarter.

Overall performance was similar throughout most regions of the state, however the effect of lower fuel prices significantly dampened results in portions of the San Joaquin Valley.

Online Retail Sales Continue to Outpace Brick & Mortar Stores
Fourth quarter tax results will not be available until March but preliminary reports indicate holiday purchases from some brick and mortar stores are flat or down from 2014, while the volume of online shopping has set new records.

Although stores are not in danger of disappearing, the trend has many retail chains considering long-term plans for smaller “showroom” units with less square footage, employees, and in-store inventory.

HdL’s statewide sales tax database for the first three quarters of 2015 shows that online orders for general consumer goods rose 17.6% over the first three quarters of 2014, while the overall sales gains at brick and mortar stores grew a modest 2.2%.

New Restrictions on Tax Sharing Agreements
Tax rebates are subject to additional restrictions and reporting requirements in 2016.

Newly adopted Government Code Section 53084.5 prohibits tax sharing agreements that reduce another agency’s sales tax if the business generating the tax continues to maintain a physical presence in the losing agency’s jurisdiction.

The Government Accounting Standards Board (GASB) has also adopted new requirements outlined in GASB Statement 77 for detailed disclosure of rebates in government financial reports.

The rule issued on August 14, 2015 by GASB will require state and local governments to disclose the amount of property, sales, and income taxes that have been waived or rebated under tax abatement agreements with companies or other taxpayers. The requirements of Statement 77 are effective for financial statements with periods beginning after December 15, 2015.

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