

6B. PRESENTATION

OVERVIEW OF SALES TAX ALLOCATIONS FOR AUTOMOBILE SALES

City of Newport Beach Finance Committee

*Overview of Sales Tax
Allocations for Auto Sales*
November 13, 2025

HdL Companies





ABOUT HdL COMPANIES

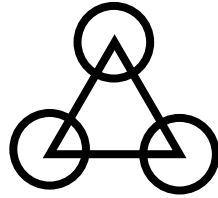
**PROUD
TO SERVE**

CITIES, COUNTIES &
SPECIAL DISTRICTS
FOR

40+ YEARS

100%

**EMPLOYEE
OWNED**



TRIFECTA

Superior service
Increased revenue
Decreased costs



COMPLIANCE

HdL helps clients reduce risk
by keeping current with
ever-changing legislation



RESULTS

Average city growth
rates are ~3%,
HdL clients are 2x that!

900+

Municipal
Clients

\$4billion+

Recovered
revenue

99.6%

Avg. Client
Retention



Major Industry Group Breakdown	Newport Beach (avg annual)	Statewide
Autos	24% (\$11.0m)	15%
Restaurants	23% (\$10.7m)	14%
General Consumers	21% (\$9.5m)	15%
County Pool(s)	16% (\$7.5m)	18%
Business & Industry	8% (\$3.6m)	17%
Gas Stations & Diesel	4% (\$1.8m)	8%
Food & Drugs	3% (\$1.5m)	4%
Building & Const.	1% (\$400k)	8%



NEWPORT BEACH MAJOR INDUSTRY GROUPS - QUARTERLY TREND

Restaurants And Hotels

Count: 563

Autos And Transportation

Count: 195

General Consumer Goods

Count: 1,770

State & County Pools

Business And Industry

Count: 1,590

Fuel And Service Stations

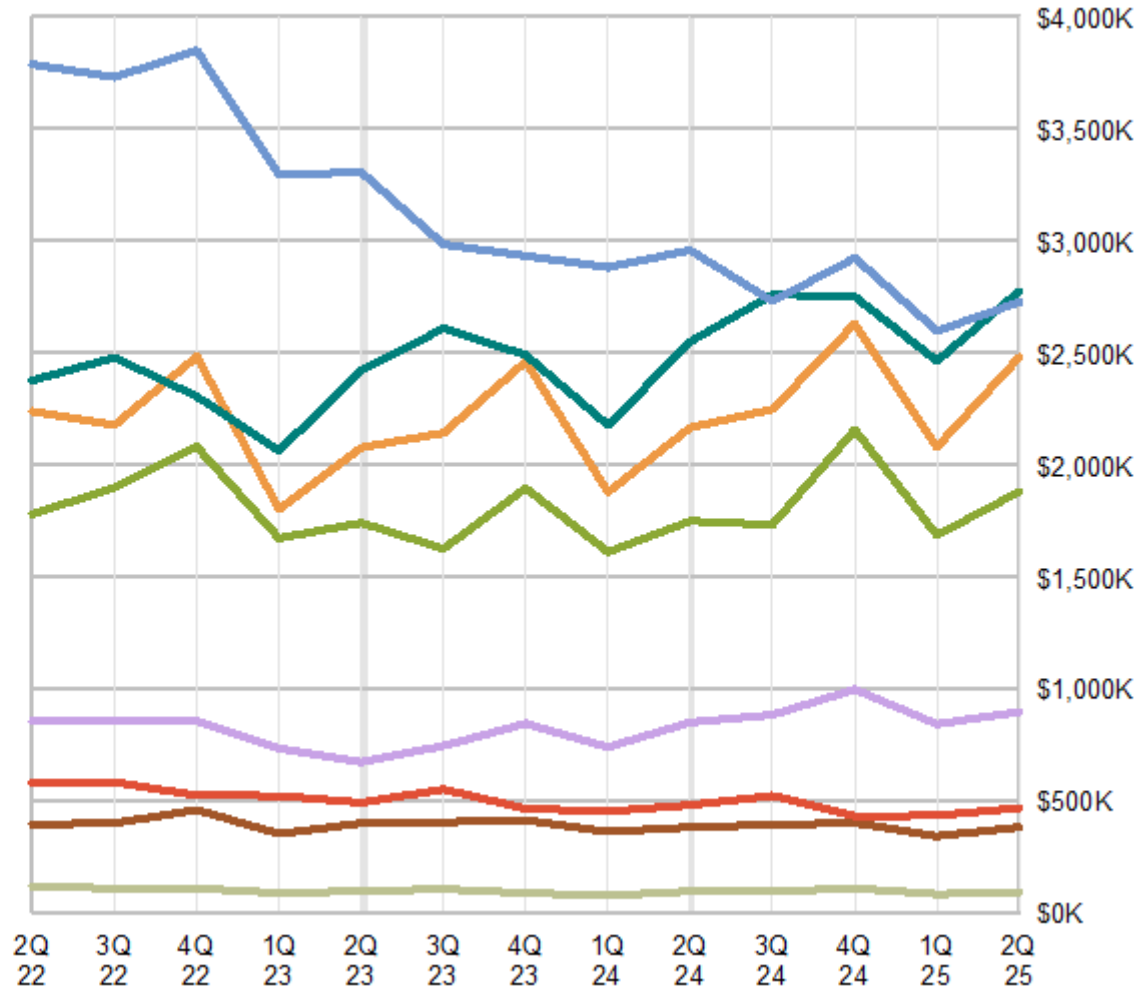
Count: 26

Food And Drugs

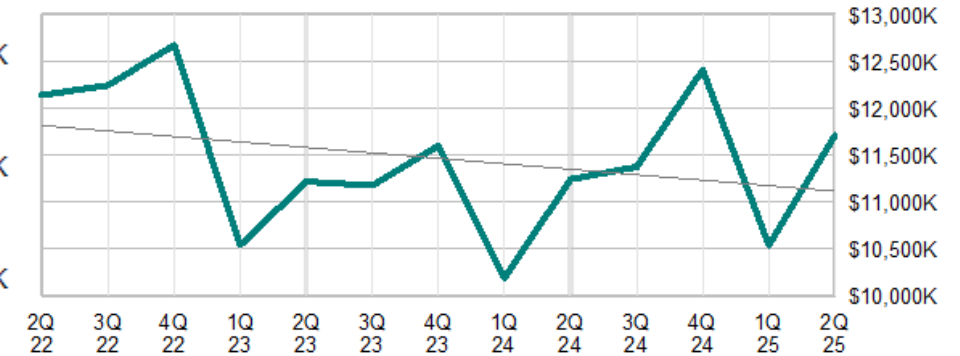
Count: 91

Building And Construction

Count: 79



QUARTERLY TOTALS



FY 22-23 = +0.1%
FY 23-24 = (-5.4%)
FY 24-25 = +3.9%

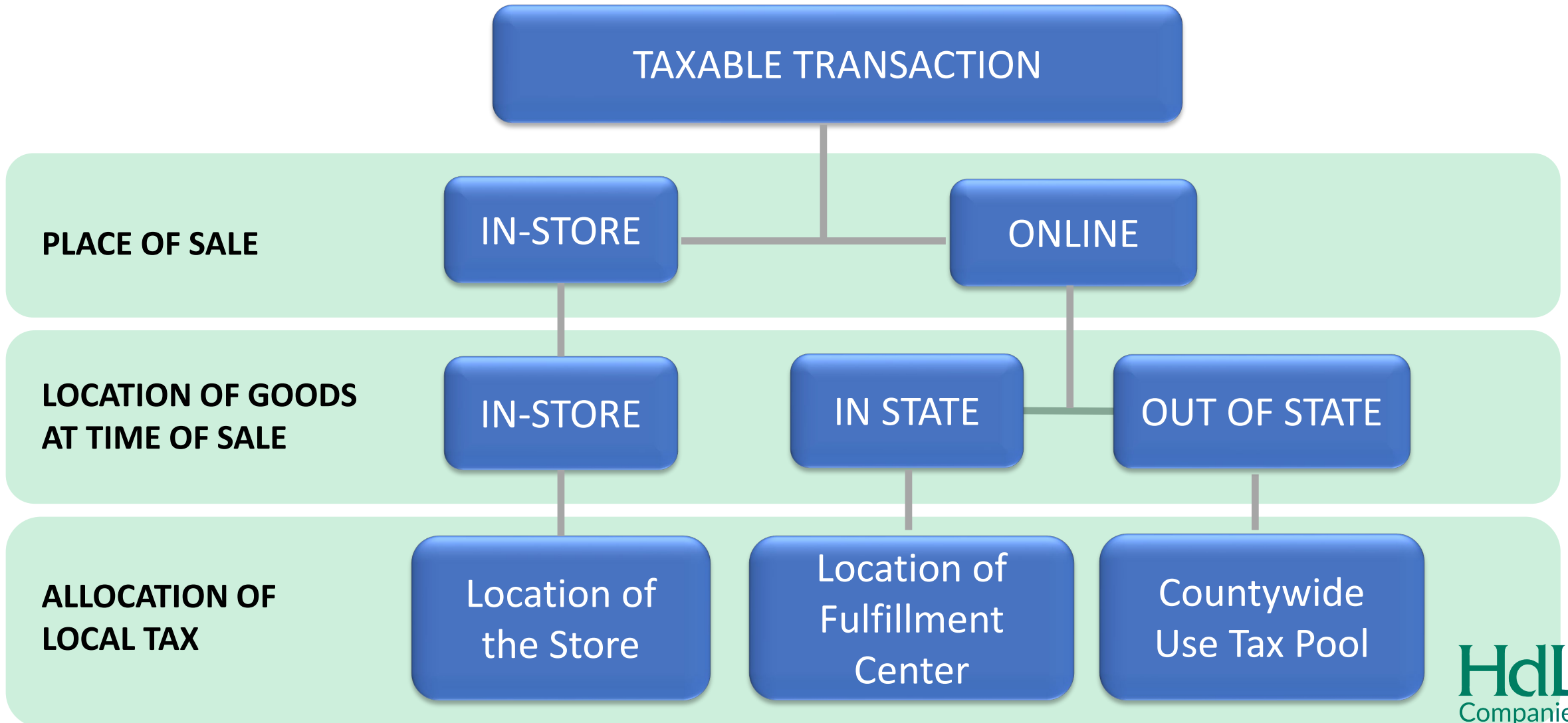
Based on Adjusted Data

ALLOCATION OF COUNTYWIDE USE TAX POOL





HOW ONLINE SALES ARE ALLOCATED





Direct To Consumer – Auto Sales

Prior to AB 147 (2019) – California’s implementation of the Supreme Court’s ‘Wayfair’ Decision:

- Sales tax allowed to be allocated to where the sales process began (point of first contact)

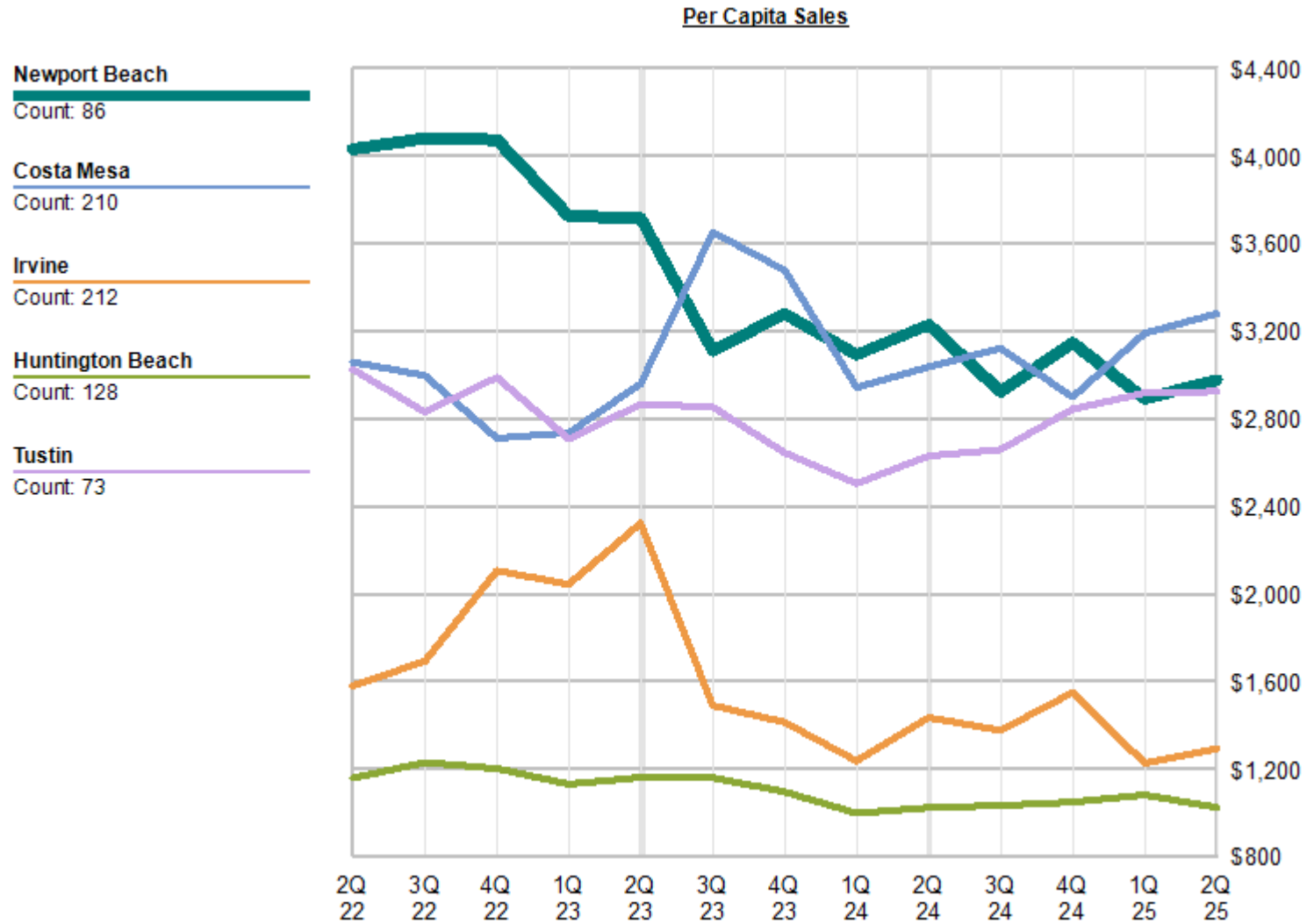
Post AB 147 Implementation:

- Sales tax allocated to where there is participation relative to ‘preparation for delivery’



NEWPORT BEACH

AUTO SALES & LEASES COMPARISON - QUARTERLY TREND



Q&A

WHAT? WHO? WHERE? WHEN? HOW? Why?

An aerial photograph of a coastal city, likely San Diego, during a vibrant sunset. The sky transitions from a deep blue at the top to a warm orange and pink glow near the horizon. The city's urban landscape is visible, with numerous buildings and a prominent harbor filled with boats. A long pier extends into the ocean on the right side of the frame. The overall scene is peaceful and scenic.

Thank you!

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HdL Companies