

# CITY OF SAN DIMAS

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



**SAN DIMAS**

TOTAL: \$ 2,366,110

8.4%

4Q2022



4.0%

COUNTY



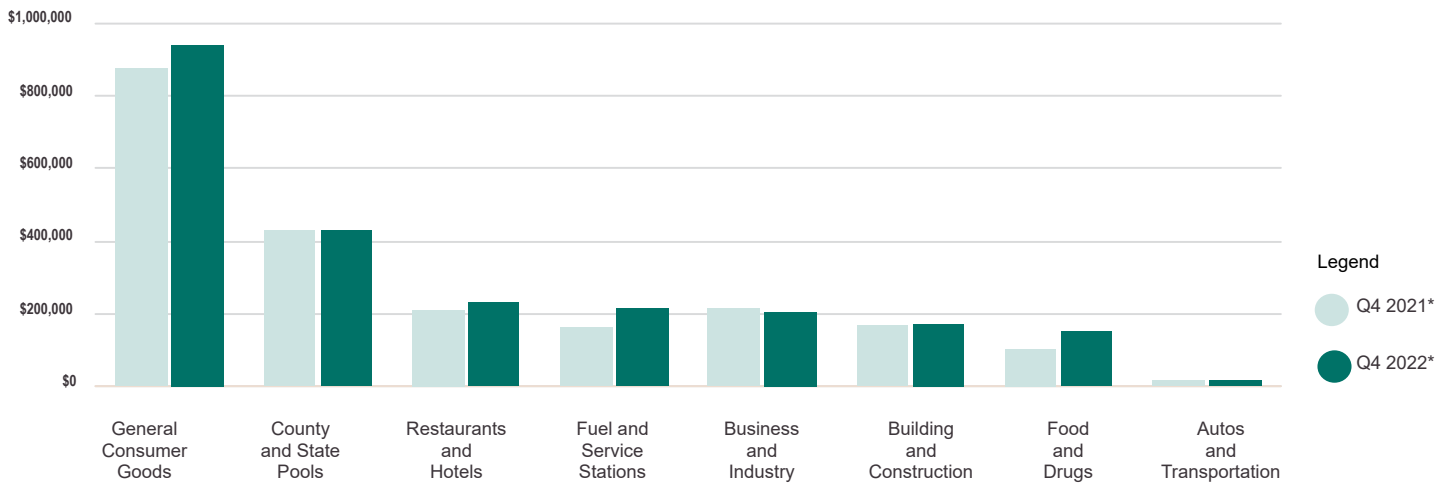
4.7%

STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF SAN DIMAS HIGHLIGHTS

San Dimas' receipts from October through December were 2.9% above the fourth sales period in 2021, though this was depressed by a payment timing error from a business-industrial taxpayer. Excluding this and other reporting aberrations, actual sales were up 8.4%.

The biggest factor in this improvement were several business openings in San Dimas, which included a new gasoline station, a family apparel, and a convenience-liquor store. In addition, multiple new restaurant openings were also positive.

The extraordinarily high price of gasoline further benefited local

service stations and those general consumer goods retailers that sell fuel. Consumers' undiminished desire to dine out also contributed to the growth in tax revenue from local restaurants.

Net of aberrations, taxable sales for all of Los Angeles County grew 4.0% over the comparable time period; the Southern California region was up 5.1%.



### TOP 25 PRODUCERS

- |                            |                            |
|----------------------------|----------------------------|
| 7 Eleven                   | SCP Distributors           |
| Albertsons                 | Second Image               |
| Arco                       | Shell                      |
| Berri Brothers Gas Station | Show Sushi                 |
| Burlington                 | Stater Bros                |
| Chevron                    | Target                     |
| Costco                     | TJ Maxx                    |
| Extra Fuel                 | Total Wine & More          |
| KPS Global                 | Trader Joes                |
| Lowes                      | Walters Wholesale Electric |
| McDonalds                  |                            |
| Mikes Auto Service         |                            |
| Pool & Electrical Products |                            |
| Ross                       |                            |
| Saf Com Supply             |                            |



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electronic/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector.

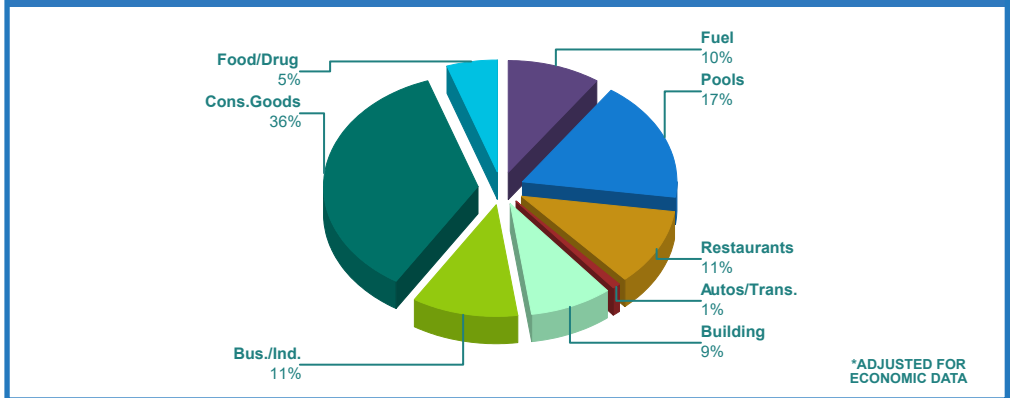
With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

### REVENUE BY BUSINESS GROUP San Dimas This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	214.5	31.5% ↑	10.0% ↑	7.6% ↑
Casual Dining	123.0	11.6% ↑	10.9% ↑	8.1% ↑
Grocery Stores	78.2	5.1% ↑	7.2% ↑	6.2% ↑
Family Apparel	74.1	24.9% ↑	-1.0% ↓	-1.0% ↓
Quick-Service Restaurants	69.9	12.3% ↑	6.3% ↑	5.7% ↑
Convenience Stores/Liquor	58.7	251.1% ↑	3.0% ↑	0.8% ↑
Light Industrial/Printers	54.1	0.3% ↑	1.2% ↑	3.9% ↑
Specialty Stores	36.1	8.7% ↑	3.4% ↑	2.2% ↑
Electronics/Appliance Stores	33.7	6.6% ↑	13.3% ↑	10.8% ↑
Fast-Casual Restaurants	30.2	-6.0% ↓	5.3% ↑	6.6% ↑

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars