

# CITY OF SAN DIMAS

## SALES TAX UPDATE

### 3Q 2021 (JULY - SEPTEMBER)



**SAN DIMAS**

TOTAL: \$ 1,957,572

-16.8%

3Q2021



20.0%

COUNTY



18.3%

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 July through September were 27.1% below the third sales period in 2020. Excluding reporting aberrations, actual sales were down 16.8%.

A series of large, one-time use tax payments in the prior year resulted in a temporary drop in receipts for the business-industry sector. Ongoing supply chain issues restricted revenue from building-construction.

Food-drug totals dropped off slightly as consumers flocked back to indoor dining.

General consumer goods posted positive growth as consumers returned to in-person shopping without lockdowns or restrictions. Restaurants-hotels are enjoying the return of indoor dining, despite increasing menu prices caused by the higher costs of wholesale

groceries and labor.

Crude oil prices have increased 63% in the last year, pushing up revenue from fuel-service stations.

The City's share of the countywide use tax pool decreased 35.4% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Los Angeles County grew 20.0% over the comparable time period; the Southern California region was up 19.9%.



### TOP 25 PRODUCERS

- 7 Eleven
- AC Pro
- Albertsons
- Arco
- Berri Brothers Gas Station
- CCI Global
- Chevron
- Costco
- Incycle
- KPS Global
- Lowe's
- Mikes Auto Service
- Pacific Sales
- Pool & Electrical Products
- Raging Waters
- Ross
- Saf Com Supply
- SCP Distributors
- Second Image
- Shell
- Show Sushi
- Stater Bros
- Target
- TJ Maxx
- Walters Wholesale Electric



## STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

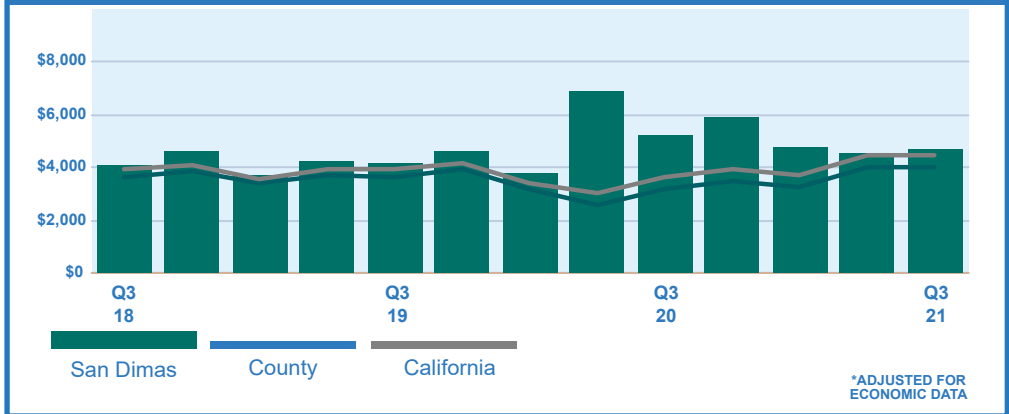
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

### SALES PER CAPITA\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q3 '21*	Change	County Change	HdL State Change
Service Stations	169.8	49.0% ↑	65.3% ↑	53.6% ↑
Casual Dining	101.5	63.9% ↑	75.5% ↑	68.3% ↑
Grocery Stores	63.1	-3.0% ↓	-0.6% ↓	-0.2% ↓
Quick-Service Restaurants	57.0	-1.8% ↓	15.3% ↑	13.5% ↑
Light Industrial/Printers	51.1	1.1% ↑	10.1% ↑	12.0% ↑
Family Apparel	48.5	28.5% ↑	43.5% ↑	39.0% ↑
Business Services	33.7	-17.1% ↓	39.5% ↑	23.9% ↑
Electronics/Appliance Stores	32.1	-15.1% ↓	21.4% ↑	19.7% ↑
Fast-Casual Restaurants	30.7	15.8% ↑	16.0% ↑	18.9% ↑
Sporting Goods/Bike Stores	29.0	-11.5% ↓	3.1% ↑	2.3% ↑

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\*In thousands of dollars