

CITY OF SAN JACINTO

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



SAN JACINTO

TOTAL: \$ 1,055,810

-7.3%
1Q2023



-1.6%
COUNTY

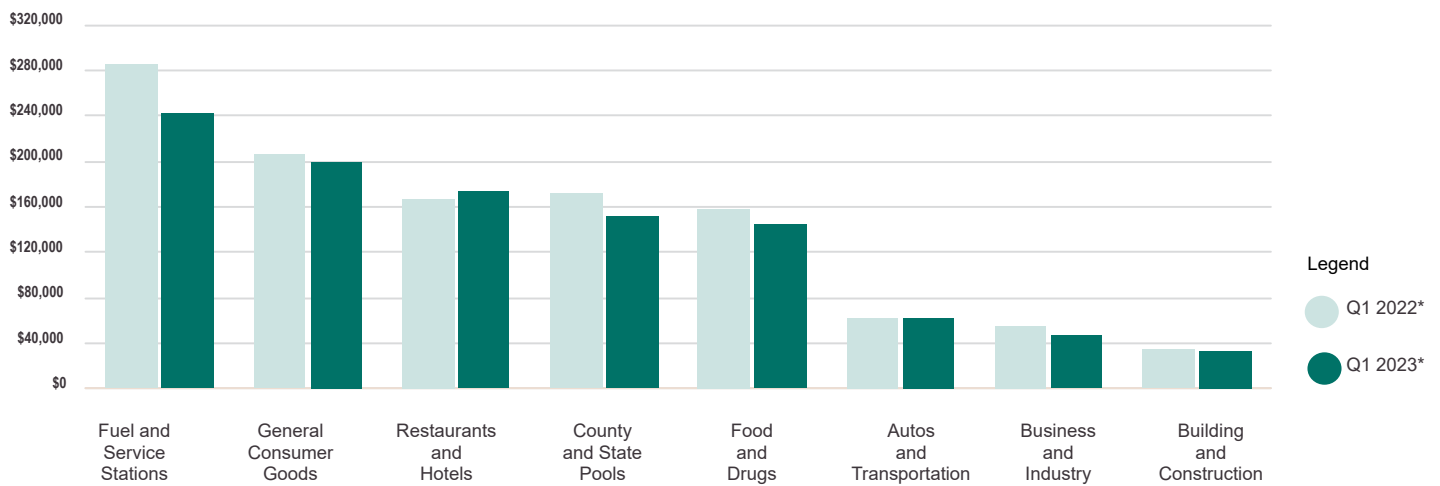


-1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$1,774,496

↑ 0.1%



CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from January through March were 12.5% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 7.3%.

The City experienced the largest drop from fuel & service stations, which is now experiencing downward pressure in all facets including a reduction in gas, diesel, jet fuel, and West Texas Intermediate oil barrel prices. As a result, the associated sales tax dropped significantly.

Returns from drug stores, business & industry, automotive supply stores, building & construction, quick service

restaurants, including state and county pools were also down.

On the flip side, receipts from specialty stores, auto repair shops, and casual dining increased compared to one year ago and combined to partially offset the overall decrease.

The City's Transaction and Use Tax Measure V generated 167.3% of the Bradley Burns amount led by strong performance from business & industry.

Net of aberrations, taxable sales for all of Riverside County declined 1.6% over the comparable time period; the Southern California region was down 0.9%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- AutoZone
- Blazed Utopia
- Budology
- Cardenas
- Chevron
- Circle K
- Del Taco
- Farmer Boys
- Hirsch Pipe & Supply Co
- Interstate Steel Structures
- Jack in the Box
- Lca Metal Components
- McDonalds
- Mobil Shop N Go Food Store
- Nutrien Ag Solutions
- O'Reilly Auto Parts
- Rite Aid
- San Jacinto Fastrip
- San Jacinto Shell
- Stater Bros
- T Mobile
- Walgreens
- Walmart Supercenter



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

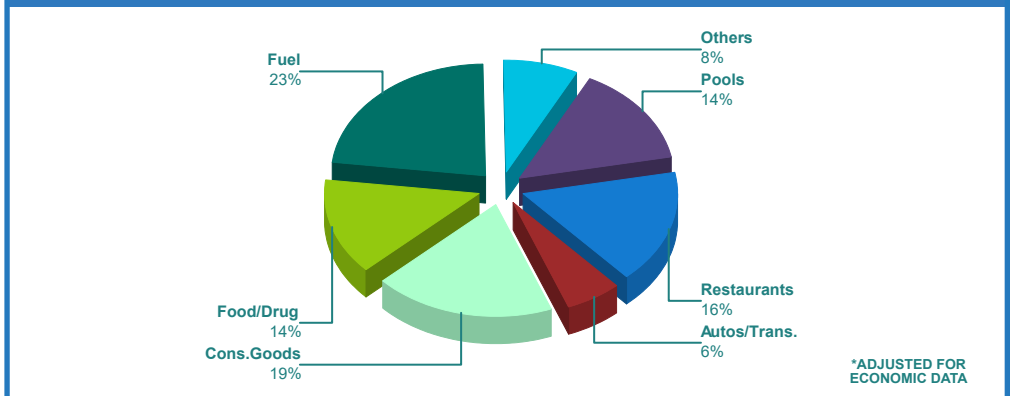
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP San Jacinto This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Jacinto Business Type	Q1 '23	Change	County Change	HdL State Change
Service Stations	242,047	-15.3% ↓	-11.5% ↓	-9.8% ↓
Quick-Service Restaurants	121,041	-2.3% ↓	5.0% ↑	5.1% ↑
Casual Dining	41,398	32.9% ↑	7.8% ↑	9.6% ↑
Automotive Supply Stores	26,748	-10.5% ↓	2.7% ↑	5.4% ↑
Drug Stores	23,861	-5.2% ↓	-2.4% ↓	-2.0% ↓
Auto Repair Shops	22,300	3.8% ↑	4.6% ↑	6.2% ↑
Convenience Stores/Liquor	21,424	-6.9% ↓	-4.7% ↓	-5.0% ↓
Contractors	16,066	-2.0% ↓	-13.6% ↓	-12.7% ↓
Electronics/Appliance Stores	14,815	4.0% ↑	-5.3% ↓	-2.4% ↓
Used Automotive Dealers	11,759	3.4% ↑	-19.3% ↓	-10.9% ↓

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