

CITY OF SAN JACINTO

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



SAN JACINTO

TOTAL: \$ 1,224,864

1.2%
3Q2023



-2.0%
COUNTY

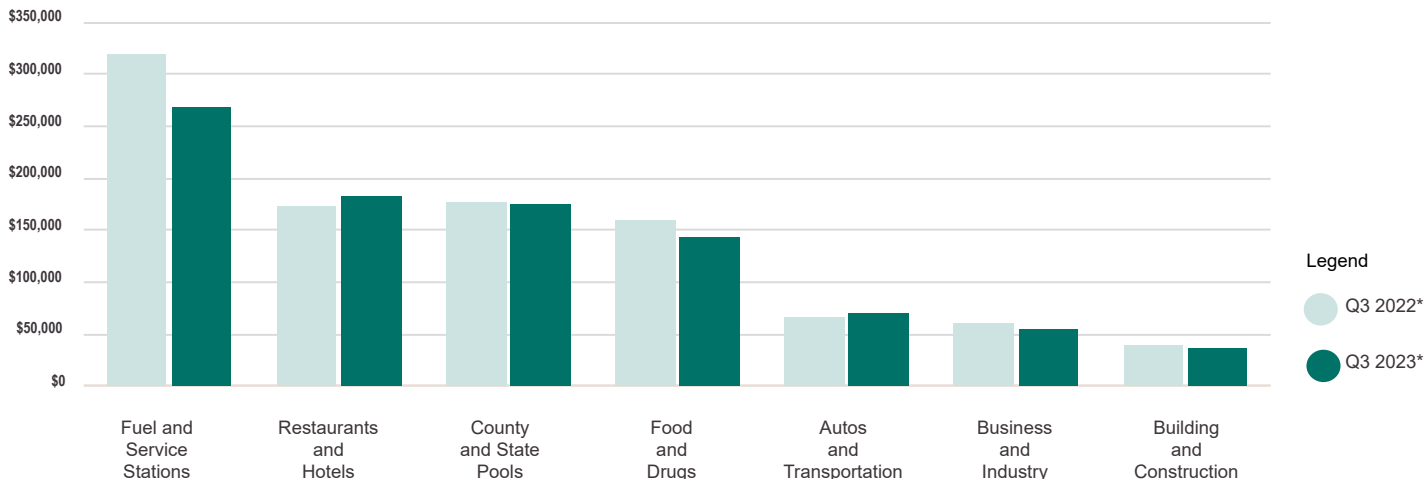


-1.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$1,901,299

↓ -0.2%



CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from July through September were 0.8% below the third sales period in 2022. Excluding reporting aberrations, actual sales were up 1.2%.

New dining options helped to boost revenue from the restaurant-hotel group.

Receipts from fuel-service stations declined as prices at the pump were, on average, thirty cents a gallon lower in 3Q23 than the year-ago period.

Spending in the building-construction category is down, with higher interest rates on financed home improvement projects causing consumers to conserve and spend only on necessities.

The business-industry sector slumped in the third quarter of 2023, as new orders stalled after over-production in 2022.

A new business addition pushed up receipts from the auto-transportation category.

The City's share of the countywide use tax pool decreased 0.8% when compared to the same period in the prior year. Measure V, the City's voter approved transactions and use tax, brought in an additional \$1,890,969 in revenue.

Net of aberrations, taxable sales for all of Riverside County declined 2.0% over the comparable time period; the Southern California region was down 1.5%.



TOP 25 PRODUCERS

7 Eleven
Arco AM PM
Ays Auto Group
Blazed Utopia
Budology
Cardenas
Chevron
Circle K
Del Taco
Electrical Power Products
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
Walgreens
Walmart Supercenter



STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

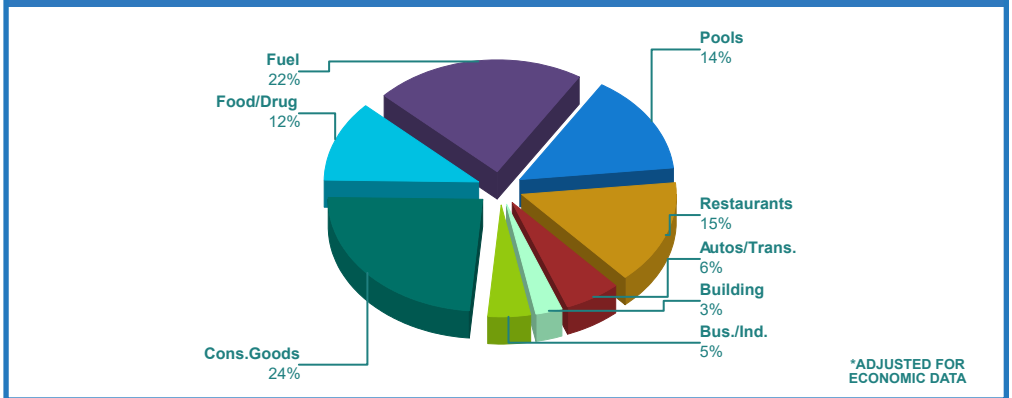
Despite continued increases of new car registrations, revenue from the auto-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP San Jacinto This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Jacinto Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	268.4	-16.1% ↓	-7.8% ↓	-7.3% ↓
Quick-Service Restaurants	127.1	0.8% ↑	1.9% ↑	2.7% ↑
Grocery Stores	61.4	4.5% ↑	-0.1% ↓	2.3% ↑
Casual Dining	43.7	23.3% ↑	1.5% ↑	2.8% ↑
Auto Repair Shops	25.5	17.5% ↑	-2.4% ↓	-1.1% ↓
Automotive Supply Stores	24.6	-0.7% ↓	2.0% ↑	2.1% ↑
Drug Stores	22.7	-5.3% ↓	-5.6% ↓	-6.0% ↓
Used Automotive Dealers	19.4	3.7% ↑	-15.2% ↓	-6.0% ↓
Convenience Stores/Liquor	19.1	-30.4% ↓	-8.8% ↓	-10.0% ↓
Contractors	18.8	5.2% ↑	8.0% ↑	-1.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars