

# CITY OF SAN JACINTO

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### SAN JACINTO

TOTAL: \$ 1,259,019

7.8%  
4Q2022



5.8%  
COUNTY

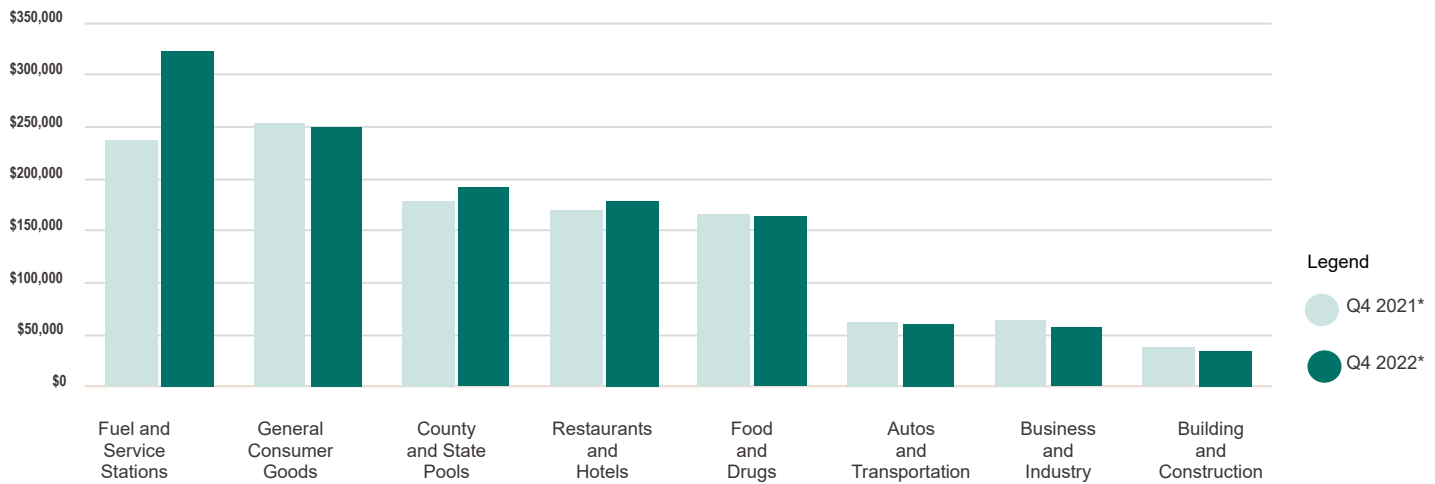


4.6%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure V

TOTAL: \$1,942,549

8.8%



#### CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from October through December were 4.4% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 7.4%.

A taxpayer reporting error temporarily pushed up revenue from fuel and service stations.

New dining options resulted in increased totals from restaurants-hotels.

General consumer goods reported lower receipts due to concerns with inflation, recession, and consumers tightening their wallets closely during the 4Q22 holiday season.

The food-drugs group experienced a slowdown in sales after the initial peak during the pandemic.

The business-industry sector has been

negatively impacted by the closure of restaurants and food service providers, reducing sales from agriculture-based businesses.

Building-construction faced a temporary holiday dip in activity, while the autos-transportation group remained flat.

The City's share of the countywide use tax pool increased 6.4% when compared to the same period in the prior year. Measure V, the City's voter-approved transactions and use tax, generated an additional \$1,927,909 in revenue.

Net of aberrations, taxable sales for all of Riverside County grew 5.8% over the comparable time period; the Southern California region was up 5.0%.



#### TOP 25 PRODUCERS

7 Eleven  
Arco AM PM  
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  
Snap On Tools  
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 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 electric/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-

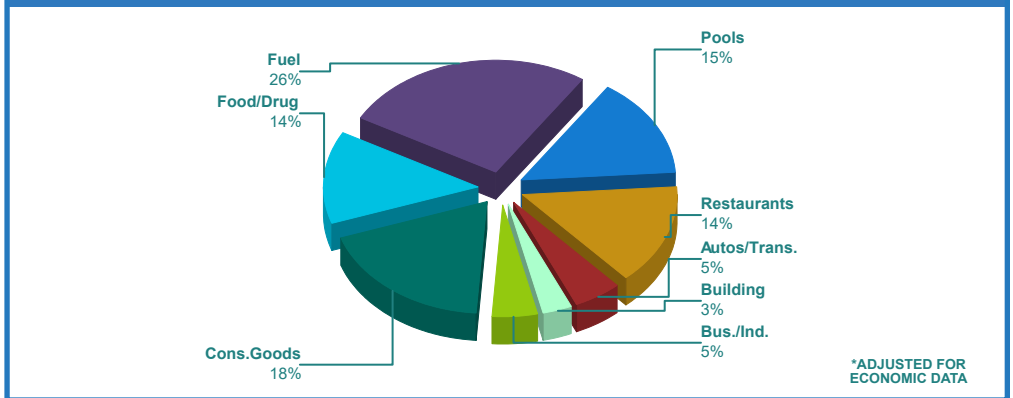
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

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 Jacinto This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

San Jacinto Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	322.7	36.7% ↑	4.1% ↑	7.5% ↑
Quick-Service Restaurants	130.1	2.9% ↑	5.1% ↑	5.7% ↑
Casual Dining	38.6	22.8% ↑	4.4% ↑	8.1% ↑
Automotive Supply Stores	30.4	4.2% ↑	0.7% ↑	2.6% ↑
Drug Stores	28.6	2.5% ↑	3.5% ↑	2.5% ↑
Convenience Stores/Liquor	25.8	2.8% ↑	-1.5% ↓	0.9% ↑
Auto Repair Shops	19.4	-3.7% ↓	3.9% ↑	6.5% ↑
Electronics/Appliance Stores	16.3	20.2% ↑	1.6% ↑	10.8% ↑
Contractors	15.3	-14.9% ↓	17.4% ↑	11.6% ↑
Variety Stores	12.8	2.4% ↑	2.3% ↑	1.4% ↑

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