

CITY OF LIVERMORE

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



LIVERMORE

TOTAL: \$ 10,810,765

4.2%
4Q2022



10.2%
COUNTY

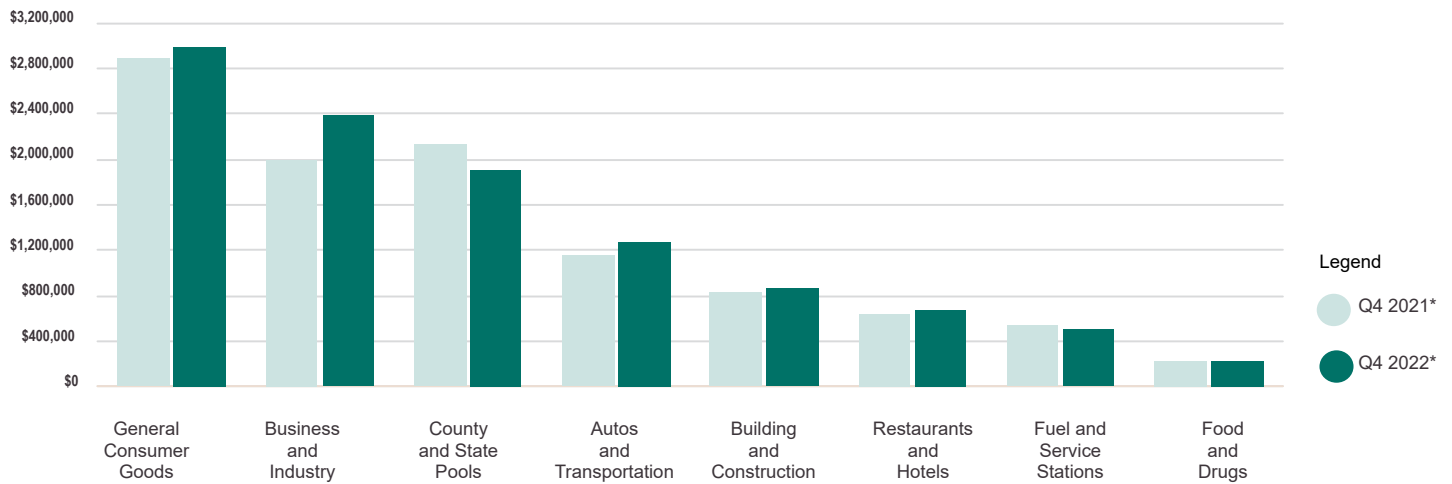


4.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from October through December were 5.0% below the fourth sales period in 2021. Negative audit corrections for prior quarter taxes received in error that belonged in county pools caused the cash decline; however, excluding reporting aberrations, actual sales rose 4.2%.

Family apparel, the City's largest tax segment, improved returns 4%, inclusive of new merchant openings in 2022. Overall, general consumer goods saw a similar percentage gain with shoe stores, women's clothing increases overcoming fewer transactions at home furnishings outlets.

Business-industry soared upward 20%; in addition to a big upswing from local manufacturers, tax returns grew for service based companies who sell technology products. 13% contractor growth accounted for the bulk of

building-construction's uptick in taxes.

New motor vehicle dealerships continued past trends; buyers spent freely on luxury brands, this segment's 16% escalation outpaced statewide results. Patrons flocked to casual dining eateries, pushed payments higher by 7%.

Even though fuel prices remained elevated, service stations comparisons dropped 7%. Analysis revealed current return filing mistakes; expectations are missing Livermore dollars should be recovered in a future period.

Adverse taxpayer rulings were posted to the Alameda pool and reduced available dollars to share, thus, use tax allocations fell for this quarter.

Net of aberrations, taxable sales for all of the Bay Area increased 5.6%.



TOP 25 PRODUCERS

- AMS Net
- Audi Livermore
- Coach/Kate Spade
- Computacenter
- Fusionstorm
- Costco
- Gillig
- Gucci Outlet
- Home Depot
- JA Momaney Services
- Jifco
- Land Rover Jaguar Livermore
- Livermore Ford/Lincoln/Alfa/Maserati
- Livermore Honda
- Livermore Subaru
- Livermore Toyota
- Porsche Livermore
- Safeway
- Target
- Tesla Motors
- Tory Burch
- Toyota Material Handling
- US Foodservice
- Vans
- Walmart
- Waxie Sanitary 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.

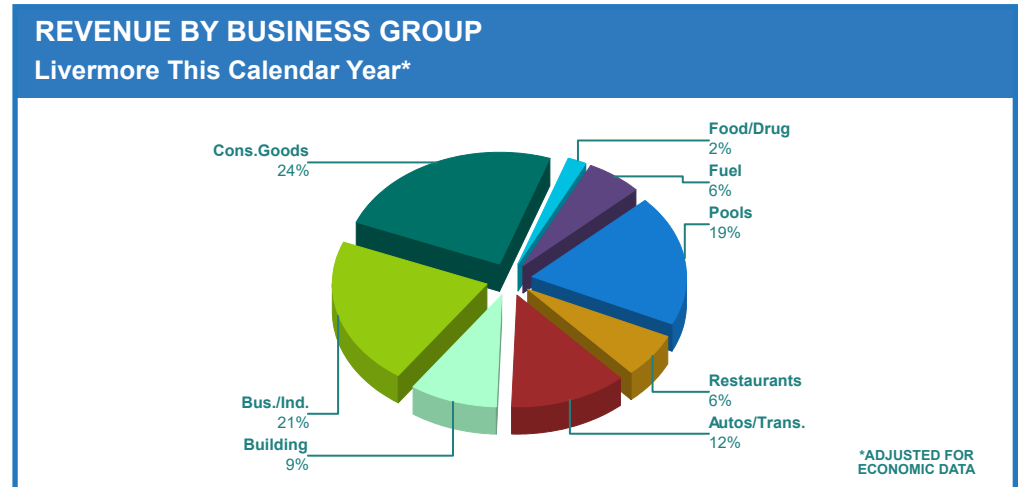
Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV 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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q4 '22*	Change	County Change	HdL State Change
Family Apparel	1,057.6	3.5% ↑	0.8% ↑	-1.0% ↓
New Motor Vehicle Dealers	851.9	16.2% ↑	47.4% ↑	12.4% ↑
Service Stations	493.3	-6.5% ↓	7.2% ↑	7.5% ↑
Building Materials	404.5	0.1% ↑	3.9% ↑	2.1% ↑
Casual Dining	376.2	5.2% ↑	6.1% ↑	8.1% ↑
Heavy Industrial	370.3	-5.3% ↓	6.5% ↑	9.7% ↑
Contractors	318.2	13.4% ↑	-1.6% ↓	11.8% ↑
Shoe Stores	274.9	5.3% ↑	5.2% ↑	2.2% ↑
Specialty Stores	230.8	21.3% ↑	1.7% ↑	2.1% ↑
Women's Apparel	226.4	6.2% ↑	-3.5% ↓	-3.8% ↓

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