

# CITY OF LIVERMORE

## SALES TAX UPDATE

### 1Q 2023 (JANUARY - MARCH)



#### LIVERMORE

TOTAL: \$ 8,481,621

-5.5%

1Q2023



4.9%

COUNTY



-1.1%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from January through March were 13.2% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 5.5%.

While new motor vehicles outpaced the statewide average gains and posted 4.7% growth, others in the auto-transportation group such as auto leases posted substantial declines leading the whole group to post declines of 1.4%

Service stations were down as prices at the pumps declined as compared to the high prices of last year. General consumer goods were a mixed bag; the gains in family apparel, shoe stores and specialty stores were not enough to offset the declines in other categories. Building materials and contractors were down double digits due to a drop in lumber prices and the weather storms

during this first quarter.

While the business-industry group posted positive results with help from trailers/auto parts and light industrial, the gains were lessened by declines in heavy industrial and food service equipment sales.

Restaurants were a bright spot with casual dining up almost 5% and quick-service restaurants up 3%.

The countywide pool had a large, onetime allocation that pushed the receipts up 3%, but other agencies in the pool had a larger point of sale leading to the City's allocation dropping 21%.

Net of aberrations, taxable sales for all of Alameda County grew 4.9% over the comparable time period; the Bay Area was up 1.2%.



#### TOP 25 PRODUCERS

- |                                      |                           |
|--------------------------------------|---------------------------|
| AMS Net                              | Safeway Fuel              |
| Audi Livermore                       | Target                    |
| Coach/Kate Spade                     | Tesla Motors              |
| Computacenter                        | Toyota Material Handling  |
| Fusionstorm                          | US Foodservice            |
| Costco                               | Veritiv Operating Company |
| Gillig                               | Walmart                   |
| Gucci Outlet                         | Waxie Sanitary Supply     |
| Home Depot                           |                           |
| JA Momoney Services                  |                           |
| Jifco                                |                           |
| Land Rover Jaguar Livermore          |                           |
| Livermore Ford/Lincoln/Alfa/Maserati |                           |
| Livermore Honda                      |                           |
| Livermore Subaru                     |                           |
| Livermore Toyota                     |                           |
| Lowe's                               |                           |
| Porsche Livermore                    |                           |



## 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

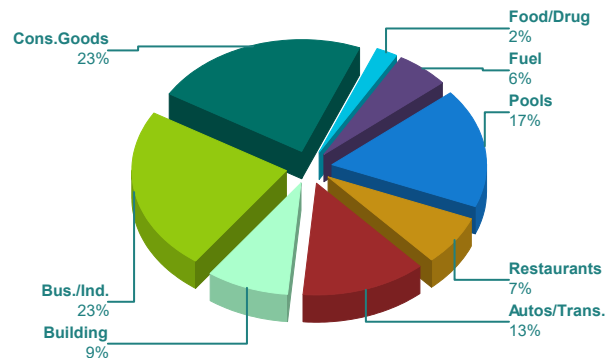
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number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



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q1 '23*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	758.5	4.7% ↑	39.6% ↑	0.8% ↑
Family Apparel	622.8	2.2% ↑	3.4% ↑	2.3% ↑
Service Stations	471.0	-11.5% ↓	-9.0% ↓	-9.8% ↓
Trailers/Auto Parts	399.3	53.1% ↑	90.7% ↑	11.0% ↑
Heavy Industrial	368.9	-0.9% ↓	-13.7% ↓	-5.6% ↓
Casual Dining	360.6	4.8% ↑	8.2% ↑	9.6% ↑
Building Materials	351.1	-13.7% ↓	-10.5% ↓	-9.8% ↓
Contractors	278.2	-10.8% ↓	-17.2% ↓	-12.7% ↓
Light Industrial/Printers	208.2	16.8% ↑	2.8% ↑	0.6% ↑
Quick-Service Restaurants	181.3	3.0% ↑	5.8% ↑	5.1% ↑

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\*In thousands of dollars