

CITY OF LIVERMORE

SALES TAX UPDATE

4Q 2023 (OCTOBER - DECEMBER)



LIVERMORE

TOTAL: \$ 10,473,915

-3.8%

4Q2023



-13.0%

COUNTY



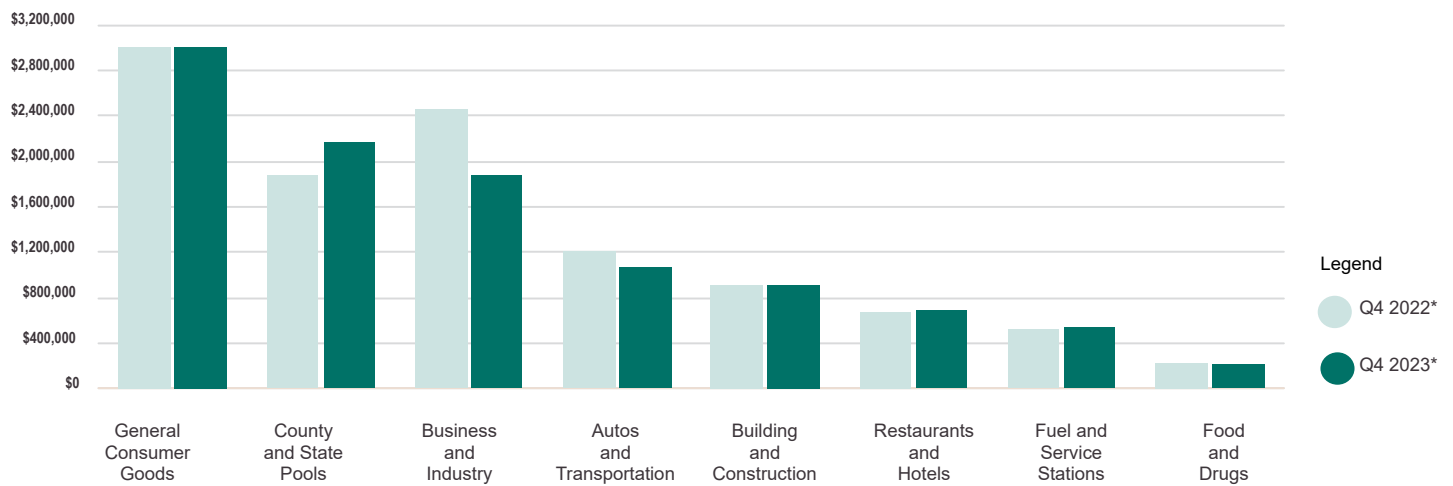
-2.5%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF LIVERMORE HIGHLIGHTS

Livermore's gross receipts from October through December were 0.8% below the fourth sales period in 2022. However, after adjusting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 3.8%. Overall, the various tax groups reported mixed results for the period.

In-store shopping during the busy holiday season ended about even compared to a year ago – with mild growth in family and women's apparel and a dip in specialty store sales. The City's allocation from the countywide use tax pool bumped up 15.1% due to a shift in the pool share and strong ecommerce sales.

Strong contractor activity boosted building-construction returns; and casual dining led the gain for restaurants-hotels, offsetting a drop in quick-service receipts. Even with fluctuating fuel pricing, service

station revenues grew 4.7%, assisted by a new taxpayer and a solid shopping season.

Large one-time taxpayer payments a year ago skewed down the business-industry results across several sectors, including heavy industrial and business services. Autos-transportation declined 11.7% as new car and used car revenues nosedived. Grocery, drug, and convenience store revenues were all lower than a year ago.

Net of adjustments, taxable sales for all of Alameda County declined 13.0% over the comparable time period; the Bay Area was down 4.8%.



TOP 25 PRODUCERS

- AMS Net
- Audi Livermore
- Coach
- Computacenter
- Fusionstorm
- Costco
- Draexlmaier
- Gillig
- Gucci Outlet
- Home Depot
- JA Momaney Services
- Land Rover Jaguar Livermore
- Livermore Ford/Lincoln/Alfa/Maserati
- Livermore Honda
- Livermore Subaru
- Livermore Toyota
- Mobile Modular Management
- Nike
- Porsche Livermore
- Safeway Fuel
- Target
- Toyota Material Handling
- Tri West Tractor
- US Foodservice
- Walmart
- Waxie Sanitary Supply



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of October through December were 2.5% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating quarter of the year and exhibited diminished year-over-year returns as consumers balanced higher prices and financing costs with essential household needs.

Higher interest rates impacted the auto-transportation sector, especially luxury vehicles, as the group dropped 6.2%. Inventories for many dealers returned, creating downward pressure on prices, further constraining receipts. Lenders have tightened credit standards, making loan financing challenging. Improved leasing activity was the lone bright spot. With slow movement expected by the Federal Treasury setting interest rate policy, future revenue growth may stagnate.

Fuel and service stations contributed a similar downturn, as lower fuel prices reduced receipts from gas stations and petroleum providers. While this has been the trend throughout 2023, recently global crude oil prices have been on the rise and should see growth in the coming year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop.

During this holiday shopping period, general consumer goods experienced lackluster sales as results pulled back 3.4%. Most sectors saw reductions with home furnishings, women’s apparel, shoe and electronic-appliance stores being the most significant. Returns also marked the fourth consecutive quarter showing comparable declines. Similar to the anticipated trend of new vehicles, consumer spending may be sluggish in the near term.

Even though revenue from most major

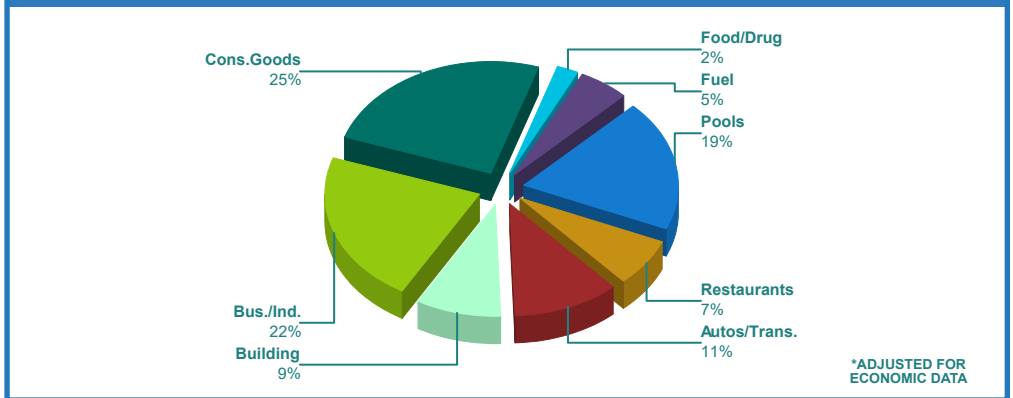
sectors slowed, restaurant sales remained steady with a modest gain of 1.0%. Results from casual dining establishments grew during the early winter period as patrons enjoyed indoor dining. However, following the greater trend of consumers looking for value, fine dining eateries experienced lower receipts. The industry is still bracing for implementation of AB 1228, a new law increasing minimum wages for ‘fast food restaurants’, on April 1, 2024.

Use taxes remitted via the countywide pools grew 1.0%, marking the first positive rebound after four consecutive quarters of decline. While overall online sales volume is steady, pool collections contracted with more taxes allocated directly to local agencies via in-state fulfillment and through

existing retail outlets.

Statewide, calendar year 2023 ended with a 2.3% decline from 2022. Elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Following multiple years of post-pandemic tax growth assisted by federal tax policy and temporary workplace accommodations, consumers reassessed their economic conditions and limited purchases. As the Federal Reserve considers delaying softening rates, consumer spending could likely stagnate delaying a return to the normal historical growth trend in 2024.

REVENUE BY BUSINESS GROUP Livermore This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q4 '23*	Change	County Change	HdL State Change
Family Apparel	1,047.3	0.5% ↑	-1.2% ↓	-0.4% ↓
New Motor Vehicle Dealers	735.5	-14.1% ↓	-49.6% ↓	-7.7% ↓
Service Stations	529.7	4.6% ↑	-8.5% ↓	-4.9% ↓
Casual Dining	411.9	6.8% ↑	1.8% ↑	1.8% ↑
Contractors	408.5	18.9% ↑	9.1% ↑	1.4% ↑
Building Materials	388.7	-3.8% ↓	-4.4% ↓	-2.0% ↓
Heavy Industrial	324.6	-15.4% ↓	-10.4% ↓	-8.7% ↓
Shoe Stores	275.3	0.3% ↑	-0.8% ↓	-6.3% ↓
Women's Apparel	256.3	2.0% ↑	-4.0% ↓	-6.1% ↓
Specialty Stores	209.0	-12.4% ↓	-5.1% ↓	-2.1% ↓

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