

# CITY OF LIVERMORE

## SALES TAX UPDATE

### 2Q 2021 (APRIL - JUNE)



**LIVERMORE**

TOTAL: \$ 9,237,005

52.3%  
2Q2021



35.8%  
COUNTY

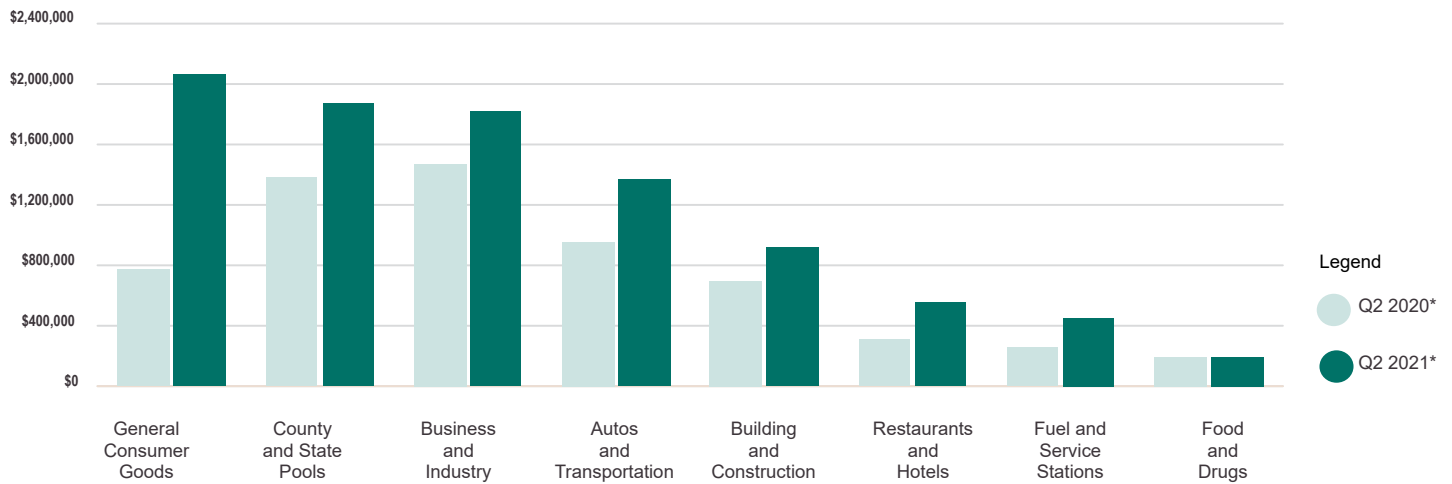


37.3%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from April through June were 63.0% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 52.3%.

Women's and family apparel, shoe and specialty stores revenues suffered in the comparable quarter as pandemic based health mandates required multiple weeks of closure; reopened regional outlets and other centers brought back shoppers in large numbers.

Overall, general consumer goods accounted for 40% of the total quarterly growth; this group posted an 87% recovery when measured against second quarter 2019 totals. Related, under relaxed COVID requirements restaurants-hotels bounced back by 82%, paced by indoor patrons at casual dining eateries. Service stations sold greater volumes of fuel; higher crude rates aided in the tallies.

Contractors remained very busy while building material companies benefited from an extraordinary surge in lumber prices. Buyers stayed ahead of media reporting semi-conductor chip shortages and manufacturing interruptions; new vehicle dealerships cleared out a lot of inventory at record prices.

The City's second largest category, business-industry, performed very well; the 23% improvement was paced by more sales by heavy and light industrial firms. Robust performance by the City's retailers and continued strength in online shopping boosted the pool allocation by 35%.

Net of aberrations, taxable sales for all of Alameda County grew 35.8% over the comparable time period; the Bay Area was up 34.1%.



### TOP 25 PRODUCERS

- Burberry Limited
- Coach/Kate Spade
- Computacenter
- Fusionstorm
- Costco
- Gillig
- Gucci Outlet
- Happy Daze RV
- Home Depot
- JA Momoney Services
- Jifco
- Livermore Ford/Lincoln/Alfa/Maserati
- Livermore Honda
- Livermore Toyota
- Lowe's
- Mobile Modular Management
- Nike
- Porsche Livermore
- Safeway
- Safeway Fuel
- Target
- Tory Burch
- Toyota Material Handling
- US Foodservice
- Walmart
- Waxie Sanitary Supply



## STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

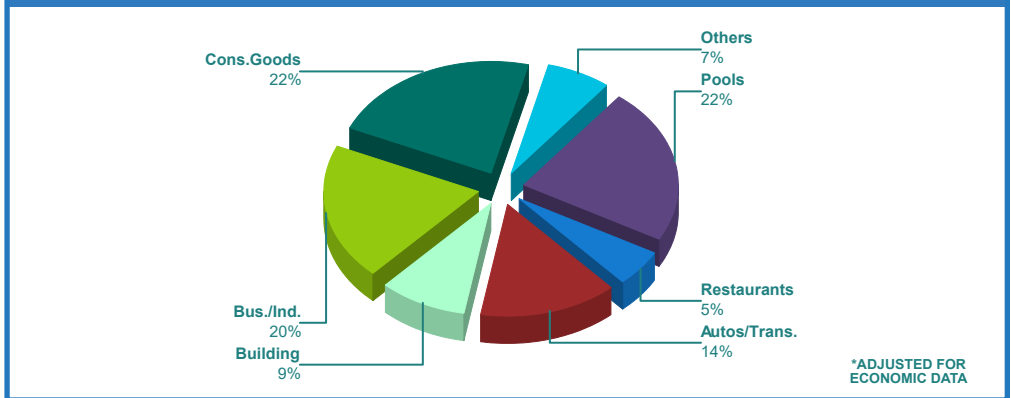
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

### REVENUE BY BUSINESS GROUP Livermore This Fiscal Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

| Livermore Business Type   | Q2 '21* | Change   | County Change | HdL State Change |
|---------------------------|---------|----------|---------------|------------------|
| New Motor Vehicle Dealers | 868.7   | 59.6% ↑  | 55.9% ↑       | 55.9% ↑          |
| Family Apparel            | 719.7   | 972.9% ↑ | 646.7% ↑      | 230.5% ↑         |
| Service Stations          | 451.5   | 73.3% ↑  | 66.3% ↑       | 73.9% ↑          |
| Building Materials        | 436.8   | 28.8% ↑  | 26.8% ↑       | 21.7% ↑          |
| Heavy Industrial          | 392.5   | 65.6% ↑  | 10.8% ↑       | 10.7% ↑          |
| Contractors               | 329.0   | 33.6% ↑  | 17.6% ↑       | 23.7% ↑          |
| Casual Dining             | 306.4   | 114.2% ↑ | 119.5% ↑      | 130.2% ↑         |
| Light Industrial/Printers | 198.7   | 40.3% ↑  | 6.7% ↑        | 19.4% ↑          |
| Shoe Stores               | 192.9   | 817.7% ↑ | 524.5% ↑      | 177.9% ↑         |
| Quick-Service Restaurants | 190.6   | 44.5% ↑  | 32.4% ↑       | 28.9% ↑          |

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