

# CITY OF REDLANDS

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### REDLANDS

TOTAL: \$ 4,911,275

-1.1%

4Q2022



3.7%

COUNTY



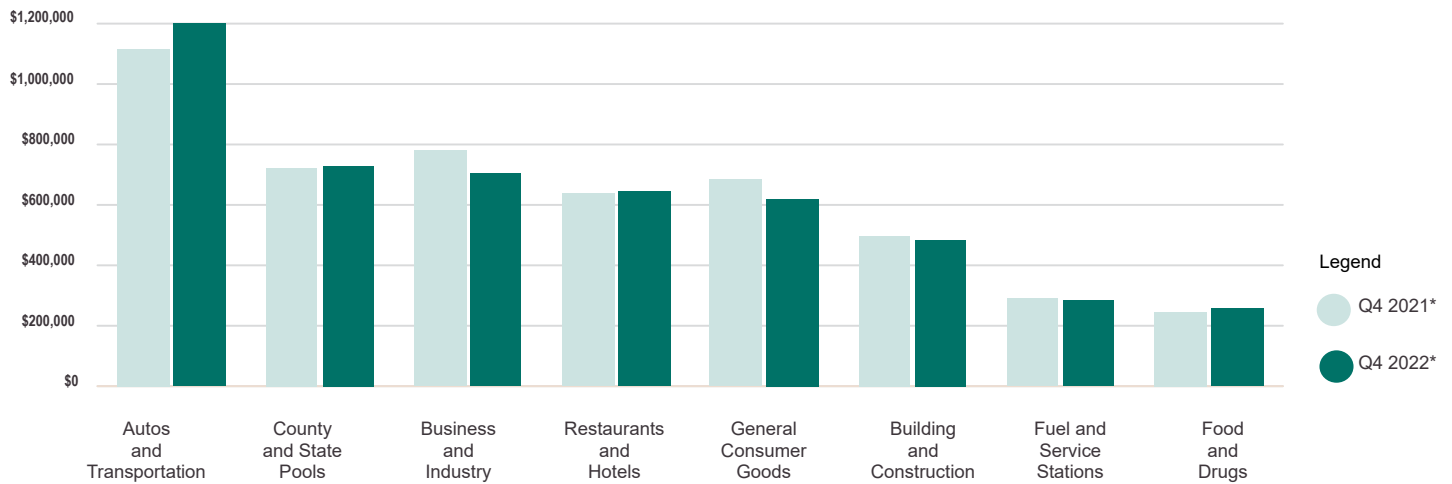
4.6%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$5,550,679

↑ 1.3%



#### CITY OF REDLANDS HIGHLIGHTS

Redlands's receipts from October through December were 3.1% below the fourth sales period in 2021. Excluding reporting aberrations, actual sales were down 1.1%.

Current year results will continue to decelerate and flatten as we move into FY 2023-2024. The largest decrease this quarter came from fulfillment centers. Returns from family apparel, sporting goods, building materials, and service stations were also down.

The City realized positive returns from its biggest sector, autos & transportation, and new motor vehicle dealers did very well.

Results from heavy and light industrial/printers, grocery stores, and the state & county pools were up. Local dining from quick service restaurants, casual dining, and leisure/entertainment remained strong. All three combined with the other gains to help offset the overall quarterly loss.

The Transaction and Use Tax Measure T generated 113.6% of the Bradley Burns amount, led by solid performance from general consumer goods.

Net of aberrations, taxable sales for all of San Bernardino County grew 3.7% over the comparable time period; the Southern California region was up 5.0%.



#### TOP 25 PRODUCERS

Albertsons  
Amazon Com Services  
Amazon MFA  
Burlington  
Circle K  
Citrus Arco  
Dr Martens  
Enterprise Rent A Car  
Hatfield Buick & GMC Truck  
Home Depot  
Ken Grody Ford Redlands  
L & W Supply  
Lowe's  
Marshalls

McDonalds  
Metro Nissan of Redlands  
Raising Cane's  
Redlands Chrysler Jeep Dodge Ram  
Select Comfort  
Shell  
Stater Bros  
Tom Bell Chevrolet  
Tom Bell Toyota  
Valero  
Walmart



## 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-

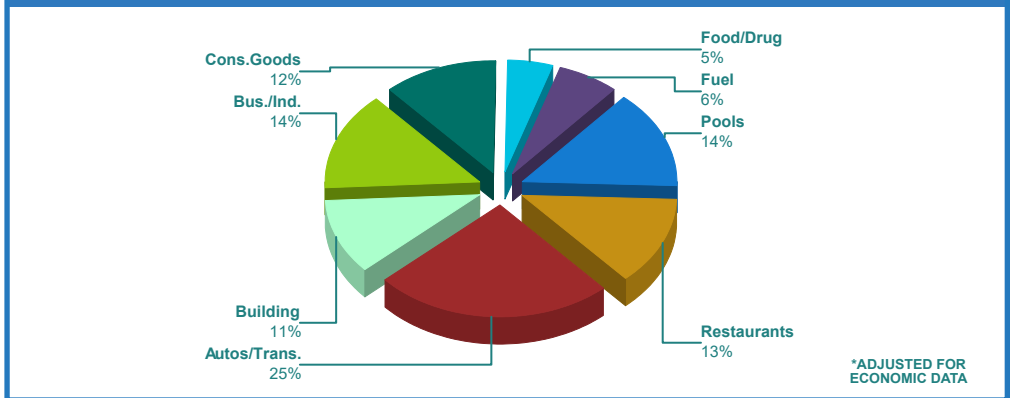
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

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 Redlands This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Redlands Business Type	Q4 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	946.3	8.6% ↑	8.5% ↑	12.5% ↑
Fulfillment Centers	476.3	-20.3% ↓	-3.8% ↓	11.2% ↑
Building Materials	416.6	-2.4% ↓	0.2% ↑	2.1% ↑
Service Stations	286.1	-1.1% ↓	5.4% ↑	7.5% ↑
Quick-Service Restaurants	275.3	6.6% ↑	3.1% ↑	5.7% ↑
Casual Dining	257.6	4.7% ↑	4.9% ↑	8.1% ↑
Grocery Stores	188.4	5.5% ↑	9.6% ↑	6.2% ↑
Family Apparel	100.0	-11.5% ↓	0.0% ↓	-0.9% ↓
Specialty Stores	90.3	-3.3% ↓	1.1% ↑	1.9% ↑
Home Furnishings	77.8	-1.8% ↓	-7.1% ↓	-6.9% ↓

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