

# CITY OF REDLANDS

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### REDLANDS

TOTAL: \$ 4,798,606

5.5%  
1Q2022



12.9%  
COUNTY



17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$4,826,928

↑ 187,691.9%



#### CITY OF REDLANDS HIGHLIGHTS

Redlands' receipts from January through March were 12.1% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 5.5%.

Despite record-high transaction prices, the autos-transportation industry is benefitting from an overwhelming amount of well-qualified buyers, along with growing interest in electric vehicles. Continued spikes in the price of crude oil have elevated pump prices, driving up revenue from fuel and service stations.

Consumers continue to flock to restaurants, despite recent menu prices hikes brought on by increased costs of wholesale food. The pandemic-fueled

surge in e-commerce shopping is holding strong, while prices for general consumer goods are at an all-time high.

The City's share of the countywide use tax pool increased 1.8% when compared to the same period in the prior year. Measure T, the City's voter-approved transactions and use tax, brought in an additional \$4,816,968 led by sales from the general consumer goods and autos-transportation categories.

Net of aberrations, taxable sales for all of San Bernardino County grew 12.9% over the comparable time period; the Southern California region was up 19.2%.



#### TOP 25 PRODUCERS

Amazon Com Services	McDonalds
Amazon MFA	Metro Nissan of Redlands
Burlington	Redlands Chrysler Jeep Dodge Ram
Circle K	Select Comfort
Citrus Arco	Shell
Dr Martens	Stater Bros
Enterprise Rent A Car	Tom Bell Chevrolet
Hatfield Buick & GMC Truck	Tom Bell Toyota
Home Depot	Valero
HYR Powersports	Vector Steel
Ken Grody Ford Redlands	Walmart
L & W Supply	
Lowe's	
Marshalls	



**STATEWIDE RESULTS**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

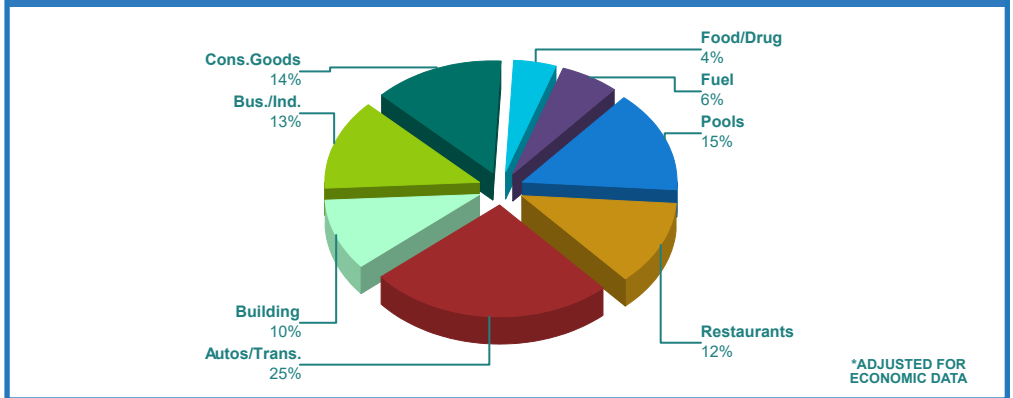
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
Redlands This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Redlands Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	973.1	9.8% ↑	12.2% ↑	18.7% ↑
Building Materials	424.9	-0.3% ↓	4.9% ↑	7.6% ↑
Service Stations	291.6	27.7% ↑	40.5% ↑	43.4% ↑
Quick-Service Restaurants	243.9	-0.4% ↓	1.5% ↑	7.8% ↑
Casual Dining	241.8	47.8% ↑	48.0% ↑	55.7% ↑
Grocery Stores	156.0	0.5% ↑	3.2% ↑	3.2% ↑
Automotive Supply Stores	75.2	-0.6% ↓	4.4% ↑	4.6% ↑
Family Apparel	74.3	-14.0% ↓	-2.1% ↓	9.4% ↑
Contractors	67.2	-20.6% ↓	18.8% ↑	20.5% ↑
Specialty Stores	66.0	-2.3% ↓	9.5% ↑	10.7% ↑

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