

# CITY OF REDLANDS

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### REDLANDS

TOTAL: \$ 4,989,995

-3.0%

2Q2022



6.6%

COUNTY



10.1%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$5,249,807

↑ 9.4%



#### CITY OF REDLANDS HIGHLIGHTS

Redlands' receipts from April through June were 9.4% below the second sales period in 2021. Excluding reporting aberrations, actual sales were down 3.0%.

Receipts from fulfillment centers, new motor vehicle dealers, family apparel, specialty stores, sporting goods/bike stores, building materials, quick service and fast casual restaurants, and the state and county pools were down this quarter.

The travel and tourism industry is optimistic that restaurants and hotels will continue to see stronger tax filings in the coming months, and this has resulted

in positive returns from casual dining restaurants and leisure/entertainment and combined with a boost from service stations, food service equipment, light industrial/printers, auto repair shops, contractors, and grocery stores to offset the overall quarterly loss.

The City's Transaction and Use Tax Measure T generated 105.8% 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 6.6% over the comparable time period; the Southern California region was up 11.1%.



#### TOP 25 PRODUCERS

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



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

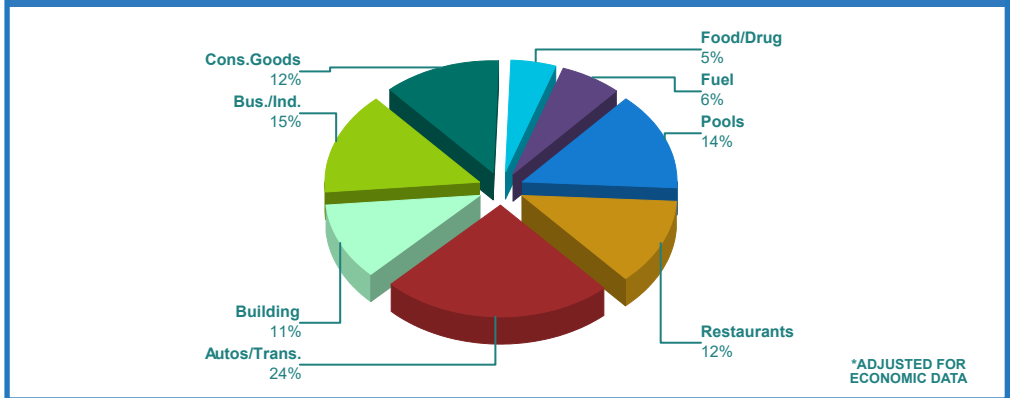
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

**REVENUE BY BUSINESS GROUP**  
Redlands This Fiscal Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Redlands Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	978.8	-7.4% ↓	4.3% ↑	6.6% ↑
Building Materials	477.7	-4.3% ↓	0.9% ↑	2.9% ↑
Service Stations	353.4	32.2% ↑	35.0% ↑	36.4% ↑
Casual Dining	259.3	18.0% ↑	12.2% ↑	17.2% ↑
Quick-Service Restaurants	256.7	-1.4% ↓	-1.1% ↓	5.2% ↑
Grocery Stores	171.1	3.6% ↑	4.5% ↑	5.3% ↑
Contractors	95.3	10.0% ↑	30.8% ↑	14.0% ↑
Family Apparel	81.7	-11.6% ↓	-9.4% ↓	0.6% ↑
Home Furnishings	77.7	-0.3% ↓	-9.1% ↓	-4.5% ↓
Specialty Stores	71.8	-6.3% ↓	-6.0% ↓	4.2% ↑

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