

# CITY OF LIVERMORE

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



#### LIVERMORE

TOTAL: \$ 9,997,585

5.3%  
3Q2022



14.3%  
COUNTY



8.0%  
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 July through September were 8.3% above the third sales period in 2021; however, net of reporting adjustments, receipts grew 5.3%. Even with pressures of inflation and interest rates, most sales tax groups enjoyed growth during the busy summer months.

For the seventh consecutive quarter, the City's largest tax group, general consumer goods, reflected a steady shopping summer season. Family apparel, shoe and specialty stores contributed heavily to the 10.5% gain. Restaurant-hotel revenues jumped as residents and travelers enjoyed dining out at casual and quick-service restaurants. The cost of crude oil kept fuel prices high during the third quarter, and along with more travelers on the road, pumped fuel-service station receipts up almost 14%.

The light industrial sector benefited from a large, onetime taxpayer payment - which helped elevate business-industry revenues. Solid plumbing/electrical equipment sales and contractor activity helped edge building-construction revenues a little higher.

Conversely, the City's allocation from the countywide use tax pool dipped slightly as sales tax growth by other agencies in the County absorbed a larger share of the pool. Even though new car sales remained strong, comparison to a large taxpayer payment a year ago skewed down the overall group receipts.

Net of adjustments, taxable sales for all of Alameda County grew 14.3% over the comparable time period; the Bay Area was up 9.9%.



#### TOP 25 PRODUCERS

- AMS Net
- Audi Livermore
- Bauer Compressors
- Coach/Kate Spade
- Computacenter
- Fusionstorm
- Costco
- Gillig
- Gucci Outlet
- Home Depot
- JA Momaney Services
- Jifco
- Land Rover Jaguar Livermore
- Livermore Ford/Lincoln/Alfa/Maserati
- Livermore Honda
- Livermore Subaru
- Livermore Toyota
- Lowes
- Nike
- Porsche Livermore
- Target
- Toyota Material Handling
- US Foodservice
- Veritiv Operating Company
- Walmart
- Waxie Sanitary Supply



## STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

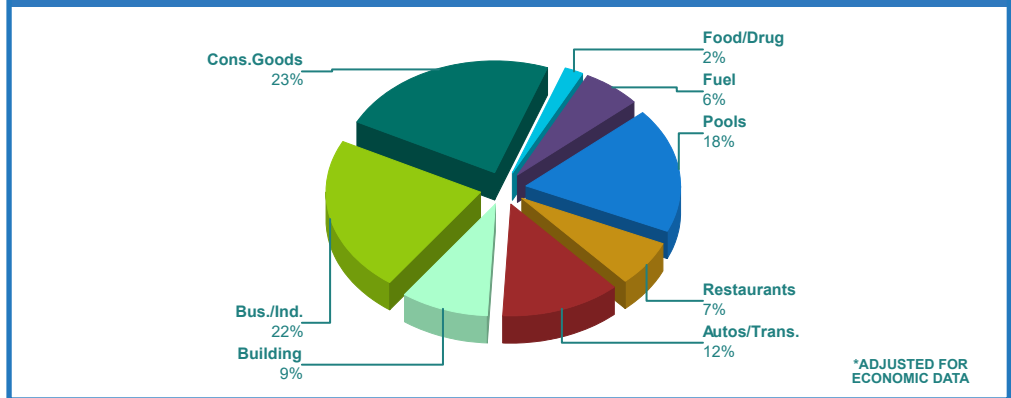
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

### REVENUE BY BUSINESS GROUP Livermore This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q3 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	842.5	14.7% ↑	59.5% ↑	10.0% ↑
Family Apparel	771.8	5.6% ↑	2.6% ↑	-1.7% ↓
Service Stations	596.0	14.6% ↑	21.5% ↑	18.5% ↑
Light Industrial/Printers	451.6	131.6% ↑	19.3% ↑	10.1% ↑
Building Materials	430.1	-1.2% ↓	3.9% ↑	2.8% ↑
Casual Dining	367.1	6.5% ↑	9.9% ↑	10.1% ↑
Heavy Industrial	355.0	-12.1% ↓	4.8% ↑	15.8% ↑
Contractors	300.3	0.0% ↑	8.2% ↑	15.6% ↑
Shoe Stores	236.8	12.6% ↑	4.5% ↑	0.1% ↑
Quick-Service Restaurants	205.4	10.0% ↑	6.1% ↑	4.0% ↑

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\*In thousands of dollars