

CITY OF LIVERMORE

SALES TAX UPDATE

2Q 2023 (APRIL - JUNE)



LIVERMORE

TOTAL: \$ 10,139,272

0.7%
2Q2023



-9.4%
COUNTY

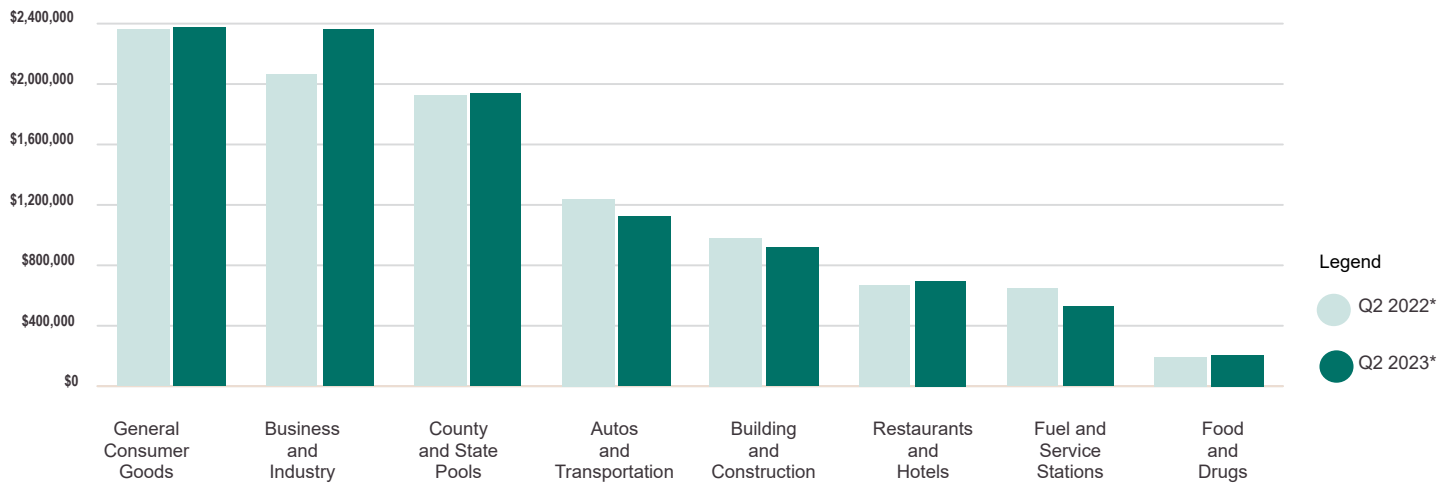


-3.0%
STATE



**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 0.9% above the second sales period in 2022. Excluding reporting aberrations, actual sales increased 0.7%.

In contrast to regional and state trends that posted modest declines, general consumer goods rose 1%; strong totals from family apparel and shoe stores made up for decreases in other sectors.

Receipts for the restaurant-hotel group increased 5% with takeout, delivery, drive-through and curbside sales pushing up totals.

Business-industry contains taxpayers with cyclical sales patterns; in this quarter, light-industrial companies posted an upswing of 51% to account for \$96,000 of the gain from this group. Other areas with positive tallies included transportation manufacturers and

electrical equipment suppliers.

Buyers could no longer ignore heightened interest rates; along with vehicle prices course correcting from excessive levels in the prior year, new auto dealerships filed 12% less in tax revenues.

As pump prices cooled off compared to the extraordinary highs of 2022, service station's payments contracted, down 17%. Weaker transaction volumes from plumbing/electrical companies pushed building-construction 6% lower.

Net of aberrations, taxable sales for all of Alameda County declined 9.4% over the comparable time period; the Bay Area was down 2.8%.



TOP 25 PRODUCERS

- AMS Net
- Audi Livermore
- Bauer Compressors
- Coach/Kate Spade
- 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
- Porsche Livermore
- Safeway
- Safeway Fuel
- Target
- Tory Burch
- Toyota Material Handling
- US Foodservice
- Walmart
- Waxie Sanitary Supply



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

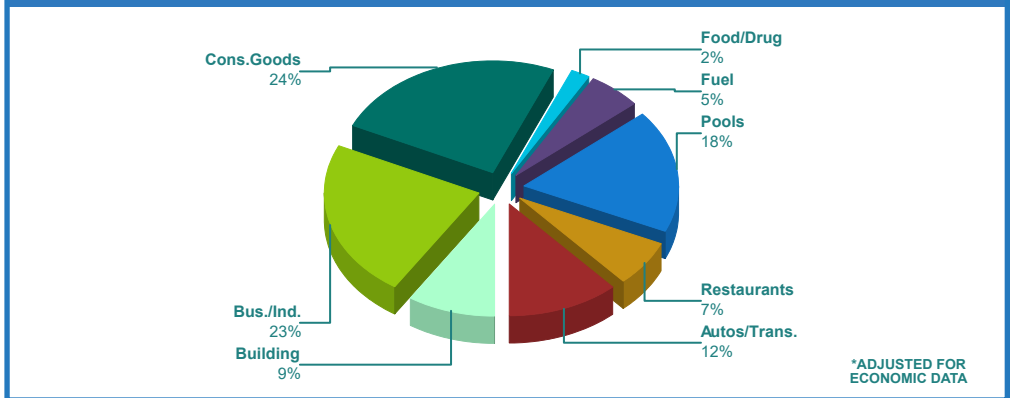
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP Livermore This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q2 '23*	Change	County Change	HdL State Change
Family Apparel	835.0	7.5% ↑	3.6% ↑	-1.0% ↓
New Motor Vehicle Dealers	746.4	-11.7% ↓	-32.0% ↓	-0.3% ↓
Service Stations	523.9	-16.5% ↓	-21.7% ↓	-19.9% ↓
Building Materials	428.5	-3.1% ↓	-7.8% ↓	-7.8% ↓
Casual Dining	410.3	5.9% ↑	4.6% ↑	4.5% ↑
Contractors	355.5	3.5% ↑	-1.1% ↓	-2.9% ↓
Light Industrial/Printers	283.9	51.2% ↑	-2.3% ↓	-5.7% ↓
Heavy Industrial	252.4	-40.7% ↓	-14.7% ↓	-5.9% ↓
Shoe Stores	240.7	8.4% ↑	8.2% ↑	-0.8% ↓
Quick-Service Restaurants	198.5	2.3% ↑	3.8% ↑	3.2% ↑

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