

CITY OF LIVERMORE

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



LIVERMORE

TOTAL: \$ 9,978,445

1.0%
3Q2023



-9.9%
COUNTY

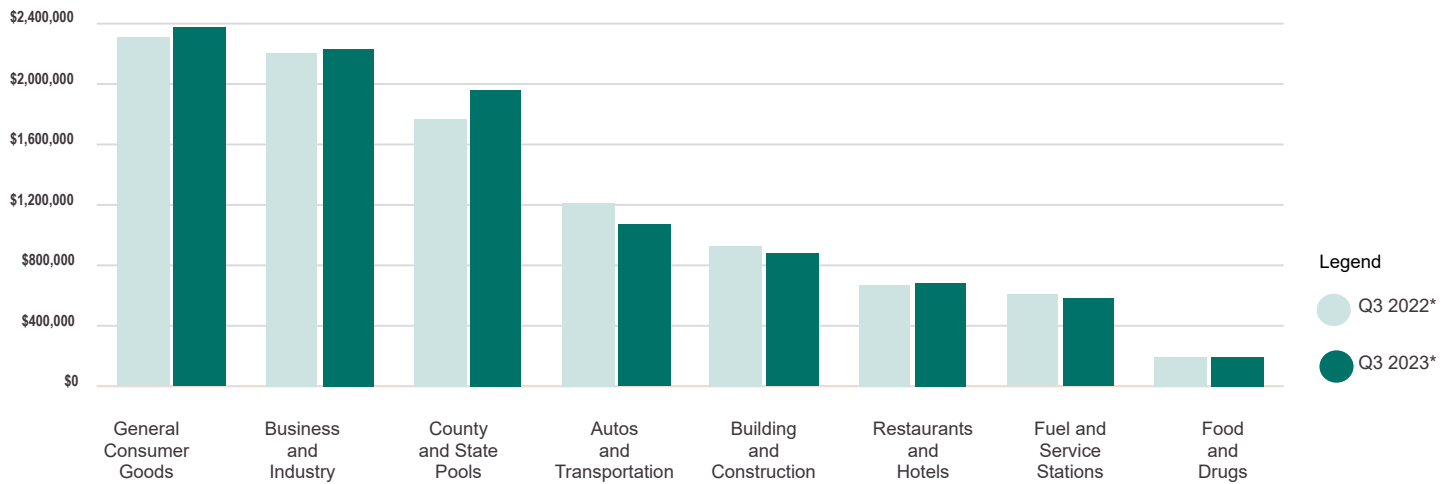


-1.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from July through September were 2.2% below the third sales period in 2022. Excluding reporting aberrations, actual sales were up 1.0%.

New motor vehicle dealers' sales slowed again this quarter while service stations were down as prices of fuel fell back to a more normal level. The building-construction group was down due to slowing in the plumbing/electrical supply stores; both building materials and contractors were flat this quarter.

Business-industry was a mixed bag; several taxpayers reported with big fluctuations. This quarter, a few were up and several were down, balancing each other out. As a result, the group posted slight gains.

General consumer goods had gains in family apparel as shoppers are pursuing

cost conscious merchandise. However, the increases were lessened by slowing in other categories such as home furnishings.

Restaurant menu prices continue to rise, in turn, receipts continue to inch up. While diners are still frequenting restaurants, they are looking for value and deals.

Gains in the countywide pool are the result of the City's point of sale doing better than other agencies in the pool. The allocation was furthered by a change in reporting in another agency that reduced their point of sale.

Net of aberrations, taxable sales for all of Alameda County declined 9.9% over the comparable time period; the Bay Area was down 3.1%.



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
- Safeway Fuel
- Target
- 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 July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

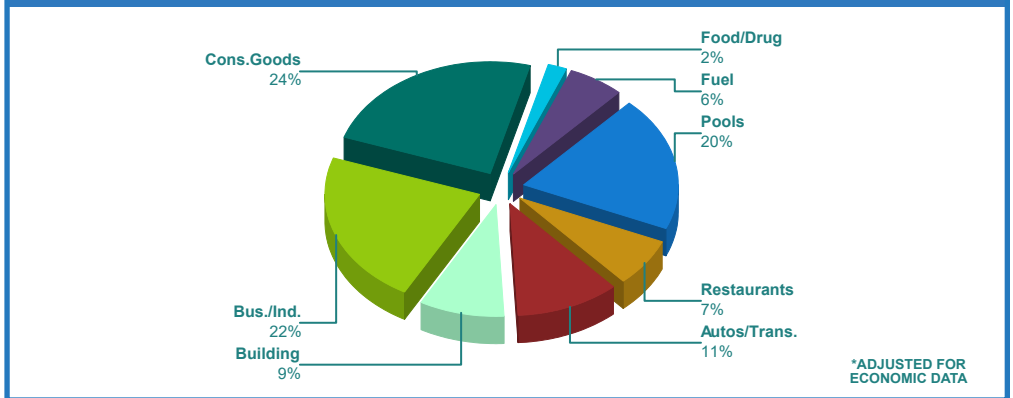
Despite continued increases of new car registrations, revenue from the auto-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP Livermore This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q3 '23*	Change	County Change	HdL State Change
Family Apparel	820.5	5.9% ↑	3.2% ↑	3.2% ↑
New Motor Vehicle Dealers	724.3	-14.4% ↓	-37.8% ↓	-2.5% ↓
Service Stations	569.0	-4.7% ↓	-10.4% ↓	-7.3% ↓
Building Materials	433.4	0.6% ↑	-5.1% ↓	-2.6% ↓
Casual Dining	395.9	4.3% ↑	1.9% ↑	2.8% ↑
Contractors	314.3	0.9% ↑	3.3% ↑	-1.1% ↓
Light Industrial/Printers	295.9	-33.2% ↓	-15.4% ↓	-8.9% ↓
Heavy Industrial	293.0	-13.9% ↓	-14.3% ↓	-6.1% ↓
Shoe Stores	245.3	3.7% ↑	4.2% ↑	-1.8% ↓
Women's Apparel	195.3	18.5% ↑	-0.5% ↓	-3.3% ↓

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