

CITY OF LIVERMORE

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



LIVERMORE

TOTAL: \$ 9,745,862

-4.0%

2Q2024



-3.1%

COUNTY



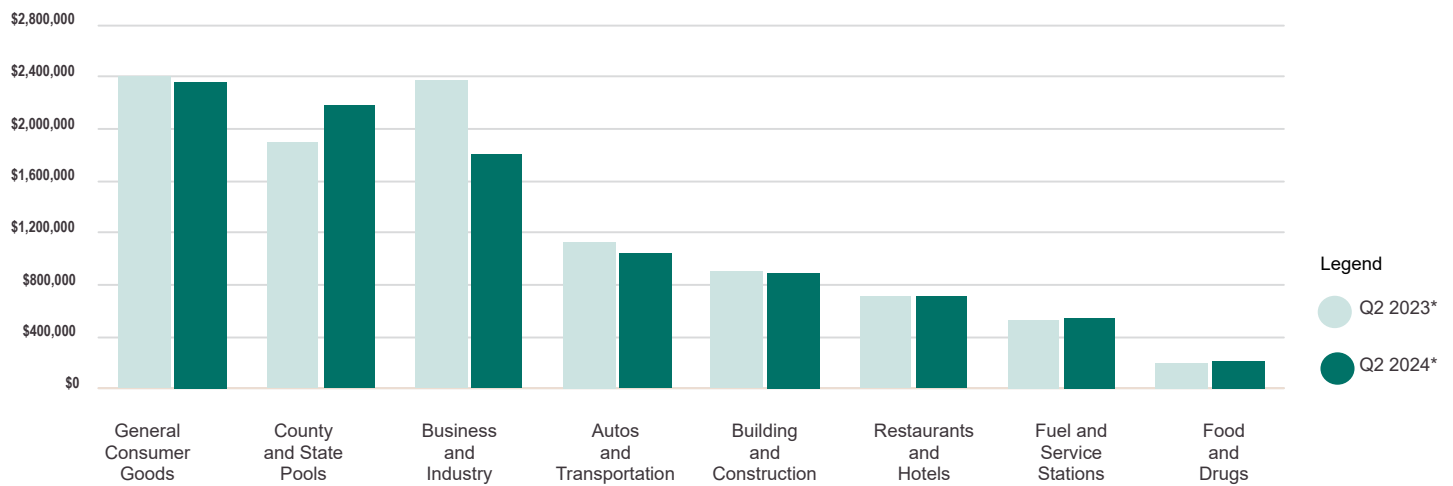
-0.6%

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 7.4% below the second sales period in 2023. Excluding reporting aberrations, actual sales were down 4.0%.

A significant factor contributing to the overall downturn was business-industry group experiencing fluctuations across several categories this quarter, with many showing a decline. Another factor was the slowdown in new motor vehicle sales, as deflating prices and consumer hesitation on big purchases led to a 3% local decline and a 7.7% statewide drop. General consumer goods also suffered, with consumers opting for less high-end items, resulting in decreased sales in family apparel, shoe stores, and women's apparel.

Despite challenges, the restaurants and hotels sector managed to post positive results. Although menu prices are rising,

leading to fewer diners eating out, the sector still saw some growth.

A notable bright spot this quarter was a substantial allocation from the countywide pool. Several agencies in the pool had large negative adjustments, which increased the city's portion for this quarter, resulting in a 14% rise in the city's allocation.

Net of aberrations, taxable sales for all of Alameda County declined 3.1% over the comparable time period; the Bay Area was down 1.7%.



TOP 25 PRODUCERS

- All West Equipment
- AMS Net
- Audi Livermore
- Caltrol
- Coach
- 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
- PLM Trailer Leasing
- Porsche Livermore
- Safeway Fuel
- Target
- Total Industries
- US Foodservice
- Walmart
- Waxie Sanitary Supply



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it’s only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men’s and women’s apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper’s preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

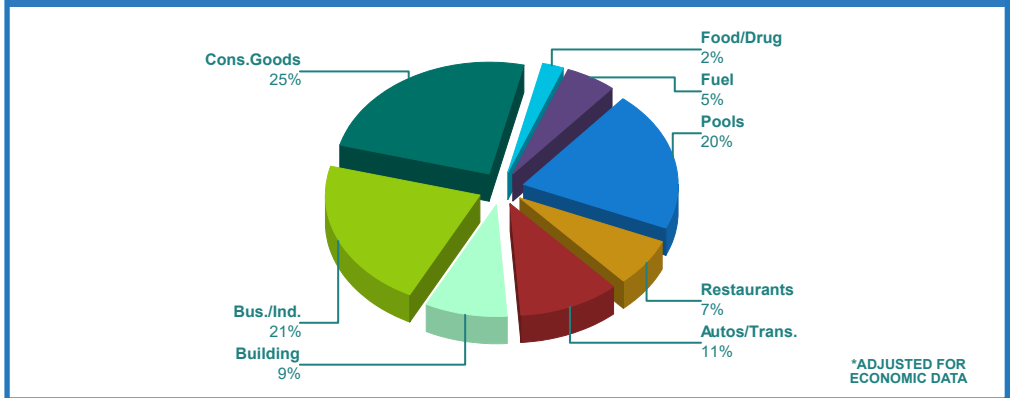
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted – state law increasing California’s minimum wage at designated eateries – third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

REVENUE BY BUSINESS GROUP Livermore This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q2 '24*	Change	County Change	HdL State Change
Family Apparel	811.6	-2.4% ↓	-0.6% ↓	0.9% ↑
New Motor Vehicle Dealers	723.6	-3.1% ↓	-10.0% ↓	-7.7% ↓
Service Stations	543.9	5.2% ↑	-0.1% ↓	2.3% ↑
Casual Dining	417.7	0.6% ↑	0.5% ↑	0.7% ↑
Building Materials	391.1	-6.8% ↓	-7.4% ↓	-3.0% ↓
Contractors	386.7	8.6% ↑	2.0% ↑	-0.2% ↓
Heavy Industrial	290.9	11.1% ↑	18.5% ↑	-0.9% ↓
Shoe Stores	229.5	-4.8% ↓	-6.4% ↓	-4.7% ↓
Food Service Equip./Supplies	215.6	-3.3% ↓	-2.5% ↓	-7.9% ↓
Quick-Service Restaurants	201.9	-0.6% ↓	-0.7% ↓	1.2% ↑

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