

CITY OF EL MONTE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



EL MONTE

TOTAL: \$ 6,128,236

5.9%
2Q2022



11.3%
COUNTY

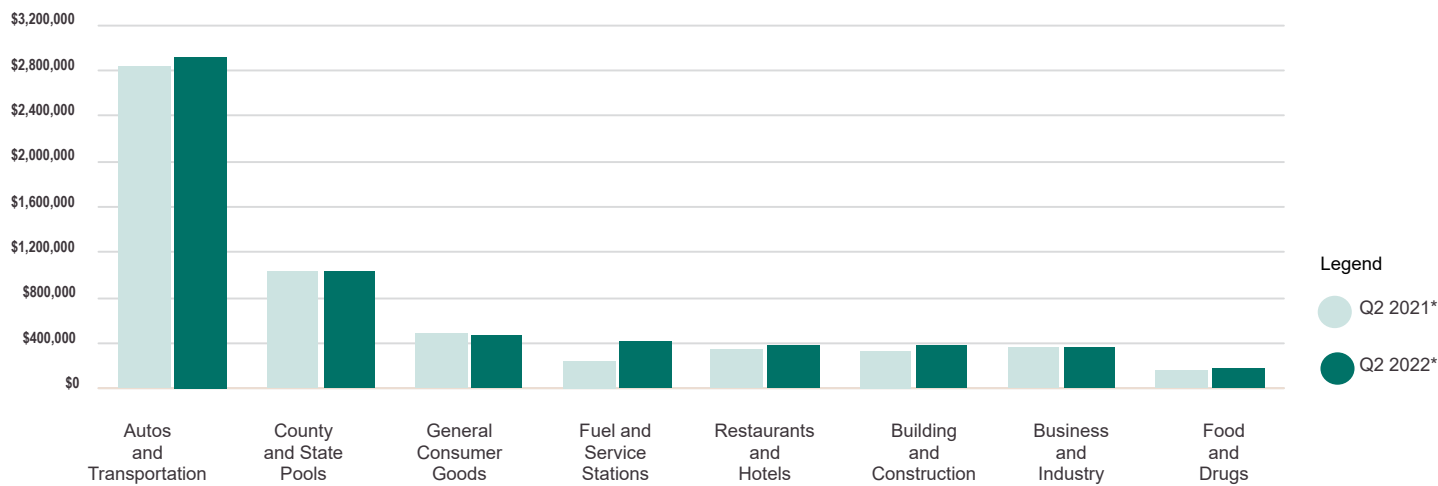


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure EM

TOTAL: \$1,769,374

5.5%



CITY OF EL MONTE HIGHLIGHTS

Receipts from El Monte's April through June sales were 0.2% lower than the same quarter last year. Actual sales activity increased 5.9% after accounting aberrations were factored out.

Because of the global cost of crude oil raising due to the Russian invasion of Ukraine higher fuel prices buoyed service stations returns 65% and was a significant factor in the City's overall quarterly results.

A strong quarter from new motor vehicle dealer sales helped lift autos-transportation 3%. Improved sales boosted building-construction 14% and all categories of restaurants 12%.

Weaker general consumer goods sector sales dropped group revenues 5%.

Voter-approved Measure EM experience similar results particularly with increases in fuel-service stations.

Net of aberrations, taxable sales for all of Los Angeles County grew 11.3% over the comparable time period; the Southern California region was up 11.1%.



TOP 25 PRODUCERS

- Airgas
- Arco
- Arco AM PM
- Car Pros Honda El Monte
- Chevron
- D R Office Works
- dd's Discounts
- El Monte Nissan
- Element Vape
- Food 4 Less
- Ganas Auto
- Home Depot
- Longo Lexus
- Longo Toyota & Longo Scion
- Lucy Auto Sales
- Patriot Hyundai of El Monte
- Ramona Arco
- Sams Club w/ Fuel
- SGV Hydroponics
- Sus Amigos Auto Center
- Toyota Lease Trust
- United Oil
- United Site Services
- US Covey
- WSS



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.

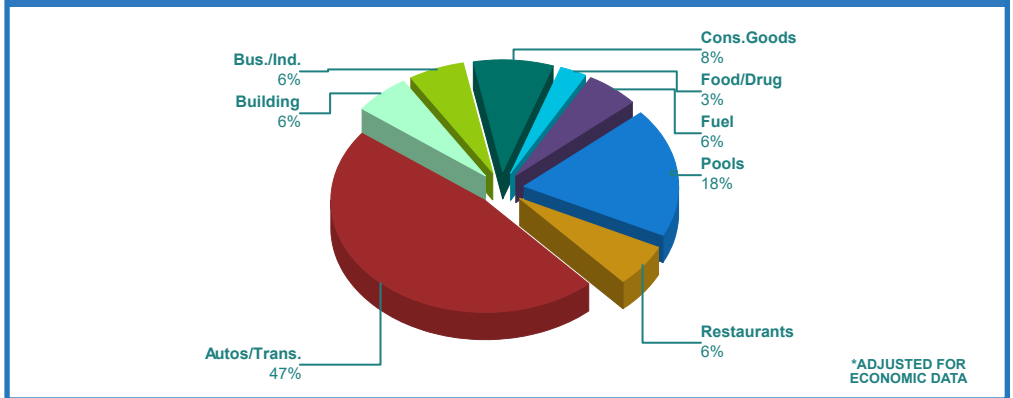
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



TOP NON-CONFIDENTIAL BUSINESS TYPES

El Monte Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,321.0	5.6% ↑	12.0% ↑	6.6% ↑
Service Stations	415.2	65.2% ↑	38.7% ↑	36.4% ↑
Quick-Service Restaurants	213.0	1.5% ↑	6.2% ↑	5.2% ↑
Used Automotive Dealers	195.3	-2.6% ↓	0.1% ↑	-2.5% ↓
Casual Dining	137.6	26.0% ↑	20.5% ↑	17.2% ↑
Auto Repair Shops	96.0	24.5% ↑	20.3% ↑	14.1% ↑
Contractors	86.7	32.6% ↑	11.7% ↑	14.0% ↑
Grocery Stores	76.4	3.2% ↑	5.9% ↑	5.3% ↑
Heavy Industrial	62.7	25.6% ↑	17.9% ↑	10.0% ↑
Convenience Stores/Liquor	57.5	-5.6% ↓	-0.4% ↓	-0.3% ↓

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