

CITY OF BEAUMONT

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



BEAUMONT

TOTAL: \$ 7,932,091

3.3%
4Q2022



5.8%
COUNTY

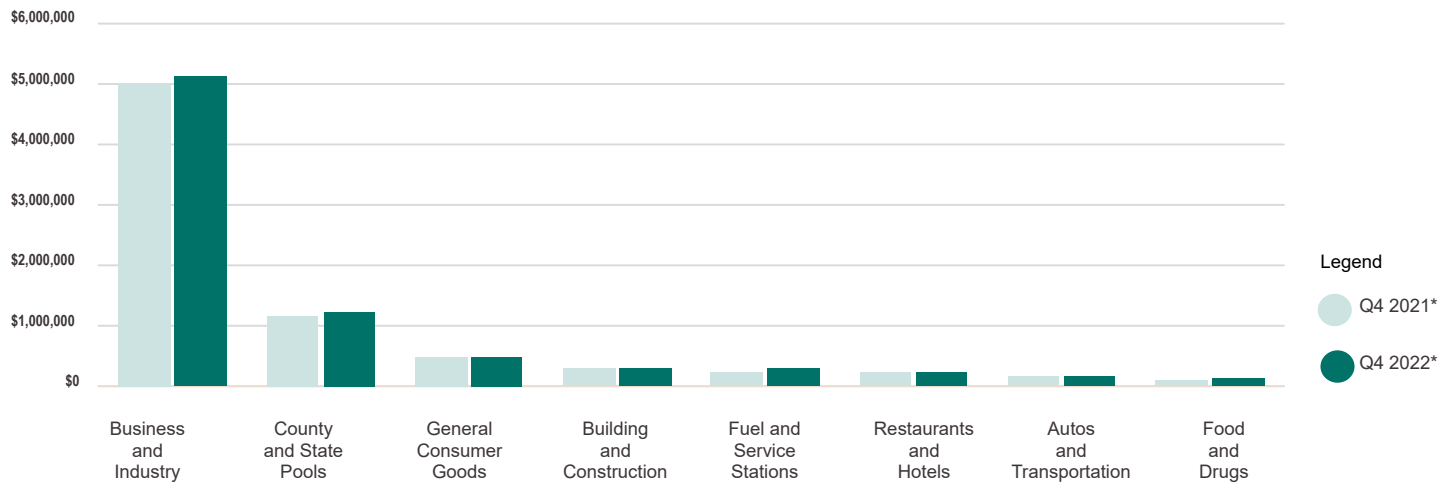


4.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from October through December were 4.3% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 3.3%.

The business-industry sector reported a strong sales quarter in 4Q22.

Fuel prices in southern California were up an average of \$1.80 a gallon when compared to the year ago period, pushing up revenue from fuel-service stations.

Growth in food-drugs kept pace with a solid uptick, as food prices are significantly higher than they were a year ago.

Despite the potential for recession, continued inflation, critical labor shortages, supply chain issues and rising

interest rates, receipts from building-construction remains steady.

A business that relocated out of the City negatively impacted the restaurants-hotels group.

Consumers watched their wallets closely during the 2022 holiday quarter, resulting in decreased totals from general consumer goods when compared to the year-ago period.

The City's share of the countywide use tax pool increased 6.3% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Riverside County grew 5.8% over the comparable time period; the Southern California region was up 5.0%.



TOP 25 PRODUCERS

- | | |
|----------------------------|---------------------|
| 1st Street Arco | Ross |
| 84 Lumber Co | Shell |
| Amazon Com Services | Stater Bros |
| Amazon MFA | USA Gas |
| Beaumont Gas Mart | Walmart Supercenter |
| Beaumont RV | Wolverine Worldwide |
| Best Buy | |
| Big Tex Trailers | |
| Carson Trailer | |
| Grove 76 | |
| Home Depot | |
| Icon Health & Fitness | |
| In N Out Burger | |
| Kohls | |
| Mayas Chevron | |
| Oak Valley 76 | |
| Oak Valley Chevron | |
| Pacific Manufactured Homes | |
| Rite Aid | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector.

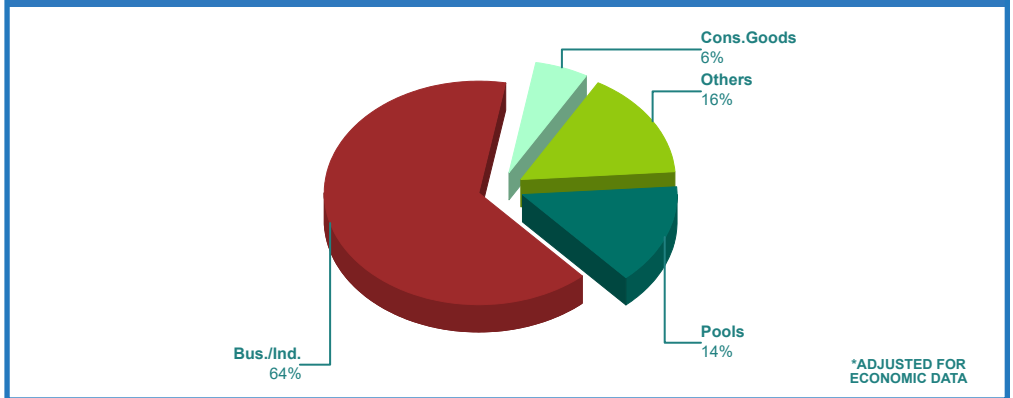
With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

REVENUE BY BUSINESS GROUP
Beaumont This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q4 '22*	Change	County Change	HdL State Change
Fulfillment Centers	5,055.3	3.5% ↑	13.8% ↑	11.2% ↑
Service Stations	279.0	18.5% ↑	4.1% ↑	7.5% ↑
Building Materials	229.0	-0.1% ↓	-0.7% ↓	2.1% ↑
Quick-Service Restaurants	150.1	0.7% ↑	5.1% ↑	5.7% ↑
Trailers/RVs	125.4	6.9% ↑	-24.4% ↓	-23.5% ↓
Electronics/Appliance Stores	94.2	1.5% ↑	1.6% ↑	10.8% ↑
Grocery Stores	75.5	11.5% ↑	8.2% ↑	6.2% ↑
Casual Dining	54.8	-11.1% ↓	4.4% ↑	8.1% ↑
Light Industrial/Printers	52.0	-28.0% ↓	7.9% ↑	4.2% ↑
Contractors	43.7	1.3% ↑	17.4% ↑	11.7% ↑

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