

# CITY OF BEAUMONT

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### BEAUMONT

TOTAL: \$ 7,674,626

297.1%  
2Q2022



12.3%  
COUNTY

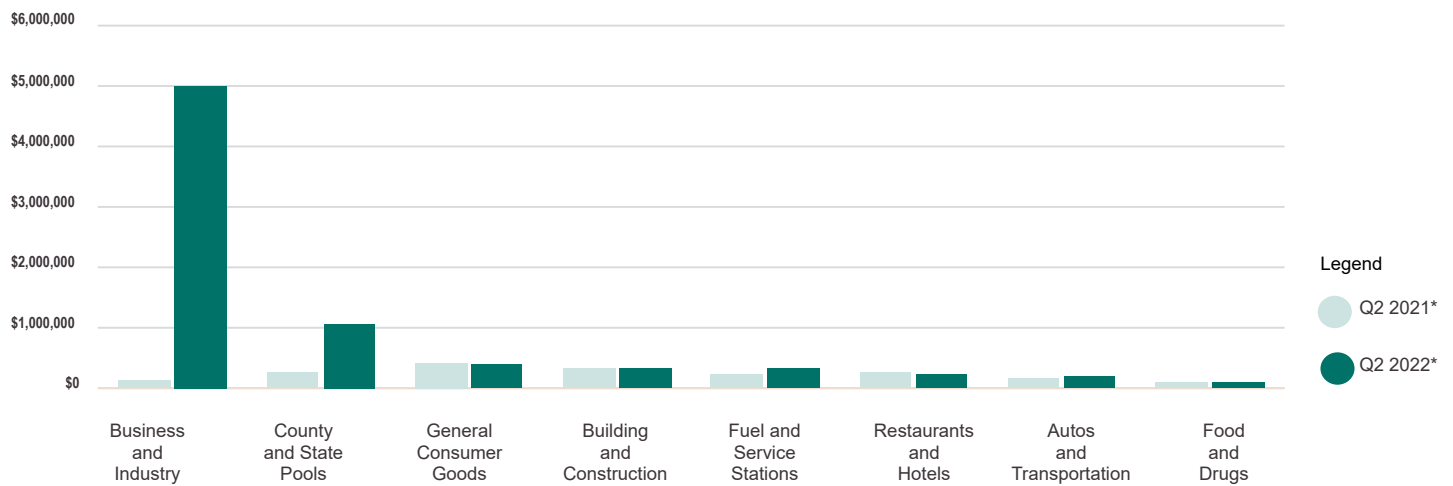


10.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from April through June were 295.1% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 297.1%.

Many of the economic challenges currently in place, including inflation and ongoing interest rate increases by the federal reserve remain in place. Additionally, more expensive mortgage rates are beginning to slow housing sales, which will have a negative impact on the building and construction and general consumer goods sectors by weakening the demand for appliances, furnishings, and other related products.

The City's largest sector, business-industry, including light industrial printers, experienced the largest increase this quarter.

Most of the factors in the fuel and service stations sector, including regular and diesel pump and oil barrel prices, and consumer demand were strong, and this generated revenue from service stations.

Tax revenue in the autos-transportation industry, including Beaumont's trailers and RV dealers, is continuing to grow; although this quarter's rate of growth is slowing compared to the preceding year amid the rebound from the pandemic. Receipts from contractors, food-drugs, and the state and county pools were also up.

A reduction in returns from building materials, home furnishings, electronic appliance stores, quick service restaurants, and leisure/entertainment combined to partially offset the overall quarterly gain.



#### TOP 25 PRODUCERS

1st Street Arco  
84 Lumber Co  
Amazon Com Services  
Amazon MFA  
Beaumont Gas Mart  
Beaumont RV  
Beaumont Service Station  
Best Buy  
Big Tex Trailers  
Carson Trailer  
Grove 76  
Home Depot  
Icon Health & Fitness  
In N Out Burger  
Ionics Incorporated  
Kohls  
Mayas Chevron  
Oak Valley 76  
Oak Valley Chevron

Pacific Manufactured Homes  
Raising Cane's  
Ross  
Stater Bros  
USA Gas  
Walmart Supercenter



## 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.

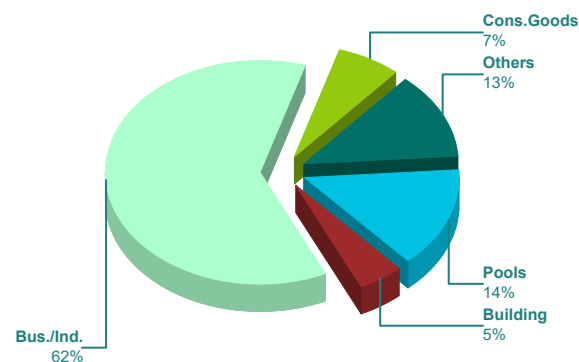
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight 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 auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

## REVENUE BY BUSINESS GROUP Beaumont This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	315.5	40.8% ↑	33.4% ↑	36.4% ↑
Building Materials	271.7	-3.7% ↓	6.7% ↑	2.9% ↑
Quick-Service Restaurants	152.4	-5.0% ↓	1.4% ↑	5.2% ↑
Trailers/RVs	139.9	14.3% ↑	1.1% ↑	-3.2% ↓
Electronics/Appliance Stores	74.7	-2.6% ↓	-3.1% ↓	-0.8% ↓
Grocery Stores	73.7	3.1% ↑	8.2% ↑	5.3% ↑
Contractors	60.2	48.5% ↑	18.9% ↑	13.9% ↑
Casual Dining	57.4	7.6% ↑	12.1% ↑	17.3% ↑
Light Industrial/Printers	50.7	-52.7% ↓	-9.9% ↓	11.8% ↑
Specialty Stores	34.5	0.1% ↑	-0.9% ↓	4.2% ↑

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\*In thousands of dollars