

# CITY OF BEAUMONT

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



**BEAUMONT**

TOTAL: \$ 6,642,823

112.5%  
3Q2022



10.7%  
COUNTY

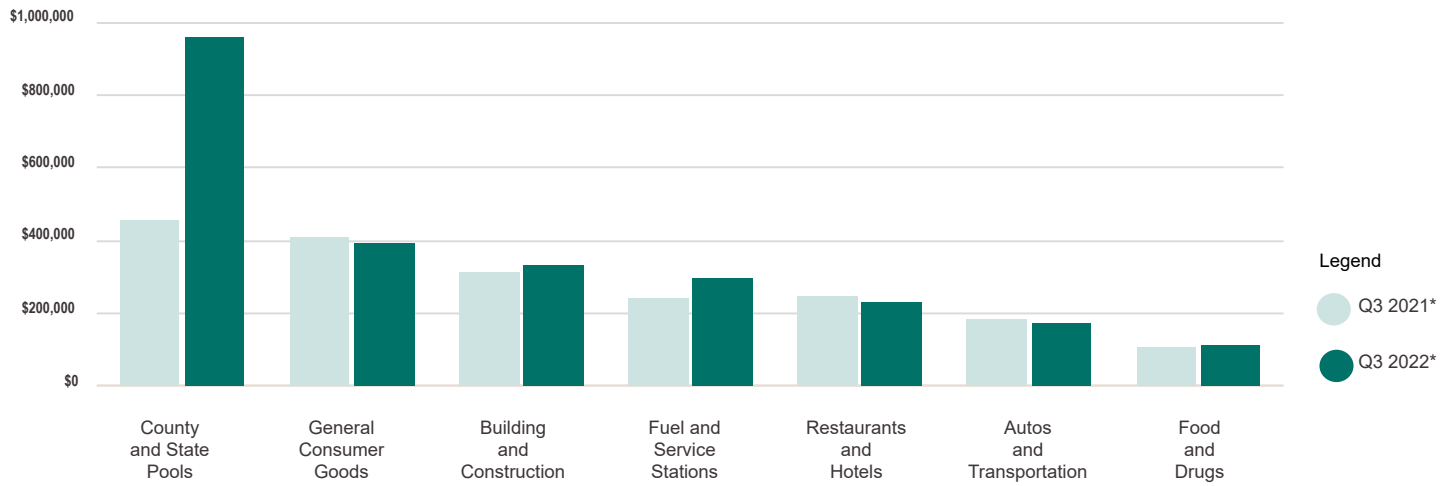


8.0%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from July through September were 111.6% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 112.5%.

The largest sector, business-industry, continued to experience stellar growth also helping to propel countywide pool receipts. This offset some of the weaker sales in other sectors as pricing pressures on essentials such as housing, food and energy and the actions taken by Fed policy makers have cooled consumer demand.

Shoppers may be concerned about rising inflation as they moved away from general consumer goods purchases making for sluggish sales in electronics/appliances.

The restaurant group continues to deal

with challenges and posted lower results as rising menu prices may have impacted patrons dining choices. While casual dining receipts rose modestly, a larger drop in quick service restaurants offset these gains.

Unlike the statewide trend in autos-transportations, the group reported lower receipts. Trailer/RV sales have diminished from the record highs seen in the prior year as enthusiasts embraced this travel option. Positive results from fuel-service station tax revenue as prices at the pump shot up in record fashion.

Net of aberrations, taxable sales for all of Riverside County grew 10.7% over the comparable time period; the Southern California region was up 8.1%.



### 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        |                     |
| Raising Cane's            |                     |
| Rancho Ready Mix Products |                     |



## STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical suppliers boosted the building-construction

sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

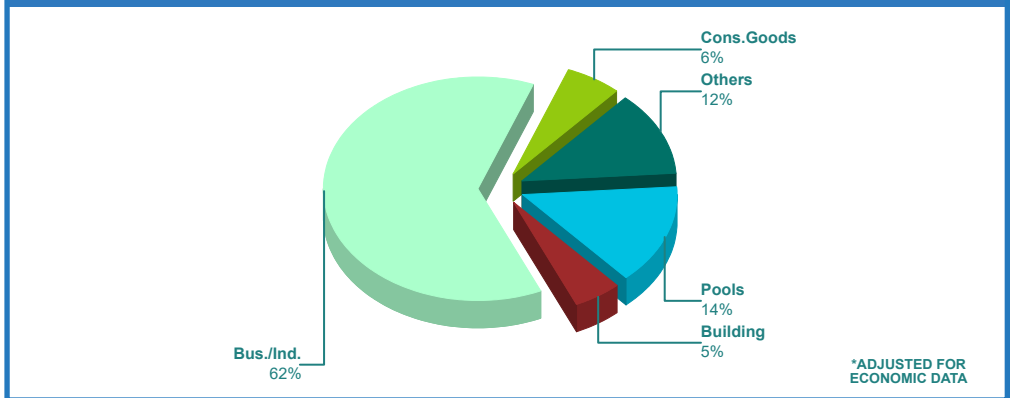
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods results. Otherwise, retailers experienced flat to decreased receipts as many apparel

categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

### REVENUE BY BUSINESS GROUP Beaumont This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	296.0	22.9% ↑	14.5% ↑	18.6% ↑
Building Materials	274.4	1.3% ↑	6.2% ↑	2.7% ↑
Quick-Service Restaurants	150.4	-6.2% ↓	1.3% ↑	4.0% ↑
Trailers/RVs	119.0	-5.8% ↓	-23.0% ↓	-10.9% ↓
Electronics/Appliance Stores	71.4	-7.3% ↓	-3.2% ↓	3.6% ↑
Grocery Stores	71.3	6.6% ↑	4.8% ↑	3.1% ↑
Casual Dining	54.5	1.7% ↑	3.9% ↑	10.2% ↑
Light Industrial/Printers	51.3	-23.8% ↓	13.9% ↑	10.1% ↑
Contractors	51.2	53.2% ↑	26.6% ↑	15.5% ↑
Auto Repair Shops	27.6	-3.8% ↓	11.0% ↑	10.7% ↑

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