

# CITY OF EL MONTE

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### EL MONTE

TOTAL: \$ 4,768,551

16.4%  
1Q2021



2.6%  
COUNTY

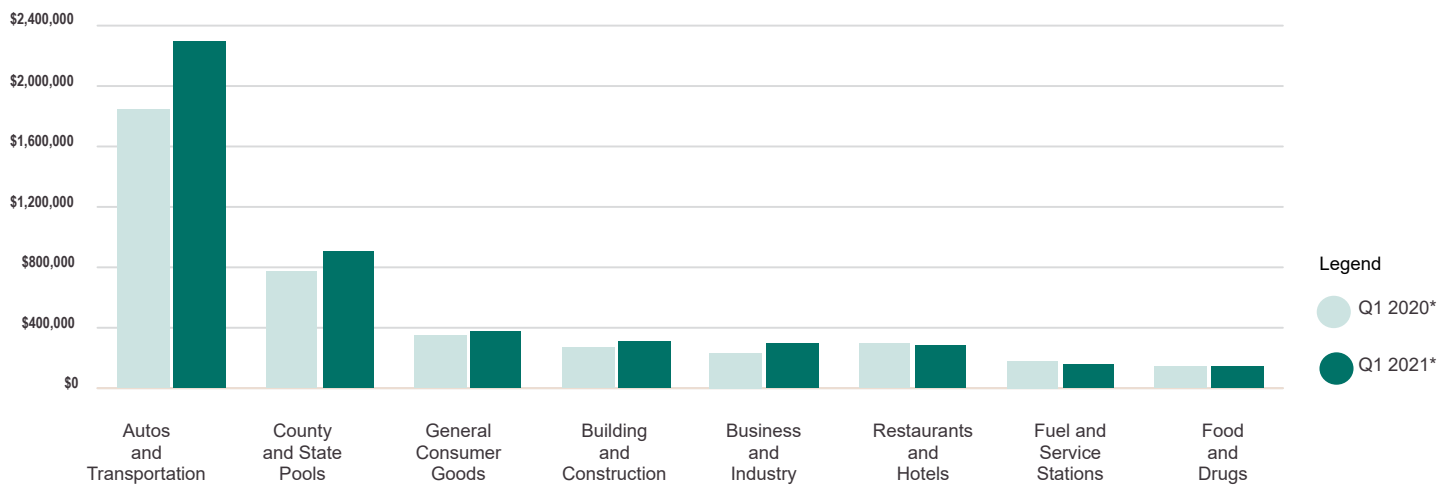


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure EM

TOTAL: \$1,410,821

↑ 10.4%



#### CITY OF EL MONTE HIGHLIGHTS

Receipts from El Monte's January through March sales were 30.2% higher than the same quarter last year. However, due to the Governor's sanctioned deferral of tax payments a year ago, this comparison is temporarily exaggerated. After this and other accounting aberrations are factored out, actual sales activity increased 16.4%.

Stellar new motor vehicle dealership sales helped drive autos-transportation returns up 24.3% and was a significant factor in the overall quarterly increase. Most categories of general consumer goods experienced improved sales lifting group revenues 9.3%.

A strong quarter from garden/agricultural supplies boosted business-industry 28.8%. Additionally, with continued strong online sales, the City's share of the countywide use tax pool grew 16.7%.

Voter-approved Measure EM, the City's transactions and use tax, added \$1,410,821 to the above discussed amounts.

Net of aberrations, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



#### TOP 25 PRODUCERS

- |                               |                             |
|-------------------------------|-----------------------------|
| Airgas                        | McDonalds                   |
| Arco                          | Multi W Systems             |
| Car Pros Honda El Monte       | Patriot Hyundai of El Monte |
| CVS Pharmacy                  | Ross Nissan of El Monte     |
| dd's Discounts                | Sams Club w/ Fuel           |
| Element Vape                  | SGV Hydroponics             |
| El Monte 76                   | Sus Amigos Auto Center      |
| Food 4 Less                   | Toyota Lease Trust          |
| Home Depot                    | United Oil                  |
| Honda Lease Trust             | United Site Services        |
| Jansen Ornamental Iron Supply | WSS                         |
| LA Auto Exchange              |                             |
| Longo Lexus                   |                             |
| Longo Toyota & Longo Scion    |                             |



## STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

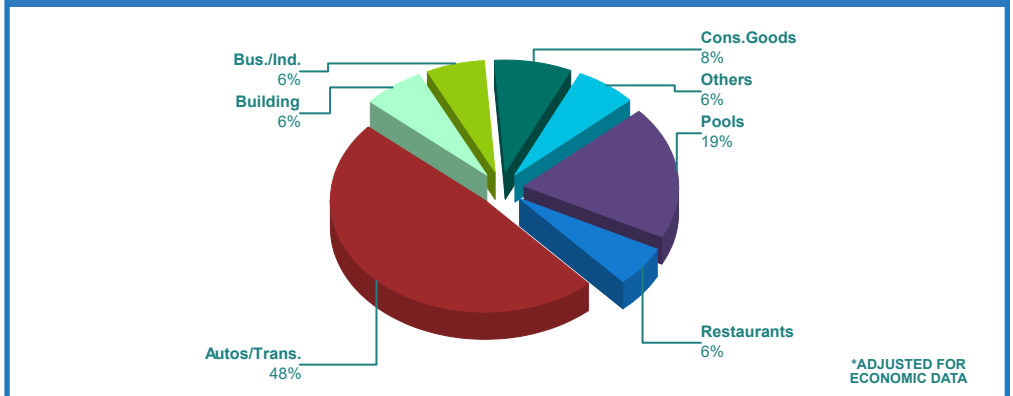
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

### REVENUE BY BUSINESS GROUP El Monte This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

El Monte Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,771.7	34.9% ↑	31.0% ↑	33.2% ↑
Quick-Service Restaurants	193.1	3.3% ↑	-2.8% ↓	1.1% ↑
Service Stations	162.3	-8.0% ↓	-9.8% ↓	-3.9% ↓
Used Automotive Dealers	142.1	9.4% ↑	11.3% ↑	10.3% ↑
Casual Dining	72.9	-19.2% ↓	-25.7% ↓	-18.9% ↓
Grocery Stores	62.4	-4.1% ↓	-7.3% ↓	-6.2% ↓
Convenience Stores/Liquor	54.2	13.9% ↑	9.6% ↑	10.6% ↑
Contractors	50.3	17.7% ↑	-6.8% ↓	3.6% ↑
Heavy Industrial	50.0	11.5% ↑	-2.5% ↓	-4.0% ↓
Automotive Supply Stores	41.1	21.1% ↑	9.8% ↑	13.7% ↑

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