

# CITY OF EL MONTE

## SALES TAX UPDATE

### 3Q 2021 (JULY - SEPTEMBER)



**EL MONTE**

TOTAL: \$ 5,837,865

20.4%  
3Q2021



20.0%  
COUNTY



18.2%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### Measure EM

TOTAL: \$1,672,091

↑ 16.4%



### CITY OF EL MONTE HIGHLIGHTS

El Monte's receipts from July through September were 19.1% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 20.4%.

The City's local economy is continuing to emerge from COVID-19. The largest industry is autos and transportation, and new and used motor vehicle sales increased significantly. An increase in demand and consumption of fuel back to pre-pandemic levels has resulted in a boost in the sales tax associated with the fuel and service station sector.

With vaccines more prevalent, consumers are continuing to increase their activity in dining, shopping, and

traveling. As a result of consumers eating less at home, the City realized solid returns from casual dining and quick-service restaurants. Receipts from medical/biotech, heavy industrial/printers, plumbing/electrical, and the state and county pools were also up.

Returns from contractors and convenience stores with liquor were down and combined to partially offset the overall gain.

Net of aberrations, taxable sales for all of Los Angeles County grew 20.0% over the comparable time period; the Southern California region was up 19.9%.



### TOP 25 PRODUCERS

- Arco
- Arco AM PM
- Car Pros Honda El Monte
- Chevron
- CVS Pharmacy
- dd's Discounts
- El Monte Nissan
- Element Vape
- Food 4 Less
- Fulgent Therapeutics
- Ganas Auto
- Home Depot
- Honda Lease Trust
- LA Auto Exchange
- 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
- WSS



## STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

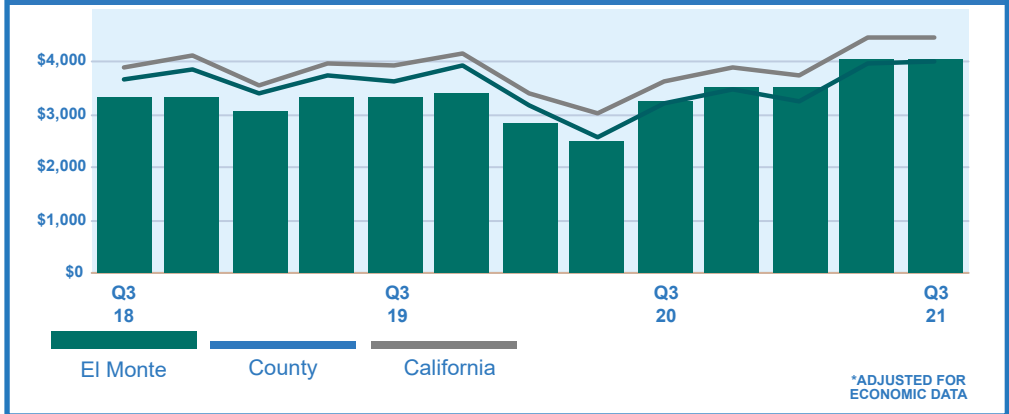
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

### SALES PER CAPITA\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

El Monte Business Type	Q3 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,175.7	33.7% ↑	23.9% ↑	18.9% ↑
Service Stations	289.4	85.9% ↑	65.3% ↑	53.5% ↑
Used Automotive Dealers	211.9	18.4% ↑	16.8% ↑	16.5% ↑
Quick-Service Restaurants	204.8	2.3% ↑	15.3% ↑	13.5% ↑
Casual Dining	117.5	71.6% ↑	75.6% ↑	68.4% ↑
Grocery Stores	71.7	0.0% ↓	-0.6% ↓	-0.2% ↓
Convenience Stores/Liquor	62.9	-2.4% ↓	-1.3% ↓	-0.3% ↓
Heavy Industrial	50.9	52.7% ↑	20.1% ↑	10.8% ↑
Contractors	48.6	-24.4% ↓	3.6% ↑	12.2% ↑
Automotive Supply Stores	42.3	-0.2% ↓	4.4% ↑	4.5% ↑

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\*In thousands of dollars