

# CITY OF EL MONTE

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



#### EL MONTE

TOTAL: \$ 5,993,842

2.0%  
3Q2022



7.3%  
COUNTY

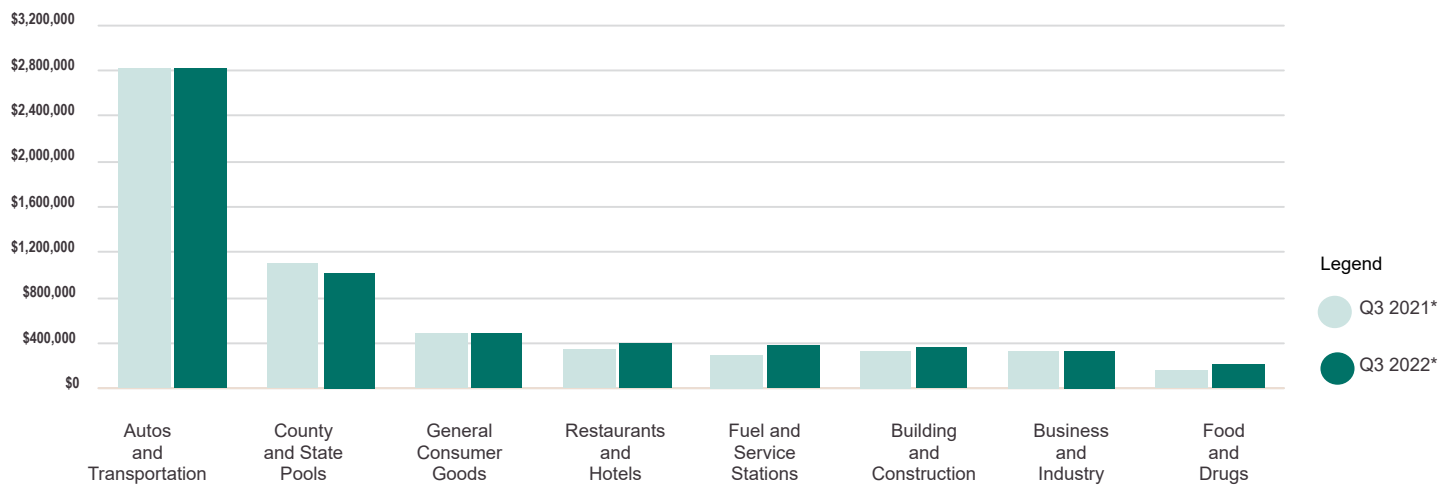


8.0%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure EM

TOTAL: \$1,814,241

7.4%



#### CITY OF EL MONTE HIGHLIGHTS

El Monte's receipts from July through September were 3.4% below the third sales period in 2021. Excluding reporting aberrations, actual sales were up 2.0%.

Local service stations improved nearly 28% with the price of gasoline at an extraordinarily high level through the end of the quarter.

Tax revenue from new car sales continued to improve, though the gains moderated over previous reporting periods as high prices and increasing financing rates made purchases prohibitive for some consumers already stretched by the soaring price of necessities such as eggs and gasoline.

Restaurants continued their rebound from the pandemic. The recent opening of new food and drug outlets was also positive.

Measure EM, the City's voter approved transaction tax, grew 7.4%, outperforming the performance of the City's Bradley-Burns tax revenue previously discussed. This was largely due to strong demand for new autos among local residents, purchased both in and outside of El Monte.

Net of aberrations, taxable sales for all of Los Angeles County grew 7.3% over the comparable time period; the Southern California region was up 8.1%.



#### TOP 25 PRODUCERS

- Airgas
- Arco
- Arco AMPM
- Car Pros Honda El Monte
- Cardinaleway Hyundai Of El Monte
- Catalyst El Monte
- Chevron
- dd's Discounts
- Dtg Operations
- Eastern Construction Supplies
- El Monte Nissan
- Element Vape
- Food 4 Less
- Ganas Auto
- Home Depot
- Longo Lexus
- Longo Toyota & Longo Scion
- Patriot Hyundai of El Monte
- Ramona Arco
- Sams Club w/ Fuel
- Sus Amigos Auto Center
- Toyota Lease Trust
- United Oil
- United Site Services
- WSS



**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.

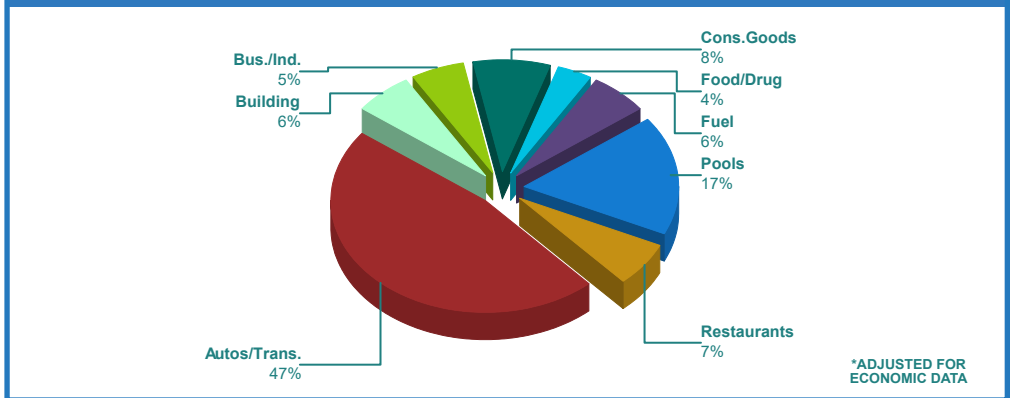
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

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**  
El Monte This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

El Monte Business Type	Q3 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,256.0	3.7% ↑	11.4% ↑	10.0% ↑
Service Stations	373.3	27.7% ↑	19.1% ↑	18.5% ↑
Quick-Service Restaurants	211.2	0.9% ↑	5.4% ↑	4.0% ↑
Used Automotive Dealers	198.8	0.2% ↑	-7.6% ↓	-7.6% ↓
Casual Dining	138.3	16.0% ↑	11.7% ↑	10.1% ↑
Grocery Stores	73.6	2.6% ↑	2.6% ↑	3.0% ↑
Contractors	65.6	24.3% ↑	16.8% ↑	15.5% ↑
Heavy Industrial	60.3	17.1% ↑	13.2% ↑	15.9% ↑
Convenience Stores/Liquor	60.2	-5.0% ↓	4.1% ↑	1.7% ↑
Transportation/Rentals	56.3	85.5% ↑	8.3% ↑	13.8% ↑

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