

CITY OF EL MONTE

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



EL MONTE

TOTAL: \$ 5,872,515

2.2%
1Q2024



-0.8%
COUNTY



-0.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure EM

TOTAL: \$1,772,184

4.7%



CITY OF EL MONTE HIGHLIGHTS

El Monte's cash receipts from January through March were 7.3% higher than in the first sales period of 2023, although this increase was largely due to a significant State audit infusion related to a local business's sales activity from 2019. When excluding this and other irregularities, actual sales growth was 2.2%.

The City's portion of the countywide use tax pool also benefited from the State audit correction, as the pool's funds are distributed among local agencies based on their proportional cash receipts.

The opening of a new vendor helped boost sales of building and construction supplies.

The opening of a new used car dealership also had a positive impact, and returns from heavy industrial sellers remained strong.

However, the closure of a business negatively affected business-industrial returns.

Measure EM, the City's voter-approved transaction tax, slightly outperformed the Bradley-Burns tax results mentioned earlier, driven by the continued popularity of online shopping.

Overall, excluding anomalies, taxable sales in Los Angeles County declined by 0.8% over the comparable period, while the Southern California region remained flat.



TOP 25 PRODUCERS

- Airgas
- Arco
- Car Pros Honda El Monte
- Cardinaleway Hyundai Of El Monte
- Catalyst El Monte
- D R Office Works
- dd's Discounts
- El Monte Auto Spa & Resort
- El Monte Nissan
- Element Vape
- Focus Auto Service
- Food 4 Less
- Ganas Auto
- Home Depot
- Honda Lease Trust
- Longo Lexus
- Longo Toyota & Longo Scion
- Multi W Systems Packs
- Ramona Arco
- Sams Club w/ Fuel
- Sus Amigos Auto Center
- T & L Granite Countertop Warehouse
- Toyota Lease Trust
- United Oil



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

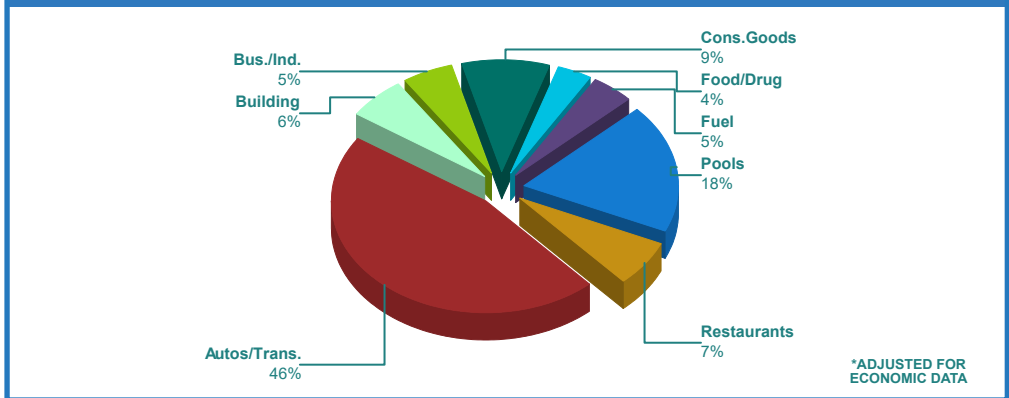
yet to understand if this new bill impacted revenue.

Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP
El Monte This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

El Monte Business Type	Q1 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,214.1	0.6% ↑	-5.8% ↓	-10.7% ↓
Service Stations	271.1	-0.7% ↓	-0.4% ↓	-0.8% ↓
Quick-Service Restaurants	219.0	2.7% ↑	1.8% ↑	2.7% ↑
Used Automotive Dealers	182.7	17.2% ↑	-13.9% ↓	-3.7% ↓
Casual Dining	140.2	0.6% ↑	2.1% ↑	2.3% ↑
Contractors	76.1	17.9% ↑	6.7% ↑	4.4% ↑
Grocery Stores	73.2	8.7% ↑	4.6% ↑	2.8% ↑
Heavy Industrial	73.2	18.3% ↑	-8.5% ↓	-4.0% ↓
Convenience Stores/Liquor	57.0	4.7% ↑	-0.8% ↓	0.5% ↑
Automotive Supply Stores	50.5	-0.4% ↓	-3.8% ↓	-3.2% ↓

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