

CITY OF EL MONTE

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



EL MONTE

TOTAL: \$ 6,053,898

-2.7%

3Q2024



-2.7%

COUNTY



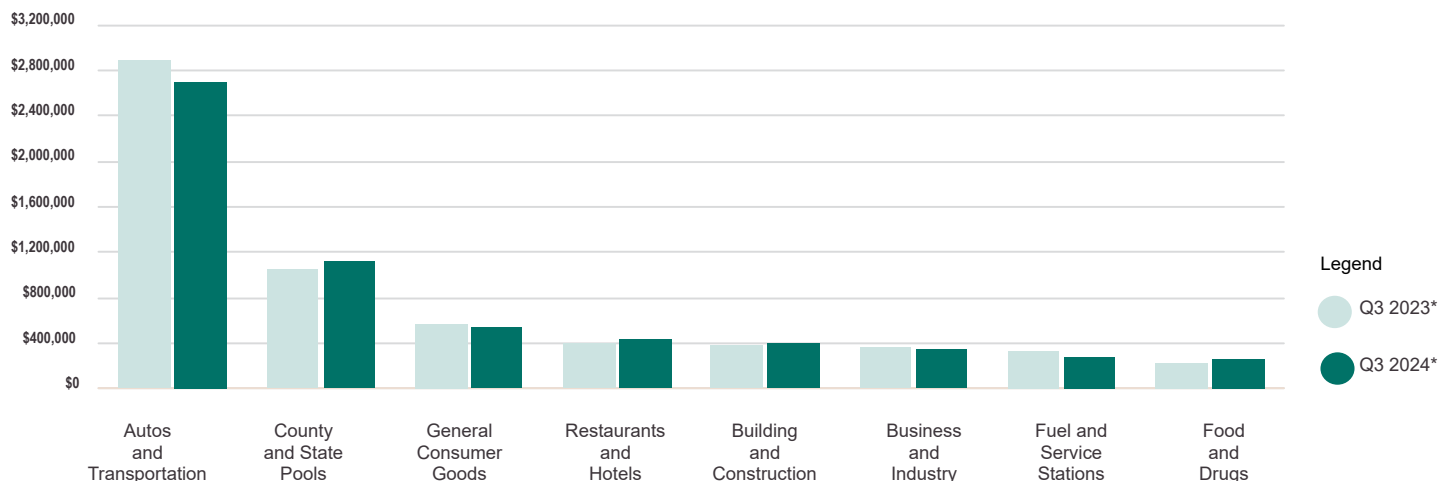
-2.3%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure EM

TOTAL: \$1,888,315

↑ 0.7%



CITY OF EL MONTE HIGHLIGHTS

El Monte's receipts from July through September were 4.4% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 2.7%.

Consumers continue to be cautious in spending on non-essential products and projects. The Feds have now begun to slowly reduce the fed rate.

Restaurants-hotels pushed forward with a 6.1% increase as new outlets and increased menu pricing boosted the quarter. Food & drugs experienced a positive result due to new businesses in cannabis and strong pricing in grocery stores.

Autos-transportation fell 6.1% during the quarter as new car sales continued

to be impacted by high pricing and financing costs. Fuel-service stations were down 18.0%, which followed the statewide reduction of 14.0%, as fuel and oil pricing dropped during the quarter.

The City's Transaction and Use Tax Measure EM generated 31.2% of the Bradley Burns amount, led by the strongest percentage gain from the business-industry sector.

Net of aberrations, taxable sales for all of Los Angeles County declined 2.7% over the comparable time period; the Southern California region was down 2.3%.



TOP 25 PRODUCERS

- Airgas
- Arco
- Car Pros Honda El Monte
- Cardinaleway Hyundai Of El Monte
- Catalyst El Monte
- Chevron
- D R Office Works
- dd's Discounts
- El Monte Nissan
- Element Vape
- Excellent Kitchen Cabinets
- Focus Auto Service
- Ganas Auto
- Home Depot
- Honda Lease Trust
- Longo Lexus
- Longo Toyota & Longo Scion
- Multi W Systems Packs
- Sams Club w/ Fuel
- Superior Grocers
- 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 July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren’t considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES TAX RATE BREAKDOWN		10%
State General Fund		3.9375%
City/County General Fund (Bradley-Burns)		1.0000%
El Monte Measure EM (EMGF)		0.5000%
County Public Safety (Prop 172)		0.5000%
County Realignment (Mental Health/Welfare/Public Safety)		1.5625%
Countywide Transportation Fund		0.2500%
Los Angeles County Measure R (LAMT)		0.5000%
Los Angeles County Measure A (LACT)		0.5000%
Los Angeles County Measure C (LATC)		0.5000%
Los Angeles County Measure M (LAMA)		0.5000%
Los Angeles County Measure H (LACH)		0.2500%
Tax Rate Effective October 01, 2017		10.0000%

TOP NON-CONFIDENTIAL BUSINESS TYPES					
El Monte Business Type	Q3 '24*	Change	County Change	HdL State Change	
New Motor Vehicle Dealers	2,179.3	-10.3% ↓	-10.6% ↓	-8.0% ↓	
Service Stations	275.9	-17.8% ↓	-13.2% ↓	-12.8% ↓	
Quick-Service Restaurants	251.0	7.5% ↑	0.6% ↑	1.1% ↑	
Used Automotive Dealers	210.6	35.1% ↑	0.0% ↑	3.3% ↑	
Casual Dining	142.9	12.8% ↑	1.0% ↑	1.1% ↑	
Grocery Stores	79.0	5.4% ↑	3.2% ↑	1.3% ↑	
Contractors	77.4	0.7% ↑	0.8% ↑	-1.9% ↓	
Heavy Industrial	67.2	-0.2% ↓	12.8% ↑	-0.4% ↓	
Convenience Stores/Liquor	66.5	1.1% ↑	-2.2% ↓	-2.1% ↓	
Auto Repair Shops	51.9	1.5% ↑	-5.7% ↓	-2.6% ↓	

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