

# CITY OF MONROVIA

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### MONROVIA

TOTAL: \$ 3,302,694

4.3%

4Q2022



4.0%

COUNTY



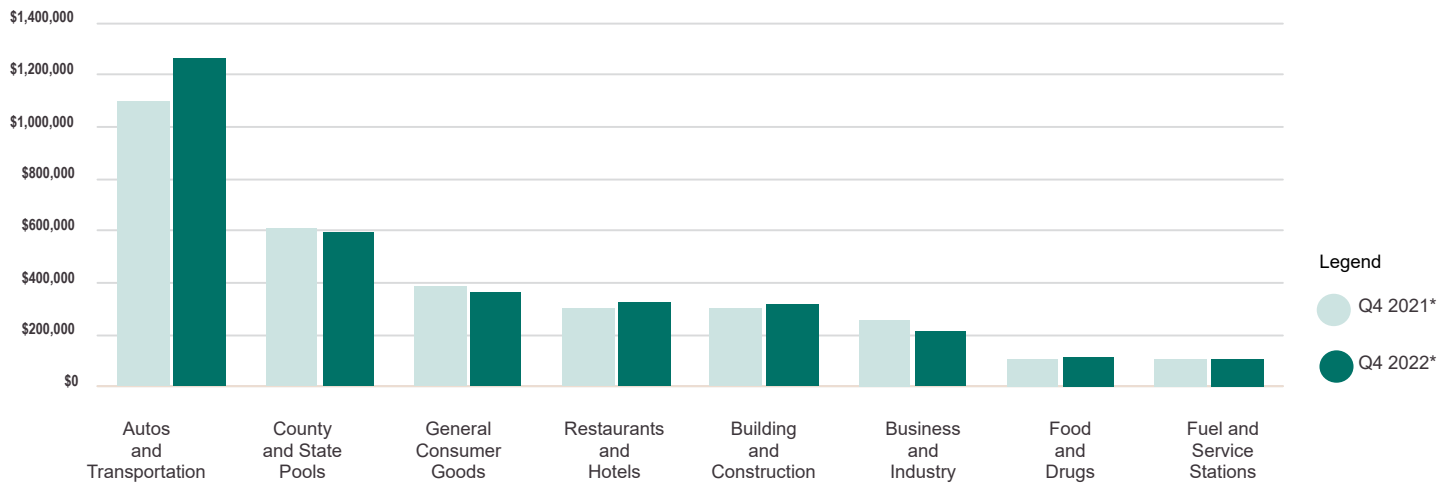
4.7%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure K

TOTAL: \$1,741,562

6.0%



#### CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from October through December were 0.8% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 4.3%.

Undeterred by rising borrow costs and inventory challenges for some models; buyers drove new vehicle dealership's sales 23% above fourth quarter 2021 totals; luxury brands and EVs were in great demand.

Restaurants-hotels enjoyed a brisk sales quarter; receipts from casual dining venues improved 8%. Procurement of more materials and supplies propelled 7% greater tax filings by building-construction taxpayers.

Fewer transactions at apparel stores and other segments deemed confidential for this report pulled general consumer goods comparisons lower by 5%.

Interest rate climbs did hurt auto leasing, down 15%. Large year ago equipment and medical/biotech onetime payments explained the bulk of a 17% business-industry reduction.

Measure K's greater tally was aided by resident's auto acquisitions, dining out and business based expenditures.

Net of aberrations, taxable sales for all of the Southern California region rose 5.1%.



#### TOP 25 PRODUCERS

- |                                  |  |
|----------------------------------|--|
| 76                               | Myrtle Chevron                             |
| ABC Supply Co                    | Ross                                       |
| BMW & Mini of Monrovia           | Sierra Chevrolet of Monrovia               |
| Bodyworks Equipment Burlington   | Sierra Chrysler Dodge Jeep Ram of Monrovia |
| Chevron                          | Sierra Honda of Monrovia                   |
| Financial Services Vehicle Trust | Sierra Subaru of Monrovia                  |
| HGreg Infiniti Monrovia          | Superior Pool Products                     |
| Home Depot                       | TJ Maxx                                    |
| Interior Services                | Trader Joes                                |
| Jays Shell                       | Unitek Miyachi                             |
| Kohls                            | Vons                                       |
| Living Spaces Furniture          |  |
| Marshalls                        |  |



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-

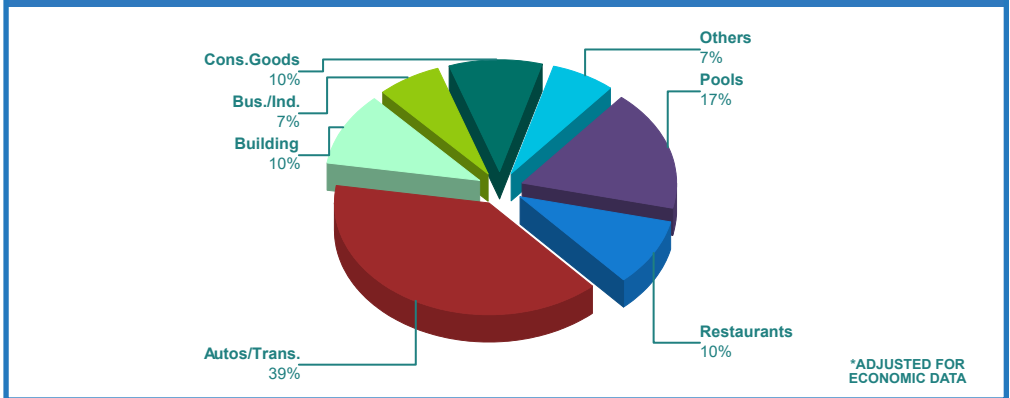
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

**REVENUE BY BUSINESS GROUP**  
Monrovia This Calendar Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Monrovia Business Type	Q4 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,027.6	22.6% ↑	12.0% ↑	12.5% ↑
Building Materials	273.2	3.1% ↑	6.2% ↑	2.1% ↑
Auto Lease	163.9	-15.3% ↓	-12.0% ↓	-11.0% ↓
Casual Dining	155.2	7.6% ↑	10.9% ↑	8.1% ↑
Family Apparel	139.6	-5.6% ↓	-1.0% ↓	-1.0% ↓
Quick-Service Restaurants	111.4	3.9% ↑	6.3% ↑	5.7% ↑
Service Stations	105.0	-4.2% ↓	10.0% ↑	7.6% ↑
Grocery Stores	75.4	8.5% ↑	7.2% ↑	6.2% ↑
Specialty Stores	58.3	12.7% ↑	3.3% ↑	2.1% ↑
Auto Repair Shops	40.2	9.6% ↑	6.5% ↑	6.3% ↑

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