

# CITY OF MONROVIA

## SALES TAX UPDATE

### 3Q 2023 (JULY - SEPTEMBER)



#### MONROVIA

TOTAL: \$ 3,029,954

-6.2%

3Q2023



-2.4%

COUNTY



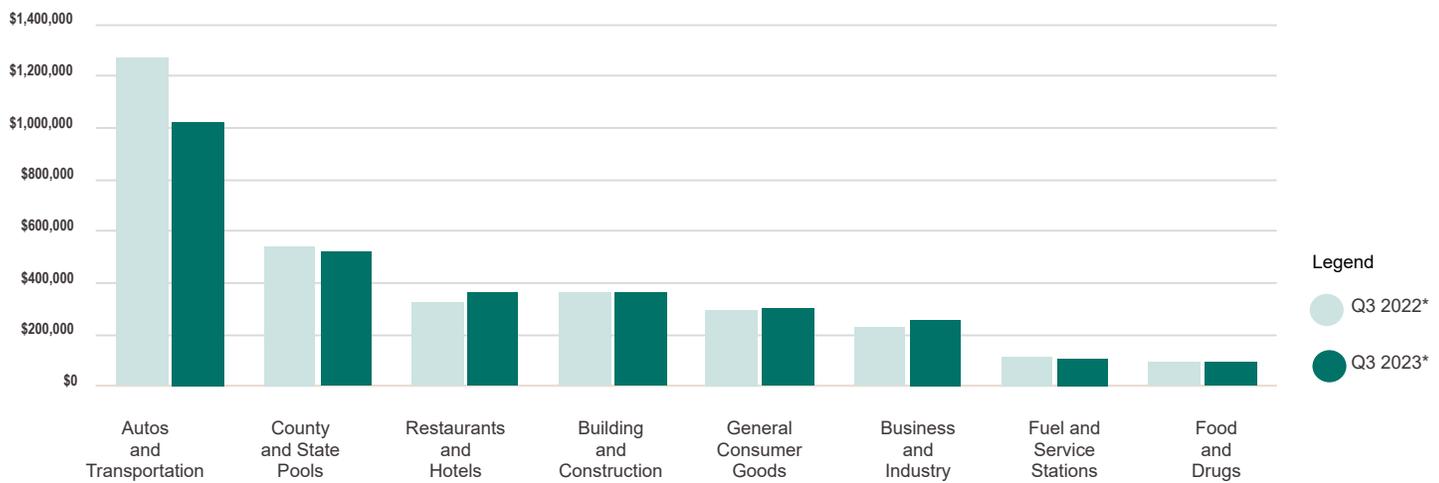
-1.7%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure K

TOTAL: \$1,745,085

↑ 5.2%



#### CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from July through September were 6.2% below the third sales period in 2022. Excluding reporting aberrations, actual sales also fell 6.2%.

Transition of ownership for one seller, buyers steering away from luxury brands and elevated financing costs combined to produce a 23% decrease from new motor vehicle dealerships. Related, auto leasing dropped 4%.

Summer 2022 experienced record fuel prices; lower per gallon rates were expected, service stations declined 6%. A company closure contributed to the 2% smaller building-construction filings.

Good news from restaurants-hotels,

which added \$43,000 of additional taxes, a 13% gain. Analysis of this group's data showed opening of several new venues this past spring adding to the tax base.

Unexpected one-time payments by support services enterprises and office equipment merchants boosted business-industry 13%.

The positive Measure K performance noted above also included one-time business sector filings, a 2% bump from general retail plus first time transaction taxes from quick service eateries.

Net of aberrations, taxable sales for the Southern California region slumped 1.5%.



#### TOP 25 PRODUCERS

76	Petsmart
ABC Supply Co	Ross
BMW & Mini of Monrovia	Sierra Chevrolet of Monrovia
Bodyworks Equipment	Sierra Chrysler Dodge Jeep Ram of Monrovia
Chevron	Sierra Honda of Monrovia
Chick Fil A	Sierra Infiniti Of Monrovia
Financial Services Vehicle Trust	Sierra Subaru of Monrovia
Home Depot	Superior Pool Products
INX - Presidio Solutions	TJ Maxx
Jays Shell	Unitek Miyachi
Kohls	Vons
Living Spaces Furniture	
Marshalls	
Myrtle Chevron	

HdL Companies



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

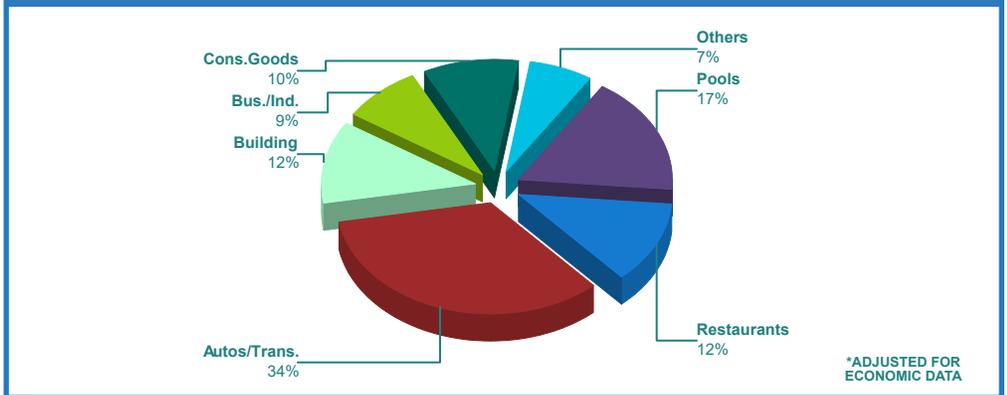
Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

### REVENUE BY BUSINESS GROUP Monrovia This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Monrovia Business Type	Q3 '23*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	787.0	-23.3% ↓	-3.2% ↓	-2.5% ↓
Building Materials	315.2	-1.7% ↓	-2.2% ↓	-2.7% ↓
Casual Dining	159.6	4.3% ↑	3.3% ↑	2.8% ↑
Auto Lease	158.4	-3.6% ↓	-5.0% ↓	-0.4% ↓
Quick-Service Restaurants	144.7	25.3% ↑	1.5% ↑	2.7% ↑
Service Stations	108.6	-5.7% ↓	-8.2% ↓	-7.3% ↓
Family Apparel	107.6	9.1% ↑	1.8% ↑	3.2% ↑
Grocery Stores	61.0	4.2% ↑	2.7% ↑	2.3% ↑
Office Equipment	53.4	442.6% ↑	-2.0% ↓	2.2% ↑
Specialty Stores	49.3	-6.0% ↓	0.6% ↑	-1.9% ↓

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