

CITY OF RIVERSIDE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



RIVERSIDE

TOTAL: \$ 23,131,503

7.4%
2Q2022



12.3%
COUNTY



10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure Z

TOTAL: \$21,546,724

8.4%



CITY OF RIVERSIDE HIGHLIGHTS

Riverside's receipts from April through June were 4.2% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 7.4%.

New projects resulting from the Infrastructure Investment and Jobs Act began to ramp up, increasing revenue from building-construction. In 2Q22 gas prices were up an average of \$1.89 a gallon when compared to the year-ago period, driving up revenue from fuel-service stations.

Receipts from restaurants-hotels increased as the appetite for in-person dining remained strong in Q2. Revenue from food-drugs continues to rise

due to market inflation, supply chain issues, embargoes on Russian gas, and a shortage of livestock feed. Consumers are pessimistic about economic conditions which is negatively impacting retail shopping trends. Parts shortages, tight inventory and supply chain issues continue to plague the autos-transportation industry.

The City's share of the countywide use tax pool increased 4.8% when compared to the same period in the prior year. Measure Z, the City's voter-approved transactions and use tax, generated an additional \$21,452,344 in revenue led by sales from the autos-transportation and general consumer goods sectors.



TOP 25 PRODUCERS

Arco AM PM
Barn
BMW of Riverside
Carmax
Champion Lumber
Dutton Cadillac, Buick, Pontiac, GMC
Foundation Building Materials
Fritts Ford
Greentech Renewables
Home Depot
Lexus of Riverside
Main Electric Supply
Moss Bros Chrysler
Dodge Jeep Fiat
Nordstrom Rack

Quinn CAT Company
Reliable Wholesale Lumber
Riverside Chevrolet
Riverside Honda
Riverside Volkswagen
Sams Club w/ Fuel
Stater Bros
Target
Toyota of Riverside
Walmart Supercenter
Walters Audi



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

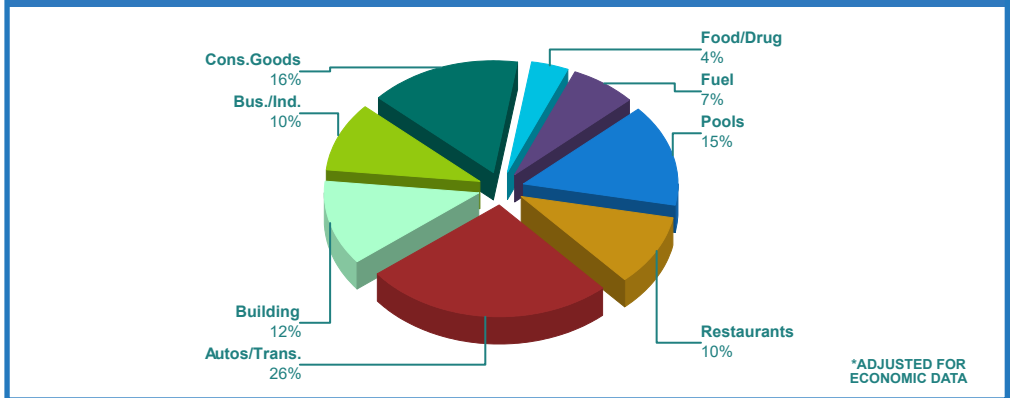
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Riverside This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Riverside Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	3,832.9	-0.1% ↓	3.1% ↑	6.6% ↑
Service Stations	1,752.6	32.1% ↑	33.4% ↑	36.4% ↑
Building Materials	1,574.2	19.6% ↑	6.7% ↑	2.9% ↑
Plumbing/Electrical Supplies	1,241.8	51.0% ↑	36.9% ↑	17.6% ↑
Casual Dining	1,154.4	38.6% ↑	12.1% ↑	17.2% ↑
Quick-Service Restaurants	997.4	-0.9% ↓	1.5% ↑	5.2% ↑
Used Automotive Dealers	600.0	6.1% ↑	8.2% ↑	-2.5% ↓
Grocery Stores	585.9	8.4% ↑	8.2% ↑	5.3% ↑
Contractors	445.5	28.2% ↑	18.9% ↑	14.0% ↑
Auto Lease	422.2	-17.7% ↓	-13.8% ↓	-8.9% ↓

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