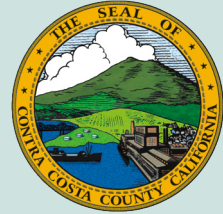


# CONTRA COSTA COUNTY UNINC.

## SALES TAX UPDATE

### 2Q 2023 (APRIL - JUNE)



#### CONTRA COSTA COUNTY

TOTAL: \$ 4,449,682

-1.6%

COUNTY UNINC.



-1.8%

COUNTY



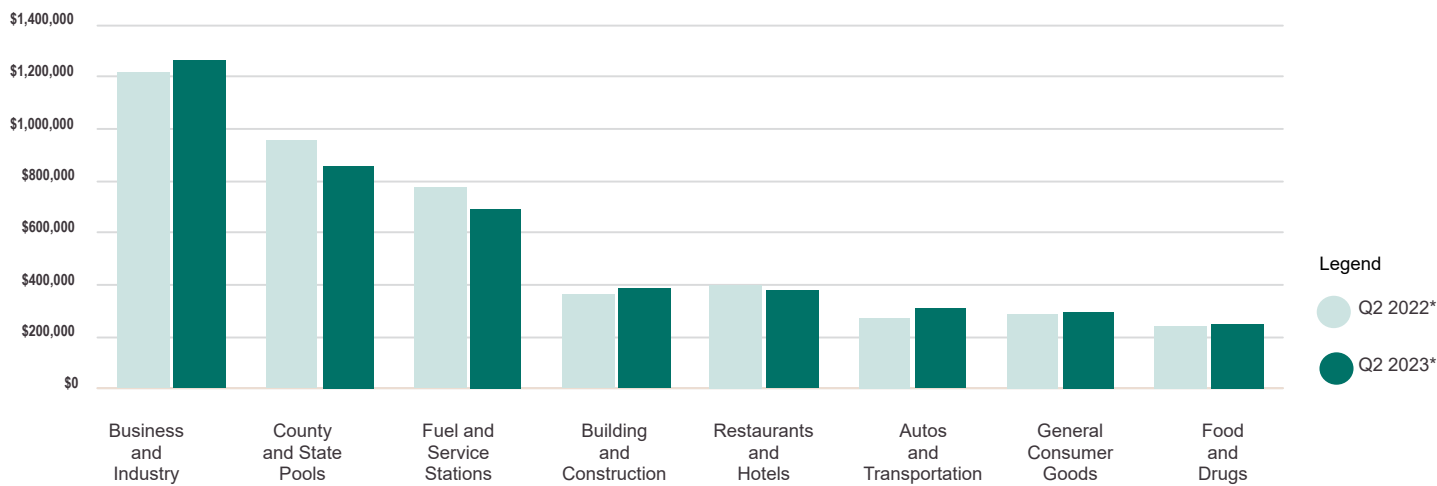
-2.9%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure X

TOTAL: \$30,824,191

↓ -0.5%



#### CONTRA COSTA COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's receipts from April through June were 9.9% below the second sales period in 2022. Excluding reporting aberrations, actual sales were down 1.6%.

Households sensitive to economic uncertainty while paying inflated prices caused several categories to decline statewide. However, onetime spikes helped the unincorporated area sales outperform the statewide averages. General consumer goods was positive due to gains in home furnishings. While restaurants were down due to a few business closures, this group posted modest gains.

Fuel prices resetting from the

extraordinary 2022 highs were expected; the fuel-service station group declined.

The business-industry group, the biggest group in the unincorporated area, was up due to spikes which hid the declines in light industry and electrical equipment.

Measure X had declines in service stations and discount department stores. But the declines were lessened by purchasing of more new motor vehicles and increases in online purchases by countywide residents.

Net of aberrations, taxable sales for all of Contra Costa County declined 1.8% over the comparable time period; the Bay Area was down 2.7%.



#### TOP 25 PRODUCERS

- Alamo Ace Hardware
- Alamo Shell
- Arco
- BDV Chevron
- Blackhawk Country Club
- Brickyard Building Materials
- Brooks Motor Cars
- C & H Sugar
- Canadian Solar
- CD & Power
- Central Concrete Supply
- Chevron
- County Asphalt
- Enterprise Car Sales
- General Plumbing Supply
- McGuire Harley Davidson
- Safeway
- Safeway Fuel
- Sams Club
- Speedway
- Stiizy
- Terra Outdoor Living
- Tesoro Refining & Marketing
- United Rentals
- Wesco Distribution



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

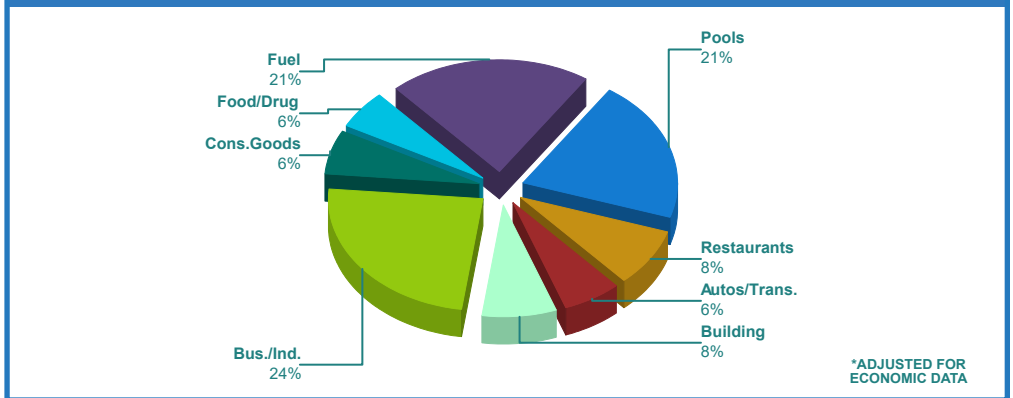
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP  
Contra Costa Co. Uninc This Fiscal Year\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q2 '23*	Change	County Change	HdL State Change
Service Stations	532.6	-17.1% ↓	-20.0% ↓	-19.9% ↓
Contractors	223.6	15.4% ↑	-10.0% ↓	-2.9% ↓
Garden/Agricultural Supplies	152.7	-0.9% ↓	1.2% ↑	-2.9% ↓
Petroleum Prod/Equipment	151.9	22.6% ↑	-12.0% ↓	-25.1% ↓
Casual Dining	147.1	-10.5% ↓	7.4% ↑	4.6% ↑
Repair Shop/Equip. Rentals	114.9	-1.8% ↓	-8.1% ↓	-0.1% ↓
Quick-Service Restaurants	109.8	-2.3% ↓	2.9% ↑	3.2% ↑
Grocery Stores	106.3	3.9% ↑	5.4% ↑	2.9% ↑
Auto Repair Shops	87.3	28.3% ↑	8.2% ↑	2.3% ↑
Light Industrial/Printers	82.8	-44.5% ↓	-19.2% ↓	-5.7% ↓

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