

# CITY OF ELK GROVE

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### ELK GROVE

TOTAL: \$ 9,424,611

-3.5%

2Q2022



7.2%

COUNTY



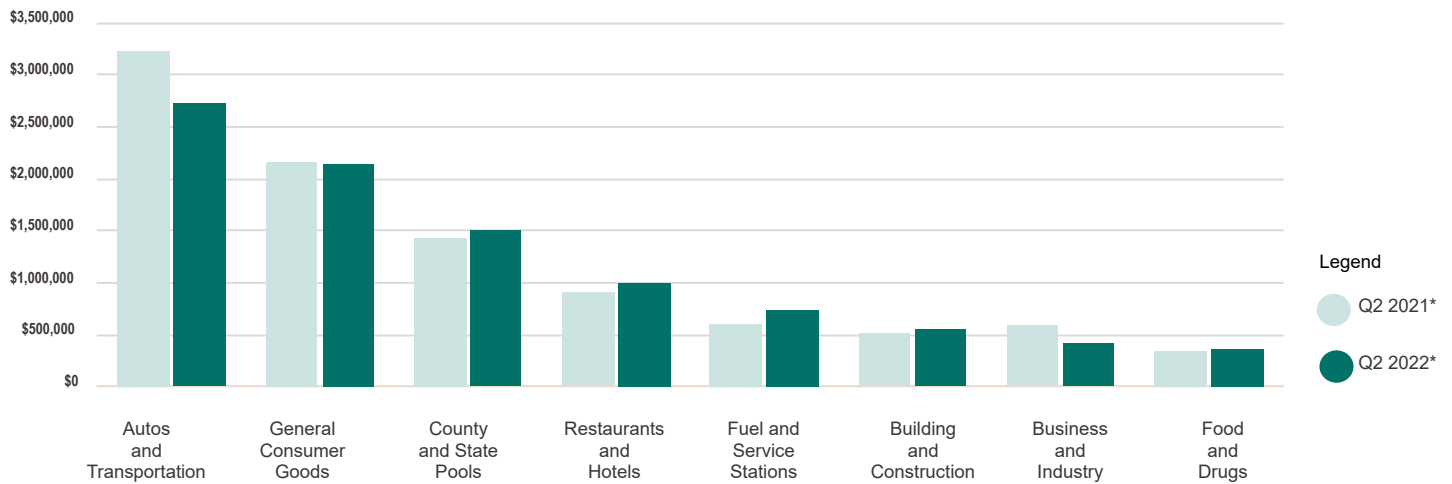
10.1%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF ELK GROVE HIGHLIGHTS

Elk Grove's receipts from April through June were flat compared to the second sales period in 2021. After accounting for reporting adjustments, receipts for the period were down 3.5%.

At first glance the statistics paint a dire picture but realizing at this time last year gross receipts were up 40% should put things in perspective. While much has changed in a year and consumers have less savings to spend on purely discretionary items, most of what they are still buying is taxable.

New car sales gave back some of the gain that was generated last year when sales shot up 41%. Sales remain 16.6% higher than at this time in 2020. Business and industry totals were also lower compared to last year's 53% spike in sales which included some one-time transactions.

Higher fuel prices lifted gas station receipts but far less than the state average. A year ago fuel receipts rose 84% when the state average represented an increase of 76%. Meanwhile, rising menu prices and the prior opening of a new restaurant drove the restaurant group's receipt total up nearly 12%.

Construction activity appears to have slowed somewhat but the high cost of everything boosted receipts nearly 7% higher. General consumer goods sales were flat which means they retained the 77% growth experienced last year.

Net of adjustments, taxable sales for all of Sacramento County grew 7.2% over the comparable time period while those of the Sacramento region were up 7.8%.



#### TOP 25 PRODUCERS

Apple  
Best Buy  
Chevron  
Costco  
EG Dodge/Jeep/Chry/  
Audi/VW/Subaru  
Elk Grove Acura  
Elk Grove Buick GMC  
Elk Grove Ford  
Elk Grove Honda  
Elk Grove Hyundai  
Elk Grove Kia  
Elk Grove Power Sports  
Elk Grove Toyota  
Enterprise Rent A Car  
Grantline Arco  
Home Depot  
Homewood Lumber  
Kohls  
Maita Chevrolet

Niello BMW  
Nissan/Mazda of Elk  
Grove  
Shell Gas Station  
Slakey Brothers  
Target  
Walmart



**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.

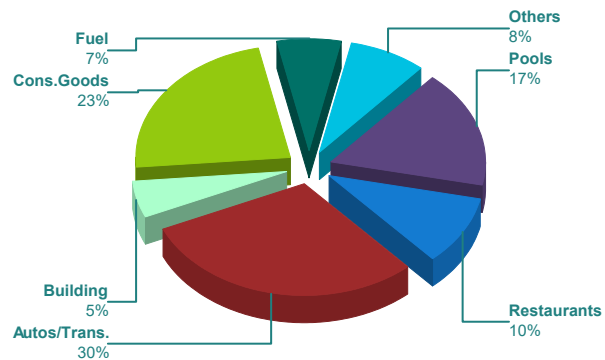
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight 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 auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

**REVENUE BY BUSINESS GROUP**  
Elk Grove This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Elk Grove Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,286.9	-17.3% ↓	-4.5% ↓	6.6% ↑
Service Stations	708.6	22.4% ↑	32.9% ↑	36.4% ↑
Electronics/Appliance Stores	534.3	-23.1% ↓	-11.9% ↓	-0.8% ↓
Casual Dining	508.1	14.0% ↑	15.0% ↑	17.3% ↑
Quick-Service Restaurants	354.5	8.8% ↑	1.4% ↑	5.2% ↑
Grocery Stores	188.0	2.5% ↑	3.3% ↑	5.3% ↑
Specialty Stores	170.7	11.2% ↑	1.0% ↑	4.2% ↑
Contractors	167.2	41.0% ↑	18.0% ↑	13.9% ↑
Family Apparel	155.0	-1.9% ↓	-10.6% ↓	0.7% ↑
Fast-Casual Restaurants	116.6	3.6% ↑	5.2% ↑	7.7% ↑

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\*In thousands of dollars