

# CITY OF UPLAND

## SALES TAX UPDATE

### 4Q 2021 (OCTOBER - DECEMBER)



**UPLAND**

TOTAL: \$ 4,680,550

16.0%  
4Q2021



19.4%  
COUNTY

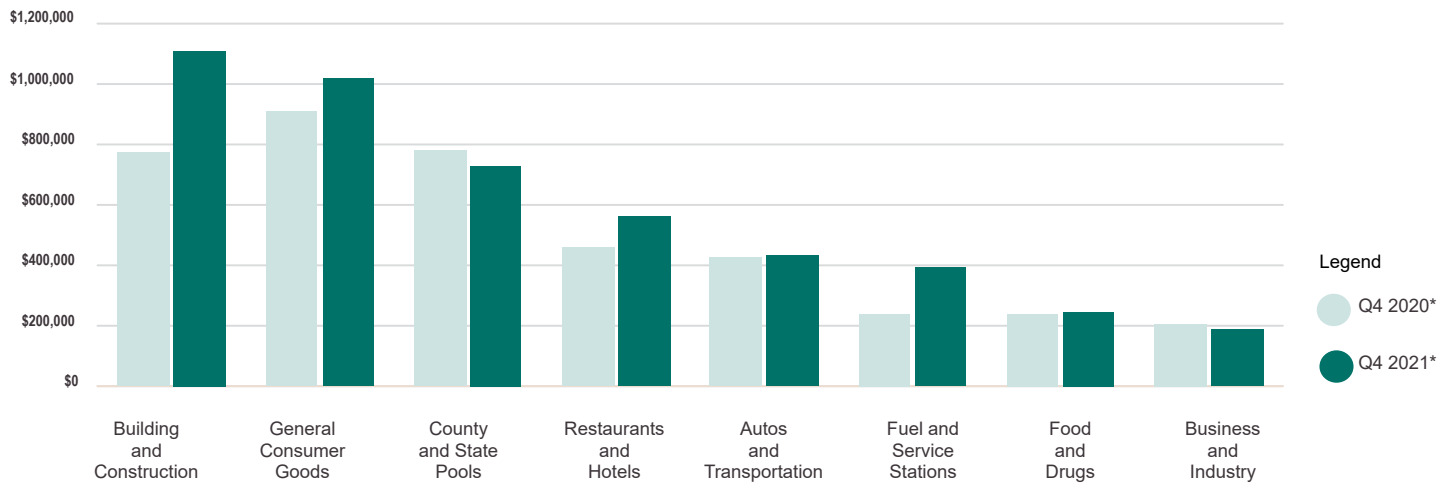


15.6%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF UPLAND HIGHLIGHTS

Upland's receipts from October through December were 20.2% above the fourth sales period in 2020. Excluding reporting aberrations, actual sales were up 16.0%.

The local economy has returned to pre-pandemic levels. The City's building and construction sector, including building materials and plumbing/electrical experienced the largest rebound.

The fuel and service stations sector has seen upward pressure on receipts due to an ongoing increase in consumption and demand for fuel, record prices at the pump for regular and diesel gasoline, and higher cost of jet fuel, and this has resulted in a significant boost in sales tax. Results from specialty stores, family apparel, auto repair shops, used automotive dealers, automotive supply and drug stores were also up.

One of the industries that was hit the hardest in the state during the pandemic was restaurants and hotels, and most business types have now fully recovered. Consumers are continuing to increase their activity in dining, shopping, and traveling. As a result, strong returns were realized from casual, quick-service, and fast casual restaurants.

The City's point of sale cash did not grow as much on average as the other cities in the county which pushed down returns from the state and county pools and this combined with a reduction from light industrial/printers to partially offset the overall gain.

Net of aberrations, taxable sales for all of San Bernardino County grew 19.4% over the comparable time period; the Southern California region was up 17.4%.



### TOP 25 PRODUCERS

- BevMo
- Chevron
- Chick Fil A
- Crossroads Travel Center
- Dick's Sporting Goods
- Euclid Arco
- Ford of Upland
- Hobby Lobby
- Holiday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowe's
- Marshalls
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- Shell
- Sign Development
- Stater Bros
- Target
- Thrifty
- TJ Maxx
- Vons Fuel
- Walmart



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of October through December were 15% 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, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

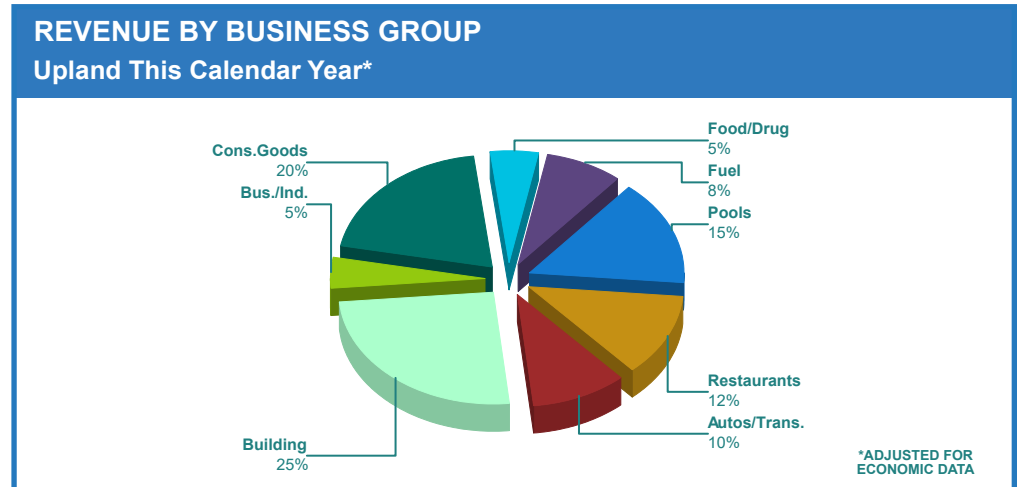
Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women’s apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State’s history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia’s war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Upland Business Type	Q4 '21*	Change	County Change	HdL State Change
Building Materials	471.1	0.5% ↑	-1.2% ↓	2.3% ↑
Service Stations	390.1	64.0% ↑	56.2% ↑	53.8% ↑
Quick-Service Restaurants	274.7	6.7% ↑	7.7% ↑	12.1% ↑
Casual Dining	203.0	55.7% ↑	69.9% ↑	66.4% ↑
Family Apparel	164.4	26.0% ↑	24.6% ↑	27.2% ↑
Specialty Stores	162.5	37.7% ↑	25.1% ↑	18.7% ↑
Grocery Stores	117.3	-1.0% ↓	2.1% ↑	0.6% ↑
Sporting Goods/Bike Stores	87.9	-1.3% ↓	3.7% ↑	1.5% ↑
Convenience Stores/Liquor	85.8	3.9% ↑	1.1% ↑	2.1% ↑
Fast-Casual Restaurants	73.7	14.0% ↑	12.5% ↑	16.6% ↑

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