

# CITY OF UPLAND

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



**UPLAND**

TOTAL: \$ 4,738,835

0.9%  
2Q2022



6.6%  
COUNTY

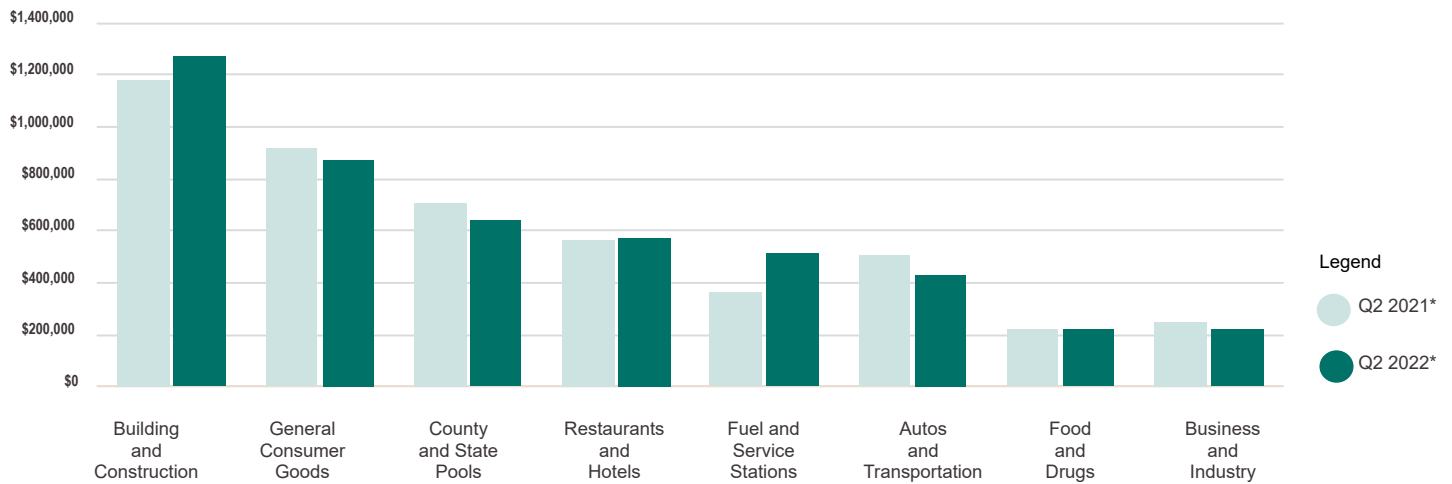


10.1%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF UPLAND HIGHLIGHTS

Upland's receipts from April through June were 7.4% below the second sales period in 2021, though this was artificially deflated by several large State accounting adjustments. Excluding these and other reporting aberrations, actual sales were up 0.9%.

The largest factor in this improvement was a 41% surge in receipts from local gasoline stations, slightly outpacing the 36% statewide trend, as tax revenue was boosted by sky-high fuel prices.

Payments from building and construction suppliers also continued to grow as construction and home improvement activity remained elevated through the end of June.

Conversely, auto and transportation related revenue fell. The sale of general consumer goods was also negatively

impacted by inflation for food and other necessities. Many consumers also reverted to pre-pandemic patterns and spent a greater share of their discretionary income on travel, services, and experiences.

Upland's share of the countywide use-tax pool was depressed this quarter. This funding is allocated among local agencies based on proportional cash receipts, which was down compared to other agencies because of the accounting adjustments and other declines previously mentioned.

Net of aberrations, taxable sales for all of San Bernardino County grew 6.6% over the comparable time period; the Southern California region was up 11.1%.



### TOP 25 PRODUCERS

- BevMo
- Caliber Collision Centers
- Chevron
- Circle K
- Crossroads Travel Center
- CVS Pharmacy
- Dick's Sporting Goods
- Euclid Arco
- Ford of Upland
- Holiday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowe's
- Marshalls
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- Shell
- Stater Bros
- Target
- Thrifty
- TJ Maxx
- Vons Fuel
- 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.

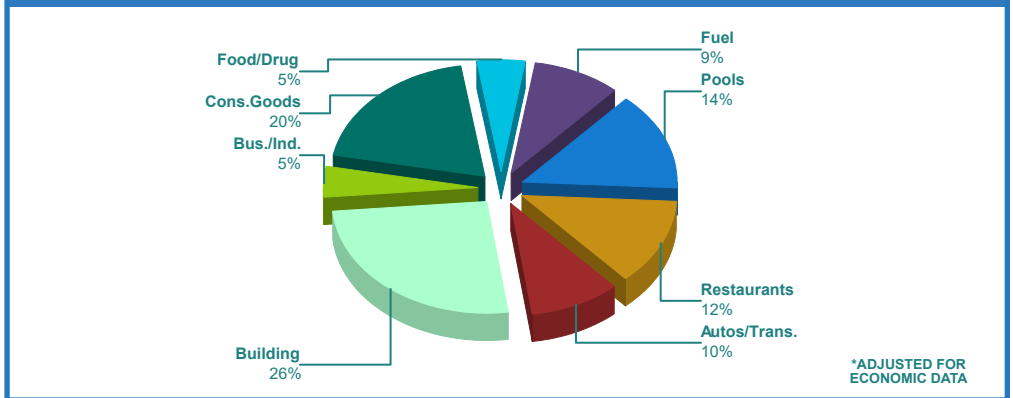
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Upland Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	507.4	41.2% ↑	35.3% ↑	36.4% ↑
Building Materials	503.0	-2.9% ↓	0.9% ↑	2.9% ↑
Quick-Service Restaurants	259.4	-6.3% ↓	-1.1% ↓	5.2% ↑
Casual Dining	220.4	9.5% ↑	12.4% ↑	17.3% ↑
Specialty Stores	142.0	-0.6% ↓	-6.0% ↓	4.2% ↑
Family Apparel	126.1	-10.6% ↓	-9.4% ↓	0.6% ↑
Grocery Stores	107.9	5.0% ↑	4.5% ↑	5.3% ↑
Sporting Goods/Bike Stores	92.9	-3.9% ↓	-7.4% ↓	-7.4% ↓
Fast-Casual Restaurants	76.7	5.7% ↑	-0.2% ↓	7.8% ↑
Auto Repair Shops	74.9	9.5% ↑	13.5% ↑	14.1% ↑

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