

# CITY OF UPLAND

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



**UPLAND**

TOTAL: \$ 4,894,074

8.3%  
3Q2022



8.2%  
COUNTY

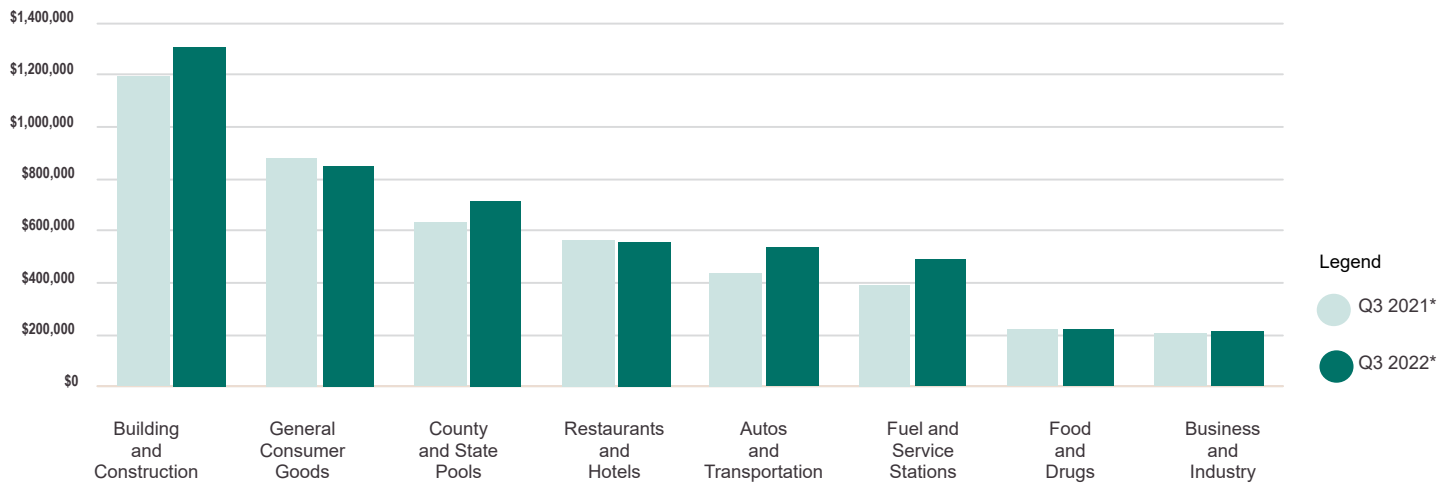


8.0%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF UPLAND HIGHLIGHTS

Upland's receipts from July through September were 8.0% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 8.3%.

Building-construction soared 10% higher as demand for materials supplied by specialists remained hearty over the summer months of 2022.

An expected recent opening of a new dealership caused 46% growth from new vehicle sellers; the autos-transportation category should see additional sales taxes add to this group's base over the remainder of the fiscal year.

During this period fuel prices at the pump continued to be well above historical charges; service stations remitted 25% bigger tax returns.

Led by a onetime payment from the light

industrial sector, business-industry rose 5%. Ecommerce spending was hearty once again, pool use tax allocations increased 13%.

General consumer goods decreased 4%; consumers nervous about economic conditions pulled back on spending in areas such as family apparel and electronics/appliances.

Restaurants-hotels dipped 1%; casual dining gains of 6% were offset by the temporary loss from quick service venues due to a location remodeling underway.

Net of aberrations, taxable sales for all of San Bernardino County grew 8.2% over the comparable time period; the Southern California region was up 8.1%.



### TOP 25 PRODUCERS

- 7 Eleven
- Caliber Collision Centers
- Chevron
- Circle K
- Crossroads Travel Center
- Dick's Sporting Goods
- Euclid Arco
- Ford of Upland
- Holliday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowe's
- Marshall's
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- Shell
- Stater Bros
- Target
- Tesla Motors
- Thrifty
- TJ Maxx
- Vons Fuel
- Walmart



## STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

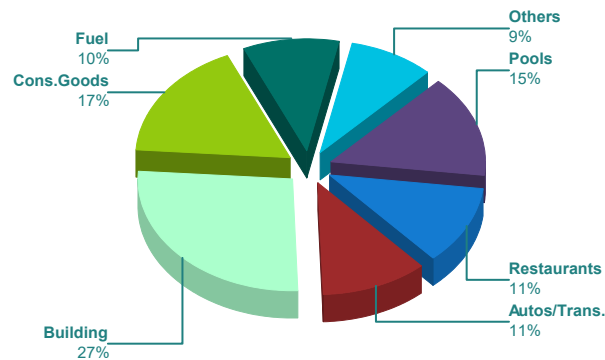
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

### REVENUE BY BUSINESS GROUP Upland This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Upland Business Type	Q3 '22*	Change	County Change	HdL State Change
Building Materials	509.2	0.6% ↑	-0.4% ↓	2.8% ↑
Service Stations	487.1	25.2% ↑	18.2% ↑	18.5% ↑
Quick-Service Restaurants	252.8	-8.0% ↓	-0.9% ↓	4.0% ↑
Casual Dining	214.8	5.7% ↑	5.1% ↑	10.1% ↑
Specialty Stores	139.7	0.0% ↓	-0.2% ↓	4.0% ↑
Family Apparel	125.2	-7.0% ↓	-9.5% ↓	-1.7% ↓
Grocery Stores	106.2	2.4% ↑	3.0% ↑	3.0% ↑
Sporting Goods/Bike Stores	90.6	-0.1% ↓	-7.7% ↓	-4.2% ↓
Fast-Casual Restaurants	78.7	8.2% ↑	1.2% ↑	6.2% ↑
Convenience Stores/Liquor	73.7	-3.0% ↓	-4.5% ↓	1.6% ↑

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\*In thousands of dollars