

CITY OF SANTA MONICA

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



SANTA MONICA

TOTAL: \$ 10,300,969

6.4%
2Q2022



11.3%
COUNTY

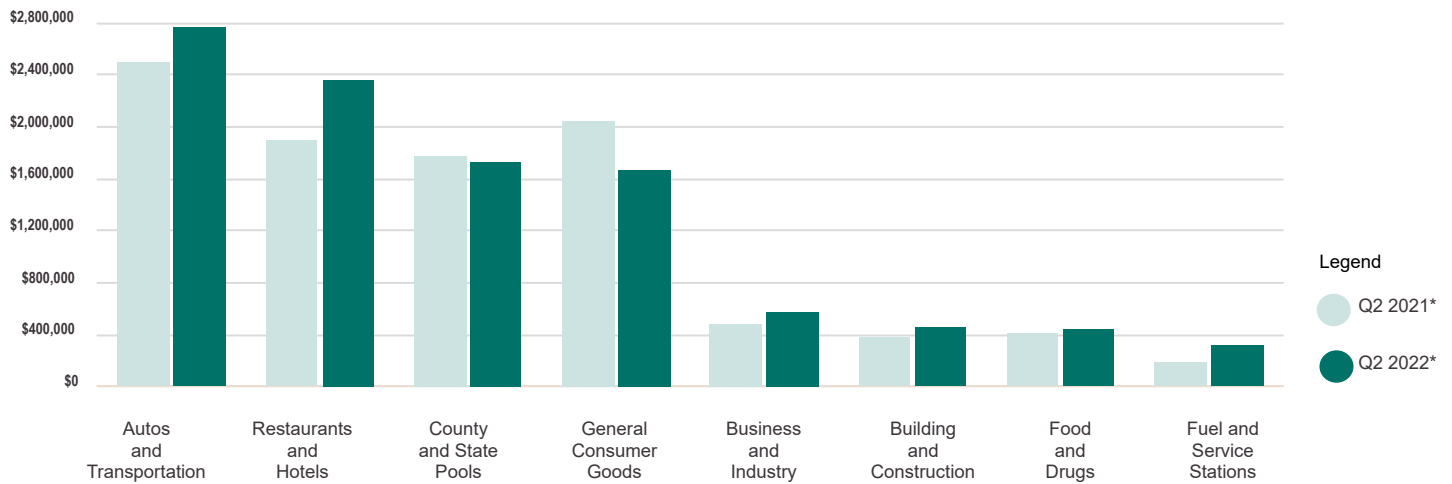


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



TUT GSH

TOTAL: \$9,133,695

15.7%



CITY OF SANTA MONICA HIGHLIGHTS

Santa Monica's receipts from April through June were 2.4% below the second sales period in 2021. Late payments in the year-ago quarter overstated prior totals, suppressed cash comparisons. Excluding reporting aberrations, actual sales were up 6.4%.

Car buying was robust with owners not concerned about inflated prices and suboptimal inventories; new vehicle dealerships soared 17%. Strong desires to eat out, even as menu charges rose due to growing costs of food, beverages and labor, provoked greater returns from casual and fine dining venues.

Occupancy levels at local hotels were

well above spring 2021; this sector's taxes increased 97%. Record worldwide oil prices translated to a 65% surge in service stations.

The building-construction and business-industry groups each reported double digit percentage gains.

Changes in reporting by a taxpayer accounted for most of the decline in general consumer goods.

The City's local transaction tax saw growth across all seven categories.

Net of aberrations, taxable sales for all of the Southern California region was up 11.1%.



TOP 25 PRODUCERS

Apple	Santa Monica Ford Lincoln
Audi Leasing Bentley Leasing	Shutters on the Beach
Daimler Trust	Snyder Diamond
Fairmont Miramar Hotel	Subaru Santa Monica
Ferguson Enterprises	Tesla Motors
Genesis Santa Monica	Toyota Lease Trust
Honda Santa Monica	Toyota Santa Monica
Jaguar Santa Monica	Volkswagen Santa Monica
Land Rover Santa Monica	Volvo Cars Santa Monica
JP Morgan Chase Bank	Water Grill/Pier Burger
Lexus Santa Monica	WI Simonson Mercedes
Major Motor Cars	
Ring	
Santa Monica Audi	
Santa Monica BMW	



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.

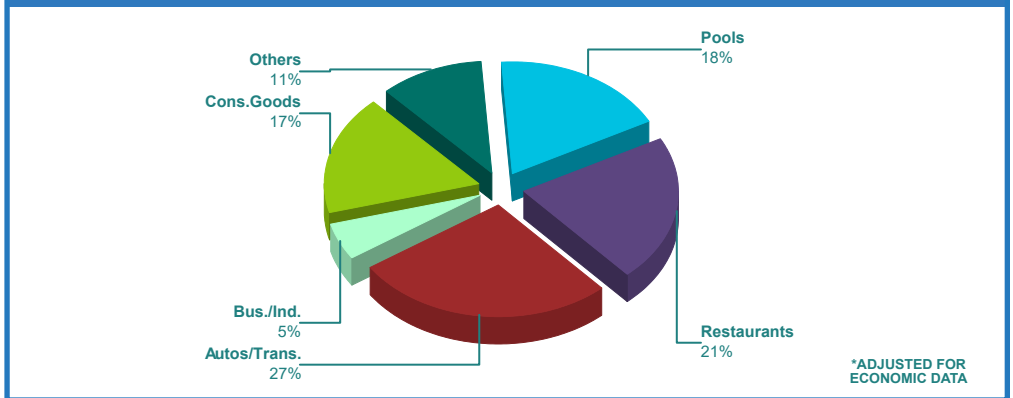
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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

REVENUE BY BUSINESS GROUP
Santa Monica This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Santa Monica Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,045.1	17.1% ↑	12.0% ↑	6.6% ↑
Casual Dining	972.3	15.6% ↑	20.6% ↑	17.3% ↑
Auto Lease	457.0	-12.4% ↓	-8.9% ↓	-8.9% ↓
Fine Dining	445.3	21.2% ↑	16.4% ↑	18.0% ↑
Hotels/Motels	365.6	97.1% ↑	125.7% ↑	113.1% ↑
Family Apparel	327.8	5.3% ↑	-0.1% ↓	0.6% ↑
Plumbing/Electrical Supplies	309.3	21.8% ↑	15.9% ↑	17.6% ↑
Service Stations	292.4	64.8% ↑	38.7% ↑	36.4% ↑
Grocery Stores	242.2	9.6% ↑	5.9% ↑	5.3% ↑
Quick-Service Restaurants	226.5	11.7% ↑	6.3% ↑	5.2% ↑

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