

# CITY OF PLEASANTON

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



**PLEASANTON**

TOTAL: \$ 6,806,328

9.2%  
2Q2022



18.0%  
COUNTY

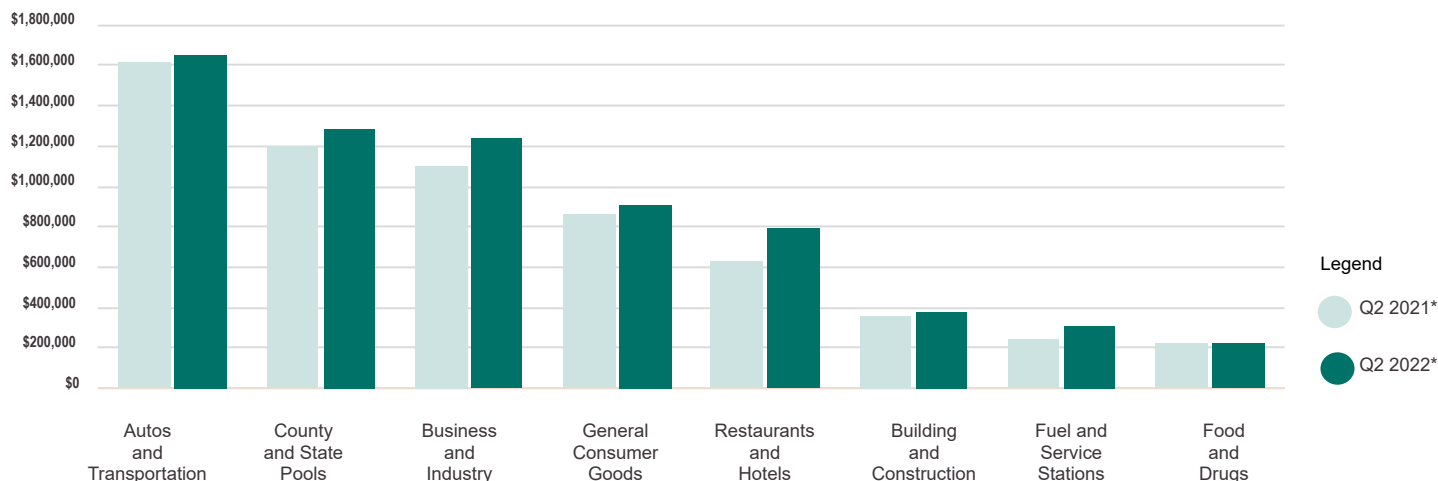


10.1%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's gross receipts from April through June were 7.9% above the second sales period in 2021; however, after various reporting modifications, actual sales were up 9.2%. Net of the pools, place of sale collections jumped 9.5% compared to a year ago. While rising inflation may have impacted some spending - all groups realized solid second quarter results.

Even with mixed results, new car sales remained strong and edged the autos-transportation group higher. Medical/biotech equipment lifted the overall business-industry receipts as other sectors fell short of prior year revenues.

The City's sales tax growth supported its share of the Alameda County Pool, resulting in a 7.6% bump in countywide use tax allocations - even with a softening in online purchases across the

county.

This was the fifth consecutive quarter that general consumer goods grew (albeit at a slower pace), reflecting strong sales at apparel, jewelry, and electronics/appliance stores. The cost of crude oil kept local gas prices high, and coupled with more drivers on the road, service station receipts skyrocketed 29%. Restaurant-hotels revenues expanded by double digits as people enjoyed eating out at quick-service and casual dining establishments - regardless of higher menu prices. Contractor activity kept the building-construction returns in positive territory.

Net of adjustments, taxable sales for all of Alameda County grew 18.0% over the comparable time period; the Bay Area was up 11.7%.





## 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.

## SALES TAX RATE BREAKDOWN

**10.25%**

State General Fund	3.9375%
City/County General Fund (Bradley-Burns)	1.0000%
County Public Safety (Prop 172)	0.5000%
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%
Countywide Transportation Fund	0.2500%
BART in Alameda County (BART)	0.5000%
Alameda County Essential Healthcare Services Transactions and Use Tax (ACHC)	0.5000%
Alameda County Transportation Commission (ACTC)	0.5000%
Alameda County Children's Health Transactions Tax (ACCT)	0.5000%
Alameda County Transactions & Use Tax (ACTU)	0.5000%
Alameda County Transportation Commission 2022 (ALMC)	0.5000%

**Tax Rate Effective April 01, 2022**
**10.2500%**

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,051.0	3.5% ↑	67.4% ↑	6.6% ↑
Medical/Biotech	476.4	26.9% ↑	10.3% ↑	5.3% ↑
Casual Dining	430.4	20.9% ↑	19.6% ↑	17.2% ↑
Service Stations	307.8	28.8% ↑	44.0% ↑	36.4% ↑
Quick-Service Restaurants	191.1	16.7% ↑	6.5% ↑	5.2% ↑
Department Stores	171.1	-2.7% ↓	-2.3% ↓	1.3% ↑
Light Industrial/Printers	148.5	21.8% ↑	10.6% ↑	12.2% ↑
Contractors	143.4	9.6% ↑	14.8% ↑	13.9% ↑
Electronics/Appliance Stores	142.9	24.8% ↑	2.8% ↑	-1.0% ↓
Business Services	133.7	37.4% ↑	-6.8% ↓	12.8% ↑

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