

# CITY OF BRENTWOOD

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



**BRENTWOOD**

TOTAL: \$ 2,610,758

13.1%  
1Q2022



10.5%  
COUNTY

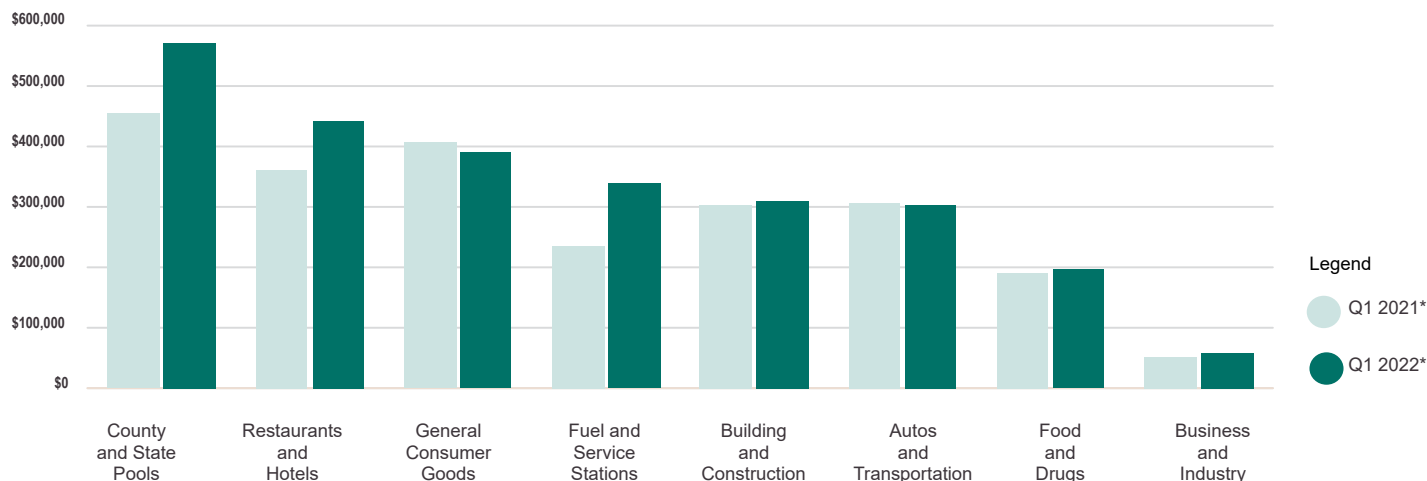


17.1%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF BRENTWOOD HIGHLIGHTS

Brentwood's receipts from January through March were 25.7% above the first sales period in 2021. The prior-year quarter included a large negative fund transfer for taxes owed to another jurisdiction; this anomaly exaggerated current cash comparisons. Excluding all reporting aberrations, actual sales were up 13.1%.

The restaurant-hotel group has faced ongoing challenges post pandemic with labor shortages and rising food costs. Casual eateries experienced another stellar quarter as patrons remain undeterred by hikes in menu prices. Quick service and fast casual outlets remained popular options, although growth was at a slower pace.

February saw the invasion of Ukraine by Russia which prompted world crude oil prices to surge quickly and dramatically;

when coupled with more drivers on the road for work and recreational purposes, service station's 42% spike was not unexpected.

As online shopping activity remained hearty, allocations from the county use tax pool increased by \$106,000. Returns were better for the business-industry group by 13%.

After several quarters of strong gains, autos-transportation dipped slightly as buyers were more sensitive to product pricing.

Heightened household scrutiny over discretionary spending hurt general consumer goods which fell 4%; home furnishings and sporting goods retailers saw the steepest declines.

Net of aberrations, taxable sales for all of the Bay Area grew 17.9%.



### TOP 25 PRODUCERS

- 7 Eleven
- Ace Hardware
- Arco AM PM
- Big B Lumber
- Bill Brandt Ford
- BJ's Restaurant & Brewhouse
- Brentwood Ready Mix
- Chevron
- Circle K Gas
- Dallas Shanks Services
- Home Depot
- Home Goods
- In N Out Burger
- Kohls
- Power Market
- Quik Stop
- Ross
- Safeway
- Sportsman's Warehouse
- TJ Maxx
- Tractor Supply
- Ultra Beauty
- Walgreens
- Watersavers Irrigation
- Winco Foods



**STATEWIDE RESULTS**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

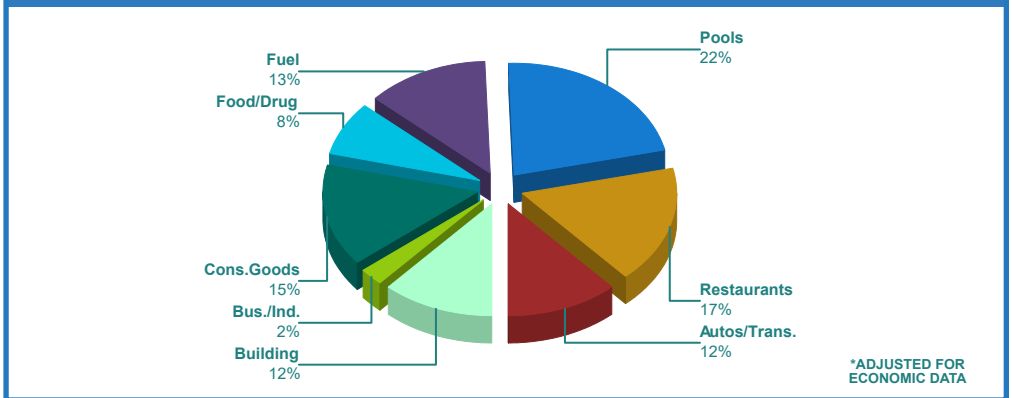
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
Brentwood This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Brentwood Business Type	Q1 '22*	Change	County Change	HdL State Change
Service Stations	337.5	42.9% ↑	51.7% ↑	43.3% ↑
Building Materials	254.1	5.6% ↑	10.0% ↑	7.8% ↑
Casual Dining	216.0	34.2% ↑	45.5% ↑	55.8% ↑
Quick-Service Restaurants	144.3	4.7% ↑	7.0% ↑	7.8% ↑
Grocery Stores	136.9	-2.1% ↓	0.7% ↑	3.3% ↑
Family Apparel	88.2	3.9% ↑	2.7% ↑	9.4% ↑
Specialty Stores	63.2	6.0% ↑	12.0% ↑	10.9% ↑
Home Furnishings	62.3	-22.7% ↓	0.1% ↑	0.9% ↑
Automotive Supply Stores	57.0	11.1% ↑	3.1% ↑	4.6% ↑
Fast-Casual Restaurants	51.5	4.7% ↑	9.7% ↑	11.4% ↑

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