

# CITY OF BRENTWOOD

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### BRENTWOOD

TOTAL: \$ 2,942,409

0.6%  
4Q2022



6.3%  
COUNTY

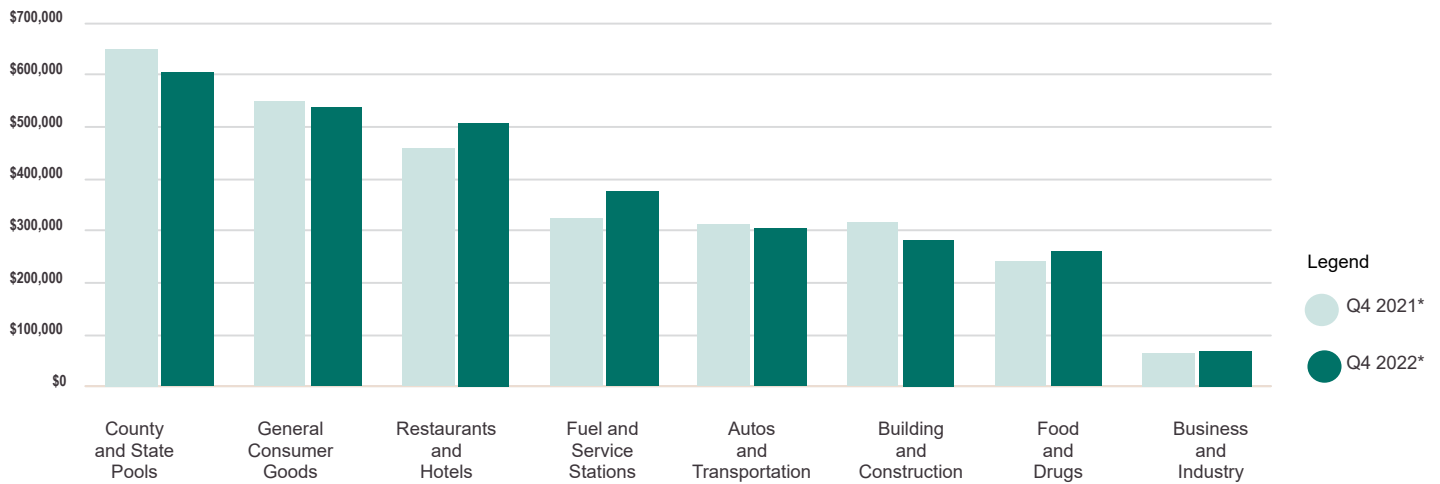


4.6%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF BRENTWOOD HIGHLIGHTS

Brentwood's receipts from October through December were 2.8% below the fourth sales period in 2021, comparisons suppressed primarily from missing taxpayer payments. Excluding reporting aberrations, actual sales were up 0.6%.

One of the City's largest groups, restaurants-hotels, saw returns grow 11%. Most prominent was casual dining establishments, up 18% as patrons paid more for menu items and new venues that launched over the last year add to the tax base.

Addition of a new gas station in 2022 coupled with fuel prices that remained elevated accounted for the \$54,000 in revenue growth by service stations.

Inflation costs passed along to consumers impacted many sectors; grocery stores 7% larger filings were one

example of this economic reality.

Other positive results came from better sales via auto repair shops, electronics stores.

Demand weakened for home furnishings, sporting goods/bikes and apparel. Contractors had fewer projects, returns dropped 39%.

Several audits that reversed prior paid use taxes and a lower volume of ecommerce orders fulfilled by out of state inventory caused the pool allocation to fall 7%.

Net of aberrations, taxable sales for all of Contra Costa County grew 6.3% over the comparable time period; the Bay Area was up 5.5%.



#### TOP 25 PRODUCERS

7 Eleven  
Ace Hardware  
Arco AM PM  
Big B Lumber  
Bill Brandt Ford  
BJ's Restaurant & Brewhouse  
Brentwood Ready Mix  
Chevron  
CVS Pharmacy  
Dallas Shanks Services  
Home Depot  
Home Goods  
In N Out Burger  
Kohls  
Power Market  
Quik Stop  
Ross  
Safeway  
Sportsman's Warehouse

Sunset Arco AM PM  
TJ Maxx  
Tractor Supply  
Ultra Beauty  
Walgreens  
Winco Foods



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector.

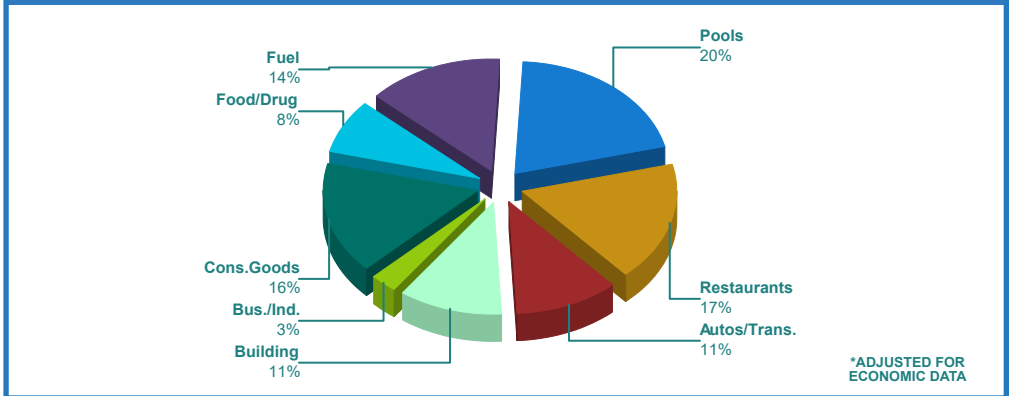
With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

**REVENUE BY BUSINESS GROUP**  
Brentwood This Calendar Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Brentwood Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	376.2	16.6% ↑	14.2% ↑	7.5% ↑
Casual Dining	256.2	17.9% ↑	12.2% ↑	8.1% ↑
Building Materials	236.0	-5.6% ↓	4.1% ↑	2.1% ↑
Grocery Stores	185.2	7.0% ↑	5.5% ↑	6.2% ↑
Quick-Service Restaurants	159.0	4.0% ↑	4.7% ↑	5.7% ↑
Family Apparel	121.0	-4.6% ↓	-1.6% ↓	-0.9% ↓
Specialty Stores	98.8	7.0% ↑	0.8% ↑	1.9% ↑
Home Furnishings	65.6	-13.1% ↓	-2.8% ↓	-6.9% ↓
Automotive Supply Stores	62.8	6.7% ↑	2.4% ↑	2.6% ↑
Fast-Casual Restaurants	51.4	0.0% ↑	5.0% ↑	6.6% ↑

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