

CITY OF BEAUMONT

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



BEAUMONT

TOTAL: \$ 6,807,686

292.2%

1Q2022



18.6%

COUNTY



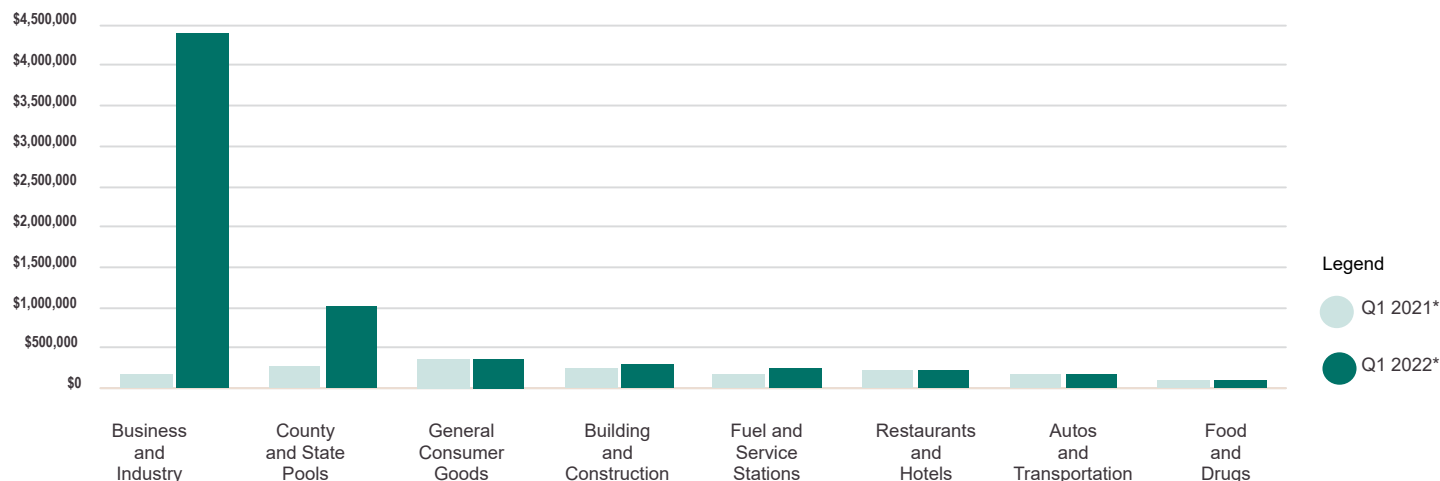
17.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from January through March were 287.3% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 292.2%.

The local economy has continued to show signs of post-pandemic growth. The City experienced significant growth from its top sector business & industry for the third consecutive quarter.

All factors within the fuel and service stations sector are continuing to experience upward pressure, which include restricted supply attributable to the Russian Ukraine crisis, record oil barrel and prices at the pump, a slow implementation by Saudi Arabia to increase production of global supply, and ongoing strong demand for fuel resulting from increased road and air travel. This has boosted the associated sales tax.

Returns from building materials, contractors, trailers/RVs, auto repair shops, electronic/appliance stores, food & drugs, and the state and county pools were also up.

The City experienced solid growth from casual dining; however, the restaurants and hotels sector has been impacted by escalating costs and staff shortages that present ongoing challenges for operators and are expected to slow growth over the coming few quarters.

Receipts from light industrial/printers, home furnishings, quick service and fast casual restaurants decreased to partially offset the overall quarterly gain.

Net of aberrations, taxable sales for all of Riverside County grew 18.6% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- | | |
|----------------------------|------------------------|
| 84 Lumber Co | Raising Cane's |
| Amazon Com Services | Ross |
| Amazon MFA | Stater Bros |
| Arco AM PM | Trailer Factory Outlet |
| Beaumont Gas Mart | USA Gas |
| Beaumont RV | Walmart Supercenter |
| Beaumont Service Station | Wolverine Worldwide |
| Best Buy | |
| Big Tex Trailers | |
| Carson Trailer | |
| CJ Foods | |
| Grove 76 | |
| Home Depot | |
| Icon Health & Fitness | |
| Kohls | |
| Mayas Chevron | |
| Oak Valley Chevron | |
| Pacific Manufactured Homes | |



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.

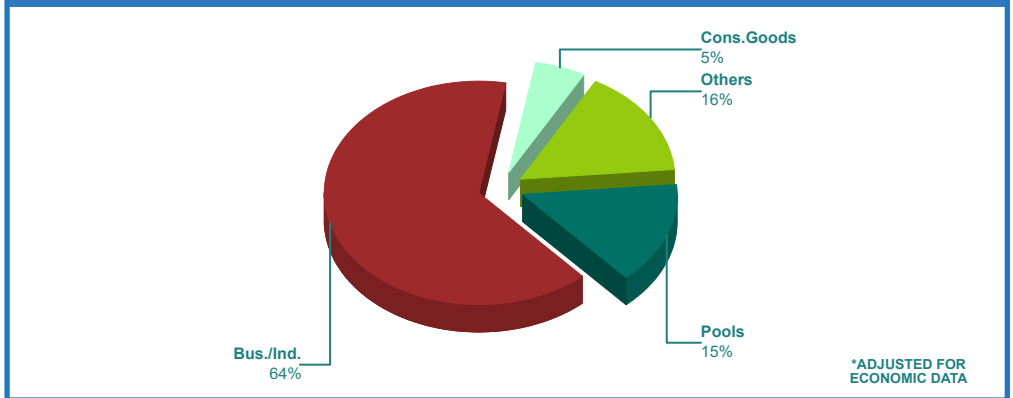
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the 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
Beaumont This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q1 '22*	Change	County Change	HdL State Change
Service Stations	252.5	37.9% ↑	42.9% ↑	43.4% ↑
Building Materials	245.3	15.3% ↑	7.9% ↑	7.6% ↑
Quick-Service Restaurants	143.0	-2.6% ↓	3.0% ↑	7.8% ↑
Trailers/RVs	125.5	6.8% ↑	2.3% ↑	2.2% ↑
Electronics/Appliance Stores	73.8	8.1% ↑	6.6% ↑	12.5% ↑
Grocery Stores	64.7	1.1% ↑	5.9% ↑	3.2% ↑
Casual Dining	57.5	49.1% ↑	52.8% ↑	55.7% ↑
Contractors	39.8	34.9% ↑	15.5% ↑	20.5% ↑
Auto Repair Shops	27.6	8.7% ↑	18.7% ↑	18.7% ↑
Specialty Stores	26.5	159.7% ↑	13.6% ↑	10.7% ↑

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