

MADERA COUNTY MEASURE T

SALES TAX UPDATE

4Q 2024 (OCTOBER - DECEMBER)



MADERA COUNTY - MEASURE T

-0.3%

4Q2024



TOTAL: \$ 3,989,971

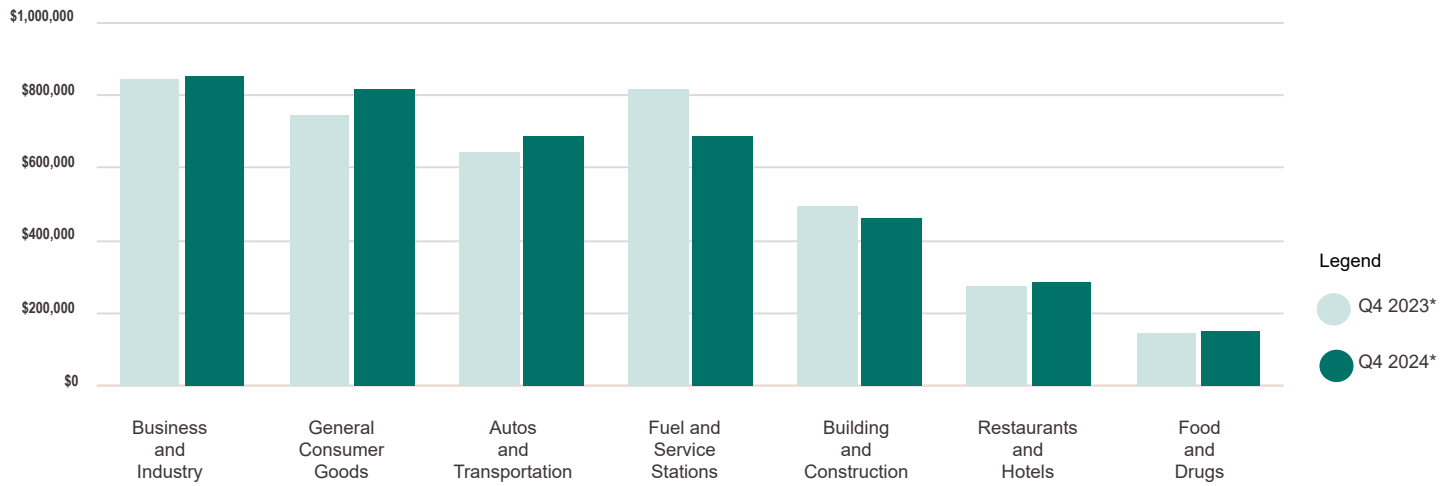
-1.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



MADERA COUNTY TRANSPORTATION COMMISSION - MEASURE T HIGHLIGHTS

Madera County Transportation Commission - Measure T's receipts from October through December were 5.9% above the fourth sales period in 2023. Excluding reporting aberrations, actual sales were down 0.3%.

The business-industry group had optimistic profits from heavy industrial and warehouse/farm/construction equipment during this

period. General consumer goods saw positive gross receipts at general merchandise and electronic/appliance stores as consumers continue to shop for bargains.

The autos-transportation category enjoyed modest revenues from new car dealers as businesses provided consumers incentives to move vehicles off their lots to make

room for newer models. In addition, the restaurants-hotels group showed encouraging gross receipts at quick-service establishments primarily due to higher menu prices businesses implemented. Likewise, the food-drugs category had promising proceeds at grocery stores as consumers shop for deep discounts.

Fuel-service stations felt shrinking returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand. Building-construction profits were weak, as contractors experienced less demand for their services from commercial investors.

Net of aberrations, taxable sales for all of Madera County declined 4.9% over the comparable time period; the San Joaquin Valley was down 3.0%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Transportation Commission - Measure T			HdL State
Business Type	Q4 '24*	Change	Change
Service Stations	570.4	-17.1% ↓	-13.0% ↓
New Motor Vehicle Dealers	381.0	9.9% ↑	-2.2% ↓
General Merchandise	293.7	12.6% ↑	8.5% ↑
Contractors	210.5	-16.4% ↓	-4.8% ↓
Building Materials	193.7	3.0% ↑	-3.4% ↓
Heavy Industrial	135.2	47.2% ↑	-2.8% ↓
Warehse/Farm/Const. Equip.	134.4	18.0% ↑	-7.9% ↓
Quick-Service Restaurants	133.4	8.0% ↑	1.6% ↑
Used Automotive Dealers	128.3	1.2% ↑	-4.2% ↓
Discount Dept Stores	124.3	4.4% ↑	-2.0% ↓

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

**In thousands of dollars*



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they're more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%,

further hindered by lower gas prices. Recent closures by merchants selling variety/low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county's use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments – consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a 'return to office' call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn't signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 4th Quarter 2023 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	0.1%	-0.4%	-8.1%	-3.6%	-11.2%	-1.5%	1.7%
Kern Co.	-0.3%	-5.1%	-28.7%	-2.9%	-12.8%	-0.9%	0.9%
Kings Co.	10.1%	8.8%	106.4%	-6.3%	-16.6%	-3.1%	2.5%
Madera Co.	-8.0%	-2.6%	-31.8%	1.6%	-13.8%	-0.5%	3.3%
Merced Co.	-0.1%	2.8%	-18.3%	-8.0%	-18.9%	-4.3%	2.2%
San Joaquin Co.	-7.6%	-6.4%	10.3%	-1.4%	-12.8%	-3.3%	3.5%
Stanislaus Co.	1.0%	-2.8%	-3.3%	-4.4%	-14.7%	-1.2%	1.5%
Tulare Co.	6.2%	0.7%	-12.8%	-7.5%	-14.8%	-1.8%	2.3%

*Allocation aberrations have been adjusted to reflect sales activity