MADERA COUNTY MEASURE T
SALES TAX UPDATE
3Q 2023 (JULY - SEPTEMBER)

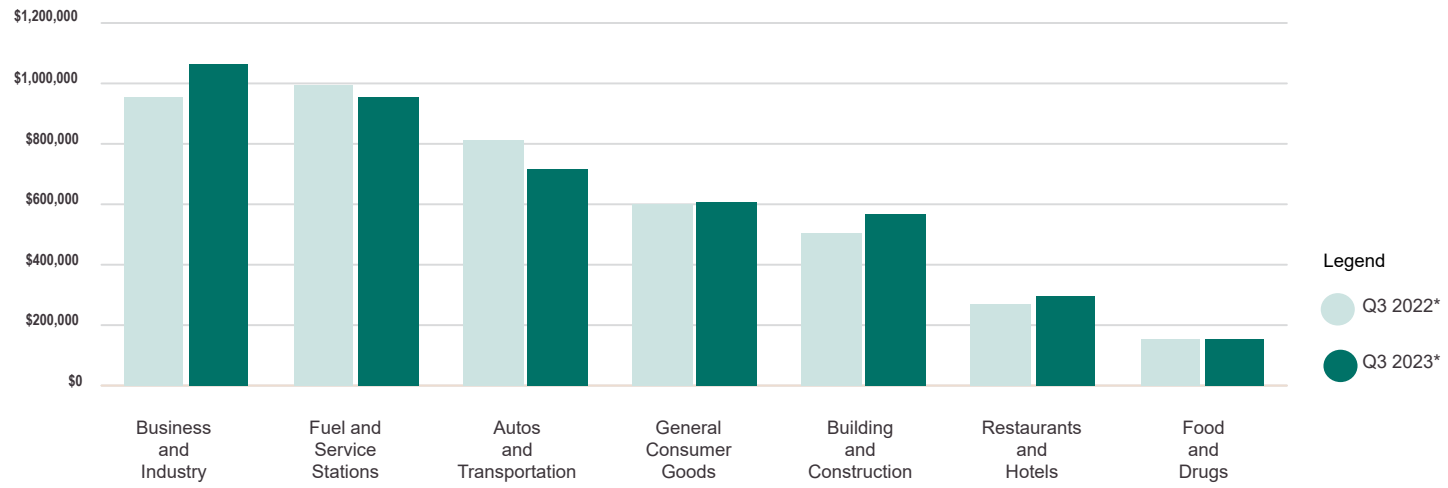
MEASURE T
Madera County Transportation Authority

MADERA COUNTY MEASURE T 1.8% 3Q2023 ↑ -1.7% STATE ↓

TOTAL: $ 4,396,630

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



MADERA COUNTY MEASURE T HIGHLIGHTS

Receipts for Madera County Transportation Commission - Measure T from July through September were 7.5% above the third sales period in 2022. Excluding reporting aberrations, actual sales were up 1.8%.

The business-industry group had exceptional profits from garden-agricultural supplies, light industrial-printers, plus heavy industrial vendors during this period. General consumer goods saw modest revenues at general merchandise and family apparel stores as customers' limited purchases while they still have some hesitancy about the direction the economy is going.

Building-construction gross receipts were outstanding as contractors kept up demand for their services. Moreover, patrons enjoy eating out at casual and quick-service establishments, these businesses continued to benefit from solid earnings.

Falling fuel-petroleum prices that peaked in the second quarter of 2022 have continued to compress service station profits. Likewise, the autos-transportation category experienced weak returns, especially from new and used automotive dealers, as buyers find it challenging to finance vehicles with high interest rates.

Net of aberrations, taxable sales for all of Madera County declined 0.8% over the comparable period; the San Joaquin Valley was down 0.4%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Transportation Commission - Measure T			HdL State
Business Type	**Q3 '23***	**Change**	**Change**
Service Stations	790.9	-3.3% ↓	-7.3% ↓
New Motor Vehicle Dealers	350.9	-15.4% ↓	-2.4% ↓
Contractors	297.6	35.3% ↑	-1.1% ↓
Garden/Agricultural Supplies	230.8	5.9% ↑	1.8% ↑
Building Materials	217.8	-2.7% ↓	-2.7% ↓
General Merchandise	214.9	11.9% ↑	-20.2% ↓
Used Automotive Dealers	162.8	-13.6% ↓	-5.8% ↓
Petroleum Prod/Equipment	152.5	-7.9% ↓	-11.9% ↓
Warehse/Farm/Const. Equip.	151.0	-15.7% ↓	-2.8% ↓
Quick-Service Restaurants	134.4	9.4% ↑	2.7% ↑

*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 for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 3rd Quarter 2022 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	-0.1%	1.8%	-6.8%	-1.1%	-7.0%	-2.5%	3.9%
Kern Co.	-4.0%	-7.1%	45.0%	-9.8%	-7.7%	-4.2%	3.7%
Kings Co.	4.7%	6.3%	2.1%	-4.9%	-8.8%	-5.4%	0.7%
Madera Co.	-8.1%	2.0%	-0.7%	-0.3%	-4.9%	-1.5%	8.5%
Merced Co.	0.3%	7.2%	8.7%	-15.3%	-7.6%	-2.4%	7.1%
San Joaquin Co.	5.4%	-3.4%	14.5%	-2.6%	-14.1%	-1.2%	3.6%
Stanislaus Co.	3.1%	-7.3%	10.0%	-4.9%	-3.9%	-3.9%	2.0%
Tulare Co.	-6.1%	-10.5%	-0.7%	2.0%	-7.3%	-1.9%	3.4%

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