

MADERA COUNTY MEASURE T

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



MADERA COUNTY MEASURE T

TOTAL: \$ 3,586,786

-4.4%

1Q2023



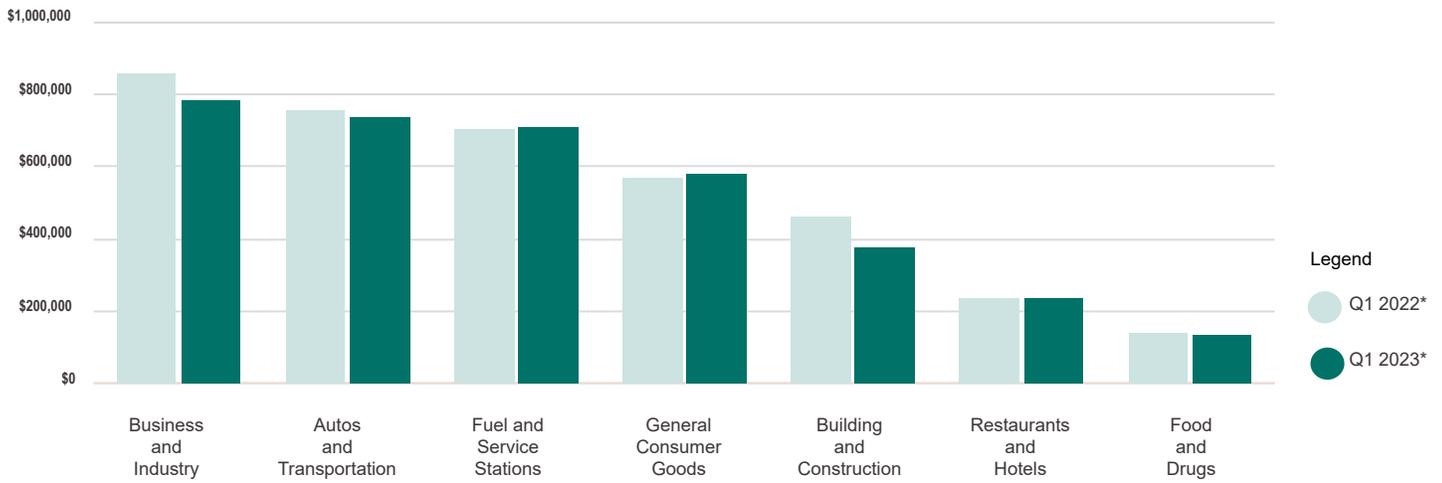
-1.1%

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 Measure T's receipts from January through March were 3.8% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 4.4%.

The business-industry sector revenues were bleak from garden-agricultural supplies, warehouse-farm-construction

equipment, and heavy industrial merchants. Furthermore, the autos-transportation group experienced negative returns from used auto dealers during this period.

Building-construction collections were dismal as commodity prices continue to decline; contractors as well as plumbing-electrical supply vendors saw less demand

for their services. Restaurant-hotels experienced soft returns from casual dining as patrons become more price sensitive to the increased cost of eating out. In addition, the food-drug category had meager proceeds at convenience-liquor markets.

As people slowly return back to their workplace and travel, services stations continue to see slight growth even though gas prices are beginning to decline. Likewise, general consumer goods saw encouraging gains at general merchandise, family apparel, and specialty stores.

Net of aberrations, taxable sales for all of Madera County declined 6.6% 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	Q1 '23*	Change	Change	
Service Stations	606.9	3.0% ↑	-9.8%	↓
New Motor Vehicle Dealers	376.8	0.1% ↑	0.8%	↑
General Merchandise	191.4	8.1% ↑	11.8%	↑
Building Materials	185.2	-12.6% ↓	-9.8%	↓
Used Automotive Dealers	176.7	-10.0% ↓	-10.9%	↓
Contractors	143.5	-26.4% ↓	-12.7%	↓
Garden/Agricultural Supplies	135.8	-35.0% ↓	-18.9%	↓
Warehouse/Farm/Const. Equip.	120.2	-17.3% ↓	3.1%	↑
Quick-Service Restaurants	116.5	0.6% ↑	5.1%	↑
Light Industrial/Printers	111.8	46.1% ↑	0.5%	↑

**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 January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC's recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results

from department stores, overall general consumer goods' returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve's actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 1st Quarter 2022 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	-3.0%	-14.5%	-7.3%	4.5%	-7.9%	-1.1%	6.7%
Kern Co.	-1.2%	-18.7%	39.0%	-0.2%	-3.9%	-1.5%	5.5%
Kings Co.	-12.8%	9.6%	3.3%	-9.1%	-12.0%	-1.8%	4.6%
Madera Co.	-8.6%	-13.6%	-18.7%	-5.3%	-2.4%	-2.1%	-1.5%
Merced Co.	-4.2%	-8.9%	0.6%	-7.0%	-7.0%	-1.9%	8.3%
San Joaquin Co.	-1.0%	-15.9%	-11.7%	-1.6%	-9.1%	-3.4%	6.0%
Stanislaus Co.	-2.2%	-23.2%	6.5%	-6.0%	-8.3%	-1.0%	4.7%
Tulare Co.	-7.6%	-1.1%	-11.7%	-0.8%	-10.7%	-2.3%	7.4%

*Allocation aberrations have been adjusted to reflect sales activity