

# MADERA COUNTY MEASURE T

## SALES TAX UPDATE

### 4Q 2023 (OCTOBER - DECEMBER)



MADERA COUNTY MEASURE T

TOTAL: \$ 3,987,647

-1.5%

4Q2023



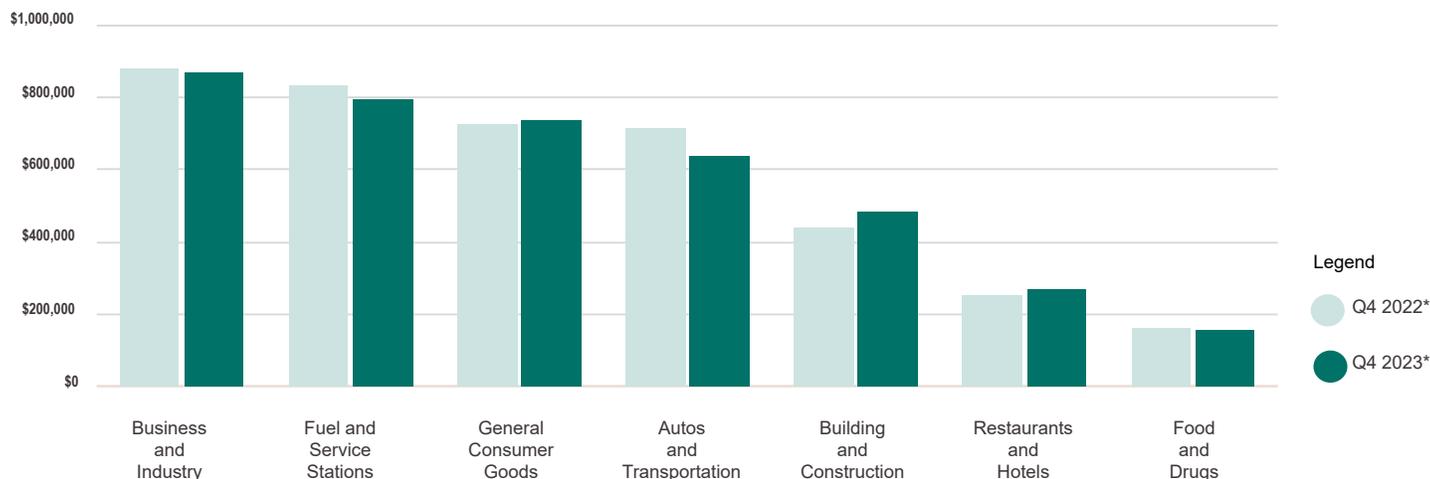
-2.5%

STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



## MADERA COUNTY MEASURE T HIGHLIGHTS

Measure T's receipts from October through December were 5.8% below the fourth sales period in 2022. Excluding reporting aberrations, including late and missing payments, receipts for the period were down 1.5%.

This period's results extended the slide in spending on transportation needs to a fifth

straight quarter. Some of the decline is due to falling vehicle prices. Meanwhile, taxes derived from fuel sales were lower due to the extended decline in prices, but the lack of snow in the high country cut demand as tourism numbers dipped. The drop in tourism also cut into food-drug sales for outlets in the higher elevations.

The demand for new equipment by the Ag community was high this time last year, but demand this period fell below that of two years ago.

There were a number of growth areas this period, which helped offset some of these declines. For example, construction activity rose again. Roof repairs, paving and hardscape projects generated the largest increases, which were augmented by several one-time sales. Restaurant sales were also up this quarter, with mixed results across the various dining formats. Finally, online sales of general consumer goods offset the drop in sales at brick and mortar locations. The dip in tourism was a factor in the sales decline, especially for outlets in the mountain areas.

Net of aberrations, taxable sales for all of Madera County were 0.3% under those from the comparable period while those of the San Joaquin Valley region were up 1.6%.

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Measure T Business Type	Q4 '23*	Change	HdL State Change
Service Stations	667.6	-3.6% ↓	-4.9% ↓
New Motor Vehicle Dealers	344.5	-13.9% ↓	-7.7% ↓
General Merchandise	257.8	12.1% ↑	12.0% ↑
Contractors	252.7	20.9% ↑	1.3% ↑
Building Materials	184.9	-1.5% ↓	-2.0% ↓
Used Automotive Dealers	127.2	-5.3% ↓	-2.8% ↓
Light Industrial/Printers	125.9	19.6% ↑	-6.4% ↓
Quick-Service Restaurants	124.1	5.4% ↑	0.3% ↑
Discount Dept Stores	119.0	-1.1% ↓	-1.5% ↓
Petroleum Prod/Equipment	117.5	-7.6% ↓	-9.5% ↓

*\*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 during the months of October through December were 2.5% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating quarter of the year and exhibited diminished year-over-year returns as consumers balanced higher prices and financing costs with essential household needs.

Higher interest rates impacted the auto-transportation sector, especially luxury vehicles, as the group dropped 6.2%. Inventories for many dealers returned, creating downward pressure on prices, further constraining receipts. Lenders have tightened credit standards, making loan financing challenging. Improved leasing activity was the lone bright spot. With slow movement expected by the Federal Treasury setting interest rate policy, future revenue growth may stagnate.

Fuel and service stations contributed a similar downturn, as lower fuel prices reduced receipts from gas stations and petroleum providers. While this

has been the trend throughout 2023, recently global crude oil prices have been on the rise and should see growth in the coming year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop.

During this holiday shopping period, general consumer goods experienced lackluster sales as results pulled back 3.4%. Most sectors saw reductions with home furnishings, women's apparel, shoe and electronic-appliance stores being the most significant. Returns also marked the fourth consecutive quarter showing comparable declines. Similar to the anticipated trend of new vehicles, consumer spending may be sluggish in the near term.

Even though revenue from most major sectors slowed, restaurant sales remained steady with a modest gain of 1.0%. Results from casual dining establishments grew during the early winter period as patrons enjoyed indoor dining. However, following the greater trend of consumers looking for value, fine dining eateries experienced lower receipts. The industry

is still bracing for implementation of AB 1228, a new law increasing minimum wages for 'fast food restaurants', on April 1, 2024.

Use taxes remitted via the countywide pools grew 1.0%, marking the first positive rebound after four consecutive quarters of decline. While overall online sales volume is steady, pool collections contracted with more taxes allocated directly to local agencies via in-state fulfillment and through existing retail outlets.

Statewide, calendar year 2023 ended with a 2.3% decline from 2022. Elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Following multiple years of post-pandemic tax growth assisted by federal tax policy and temporary workplace accommodations, consumers reassessed their economic conditions and limited purchases. As the Federal Reserve considers delaying softening rates, consumer spending could likely stagnate delaying a return to the normal historical growth trend in 2024.

## MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 4th Quarter 2022 \*

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
<b>Fresno Co.</b>	-3.9%	2.0%	-6.7%	-6.5%	-6.5%	-4.1%	0.9%
<b>Kern Co.</b>	-5.8%	-4.0%	15.0%	-8.6%	-10.6%	-5.3%	0.3%
<b>Kings Co.</b>	-1.3%	-5.9%	-25.9%	-10.5%	-5.6%	-3.6%	-0.4%
<b>Madera Co.</b>	-6.5%	1.3%	5.5%	-4.2%	-4.0%	-2.5%	5.6%
<b>Merced Co.</b>	-4.0%	-1.0%	19.9%	-5.9%	-1.3%	-1.6%	3.6%
<b>San Joaquin Co.</b>	4.1%	1.7%	6.2%	-4.3%	3.2%	-2.6%	1.6%
<b>Stanislaus Co.</b>	-0.8%	3.3%	7.8%	-6.0%	-7.7%	-3.5%	1.0%
<b>Tulare Co.</b>	-6.0%	-1.5%	-2.7%	-2.1%	-4.3%	-0.4%	1.3%

\*Allocation aberrations have been adjusted to reflect sales activity