

# CITY OF SAN FERNANDO

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



#### SAN FERNANDO

TOTAL: \$ 1,516,096

-8.3%

1Q2024



-0.8%

COUNTY



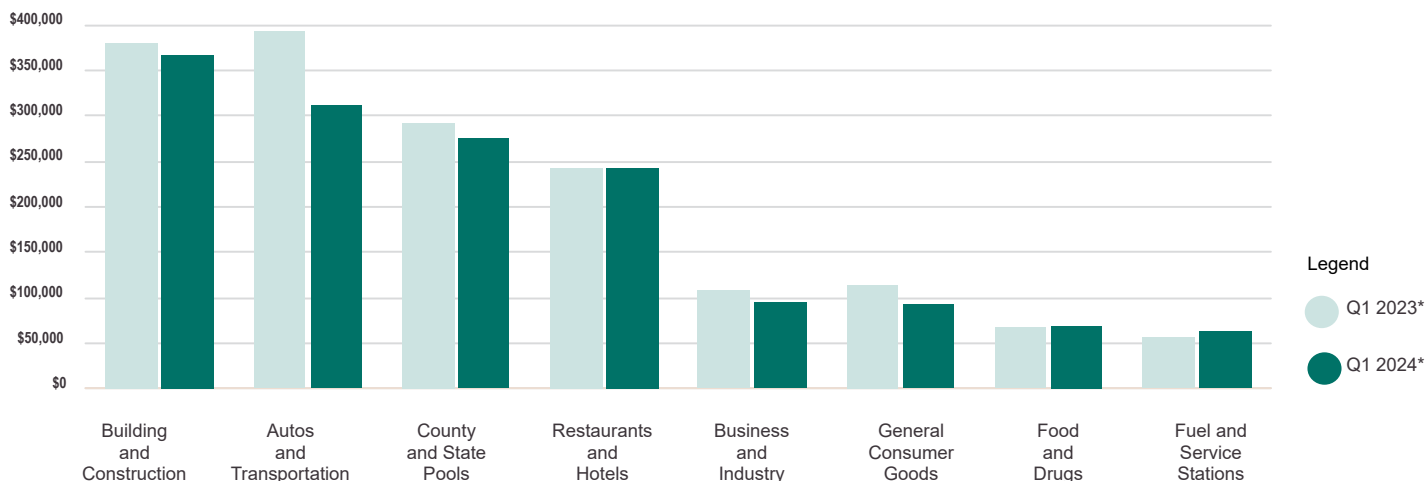
-0.3%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure SF

TOTAL: \$1,117,872

↓ -6.6%



#### CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from January through March were 6.3% below the first sales period in 2023. Excluding reporting aberrations, actual sales were down 8.3%.

The City experienced its largest reduction from the second biggest sector autos-transportation, including automotive supply stores. While the statewide volume of sales and inventory levels have been increasing, consumers are holding off on making purchases. Leases are on the rise; however, this defers sales tax revenue to the future, with receipts coming monthly over the lease term.

Returns from general consumer goods, drugs/chemicals, contractors, fast casual

restaurants, and the state and county pools also declined.

Receipts generated by casual dining, quick service restaurants, service stations, and grocery stores were higher and combined to partially offset the overall net quarterly loss.

Transaction and Use Tax Measures A and SF combined to generate 73.9% of the Bradley Burns amount, led by the strongest percentage growth from general consumer goods.

Net of aberrations, taxable sales for all of Los Angeles County declined 0.8% over the comparable time period; the Southern California region was flat.



#### TOP 25 PRODUCERS

Ally Financial  
Arco  
Arroyo Building Materials  
Casco  
CCAP Auto Lease  
Chipotle  
CVS Pharmacy  
El Pollo Loco  
El Super  
Enterprise Rent A Car  
Ganas Auto  
Goodman Distribution  
Home Depot  
IHOP  
Maclay Shell & Circle K

McDonald's  
Nachos Ornamental Supply  
Pool & Electrical Products  
Rydell Chrysler Dodge Jeep Ram  
Smart & Final  
T Mobile  
Tacosway  
Truman Fuel  
Vallarta Supermarket  
WSS



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was auto-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

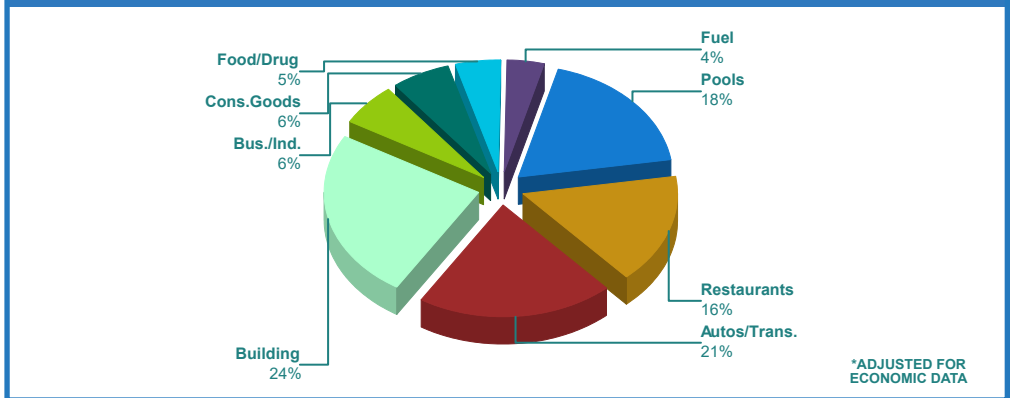
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

San Fernando This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q1 '24*	Change	County Change	HdL State Change
Quick-Service Restaurants	142.4	2.2% ↑	1.8% ↑	2.7% ↑
Casual Dining	75.4	6.3% ↑	2.1% ↑	2.3% ↑
Service Stations	61.9	12.3% ↑	-0.4% ↓	-0.8% ↓
Contractors	54.0	-18.4% ↓	6.7% ↑	4.4% ↑
Auto Lease	46.1	7.2% ↑	1.1% ↑	4.3% ↑
Grocery Stores	37.6	2.3% ↑	4.6% ↑	2.8% ↑
Electronics/Appliance Stores	28.8	7.4% ↑	-6.1% ↓	-7.0% ↓
Automotive Supply Stores	28.8	-14.6% ↓	-3.8% ↓	-3.2% ↓
Fast-Casual Restaurants	22.6	-29.4% ↓	-0.7% ↓	2.3% ↑
Auto Repair Shops	19.2	-1.8% ↓	-6.0% ↓	-1.9% ↓

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