

# CITY OF OCEANSIDE

## SALES TAX UPDATE

### 4Q 2022 (OCTOBER - DECEMBER)



#### OCEANSIDE

TOTAL: \$ 7,428,152

5.4%  
4Q2022



6.7%  
COUNTY

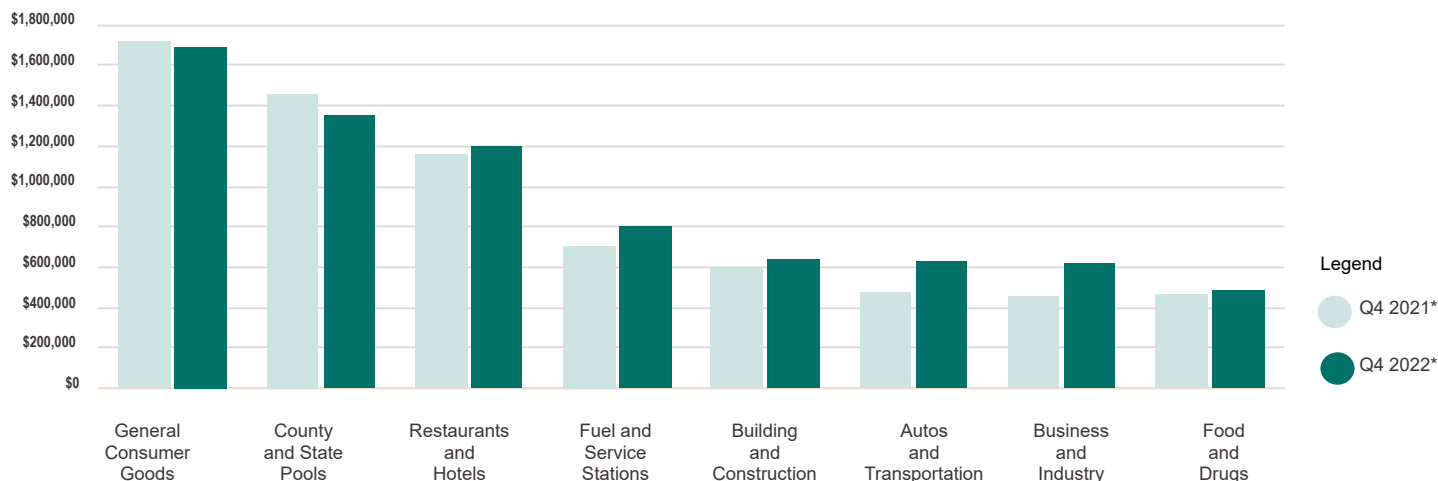


4.7%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure X

TOTAL: \$4,869,496

5.9%



#### CITY OF OCEANSIDE HIGHLIGHTS

Oceanside's receipts from October through December were 1.8% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 5.4%.

The opening of a new auto and transportation-related business was the biggest contributor to the city's growth this quarter.

Tax payments from business-industrial firms also increased due to investments in supply chain and capacity expansion.

However, allocations from the San Diego countywide use-tax pool declined with online retailers' shift in fulfillment

strategies resulting in less tax revenue for the City. The reduction in revenue was further exacerbated by several payment corrections and other anomalies.

Voter-approved Measure X increased near the same rate as the Bradley-Burns sales tax results previously discussed, driven by a surge in building and construction material delivered into Oceanside for various projects.

Net of aberrations, taxable sales for all of San Diego County grew 6.7% over the comparable time period; the Southern California region was up 5.1%.



#### TOP 25 PRODUCERS

- |                              |                      |
|------------------------------|----------------------|
| 7 Eleven                     | Mohsen Oil           |
| Albertsons                   | Mossy Nissan         |
| Best Buy                     | New Flyer of America |
| Carmax                       | Ross                 |
| Chevron                      | Superior Ready Mix   |
| Circle K                     | Target               |
| Discount Tire                | Tesla Motors         |
| Express Fuel                 | TJ Maxx              |
| G&M                          | United Oil           |
| Haier Us Appliance Solutions | Walmart Supercenter  |
| Home Depot                   |                      |
| Kohls                        |                      |
| Krannich Solar West          |                      |
| Lowe's                       |                      |
| McDonald's                   |                      |



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-

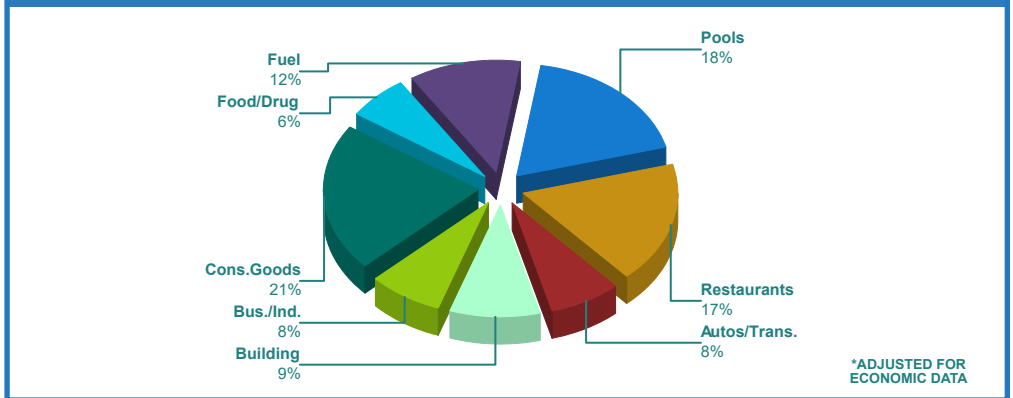
construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

### REVENUE BY BUSINESS GROUP Oceanside This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Oceanside Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	804.7	13.9% ↑	5.2% ↑	7.6% ↑
Casual Dining	553.2	5.8% ↑	9.7% ↑	8.1% ↑
Quick-Service Restaurants	477.6	4.6% ↑	5.1% ↑	5.7% ↑
Building Materials	464.0	0.4% ↑	6.0% ↑	2.1% ↑
Grocery Stores	274.1	7.5% ↑	5.8% ↑	6.2% ↑
Family Apparel	210.7	-2.8% ↓	3.1% ↑	-1.0% ↓
Electronics/Appliance Stores	190.8	-1.6% ↓	22.0% ↑	10.8% ↑
Specialty Stores	178.8	1.1% ↑	1.7% ↑	2.1% ↑
Contractors	132.1	29.7% ↑	14.1% ↑	11.8% ↑
Convenience Stores/Liquor	127.7	-1.7% ↓	7.1% ↑	0.9% ↑

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