

CITY OF DUBLIN

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



DUBLIN

TOTAL: \$ 7,398,221

8.8%
4Q2022



10.2%
COUNTY

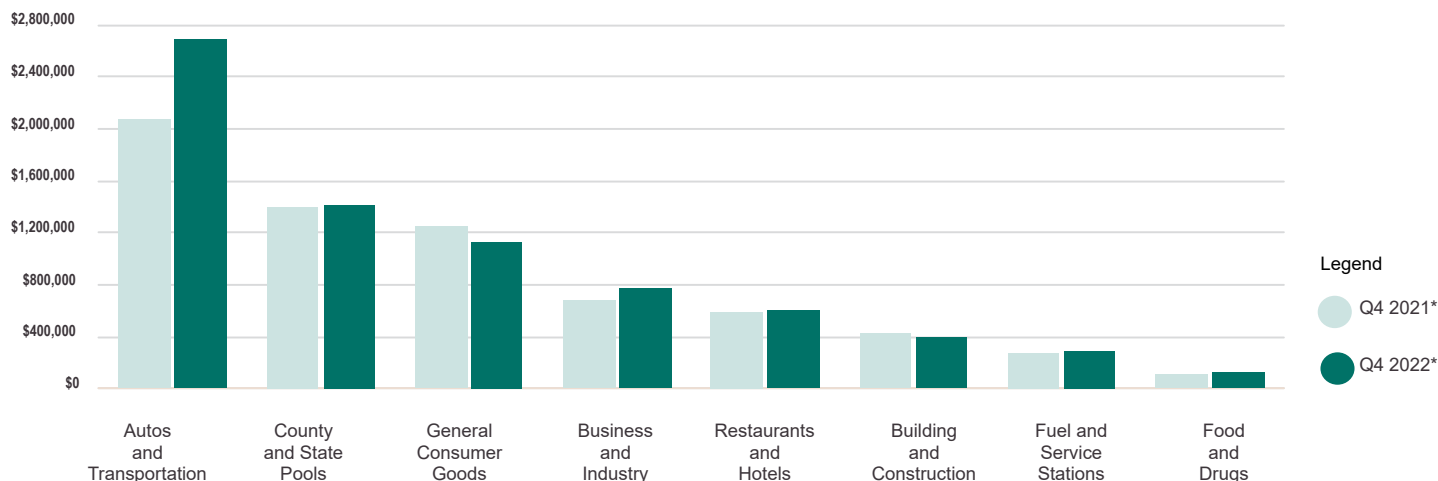


4.7%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF DUBLIN HIGHLIGHTS

Dublin's gross receipts from October through December were 6.9% above the fourth sales period in 2021. After adjusting for reporting modifications, net revenues were 8.8% higher than a year ago. Returns were mixed across many sales tax categories - as economic pressures may have influenced some buying decisions during the busy shopping season.

New car sales skyrocketed up 38%, eclipsing the statewide average and boosting the autos-transportation group. While business-industry results varied across the different sectors, payments from some confidential taxpayers pushed results into positive territory. Fuel-service stations receipts continued to benefit from the high price of crude oil and increased travelers on the roads. And as in recent quarters,

patrons enjoyed dining out at casual dining and quick service restaurants, even with more expensive menu prices.

Conversely, general consumer goods felt the sting of a slow-down in retail spending, as most sectors declined and the overall results dipped almost 9%. Building/plumbing/electrical materials purchases ebbed, and along with a reduction in contractor activity, contributed to a decline in building-construction returns.

The City's allocation from the countywide use tax pool edged up .7% as the Alameda County Pool growth was dampened by contracting ecommerce.

Net of adjustments, taxable sales for all of Alameda County grew 10.2% over the comparable time period; the Bay Area was up 5.6%.



TOP 25 PRODUCERS

All Natural Stone East Bay	REI
Best Buy	Safeway
Carl Zeiss Meditec USA	Safeway Fuel Station
Curtis Blue Line	Target
Dick's Sporting Goods	Tesla Motors
Dougherty Road Shell	Toyota
Dublin Buick/GMC/Chevrolet/Infiniti	Volkswagen
Dublin Hyundai Genesis	Volvo Cars Dublin
Dublin Nissan Dublin Infiniti	
Fallon Gateway Chevron	
Graybar Electric	
Honda	
Infors Usa	
Lowes	
Mazda	
Nordstrom Rack	
Pace Supply Corp	



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.

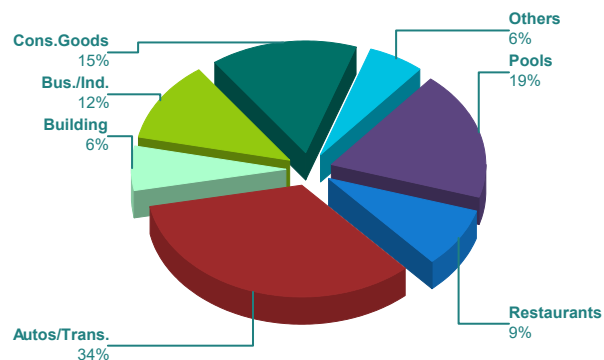
With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

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 Dublin This Calendar Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Dublin Business Type	Q4 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,449.1	37.6% ↑	47.4% ↑	12.5% ↑
Casual Dining	364.3	0.4% ↑	6.2% ↑	8.1% ↑
Service Stations	291.3	4.3% ↑	7.3% ↑	7.6% ↑
Electronics/Appliance Stores	176.4	-26.7% ↓	3.2% ↑	10.8% ↑
Building Materials	162.5	-4.6% ↓	3.9% ↑	2.1% ↑
Home Furnishings	147.5	-14.6% ↓	-5.2% ↓	-7.0% ↓
Specialty Stores	132.3	11.6% ↑	1.7% ↑	2.1% ↑
Plumbing/Electrical Supplies	132.2	-14.3% ↓	-1.9% ↓	7.2% ↑
Family Apparel	126.9	-5.9% ↓	0.8% ↑	-1.0% ↓
Sporting Goods/Bike Stores	124.4	-4.2% ↓	-1.4% ↓	-4.4% ↓

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*In thousands of dollars