

# CITY OF MORENO VALLEY

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### MORENO VALLEY

TOTAL: \$ 8,539,324

6.5%  
1Q2022



18.6%  
COUNTY

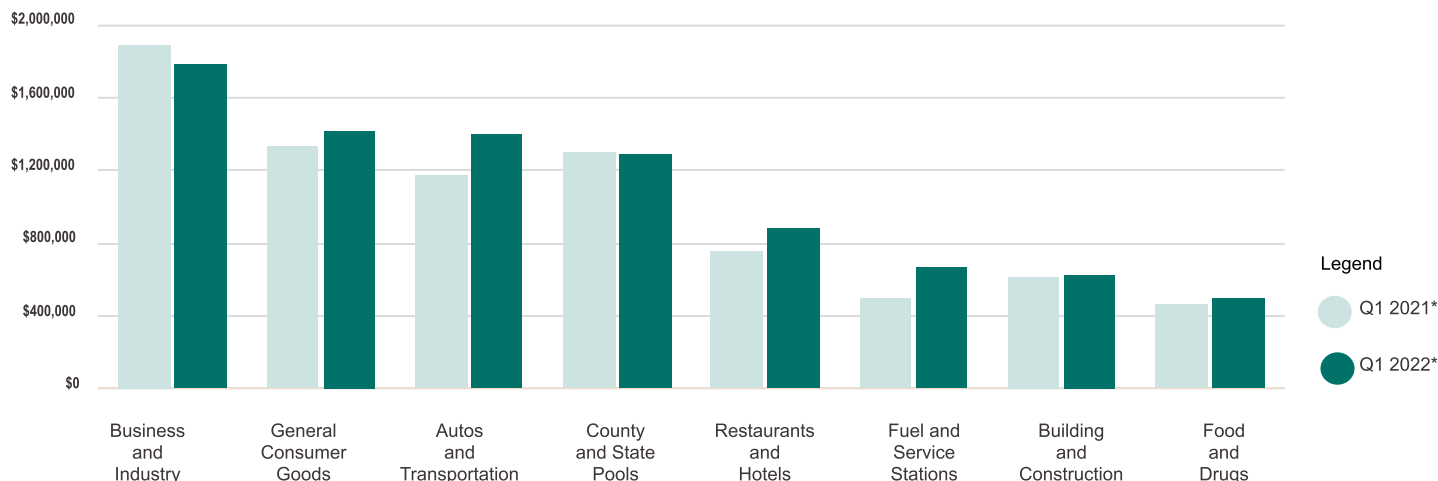


17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF MORENO VALLEY HIGHLIGHTS

Moreno Valley's receipts from January through March were 6.1% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 6.5%.

Strong demand and limited inventory for vehicles causing elevated pricing for buyers contributed to another stellar jump from new auto dealers that exceeded the county and statewide trends.

Restaurants also experienced a sensational sales period as patrons appear unfazed by more expensive menus and populated eateries.

With the global cost of crude oil resulting in higher gas prices locally and more commuters on the road, revenue from service stations grew 36%. Sales of fuel and increased activity from family

apparel & specialty stores lifted general consumer goods.

However, multiple business-industrial merchants weren't able to keep pace with the phenomenal returns of a year ago, partially offsetting the gains.

Furthermore, while greater investments in industrial equipment purchases helped the countywide use tax pool grow, the overall modest local results resulted in allocations slightly lower compared to the prior year.

Net of aberrations, taxable sales for all of Riverside County grew 18.6% over the comparable time period; the Southern California region was up 19.2%.



#### TOP 25 PRODUCERS

- Amazon Com Services
- Amazon MFA
- Car Pros Kia Moreno Valley
- Chevron
- Circle K
- Costco
- Deckers Outdoor
- Food 4 Less
- Harbor Freight Tools
- Home Depot
- Hyundai of Moreno Valley
- Lowe's
- Moss Bros Buick GMC
- Moss Bros Chevrolet
- Moss Bros Chrysler Jeep Dodge Ram Fiat
- Moss Bros Honda
- Moss Bros Toyota
- Robertsons Ready Mix
- Ross
- Shell
- Source Surgical
- Stater Bros
- Target
- TJ Maxx/Home Goods
- Walmart Supercenter



**STATEWIDE RESULTS**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

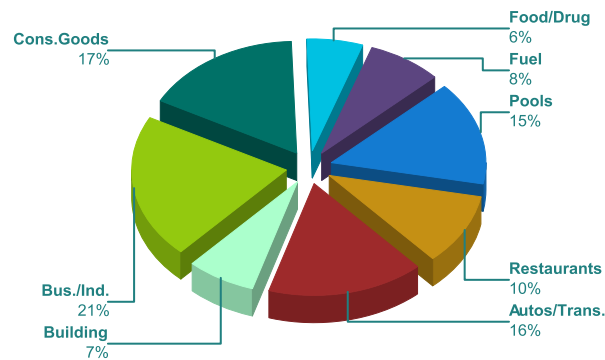
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
Moreno Valley This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Moreno Valley Business Type	Q1 '22*	Change	County Change	HdL State Change
Fulfillment Centers	1,590.4	-3.7% ↓	30.5% ↑	1.2% ↑
New Motor Vehicle Dealers	1,099.2	25.7% ↑	15.7% ↑	18.7% ↑
Service Stations	670.1	36.6% ↑	42.5% ↑	43.4% ↑
Building Materials	457.1	-4.1% ↓	7.9% ↑	7.6% ↑
Quick-Service Restaurants	448.1	-3.2% ↓	3.0% ↑	7.8% ↑
Casual Dining	316.5	62.7% ↑	52.8% ↑	55.7% ↑
Grocery Stores	273.9	9.2% ↑	5.9% ↑	3.3% ↑
Family Apparel	188.1	6.0% ↑	8.3% ↑	9.4% ↑
Automotive Supply Stores	119.5	2.1% ↑	5.7% ↑	4.6% ↑
Electronics/Appliance Stores	102.1	-6.2% ↓	6.6% ↑	12.5% ↑

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\*In thousands of dollars