

# CITY OF MORENO VALLEY

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### MORENO VALLEY

TOTAL: \$ 9,457,618

3.7%  
2Q2022



12.3%  
COUNTY

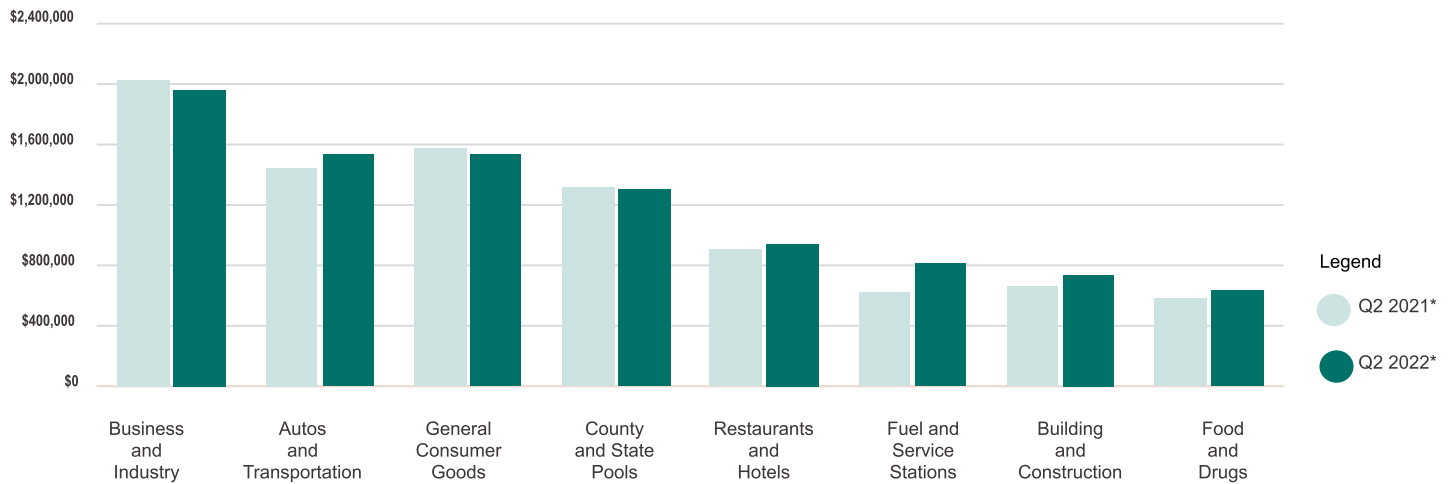


10.1%  
STATE



*\*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 April through June were 1.0% below the second sales period in 2021. Excluding reporting aberrations, actual sales were up 3.7%.

In 2Q22 gas prices were up an average of \$1.89 a gallon when compared to the year-ago period, driving up revenue from fuel-service stations. New-vehicle demand is strong and, with inventory beginning to increase, sales volumes continued to soar.

New projects resulting from the Infrastructure Investment and Jobs Act began to ramp up, increasing revenue from building-construction. Receipts from restaurants-hotels increased as the appetite for in-person dining remained strong in Q2.

Food-drug retailers are continuing to

level up their prepared meal selections while also adding digital ordering tools, while drug stores are expanding patient care services to attract consumers.

Consumers are pessimistic about economic conditions which is negatively impacting totals from general consumer goods. Record numbers of unfilled jobs have temporarily pushed down revenue from the business-industry sector.

The City's share of the countywide use tax pool decreased 0.5% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Riverside County grew 12.3% over the comparable time period; the Southern California region was up 11.1%.



#### 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
- Macy'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
- Stater Bros
- Target
- Volkswagen of Moreno Valley
- Walmart Supercenter



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

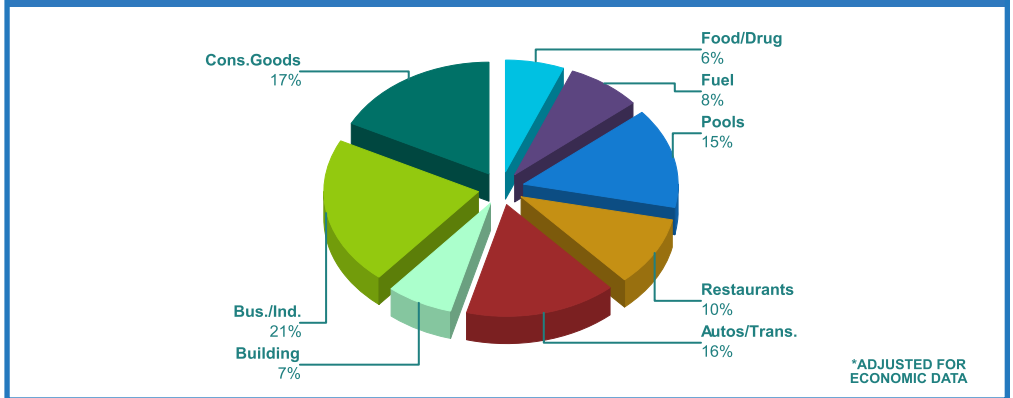
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

**REVENUE BY BUSINESS GROUP**  
Moreno Valley This Fiscal Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Moreno Valley Business Type	Q2 '22*	Change	County Change	HdL State Change
Fulfillment Centers	1,725.4	-3.4% ↓	38.1% ↑	6.4% ↑
New Motor Vehicle Dealers	1,237.5	10.1% ↑	3.1% ↑	6.6% ↑
Service Stations	816.3	31.0% ↑	33.4% ↑	36.4% ↑
Building Materials	509.2	-4.7% ↓	6.7% ↑	2.9% ↑
Quick-Service Restaurants	478.3	-3.0% ↓	1.5% ↑	5.2% ↑
Grocery Stores	384.3	16.7% ↑	8.2% ↑	5.3% ↑
Casual Dining	344.3	16.6% ↑	12.1% ↑	17.2% ↑
Family Apparel	201.4	-3.1% ↓	-3.5% ↓	0.6% ↑
Automotive Supply Stores	115.0	-1.8% ↓	-0.1% ↓	1.4% ↑
Fast-Casual Restaurants	106.4	-3.0% ↓	4.1% ↑	7.9% ↑

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