

CITY OF MANTECA

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



MANTECA

TOTAL: \$ 4,312,428

0.4%
1Q2024



10.0%
COUNTY

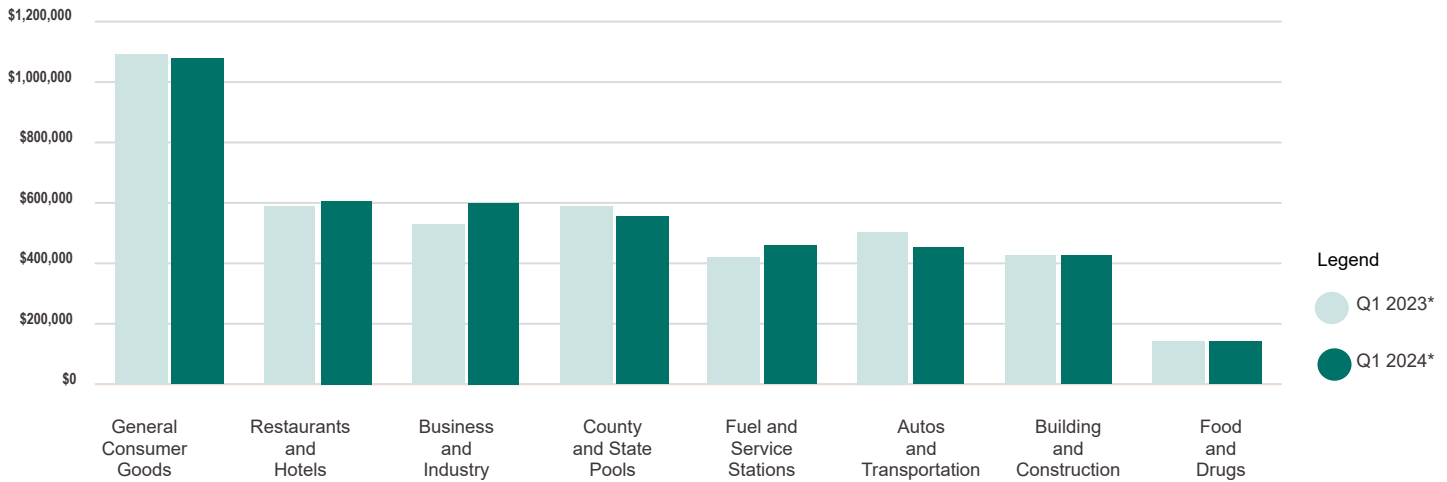


-0.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure M

TOTAL: \$2,312,385

↓ 0.0%



CITY OF MANTECA HIGHLIGHTS

Manteca's gross receipts from January – March were 1.1% below the first sales period in 2023. However, after adjusting for reporting modifications such as audit corrections and delayed payments, actual sales were up 0.4%. Sales tax results varied by group.

The business-industry group jumped 12.6%, assisted by the heavy industrial sector. Casual and quick service dining propped up restaurant-hotels returns as people enjoyed the convenience of dining out. While the price of crude oil fluctuated during the period, fuel-service stations gained 9%.

Conversely, general consumer goods (retail) edged down slightly as consumers

pulled back a bit on spending. Autos-transportation related purchases slumped; and improved contractor activity was not enough to offset waning building materials receipts.

The City's share of the countywide use tax pool shrunk as other agencies within the county grew more, contributing to a 5.3% decline in the quarterly pool allocation.

Voter-approved Measure M ended even compared to a year ago, with similar tax group results.

Net of adjustments, taxable sales for all of San Joaquin County grew 10.0% over the comparable time period; the San Joaquin Valley was up 1.3%.



TOP 25 PRODUCERS

- | | |
|-------------------------------------|-------------------------|
| A&A Gas & Food Mart | Country Kia |
| Amazon Com Services | Great Wolf Lodge |
| Amazon MFA | Home Depot |
| American Modular Systems | JM Equipment Company |
| Arco AM PM | Knife River Concrete |
| Bass Pro Shops Outdoor World | Living Spaces Furniture |
| Blue Compass RV | Manteca Ford |
| BR Funsten & Company | Ross |
| Cabral Chrysler Jeep Dodge Ram Fiat | Target |
| Chevron | TJ Maxx |
| Chick Fil A | Walmart Supercenter |
| Core & Main | |
| Cornerstone Industries | |
| Costco | |



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.

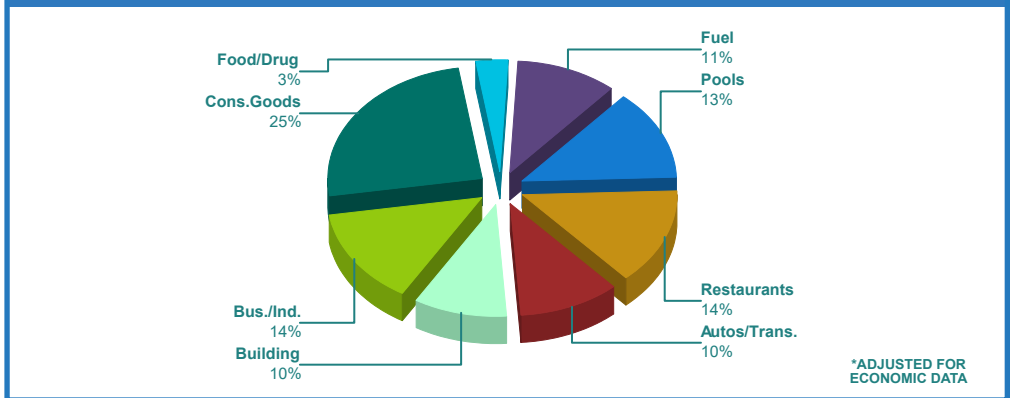
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with 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

Manteca This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Manteca Business Type	Q1 '24*	Change	County Change	HdL State Change
Service Stations	457.8	11.4% ↑	0.9% ↑	-0.8% ↓
Quick-Service Restaurants	269.2	4.2% ↑	3.4% ↑	2.7% ↑
Building Materials	216.3	-8.4% ↓	-5.2% ↓	-0.7% ↓
Casual Dining	190.4	0.6% ↑	1.1% ↑	2.3% ↑
Contractors	165.8	15.7% ↑	3.6% ↑	4.4% ↑
Family Apparel	123.3	12.2% ↑	12.7% ↑	7.4% ↑
Heavy Industrial	101.9	34.6% ↑	-10.2% ↓	-4.1% ↓
Sporting Goods/Bike Stores	91.2	-1.5% ↓	-0.4% ↓	-1.2% ↓
Grocery Stores	80.3	0.8% ↑	2.0% ↑	2.8% ↑
Automotive Supply Stores	77.9	-1.2% ↓	-1.9% ↓	-3.2% ↓

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