

# CITY OF FOWLER

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



**FOWLER**  
TOTAL: \$ 555,721

31.6%  
3Q2022



3.7%  
COUNTY

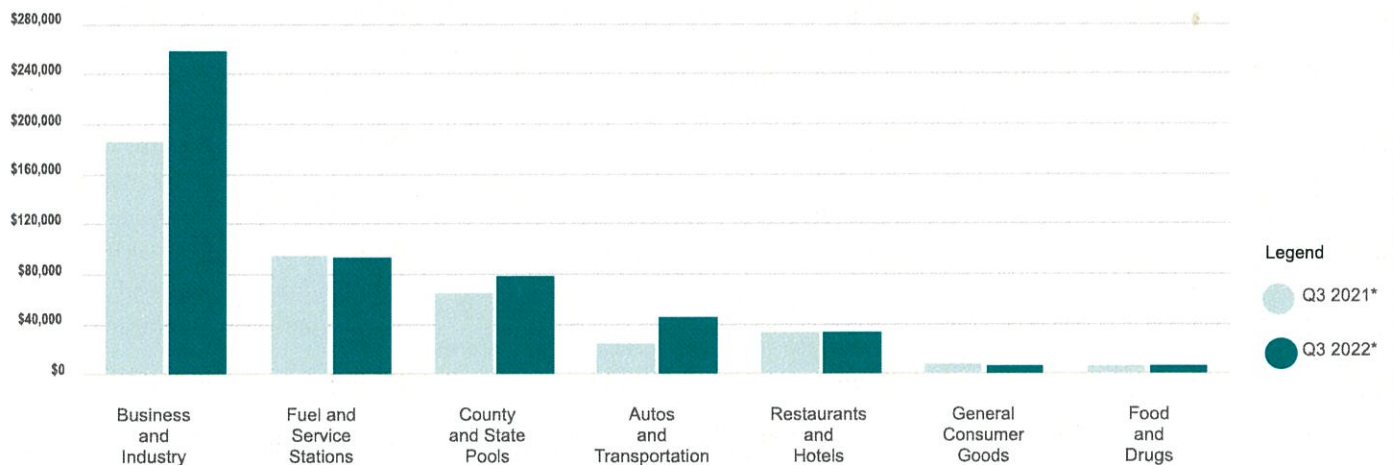


8.0%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



**Measure N**  
TOTAL: \$557,777  
↑ 15.5%



#### CITY OF FOWLER HIGHLIGHTS

Fowler's receipts from July through September were 20.1% above the third sales period in 2021. Excluding reporting adjustments, actual receipts for the period were up 31.6%.

Results this period bely the fact that the economy is starting to slow following last year's rapid expansion. The minor declines in restaurant and general consumer goods sales activity give hints to this changing environment.

Fortunately, the business-industry group landed a pair of onetime tax allocations related to equipment sold to local industry and a taxpayer who had stopped reporting previously appears

to be reporting once again. Meanwhile, spending on transportation needs also grew this period.

Results for the fuel-service station group seem to indicate that local outlets are being bypassed in favor of others in the area.

Measure N's results also reflect several onetime transactions and growth in construction spending beyond the rate of inflation.

Net of adjustments, taxable sales for all of Fresno County grew 3.7% over the comparable time period while those of the San Joaquin Valley were up 6.4%.



#### TOP 25 PRODUCERS

76	Mid Valley Packaging & Supply
Amerigas Propane	Packline Technologies
Arco AM PM	Pape Machinery
Big Tex Trailers	PBM Supply & Manufacturing
Borga Steel Buildings & Components	R & R Truck & Trailer Repair
Central States Industrial Equipment	Rdo Contrusction Equipment Co
Daumar Corporation	Shell
Dollar General	Shop N Go
Family Motors	Sierra Auto Center
Freedom Forever Procurement	Taco Bell
Gee Manufacturing	Textrail Trailer Parts
Johnny Quik	Voortman USA
McDonald's	





## STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

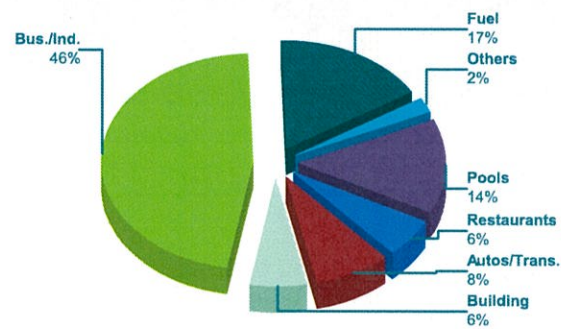
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

### REVENUE BY BUSINESS GROUP Fowler This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### SALES PER CAPITA\*



\*ADJUSTED FOR ECONOMIC DATA