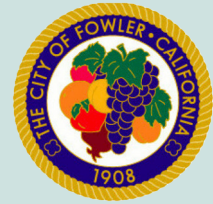


# CITY OF FOWLER

## SALES TAX UPDATE

### 1Q 2023 (JANUARY - MARCH)



#### FOWLER

TOTAL: \$ 583,185

25.1%  
1Q2023



-4.4%  
COUNTY

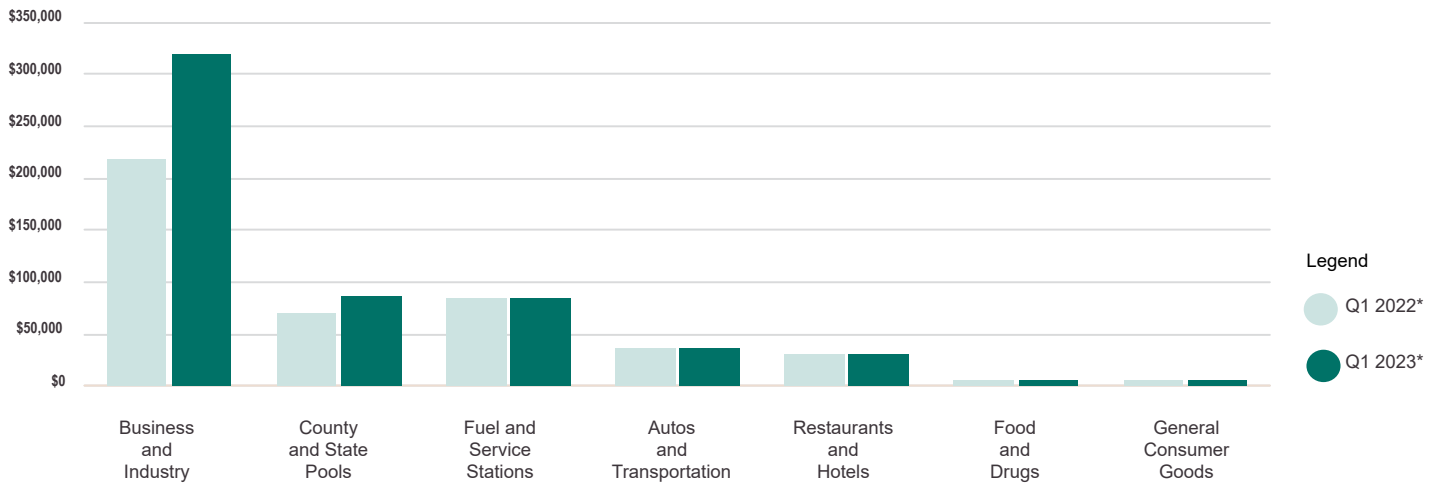


-1.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure N

TOTAL: \$465,433

↑ 2.8%



#### CITY OF FOWLER HIGHLIGHTS

Fowler's receipts from January through March were 24.2% above the first sales period in 2022. Excluding reporting aberrations, actual sales were up 25.1%.

The business-industry sector had excellent earnings from warehouse-farm-construction equipment. State-county pools the City's second largest income classification was outstanding posting a 22.2% return.

As people slowly return back to their workplace, services stations continue to see slight growth even though gas prices are beginning to decline. The autos-transportation group experienced optimistic returns from used car dealers.

Interest in eating out has led to encouraging gross receipts for the restaurant-hotels

category at quick-service establishments. Likewise, the food-drug group had strong collections.

General consumer goods saw a drop in revenue as a couple of businesses had negative results.

Measure N, the voter approved transaction tax, experienced positive results with returns of 2.8%.

Net of aberrations, taxable sales for all of Fresno County declined 4.4% over the comparable time period; the San Joaquin Valley was down 2.9%.



#### TOP 25 PRODUCERS

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



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC's recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods' returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

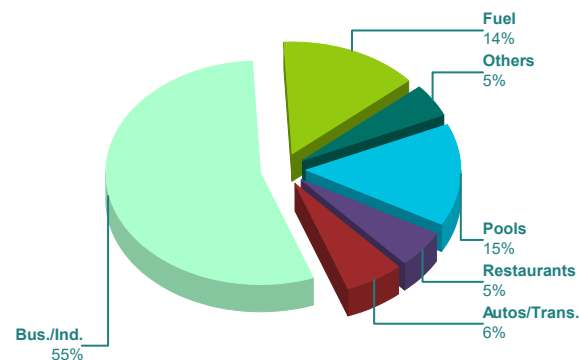
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve's actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

## REVENUE BY BUSINESS GROUP Fowler This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Fowler Business Type	Q1 '23	Change	County Change	HdL State Change
Service Stations	71,899	0.1% ↑	-7.4% ↓	-9.8% ↓
Quick-Service Restaurants	20,561	9.9% ↑	4.4% ↑	5.1% ↑
Fuel/Ice Dealers	12,507	1.3% ↑	2.9% ↑	3.0% ↑
Casual Dining	10,382	-13.1% ↓	9.8% ↑	9.7% ↑
Auto Repair Shops	9,587	-4.8% ↓	-3.2% ↓	5.7% ↑

\*Allocation aberrations have been adjusted to reflect sales activity