

# CITY OF LEMON GROVE

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### LEMON GROVE

TOTAL: \$ 2,001,187

10.8%  
2Q2022



13.5%  
COUNTY

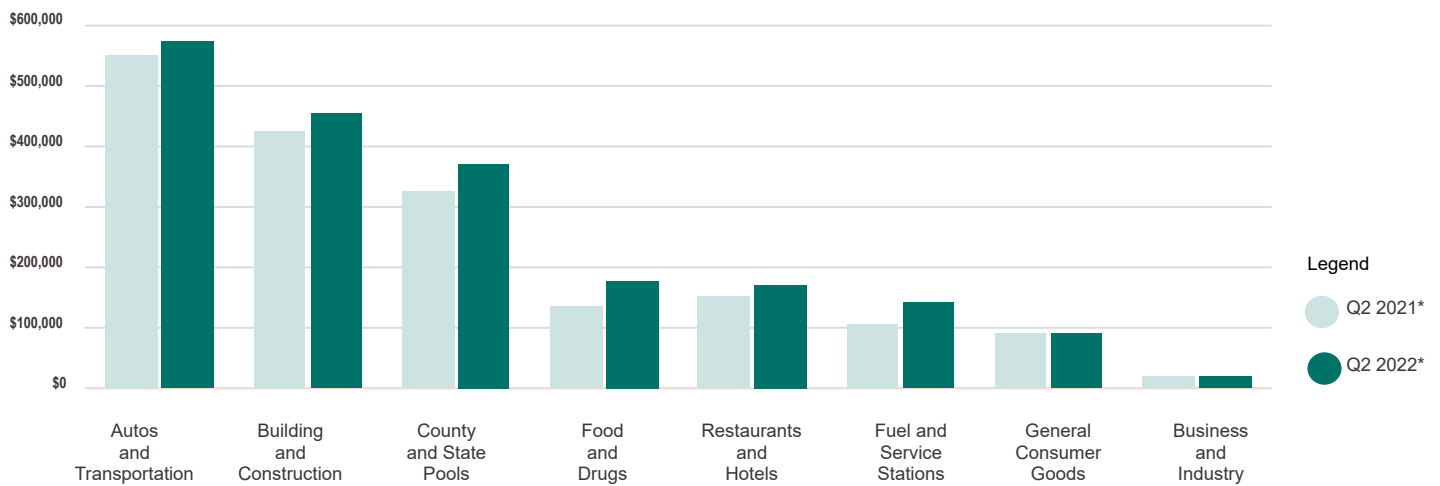


10.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF LEMON GROVE HIGHLIGHTS

Lemon Grove's receipts from April through June were 6.7% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 10.8%.

The recent opening of a new merchant in Lemon Grove boosted the City's food and drug category to a 32% gain compared to last year, significantly more than the 1% average rate of growth for the category. In addition, the high price of gasoline boosted local grocery stores that sell fuel. Tax payments from service stations in town also increased 33%, nearly the same as the 36% statewide trend.

Building material suppliers posted a 7% improvement in tax receipts, lifted by the high price of construction materials and strong demand. The recent opening of a popular new fast-food restaurant was

also positive. A new business opening also pushed up the auto-transportation category.

Allocations from the countywide use-tax pool grew 14%, slightly more than the 13% local trend, which benefited from strong business and industrial activity throughout the region.

Net of aberrations, taxable sales for all of San Diego County grew 13.5% over the comparable time period; the Southern California region was up 11.1%.



#### TOP 25 PRODUCERS

Albertsons	Petco
Arco AM PM	Popeye's Louisiana Kitchen
Chevron	RCP Block & Brick
Discount Tire	Shell
EW Truck & Equipment	Texaco
Food 4 Less	The Boulevard
Golden State Gasoline	Thompson Building Materials
GTM Discount General Store	Wellgreens Dispensary
Harbor Freight Tools	
Home Depot	
Honda Lease Trust	
In N Out Burger	
Larry H Miller Toyota Lemon Grove	
McDonalds	
Mobil	
Mossy Honda Lemon Grove	
Onyx Moto	



## 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.

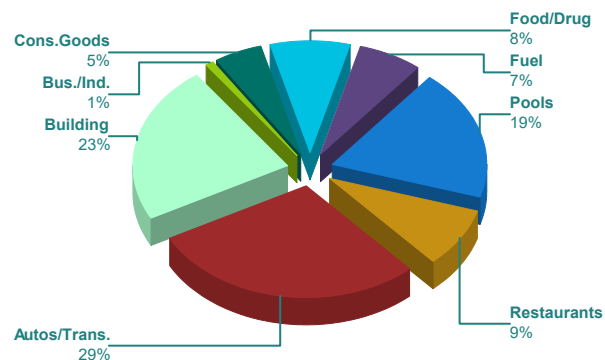
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Lemon Grove Business Type	Q2 '22*	Change	County Change	HdL State Change
Building Materials	401.4	7.2% ↑	4.1% ↑	2.9% ↑
Service Stations	141.7	32.8% ↑	28.2% ↑	36.4% ↑
Quick-Service Restaurants	121.7	11.5% ↑	10.0% ↑	5.2% ↑
Grocery Stores	92.9	18.7% ↑	5.2% ↑	5.3% ↑
Casual Dining	37.4	19.2% ↑	17.6% ↑	17.2% ↑
Automotive Supply Stores	31.3	7.5% ↑	2.8% ↑	1.4% ↑
Convenience Stores/Liquor	26.7	9.5% ↑	2.0% ↑	-0.3% ↓
Auto Repair Shops	22.9	9.7% ↑	13.2% ↑	14.1% ↑
Auto Lease	22.8	-15.5% ↓	-12.1% ↓	-8.9% ↓
Used Automotive Dealers	21.5	-16.1% ↓	-3.6% ↓	-2.5% ↓

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\*In thousands of dollars