

# CITY OF CHICO

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



**CHICO**

TOTAL: \$ 7,790,639

11.8%  
1Q2022



9.2%  
COUNTY

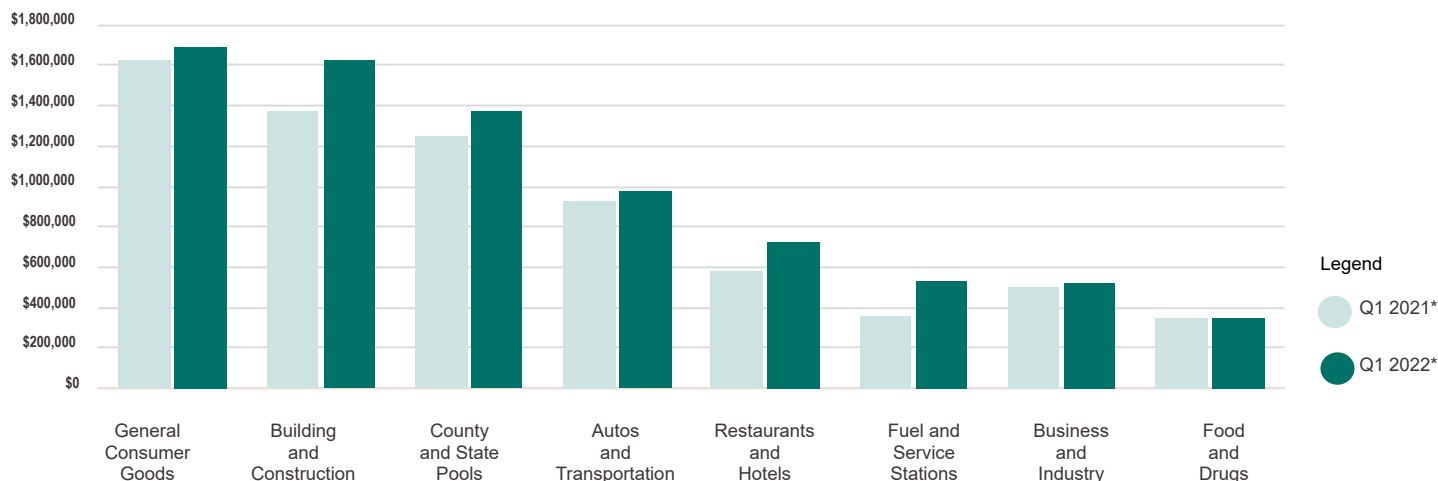


17.1%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF CHICO HIGHLIGHTS

Chico's receipts from January through March were 10.2% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 11.8%.

Insulated from a first of the year slow-down was the building-construction group; the 18% better totals included bigger sales of regional serving products while contractor's busyness boosted this segment's returns upward 17%.

Even with limited inventory options, autos-transportation vendors also experienced solid growth as the cost of vehicles continues to rise.

With the global cost of crude oil resulting in higher gas prices locally and more commuters on the road, revenue from service stations jumped 56%, above state and countywide trends.

Restaurants provided another sensational sales period as patrons appear unfazed by more expensive menus and populated their favorite eateries.

Sales strength by apparel merchants paced a 4% moderate gain from general consumer goods.

Online activity remained hearty; use tax allocations from the county pool improved 10% over year-ago remittances. Business to business activity increased 3%.

Net of aberrations, taxable sales for all of Butte County grew 9.2% over the comparable time period; the Far North region was up 3.4%.



### TOP 25 PRODUCERS

- Amain Com
- Best Buy
- Build.Com
- Chico Farm & Orchard
- Chico Nissan
- Chico Volkswagen
- Mazda
- Chuck Patterson
- Toyota/Dodge
- Consolidated Electrical Distributors
- Costco
- Courtesy Automotive Center
- Ed Wittmeier Honda
- Ferguson Enterprises
- Flyers
- Home Depot
- Hunt & Sons
- Lowe's
- Lulus Fashion Lounge
- Meeks Building Center
- MJB Welding Supply
- Payless Building Supply
- Safeway
- Safeway Fuel
- Target
- Walmart Supercenter
- Wittmeier Chevrolet



## STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

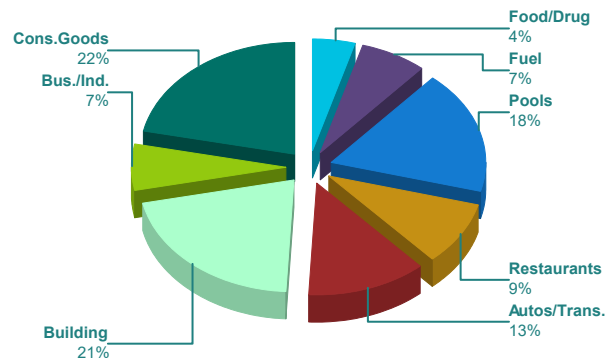
Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

### REVENUE BY BUSINESS GROUP

Chico This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Chico Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	689.3	9.8% ↑	5.6% ↑	18.7% ↑
Building Materials	610.1	9.8% ↑	6.2% ↑	7.8% ↑
Service Stations	393.1	56.1% ↑	49.4% ↑	43.3% ↑
Casual Dining	388.8	39.3% ↑	29.5% ↑	55.8% ↑
Quick-Service Restaurants	230.1	3.5% ↑	0.1% ↑	7.8% ↑
Grocery Stores	198.0	-6.0% ↓	-0.7% ↓	3.3% ↑
Electronics/Appliance Stores	154.1	2.0% ↑	-1.8% ↓	12.5% ↑
Sporting Goods/Bike Stores	147.1	-9.2% ↓	-8.0% ↓	-5.1% ↓
Home Furnishings	141.9	9.5% ↑	8.3% ↑	0.9% ↑
Petroleum Prod/Equipment	139.8	25.4% ↑	30.0% ↑	73.6% ↑

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars