

CITY OF CHICO

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



CHICO

TOTAL: \$ 8,658,788

6.4%
2Q2022



3.4%
COUNTY

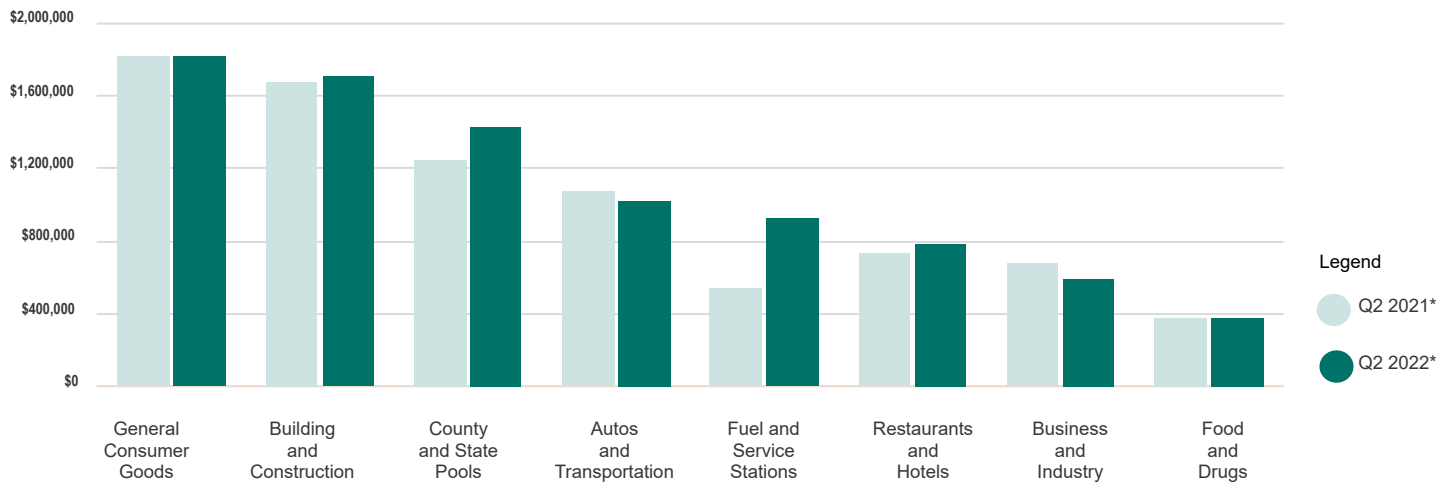


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF CHICO HIGHLIGHTS

Chico's receipts from April through June were 5.9% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 6.4%.

Service stations contributed the largest dollar gain this quarter, rose 76%; surges in oil prices trickled down to the pumps as drivers paid record per gallon rates when fueling up. Related, sellers of wholesale petroleum products produced 58% greater returns.

A 6% rise from plumbing/electrical suppliers overcame slower activity in other building-construction sectors; overall this category nudged higher 2%. Menu prices inching upward did not slow patronage; restaurants-hotels yielded 8% growth, paced by strong activity at casual dining establishments.

Better returns from confidential

sectors within general consumer goods overcame decreased filings by family apparel, bike/sporting goods and electronics merchants; the net effect was a nominal 0.5% improvement.

Energy projects and office equipment added more use taxes to the pool; Chico's allocation climbed 15% over spring 2021.

New vehicle dealerships submitted 5% less than year ago amounts; limited inventory was a contributing factor in this decline. Fewer sales at garden/agricultural and warehouses/farm equipment merchants pulled business-industry lower.

Net of aberrations, taxable sales for all of Butte County grew 3.4% over the comparable time period; the Far North region was down 1.9%.



TOP 25 PRODUCERS

Amain Com
Best Buy
Build.Com
Chevron
Chico Nissan
Chuck Patterson
Toyota/Dodge
Costco
Courtesy Automotive Center
Ed Wittmeier Honda
Ferguson Enterprises
Flyers
Greentech Renewables
Home Depot
Hunt & Sons
Lowe's
Lulus Fashion Lounge
Meeks Building Center
MJB Welding Supply

Northgate Petroleum
Payless Building Supply
Safeway
Safeway Fuel
Target
Walmart Supercenter
Wittmeier Chevrolet



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.

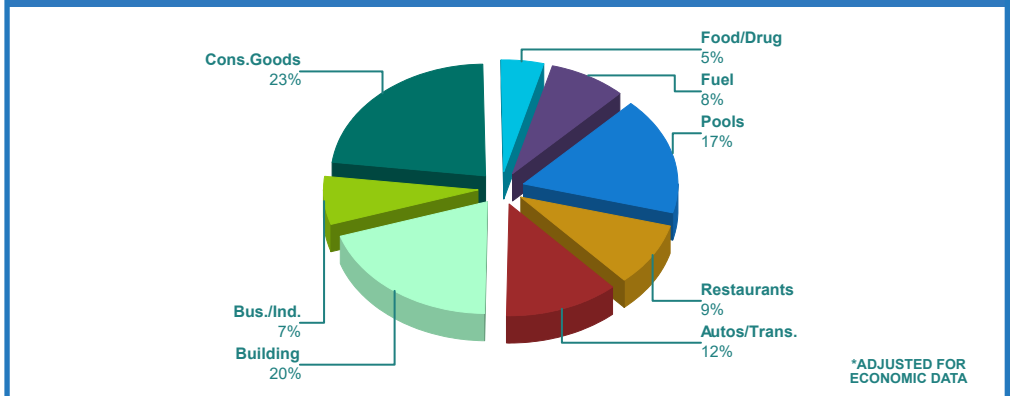
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Chico Business Type	Q2 '22*	Change	County Change	HdL State Change
Plumbing/Electrical Supplies	942.8	5.8% ↑	7.4% ↑	17.6% ↑
New Motor Vehicle Dealers	700.2	-5.3% ↓	-8.0% ↓	6.6% ↑
Building Materials	627.3	-6.5% ↓	-8.0% ↓	2.9% ↑
Service Stations	625.8	76.1% ↑	55.8% ↑	36.4% ↑
Casual Dining	428.1	14.9% ↑	12.0% ↑	17.2% ↑
Petroleum Prod/Equipment	295.1	58.0% ↑	56.3% ↑	85.4% ↑
Quick-Service Restaurants	243.0	-3.3% ↓	-3.8% ↓	5.2% ↑
Grocery Stores	215.5	0.0% ↑	5.1% ↑	5.3% ↑
Electronics/Appliance Stores	151.8	-3.0% ↓	-3.9% ↓	-1.0% ↓
Sporting Goods/Bike Stores	151.8	-10.6% ↓	-11.0% ↓	-7.4% ↓

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