

# RANCHO SANTA MARGARITA

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### RANCHO SANTA MARGARITA

TOTAL: \$ 2,258,488

7.9%

2Q2022



11.7%

COUNTY



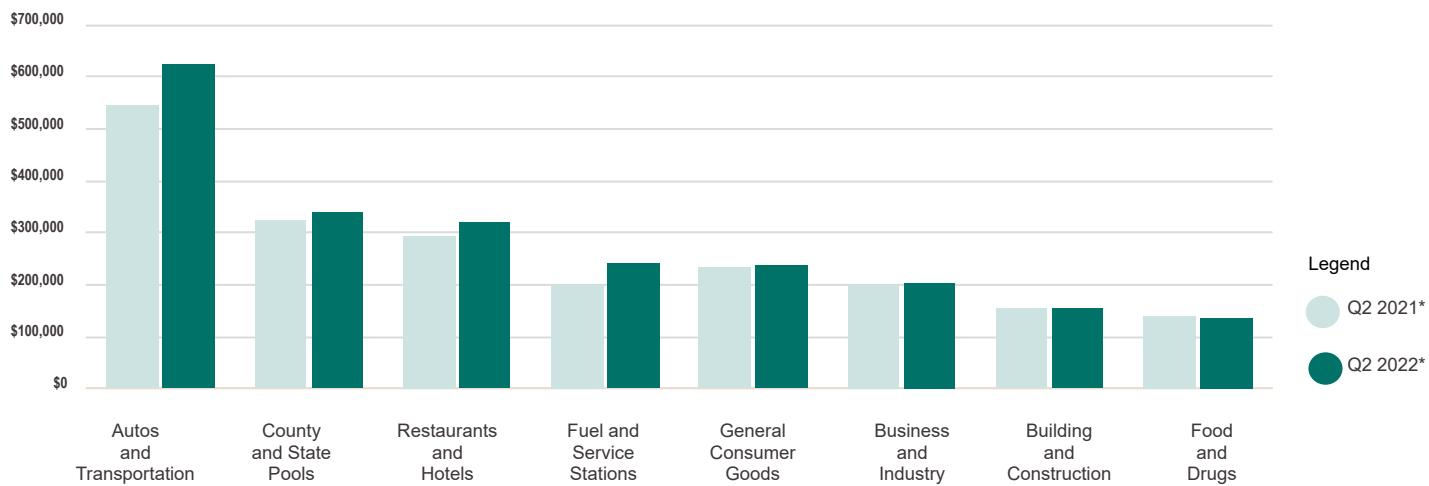
10.1%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### RANCHO SANTA MARGARITA HIGHLIGHTS

Rancho Santa Margarita's receipts from April through June were 2.6% above the second sales period in 2021, though this was artificially deflated by a large catch-up payment from a business-industrial taxpayer that doubled-up cash receipts in the comparison year. Excluding this and other reporting aberrations, actual sales were up 7.9%.

Auto and transportation receipts from local vendors improved 15% compared to last year, significantly exceeding the 5% statewide trend.

Service stations surged 21% on the sky-high price of gasoline. Restaurant sales continued to rebound from last year's pandemic impaired returns.

Other categories were relatively flat, however, as the economy began to

show some initial signs of slowing after multiple rate increases from the Federal Reserve in their fight against inflation.

Net of aberrations, taxable sales for all of Orange County grew 11.7% over the comparable time period; the Southern California region was up 11.1%.

#### Applied Medical Distribution

Arco AM PM

BJ's Restaurant & Brewhouse

Carmelitas

Chevron

Circle K

Crumbl Cookies

Denault Commercial Supply

Hannas Restaurants & Bar

In N Out Burger

Kohls

Lowes

Pavilions

Ralphs Fresh Fare

Rancho Santa Margarita Honda

Ross

Santa Margarita Ford

Santa Margarita Toyota

Shell

Target

Trader Joes

Tutto Fresco

Ulta Beauty

Walmart Neighborhood Market

Wood Ranch BBQ & Grill



#### TOP 25 PRODUCERS



## 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.

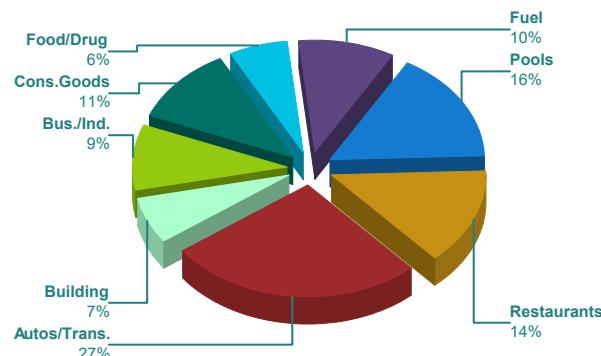
With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

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

Rancho Santa Margarita This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Rancho Santa Margarita Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	241.1	20.9% <span style="color: green;">↑</span>	37.2% <span style="color: green;">↑</span>	36.4% <span style="color: green;">↑</span>
Casual Dining	129.6	3.7% <span style="color: green;">↑</span>	13.6% <span style="color: green;">↑</span>	17.2% <span style="color: green;">↑</span>
Medical/Biotech	100.1	5.7% <span style="color: green;">↑</span>	9.9% <span style="color: green;">↑</span>	5.3% <span style="color: green;">↑</span>
Grocery Stores	93.7	3.4% <span style="color: green;">↑</span>	8.7% <span style="color: green;">↑</span>	5.3% <span style="color: green;">↑</span>
Quick-Service Restaurants	91.2	12.5% <span style="color: green;">↑</span>	7.5% <span style="color: green;">↑</span>	5.2% <span style="color: green;">↑</span>
Fast-Casual Restaurants	56.0	9.2% <span style="color: green;">↑</span>	6.6% <span style="color: green;">↑</span>	7.9% <span style="color: green;">↑</span>
Specialty Stores	44.1	9.7% <span style="color: green;">↑</span>	8.5% <span style="color: green;">↑</span>	4.2% <span style="color: green;">↑</span>
Auto Lease	30.8	-11.9% <span style="color: red;">↓</span>	-6.6% <span style="color: red;">↓</span>	-8.9% <span style="color: red;">↓</span>
Light Industrial/Printers	26.3	0.0% <span style="color: green;">↑</span>	10.3% <span style="color: green;">↑</span>	11.7% <span style="color: green;">↑</span>
Family Apparel	25.1	-2.0% <span style="color: red;">↓</span>	5.5% <span style="color: green;">↑</span>	0.6% <span style="color: green;">↑</span>

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\*In thousands of dollars