

# CITY OF WESTMINSTER

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



#### WESTMINSTER

TOTAL: \$ 4,608,137

2.8%  
1Q2024



-0.4%  
COUNTY

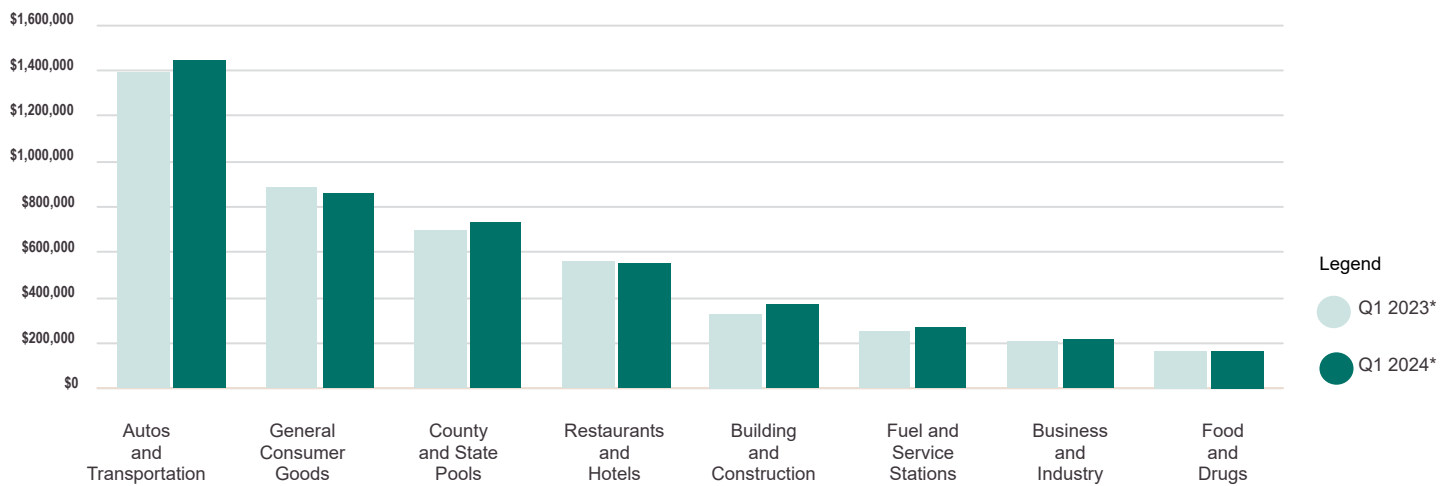


-0.2%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure Y

TOTAL: \$3,567,125

27,342.0%



#### CITY OF WESTMINSTER HIGHLIGHTS

Westminster's receipts from January through March were 6.1% above the same period in 2023, inflated by numerous payment corrections. Excluding these aberrations, actual sales rose 2.8%.

A significant surge in tax receipts from a plumbing-electrical supply vendor contributed to this increase.

Local auto and transportation vendors posted gains, outperforming the statewide trend, which was down due to high prices and financing rates. A recently reopened gasoline station boosted local service station returns.

This positive news increased the City's share of the countywide use-tax pool,

which is allocated based on proportional cash receipts among local jurisdictions.

However, electronics, appliances, and other retail sales were lower as consumers shifted their spending towards travel, leisure, entertainment, and services.

Measure Y, the City's voter-approved transaction tax, generated \$3.6 million in its fourth quarter since implementation.

Adjusted for anomalies, taxable sales in Orange County declined by 0.4%, while the Southern California region remained flat.



#### TOP 25 PRODUCERS

- |                             |                             |
|-----------------------------|-----------------------------|
| 76                          | Huntington Beach            |
| AC Pro                      | Harley Davidson             |
| Beach Cities Toyota         | Livewire                    |
| Westminster                 | Independent Electric Supply |
| Best Buy                    | Lexus of Westminster        |
| Carvana                     | Macy's                      |
| Chevron                     | OC Autohaus                 |
| Chick Fil A                 | Orange Coast Infiniti       |
| Costco Business Center      | Ross                        |
| DB Industrial Supply        | Target                      |
| DDC Electric Supply         | United Oil                  |
| Dennis Dillon RV            | Walmart                     |
| Freedom Forever Procurement | Walters Wholesale Electric  |
| Home Depot                  |                             |
| Honda World                 |                             |



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

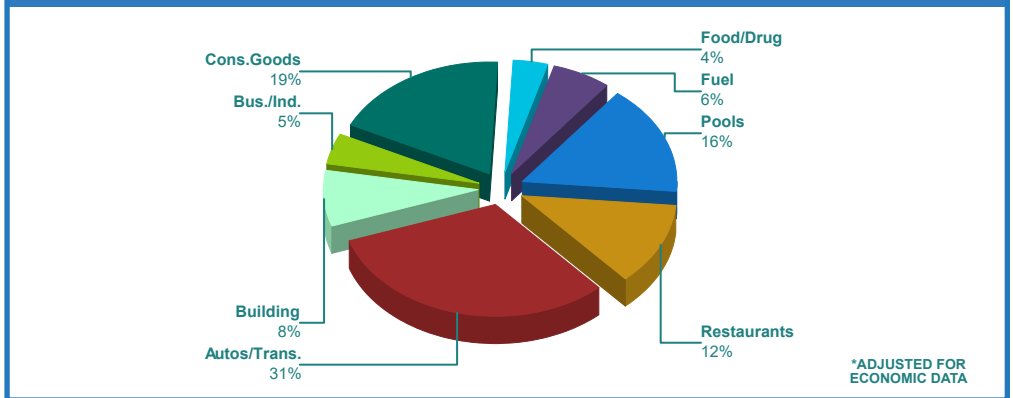
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

**REVENUE BY BUSINESS GROUP**

Westminster This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Westminster Business Type	Q1 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	573.9	-1.9% ↓	-11.9% ↓	-10.4% ↓
Casual Dining	294.7	-2.7% ↓	2.2% ↑	2.4% ↑
Service Stations	271.1	7.1% ↑	-0.8% ↓	-0.9% ↓
Quick-Service Restaurants	215.6	-2.4% ↓	4.2% ↑	2.7% ↑
Plumbing/Electrical Supplies	212.3	33.6% ↑	2.0% ↑	-4.3% ↓
Electronics/Appliance Stores	135.4	-6.9% ↓	-9.7% ↓	-6.6% ↓
Grocery Stores	89.4	6.9% ↑	3.4% ↑	2.8% ↑
Specialty Stores	66.0	-3.8% ↓	-0.5% ↓	-2.3% ↓
Automotive Supply Stores	58.4	-8.5% ↓	-2.0% ↓	-3.2% ↓
Department Stores	53.7	-0.2% ↓	8.7% ↑	9.9% ↑

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