

# CITY OF PLEASANTON

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



**PLEASANTON**

TOTAL: \$ 5,905,176

6.2%  
1Q2024



-13.0%  
COUNTY

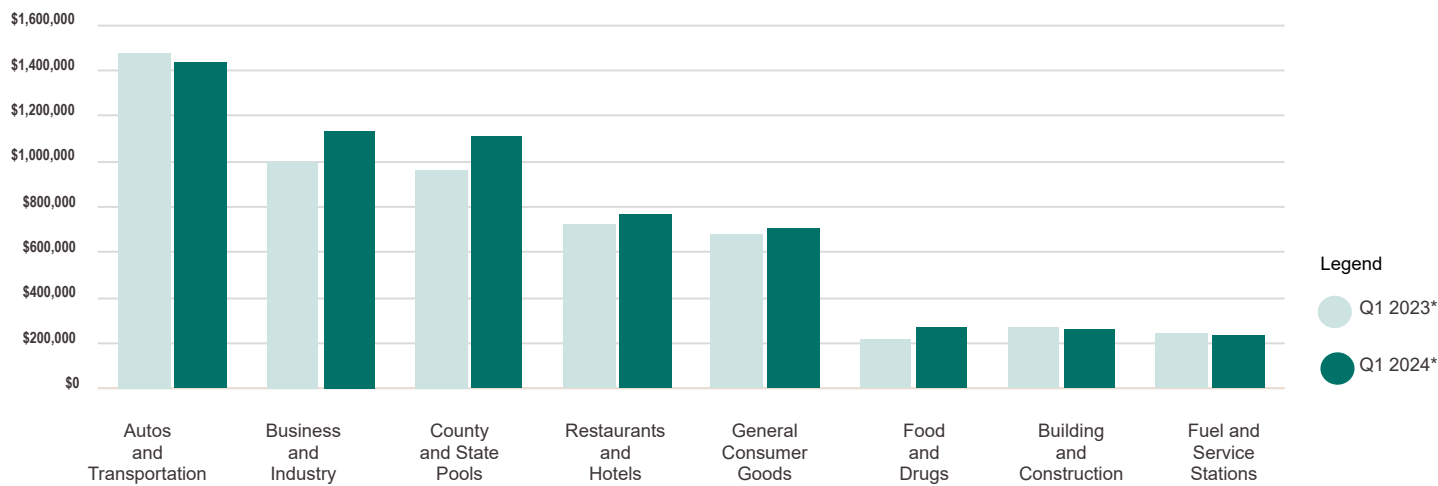


-0.3%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



## CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from January through March were 0.6% above the first sales period in 2023. Recently finished State audits identified taxpayer's prior returns that had multi-jurisdictional misallocations and taxation levied in error on exempt items; these outcomes generated negative cash adjustments this quarter, suppressed cash comparisons. Excluding reporting aberrations, actual sales were up 6.2%.

Light industrial printers experienced a surge in activity; two other confidential segments plus office equipment vendors also reported robust payments; overall, business-industry companies provided 14% growth. The 24% unforeseen spike from food-drugs revealed a filing error that inflated convenience stores by \$50,000; with an expected future correction forthcoming, this group's revised comparisons compute to a 2% gain.

The formula used to allocate use taxes worked in the City's favor; inclusive of steady ecommerce spending patterns, the pool allocation increased 15%. Higher menu prices did not deter patronage; casual dining restaurants rose 4%.

Department stores surprised with 16% better numbers; lifted general consumer goods into positive territory.

Consistent with state trends, new motor vehicle sales fell; buyers stayed away from luxury brands while navigating elevated borrowing costs and tightened lending standards. In contract, leasing rates were favorable, driving this segment up 25%.

Work slowed for contractors, lowered building-construction payments.

Net of aberrations, taxable sales for all of Alameda County declined 13.0% over the comparable time period; the Bay Area was down 2.3%.





**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.

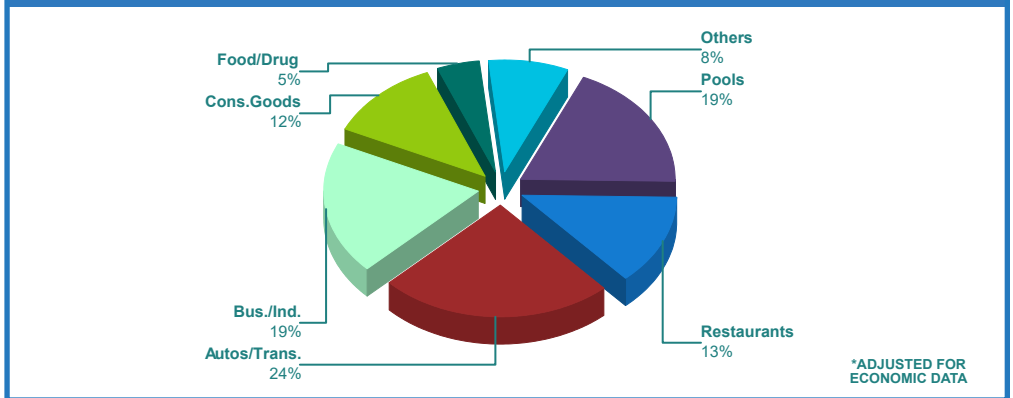
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with 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**

Pleasanton This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Pleasanton Business Type	Q1 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	857.0	-11.3% ↓	-55.5% ↓	-10.7% ↓
Casual Dining	430.8	3.8% ↑	3.2% ↑	2.3% ↑
Medical/Biotech	362.0	-8.5% ↓	-8.2% ↓	2.6% ↑
Service Stations	230.1	-2.8% ↓	-4.9% ↓	-0.8% ↓
Quick-Service Restaurants	165.2	4.0% ↑	0.2% ↑	2.7% ↑
Light Industrial/Printers	157.7	66.2% ↑	-2.3% ↓	-1.3% ↓
Business Services	145.2	-16.1% ↓	-10.8% ↓	-0.2% ↓
Department Stores	132.5	15.5% ↑	13.4% ↑	9.9% ↑
Electronics/Appliance Stores	122.0	-1.4% ↓	-8.2% ↓	-7.0% ↓
Convenience Stores/Liquor	121.4	70.5% ↑	-0.1% ↓	0.5% ↑

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