

# CITY OF HUGHSON

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



**HUGHSON**  
TOTAL: \$ 317,716

32.7%  
1Q2022



8.5%  
COUNTY

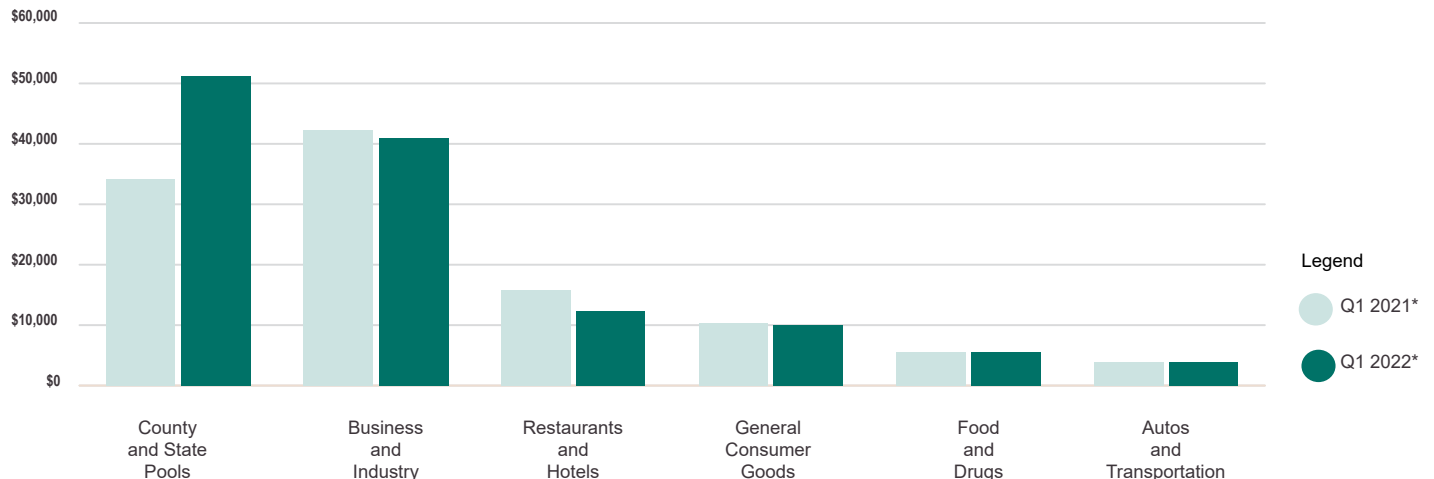


17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF HUGHSON HIGHLIGHTS

Hughson's receipts from January through March were 41.1% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 32.7%.

Place-of-sale proceeds, those associated with taxable sales from local businesses, increased by 29.9%, posting the largest 1Q-2022 growth for any jurisdiction within Stanislaus County. Statewide, global prices of crude oil and ongoing higher prices at the pump lifted local tax receipts from fuel-service stations by 47%.

Despite a strong sales period from one taxpayer, multiple industry groups experienced a modest pullback. Business-industry slowed by 3%, while core retail categories eased 1%. Payment anomalies within the restaurant group distorted the segments true performance, leading to an exaggerated 21.5% decline. That

being said, the majority of Hughson's eateries reported steady gains.

Indirect allocations from the City's share of the countywide use tax pool ballooned 49% on an adjusted basis. Large use tax payments infused both building-construction and business-industry segments while, indirect allocations from general consumer goods (online sales) curtailed.

Net of aberrations, taxable sales for all of Stanislaus County grew 8.5% over the comparable time period; the San Joaquin Valley was up 11.0%.



#### TOP 25 PRODUCERS

Agave Azul	Pizza Factory
Bobs Coffee Shop	Quick N Save
Builders Firstsource	Santa Fe Market & Liquor
Coco's Taqueria	Save Mor Market
Dollar General	Scott's Pool Repair & Remodeling
Dollar Tree	Slick Fork BBQ
Golden Bowl	Subway
Grossi Fabrication	Wilbur Ellis
Hughson Asian Kitchen	
Hughson Chevron	
Hughson Farm Supply	
Industrial Softener Service	
La Perla Tapatia	
Lacy's Furniture & Home Decor	
Mid Valley Agricultural Services	
Miss Potts Attic	
Napa Auto Parts	



## 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.

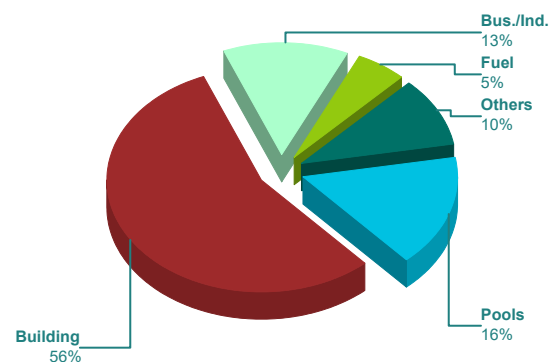
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the 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 Hughson This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### SALES PER CAPITA\*



\*ADJUSTED FOR ECONOMIC DATA