

# CITY OF CARPINTERIA

## SALES TAX UPDATE

### 3Q 2024 (JULY - SEPTEMBER)



#### CARPINTERIA

TOTAL: \$ 551,860

-2.7%

3Q2024



-1.4%

COUNTY



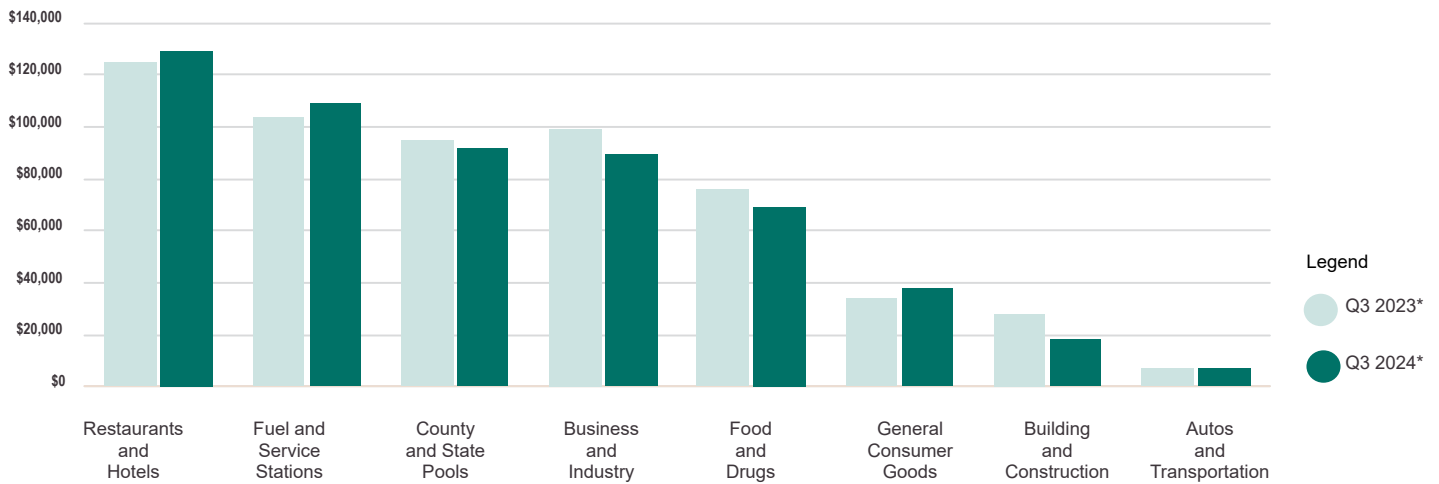
-2.3%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure X

TOTAL: \$978,471

↓ -2.5%



#### CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from July through September were 9.7% lower than the same period in 2023. This decline was exaggerated by a payment correction for a national retailer that affected all agencies across the state. Excluding this and other reporting anomalies, actual sales were down 2.7%, consistent with the regional trend.

Large project-related expenditures made last year for building and construction, as well as business industrial goods, created a challenging comparison.

The business-industrial category was further impacted by a suspected partial

payment by a local taxpayer, which is expected to be resolved next quarter.

A retail store closure within the last year negatively affected food and drug returns.

The City's voter-approved district tax, Measure X2018, had similar results to the Bradley-Burns returns previously discussed.

Net of anomalies, taxable sales for all of Santa Barbara County declined 1.4% over the comparable period, while the Central Coast region saw a 2.8% decrease.



#### TOP 25 PRODUCERS

7 Eleven	McDonald's
Agilent Technologies	Pizzaman Dan's
Albertsons	Rincon Brewery
American Supreme Gas	Risdons Union 76
Arco AM PM	Rockwell Printing
Brass Bird Coffee	Rustys Pizza Parlor
Carpinteria Valley Lumber	S&S Seeds
Chevron	Shop Coolie
CVS Pharmacy	Siteone Landscape Supply
Delgados Mexican Restaurant	Smart & Final
Eye of the Day	Teddys By The Sea
iPower Resale	
Jacks Bistro	
Little Dom's Seafood	



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back -3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

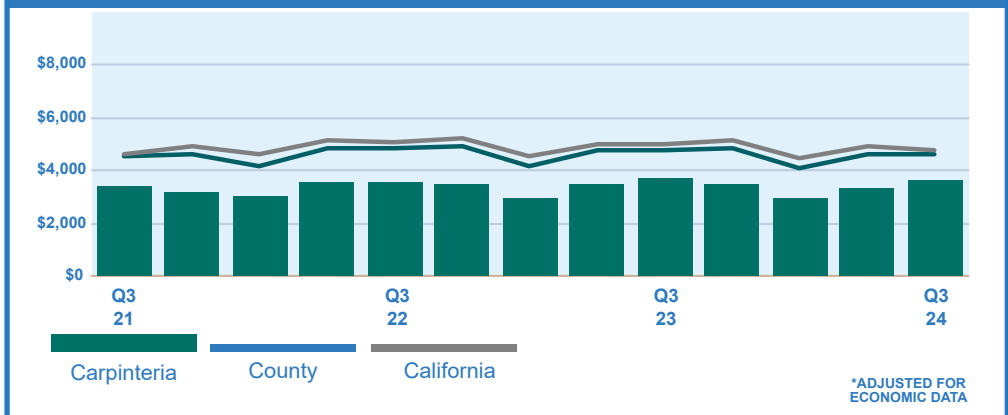
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of -2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

### SALES PER CAPITA\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q3 '24	Change	County Change	HdL State Change
Service Stations	108,671	4.6% ↑	-8.7% ↓	-12.8% ↓
Casual Dining	91,610	0.5% ↑	0.4% ↑	1.2% ↑
Garden/Agricultural Supplies	35,683	-2.8% ↓	7.3% ↑	-7.8% ↓
Quick-Service Restaurants	30,948	4.5% ↑	1.5% ↑	1.0% ↑
Convenience Stores/Liquor	15,309	-24.5% ↓	-4.6% ↓	-2.2% ↓
Electronics/Appliance Stores	7,915	15.8% ↑	-6.1% ↓	-5.1% ↓
Light Industrial/Printers	7,160	-5.4% ↓	-2.8% ↓	-0.5% ↓
Family Apparel	6,441	-1.9% ↓	3.9% ↑	-0.2% ↓
Drugs/Chemicals	5,980	-55.1% ↓	-17.6% ↓	-0.4% ↓
Specialty Stores	4,822	-8.8% ↓	-2.4% ↓	-3.0% ↓

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