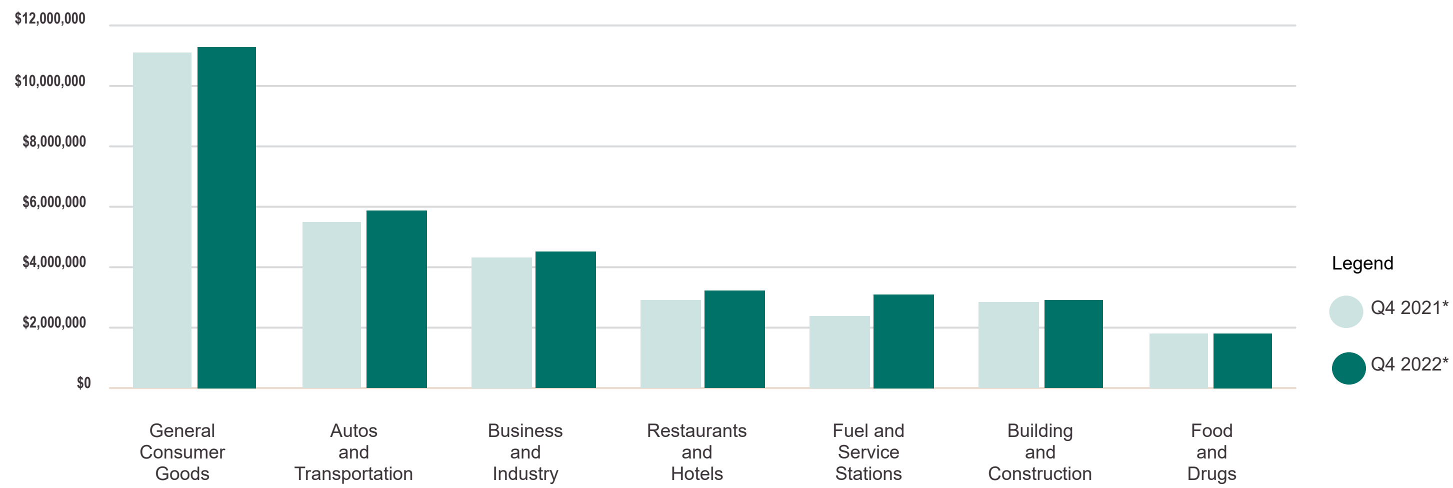
CCTA
SALES TAX UPDATE
4Q 2022 (OCTOBER - DECEMBER)

CONTRA COSTA transportation authority

CCTA TOTAL: $ 33,116,628	6.2% 4Q2022 ↑	4.7% STATE ↑	

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CONTRA COSTA TRANSPORTATION AUTHORITY (CCTA) HIGHLIGHTS

Contra Costa Transportation Authority (CCTA)'s receipts from October through December were 4.3% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 6.2%.

At this time last year, total receipts were up nearly 11%, so adding to that base shows the economy still has some strength left. One example is the fact that new motor vehicle purchases were up 16.7% in this quarter with prices still remaining elevated. However, used vehicles were down, reports indicated that inventory is low and will continue to be for several years. Nonetheless, another healthy sign is the gain reported by discount department stores and purchases from online sources, one up 7% and the other up 8% respectively. Service stations were up 31% this quarter with high prices at the pumps during this time period.

Electronic and department stores were two of the few categories that posted declines. While industry reports indicate that consumers are slowing their dining out patterns as the economy tightens, agency data shows a different story; casual dining receipts were up 11.6% and quick service restaurants were up 5.5%.

Net of aberrations, taxable sales for all of Contra Costa County grew 6.4% over the comparable time period; the Bay Area was up 5.6%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Contra Costa Transportation Authority (CCTA)			HdL State
Business Type	**Q4 '22***	**Change**	**Change**
New Motor Vehicle Dealers	3,853.5	16.7% ↑	12.5% ↑
Service Stations	2,902.0	31.4% ↑	7.6% ↑
Discount Dept Stores	2,633.8	7.3% ↑	7.7% ↑
General Merchandise	2,443.3	8.3% ↑	20.2% ↑
Building Materials	1,635.6	0.8% ↑	2.1% ↑
Casual Dining	1,498.1	11.6% ↑	8.1% ↑
Electronics/Appliance Stores	1,173.6	-8.1% ↓	10.8% ↑
Family Apparel	1,024.1	0.3% ↑	-1.0% ↓
Quick-Service Restaurants	962.6	5.5% ↑	5.7% ↑
Grocery Stores	910.7	5.8% ↑	6.2% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

HdL Companies

Published by HdL Companies in Spring 2023

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above $5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it's greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electronic/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfilment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency's coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondarily, all-time peak global crude oil costs had fuel seller's payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California's taxable sales in the months ahead.

Major Business Group Trends By County

Percent Change from 4th Quarter 2021 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Alameda Co.	33.1%	1.1%	9.1%	-2.0%	10.5%	3.3%	8.6%
Contra Costa Co.	1.3%	5.9%	17.3%	1.7%	34.7%	1.6%	9.5%
Marin Co.	2.6%	8.2%	19.0%	0.3%	10.1%	-2.7%	5.2%
Napa Co.	22.8%	-2.7%	2.1%	-0.5%	10.3%	1.3%	3.7%
San Francisco Co.	15.2%	-2.6%	15.5%	-2.2%	18.0%	1.6%	23.4%
San Mateo Co.	11.4%	12.4%	-0.4%	-0.7%	18.1%	6.3%	16.2%
Santa Clara Co.	13.9%	6.4%	-9.4%	1.1%	11.0%	4.1%	15.8%
Solano Co.	-2.3%	-2.1%	11.1%	1.3%	7.8%	-1.6%	4.6%
Sonoma Co.	-0.3%	6.2%	4.1%	2.8%	6.3%	1.4%	6.1%

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