

# CITY OF CULVER CITY

## DISTRICT TAXES

### 2Q 2023 (APRIL - JUNE)



Measure CC - 0.50%

TOTAL: \$ 2,744,845

-6.5%

2Q2023



Measure C - 0.25%

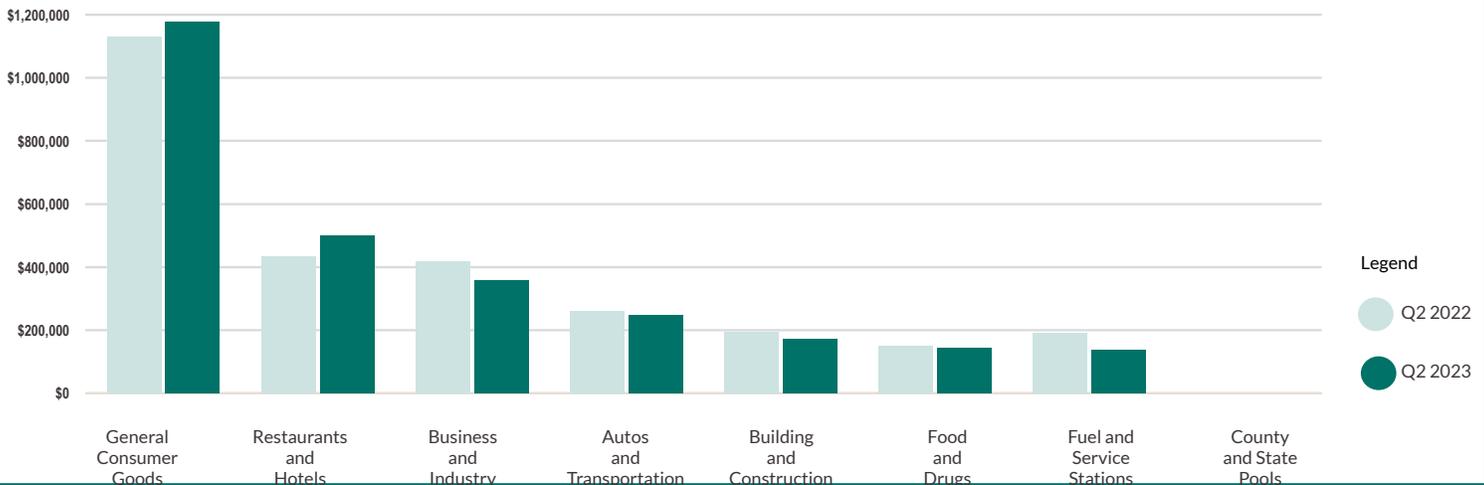
TOTAL: \$ 1,371,266

-6.5%

2Q2023



### SALES TAX BY MAJOR BUSINESS GROUP



### CULVER CITY DISTRICT TAXES HIGHLIGHTS

Culver City's ½-cent Measure CC gross receipts from April through June were 1.5% below the second sales period in 2022. However, after adjusting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 6.5%. Results for ¼-cent Measure C were almost the same – with slight variations from statewide audit corrections and a small number of taxpayer filing discrepancies. Overall, quarterly results were mixed.

Cautious consumers pulled back on retail purchases – with declines in most sectors, including apparel and electronics-appliance stores. Large medical/biotech payments made a year ago generated most of the comparative decrease from the business-industry group; however, sales in other segments such as office supplies-furniture and

office equipment slumped.

Continued fluctuations in fuel pricing and changes in consumption drove service station revenues down 27.4%. Reduced lumber pricing contributed to a drop in building materials returns.

On the positive, both district taxes reflected stable new car buying by residents – helping the auto-transportation group edge into positive territory. Restaurants-hotel revenues jumped as people continued to enjoy the experience of casual and fine dining – as well as food delivery-catering services.

Net of adjustments, taxable sales for all of Los Angeles County declined 4.2% over the comparable time period; the Southern California region was down 2.9%.



### TOP 25 PRODUCERS

Amazon Fulfillment Services  
 Amazon MFA  
 Arco  
 Best Buy  
 Bestbuy Com  
 Costco  
 Culver City Toyota  
 Culver19  
 Etta Culver City  
 Howard Industries  
 In N Out Burger  
 JC Penney  
 Kia Downtown LA  
 Macy's  
 Nordstrom Rack  
 Ralphs  
 Ross  
 Sephora  
 Target

Tesla Motors  
 TJ Maxx  
 Trader Joe's  
 Uber Eats  
 Vons  
 Wolfgang Puck Catering & Events



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

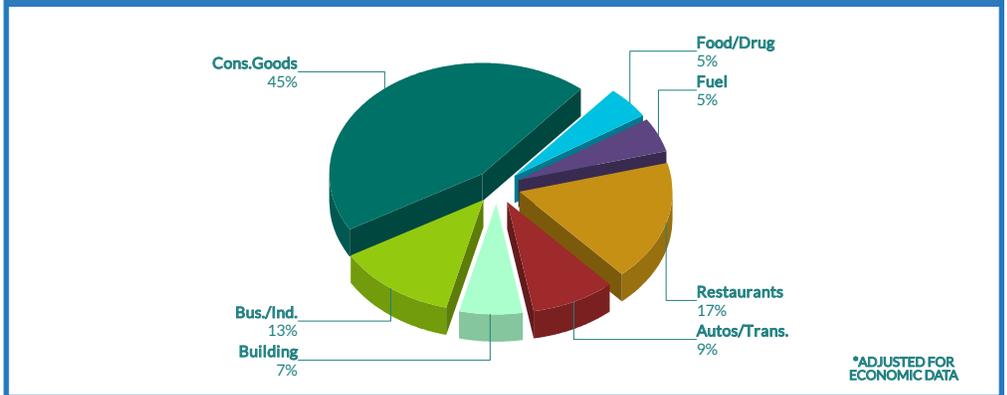
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

### REVENUE BY BUSINESS GROUP Culver City Measure CC This Fiscal Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Culver City Measure CC Business Type	Q2 '23*	Change	HdL State Change
Discount Dept Stores	397.6	-8.6% ↓	-2.8% ↓
Casual Dining	217.2	15.9% ↑	9.3% ↑
New Motor Vehicle Dealers	151.6	2.3% ↑	0.1% ↑
Service Stations	133.8	-28.6% ↓	-19.4% ↓
Electronics/Appliance Stores	122.2	-5.1% ↓	11.8% ↑
Specialty Stores	112.2	2.5% ↑	-2.2% ↓
General Merchandise	104.2	5.5% ↑	5.1% ↑
Quick-Service Restaurants	100.0	3.3% ↑	2.3% ↑
Family Apparel	98.4	-3.5% ↓	-0.9% ↓
Grocery Stores	88.7	14.9% ↑	4.2% ↑

\*In thousands of dollars