

# CITY OF EL MONTE

## SALES TAX UPDATE

### 4Q 2024 (OCTOBER - DECEMBER)



**EL MONTE**

TOTAL: \$ 6,220,808

1.2%

4Q2024



-2.8%

COUNTY



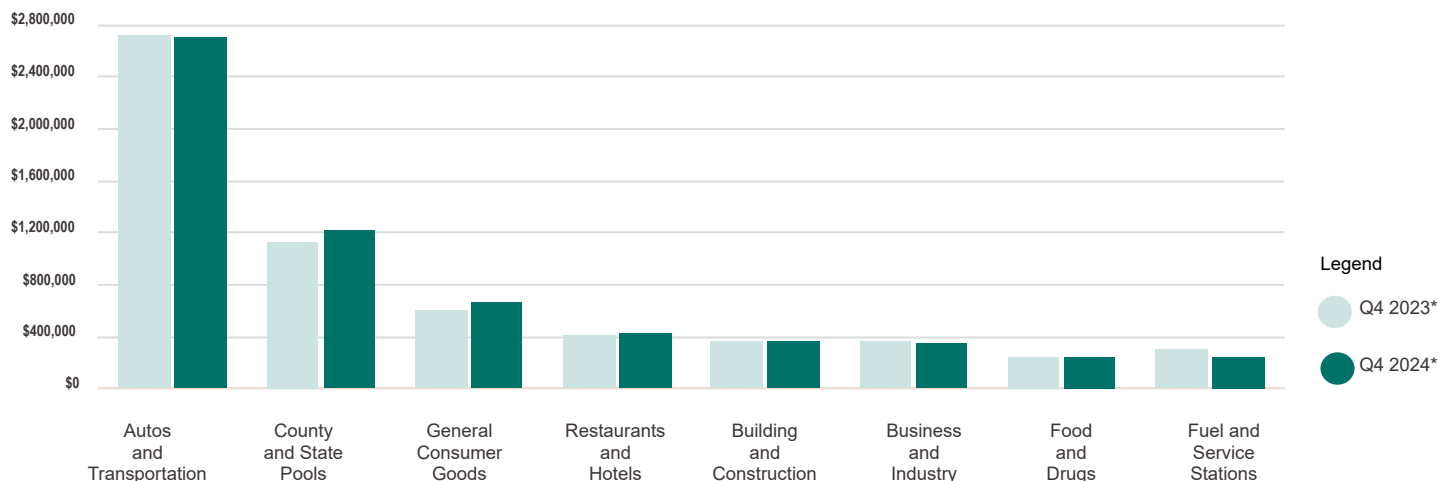
-1.1%

STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### Measure EM

TOTAL: \$1,919,961

↑ 2.5%



### CITY OF EL MONTE HIGHLIGHTS

El Monte's taxable receipts for the fourth quarter of 2024 were reported 6.2% higher than the same period in 2023. However, this increase was largely driven by a significant delayed payment in the comparison year. After adjusting for these and other reporting anomalies, actual sales posted a more modest gain of 1.2%.

The primary contributor to this growth was the opening of a major new retail store in October, which significantly boosted local activity. A newly opened fast food restaurant also added to the quarter's gains. These additions strengthened El Monte's proportional share of the countywide use-tax pool,

which is allocated based on relative cash receipts across jurisdictions.

The most significant drag on performance came from the fuel sector, where declining gasoline prices led to reduced service station revenues.

Voter-approved Measure EM slightly outperformed the City's Bradley-Burns results, supported by increased business-industrial purchases.

Across the region, adjusted taxable sales declined 2.8% in Los Angeles County and 1.2% in the broader Southern California area, underscoring El Monte's relative outperformance.



### TOP 25 PRODUCERS

- Airgas
- Arco
- Car Pros Honda El Monte
- Cardinaleway Hyundai Of El Monte
- Catalyst El Monte
- D R Office Works
- dd's Discounts
- El Monte Nissan
- Element Vape
- Excellent Kitchen Cabinets
- Focus Auto Service
- Ganas Auto
- Home Depot
- Honda Lease Trust
- Longo Lexus
- Longo Toyota & Longo Scion
- Packs
- Sams Club w/ Fuel
- Superior Grocers
- Sus Amigos Auto Center
- T & L Granite
- Countertop Warehouse
- Target
- Toyota Lease Trust
- United Oil
- Zones



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they’re more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/ low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/ luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county’s use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments – consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a ‘return to office’ call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn’t signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES TAX RATE BREAKDOWN		10.5%
State General Fund	3.9375%	
City/County General Fund (Bradley-Burns)	1.0000%	
El Monte Measure EM (2024) (EMEM)	0.7500%	
County Public Safety (Prop 172)	0.5000%	
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%	
Countywide Transportation Fund	0.2500%	
Los Angeles County Measure R (LAMT)	0.5000%	
Los Angeles County Measure A (LACT)	0.5000%	
Los Angeles County Measure C (LATC)	0.5000%	
Los Angeles County Measure M (LAMA)	0.5000%	
Los Angeles County Housing Measure A (HOUS)	0.5000%	
<b>Tax Rate Effective April 01, 2025</b>	<b>10.5000%</b>	

TOP NON-CONFIDENTIAL BUSINESS TYPES					
El Monte Business Type	Q4 '24*	Change	County Change	HdL State Change	
New Motor Vehicle Dealers	2,259.5	-2.8% ↓	-4.6% ↓	-2.3% ↓	
Building Materials	260.9	3.0% ↑	-1.8% ↓	-3.4% ↓	
Service Stations	247.1	-19.8% ↓	-15.5% ↓	-13.0% ↓	
Quick-Service Restaurants	246.0	6.1% ↑	1.1% ↑	1.7% ↑	
Auto Lease	181.5	67.1% ↑	18.1% ↑	24.7% ↑	
Used Automotive Dealers	142.4	-5.9% ↓	-10.4% ↓	-3.4% ↓	
Casual Dining	135.8	3.5% ↑	0.6% ↑	1.9% ↑	
Cannabis Related	81.9	14.3% ↑	-14.3% ↓	-10.7% ↓	
Grocery Stores	79.5	1.3% ↑	0.4% ↑	-0.9% ↓	
Contractors	68.0	-17.9% ↓	-6.2% ↓	-4.7% ↓	

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\*In thousands of dollars