

# CITY OF MOUNTAIN VIEW

## SALES TAX UPDATE

### 4Q 2024 (OCTOBER - DECEMBER)



**MOUNTAIN VIEW**  
TOTAL: \$ 5,493,641

-7.3%  
4Q2024



2.8%  
COUNTY

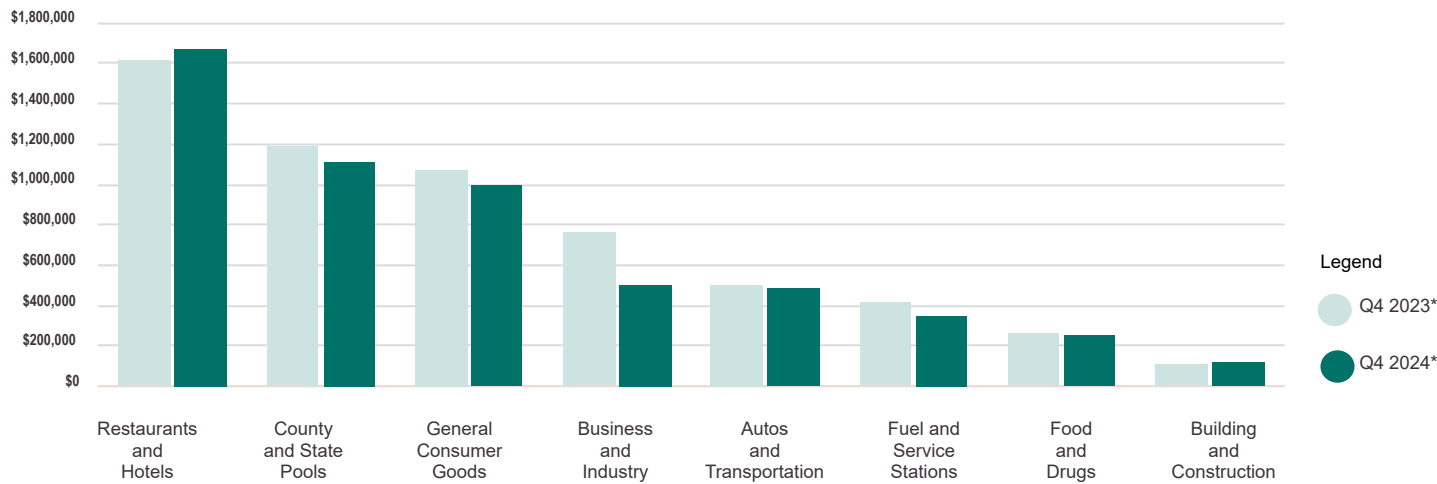


-1.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's gross receipts from October - December 2024 were 7.9% below the fourth sales period in 2023. However, after adjusting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 7.3%. Results varied among tax groups.

On the positive, leisure/entertainment activities and casual dining helped lead a 4% gain in the restaurants-hotels group as people enjoyed dining out and playing during the busy winter months. Improved building materials sales contributed to a 7% jump in building-construction revenues.

Conversely, consumers were more cautious during the busy shopping season, with less spending at family apparel and specialty stores as well as at other retail establishments. Although

transportation/non-auto related sales improved, a steep decline in comparable electrical equipment returns due to a closed business caused a 33.8% fall in business-industry receipts.

A couple of closed businesses skewed autos-transportation results down. The price of crude oil fell during the period and directly affected fuel-service station receipts - with revenues sliding 15.5%.

The City's allocation from the countywide use tax pool shrunk 6.3% due to other agencies posting larger sales tax gains and absorbing more of the pool share.

Net of adjustments, taxable sales for all of Santa Clara County grew 2.8% over the comparable time period; the Bay Area was down 0.5%.



#### TOP 25 PRODUCERS

- |                                  |                   |
|----------------------------------|-------------------|
| Allison BMW                      | Safeway           |
| Best Buy                         | Target            |
| Bon Appetit                      | Total Wine & More |
| Bruce Bauer Lumber & Supplies    | Valley Oil        |
| Chevron                          | Walmart           |
| Compass Group USA                | Waymo             |
| Costco                           | Wisk Aero         |
| Financial Services Vehicle Trust |                   |
| Good Eating Co                   |                   |
| Google Fiber                     |                   |
| In N Out Burger                  |                   |
| Keysight Technologies            |                   |
| Kiwi Co                          |                   |
| Kohls                            |                   |
| Marshalls                        |                   |
| Mountain View Arco               |                   |
| Mountain View Shell              |                   |
| Ross                             |                   |



## 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.

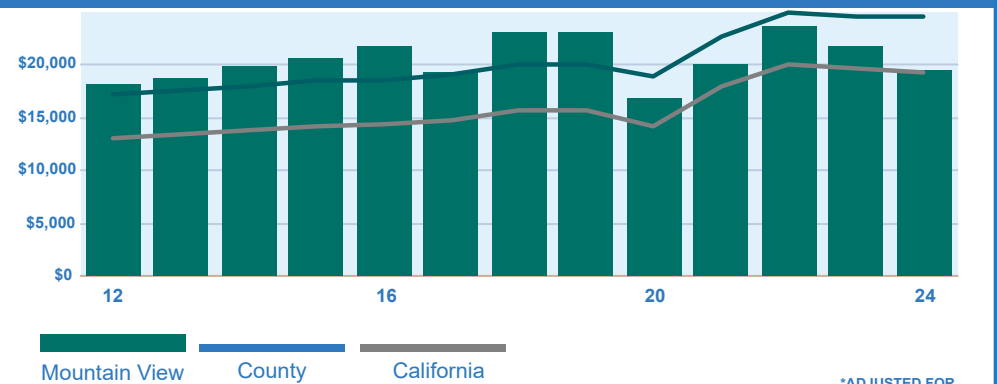
Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

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 PER CAPITA\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q4 '24*	Change	County Change	HdL State Change
Casual Dining	480.2	6.0% ↑	5.4% ↑	1.9% ↑
Service Stations	348.3	-15.5% ↓	-11.5% ↓	-13.0% ↓
Quick-Service Restaurants	170.4	-2.1% ↓	0.7% ↑	1.7% ↑
Grocery Stores	123.3	-2.1% ↓	-2.3% ↓	-0.9% ↓
Transportation-Non-Auto	119.6	31.4% ↑	13.1% ↑	-7.4% ↓
Electronics/Appliance Stores	116.8	-4.0% ↓	3.3% ↑	-2.6% ↓
Electrical Equipment	100.3	-58.6% ↓	23.6% ↑	12.8% ↑
Business Services	90.3	-14.2% ↓	-22.9% ↓	-1.5% ↓
Family Apparel	90.2	-0.3% ↓	-2.2% ↓	1.3% ↑
Convenience Stores/Liquor	85.2	-3.7% ↓	-2.0% ↓	-2.3% ↓

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\*In thousands of dollars