

CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

2Q 2025 (APRIL - JUNE)



MOUNTAIN VIEW

TOTAL: \$ 5,259,201

4.6%
2Q2025



2.1%
COUNTY

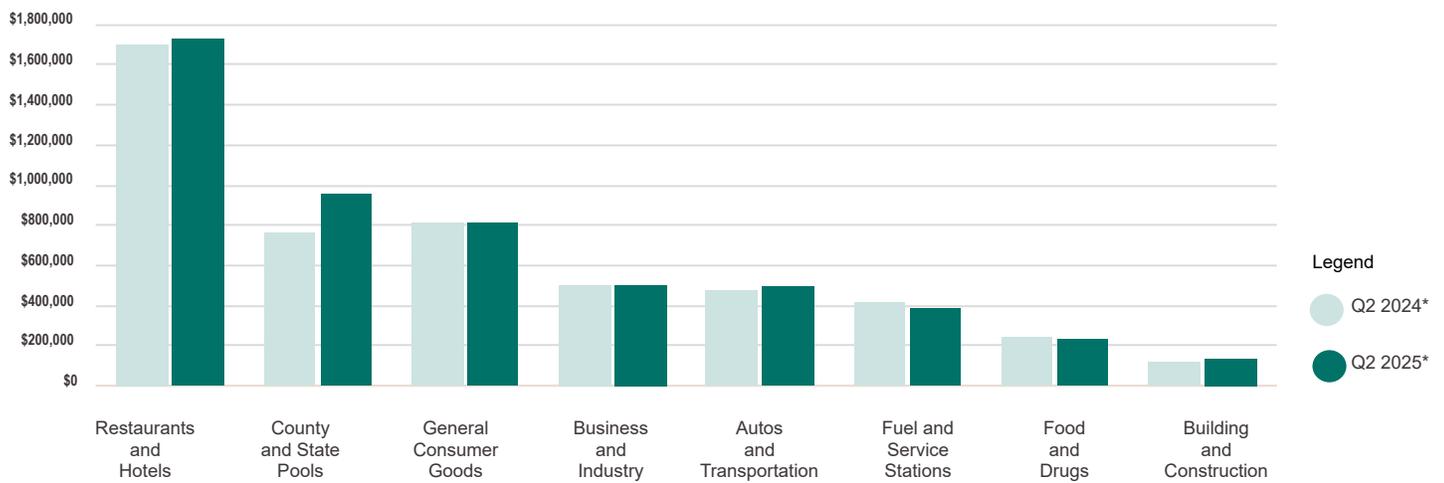


0.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's receipts from April through June were 19.9% above the second sales period in 2024. Prior year negative audit corrections pursuant to a State taxpayer audit exaggerated cash gains. Excluding reporting aberrations, actual sales were up 4.6%.

Expansion of eating establishment options over the past year and steady patronage at local venues drove the casual and fast-casual dining segment's taxes above prior year totals. Restaurants-hotels net change was up 2%.

Pool allocations are computed on quarterly point of sales totals for each agency in Santa Clara County; the City's cash increase noted above computed to a temporary large allocation of the pool's use taxes.

Demand for hardware supplies and materials was robust over the spring months; explains the surge from building-construction. Pulled forward buying ahead of tariff related price hikes contributed to bigger collections in autos-transportation.

Across the state, crude oil prices relaxed, lowering gasoline per gallon rates. Service stations declined 8%.

General consumer goods comparisons were unchanged; sector related reviews revealed an uptick from electronics/appliance, apparel and specialty stores while shoppers pulled back on home furnishings purchases.

Net of aberrations, taxable sales for all of Santa Clara County grew 2.1% over the comparable time period; the Bay Area was up 1.8%.



TOP 25 PRODUCERS

- Allison BMW
- Best Buy
- Bon Appetit
- Bruce Bauer Lumber & Supplies
- Chevron
- Compass Group USA
- Costco
- Diamond Gas & Mart
- Financial Services Vehicle Trust
- Good Eating Co
- Google Fiber
- Groq Inc
- In N Out Burger
- Kiwi Co
- Marshalls
- Mountain View Arco
- Mountain View Shell
- Ross
- Safeway
- Sparks Marketing
- Target
- Total Wine & More
- Valley Oil
- Walmart
- Waymo



STATEWIDE RESULTS

California's one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper's willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

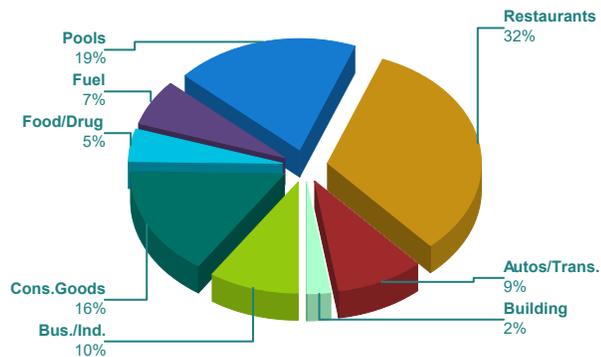
Balancing the positive results, revenue from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores underperforming compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical

store investments by regional and national companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

REVENUE BY BUSINESS GROUP Mountain View This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q2 '25*	Change	County Change	HdL State Change
Casual Dining	500.4	4.7% ↑	4.0% ↑	1.4% ↑
Service Stations	384.3	-7.5% ↓	-7.1% ↓	-9.4% ↓
Quick-Service Restaurants	183.5	-0.5% ↓	0.3% ↑	-0.7% ↓
Business Services	144.2	105.5% ↑	-3.3% ↓	2.8% ↑
Electrical Equipment	121.5	47.6% ↑	14.2% ↑	7.8% ↑
Grocery Stores	118.0	-0.1% ↓	-1.2% ↓	-0.2% ↓
Fast-Casual Restaurants	97.5	8.7% ↑	2.5% ↑	-1.6% ↓
Electronics/Appliance Stores	96.7	9.1% ↑	19.9% ↑	6.9% ↑
Building Materials	89.0	33.6% ↑	-2.4% ↓	-0.9% ↓
Family Apparel	77.3	1.2% ↑	-0.6% ↓	1.4% ↑

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*In thousands of dollars