

# CITY OF PLEASANTON

## SALES TAX UPDATE

### 1Q 2025 (JANUARY - MARCH)



**PLEASANTON**  
TOTAL: \$ 6,263,023

6.2%  
1Q2025



0.4%  
COUNTY

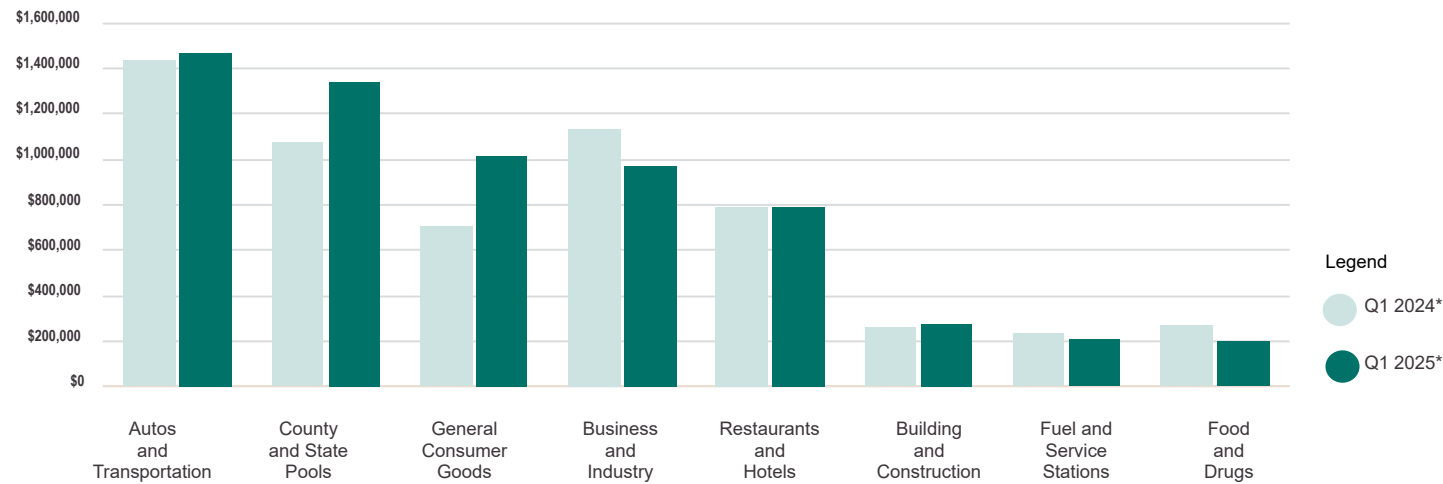


0.3%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from January through March were 16.4% above the first sales period in 2024. Excluding reporting aberrations, actual sales were up 6.2%.

The overall growth can be attributed to the general consumer group with a new outlet that is hiding the ups and downs. The autos-transportation group grew this quarter most likely due to consumers purchasing cars ahead of possible price increases due to likely tariffs.

Building-construction was boosted by an anomaly and a one-time surge.

Restaurants-hotels outpaced the countywide and statewide averages; openings of new outlets boosted casual dining while quick service was up due to increases in menu prices.

Service stations were down this quarter as prices at the pump were lower than the comparable quarter. Business-industry saw slowing in several categories including medical/biotech, business services and light industry; the declines were lessened by strong sales in the electrical equipment category that has several business that fluctuate and this quarter was positive.

Th increase in point of sale increases the City's portion of the pool leading to 24% growth in the City's allocation.

Net of aberrations, taxable sales for all of Alameda County grew 0.4% over the comparable time period; the Bay Area was up 0.5%.





## STATEWIDE RESULTS

California's local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-

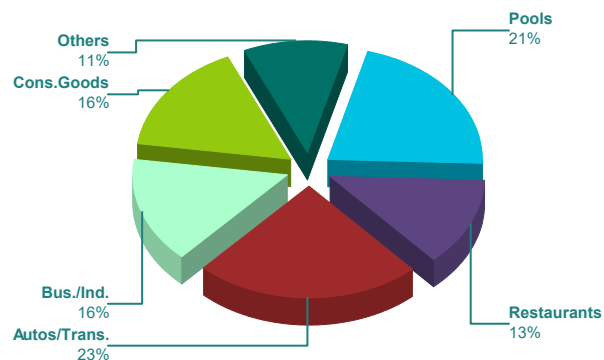
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping

alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, "uncertainty" remains the most accurate descriptor of California's current and future economic climate.

## REVENUE BY BUSINESS GROUP Pleasanton This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q1 '25*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	889.8	3.8% ↑	-1.6% ↓	-0.6% ↓
Casual Dining	466.4	4.5% ↑	2.2% ↑	1.3% ↑
Medical/Biotech	319.1	-11.8% ↓	-20.8% ↓	-0.8% ↓
Service Stations	204.0	-11.4% ↓	-5.8% ↓	-5.8% ↓
Quick-Service Restaurants	170.3	3.6% ↑	-1.6% ↓	-0.9% ↓
Electronics/Appliance Stores	136.5	9.3% ↑	-0.3% ↓	-0.6% ↓
Department Stores	124.8	-5.8% ↓	4.2% ↑	-4.4% ↓
Business Services	118.8	-17.2% ↓	6.6% ↑	9.1% ↑
Auto Lease	118.3	2.4% ↑	73.9% ↑	20.6% ↑
Light Industrial/Printers	104.2	-33.3% ↓	-12.5% ↓	-2.9% ↓

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\*In thousands of dollars