

CITY OF PLEASANTON

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



PLEASANTON

TOTAL: \$ 7,051,380

7.9%

3Q2025



1.0%

COUNTY



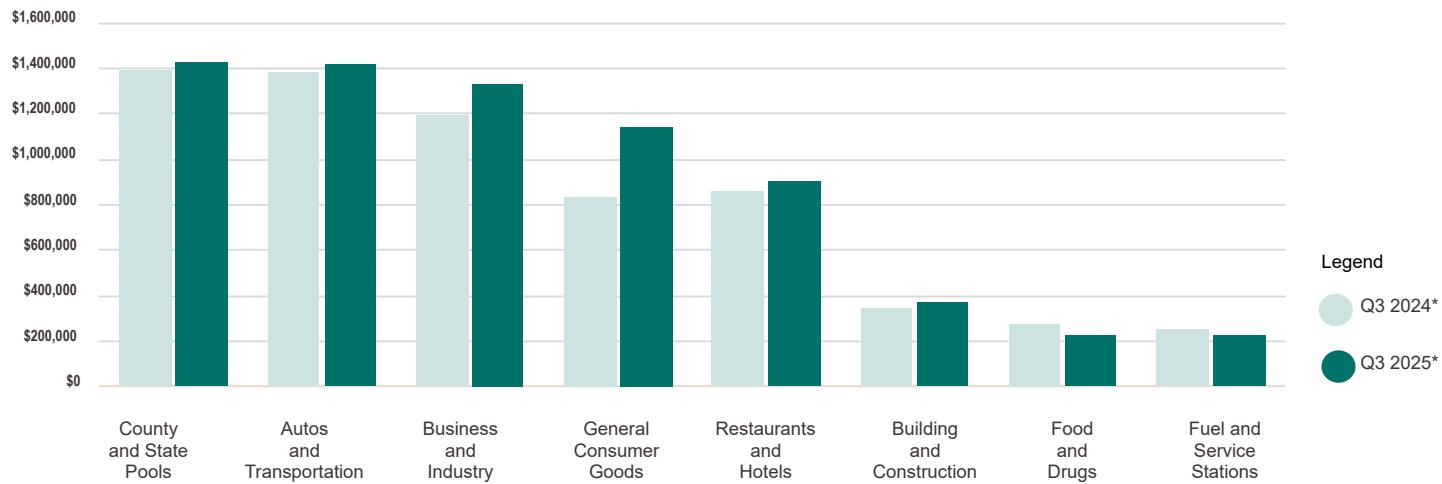
1.9%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from July through September were 11.2% above the third sales period in 2024. Excluding reporting aberrations, actual sales were up 7.9%.

The launch of a new regional serving retailer dating back to the end of 2024 expanded the general consumer goods tax base by 37%; segment analysis for this group revealed activity slowed at electronics outlets and within a confidential category.

Having several new eating out options launch over the past year boosted restaurants-hotels; casual dining and quick services sectors increased payments by 9% and 2%, respectively.

Prior year audit corrections previously inflated the City's share of use tax pool allocations; this current quarter 'trued up' disbursements as the City captured a 2% gain thanks to point of sales revenue

growth.

Unexpected, large one-time filings, surges in specialized equipment orders combined to generate 12% more from business-industry. Contractor's had a busy summer of project work, their 32% spike accounted for positive building-construction results.

Outpacing statewide trends, luxury car sales at new vehicle dealerships rose 9%; some buyer acquisitions were tied to 'pulled forward' sales ahead of tariff impacts on pricing.

Crude oil prices stayed down, helped those paying for gas to save a few bucks; however, this caused a 12% reduction from service stations. Last years inflated taxpayer payments skewed food-drug comparisons.

Net of aberrations, the Bay Area was up 2.6%.





STATEWIDE RESULTS

California's local one-cent sales and use tax receipts for July through September were 1.8% higher than the same quarter last year, after adjusting for accounting anomalies. While growth appears modest, calendar year 2025 remains on pace to rebound following two years of declines. Combined with second-quarter activity, the summer period posted a 1% improvement over the 2024 season.

Sustained consumer trends reflected a willingness to spend while remaining cost-conscious and prioritizing value. Online retailers, reporting to both business-industry and countywide use tax pools (depending on inventory location at purchase), recorded the strongest gains. This momentum extended to brick-and-mortar retailers, which also posted modest improvements. Seasonal "back-to-school" activity boosted men's and family apparel along with shoe stores, lifting the General Goods sector and enhancing expectations for the upcoming holiday shopping period.

Tax receipts from restaurants edged higher, supported by households' continued desire to eat out. Despite balancing higher menu prices, tip fatigue, and tighter margins, casual dining establishments generated the largest gains. Overall, summer performance appeared stable but lacked the tourism surge many had hoped for.

Offsetting positive results was a decline in revenue from fuel-service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower gas prices may encourage spending in other categories, potential oil refinery closures in the coming year could keep per-gallon prices elevated.

The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through e-commerce platforms and a contraction in physical store footprints due to over-saturation and chain bankruptcies.

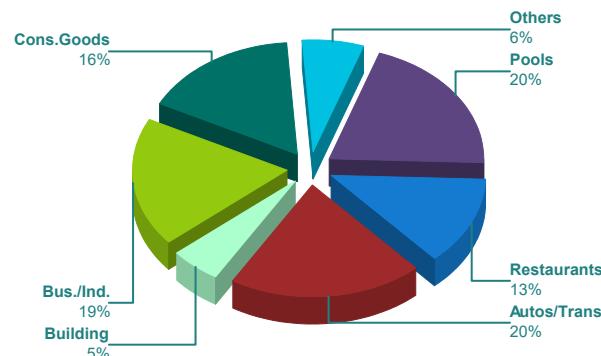
Two sectors poised to benefit from lower short-term interest rates—autos-transportation and building-construction—repeated a pattern of lackluster returns. A minor uptick came from new auto sales and leasing, while building material

suppliers struggled during the summer, likely creating pent-up demand for repairs and improvements ahead.

With the Federal Reserve considering additional rate changes in early 2026, optimism for improved consumer financing conditions and stronger sales tax receipts remains. As national tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. For now, calendar year 2025 closes with sluggish but stable performance, awaiting broader economic shifts.

REVENUE BY BUSINESS GROUP

Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q3 '25*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	936.5	9.2% ↑	10.5% ↑	0.9% ↑
Casual Dining	485.3	7.5% ↑	2.7% ↑	0.7% ↑
Medical/Biotech	360.7	-15.0% ↓	-17.7% ↓	0.7% ↑
Service Stations	222.9	-11.6% ↓	-8.0% ↓	-5.7% ↓
Quick-Service Restaurants	195.1	2.1% ↑	-2.3% ↓	-1.8% ↓
Business Services	177.8	35.9% ↑	12.1% ↑	12.5% ↑
Contractors	171.7	31.7% ↑	-8.1% ↓	-0.7% ↓
Auto Lease	136.0	15.8% ↑	47.6% ↑	17.8% ↑
Light Industrial/Printers	130.5	-3.8% ↓	6.3% ↑	-2.5% ↓
Computer/Office Equipment	122.3	4.0% ↑	5.6% ↑	-9.9% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars