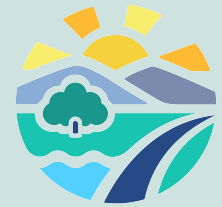


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



MOUNTAIN VIEW

TOTAL: \$ 5,782,630

12.0%
3Q2025



2.8%
COUNTY

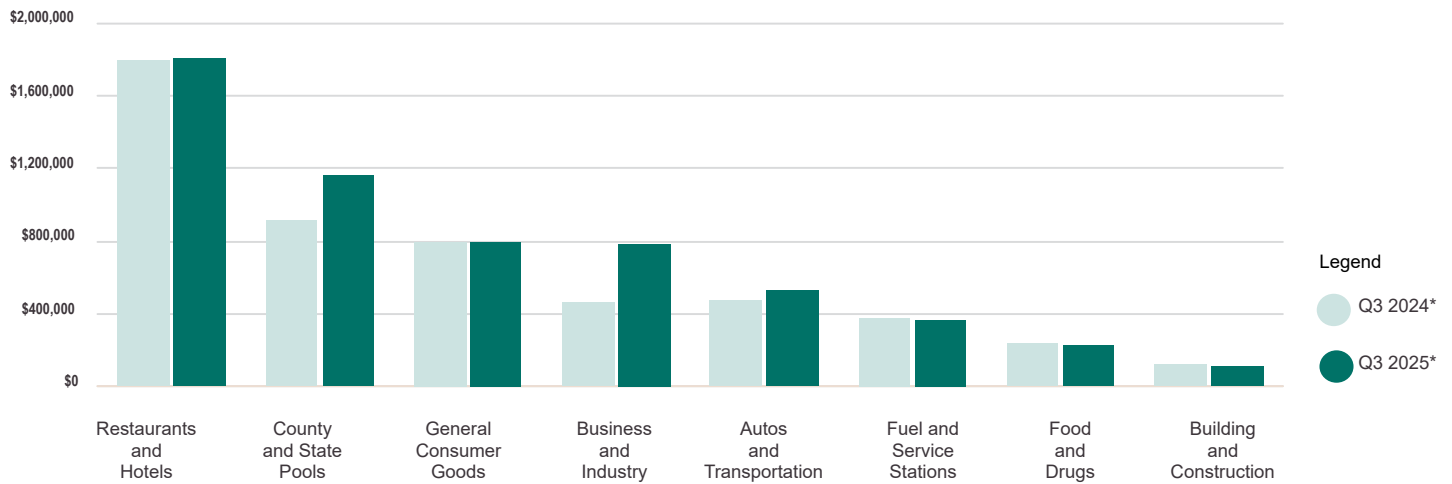


1.9%
STATE



**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 July - September 2025 were up 17.9% compared to the third sales period in 2024. After adjusting for reporting modifications from audit adjustments (payments received during the current period, but attributed to prior quarters) and a number of delayed payments, actual sales landed 12% higher. Results were mixed across tax groups.

The City's largest sales tax base, restaurants-hotels, edged 0.5% higher, with gains in casual dining offsetting declines in other sectors. The City's allocation from the countywide use-tax pool temporarily surged 26.8% due to a couple of one-time taxpayer payments and redistribution of revenues to the pool from statewide audits.

Business-industry realized the largest gain, primarily driven by business

services, computer/office equipment and transportation/non-auto, which shot revenues up 72%. Autos-transportation also enjoyed growth, with a 13.1% jump in returns. General retail edged slightly higher, assisted by electronics/appliance and specialty store sales.

Conversely, similar to statewide results, the fluctuating price of crude oil directly affected fuel-service station receipts - with revenues falling 1.9%. All sectors decreased in the food-drugs group; and the smallest sales tax group, building-construction, slipped 8% for the quarter.

Net of adjustments, taxable sales for all of Santa Clara County grew 2.8% over the comparable time period; the Bay Area was up 2.6%.



TOP 25 PRODUCERS

- Allison BMW
- Best Buy
- Bon Appetit
- Bruce Bauer Lumber & Supplies
- Chevron
- Compass Group USA
- Costco
- Fii Usa
- Financial Services Vehicle Trust
- Google Fiber
- In N Out Burger
- Kiwi Co
- Marshalls
- Mountain View Shell
- Response Motors
- Ross
- Safeway
- Shoreline Amphitheatre
- Sparks Marketing
- Target
- Total Wine & More
- Valley Oil
- Walmart
- Waymo
- Wisk Aero



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.

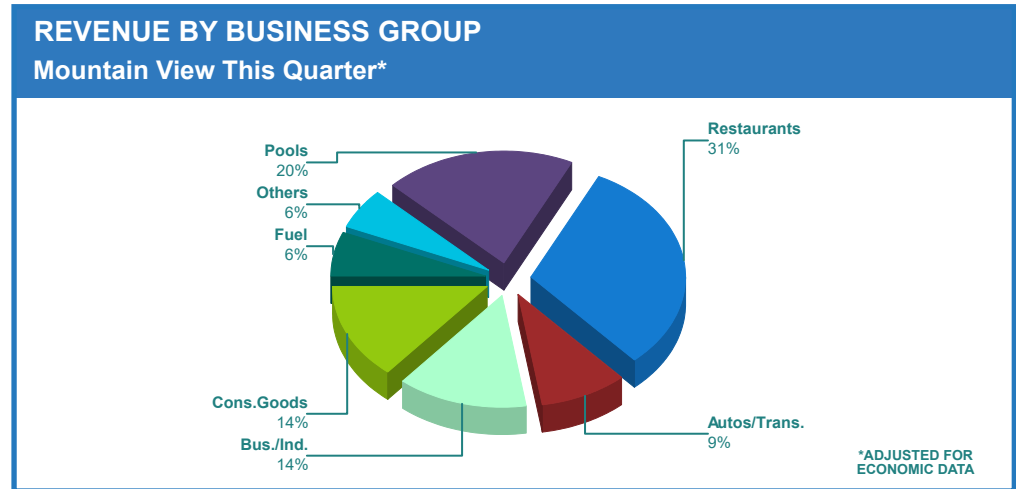
Offsetting positive results was a decline in revenue from fuel/service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower 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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q3 '25*	Change	County Change	HdL State Change
Casual Dining	513.9	7.1% ↑	5.2% ↑	0.7% ↑
Service Stations	369.8	-1.9% ↓	-4.1% ↓	-5.7% ↓
Business Services	222.8	362.9% ↑	26.4% ↑	12.5% ↑
Quick-Service Restaurants	187.8	1.5% ↑	0.7% ↑	-1.8% ↓
Transportation-Non-Auto	177.4	35.8% ↑	15.9% ↑	3.6% ↑
Leisure/Entertainment	153.4	2.1% ↑	8.3% ↑	-0.3% ↓
Electrical Equipment	111.5	19.7% ↑	10.7% ↑	-1.6% ↓
Grocery Stores	110.3	-2.9% ↓	-3.0% ↓	-3.1% ↓
Fast-Casual Restaurants	95.2	6.5% ↑	5.8% ↑	-2.8% ↓
Computer/Office Equipment	94.9	242.5% ↑	-9.3% ↓	-9.9% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars