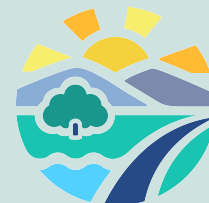


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



MOUNTAIN VIEW

TOTAL: \$ 5,779,271

4.8%
1Q2023



0.1%
COUNTY

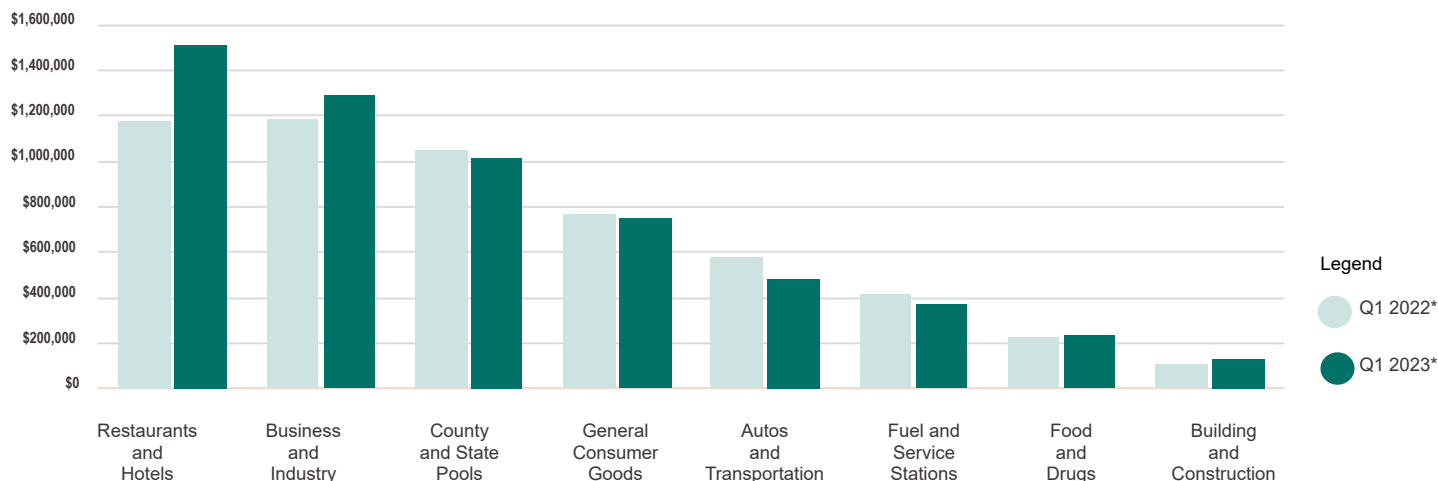


-1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's receipts from January through March were 4.5% below the first sales period in 2022. Cash comparisons are skewed downward primarily due to missing payments. Excluding reporting aberrations, actual sales were up 4.8%.

Restaurants-hotels benefitted from more patronage, higher menu prices passed along to customers, and a hearty increase in the number of employees again working from corporate offices. A surge of 28% by this group revealed a 21% boost via casual dining establishments, which was aided by additions of new places over the past year. Better filings from quick service and fast causal eateries also occurred.

Like most quarters, business-industry can fluctuate given the sporadic nature of sales activity. This quarter's 9% net growth saw larger revenues generated in the office equipment sector plus more investment in robotics to assist in alternative

transportation vehicles. These positives overcame slower demand for tech support services.

Onetime payments and the launch of a new company explains the additional \$31,000 from building-construction. Food-drugs growth was primarily grocery stores.

Expected declines in pump prices produced a 12% tax decrease by service stations. In line with state and county trends, general consumer goods fell 2%; shoppers uncertain about the economy's future spent less on electronics/appliances.

Probable taxpayer overpayments in the comparable quarter coupled with escalated financing costs that triggered lower prices on vehicles explains the 16% reduction from autos-transportation.

Net of aberrations, taxable sales for the Bay Area rose 1.2%.



TOP 25 PRODUCERS

- | | |
|----------------------------------|---------------------------|
| Allison BMW | Siemens Medical Solutions |
| Best Buy | Synopsys |
| Bon Appetit | Target |
| Bruce Bauer Lumber & Supplies | Total Wine & More |
| Chevron | Valley Oil |
| Compass Group USA | Walmart |
| Costco | Waymo |
| Financial Services Vehicle Trust | |
| In N Out Burger | |
| Kiwi Co | |
| Marshalls | |
| Mountain View Shell | |
| Nuro Inc | |
| Omnicell | |
| Project Fi by Google | |
| Pure Storage | |
| Rohde & Schwarz | |
| Safeway | |



STATEWIDE RESULTS

Local tax receipts from January through March sales were 2.1% higher than the first quarter of 2016 after factoring for accounting anomalies.

Rising fuel prices, auto sales, county use tax pool allocations and dining out added most to the overall gain. Some categories of general consumer goods and B2B sales were flat or down.

This quarter reflects the start of an anticipated leveling off of future tax revenues. After seven years of recovery, analysts are reporting an end to the previous pent up demand for autos. Demand for new cars will ease due to more buyers tied to long-term loans and a glut of used cars coming off lease.

Price competition and store closures have reduced tax receipts from consumer goods. Business investment remains strong but much of the growth is for non-taxable items such as cloud computing and large data solutions. Declines in foreign tourist visits and lower costs of eating at home are expected to slow the growth in restaurant sales.

As of July 1, the operating divisions responsible for allocation of tax revenues other than property, insurance and alcoholic beverages are shifted from the State Board of Equalization (BOE) to the Governor's new Department of Tax and Fee Administration.

The BOE is also empowered to hear appeals and disputes over tax assessments including sales/use, personal income and corporate taxes and is the only elected Tax Board in the United States that hears tax disputes. Effective January 1, 2018, that function will be turned over to a new Office of Tax Appeals (OTA) com-posed of panels of Administrative Law Judges appointed by the Governor with locations in Sacramento, Fresno and Los Angeles.

For functions other than the appeal process, this is primarily a reshuffling of existing personnel so the change will have little impact on local agencies. However, the issue of local government's ability to provide input regarding future policy and regulation changes that impact revenues remains under discussion. HdL will share more about the BOE transition as details become available in the weeks ahead.

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SALES TAX RATE BREAKDOWN		9.125%
State General Fund	3.9375%	
City/County General Fund (Bradley-Burns)	1.0000%	
County Public Safety (Prop 172)	0.5000%	
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%	
Countywide Transportation Fund	0.2500%	
Santa Clara Co. Transportation Authority (VTA) (SCVT)	0.5000%	
Santa Clara County Transit (SCCT)	0.5000%	
Santa Clara County VTA BART Operating & Maintenance Transactions and Use Tax (SVTB)	0.1250%	
Santa Clara Co. Measure A (SCCR)	0.1250%	
Santa Clara County SV Transportation Solution Tax (SVTS)	0.5000%	
Santa Clara County Measure RR (JPBT)	0.1250%	
Tax Rate Effective July 01, 2021	9.1250%	

TOP NON-CONFIDENTIAL BUSINESS TYPES						
Mountain View Business Type	Q1 '23*	Change	County Change	HdL State Change		
Electrical Equipment	619.2	7.6% ↑	18.1% ↑	8.8% ↑		
Casual Dining	447.5	19.9% ↑	15.3% ↑	9.7% ↑		
Service Stations	368.1	-11.6% ↓	-7.2% ↓	-9.8% ↓		
Medical/Biotech	249.8	-0.9% ↓	-7.0% ↓	-6.8% ↓		
Quick-Service Restaurants	165.3	10.3% ↑	7.4% ↑	5.1% ↑		
Transportation-Non-Auto	135.9	55.2% ↑	35.9% ↑	32.1% ↑		
Grocery Stores	109.8	3.4% ↑	7.0% ↑	5.4% ↑		
Electronics/Appliance Stores	89.9	-12.5% ↓	-2.6% ↓	-2.4% ↓		
Office Equipment	79.5	46.5% ↑	9.8% ↑	-4.7% ↓		
Building Materials	72.4	-5.2% ↓	-7.5% ↓	-9.8% ↓		

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