

# CITY OF HOLLISTER

## SALES TAX UPDATE

### 1Q 2025 (JANUARY - MARCH)



#### HOLLISTER

TOTAL: \$ 1,636,768

3.6%  
1Q2025



7.8%  
COUNTY

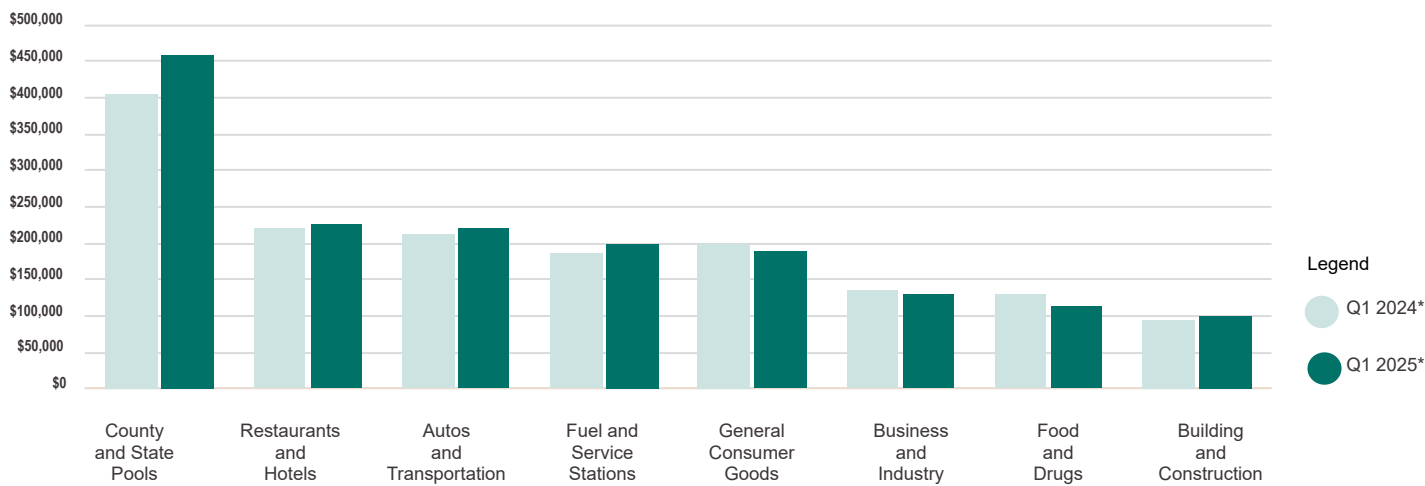


0.3%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure W

TOTAL: \$2,066,085

4.7%



#### CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from January through March were 3.4% above the first sales period in 2024. Excluding reporting aberrations, actual sales were up 3.6%.

Confidentiality rules limit the details that can be shared; nonconfidential information is shared below.

The city's largest group, fuel-service stations, posted gains of almost 7% due to a temporary dip in the comparable quarter; without the one-time dip, the group would have been down similar to the statewide decline as prices at the pumps were down this quarter.

While quick-service posted slight gains, the gains in casual dining were due to a new outlet opening.

General consumer goods was down with consumer choosing other shopping options.

Receipts to the pool were up due to a one-time allocation.

Voter approved Measure W was boosted by locals having more online merchandise delivered into the city as well as one-time construction activity.

Net of aberrations, taxable sales for all of San Benito County grew 7.8% over the comparable time period; the Central Coast region was up 3.2%.



#### TOP 25 PRODUCERS

- Ace Hardware & Lumber
- AutoZone
- Brigantino Irrigation
- Chevron
- Crop Production Services
- Gateway Arco AM PM
- Greenwood Chevrolet
- Greenwood Ford
- Lucky
- McDonald's
- McKinnon Lumber
- Nob Hill Foods
- Quik Stop
- Ranch Gas & Food
- Ross
- Safeway
- Safeway Fuel
- Shell Gas & Mini Mart
- Shop N Save
- Star Concrete
- Taco Bell
- Target
- Teknova
- TJ Maxx
- Ultra Beauty



## 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-

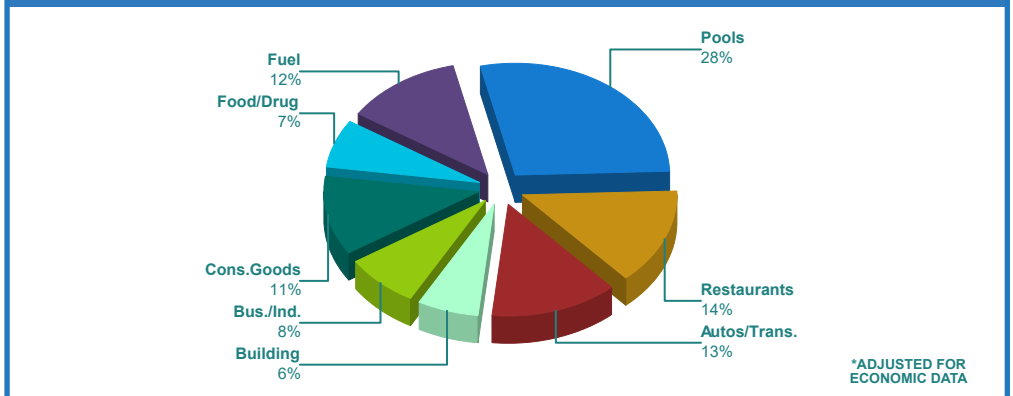
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar 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 Hollister This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q1 '25*	Change	County Change	HdL State Change
Service Stations	198.9	6.8% ↑	6.0% ↑	-5.8% ↓
Quick-Service Restaurants	107.9	0.6% ↑	2.4% ↑	-0.9% ↓
Casual Dining	92.0	7.4% ↑	1.8% ↑	1.3% ↑
Grocery Stores	75.6	0.3% ↑	0.1% ↑	-0.8% ↓
Garden/Agricultural Supplies	61.8	8.3% ↑	3.2% ↑	0.3% ↑
Building Materials	57.5	10.4% ↑	10.4% ↑	3.8% ↑
Automotive Supply Stores	51.0	2.6% ↑	1.9% ↑	-0.4% ↓
Family Apparel	43.7	-3.7% ↓	-3.8% ↓	-3.2% ↓
Contractors	37.7	1.7% ↑	29.0% ↑	1.2% ↑
Drugs/Chemicals	27.4	-18.8% ↓	-18.5% ↓	-3.2% ↓

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