

# CITY OF HOLLISTER

## SALES TAX UPDATE

### 2Q 2025 (APRIL - JUNE)



#### HOLLISTER

TOTAL: \$ 1,915,899

9.5%  
2Q2025



3.4%  
COUNTY

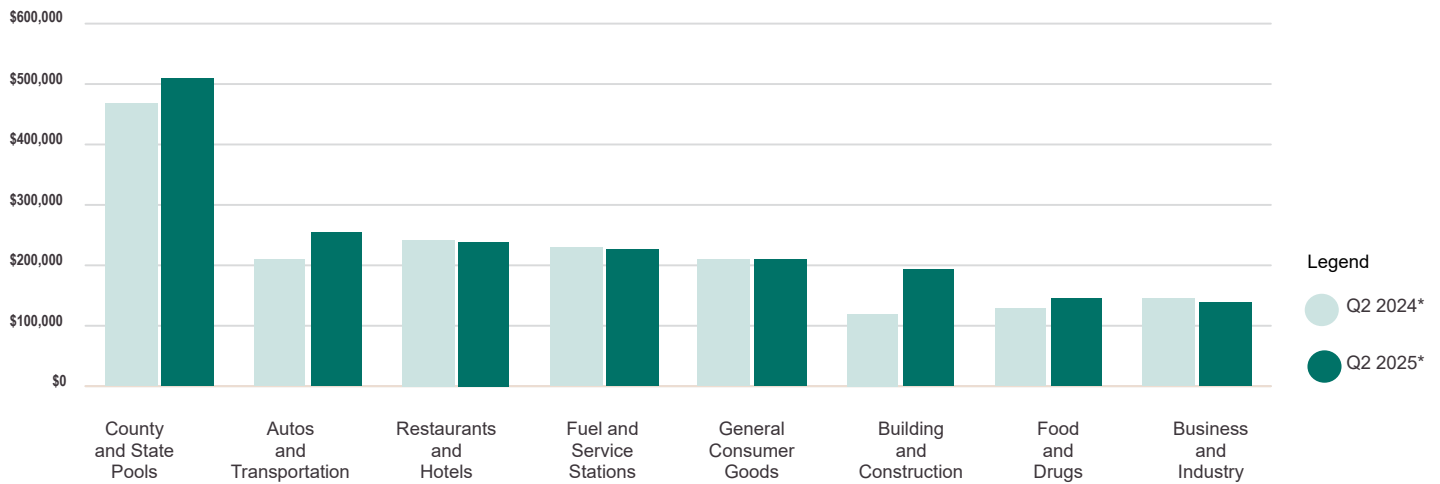


0.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure W

TOTAL: \$2,310,008

3.4%



#### CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from April through June were 11.4% above the second sales period in 2024. Excluding reporting aberrations, actual sales were up 9.5%.

State-county pools, the City's largest income classification, showed strong results with a 9.0% return. In addition, the autos-transportation category enjoyed outstanding revenues from used car dealers as consumers expedited purchases in anticipation of the cost of vehicles increasing.

Building-construction proceeds were outstanding, as building materials saw demand for their services from commercial investors trying to acquire materials before the impacts of tariffs

drive up the cost. The food-drug category enjoyed solid earnings at grocery stores as they enticed shoppers by providing more high quality on-the-go food products.

The restaurant-hotel sector experienced meager gross receipts at casual dining as price conscience patrons dial back the frequency of eating out.

The City's voter-approved Measure W had positive results of 3.4%, primarily from the business industry sector.

Net of aberrations, taxable sales for all of San Benito County grew 3.4% over the comparable time period; the Central Coast region was up 2.5%.



#### TOP 25 PRODUCERS

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



## STATEWIDE RESULTS

California's one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper's willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

Balancing the positive results, revenue

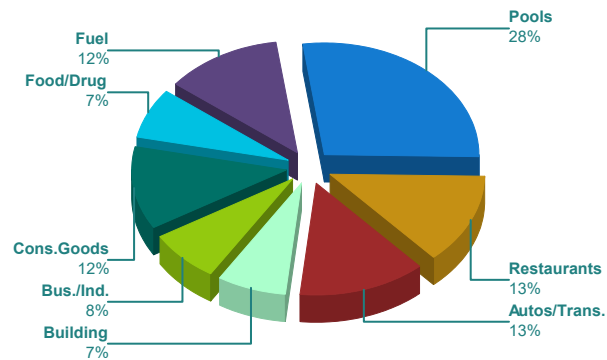
from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores under performing compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical store investments by regional and national

companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

### REVENUE BY BUSINESS GROUP Hollister This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q2 '25*	Change	County Change	HdL State Change
Service Stations	225.8	-0.6% ↓	-0.8% ↓	-9.4% ↓
Building Materials	136.7	110.4% ↑	122.2% ↑	-0.9% ↓
Quick-Service Restaurants	120.2	0.9% ↑	1.9% ↑	-0.7% ↓
Grocery Stores	88.8	3.0% ↑	2.0% ↑	-0.1% ↓
Casual Dining	85.5	-8.2% ↓	-10.5% ↓	1.4% ↑
Garden/Agricultural Supplies	72.9	-7.0% ↓	3.6% ↑	-8.3% ↓
Family Apparel	51.5	4.0% ↑	3.7% ↑	1.4% ↑
Contractors	48.7	-2.0% ↓	-17.2% ↓	-0.7% ↓
Automotive Supply Stores	48.4	-4.7% ↓	-3.6% ↓	-3.5% ↓
Fast-Casual Restaurants	28.8	2.1% ↑	3.2% ↑	-1.6% ↓

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars