

CITY OF HOLLISTER

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



HOLLISTER

TOTAL: \$ 1,838,260

6.3%
3Q2025



5.0%
COUNTY

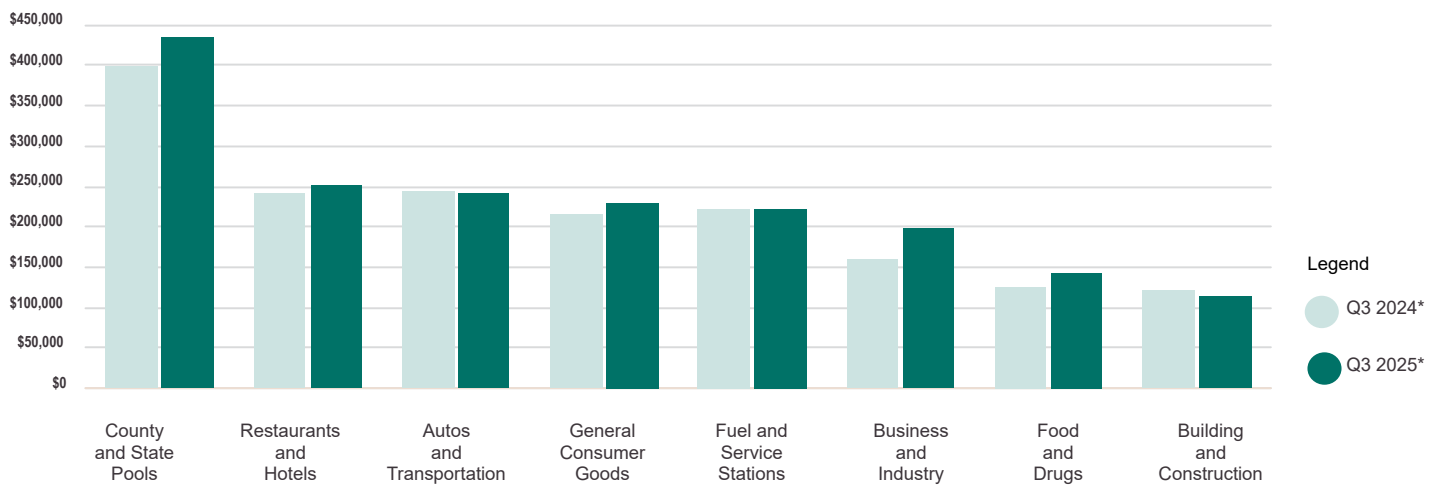


1.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$2,269,795

↓ -0.1%



CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from July through September were 10.3% above the third sales period in 2024. Excluding reporting miscues, which include late payments collected, receipts for the period were up 6.3%.

The business and industry group is the city's most diverse set of businesses and their sales tax totals vary widely over time. This period, a number of one-time sales were made along with new investments in equipment needed by local industry for their own use. However, \$20,000 of the gain came from an error which will be corrected in the near future. At the same time, the general consumer goods

group managed to equal last year's sales and added a one-time transaction that equaled the reported gain this period.

Measure W's results were not as impressive as those for the Bradley Burns tax, as the comparison with last year is skewed by the greater number of one-time sales posted last year.

Net of aberrations, taxable sales for all of San Benito County grew 5.0% over the comparable period while those of the Central Coast region were up 4.4%.



TOP 25 PRODUCERS

- | | |
|-----------------------------------|----------------|
| Ace Hardware & Lumber | Motorola |
| AZ Electronics Materials | Nob Hill Foods |
| Brigantino Irrigation | Quik Stop |
| Chevron | Ross |
| Crop Production Services | Safeway |
| Fujifilm Electronic Materials USA | Safeway Fuel |
| Gateway Arco AM PM | Star Concrete |
| Genesis Marketplace | Taco Bell |
| Greenwood Chevrolet | Target |
| Greenwood Ford | Teknova |
| Hollister Chevron | TJ Maxx |
| Lucky | |
| McDonald's | |
| McKinnon Lumber | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for July through September were 1.9% 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.

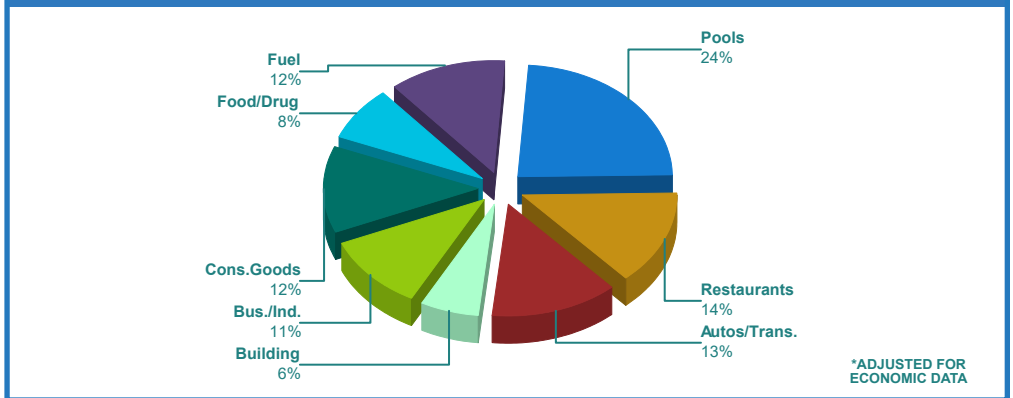
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through ecommerce platforms and 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 Hollister This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q3 '25*	Change	County Change	HdL State Change
Service Stations	223.1	0.5% ↑	-0.1% ↓	-5.0% ↓
Quick-Service Restaurants	125.6	4.2% ↑	4.4% ↑	-1.1% ↓
Casual Dining	92.5	1.7% ↑	-4.0% ↓	2.0% ↑
Grocery Stores	85.8	1.1% ↑	3.1% ↑	-2.0% ↓
Garden/Agricultural Supplies	68.5	6.9% ↑	9.0% ↑	-0.8% ↓
Building Materials	66.4	0.8% ↑	0.8% ↑	-2.4% ↓
Family Apparel	56.5	8.7% ↑	8.5% ↑	3.7% ↑
Automotive Supply Stores	50.0	-0.5% ↓	0.4% ↑	-3.8% ↓
Drugs/Chemicals	47.5	56.6% ↑	55.9% ↑	1.2% ↑
Contractors	42.2	-15.7% ↓	-8.1% ↓	-0.2% ↓

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