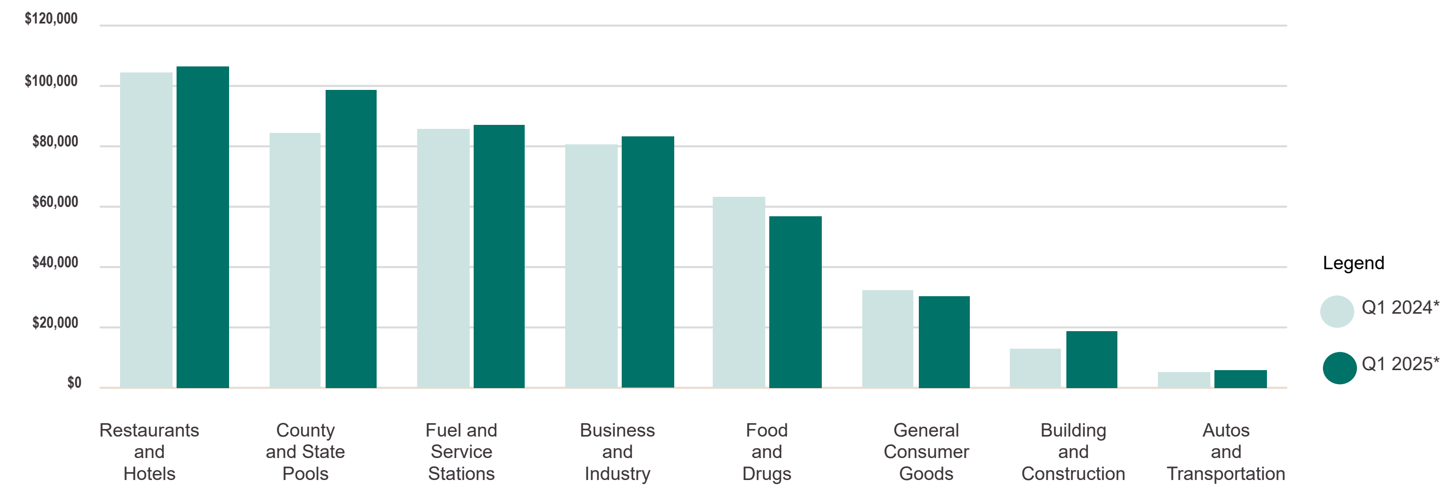
CITY OF CARPINTERIA
SALES TAX UPDATE
1Q 2025 (JANUARY - MARCH)

CARPINTERIA	3.8%	1.6%	0.3%
TOTAL: $ 486,329	1Q2025 ↑	COUNTY ↑	STATE ↑

Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure X
TOTAL: $868,565
↑ 4.0%

CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's Bradley-Burns cash receipts from January through March were 7.1 percent higher than the same period last year. This increase was supported by the recovery of a large payment that had been delayed from the prior quarter. Excluding this and other reporting anomalies, actual sales rose 3.8 percent.

The primary driver of this improvement was a surge in allocations from the countywide use tax pool, fueled by increased regional investment in industrial equipment and continued growth in internet sales. Compounding this impact, Carpinteria received a larger share of the funding because distributions are based on proportional cash receipts. The City's relatively strong performance, partly due to the recovered payment, led to a higher allocation than most neighboring jurisdictions.

The City's voter approved district tax, Measure X2018, showed similar overall results as the Bradley-Burns tax revenue summarized above.

After adjusting for anomalies, taxable sales across Santa Barbara County rose 1.6 percent compared to the same period last year. The Central Coast region posted a 3.3 percent increase.

TOP 25 PRODUCERS

- 7 Eleven
- Agilent Technologies
- Albertsons
- American Supreme Gas
- Arco AM PM
- Brass Bird Coffee
- Carpinteria Valley Lumber
- Chevron
- CVS Pharmacy
- Dang Burger
- Delgados Mexican Restaurant
- Inhealth Technologies
- iPower Resale
- Jacks Bistro
- Little Dom's Seafood
- McDonald's
- Rincon Brewery
- Risdons Union 76
- Rockwell Printing
- Rustys Pizza Parlor
- S&S Seeds
- Shop Coolie
- Siteone Landscape Supply
- Smart & Final
- Teddys By The Sea

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.

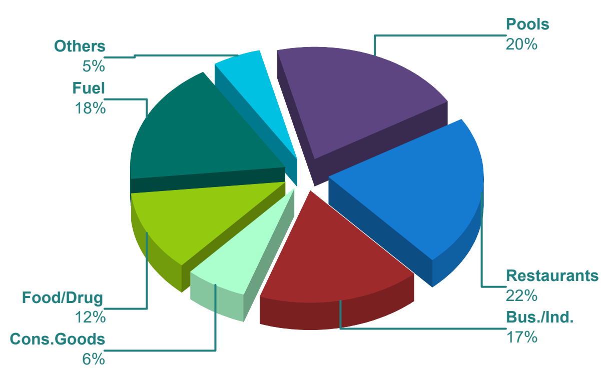
Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported 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
Carpinteria This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q1 '25	Change	County Change	HdL State Change
Service Stations	86,714	1.3% ↑	-3.5% ↓	-5.8% ↓
Casual Dining	68,962	-4.8% ↓	3.4% ↑	1.3% ↑
Garden/Agricultural Supplies	34,104	-2.7% ↓	9.6% ↑	0.3% ↑
Quick-Service Restaurants	32,072	11.9% ↑	0.1% ↑	-0.9% ↓
Convenience Stores/Liquor	12,189	-25.7% ↓	-2.4% ↓	-2.2% ↓
Electronics/Appliance Stores	7,493	-26.0% ↓	-6.8% ↓	-0.6% ↓
Specialty Stores	4,477	-17.3% ↓	10.5% ↑	-0.6% ↓
Drugs/Chemicals	4,331	-44.8% ↓	-23.6% ↓	-3.3% ↓
Family Apparel	4,130	51.9% ↑	0.9% ↑	-3.2% ↓
Art/Gift/Novelty Stores	2,504	-4.6% ↓	4.6% ↑	-3.1% ↓

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