

CITY OF CARPINTERIA

SALES TAX UPDATE

2Q 2025 (APRIL - JUNE)



CARPINTERIA

TOTAL: \$ 509,569

-4.6%
2Q2025



-1.0%
COUNTY

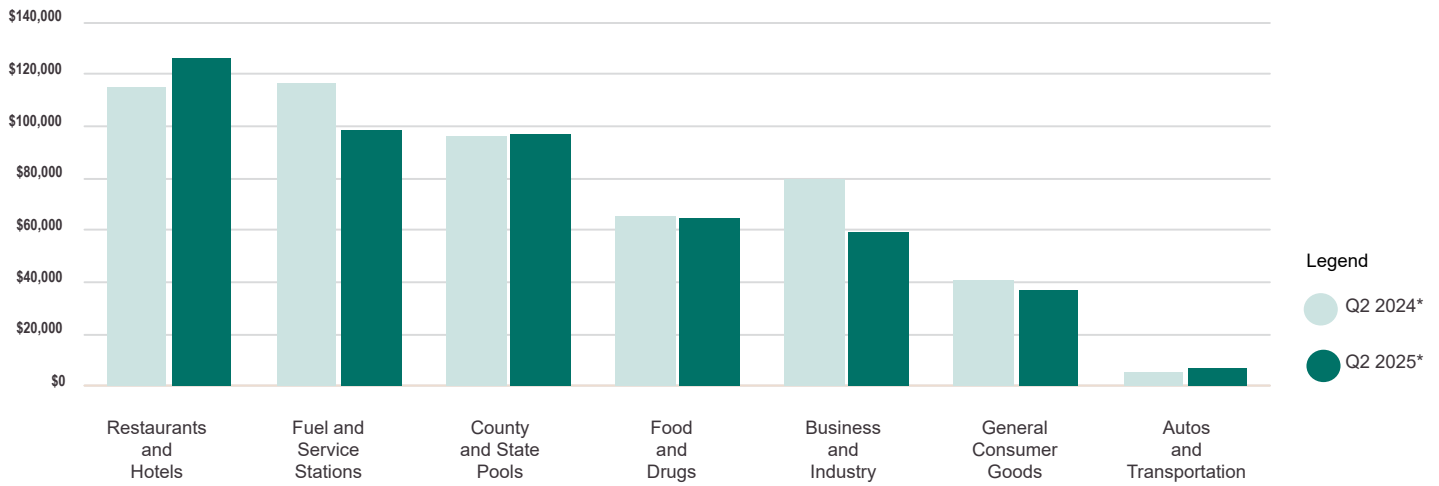


0.5%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$970,905

↓ -0.2%



CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from April through June were 3.9% below the second sales period in 2024. Excluding reporting aberrations, actual sales were down 4.6%.

Service stations fell from reduced consumption and more reasonable prices to fill-up, plus there was a large renovation project last year that led to remarkable gains. Business-industrial sales faltered with some relocations out of the city hurting the tax base. The food-drugs group slid for the fifth consecutive quarter as people are more selective with their spending.

Retail receipts slowed down, as consumers turned away from specialty and electronics store purchases. However, shoppers

continue to seek value and convenience with ecommerce, and the allocation from the use tax pool improved.

Outpacing regional and state trends, casual and quick service restaurants were busy as people enjoyed dining out even as menu prices continue to increase.

Measure X2018 posted modest declines from service stations, local purchasing fewer vehicles with high financing costs, and contractor demand is down. Helping to offset the losses were restaurant receipts and a bump up in medical-biotech.

Net of aberrations, taxable sales for all of Santa Barbara County declined 1.0% over the comparable time period; the Central Coast region was up 2.5%.



TOP 25 PRODUCERS

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



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

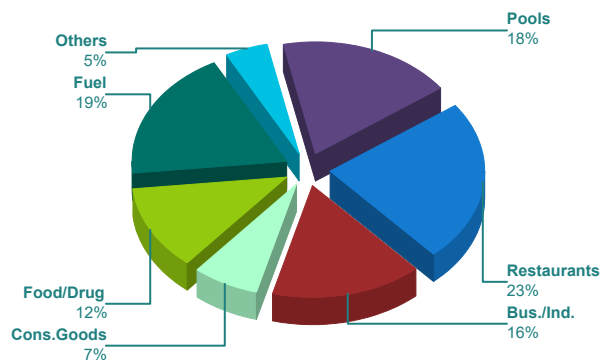
from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel 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 Carpinteria This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q2 '25	Change	County Change	HdL State Change
Service Stations	98,131	-15.8% ↓	-9.5% ↓	-9.4% ↓
Casual Dining	84,375	7.6% ↑	3.7% ↑	1.4% ↑
Quick-Service Restaurants	35,255	8.5% ↑	0.0% ↓	-0.7% ↓
Garden/Agricultural Supplies	26,069	-14.0% ↓	2.8% ↑	-8.4% ↓
Convenience Stores/Liquor	14,143	0.6% ↑	1.4% ↑	-2.6% ↓
Drugs/Chemicals	8,685	24.4% ↑	-12.5% ↓	0.7% ↑
Electronics/Appliance Stores	8,676	-8.7% ↓	-1.9% ↓	6.8% ↑
Specialty Stores	6,245	-19.7% ↓	4.5% ↑	-4.2% ↓
Light Industrial/Printers	5,351	-5.3% ↓	-0.6% ↓	-3.9% ↓
Art/Gift/Novelty Stores	2,873	-17.1% ↓	-0.8% ↓	-1.1% ↓

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