

CITY OF LIVERMORE

SALES TAX UPDATE

1Q 2025 (JANUARY - MARCH)



LIVERMORE

TOTAL: \$ 8,178,937

-12.5%
1Q2025



0.4%
COUNTY



0.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from January through March were 14.4% below the first sales period in 2024. Excluding reporting aberrations, actual sales were down 12.5%.

Many categories were down this quarter with business-industry fluctuations being the biggest cause of the negative results this quarter. General consumer goods also posted a big decline with family apparel down almost 8% and other categories down as competition recently opened in neighboring agencies.

Building materials was down due to a closure but gains in contractors helped to offset the decline.

Restaurants have slowed as rising menu prices deter cost conscious consumers; casual dining was down 1% and quick-service down almost 2%, the only

category that posted gains was fast casual.

There were a couple of bright spots. The autos-transportation group grew this quarter most likely due to consumers purchasing cars ahead of possible price increases due to likely tariffs. Service stations were down this quarter as prices at the pump were lower than the comparable quarter.

Receipts to the countywide pool were up, but due to the drop in point of sale, the city's portion decreased leading to a lower allocation this quarter.

Net of aberrations, taxable sales for all of Alameda County grew 0.4% over the comparable time period; the Bay Area was up 0.5%.



TOP 25 PRODUCERS

- All West Equipment
- Audi Livermore
- Caltrol
- Coach
- Computacenter
- Fusionstorm
- Costco
- Gillig
- Gucci Outlet
- Home Depot
- JA Momoney Services
- Land Rover Jaguar Livermore
- Livermore Ford/Lincoln/Alfa/Maserati
- Livermore Honda
- Livermore Subaru
- Livermore Toyota
- Lowe's
- Plm Trailer Leasing
- Porsche Livermore
- Safeway
- Safeway Fuel
- Target
- Tri West Tractor
- US Foodservice
- Walmart
- Waxie Sanitary Supply



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-

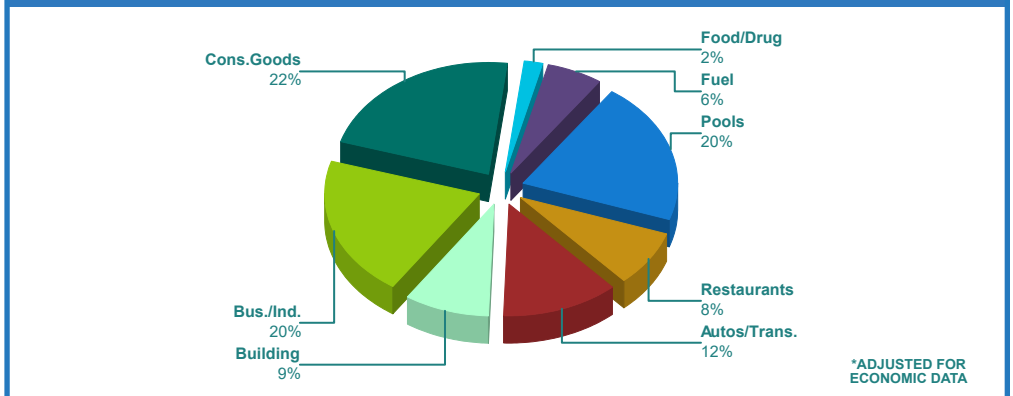
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q1 '25*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	691.5	4.3% ↑	-1.6% ↓	-0.6% ↓
Family Apparel	632.1	-7.9% ↓	-5.1% ↓	-3.2% ↓
Service Stations	466.8	-0.4% ↓	-5.8% ↓	-5.8% ↓
Casual Dining	406.1	-1.2% ↓	2.2% ↑	1.3% ↑
Heavy Industrial	341.1	11.1% ↑	-10.6% ↓	2.1% ↑
Building Materials	325.4	-5.2% ↓	1.3% ↑	3.8% ↑
Contractors	320.8	5.2% ↑	-1.3% ↓	1.1% ↑
Food Service Equip./Supplies	195.9	4.6% ↑	5.6% ↑	-1.9% ↓
Quick-Service Restaurants	182.0	-1.9% ↓	-1.6% ↓	-0.9% ↓
Shoe Stores	180.2	-2.0% ↓	-5.0% ↓	-4.6% ↓

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