

# CITY OF UPLAND

## SALES TAX UPDATE

### 3Q 2025 (JULY - SEPTEMBER)



#### UPLAND

TOTAL: \$ 5,664,348

-6.7%

3Q2025



5.4%

COUNTY



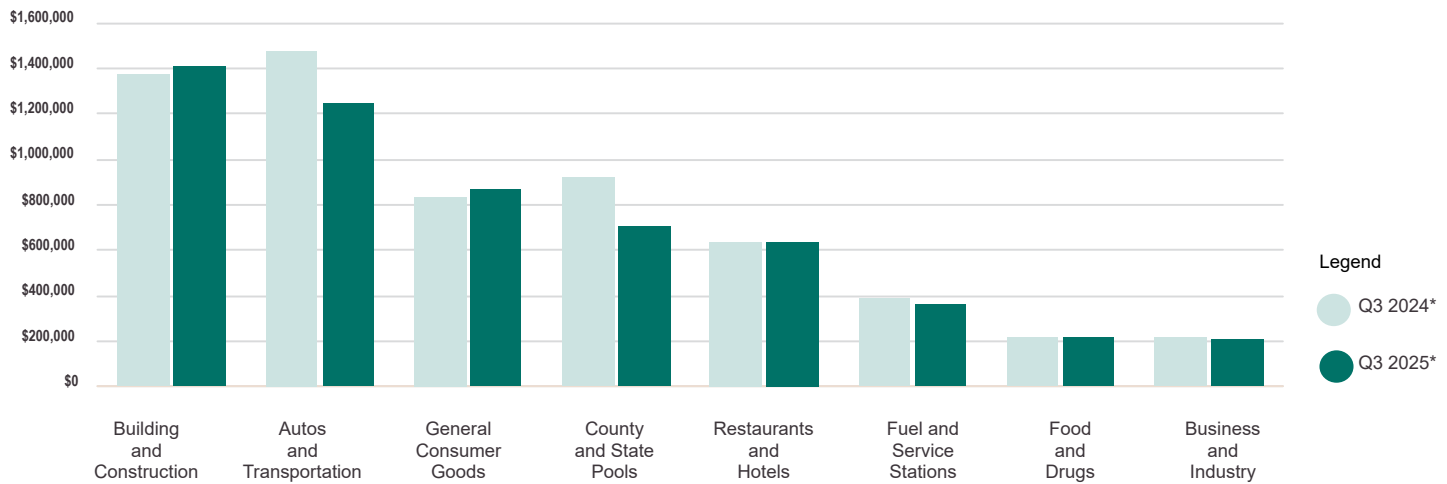
1.9%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF UPLAND HIGHLIGHTS

Upland's receipts from July through September were 23.6% below the third sales period in 2024. Suppressed cash comparisons are primarily caused by a year ago large audit recovery for underreported taxes owed to the City. Excluding reporting aberrations, actual sales were down 6.7%.

Acquisition of vehicles dropped off as buyers navigated prices that have risen and expected to heighten further with the imposition of tariffs taking hold on the cost of cars and trucks; autos-transportation returns dropped 16%; notably used car dealerships, repair shops and supply stores all posted smaller filings.

While ecommerce spending grew steadily, the combination of year ago exaggerated cash receipts and an overall 4% decline in point of sale revenues from Upland taxpayers this period drove use

tax pool allocations lower.

Crude oil prices stayed down, helped those paying for gas to save a few bucks; however, this caused a 6% reduction from service stations.

While materials sales by some merchants were flat, a 15% spike from plumbing/electrical suppliers moved building-construction 3% higher. General consumer goods reported growth as shoppers increased outlays at sporting goods, home furnishings and electronics/appliance retailers; recent openings also contributed to this group's improvement.

Venues that launched over the last four quarters expanded the restaurant-hotels sales tax base.

Net of aberrations, taxable sales for all of San Bernardino County grew 5.4% over the comparable time period; the Southern California region was up 1.8%.



### TOP 25 PRODUCERS

- 7 Eleven
- Angeles Concrete Corporation
- Arco
- Caliber Collision Centers
- Chevron
- Chick Fil A
- Crossroads Travel Center
- CVS Pharmacy
- Dick's Sporting Goods
- Ford of Upland
- Holiday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowe's
- Marshalls
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- Stater Bros
- Target
- Tesla
- TJ Maxx
- Vons Fuel
- Walmart



## 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.

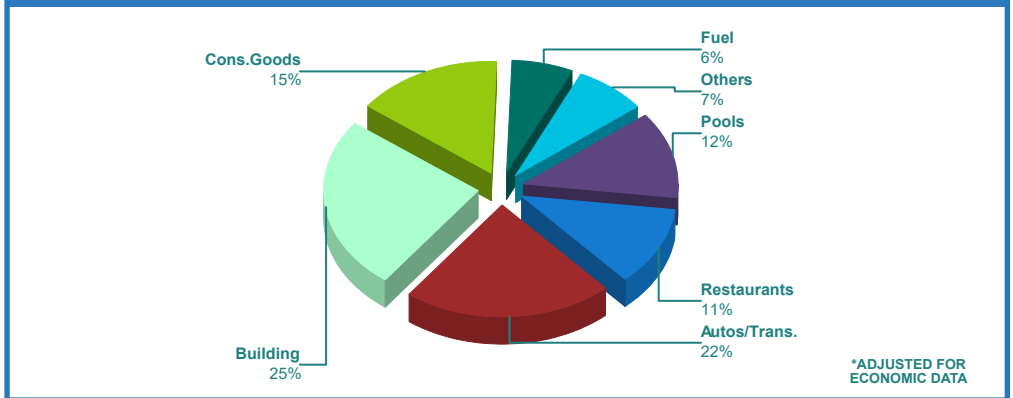
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through e-commerce platforms and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



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Upland Business Type	Q3 '25*	Change	County Change	HdL State Change
Building Materials	467.7	-0.2% ↓	-4.5% ↓	-2.4% ↓
Service Stations	363.4	-6.1% ↓	-4.2% ↓	-5.0% ↓
Quick-Service Restaurants	307.3	-4.7% ↓	-1.8% ↓	-1.1% ↓
Casual Dining	242.4	6.6% ↑	2.3% ↑	2.1% ↑
Family Apparel	149.2	4.8% ↑	3.1% ↑	3.7% ↑
Specialty Stores	127.9	0.5% ↑	5.4% ↑	-2.1% ↓
Grocery Stores	110.3	0.5% ↑	-3.3% ↓	-2.0% ↓
Sporting Goods/Bike Stores	95.8	6.3% ↑	-3.2% ↓	-1.9% ↓
Auto Repair Shops	78.4	-5.2% ↓	-2.3% ↓	-6.1% ↓
Fast-Casual Restaurants	77.7	0.3% ↑	2.3% ↑	-0.8% ↓

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