

CITY OF SAN FERNANDO

SALES TAX UPDATE

4Q 2025 (OCTOBER - DECEMBER)



SAN FERNANDO

TOTAL: \$ 1,688,622

-2.9%

4Q2025



0.4%

COUNTY



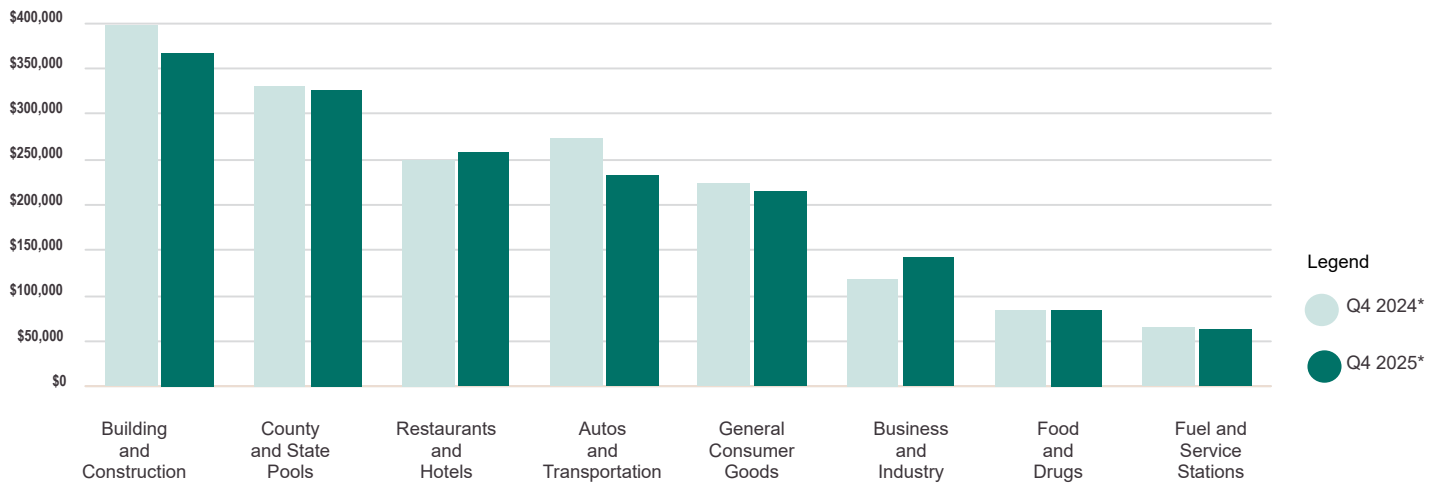
1.2%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure SF

TOTAL: \$1,280,721

↑ 3.5%



CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from October through December were 4.2% below the fourth sales period in 2024. Excluding reporting aberrations, actual sales were down 2.9%.

While consumers continue to navigate inflation, interest rates, tariff impacts, and fuel costs, spending has remained resilient, supporting steady demand and moderate gains in the year ahead, even as some sector-level volatility persists.

The City experienced its largest decline in autos-transportation, including automotive supply stores. Receipts from building-construction, electronics/appliance stores, service stations, heavy industrial/printers, grocery stores, and the state and county pools were also

down.

Sales resulting from auto lease, drugs/chemicals, business services, food service/equipment, casual, quick service and fast casual restaurants, and convenience and drug stores were higher than a year ago and partially offset the overall net quarterly loss.

Transaction and Use Tax Measure SF generated 75.9% of the Bradley Burns amount, led by the strongest percentage within the general consumer goods sector.

Net of aberrations, taxable sales for all of Los Angeles County grew 0.4% over the comparable time period; the Southern California region was up 1.0%.



TOP 25 PRODUCERS

Arco
Arroyo Building Materials
Casco
CCAP Auto Lease
CVS Pharmacy
El Pollo Loco
El Super
Enterprise Rent A Car
Goodman Distribution
Home Depot
IHOP
Jack in the Box
Maclay Shell & Circle K
McDonald's

Nachos Ornamental Supply
Pool & Electrical Products
Revchem Composites
Rydell Chrysler Dodge Jeep Ram
SFS Leasing LTD
Smart & Final
T Mobile
Taco Bell
Target
Vallarta Supermarket
WSS



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts posted moderate growth during the fourth quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of October through December, revenues increased 1.2% from the year ago quarter after adjusting for accounting anomalies. This performance capped an overall improvement for calendar year 2025 of 1.2%, marking a welcomed annual increase after two consecutive years of decline.

Consumer spending patterns during the holiday season played a central role in the fourth-quarter results. Fulfillment centers and countywide use tax pools generated strong returns, driven by sustained demand for online shopping as cost-conscious consumers prioritized convenience and price comparison. This e-commerce momentum persisted throughout the 2025 year. Traditional brick-and-mortar retailers, particularly apparel and jewelry stores, also realized modest seasonal gains, benefiting from holiday purchasing activity.

Restaurant sales taxes rose again, although operators reported continual pressure from rising costs that influenced customer behavior. Diners reduced visit frequency and alcohol purchases, reflecting heightened price sensitivity. While upcoming national and global sporting events in California could support localized growth, broader restaurant sector expansion is expected to remain constrained and concentrated primarily in tourism-heavy and event-focused regions.

Energy-related initiatives produced solid returns; however, revenue allocation mechanisms shifted, with proceeds previously reported directly to local agencies now distributed through county pools during the current period.

In contrast, the autos-transportation and building-construction sectors remained

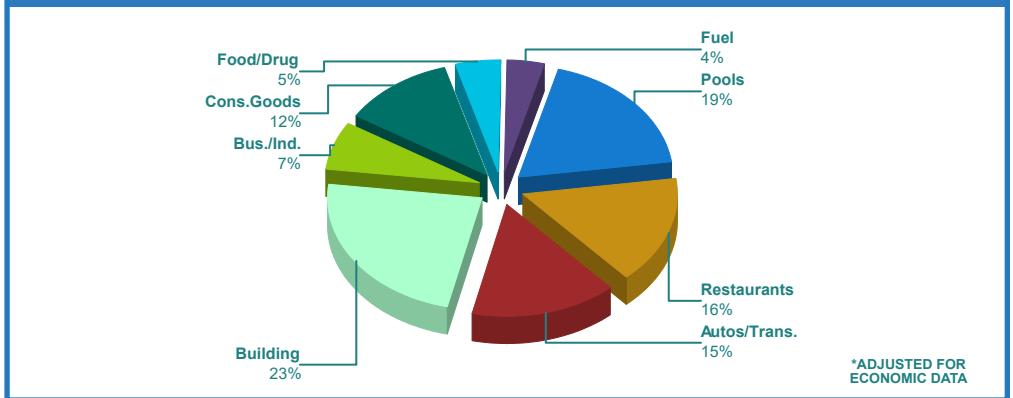
subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation in these industries. With minimal interest rate relief projected for 2026, significant near-term recovery remains unlikely.

Looking ahead, emerging global risks present growing uncertainty. While not reflected in current results, escalating tensions in the Middle East have driven West Texas Intermediate crude oil prices above \$100 per barrel, translating into sharply higher gasoline prices exceeding \$6 per gallon locally. Refinery

closures across Northern and Southern California further amplify supply pressures. Prolonged energy price volatility could force consumers to redirect spending toward fuel costs, reducing discretionary expenditures in other sectors.

Prior to these developments, short-term economic expectations were cautiously optimistic. However, renewed inflationary pressure has led the Federal Reserve to delay anticipated interest rate reductions, limiting consumer flexibility. Stubbornly high fuel prices may also dampen travel and tourism through summer 2026, leaving little room for broad-based sales tax growth in the 2026 year.

REVENUE BY BUSINESS GROUP San Fernando This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q4 '25*	Change	County Change	HdL State Change
Quick-Service Restaurants	154.2	1.7% ↑	-1.0% ↓	0.1% ↑
Casual Dining	74.8	5.8% ↑	1.5% ↑	2.4% ↑
Service Stations	63.3	-1.1% ↓	-1.3% ↓	-2.2% ↓
Contractors	53.5	5.7% ↑	2.4% ↑	-0.9% ↓
Grocery Stores	45.2	-3.2% ↓	0.6% ↑	0.7% ↑
Drugs/Chemicals	45.1	77.7% ↑	-10.6% ↓	-4.1% ↓
Auto Lease	42.2	21.5% ↑	12.8% ↑	12.4% ↑
Fast-Casual Restaurants	25.7	10.3% ↑	-1.6% ↓	0.6% ↑
Electronics/Appliance Stores	25.1	-17.7% ↓	-7.2% ↓	-3.6% ↓
Automotive Supply Stores	24.9	-16.8% ↓	-3.8% ↓	-2.3% ↓

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