

TOWN OF TRUCKEE

SALES TAX UPDATE

4Q 2025 (OCTOBER - DECEMBER)



TRUCKEE

TOTAL: \$ 1,682,480

1.2%
4Q2025



1.8%
COUNTY

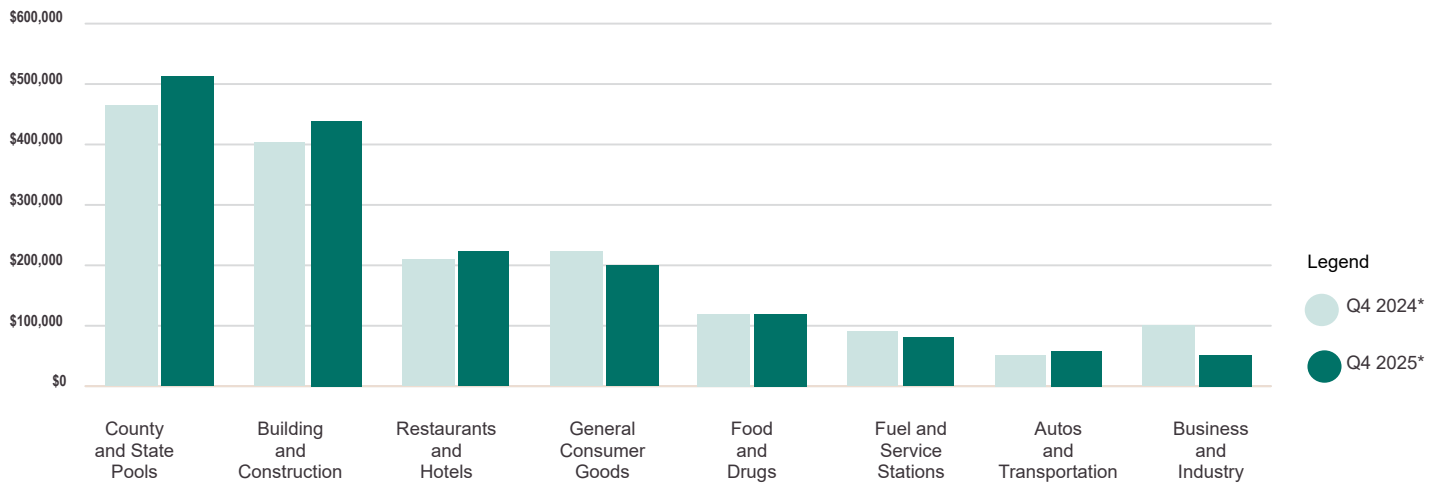


1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$944,978

↓ -1.6%

Measure U

TOTAL: \$944,257

↓ -0.8%

Measure E

TOTAL: \$914,845



TOWN OF TRUCKEE HIGHLIGHTS

Truckee's sales and use tax receipts from October through December were 0.9% below the fourth sales period in 2024. Excluding reporting issues, which include late and missing payments, receipts for the period were up 1.2% or \$19K.

Growth came from the use tax pool payout this quarter as the pool grew with burgeoning tax receipts from e-commerce to meet consumer demand for cheap goods, and commercial entities buying new equipment under more favorable federal tax laws. The accelerated deadline for the end of the 30% federal credit for solar installations also played a hand.

Collectively, the town's retailers saw a 2.3% or \$28K decline in sales activity over this time last year. The business and industry group saw the largest drop due to several large equipment sales last year which were not matched this period.

The town's district taxes did not fare as well this quarter. While taxes from e-commerce rose 8%, the volume of new cars purchased by residents was down 24%.

Net of aberrations, taxable sales for all of Nevada County grew 1.8% over the comparable period while those of the Far North region were down 0.5%.



TOP 25 PRODUCERS

Associated Building Supply
Bar Of America
Bfs Group Of California
Chevron
Consolidated Electrical Distributors
Edges Electrical Group
Ferguson Plumbing Supply
Fifty Fifty Brewing Co
Grocery Outlet
J & L Shell & Food
Martis Valley Lodge
Mountain Hardware & Truckee Rentals
Mountain Home Center

O'Reilly Auto Parts
Outdoor Living Supply
Raley's O-N-E Market
Safeway
Sierra Mountain Pipe & Supply
Sports Exchange
Start Haus
Stones Country Tire
Teichert Aggregates
TNT Materials
Truckee Paint Mart
Western Nevada Supply



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

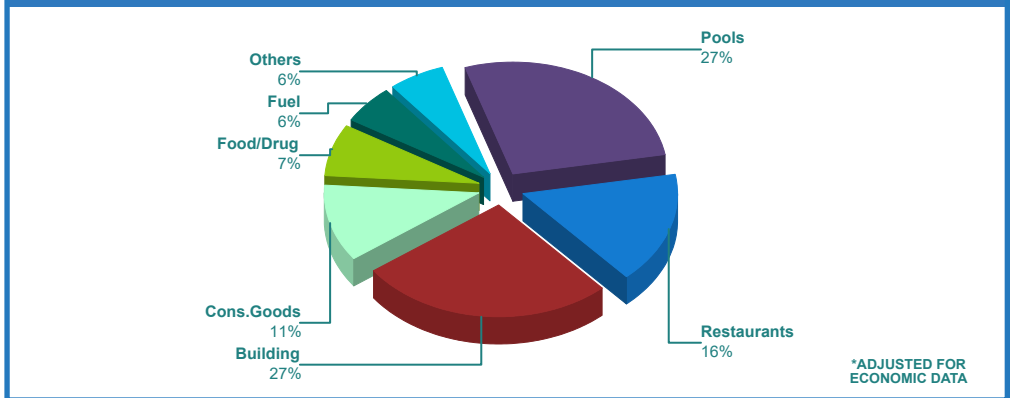
subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation 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, leaving little room for broad-based sales tax growth in the year.

REVENUE BY BUSINESS GROUP Truckee This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Truckee Business Type	Q4 '25*	Change	County Change	HdL State Change
Contractors	218.6	63.0% ↑	34.4% ↑	-0.8% ↓
Building Materials	161.7	-25.5% ↓	-15.0% ↓	-4.1% ↓
Casual Dining	122.6	-4.3% ↓	1.5% ↑	2.3% ↑
Grocery Stores	85.3	0.2% ↑	-1.8% ↓	0.7% ↑
Service Stations	71.9	-11.3% ↓	-4.4% ↓	-2.1% ↓
Sporting Goods/Bike Stores	59.9	-13.7% ↓	-9.3% ↓	-0.9% ↓
Home Furnishings	42.4	0.7% ↑	-5.0% ↓	1.7% ↑
Quick-Service Restaurants	33.0	0.0% ↑	4.9% ↑	0.2% ↑
Plumbing/Electrical Supplies	30.7	16.7% ↑	14.3% ↑	1.5% ↑
Paint/Glass/Wallpaper	28.5	14.6% ↑	24.4% ↑	-4.6% ↓

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