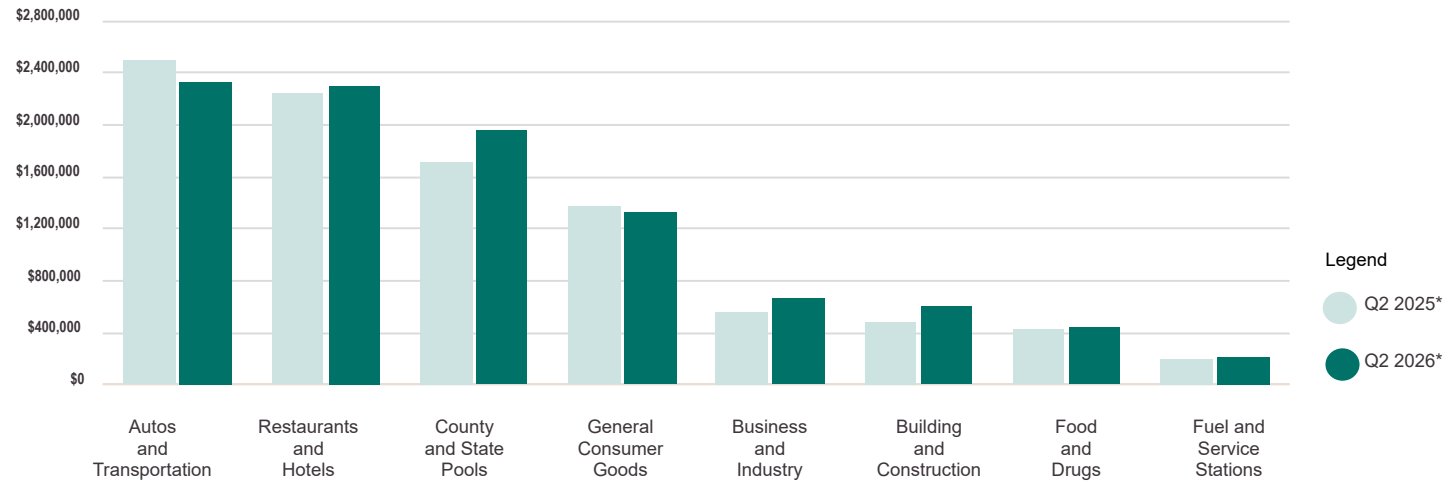
CITY OF SANTA MONICA
SALES TAX UPDATE
2Q 2026 (APRIL - JUNE)

SANTA MONICA	4.0%	5.0%	5.9%
TOTAL: $ 9,884,173	2Q2026	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



TUT GSH
TOTAL: $9,502,774
5.3%

CITY OF SANTA MONICA HIGHLIGHTS

Santa Monica's gross receipts from April through June 2026 were essentially 10.5% higher compared to the second sales period in 2025. However, after adjusting for reporting modifications from audit corrections and delayed payments, actual sales landed up 4%.

New car revenues dropped compared to last year, as consumers pulled back on larger purchases. General retail also retracted – in part due to the closure of a couple key retailers in late 2025.

On the positive, casual dining and hotels/motels enjoyed gains as people enjoyed dining out and visiting the region during the spring months.

The City's allocation from the countywide use tax pool jumped 13.8%, aided by growth in ecommerce, including a new statewide payment that was shifted from direct payment to the pools pursuant to a CDTFA audit.

Business services and medical/biotech spending helped boost the business-industry group 17.2%. A one-time allocation spiked building-construction, netting gains of 27%. The price of fuel skyrocketed with the beginning of the Iran War, and service station revenues rose 11.3%.

The City's voter-approved Transactions & Use Tax posted similar results, with the biggest gains in building-construction (primarily attributed to a large taxpayer payment).

Net of adjustments, taxable sales for all of Los Angeles County grew 5.0% and the Southern California region was up 6.4%.

TOP 25 PRODUCERS

Apple
Associated Ready Mixed Concrete
Audi Leasing Bentley Leasing
Audi Santa Monica
Bmw Of Santa Monica
Chevron Santa Monica
Empty Us Construction
Fairmont Miramar Hotel
Fame House
Ferguson Enterprises
Honda Santa Monica
Hyundai Lease Titling Trust
Hyundai Santa Monica
Kia Santa Monica
Land Rover Santa Monica
Lexus Santa Monica
Mercedes Benz Vehicle Trust
Santa Monica Gmc
Shutters on the Beach
Snyder Diamond
Subaru Santa Monica
Toyota Lease Trust
Toyota Santa Monica
Water Grill/Pier Burger
WI Simonson Mercedes

STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted vibrant growth during the second quarter, reflecting sustained consumer behavior ahead of potential economic headwinds. For the months of April through June, revenues increased 5.9% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns that began in the first quarter continued through the current period. This activity aligns with the income tax refund timeline, reportedly 11% higher than 2025, beginning of summer tourism and larger inflation factors propelling the economy forward.

Similar to last quarter, online retailers and brick and mortar merchants continued to surge over last year far exceeding expectations. E-commerce remains the platform of choice providing convenience, broad product availability, and flexible payment options – benefitting the business-industry sector and allocations via the countywide use tax pool. Multiple apparel merchants and discount department stores, especially those selling fuel, boosted general consumer goods the most.

Sustained tensions in the Middle East kept West Texas Intermediate (WTI) crude oil prices above $100 per barrel to start off the travel season, pushing local gas prices higher and revenue from service stations up 18% more than one year ago. With refinery closures in both Northern and Southern California regions compounding supply pressures, all signs indicate higher prices through the remainder of summer.

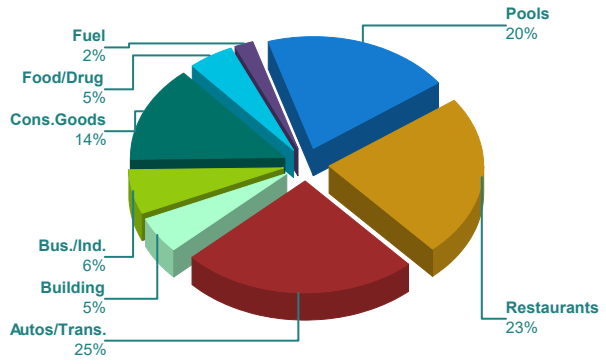
Restaurant sales taxes rose again, experiencing an additional uptick from World Cup activities and seasonal tourism. While operators reported continual pressure from rising costs that influenced customer behavior like visit frequency and alcohol purchases, gains by all types of eateries signal unwavering resolve to dining out. Even with additional sporting events on the horizon, unfavorable economic conditions could constrain growth.

Autos-transportation returns also exceeded expectations this quarter, supported by higher-income consumers, who now account for more than half of new vehicle purchases and benefitted from recent tax cuts and equity market gains. Hybrids continued to gain share as fuel prices increased, while electric vehicle sales also improved.

Recently, the Federal Reserve moved interest rates higher with a stated goal of slowing inflation and cooling economic growth. This action should temper short-term growth prospects especially from sectors requiring long-term financing like autos and building-construction. As gas prices average above $6 per gallon during peak summer months, consumers may further curb discretionary-type spending heading into the holiday shopping season.

REVENUE BY BUSINESS GROUP

Santa Monica This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q2 '26*	Santa Monica Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,539.3	-12.1%	1.6%	2.9%
Casual Dining	999.1	3.9%	4.4%	4.2%
Auto Lease	535.5	4.3%	8.3%	8.8%
Hotels/Motels	353.9	7.0%	0.2%	4.9%
Fine Dining	329.8	-2.3%	1.6%	1.6%
Plumbing/Electrical Supplies	313.8	-4.2%	-1.5%	-1.2%
Business Services	285.8	5.3%	19.5%	10.8%
Grocery Stores	274.8	5.5%	1.2%	-0.2%
Quick-Service Restaurants	240.0	-1.2%	1.5%	1.8%
Service Stations	207.6	7.6%	15.9%	14.6%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars