

# CITY OF CERRITOS

## SALES TAX UPDATE

### 4Q 2025 (OCTOBER - DECEMBER)



#### CERRITOS

TOTAL: \$ 11,391,767

-2.2%

4Q2025



0.4%

COUNTY



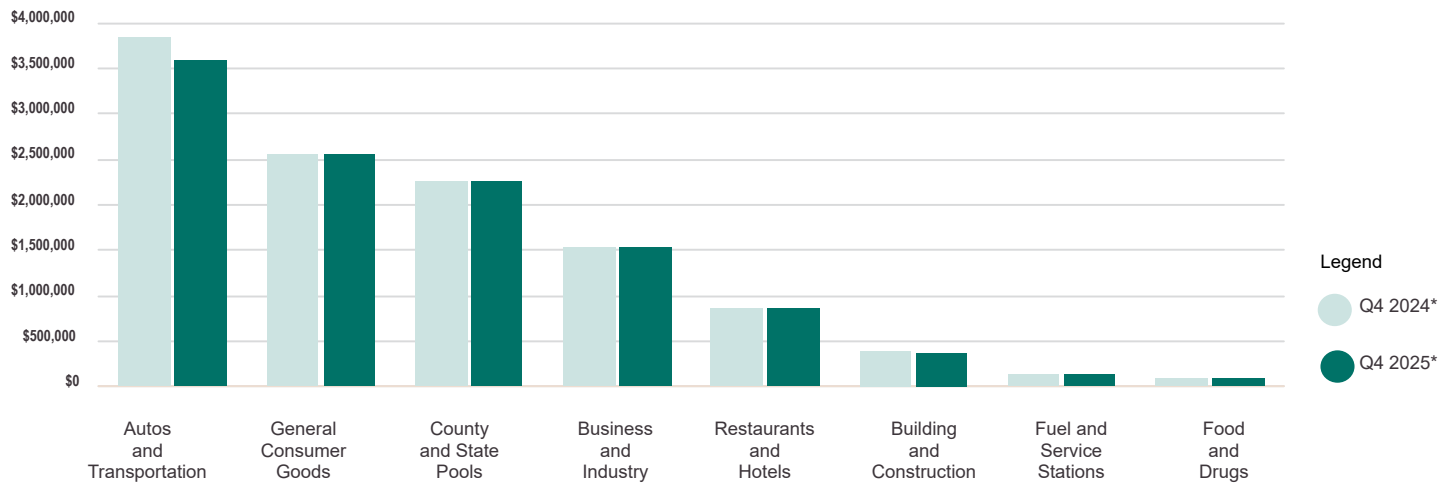
1.2%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF CERRITOS HIGHLIGHTS

Cerritos' receipts from October through December were 3.0% below the fourth sales period in 2024. Excluding reporting aberrations, actual sales were down 2.2%.

The City's share of the countywide use tax pool decreased 0.4% when compared to the same period in the prior year.

After a strong third quarter driven by buyers beating tariff increases, 4Q25 saw a sharp, unexpected slowdown in new vehicle sales.

The building-construction sector struggled as material costs, shipping costs, and interest rates hampered sales.

General consumer goods experienced a tepid holiday sales quarter, as consumers were more conservative with their shopping.

New dining options helped to boost totals from restaurant-hotels.

Higher foods costs resulted in an increase in totals from the food-drug sector.

Receipts from fuel-service stations remained flat.

The business-industry group reported modest gains when compared to the year ago period.

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



#### TOP 25 PRODUCERS

Apple  
Autonation Toyota Cerritos  
Browning Mazda  
CCC Information Services  
Cerritos Acura  
Cerritos Nissan Infiniti  
Dick's Sporting Goods  
Forward by Elyse Walker  
Golden Star Technology  
Home Depot  
Hyundai Lease Titling Trust  
Jaguar Land Rover Cerritos  
Kia Of Cerritos  
Lexus of Cerritos  
Macy's  
Nordstrom

Norm Reeves Ford & Lincoln Superstore  
Norm Reeves Honda Superstore  
Norm Reeves Hyundai Superstore Cerritos  
Penske Buick GMC  
Penske Chevrolet of Cerritos  
Revolve Clothing.Com  
Royal Plywood Company  
Target  
Walmart Supercenter



## 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

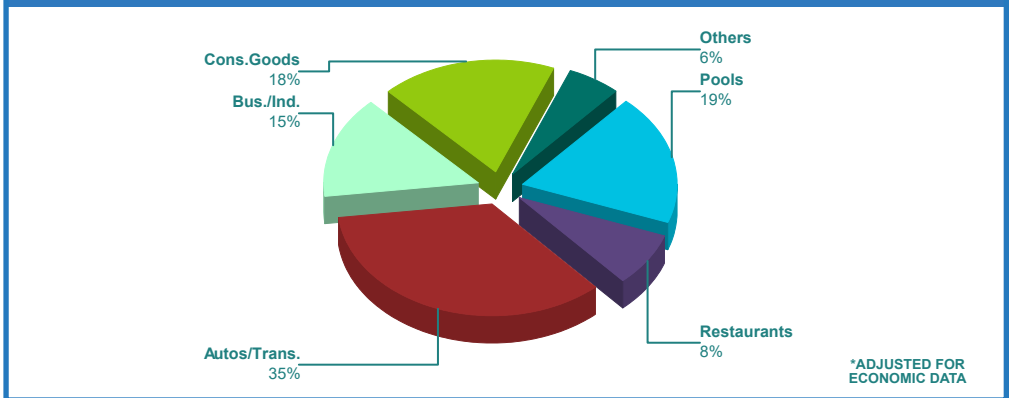
subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation 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 Cerritos This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Cerritos Business Type	Q4 '25*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	3,150.4	-8.5% ↓	-6.2% ↓	-5.3% ↓
Casual Dining	623.5	5.1% ↑	1.4% ↑	2.4% ↑
Department Stores	463.9	7.6% ↑	0.5% ↑	0.5% ↑
Electronics/Appliance Stores	433.3	-7.4% ↓	-7.2% ↓	-3.6% ↓
Family Apparel	416.5	8.8% ↑	3.9% ↑	6.4% ↑
Auto Lease	382.5	10.9% ↑	12.8% ↑	12.4% ↑
Specialty Stores	256.3	2.3% ↑	-4.8% ↓	-1.4% ↓
Light Industrial/Printers	177.1	22.8% ↑	-0.9% ↓	-6.0% ↓
Heavy Industrial	154.0	0.2% ↑	-4.1% ↓	1.5% ↑
Women's Apparel	153.1	-11.9% ↓	1.3% ↑	2.3% ↑

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