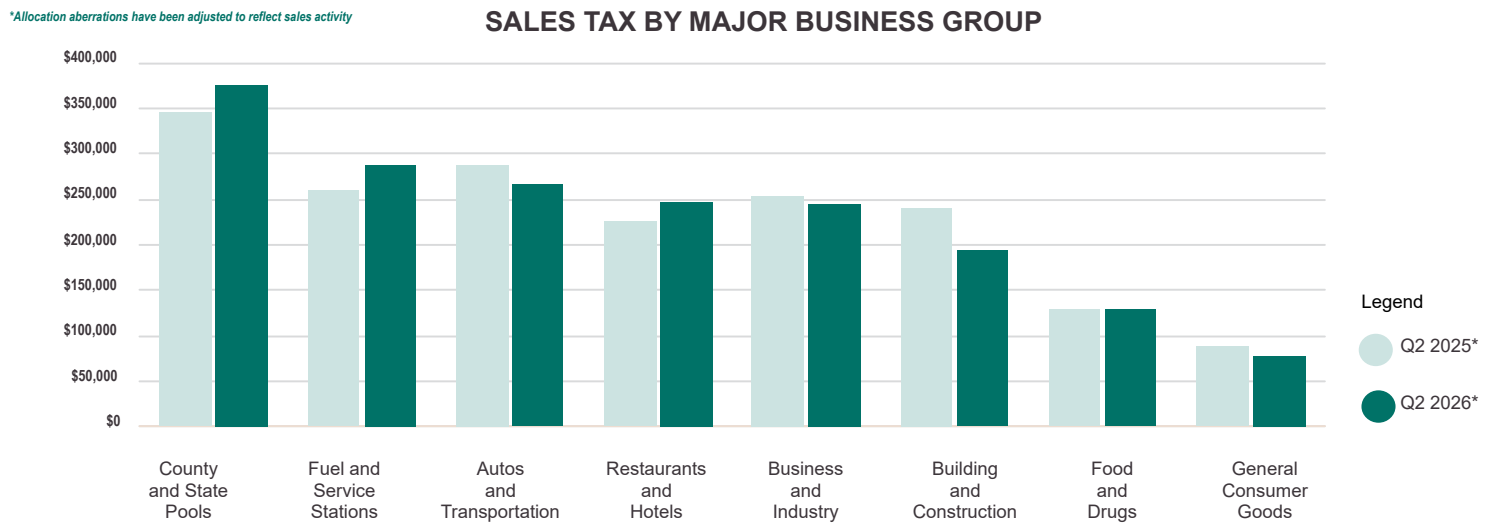
# MENDOCINO COUNTY UNINC.
## SALES TAX UPDATE
### 2Q 2026 (APRIL - JUNE)

| MENDOCINO COUNTY TOTAL: $ 1,832,734 | -0.6% COUNTY UNINC. | 1.1% COUNTY | 5.9% STATE |
|---|---|---|---|

*Allocation aberrations have been adjusted to reflect sales activity




## MENDOCINO COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's gross receipts from April – June 2026 were essentially 6.8% higher compared to the second sales period in 2025. However, after adjusting for reporting modifications from audit corrections and delayed payments, actual sales landed down 0.6%. Results were mixed across tax groups.

The County's allocation from the countywide use tax pool jumped 8.8%, aided by a couple one-time taxpayer payments to the Mendocino pool and a new statewide ecommerce payment that was shifted from direct payment to the pools.

The price of fuel skyrocketed with the beginning of the Iran War, and local fuel-service station revenues benefitted from the higher pricing.

Gains in casual and quick-service dining offset slightly lower hotel/motel revenues as people enjoyed dining out during the spring months. Food-drug returns ended even with last year – with a dip in cannabis returns countering the small growth in grocery and convenience/liquor store receipts.

Conversely, transportation-related purchases slipped 7.4% as consumers pulled back on larger purchases. Garden/agricultural supply sales rose – but declines in other business-industry sectors, including wineries, netted a quarterly dip in returns. Contractor activity slowed, and coupled with lower plumbing/electrical supply sales, building-construction dropped 19.2%. General retail also contracted with most sectors declining compared to last year.

Net of adjustments, taxable sales for all of Mendocino County grew 1.1% over the comparable time period; the Far North region was up 0.5%.

## TOP 25 PRODUCERS

Acme Rigging Co
Bray Trucking
California Shingle & Shake Co
Chevron
DenBeste Material Supply
Granite Construction
Harbor Freight Tools
Harvest At Mendosa
In N Out Burger
Mendo Mill & Lumber Company
Motosports of Ukiah
Nick Barbieri Trucking
NorCal Gasoline
Norcal Recycled Rock & Aggregate
Pace Supply
Peterson Cat
Raley's
Redwood Market
Shell
Sinclair
Speedway Express
The Wharf Restaurant
Thurston Auto Plaza Chevrolet Toyota
Thurston Chrysler Dodge Jeep Ram
Thurston Honda



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## 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.

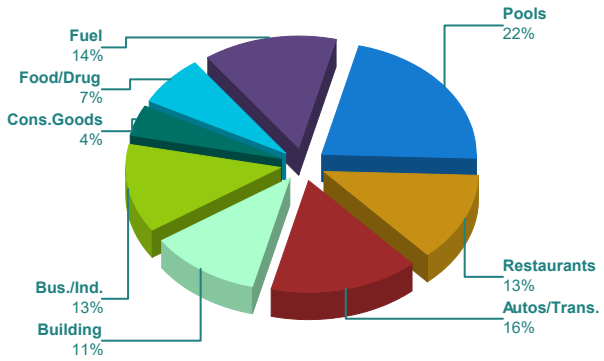
Restaurant sales taxes rose again, experiencing an additional uptick from World Cup activities and seasonal tourism. While operators reported continual pressure from rising costs that influenced customer behavior like visit frequency and alcohol purchases, gains by all types of eateries signal unwavering 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

**Mendocino Co. Uninc This Fiscal Year***




*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

| Business Type | Q2 '26* | Unincorporated County Change | County Change | HdL State Change |
|---|---|---|---|---|
| Service Stations | 206.8 | -5.7% ↓ | -8.5% ↓ | 14.6% ↑ |
| Grocery Stores | 95.0 | 0.8% ↑ | -0.6% ↓ | -0.2% ↓ |
| Casual Dining | 90.5 | 21.2% ↑ | 4.3% ↑ | 4.2% ↑ |
| Contractors | 75.2 | -34.3% ↓ | -24.9% ↓ | -0.4% ↓ |
| Garden/Agricultural Supplies | 64.0 | 6.4% ↑ | -0.3% ↓ | -8.8% ↓ |
| Building Materials | 58.1 | -3.5% ↓ | 0.3% ↑ | 0.1% ↑ |
| Quick-Service Restaurants | 56.2 | 10.1% ↑ | 1.9% ↑ | 1.8% ↑ |
| Plumbing/Electrical Supplies | 54.6 | -7.3% ↓ | -7.2% ↓ | -1.2% ↓ |
| Hotels/Motels | 46.4 | -4.5% ↓ | -3.8% ↓ | 4.9% ↑ |
| Wineries | 44.2 | -6.0% ↓ | -5.8% ↓ | -34.7% ↓ |

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*In thousands of dollars