



City of Gilroy

7351 Rosanna Street
Gilroy, California
95020-6141

Telephone (408) 846-0254
Fax (408) 846-0445

For Immediate Release

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From: Joe Kline
Public Information Officer

Contact: Christina Turner
408-846-0250

First Quarter 2010 Sales Tax Update

Accompanying is the first quarter 2010 sales tax update as reconciled with the state of California. As the information shows, Gilroy experienced growth of 4.0% in sales tax for the 1st Quarter of 2010 which is slightly better than expected. This is the first sales tax growth we have seen since 2007. Gilroy is on track from a sales tax standpoint as compared to budget.

As you will note from the accompanying Update, Gilroy remains a “capture” community experiencing significant sales tax capture beyond the per capita spending of our residents alone.

Our regional groupings show growth at the Outlet Center which may be an early indication of a return of slightly larger numbers of out-of-town customers and/or a slight uptick in purchases – in either case this is good news. The other commercial centers also note stronger growth in sales, while car dealerships show weakness (-1.9%) and the downtown retreated after a strong Christmas season showing.

Overall the 4.0% sales tax growth is a positive sign for Gilroy.

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