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Gilroy Third Quarter 2011 Sales Tax Results Show Continuing Growth

Third Quarter sales tax results for Gilroy continues to show a favorable and strong positive trend. This marks the city's seventh consecutive growth quarter for sales tax. The 9.2% sales tax growth places Gilroy fourth out of fifteen, on a percentage basis, when compared with other cities in Santa Clara County. Gilroy is fortunate to be a sales tax "capture" community. This means that sales tax revenue generated by local retailers is greater than what would be expected if the customer base was primarily Gilroy residents. This demonstrates Gilroy's attractiveness as a regional draw for shoppers. "The encouraging third quarter sales tax data, and Gilroy's strong showing as compared to other cities in Santa Clara County, illustrates the importance of Gilroy as a regional center for destination shopping," noted Tom Haglund, Gilroy city administrator.

Gilroy experienced growth of 9.2% in sales tax for the 3rd Quarter of 2011, as compared to the same quarter last year. The data shows the seventh consecutive quarter of positive sales tax earnings, continuing a trend in sales tax growth which began in the 1st quarter of 2010. Gilroy continues on track from a sales tax standpoint as compared to budget.

Approximately one-third of Gilroy's general fund revenues are derived from sales tax, much of which is as a result of destination shoppers. Sales tax supports city services such as recreation, streets, landscaping, and public safety amongst others. The largest gains for the City of Gilroy included miscellaneous vehicle sales and apparel stores. Service station sales continue to drive growth in local sales tax.

The South San Francisco Bay Area led the nation in job growth in 2011. That, coupled with increased consumer confidence and an improvement in the local housing market, including declines in defaults and foreclosures, should help power the recovery in the Bay Area, according to economists.

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