

EL DORADO COUNTY UNINC.

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



EL DORADO COUNTY

TOTAL: \$ 4,985,616

6.9%

COUNTY UNINC.



2.7%

COUNTY



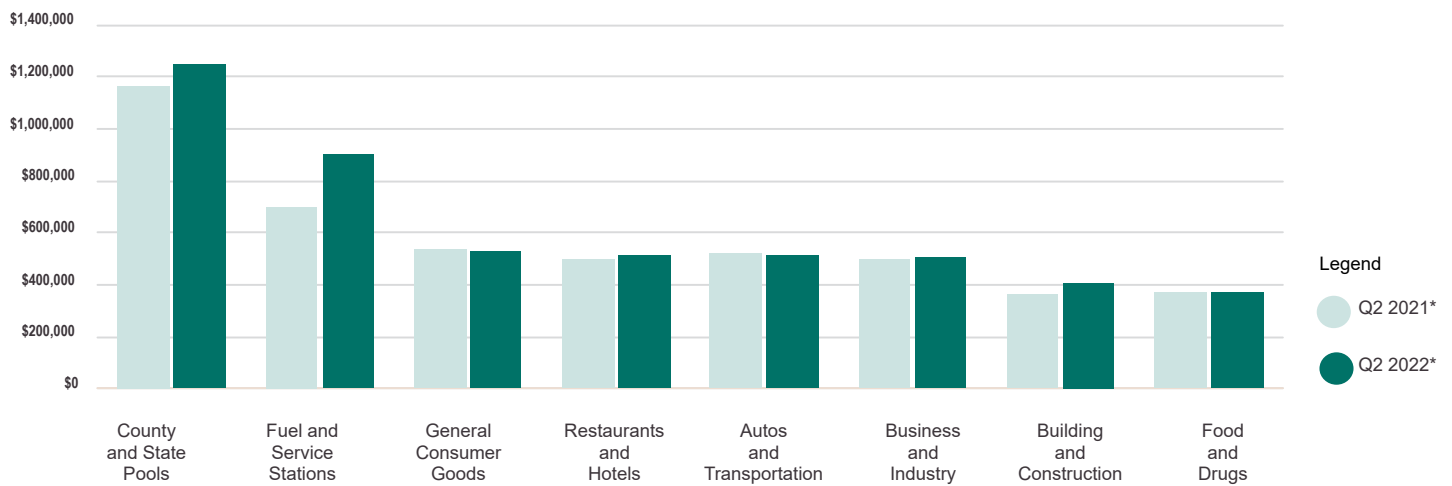
10.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



EL DORADO COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's receipts from April through June were 2.1% above the second sales period in 2021. Excluding reporting adjustments, receipts for the period were up 6.9%.

A year ago, consumers were flush with cash from state/federal stimulus payments and personal savings made available by remote working conditions. Now, those spending levels are not sustainable.

Fortunately, the County has an ample number of gas stations whose high prices boosting the sales tax base even as the county's operating costs rise at the same rate. Inflated construction material prices were the main factor in that group's jump in receipts.

Transportation spending spiked 19% this time last year following a modest drop

the year prior. Now, sales are mixed among the various outlets and overall, the group gave up a small amount of last year's gain. The same is true for sales of general consumer goods following last year's 27% jump.

The countywide use tax pool saw a 4% gain in pool size while the County's share of the pool increased nearly as much due to lower growth by the other agencies in the County. Reporting by a large taxpayer is under review and if errors are found, approximately \$26,000 of this period's allocation increase may be deducted in the future.

Net of adjustments, taxable sales for all of El Dorado County grew 2.7% over the comparable time period while those of the Sacramento region were up 7.8%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Calif Integration Coordinators
- Cameron Park Shell
- Chevron
- Crystal View Station
- CVS Pharmacy
- Dawson Oil
- El Dorado Truss
- Express Fuel
- Green Valley Arco
- Lees Feed & Western Store
- Meeks Building Center
- Mercedes Benz of El Dorado Hills
- Musco Sports Lighting
- My Goods Market
- Quik Stop
- Safeway
- Safeway Fuel
- Shingle Springs Subaru
- Target
- TJ Maxx
- True Value Hardware
- Walmart



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

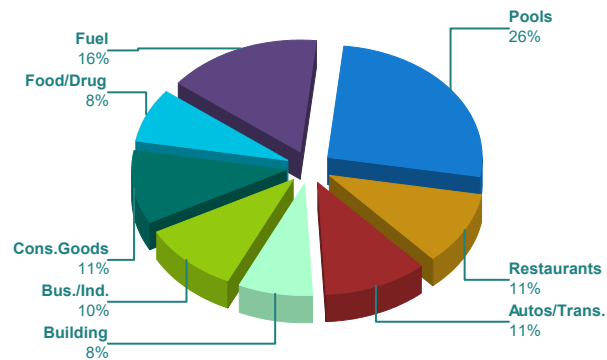
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
El Dorado Co. Uninc This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	836.4	26.9% ↑	24.4% ↑	36.4% ↑
Casual Dining	313.6	2.8% ↑	0.5% ↑	17.2% ↑
Grocery Stores	211.8	1.8% ↑	-1.4% ↓	5.3% ↑
Contractors	156.1	46.9% ↑	34.1% ↑	14.0% ↑
Building Materials	145.0	-9.6% ↓	-6.7% ↓	2.9% ↑
Business Services	133.5	-17.0% ↓	-16.6% ↓	12.7% ↑
Garden/Agricultural Supplies	97.7	-1.4% ↓	-3.4% ↓	-7.5% ↓
Quick-Service Restaurants	95.7	-4.7% ↓	-3.9% ↓	5.2% ↑
Plumbing/Electrical Supplies	92.8	11.4% ↑	8.4% ↑	17.6% ↑
Specialty Stores	83.7	-0.1% ↓	-9.9% ↓	4.2% ↑

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*In thousands of dollars