

# EL DORADO COUNTY UNINC.

## SALES TAX UPDATE

### 1Q 2023 (JANUARY - MARCH)



#### EL DORADO COUNTY

TOTAL: \$ 4,383,965

-6.0%

COUNTY UNINC.



-5.8%

COUNTY



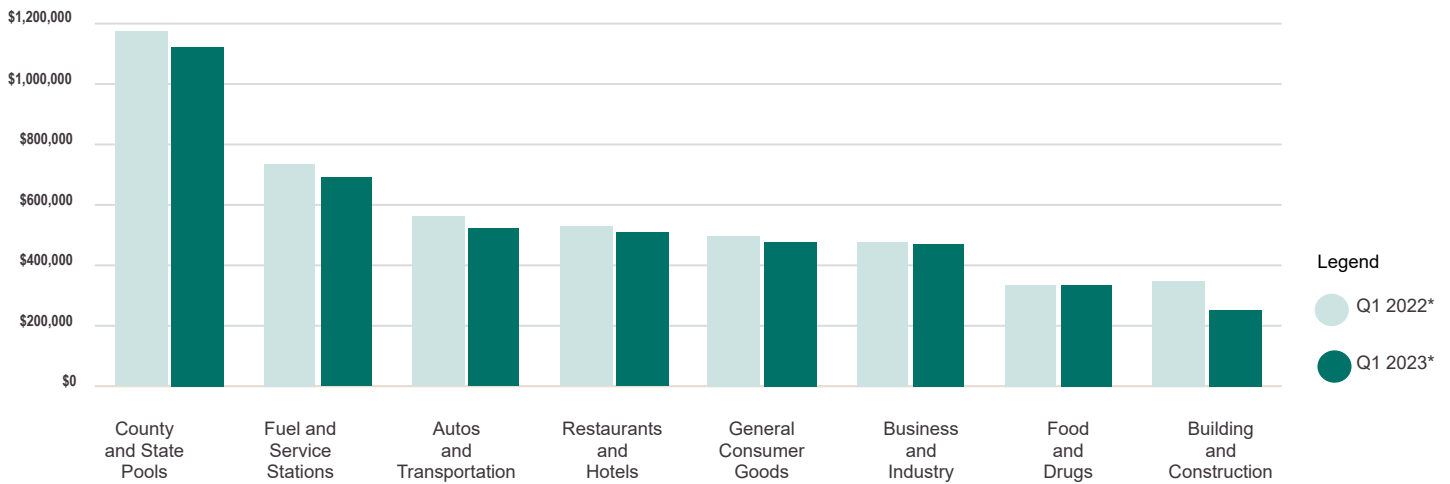
-1.1%

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 January through March were 7.1% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 6.0%.

Sales weakened in multiple sectors due to pricing pressures on essentials such as food and energy as federal policy makers continued their actions to cool consumer demand. Adverse weather conditions with record snow affecting access to the area makes for tough conditions to visit local businesses. After lumber pricing skyrocketed, a variety of factors have seesawed and pricing has tumbled for lower building sales and demand for contractors fell with the wet winter.

General consumer goods activity dropped this post-holiday time frame with a couple of business closures, and shoppers moved away from most

of these types of purchases; sporting goods sales bumped up to help offset the decline. Fewer online sales transactions transpired for a drop in countywide pool allocations. Similar to the statewide trend, fuel-service station receipts slumped. Crude oil and pump prices have been declining from the highs seen last spring, and less consumption is anticipated in the current year.

Restaurant-hotel receipts diminished with fewer visits to casual eateries, while quick service restaurants rose modestly. With recent economic reports, eating at home is now more affordable than dining out, and some patrons have expressed fatigue with take-out, delivery or other extra add-on charges.

Net of aberrations, taxable sales for all of El Dorado County declined 5.8% over the comparable time period; the Sacramento region was down 3.6%.



#### TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Calif Integration Coordinators
- Chevron
- CVS Pharmacy
- Dawson Oil
- Express Fuel
- Green Valley Arco
- Heavenly Sports Main Lodge
- Heavenly Valley Cal Base Lodge
- Holiday Quality Foods
- Lees Feed & Western Store
- McDonald's
- Mercedes Benz Of El Dorado Hills
- My Goods Market
- Quik Stop
- Safeway
- Safeway Fuel
- Shingle Springs Honda
- Shingle Springs Subaru
- Sierra at Tahoe
- Target
- TJ Maxx
- Walmart



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

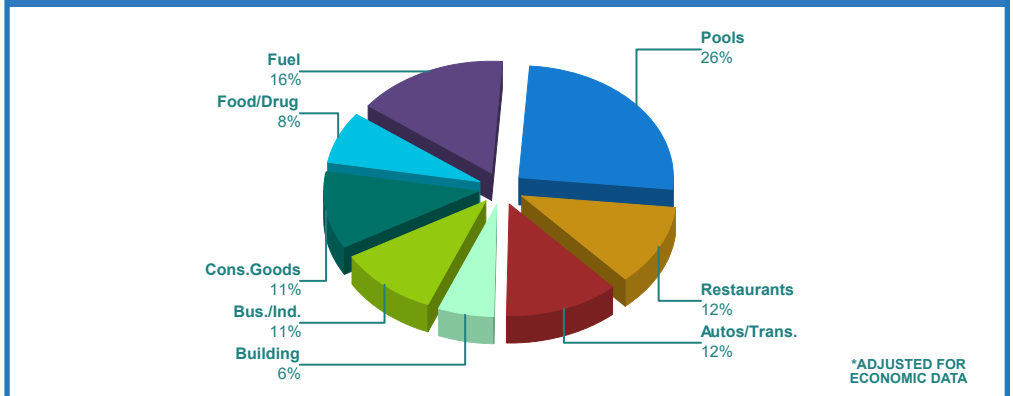
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

**REVENUE BY BUSINESS GROUP**  
El Dorado Co. Uninc This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Unincorporated County Business Type	Q1 '23*	Change	County Change	HdL State Change
Service Stations	633.9	-6.1% ↓	-5.5% ↓	-9.8% ↓
Casual Dining	295.2	-0.6% ↓	-3.5% ↓	9.6% ↑
Grocery Stores	206.1	7.5% ↑	4.4% ↑	5.4% ↑
Contractors	102.9	-23.1% ↓	-23.1% ↓	-12.6% ↓
Quick-Service Restaurants	94.7	1.0% ↑	1.2% ↑	5.1% ↑
Building Materials	94.0	-22.6% ↓	-16.0% ↓	-9.8% ↓
Garden/Agricultural Supplies	73.8	-12.3% ↓	-11.2% ↓	-18.9% ↓
Auto Repair Shops	73.0	9.9% ↑	5.3% ↑	5.7% ↑
Automotive Supply Stores	70.2	0.2% ↑	5.7% ↑	5.4% ↑
Sporting Goods/Bike Stores	66.9	41.9% ↑	3.7% ↑	-8.1% ↓

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