

EL DORADO CO. UNINC.

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



EL DORADO COUNTY

TOTAL: \$ 4,499,344

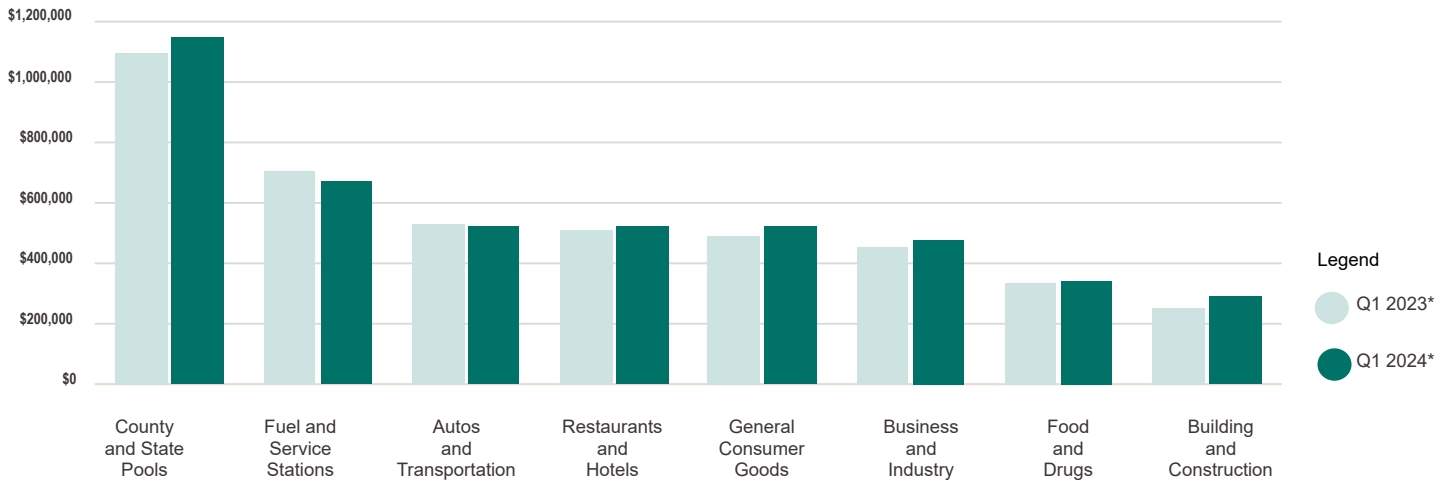
2.8%
COUNTY UNINC.

1.2%
COUNTY

-0.2%
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 2.8% above the first sales period in 2023. This is the first period in the last five with positive results.

Demand for construction material and contractors' services needed for hardscape, paving, and roofing projects boosted receipts for a second straight quarter. Mean-while, other retailers reported mixed results, but sales of general consumer goods were surprisingly strong in the absence of adequate snow to draw many tourists to the area. The lack of high tourist counts also showed up in the results of the restaurant group. Here, the reported gain was generated by higher menu prices, not additional patronage. The business and industry group benefited from several one-time sales.

As the only one of three taxing agencies within the county to realize more tax receipts from sales made within their borders, the county's share of the use tax pool increased. This allowed the county to take advantage of modest growth in the size of the pool from taxes charged on purchases made online and equipment purchased for utility upgrade projects in the area.

Lower fuel prices and slack demand from the drop in tourism cut receipts from gas stations, while less was spent on auto repairs and accessories related to winter driving.

Net of aberrations, taxable sales for all of El Dorado County grew 1.2% over the comparable period while those of the Sacramento region were flat.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Chevron
- CVS Pharmacy
- Green Valley Arco
- Heavenly Sports Main Lodge
- Heavenly Valley Cal Base Lodge
- Holiday Quality Foods
- Lees Feed & Western Store
- McDonald's
- Meek's Lumber & Hardware
- Mercedes Benz of El Dorado Hills
- Musco Sports Lighting
- My Goods Market
- Quik Stop
- Safeway
- Safeway Fuel
- Shingle Springs Honda
- Shingle Springs Subaru
- Sierra at Tahoe
- Splasherville Carwash & Lube Express Cameron
- Target
- TJ Maxx
- Walmart



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

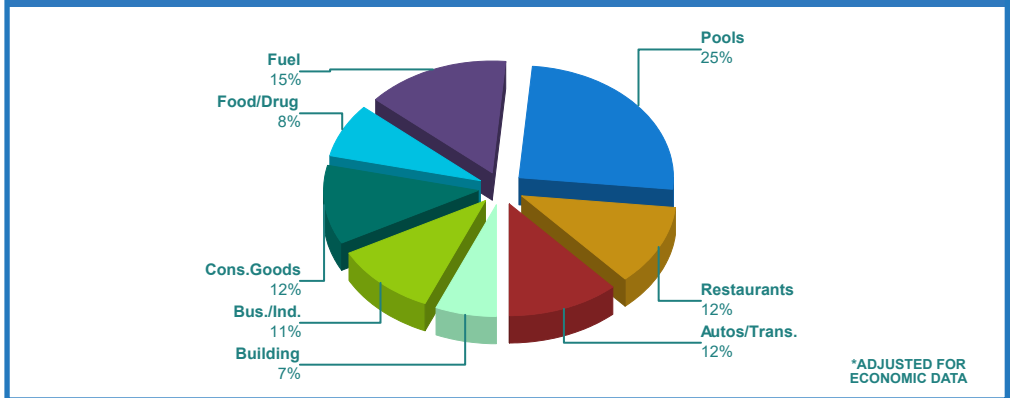
yet to understand if this new bill impacted revenue.

Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q1 '24*	Change	County Change	HdL State Change
Service Stations	623.7	-3.3% ↓	-1.9% ↓	-0.9% ↓
Casual Dining	307.1	3.0% ↑	3.1% ↑	2.4% ↑
Grocery Stores	207.5	0.2% ↑	-1.8% ↓	2.8% ↑
Contractors	111.1	7.7% ↑	7.2% ↑	4.5% ↑
Building Materials	95.1	0.8% ↑	-0.1% ↓	-1.0% ↓
Quick-Service Restaurants	94.3	-2.4% ↓	1.3% ↑	2.6% ↑
Plumbing/Electrical Supplies	78.1	68.8% ↑	52.7% ↑	-4.3% ↓
Garden/Agricultural Supplies	74.2	0.8% ↑	-2.0% ↓	2.6% ↑
Automotive Supply Stores	72.8	3.0% ↑	-13.0% ↓	-3.2% ↓
Sporting Goods/Bike Stores	69.0	-0.9% ↓	-2.2% ↓	-1.3% ↓

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