

EL DORADO COUNTY

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



EL DORADO COUNTY

TOTAL: \$ 3,932,651

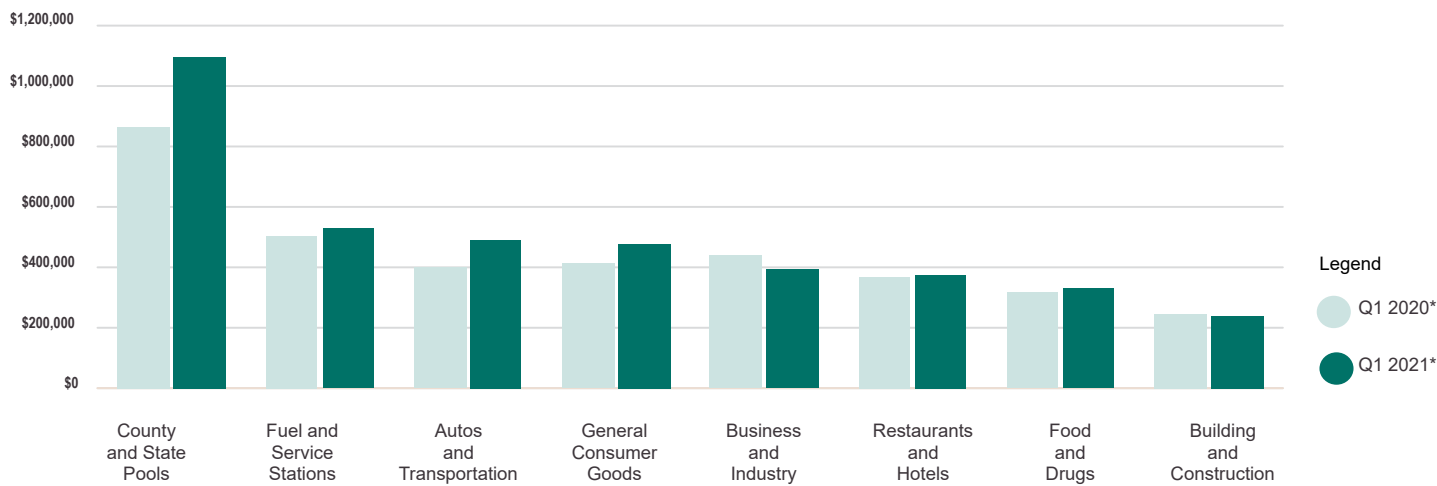
10.6%
COUNTY UNINC. ↑

13.5%
COUNTY ↑

9.5%
STATE ↑

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

SALES TAX BY MAJOR BUSINESS GROUP



EL DORADO COUNTY HIGHLIGHTS

The unincorporated area's receipts from January through March grew 36.3% above the first sales period in 2020 however, cash was inflated as prior year taxes of \$417,000 were remitted in subsequent quarters as numerous filers took advantage of the Governor's deferral program. Excluding reporting aberrations, actual sales were up 10.6%.

In line with countywide and state trends, demand for various types of vehicles and supplies generated a vigorous gain from autos-transportation. General consumer good's increase included re-tenanting of a vacant retail space last year along with greater spending at specialty stores.

Cannabis based merchants had a positive quarter which pushed the foods-drugs group higher. E-commerce purchases continued at a brisk pace; the local allocation was improved even after a

taxpayer's expected change in company structure removed a portion of use taxes historically paid into the El Dorado Pool.

Service stations, the County's largest sector, rose 6% as recovery from the pandemic took hold in the latter weeks of this reporting period. Other segments that captured more activity included garden/agricultural suppliers, building materials, casual dining and quick service restaurants.

Fewer sales came from contractors and business services.

Net of aberrations, taxable sales for all of El Dorado County grew 13.5% over the comparable time period; the Sacramento region was up 14.9%.



TOP 25 PRODUCERS

- Arco AM PM
- Broadridge Output Solutions
- Cameron Park 76
- Crystal View Station
- CVS Pharmacy
- Daimler Trust
- Express Fuel
- Green Valley Arco
- Heavenly Valley Cal Base Lodge
- Holiday Quality Foods
- IBM
- Lees Feed & Western Store
- Meeks Building Center
- Mercedes Benz of El Dorado Hills
- Pure Life Collective
- Quik Stop
- Safeway

- Safeway Fuel
- Shingle Springs Honda
- Shingle Springs Subaru
- Sierra at Tahoe
- Target
- TJ Maxx
- True Value Hardware
- Walmart



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a

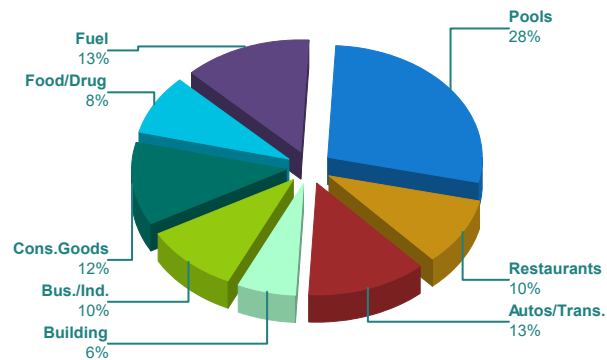
taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in many counties, the recovery for restaurants

and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

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



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q1 '21*	Change	County Change	HdL State Change
Service Stations	501.0	5.9% ↑	0.7% ↑	-4.1% ↓
Casual Dining	221.4	10.3% ↑	5.3% ↑	-18.9% ↓
Grocery Stores	191.0	1.3% ↑	2.6% ↑	-6.2% ↓
Business Services	114.5	-14.7% ↓	-14.3% ↓	-18.0% ↓
Building Materials	104.4	13.9% ↑	23.6% ↑	18.9% ↑
Quick-Service Restaurants	86.6	9.5% ↑	14.8% ↑	1.0% ↑
Garden/Agricultural Supplies	72.4	16.6% ↑	14.2% ↑	8.8% ↑
Automotive Supply Stores	71.6	15.9% ↑	12.4% ↑	13.7% ↑
Contractors	68.8	-26.0% ↓	-19.0% ↓	3.7% ↑
Specialty Stores	68.0	15.1% ↑	20.0% ↑	9.0% ↑

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*In thousands of dollars