



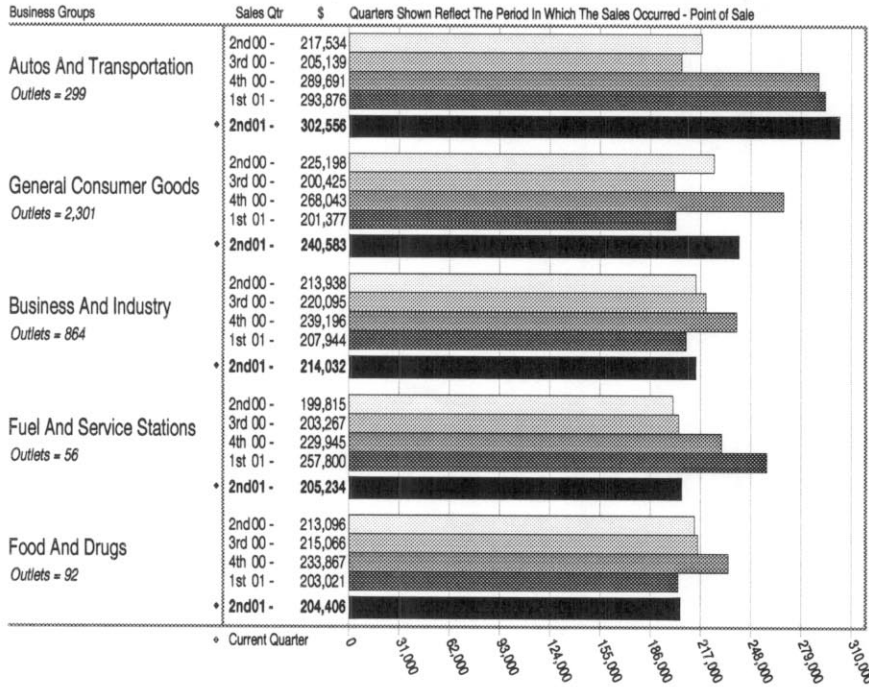
EL DORADO COUNTY SALES TAX

Third Quarter Receipts for Second Quarter Sales (Apr. - June 2001)

Publication Date: October 2001 The HdL Companies (www.hdlcompanies.com)

Sales Tax By Major Business Group

This Quarter



The unincorporated county's receipts from April - June sales were 5.6% above the same period in 2000.

Gains were widespread but strongest in the service station, new motor vehicle dealer, business services, lumber/building materials, specialty store, and used auto dealer categories. New store openings contributed to increases in the used auto dealer and lumber/building materials sectors. An unusual one-time payment boosted specialty store results.

Fast food, grocery with beer/wine, office supplies/furniture, and hardware store groups fell most. A retroactive payment correction for a store not in the county area caused the office supplies drop. Business closings caused the hardware store and fast food decreases.

The greater Sacramento region grew 2.4%; the state rose 1.8%.

Top 25 Producers Listed Alphabetically

- Bel Air Mart
- Cabledata
- Cabot
- Cameron Park Arco
- Central Concrete Supply
- Cha Dor Realty
- Chevron USA
- Crystal View Station
- Dawson Oil
- El Dorado Hills 76
- Family Chevrolet Cad Oldsmobile
- International Billing Service
- Jackson Automotive Group
- KMart
- Lee's Feed & Western Store
- Longs Drugs
- Nor Cal Readymix
- Nu Star Motors
- Raleys
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- TCI Materials Management
- Texaco
- Tower Mart

Statewide Sales Level - Recession Speculation Continues

California's September tax receipts from sales occurring April through June grew just 1.8% over the previous year's quarter when a late payment from a major building materials chain is factored back in.

The latest allocation continued to exhibit significant regional differences with the Silicon Valley down 5.4% and the nine-county Bay Area as a whole, declining 3.5%. San Bernardino/Riverside Counties, Placer/El Dorado Counties, the Central Coast, Kern and San Diego Counties all had significant gains.

New car sales remained surprisingly strong throughout the state except in the nine-county Bay Area. California's manufacturing sector and "business to business" sales were generally flat or down in all regions.

Revenues for general consumer goods grew a modest 1.8% primarily

from strong performances by discount department stores/warehouses. Restaurant sales were generally up in the mid-price family and full service categories. With some exceptions, sales of building and construction materials were healthy throughout California.

The September 11 incidents' impact on sales tax revenues will not be known until the returns for third quarter sales are filed by the taxpayers and processed by the Board of Equalization for the December allocation. However, preliminary surveys indicate that new cars continued strong sales up to that time and recovered to normal levels within three weeks of the incidents. Purchases of apparel and general consumer goods were reportedly more modest for the first part of the quarter but similarly returned to pre-September 11 levels by the third week after the attacks.

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Top 20 Business Categories

Business Type	Outlets	2nd Qtr '01	2nd Qtr '00	Percent Change	Percent of Total		
					Unincorp	County	State
Service Stations	30	174,605	166,769	4.7%	11.6%	9.7%	6.9%
New Motor Vehicle Dealers	5	166,902	112,184	48.8%	11.1%	13.5%	12.6%
Contractors	117	94,822	90,697	4.5%	6.3%	4.0%	3.4%
Grocery Stores Liquor	10	88,748	89,133	-0.4%	5.9%	6.9%	2.9%
Discount Dept Stores	11	76,142	74,715	1.9%	5.1%	3.9%	5.1%
Business Services	144	60,889	27,186	124.0%	4.0%	2.3%	1.9%
Lumber/Building Materials	29	57,355	40,991	39.9%	3.8%	4.0%	2.4%
Fast Food	88	50,221	64,714	-22.4%	3.3%	5.0%	4.2%
Grocery Stores Beer/Wine	28	50,028	62,420	-19.9%	3.3%	2.5%	1.3%
Restaurants Beer And Wine	55	47,139	41,549	13.5%	3.1%	3.4%	2.4%
Specialty Stores	534	43,218	30,991	39.5%	2.9%	3.1%	3.3%
Drug Stores	6	40,603	36,780	10.4%	2.7%	2.7%	1.3%
Light Industrial/Printers	148	39,780	39,904	-0.3%	2.6%	1.7%	4.4%
Automotive Supply Stores	61	38,370	33,423	14.8%	2.5%	2.3%	1.2%
Hardware Stores	19	30,847	43,486	-29.1%	2.0%	1.5%	0.7%
Auto Repair Shops	116	29,715	29,953	-0.8%	2.0%	1.8%	1.2%
Used Automotive Dealers	26	27,323	16,349	67.1%	1.8%	1.2%	1.4%
Farm Products/Equipment	73	26,126	25,280	3.3%	1.7%	0.9%	0.7%
Petroleum Prod/Equipment	9	25,126	23,183	8.4%	1.7%	2.5%	1.2%
Drugs/Chemicals	14	24,456	23,811	2.7%	1.6%	0.8%	1.0%
Retail Stores	1,747	1,085,194	1,037,649	4.6%	72.1%	79.4%	72.5%
Non-Store/Part Time Retailers	1,086	34,586	32,948	5.0%	2.3%	1.6%	0.8%
Business, Service & Repairs	639	147,274	116,177	26.8%	9.8%	8.0%	8.7%
All Other Outlets (Industrial)	521	239,031	233,751	2.3%	15.9%	11.0%	18.0%
Total All Accounts	3,993	1,506,084	1,420,525	6.0%			
County & State Pool Allocation		286,499	277,706	3.2%			
Gross Receipts		1,792,584	1,698,231	5.6%			

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Sales and use tax revenues from "business to business" spending are predicted to decline further in the next quarter and remain at pre-technology boom levels until spring. Jurisdictions that are specifically dependent on capital investment expenditures or out of state travel for the bulk of their sales tax revenues should expect to see decreases for the next two quarters. The declines could be particularly severe in the nine-county Bay Area region.

Other parts of the state are expected to be slightly down or flat although regions with significant population growth including the Sacramento foothills, the Salinas valley, and the Inland Empire should continue to experience fair to modest gains.

The health of the economy continues to be highly speculative. Economists and business journalists stepped up their recession predictions after the September 11 attacks. Fortunately, to date, the American economy

has proven to be much more resilient than the pundits have been predicting. Regardless of what happens over the next six months, most observers believe that the combination of increased spending for defense and security, lower interest rates, and tax rate cuts will create a recovery in the 2002/2003 fiscal year.

Fiscal Year To Date Revenue Comparison

	2000-01	2001-02
Point-of-Sale	1,420,525	1,506,084
County Pool	274,345	284,119
State Pool	3,361	2,380
Gross Receipts	1,698,231	1,792,584

