



EL DORADO COUNTY SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2003)

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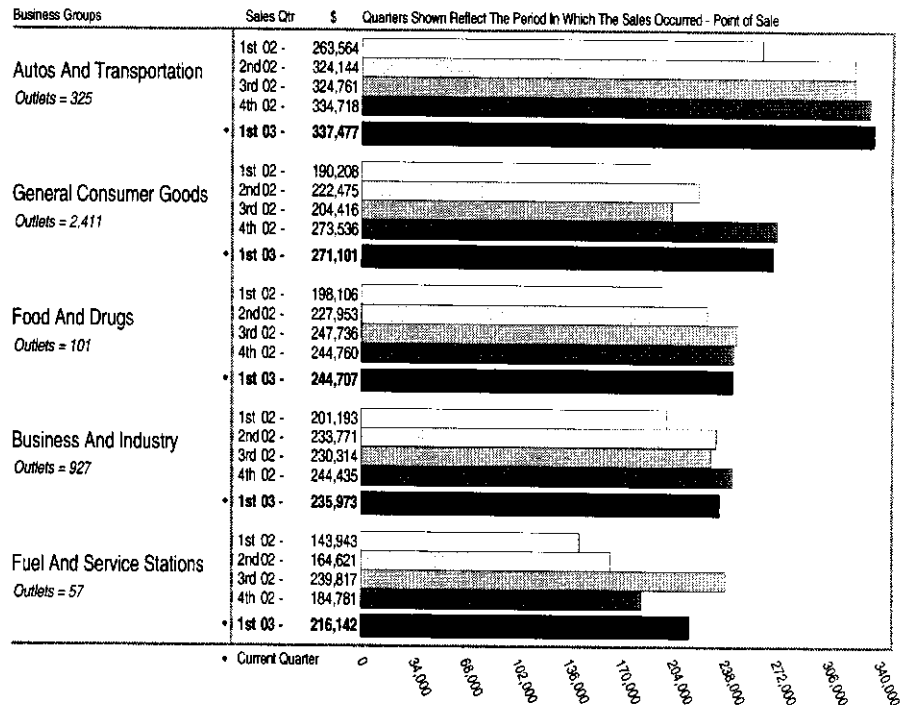
In Brief

January - March unincorporated area sales receipts grew 24.3% from year-ago amounts, but accounting aberrations skewed results. Adjusted for anomalies actual sales grew 16.8%.

Strong sales and new business from new car dealers boosted the Autos & Transportation group 28%. New business in the discount department store sector resulted in big gains in General Consumer Goods. Peaking gasoline prices and late payments in the year-ago period produced a 55.1% gain for service stations. New business benefitted supermarket and health services sectors but results in the Food & Drugs group were inflated by double-up payments. Robust sales of building materials and an 18.6% jump in the County's share of the use tax allocation pool contributed to results.

During the same period the Sacramento region grew 6.7%.

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

- Albertson's
- Bel Air Mart
- Cameron Park Exxon
- Digital Technology Solutions
- El Dorado Dodge Lincoln Mercury
- El Dorado Hills Chevron
- El Dorado Hills Texaco
- Family Chevrolet Cad Oldsmobile
- KMart
- Lee's Feed & Western Store
- Longs Drug
- Mail Well
- Meek's Building Center
- Mercedes Benz of El Dorado Hills
- NorCal Readymix
- NuStar Motors
- Raley's
- Road Runner Gas
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- Sierra at Tahoe
- Texaco
- Tower Mart
- WalMart

SALES TAX NOTES

Statewide Receipts Up in First Quarter

The statewide allocation of sales and use tax for local governments was 4.6% higher than the same quarter one year ago, but results varied widely by region. The Silicon Valley and Bay Area continued to decline while much of the Sacramento area, the San Joaquin Valley, and Southern California exhibited gains.

New car sales were surprisingly strong in some parts of the state - apparently in response to enhanced incentives. Fuel & Service Station revenues were inflated by a temporary spike in gasoline prices and reporting aberrations.

Building & Construction, Food & Drugs, General Consumer Goods and Restaurants/Hotels were strong in the high growth areas surrounding Sacramento, the Inland Empire, and parts

of the San Joaquin Valley but generally down in the Bay Area, Central Coast, and Far Northern counties.

Business-to-business sales in the Bay Area/Silicon Valley, Sacramento, and Central Coast continued downward while the restoration of sales tax on bunker fuel, boosts in agricultural spending, and electrical energy plant construction helped produce modest to solid gains elsewhere.

Increased Sales Tax Funding Proposed

California continues to focus on sales and use tax as the primary source for new revenue despite gradual diminution by new exemptions and changing consumer habits. In addition to the debate over a 0.5% increase to cover the state's deficit financing, a number of bills are proposed to allow voter consideration of increased sales tax for specific purposes such as pub-

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Top 20 Business Categories

Business Type	Outlets	1st Qtr '03	1st Qtr '02	Percent Change	Percent of Total		
					City	County	State
New Motor Vehicle Dealers	6	208,970	148,085	41.1%	12.8%	12.7%	13.5%
Service Stations	28	186,100	120,013	55.1%	11.4%	9.1%	6.5%
Discount Dept Stores	16	124,764	50,002	149.5%	7.7%	5.2%	5.7%
Grocery Stores Liquor	12	122,388	90,205	35.7%	7.5%	7.9%	3.1%
Contractors	119	80,922	75,593	7.0%	5.0%	3.7%	3.0%
Grocery Stores Beer/Wine	28	63,338	48,049	31.8%	3.9%	2.9%	1.3%
Business Services	155	57,200	55,271	3.5%	3.5%	2.1%	1.5%
Fast Food	103	57,028	57,263	-0.4%	3.5%	5.3%	4.7%
Light Industrial/Printers	168	50,694	47,643	6.4%	3.1%	1.9%	4.0%
Lumber/Building Materials	31	49,336	43,174	14.3%	3.0%	3.0%	4.6%
Restaurants Beer And Wine	57	44,148	43,466	1.6%	2.7%	3.7%	2.6%
Drug Stores	7	36,859	38,028	-3.1%	2.3%	2.4%	1.5%
Hardware Stores	20	35,441	31,101	14.0%	2.2%	1.6%	0.6%
Automotive Supply Stores	76	35,284	36,488	-3.3%	2.2%	2.2%	1.3%
Auto Repair Shops	116	34,692	32,896	5.5%	2.1%	2.1%	1.2%
Specialty Stores	693	34,405	25,846	33.1%	2.1%	1.9%	3.2%
Sporting Goods/Bike Stores	63	33,147	36,507	-9.2%	2.0%	2.6%	0.8%
Used Automotive Dealers	27	32,615	20,859	56.4%	2.0%	2.0%	1.6%
Farm Products/Equipment	69	26,604	21,881	21.6%	1.6%	0.9%	0.6%
Restaurants Liquor	32	24,422	20,465	19.3%	1.5%	3.1%	2.9%
Retail Stores	2,108	1,242,636	953,341	30.3%	76.3%	79.7%	76.7%
Non-Store/Part Time Retailers	889	23,790	22,541	5.5%	1.5%	1.2%	0.6%
Business, Service & Repairs	698	156,596	139,738	12.1%	9.6%	9.8%	7.7%
All Other Outlets (Industrial)	529	205,112	182,565	12.4%	12.6%	9.3%	15.0%
Total All Accounts	4,224	1,628,134	1,298,185	25.4%			
County & State Pool Allocation		342,906	287,079	19.4%			
Gross Receipts		1,971,040	1,585,264	24.3%			

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lic safety, transportation and infrastructure (AB1065, SCA2, ACA7, and AB875).

Other bills (AB1412, SB566 and SB402) would allow local government to go to their voters for transactions tax financing. Although counties have such authorization, cities must first obtain approval from the state. There are currently 44 transaction tax districts in 31 counties including nine districts imposed by cities.

Majority voter approval is required for a transactions tax to be used for general purposes and a two-thirds approval is required for a tax to be used for specific purposes. A previous court case upheld majority approval of a general tax when accompanied by an advisory measure specifying how the money should be spent.

A transactions tax is imposed in the same manner and on the same goods as a sales or use tax but is allocated to the place of use rather than the point of sale. The state assumes that the district of use for merchandise sold by

stores, restaurants and markets is the district where the retailer is located. However, the tax on materials, equipment and supplies sold under contract or boats, vehicles, and airplanes is collected for the district where the sales contract specifies delivery or where the conveyance is registered. For more on proposed legislation, go to www.hdlcompanies.com.

Fiscal Year To Date Revenue Comparison

	2001-02	2002-03
Point-of-Sale	6,144,586	6,503,824
County Pool	1,238,485	1,338,280
State Pool	12,171	16,031
Gross Receipts	7,395,242	7,858,135

