



EL DORADO COUNTY SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2004)

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In Brief

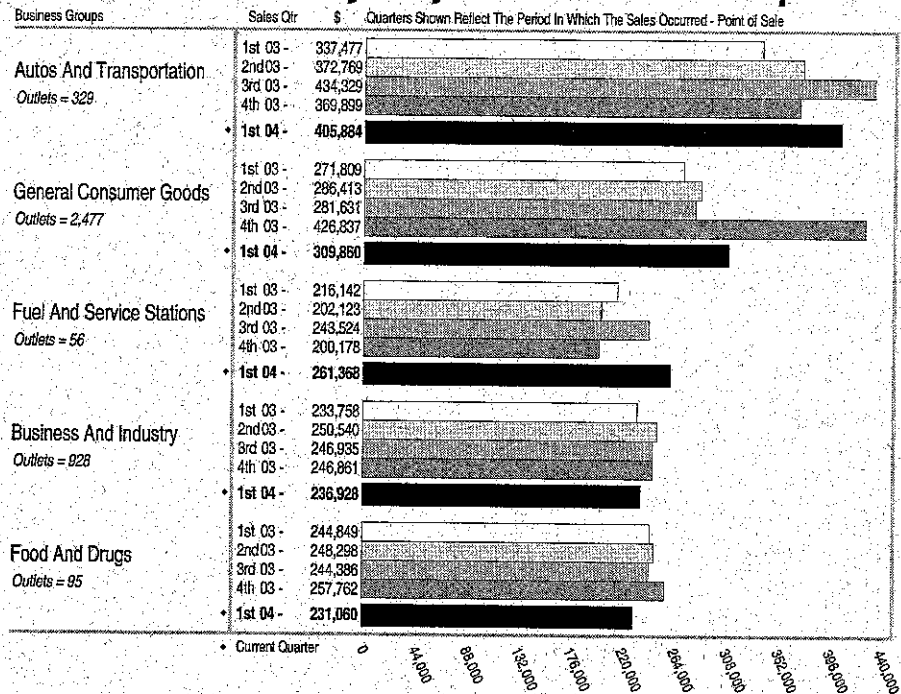
Unincorporated El Dorado County's receipts from January - March were 9.4% higher than the same period in 2003, but payment aberrations inflated results. With anomalies factored out, actual sales were up 6.1%.

New store openings added to grocery stores with beer/wine, home furnishings and restaurants with liquor proceeds. Service stations results, and those of convenience stores selling gasoline, were inflated by late amounts from prior quarter sales.

The decline in the grocery with liquor category was due to late receipts that boosted year-ago results. Business closeouts caused decreases in the lumber/building materials and light industrial/printers groups.

Over the same period the Sacramento region grew 11%; the state was up 10.2%.

Sales Tax By Major Business Group



STATEWIDE SALES GROW

California's cities and counties received \$1,168,266,437 in one percent sales and use tax revenues during the second quarter of 2004 which represented an increase of 10.2% over the same quarter one year ago.

The allocation which is based on the previous quarter's sales, was heavily inflated by one-time accounting adjustments and reporting aberrations. Even so, actual sales and use tax activity exhibited a solid 6% gain when these are factored out.

The data continued to show strong growth in the suburban communities surrounding Sacramento, Southern California's Inland Empire and much of the San Joaquin Valley. It further suggested that the North Bay area may have finally bottomed out with mild recoveries in some categories of general consumer goods, lumber/building materials, and autos.

The Auto/transportation group exceeded expectations with sales in Southern California especially strong. Building and Construction Materials also exhibited exceptional growth in almost all parts of the state.

Business-to-business sales increased 5.3% over last year's comparable quarter with the largest gains occurring from relocations or expansions in the Inland Empire, Sacramento Foothills and portions of the San Joaquin Valley. Some high tech industries in the Bay area exhibited signs of a modest recovery although much of that gain was due to tax assessments on equipment related to the consolidation or sale of a business rather than the product.

General Consumer Goods were unusually strong with the largest increases in those areas with greatest population growth. Returning tourism

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Top 25 Producers Listed Alphabetically

Albertsons
Bel Air Mart
Cameron Park Exxon
Chevron USA
Crystal View Station
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
Long's
Meeks Building Center
Mercedes Benz of El Dorado Hills
Nor Cal Readymix
Nu Star Motors
Raleys
Safeway
Shingle Springs Honda
Shingle Springs Nissan Subaru
Sierra at Tahoe
Tahoe Paradise Chevron
Texaco
Wal Mart

Top 20 Business Categories

Business Type	Outlets	1st Qtr '04	1st Qtr '03	Percent Change	Percent of Total		
					Unincorp	County	State
New Motor Vehicle Dealers	6	257,869	208,970	23.4%	14.4%	14.0%	13.2%
Service Stations	28	223,668	186,100	20.2%	12.5%	10.1%	8.1%
Discount Dept Stores	20	134,865	124,764	8.1%	7.5%	5.0%	5.7%
Grocery Stores Liquor	12	94,309	122,388	-22.9%	5.3%	6.1%	2.6%
Contractors	131	88,921	81,884	8.6%	5.0%	3.8%	3.1%
Grocery Stores Beer/Wine	26	76,805	63,831	20.3%	4.3%	3.1%	1.3%
Business Services	153	59,003	58,057	1.6%	3.3%	1.9%	1.4%
Fast Food	104	56,256	54,738	2.8%	3.1%	5.2%	4.6%
Restaurants Beer And Wine	72	52,249	46,438	12.5%	2.9%	3.3%	2.5%
Lumber/Building Materials	27	47,729	49,336	-3.3%	2.7%	2.3%	4.9%
Automotive Supply Stores	81	42,683	35,284	21.0%	2.4%	2.2%	1.2%
Hardware Stores	22	40,415	35,441	14.0%	2.3%	1.6%	0.7%
Light Industrial/Printers	169	38,071	50,694	-24.9%	2.1%	1.4%	3.8%
Used Automotive Dealers	32	37,546	32,615	15.1%	2.1%	2.2%	1.6%
Sporting Goods/Bike Stores	71	35,675	32,745	8.9%	2.0%	2.5%	0.8%
Drug Stores	6	35,643	36,859	-3.3%	2.0%	2.1%	1.3%
Specialty Stores	757	34,607	34,405	0.6%	1.9%	2.1%	3.2%
Auto Repair Shops	112	33,542	34,692	-3.3%	1.9%	1.9%	1.1%
Restaurants Liquor	34	33,166	24,422	35.8%	1.9%	3.4%	2.8%
Farm Products/Equipment	70	30,712	27,883	10.1%	1.7%	1.0%	0.6%
Retail Stores	2,237	1,372,182	1,243,487	10.3%	76.6%	78.5%	76.5%
Non-Store/Part Time Retailers	826	28,502	23,790	19.8%	1.6%	1.2%	0.6%
Business, Service & Repairs	707	176,893	159,067	11.2%	9.9%	11.4%	7.7%
All Other Outlets (Industrial)	547	214,792	201,790	6.4%	12.0%	9.0%	15.2%
Total All Accounts	4,317	1,792,369	1,628,134	10.1%			
County & State Pool Allocation		363,008	342,906	5.9%			
Gross Receipts		2,155,377	1,971,040	9.4%			

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also sparked a significant recovery in consumer goods as well as Restaurants/Hotels for San Francisco.

Statewide, the only major group to decrease from one year ago was Food & Drugs which was impacted by the Southern California grocer's strike.

Economists are uncertain as to whether this quarter signals a trend. Although most predict a strong recovery in 2005 and 2006, sources such as the UCLA Anderson Forecast project, believe that gains in 2004 will be relatively modest. They point to state budget cutbacks, rising interest rates and fuel prices, and a sluggish manufacturing sector as reasons to be conservative on projections for the remainder of 2004. However to date, other factors including rising incomes, better job balance, increased foreign trade and a comeback in biotech and research have helped maintain a relatively strong sales tax base.

Adjusted statewide changes from the previous January through March period were:

Autos & Transportation	6.0%
Building & Construction	12.5%
Business & Industry	5.3%
Food & Drugs	(1.3%)
Fuel & Service Stations	3.3%
General Consumer Goods	7.8%
Restaurants	3.7%
Total	6.0%

Fiscal Year To Date Revenue Comparison

	2002-03	2003-04
Point-of-Sale	6,503,824	7,291,751
County Pool	1,338,280	1,400,641
State Pool	16,031	15,374
Gross Receipts	7,858,135	8,707,766

