



EL DORADO COUNTY SALES TAX

Third Quarter Receipts for Second Quarter Sales (April - June 2005)

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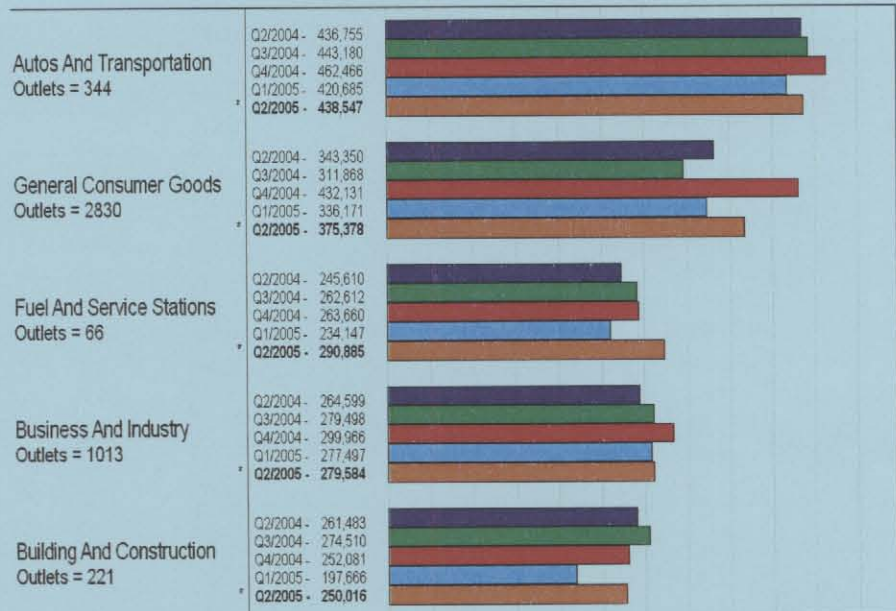
In Brief

Receipts from the unincorporated area's April through June sales were 7.0% higher than the same quarter one year ago.

Higher fuel prices, a solid quarter for new car sales and recent additions to the family apparel and fast food restaurant categories contributed to the overall increase. A jump in the countywide use tax allocation pool and correction of a previous reporting error in home furnishings were also factors. Comparisons of used cars, lumber/building materials and restaurants-beer & wine were skewed by onetime reporting aberrations.

Gross receipts for all of El Dorado County including its cities, increased 3.4% over the comparable time period while the Sacramento Region as a whole, was up 8.9%.

Sales Tax By Major Business Group



* Current Quarter

CALIFORNIA OVERALL

Statewide receipts from the April through June sales period jumped 9.3% over the previous year. Much of the increase was due to the state's tax amnesty program, audit remittances, rising gasoline prices and a payment aberration that distorted the gain in lumber/building materials. Real sales activity was down 2.2% when one time payments and aberrations are factored out.

The amnesty program added roughly \$70,000,000 to this quarter's local allocations although the Board of Equalization estimates that 78% of those funds were "accelerated revenue" that would have been received from future years' audit activity. Approximately 20% of the remaining portion was from protective claims that may later be refunded pending adjudication of individual tax returns.

Except for the Bay Area and Central Coast, auto sales remained mod-

erately positive. Recent legislation that lengthened the time that boats, aircraft, and RVs must remain outside the state to avoid taxation also produced gains in those categories.

Building material sales continued to boom in most regions. However, over half of the current allocation's increase was due to special reporting status granted to a major home improvement chain that temporarily reduced last year's receipts.

Back payments from state audit and amnesty activity were most prevalent in the Business & Industry group and generated significant one time increases in the Bay Area, the Sacramento Region and Southern California.

Food & Drugs remained generally flat except in areas with significant population growth. Gains in the Fuel & Service Stations group coincided with regional pricing trends.

Top 25 Producers Listed Alphabetically

Bel Air Mart
Cameron Park Exxon
Central Concrete Supply
Chevron U S A
D S T Innovis
Dawson Oil
El Dorado Dodge Lincoln Mercury
El Dorado Hills 76
El Dorado Hills Chevron
Family Chevrolet Cad Oldsmobile
K Mart
Lees Feed & Western Store
Longs
Masque Restaurant
Meeks Building Center
Mercedes Benz Of El Dorado Hills
Nor Cal Readymix
Nu Star Motors
Raleys
Safeway
Shingle Springs Honda
Shingle Springs Nissan Subaru
Summers Group
Texaco
Wal Mart

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Top 20 Business Categories

Code	Business Type Description (Count)	AGENCY			COUNTY		HdL STATE	
		2nd Qtr '05	2nd Qtr '04	Change	2nd Qtr '05	Change	2nd Qtr '05	Change
60	New Motor Vehicle Dealers (7)	308,487	272,248	13.3%	551,772	5.7%	148,588,460	3.4%
62	Service Stations (38)	251,515	211,697	18.8%	367,939	14.5%	94,088,394	14.7%
08	Discount Dept Stores (2)	--CONFIDENTIAL--			196,723	0.2%	66,246,832	7.7%
82	Contractors (148)	126,339	129,372	-2.3%	183,449	-4.6%	43,957,497	11.0%
34	Grocery Stores Liquor (16)	106,829	106,609	0.2%	210,564	2.1%	31,443,264	3.1%
35	Restaurants Beer And Wine (87)	91,941	64,797	41.9%	142,439	11.6%	28,424,888	6.3%
24	Restaurants No Alcohol (125)	79,333	62,880	26.2%	178,479	4.6%	51,967,689	5.3%
89	Business Services (160)	72,206	65,891	9.6%	76,581	9.5%	16,031,068	4.2%
33	Grocery Stores Beer/Wine (33)	62,564	62,233	0.5%	84,241	12.0%	15,182,136	7.1%
50	Lumber/Building Materials (29)	62,029	71,426	-13.2%	97,452	-12.0%	66,357,457	39.7%
19	Specialty Stores (984)	53,512	56,893	-5.9%	85,408	-0.5%	39,395,862	5.5%
51	Hardware Stores (23)	53,315	52,210	2.1%	72,977	4.8%	8,319,627	11.1%
30	Home Furnishings (201)	44,178	26,835	64.6%	63,484	22.3%	28,015,655	3.4%
27	Drug Stores (7)	--CONFIDENTIAL--			79,052	-2.4%	14,617,293	4.5%
61	Automotive Supply Stores (104)	41,043	46,233	-11.2%	76,095	-2.4%	13,830,051	2.4%
99	Light Industrial/Printers (182)	39,318	41,801	-5.9%	50,334	-6.1%	44,417,614	5.3%
41	Garden/Agricultural Supplies (58)	36,570	32,274	13.3%	43,920	0.1%	8,125,219	0.6%
71	Auto Repair Shops (126)	36,367	35,177	3.4%	62,779	-0.4%	11,668,321	-2.0%
36	Restaurants Liquor (44)	34,949	37,995	-8.0%	106,246	-18.0%	33,560,251	6.8%
64	Used Automotive Dealers (28)	33,275	48,284	-31.1%	61,505	-18.1%	15,445,716	1.1%
	Retail Stores (2686)	1,458,355	1,333,351	9.4%	2,666,401	3.6%	831,570,377	7.7%
	Non-Store/Part Time Retailers (800)	20,537	30,023	-31.6%	28,177	-24.1%	6,177,239	0.1%
	Business, Service & Repairs (786)	178,446	173,302	3.0%	287,506	1.4%	86,595,052	4.1%
	All Other Outlets-Industrial (575)	243,059	248,120	-2.0%	360,632	-1.9%	185,635,413	10.4%
TOTAL ALL ACCOUNTS (4866)		2,092,727	1,973,912	6.0%	3,569,437	2.5%	1,178,917,876	7.7%
COUNTY & STATE POOL ALLOCATION		474,016	425,197	11.5%				
GROSS RECEIPTS		2,566,743	2,399,109	7.0%				

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Receipts from General Consumer Goods and restaurants were weak in the extreme north and on the Central Coast, but solid in other areas of the state. Areas around Sacramento, Southern California's Inland Empire and the San Joaquin Valley continued to outpace statewide trends. uncertain future . . .

Rising prices for fuel and construction material plus the summer's auto discount program should boost next quarter's receipts. However, economists disagree on what will follow. Much of the debate evolves around the outcome of a housing market where property is estimated to be overvalued by 40% to 45% and half of all mortgages are adjustable rates or interest only.

UCLA's September Anderson Report predicts an end to the bubble in the next six months thereby reducing construction related employment and the substantial consumer spending being funded by equity borrowing.

Others however, believe that continued demand, job growth in the service sectors and an improving trade deficit will keep the momentum going. The most recent consensus from the Western Blue Chip Economic Forecast is for a 5.1% statewide increase in retail sales through 2005 and 4.9% in 2006.

Fiscal Year To Date Revenue Comparison

	2004-05	2005-06
Point-of-Sale	1,973,912	2,092,727
County Pool	422,912	470,320
State Pool	2,285	3,695
Gross Receipts	2,399,109	2,566,743
Less Triple Flip*	0	(641,686)

*Reimbursed from county compensation fund

