

# Q2 2008



# El Dorado County Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (Apr-Jun 2008)

## El Dorado County In Brief

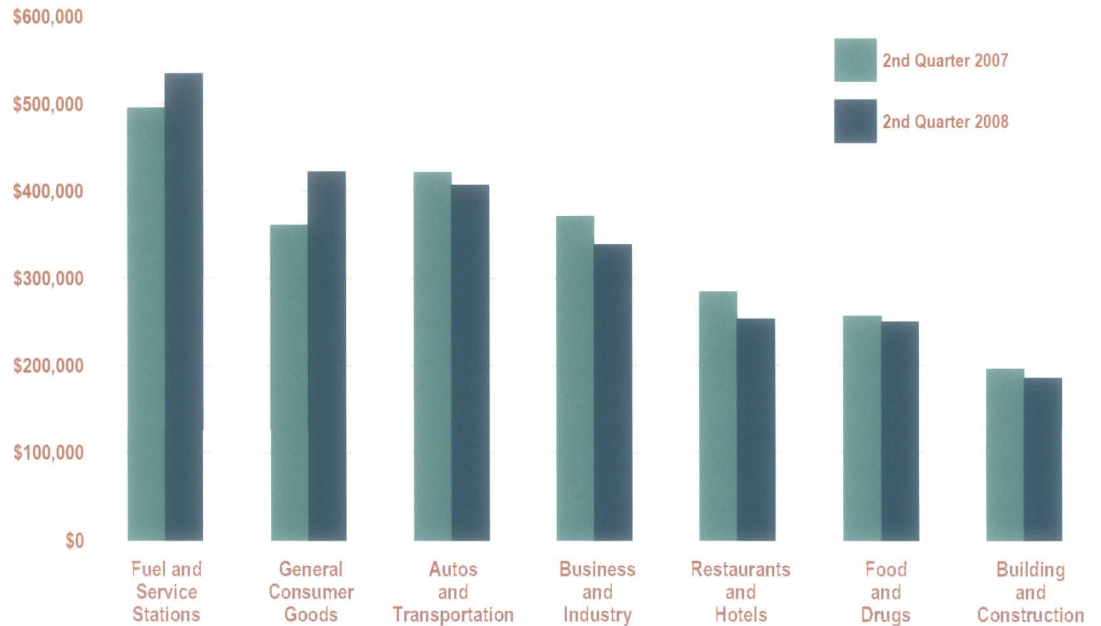
Receipts for the unincorporated area's April through June sales were 0.2% higher than the same quarter one year ago. Actual sales were down 1.9% when reporting aberrations were factored out.

The unincorporated area experienced a strong sales quarter for service stations and new motor vehicle dealers. Recent additions helped boost revenues from general consumer goods and restaurants with liquor.

The gains were offset by reporting problems that temporarily depressed receipts from light industrial/printers. Double-up payments that inflated year-ago returns exaggerated the drop in hotels with liquor. Business closeouts reduced receipts from hardware stores and restaurants with beer/wine.

Adjusted for reporting aberrations, taxable sales for all of El Dorado County declined 6.1% over the comparable time period while the Sacramento region, as a whole, was down 7.6%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Cameron Park Petroleum	Longs
Carmean Dodge	Meeks Building Center
Central Concrete Supply	Mercedes Benz of El Dorado Hills
Chevron	Micnan Food Mart
Dawson Oil	Raleys
DST Innovis	Safeway
Edward R Marszal Enterprises	Safeway Gasoline
El Dorado Hills Chevron	Shingle Springs Chrysler Plymouth
El Dorado Hills Valero	Shingle Springs Honda
Family Cadillac Chevrolet	Shingle Springs Nissan Subaru
K Mart	Stay Safe Store
Lees Feed & Western Store	Target
	Wal Mart

### REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2007-08	2008-09
<b>Point-of-Sale</b>	\$2,381,734	\$2,385,690
<b>County Pool</b>	467,163	470,672
<b>State Pool</b>	2,437	(678)
<b>Gross Receipts</b>	\$2,851,334	\$2,855,684
<b>Less Triple Flip*</b>	\$(712,833)	\$(713,921)

\*Reimbursed from county compensation fund

**Statewide Sales Decline Continues**

After adjusting for accounting aberrations, California's taxable sales for April through June declined four percent from the same quarter of 2007.

The losses were felt throughout California although recent store openings in Yolo County and fuel-related purchases in San Francisco, San Mateo and Kern Counties allowed those specific regions to give the appearance of overall gains. Generally, the Sacramento/Stockton, Riverside/San Bernardino and Solano County areas had more severe declines than the rest of the state.

Double digit declines in auto and building-related sales continued to be the primary contributors to the decrease. Another quarter of record increases in fuel prices provided a significant offset to the losses in other business categories.

The spring sales data suggest that consumers are shopping down to lower priced goods and restaurant meals with fewer discretionary purchases. Although consumer electronics reported modest gains, the only other positive categories were discount department stores and value priced family apparel.

**The News is Not Getting Better**

Local agencies will not see the results of their July through September sales until the end of December. However, preliminary data from various government and trade association surveys indicate that taxable sales will continue to fall.

Auto manufacturers are reporting another quarter of double digit declines and most industry analysts are pushing their predictions for an auto sales recovery out to 2010.

Retailers of apparel and general consumer goods are reporting sluggish fall sales and disappointment in the back to school buying season which failed to live up to expectations raised by the

federal tax rebate stimulus. Latest predictions are for the lowest holiday spending since 1991.

Despite the federal credit rescue, liquidations of commercial real estate debt and continued housing oversupply make an immediate recovery in construction activity unlikely. Although institutional and public projects will help, a significant recovery in sales tax from building-related goods and services is not expected until after 2010.

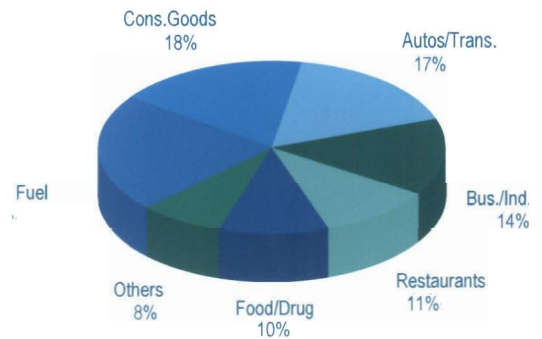
With some of California's biggest overseas markets going into recession, sales tax from business spending on capital equipment, supplies and fuel is also expected to level off. OPEC has cut production quotas to hold prices up against falling demand.

Every agency's sales tax revenues will differ with the makeup of its specific base and some agencies with new projects will be buffered from declines in other areas. However, for the state as a whole, current forecasts are for a downturn that may last through fiscal year 2009/2010.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
El Dorado County This Quarter



**EL DORADO COUNTY TOP 15 BUSINESS TYPES**

Business Type	Unincorporated County		County	HdL State
	Q2 '08*	Change	Change	Change
Service Stations	\$486.0	8.6%	5.6%	18.3%
New Motor Vehicle Dealers	286.6	9.6%	-14.0%	-18.7%
Discount Dept Stores	— CONFIDENTIAL —		25.0%	3.9%
Grocery Stores Liquor	143.7	-0.5%	-0.6%	2.3%
Business Services	90.6	7.9%	8.0%	0.7%
Contractors	87.0	-0.5%	-11.3%	-17.1%
Restaurants Liquor	82.2	42.2%	12.1%	3.4%
Restaurants No Alcohol	79.0	-14.0%	-8.9%	-2.6%
Specialty Stores	69.9	18.9%	11.0%	-2.2%
Restaurants Beer And Wine	59.0	-18.7%	-13.2%	-7.2%
Garden/Agricultural Supplies	48.0	9.9%	-1.4%	-7.0%
Lumber/Building Materials	47.0	-2.6%	-7.4%	-17.1%
Drug Stores	45.8	-1.4%	1.1%	-0.6%
Automotive Supply Stores	44.8	-13.5%	-16.7%	-5.6%
Grocery Stores Beer/Wine	42.8	-12.7%	-16.8%	2.4%
<b>Total All Accounts</b>	<b>\$2,385.7</b>	<b>0.2%</b>	<b>-3.1%</b>	<b>-1.9%</b>
<b>County &amp; State Pool Allocation</b>	<b>470.0</b>	<b>0.1%</b>		
<b>Gross Receipts</b>	<b>\$2,855.7</b>	<b>0.2%</b>		<i>*In thousands</i>