

**Q2**  
2013



# El Dorado County Sales Tax *Update*

*Third Quarter Receipts for Second Quarter Sales (April - June 2013)*

## El Dorado County In Brief

Receipts for the unincorporated area's April through June sales were 4.0% higher than the same quarter one year ago.

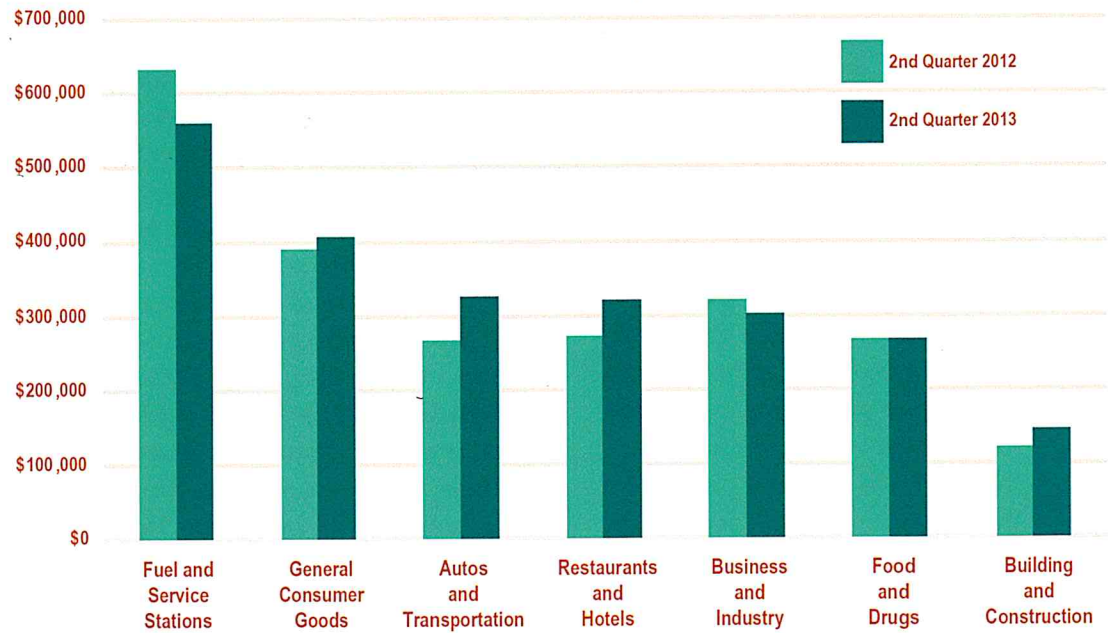
Sales volumes and values increased from both the automotive group and the construction sector. Recently-added outlets contributed to gains from auto supply, business services and restaurants-beer and wine. Accounting events inflated results from specialty stores, contractor supplies and multiple categories within the restaurant and hotels group.

The larger allocation from the countywide use tax pool was also a factor for the overall gain. Pool receipts were buoyed, in part, by the impact of AB 155 which expanded the number of out of state retailers required to collect state sales and use taxes.

Business and industry group comparisons were depressed by delayed allocations and a prior business closeout. Receipt of double payments in the year-ago quarter exaggerated losses from service stations and grocery-liquor.

Adjusted for anomalies, taxable sales for all of El Dorado County, including its cities, rose 9.3% over the same period; Sacramento regional totals were 6.8% higher.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Cameron Park Circle K 76	Meeks Building Center
Cameron Park Petroleum	Mercedes Benz of El Dorado Hills
Circle K 76	Quick Stop Market
Crystal View Shell	Raleys
CVS Pharmacy	Red Hawk Casino
Dawson Oil	Safeway
DST Innovis	Safeway Fuel Center
El Dorado Hills Chevron	Shell
Frontier Dental Labs	Shingle Springs Honda
K Mart	Shingle Springs Nissan Subaru
Lees Feed & Western Store	Target
McDonalds	TJ Maxx
	Walmart

### REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$2,272,352	\$2,328,448
County Pool	374,254	423,670
State Pool	2,374	1,713
<b>Gross Receipts</b>	<b>\$2,648,980</b>	<b>\$2,753,830</b>
Less Triple Flip*	\$ (662,245)	\$ (688,458)

\*Reimbursed from county compensation fund

**State Overall**

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

**The Remaining Fiscal Year**

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

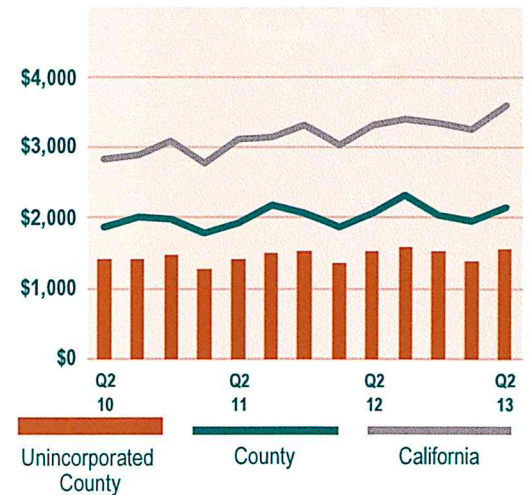
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

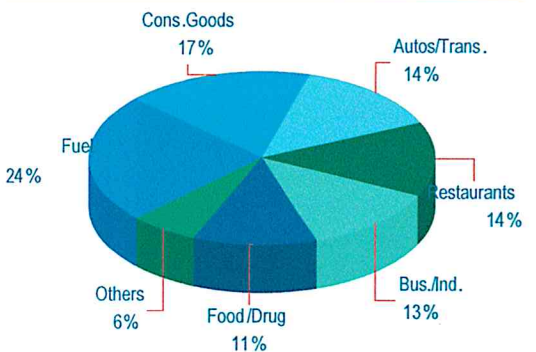
Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

**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 '13*	Change	Change	Change
Automotive Supply Stores	51.8	7.1%	11.3%	3.3%
Business Services	67.0	13.9%	10.0%	-1.4%
Contractors	59.1	41.3%	13.7%	5.5%
Discount Dept Stores	— CONFIDENTIAL —		2.0%	2.3%
Drug Stores	48.8	2.8%	1.9%	0.8%
Garden/Agricultural Supplies	53.9	4.3%	0.5%	14.7%
Grocery Stores Beer/Wine	48.9	6.0%	2.5%	-2.5%
Grocery Stores Liquor	142.0	-4.2%	-2.8%	2.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —		25.9%	11.1%
Restaurants Beer And Wine	61.0	13.2%	6.0%	0.1%
Restaurants Liquor	106.3	7.4%	8.2%	9.3%
Restaurants No Alcohol	94.8	11.3%	9.2%	5.9%
Service Stations	525.5	-11.9%	-8.0%	-5.7%
Specialty Stores	51.1	32.3%	23.9%	5.1%
Wineries	47.2	0.3%	0.2%	9.9%
<b>Total All Accounts</b>	<b>\$2,328.4</b>	<b>2.5%</b>	<b>5.7%</b>	<b>7.0%</b>
<b>County &amp; State Pool Allocation</b>	<b>425.4</b>	<b>12.9%</b>		
<b>Gross Receipts</b>	<b>\$2,753.8</b>	<b>4.0%</b>		

\*In thousands