

# EL DORADO COUNTY UNINC.

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



#### EL DORADO COUNTY

TOTAL: \$ 4,614,719

4.2%

COUNTY UNINC.



6.2%

COUNTY



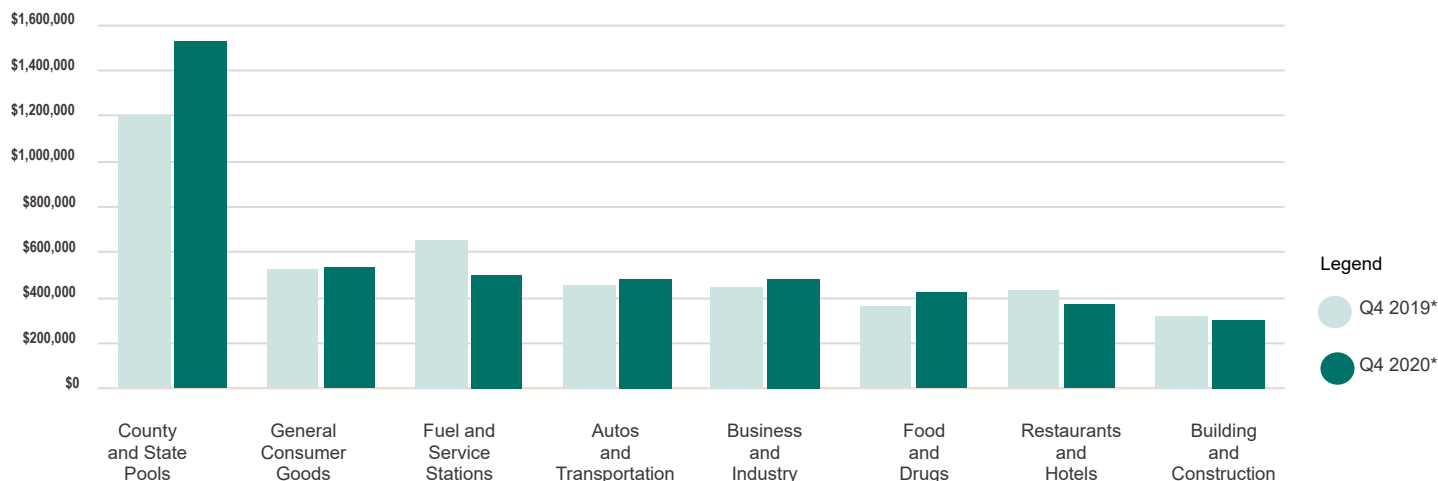
-2.0%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### EL DORADO COUNTY HIGHLIGHTS

The unincorporated area's receipts from October through December were 4.2% above the fourth sales period in 2019.

These results belie the fact that local business' receipts were 4% lower than at this time last year but the county's allocation from the use tax pool increased so much it turned a losing quarter into a winner.

The tremendous growth in the use tax pool's receipts will come to an end soon, but during the height of the pandemic, online sales reached record highs which continued to boost receipts for the county pools.

Like the most of California, local gas stations and restaurants are continuing to suffer the consequences of the pandemic and their results pulled down the quarter. Casual dining venues were

down more than 12% while fast food outlets were 3% lower. Meanwhile, construction material sales, boosted by higher prices and the wrap up of home improvement projects, were up 21% while contractor activity was down 28%. This put that group's receipts nearly 8% under last year's.

With restaurant access still limited, grocery sales continued to rise and cannabis sales also helped boost the food-drug group's results. Auto sales rebounded nicely from the drop at the start of the pandemic while retail sales within the business and industry group also sprang back.

Net of adjustments, taxable sales for all of El Dorado County grew 6.2% over the comparable time period while those of the entire Sacramento region were up 2.5%.



#### TOP 25 PRODUCERS

- |                                  |                        |
|----------------------------------|------------------------|
| Arco AM PM                       | Safeway                |
| Broadridge Output Solutions      | Safeway Fuel           |
| Cameron Park 76                  | Shingle Springs Honda  |
| Crystal View Station             | Shingle Springs Nissan |
| CVS Pharmacy                     | Subaru                 |
| Daimler Trust                    | Target                 |
| Express Fuel                     | TJ Maxx                |
| Green Valley Arco                | True Value Hardware    |
| Holiday Quality Foods            | Walmart                |
| Jeff Abel                        |                        |
| Lees Feed & Western Store        |                        |
| Meeks Building Center            |                        |
| Mercedes Benz of El Dorado Hills |                        |
| Nugget Markets                   |                        |
| Pure Life Collective             |                        |
| Quik Stop                        |                        |
| Raley's                          |                        |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

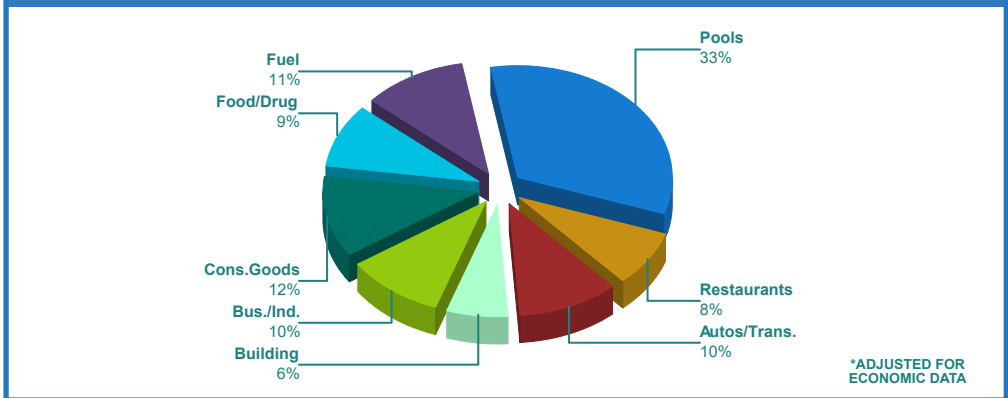
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset

the declines. Greater online shopping signifying a permanent shift of consumer habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP  
El Dorado Co. Uninc This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q4 '20*	Change	County Change	HdL State Change
Service Stations	471.2	-23.2% ↓	-29.6% ↓	-31.2% ↓
Grocery Stores	257.4	16.5% ↑	15.1% ↑	5.2% ↑
Casual Dining	222.5	-12.4% ↓	-15.4% ↓	-39.4% ↓
Building Materials	130.9	21.1% ↑	18.1% ↑	17.7% ↑
Business Services	130.4	-7.2% ↓	-1.8% ↓	-16.6% ↓
Contractors	98.0	-28.2% ↓	-25.3% ↓	2.3% ↑
Quick-Service Restaurants	92.8	-2.8% ↓	0.2% ↑	-8.7% ↓
Garden/Agricultural Supplies	77.6	7.2% ↑	10.3% ↑	14.0% ↑
Automotive Supply Stores	70.5	7.7% ↑	7.9% ↑	3.3% ↑
Specialty Stores	67.1	6.0% ↑	6.6% ↑	-6.8% ↓

\*Allocation aberrations have been adjusted to reflect sales activity      \*In thousands of dollars