

EL DORADO COUNTY UNINC.

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



EL DORADO COUNTY

TOTAL: \$ 5,083,560

-1.3%
COUNTY UNINC.



0.3%
COUNTY



4.6%
STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



EL DORADO COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's receipts from October through December were 1.5% below the fourth sales period in 2021. Excluding reporting adjustments, total receipts for the period were down 1.3%.

The drag on receipts was not from a drop in local merchant activity, rather, it was caused by a decline in taxes paid to the countywide use tax pool. At this time last year, the pool received more taxes from online sales and equipment purchased by local industry.

Local merchants posted a modest 1.3% gain this period with fuel sales generating the largest increase, for obvious reasons.

Restaurants also posted a respectable gain, but higher prices are clearly starting to cut patronage at casual dining venues. Dining facilities at recreation destinations saw less of an impact on

patronage from high prices. Sales of general consumer goods were mixed among the outlets and for existing stores, sales were flat. The allocations from outlets open less than a year swung the total to a gain.

Partially offsetting the gains were the slight drop in new car sales, while spending on other forms of transport and maintenance was even with last year. Construction spending suffered in the comparison with last year which included a number of sales spikes and higher prices for lumber.

Net of adjustments, taxable sales for all of El Dorado County grew 0.3% over the comparable time period while those of the Sacramento region were up 1.8%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Chevron
- CVS Pharmacy
- Dawson Oil
- El Dorado Truss
- Express Fuel
- Green Valley Arco
- Holiday Quality Foods
- Lees Feed & Western Store
- Meeks Building Center
- Mercedes Benz of El Dorado Hills
- Musco Sports Lighting
- My Goods Market
- NLM Equipment Leasing
- Quik Stop
- Safeway
- Safeway Fuel
- Shell
- Shingle Springs Honda
- Shingle Springs Subaru
- Target
- TJ Maxx
- Walmart



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

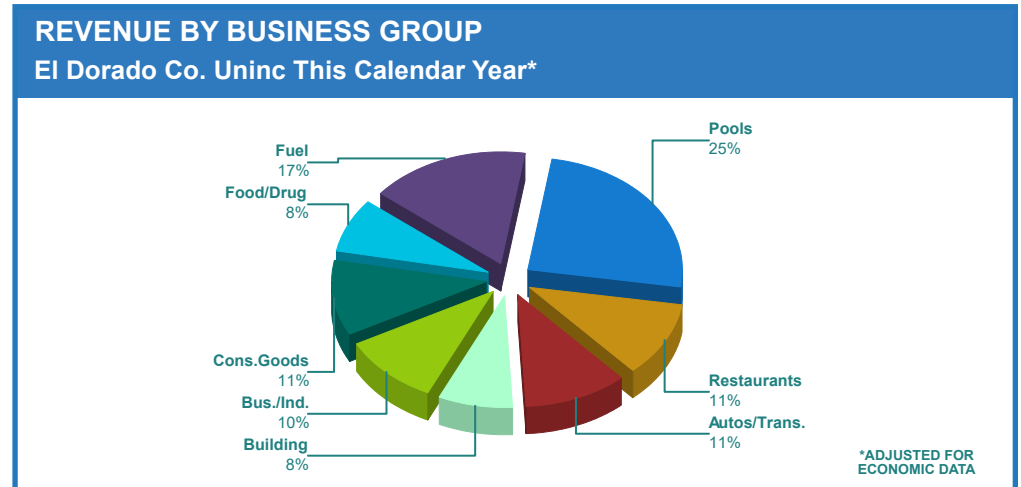
Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector.

With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	716.0	4.9% ↑	5.8% ↑	7.5% ↑
Casual Dining	303.3	-0.8% ↓	7.5% ↑	8.1% ↑
Grocery Stores	269.1	7.3% ↑	7.6% ↑	6.2% ↑
Business Services	196.3	22.0% ↑	21.4% ↑	7.6% ↑
Contractors	149.5	-6.8% ↓	-4.7% ↓	11.5% ↑
Building Materials	114.8	-8.4% ↓	0.9% ↑	2.1% ↑
Quick-Service Restaurants	102.8	2.6% ↑	7.6% ↑	5.7% ↑
Plumbing/Electrical Supplies	91.5	1.0% ↑	3.2% ↑	7.2% ↑
Automotive Supply Stores	73.6	2.2% ↑	-2.8% ↓	2.6% ↑
Garden/Agricultural Supplies	68.5	-26.1% ↓	-19.4% ↓	-5.6% ↓

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