



EL DORADO COUNTY SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2004)

Publication Date: January 2005 The HdL Companies (www.hdlcompanies.com)

In Brief

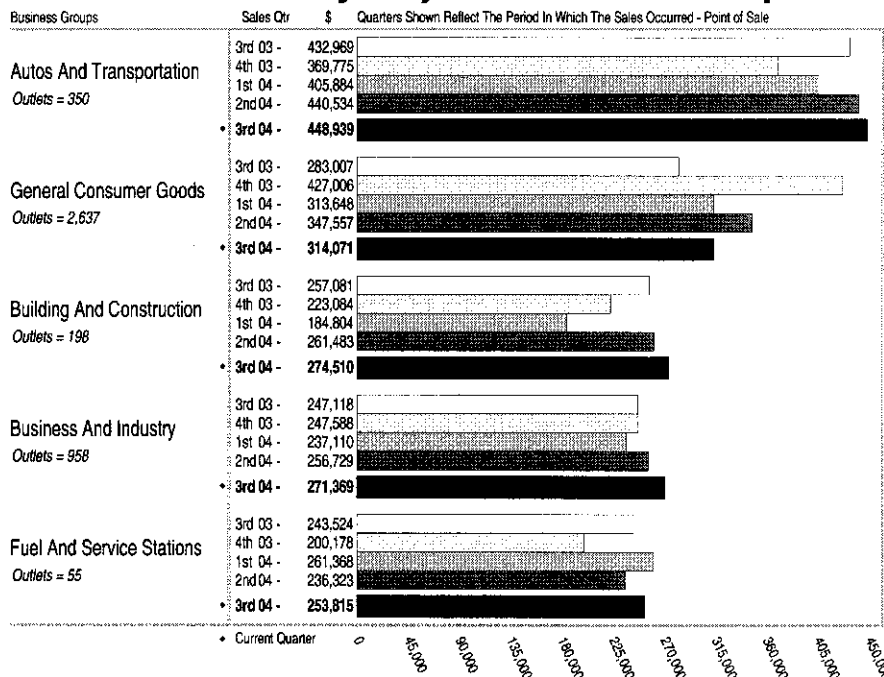
The unincorporated county's receipts from July - September sales were 8.1% higher than the year-ago period, but results were skewed by payment aberrations. Adjusted for anomalies, actual sales grew just .3%.

Retroactive payment adjustments boosted proceeds from the contractor, specialty store and health services groups. New outlets added to light industrial/printers and home furnishings totals. The County's allocation from the use tax allocation pool was up 17.7% or \$63,927.

Business closeouts caused declines in the business services and lumber/building materials categories. Payment delays resulting from state processing problems caused the lumber/building materials and farm products/equipment decreases.

The Sacramento region grew 3.4%; the state rose 4.9%.

Sales Tax By Major Business Group



2005 SALES TAX FORECASTS

Modest, moderate, murky are all being used to describe California's economic growth in 2005. Even so, a recent consensus forecast suggests a 5.2% sales tax gain for the state overall although performance will vary by jurisdiction. Segments:

GENERAL CONSUMER GOODS: Consumer confidence is up, but the percentage of disposable income used for servicing debt is at an all time high. Meanwhile, rising mortgage interest rates are cutting the number of refinancing and home equity loans that have been funding extra consumption. Analysts project an overall inflation gain of 2.5%. Sales increases will be more related to regional growth in household income and population.

AUTOS/TRANSPORTATION: With financing incentives losing their punch, overall car sales are projected to grow less than 1%. Some Asian

and European makes expect to gain while some domestic manufacturers cut production in anticipation of a drop off from record sales. The increased competition may produce an uneven pattern of losers and winners among dealerships.

BUSINESS/INDUSTRY: The steady devaluation of the dollar makes California exports more marketable and encourages new business investment which is projected to grow faster than consumer spending in 2005. Capital investment in heavy equipment and commercial transportation is expected to grow 9%. Some segments of high tech spending should also increase.

CONSTRUCTION/BUILDING MATERIALS:

Rising mortgage rates and prices are expected to result in a slight reduction in new housing starts in 2005

con't on back page

Top 25 Producers Listed Alphabetically

- Cameron Park Exxon
- Central Concrete Supply
- Chevron USA
- DST Innovis
- Dawson Oil
- El Dorado Dodge Lincoln Mercury
- El Dorado Hills Chevron
- Family Chevrolet Cad Oldsmobile
- Frontier Dental Labs
- KMart
- Lee's Feed & Western Store
- Long's
- Meeks Building Center
- Mercedes Benz of El Dorado Hills
- Nor Cal Readymix
- Nu Star Motors
- Raley's
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- Stephen John Jordan
- Tahoe's Camp Richardson Resort
- Texaco
- Village Concepts
- Wal Mart

Top 20 Business Categories

Business Type	Outlets	3rd Qtr '04	3rd Qtr '03	Percent Change	Percent of Total		
					Uninc	County	State
New Motor Vehicle Dealers	6	295,471	278,998	5.9%	14.7%	15.0%	13.9%
Service Stations	30	218,453	212,035	3.0%	10.9%	9.5%	7.6%
Discount Dept Stores	20	153,842	140,597	9.4%	7.7%	5.3%	5.7%
Contractors	133	133,773	108,089	23.8%	6.7%	5.5%	3.7%
Grocery Stores Liquor	13	102,029	108,665	-6.1%	5.1%	5.9%	2.7%
Light Industrial/Printers	175	94,490	49,461	91.0%	4.7%	3.2%	3.9%
Lumber/Building Materials	28	81,797	85,353	-4.2%	4.1%	3.7%	5.9%
Grocery Stores Beer/Wine	27	75,186	74,793	0.5%	3.8%	3.1%	1.3%
Restaurants Beer And Wine	70	71,596	50,962	40.5%	3.6%	3.8%	2.3%
Fast Food	107	65,847	61,353	7.3%	3.3%	5.2%	4.5%
Specialty Stores	852	58,676	42,559	37.9%	2.9%	2.6%	3.1%
Hardware Stores	21	50,953	47,123	8.1%	2.5%	1.9%	0.6%
Automotive Supply Stores	94	44,080	45,081	-2.2%	2.2%	2.1%	1.1%
Used Automotive Dealers	31	38,806	41,033	-5.4%	1.9%	2.1%	1.3%
Auto Repair Shops	119	36,257	32,469	11.7%	1.8%	1.8%	1.0%
Drug Stores	7	34,654	36,375	-4.7%	1.7%	2.0%	1.2%
Health Services	54	33,504	16,563	102.3%	1.7%	1.1%	0.6%
Farm Products/Equipment	78	30,897	32,628	-5.3%	1.5%	0.9%	0.5%
Clubs/Amusement-With Liquor	13	30,494	30,787	-1.0%	1.5%	1.4%	0.2%
Garden Supplies	52	30,427	24,675	23.3%	1.5%	1.0%	0.6%
Retail Stores	2,419	1,499,375	1,428,078	5.0%	74.8%	79.2%	76.8%
Non-Store/Part Time Retailers	821	21,472	23,825	-9.9%	1.1%	0.9%	0.5%
Business, Service & Repairs	740	166,557	198,589	-16.1%	8.3%	7.6%	7.3%
All Other Outlets (Industrial)	560	316,029	234,145	35.0%	15.8%	12.4%	15.4%
Total All Accounts	4,540	2,003,432	1,884,636	6.3%			
County & State Pool Allocation		430,734	367,038	17.4%			
Gross Receipts		2,434,166	2,251,674	8.1%			

con't from front page

and state cut backs could reduce public works projects. A minor softening in prices is anticipated for materials other than cement. Even so, projects already in the pipeline and an anticipated increase in commercial construction should offset the losses while sales of "do-it-yourself" home improvement merchandise and materials should increase.

RESTAURANTS/HOTELS:

Americans spend almost 47% of their food dollar outside of the home and the National Restaurant Association forecasts a 4.9% increase in sales. The devaluation of the dollar should also help jurisdictions that host international travel.

FUEL/SERVICESTATIONS: Fuel prices are expected to stabilize in 2005 and possibly decline from 2004's record levels. Tax revenues from this source are not expected to exceed last year.

CONSENSUS FORECAST*

Capital Corp of the West	5.3%
Chapman University	4.9%
L.A. County E. D. C.	5.6%
Legislative Analyst	5.8%
UCLA	4.8%
Wells Fargo	4.8%
Consensus	5.2%

*Western Blue Chip Economic Forecast - December 2004

Fiscal Year To Date Revenue Comparison

	2003-04	2004-05
Point-of-Sale	3,621,023	3,977,345
County Pool	733,731	849,058
State Pool	6,690	6,873
Gross Receipts	4,361,445	4,833,275
Less Triple Flip*	0	(608,541)

*Reimbursed from county compensation fund

