

# EL DORADO COUNTY UNINC.

## SALES TAX UPDATE

### 3Q 2021 (JULY - SEPTEMBER)



#### EL DORADO COUNTY

TOTAL: \$ 4,448,972

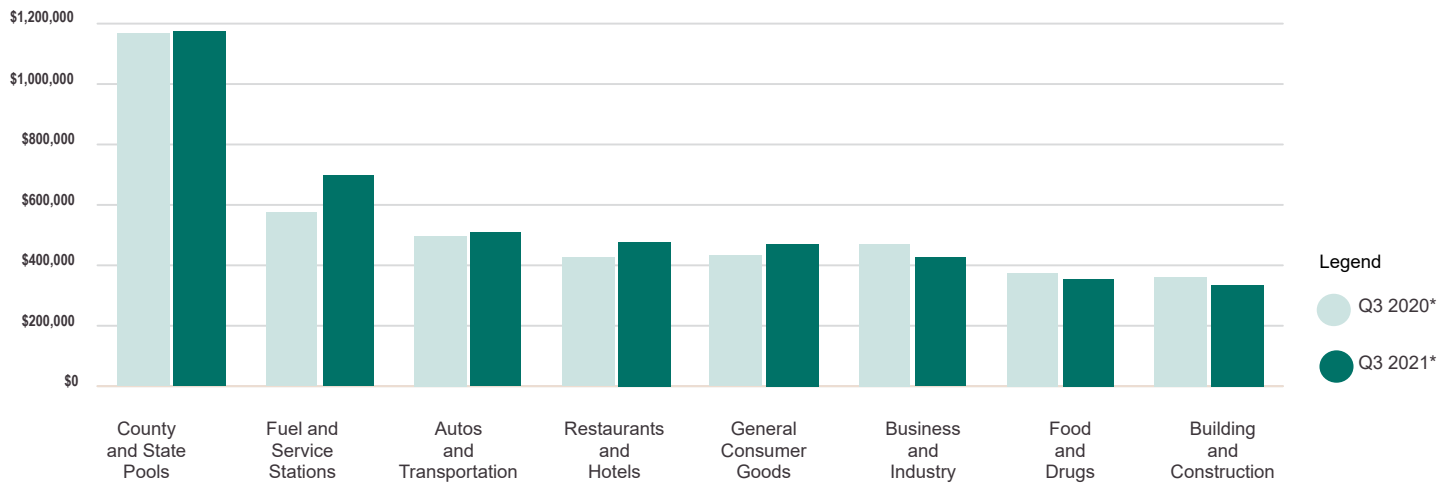
3.3%  
COUNTY UNINC. ↑

0.2%  
COUNTY ↑

18.3%  
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 July through September were 7.4% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 3.3%.

While results show a nominal gain overall from the prior year, the Caldor Fire that started in August suppressed activity at local outlets with several groups down including food and drugs, business-industry and building-construction. In particular, both building materials and plumbing/electrical supplies activity had lower results.

Last year, the retail industry took an economic hit when mandated restrictions impacted businesses with closures. Online sales reached record highs as consumers shifted how they spent discretionary dollars. While consumers continue to value the convenience of

e-commerce shopping options with modest gains this quarter, a preference for in-person shopping boosted general consumer goods.

Increased consumption and prices of gasoline at the pumps have reached record levels resulting in higher fuel-service station receipts.

As the hospitality industry finds its footing again, casual eateries saw solid gains with customers eager to dine-in again and increased capacity handling the demand.

Net of aberrations, taxable sales for all of El Dorado County grew 0.2% over the comparable time period; the Sacramento region was up 16.6%.



#### TOP 25 PRODUCERS

Arco AM PM  
Broadridge Output Solutions  
Cameron Park 76  
Camp Richardson Resort  
Crystal View Station  
CVS Pharmacy  
Daimler Trust  
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  
My Goods Market  
Quik Stop

Safeway  
Safeway Fuel  
Shell  
Shingle Springs Honda  
Shingle Springs Subaru  
Target  
TJ Maxx  
Walmart



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

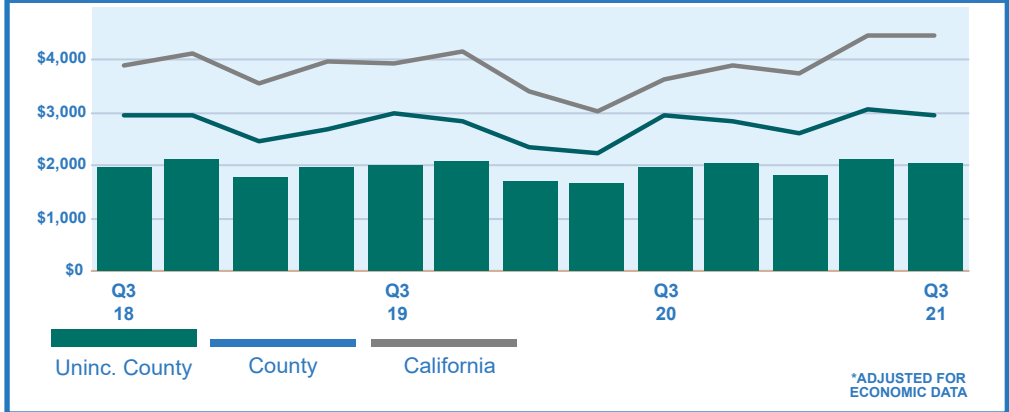
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q3 '21*	Change	County Change	HdL State Change
Service Stations	643.8	17.1% ↑	16.3% ↑	53.6% ↑
Casual Dining	279.9	18.5% ↑	7.7% ↑	68.3% ↑
Grocery Stores	199.2	-6.8% ↓	-11.1% ↓	-0.2% ↓
Business Services	138.1	9.9% ↑	9.2% ↑	23.9% ↑
Contractors	127.8	39.2% ↑	23.2% ↑	12.2% ↑
Building Materials	120.8	-14.6% ↓	-7.8% ↓	5.4% ↑
Quick-Service Restaurants	91.0	-4.3% ↓	-6.8% ↓	13.5% ↑
Garden/Agricultural Supplies	80.8	-6.2% ↓	-9.7% ↓	1.2% ↑
Plumbing/Electrical Supplies	74.7	-36.5% ↓	-33.9% ↓	13.7% ↑
Specialty Stores	67.7	7.7% ↑	-3.9% ↓	21.4% ↑

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\*In thousands of dollars