

# EL DORADO COUNTY UNINC.

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



**EL DORADO COUNTY**

TOTAL: \$ 5,055,523

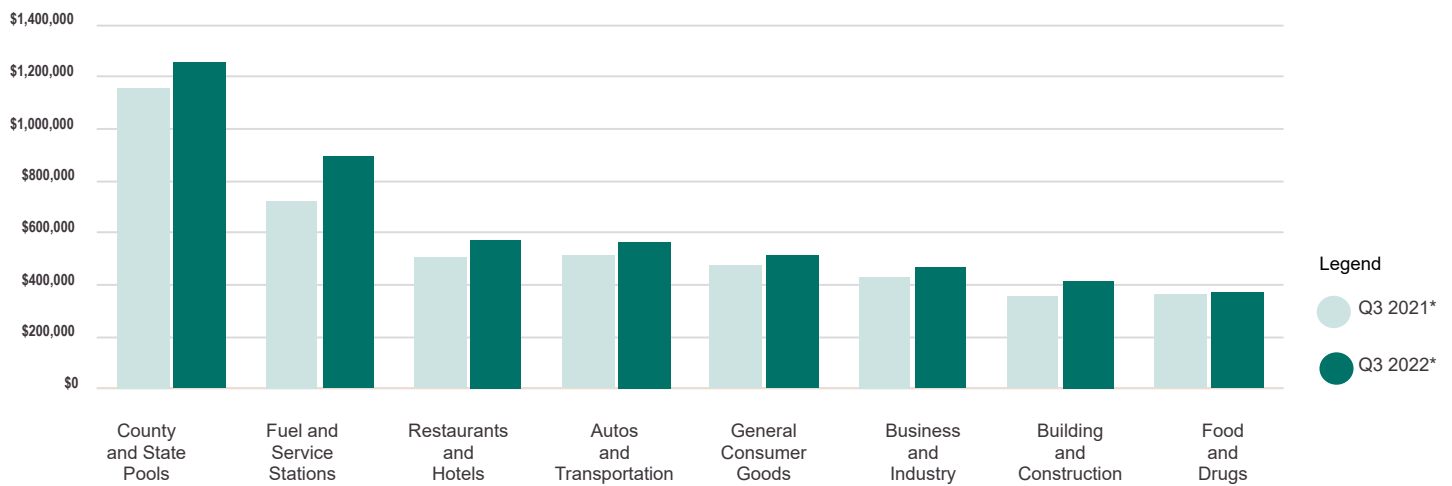
12.0%  
COUNTY UNINC.

13.6%  
COUNTY

8.0%  
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 11.1% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 12.0% with gains in all major industry groups.

This summer saw record high gas prices at the pump, and with the region welcoming more travelers, the fuel sector reported another quarter of double-digit growth. Crude oil and pump prices have been declining recently and less demand is anticipated in calendar year 2023.

Patrons enjoyed the experience of dining out at casual eateries even when faced with rising menu prices. Quick service restaurants posted more modest gains.

Results from the countywide use tax pool increased due to improved general retail sales and investments within

the business-industry sector. Visitor spending and improved foot traffic at local retailers helped propel general consumer sales.

Spending on auto-transportation needs edged up as auto supply stores and auto repairs shops were busy as people have opted to invest in vehicle maintenance with car pricing at record levels. The building-construction sector also contributed with contractors booked for improvement projects and increased building materials.

Net of aberrations, taxable sales for all of El Dorado County grew 13.6% over the comparable time period; the Sacramento region was up 6.8%.



### TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Camp Richardson Resort
- Chevron
- Crystal View Station
- CVS Pharmacy
- Dawson Oil
- El Dorado Truss
- Express Fuel
- Green Valley Arco
- Lees Feed & Western Store
- Meeks Building Center
- Mercedes Benz of El Dorado Hills
- Musco Sports Lighting
- My Goods Market
- Quik Stop
- Safeway
- Safeway Fuel
- Shingle Springs Honda
- Shingle Springs Subaru
- Syar Concrete
- Target
- TJ Maxx
- Walmart



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

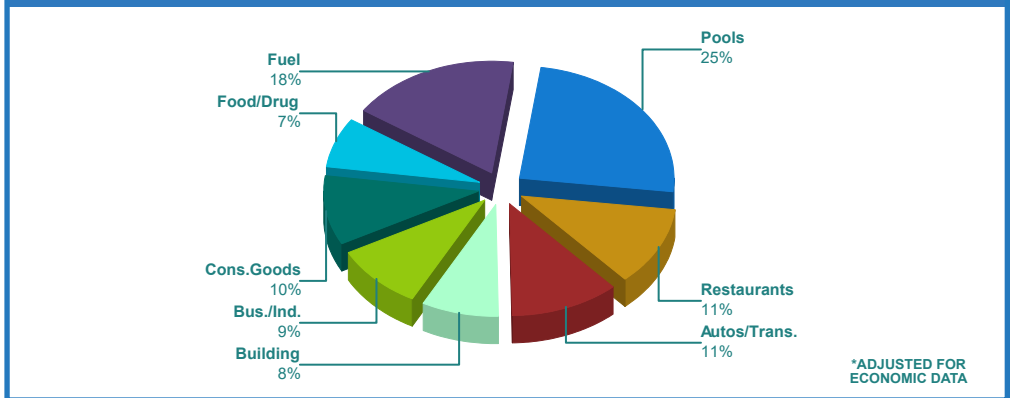
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

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



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

| Unincorporated County Business Type | Q3 '22* | Change  | County Change | HdL State Change |
|-------------------------------------|---------|---------|---------------|------------------|
| Service Stations                    | 835.2   | 25.4% ↑ | 28.4% ↑       | 18.5% ↑          |
| Casual Dining                       | 311.3   | 5.7% ↑  | 22.2% ↑       | 10.1% ↑          |
| Grocery Stores                      | 213.7   | 7.3% ↑  | 9.4% ↑        | 3.0% ↑           |
| Contractors                         | 181.7   | 24.7% ↑ | 33.9% ↑       | 15.6% ↑          |
| Business Services                   | 156.0   | 8.3% ↑  | -0.9% ↓       | 17.2% ↑          |
| Building Materials                  | 131.9   | 8.1% ↑  | 6.5% ↑        | 2.8% ↑           |
| Quick-Service Restaurants           | 99.2    | 2.4% ↑  | 13.2% ↑       | 4.0% ↑           |
| Plumbing/Electrical Supplies        | 86.8    | 16.2% ↑ | 15.1% ↑       | 12.8% ↑          |
| Garden/Agricultural Supplies        | 82.4    | 2.0% ↑  | 3.5% ↑        | -2.1% ↓          |
| Hotels/Motels                       | 81.7    | 70.2% ↑ | 67.2% ↑       | 43.8% ↑          |

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