

EL DORADO COUNTY UNINC.

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



EL DORADO COUNTY

TOTAL: \$ 4,511,624

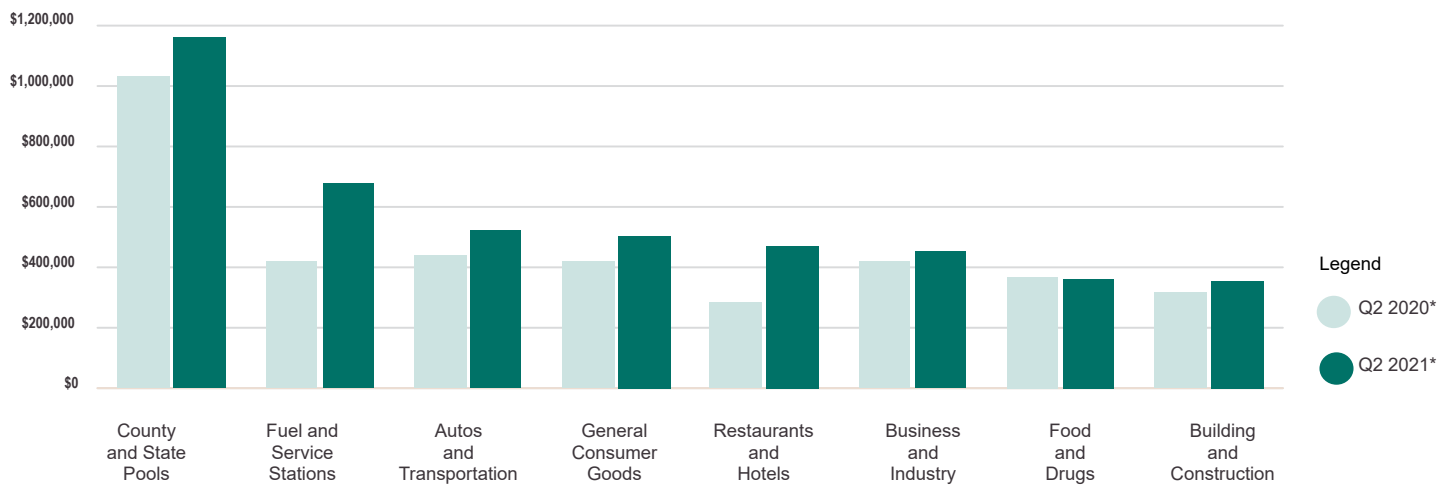
22.0%
COUNTY UNINC.

28.2%
COUNTY

37.3%
STATE

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

SALES TAX BY MAJOR BUSINESS GROUP



EL DORADO COUNTY HIGHLIGHTS

The unincorporated area's sales tax receipts from April through June were 23.9% above the second sales period in 2020. Adjustments for delayed payments, audits and other reporting modifications resulted in actual sales that were up 22%. Overall place of sale collections soared 25.6% compared to the extreme lows of a year ago during the intensity of the pandemic. Most major sales categories posted gains.

The county's share of the countywide use tax pool allocations edged up 12.7%; boosted by new taxes on out-of-state online purchases and surges in cyber shopping as individuals embrace e-commerce. The pools remain a key source of local revenue.

Fuel-service station revenues spiked as the combination of higher gas prices and more travel propelled receipts back

to pre-pandemic highs. Similarly, auto-transportation related sales jumped – assisted by a 33% gain in auto repair shop purchases.

With confidence in safety and some money to spend, people returned to in-store shopping in force. Nearly all merchandise categories posted improved results – with apparel and sporting goods stores helping lead the rebound. Quick-service, casual dining and hotels roared back as people once again enjoyed dining out and traveling for pleasure.

Net of adjustments, taxable sales for all of El Dorado County grew 28.2% over the comparable time period; the Sacramento region was up 36.1%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- Broadridge Output Solutions
- Cameron Park 76
- Crystal View Station
- CVS Pharmacy
- Daimler Trust
- 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
- Pure Life Collective
- Safeway
- Safeway Fuel
- Shell
- Shingle Springs Honda
- Shingle Springs Subaru
- Target
- TJ Maxx
- True Value Hardware
- Walmart



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

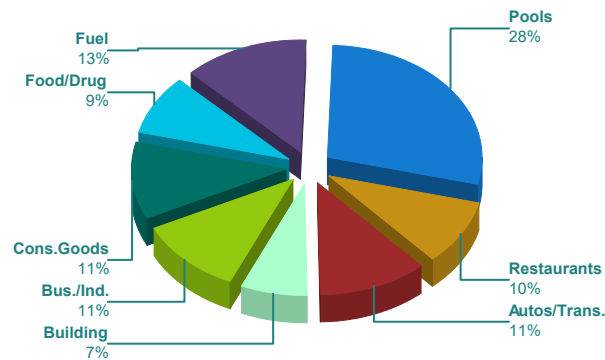
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP
El Dorado Co. Uninc This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q2 '21*	Change	County Change	HdL State Change
Service Stations	639.3	61.1% ↑	65.3% ↑	73.9% ↑
Casual Dining	283.3	67.8% ↑	109.7% ↑	130.2% ↑
Grocery Stores	206.8	-2.8% ↓	2.7% ↑	-0.9% ↓
Building Materials	155.7	7.6% ↑	16.0% ↑	21.7% ↑
Business Services	145.4	22.1% ↑	22.6% ↑	30.8% ↑
Contractors	103.4	12.3% ↑	13.8% ↑	23.7% ↑
Quick-Service Restaurants	97.3	25.6% ↑	34.8% ↑	28.9% ↑
Garden/Agricultural Supplies	90.9	-5.2% ↓	-2.1% ↓	10.2% ↑
Plumbing/Electrical Supplies	83.3	20.7% ↑	25.5% ↑	37.5% ↑
Specialty Stores	77.2	24.5% ↑	39.4% ↑	67.7% ↑

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*In thousands of dollars