

EL DORADO COUNTY SALES TAX



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Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2000)

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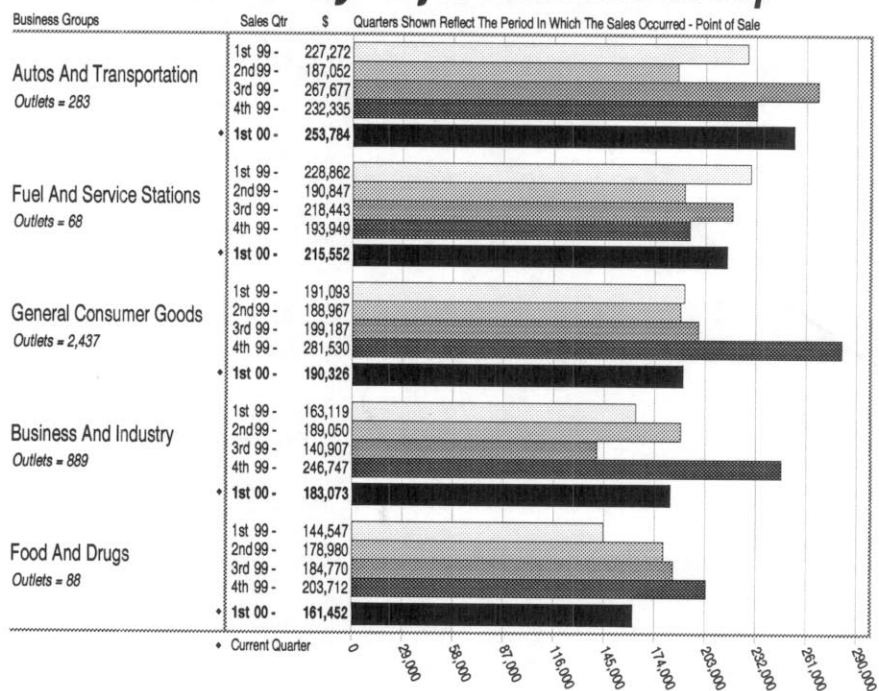
In Brief

The unincorporated area's June receipts for sales occurring January through March were 9.0% higher than the same quarter one year ago.

The County generally experienced a strong quarter in most categories of sales and recent additions boosted the allocation from light industrial equipment and office supplies. One-time accounting aberrations temporarily inflated revenues from supermarkets and hardware stores. A jump in the countywide "use tax" allocation pool improved the county's share of those revenues. The gains were partially offset by negative aberrations in the business services classification.

Receipts for all of El Dorado County including its cities, increased 7.6% over the comparable time period while the seven county Sacramento region was up 12.3%.

Sales Tax By Major Business Group



SALES TAX NOTES

More Exemptions Proposed

Since 1970 the state legislature has incrementally adopted new sales and use tax exemptions that have reduced annual collections by \$1.2 billion. This year, the legislature introduced 20 new proposals that would further reduce city and county receipts by \$329 million per year and state revenues by over \$950 million.

One of the larger cuts would occur from the passage of AB1320 (Ashburn) which would declare a one week sales tax holiday for items under \$500. Joint bills AB2188 (Baldwin) and SB1377 (Hayes) would exempt all Internet purchases from sales and use tax. AB2602 would exempt school and community college purchases over \$1,000 while SB1556 (Brulte) would exempt equipment used to provide and upgrade telecommunications and

Internet services. AB 2713 (Olberg) would exempt non-herbal, over-the-counter medicines purchased by people over 65.

For a complete listing go to www.hdlcompanies.com/html/salestax/htm.

Internet Railroad Slows in Senate

H. R. 3709 (Cox.R-CA) which flew through the House of Representatives on February 3 by a vote of 352-75, has been held up in the Senate Commerce Committee due to fierce opposition from state governors, real estate executives, teachers, public safety unions and merchants. Pushed by a coalition of telecommunications lobbies, the bill would continue the current moratorium on Internet taxation until 2006, grant additional tax breaks and continue to excuse catalog and Internet retailers from col-

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Top 25 Producers Listed Alphabetically

- Albertsons
- Bancamerica Auto Finance
- Bel Air Mart
- Cabot
- Cameron Park Arco
- Chevron USA
- El Dorado Hills Texaco
- Family Chevrolet Cad Oldsmobile
- Gold Harvest Market
- Impax Healthprime
- International Billing Srv
- KMart
- Lee's Feed & Western Store
- Longs Drugs
- McDonalds
- Nor Cal Readymix
- Nu Star Motors
- Officemax
- Raleys
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- Sierra at Tahoe
- SupplyOne
- Texaco

Top 20 Business Categories

Business Type	1st Qtr '00		1st Qtr '99		Percent Change	% Of Total		
	Outlets	\$	Outlets	\$		City	County	State
Service Stations	34	168,339	33	177,244	-5.0%	13.1%	10.6%	6.0%
New Motor Vehicle Dealers	6	144,654	6	143,446	0.8%	11.3%	10.8%	12.2%
Grocery Stores Liquor	10	79,877	10	64,838	23.2%	6.2%	7.1%	3.2%
Lumber/Building Materials	30	56,908	28	32,716	73.9%	4.4%	3.9%	3.6%
Discount Dept Stores	13	55,159	13	49,756	10.9%	4.3%	3.4%	4.7%
Fast Food	98	46,068	98	39,116	17.8%	3.6%	5.1%	3.9%
Contractors	122	42,878	128	57,560	-25.5%	3.3%	2.2%	2.9%
Specialty Stores	489	42,225	431	29,401	43.6%	3.3%	2.7%	3.5%
Restaurants Beer And Wine	58	40,535	59	34,216	18.5%	3.2%	4.1%	2.3%
Light Industrial/Printers	148	36,779	138	24,825	48.2%	2.9%	2.1%	5.0%
Office Supplies/Furniture	64	34,067	64	15,235	123.6%	2.7%	1.5%	3.5%
Hardware Stores	15	33,961	16	19,766	71.8%	2.6%	1.7%	0.7%
Auto Repair Shops	110	32,835	111	35,064	-6.4%	2.6%	2.3%	1.2%
Grocery Stores Beer/Wine	22	32,170	22	28,919	11.2%	2.5%	2.0%	1.1%
Automotive Supply Stores	50	30,859	44	28,097	9.8%	2.4%	2.1%	1.2%
Sporting Goods/Bike Stores	61	30,364	55	32,745	-7.3%	2.4%	3.1%	0.8%
Drug Stores	5	28,956	7	29,146	-0.7%	2.3%	2.5%	1.4%
Petroleum Prod/Equipment	10	28,146	9	30,156	-6.7%	2.2%	2.9%	1.2%
Restaurants Liquor	35	27,101	38	24,504	10.6%	2.1%	4.4%	2.8%
Drugs/Chemicals	15	19,983	15	12,726	57.0%	1.6%	0.8%	1.0%
Retail Stores	1,602	986,684	1,461	883,362	11.7%	76.8%	79.7%	71.8%
Non-Store/Part Time Retailers	1,350	23,985	1,546	26,232	-8.6%	1.9%	1.3%	0.8%
Business, Service & Repairs	646	107,514	623	154,146	-30.3%	8.4%	9.3%	8.7%
All Other Outlets (Industrial)	636	166,663	605	151,510	10.0%	13.0%	9.7%	18.7%
Total All Accounts	4,234	1,284,846	4,235	1,215,250	5.7%			
County & State Pool Allocation		230,233		174,575	31.9%			
Gross Receipts		1,515,079		1,389,825	9.0%			

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lecting sales tax from customers in states where the retailer has no physical presence or "nexus."

Merchants are beginning to make their voices heard with a poll showing that 65% of Americans agree that Internet retailers should not receive special tax advantages over store owners. Shopping center owners fear that reduced sales tax collections will translate into higher property taxes while their tenants' sales decline due to the tax free competition. Local governments are concerned about the ultimate impact on services.

As a result, some Senators are considering alternative bills such as S2775 (Dorgan.D-ND). The bill would extend the moratorium by four years but require Internet retailers to collect and remit the taxes if or when, at least 20 states adopt a one rate use tax with a uniform definition of what is taxable. Thirty two states are already

involved in a project to achieve that goal. SB 1949 (Costa/Chesbro) would require California to participate. For current participants and status: www.streamlinedsalestax.org.

Because of the complexity and pressure from both sides, it is believed that the Senate will hold further consideration until after November.

Fiscal Year To Date Revenue Comparison

	1998-99	1999-00
Point-of-Sale	4,664,276	5,370,780
County Pool	756,599	946,675
State Pool	11,582	28,525
Gross Receipts	5,432,457	6,345,980

