

# EL DORADO COUNTY SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2000)

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## In Brief

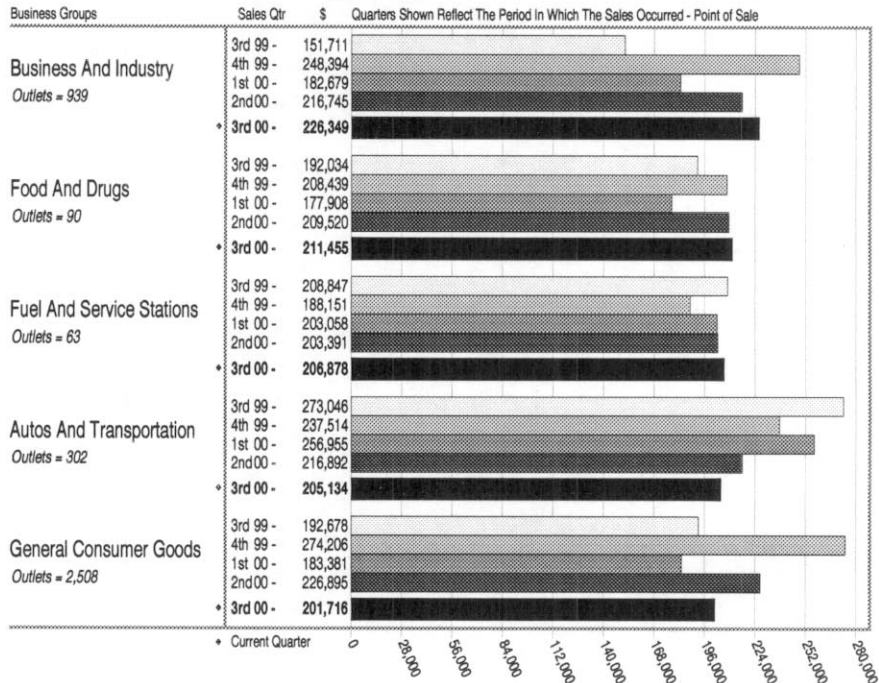
The unincorporated area's receipts for taxable sales occurring from July through September were 3.6% higher than the same quarter one year ago.

Gains from most industrial sectors offset declines from new car dealer, lumber/building material, light industrial/printers, and hardware store categories. The countywide allocation pool comprised of "use tax" on out-of-state purchases boosted overall receipts. A jump in gasoline prices helped boost receipts for petroleum products, but service stations were impacted by apparent late payments.

The decline for new car dealers was also compounded by apparent late payments due to transitions of ownership.

Receipts for all of El Dorado County increased 10% while the state was up 14.15% over the same period.

## Sales Tax By Major Business Group



## SALES TAX NOTES

### Lower Tax Rate in 2001

With a 1999/2000 reserve of 10.1%, the state's portion of California's sales and use tax dropped from 5.0% to 4.75% effective Jan. 1, as provided by 1991 legislation that triggers a 1/4% reduction whenever the state's prior year general fund reserve exceeds four percent. The rate for local government is not impacted and the 1/4% is reimposed if future reserves again fall below the four percent threshold.

### Streamlined Sales Tax

On December 22, a coalition of 29 states approved a model uniform Sales and Use Tax Administration Act to forward to their state legislatures for review and recommended adoption. The proposal would lighten the tax collection burden on sellers by creating uniform definitions for various

categories of taxable goods and exemptions, uniform administrative procedures, a centralized registration system, and a certified automated collection and remittance system using third party collectors that would operate similar to credit card companies.

If adopted by enough states, the Act would negate the current arguments against requiring out-of-state catalog and e-commerce retailers from charging the same sales tax as their "in-state" competitors. Of the 29 states involved in the project, only Utah, Nevada and Wyoming are from the western half of the country. Ten additional states have been participating as "observers."

For more information and a copy of the proposed legislation, go to <http://www.streamlinedsalestax.org>.

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### Top 25 Producers Listed Alphabetically

- Albertson's
- Bancamerica Auto Finance
- Bel Air Mart
- Cabot
- Central Concrete Supply
- Chevron USA
- Crystal View Station
- Dawson Oil
- El Dorado Hills 76
- El Dorado Hills Chevron
- Family Chevrolet Cad Oldsmobile
- International Billing Service
- KMart
- Lee's Feed & Western Store
- Lodi Lumber
- Long's Drugs
- Nor Cal Readymix
- Officemax
- Raley's
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- Supply One
- Tom's Sierra Fuel
- Tower Mart

## Top 20 Business Categories

Business Type	3rd Qtr '00		3rd Qtr '99		Percent Change	% Of Total		
	Outlets	\$	Outlets	\$		Unincorp	County	State
Service Stations	33	171,032	30	172,300	-0.7%	12.2%	9.7%	6.4%
Contractors	125	102,999	124	97,249	5.9%	7.4%	4.3%	3.4%
New Motor Vehicle Dealers	6	95,907	6	174,621	-45.1%	6.9%	11.3%	12.3%
Grocery Stores Liquor	10	91,571	10	93,176	-1.7%	6.5%	7.4%	2.9%
Discount Dept Stores	11	67,533	13	64,297	5.0%	4.8%	3.8%	4.9%
Grocery Stores Beer/Wine	29	58,127	21	50,842	14.3%	4.2%	3.0%	1.3%
Fast Food	99	53,208	96	53,882	-1.3%	3.8%	5.3%	4.1%
Lumber/Building Materials	26	44,921	29	52,057	-13.7%	3.2%	4.3%	4.0%
Restaurants Beer And Wine	57	44,768	56	40,300	11.1%	3.2%	3.6%	2.3%
Business Services	166	42,772	139	-16,641	-357.0%	3.1%	1.6%	2.2%
Light Industrial/Printers	152	37,252	130	59,357	-37.2%	2.7%	1.9%	4.5%
Drug Stores	5	34,545	5	32,044	7.8%	2.5%	2.5%	1.3%
Hardware Stores	15	34,033	16	43,061	-21.0%	2.4%	1.5%	0.6%
Automotive Supply Stores	57	33,642	42	28,629	17.5%	2.4%	2.1%	1.2%
Specialty Stores	523	30,388	366	22,722	33.7%	2.2%	2.9%	3.1%
Restaurants Liquor	34	27,006	37	30,998	-12.9%	1.9%	3.7%	2.8%
Drugs/Chemicals	16	25,246	14	16,570	52.4%	1.8%	0.8%	0.9%
Petroleum Prod/Equipment	9	24,921	12	17,809	39.9%	1.8%	2.9%	1.3%
Office Supplies/Furniture	63	23,957	60	10,346	131.5%	1.7%	0.9%	3.5%
Auto Lease	55	23,812	36	13,326	78.7%	1.7%	0.9%	1.4%
Retail Stores	1,719	997,276	1,298	1,046,458	-4.7%	71.3%	78.9%	72.1%
Non-Store/Part Time Retailers	1,314	27,014	1,622	23,132	16.8%	1.9%	1.3%	0.8%
Business, Service & Repairs	668	137,357	601	71,257	92.8%	9.8%	8.2%	9.1%
All Other Outlets (Industrial)	681	237,003	582	234,367	1.1%	16.9%	11.7%	18.1%
Total All Accounts	4,382	1,398,651	4,103	1,375,213	1.7%			
County & State Pool Allocation		271,609		237,186	14.5%			
Gross Receipts		1,670,260		1,612,399	3.6%			

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### Preliminary Holiday Shopping Results

Californians took advantage of the long weekend before Christmas to boost retail sales 3.5% over the previous year according to Telecheck International, a company that performs check approval services for retailers. The resulting tax revenues which will not be received until March, are about half of the growth experienced in 1999 but better than the rest of the country where consumer spending was slowed by winter storms as well as higher energy costs and a falling stock market.

E-commerce accounted for a bigger piece of this year's Christmas shopping with \$74 billion in sales versus \$45 billion in 1999 according to Forrester Research of Boston. The surprise was that traditional "brick & mortar" merchants siphoned off the bulk of the increase by initiating their

own websites. "Point of sale" for e-commerce sales is the order desk if shipped from California or the county allocation pool if shipped from outside the state. The retailer does not have to collect sales tax if it establishes a separate legal corporation for its e-commerce operation that has no "nexus" in California.

### Fiscal Year To Date Revenue Comparison

	1999-00	2000-01
Point-of-Sale	2,622,937	2,819,176
County Pool	466,511	543,493
State Pool	17,577	5,822
Gross Receipts	3,107,025	3,368,491

