

EL DORADO COUNTY SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2001)

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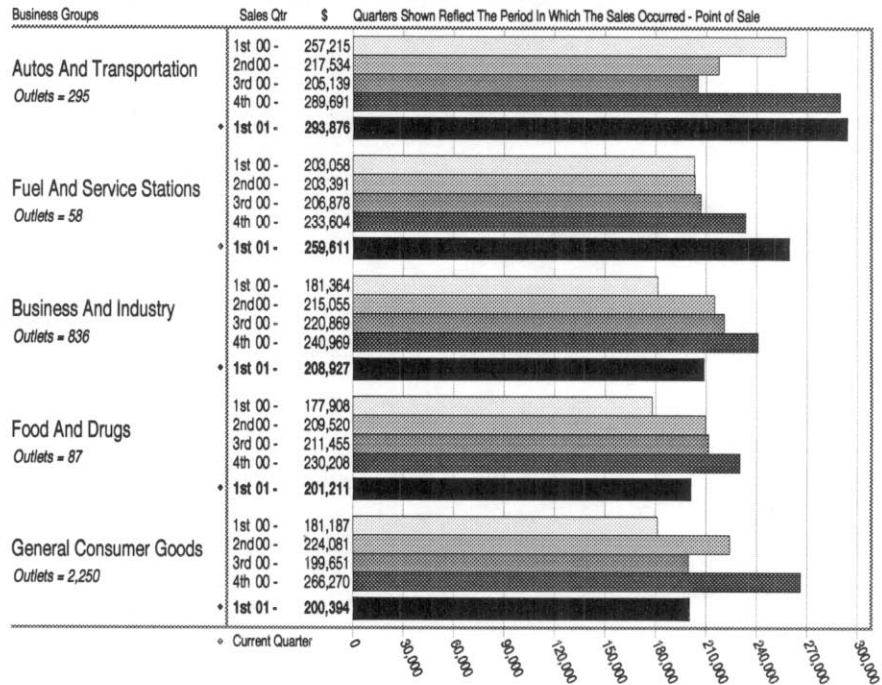
In Brief

Unincorporated area receipts for January through March sales were 11.2% higher than last year's comparable quarter. Actual sales activity was up 7.5% when one-time reporting aberrations are factored out.

A strong quarter for new cars, contractor supplies, discount department stores and drug/chemical manufacturing contributed to the overall increase. A combination of higher fuel prices and one-time accounting adjustments also boosted the allocation from service stations, bulk petroleum, and fuel/ice dealers. The gains were offset by a decline in used cars and most categories of restaurants.

Sales and use tax receipts for all of El Dorado County including its cities, increased 10.9% over the comparable time period while the Sacramento region as a whole, was up 8.1%.

Sales Tax By Major Business Group



SALES TAX NOTES

Statewide Sales Slow

California's "point of sale" receipts from January through March grew just 2.3% over the same quarter one year ago which was a significant contrast to the double digit increases of recent years. Countywide "use tax" pools pushed the gain in total receipts to 3%.

The anticipated slow down was regional in nature with jurisdictions in El Dorado, Kern, Merced, Napa, Placer, Sacramento, San Diego, San Joaquin, Solano, Sutter and Stanislaus Counties all continuing to exhibit healthy gains. Actual decreases occurred in the San Francisco Bay area and Silicon Valley regions due to sharp declines in high tech industries.

Soft good and restaurant sales exhibited healthy growth rates statewide as did building and construction

materials. However, durable goods including new cars and appliances were flat or down as were most categories of "business-to-business" sales.

Honk If You Love Exemptions!

The incremental adoption of new exemptions each year has resulted in California imposing sales and use tax on fewer goods and services than all but two of the 45 states that levy sales tax. This session, the State Legislature has introduced 46 new bills that if adopted, would further reduce local government revenues by \$1.4 billion per year, transit districts, \$407 million and the state general fund, \$4.6 billion.

Some of the larger local losses include: AB 1199 (Cardenas) sales tax holiday for school purchases; AB 1246 (Leonard) college textbooks; AB

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Top 25 Producers Listed Alphabetically

- Albertsons
- Amerigas Propane
- Bancamerica Auto Finance
- Bel Air Mart
- Cabot
- Chevron USA
- Family Chevrolet Cad Oldsmobile
- Gold Harvest Market
- International Billing Service
- International Billing Systems
- Jackson Automotive Group
- KMart
- LTA Media Infotainment
- Lee's Feed & Western Store
- Longs Drugs
- Nor Cal Readymix
- Nu Star Motors
- Raleys
- Safeway
- Shingle Springs Honda
- Shingle Springs Nissan Subaru
- Sierra at Tahoe
- Sierra Petroleum
- Texaco
- Tower Mart

Top 20 Business Categories

Business Type	Outlets	1st Qtr '01	1st Qtr '00	Percent Change	Percent of Total		
					Unincorp	County	State
Service Stations	31	198,744	161,348	23.2%	13.8%	10.7%	6.2%
New Motor Vehicle Dealers	5	162,612	117,867	38.0%	11.3%	12.9%	12.1%
Grocery Stores Liquor	10	88,092	79,877	10.3%	6.1%	7.6%	3.4%
Contractors	123	75,445	63,702	18.4%	5.3%	3.1%	3.0%
Discount Dept Stores	10	61,519	49,949	23.2%	4.3%	3.5%	4.9%
Grocery Stores Beer/Wine	27	60,233	52,814	14.0%	4.2%	2.9%	1.2%
Business Services	146	51,078	15,820	222.9%	3.6%	2.1%	2.0%
Fast Food	90	49,974	46,068	8.5%	3.5%	5.0%	4.3%
Restaurants Beer And Wine	53	38,038	40,535	-6.2%	2.6%	3.4%	2.4%
Petroleum Prod/Equipment	9	34,201	22,792	50.1%	2.4%	3.0%	1.1%
Automotive Supply Stores	57	32,700	30,859	6.0%	2.3%	2.0%	1.2%
Drug Stores	6	32,472	28,956	12.1%	2.3%	2.4%	1.5%
Light Industrial/Printers	145	31,843	34,019	-6.4%	2.2%	1.7%	4.5%
Sporting Goods/Bike Stores	58	31,545	28,608	10.3%	2.2%	2.7%	0.8%
Lumber/Building Materials	28	30,084	31,928	-5.8%	2.1%	2.5%	3.9%
Auto Repair Shops	116	29,512	33,280	-11.3%	2.1%	2.0%	1.2%
Hardware Stores	15	28,058	41,480	-32.4%	2.0%	1.3%	0.6%
Fuel/Ice Dealers	18	26,666	18,918	41.0%	1.9%	1.6%	0.2%
Drugs/Chemicals	14	26,315	19,983	31.7%	1.8%	1.0%	0.9%
Used Automotive Dealers	26	25,360	33,776	-24.9%	1.8%	1.3%	1.4%
Retail Stores	1,638	1,066,206	973,524	9.5%	74.2%	78.7%	73.6%
Non-Store/Part Time Retailers	1,120	24,106	21,607	11.6%	1.7%	1.2%	0.7%
Business, Service & Repairs	627	131,957	103,785	27.1%	9.2%	9.3%	8.7%
All Other Outlets (Industrial)	519	214,611	185,931	15.4%	14.9%	10.7%	17.0%
Total All Accounts	3,904	1,436,879	1,284,846	11.8%			
County & State Pool Allocation		248,209	230,233	7.8%			
Gross Receipts		1,685,089	1,515,079	11.2%			

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1291 (Hollingsworth) diapers and baby formula; AB 37 (Strickland) gasoline and diesel fuel; and SB 1064 (Polanco) purchases by school districts. A complete listing can be found at www.hdlcompanies.com.

E-Commerce Squabble Continues

The federal moratorium on new Internet taxation by local governments expires on October 1. The temporary ban was originally imposed in 1998 to allow Congress three years to study the issue. However, the Federal Advisory Commission divided between those that want the technology tax free and those who believe that it should be treated as other retailers. It disbanded last year without the two-thirds votes needed for an official recommendation.

The Senate Commerce Committee is now attempting to find a compromise between two bills: Senator Ron Wyden's (D-Oregon) Internet non-discrimination Act S 288 and Senator Bryan Dorgan's (D-North Dakota)

Internet Tax Moratorium and Equity Act, S 512. Backed by E-commerce companies, S 288 would extend the moratorium for five years and permanently ban Internet access taxes. Supported by traditional retailers, S 512 would extend the moratorium four years but allow taxation of out of state E-commerce sales if the states adopt uniform procedures.

Fiscal Year To Date Revenue Comparison

	1999-00	2000-01
Point-of-Sale	5,370,780	5,851,073
County Pool	946,675	1,074,929
State Pool	28,525	15,643
Gross Receipts	6,345,980	6,941,644

