



EL DORADO COUNTY SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2001)

Publication Date: January 2002 The HdL Companies (www.hdlcompanies.com)

In Brief

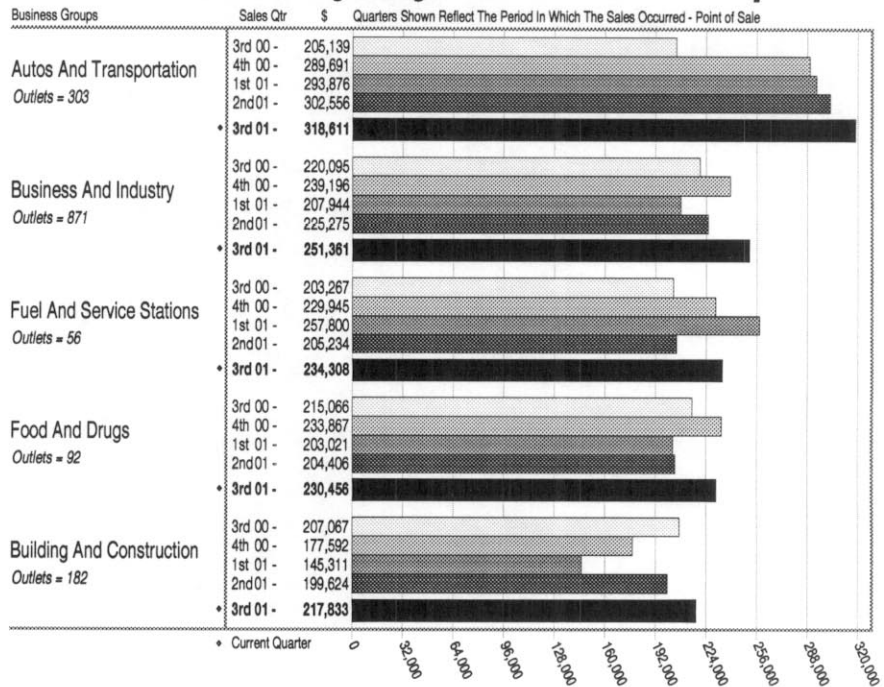
Receipts for third quarter sales in the unincorporated area were 17.8% higher than one year ago, but temporary accounting adjustments skewed results. With aberrations removed, actual sales grew 2.5%.

Gains occurred mainly in the service station, new and used motor vehicle dealer, lumber/building materials, business services, and auto repair shop categories. Receipt of a payment for sales in a prior period exaggerated the lumber/building materials increase. One-time payment adjustments boosted service station, auto repair and used auto results.

Contractor and hardware store categories declined most. A business closeout was the main cause of the hardware store drop.

Sacramento County rose 6.9% and the greater Sacramento region grew 3.5% over the same period..

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

Bel Air Mart
 Cabledata
 Cabot
 Central Concrete Supply
 Cha Dor Realty
 Chevron USA
 Crystal View Station
 Dave's Rent A Car
 El Dorado Hills Chevron
 Family Chevrolet Cad Oldsmobile
 International Billing Service
 Jackson Automotive Group
 KMart
 Lee's Feed & Western Store
 Longs Drugs
 Nor Cal Readymix
 Nu Star Motors
 Raley's
 Rippey Associates
 Safeway
 Shingle Springs Honda
 Shingle Springs Nissan Subaru
 Tahoes Camp Richardson Resort
 TCI Materials Management
 Texaco

SALES TAX NOTES

STATEWIDE SALES DECLINE

The local share of California's sales and use tax revenues decreased three percent from last year's comparable quarter after the "double up" of a previously late allocation from a major retail chain is factored out. The declines occurred primarily in the nine-county Bay area while Southern California's Inland Empire, the Sacramento Valley Foothill regions, the Central Coast and much of the San Joaquin Valley continued to exhibit modest to strong gains.

Business-to-business sales declined in all areas of the state while receipts from new car sales and discount consumer goods remained strong in all areas except the North Bay. Sales of construction supplies declined in all areas but the San Joaquin Valley.

Economists project a gradual recovery beginning in the spring of 2002,

and a return to previous sales levels in 2003 for all but high tech goods.

NEW REALLOCATION PROPOSAL

Borrowing from a property tax redistribution idea in Minneapolis-St. Paul, Assemblyman Darrell Steinberg (D-Sacramento) has altered his previous proposal to redistribute the local share of sales and use tax.

Under revised AB 680, all jurisdictions in the greater Sacramento region (El Dorado, Placer, Sacramento, Yolo, Yuba and Sutter Counties) would continue to receive the sales tax that they generated in calendar year 2001. Beginning in January 2002, all growth above the 2001 base would be distributed 1/3 to point of sale, and 1/3 per capita. The remaining 1/3 would be allocated to the point of sale for jurisdictions that comply with state *can't on back page*

Top 20 Business Categories

Business Type	Outlets	3rd Qtr '01	3rd Qtr '00	Percent Change	Percent of Total		
					Unincorp	County	State
Service Stations	30	198,754	167,421	18.7%	12.1%	9.5%	6.2%
New Motor Vehicle Dealers	5	177,613	118,807	49.5%	10.8%	13.1%	12.8%
Contractors	118	96,067	101,556	-5.4%	5.9%	4.2%	3.4%
Grocery Stores Liquor	11	91,572	91,571	0.0%	5.6%	6.0%	3.0%
Lumber/Building Materials	29	75,954	44,160	72.0%	4.6%	4.4%	6.5%
Grocery Stores Beer/Wine	28	67,386	61,738	9.1%	4.1%	3.1%	1.3%
Discount Dept Stores	12	65,513	67,533	-3.0%	4.0%	3.3%	5.2%
Business Services	144	62,055	42,772	45.1%	3.8%	2.1%	1.7%
Fast Food	86	55,226	53,208	3.8%	3.4%	5.1%	4.3%
Restaurants Beer And Wine	56	53,763	47,931	12.2%	3.3%	3.7%	2.4%
Light Industrial/Printers	151	39,759	37,252	6.7%	2.4%	1.6%	4.0%
Auto Repair Shops	115	39,022	22,121	76.4%	2.4%	2.0%	1.1%
Drug Stores	6	37,586	34,545	8.8%	2.3%	2.5%	1.3%
Automotive Supply Stores	62	36,975	33,647	9.9%	2.3%	2.0%	1.2%
Used Automotive Dealers	26	36,754	-15,273	-340.7%	2.2%	1.3%	1.3%
Specialty Stores	561	32,694	30,159	8.4%	2.0%	1.8%	2.9%
Clubs/Amusement-With Liquor	12	32,381	14,907	117.2%	2.0%	1.4%	0.2%
Electrical Equipment	23	29,118	6,634	339.0%	1.8%	1.5%	1.9%
Hardware Stores	19	27,933	41,573	-32.8%	1.7%	1.3%	0.6%
Farm Products/Equipment	73	27,752	23,909	16.1%	1.7%	0.9%	0.6%
Retail Stores	1,782	1,170,850	1,006,261	16.4%	71.4%	77.0%	74.8%
Non-Store/Part Time Retailers	1,080	28,655	24,954	14.8%	1.7%	1.2%	0.7%
Business, Service & Repairs	643	185,224	131,875	40.5%	11.3%	9.6%	8.2%
All Other Outlets (Industrial)	525	255,153	235,561	8.3%	15.6%	12.2%	16.3%
Total All Accounts	4,030	1,639,881	1,398,651	17.2%			
County & State Pool Allocation		327,060	271,609	20.4%			
Gross Receipts		1,966,941	1,670,260	17.8%			

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low cost housing and infill development targets.

Residuals from jurisdictions not qualifying for the last 1/3 would be given to the regional Council of Governments for local projects. As an incentive to support the proposal, jurisdictions within the region would be given top priority for state transportation, library bonding and infrastructure bank funding.

If the pilot proposal is adopted, supporters hope to eventually use the formula statewide.

CASINO COLLECTIONS DISCONTINUED

Over-ruling its staff, the State Board of Equalization has decided to discontinue collection of sales tax from bars and restaurants located on Indian reservations. Although Indians living on reservations are exempt from sales tax, current requirements are that reservation businesses collect and remit

tax on sales to non-Indian reservation customers. A few tribes had previously refused to collect the tax for meals and liquor served at their casinos and on December 19, the Board directed staff not to pursue enforcement. The California Restaurant Association has expressed interest in expanding the exemption to all bars and restaurants.

Fiscal Year To Date Revenue Comparison

	2000-01	2001-02
Point-of-Sale	2,819,176	3,145,966
County Pool	543,493	610,125
State Pool	5,822	3,434
Gross Receipts	3,368,491	3,759,525

