



# EL DORADO COUNTY SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2002)

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## In Brief

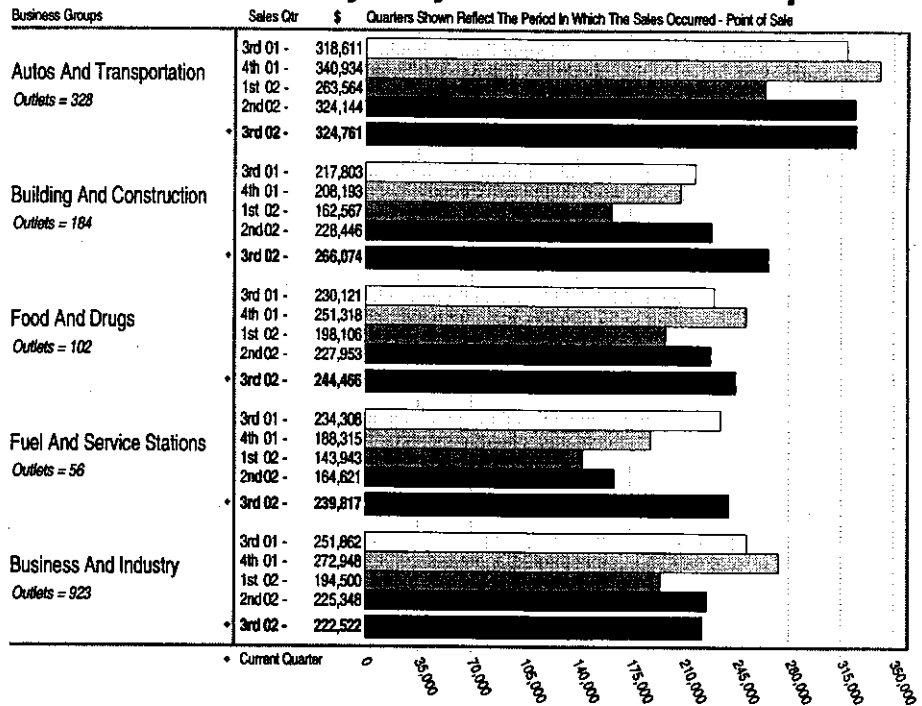
Receipts for sales occurring July - September in the unincorporated area of the county increased 2.1% over the same quarter last year but aberrations skewed results. With anomalies removed, actual sales declined 5.8%.

The contractor, lumber/building material, hardware store, light industrial/printer, grocery store with liquor and drug store categories benefited from increased sales activity. Retroactive adjustments including state correction of a previous reporting error overstated results in new autos, automotive supply stores and fuel-related sectors.

Business services, electrical equipment, restaurants with beer and wine, used autos and clubs/amusement with liquor experienced declines.

Gross receipts for all of El Dorado County climbed 3.5% compared to the same year ago period.

## Sales Tax By Major Business Group



## Top 25 Producers Listed Alphabetically

Albertsons  
Bel Air Mart  
Cameron Park Arco  
Central Concrete Supply  
Chevron USA  
Circle K  
Dawson Oil  
Digital Technology Solutions  
El Dorado Dodge Lincoln Mercury  
El Dorado Hills 76  
El Dorado Hills Chevron  
Family Chevrolet Cad Oldsmobile  
KMart  
Lee's Feed & Western Store  
Longs  
Mail Well  
Meeks Building Center  
Nor Cal Readymix  
Raleys  
Safeway  
Shingle Springs Honda  
Shingle Springs Nissan Subaru  
Tahoe's Camp Richardson Resort  
Texaco  
Tower Mart

## SALES TAX NOTES

### Statewide Sales Up

Fourth quarter receipts for statewide sales occurring July through September increased 3.1% over last year's comparable quarter. Revenue changes continued to be regional in character with growing population areas in the Inland Empire, San Joaquin Valley and Sacramento Foothills exhibiting significant gains while the Silicon Valley declined.

Californians' passion for new cars again accounted for the bulk of statewide sales tax growth. "Business-to-business" receipts were down in all areas except those related to agriculture. Lower fuel prices produced a slight drop in petroleum related receipts after adjusting for a statewide allocation error. Allocations from other retail groups varied by region.

Anecdotal data from various tracking services suggests that statewide

receipts from the all important Christmas quarter will reflect similarly modest growth patterns. Auto sales are expected to remain relatively strong while general consumer sales will show only incremental gains. "Business-to-business" sales are expected to be flat or exhibit further but more moderate declines.

### Tax Simplification Progresses

In November, delegates from 31 states approved a model interstate agreement to create greater uniformity in imposing sales tax. The four year project involved 39 states as well as national chain stores and retail associations from across the country. It establishes uniform definitions for various categories of taxable goods, provides for centralized registration and procedures, and simplifies taxpayer reporting.

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## Top 20 Business Categories

Business Type	Outlets	3rd Qtr '02	3rd Qtr '01	Percent Change	Percent of Total		
					Unincorp	County	State
Service Stations	28	203,615	198,754	2.4%	12.1%	9.9%	7.6%
New Motor Vehicle Dealers	6	183,275	177,613	3.2%	10.9%	13.2%	14.0%
Contractors	114	121,590	95,901	26.8%	7.2%	4.6%	3.3%
Grocery Stores Liquor	13	104,730	91,572	14.4%	6.2%	7.0%	2.9%
Lumber/Building Materials	31	85,387	69,710	22.5%	5.1%	4.6%	4.6%
Grocery Stores Beer/Wine	29	69,451	67,386	3.1%	4.1%	3.1%	1.5%
Discount Dept Stores	16	68,250	65,513	4.2%	4.0%	3.3%	5.5%
Fast Food	96	59,027	55,225	6.9%	3.5%	5.0%	4.4%
Restaurants Beer And Wine	60	48,977	53,764	-8.9%	2.9%	3.5%	2.4%
Light Industrial/Printers	162	46,547	39,757	17.1%	2.8%	1.6%	4.1%
Drug Stores	7	44,938	37,586	19.6%	2.7%	2.5%	1.3%
Hardware Stores	22	43,880	34,313	27.9%	2.6%	1.7%	0.7%
Business Services	157	43,014	62,055	-30.7%	2.6%	1.4%	1.4%
Automotive Supply Stores	78	42,937	36,975	16.1%	2.5%	2.2%	1.2%
Auto Repair Shops	112	38,783	39,022	-0.6%	2.3%	2.0%	1.2%
Specialty Stores	655	35,746	35,393	1.0%	2.1%	1.9%	3.0%
Used Automotive Dealers	31	32,166	36,754	-12.5%	1.9%	1.6%	1.4%
Farm Products/Equipment	70	30,442	28,087	8.4%	1.8%	0.9%	0.6%
Clubs/Amusement-With Liquor	11	28,550	32,381	-11.8%	1.7%	1.3%	0.2%
Restaurants Liquor	35	27,628	27,151	1.8%	1.6%	3.4%	2.8%
<b>Retail Stores</b>	<b>2,039</b>	<b>1,223,508</b>	<b>1,176,035</b>	<b>4.0%</b>	<b>72.6%</b>	<b>78.8%</b>	<b>75.9%</b>
<b>Non-Store/Part Time Retailers</b>	<b>949</b>	<b>34,867</b>	<b>28,516</b>	<b>22.3%</b>	<b>2.1%</b>	<b>1.5%</b>	<b>0.7%</b>
<b>Business, Service &amp; Repairs</b>	<b>695</b>	<b>164,788</b>	<b>187,168</b>	<b>-12.0%</b>	<b>9.8%</b>	<b>8.1%</b>	<b>7.7%</b>
<b>All Other Outlets (Industrial)</b>	<b>522</b>	<b>263,144</b>	<b>248,163</b>	<b>6.0%</b>	<b>15.6%</b>	<b>11.7%</b>	<b>15.7%</b>
<b>Total All Accounts</b>	<b>4,205</b>	<b>1,686,306</b>	<b>1,639,881</b>	<b>2.8%</b>			
<b>County &amp; State Pool Allocation</b>		<b>321,336</b>	<b>327,060</b>	<b>-1.8%</b>			
<b>Gross Receipts</b>		<b>2,007,642</b>	<b>1,966,941</b>	<b>2.1%</b>			

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The agreement now goes to each state for integration of the model into local legislation. It will begin operation when ten or more states representing at least 20% of the population of the 45 states that levy sales tax complete their legislative approvals. Once operational, proponents will ask Congress for legislation that would allow participating states to tax remote internet and catalog sales.

Federal case law currently allows such taxation only if the business has a physical presence in the state where the merchandise is shipped. In 2001, California lost \$1.7 billion in state and local sales tax revenues to out-of-state purchases according to an analysis funded by the Institute for State Studies. That study does not factor in state recovery of the "use tax" that consumers are technically expected to self-report for such purchases. Even so, the net loss is thought to be substantial. Current internet tracking surveys indicate that internet sales

are up even more in 2002, with gains of 23% over Christmas 2001.

To date, California has not opted to participate in the tax simplification effort and has remained philosophically opposed to taxation of internet transactions. For more information, go to [www.streamlinedsalestax.org](http://www.streamlinedsalestax.org) and [www.statestudies.org](http://www.statestudies.org).

	2001-02	2002-03
Point-of-Sale	3,145,966	3,241,807
County Pool	610,125	659,332
State Pool	3,434	8,522
Gross Receipts	3,759,525	3,909,661

