

# Q4 2010



# El Dorado County Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

## El Dorado County In Brief

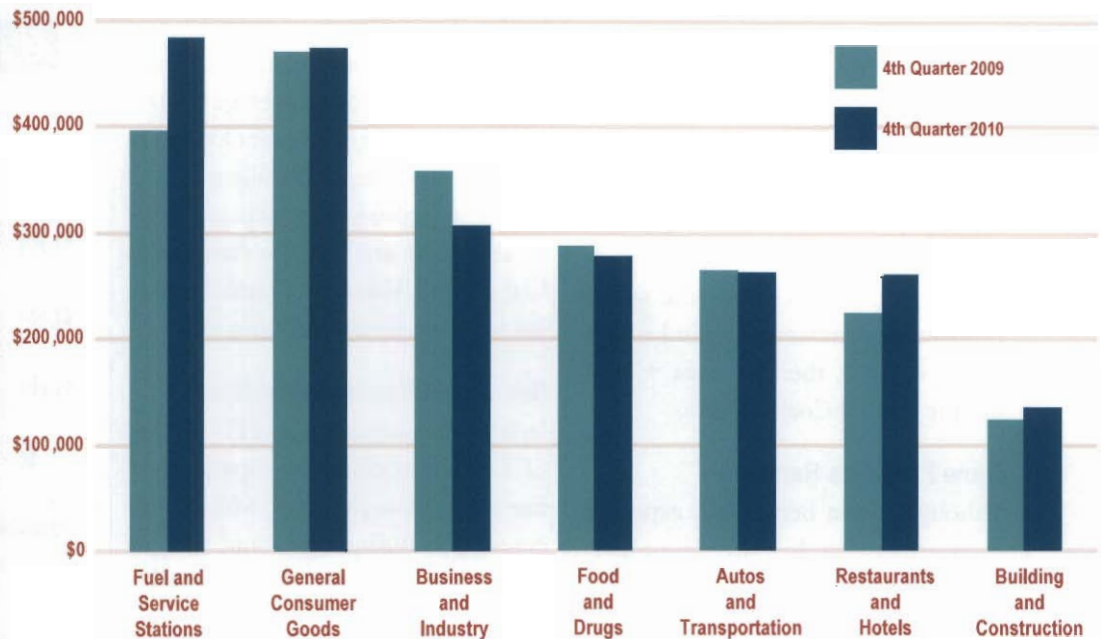
Receipts for the unincorporated area's October through December sales were 0.2% higher than the same quarter one year ago. Actual sales activity was down 1.1% when reporting aberrations were factored out.

An accounting adjustment and higher fuel prices inflated returns from service stations. Onetime payments temporarily increased receipts from the building & construction sector. A recent addition helped boost revenues from restaurants with liquor.

A onetime payment that inflated year-ago returns exaggerated the drop in light industrial/printers. The unincorporated area experienced a decline in sales from grocery stores.

Adjusted for aberrations, taxable sales for all of El Dorado County increased 2.3% over the comparable time period, while the Sacramento region as a whole was up 4.0%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

Cameron Park Circle K 76	Mercedes Benz of El Dorado Hills
Cameron Park Petroleum	Musco Sports Lighting
Chevron	Quick Stop Market
CVS Pharmacy	Raleys
Dawson Oil	Safeway
DST Innovis	Safeway Gasoline
El Dorado Hills Chevron	Shingle Springs Honda
Frontier Dental Labs	Shingle Springs Nissan Subaru
Golden State Flow Measurement	Sierra at Tahoe
K Mart	T J Maxx
Lees Feed & Western Store	Target
Meeks Building Center	Tooley Oil
	Wal Mart

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$6,031,637	\$6,399,530
County Pool	1,032,643	985,817
State Pool	6,163	3,411
<b>Gross Receipts</b>	<b>\$7,070,443</b>	<b>\$7,388,758</b>
<b>Less Triple Flip*</b>	<b>\$(1,767,611)</b>	<b>\$(1,847,189)</b>

\*Reimbursed from county compensation fund

NOTES

**Statewide Sales Increase!**

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

**Some Problems Remain**

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

**Green Energy Exemptions**

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually.

Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million.

Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

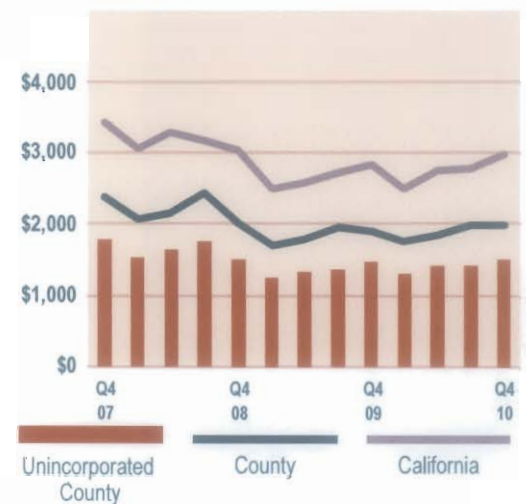
**Renewable Energy Exemptions**

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

**SALES PER CAPITA**



**EL DORADO COUNTY TOP 15 BUSINESS TYPES**

Business Type	Unincorporated County		County	HdL State
	Q4 '10*	Change	Change	Change
Automotive Supply Stores	41.9	-4.4%	6.6%	11.3%
Business Services	61.4	-19.1%	-19.3%	19.7%
Contractors	41.7	-34.8%	-33.2%	-2.1%
Discount Dept Stores	— CONFIDENTIAL —		1.0%	2.2%
Drug Stores	45.6	4.6%	2.1%	0.2%
Grocery Stores Beer/Wine	46.9	-5.3%	-10.5%	1.9%
Grocery Stores Liquor	166.1	-4.9%	-0.5%	4.6%
Light Industrial/Printers	52.3	-46.0%	-37.4%	-3.8%
New Motor Vehicle Dealers	155.2	2.2%	12.2%	14.4%
Restaurants Beer And Wine	56.1	-6.9%	-6.2%	-2.1%
Restaurants Liquor	80.6	36.5%	13.3%	7.8%
Restaurants No Alcohol	78.4	6.9%	4.3%	5.5%
Service Stations	450.7	26.6%	22.2%	13.1%
Specialty Stores	39.7	-8.6%	-6.2%	7.5%
Wineries	39.6	4.8%	10.0%	1.5%

<b>Total All Accounts</b>	<b>\$2,207.4</b>	<b>3.7%</b>	<b>5.0%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>329.5</b>	<b>-18.3%</b>		
<b>Gross Receipts</b>	<b>\$2,536.9</b>	<b>0.2%</b>		<i>*In thousands</i>