

# CITY OF PLACERVILLE

## SALES TAX UPDATE

### 1Q 2023 (JANUARY - MARCH)



**PLACERVILLE**  
TOTAL: \$ 1,442,717

-8.4%  
1Q2023



-5.8%  
COUNTY

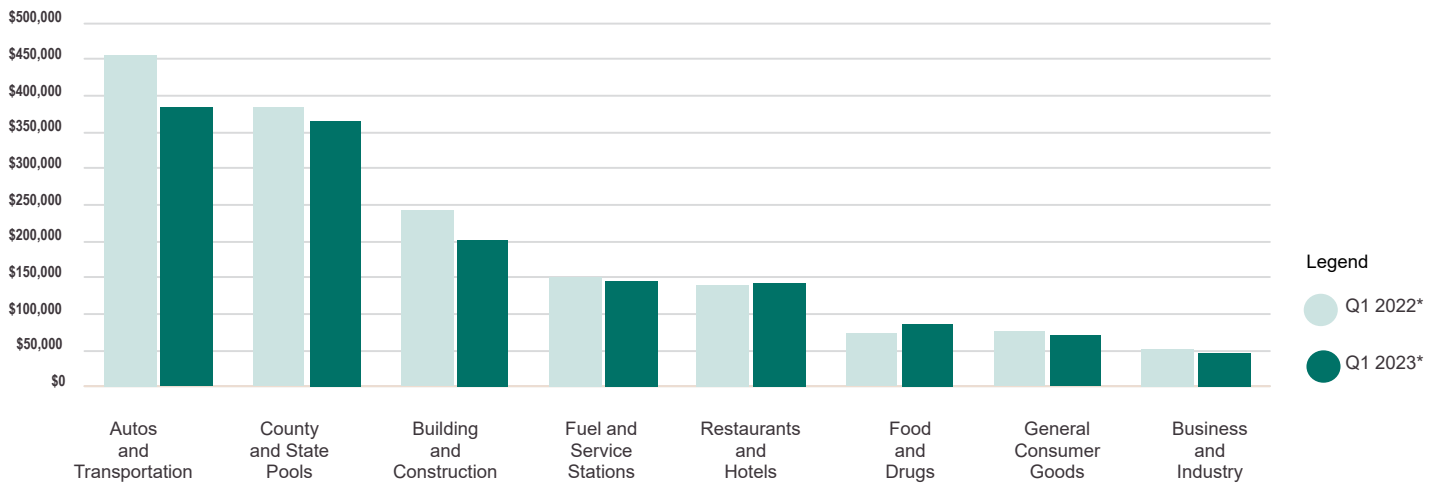


-1.1%  
STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

### SALES TAX BY MAJOR BUSINESS GROUP



**Measure J**  
TOTAL: \$342,220  
-12.0%

**Measure H**  
TOTAL: \$342,220  
-12.0%

**Measure L**  
TOTAL: \$684,556  
-12.0%



### CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from January through March were 7.4% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 8.4%.

Sales weakened in multiple sectors due to pricing pressures on essentials such as food and energy as federal policy makers continued their actions to cool consumer demand. Factor in the record snow and severe weather affecting residents and businesses. Fewer online sales transactions, including private party vehicle and general retail sales transpired for a drop in countywide pool revenue.

Fuel-service station receipts fell as the cost to fill up at the pump is down from the elevated level seen in the spring and the

double-digit growth recently. Restaurant sales improved, especially quick service, but operators have reported that gains were due to menu price increases rather than more customers. Grocery prices had been rising faster than eating out, but that trend has now shifted where it is now more economical to eat at home.

Measures H, J & L all declined with most industry groups reporting lower receipts and corrections from the misallocations from certain service stations continued into this quarter.

Net of aberrations, taxable sales for the Sacramento region declined 3.5% over the comparable time period.



### TOP 25 PRODUCERS

- Bricks Restaurant
- C & H Motor Parts
- Chuck's Cannabis Collective
- Diamond Pacific
- Ferguson Enterprises
- Fuel 4 Less
- Home Depot
- In N Out Burger
- Kwik Serv
- Les Schwab Tire Center
- Marathon
- McDonald's
- Mobil
- Placerville Valero
- Raley's
- Rancho Convenience Center
- Rite Aid
- Sacred Roots
- Save Mart
- Shell
- Thompsons Buick Gmc
- Thompsons Chrysler Dodge Jeep Ram
- Thompson's Toyota
- Tractor Supply
- W N Hunt & Sons Distributors



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

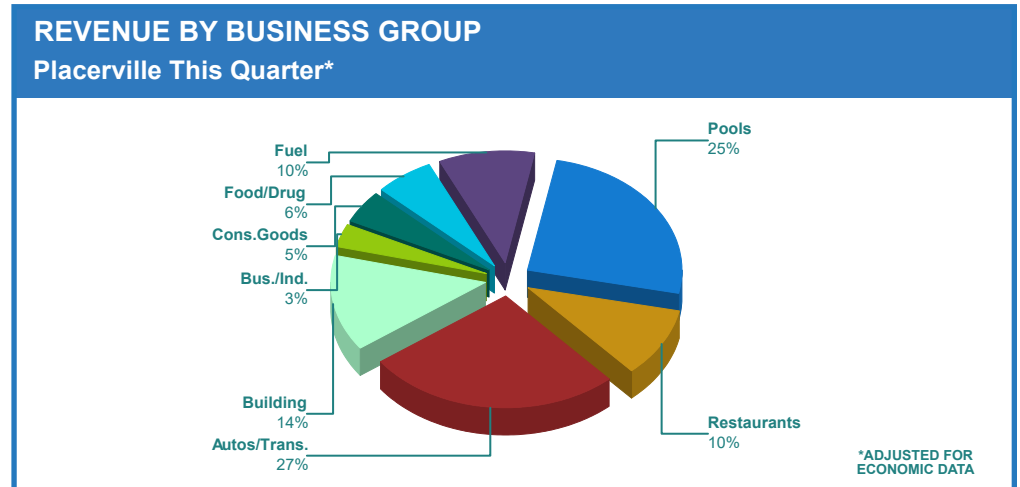
Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Placerville Business Type	Q1 '23*	Change	County Change	HdL State Change
Service Stations	110.2	-8.5% ↓	-5.5% ↓	-9.8% ↓
Casual Dining	77.3	1.5% ↑	-3.5% ↓	9.7% ↑
Quick-Service Restaurants	58.2	3.0% ↑	1.2% ↑	5.1% ↑
Automotive Supply Stores	52.6	-2.7% ↓	5.7% ↑	5.4% ↑
Grocery Stores	36.3	2.0% ↑	4.4% ↑	5.4% ↑
Auto Repair Shops	19.7	-1.2% ↓	5.3% ↑	5.7% ↑
Home Furnishings	12.1	-16.0% ↓	-14.5% ↓	-10.4% ↓
Convenience Stores/Liquor	11.0	-9.0% ↓	-8.0% ↓	-5.0% ↓
Electronics/Appliance Stores	10.3	29.0% ↑	-17.4% ↓	-2.4% ↓
Sporting Goods/Bike Stores	8.4	-7.6% ↓	3.7% ↑	-8.1% ↓

\*Allocation aberrations have been adjusted to reflect sales activity      \*In thousands of dollars