

# CITY OF PLACERVILLE

## SALES TAX UPDATE

### 2Q 2023 (APRIL - JUNE)



**PLACERVILLE**  
TOTAL: \$ 1,558,251

-9.4%  
2Q2023



-5.1%  
COUNTY

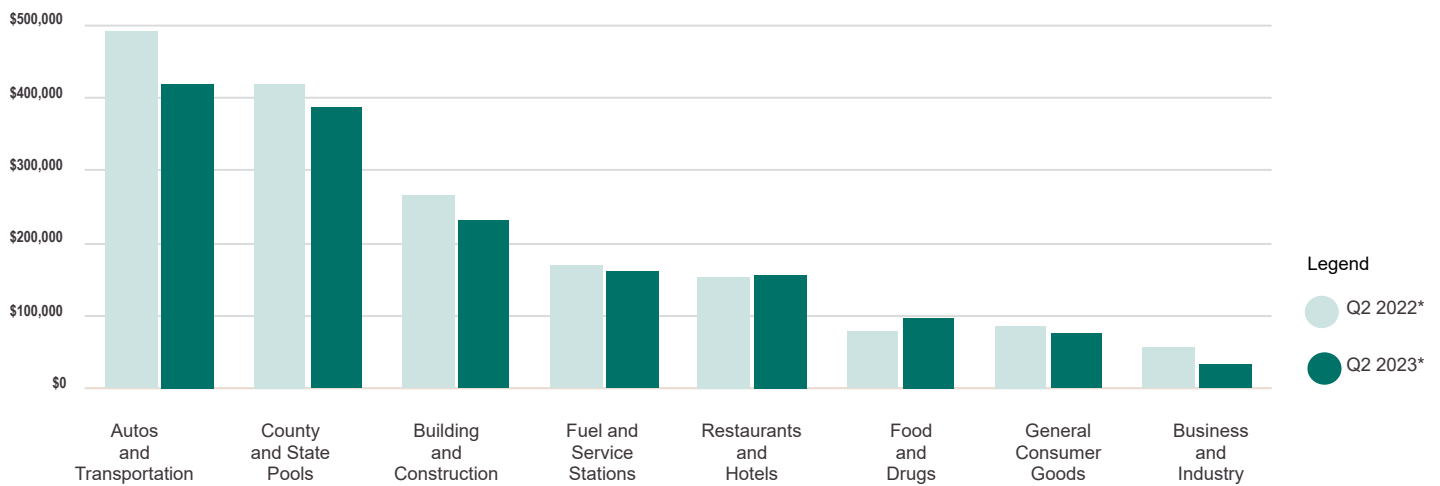


-3.0%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



**Measure J**  
TOTAL: \$355,070  
-9.2%

**Measure H**  
TOTAL: \$355,050  
-9.3%

**Measure L**  
TOTAL: \$710,040  
-9.3%



### CITY OF PLACERVILLE HIGHLIGHTS

Placerville's gross receipts from April through June 2023 were 10.7% below the second sales period in 2022. However, after accounting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 9.4%. Sales softened in multiple sectors as economic factors influenced buying decisions during the spring months.

Sales in the autos-transportation group slumped, with auto supply stores down 30% and a closed business contributing to the overall decline. The City's share of the countywide use tax pool decreased 7.8% due to waning ecommerce. Building-construction revenues were slow to rebound from a harsh winter and felt the impact of lower lumber prices.

Adjustments to the price of crude oil after all-time highs caused a 4.6% dip in fuel-service station receipts – somewhat offset by new taxpayer payments. Most retail sectors inched lower as cautious consumers spent less.

On the positive, restaurants were steady, with locals and visitors enjoying the experience of dining out at casual and quick service eateries regardless of higher menu prices. A new taxpayer, coupled with stable grocery store receipts, boosted food-drug returns.

Voter-approved Measures H, J, & L all posted similar results.

Net of adjustments, taxable sales for the Sacramento region declined 2.2%.



### TOP 25 PRODUCERS

- Bricks Restaurant
- C & H Motor Parts
- Chuck's Cannabis Collective
- Diamond Pacific
- Ferguson Enterprises
- Fuel 4 Less
- Grocery Outlet
- 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
- Safelite Auto Glass
- Save Mart
- Thompsons Buick Gmc
- Thompsons Chrysler Dodge Jeep Ram
- Thompson's Toyota
- W N Hunt & Sons Distributors



### STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

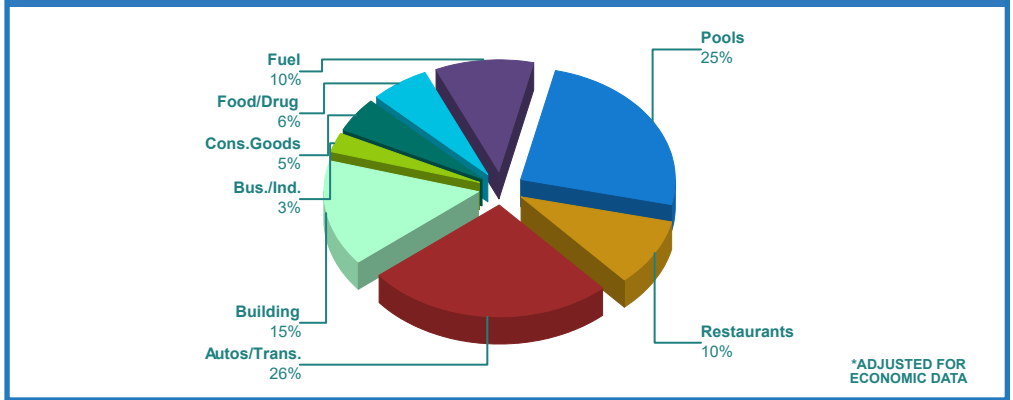
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

### REVENUE BY BUSINESS GROUP Placerville This Fiscal Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q2 '23*	Change	County Change	HdL State Change
Service Stations	125.3	-6.5% ↓	-13.3% ↓	-19.9% ↓
Casual Dining	85.2	1.6% ↑	2.8% ↑	4.5% ↑
Quick-Service Restaurants	62.5	5.1% ↑	5.3% ↑	3.2% ↑
Automotive Supply Stores	44.0	-29.7% ↓	-10.9% ↓	3.3% ↑
Grocery Stores	40.4	5.1% ↑	3.0% ↑	2.9% ↑
Auto Repair Shops	24.8	30.3% ↑	1.3% ↑	2.2% ↑
Convenience Stores/Liquor	12.0	-11.3% ↓	-5.3% ↓	-5.1% ↓
Home Furnishings	10.7	-2.5% ↓	-13.2% ↓	-11.3% ↓
Repair Shop/Equip. Rentals	10.2	-6.6% ↓	-10.5% ↓	0.6% ↑
Variety Stores	10.1	-11.3% ↓	14.8% ↑	-5.5% ↓

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