

CITY OF PLACERVILLE

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



PLACERVILLE
TOTAL: \$ 1,633,386

-0.9%
3Q2023



-2.1%
COUNTY

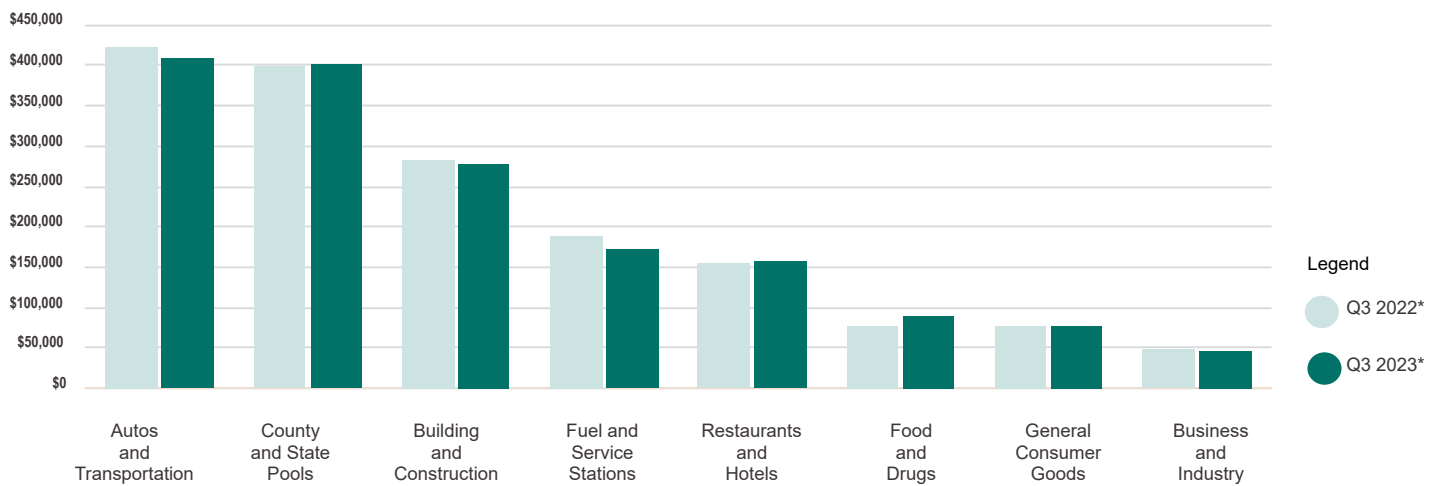


-1.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$369,937
-3.1%

Measure H
TOTAL: \$369,931
-3.1%

Measure L
TOTAL: \$740,048
-3.1%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from July through September were 0.4% above the third sales period in 2022. Excluding reporting aberrations, receipts for the period were down 0.9%, extending the decline in tax to a fourth consecutive quarter.

The drop in gas station receipts was the largest dollar decline by a group this quarter. Lower gas prices and some drop in volume are to blame. The auto-transportation group has seen an overall sales slump for six straight quarters. Most, but not all outlets are in decline this period.

The good news came from the fact that restaurants did better this period along

with the food and drug group, which benefitted from a number of relatively new outlets.

The City's three district taxes were impacted by the issues described above. In addition, a large taxpayer who paid too much in the past has curbed their allocations to more appropriate amounts.

Net of aberrations, taxable sales for all of El Dorado County declined 2.1% over the comparable time period while those of the Sacramento region were down 1.5%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

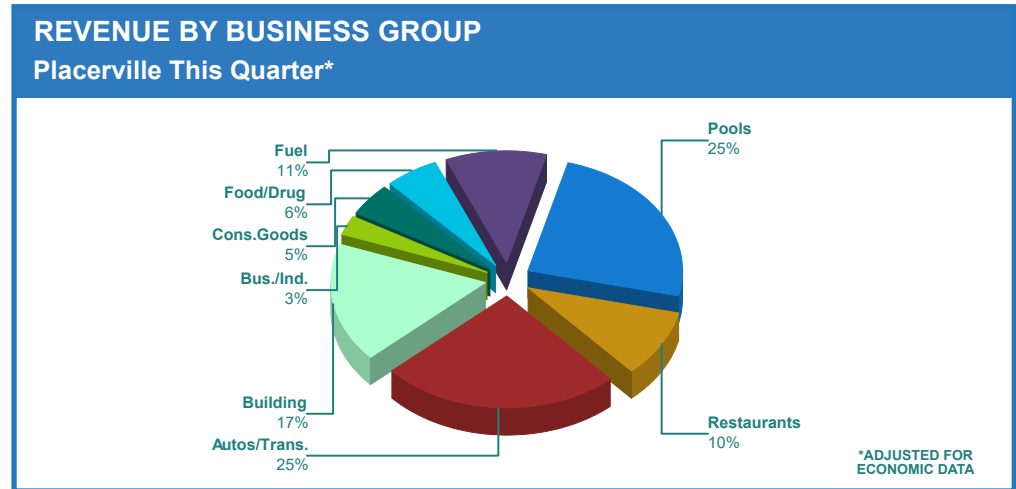
Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for ‘fast food restaurants’.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	145.2	-3.5% ↓	-7.0% ↓	-7.3% ↓
Casual Dining	83.2	-0.4% ↓	5.7% ↑	2.8% ↑
Quick-Service Restaurants	65.1	5.5% ↑	5.2% ↑	2.7% ↑
Automotive Supply Stores	48.6	-28.2% ↓	-13.7% ↓	2.1% ↑
Grocery Stores	38.8	3.9% ↑	-0.1% ↓	2.3% ↑
Auto Repair Shops	23.0	12.1% ↑	0.5% ↑	-1.1% ↓
Convenience Stores/Liquor	12.6	-7.7% ↓	-10.9% ↓	-10.0% ↓
Home Furnishings	12.2	4.5% ↑	-12.9% ↓	-12.1% ↓
Repair Shop/Equip. Rentals	9.4	-4.7% ↓	-27.8% ↓	-4.9% ↓
Cigarette/Cigar Stores	8.6	-20.1% ↓	-18.2% ↓	-8.0% ↓

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