

CITY OF PLACERVILLE

SALES TAX UPDATE

4Q 2022 (OCTOBER - DECEMBER)



PLACERVILLE
TOTAL: \$ 1,717,381

-2.4%
4Q2022



0.3%
COUNTY

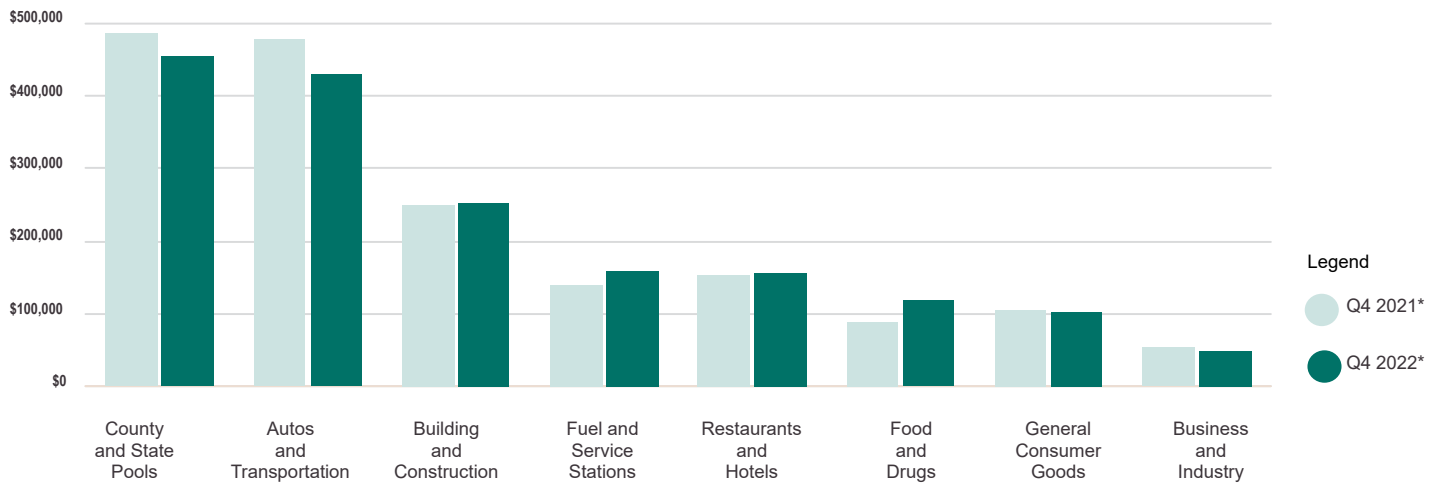


4.6%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$389,378
-6.2%

Measure H
TOTAL: \$389,380
-6.2%

Measure L
TOTAL: \$779,244
-6.1%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from October through December were 0.2% below the fourth sales period in 2021. Excluding reporting adjustments, receipts for the period were down 2.4%.

At this time last year, total sales tax receipts rose 9.4% under different economic conditions, so a dip in sales activity is to be expected and is not limited to Placerville. It is important to note the decline in the City's use tax pool allocation created more of a drag on receipts than the drop in sales at local merchants.

The decline in transportation spending gives back last year's 10% increase,

but not every outlet reported lower sales. Meanwhile, the business-industry group's outlets reported mixed activity that netted to a minor drop in receipts.

Tax receipts for district tax Measures H, J and L declined as fuel stations' misallocations of taxes have begun to stop. Absent those changes, total receipts would have increased 2.7%.

Net of adjustments, taxable sales for all of El Dorado County grew 0.3% over the comparable time period while those of the Sacramento region were up 1.8%.



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 | Sierra Home Alternatives |
| Fuel 4 Less | Thompsons Buick Gmc |
| Home Depot | Thompsons Chrysler Dodge Jeep Ram |
| In N Out Burger | Thompson's Toyota |
| Kwik Serv | Tractor Supply |
| Les Schwab Tire Center | W N Hunt & Sons Distributors |
| Marathon | Western Refining Retail |
| McDonalds | |
| Placerville Polaris & Power Tools | |
| Placerville Valero | |

HdL Companies



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

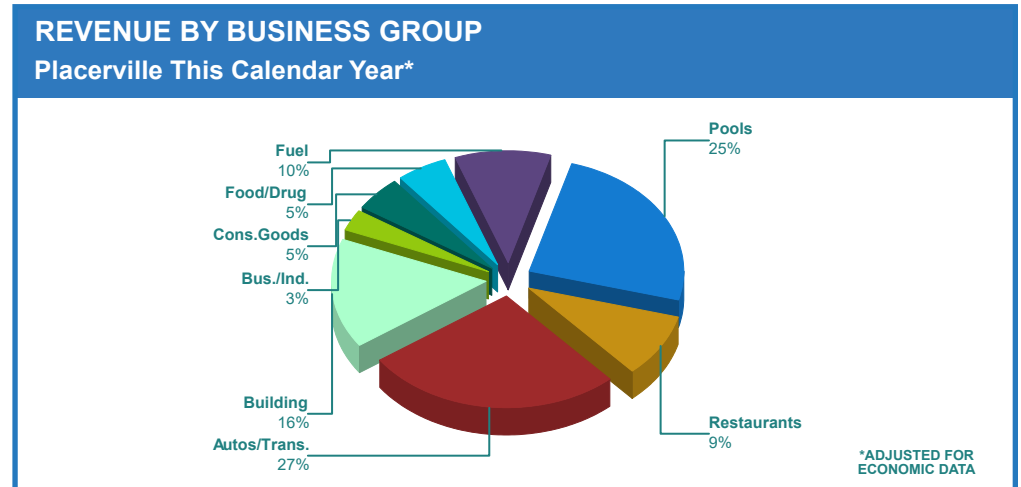
Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-

construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	124.1	9.7% ↑	5.8% ↑	7.5% ↑
Casual Dining	86.0	-0.7% ↓	7.5% ↑	8.1% ↑
Quick-Service Restaurants	61.7	7.2% ↑	7.6% ↑	5.7% ↑
Automotive Supply Stores	61.5	-15.8% ↓	-2.8% ↓	2.6% ↑
Grocery Stores	45.6	0.5% ↑	7.6% ↑	6.2% ↑
Auto Repair Shops	20.6	25.7% ↑	11.9% ↑	6.4% ↑
Cigarette/Cigar Stores	18.2	59.9% ↑	25.1% ↑	1.3% ↑
Convenience Stores/Liquor	12.7	1.0% ↑	0.3% ↑	0.9% ↑
Home Furnishings	11.8	-25.9% ↓	-14.8% ↓	-6.9% ↓
Sporting Goods/Bike Stores	11.4	-15.4% ↓	13.2% ↑	-4.3% ↓

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