

CITY OF PLACERVILLE

SALES TAX UPDATE

4Q 2025 (OCTOBER - DECEMBER)



PLACERVILLE
TOTAL: \$ 1,626,194

-2.0%
4Q2025



1.4%
COUNTY

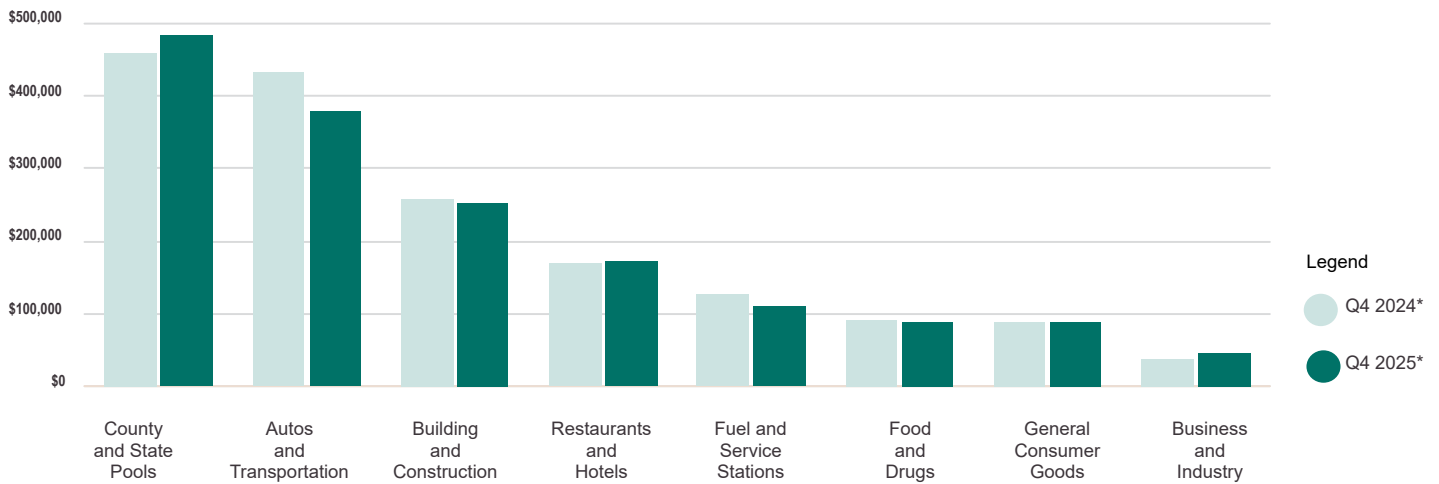


1.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$373,933
↑ 3.7%

Measure H
TOTAL: \$374,248
↑ 3.8%

Measure L
TOTAL: \$747,478
↑ 3.6%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's sales and use tax receipts from October through December were 1.9% below the fourth sales period in 2024. Excluding reporting issues, receipts for the period were down 2.0%.

The auto and transportation group reported the largest drop in tax receipts this period which may have been caused by purchasing pull-forward. This is an economic term used to describe what happens when consumers react to market changes by making purchases sooner than planned.

Fortunately, the city realized gains from equipment purchases which boosted receipts for the business and industry

group. The city's payout from the countywide use tax pool was also larger this period thanks to growth in the size of the pool. The additional tax receipts came from a jump in year-end spending on new material and equipment by commercial and industrial entities.

The city's three sales tax measures performed identically and saw growth in most of the major business groups that are tracked.

Net of aberrations, taxable sales for all of El Dorado County grew 1.4% over the comparable period while those of the Sacramento region were up 1.1%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|-----------------------------------|
| C & H Motor Parts | Placerville Valero |
| Chuck's Cannabis Collective | Raley's |
| Diamond Pacific | Rancho Convenience Center |
| Ferguson Enterprises | Sacred Roots |
| Fuel 4 Less | Taco Bell |
| Grocery Outlet | Thompsons Buick GMC |
| Harbor Freight Tools | Thompsons Chrysler Dodge Jeep Ram |
| Home Depot | Thompson's Toyota |
| In N Out Burger | Tractor Supply |
| Kwik Serv | Verizon Wireless |
| Les Schwab Tire Center | |
| Main Street Tap House | |
| Marshall Hospital | |
| McDonald's | |
| Mobil | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts posted moderate growth during the fourth quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of October through December, revenues increased 1.2% from the year ago quarter after adjusting for accounting anomalies. This performance capped an overall improvement for calendar year 2025 of 1.2%, marking a welcomed annual increase after two consecutive years of decline.

Consumer spending patterns during the holiday season played a central role in the fourth-quarter results. Fulfillment centers and countywide use tax pools generated strong returns, driven by sustained demand for online shopping as cost-conscious consumers prioritized convenience and price comparison. This e-commerce momentum persisted throughout the 2025 year. Traditional brick-and-mortar retailers, particularly apparel and jewelry stores, also realized modest seasonal gains, benefiting from holiday purchasing activity.

Restaurant sales taxes rose again, although operators reported continual pressure from rising costs that influenced customer behavior. Diners reduced visit frequency and alcohol purchases, reflecting heightened price sensitivity. While upcoming national and global sporting events in California could support localized growth, broader restaurant sector expansion is expected to remain constrained and concentrated primarily in tourism-heavy and event-focused regions.

Energy-related initiatives produced solid returns; however, revenue allocation mechanisms shifted, with proceeds previously reported directly to local agencies now distributed through county pools during the current period.

In contrast, the autos-transportation and building-construction sectors remained

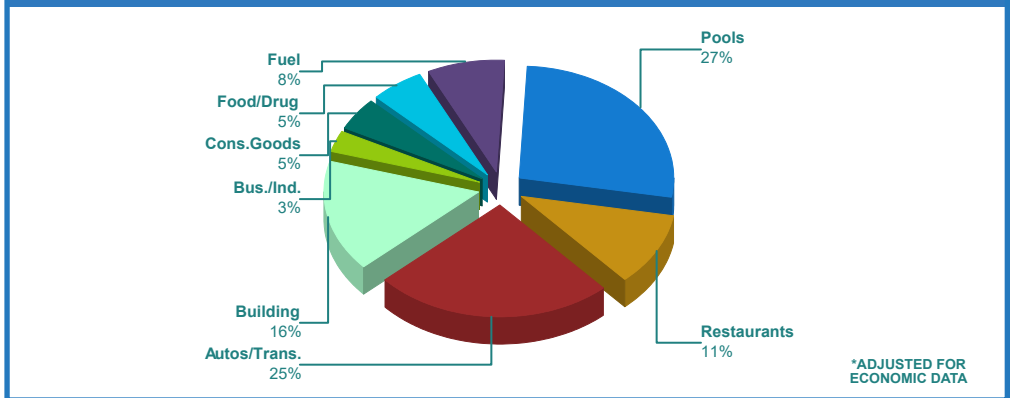
subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation in these industries. With minimal interest rate relief projected for 2026, significant near-term recovery remains unlikely.

Looking ahead, emerging global risks present growing uncertainty. While not reflected in current results, escalating tensions in the Middle East have driven West Texas Intermediate crude oil prices above \$100 per barrel, translating into sharply higher gasoline prices exceeding \$6 per gallon locally. Refinery

closures across Northern and Southern California further amplify supply pressures. Prolonged energy price volatility could force consumers to redirect spending toward fuel costs, reducing discretionary expenditures in other sectors.

Prior to these developments, short-term economic expectations were cautiously optimistic. However, renewed inflationary pressure has led the Federal Reserve to delay anticipated interest rate reductions, limiting consumer flexibility. Stubbornly high fuel prices may also dampen travel and tourism through summer, leaving little room for broad-based sales tax growth in the year.

REVENUE BY BUSINESS GROUP Placerville This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q4 '25*	Change	County Change	HdL State Change
Service Stations	104.6	-13.3% ↓	-4.3% ↓	-2.2% ↓
Casual Dining	95.7	1.5% ↑	0.4% ↑	2.3% ↑
Quick-Service Restaurants	66.7	4.8% ↑	1.1% ↑	0.2% ↑
Grocery Stores	48.0	5.6% ↑	-1.5% ↓	0.8% ↑
Automotive Supply Stores	37.3	-20.8% ↓	1.1% ↑	-2.3% ↓
Auto Repair Shops	28.2	39.6% ↑	11.1% ↑	-1.8% ↓
Garden/Agricultural Supplies	21.3	0.7% ↑	3.0% ↑	5.8% ↑
Cigarette/Cigar Stores	15.1	25.9% ↑	8.3% ↑	-2.4% ↓
Convenience Stores/Liquor	12.0	-5.2% ↓	-1.6% ↓	-2.2% ↓
Electronics/Appliance Stores	11.5	-4.8% ↓	-18.0% ↓	-3.6% ↓

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