

CITY OF PLACERVILLE

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



PLACERVILLE
TOTAL: \$ 1,543,530

-1.9%
2Q2024



-0.1%
COUNTY

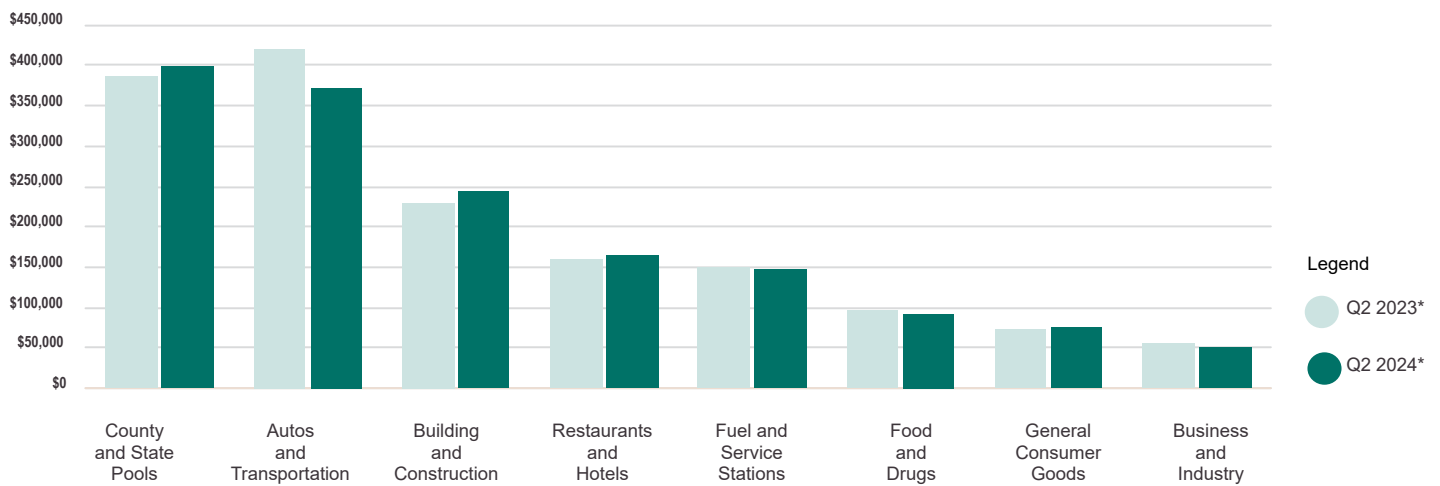


-0.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$354,463
-1.3%

Measure H
TOTAL: \$354,502
-1.3%

Measure L
TOTAL: \$709,403
-1.2%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's gross receipts from April - June were 1.7% below the second sales period in 2023. After adjusting for reporting modifications such as audit corrections and delayed payments, actual sales were down 1.9%. Sales tax results varied as consumers were cautious with spending during the spring months.

The autos-transportation group dropped 11% with related purchases declining, including at automotive supply and repair stores. While service station revenues benefitted from the fluctuating price of crude oil, and perhaps increased consumption, the group as a whole edged down.

On the positive, the City's allocation from the countywide use tax pool jumped 3.1% due to growth in ecommerce, which bolstered overall pool revenues. A new business in town lifted building materials receipts and the building-construction group by 6.1%. Gains in quick service offset declines in casual dining as people looked for value while dining out.

Voter approved Measures L, J, and H posted similar results with declines in transportation related sales and positive receipts in building-construction.

Net of adjustments, taxable sales for all of El Dorado County were flat over the comparable time period; the Sacramento region was up 0.2%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|-----------------------------------|
| C & H Motor Parts | Raley's |
| Chuck's Cannabis Collective | Rancho Convenience Center |
| Diamond Pacific | Sacred Roots |
| Ferguson Enterprises | Safelite Auto Glass |
| Fuel 4 Less | Save Mart |
| Grocery Outlet | Shell |
| Harbor Freight Tools | Thompsons Buick GMC |
| Home Depot | Thompsons Chrysler Dodge Jeep Ram |
| In N Out Burger | Thompson's Toyota |
| Kwik Serv | Tractor Supply |
| Main Street Tap House | |
| Marathon | |
| McDonald's | |
| Mobil | |
| Placerville Valero | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it’s only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

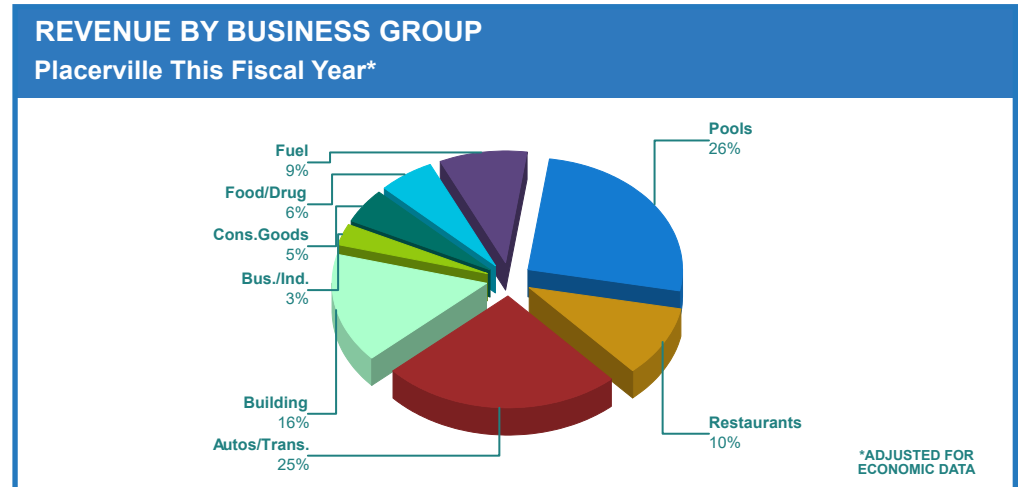
Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men’s and women’s apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper’s preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted – state law increasing California’s minimum wage at designated eateries – third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q2 '24*	Change	County Change	HdL State Change
Service Stations	142.3	13.6% ↑	2.1% ↑	2.3% ↑
Casual Dining	86.8	-0.9% ↓	-0.1% ↓	0.7% ↑
Quick-Service Restaurants	66.8	6.7% ↑	1.4% ↑	1.2% ↑
Grocery Stores	42.2	4.4% ↑	3.8% ↑	1.6% ↑
Automotive Supply Stores	39.8	-10.3% ↓	-6.5% ↓	-3.3% ↓
Garden/Agricultural Supplies	25.1	-12.3% ↓	-9.7% ↓	-6.8% ↓
Auto Repair Shops	22.3	-10.7% ↓	-4.1% ↓	-4.2% ↓
Convenience Stores/Liquor	12.4	1.1% ↑	-4.6% ↓	-0.6% ↓
Cigarette/Cigar Stores	11.6	38.6% ↑	8.4% ↑	-3.4% ↓
Variety Stores	9.8	-3.3% ↓	-1.1% ↓	-8.4% ↓

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