

# CITY OF SOUTH LAKE TAHOE

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### SOUTH LAKE TAHOE

TOTAL: \$ 1,619,201

7.3%  
1Q2022



11.0%  
COUNTY

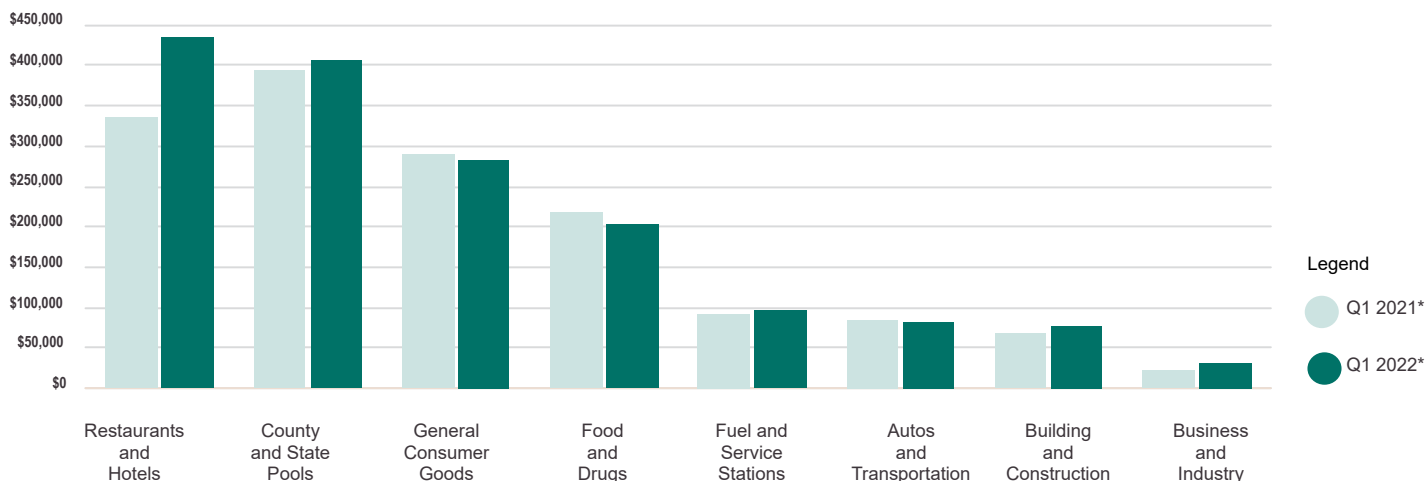


17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure Q

TOTAL: \$864,530

8.8%



#### Measure S

TOTAL: \$1,672,324



#### CITY OF SOUTH LAKE TAHOE HIGHLIGHTS

South Lake Tahoe's gross receipts January through March were 14% above the first sales period in 2021. Adjustments for delayed payments, audit and other reporting modifications resulted in actual sales that were up 7% - and overall place of sale collections rose almost 9%. While there were some lingering effects of the Caldor Fire, results were strong.

The City's largest sales tax group, restaurants-hotels, continued rebounding with a 29% gain. Casual dining experiences lured people out to local eateries - which may have contributed to a dip in grocery and convenience store revenues. With the global cost of crude oil causing higher

gas prices, and more commuters, revenue from fuel-service stations also improved.

Increased sales tax receipts caused the City's allocations from the countywide use tax pool to jump 3.4%.

Results for the two local tax Measures Q and S reflected much of the same, with support from merchandise sales and restaurant activity.

Net of adjustments, taxable sales for all of El Dorado County grew 11.0% over the comparable time period; the Sacramento region was up 13.8%.



#### TOP 25 PRODUCERS

- |                            |                        |
|----------------------------|------------------------|
| Aisle 1                    | Powder House           |
| Azul Latin Kitchen         | Raley's                |
| Base Camp Pizza Co         | Riva Grill on the Lake |
| California Burger          | Ross                   |
| Cannablue                  | Safeway                |
| CVS Pharmacy               | Safeway Fuel           |
| Do it Yourself Home Center | Sports Ltd             |
| Embarc Tahoe               | Tahoe Wellness         |
| Fire Ice Grill & Bar       | TJ Maxx                |
| Heavenly Sports            | Up Shirt Creek         |
| Jim Bagan Toyota           |                        |
| KB Chevron                 |                        |
| McDonalds                  |                        |
| McP's Pub Tahoe            |                        |
| Meeks Building Center      |                        |



**STATEWIDE RESULTS**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

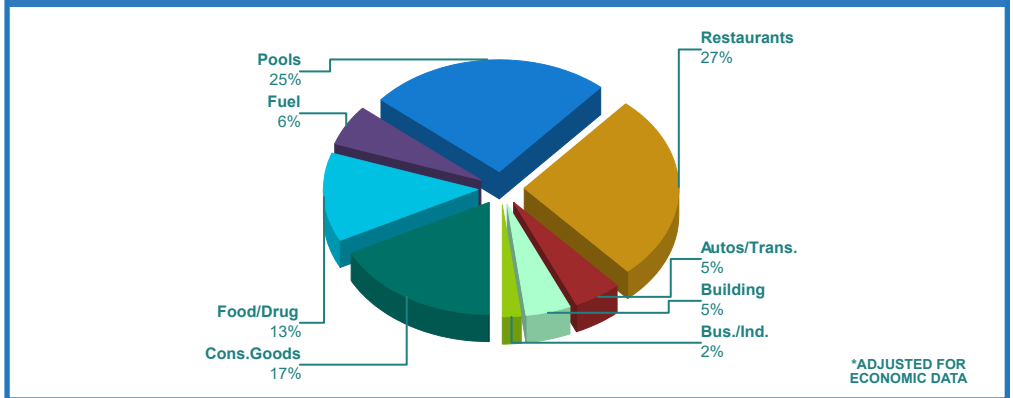
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
South Lake Tahoe This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

South Lake Tahoe Business Type	Q1 '22*	Change	County Change	HdL State Change
Casual Dining	329.9	38.2% ↑	28.9% ↑	55.7% ↑
Sporting Goods/Bike Stores	129.5	6.3% ↑	-6.8% ↓	-5.1% ↓
Grocery Stores	97.6	-10.0% ↓	-2.9% ↓	3.2% ↑
Service Stations	94.1	5.5% ↑	24.3% ↑	43.4% ↑
Family Apparel	72.5	-4.2% ↓	-6.0% ↓	9.4% ↑
Cannabis Related	50.1	11.3% ↑	11.4% ↑	-4.8% ↓
Quick-Service Restaurants	46.0	-9.5% ↓	-0.9% ↓	7.8% ↑
Convenience Stores/Liquor	33.1	-14.9% ↓	-1.5% ↓	1.7% ↑
Building Materials	31.9	-1.1% ↓	7.4% ↑	7.6% ↑
Specialty Stores	24.1	-10.9% ↓	-1.7% ↓	10.7% ↑

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