

# CITY OF SOUTH LAKE TAHOE

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



#### SOUTH LAKE TAHOE

TOTAL: \$ 2,272,625

27.3%  
3Q2022



13.6%  
COUNTY

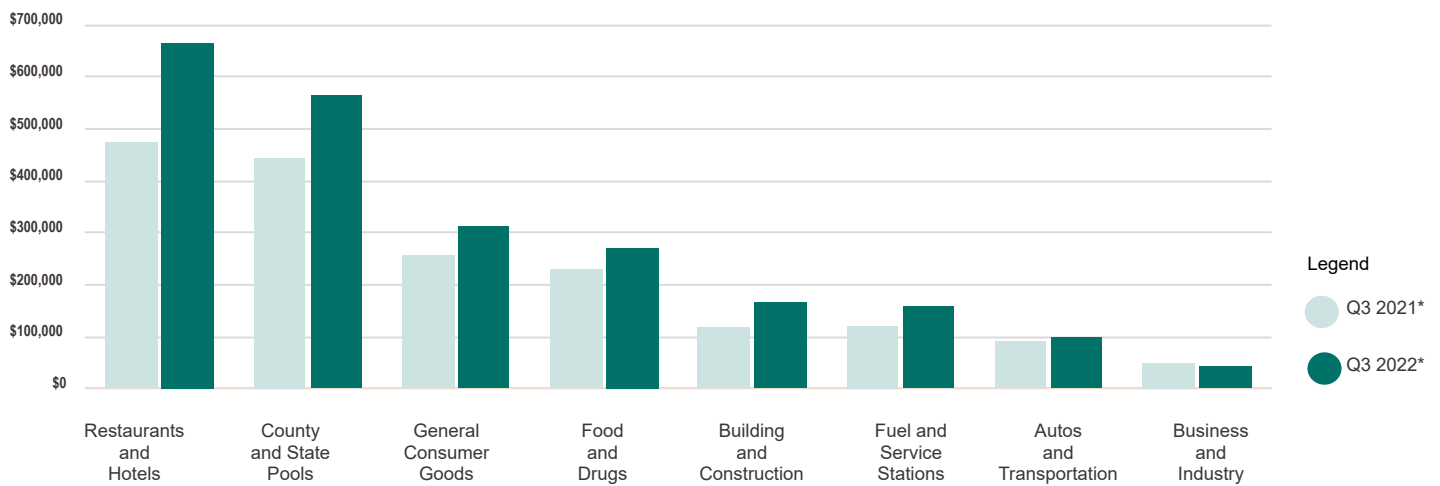


8.0%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure Q

TOTAL: \$1,160,281

23.7%

#### Measure S

TOTAL: \$2,336,671

24.5%



#### CITY OF SOUTH LAKE TAHOE HIGHLIGHTS

South Lake Tahoe's receipts from July through September were 29.1% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 27.3%.

The summer season brought visitors to the region for in-person experiences that boosted results for many industry groups. Led by the restaurant-hotel sector, casual eateries saw stellar gains with customers eager to dine-in despite rising menu prices. Quick service restaurants also benefitted from increased foot traffic.

Prices at the pump shot up in record fashion bolstering fuel-service station tax revenue. The average price per gallon has declined and demand is expected to decrease in 2023. Visitor spending and improved foot traffic at sporting goods and family apparel retailers helped

propel general consumer sales. Food-drug receipts gained with the addition of a new outlet.

The building-construction sector also contributed with contractors booked for improvement projects and increased building material sales.

Voter approved Measures Q & S posted strong results from patrons enjoying dining at local eateries, service station receipts and building related activities.

Net of aberrations, taxable sales for all of El Dorado County grew 13.6% over the comparable time period; the Sacramento region was up 6.8%.



#### TOP 25 PRODUCERS

- Aisle 1
- Azul Latin Kitchen
- Base Camp Pizza Co
- California Burger
- Cannablue
- CVS Pharmacy
- Diy Home Centerdiy Home Center
- Heavenly Sports
- Jim Bagan Toyota
- KB Chevron
- Landing Tahoe Resort & Spa
- Marcus Ashley Gallery
- McDonalds
- McP's Pub Tahoe
- Meeks Building Center
- Raley's
- Riva Grill on the Lake
- Ross
- Safeway
- Safeway Fuel
- Sports Ltd
- Tahoe Asphalt
- TJ Maxx
- Up Shirt Creek
- Western Nevada Supply



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

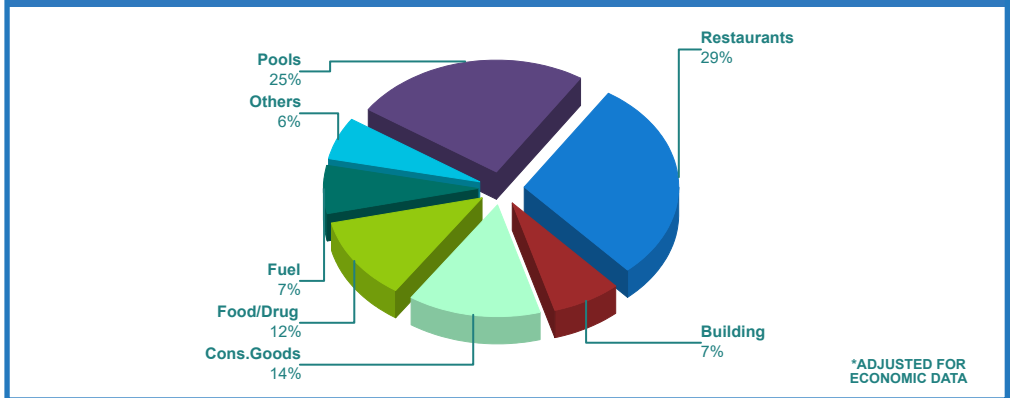
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

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



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

South Lake Tahoe Business Type	Q3 '22*	Change	County Change	HdL State Change
Casual Dining	444.8	40.6% ↑	22.4% ↑	10.1% ↑
Service Stations	148.7	26.9% ↑	28.4% ↑	18.5% ↑
Grocery Stores	136.4	16.0% ↑	9.4% ↑	3.0% ↑
Family Apparel	115.4	19.0% ↑	14.1% ↑	-1.7% ↓
Quick-Service Restaurants	76.2	42.0% ↑	13.1% ↑	4.0% ↑
Contractors	75.4	58.3% ↑	32.0% ↑	15.6% ↑
Sporting Goods/Bike Stores	69.6	32.7% ↑	24.2% ↑	-4.2% ↓
Building Materials	58.7	27.0% ↑	6.2% ↑	2.8% ↑
Cannabis Related	53.8	27.6% ↑	9.5% ↑	-12.1% ↓
Convenience Stores/Liquor	45.9	12.0% ↑	5.4% ↑	1.6% ↑

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\*In thousands of dollars