

# SOUTH LAKE TAHOE

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



**SOUTH LAKE TAHOE**

TOTAL: \$ 1,542,913

17.4%  
4Q2020



6.2%  
COUNTY

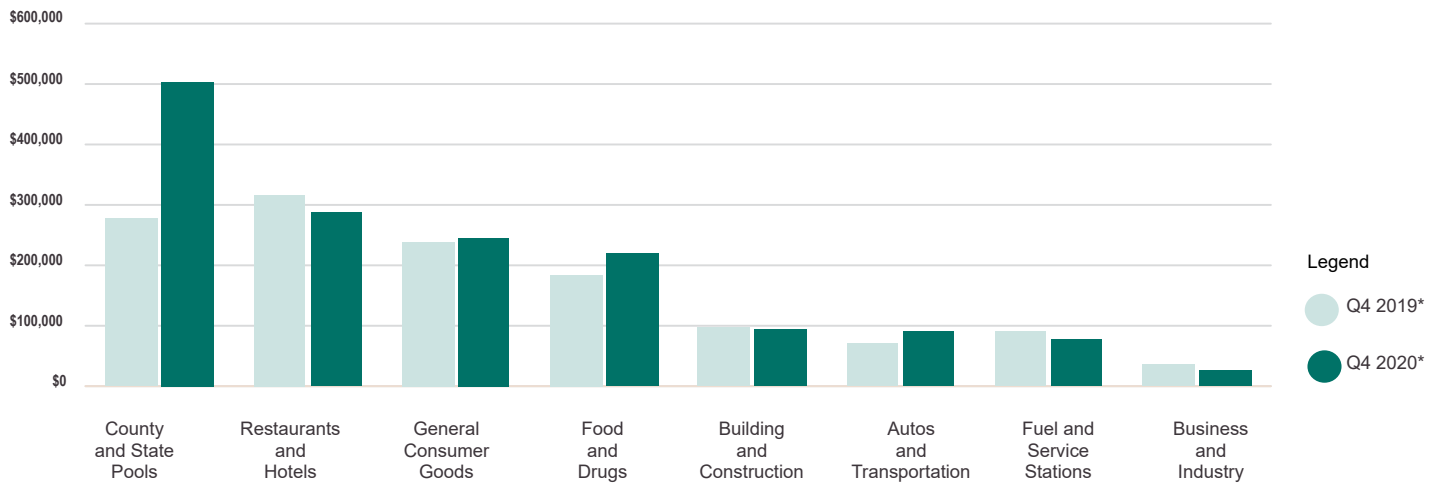


-2.0%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### Measure Q

TOTAL: \$796,852

↑ 7.9%



### CITY OF SOUTH LAKE TAHOE HIGHLIGHTS

South Lake Tahoe's receipts from October through December were 49.2% above the fourth sales period in 2019. Excluding reporting adjustments, including a large deduction made in the prior year, total receipts for the period were up 17.4%.

The statistics above hide the fact that local business' receipts were only up 0.4% over last year, which is still impressive considering all that the State has been through in the last few months. The 81% increase in the City's allocation from the use tax pool really juiced up the results over last year. The use tax pools across the State benefitted from the pandemic's effect on online sales but

that will begin to diminish once spending shifts to in-store purchases and travel expenses.

The City's two sales tax measures benefitted from a sharp jump in new and used cars purchased by locals, while online sales continued to add significant value as well.

Net of adjustments, taxable sales for all of El Dorado County grew 6.2% over the comparable time period while those of the Sacramento region were up 2.5%.



### TOP 25 PRODUCERS

- |                            |                        |
|----------------------------|------------------------|
| Aisle 1                    | Raleys                 |
| Azul Latin Kitchen         | Riva Grill on the Lake |
| Base Camp Pizza Co         | Ross                   |
| BevMo                      | Safeway                |
| California Burger          | Safeway Fuel           |
| CVS Pharmacy               | Sports Ltd             |
| Do it Yourself Home Center | Tahoe Wellness         |
| Grocery Outlet             | TJ Maxx                |
| Heavenly Sports            | Up Shirt Creek         |
| Jim Bagan Toyota           | Whole Foods Market     |
| KB Chevron                 |                        |
| Les Schwab Tire Center     |                        |
| McDonalds                  |                        |
| McP's Pub Tahoe            |                        |
| Meeks Building Center      |                        |



**STATEWIDE RESULTS**

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national

presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

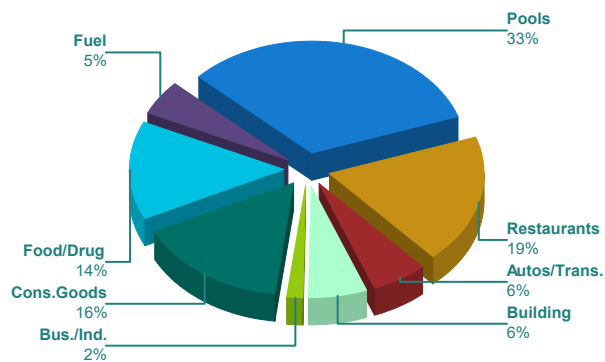
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset the declines. Greater online shopping signifying a permanent shift of consumer

habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

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



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

South Lake Tahoe Business Type	Q4 '20*	Change	County Change	HdL State Change
Casual Dining	195.7	-10.9% ↓	-15.4% ↓	-39.4% ↓
Grocery Stores	131.1	17.0% ↑	15.1% ↑	5.2% ↑
Family Apparel	81.3	9.4% ↑	1.8% ↑	-16.2% ↓
Sporting Goods/Bike Stores	74.5	11.3% ↑	0.8% ↑	20.3% ↑
Service Stations	74.0	-15.3% ↓	-29.6% ↓	-31.2% ↓
Quick-Service Restaurants	45.7	3.6% ↑	0.2% ↑	-8.7% ↓
Building Materials	43.7	3.5% ↑	18.1% ↑	17.7% ↑
Convenience Stores/Liquor	31.7	9.3% ↑	13.1% ↑	-2.0% ↓
Specialty Stores	28.3	17.9% ↑	6.6% ↑	-6.8% ↓
Automotive Supply Stores	26.8	12.6% ↑	7.9% ↑	3.3% ↑

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\*In thousands of dollars