

**LATE DISTRIBUTION**DATE 7/21/2020
BOS 7/21/2020

EDC COB <edc.cob@edcgov.us>

7-21-2020 BOS Agenda Item #19-Sales Tax Assumptions

Joe Harn <joe.harn@edcgov.us>

Tue, Jul 21, 2020 at 11:55 AM

To: The BOSFOUR <bosfour@edcgov.us>, The BOSFIVE <bosfive@edcgov.us>, The BOSTWO <bostwo@edcgov.us>, The BOSONE <bosone@edcgov.us>, The BOSTHREE <bosthree@edcgov.us>

Cc: Donald Ashton <don.ashton@edcgov.us>, EDC COB <edc.cob@edcgov.us>, Kim Dawson <kim.dawson@edcgov.us>, Shawne Corley <shawne.corley@edcgov.us>, Sue Hennike <sue.hennike@edcgov.us>, Vern Pierson <vern.pierson@edcgov.us>, Brian Richart <brian.richart@edcgov.us>, "John.dagostini" <John.dagostini@edso.org>, Teri Monterosso <teri.monterosso@edcgov.us>

Board Members,

I am glad that the CAO included a discussion in his letter of the various issues related to estimated sales tax revenue. Unfortunately, we are going to need to have similar discussions frequently this fiscal year.

I recommend that you direct the CAO to hold the "public safety" departments harmless for any estimated reduction in Prop 172 sales tax at this time.

There are some great uncertainties in the state's economy and in our local economy. Further, projecting sales tax revenues is very difficult because of problems that the California Department of Tax and Fee Administration had with the implementation of its new software system. Accordingly, I recommend that your Board not provide the CAO with direction related to sales tax estimates for the current fiscal year. I believe that by late August that we will have a good idea of what our fiscal 2019-20 actual sales tax revenues were. At that time, we MAY be in a better position to make better informed estimates of our fiscal 2020-21 sales tax revenues.

Again, I appreciate the CAO's work on this issue. I acknowledge the extreme difficulty in making these sales tax estimates in the current circumstances.

Joe Harn
Auditor-Controller
El Dorado County