

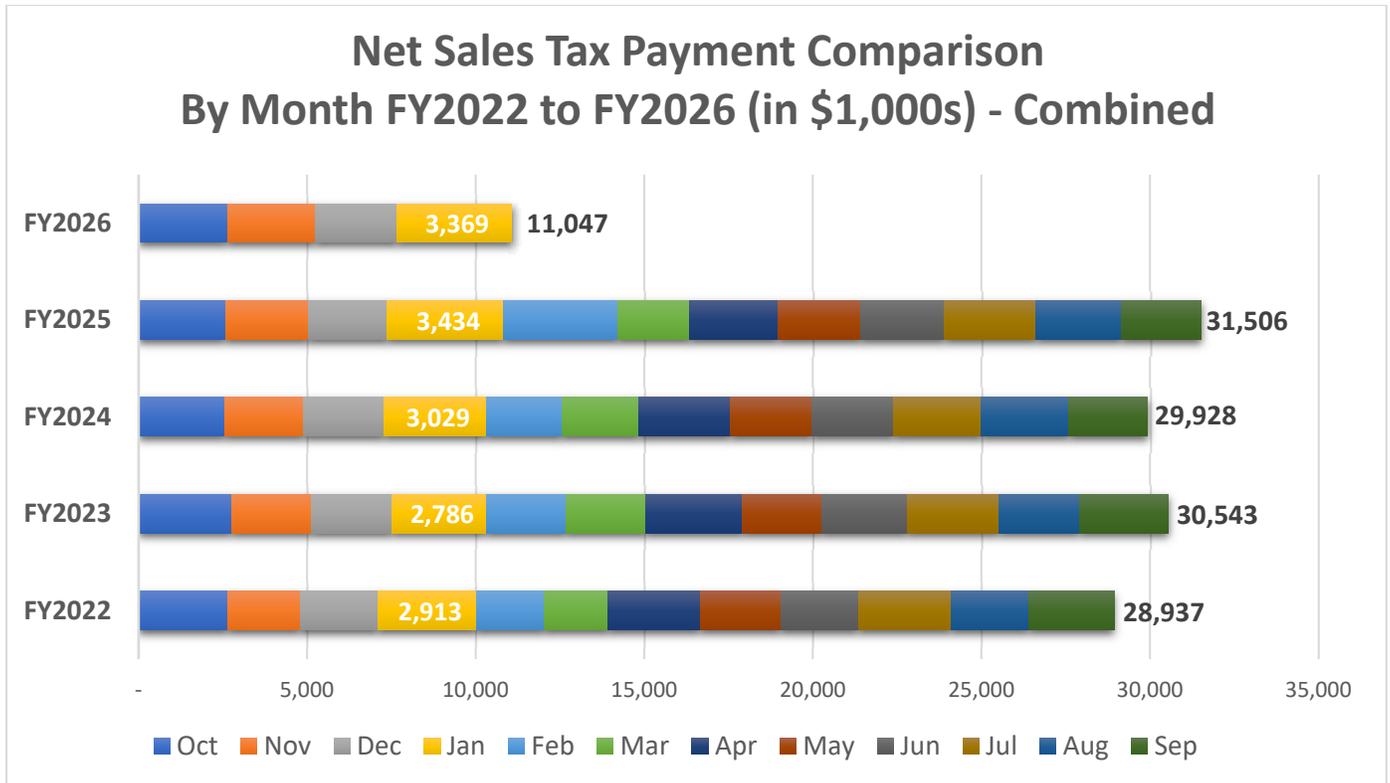


# Monthly Report on Sales Tax Collections

Due to the elastic nature of sales tax revenue, the Finance Department is committed to providing a brief update of the sales tax collections. The Texas Comptroller’s Office posted the January sales tax results in February. The results are dependent upon the timeliness and accuracy of sales taxpayers’ returns.

This payment from the State represents taxes remitted in January on sales that occurred primarily in the month of December. Note that payments are received and recorded on the general ledger two months after the month of sale; i.e. payments for sales in the month of December are recorded in February.

As shown below, the City’s combined January collections of \$3,369,403 are the second highest net sales tax payment for the month of January between FY2022 and FY2026. Total net collections decreased by \$64,504, or 1.9%, compared to January 2025.

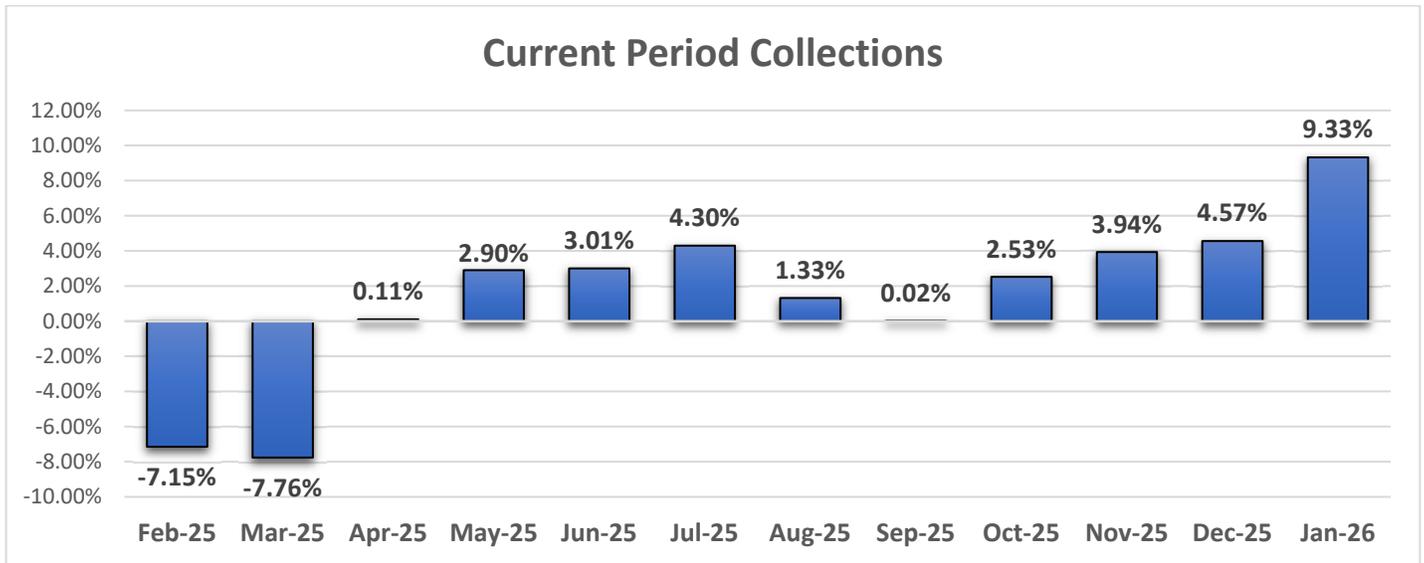




Collection Detail for Sales Tax	January 2026	January 2025	\$ Change	% Change
<b>Current Period Collections</b>	<b>\$ 3,304,729</b>	<b>\$ 3,022,682</b>	<b>\$ 282,046</b>	<b>9.3%</b>
Other Collections	77,118	134,431	(57,313)	-42.6%
Audit Collections	24,867	314,194	(289,327)	-92.1%
Single Local Rate Collections:	50,813	55,351	(4,538)	-8.2%
Service Fee	(69,151)	(70,533)	1,383	2.0%
Retainage	(18,973)	(22,219)	3,246	14.6%
<b>Net Payment</b>	<b>\$ 3,369,403</b>	<b>\$ 3,433,907</b>	<b>\$ (64,504)</b>	<b>-1.9%</b>

Current period collections provide a more accurate indicator to the City’s economic health. Current collections were up \$282,046, or 9.3%, compared to January 2025. See page 5 for definitions of line items.

The chart below shows the change in the current period collections compared to the same month in the prior year.



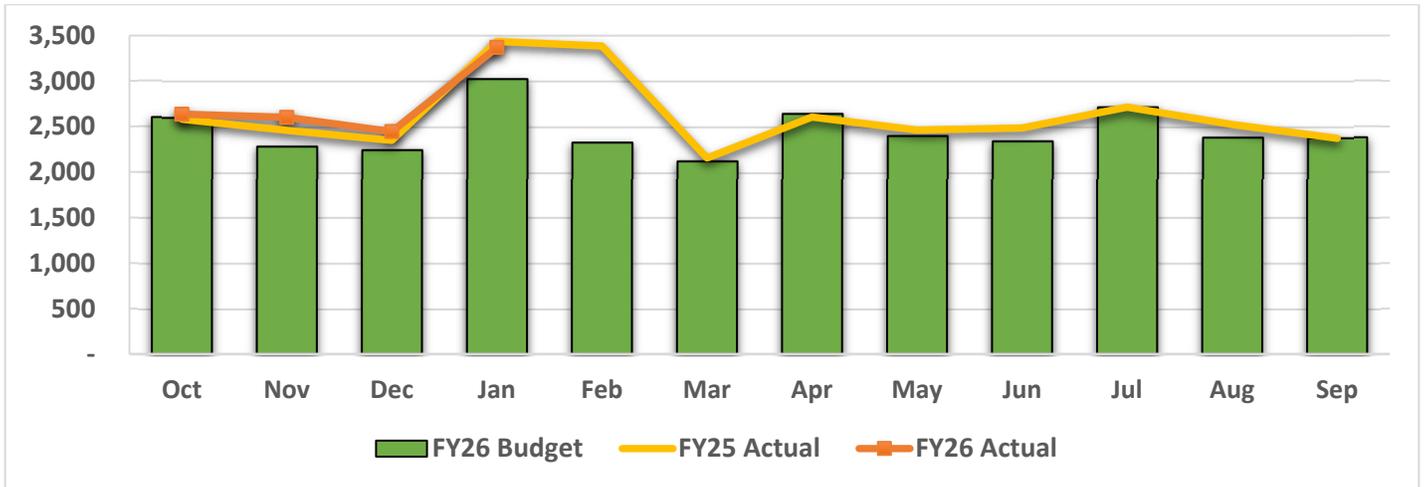
For FY2026, the City has collected \$11,047,000 in sales tax which is \$873,000, or 8.6%, more than the FY2026 budget of \$10,174,000 and \$229,000, or 2.1%, more than the FY2025 actual collections.

Budget Comparison to FY2025	FY2025 Actual	FY2026 Budget	FY2026 Actual
January	3,434,000	3,027,000	3,369,000
Year-to-Date	10,818,000	10,174,000	11,047,000

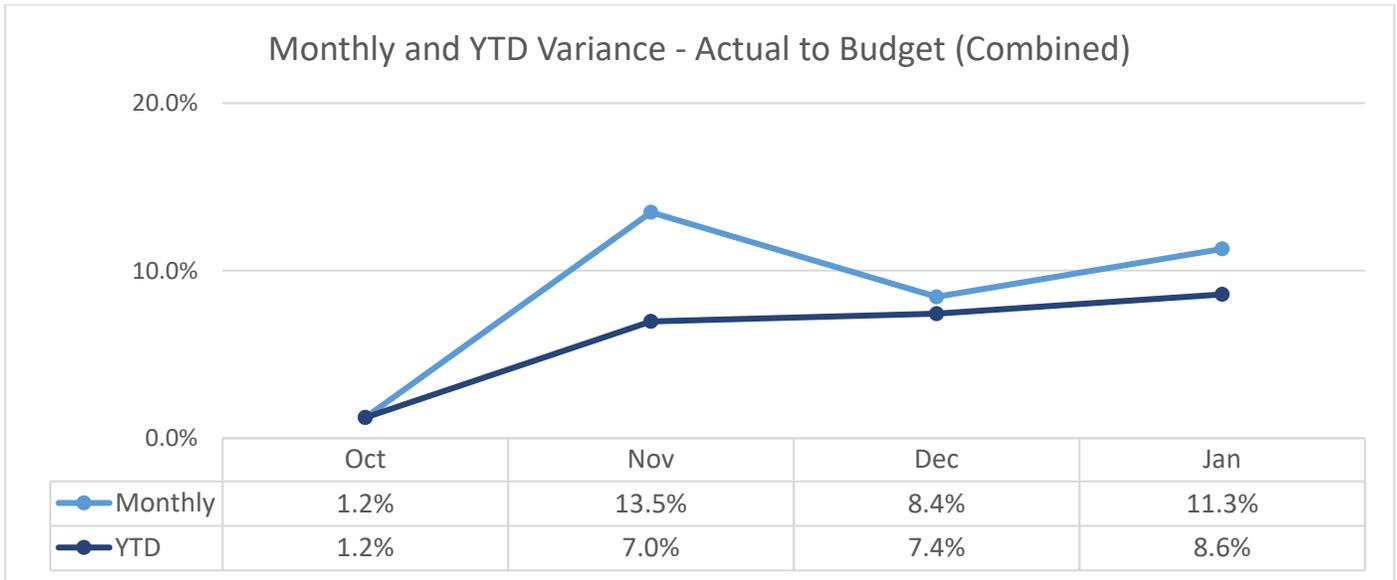
Year-to-Date Variance		
Over/(Under) FY2025 Actual	229,000	2.1%
Over/(Under) FY2026 Budget	873,000	8.6%



The following graph demonstrates how our trend compares to last year's actuals and budget.



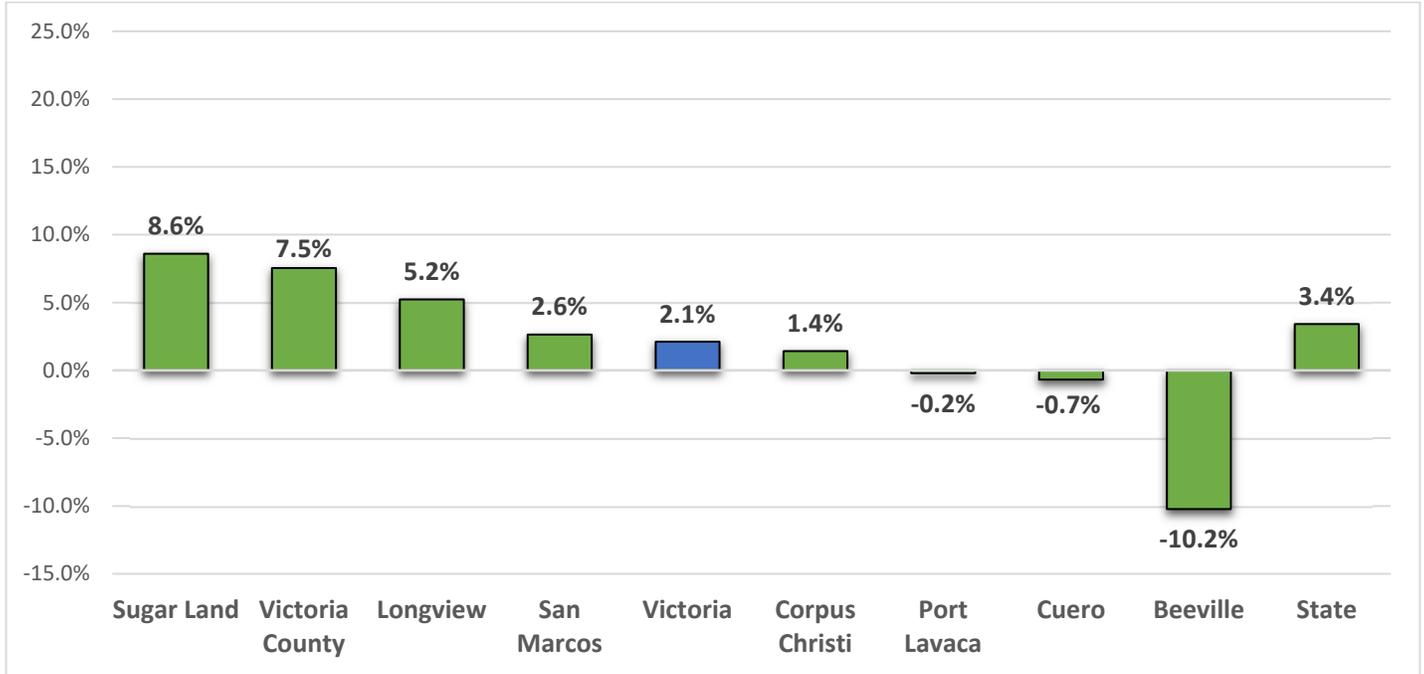
January collections are above the monthly budget by \$342,000, or 11.3%. The following graph provides the variance related to current monthly performance as compared to the budget.





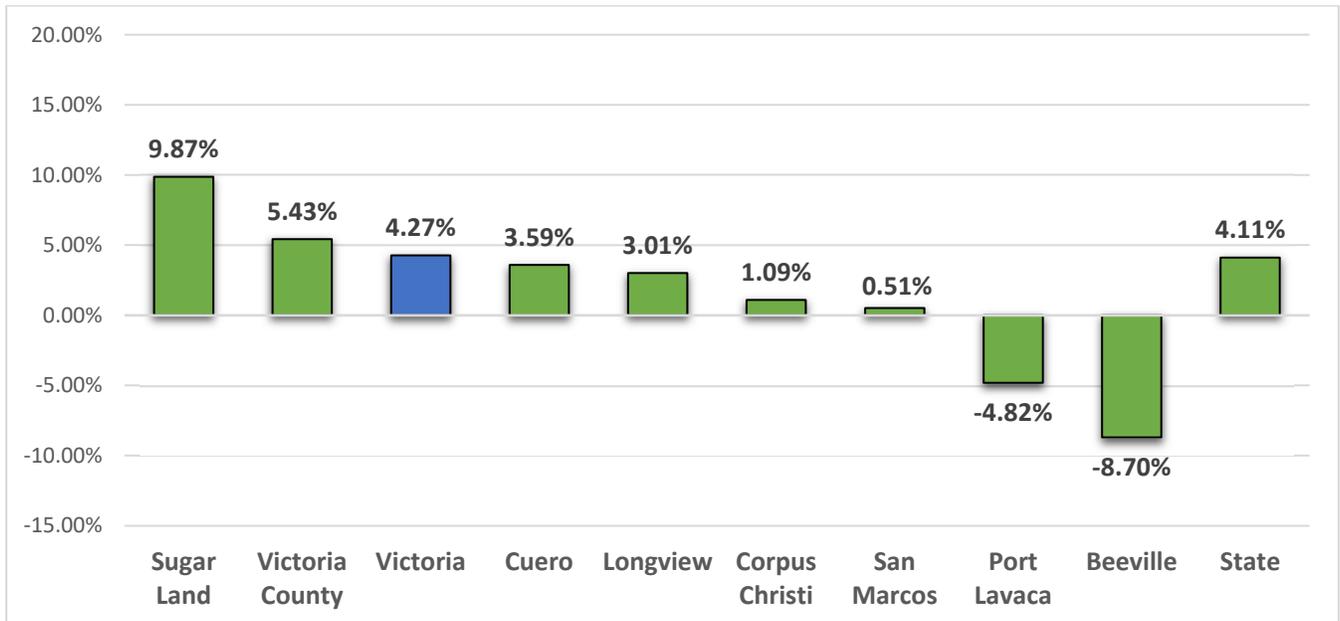
Compared to Other Cities

Year-to-date collections for Victoria are up 2.1%, which is the fourth lowest variance of comparative cities/counties, and less than the State average.



Rolling 12-Month

The rolling 12-month percentage change for Victoria and comparative cities/counties is reflected in the graph below. Victoria’s rolling 12-month growth rate decreased to 4.27%, the third highest among the comparison cities/counties and above the State, for the period of February 2025 – January 2026.





**Definitions**

Components of Allocation Payments

<b>Authority Code</b>	Unique seven digit code assigned to each taxing jurisdiction. Cities start with a "2," transit authorities with a "3," counties with a "4," and SPDs with a "5."
<b>Allocation Period</b>	Month and year the payment was distributed to the city, county, special purpose district or transit authority
<b>Total Collections</b>	Total of the following five collection sources since the last allocation
<i>Prior Period Collections</i>	Collections from any original or amended returns whose due date was before the most recent return due date and collections of delinquent balances
<i>Current Period Collections</i>	Collections from the most recent return(s) due
<i>Future Period Collections</i>	Collections from returns not yet due
<i>Audit Collections</i>	Collections from audited periods
<i>Unidentified</i>	Occasional proportionate disbursements of local tax collected and remitted by businesses but not identified by specific location
<i>Single Local Rate Collections</i>	Proportionate share of disbursement of local tax collected and remitted by remote sellers opting to report local tax using the single local tax rate
<b>(-) Service Fee</b>	Two percent of the total collections retained by the state
<b>(-) Current Retained</b>	Two percent of the net total collections less the monthly service fee
<b>(+) Prior Retained</b>	Reimbursement of the amount retained in the previous month's allocation
<b>(=) Net Payment</b>	Payment amount

Source: <https://mycpa.cpa.state.tx.us/allocation/help>