

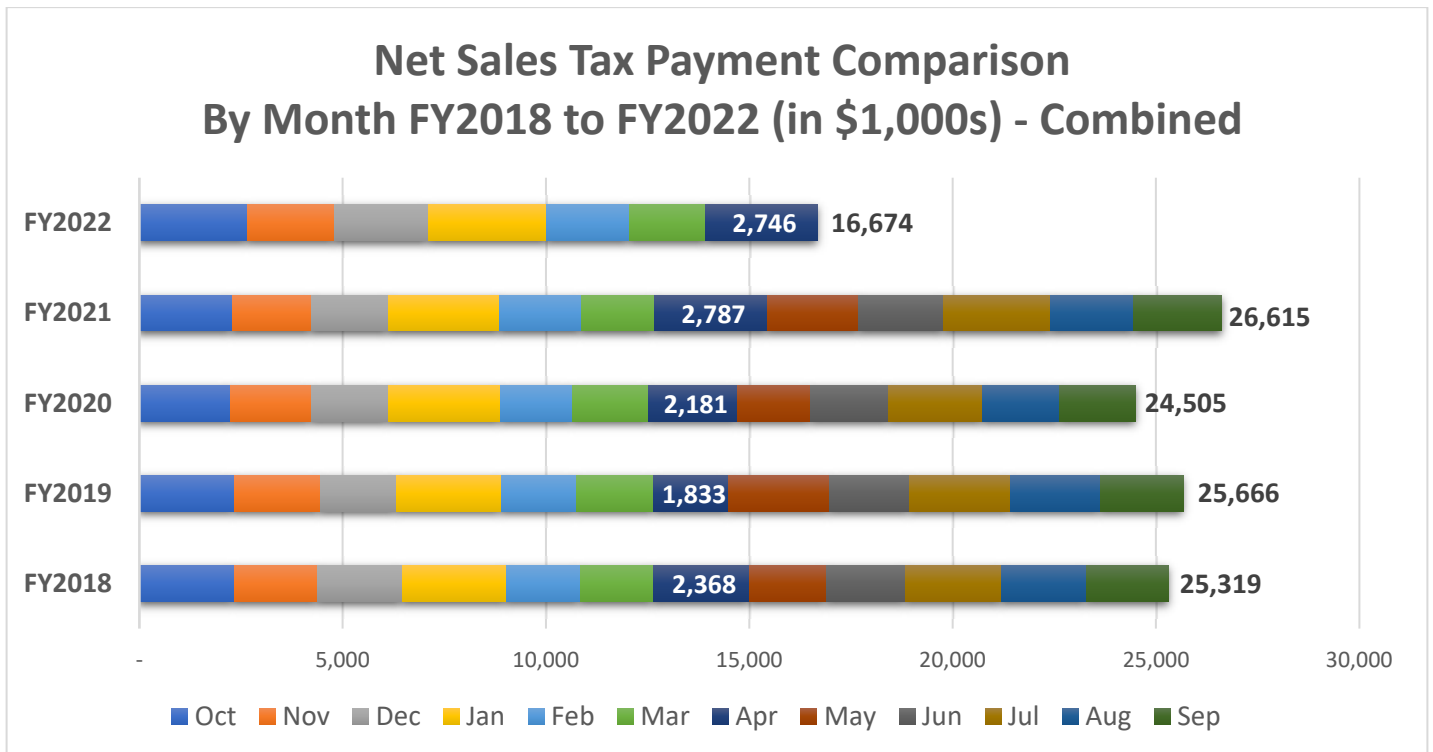


Monthly Report on Sales Tax Collections

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 March sales tax results in May. The results are dependent upon the timeliness and accuracy of sales tax payers' returns.

This payment from the State represents taxes remitted in April on sales that occurred primarily in the month of March. 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 March are recorded in May.

As shown below, the City's combined April collections of \$2,746,226 are the second highest net sales tax payment for the month of April between FY2018 and FY2022. Total net collections decreased by \$40,640, or 1.5%, compared to April 2021.

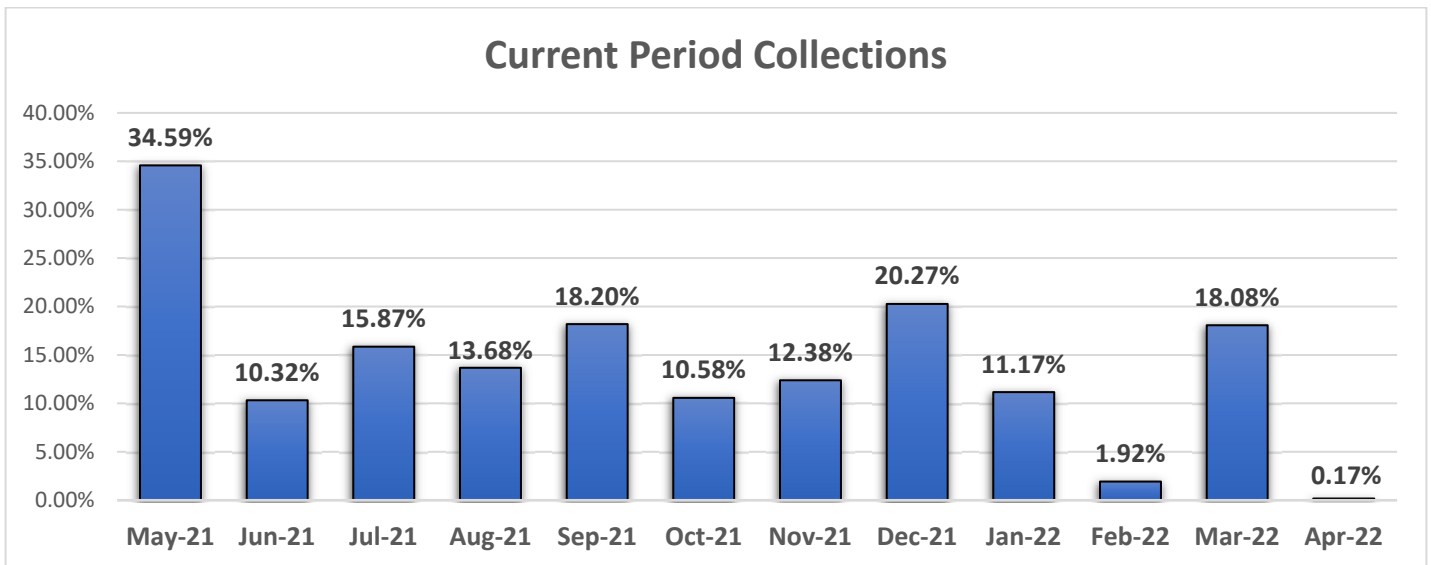




| Collection Detail for Sales Tax | April 2022 | April 2021 | \$ Change | % Change |
|-----------------------------------|---------------------|---------------------|--------------------|--------------|
| Current Period Collections | \$ 2,770,443 | \$ 2,765,607 | \$ 4,836 | 0.2% |
| Other Collections | 69,601 | 73,271 | (3,670) | -5.0% |
| Audit Collections | (47,921) | (546) | (47,375) | -8672.0% |
| Single Local Rate Collections: | 28,054 | 26,205 | 1,849 | 7.1% |
| Service Fee | (56,404) | (57,291) | 887 | 1.5% |
| Retainage | (17,547) | (20,379) | 2,833 | 13.9% |
| Net Payment | \$ 2,746,226 | \$ 2,786,866 | \$ (40,640) | -1.5% |

Current period collections provide a more accurate indicator to the City’s economic health. Current collections were up \$4,836, or 0.2%, compared to April 2021. 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.



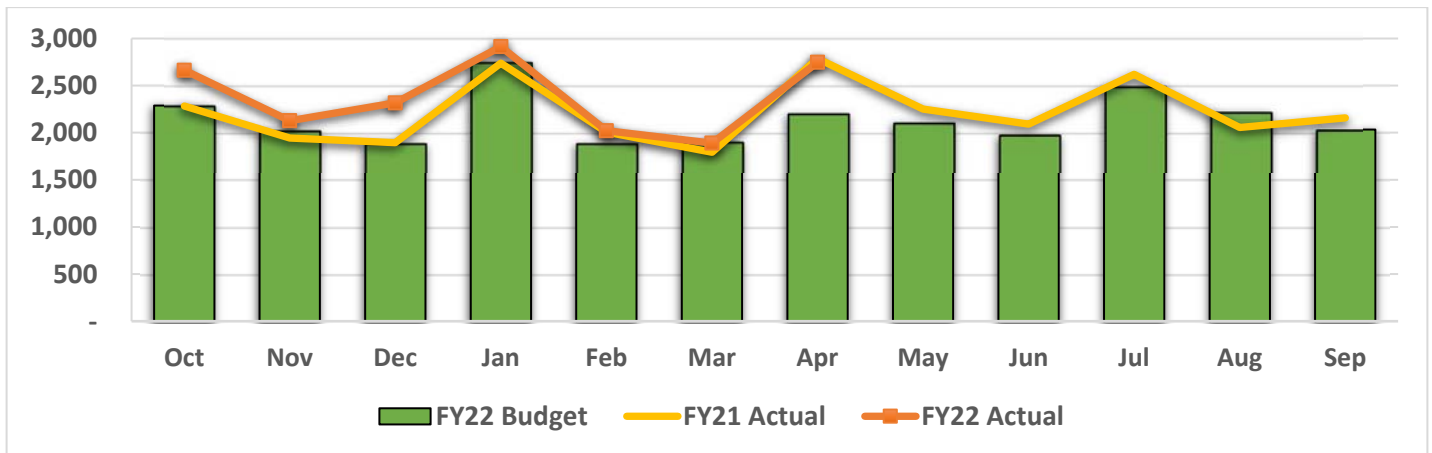
For FY2022, the City has collected \$16,674,000 in sales tax which is \$1,726,000, or 11.5%, more than the FY2022 budget of \$14,948,000 and \$1,231,000, or 8.0%, more than the FY2021 actual collections.

| Budget Comparison to FY2021 | FY2021 Actual | FY2022 Budget | FY2022 Actual |
|-----------------------------|---------------|---------------|---------------|
| April | 2,787,000 | 2,205,000 | 2,746,000 |
| Year-to-Date | 15,443,000 | 14,948,000 | 16,674,000 |

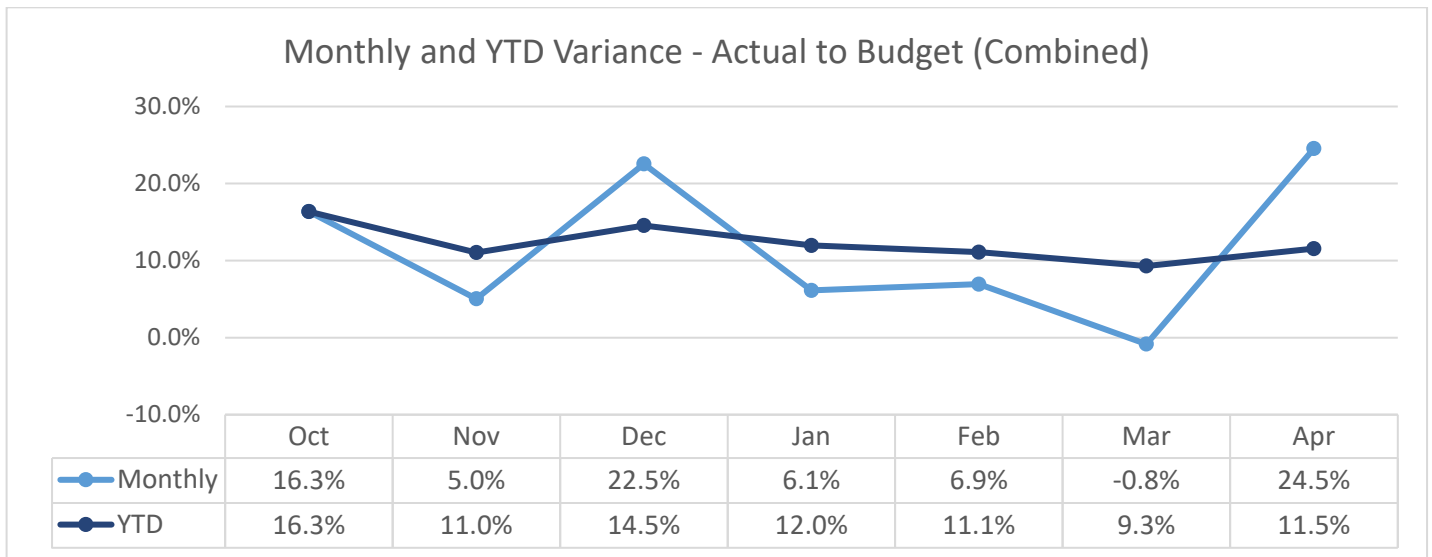
| Year-to-Date Variance | | |
|----------------------------|-----------|-------|
| Over/(Under) FY2021 Actual | 1,231,000 | 8.0% |
| Over/(Under) FY2022 Budget | 1,726,000 | 11.5% |



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



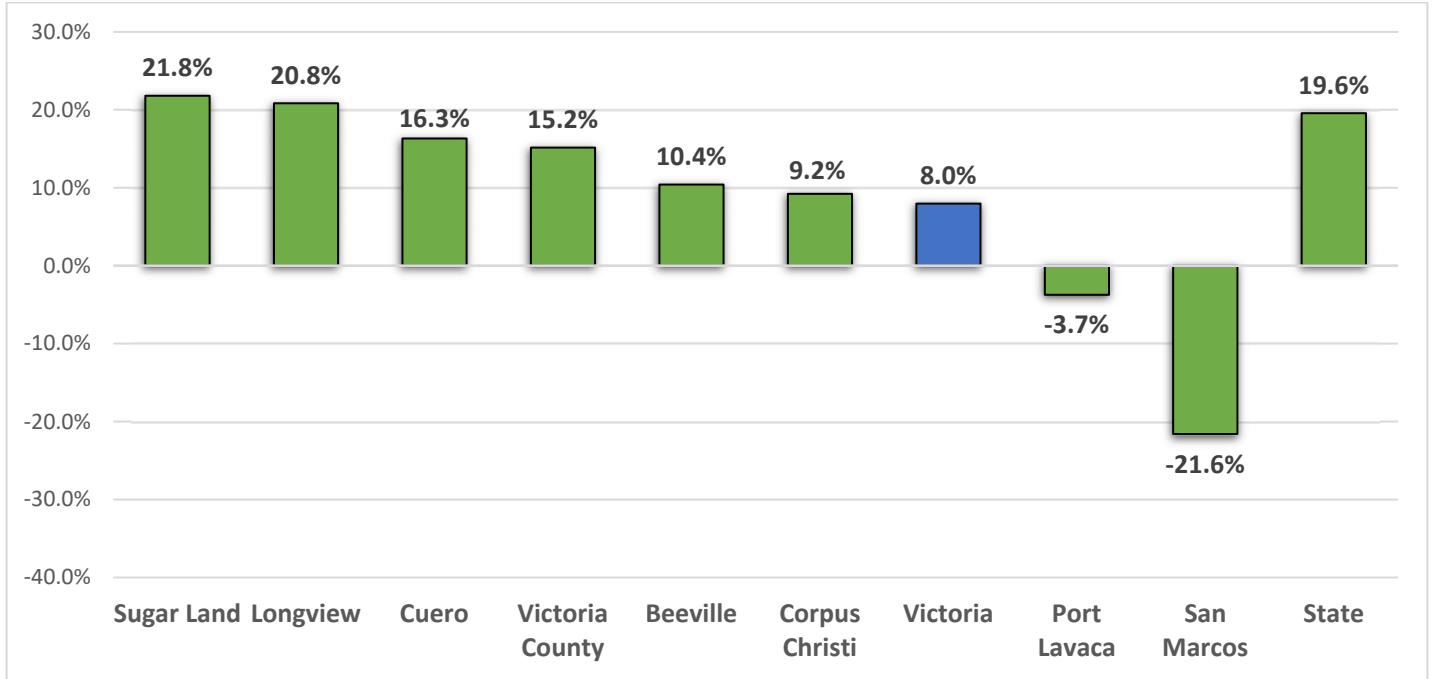
April collections are above the monthly budget by \$541,000, or 24.5%. The following graph provides the variance related to current monthly performance as compared to the budget.





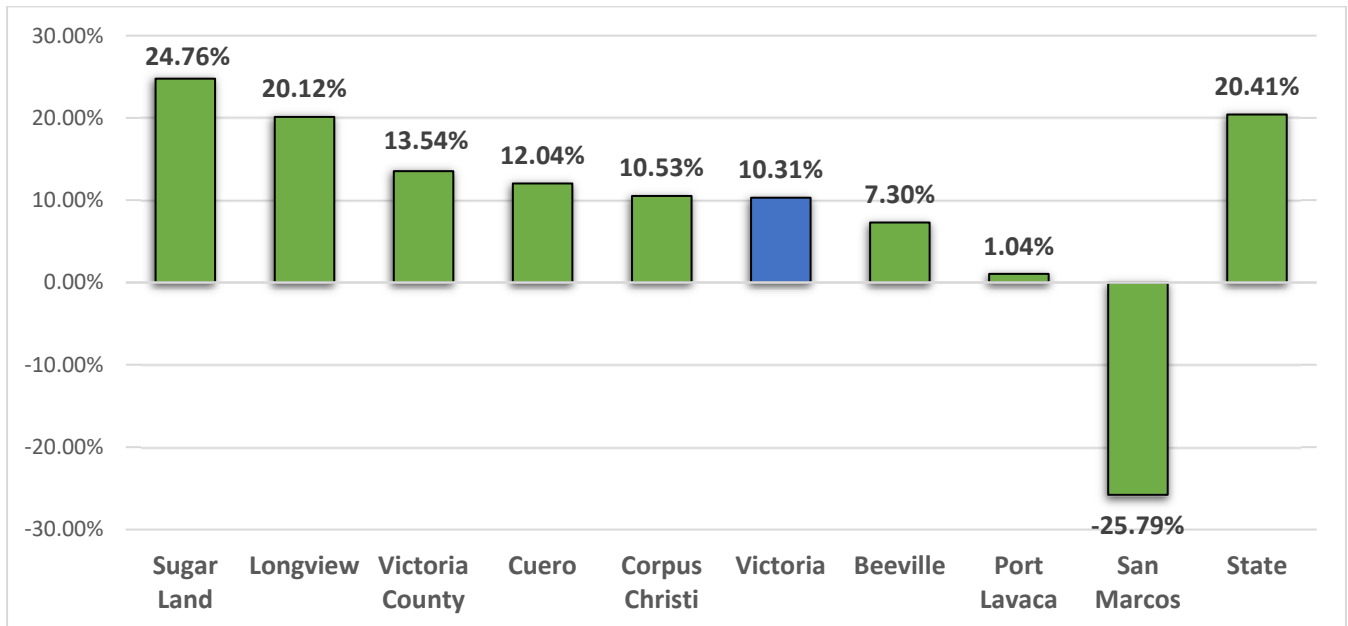
Compared to Other Cities

Year-to-date collections for Victoria are up 8.0% which is the third 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 10.31%, the fourth lowest among the comparison cities/counties but below the State, for the period of June 2021 – May 2022.





Definitions

Components of Allocation Payments

| | |
|--------------------------------------|--|
| Authority Code | 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." |
| Allocation Period | Month and year the payment was distributed to the city, county, special purpose district or transit authority |
| Total Collections | 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 |
| (-) Service Fee | Two percent of the total collections retained by the state |
| (-) Current Retained | Two percent of the net total collections less the monthly service fee |
| (+) Prior Retained | Reimbursement of the amount retained in the previous month's allocation |
| (=) Net Payment | Payment amount |

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