

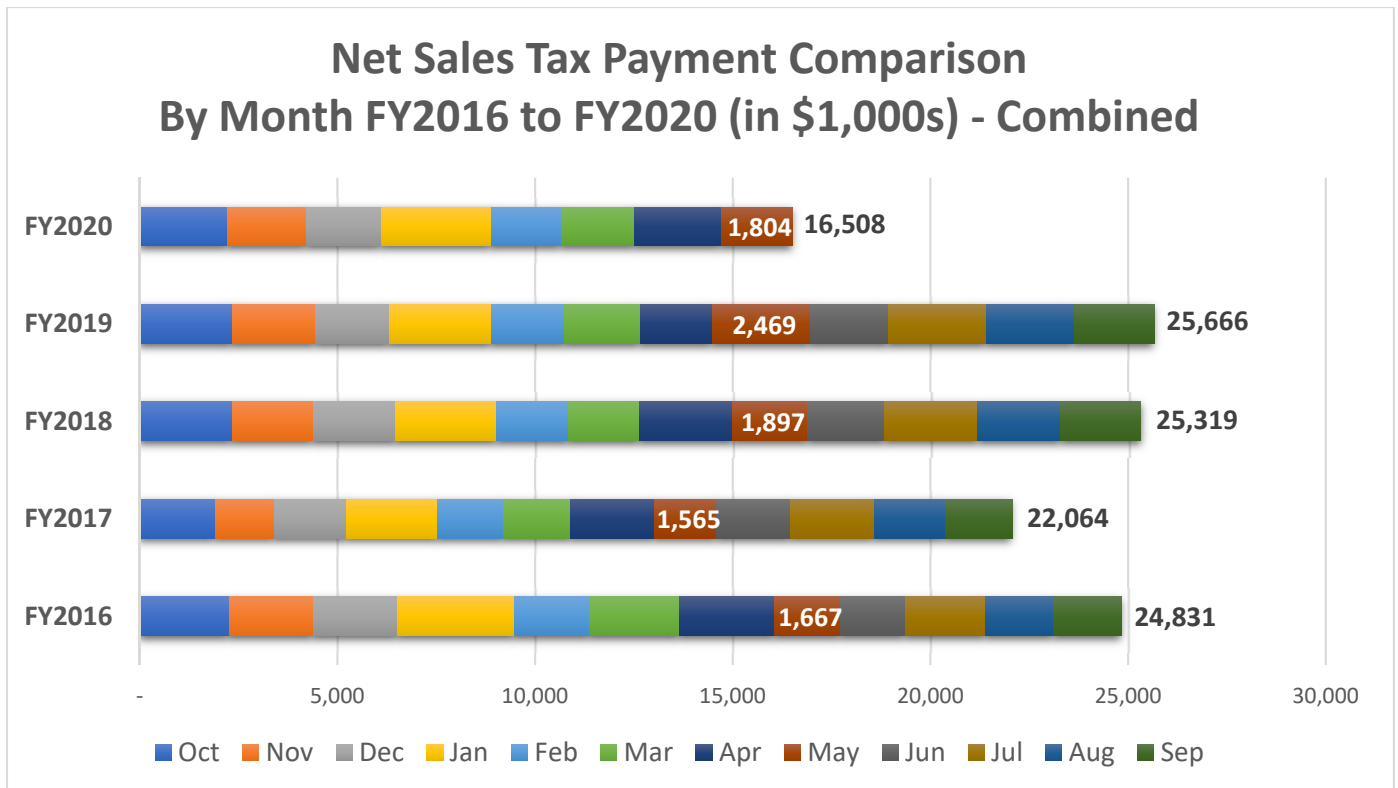


Monthly Report on Sales Tax Collections

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

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

As shown below, the City’s combined May collections of \$1,803,850 are the third highest net sales tax payment for the month of May between FY2016 and FY2020. Total net collections decreased by \$665,525, or 27.0%, compared to May 2019.

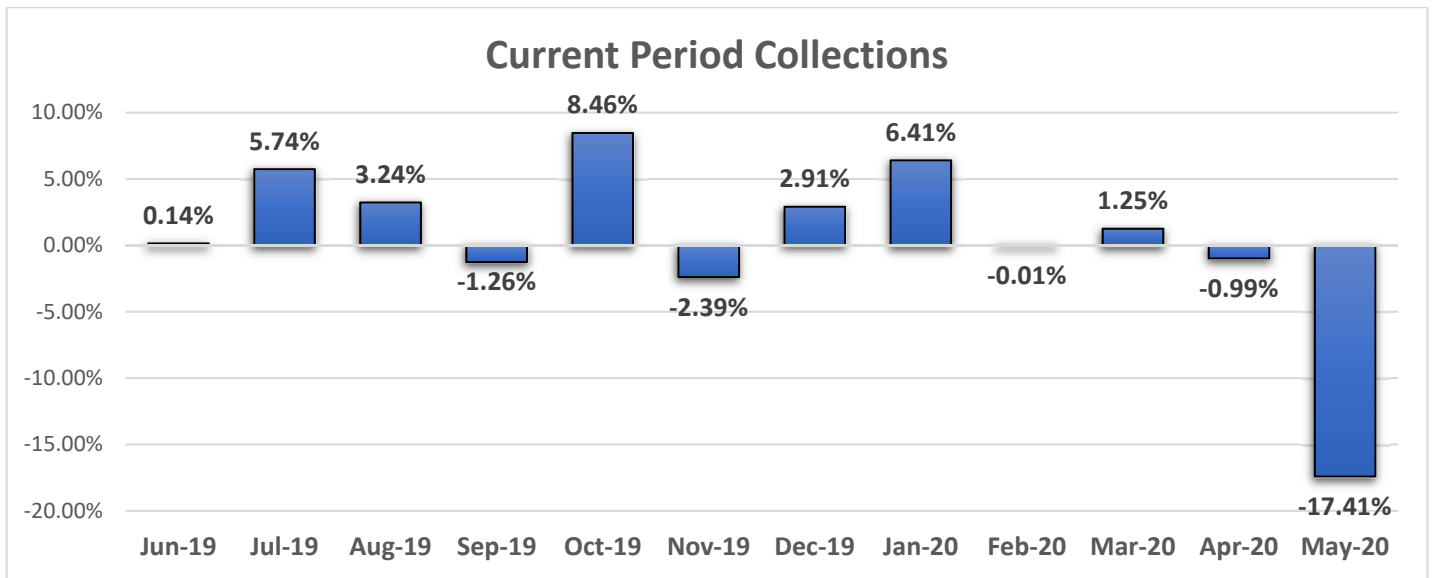




Collection Detail for Sales Tax	May 2020	May 2019	\$ Change	% Change
Current Period Collections	\$ 1,626,510	\$ 1,969,446	\$ (342,937)	-17.4%
Other Collections	113,718	110,691	3,027	2.7%
Audit Collections	92,434	452,923	(360,489)	-79.6%
Service Fee	(36,653)	(50,661)	14,008	27.7%
Retainage	7,841	(13,025)	20,866	160.2%
Net Payment	\$ 1,803,850	\$ 2,469,375	\$ (665,525)	-27.0%

Current period collections provide a more accurate indicator to the City’s economic health. Current collections were down \$342,937, or 17.4%, compared to May 2019. In May 2019, the City was paid back \$365,000 for an audit adjustment deducted from the April 2019 allocation, which is reflected in the audit collections above. 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.



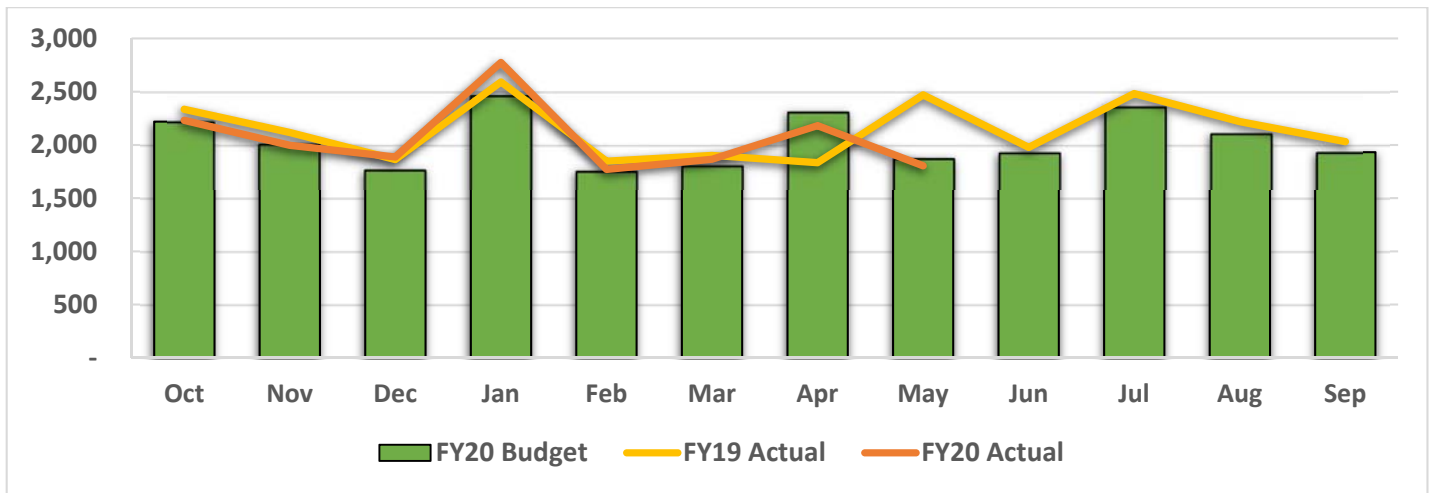
For FY2020, the City has collected \$16,508,000 in sales tax which is \$301,000, or 1.9%, greater than the FY2020 budget of \$16,207,000 and \$449,000, or 2.6%, less than the FY2019 actual collections.

Budget Comparison to FY2019	FY2019 Actual	FY2020 Budget	FY2020 Actual
May	2,469,000	1,875,000	1,804,000
Year-to-Date	16,957,000	16,207,000	16,508,000

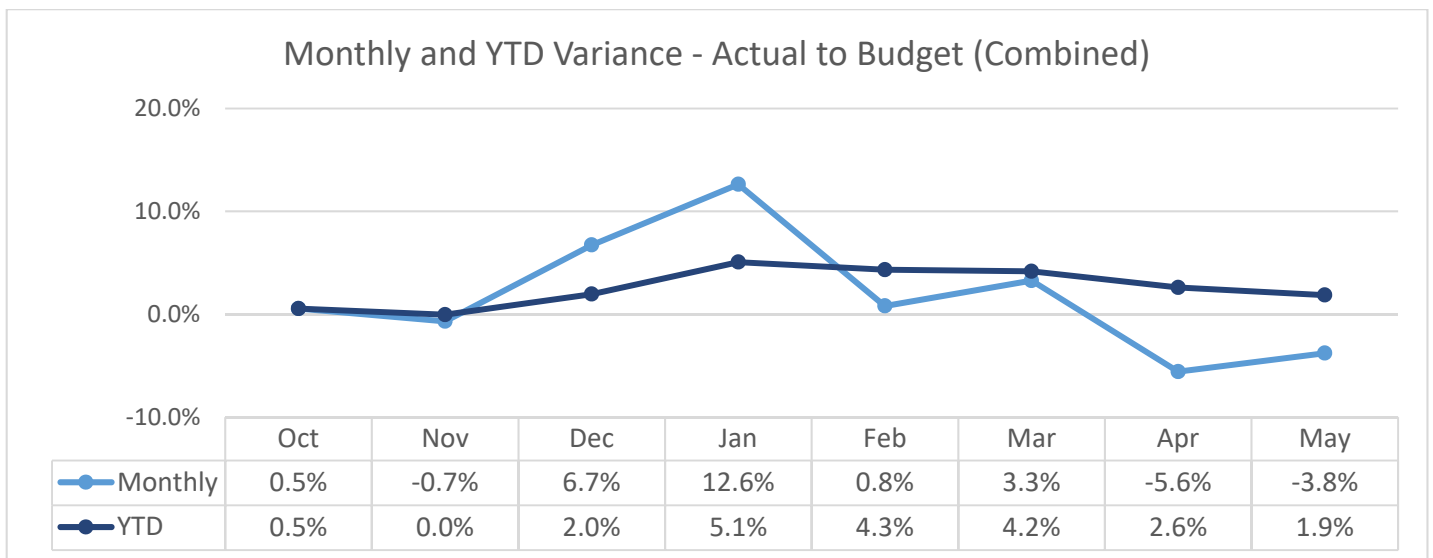
Year-to-Date Variance		
Over/(Under) FY2019 Actual	(449,000)	-2.6%
Over/(Under) FY2020 Budget	301,000	1.9%



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



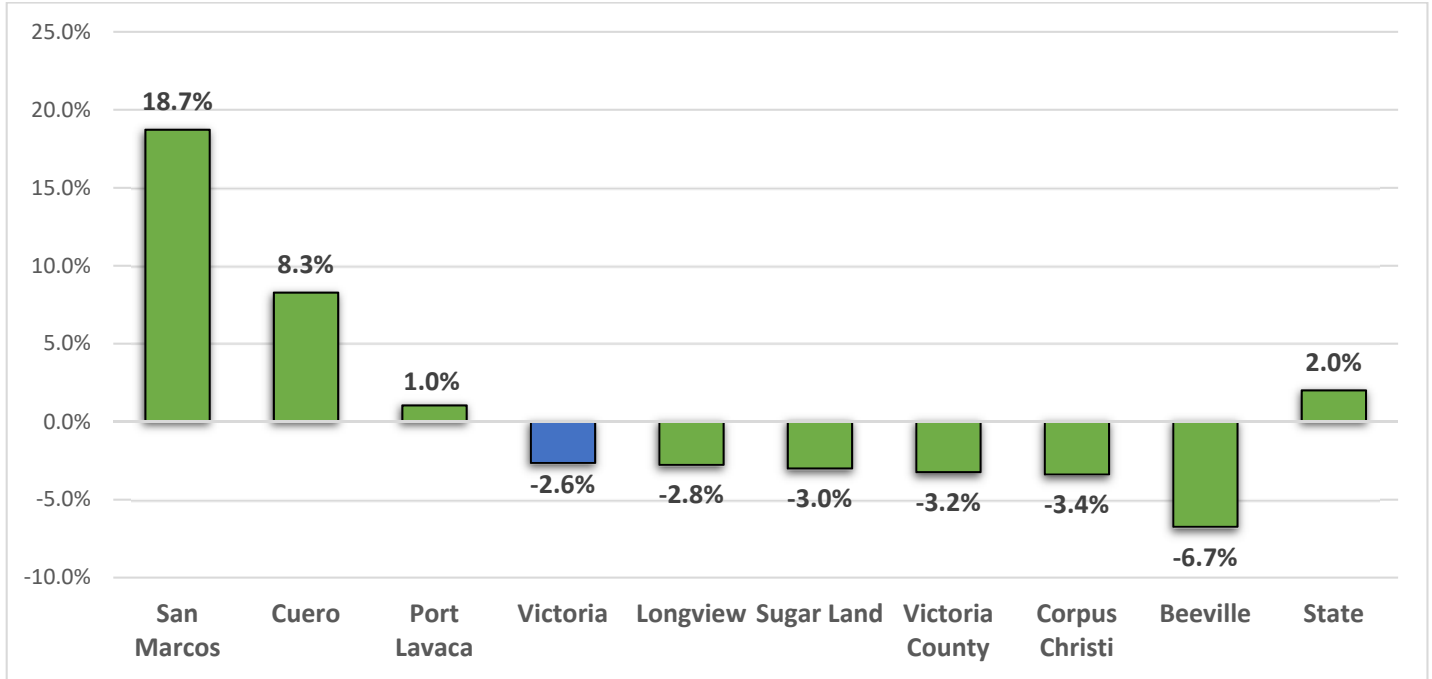
May collections are below the monthly budget by \$71,000, or 3.8%. The following graph provides the variance related to current monthly performance as compared to the budget.





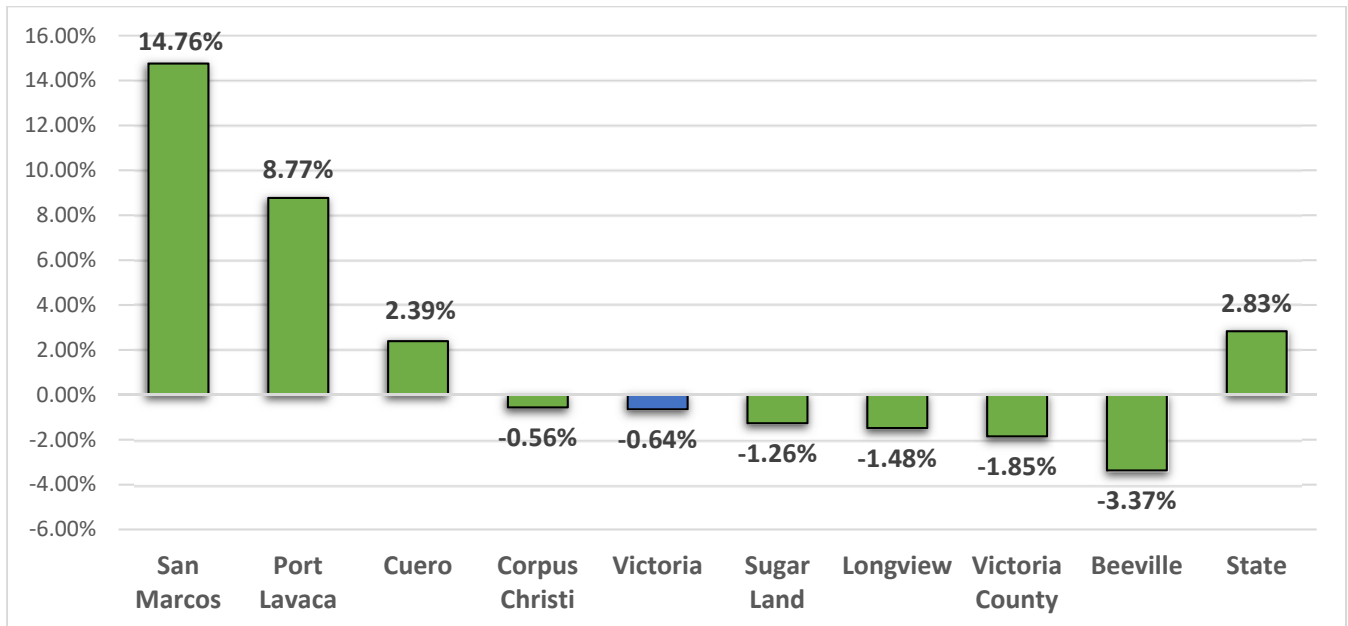
Compared to Other Cities

Year-to-date collections for Victoria are down 2.6% compared to last year which is the fourth highest average of comparative cities/counties, but lower 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 -0.64%, the fifth highest among the comparison cities/counties and below the State, for the period of July 2019 – June 2020.



**Definitions**

Total Collections Total of the following five collection sources since the last allocation

Prior Period Collections Collections from any original or amended returns whose due date was before the most recent return due date and collections of delinquent balances

Current Period Collections Collections from the most recent return(s) due

Future Period Collections Collections from returns not yet due

Audit Collections Collections from audited periods

Unidentified Occasional proportionate disbursements of local tax collected and remitted by businesses but not identified by specific location

(-) 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

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