

MAY 2025



SALES TAX REPORT



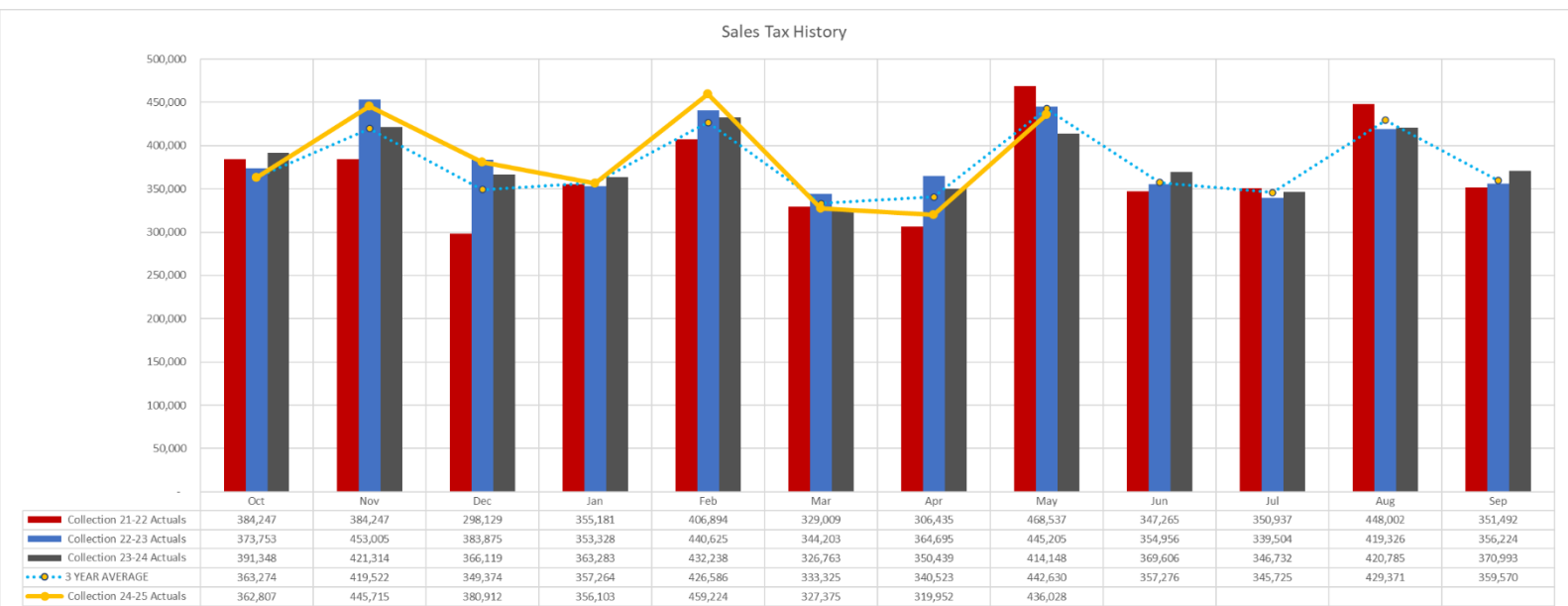
Leon Valley May 2025 Sales Tax Report

Background

The sales tax information is provided monthly by the Texas Comptroller. The sales tax information is reported 2 months in arrears; therefore, this report reflects March actual sales tax figures. This report is not an official finance or budget report. The amount shown is what was reported to the City on the current month. This report is to show economic trends that affect sales tax collections. An official finance or budget report that includes sales tax collections must be requested from the finance department.

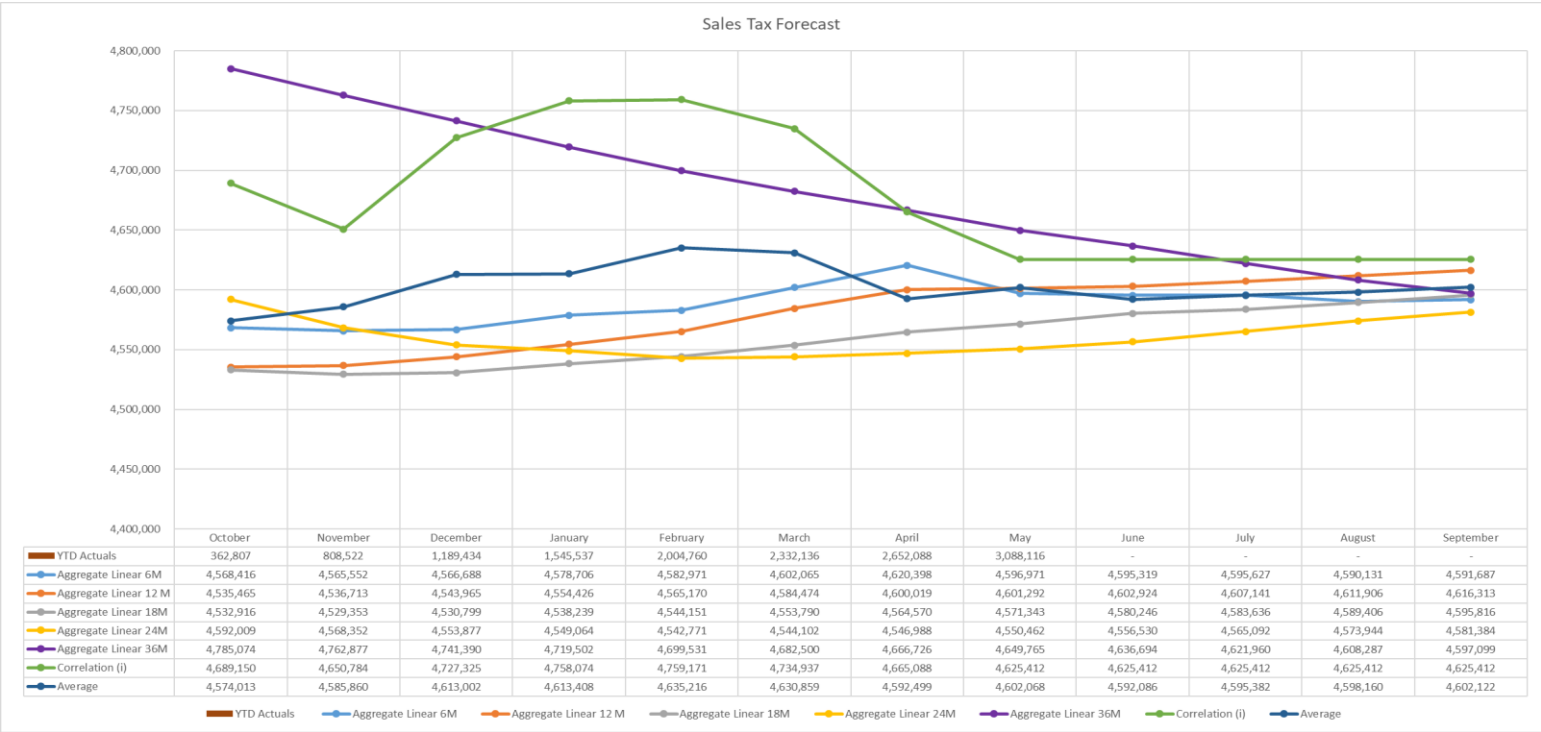
The April reported total showed that the city collected \$436,028. This amount is \$21,880 or 5.28% higher compared to the same month last year. The collection for this month is lower than the 3-year average of \$442,630.

	Collection 24- 25 Actuals	Collection 23- 24 Actuals	Collection 22- 23 Actuals	Collection 21- 22 Actuals	3 YEAR AVERAGE
Oct	362,807	391,348	373,753	324,722	363,274
Nov	445,715	421,314	453,005	384,247	419,522
Dec	380,912	366,119	383,875	298,129	349,374
Jan	356,103	363,283	353,328	355,181	357,264
Feb	459,224	432,238	440,625	406,894	426,586
Mar	327,375	326,763	344,203	329,009	333,325
Apr	319,952	350,439	364,695	306,435	340,523
May	436,028	414,148	445,205	468,537	442,630
Jun		369,606	354,956	347,265	357,276
Jul		346,732	339,504	350,937	345,725
Aug		420,785	419,326	448,002	429,371
Sep		370,993	356,224	351,492	359,570
Grand Total	3,088,116	4,573,769	4,628,697	\$ 4,370,851	\$4,524,439

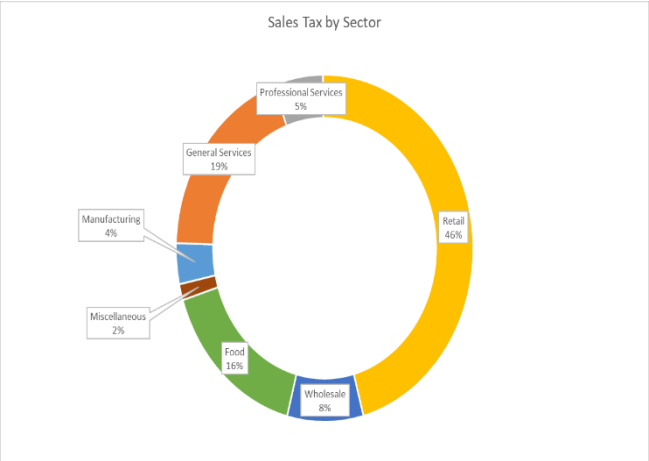


2024-2025 Forecast

The City collected a total of \$4,573,769 over the 12-month period from October 2023 through September 2024. This is a drop from the 12-month period of \$54,928 or 1.19%; however, that was expected with a higher than inflation rate in the last 24 months. Further the City saw a one-time audit collection of \$73,334 in 2022-2023 period, which further boosted the higher amount in the previous period. Based on the information collected in through period the Staff is airing on the side of caution due to many different factors with the current political administration, which will have a direct impact on sales tax revenues. The staff's estimate is 4.55 million dollars. The forecast will tighten as we collect more data throughout the year.



The City's core sectors are retail, general services, and food represent about 80% of collections in any given month. The graph shows the average distribution for the City of Leon Valley. Monthly, staff reviews the confidential report from the state to ensure there are no major variances in the City's core sales tax sectors and taxpayers.



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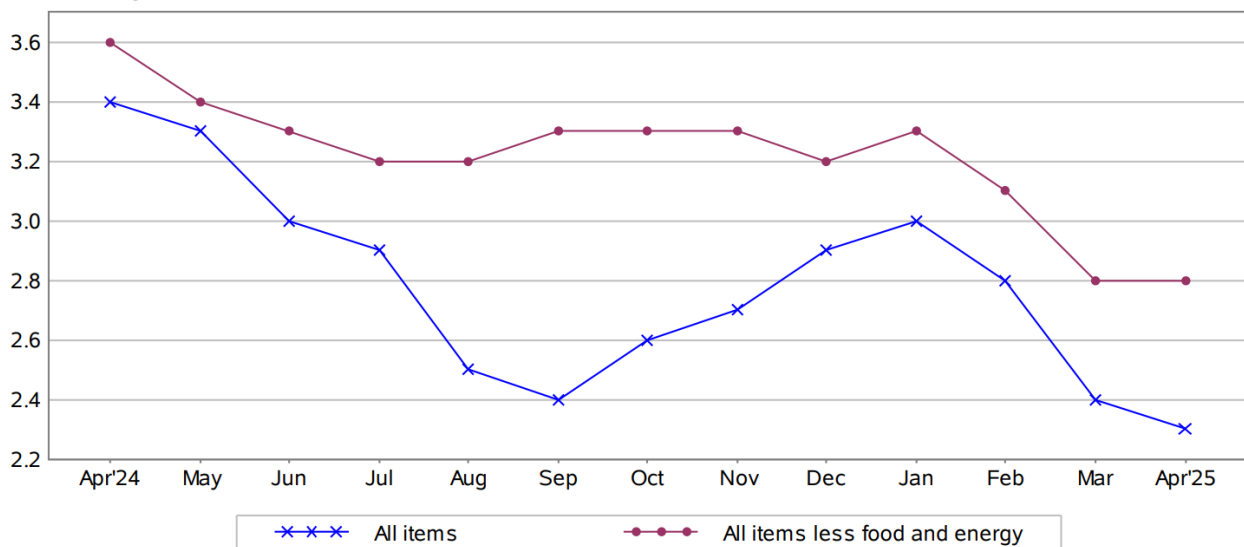


Major Economic Factors

US INFLATION

The all items index rose 2.3 percent for the 12 months ending April, after rising 2.4 percent over the 12 months ending March. The April change was the smallest 12-month increase in the all items index since February 2021. The all items less food and energy index rose 2.8 percent over the last 12 months. The energy index decreased 3.7 percent for the 12 months ending April. The food index increased 2.8 percent over the last year.¹

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Apr. 2024 - Apr. 2025



US Montney Policy

At the start of the pandemic, the Federal Reserve lowered the interest rate banks pay to between 0.0% and 0.25%. This was done to make it easier and cheaper for banks to loan money out to the public and to avoid an economic recession or depression. However, as the country returned to pre pandemic activities the Federal Reserve increased interest rates, throughout 2022 and 2023, to combat record high inflation. The increase in rates influences how much money can be spent on the economy. The interest rates affect credit card rates, business loans, car loans, mortgage rates, and more. The increase was felt especially in the housing market as the average mortgage rate has increased significantly since 2020.

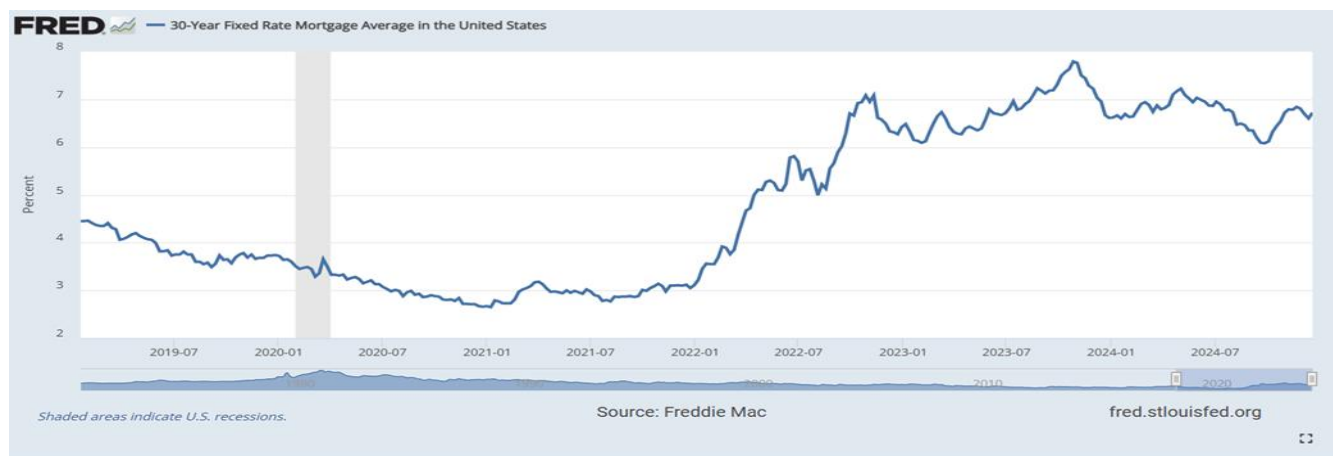
Item	2022	2024	Variance
Home Price	\$ 350,000	\$ 350,000	\$ -
Interest rate	2.75%	6.75%	4.0%
Down Payment 20%	\$ 70,000	\$ 70,000	\$ -
Loan Amount	\$ 280,000	\$ 280,000	\$ -
Mortgage Payment	\$ 1,143	\$ 1,816	\$ 673
Property Tax ¹	\$ 350	\$ 350	\$ -
Home Insurance	\$ 125	\$ 125	\$ -
Total Monthly Payment	\$ 1,618	\$ 2,291	\$ 673
Home Price	\$ 350,000	\$ 350,000	\$ -
Interest rate	2.75%	6.75%	4.0%
Down Payment 20%	\$ 70,000	\$ 70,000	\$ -
Loan Amount	\$ 280,000	\$ 280,000	\$ -
Total Interest paid	\$ 131,507	\$ 373,787	\$ 242,280
Total 360 Payments	\$ 411,507	\$ 653,787	\$ 242,280

¹ <https://www.bls.gov/news.release/pdf/cpi.pdf>



The average mortgage rate in October 2020 was just under 3%, compared to 6.75% in December of 2024. A home priced at \$350,000 will result in consumers paying on average \$673 more per month and \$242,280 over 30 years in interest payments, due to the higher interest rates. The Federal Reserve cut interest rates by a quarter point on December 18, 2024, bringing the target range to 4.25% to 4.5%.

Despite President Donald Trump pressing for lower interest rates, economists say the Federal Reserve will likely stick to its wait-and-see approach and hold rates steady on May 7.² The inflation rate is within range of the 2% goal; however, prices for food and housing remained high. The city does not collect sales tax on most food, energy commodities, or housing which are considered non-discretionary items and mostly are not taxable. Inflation rates in these sectors have a direct impact on the sales tax collection of the City.³



Leon Valley, the San Antonio Metro Area, and the State of Texas

Leon Valley ranked 10th in the San Antonio Metro and 238th in the State of Texas for collections reported in May. The overall metro area also saw an increase of more than \$4.2M or 7.81% from \$53,851,492 to \$57,950,068. The State of Texas saw an increase of 4.43% from \$788,655,533 to \$823,599,528.

² <https://www.usatoday.com/story/money/2025/05/07/federal-reserve-meeting-rate-cuts-live-updates/83473623007/>

³ <https://tradingeconomics.com/united-states/interest-rate>



State Rank	City	Net Payment This Period	Comparable Payment Prior Year	\$ change	% Change
2	San Antonio	\$46,337,913	\$45,333,683	\$1,004,230	2.21%
33	Schertz	\$5,016,403	\$1,856,419	\$3,159,984	170.21%
131	Live Oak	\$1,050,782	\$1,077,534	(\$26,752)	-2.48%
143	Selma	\$907,000	\$882,186	\$24,814	2.81%
153	Helotes	\$847,686	\$813,386	\$34,300	4.21%
174	Cibolo	\$721,029	\$685,059	\$35,970	5.25%
181	Universal City	\$691,223	\$698,026	(\$6,803)	-0.97%
192	Converse	\$617,957	\$602,248	\$15,708	2.60%
208	Windcrest	\$531,965	\$660,587	(\$128,622)	-19.47%
238	Leon Valley	\$436,028	\$414,148	\$21,880	5.28%
325	Alamo Heights	\$244,575	\$213,078	\$31,496	14.78%
340	Castle Hills	\$216,107	\$171,891	\$44,216	25.72%
371	Balcones Heights	\$181,346	\$189,908	(\$8,562)	-4.50%
505	Shavano Park	\$82,744	\$79,312	\$3,432	4.32%
535	Kirby	\$67,311	\$74,026	(\$6,716)	-9.07%
Total		\$57,950,068	\$53,751,492	\$4,198,576	7.81%

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