



GREATER HOUSTON
PARTNERSHIP

UPDATE



The Partnership sends updates for the most important economic indicators each month. If you would like to opt-in to receive these updates, please click [here](#).

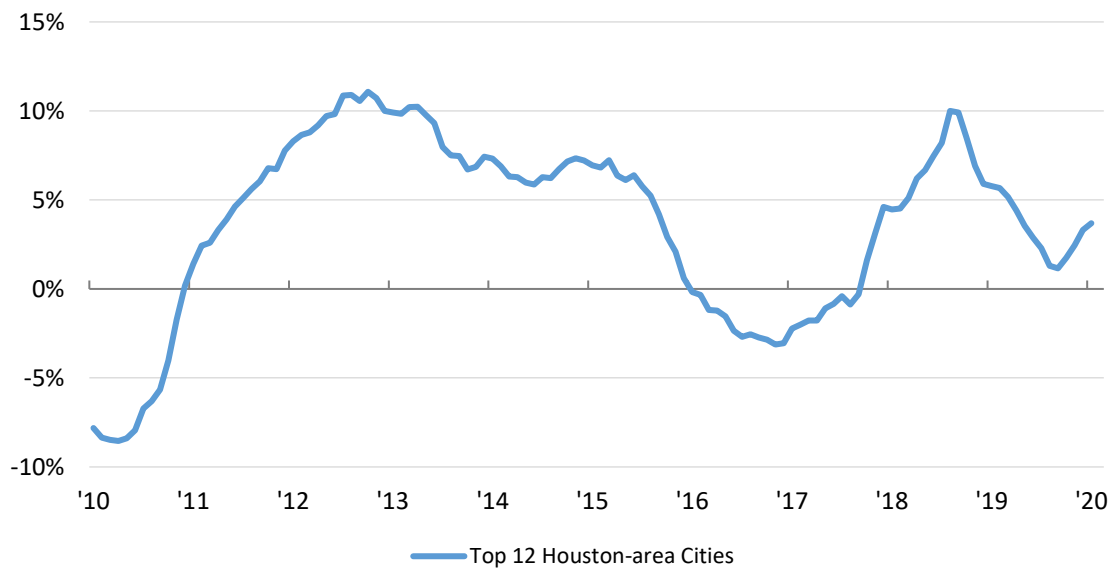
For the latest data, click [here](#).

March 12, 2020

SALES AND USE TAX COLLECTIONS

Sales and use tax collections in the 12 most populous Houston-area cities¹ totaled \$1.0 billion in the 12 months ending January '20, up 3.7 percent from \$974.3 million for the same period in '19. Collections for the month of January totaled \$79.7 million, up 8.0 percent from \$73.8 million in January '19.

Sales Tax Collections, 12-Month Total Change



Sales tax collections mirror trends in the overall Houston economy. During the fracking boom, sales tax collections grew at double-digit rates. The 12-month growth rate peaked at 11.1 percent in October '12. During the fracking bust of '15 and '16, sales tax collections fell. By January '17, collections had fallen 4.2 percent from their previous peak, but gradually began to improve the following month. As the region recovered in '17, sales tax collections resumed growing. Purchases made to replace goods damaged by Hurricane Harvey and materials purchased as part of the rebuilding effort helped boost retail sales, and consequently sales tax collections. However, economic growth began to slow in '18 with a concurrent

decline in tax collections. The regional economy began to show signs of improvement in early '20, as can be seen in the [Houston Purchasing Managers Index](#). Sales tax collections have begun to tick up as well.

Houston Region Top 12 Cities Overview			
Sales Tax Allocations, Millions			
City	Jan '20	Jan '19	% Change
Houston	57.2	52.7	8.6
Sugar Land	4.2	4.1	2.5
Conroe	3.8	3.4	12.9
Pasadena	2.7	2.7	0.4
Pearland	2.4	2.4	2.5
League City	2.1	1.6	26.9
Texas City	2.0	1.7	16.1
Galveston	1.6	1.5	7.7
Baytown	1.2	1.5	-18.4
La Porte	1.0	0.9	10.5
Missouri City	0.8	0.7	9.3
Friendswood	0.6	0.7	-0.8
Total	79.7	73.8	8.0

Source: Texas Comptroller of Public Accounts

ABOUT THE SALES AND USE TAX

Texas levies a 6.25 percent state sales and use tax on all retail sales, leases and rentals of most goods, as well as taxable services. Local taxing jurisdictions, like the City of Houston, can also impose up to 2.0 percent sales and use tax for a maximum combined rate of 8.25 percent. The City of Houston has a 1.0 percent sales and use tax rate. For the sales and use tax rates for the Top 12 cities in the Houston region, visit <https://www.houston.org/houston-data/sales-and-use-tax-rates>.

¹ The 12 most populous cities in the region are Houston, Pasadena, Pearland, League City, Sugar Land, Conroe, Baytown, Missouri City, Galveston, Texas City, Friendswood and La Porte. As a group, they represent 80.0 percent of all sales tax collections in the region. The other 102 smaller cities account for the remaining 20.0 percent.

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