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Historic \$12.6 Million Sales Tax Allocation Highlights McAllen's Rising Economic Influence

**Fueled by robust December spending, McAllen's 5.31 percent rise underscores
its growing regional economic strength.**

The City of McAllen has shattered its all-time sales tax record, receiving an unprecedented \$12.6 million in February's allocation for December collections, (2025 vs 2024) a 5.31% increase over the same period last year. This milestone reflects continued growth as a premier shopping, trade, and business hub, surpassing the previous high of \$11.9 million.

"McAllen is no longer simply participating in regional growth. We are defining it," said Mayor Javier Villalobos. "As more people choose to visit, invest and shop here, the numbers tell a larger story of confidence in our vision, our connectivity to international markets and our emergence as one of Texas' most dynamic destination cities."

McAllen remains a powerful retail draw for shoppers across South Texas, northern Mexico, and beyond. In 2025, the city generated \$99.9 million in sales tax revenue (vs. \$96.8 million in 2024 for a 3.23% YOY increase) compared to \$96.8 million in 2024, representing a 3.23 percent year-over-year increase and stemming from approximately \$5 billion in taxable sales. McAllen ranked No. 1 in the Rio Grande Valley (RGV) for total sales tax allocation, No. 16 statewide and third in sales tax per capita among Texas cities with populations exceeding 100,000.

Sales tax revenue in McAllen is derived from the city's 2% rate on taxable goods and services, including retail and wholesale trade, construction, manufacturing, accommodations, food, and entertainment.

"Historic revenue growth reflects a simple truth. People are choosing McAllen," said City Manager Isaac J. Tawil. "They are coming here to shop, to invest and to experience a community that continues to shine as a true gem of the RGV. That momentum allows us to deliver exceptional quality-of-life services, maintain one of the lowest property tax rates in the region and keep building a city recognized far beyond South Texas."

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Year to date sales tax allocation is up 5.46% from last year. Since 2020, the city’s sales tax allocation has increased 49.7%, representing \$33.2 million in growth.

December shopping is a signature event which welcomes international shoppers. Seasonal tourism, a thriving local mall and boutiques and vibrant holiday markets contribute to a powerful retail environment, with Mexican shoppers estimated to drive up to 30 percent of the local economy.

This is where retail, leisure and business travel naturally intersect, creating a market defined by volume, diversity, and stability. Strong consumer and investor confidence continues to attract global brands seeking strategic growth opportunities. Primark has chosen McAllen for expansion, while Nordstrom Rack is slated to open in the region soon, further elevating the city’s appeal to value and fashion driven shoppers. These developments reflect a market delivering measurable performance and drawing increasing national attention.

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About the City of McAllen

Founded in 1904 and incorporated in 1911, the City of McAllen has grown from a small agricultural community into one of the most vibrant and fastest growing cities along the U.S.-Mexico border. Known as the City of Palms, McAllen serves as a hub for international trade, retail, tourism, and culture in the Rio Grande Valley.

Today, the city employs more than 2,600 public servants across 41 departments, delivering essential services to a community of more than 150,000 residents. City leadership remains committed to transparent governance, fiscal responsibility and enhancing quality of life through innovation, infrastructure, and community engagement. For more information, visit www.mcallen.net