HANNA SOLUTIONS
COMMERCIAL REAL ESTATE

South Texas Market Intelligence

Rio Grande Valley edition | Sales tax and economic development

Sales Tax at Work: From Register to Community

Starr, Hidalgo, Cameron and Willacy counties, Texas

QUARTERLY UPDATE | PUBLISHED NOVEMBER 2026

TAXABLE SALES	CITY SALES TAX	NEXT UPDATE
Q2 2026	**Jan–Oct 2026**	**Q3 2026 data**
April–June 2026	Allocations through October	When the Comptroller releases it

$4.29B

Q2 2026
Taxable sales in the four RGV counties [11]

$268M

Q2 2026
State sales and use tax generated in the Valley [11]

$361.1M

Jan–Oct 2026
Sales tax paid to the 44 Valley cities [14]

+5.9%

Jan–Oct 2026 vs. 2025
Growth in city sales tax, four counties [14]

The Valley's sales tax at a glance

How much the four-county Rio Grande Valley generates, and where it goes.

Data: Q2 2026 taxable sales | Jan–Oct 2026 city sales tax

TAXABLE SALES, FOUR COUNTIES

$4.29B

One quarter: April–June 2026 [11]

STATE SALES AND USE TAX GENERATED

$268M

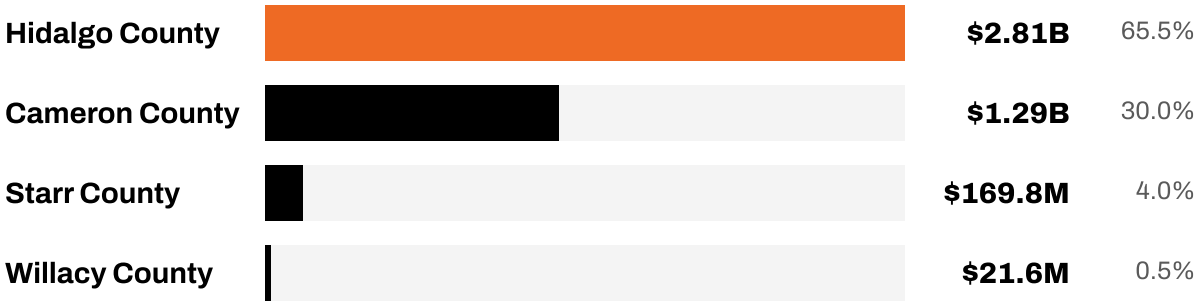
6.25% of that quarter's taxable sales, sent to Austin [11]

LOCAL SALES TAX TO VALLEY CITIES

$361.1M

January–October 2026, up 5.9% [14]. Paid to the 44 Valley cities with a city sales tax.

Taxable sales by county, April–June 2026 [11]



Amount subject to state sales and use tax, Texas Comptroller quarterly report. Share of the four-county total.

What stays local. Of every $8.25 in tax on a $100 purchase, $6.25 goes to the State and up to $2.00 stays local. In most Valley cities that local share goes to the city, which may dedicate part of it to an economic development corporation; some cities also share it with a special district. The next pages follow that local money.

The Valley is a multi-billion-dollar consumer market every quarter, and Hidalgo County generates about two-thirds of it.

State sales and use tax is calculated by SVN | Hanna Solutions Commercial Real Estate as 6.25% of the Comptroller's amount subject to state sales and use tax ($4,287,251,223 × 6.25% = $267,953,201). City figures are Comptroller allocation payments, January–October 2026 [14].

A growing region

Data: Jan–Oct 2026 vs. Jan–Oct 2025 Sales tax paid to cities in all four counties is up, and every county grew.

RIO GRANDE VALLEY, FOUR COUNTIES

$361.1M

Sales tax paid to the 44 Valley cities, January–October 2026 [14]

+$20.1M
More than the same months of 2025

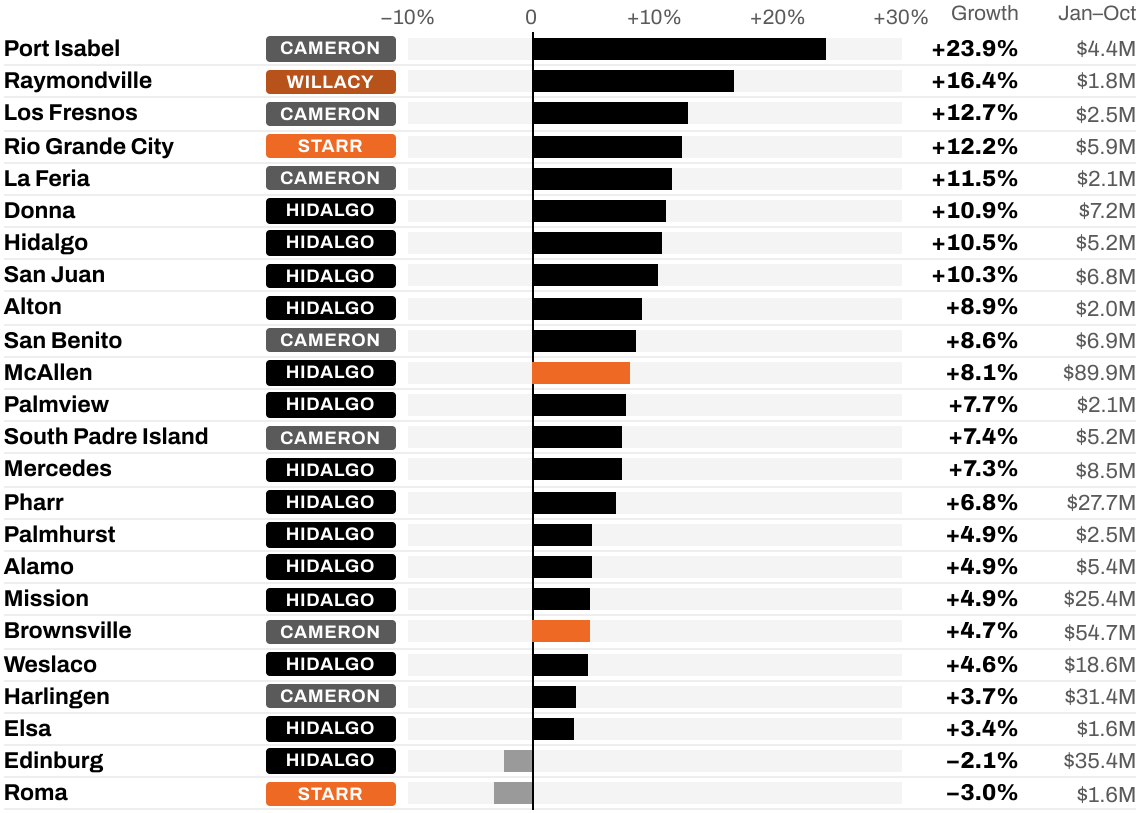
+5.9%
Regional growth, year over year

39 of 44
Cities with higher payments than 2025

COUNTY	JAN–OCT 2026	GROWTH
Hidalgo	$241.7M	**+5.7%**
Cameron	$109.3M	**+5.8%**
Starr	$8.0M	**+10.4%**
Willacy	$2.0M	**+16.9%**

Texas Comptroller, City Sales and Use Tax Comparison Summary, October 2026 allocation: payment year to date vs. prior year to date [14]. Totals are calculated by SVN | Hanna Solutions Commercial Real Estate from the 44 cities in the four counties. City allocations only; county, transit and special district sales taxes are not included.

Growth by city, January–October 2026 vs. 2025 [14]



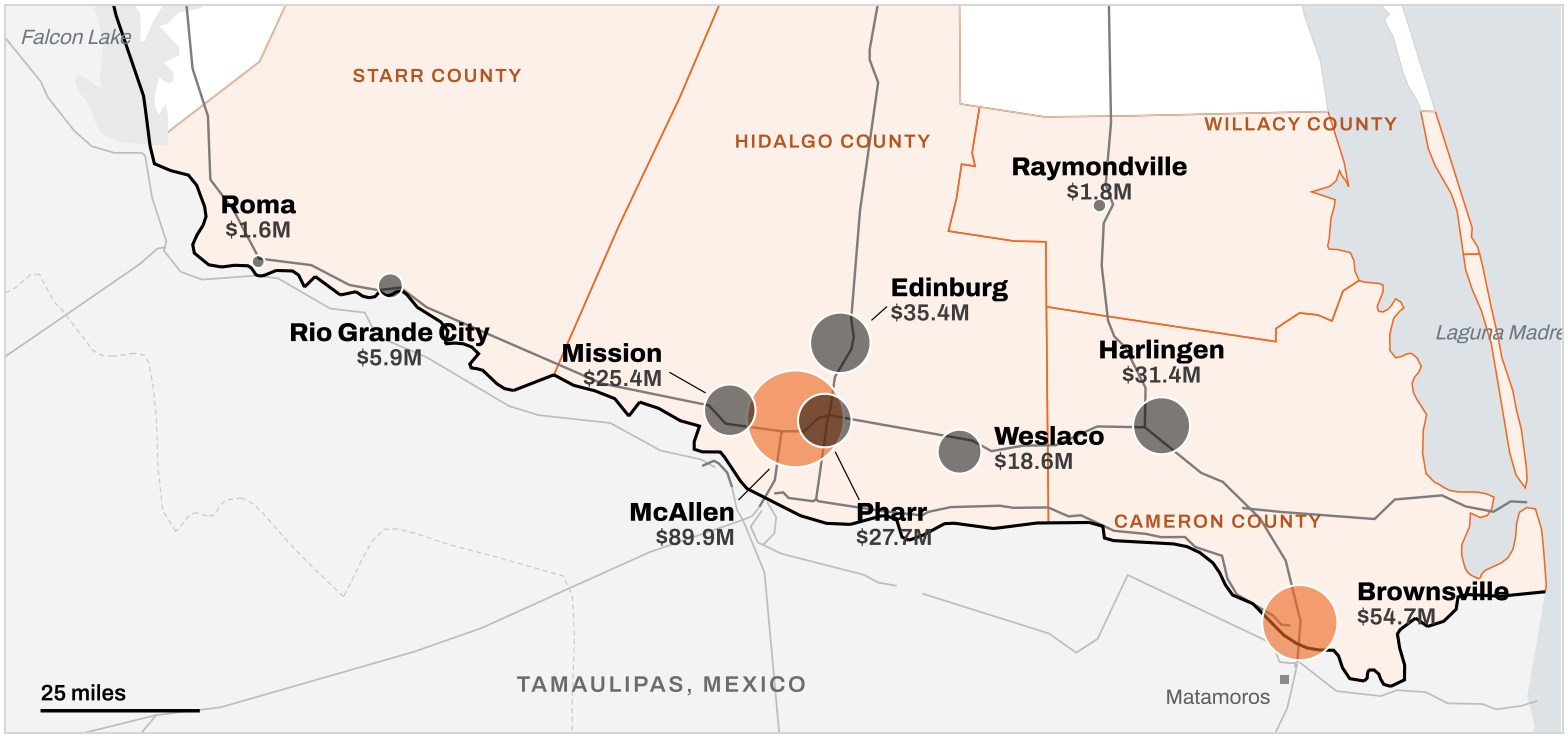
		Growth	Jan–Oct
Port Isabel	CAMERON	+23.9%	$4.4M
Raymondville	WILLACY	+16.4%	$1.8M
Los Fresnos	CAMERON	+12.7%	$2.5M
Rio Grande City	STARR	+12.2%	$5.9M
La Feria	CAMERON	+11.5%	$2.1M
Donna	HIDALGO	+10.9%	$7.2M
Hidalgo	HIDALGO	+10.5%	$5.2M
San Juan	HIDALGO	+10.3%	$6.8M
Alton	HIDALGO	+8.9%	$2.0M
San Benito	CAMERON	+8.6%	$6.9M
McAllen	HIDALGO	+8.1%	$89.9M
Palmview	HIDALGO	+7.7%	$2.1M
South Padre Island	CAMERON	+7.4%	$5.2M
Mercedes	HIDALGO	+7.3%	$8.5M
Pharr	HIDALGO	+6.8%	$27.7M
Palmhurst	HIDALGO	+4.9%	$2.5M
Alamo	HIDALGO	+4.9%	$5.4M
Mission	HIDALGO	+4.9%	$25.4M
Brownsville	CAMERON	+4.7%	$54.7M
Weslaco	HIDALGO	+4.6%	$18.6M
Harlingen	CAMERON	+3.7%	$31.4M
Elsa	HIDALGO	+3.4%	$1.6M
Edinburg	HIDALGO	–2.1%	$35.4M
Roma	STARR	–3.0%	$1.6M

The 24 cities with at least $1.5M in payments, January–October 2026. Among smaller cities, the largest gains were La Grulla (+119.4%), Sullivan City (+29.7%), Primera (+25.7%) and Lyford (+20.3%) [14].

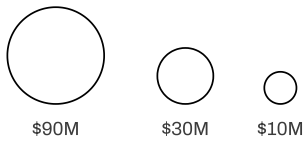
Every county grew. Willacy (+16.9%) and Starr (+10.4%) grew fastest; Hidalgo and Cameron each grew about 5.7–5.8%.

Where the Valley's sales tax is generated

Data: Jan–Oct 2026 City sales tax payments across all four Valley counties, January–October 2026. Circle area is proportional to dollars.



Circle size



Orange: the two gateway cities. Smallest circles drawn at a minimum visible size. Amounts are the full city allocation, including any EDC share [14].

Reading the map

Hidalgo County's urban core generates the most dollars. Brownsville anchors Cameron County. Starr and Willacy counties are smaller but among the fastest growing; see the previous page.

Starr and Willacy counties

Rio Grande City	**$5.94M**	+12.2%
Roma	**$1.60M**	–3.0%
Raymondville	**$1.78M**	+16.4%

Jan–Oct 2026 vs. Jan–Oct 2025 [14].

Sales tax follows the shopping corridors. The Hidalgo County core leads, while Starr and Willacy counties posted some of the fastest growth.

Texas Comptroller allocation payments, January–October 2026 [14]. Positions approximate; base map as in our November 2026 editions. Map data: Natural Earth.

Who draws shoppers, and where growth is fastest

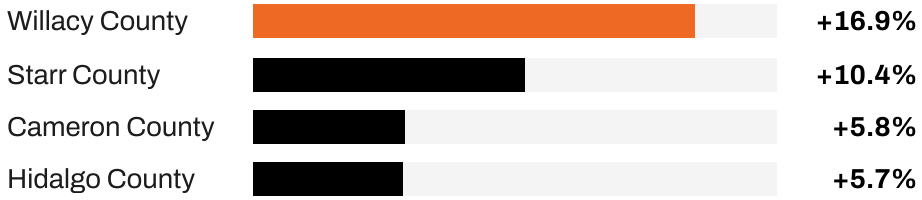
Data: Jan–Oct 2026 Sales tax per resident shows which cities pull in spending from beyond their own population.

Sales tax per resident, January–October 2026



City allocation payments, January–October 2026 [14], divided by U.S. Census Bureau population estimates for July 1, 2025 [9]. Calculated by SVN | Hanna Solutions Commercial Real Estate. Shown for the seven cities over 40,000 residents.

Growth by county, January–October 2026 vs. 2025



Sum of city allocation payments in each county, year to date vs. prior year to date [14]. Bars on a 0–20% scale.

#3

McAllen's rank in sales tax per capita among Texas cities over 100,000 people, per the City of McAllen [5]

$12.6M

McAllen's February 2026 allocation, the largest month in its history [5][15]

$89.9M

McAllen's sales tax, January–October 2026 [14]

+8.1%

McAllen's growth over January–October 2025 [14]

McAllen collects about twice as much sales tax per resident as Brownsville or Mission, and its growth outpaced the region.

Follow the money

What happens to the sales tax on a $100 purchase in McAllen, step by step.

1 — You shop

You buy $100 of things and pay **$8.25** in sales tax.

2 — The store

The store holds the tax and sends it to the State.

3 — The State

Texas keeps **$6.25** and sends **$2.00** back to your city.

4 — Your city

The city keeps **$1.50** for police, fire, streets and parks.

5 — The EDC

The city hands **$0.50** to its economic development corporation.

6 — Community

The EDC turns it into jobs, roads and parks you can see.



Every time someone shops in the city, part of the receipt comes back home as a park, a road or a job.

McAllen example. Rates vary by city: 36 of the 44 Valley cities with a city sales tax have a combined 8.25% rate [12]. In McAllen, the full 2% local rate is split $1.50 to the city and $0.50 to the Development Corporation of McAllen [4]. In Brownsville, the 50¢ is split between GBIC and BCIC [7]. The State keeps a 2% handling fee on the local share, about 4¢ of the $2.00 [3]. Money reaches the city about two months after the sale [3]. Band widths are drawn to scale.

Local sales tax rates in the four counties

Rates are not uniform. Each city sets its own local rate, up to the 2% cap. **Source: Texas Comptroller city rate list**

44
Cities in Starr, Hidalgo, Cameron and Willacy counties with a city sales tax [12]

36
Have a combined rate of 8.25%, the Texas maximum [12]

30
Levy the full 2% city rate [12]

8
Have a combined rate below 8.25% [12]

Hidalgo County 22 cities

CITY	CITY RATE	SPECIAL DISTRICT	COMBINED
Alamo	2.00%	—	**8.25%**
Alton	2.00%	—	**8.25%**
Donna	2.00%	—	**8.25%**
Edcouch	2.00%	—	**8.25%**
Edinburg	2.00%	—	**8.25%**
Elsa	1.50%	Municipal development district 0.50%	**8.25%**
Granjeno	1.00%	—	**7.25%**
Hidalgo	2.00%	—	**8.25%**
La Joya	2.00%	—	**8.25%**
La Villa	2.00%	—	**8.25%**
McAllen	2.00%	—	**8.25%**
Mercedes	2.00%	—	**8.25%**
Mission	2.00%	—	**8.25%**
Palmhurst	1.50%	Crime control district 0.50%	**8.25%**
Palmview	1.50%	Municipal development district 0.50%	**8.25%**
Peñitas	1.50%	Crime control district 0.50%	**8.25%**
Pharr	2.00%	—	**8.25%**
Progreso	2.00%	—	**8.25%**
Progreso Lakes	1.50%	—	**7.75%**
San Juan	2.00%	—	**8.25%**
Sullivan City	1.00%	Municipal development district 0.50%; crime control district 0.50%	**8.25%**
Weslaco	2.00%	—	**8.25%**

Cameron County 16 cities

CITY	CITY RATE	SPECIAL DISTRICT	COMBINED
Bayview	1.00%	—	**7.25%**
Brownsville	2.00%	—	**8.25%**
Combes	1.75%	Municipal development district 0.25%	**8.25%**
Harlingen	2.00%	—	**8.25%**
La Feria	2.00%	—	**8.25%**
Laguna Vista	1.50%	—	**7.75%**
Los Fresnos	2.00%	—	**8.25%**
Los Indios	1.75%	—	**8.00%**
Palm Valley	2.00%	—	**8.25%**
Port Isabel	2.00%	—	**8.25%**
Primera	2.00%	—	**8.25%**
Rancho Viejo	1.00%	—	**7.25%**
Rio Hondo	1.50%	Municipal development district 0.25%	**8.00%**
San Benito	2.00%	—	**8.25%**
Santa Rosa	1.75%	—	**8.00%**
South Padre Island	2.00%	—	**8.25%**

Starr County 4 cities

CITY	CITY RATE	SPECIAL DISTRICT	COMBINED
Escobares	2.00%	—	**8.25%**
La Grulla	2.00%	—	**8.25%**
Rio Grande City	2.00%	—	**8.25%**
Roma	2.00%	—	**8.25%**

Willacy County 2 cities

CITY	CITY RATE	SPECIAL DISTRICT	COMBINED
Lyford	2.00%	—	**8.25%**
Raymondville	2.00%	—	**8.25%**

Texas Comptroller of Public Accounts, City Sales and Use Tax rate list [12]. Combined rate includes the 6.25% state rate. Shaded rows are below 8.25%. The Comptroller list shows each city's total city rate, not how the city divides it between its general fund, its EDC or other uses.

EDCs at work in the Valley

Cities in all four counties set aside part of their local sales tax for an economic development corporation. The table shows the rates confirmed in city records. Type A funds industry and jobs. Type B can also fund quality of life: parks, sports, streets and drainage [2].

City	Corporation	Type	Rate
McAllen	Development Corporation of McAllen	B	½¢
Brownsville	Greater Brownsville Incentives Corp. (GBIC)	A	¼¢
	Brownsville Community Improvement Corp. (BCIC)	B	¼¢

A Type A: industry and jobs B Type B: adds quality of life

MCALLEN | DEVELOPMENT CORPORATION OF MCALLEN

$23.0M half-cent budget, FY 2024–25 [4]

Uses noticed for FY 2024–25 included college and medical school programs, Bentsen and Shary road work, drainage, Quinta Mazatlán, downtown, and business incentives [6].

BROWNSVILLE | BCIC QUALITY-OF-LIFE FUND

$14.36M FY 2024–25 [8]

Sports Park field lighting, splash pads, park fields and tree canopy. Projects drew $34.2M in private investment and 375 jobs [8].

PHARR | PHARR ECONOMIC DEVELOPMENT CORPORATION

$8.28M projected sales tax revenue, FY 2026–27 [13]

Its published budget also projects $3,968,089 for incentives and $1.2M in property tax revenue for FY 2026–27 [13].

The same half-cent pays for roads, parks, training and business incentives, which is why EDCs matter to every site decision.

Types and rates from City of McAllen and City of Brownsville records [4][7]. Other Valley EDCs, including those in Edinburg, Harlingen, Pharr, Mission, Weslaco, Rio Grande City and Raymondville, are not listed because their current type and rate were not confirmed in a city or EDC record. The Pharr EDC budget does not state its type or rate [13].

What it means for commercial real estate

Sales tax connects every retail lease to the public investments that shape land values, access and the workforce.

Retail

Every new store grows the city's sales tax base, so cities and EDCs recruit retail with incentives and grants [6].

Industrial

Type A dollars target manufacturing, distribution and jobs. Hidalgo County EDCs may also fund ports [2].

Land and access

EDC-funded road widenings and drainage, such as Bentsen Road, can change access to nearby sites [6].

Residential and workforce

Parks, sports facilities and college training programs help employers attract workers, which supports housing demand [6][8].

Operating costs

Sales tax is a major source of city revenue alongside property tax. McAllen budgeted $73.4M in general fund sales tax revenue for FY 2024–25 [4].

FOR OWNERS, DEVELOPERS AND TENANTS

How to access EDC incentives

1. **Call the EDC early.** Before signing a lease or closing on land, ask what programs fit the project.
2. **Apply.** Describe the project: jobs, payroll, capital investment, square footage and timeline.
3. **Negotiate a performance agreement.** State law requires one for direct incentives. It sets jobs or payroll and capital investment targets [10].
4. **Win approvals.** The EDC board votes, then city council. Type B projects also go through a public hearing [1][6].
5. **Deliver and report.** Incentives are paid as targets are met. Missing them can mean repaying the money [10].

Typical process. Programs, criteria and timing vary by city; confirm with the EDC.

Planning a project in the Valley?

SVN | Hanna Solutions Commercial Real Estate helps owners, developers and tenants find sites, structure leases and purchases, and plan projects with local incentives in mind.

Call SVN | Hanna Solutions Commercial Real Estate to discuss your project further.

mark.hanna@svn.com | svnhannasolutionscre.com

Need a closer look? We prepare custom market studies for specific cities, corridors and sites across the four-county Valley.

Sites that grow the sales tax base, and sites near EDC-funded roads, parks and job centers, are where public and private investment meet.

Methodology and primary references

A transparent basis for every figure in this report.

Geography

The Rio Grande Valley's four counties: Starr, Hidalgo, Cameron and Willacy. McAllen and Brownsville are featured as the region's two international gateway cities, consistent with the series. Statewide rules apply throughout.

Research standard

Figures are cited with their dates and were current as of early November 2026. The four-county taxable sales figure is the Comptroller's latest quarterly report (April–June 2026). City sales tax figures are the Comptroller's allocation payments, January–October 2026, compared with January–October 2025. Project lists are as published by each city or corporation.

Definitions

"Allocation" means the monthly local sales tax payment from the Comptroller to a city. City figures include any share the city passes to its EDC.

Limits of this briefing

This is a plain-language summary, not legal, tax or investment advice. Rates, rules and projects can change; confirm with the Comptroller and each city.

1 Texas Comptroller | Economic Development Corporation Report, 2022 to 2023, Executive Summary.

2 Texas Comptroller | Type A and Type B projects; Tax collection and allocation; Economic Development Sales Tax guide (96-302).

3 Texas Comptroller | Components of local sales tax allocation payments (service fee and retainage).

4 City of McAllen | Approved Annual Budget FY 2024–25: Development Corporation of McAllen fund (½¢ sales tax, Type B) and general fund revenue by source.

5 City of McAllen | News release, "Historic $12.6 Million Sales Tax Allocation," Feb. 17, 2026.

6 Development Corporation of McAllen, Inc. | Notice of projects and public hearing, July 25, 2024. mcallen.net

7 City of Brownsville | Greater Brownsville Incentives Corporation (¼¢ sales tax); Brownsville Community Improvement Corporation (Type B, ¼¢ sales tax); The Monitor (MyRGV) on BCIC's 50% quality-of-life requirement and the May 2024 election.

8 City of Brownsville | BCIC FY 2024–25 special edition report, June 1, 2026; BCIC FY 2025 approvals, May 6, 2025; Sports Park lighting, Jan. 13, 2026.

9 U.S. Census Bureau | City population estimates for July 1, 2025 (Vintage 2025), QuickFacts.

10 Texas Local Government Code §501.158, performance agreements for business incentives.

11 Texas Comptroller | State Sales and Use Tax Analysis Quarterly Report, all industries by county, 2nd quarter 2026 (Cameron, Hidalgo, Starr and Willacy counties).

12 Texas Comptroller of Public Accounts | City Sales and Use Tax rate list, comptroller.texas.gov/taxes/sales/city.php (retrieved Nov. 8, 2026).

13 Pharr Economic Development Corporation | FY Budget 2026–2027 (published), sales tax revenue account 86-4-4113-000.

14 Texas Comptroller | City Sales and Use Tax Comparison Summary, October 2026 allocation: payment year to date and prior year payment year to date, for all 44 cities in the four counties.

15 Texas Comptroller | Allocation Historical Summary, 2026, by city (McAllen, Brownsville, Edinburg, Harlingen, Pharr, Mission, Weslaco, San Juan, Rio Grande City, Roma, Raymondville, La Grulla, Lyford).

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