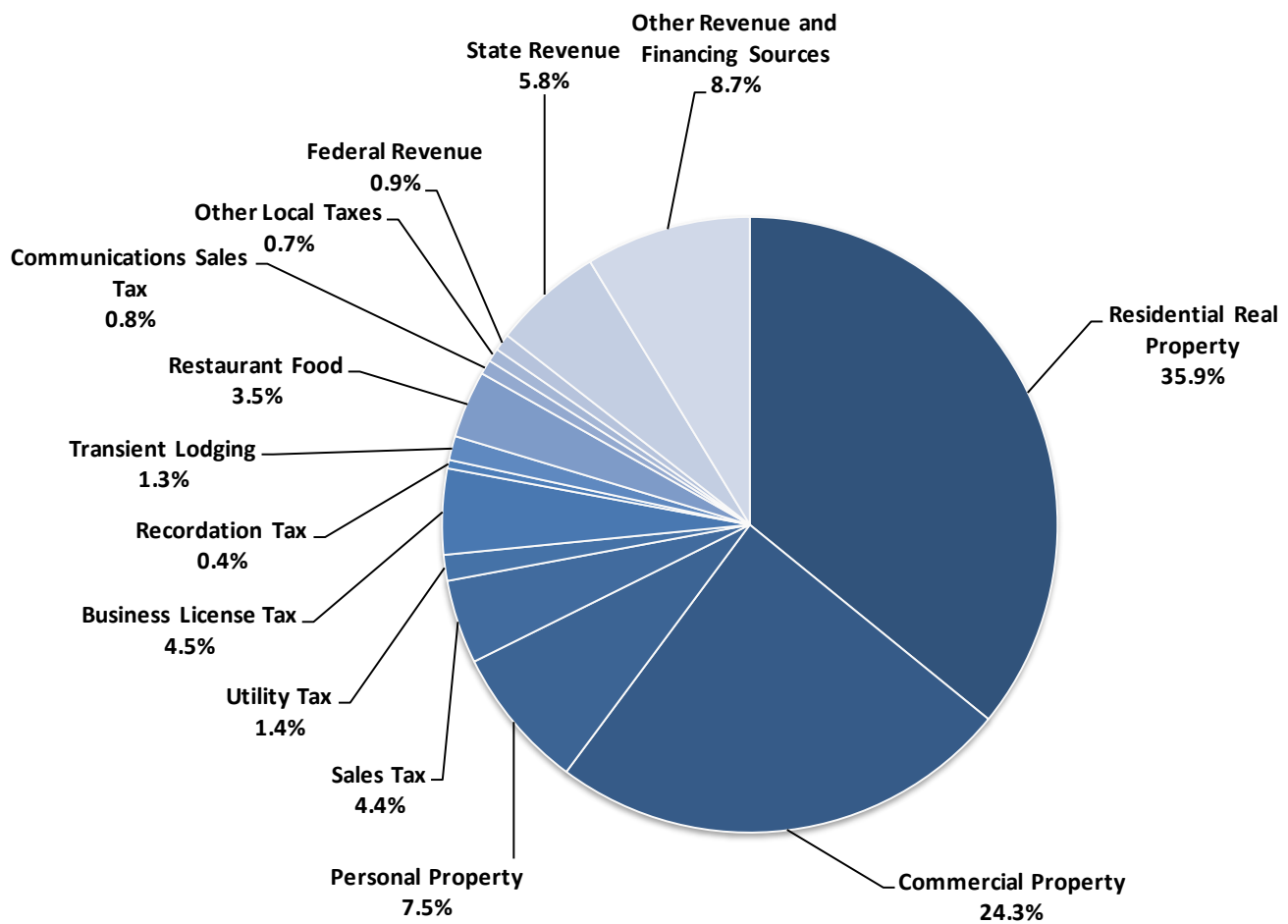




## GENERAL FUND REVENUES

The chart below shows the distribution of estimated General Fund revenues (\$866,863,085) and fund balance use (\$17,464,943) for FY 2023 totaling **\$884,328,028**. This represents a 5.4% increase above the amount budgeted for FY 2023.



# Revenues



## GENERAL FUND REVENUES

General Fund Revenue	FY 2022 Actual	FY 2023 Approved	FY 2023 Projected	FY 2024 Approved
General Property Tax Revenue				
Real property tax	491,975,060	514,554,739	514,959,597	532,076,175
Personal property tax	57,207,803	66,776,000	64,833,000	66,313,000
Penalties and Interest	3,358,050	3,199,600	3,358,050	3,358,050
<i>Total general property tax revenue</i>	<i>552,540,913</i>	<i>584,530,339</i>	<i>583,150,647</i>	<i>601,747,225</i>
Other local tax revenue				
Local sales tax	36,800,040	37,440,000	39,000,000	39,000,000
Utility tax	12,017,966	11,760,000	12,520,000	12,020,000
Business licenses	38,101,182	39,824,300	39,824,300	39,824,300
Motor vehicle licenses	8,212	-	-	-
Recordation	8,425,865	8,645,000	3,926,000	3,926,000
Cigarette	2,149,715	2,100,000	2,030,000	2,030,000
Transient Lodging	10,206,837	9,500,000	11,200,000	11,200,000
Restaurant food	28,872,822	27,600,000	31,200,000	31,200,000
Admissions	254,968	261,000	348,000	313,000
Communications service	7,709,875	7,245,080	7,245,000	6,810,000
Other miscellaneous	4,328,010	4,103,000	4,031,000	3,848,000
<i>Total other local tax revenues</i>	<i>148,875,493</i>	<i>148,478,380</i>	<i>151,324,300</i>	<i>150,171,300</i>
Non-tax revenue				
Licenses, permits, and fees	2,202,262	2,867,350	2,464,500	2,667,500
Fines and forfeitures	2,694,652	4,305,200	3,796,000	4,425,000
Use of money and property	926,351	6,655,000	14,250,000	19,322,000
Charges for services	15,201,532	14,886,328	15,243,101	15,522,609
Noncategorical State (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	32,690,234	33,870,491	35,088,341	35,366,507
Miscellaneous revenues	2,788,692	2,545,701	4,003,500	3,600,890
<i>Total non-tax revenue</i>	<i>80,082,254</i>	<i>88,708,601</i>	<i>98,423,973</i>	<i>104,483,037</i>
<b>Total General Fund Revenues</b>	<b>781,498,659</b>	<b>821,717,320</b>	<b>832,898,920</b>	<b>856,401,562</b>
<b>Other financing sources (uses)</b>				
Appropriations to/(from Fund Balances)				
Contribution to/(Use of Fund Balance)	-	8,120,000	-	17,464,943
Transfer from special revenue acct. <sup>1</sup>	45,584,494	9,376,651	9,376,651	10,461,523
Total Transfers In	<i>45,584,494</i>	<i>17,496,651</i>	<i>9,376,651</i>	<i>27,926,466</i>
<b>Total General Fund Revenues and Other Sources</b>	<b>827,083,153</b>	<b>839,213,971</b>	<b>842,275,571</b>	<b>884,328,028</b>

<sup>1</sup> Transfers from special revenue accounts include sanitary sewer fee revenue transferred to the General Fund to pay for sanitary sewer debt service budgeted in the General Fund; transfers from the sanitary sewer fund, storm water fund, residential refuse fund and permit fee fund for indirect costs; and a transfer from the Potomac Yard Fund for the cost of City and School services provided to properties within Potomac Yard.



## MAJOR REVENUE INITIATIVES IN FY 2024

### Real Estate Tax (General Fund)

Real estate taxes are calculated by multiplying a property's assessed value, which are mailed to property owners in February, by the real estate tax rate. For the tax year beginning January 1, 2023, the real estate tax rate remains at \$1.11 per \$100 of assessed property value. However, given that the School and City future year Capital needs will still grow substantially both to take care of existing infrastructure and invest in new projects, the pressure on the City's real estate rate will remain in future years. Additionally, the amount of property tax General Fund revenue dedicated to Affordable Housing remains consistent at 1.0 cents of every \$1.11, and the amount dedicated to Transportation Improvements remains 2.2 cents of every \$1.11.

### User Fees and Other Revenues (General Fund)

Other notable changes include:

- The Department of Recreation & Cultural Activities will receive the following additional revenues:
  - \$100,000 from staffing fees for the Out of School Time Program. This offsets a program fee waiver of \$15,000 for SNAP/TANF recipients, for a net increase of \$85,000.
  - \$3,900 from a new Teen Pass to Chinquapin and Outdoor Pools.
  - \$5,600 from a market rate adjustment to the Non-resident Fee for Outdoor Pools.
- The City will receive \$1.8M in revenue from the State as reimbursement from the Virginia Department of Health for reimbursement of rent expenses at Mark Center.
- The Department of Transportation and Environmental Services will receive the following additional revenues:
  - \$249,000 from an increase in right-of-way fees for installation of small cell antennae, based on increased applications from service providers.
  - \$60,000 from increasing the number of blocks eligible for residential pay-by-phone parking.
  - \$60,000 from making additional blocks eligible to increase parking fees for non-residents.
  - \$30,000 from permitting fees in the new Potomac Yard and Potomac Greens parking districts.
  - \$80,000 from the expansion of the parklet program, which charges permit fees to businesses using public right-of-way for dining or retail.
- The City is budgeted to received an additional \$500,000 in speed enforcement revenue due to the addition of five speed cameras in school crossing zones.

# Revenues



## REAL ESTATE TAX RATES

### Regional Tax Rates for Calendar Years 1983-2023

Below are real estate tax rates from selected major Northern Virginia jurisdictions over the past forty calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value.

Tax Year	Alexandria	Arlington	Fairfax <sup>1</sup>	Loudoun <sup>1</sup>	Pr. William <sup>1</sup>
1983	1.41	0.99	1.47	1.13	1.42
1984	1.41	0.97	1.46	1.10	1.39
1985	1.39	0.95	1.39	1.13	1.42
1986	1.38/1.37	0.94	1.35	1.02	1.42
1987	1.34	0.92	1.32	0.88	1.30
1988	1.25	0.89	1.30	0.95	1.38
1989	1.10	0.78	1.19	0.88	1.38
1990	1.045	0.765	1.11	0.85	1.36
1991	1.045	0.765	1.11	0.94	1.36
1992	1.045	0.82	1.16	0.96	1.36
1993	1.07	0.86	1.16	1.00	1.36
1994	1.07	0.897	1.16	1.02	1.36
1995	1.07	0.94	1.16	0.99	1.36
1996	1.07	0.96	1.23	1.03	1.36
1997	1.07	0.986	1.23	1.06	1.36
1998	1.11	0.998	1.23	1.11	1.36
1999	1.11	0.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	0.993	1.21	1.05	1.23
2003	1.035	0.978	1.16	1.11	1.16
2004	0.995	0.958	1.13	1.11	1.07
2005	0.915	0.878	1.00	1.04	0.974
2006	0.815	0.818	0.89	0.89	0.8071
2007	0.830	0.818	0.89	0.96	0.8379
2008	0.845	0.848/0.973 <sup>3</sup>	0.92/1.03 <sup>3</sup>	1.14	0.97
2009	0.903	0.875/1.00	1.05/1.16	1.245	1.288
2010	0.978	.958/1.083	1.121/1.231	1.30	1.3146
2011	0.998	.958/1.083	1.101/1.211	1.285	1.2806
2012	0.998	0.971/1.096	1.111/1.221	1.235	1.2859
2013	1.038	1.006/1.131	1.106/1.231	1.205	1.2562
2014	1.043	.996/1.121	1.114/1.239	1.155	1.2212
2015	1.043	.996/1.121	1.116/1.241	1.135	1.1936
2016	1.073	.991/1.116	1.159/1.284	1.145	1.1950
2017	1.130	1.006/1.131	1.161/1.286	1.125	1.2067
2018	1.130	1.006/1.131	1.151/1.276	1.085	1.2075
2019	1.130	1.013/1.138	1.151/1.276	1.045	1.2075
2020	1.130	1.013/1.138	1.151/1.276	1.035	1.2075
2021	1.110	1.013/1.138	1.141/1.266	0.980	1.1975
2022	1.110	1.013/1.138	1.111/1.236	0.890	1.1075
2023	1.110	1.013/1.138 <sup>4</sup>	1.095/1.221 <sup>5</sup>	0.875	1.0405 <sup>6</sup>



## REAL ESTATE TAX RATES

### Regional Tax Rates for Calendar Years 1983-2023 Continued

#### Table References

- <sup>1</sup>. Tax rates in tax years 1979-2001 do not reflect additional special tax district (fire, leaf collection, etc.) or town real estate tax rates.
- <sup>2</sup>. Before 1981, real property in Prince William County was assessed at 33% of fair market value. Since 1981, real property has been assessed at
- <sup>3</sup>. Beginning in calendar year 2008, Arlington County and Fairfax County levied an additional tax on most commercial real property for
- <sup>4</sup>. Arlington County's rate includes a transportation add-on tax on commercial property of 12.5 cents.
- <sup>5</sup>. The Fairfax County rate includes add-on tax rates of 0.1 cents for pest infestation and 12.5 cents on commercial properties for transportation.
- <sup>6</sup>. The Prince William County rates includes 7.5 cents for fire rescue and .25 cents for pest infestation.

# Revenues



## FY 2024 APPROVED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.11 per \$100 assessed value	58.1-3200	None set
<b>Personal Property Taxes</b>			
Tangible personal property	\$4.75 on every \$100 of assessed value	58.1-3507	None set
Machinery and tools	\$4.50 on each \$100 of assessed value		None set
Mobile homes	\$1.11 on each \$100 of assessed value		None set
Automobiles	\$5.33 on every \$100 of assessed value		None set
Automobiles (10,000 lbs or more)	\$4.50 on every \$100 of assessed value		None set
Automobiles (handicap equipment)	\$3.55 on every \$100 of assessed value	58.1-3506-b	None set
Boats	\$0.01 on every \$100 of assessed value	58.1-3506.1	None set
<b>Utility Consumer Taxes</b>			
Electric (residential)	\$1.12 plus \$0.012075 for each kWh, not to exceed \$3.00	58.1-3814	\$3.00 monthly
Electric (residential group meter)	\$1.12 per dwelling unit plus \$0.012075 on each kWh, not to exceed \$3.00 per dwelling unit	58.1-3814	\$3.00 monthly
Electric (commercial)	\$1.18 plus \$0.005578 of each kWh	58.1-3814	
Electric (industrial)	\$1.18 plus \$0.004544 of each kWh	58.1-3814	
Natural Gas (residential)	\$1.28 plus \$0.124444 on each CCF, not to exceed	58.1-3814	\$3.00 monthly
Natural Gas (residential group meter)	\$1.28 per dwelling unit plus \$0.050909 on each CCF, not to exceed \$3 monthly per dwelling unit		\$3.00 monthly
Natural Gas (residential group meter interruptible)	\$1.28 per dwelling unit plus \$0.023267 on each CCF, not to exceed \$3 monthly per dwelling unit		\$3.00 monthly
Natural Gas (commercial/industrial)	\$1.42 plus \$0.050213 of each kWh	58.1-3814	20% of monthly amount charged
Natural Gas (Non-residential interruptible)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	20% of monthly amount charged
Water (residential)	15% of the monthly amount charged to consumers of the utility service	58.1-3814	**
Water (commercial/industrial)	20%, if the monthly bill exceeds \$150 then no tax is computed on that in amount above \$150	58.1-3814	20% of monthly amount charge
<b>Business and Professional Licenses*</b>			
Amusement	\$0.36 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Professional	\$0.58 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Residential Property	\$0.50 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Commercial Property	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Financial Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Personal, Business, & Repair Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Retail Merchants	\$0.20 per \$100 gross receipts	58.1-3700 et seq.	\$0.20
Contractors	\$0.16 per \$100 gross receipts	58.1-3700 et seq.	\$0.16
Wholesale Merchants	\$0.05 per \$100 gross receipts	58.1-3700 et seq.	\$0.05

# Revenues



## FY 2024 APPROVED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
<b>Public Utilities</b>			
Telephone Company	\$0.50 per \$100 of gross receipts excluding charges for long distance calls	58.1-3731	\$0.5
Water	One-half of one percent of the gross receipts	58.1-3731	0.5%
Public rights-of-way use fee	\$1.01 per access line (Effective July 1, 2022)	56-468.1	Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Electric Consumption Tax	\$0.0038/kWh	58.1-2900	0.00038/kWh
Natural Gas Consumption Tax	\$0.004 per CCF	58.1-2904	\$0.004 per CCF
Communications Sales and Use Tax	5% of the sales price of each communications service that is sourced to the Commonwealth	58.1-648	5.0%
<b>Other</b>			
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840	None set
Alcoholic Beverages	\$5-\$1,500 (flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	Various
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840	None set
Cigarette Tax	\$1.26 on each package of 20 cigarettes	58.1-3830 & 58.1-3840	\$1.26 per package of 20 cigarettes
Short-Term Rental Tax	1.0% of gross proceeds of business arising from rentals (1.5% Heavy Equipment)	58.1-3510.4	1.0% or 1.5%
Local Sales Tax	1.0% on sale (added to the rate of the State tax imposed)	58.1-605	1.0%
Transient Lodging Tax	6.5% of total amount paid for room rental, plus \$1.25 per night lodging fee	58.1-3840	None set
Restaurant Meals Tax	5.0% of total charge of a meal****	58.1-3840	None set
Recordation Tax:	\$0.083 per \$100 of sales price/loan value (equals State max)	58.1-3800	1/3 of State Chrgs
Late Payment Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10****
Tax Interest	10% for the first year and 5% for each year thereafter. Equals refund rates.		10.0%

\* Tax rate applies to businesses with gross receipts of \$100,000 or above. Businesses with gross receipts of at least \$10,000 but no more than \$99,999 will be assessed a license tax of \$50.

\*\* The City's existing tax rate exceeds state cap. The State cap was established after the City had set this rate.

\*\*\* The late payment penalty on real property is 5% if paid within 15 days of due date and 10% on the balance due thereafter.

\*\*\*\* Of which 1.0% is dedicated to Affordable Housing.

# Revenues



## REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2022	FY 2023	FY 2023	FY 2024	% Chg.
	Actual	Approved	Projected	Approved	FY24 Approved/FY23 Projected
Residential	287,431,208	299,642,892	308,789,015	317,266,327	2.7%
Commercial Multi-Family	94,344,270	101,767,976	103,852,263	109,007,545	5.0%
Office/Retail and Other Commercial	102,718,151	105,904,982	102,318,319	98,219,902	-4.0%
Public Service Corporation	7,481,430	7,238,888	7,458,179	7,582,401	1.7%
Total	491,975,060	514,554,739	522,417,776	532,076,175	1.8%
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(13,134,507)</i>	<i>(13,986,232)</i>	<i>(14,122,008)</i>	<i>(14,873,266)</i>	<i>5.3%</i>

The FY 2024 Approved Budget reflects a Real Property tax rate of \$1.110 per \$100. The FY 2024 rate of \$1.110 includes the following set asides for specific programs:

- Transportation Improvements 2.2 cents (General Fund Reservation)
- Affordable Housing 1.0 cents (General Fund Dedication)

As required by State law, all real estate parcels in the City are annually assessed at 100% of estimated fair market value. As detailed in the Calendar Year 2023 Real Property Assessment Report, the City’s overall real property tax base increased 3.8% from the January 1, 2022 assessment to January 1, 2023, or \$1.8 billion from \$46.6 billion in CY 2022 to \$48.3 billion in CY 2023.

### Assumptions

General Fund real property tax revenues for the first half of FY 2024 (the second half of calendar year 2023) are based on the 2023 real property assessment and a 49.65 percent collection rate for the second half of the 2023 tax levy. Real property tax revenues for the second half of FY 2024 (the first half of calendar year 2024) assumes a growth rate of 2.99% in real property assessments and a \$1.110 tax rate. This projection is a mid-point estimate based on a growing residential real estate market and a commercial real estate market that continues to recover from the economic impacts of the COVID-19 pandemic.

The real property tax estimate for FY 2024 has been reduced by approximately \$6.5 million to reflect the costs of the tax relief programs for the elderly and disabled, and tax exemptions for disabled veterans and surviving spouses. These exemptions have been expanded from the FY 2023 Approved Budget to include the surviving spouses of veterans killed in the line of duty, as allowed under HB 957.





## REAL PROPERTY TAX REVENUES

### **Potomac Yard Special Tax District**

In December, 2010, City Council approved the Tier I Special Services Tax District for Land Bay F, G, and H and the multi-family portion of Land Bay I in Potomac Yard. Tax collections of 20¢ per \$100 of valuation started in 2011. The tax district helps provide funding for the development and eventual operation of the planned Potomac Yard Metrorail station. In addition, City Council approved a policy to set aside appreciation on real estate in Potomac Yard to support the Metrorail development. In FY 2024, \$14.9 million in revenue is budgeted for the appreciation that has occurred since 2011 of Potomac Yard. Of the revenue generated from the appreciation, \$4.7 million is being transferred to the General Fund as the cost of delivery of City and School services.

### **Transportation Fund**

A new special revenue fund was established in FY 2014 for transportation as a result of new tax authority legislation approved by the General Assembly for the Northern Virginia Transportation Authority (NVTA). The legislation increased the sales, transient occupancy, and grantor's tax rates and distributed the revenue generated by those increases to the NVTA for transportation purposes. Northern Virginia cities, counties and towns receive 30 percent of the revenues collected within their jurisdictions from the NVTA if they deposit revenues from a 12.5 cent real estate tax on commercial and industrial property, or an equivalent amount of revenue, into a special fund for transportation. The FY 2024 approved budget includes a transfer of \$28.5 million in general property taxes to the transportation fund, which exceeds the amount of revenue that would be generated by a 12.5 cent commercial and industrial real estate property tax of \$11.1 million. The amount of revenue estimated to be generated in FY 2023 by the City's 30 percent of NVTA revenues is \$7.5 million planned for Washington Metropolitan Area Transit Authority (WMATA) operating and capital subsidies. The additional transient occupancy tax is no longer collected on behalf of NVTA. Per statute it is now collected for the State and remitted for WMATA costs.

# Revenues



## REAL PROPERTY TAX REVENUES

### Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2011	2012	2013	2014	2015	2016	2017
Residential Single Family*	13,064,551	13,401,631	13,903,410	14,491,781	15,022,092	15,458,313	15,756,517
Residential Condominium*	5,186,478	5,150,726	5,390,043	5,666,528	6,017,488	6,125,698	6,233,181
Vacant Residential*	179,702	163,350	150,532	156,601	155,976	129,179	103,299
Commercial Multi-Family	4,483,882	5,276,996	5,854,955	6,275,816	6,564,475	6,849,849	6,931,170
Office/Retail Property	8,433,635	8,544,988	8,431,243	8,332,484	8,376,688	8,656,218	8,900,100
Other Commercial	438,957	416,596	382,214	411,972	434,949	380,089	453,686
Public Service Corporation	844,746	828,408	634,278	560,421	575,192	595,973	609,339
<b>Total</b>	<b>32,631,951</b>	<b>33,782,695</b>	<b>34,746,675</b>	<b>35,895,603</b>	<b>37,146,860</b>	<b>38,195,319</b>	<b>38,987,294</b>
Residential Single Family	40.7%	40.0%	39.7%	40.0%	40.4%	40.4%	40.4%
Residential Condominium	16.5%	15.9%	15.2%	15.5%	15.8%	16.2%	16.0%
Vacant Residential	0.5%	0.6%	0.5%	0.4%	0.4%	0.4%	0.3%
Commercial Multi-Family	13.0%	13.7%	15.6%	16.9%	17.5%	17.7%	17.8%
Office/Retail Property	25.2%	25.8%	25.3%	24.3%	23.2%	22.6%	22.8%
Other Commercial	1.3%	1.3%	1.2%	1.1%	1.1%	1.2%	1.2%
Public Service Corporation	2.8%	2.6%	2.5%	1.8%	1.6%	1.5%	1.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Residential*	57.7%	56.5%	55.4%	56.0%	56.6%	57.1%	56.7%
Commercial**	42.3%	43.5%	44.6%	44.0%	43.4%	42.9%	43.3%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***							
Residential	70.7%	70.2%	71.0%	72.8%	74.1%	74.7%	74.4%
Commercial	29.3%	29.8%	29.0%	27.2%	25.9%	25.3%	25.6%

\* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010.

\*\* Commercial includes Commercial Multi-Family, Office/Rental Property, Other Commercial, and Public Service Corporation.

\*\*\* Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2023 Real Property Assessment Reports.

# Revenues



## REAL PROPERTY TAX REVENUES

### Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2018	2019	2020	2021	2022	2023
Residential Single Family*	16,291,951	16,578,737	17,370,936	18,243,105	19,458,676	20,422,131
Residential Condominium*	6,429,613	6,626,468	7,012,378	7,581,651	8,075,395	8,467,398
Vacant Residential*	122,472	105,629	167,296	205,012	294,769	335,319
Commercial Multi-Family	7,463,415	7,768,690	8,155,671	8,443,823	9,316,308	9,893,384
Office/Retail Property	8,587,410	8,896,153	8,988,020	8,370,575	8,449,600	8,220,056
Other Commercial	386,192	360,442	357,454	344,203	308,555	316,562
Public Service Corporation	616,934	641,124	627,481	638,427	656,749	677,782
<b>Total</b>	<b>39,897,987</b>	<b>40,977,242</b>	<b>42,679,236</b>	<b>43,826,796</b>	<b>46,560,052</b>	<b>48,332,631</b>
Residential Single Family	40.9%	40.5%	40.7%	41.6%	41.8%	42.3%
Residential Condominium	16.1%	16.2%	16.4%	17.3%	17.3%	17.5%
Vacant Residential	0.3%	0.3%	0.4%	0.5%	0.6%	0.7%
Commercial Multi-Family	18.7%	19.0%	19.1%	19.3%	20.0%	20.5%
Office/Retail Property	21.5%	21.7%	21.1%	19.1%	18.2%	17.0%
Other Commercial	1.0%	0.9%	0.8%	0.8%	0.7%	0.7%
Public Service Corporation	1.5%	1.6%	1.5%	1.5%	1.4%	1.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Residential*	57.3%	56.9%	57.5%	59.4%	59.8%	60.5%
Commercial**	42.7%	43.1%	42.5%	40.6%	40.2%	39.5%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***						
Residential	76.0%	75.9%	76.6%	78.7%	79.8%	80.9%
Commercial	24.0%	24.2%	23.4%	21.3%	20.2%	19.1%

\* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010.

\*\* Commercial includes Commercial Multi-Family, Office/Rental Property, Other Commercial, and Public Service Corporation.

\*\*\* Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2023 Real Property Assessment Reports.

# Revenues



## PERSONAL PROPERTY TAX

	FY 2022 Actual	FY 2023 Approved	FY 2023 Projected	FY 2024 Approved	% Chg. FY24 Approved/FY23 Projected
Business Personal Property Tax	16,215,295	17,176,000	17,033,000	17,033,000	0.0%
Personal Property Tax	40,992,508	49,600,000	47,800,000	49,280,000	3.1%
Total	57,207,803	66,776,000	64,833,000	66,313,000	2.3%
<i>State Reimbursement (informational)</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>0.0%</i>

The Personal Property tax is assessed on vehicles, mobile homes, and business personal property and divided into two categories—vehicular personal property tax and business personal property tax.

Business personal property consists of office furniture, fixtures, unlicensed vehicles, machinery, tools, and computers located in the City as of January 1st. The tax rate levied on business property for office furniture, fixtures, computers and unlicensed vehicles is \$4.75 per \$100 of assessed value and the tax rate levied on machinery and tools used in a mining or manufacturing business is \$4.50 per \$100 of assessed value. Business tangible equipment is valued using established depreciation tables based on original cost. The self-assessing Business personal property tax return is due to the City on May 1st.

Alexandria’s vehicle personal property tax rate is \$5.33 per \$100 of vehicle’s value. The City computes the value of vehicles using clean trade-in value. Since 1999, the Commonwealth of Virginia has reimbursed all localities in Virginia for part of the vehicle portion of the personal property tax as part of the Personal Property Tax Relief Act (PPTRA). For Alexandria, this totals \$23,578,531. To minimize the tax burden on lower valued vehicles, City Council has adjusted the distribution of the PPTRA reimbursement rate tiers for Tax Year 2022. The City will now apply the PPTRA subsidy to 100% of the amount due on qualifying personal use vehicles assessed at \$5,000 or less, an increase from \$1,000 or less. The PPTRA adjustments are seen in the tables below.

Vehicle personal property tax revenue for FY 2024 is based on significant market appreciation during 2021 and 2022 due to economic factors resulting from the pandemic. To address this dramatic rise in valuations, City Council approved the use of an assessment ratio for Tax Years 2022 and 2023.

Calendar Year	Personal Property Tax Relief Act (PPTRA) Reimbursement	Calendar Year	Personal Property Tax Relief Act (PPTRA) Reimbursement
2002-2005	70% of the first \$20,000 of the vehicle's assessed tax bill	2017-2019	55.5% for vehicles valued between \$1,001 and \$20,000 45.5% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 35.5% on the first \$20,000 for vehicles valued \$25,001 and higher
2006-2008	69% of the first \$20,000 of the vehicle's assessed tax bill	2020	53% for vehicles valued between \$1,001 and \$20,000 43% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 33% on the first \$20,000 for vehicles valued \$25,001 and higher
2009	73% of the first \$20,000 of the vehicle's assessed tax bill	2021	100% for vehicles valued \$1,000 and less 52% for vehicles valued between \$1,001 and \$20,000 41% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 31% on the first \$20,000 for vehicles valued \$25,001 and higher
2010	69% of the first \$20,000 of the vehicle's assessed tax bill	2022	100% for vehicles valued \$5,000 and less 52% for vehicles valued between \$5,001 and \$20,000 28% on the first \$20,001 for vehicles valued between \$20,001 and \$25,000 16% on the first \$20,000 for vehicles valued \$25,001 and higher 100% for vehicles valued \$5,000 and less
2011	63% of the first \$20,000 of the vehicle's assessed tax bill	2023	52% for vehicles valued between \$5,001 and \$20,000 28% on the first \$20,001 for vehicles valued between \$20,001 and \$25,000 16% on the first \$20,000 for vehicles valued \$25,001 and higher
2012	61% of the first \$20,000 of the vehicle's assessed tax bill	(estimated)	
2013-2014	61% for vehicles valued between \$1,001 and \$20,000 50% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 40% on the first \$20,000 for vehicles valued \$25,001 and higher		
2015	60% for vehicles valued between \$1,001 and \$20,000 50% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 40% on the first \$20,000 for vehicles valued \$25,001 and higher		
2016	58% for vehicles valued between \$1,001 and \$20,000 48% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 39% on the first \$20,000 for vehicles valued \$25,001 and higher		

# Revenues



## INTERGOVERNMENTAL REVENUES

General Fund Intergovernmental Revenues include state and federal aid that are generally not legally restricted to a specific program use. This excludes grant funding from the state and federal government which is accounted for in the City’s Special Revenue Fund.

	FY 2022 Actual	FY 2023 Approved	FY 2023 Projected	FY 2024 Approved	% Chg. FY24 Approved/FY23 Projected
<i>Federal</i>					
Prisoner Per Diem	6,646,314	6,834,000	6,834,000	6,834,000	0.0%
Other Federal	653,805	1,110,000	1,202,184	1,110,000	-7.7%
<i>State</i>					
HB 599	5,986,323	6,000,000	6,749,756	6,100,000	-9.6%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	8,852,645	8,505,000	8,705,000	8,966,150	3.0%
Street & Highway Maintenance	8,421,823	8,530,000	8,530,000	8,530,000	0.0%
Other State	2,112,952	2,891,491	2,622,393	3,826,357	45.9%

**Federal Prisoner Per Diem:** The City receives per diem reimbursement from the Federal Government for federal prisoners held in custody in the Alexandria Detention Center. The FY 2024 Approved Budget assumes revenue generated by the contract that guarantees a minimum of 150 beds per day. Actual federal utilization may exceed the guaranteed minimum.

**Other Federal:** This category contains all other Federal revenues.

**HB599 Aid:** The City receives funding from the Commonwealth of Virginia to help defray the costs of law enforcement in the City. The FY 2024 budget assumes this will remain flat from FY 2023 based on the Virginia FY 2022-2024 budget bill (HB30) and the City’s FY 2023 allocation of this funding.

**Personal Property Tax Reimbursement:** Since 1999, the Commonwealth of Virginia has paid a decreasing portion of local government’s personal property tax on vehicles, the “car tax.” For additional information about the reimbursement, which for Alexandria is \$23,578,531 per year, see the previous description of the personal property tax rate.

**Compensation Board Reimbursement:** The City receives assistance from the Virginia Compensation Board to help defray part of the cost of office operations for Constitutional Officers, including the Sheriff, the Commonwealth’s Attorney, the Clerk of Court, and the Registrar. The City also receives assistance to fund part of the cost of the Finance Department.

**State Aid for Road Maintenance:** The City receives State aid for local maintenance of its primary and secondary roads based on a formula including reimbursement rate and locally maintained lane miles. Projected revenue in FY 2023 and FY 2024 is based on current actuals and information provided by the Commonwealth Transportation Board.



OTHER MAJOR CATEGORIES OF REVENUES

	FY 2022 Actual	FY 2023 Approved	FY 2023 Projected	FY 2024 Approved	% Chg. FY24 Approved/FY23 Projected
Penalties and Interest	3,358,050	3,199,600	3,358,050	3,358,050	0.0%
Charges for Services	15,201,532	14,886,328	15,243,101	15,522,609	1.8%
Licenses, Permits, and Fees	2,202,262	2,867,350	2,464,500	2,667,500	8.2%
Fines and Forfeitures	2,694,652	4,305,200	3,796,000	4,425,000	16.6%
Use of Money and Property	926,351	6,655,000	14,250,000	19,322,000	35.6%
Miscellaneous Revenues	2,788,692	2,545,701	4,003,500	3,600,890	-10.1%
Contribution to/(Use of Fund Balance)	0	8,120,000	0	17,464,943	N/A

**Penalties and Interest:** This category includes penalty and interest for real estate, personal property and all other local taxes.

**Charges for services:** This category includes charges for the use of City Services, including the refuse user charge, parking meter receipts, and ambulance charges. The FY 2024 Approved Budget includes a \$0.1 million increase from FY 2023 approved as utilization of City Services continues to increase. This includes a \$151,500 increase in Recreation’s accountability fee program, \$124,000 for Power On/Up out-of-school programs, as well as increases for engineering and inspection fees.

**Licenses, Permits, and Fees:** This category includes taxi fees, residential parking permits, temporary parking permits, noise permits, Fire safety system retesting fees, and health permits for food service and pools. The FY 2024 Approved Budget decreases relative to FY 2023 due to the continued economic impact of COVID-19.

**Fines and Forfeitures:** This category includes parking fines, court fines, and red light violations. The FY 2024 Approved Budget includes a decrease of to reflect recent trends in forfeiture levels.

**Use of Money and Property:** This category includes the rental of Alexandria owned properties and the interest on General Fund investments. The revenue for interest on General Fund investments reflects actual receipts and increased interest rates.

**Miscellaneous revenues:** This category includes revenues that do not fit into any other category including revenues transferred from Special Revenue accounts. This includes \$1.8 million in State funding to reimburse office space rented by the Alexandria Health Department.

**Use of Fund Balance:** The FY 2024 General Fund operating budget includes the use of \$17.4 million, or 2% of total General Fund revenue, of spendable fund balance resulting from prior year surpluses.

# Revenues



## OTHER MAJOR TAX REVENUES

	FY 2022 Actual	FY 2023 Approved	FY 2023 Projected	FY 2024 Approved	% Chg. FY24 Approved/FY23 Projected
Sales	36,800,040	37,440,000	39,000,000	39,000,000	0.0%
Utility	12,017,966	11,760,000	12,520,000	12,020,000	-4.0%
Business Licenses	38,101,182	39,824,300	39,824,300	39,824,300	0.0%
Recordation	8,425,865	8,645,000	3,926,000	3,926,000	0.0%
Cigarette	2,149,715	2,100,000	2,030,000	2,030,000	0.0%
Transient Lodging	10,206,837	9,500,000	11,200,000	11,200,000	0.0%
Restaurant Meals	28,872,822	27,600,000	31,200,000	31,200,000	0.0%
Communications Sales and Use	7,709,875	7,245,080	7,245,000	6,810,000	-6.0%
Other Local Taxes	4,591,190	4,364,000	4,419,000	4,201,000	-4.9%
<b>Total Other Major Taxes</b>	<b>148,875,493</b>	<b>148,478,380</b>	<b>151,364,300</b>	<b>150,211,300</b>	<b>-0.76%</b>

**Sales Tax:** Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2023 and 2024 are based on historical trends, and the continued normalization of consumer spending.

**Consumer Utility Tax:** The consumer utility tax is levied upon all residential and commercial users of water, natural gas, and electricity. Based on collections through the first half of the fiscal year, consumer utility tax revenue is projected to remain flat through FY 2023 and into FY 2024.

**Business License Tax:** The Business License Tax is levied upon those doing business in the City. The rates vary by the amount of gross receipts and the type of business. Revenues from this tax are expected to remain flat.

**Recordation Tax:** The Recordation Tax is assessed on the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. Actual receipts in the first half of FY 2023 suggest a lower projection for FY 2024, as increased interest rates have reduced mortgage originations.

**Cigarette Tax:** The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2024, revenues are expected to remain relatively flat.

**Transient Lodging Tax:** The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2023 are projected to remain steady through the end of the fiscal year, and stay flat into FY 2024.

**Restaurant Meals Tax:** The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. FY 2024 revenues assumes a return to historical levels.

**Communication Sales and Use Tax:** This tax is assessed on landline telephone service, cell phones, cable television, Voice Over Internet Protocol (VOIP) services and satellite television service. There has been a decline in this revenue source since its inception in FY 2007 due to the trend of discontinuing landline service in favor of cell phone service. Revenues are projected to continue to decrease in FY 2024 based on historical trends.



**CURRENT TAX RATE COMPARISON**

The following tables compare Alexandria’s FY 2024 tax rates to other jurisdictions FY 2024 rates where available.

**Real Estate Tax - Residential**

JURISDICTION	TAX RATE
City of Alexandria	\$1.110 per \$100 of assessed value
Arlington	\$1.013 per \$100 of assessed value
Fairfax County	\$1.095 per \$100 of assessed value
Loudoun County	\$0.875 per \$100 of assessed value
Prince William County	\$1.0405 per \$100 of assessed value
State Maximum: None	

**Commercial and Industrial Real Estate Tax**

JURISDICTION	TAX RATE
City of Alexandria	No Tax
Arlington	\$0.125 per \$100 of assessed value
Fairfax County	\$0.125 per \$100 of assessed value
Loudoun County	No Tax
Prince William County	No Tax
State Maximum: \$0.125 per \$100 of assessed value	

**Vehicle Personal Property Tax**

JURISDICTION	TAX RATE
City of Alexandria	\$5.33
Arlington	\$5.00
Fairfax County	\$4.57
Loudoun County*	\$4.15
Prince William County*	\$3.70
State Maximum: none	
*Plus a separate local registration (decal) fee.	





## CURRENT TAX RATE COMPARISON

### Cigarette (Tobacco) Tax

JURISDICTION	TAX RATE
City of Alexandria	\$1.26 per pack of 20 cigarettes
Arlington	\$0.40 per pack of 20 cigarettes
Fairfax County	\$0.30 per pack of 20 cigarettes
Loudoun County	\$0.40 per pack of 20 cigarettes
Prince William County	\$0.40 per pack of 20 cigarettes
State Maximum: \$0.02 per cigarette or the rate in effect as of January 1, 2020, whichever is higher.	

### Transient Lodging Tax

JURISDICTION	TAX RATE
City of Alexandria	6.5% + \$1.25/night
Arlington	5.25%
Fairfax County	4.0%
Loudoun County	5.0%
Prince William County	5.0%
State Maximum: none for cities; 2.0% for counties and 5.0% for counties with exception. Counties with exceptions must spend any excess over 2.0% on tourism and travel.	

### Transient Lodging Tax

JURISDICTION	TAX RATE
City of Alexandria	6.5% + \$1.25/night
Arlington	5.25%
Fairfax County	4.0%
Loudoun County	5.0%
Prince William County	5.0%
State Maximum: none for cities; 2.0% for counties and 5.0% for counties with exception. Counties with exceptions must spend any excess over 2.0% on tourism and travel.	

# Revenues



## RESIDENTIAL TAX AND FEE BURDEN

The table below measures the tax and fee cost to the average household in the City.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Fees and Taxes</b>							
Real Estate Tax	\$5,971	\$6,154	\$6,272	\$6,584	\$6,836	\$7,281	\$7,547
Personal Property Tax	\$523	\$533	\$570	\$602	\$554	\$604	\$624
Trash Removal Fee	\$373	\$373	\$411	\$460	\$484	\$484	\$484
Decal Fee	\$58	\$58	\$0	\$0	\$0	\$0	\$0
Utility tax on Natural Gas	\$24	\$22	\$25	\$24	\$24	\$23	\$23
Utility tax on Electricity	\$36	\$33	\$34	\$33	\$33	\$32	\$32
Utility tax on Water	\$30	\$27	\$25	\$25	\$24	\$24	\$24
Communication Sales and Use Tax	\$123	\$119	\$111	\$90	\$84	\$81	\$81
Sanitary Sewer System Capital Investment & Maintenance Fee	\$98	\$123	\$123	\$123	\$123	\$123	\$123
Storm Water Utility Fee	\$70	\$140	\$140	\$210	\$280	\$294	\$309
<b>Total</b>	<b>\$7,306</b>	<b>\$7,582</b>	<b>\$7,711</b>	<b>\$8,151</b>	<b>\$8,442</b>	<b>\$8,946</b>	<b>\$9,247</b>

<sup>1</sup> Reflects cost for half of the year.

<sup>2</sup> In FY 2020, the City eliminated the vehicle tax decal and associated fee

<sup>3</sup> Assumes an average of two vehicles per Alexandria household. Beginning in FY 2020, the Personal Property tax rate is increased from \$5.00 per \$100 of the assessed value of a vehicle to \$5.33 per \$100 of the assessed value.

<sup>4</sup> Reflects a phased in two-step increase to the Storm Water utility fee to support the stormwater management program.