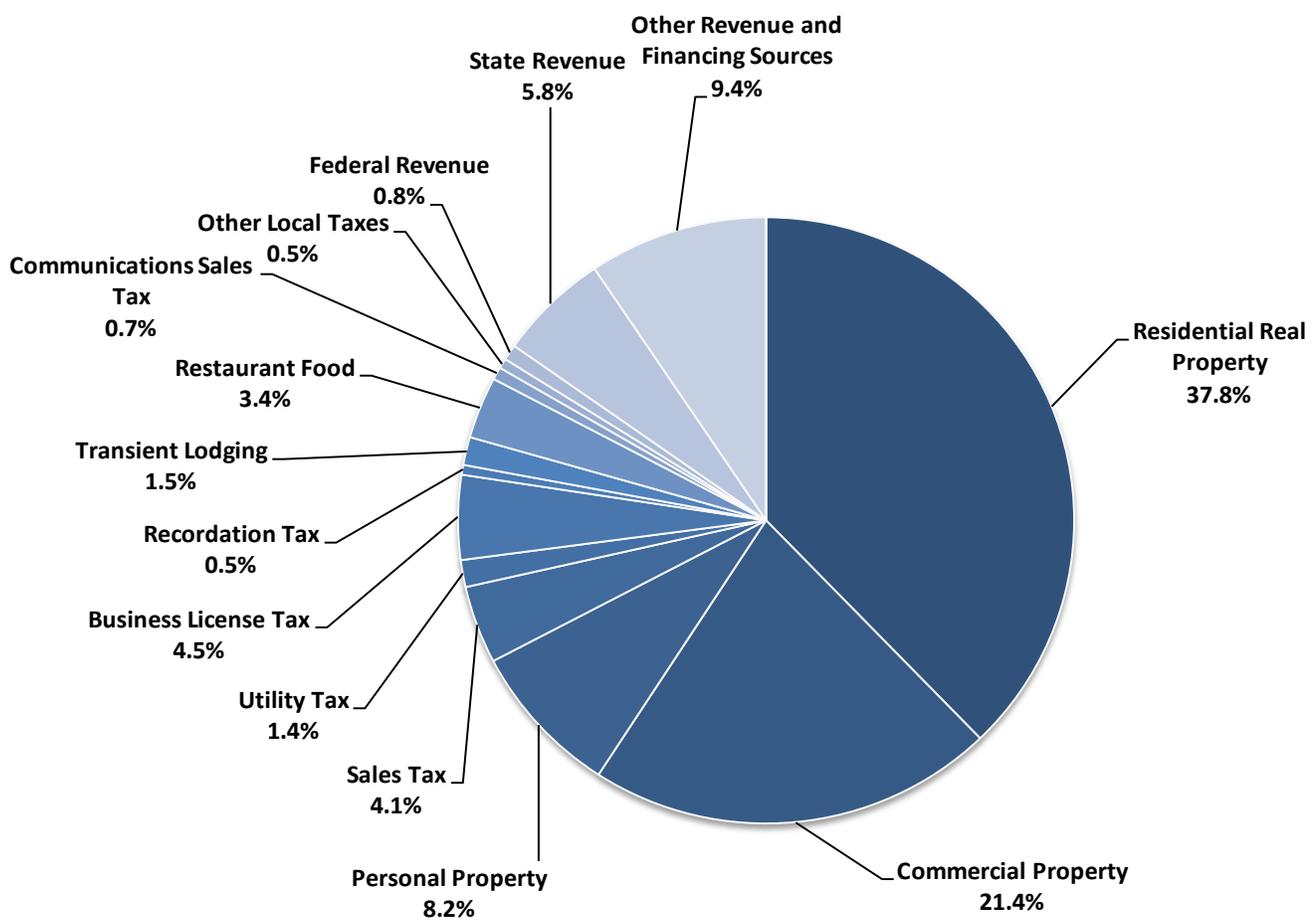




## GENERAL FUND REVENUES

The chart below shows the distribution of estimated General Fund revenues (**\$962,833,125**) and fund balance use (**\$14,443,000**) for FY 2027 totaling **\$977,276,125**. This represents a 2.2% increase above the amount budgeted for FY 2026.



## Revenues



## GENERAL FUND REVENUES

General Fund Revenue	FY 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed
General Property Tax Revenue				
Real property tax	541,724,977	557,980,012	563,097,385	578,116,994
Personal property tax	75,570,580	81,046,000	78,406,000	79,786,000
Penalties and Interest	9,283,136	5,175,699	6,899,999	6,000,000
<i>Total general property tax revenue</i>	<b>626,578,693</b>	<b>644,201,711</b>	<b>648,403,384</b>	<b>663,902,994</b>
Other local tax revenue				
Local sales tax	40,808,156	40,500,000	40,500,000	40,500,000
Utility tax	13,375,013	14,065,000	14,065,000	14,065,000
Business licenses	42,413,660	45,017,145	42,755,260	44,072,680
Motor vehicle licenses	230	-	-	-
Recordation	5,184,332	5,100,000	5,100,000	5,100,000
Cigarette	1,809,974	1,468,400	1,701,400	1,600,000
Transient Lodging	14,693,763	14,901,000	14,500,000	14,600,000
Restaurant food	32,803,799	32,850,000	32,140,000	32,200,000
Admissions	343,016	267,000	300,000	300,000
Communications service	6,996,869	6,594,000	6,769,000	6,566,000
Other miscellaneous	3,215,574	3,906,400	3,286,630	3,287,130
<i>Total other local tax revenues</i>	<b>161,644,387</b>	<b>164,668,945</b>	<b>161,117,290</b>	<b>162,290,810</b>
Non-tax revenue				
Licenses, permits, and fees	3,054,806	3,039,000	3,328,000	3,627,038
Fines forfeitures	6,293,044	5,694,500	5,674,500	6,694,500
Use of money and property	31,571,602	22,336,354	22,723,600	20,177,000
Charges for services	15,757,028	19,244,366	19,058,239	22,308,580
Noncategorical State (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	40,114,356	39,366,740	41,127,000	41,624,810
Miscellaneous	10,335,449	4,402,000	3,952,000	4,266,931
<i>Total non-tax revenue</i>	<b>130,704,816</b>	<b>117,661,491</b>	<b>119,441,870</b>	<b>122,277,390</b>
<b>Total General Fund Revenues</b>	<b>918,927,895</b>	<b>926,532,147</b>	<b>928,962,544</b>	<b>948,471,194</b>
<b>Other financing sources (uses)</b>				
(Appropriations to)/from Fund Balances				
(Contribution to)/Use of Fund Balance	-	13,992,992	-	14,443,000
Transfer from special revenue acct.	16,387,652	15,924,565	15,924,565	14,361,931
Total Transfers In	<b>16,387,652</b>	<b>29,917,557</b>	<b>15,924,565</b>	<b>28,804,931</b>
<b>Total General Fund Revenues and Other Sources</b>	<b>935,315,547</b>	<b>956,449,704</b>	<b>944,887,109</b>	<b>977,276,125</b>



## MAJOR REVENUE INITIATIVES IN FY 2027

### General Property and Other Local Taxes

There are no changes in the budget to the real estate tax rate, personal property tax rate, or any other local tax rates.

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

The Department of Recreation & Cultural Activities will receive the following additional revenues as a result of fee adjustments to recover increased costs :

- \$29,367 in revenue from City Marina Fee.
- \$4,680 in revenue from Party Package Fee.
- \$5,700 in revenue from Parking Permit Fee for Chinquapin.
- \$139,825 in revenue from Power-full Fun Day Program Fee.
- \$51,495 in revenue from Youth Sports User Fee.
- \$55,000 in revenue from OSTP Fee.
- \$4,100 in revenue from Film and Photography Fee.
- \$13,800 in revenue from Park Rental Fee.
- \$8,500 in revenue from Special Event Application Fee.
- \$4,500 in revenue from Trail Rental Fee.

The Department of Planning and Zoning will receive the following additional revenues as a result of fee adjustments to recover increased costs:

- \$55,000 in revenue from Development Fee.
- \$10,036 in revenue from Historic Preservation Fees.

The City will receive \$534,810 in revenue from the Virginia Department of Transportation for Roadway Maintenance due to the addition of lane miles to the street inventory.

The Fire Department will receive the following additional revenues as a result of fee adjustments to recover increased costs:

- \$401,338 in revenue from Retesting Fee.
- \$17,000 in revenue from Fire Prevention Permit Fee.

The Department of Transportation and Environmental Services will receive the following additional revenues:

- \$2,544,538 in revenue from Parking Meter Fees as a result of an increase in the hourly rate from \$1.75 to \$2.50 to more closely align with off-street parking rates and other jurisdictions (\$1,817,694) and the addition of paid parking on Sunday (\$726,844).
- \$900,000 in revenue from Parking Citations as a result of an increase in parking violation fines from \$40 to \$50 .



## MAJOR REVENUE INITIATIVES IN FY 2027

### **User Fees and Other Revenues (General Fund) cont.**

The Office of Historic Alexandria will receive \$500 in revenue from site and program fees.

### **Special Revenue Funds (Not included in General Fund revenue)**

The Department of Transportation and Environmental Services will receive \$1,132,000 in revenue to the Stormwater Utility Fund from a 5% Stormwater Utility increase, from \$340.30 per billing unit in FY 2026 to \$357.40 in FY 2027 to support the funding of major capital projects.



## FY 2027 PROPOSED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.135 per \$100 assessed value	58.1-3200	None set
<b>Personal Property Tax:</b>			
Tangible personal property	\$4.75 on every \$100 of assessed value	58.1-3500 et seq.	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 (personally owned; pleasure boat)	\$0.01 on every \$100 of assessed value	58.1-3506.1	None set
<b>Utility Consumer Tax:</b>			
Electric (residential)	\$1.12 plus \$0.012075 for each kWh	58.1-3814	\$3.00 monthly
Electric (residential group meter)	\$1.12 per dwelling unit plus \$0.012075 on each kWh	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	58.1-3814	\$3.00 monthly
Natural Gas (residential group meter)	\$1.28 per dwelling unit plus \$0.050909 on each CCF	58.1-3814	\$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)	\$1.28 per dwelling unit plus \$0.023267 on each CCF	58.1-3814	charged
Natural Gas (commercial/industrial interruptible)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	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 2027 PROPOSED 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.



## REAL ESTATE TAX RATES

### Regional Tax Rates for Calendar Years 1996-2026

Below are real estate tax rates from selected major Northern Virginia jurisdictions over the past thirty calendar years. In Virginia, the tax and calendar years coincide. FY 2027 proposed rates are included as available. Rates listed are per \$100 of assessed value.

Budget Year	Tax Year	Alexandria	Arlington County		Fairfax County		Loudoun County	Pr. Wm. County
			Residential	Commercial	Residential	Commercial		
1998	1997	1.070	0.986	0.986	1.230	1.230	1.060	1.3600
1999	1998	1.110	0.998	0.998	1.230	1.230	1.110	1.3600
2000	1999	1.110	0.998	0.998	1.230	1.230	1.11	1.3600
2001	2000	1.110	1.023	1.023	1.230	1.230	1.08	1.3400
2002	2001	1.110	1.023	1.023	1.230	1.230	1.08	1.3100
2003	2002	1.080	0.993	0.993	1.210	1.210	1.05	1.2300
2004	2003	1.035	0.978	0.978	1.160	1.160	1.11	1.1600
2005	2004	0.400	0.958	0.958	1.130	1.130	1.11	1.0700
2006	2005	0.915	0.878	0.878	1.000	1.000	1.04	0.9740
2007	2006	0.815	0.818	0.818	0.890	0.890	0.89	0.8071
2008	2007	0.830	0.818	0.943	0.890	1.015	0.96	0.8379
2009	2008	0.845	0.848	0.973	0.920	1.045	1.14	0.9700
2010	2009	0.903	0.875	1.000	1.050	1.175	1.25	1.2880
2011	2010	0.978	0.958	1.083	1.120	1.245	1.30	1.3146
2012	2011	0.998	0.958	1.083	1.100	1.225	1.285	1.2806
2013	2012	0.998	0.971	1.096	1.105	1.230	1.235	1.2859
2014	2013	1.038	1.006	1.131	1.113	1.238	1.205	1.2562
2015	2014	1.043	0.996	1.121	1.115	1.240	1.155	1.2212
2016	2015	1.043	0.996	1.121	1.158	1.283	1.135	1.1936
2017	2016	1.073	0.991	1.116	1.160	1.285	1.145	1.1950
2018	2017	1.130	1.006	1.131	1.150	1.275	1.125	1.2067
2019	2018	1.130	1.006	1.131	1.150	1.275	1.085	1.2075
2020	2019	1.130	1.013	1.138	1.150	1.275	1.045	1.2075
2021	2020	1.130	1.013	1.138	1.150	1.275	1.035	1.2075
2022	2021	1.110	1.013	1.138	1.140	1.265	0.98	1.1975
2023	2022	1.110	1.013	1.138	1.110	1.235	0.89	1.1975
2024	2023	1.110	1.013	1.138	1.095	1.220	0.89	1.1075
2025	2024	1.135	1.033	1.158	1.125	1.250	0.865	0.9945
2026	2025	1.135	1.033	1.158	1.140	1.265	0.805	0.9945
2027	2026	1.135						

# Revenues



## REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Chg. FY27 Proposed/ FY26 Approved
Residential	345,501,871	356,001,050	359,390,276	369,140,460	2.7%
Commercial Multi-Family	101,517,735	104,602,676	105,598,521	108,463,388	2.7%
Office/Retail and Other Commercial	86,446,072	89,073,012	89,921,011	92,360,550	2.7%
Public Service Corporation	8,259,299	8,303,275	8,187,577	8,152,597	-0.4%
<b>Total</b>	<b>541,724,977</b>	<b>557,980,013</b>	<b>563,097,385</b>	<b>578,116,995</b>	<b>2.7%</b>
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(16,472,181)</i>	<i>(17,035,000)</i>	<i>(17,035,000)</i>	<i>(18,625,000)</i>	<b>9.3%</b>

The FY 2027 Proposed Budget reflects a Real Property tax rate of \$1.135 per \$100. The FY 2027 Proposed rate of \$1.135 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 2026 Real Property Assessment Report, the City’s overall real property tax base increased 3.41% from the January 1, 2025 assessment to January 1, 2026, or \$1.70 billion from \$49.74 billion in CY 2025 to \$51.44 billion in CY 2026.

### Assumptions

General Fund real property tax revenues for the first half of FY 2027 (the second half of calendar 2026) are based on the 2026 real property assessment and a 49.75 percent collection rate for the second half of the 2026 tax levy. Real property tax revenues for the second half of FY 2027 (the first half of calendar year 2027) assumes a growth rate of 2.5% in real property assessments and a \$1.135 tax rate. This projection is based on a growing residential real estate market and stabilizing commercial office, retail and service property values.

The real property tax estimate for FY 2027 has been reduced by approximately \$12 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 were expanded in the FY 2023 Approved Budget to include the surviving spouses of veterans killed in the line of duty, as allowed under HB 957. Elderly and disabled tax relief was expanded in the FY 2025 budget by increasing the income limit for 100% relief from \$40,000 to \$55,000, increasing relief for incomes from \$55,001 to \$72,000 from 25% to 50%, providing 25% relief to incomes from \$72,001 to \$100,000 (who were not previously eligible for relief), and providing a deferral option for incomes from \$100,001 to \$120,000. This is expected to benefit approximately 900 applicants at a cost of \$1.03 million.



## 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 2027, \$18.63 million in revenue is budgeted for the appreciation that has occurred since 2011 of Potomac Yard. Of the revenue generated from the appreciation, \$5.52 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 2027 proposed budget includes a transfer of \$35.5 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 \$10.3 million. The amount of revenue estimated to be generated in FY 2027 by the City's 30 percent of NVTA revenues is \$8.8 million which, with \$4.3 million in prior year balances, will be used to fund DASH and Washington Metropolitan Area Transit Authority (WMATA) operating and capital subsidies and the Vision Zero Action Plan. 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	2013	2014	2015	2016	2017	2018	2019
Residential Single Family*	13,903,410	14,491,781	15,022,092	15,458,313	15,756,517	16,291,951	16,578,737
Residential Condominium*	5,390,043	5,666,528	6,017,488	6,125,698	6,233,181	6,429,613	6,626,468
Vacant Residential*	150,532	156,601	155,976	129,179	103,299	122,472	105,629
Commercial Multi-Family	5,854,955	6,275,816	6,564,475	6,849,849	6,931,170	7,463,415	7,768,690
Office/Retail Property	8,431,243	8,332,484	8,376,688	8,656,218	8,900,100	8,587,410	8,896,153
Other Commercial	382,214	411,972	434,949	380,089	453,686	386,192	360,442
Public Service Corporation	634,278	560,421	575,192	595,973	609,339	616,934	641,124
<b>Total</b>	<b>34,746,675</b>	<b>35,895,603</b>	<b>37,146,860</b>	<b>38,195,319</b>	<b>38,987,292</b>	<b>39,897,987</b>	<b>40,977,242</b>
Residential Single Family	39.7%	40.0%	40.4%	40.4%	40.4%	40.8%	40.5%
Residential Condominium	15.2%	15.5%	15.8%	16.2%	16.0%	16.1%	16.2%
Vacant Residential	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Commercial Multi-Family	15.6%	16.9%	17.5%	17.7%	17.8%	18.7%	19.0%
Office/Retail Property	25.3%	24.3%	23.2%	22.6%	22.8%	21.5%	21.7%
Other Commercial	1.2%	1.1%	1.1%	1.2%	1.2%	1.0%	0.9%
Public Service Corporation	2.5%	1.8%	1.6%	1.5%	1.6%	1.5%	1.6%
<b>Total</b>	<b>100%</b>						
Residential*	55.4%	56.0%	56.6%	57.1%	56.7%	57.3%	56.9%
Commercial**	44.6%	44.0%	43.4%	42.9%	43.4%	42.7%	43.1%

### Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial\*\*\*

Residential	71.0%	72.8%	74.1%	74.7%	74.4%	76.0%	75.9%
Commercial	29.0%	27.2%	25.9%	25.3%	25.6%	24.0%	24.2%

\* 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 2004-2025 Real Property Assessment Reports.

# Revenues



## REAL PROPERTY TAX REVENUES

### Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2020	2021	2022	2023	2024	2025	2026
Residential Single Family*	17,370,936	18,243,105	19,458,676	20,422,131	20,971,839	21,832,136	22,819,320
Residential Condominium*	7,012,378	7,581,651	8,075,395	8,467,398	8,847,788	9,382,387	9,721,877
Vacant Residential*	167,296	205,012	294,769	335,319	276,497	252,005	309,029
Commercial Multi-Family	8,155,671	8,443,823	9,316,308	9,893,384	9,669,609	9,562,281	9,652,279
Office/Retail Property	8,988,020	8,370,575	8,449,600	8,220,056	7,749,383	7,671,789	7,824,031
Other Commercial	357,454	344,203	308,555	316,562	274,127	302,650	395,239
Public Service Corporation	627,481	638,427	656,749	677,782	701,137	735,242	714,753
<b>Total</b>	<b>42,679,236</b>	<b>43,826,796</b>	<b>46,560,052</b>	<b>48,332,632</b>	<b>48,490,380</b>	<b>49,738,489</b>	<b>51,436,528</b>
Residential Single Family	40.7%	41.6%	41.8%	42.3%	43.2%	43.9%	44.4%
Residential Condominium	16.4%	17.3%	17.3%	17.5%	18.2%	18.9%	18.9%
Vacant Residential	0.4%	0.5%	0.6%	0.7%	0.6%	0.5%	0.6%
Commercial Multi-Family	19.1%	19.3%	20.0%	20.5%	19.9%	19.2%	18.8%
Office/Retail Property	21.1%	19.1%	18.1%	17.0%	16.0%	15.4%	15.2%
Other Commercial	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%	0.8%
Public Service Corporation	1.5%	1.5%	1.4%	1.4%	1.4%	1.5%	1.4%
<b>Total</b>	<b>100%</b>						
Residential*	57.5%	59.4%	59.8%	60.5%	63.0%	63.3%	63.9%
Commercial**	42.5%	40.6%	40.2%	39.5%	37.0%	36.7%	36.1%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***							
Residential	76.6%	76.6%	78.7%	80.9%	82.0%	82.5%	82.6%
Commercial	23.4%	23.4%	21.3%	19.1%	18.0%	17.5%	17.4%

\* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010. 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 2004-2026 Real Property Assessment Reports.

# Revenues



## PERSONAL PROPERTY TAX

	FY 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Chg. FY27 Proposed/ FY26 Approved
Business Personal Property Tax	19,417,535	19,926,000	19,386,000	19,386,000	0.0%
Vehicle Personal Property Tax	56,153,045	61,120,000	59,020,000	60,400,000	2.3%
Total	75,570,580	81,046,000	78,406,000	79,786,000	1.8%
<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.

# Revenues



## PERSONAL PROPERTY TAX

### Calendar Year Personal Property Tax Relief Act (PPTRA) Reimbursement

2002-2005	70% of the first \$20,000 of the vehicle's assessed tax bill
2006-2008	69% of the first \$20,000 of the vehicle's assessed tax bill
2009	73% of the first \$20,000 of the vehicle's assessed tax bill
2010	69% of the first \$20,000 of the vehicle's assessed tax bill
2011	63% of the first \$20,000 of the vehicle's assessed tax bill
2012	61% of the first \$20,000 of the vehicle's assessed tax bill
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
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
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
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
2022-2025	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

# Revenues



## LOCAL TAX REVENUES

	FY 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Chg. FY27 Proposed/ FY26 Approved
Sales	40,808,156	40,500,000	40,500,000	40,500,000	0.0%
Utility	13,375,013	14,065,000	14,065,000	14,065,000	0.0%
Business License	42,413,660	45,017,145	42,755,260	44,072,680	3.1%
Motor vehicle licenses	230	-	-	-	0.0%
Recordation	5,184,332	5,100,000	5,100,000	5,100,000	0.0%
Cigarette	1,809,974	1,468,400	1,701,400	1,600,000	-6.0%
Transient Lodging	14,693,763	14,901,000	14,500,000	14,600,000	0.7%
Restaurant Meals	32,803,799	32,850,000	32,140,000	32,200,000	0.2%
Admissions	343,016	267,000	300,000	300,000	0.0%
Communications Sales and Use	6,996,869	6,594,000	6,769,000	6,566,000	-3.0%
Other Local Taxes	3,215,574	3,906,400	3,286,630	3,287,130	0.0%
<b>Total Other Major Taxes</b>	<b>161,644,387</b>	<b>164,668,945</b>	<b>161,117,290</b>	<b>162,290,810</b>	<b>0.73%</b>

**Sales Tax:** Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2026 and 2027 are based on historical trends.

**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 relatively flat through FY 2026 and into FY 2027.

**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 increase.

**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 2026 suggest steady rates for FY 2027.

**Cigarette Tax:** The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2027, revenues are expected to decrease.

**Transient Lodging Tax:** The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2027 are projected to remain steady through the end of the fiscal year, and grow modestly into FY 2027.

**Restaurant Meals Tax:** The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. FY 2027 revenues assumes low growth.

**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 2027 based on historical trends.

# 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 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Chg. FY27 Proposed/ FY26 Approved
<i>Federal</i>					
Prisoner Per Diem	6,577,112	7,447,740	7,448,000	7,448,000	0.0%
Other Federal	915,839	710,000	760,000	760,000	0.0%
<i>State</i>					
HB 599	7,130,160	7,210,000	7,168,000	7,310,000	2.0%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	11,124,764	10,484,000	11,078,000	11,308,000	7.9%
Street & Highway Maintenance	10,871,335	11,000,000	11,200,000	11,958,810	6.8%
Other State	3,491,876	2,515,000	3,473,000	2,840,000	-18.2%

**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 2027 Budget assumes revenue generated by the contract that guarantees a minimum of 150 beds per day.

**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 2027 Budget is base on FY 2026 actual revenue. It is forecasted to grow by 3 percent.

**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 2026 and FY 2027 is based on current actuals and information provided by the Commonwealth Transportation Board. Growth in FY 2027 is due to an increase in lane miles resulting from the addition of new streets to the City inventory.

# Revenues



## OTHER MAJOR CATEGORIES OF REVENUES

	FY 2025 Actual	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Chg. FY27 Proposed/ FY26 Approved
Penalties and Interest	9,283,136	5,175,699	6,899,999	6,000,000	-13.0%
Charges for Services	15,757,028	19,244,366	19,058,239	22,308,580	17.1%
Licenses, Permits, and Fees	3,054,806	3,039,000	3,328,000	3,627,038	9.0%
Fines and Forfeitures	6,293,044	5,694,500	5,674,500	6,694,500	18.0%
Use of Money and Property	31,571,602	22,336,354	22,723,600	20,177,000	-11.2%
Miscellaneous Revenues	10,335,449	4,402,000	3,952,000	4,266,931	8.0%
(Contribution to)/Use of Fund Balance	-	13,992,992	-	14,443,000	
Special Revenue Fund Transfers	16,387,652	15,924,565	15,924,565	14,361,931	-9.8%

**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 2027 Proposed Budget includes a \$3 million increase from FY 2026 approved as utilization of City Services continues to increase. This includes a \$2 million increase in parking meter receipts, a \$44,000 increase in Recreation’s rental fees, \$194,000 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.

**Fines and Forfeitures:** This category includes parking fines, court fines, and red light violations. The FY 2027 Proposed Budget includes a increase 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 expected decreases in 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 \$2.0 million in State funding to reimburse office space rented by the Alexandria Health Department.

**Use of Fund Balance:** The FY 2027 General Fund operating budget includes the use of \$14.4 million, or 1.5% of total General Fund revenue, of spendable fund balance resulting from prior year surpluses.

**Special Revenue Fund Transfers:** The FY 2027 General Fund operating budget includes the use of \$14.3 million in transfers from the sanitary sewer fund, storm water fund, residential refuse fund and permit fee fund for indirect costs; a transfer from the Potomac Yard Fund for the cost of City and School services provided to properties within Potomac Yard; and a transfer from the Capital Improvement Program (CIP) to fund Landmark redevelopment debt service in the operating budget.



**CURRENT TAX RATE COMPARISON**

The following tables compare Alexandria’s FY 2027 Proposed tax rates to other jurisdictions FY 2026 approved and FY 2027 proposed rates. Arlington County FY 2026 approved tax rates were not available at the time of publication.

**Real Estate Tax - Residential**

JURISDICTION	TAX RATE
City of Alexandria*	\$1.135 per \$100 of assessed value*
Arlington	\$1.033 per \$100 of assessed value
Fairfax County*	\$1.140 per \$100 of assessed value*
Loudoun County	\$0.805 per \$100 of assessed value
Prince William County	\$0.995 per \$100 of assessed value
State Maximum: None	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	

**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	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	

**Vehicle Personal Property Tax**

JURISDICTION	TAX RATE
City of Alexandria	\$5.33*
Arlington	\$5.00
Fairfax County	\$4.57*
Loudoun County	\$3.48
Prince William County	\$3.70
State Maximum: none	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	



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	\$0.40 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.	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	

**Restaurant Meals Tax**

JURISDICTION	TAX RATE
City of Alexandria	5%*
Arlington	4.0%
Fairfax County	4%*
Loudoun County	N/A
Prince William County	N/A
Fredericksburg	6.0%
State Maximum: none for cities; 6.0% for counties	
Median meals tax rate in Virginia cities is 6.0%	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	

**Transient Lodging Tax**

JURISDICTION	TAX RATE
City of Alexandria	6.5% + \$1.25/night*
Arlington	5.25%
Fairfax County	6%*
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.	
* FY27 Proposed Rate. All other rates are FY26 Adopted.	

# Revenues



## RESIDENTIAL TAX AND FEE BURDEN

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

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Fees and Taxes</b>							
Real Estate Tax	\$6,584	\$6,836	\$7,281	\$7,547	\$7,931	\$8,285	\$8,600
Personal Property Tax	\$602	\$554	\$604	\$624	\$726	\$753	\$780
Trash Removal Fee	\$460	\$484.22	\$500	\$500	\$500	\$500	\$500
Utility tax on Natural Gas	\$24	\$24	\$23	\$23	\$23	\$26	\$26
Utility tax on Electricity	\$33	\$33	\$32	\$32	\$32	\$35	\$35
Utility tax on Water	\$25	\$24	\$24	\$24	\$24	\$26	\$26
Communication Sales and Use Tax	\$90	\$84	\$81	\$81	\$82	\$82	\$82
Sanitary Sewer System Capital Investment & Maintenance Fee	\$123	\$123	\$123	\$123	\$123	\$123	\$123
Storm Water Utility Fee	\$210	\$280	\$294	\$309	\$320	\$340	\$357
<b>Total</b>	<b>\$8,151</b>	<b>\$8,442</b>	<b>\$8,962</b>	<b>\$9,263</b>	<b>\$9,761</b>	<b>\$10,170</b>	<b>\$10,530</b>