

**City of Alexandria, Virginia
 FY 2027 Proposed Operating Budget & CIP
 Budget Questions & Answers**

March 18, 2026

Question:

What would be the revenue impact of increasing the Business, Professional, and Occupational License (BPOL) tax on financial services businesses?

Response:

If the City raised Financial Services by 10 cents (going from \$0.35 to \$0.45), it would generate approximately \$917,000. If the City increased to the State maximum rate of \$0.58, it would generate approximately \$2.1 million.

The City’s current BPOL tax rate is \$0.35 per \$100 of gross receipts. Arlington’s is \$0.36, Fairfax City’s is \$0.40, Fairfax County’s is \$0.19, Falls Church’s is \$0.52, Loudoun County’s is \$0.16, and Prince William County’s is \$0.33. The average BPOL tax rate is \$0.33.

The following charts show how the average and median tax bills would be impacted by increasing the rate by \$0.10 and to the state maximum of \$0.58 per \$100.

| Number of Businesses | Businesses in the Financial Services Category | Average Bill Today at \$0.35 per \$100 | Revised Average Tax Bill at \$0.45 per \$100 | Average Tax Bill Increase at 10¢ Increase | Revised Average Tax Bill at \$0.58 per \$100 | Average Tax Bill Increase at 23¢ Increase, State Max |
|----------------------|---|--|--|---|--|--|
| 69 | Brokers (Real Estate Brokers, Stock Brokers, etc.) | \$10,767 | \$13,843 | \$3,076 | \$17,843 | \$7,076 |
| 49 | Financial Consultants | \$2,548 | \$3,276 | \$728 | \$4,223 | \$1,675 |
| 44 | Other Financial Services (kind of a miscellaneous category) | \$46,662 | \$59,994 | \$13,332 | \$77,326 | \$30,664 |
| 27 | Management Consultants (financially oriented ones) | \$8,583 | \$11,035 | \$2,452 | \$14,223 | \$5,640 |
| 11 | Title Company / Abstract Firm (not attorneys) | \$1,628 | \$2,093 | \$465 | \$2,698 | \$1,070 |
| 4 | Mortgage Financing Companies | \$7,448 | \$9,576 | \$2,128 | \$12,342 | \$4,894 |
| 3 | Sale of Money Orders | | | | | |
| 2 | Sales Agent or Agency | | | | | |
| 1 | Consumer Financing | \$1,428 | \$1,836 | \$408 | \$2,366 | \$938 |
| 210 | Overall Average: | \$15,281 | \$19,647 | \$4,366 | \$25,322 | \$10,041 |
| | | | | | | |
| Number of Businesses | Businesses in the Financial Services Category | Median Bill Today at \$0.35 per \$100 | Revised Median Tax Bill at \$0.45 per \$100 | Median Tax Bill Increase at 10¢ Increase | Revised Median Tax Bill at \$0.58 per \$100 | Median Tax Bill Increase at 23¢ Increase, State Max |
| 69 | Brokers (Real Estate Brokers, Stock Brokers, etc.) | \$640 | \$823 | \$183 | \$1,061 | \$421 |
| 49 | Financial Consultants | \$693 | \$892 | \$200 | \$1,149 | \$456 |
| 44 | Other Financial Services (kind of a miscellaneous category) | \$688 | \$885 | \$197 | \$1,141 | \$453 |
| 27 | Management Consultants (financially oriented ones) | \$922 | \$1,185 | \$263 | \$1,527 | \$605 |
| 11 | Title Company / Abstract Firm (not attorneys) | \$463 | \$595 | \$132 | \$767 | \$304 |
| 4 | Mortgage Financing Companies | \$6,419 | \$8,253 | \$1,834 | \$10,637 | \$4,218 |
| 3 | Sale of Money Orders | | | | | |
| 2 | Sales Agent or Agency | | | | | |
| 1 | Consumer Financing | \$406 | \$522 | \$116 | \$673 | \$267 |
| 210 | Overall Average: | \$724 | \$931 | \$207 | \$1,200 | \$476 |

Of the 210 Financial Services licenses, 58 report gross receipts of less than \$10,000 and have no tax liability, so only 152 pay the tax. Another 26 businesses that report gross receipts between \$10,000 and \$100,000 pay a flat fee of \$50. The top 20% of the 152 tax-paying businesses are paying 93% of the total tax for this category. The remaining 80% of the tax-paying Financial Services only pay 7% of the tax in this category.