

## Revenues



## TOTAL REVENUES

Revenues by Fund	FY 2014 Actual*	FY 2015 Approved	FY 2016 Proposed	\$ Change FY15/16	% Change FY15/16
General Fund	\$614,459,771	\$636,769,902	\$647,856,892	\$11,086,990	1.7%
Special Revenue Funds	\$147,178,595	\$150,288,895	\$158,750,606	\$8,461,711	5.6%
Internal Service	\$9,143,554	\$4,741,350	\$5,498,399	\$757,049	0.0%
Schools	\$241,683,677	\$251,838,526	\$251,838,526	\$0	0.0%
Library	\$6,598,290	\$7,031,470	\$7,113,605	\$82,135	1.2%
DASH	\$15,443,047	\$17,116,000	\$17,279,850	\$163,850	1.0%
<b>Total Revenues</b>	<b>\$1,034,506,934</b>	<b>\$1,067,786,143</b>	<b>\$1,088,337,878</b>	<b>\$20,551,735</b>	<b>1.9%</b>
Less Interfund Transfers	\$259,244,950	\$263,065,180	\$273,319,925	\$10,254,745	3.9%
<b>Net Revenues</b>	<b>\$775,261,984</b>	<b>\$804,720,963</b>	<b>\$815,017,953</b>	<b>\$10,296,990</b>	<b>1.3%</b>

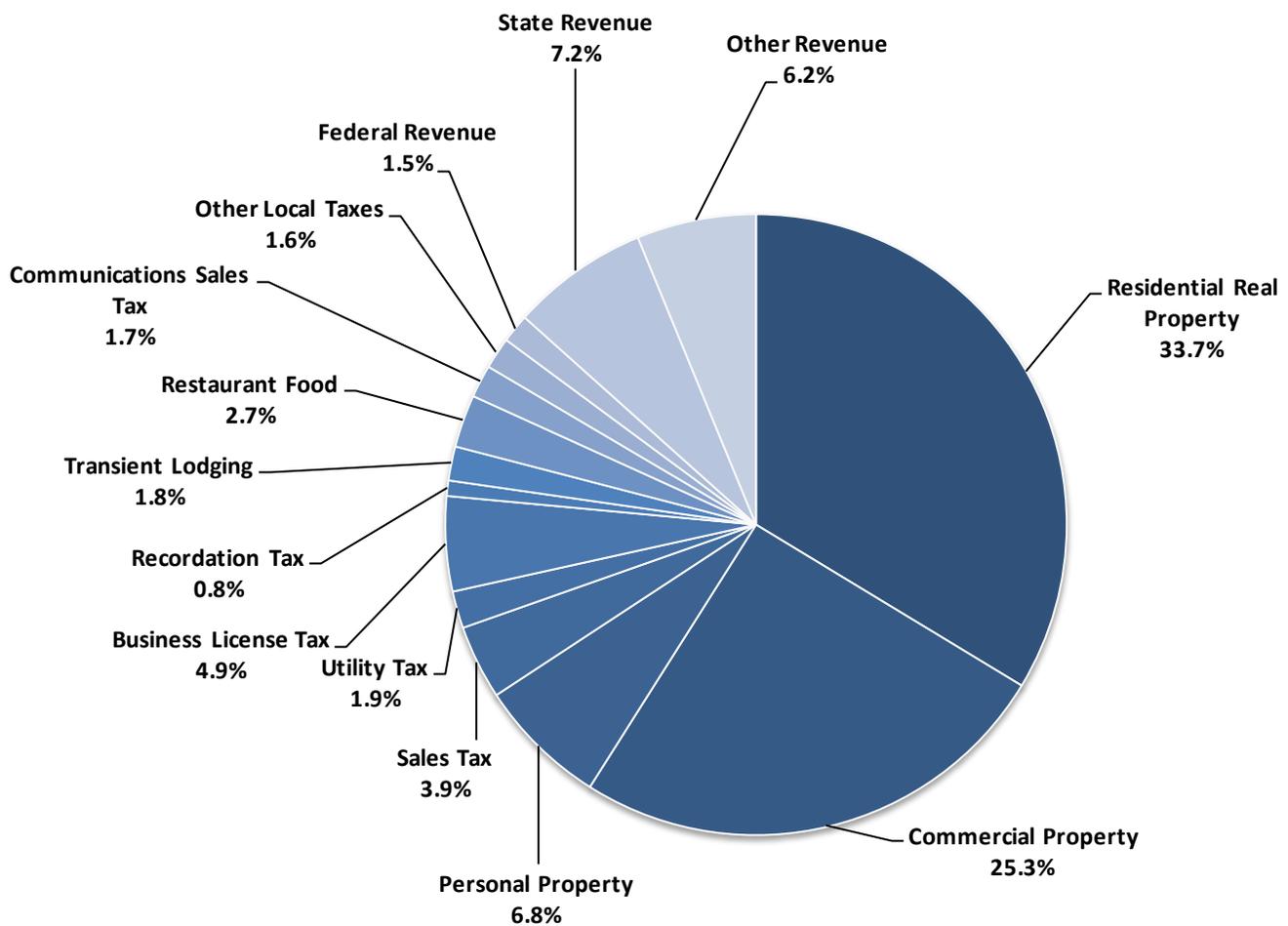
\*FY 2014 General Fund revenues exclude \$18,635,000 in bond refinancing proceeds

# Revenues



## GENERAL FUND REVENUES

The pie chart below shows the distribution of estimated General Fund revenues for FY 2016 of \$647,856,892.



## Revenues



## GENERAL FUND REVENUES

General Fund Revenue	FY 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed
<b>General Property Tax Revenue</b>				
Real property tax	357,744,695	369,652,724	369,643,171	382,088,719
Personal property tax	43,799,341	41,286,000	43,500,000	43,860,000
Penalties and Interest	1,685,517	2,145,000	2,145,000	2,145,000
<i>Total general property tax revenue</i>	<i>403,229,553</i>	<i>413,083,724</i>	<i>415,288,171</i>	<i>428,093,719</i>
<b>Other local tax revenue</b>				
Local sales tax	23,120,234	26,900,000	24,600,000	25,000,000
Utility tax	11,460,413	12,200,000	12,200,000	12,500,000
Business licenses	31,610,440	33,000,000	32,000,000	32,000,000
Motor vehicle licenses	3,557,565	3,400,000	3,400,000	3,400,000
Recordation	4,529,191	5,400,000	5,200,000	5,200,000
Cigarette	2,927,125	3,060,000	3,060,000	3,060,000
Transient Lodging	10,720,383	11,300,000	11,300,000	11,500,000
Restaurant food	17,404,589	17,700,000	17,400,000	17,750,000
Admissions	948,968	1,000,000	850,000	810,000
Communications service	10,871,785	11,200,000	11,000,000	11,000,000
Other miscellaneous	3,903,117	3,640,000	3,384,800	3,409,800
<i>Total other local tax revenues</i>	<i>121,053,810</i>	<i>128,800,000</i>	<i>124,394,800</i>	<i>125,629,800</i>
<b>Non-tax revenue</b>				
Licenses, permits, and fees	2,380,825	2,496,775	2,496,775	2,534,625
Fines forfeitures	5,187,003	5,815,000	5,815,000	6,015,000
Use of money and property	4,815,192	4,850,000	4,850,000	4,875,080
Charges for services	16,844,363	18,074,326	18,074,326	19,321,236
Intergovernmental revenues (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	32,756,205	32,780,004	31,931,540	32,487,091
Miscellaneous	1,719,959	1,520,442	1,520,442	1,645,162
<i>Total non-tax revenue</i>	<i>87,282,078</i>	<i>89,115,078</i>	<i>88,266,614</i>	<i>90,456,725</i>
<b>Total General Fund Revenues</b>	<b>611,565,439</b>	<b>630,998,802</b>	<b>627,949,585</b>	<b>644,180,244</b>
<b>Other financing sources (uses)</b>				
Appropriations from Fund Balances		2,420,958		
City Fund Balance prior year surplus	-	-		-
FY 14 Contingent Reserve Carryover		443,569	443,569	-
Transfers from Special Revenue acct. <sup>1</sup>	2,894,329	2,906,574	2,906,574	3,676,648
<b>Total Fund Balance Appropriations</b>	<b>2,894,329</b>	<b>5,771,101</b>	<b>3,350,143</b>	<b>3,676,648</b>
<b>Total General Fund Revenues and Other Sources</b>	<b>614,459,768</b>	<b>636,769,902</b>	<b>631,299,728</b>	<b>647,856,891</b>

FY 2014 General Fund revenues excludes \$18,635,000 in bond refinancing proceeds.

<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 and transfers from the sanitary sewer fund, storm water fund, permit fee fund, and Transportation Improvement Program for indirect costs.

## Revenues



## REAL ESTATE TAX RATES

## Regional Tax Rates 1990-2015 (Proposed)

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

Tax Year	Alexandria	Arlington	Fairfax	Loudoun	Pr. William
1990	1.045	0.765	1.11	0.85	1.360
1991	1.045	0.765	1.11	0.94	1.360
1992	1.045	0.820	1.16	0.96	1.360
1993	1.070	0.860	1.16	1.00	1.360
1994	1.070	0.897	1.16	1.02	1.360
1995	1.070	0.940	1.16	0.99	1.360
1996	1.070	0.960	1.23	1.03	1.360
1997	1.070	0.986	1.23	1.06	1.360
1998	1.110	0.998	1.23	1.11	1.360
1999	1.110	0.998	1.23	1.11	1.360
2000	1.110	1.023	1.23	1.08	1.340
2001	1.110	1.023	1.23	1.08	1.310
2002	1.080	0.993	1.21	1.05	1.230
2003	1.035	0.978	1.16	1.11	1.160
2004	0.995	0.958	1.13	1.1075	1.070
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
		<u>Res/Comm</u> <sup>1</sup>	<u>Res/Comm</u> <sup>1</sup>		
2008	0.845	0.848/0.973	0.92/1.03	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	1.3	1.3146
2011	0.998 <sup>2</sup>	.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	1.15	1.2212
2015	1.043	1.011/1.136 <sup>3</sup>	1.116/1.241 <sup>4</sup>	1.17	1.1635 <sup>5</sup>

<sup>1</sup> Beginning in calendar year 2008, Arlington County and Fairfax County levied an additional tax on most commercial real property for transportation purposes.

<sup>2</sup> In CY 2011, Alexandria added 0.5 cents for stormwater management initiatives.

<sup>3</sup> Arlington County's rate includes a stormwater add on tax of 1.3 cents and a transportation add-on tax on commercial property of 12.5 cents.

<sup>4</sup> The Fairfax County rate includes add-on tax rates of 2.25 cents for stormwater management initiatives, 0.1 cents for pest infestations, and 12.5 cents on commercial properties for transportation.

<sup>5</sup> Prince William includes a county-wide fire and rescue levy of 6.7 cents and 0.25 cents for pest infestations.

# Revenues



## FY 2016 PROPOSED TAX RATES FOR MAJOR REVENUES SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.043 per \$100 assessed value	58.1-3200	None
Personal Property Tax	\$4.50 per \$100 assessed value (machinery and tools)	58.1-3507	None
	\$5.00 per \$100 assessed value (tangible personal property)	58.1-3506-b	None
	\$3.55 per \$100 assessed value (handicap vehicles)	58.1-3506.1	None
Utility Tax (for residential users)	15% of water service charge	58.1-3814	20% on 1 <sup>st</sup> \$15**
	\$1.12 plus \$.012075 for each kWh (\$3.00 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.124444 of each CCF of gas delivered (\$3.00 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.050909 of each CCF of gas delivered to group meter customers (\$3.00 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.023267 of each CCF of gas delivered to group meter interruptible consumers (\$3.00 max)	58.1-3814	\$3.00
Utility Tax (for commercial users)	20% of first \$150 of water service charge		20%
(Commercial consumer)	\$1.18 plus \$0.005578 of each kWh delivered	58.1-3814	20%
(Industrial consumer)	\$1.18 plus \$0.004544 of each kWh delivered	58.1-3814	Various
(Commercial or industrial)	\$1.42 plus \$0.050213 of each CCF of gas delivered	58.1-3814	Various
(Non-residential interruptible gas consumer)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	Various
Business and Professional Licenses		58.1-3700	
Gross Receipts Greater than \$10,000	\$50.00	58.1-3703	\$50.00
And less than \$100,000		through	
Amusement and Entertainment	\$0.36 per \$100 gross receipts	58.1-3735	\$0.36
Professional	\$0.58 per \$100 gross receipts		\$0.58
Renting of Residential Property	\$0.50 per \$100 gross receipts		**
Renting of Commercial Property	\$0.35 per \$100 gross receipts		**
Finance Services	\$0.35 per \$100 gross receipts (\$0.58 per \$100 gross receipts for Payday & Car Title lending)		\$0.58
Personal, Business, & Repair Services	\$0.35 per \$100 gross receipts		\$0.36
Retail Merchants and Restaurants	\$0.20 per \$100 gross receipts		\$0.20
Filling Stations	\$0.20 per \$100 gross receipts		\$0.20
Contractors	\$0.16 per \$100 gross receipts		\$0.16
Wholesale Merchants	\$0.05 per \$100 gross receipts		\$0.05
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
Public Utilities:			
Telephone Company	\$0.50 per \$100 gross receipts	58.1-2960	**
Water	\$0.50 per \$100 gross receipts	58.1-3731	\$0.50
Telecommunications Right of Way Tax	\$0.61 per line per month	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/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%
Admissions Tax	10% of gross admissions, not to exceed \$0.50 per admission	58.1-3840	None
Cigarette Tax	\$1.15 on each package of 20 cigarettes	58.1-3830	None
Daily Rental Tax	1.0% of gross receipts	58.1-3510.1	1%
Local Sales Tax	1.0% added to the rate of the State tax imposed	58.1-605	1%
Transient Lodging Tax	6.5% of total amount paid for room rental, plus \$1 per night lodging fee	58.1-3819	None
Restaurant Meals Tax	4.0% on all food and drink sold in the City	58.1-3840	None
Recordation Tax:			
Deed of Bargain and Sale		58.1-3800	
Grantor	\$0.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Grantee	\$0.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Deed of Trust	\$0.83 per \$1,000 of loan amount (equals State max)	58.1-3916	1/3 of State Chrgs
Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10
Tax Interest	10% per annum until January 1, 2000; after January 1, 2000 10% per annum for 1 <sup>st</sup> year, 5% per annum thereafter. Equals refund rates.		10%

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

## Revenues



## REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed	% Chg. FY15 Proj/ FY16 Prop
Residential	202,148,416	208,531,338	207,824,977	216,448,752	4.1%
Commercial Multi-Family	61,402,030	66,007,966	66,163,984	68,597,016	3.7%
Office/Retail and Other Commercial	88,279,945	89,589,878	89,801,635	91,032,731	1.4%
Public Service Corporation	5,914,304	5,523,542	5,852,575	6,010,219	2.7%
Total	357,744,695	369,652,724	369,643,171	382,088,719	3.4%

The FY 2016 Proposed budget reflects a Real Property Tax Rate of \$1.043 per \$100. There is no change to the rate included in the proposed budget. The FY 2016 rate includes the following set asides for specific programs:

- Transportation Improvements 2.2 cents (General Fund Reservation)
- Affordable Housing 0.6 cents (General Fund Dedication)
- Storm Water Improvements 0.5 cents (Non-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 2015 Real Property Assessment Report, the City's overall real property tax base increased 3.49% from the January 1, 2014 assessment to January 1, 2015, or \$1.25 billion from \$35.9 billion in CY 2014 to \$37.1 billion in CY 2015.

#### Assumptions

General Fund real property tax revenues for the first half of FY 2016 (the second half of calendar 2015) are based on the 2015 real property assessment, a tax rate of \$1.038 (the total rate of \$1.043 less the \$0.05 storm water Non-General Fund dedication), and a 49.65 percent collection rate for the second half of the 2015 tax levy. Real property tax revenues for the second half of FY 2016 (the first half of calendar year 2016) assume an increase of 2.3 percent in real property assessments in 2016 and no change in the tax rate. This projection is a best mid-point estimate based on a modestly growing residential real estate market and a stable commercial real estate market, with increases in multi-family rentals offset by weakness in the office market, and limited new construction.

The real property tax estimate for FY 2016 has been reduced by approximately \$3.15 million to reflect the costs of the senior citizen, disabled persons, and veterans tax relief program.

# Revenues



## REAL PROPERTY TAX REVENUES

### **Potomac Yard Special Services 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. The tax district will help provide funding for improvements in Potomac Yard, including the development of a Metrorail station. In addition, City Council approved legislation to set aside a portion of the appreciation on real estate in Potomac Yard to support the Metrorail development. In FY 2016, \$4.9 million in revenue was generated by the appreciation of Potomac Yard. Of the revenue generated from the appreciation, \$2.4 million is being transferred to the General Fund as the cost of delivery of City and School services to Potomac Yard residents and businesses as envisioned when the special services district was established.

### **Transportation Fund**

The FY 2015 approved budget included \$12.2 million in general property taxes designated for transportation purposes and the creation of a new special revenue fund for transportation as a result of legislation approved by the State 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 may 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 2016 proposed budget includes a transfer of \$12.3 million in general property taxes to the new 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 \$10.9 million. The amount of revenue estimated to be generated by the City's 30 percent of NVTA revenues is \$6.5 million, most of which is planned for transportation capital improvements with a small portion identified for Potomac Yard transitway operating costs.

## Revenues



## REAL PROPERTY TAX REVENUES

## Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2002	2003	2004	2005	2006	2007	2008
Residential Single Family	6,791,096	8,361,631	9,727,249	11,604,207	13,840,915	13,810,784	13,887,235
Residential Condominium	2,098,194	2,830,219	3,518,100	4,668,117	6,490,841	6,394,580	6,252,379
Commercial Multi-Family	2,004,540	2,264,921	2,570,652	3,088,102	3,378,614	4,102,178	4,383,780
Office/Retail Property	4,155,509	4,623,100	5,447,070	6,499,398	7,565,870	8,386,548	9,165,161
Other Commercial	421,220	464,500	549,565	726,886	850,487	694,879	522,208
Public Service Corporation	662,430	681,555	76,860	772,941	779,992	854,062	892,054
<b>Total</b>	<b>16,132,989</b>	<b>19,225,926</b>	<b>21,889,496</b>	<b>27,359,651</b>	<b>32,906,719</b>	<b>34,243,031</b>	<b>35,102,817</b>
Residential Single Family	42.1%	43.5%	44.4%	42.4%	42.1%	40.3%	39.6%
Residential Condominium	13.0%	14.7%	16.1%	17.1%	19.7%	18.7%	17.8%
Commercial Multi-Family	12.4%	11.8%	11.7%	11.3%	10.3%	12.0%	12.5%
Office/Retail Property	25.8%	24.0%	24.9%	23.8%	23.0%	24.5%	26.1%
Other Commercial	2.6%	2.4%	2.5%	2.7%	2.6%	2.0%	1.5%
Public Service Corporation	4.1%	3.5%	0.4%	2.8%	2.4%	2.5%	2.5%
<b>Total</b>	<b>100%</b>						
Residential	55.1%	58.2%	60.5%	59.5%	61.8%	59.0%	57.4%
Commercial	44.9%	41.8%	39.5%	40.5%	38.2%	41.0%	42.6%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial*							
Residential	67.5%	70.0%	72.3%	70.8%	72.1%	71.0%	69.9%
Commercial	32.5%	30.0%	27.7%	29.2%	27.9%	29.0%	30.1%

Sources: Assessment Values are from the 2002-2015 Real Property Assessment Reports.

\* 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

## Revenues



## REAL PROPERTY TAX REVENUES

## Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2009	2010	2011	2012	2013	2014	2015
Residential Single Family*	13,343,094	12,884,281	13,064,551	13,401,631	13,903,410	14,491,781	15,022,092
Residential Condominium*	5,648,101	5,233,544	5,186,478	5,150,726	5,390,043	5,666,528	6,017,488
Vacant Residential*	161,323	153,080	179,702	163,350	150,532	156,601	155,976
Commercial Multi-Family	4,443,230	4,101,241	4,483,882	5,276,996	5,854,955	6,275,816	6,564,475
Office/Retail Property	9,001,670	7,970,599	8,433,635	8,544,988	8,431,243	8,332,484	8,376,688
Other Commercial	489,796	423,355	438,957	416,596	382,214	411,972	434,949
Public Service Corporation	876,985	883,390	844,746	828,408	634,278	560,421	575,192
<b>Total</b>	<b>33,964,199</b>	<b>31,649,489</b>	<b>32,631,951</b>	<b>33,782,696</b>	<b>34,746,676</b>	<b>35,895,603</b>	<b>37,146,860</b>
Residential Single Family	39.3%	40.7%	40.0%	39.7%	40.0%	40.4%	40.4%
Residential Condominium	16.6%	16.5%	15.9%	15.2%	15.5%	15.8%	16.2%
Vacant Residential	0.5%	0.5%	0.6%	0.5%	0.4%	0.4%	0.4%
Commercial Multi-Family	13.1%	13.0%	13.7%	15.6%	16.9%	17.5%	17.7%
Office/Retail Property	26.5%	25.2%	25.8%	25.3%	24.3%	23.2%	22.6%
Other Commercial	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%	1.2%
Public Service Corporation	2.6%	2.8%	2.6%	2.5%	1.8%	1.6%	1.5%
<b>Total</b>	<b>100%</b>						
Residential*	56.4%	57.7%	56.5%	55.4%	56.0%	56.6%	57.1%
Commercial**	43.6%	42.3%	43.5%	44.6%	44.0%	43.4%	42.9%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***							
Residential	69.5%	70.7%	70.2%	71.0%	72.8%	74.1%	74.7%
Commercial	30.5%	29.3%	29.8%	29.0%	27.2%	25.9%	25.3%

\* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2009.

\*\* 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 2002-2015 Real Property Assessment Reports.

## Revenues



## PERSONAL PROPERTY TAX

	FY 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed	% Chg. FY15 Proj/ FY16 Prop
Business Personal Property Tax	16,102,798	15,486,000	16,100,000	16,260,000	1.0%
Personal Property Tax	27,124,147	25,800,000	27,400,000	27,600,000	0.7%
Total	43,226,945	41,286,000	43,500,000	43,860,000	0.8%
<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>	0.0%

Personal Property Tax revenues can be divided into two categories—vehicular personal property tax, paid on vehicles in the City, and business personal property tax, consisting of tax paid on business tangible equipment.

Business Tangible equipment is valued using established depreciation tables based on original cost. Business personal property consists of motor vehicles, machinery, computers, and furniture. The self-assessing tax return is due to the city on May 1. As with vehicular personal property, the tax on business property is due by October 5.

Alexandria's vehicle tax rate is \$5.00 per \$100 of vehicle's value. The City computes the value of vehicles using trade-in value, which equals 86 % of the National Automobile Dealer's Association (N.A.D.A) retail value. Thus, the effective rate on vehicles is \$4.30 per \$100 retail 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. From CY 2002 to CY 2005, the reimbursement amount was 70% of the first \$20,000 of the vehicle's assessed tax bill. From CY 2006 to CY 2008, the reimbursement amount was 69%. The reimbursement rate was 73% in CY 2009, 69% in CY 2010, 63% in CY 2011, and 61% in CY 2012. For CY 2013 and CY 2014, a tiered reimbursement rate structure was adopted in which the rates are 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, and 40% on the first \$20,000 for vehicles valued \$25,001 and higher.

The rate levied on business property for machine and tools used in a mining or manufacturing business is \$4.50 per \$100 of assessed value.

## 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 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed	% Chg. FY15 Proj/ FY16 Prop
<i>Federal</i>					
Prisoner Per Diem	6,465,007	6,605,174	6,605,174	6,279,437	-4.9%
Build American Bond Reimbursement	1,577,095	1,589,945	1,589,945	1,589,945	0.0%
Other Federal	1,787,098	1,781,000	1,781,000	1,781,000	0.0%
<i>State</i>					
HB 599	5,380,492	5,595,757	5,127,351	5,380,757	4.9%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	7,659,579	7,724,676	7,363,715	7,924,642	7.6%
Street & Highway Maintenance	7,208,605	7,400,000	7,400,000	7,400,000	0.0%
Other State	2,678,331	2,083,452	2,064,355	2,131,310	3.2%

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.

Build America Bonds Reimbursement: The City receives a reimbursement from the federal government for taxable bonds (in lieu of tax exempt bonds) issued in June 2009 and June 2010.

HB599 Aid: The City receives funding from the Commonwealth of Virginia to help defray the costs of the Police Department.

Personal Property Tax Reimbursement: Since 1999, the Commonwealth of Virginia has paid a portion of Alexandria's personal property tax on vehicles in Alexandria, the "car tax." For additional information about the reimbursement, 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.

## Revenues



## OTHER MAJOR TAX REVENUES

	FY 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed	% Chg. FY15 Proj/ FY16 Prop
Sales	23,120,234	26,900,000	24,600,000	25,000,000	1.6%
Utility	11,460,413	12,200,000	12,200,000	12,500,000	2.5%
Business License	31,610,440	33,000,000	32,000,000	32,000,000	0.0%
Recordation	4,529,191	5,400,000	5,200,000	5,200,000	0.0%
Cigarette	2,927,125	3,060,000	3,060,000	3,060,000	0.0%
Transient Lodging	10,720,383	11,300,000	11,300,000	11,500,000	1.8%
Restaurant Meals	17,404,589	17,700,000	17,400,000	17,750,000	2.0%
Communications Sales and Use	10,871,785	11,200,000	11,000,000	11,000,000	0.0%
Other	8,409,650	8,040,000	7,634,800	7,619,800	-0.2%

**Sales Tax:** Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2016 are based on collections through January of 2015. Collections are expected to grow slowly in FY 2016 due to slow economic growth and continued weakness in federal spending.

**Consumer Utility Tax:** The consumer utility tax is levied upon all residential and commercial users of water, natural gas, and electricity. Based on historical rates of growth, there is expected to grow by 2.5% in FY 2016.

**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. Collections are expected to remain flat in FY 2016 due to slow economic growth and continued weakness in federal spending.

**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. Collections are expected to remain flat in FY 2016 due to a slow down in mortgage refinancing as interest rates are expected to begin rising.

**Cigarette Tax:** The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2016, revenues are expected to remain flat based on historical trends of stable to decreasing cigarette use.

**Transient Lodging Tax:** The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. For FY 2016, revenues are expected to grow slowly in FY 2016 due to slow economic growth and the closing of three hotels in 2014.

**Restaurant Meals Tax:** The Restaurant Meals Tax is levied on all prepared food and beverages. For FY 2016, revenues are expected to increase slowly due to inflation and relatively slow economic growth.

**Communication Sales and Use Tax:** This tax is assessed on landline phones, cell phones, cable television, and satellite television service. There has been no growth in this revenue source since its inception in FY 2007 and revenues are expected to remain flat in FY 2016.

## Revenues



## OTHER MAJOR CATEGORIES OF REVENUES

	FY 2014 Actual	FY 2015 Approved	FY 2015 Projected	FY 2016 Proposed	% Chg. FY15 Proj/ FY16 Prop
Penalties and Interest	1,685,517	2,145,000	2,145,000	2,145,000	0.0%
Charges for Services	16,844,363	18,074,326	18,074,326	19,321,236	6.9%
Licenses, Permits, and Fees	2,380,825	2,496,775	2,496,775	2,534,625	1.5%
Fines and Forfeitures	5,187,003	5,815,000	5,815,000	6,015,000	3.4%
Use of Money and Property	4,815,192	4,850,000	4,850,000	4,875,080	0.5%
Miscellaneous Revenues	4,614,288	4,427,016	4,427,016	5,321,810	20.2%
Use of Fund Balance	0	2,420,958	2,420,958	0	-100.0%

Charges for services: This category includes charges for the use of City Services, including the refuse user charge, parking meter receipts, and ambulance charges. \$0.5 million of the increase is due to the increase in ambulance fees, \$0.2 million in planning and zoning fees and \$0.5 million due to various fee increases in the Recreation department consistent with the City's cost recovery policy.

Licenses, Permits, and Fees: Examples in this category includes taxi fees, parking fees, and Fire Retesting fees.

Fines and Forfeitures: Examples in this category includes parking fines. Includes a \$0.2 million increase in traffic fines due to the addition of two motor officers in the Police Department budget.

Use of Money and Property: This category includes the rental of Alexandria owned properties and the interest on General Fund investments.

Miscellaneous revenues: This category includes revenues that do not fit into any other category.

Use of Fund Balance: The FY 2016 budget does not include the use of fund balance.



# Revenues

## TAX RATE OPTIONS

The purpose of this section is to provide details on possible revenue options to support the fiscal year (FY) 2016 budget. Staff has identified a number of tax categories that could be increased and therefore added to the City's General Fund revenues if the City Council chooses to modify them. These revenue options affect both individual and business taxpayers. In all cases, the City has the statutory authority to increase the tax rates because: (1) the current tax rates are not at the State maximum as enumerated in the Code of Virginia; (2) the maximum does not apply to the City; or (3) there is no maximum. Please note the proposed budget recommends no change to these rates. Only the tax rates that are not currently at the maximum level are discussed here.

### Real Estate Tax

The real estate tax is the City's largest source of revenue. For 2015 assessments, the average equalized value of existing residential property, including single family and condominium, is \$509,853, an increase of 3.08% from the previous year. Based on an increase in the average assessment, the average residential tax bill would increase by \$203. A one-cent increase in the real estate tax rate would increase FY 2015 revenues by \$1.8 million, FY 2016 revenues by \$3.7 million, and the average residential tax bill by another \$51 in CY 2015. The proposed budget recommends no change to this rate.

FY 2016 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2016 Estimated Revenue
\$382.1 million	1.0 cents to \$1.053	\$3.7 million	1.00%

### Vehicle Personal Property Tax

The vehicle personal property tax is assessed on vehicles that are normally parked, stored, or garaged in the City for more than 30 days or that are registered to a City address with Virginia DMV. The vehicle personal property tax rate was \$4.75 per \$100 of assessed value and changed to \$5.00 in FY 2014. Based on FY 2014 collections, increasing the tax rate to \$5.25 per \$100 would generate an additional \$1.3 million in revenue. The proposed budget recommends no change to this rate.

FY 2016 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2016 Estimated Revenue
\$27.6 million	\$5.25 per \$100	\$1.3 million	4.8%

### Cigarette (Tobacco) Tax

The City levies a tax on every person who sells, distributes, or uses cigarettes. The tax is currently administered by the Northern Virginia Cigarette Tax Board, a regional, inter-jurisdictional enforcement authority. The City's current tax rate of \$1.15 was increased from \$1.00 in FY 2015. FY 2016 collections-to-date project \$3.0 million in tax revenue. Based on FY 2016 projected revenue, if the City increases the cigarette tax to 1.20 per pack, the City could expect to collect an additional \$0.1 million in revenue or \$0.3 million if the City increases the cigarette tax to \$1.25 per pack. There is no State limit on cigarette tax. The proposed budget recommends no change to this rate.

FY 2016 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2016 Estimated Revenue
\$3.0 million	\$1.20 per pack	\$0.1 million	4.3%
	\$1.25 per pack	\$0.3 million	8.7%



# Revenues

## TAX RATE OPTIONS

### Restaurant Meals Tax

The City levies a 4% meal and beverage tax on the purchase of food and beverages. In FY 2014, the City collected \$17.3 million in revenue from this tax. Based on FY 2014 collections, raising the tax rate to 4.5% would generate an additional \$2.2 million in revenue, raising it to 5% would generate an additional \$4.4 million in revenue. There is no State limit on meal sales tax for cities. The proposed budget recommends no change to this rate.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$17.3 million	4.5%	\$2.2 million	12.5%
	5.0%	\$4.4 million	25.0%

### Transient Lodging Tax (Base Rate)

The current transient lodging tax rate is 6.5 percent of the room charge and \$1 per room per night. In FY 2014, the City collected \$10.7 million in transient lodging taxes. Of this amount, \$9.6 million was derived from the base tax rate on room charges. For FY14, the general assembly imposed a 2% state transient occupancy tax (Regional Transient Occupancy Tax), a state tax administered by the localities. Based on FY 2014 collections, raising the base tax rate to 7.0 percent would generate \$1.9 million in additional revenue. There is no State limit on transient lodging tax for cities. The proposed budget recommends no change to this rate.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$10.7 million	7.0%	\$1.9 million	16.7%

### Admissions Tax

The City's admissions tax rate is 10 percent of the admission charge, not to exceed \$0.50 for each admission sold. In FY 2014, the City collected \$0.9 million in admissions tax revenue. Based on FY 2014 collections, staff estimates that raising the tax rate to 10 percent of the admission charge, not to exceed \$1.00, would produce about \$0.8 million in additional revenue. There is no State limit on admissions tax. The proposed budget recommends no change to this rate.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$0.8 million	10% not to exceed \$0.75	\$0.4 million	50.0%
	10% not to exceed \$1.00	\$0.8 million	100.0%



# Revenues

## TAX RATE OPTIONS

### Business License Taxes for Business, Personal, and Repair Services

Business, Personal, and Repair Services is one of the largest business, professional and occupational license (BPOL) tax categories. The current tax rate is \$0.35 per \$100 of gross receipts. In FY 2014, the City collected \$14.4 million in taxes from businesses in this category. Based on FY 2014 collections, raising the tax rate by \$0.01 to the state maximum would generate \$0.5 million in additional tax revenue. The State maximum rate is \$0.36 per \$100 of gross receipts. The proposed budget recommends no change to this rate.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$14.4 million	\$0.36/\$100	\$0.5 million	3.33%

### Business License Taxes for Financial Services

The current BPOL tax rate for financial services is \$0.35 per \$100 of gross receipts. In FY 2014, the City collected \$1.0 million in BPOL taxes from businesses in this category. Based on FY 2014 collections, raising the tax rate to \$0.40 per \$100 would generate \$0.2 million in additional revenue, raising it to \$0.45 per \$100 would generate \$0.3 million in additional revenue, and raising it to the state maximum of \$0.58 per \$100 would generate an additional \$0.7 million in additional revenue. The State maximum rate is \$0.58 per \$100 of gross receipts. The proposed budget recommends no change to this rate.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$1.0 million	\$0.40/\$100	\$0.2 million	16.93%
	\$0.45/\$100	\$0.3 million	35.43%
	\$0.58/\$100	\$0.7 million	74.55%

### Consumer Utility Tax: Commercial and Industrial

In FY 2014, the City collected \$4.8 million in utility tax revenue collected from all commercial and industrial electricity customers. Based on FY 2014 collections, if the City increases the utility tax rates for electricity for commercial and industrial customers by 10 percent, the City could expect to collect an additional \$0.6 million in revenue. The proposed budget recommends no change to this rate. All other utility tax rates are at the maximum amount allowable.

FY 2014 Actual Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2014 Actual Revenue
\$4.8 million	Electricity for commercial consumers from \$1.18 + 0.005578 per Kilowatt Hours (kWh) to \$1.30 + 0.006136 per kWh; Electricity for industrial consumers from \$1.18 + 0.004544 per Kilowatt Hours (kWh) to \$1.30 + 0.004998 per kWh	\$0.6 million	8.9%

# Revenues



## CURRENT TAX RATE COMPARISON

### Real Estate Tax

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>\$1.043 per \$100 of assessed value</b>
Arlington County	\$0.996 per \$100 of assessed value
Fairfax County	\$1.090 per \$100 of assessed value
Loudoun County	\$1.155 per \$100 of assessed value
Prince William County	\$1.148 per \$100 of assessed value
State Maximum: None	

### Commercial and Industrial Real Estate Tax

JURISDICTION	TAX RATE
City of Alexandria	N/A
Arlington County	\$0.125 per \$100 of assessed value
Fairfax County	\$0.125 per \$100 of assessed value
Loudoun County	N/A
Prince William County	N/A
State Maximum: \$0.125 per \$100 of assessed value	

### Vehicle Personal Property

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>\$5.00</b>
Arlington County	\$5.00
Fairfax County	\$4.57
Loudoun County	\$4.20
Prince William County	\$3.70
State Maximum: none for cities; 4.0% for counties	

### Cigarette Tax

JURISDICTION	TAX RATE
City of Alexandria	\$1.15 per pack
Arlington County	\$0.30 per pack
Fairfax County	\$0.30 per pack
Loudoun County	N/A
Prince William County	N/A
State of Maryland	\$2.00 per pack
Washington, D.C.	\$2.90 per pack
State Maximum: none for the City; \$0.30 for counties	

# Revenues



## CURRENT TAX RATE COMPARISON

### Restaurant Meals Tax

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	4.00%
Arlington County	4.00%
Fairfax County	N/A
Loudoun County	N/A
Prince William County	N/A
State Maximum: none for cities; 4.0% for counties	

### Transient Lodging Tax

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>6.5% +\$1/night</b>
Arlington County	5.00%
Fairfax County	4.00%
Loudoun County	7.00%
Prince William County	7.00%
State Maximum: none for cities; 2.0% for counties, with exceptions. Most local counties are allowed a higher rate.	

### Admissions Tax

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>10% on the first \$5.00</b>
Arlington County	N/A
Fairfax County	N/A
Loudoun County	N/A
Prince William County	N/A
State Maximum: none for cities; 10% for counties	

# Revenues



## CURRENT TAX RATE COMPARISON

### Business License Tax for Business, Personal, and Repair Services

JURISDICTION	TAX RATE
City of Alexandria	\$0.35 per \$100 of gross receipts
Arlington County	\$0.35 per \$100 of gross receipts
Fairfax County	\$0.19 per \$100 of gross receipts
Loudoun County	\$0.16/\$0.17 per \$100 of gross receipts
Prince William County	\$0.21 per \$100 of gross receipts
State Maximum: \$0.36 per \$100	

### Business License Tax for Financial Services

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>\$0.35 per \$100 of gross receipts</b>
Arlington County	\$0.36 per \$100 of gross receipts
Fairfax County	\$0.31 per \$100 of gross receipts
Loudoun County	\$0.33 per \$100 of gross receipts
Prince William County	\$0.33 per \$100 of gross receipts
State Maximum: \$0.58 per \$100	

### Consumer Utility Tax: Commercial and Industrial

JURISDICTION	TAX RATE
<b>City of Alexandria</b>	<b>\$1.18 + \$.005578/\$.004544 per kWh</b>
Arlington County	\$1.15 + \$.00649 per kWh
Fairfax County	\$1.15 + \$.00594 per kWh
Loudoun County	\$.92 + \$.005393 per kWh
Prince William County	\$2.29 + \$.013487 per kWh
State Maximum: none	