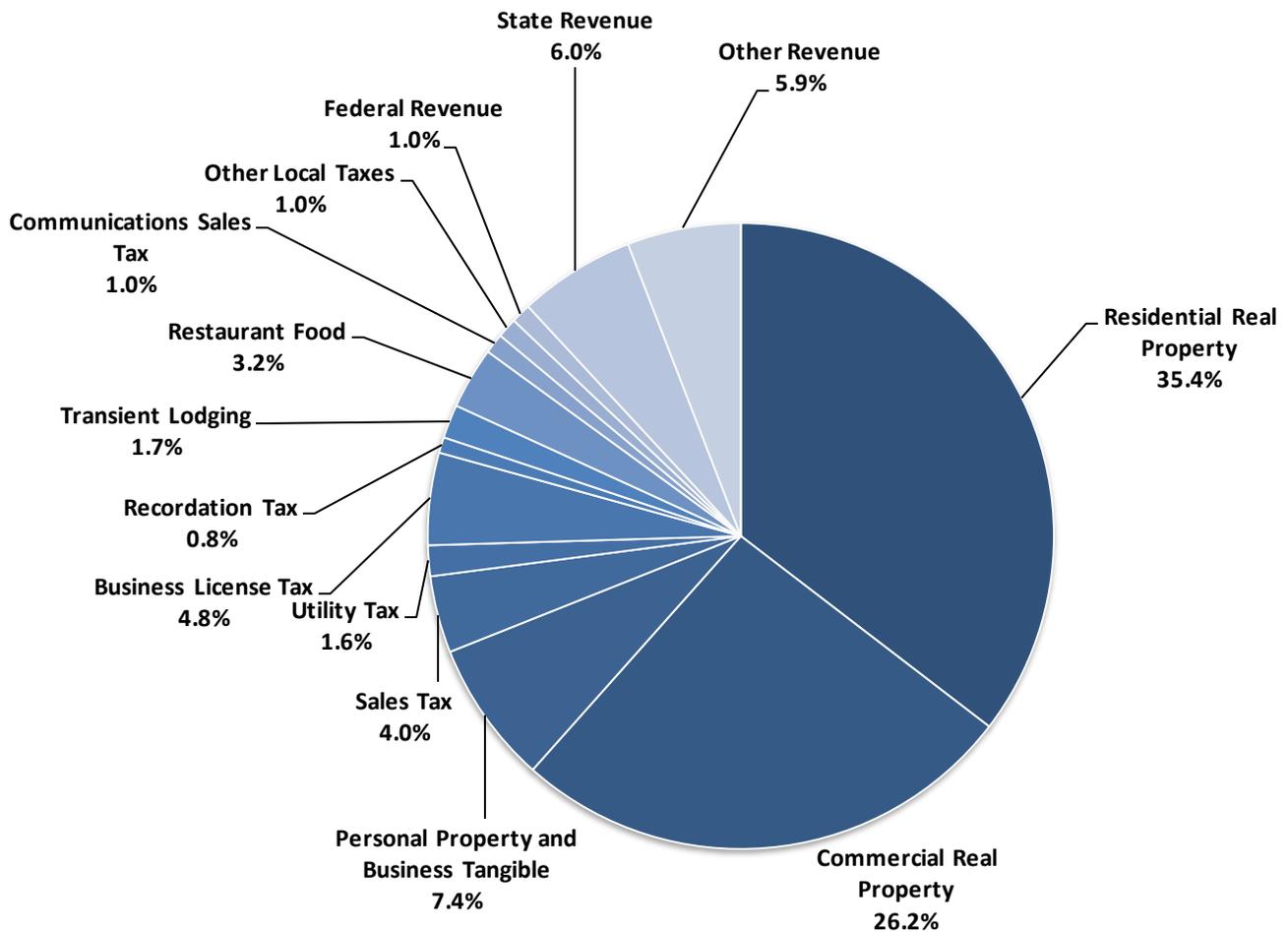




GENERAL FUND REVENUES

The chart below shows the distribution of estimated General Fund revenues for FY 2021 totaling **\$799,927,047**.



Revenues



GENERAL FUND REVENUES

General Fund Revenue	FY 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed
General Property Tax Revenue				
Real property tax	451,685,949	462,848,143	469,688,542	492,543,516
Personal property tax	50,007,122	56,926,910	56,770,000	59,130,000
Penalties and Interest	2,923,419	2,708,000	2,708,000	2,808,000
<i>Total general property tax revenue</i>	<i>504,616,490</i>	<i>522,483,053</i>	<i>529,166,542</i>	<i>554,481,516</i>
Other local tax revenue				
Local sales tax	28,787,034	28,800,000	30,900,000	31,800,000
Utility tax	11,264,818	12,000,000	12,600,000	12,700,000
Business licenses	36,883,865	34,378,000	37,003,000	38,128,000
Motor vehicle licenses	3,558,915	-	-	-
Recordation	5,915,166	6,000,000	7,500,000	6,500,000
Cigarette	2,513,138	2,600,000	2,600,000	2,600,000
Transient Lodging	12,879,159	12,800,000	13,260,000	13,850,000
Restaurant food	23,999,949	24,231,000	24,960,000	25,500,000
Admissions	574,440	670,000	520,000	520,000
Communications service	9,167,402	9,200,000	8,710,000	8,275,000
Other miscellaneous	4,716,902	4,809,090	5,009,090	5,109,090
<i>Total other local tax revenues</i>	<i>140,260,786</i>	<i>135,488,090</i>	<i>143,062,090</i>	<i>144,982,090</i>
Non-tax revenue				
Licenses, permits, and fees	2,802,064	2,615,350	2,229,500	2,780,200
Fines forfeitures	4,297,753	4,930,450	4,854,200	4,854,200
Use of money and property	11,265,651	11,406,650	8,681,718	8,373,892
Charges for services	22,276,812	15,790,462	15,972,769	16,732,021
Noncategorical State (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	32,545,590	33,961,515	33,307,942	32,785,984
Miscellaneous	2,663,744	2,016,285	2,016,285	2,112,186
<i>Total non-tax revenue</i>	<i>99,430,145</i>	<i>94,299,243</i>	<i>90,640,945</i>	<i>91,217,014</i>
Total General Fund Revenues	744,307,421	752,270,386	762,869,577	790,680,620
Other financing sources (uses)				
Transfer from special revenue acct. ¹	11,921,244	9,271,882	9,271,882	9,246,427
Total Transfers In	11,921,244	9,271,882	9,271,882	9,246,427
Total General Fund Revenues and Other Sources	756,228,665	761,542,268	772,141,459	799,927,047

¹ 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, permit fee fund, and the Torpedo Factory Operations account 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 2021

- **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. The current tax rate is \$1.13 per \$100. For the tax year beginning January 1, 2020, the real estate tax rate is proposed to increase 2.0 cents to \$1.15 per \$100 of assessed property value. The 2.0 cent increase is proposed to support School and City capital projects. It is projected that the Real Estate Tax rate will need to be increased by 2.0 cents for FY 2023 and another 2.0 cents for FY 2025 in order to fund School and City capital needs.

- **Residential Refuse Fee (General Fund)**

The City of Alexandria collects trash from its residential customers once a week on a designated collection day, Monday through Thursday. Residential customers are charged a Solid Waste User Fee on the residential tax bill on a bi-yearly basis. Residences that are subject to tax relief (elderly, non profits) are exempt from paying the refuse fee. Beginning in FY 2020, the residential refuse fee will increase from \$411 to \$460 per household largely due to major disruptions in the recycling market where recycled materials which once generated revenue now cost the City to dispose. and increased market costs for recycling. Associated expenditures and revenues collected from this fee that had prior accrued in the General Fund were moved to the refuse special revenue fund beginning on July 1, 2019.

- **Commercial Refuse Fee (General Fund)**

Beginning in FY 2020, the commercial refuse fee will increase from \$373 to \$411 per commercial property due to current service adjustments and increased costs of service. For additional information on services adjustments, refer to the Transportation & Environmental Services text in the Livable, Green, & Prospering City section.



MAJOR REVENUE INITIATIVES IN FY 2021

- **User Fees and Other Revenues (General Fund)**

Other user fees and other sources of revenue are increased to achieve greater cost recovery for the services provided.

- The Fire Inspectors hourly Fire Protection System retesting fee is increased from \$132 per hour to \$162 per hour to include site plan reviews to better recover costs (\$200,000).
- A Motorcoach parking \$5 permit fee is implemented for the 8 on-street space available at the Masonic Temple (\$6,000).
- A fee of \$1,000 will be collected at the submission of an as-built plan (\$13,000).
- The fee charged for submission of a grading plan for land disturbance is increased from \$500 to \$1,000 (\$15,000).
- Transportation & Environmental Services will begin collecting a \$2,000 fee for review and processing of bonds over \$20,000 for development projects (\$26,000).
- Transportation & Environmental Services will begin collecting a \$1,000 fee for review and processing of bond reductions for bonds over \$20,000 for development projects (\$5,000).
- Department of Transportation (DOT) paratransit fees are proposed to increase from \$3 to \$4 per trip inside the City and up to 5 miles outside the City and from \$5 to \$6 per trip for all trips over 5 miles outside the City. This revenue is not reflected in the General Fund as it represents an increase in contractor revenue which leads to a cost savings for the City.
- Additional City street blocks are added to the residential pay-by-phone program which would collect new meter fees on identified residential blocks (\$41,000).
- The Health Department will begin receiving increased revenue (\$11,388) from the State Family Planning Grant for a percent of a staff member's salary and benefits based on services related to the State Grant provided by a City employee.
- The Health Department will receive additional revenue (\$23,513) from Neighborhood Health as reimbursement for pharmaceutical services provided.
- The Fire Department increased ambulance fees by to offset the more of the cost of providing EMS services. This will raise \$200,000.
 - BLS Transport from \$500 to \$600
 - ALS-1 Transport from \$650 to \$780
 - ALS-2 Transport from \$800 to \$900
 - \$10 per mile to \$12 per mile



MAJOR REVENUE INITIATIVES IN FY 2021

- **User Fees and Other Revenues (Cont'd)**

- Museum fees are increased for school tour and chaperones (\$2 to \$3), standardized group tour fee (\$50 per group) and rental fees at Friendship Firehouse (\$150 to \$350 per hour) and Black History Museum (\$200 to \$250 per hour). A fee will also be implemented for facility rentals that will serve alcohol at museum events (\$50) as well as to allow for facility rental of Apothecary Museum (\$250) to more closely align with the cost of services.
- Monthly employee parking fees at City owned garages are increased by \$10 from \$140 to \$150 to align the rates more closely with the market for parking and to be consistent with City policy that employers should charge the full cost for parking.
- Recreation fee revenue is increased through a combination of fee increases to maintain cost recovery and a number of recreation centers and programs are being upgraded and expanded to generate increased use of City facilities.
 - The Out-of-School-Time Program (OSTP) fee increases based on current service expenditure increases of running the program and the Recreation department's cost recovery policy (\$209,206).
 - School Year from \$475 to \$575
 - Summer from \$345 to \$445
 - Discounted fees will increase at lesser rates to offset the increased costs of programs and services
 - 40% financial assistance School year from \$285 to \$295 and Summer from \$207 to \$215
 - 50% financial assistance School year from \$238 to \$245 and Summer from \$173 to \$179
 - 70% financial assistance School year from \$143 to \$145 and Summer from \$104 to \$105
 - The Youth Sports League fee is increased from \$85 to \$95 per participant per sport.
 - The Special Events and Wedding permit fees are increased, which includes City Park wedding application fees, permit fees, electrical hook-up fees, equipment removal fees, equipment disposal fees, and site plan revision fees.
 - Mobile Stage Rental fees are increased from \$79 to \$119 per hour.
 - Park Rental fees for Oronoco Bay Park, Montgomery Park, and the Pier Gazebo are increased from \$157 to \$434 in accordance with the RPCA resource allocation and cost recovery policy.
 - Park Rental Fees for Waterfront Park is increased from \$117 to \$434 during weekdays and \$157 to \$868 on the weekends in accordance with the RPCA resource allocation and cost recovery policy.



MAJOR REVENUE INITIATIVES IN FY 2021

- **User Fees and Other Revenues (Cont'd)**

- The General Admission fees are increased at Charles Barrett, Charles Houston, Cora Kelly, William Ramsey, and Chinquapin Recreation Centers (\$32,688).
 - Adult Fitness Single Use Fee (excluding Chinquapin) for Resident from \$5 to \$6
 - Adult Fitness 3 month pass (excluding Chinquapin) for Resident from \$40 to \$45
 - Adult Fitness 6 month pass (excluding Chinquapin) for Resident from \$75 to \$85
 - Adult Fitness Annual pass (excluding Chinquapin) for Resident from \$125 to \$140
 - Chinquapin Admission Fee, Youth (Age 5-17) from \$5 to \$6
 - Chinquapin Admission Fee, Adult (Age 18+) from \$8 to \$9
 - Chinquapin Individual Fitness Pass (25 visits) for Youth (Age 5-17) from \$120 to \$130
 - Chinquapin Individual Fitness Pass (25 visits) for Adult (Age 18+) from \$150 to \$160
 - Chinquapin 1 month Unlimited Fitness Pass (Single) for Resident from \$50 to \$55
 - Chinquapin 1 month Unlimited Fitness Pass (2 Persons) for Resident from \$87 to \$95
 - Chinquapin 6 month Unlimited Fitness Pass (Single) for Resident from \$250 to \$260
 - Chinquapin 6 month Unlimited Fitness Pass (2 Persons) for Resident from \$438 to \$450
 - Chinquapin 6 month Unlimited Fitness Pass (Family up to 4) for Resident from \$505 to \$515
 - Chinquapin 12 month Unlimited Fitness Pass (Single) for Resident from \$450 to \$465
 - Chinquapin 12 month Unlimited Fitness Pass (2 Persons) for Resident from \$788 to \$805

Revenues



REAL ESTATE TAX RATES

Regional Tax Rates for Calendar Years 1979-2020

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

Tax Year	Alexandria	Arlington	Fairfax ¹	Loudoun ¹	Pr. William ¹
1979	1.44	1.12	1.64	1.19	5.25 ²
1980	1.39	1.12	1.54	1.25	5.25 ²
1981	1.37/1.35	0.96	1.51	1.02	1.40
1982	1.37	0.98	1.47	1.13	1.45
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
		<u>Res/Comm</u> ³	<u>Res/Comm</u> ³		
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	1.30	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 ⁴	1.151/1.276 ⁵	1.045	1.2075
2020	1.150	1.013/1.138 ⁷	1.151/1.277 ⁷	1.035	1.2275 ⁶



REAL ESTATE TAX RATES

Regional Tax Rates for Calendar Years 1979-2020 (Proposed) Continued

Table References

- ¹ Tax rates in tax years 1979-2001 do not reflect additional special tax district (fire, leaf collection, etc.) or town real estate tax rates.
- ² Before 1981, real property in Prince William County was assessed at 33% of fair market value. Since 1981, real property has been assessed at 100% of fair market value.
- ³ Beginning in calendar year 2008, Arlington County and Fairfax County levied an additional tax on most commercial real property for transportation purposes.
- ⁴ Arlington County's rate includes 2.0 cents for Schools & Public Safety and a transportation add-on tax on commercial property of 12.5 cents.
- ⁵ 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.
- ⁶ Prince William includes a county-wide fire and rescue levy of 8.0 cents and 0.25 cents for mosquito & forest pest management.
- ⁷ Tax rates for Arlington County and Fairfax County reflects the prior year approved rate because the FY 2021 rate was not available at the time of the FY 2021 Proposed Budget.



FY 2021 PROPOSED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Proposed Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.15 per \$100 assessed value	58.1-3200	None set
Personal Property Tax:			
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	\$1.13 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
Utility Consumer Tax:			
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 \$3 monthly	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
Business and Professional Licenses*			
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
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 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%
			Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Public rights-of-way use fee	\$1.15 per access line (Effective July 1, 2020)	56-468.1	
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%
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840	None set
		58.1-3830 & 58.1-3840	
Cigarette Tax	\$1.26 on each package of 20 cigarettes	3840	None set
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.

Revenues



REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed	% Chg. FY20 Proj/FY21 Proposed
Residential	257,266,099	262,398,988	266,811,803	282,345,264	5.8%
Commercial Multi-Family	82,390,089	87,905,862	90,240,045	95,504,028	5.8%
Office/Retail and Other Commercial	104,970,658	105,214,423	105,456,937	107,574,102	2.0%
Public Service Corporation	7,059,103	7,328,870	7,179,757	7,120,122	-0.8%
Total	451,685,949	462,848,143	469,688,542	492,543,516	4.9%
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(10,716,990)</i>	<i>(11,109,473)</i>	<i>(11,506,444)</i>	<i>(12,479,168)</i>	<i>8.5%</i>

The FY 2021 Proposed budget reflects a proposed Real Property tax rate of \$1.150 per \$100. The FY 2021 proposed rate of \$1.150 includes the following set asides for specific programs:

- Transportation Improvements 2.2 cents (General Fund Reservation)
- Affordable Housing 0.6 cents (General Fund Dedication)
- School and City capital projects 2.0 cents (General Fund Allocation)

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 2020 Real Property Assessment Report, the City’s overall real property tax base increased 4.15% from the January 1, 2019 assessment to January 1, 2020, or \$1.7 billion from \$41.0 billion in CY 2019 to \$42.7 billion in CY 2020.

Assumptions

General Fund real property tax revenues for the first half of FY 2021 (the second half of calendar 2020) are based on the 2020 real property assessment, a tax rate of \$1.150, and a 49.65 percent collection rate for the second half of the 2020 tax levy. Real property tax revenues for the second half of FY 2021 (the first half of calendar year 2021) assumes a growth rate of 3.85% as compared to the 4.15% CY 2020 growth rate in real property assessments 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.

The real property tax estimate for FY 2021 has been reduced by approximately \$4.6 million to reflect the costs of the tax relief programs for the elderly and disabled, and tax exemptions for disabled veterans and surviving spouses.



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 operation of the planned Potomac Yard Metrorail station. In addition, City Council approved legislation to set aside appreciation on real estate in Potomac Yard to support the Metrorail development. In FY 2021, \$12.5 million in revenue is budgeted for the appreciation since 2011 of Potomac Yard. Of the revenue generated from the appreciation, \$4.9 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 2021 budget includes a transfer of \$17.1 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 \$11.7 million. The amount of revenue estimated to be generated in FY 2021 by the City's 30 percent of NVTA revenues is \$5.0 million planned for Washington Metropolitan Area Transit Authority (WMATA) operating to capital subsidies.

Revenues



REAL PROPERTY TAX REVENUES

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2004	2005	2006	2007	2008	2009	2010
Residential Single Family	9,727,249	11,604,207	13,840,915	13,810,784	13,887,235	13,504,417	13,037,361
Residential Condominium	3,518,100	4,668,117	6,490,841	6,394,580	6,252,379	5,648,101	5,233,544
Commercial Multi-Family	2,570,652	3,088,102	3,378,614	4,102,178	4,383,780	4,443,230	4,101,241
Office/Retail Property	5,447,070	6,499,398	7,565,870	8,386,548	9,165,161	9,001,670	7,970,599
Other Commercial	549,565	726,886	850,487	694,879	522,208	489,796	423,355
Public Service Corporation	76,860	772,941	779,992	854,062	892,054	876,985	883,390
Total	21,889,496	27,359,651	32,906,719	34,243,031	35,102,817	33,964,199	31,649,490
Residential Single Family	44.4%	42.4%	42.1%	40.3%	39.6%	39.8%	41.2%
Residential Condominium	16.1%	17.1%	19.7%	18.7%	17.8%	16.6%	16.5%
Commercial Multi-Family	11.7%	11.3%	10.3%	12.0%	12.5%	13.1%	13.0%
Office/Retail Property	24.9%	23.8%	23.0%	24.5%	26.1%	26.5%	25.2%
Other Commercial	2.5%	2.7%	2.6%	2.0%	1.5%	1.4%	1.3%
Public Service Corporation	0.4%	2.8%	2.4%	2.5%	2.5%	2.6%	2.8%
Total	100%						
Residential	60.5%	59.5%	61.8%	59.0%	57.4%	56.4%	57.7%
Commercial	39.5%	40.5%	38.2%	41.0%	42.6%	43.6%	42.3%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial*							
Residential	72.3%	70.8%	72.1%	71.0%	69.9%	69.5%	70.7%
Commercial	27.7%	29.2%	27.9%	29.0%	30.1%	30.5%	29.3%

* 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 2004-2020 Real Property Assessment Reports.

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
Total	32,631,951	33,782,695	34,746,675	35,895,603	37,146,860	38,195,319	38,987,294
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%
Total	100%						
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 2004-20120 Real Property Assessment Reports.

Revenues



REAL PROPERTY TAX REVENUES

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2018	2019	2020
Residential Single Family*	16,291,951	16,578,737	17,370,936
Residential Condominium*	6,429,613	6,626,468	7,012,378
Vacant Residential*	122,472	105,629	167,295
Commercial Multi-Family	7,463,415	7,768,690	8,155,670
Office/Retail Property	8,587,410	8,896,153	8,988,020
Other Commercial	386,192	360,442	357,453
Public Service Corporation	616,934	641,124	627,481
Total	39,897,987	40,977,242	42,679,233
Residential Single Family	40.9%	40.5%	40.7%
Residential Condominium	16.1%	16.2%	16.4%
Vacant Residential	0.3%	0.3%	0.4%
Commercial Multi-Family	18.7%	19.0%	19.1%
Office/Retail Property	21.5%	21.7%	21.1%
Other Commercial	1.0%	0.9%	0.8%
Public Service Corporation	1.5%	1.6%	1.5%
Total	100%	100%	100%
Residential*	57.3%	56.9%	57.5%
Commercial**	42.7%	43.1%	42.5%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***			
Residential	76.0%	75.9%	76.6%
Commercial	24.0%	24.2%	23.4%

* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY2010.

** 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 2004-2020 Real Property Assessment Reports.

Revenues



PERSONAL PROPERTY TAX

	FY 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed	% Chg. FY20 Proj/FY21 Proposed
Business Personal Property Tax	15,315,505	16,070,000	16,270,000	16,710,000	2.7%
Personal Property Tax	34,691,617	40,856,910	40,500,000	42,420,000	4.7%
Total	50,007,122	56,926,910	56,770,000	59,130,000	4.2%
<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 tax return is due to the City on May 1st. Business personal property taxes for FY 2021 are expected to increase based on historical trends.

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. 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.

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
Current	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

Vehicle personal property tax revenue for FY 2021 reflects an increase of \$1.9 million over FY 2020 projected based on estimated growth in the vehicle population combined with an estimated average prorated tax levy of \$313 and the historical collection rate.

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 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed	% Chg. FY20 Proj/FY21 Proposed
<i>Federal</i>					
Prisoner Per Diem	5,808,665	6,755,000	6,755,000	6,755,000	0.0%
Build American Bond Reimbursement	1,536,024	1,585,000	1,100,537	340,303	-69.1%
Other Federal	1,168,880	1,057,000	1,108,201	1,060,000	-4.3%
<i>State</i>					
HB 599	5,759,216	5,983,826	5,983,826	5,983,826	0.0%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	7,867,642	8,182,695	8,182,695	8,279,855	1.2%
Street & Highway Maintenance	7,888,979	7,977,917	7,889,018	7,950,000	0.8%
Other State	2,516,185	2,420,077	2,288,665	2,417,000	5.6%

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 2021 budget assumes revenue generated by the contract that guarantees a minimum of 150 beds per day. Actual federal utilization may exceed the guaranteed minimum.

Build America Bonds Reimbursement: The City received a reimbursement from the federal government for taxable bonds (in lieu of tax exempt bonds) issued in June 2009 and June 2010, which will be eliminated after 2021 as the associated bonds are paid or refunded.

HB599 Aid: The City receives funding from the Commonwealth of Virginia to help defray the costs of law enforcement in the City. The FY 2021 budget assumes this will remain flat from FY 2020 based on the Virginia proposed FY2020-2022 budget bill (HB30) and the City's FY19 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.

Revenues



OTHER MAJOR CATEGORIES OF REVENUES

	FY 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed	% Chg. FY20 Proj/FY21 Proposed
Penalties and Interest	2,923,419	2,708,000	2,708,000	2,808,000	3.7%
Charges for Services	22,276,812	15,790,462	15,972,769	16,732,021	4.8%
Licenses, Permits, and Fees	2,802,064	2,615,350	2,229,500	2,780,200	24.7%
Fines and Forfeitures	4,297,753	4,930,450	4,854,200	4,854,200	0.0%
Use of Money and Property	11,265,651	11,406,650	8,681,718	8,373,892	-3.5%
Miscellaneous Revenues	14,584,988	11,288,167	11,288,167	11,358,613	0.6%
Use of Fund Balance	-	-	-	-	0.0%

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 2021 budget includes a \$0.1 million increase due to an increase in Commercial and Residential Refuse fee. The FY 2021 budget also includes a \$0.1 million increase due to increased Ambulance fees and an additional \$0.5 million due to fee increases and revenue increases in the Recreation department consistent with the City’s cost recovery policy, and an additional \$0.2 million due to projected revenue based on average growth rates.

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 2021 budget includes a \$0.2 million increase due to the increase of the Fire Protection System Retest fee.

Fines and Forfeitures: This category includes parking fines, court fines, and red light violations.

Use of Money and Property: This category includes the rental of Alexandria owned properties and the interest on General Fund investments. The FY 2021 proposed budget includes an increase in the rental of property and employee monthly parking rates was increased from \$140 to \$150. The revenue for interest on General Fund investments decreased to reflect actual receipts and changing market interest rates.

Miscellaneous revenues: This category includes revenues that do not fit into any other category including revenues transferred from Special Revenue accounts.

Use of Fund Balance: The FY 2021 proposed General Fund operating budget does not propose the use of fund balance as a source of revenue.

Revenues



OTHER MAJOR TAX REVENUES

	FY 2019 Actual	FY 2020 Approved	FY 2020 Projected	FY 2021 Proposed	% Chg. FY20 Proj/FY21 Proposed
Sales	28,787,034	28,800,000	30,900,000	31,800,000	2.9%
Utility	11,264,818	12,000,000	12,600,000	12,700,000	0.8%
Business License	36,883,865	34,378,000	37,003,000	38,128,000	3.0%
Recordation	5,915,166	6,000,000	7,500,000	6,500,000	-13.3%
Cigarette	2,513,138	2,600,000	2,600,000	2,600,000	0.0%
Transient Lodging	12,879,159	12,800,000	13,260,000	13,850,000	4.4%
Restaurant Meals	23,999,949	24,231,000	24,960,000	25,500,000	2.2%
Communications Sales and Use	9,167,402	9,200,000	8,710,000	8,275,000	-5.0%
Other Local Taxes	8,850,257	5,479,090	5,529,090	5,629,090	1.8%
Total Other Major Taxes	140,260,786	135,488,090	143,062,090	144,982,090	1.3%

Sales Tax: Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2020 are based on sales through November of 2019 and reflect a 7.3% increase over FY 2019 actuals. FY 2021 is projected to increase by 2.9% compared to FY 2020 based on historic growth rates and collections through November 2019.

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 five months of the fiscal year, consumer utility tax revenue in FY 2020 are projected to increase by 11.9% compared to FY 2019 actuals. In FY 2021, this revenue is estimated to increase by 0.8% based on historic growth rates.

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. FY 2021 collections are expected to increase based on historic growth rate and the Business Compliance Pilot Program to increase compliance through canvassing and identification of non-filers.

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. Projected revenue of \$7.5 million for recordation tax revenue in FY 2020 is based on current receipts and historical trends. Based on the average transactions that have occurred in FY 2020 and historic monthly averages for Recordation tax revenues, revenues are expected to decrease in FY 2021.

Cigarette Tax: The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2021, revenues are expected to remain flat.

Transient Lodging Tax: The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2020 are projected to increase 3.0% over FY 2019 actuals. FY 2020 revenues are based on collections through the first five months of the fiscal year and historic amounts collected for the past five years. FY 2021 revenues are projected to increase by 4.4% based on historic growth rate and the opening of a new hotel.

Restaurant Meals Tax: The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. Revenues in FY 2020 are projected to be 4.0% higher than FY 2019 actuals. FY 2020 revenues are based on collections through the first five months of the fiscal year and historic amounts collected for the past five years. FY 2021 revenues are projected to increase by 2.2% compared to FY 2020.

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 2021 based on historical trends.



TAX RATE OPTIONS

The purpose of this section is to provide details on possible revenue options to support the fiscal year (FY) 2021 budget. Staff has identified a number of tax categories that could be increased and therefore added to the City’s General Fund revenues if 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. 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 2020 assessments, the average equalized value of existing residential property, including single family and condominium, is \$582,636, an increase of 4.6 percent from the previous year. Based on the FY 2021 Proposed Budget and the value of a penny, an increase to the real property tax rate of \$1.150 would increase FY 2021 revenue by \$4.3 million. The proposed budget includes a two-cent increase from \$1.130 in FY 2020. In order to fund School and City capital needs in future years, additional 2-cent rate increases are proposed to be needed in FY 2023 and FY 2025.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
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Real Estate Tax	\$492.5 million	1.0 cent to \$1.160	\$4.3 million	0.9%
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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 \$5.00 per \$100 of assessed value and changed to \$5.33 in FY 2020 to offset revenue lost from the elimination of the vehicle decal fee. Based on FY 2021 estimated revenue, increasing the tax rate by 50 cents to \$5.83 per \$100 for vehicle personal property would generate an additional \$5.8 million in revenue. The proposed budget recommends no change to this rate.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
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Vehicle Personal Prop.	\$39.8 million	\$5.83 per \$100	\$5.8 million	14.7%
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TAX RATE OPTIONS

Restaurant Meals Tax

The meal and beverage tax on the purchase of food and beverages was last increased in FY 2019 from 4 percent to 5 percent with the additional one-percent designated for affordable housing. The FY 2021 estimated revenue from this tax is \$25.5 million. Raising the tax rate to 6.0 percent would generate an additional \$5.1 million in revenue. There is no State limit on meal sales tax for cities. The proposed budget reflects the current 5.0 percent rate. The proposed budget recommends no change to this rate.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
Meal Sales Tax	\$25.5 million	6.0%	\$5.1 million	20.0%

Transient Lodging Tax (Base Rate)

The transient lodging tax rate was last increased in FY 2019 from 6.5 percent of the room charge and \$1 per room per night to 6.5 percent of the room charge and \$1.25 per room per night. In FY 2021, the City estimated revenue is \$13.85 million in transient lodging taxes. Of this amount, approximately \$11.3 million was derived from the base tax rate on room charges. In FY 2014, the General Assembly imposed a 2.0 percent state transient occupancy tax (Regional Transient Occupancy Tax), a State tax administered by the localities bringing the total tax paid by customers to 8.5 percent. Based on the FY 2021 estimated revenue, raising the local base tax rate to 7.0 percent would generate \$0.9 million in additional revenue. There is no State limit on transient lodging tax for cities. The proposed budget recommends no change to this rate.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
Transient Lodging Tax	\$13.9 million	7.0%	\$0.9 million	7.7%

Admissions Tax

The City's admissions tax rate is 10 percent of the admission charge, not to exceed \$0.50 for each admission sold. It was established in 2008 and the rate has not been changed since then. Based on the FY 2021 projection, the City will collect \$0.5 million in admissions tax revenue. Based on the FY 2021 estimated revenue, increasing the tax rate to 10 percent of the admission charge, not to exceed \$0.75, would generate an additional \$0.3 million in revenue, raising it to 10 percent of the admission charge, not to exceed \$1.00, would generate an additional \$0.5 million in revenue. There is no State limit on admissions tax. The proposed budget recommends no change to this rate.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
Admissions Tax	\$0.5 million	10% not to exceed \$0.75	\$0.3 million	50.0%
		10% not to exceed \$1.00	\$0.5 million	100.0%



TAX RATE OPTIONS

Business License Taxes for Business, Personal, and Repair Services

Business, Personal, and Repair Services combine into one of the largest segments of the Business, Professional and Occupational License (BPOL) tax. The current rate for each category is \$0.35 per \$100 of gross receipts. Based on prior year collections, these categories are estimated to generate almost \$13.0 million in FY 2021. Raising the tax rate by \$0.01 to the state maximum of \$0.36 per \$100 of gross receipts would generate \$0.4 million in additional tax revenue. The proposed budget recommends no change to this rate.

Category	FY 2020 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
BPOL Tax Rates - Business Personal, Repair	\$13.0 million	From \$0.35 to \$0.36	\$0.4 million	2.9%

Business License Taxes for Financial Services

The current BPOL tax rate for Financial Services is \$0.35 per \$100 of gross receipts. Based on prior year collections, this category is estimated to generate approximately \$1.6 million in FY 2021. 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 \$0.5 million in additional revenue; raising it to the state maximum of \$0.58 per \$100 would generate an additional \$1.1 million. The proposed budget recommends no change to this rate.

Category	FY 2020 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
BPOL Tax Rates - Financial Services	\$1.6 million	From \$0.35 to \$0.40	\$0.2 million	14.3%
		From \$0.35 to \$0.45	\$0.5 million	28.6%
		From \$0.35 to \$0.58	\$1.1 million	65.7%

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 \$1.26 was last increased in FY 2017 from \$1.15. Based on FY 2021 projected revenue, if the City increases the cigarette tax to \$1.35 per pack, the City could expect to collect an additional \$0.2 million in revenue. There is no State limit on cigarette tax. The proposed budget recommends no change to this rate.

Category	FY 2021 Estimated Revenue	Possible Rate Change	Potential Additional Revenue	Percentage Increase as Percent FY 2021 Estimated Revenue
Cigarette Tax	\$2.6 million	\$1.35 per pack	\$0.2 million	7.1%



CURRENT TAX RATE COMPARISON

The following tables compare Alexandria FY 2021 proposed tax rates to other jurisdictions FY 2020 approved rates.

Real Estate Tax - Residential

JURISDICTION	TAX RATE
City of Alexandria	\$1.150 per \$100 of assessed value
Arlington	\$1.013 per \$100 of assessed value
Fairfax County	\$1.151 per \$100 of assessed value
Loudoun County	\$1.045 per \$100 of assessed value
Prince Willam County	\$1.2075 per \$100 of assessed value
State Maximum: None	

Commercial and Industrial Real Estate Tax

JURISDICTION	TAX RATE
City of Alexandria	N/A
Arlington	\$0.125 per \$100 of assessed value
Fairfax County	\$0.125 per \$100 of assessed value
Loudoun County	N/A
Prince Willam County	N/A
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	\$4.20
Prince Willam County	\$3.70
State Maximum: none	



CURRENT TAX RATE COMPARISON

Cigarette (Tobacco) Tax

City of Alexandria	\$1.26 per pack of 20 cigarettes
Arlington	\$0.30 per pack of 20 / \$0.375 per pack of 25
Fairfax County	\$0.30 per pack of 20 cigarettes
Loudoun County	N/A
Prince Willam County	N/A
State Maximum: none for cities; 30 cents per pack of 20 for counties	

Restaurant Meals Tax

City of Alexandria	5.0%
Arlington	4.0%
Fairfax County	N/A ¹
Loudoun County	N/A ¹
Prince Willam County	N/A ¹
Fredericksburg	6.00%
State Maximum: none for cities; 4.0% for counties	
Median meals tax rate in Virginia cities is 6.0%	
¹ Referendum required in most Virginia counties.	

Transient Lodging Tax

City of Alexandria	6.5% + \$1.25/night
Arlington	5.25%
Fairfax County	4.0%
Loudoun County	5.0%
Prince Willam 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.	



CURRENT TAX RATE COMPARISON

Admissions Tax

City of Alexandria	10%, but capped at 50¢ per admission
Arlington	N/A
Fairfax County	N/A
Loudoun County	N/A
Prince Willam County	N/A
State Maximum: none for cities; 10% for counties	

Business License for Business, Personal & Repair Services

City of Alexandria	\$0.35 per \$100 of gross receipts
Arlington	\$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 Willam County	\$0.21 per \$100 of gross receipts
State Maximum: \$0.36 per \$100	

Business License for Financial Services

City of Alexandria	\$0.35 per \$100 of gross receipts
Arlington	\$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 Willam County	\$0.35 per \$100 of gross receipts
State Maximum: \$0.58 per \$100	

Revenues



RESIDENTIAL TAX AND FEE BURDEN

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

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Proposed
Fees and Taxes										
Real Estate Tax	\$4,523	\$4,571	\$4,815	\$5,115	\$5,318	\$5,593	\$5,989	\$6,154	\$6,272	\$6,700
Personal Property Tax	\$353	\$380	\$457	\$445	\$464	\$505	\$523	\$533	\$570 ³	\$626
Trash Removal Fee	\$336	\$336	\$328	\$337	\$337	\$363	\$373	\$373	\$411	\$460
Decal Fee	\$57	\$55	\$56	\$55	\$55	\$56	\$58	\$58	\$0 ²	\$0
Utility tax on Natural Gas	\$23	\$23	\$25	\$25	\$24	\$24	\$24	\$22	\$25	\$26
Utility tax on Electricity	\$30	\$30	\$33	\$36	\$35	\$36	\$36	\$33	\$34	\$35
Utility tax on Water	\$24	\$27	\$26	\$30	\$29	\$29	\$30	\$27	\$25	\$26
Communication Sales and Use Tax	\$144	\$143	\$136	\$134	\$129	\$126	\$123	\$119	\$111	\$91
Sanitary Sewer System Capital Investment & Maintenance Fee	\$68	\$68	\$68	\$68	\$68	\$76	\$98	\$123	\$123	\$123
Storm Water Utility Fee							\$70 ¹	\$140	\$140	\$146
Total	\$5,558	\$5,632	\$5,944	\$6,245	\$6,458	\$6,808	\$7,324	\$7,582	\$7,711	\$8,233

¹ Reflects cost for half of the year.

² In FY 2020, the City eliminated the vehicle tax decal and associated fee requirement.

³ 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.