

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

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SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2008 Actual	Over the FY 2008 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$1,896,010,205	\$1,968,062,309	\$1,971,563,147	\$1,973,658,871	\$2,095,724	0.11%
Personal Property Taxes - Current and Delinquent	522,348,807	513,468,829	518,229,349	518,744,258	514,909	0.10%
Other Local Taxes	480,451,990	483,128,815	478,056,828	474,397,362	(3,659,466)	-0.77%
Permits, Fees and Regulatory Licenses	30,778,483	33,530,341	27,412,072	26,719,184	(692,888)	-2.53%
Fines and Forfeitures	14,834,607	14,321,557	14,629,327	14,873,179	243,852	1.67%
Revenue from Use of Money/Property	95,618,646	92,018,072	81,090,960	81,578,187	487,227	0.60%
Charges for Services	58,088,619	57,326,303	58,231,605	57,419,466	(812,139)	-1.39%
Revenue from the Commonwealth and Federal Governments ¹	131,022,823	117,633,036	129,643,320	137,611,573	7,968,253	6.15%
Recovered Costs/ Other Revenue	7,450,514	7,612,840	7,909,194	9,356,388	1,447,194	18.30%
Total Revenue	\$3,236,604,694	\$3,287,102,102	\$3,286,765,802	\$3,294,358,468	\$7,592,666	0.23%
Transfers In	2,408,050	2,530,299	2,530,299	2,530,299	0	0.00%
Total Receipts	\$3,239,012,744	\$3,289,632,401	\$3,289,296,101	\$3,296,888,767	\$7,592,666	0.23%

¹ The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

General Fund Revenues and Transfers In for FY 2008 are \$3,296,888,767, an increase of \$7,592,666, or 0.2 percent, over the *FY 2008 Revised Budget Plan* estimate. The \$7.6 million increase is primarily the result of increases in Real Estate Tax receipts, Revenue from the Commonwealth and Federal Governments offset with reductions in Other Local Taxes including Sales Tax receipts and Business, Professional, and Occupational Licenses (BPOL).

FY 2009 Revenue Adjustments

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustment section, no other adjustments have been made to FY 2009 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. Declining consumer confidence generally reduces discretionary spending and may affect Sales Tax receipts and Personal Property Tax revenue. In addition, the condition of the real estate market may reduce collections of Deed of Conveyance and Recordation Taxes, as well as, County Clerk Fees and BPOL receipts in FY 2009. The impact of economic conditions on FY 2009 revenues will be more apparent during the fall 2008 revenue review after several months of actual FY 2009 collections have been received. Any

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necessary FY 2009 revenue adjustments will be made as part of the fall review or during the *FY 2009 Third Quarter Review*.

REAL PROPERTY TAXES

REAL ESTATE TAX - CURRENT AND DELINQUENT

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$1,896,010,205	\$1,968,062,309	\$1,971,563,147	\$1,973,658,871	\$2,095,724	0.11%

Total Real Estate Taxes in FY 2008 are \$1,973,658,871, an increase of \$2,095,724, or 0.1 percent, over the *FY 2008 Revised Budget Plan*. Current Real Estate Tax receipts were \$1.6 million more than anticipated while Delinquent Real Estate collection were \$0.5 million higher than projected. FY 2008 Current Real Estate Property Taxes are \$1,961,258,802, representing an increase of \$1,593,679, or 0.1 percent, over the *FY 2008 Revised Budget Plan*. This increase is primarily due to variances in tax relief and supplemental assessments. The *FY 2008 Revised Budget Plan* included a projected revenue loss of \$28.4 million for expected tax relief for the elderly and disabled. Actual FY 2008 tax relief for the program's 8,043 participants was \$27.2 million, resulting in an increase in revenue of \$1.2 million. In addition, supplemental assessments that occur during the year were \$0.4 million more than anticipated. A collection rate of 99.61 percent was achieved in FY 2008, the same as projected.

FY 2008 Delinquent Real Estate Taxes are \$12,400,069, an increase of \$502,045 or 4.2 percent, over the *FY 2008 Revised Budget Plan* resulting from significant tax collection activity by the Department of Tax Administration.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
Paid Locally	\$310,006,170	\$302,154,885	\$306,915,405	\$307,430,314	\$514,909	0.17%
Reimbursed by State	212,342,637	211,313,944	211,313,944	211,313,944	0	0.00%
Total	\$522,348,807	\$513,468,829	\$518,229,349	\$518,744,258	\$514,909	0.10%

Total Personal Property Taxes in FY 2008 are \$518,744,258, an increase of \$514,909, or 0.1 percent, over the *FY 2008 Revised Budget Plan*. Both Current and Delinquent Personal Property Tax collections were higher than projected. Actual FY 2008 collections for Current Personal Property Taxes are \$509,638,010, an increase of \$262,850, or 0.1 percent, over the *FY 2008 Revised Budget Plan* estimate. This increase is due to slightly higher than anticipated levy. Of the total FY 2008 Current Personal Property Tax revenue, \$211.3 million is the portion reimbursed by the Commonwealth of Virginia under the Personal Property Tax Relief Act (PPTRA). A collection rate of 98.0 percent was achieved in FY 2008, the same as anticipated. A 98.0 percent collection rate on Current Personal Property Taxes is also projected for FY 2009.

Actual FY 2008 collections for Delinquent Personal Property Tax revenue were \$9,106,248 which represents an increase of \$252,059, or 2.8 percent, from the *FY 2008 Revised Budget Plan* estimate.

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OTHER LOCAL TAXES

Actual FY 2008 collections for Other Local Taxes are \$474,397,362, a net decrease of \$3,659,466, or 0.8 percent, from the *FY 2008 Revised Budget Plan* estimate of \$478,056,828. This decline is primarily due to decreases in Sales Tax, Current Business, Professional and Occupational Licenses (BPOL) Taxes, the Communication Sales and Use Tax and Consumer Utility Taxes, partially offset by increases in Deed of Conveyance and Recordation Taxes and Delinquent BPOL receipts.

LOCAL SALES TAX

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$159,224,006	\$164,139,098	\$162,983,388	\$160,855,221	(\$2,128,167)	-1.31%

Actual FY 2008 Sales Tax receipts are \$160,855,221, a decrease of \$2,128,167, or 1.3 percent, from the *FY 2008 Revised Budget Plan* estimate of \$162,983,388. The estimate for Sales Tax receipts was lowered \$1.2 million during the FY 2008 Third Quarter Review based on year-to-date growth of 2.4 percent. However, during the last five months of the fiscal, collections declined 2.0%, resulting in a 1.0 percent increase for the fiscal year.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - CURRENT

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$132,541,948	\$137,999,352	\$138,903,962	\$138,323,224	(\$580,738)	-0.42%

Total FY 2008 receipts from Current and Delinquent Business, Professional, and Occupational License (BPOL) Taxes are \$138,323,224, a decrease of \$580,738, or 0.4 percent, from the *FY 2008 Revised Budget Plan* due to a slightly lower growth rate than projected. No changes were made to the BPOL estimate during the *FY 2008 Third Quarter Review*, since little information about current collections was available as businesses file and pay their BPOL taxes simultaneously on March 1. Actual FY 2008 Current BPOL receipts represent an increase of 4.4 percent over FY 2007 collections compared to an estimated 4.8 percent increase. The Consultant category, which represents over 23 percent of total BPOL receipts, fell 5.6 percent from FY 2007 revenue reflecting the slowdown in federal procurement spending in the County. Business Service Occupations, which comprises over 21 percent of total BPOL receipts and includes such services as computer support, advertising and copying, rose 22.1 percent in FY 2008. The Retail category, which represents almost 19 percent of total BPOL receipts, grew a slight 1.0 percent over FY 2007. Due to the decline in the real estate market in calendar year 2007, real estate related categories declined significantly in FY 2007. The combined Real Estate Broker and Money Lender category (2.1 percent of total BPOL receipts) fell 23.0 percent while the Builder and Developers component (0.4 percent of total BPOL) posted a decline of 14.8 percent in FY 2008.

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BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - DELINQUENT

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$3,931,528	\$2,009,588	\$421,618	\$677,150	\$255,532	60.61%

Actual FY 2008 Delinquent BPOL revenue is \$677,150, an increase of \$255,532 over the *FY 2008 Revised Budget Plan* estimate. The estimate had been lowered \$1.6 million during the fall 2007 revenue review due to projected refunds resulting from a court case. Refunds were lower than estimated resulting in a surplus of \$0.3 million at year-end.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$41,658,070	\$33,304,953	\$27,618,419	\$29,931,835	\$2,313,416	8.38%

Actual FY 2008 Recordation and Deed of Conveyance Tax revenue is \$29,931,835, an increase of \$2,313,416, or 8.4 percent, over the *FY 2008 Revised Budget Plan* estimate. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced. Recordation Tax receipts were experiencing sharp declines averaging 36 percent prior to the FY 2008 Third Quarter Review; as such, the estimate for Deed of Conveyance and Recordation Taxes was reduced \$2.7 million. Collections for the last four months of the fiscal year did not decline as much as anticipated. The *FY 2008 Revised Budget Plan* estimate projected a decrease of approximately 34 percent from the FY 2007 level while actual collections were down 28.1 percent.

COMMUNICATIONS SALES AND USE TAX

	FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
Telephone Utility Tax	\$20,454,258	\$0	\$0	\$0	\$0	
Mobile Telephone Tax	7,348,570	0	0	0	0	
Communications Tax	20,847,380	53,949,026	57,804,984	56,007,544	(1,797,440)	-3.21%
Total	\$48,650,208	\$53,949,026	\$57,804,984	\$56,007,544	(\$1,797,440)	-3.21%

Actual FY 2008 revenue from the Communications Sales and Use Tax is \$56,007,544, a decrease of \$1,797,440, or 3.2 percent, from the *FY 2008 Revised Budget Plan*. During the FY 2008 Third Quarter Review, the estimate for Communications Sales and Use Taxes was increased \$0.9 million based on collection trends through March. After the Third Quarter Review, State officials indicated that an estimated \$12.0 million statewide was to be refunded due to an error that applied the tax to bills of tax exempt entities. Fairfax County's share of this refund is estimated to be approximately \$1.8 million.

The five percent Statewide Communications Sales and Use Tax went into effect on January 1, 2007 and replaced local taxes on land lines and wireless telephone services. The tax also applies to satellite television and radio services, internet calling and long-distance telephone charges. The tax also includes a statewide \$0.75 per line E-911 fee that replaced local E-911 fees. All communications taxes are remitted to the State for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Fairfax County's share is 18.93 percent. Distribution of the tax by the Commonwealth of Virginia began in March 2007. The

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Communications Sales and Use Tax was intended to be revenue neutral with FY 2006 receipts. Revenue neutrality for Fairfax County's General Fund would require \$56.1 million annually. While year-end FY 2008 receipts are close to this level, it should be noted that approximately \$2.0 million in taxes received in FY 2008 were for taxes not paid in FY 2007.

CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$45,367,938	\$45,936,936	\$45,936,936	\$45,038,069	(\$898,867)	-1.96%

Actual FY 2008 revenue from Gas and Electric Consumer Utility Taxes is \$45,038,069, a decrease of \$898,867, or 2.0 percent, from the *FY 2008 Revised Budget Plan*. This category was projected to rise 1.3 percent over FY 2007 receipts. Taxes on gas and electric service are based on usage and the mild winter contributed to the decrease. Consumer Utility Taxes in FY 2008 fell 0.7 percent from the FY 2007 level.

PERMITS, FEES AND REGULATORY LICENSES
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FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$30,778,483	\$33,530,341	\$27,412,072	\$26,719,184	(\$692,888)	-2.53%

Actual FY 2008 revenue from Permits, Fees and Regulatory Licenses is \$26,719,184, a decrease of \$692,888 or 2.5 percent, from the *FY 2008 Revised Budget Plan* estimate of \$27,412,072 primarily due to a decline in Land Development Services Fees. Fees charged by Land Development Services for planning, building and site permits, the major component of this category, are \$20.4 million, a decrease of \$0.7 million, or 3.4 percent, from the *FY 2008 Revised Budget Plan* estimate. Land Development Services Fees are 15.1 percent lower than FY 2007 receipts reflecting lower building activity in the County due to the slowdown in the real estate market.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2008 revenue from the Use of Money and Property is \$81,578,187, an increase of \$487,227, or 0.6 percent, over the *FY 2008 Revised Budget Plan* estimate of \$81,578,187 and is due to an increase in Interest on Investments.

INTEREST ON INVESTMENTS

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$92,075,833	\$88,777,592	\$77,712,416	\$78,236,825	\$524,409	0.67%

Actual FY 2008 Interest on Investments is \$78,236,825, an increase of \$524,409, or 0.7 percent, over the *FY 2008 Revised Budget Plan* estimate. This increase is the result of a higher than projected average portfolio size, average yield and General Fund percentage. The actual FY 2008 average portfolio of \$2,457.4 million earned a yield of 4.46 percent compared to the FY 2008 estimated portfolio and yield of \$2,422.9 million and 4.43 percent, respectively.

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Total interest on all pooled investments for all funds was \$109.6 million. The General Fund's actual percentage of this total was 71.4 percent compared to an estimated 71.0 percent.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$58,088,619	\$57,326,303	\$58,231,605	\$57,419,466	(\$812,139)	-1.39%

Actual FY 2008 revenue from Charges for Services is \$57,419,466, a decrease of \$812,139, or 1.4 percent, from the *FY 2008 Revised Budget Plan*. This decrease is primarily due to lower Emergency Medical Services (EMS) Transport Fees and County Clerk Fees, partially offset with School Age Child Care (SACC) Fees. The estimate for EMS Transport Fees was increased \$1.0 million during the FY 2008 Third Quarter Review as collections through February were growing 11.2 percent over those fees collected during the same period of FY 2007. Collections slowed considerably during the remainder of the year. EMS Transport Fees ended the fiscal year at \$11.4 million, up 0.2 percent over FY 2007 actual collections, but down \$1.3 million from the *FY 2008 Revised Budget Plan* estimate. The *FY 2008 Revised Budget Plan* estimate for County Clerk Fee revenue was based on a projected decrease of 16.6 percent from the FY 2007 level due to the declining residential real estate market. Actual FY 2008 County Clerk Fee receipts fell 19.3 percent from FY 2007 resulting in a decrease of \$0.3 million. Actual FY 2008 SACC Fee revenue of \$27.4 million is \$0.9 million more than estimated due to higher than projected enrollment.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2007 Actual	FY 2008 Adopted	FY 2008 Revised	FY 2008 Actual	Increase/ (Decrease)	Percent Change
\$131,022,823	\$117,633,036	\$129,643,320	\$137,611,573	\$7,968,253	6.15%

¹ Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

Actual FY 2008 Revenue from the Commonwealth and Federal Government is \$137,611,573, a net increase of \$7,968,253, or 6.2 percent, over the *FY 2008 Revised Budget Plan*. Additional revenue of \$7.8 million is due to reimbursable expenditures associated with public assistance programs predominantly the Child Care Assistance and Referral program.