

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

SUMMARY OF GENERAL FUND RECEIPTS

Attachment II

Category	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2012 Actual	Over the FY 2012 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes	\$2,019,836,905	\$2,035,455,407	\$2,046,834,982	\$2,046,873,615	\$38,633	0.00%
Personal Property Taxes	513,286,400	518,132,388	523,242,701	527,357,458	4,114,757	0.79%
Other Local Taxes	505,517,224	488,212,410	508,140,549	516,855,563	8,715,014	1.72%
Permits, Fees and Regulatory Licenses	34,267,179	30,152,648	34,835,666	36,843,892	2,008,226	5.76%
Fines and Forfeitures	13,715,183	13,964,967	13,530,219	14,084,487	554,268	4.10%
Revenue from Use of Money/Property	18,740,887	16,628,111	19,563,893	18,412,106	(1,151,787)	-5.89%
Charges for Services	66,944,843	67,065,115	67,128,793	69,380,239	2,251,446	3.35%
Revenue from the Commonwealth and Federal Governments ¹	133,630,086	122,673,651	127,224,201	133,595,147	6,370,946	5.01%
Recovered Costs/ Other Revenue	15,071,566	14,667,754	14,019,260	14,250,135	230,875	1.65%
Total Revenue	\$3,321,010,273	\$3,306,952,451	\$3,354,520,264	\$3,377,652,643	\$23,132,379	0.69%
Transfers In	8,059,238	6,901,043	6,901,043	6,901,043	0	0.00%
Total Receipts	\$3,329,069,511	\$3,313,853,494	\$3,361,421,307	\$3,384,553,686	\$23,132,379	0.69%

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 2012 are \$3,384,553,686, an increase of \$23,132,379, or 0.69 percent, over the *FY 2012 Revised Budget Plan* estimate. This increase is primarily the result of increases in Personal Property Tax receipts, Other Local Taxes, including Bank Franchise Taxes and Local Sales Taxes, Charges for Services, and Revenue from the Commonwealth and Federal Governments, partially offset by a decrease in Revenue from the Use of Money and Property.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2013 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. Receipts from Sales Tax and Business, Professional, and Occupational License (BPOL) Taxes have continued to improve. However, given the moderate economic growth experienced in the County, and the significant uncertainty related to the federal budget deficit and its impact on the County's economy, revenue categories are expected to experience modest growth in FY 2013. The impact of economic conditions on FY 2013 revenues will be more apparent during the fall 2012 revenue review after several months of actual FY 2013 collections have been received. Any necessary FY 2013 revenue adjustments will be made as part of the fall review or during the *FY 2013 Third Quarter Review*.

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REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$2,019,836,905	\$2,035,455,407	\$2,046,834,982	\$2,046,873,615	\$38,633	0.0%

Total Real Estate Taxes in FY 2012 are \$2,046,873,615, an increase of \$38,633 over the *FY 2012 Revised Budget Plan*. FY 2012 Current Real Estate Taxes are \$2,038,620,314, representing an increase of \$1,477,246 over the *FY 2012 Revised Budget Plan*. This net increase is due to variances in tax relief and exonerations, and a higher than projected collection rate. The *FY 2012 Revised Budget Plan* included a projected revenue loss of \$26.1 million for tax relief for the elderly and disabled. Actual FY 2012 tax relief for the program's 8,009 participants was \$25.4 million, resulting in an increase in revenue of \$0.7 million. Lower than projected exonerations increased revenue by \$0.2 million. In addition, the budget estimate included a 99.64 percent collection rate and the actual FY 2012 collection rate is 99.67 percent, the same rate achieved in FY 2011.

FY 2012 Delinquent Real Estate Taxes are \$8,253,301, a decrease of \$1,438,613, or 14.8 percent, from the *FY 2012 Revised Budget Plan* estimate. Collections were lower than anticipated due in part to fewer delinquent accounts as a result of high collection rates achieved on current year taxes over the last several years.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

	FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
Paid Locally	\$301,972,456	\$306,818,444	\$311,928,757	\$316,043,514	\$4,114,757	1.32%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Total	\$513,286,400	\$518,132,388	\$523,242,701	\$527,357,458	\$4,114,757	0.79%

Total Personal Property Taxes in FY 2012 are \$527,357,458, an increase of \$4,114,757, or 0.8 percent, over the *FY 2012 Revised Budget Plan*. Both Current and Delinquent Personal Property Tax collections were higher than projected.

Actual FY 2012 collections for Current Personal Property Taxes are \$513,576,479, an increase of \$320,993 over the *FY 2012 Revised Budget Plan* estimate. The increase is primarily due to higher than expected omitted assessments. Of the total FY 2012 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 2012 on the taxpayer's portion of Personal Property levy, slightly higher than the 97.9 percent that was projected and that which was achieved in FY 2011.

Actual FY 2012 collections for Delinquent Personal Property Tax revenue were \$13,780,979, which represents an increase of \$3,793,764, or 38.0 percent, over the *FY 2012 Revised Budget Plan* estimate. Delinquent Tax collections in FY 2012 are 18.3 percent higher than FY 2011 receipts. The level of delinquent collections varies year-to-year due to collection rates achieved on current year taxes, as well as, the level of refunds that occur throughout the year.

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OTHER LOCAL TAXES

Actual FY 2012 collections for Other Local Taxes are \$516,855,563, a net increase of \$8,715,014, or 1.7 percent, over the *FY 2012 Revised Budget Plan* estimate of \$508,140,549. This increase is primarily due to increases in Local Sales Tax, Delinquent Business, Professional and Occupational License (BPOL) Taxes, Bank Franchise Taxes, and Recordation Taxes, partially offset by a decrease in Current BPOL, Communications Sales and Use Tax, Utility Tax, and the Vehicle Registration License Fee.

LOCAL SALES TAX

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$154,757,415	\$150,174,905	\$159,995,760	\$162,839,599	\$2,843,839	1.8%

Actual FY 2012 Sales Tax receipts are \$162,839,599, an increase of \$2,843,839, or 1.8 percent, over the *FY 2012 Revised Budget Plan* estimate of \$159,995,760. The FY 2012 estimate for Sales Tax receipts was increased \$9.8 million during the fall 2011 revenue review based on year-to-date receipts, which were up 6.9 percent. Collections moderated during the winter months and although collections were up 5.7 percent, the budget estimate was not adjusted during the *FY 2012 Third Quarter Review* because February receipts, representing holiday retail sales in December, had increased just 0.5 percent over the prior year. In addition, FY 2011 collections had been robust during the latter part of the year and little additional growth was anticipated in FY 2012. However, since the *FY 2012 Third Quarter Review*, Sales Tax collections rose 4.5 percent, resulting in an overall 5.2 percent increase for the fiscal year.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT AND DELINQUENT

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$150,537,008	\$143,354,729	\$152,939,588	\$155,466,216	\$2,526,628	1.7%

Total FY 2012 receipts from Current and Delinquent Business, Professional, and Occupational License (BPOL) Taxes are \$155,466,216, an increase of \$2,526,628, or 1.7 percent, over the *FY 2012 Revised Budget Plan* estimate.

Actual FY 2012 collections for Current BPOL Taxes are \$149,738,567, a decrease of \$1,159,756 from the *FY 2012 Revised Budget Plan* estimate of \$150,898,324. The budget estimate represented 4.0 percent growth over FY 2011 receipts and was based on an econometric model that uses calendar year sales tax and employment as predictors. Businesses file and pay their BPOL Taxes simultaneously on March 1 based on the prior year's gross receipts. Because there is little information available until these filings are processed, no adjustment was made to the BPOL estimate during the *FY 2012 Third Quarter Review*. Actual FY 2012 receipts rose 3.2 percent over the FY 2011 level, which had increased 4.7 percent. The Retail category, which represents over 18 percent of total BPOL receipts, rose 7.0 percent in FY 2012. The combined Consultant and Business Service Occupations categories, which represent 46 percent of total BPOL receipts, increased 3.0 percent over the FY 2011 level. Professional and Specialized Occupations, which include attorneys and doctors, represent 11.0 percent of total BPOL and rose a slight 0.6 percent in FY 2012.

Actual FY 2012 collections for Delinquent BPOL Taxes are \$5,727,649, an increase of \$3,686,384 over the *FY 2012 Revised Budget Plan* estimate of \$2,041,264. The increase is the result of significant discovery of businesses that had not previously filed BPOL returns and fewer than anticipated refunds during the year.

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BANK FRANCHISE TAX

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$16,523,093	\$9,248,658	\$11,500,000	\$14,551,380	\$3,051,380	26.5%

Actual FY 2012 Bank Franchise Tax revenue is \$14,551,380, an increase of \$3,051,380, or 26.5 percent, over the *FY 2012 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a difficult category to project. FY 2012 receipts represent collections of \$16.1 million less a state approved refund of \$1.6 million for an overpayment that occurred in FY 2010. Adjusting for the FY 2010 overpayment and FY 2012 refund, Bank Franchise Tax collections have averaged \$16.0 million since FY 2010. This compares to an average of just \$7.2 million from FY 2007 through FY 2009. The increase is primarily the result of banks holding significant reserves above those currently required by the Federal Reserve. The excess reserves are a result of federal funds from the Troubled Asset Relief Fund (TARP) and reduced bank lending due to economic concerns. As banks continue to repay TARP funds and the economy improves, assets will be reduced and Bank Franchise Taxes are expected to decline.

RECORDATION TAX

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$21,621,287	\$20,758,376	\$23,113,348	\$26,223,747	\$3,110,399	13.5%

Actual FY 2012 Recordation Tax revenue is \$26,223,747, an increase of \$3,110,399, or 13.5 percent, over the *FY 2012 Revised Budget Plan*. The budget estimate was raised \$0.8 million during the fall 2011 revenue review and another \$1.5 million during the *FY 2012 Third Quarter Review* based on increased mortgage refinancing activity due to historically low mortgage interest rates. Home refinancing continued stronger than expected during the latter part of the year and FY 2012 revenues increased 21.3 percent over the FY 2011 level.

COMMUNICATIONS SALES AND USE TAX

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$50,724,263	\$52,312,013	\$48,026,604	\$47,062,153	(\$964,451)	-2.0%

Actual FY 2012 revenue from the Communications Sales and Use Tax is \$47,062,153, a decrease of \$964,451, or 2.0 percent, from the *FY 2012 Revised Budget Plan*. The estimate had been reduced \$4.3 million during the fall budget review to account for lower than expected monthly collections and two statewide refunds to be processed later in the fiscal year. The refunds were primarily due to erroneous collection of taxes over several years, on data services by a wireless provider. The County's share of the refunds was \$2.7 million, of which \$2.0 million represents the loss to the General Fund and \$0.7 million is the loss to Fund 120, E911. Refunds were completed in February 2012, which did not allow sufficient time for a collection trend to be established absent the refunds; therefore, the estimate was not adjusted further during the *FY 2012 Third Quarter Review*. FY 2012 Communication Tax receipts represent a decline of 7.2 percent from the FY 2011 level. Absent the refunds, collections would have been down 3.2 percent in FY 2012.

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VEHICLE REGISTRATION LICENSE FEE

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$27,459,817	\$27,270,000	\$27,459,817	\$26,354,485	(\$1,105,332)	-4.0%

Actual FY 2012 Vehicle Registration Fee revenue is \$26,354,485, a decrease of \$1,105,332, or 4.0 percent, from the *FY 2012 Revised Budget Plan*. Based on collection trends, the budget estimate was raised \$0.2 million during the fall 2011 revenue review to the FY 2011 level. However, FY 2012 collections did not reach the level of FY 2011 receipts because the fee was prorated for the actual time a vehicle was located in the County. The fee was not prorated during FY 2011 as it was the first year of implementation.

CONSUMER UTILITY TAX

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$45,416,719	\$46,029,744	\$46,029,744	\$44,880,564	(\$1,149,180)	-2.50%

Actual FY 2012 Consumer Utility Tax revenue is \$44,880,564, a decrease of \$1,149,180, or 2.5 percent, from the *FY 2012 Revised Budget Plan*. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services. Based on historical collection trends, receipts were expected to grow 1.3 percent; however, due to the mild winter weather, actual receipts declined 1.2 percent from the FY 2011 level.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2012 revenue from the Use of Money and Property is \$18,412,106, a decrease of \$1,151,787, or 5.9 percent, from the *FY 2012 Revised Budget Plan* estimate of \$19,563,893, and is due to a decrease in Interest on Investments.

INVESTMENT INTEREST

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$14,899,618	\$12,747,824	\$15,621,503	\$14,365,067	(\$1,256,436)	-8.0%

Actual FY 2012 Interest on Investments is \$14,365,067, a decrease of \$1,256,436, or 8.0 percent, from the *FY 2012 Revised Budget Plan* estimate. Annual revenue in this category is based on a combination of factors including the average portfolio size, average yield, and the percent of interest earnings attributable to the General Fund in FY 2012. The actual FY 2012 average portfolio of \$2,688.3 million earned a yield of 0.60 percent, a rate slightly lower than the 0.65 percent projected. The General Fund's actual percentage of total interest earned on all investment portfolios was 70.1 percent compared to an estimated 72.1 percent.

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PERMITS, FEES AND REGULATORY LICENSES
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PERMITS, FEES AND REGULATORY LICENSES

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$34,267,179	\$30,152,648	\$34,835,666	\$36,843,892	\$2,008,226	5.8%

Actual FY 2012 revenue from Permits, Fees and Regulatory Licenses is \$36,843,892, an increase of \$2,008,226, or 5.8 percent, over the *FY 2012 Revised Budget Plan*. This increase is primarily due to higher than projected receipts for Building and Inspection Fees.

Actual FY 2012 revenue from Building and Inspection Fees was \$26.9 million, \$2.1 million more than estimated. The budget estimate was raised \$3.4 million during the fall 2011 revenue review and another \$0.8 million during the *FY 2012 Third Quarter Review* based on an upward trend in permitting activity. Issuance of building permits continued stronger than expected during the latter part of the year and FY 2012 revenues increased 15.6 percent over the FY 2011 level.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
\$66,944,843	\$67,065,115	\$67,128,793	\$69,380,239	\$2,251,446	3.4%

Actual FY 2012 revenue from Charges for Services is \$69,380,239, an increase of \$2,251,446, or 3.4 percent, over the *FY 2012 Revised Budget Plan* estimate. This increase is primarily due to higher than projected Emergency Medical Services (EMS) Transport Fees, Clerk Fees, and Police Reimbursement revenue. FY 2012 EMS fees are \$16.6 million, an increase of \$1.1 million over the *FY 2012 Revised Budget Plan* estimate of \$15.5 million. EMS fees had been projected to increase 9.7 percent in FY 2012 because FY 2011 receipts, which rose just 1.1 percent, were impacted by a change in billing agents. Actual FY 2012 EMS fees rose 17.6 percent. Clerk Fees in FY 2012 are \$5.2 million, an increase of \$0.5 million over the *FY 2012 Revised Budget Plan* estimate. Clerk Fees, which are paid when documents are filed with the Circuit Court, increased due to higher than anticipated mortgage refinancing activity, especially during the spring. At the *FY 2012 Third Quarter Review*, Clerk Fees were down 4.4 percent, but ended the year up a modest 1.2 percent. Actual FY 2012 Police Reimbursement revenue is \$1.5 million, an increase of \$0.4 million over the *FY 2012 Revised Budget Plan* estimate. Revenue in this category is for security services provided by off-duty police officers at various state and community events.

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REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

	FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2012 Actual	Increase/ (Decrease)	Percent Change
Baseline Funding						
Including State						
approved reductions	\$133,630,086	\$124,988,733	\$129,761,828	\$133,595,147	\$3,833,319	3.0%
Reserve for State						
Cuts	0	(2,315,082)	(2,537,627)	0	2,537,627	-100.0%
Net Funding	\$133,630,086	\$122,673,651	\$127,224,201	\$133,595,147	\$6,370,946	5.0%

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 2012 Revenue from the Commonwealth and Federal Government is \$133,595,147, a net increase of \$6,370,946, or 5.0 percent, over the *FY 2012 Revised Budget Plan*. An increase of \$2.5 million is associated with the Revenue Reserve for State Reductions, which was set aside in the FY 2012 Adopted Budget Plan for potential state budget reductions during the FY 2012 General Assembly session. During the 2010 and 2011 General Assembly sessions, FY 2012 revenue from the Commonwealth to Fairfax County had been reduced a total of \$8.5 million. No further revenue reductions occurred in FY 2012 and the reserve was not needed.

Net additional revenue of \$2.0 million is due to reimbursable expenditures associated with various public assistance programs. An increase of \$2.8 million is associated with the Child Care Assistance and Referral program and an additional \$1.4 million represents reimbursement for administrative services. These increases were partially offset with revenue decreases of \$1.2 million in the Comprehensive Services Act (CSA) program, \$0.7 million in aging programs and \$0.2 million in the Community Services Block Grant program.

In addition, an increase of \$0.3 million is associated with state reimbursable salaries for constitutional officers and their staff, while an increase of \$0.5 million was for reimbursement for services provided by the County's Health Department. The Commonwealth of Virginia also provided \$275,584 in partial reimbursement for County expenses incurred during the March 2012 presidential primarily. In addition, federal emergency assistance funding of \$0.7 million was received for reimbursement for expenses incurred by the County during the severe winter snowstorms in 2010.