

**ATTACHMENT II:**  
**SUMMARY OF GENERAL FUND RECEIPTS**

# SUMMARY OF GENERAL FUND RECEIPTS

*Attachment II*

Category	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2013 Actual	Change from the FY 2013 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes	\$2,047,283,817	\$2,116,497,573	\$2,116,232,911	\$2,122,710,805	\$6,477,894	0.31%
Personal Property Taxes	528,232,185	552,697,360	551,853,514	563,835,466	11,981,952	2.17%
Other Local Taxes	517,375,740	523,937,338	523,487,288	531,202,416	7,715,128	1.47%
Permits, Fees and Regulatory						
Licenses	36,843,892	34,902,539	35,747,734	38,201,352	2,453,618	6.86%
Fines and Forfeitures	14,084,487	13,595,913	14,612,835	14,131,523	(481,312)	-3.29%
Revenue from Use of						
Money/Property	18,402,588	17,171,963	17,162,412	17,511,082	348,670	2.03%
Charges for Services	69,627,663	70,095,102	70,971,358	72,742,388	1,771,030	2.50%
Revenue from the Commonwealth and Federal Governments <sup>1</sup>	133,595,147	130,211,732	120,885,361	120,371,825	(513,536)	-0.42%
Recovered Costs/ Other Revenue	14,235,285	14,716,245	14,858,461	15,303,834	445,373	3.00%
<b>Total Revenue</b>	<b>\$3,379,680,804</b>	<b>\$3,473,825,765</b>	<b>\$3,465,811,874</b>	<b>\$3,496,010,691</b>	<b>\$30,198,817</b>	<b>0.87%</b>
Transfers In	6,901,043	6,770,457	6,770,457	6,770,457	0	0.00%
<b>Total Receipts</b>	<b>\$3,386,581,847</b>	<b>\$3,480,596,222</b>	<b>\$3,472,582,331</b>	<b>\$3,502,781,148</b>	<b>\$30,198,817</b>	<b>0.87%</b>

<sup>1</sup>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 2013 are \$3,502,781,148, an increase of \$30,198,817, or 0.87 percent, over the *FY 2013 Revised Budget Plan* estimate. This increase is primarily the result of increases in Real Estate Taxes, Personal Property Tax receipts, and Other Local Taxes. The relatively small variance between estimated and actual revenue collections leaves little flexibility in the event that a large revenue category experiences a significant unanticipated decline after the *FY 2013 Third Quarter Review* is completed.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2014 revenue estimates. Staff is closely monitoring economic conditions and the impact of sequestration to determine the impact on various revenue sources. Consumers' concerns over the sequester lead to the lowest growth in Sales Tax receipts in three years. Likewise, Transient Occupancy Tax collections fell for the first time in three years. Growth in Sales Tax receipts is expected to remain restrained as furloughs of many federal employees have just begun. For example, since mid-July civilian defense employees are being furloughed one day per week until the end of September, the end of the federal fiscal year. These furloughs result in a 20 percent reduction in pay over that time period. Sequestration's impact on Business, Professional, and Occupational License (BPOL) Taxes is more likely in FY 2014 because taxes will be based on businesses' gross receipts during calendar year 2013. Overall, revenue categories are expected to experience modest growth in FY 2014. The impact of economic conditions on FY 2014 revenues will be more apparent during the fall 2013 revenue review after several months of actual FY 2014 collections have been received. Any necessary FY 2014 revenue adjustments will be made as part of the fall review or during the *FY 2014 Third Quarter Review*.

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<b>REAL PROPERTY TAXES</b>
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### REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$2,047,283,817	\$2,116,497,573	\$2,116,232,911	\$2,122,710,805	\$6,477,894	0.3%

Total Real Estate Taxes in FY 2013 are \$2,122,710,805, an increase of \$6,477,894, or 0.3 percent, over the *FY 2013 Revised Budget Plan*. FY 2013 Current Real Estate Taxes are \$2,113,670,977, representing an increase of \$7,129,980 over the *FY 2013 Revised Budget Plan*. This net increase is due to variances in tax relief and exonerations, and a higher than projected collection rate. The *FY 2013 Revised Budget Plan* included a projected revenue loss of \$26.8 million for tax relief for the elderly and disabled and disabled veterans. Actual FY 2013 tax relief for these programs was \$25.4 million, resulting in an increase in revenue of \$1.5 million. Lower than projected exonerations increased revenue by \$5.0 million. In addition, the budget estimate included a 99.64 percent collection rate and the actual FY 2013 collection rate is 99.68 percent.

FY 2013 Delinquent Real Estate Taxes are \$9,039,828, a decrease of \$652,086, or 6.7 percent, from the *FY 2013 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.

<b>PERSONAL PROPERTY TAX</b>
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### PERSONAL PROPERTY TAX-CURRENT

	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
<b>Paid Locally</b>	\$303,137,261	\$341,383,416	\$331,245,982	\$342,901,371	\$11,655,389	3.5%
<b>Reimbursed by State</b>	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
<b>Total</b>	\$514,451,205	\$552,697,360	\$542,559,926	\$554,215,315	\$11,655,389	2.1%

Actual FY 2013 collections for Current Personal Property Taxes are \$554,213,315, an increase of \$11,655,389, or 2.1 percent, over the *FY 2013 Revised Budget Plan* estimate. The increase is primarily due to higher than expected vehicle levy, omitted assessments and a slightly higher than anticipated collection rate. Of the total FY 2013 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 2013 on the taxpayer's portion of Personal Property levy, slightly higher than the 97.8 percent that was projected.

<b>OTHER LOCAL TAXES</b>
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Actual FY 2013 collections for Other Local Taxes are \$531,202,416, a net increase of \$7,715,128, or 1.5 percent, over the *FY 2013 Revised Budget Plan* estimate of \$523,487,288. This increase is primarily due to increases in Business, Professional and Occupational License (BPOL) Taxes, Bank Franchise Taxes, and Recordation Taxes, partially offset by decreases in Communications Sales and Use Taxes and the Transient Occupancy Tax.

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## LOCAL SALES TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$162,839,599	\$166,876,306	\$166,876,306	\$166,893,847	\$17,541	0.0%

Actual FY 2013 Sales Tax receipts are \$166,893,847, an increase of \$17,541 over the *FY 2013 Revised Budget Plan* estimate. The FY 2013 estimate for Sales Tax receipts had not changed from the FY 2013 Adopted Budget Plan. Actual FY 2013 Sales Tax receipts rose 2.5 percent over FY 2012, the lowest rate of growth in three years. Consumers have been cautious due to uncertainty regarding the impacts of sequestration on household income.

## BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX - CURRENT

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$149,738,567	\$157,688,748	\$154,979,417	\$156,170,308	\$1,190,891	0.8%

FY 2013 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$156,170,308, an increase of \$1,190,891, or 0.8 percent, over the *FY 2013 Revised Budget Plan* estimate. The budget estimate represented 3.5 percent growth over FY 2012 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 2013 Third Quarter Review*. Actual FY 2013 receipts rose 4.3 percent over the FY 2012 level, which had increased 3.2 percent. The combined Consultant and Business Service Occupations categories, which represent 46 percent of total BPOL receipts, increased 4.1 percent over the FY 2012 level. The Retail category, which represents over 18 percent of total BPOL receipts, rose 3.9 percent in FY 2013. Professional and Specialized Occupations, which include attorneys and doctors, represent over 11 percent of total BPOL and rose 9.2 percent in FY 2013.

## BANK FRANCHISE TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$14,551,380	\$11,500,000	\$14,551,000	\$16,954,511	\$2,403,511	16.5%

Actual FY 2013 Bank Franchise Tax revenue is \$16,954,511, an increase of \$2,403,511, or 16.5 percent, over the *FY 2013 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a difficult category to project. During the fall 2012 revenue review, the estimate for the Bank Franchise Tax was increased \$3.1 million to the level achieved in FY 2012. Banks have continued to hold significant reserves above those currently required by the Federal Reserve. The excess reserves increase banks' assets, the basis for the tax. A portion of the excess reserves are a result of federal funds from the Troubled Asset Relief Fund (TARP) and reduced bank lending in calendar year 2012 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.

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## RECORDATION AND DEED OF CONVEYANCE TAXES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$31,023,186	\$25,627,223	\$27,857,670	\$33,655,517	\$5,797,847	20.8%

Actual FY 2013 Recordation and Deed of Conveyance Tax revenue is \$33,655,517, an increase of \$5,797,847, or 20.8 percent, over the *FY 2013 Revised Budget Plan*. The budget estimate was raised \$2.2 million during the fall 2012 revenue review based on rising home sales and 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 2013 revenues increased 8.5 percent over the FY 2012 level.

## COMMUNICATIONS SALES AND USE TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$47,017,386	\$50,724,263	\$48,526,451	\$47,933,955	(\$592,496)	-1.2%

Actual FY 2013 revenue from the Communications Sales and Use Tax is \$47,933,955, a decrease of \$592,496, or 1.2 percent, from the *FY 2013 Revised Budget Plan*. The decrease is primarily due to a refund that occurred in the last month of the fiscal year. The statewide refund of \$3.1 million was due to taxes collected on internet access which is exempt from taxation. Fairfax County's General Fund share of the refund was \$440,657. FY 2013 Communications Sales Tax collections grew 1.9 percent over FY 2012 receipts, the first increase in five years.

## TRANSIENT OCCUPANCY TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$19,576,387	\$19,456,410	\$20,163,679	\$19,232,203	(\$931,476)	-4.6%

Actual FY 2013 Transient Occupancy Tax receipts are \$19,232,203, a decrease of \$931,476, or 4.6 percent, from the *FY 2013 Revised Budget Plan*. Based on early collection trends, the budget estimate was raised \$0.7 million during the fall 2012 revenue review and represented a 3.0 percent increase over FY 2012 receipts. During the *FY 2013 Third Quarter Review*, it was noted that collections were up nearly 6 percent through February but no adjustment was recommended because of large monthly variations that had been experienced. Transient Occupancy Tax collections fell during the latter portion of the fiscal year and total FY 2013 receipts were down 1.8 percent.

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<b>REVENUE FROM THE USE OF MONEY AND PROPERTY</b>
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Actual FY 2013 revenue from the Use of Money and Property is \$17,511,082, an increase of \$348,670, or 2.0 percent, over the *FY 2013 Revised Budget Plan* estimate of \$17,162,412, and is primarily due to an increase in Interest on Investments.

### INVESTMENT INTEREST

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$14,355,549	\$13,141,516	\$13,141,516	\$13,297,996	\$156,480	1.2%

Actual FY 2013 Interest on Investments is \$13,297,996, an increase of \$156,480, or 1.2 percent, over the *FY 2013 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 2013. The actual FY 2013 average portfolio of \$2,744.1 million earned a yield of 0.58 percent, a rate slightly lower than the 0.60 percent projected. The General Fund's actual percentage of total interest earned on all investment portfolios was 81.6 percent compared to an estimated 72.1 percent.

<b>PERMITS, FEES AND REGULATORY LICENSES</b>
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### PERMITS, FEES AND REGULATORY LICENSES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$36,843,892	\$34,902,539	\$35,747,734	\$38,201,352	\$2,453,618	6.9%

Actual FY 2013 revenue from Permits, Fees and Regulatory Licenses is \$38,201,352, an increase of \$2,453,618, or 6.9 percent, over the *FY 2013 Revised Budget Plan*. This increase is primarily due to higher than projected receipts for Building and Inspection Fees.

Actual FY 2013 revenue from Building and Inspection Fees was \$28.3 million, \$2.5 million more than estimated. The budget estimate was raised \$1.1 million during the *FY 2013 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 2013 revenues increased 5.0 percent over the FY 2012 level.

<b>CHARGES FOR SERVICES</b>
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### CHARGES FOR SERVICES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2013 Actual	Increase/ (Decrease)	Percent Change
\$69,627,663	\$70,095,102	\$70,971,358	\$72,742,388	\$1,771,030	2.5%

Actual FY 2013 revenue from Charges for Services is \$72,742,388, an increase of \$1,771,030, or 2.5 percent, over the *FY 2013 Revised Budget Plan* estimate. This increase is primarily due to higher than projected Emergency Medical Services (EMS) Transport Fees and Clerk Fees. FY 2013 EMS fees are \$16.7 million, an increase of \$1.2 million over the *FY 2013 Revised Budget Plan* estimate of \$15.5 million.  
***FY 2013 Carryover Review***

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During the *FY 2013 Third Quarter Review*, EMS fees were down over 8 percent and no surplus was expected at year-end. Actual FY 2013 collections declined 1.0 percent from FY 2012. EMS fees in FY 2014 will be impacted by a 2 percent Medicare reimbursement cut that went into effect in April 2013 due to sequestration. Clerk Fees in FY 2013 are \$6.1 million, an increase of \$0.7 million over the *FY 2013 Revised Budget Plan* estimate. Clerk Fees, which are paid when documents are filed with the Circuit Court, increased due to higher than anticipated home sales and mortgage refinancing activity, especially during the spring. The budget estimate was raised \$0.8 million during the fall 2012 review based on rising home sales and increased mortgage refinancing activity. Home refinancing continued stronger than expected during the latter part of the year and FY 2013 revenues increased 16.7 percent over the FY 2012 level.

<b>REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT</b>
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<b>REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT<sup>1</sup></b>					
<b>FY 2012 Actual</b>	<b>FY 2013 Adopted</b>	<b>FY 2013 Revised</b>	<b>FY 2013 Actual</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
\$133,595,147	\$130,211,732	\$120,885,361	\$120,371,825	(\$513,536)	-0.4%

<sup>1</sup> 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 2013 Revenue from the Commonwealth and Federal Government is \$120,371,825, a net decrease of \$513,536, or 0.4 percent, from the *FY 2013 Revised Budget Plan*. A decrease in revenue of \$2.2 million is due to lower expenditures associated with the Comprehensive Services Act (CSA) program. CSA services are driven by federal and state mandates in foster care and special education and fluctuate greatly year-to-year. An increase of \$0.3 million is associated with state reimbursable salaries for constitutional officers and their staff. In addition, federal funding of \$0.9 million was received for holding illegal immigrants in County jails. Due to the uncertainty regarding the amount of the federal appropriation for this program, no revenue estimate had been included in the FY 2013 budget. This program has been eliminated in the President's budget for FY 2014.