

*Department of Tax Administration*

## 57-04-Business & Other Taxes

Fund/Agency: 001/57	Department of Tax Administration	
Personnel Services	\$2,862,009	<p><b>CAPS Percentage of Agency Total</b></p> <p>A pie chart titled 'CAPS Percentage of Agency Total' is located to the right of the table. It is divided into two segments: a large yellow segment representing 'All Other Agency CAPS' at 81.2%, and a smaller blue segment representing 'Business &amp; Other Taxes' at 18.8%. A legend below the chart identifies the colors: a blue square for 'Business &amp; Other Taxes' and a yellow square for 'All Other Agency CAPS'.</p>
Operating Expenses	\$807,077	
Recovered Costs	(\$1,456)	
Capital Equipment	\$0	
<b>Total CAPS Cost:</b>	<b>\$3,667,630</b>	
Federal Revenue	\$0	
State Revenue	\$583,946	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$583,946</b>	
<b>Net CAPS Cost:</b>	<b>\$3,083,684</b>	
Positions/SYE involved in the delivery of this CAPS	64/64.4	

### ► CAPS Summary

Business & Other Taxes (non-real estate) is somewhat of a catch-all CAPS to include Business Personal Property taxes; Business, Professional & Occupational License (BPOL) taxes; Transient Occupancy taxes; miscellaneous taxes such as Bank Franchise and Short Term Daily Rental taxes; and includes Parking Tickets (individuals as well as business); and issuance of licenses for Mixed Drink Establishments. The major components of this CAPS and the associated FY 2002 revenue are Business Personal Property (\$137 million) and BPOL taxes (\$88 million), followed by Transient Occupancy taxes (\$8.0 million), Bank Franchise taxes (\$3.7 million) and Parking Tickets (\$1.7 million).

This CAPS combines assessing functions along with collection activity on these array of taxes, spanning Cost Center boundaries found in the Department of Tax Administration's (DTA) budget. Of the resources shown above, approximately 62 percent are associated with assessing activities and about 38 percent are associated with collection activities. Under this CAPS, assistance is also provided to citizens in the completion of their State Income Tax returns as required by State law.

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Business Personal Property taxes include computer equipment and furniture and fixtures, but exclude vehicles (see Vehicle Taxes CAPS). Business accounts increased 28 percent during the 1990's. BPOL tax administration is now based on a Statewide Uniform Model Ordinance. Parking Ticket enforcement has been strengthened over the past year by a computer upgrade with better tracking capabilities. The collection of Parking Tickets is still labor intensive and is dependent on data integrity (accurate license plate capture and input by Police). However, in FY 2001, DTA increased Parking Ticket collections from \$1.3 million in FY 2000 to \$2.3 million in FY 2001 (program does not include Photo Red Light). DTA's goal is to provide for on-line payment of Parking Tickets by FY 2003. Overall, the Business & Other Taxes (non-real estate; non-vehicles) CAPS accounts for roughly \$240 million in FY 2002 General Fund revenue.

### ► Method of Service Provision

DTA staff in this CAPS provide direct service delivery to Fairfax County taxpayers (business and individuals). This line of business includes assessment discovery staff, such as auditors and field staff. It also includes tax collectors who use a wide array of tools to ensure a strong collection rate in the major tax areas. Finally, this CAPS also has customer service staff answering telephones, correspondence and e-mail.

At present, various tax forms can be downloaded by the Internet, but interactive filing remains a future goal. Certain DTA assessment decisions in the business arena are appealable to the State Tax Commissioner. In addition to the web, normal operating hours are 8 a.m. to 4:30 p.m. Monday through Friday, with extended counter hours on Thursday.

### ► Performance/Workload Related Data

Title	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Business Phone Calls Answered/% Answered	55,201/ 95.3%	53,495/ 96.7%	46,079/ 94.4%	45,106/ 95.8%	46,000/ 96.0%
Other Calls (tickets etc.)/% Answered	34,528/ 97.1%	35,826/ 96.3%	31,247/ 95.8%	30,719/ 94.0%	31,000/ 96.0%
Levy Generated by Field/Audit Staff (million)	\$12.0	\$16.1	\$15.8	\$19.7	\$16.0
Current Collection Rate: BPOL	98.62 %	98.97 %	98.24 %	97.09 %	98 %

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### ► **Mandate Information**

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 76 - 100%. The specific Federal or State code and a brief description of the code follows:

- Constitution of Virginia, Article X, Sections 1 and 2. Taxation and Finance: Taxable property, uniformity, classification and segregation; Assessments.
- Code of Virginia, Title 58.1, Chapters 35, 36, 37, 38, and 39. Local Taxes: Tangible Personal Property; Tax Exempt Property; Business License Taxes; Miscellaneous Taxes; Enforcement, Collection, Refunds, Remedies and Review of Local Taxes.
- Code of the County of Fairfax, Chapter 4. Taxation and Finance.