SUMMARY OF
GENERAL FUND RECEIPTS

Attachment II

Category	FY 2025 Actual	FY 2026 Adopted Budget Plan	FY 2026 Revised Budget Plan	FY 2026 Actual	Change from the FY 2026 Revised Budget Plan Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	$3,567,823,687	$3,737,057,704	$3,737,057,704	$3,733,490,114	($3,567,590)	(0.1%)
Personal Property Taxes - Current and Delinquent[1]	819,488,988	806,661,522	$836,907,715	$854,105,430	$17,197,715	2.1%
Other Local Taxes	642,805,015	729,881,785	$724,739,986	$756,400,639	$31,660,653	4.4%
Permits, Fees and Regulatory Licenses	11,031,357	12,985,962	$12,985,962	$12,179,112	($806,850)	(6.2%)
Fines and Forfeitures	9,175,729	9,214,101	$9,231,642	$9,716,478	$484,836	5.3%
Revenue from Use of Money/Property	192,952,240	152,662,534	$168,413,443	$179,338,658	$10,925,215	6.5%
Charges for Services	72,641,370	71,808,877	$74,584,336	$78,101,913	$3,517,577	4.7%
Revenue from the Commonwealth and Federal Government[1]	174,680,809	167,673,630	$169,925,146	$173,456,350	$3,531,204	2.1%
Recovered Costs / Other Revenue	21,643,708	21,234,575	$21,602,154	$22,190,624	$588,470	2.7%
Total Revenue	**$5,512,242,903**	**$5,709,180,690**	**$5,755,448,088**	**$5,818,979,318**	**$63,531,230**	**1.1%**
Transfers In	27,344,474	8,094,007	15,094,007	15,094,007	$0	0.0%
Total Receipts	**$5,539,587,377**	**$5,717,274,697**	**$5,770,542,095**	**$5,834,073,325**	**$63,531,230**	**1.1%**

[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 2026 are $5,834,073,325, an increase of $63,531,230, or 1.1 percent, over the *FY 2026 Revised Budget Plan* estimate. The increase is primarily the result of higher-than-expected Personal Property Tax receipts, Other Local Taxes, Revenue from the Use of Money and Property, Charges for Services, and Revenue from the Federal Government. The Federal Reserve has kept the Fed funds rate elevated for longer than expected, which continued to impact the amount of investment interest revenue the County earned on its investment portfolio, generating a little over $177 million in FY 2026. While Investment Interest revenue exceeded all original and revised estimates, it remains highly dependent on future actions by the Federal Reserve. Consequently, these investment gains are treated with caution and may not continue to provide the substantial one-time gains seen in prior quarterly reviews. Notably, collections from the first six months of the County's recently implemented Food and Beverage Tax (Meals Tax) have aligned with initial projections, slightly exceeding the half-year estimate of $67.9 million. FY 2026 General Fund revenues increased 5.6 percent over the FY 2025 level.

The ongoing conflict in the Middle East continues to create broader economic uncertainty and notable volatility in monthly inflation figures. The FY 2027 Advertised Budget Plan Add-On Package (April 2026) noted a March inflation rate of 3.3 percent, primarily driven by surging gasoline prices. This was subsequently followed by a further spike to 4.2 percent in May, before pulling back to 3.5 percent in June as energy pressures shifted. Given how quickly macroeconomic conditions can impact local spending patterns, staff will continue reviewing state and federal budget developments alongside the economically sensitive Other Local Taxes such as Sales, Food and Beverage, Business, Professional, and Occupational License (BPOL), and Transient Occupancy taxes.

Aside from adjustments associated with expenditure changes as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2027 revenue estimates at this time. County staff will continue to monitor all revenue categories closely and will present any further FY 2027 adjustments, if necessary, as part of the upcoming fall revenue review and the *FY 2027 Third Quarter Review*.

REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$3,567,823,687	$3,737,057,704	$3,737,057,704	$3,733,490,114	($3,567,590)	(0.1%)

Total Real Estate Taxes in FY 2026 are $3,733,490,114, a decrease of $3,567,590, or 0.1 percent, from the *FY 2026 Revised Budget Plan* estimate. This net decrease is primarily due to a lower actual collection rate. The collection rate achieved in FY 2026 is 99.54 percent, compared to the budgeted 99.65 percent. FY 2026 Real Estate Tax revenue reflects an increase of 4.6 percent over FY 2025.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$784,642,555	$772,999,595	$803,245,788	$815,999,622	$12,753,834	1.6%

FY 2026 collections for Current Personal Property Taxes are $815,999,622, an increase of $12,753,834, or 1.6 percent, over the *FY 2026 Revised Budget Plan* estimate primarily as a result of higher than projected vehicle levy and lower exonerations. Of the total FY 2026 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 96.2 percent was achieved in FY 2026 on the taxpayer's portion of the Personal Property tax levy, which was slightly higher than the budgeted 96.1 percent. FY 2026 Personal Property Current Tax revenue reflects an increase of 4.0 percent over FY 2025 primarily due to an increase in the number of vehicles in the County, and an increase in the business personal property tax levy. The average vehicle levy in FY 2026 remained flat with FY 2025, while the number of vehicles registered in the County increased by 3.2 percent. FY 2026 business personal property tax levy increased a strong 16.1 percent over the year primarily as a result of additional assessments from data centers.

PERSONAL PROPERTY TAX-DELINQUENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$34,846,433	$33,661,927	$33,661,927	$38,105,808	$4,443,881	13.2%

FY 2026 Delinquent Personal Property Taxes are $38,105,808, an increase of $4,443,881, or 13.2 percent, over the *FY 2026 Revised Budget Plan* estimate as a result of significant collection activity by the Department of Tax Administration.

OTHER LOCAL TAXES

Actual FY 2026 collections for Other Local Taxes are $756,400,639, a net increase of $31,660,653, or 4.4 percent, over the *FY 2026 Revised Budget Plan* estimate of $724,739,986. This increase is primarily due to higher-than-expected Sales Tax, BPOL Tax, Food and Beverage Tax, and Recordation/Deed of Conveyance Tax receipts.

LOCAL SALES TAX

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$249,561,855	$251,357,344	$254,550,859	$261,804,082	$7,253,223	2.8%

Actual FY 2026 Sales Tax receipts are $261,804,082, an increase of $7,253,223, or 2.8 percent, over the *FY 2026 Revised Budget Plan* estimate. Staff anticipated that FY 2026 Sales Tax collections would be negatively impacted by disruptions of the local economy, including federal government employment declines and the extended federal government shutdown in October and November 2025. The negative impact on sales tax collections as a result of changing consumer behavior was likely offset by higher consumer goods prices due to tariffs. While the *FY 2026 Revised Budget Plan* estimate reflected an increase of 2.0 percent over FY 2025, actual FY 2026 Sales tax receipts increased 4.9 percent.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$211,001,295	$215,258,071	$215,258,071	$221,129,364	$5,871,293	2.7%

Actual FY 2026 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are $221,129,364, an increase of $5,871,293, or 2.7 percent, over the *FY 2026 Revised Budget Plan* estimate. Little actual data about this revenue category is available until late in the fiscal year because the majority of businesses file and pay their BPOL Taxes simultaneously on March 1 based on the prior calendar year's gross receipts. This makes it a challenging category to forecast. Actual FY 2026 receipts increased 4.8 percent over FY 2025. In FY 2026, the combined Consultant and Business Service Occupations categories, which represent approximately 44 percent of total BPOL receipts, increased 3.0 percent over the FY 2025 level. The Professional Occupations category, which represents 12.6 percent of total BPOL receipts, increased 8.2 percent. The Retail category, which represents over 18 percent of total BPOL receipts, increased 2.2 percent over FY 2025.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-DELINQUENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$10,456,180	$9,702,570	$9,702,570	$20,464,204	$10,761,634	110.9%

Actual FY 2026 Delinquent BPOL Taxes are $20,464,204, an increase of $10,761,634, or 110.9 percent, over the *FY 2026 Revised Budget Plan* estimate primarily due to several large assessments for prior years that were resolved and collected by the Department of Tax Administration in FY 2026.

TRANSIENT OCCUPANCY TAX

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$26,366,888	$39,093,030	$32,577,525	$32,879,122	$301,597	0.9%

Actual FY 2026 receipts from the Transient Occupancy Tax (TOT) are $32,879,122, an increase of $301,597, or 0.9 percent, over the *FY 2026 Revised Budget Plan* estimate. In FY 2026, TOT receipts increased 24.7 percent over the FY 2025 level, primarily due to the TOT tax rate increase approved by the Board of Supervisors. During the *FY 2026 Third Quarter Review*, the estimate for TOT was decreased by $6,515,505 as a result of directing a portion of TOT revenue from the General Fund to Fund 10030, Contributories.

For FY 2026, the Board of Supervisors approved a 2-percentage point increase in the FY 2026 TOT tax rate from 4 percent to 6 percent. Revenue associated with the first additional percentage point is designated for tourism initiatives that could attract travelers to Fairfax County, increase occupancy at lodging properties, and generate tourism revenues in the County. The Board requested that hospitality industry representatives collaborate with Visit Fairfax to develop a proposal for the optimal use of these reserved funds. The proposal was presented in the fall of 2025, and the Board took action on the allocation of the funding as part of the *FY 2026 Third Quarter Review*. This tourism-related TOT revenue will be directly posted in and expended from Fund 10030, Contributories.

BANK FRANCHISE TAX

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$28,520,593	$31,629,866	$28,520,593	$29,208,733	$688,140	2.4%

Actual FY 2026 Bank Franchise Tax revenue is $29,208,733, an increase of $688,140, or 2.4 percent, over the *FY 2026 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a particularly difficult category to project. The FY 2026 estimate was lowered by $3.1 million during the fall 2025 revenue review to the same level collected in FY 2025. Actual Bank Franchise Tax receipts increased 2.4 percent in FY 2026 over the FY 2025 level.

SUMMARY OF GENERAL FUND RECEIPTS

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$31,436,576	$29,107,014	$30,818,756	$34,788,787	$3,970,031	12.9%

Actual FY 2026 Recordation and Deed of Conveyance Tax revenue is $34,788,787, an increase of $3,970,031, or 12.9 percent, over the *FY 2026 Revised Budget Plan* estimate. During the fall 2025 revenue review, the FY 2026 estimate was increased a total of $1.7 million based on the actual FY 2025 collections and year-to-date receipts in FY 2026, representing a slight decrease of 2.0 percent from FY 2025. Actual receipts were stronger than anticipated in the remainder of the fiscal year and increased 10.7 percent over the FY 2025 level.

FOOD AND BEVERAGE TAX-CURRENT AND DELINQUENT

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$0	$67,900,000	$67,900,000	$70,204,780	$2,304,780	3.4%

Actual FY 2026 Food and Beverage Tax revenue is $70,204,780, an increase of $2,304,780, or 3.4 percent, over the *FY 2026 Revised Budget Plan* estimate. As part of the FY 2026 Adopted Budget Plan, the Board of Supervisors approved a new Food and Beverage Tax, commonly known as a "meals tax", at a rate of 4.0 percent effective January 1, 2026. It was anticipated that the Food and Beverage Tax would generate a projected $67,900,000 in the second half of FY 2026 and the full year revenue of $135,800,00 is projected for FY 2027. Staff will continue to closely monitor and analyze receipts and any necessary adjustments to the current FY 2027 estimate will be included as part of the *FY 2027 Third Quarter Review*.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2026 revenue from the Use of Money and Property is $179,338,658, an increase of $10,925,215, or 6.5 percent, over the *FY 2026 Revised Budget Plan* estimate. This increase is primarily due to an increase in Investment Interest revenue.

INVESTMENT INTEREST

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$190,696,546	$150,370,000	$166,300,000	$177,160,163	$10,860,163	6.5%

Actual FY 2026 Interest on Investments is $177,160,163, an increase of $10,860,163, or 6.5 percent, over the *FY 2026 Revised Budget Plan* estimate as a result of higher than projected average portfolio size and higher yield.

Annual revenue in this category is based on a combination of factors including the average portfolio size, average yield, and the share of interest earnings attributable to the General Fund. The actual FY 2026 average portfolio of $5,255.8 million earned a yield of 4.10 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio net of administrative fees was 85.0 percent. FY 2026 Investment Interest revenue decreased more than $13.5 million compared to the FY 2025 level as the Federal Reserve reduced the Fed funds rate during calendar year 2025 to a target range of 3.50-3.75 percent.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$72,641,370	$71,808,877	$74,584,336	$78,101,913	$3,517,577	4.7%

Actual FY 2026 Charges for Services revenue is $78,101,913, a net increase of $3,517,577, or 4.7 percent, over the *FY 2026 Revised Budget Plan* estimate primarily due to higher School-Age Child Care (SACC) revenue and EMS Transport fee revenue.

FY 2026 actual SACC revenue was $34.2 million, $1.9 million higher than projected. FY 2026 actual EMS Transport fee revenue was $28.5 million, $1.5 million higher than projected.

Total actual Charges for Services revenue increased 7.5 percent in FY 2026 compared to the FY 2025 level.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT[1]

FY 2025 Actual	FY 2026 Adopted	FY 2026 Revised	FY 2026 Actual	Increase/ (Decrease)	Percent Change
$174,680,809	$167,673,630	$169,925,146	$173,456,350	$3,531,204	2.1%

[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 and Delinquent" heading in this section.

Actual FY 2026 Revenue from the Commonwealth and Federal Government is $173,456,350, a net increase of $3,531,204, or 2.1 percent, over the *FY 2026 Revised Budget Plan* estimate. The increase is primarily due to additional Department of Family Services revenue associated with reimbursable expenditures for public assistance programs.