

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

# SUMMARY OF GENERAL FUND RECEIPTS

*Attachment II*

Category	FY 2020 Actual	FY 2021 Adopted Budget Plan	FY 2021 Revised Budget Plan	FY 2021 Actual	Change from the FY 2021 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,898,128,734	\$3,002,075,466	\$3,003,122,258	\$3,005,441,357	\$2,319,099	0.1%
Personal Property Taxes - Current and Delinquent <sup>1</sup>	652,982,430	639,338,332	642,442,012	641,479,707	(962,305)	(0.1%)
Other Local Taxes	535,816,255	489,100,905	522,670,568	547,920,953	25,250,385	4.8%
Permits, Fees and Regulatory Licenses	54,002,649	49,642,908	50,227,871	57,077,280	6,849,409	13.6%
Fines and Forfeitures	10,001,169	11,795,664	5,354,518	5,474,489	119,971	2.2%
Revenue from Use of Money/Property	66,201,313	24,257,799	24,257,799	24,776,135	518,336	2.1%
Charges for Services	70,109,331	83,119,246	32,818,852	33,349,782	530,930	1.6%
Revenue from the Commonwealth and Federal Government <sup>1</sup>	344,430,212	141,634,775	252,168,760	254,544,778	2,376,018	0.9%
Recovered Costs / Other Revenue	15,486,983	16,234,444	14,441,507	18,209,549	3,768,042	26.1%
<b>Total Revenue</b>	<b>\$4,647,159,076</b>	<b>\$4,457,199,539</b>	<b>\$4,547,504,145</b>	<b>\$4,588,274,030</b>	<b>\$40,769,885</b>	<b>0.9%</b>
Transfers In	9,081,414	8,707,781	8,707,781	8,707,781	0	0.0%
<b>Total Receipts</b>	<b>\$4,656,240,490</b>	<b>\$4,465,907,320</b>	<b>\$4,556,211,926</b>	<b>\$4,596,981,811</b>	<b>\$40,769,885</b>	<b>0.9%</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 2021 are \$4,596,981,811, an increase of \$40,769,885, or 0.9 percent, over the *FY 2021 Revised Budget Plan* estimate. The increase compared to the budget estimate is primarily the result of higher than expected Real Estate Tax receipts, Other Local Taxes, Permits, Fees, and Regulatory Licenses, Revenue from the Commonwealth and Federal Government, and Recovered Costs/Other Revenue, partially offset by lower than expected Personal Property Tax collections. The small variance, less than one percent, between estimated and actual revenue collections leaves little flexibility in the event that a large revenue category experiences a significant unanticipated decline late in the fiscal year. This occurred in FY 2020, when revenue categories sensitive to economic conditions decreased significantly in the last quarter of the fiscal year due to the COVID-19 pandemic and actual receipts ended the year below the revenue estimates. Projecting revenues during FY 2021 was challenging due to the volatile and uncertain economic conditions as a result of the pandemic. However, excluding the one-time federal stimulus received in FY 2021, the revenue variance compared to the FY 2021 Adopted Budget Plan estimate was \$19.6 million, or only 0.4 percent.

It should be noted that the County received approximately \$111 million in federal stimulus funds from the American Rescue Plan Act (ARPA) of 2021 to mitigate revenue shortfalls and the negative effects of the pandemic. This revenue was recognized in the *FY 2021 Revised Budget Plan* and appropriated in the General Fund to provide the County flexibility in responding to the effects of the pandemic. FY 2021 General Fund revenues decreased 1.3 percent from the FY 2020 level primarily because the amount of pandemic-related revenue received from the federal government decreased from approximately \$200 million in FY 2020 to approximately \$111 million in FY 2021. Absent this pandemic-related revenue, actual FY 2021 revenue reflects an increase of 0.7 percent over FY 2020.

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Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2022 revenue estimates at this time. Staff will continue to closely monitor economic and health conditions to determine revenue trends.

In FY 2021, some key sources of revenue including Sales Tax collections and Business, Professional, and Occupational License (BPOL) Tax revenue came in much stronger than initially expected. This was primarily the result of several federal stimulus packages intended to prop up the recovery, as well as the structure of the County's economy, which relies heavily on the well-paying Professional and Business Services sector where employees have been able to continue to work from home. On the other hand, the shutdown in many County services for most of the fiscal year had a very significant effect on Charges for Services revenue.

Current economic conditions make revenue forecasting still uncertain. The future course of Fairfax County's economic and revenue outlook is highly dependent upon the course of the virus. According to the Federal Reserve Board's June 16, 2021 statement, "The path of the economy will depend significantly upon the course of the virus. Progress on vaccinations will likely continue to reduce the effects of the public health crisis on the economy, but risks to the economic outlook remain." In the short run, most forecasters expect the economy to boom, largely as a result of unprecedented government stimulus and continued low interest rates. However, the reopening of the economy, consumers' accumulated unspent savings, and government benefits related to the economy appear to have produced inflation in some key sectors. Compared to a year ago, May Consumer Price Index increased 5.4 percent, the largest increase since the period ending August 2008. Most economists still expect inflation to be transitory, but if that proves not to be the case, the Federal Reserve may have to increase interest rates sooner than expected to slow an overheated economy.

The impact of economic conditions on FY 2022 revenue will become more apparent in upcoming months during the fall 2021 revenue review after several months of actual FY 2022 collections have been received. Any necessary FY 2022 revenue adjustments will be made as part of the *FY 2022 Mid-Year Review* or during the *FY 2022 Third Quarter Review*. Because the path of the health crisis as well as consumers' and businesses' responses are uncertain, the economic outlook will be volatile and unpredictable for an extended period of time.

<b>REAL PROPERTY TAXES</b>
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<b>REAL ESTATE TAX-CURRENT AND DELINQUENT</b>					
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FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$2,898,128,734	\$3,002,075,466	\$3,003,122,258	\$3,005,441,357	\$2,319,099	0.1%

Total Real Estate Taxes in FY 2021 are \$3,005,441,357, an increase of \$2,319,099, or 0.1 percent, over the *FY 2021 Revised Budget Plan*. FY 2021 Current Real Estate Taxes are \$2,996,469,432, representing an increase of \$1,381,560 over the *FY 2021 Revised Budget Plan*. This increase is primarily due to lower than projected tax relief and exonerations, partially offset by lower revenue collection rate. The budget estimate included a 99.70 percent collection rate, while the actual FY 2021 collection rate is 99.61 percent. FY 2021 Real Estate Current Tax revenue reflects an increase of 3.7 percent over FY 2020.

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FY 2021 Delinquent Real Estate Tax collections are \$8,971,926, an increase of \$937,540 over the *FY 2021 Revised Budget Plan* estimate.

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

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$652,982,430	\$639,338,332	\$642,442,012	\$641,479,707	(\$962,305)	(0.1%)

Total Personal Property Taxes in FY 2021 are \$641,479,707, a decrease of \$962,305, or 0.1 percent, from the *FY 2021 Revised Budget Plan*. FY 2021 collections for Current Personal Property Taxes are \$626,664,402, a decrease of \$1,231,952 from the *FY 2021 Revised Budget Plan* estimate. The decrease is primarily due to the lower than expected volume of vehicles and tax levy. Of the total FY 2021 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 96.23 percent was achieved in FY 2021 on the taxpayer's portion of Personal Property levy compared to the 97.00 percent projected. FY 2021 Personal Property Current Tax revenue reflects a decrease of 1.3 percent from FY 2020 as a result of lower number of vehicles registered in the County.

FY 2021 Delinquent Personal Property Taxes are \$14,815,305, an increase of \$269,647 over the *FY 2021 Revised Budget Plan* estimate.

<b>OTHER LOCAL TAXES</b>
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Actual FY 2021 collections for Other Local Taxes are \$547,920,953 a net increase of \$25,250,385, or 4.8 percent, over the *FY 2021 Revised Budget Plan* estimate of \$522,670,568. This increase is primarily due higher than expected Sales Tax, Business, Professional, and Occupational License (BPOL) Taxes License Tax, Recordation and Deed of Conveyance Taxes, and Bank Franchise Tax receipts.

### LOCAL SALES TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$191,092,140	\$171,031,788	\$196,489,268	\$200,621,416	\$4,132,148	2.1%

Actual FY 2021 Sales Tax receipts are \$200,621,416, an increase of \$4,132,148, or 2.1 percent, over the *FY 2021 Revised Budget Plan* estimate. During the FY 2021 fall revenue review and at the *FY 2021 Third Quarter Review*, the FY 2021 estimate was increased a total of \$25.5 million based on year-to-date collections, representing growth of 2.8 percent over the FY 2020 level. Total collections increased 5.0 percent compared to actual FY 2020 collections. Staff had originally anticipated that Sales Tax revenue from retail sales would fall considerably due to business breakdowns and the economic recession, but receipts held up well, in large part due to a pandemic-related shift toward online spending.

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## BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$173,840,544	\$154,912,776	\$164,374,631	\$171,263,824	\$6,889,193	4.2%

Actual FY 2021 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$171,263,824, an increase of \$6,889,193, or 4.2 percent, over the *FY 2021 Revised Budget Plan* estimate. Little actual data about this revenue category is available until late in the fiscal year because 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 2021 receipts decreased only 1.5 percent from the FY 2020 level. In FY 2021, the combined Consultant and Business Service Occupations categories, which represent almost 45 percent of total BPOL receipts, increased 4.3 percent over the FY 2020 level. The Retail category, which represents almost 17 percent of total BPOL receipts, decreased 10.7 percent in FY 2021. Heavily impacted by the pandemic, the Amusements category decreased 85.1 percent and the Hotels/Motels category declined 65.0 percent.

## TRANSIENT OCCUPANCY TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$15,778,992	\$16,443,857	\$6,400,000	\$6,128,150	(\$271,850)	(4.2%)

Actual FY 2021 receipts from the Transient Occupancy Tax are \$6,128,150, a decrease of \$271,850, or 4.2 percent, from the *FY 2021 Revised Budget Plan* estimate. Based on collection trends early in the fiscal year, the FY 2021 revenue estimate was reduced by \$9.5 million as part of the fall revenue review and again by \$0.6 million as part of the *FY 2021 Third Quarter Review*. Due to the impact of the COVID-19 pandemic, the U.S. hotel industry reported significant year-over-year declines and total collections decreased 61.2 percent compared to FY 2020.

## CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$44,940,753	\$45,639,081	\$44,940,753	\$44,341,942	(\$598,811)	(1.3%)

Actual FY 2021 Consumer Utility Tax revenue is \$44,341,942, a decrease of \$598,811, or 1.3 percent, from the *FY 2021 Revised Budget Plan* estimate. During the *FY 2021 Third Quarter Review*, the estimate was decreased by \$0.7 million, which assumed that the current year's revenues would be the same as FY 2020 actual revenues. The decrease of 1.3 percent compared to FY 2020 is likely due to COVID-19 related business closures.

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## BANK FRANCHISE TAX

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$21,259,422	\$23,654,317	\$23,654,317	\$26,706,225	\$3,051,908	12.9%

Actual FY 2021 Bank Franchise Tax revenue is \$26,706,225, an increase of \$3,051,908, or 12.9 percent, over the *FY 2021 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 Adopted FY 2021 estimate was not adjusted during the year and reflected an 11.3 percent increase compared to the actual FY 2020 receipts. Actual Bank Franchise Tax receipts increased 25.6 percent over the FY 2020 level.

## RECORDATION/DEED OF CONVEYANCE TAXES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$38,648,450	\$31,212,155	\$41,238,640	\$51,925,761	\$10,687,121	25.9%

Actual FY 2021 Recordation and Deed of Conveyance Tax revenue is \$51,925,761, an increase of \$10,687,121, or 25.9 percent, over the *FY 2021 Revised Budget Plan*. Based on a strong residential real estate market and a significant increase in refinancing activity driven by record low mortgage rates, as part of the fall 2021 revenue review, revenue estimates were increased \$4.2 million. As part of the *FY 2021 Third Quarter Review*, the estimate was increased by an additional \$5.9 million. Total Recordation and Deed of Conveyance Tax Revenue increased 34.3 percent compared to the FY 2020 level.

<b>REVENUE FROM THE USE OF MONEY AND PROPERTY</b>
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Actual FY 2021 revenue from the Use of Money and Property is \$24,776,135, an increase of \$518,336, or 2.1 percent, over the *FY 2021 Revised Budget Plan* estimate and is primarily due to an increase in Interest on Investments.

## INVESTMENT INTEREST

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$64,050,920	\$21,923,617	\$21,923,617	\$22,953,530	\$1,029,913	4.7%

Actual FY 2021 Interest on Investments is \$22,953,530, an increase of \$1,029,913, or 4.7 percent, over the *FY 2021 Revised Budget Plan* estimate primarily as a result of higher than projected average portfolio size. 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 2021. The actual FY 2021 average portfolio of \$3,719.3 million earned a yield of 0.72 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio net of administrative fees was 80.57 percent.

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

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$54,002,649	\$49,642,908	\$50,227,871	\$57,077,280	\$6,849,409	13.6%

Actual FY 2021 revenue from Permits, Fees and Regulatory Licenses is \$57,077,280, an increase of \$6,849,409, or 13.6 percent, over the *FY 2021 Revised Budget Plan* estimate. This increase is primarily the result of higher than projected revenue from Land Development Services (LDS) Building and Inspection fees due to increased number of residential permits and inspections, partially offset by a decline in commercial volume. Actual FY 2021 LDS revenue is \$47.0 million, an increase of 9.5 percent over the FY 2020 level, reflecting renewed strength in the housing market.

<b>FINES AND FORFEITURES</b>
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### FINES AND FORFEITURES

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$10,001,169	\$11,795,664	\$5,354,518	\$5,474,489	\$119,971	2.2%

Actual FY 2021 revenue from Fines and Forfeitures is \$5,474,489, an increase of \$119,971, or 2.2 percent, from the *FY 2021 Revised Budget Plan* estimate. This increase is primarily due to higher than projected receipts from Parking Violation fines and General District Court fines.

The FY 2021 budget estimate was decreased \$3.9 million during the fall revenue review and an additional \$2.6 million during the *FY 2021 Third Quarter Review* based on year-to-date actual receipts. This category was strongly impacted by the COVID-19 related closures.

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

FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2021 Actual	Increase/ (Decrease)	Percent Change
\$70,109,331	\$83,119,246	\$32,818,852	\$33,349,782	\$530,930	1.6%

Actual FY 2021 revenue from Charges for Services is \$33,349,782, a net increase of \$530,930, or 1.6 percent, over the *FY 2021 Revised Budget Plan* estimate. This increase is primarily due to higher than projected Clerk fee revenue as a result of increased number of home sales and refinances and higher than expected EMS Transport fee revenue.

The FY 2021 budget estimate was decreased \$26.6 million during the fall revenue review and an additional \$23.7 million during the *FY 2021 Third Quarter Review*. By far the largest reduction was

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associated with School-Age Child Care revenues which were reduced from \$44.1 million in the Adopted Budget to \$3.0 million at the *FY 2021 Third Quarter Review*. Other user fee categories that were reduced due to COVID-19 include EMS Transport Fees, Court Maintenance and Court Security fees, Parking Garage fees, Adult Day Care fees, and Clinical fees, among others.

Total Charges for Services revenue collections decreased 52.4 percent compared to the FY 2020 level.

<b>RECOVERED COSTS / OTHER REVENUE</b>
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<b>RECOVERED COSTS / OTHER REVENUE</b>					
<b>FY 2020 Actual</b>	<b>FY 2021 Adopted</b>	<b>FY 2021 Revised</b>	<b>FY 2021 Actual</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
\$15,486,983	\$16,234,444	\$14,441,507	\$18,209,549	\$3,768,042	26.1%

Actual FY 2021 Revenue from Recovered Costs/Other Revenue is \$18,209,549, a net increase of \$3,768,042, or 26.1 percent, over the *FY 2021 Revised Budget Plan* estimate. The increase is primarily due to one-time miscellaneous revenue available as a result of the Mosaic District bond refunding savings transferred to the General Fund in FY 2021.

<b>REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT</b>
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<b>REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT <sup>1</sup></b>					
<b>FY 2020 Actual</b>	<b>FY 2021 Adopted</b>	<b>FY 2021 Revised</b>	<b>FY 2021 Actual</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
\$344,430,212	\$141,634,775	\$252,168,760	\$254,544,778	\$2,376,018	0.9%

<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 and Delinquent" heading in this section.

Actual FY 2021 Revenue from the Commonwealth and Federal Government is \$254,544,778, a net increase of \$2,376,018, or 0.9 percent, over the *FY 2021 Revised Budget Plan* estimate. The County received approximately \$111.4 million in stimulus funds from the American Rescue Plan Act (ARPA) of 2021 to mitigate revenue shortfalls and the negative effects of the pandemic. This revenue was recognized and appropriated in the General Fund to provide the County flexibility in responding to the ongoing crisis.