

Response to Questions on the FY 2006 Advertised Budget Plan

Request By: Chairman Connolly

Question: Provide a chart that shows the total property tax liability impact of the last five years netting out the impact of the Personal Property Tax Relief Act and adjusting for inflation.

Response: Chart 1 shows total property tax liability per “typical” household in Fairfax County, not adjusted for inflation. The “typical” household is projected to pay \$4,818.71 in combined real estate and personal property taxes in FY 2006, or \$500.87 more than in FY 2005. From FY 1991 to FY 2006, the increase is \$2,243.32, or an average annual increase of 4.3 percent.

Chart 2 shows total property tax liability per “typical” household in Fairfax County, adjusted for inflation. In FY 2006 dollars, the “typical” household is projected to pay \$371.34 more in FY 2006 than in FY 2005. From FY 1991 to FY 2006, the increase after adjusting for inflation is \$1,063.10, or an average annual increase of 1.7 percent.

Chart 1
Property Taxes Per "Typical" Household

	Real Estate Tax	Real Estate Tax Change from Prior Year	Personal Property Tax After PPTRA¹	Personal Property Tax After PPTRA Change From Prior Year	Total Property Taxes	Total Property Taxes Change from Prior Year
FY 1991	\$2,181.31		\$394.08		\$2,575.39	
FY 1992	\$2,147.61	(\$33.70)	\$389.84	(\$4.24)	\$2,537.45	(\$37.94)
FY 1993	\$2,164.41	\$16.80	\$397.04	\$7.20	\$2,561.45	\$24.00
FY 1994	\$2,162.65	(\$1.76)	\$417.14	\$20.10	\$2,579.79	\$18.34
FY 1995	\$2,178.61	\$15.96	\$465.62	\$48.47	\$2,644.23	\$64.43
FY 1996	\$2,208.19	\$29.58	\$516.94	\$51.32	\$2,725.13	\$80.90
FY 1997	\$2,350.46	\$142.27	\$560.12	\$43.18	\$2,910.58	\$185.45
FY 1998	\$2,351.13	\$0.68	\$567.27	\$7.14	\$2,918.40	\$7.82
FY 1999	\$2,369.80	\$18.67	\$515.12	(\$52.15)	\$2,884.92	(\$33.48)
FY 2000	\$2,407.27	\$37.47	\$461.37	(\$53.74)	\$2,868.64	(\$16.28)
FY 2001	\$2,559.95	\$152.68	\$373.55	(\$87.82)	\$2,933.50	\$64.86
FY 2002	\$2,887.41	\$327.46	\$225.53	(\$148.02)	\$3,112.94	\$179.44
FY 2003	\$3,351.03	\$463.62	\$233.82	\$8.29	\$3,584.85	\$471.91
FY 2004	\$3,726.36	\$375.33	\$243.59	\$9.77	\$3,969.95	\$385.10
FY 2005 ^{2,3}	\$4,083.07	\$356.71	\$234.76	(\$8.82)	\$4,317.84	\$347.89
FY 2006 ^{2,3}	\$4,581.09	\$498.02	\$237.62	\$2.86	\$4,818.71	\$500.87

¹FY 1999 reflects a refund of 12.5 percent paid to citizens by the Commonwealth, FY 2000 incorporates a 27.5 percent reduction, FY2001 incorporates a 47.5 percent reduction, and FY 2002 through FY 2006 incorporates a 70.0 percent reduction in Personal Property Tax bills sent to citizens. The difference in revenue will be paid to the County by the Commonwealth.

² Estimate

³The decrease in FY 2005 Personal Property Taxes paid per typical household reflects a high rate of depreciation for used vehicles based on National Automobile Dealers' Association data. The rate of depreciation is projected to slow in FY 2006.

Chart 2
Property Taxes Per "Typical" Household
Adjusted For Inflation

	Real Estate Tax in FY 2006 Dollars	Real Estate Tax Change from Prior Year	Personal Property Tax After PPTRA in FY 2006 Dollars¹	Personal Property Tax After PPTRA Change From Prior Year	Total Property Taxes After PPTRA in FY 2006 Dollars¹	Total Property Taxes Change from Prior Year
FY 1991	\$3,180.93		\$574.68		\$3,755.61	
FY 1992	\$3,047.44	(\$133.49)	\$553.19	(\$21.49)	\$3,600.62	(\$154.99)
FY 1993	\$2,980.71	(\$66.73)	\$546.79	(\$6.40)	\$3,527.49	(\$73.13)
FY 1994	\$2,927.27	(\$53.44)	\$564.63	\$17.84	\$3,491.90	(\$35.60)
FY 1995	\$2,867.64	(\$59.63)	\$612.88	\$48.25	\$3,480.52	(\$11.38)
FY 1996	\$2,833.96	(\$33.68)	\$663.43	\$50.55	\$3,497.39	\$16.87
FY 1997	\$2,964.69	\$130.74	\$706.50	\$43.07	\$3,671.19	\$173.80
FY 1998	\$2,916.51	(\$48.19)	\$703.68	(\$2.82)	\$3,620.19	(\$51.01)
FY 1999	\$2,889.08	(\$27.43)	\$627.99	(\$75.69)	\$3,517.07	(\$103.12)
FY 2000	\$2,831.88	(\$57.20)	\$542.75	(\$85.24)	\$3,374.63	(\$142.44)
FY 2001	\$2,946.26	\$114.38	\$429.92	(\$112.83)	\$3,376.18	\$1.55
FY 2002	\$3,246.94	\$300.69	\$253.61	(\$176.31)	\$3,500.55	\$124.37
FY 2003	\$3,658.60	\$411.66	\$255.28	\$1.67	\$3,913.88	\$413.33
FY 2004	\$3,953.30	\$294.70	\$258.42	\$3.14	\$4,211.72	\$297.84
FY 2005 ²	\$4,205.57	\$252.27	\$241.81	(\$16.61)	\$4,447.37	\$235.66
FY 2006 ²	\$4,581.09	\$375.52	\$237.62	(\$4.19)	\$4,818.71	\$371.34

¹FY 1999 reflects a refund of 12.5 percent paid to citizens by the Commonwealth, FY 2000 incorporates a 27.5 percent reduction, FY 2001 incorporates a 47.5 percent reduction, and FY 2002 through FY 2006 incorporates a 70.0 percent reduction in Personal Property Tax bills sent to citizens. The difference in revenue will be paid to the County by the Commonwealth.

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