

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

# SUMMARY OF GENERAL FUND RECEIPTS

*Attachment II*

Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2017 Actual	Change from the FY 2017 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,437,226,930	\$2,600,366,481	\$2,600,366,481	\$2,601,461,886	\$1,095,405	0.0%
Personal Property Taxes - Current and Delinquent <sup>1</sup>	592,270,944	594,588,125	599,332,817	612,709,607	13,376,790	2.2%
Other Local Taxes	509,362,023	510,976,755	507,645,070	512,988,783	5,343,713	1.1%
Permits, Fees and Regulatory Licenses	48,443,054	47,384,162	50,178,317	52,201,079	2,022,762	4.0%
Fines and Forfeitures	11,648,758	12,443,009	11,553,152	12,725,041	1,171,889	10.1%
Revenue from Use of Money/Property	21,635,558	22,582,955	25,674,277	29,540,815	3,866,538	15.1%
Charges for Services	79,208,450	76,031,208	80,537,966	81,821,185	1,283,219	1.6%
Revenue from the Commonwealth and Federal Government <sup>1</sup>	132,485,639	130,118,030	131,153,402	137,625,334	6,471,932	4.9%
Recovered Costs / Other Revenue	17,680,571	16,471,349	16,423,681	16,921,887	498,206	3.0%
<b>Total Revenue</b>	<b>\$3,849,961,927</b>	<b>\$4,010,962,074</b>	<b>\$4,022,865,163</b>	<b>\$4,057,995,617</b>	<b>\$35,130,454</b>	<b>0.9%</b>
Transfers In	9,828,217	10,165,872	10,165,872	10,165,872	0	0.0%
<b>Total Receipts</b>	<b>\$3,859,790,144</b>	<b>\$4,021,127,946</b>	<b>\$4,033,031,035</b>	<b>\$4,068,161,489</b>	<b>\$35,130,454</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 2017 are \$4,068,161,489, an increase of \$35,130,454, or 0.9 percent, over the *FY 2017 Revised Budget Plan* estimate. The increase is the result of increases in Real Estate and Personal Property Tax receipts, Other Local Taxes, Permits, Fees and Regulatory Licenses, Fines and Forfeitures, Revenues from the Use of Money/Property, Charges for Services, and Revenue from the Commonwealth and the Federal Government. 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. FY 2017 General Fund revenues grew 5.4 percent compared to the 3.0 percent growth rate experienced in FY 2016.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2018 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. A possible area of concern is the continued modest growth in the County's FY 2017 Business, Professional, and Occupational License (BPOL) and Sales Taxes, two revenue sources that are a good indicator of economic activity in the County. Another concern is the uncertainty associated with the direction of the federal budget and potential reductions in the federal workforce, which could negatively impact the County's economy. The impact of economic conditions on FY 2018 revenues will be more apparent during the fall 2017 revenue review after several months of actual FY 2018 collections have been received. Any necessary FY 2018 revenue adjustments will be made as part of the fall review or during the *FY 2018 Third Quarter Review*.

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

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$2,437,226,930	\$2,600,366,481	\$2,600,366,481	\$2,601,461,886	\$1,095,405	0.0%

Total Real Estate Taxes in FY 2017 are \$2,601,461,886, an increase of \$1,095,405, or 0.04 percent, over the *FY 2017 Revised Budget Plan*. FY 2017 Current Real Estate Taxes are \$2,591,479,485, representing an increase of \$74,019 over the *FY 2017 Revised Budget Plan*. This slight increase is due to a higher than projected collection rate and higher than expected Public Service Corporation (PSC) collections, partially offset by higher than expected exonerations. The budget estimate included a 99.70 percent collection rate and the actual FY 2017 collection rate is 99.78 percent. The increase in the collection rate accounted for a revenue increase of \$2.1 million. In addition, PSC collections were \$0.2 million higher than expected. These increases were offset by a decrease of \$2.2 million, due to higher than expected exonerations.

FY 2017 Delinquent Real Estate Taxes are \$9,982,401, an increase of \$1.0 million, or 11.4 percent, over the *FY 2017 Revised Budget Plan* estimate due to significant collection and enforcement activity by the Department of Tax Administration.

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

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$592,270,944	\$594,588,125	\$599,332,817	\$612,709,607	\$13,376,790	2.2%

Total Personal Property Taxes in FY 2017 are \$612,709,607, an increase of \$13,376,790, or 2.2 percent, over the *FY 2017 Revised Budget Plan*. FY 2017 collections for Current Personal Property Taxes are \$597,295,933, an increase of \$11,016,203, or 2.9 percent, over the *FY 2017 Revised Budget Plan* estimate. The increase is primarily due to a higher than expected vehicle levy and PSC levy. Of the total FY 2017 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 98.3 percent was achieved in FY 2017 on the taxpayer's portion of Personal Property levy compared to the 98.0 percent projected.

FY 2017 Delinquent Personal Property Taxes are \$15,413,674, an increase of \$2,360,587, or 18.1 percent, over the *FY 2017 Revised Budget Plan* estimate. Strong delinquent collections demonstrate the significant enforcement activity and the innovative collection methods utilized by the Department of Tax Administration.

<b>OTHER LOCAL TAXES</b>
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Actual FY 2017 collections for Other Local Taxes are \$512,988,783, a net increase of \$5,343,713 over the *FY 2017 Revised Budget Plan* estimate of \$507,645,070. This increase is primarily due to increases in Bank Franchise Taxes, Recordation and Deed of Conveyance Taxes, Transient Occupancy Taxes, and Business, Professional and Occupational License (BPOL) Taxes, partially offset by a decrease in Sales Taxes and Communications Sales Taxes.

***FY 2017 Carryover Review***

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## LOCAL SALES TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$178,839,665	\$183,495,638	\$178,839,665	\$176,640,712	(\$2,198,953)	(1.2%)

Actual FY 2017 Sales Tax receipts are \$176,640,712, a decrease of \$2,198,953, or 1.2 percent, from the *FY 2017 Revised Budget Plan* estimate. During the fall 2016 revenue review, the FY 2017 estimate was decreased \$4.7 million to the same level received in FY 2016 based on year-to-date collections. Receipts were lower than expected and ended the fiscal year 1.2 percent down from FY 2016. The decline was primarily due to a \$2.5 million refund. In addition, FY 2016 collections included a \$2.2 million audit increase, making the annual comparison less favorable. Adjusted for misallocations and refunds, FY 2017 collections would have increased 1.5 percent.

## BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$153,540,723	\$154,059,333	\$155,076,130	\$155,389,182	\$313,052	0.2%

Actual FY 2017 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$155,389,182, an increase of \$313,052, or 0.2 percent, over the *FY 2017 Revised Budget Plan* estimate. The budget estimate was increased \$1.0 million during the fall 2016 revenue review based on an econometric model that uses calendar year sales tax and employment as predictors. 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 2017 receipts increased 1.2 percent over the FY 2016 level. In FY 2017, the combined Consultant and Business Service Occupations categories, which represent 42 percent of total BPOL receipts, increased 0.5 percent over the FY 2016 level. The remaining categories rose a combined 1.7 percent. The Retail category, which represents 20 percent of total BPOL receipts, rose 0.4 percent in FY 2017.

## BANK FRANCHISE TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$19,994,503	\$16,407,450	\$17,995,053	\$21,760,870	\$3,765,817	20.9%

Actual FY 2017 Bank Franchise Tax revenue is \$21,760,870, an increase of \$3,765,817, or 20.9 percent, over the *FY 2017 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a particularly difficult category to project. FY 2017 Bank Franchise Tax receipts grew 8.8 percent over the FY 2016 level due to continued growth in bank assets.

## RECORDATION/DEED OF CONVEYANCE TAXES

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$30,252,619	\$28,976,408	\$30,401,582	\$32,190,772	\$1,789,190	5.9%

Actual FY 2017 Recordation and Deed of Conveyance Tax revenue is \$32,190,772, an increase of \$1,789,190, or 5.9 percent, over the *FY 2017 Revised Budget Plan*. Based on the previous fiscal year actual ***FY 2017 Carryover Review***

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receipts and early collection trends, the revenue estimate was increased \$1.4 million during the fall 2016 revenue review, reflecting an increase of 0.5 percent over the FY 2016 level. Mortgage refinancing and home sales were stronger than initially expected during FY 2017 and receipts grew 6.4 percent over the FY 2016 level.

## TRANSIENT OCCUPANCY TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$20,504,253	\$21,054,723	\$21,054,723	\$21,855,538	\$800,815	3.8%

Actual FY 2017 Transient Occupancy Tax receipts are \$21,855,538, an increase of \$800,815, or 3.8 percent, over the *FY 2017 Revised Budget Plan*. Transient Occupancy Tax receipts rose more than expected and total FY 2017 taxes are up 6.6 percent over the FY 2016 level.

## CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$45,152,756	\$46,274,832	\$44,926,992	\$45,185,091	\$258,099	0.6%

Actual FY 2017 revenue from the Consumer Utility Taxes is \$45,185,091, an increase of \$258,099, or 0.6 percent, over the *FY 2017 Revised Budget Plan*. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services. The budget estimate was decreased \$1.3 million during the fall 2016 review, based on actual FY 2016 collections and year-to-date trends. While receipts were expected to decrease 0.5 percent for the year, actual collections were essentially level with FY 2016, increasing a slight 0.1 percent.

<b>REVENUE FROM THE USE OF MONEY AND PROPERTY</b>
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## INVESTMENT INTEREST

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$16,168,492	\$19,724,724	\$23,621,772	\$27,534,919	\$3,913,147	16.6%

Actual FY 2017 Interest on Investments is \$27,534,919, an increase of \$3,913,147, or 16.6 percent, over the *FY 2017 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 2017. The actual FY 2017 average portfolio of \$3,123.6 million earned a yield of 1.14 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio was 77.19 percent.

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

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$48,443,054	\$47,384,162	\$50,178,317	\$52,201,079	\$2,022,762	4.0%

Actual FY 2017 revenue from Permits, Fees and Regulatory Licenses is \$52,201,079, an increase of \$2,022,762, or 4.0 percent, over the *FY 2017 Revised Budget Plan*. This increase is primarily due to higher than projected receipts for Building and Inspection fees and Zoning fees.

Actual FY 2017 revenue from Building and Inspection fees is \$39.6 million, \$1.5 million more than estimated. The budget estimate was raised \$2.3 million during the fall 2016 revenue review based on year-to-date collection trends and again by \$0.25 million at the *FY 2017 Third Quarter Review*. Issuance of building permits was stronger than expected and FY 2017 revenues increased 8.9 percent over the FY 2016 level. In addition, Zoning fees are \$3.5 million, \$0.7 million higher than projected.

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

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$11,648,758	\$12,443,009	\$11,553,152	\$12,725,041	\$1,171,889	10.1%

Actual FY 2017 revenue from Fines and Forfeitures is \$12,725,041, an increase of \$1,171,889, or 10.1 percent, over the *FY 2017 Revised Budget Plan*. This net increase is primarily due to higher than projected receipts from General District Court fines and higher than projected receipts from Parking Violation fines. General District Court fines in FY 2017 are \$7.3 million, an increase of \$0.8 million over the *FY 2017 Revised Budget Plan* estimate. In addition, Parking Violation fines are \$2.4 million, an increase of \$0.2 million over the *FY 2017 Revised Budget Plan* estimate.

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

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$79,208,450	\$76,031,208	\$80,537,966	\$81,821,185	\$1,283,219	1.6%

Actual FY 2017 revenue from Charges for Services is \$81,821,185, an increase of \$1,283,219, or 1.6 percent, over the *FY 2017 Revised Budget Plan* estimate. This increase is primarily due to higher than projected Emergency Management Services (EMS) Transport fees, and higher than expected School Age Child Care (SACC) fees, offset by lower than expected Police Reimbursement fees. EMS fees are \$21.5 million, an increase of \$1.4 million over the *FY 2017 Revised Budget Plan* estimate, rising 8.1 percent in FY 2017. The increase was primarily the result of improved billing processes and higher call volume. In addition, SACC fees are \$41.8 million, \$0.3 million higher than projected, increasing 2.7 percent for the year. Police Reimbursement Fees are \$0.97 million, a decrease of \$0.3 million from the *FY 2017 Revised Budget Plan* estimate.

***FY 2017 Carryover Review***

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<b>RECOVERED COSTS / OTHER REVENUE</b>
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### RECOVERED COSTS / OTHER REVENUE

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$17,680,571	\$16,471,349	\$16,423,681	\$16,921,887	\$498,206	3.0%

Actual FY 2017 Revenue from Recovered Costs/Other Revenue is \$16,921,887, a net increase of \$498,206, or 3.0 percent, over the *FY 2017 Revised Budget Plan*. The increase is primarily due to higher than expected City of Falls Church and City of Fairfax public assistance recovered costs.

<b>REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT</b>
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### REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT<sup>1</sup>

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2017 Actual	Increase/ (Decrease)	Percent Change
\$132,485,639	\$130,118,030	\$131,153,402	\$137,625,334	\$6,471,932	4.9%

<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 2017 Revenue from the Commonwealth and Federal Government is \$137,625,334, a net increase of \$6,471,932, or 4.9 percent, over the *FY 2017 Revised Budget Plan*. Net additional revenue of \$3.5 million is due to reimbursable expenditures for various public assistance programs. In addition, federal emergency assistance funding of \$2.0 million was received for reimbursement of expenses incurred by the County during severe storms. Federal funding of \$0.7 million was received for holding illegal immigrants in County jails, \$0.3 million more than anticipated.