

FY 2018 Third Quarter Review
Attachment II – General Fund Receipts / Transfers In

**SUMMARY OF GENERAL FUND REVENUE
AND TRANSFERS IN**

Category	FY 2017 Actual	FY 2018 Revised Budget Plan as of FY 2017 Carryover	FY 2018 Fall Estimate ¹	FY 2018 Third Quarter Budget Estimate	Change from the FY 2018 Fall Estimate	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current & Delinquent	\$2,601,545,806	\$2,649,504,731	\$2,650,038,663	\$2,650,038,663	\$0	0.00%
Personal Property Taxes - Current & Delinquent ²	612,907,444	611,766,244	613,684,660	613,684,660	0	0.00%
Other Local Taxes	513,759,923	515,390,893	514,949,763	514,949,763	0	0.00%
Permits, Fees and Regulatory Licenses	52,201,079	52,622,873	52,950,742	52,950,742	0	0.00%
Fines and Forfeitures	12,725,041	11,684,270	12,089,035	12,089,035	0	0.00%
Revenue from Use of Money/Property	29,542,600	32,280,345	41,761,989	41,761,989	0	0.00%
Charges for Services	81,485,018	81,370,947	81,097,289	81,097,289	0	0.00%
Revenue from the Commonwealth and Federal Government ²	137,879,883	132,476,287	132,476,287	132,476,287	0	0.00%
Recovered Costs/ Other Revenue	16,923,470	16,480,180	16,317,223	16,317,223	0	0.00%
Total Revenue	\$4,058,970,264	\$4,103,576,770	\$4,115,365,651	\$4,115,365,651	\$0	0.00%
Transfers In	10,165,872	10,068,651	10,068,651	10,068,651	0	0.00%
Total Receipts	\$4,069,136,136	\$4,113,645,421	\$4,125,434,302	\$4,125,434,302	\$0	0.00%

¹ FY 2018 revenue estimates were increased a net \$11.8 million as part of a fall 2017 review of revenues. Explanations of these changes can be found in the following narrative.

² 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.

Total receipts, including Transfers In, are estimated at \$4,125,434,302 and reflect no change from the FY 2018 fall estimate. As noted in the [FY 2019 Advertised Budget Plan](#), FY 2018 revenue estimates were increased a net \$11.8 million as part of a fall 2017 revenue review prior to the Third Quarter Review during the development of the FY 2019 budget. These adjustments were based on actual FY 2017 receipts and collections through the first several months of FY 2018. Revenue changes made during the fall revenue review are discussed throughout this Attachment. Any impact to FY 2019 revenue estimates from these FY 2018 adjustments is already included in the [FY 2019 Advertised Budget Plan](#).

Because many revenue categories are sensitive to economic conditions, there is the potential that actual receipts may deviate from the revenue estimates included in this Attachment. It should be noted that little information is available concerning Business, Professional, and Occupational License (BPOL) Taxes, since filings and payments are not due until March 1, with additional time required to process returns. In addition, revenue from the Bank Franchise Tax is not received until late May or early June so there is no information currently available to help estimate FY 2018 receipts. All revenue categories are closely monitored with respect to collections and the effects of changes in economic activity. Any necessary FY 2019 revenue adjustments will be included in the Add-On Review.

REAL ESTATE TAX-CURRENT

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$2,591,563,405	\$2,640,543,716	\$2,641,077,648	\$2,641,077,648	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Current Real Estate Taxes of \$2,641,077,648 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 Real Estate Tax estimate was increased \$0.5 million based on final Public Service Corporation assessments by the Commonwealth of Virginia.

PERSONAL PROPERTY TAX-CURRENT

	FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
Paid Locally	\$386,179,826	\$386,699,213	\$387,630,237	\$387,630,237	\$0	0.0%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	\$597,493,770	\$598,013,157	\$598,944,181	\$598,944,181	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Current Personal Property Taxes of \$598,944,181 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 Personal Property Tax estimate was increased a net \$0.9 million primarily as a result of final Public Service Corporation assessments by the Commonwealth of Virginia.

PERSONAL PROPERTY TAX-DELINQUENT

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$15,413,674	\$13,753,087	\$14,740,479	\$14,740,479	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Delinquent Personal Property Taxes of \$14,740,479 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 Delinquent Personal Property Tax estimate was increased \$1.0 million based on collection trends and account receivable balances.

LOCAL SALES TAX

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$176,640,592	\$183,310,657	\$181,157,888	\$181,157,888	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Sales Tax of \$181,157,888 represents no change from the FY 2018 fall estimate and reflects an increase of 2.6 percent over the FY 2017 level. During the fall 2017

revenue review, the FY 2018 estimate for Sales Tax receipts was decreased \$2.2 million based on FY 2017 actual receipts and year-to-date FY 2018 collections. FY 2017 receipts ended the fiscal year 1.2 percent down from FY 2016 primarily due to a \$2.5 million refund during the year. FY 2018 Sales Tax receipts through February, representing retail sales through December, are up 3.0 percent. February collections for sales during the holiday shopping season in December were up a modest 0.9 percent. No change in the FY 2018 Sales Tax estimate is being made during the Third Quarter Review.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$155,389,830	\$157,402,272	\$157,720,677	\$157,720,677	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Business, Professional and Occupational License (BPOL) Taxes of \$157,720,677 represents no change from the FY 2018 fall estimate. Based on actual FY 2017 receipts and an econometric model using calendar year Sales Tax receipts and employment as predictors, the FY 2018 BPOL estimate was increased \$0.3 million during the fall 2017 revenue review, representing an increase of 1.5 percent over FY 2017. Since County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year, little actual data is available at this time to help estimate FY 2018 receipts. Therefore, the FY 2018 BPOL estimate has not been adjusted further during the Third Quarter review.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$32,190,772	\$30,466,027	\$30,885,051	\$30,885,051	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Deed of Conveyance and Recordation Taxes of \$30,885,051 represents no change from the FY 2018 fall estimate. Recordation and Deed of Conveyance Taxes are paid when homes are sold. Recordation taxes are also paid when homes are refinanced. Based on actual FY 2017 receipts and collection trends, the Deed of Conveyance Tax estimate was increased \$0.4 million during the fall 2017 revenue review, reflecting an increase of 2.0 percent over the FY 2017 level. The FY 2018 estimate for Recordation Tax was not adjusted and reflects a decrease of 5.7 percent as a result of decreasing volume of mortgage refinancing activity.

CIGARETTE TAX

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$6,838,274	\$6,968,664	\$6,594,603	\$6,594,603	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Cigarette Tax of \$6,594,603 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 estimate was decreased \$0.4

million, reflecting a decline of 3.6 percent, based on actual receipts during FY 2017 and collection trends during FY 2018. Cigarette Tax receipts fell for a fifth consecutive year, decreasing 4.6 percent in FY 2017.

COMMUNICATIONS SALES AND USE TAX

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$14,265,995	\$14,825,739	\$12,966,249	\$12,966,249	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for the Communication Sales and Use Tax of \$12,966,249 represents no change from the FY 2018 fall estimate. Based on actual receipts during FY 2017 and collection trends, the FY 2018 estimate was reduced \$1.9 million as part of the fall 2017 revenue review.

CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$45,204,598	\$44,926,992	\$45,307,162	\$45,307,162	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for the Consumer Utility Taxes of \$45,307,162 represents no change from the FY 2018 fall estimate. Based on actual receipts during FY 2017 and collection trends, the FY 2018 estimate was increased \$0.4 million as part of the fall 2017 revenue review, reflecting an increase of 0.5 percent over FY 2017.

PERMITS, FEES AND REGULATORY LICENSES

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$52,201,079	\$52,622,873	\$52,950,742	\$52,950,742	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Permits, Fees and Regulatory Licenses of \$52,950,742 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, various permit and fees were reviewed and, based on actual FY 2017 receipts and collection trends, FY 2018 estimates were increased a net \$0.3 million.

CHARGES FOR SERVICES

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$81,485,018	\$81,370,947	\$81,097,289	\$81,097,289	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Charges for Services of \$81,097,289 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 Charges for Services

estimate was decreased a net \$0.3 million based on prior year actual receipts and year-to-date collection trends.

FINES AND FORFEITURES

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$12,725,041	\$11,684,270	\$12,089,035	\$12,089,035	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Fines and Forfeitures of \$12,089,035 represents no change from the FY 2018 fall estimate. During the fall 2017 revenue review, the FY 2018 estimate was increased a net \$0.4 million. The increase is primarily the result of adjusting the estimate for Parking Violations revenue based on actual FY 2017 receipts and year-to-date collection trends in FY 2018.

INVESTMENT INTEREST

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$27,536,705	\$30,233,911	\$39,637,147	\$39,637,147	\$0	0.0%

The *FY 2018 Third Quarter Review* estimate for Investment Interest of \$39,637,147 represents no change from the FY 2018 fall estimate. The *FY 2018 Adopted Budget Plan* estimate had assumed an average annual yield of 1.25 percent. Based on the actual FY 2017 level and the assumption that the Fed will continue raising the federal funds rate, the FY 2018 estimate of Interest on Investments was increased \$9.4 million during the fall 2017 revenue review to \$39.6 million. The projected annual yield for FY 2018 is 1.65 percent.

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2017 Actual	FY 2018 Revised as of FY 2017 Carryover	FY 2018 Fall Estimate	FY 2018 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$137,879,883	\$132,476,287	\$132,476,287	\$132,476,287	\$0	0.0%

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" heading in this section.

The *FY 2018 Third Quarter Review* estimate for Revenue from the Commonwealth and Federal Government of \$132,476,287 reflects no change from the FY 2018 fall estimate.