

Response to Questions on the FY 2019 Budget

Request By: Supervisor Storck

Question: Compare revenue Fairfax County receives from the Commonwealth of Virginia to revenue the State receives that can be identified as being generated in Fairfax County.

Response:

The following charts compare revenue Fairfax County receives directly from the Commonwealth of Virginia to revenue in the State's General Fund that can be identified as being generated in Fairfax County. Based on the latest available data as presented in the FY 2017 Virginia Department of Taxation Annual Report and the County's FY 2019 Advertised Budget Plan, the County received 23.6 cents for every \$1 of taxes generated in the County. The average over the past 5 years (FY 2013 to FY 2017) is 22.8 cents for every dollar.

Chart 1 on the following page shows Revenues from the Commonwealth that Fairfax County receives and consist of: (A) funding to the County's General Fund including public assistance and law enforcement funding, (B) revenue received for Fairfax County Public Schools, and (C) revenues that are in the County's other funds. It should be noted that Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act (PPTRA) are excluded from this analysis. A complete schedule of the County's funds receiving Revenue from the Commonwealth is published in the FY 2019 Advertised Budget Plan and is available at the following link <https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2019/advertised/overview/revenue-commonwealth.pdf>.

Chart 2 on the following page shows Fairfax County's identified tax contributions to Virginia's General Fund. Estimates are made for revenues that can be identified as being generated in Fairfax County including income taxes, State sales taxes, and recordation taxes. This information is derived from the Virginia Department of Taxation's Annual Reports.

It should be noted that this analysis does not include revenue that is not directly received by the County from the Commonwealth, such as funds for transportation and roads that is remitted to the Northern Virginia Transportation Commission. The analysis also does not include all State revenue that is generated in the County, including the 0.5 cent sales tax for the Transportation Trust Fund, the gas tax, the sales tax on motor vehicles sold in the County, DMV license fees, bank franchise taxes or cigarette taxes. There is no jurisdictional breakdown of these revenue categories.

Chart 1

FY 2017 Revenue from Virginia to Fairfax County's GF, NGF and Schools

Revenues From the
Commonwealth of Virginia

Fairfax County General Fund \$94,922,321

(A) Excludes PPTRA reimbursement of \$211.3 million - Under the PPTRA, the Commonwealth of Virginia established a statewide program by which it provides a relief for owners of personal-use motor vehicles from local Personal Property tax. The relief flows through the taxing locality, as opposed to being sent directly to the taxpayer.

Fairfax County Public Schools¹ \$622,507,379

(B) Includes State Aid and Sales Tax

Fairfax County Non GF² \$136,710,385

(C) A portion of this revenue is the result of state legislation HB 2313 passed in 2013, which increased the Sales Tax, Transient Occupancy Tax, and Grantor's Tax in Northern Virginia to help fund transportation projects in the region.

**Total Revenue from VA to
Fairfax County GF & Non-GF \$854,140,085**

¹ Includes School Operating, School Food & Nutrition Services, School Grants & Self Supporting, and School Adult & Community Education.

² Includes but not limited to funding for Community Services Board, County Transit Systems, County and Regional Transportation Projects, Grants, Sewer, and Stormwater Services.

GF = General Fund

PPTRA = Personal Property Tax Relief Act

NGF = Non-General Fund

Chart 2

FY 2017 Fairfax County's Identified Tax Contribution to Virginia's GF

Source: FY 2017 Virginia Department of Taxation Annual Report

Individual Income Tax \$3,041,033,187 (Fairfax County represents
23.30% of total VA income tax
receipts in TY 2015)

State Sales Tax \$495,856,152 (Fairfax County represents
14.78% of the Statewide
Local Option Sales Tax
receipts in FY 2017)

Recordation/Deed of Conveyance \$87,579,693 (Fairfax County represents
20.5% of the Recordation Tax
receipts in FY 2017)

Revenue From Fairfax to VA \$3,624,469,031

Percent Returned 23.57%

**Percent Returned to
Fairfax County
from the Commonwealth of
Virginia**

Fiscal Year	Percent Returned
2008	20.82%
2009	21.72%
2010	20.74%
2011	21.12%
2012	21.50%
2013	21.61%
2014	23.35%
2015	22.65%
2016	22.83%
2017	23.57%
10-Year Avg	22.0%
5-Year Avg	22.8%
3-Year Avg	23.0%