

SUMMARY OF GENERAL FUND REVENUE

SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

Category	FY 2021 Actual	FY 2022 Revised Budget Plan as of FY 2021 Carryover ¹	FY 2022 Mid-Year Estimate ¹	FY 2022 Third Quarter Budget Estimate	Change from the FY 2022 Mid-Year Estimate	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current & Delinquent	\$3,006,833,157	\$3,047,959,917	\$3,047,959,917	\$3,051,670,797	\$3,710,880	0.12%
Personal Property Taxes - Current & Delinquent ²	642,393,566	654,120,443	662,966,267	672,019,272	9,053,005	1.37%
Other Local Taxes	549,104,239	525,807,944	545,966,336	559,626,031	13,659,695	2.50%
Permits, Fees and Regulatory Licenses	57,076,113	52,439,181	50,782,784	50,782,784	0	0.00%
Fines and Forfeitures	5,477,214	8,727,970	6,913,687	6,913,687	0	0.00%
Revenue from Use of Money/Property	24,776,135	14,973,158	14,597,536	14,597,536	0	0.00%
Charges for Services	33,695,016	57,519,973	50,885,981	50,885,981	0	0.00%
Revenue from the Commonwealth and Federal Government ²	253,962,109	143,116,142	143,116,142	140,616,142	(2,500,000)	-1.75%
Recovered Costs/ Other Revenue	18,312,162	15,526,944	14,778,130	14,778,130	0	0.00%
Total Revenue	\$4,591,629,711	\$4,520,191,672	\$4,537,966,780	\$4,561,890,360	\$23,923,580	0.53%
Transfers In	8,707,781	24,000,481	24,000,481	24,000,481	0	0.00%
Total Receipts	\$4,600,337,492	\$4,544,192,153	\$4,561,967,261	\$4,585,890,841	\$23,923,580	0.52%

¹ FY 2022 revenue estimates were increased a net \$19.6 million as part of the *FY 2021 Carryover Review* and the *FY 2022 Mid-Year Review*.

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 \$4,585,890,841 and reflect a net increase of \$23,923,580, or 0.5 percent, over the FY 2022 Mid-Year estimate. This increase is primarily the result of a \$13.7 million increase in Other Local Taxes, \$3.7 million in Real Estate Taxes, \$9.1 million in Personal Property Taxes, partially offset by a decrease of \$2.5 million in Revenue from the Commonwealth and Federal Government.

FY 2022 revenue estimates were increased a net \$1.9 million as part of the *FY 2021 Carryover Review* and another \$17.8 million as part of the *FY 2022 Mid-Year Review*. These adjustments were based on actual FY 2021 receipts and collections through the first several months of FY 2022.

The FY 2022 Third Quarter revenue estimates are based on revenue collections through the end of February 2022. 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 2022 receipts. All revenue categories are closely

FY 2022 Third Quarter Review

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monitored with respect to collections and the effects of changes in economic activity. Any necessary FY 2022 and FY 2023 revenue adjustments will be included in the Add-On Review.

REAL ESTATE TAX-CURRENT

FY 2021 Actual	FY 2022 Revised as of FY 2021 Carryover	FY 2022 Mid-Year Estimate	FY 2022 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$2,997,861,231	\$3,039,404,623	\$3,039,404,623	\$3,043,115,503	\$3,710,880	0.1%

The *FY 2022 Third Quarter Review* estimate for Current Real Estate Tax of \$3,043,115,503 reflects an increase of \$3,710,880 or 0.1 percent over the FY 2022 Mid-Year estimate. Lower projected exonerations and higher supplemental assessments are expected to increase revenue by \$3.4 million and \$3.0 million, respectively. In addition, final Public Service Corporation assessments by the Commonwealth of Virginia were \$0.3 million more than anticipated. Partially offsetting the increase is a projected revenue decrease of \$2.9 million as a result of higher than anticipated tax relief for disabled veterans.

PERSONAL PROPERTY TAX-CURRENT

FY 2021 Actual	FY 2022 Revised as of FY 2021 Carryover	FY 2022 Mid-Year Estimate	FY 2022 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$627,578,261	\$639,574,785	\$648,420,609	\$657,473,614	\$9,053,005	1.4%

The *FY 2022 Third Quarter Review* estimate for Current Personal Property Taxes of \$657,473,614 reflects an increase of \$9,053,005 or 1.4 percent over the FY 2022 Mid-Year estimate and represents an increase of 4.8 percent over the FY 2021 level. The revised estimate increase is primarily the result of higher than projected vehicle levy based on higher number of vehicles as compared to the FY 2022 Mid-Year estimate. Throughout the fiscal year, the Department of Tax Administration tracks the volume and the value of vehicles in the County. At the time of the Mid-Year revenue review, the FY 2022 vehicle volume was projected to decline 1.0 percent compared to FY 2021. More vehicles were purchased and moved in the County by the end of calendar year 2021 and as a result, the current projection indicates an increase of 0.6 percent in the number of vehicles for FY 2022 over the FY 2021 level. In addition, business personal property levy reflects an increase of \$1.5 million compared to the FY 2022 Mid-Year estimate.

LOCAL SALES TAX

FY 2021 Actual	FY 2022 Revised as of FY 2021 Carryover	FY 2022 Mid-Year Estimate	FY 2022 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$200,832,101	\$199,209,725	\$207,861,225	\$218,759,355	\$10,898,130	5.2%

The *FY 2022 Third Quarter Review* estimate for Sales Tax of \$218,759,355 reflects an increase of \$10,898,130 or 5.2 percent over the FY 2022 Mid-Year estimate and represents an increase of 8.9 percent over the FY 2021 level. This increase is based on higher than expected year-to-date collections, which are up 15.1 percent through February 2022. The FY 2022 Third Quarter estimate assumes that collections for

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the remaining months of the fiscal year will be level with the same period of FY 2021. According to data from the U.S. Commerce Department, retail sales in February slowed sharply compared to January, suggesting that fading consumer sentiment and surging inflation pressures are starting to impact consumer spending.

TRANSIENT OCCUPANCY TAX

FY 2021 Actual	FY 2022 Revised as of FY 2021 Carryover	FY 2022 Mid-Year Estimate	FY 2022 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$6,637,031	\$7,040,000	\$9,955,000	\$12,716,565	\$2,761,565	27.7%

The *FY 2022 Third Quarter Review* estimate for Transient Occupancy Tax (TOT) of \$12,716,565 reflects an increase of \$2,761,565 or 27.7 percent over the FY 2022 Mid-Year estimate and represents an increase of 91.6 percent over the FY 2021 level. This increase is based on higher than expected year-to-date collections, which are up 107.2 percent through February 2022. Due to the impact of the COVID-19 pandemic that began in the second half of FY 2020, the hotel industry reported its lowest occupancy rates since the Great Depression. Hotel revenue has gradually started to recover, however the Virginia Tourism Corporation noted that business travel is lagging leisure travel and it is not expected to recover until 2024.

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2021 Actual	FY 2022 Revised as of FY 2021 Carryover	FY 2022 Mid-Year Estimate	FY 2022 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$253,962,109	\$143,116,142	\$143,116,142	\$140,616,142	(\$2,500,000)	-1.7%

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 2022 Third Quarter Review* estimate for Revenue from the Commonwealth and Federal Government of \$140,616,142 reflects a decrease of \$2,500,000 or 1.7 percent from the FY 2022 Mid-Year estimate. This decrease is associated with a \$2.0 million decrease in state funding for mandated Children's Services Act services based on the projected FY 2022 costs, which are dependent on the number of youth served and the complexity of services provided. The revenue decrease is offset by a \$4.0 million expenditure decrease for a net savings of \$2.0 million to the General Fund. In addition, a reduction of \$0.5 million is associated with the Adoption Subsidy Program to more accurately align the program's budget with actual spending and aligns with the number of youths served in recent years. The revenue decrease is fully offset by a decrease in expenditures for no net impact to the County.