

# SUMMARY OF GENERAL FUND RECEIPTS

*Attachment II*

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2024 Actual	Change from the FY 2024 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$3,219,286,874	\$3,372,250,645	\$3,377,500,645	\$3,381,502,452	\$4,001,807	0.1%
Personal Property Taxes - Current and Delinquent <sup>1</sup>	\$770,964,756	\$737,455,015	\$748,307,017	\$764,859,419	\$16,552,402	2.2%
Other Local Taxes	\$609,266,024	\$608,008,172	\$609,246,843	\$624,282,333	\$15,035,490	2.5%
Permits, Fees and Regulatory Licenses	\$9,839,241	\$9,835,922	\$9,788,910	\$9,779,071	(\$9,839)	(0.1%)
Fines and Forfeitures	\$7,873,896	\$7,476,019	\$8,380,710	\$8,124,450	(\$256,260)	(3.1%)
Revenue from Use of Money/Property	\$118,639,690	\$126,702,223	\$156,635,315	\$176,769,306	\$20,133,991	12.9%
Charges for Services	\$62,976,188	\$63,309,540	\$67,566,065	\$67,935,000	\$368,935	0.5%
Commonwealth and Federal Government <sup>1</sup>	\$154,657,550	\$155,300,858	\$155,679,257	\$168,845,219	\$13,165,962	8.5%
Recovered Costs / Other Revenue	\$19,823,365	\$17,419,244	\$18,234,080	\$20,901,224	\$2,667,144	14.6%
<b>Total Revenue</b>	<b>\$4,973,327,584</b>	<b>\$5,097,757,638</b>	<b>\$5,151,338,842</b>	<b>\$5,222,998,474</b>	<b>\$71,659,632</b>	<b>1.4%</b>
Transfers In	\$19,712,936	\$9,864,707	\$9,864,707	\$9,864,707	\$0	0.0%
<b>Total Receipts</b>	<b>\$4,993,040,520</b>	<b>\$5,107,622,345</b>	<b>\$5,161,203,549</b>	<b>\$5,232,863,181</b>	<b>\$71,659,632</b>	<b>1.4%</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 2024 are \$5,232,863,181, an increase of \$71,659,632, or 1.4 percent, over the *FY 2024 Revised Budget Plan* estimate. The increase is primarily the result of higher-than-expected Property Tax receipts, Other Local Taxes, Revenue from the Use of Money and Property, and Revenue from the Federal Government. The Federal Reserve has kept the Fed funds rate unchanged since August 2023, which continued to impact the amount of interest revenue the County earned on its investment portfolio, generating almost \$156 million more than FY 2022 and almost \$58 million more than FY 2023. FY 2024 General Fund revenues increased 5.0 percent over the FY 2023 level.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2025 revenue estimates at this time. Staff will monitor economic conditions closely to determine the impact on various revenue sources and any necessary FY 2025 revenue adjustments will be made as part of the fall 2024 review or during the *FY 2025 Third Quarter Review*.

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

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$3,219,286,874	\$3,372,250,645	\$3,377,500,645	\$3,381,502,452	\$4,001,807	0.1%

Total Real Estate Taxes in FY 2024 are \$3,381,502,452, an increase of \$4,001,807, or 0.1 percent, over the *FY 2024 Revised Budget Plan* estimate. This net increase is primarily due to lower than projected exonerations and tax relief, and higher than projected Public Service Corporations (PSC) levy. The collection rate achieved in FY 2024 is 99.60 percent. FY 2024 Real Estate Current Tax revenue reflects an increase of 5.2 percent over FY 2023.

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

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$770,964,756	\$737,455,015	\$748,307,017	\$764,859,419	\$16,552,402	2.2%

Total Personal Property Taxes in FY 2024 are \$764,859,419, an increase of \$16,552,402, or 2.2 percent, over the *FY 2024 Revised Budget Plan* estimate. FY 2024 collections for Current Personal Property Taxes are \$731,857,530, an increase of \$10,565,374 over the *FY 2024 Revised Budget Plan* estimate. Of the total FY 2024 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 96.6 percent was achieved in FY 2024 on the taxpayer’s portion of the Personal Property tax levy. FY 2024 Personal Property Current Tax revenue reflects a decrease of 0.9 percent from FY 2023 primarily due to a decline in the average vehicle levy, partially offset by an increase in the vehicle volume in the County. In FY 2024, the average vehicle levy declined by 4.8 percent compared to FY 2023, while the number of vehicles registered in the County increased by 3.4 percent. Due to pandemic related supply chain disruptions and shortages of computer chips, car prices moved significantly higher during the pandemic. To partially offset the unprecedented increase to vehicle values, the Board of Supervisors passed a resolution adopting a vehicle assessment ratio of 85 percent of the trade-in value for Tax Year 2022 (FY 2023), and subsequently adopted a vehicle assessment ratio of 90 percent of the trade-in value for Tax Year 2023 (FY 2024). Normally, vehicles are assessed at 100 percent of the trade-in value.

FY 2024 Delinquent Personal Property Taxes are \$33,001,889, an increase of \$5,987,028, or 22.2 percent, over the *FY 2024 Revised Budget Plan* estimate as a result of significant collection activity by the Department of Tax Administration (DTA).

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<b>OTHER LOCAL TAXES</b>
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Actual FY 2024 collections for Other Local Taxes are \$624,282,333, a net increase of \$15,035,490, or 2.5 percent, over the *FY 2024 Revised Budget Plan* estimate of \$609,246,843. This increase is primarily due to higher-than-expected Business, Professional, and Occupational License (BPOL) Tax, Transient Occupancy Tax, Bank Franchise Tax, and Recordation/Deed of Conveyance Tax receipts, partially offset by lower-than-expected Sales Tax.

### LOCAL SALES TAX

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$240,066,647	\$247,849,578	\$243,988,880	\$243,239,087	(\$749,793)	(0.3%)

Actual FY 2024 Sales Tax receipts are \$243,239,087, a decrease of \$749,793, or 0.3 percent, from the *FY 2024 Revised Budget Plan* estimate. The decrease is primarily due to lower than anticipated receipts towards the end of the fiscal year as a result of refunds and corrections processed by the state in the amount of \$2.2 million. During the fall 2023 revenue review, the FY 2024 estimate was reduced a total of \$3.9 million based on actual FY 2023 collections and year-to-date receipts, representing a projected increase of 1.6 percent over FY 2023. Actual FY 2024 Sales tax receipts reflect an increase of 1.3 percent compared to the FY 2023 level.

### BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$195,040,792	\$191,720,120	\$197,971,425	\$203,891,140	\$5,919,715	3.0%

Actual FY 2024 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$203,891,140, an increase of \$5,919,715, or 3.0 percent, over the *FY 2024 Revised Budget Plan* estimate. Little actual data about this revenue category is available until late in the fiscal year because the majority of 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 2024 receipts increased 4.5 percent over FY 2023. In FY 2024, the combined Consultant and Business Service Occupations categories, which represent almost 43 percent of total BPOL receipts, increased 4.9 percent over the FY 2023 level, while the Professional Occupations category, which represents 12 percent of total BPOL receipts, increased 12.7 percent. The Retail category, which represents almost 19 percent of total BPOL receipts, increased only 0.7 percent over FY 2023. Heavily impacted by the pandemic disruptions, the Hotels/Motels category continued to recover, increasing 19.3 percent in FY 2024.

### TRANSIENT OCCUPANCY TAX

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$22,259,139	\$23,077,522	\$23,550,000	\$24,122,618	\$572,618	2.4%

Actual FY 2024 receipts from the Transient Occupancy Tax (TOT) are \$24,122,618, an increase of \$572,618, or 2.4 percent, over the *FY 2024 Revised Budget Plan* estimate. FY 2024 TOT revenue has surpassed the pre-pandemic collection levels, primarily as a result of higher hotel average daily rates (ADR)

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and higher hotel occupancy rates. Due to the impact of the COVID-19 pandemic, TOT collections decreased almost 58 percent in FY 2021. Collections increased 135.8 percent and 42.2 percent in FY 2022 and FY 2023 respectively, while FY 2024 receipts reflect a growth rate of 8.4 percent.

## BANK FRANCHISE TAX

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$30,927,958	\$26,078,885	\$28,991,958	\$31,009,673	\$2,017,715	7.0%

Actual FY 2024 Bank Franchise Tax revenue is \$31,009,673, an increase of \$2,017,715, or 7.0 percent, over the *FY 2024 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a particularly difficult category to project. During the fall 2023 revenue review, the FY 2024 estimate was increased a total of \$2.9 million reflecting the average collections in the previous two fiscal years. Actual Bank Franchise Tax receipts increased only 0.3 percent in FY 2024, after increasing 14.3 percent in FY 2023.

## RECORDATION/DEED OF CONVEYANCE TAXES

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$27,817,612	\$27,632,106	\$22,964,570	\$25,339,824	\$2,375,254	10.3%

Actual FY 2024 Recordation and Deed of Conveyance Tax revenue is \$25,339,824, an increase of \$2,375,254, or 10.3 percent, over the *FY 2024 Revised Budget Plan* estimate. During the fall 2023 revenue review, the FY 2024 estimate was reduced a total of \$4.7 million based on actual FY 2023 collections and year-to-date receipts, representing a projected decrease of 17.4 percent from FY 2023. Collections through November 2023 were 23.6 percent down; however, receipts were stronger in the remainder of the fiscal year. In FY 2024, Recordation Taxes decreased 8.8 percent compared to FY 2023, while Deed of Conveyance Taxes decreased 9.3 percent. The decline was the result of higher mortgage interest rates, lower mortgage refinancing activity, and lower volume of home sales.

<b>REVENUE FROM THE USE OF MONEY AND PROPERTY</b>
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Actual FY 2024 revenue from the Use of Money and Property is \$176,769,306, an increase of \$20,133,991, or 12.9 percent, over the *FY 2024 Revised Budget Plan* estimate and is primarily due to an increase in Interest on Investments.

## INVESTMENT INTEREST

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$116,296,231	\$124,501,922	\$154,435,014	\$174,136,103	\$19,701,089	12.8%

Actual FY 2024 Interest on Investments is \$174,136,103, an increase of \$19,701,089, or 12.8 percent, over the *FY 2024 Revised Budget Plan* estimate as a result of higher than projected average portfolio size and higher yield. Annual revenue in this category is based on a combination of factors including the average portfolio size, average yield, and the share of interest earnings attributable to the General Fund. The actual

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FY 2024 average portfolio of \$5,124.9 million earned a yield of 4.33 percent. The General Fund’s average interest allocation of total interest earned on the investment portfolio net of administrative fees was 82.74 percent. FY 2024 Investment Interest revenue increased almost \$58 million compared to the FY 2023 level as a result of tight monetary policy by the Federal Reserve, which maintained the Fed funds rate unchanged since August 2023 to combat persistently high inflation.

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

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$19,823,365	\$17,419,244	\$18,234,080	\$20,901,224	\$2,667,144	14.6%

Actual FY 2024 Revenue from Recovered Costs/Other Revenue is \$20,901,224, a net increase of \$2,667,144, or 14.6 percent, over the *FY 2024 Revised Budget Plan* estimate. The increase is primarily due to increased revenue associated with billings for the City of Fairfax and City of Falls Church Shared Public Assistance Expenses reimbursements in FY 2024.

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

FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2024 Actual	Increase/ (Decrease)	Percent Change
\$154,657,550	\$155,300,858	\$155,679,257	\$168,845,219	\$13,165,962	8.5%

<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 2024 Revenue from the Commonwealth and Federal Government is \$168,845,219, a net increase of \$13,165,962, or 8.5 percent, over the *FY 2024 Revised Budget Plan* estimate. The increase is primarily due to additional revenue associated with reimbursable expenditures for public assistance programs, as well as higher state reimbursement revenue for the Juvenile and Domestic Relations District Court.