

Department of Tax Administration

Mission To uniformly and efficiently assess and collect County revenue, provide high-quality customer service, and promote an empowered, well-informed community.

Connection to the Countywide Strategic Plan

The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community, and uses our One Fairfax equity policy to invest in people and places that have limited access to opportunity. On February 20, 2024, the second Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the community outcome areas, plus three data dashboards and data stories that are being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Three Implementation Model, which will engage hundreds of County subject-matter experts to identify and champion the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit www.fairfaxcounty.gov/strategicplan. The Department of Tax Administration primarily supports the following Community Outcome Area:



Community Outcome Area	Vision Statement
Effective and Efficient Government	<i>All people trust that their government responsibly manages resources, is responsive to their needs, provides exceptional services and equitably represents them.</i>

Focus The Department of Tax Administration (DTA) assesses and collects taxes fairly and in accordance with relevant County and state codes. The department is composed of four main cost centers: Department Supervision; Real Estate; Personal Property and Business License; and Revenue Collection.

DTA is committed to maintaining a diverse workforce which currently serves residents in a total of 25 different languages. This diversity allows the department to address equity actions as outlined in DTA's One Fairfax Equity Impact Plan. In FY 2025, DTA will continue to focus on efforts to increase residents' secure access to pertinent tax information. Since FY 2016, DTA and the Department of Information Technology (DIT) have offered the MyFairfax secure e-commerce web portal that allows taxpayers to directly access their own real estate and personal property tax accounts, including payment history. Through this account, residents can make tax payments, research accounts receivable information and register new properties for taxation, thereby decreasing the need to visit the Government Center or telephone the department for assistance. DTA continues to bolster its public outreach campaign to encourage residents to do business online and over the phone. By

doing so, DTA has seen a reduction in foot traffic and an 8.8 percent increase in online Personal Property tax transactions. Additionally, DTA has implemented appointment software that allows residents to make appointments online, using an application over the phone, and in-person.

DTA started its technology modernization journey by migrating from the mainframe in 2021. The Tax and Business System (TABS) application for Personal Property taxes was implemented on a modern technical platform. This migration created opportunities for enhancing the current system offering and opened pathways to interface with newer cloud platforms and applications. In the past two years, DTA has improved its service to residents by auto-filing vehicles received from the Virginia Department of Motor Vehicles and tuning the digital payment infrastructure to withstand higher volumes, thereby increasing online payments during the 2023 Personal Property tax season. DTA leveraged capabilities offered by DocuSign to create digital forms for the public which further helped in reducing paper and foot traffic. Improvements were also made to the Business, Professional and Occupational Licenses (BPOL) forms and electronic filing process which has increased the online filing rate to 60 percent. Further, DTA just completed the Tax Relief Upgrade Project, which incorporates recent tax relief legislative changes and offers a richer set of features to work with. Some other initiatives underway are the installation of kiosks in four locations across the County, allowing the public to view bills through the Tax Portal, implementing a Customer Relationship Management (CRM) system for personal property correspondence, and the offsite hosting of the real estate infrastructure.

DTA appraisers in the Real Estate cost center handle the assessment of all residential and commercial properties. The real estate taxes generated from assessments account for approximately two-thirds of all General Fund revenue. In 2023, even with mortgage rates in the 6.0 – 7.0 percent range, residential real estate in Fairfax County continued to experience a modestly strong sellers' market due to historically low inventories, as was the case throughout Northern Virginia. By the end of calendar year 2023, home prices, on average, were somewhat higher than they were 12 months prior, but the increase was below what the County experienced in the previous two years. This was the primary basis for determining residential assessed values for tax year 2024 (FY 2025).

With increasing vacancy rates, higher capitalization rates, and the difficulties in securing commercial financing, the office sector continued to struggle, and assessments were lower as a result. Apartments, retail, and industrial properties were generally stable with slightly higher assessments in some cases. Hotel properties in Fairfax County continued the path back to normalcy with higher occupancies and increasing revenue and assessed values for 2024 are at or near pre-pandemic levels. Data centers continued to become more prevalent in Fairfax County with several new developments nearing completion and coming online in 2023 or 2024.

In FY 2025, the Personal Property and Business License cost center will continue identifying businesses that have yet to register with the County. Current processes were reviewed to enhance customer experience. As a result, all business filing forms were redesigned. This revamp provides more educational material to first-time filers, makes it easier for businesses to file independently, and reduces the cost of the annual mass mailing process. The cost center is also working to modernize and update the BPOL system to offer more self-service options for the business community. Additionally, the cost center is exploring alternative solutions to develop a business personal property tax filing system that enhances services and realigns DTA with industry standards.

To better serve Fairfax County residents, DTA successfully launched the program to auto-file vehicle owners' personal property tax filing using the DMV database. This enhancement eliminates the 10 percent penalty for those who register with DMV in a timely manner, increases efficiency, and reduces the burden on residents. Quality control efforts concerning the vehicle database and requirements under the Personal Property Tax Relief Act (PPTRA) continue to be high priorities in FY 2025. This cost center will also continue efforts to ensure all vehicles are properly registered with the County. The annual \$250 penalty and \$100 tax on all vehicles not properly displaying a current Virginia license plate is one tool that will continue to be used for this purpose. DTA will also continue its partnership with the Office of the Sheriff and the Police Department in reporting potential vehicle tax evaders. In addition, DTA has successfully partnered with PetData streamlining the dog licensing program, resulting in better customer services.

The Personal Property and Business License cost center also staffs DTA's main telephone call center. Using a Call Management System (CMS), DTA's call center can track call volume and wait times. The CMS helps supervisors make better decisions about workflow more quickly. Additionally, the CMS affords DTA access to a reporting system that provides detailed statistics on staff performance. This information acts as a catalyst to encourage staff to remain focused and provide the best possible service. On average, the main call center runs slightly less than a two-minute wait for service. As call volume spikes at peak times during the year, other DTA divisions provide expansion capacity whereby staff can be immediately added to the call center to reduce wait time.

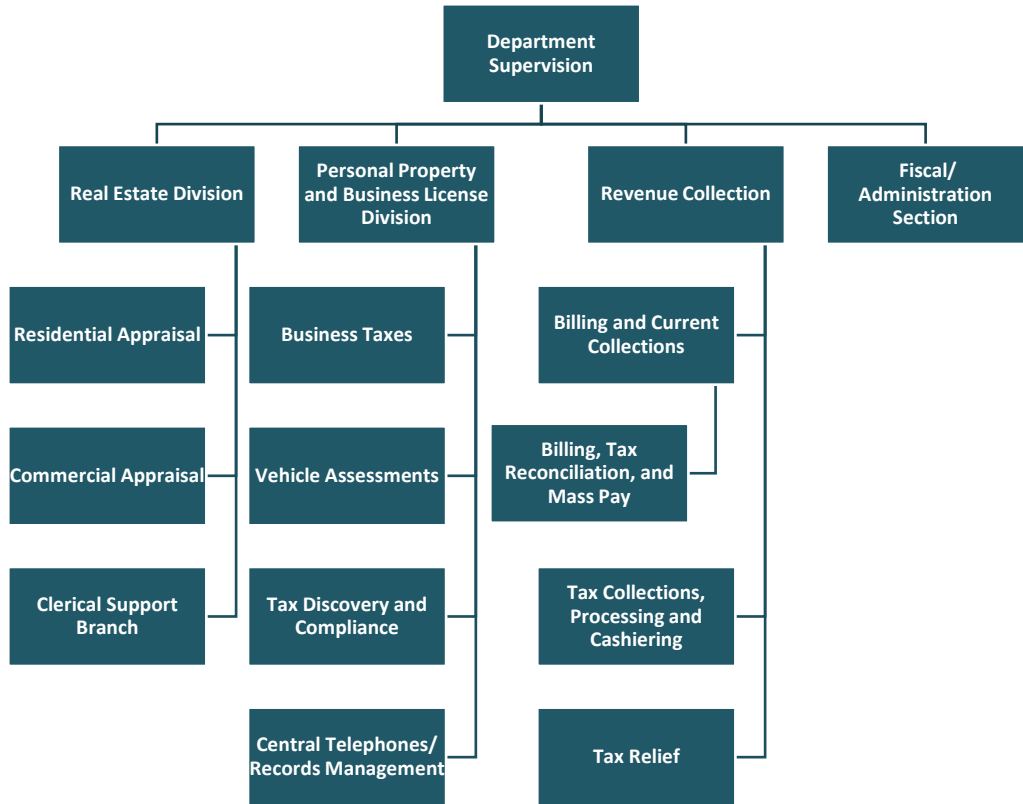
Staff in the Revenue Collection cost center work to ensure that DTA's exceptional current year collection rates are maintained, as this provides necessary revenue and helps minimize the amount of unpaid receivables accumulated over time. Collection work is a function of data accuracy (i.e., finding and contacting the property owner), as well as economic conditions. Along with other collection tools, delinquent tax accounts over 90 days old are outsourced to private collection agents, under the oversight and control of DTA. Assistance is also provided by the Fairfax County Police Department, which tows vehicles with outstanding parking tickets. Similarly, the Sheriff's Office executes boots and tows in the direction of this cost center.

As part of its collection oversight role, DTA has worked with agencies to standardize billing and collection activities. Additionally, the Revenue Collection cost center staffs the full-service cashiering counters at the Government Center, providing residents with a "one stop shopping" experience. When customer traffic at the Government Center is heavy, employees from other cost centers are deployed to provide responsive customer service. DTA remains focused on leveraging technology and e-commerce to minimize walk-in traffic while promoting convenience, security, and ease of customer transactions.

The Tax Relief Program provides County residents with on-site assistance and eligibility information regarding tax relief. The Board approved an expansion to the Tax Relief Program beginning January 1, 2022, with higher income and net worth limits. Further enhancements were implemented beginning January 1, 2023, which included a new 75 percent tax relief bracket, a cap on the total taxes relieved, and an option to defer tax payments. The Tax Relief Program also assists disabled veterans and certain surviving spouses with state-mandated exemptions for real estate and personal property taxes.

Department of Tax Administration

Organizational Chart



Budget and Staff Resources

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$21,887,012	\$25,780,784	\$25,080,784	\$28,527,596	\$28,527,596
Operating Expenses	7,525,878	6,431,493	8,438,920	6,539,036	6,539,036
Total Expenditures	\$29,412,890	\$32,212,277	\$33,519,704	\$35,066,632	\$35,066,632
Income:					
Land Use Assessment Application Fees	\$1,184	\$792	\$792	\$792	\$792
Fees for Collection of Delinquent Taxes	2,273,650	2,007,482	2,052,590	2,052,590	2,052,590
Real Estate Admin Collection Fee	33,934	0	33,934	33,934	33,934
State Shared DTA Expenses	2,129,219	2,234,632	2,234,632	2,234,632	2,302,341
State Shared Retirement - DTA	42,120	40,946	40,946	40,946	40,946
Total Income	\$4,480,107	\$4,283,852	\$4,362,894	\$4,362,894	\$4,430,603
NET COST TO THE COUNTY	\$24,932,783	\$27,928,425	\$29,156,810	\$30,703,738	\$30,636,029
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	302 / 302	302 / 302	302 / 302	309 / 309	309 / 309

**FY 2025
Funding
Adjustments**

The following funding adjustments from the *FY 2024 Adopted Budget Plan* are necessary to support the FY 2025 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2024.

Employee Compensation \$2,092,780

An increase of \$2,092,780 in Personnel Services includes \$615,616 for a 2.00 percent market rate adjustment (MRA) for all employees, and \$511,433 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2024. The remaining increase of \$965,731 is included to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data.

Business Tax Initiatives \$689,032

An increase of \$689,032 and 7/7.0 FTE new positions are included to support business tax audit and compliance and discovery enhancement initiatives. The new positions will improve business tax compliance and will generate additional tax revenue for the General Fund. It should be noted that an increase of \$348,731 is included in Agency 89, Fringe Benefits. For further information on Fringe Benefits, please refer to Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1. The expenditure increase associated with the new positions is completely offset by an increase in revenues with no net impact to the General Fund.

Contract Rate Adjustment \$87,543

An increase of \$87,543 is included in Operating Expenses to support a 5.00 percent contract rate adjustment for tax assessment support and modernization services, including Computer Assisted Mass Appraisal System (CAMA), cap rate study, and digitization and consulting contracts.

Smart File System \$19,000

An increase of \$19,000 is included in Operating Expenses for recurring costs of the Smart File tool used in commercial property appraisals. It is anticipated that the tool will generate cost savings associated with increased efficiency and will also expand the tax base. The expenditure increase is completely offset by an increase in revenues with no net impact to the General Fund.

Reductions (\$34,000)

A decrease of \$34,000 reflects reductions utilized to balance the FY 2025 budget. In addition, a total of \$1,502,837 in revenue generating program enhancements has been proposed. The following table provides details on the specific reductions followed by revenue enhancements:

Title	Impact	Positions	FTE	Reduction
Realize Savings by Moving to Black and White Mail Inserts	By printing in black and white and combining several flyers and inserts, the department will generate savings of \$24,000 in Operating Expenses. Currently, the department sends out and produces many different flyers and inserts in color to provide information to residents. While not as eye-catching as color flyers, transitioning to black and white printed materials would allow residents to continue receiving important information conveniently. It is not anticipated that this reduction will have a negative impact on agency operations.	0	0.0	\$24,000
Reduce Operating Budget due to Efficiencies and Cost Savings	This reduction will lower the department's Operating Expenses by \$10,000. This would reduce funding for internal needs such as office supplies, but the operational impact is expected to be minimal.	0	0.0	\$10,000

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Title	Impact	Positions	FTE	Reduction
Revenue Enhancements				
Business Process Initiatives	<p>The Department of Tax Administration proposed two business process initiatives to expand program capacity and generate additional revenue. The Business Tax Audit Initiative will increase the number of audits related to Business, Professional, and Occupational Licenses (BPOL) exclusions. The Tax Compliance and Discovery Initiative will strengthen discovery and audit on businesses filing Schedule C tax returns, and intermediaries and hosts that collect Transient Occupancy Tax (TOT).</p> <p>To implement both of these initiatives, an additional \$1,037,763 to support 7/7.0 FTE new positions is required. The expenditures are offset by an additional \$2,540,600 in revenue for a net revenue increase of \$1,502,837. If successful, these initiatives may be further expanded in future fiscal years.</p>	7	7.0	\$1,502,837

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments **\$857,427**

As part of the FY 2023 Carryover Review, the Board of Supervisors approved encumbered funding of \$857,427 for the implementation of an updated Tax Relief System, and for computer and contractual services.

Third Quarter Adjustments **\$450,000**

As part of the FY 2024 Third Quarter Review, the Board of Supervisors approved funding of \$450,000, including \$300,000 in Personnel to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data. It should be noted that the full-year impact of \$965,731 has been included in the FY 2025 Adopted Budget Plan. The remaining amount of \$150,000 in Operating Expenses is required for one-time implementation costs of the Smart File tool used in commercial property appraisals. It should be noted that recurring funding of \$19,000 required for this new tool has also been included in the FY 2025 Adopted Budget Plan.

Cost Centers

The Department of Tax Administration is composed of four cost centers: Department Supervision, Real Estate, Personal Property and Business License, and Revenue Collection. These four cost centers work together to fulfill the mission of the department and carry out its key initiatives for the fiscal year.

Department Supervision

The Department Supervision cost center oversees all DTA operations and takes the lead in the department's strategic planning and implementation process. As necessary, resources are reallocated across cost center boundaries to ensure that taxes are properly billed, collection rates remain strong, and taxpayers receive responsive customer service. Increased automation and streamlining of operations have been implemented wherever possible to address the needs of County residents with fewer staff and budgetary resources.

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
EXPENDITURES					
Total Expenditures	\$3,549,001	\$1,727,687	\$2,765,058	\$2,069,393	\$2,069,393
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	14 / 14	14 / 14	14 / 14	14 / 14	14 / 14

Real Estate

The Real Estate cost center handles the assessment of all real estate taxes due to annual property value changes associated with appreciation/depreciation and value increases due to normal "growth" or construction. Virginia law requires that assessments be uniform and based on 100 percent of fair market value.

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
EXPENDITURES					
Total Expenditures	\$8,931,962	\$12,250,321	\$11,586,080	\$12,759,934	\$12,759,934
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	107 / 107	107 / 107	107 / 107	107 / 107	107 / 107

Personal Property and Business License

The Personal Property and Business License cost center is responsible for the assessment of personal property (including vehicles and business equipment), business license taxes, and a variety of local license taxes such as transient occupancy tax, short term daily rental tax and bank franchise tax. In addition, this cost center includes the department's main call center that provides customer service support across cost center boundaries.

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
EXPENDITURES					
Total Expenditures	\$8,599,601	\$9,195,925	\$9,294,819	\$10,731,212	\$10,731,212
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	113 / 113	113 / 113	113 / 113	120 / 120	120 / 120

Revenue Collection

The Revenue Collection cost center is responsible for all billing, collection, and account reconciliation activities. Staff is split between counter operations, mail payment processing, deposit operations, and delinquent tax collection. The cost center handles well over 1.8 million billing transactions per year.

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
EXPENDITURES					
Total Expenditures	\$8,332,326	\$9,038,344	\$9,873,747	\$9,506,093	\$9,506,093
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	68 / 68	68 / 68	68 / 68	68 / 68	68 / 68

Position Detail

The FY 2025 Adopted Budget Plan includes the following positions:

DEPARTMENT SUPERVISION - 14 Positions			
Department Administration			
1	Director of Tax Administration	2	Management Analysts I
1	Management Analyst IV	1	Administrative Assistant V
1	Management Analyst III	1	Administrative Assistant IV
1	Accountant III		
Department Technical Section			
1	IT Program Manager I	5	Business Analysts IV
REAL ESTATE - 107 Positions			
1	Director of Real Estate	1	Management Analyst III
3	Assistant Directors	1	Administrative Assistant IV
Board of Equalization			
1	Administrative Assistant V		
Residential Appraisal			
8	Supervising Appraisers	19	Appraisers II
3	Appraisers III	24	Appraisers I
Commercial Appraisal			
5	Supervising Appraisers	12	Appraisers II
3	Appraisers III	3	Appraisers I
Clerical Support Branch			
1	Management Analyst II	4	Administrative Assistants IV
2	Management Analysts I	13	Administrative Assistants III
3	Administrative Assistants V		
PERSONAL PROPERTY AND BUSINESS LICENSE - 120 Positions			
1	Director	1	Administrative Assistant IV
2	Assistant Directors		
Vehicle Assessments			
1	Management Analyst II	18	Administrative Assistants IV
3	Administrative Assistants V		
Tax Discovery and Compliance and Records Management			
1	Management Analyst III [+1]	3	Administrative Assistants V
2	Management Analysts II	16	Administrative Assistants IV
1	Business Tax Specialist III [+1]	1	Administrative Assistant I
2	Business Tax Specialists I [+2]		
Central Telephones			
1	Management Analyst II	15	Administrative Assistants IV
4	Administrative Assistants V		

Business Taxes			
1	Auditor Manager	2	Business Tax Specialists III
2	Auditors IV [+2]	10	Business Tax Specialists II
9	Auditors III [+1]	4	Business Tax Specialists I
2	Auditors II	1	Administrative Assistant V
1	Management Analyst III	15	Administrative Assistants IV
1	Management Analyst II		
REVENUE COLLECTION - 68 Positions			
1	Director	1	Administrative Assistant IV
1	Assistant Division Director		
Delinquent Tax Collections, Processing, and Cashiering			
1	Management Analyst III	6	Administrative Assistants V
4	Management Analysts II	25	Administrative Assistants IV
Billing, Taxes Reconciliation, and Mass Pay			
1	Management Analyst III	7	Administrative Assistants IV
2	Management Analysts II	4	Administrative Assistants III
4	Administrative Assistants V		
Tax Relief			
1	Management Analyst III	1	Communications Specialist II
2	Management Analysts II	3	Tax Specialists I
1	Management Analyst I	3	Administrative Assistants IV
+	Denotes New Position(s)		

Performance Measurement Results by Community Outcome Area

Effective and Efficient Government

In accordance with DTA's strategic plan to promote taxpayer empowerment and more convenient access to information, performance measures have been developed to assess e-commerce efforts. The tremendous growth in the use of technology has resulted in significant efficiencies for both the public and DTA staff. The 24/7 e-commerce transactions include e-mails to DTA, online vehicle registrations, automated tax evader tips, e-check payments, and online credit card payments. In FY 2023, DTA processed over 680,000 e-commerce transactions totaling over \$1 billion dollars.

FY 2023 data indicated an assessment-to-sales ratio of 95.3 percent. This was well within the target of the mid-90 percent range and reflects the department's assessment of real estate at fair market value. Further evidence of DTA's fair and equitable assessment practices was found in the low coefficient of dispersion of 3.8 in FY 2023. A low coefficient indicates that similar properties are assessed uniformly and, hence, equitably. A coefficient of 15 is considered good, while actual values indicate excellent uniformity.

In FY 2023, the cost per dollar of Personal Property and BPOL levy was \$0.01, consistent with the target, and exonerations were 4.1 percent of the total tax levy. Exonerations occur after a record has been assessed and levied. Although some level of records will always change after the fact due to prorating, the objective is to bill records correctly the first time and minimize subsequent adjustments. Exonerations of no more than 5 percent indicate excellent billing practices. In FY 2024 and FY 2025, exonerations are projected to be at the 3.5 percent benchmark.

Collection rates remain strong in all tax categories, as well as the collection of unpaid parking tickets. The current year collection rate for real estate taxes was 99.66 percent in FY 2023, reflecting a superb collection effort by the Revenue Collection cost center. The vehicle portion of the Personal Property Tax is composed of two parts, that which is paid by residents locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax

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Relief Act (PPTRA). The local collection rate for personal property tax was 96.88 percent in FY 2023. A collection rate of 97.77 percent was achieved for Business, Professional and Occupational License taxes in FY 2023. DTA will continue to work diligently to maintain high collection rates.

Community Outcome Area	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Effective Technology and Quality Facilities						
Financial Sustainability and Trustworthiness						
Coefficient of Dispersion	3.2	3.6	3.5	3.8	4.0	4.0
Exonerations as a percent of total assessments	3.2%	3.4%	3.5%	4.1%	3.5%	3.5%
Percent of current year taxes collected: Real Estate	99.66%	99.67%	99.65%	99.66%	99.65%	99.65%
Percent of current year taxes collected: Personal Property ¹	96.44%	96.87%	97.60%	96.88%	97.60%	97.60%
Percent of current year taxes collected: BPOL	97.53%	98.13%	98.50%	97.77%	98.00%	98.00%
Percent of unpaid accounts receivable collected	36%	36%	36%	37%	37%	37%
Percent variance between estimated and actual revenues	0.2%	0.1%	0.5%	0.4%	0.5%	0.5%
Customer Satisfaction with County Services						
Percentage of phone calls answered	96.2%	93.1%	95.0%	96.0%	95.0%	95.0%
Effective Technology and Quality Facilities						
Percent change in 24/7 e-commerce transactions	7.4%	1.1%	4.0%	0.5%	2.0%	2.0%

¹ This measure reflects the local collection rate associated with the taxpayers' share of the Personal Property tax.

A complete list of performance measures can be viewed at <https://www.fairfaxcounty.gov/budget/fy-2025-adopted-performance-measures-pm>