

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

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Category	FY 2018 Actual	FY 2019 Adopted Budget Plan	FY 2019 Revised Budget Plan	FY 2019 Actual	Change from the FY 2019 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,651,840,881	\$2,790,371,574	\$2,790,371,574	\$2,797,008,573	\$6,636,999	0.2%
Personal Property Taxes - Current and Delinquent ¹	622,435,842	623,280,032	632,574,132	633,364,713	790,581	0.1%
Other Local Taxes	526,923,911	521,305,877	527,182,680	528,500,601	1,317,921	0.2%
Permits, Fees and Regulatory Licenses	52,721,959	53,009,977	54,055,534	55,874,600	1,819,066	3.4%
Fines and Forfeitures	12,178,390	12,178,536	12,438,697	12,258,740	(179,957)	(1.4%)
Revenue from Use of Money/Property	43,523,165	49,159,119	69,585,705	71,181,118	1,595,413	2.3%
Charges for Services	82,474,118	81,868,225	82,845,373	85,306,434	2,461,061	3.0%
Revenue from the Commonwealth and Federal Government ¹	136,763,218	133,833,796	136,909,664	138,729,856	1,820,192	1.3%
Recovered Costs / Other Revenue	17,405,819	16,636,952	18,283,193	18,330,489	47,296	0.3%
Total Revenue	\$4,146,267,303	\$4,281,644,088	\$4,324,246,552	\$4,340,555,124	\$16,308,572	0.4%
Transfers In	10,068,651	10,173,319	10,173,319	10,173,319	0	0.0%
Total Receipts	\$4,156,335,954	\$4,291,817,407	\$4,334,419,871	\$4,350,728,443	\$16,308,572	0.4%

¹ 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 2019 are \$4,350,728,443, an increase of \$16,308,572, or 0.4 percent, over the *FY 2019 Revised Budget Plan* estimate. The increase is primarily the result of increases in Real Estate Tax receipts, Other Local Taxes, Permits, Fees, and Regulatory Licenses, Revenues from the Use of Money/Property, Charges for Services, and Revenue from the Commonwealth and the Federal Government. The small variance of less than half a percent is, in part, attributable to the increase in the revenue estimate included as part of the *FY 2019 Third Quarter Review*. This increase allowed additional funding to be allocated by the Board for FY 2019 priorities at Third Quarter and for adjustments in FY 2020. FY 2019 General Fund revenues grew 4.7 percent compared to the 2.2 percent growth rate experienced in FY 2018.

Aside from adjustments associated with expenditure changes, as noted in the Administrative Adjustments section, no other adjustments have been made to FY 2020 revenue estimates. Staff is closely monitoring economic conditions to determine the impact on various revenue sources. For example, at the time of the preparation of the FY 2020 revenue budget estimate for Investment Interest, the Federal Reserve had indicated that two interest rate hikes were possible in 2019. However, due to trade tensions and a slowdown in the global economy, the Fed kept the rates unchanged in the first half of 2019 and has indicated that it is preparing to cut them at its next meeting at the end of July. Thus, the actions of the Federal Reserve over the coming months may have significant implications for FY 2020 investment earnings. Other categories which will be closely monitored are those that experienced growth in FY 2019, albeit at a slower pace than the prior year. FY 2019 Business, Professional, and Occupational License (BPOL) Tax revenue, which is a function of economic activity during calendar year 2018, grew at a healthy rate of 3.0 percent, although this rate of growth was lower than the 4.4 percent increase experienced in FY 2018. Sales Tax receipts were up 2.4 percent in FY 2019 after increasing 3.1 percent in FY 2018. The impact of economic conditions on FY 2020 revenues will be more apparent during the fall 2019 revenue review after several months of actual FY 2020 collections have been received. Any necessary FY 2020 revenue adjustments will be made as part of the fall review or during the *FY 2020 Third Quarter Review*.

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REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT AND DELINQUENT

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$2,651,840,881	\$2,790,371,574	\$2,790,371,574	\$2,797,008,573	\$6,636,999	0.2%

Total Real Estate Taxes in FY 2019 are \$2,797,008,573, an increase of \$6,636,999, or 0.2 percent, over the *FY 2019 Revised Budget Plan*. FY 2019 Current Real Estate Taxes are \$2,786,904,298, representing an increase of \$5,493,739 over the *FY 2019 Revised Budget Plan*. This increase is primarily due to lower than projected exonerations and a higher than projected collection rate. The budget estimate included a 99.70 percent collection rate and the actual FY 2019 collection rate is 99.76 percent.

FY 2019 Delinquent Real Estate Taxes are \$10,104,275, an increase of \$1.1 million over the *FY 2019 Revised Budget Plan* estimate due to significant collection activity by the Department of Tax Administration (DTA).

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT AND DELINQUENT

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$622,435,842	\$623,280,032	\$632,574,132	\$633,364,713	\$790,581	0.1%

Total Personal Property Taxes in FY 2019 are \$633,364,713, an increase of \$790,581, or 0.1 percent, over the *FY 2019 Revised Budget Plan*. FY 2019 collections for Current Personal Property Taxes are \$616,348,053, a decrease of \$985,600 from the *FY 2019 Revised Budget Plan* estimate. The decrease is primarily due to a higher than expected exonerations and lower omitted assessments. Of the total FY 2019 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 98.1 percent was achieved in FY 2019 on the taxpayer's portion of Personal Property levy compared to the 98.0 percent projected.

FY 2019 Delinquent Personal Property Taxes are \$17,016,660, an increase of \$1.8 million over the *FY 2019 Revised Budget Plan* estimate. Strong delinquent collections demonstrate the significant enforcement activity and the innovative collection methods utilized by DTA. During FY 2019, as a revenue enhancement initiative the department continued to allocate resources to its PPTRA Audit Compliance Program and the TARGET program. These efforts to maximize tax compliance will continue during FY 2020.

OTHER LOCAL TAXES

Actual FY 2019 collections for Other Local Taxes are \$528,500,601, a net increase of \$1,317,921, or 0.2 percent over the *FY 2019 Revised Budget Plan* estimate of \$527,182,680. This increase is primarily due to increases in Recordation and Deed of Conveyance Taxes, Transient Occupancy Tax, and Bank Franchise Tax, partially offset by decreases in BPOL Tax receipts and Communications Tax.

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LOCAL SALES TAX

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$182,172,429	\$185,686,835	\$186,726,741	\$186,503,170	(\$223,571)	(0.1%)

Actual FY 2019 Sales Tax receipts are \$186,503,170, a decrease of \$223,571, or 0.1 percent, from the *FY 2019 Revised Budget Plan* estimate. During the fall 2018 revenue review, the FY 2019 estimate was increased \$1.0 million based on year-to-date collections, representing growth of 2.5 percent over the FY 2018 actual receipts. Receipts were slightly lower than expected and ended the fiscal year 2.4 percent over the FY 2018 level.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$162,298,747	\$160,086,487	\$169,400,328	\$167,155,844	(\$2,244,484)	(1.3%)

Actual FY 2019 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$167,155,844, a decrease of \$2,244,484, or 1.3 percent, from the *FY 2019 Revised Budget Plan* estimate. Little actual data about this revenue category is available until late in the fiscal year because 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 2019 receipts increased 3.0 percent over the FY 2018 level. In FY 2019, the combined Consultant and Business Service Occupations categories, which represent over 42 percent of total BPOL receipts, increased 3.0 percent over the FY 2018 level. The Retail category, which represents 19 percent of total BPOL receipts, also rose 3.0 percent in FY 2019.

BANK FRANCHISE TAX

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$22,596,914	\$20,879,555	\$21,450,000	\$23,699,652	\$2,249,652	10.5%

Actual FY 2019 Bank Franchise Tax revenue is \$23,699,652, an increase of \$2,249,652, or 10.5 percent, over the *FY 2019 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 2018 revenue review, the FY 2019 estimate was conservatively increased \$0.6 million, expecting a 5.1 percent drop compared to the actual FY 2018 receipts. FY 2019 Bank Franchise Tax receipts grew 4.9 percent over the FY 2018 level.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$31,960,941	\$31,193,902	\$28,488,338	\$30,729,364	\$2,241,026	7.9%

Actual FY 2019 Recordation and Deed of Conveyance Tax revenue is \$30,729,364, an increase of \$2,241,026, or 7.9 percent, over the *FY 2019 Revised Budget Plan*. For the first half of the fiscal year, Recordation Tax receipts were down almost 11 percent and the estimate was revised based on the assumption that this trend would continue. However, mortgage rates declined significantly in the second part of the fiscal year, triggering an increase in mortgage refinancing. Recordation Tax collections decreased only 4.4 percent for

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the year. The Deed of Conveyance Tax estimate was decreased \$0.2 million during the fall 2018 revenue review based on year-to-date collections, reflecting a decline of 7.4 percent from the FY 2018 level. Actual FY 2019 receipts declined 2.0 percent from the FY 2018 level due to stronger collections in the second part of the fiscal year.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2019 revenue from the Use of Money and Property is \$71,181,118, an increase of \$1,595,413, or 2.3 percent, over the over the *FY 2019 Revised Budget Plan* estimate and is primarily due to an increase in Interest on Investments.

INVESTMENT INTEREST

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$41,438,317	\$46,992,592	\$67,403,726	\$69,032,333	\$1,628,607	2.4%

Actual FY 2019 Interest on Investments is \$69,032,333, an increase of \$1,628,607, or 2.4 percent, over the *FY 2019 Revised Budget Plan* estimate. Annual revenue in this category is based on a combination of factors including the average portfolio size, average yield, and the percent of interest earnings attributable to the General Fund in FY 2019. The actual FY 2019 average portfolio of \$3,521.5 million earned a yield of 2.53 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio net of administrative fees was 77.68 percent.

PERMITS, FEES AND REGULATORY LICENSES
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PERMITS, FEES AND REGULATORY LICENSES

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$52,721,959	\$53,009,977	\$54,055,534	\$55,874,600	\$1,819,066	3.4%

Actual FY 2019 revenue from Permits, Fees and Regulatory Licenses is \$55,874,600, an increase of \$1,819,066, or 3.4 percent, over the *FY 2019 Revised Budget Plan* estimate. This increase is primarily due to higher than projected receipts for Building and Inspection fees.

Actual FY 2019 revenue from Building and Inspection fees is \$42.6 million, \$1.5 million higher than estimated. The FY 2019 budget estimate was raised \$750,000 during the *FY 2019 Third Quarter Review*, reflecting a projected growth rate of 3.3 percent over the FY 2018 level. Permitting activity was higher than expected and FY 2019 revenues increased 7.0 percent.

FINES AND FORFEITURES

FINES AND FORFEITURES

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$12,178,390	\$12,178,536	\$12,438,697	\$12,258,740	(\$179,957)	(1.4%)

Actual FY 2019 revenue from Fines and Forfeitures is \$12,258,740, a decrease of \$179,957, or 1.4 percent,

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from the *FY 2019 Revised Budget Plan*. This net decrease is primarily due to lower than projected receipts from Parking Violation fines and General District Court fines.

CHARGES FOR SERVICES

CHARGES FOR SERVICES

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$82,474,118	\$81,868,225	\$82,845,373	\$85,306,434	\$2,461,061	3.0%

Actual FY 2019 revenue from Charges for Services is \$85,306,434, a net increase of \$2,461,061, or 3.0 percent, over the *FY 2019 Revised Budget Plan* estimate. This increase is primarily due to higher than projected School Age Child Care (SACC) fees. SACC fees are \$45.9 million, \$2.6 million higher than projected, increasing 7.3 percent for the year.

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT¹

FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2019 Actual	Increase/ (Decrease)	Percent Change
\$136,763,218	\$133,833,796	\$136,909,664	\$138,729,856	\$1,820,192	1.3%

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 and Delinquent" heading in this section.

Actual FY 2019 Revenue from the Commonwealth and Federal Government is \$138,729,856, a net increase of \$1,820,192, or 1.3 percent, over the *FY 2019 Revised Budget Plan* estimate. The additional revenue is primarily due to reimbursable expenditures for various public assistance programs.