

FY 2019 Third Quarter Review
Attachment II – General Fund Receipts / Transfers In

**SUMMARY OF GENERAL FUND REVENUE
AND TRANSFERS IN**

Category	FY 2018 Actual	FY 2019 Revised Budget Plan as of FY 2018 Carryover	FY 2019 Fall Estimate ¹	FY 2019 Third Quarter Budget Estimate	Change from the FY 2019 Fall Estimate	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current & Delinquent	\$2,651,840,881	\$2,790,371,574	\$2,790,371,574	\$2,790,371,574	\$0	0.00%
Personal Property Taxes - Current & Delinquent ²	622,435,842	624,357,509	628,621,232	628,621,232	0	0.00%
Other Local Taxes	526,923,911	521,305,877	522,515,580	522,515,580	0	0.00%
Permits, Fees and Regulatory Licenses	52,721,959	53,009,977	53,305,534	54,055,534	750,000	1.41%
Fines and Forfeitures	12,178,390	12,178,536	12,438,697	12,438,697	0	0.00%
Revenue from Use of Money/Property	43,523,165	49,159,119	69,585,705	69,585,705	0	0.00%
Charges for Services	82,474,118	82,516,603	82,845,373	82,845,373	0	0.00%
Revenue from the Commonwealth and Federal Government ²	136,763,218	136,909,664	136,909,664	136,909,664	0	0.00%
Recovered Costs/ Other Revenue	17,405,819	16,646,952	16,883,193	18,283,193	1,400,000	8.29%
Total Revenue	\$4,146,267,303	\$4,286,455,811	\$4,313,476,552	\$4,315,626,552	\$2,150,000	0.05%
Transfers In	10,068,651	10,173,319	10,173,319	10,173,319	0	0.00%
Total Receipts	\$4,156,335,954	\$4,296,629,130	\$4,323,649,871	\$4,325,799,871	\$2,150,000	0.05%

¹ FY 2019 revenue estimates were increased a net \$27.0 million as part of a fall 2018 review of revenues. Explanations of these changes can be found in the following narrative.

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 \$4,325,799,871 and reflect an increase of \$2,150,000 over the FY 2019 fall estimate. This increase is the result of higher revenue from Land Development Services Building and Inspection fees, as well as Recovered Costs revenue associated with a reimbursement from Inova to offset expenses related to the Health Department's Electronic Health Record system. As noted in the FY 2020 Advertised Budget Plan, FY 2019 revenue estimates were increased a net \$27.0 million as part of a fall 2018 revenue review prior to the Third Quarter Review during the development of the FY 2020 budget. These adjustments were based on actual FY 2018 receipts and collections through the first several months of FY 2019. Revenue changes made during the fall revenue review are discussed throughout this Attachment. Any impact to FY 2020 revenue estimates from these FY 2019 fall adjustments is already included in the FY 2020 Advertised Budget Plan.

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 2019 receipts. All revenue categories are closely monitored with respect to collections and the effects of changes in economic activity. Any necessary FY 2020 revenue adjustments will be included in the Add-On Review.

PERSONAL PROPERTY TAX-CURRENT

	FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
Paid Locally	\$395,684,890	\$397,803,086	\$402,066,809	\$402,066,809	\$0	0.0%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	\$606,998,834	\$609,117,030	\$613,380,753	\$613,380,753	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Current Personal Property Taxes of \$613,380,753 reflects no change from the FY 2019 fall estimate and represents an increase of 1.1 percent over the FY 2018 level. During the fall 2018 revenue review, the FY 2019 Personal Property Tax estimate was increased a net \$4.3 million as a result of higher than projected vehicle levy.

LOCAL SALES TAX

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$182,172,429	\$185,686,835	\$186,726,741	\$186,726,741	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Sales Tax of \$186,726,741 reflects no change from the FY 2019 fall estimate and represents an increase of 2.5 percent over the FY 2018 level. During the fall 2018 revenue review, the FY 2019 estimate for Sales Tax receipts was increased \$1.0 million based on FY 2018 actual receipts and year-to-date FY 2019 collections. FY 2019 Sales Tax receipts through February, representing retail sales through December, are up 3.5 percent. Contributing to the increase is a transfer from the state of \$0.7 million for prior year taxes. Absent the transfer, the increase would have been 2.9 percent. February collections for sales during the holiday shopping season in December were up a modest 0.6 percent. No change in the FY 2019 Sales Tax estimate is being made during the Third Quarter Review.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$162,298,747	\$160,086,487	\$164,733,228	\$164,733,228	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Business, Professional and Occupational License (BPOL) Taxes of \$164,733,228 reflects no change from the FY 2019 fall estimate. Based on actual FY 2018 receipts and an econometric model using calendar year Sales Tax receipts and employment as predictors, the FY 2019 BPOL estimate was increased \$4.6 million during the fall 2018 revenue review, representing an increase of 1.5 percent over FY 2018. Since County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year, little

actual data is available at this time to help estimate FY 2019 receipts. Therefore, the FY 2019 BPOL estimate has not been adjusted further during the Third Quarter review.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$31,960,941	\$31,193,902	\$28,488,338	\$28,488,338	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Deed of Conveyance and Recordation Taxes of \$28,488,338 represents no change from the FY 2019 fall estimate. Recordation and Deed of Conveyance Taxes are paid when homes are sold. Recordation taxes are also paid when homes are refinanced. Based on actual FY 2018 receipts and collection trends, the Deed of Conveyance Tax estimate was decreased \$0.2 million during the fall 2018 revenue review, reflecting a decrease of 7.4 percent from the FY 2018 level. The FY 2019 estimate for Recordation Tax was decreased \$2.5 million and reflects a decrease of 11.9 percent compared to FY 2018 as a result of decreasing volume of mortgage refinancing activity.

CIGARETTE TAX

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$6,502,880	\$6,561,630	\$5,976,682	\$5,976,682	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Cigarette Tax of \$5,976,682 represents no change from the FY 2019 fall estimate. During the fall 2018 revenue review, the FY 2019 estimate was decreased \$0.6 million, reflecting a projected decline of 8.1 percent from the prior year, based on actual receipts during FY 2018 and collection trends during FY 2019. Cigarette Tax receipts fell for a sixth consecutive year, decreasing 4.9 percent in FY 2018.

COMMUNICATIONS SALES AND USE TAX

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$12,856,026	\$10,528,299	\$8,366,196	\$8,366,196	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for the Communication Sales and Use Tax of \$8,366,196 represents no change from the FY 2019 fall estimate. Based on actual receipts during FY 2018 and collection trends, the FY 2019 estimate was reduced \$2.2 million as part of the fall 2018 revenue review.

TRANSIENT OCCUPANCY TAX

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$22,129,369	\$22,120,618	\$22,682,603	\$22,682,603	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Transient Occupancy Tax of \$22,682,603 represents no change from the FY 2019 fall estimate. Based on actual receipts during FY 2018 and collection trends, the FY 2019 estimate was increased \$0.6 million as part of the fall 2018 revenue review, reflecting an increase of 2.5 percent over the FY 2018 level.

PERMITS, FEES AND REGULATORY LICENSES

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$52,721,959	\$53,009,977	\$53,305,534	\$54,055,534	\$750,000	1.4%

The *FY 2019 Third Quarter Review* estimate for Permits, Fees and Regulatory Licenses of \$54,055,534 reflects an increase of \$750,000, or 1.4 percent, over the FY 2019 fall estimate. This increase is the result of anticipated higher revenue from Land Development Services (LDS) Building and Inspection fees due to increased site plan and building permit activity in the County. It should be noted that the increase in LDS fee revenue is offset by a corresponding expenditure increase, for no net impact to the General Fund.

During the fall 2018 revenue review, various permit and fees were reviewed and, based on actual FY 2018 receipts and collection trends, FY 2019 estimates were increased a net \$0.3 million.

CHARGES FOR SERVICES

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Thrd Quarter Estimate	Increase/ (Decrease)	Percent Change
\$82,474,118	\$82,516,603	\$82,845,373	\$82,845,373	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Charges for Services of \$82,845,373 represents no change from the FY 2019 fall estimate. During the fall 2018 revenue review, the FY 2019 Charges for Services estimate was increased a net \$0.3 million based on prior year actual receipts and year-to-date collection trends.

FINES AND FORFEITURES

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$12,178,390	\$12,178,536	\$12,438,697	\$12,438,697	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Fines and Forfeitures of \$12,438,697 represents no change from the FY 2019 fall estimate. During the fall 2018 revenue review, the FY 2019 estimate was increased a net \$0.3 million. The increase is primarily the result of adjusting the estimate for Parking Violations revenue based on actual FY 2018 receipts and year-to-date collection trends in FY 2019.

INVESTMENT INTEREST

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$41,438,317	\$46,992,592	\$67,403,726	\$67,403,726	\$0	0.0%

The *FY 2019 Third Quarter Review* estimate for Investment Interest of \$67,403,726 represents no change from the FY 2019 fall estimate. The FY 2019 Adopted Budget Plan estimate had assumed an average annual yield of 1.95 percent. Based on the actual FY 2018 level and the assumption that the Federal Reserve will continue raising the federal funds rate, the FY 2019 estimate of Interest on Investments was increased \$20.4 million during the fall 2018 revenue review to \$67.4 million. The projected annual yield for FY 2019 is 2.62 percent.

RECOVERED COSTS / OTHER REVENUE

FY 2018 Actual	FY 2019 Revised as of FY 2018 Carryover	FY 2019 Fall Estimate	FY 2019 Third Quarter Estimate	Increase/ (Decrease)	Percent Change
\$17,405,819	\$16,646,952	\$16,883,193	\$18,283,193	\$1,400,000	8.3%

The *FY 2019 Third Quarter Review* estimate for Recovered Costs/Other Revenue of \$18,283,193 reflects an increase of \$1.4 million, or 8.3 percent, over the FY 2019 fall estimate. This increase is associated with a reimbursement from Inova, which will be used to support maintenance and other costs for the Electronic Health Record system. The revenue increase is completely offset by an expenditure increase for no net impact to the General Fund.