

ATTACHMENT II:
SUMMARY OF GENERAL FUND RECEIPTS

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Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2023 Actual	Change from the FY 2023 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$3,053,920,696	\$3,199,106,841	\$3,206,874,367	\$3,218,712,892	\$11,838,525	0.4%
Personal Property Taxes - Current and Delinquent ¹	685,936,865	732,207,537	748,757,661	770,318,604	21,560,943	2.9%
Other Local Taxes	595,629,993	573,797,248	599,288,987	609,760,977	10,471,990	1.7%
Permits, Fees and Regulatory Licenses	59,606,580	10,768,187	9,404,120	9,839,241	435,121	4.6%
Fines and Forfeitures	7,202,177	8,166,007	7,275,494	7,873,896	598,402	8.2%
Revenue from Use of Money/Property	19,255,568	22,334,209	104,286,843	118,639,690	14,352,847	13.8%
Charges for Services	53,280,388	58,506,226	59,083,001	63,005,080	3,922,079	6.6%
Revenue from the Commonwealth and Federal Government ¹	255,348,721	143,932,164	148,254,676	154,140,966	5,886,290	4.0%
Recovered Costs / Other Revenue	16,946,207	17,014,267	17,497,470	20,062,158	2,564,688	14.7%
Total Revenue	\$4,747,127,195	\$4,765,832,686	\$4,900,722,619	\$4,972,353,504	\$71,630,885	1.5%
Transfers In	24,000,481	9,712,936	19,712,936	19,712,936	0	0.0%
Total Receipts	\$4,771,127,676	\$4,775,545,622	\$4,920,435,555	\$4,992,066,440	\$71,630,885	1.5%

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 2023 are \$4,992,066,440, an increase of \$71,630,885, or 1.5 percent, over the *FY 2023 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. Projecting revenues during FY 2023 continued to be a challenge as many of the County's revenue streams were still recovering from the negative impacts of the pandemic. In addition, the Federal Reserve adjusted its monetary policy in the face of persistently high inflation by increasing interest rates, which significantly impacted the amount of interest revenue the County earned on its investment portfolio, generating almost a \$100 million more than in FY 2022. FY 2023 General Fund revenues increased 4.7 percent over the FY 2022 level. Excluding the one-time federal stimulus received in FY 2022, the revenue growth experienced in FY 2023 was 7.3 percent.

No adjustments to FY 2024 revenue estimates are recommended as part of the *FY 2023 Carryover Review*. Staff will monitor economic conditions closely to determine the impact on various revenue sources and any necessary FY 2024 revenue adjustments will be made as part of the fall 2023 review or during the *FY 2024 Third Quarter Review*.

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REAL PROPERTY TAXES

REAL ESTATE TAX-CURRENT

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$3,049,773,449	\$3,189,268,253	\$3,197,035,779	\$3,203,455,021	\$6,419,242	0.2%

Total Current Real Estate Taxes in FY 2023 are \$3,203,455,021, an increase of \$6,419,242, or 0.2 percent, over the *FY 2023 Revised Budget Plan* estimate. This increase is primarily due to lower than projected exonerations and tax relief. The collection rate achieved in FY 2023 is 99.64 percent. FY 2023 Real Estate Current Tax revenue reflects an increase of 5.0 percent over FY 2022.

PERSONAL PROPERTY TAX

PERSONAL PROPERTY TAX-CURRENT

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$658,561,822	\$716,680,030	\$727,909,758	\$737,868,661	\$9,958,903	1.4%

Total Current Personal Property Taxes in FY 2023 are \$737,868,661, an increase of \$9,958,903, or 1.4 percent, over the *FY 2023 Revised Budget Plan* estimate. Of the total FY 2023 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 96.8 percent was achieved in FY 2023 on the taxpayer's portion of the Personal Property tax levy. FY 2023 Personal Property Current Tax revenue reflects an increase of 12.0 percent over FY 2022 primarily due to a strong increase of 16.5 percent in the average vehicle levy. Due to pandemic related supply chain disruptions and shortages of computer chips, car prices moved significantly higher. 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). Normally, vehicles are assessed at 100 percent of the trade-in value. It should be noted that the number of vehicles registered in the County decreased by 2.3 percent in FY 2023.

PERSONAL PROPERTY TAX-DELINQUENT

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$27,375,043	\$15,527,507	\$20,847,903	\$32,449,943	\$11,602,040	55.7%

FY 2023 Delinquent Personal Property Taxes are \$32,449,943, an increase of \$11,602,040, an increase of 55.7 percent, over the *FY 2023 Revised Budget Plan* estimate as a result of significant collection activity by the Department of Tax Administration (DTA).

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OTHER LOCAL TAXES

Actual FY 2023 collections for Other Local Taxes are \$609,760,977, a net increase of \$10,471,990, or 1.7 percent, over the *FY 2023 Revised Budget Plan* estimate of \$599,288,987. This increase is primarily due to higher-than-expected Business, Professional, and Occupational License (BPOL) Tax, Transient Occupancy Tax, and Bank Franchise Tax receipts, partially offset by lower than expected Sales Tax.

LOCAL SALES TAX

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$231,087,296	\$224,228,339	\$242,989,782	\$240,147,546	(\$2,842,236)	(1.2%)

Actual FY 2023 Sales Tax receipts are \$240,147,546, a decrease of \$2,842,236, or 1.2 percent, from the *FY 2023 Revised Budget Plan* estimate. The decrease is primarily due to lower than anticipated receipts towards the end of the fiscal year. During the fall 2022 revenue review, the FY 2023 estimate was increased a total of \$18.8 million based on actual FY 2022 collections and year-to-date receipts, representing a projected increase of 5.2 percent over FY 2022. At the time of the *FY 2023 Third Quarter Review*, Sales Tax collections were up 5.7 percent through February 2023. However, Sales Tax receipts in May and June decreased compared to the prior year. FY 2023 collections reflect an increase of 3.9 percent compared to the FY 2022 level.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$184,346,267	\$180,810,000	\$191,720,120	\$195,040,792	\$3,320,672	1.7%

Actual FY 2023 receipts from Current Business, Professional, and Occupational License (BPOL) Taxes are \$195,040,792, an increase of \$3,320,672, or 1.7 percent, over the *FY 2023 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 2023 receipts increased 5.8 percent over FY 2022. In FY 2023, the combined Consultant and Business Service Occupations categories, which represent almost 43 percent of total BPOL receipts, increased 3.4 percent over the FY 2022 level. The Retail category, which represents almost 20 percent of total BPOL receipts, increased 12.2 percent over FY 2022. Heavily impacted by the pandemic disruptions, the Hotels/Motels category continued to recover, increasing 42.4 percent in FY 2023.

TRANSIENT OCCUPANCY TAX

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$15,652,745	\$14,624,050	\$20,979,565	\$22,698,622	\$1,719,057	8.2%

Actual FY 2023 receipts from the Transient Occupancy Tax (TOT) are \$22,698,622, an increase of *FY 2023 Carryover Review*

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\$1,719,057, or 8.2 percent, over the *FY 2023 Revised Budget Plan* estimate. FY 2023 TOT revenue has gone back to pre-pandemic levels, primarily as a result of hotel average daily rates (ADR) being significantly higher compared to last year and hotel occupancy rates continuing to recover. Due to the impact of the COVID-19 pandemic, TOT collections decreased almost 58 percent in FY 2021. In FY 2022, collections increased almost 136 percent, while FY 2023 receipts reflect a growth rate of 45.0 percent.

BANK FRANCHISE TAX

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$27,055,959	\$24,837,033	\$24,837,033	\$30,927,958	\$6,090,925	24.5%

Actual FY 2023 Bank Franchise Tax revenue is \$30,927,958, an increase of \$6,090,925, or 24.5 percent, over the *FY 2023 Revised Budget Plan* estimate. Revenue in this category is not received until late May or June, making it a particularly difficult category to project. The Adopted FY 2023 estimate was not adjusted during the year and reflected a decrease of 8.2 percent compared to the actual FY 2022 receipts. Actual Bank Franchise Tax receipts increased 14.3 percent in FY 2023, after increasing only 1.3 percent in FY 2022.

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$46,480,941	\$38,264,711	\$27,223,750	\$27,817,612	\$593,862	2.2%

Actual FY 2023 Recordation and Deed of Conveyance Tax revenue is \$27,817,612, an increase of \$593,862, or 2.2 percent, over the *FY 2023 Revised Budget Plan* estimate. FY 2023 Recordation Tax decreased 43.1 percent compared to FY 2022 due to significantly lower mortgage refinancing activity due to elevated mortgage interest rates throughout the year. FY 2023 Deed of Conveyance Tax decreased 29.1 percent compared to the FY 2022 level as a result of lower mortgage refinancing activity and a decrease in the number of home sales.

REVENUE FROM THE USE OF MONEY AND PROPERTY

Actual FY 2023 revenue from the Use of Money and Property is \$118,639,690, an increase of \$14,352,847, or 13.8 percent, over the *FY 2023 Revised Budget Plan* estimate and is primarily due to an increase in Interest on Investments.

INVESTMENT INTEREST

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$17,186,790	\$20,336,478	\$102,064,040	\$116,296,231	\$14,232,191	13.9%

Actual FY 2023 Interest on Investments is \$116,296,231, an increase of \$14,232,191, or 13.9 percent, over

FY 2023 Carryover Review

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the *FY 2023 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 percent of interest earnings attributable to the General Fund in FY 2023. The actual FY 2023 average portfolio of \$4,798.9 million earned a yield of 3.03 percent. The General Fund's average interest allocation of total interest earned on the investment portfolio net of administrative fees was 79.84 percent. FY 2023 Investment Interest revenue increased over \$99 million compared to the FY 2022 level as a result of tighter monetary policy by the Federal Reserve, which raised the Fed funds rate at an unprecedented pace during 2022 and the first half of 2023 to combat persistently high inflation.

CHARGES FOR SERVICES

CHARGES FOR SERVICES					
FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$53,280,388	\$58,506,226	\$59,083,001	\$63,005,080	\$3,922,079	6.6%

Actual FY 2023 revenue from Charges for Services is \$63,005,080, a net increase of \$3,922,079, or 6.6 percent, over the *FY 2023 Revised Budget Plan* estimate. This increase is primarily due to higher than projected School-Age Child Care (SACC) revenue and EMS Transport fee revenue.

FY 2023 actual SACC revenue was \$26.3 million, \$2.5 million higher than projected. FY 2023 actual EMS Transport fee revenue was \$23.1 million, \$1.2 million higher than projected.

Total Charges for Services revenue increased 18.3 percent compared to the FY 2022 level. While many revenue categories continued to recover from the pandemic disruptions to County services, receipts are still below pre-pandemic levels.

RECOVERED COSTS / OTHER REVENUE
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RECOVERED COSTS / OTHER REVENUE					
FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$16,946,207	\$17,014,267	\$17,497,470	\$20,062,158	\$2,564,688	14.7%

Actual FY 2023 Revenue from Recovered Costs/Other Revenue is \$20,062,158, a net increase of \$2,564,688, or 14.7 percent, over the *FY 2023 Revised Budget Plan* estimate. The increase is primarily due to higher reimbursement revenue that the County received for the additional school nurse positions which were added to comply with the state mandate, as well as increased revenue associated with billings for the City of Fairfax and City of Falls Church Shared Public Assistance Expenses reimbursements in FY 2023.

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REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT

REVENUE FROM THE COMMONWEALTH AND FEDERAL GOVERNMENT ¹

FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2023 Actual	Increase/ (Decrease)	Percent Change
\$255,348,721	\$143,932,164	\$148,254,676	\$154,140,966	\$5,886,290	4.0%

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 2023 Revenue from the Commonwealth and Federal Government is \$154,140,966, a net increase of \$5,886,290, or 4.0 percent, over the *FY 2023 Revised Budget Plan* estimate. The increase is primarily due to additional revenue associated with reimbursable expenditures for public assistance programs.