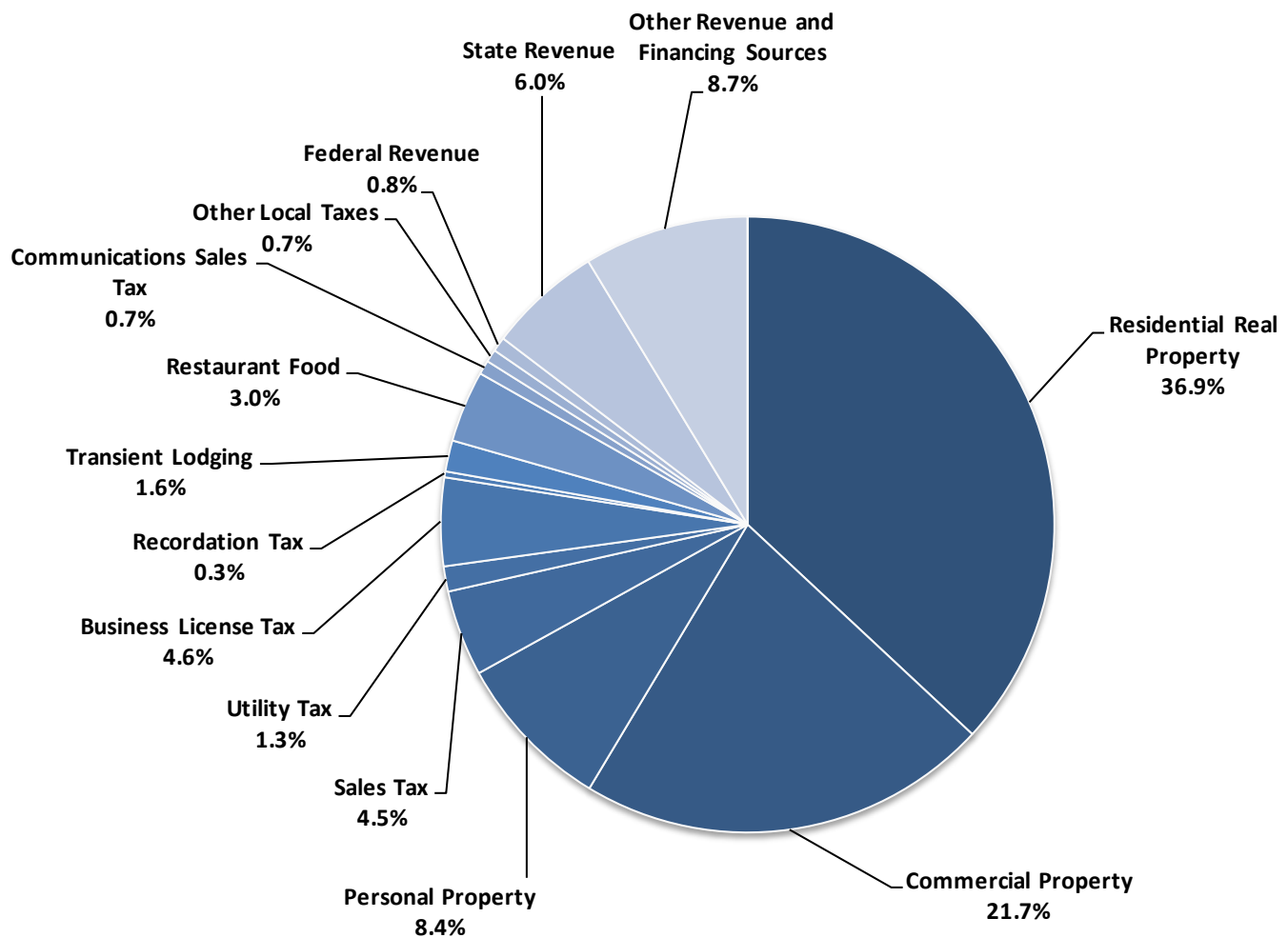


Revenues



GENERAL FUND REVENUES

The chart below shows the distribution of estimated General Fund revenues (\$900,581,278) and fund balance use (\$10,669,053) for FY 2025 totaling **\$911,250,331**. This represents a 3.0% increase above the amount budgeted for FY 2024.



Revenues



GENERAL FUND REVENUES

General Fund Revenue	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed
General Property Tax Revenue				
Real property tax	512,685,411	532,076,175	526,631,458	534,197,058
Personal property tax	66,525,461	66,313,000	71,140,000	76,206,000
Penalties and Interest	3,764,634	3,358,050	3,765,001	4,123,400
Total general property tax revenue	582,975,505	601,747,225	601,536,459	614,526,458
Other local tax revenue				
Local sales tax	39,372,551	39,000,000	39,372,551	41,192,000
Utility tax	12,639,483	12,020,000	12,020,000	12,020,000
Business licenses	40,006,700	39,824,300	39,824,300	42,227,500
Motor vehicle licenses	6,318	-	-	-
Recordation	4,360,818	3,926,000	2,811,000	2,811,000
Cigarette	2,095,823	2,030,000	1,948,000	1,948,999
Transient Lodging	11,960,434	11,200,000	13,360,000	14,901,000
Restaurant food	30,143,987	31,200,000	31,700,000	34,270,000
Admissions	332,241	313,000	441,600	441,600
Communications service	7,512,962	6,810,000	7,000,000	6,700,000
Other miscellaneous	3,977,834	3,848,000	3,705,360	3,705,360
Total other local tax revenues	152,409,150	150,171,300	152,182,811	160,217,459
Non-tax revenue				
Licenses, permits, and fees	2,683,307	2,667,500	2,856,000	2,500,000
Fines forfeitures	3,129,147	4,425,000	4,289,500	4,304,500
Use of money and property	19,805,458	19,322,000	26,597,045	24,708,633
Charges for services	17,311,219	15,522,609	16,633,101	18,867,237
Noncategorical State (PPTRA)	23,578,531	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	35,707,649	35,366,507	37,405,357	37,905,357
Miscellaneous	5,495,875	3,600,890	3,601,390	3,341,655
Total non-tax revenue	107,711,186	104,483,037	114,960,924	115,205,913
Total General Fund Revenues	843,095,841	856,401,562	868,680,194	889,949,830
Other financing sources (uses)				
Appropriations to/(from Fund Balances)				
Contribution to/(Use of Fund Balance)	-	17,464,943	-	10,669,053
Transfer from special revenue acct. ¹	14,261,315	10,461,523	10,461,523	10,631,448
Total Transfers In	14,261,315	27,926,466	10,461,523	21,300,501
Total General Fund Revenues and Other Sources	857,357,156	884,328,028	879,141,717	911,250,331

¹ Transfers from special revenue accounts include sanitary sewer fee revenue transferred to the General Fund to pay for sanitary sewer debt service budgeted in the General Fund; transfers from the sanitary sewer fund, storm water fund, residential refuse fund and permit fee fund for indirect costs; and a transfer from the Potomac Yard Fund for the cost of City and School services provided to properties within Potomac Yard.



MAJOR REVENUE INITIATIVES IN FY 2025

Real Estate Tax (General Fund)

Real estate taxes are calculated by multiplying a property's assessed value, which are mailed to property owners in February, by the real estate tax rate. For the tax year beginning January 1, 2024, the real estate tax rate remains at \$1.11 per \$100 of assessed property value. However, given that the School and City future year Capital needs will still grow substantially both to take care of existing infrastructure and invest in new projects, the pressure on the City's real estate rate will remain in future years. Additionally, the amount of property tax General Fund revenue dedicated to Affordable Housing remains consistent at 1.0 cents of every \$1.11, and the amount dedicated to Transportation Improvements remains 2.2 cents of every \$1.11.

User Fees and Other Revenues (General Fund)

Other notable changes include:

- The Department of Recreation & Cultural Activities proposes the following additional revenues:
 - \$70,000 from an Out of School Time after school program market rate adjustment of \$100 on the full rate with no change to the discounted fee for those receiving assistance in order to support the Resource Allocation and Cost Recovery Policy goal of 50% cost recovery.
 - \$844,189 in program revenue associated with the opening of the Minnie Howard Aquatics Center to partially offset the cost of operations.
 - \$50,000 as a result of restoring special events fees to FY 2021 rates after they were temporarily reduced to support businesses and economic recovery in FY 2022.
- The City expects to receive \$1.9M more in revenue from the State to support Street & Highway Maintenance.
- The Fire Department proposes an adjustment to ambulance bill fee rates which is expected to generate \$1.1 M more in revenue to be more in alignment with surrounding jurisdictions.
- The Office of Historic Alexandria proposes a new fee structure for rental events at its supervised sites to adjust for cost increases since the fees were last increased in 2016 is estimated to generate \$20,000 in increased revenue.
- Planning and Zoning proposes an increase in civil penalties for zoning violations, the most common of which would increase from \$50 for the first violation and \$100 for the second violation to \$200 for the first violation and \$500 for the second violation in order to achieve greater compliance and be on par with adjacent jurisdictions. This is estimated to generate \$15,000 in additional revenue. Violations are given after there are 10 days of no action or compliance. Over the past three years Planning & Zoning received 126 zoning complaints annually.
- The Finance Department proposes a 25% personal property tax delinquency penalty after 30 days in addition to the 10% penalty for the first 30 days which currently applies beyond 30 days. This would be consistent with other Northern Virginia jurisdictions which charge an additional penalty after 30 or 60 days. The revenue increase is estimated to be \$150,000 in FY 2025 but would decrease over time as on-time payment compliance increases.



REAL ESTATE TAX RATES

Regional Tax Rates for Calendar Years 1990-2024 and 2025 Proposed

Below are real estate tax rates from selected major Northern Virginia jurisdictions over the past thirty five calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value.

Tax Year	Alexandria	Arlington	Fairfax ¹	Loudoun ¹	Pr. William ¹
1990	1.045	0.765	1.11	0.85	1.36
1991	1.045	0.765	1.11	0.94	1.36
1992	1.045	0.82	1.16	0.96	1.36
1993	1.07	0.86	1.16	1.00	1.36
1994	1.07	0.897	1.16	1.02	1.36
1995	1.07	0.94	1.16	0.99	1.36
1996	1.07	0.96	1.23	1.03	1.36
1997	1.07	0.986	1.23	1.06	1.36
1998	1.11	0.998	1.23	1.11	1.36
1999	1.11	0.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	0.993	1.21	1.05	1.23
2003	1.035	0.978	1.16	1.11	1.16
2004	0.995	0.958	1.13	1.11	1.07
2005	0.915	0.878	1.00	1.04	0.974
2006	0.815	0.818	0.89	0.89	0.8071
2007	0.830	0.818	0.89	0.96	0.8379
2008	0.845	0.848/0.973 ²	0.92/1.03 ²	1.14	0.97
2009	0.903	0.875/1.00	1.05/1.16	1.245	1.288
2010	0.978	.958/1.083	1.120/1.230	1.30	1.3146
2011	0.998	.958/1.083	1.100/1.210	1.285	1.2806
2012	0.998	0.971/1.096	1.110/1.220	1.235	1.2859
2013	1.038	1.006/1.131	1.105/1.230	1.205	1.2562
2014	1.043	.996/1.121	1.113/1.238	1.155	1.2212
2015	1.043	.996/1.121	1.115/1.240	1.135	1.1936
2016	1.073	.991/1.116	1.158/1.283	1.145	1.1950
2017	1.130	1.006/1.131	1.160/1.285	1.125	1.2067
2018	1.130	1.006/1.131	1.150/1.275	1.085	1.2075
2019	1.130	1.013/1.138	1.150/1.275	1.045	1.2075
2020	1.130	1.013/1.138	1.150/1.275	1.035	1.2075
2021	1.110	1.013/1.138	1.140/1.265	0.980	1.1975
2022	1.110	1.013/1.138	1.110/1.235	0.890	1.1975
2023	1.110	1.013/1.138	1.095/1.221	0.890	1.1075
2024	1.110	1.013/1.138	1.095/1.235	0.875	1.0405
2025	1.110	1.028/1.153 ³	1.135/1.260 ⁴	0.875	1.0405 ⁵



REAL ESTATE TAX RATES

Regional Tax Rates for Calendar Years 1990-2024 and 2025 Proposed Continued

Table References

¹ Tax rates in tax years 1990-2001 do not reflect additional special tax district (fire, leaf collection, etc.) or town real estate tax rates.

² Beginning in calendar year 2008, Arlington County and Fairfax County levied an additional tax on most commercial real property for transportation purposes.

³ Arlington County's rate includes a transportation add-on tax on commercial property of 12.5 cents.

⁴ The Fairfax County rate includes add-on tax rates of 0.1 cents for pest infestation and 12.5 cents on commercial properties for transportation.

⁵ Prince William includes a county-wide fire and rescue levy of 7.5 cents and 0.25 cents for mosquito & forest pest management. There was a decrease in the tax base from 1.03 to .0966.

Revenues



FY 2025 PROPOSED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.11 per \$100 assessed value	58.1-3200	None set
Personal Property Tax:			
Tangible personal property	\$4.75 on every \$100 of assessed value	58.1-3500 et seq.	None set
Machinery and tools	\$4.50 on each \$100 of assessed value		None set
Mobile homes	\$1.11 on each \$100 of assessed value		None set
Automobiles	\$5.33 on every \$100 of assessed value		None set
Automobiles (10,000 lbs or more)	\$4.50 on every \$100 of assessed value		None set
Automobiles (handicap equipment)	\$3.55 on every \$100 of assessed value	58.1-3506-b	None set
Boats (personally owned; pleasure boat)	\$0.01 on every \$100 of assessed value	58.1-3506.1	None set
Utility Consumer Tax:			
Electric (residential)	\$1.12 plus \$0.012075 for each KWh	58.1-3814	\$3.00 monthly
Electric (residential group meter)	\$1.12 per dwelling unit plus \$0.012075 on each kWh	58.1-3814	\$3.00 monthly
Electric (commercial)	\$1.18 plus \$0.005578 of each KWh	58.1-3814	
Electric (industrial)	\$1.18 plus \$0.004544 of each kWh	58.1-3814	
Natural Gas (residential)	\$1.28 plus \$0.124444 on each CCF	58.1-3814	\$3.00 monthly
Natural Gas (residential group meter)	\$1.28 per dwelling unit plus \$0.050909 on each CCF	58.1-3814	\$3.00 monthly
Natural Gas (residential group meter interruptible)	\$1.28 per dwelling unit plus \$0.023267 on each CCF, not to exceed \$3 monthly per dwelling unit		\$3.00 monthly
Natural Gas (commercial/industrial)	\$1.28 per dwelling unit plus \$0.023267 on each CCF	58.1-3814	charged
Natural Gas (commercial/industrial interruptible)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	charged
Water (residential)	service	58.1-3814	**
Water (commercial/industrial)	20%, if the monthly bill exceeds \$150 then no tax is computed on that in amount above \$150	58.1-3814	20% of monthly amount charge
Business and Professional Licenses*			
Amusement	\$0.36 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Professional	\$0.58 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Residential Property	\$0.50 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Renting of Commercial Property	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Financial Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.58
Personal, Business, & Repair Services	\$0.35 per \$100 gross receipts	58.1-3700 et seq.	\$0.36
Retail Merchants	\$0.20 per \$100 gross receipts	58.1-3700 et seq.	\$0.20
Contractors	\$0.16 per \$100 gross receipts	58.1-3700 et seq.	\$0.16
Wholesale Merchants	\$0.05 per \$100 gross receipts	58.1-3700 et seq.	\$0.05



FY 2025 PROPOSED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Public Utilities:			
Telephone Company	\$0.50 per \$100 of gross receipts excluding charges for long distance calls	58.1-3731	\$0.5
Water	One-half of one percent of the gross receipts	58.1-3731	0.5% Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Public rights-of-way use fee	\$1.88 per access line (Effective July 1, 2024)	56-468.1	0.00038/kWh
Electric Consumption Tax	\$0.00038/kWh	58.1-2900	\$0.004 per CCF
Natural Gas Consumption Tax	\$0.004 per CCF	58.1-2904	5.0%
Communications Sales and Use Tax	5% of the sales price of each communications service that is sourced to the Commonwealth	58.1-648	
Other			
Alcoholic Beverages	\$5-\$1,500 (flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	Various
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840 58.1-3830 & 58.1-3840	None set \$1.26 per package of 20 cigarettes
Cigarette Tax	\$1.26 on each package of 20 cigarettes		
Short-Term Rental Tax	1.0% of gross proceeds of business arising from rentals (1.5% Heavy Equipment)	58.1-3510.4	1.0% or 1.5%
Local Sales Tax	1.0% on sale (added to the rate of the State tax imposed)	58.1-605 & 606	1.0%
Transient Lodging Tax	6.5% of total amount paid for room rental, plus \$1.25 per night lodging fee	58.1-3840	None set
Restaurant Meals Tax	5.0% of total charge of a meal****	58.1-3840	None set
Recordation Tax:	\$0.083 per \$100 of sales price/loan value	58.1-814	1/3 of State Tax
Late Payment Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10***
Tax Interest	10% for the first year and 5% for each year thereafter. Equals refund rates.	58.1-3916	10.0%

* Tax rate applies to businesses with gross receipts of \$100,000 or above. Businesses with gross receipts of at least \$10,000 but no more than \$99,999 will be assessed a license tax of \$50

** The City's existing tax rate exceeds state cap. The State cap was established after the City had set this rate.

*** The late payment penalty on real property is 5% if paid within 15 days of due date and 10% on the balance due thereafter.

**** Of which 1.0% is dedicated to Affordable Housing

Revenues



REAL PROPERTY TAX REVENUES

Real Property Tax	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Chg. FY25 Proposed/FY24 Projected
Residential	305,276,235	317,266,327	312,030,355	322,428,390	3.3%
Commercial Multi-Family	100,618,004	109,007,545	104,330,561	106,981,303	2.5%
Office/Retail and Other Commercial	99,131,832	98,219,902	102,711,114	97,059,226	-5.5%
Public Service Corporation	7,659,340	7,582,401	7,599,427	7,728,140	1.7%
Total	512,685,411	532,076,175	526,671,458	534,197,058	1.4%
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(13,986,232)</i>	<i>(14,873,266)</i>	<i>(14,873,266)</i>	<i>(16,472,181)</i>	<i>10.8%</i>

The FY 2025 Proposed Budget reflects a Real Property tax rate of \$1.110 per \$100. The FY 2025 rate of \$1.110 includes the following set asides for specific programs:

- Transportation Improvements 2.2 cents (General Fund Reservation)
- Affordable Housing 1.0 cents (General Fund Dedication)

As required by State law, all real estate parcels in the City are annually assessed at 100% of estimated fair market value. As detailed in the Calendar Year 2024 Real Property Assessment Report, the City’s overall real property tax base increased 3.9% from the January 1, 2023 assessment to January 1, 2024, or \$1.5 billion from \$48.3 billion in CY 2023 to \$49.8 billion in CY 2024.

Assumptions

General Fund real property tax revenues for the first half of FY 2025 (the second half of calendar year 2024) are based on the 2024 real property assessment and a 49.65 percent collection rate for the second half of the 2024 tax levy. Real property tax revenues for the second half of FY 2024 (the first half of calendar year 2025) assumes a growth rate of 2.98% in real property assessments and a \$1.110 tax rate. This projection is a mid-point estimate based on a growing residential real estate market and a commercial real estate market that continues to recover from the economic impacts of the COVID-19 pandemic.

The real property tax estimate for FY 2025 has been reduced by approximately \$8.0 million to reflect the costs of the tax relief programs for the elderly and disabled, and tax exemptions for disabled veterans and surviving spouses. These exemptions were expanded in the FY 2023 Approved Budget to include the surviving spouses of veterans killed in the line of duty, as allowed under HB 957.



REAL PROPERTY TAX REVENUES

Potomac Yard Special Tax District

In December, 2010, City Council approved the Tier I Special Services Tax District for Land Bay F, G, and H and the multi-family portion of Land Bay I in Potomac Yard. Tax collections of 20¢ per \$100 of valuation started in 2011. The tax district helps provide funding for the development and eventual operation of the planned Potomac Yard Metrorail station. In addition, City Council approved a policy to set aside appreciation on real estate in Potomac Yard to support the Metrorail development. In FY 2025, \$16.4 million in revenue is budgeted for the appreciation that has occurred since 2011 of Potomac Yard. Of the revenue generated from the appreciation, \$5.0 million is being transferred to the General Fund as the cost of delivery of City and School services.

Transportation Fund

A new special revenue fund was established in FY 2014 for transportation as a result of new tax authority legislation approved by the General Assembly for the Northern Virginia Transportation Authority (NVTA). The legislation increased the sales, transient occupancy, and grantor's tax rates and distributed the revenue generated by those increases to the NVTA for transportation purposes. Northern Virginia cities, counties and towns receive 30 percent of the revenues collected within their jurisdictions from the NVTA if they deposit revenues from a 12.5 cent real estate tax on commercial and industrial property, or an equivalent amount of revenue, into a special fund for transportation. The FY 2025 proposed budget includes a transfer of \$32.1 million in general property taxes to the transportation fund, which exceeds the amount of revenue that would be generated by a 12.5 cent commercial and industrial real estate property tax of \$10.0 million. The amount of revenue estimated to be generated in FY 2025 by the City's 30 percent of NVTA revenues is \$8.0 million. \$6.8 million planned for Washington Metropolitan Area Transit Authority (WMATA) operating and capital subsidies. The additional transient occupancy tax is no longer collected on behalf of NVTA. Per statute it is now collected for the State and remitted for WMATA costs.

Revenues



REAL PROPERTY TAX REVENUES

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2011	2012	2013	2014	2015	2016	2017
Residential Single Family*	13,064,551	13,401,631	13,903,410	14,491,781	15,022,092	15,458,313	15,756,517
Residential Condominium*	5,186,478	5,150,726	5,390,043	5,666,528	6,017,488	6,125,698	6,233,181
Vacant Residential*	179,702	163,350	150,532	156,601	155,976	129,179	103,299
Commercial Multi-Family	4,483,882	5,276,996	5,854,955	6,275,816	6,564,475	6,849,849	6,931,170
Office/Retail Property	8,433,635	8,544,988	8,431,243	8,332,484	8,376,688	8,656,218	8,900,100
Other Commercial	438,957	416,596	382,214	411,972	434,949	380,089	453,686
Public Service Corporation	844,746	828,408	634,278	560,421	575,192	595,973	609,339
Total	32,631,951	33,782,695	34,746,675	35,895,603	37,146,860	38,195,319	38,987,294
Residential Single Family	40.7%	40.0%	39.7%	40.0%	40.4%	40.4%	40.4%
Residential Condominium	16.5%	15.9%	15.2%	15.5%	15.8%	16.2%	16.0%
Vacant Residential	0.5%	0.6%	0.5%	0.4%	0.4%	0.4%	0.3%
Commercial Multi-Family	13.0%	13.7%	15.6%	16.9%	17.5%	17.7%	17.8%
Office/Retail Property	25.2%	25.8%	25.3%	24.3%	23.2%	22.6%	22.8%
Other Commercial	1.3%	1.3%	1.2%	1.1%	1.1%	1.2%	1.2%
Public Service Corporation	2.8%	2.6%	2.5%	1.8%	1.6%	1.5%	1.6%
Total	100%	100%	100%	100%	100%	100%	100%
Residential*	57.7%	56.5%	55.4%	56.0%	56.6%	57.1%	56.7%
Commercial**	42.3%	43.5%	44.6%	44.0%	43.4%	42.9%	43.3%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***							
Residential	70.7%	70.2%	71.0%	72.8%	74.1%	74.7%	74.4%
Commercial	29.3%	29.8%	29.0%	27.2%	25.9%	25.3%	25.6%

* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010.

** Commercial includes Commercial Multi-Family, Office/Rental Property, Other Commercial, and Public Service Corporation.

*** Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2023 Real Property Assessment Reports.

Revenues



REAL PROPERTY TAX REVENUES

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

Property Classification	2019	2020	2021	2022	2023	2024
Residential Single Family*	16,578,737	17,370,936	18,243,105	19,458,676	20,422,131	20,971,839
Residential Condominium*	6,626,468	7,012,378	7,581,651	8,075,395	8,467,398	8,847,788
Vacant Residential*	105,629	167,296	205,012	294,769	335,319	276,497
Commercial Multi-Family	7,768,690	8,155,671	8,443,823	9,316,308	9,893,384	9,669,609
Office/Retail Property	8,896,153	8,988,020	8,370,575	8,449,600	8,220,056	7,749,383
Other Commercial	360,442	357,454	344,203	308,555	316,562	274,127
Public Service Corporation	641,124	627,481	638,427	656,749	677,782	701,137
Total	40,977,242	42,679,236	43,826,796	46,560,052	48,332,632	48,490,380
Residential Single Family	40.5%	40.7%	41.6%	41.8%	42.3%	43.2%
Residential Condominium	16.2%	16.4%	17.3%	17.3%	17.5%	18.2%
Vacant Residential	0.3%	0.4%	0.5%	0.6%	0.7%	0.6%
Commercial Multi-Family	19.0%	19.1%	19.3%	20.0%	20.5%	19.9%
Office/Retail Property	21.7%	21.1%	19.1%	18.1%	17.0%	16.0%
Other Commercial	0.9%	0.8%	0.8%	0.7%	0.7%	0.6%
Public Service Corporation	1.6%	1.5%	1.5%	1.4%	1.4%	1.4%
Total	100%	100%	100%	100%	100%	100%
Residential*	56.9%	57.5%	59.4%	59.8%	60.5%	63.0%
Commercial**	43.1%	42.5%	40.6%	40.2%	39.5%	37.0%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***						
Residential	75.9%	76.6%	76.6%	78.7%	80.9%	82.0%
Commercial	24.2%	23.4%	23.4%	21.3%	19.1%	18.0%

* Residential includes Residential Single Family, Residential Condominium, and Vacant Residential past CY 2010.

** Commercial includes Commercial Multi-Family, Office/Rental Property, Other Commercial, and Public Service Corporation.

*** Current assessment practices include Commercial Multi-Family (rental units) in as commercial property. These numbers show the split if Commercial Multi-Family were included in Residential

Sources: Assessment Values are from the 2004-2022 Real Property Assessment Reports.

Revenues



PERSONAL PROPERTY TAX

	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Chg. FY25 Proposed/FY24 Projected
Business Personal Property Tax	16,813,089	17,033,000	18,790,000	19,406,000	3.3%
Personal Property Tax	49,712,372	49,280,000	52,350,000	56,800,000	8.5%
Total	66,525,461	66,313,000	71,140,000	76,206,000	7.1%
<i>State Reimbursement (informational)</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>23,578,531</i>	<i>0.0%</i>

The Personal Property tax is assessed on vehicles, mobile homes, and business personal property and divided into two categories—vehicular personal property tax and business personal property tax.

Business personal property consists of office furniture, fixtures, unlicensed vehicles, machinery, tools, and computers located in the City as of January 1st. The tax rate levied on business property for office furniture, fixtures, computers and unlicensed vehicles is \$4.75 per \$100 of assessed value and the tax rate levied on machinery and tools used in a mining or manufacturing business is \$4.50 per \$100 of assessed value. Business tangible equipment is valued using established depreciation tables based on original cost. The self-assessing Business personal property tax return is due to the City on May 1st.

Alexandria’s vehicle personal property tax rate is \$5.33 per \$100 of vehicle’s value. The City computes the value of vehicles using clean trade-in value. Since 1999, the Commonwealth of Virginia has reimbursed all localities in Virginia for part of the vehicle portion of the personal property tax as part of the Personal Property Tax Relief Act (PPTRA). For Alexandria, this totals \$23,578,531. To minimize the tax burden on lower valued vehicles, City Council has adjusted the distribution of the PPTRA reimbursement rate tiers for Tax Year 2022. The City will now apply the PPTRA subsidy to 100% of the amount due on qualifying personal use vehicles assessed at \$5,000 or less, an increase from \$1,000 or less. The PPTRA adjustments are seen in the tables below.

Vehicle personal property tax revenue for FY 2024 is based on significant market appreciation during 2021 and 2022 due to economic factors resulting from the pandemic. To address this dramatic rise in valuations, City Council approved the use of an assessment ratio for Tax Years 2022 and 2023.

Calendar Year	Personal Property Tax Relief Act (PPTRA) Reimbursement	Calendar Year	Personal Property Tax Relief Act (PPTRA) Reimbursement
2002-2005	70% of the first \$20,000 of the vehicle's assessed tax bill	2017-2019	55.5% for vehicles valued between \$1,001 and \$20,000 45.5% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 35.5% on the first \$20,000 for vehicles valued \$25,001 and higher
2006-2008	69% of the first \$20,000 of the vehicle's assessed tax bill	2020	53% for vehicles valued between \$1,001 and \$20,000 43% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 33% on the first \$20,000 for vehicles valued \$25,001 and higher
2009	73% of the first \$20,000 of the vehicle's assessed tax bill	2021	100% for vehicles valued \$1,000 and less 52% for vehicles valued between \$1,001 and \$20,000 41% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 31% on the first \$20,000 for vehicles valued \$25,001 and higher
2010	69% of the first \$20,000 of the vehicle's assessed tax bill	2022	100% for vehicles valued \$5,000 and less 52% for vehicles valued between \$5,001 and \$20,000 28% on the first \$20,001 for vehicles valued between \$20,001 and \$25,000 16% on the first \$20,000 for vehicles valued \$25,001 and higher 100% for vehicles valued \$5,000 and less
2011	63% of the first \$20,000 of the vehicle's assessed tax bill	2023	52% for vehicles valued between \$5,001 and \$20,000 28% on the first \$20,001 for vehicles valued between \$20,001 and \$25,000 16% on the first \$20,000 for vehicles valued \$25,001 and higher
2012	61% of the first \$20,000 of the vehicle's assessed tax bill	(estimated)	
2013-2014	61% for vehicles valued between \$1,001 and \$20,000 50% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 40% on the first \$20,000 for vehicles valued \$25,001 and higher		
2015	60% for vehicles valued between \$1,001 and \$20,000 50% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 40% on the first \$20,000 for vehicles valued \$25,001 and higher		
2016	58% for vehicles valued between \$1,001 and \$20,000 48% on the first \$20,000 for vehicles valued between \$20,001 and \$25,000 39% on the first \$20,000 for vehicles valued \$25,001 and higher		

Revenues



INTERGOVERNMENTAL REVENUES

General Fund Intergovernmental Revenues include state and federal aid that are generally not legally restricted to a specific program use. This excludes grant funding from the state and federal government which is accounted for in the City’s Special Revenue Fund.

	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Chg. FY25 Proposed/FY24 Projected
<i>Federal</i>					
Prisoner Per Diem	6,781,013	6,834,000	6,234,000	6,234,000	0.0%
Other Federal	803,644	1,110,000	710,000	710,000	0.0%
<i>State</i>					
HB 599	6,578,985	6,100,000	6,600,000	6,600,000	0.0%
Personal Property Tax Relief	23,578,531	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	9,258,107	8,966,150	9,894,000	9,894,000	0.0%
Street & Highway Maintenance	9,722,196	8,530,000	10,000,000	10,500,000	5.0%
Other State	2,563,704	3,826,357	3,967,357	3,967,357	0.0%

Federal Prisoner Per Diem: The City receives per diem reimbursement from the Federal Government for federal prisoners held in custody in the Alexandria Detention Center. The FY 2025 Proposed Budget is based FY 2024 forecasted revenue.

Other Federal: This category contains all other Federal revenues.

HB599 Aid: The City receives funding from the Commonwealth of Virginia to help defray the costs of law enforcement in the City. The FY 2025 Proposed Budget is base on FY 2024 forecasted revenue.

Personal Property Tax Reimbursement: Since 1999, the Commonwealth of Virginia has paid a decreasing portion of local government’s personal property tax on vehicles, the “car tax.” For additional information about the reimbursement, which for Alexandria is \$23,578,531 per year, see the previous description of the personal property tax rate.

Compensation Board Reimbursement: The City receives assistance from the Virginia Compensation Board to help defray part of the cost of office operations for Constitutional Officers, including the Sheriff, the Commonwealth’s Attorney, the Clerk of Court, and the Registrar. The City also receives assistance to fund part of the cost of the Finance Department.

State Aid for Road Maintenance: The City receives State aid for local maintenance of its primary and secondary roads based on a formula including reimbursement rate and locally maintained lane miles. Projected revenue in FY 2024 and FY 2025 is based on revenue received through the first half of FY 2024.

Revenues



OTHER MAJOR CATEGORIES OF REVENUES

	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Chg. FY25 Proposed/FY24 Projected
Penalties and Interest	3,764,634	3,358,050	3,765,001	4,123,400	9.5%
Charges for Services	17,311,219	15,522,609	16,633,101	18,867,237	13.4%
Licenses, Permits, and Fees	2,683,307	2,667,500	2,856,000	2,500,000	-12.5%
Fines and Forfeitures	3,129,147	4,425,000	4,289,500	4,304,500	0.3%
Use of Money and Property	19,805,458	19,322,000	26,597,045	24,708,633	-7.1%
Miscellaneous Revenues	3,977,834	3,848,000	3,705,360	3,705,360	0.0%
Contribution to/(Use of Fund Balance)	0	17,464,943	0	10,669,053	N/A

Penalties and Interest: This category includes penalty and interest for real estate, personal property and all other local taxes and includes an increase in the personal property tax delinquency penalty after 30 days and increased zoning ordinance citation civil penalties.

Charges for services: This category includes charges for the use of City Services, including the refuse user charge, parking meter receipts, and ambulance charges. The FY 2025 Proposed Budget includes a \$2.2 million increase from FY 2024 approved due to the planned opening of the Minnie Howard Aquatics Center, increased utilization of other programs and facilities, and fee adjustments to increase cost recovery. Fee adjustments include Out of School Time after school programs, RPCA and OHA special events and rentals, and ambulance billing fees.

Licenses, Permits, and Fees: This category includes taxi fees, residential parking permits, temporary parking permits, noise permits, Fire safety system retesting fees, and health permits for food service and pools.

Fines and Forfeitures: This category includes parking fines, court fines, and red light violations.

Use of Money and Property: This category includes the rental of Alexandria owned properties and the interest on General Fund investments. The revenue for interest on General Fund investments reflects actual receipts and an anticipated decrease in interest rates.

Miscellaneous revenues: This category includes revenues that do not fit into any other category including revenues transferred from Special Revenue accounts. This includes \$1.8 million in State funding to reimburse office space rented by the Alexandria Health Department.

Use of Fund Balance: The FY 2025 General Fund operating budget includes the use of \$10.6 million of spendable fund balance resulting from prior year surpluses, which represents 1% of budgeted revenue plus \$1.6 million to fund one-time expenditures in FY2025.

Revenues



OTHER MAJOR TAX REVENUES

	FY 2023 Actual	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Chg. FY25 Proposed/FY24 Projected
Sales	39,372,551	39,000,000	39,372,551	41,192,000	4.6%
Utility	12,639,483	12,020,000	12,020,000	12,020,000	0.0%
Business License	40,006,700	39,824,300	39,824,300	42,227,500	6.0%
Motor vehicle licenses	6,318	0	0	0	0.0%
Recordation	4,360,818	3,926,000	2,811,000	2,811,000	0.0%
Cigarette	2,095,823	2,030,000	1,948,000	1,948,999	0.1%
Transient Lodging	11,960,434	11,200,000	13,360,000	14,901,000	11.5%
Restaurant Meals	30,143,987	31,200,000	31,700,000	34,270,000	8.1%
Admissions	332,241	313,000	441,600	441,600	0.0%
Communications Sales and Use	7,512,962	6,810,000	7,000,000	6,700,000	-4.3%
Other Local Taxes	3,977,834	3,848,000	3,705,360	3,705,360	0.0%
Total Other Major Taxes	152,409,150	150,171,300	152,182,811	160,217,459	5.28%

Sales Tax: Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2024 and 2025 are based on historical trends and the continued normalization of consumer spending.

Consumer Utility Tax: The consumer utility tax is levied upon all residential and commercial users of water, natural gas, and electricity. Based on collections through the first half of the fiscal year, consumer utility tax revenue is projected to remain flat through FY 2024 and into FY 2025.

Business License Tax: The Business License Tax is levied upon those doing business in the City. The rates vary by the amount of gross receipts and the type of business.

Recordation Tax: The Recordation Tax is assessed on the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. Actual receipts in the first half of FY 2024 suggest a lower projection for FY 2025, as increased interest rates have reduced mortgage originations.

Cigarette Tax: The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2025, revenues are expected to remain flat.

Transient Lodging Tax: The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2024 are projected to increase as recovery from the pandemic continues.

Restaurant Meals Tax: The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. FY 2025 revenues assumes a return to historical levels.

Communication Sales and Use Tax: This tax is assessed on landline telephone service, cell phones, cable television, Voice Over Internet Protocol (VOIP) services and satellite television service. There has been a decline in this revenue source since its inception in FY 2007 due to the trend of discontinuing landline service in favor of cell phone service. Revenues are projected to continue to decrease in FY 2025 based on historical trends.



CURRENT TAX RATE COMPARISON

The following tables compare Alexandria’s FY 2024 tax rates to other jurisdictions FY 2025 rates where available.

Real Estate Tax - Residential

JURISDICTION	TAX RATE
City of Alexandria	\$1.110 per \$100 of assessed value
Arlington	\$1.028 per \$100 of assessed value
Fairfax County	\$1.135 per \$100 of assessed value
Loudoun County	\$0.875 per \$100 of assessed value
Prince William County	\$0.966 per \$100 of assessed value
State Maximum: None	

Commercial and Industrial Real Estate Tax

JURISDICTION	TAX RATE
City of Alexandria	No Tax
Arlington	\$0.125 per \$100 of assessed value
Fairfax County	\$0.125 per \$100 of assessed value
Loudoun County	No Tax
Prince William County	No Tax
State Maximum: \$0.125 per \$100 of assessed value	

Vehicle Personal Property Tax

JURISDICTION	TAX RATE
City of Alexandria	\$5.33
Arlington	\$5.00
Fairfax County	\$4.57
Loudoun County	\$4.10
Prince William County	\$3.70
State Maximum: none	



CURRENT TAX RATE COMPARISON

Cigarette (Tobacco) Tax

JURISDICTION	TAX RATE
City of Alexandria	\$1.26 per pack of 20 cigarettes
Arlington	\$0.40 per pack of 20 cigarettes
Fairfax County	\$0.40 per pack of 20 cigarettes
Loudoun County	\$0.40 per pack of 20 cigarettes
Prince William County	\$0.40 per pack of 20 cigarettes
State Maximum: \$0.02 per cigarette or the rate in effect as of January 1, 2020, whichever is higher.	

Transient Lodging Tax

JURISDICTION	TAX RATE
City of Alexandria	6.5% + \$1.25/night
Arlington	5.25%
Fairfax County	4.0%
Loudoun County	5.0%
Prince William County	5.0%
State Maximum: none for cities; 2.0% for counties and 5.0%	

Restaurant Meals Tax

JURISDICTION	TAX RATE
City of Alexandria	5.0%
Arlington	4.0%
Fairfax County	N/A
Loudoun County	N/A
Prince William County	4.0%
State Maximum: none for cities; 6.0% for counties	
Median meals tax rate in Virginia cities is 6.0%	

Revenues



RESIDENTIAL TAX AND FEE BURDEN

The table below measures the tax and fee cost to the average household in the City.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Fees and Taxes							
Real Estate Tax	\$6,154	\$6,272	\$6,584	\$6,836	\$7,281	\$7,547	\$7,757
Personal Property Tax *	\$533	\$570	\$602	\$554	\$604	\$624	\$726
Trash Removal Fee	\$373	\$411	\$460	\$484.22	\$500	\$500	\$500
Decal Fee**	\$58	\$0	\$0	\$0	\$0	\$0	\$0
Utility tax on Natural Gas	\$22	\$25	\$24	\$24	\$23	\$23	\$23
Utility tax on Electricity	\$33	\$34	\$33	\$33	\$32	\$32	\$32
Utility tax on Water	\$27	\$25	\$25	\$24	\$24	\$24	\$24
Communication Sales and Use Tax	\$119	\$111	\$90	\$84	\$81	\$81	\$81
Sanitary Sewer System Capital Investment & Maintenance Fee	\$123	\$123	\$123	\$123	\$123	\$123	\$123
Storm Water Utility Fee	\$140	\$140	\$210	\$280	\$294	\$309	\$320
Total	\$7,582	\$7,711	\$8,151	\$8,442	\$8,962	\$9,263	\$9,585

* Assumes an average of two vehicles per Alexandria household. Beginning in FY 2020, the Personal Property tax rate is increased from \$5.00 per \$100 of the assessed value of a vehicle to \$5.33 per \$100 of the assessed value.

** In FY 2020, the City eliminated the vehicle tax decal and associated fee requirement.