

**City of Alexandria, Virginia
 FY 2025 Proposed Operating Budget & CIP
 Budget Questions & Answers**

March 28, 2024

Question:

What are the possible tax revenue options to support the FY 2025 budget?

Response:

Possible tax revenue options to support the FY 2025 budget that are not current at the maximum rate allowed by the State are levy taxes on real estate tax, admissions tax, meals sales tax, transient lodging tax, and two categories of BPOL taxes. The tables below show the fiscal impact of each possible increase.

Category	FY2025 Estimated Revenue	Current Rate	Unit of Measurement	Additional Revenue per Unit	Maximum Rate
Real Estate Tax	\$534.2 M	\$ 1.11	\$ 0.01	\$4.7 M	\$1.15 Advertised
Admissions Tax	\$0.4 M	10% not to exceed \$0.50	\$0.25 max	\$0.2 M	None
Meal Sales Tax	\$34.3 M	5.0%	1.0%	\$6.9 M	None
Transient Lodging Tax	\$14.9 M	6.5%	1.0%	\$2.0 M	None
BPOL Tax Rates - Business, Personal, Repair	\$13.9 M	\$ 0.35	\$ 0.01	\$0.4 M	\$ 0.36
BPOL Tax Rates - Financial Services	\$3.5 M	\$ 0.35	\$ 0.10	\$1.0 M	\$ 0.58