

**City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers**

March 25, 2025

Question:

Can you tell me the amount of money that an increase in the Hotel Occupancy Tax would bring in?

Response:

Our current tax rate is 6.5% plus \$1.25 per room per night. The rate-based portion of our revenue comprises approximately 90.3% of this category, or approximately \$13.45 million. Each 1% change in the Transient Lodging tax rate is equivalent to approximately \$2.07 million in revenue.