

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

April 3, 2025

Question:

How many vehicles receive 100% subsidy under the current allocation of the state subsidy, and what is the remaining value distribution of vehicles?

Response:

As of Tax Year 2024, 31,958 personal use vehicles received 100% subsidy from the State Car Tax credit. The remaining distribution is as follows:

Assessed Value Range	Number of Vehicles	% of State Tax Credit on the 1st \$20,000 of Assessed Value	Average Assessed Value	Average State Tax Credit	Average Tax Paid by Taxpayer	Average Total Tax	% of Revenue Received by Range
\$5,000 and Below	31,958	100%	\$2,700	\$123.63	\$0.00	\$123.63	0.0%
\$5,001 - \$20,000	54,978	52%	\$11,337	\$272.17	\$251.20	\$523.37	25.1%
\$20,001 - \$25,000	10,979	26%	\$22,366	\$236.88	\$779.57	\$1,016.46	15.5%
\$25,001 and Above	22,376	12%	\$36,355	\$104.68	\$1,460.53	\$1,565.21	59.4%
Total:	120,291		\$14,703	\$198.33	\$457.64	\$655.97	100%

Data is based on Tax Year 2024 (FY25) and is prorated.

Based on the State Code, the State Car Tax credit is only applicable to the 1st \$20,000 of assessed value, and is only applicable to Personal Use vehicles.

Based on the FY26 Proposed Budget, current year Car Tax is estimated to generate \$57.7 million in General Fund revenue.