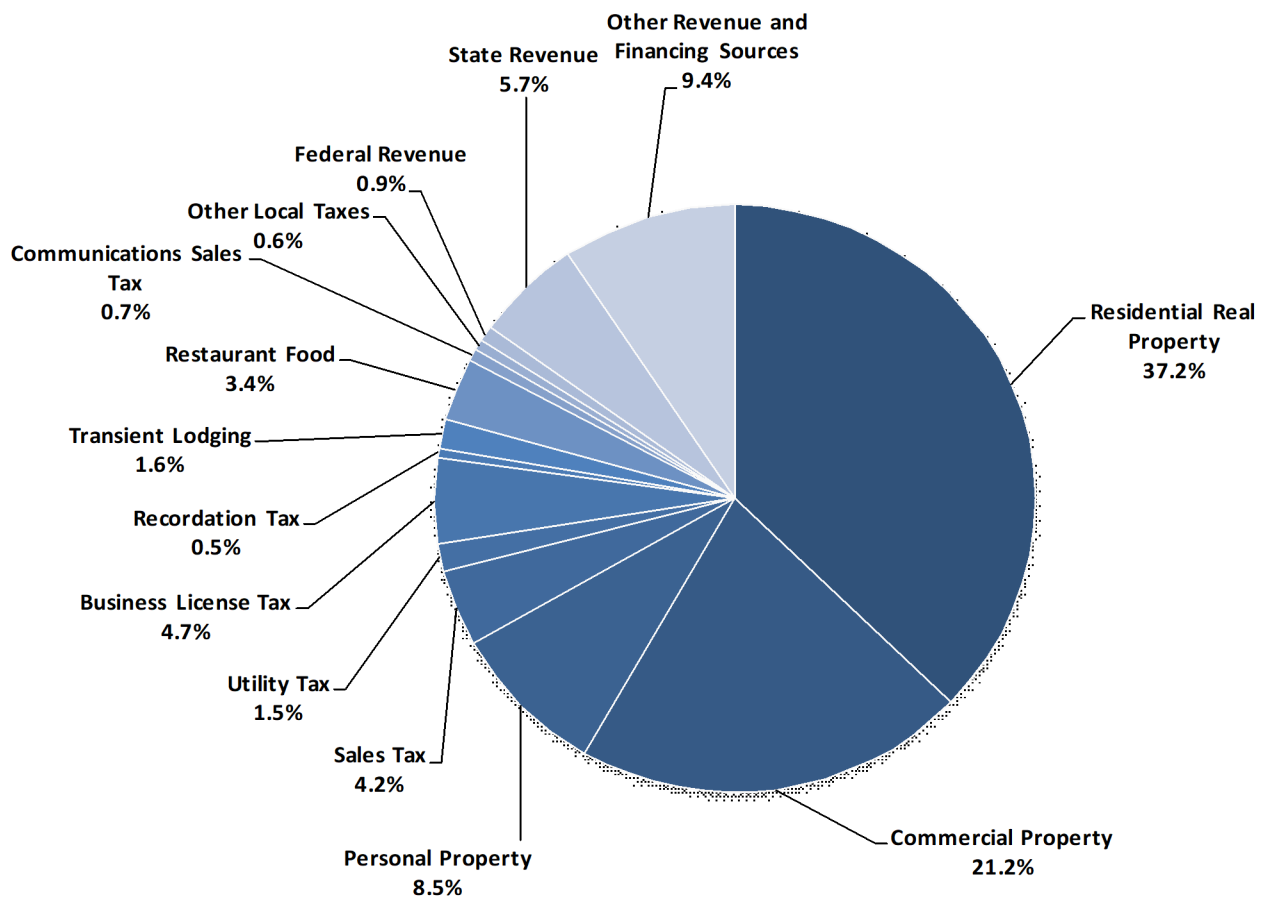


## Revenues



## GENERAL FUND REVENUES

The chart below shows the distribution of estimated General Fund revenues **(\$942,456,612)** and fund balance use **(\$13,992,992)** for FY 2026 totaling **\$956,449,704**. This represents a 3.2% increase above the amount budgeted for FY 2025.



## Revenues



## GENERAL FUND REVENUES

General Fund Revenue	FY 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved
General Property Tax Revenue				
Real property tax	526,616,644	545,370,119	546,603,593	557,980,012
Personal property tax	71,177,934	75,590,000	78,826,000	81,046,000
Penalties and Interest	4,188,356	4,123,400	5,175,699	5,175,699
<b>Total general property tax revenue</b>	<b>601,982,934</b>	<b>625,083,519</b>	<b>630,605,292</b>	<b>644,201,711</b>
Other local tax revenue				
Local sales tax	40,128,613	41,192,000	40,300,000	40,500,000
Utility tax	12,685,009	12,020,000	13,065,000	14,065,000
Business licenses	42,286,568	43,718,700	43,718,700	45,017,145
Motor vehicle licenses	2,245	-	-	-
Recordation	3,916,012	2,811,000	5,100,000	5,100,000
Cigarette	1,885,731	1,948,999	1,468,400	1,468,400
Transient Lodging	14,913,657	14,901,000	14,901,000	14,901,000
Restaurant food	31,601,200	34,270,000	32,500,000	32,850,000
Admissions	372,970	441,600	267,000	267,000
Communications service	7,117,612	6,700,000	6,851,000	6,594,000
Other miscellaneous	3,998,040	3,745,860	3,905,960	3,906,400
<b>Total other local tax revenues</b>	<b>158,907,658</b>	<b>161,749,159</b>	<b>162,077,060</b>	<b>164,668,945</b>
Non-tax revenue				
Licenses, permits, and fees	3,026,166	2,500,000	2,954,000	3,039,000
Fines forfeitures	6,131,452	4,304,500	5,669,500	5,694,500
Use of money and property	30,376,625	24,194,038	25,973,945	22,336,354
Charges for services	17,374,352	18,997,239	16,162,239	19,244,366
Noncategorical State (PPTRA)	(1)	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	35,610,145	38,923,357	39,097,236	39,366,740
Miscellaneous	16,220,062	2,441,000	4,329,000	4,402,000
<b>Total non-tax revenue</b>	<b>108,738,801</b>	<b>114,938,665</b>	<b>117,764,451</b>	<b>117,661,491</b>
<b>Total General Fund Revenues</b>	<b>869,629,392</b>	<b>901,771,343</b>	<b>910,446,803</b>	<b>926,532,147</b>
Other financing sources (uses)				
(Appropriations to)/from Fund Balances				
(Contribution to)/Use of Fund Balance	-	13,992,992	-	13,992,992
Transfer from special revenue acct.	16,046,195	10,631,458	10,631,458	15,924,565
<b>Total Transfers In</b>	<b>16,046,195</b>	<b>24,624,450</b>	<b>10,631,458</b>	<b>29,917,557</b>
<b>Total General Fund Revenues and Other Sources</b>	<b>885,675,587</b>	<b>926,395,793</b>	<b>921,078,261</b>	<b>956,449,704</b>



## MAJOR REVENUE INITIATIVES IN FY 2026

### General Property and Other Local Taxes

There are no changes in the budget to the real estate tax rate, personal property tax rate, or any other local tax rates.

### User Fees and Other Revenues (General Fund)

The Department of Recreation & Cultural Activities will receive the following additional revenues:

- \$85,411 in revenue from a rental fee adjustment.
- \$12,600 in revenue from Indoor Moon Bounce and Soft Play equipment.
- \$7,315 in revenue from increase to the Youth Sports Fee.

The Department of Planning and Zoning will receive \$185,000 in revenue from creating a Short Term Residential Rental Administration and Enforcement Permit Fee.

The City will receive \$200,000 in revenue from an increase to the Residential Permit Parking Fees due to a rate increase from \$40 to \$55 for the first vehicle, \$50 to \$75 for the second vehicle, and \$150 to \$250 for each additional vehicle. The fees were last increased in 2018.

### Special Revenue Funds (Not included in General Fund revenue)

The Department of Transportation and Environmental Services will receive \$1,000,000 in revenue to the Stormwater Utility Fund from a 5% Stormwater Utility increase, to support the funding of major capital projects.

The Department of Code Administration will receive the following additional revenues to the Permit Fee Fund:

- \$32,116 in revenue from an increase in minimum permit fees, to improve cost recovery and better align with neighboring jurisdictions.
- \$97,378 in revenue from increasing the new commercial construction permit fee by 3%, from \$7.30 to \$7.50 per 1,000 of construction value.
- \$3,420 in revenue from creating a new \$95 EV charging equipment permit fee to be deducted from the total cost of construction.
- \$8,550 in revenue from creating a new \$95 minimum fee for residential photovoltaic systems.
- \$133,917 in revenue from creating a separate fee in the fee schedule to clarify the language and calculation for applicants regarding Business Use to Residential Use.



## REAL ESTATE TAX RATES

### Regional Tax Rates for Calendar Years 1996-2025

Below are real estate tax rates from selected major Northern Virginia jurisdictions over the past thirty calendar years. In Virginia, the tax and calendar years coincide. FY 2026 approved rates are included as available. Rates listed are per \$100 of assessed value.

Budget Year	Tax Year	Alexandria	Arlington County		Fairfax County		Loudoun County	Pr. Wm. County
			Residential	Commercial	Residential	Commercial		
1997	1996	1.070	0.960	0.960	1.230	1.230	1.030	1.3600
1998	1997	1.070	0.986	0.986	1.230	1.230	1.060	1.3600
1999	1998	1.110	0.998	0.998	1.230	1.230	1.110	1.3600
2000	1999	1.110	0.998	0.998	1.230	1.230	1.11	1.3600
2001	2000	1.110	1.023	1.023	1.230	1.230	1.08	1.3400
2002	2001	1.110	1.023	1.023	1.230	1.230	1.08	1.3100
2003	2002	1.080	0.993	0.993	1.210	1.210	1.05	1.2300
2004	2003	1.035	0.978	0.978	1.160	1.160	1.11	1.1600
2005	2004	0.400	0.958	0.958	1.130	1.130	1.11	1.0700
2006	2005	0.915	0.878	0.878	1.000	1.000	1.04	0.9740
2007	2006	0.815	0.818	0.818	0.890	0.890	0.89	0.8071
2008	2007	0.830	0.818	0.943	0.890	1.015	0.96	0.8379
2009	2008	0.845	0.848	0.973	0.920	1.045	1.14	0.9700
2010	2009	0.903	0.875	1.000	1.050	1.175	1.25	1.2880
2011	2010	0.978	0.958	1.083	1.120	1.245	1.30	1.3146
2012	2011	0.998	0.958	1.083	1.100	1.225	1.285	1.2806
2013	2012	0.998	0.971	1.096	1.105	1.230	1.235	1.2859
2014	2013	1.038	1.006	1.131	1.113	1.238	1.205	1.2562
2015	2014	1.043	0.996	1.121	1.115	1.240	1.155	1.2212
2016	2015	1.043	0.996	1.121	1.158	1.283	1.135	1.1936
2017	2016	1.073	0.991	1.116	1.160	1.285	1.145	1.1950
2018	2017	1.130	1.006	1.131	1.150	1.275	1.125	1.2067
2019	2018	1.130	1.006	1.131	1.150	1.275	1.085	1.2075
2020	2019	1.130	1.013	1.138	1.150	1.275	1.045	1.2075
2021	2020	1.130	1.013	1.138	1.150	1.275	1.035	1.2075
2022	2021	1.110	1.013	1.138	1.140	1.265	0.98	1.1975
2023	2022	1.110	1.013	1.138	1.110	1.235	0.89	1.1975
2024	2023	1.110	1.013	1.138	1.095	1.220	0.89	1.1075
2025	2024	1.135	1.033	1.158	1.125	1.250	0.865	0.9945
2026	2025	1.135	1.033	1.158	1.140	1.265	0.805	0.9945

## Revenues



## FY 2026 APPROVED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$1.135 per \$100 assessed value	58.1-3200	None set
<b>Personal Property Tax:</b>			
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
<b>Utility Consumer Tax:</b>			
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)	15% of the monthly amount charged to consumers of the utility 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
<b>Business and Professional Licenses*</b>			
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

## Revenues



## FY 2026 APPROVED TAX RATES FOR MAJOR REVENUE SOURCES

Tax	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
<b>Public Utilities</b>			
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%
Public rights-of-way use fee	\$1.01 per access line (Effective July 1, 2022)	56-468.1	Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Electric Consumption Tax	\$0.0038/kWh	58.1-2900	0.00038/kWh
Natural Gas Consumption Tax	\$0.004 per CCF	58.1-2904	\$0.004 per CCF
Communications Sales and Use Tax	5% of the sales price of each communications service that is sourced to the Commonwealth	58.1-648	5.0%
<b>Other</b>			
Admissions Tax	10% of any admission charge, not to exceed \$0.50 per person admitted	58.1-3840	None set
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	None set
Cigarette Tax	\$1.26 on each package of 20 cigarettes	58.1-3830 & 58.1-3840	\$1.26 per 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	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 (equals State max)	58.1-3800	1/3 of State Chrgs
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.		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 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Chg. FY26 Approved/ FY25 Projected
Residential	322,334,721	341,844,193	342,496,107	355,688,737	3.9%
Commercial Multi-Family	106,300,211	106,790,556	106,994,210	106,192,549	-0.7%
Office/Retail and Other Commercial	89,983,423	88,833,173	89,002,582	87,795,451	-1.4%
Public Service Corporation	7,998,288	7,902,198	8,110,694	8,303,275	2.4%
Total	526,616,644	545,370,119	546,603,593	557,980,012	2.1%
<i>Potomac Yard Tax Base Growth Transfer to the Potomac Yard Fund (Informational)</i>	<i>(14,873,266)</i>	<i>(16,472,181)</i>	<i>(16,472,181)</i>	<i>(17,035,000)</i>	3.4%

The FY 2026 Approved Budget reflects a Real Property tax rate of \$1.135 per \$100. The FY 2026 approved rate of \$1.135 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 2025 Real Property Assessment Report, the City's overall real property tax base increased 2.57% from the January 1, 2024 assessment to January 1, 2025, or \$1.25 billion from \$48.49 billion in CY 2024 to \$49.74 billion in CY 2025.

#### Assumptions

General Fund real property tax revenues for the first half of FY 2026 (the second half of calendar 2025) are based on the 2025 real property assessment and a 49.65 percent collection rate for the second half of the 2025 tax levy. Real property tax revenues for the second half of FY 2026 (the first half of calendar year 2026) assumes a growth rate of 1.98% in real property assessments and a \$1.135 tax rate. This projection is based on a growing residential real estate market and declining commercial office, retail and service property values.

The real property tax estimate for FY 2026 has been reduced by approximately \$10.3 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. Elderly and disabled tax relief was expanded in the FY 2025 budget by increasing the income limit for 100% relief from \$40,000 to \$55,000, increasing relief for incomes from \$55,001 to \$72,000 from 25% to 50%, providing 25% relief to incomes from \$72,001 to \$100,000 (who were not previously eligible for relief), and providing a deferral option for incomes from \$100,001 to \$120,000. This is expected to benefit approximately 900 applicants at a cost of \$1.03 million.



## 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 2026, \$17 million in revenue is budgeted for the appreciation that has occurred since 2011 of Potomac Yard. Of the revenue generated from the appreciation, \$5.2 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 2026 approved budget includes a transfer of \$34.3 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 \$11.1 million. The amount of revenue estimated to be generated in FY 2026 by the City's 30 percent of NVTA revenues is \$7.5 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

Property Classification	2012	2013	2014	2015	2016	2017	2018
Residential Single Family*	13,401,631	13,903,410	14,491,781	15,022,092	15,458,313	15,756,517	16,291,951
Residential Condominium*	5,150,726	5,390,043	5,666,528	6,017,488	6,125,698	6,233,181	6,429,613
Vacant Residential*	163,350	150,532	156,601	155,976	129,179	103,299	122,472
Commercial Multi-Family	5,276,996	5,854,955	6,275,816	6,564,475	6,849,849	6,931,170	7,463,415
Office/Retail Property	8,544,988	8,431,243	8,332,484	8,376,688	8,656,218	8,900,100	8,587,410
Other Commercial	416,596	382,214	411,972	434,949	380,089	453,686	386,192
Public Service Corporation	828,408	634,278	560,421	575,192	595,973	609,339	616,934
<b>Total</b>	<b>33,782,695</b>	<b>34,746,675</b>	<b>35,895,603</b>	<b>37,146,860</b>	<b>38,195,319</b>	<b>38,987,292</b>	<b>39,897,987</b>
Residential Single Family	40.0%	39.7%	40.0%	40.4%	40.4%	40.4%	40.8%
Residential Condominium	15.9%	15.2%	15.5%	15.8%	16.2%	16.0%	16.1%
Vacant Residential	0.6%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%
Commercial Multi-Family	13.7%	15.6%	16.9%	17.5%	17.7%	17.8%	18.7%
Office/Retail Property	25.8%	25.3%	24.3%	23.2%	22.6%	22.8%	21.5%
Other Commercial	1.3%	1.2%	1.1%	1.1%	1.2%	1.2%	1.0%
Public Service Corporation	2.6%	2.5%	1.8%	1.6%	1.5%	1.6%	1.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Residential*	56.5%	55.4%	56.0%	56.6%	57.1%	56.7%	57.3%
Commercial**	43.5%	44.6%	44.0%	43.4%	42.9%	43.4%	42.7%
Revised Distribution with Commercial Multi-Family included in Residential instead of Commercial***							
Residential	70.2%	71.0%	72.8%	74.1%	74.7%	74.4%	76.0%
Commercial	29.8%	29.0%	27.2%	25.9%	25.3%	25.6%	24.0%

\* 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 2004-2025 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	2025
Residential Single Family*	16,578,737	17,370,936	18,243,105	19,458,676	20,422,131	20,971,839	21,832,136
Residential Condominium*	6,626,468	7,012,378	7,581,651	8,075,395	8,467,398	8,847,788	9,382,387
Vacant Residential*	105,629	167,296	205,012	294,769	335,319	276,497	252,005
Commercial Multi-Family	7,768,690	8,155,671	8,443,823	9,316,308	9,893,384	9,669,609	9,562,281
Office/Retail Property	8,896,153	8,988,020	8,370,575	8,449,600	8,220,056	7,749,383	7,671,789
Other Commercial	360,442	357,454	344,203	308,555	316,562	274,127	302,650
Public Service Corporation	641,124	627,481	638,427	656,749	677,782	701,137	735,242
Total	40,977,242	42,679,236	43,826,796	46,560,052	48,332,632	48,490,380	49,738,489
Residential Single Family	40.5%	40.7%	41.6%	41.8%	42.3%	43.2%	43.9%
Residential Condominium	16.2%	16.4%	17.3%	17.3%	17.5%	18.2%	18.9%
Vacant Residential	0.3%	0.4%	0.5%	0.6%	0.7%	0.6%	0.5%
Commercial Multi-Family	19.0%	19.1%	19.3%	20.0%	20.5%	19.9%	19.2%
Office/Retail Property	21.7%	21.1%	19.1%	18.1%	17.0%	16.0%	15.4%
Other Commercial	0.9%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%
Public Service Corporation	1.6%	1.5%	1.5%	1.4%	1.4%	1.4%	1.5%
Total	100%	100%	100%	100%	100%	100%	100%
Residential*	56.9%	57.5%	59.4%	59.8%	60.5%	63.0%	63.3%
Commercial**	43.1%	42.5%	40.6%	40.2%	39.5%	37.0%	36.7%
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%	82.5%
Commercial	24.2%	23.4%	23.4%	21.3%	19.1%	18.0%	17.5%

\* 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 2004-2025 Real Property Assessment Reports.

## Revenues



## PERSONAL PROPERTY TAX

	FY 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Chg. FY26 Approved/ FY25 Projected
Business Personal Property Tax	18,646,005	18,790,000	19,926,000	19,926,000	0.0%
Vehicle Personal Property Tax	52,531,929	56,800,000	58,900,000	61,120,000	3.8%
Total	71,177,934	75,590,000	78,826,000	81,046,000	2.8%
<i>State Reimbursement (informational)</i>	(1)	23,578,531	23,578,531	23,578,531	0.0%

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.

In FY 2024, PPTRA was adjusted to remove a receivable that was causing an overstatement on the City's balance sheet.

## Revenues



## PERSONAL PROPERTY TAX

Calendar Year	Personal Property Tax Relief Act (PPTRA) Reimbursement
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2002-2005	70% of the first \$20,000 of the vehicle's assessed tax bill
2006-2008	69% of the first \$20,000 of the vehicle's assessed tax bill
2009	73% of the first \$20,000 of the vehicle's assessed tax bill
2010	69% of the first \$20,000 of the vehicle's assessed tax bill
2011	63% of the first \$20,000 of the vehicle's assessed tax bill
2012	61% of the first \$20,000 of the vehicle's assessed tax bill
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
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
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
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
2022-2024	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

## Revenues



## LOCAL TAX REVENUES

	FY 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Chg. FY26 Approved/ FY25 Projected
Sales	40,128,613	41,192,000	40,300,000	40,500,000	0.5%
Utility	12,685,009	12,020,000	13,065,000	14,065,000	7.7%
Business License	42,286,568	43,718,700	43,718,700	45,017,145	3.0%
Motor vehicle licenses	2,245	-	-	-	0.0%
Recordation	3,916,012	2,811,000	5,100,000	5,100,000	0.0%
Cigarette	1,885,731	1,948,999	1,468,400	1,468,400	0.0%
Transient Lodging	14,913,657	14,901,000	14,901,000	14,901,000	0.0%
Restaurant Meals	31,601,200	34,270,000	32,500,000	32,850,000	1.1%
Admissions	372,970	441,600	267,000	267,000	0.0%
Communications Sales and Use	7,117,612	6,700,000	6,851,000	6,594,000	-3.8%
Other Local Taxes	3,998,040	3,745,860	3,905,960	3,906,400	0.0%
Total Other Major Taxes	158,907,657	161,749,159	162,077,060	164,668,945	1.60%

**Sales Tax:** Sales Tax revenues are collected by businesses and remitted to the State. Revenues projected for FY 2025 and 2026 are based on historical trends.

**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 increase through FY 2025 and into FY 2026.

**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. Revenues from this tax are expected to grow modestly.

**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 2025 suggest steady rates for FY 2026.

**Cigarette Tax:** The Cigarette Tax is assessed on each pack of cigarettes sold in the City. For FY 2026, revenues are expected to remain relatively flat.

**Transient Lodging Tax:** The Transient Lodging Tax is levied on Alexandria motel and hotel rooms. Revenues in FY 2026 are projected to remain steady through the end of the fiscal year, and stay flat into FY 2026.

**Restaurant Meals Tax:** The Restaurant Meals Tax is levied on all prepared food and beverages at a 5% rate. FY 2026 revenues assumes low growth.

**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 2026 based on historical trends.

## 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 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Chg. FY26 Approved/ FY25 Projected
<i>Federal</i>					
Prisoner Per Diem	6,103,640	6,662,000	6,662,000	7,447,740	11.8%
Other Federal	876,046	710,000	710,000	710,000	0.0%
<i>State</i>					
HB 599	6,956,899	6,600,000	7,000,000	7,210,000	3.0%
Personal Property Tax Relief	(1)	23,578,531	23,578,531	23,578,531	0.0%
Compensation Board Reimb.	8,763,752	10,484,000	10,484,000	10,484,000	0.0%
Street & Highway Maintenance	10,585,069	10,500,000	10,871,000	11,000,000	1.2%
Other State	2,324,739	3,967,357	3,370,236	2,515,000	-25.4%

**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 2026 Budget assumes revenue generated by the contract that guarantees a minimum of 150 beds per day.

**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 2026 Budget is base on FY 2025 actual revenue. It is forecasted to grow by 3 percent.

**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 2025 and FY 2026 is based on current actuals and information provided by the Commonwealth Transportation Board.

## Revenues



## OTHER MAJOR CATEGORIES OF REVENUES

	FY 2024 Actual	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Chg. FY26 Approved/ FY25 Projected
Penalties and Interest	4,188,356	4,123,400	5,175,699	5,175,699	0.0%
Charges for Services	17,374,352	18,997,239	19,062,239	19,244,366	1.0%
Licenses, Permits, and Fees	3,026,166	2,500,000	2,954,000	3,039,000	2.9%
Fines and Forfeitures	6,131,452	4,304,500	5,669,500	5,694,500	0.4%
Use of Money and Property	30,376,625	24,194,038	25,973,945	22,336,354	-14.0%
Miscellaneous Revenues	16,220,062	2,441,000	4,329,000	4,402,000	1.7%
(Contribution to)/Use of Fund Balance	-	13,992,992	-	13,992,992	
Special Revenue Fund Transfers	16,046,195	10,631,458	10,631,458	15,924,565	49.8%

**Penalties and Interest:** This category includes penalty and interest for real estate, personal property and all other local taxes.

**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 2026 Approved Budget includes a \$0.3 million increase from FY 2025 approved as utilization of City Services continues to increase. This includes a \$151,500 increase in Recreation's accountability fee program, \$24,000 for Power On/Up out-of-school programs, as well as increases for engineering and inspection 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. The FY 2026 Approved Budget includes a increase of to reflect recent trends in forfeiture levels.

**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 expected decreases 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 \$2.0 million in State funding to reimburse office space rented by the Alexandria Health Department. FY 2024 actual revenue includes a technical adjustment to record revenue from a prior year.

**Use of Fund Balance:** The FY 2026 General Fund operating budget includes the use of \$13.9 million, or 1.5% of total General Fund revenue, of spendable fund balance resulting from prior year surpluses.

**Special Revenue Fund Transfers:** The FY 2026 General Fund operating budget includes the use of \$15.9 million in transfers from the sanitary sewer fund, storm water fund, residential refuse fund and permit fee fund for indirect costs; a transfer from the Potomac Yard Fund for the cost of City and School services provided to properties within Potomac Yard; and a transfer from the Capital Improvement Program (CIP) to fund Landmark redevelopment debt service in the operating budget.



## CURRENT TAX RATE COMPARISON

The following tables compare Alexandria's FY 2026 approved tax rates to other jurisdictions FY 2025 approved and FY 2026 approved rates. Arlington County FY 2026 approved tax rates were not available at the time of publication.

## Real Estate Tax - Residential

JURISDICTION	TAX RATE
City of Alexandria	\$1.135 per \$100 of assessed value
Arlington	\$1.033 per \$100 of assessed value
Fairfax County	\$1.140 per \$100 of assessed value
Loudoun County	\$0.805 per \$100 of assessed value
Prince William County	\$0.995 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	\$3.48
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.	

**Restaurant Meals Tax**

JURISDICTION	TAX RATE
City of Alexandria	5.0%
Arlington	4.0%
Fairfax County	N/A (considering 4%)
Loudoun County	N/A
Prince William County	N/A
Fredericksburg	6.0%
State Maximum: none for cities; 6.0% for counties	
Median meals tax rate in Virginia cities is 6.0%	

**Transient Lodging Tax**

JURISDICTION	TAX RATE
City of Alexandria	6.5% + \$1.25/night
Arlington	5.25%
Fairfax County	6.0% proposed in FY 2026
Loudoun County	5.0%
Prince William County	5.0%
State Maximum: none for cities; 2.0% for counties and 5.0% for counties with exception. Counties with exceptions must spend any excess over 2.0% on tourism and travel.	

## Revenues



## RESIDENTIAL TAX AND FEE BURDEN

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

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Fees and Taxes</b>							
Real Estate Tax	\$6,272	\$6,584	\$6,836	\$7,281	\$7,547	\$7,931	\$8,285
Personal Property Tax	\$570	\$602	\$554	\$604	\$624	\$726	\$753
Trash Removal Fee	\$411	\$460	\$484.22	\$500	\$500	\$500	\$500
Utility tax on Natural Gas	\$25	\$24	\$24	\$23	\$23	\$23	\$23
Utility tax on Electricity	\$34	\$33	\$33	\$32	\$32	\$32	\$32
Utility tax on Water	\$25	\$25	\$24	\$24	\$24	\$24	\$24
Communication Sales and Use Tax	\$111	\$90	\$84	\$81	\$81	\$82	\$82
Sanitary Sewer System Capital Investment & Maintenance Fee	\$123	\$123	\$123	\$123	\$123	\$123	\$123
Storm Water Utility Fee	\$140	\$210	\$280	\$294	\$309	\$320	\$340
<b>Total</b>	<b>\$7,711</b>	<b>\$8,151</b>	<b>\$8,442</b>	<b>\$8,962</b>	<b>\$9,263</b>	<b>\$9,761</b>	<b>\$10,162</b>