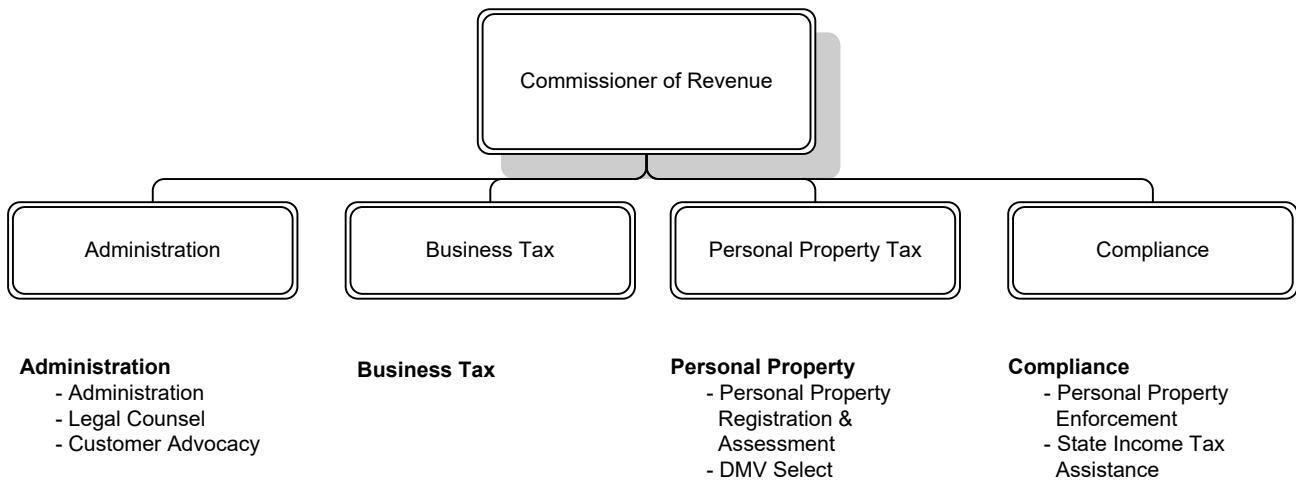


Our Mission: To provide Arlington County residents and businesses with high quality service in meeting their tax obligations.

The Office of the Commissioner of Revenue provides Arlington County residents and businesses with high-quality service in meeting their tax obligations by applying Virginia State and Arlington County tax laws with uniformity, fairness, and integrity. The Office is committed to providing customer advocacy to protect the rights of individual and business taxpayers and resolving those issues not satisfactorily addressed through normal channels.

LINES OF BUSINESS



SIGNIFICANT BUDGET CHANGES

The FY 2024 adopted expenditure budget for the Commissioner of Revenue is \$6,474,444, a seven percent increase compared to the FY 2023 adopted budget. The FY 2024 adopted budget reflects:

- ↑ Personnel increases due to employee salary increases, adjustments to salaries resulting from Administrative and Accounting/Financial Services job family studies (\$69,854), one-time \$2,000 (gross) employee bonuses (\$129,767), an increase in the County’s cost for employee health insurance, and slightly higher retirement contributions based on actuarial projections.
- ↑ Grant revenue increases due to an increase in State Compensation Board reimbursements primarily due to the State’s salary increase for state employees (\$38,400).
- ↓ Fee revenue decreases due to an adjustment to license plate penalty fees (\$60,000), partially offset by an increase to DMV satellite office fees (\$10,000) based on increased hours of service.

FY 2024 Adopted Budget Reduction

Department-wide

- ↓ Reduction of various costs for suppliers’ services (\$14,300).
IMPACT: The reduction will have minimal impact, as some process efficiencies have reduced costs for the use of the following suppliers’ services: Federal Express - courier services; LexisNexis Accurant - an online search engine used by staff to discover individuals and

businesses to determine their tax liability; Lorton Data - the National Change of Address service for the Vehicle Personal Property and Business Tax Divisions; and Merkle - a data imaging service for the processing of revenue payments and certain documents received by mail.

Personal Property & Business Tax

↓ Eliminate mailings to existing CAPP (Customer Assessment Payment Portal) customers (\$41,784).

IMPACT: Customers will no longer receive assessment notifications, including tax returns, through USPS. Savings are realized by eliminating printing and postage costs.

- For the Vehicle Personal Property Tax Division (\$9,500): Eliminating letters to existing CAPP (Customer Assessment Payment Portal) customers and instead sending a web notice when a vehicle is added by the Department of Motor Vehicles (DMV) will save postage, back-end Merkle fees, and printing costs. The Vehicle Personal Property Division sends approximately 30,000+ DMV letters a year so this change will reduce postage, mailings, and the associated costs.
- For the Business Tax Division (\$32,284): The implementation of the new paperless initiative will eliminate mailing of the Business Tax Division’s customer information, i.e., Business License, Business Tangible, Meals Tax, and Transient Occupancy Tax Returns as well as customer Business License Tax Certificates.

DEPARTMENT FINANCIAL SUMMARY

	FY 2022 Actuals	FY 2023 Adopted	FY 2024 Adopted	% Change '23 to '24
Personnel	\$5,382,383	\$5,812,438	\$6,293,928	8%
Non-Personnel	297,229	236,566	180,516	-24%
Total Expenditures	5,679,612	6,049,004	6,474,444	7%
Fees	169,995	275,000	225,000	-18%
Grants	501,981	527,100	565,500	7%
Total Revenues	671,976	802,100	790,500	-1%
Net Tax Support	\$5,007,636	\$5,246,904	\$5,683,944	8%
Permanent FTEs (Funded)	52.00	52.00	52.00	
Permanent FTEs (Frozen, Unfunded)	1.00	1.00	1.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	53.00	53.00	53.00	

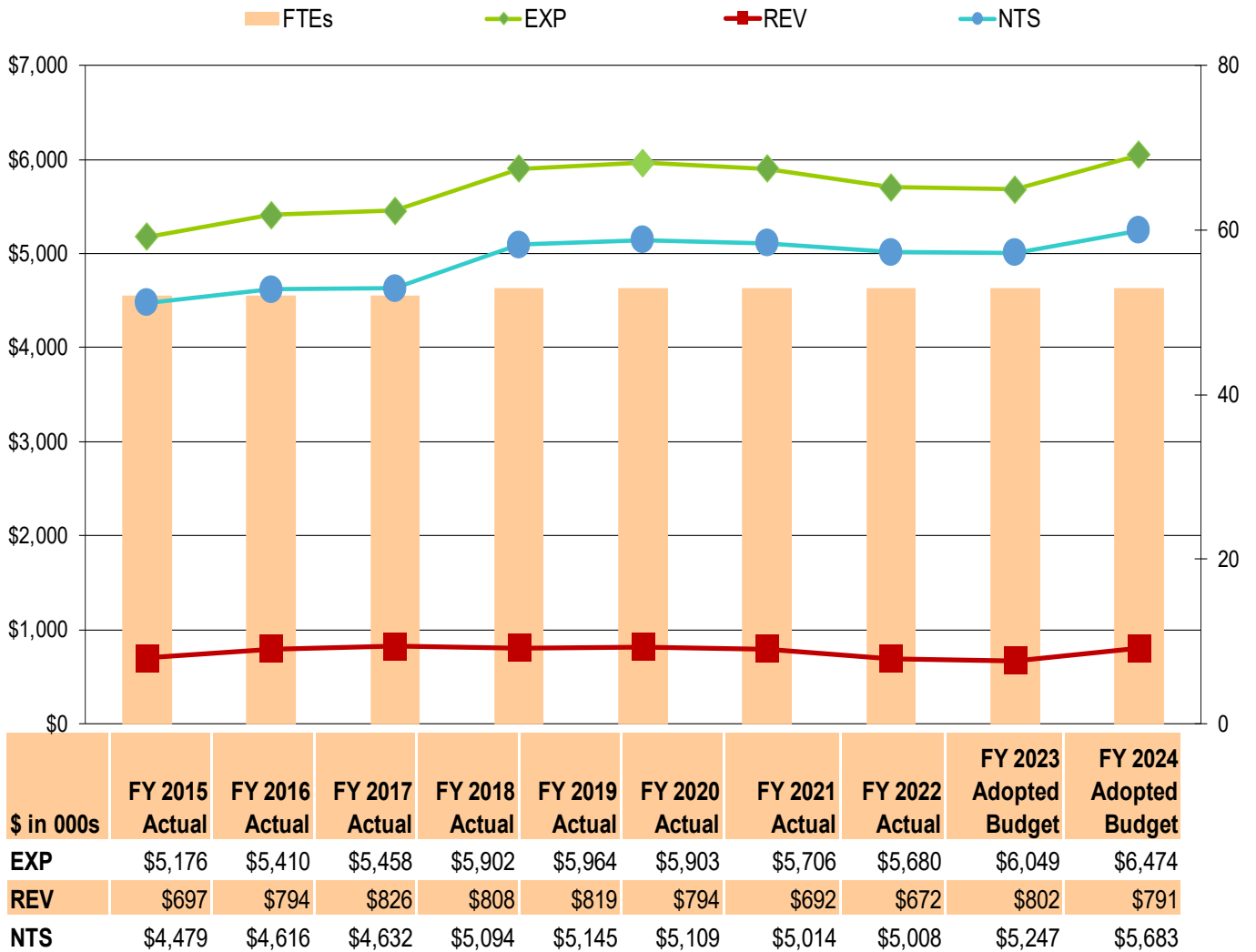
Expenses & Revenues by Line of Business

	FY 2022 Actual Expense	FY 2023 Adopted Expense	FY 2024 Adopted Expense	% Change '23 to '24	FY 2024 Adopted Revenue	FY 2024 Net Tax Support
Administration	\$1,676,716	\$1,623,707	\$1,529,272	-6%	\$790,500	\$738,772
Business Tax	1,821,506	2,305,850	2,594,451	13%	-	2,594,451
Personal Property Tax	1,870,572	1,586,265	1,743,315	10%	-	1,743,315
Compliance	310,818	533,182	607,406	14%	-	607,406
Total	\$5,679,612	\$6,049,004	\$6,474,444	7%	\$790,500	\$5,683,944

Authorized FTEs by Line of Business

	FY 2023 FTEs Adopted	FY 2024 Permanent FTEs Adopted	FY 2024 Temporary FTEs Adopted	FY 2024 Total FTEs Adopted
Administration	11.00	10.00	-	10.00
Business Tax	20.00	21.00	-	21.00
Personal Property Tax	16.00	16.00	-	16.00
Compliance	6.00	6.00	-	6.00
Total FTEs	53.00	53.00	-	53.00

EXPENDITURE, REVENUE, NET TAX SUPPORT, AND FULL-TIME EQUIVALENT TRENDS



Fiscal Year	Description	FTEs
FY 2015	<ul style="list-style-type: none"> ▪ Fee revenue increased (\$80,000) to more closely align with previous years' actual revenue for out-of-state license plate fees for vehicles garaged in the County. ▪ Grant revenues decreased to realign State Compensation Board reimbursements with actual levels (\$1,647). 	
FY 2016	<ul style="list-style-type: none"> ▪ Fee revenue increased due to an increase in the license plate penalty fee revenue based on recent actual receipts (\$50,000) and the transfer of and an increase in DMV select revenue from the Treasurer's Office (\$25,000). The DMV Select is now solely operated by the Commissioner's Office. ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements (\$22,350). 	
FY 2017	<ul style="list-style-type: none"> ▪ Fee revenue increased due to increased revenue from the Department of Motor Vehicles for satellite office services provided by the Commissioner of Revenue (\$15,000). ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements (\$3,423). 	
FY 2018	<ul style="list-style-type: none"> ▪ Added a limited term Business Tax auditor position that is offset by an increase in tax audit revenue (\$95,091). ▪ Increased fee revenue from the Department of Motor Vehicles for satellite office services provided by the Commissioner of Revenue (\$10,000). ▪ Increased grant revenue due to an adjustment to the State Compensation Board reimbursements (\$2,677). 	1.00
FY 2019	<ul style="list-style-type: none"> ▪ Increased fee revenue due to an increase in license plate penalty fee revenue (\$20,000). 	
FY 2020	<ul style="list-style-type: none"> ▪ Reduced wireless service charges as part of a County-wide review of wireless service providers (\$1,729). ▪ Reduced postage and print-shop charges by using electronic mail for vehicle assessment letters, meals tax and transient occupancy tax filings, and business license and business tangible communication and tax filing as well issuance of business tax license certificates (\$125,000). ▪ Reduced annual expense for maintenance and replacement of County vehicles (\$82). ▪ Increased grant revenue for State Compensation Board reimbursements as a result of the State's two percent increase for state employees (\$10,618). ▪ <i>In FY 2019 Closeout, the County Board converted a limited term FTE to permanent full-time to support meals tax audits in the Business Tax Division.</i> 	
FY 2021	<ul style="list-style-type: none"> ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements (\$14,575). 	

Fiscal Year	Description	FTEs
FY 2022	<ul style="list-style-type: none"> ▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900. ▪ Held the Customer Advocate Management Specialist position vacant for the year (\$125,022, 1.0 FTE). ▪ Fee revenue decreased based on prior year actuals (\$20,000) and grant revenue decreased due to a decrease in State Compensation Board reimbursements (\$10,527). ▪ <i>In FY 2021 closeout, funding was added for a one percent merit pay adjustment (\$22,424) and a one-time bonus for staff of \$450 (\$26,201).</i> 	
FY 2023	<ul style="list-style-type: none"> ▪ The County Board added funding for an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, increased the pay range movement to five percent, and approved a one-time increase in language premium from \$0.69 to \$0.92 per hour (\$3,737). ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements primarily due to the State’s five percent increase for state employees (\$49,632). ▪ The County Board approved the use of an 88 percent vehicle assessment ratio due to address rising assessments and help fund the repeal of the \$33 motor vehicle license (formerly “decal”) fee. ▪ <i>A technical adjustment was approved by the County Board in April 2023 to appropriate funding from Non-Departmental to Departments to allocate the budget for bonuses funded in the adopted budget. The funding added to the Commissioner of Revenue’s Office was \$102,271.</i> 	
FY 2024	<ul style="list-style-type: none"> ▪ Added funding for job family studies in Administrative and Accounting/Financial Services (\$69,854). ▪ Added one-time funding for \$2,000 (gross) employee bonuses (\$129,367). ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements primarily due to the State’s salary increase for state employees (\$38,400). ▪ Reduced non-personnel budget for anticipated savings for various suppliers’ services (\$14,300) and from eliminating mailings to existing CAPP customers (\$41,784). 	