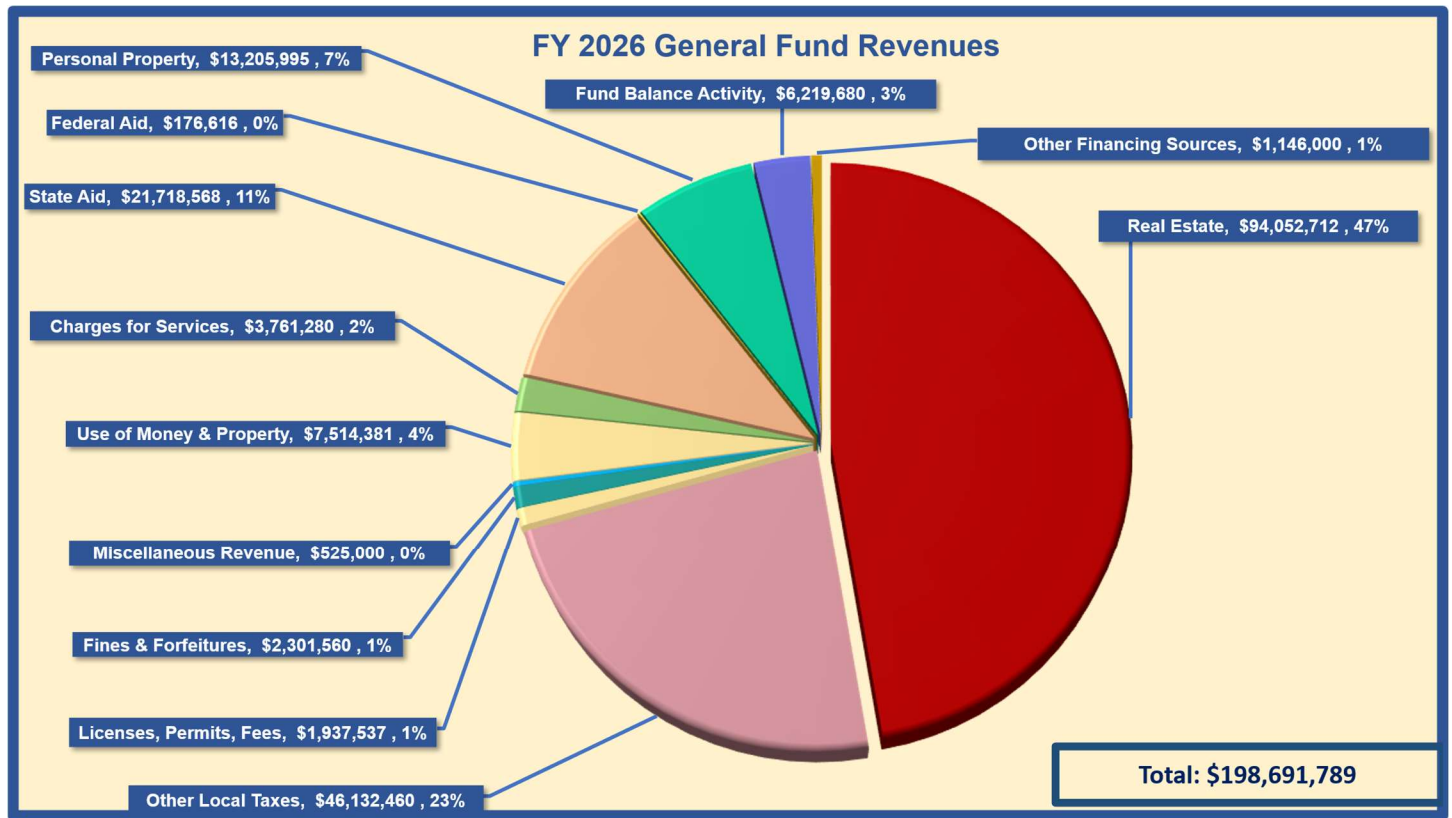


**GENERAL FUND  
REVENUE OVERVIEW**

## FY 2026 Adopted Budget – City of Fairfax, Virginia

The following pie chart provides an overview by category of General Fund revenue sources for the City of Fairfax, FY 2026 Adopted Budget.



The Use of Assigned Fund Balance in the amount of \$6,219,680 is funded by the estimated FY 2025 Budget Stabilization Fund balance specifically created to allow funding for unexpected increases in the school tuition payment to Fairfax County Public Schools as well anticipated assigned real estate revenues from FY 2025. The estimated ending FY 2026 Unassigned General Fund Balance is equal to approximately 16.1% (\$31.6M) of adopted General Fund revenues.

## FY 2026 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	Variance to Budget \$	Variance to Budget %
<b>General Property Taxes</b>							
411110	Real Estate Current December	\$ 39,307,840	\$ 40,183,780	\$ 40,184,786	\$ 44,119,589	\$ 3,935,809	9.79%
411111	Real Estate Current June	40,323,417	40,585,333	43,818,566	44,520,667	3,935,334	9.70%
411112	Real Estate Old Town - June	190,588	191,879	196,652	196,652	4,773	2.49%
411113	Delinquent Real Estate	306,621	300,000	620,000	400,000	100,000	33.33%
411114	Real Estate Old Town - December	103,527	191,879	196,652	196,652	4,773	2.49%
411116	Delinquent R/E OTSD	1,347	-	3,000	-	-	0.00%
411119	Delinquent R/E Commercial	18,670	22,000	22,000	22,000	-	0.00%
411121	Comm. Real Estate Tax Rate Trans. - June	1,175,816	1,221,370	1,245,298	1,246,853	25,483	2.09%
411122	Comm. Real Estate Tax Rate Trans. - Dec	1,233,452	1,218,647	1,221,371	1,245,299	26,652	2.19%
411210	Personal Property Current	13,608,923	15,000,000	12,400,995	12,400,995	(2,599,005)	-17.33%
411213	Delinquent Personal Property	498,959	400,000	520,000	530,000	130,000	32.50%
411411	PSC R/E Current	1,271,678	1,300,000	1,275,000	1,275,000	(25,000)	-1.92%
411312	PSC PP Current	261,807	250,000	275,000	275,000	25,000	10.00%
411313	PSC R/E Delinquent	(19,599)	-	-	-	-	0.00%
411410	Penalties on Delinquent Taxes	524,090	500,000	630,000	630,000	130,000	26.00%
411411	Interest on Delinquent Taxes	202,244	300,000	200,000	200,000	(100,000)	-33.33%
<b>Total General Property Taxes</b>		<b>\$ 99,009,379</b>	<b>\$ 101,664,888</b>	<b>\$ 102,809,319</b>	<b>\$ 107,258,707</b>	<b>\$ 5,593,819</b>	<b>5.50%</b>
<b>Other Local Taxes</b>							
412010	Local Sales & Use Tax	\$ 13,427,620	\$ 13,867,401	\$ 13,867,401	\$ 14,000,000	\$ 132,599	0.96%
412011	Consumers Utility Tax	1,892,998	1,648,000	1,700,000	1,700,000	52,000	3.16%
412012	Business & Occupational Licenses	11,411,346	12,415,000	12,415,000	12,415,000	-	0.00%
412013	Motor Vehicle Licenses	735,889	669,500	750,000	750,000	80,500	12.02%
412014	Recordation Tax	586,103	721,000	706,000	706,000	(15,000)	-2.08%
412015	Bank Franchise Tax	5,002,147	4,200,000	4,900,000	4,900,000	700,000	16.67%
412016	Tobacco Tax	487,097	500,000	486,000	486,000	(14,000)	-2.80%
412017	Transient Lodging Tax	425,130	592,900	500,000	500,000	(92,900)	-15.67%
412018	Meals Tax	8,720,791	8,918,100	9,018,100	9,018,100	100,000	1.12%
412019	Plastic Bag Tax	17,046	115,000	106,000	102,300	(12,700)	-11.04%
412021	Consumption Tax	108,320	105,060	130,060	130,060	25,000	23.80%
412024	Communication Taxes	1,482,013	1,425,000	1,450,000	1,425,000	-	0.00%
<b>Total Other Local Taxes</b>		<b>44,296,501</b>	<b>45,176,961</b>	<b>46,028,561</b>	<b>46,132,460</b>	<b>955,499</b>	<b>2.12%</b>
<b>Licenses, Permits &amp; Fees</b>							
413202	Building Permits	\$ 213,302	\$ 465,000	\$ 465,000	\$ 465,000	\$ -	0.00%
413203	Electrical Permits	131,372	159,500	159,500	159,500	-	0.00%
413204	Plumbing Permits	67,799	99,000	99,000	99,000	-	0.00%
413205	Mechanical Permits	99,627	154,000	154,000	154,000	-	0.00%
413206	Elevator Inspection	62,218	70,000	70,000	70,000	-	0.00%
413225	Rental Housing Occupancy	9,452	2,000	2,000	2,000	-	0.00%
413226	Fire Marshal Permit	203,668	137,500	137,500	137,500	-	0.00%
413227	Fire Protection System Permit	38,202	55,000	55,000	55,000	-	0.00%
413231	Fire Marshal Development Fees	15,306	17,000	17,000	17,000	-	0.00%
413233	Public Safety Fee	-	50,000	50,000	50,000	-	0.00%
413234	Reinspection Fees	990	2,500	2,500	2,500	-	0.00%
413240	State Levy - Construction Permits	920	-	-	-	-	0.00%
413308	Sign Permits	13,225	20,974	20,974	19,729	(1,245)	-5.94%
413309	Occupancy Permits	33,568	24,240	24,240	26,170	1,930	7.96%
413310	Soil & Erosion Fees	11,555	12,399	12,399	11,797	(602)	-4.86%
413323	Zoning Fees	58,775	54,413	54,413	51,728	(2,685)	-4.93%
413328	Special Use Permits	59,675	61,722	61,722	62,554	832	1.35%
413329	Variances	3,250	3,296	3,296	3,559	263	7.98%
413411	Cemetery Interments	89,652	80,000	80,000	80,000	-	0.00%
413420	Street Opening Permits	149,765	90,000	90,000	90,000	-	0.00%
413440	Public Right of Way Use	105,263	110,000	110,000	110,000	-	0.00%
413442	Mobility Pilot Permit Fee	5,300	22,000	22,000	22,000	-	0.00%
413510	Animal Licenses	5,155	11,000	4,000	4,000	(7,000)	-63.64%
413512	Peddlers Permits	6,070	4,500	4,500	4,500	-	0.00%
413620	Transfer Fees	167,371	215,000	215,000	215,000	-	0.00%
413630	Cellular Comm	22,960	25,000	25,000	25,000	-	0.00%
413640	Outdoor Dining Permit	100	-	-	-	-	0.00%
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$ 1,574,540</b>	<b>\$ 1,946,044</b>	<b>\$ 1,939,044</b>	<b>\$ 1,937,537</b>	<b>\$ (8,507)</b>	<b>-0.44%</b>



# FY 2026 Adopted Budget – City of Fairfax, Virginia

## General Fund Revenue Summary

Account #	Account Title	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	Variance to Budget \$	Variance to Budget %
<b>Fines &amp; Forfeitures</b>							
414001	Court Fines & Forfeitures	\$ 187,311	\$ 205,000	\$ 205,000	\$ 205,000	\$ -	0.00%
414002	Parking Fines	71,561	110,000	110,000	110,000	-	0.00%
414005	Circuit Court Revenue	22,918	5,000	5,000	5,000	-	0.00%
414006	Court Facilities Fee	5,780	5,000	5,000	5,000	-	0.00%
414010	Zoning Civil Penalties	-	212	212	160	(52)	-24.53%
414011	Photo Red Light	935,259	1,000,000	1,000,000	1,000,000	-	0.00%
414012	Jail Admin Fee	300	400	400	400	-	0.00%
414013	Courthouse Security	31,320	26,000	26,000	26,000	-	0.00%
414014	Speed Camera Enforcement	1,237,074	950,000	950,000	950,000	-	0.00%
414030	Fire Restitution	1,939	-	-	-	-	0.00%
<b>Total Fines &amp; Forfeitures</b>		<b>\$ 2,493,462</b>	<b>\$ 2,301,612</b>	<b>\$ 2,301,612</b>	<b>\$ 2,301,560</b>	<b>\$ (52)</b>	<b>0.0%</b>
<b>Use of Money &amp; Property</b>							
415101	Interest on Investments	\$ 4,800,947	\$ 3,500,000	\$ 4,775,000	\$ 4,200,000	\$ 700,000	20.00%
415102	Interest on Bond Investments	4,658	-	-	-	-	0.00%
415105	Interest JP Morgan	137,221	50,000	120,000	80,000	30,000	60.00%
415106	Unrealized Gain/Loss	417,718	-	-	-	-	0.00%
415202	Rental - Old Town Hall	98,063	100,000	100,000	-	(100,000)	-100.00%
415203	Rental - Green Acres	73,271	130,000	130,000	130,000	-	0.00%
415206	Rental - Schools	2,379,552	2,380,024	2,403,348	2,427,381	47,357	1.99%
415208	Rental - Community Center	470,380	310,000	310,000	310,000	-	0.00%
415209	Rental - Main Street Day Care	41,479	47,000	47,000	47,000	-	0.00%
415211	Rental - Blenheim	87,297	80,000	80,000	80,000	-	0.00%
415213	Rental - Ball Fields	38,960	45,000	45,000	45,000	-	0.00%
415215	Rental - Robert Lewis	38,500	42,000	42,000	40,000	(2,000)	-4.76%
418292	Firing Range Rev - GMU	150,000	155,000	155,000	155,000	-	0.00%
<b>Total Use of Money &amp; Property</b>		<b>\$ 8,738,045</b>	<b>\$ 6,839,024</b>	<b>\$ 8,207,348</b>	<b>\$ 7,514,381</b>	<b>\$ 675,357</b>	<b>9.88%</b>
<b>Charges for Services</b>							
416110	Court Fees	\$ 1,070	\$ -	\$ -	\$ -	\$ -	0.00%
416220	Sale of Record Copies	5,268	2,500	2,500	2,500	-	0.00%
416221	False Alarm Fees	62,600	32,000	32,000	32,000	-	0.00%
416223	Ambulance Fees	863,925	1,000,000	1,000,000	1,000,000	-	0.00%
416224	Emergency Response Billing	25,000	25,000	25,000	25,000	-	0.00%
416225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
416230	Animal Control Fees	296	1,500	1,500	1,500	-	0.00%
416245	FFX Water	30,790	61,580	61,580	61,580	-	0.00%
416347	Sherwood Programming	55,311	200,000	200,000	200,000	-	0.00%
416348	Green Acres Programming	28,996	30,000	30,000	30,000	-	0.00%
416349	Senior Programs	139,250	45,000	45,000	45,000	-	0.00%
416350	Rec Youth Teen Adult Trip	3,056	45,000	45,000	45,000	-	0.00%
416351	Day Camps	1,553,934	1,000,000	1,000,000	1,000,000	-	0.00%
416352	Pavilion Rentals	61,881	30,000	30,000	30,000	-	0.00%
416353	Cultural Arts	1,727	5,000	5,000	5,000	-	0.00%
416354	Special Events	220,537	185,000	185,000	185,000	-	0.00%
416355	Museum Revenue	1,020	600	600	600	-	0.00%
416356	Museum Gift Shop	11,816	13,000	13,000	13,000	-	0.00%
416357	Show Mobile Revenue	5,900	9,000	9,000	9,000	-	0.00%
416461	Subdivision Review Fees	44,922	24,555	24,555	26,409	1,854	7.55%
416462	Site Plan Review Fees	25,177	78,688	78,688	54,116	(24,572)	-31.23%
416463	Architectural Review	3,200	3,262	3,262	3,068	(194)	-5.95%
416464	Tree Removal Permit	1,615	2,498	2,498	2,302	(196)	-7.85%
416466	Surety Review	8,940	12,509	12,509	11,405	(1,104)	-8.83%
416570	School Age Child Care	567,989	690,000	690,000	690,000	-	0.00%
416580	Returned Check Fees	1,700	3,000	1,800	1,800	(1,200)	-40.00%
416585	Administrative Fees	5,143	1,000	4,000	4,000	3,000	300.00%
416586	Collection Fees	8,292	12,000	8,000	8,000	(4,000)	-33.33%
416811	Inspection Fees After Hours	19,800	50,000	50,000	50,000	-	0.00%
<b>Total Charges for Services</b>		<b>\$ 3,984,154</b>	<b>3,787,692</b>	<b>3,785,492</b>	<b>\$ 3,761,280</b>	<b>\$ (26,412)</b>	<b>-0.70%</b>

## FY 2026 Adopted Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	Variance to Budget \$	Variance to Budget %
<b>Miscellaneous Revenue</b>							
418102	Sale of Surplus Property	\$ 337,968	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.00%
418104	Sale of Cemetery Lot	65,556	70,000	70,000	70,000	-	0.00%
418105	Perpetual Care - Cemetery	8,384	10,000	10,000	10,000	-	0.00%
418108	Sale of City License Plates	5,250	5,000	5,000	5,000	-	0.00%
418109	All Purpose Recycling	8,002	-	-	-	-	0.00%
418201	Misc. Revenue	369,714	120,000	120,000	240,000	120,000	100.00%
418208	Misc Rev-Restricted	70,378	-	-	-	-	0.00%
418209	The Village Expo Fees	3,105	-	-	-	-	0.00%
<b>Total Miscellaneous Revenue</b>		<b>\$ 868,357</b>	<b>\$ 405,000</b>	<b>\$ 405,000</b>	<b>\$ 525,000</b>	<b>\$ 120,000</b>	<b>29.63%</b>
<b>State Aid</b>							
421103	Rolling Tax	\$ 306	\$ -	\$ -	\$ -	\$ -	0.00%
421104	State Aid Police	765,369	668,000	668,000	668,000	-	0.00%
421106	Vehicle Rental Tax	666,411	725,000	700,000	725,000	-	0.00%
421107	Personal Property Tax Relief Act (PPTRA)	3,099,005	-	3,099,005	3,099,005	3,099,005	0.00%
421108	Peer to Peer Vehicle Sharing	17,771	-	20,000	-	-	0.00%
421201	Commissioner of Revenue	213,662	204,812	231,000	235,000	30,188	14.74%
421202	Treasurer	165,025	158,814	179,000	182,000	23,186	14.60%
421203	Registrar /Electoral	109,085	75,000	112,296	119,276	44,276	59.03%
421204	DMV Reimbursement	75,291	50,000	70,000	70,000	20,000	40.00%
424201	State Sales Tax	4,060,165	4,200,731	4,388,795	4,645,978	445,247	10.60%
424202	Basic School Aid	7,136,564	6,644,296	7,714,199	8,166,251	1,521,955	22.91%
424301	Criminal Justice Grant	2,405	-	-	-	-	0.00%
424302	Four for Life Grants	(51,494)	30,000	30,000	30,000	-	0.00%
424344	VDFP Aid to Localities	(271,073)	90,000	90,000	90,000	-	0.00%
424345	VDFP ED & Conf Grant	7,812	-	-	-	-	0.00%
424403	Street & Highway Maint.	3,651,058	3,651,058	3,651,058	3,651,058	-	0.00%
424405	Solid Waste Grant	12,513	7,500	7,500	7,500	-	0.00%
424406	Virginia Climate Center	-	25,000	25,000	25,000	-	0.00%
424447	JUDICIAL TRAIL CXN VDOT	417	-	-	-	-	0.00%
424614	Arts Grant	-	4,500	4,500	4,500	-	0.00%
<b>Total State Aid</b>		<b>\$ 19,660,290</b>	<b>\$ 16,534,711</b>	<b>\$ 20,990,353</b>	<b>\$ 21,718,568</b>	<b>\$ 5,183,857</b>	<b>31.35%</b>
<b>Federal Aid</b>							
431005	Bulletproof Vest Grant	\$ -	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.00%
431009	Alcohol Safety Grant	346	5,800	5,800	5,800	-	0.00%
431018	NCR Regional Planner	164,720	156,516	156,516	156,516	-	0.00%
431021	Speed Enforcement Grant	3,607	2,300	2,300	2,300	-	0.00%
431046	LEMPG Grant	7,500	7,500	7,500	7,500	-	0.00%
431048	Volunteer & Citizens Corp	510	-	-	-	-	0.00%
431061	COVID FEMA FED	38,376	-	-	-	-	0.00%
431065	Bicycle and Pedestrian Grant	-	1,000	1,000	1,000	-	0.00%
431068	Opioid Settlement	85,399	-	-	-	-	0.00%
431070	UASI Grant for Exercise Simulation Software	226,000	-	-	-	-	0.00%
432098	ARPA II	73,056	-	-	-	-	0.00%
<b>Total Federal Aid</b>		<b>\$ 599,513</b>	<b>\$ 176,616</b>	<b>\$ 176,616</b>	<b>\$ 176,616</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Other Financing Sources</b>							
418288	FPYC Turf Contribution	\$ 6,518	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	0.00%
418289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
419008	City - County Contract	1,021,568	1,000,000	1,000,000	1,000,000	-	0.00%
442030	Insurance Recoveries	130,527	100,000	100,000	100,000	-	0.00%
443002	Glass Recy FDN Grant	6,000	-	-	-	-	0.00%
447180	Transfer from ARPA	9,600,000	-	400,000	-	-	0.00%
<b>Total Other Financing Sources</b>		<b>\$ 10,784,613</b>	<b>\$ 1,146,000</b>	<b>\$ 1,546,000</b>	<b>\$ 1,146,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Revenues</b>		<b>\$ 192,008,855</b>	<b>\$ 179,978,548</b>	<b>\$ 188,189,345</b>	<b>\$ 192,472,109</b>	<b>\$ 12,493,561</b>	<b>6.94%</b>
<b>Fund Balance Activity</b>							
Use of Prior Years' Surplus (assigned)		-	-	-	6,219,680	6,219,680	0.00%
Use of Prior Years' Surplus (unassigned)		-	785,000	1,385,000	-	(785,000)	-100.00%
<b>Total Fund Balance Activity</b>		<b>\$ -</b>	<b>\$ 785,000</b>	<b>\$ 1,385,000</b>	<b>\$ 6,219,680</b>	<b>\$ 5,434,680</b>	<b>692.32%</b>
<b>Total Revenue Available</b>		<b>\$ 192,008,855</b>	<b>\$ 180,763,548</b>	<b>\$ 189,574,345</b>	<b>\$ 198,691,789</b>	<b>\$ 17,928,241</b>	<b>9.92%</b>



## FY 2026 Adopted Budget – City of Fairfax, Virginia

### History of General Fund Revenues by Category

Category	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Adopted
Real Estate	\$ 59,505,606	\$ 61,441,513	\$ 66,790,301	\$ 67,892,659	\$ 69,783,177	\$ 71,378,885	\$ 74,617,133	\$ 84,659,290	\$ 89,613,324	\$ 94,052,712
Personal Property	10,243,702	10,171,214	11,447,025	11,511,625	11,524,614	12,200,896	12,199,640	14,350,089	13,195,995	13,205,995
Sales Tax	11,580,673	11,181,816	11,276,435	11,721,703	11,836,812	11,790,794	12,555,783	13,427,620	13,867,401	14,000,000
BPOL	8,709,712	8,740,824	8,698,368	8,745,395	9,344,777	9,249,810	8,575,536	11,411,346	12,415,000	12,415,000
Meals Tax	5,703,399	5,771,329	5,972,064	5,967,535	6,374,777	5,501,543	5,503,374	8,720,791	9,018,100	9,018,100
Other Local Taxes	8,375,385	8,543,760	8,563,296	8,827,582	8,800,615	8,326,016	8,852,444	10,736,744	10,728,060	10,699,360
Licenses, Permits, and Fees	1,434,496	1,300,349	1,427,234	1,678,675	1,368,526	1,339,208	1,960,625	1,574,540	1,939,044	1,937,537
Fines & Forfeitures	1,113,719	1,233,802	1,344,266	1,408,265	1,312,019	1,118,390	663,424	2,493,462	2,301,612	2,301,560
Use of Money & Property	2,696,575	2,725,994	2,460,115	2,741,250	3,614,465	3,312,576	2,583,215	8,738,045	8,207,348	7,514,381
Charges for Services	3,049,479	3,304,373	3,388,964	3,744,262	3,943,282	2,546,161	2,228,406	3,984,154	3,785,492	3,761,280
Intergovernmental	11,480,641	11,854,303	12,927,118	13,382,207	13,272,473	14,279,715	17,952,880	20,259,803	21,166,969	21,895,184
Other Financing Sources / Misc.	1,043,308	1,460,877	1,222,088	1,449,854	1,595,248	2,360,478	1,724,116	11,652,970	1,951,000	1,671,000
Fund Balance Activity	1,260,278	1,164,306	-	-	-	-	-	-	1,385,000	6,219,680
<b>Total Revenue</b>	<b>\$ 126,196,973</b>	<b>\$ 128,894,460</b>	<b>\$ 135,517,274</b>	<b>\$ 139,071,012</b>	<b>\$ 142,770,785</b>	<b>\$ 143,404,472</b>	<b>\$ 149,416,576</b>	<b>\$ 192,008,855</b>	<b>\$ 189,574,345</b>	<b>\$ 198,691,789</b>

## Major Revenue Sources

## Real Estate Tax

### Background

As required by State law, each year, the City Assessment Office appraises all real property in the City to determine its assessed value for tax purposes. Assessments of real property, including land and permanently affixed structures, are based on fair market value, equitable with the assessments of comparable properties. Real estate assessments are effective January 1 and are reflective of 100 percent of estimated fair market value. During the budget process, City Council determines how much revenue the City must generate to provide municipal services to residents. The Council then sets a tax rate that will yield the needed revenue. The tax rate multiplied by the assessed value of the property, divided by \$100, determines the taxes owed by each property owner. City Real Estate taxes are paid twice a year - June 21 and December 5.

### Fiscal Impact – Real Estate Tax Revenue

Category	FY 2025 Budget	FY 2026 Adopted	Variance	
			\$	%
Real Estate Tax Revenue	\$ 83,552,871	\$ 91,538,560	\$ 7,985,689	9.6%
Base Real Estate Tax Rate	1.0300	1.0550	\$ 0.0250	2.4%
<b>Total Real Estate Tax Rate</b>	<b>1.0300</b>	<b>1.0550</b>	<b>\$ 0.0250</b>	<b>2.4%</b>

Category	FY 2025 Budget	FY 2026 Adopted	Variance	
			\$	%
Old Town Service District Revenue	\$ 383,758	\$ 393,304	\$ 9,546	2.5%
<b>Old Town Service District Tax Rate</b>	<b>8.0 cents</b>	<b>8.0 cents</b>	<b>-</b>	<b>0.0%</b>

Category	FY 2025 Budget	FY 2026 Adopted	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,462,017	\$ 2,514,152	\$ 52,135	2.1%
<b>Commercial &amp; Industrial Tax Rate</b>	<b>12.5 cents</b>	<b>12.5 cents</b>	<b>-</b>	<b>0.0%</b>

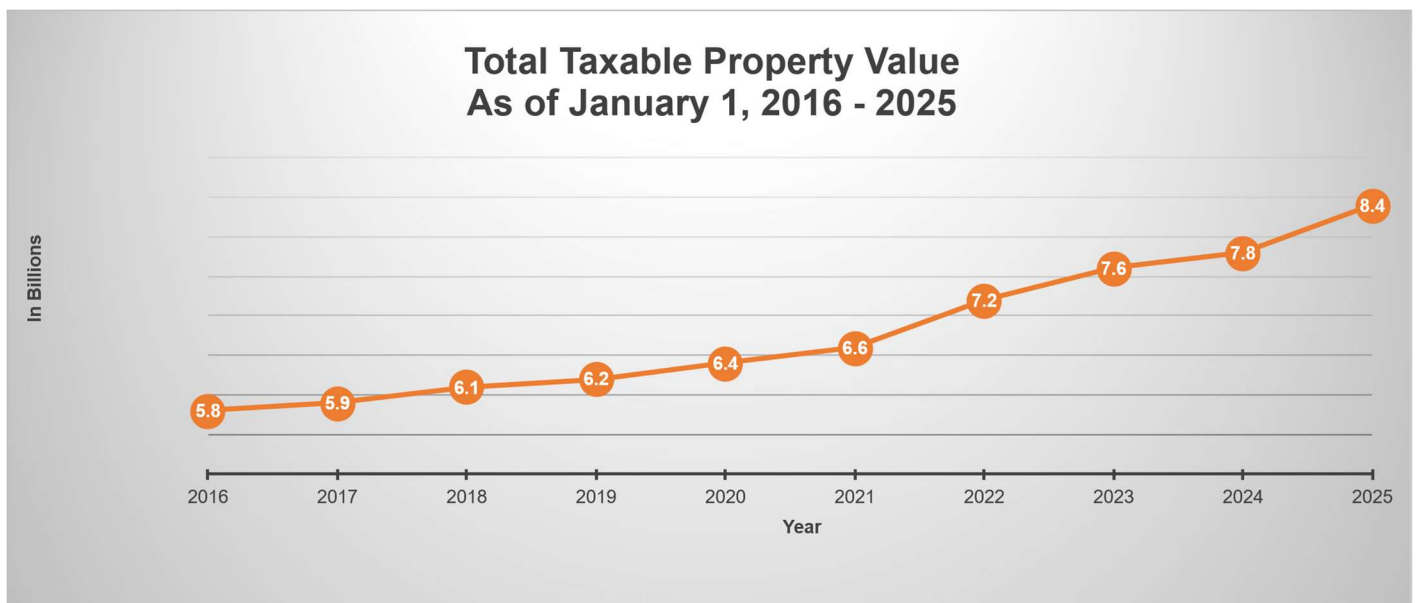
Real property tax revenues account for the largest category of revenue for the General Fund, representing 48.2 percent of total General Fund revenues. The adopted tax rate for FY 2026 is \$1.055 per \$100 of assessed value.



## FY 2026 Adopted Budget – City of Fairfax, Virginia

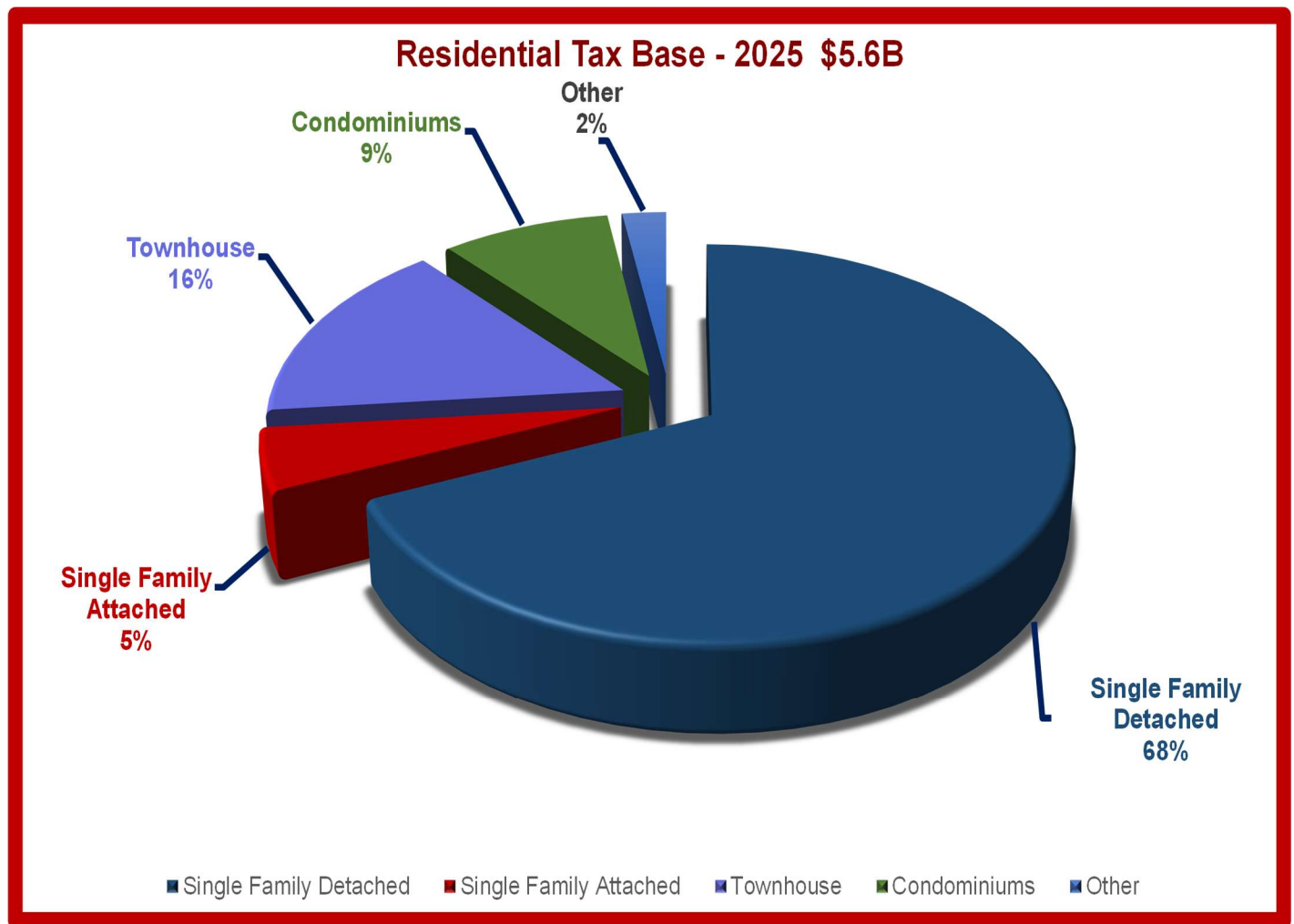
Total real estate assessments are up 6.5 percent, which includes \$116.7 million of new construction, compared to an overall increase of 3.3 percent from the previous calendar year.

Assessments	CY 2024	CY 2025	Variance	
			\$	%
Residential	\$ 5,188,167,300	\$ 5,643,187,900	\$ 455,020,600	8.8%
Commercial	\$ 2,654,914,200	\$ 2,706,392,100	\$ 51,477,900	1.9%
<b>Total</b>	<b>\$ 7,843,081,500</b>	<b>\$ 8,349,580,000</b>	<b>\$ 506,498,500</b>	<b>6.5%</b>

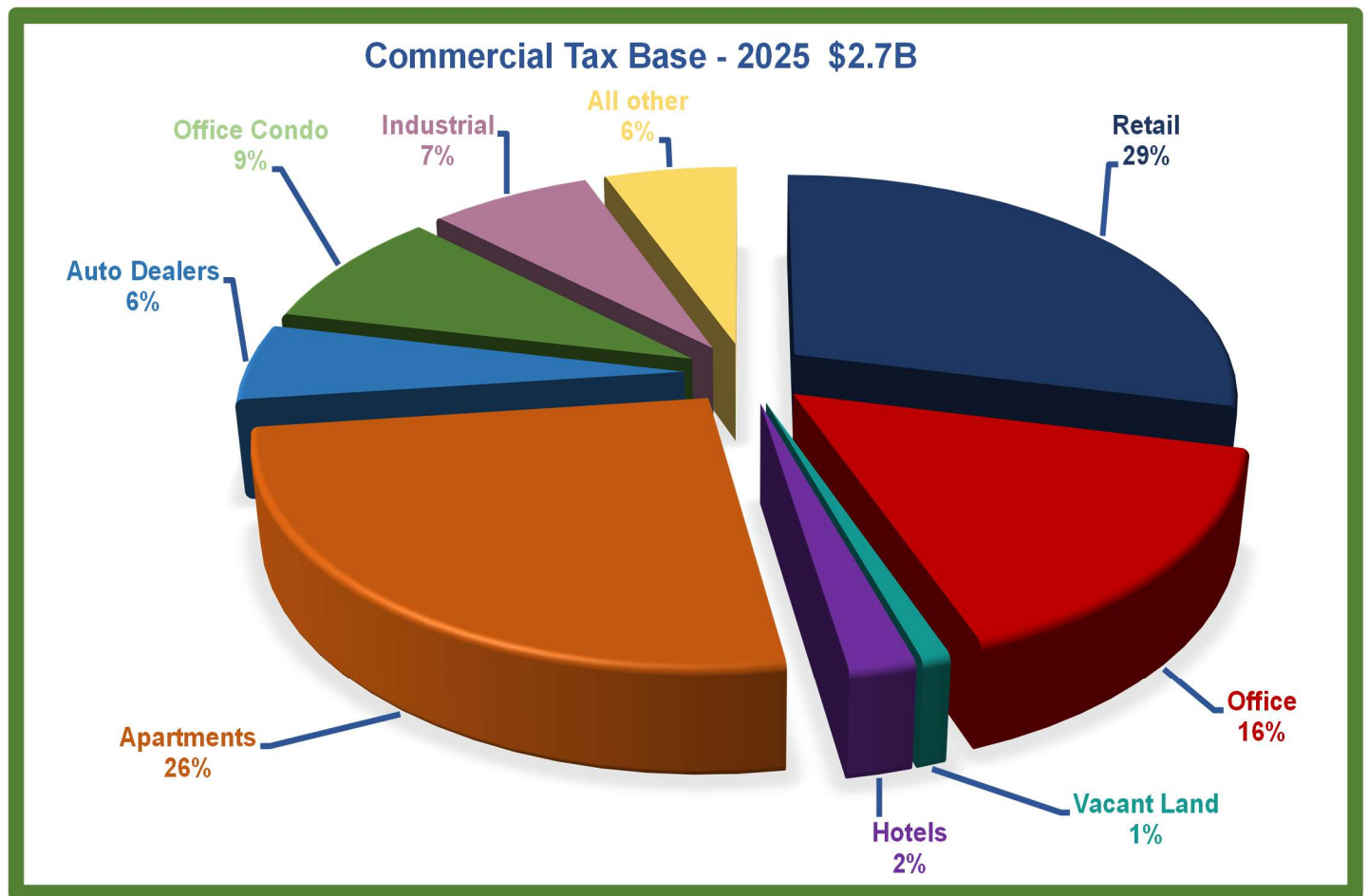


For calendar year 2025 total taxable value of City residential and commercial properties before appeals is \$8,349,580,000, an increase from last year's total assessed value, \$7,843,081,500 (6.5%).

The overall residential assessment total, including \$91,250,000 new construction, increased from CY 2024 by 7.3 percent. The following illustrates the breakdown by category for the residential tax base.



Commercial assessments increased 0.7 percent overall, which includes \$12,474,900 new construction. The following illustrates the breakdown by category for the commercial tax base.



For FY 2022, the Old Town Service District tax rate was reduced to zero cents per \$100 of assessed value as a result of the impact of the COVID19 pandemic on local businesses. For FY 2023 and FY 2024 the adopted rate was 4.0 cents per \$100 assessed value. For FY 2025, the adopted rate was 8.0 cents per \$100 assessed value. For FY 2026, the adopted rate will stay at 8.0 cents per \$100 assessed value.

As part of the FY 2010 Adopted Budget, the Transportation Tax Fund provided for a surcharge on commercial and industrial real estate properties at a rate of 8.0 cents per \$100 of assessed value. During the FY 2011 budget process, the City Council decreased this rate from 8.0 cents per \$100 of assessed value to 5.5 cents per \$100 of assessed value. The rate was increased to 7.5 cents for the FY 2016 budget, to 9.5 cents for the FY 2017 budget, to 10.5 cents for the FY 2018 budget, to 11.5 cents for the FY 2019 budget, and for FY 2020, increased the rate to the allowable maximum of 12.5 cents. For FY 2026, the adopted rate remains 12.5 cents.

A historical review of the City’s Real Estate Tax Rate is below:



In comparing tax rates, it is important to keep in mind two factors often overlooked – levels of service vary from jurisdiction to jurisdiction, and for residents of area towns, a town tax is levied in addition to the county tax. Two large towns in our immediate area – Vienna and Herndon – known for similar levels of community services, levy real estate taxes of 19.50 and 27.00 cents per \$100 of assessed value (adopted fiscal year 2026 rates) on top of Fairfax County rate, respectively.

The City’s adopted real estate tax rate for FY 2026 is \$1.055. The average residential tax bill is expected to increase by 16.83 percent. The following chart provides an example of three residential assessed values:

**Impact of FY 2026 Real Estate Tax Rate  
On Residential Property Owner’s Tax Bill at Various Values**

CY 24 Assessment	CY 24 Tax Rate	CY 24 Tax Bill	CY 25 Assessment	CY 25 Tax Rate	CY 25 Tax Bill	Change	
						\$	%
\$ 367,391	\$ 1.030	\$ 3,784	\$ 392,998	\$ 1.0550	\$ 4,146	\$ 362	9.56%
\$ 649,250	\$ 1.030	\$ 6,687	\$ 694,503	\$ 1.0550	\$ 7,327	\$ 640	9.57%
\$ 892,233	\$ 1.030	\$ 9,190	\$ 954,422	\$ 1.0550	\$ 10,069	\$ 879	9.56%

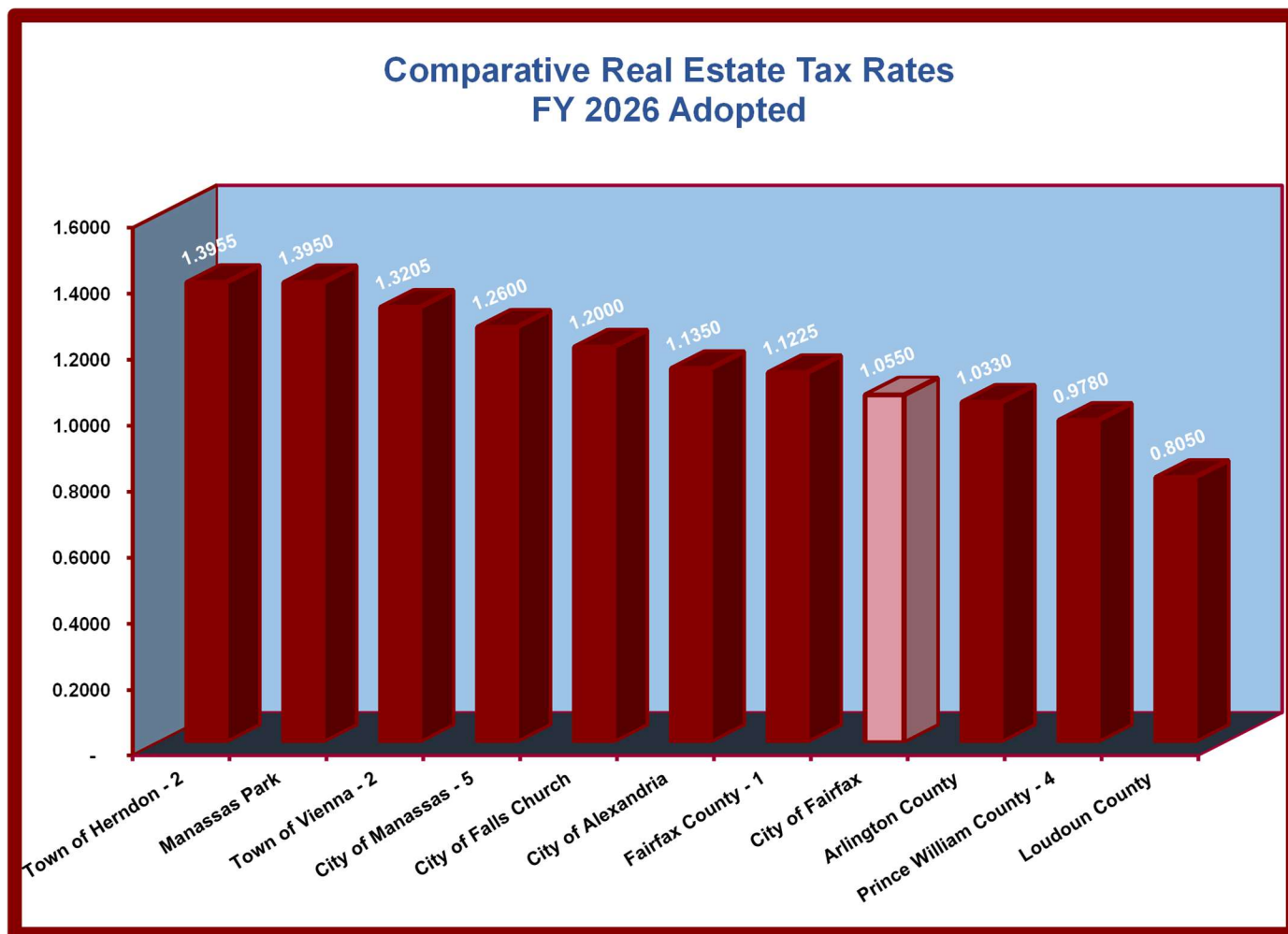
Note: average estimated increase in residential taxes of 6.97 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average. The average residential assessment has been adjusted to account for prior year new construction.



## FY 2026 Adopted Budget – City of Fairfax, Virginia

The real estate tax rate necessary to provide residential equalization, whereby the average homeowner would pay no more in taxes than in the prior year, equates to \$0.9629 per \$100 of assessed value. This rate is 9.21 cents less than the adopted FY 2026 rate of \$1.055. The real estate equalization rate for residential and commercial properties combined is \$0.9843 per \$100 of assessed value, 7.07 cents less than the adopted FY 2026 rate of \$1.055.

FY 2026 adopted rates for the surrounding jurisdictions are shown below for comparison.



**\*\* Footnotes:**

1. Base rate only -in addition, all properties subject to countywide SW (\$.0325)/\$100 AV; additional taxes and fees: countywide infestation prevention \$.001/\$100 AV
2. Tax rate based on Fairfax County base (\$1.1255) + \$0.270 and \$0.195 town rates respectively (see note 1)
3. Tax rate based on Loudoun County base (\$0.8050) + \$0.205 and \$0.1774 town rates respectively; assessments based on Loudoun County
4. Base rate = \$0.906 + \$0.072 for fire and rescue
5. Base rate = \$1.07 + \$0.19 for fire and rescue

## **Personal Property Tax**

### **Background**

The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other personal property such as furniture and equipment located within the City boundaries. All such property is considered personal property. Additionally, the City imposes a local Vehicle Registration Fee for each vehicle.

The Commissioner of the Revenue determines the method of assessment for personal property and the City Council establishes the tax rate. The current personal property tax rate is \$4.13 per \$100 of assessed value.

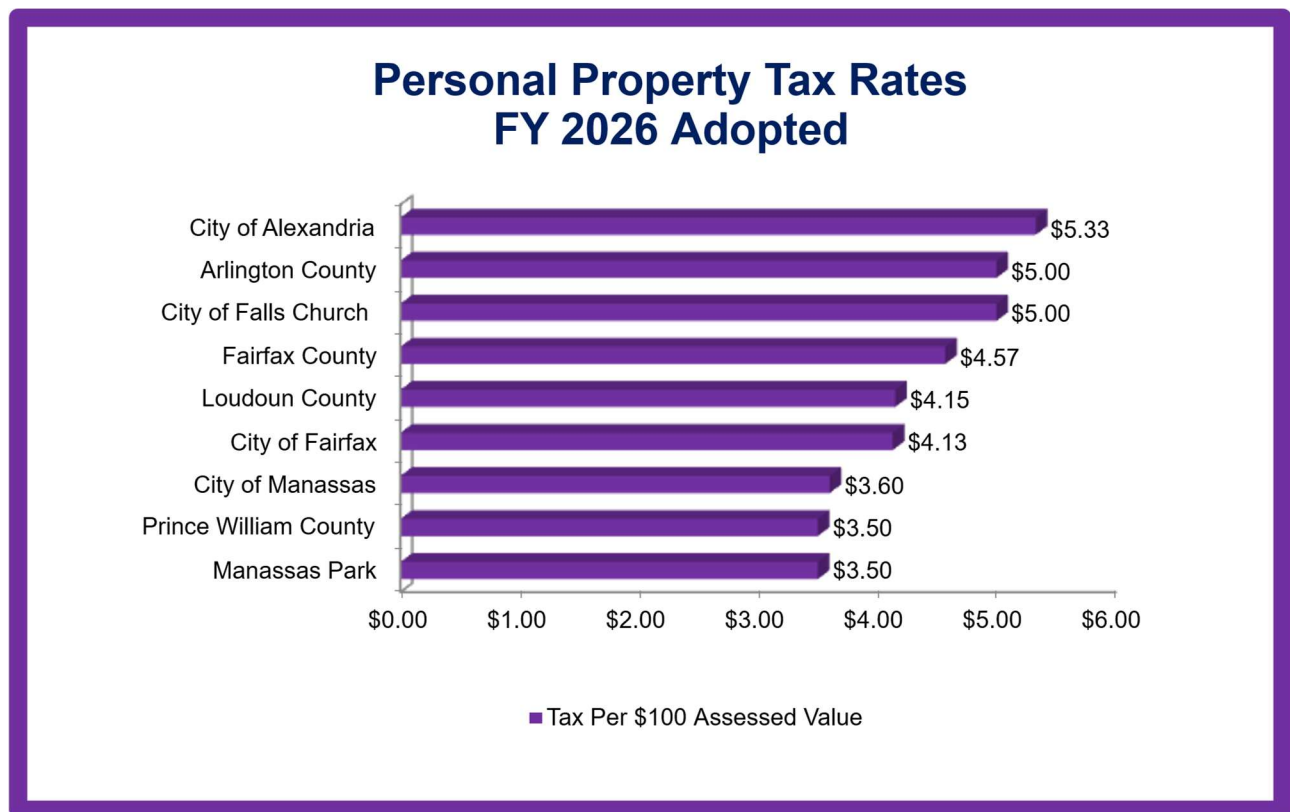
The Vehicle Registration Fee is \$33.00 per annum and is administered directly by the City Treasurer. Vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 31.50 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, the 2004 level of reimbursement. While in most cases a disproportionate amount of tax collected at local levels is disbursed to other areas of the state through means such as the composite index for education funding, in the case of personal property tax, a disproportionately larger amount is paid to Northern Virginia, because there are more and higher value cars in this area.

Fiscal Impact – Personal Property Tax

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Personal Property Tax Revenue</b>	\$ 17,468,693	\$ 15,650,000	\$ 16,295,000	\$ 16,305,000
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13

The FY 2026 adopted budget reflects no change in the Personal Property Tax rate of \$4.13. The City of Fairfax City Council adopted a Personal Property Assessment Ratio for vehicles of 100.0% for FY 2024 and FY 2025 and the adopted budget maintains this level. FY 2026 revenues are projected to increase 4.2 percent compared with the FY 2025 adopted budget. The increase is based on updated methodology for assessing vehicles and higher assessed vehicle costs in the City.



## **Local Sales and Use Tax**

### **Background**

A sales tax is imposed on gross receipts from retail sales. The seller collects the tax from the customer by separately stating the tax and adding it to the sales price or charge. The local sales and use tax is 1.0%

### **Fiscal Impact – Local Sales and Use Tax**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Local Sales &amp; Use Tax Revenue</b>	\$ 13,427,620	\$ 13,867,401	\$ 13,867,401	\$ 14,000,000

The local sales and use tax is one of the most important economic indicators and amongst the highest revenue generators for the City. These revenues are projected to increase by 1.0 percent in FY 2026 compared to the FY 2025 adopted budget.

## **Business, Professional, and Occupational License (BPOL) Tax**

### **Background**

All businesses operating in the City of Fairfax must apply for an annual license with the Commissioner of the Revenue. Business license taxes are levied annually and are typically based on a business's gross receipts. All new businesses must submit an application within 30 days of the start of operations. All business licenses expire at the end of each calendar year and must be renewed annually by March 1. Businesses in the City of Fairfax are taxed on either their gross receipts or a flat rate basis or both. Most businesses are taxed based on gross receipts. The BPOL tax rate is established annually by the City Council for each business category.

### **Fiscal Impact – BPOL Tax**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>BPOL Tax</b>	\$ 11,411,346	\$ 12,415,000	\$ 12,415,000	\$ 12,415,000

FY 2026 BPOL tax revenues are projected to remain at the same level compared to the FY 2025 adopted budget.



## Meals Tax

### Background

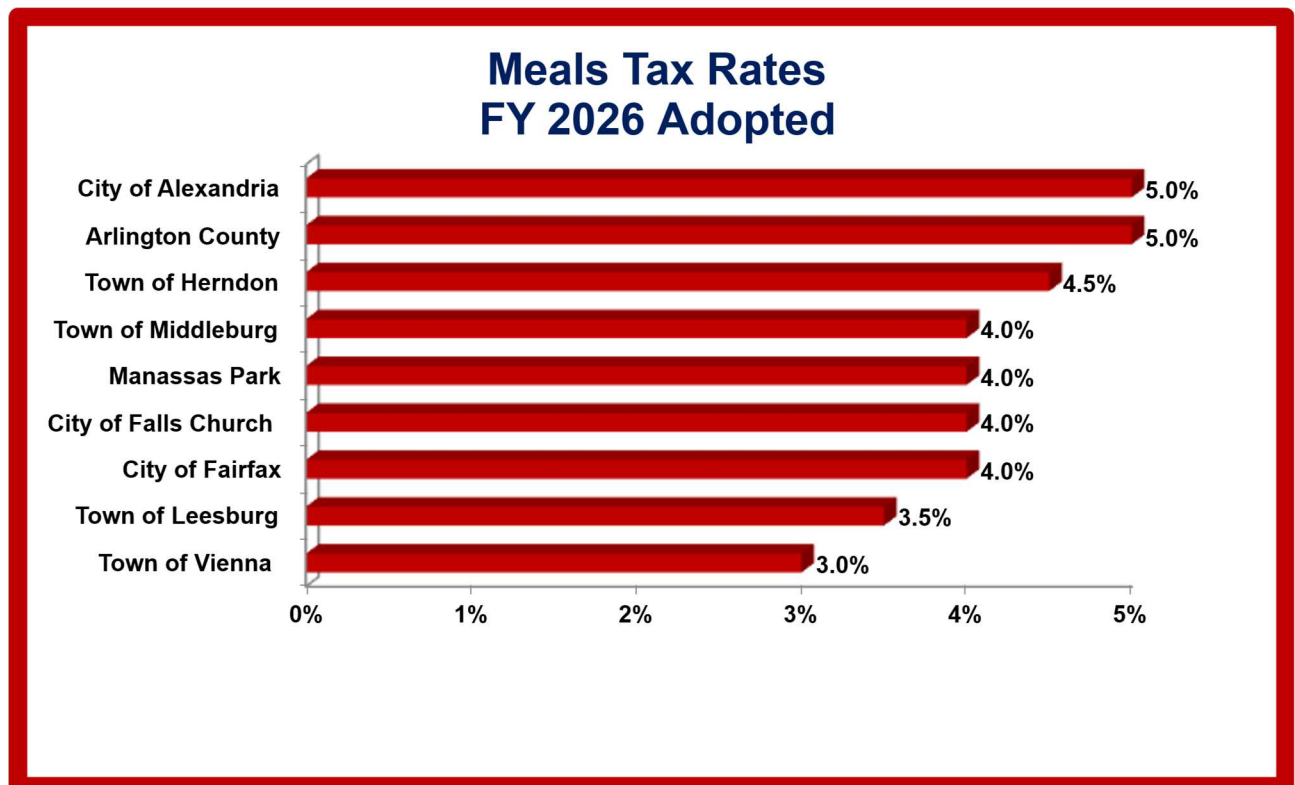
The City of Fairfax levies a tax upon all meals sold in the City by a restaurant or similar establishment. For FY 2026, the adopted meals tax rate is four percent.

### Fiscal Impact – Meals Tax

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Meals Tax Revenue</b>	\$ 8,720,791	\$ 8,918,100	\$ 9,018,100	\$ 9,018,100
<b>Meals Tax Rate</b>	4%	4%	4%	4%

The City's meals tax has historically been a stable source of revenue for the City. FY 2026 Meals Tax revenue is projected to increase 1.12% compared to the FY 2025 adopted budget. This increase keeps projections in line for FY 2025 estimate and FY 2026 adopted budget.

As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.



## Tobacco Tax

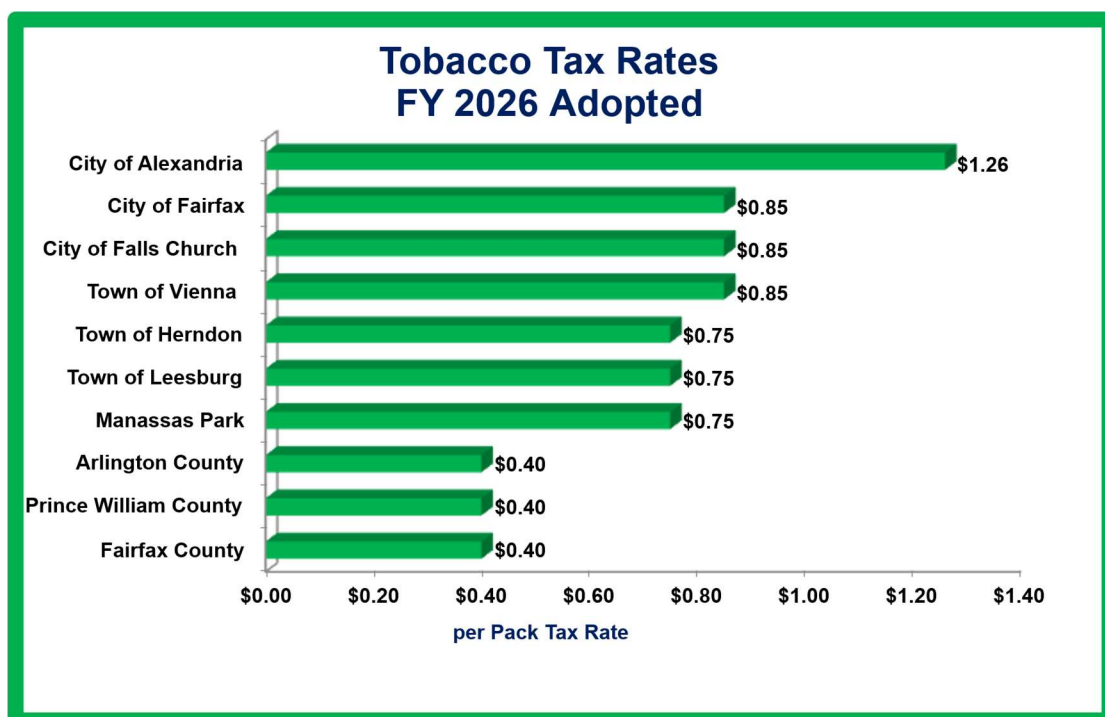
### Background

The cigarette tax is 85 cents for each package of 20 cigarettes sold within the City. On January 1, 2010, the Tobacco Tax was increased by 25 cents, from 50 cents to 75 cents per package. On July 1, 2010, the rate was increased by 10 cents, from 75 cents to 85 cents per package.

### Fiscal Impact – Tobacco Tax

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Tobacco Tax Revenue</b>	\$ 487,097	\$ 500,000	\$ 486,000	\$ 486,000
<b>Tobacco Tax Rate</b>	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2025 estimate are projected at \$486,000, based on receipts for the first eight months of the current fiscal year, a decrease of 0.2% from FY 2024 actual revenues. FY 2026 revenues are projected to decrease 2.8% compared to the FY 2025 adopted budget.



## Transient Lodging Tax

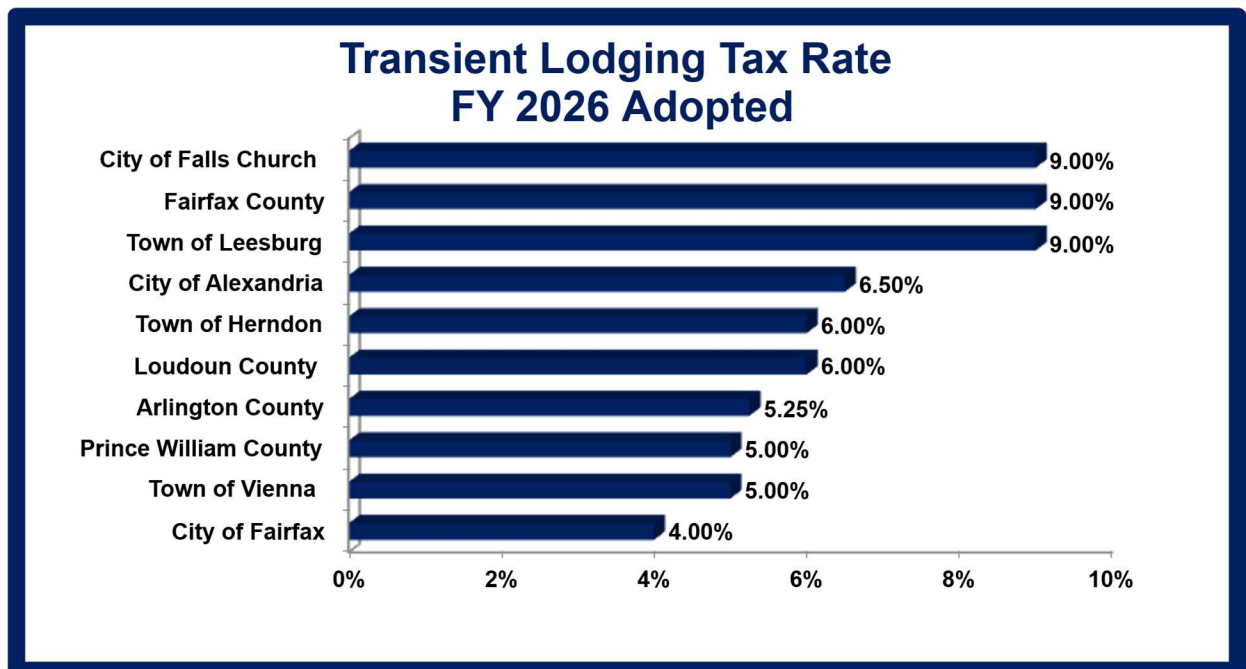
### Background

Every public or private hotel, inn, apartment hotel, hostelry, motel, or other lodging place within the City offering lodging for four or more persons at any one time on a transient basis (30 consecutive days or less), is levied a tax on the gross receipts of the lodging. The transient occupancy tax rate is 4 percent of the total amount of the room rental charge, and is the maximum allowed per City Charter. Any increase above the current tax rate requires approval from the General Assembly.

### Fiscal Impact – Transient Lodging Tax

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
Transient Lodging Tax Revenue	\$ 425,130	\$ 592,900	\$ 500,000	\$ 500,000
Transient Lodging Tax Rate	4%	4%	4%	4%

The FY 2026 Transient Lodging Tax revenue is projected to decrease 15.7% compared to the FY 2025 adopted budget, based on our current trends.



**Licenses, Permits, and Fees**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
Licenses, Permits, and Fees	\$ 1,574,540	\$ 1,946,044	\$ 1,939,044	\$ 1,937,537

The City reviews its licenses, permits and fees rates and levies annually to ensure each is on par with other jurisdictions in the region. The adopted budget for FY 2026 projects a 0.1% decrease from the FY 2025 estimate.

**Fines and Forfeitures**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
Fines & Forfeitures	\$ 2,493,462	\$ 2,301,612	\$ 2,301,612	\$ 2,301,560

This category of revenues is projected to remain at a similar level for FY 2026 adopted budget from the FY 2025 estimate based on enhanced traffic and pedestrian safety measures and recent trends in collections.

**Use of Money and Property**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
Use of Money and Property	\$ 8,738,045	\$ 6,839,024	\$ 8,207,348	\$ 7,514,381

Overall revenues are projected to decrease by 8.4% in the FY 2026 adopted budget from the FY 2025 estimate based on projected reduced interest rates.



**Charges for Services**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Charges for Services</b>	\$ 3,984,154	\$ 3,787,692	\$ 3,785,492	\$ 3,761,280

Overall revenues are projected to increase by 1.9% in the FY 2026 adopted budget from the FY 2025 estimate.

**State Aid**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>State Aid</b>	\$ 16,561,285	\$ 16,534,711	\$ 17,891,348	\$ 18,619,563

Total funding for state aid is projected to increase by 4.1% in FY 2026 compared to the FY 2025 estimate based on State estimates for the City's allocation of State Sales Tax and Basic School Aid.

**Federal Aid**

	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted
<b>Federal Aid</b>	\$ 599,513	\$ 176,616	\$ 176,616	\$ 176,616

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. The FY 2026 adopted budget projects revenues to remain at the FY 2025 estimate. These numbers can fluctuate greatly from year to year based on grants awarded.