

**PROGRAM MISSION**

To ensure uncompromising standards of fairness for all businesses that conduct business in Arlington by ensuring that they are properly taxed.

The Division is responsible for the assessment of the business, professional, and occupational license (BPOL) tax in Arlington County. It is also responsible for ensuring that all entities doing business in Arlington are properly licensed and assessed. In addition to business tax returns, the Business Tax Division also assesses a business tangible personal property tax on all furniture, fixtures, machinery and tools used in Arlington County. The Division also manages and administers an aggressive field canvass program to discover businesses that are illegally conducting business in Arlington County by not filing the required tax returns.

The following goals have been identified:

- Use technology and training to automate all tax calculations and continue towards a paperless records management system.
- Fairly and efficiently manage the custodial tax programs.
- Implement an aggressive field canvass program to ensure compliance with state and local tax laws.
- Provide exceptional customer service through improvements in training and technology and by continuous personal interaction with the business community.

**PROGRAM FINANCIAL SUMMARY**

	FY 2005 Actual	FY 2006 Adopted	FY 2007 Proposed	% Change '06 to '07
Personnel	\$1,364,812	\$1,354,828	\$1,575,155	16%
Non-Personnel	115,547	75,650	78,697	4%
<b>Total Expenditures</b>	<b>1,480,359</b>	<b>1,430,478</b>	<b>1,653,852</b>	<b>16%</b>
<b>Total Revenues</b>	<b>143,782</b>	<b>161,807</b>	<b>168,136</b>	<b>4%</b>
<b>Net Tax Support</b>	<b>\$1,336,577</b>	<b>\$1,268,671</b>	<b>\$1,485,716</b>	<b>17%</b>
Authorized FTEs	18.0	18.0	19.0	
Funded FTEs	18.0	18.0	19.0	

**SIGNIFICANT BUDGET HIGHLIGHTS**

- ↑ The FY 2007 proposed budget reflects a two percent market pay line adjustment, a ten percent increase in employer health insurance costs, an increase in employer retirement contributions to maintain full funding of the retirement fund, the moving of one position from the Compliance Division to the Business Tax Division as a result of internal reorganization, and the hiring of vacant positions at above budgeted steps.
- ↑ An increase in non-personnel expenses (\$3,047) is due to the transfer of one position to the Business Tax Division offset by a decrease in the Department of Technology Services projected telephone costs.
- ↑ The increase in revenue (\$6,329) is due to the FY 2006 cost of living increase approved by the State Compensation Board, partially offset by the decrease in DMV Select revenue.

**PERFORMANCE MEASURES**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Percent Business License Statutory assessments to total business license returns	N/A	N/A	12%	20%	10%	10%	≤10%
Percent Business Tangible Statutory assessments to total business tangible returns	N/A	N/A	24%	24%	20%	20%	≤20%
Percent of employees receiving minimum 40 hours training	N/A	N/A	40%	76%	100%	100%	100%
Number of days to respond to customer inquiries	N/A	N/A	2	1	1	1	1
Number of business tax returns processed	N/A	N/A	24,577	20,707	21,000	21,000	21,000
Number of business tangible tax returns processed	N/A	N/A	11,004	11,500	11,934	11,500	11,500
Number of custodial tax assessments	N/A	N/A	N/A	10,596	9,000	11,500	11,500
Number of establishments assessed for meals tax	720	753	770	794	800	800	800

- For most of the measures above, data collection began in FY 2004.
- The training requirement was implemented on January 1, 2004. FY 2004 actual percentage represents six months of data. FY 2005 data does not include the new staff moved from the Compliance Division.