

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, and all custodial taxes. The Division also manages and administers an aggressive field canvass program to discover businesses that are conducting business in Arlington County without filing required tax returns.

The following goals have been identified:

- Continue our progress towards a paperless records management system by implementing an online filing program for BPOL and meals taxes with a link to the payment portal beginning in January, 2008.
- Complete the review of BPOL and all custodial tax processes to convert to the new client server system by the scheduled December 2008 rollout date.
- Continue the success of the field canvass program by reducing the number of businesses that have not filed their returns with the Commissioner of Revenue.
- Provide exceptional customer service through improvements in training and technology and by continuous personal interaction with the business community.

PROGRAM FINANCIAL SUMMARY

	FY 2007 Actual	FY 2008 Revised	FY 2009 Proposed	% Change '08 to '09
Personnel	\$1,264,156	\$1,594,839	\$1,636,984	3%
Non-Personnel	163,009	117,378	123,782	5%
Total Expenditures	1,427,165	1,712,217	1,760,766	3%
Total Revenues	170,410	170,661	179,353	5%
Net Tax Support	\$1,256,755	\$1,541,556	\$1,581,413	3%
Permanent FTEs	19.0	19.0	19.0	
Temporary FTEs	-	-	-	
Total Authorized FTEs	19.0	19.0	19.0	

SIGNIFICANT BUDGET HIGHLIGHTS

- ↑ Personnel expenditures (\$42,145) include normal salary increases, an increase in employer retirement contributions to maintain full funding of the retirement fund, and a ten percent increase in employer health insurance rates.
- ↑ An increase in non-personnel expenditures (\$6,404) to facilitate legal research and improve compliance efforts.
- ↑ The increase in revenue (\$8,692) is due to the FY 2008 cost of living increase approved by the State Compensation Board that took effect in December 2007. This increase is

partially offset by a proposal in the Governor's proposed biennial budget to continue some Compensation Board cuts first enacted in 2007 through 2010.

PERFORMANCE MEASURES

Critical Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate	FY 2009 Target
Percent Business License statutory assessments to total business license returns	12%	20%	18%	16.43%	15%	15%	10%
Percent of employees receiving minimum 40 hours training	>40%	>76%	>50%	94.4%	100%	100%	100%

Supporting Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimate	FY 2009 Estimate	FY 2009 Target
Number of days to respond to customer inquiries	2	1	1	1	1	1	1
Number of business license tax returns processed	24,577	20,707	20,507	22,734	21,000	21,000	21,000
Number of business tangible tax returns processed	11,004	11,500	11,110	11,885	11,500	11,500	12,000
Number of custodial tax assessments	N/A	10,596	10,187	10,032	11,500	11,500	12,000
Number of establishments assessed for meals tax	770	794	784	789	800	800	800

- When a business does not file a timely return with the County (March 1st) a statutory assessment is assessed.
- 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 to the Business Tax Division.