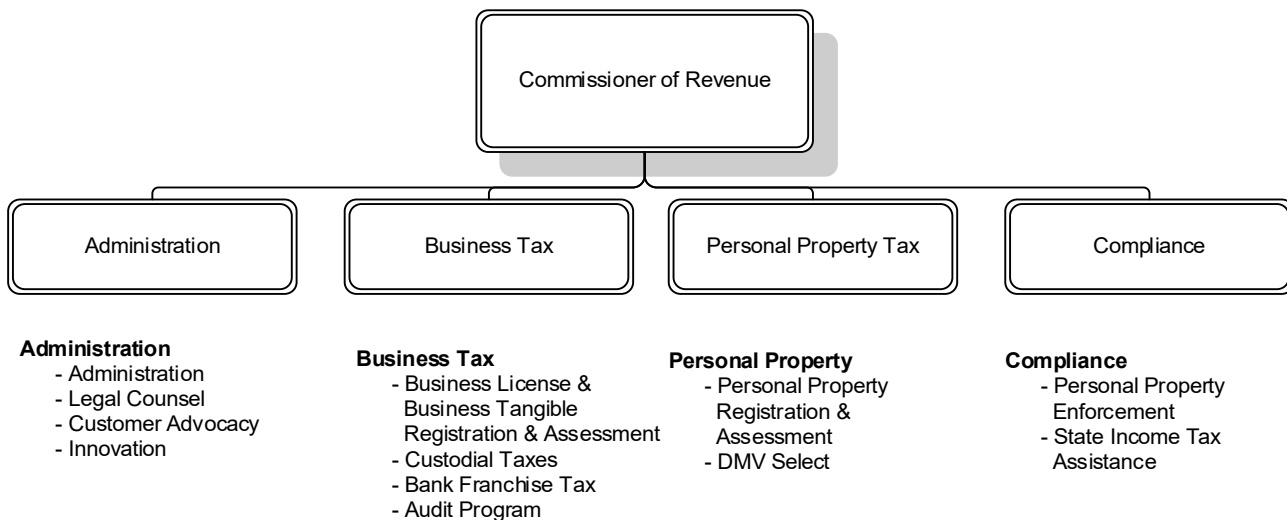


Our Mission: To provide Arlington County residents and businesses with high quality service in meeting their tax obligations.

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 2027 adopted expenditure budget for the Commissioner of Revenue is \$7,269,867, a less than one percent increase from the FY 2026 adopted budget. The FY 2027 adopted budget reflects:

- ↑ Personnel increases due to employee salary increases, an increase in the County’s cost for employee health insurance, and retirement contributions based on current actuarial projections, partially offset by the reduction itemized below.
- ↑ Fee revenues increase due to the addition of a \$250 penalty for out-of-state license plates (\$380,000).
- ↑ Grant revenues increase due to an increase in State Compensation Board reimbursements (\$10,000).

FY 2027 Adopted Budget Reduction

Administration Division

- ↓ Reduce a vacant Administrative Technician to Part-Time (\$74,402, 0.5 FTE).
IMPACT: The Administrative Technician performs general office administrative functions such as, but not limited to, mail collection and processing, scanning, updating office records, and

maintaining office supplies and equipment. Due to increased efficiency and innovation in office functions, this position can be reduced to part-time and current service levels will not be impacted.

DEPARTMENT FINANCIAL SUMMARY

	FY 2025 Actual	FY 2026 Adopted	FY 2027 Adopted	% Change '26 to '27
Personnel	\$6,165,640	\$7,061,879	\$7,077,615	-
Non-Personnel	388,470	190,319	192,252	1%
Total Expenditures	6,554,110	7,252,198	7,269,867	-
Fees	178,006	225,000	605,000	169%
Grants	582,683	600,000	610,000	2%
Total Revenues	760,690	825,000	1,215,000	47%
Net Tax Support	\$5,793,420	\$6,427,198	\$6,054,867	-6%
Permanent FTEs (Funded)	52.00	53.00	52.50	
Permanent FTEs (Frozen, Unfunded)	1.00	1.00	1.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	53.00	54.00	53.50	

Expenses & Revenues by Line of Business

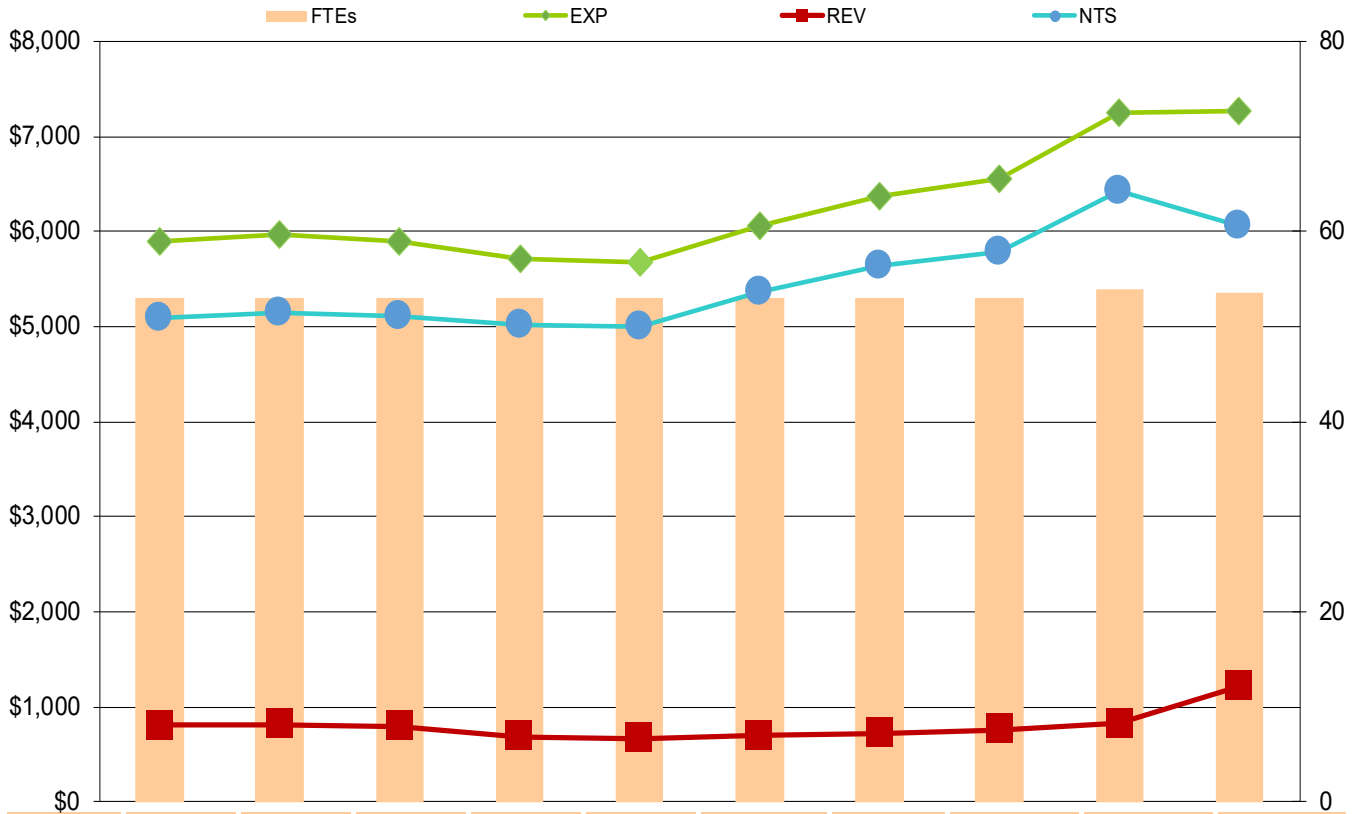
	FY 2025 Actual Expense	FY 2026 Adopted Expense	FY 2027 Adopted Expense	% Change '26 to '27	FY 2027 Adopted Revenue	FY 2027 Net Tax Support
Administration	\$1,757,978	\$1,786,972	\$1,862,298	4%	\$1,215,000	\$647,298
Business Tax	2,465,616	3,078,112	3,121,886	1%	-	3,121,886
Personal Property Tax	1,929,559	1,758,034	1,662,818	-5%	-	1,662,818
Compliance	400,956	629,080	622,865	-1%	-	622,865
Total	\$6,554,110	\$7,252,198	\$7,269,867	-	\$1,215,000	\$6,054,867

Authorized FTEs by Line of Business

	FY 2026 FTEs Adopted	FY 2027 Permanent FTEs Adopted	FY 2027 Temporary FTEs Adopted	FY 2027 Total FTEs Adopted
Administration*	11.00	10.50	-	10.50
Business Tax	22.00	22.00	-	22.00
Personal Property Tax	15.00	15.00	-	15.00
Compliance	6.00	6.00	-	6.00
Total FTEs	54.00	53.50	-	53.50

*The Administration Line of Business FTE count includes a frozen Customer Advocate Management Specialist position (1.0 FTE).

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



\$ in 000s	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	FY 2027 Adopted Budget
EXP	\$5,902	\$5,964	\$5,903	\$5,706	\$5,680	\$6,055	\$6,377	\$6,554	\$7,252	\$7,270
REV	\$808	\$819	\$794	\$692	\$672	\$695	\$729	\$761	\$825	\$1,215
NTS	\$5,094	\$5,145	\$5,109	\$5,014	\$5,008	\$5,360	\$5,648	\$5,793	\$6,427	\$6,055
FTEs	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	54.00	53.50

Fiscal Year	Description	FTEs
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). 	
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). 	

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ 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 the 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). 	
FY 2025	<ul style="list-style-type: none"> ▪ Higher projections in State Compensation Board reimbursements grant revenue due to the State’s salary increase for State employees (\$6,800). 	
FY 2026	<ul style="list-style-type: none"> ▪ The County Board added ongoing funding to re-classify six auditor positions halfway through the year to improve the auditor career path (\$43,188). ▪ Added a Tax Auditor IV position in the Business Tax line of business (\$160,467) and re-classified a Tax Assessor position to a Quality Assurance Manager position in the Administration line of business (\$120,442), both of which are offset by the generation of additional tax revenues. ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements (\$27,700). ▪ <i>At closeout of FY 2025, an additional \$12,731 in one-time Compensation Board revenue was appropriated for the 1.5 percent bonus for constitutional officers and employees approved by the 2025 Session of the General Assembly.</i> 	1.00
FY 2027	<ul style="list-style-type: none"> ▪ Reduced a vacant Administrative Technician position to part-time (\$74,402). ▪ Fee revenue increased due to the addition of a \$250 penalty for out-of-state license plates (\$380,000). ▪ Grant revenue increased due to an increase in State Compensation Board reimbursements (\$10,000). 	(0.50)