

BUDGET SUMMARY

	FY 99 Budget	FY 00 Adopted Plan	FY 00 Adopted
Local Sales Tax	\$ 5,922,076	\$ 6,747,590	\$ 6,396,163
Recordation Tax	337,050	353,903	353,903
Transient Occupancy Tax	1,900,000	2,000,000	2,040,000
Deeds of Conveyance	170,000	170,000	170,000
Bank Franchise Tax	88,000	90,000	90,000
Meals Tax	2,874,000	2,992,821	3,028,276
E-911 Emergency Telephone Tax	343,750	361,320	397,365
Total	\$ <u>11,634,876</u>	\$ <u>12,715,634</u>	\$ <u>12,475,707</u>

BUDGET COMMENTS

Other Local Taxes include the budget for the 1 percent **Local Sales Tax**. This tax is collected with the 3.5 percent State sales tax at the time of sale, and remitted to the County.

Transient Occupancy Tax revenues are those received from the tax imposed on hotel, motel room sales, and rental condominium units. In FY 1998, this tax increased from two percent to four percent. The additional two percent tax is targeted toward tourism in accordance with the language of the State legislation authorizing the additional tax.

Delinquent taxes are those collected to satisfy property taxes over three years in arrears and are collected by the County Treasurer.

Deeds of Conveyance records revenue received from the tax imposed on conveyance of property deeds. The tax is based on the value of the property involved.

Bank Franchise Tax represents revenue received from the tax imposed on bank deposits in the County, less certain allowable deductions.

The **Telephone E-911 Charge** is assessed to recover capital and maintenance expenses of the County's enhanced 911 program and is collected as part of residential and commercial telephone bills. The rate will remain at \$1.20 per month for FY 2000.

The **Recordation Taxes** are fees levied for documents recorded at the Clerk of Circuit Court's Office. Fees vary based on the type of document. The principal fee source is based on real estate transfers. **Recordation taxes** are expected to increase from their FY 1999 estimated levels, mostly from the sales of time-shares.

The **Meals Tax** represents a tax on food eaten on premises. The County levies a 4 cents tax on prepared food and beverages. In November of 1988, the voters of James City County approved, by referendum, the establishment of a meals tax in the County. Because of the impact on tourism in the County, it is estimated that 70 percent of the revenue will be generated by nonresidents of the County. The amount of **meals tax revenue** budgeted for FY 2000 is expected to increase by 2 percent over the FY 1999 expected amount. These increases reflect the expected growth in food and beverage sales in the County.

BUDGET COMMENTS, Continued

Local Sales Tax is projected to increase by 8 percent over the FY 1999 budget. This growth will come from both an increase in the number of businesses and an increase in the level of retail sales, with tourism contributing to the growth. General economic conditions are expected to remain positive during FY 2000.

The **Transient Occupancy Tax** will increase by 2 percent over FY 1999's expected actual amount in FY 2000, reflecting expected growth in visitation. Half of the transient occupancy tax revenue will be directed towards tourism (see Section C).

The **Bank Franchise Tax** is budgeted to increase by slightly in FY 2000, based on the assumption of an increase in the level of economic activity in the financial community.