

**BUDGET SUMMARY**

	FY 99 Budget	FY 00 Original Adopted	FY 00 Current Expected	FY 01 Proposed	FY 02 Proposed
Local Sales Tax	\$ 5,922,076	\$ 6,396,163	\$ 6,396,163	\$ 6,664,531	\$ 6,918,090
Recordation Tax	337,050	353,903	515,000	515,000	515,000
Transient Occup. Tax	1,900,000	2,040,000	2,040,000	2,575,500	2,601,255
Deeds of Conveyance	170,000	170,000	200,000	200,000	200,000
Bank Franchise Tax	88,000	90,000	110,000	110,000	110,000
Meals Tax	2,874,000	3,028,276	3,100,000	3,224,000	3,352,960
E-911 Emerg. Tax	343,750	397,365	397,365	587,916	783,657
Total	\$ 11,634,876	\$ 12,475,707	\$ 12,758,528	\$ 13,876,947	\$ 14,480,962

**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. Tax revenue beyond two percent is targeted toward tourism in accordance with the language of the State legislation authorizing the additional tax. In FY 2001, the tax rate is proposed to increase from 4 percent to 5 percent.

**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 County bank branches, 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 was \$1.20 per month for FY 2000 and is proposed to increase to \$1.70 per month in FY 2001 and \$2.20 per month in FY 2002.

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.

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 is generated by nonresidents of the County.

***BUDGET COMMENTS, Continued***

**Sales Tax** increases are expected to range between 3.8 percent and 4.2 percent over the next two years. Meals tax proceeds are expected to be relatively flat.

The expected increases in mortgage rates, and the impact on activities like refinancings, will hold down revenue growth in categories like recordation and deeds of conveyance and revenue growth in bank franchise taxes is kept fairly stable; it is difficult to predict.