

BUDGET SUMMARY

	FY 06 Adopted	FY 06 Projected	FY 07 Adopted	FY 08 Adopted
Local Sales Tax	\$ 8,350,293	\$ 8,300,000	\$ 8,900,000	\$ 9,800,000
Transient Occupancy Tax	1,865,000	1,925,000	2,300,000	2,350,000
\$2 Per Night Room Tax	850,000	850,000	1,050,000	1,050,000
Meals Tax	4,971,500	5,000,000	5,500,000	5,750,000
Delinquent Taxes	25,000	30,000	30,000	30,000
Deeds of Conveyance	450,000	500,000	525,000	550,000
Bank Franchise Tax	245,000	245,000	260,000	300,000
Telecommunication Taxes	1,227,725	1,230,000	640,000	0
Recordation Tax	1,710,000	2,000,000	2,150,000	2,300,000
Total	\$ 19,694,518	\$ 20,080,000	\$ 21,355,000	\$ 22,130,000

BUDGET COMMENTS

Other Local Taxes include the budget for the 1 percent **Local Sales Tax**. This tax is collected with the 4 percent State sales tax at the time of sale, and remitted to the County. An increase of 6.6 percent is anticipated in FY 2007 and 10.1 in FY 2008 due to continued retail expansions in the New Town and Richmond Road areas.

Transient Occupancy Room Tax revenues are those received from the 5 percent tax imposed on hotel, motel room sales, and rental condominium units. This increased from 4 percent in FY 2006. 60 percent of this tax revenue is targeted toward tourism in compliance with State law. FY 2007 receipts are expected to increase due to the increase in rate. The **\$2 Per Night Room Tax** revenue is authorized for marketing and passed through to the Williamsburg Area Chamber and Tourism Alliance.

The **Meals Tax** represents a tax on prepared food and beverages. The County levies a 4 percent tax. 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. This has been increasing and is expected to continue as new restaurants are opening in the County.

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. As property values continue to rise and property transactions increase, this revenue is projected to exhibit healthy growth.

Bank Franchise Tax represents revenue received from the tax imposed on bank deposits in County bank branches, less certain allowable deductions. This revenue is expected to grow as new banks are opening within the County.

Telecommunications Taxes are assessed to recover capital and maintenance expenses of the County's enhanced 911 program and are collected as part of residential and commercial telephone bills. There is a \$1.60 maximum per line per month on both landlines and wireless phones. The County E-911 tax for each landline is 75-cents and wireless phone owners pay a 75-cent 911 tax to the State. These taxes are expected to be eliminated as the State replaces them with a flat 5 percent Communications Sales and Use tax effective January 1, 2007.

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 and the value of real estate. As real estate values continue to rise and property transactions increase, this revenue will continue to grow.