

**1995-1996 BUDGET
GENERAL OPERATING FUND
OTHER LOCAL TAXES**

PURPOSE

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

Transient Occupancy Tax revenues are those received from the 2 percent tax imposed on hotel, motel room sales, and rental condominium units.

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, 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 is currently 30 cents per telephone line per month. In FY 96, the rate is proposed to increase to 60 cents in order to cover the cost of improved E-911 service.

The **Recordation Taxes** are fees levied for documents recorded at the Clerk'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. 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.

BUDGET SUMMARY

	FY 95 <u>Budget</u>	FY 96 <u>Budget</u>
Local Sales Tax	\$4,400,000	\$4,650,000
Recordation Tax	360,000	350,000
Transient Occupancy Tax	824,000	830,000
Deeds of Conveyance	170,000	175,000
Bank Franchise Tax	51,500	65,000
Meals Tax	2,472,000	2,700,000
E-911 Emergency Telephone Tax	<u>60,000</u>	<u>130,000</u>
	<u>\$8,337,500</u>	<u>\$8,900,000</u>

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BUDGET COMMENTS

Sales Tax is projected to increase by 5.7 percent over the prior year 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 continue to improve during FY 95.

The Transient Occupancy Tax is expected to increase by less than 1 percent, reflecting a modest increase in the level of tourism for 1996.

E-911 revenues are projected to increase by \$70,000 as a result of a 30 cent rate increase in order to improve service by upgrading the E-911 computer system, along with expected growth in the number of telephone lines subject to this charge.

The Bank Franchise Tax is budgeted to increase by 26 percent, based on the assumption of an increase in the level of economic activity in the financial community.

The County levies a 4 cents tax on prepared food and beverages. The amount of meals tax revenue budgeted for FY 96 is expected to increase by 4 percent over the projected level of receipts for this year. This increase follows the general level of economic growth expected in sales.

Recordation taxes are expected to decline slightly from their FY 95 budgeted levels as home refinancings drop off.