

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. For FY 97, the rate is proposed to increase by 30 cents, to 90 cents per month.

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

	<u>FY 96 Budget</u>	<u>FY 97 Budget</u>
Local Sales Tax	\$4,670,000	\$5,127,000
Recordation Tax	350,000	300,000
Transient Occupancy Tax	830,000	927,000
Deeds of Conveyance	175,000	183,750
Bank Franchise Tax	65,000	82,000
Meals Tax	2,700,000	2,700,000
E-911 Emergency Telephone Tax	<u>130,000</u>	<u>196,250</u>
	<u>\$8,920,000</u>	<u>\$9,516,000</u>

BUDGET COMMENTS

Sales Tax is projected to increase by 4.0 percent over the FY 96 estimated revenue. 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 moderate during FY 97.

The Transient Occupancy Tax is expected to increase by 11.8 percent, over the FY 96 Budget reflecting a positive increase in the level of tourism for 1997. Of the \$97,000 increase, \$27,000 represents expected revenue from the County's investment in the Tourism Bureau's efforts.

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 97 is expected to be the same as FY 96. This follows a moderating level of economic growth expected in food and beverage sales in the County.

Recordation taxes are expected to decline slightly from their FY 96 budgeted levels as home refinancings drop off.