

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 20, 2006

TO: HONORABLE MAYOR, AND MEMBERS OF CITY COUNCIL

FROM: JAMES HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #130: IMPACT ON RESIDENTIAL REAL ESTATE TAXES OF A TEN CENT RATE REDUCTION

In the context of the preliminary add/delete work session City Council considered a ten cent reduction in the real estate tax rate to 81.5 cents per \$100 assessed value. If City Council were to approve such a rate reduction the effect on average residential real estate taxes would be the lowest such increase since 2000 and would be as follows:

	Average Assessed Value CY 2006	Average Real Estate Taxes at Current Rate \$0.915	Average Real Estate Taxes at Proposed Rate \$0.815	Average \$ Increase¹	Average % Change
All Residential Properties	\$526,852	\$4,035	\$4,294	\$259	6.4%
Single Family Residential Properties only	\$667,386	\$5,172	\$5,439	\$267	5.2%
Condominium Residential Properties only	\$363,592	\$2,713	\$2,963	\$250	9.2%

¹For the disabled and income eligible senior citizens (up to \$72,000 in household income), and other low and moderate income homeowners (also up to \$72,000 in household income) the 2006 tax increase would be partially to fully offset by targeted tax relief programs for those groups.