

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #15: CAR TAX RELIEF PERCENTAGES IN OTHER JURISDICTIONS

This is in response to a Council request for information regarding Car Tax relief percentages in neighboring jurisdictions. In general, the greater the growth in jurisdictions, the smaller the percentage that the fixed amount of State reimbursement funding will cover. Staff does not expect any increase in the Alexandria's tax base particularly with the anticipated reduction in the value of used vehicles including the many SUVs in the City. Several of the outlying suburbs are experiencing a large growth rate in their personal property tax base as a result of their population growth, which is resulting in marked reductions in their percentage rate of Car Tax reimbursement from the state.

The table below reflects the proposed reimbursement rates for four neighboring jurisdictions.

PPTRA Reimbursement Rate for CY 2006

	Alexandria	Arlington	Fairfax	Loudoun	Prince William
FY 2006	70%	70%	70%	70%	70%
Proposed FY 2007	TBD*	64%	66.7%	59%	61.5%

* May range from 67-73% depending on growth in personal property tax base. Calculations will be made in August when the personal property tax base is known.