



# CITY OF ROANOKE NEWS

## City Revenues at a Glance

The city's top five tax revenues are real estate, personal property, business license, sales, and prepared food and beverage. These revenues account for approximately 60 percent of annual General Fund revenues to the city.

### Real Estate Tax

The Real Estate Tax has declined slightly over the last several years; however, the current assessment showed very minimal growth, about 0.45 percent, which is due to new construction, resulting in an increase of approximately \$310,000 from the FY 2015 Adopted Budget.

### Personal Property Tax

The Personal Property Tax has seen stable, but modest, growth. This trend is anticipated to continue, resulting in an increase of \$197,000 from the FY 2015 Adopted Budget for the FY 2016 revenue estimate.

### Business and Occupational License Taxes

Business and Occupational License taxes have shown stable growth over time; however, the estimated increase for FY 2016 is only \$52,000 or a 0.4 percent increase compared to the 2015 Adopted Budget.

### Sales Tax

The Sales Tax is performing well in the current year and is expected to improve from the 1 percent decrease experienced in FY 2014. While projections for the FY 2016 revenue estimate represent a 2.4 percent increase over the FY 2015 Adopted Budget, sales tax is still below the pre-recessionary level by approximately \$2 million.

### Prepared Food and Beverage Tax

The Prepared Food and Beverage Tax continues to experience modest growth and has exceeded pre-recessionary levels. Of all the top five tax revenues, the Prepared Food and Beverage Tax is the only tax that still exceeds pre-recessionary levels after adjusting for inflation.

Real dollars, also known as constant dollars, are adjusted for inflation over a period of comparison and measure the change in economic purchasing power. When adjusted for inflation, four of

the five top tax revenues remain below pre-recessionary levels (as discussed in the previous paragraph). Collectively, the top five tax revenues are below pre-recessionary levels, when adjusted for inflation, by about \$12.5 million. This has a huge impact on the city's available purchasing power.

### State Reimbursements

State reimbursements account for approximately 25 percent of the city's General Fund revenues. State law requires localities to fund a portion of the cost of providing mandated programs; therefore, the reimbursement is less than the cost incurred. Due to shortfalls in revenue at the state level, the state has required the city to refund a portion of the reimbursement revenue for six of the last seven years since 2008.

*Note: The figures provided are preliminary estimates.*

For more information, visit the Management and Budget section of <http://www.roanokeva.gov>.

