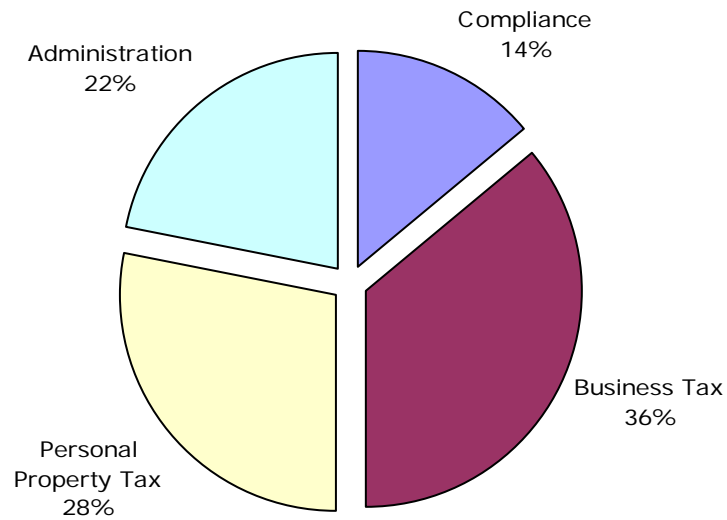


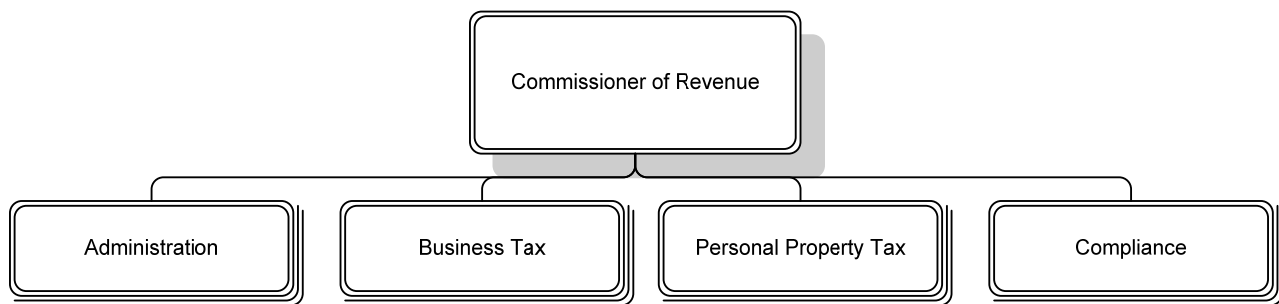
Our Mission: To provide Arlington County residents and businesses with high quality service in meeting their tax obligations

The Office of the Commissioner of Revenue provides Arlington County residents and businesses with high quality service in meeting their tax obligations by applying Virginia State and Arlington County tax laws with uniformity, fairness and integrity. The Office is committed to providing customer advocacy to protect the rights of individual and business taxpayers and resolving those issues not satisfactorily addressed through normal channels.

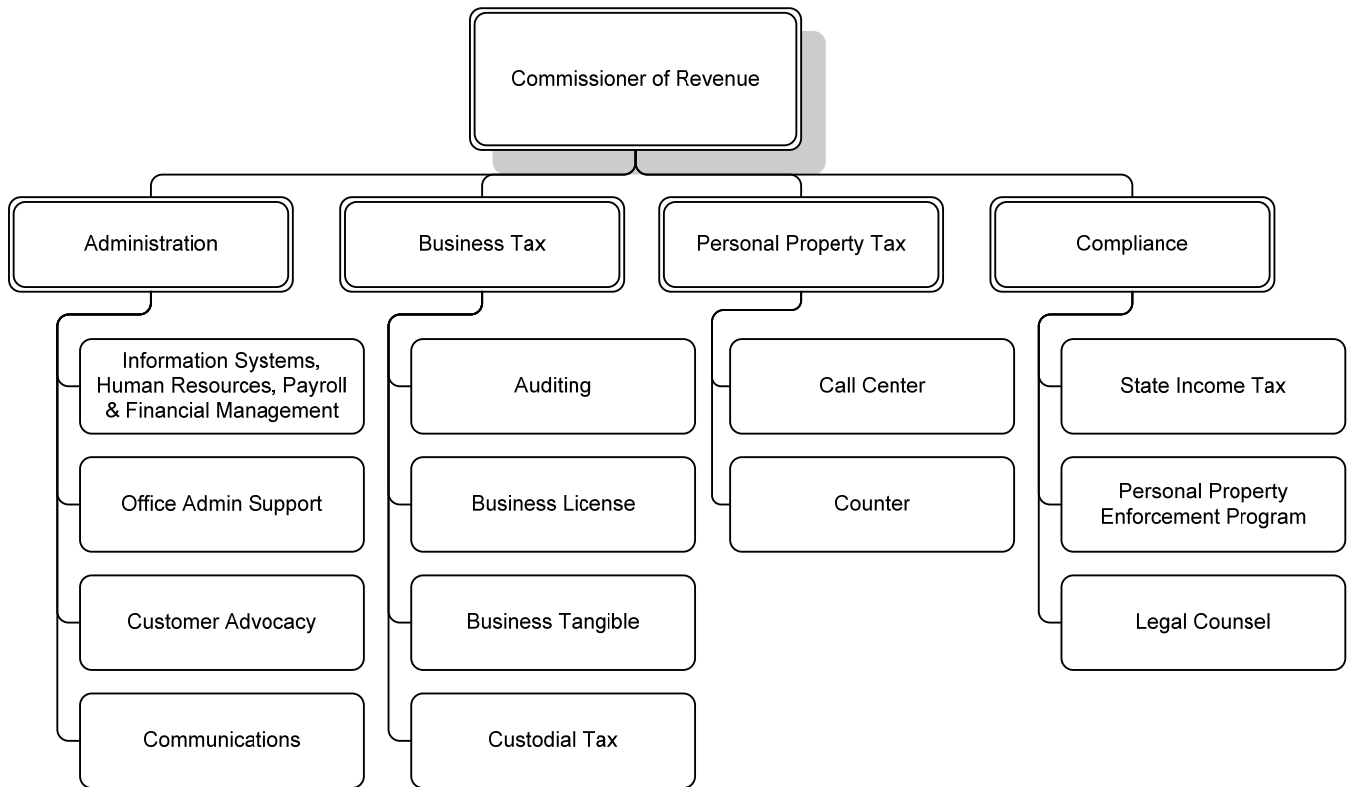
Distribution of Department Budget



DEPARTMENT DIVISIONS



DEPARTMENTAL ORGANIZATION CHART



FY 2008 PRIORITIES

- To enhance compliance with tax laws and ordinances by discovering unreported vehicles, businesses, furniture and fixtures, machinery and tools used in businesses.
- To provide high quality customer service, using the best available technology and resources.
- To plan for and implement any changes to the tax law adopted by the Virginia General Assembly and the Arlington County Board.

DEPARTMENT FINANCIAL SUMMARY

	FY 2006 Actual	FY 2007 Revised	FY 2008 Proposed	% Change '07 to '08
Personnel	\$3,861,834	\$4,340,258	\$4,449,914	3%
Non-Personnel	432,661	263,948	345,955	31%
Total Expenditures	4,294,495	4,604,206	4,795,869	4%
Total Revenues	471,135	495,558	503,000	2%
Net Tax Support	\$3,823,360	\$4,108,648	\$4,292,869	4%
Authorized FTEs	56.0	56.0	56.0	
Funded FTEs	56.0	56.0	56.0	

SIGNIFICANT BUDGET CHANGES

The FY 2008 proposed budget for the Commissioner of Revenue's office is \$4,795,869, reflecting a four percent increase over the FY 2007 revised budget. The FY 2008 proposed budget reflects:

- ↑ Personnel expenditures reflects normal step increases, an increase in employer retirement contributions to maintain full funding of the retirement fund, a 15 percent increase in employer health insurance rates, and position turnover and reclassifications.
- ↑ An increase in non-personnel expenses (\$82,007) is due mainly to contractual costs associated with process management enhancements in the Business and Personal Property Tax Divisions.
- ↑ An increase in revenue (\$7,442) is due to a cost of living increase approved by the State Compensation Board for FY 2007 that took effect in December 2006.

PERFORMANCE MEASURES

Critical Measures	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2008 Goal
Percent Business License Statutory assessments to total business license returns	N/A	12%	20%	18%	15%	15%	≤10%
Percent Business Tangible Statutory assessments to total business tangible returns	N/A	24%	24%	19%	≤20%	≤20%	≤15%
Value of Personal Property assessments by Enforcement Program (million)	N/A	N/A	\$1.10	\$1.05	\$1.00	\$1.30	\$1.50

OFFICE OF THE COMMISSIONER OF REVENUE
DEPARTMENT BUDGET SUMMARY

Supporting Measures	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2008 Goal
Percent of personnel and financial transactions processed satisfactorily within guidelines	100%	100%	100%	100%	100%	100%	100%
Percent of assessments in compliance with the Code of Virginia	N/A	100%	100%	100%	100%	100%	100%
Call abandon rate	6.0%	2.0%	2.0%	2.1%	1.8%	1.9%	1.7%
Percent of e-mail inquiries resolved within a three day timeframe	N/A	98%	100%	100%	100%	100%	100%
Number of customers served by Customer Advocate	N/A	N/A	22	49	>25	>25	>25
Number of business tax and business tangible tax returns processed	N/A	35,581	32,207	31,617	32,500	32,500	33,000
Summonses issued	N/A	N/A	2,320	2,500	2,500	2,600	3,000
Number of personal property assessed (vehicles, boats, etc.)	188,578	187,987	187,979	189,810	190,000	190,000	195,000
Number of e-mails received pertaining to personal property tax inquiries	1,989	5,249	5,590	5,916	7,000	7,000	7,000
Total calls received by personal property tax call center	44,581	41,581	44,020	43,912	43,000	43,000	42,500

- When a business does not file a timely return with the County (March 1st) a statutory assessment is assessed.
- The call abandon rate is the percentage of time a customer terminates a call prior to staff answering the phone.
- Number of customers served by Customer Advocate in FY 2005 reflects only nine months of data collection.

FUTURE BUDGET CONSIDERATIONS

- The 2007 General Assembly may enact further changes to the Business and Personal Property tax statutes that will affect FY 2007 or FY 2008 assessments.
- It is uncertain whether the 2007 General Assembly will adopt a cost of living increase for FY 2008 to take effect December 2007.