

Estimates of:

- 1) Local Option Sales and Use Tax

to be distributed to localities
during Fiscal Year 2023

Virginia Department of Taxation
June 6, 2022

Preface

Since the 1960's, the Department of Taxation has been providing the local governing body of every county, city, and town in the Commonwealth with an estimate of its distributive share of certain revenues for the following fiscal year. This report complies with the Code of Virginia §15.2-2502 requiring that such estimates be provided within fifteen days following adjournment of the Virginia General Assembly.

Enclosed are the Fiscal Year 2023 estimates for the local distributions of the Local Option Sales and Use Tax. The estimates contained herein are based on the conference budget that was passed recently by the General Assembly. Any changes to the local option sales tax that may occur during the veto session later this month would result in updated estimates being posted.

The Code of Virginia § 22.1-93, requires the Department of Education to provide, within fifteen days following final adjournment, "...estimates to be used for budgetary purposes relative to the Basic School Aid Formula..." Estimates of the Fiscal Year 2023 local distributions of the State Sales and Use Tax for Public Education are transmitted to the localities by the Department of Education.

During the 2020 session of the General Assembly, legislation was enacted that will alter the manner in which recordation and grantor tax distributions are made to the localities.

Senate Bill 890 revised Section 58.1-816 of the Code of Virginia as follows:

§ 58.1-816. Distribution of recordation tax to cities and counties.

- A. Effective October 1, 1993, ~~twenty~~ \$20 million dollars of the taxes imposed under §§ 58.1-801 through 58.1-809 ~~which that~~ are actually paid into the state treasury, shall be distributed among the counties and cities of ~~this~~ *the* Commonwealth, *except for counties and cities located in Planning District 8*, in the manner provided in subsection B ~~of this section~~. Effective July 1, 1994, such annual distribution shall increase to ~~forty~~ \$40 million dollars. ***Effective July 1, 2021, such annual distribution shall be \$20 million.***

In addition, Chapter 1241 would dedicate the first \$20 million of the annual distribution under Section 58.1-816 to the Hampton Roads Regional Transit Fund (HRTTF), beginning in fiscal year 2021.

The Appropriations Act (House Bill 30) for Fiscal Years 2023 and 2024 in Item 266 – Financial Assistance to Localities distributes \$20 million in each of fiscal years 2023 and 2024. Given that Chapter 1241 would dedicate the first \$20 million of such amount to the HRRTF, there would be no remaining amounts to distribute to the other localities effective July 1, 2020.

The estimates contained herein should not be interpreted to be a State guarantee that each locality will receive the amounts indicated. Rather, they should be viewed only as estimates for each locality that are consistent with the latest economic assumptions utilized in forecasting State General Fund revenues.

Each local governing body is urged to verify the reasonableness of the estimates based on the expert knowledge of its officials and to track news releases pertaining to the developments with the Commonwealth's Budget and the Census data. If there are any questions concerning this publication, please feel free to contact the Department's Office of Revenue Forecasting at (804) 371-4372.

Craig M. Burns
Tax Commissioner

LOCAL OPTION SALES AND USE TAX

The State collects and distributes the Local Option one percent Sales and Use Tax.¹ Actual distributions are made to every county and city based on the locality in which the tax was collected.

¹As provided under the Code of Virginia §58.1-605 and §58.1-606.

**Actual FY 2021 Local 1%
Option Distribution Sales
and Use Tax** **Estimated FY
2023 Local Option
Sales and Use Tax**

Locality	(\$)		% of State
Counties			
Accomack County	5,725,169	0.3876%	6,845,086
Albemarle County	19,226,732	1.3016%	22,987,729
Alleghany County	1,164,911	0.0789%	1,392,783
Amelia County	1,130,603	0.0765%	1,351,764
Amherst County	3,824,929	0.2589%	4,573,135
Appomattox County	1,750,330	0.1185%	2,092,717
Arlington County	38,272,894	2.5909%	45,759,565
Augusta County	7,735,743	0.5237%	9,248,954
Bath County	604,106	0.0409%	722,277
Bedford County*	8,663,416	0.5865%	10,358,092
Bland County	444,015	0.0301%	530,870
Botetourt County	3,466,109	0.2346%	4,144,125
Brunswick County	1,187,827	0.0804%	1,420,181
Buchanan County	1,835,023	0.1242%	2,193,977
Buckingham County	997,694	0.0675%	1,192,856
Campbell County	6,979,450	0.4725%	8,344,720
Caroline County	3,221,951	0.2181%	3,852,206
Carroll County	2,672,694	0.1809%	3,195,507
Charles City County	1,333,673	0.0903%	1,594,557
Charlotte County	874,019	0.0592%	1,044,988
Chesterfield County	62,047,867	4.2004%	74,185,230
Clarke County	1,780,092	0.1205%	2,128,301
Craig County	264,553	0.0179%	316,303
Culpeper County	9,756,384	0.6605%	11,664,859
Cumberland County	735,339	0.0498%	879,181
Dickenson County	945,225	0.0640%	1,130,123
Dinwiddie County	2,496,517	0.1690%	2,984,868
Essex County	2,467,031	0.1670%	2,949,614
Fairfax County	200,399,119	13.5661%	239,599,771
Fauquier County	13,220,702	0.8950%	15,806,842
Floyd County	1,290,079	0.0873%	1,542,435
Fluvanna County	2,340,970	0.1585%	2,798,894
Franklin County	6,743,669	0.4565%	8,062,818
Frederick County	18,270,685	1.2368%	21,844,667
Giles County	2,115,112	0.1432%	2,528,855
Gloucester County	6,202,050	0.4199%	7,415,251
Goochland County	4,013,943	0.2717%	4,799,121
Grayson County	655,978	0.0444%	784,296
Greene County	2,905,513	0.1967%	3,473,869
Greensville County	857,477	0.0580%	1,025,211

	Actual FY 2021 Local 1% Option Distribution Sales and Use Tax		Estimated FY 2023 Local Option Sales and Use Tax
Locality	(\$)	% of State	
Halifax County	4,406,597	0.2983%	5,268,584
Hanover County	27,680,861	1.8739%	33,095,594
Henrico County	74,114,237	5.0172%	88,611,938
Henry County	5,566,463	0.3768%	6,655,335
Highland County	171,280	0.0116%	204,784
Isle of Wight County	3,970,656	0.2688%	4,747,368
James City County	11,026,784	0.7465%	13,183,766
King and Queen County	325,108	0.0220%	388,704
King George County	3,693,437	0.2500%	4,415,921
King William County	1,746,269	0.1182%	2,087,861
Lancaster County	2,424,432	0.1641%	2,898,682
Lee County	1,868,604	0.1265%	2,234,127
Loudoun County	96,266,700	6.5168%	115,097,708
Louisa County	5,555,533	0.3761%	6,642,267
Lunenburg County	654,821	0.0443%	782,912
Madison County	1,436,814	0.0973%	1,717,873
Mathews County	761,718	0.0516%	910,719
Mecklenburg County	6,685,893	0.4526%	7,993,740
Middlesex County	1,463,627	0.0991%	1,749,931
Montgomery County	14,669,451	0.9931%	17,538,985
Nelson County	1,834,402	0.1242%	2,193,235
New Kent County	2,548,628	0.1725%	3,047,173
Northampton County	2,083,417	0.1410%	2,490,960
Northumberland County	1,089,094	0.0737%	1,302,135
Nottoway County	1,833,133	0.1241%	2,191,718
Orange County	4,882,041	0.3305%	5,837,032
Page County	2,707,641	0.1833%	3,237,291
Patrick County	1,588,400	0.1075%	1,899,111
Pittsylvania County	3,599,001	0.2436%	4,303,011
Powhatan County	4,366,490	0.2956%	5,220,632
Prince Edward County	3,838,598	0.2599%	4,589,478
Prince George County	4,163,155	0.2818%	4,977,522
Prince William County	79,076,030	5.3531%	94,544,321
Pulaski County	5,125,360	0.3470%	6,127,946
Rappahannock County	853,903	0.0578%	1,020,938
Richmond County	1,802,619	0.1220%	2,155,234
Roanoke County	14,174,892	0.9596%	16,947,683
Rockbridge County	3,399,490	0.2301%	4,064,474
Rockingham County	10,142,937	0.6866%	12,127,026
Russell County	2,277,215	0.1542%	2,722,668

	Actual FY 2021 Local 1% Option Distribution Sales and Use Tax		Estimated FY 2023 Local Option Sales and Use Tax
Locality	(\$)	% of State	
Scott County	1,975,496	0.1337%	2,361,928
Shenandoah County	5,656,523	0.3829%	6,763,011
Smyth County	2,913,059	0.1972%	3,482,891
Southampton County	974,399	0.0660%	1,165,004
Spotsylvania County	23,880,634	1.6166%	28,551,994
Stafford County	19,998,406	1.3538%	23,910,353
Surry County	661,191	0.0448%	790,529
Sussex County	1,163,418	0.0788%	1,390,998
Tazewell County	6,986,424	0.4730%	8,353,058
Warren County	6,410,133	0.4339%	7,664,038
Washington County	9,096,081	0.6158%	10,875,392
Westmoreland County	1,601,172	0.1084%	1,914,382
Wise County	3,769,724	0.2552%	4,507,131
Wythe County	5,200,255	0.3520%	6,217,491
York County	11,911,656	0.8064%	14,241,730
Cities			
Alexandria City	31,472,127	2.1305%	37,628,481
Bristol City	4,662,773	0.3156%	5,574,871
Buena Vista City	480,325	0.0325%	574,282
Charlottesville City	11,754,705	0.7957%	14,054,077
Chesapeake City	50,425,393	3.4136%	60,289,251
Colonial Heights City	8,486,849	0.5745%	10,146,986
Covington City	1,621,741	0.1098%	1,938,975
Danville City	10,176,836	0.6889%	12,167,556
Emporia City	1,829,034	0.1238%	2,186,817
Fairfax City	12,457,458	0.8433%	14,894,298
Falls Church City	6,503,320	0.4402%	7,775,454
Franklin City	2,124,555	0.1438%	2,540,146
Fredericksburg City	13,731,351	0.9296%	16,417,380
Galax City	2,748,019	0.1860%	3,285,567
Hampton City	19,526,628	1.3219%	23,346,288
Harrisonburg City	15,127,657	1.0241%	18,086,822
Hopewell City	2,355,958	0.1595%	2,816,813
Lexington City	1,209,805	0.0819%	1,446,458
Lynchburg City	18,219,863	1.2334%	21,783,903
Manassas City	11,004,721	0.7450%	13,157,387
Manassas Park City	2,544,514	0.1723%	3,042,254
Martinsville City	2,317,100	0.1569%	2,770,355
Newport News City	30,197,856	2.0443%	36,104,946

Actual FY 2021 Local 1% Option Distribution Sales and Use Tax	Estimated FY 2023 Local Option Sales and Use Tax
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Locality	(\$) % of State		
Norfolk City	38,749,187	2.6231%	46,329,028
Norton City	1,727,929	0.1170%	2,065,934
Petersburg City	4,361,383	0.2952%	5,214,526
Poquoson City	942,669	0.0638%	1,127,068
Portsmouth City	10,134,668	0.6861%	12,117,140
Radford City	1,306,148	0.0884%	1,561,648
Richmond City	39,455,407	2.6710%	47,173,393
Roanoke City	23,532,683	1.5931%	28,135,980
Salem City	7,749,615	0.5246%	9,265,540
Staunton City	5,028,136	0.3404%	6,011,704
Suffolk City	15,612,908	1.0569%	18,666,995
Virginia Beach City	77,907,866	5.2740%	93,147,649
Waynesboro City	6,320,313	0.4279%	7,556,647
Williamsburg City	4,162,571	0.2818%	4,976,823
Winchester City	10,537,057	0.7133%	12,598,241
<i>*Includes Bedford City.</i>			