

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 15, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER

SUBJECT: BUDGET MEMO #8: COMPARATIVE TAX BURDENS IN THE
WASHINGTON D.C. METROPOLITAN AREA

Attached you will find a comparative Washington D.C. regional tax burden chart compiled by the District of Columbia government. This regional comparison is undertaken annually by the District and has its origins in laws related to federal aid to the District. This analysis (based on FY 2003 and FY 2002 tax rates) shows Alexandria residents having the fifth lowest overall state and local tax burden among the six jurisdictions surveyed in four of the five household income categories. In the \$25,000 household income category, Virginia's current regressive income tax structure moved Alexandria, Arlington County and Fairfax County higher on this tax burden comparison list. If the General Assembly approves the Governor's income tax reform proposal, then this ranking situation would improve. It should be noted that after many years of requesting by City staff, the District study finally uses reasonable lower assumptions about the value of vehicles owned and subject to the personal property tax.

Attachment

