



Office of the Commissioner of the Revenue

The Commissioner of the Revenue is a locally elected constitutional officer whose tax assessment duties are mandated by the Code of Virginia and local ordinances. The Commissioner is elected at-large for a four-year term and provides direct service to all Loudoun residents and business owners on an annual basis. As the chief tax assessing officer of Loudoun County, the Commissioner of the Revenue and his staff are responsible for the County's top three locally administered sources of revenue: real estate, personal property, and business license taxes. After completing the assessment process, the Office of the Commissioner of the Revenue ("the Office") forwards the assessment information necessary for preparing tax bills to the County's Office of the Treasurer. The Office also administers the County's land use assessment program, tax relief for persons 65 or older or with disabilities, and tax exemptions for revitalized real estate, solar equipment, and surviving spouses of members of the armed forces killed in action or in the line of duty. The Office provides some state income tax filing assistance.

In addition to mandated duties, the Office assists the County's economic development efforts to attract and retain commercial enterprises by counseling owners of prospective businesses on the tax advantages of a Loudoun location. The Office evaluates the fiscal impact of proposed legislative changes to taxes administered by the Office and their effects on Loudoun residents and businesses. The Office is also responsible for local tax compliance measures to ascertain and assess all subjects of taxation by obtaining tax returns, investigating returns as necessary, and auditing businesses for tax compliance.

Commissioner of the Revenue's Programs

Tax Assessment

Identify, assess, value, and defend valuations for real estate; identify, classify, and assess personal property, business license taxes, and business personal property taxes. Tax assessment also includes tax account reviews and field inspections to ensure proper tax classification and equitable assessment of taxes among like businesses.

Tax Exemptions and Deferrals

Administer the County's Tax Relief for the Elderly and Disabled program and Tax Exemptions for Disabled Veterans and their surviving spouses by processing applications, qualifying applicants, and adjusting tax accounts; administer property tax exemptions by classification and designation; administer the County's Land Use program by processing applications, qualifying property, conducting site visits, and assessing qualifying land.

Tax Compliance

Conduct in-depth tax audits and field inspections, to ensure accurate and equitable assessment of business taxes, compliance with the County Ordinance and State Tax Code, and process all business tax appeal cases.

Administration

Provide direct service to all Loudoun County residents and business owners and respond to all appeals through an administrative review process specific to each type of tax.

**Commissioner of the Revenue****Budget Analysis****Department Financial and FTE Summary¹**

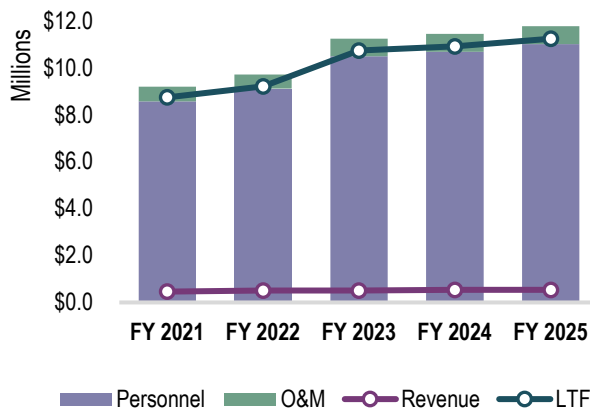
	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
Expenditures					
Personnel	\$8,567,182	\$9,116,416	\$10,502,306	\$10,688,937	\$11,009,605
Operating and Maintenance	639,720	603,673	741,561	766,233	773,895
Total – Expenditures	\$9,206,902	\$9,720,089	\$11,243,867	\$11,455,170	\$11,783,501
Revenues					
Permits, Fees, and Licenses	\$109,339	\$103,667	\$100,000	\$100,000	\$100,000
Miscellaneous Revenue	527	0	0	0	0
Intergovernmental – Commonwealth	352,550	402,765	406,758	438,600	438,600
Total – Revenues	\$462,416	\$506,432	\$506,758	\$538,600	\$538,600
Local Tax Funding	\$8,744,486	\$9,213,657	\$10,737,109	\$10,916,570	\$11,244,901
FTE	81.93	83.93	89.93	89.93	89.93

¹ Sums may not equal due to rounding.



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Revenue and Expenditure History



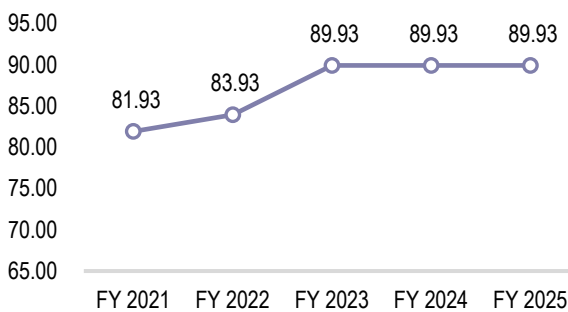
Revenue/Local Tax Funding

As shown, the Office operates primarily with local tax funding (over 95 percent). Program-generated revenue consists of land use application fees. The Office also receives funding from the Virginia Compensation Board.

Expenditure

The majority of the Office’s expenditures are personnel costs (93 percent). Major drivers of personnel increases are additional staffing as outlined in the Staffing/FTE History section and compensation increases, including merit increases for the general workforce in each fiscal year.

Staffing/FTE History



FY 2021: 1.00 FTE real estate appraiser, 2.00 FTE systems analysts

FY 2022: 1.00 FTE senior business tax assessor, 1.00 FTE business tax assessor

FY 2023: 4.00 FTE real estate appraisers, 1.00 FTE tax exemptions and deferrals specialist, 1.00 FTE business tax auditor

The Office’s expenditure increases are almost entirely attributed to personnel costs. Personnel costs have grown with the merit increases approved each fiscal year and additional positions, as indicated in the Staffing/FTE History graph above.¹

Operating and maintenance expenditures in the Proposed Budget includes a base adjustment of approximately \$40,000 for postage and mailing services and electronic subscriptions. Increases for postage and mailing services are due to growth in the number of parcels, vehicle and business accounts, and the increased cost of postage. Since many tax assessment tools and services have transitioned from printed publications to electronic subscriptions, the Proposed Budget also includes a base budget increase for electronic subscriptions. The ability to control costs for mailing and valuation resources is limited since the associated costs are influenced by inflation and the County’s growth in general.

The FY 2023 Adopted Budget added six positions (6.00 FTE): four real estate appraisers, one tax exemptions and deferrals specialist, and one business tax auditor, all of which are filled. The appraiser positions assist the Office in addressing the general growth in overall parcels as well as the evolution in the complexity of properties to be assessed – particularly in the commercial and rural sectors. The tax exemptions and deferrals specialist supports the increased number of applications for disabled veteran exemptions (a mandated exemption), the expansion of the Elderly and Disabled Program, and implementation of a review process of tax exemptions by designation and classification. The business tax auditor in the Business Tax Compliance Division reviews the accuracy of business tax filings, including those for business personal property taxes.

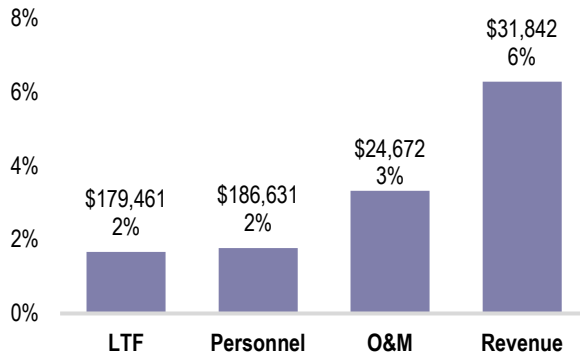
¹ See summary of merit increases in Non-Departmental Expenditures section 6-2.



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While not included in the FY 2024 Proposed Budget, the Department has one resource request, focusing on the thematic area of fiscal responsibility, described in an increase option in the executive summary.

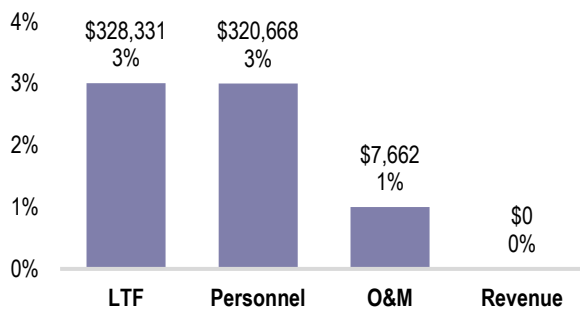
Percent Change from Adopted FY 2023 to Proposed FY 2024



Reasons for Change:

Personnel: ↑ general pay changes ||
O&M: ↑ base adjustment for mailing and postal services and electronic subscriptions, costs for new positions || **Revenue:** ↑ reimbursements from Virginia Compensation Board

Percent Change from Proposed FY 2024 to Projected FY 2025



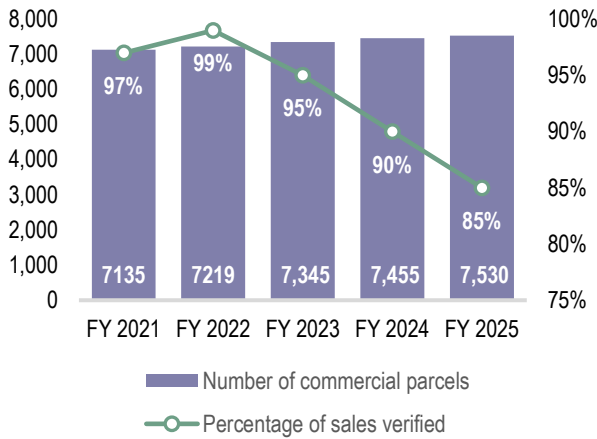
Reasons for Change:

Personnel: ↑ 3 percent || **O&M:** ↑ 1 percent
Revenue: ↔



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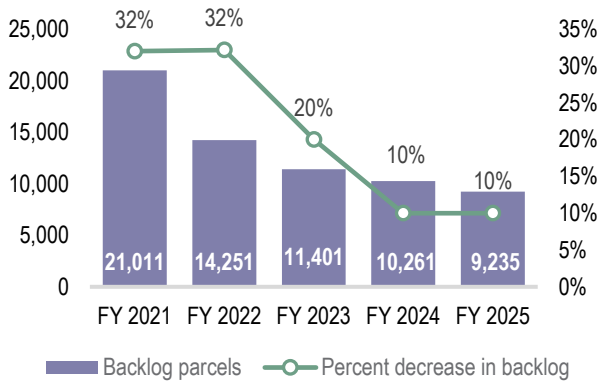
Key Measures



Objective: Achieve a 95 percent assessment to sale price ratio.

Measure: Percentage of sales verified; Number of commercial parcels.

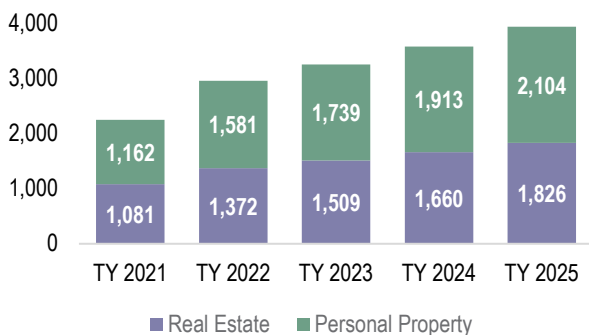
Commercial valuation has increased by \$9.3 billion, or 51 percent, and the number of parcels has increased by 2.7 percent from 2018 to 2022. The high valuation growth relative to parcel growth reflects the increased complexity of commercial properties. An additional commercial appraiser is needed to maintain current service level. An inability to verify sales could result in less accurate assessments.



Objective: Reduce the backlog of residential parcels that need to be sketched by 10 percent each year.

Measure: Number of backlog parcels; Percent decrease in residential parcels that need to be sketched.

With appraisers added in previous fiscal years, the Office has reduced the number parcels that need to be sketched. The four appraisers (4.00 FTE) approved in FY 2023 will maintain the Office's ability to reduce the number of residential parcels that need to be confirmed in the County's assessment system with a new or revised sketch.



Objective: Administer the County's real property tax exemptions for service-connected disabled veterans or their surviving spouse and alternative personal property tax rate for disabled veterans.

Measure: Number of veteran real property tax relief and alternative personal property tax rates processed.

The County has experienced a significant increase in applicants for veteran tax relief programs. The County is mandated to provide personal property tax exemption for disabled veterans. The FY 2023 Adopted Budget included a tax exemptions and deferrals specialist to address the significant increase in the number of tax exemption applications.