

City of Alexandria, Virginia
FY 2027 Proposed Operating Budget & CIP
Budget Questions & Answers

March 18, 2026

Question:

What would be the revenue impact of increasing the Business, Professional, and Occupational License (BPOL) tax on financial services businesses?

Response:

If the City raised Financial Services by 10 cents (going from \$0.35 to \$0.45), it would generate approximately \$917,000. If the City increased to the State maximum rate of \$0.58, it would generate approximately \$2.1 million.

The City's current BPOL tax rate is \$0.35 per \$100 of gross receipts. Arlington's is \$0.36, Fairfax City's is \$0.40, Fairfax County's is \$0.19, Falls Church's is \$0.52, Loudoun County's is \$0.16, and Prince William County's is \$0.33. The average BPOL tax rate is \$0.33.

The following charts show how the average and median tax bills would be impacted by increasing the rate by \$0.10 and to the state maximum of \$0.58 per \$100.

Number of Businesses	Businesses in the Financial Services Category	Average Bill Today at \$0.35 per \$100	Revised Average Tax Bill at \$0.45 per \$100	Average Tax Bill Increase at 10¢ Increase	Revised Average Tax Bill at \$0.58 per \$100	Average Tax Bill Increase at 23¢ Increase, State Max
69	Brokers (Real Estate Brokers, Stock Brokers, etc.)	\$10,767	\$13,843	\$3,076	\$17,843	\$7,076
49	Financial Consultants	\$2,548	\$3,276	\$728	\$4,223	\$1,675
44	Other Financial Services (kind of a miscellaneous category)	\$46,662	\$59,994	\$13,332	\$77,326	\$30,664
27	Management Consultants (financially oriented ones)	\$8,583	\$11,035	\$2,452	\$14,223	\$5,640
11	Title Company / Abstract Firm (not attorneys)	\$1,628	\$2,093	\$465	\$2,698	\$1,070
4	Mortgage Financing Companies	\$7,448	\$9,576	\$2,128	\$12,342	\$4,894
3	Sale of Money Orders					
2	Sales Agent or Agency					
1	Consumer Financing	\$1,428	\$1,836	\$408	\$2,366	\$938
210	Overall Average:	\$15,281	\$19,647	\$4,366	\$25,322	\$10,041
Number of Businesses	Businesses in the Financial Services Category	Median Bill Today at \$0.35 per \$100	Revised Median Tax Bill at \$0.45 per \$100	Median Tax Bill Increase at 10¢ Increase	Revised Median Tax Bill at \$0.58 per \$100	Median Tax Bill Increase at 23¢ Increase, State Max
69	Brokers (Real Estate Brokers, Stock Brokers, etc.)	\$640	\$823	\$183	\$1,061	\$421
49	Financial Consultants	\$693	\$892	\$200	\$1,149	\$456
44	Other Financial Services (kind of a miscellaneous category)	\$688	\$885	\$197	\$1,141	\$453
27	Management Consultants (financially oriented ones)	\$922	\$1,185	\$263	\$1,527	\$605
11	Title Company / Abstract Firm (not attorneys)	\$463	\$595	\$132	\$767	\$304
4	Mortgage Financing Companies	\$6,419	\$8,253	\$1,834	\$10,637	\$4,218
3	Sale of Money Orders					
2	Sales Agent or Agency					
1	Consumer Financing	\$406	\$522	\$116	\$673	\$267
210	Overall Average:	\$724	\$931	\$207	\$1,200	\$476

Of the 210 Financial Services licenses, 58 report gross receipts of less than \$10,000 and have no tax liability, so only 152 pay the tax. Another 26 businesses that report gross receipts between \$10,000 and \$100,000 pay a flat fee of \$50. The top 20% of the 152 tax-paying businesses are paying 93% of the total tax for this category. The remaining 80% of the tax-paying Financial Services only pay 7% of the tax in this category.