



The ACTA Watchdog

The Newsletter of the Arlington County Taxpayers Association

Keeping a Sharp Eye on Government

THE POTLATCH AFFAIR: What you didn't see on TV, and can it explain why the County Board couldn't reduce the Real Estate Tax Rate further?

The County Board uses a series of work sessions in its review of the annual budget. The sessions begin soon after the Manager releases his proposed budget in early February, and continue through each department or agency's budget until the Board approves the final budget, and sets the final tax rates on April 26. Attendees include Board members and the Manager, department heads, key staff, a representative of the Fiscal Affairs Advisory Commission, and an occasional citizen.

While billed as the last work session for Fiscal Year 2004, the Tuesday, April 22, meeting turned out to be a dress rehearsal for the Saturday, April 26 Board meeting when the budget and tax rates would be formally approved.

Your president was one of the citizens who attended the work session. If all Arlington taxpayers had been able to attend the meeting, it would have been perfectly clear why local government spending in Arlington is out of control. Consequently, taxes climb inexorably

The dictionary describes a potlatch as the ceremonial feasts among certain North American Indians at which the host distributes gifts according to the guest's rank or status. Is it accurate to describe the April 22 as a potlatch meeting? As one popular cable television likes to say, "we report, you decide."

A letter writer in the May 22 **Arlington Sun-Gazette**, reacting to Arlington's "skyrocketing" cost-of-living and that "property tax increases (being) one of the leading causes," asked several probing questions about living in Arlington." In summary, he asked if "anyone in county government is asking questions about people's ability to pay" the increasing tax burden (over 60% in the past four years) and "what can (taxpayers) do to stem the rise in runaway taxes?"

The short answer to whether anyone in county government worries about taxpayers' ability to pay the increasing taxes is a simple one. If there is

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July 28, 2003

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The ACTA Watchdog

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someone asking those questions, I have yet to find her or him if the potlatch meeting on April 22 was any indication.

It might be helpful at this point to get a picture of the FY04 budget and what happens to the budget between the time the Manager releases the budget in early February and when the Board affixes its stamp of approval. The tables on pages 3 and 4 provide the details to get a better look at that picture.

☞ One thing to note is the changes between the general fund totals for the FY2002 (\$612.84 million) and FY2004 (\$665.67 million) adopted budgets. The difference is 8.6%. The consumer price index (CPI) increased from April 2001 when the FY02 budget was adopted and April 2003 when the Board adopted the current FY04 budget by 3.9% (from an index of 176.9 to 183.8 for the so-called "all urban consumers index). So yes, the Board is unable to control the spending of the tax dollars we entrust to them.

☞ Second, look at the increase in the amount of the Schools Transfer (\$211.6 million in FY02 to \$253.3 million in FY04). That's an increase of 19.1% during a time of 3.9% inflation. Even an increase of 0.7% in enrollment (from 19,097 for the 2001-2002 school years to an estimated 19,237 for the 2003-2004 school year) cannot account for such an increase. It's obvious the

ability of the Schools to eat up tax dollars is never ending, not to mention the revenue sharing agreement between the County Board and the School Board.

☞ Next, note the \$3.79 million difference in the general fund (the County's primary fund) between the Manager's proposed budget (\$661.9 million) and the Board's adopted budget (\$665.7 million). While some of that difference will be paid for with tax money received from the federal government (through something called LPACAP), a good part is paid for by the potlatch affair. Such things as the so-called living wage, ART transit support, "Keep Kids Alive" signs, new regional groups (Ibero-American Chamber of Commerce and NOVAM), transportation for seniors, Northern Virginia Conservation Trust, and arts grants.

☞ Finally, look at the staffing increases for total county government, especially the increase of 38.7 positions (3,373.2 in FY02 to 3,711.9 in FY04, an increase of 1.1% in just one year). By comparison, total staffing for the Commonwealth has shrunk somewhat during this same period.

So why call the Board's April 22 work session the potlatch affair? The idea evolved from a series of e-mails exchanged with the other citizen who attended the meeting. No other word so aptly describes what occurred at the meeting. Now shouldn't the Board's work sessions be televised?

Rather than describe the meeting anew, I'm including an excerpt from the ACTA president's letter to the editor, which appeared in the June 22 issue of the Arlington Sun-Gazette (begins on page 5).

VOLUNTEERS NEEDED

Once again, ACTA will have a booth at the Arlington County Fair, from Thursday, August 21 through Sunday, August 24, 2003. If you have a few hours, we can put them to good use at the booth. Please contact the president -- either by phone (703-243-8345) or by e-mail (president@acta.us or timwise@dgs.net).

Watch County Staff Grow

General Fund	FTE FY02	FTE FY03 Adopted	FTE FY04 Proposed	FTE FY04 Adopted
County Board	6.0	6.0	6.0	6.0
County Manager	32.8	32.8	32.8	32.8
Mgt & Finance	55.0	54.0	54.0	54.0
Office of Spt Svcs	79.5	80.5	80.5	80.5
Technology Svcs	61.7	61.7	61.7	61.7
Human Resources	45.0	44.0	44.0	44.0
Civil Svc Comm.	0.4	0.4	0.4	0.4
County Attorney	11.0	11.0	11.0	11.0
Circuit Court	33.8	33.8	33.8	33.8
Gnl District Court	1.5	1.5	1.5	1.5
Juv & Dom Rel Ct	59.7	56.0	56.0	56.0
Cmwth Atty	38.0	38.0	39.0	39.0
Sheriff/Jail	270.3	270.3	270.3	270.3
Comm. of the Rev.	56.0	56.0	56.0	56.0
Treasurer	63.2	63.2	63.2	63.2
Electoral Board	7.4	7.4	7.4	7.4
Police	272.0	272.0	272.0	272.0
Emerg Comm Cntr	51.5	51.5	51.5	51.5
Fire	283.0	305.0	305.0	305.0
Public Works	218.5	221.5	224.5	235.5
Environ. Svcs	75.0	75.0	67.6	67.6
Human Services	744.0	686.3	694.3	713.7
Libraries	155.3	155.8	155.8	155.8
Economic Devel.	25.0	19.0	19.0	19.0
Comm Plng, Hsg	119.1	127.1	127.1	130.6
Parks, Rec, CR	395.2	400.2	403.8	408.6
Gnl Fd Totals	3,359.9	3,330.0	3,338.2	3,376.9
Other Optg Funds				
Tourism, Travel	10.8	10.8	10.8	10.8
Utilities Optg Fd	220.7	220.7	220.7	220.7
Comm. Dev. Fd	12.0	12.0	12.0	12.0
Sect. 8 Housing	16.0	16.0	16.0	16.0
Auto Equip. Fd	61.0	62.0	62.0	62.0
Printing Fund	10.5	10.5	10.5	10.5
Jail Industries	3.0	3.0	3.0	3.0
Ballston Garage	---	---	---	---
Total Other Fds	334.0	335.0	335.0	335.0
Total County Govt	3,693.0	3,665.0	3,673.2	3,711.9

Source: Arlington County Finance budget documents.

RECEIVE YOUR WATCHDOG BY E-MAIL

The association's largest expenses include the printing and mailing of The ACTA Watchdog. You can save ACTA money by electing to have it e-mailed to you, plus you will get it more quickly than receiving it via USPS.

You can have The Watchdog e-mailed to you by sending a message to members@acta.us with EMAIL WATCHDOG in the subject line.

Watch Where Your Tax Dollars Go
(in millions of dollars)

General Fund	FY02 Actual	FY03 Adopted	FY04 Proposed	FY04 Adopted
County Board	0.57	0.59	0.60	0.62
County Manager	2.65	2.68	2.90	3.01
Mgt & Finance	3.85	4.06	4.14	4.30
Office of Spt Svcs	8.65	8.89	9.04	9.30
Technology Svcs	13.79	12.33	12.52	12.67
Human Resources	4.24	4.50	4.75	4.84
Civil Svc Comm.	0.01	0.02	0.02	0.02
County Attorney	1.20	1.26	1.39	1.42
Circuit Court	2.23	2.33	2.41	2.46
Gnl District Court	0.25	0.27	0.27	0.27
Juv & Dom Rel Ct	3.78	4.19	4.18	4.28
Cmwth Atty	2.81	2.99	3.01	3.09
Sheriff/Jail	21.55	22.16	22.87	23.28
Comm. of the Rev.	3.17	3.52	3.54	3.64
Treasurer	4.65	4.72	4.75	4.87
Electoral Board	0.47	0.56	0.55	0.56
Police	35.51	37.45	38.24	39.28
Emerg Comm Cntr	4.16	4.60	4.67	4.76
Fire	24.44	27.12	28.48	29.92
Public Works	22.40	21.65	25.44	27.93
Environ. Svcs	9.85	10.43	10.33	10.49
Human Services	79.56	78.33	80.63	85.93
Libraries	10.21	10.87	11.03	11.32
Economic Devel.	3.27	2.47	2.55	2.59
Comm Plng, Hsg	8.23	9.43	9.67	9.96
Parks, Rec, CR	23.59	24.75	25.91	26.75
Non-Departmental	30.77	28.07	31.89	24.36
Debt Service	32.50	34.02	35.57	34.97
Regionals/Contrib.	5.51	5.96	6.09	6.26
Metro	9.67	10.20	11.8	11.05
Sub-Totals	373.56	380.42	399.23	404.22
Trnsfrs to				
Tourism, Travel	0.40	0.25	0.25	0.25
Auto Equip. Fd	0.60	0.22	0.03	0.22
Printing Fund	0.12	0.11	0.11	0.13
Sub-Totals	1.11	0.57	0.38	0.59
Schools Transfer	211.62	233.17	253.27	252.01
Gnl. Capital Proj.	26.55	13.63	9.0	8.85
Tot. Trnsfr Other	239.28	247.37	262.65	261.45
Gnl Fund Total	612.84	627.79	661.88	665.67

Source: Arlington County Finance budget documents.

This summary chart continues on the next page.

Free Tote Bags Available

While attending the National Taxpayers Union Foundation's tax conference in Washington, D.C. in June, your president obtained a few extra tote bags. Each is nicely inscribed with the NTUF logo. The first five ACTA members asking for one will get one. Send your address to president@acta.us.

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Watch Where Your Tax Dollars Go (cont'd) (in millions of dollars)

	FY02 Actual	FY03 Adopted	FY04 Proposed	FY04 Adopted
General Fund Totals	612.84	627.79	661.88	665.67
Other Optg Funds				
Tourism, Travel	1.32	0.97	1.06	1.06
Utilities Optg Fund	34.36	37.71	38.69	38.69
Rosslyn BID	0.00	0.00	0.00	0.97
Comm Dev Fund	2.47	2.22	2.22	2.24
Section 8 Housing Fd	10.94	10.97	13.06	13.06
Auto Equip. Fund	3.04	0.51	0.28	0.47
Printing Fund	0.14	0.14	0.13	0.15
Jail Industries	0.01	0.01	0.01	0.01
Ballston Garage	2.69	4.13	5.09	5.09
Tot. Other Fds	54.97	56.66	60.54	61.74
Less: Gen. Fd Trsfrs	239.28	247.37	262.65	261.45
Total Operating Fds	428.52	437.08	459.76	465.96
Capital Improvements				
Govt Facilities	2.70	6.66	1.96	1.96
Technology	3.21	3.00	1.82	1.67
Transp/Storm Drain.	5.89	2.20	3.05	3.05
Comm Cons/Econ	0.16	0.50	1.00	1.00
Local Parks and Rec	0.79	0.24	0.15	0.15
Regionals	1.25	1.04	1.02	1.02
Tot Gnl Fd Capital	13.99	13.63	9.00	8.85
Total Utility Fd Cap.	17.16	7.72	12.59	12.59
Tot Cty Cap Improv	31.15	21.35	21.59	21.44
Total County Govt	459.68	458.43	481.35	487.39

Source: Arlington County Finance budget documents.

VISIT ACTA'S REDESIGNED WEBSITE

WWW.ACTA.US

Our website has been completely redesigned. The main page is the ACTA weblog (or "blog") called Growls where blog authors offer news and commentary about tax-related items about once or twice a week.

We also have a new feature, called a Swiki where anyone, even you, can add or change pages. It is intended for discussions of whatever interests you. Try it out.

We also have pages, which can be accessed from the homepage with information on how to contact ACTA and the County Board. Let us know what you would like to see added – e-mail the webmaster@acta.us with your ideas.

Membership Form

Mail to: Arlington County Taxpayers Association
P.O. Box 5335
Arlington, VA 22205

Please enroll me, or renew my membership, in the Arlington County Taxpayers Association. My check for \$15 is enclosed (or \$40 for three years). This price of membership includes dues and a subscription to our newsletter, **The ACTA Watchdog**.

Before sending your renewal check, look at the mailing label to see whether your membership dues are current.

Name _____

Address _____

Arlington, VA _____ (ZIP Code)

E-mail Address _____

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GUEST COLUMN

School Choice and Taxpayer Relief by Carlisle E. Moody, Ph.D.

I have been a policy analyst all my professional life. My job is to estimate the costs of a certain policy (for example, building a new high school, constructing a new road, etc.), estimate the value of the resulting benefits, and compute the difference between the benefits and costs. If the benefits exceed the costs, the policy is, at least, not a bad idea. School choice in Virginia generates benefits at no cost. In fact, this policy would actually save money. This is the first time in my career that I have conducted a benefit-benefit analysis.

Here is a simple fact. Private school tuition is lower, on average, than public school per pupil expenditures. This means that we have an opportunity to save taxpayers' money by simply giving parents the opportunity to send their children to the schools of their choice.

In the 2002-03 school year in Virginia, the average per pupil expenditure in the public school system is approximately \$7450, of which the taxpayers of the Commonwealth pay 86 percent. So, it costs Virginia taxpayers roughly \$6400 (.86 x \$7450) to educate one child for one year, not counting the capital

costs of the buildings. The average private school tuition in Virginia is approximately \$4500. Therefore, taxpayers would save about \$1900 for every child who would choose private school over public school, even if the taxpayers had to pay the entire tuition.

Suppose just 10 percent of the students in the Virginia public school system (about 116,000) migrated to private schools with full scholarships. Taxpayers would save \$220.4 million ($\$1900 \times 116,000$). This would create a fund that could be put to any number of uses. We could reduce the budget deficit, reduce taxes, build roads, fund higher education (a personal favorite), or even increase spending on the students who remain in the public schools.

Not only that, but we could anticipate a migration of 10 percent even if we didn't pay the full tuition. For example, we could pay up to \$4500, but means test based on income, so that the median family would receive a subsidy of, say, \$3000 per child. This would allow all parents, including those who already have children in private school, to apply for scholarships. Since approximately 10 percent of eligible children are currently in private school, we could offer 130,000 scholarships averaging \$3000 each, which would cost taxpayers \$390 million, but would save \$742.4 million ($\$6,400 \times 116,000$), for a net saving to taxpayers of \$352.4 million each year.

This calculation does not include the capital costs of new schools. If a local school district experienced a 10 percent reduction in public school attendance, they might be able to avoid building a new school, and save millions more. For example, a proposed new high school in the Williamsburg/James City County (WJCC) school district is expected to cost \$42 million and serve one thousand students. If the one thousand high school students in that school district opted to go to private school, taxpayers would save both the per pupil expenditures and the capital costs that otherwise would be necessary to pay the loan on the new building. The capital cost is \$2100 per student (at an interest rate of 5 percent) plus \$8477 in per pupil expenditures (WJCC is a relatively high cost school district), or \$10,577 per student. State and local taxpayers would save 90 percent of that amount or approximately \$9500 per student, per year, forever. Since we expect that 10 percent of the eligible population is in private schools already, we could offer 1300 scholarships to move one thousand students to private schools. By not building the third high school we would create an annual fund of \$9.5 million. We could offer 1300 scholarships averaging \$5000 per year at a cost of \$6.5 million. This would

result in a saving of \$3 million per year for the taxpayers.

Who gains from school choice? Obviously, the parents who would rather not be forced to send their children to the public school, but who cannot afford to pay for both their children's education and the education of other people's kids. The students who attend the school of their choice benefit. The children who remain in the public school system benefit by having smaller classes. The public schools will improve because of the increased competition. Most recently, a study of the school choice voucher program in Sweden showed that test scores in the public schools improved as a result of the school choice program there. Teachers benefit both by having more schools competing for their services, and by having more choice as to where they teach. Taxpayers benefit. If the cost savings are spent on other state and local services, the recipients of those services also benefit. This is a win-win opportunity for everyone that politicians would be foolish not to consider at this time in Virginia.

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Carlisle E. Moody is professor of economics at the College of William & Mary, and a member of the Board of Scholars of the Virginia Institute for Public Policy, an education and research organization headquartered in Potomac Falls, Virginia. Reprinted with permission from the Virginia Institute of Public Policy. This and other policy statements are available at their website:

www.virginia institute.org

***Excerpt of President's Letter
to the Editor, June 22, 2003 Arlington Sun-Gazette***

I was one of only two Arlington citizens who attended the County Board's last budget worksession on April 22 before they formally approved the Fiscal Year 2004 budget and tax rates on April 26, 2003. I can assure . . . that there was no discussion of whether Arlington taxpayers could pay the dramatically increasing real estate taxes.

Rather, my quite-detailed notes show what can best be described as a potlatch – a potlatch being the ceremonial feast among certain North American Indians at which the host distributes gifts according to the guest's rank or status.

(continued on next page)

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Even this meeting was quite scripted since the other Board members had already signed-off on the so-called “chairman’s mark.” The worksession began with the Chairman glowingly thanking staff for their hard work on the budget followed by the Manager thanking staff for their work on putting together a bond package for the bond rating agencies, noteworthy since it was done during the budget season and had earned Arlington another Triple-A rating.

The Chairman did say the Board tried “not to place extra taxes on citizens,” but at least citizens “can deduct the real estate taxes on their Federal tax returns.” The Chairman then mentioned several of his spending priorities (it’s important to note here that the Board added almost \$4 million to the Manager’s “fully-funded, continuing services budget.”), e.g., the so-called, socialistic, living wage and adding two employees to enforce the recently passed county Chesapeake Bay ordinance.

Board members then took turns doing two things. Each member would first heap praise on the chairman. For example, Ms. Favola congratulated the chairman for his “stellar work” while Mr. Zimmerman said the budget was a “tribute” to the chairman’s “fine work and a credit to his leadership.” Mr. Fissette noted the chairman was the one in the “hot seat, and Mr. Tejada thanked the others for their patience since he joined the Board long after the budget season started.

The second thing each Board member did, similar to what the Chairman did, was talk about how the Board managed to provide extra money for this or that special interest. For example, Mr. Zimmerman talked about how the Board managed to provide another route for the little, green, ART buses. I don’t know why anyone would want to brag about it since a taxpayer subsidy of about \$2 is required each time a passenger sets foot onto one of those green ART buses.

Mr. Zimmerman, perhaps for my benefit, went on at great length talking about how Arlington had the lowest tax rate (except for the relatively small Fairfax City) in the region, and how well-managed the county was. To prove his point, he cited a Washington Post article. In talking about one particular federal grant, he noted that while it could be dismissed as “federal largesse,” it really was “an example of how staff knows how to work the system.”

In summary . . . I heard many sounds of self-congratulation and about the Board’s frugality, but there

was absolutely no discussion about how Arlington taxpayers would be able to cope with an increase of over 15% in the average real estate tax bill. Nor was there any talk of whether county government could manage if the real estate tax rate was reduced by 3, 5, 8 or more cents.

Feeling Overtaxed? Tell Them!

**Ask your neighbors to tell
them, too.**

County Board Members

Paul Ferguson, Chairman
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DO YOU HAVE MEMBERSHIP QUESTIONS?

The top line of the mailing label on your copy of the Watchdog reads, “Member through 2003” if your membership is current. If you think your membership information is wrong, or if you have any other membership questions, please e-mail us at membership@acta.us, or call (703) 351-9300.

inform the citizenry of the issue before it in a referendum, it is equally important to restrain the government's ability to manufacture the consent of the governed by the use of taxpayer funds."

While the VACo's public awareness campaign, obviously, does not involve a statewide referenda, it seems equally obvious, though, that they are attempting to manufacture our consent to higher taxes.

WE WANT YOUR OPINIONS

Your board of directors wants, and in fact, needs the opinions of members. And not just about articles and items in the Watchdog, but about the frequency that we communicate with members. If you see your taxes being wasted, let us know. If you think we're being too hard on local and state officials, tell us. Should the Watchdog be 8 pages rather than 12, for example, but supplemented with single-issue policy briefs?

Call, write, or e-mail us. Or tell us in person by attending meetings of your board of directors. Meetings are held in the library at Culpepper Garden, 4435 North Pershing Road. We meet on the third Wednesday of most months, but we suggest you call ahead to be sure there has not been a last minute change. We usually don't meet in August, but devote our time to staffing the ACTA booth at the Arlington County Fair. We can also send you an e-copy of the agenda.

PAYING TO LOBBY AGAINST YOURSELF

The County's primary lobbyist in Richmond, the Virginia Association of Counties (VACo) recently launched a campaign to urge Virginians to lobby their General Assembly legislators to raise our taxes. VACo even set-up a separate website – BetterVA.org – for what they officially call a public awareness campaign.

The campaign was introduced to Arlington by the County Board in June, complete with two 30-second commercials. A County Board explained the need to educate voters on the need to raise taxes for such projects as K-12 education, state transportation, and public safety. The ads were only 30-seconds so that each county could provide its own "twist" should they so desire. One Board member questioned whether the ads would qualify as "public service announcements." The Board member was advised that wouldn't be likely since they are "advocacy pieces."

Since the campaign seemed outrageous on its very face, your president spoke during the Board's public comment period on Saturday, July 19 to protest the use of public money on this joint county/VACo project. The annual cost to Arlington taxpayers for this lobbyist is about \$34,000.

In responding to a question of whether a county or city "may purchase advertising, printed or otherwise, that supports or opposes statewide referenda," Virginia's Attorney General recently wrote, While it is important to



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TAXATION AND MIGRATION: Decisions by the County Board and their Effect on Peoples' Decisions to Move or Stay

In his recent study (TAXATION AND MIGRATION: Do tax decisions of state and local government officials impact on the movement of people?, March 2003), economics professor Richard Vedder at Ohio University found a strong relationship between the level of taxation and the level of out-migration. According to Vedder, the “movement is on the scale with the Western Movement that is a central part of the American historical story.”

People choose to move or stay in a particular location for a variety of reasons, but as Vedder notes, “migration might well be our most reliable indicator of how people find “the quality of life” in various locations.”

He looked at migration patters for the periods 1990-1999 and 2000-2002. He also looked at the tax burdens of the 25 highest and lowest taxed states. For the 1990s, he found that 2.6 million Americans net moved from high taxed states to low taxed states. For the 27-months included in the 2000-2002 period, the net migration from high to low taxed sates was 0.6 million. Those numbers do not include the number of immigrants, but do exceed an average of 1,000 for each business day during the two periods.

To get a better picture of migration patterns, he focused on the 10 states with the highest tax burden and the 10 states with the lowest tax burden. For the 1990s, the 10 high tax states had a net out-migration of 890,000 while the net in-migration of the 10 lowest taxed states (Virginia was one of them) was 2,052,000. His conclusion: “migrants are far more attracted to low tax than to high tax states. Including immigration changes only the numbers, but not the conclusion.

Vedder provides the individual tax burdens in the 10 states with the highest tax burdens and the 10 states with the lowest tax burdens. These numbers are shown in the table below (amounts are per \$1,000 of personal income):

PERIOD	HIGHEST IN-MIGRATION STATES	HIGHEST OUT-MIGRATION STATES
1990-1999	\$108.28	\$115.30
2000-2002	\$101.00	\$112.00

To confirm his results, Vedder performed several econometric estimates, and found that “evidence increases our confidence in the basic conclusion that high taxes in general are perceived as lowering the quality of life in a locality, leading to out-migration. People prefer to live in areas where taxes are low, and are declining.”

By now, you are probably asking, “Well, what about Arlington’s taxes?” Are they causing people to migrate out of Arlington County? The short answer is yes.

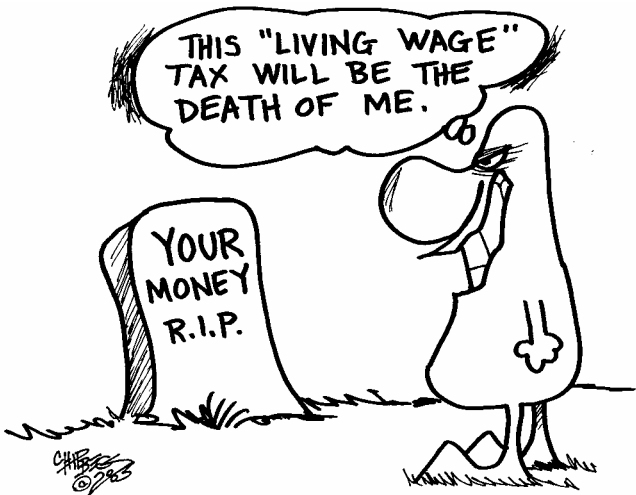
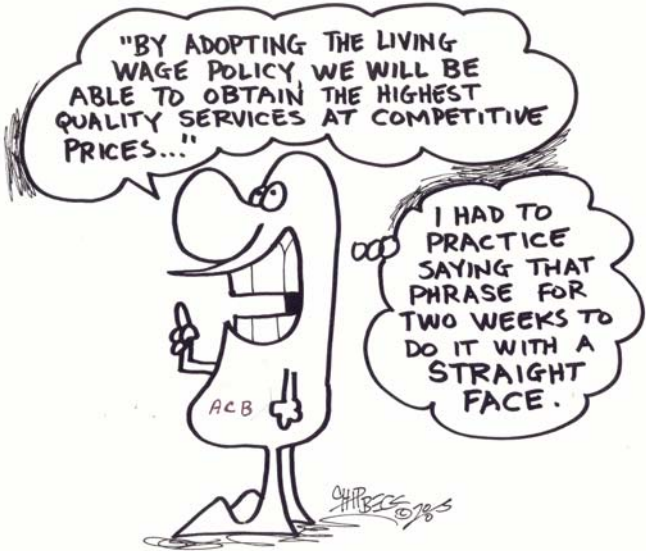
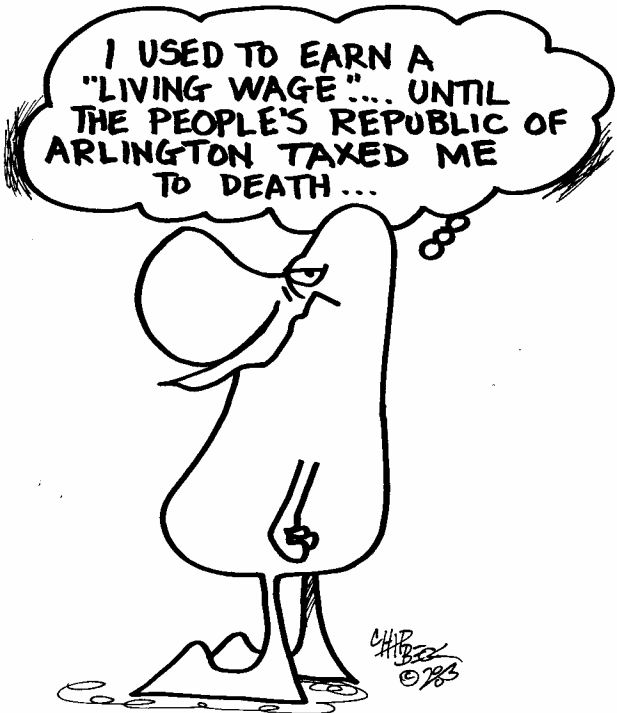
In conjunction with the Census Bureau, the Internal Revenue Service produces county-to-county migration data. We obtained the data for tax years 2001—2002. The data included for each county includes number of returns, number of exemptions, and the adjusted gross income (AGI). Rather than computing the statistical average, the median AGI represents the mid-point of all the AGIs in the group. (For example, if there were 15,001 tax returns in a group, the median AGI would be on the 7,501st return.)

Data is also grouped so that one can differentiate between domestic and international migration and within the United States, the migration numbers for the same state and for different states. For example, for 2001—2002, IRS data shows that the returns of 14,707 Arlingtonians were filed somewhere else in the United States in the earlier year while the returns of 15,644 Arlingtonians were filed from somewhere other than Arlington County in the second of the two years.

Of those in the paragraph above, 5,888 migrated from somewhere else in Virginia while 8,291 migrated to somewhere else in Virginia. Similarly, the data shows 3,278 with a median AGI of \$39,768 migrated to Arlington from Fairfax County while 4,617 with an AGI of \$42,842 migrated to Fairfax County.

Tables 1, 2, and 3 on pages 10 and 11 provide a more complete array of migration data for tax years 2001—2002. Are Arlington’s high taxes causing Arlingtonians to look elsewhere for a better quality of life? As the most popular cable news channel says, “We report, you decide.”

The AGI amounts in Table 3 caused us to computer what can be called an ability to pay property taxes. We averaged the tax payments on the average single-family home (page B-26, FY04 proposed budget) and divided by the four counties’ median AGI. The results: Arlington (5.01%), Fairfax (5.59%), Prince William (5.54%), and Loudoun (3.96%). Interesting, to say the least.



**Table 1
Migration Into and Out of Arlington County
2001-2002**

	Number of Returns	Number of Exemptions	Approximate Family Size	Median AGI
United States				
Total In-Migration	14,707	19,349	1.3	\$35,246
Total Out-Migration	15,644	24,250	1.6	\$41,147
Same State				
Total In-Migration	5,888	7,918	1.3	\$38,041
Total Out-Migration	8,291	13,858	1.7	\$41,663
Different State				
Total In-Migration	8,819	11,431	1.3	\$32,958
Total Out-Migration	7,353	10,392	1.4	\$40,476
Arlington County -- Non-Migrants	75,292	127,852	1.7	\$49,668

Source: IRS County-to-County Migration Data

**Table 2
14 Counties with In- or Out-Migration of 100 or More
Involving Arlington County
2001--2002**

	Number of Returns -- In	Median AGI -- In-Migrants	Number of Returns -- Out	Median AGI -- Out-Migrants
Fairfax County, VA	3,278	\$39,768	4,617	\$42,842
District of Columbia	1,637	\$41,738	1,343	\$41,262
Alexandria, VA	1,369	\$38,920	1,780	\$41,238
Montgomery County, MD	607	\$40,968	652	\$47,499
Prince William County, VA	301	\$34,285	679	\$34,734
Foreign, APS, FPO	296	\$43,461	260	\$57,691
Prince George's Cty, MD	233	\$31,758	411	\$29,530
Los Angeles Cty, CA	155	\$24,999	161	\$40,749
Cook County, IL	155	\$40,713	116	\$49,499
Loudoun County, VA	142	\$42,249	350	\$57,211
New York County, NY	138	\$63,042	206	\$44,820
Middlesex County, MA	114	\$42,999	86	\$41,874
Anne Arundel County, MD	103	\$41,249	99	\$57,211
San Diego County, CA	91	\$45,832	114	\$44,443

Source: IRS County-to-County Migration Data

**Table 3
Comparison of Migration of Four Northern Virginia Counties
2001—2002**

Arlington County	Number of Returns	Number of Exemptions	Approximate Family Size	Median AGI
Total In-Migration	14,707	19,349	1.3	\$35,246
Total Out-Migration	15,644	24,250	1.6	\$41,147
Non-Migrants	75,292	127,852	1.7	\$49,668
Turnover (Out/Non-Migrant)	0.21			
Fairfax County				
Total In-Migration	36,082	64,220	1.8	\$37,667
Total Out-Migration	41,706	77,427	1.9	\$42,738
Fairfax County -- Non-Migrants	353,749	778,787	2.2	\$55,326
Turnover (Out/Non-Migrant)	0.12			
Prince William County				
Total In-Migration	16,755	35,751	2.1	\$35,323
Total Out-Migration	13,804	28,640	2.1	\$34,688
Prince William County -- Non-Migrants	101,016	239,602	2.4	\$47,337
Turnover (Out/Non-Migrant)	0.14			
Loudoun County				
Total In-Migration	10,918	21,886	2.0	\$51,758
Total Out-Migration	6,878	13,417	2.0	\$44,491
Loudoun County -- Non-Migrants	62,936	152,389	2.4	\$65,549
Turnover (Out/Non-Migrant)	0.11			

Source: IRS County-to-County Migration Data

The ACTA Watchdog

QUOTES

“Taxes, even when authorized by the public, are a violation of property . . . a theft”

Jean-Baptiste Say (1767-1832)
French Economist
(Quotes, OnPower.org)

“Of all the enemies of public liberty, war is perhaps the most to be dreaded, because it comprises and develops the germ of every other. War is the parent of armies. From these proceed debts and taxes. And armies, debts and taxes are the known instruments for bringing the many under the dominion of the few. . . No nation could preserve its freedom in the midst of continual warfare.”

James Madison
(Quotes, OnPower.org)

“With politicians horning in, our comedian business is overcrowded.”

Will Rogers
(The Federalist Chronicle, July 2, 2003)

“As long as human beings are imperfect, there will always be arguments for extending the power of government to deal with these imperfections. The only logical stopping place is totalitarianism – unless we realize that tolerating imperfections is the price of freedom.”

Thomas Sowell
(Random Thoughts, July 27, 2003)

“Don’t you wonder how so many Americans made it without today’s oppressive, caring, nanny government?”

Walter Williams
(“We Made It,” July 23, 2003)

“I don’t like the income tax. Every time we talk about these taxes we get around to the idea of ‘from each according to his capacity and to each according to his needs.’ That’s socialism. It’s written into the “Communist Manifesto.” Maybe we ought to see that every person who gets a tax return receives a copy of the “Communist Manifesto” with it so he can see what’s happening to him.”

Former IRS Commissioner T. Coleman Andrews
U.S. News & World Report, May 25, 1956)