



ECONOMIC & REVENUE UPDATE

February 11, 2013

summary

Summary

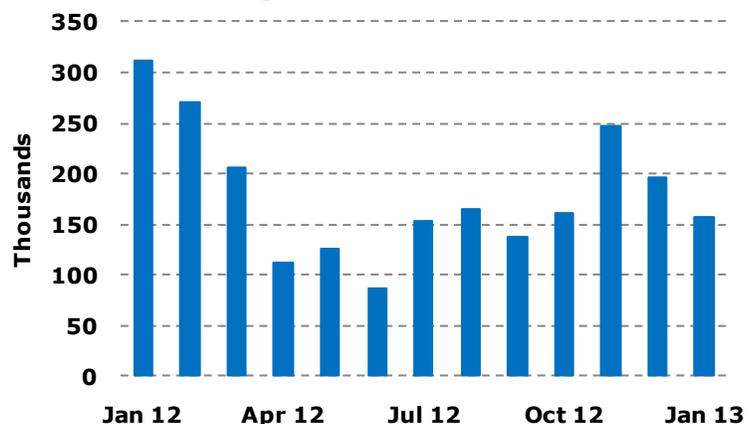
- **Despite declining in the fourth quarter by 0.1%, real U.S. Gross Domestic Product grew by 2.2% for all of 2012.**
- **January U.S. employment grew by 157,000 jobs; revised data show stronger 2012 employment.**
- **Nationally, new and existing homes sales for 2012 increased strongly over 2011 levels.**
- **Washington employment is lower than expected due to data revisions.**
- **Washington vehicle sales were very strong in January.**
- **Seattle area inflation is cooling.**
- **Major General Fund-State revenue collections for the January 11 – February 10, 2013 collection period were \$8.4 million (0.6%) lower than the November forecast, but a shortfall had been anticipated due to higher-than-expected Revenue Act receipts in the two prior months.**
- **Cumulative General Fund-State collections are now \$83.7 million (2.0%) greater than forecasted.**
- **Most of the positive cumulative variance is from real estate excise tax collections, which are \$47.1 million higher than forecasted due to a larger-than-expected year-end surge to beat 2013 federal tax increases.**

United States

Real U.S. Gross Domestic Product (GDP) shrank by 0.1% in the fourth quarter after growing by 3.1% in the third quarter. This is the first quarterly decrease in GDP in over three years. The poor performance was largely due to temporary factors such as a reduction in business inventories and a major decline in government defense spending, which offset positive factors such as increases in real consumer spending and business investment in equipment and software. In addition, new data on U.S. imports and exports for December suggests that fourth quarter GDP growth was understated. For the year, real GDP increased by 2.2% in 2012, an improvement over the 1.8% growth rate for 2011.

Nonfarm payroll employment (private sector and government) in the U.S. increased by 157,000 jobs in January (see figure) and the unemployment rate increased to 7.9%. Notable employment gains occurred in retail trade (33,000), construction (28,000), health care (23,000), and wholesale trade (15,000), while employment in transportation and warehousing declined by 14,000 jobs. Monthly employment data are based on surveys of employ-

Job growth remains subdued



united states

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ers; annually, the survey-based data are benchmarked to actual payroll data. For 2012, this benchmarking process resulted in an upward revision of 335,000 jobs.

Real disposable personal income increased by 2.8% and real personal consumption increased by 0.2% in December. Some of this increase likely reflects a timing issue, as many companies moved dividend payments that would have occurred in 2013 into late 2012 to avoid anticipated federal tax increases. The speed up in dividend payments, combined with the increase in the payroll tax (included as part of the "fiscal cliff" resolution and effective January 1st), means a decline in disposable personal income growth in January is likely.

Initial claims for unemployment insurance decreased by 5,000 to 366,000 (SA) in the week ending February 2nd. The four-week moving average for initial claims was 350,500, a decrease of 2,250 from the previous week. Layoff announcements, as tracked by outplacement firm Challenger, Gray, and Christmas, were up 24.0% in January from December, but were still more than 13,000 below the January 2012 level. This was the third lowest January for layoff announcements dating back to 1993.

Light-vehicle sales were 15.3 million units (SAAR) in January. While essentially unchanged from the December 2012 level, this represents a 9.4% increase in sales compared to January 2012 (SAAR).

The American Trucking Association's truck tonnage index increased 2.8% (SA) in December after having increased by a revised 3.9% in November. For all of 2012, tonnage was up 2.3%, well below the 5.8% increase recorded in 2011. Rail carloads were 3.9% lower (SA) in January than in December, while intermodal units (shipping containers or truck trailers) were 2.4% higher (SA) in January than in December.

The Conference Board index of consumer confidence fell for a second straight month, decreasing by 8.1 points to 58.6 in January, after having fallen by 4.8 points in December. Consumers were more pessimistic about the labor market and business conditions. The University of Michigan consumer sentiment survey for January moved in the opposite direction, increasing by 0.9 points to 73.8 from 72.9 in December. Despite the increase, the University of Michigan index is below its August 2012 level.

The Institute for Supply Management's manufacturing Purchasing Managers Index for January increased to 53.1 from the revised December level of 50.2. Values of the index above 50 indicate that manufacturing activity is expanding. The January non-manufacturing index decreased by 0.5 points to 55.2, reflecting lower readings for new orders and business activity but an increase in hiring. New orders for core capital goods (i.e. durables excluding aircraft and military), which are a proxy for business investment, decreased 0.3% in December. However, this decline was almost totally offset by an upward revision to November data, which increased by 3.3% over October orders.

Gasoline prices have been rising since the start of the year, increasing to \$3.54 per gallon (regular, all formulations) for the week ending February 4th from a low of \$3.25 per gallon in mid-December. Spot prices for oil have also increased recently, with Brent petroleum at \$115 per barrel for the week ending February 1st, about \$1 higher than spot prices in the prior week and the highest spot price since mid-September 2012. Spot prices for West Texas Intermediate (WTI) crude followed a similar pattern. For the week ending February 1st, WTI was \$97 per barrel, almost \$2 above prior week prices and the highest spot price since mid-September 2012.

New home sales decreased to 369,000 units (SAAR) in December from their revised November level of 398,000 units. While this represents a decrease of 7.3% from November, it is 8.8% above the December 2011 level. An estimated 367,000 new homes were sold in 2012, a 19.9% increase over 2011 new home sales. Existing home sales also decreased in December, down 1.0% (SAAR) compared to November. However, existing home sales in-

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creased by 12.8% over their December 2011 level and total 2012 sales were 9.2% above their 2011 level. Housing starts for December increased by 12.1% (SAAR) over November and were 36.9% over the December 2011 level. For all of 2012, an estimated 780,000

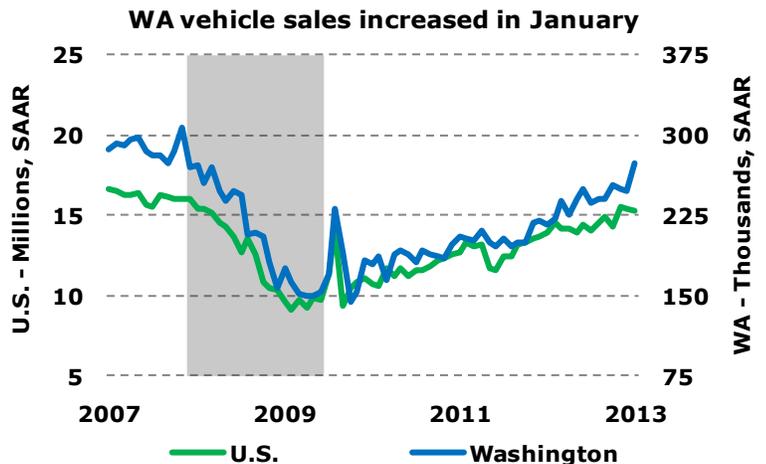
Washington

We have two months of new employment data since the November forecast was released but previously published estimates have been revised lower for all of 2012. The Washington economy added 7,500 jobs in November and December which translates into a 1.6% seasonally adjusted annual rate of growth (SAAR). The November forecast had expected 9,200 net new jobs (1.9% growth, SAAR). Even though overall employment growth in November and December was only 1,700 lower than expected, the level in December was 14,200 lower due to revisions to history that date back to January 2012. The manufacturing sector added 2,300 jobs in the last two months including 1,200 aerospace jobs. We had expected only 600 net new manufacturing jobs. The construction sector added 1,800 jobs, compared to the forecast of 800 jobs. While the goods-producing sectors did well in November and December, the service-providing sectors fell short of expectations. Private service providers added 3,500 net new jobs in November and December (the forecast had expected 7,200) and government shed 100 jobs (the forecast had expected a gain of 500). The state's unemployment rate declined to 7.6% in December from 7.7% in November and 8.2% in October.

Washington housing construction continues to strengthen. Total housing units authorized by building permits increased to 31,000 units (SAAR) in the fourth quarter, up from 28,000 in the third quarter. Single-family permits totaled 19,500 in the fourth quarter while multi-family permits came in at an 11,500 annual rate. Total units authorized in the fourth quarter were the highest since the second quarter of 2008 and single-family permits were the highest since the first quarter of 2008. Most of the housing recovery to date has been in the multi-family segment which has largely recovered from historic lows. However, we believe the housing recovery will be increasingly led by single-family construction spurred by record affordability.

Regional home prices also appear to be on the upswing. According to the S&P/Case-Shiller Home Price Indices through November 2012, seasonally adjusted Seattle area home prices have risen in eight of the last nine months and are now 7.5% higher than in the previous November. Nationally the composite-20 index is up 5.6% over the year. Prior to the recent upturn, Seattle home prices had not registered a year-over-year gain since December 2007. Foreclosures continue to put downward pressure on home prices but demographics and record affordability are working in the opposite direction. Even with the recent gains, Seattle area home prices are 25.6% lower than their 2007 peak.

New light vehicle registrations in Washington jumped to 274,000 units (SAAR) in January from 248,000 in December (see figure). Washington new light vehicle sales have not been this strong since November 2007, before the onset of the 2007-09 recession. While January's strong sales may turn out to be an outlier, the trend is clearly positive. We expect the recovery in vehicle sales to continue due primarily to strong replacement demand.



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The recovery in Washington, as in the nation, has been driven largely by the manufacturing sector. The Institute of Supply Management - Western Washington Index (ISM-WW), which measures strength in the manufacturing sector, has now indicated growth since August 2009 (index readings above 50 indicate expansion). The regional index rose to 60.2 in January from 58.1 in December. The comparable national index was 53.1 in January.

Inflation in the Seattle metropolitan area has cooled substantially in the last six months. As of December 2013, the all items Seattle CPI was up just 1.4% over the previous December, down from 2.7% inflation in June. Seattle core inflation in December 2012 was 1.6%, down from 3.0% just six months earlier. The main reason for the reduction in inflation was shelter costs which rose 3.9% YOY in June but only 2.1% in December. On an annual average basis, Seattle inflation slowed to 2.5% in 2012 from 2.7% in 2011.

REVENUE COLLECTIONS

Overview

Major General Fund-State revenue collections for the January 11 – February 10, 2013 collection period were \$8.4 million (0.6%) lower than the November forecast, but a shortfall had been anticipated due to higher-than-expected Revenue Act receipts in the two prior months.

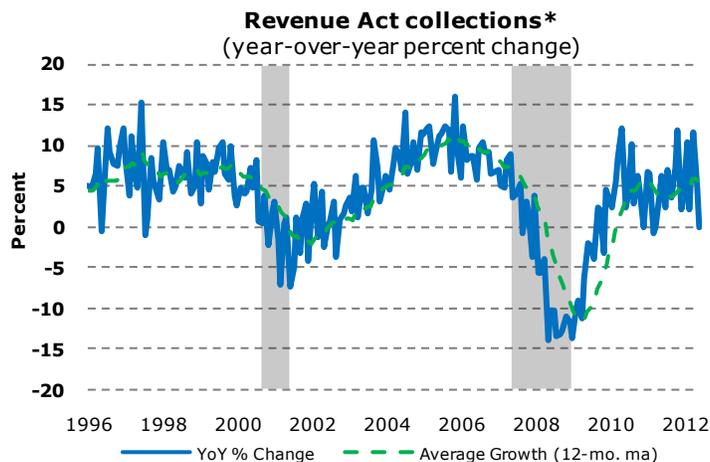
Cumulative General Fund-State collections are now \$83.7 million (2.0%) greater than forecasted. Most of the positive cumulative variance is from real estate excise tax collections, which are \$47.1 million higher than forecasted due to a larger-than-expected year-end surge to beat 2013 federal tax increases.

During the last two months there have been \$14.8 million in large one-time payments for taxable activity prior to the current collection period. Adjusted for these payments, the cumulative forecast variance is \$68.8 million (1.6%).

Revenue Act

The revenue collections reported here are for the January 11, 2013 – February 10, 2013 collection period. Collections correspond primarily to the December 2012 economic activity of monthly filers, fourth quarter 2012 activity of quarterly filers, and 2012 activity of annual filers.

Revenue Act collections for the current period came in \$24.6 million (2.1%) below the November forecast. During the period there was an \$8.9 million one-time payment for taxable activity prior to the current collection period. Without this payment, collections would have been \$33.5 million (2.9%) less than forecasted. This shortfall, however, was anticipated due to the higher-than-expected receipts of the prior two months. Adjusted for large one-time payments and refunds in the current and year-ago periods, year-over-year Revenue Act collection growth was flat at 0.0% (see figure). This low growth in the current month is a reflection of a change in the quarterly payment pattern compared to last year rather than a recent slowdown. Adjusted year-over-year growth for the last three months, which mainly reflect fourth quarter 2012 activity, was 5.0%. Sea-



*Growth adjusted for definition change and unusually large assessment payments, refunds etc.

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sonally adjusted collections increased slightly from last month and remain on an upward trajectory (see figure).

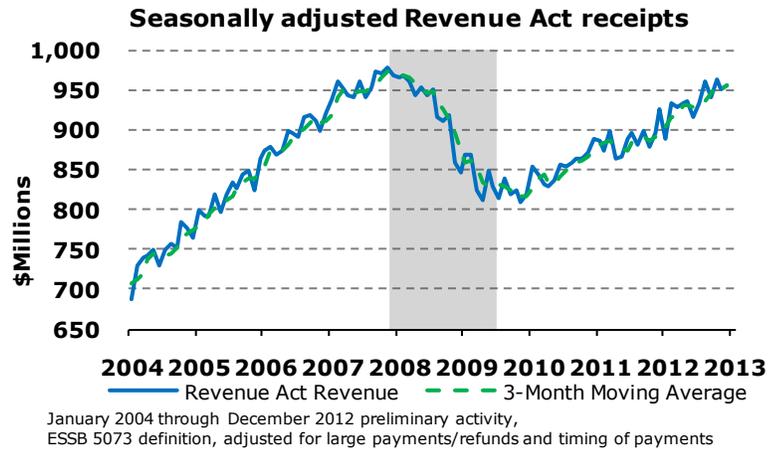
Due to the positive variances in Revenue Act collections in the previous two months, cumulative collections are \$29.5 million (1.0%) above the November forecast. Since the forecast, however, there have been \$14.8 million in large one-time payments for taxable activity prior to the current collection period. Without these payments, which were not included in the forecast, cumulative collections would have been only \$14.7 million (0.5%) greater than forecasted.

As shown in the "Key Revenue Variables" table, unadjusted Revenue Act receipts increased by 1.3% year-over-year. The preliminary estimate of B&O tax growth is 0.2% year-over-year and the preliminary estimate of retail sales tax growth is 1.7%.

Total tax payments as of January 29th from electronic filers who also paid in the January 11 – February 10 collection period of last year were up 2.6% year-over-year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well). Last month, total payments increased by 6.1%.

Some details of payments from electronic filers:

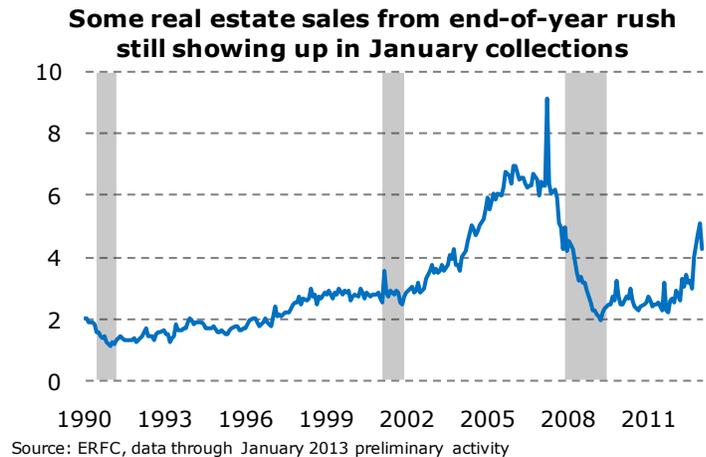
- Total payments in the retail trade sector were up 7.7% year-over-year, down from last month's growth rate of 8.8%. Payments from food and beverage stores increased 27.4% year-over-year, due largely to the newly allowed private sales of spirits. Excluding food and beverage stores, payments from the retail trade sector still would have grown by 6.4%.
- Payments from the motor vehicle and parts sector increased 9.2% year-over-year. In the previous period, year-over-year payments increased 9.9%.
- Other retail trade sectors that showed strong growth in payments were sporting goods, toys and music stores (+9.1%), apparel and accessories (+7.5%), building materials and garden equipment (+5.7%) and furniture and home furnishings (+5.6%). Three retail trade sectors saw year-over-year decreases in payments: electronics and appliances (-4.2%), miscellaneous retailers (-1.9%) and gas stations and convenience stores (-0.7%).
- Payments from non-retail trade sectors were down 1.0% year-over-year in the current period but were up 4.4% in the previous period.
- Payments from the manufacturing sector were down 20.2% year-over-year. Last month payments decreased 6.8% year-over-year. This month's decline was mainly due to a large year-over-year decrease in payments from the transportation equipment sector, which was the result of a large credit that was taken this year but not taken in the corresponding month last year. Payments from the petroleum refining sector also saw a moderate decrease. Without the petroleum and transportation equipment sectors, payments from the manufacturing sector still would have decreased, but only by 3.3% year-over-year.
- Excluding the manufacturing sector, payments from non-retail trade sectors increased 1.1%. Last month, non-retail payments excluding manufacturing increased 5.5%.



- Tax payments by businesses in the construction sector increased 5.9% year-over-year. In the previous period, payments increased 4.9%.

DOR Non-Revenue Act

January collections came in \$17.2 million (14.4%) above the forecast. Most of this month's positive variance came from real estate excise tax (REET), which came in \$11.8 million (46.8%) higher than forecasted. REET collections have been exceeding the forecast for the last three months due to accelerated year-end sales ahead of the January 2013 increases in federal capital gains and dividend taxes. This month's collections include payments for some sales that were completed in the last days of December as well as sales that were completed in January. Seasonally adjusted activity decreased slightly (see figure), but activity is expected to decrease further over the next two months now that the year-end rush is over. Due to the unanticipated size of the end-of-the-year increase in sales, REET collections are now cumulatively \$47.1 million (44.2%) above the November forecast. Total DOR non-Revenue Act collections are now cumulatively \$55.3 million (4.7%) higher than forecasted.



Cigarette taxes also came in above the forecast. January collections were \$3.2 million (9.4%) higher than forecasted due to greater-than-expected fraction of tax stamps that were paid for in January rather than deferred for payment in February. Because of the low level of deferred payments, next month's collections will likely fall short of the forecast. Cumulatively, collections are now \$4.8 million (4.8%) higher than forecasted but the variance should narrow next month.

"Other" revenue came in \$2.6 million (12.6%) above the forecast due to positive variances in several sub-sources including leasehold excise tax and transfers of unclaimed property into the GF-S. Cumulatively, "other" revenue is now \$3.1 million (4.1%) greater than forecasted.

Liquor taxes came in \$0.7 million (2.4%) above the forecast. Adjusted for a decrease in this year's distribution of taxes to local governments, tax receipts increased by 12.3% year-over-year. Unadjusted receipts increased by 26.8% as reported in the "Key Revenue Variables" table. Cumulatively, liquor taxes are now \$0.6 million (0.8%) above the November forecast.

January property tax collections came in \$1.1 million (10.9%) below the forecast. Cumulatively, property tax collections are now \$0.2 million (0.0%) below the forecast.

Other Revenue

Department of Licensing receipts for January came in \$93,000 (44.2%) higher than the November forecast. Cumulatively, receipts are now \$141,000 (21.1%) above the forecast.

Revenue from the Administrative Office of the Courts was \$1.1 million (14.6%) lower than forecasted. Cumulative receipts are now \$1.3 million (5.4%) less than forecasted.

Key U.S. Economic Variables

	2012					2013		2011	2012
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.			
Real GDP (SAAR)	-	3.1	-	-	-0.1	-	1.8	2.2	
Industrial Production (SA, 2002 = 100)	97.0	97.2	96.8	97.8	98.1	-	93.7	97.2	
Y/Y % Change	3.0	3.0	2.0	2.9	2.2	-	4.1	3.7	
ISM Manufacturing Index (50+ = growth)	49.6	51.5	51.7	49.5	50.7	53.1	55.2	51.9	
ISM Non-Manuf. Index (50+ = growth)	53.7	55.1	54.2	54.7	56.1	55.2	54.5	54.5	
Housing Starts (SAAR, 000)	750	843	889	851	954	-	612	781	
Y/Y % Change	29.1	30.3	41.1	20.2	36.9	-	4.5	27.5	
Light Motor Vehicle Sales (SAAR, mil.)	14.5	14.9	14.3	15.5	15.4	15.3	12.8	14.5	
Y/Y % Change	16.6	13.7	7.2	14.7	12.9	9.4	10.8	12.9	
CPI (SA, 1982-84 = 100)	230.1	231.4	231.8	231.0	231.0	-	224.9	229.6	
Y/Y % Change	1.7	2.0	2.2	1.8	1.7	-	3.1	2.1	
Core CPI (SA, 1982-84 = 100)	230.2	230.6	231.0	231.3	231.5	-	225.0	229.8	
Y/Y % Change	1.9	2.0	2.0	1.9	1.9	-	1.7	2.1	
IPD for Consumption (2000=100)	116.0	116.3	116.5	116.2	116.2	-	113.8	115.8	
Y/Y % Change	1.4	1.6	1.7	1.4	1.3	-	2.4	1.7	
Nonfarm Payroll Empl., e-o-p (SA, mil.)	133.9	134.1	134.2	134.5	134.7	134.8	132.5	134.7	
Monthly Change	0.17	0.14	0.16	0.25	0.20	0.16	2.10	2.17	
Unemployment Rate (SA, percent)	8.1	7.8	7.9	7.8	7.8	7.9	9.0	8.1	
Yield on 10-Year Treasury Note (percent)	1.68	1.72	1.75	1.65	1.72	1.91	2.79	1.80	
Yield on 3-Month Treasury Bill (percent)	0.10	0.11	0.10	0.09	0.07	0.07	0.05	0.09	
Broad Real USD Index** (Mar. 1973=100)	85.2	84.0	83.7	83.9	83.2	83.1	82.6	84.4	
Federal Budget Deficit (\$ bil.)*	190.5	-75.2	120.0	172.1	1.2	-	1,296.8	1,089.2	
FYTD sum	1,164.4	1,089.2	120.0	292.1	293.3	-			
US Trade Balance (\$ bil.)	-42.7	-40.4	-42.2	-48.6	-38.5	-	-559.9	-540.4	
YTD Sum	-370.7	-411.1	-453.2	-501.8	-540.4	-			

*Federal Fiscal Year 2009 runs from Oct. 1, 2008 to Sept. 30, 2009.

**Weighted average of U.S. dollar foreign exchange values against currencies of major U.S. trading partners, Federal Reserve.

Key Washington Economic Variables

	2012					2013		2011	2012
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,877.7	2,877.1	2,882.4	2,887.3	2,889.9	-	2,838.3	2,889.9	
Change from Previous Month (000)	8.3	-0.6	5.3	4.9	2.5	-	37.8	51.6	
Construction	140.7	140.2	141.3	141.9	143.2	-	137.2	143.2	
Change from Previous Month	1.0	-0.4	1.1	0.6	1.3	-	-0.6	6.0	
Manufacturing	283.1	282.7	283.5	284.8	285.8	-	274.3	285.8	
Change from Previous Month	1.0	-0.4	0.8	1.3	1.0	-	13.3	11.5	
Aerospace	95.6	96.3	95.9	96.5	97.1	-	91.0	97.1	
Change from Previous Month	0.6	0.6	-0.4	0.6	0.6	-	9.1	6.1	
Software	52.6	52.5	52.8	52.7	52.8	-	52.0	52.8	
Change from Previous Month	0.1	-0.1	0.3	-0.1	0.2	-	0.8	0.9	
All Other	2,401.3	2,401.6	2,404.8	2,408.0	2,408.1	-	2,374.9	2,408.1	
Change from Previous Month	6.1	0.3	3.2	3.1	0.1	-	24.2	33.2	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	240.2	-	241.4	-	238.0	-	232.8	238.7	
	2.7%	-	2.3%	-	1.4%	-	2.7%	2.5%	
Housing Permits (SAAR, 000)	25.5	29.7	28.7	34.2	31.6	-	20.9	28.5	
	16.9%	51.1%	74.7%	39.7%	30.0%	-	6.2%	35.9%	
WA Index of Leading Ind. (2004=100)	114.1	114.9	115.8	116.1	117.0	-	111.2	114.5	
	1.5%	2.8%	3.7%	2.7%	3.2%	-	6.0%	3.0%	
WA Business Cycle Ind. (Trend=50)	27.6	30.3	32.5	39.5	37.7	-	19.2	30.2	
	23.8%	63.1%	90.3%	78.4%	50.1%	-	49.2%	57.4%	
Avg. Weekly Hours in Manuf. (SA)	41.5	41.6	42.2	42.1	42.1	-	42.4	41.9	
	-1.6%	-2.1%	-0.5%	-1.5%	0.0%	-	1.2%	-1.1%	
Avg. Hourly Earnings in Manuf.	23.6	24.0	24.2	24.4	24.7	-	24.0	24.2	
	0.9%	0.7%	1.0%	1.0%	2.0%	-	2.1%	0.7%	
New Vehicle Registrations (SA, 000)	20.0	20.1	21.1	20.7	20.7	22.8	17.0	19.8	
	23.0%	20.9%	26.9%	13.8%	12.7%	26.5%	9.9%	16.6%	
Initial Unemployment Claims (SA, 000)	42.4	43.0	41.1	43.2	39.5	40.7	49.9	44.6	
	-12.8%	-9.9%	-16.1%	-9.2%	-8.1%	-22.9%	-11.8%	-10.6%	
Personal Income (SAAR, \$bil.)	-	313.9	-	-	-	-	299.7	-	
	-	4.4%	-	-	-	-	5.8%	-	
Median Home Price (\$000)	-	243.1	-	-	242.5	-	224.4	232.5	
	-	7.9%	-	-	11.8%	-	-8.5%	3.6%	

*Employment data has been Kalman filtered and does not match figures released by the BLS

*Percentage Change is Year-over-Year

Key Revenue Variables

Thousands of Dollars

	2012												2013	
	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10	May 11- Jun 10	Jun 11- Jul 10	Jul 11- Aug 10	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10	Nov 11- Dec 10	Dec 11- Jan 10	Jan 11- Feb 10*		
Department of Revenue-Total	865,345 3.7	937,324 7.7	1,137,572 -14.8	1,693,935 3.2	1,270,633 0.0	1,116,873 2.2	1,061,104 4.0	1,093,845 10.3	1,204,793 5.7	1,765,423 8.5	1,181,039 10.3	1,287,308 1.4		
Revenue Act	777,433 3.0	813,701 6.0	955,769 -19.0	865,462 0.5	913,691 11.9	997,454 1.5	930,247 3.4	978,985 9.2	998,628 2.3	932,829 10.4	913,153 10.0	1,150,101 1.3		
Retail Sales Tax	466,023 2.7	496,275 8.3	573,036 -13.8	527,329 0.6	563,227 11.4	619,525 3.1	592,123 3.6	612,625 8.3	622,517 2.4	581,784 10.2	577,469 5.6	709,457 1.7		
Business and Occupation Tax	220,285 2.9	230,858 5.0	286,091 -16.6	252,983 5.4	266,304 15.5	291,723 0.8	255,147 1.3	283,512 11.3	292,223 2.5	270,761 13.7	250,742 18.8	341,029 0.2		
Use Tax	34,971 6.3	37,187 2.8	47,458 -56.5	39,617 -4.4	43,499 11.7	44,514 -9.6	43,689 12.6	40,710 9.6	44,502 6.0	37,794 4.1	41,793 33.8	46,367 5.6		
Public Utility Tax	40,167 0.8	37,340 2.1	36,047 -9.9	32,770 -3.1	28,036 -7.1	28,612 2.9	25,441 1.4	27,731 4.5	25,746 -6.8	28,514 2.6	30,374 -2.1	38,619 -3.0		
Tobacco Products Tax	3,763 -5.5	3,300 -1.1	3,746 -7.6	3,700 -4.3	3,882 -8.5	3,644 -15.9	3,884 -3.0	3,873 -13.2	3,146 -25.8	3,145 -20.6	3,468 -3.5	3,400 -4.3		
Penalties and Interest	12,223 24.1	8,742 -35.0	9,391 -50.5	9,063 -49.0	8,744 22.6	9,436 -17.8	9,961 13.2	10,533 30.1	10,494 13.7	10,831 1.6	9,307 47.4	11,229 8.7		
Non-Revenue Act**	87,913 9.8	123,623 20.2	181,803 17.1	828,473 6.2	356,942 -21.3	119,419 9.1	130,858 8.9	114,860 17.9	206,164 26.4	832,594 6.5	267,886 11.4	137,207 2.2		
Liquor Sales/Liter	14,892 7.0	15,940 9.7	17,799 11.1	16,306 0.9	20,002 20.5	19,416 12.6	26,234 40.9	24,032 34.3	20,300 19.4	21,303 26.0	21,568 21.0	31,136 26.8		
Cigarette	31,768 24.9	32,932 17.9	33,406 17.4	34,027 42.0	38,519 -64.3	31,927 -18.0	39,614 -3.4	34,893 -7.1	36,228 5.3	37,100 5.2	30,050 -15.5	37,191 18.4		
Property (State School Levy)	6,023 -12.2	31,469 22.4	69,804 3.6	697,392 0.4	198,703 7.5	12,949 36.4	6,545 -10.3	10,389 -1.8	36,286 -6.9	676,660 3.4	140,457 -3.7	8,777 -9.1		
Real Estate Excise	22,495 14.2	31,182 12.1	39,445 37.1	35,731 31.8	54,062 38.3	36,940 18.6	48,957 7.4	36,155 16.5	49,081 108.5	53,398 79.5	63,154 93.5	36,918 64.3		
Timber (state share)	1,019 29.2	0 NA	0 NA	620 -24.9	0 NA	0 NA	804 -31.1	0 NA	0 NA	795 -17.0	0 NA	0 NA		
Other	11,717 -12.1	12,099 76.5	21,350 43.8	44,398 161.5	45,656 -56.5	18,188 52.8	8,704 35.1	9,393 2,496.3	64,270 31.4	43,338 -3.1	12,657 49.1	23,185 -49.7		
Department of Licensing**	307 -10.2	538 3.3	2,161 24.7	2,775 -3.0	5,079 -19.4	3,384 12.7	1,308 -4.6	513 0.5	358 19.0	260 6.2	245 11.0	304 56.2		
Lottery**	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA	0 NA		
Administrative Office of the Courts**	6,212 -2.2	8,522 4.4	8,356 -10.8	8,375 -0.3	8,158 2.0	7,571 -10.0	7,957 0.0	7,431 -14.0	7,303 -8.4	8,667 4.7	6,853 -8.2	6,462 -12.7		
Total General Fund-State***	871,864 3.6	946,385 7.6	1,148,089 -14.7	1,705,086 3.2	1,283,871 -0.6	1,127,829 2.2	1,070,369 4.0	1,101,789 9.8	1,212,454 5.6	1,774,349 8.5	1,188,138 10.2	1,294,073 1.3		

*Revenue Act components: ERFC preliminary estimates

**Monthly Revenues (month of beginning of collection period)

*** Detail may not add due to rounding. The GFS total in this report includes only collections from larger state agencies: the DOR, Lottery Commission, AOC and DOL.

Note: *Italic figures refer to Year-over-Year percent change.*

Revenue Forecast Variance

Thousands of Dollars

<u>Period/Source</u>	<u>Estimate*</u>	<u>Actual</u>	<u>Difference Amount</u>	<u>Percent</u>
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January 11, 2013 - February 10, 2013

February 10, 2013 Collections Compared to the November 2012 Forecast

Department of Revenue-Total	\$1,294,670	\$1,287,308	(\$7,362)	-0.6%
Revenue Act** (1)	1,174,686	1,150,101	(24,585)	-2.1%
Non-Revenue Act(2)	119,985	137,207	17,222	14.4%
Liquor Sales/Liter	30,397	31,136	739	2.4%
Cigarette	33,999	37,191	3,192	9.4%
Property (State School Levy)	9,849	8,777	(1,072)	-10.9%
Real Estate Excise	25,142	36,918	11,776	46.8%
Timber (state share)	0	0	0	0.0%
Other	20,597	23,185	2,588	12.6%
Department of Licensing (2)	210	304	93	44.2%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	7,571	6,462	(1,109)	-14.6%
Total General Fund-State***	\$1,302,452	\$1,294,073	(\$8,378)	-0.6%

Cumulative Variance Since the November Forecast (November 11, 2012 - February 10, 2013)

Department of Revenue-Total	\$4,148,972	\$4,233,770	\$84,798	2.0%
Revenue Act** (3)	2,966,539	2,996,083	29,544	1.0%
Non-Revenue Act(4)	1,182,433	1,237,687	55,254	4.7%
Liquor Sales/Liter	73,443	74,007	563	0.8%
Cigarette	99,583	104,341	4,758	4.8%
Property (State School Levy)	826,072	825,894	(177)	0.0%
Real Estate Excise	106,420	153,470	47,050	44.2%
Timber (state share)	869	795	(74)	-8.5%
Other	76,046	79,180	3,134	4.1%
Department of Licensing (4)	668	810	141	21.1%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	23,237	21,982	(1,254)	-5.4%
Total General Fund-State***	\$4,172,877	\$4,256,562	\$83,685	2.0%

1 Collections January 11, 2013 - February 10, 2013. Collections primarily reflect December 2012 activity of monthly filers, fourth quarter 2012 activity of quarterly filers, and 2012 activity of annual filers.

2 January 2013 collections.

3 Cumulative collections, estimates and variance since the November 2012 forecast; (November 11, 2012 - February 10, 2013) and revisions to history.

4 Cumulative collections, estimates and variance since the November forecast (November 2012 - January 2013) and revisions to history.

5 Lottery transfers to the General Fund

* Based on the November 2012 economic and revenue forecast.

**The Revenue Act consists of the retail sales, B&O, use, public utility, tobacco products taxes, and penalty and interest.

*** Detail may not add due to rounding. The General Fund-State total in this report includes only collections from larger state agencies: the Department of Revenue, Department of Licensing, Lottery Commission and Administrative Office of the Courts.