



ECONOMIC & REVENUE UPDATE

11 October 2010

summary

- The Great U.S. Recession of 2007 is now officially over, but the recovery is painfully slow. Growth in economic activity is below trend, job growth sub-par, housing weak and private demand tentative. Growing business investment in capital goods, however is a bright spot.
- The Washington economy has been in a recovery since July 2009 but, like the national economy, the recovery has been tepid at best. Private sector job gains have been offset by public sector job losses, and housing continues to struggle. On the bright side, the software industry is expanding again and aerospace is poised for a resumption of growth next year.
- Major General Fund-State (GF-S) revenues for the September 11, 2010 – October 10, 2010 collection period were \$2.5 million (0.3%) higher than our September forecast. Revenue Act collections continued to show year-over-year growth and came in \$1.9 million (0.2%) above the forecast.

United States

The National Bureau of Economic Research (NBER), a private non-profit organization, which is the official arbiter of U.S. recessions, has now declared that the Great Recession that began in December 2007 ended in June 2009. The peak to trough decline in GDP and employment were 4.1% and 6.1% respectively, and the recession lasted 18 months. The averages for the other ten post-war recessions on record are: GDP down 1.8%; employment down 2.6%; and duration 10 months.

This recession was far worse than the average post-war recession. Indeed, this was in fact the most severe post-war recession (see figure).

The recovery from this deep recession has been less than encouraging. The initial quarters following the end of the recession experienced relatively strong growth, helped by federal stimulus dollars and a virtuous inventory cycle. However, the stimulus' effect has now waned, and inventory restocking is moderating. Economic growth therefore is critically dependent on private demand, which understandably remains very tentative. GDP is still growing, but well below trend – Q2 figures were revised slightly upward to a 1.7%, seasonally adjusted annualized rate (SAAR), from 1.6%.

The third quarter has seen a continuation of modest growth, but nothing close to what is needed to get the economy back to level ground. Nominal or current dollar personal income growth in August was 0.5% (SA), 3.3% above a year ago; while consumer spending grew 0.4% (SA), 2.7% above a year ago. August nominal retail and food service sales were 3.6% higher than last year. Light motor vehicle sales improved a little in September to 11.8 million (SAAR) units, but are still well below the 16-17 million considered normal. The savings rate is high at 5.8% in August.

This has been the worst post war recession

Recession	Peak-to-trough decline		Recession Duration
	Real GDP	Employment	
	percent	percent	months
1948-49	1.6	5.0	11
1953-54	2.5	3.4	10
1957-58	3.1	4.2	8
1960-61	0.5	2.3	10
1969-70	0.2	1.2	11
1973-75	3.2	1.9	16
1980	2.2	2.3	6
1981-82	2.6	3.1	16
1990-91	1.4	1.4	8
2001	0.7	1.7	8
Average	1.8	2.6	10
2007-09	4.1	6.1	18

united states

The private sector created 64,000 net new jobs in September. However, even this moderate improvement was swamped by the loss of 159,000 government jobs, leading to an overall net loss of 95,000 jobs. Of the government jobs lost, 77,000 were temporary census workers. Only 6,000 more such workers remain on the federal payroll, so this part of job losses will abate considerably next month. At the state and local government level, 83,000 jobs were lost, mostly in local government. The unemployment rate remained elevated at 9.6%.

Housing continues to move sideways. Starts were up modestly to 598,000 (SAAR) units in August, but sales of new homes remained unchanged at 288,000 (SAAR). Existing home sales however ticked up to 4.1 million (SAAR) units. It appears that the pull-forward effect of the tax credits that expired in April is winding down. But, there is still a large surplus of housing on the market. Months' supply at existing sales rates are 8.6 months for new homes, and 11.6 months for existing homes. Prices appear to have stabilized but at low levels. The Case-Shiller 20-city composite index fell 0.1% in July. We don't expect the housing market will start recovering in a meaningful way until at least next year.

The one bright spot in the recovery is business investment. Core capital goods orders and shipments – non-defense capital goods excluding aircraft – which are a good proxy for business spending on capital equipment, are up double-digits year-over-year. In August, orders were up 20% Y/Y, while shipments were up 13%.

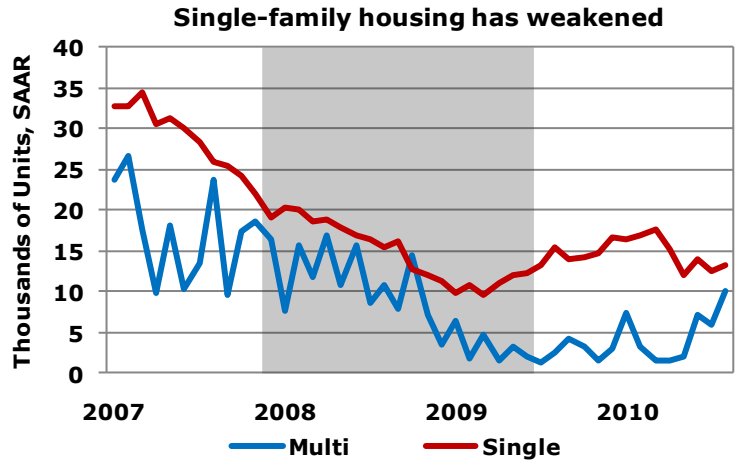
WASHINGTON

The Washington economy continues to expand but, like the national economy, has lost steam in the last several months. After strong growth in the spring, the state's private sector added just 6,600 jobs in June, July and August. During the same period, state and local governments shed 5,400 jobs, offsetting most of the private sector gains. Since February, private sector employment has increased 0.8% (17,300 jobs), which is just above the national rate of 0.6% during this period.

The U.S. recession is now officially over, as mentioned in the last section. After analyzing a number of Washington economic indicators we believe that the recession in Washington's economy has also ended. Similar to the method used by the NBER, we looked at several economic indicators at the state level, such as output, sales, and employment to see the extent to which we either led or lagged the U.S. business cycle. Based on this analysis, we have determined that the recession in Washington was very similar to the U.S. recession. Washington's business cycle peaked in February 2008, two months after the peak in the U.S. cycle and Washington's recession ended in July 2009, one month after the end of the U.S. recession. Thus, the Washington recession was one month shorter than the U.S. downturn. The fact that the recession in Washington is over does not mean the economy has returned to health, it only means that the economy has stopped shrinking and returned to growth, however modest.

Single-family housing has weakened in recent months but multi-family housing has improved (see figure). After reaching a post-recession high of 17,800 units (SAAR) in March of 2010, single-family permits fell to 12,500 in July before recovering slightly to 13,400 in August. It is apparent that the earlier strength was mainly due to the federal home-buyer tax credits which had the effect of pulling activity forward by a few months. It does appear that permits for multiple unit structures have finally come up off the floor. After averaging just over 3,000 units (SAAR) the previous 18 months, permits have averaged 7,700 (SAAR) units in June, July and August.

The outlook for the aerospace industry in Washington continues to improve. In September Boeing announced it would raise its production of the 737 to 38 per month by mid-2013. In June they had announced an increase to 35 per month in early 2012 from the current rate of 31.5 per month. Combined, these indicate more than a 20% increase in production at the Renton plant. Boeing also plans to increase production of the 777 to 7 per month in mid-2011 from the current rate of 5 per month. Production of the new 787 and 747-8 will also be ramping up in 2011 and 2012. Although we are optimistic that Boeing will be awarded the military's contract to build the next generation air refueling tanker, it is not included in our forecast. The improving prospects for Boeing are due to air cargo and passenger traffic which have rebounded faster than expected from the recession.



The manufacturing sector in the state continues to expand. The National Association of Purchasing Managers Western Washington Index, which measures strength in the manufacturing sector, has now indicated growth for more than a year. New orders and production have been particularly strong with both reaching cyclical highs recently. Perhaps most encouraging, the employment component of the index has been at 50 or above during this time as well, pointing to continued hiring in the sector.

After the unprecedented Microsoft layoffs in 2009, the state's software sector has returned to growth. While the software publishing industry added 400 jobs in August and a total of 1,100 in the first eight months of 2010. We expect modest employment growth in software publishing to continue through the remainder of this year.

Personal income in the state has rebounded and is now growing moderately. According to the Bureau of Economic Analysis (BEA), personal income grew at a 4.7% annualized rate in the second quarter after growing by an upwardly revised 4.4% rate in the first quarter. In addition, the BEA incorporated the impact of the annual revision of the national income and product accounts. This resulted in a substantial upward revision to the personal income estimates for 2007 (0.5%), 2008 (1.3%), and 2009 (1.8%). Most of the upward revision came from property income (dividends, interest and rent) which was revised up sharply.

REVENUE COLLECTIONS

Overview

Major General Fund-State (GF-S) revenues for the September 11, 2010 – October 10, 2010 collection period were \$2.5 million (0.3%) higher than our September forecast.

Revenue Act collections continue to show year-over-year growth (adjusted for non-economic factors). Adjusted receipts from the September 11, 2010 – October 10, 2010 collection period, which mainly represent August economic activity, were 2.5% above their year-ago level (see figure). As discussed below, however, if last year's increased tax

receipts for vehicles purchased under the federal "Cash for Clunkers" program are taken into account adjusted growth increases to 4.3%. In the previous collection period, adjusted collections were 3.2% above their year-ago level.

Revenue Act

The revenue collections reported here are for the September 11 – October 10, 2010 collection period. Collections correspond primarily to economic activity in August 2010.

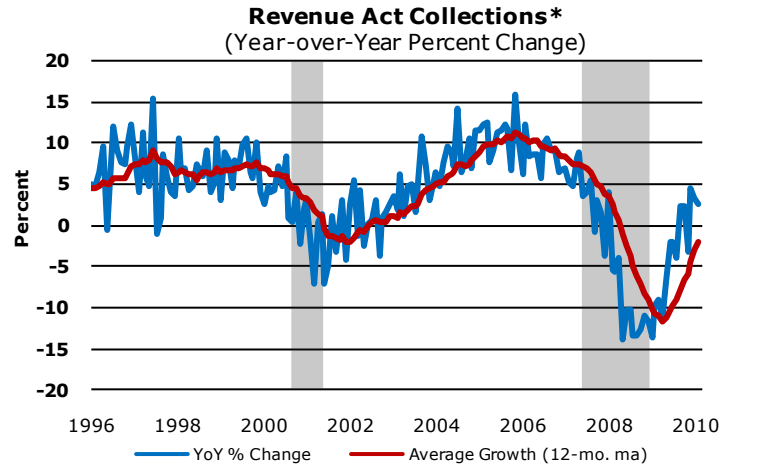
Collections for this period are \$1.9 million (0.2%) above the September forecast.

The chart showing year-over-year Revenue Act growth reflects new revenues added under ESSB 5073. By this measure, revenues increased 2.5% year-over year in the current period after adjustments for large one-time payments and refunds. In the previous period adjusted revenues had increased 3.2%.

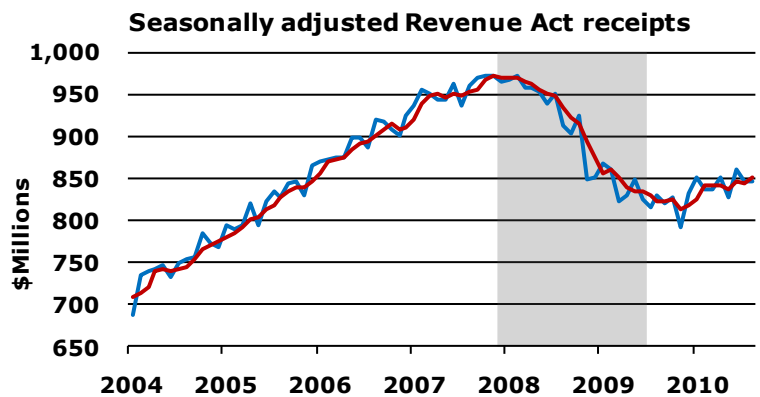
In August 2009, motor vehicle sales were boosted by the federal "Cash for Clunkers" vehicle trade-in incentive program. Sales of vehicles to program participants resulted in approximately \$14 million dollars in retail sales and use tax receipts to the state. If these sales had not occurred, adjusted year-over-year growth in Revenue Act receipts would have been 4.3%.

Unadjusted for definitional changes and one time revenue, revenue increased 4.2% year-over-year as shown in the "Key Revenue Variables" table. On a seasonally adjusted basis, revenue increased slightly, keeping the three month moving average of collections on an upward trend (see figure).

Under legislation passed in the 2010 session, the B&O tax rate for service industries has been temporarily increased from 1.5% to 1.8% as of May 1, 2010. In addition, sales of bottled water became temporarily subject to retail sales tax and candy permanently subject to the tax as of June 1, 2010. These tax changes are estimated to increase Revenue Act receipts by approximately \$23 million per month. Without this \$23 million in additional revenue, adjusted year-over-year Revenue Act growth would have been -0.3%. Excluding last year's "Cash for Clunkers" sales, adjusted collections would show a 1.2% increase.



*Growth adjusted for new legislation and unusually large assessment payments, refunds etc.



January 2004 through August 2010 preliminary activity, ESSB 5073 definition, adjusted for large payments/refunds

revenue collections

Preliminary ERFC monthly estimates indicate retail sales tax collections are down 0.1% year-over-year (due largely to last year's increased vehicle sales) and B&O taxes are up 14.4%.

Preliminary tax payments from electronic filers who also paid in the September 11 – October 10 collection period of last year were up 2.8% year-over-year.

Some details:

- Payments in the retail trade sector were down 0.6% year-over-year, but the decline was due to last year's "Cash for Clunkers" auto sales. Payments from the motor vehicle and parts sector were down 16.4% year-over-year. Without this decline, payments from the retail trade sector would have been up 5.0% year-over-year, up from last month's 3.4% increase, and total payments would have increased 4.9%.
- The largest year-over-year increases in tax payments from the retail trade sector were in nonstore retailers (+17.7%), gas stations and convenience stores (+12.5%), electronics and appliances (+7.9%), and food and beverage stores (+7.2%). The motor vehicle and parts sector was the only retail trade sector to show a year-over-year decline in the current period.
- Payments in non-retail trade sectors were up 4.9% year-over-year, sharp improvement from last month's 0.7% increase.
- Payments in the construction sector were down 7.1%, while those in the manufacturing sector were up 10.7% year-over-year.
- Excluding the construction sector, total payments were up 4.3% year-over-year and payments from non-retail trade sectors were up 8.1%. Excluding both construction and manufacturing, payments from non-retail trade sectors were up 7.7%.

DOR Non-Revenue Act

September collections were \$369,000 (0.4%) above the September forecast.

Property tax collections came in \$2.5 million (34.5%) above the forecast.

"Other" revenues came in \$2.2 million (27.9%) above the forecast due mainly to a positive variance in brokered natural gas collections. The new tax on carbonated beverages is now included in this category, contributing to the 56.8% growth shown in the table.

Cigarette tax receipts came in \$1.7 million (5.5%) below the forecast. Receipts were up 16.2% year-over-year, due mainly to a 91.4 cent per pack increase in GF-S taxes that took effect on May 1st. The large year-over-year increases that can be seen in months prior to July 2010 in the "Key Revenue Variables" were due to the re-classification of pre-existing cigarette taxes as GF-S taxes effective July 2009.

September real estate excise tax collections were \$3.5 million (11.4%) less than forecasted, but about half of the shortfall was due to late payments from two counties. (see figure) These payments, which totaled \$1.7 million, were received on October 1 and will be counted in next month's collections.

Liquor tax receipts were \$713,000 (4.5%) greater than forecasted.

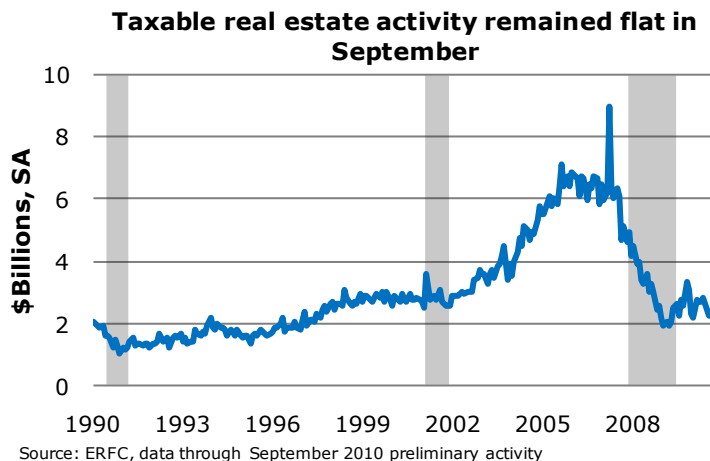
revenue collections

September DOR non-Revenue Act collections are up 1.4% year-over-year.

Other Revenue

Department of Licensing receipts for September were \$115,000 (30.4%) above the September forecast.

September revenue from the Administrative Office of the Courts was \$78,000 (1.0%) above the September forecast.



Key U.S. Economic Variables

	2010						2008	2009
	Apr.	May	Jun.	Jul.	Aug.	Sep.		
Real GDP (SAAR)	-	-	1.7	-	-	-	0.4	-2.4
Industrial Production (SA, 2002 = 100)	91.4	92.4	92.5	93.1	93.2	-	96.7	87.7
<i>Y/Y % Change</i>	5.7	7.8	8.2	7.4	6.2	-	-3.3	-9.3
ISM Manufacturing Index (50+ = growth)	60.4	59.7	56.2	55.5	56.3	54.4	45.5	46.2
ISM Non-Manuf. Index (50+ = growth)	55.4	55.4	53.8	54.3	51.5	53.2	47.3	46.2
Housing Starts (SAAR, 000)	679	588	539	541	598	-	900	554
<i>Y/Y % Change</i>	42.3	6.9	-7.5	-7.8	2.2	-	-32.9	-38.4
Light Motor Vehicle Sales (SAAR, mil.)	11.3	11.6	11.2	11.5	11.5	11.8	13.2	10.4
<i>Y/Y % Change</i>	22.1	18.0	15.1	2.2	-19.0	25.4	-18.2	-21.5
CPI (SA, 1982-84 = 100)	217.6	217.2	216.9	217.6	218.2	-	215.2	214.5
<i>Y/Y % Change</i>	2.2	2.0	1.1	1.3	1.2	-	3.8	-0.3
Core CPI (SA, 1982-84 = 100)	220.8	221.0	221.4	221.7	221.8	-	215.6	219.2
<i>Y/Y % Change</i>	1.0	1.0	1.0	1.0	1.0	-	2.3	1.7
IPD for Consumption (2000=100)	111.0	110.9	110.8	111.0	111.3	-	109.1	109.3
<i>Y/Y % Change</i>	2.3	2.1	1.4	1.5	1.5	-	3.3	0.2
Nonfarm Payroll Empl., e-o-p (SA, mil.)	130.2	130.6	130.5	130.4	130.3	130.2	134.3	129.6
<i>Monthly Change</i>	0.31	0.43	-0.13	-0.12	-0.06	-0.10	-3.62	-4.74
Unemployment Rate (SA, percent)	9.9	9.7	9.5	9.5	9.6	9.6	5.8	9.3
Yield on 10-Year Treasury Note (percent)	3.85	3.42	3.20	3.01	2.70	2.65	3.67	3.26
Yield on 3-Month Treasury Bill (percent)	0.16	0.16	0.12	0.16	0.16	0.15	1.39	0.15
Broad Real USD Index** (Mar. 1973=100)	87.5	89.7	90.1	88.7	88.0	87.3	87.9	91.5
Federal Budget Deficit (\$ bil.)*	82.7	135.9	68.4	165.0	90.5	-	454.8	1,415.7
<i>FYTD sum</i>	799.7	935.6	1,004.0	1,169.1	1,259.6	-		
US Trade Balance (\$ bil.)	-40.0	-41.8	-49.8	-42.8	-	-	-698.8	-374.9
<i>YTD Sum</i>	-154.5	-196.3	-246.1	-288.8	-	-		

*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

	2010						2008	2009	
	Apr.	May	Jun.	Jul.	Aug.	Sep.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,782.3	2,791.5	2,787.0	2,784.8	2,782.8	-	2,913.3	2,780.0	
Change from Previous Month (000)	8.4	9.2	-4.5	-2.2	-2.0	-	-49.9	-133.3	
Construction	143.9	143.9	144.0	144.3	144.2	-	184.6	147.7	
Change from Previous Month	1.4	0.0	0.1	0.3	-0.1	-	-24.7	-36.9	
Manufacturing	258.0	257.4	258.1	257.3	257.7	-	284.4	257.4	
Change from Previous Month	1.5	-0.6	0.7	-0.8	0.4	-	-11.8	-27.0	
Aerospace	80.5	80.0	80.8	81.1	80.5	-	85.5	81.2	
Change from Previous Month	-0.3	-0.5	0.8	0.3	-0.6	-	2.6	-4.3	
Software	50.9	50.9	51.1	51.1	51.5	-	53.0	50.4	
Change from Previous Month	0.3	0.0	0.2	0.0	0.4	-	4.6	-2.6	
All Other	2,329.5	2,339.3	2,333.8	2,332.1	2,329.4	-	2,391.3	2,324.5	
Change from Previous Month	5.2	9.8	-5.5	-1.7	-2.7	-	-18.0	-66.8	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	226.5	-	226.1	-	227.6	-	224.7	226.0	
	0.3%	-	-0.5%	-	0.2%	-	4.2%	0.6%	
Housing Permits (SAAR, 000)	16.7	14.1	21.3	18.4	23.5	-	27.4	15.9	
	30.6%	-8.6%	49.4%	25.8%	30.7%	-	-39.5%	-42.1%	
WA Index of Leading Ind. (2004=100)	115.5	114.9	115.2	116.2	116.4	-	116.5	110.0	
	7.3%	5.8%	5.7%	5.8%	5.5%	-	-0.1%	-5.6%	
WA Business Cycle Ind. (Trend=50)	4.2	4.0	7.2	6.0	6.5	-	41.4	8.4	
	-50.2%	-46.3%	4.7%	-1.7%	22.7%	-	-33.6%	-79.8%	
Avg. Weekly Hours in Manuf. (SA)	41.6	42.4	41.3	42.3	42.2	-	42.3	42.0	
	0.6%	2.2%	-1.1%	0.8%	0.7%	-	0.8%	-0.7%	
Avg. Hourly Earnings in Manuf.	23.3	23.1	23.2	23.3	23.2	-	21.0	23.4	
	-0.9%	-1.3%	-0.6%	0.0%	0.2%	-	2.4%	11.4%	
New Vehicle Registrations (SA, 000)	16.1	16.3	15.7	14.5	15.1	15.5	19.0	14.0	
	25.5%	28.7%	22.5%	5.8%	-17.6%	-1.6%	-20.5%	-26.5%	
Initial Unemployment Claims (SA, 000)	55.2	57.1	62.5	60.7	60.4	-	45.8	69.4	
	-20.5%	-22.4%	-11.4%	-17.0%	-17.3%	-	34.1%	51.4%	
Personal Income (SAAR, \$bil.)	-	-	293.8	-	-	-	287.1	286.1	
	-	-	2.5%	-	-	-	5.4%	-0.4%	
Median Home Price (\$000)	-	-	246.8	-	-	-	283.4	255.7	
	-	-	-6.9%	-	-	-	-7.5%	-9.8%	

*Percentage Change is Year-over-Year

Key Revenue Variables

	2009	2010									
	Nov 11- Dec 10	Dec 11- Jan 10	Jan 11- Feb 10	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*
Department of Revenue-Total	1,498,976	1,002,270	1,142,108	782,676	788,877	1,045,481	1,601,911	1,093,845	1,061,881	951,439	928,373
	-4.3	6.3	3.5	1.7	12.1	7.7	9.8	6.4	2.0	3.8	3.9
Revenue Act	769,855	738,003	1,048,036	718,560	687,570	892,259	804,996	800,650	963,515	843,523	835,533
	-10.4	-5.6	-1.1	-2.3	3.7	2.1	8.8	1.2	3.1	1.9	4.2
Retail Sales Tax	498,284	479,966	675,459	442,862	442,827	558,294	505,068	522,430	593,014	551,943	536,032
	-14.0	-9.0	-1.5	-8.8	0.4	0.7	4.2	-2.7	-1.2	-1.4	-0.1
Business and Occupation Tax	201,453	174,957	285,711	190,756	169,039	252,778	211,752	195,760	284,250	213,939	221,790
	1.7	-7.3	1.9	9.7	8.2	6.9	21.5	9.4	12.6	9.6	14.4
Use Tax	31,985	30,001	42,638	31,493	32,207	37,466	35,681	35,327	41,819	38,363	29,153
	-21.8	5.1	-6.6	1.3	-1.2	6.1	-5.6	3.3	2.9	8.7	-12.6
Public Utility Tax	25,863	35,188	32,902	36,036	29,597	32,517	30,997	29,108	27,532	25,848	27,981
	-10.7	42.1	-11.5	7.9	-17.2	-10.7	-5.7	2.1	2.8	0.3	6.0
Tobacco Products Tax	2,696	2,491	3,020	2,197	2,445	3,265	3,448	2,383	3,600	3,524	5,890
	177.2	189.8	251.7	167.4	146.1	240.5	262.4	136.4	18.7	34.0	25.4
Penalties and Interest	9,575	15,400	8,306	15,217	11,456	7,940	18,050	15,643	13,301	9,906	14,687
	-7.2	40.7	-16.0	38.0	-445.4	-22.1	89.4	35.7	22.4	11.0	102.3
Non-Revenue Act**	729,121	264,268	94,073	64,116	101,307	153,222	796,916	293,195	98,366	107,916	92,840
	3.1	63.9	113.7	90.4	151.4	57.4	10.9	23.6	-8.2	21.6	1.4
Liquor Sales/Liter	17,057	15,940	23,070	13,934	14,126	15,366	15,556	16,056	16,232	18,220	16,531
	23.5	18.4	21.6	14.9	23.8	24.2	25.1	15.2	0.2	-2.8	3.5
Cigarette	22,361	25,990	25,758	12,829	23,816	23,570	35,990	34,746	24,130	39,860	29,057
	541.2	636.8	520.2	266.8	488.1	558.1	749.4	976.1	-19.6	54.7	16.2
Property (State School Levy)	611,109	179,586	10,976	6,304	24,533	66,565	692,782	162,563	10,843	7,094	9,871
	-0.1	60.7	NA	NA	NA	72.6	4.4	5.5	6.5	6.6	7.5
Real Estate Excise	31,545	35,706	20,687	18,792	31,952	32,636	33,849	39,401	34,128	31,762	27,326
	-15.1	33.1	7.1	-36.1	61.3	32.2	37.6	11.6	-6.2	1.7	-20.0
Timber (state share)	807	0	0	919	0	0	646	0	0	1,354	0
	-46.5	NA	NA	-8.2	NA	NA	-3.2	NA	NA	NA	NA
Other	46,242	7,045	13,582	11,338	6,881	15,085	18,093	40,430	13,034	9,626	10,055
	17.8	23.8	-11.0	172.3	622.8	-17.0	33.8	32.1	-7.5	106.3	56.8
Department of Licensing**	200	198	168	283	447	1,045	2,326	7,357	3,784	1,230	494
	11.0	-7.2	-30.5	7.9	4.2	-81.5	-38.1	6.8	20.7	37.0	18.6
Lottery**	0	0	0	0	0	0	0	0	0	0	0
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Administrative Office of the Courts**	9,001	7,681	7,928	6,693	8,189	10,012	8,827	7,148	8,966	8,131	7,922
	NA	NA	NA	NA	NA	NA	NA	NA	-1.7	-5.7	-7.6
Total General Fund-State***	1,508,177	1,010,149	1,150,205	789,652	797,513	1,056,538	1,613,065	1,108,350	1,074,632	960,800	936,789
	-4.4	7.1	4.2	2.6	13.3	8.2	10.3	7.1	1.5	3.8	3.8

*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. Reflects new definition of GF-S revenue after July 2009.

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

Revenue Forecast Variance

Thousands of Dollars

Period/Source	Estimate*	Actual	Difference Amount	Percent
September 11, 2010 - October 10, 2010				
October 10, 2010 Collections Compared to the September 2010 Forecast				
Department of Revenue-Total	\$926,105	\$928,373	\$2,268	0.2%
Revenue Act** (1)	833,634	835,533	1,899	0.2%
Non-Revenue Act(2)	\$92,471	\$92,840	\$369	0.4%
Liquor Sales/Liter	15,818	16,531	713	4.5%
Cigarette	30,740	29,057	(1,684)	-5.5%
Property (State School Levy)	7,339	9,871	2,532	34.5%
Real Estate Excise	30,839	27,326	(3,513)	-11.4%
Timber (state share)	0	0	0	0.0%
Other	7,735	10,055	2,320	30.0%
Department of Licensing (2)	378	494	115	30.4%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	7,844	7,922	78	1.0%
Total General Fund-State***	\$934,327	\$936,789	\$2,461	0.3%

Cumulative Variance Since the September Forecast (September 11 - October 10, 2010)

Department of Revenue-Total	\$926,105	928,373	2,268	0.2%
Revenue Act** (3)	833,634	835,533	1,899	0.2%
Non-Revenue Act(4)	92,471	92,840	369	0.4%
Liquor Sales/Liter	15,818	16,531	713	4.5%
Cigarette	30,740	29,057	(1,684)	-5.5%
Property (State School Levy)	7,339	9,871	2,532	34.5%
Real Estate Excise	30,839	27,326	(3,513)	-11.4%
Timber (state share)	0	0	0	0.0%
Other	7,735	10,055	2,320	30.0%
Department of Licensing (4)	378	494	115	30.4%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	7,844	7,922	78	1.0%
Total General Fund-State***	\$934,327	\$936,789	\$2,461	0.3%

1 Collections September 11, 2010 - October 10, 2010. Collections primarily reflect August 2010 activity.

2 September 2010 collections.

3 Cumulative collections, estimates and variance since the September 2010 forecast; (September 11, 2009 - October 10, 2010) and revisions to history.

4 Cumulative collections, estimates and variance since the September forecast (September 2010) and revisions to history.

5 Lottery transfers to the General Fund

* Based on the September 2010 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.