



ECONOMIC & REVENUE UPDATE

12 July 2010

U.S.

- We had expected economic weakness in [May](#). But, activity turned out to be even more anemic than that. The downside risk that the economic recovery stalls has increased over the past month. The housing market has collapsed following the expiration of tax credits for buyers; consumers appear more hesitant to spend; the risk of excessive European fiscal austerity poses a threat to the global recovery, as does the possibility of a sovereign debt default; and, most critically, private job growth in the U.S. remains below par.
- First quarter real GDP growth was revised down yet again to a 2.7%, seasonally adjusted, annualized rate (SAAR), a half percentage point lower than it was first estimated. We expect moderate GDP growth in the second quarter, and the remainder of the year. May retail sales fell 1.2% seasonally adjusted (SA) from April as consumers cut back on their resumption of spending ([see figure](#)). The savings rate rose to 4% (SA), while consumer spending, which includes more categories of expenditure than retail sales increased 0.2% (SA).
- The June jobs report showed higher private sector job growth than in May, but the pace of increase remained tepid. Private sector jobs rose by 83,000, up from a gain of 33,000 in May. However, the headline showed a decline of 125,000 jobs, mostly due layoffs of temporary federal census workers. The unemployment rate fell to 9.5%, as more people stopped looking for work. Average hourly earnings and average weekly hours both declined, in what is a discouraging sign for the nascent labor market recovery.
- Activity in the housing sector declined sharply in May, following the expiry of the



federal tax credit incentives. Housing starts fell 10%, permits 6%, existing home sales declined 2%, and new home sales plummeted 32%. It is clear that the credits pulled demand forward, and housing is now expected to remain soft through the second half of the year.

- The downside risk to the global recovery from Europe has increased over the last month. On the one hand, a sovereign debt default, or withdrawal of one or more countries from the euro cannot be ruled out. That would spread fear and panic through global financial markets, which remain fragile. At the recently concluded G-20 Summit in Toronto, *"advanced economies have committed to fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016."* In implementing this medium-term plan, there is a risk that excessive fiscal austerity in the near-term can lead to another recession in Europe and a sharp slowdown in the global recovery. Policy authorities need to walk a very fine line along the razor's edge, and that is never easy.

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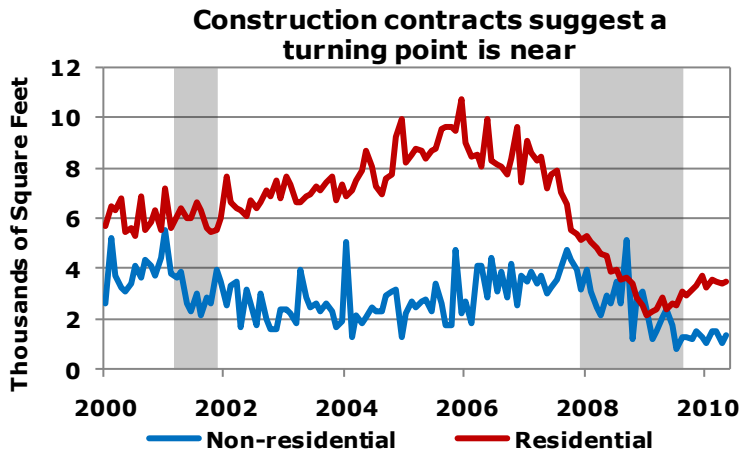
WASHINGTON

- Washington's economy also stumbled in May. Private sector employment growth slowed to a trickle and single-family housing permits registered a second consecutive month of decline. The downside risks have increased and the near-term outlook appears weaker than anticipated in June. We still expect the state economy to outperform the national economy in what is turning out to be a modest and moderate recovery.
- The Washington economy added 8,600 jobs in May, but most were temporary jobs related to the 2010 Census. The private sector added just 200 jobs, a sharp decline from the 5,600 private sector jobs added in April. This mirrored the national experience in May as employers sat on their hands, waiting to see how the European debt problems are resolved. Despite the slowdown in May, we believe the jobs recovery will continue, though it will be bumpy and uneven. The Washington economy added 14,900 private sector jobs in the first 5 months of the year, an average of nearly 3,000 per month. The job gains were widespread with only financial activities and "other services" showing declines. Even the construction sector added 600 jobs since the end of last year.
- The recent turmoil in the Eurozone, particular the Greek sovereign debt crisis, poses a threat to U.S. exports. For Washington, however, the impact is expected to be minimal, unless there is contagion. The strengthening U.S. dollar will hurt U.S. export competitiveness, but Washington may be spared much of the pain. Exports of transportation equipment are minimally affected in the short run by currency fluctuations. Contracts and prices are negotiated in advance and hedges put in place to guard against exchange rate risk. Moreover, close to 90% of the state's commodity exports, which are most sensitive to a strengthening currency, are to Asia and the U.S. dollar has remained stable against Asian currencies.
- The manufacturing sector in the state continues to experience a dramatic turnaround in activity, although national growth rates have slowed. The National Association of Purchasing Managers Western Washington Index, which measures strength in the manufacturing sector, has now indicated growth for eleven consecutive months. Perhaps most encouraging, the employment component of the index has been above 50 for the past eleven months as well, pointing to continued hiring in the sector. We are bullish about the prospects for the state's aerospace industry. Air traffic rebounded in May after the impact of Iceland's volcanic ash receded. Both air cargo and passenger traffic are now above their pre-recession levels. Boeing's order book remains full and we expect aerospace employment to return to modest growth in 2012 and 2013. Although we are optimistic that Boeing will eventually be awarded the military's contract to build the next generation air refueling tanker, it is not included in our forecast.
- The state's software publishing industry is growing once again. Microsoft has sold 150 million copies of Windows 7 making it the fastest-selling operating system in Microsoft history. Also encouraging is the news that we are now beginning to see a transition from mostly consumer demand for the product to the more lucrative business demand. The software publishing industry has added 900 (seasonally adjusted) jobs through May. We expect modest employment growth in software publishing to continue.
- New housing construction improved in the first quarter, according to the housing permit data, but declines in permits in April and May, after federal support was withdrawn, suggest a payback in the second and third quarters of this year. As of March 2010, single-family permits had rebounded 86% to 17,800 units (SAAR) from the recessionary low of 9,500 in March 2009. Single-family permits fell to 15,200 and 11,900 during the next two months, however, suggesting that much

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of the earlier strength was due to the homebuyer's tax credit which had the effect of pulling housing activity forward in time.



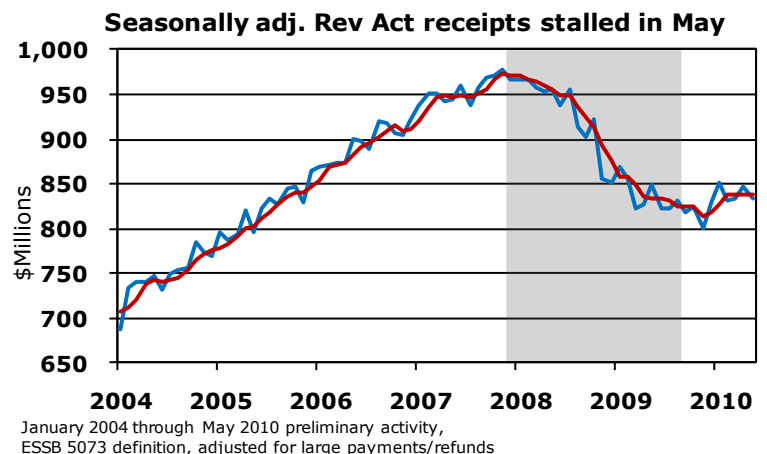
- Construction employment has shown little change so far this year. Employment increased by 800 jobs in May of which residential construction contributed 100 net new jobs and nonresidential construction added a surprising 700 jobs. Since December, the residential and nonresidential sectors have each added 300 net new jobs. The Dodge contract data tends to support the view that we

are at least near the bottom in construction. The number of square feet in residential contracts bottomed out in January 2009, rose through the remainder of the year, but flattened out again in 2010. Nonresidential construction declined sharply through July 2009 and has been essentially unchanged since then (see figure). We do not think we are out of the woods quite yet, however. The contracts are forward looking and lead other measures, such as employment, by a considerable margin. While the worst is probably behind us, we believe nonresidential construction employment will decline through the third quarter of 2011 and not show any significant growth until 2012. The improvement in residential contracts seems to have stalled in recent months and could weaken further now that the homebuyer's tax credit has expired. We don't expect any reductions in residential construction employment after the second quarter of 2010 but overall construction employment will continue to drift down through mid-2011 as the weak residential recovery is not enough to offset continued reductions in nonresidential construction.

REVENUE COLLECTIONS

Overview

- After two consecutive months of year-over-year growth (after adjustment for legislative changes and non-economic factors), Revenue Act growth stalled unexpectedly. Adjusted receipts from the June 11, 2010 – July 10, 2010 collection period, which mainly represent May economic activity, were 3.3% below their year-ago level (see figure). In the previous collection period, collections grew at 2.2%. The collections also represented a pause in growth on a seasonally adjusted basis (see figure). As can be seen in the charts of year-over-year and seasonally adjusted collections, however, it is not unusual for the monthly collections to fluctuate



considerably. It is therefore too early to tell if the decline was due to the timing of taxable receipts relative to reporting deadlines or due to an actual decline in activity in May. Analysis of payments by electronic filers (discussed below) implies

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Overview...continued

that the growth in May should have been similar to that of April. National and state economic statistics discussed above indicate a slowdown in May activity, but not a year-over-year decline.

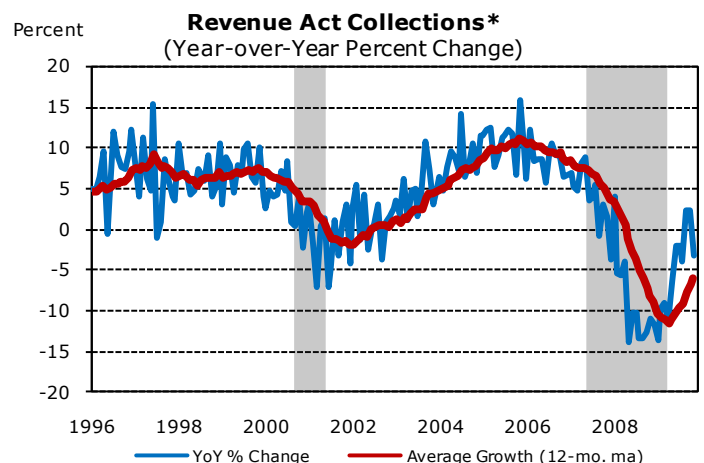
- Major General Fund-State (GF-S) revenues for the June 11, 2010 – July 10, 2010 collection period were \$91.3 million (7.7%) lower than our June forecast. During the period, there were two large unanticipated refunds totaling \$8.3 million and a transfer of \$15.5 million from the GF-S to a dedicated account. Adjusting for these special factors, the forecast variance is -\$68.0 million (-5.7%).
- Our report does not include June collections from the Department of Licensing which are not yet available due to a computer malfunction at that agency and their July 12th temporary layoffs. Collections were forecasted at \$6.0 million. If collections come in as forecasted, and we have no way of knowing if they did, the variance for the current period would be -\$85.3 million (-7.2%) and the adjusted variance would be -\$62.0 million (-5.2%).

Revenue Act

- The revenue collections reported here are for the June 11 – July 10, 2010 collection period. Collections correspond primarily to economic activity in May 2010.
- Collections for this period are \$94.4 million (10.5%) below the June forecast.
- Two large refunds totaling \$8.3 million which were not included in the forecast occurred during the collection period. In addition, \$15.0 million was transferred to the Hazardous Substances Tax account to correct an earlier misallocation. Without these \$23.3 million in refunds and transfers, the forecast variance would have been -\$71.1 million (-7.9%).
- The chart showing year-over-year Revenue Act growth reflects new revenues added under ESSB 5073. By this measure, revenues decreased 3.3% year-over-year in the current period after adjustments for large one-time payments

and refunds, after a 2.2% increase in the previous period. Unadjusted for definitional changes and one time revenue, revenue increased 1.2% year-over-year as shown in the "Key Revenue Variables" table.

- Preliminary ERFC monthly estimates indicate retail sales tax collections are down 6.1% year-over-year and B&O taxes are up 27.9% due to a one-time \$40 million payment \$40.0 assessed on past activity (this payment was included in the June forecast). Excluding the payment, B&O taxes would have been up 5.6%.
- Preliminary tax payments from electronic filers who also paid in the June 11 – July 10 collection period of last year were up 2.9% year-over-year. Some details:
 - Payments in the retail trade sector were up 3.3% year-over-year, the same rate as in the previous collection period. Payments from nine of the twelve major retail trade sectors showed a year-over-year



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

increase in the current period.

- The largest year-over-year increases in tax payments from the retail trade sector were in electronics and appliances (+24.0%), nonstore retailers (+14.8%), miscellaneous retailers (+10.5%) and furniture and home furnishings (+7.2%). The largest decreasing sectors were

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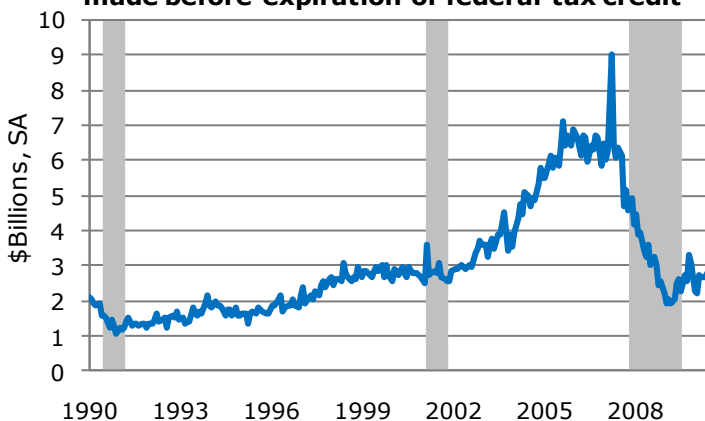
Revenue Act...continued

- building materials and garden equipment (-5.9%) and food and beverage stores (-2.9%).
- Payments in non-retail trade sectors were up 2.7% year-over-year, showing improvement from last month's growth of 2.5% (after excluding a large one-time payment).
- Payments in the construction sector were down 14.0%, while those in the manufacturing sector were up 25.0% year-over-year.
- Excluding the construction sector, total payments were up 5.5% year-over-year and payments from non-retail trade sectors were up 7.3%. Excluding both construction and manufacturing, payments from non-retail trade sectors were up 5.4%.
- Given the historical relationship between payments from same-payer electronic returns and Revenue Act collections, we would have expected an additional \$35 to \$45 million in collections. If the shortfall is due to the timing of payments from the remaining filers, this revenue could be potentially be recovered in the next collection period. This would leave an adjusted shortfall of \$20-\$30 million.

DOR Non-Revenue Act

- June collections were \$9.8 million (3.5%) above the June forecast.

June REET likely buoyed by closing of sales made before expiration of federal tax credit



- Most of the positive variance was due to transfers of unclaimed property to the GF-S (part of "other" revenue in the Revenue Forecast Variance table), which came in \$14.4 million above the forecast.
- Real estate excise tax collections were \$924,000 (2.4%) greater than forecasted. June collections likely showed some lingering support from the recent federal tax credit for homebuyers ([see figure](#)). While homebuyers had to sign contracts by April 30th, the deadline to close the sales has been extended to September 30th.
- Cigarette taxes came in \$5.2 million (13.0%) below the forecast, while liquor tax receipts were \$505,000 (3.3%) above the forecast.
- Due to the redefinition of GF-S revenue under ESSB 5073, June DOR non-Revenue Act collections are up 23.8% year-over-year. Without the changes, revenue would have been up approximately 3% year-over-year.

Other Revenue

- Department of Licensing receipts for June are not yet available due to a computer malfunction at that agency and their July 12th temporary layoff day.
- June revenue from the Administrative Office of the Courts was \$716,000 (9.1%) below the forecast.

Key U.S. Economic Variables

	2010						2008	2009
	Jan.	Feb.	Mar.	Apr.	May	Jun.		
Real GDP (SAAR)	-	-	2.7	-	-	-	0.4	-2.4
Industrial Production (SA, 2002 = 100)	101.3	101.3	101.6	102.3	103.5	-	109.2	98.2
<i>Y/Y % Change</i>	1.2	2.0	3.9	5.3	7.6	-	-2.0	-10.0
ISM Manufacturing Index (50+ = growth)	58.4	56.5	59.6	60.4	59.7	56.2	45.5	46.2
ISM Non-Manuf. Index (50+ = growth)	50.5	53.0	55.4	55.4	55.4	53.8	47.3	46.2
Housing Starts (SAAR, 000)	612	605	634	659	593	-	900	554
<i>Y/Y % Change</i>	25.4	4.1	21.9	38.2	7.8	-	-32.9	-38.4
Light Motor Vehicle Sales (SAAR, mil.)	10.8	10.4	11.8	11.2	11.6	11.1	13.2	10.4
<i>Y/Y % Change</i>	12.1	13.2	21.2	21.4	17.9	14.2	-18.2	-21.6
CPI (SA, 1982-84 = 100)	217.6	217.6	217.7	217.6	217.2	-	215.2	214.5
<i>Y/Y % Change</i>	2.7	2.2	2.4	2.2	2.0	-	3.8	-0.3
Core CPI (SA, 1982-84 = 100)	220.5	220.6	220.7	220.8	221.0	-	215.6	219.2
<i>Y/Y % Change</i>	1.5	1.3	1.2	1.0	1.0	-	2.3	1.7
IPD for Consumption (2000=100)	110.6	110.6	110.7	110.7	110.7	-	109.0	109.2
<i>Y/Y % Change</i>	2.1	1.8	2.1	2.0	1.9	-	3.3	0.2
Nonfarm Payroll Empl., e-o-p (SA, mil.)	129.6	129.6	129.8	130.2	130.6	130.5	134.3	129.6
<i>Monthly Change</i>	0.01	0.04	0.21	0.31	0.43	-0.13	-3.62	-4.74
Unemployment Rate (SA, percent)	9.7	9.7	9.7	9.9	9.7	9.5	5.8	9.3
Yield on 10-Year Treasury Note (percent)	3.73	3.69	3.73	3.85	3.42	3.20	3.67	3.26
Yield on 3-Month Treasury Bill (percent)	0.06	0.11	0.15	0.16	0.16	0.12	1.39	0.15
Broad Real USD Index** (Mar. 1973=100)	87.4	88.6	87.7	87.1	89.3	89.9	87.6	91.1
Federal Budget Deficit (\$ bil.)*	42.6	220.9	65.4	82.7	135.9	-	454.8	1,415.7
<i>FYTD sum</i>	430.7	651.6	717.0	799.7	935.6	-	-	-
US Trade Balance (\$ bil.)	-35.1	-40.1	-40.0	-40.3	-	-	-698.8	-374.9
<i>YTD Sum</i>	-35.1	-75.2	-115.3	-155.5	-	-	-	-

*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	
	Jan.	Feb.	Mar.	Apr.	May	Jun.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,792.5	2,787.4	2,792.5	2,800.7	2,809.3	-	2,914.0	2,784.2	
Change from Previous Month (000)	8.3	-5.1	5.1	8.2	8.6	-	-49.4	-129.8	
Construction	150.6	148.2	147.4	148.3	149.1	-	184.9	148.5	
Change from Previous Month	2.1	-2.4	-0.8	0.9	0.8	-	-24.5	-36.4	
Manufacturing	258.4	257.5	257.6	259.2	258.6	-	284.4	257.7	
Change from Previous Month	0.7	-0.9	0.1	1.6	-0.6	-	-11.8	-26.7	
Aerospace	81.8	80.9	81.1	80.8	80.3	-	85.5	81.2	
Change from Previous Month	0.6	-0.9	0.2	-0.3	-0.5	-	2.6	-4.3	
Software	50.5	50.6	50.9	51.2	51.3	-	53.0	50.4	
Change from Previous Month	0.1	0.1	0.3	0.3	0.1	-	4.6	-2.6	
All Other	2,333.0	2,331.1	2,336.6	2,342.0	2,350.3	-	2,391.7	2,327.6	
Change from Previous Month	5.4	-1.9	5.5	5.4	8.3	-	-17.7	-64.1	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	226.1	-	226.5	-	-	224.7	226.0	
	-	0.6%	-	0.3%	-	-	4.2%	0.6%	
Housing Permits (SAAR, 000)	23.9	20.2	19.3	16.7	14.1	-	27.4	15.9	
	44.8%	59.6%	35.8%	30.6%	-8.6%	-	-39.5%	-42.1%	
WA Index of Leading Ind. (2004=100)	114.6	113.9	114.9	115.5	114.8	-	116.5	110.0	
	3.3%	5.1%	8.0%	7.3%	5.7%	-	-0.1%	-5.6%	
WA Business Cycle Ind. (Trend=50)	4.6	3.2	4.3	4.3	4.1	-	41.4	8.4	
	-75.8%	-77.6%	-63.4%	-49.4%	-44.2%	-	-33.6%	-79.8%	
Avg. Weekly Hours in Manuf. (SA)	40.9	41.2	41.3	41.6	42.3	-	42.3	42.0	
	-7.9%	-3.7%	2.3%	0.6%	2.0%	-	0.8%	-0.7%	
Avg. Hourly Earnings in Manuf.	24.0	23.9	23.8	23.3	23.2	-	21.0	23.4	
	4.9%	3.8%	1.0%	-0.9%	-0.9%	-	2.4%	11.4%	
New Vehicle Registrations (SA, 000)	15.0	16.7	14.0	16.1	16.3	-	19.0	14.0	
	1.8%	18.1%	9.5%	25.5%	28.7%	-	-20.5%	-26.5%	
Initial Unemployment Claims (SA, 000)	52.1	57.5	56.9	55.2	57.1	62.5	45.8	69.4	
	-16.0%	-21.8%	-20.3%	-20.5%	-22.4%	-11.4%	34.1%	51.4%	
Personal Income (SAAR, \$bil.)	-	-	281.5	-	-	-	280.7	278.4	
	-	-	1.6%	-	-	-	3.6%	-0.8%	
Median Home Price (\$000)	-	-	245.9	-	-	-	283.4	255.7	
	-	-	-3.0%	-	-	-	-7.5%	-9.8%	

*Percentage Change is Year-over-Year

Key Revenue Variables

	2009			2010							
	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10	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*
Department of Revenue-Total	916,965	893,460	1,065,342	1,498,976	1,002,270	1,142,108	782,676	788,877	1,045,481	1,601,911	1,094,220
	-6.9	-5.7	-6.2	-4.3	6.3	3.5	1.7	12.1	7.7	9.8	6.4
Revenue Act	828,176	801,901	925,039	769,855	738,003	1,048,036	718,560	687,570	892,259	804,996	800,650
	-11.5	-10.5	-9.5	-10.4	-5.6	-1.1	-2.3	3.7	2.1	8.8	1.2
Retail Sales Tax	559,803	536,300	591,854	498,284	479,966	675,459	442,862	442,827	558,294	505,068	504,427
	-12.1	-12.0	-12.3	-14.0	-9.0	-1.5	-8.8	0.4	0.7	4.2	-6.1
Business and Occupation Tax	195,689	193,883	257,068	201,453	174,957	285,711	190,756	169,039	252,778	211,752	228,898
	-10.3	-7.0	-3.8	1.7	-7.3	1.9	9.7	8.2	6.9	21.5	27.9
Use Tax	35,296	33,364	36,620	31,985	30,001	42,638	31,493	32,207	37,466	35,681	27,062
	-16.9	-20.9	-11.6	-21.8	5.1	-6.6	1.3	-1.2	6.1	-5.6	-20.9
Public Utility Tax	25,761	26,399	27,222	25,863	35,188	32,902	36,036	29,597	32,517	30,997	22,130
	-0.4	4.3	0.2	-10.7	42.1	-11.5	7.9	-17.2	-10.7	-5.7	-22.3
Tobacco Products Tax	2,705	4,695	2,764	2,696	2,491	3,020	2,197	2,445	3,265	3,448	4,775
	172.6	464.2	174.9	177.2	189.8	251.7	167.4	146.1	240.5	262.4	373.8
Penalties and Interest	8,922	7,259	9,510	9,575	15,400	8,306	15,217	11,456	7,940	18,050	13,356
	-25.3	-24.5	-7.7	-7.2	40.7	-16.0	38.0	-445.4	-22.1	89.4	15.9
Non-Revenue Act**	88,789	91,559	140,303	729,121	264,268	94,073	64,116	101,307	153,222	796,916	293,570
	81.5	78.1	24.2	3.1	63.9	113.7	90.4	151.4	57.4	10.9	23.8
Liquor Sales/Liter	18,738	16,044	15,534	17,057	15,940	23,070	13,934	14,126	15,366	15,556	16,056
	31.4	11.2	26.5	23.5	18.4	21.6	14.9	23.8	24.2	25.1	15.2
Cigarette	25,777	25,001	23,475	22,361	25,990	25,758	12,829	23,816	23,570	35,990	34,746
	511.7	459.3	387.6	541.2	636.8	520.2	266.8	488.1	558.1	749.4	976.1
Property (State School Levy)	6,655	9,186	26,889	611,109	179,586	10,976	6,304	24,533	66,565	692,782	162,563
	NA	NA	185.0	-0.1	60.7	NA	NA	NA	72.6	4.4	5.5
Real Estate Excise	31,242	34,147	33,271	31,545	35,706	20,687	18,792	31,952	32,636	33,849	39,401
	-24.3	-22.9	-10.0	-15.1	33.1	7.1	-36.1	61.3	32.2	37.6	11.6
Timber (state share)	730	684	0	807	0	0	919	0	0	646	0
	-49.8	NA	NA	-46.5	NA	NA	-8.2	NA	NA	-3.2	NA
Other	5,647	6,498	41,135	46,242	7,045	13,582	11,338	6,881	15,085	18,093	40,804
	0.2	54.8	-16.5	17.8	23.8	-11.0	172.3	622.8	-17.0	33.8	33.3
Department of Licensing**	898	416	282	200	198	168	283	447	1,045	2,326	0
	1.9	3.0	-13.1	11.0	-7.2	-30.5	7.9	4.2	-81.5	-38.1	NA
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**	8,627	8,575	8,380	9,001	7,681	7,928	6,693	8,189	10,012	8,827	7,148
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total General Fund-State***	926,489	902,451	1,074,004	1,508,177	1,010,149	1,150,205	789,652	797,513	1,056,538	1,613,065	1,101,368
	-6.0	-4.8	-5.4	-4.4	7.1	4.2	2.6	13.3	8.2	10.3	6.4

*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
June 11, 2010 - July 10, 2010				
July 10, 2010 Collections Compared to the June 2010 Forecast				
Department of Revenue-Total	\$1,178,789	\$1,094,220	(\$84,570)	-7.2%
Revenue Act** (1)	895,049	800,650	(94,400)	-10.5%
Non-Revenue Act(2)	283,740	293,570	9,830	3.5%
Liquor Sales/Liter	15,551	16,056	505	3.2%
Cigarette	39,936	34,746	(5,191)	-13.0%
Property (State School Levy)	161,861	162,563	703	0.4%
Real Estate Excise	38,477	39,401	924	2.4%
Timber (state share)	0	0	0	0.0%
Other	27,915	40,804	12,889	46.2%
Department of Licensing (2)	5,979	NA	(5,979)	NA
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	7,864	7,148	(716)	-9.1%
Total General Fund-State***	\$1,192,632	\$1,101,368	(\$91,265)	-7.7%

Cumulative Variance Since the June Forecast (June 11 - July 10, 2010)

Department of Revenue-Total	\$1,178,789	1,094,220	(84,570)	-7.2%
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1 Collections June 11, 2010 - July 10, 2010. Collections primarily reflect May 2010 activity.

2 June 2010 collections.

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

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

5 Lottery transfers to the General Fund

* Based on the June 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.

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