ECONOMIC & REVENUE UPDATE

May 11, 2012

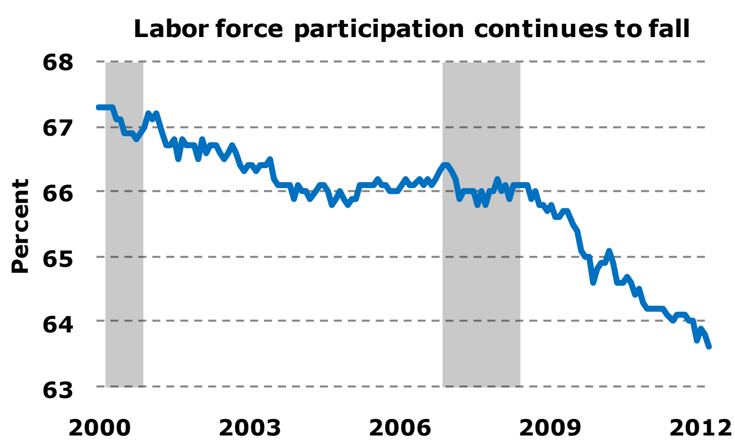
summary

- **April U.S. employment grew by only 115,000 jobs, making for a second consecutive month of employment growth below most economists' expectations.**
- **The U.S. unemployment rate dropped 0.1% to 8.1% as the size of the labor force declined.**
- **Washington's economy continues to track closely with the February forecast.**
- **Major General Fund-State revenue collections for the April 11 – May 10, 2012 collection period were $7.6 million (0.7%) lower than the February forecast.**
- **Cumulatively, revenue collections are coming in as predicted. Total collections in the three months since the February forecast are only $9.6 million (0.3%) higher than forecasted, out of $3.0 billion in collections.**

united states

United States

The U.S. economy has been sending mixed signals, with recent weak employment and GDP growth but also higher disposable personal income, strong auto sales, and signs that the housing market may be stabilizing.



The labor market remained weaker than expected for a second straight month, with payrolls increasing by only 115,000 jobs in April. This level of job growth is slightly below the average expansion in the labor force due to population growth; it would typically be associated with a small increase in the unemployment rate. However, a decrease in the size of the labor force (see figure) led to the April unemployment rate actually declining by 0.1% to 8.1%.

The retail, professional and business services, food services, and health care sectors all added jobs in April. Manufacturing, which has been a bright spot in the recovery, added only 16,000 jobs for its weakest gain since November. Transportation and warehousing, government, and arts and entertainment sectors all experienced job losses. The weak April employment data was partially offset by an upward revision in March job growth from 120,000 to 154,000.

The 2.2% growth in real GDP for the first quarter of 2012, while above the February forecast of 2.1%, is still fairly weak. One analyst has characterized the first quarter data as job united states

growth decelerating to meet GDP growth rather than GDP growth rising to meet the 200,000+ increase in monthly employment observed in December 2011 through February 2012.

Real disposable personal income increased for the first time since December. Following a 0.1% decline in February, real disposable personal income was up by 0.2% in March. The savings rate increased from 3.7% in February to 3.8% in March, reflecting slightly higher growth in personal income relative to consumption expenditures.

High gasoline prices tend to reduce consumer confidence and pose a risk to economic recovery. Therefore, the recent downward trend in average U.S. gas prices, from nearly $4.00 per gallon in early April to $3.79 per gallon (regular) as of May 7th, is a positive sign. However, civil unrest in oil producing countries such as Libya and along the Sudan/South Sudan border, as well as on-going tensions with Iran, create the potential for petroleum supply disruptions that could reverse this trend.

Light-vehicle sales remained strong in April, with sales exceeding 14 million units (SAAR) for a fourth straight month. First quarter 2012 income for all three U.S. auto manufacturers (General Motors, Ford, Chrysler) exceeded investment analysts' estimates. Other positive economic news includes an increase in the Small Business Optimism index, declining food commodity prices, and a rise in the Purchasing Managers Index for manufacturing.

Recent election results in France and Greece as well as the collapse of the Dutch government all signal dissatisfaction with attempts to address the Eurozone debt crisis through fiscal austerity measures. Whether calls for policies to improve European economic growth lead to an improved debt situation or serve as an excuse to avoid making hard decisions remains to be seen. In any case, the risk to the U.S. economy posed by the Eurozone crisis remains high.

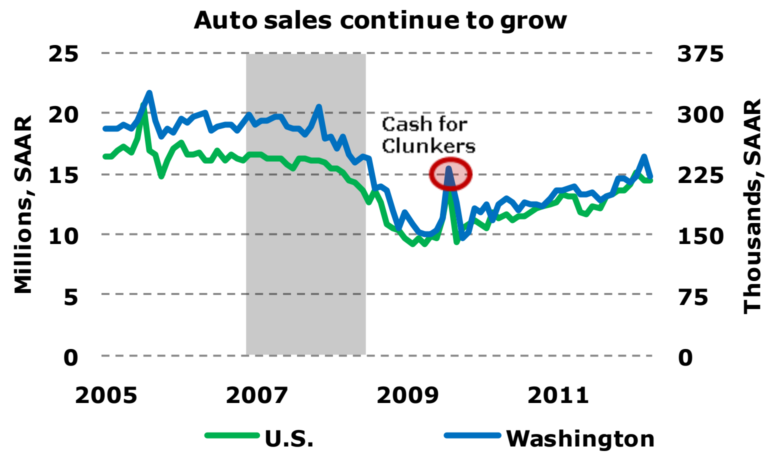
The Conference Board index of consumer confidence decreased by 0.3 points in April, dropping from 69.5 to 69.2. The University of Michigan consumer sentiment survey moved in the opposite direction, rising from 76.2 to 76.4. The less-volatile three month moving average for both indices has been rising since late 2011, suggesting that overall consumer confidence is slowly improving; both indices are well below their pre-recession levels.

Evidence of stability in house prices continues to emerge. The Case-Shiller 20-city composite house price index rose (by 0.15% SA) in February for the first time since April 2011. Existing home sales decreased by 2.9% (SA) in March, but remain well above year-ago levels. The inventory of existing homes for sale continues to decline, down 21.8% from year-ago levels. New home sales for March are down 7.1% (SA) from February, but are 7.5% higher than their year-ago level.

washington

Washington

The Washington economy has also been giving off mixed signals. Employment growth in recent months has slightly outpaced the modest growth we expected in the February forecast but earlier estimates were revised down, leaving the current level of employment slightly lower than anticipated. Housing construction was stronger than expected in the first quarter but prices are still weak. Aerospace employment is still expanding, but at a slower rate than in 2011. The risks to a continued recovery in Washington are still high. While oil and gasoline prices have receded somewhat, a European financial crisis remains a real possibility. Farther out, there is a risk of a severe fiscal contraction at the beginning of 2013 when, under current law, the Bush tax cuts expire; the 2 percent payroll tax holiday and extended unemployment compensation end; and the automatic spending and budget cuts mandated by the Budget Control Act are implemented. Here in Washington, we are suffering from fiscal drag from state and local government budget cuts and a construction sector which has stopped declining but is not yet adding to growth.



Washington's labor market recovery has performed somewhat better than expected in the two months since the February forecast. Total employment increased by 8,400 in February and March compared to our forecast of 7,000 net new jobs. The private sector did slightly better, adding 8,600 jobs while government declined by just 100 in the two month period. We had expected a decline of 500 government jobs. The manufacturing sector added 1,100 jobs in February and March led, as usual, by aerospace which added 500 jobs. The construction sector added just 200 net new jobs. Private service-providing industries accounted for the bulk of the two-month increase, adding 7,200 jobs. These were concentrated in trade, transportation, and utilities (up 2,600 jobs); professional and business services (up 1,600 jobs), education and health services (up 1,500 jobs), and leisure and hospitality (up 1,300 jobs). Even though growth in the last two months has been a bit stronger than expected in our forecast, a downward revision to the historical data leaves the level of employment in March slightly below our forecast. Washington's unemployment rate held steady at 8.3% in March as the increase in employment was matched by an increase in the labor force. Washington's initial claims for unemployment insurance are indicating a possible slowdown in growth. After falling steadily in the second half of 2011, claims have moved slightly higher so far this year.

Washington housing permits came in at 41,100 units (SAAR) in March which was the strongest since late 2007. Both multi-family and single-family housing were strong. Multi-family permits came in at 22,300 and single-family at 18,800. For the first quarter as a whole, single-family permits averaged 15,700 units, multi-family averaged 12,000 units, and the total averaged 27,700 units. These are all stronger than our forecast of 12,300 units for single family, 7,100 units for multifamily, and 19,400 for total housing units. According to S&P/Case Shiller Home Price Index for Seattle, however, regional home prices remain weak. The Seattle index declined in the most recent month and in eight of the last nine months. As of February 2012, the Seattle home price index is 2.9% below the year-earlier level and 31% below the May 2007 all-time peak.

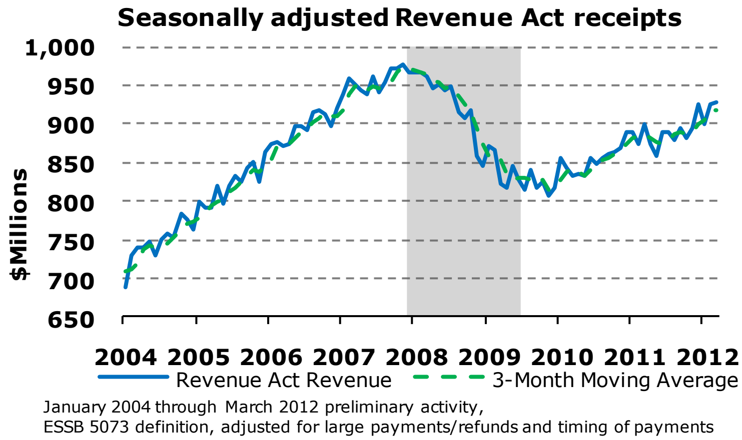
Like the nation, Washington has seen resurgence in new car and truck sales (see figure). Retail sales taxes on light motor vehicle sales account for approximately 4-5% of general fund revenues. U.S. and Washington light vehicle sales fell in early 2011 as supplies were disrupted due to the earthquake, tsunami and power shortage in Japan but have since rebounded. In spite of a dip in April, Washington new vehicle registrations are up 5.9% over the year and up more than 50% since the recession low in October 2009. Even though consumer confidence remains depressed, we believe motor vehicle sales growth will continue due to replacement demand.

Washington's economy continues to track closely with the February forecast. As in the forecast, we expect the Washington economy will continue to outperform the U.S. economy by a narrow margin. Downside risks, mainly from outside our borders, continue to outweigh upside risks.

REVENUE COLLECTIONS

Overview

Major General Fund-State revenue collections for the April 11 – May 10, 2012 collection period were $7.6 million (0.7%) lower than the February forecast. Cumulatively, revenue collections are coming in as predicted. Total collections in the three months since the February forecast are only $9.6 million (0.3%) higher than forecasted, out of $3.0 billion in collections.



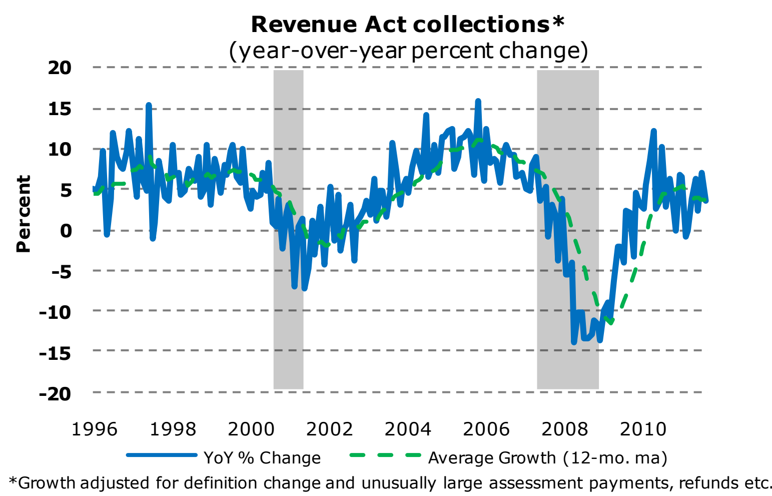
In the prior collection period, there were several large one-time refunds and payments which subtracted a net of $7.2 million from collections. Without these net refunds, cumulative collections would have been $16.8 million (0.6%) higher than forecasted.

Revenue Act

The revenue collections reported here are for the April 11 – May 10, 2011 collection period. Collections correspond primarily to the March 2012 economic activity of monthly filers and first quarter 2012 activity of quarterly filers.

Revenue Act collections for the current period came in $30.2 million (3.1%) below the February forecast. Cumulatively, collections are now $36.4 million (1.4%) less than forecasted. During the prior collection period, however, there were several large one-time refunds and payments which subtracted a net of $7.2 million from collections. Without these refunds, cumulative collections would have been $29.2 million (1.1%) less than forecasted.

Seasonally adjusted collections increased slightly after last month's strong increase, as did the three-month moving average of collections (see figure). Adjusted for large one-time payments and refunds in the current and year-ago periods, Revenue Act collections increased 3.7% year-over-year (see figure). In the previous period revenues had increased 7.1%.



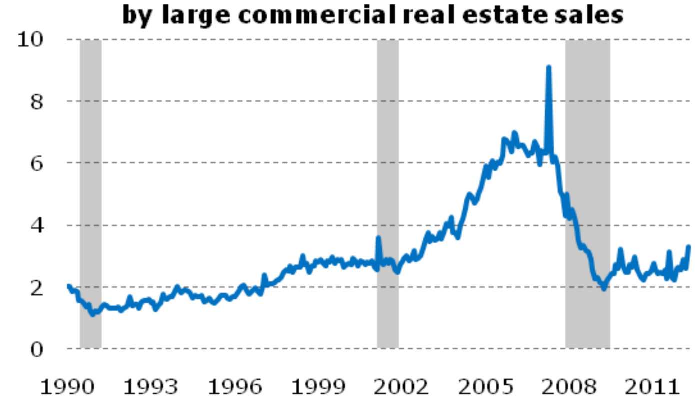
Unadjusted for large one-time payments and refunds, revenue decreased 19.0% year-over-year as shown in the "Key Revenue Variables" table. This large decrease was due to last year's tax penalty amnesty program, which brought in $258 million in large one-time payments during the April-May 2011 collection period. Preliminary unadjusted ERFC monthly estimates indicate retail sales tax collections decreased 13.8% year-over-year and B&O taxes decreased 13.6% year-over-year for the same reason.

Regular tax payments as of April 27th from electronic filers who also paid in the April 11 – May 10 collection period of last year were up 3.4% year-over-year, down from last month's growth rate of 7.8%. Last month's growth, however, was boosted by sales postponed due to January's inclement weather as well as an extra Wednesday's worth of sales due to this year's leap day.

Some details of payments from electronic filers:

- Payments in the retail trade sector were up 4.0% year over year. In the previous period, year-over-year payments increased 9.0%.
- Payments from the motor vehicle and parts sector increased 8.4% year over year. In the previous period, year-over-year payments increased 15.6%. Excluding the auto sector, payments from the retail trade sector would have increased 2.6% year over year.
- Besides the auto sector, the biggest increases in the retail trade sector were in non-store retailers (+7.7%), apparel and accessories (+6.8%) and electronics and appliances (+6.3%). Two retail trade sectors saw decreases in payments: food and beverage stores (-6.8%) and miscellaneous retailers (-0.8%).
- Payments in non-retail trade sectors were up 3.1% year over year in the current period and 7.1% in the previous period.
- Tax payments by businesses in the construction sector increased 5.9% year over year in the current period and 6.0% in the previous period.
- Payments from the manufacturing sector were down 1.6% year over year. The decline was mainly due to a large decline in payments from petroleum refiners stemming from the February Cherry Point refinery fire. This decline, however, was partially offset by strong growth in payments from the transportation equipment sector.

April REET activity was once again boosted by large commercial real estate sales



Source: ERFC, data through April 2012 preliminary activity

DOR Non-Revenue Act

April collections were $22.9 million (14.4%) above the February forecast. Cumulatively, collections since February are $45.4 million (13.1%) higher than expected.

The largest contributor to this month's positive variance was real estate excise taxes (REET), which came in $13.6 million (52.4%) higher than forecasted. Almost half of the variance was due to the $480 million sale of the Russell Center in downtown Seattle, which brought in $6.1 million in GF-S revenue. Over the last nine months there have been several large sales of commercial property, many of them visible as spikes in the chart of seasonally adjusted taxable activity (see figure). Just since the February forecast, there have been $800 million of exceptionally large commercial sales, which have generated $10.2 million in GF-S revenue. Due mainly to these and other commercial sales, cumulative REET collections are now $20.9 million (29.0%) greater than forecasted.

The other main contributor to this month's positive variance was "Other" revenues, which came in $4.7 million (28.0%) greater than forecasted. The variance was mainly due to larger-than-forecasted transfers of unclaimed property into the GF-S. Cumulatively, “other” receipts are now $8.7 million (23.7%) greater than forecasted.

Property tax collections came in $2.4 million (3.6%) greater than forecasted. Cumulatively, property tax collections are now $7.2 million (7.2%) above the February forecast.

Liquor tax receipts came in $1.6 million (9.6%) higher than forecasted. Cumulative revenue is now $2.4 million (5.1%) greater than forecasted.

Other Revenue

Department of Licensing receipts for April were $536,000 (33.0%) higher than the February forecast and are now cumulatively $733,000 (32.3%) greater than forecasted.

Revenue from the Administrative Office of the Courts was $826,000 (9.0%) lower than the February forecast and is now cumulatively $148,000 (0.6%) less than forecasted.

Key U.S. Economic Variables

	2011 Nov.	Dec.	2012 Jan.	Feb.	Mar.	Apr.	2010	2011
Real GDP (SAAR)	-	3.0	-	-	2.2	-	3.0	1.7
Industrial Production (SA, 2002 = 100)	95.1	95.9	96.6	96.6	96.6	-	90.1	93.7
Y/Y % Change	*4.1*	*3.8*	*4.4*	*4.6*	*3.8*	-	*5.4*	*4.1*
ISM Manufacturing Index (50+ = growth)	52.2	53.1	54.1	52.4	53.4	54.8	57.3	55.2
ISM Non-Manuf. Index (50+ = growth)	52.6	53.0	56.8	57.3	56.0	53.5	54.1	54.5
Housing Starts (SAAR, 000)	702	681	714	694	654	-	585	610
Y/Y % Change	*27.4*	*29.5*	*12.3*	*34.0*	*10.3*	-	*5.6*	*4.3*
Light Motor Vehicle Sales (SAAR, mil.)	13.6	13.6	14.2	15.1	14.4	14.4	11.6	12.8
Y/Y % Change	*11.0*	*8.4*	*11.7*	*13.7*	*10.0*	*9.5*	*11.6*	*10.4*
CPI (SA, 1982-84 = 100)	227.0	227.0	227.5	228.4	229.1	-	32.5	33.4
Y/Y % Change	*3.5*	*3.0*	*2.9*	*2.9*	*2.6*	-	*3.0*	*2.8*
Core CPI (SA, 1982-84 = 100)	226.9	227.2	227.7	227.9	228.4	-	33.6	34.7
Y/Y % Change	*2.2*	*2.2*	*2.3*	*2.2*	*2.3*	-	*2.5*	*3.5*
IPD for Consumption (2000=100)	114.7	114.7	115.0	115.4	115.6	-	111.1	113.8
Y/Y % Change	*2.7*	*2.5*	*2.4*	*2.3*	*2.1*	-	*1.8*	*2.5*
Nonfarm Payroll Empl., e-o-p (SA, mil.)	132.0	132.2	132.5	132.7	132.9	133.0	130.3	132.2
Monthly Change	*0.16*	*0.22*	*0.28*	*0.26*	*0.15*	*0.12*	*1.03*	*1.84*
Unemployment Rate (SA, percent)	8.7	8.5	8.3	8.3	8.2	8.1	9.6	9.0
Yield on 10-Year Treasury Note (percent)	2.01	1.98	1.97	1.97	2.17	2.05	3.21	2.79
Yield on 3-Month Treasury Bill (percent)	0.01	0.01	0.03	0.09	0.08	0.08	0.14	0.05
Broad Real USD Index** (Mar. 1973=100)	84.4	85.1	84.4	83.3	83.8	84.0	87.1	82.7
Federal Budget Deficit ($ bil.)*	137.3	86.0	27.4	231.7	198.2	-59.1	1,294.2	1,296.8
FYTD sum	*235.8*	*321.7*	*349.1*	*580.8*	*779.0*	*719.9*		
US Trade Balance ($ bil.)	-47.5	-50.4	-52.5	-45.4	-51.8	-	-500.0	-560.0
YTD Sum	*-509.5*	*-560.0*	*-52.5*	*-97.9*	*-149.8*	-		

**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

	2011 Nov.	Dec.	2012 Jan.	Feb.	Mar.	Apr.	2010	2011
Employment								*End-of-period*
Total Nonfarm (SA, 000)	2,837.4	2,839.3	2,846.3	2,850.5	2,854.7	-	2,801.3	2,839.3
Change from Previous Month (000)	*6.1*	*1.9*	*7.0*	*4.2*	*4.2*	-	*23.7*	*38.0*
Construction	137.0	137.5	137.9	138.6	138.2	-	138.1	137.5
Change from Previous Month	*0.4*	*0.5*	*0.4*	*0.6*	*-0.4*	-	*-8.1*	*-0.5*
Manufacturing	274.2	274.2	275.4	275.4	276.6	-	260.9	274.2
Change from Previous Month	*1.8*	*0.0*	*1.2*	*0.0*	*1.1*	-	*3.8*	*13.3*
Aerospace	90.7	91.0	91.3	91.4	91.9	-	81.9	91.0
Change from Previous Month	*1.3*	*0.4*	*0.3*	*0.1*	*0.5*	-	*0.8*	*9.1*
Software	51.8	51.9	52.0	52.2	52.4	-	51.1	51.9
Change from Previous Month	*0.0*	*0.2*	*0.0*	*0.3*	*0.2*	-	*0.5*	*0.8*
All Other	2,374.5	2,375.7	2,381.0	2,384.3	2,387.5	-	2,351.2	2,375.7
Change from Previous Month	*3.9*	*1.3*	*5.3*	*3.3*	*3.3*	-	*27.5*	*24.5*
Other Indicators								*Annual Average*
Seattle CPI (1982-84=100)	-	234.8	-	235.7	-	-	226.7	232.8
	-	3.5%	-	2.7%	-	-	*0.3%*	*2.7%*
Housing Permits (SAAR, 000)	24.8	23.6	17.0	24.9	41.1	-	19.6	21.2
	28.6%	*-7.8%*	*-4.5%*	*54.2%*	*133.4%*	-	*22.7%*	*8.3%*
WA Index of Leading Ind. (2004=100)	112.9	113.2	111.9	113.6	115.4	-	104.8	111.1
	5.6%	*5.2%*	*3.7%*	*5.0%*	5.5%	-	*4.9%*	*6.0%*
WA Business Cycle Ind. (Trend=50)	21.6	22.1	20.8	23.8	27.8	-	13.2	18.4
	54.4%	*34.2%*	*32.3%*	*55.0%*	*77.3%*	-	*-18.3%*	*39.1%*
Avg. Weekly Hours in Manuf. (SA)	42.7	42.1	41.8	41.7	42.9	-	41.9	42.4
	2.3%	*0.2%*	*-0.8%*	*0.3%*	*2.1%*	-	*-0.3%*	*1.2%*
Avg. Hourly Earnings in Manuf.	24.1	24.2	24.3	24.3	24.3	-	23.5	24.0
	2.5%	*0.5%*	*1.1%*	*0.8%*	*0.7%*	-	*0.4%*	*2.1%*
New Vehicle Registrations (SA, 000)	18.2	18.2	17.9	18.6	20.5	18.5	15.5	17.0
	18.4%	*12.0%*	*5.3%*	*9.6%*	*18.9%*	*5.9%*	*10.7%*	*9.9%*
Initial Unemployment Claims (SA, 000)	48.4	42.3	52.9	44.1	46.4	47.1	56.5	49.9
	-2.8%	*-22.6%*	*-1.7%*	*-14.2%*	*-7.5%*	*-11.3%*	*-18.1%*	*-11.8%*
Personal Income (SAAR, $bil.)	-	306.9	-	-	-	-	287.2	302.5
	-	*5.1%*	-	-	-	-	*3.0%*	*5.3%*
Median Home Price ($000)	-	217.0	-	-	208.3	-	245.2	224.4
	-	*-9.2%*	-	-	*-8.7%*	-	*-4.1%*	*-8.5%*

**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

	2011								2012			
	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	Feb 11-Mar 10	Mar 11-Apr 10	Apr 11-May 10*
Department of Revenue-Total	1,641,571	1,270,126	1,092,482	1,020,032	994,146	1,139,412	1,626,929	1,070,561	1,269,913	865,345	937,324	1,137,572
	2.5	*16.1*	*2.9*	*7.2*	*7.1*	*-1.0*	*2.7*	*-3.2*	*10.1*	*3.7*	*7.7*	*-14.8*
Revenue Act	861,245	816,518	983,045	899,856	896,724	976,349	845,057	829,991	1,135,635	777,433	813,701	955,769
	7.0	*2.0*	*2.0*	*6.7*	*7.3*	*-0.7*	*-1.4*	*-0.7*	*8.4*	*3.0*	*6.0*	*-19.0*
Retail Sales Tax	524,437	505,397	599,867	570,607	564,767	607,066	528,237	545,805	697,507	465,364	495,485	573,199
	3.8	*-3.3*	*1.2*	*3.4*	*5.9*	*0.3*	*-2.3*	*3.4*	*5.3*	*2.6*	*8.1*	*-13.8*
Business and Occupation Tax	239,931	230,620	289,042	251,468	254,354	284,690	238,227	210,726	340,302	219,967	230,474	296,262
	13.3	*17.8*	*1.7*	*17.5*	*15.0*	*-3.0*	*0.8*	*-7.3*	*19.5*	*2.7*	*4.8*	*-13.6*
Use Tax	41,435	38,934	49,193	38,771	37,115	41,932	36,319	31,206	43,921	34,937	37,150	38,897
	16.1	*10.2*	*17.6*	*1.1*	*0.7*	*-0.7*	*4.6*	*-12.0*	*-4.0*	*6.2*	*2.7*	*-64.3*
Public Utility Tax	33,817	30,194	29,136	26,207	27,937	29,194	27,650	32,351	40,021	41,182	38,555	34,855
	9.1	*3.7*	*5.8*	*1.4*	*4.0*	*2.2*	*-5.3*	*18.1*	*1.4*	*3.4*	*5.4*	*-12.9*
Tobacco Products Tax	3,865	4,243	4,334	4,003	4,462	4,238	3,958	3,593	3,554	3,763	3,300	3,880
	12.1	*78.1*	*20.4*	*13.6*	*26.4*	*-2.2*	*-6.0*	*5.3*	*-18.1*	*-5.5*	*-1.1*	*-4.3*
Penalties and Interest	17,759	7,130	11,473	8,799	8,089	9,229	10,665	6,311	10,330	12,219	8,738	8,677
	-1.6	*-54.4*	*-13.7*	*-11.2*	*-40.6*	*-5.4*	*-9.0*	*-53.8*	*-5.8*	*24.0*	*-35.1*	*-54.3*
Non-Revenue Act**	780,325	453,608	109,437	120,176	97,423	163,063	781,872	240,569	134,278	87,913	123,623	181,803
	-2.1	*54.7*	*11.3*	*11.1*	*4.9*	*-2.3*	*7.5*	*-11.1*	*27.3*	*9.8*	*20.2*	*17.1*
Liquor Sales/Liter	16,164	16,594	17,247	18,625	17,897	16,998	16,912	17,828	24,559	14,892	15,940	17,799
	3.9	*3.3*	*6.3*	*2.2*	*8.3*	*7.2*	*1.1*	*5.8*	*3.9*	*7.0*	*9.7*	*11.1*
Cigarette	23,966	107,936	38,924	41,012	37,554	34,412	35,258	35,561	31,419	31,768	32,932	33,406
	-33.4	*210.6*	*61.3*	*2.9*	*29.2*	*2.7*	*34.8*	*-2.7*	*5.4*	*24.9*	*17.9*	*17.4*
Property (State School Levy)	694,837	184,883	9,491	7,295	10,583	38,957	654,270	145,816	9,659	6,023	31,469	69,804
	0.3	*13.7*	*-12.5*	*2.8*	*7.2*	*16.8*	*6.7*	*-16.0*	*-22.1*	*-12.2*	*22.4*	*3.6*
Real Estate Excise	27,102	39,094	31,156	45,591	31,027	23,540	29,745	32,631	22,471	22,495	31,182	39,445
	-19.9	*-0.8*	*-8.7*	*43.5*	*13.5*	*-24.2*	*10.3*	*-1.9*	*-1.9*	*14.2*	*12.1*	*37.1*
Timber (state share)	825	0	0	1,166	0	0	958	0	0	1,019	0	0
	27.6	*NA*	*NA*	*-29.0*	*NA*	*NA*	*-9.5*	*NA*	*NA*	*29.2*	*NA*	*NA*
Other	17,432	105,100	12,619	6,488	362	49,156	44,729	8,733	46,170	11,717	12,099	21,350
	-2.9	*160.8*	*-2.9*	*-31.7*	*-96.3*	*-7.6*	*5.4*	*-14.7*	*180.8*	*-12.1*	*76.5*	*43.8*
Department of Licensing**	2,861	6,300	3,004	1,371	510	301	244	221	194	307	538	2,161
	23.0	*-14.4*	*-20.6*	*11.5*	*3.4*	*-5.6*	*101.8*	*69.1*	*50.6*	*-10.2*	*3.3*	*24.7*
Lottery**	0	6,651	0	0	0	0	0	0	0	0	0	0
	NA	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Administrative Office of the Courts**	8,399	7,997	8,416	7,961	8,640	7,972	8,281	7,462	7,401	6,212	8,522	8,356
	-4.9	*11.9*	*-6.1*	*-2.1*	*9.1*	*2.3*	*-5.3*	*1.2*	*-7.0*	*-2.2*	*4.4*	*-10.8*
Total General Fund-State***	1,652,830	1,291,073	1,103,901	1,029,364	1,003,296	1,147,686	1,635,454	1,078,244	1,277,509	871,864	946,385	1,148,089
	2.5	*16.5*	*2.7*	*7.1*	*7.1*	*-1.0*	*2.5*	*-3.2*	*10.0*	*3.6*	*7.6*	*-14.7*

*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

Period/Source	Estimate*	Actual	Difference Amount	Percent
April 11, 2012 - May 10, 2012				
May 10, 2012 Collections Compared to the February 2012 Forecast				
Department of Revenue-Total	$1,144,879	$1,137,572	($7,307)	-0.6%
Revenue Act** (1)	985,933	955,769	(30,165)	-3.1%
Non-Revenue Act(2)	158,945	181,803	22,858	14.4%
Liquor Sales/Liter	16,243	17,799	1,556	9.6%
Cigarette	32,778	33,406	627	1.9%
Property (State School Levy)	67,360	69,804	2,444	3.6%
Real Estate Excise	25,884	39,445	13,561	52.4%
Timber (state share)	0	0	0	0.0%
Other	16,681	21,350	4,669	28.0%
Department of Licensing (2)	1,626	2,161	536	33.0%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	9,183	8,356	(826)	-9.0%
Total General Fund-State***	$1,155,687	$1,148,089	($7,597)	-0.7%
Cumulative Variance Since the February Forecast (February 11, 2012 - May 10, 2012)				
Department of Revenue-Total	$2,931,189	$2,940,242	$9,052	0.3%
Revenue Act** (3)	2,583,299	2,546,903	(36,396)	-1.4%
Non-Revenue Act(4)	347,890	393,339	45,449	13.1%
Liquor Sales/Liter	46,275	48,630	2,356	5.1%
Cigarette	92,197	98,106	5,908	6.4%
Property (State School Levy)	100,125	107,297	7,171	7.2%
Real Estate Excise	72,185	93,122	20,937	29.0%
Timber (state share)	609	1,019	410	67.3%
Other	36,499	45,166	8,667	23.7%
Department of Licensing (4)	2,273	3,006	733	32.3%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	23,239	23,091	(148)	-0.6%
Total General Fund-State***	$2,956,701	$2,966,339	$9,638	0.3%

1 Collections April 11, 2012 - May 10, 2012. Collections primarily reflect March 2012 activity of monthly filers and first quarter 2012 activity of quarterly filers.
2 April 2012 collections.
3 Cumulative collections, estimates and variance since the February 2012 forecast; (February 11, 2012 - May 10, 2012) and revisions to history.
4 Cumulative collections, estimates and variance since the February forecast (February - April 2012) and revisions to history.
5 Lottery transfers to the General Fund
* Based on the February 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.