



ECONOMIC & REVENUE UPDATE

October 11, 2012

summary

- **September U.S. employment grew by 114,000 jobs; July and August employment data were revised up by a total of 86,000 jobs.**
- **Economic data continue to provide mixed signals, but consumer confidence improves.**
- **Washington employment and income continue to grow at a moderate rate.**
- **Housing construction is improving, but off a very low base.**
- **Major General Fund-State revenue collections for the September 11 – October 10, 2012 collection period were \$36.6 million (3.4%) higher than the September forecast. Revenue Act collections were \$35.7 million (3.8%) higher than forecasted and other revenue was \$1.0 million (0.8%) higher.**
- **It is likely that this month's large Revenue Act variance was mainly due to the timing of payments and it will be at least partially reversed next month.**

United States

Nonfarm payroll employment in the U.S. increased by 114,000 jobs in September and the unemployment rate dropped from 8.1% to 7.8%. Notable employment gains occurred in health care (43,500), transportation and warehousing (17,100), and food services and drinking places (15,700). Employment data for July and August were revised upward by a combined 86,000 jobs. Employment growth for the year has averaged 146,000 jobs per month. For 2011, average monthly employment gains were 153,000 jobs.

The Conference Board index of consumer confidence increased by 9.0 points, rising from 61.3 in August to 70.3 in September. Consumers were more optimistic about business and labor market conditions both currently and over the next six months. The index is now at its highest point since February of this year. The University of Michigan consumer sentiment survey for September also moved up, increasing by 4.0 points, from 74.3 in August to 78.3 in September. This marks two consecutive months of increases for the University of Michigan index.

The U.S. Department of Commerce released its third estimate of real GDP growth for the second quarter of 2012. The 1.3% growth rate, revised down from the second estimate of

Disposable personal income fell in August



united states

1.7%, reflects reductions in inventories, consumer spending and exports.

Real disposable personal income decreased by 0.3% in August, the first monthly decline since November 2011 (see figure). Real personal consumption expenditures increased for a third straight month and were up by 0.1% in August.

Industrial production fell by 1.2% (SA) in August, the worst reading since the end of the recession. The Institute for Supply Management's manufacturing Purchasing Managers Index for September increased to 51.5 from the August level of 49.6, which was the lowest reading since July 2009. Readings above 50 indicate growth. The non-manufacturing index increased by 1.4 points to 55.1 and has remained above 50 for 32 straight months. Core capital goods orders (i.e. durables excluding aircraft and military) which are a proxy for business investment, increased 1.1% in August, after declining 5.6% in July and decreasing 2.7% in June.

Gasoline prices gradually increased through mid-September before declining slightly to an average price of \$3.80 per gallon (regular, all formulations) for the week ending October 1st. September spot prices for both West Texas Intermediate (WTI) and Brent petroleum were generally below their August 31st level (\$96 per barrel for WTI, \$114 for Brent). The October 1st spot price for WTI was \$92 per barrel and \$113 per barrel for Brent.

Light-vehicle sales increased to 14.9 million units (SAAR) in September from their August sales level of 14.5 million units, making the ninth consecutive month with sales at or above 14 million units and the best sales month since March 2008.

Europe continues to struggle economically, with the Eurozone unemployment rate stuck at 11.4% since June. Weakness in Eurozone economies means reduced demand for U.S exports as well as continued difficulties in addressing their sovereign debt and banking crises. As a result, Europe continues to pose a substantial risk to the U.S. economy.

Sales of existing homes increased in August while new home sales declined. Existing home sales increased 7.8% (SA) in August compared to July and are 9.3% above the August 2011 sales level. New home sales fell slightly to 373,000 units (SAAR) in August, 0.3% below July sales but still 27.7% above the year-ago level. The decline in new home sales may be due in part to the record low number of new homes for sale in August. The seasonally adjusted Case-Shiller 20-city home price index increased 0.4% in July from the previous month, the sixth consecutive monthly increase. The index is now 1.1% above the year-ago level (SA).

Other indicators of note continue to give a mixed picture of the economy. Although layoff announcements for September were up 4.9% from August, total announced layoffs for January through August 2012 are 19% below job cuts recorded during the same period last year. Job openings declined slightly in August for the second straight month, although they remain 13.0% above year ago levels. The American Trucking Association's truck tonnage index decreased 0.9% (SA) in August after a 0.4% increase in July. Rail carloads were 0.7% lower (SA) in September than in August, while intermodal units (shipping containers or truck trailers) were 0.6% lower (SA) in September than in August.

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Washington

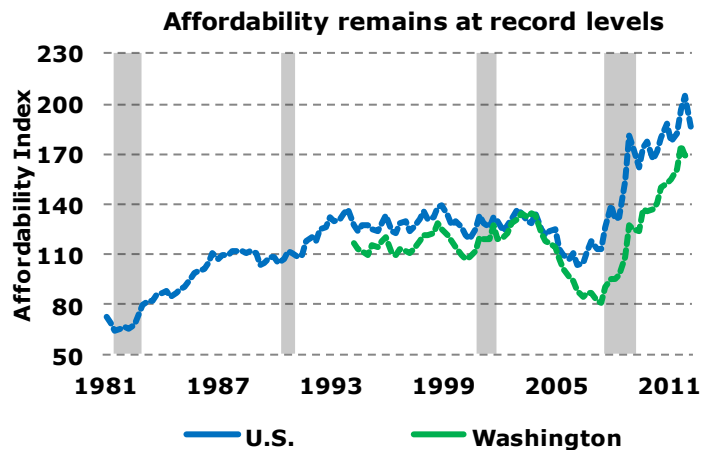
In the last three months the Washington economy added 12,700 jobs for an annualized growth rate of 1.8%. Led by Boeing, manufacturing employment growth remains strong. Of the 3,700 manufacturing jobs added in the last three months, 3,400 were in the aerospace sector. Construction employment growth remains weak with only 500 net new jobs and government employment continues to decline, shedding 600 jobs. As usual, most jobs

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were created in the private services-providing sectors which added 9,200 jobs in the last three months. In spite of the continuing gains in payroll employment, the state's unemployment rate has been increasing in recent months. After declining from a high of 10.2% in December 2009 to 8.2% in April 2012, the unemployment rate increased to 8.6% in August.

Washington housing construction, as measured by building permits, continues to strengthen. To date, the upturn in the construction sector has been led by multi-family housing. So far this year (through August) multi-family permits are averaging 11,500 (SAAR) which is nearly three times higher than the 4,000 for all of 2009, the low point in housing construction. In contrast, single-family permits have improved much less, to an average rate of 16,200 so far this year which is a 26% increase from the 13,000 units in 2009. Overall housing units are averaging 27,700 so far this year which is 74% higher than the 2009 average. While this sounds like a huge increase, it should be remembered that it is off a very low base. Total housing units this year are still running 48% below the 53,000 units permitted in 2005. While the recent growth in housing construction has been concentrated in the multi-family sector, we expect the mix to move more to single-family construction.

One of the main reasons we expect single-family construction to increase is the record affordability of owner-occupied housing. The National Association of Realtors produces a housing affordability index for the United States and the Washington Center for Real Estate Research produces a similar index for Washington State. In both indices, affordability is determined by family income, home prices, and mortgage interest rates. An index value of 100 means a family with a median income can just afford the median-priced home assuming a 20 percent down payment and principal and interest payments equal to 25% of family income. An index value above 100 means the median income is more than sufficient to afford the median-priced home. By this measure, houses have never been more affordable than in recent months (see figure).



In September the Bureau of Economic Analysis (BEA) released preliminary state personal income estimates for the second quarter of 2012. According to these preliminary estimates, Washington personal income grew at a 4.2% seasonally adjusted annual rate in the second quarter, just edging out the 4.1% U.S. growth rate. The BEA also released revised quarterly and annual state personal income beginning with the first quarter of 2009. Revisions are usually made each September to incorporate source data that are more complete and more detailed than previously available. The revised data indicate a more severe recession in 2009 and initially less robust recovery than previously believed. According to the new estimates, Washington nominal personal income fell 4.4% in 2009 rather than 3.6% and grew 2.4% in 2010 rather than 3.0%. The new estimate for growth in 2011 is higher, 5.8% rather than 5.2%, but the level in 2011 is still \$2.844 billion (0.9%) lower than previously reported. The historical revisions were more than accounted for by reductions in the estimates for property income (dividends, interest, and rent).

Local area inflation has moved well ahead of the national average. Seattle headline inflation over the twelve months ending in August 2012 was 2.8% compared to just 1.7% for the

washington

Local area inflation has moved well ahead of the national average. Seattle headline inflation over the twelve months ending in August 2012 was 2.8% compared to just 1.7% for the U.S. city average. Core inflation in Seattle was 3.0% compared to 1.9% for the nation. A major reason for the higher inflation in Seattle is faster growth in shelter costs which are driven primarily by rents. Seattle shelter costs have risen 3.6% over the last year compared to 2.1% for the U.S. city average. This explains more than half of the 1.1 percentage point differential in core inflation.

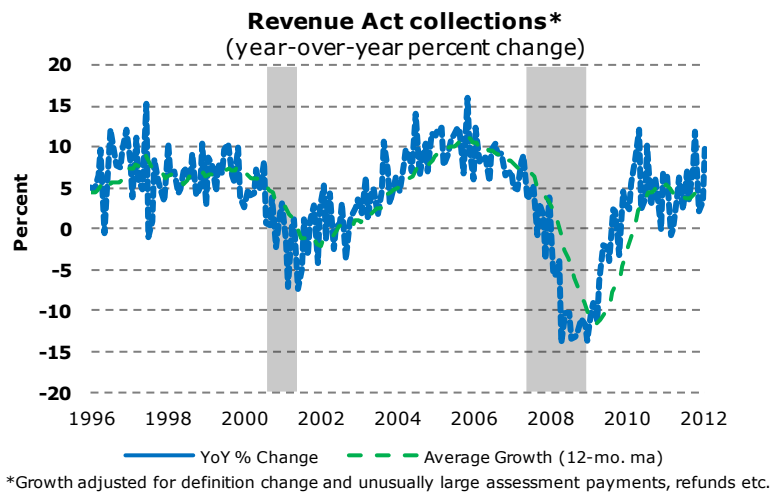
Our final September economic forecast, which was adopted on September 19, is slightly stronger than the forecast adopted in June based on better employment growth, a stronger housing market, and a higher level of personal income. As in June, we expect Washington job and income growth to gradually improve throughout the forecast. We continue to expect the state of Washington to outperform the U.S. economy however the recovery will continue to be slow by historical standards and unemployment will decline only gradually.

REVENUE COLLECTIONS

Overview

Major General Fund-State revenue collections for the September 11 – October 10, 2012 collection period were \$36.6 million (3.4%) higher than the September forecast. Revenue Act collections were \$35.7 million (3.8%) higher than forecasted and other revenue was \$1.0 million (0.8%) higher.

The high year-over-year growth rate of Revenue Act collections indicate that this month’s positive variance was probably due to changes in tax payment patterns rather than a sudden increase in economic activity. Because of this, it is likely that next month’s collections will fall short of the forecast, but the cumulative variance might still remain positive.



Revenue Act

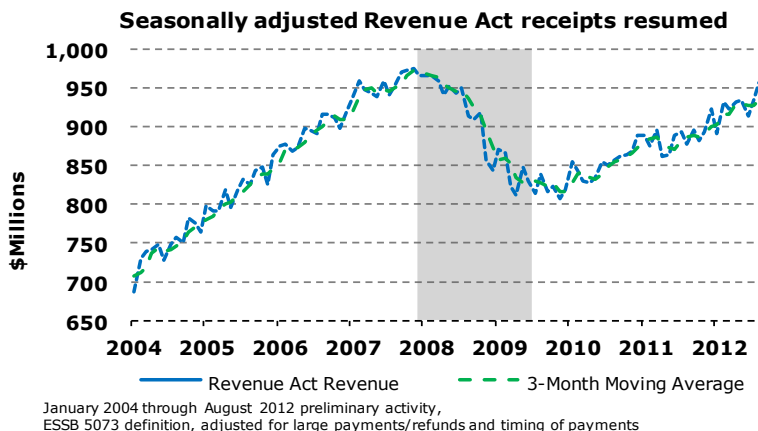
The revenue collections reported here are for the September 11 – October 10, 2011 collection period. Collections correspond primarily to the August 2012 economic activity of monthly filers.

Revenue Act collections for the current period came in \$35.7 million (3.8%) above the September forecast. Adjusted for large one-time payments and refunds in the current and year-ago periods, Revenue Act collections increased 10.4% year-over-year after growing at 3.4% last month (see figure). As this growth rate is considerably higher than the average growth of recent months, it is likely that this month’s positive variance was mainly due to the timing of tax payments rather than a sudden increase in economic activity. Because of this, next month’s collections will likely fall short of the forecast, though not necessarily enough to outweigh this month’s positive variance. The same situation occurred three months ago, when 12.2% year-over-year growth in July was followed by 2.2% growth in

revenue collections

August. This month's sudden increase is also noticeable in the chart of seasonally adjusted collections (see figure).

As shown in the "Key Revenue Variables" table, unadjusted Revenue Act receipts increased by 9.2% year-over-year. Similar high growth rates can be seen in the preliminary ERFC estimates of retail sales and B&O tax collections, which increased 9.4% year-over-year and 9.3% year-over-year respectively.



Total tax payments as of September 27th from electronic filers who also paid in the September 11 – October 10 collection period of last year were up 9.2% year-over-year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well). Last month, total payments increased by 5.2%.

Some details of payments from electronic filers:

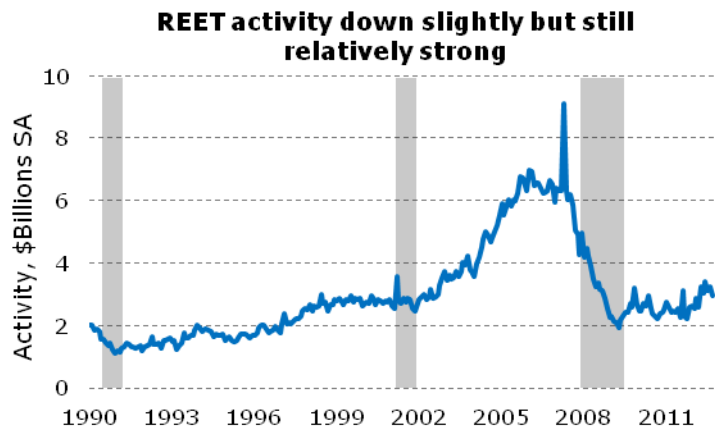
- Total payments in the retail trade sector were up 14.5% year-over-year, up from last month's growth rate of 11.2%. Much of the increase was likely attributed to the recently allowed private sales of spirits, as payments from food and beverage stores increased 28.2% year-over-year and payments from general merchandise stores increased 18.5%. Payments from drug and health stores (+10.8%) were also likely boosted by liquor sales. Excluding food and beverage stores and general merchandise stores, however, payments from the retail trade sector still would have grown by 11.6%.
- Payments from the motor vehicle and parts sector increased a strong 19.6% year-over-year. In the previous period, year-over-year payments increased 10.8%.
- Other retail trade sectors that showed strong growth in payments were nonstore retailers (+10.9%), electronics and appliances (+10.1%), apparel and accessories (+8.3%) and furniture and home furnishings (+8.2%). No retail trade sectors saw a year-over-year decrease in payments this month.
- Payments in non-retail trade sectors were up 6.2% year-over-year in the current period and up 1.6% in the previous period.
- This month's rebound in non-retail trade was due to a 9.7% year-over-year increase in payments from the manufacturing sector. This was the first year-over-year increase in payments from the sector in the last three months. This month, strong growth in payments from the transportation equipment sector was partially offset by a decline in payments from the petroleum refining sector. The size of the decline from the petroleum sector, however, was much smaller than the declines of the last several months, indicating possible recovery in production after February's refinery fire and also reflecting recent increases in the prices of oil and gas. Without the petroleum and transportation equipment sectors, payments from the manufacturing sector would have increased 0.7% year-over-year.
- Tax payments by businesses in the construction sector increased 9.7% year-over-year. In the previous period, payments increased 5.8%.

revenue collections

DOR Non-Revenue Act

September collections came in \$1.7 million (1.5%) above the September forecast. Most of the positive variance was due to liquor taxes, which came in \$2.4 million (10.9%) above the forecast. September’s liquor tax receipts reflect activity in August, which was the third month of liquor sales in privately-owned stores. Adjusted for a decrease in this year’s distribution of taxes to local governments, tax receipts increased by 19.6% year-over-year (unadjusted receipts increased by 34.3% as reported in the “Key Revenue Variables” table). Total liters sold increased by 11.8% year-over-year. As this is only the third month of private sales, it is still too early to tell whether this rate of growth will be sustained or if will diminish after an initial surge due to the sudden increase in availability.

Real estate excise tax (REET) came in \$141,000 (0.4%) higher than forecasted. Activity was down from August’s level but remains elevated from the levels of January through March (see figure). While the large commercial sales that have been boosting taxable activity since April have subsided somewhat, residential sales have been providing increasing support. The run of large commercial sales is not yet over, however, as evidenced by the recently announced planned \$1.2 billion sale of the Seattle Amazon.com campus, which is expected to close by the end of the year.



Source: ERFC, data through September 2012 preliminary activity

Cigarette tax revenue came in \$140,000 (0.4%) above the forecast, and property tax receipts were \$355,000 (3.3%) less than the forecast.

Other Revenue

Department of Licensing receipts for September came in \$136,000 (20.9%) lower than the September forecast and revenue from the Administrative Office of the Courts was \$587,000 (7.3%) lower than forecasted.

revenue collections

Key U.S. Economic Variables

October 2012

	2012						2010	2011
	Apr.	May	Jun.	Jul.	Aug.	Sep.		
Real GDP (SAAR)	-	-	1.3	-	-	-	2.4	1.8
Industrial Production (SA, 2002 = 100)	97.3	97.3	97.4	98.0	96.8	-	90.1	93.7
<i>Y/Y % Change</i>	5.0	4.7	4.7	4.3	2.8	-	5.4	4.1
ISM Manufacturing Index (50+ = growth)	54.8	55.9	49.7	49.8	49.6	51.5	57.3	55.2
ISM Non-Manuf. Index (50+ = growth)	53.5	51.8	52.1	52.6	53.7	55.1	54.1	54.5
Housing Starts (SAAR, 000)	747	706	754	733	750	-	586	612
<i>Y/Y % Change</i>	35.3	28.1	22.6	19.4	29.1	-	5.7	4.5
Light Motor Vehicle Sales (SAAR, mil.)	14.1	14.0	14.4	14.1	14.5	14.9	11.6	12.8
<i>Y/Y % Change</i>	7.2	19.0	24.3	13.6	16.6	13.7	11.6	10.8
CPI (SA, 1982-84 = 100)	229.2	228.5	228.6	228.7	230.1	-	32.5	33.4
<i>Y/Y % Change</i>	2.3	1.7	1.7	1.4	1.7	-	3.0	2.8
Core CPI (SA, 1982-84 = 100)	229.0	229.4	229.9	230.1	230.2	-	33.6	34.7
<i>Y/Y % Change</i>	2.3	2.3	2.2	2.1	1.9	-	2.5	3.5
IPD for Consumption (2000=100)	115.6	115.4	115.5	115.5	116.0	-	111.1	113.8
<i>Y/Y % Change</i>	1.9	1.5	1.5	1.3	1.5	-	1.9	2.4
Nonfarm Payroll Empl., e-o-p (SA, mil.)	132.9	133.0	133.1	133.2	133.4	133.5	130.3	132.2
<i>Monthly Change</i>	0.07	0.09	0.05	0.18	0.14	0.11	1.03	1.84
Unemployment Rate (SA, percent)	8.1	8.2	8.2	8.3	8.1	7.8	9.6	9.0
Yield on 10-Year Treasury Note (percent)	2.05	1.80	1.62	1.53	1.68	1.72	3.21	2.79
Yield on 3-Month Treasury Bill (percent)	0.08	0.09	0.09	0.10	0.10	0.11	0.14	0.05
Broad Real USD Index** (Mar. 1973=100)	83.9	85.1	86.2	85.8	85.2	83.8	87.2	82.7
Federal Budget Deficit (\$ bil.)*	-59.1	124.6	59.7	69.6	190.5	-	1,294.2	1,296.8
<i>FYTD sum</i>	719.9	844.5	904.2	973.8	1,164.4	-		
US Trade Balance (\$ bil.)	-49.8	-47.6	-41.9	-42.0	-	-	-494.7	-559.9
<i>YTD Sum</i>	-198.2	-245.8	-287.7	-329.7	-	-		

*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

October 2012

	2012						2010	2011	
	Apr.	May	Jun.	Jul.	Aug.	Sep.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,860.1	2,863.7	2,870.7	2,874.0	2,876.7	-	2,801.6	2,839.6	
Change from Previous Month (000)	2.2	3.6	6.9	3.3	2.7	-	23.8	38.0	
Construction	138.8	138.5	138.5	138.4	139.0	-	138.1	137.7	
Change from Previous Month	-0.2	-0.2	-0.1	0.0	0.6	-	-8.1	-0.5	
Manufacturing	278.3	278.9	281.1	282.4	282.6	-	261.1	274.5	
Change from Previous Month	1.3	0.6	2.1	1.3	0.2	-	3.9	13.3	
Aerospace	92.4	92.8	94.4	95.5	96.2	-	81.9	91.0	
Change from Previous Month	0.4	0.4	1.6	1.1	0.7	-	0.8	9.1	
Software	52.2	52.4	52.5	52.7	53.1	-	51.1	51.9	
Change from Previous Month	0.1	0.2	0.1	0.2	0.4	-	0.5	0.8	
All Other	2,390.9	2,393.9	2,398.6	2,400.4	2,402.0	-	2,351.2	2,375.5	
Change from Previous Month	1.0	3.0	4.8	1.8	1.5	-	27.5	24.3	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	237.9	-	239.5	-	240.2	-	226.7	232.8	
	2.9%	-	2.7%	-	2.7%	-	0.3%	2.7%	
Housing Permits (SAAR, 000)	29.0	24.8	26.8	29.8	24.7	-	19.6	21.2	
	-14.5%	0.0%	54.1%	43.0%	17.5%	-	22.7%	8.3%	
WA Index of Leading Ind. (2004=100)	114.3	114.4	114.2	114.7	115.4	-	104.8	111.1	
	2.8%	2.8%	2.8%	2.0%	2.8%	-	4.9%	6.0%	
WA Business Cycle Ind. (Trend=50)	26.9	25.6	27.8	28.1	27.5	-	13.2	18.4	
	30.2%	38.9%	61.4%	58.3%	34.1%	-	-18.3%	39.1%	
Avg. Weekly Hours in Manuf. (SA)	42.0	42.0	41.8	41.0	41.5	-	41.9	42.4	
	-0.9%	-1.9%	-1.7%	-4.5%	-1.6%	-	-0.3%	1.2%	
Avg. Hourly Earnings in Manuf.	23.9	24.1	24.1	24.0	23.7	-	23.5	24.0	
	-1.0%	0.6%	0.7%	0.3%	1.4%	-	0.4%	2.1%	
New Vehicle Registrations (SA, 000)	18.5	20.2	21.1	19.5	19.7	19.6	15.5	17.0	
	5.9%	21.1%	27.9%	15.9%	22.6%	19.8%	10.7%	9.9%	
Initial Unemployment Claims (SA, 000)	47.1	44.1	46.1	45.1	42.5	43.6	56.5	49.9	
	-11.3%	-15.1%	-9.0%	-11.7%	-12.6%	-9.9%	-18.1%	-11.8%	
Personal Income (SAAR, \$bil.)	-	-	311.5	-	-	-	283.4	299.7	
	-	-	4.4%	-	-	-	2.4%	5.8%	
Median Home Price (\$000)	-	-	236.0	-	-	-	245.2	224.4	
	-	-	4.0%	-	-	-	-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										October 2012
	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	Jul 11- Aug 10	Aug 11- Sep 10	Sep 11- Oct 10*	
Department of Revenue-Total	1,139,412	1,626,929	1,070,561	1,269,913	865,345	937,324	1,137,572	1,693,935	1,270,633	1,116,873	1,061,104	1,093,845	
	-1.0	2.7	-3.2	10.1	3.7	7.7	-14.8	3.2	0.0	2.2	4.0	10.0	
Revenue Act	976,349	845,057	829,991	1,135,635	777,433	813,701	955,769	865,462	913,691	997,454	930,247	978,985	
	-0.7	-1.4	-0.7	8.4	3.0	6.0	-19.0	0.5	11.9	1.5	3.4	9.2	
Retail Sales Tax	608,090	529,131	546,693	698,431	466,023	496,275	573,036	527,329	563,227	619,525	591,474	619,071	
	0.4	-2.2	3.5	5.4	2.7	8.3	-13.8	0.6	11.4	3.1	3.5	9.4	
Business and Occupation Tax	285,187	238,640	211,136	340,789	220,285	230,858	286,091	252,983	266,304	291,723	254,860	278,465	
	-2.8	1.0	-7.2	19.7	2.9	5.0	-16.6	5.4	15.5	0.8	1.2	9.3	
Use Tax	41,979	36,364	31,240	43,966	34,971	37,187	47,458	39,617	43,499	44,514	43,658	40,425	
	-0.6	4.7	-11.9	-3.9	6.3	2.8	-56.5	-4.4	11.7	-9.6	12.5	8.8	
Public Utility Tax	27,622	26,295	31,015	38,561	40,167	37,340	36,047	32,770	28,036	28,612	25,413	28,289	
	-3.3	-9.9	13.2	-2.3	0.8	2.1	-9.9	-3.1	-7.1	2.9	1.3	6.6	
Tobacco Products Tax	4,238	3,958	3,593	3,554	3,763	3,300	3,746	3,700	3,882	3,644	3,884	3,752	
	-2.2	-6.0	5.3	-18.1	-5.5	-1.1	-7.6	-4.3	-8.5	-15.9	-3.0	-15.9	
Penalties and Interest	9,233	10,669	6,315	10,333	12,223	8,742	9,391	9,063	8,744	9,436	10,958	8,982	
	-5.4	-9.0	-53.8	-5.8	24.1	-35.0	-50.5	-49.0	22.6	-17.8	24.5	11.0	
Non-Revenue Act**	163,063	781,872	240,569	134,278	87,913	123,623	181,803	828,473	356,942	119,419	130,858	114,860	
	-2.3	7.5	-11.1	27.3	9.8	20.2	17.1	6.2	-21.3	9.1	8.9	17.9	
Liquor Sales/Liter	16,998	16,912	17,828	24,559	14,892	15,940	17,799	16,306	20,002	19,416	26,234	24,032	
	7.2	1.1	5.8	3.9	7.0	9.7	11.1	0.9	20.5	12.6	40.9	34.3	
Cigarette	34,412	35,258	35,561	31,419	31,768	32,932	33,406	34,027	38,519	31,927	39,614	34,893	
	2.7	34.8	-2.7	5.4	24.9	17.9	17.4	42.0	-64.3	-18.0	-3.4	-7.1	
Property (State School Levy)	38,957	654,270	145,816	9,659	6,023	31,469	69,804	697,392	198,703	12,949	6,545	10,389	
	16.8	6.7	-16.0	-22.1	-12.2	22.4	3.6	0.4	7.5	36.4	-10.3	-1.8	
Real Estate Excise	23,540	29,745	32,631	22,471	22,495	31,182	39,445	35,731	54,062	36,940	48,957	36,155	
	-24.2	10.3	-1.9	-1.9	14.2	12.1	37.1	31.8	38.3	18.6	7.4	16.5	
Timber (state share)	0	958	0	0	1,019	0	0	620	0	0	804	0	
	NA	-9.5	NA	NA	29.2	NA	NA	-24.9	NA	NA	-31.1	NA	
Other	49,156	44,729	8,733	46,170	11,717	12,099	21,350	44,398	45,656	18,188	8,704	9,393	
	-7.6	5.4	-14.7	180.8	-12.1	76.5	43.8	161.5	-56.5	52.8	35.1	2,496.3	
Department of Licensing**	301	244	221	194	307	538	2,161	2,775	5,079	3,384	1,308	513	
	-5.6	101.8	69.1	50.6	-10.2	3.3	24.7	-3.0	-19.4	12.7	-4.6	0.5	
Lottery**	0	0	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**	7,972	8,281	7,462	7,401	6,212	8,522	8,356	8,375	8,158	7,571	7,957	7,431	
	2.3	-5.3	1.2	-7.0	-2.2	4.4	-10.8	-0.3	2.0	-10.0	0.0	-14.0	
Total General Fund-State***	1,147,686	1,635,454	1,078,244	1,277,509	871,864	946,385	1,148,089	1,705,086	1,283,871	1,127,829	1,070,369	1,101,789	
	-1.0	2.5	-3.2	10.0	3.6	7.6	-14.7	3.2	-0.6	2.2	4.0	9.8	

*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.

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

Revenue Forecast Variance

Thousands of Dollars

October 2012

Period/Source	Estimate*	Actual	Difference Amount	Percent
September 11, 2012 - October 10, 2012				
October 10, 2012 Collections Compared to the September 2012 Forecast				
Department of Revenue-Total	\$1,056,505	\$1,093,845	\$37,341	3.5%
Revenue Act** (1)	943,324	978,985	35,661	3.8%
Non-Revenue Act(2)	113,181	114,860	1,680	1.5%
Liquor Sales/Liter	21,679	24,032	2,353	10.9%
Cigarette	34,752	34,893	140	0.4%
Property (State School Levy)	10,744	10,389	(355)	-3.3%
Real Estate Excise	36,013	36,155	141	0.4%
Timber (state share)	0	0	0	0.0%
Other	9,992	9,393	(599)	-6.0%
Department of Licensing (2)	649	513	(136)	-20.9%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	8,017	7,431	(587)	-7.3%
Total General Fund-State***	\$1,065,171	\$1,101,789	\$36,618	3.4%

Cumulative Variance Since the September Forecast (September 11, 2012 - October 10, 2012)

Department of Revenue-Total	\$1,056,505	\$1,093,845	\$37,341	3.5%
Revenue Act** (3)	943,324	978,985	35,661	3.8%
Non-Revenue Act(4)	113,181	114,860	1,680	1.5%
Liquor Sales/Liter	21,679	24,032	2,353	10.9%
Cigarette	34,752	34,893	140	0.4%
Property (State School Levy)	10,744	10,389	(355)	-3.3%
Real Estate Excise	36,013	36,155	141	0.4%
Timber (state share)	0	0	0	0.0%
Other	9,992	9,393	(599)	-6.0%
Department of Licensing (4)	649	513	(136)	-20.9%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	8,017	7,431	(587)	-7.3%
Total General Fund-State***	\$1,065,171	\$1,101,789	\$36,618	3.4%

1 Collections September 11, 2012 - October 10, 2012. Collections primarily reflect August 2012 activity of monthly filers.

2 September 2012 collections

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

4 Cumulative collections, estimates and variance since the September forecast (September 2012) and revisions to history.

5 Lottery transfers to the General Fund

* Based on the September 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 September 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.