FORECAST REVISED ON STRONG COLLECTIONS

OLYMPIA, June 15, 2016 – The General Fund-State (GF-S) revenue forecast has been increased by $294 million for the 2015-17 biennium and by $126 million for the 2017-19 biennium.

Since the February forecast, economic data have generally been a bit weaker than expected, while revenue collections have been stronger than expected. Factors affecting the revenue forecast include strong sales of large commercial properties, a slightly higher forecast for housing permits, and higher inflation resulting in stronger real estate excise, retail sales, and Business & Occupation taxes.

Risks to the baseline include slowing economic growth in the U.S. and globally, the impact of a stronger dollar on exports, and weaker manufacturing activity.

General Fund-State revenues are expected to grow 11.2% between the 2013-15 and 2015-17 biennia and 7.5% between the 2015-17 and 2017-19 biennia.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be on Wednesday, September 21, 2016.

FORECAST OF GF-S REVENUE (PROBABILITIES IN PARENTHESIS): 2015-17

Baseline (55%): $37.431 billion; $294 million higher than the previous forecast.
Optimistic (15%): $38.703 billion; $1.273 billion more than the baseline forecast.
Pessimistic (30%): $36.202 billion; $1.229 billion less than the baseline forecast.
Governor’s Council of Economic Advisors: $37.328 billion; $103 million less than the baseline forecast.

Please see our full report for more information. You can access this report at: http://www.erfc.wa.gov/forecasts/documents/rev20160615_color.pdf

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ABOUT THE ERFC:
The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.