



# Economic and Revenue Forecast Council

**EMBARGOED** until February 15, 2018, 11:00 am PST when it will be released at [www.erfc.wa.gov](http://www.erfc.wa.gov)

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## **Strong collections, federal tax changes, and updated property tax data increase General Fund-State revenues**

**OLYMPIA, February 15, 2018** –The General Fund-State revenue forecast for the 2017-19 biennium has increased by \$647 million, and revenue for the 2019-21 biennium has increased by \$671 million.

Forecasted revenue for the 2017-19 biennium is now \$44.213 billion, 15.4% more than that of the 2015-17 biennium. Forecasted GF-S revenue for the 2019-21 biennium is now \$48.253 billion, 9.1% higher than expected 2017-19 biennial revenue.

Nationally, the economic forecast incorporates the impacts of the federal Tax Cut and Jobs Act. The forecast for real national gross domestic product growth in 2018 and 2019 is higher than in the November forecast. However, major threats to the U.S. and Washington economies remain, including international trade and fiscal policy concerns, stock market volatility, and slow growth in labor productivity.

Since the November forecast, the Washington economy saw strong housing construction and home price appreciation. Exports increased in the fourth quarter of 2017, the first quarter with year over year gains in nearly three years. The forecast anticipates continued but slowing growth in employment and personal income. Disposable personal income is also higher than assumed in November because of the personal tax cuts.

### **Forecast of GF-S Revenue (probabilities in parenthesis): 2017-19**

**Baseline (60%):** \$44.213 billion; \$647 million higher than the previous forecast.

**Optimistic (15%):** \$45.311 billion; \$1.098 billion more than the baseline forecast.

**Pessimistic (25%):** \$42.832 billion; \$1.381 billion less than the baseline forecast.

**Governor's Council of Economic Advisors:** \$44.125 billion; \$88 million less than the baseline forecast.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be on Tuesday, June 19, 2018.

Please see our full report for more information. You can access this report at <http://erfc.wa.gov/sites/default/files/public/documents/forecasts/rev20180215.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.**