



Economic and Revenue Forecast Council

EMBARGOED until September 20, 2017, 10:00 am PST when it will be released at www.ercf.wa.gov

CONTACT: Steve Lerch, Chief Economist & Executive Director
PHONE: 360-534-1560

September Update Incorporates Moderate Forecast Increase, New Revenue Legislation

OLYMPIA, September 20, 2017 – The Washington State Economic and Revenue Forecast Council released the first forecast of the current fiscal year. General Fund-State (GF-S) revenue for the 2017-19 biennium is increased by \$279 million due to forecast changes. Legislative changes, which occurred after the June forecast, added \$2.1 billion for a total change of \$2.4 billion to the 2017-19 biennium. Major legislative changes included an increase in the state property tax levy for basic education, extending sales and B&O taxes to some online sales and repealing the sales tax exemption for bottled water.

The final U.S. economic forecast is quite similar to the June forecast, while the final Washington economic forecast expects slightly higher employment and personal income than in June.

Risks to the baseline include slow U.S. economic growth, weak labor productivity, and concerns regarding international trade policy and the federal budget.

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

Baseline (60%): \$43.262 billion; \$2.4 billion higher than the previous forecast.

Optimistic (15%): \$44.915 billion; \$1.653 billion more than the baseline forecast.

Pessimistic (25%): \$41.308 billion; \$1.954 billion less than the baseline forecast.

Governor's Council of Economic Advisors: \$42.988 billion; \$274 million less than the baseline forecast.

The economic and revenue forecasts are updated quarterly. The next update to the revenue forecast will be presented on Monday, November 20, 2017.

Please see our full report for more information. You can access this report at:
<http://ercf.wa.gov/sites/default/files/public/documents/forecasts/rev20170920.pdf>

###

About the ERCF:

The ERCF 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.