



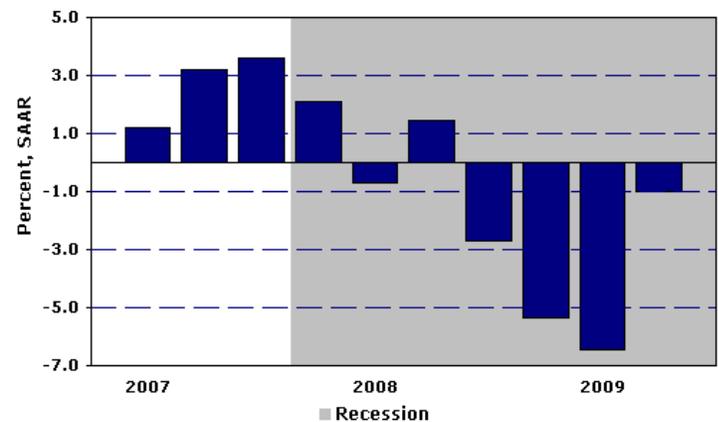
# ECONOMIC & REVENUE UPDATE

11 AUGUST 2009

## U.S.

- It has become abundantly clear that policy stimuli – mostly monetary, and to some extent fiscal – have finally succeeded in cushioning the economy's downward slide. If the recession does not trough this month, it is almost certain to do so next month. The key question now is when can we expect growth to become self-sustaining? The data do not provide an obvious answer. Private spending, both business and consumer, remains weak and confidence measures do not suggest an imminent improvement. We therefore expect the recovery will be slow and U-shaped and that policy accommodation will remain in place for a while longer.
- The rate of change in real GDP improved sharply to -1% (SAAR) in the second quarter, from a downwardly revised -6.4% in the first quarter (see Figure). Personal consumption expenditures, however, worsened from 0.6% growth in Q1 to a 1.2% decline in Q2. On the other hand, government spending at the local, state and national levels went from a 2.6% decline in Q1 to 5.6% growth in Q2.
- Revisions to the historical data indicate that the decline in GDP last summer was sharper than previously measured. At the same time, in this recession businesses have been very prompt in reducing inventories. Both these factors argue for a faster recovery than we have predicted. However, households are still paying down debt and saving more, and there is considerable slack in both labor and goods markets. So we do not expect the pace of the recovery to quicken to self-sustaining levels prior to mid-2010.
- The "cash for clunkers" (CARS) auto program proved more popular than had been anticipated. The USD 1 billion money set aside as government funded incentives for customers to trade-in older gas guzzling models for newer more fuel

The decline in real GDP is slowing



efficient ones was expected to last through the third quarter. However, the money appears to have run out within a week. With the extra USD 2 billion for the program that has now been approved, we expect a total of around 750,000 unit sales under the program. Assuming that a third of those would have happened anyway, the marginal impact of the CARS program would be to generate about half a million car sales in the third quarter that would not have happened otherwise. But, since under the same assumption, a third of the sales are also likely to have been "pulled forward" from the fourth quarter, we expect Q4 sales to be 250,000 units less than they would otherwise have been.

- Even before the popularity of the CARS program, automotive companies had announced a ramp up in production plans over the summer to restore depleted inventory (see July "Update"). Now, as dealer inventory has been further reduced, we are likely to see a further uptick in auto output. We expect that will provide a temporary boost to third quarter GDP, but at the cost of fourth quarter GDP. The longer term effects of increased showroom traffic on car sales are likely to wait until the labor market improves.
- The latest employment report continued to show a decline in the rate of job losses, with net job losses totaling

## ECONOMIC & REVENUE UPDATE

### U.S. (Continued)

247,000 in July, lower than June's loss of 443,000. Encouragingly, total private hours worked rose by 0.1 hours, and manufacturing hours rose by 0.3 hours. The unemployment rate fell from 9.5% to 9.4%, but that was the result of fewer

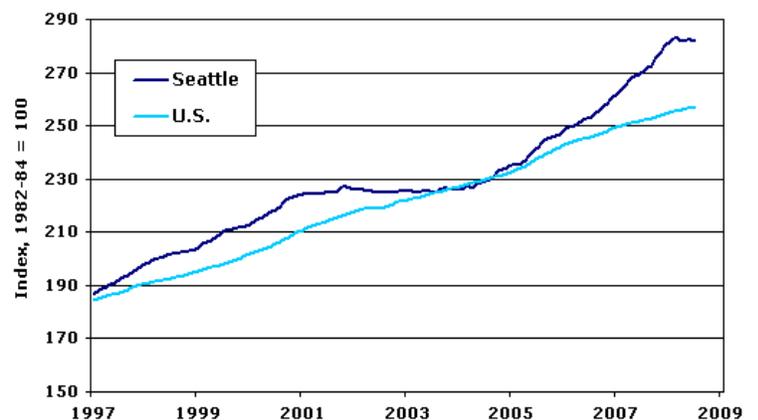
people looking for jobs, and should not be interpreted as an improvement. Job growth lags activity growth, and we expect the unemployment rate to continue to rise, even after the recovery is underway.

### WASHINGTON

- Evidence continues to mount that Washington's economy is approaching a turning point. While labor market conditions continue to deteriorate, it does so at a markedly slower rate. Building permits probably hit bottom in the second quarter and the state's index of leading economic indicators has increased in each of the last three months.
- Job losses in the state continue, but the monthly employment data suggest a leveling-off is under way. The recession in Washington is now in its third distinct phase. The first phase (March – September 2008) was quite mild. Washington employment declined at only a 1.2% annual rate during this time. After the seizing-up of the credit markets in September 2008, the economy entered the second phase – a freefall from September 2008 – March 2009. During these six months the state lost jobs at a 6.1% annual rate. During the most recent three months – the third phase from March through June 2009, the rate of job loss has eased to a 2.8% annual rate, less than half that in the prior phase. The recent data also show an interesting shift in the job change by industry. The sectors that had been declining the most rapidly – construction, manufacturing, trade, financial services, and business services, have all seen a significant slowing in the rate of job loss in the last few months. The leisure and hospitality sector actually gained jobs. On the other hand, the sectors that had been holding up well – information, education and health services, and government, have all seen modest erosion.

- Washington initial claims for unemployment insurance are also slowing – another sign that the recession's grip is weakening. Initial claims declined to 68,600 (seasonally adjusted annual rate) in June from 75,900 in May. June's initial claims were the lowest since January 2009 and are now about 10% below the peak.
- Seattle inflation, as measured by the CPI was well below the U.S. average in the first half of 2009 after outpacing the national rate for several years. This year core prices (excluding food and energy) in Seattle have been rising at only a 0.8% annual rate compared to 2.3% for the U.S. The cause of this can be found in the housing market. Nearly 40% of core CPI is determined by rents. After years of rapid growth, rents flattened out at the end of last year (see Figure). In

Rents in Seattle are leveling off



December 2008, rising rents accounted for about 3.0 percentage points of the 3.6% increase in the Seattle core CPI over the prior year. In the last six months rents accounted for 0.5 percentage points

## ECONOMIC & REVENUE UPDATE

### WASHINGTON (Continued)

of the 0.8% overall increase in core prices. In other words, virtually all the dramatic slowdown in Seattle inflation is due to the flattening of rents.

- The number of housing units authorized by building permits declined slightly in the second quarter to 13,900 (seasonally adjusted annual rate) from 15,100 in the first quarter. This is somewhat better than the 12,800 units we had projected for this quarter in our June forecast. The number of multi-family permits fell to a new all-time low of just 2,200, close to our forecast of 2,500, from 5,200 in the first quarter, which had been the prior record low. Financing difficulties and rising vacancies have brought new multi-family construction to a virtual halt. The number of single-family housing units

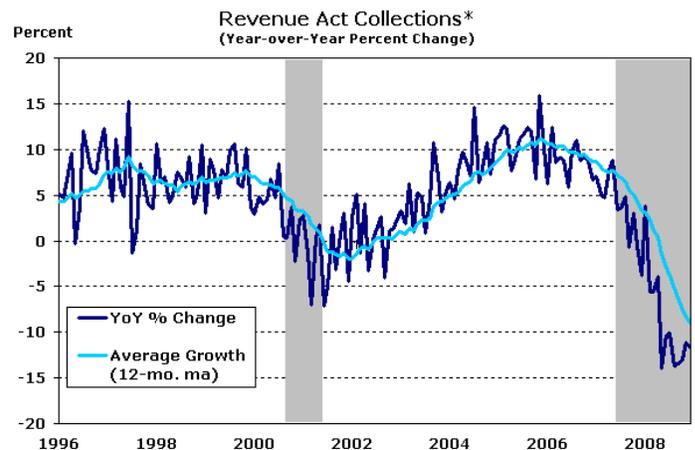
rose to 11,700 in the second quarter from 10,000 in the first quarter. This was the first quarterly increase in single-family permits since 2007.

- The Washington Index of Leading Economic Indicators has risen in each of the last three months. Contributing positively to the increase over the three month period are a reduction in initial claims for unemployment insurance, rising average weekly hours in manufacturing, a falling dollar, and an increase in the U.S. index of leading of leading economic indicators. Negative contributions over the three month period came from reductions in the WA State Help Wanted Index, aerospace employment, and housing permits.

## REVENUE COLLECTIONS

### Overview

- Major General Fund-State revenues for the July 11 – August 10, 2009 collection period were \$23.0 million (2.1%) lower than our June forecast. Cumulatively, revenues from the June 11- August 10, 2009 period are \$24.1 million (1.1%) below the June forecast.
- Collections from the current period mainly reflect June 2009 economic activity. As such, they do not reflect any extra revenue from the CARS program or other third-quarter economic improvements. July and August improvements will not be evident until the September and October Economic and Revenue Updates.
- Even though third quarter activity is not yet represented in revenue collections, there are signs that taxable retail sales activity may have reached a trough (see Figure). A better picture will emerge when the tax allocations for the current period are finalized, as the preliminary estimates are subject to substantial revision. Last month's preliminary retail



sales tax allocation (primarily representing May activity) was revised upward by \$38.3 million (7.7%). Total Revenue Act revenue has also shown signs of leveling off on a seasonally adjusted basis.

- The revenues reported here conform to the new definition of General Fund-State as set forth in Engrossed Substitute Senate Bill 5073 (ESSB 5073), which was passed in the 2009 legislative session. Under the bill, the Health Services (HSA),

## ECONOMIC & REVENUE UPDATE

### Revenue Collections (Continued)

Water Quality (WQA), Violence Reduction and Drug Enforcement (VRDE), Student Achievement (SAF), and Public Safety and Education (PSEA) Accounts have been consolidated into the General Fund-State effective July 1, 2009. The changes to the monthly report are as follows:

- The B&O hospital tax, which formerly went to the HSA, will be added to total B&O (Revenue Act) taxes.
- The tobacco products taxes that formerly went to the HSA and WQA will be added to total tobacco products (Revenue Act) taxes.
- Cigarette and Liquor taxes that formerly went to the HSA, WQA, and VRDE account will be added to Department of Revenue cigarette and liquor (non-Revenue Act) taxes.
- Revenue that was formerly transferred from the state property tax levy to the SAF will be retained in the property tax (non-Revenue Act).
- The syrup tax that formerly went to the VRDE account will be added to "other" Department of Revenue non-Revenue Act taxes.
- Revenue that formerly went to the PSEA will be reported under "Administrative Office of the Courts"

### Revenue Act

- The revenue collections reported here are for the July 11 – August 10, 2009 collection period. This corresponds primarily to economic activity in June 2009.
- Collections for this period are \$20.3 million (2.1%) below the June 2009 forecast.
- An \$8 million refund which was forecasted to occur in the current period has not yet occurred. Had the refund taken place at the expected time, the shortfall would have been \$28.3 million (3.0%).

- Adjusted for the changes to B&O and tobacco products taxes outlined above and other legislative changes, collections in the current period are down 11.8% from their year-ago level (see figure). Unadjusted, the decline is 11.1%. Last month's declines were 11.2% adjusted and 11.1% non-adjusted.
- Preliminary ERFC monthly estimates indicate retail sales tax collections are down 11.8% year-over-year and B&O taxes are down 10.1%. Without the addition of the hospital B&O tax, B&O collections would be down 12.9%.
- Preliminary tax payments from electronic filers who also paid in the July 11 – August 10 collection period of last year were down 10.5% year-over-year.
  - Payments in the retail trade sector were down 6.0%. The greatest drops were in furniture and home furnishings (-16.9%); gas stations and convenience stores (-12.8%); electronics and appliances (-12.6%); motor vehicles and parts (-11.3%); and building materials and garden equipment (-8.9%).
  - Payments in two major retail trade sectors showed a year-over-year increase: drug and health stores (+4.9%) and food and beverage stores (+2.4%).
  - Payments in non-retail trade sectors were down 13.3% year-over-year.
  - Payments in the construction sector were down 21.2%, while those in the manufacturing sector were down 31.0%.

### DOR Non-Revenue Act

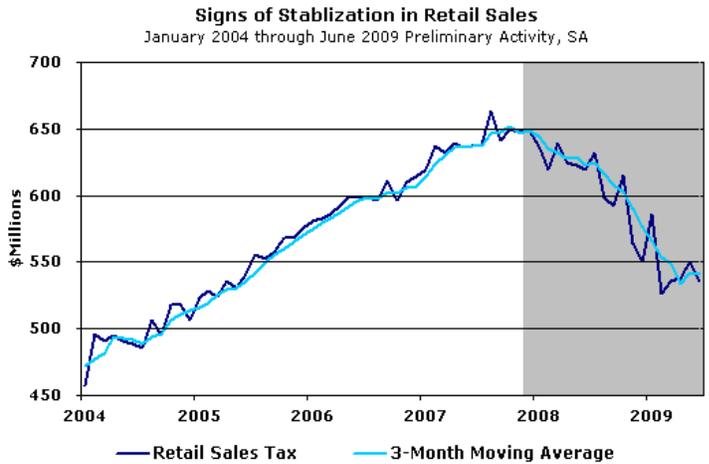
- Collections were \$3.7 million (3.3%) below the June forecast.
- Much of the shortfall was due to liquor sales and liter taxes, which were \$1.1 million (6.5%) below the June forecast. The remaining shortfall was the sum of several smaller shortfalls, many in the "other" revenue category.

## ECONOMIC & REVENUE UPDATE

- Due to the redefinitions from ESSB 5073 outlined above, July collections are up 47.3% year-over-year. Without the changes, revenue would be down 17.6%.
- Real estate excise tax revenues came in quite close to the forecast (-0.6%) but are still down 26.5% year-over-year. Property tax receipts also came in close to the forecast (-0.5%).

### Other Revenue

- July Department of Licensing receipts were \$392,000 (13.4%) above the June forecast, and June receipts were revised upward for a cumulative variance of \$904,000 (9.8%)
- Revenue from the Administrative Office of the Courts, which formerly was part of the PSEA, came in at \$9.1 million, \$564,000 (6.6%) above the June forecast.



## Key U.S. Economic Variables

	2009						2007	2008
	Feb.	Mar.	Apr.	May	Jun.	Jul.		
Real GDP (SAAR)	-	-6.4	-	-	-1.0	-	2.0	1.1
Industrial Production (SA, 2002 = 100)	99.4	97.7	96.9	95.8	95.4	-	111.4	109.2
<i>Y/Y % Change</i>	<i>-11.5</i>	<i>-12.8</i>	<i>-13.0</i>	<i>-13.9</i>	<i>-14.3</i>	<i>-</i>	<i>1.7</i>	<i>-2.0</i>
ISM Manufacturing Index (50+ = growth)	35.8	36.3	40.1	42.8	44.8	48.9	51.1	45.5
ISM Non-Manuf. Index (50+ = growth)	41.6	40.8	43.7	44.0	47.0	46.4	-	47.4
Housing Starts (SAAR, mil.)	574	521	479	562	582	-	1,342	900
<i>Y/Y % Change</i>	<i>-47.8</i>	<i>-47.5</i>	<i>-52.1</i>	<i>-42.1</i>	<i>-46.0</i>	<i>-</i>	<i>-25.9</i>	<i>-32.9</i>
Light Motor Vehicle Sales (SAAR, mil.)	9.2	9.7	9.2	9.9	9.7	11.2	16.2	13.2
<i>Y/Y % Change</i>	<i>-40.3</i>	<i>-35.6</i>	<i>-36.4</i>	<i>-30.8</i>	<i>-29.1</i>	<i>-11.4</i>	<i>-2.3</i>	<i>-18.2</i>
CPI (SA, 1982-84 = 100)	213.0	212.7	212.7	212.9	214.5	-	207.3	215.2
<i>Y/Y % Change</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.6</i>	<i>-1.0</i>	<i>-1.2</i>	<i>-</i>	<i>2.9</i>	<i>3.8</i>
Core CPI (SA, 1982-84 = 100)	217.7	218.0	218.6	218.9	219.3	-	210.7	215.6
<i>Y/Y % Change</i>	<i>1.8</i>	<i>1.8</i>	<i>1.9</i>	<i>1.8</i>	<i>1.7</i>	<i>-</i>	<i>2.3</i>	<i>2.3</i>
IPD for Consumption (2000=100)	108.6	108.5	108.6	108.6	109.2	-	105.5	109.0
<i>Y/Y % Change</i>	<i>0.6</i>	<i>0.2</i>	<i>0.0</i>	<i>-0.3</i>	<i>-0.4</i>	<i>-</i>	<i>2.7</i>	<i>3.3</i>
Nonfarm Payroll Empl., e-o-p (SA, mil.)	133.7	133.0	132.5	132.2	131.7	131.5	138.2	135.1
<i>Monthly Change</i>	<i>-0.68</i>	<i>-0.65</i>	<i>-0.52</i>	<i>-0.30</i>	<i>-0.44</i>	<i>-0.25</i>	<i>1.15</i>	<i>-3.08</i>
Unemployment Rate (SA, percent)	8.1	8.5	8.9	9.4	9.5	9.4	4.6	5.8
Yield on 10-Year Treasury Note (percent)	2.87	2.82	2.93	3.29	3.72	3.56	4.63	3.67
Yield on 3-Month Treasury Bill (percent)	0.30	0.22	0.16	0.18	0.18	0.18	4.47	1.39
Broad Real USD Index** (Mar. 1973=100)	95.8	101.1	95.3	92.8	92.3	92.0	92.0	88.3
Federal Budget Deficit (\$ bil.)*	192.8	192.3	20.9	189.7	94.3	-	162.8	436.3
<i>FYTD sum</i>	<i>761.8</i>	<i>954.1</i>	<i>975.0</i>	<i>1,164.6</i>	<i>1,258.9</i>	<i>-</i>		
US Trade Balance (\$ bil.)	-26.1	-28.5	-28.8	-26.0	-	-	-701.4	-695.9
<i>YTD Sum</i>	<i>-62.7</i>	<i>-91.2</i>	<i>-120.0</i>	<i>-145.9</i>	<i>-</i>	<i>-</i>		

\*Federal Fiscal Year 2008 runs from Oct. 1, 2007 to Sept. 30, 2008.

\*\*Weighted average of U.S. dollar foreign exchange values against currencies of major U.S. trading partners, Federal Reserve.

## Key Washington Economic Variables

	2009						2007	2008	
	Feb.	Mar.	Apr.	May	Jun.	Jul.			
<b>Employment</b>								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,884.9	2,865.4	2,862.3	2,855.6	2,845.1	-	2,962.8	2,913.0	
Change from Previous Month (000)	-21.1	-19.5	-3.1	-6.7	-10.5	-	71.7	-49.8	
Construction	179.1	173.7	171.9	169.4	168.2	-	209.3	185.1	
Change from Previous Month	-3.7	-5.4	-1.8	-2.5	-1.2	-	9.0	-24.2	
Manufacturing	278.1	274.1	271.0	269.2	269.2	-	296.3	284.7	
Change from Previous Month	-2.2	-4.0	-3.1	-1.8	0.0	-	6.2	-11.6	
Aerospace	84.8	84.3	83.6	83.5	83.4	-	82.9	85.5	
Change from Previous Month	-0.5	-0.5	-0.7	-0.1	-0.1	-	6.1	2.6	
Software	52.7	52.7	52.2	52.0	51.8	-	48.4	53.0	
Change from Previous Month	0.1	0.0	-0.5	-0.2	-0.2	-	2.0	4.6	
All Other	2,375.0	2,364.9	2,367.2	2,365.0	2,355.9	-	2,408.8	2,390.2	
Change from Previous Month	-15.3	-10.1	2.3	-2.2	-9.1	-	54.5	-18.6	
<b>Other Indicators</b>								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	224.7	-	225.9	-	227.3	-	215.7	224.7	
	1.4%	-	1.2%	-	-0.4%	-	3.9%	4.2%	
Housing Permits (SAAR, 000)	12.1	14.1	12.1	15.6	14.0	-	45.6	27.3	
	-63.3%	-53.7%	-61.5%	-47.2%	-54.8%	-	-4.5%	-40.2%	
WA Index of Leading Ind. (2004=100)	106.8	105.2	106.1	107.0	107.8	-	115.7	115.3	
	-9.0%	-10.5%	-9.9%	-8.4%	-8.1%	-	4.9%	-0.3%	
WA Business Cycle Ind. (Trend=50)	6.5	3.6	0.5	-0.6	-1.2	-	59.0	36.4	
	-86.7%	-92.2%	-99.0%	-101.5%	-103.2%	-	-0.9%	-38.2%	
Avg. Weekly Hours in Manuf. (SA)	42.5	40.8	41.5	41.4	41.7	-	42.0	42.2	
	-0.7%	-6.2%	-4.8%	-3.5%	-4.4%	-	3.3%	0.6%	
Avg. Hourly Earnings in Manuf.	23.0	23.6	23.5	23.4	22.7	-	20.5	21.0	
	9.4%	11.1%	10.5%	9.9%	6.6%	-	3.0%	2.4%	
New Vehicle Registrations (SA, 000)	13.8	12.5	12.5	12.3	12.9	14.2	23.9	19.0	
	-36.1%	-44.0%	-39.3%	-37.6%	-37.3%	-30.8%	-1.2%	-20.5%	
Initial Unemployment Claims (SA, 000)	76.2	74.4	69.4	75.9	68.6	-	34.1	45.7	
	89.5%	89.7%	74.2%	83.7%	65.1%	-	-0.8%	34.1%	
Personal Income (SAAR, \$bil.)	-	276.4	-	-	-	-	265.7	277.1	
	-	1.1%	-	-	-	-	8.1%	4.3%	
Median Home Price (\$000)	-	253.5	-	-	-	-	306.4	283.4	
	-	-13.7%	-	-	-	-	4.2%	-7.5%	

\*Percentage Change is Year-over-Year

August 2009

## Key Revenue Variables

	2008		2009							
	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*
<b>Department of Revenue-Total</b>	1,135,361	1,565,903	942,557	1,103,514	769,461	703,544	970,946	1,458,783	1,028,278	1,041,295
	-6.6	-2.5	-15.2	-11.7	-11.4	-24.4	-14.4	-6.6	-11.1	-7.4
<b>Revenue Act</b>	1,022,351	858,807	781,369	1,059,501	735,791	663,249	873,625	740,002	791,144	934,166
	-5.3	-4.7	-14.9	-10.6	-10.1	-19.1	-14.0	-14.1	-11.1	-11.1
Retail Sales Tax	675,162	579,492	527,414	685,642	485,503	440,984	554,314	484,574	536,955	609,028
	-6.0	-5.1	-14.8	-13.2	-8.7	-18.6	-15.2	-14.7	-12.4	-11.8
Business and Occupation Tax	267,263	198,162	188,824	280,267	173,954	156,244	236,433	174,293	178,945	249,385
	-2.1	-4.9	-11.8	-5.1	-12.8	-17.0	-12.7	-16.6	-13.6	-10.1
Use Tax	41,442	40,891	28,556	45,661	31,088	32,608	35,321	37,784	34,213	38,280
	-14.9	4.7	-33.5	-8.7	-12.4	-17.1	-19.9	-8.4	4.3	-15.6
Public Utility Tax	27,174	28,969	24,769	37,185	33,398	35,736	36,405	32,871	28,498	24,446
	4.9	14.1	-19.2	-1.6	-12.4	-5.4	5.9	0.5	-0.3	-9.0
Tobacco Products Tax	1,006	973	860	859	822	993	959	951	1,008	2,881
	25.4	13.7	3.6	15.7	-9.1	13.4	35.7	6.0	5.2	217.4
Penalties and Interest	10,305	10,319	10,945	9,887	11,025	-3,317	10,193	9,530	11,525	10,147
	-19.3	-37.0	2.4	-16.0	-13.2	-128.7	-18.1	2.5	45.6	-2.2
<b>Non-Revenue Act**</b>	113,011	707,096	161,188	44,013	33,671	40,296	97,321	718,781	237,134	107,128
	-17.1	0.4	-16.9	-31.6	-32.2	-63.6	-17.8	2.5	-11.0	47.3
Liquor Sales/Liter	12,282	13,812	13,466	18,972	12,126	11,408	12,368	12,433	13,934	16,203
	3.5	9.3	-0.8	4.4	7.9	-1.7	2.6	2.3	-0.5	24.2
Cigarette	4,815	3,487	3,527	4,153	3,498	4,050	3,581	4,237	3,229	30,015
	0.8	-17.3	-5.9	-11.8	-7.6	0.4	-0.1	8.0	-26.4	557.5
Property (State School Levy)	9,434	611,756	111,753	-13,815	-16,785	4,201	38,567	663,407	154,043	10,182
	2.9	5.4	-6.8	5.1	-16.1	-44.0	7.1	6.7	-12.9	-168.7
Estate	132	72	-40	59	125	-65	-28	-42	15	120
	-35.8	-69.8	-101.2	-108.1	204.4	-116.2	-125.0	189.1	-86.3	-50.8
Real Estate Excise	36,963	37,142	26,829	19,323	29,415	19,815	24,682	24,600	35,293	36,403
	-40.7	-42.2	-48.7	-48.6	-19.1	-56.3	-46.1	-44.3	-23.6	-26.5
Timber (state share)	0	1,508	0	0	1,001	0	0	668	0	0
	NA	-27.6	NA	NA	-35.9	NA	NA	-32.3	NA	NA
Other	49,385	39,318	5,652	15,321	4,290	887	18,151	13,478	30,620	14,205
	3.0	-2.9	472.6	-13.6	-74.3	-97.9	-13.1	-24.3	22.5	-29.6
<b>Department of Licensing**</b>	324	180	213	242	263	429	5,650	3,760	6,891	3,321
	4.5	-38.6	3.1	35.9	4.3	-6.3	15.2	-20.8	6.1	11.2
<b>Lottery**</b>	0	11,092	0	0	0	0	0	0	0	0
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Administrative Office of the Courts**</b>	0	0	0	0	0	0	0	0	0	9,124
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total General Fund-State***</b>	1,135,685	1,577,175	942,770	1,103,757	769,724	703,973	976,597	1,462,543	1,035,169	1,053,739
	-6.6	-1.8	-15.2	-11.7	-11.3	-24.4	-14.3	-6.7	-11.5	-6.5

\*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 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
<b>July 11 - August 10, 2009</b>				
<b>August 10, 2009 Collections Compared to the June 2009 Forecast</b>				
Department of Revenue-Total	\$1,065,219	\$1,041,295	(\$23,925)	-2.2%
Revenue Act** (1)	954,429	934,166	(20,263)	-2.1%
Non-Revenue Act(2)	110,790	107,128	(3,662)	-3.3%
Liquor Sales/Liter	17,321	16,203	(1,118)	-6.5%
Cigarette	30,437	30,015	(422)	-1.4%
Property (State School Levy)	10,229	10,182	(47)	-0.5%
Estate	43	120	78	180.7%
Real Estate Excise	36,621	36,403	(219)	-0.6%
Timber (state share)	0	0	0	0.0%
Other	16,139	14,205	(1,934)	-12.0%
Department of Licensing (2)	2,928	3,321	392	13.4%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	8,559	9,124	564	6.6%
<b>Total General Fund-State***</b>	<b>\$1,076,707</b>	<b>\$1,053,739</b>	<b>(\$22,968)</b>	<b>-2.1%</b>

### Cumulative Variance Since the June Forecast (June 11 - August 10, 2009)

Department of Revenue-Total	\$2,095,134	2,069,573	(25,561)	-1.2%
Revenue Act** (3)	\$1,738,188	1,725,310	(12,878)	-0.7%
Non-Revenue Act(4)	\$356,946	344,262	(12,684)	-3.6%
Liquor Sales/Liter	\$31,679	30,137	(1,542)	-4.9%
Cigarette	\$33,743	33,244	(499)	-1.5%
Property (State School Levy)	\$173,668	164,224	(9,444)	-5.4%
Estate	\$103	135	33	32.0%
Real Estate Excise	\$67,510	71,696	4,186	6.2%
Timber (state share)	\$0	0	0	0.0%
Other	\$50,244	44,826	(5,418)	-10.8%
Department of Licensing (4)	9,185	10,090	904	9.8%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	8,559	9,124	564	6.6%
<b>Total General Fund-State***</b>	<b>\$2,112,879</b>	<b>\$2,088,786</b>	<b>(\$24,093)</b>	<b>-1.1%</b>

1 Collections July 11, 2008 - August 10, 2009. Collections primarily reflect June 2009 activity of monthly taxpayers

2 July 2009 collections.

3 Cumulative collections, estimates and variance since the June 2009 forecast; (June 11 - August 10, 2009) and revisions to history.

4 Cumulative collections, estimates and variance since the June forecast (June - July 2009) and revisions to history.

5 Lottery transfers to the General Fund

\* Based on the June 2009 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.