



ECONOMIC & REVENUE UPDATE

August 13, 2012

summary

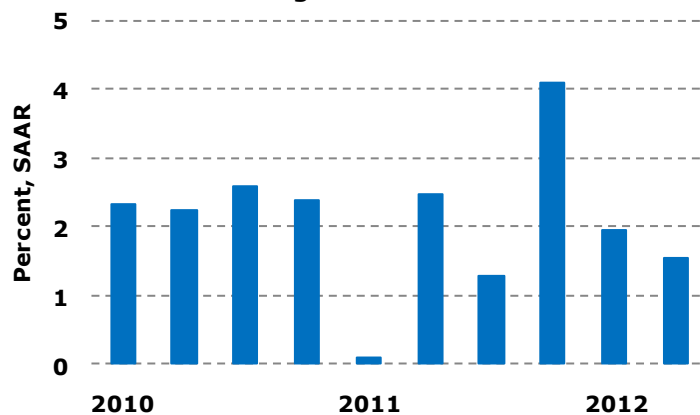
- **July U.S. employment grew by 163,000 jobs, the strongest labor market performance since February 2012.**
- **Second quarter GDP growth slowed to 1.5%.**
- **The Washington recovery remains moderately positive.**
- **Washington job growth is on track with the forecast while housing construction is improving faster than expected.**
- **As anticipated in last month's report, revenue from the July 11 – August 10, 2012 collection period came in below the June forecast after last month's high positive variance. Cumulatively, receipts are now much closer to their forecasted value.**
- **Major General Fund-State revenue collections were \$45.0 million (3.8%) lower than the June forecast, but cumulative receipts for the last two months are still \$22.0 million (0.9%) higher than the forecast.**

United States

July's U.S. employment report of 163,000 new jobs beat most economists' predictions and helps to reduce fears that the U.S. is slipping back into recession. This good news is tempered by the fact that the unemployment rate rose from 8.2% to 8.3%, indicating that the recovery remains weak. Professional and business services, leisure and hospitality, manufacturing, education and health care sectors all added jobs in July. Government lost 9,000 jobs while construction employment contracted by 1,000 jobs.

The Conference Board index of consumer confidence increased by 3.2 points, rising from 62.7 in June to 65.9 in July. This marks the first increase in the index in five months, with consumers expressing greater optimism regarding business and employment prospects in the next six months but slightly more pessimism about current conditions. On the other hand, the University of Michigan consumer sentiment survey slipped by 0.9 points, from 73.2 in June to 72.3 in July. The University of Michigan survey found that while consumers do not anticipate a recession, they do not believe economic growth will be strong enough to improve job or income prospects.

GDP growth has slowed



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The Department of Commerce released its first estimate of real GDP growth for the second quarter of 2012 (see figure). The 1.5% growth rate, down from the first quarter's 2.0% rate, reflected a slowdown in personal consumption and residential and nonresidential fixed investment.

Recent data revisions indicate that real disposable personal income has now increased for seven consecutive months, growing by 0.5% in June. Real consumption expenditures decreased by 0.1%, consistent with the increase in the savings rate from 4.0% in May to 4.4% in June.

Although gasoline prices are below their year-ago level, they have gradually increased from \$3.36 per gallon for the week ending July 2nd to \$3.65 as of August 6th. Prices for West Texas Intermediate (WTI) and Brent petroleum rose through most of July and into early August. WTI ended July at \$88 per barrel and Brent was \$105 per barrel, below their July 2011 prices of \$96 and \$116. Light-vehicle sales decreased to 14.0 million units (SAAR) in July from their June sales level of 14.3 million units, but remain consistent with the overall market trend for the first half of 2012. The July sales figure is 21% higher than the year-ago sales level.

The European sovereign debt and banking crisis continues to pose a substantial risk to the U.S. economy. Eurozone economies are struggling, with auto sales declining and manufacturing activity slowing even in Germany. Recent negative statements by several German policymakers regarding bailouts of weaker Eurozone economies indicate that political challenges to solving the monetary union's problems are not fully resolved.

Despite a 5.4% decrease in existing home sales in June compared to May, the housing market continues to move in a positive direction. Existing-home purchases are still 4.5% above the year-ago level, but smaller inventories of for-sale homes appear to be constraining sales and pushing up prices in many markets. The seasonally adjusted Case-Shiller 20-city home price index increased 0.9% in May from the previous month, the fourth consecutive monthly increase. The index does remain 0.7% below the year-ago level (SA), but home prices appear to have stabilized.

Other indicators of note paint a somewhat mixed picture of the economy. Layoff announcements for July were down 45% from a year earlier and down 2% from announced job cuts in June. While initial claims for unemployment insurance declined by 6,000 for the week ending August 4th, the four-week moving average increased by 2,250. Consumer revolving debt declined by \$3.7 billion in June compared to May, rail carloads were 3.2% lower in July than in June (and 0.7% below the year-ago levels), and total manufacturing orders declined by 0.5% in June.

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Washington

The Washington economy continues to grow at a moderate pace. Washington employment is right on track with the June forecast. Housing construction is improving faster than expected in the June forecast, and home price appreciation appears to have turned positive. Washington new car sales continue to improve due to replacement demand and inflation is rising on higher shelter costs.

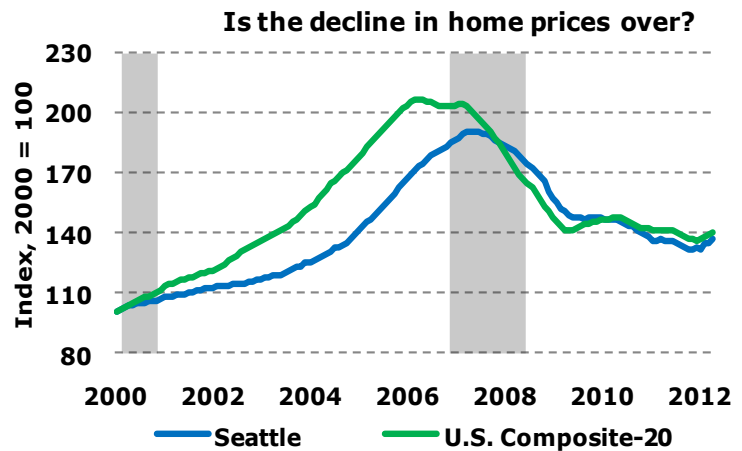
We have only one month of new employment data since the June forecast was released. In June the state's economy added 4,500 net new jobs, 600 more than the 3,900 jobs predicted in the forecast. The manufacturing sector continues to grow rapidly, adding 2,500 jobs in June, of which 1,500 were in the aerospace sector.

washington

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However, construction employment was flat in June. Private services-providing industries, which employ about two-thirds of the workforce, added 2,800 jobs. Public sector employment declined by 700 in June. The latest employment data also reflect revisions to previously released estimates, in particular, the incorporation of newly available tabulations from the state's unemployment insurance system for the first quarter of 2012. The revised data added just 2,900 jobs (about 0.1%) to the estimate for May employment. The combination of the revision to the historical data and the slightly stronger than predicted growth in June means the current employment estimate is about 3,500 (0.1%) higher than expected in the June forecast.

Housing construction in Washington continues to strengthen according to the building permit data. Total units authorized in the second quarter totaled 28,100 (SAAR) compared to 27,700 in the first quarter and 20,600 in the fourth quarter of 2011. The forecast had assumed some backsliding in the second quarter after the strong growth in the first quarter but that was not the case. Single-family permits totaled 15,900 in the second quarter while multi-family permits came in at a 12,200 annual rate. While both single-family construction and multi-family construction have improved, single-family remains deeply depressed by historical standards. Multi-family construction, however, is back in the normal range for Washington. In another sign the state's housing market is turning around, the S&P/Case-Shiller seasonally adjusted home price index for Seattle has risen in each of the last three months. As of June 2012, Seattle home prices were above the year-earlier level for the first time since December 2007 (see figure). Home prices are now up 4.1% from the December trough but still 28.1% below the May 2007 peak.



Purchases of new vehicles in Washington are again growing after faltering in the middle part of 2011. Washington new car registrations improved to 21,144 in June, which was the highest monthly total since March 2008, before retreating to 19,500 in July. New vehicle registrations in July were still up 15.9% over the year but this overstates the improvement. Car sales declined last summer due to the tragedy in Japan which disrupted automotive supply chains and production schedules. We believe the recent improvement in car sales has been driven by replacement demand rather than a return of consumer confidence. The relative age of the vehicles on the road in Washington was at an all-time high in September 2011 but has drifted down as new car sales have improved.

Seattle headline inflation over the twelve months ending in June 2012 was 2.7% compared to 1.7% for the U.S. city average. Core inflation in Seattle was 3.0% compared for 2.2% for the nation. The main reason for the higher inflation in Seattle is faster growth in shelter costs which are driven primarily by rents. Seattle shelter costs have risen 3.9% over the last year compared to 2.2% for the U.S. city average. The higher shelter cost inflation in Seattle adds 0.7 percentage points to Seattle core inflation which accounts for nearly all the 0.8 percentage point differential in core inflation.

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REVENUE COLLECTIONS

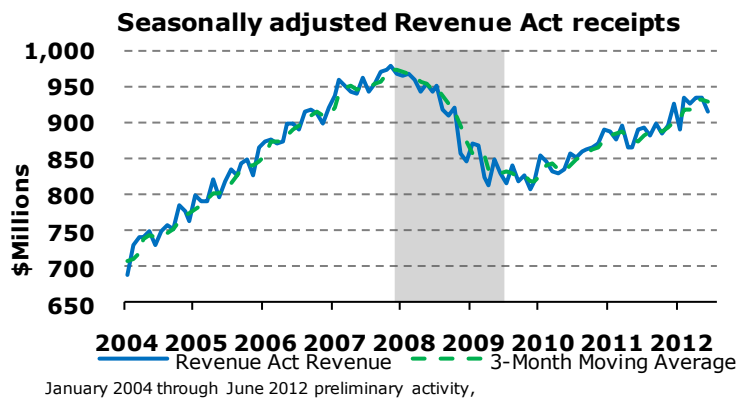
Overview

Major General Fund-State revenue collections from the July 11 – August 10, 2012 collection period were \$45.0 million (3.8%) lower than the June forecast. Due to the large positive forecast variance in Revenue Act receipts last month, it was anticipated that Revenue Act receipts could fall short this period, and they did. Cumulatively, however, receipts for the last two months are still \$22.0 million (0.9%) greater than the forecast.

Revenue Act

The revenue collections reported here are for the July 11 – August 10, 2011 collection period. Collections correspond primarily to the June 2012 economic activity of monthly filers and second quarter 2012 activity of quarterly filers.

Revenue Act collections for the current period came in \$42.5 million (4.1%) below the June forecast. Adjusted for large one-time payments and refunds in the current and year-ago periods, Revenue Act collections increased 2.2% year-over-year (see figure) after growing at 12.0% last month and 7.2% two months prior. This quick movement from an abnormally high year-over-year growth rate to a very low one is most likely a reflection of a deviation from the normal seasonal pattern of collections for the period rather than a real swing in the underlying activity. The average growth of adjusted collections over the last two months was 6.6%, close to the average rate for the previous three months. Seasonally adjusted collections decreased from last month's level (see figure). The June forecast predicted a decline in seasonally adjusted activity last month instead of this month, with activity then returning to its pre-decline level and increasing only slightly for the rest of the year.



Unadjusted for large one-time payments and refunds, revenue increased 1.5% year-over-year as shown in the "Key Revenue Variables" table. Preliminary unadjusted ERFC monthly estimates indicate retail sales tax collections increased 2.0% year-over-year and B&O taxes increased 2.3% year-over-year.

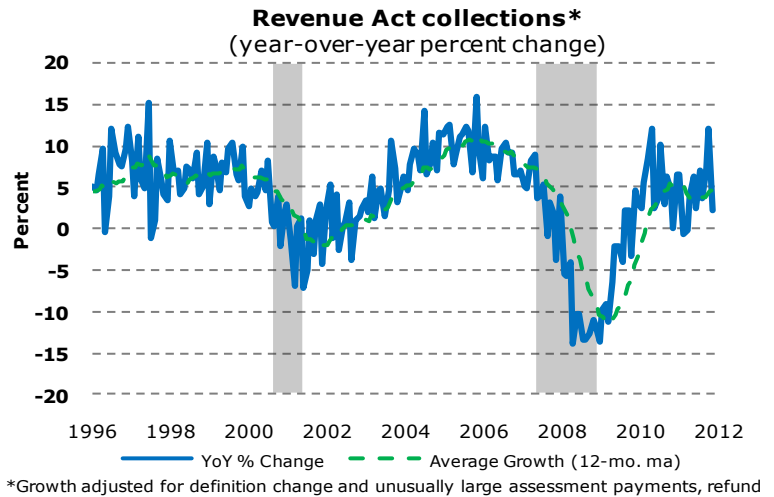
Total tax payments as of July 27th from electronic filers who also paid in the July 11 – August 10 collection period of last year were up 0.8% year-over-year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well). Last month, total payments increased by 7.7%.

Some details of payments from electronic filers:

- Total payments in the retail trade sector were up 6.3% year-over-year. Last month, payments increased 8.9%.
- Payments from the motor vehicle and parts sector increased 11.2% year-over-year. In the previous period, year-over-year payments increased 13.1%.

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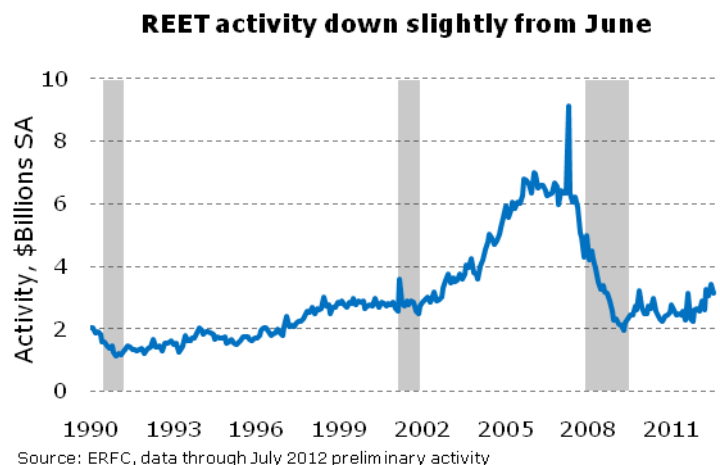
- The June 1st commencement of private sales of spirits increased payments from food and beverage stores by a strong 19.4% year-over-year. Payments from general merchandise stores (+6.5%) and drug and health stores (+6.8%) were also likely boosted by the sales. Excluding food and beverage stores, retail trade growth would have been 5.1%.
- Three retail trade sectors saw a year-over-year decrease in payments this month: building materials and gardening equipment (-3.6%), electronics and appliances (-1.9%) and gas stations and convenience stores (-1.7%).
- Payments in non-retail trade sectors were down 2.3% year-over-year in the current period and 7.0% in the previous period.
- Most of the decline in non-retail trade was due to a 17.3% decline in payments from the manufacturing sector. This month saw large declines in payments from both the petroleum refining and transportation equipment sectors. Last month total payments in the manufacturing sector decreased 2.0%. Payments from the petroleum refining sector have been down year-over-year due to both a year-over-year decline in gasoline prices and the aftereffects of a refinery fire in February. The decline in payments from the transportation equipment sector, however, should be short-lived due to the current ramp-up in aircraft production.
- Tax payments by businesses in the construction sector increased 3.7% year-over-year. In the previous period, payments increased 12.6%. DOR Non-Revenue Act



DOR Non-Revenue Act

July collections were \$2.0 million (1.7%) less than the June forecast. The main source of the negative variance was cigarette tax revenue, which came in \$4.2 million (11.7%) less than forecasted. This variance, however, was predicted last month, when collections came in \$3.8 million ahead of the forecast due to a smaller-than-expected amount of deferred payments. Cumulatively, cigarette tax collections are now only \$474,000 (0.7%) less than forecasted in June.

Real estate excise tax (REET) receipts came in \$1.1 million (3.0%) less than forecasted. Seasonally adjusted taxable activity decreased from June's level (see figure), which had been boosted by several very large sales of commercial property. July also saw several large commercial transactions but the volume of these transactions is expected to diminish for the remainder of the year. Cumulatively, receipts are \$10.5 mil-



revenue collections

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revenue collections

lion (13.0%) greater than the June forecast due to last month's spike.

July's liquor taxes receipts reflect activity in June, which was the first month of liquor sales in privately-owned stores. Receipts were \$1.1 million (5.3%) lower than forecasted, but much of the shortfall could be attributed to customers and restaurants stocking up in May, as evidenced by last month's \$1.7 million positive variance in collections. There is also anecdotal evidence of delays in the re-opening of privatized state liquor stores and in the stocking of liquor in existing retail stores. This month's receipts may therefore not represent a full month of typical sales. It should also be noted that July receipts included approximately \$2 million in sales taxes that had previously been distributed to local governments but will instead go into the GF-S for the remainder of the fiscal year. This increased the year-over-year growth rate of liquor tax receipts in the "key revenue variables" table to 12.6%. Without the additional revenue, receipts would have decreased 0.3% year-over-year.

July property tax receipts were \$3.4 million (34.9%) above the forecast, but cumulative receipts are only \$1.7 million (0.8%) above the forecast.

Other Revenue

Department of Licensing receipts for July were \$355,000 (11.7%) higher than the June forecast. Cumulatively, collections are \$600,000 (7.2%) higher than forecasted.

Revenue from the Administrative Office of the Courts was \$749,000 (9.0%) higher than forecasted. Cumulative receipts, however, are \$438,000 (2.7%) lower than forecasted.

Key U.S. Economic Variables

	2012						2010	2011
	Feb.	Mar.	Apr.	May	Jun.	Jul.		
Real GDP (SAAR)	-	2.0	-	-	1.5	-	2.4	1.8
Industrial Production (SA, 2002 = 100)	97.0	96.5	97.2	97.0	97.4	-	90.1	93.7
<i>Y/Y % Change</i>	5.1	3.7	5.0	4.4	4.7	-	5.4	4.1
ISM Manufacturing Index (50+ = growth)	52.4	53.4	54.8	55.9	49.7	49.8	57.3	55.2
ISM Non-Manuf. Index (50+ = growth)	57.3	56.0	53.5	51.8	52.1	52.6	54.1	54.5
Housing Starts (SAAR, 000)	718	706	747	711	760	-	586	612
<i>Y/Y % Change</i>	38.6	17.7	35.3	29.0	23.6	-	5.7	4.5
Light Motor Vehicle Sales (SAAR, mil.)	14.5	14.1	14.1	14.0	14.4	14.1	11.6	12.8
<i>Y/Y % Change</i>	9.1	8.2	7.2	19.0	24.3	13.6	11.6	10.8
CPI (SA, 1982-84 = 100)	228.4	229.1	229.2	228.5	228.6	-	32.5	33.4
<i>Y/Y % Change</i>	2.9	2.6	2.3	1.7	1.7	-	3.0	2.8
Core CPI (SA, 1982-84 = 100)	227.9	228.4	229.0	229.4	229.9	-	33.6	34.7
<i>Y/Y % Change</i>	2.2	2.3	2.3	2.3	2.2	-	2.5	3.5
IPD for Consumption (2000=100)	115.3	115.6	115.6	115.4	115.5	-	111.1	113.8
<i>Y/Y % Change</i>	2.4	2.2	1.9	1.5	1.5	-	1.9	2.4
Nonfarm Payroll Empl., e-o-p (SA, mil.)	132.7	132.9	132.9	133.0	133.1	133.2	130.3	132.2
<i>Monthly Change</i>	0.26	0.14	0.07	0.09	0.06	0.16	1.03	1.84
Unemployment Rate (SA, percent)	8.3	8.2	8.1	8.2	8.2	8.3	9.6	9.0
Yield on 10-Year Treasury Note (percent)	1.97	2.17	2.05	1.80	1.62	1.53	3.21	2.79
Yield on 3-Month Treasury Bill (percent)	0.09	0.08	0.08	0.09	0.09	0.10	0.14	0.05
Broad Real USD Index** (Mar. 1973=100)	83.3	83.8	83.9	85.0	86.2	85.8	87.1	82.6
Federal Budget Deficit (\$ bil.)*	231.7	198.2	-59.1	124.6	59.7	69.6	1,294.2	1,296.8
<i>FYTD sum</i>	580.8	779.0	719.9	844.5	904.2	973.8		
US Trade Balance (\$ bil.)	-45.4	-52.6	-50.6	-48.0	-42.9	-	-494.7	-559.9
<i>YTD Sum</i>	-98.4	-151.0	-201.6	-249.6	-292.6	-		

*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

	2012						2010	2011	
	Feb.	Mar.	Apr.	May	Jun.	Jul.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,852.2	2,857.0	2,858.8	2,862.7	2,867.2	-	2,802.5	2,840.7	
<i>Change from Previous Month (000)</i>	8.1	4.9	1.8	3.9	4.5	-	24.0	38.2	
Construction	137.3	138.8	138.6	138.3	138.3	-	138.2	137.8	
<i>Change from Previous Month</i>	0.5	1.5	-0.2	-0.3	0.0	-	-8.1	-0.5	
Manufacturing	275.2	277.0	278.2	278.9	281.4	-	261.2	274.6	
<i>Change from Previous Month</i>	0.0	1.9	1.2	0.7	2.5	-	3.9	13.4	
Aerospace	91.5	92.1	92.4	92.8	94.3	-	81.9	91.0	
<i>Change from Previous Month</i>	0.4	0.6	0.4	0.4	1.5	-	0.8	9.1	
Software	52.0	52.1	52.2	52.4	52.6	-	51.1	51.9	
<i>Change from Previous Month</i>	0.1	0.1	0.1	0.3	0.1	-	0.5	0.8	
All Other	2,387.7	2,389.1	2,389.8	2,393.0	2,395.0	-	2,351.9	2,376.4	
<i>Change from Previous Month</i>	7.5	1.4	0.7	3.2	1.9	-	27.6	24.5	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	235.7	-	237.9	-	239.5	-	226.7	232.8	
<i>Change from Previous Month (%)</i>	2.7%	-	2.9%	-	2.7%	-	0.3%	2.7%	
Housing Permits (SAAR, 000)	24.9	41.1	29.0	24.8	26.8	-	19.6	21.2	
<i>Change from Previous Month (%)</i>	54.2%	133.4%	-14.5%	0.0%	54.1%	-	22.7%	8.3%	
WA Index of Leading Ind. (2004=100)	113.7	115.3	114.3	114.4	114.3	-	104.8	111.1	
<i>Change from Previous Month (%)</i>	5.0%	5.4%	2.8%	2.8%	2.9%	-	4.9%	6.0%	
WA Business Cycle Ind. (Trend=50)	23.9	27.8	26.9	25.6	27.6	-	13.2	18.4	
<i>Change from Previous Month (%)</i>	55.0%	77.0%	30.2%	38.9%	60.5%	-	-18.3%	39.1%	
Avg. Weekly Hours in Manuf. (SA)	41.7	42.8	42.0	42.0	41.8	-	41.9	42.4	
<i>Change from Previous Month (%)</i>	0.3%	1.9%	-0.9%	-1.9%	-1.7%	-	-0.3%	1.2%	
Avg. Hourly Earnings in Manuf.	24.3	24.3	23.9	24.1	24.1	-	23.5	24.0	
<i>Change from Previous Month (%)</i>	0.8%	0.6%	-1.0%	0.6%	0.8%	-	0.4%	2.1%	
New Vehicle Registrations (SA, 000)	18.6	20.5	18.5	20.2	21.1	19.5	15.5	17.0	
<i>Change from Previous Month (%)</i>	9.6%	18.9%	5.9%	21.1%	27.9%	15.9%	10.7%	9.9%	
Initial Unemployment Claims (SA, 000)	44.1	46.4	47.1	44.1	46.1	45.1	56.5	49.9	
<i>Change from Previous Month (%)</i>	-14.2%	-7.5%	-11.3%	-15.1%	-9.0%	-11.7%	-18.1%	-11.8%	
Personal Income (SAAR, \$bil.)	-	311.3	-	-	-	-	287.2	302.4	
<i>Change from Previous Month (%)</i>	-	4.5%	-	-	-	-	3.0%	5.3%	
Median Home Price (\$000)	-	208.3	-	-	236.0	-	245.2	224.4	
<i>Change from Previous Month (%)</i>	-	-8.7%	-	-	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						
	Aug 11- Sep 10	Sep 11- Oct 10	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*
Department of Revenue-Total	1,020,032	994,146	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
	7.2	7.1	-1.0	2.7	-3.2	10.1	3.7	7.7	-14.8	3.2	0.0	2.2
Revenue Act	899,856	896,724	976,349	845,057	829,991	1,135,635	777,433	813,701	955,769	865,462	913,691	997,454
	6.7	7.3	-0.7	-1.4	-0.7	8.4	3.0	6.0	-19.0	0.5	11.9	1.5
Retail Sales Tax	571,364	565,701	608,090	529,131	546,693	698,431	466,023	496,275	573,036	527,329	563,227	612,852
	3.5	6.0	0.4	-2.2	3.5	5.4	2.7	8.3	-13.8	0.6	11.4	2.0
Business and Occupation Tax	251,796	254,770	285,187	238,640	211,136	340,789	220,285	230,858	286,091	252,983	266,304	295,975
	17.7	15.2	-2.8	1.0	-7.2	19.7	2.9	5.0	-16.6	5.4	15.5	2.3
Use Tax	38,804	37,155	41,979	36,364	31,240	43,966	34,971	37,187	47,458	39,617	43,499	47,577
	1.1	0.8	-0.6	4.7	-11.9	-3.9	6.3	2.8	-56.5	-4.4	11.7	-3.4
Public Utility Tax	25,085	26,542	27,622	26,295	31,015	38,561	40,167	37,340	36,047	32,770	28,036	28,680
	-3.0	-1.2	-3.3	-9.9	13.2	-2.3	0.8	2.1	-9.9	-3.1	-7.1	3.1
Tobacco Products Tax	4,003	4,462	4,238	3,958	3,593	3,554	3,763	3,300	3,746	3,700	3,882	4,305
	13.6	26.4	-2.2	-6.0	5.3	-18.1	-5.5	-1.1	-7.6	-4.3	-8.5	-0.7
Penalties and Interest	8,803	8,093	9,233	10,669	6,315	10,333	12,223	8,742	9,391	9,063	8,744	8,064
	-11.1	-40.6	-5.4	-9.0	-53.8	-5.8	24.1	-35.0	-50.5	-49.0	22.6	-29.7
Non-Revenue Act**	120,176	97,423	163,063	781,872	240,569	134,278	87,913	123,623	181,803	828,473	356,942	119,419
	11.1	4.9	-2.3	7.5	-11.1	27.3	9.8	20.2	17.1	6.2	-21.3	9.1
Liquor Sales/Liter	18,625	17,897	16,998	16,912	17,828	24,559	14,892	15,940	17,799	16,306	20,002	19,416
	2.2	8.3	7.2	1.1	5.8	3.9	7.0	9.7	11.1	0.9	20.5	12.6
Cigarette	41,012	37,554	34,412	35,258	35,561	31,419	31,768	32,932	33,406	34,027	38,519	31,927
	2.9	29.2	2.7	34.8	-2.7	5.4	24.9	17.9	17.4	42.0	-64.3	-18.0
Property (State School Levy)	7,295	10,583	38,957	654,270	145,816	9,659	6,023	31,469	69,804	697,392	198,703	12,949
	2.8	7.2	16.8	6.7	-16.0	-22.1	-12.2	22.4	3.6	0.4	7.5	36.4
Real Estate Excise	45,591	31,027	23,540	29,745	32,631	22,471	22,495	31,182	39,445	35,731	54,062	36,940
	43.5	13.5	-24.2	10.3	-1.9	-1.9	14.2	12.1	37.1	31.8	38.3	18.6
Timber (state share)	1,166	0	0	958	0	0	1,019	0	0	620	0	0
	-29.0	NA	NA	-9.5	NA	NA	29.2	NA	NA	-24.9	NA	NA
Other	6,488	362	49,156	44,729	8,733	46,170	11,717	12,099	21,350	44,398	45,656	18,188
	-31.7	-96.3	-7.6	5.4	-14.7	180.8	-12.1	76.5	43.8	161.5	-56.5	52.8
Department of Licensing**	1,371	510	301	244	221	194	307	538	2,161	2,775	5,079	3,384
	11.5	3.4	-5.6	101.8	69.1	50.6	-10.2	3.3	24.7	-3.0	-19.4	12.7
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**	7,961	8,640	7,972	8,281	7,462	7,401	6,212	8,522	8,356	8,375	8,158	7,571
	-2.1	9.1	2.3	-5.3	1.2	-7.0	-2.2	4.4	-10.8	-0.3	2.0	-10.0
Total General Fund-State***	1,029,364	1,003,296	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
	7.1	7.1	-1.0	2.5	-3.2	10.0	3.6	7.6	-14.7	3.2	-0.6	2.2

*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

Period/Source	Estimate*	Actual	Difference Amount	Percent
July 11, 2012 - August 10, 2012				
August 10, 2012 Collections Compared to the June 2012 Forecast				
Department of Revenue-Total	\$1,161,455	\$1,116,873	(\$44,582)	-3.8%
Revenue Act** (1)	1,039,997	997,454	(42,543)	-4.1%
Non-Revenue Act(2)	121,458	119,419	(2,038)	-1.7%
Liquor Sales/Liter	20,496	19,416	(1,080)	-5.3%
Cigarette	36,167	31,927	(4,240)	-11.7%
Property (State School Levy)	9,597	12,949	3,352	34.9%
Real Estate Excise	38,083	36,940	(1,143)	-3.0%
Timber (state share)	0	0	0	0.0%
Other	17,115	18,188	1,073	6.3%
Department of Licensing (2)	3,029	3,384	355	11.7%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	8,320	7,571	(749)	-9.0%
Total General Fund-State***	\$1,172,804	\$1,127,829	(\$44,976)	-3.8%

Cumulative Variance Since the June Forecast (June 11, 2012 - August 10, 2012)

Department of Revenue-Total	\$2,365,715	\$2,387,506	\$21,791	0.9%
Revenue Act** (3)	1,908,657	1,911,145	2,488	0.1%
Non-Revenue Act(4)	457,058	476,361	19,303	4.2%
Liquor Sales/Liter	38,756	39,418	662	1.7%
Cigarette	70,920	70,445	(474)	-0.7%
Property (State School Levy)	209,961	211,652	1,691	0.8%
Real Estate Excise	80,522	91,002	10,480	13.0%
Timber (state share)	0	0	0	0.0%
Other	56,899	63,844	6,945	12.2%
Department of Licensing (4)	8,326	8,926	600	7.2%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	16,168	15,730	(438)	-2.7%
Total General Fund-State***	\$2,390,209	\$2,412,162	\$21,953	0.9%

1 Collections July 11, 2012 - August 10, 2012. Collections primarily reflect June 2012 activity of monthly filers and second quarter 2012 activity of quarterly filers.

2 July 2012 collections.

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

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

5 Lottery transfers to the General Fund

* Based on the June 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 July 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.