



# ECONOMIC & REVENUE UPDATE

August 11, 2014

summary

## Summary

- **Second quarter real GDP growth was a strong 4.0% at an annual rate.**
- **U.S. nonfarm employment in July exceeded 200,000 net new jobs for a sixth consecutive month.**
- **U.S. housing permits, housing starts, and new home sales all decreased in June.**
- **July was a strong month for Washington job growth.**
- **Seattle area home prices exhibited a rare decline in May.**
- **Seattle area shelter costs continue to rise rapidly but overall inflation remains moderate.**
- **Major General Fund-State revenue collections for the July 11 - August 10, 2014 collection period were \$62.4 million (5.1%) higher than the June forecast. \$55.4 million of the collection surplus came from Revenue Act taxes.**
- **Cumulatively, collections are now \$89.3 million (3.5%) higher than forecasted.**

## United States

GDP growth bounced back strongly in the second quarter, July employment gains exceeded 200,000 net new jobs for a sixth straight month, and growth in new orders for core capital goods turned positive in June. However, as in the past several months, this month's data were mixed: several housing market indicators declined and shipments by truck were down.

The first estimate of real GDP growth for the second quarter of 2014 was a better-than-expected 4.0% at an annual rate. Positive contributions to growth came from increased inventories, stronger personal consumption, and an acceleration in nonresidential investment. First quarter GDP growth was revised upwards from -2.9% to -2.1% at an annual rate.

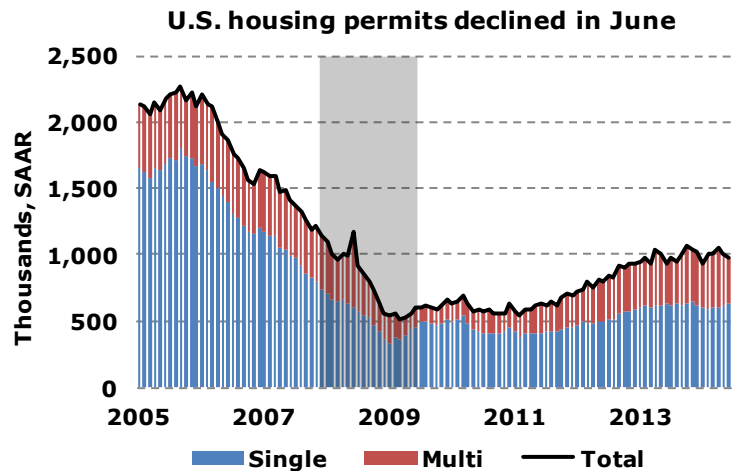
Nonfarm employment increased by 209,000 jobs in July; May and June employment were revised up by a total of 15,000 jobs. Net new jobs have increased by over 200,000 in six consecutive months. Sectors with notable employment gains in July included manufacturing (+28,000), retail trade (+27,000), professional and technical services (+25,000), construction (+22,000), leisure and hospitality (+21,000), and social assistance (+18,000). The unemployment rate increased by 0.1 percentage points to 6.2%, largely because of more people entering the labor force to look for a job.

Initial claims for unemployment insurance decreased by 14,000 to 289,000 (SA) in the week ending August 2nd. The four-week moving average for initial claims decreased by 4,000 to 293,500. This is the lowest level for the four-week moving average since February 25, 2006. Layoff announcements, as tracked by outplacement firm Challenger, Gray, and Christmas, increased in July by over 49% to 46,887. Despite the large increase in July, year-to-date layoff announcements are still 1.3% below the same time period in 2013.

This month's data suggest at least a pause in housing market activity. Housing units authorized by building permits in June decreased 4.2% (SAAR) compared to their May level. As was true in May, the decline was due to multi-family permits; single-family permits were 2.6% higher than in May ([see figure](#)). Housing starts decreased to 893,000 units in June, 9.3% (SAAR) below the May rate. New home sales in June were 8.1% (SAAR) lower than in

united states

May and 11.5% below June 2013 sales. Existing home sales in June were 2.6% (SAAR) higher than in May. This is the third straight month with an increase in existing home sales, which were at their highest level since October 2013. However, pending home sales decreased slightly in June, suggesting that July existing home sales might weaken. The seasonally-adjusted Case-Shiller home price index decreased in May by 0.3% compared to April, its first decline since January 2012. The May index was 9.3% above the year-ago level (SA).



The two major consumer confidence measures painted slightly different pictures of consumer views in July. The Conference Board index of consumer confidence increased in July for a fourth straight month, rising 4.5 points to 90.9. It is now at its highest level since October 2007. The University of Michigan consumer sentiment survey decreased slightly in July, dropping to 81.8 from the June reading of 82.5. In the University of Michigan survey, a more positive view of current events was offset by a more negative view of the economy over the next six months. Although the Michigan survey has declined over the past year, its current level is also similar to its fall 2007 readings.

Retail and food services sales increased for a fifth consecutive month according to the Census Bureau advance estimate, with June sales 0.2% (SA) above their May level. May sales growth was also revised up from 0.3% (SA) to 0.5%. The strongest June sales growth was in general merchandise stores (+1.1%), health and personal care stores (+0.9%), and nonstore retailers (+0.9%), while building material and garden equipment stores had sales decrease by 1.0%.

Light motor vehicle sales decreased slightly, dropping from 16.98 million units (SAAR) in June to 16.48 million units in July. However, sales have been at or above 16 million units for five consecutive months.

Gasoline prices have fallen over the last six weeks, dropping from \$3.70 per gallon (regular, all formulations) in late June to \$3.51 per gallon for the week ending August 11<sup>th</sup>. Despite instability in the Middle East, spot prices for petroleum have moderated in recent weeks. The price for U.S. benchmark West Texas Intermediate oil decreased from \$107 per barrel in mid-June to \$102 per barrel for the week ending August 1<sup>st</sup>. Over the same period, spot prices for European benchmark Brent oil dropped from \$114 per barrel in mid-June to \$106 per barrel for the week ending August 1<sup>st</sup>.

The American Trucking Association's truck tonnage index decreased 0.8% in June after increasing by a revised 0.9% (SA) in May. However, truck tonnage for the first six months of the year was 2.8% above the same period in 2013. Rail traffic increased strongly in July, with carloads 6.0% higher (SA) than in June and intermodal rail units (shipping containers or truck trailers) 5.6% (SA) above their June level.

Industrial production increased by 0.2% in June (SA) following a revised 0.5% increase in May. Growth was particularly strong in the plastic and rubber products, motor vehicles, fabricated metal products, and machinery sectors. New orders for core capital goods (i.e., durables excluding aircraft and military), which are a proxy for business investment, expanded by 3.3% (SA) in June, their first increase in three months. Manufacturing activity, as meas-

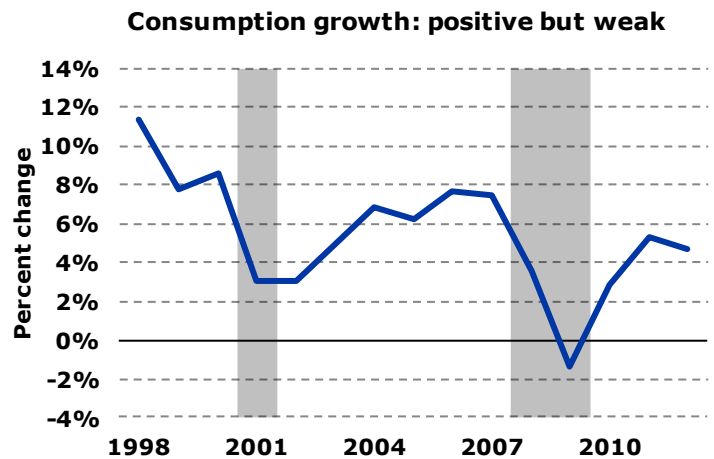
ured by the Institute for Supply Management’s Purchasing Managers Index (PMI), increased by 1.8 points to 57.1 in July (50 or higher indicates growth). Manufacturing activity has now increased for fourteen consecutive months. The non-manufacturing PMI for July increased by 2.7 points to 58.7 and is at its highest level since January 2008. Non-manufacturing activity has now increased for 54 consecutive months.

**WASHINGTON**

In the month since the June forecast was released, the Washington economy added 10,800 net new jobs, 5,500 more than the 5,300 expected in the forecast. Private, service-providing industries accounted for most of the job growth in June, adding a net 7,200 jobs. The manufacturing sector managed an increase of 1,800 jobs mainly as a result of an unexpected 1,300 job increase in aerospace employment. Excluding aerospace, the manufacturing sector added 500 jobs. The construction sector added 1,200 jobs in June while public sector payrolls increased by 600 jobs. In addition to the stronger than expected employment growth in June, the historical employment estimates were revised up, adding 5,500 to the estimates of jobs in May 2014. The stronger than expected growth added to the upward revision to the history means that the current estimate of employment in June is 11,000 higher than assumed in the June forecast. The state’s unemployment rate was 5.8% in June, down from 6.1% in May and 7.0% in June 2013.

The U.S. Bureau of Economic Analysis recently released, for the first time, [estimates of personal consumption expenditures \(PCE\) by state for 1997 through 2012](#).

These estimates are not adjusted for inflation. Washington personal consumption expenditures rose 4.7% in 2012 compared to 4.1% for the nation. Washington’s 2012 consumption growth rate ranked ninth strongest among the states and District of Columbia. Washington consumer spending fell 1.4% in 2009, at the bottom of the most recent recession, in stark contrast to the 2001 recession when consumer spending growth never fell below 3.0% ([see figure](#)). While consumer spending growth returned to positive territory in 2010, 2011, and 2012, growth remains weaker than during the previous recovery.



In what is becoming a familiar pattern, the overall number of housing units authorized by building permits in the second quarter of 2014 was very close to the June forecast but single-family units came up short while multi-family units exceeded the forecast. The number of single-family permits averaged 16,600 units (SAAR) in the second quarter which was 800 fewer than the forecast of 17,400 units. However, the number of multi-family units averaged 20,600 units, 600 more than the forecast of 20,000 units. Overall, the quarter was very close at 37,200 units, 200 fewer than the forecast of 37,400 units.

Regional home prices declined in May for the first time since November 2011. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices fell 0.2% (SA) following 29 consecutive monthly increases. Seattle home prices are still up 9.3% over the previous May and 26.2% higher than the November 2011 trough.

Seattle shelter costs continue to rise much more rapidly than U.S. city average shelter costs but other prices are rising much more slowly with the result that headline inflation in Seat-

tle is close to the national average. The Seattle CPI rose 2.0% from June 2013 to June 2014 compared to 2.1% for the U.S. city average. Similarly, core prices increased 1.8% in Seattle compared to 1.9% for the nation. However, shelter costs rose 5.1% over the year in Seattle compared to 2.8% for the U.S. city average. All items excluding shelter rose only 0.6% in Seattle compared to the national average increase of 1.7%.

Washington exports increased 11.9% in the second quarter of 2014 compared to the second quarter of 2013. Exports of transportation equipment (mostly Boeing planes) increased 10.4% over the year and exports of agricultural products jumped 62.5% over the year. Exports of all other Washington commodities rose 4.6% over the year.

The Institute of Supply Management - Western Washington Index (ISM-WW) plummeted to 50.1 in July from 67.0 in June (index values above 50 indicate positive growth while values below 50 indicate contractions). The July figure was the weakest since July 2009, at the depth of the recession. The production, orders, employment, and inventory components all worsened in July. Only the deliveries index improved.

Washington car sales reached a new post-recession high in July 2014. New vehicle registrations totaled of 290,800 (SAAR) in July, 1.1% more than in June and 5.7% more than in July 2013. July's new vehicle registrations were the strongest since November 2007, before the onset of the recession.

**REVENUE COLLECTIONS**

**Overview**

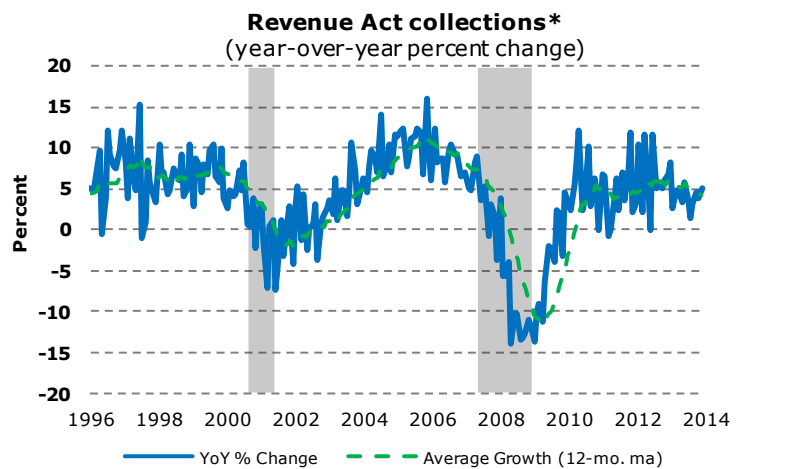
Major General Fund-State revenue collections for the July 11 - August 10, 2014 collection period were \$62.4 million (5.1%) higher than the June forecast. \$55.4 million of the collection surplus came from Revenue Act taxes. Cumulatively, collections are now \$89.3 million (3.5%) higher than forecasted.

**Revenue Act**

Revenue Act taxes consist of the sales, use, business and occupation (B&O), utility, and tobacco products taxes along with associated penalty and interest payments. The revenue collections reported here are for the July 11 - August 10, 2014 collection period. Collections correspond primarily to the June economic activity of monthly filers and second quarter activity of quarterly filers.

Revenue Act collections for the current period came in \$55.4 million (5.2%) above the June forecast. Collections grew 5.1% year over year ([see figure](#)). There were no large one-time payments or refunds in the current or year-ago periods. The 12-month moving average of year-over-year growth decreased to 4.3%. Seasonally adjusted collections increased sharply ([see figure](#)). Due to the inherent volatility of month-to-month collections, it is likely that this month's large collection variance and jump in seasonally adjusted activity is the result of a temporary fluctuation rather than a sign of continued stronger growth.

As shown in the "Key Revenue Variables" table, the preliminary estimate of year-over-year retail sales tax growth is 7.4%. The preliminary estimate of B&O tax growth is 0.1%. Estimated year-over-year growth in B&O tax receipts is low due to the July 1, 2013 expiration



\*Growth adjusted for definition change and unusually large assessment payments, refunds etc.

of a temporary surcharge on service-producing businesses.

Total tax payments as of July 29th from electronic filers who also paid in the July 11 – August 10 collection period of last year were up 4.8% year over year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well).

Some details of payments from electronic filers:

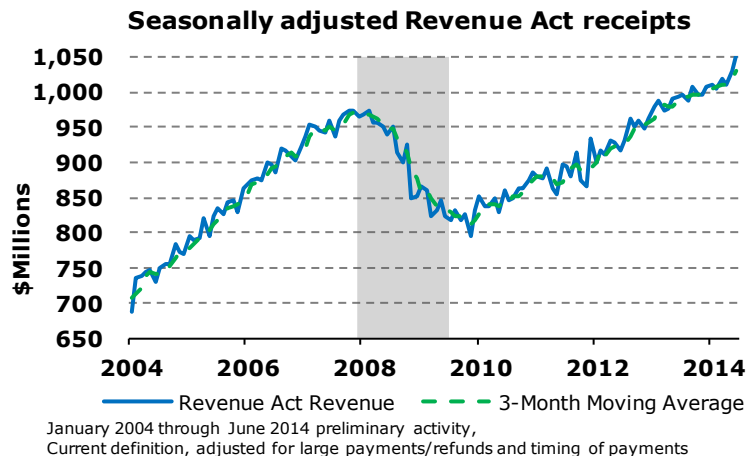
- Total payments in the retail trade sector were up 4.3% year over year. Last month, payments grew 5.4% year over year.
- Payments from the motor vehicles and parts sector increased by 4.8% year over year. Last month, payments in the sector increased by 11.0% year over year.
- Retail trade sectors that showed strong growth in payments were nonstore retailers (+13.2%), building materials and garden equipment (+6.8%), drug and health stores (+6.8%) and miscellaneous retailers (+6.7%). No retail trade sector showed a year-over-year decline in payments.
- Payments from non-retail trade sectors were up 5.1% year over year in the current period. Last month, year-over-year payments increased 3.1%.
- Payments from the manufacturing sector increased by 13.4% year over year. Last month payments increased 24.0% year over year. This month saw a strong year-over-year increase in payments from the transportation equipment sector, but the increase was due almost entirely to a lower amount of tax credits claimed in the current year. Payments from the petroleum refining sector declined slightly. Excluding these sectors, payment growth from other manufacturing sectors was 10.2%.
- Excluding the manufacturing sector, payments from non-retail trade sectors increased 4.2% year over year. Last month, non-retail payments excluding manufacturing increased 1.0%.
- Tax payments by businesses in the construction sector increased by 8.5% year over year. Last month, payments increased 5.9% year over year.

**DOR Non-Revenue Act**

July collections came in \$7.4 million (5.3%) above the forecast. Cumulatively, collections are now \$14.4 million (3.1%) higher than forecasted.

Most of this month’s surplus came from real estate excise tax (REET) collections, which were \$6.9 million (12.4%) higher than forecasted. The positive variance stemmed mainly from stronger-than-forecasted sales of commercial property, with \$629 million in sales valued at \$10 million or more. Other sales were also slightly stronger than expected. Seasonally-adjusted taxable activity spiked after last month’s decrease ([see figure](#)). Cumulatively, collections are now \$16.2 million (14.2%) higher than forecasted.

Cigarette tax receipts came in \$5.0 million (14.4%) higher than forecasted. The excess, however, was due to a smaller-than-expected number of deferred payments (purchasers of tax stamps are allowed to defer payments for 30 days). This month’s variance is therefore



likely to be reversed next month. Cumulatively, receipts are now \$6.3 million (9.4%) higher than forecasted.

Liquor taxes came in \$1.3 million (6.8%) below the forecast. Adjusted for an increase in this year's distribution of taxes to local governments, tax receipts for May sales decreased by 5.7% year over year. Unadjusted receipts decreased by 8.1% as reported in the "Key Revenue Variables" table. Cumulatively, receipts are now \$2.5 million (6.1%) lower than forecasted.

Property tax collections came in \$15,000 (0.1%) lower than forecasted. Cumulatively, collections are now \$0.4 million (0.2%) lower than forecasted.

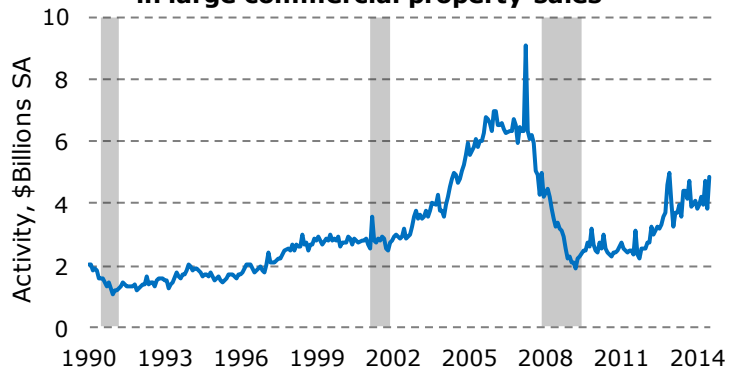
Revenue from other DOR non-GF-S sources came in \$3.1 million (17.1%) below the forecast due to higher-than-expected refunds of unclaimed property. Cumulatively, receipts are now \$5.2 million (8.5%) lower than forecasted.

**Other Revenue**

Department of Licensing receipts for July came in \$0.2 million (5.4%) lower than the June forecast. Cumulatively, however, receipts are \$0.4 million (4.9%) higher than forecasted.

Revenue from the Administrative Office of the Courts came in \$0.2 million (3.1%) below the forecast. Cumulatively, receipts are now \$0.4 million (2.7%) lower than forecasted.

**Taxable REET activity spiked in July due to \$629M in large commercial property sales**



Source: ERFC, data through July 2014 preliminary activity

## Key U.S. Economic Variables

	2014						2012	2013
	Feb.	Mar.	Apr.	May	Jun.	Jul.		
Real GDP (SAAR)	-	-2.1	-	-	4.0	-	2.3	2.2
Industrial Production (SA, 2007 = 100)	102.2	103.2	103.2	103.7	103.9	-	97.1	99.9
<i>Y/Y % Change</i>	3.2	3.7	3.9	4.3	4.3	-	3.8	2.9
ISM Manufacturing Index (50+ = growth)	53.2	53.7	54.9	55.4	55.3	57.1	51.7	53.9
ISM Non-Manuf. Index (50+ = growth)	51.6	53.1	55.2	56.3	56.0	58.7	54.6	54.7
Housing Starts (SAAR, 000)	928	950	1,063	985	893	-	784	930
<i>Y/Y % Change</i>	-2.4	-4.4	25.4	7.7	7.5	-	28.1	18.6
Light Motor Vehicle Sales (SAAR, mil.)	15.4	16.5	16.1	16.7	16.9	16.5	14.5	15.6
<i>Y/Y % Change</i>	0.4	7.7	5.6	8.1	6.4	4.6	12.7	7.6
CPI (SA, 1982-84 = 100)	235.2	235.6	236.3	237.1	237.7	-	229.6	233.0
<i>Y/Y % Change</i>	1.1	1.5	2.0	2.1	2.1	-	2.1	1.5
Core CPI (SA, 1982-84 = 100)	236.1	236.6	237.2	237.8	238.1	-	229.8	233.8
<i>Y/Y % Change</i>	1.6	1.6	1.8	1.9	1.9	-	2.1	1.8
IPD for Consumption (2009=100)	108.1	108.3	108.5	108.8	109.0	-	106.1	107.3
<i>Y/Y % Change</i>	1.0	1.2	1.5	1.7	1.6	-	1.8	1.2
Nonfarm Payroll Empl., e-o-p (SA, mil.)	137.8	138.0	138.3	138.5	138.8	139.0	135.1	137.4
<i>Monthly Change</i>	0.22	0.20	0.30	0.23	0.30	0.21	2.24	2.33
Unemployment Rate (SA, percent)	6.7	6.7	6.3	6.3	6.1	6.2	8.1	7.4
Yield on 10-Year Treasury Note (percent)	2.71	2.72	2.71	2.56	2.60	2.54	1.80	2.35
Yield on 3-Month Treasury Bill (percent)	0.05	0.05	0.03	0.03	0.04	0.03	0.09	0.06
Broad Real USD Index** (Mar. 1973=100)	85.9	85.8	85.4	85.1	85.3	85.0	84.4	84.6
Federal Budget Deficit (\$ bil.)*	193.5	36.9	-106.9	130.0	-70.5	-	1,089.2	680.2
<i>FYTD sum</i>	376.6	413.5	306.7	436.6	366.1	-		
US Trade Balance (\$ bil.)	-42.6	-44.2	-47.0	-44.7	-41.5	-	-537.6	-476.4
<i>YTD Sum</i>	-82.6	-126.8	-173.9	-218.5	-260.1	-		

\*Federal Fiscal Year runs from October 1st to September 30th.

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

## Key Washington Economic Variables

	2014						2012	2013	
	Feb.	Mar.	Apr.	May	Jun.	Jul.			
<b>Employment</b>								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	3,041.8	3,045.8	3,052.4	3,053.5	3,064.4	-	2,951.7	3,025.3	
<i>Change from Previous Month (000)</i>	-2.0	4.0	6.6	1.2	10.8	-	63.1	73.6	
Construction	154.9	156.5	157.9	158.4	159.6	-	144.4	152.6	
<i>Change from Previous Month</i>	-1.4	1.6	1.4	0.5	1.2	-	8.4	8.2	
Manufacturing	287.5	287.2	287.5	287.0	288.8	-	284.7	287.5	
<i>Change from Previous Month</i>	0.0	-0.4	0.3	-0.5	1.8	-	10.2	2.8	
Aerospace	93.8	93.7	93.8	93.7	95.0	-	96.7	95.3	
<i>Change from Previous Month</i>	-0.4	-0.1	0.1	-0.1	1.3	-	5.8	-1.4	
Software	55.3	55.4	55.5	55.7	55.7	-	52.6	55.0	
<i>Change from Previous Month</i>	0.1	0.2	0.1	0.1	0.0	-	0.6	2.3	
All Other	2,544.1	2,546.7	2,551.4	2,552.5	2,560.3	-	2,470.0	2,530.3	
<i>Change from Previous Month</i>	-0.7	2.6	4.7	1.1	7.9	-	43.9	60.3	
<b>Other Indicators</b>								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	242.8	-	246.6	-	247.6	-	238.7	241.6	
	1.2%	-	2.4%	-	2.0%	-	2.5%	1.2%	
Housing Permits (SAAR, 000)	35.9	31.9	49.0	31.4	31.3	-	28.3	30.8	
	3.2%	1.0%	74.8%	2.5%	19.6%	-	34.1%	9.0%	
WA Index of Leading Ind. (2004=100)	116.1	117.1	118.1	117.9	119.5	-	111.8	115.4	
	0.9%	2.4%	3.0%	2.9%	4.0%	-	3.3%	3.2%	
WA Business Cycle Ind. (Trend=50)	42.6	42.9	46.1	46.1	46.0	-	31.3	40.7	
	10.8%	10.0%	19.6%	16.0%	15.2%	-	30.4%	30.2%	
Avg. Weekly Hours in Manuf. (SA)	40.9	41.0	40.7	40.8	41.3	-	42.0	41.6	
	-2.2%	-2.4%	-2.6%	-1.1%	-1.0%	-	-0.8%	-0.9%	
Avg. Hourly Earnings in Manuf.	25.0	25.1	25.0	25.2	25.1	-	24.1	24.3	
	2.8%	3.1%	3.0%	4.4%	4.5%	-	0.7%	0.8%	
New Vehicle Registrations (SA, 000)	21.2	20.7	24.0	23.0	24.0	24.2	19.8	22.1	
	-3.9%	-4.9%	14.3%	8.9%	8.9%	5.7%	16.5%	11.5%	
Initial Unemployment Claims (SA, 000)	41.6	38.7	37.0	37.4	31.9	34.1	44.6	40.1	
	3.3%	-6.2%	-10.6%	-6.5%	-23.0%	-15.8%	-10.6%	-10.0%	
Personal Income (SAAR, \$bil.)	-	337.6	-	-	-	-	317.6	328.3	
	-	4.6%	-	-	-	-	4.8%	3.4%	
Median Home Price (\$000)	-	248.9	-	-	-	-	232.5	252.1	
	-	4.8%	-	-	-	-	3.6%	8.4%	

\*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

	2013					2014						
	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*
<b>Department of Revenue-Total</b>	1,138,230	1,129,529	1,270,094	1,794,096	1,181,060	1,320,415	1,000,368	1,019,727	1,286,764	1,843,026	1,345,058	1,268,929
	7.3	3.3	5.4	1.6	0.0	2.6	6.1	1.7	5.9	4.1	3.7	2.9
<b>Revenue Act</b>	1,005,940	1,009,226	1,033,506	978,084	931,732	1,196,447	900,074	894,710	1,055,388	977,857	1,013,168	1,122,275
	8.1	3.1	3.5	4.9	2.0	4.0	5.5	2.0	4.8	5.6	4.8	5.1
Retail Sales Tax	653,087	653,589	664,132	629,879	584,548	751,170	560,931	556,037	664,460	634,587	665,073	714,660
	10.3	6.7	6.7	7.8	1.2	5.1	7.4	5.5	8.3	9.9	9.6	7.4
Business and Occupation Tax	266,141	268,529	282,860	261,960	256,454	331,505	240,364	234,613	281,932	251,597	257,505	310,740
	4.3	-5.3	-3.2	-0.1	2.2	-1.6	0.2	-9.4	-5.8	-3.3	-5.9	0.1
Use Tax	44,601	45,354	44,237	43,226	45,647	56,608	40,980	44,708	51,412	44,858	46,852	53,640
	2.1	11.4	-0.6	-4.4	9.2	21.3	8.2	14.4	9.9	3.8	5.6	5.7
Public Utility Tax	28,091	27,795	26,359	29,914	29,289	41,501	43,008	40,621	39,292	32,963	29,721	27,707
	10.4	0.2	2.4	6.5	-3.6	12.6	3.2	6.3	15.0	1.1	1.5	0.6
Tobacco Products Tax	3,860	4,681	3,930	3,237	4,010	3,266	3,611	3,006	4,446	3,955	3,420	5,198
	-0.6	20.9	24.9	-13.2	15.6	-6.0	6.9	-6.9	20.6	3.3	-14.4	3.3
Penalties and Interest	10,159	9,278	11,989	9,867	11,785	12,397	11,181	15,726	13,845	9,896	10,597	10,332
	2.0	-11.9	14.2	7.0	26.6	10.6	30.3	50.1	45.8	8.6	20.5	13.4
<b>Non-Revenue Act**</b>	132,290	120,303	236,588	816,012	249,328	123,968	100,293	125,017	231,377	865,170	331,890	146,654
	1.1	4.7	14.8	-2.0	-6.9	-9.8	12.7	-0.2	11.2	2.4	0.6	-11.2
Liquor Sales/Liter	23,931	20,689	18,975	20,475	20,784	29,573	19,529	18,344	14,969	19,172	19,874	18,401
	-8.8	-13.9	-6.5	-3.9	-3.6	-5.0	-7.5	-2.4	-23.9	-0.9	-10.7	-8.1
Cigarette	35,149	31,588	38,604	29,948	34,763	35,824	22,623	27,879	32,173	33,000	34,029	39,369
	-11.3	-9.5	6.6	-19.3	15.7	-3.7	1.4	-15.7	10.3	-22.1	3.1	7.3
Property (State School Levy)	8,424	9,381	58,609	677,754	129,310	12,260	6,147	28,666	112,590	735,586	169,547	11,348
	28.7	-9.7	61.5	0.2	-7.9	39.7	4.1	-0.2	11.4	5.1	-11.7	3.9
Real Estate Excise	52,692	47,587	59,637	43,454	54,397	32,072	30,667	41,024	47,388	55,565	67,653	62,522
	7.6	31.6	21.5	-18.6	-13.9	-13.1	18.7	11.5	2.6	5.4	39.6	-25.1
Timber (state share)	716	0	0	637	0	0	685	0	0	637	0	0
	-11.0	NA	NA	-19.9	NA	NA	10.9	NA	NA	-5.3	NA	NA
Other	11,379	11,058	60,763	43,745	10,075	14,239	20,642	9,103	24,256	21,209	40,787	15,014
	30.7	17.7	-5.5	0.9	-20.4	-39.1	56.5	16.0	102.8	-29.1	18.9	7.4
<b>Department of Licensing**</b>	1,091	504	342	201	267	307	342	560	1,077	3,736	5,848	3,202
	-16.6	-1.7	-4.6	-22.6	8.7	-0.1	-20.4	-10.4	-54.8	31.6	12.9	-11.5
<b>Administrative Office of the Courts**</b>	7,136	6,890	7,122	8,313	6,224	7,207	6,264	7,198	7,711	7,569	6,945	6,952
	-10.3	-7.3	-2.5	-4.1	-9.2	11.5	-9.5	-4.6	-3.3	-11.8	-7.2	-1.4
<b>Total General Fund-State***</b>	<b>1,146,457</b>	<b>1,136,923</b>	<b>1,277,558</b>	<b>1,802,609</b>	<b>1,187,551</b>	<b>1,327,928</b>	<b>1,006,974</b>	<b>1,027,484</b>	<b>1,295,553</b>	<b>1,854,332</b>	<b>1,357,851</b>	<b>1,279,084</b>
	<b>7.1</b>	<b>3.2</b>	<b>5.4</b>	<b>1.6</b>	<b>0.0</b>	<b>2.6</b>	<b>6.0</b>	<b>1.7</b>	<b>5.7</b>	<b>4.0</b>	<b>3.7</b>	<b>2.8</b>

\*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
<b>July 11, 2014 - August 10, 2014</b>				
<b>August 10, 2014 Collections Compared to the June 2014 Forecast</b>				
Department of Revenue-Total	\$1,206,176	\$1,268,929	\$62,753	5.2%
Revenue Act** (1)	1,066,910	1,122,275	55,365	5.2%
Non-Revenue Act(2)	139,266	146,654	7,388	5.3%
Liquor Sales/Liter	19,733	18,401	(1,332)	-6.8%
Cigarette	34,419	39,369	4,951	14.4%
Property (State School Levy)	11,362	11,348	(15)	-0.1%
Real Estate Excise	55,639	62,522	6,884	12.4%
Timber (state share)	0	0	0	0.0%
Other	18,114	15,014	(3,100)	-17.1%
Department of Licensing (2)	3,384	3,202	(182)	-5.4%
Administrative Office of the Courts (2)	7,173	6,952	(221)	-3.1%
<b>Total General Fund-State***</b>	<b>\$1,216,733</b>	<b>\$1,279,084</b>	<b>\$62,351</b>	<b>5.1%</b>

### Cumulative Variance Since the June Forecast (June 11, 2014 - August 10, 2014)

Department of Revenue-Total	\$2,524,684	\$2,613,987	\$89,304	3.5%
Revenue Act** (3)	2,060,545	2,135,443	74,898	3.6%
Non-Revenue Act(4)	464,139	478,544	14,405	3.1%
Liquor Sales/Liter	40,756	38,275	(2,482)	-6.1%
Cigarette	67,116	73,398	6,282	9.4%
Property (State School Levy)	181,276	180,894	(382)	-0.2%
Real Estate Excise	113,992	130,176	16,184	14.2%
Timber (state share)	0	0	0	0.0%
Other	60,998	55,801	(5,197)	-8.5%
Department of Licensing (4)	8,628	9,050	422	4.9%
Administrative Office of the Courts	14,278	13,897	(381)	-2.7%
<b>Total General Fund-State***</b>	<b>\$2,547,590</b>	<b>\$2,636,934</b>	<b>\$89,345</b>	<b>3.5%</b>

1 Collections July 11, 2014 - August 10, 2014. Collections primarily reflect June 2014 activity of monthly filers and second quarter, 2014 activity of quarterly filers.

2 July 2014 collections.

3 Cumulative collections, estimates and variance since the June 2014 forecast; (June 11, 2014 - August 10, 2014) and revisions to history.

4 Cumulative collections, estimates and variance since the June forecast (June - July 2014) and revisions to history.

\* Based on the June 2014 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.