



# ECONOMIC & REVENUE UPDATE

January 12, 2015

## Summary

- **U.S. nonfarm employment increased by 252,000 net new jobs in December.**
- **U.S. real wage growth remains weak.**
- **U.S. real GDP growth in the third quarter was revised up from 3.9% to 5.0%.**
- **Nationally, home sales and residential construction activity weakened.**
- **Washington job growth was on target in January.**
- **Washington initial claims for unemployment insurance reached a new post-recession low.**
- **Third quarter Washington personal income growth was strong due to information sector wages.**
- **Major General Fund-State revenue collections for the December 11, 2014 - January 10, 2015 collection period were \$16.7 million (1.4%) higher than the November forecast.**
- **During the collection period, there were several large one-time assessment payments and refunds that totaled \$21.2 million. In addition, a \$21.0 million refund that was forecasted for this month has yet to occur. Had the refund occurred, and the one-time payments not occurred, collections would have been \$25.5 million (2.1%) lower than forecasted.**
- **Cumulatively, collections are now \$15.2 million (0.5%) higher than forecasted, but without the aforementioned special factors collections would have been \$27.0 million (0.9%) lower than forecasted.**

## United States

This month's economic data updates were encouraging, but not all the news was positive. Real GDP growth for the third quarter of 2014 was revised up again, consumer confidence and industrial production were up, and there was another strong month of employment gains. However, despite the largest annual employment increase since 1999 and a declining unemployment rate, wage growth remains muted. Housing activity also weakened, with declines in both home sales and residential construction.

Nonfarm employment increased by 252,000 net new jobs in December, while October and November employment data were revised upward by 50,000 jobs. This brings the total change in employment for 2014 to over 2.9 million jobs, the largest annual employment gain since 1999. Sectors with notable employment gains in December included construction (+48,000), leisure and hospitality (+36,000), health care (+34,000), manufacturing (+17,000), employment services (+16,000), and professional and technical services (+13,000). Federal government employment, excluding the post office, declined by 1,000. The unemployment rate decreased to 5.6%.

Despite strong job gains for the year, real wage growth has been quite weak. Average hourly earnings for 2014 increased by just under 2%, barely above the rate of inflation ([see figure](#)).

Real GDP growth for the third quarter of 2014 was revised up from 3.9% to 5.0% at an annual rate, according to the Bureau of Economic Analysis. This compares to a 4.6% growth rate for the second quarter and -2.1% for the first quarter.

Industrial production increased by 1.3% in November (SA) compared to October. After an upward revision to October data, this makes three consecutive monthly increases in industrial production. Sectors with particularly strong growth in November included motor vehicles (+5.1%), utilities (+5.1%), and apparel and leather (+2.4%). New orders for core capital goods (i.e., durables excluding aircraft and military), which are a proxy for business investment, decreased by 0.5% (SA) in November after a revised decline of 1.8% in October and a 1.1% decline in September.



Growth in manufacturing activity, as measured by the Institute for Supply Management's Purchasing Managers Index (PMI), decreased by 3.2 points to 55.5 in December (50 or higher indicates growth). Although this is the second consecutive decline for the index, it has remained above 50 for 19 consecutive months. The non-manufacturing PMI continued its seesaw pattern, dropping 3.1 points in December to 56.2. In 2014, the index has ranged from a low of 51.6 to a high of 59.6, but non-manufacturing activity has increased for 59 consecutive months through December.

Initial claims for unemployment insurance decreased by 4,000 to 294,000 (SA) in the week ending January 3rd. The four-week moving average for initial claims decreased by 250 to 290,500. Layoff announcements, as tracked by outplacement firm Challenger, Gray, and Christmas, dropped by 9.2% to 32,640 in December. For all of 2014, employers announced 483,171 job cuts, the lowest total since 1997.

Home sales and residential construction activity both weakened in November. Housing units authorized by building permits in November decreased by 5.2% (SAAR) compared to their October level and by 0.2% compared to November 2013. November housing starts decreased by 1.6% (SAAR) compared to October and were 7.0% below their year-ago level. Following three months of increasing sales, seasonally adjusted new single family home sales decreased by 1.6% to 438,000 (SAAR) in November. Existing home sales in November decreased by 6.1% (SAAR) after hitting their highest level of the year in October. After remaining essentially unchanged from February through July, the seasonally-adjusted Case-Shiller national home price index has increased for the last three months. The October index was 0.7% above its September level and 4.7% above its year-ago level.

The two major consumer confidence measures both ended the year on a positive note. The Conference Board index of consumer confidence, which had declined in November, increased by 1.6 points to 92.6 in December. The University of Michigan consumer sentiment survey increased for a fifth straight month, rising 4.8 points to 93.6 in December, its highest reading since January 2007. The increase in the Conference Board index was attributed to greater optimism regarding the short-term outlook, while the gains in the University of Michigan index were due to improved job and wage prospects as well as lower gasoline prices.

December light motor vehicle sales decreased to 16.9 million units from 17.2 million units (SAAR) in November. However, this was 9.0% above December 2013 sales. Total vehicle sales for 2014 were the strongest since 2006.

Petroleum spot prices have continued to decline. The price for U.S. benchmark West Texas Intermediate oil was \$53 per barrel for the week ending January 2nd, down \$14 per barrel

from early December and a drop of \$54 per barrel from the 2014 high point. Spot prices for European benchmark Brent oil have seen similar declines, falling \$14 per barrel in the last month to \$56 per barrel for the week ending January 2nd. Gasoline prices are also continuing to fall. For the week ending January 5th, gasoline was \$2.21 per gallon (regular, all formulations), a decrease of \$0.47 per gallon over the previous four weeks.

The American Trucking Association’s truck tonnage index for November increased by 3.5% (SA) after increasing by 0.5% in October. The index is 4.4% above its November 2013 level. Rail traffic was mixed in December but showed positive growth on an annual basis. Rail carloads were 3.8% (SA) above November but intermodal rail units (shipping containers or truck trailers) were 2.3% (SA) lower than in November. For the year, rail carloads were up 3.9% over 2013 and at their highest level since 2008, while intermodal rail units were 5.2% above their previous record set in 2013.

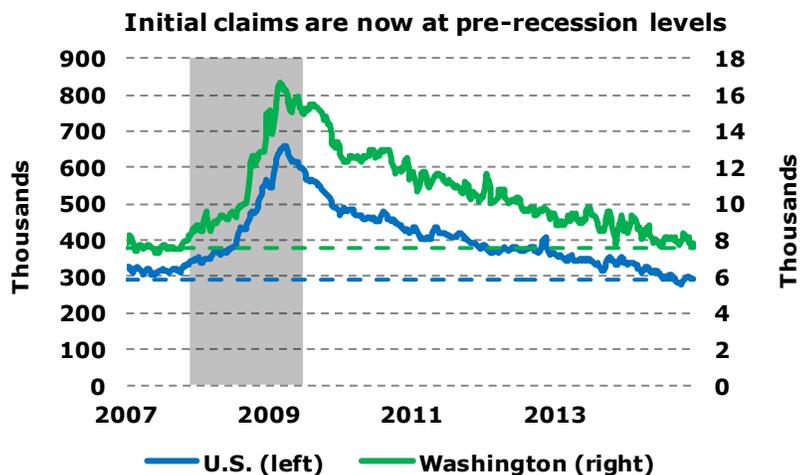
**WASHINGTON**

We have only one month of new Washington employment data since the November forecast was released. Total nonfarm payroll employment rose 7,000 in November, 800 more than the 6,300 expected in the November forecast. As usual, most of the growth came from private, services-providing sectors whose employment rose 5,000 in the month. This was 400 short of the 5,400 expected in the forecast. Construction employment grew 1,700 in November and manufacturing employment rose 800, both exceeding the November forecast which predicted an increase in construction of 700 jobs and a decline in manufacturing of 200 jobs. The public sector lost 400 net jobs in November. The forecast had assumed an increase of 400 jobs. The state’s unemployment rose to 6.2% in November from 6.0% in October as labor force growth exceeded job growth in November.

Washington initial claims for unemployment insurance reached a new post-recession low. The 4-week moving average of Washington initial claims for unemployment insurance declined to 7,571 in the week ending January 3rd from 7,821 in the previous week and is now comparable to the rate reached well before the onset of the recession ([see figure](#)), a period of strong growth in Washington employment.

Single-family housing construction was once again weak in the third quarter of 2014 according to the building permit data but multi-family construction is in line with historical averages. Single-family permits averaged 17,500 units (SAAR) in July, August, and September and multi-family construction came in at 15,600 units. Total housing units authorized by building permits averaged 33,100 (SAAR) in the third quarter. The fourth quarter seems poised for a rebound in housing construction. Single family permits averaged 18,100 in October and November and multi-family permits averaged 18,000 for a total of 36,100 units. The November forecast assumed an average rate of 34,100 units for the fourth quarter as a whole.

After a pause in the spring and early summer months, Seattle-area home prices appear to be rising again. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices increased 0.7% in October following a 0.3% increase in September and a 0.2% increase in August. From April through July prices declined 0.2%. Seattle home



prices are up 6.3% over the previous October and 27.8% higher than the November 2011 trough.

In July, 1,351 Washington Microsoft employees received 60-day layoff notices. Another 747 were notified in September and 635 in October for a total of 2,733 by the end of the year. The first batch of layoffs went into effect on September 15 and resulted in a decline in monthly software employment from September to October. The second and third rounds will affect employment growth in December and January. We do not expect any further large-scale layoffs in the near future.

In December the Bureau of Economic Analysis released new estimates of state personal income through the third quarter of 2014. Washington personal income grew at a 4.7% rate (SAAR) in the third quarter which ranked 7th among the states (including the District of Columbia) and was well above the 3.9% annual rate for the U.S. as a whole. Washington's exceptional growth in the third quarter was due to the information sector where software wages increased sharply. Excluding information earnings, Washington's third quarter growth was 3.7% which ranked 24th among the states and District of Columbia and slightly trailed the 3.8% rate for the U.S. as a whole.

The Institute of Supply Management - Western Washington Index (ISM-WW) fell from 63.1 in November to a barely positive 53.3 in December (index values above 50 indicate positive growth while values below 50 indicate contractions). The decline was due to reductions in the production, orders, employment, and inventory components. The deliveries component increased slightly. The last time the ISM-WW index was below 50 was July 2009.

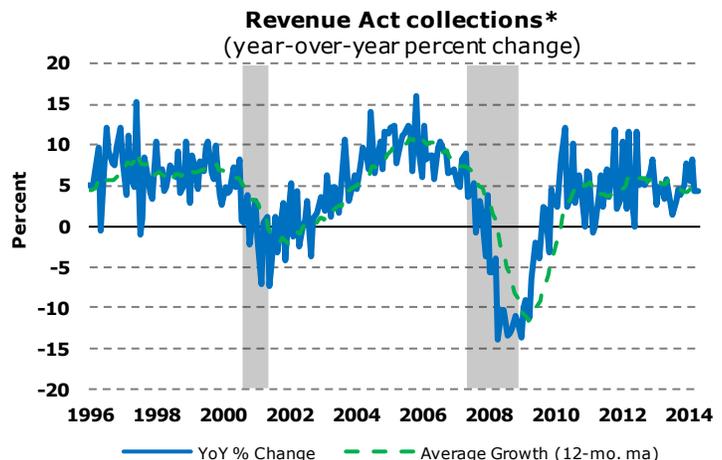
Washington car and truck sales surged in December 2014 to a new post-recession high. New vehicle registrations totaled 301,400 (SAAR) in December which was 11.8% above the November figure and 11.6% higher than in December 2013. December car sales were the highest since November 2007, just prior to the onset of the Great Recession.

**REVENUE COLLECTIONS**

**Overview**

Major General Fund-State revenue collections for the December 11, 2014 - January 10, 2015 collection period were \$16.7 million (1.4%) higher than the November forecast. During this period, however, there were several large one-time assessment payments and refunds that totaled \$21.2 million. In addition, a \$21.0 million refund that was forecasted for this month has yet to occur. Had the refund occurred, and the one-time payments not occurred, collections would have been \$25.5 million (2.1%) lower than forecasted.

Cumulatively, collections are now \$15.2 million (0.5%) higher than forecasted, but without the aforementioned special factors collections would have been \$27.0 million (0.9%) lower than forecasted.



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

**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 December 11, 2014 – January 10, 2015 collection period. Collections correspond primarily to the November economic activity of monthly filers.

Revenue Act collections for the current period came in \$30.4 million (3.1%) above the November forecast. During this period, however, there were several large one-time assessment payments and refunds that totaled \$21.2 million. In addition, a \$21.0 million refund that was forecasted for this month has yet to occur (it is still expected to occur, but at a later date). Had the refund occurred during the current period, and the one-time payments not occurred, collections would have been \$11.8 million (1.2%) lower than forecasted.

Cumulatively, collections are now \$15.5 million (0.8%) higher than forecasted, but without the aforementioned special factors collections would have been \$26.7 million (1.3%) lower than forecasted.

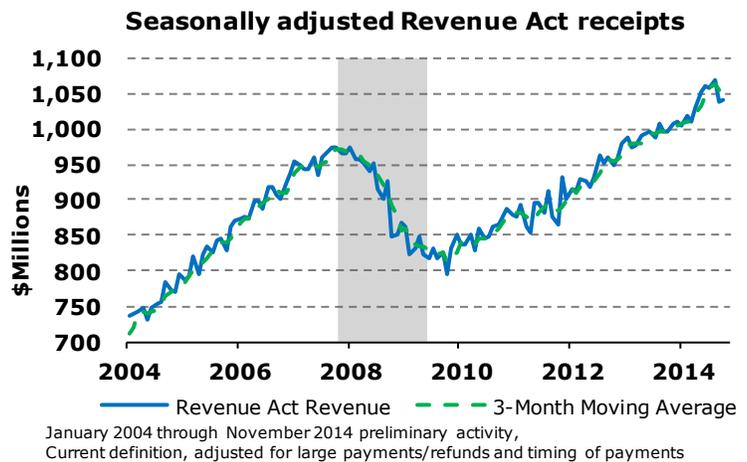
Adjusted for large one-time payments or refunds in the current and year-ago periods, collections grew 4.3% year over year ([see figure](#)). The 12-month moving average of year-over-year growth remained at 4.8%. Seasonally adjusted collections increased ([see figure](#)).

As shown in the "Key Revenue Variables" table, the preliminary estimate of year-over-year retail sales tax growth is 7.6%. The preliminary estimate of B&O tax growth is 5.0%.

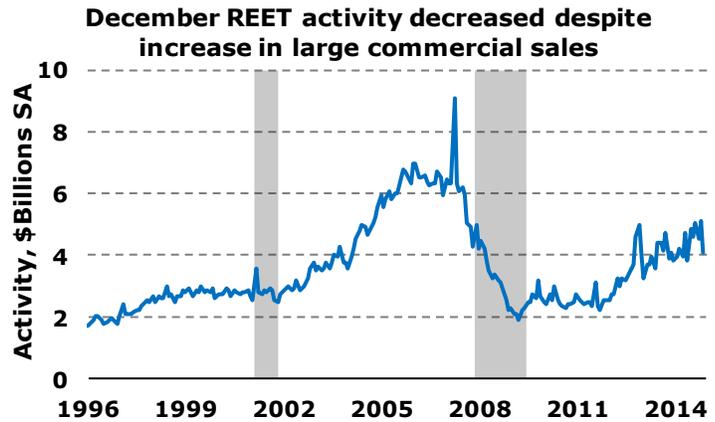
Total tax payments as of December 30th from electronic filers who also paid in the December 11 – January 10 collection period of last year were up 4.4% year over year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well).

Some details of payments from electronic filers:

- Total payments in the retail trade sector were up 4.9% year over year. Last month, payments grew 5.1% year over year.
- Payments from the motor vehicles and parts sector increased by 6.4% year over year. Last month, payments in the sector increased by 6.8% year over year.
- Retail trade sectors that showed strong growth in payments were nonstore retailers (+13.6%), miscellaneous retailers (+8.7%) and building materials and garden equipment (+7.6%). No retail trade sectors showed year-over-year declines in payments.
- Payments from non-retail trade sectors were up 4.1% year over year in the current period. Last month, year-over-year payments increased 6.3%.
- Payments from the manufacturing sector decreased by 6.6% year over year. Last month payments increased 8.6% year over year. This month saw a large year-over-year decrease in payments from the petroleum refining sector due to price decreases in refined products as well as a slight decrease in payments from the transportation equipment sector. Excluding the transportation and petroleum sectors, payment growth from the remaining manufacturing sectors was 2.1%.



- Excluding the manufacturing sector, payments from non-retail trade sectors increased 5.3% year over year. Last month, non-retail payments excluding manufacturing increased 6.1%.
- Tax payments by businesses in the construction sector increased by 10.2% year over year. Last month, payments increased 12.3% year over year.



Source: ERFC, data through December 2014 preliminary activity

### DOR Non-Revenue Act

December collections came in \$14.4 million (5.8%) below the forecast. Cumulatively, however, collections are only \$1.4 million (0.1%) below the forecast.

Most of this month's shortfall came from property tax collections, which were \$19.3 million (14.7%) lower than forecasted. Combined with last month's \$10.3 million surplus, however, cumulative property tax collections are only \$9.0 million (1.1%) lower than forecasted.

Despite another strong month for sales of commercial property, real estate excise tax (REET) collections for December came in \$0.9 million (1.7%) lower than forecasted. Sales of commercial property valued at \$10 million or more totaled \$1.07 billion, up from last month's total of \$889 million. Residential sales, however, were much weaker than last month's, resulting in a large decline in total seasonally-adjusted taxable activity ([see figure](#)). Since last month saw both strong residential and strong commercial sales, cumulative collections are still \$5.7 million (5.6%) higher than forecasted.

Cigarette tax receipts came in \$4.1 million (13.9%) higher than forecasted. Cumulatively, receipts are now \$6.1 million (10.5%) higher than forecasted.

Liquor taxes came in \$0.6 million (3.0%) higher than forecasted. Adjusted for an increase in this year's distribution of taxes to local governments, tax receipts for November sales increased by 3.2% year over year. Unadjusted receipts increased by 1.2% as reported in the "Key Revenue Variables" table. Cumulatively, liquor tax receipts are \$0.7 million (1.7%) higher than forecasted.

Transfers of unclaimed property into the GF-S were \$0.5 million higher than forecasted. Cumulatively, transfers are \$0.7 million (2.4%) lower than forecasted.

Revenue from other DOR non-GF-S sources came in \$0.7 million (5.7%) above the forecast. Cumulatively, revenue from these sources is \$4.2 million (17.6%) lower than forecasted.

### Other Revenue

Department of Licensing receipts for December came in \$49,000 (20.0%) higher than the November forecast. Cumulatively, receipts are now \$53,000 (11.2%) higher than forecasted.

Revenue from the Administrative Office of the Courts came in \$0.6 million (9.7%) above the forecast. Cumulatively, revenue is \$1.0 million (7.8%) higher than forecasted.

## Key U.S. Economic Variables

	2014						2013	2014
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.		
Real GDP (SAAR)	-	-	5.0	-	-	-	2.2	-
Industrial Production (SA, 2007 = 100)	104.4	104.3	105.3	105.3	106.7	-	99.9	-
<i>Y/Y % Change</i>	5.0	4.3	4.5	4.5	5.2	-	2.9	-
ISM Manufacturing Index (50+ = growth)	57.1	59.0	56.6	59.0	58.7	55.5	53.9	55.8
ISM Non-Manuf. Index (50+ = growth)	58.7	59.6	58.6	57.1	59.3	56.2	54.7	56.3
Housing Starts (SAAR, 000)	1,098	963	1,028	1,045	1,028	-	930	-
<i>Y/Y % Change</i>	22.3	8.8	19.1	11.6	-7.0	-	18.6	-
Light Motor Vehicle Sales (SAAR, mil.)	16.5	17.5	16.4	16.5	17.2	16.9	15.6	16.5
<i>Y/Y % Change</i>	4.6	10.0	6.6	7.0	5.6	9.0	7.6	6.0
CPI (SA, 1982-84 = 100)	237.9	237.4	237.6	237.6	237.0	-	233.0	-
<i>Y/Y % Change</i>	2.0	1.7	1.7	1.7	1.3	-	1.5	-
Core CPI (SA, 1982-84 = 100)	238.3	238.3	238.7	239.2	239.3	-	233.8	-
<i>Y/Y % Change</i>	1.9	1.7	1.7	1.8	1.7	-	1.8	-
IPD for Consumption (2009=100)	109.1	109.1	109.2	109.2	109.0	-	107.3	-
<i>Y/Y % Change</i>	1.6	1.5	1.4	1.4	1.2	-	1.2	-
Nonfarm Payroll Empl., e-o-p (SA, mil.)	139.0	139.2	139.5	139.7	140.1	140.3	137.4	140.3
<i>Monthly Change</i>	0.24	0.20	0.27	0.26	0.35	0.25	2.33	2.95
Unemployment Rate (SA, percent)	6.2	6.1	5.9	5.7	5.8	5.6	7.4	6.2
Yield on 10-Year Treasury Note (percent)	2.54	2.42	2.53	2.30	2.33	2.21	2.35	2.54
Yield on 3-Month Treasury Bill (percent)	0.03	0.03	0.02	0.02	0.02	0.03	0.06	0.03
Broad Real USD Index** (Mar. 1973=100)	84.8	85.4	86.6	87.6	88.8	90.8	84.5	86.4
Federal Budget Deficit (\$ bil.)*	94.6	128.7	-105.8	121.7	56.8	-	680.2	483.6
<i>FYTD sum</i>	460.8	589.4	483.6	121.7	178.5	-		
US Trade Balance (\$ bil.)	-40.7	-40.0	-43.6	-42.2	-39.0	-	-476.4	-
<i>YTD Sum</i>	-296.5	-336.5	-380.1	-422.3	-461.3	-		

\*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						2013	2014	
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.			
<b>Employment</b>								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	3,082.4	3,085.2	3,089.8	3,096.8	3,103.8	-	3,025.6	-	
<i>Change from Previous Month (000)</i>	10.8	2.8	4.6	7.0	7.0	-	73.9	-	
Construction	160.2	160.2	161.7	162.5	164.1	-	152.6	-	
<i>Change from Previous Month</i>	1.3	0.0	1.5	0.7	1.7	-	8.2	-	
Manufacturing	290.3	290.0	290.1	291.0	291.8	-	287.5	-	
<i>Change from Previous Month</i>	0.6	-0.3	0.1	0.9	0.8	-	2.8	-	
Aerospace	94.5	93.9	93.5	92.9	93.0	-	95.3	-	
<i>Change from Previous Month</i>	0.4	-0.6	-0.4	-0.7	0.1	-	-1.4	-	
Software	56.2	56.8	56.9	55.8	55.6	-	55.0	-	
<i>Change from Previous Month</i>	0.2	0.6	0.1	-1.0	-0.2	-	2.3	-	
All Other	2,575.8	2,578.2	2,581.0	2,587.5	2,592.3	-	2,530.6	-	
<i>Change from Previous Month</i>	8.8	2.4	2.8	6.5	4.8	-	60.6	-	
<b>Other Indicators</b>								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	247.2	-	247.9	-	-	241.6	-	
	-	1.8%	-	2.1%	-	-	1.2%	-	
Housing Permits (SAAR, 000)	34.3	30.4	34.7	32.5	39.6	-	30.8	-	
	15.1%	19.3%	18.9%	-0.6%	12.9%	-	9.0%	-	
WA Index of Leading Ind. (2004=100)	119.4	119.4	119.2	120.1	120.9	-	115.4	-	
	3.7%	3.3%	2.9%	4.1%	3.3%	-	3.2%	-	
WA Business Cycle Ind. (Trend=50)	49.9	49.4	49.1	48.6	48.8	-	40.7	-	
	18.2%	16.3%	18.4%	14.5%	17.0%	-	30.1%	-	
Avg. Weekly Hours in Manuf. (SA)	40.5	41.1	41.8	41.4	41.9	-	41.6	-	
	-1.3%	-1.7%	0.8%	0.7%	1.4%	-	-0.9%	-	
Avg. Hourly Earnings in Manuf.	24.9	24.8	25.3	25.2	25.5	-	24.3	-	
	4.4%	4.2%	4.4%	2.8%	3.2%	-	0.8%	-	
New Vehicle Registrations (SA, 000)	24.2	24.3	23.9	24.0	22.5	25.1	22.1	23.4	
	5.7%	5.2%	7.6%	7.5%	1.0%	11.6%	11.5%	5.5%	
Initial Unemployment Claims (SA, 000)	34.5	36.0	35.8	33.9	33.3	32.7	40.1	35.8	
	-15.7%	-10.0%	-4.3%	-26.2%	-3.4%	-14.6%	-10.0%	-10.9%	
Personal Income (SAAR, \$bil.)	-	-	352.2	-	-	-	332.7	-	
	-	-	5.1%	-	-	-	2.5%	-	
Median Home Price (\$000)	-	-	277.1	-	-	-	252.1	-	
	-	-	5.2%	-	-	-	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

	2014											
	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	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10	Nov 11- Dec 10	Dec 11- Jan 10*
<b>Department of Revenue-Total</b>	1,320,477 2.6	999,683 6.1	1,019,727 1.7	1,286,764 5.9	1,842,389 4.1	1,345,058 3.7	1,268,929 2.9	1,210,597 6.4	1,203,314 6.5	1,353,300 6.6	1,888,207 5.3	1,233,297 4.4
<b>Revenue Act</b>	1,196,447 4.0	900,074 5.5	894,710 2.0	1,055,388 4.8	977,857 5.6	1,013,168 4.8	1,122,275 5.1	1,083,581 7.7	1,065,180 5.5	1,130,438 9.4	1,021,344 4.4	998,484 7.2
Retail Sales Tax	751,170 5.1	560,931 7.4	556,037 5.5	664,460 8.3	634,587 9.9	665,073 9.6	704,761 5.9	705,114 8.0	701,594 7.3	732,094 10.2	660,261 4.8	628,681 7.6
Business and Occupation Tax	331,505 -1.6	240,364 0.2	234,613 -9.4	281,932 -5.8	251,597 -3.3	257,505 -5.9	321,404 3.6	283,898 6.7	272,284 1.4	304,831 7.8	266,733 1.8	269,180 5.0
Use Tax	56,608 21.3	40,980 8.2	44,708 14.4	51,412 9.9	44,858 3.8	46,852 5.6	53,515 5.4	54,167 21.4	48,739 7.5	50,336 13.8	52,174 20.7	52,217 14.4
Public Utility Tax	41,501 12.6	43,008 3.2	40,621 6.3	39,292 15.0	32,963 1.1	29,721 1.5	28,917 4.9	28,631 1.9	28,784 3.6	29,537 12.1	27,857 -6.9	28,800 -1.7
Tobacco Products Tax	3,266 -6.0	3,611 6.9	3,006 -6.9	4,446 20.6	3,955 3.3	3,420 -14.4	4,697 -6.6	3,993 3.4	4,637 -0.9	4,246 8.0	4,166 28.7	4,775 19.1
Penalties and Interest	12,397 10.6	11,181 30.3	15,726 50.1	13,845 45.8	9,896 8.6	10,597 20.5	8,981 -1.4	7,778 -23.4	9,142 -1.5	9,395 -21.6	10,154 2.9	14,830 25.8
<b>Non-Revenue Act**</b>	124,030 -9.7	99,608 12.7	125,017 -0.2	231,377 11.2	864,532 2.4	331,890 0.6	146,654 -11.2	127,016 -3.5	138,134 14.8	222,862 -5.8	866,863 6.3	234,813 -5.8
Liquor Sales/Liter	29,573 -5.0	19,529 -7.5	18,344 -2.4	14,969 -23.9	19,172 -0.9	19,874 -10.7	18,401 -8.1	25,694 7.4	19,420 -6.1	20,714 9.2	19,946 -2.6	21,026 1.2
Cigarette	35,824 -3.7	22,623 1.4	27,879 -15.7	32,173 10.3	33,000 -22.1	34,029 3.1	39,369 7.3	32,512 -7.5	37,156 17.6	36,096 -6.5	30,311 1.2	33,727 -3.0
Property (State School Levy)	12,260 39.7	6,147 4.1	28,666 -0.2	112,590 11.4	735,586 5.1	169,547 -11.7	11,348 3.9	6,477 -23.1	8,600 -8.3	41,765 -28.7	728,464 7.5	111,864 -13.5
Real Estate Excise	32,072 -13.1	30,667 18.7	41,024 11.5	47,388 2.6	55,565 5.4	67,653 39.6	62,522 -25.1	55,473 5.3	63,283 33.0	59,079 -0.9	53,383 22.8	55,561 2.1
Unclaimed Property	-5,998 -262.5	7,086 -1,241.5	-2,469 2.4	3,415 -168.0	-4,809 66.8	-3,163 -25.8	-3,693 50.6	-4,491 73.9	-2,252 125.9	41,199 -1.9	27,012 -13.7	479 -156.4
Other	20,299 3.1	13,556 -1.8	11,572 12.8	20,840 22.7	26,019 -20.7	43,950 14.0	18,707 13.8	11,351 -18.7	11,927 -1.1	24,009 28.0	7,748 -37.8	12,156 11.3
<b>Department of Licensing**</b>	307 -0.1	342 -20.4	560 -10.4	1,077 -54.8	3,736 31.6	5,848 12.9	3,202 -11.5	1,060 -2.8	586 16.2	372 8.9	235 17.0	296 10.9
<b>Administrative Office of the Courts**</b>	7,207 11.5	6,257 -9.6	7,193 -4.7	7,708 -3.3	7,569 -11.8	6,945 -7.2	6,917 -1.9	7,187 0.7	6,358 -7.7	7,578 6.4	7,524 -9.5	6,301 1.2
<b>Total General Fund-State***</b>	<b>1,327,990</b> <b>2.6</b>	<b>1,006,282</b> <b>6.0</b>	<b>1,027,479</b> <b>1.7</b>	<b>1,295,550</b> <b>5.7</b>	<b>1,853,694</b> <b>4.0</b>	<b>1,357,850</b> <b>3.7</b>	<b>1,279,049</b> <b>2.8</b>	<b>1,218,844</b> <b>6.4</b>	<b>1,210,259</b> <b>6.5</b>	<b>1,361,250</b> <b>6.6</b>	<b>1,895,965</b> <b>5.2</b>	<b>1,239,894</b> <b>4.4</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>December 11, 2014 - January 10, 2015</b>				
<b>January 10, 2015 Collections Compared to the November 2014 Forecast</b>				
Department of Revenue-Total	\$1,217,227	\$1,233,297	\$16,069	1.3%
Revenue Act** (1)	968,035	998,484	30,449	3.1%
Non-Revenue Act(2)	249,193	234,813	(14,380)	-5.8%
Liquor Sales/Liter	20,417	21,026	609	3.0%
Cigarette	29,610	33,727	4,117	13.9%
Property (State School Levy)	131,158	111,864	(19,295)	-14.7%
Real Estate Excise	56,503	55,561	(942)	-1.7%
Unclaimed Property	0	479	479	NA
Other	11,504	12,156	652	5.7%
Department of Licensing (2)	246	296	49	20.0%
Administrative Office of the Courts (2)	5,742	6,301	559	9.7%
<b>Total General Fund-State***</b>	<b>\$1,223,216</b>	<b>\$1,239,894</b>	<b>\$16,678</b>	<b>1.4%</b>

### Cumulative Variance Since the November Forecast (November 11, 2014 - January 10, 2015)

Department of Revenue-Total	\$3,107,385	\$3,121,503	\$14,119	0.5%
Revenue Act** (3)	2,004,327	2,019,828	15,500	0.8%
Non-Revenue Act(4)	1,103,057	1,101,676	(1,382)	-0.1%
Liquor Sales/Liter	40,280	40,973	693	1.7%
Cigarette	57,940	64,038	6,098	10.5%
Property (State School Levy)	849,330	840,327	(9,002)	-1.1%
Real Estate Excise	103,198	108,944	5,746	5.6%
Unclaimed Property	28,159	27,490	(669)	-2.4%
Other	24,151	19,904	(4,247)	-17.6%
Department of Licensing (4)	478	531	53	11.2%
Administrative Office of the Courts	12,821	13,825	1,004	7.8%
<b>Total General Fund-State***</b>	<b>\$3,120,683</b>	<b>\$3,135,859</b>	<b>\$15,176</b>	<b>0.5%</b>

1 Collections December 11, 2014 - January 10, 2015. Collections primarily reflect November 2014 activity of monthly filers.

2 December 2014 collections.

3 Cumulative collections, estimates and variance since the November 2014 forecast; (November 11, 2014 - January 10, 2015) and revisions to history.

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

\* Based on the November 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.