



ECONOMIC & REVENUE UPDATE

June 11, 2012

summary

- **May U.S. employment grew by only 69,000 jobs, making for a third consecutive month of employment growth below most economists' expectations.**
- **The U.S. unemployment rate increased 0.1% to 8.2%.**
- **The Washington economy continues to grow modestly in early 2012.**
- **While the state's economy continues to outperform the nation slightly, any national or global setback will be felt here as well.**
- **Major General Fund-State revenue collections for the May 11 – June 10, 2012 collection period were \$15.1 million (0.9%) higher than the February forecast. Without \$16.3 million in special factors, however, revenue would have come in \$1.1 million (0.1%) short of the forecast.**
- **Cumulatively, revenue collections are still coming in as predicted. Total collections in the four months since the February forecast are \$24.8 million (0.5%) higher than forecasted, out of \$4.7 billion in collections. Excluding special factors, cumulative collections are only \$15.7 million (0.3%) higher than forecasted.**

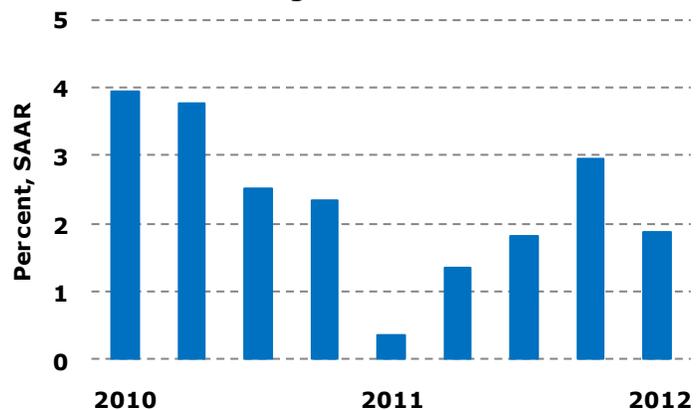
United States

The strong employment growth observed in December of 2011 and the first two months of 2012 suggested the recovery might be underway. However, employment data since then looks more like the "false starts" seen in 2010 and 2011. May employment increased by only 69,000, and the unemployment rate increased for the first time since June 2011, rising from 8.1% to 8.2%.

The transportation and warehousing, health care, wholesale trade, and educational services sectors all added jobs in May. Manufacturing, which has been a bright spot in the recovery, added only 12,000 jobs for its weakest gain since November. The construction, government, and leisure and hospitality sectors all experienced job losses. The weak May employment data was made worse by downward revisions in April job growth from 115,000 to 77,000 and in March job growth from 154,000 to 143,000.

The 2.2% growth in real GDP originally reported for the first quarter of 2012 has also been revised down, to a 1.9% rate ([see figure](#)). However, the revision was more than accounted

GDP growth has slowed



united states

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for by inventories. Final sales of domestic product were revised slightly up. Lower inventories in the first quarter could potentially lead to increased second quarter production to replace depleted inventories.

Real disposable personal income was up for the second straight month, increasing by 0.2% in April, the same increase as in March. The savings rate decreased slightly from 3.5% in March to 3.4% in April, consistent with the 0.3% growth in real consumption expenditures in April compared to March's increase of under 0.1%.

Nationally, gasoline prices have continued to trend downward, having dropped for eight straight weeks through June 4th to \$3.61 per gallon for regular (note: this has not been true in Washington, where gasoline prices have generally been rising since January and have only started to decline in the last week). However, civil unrest in oil producing countries such as Libya and along the Sudan/South Sudan border, as well as on-going tensions with Iran, create the potential for petroleum supply disruptions that could reverse this trend.

Light-vehicle sales declined to 13.8 million units (SAAR) in May, the first time they have fallen below 14 million units since December 2011. However, light-vehicle sales for May are still 18% over their year-ago level.

The Small Business Optimism index increased from 92.5 in March to 94.5 in April. While this is certainly positive, the April index is at the same level as in February 2011. This suggests that there has been little overall improvement in small business expectations over the last 14 months.

Europe continues to pose a substantial risk to the U.S. economy. Although the potential for Greece to leave the Eurozone remains a major concern, Spain has become the recent focus of anxiety for world financial markets. The Spanish banking sector has been weakened by loan losses tied to the collapse of its real estate sector. At the same time, interest rates on Spanish government bonds have risen considerably, making it unlikely that Spain could raise the funds necessary to restructure and recapitalize its banks. Over the weekend, the European Union agreed to a bailout of Spanish banks, defusing a banking crisis that could have led to broader contagion across Eurozone and U.S. financial markets. While the details of the bailout remain unclear, it appears that the \$125 billion provided by the European Union is in the form of a loan to the Spanish government. Because this will add to Spain's already-high debt, the bailout may further increase concerns about Spain's ability to repay its obligations to bondholders.

The data on consumer confidence continues to be conflicting. The Conference Board index of consumer confidence decreased by 3.8 points in May, dropping from 68.7 to 64.9. The University of Michigan consumer sentiment survey moved in the opposite direction, rising from 76.4 to 79.3. This makes three straight months where the two measures have moved in opposite directions. One possible explanation for this divergence relates to the difference in questions asked in the two surveys used to construct the indexes. The Conference Board survey asks questions about employment conditions, while the University of Michigan survey asks about household financial conditions (both also ask about business conditions). To the extent that the overall economy is perceived as improving faster than employment conditions, this could explain why the University of Michigan index has been moving up while the Conference Board index has been dropping.

Tentative but positive signs continue to emerge from the housing market. Existing home sales rose 3.4% to 4.6 million (SAAR) units in April, although March sales were revised downward. The seasonally-adjusted Case-Shiller 20-city home price index increased in March, with all but four cities posting gains. However, the index was still 2.6% (SA) below the March 2011 level.

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Washington

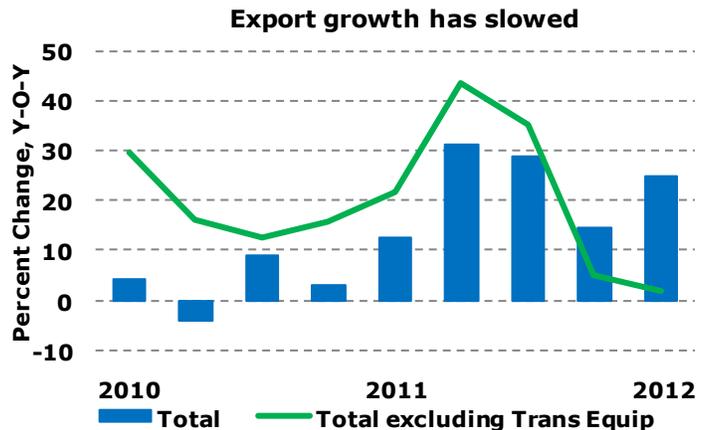
The Washington economy continues to perform close to our February forecast. Employment growth in recent months has slightly outpaced the modest growth we expected in February but earlier estimates were revised down, leaving the current level of employment about the same as expected in February. Aerospace employment is still expanding, but at a slower rate than in 2011. We expect aerospace employment will peak at the end of 2012. Aside from transportation

equipment (mainly Boeing planes), export growth slowed to a crawl in the first quarter as the global economy weakened. Housing construction was stronger than expected in the first four months of 2012. Washington gross domestic product slightly outpaced the U.S. in 2011 thanks to strong output growth in information and durable goods manufacturing.

In the three months since the February forecast was adopted, the Washington economy added 11,000 jobs through April which was slightly better than the 8,600 expected in the February forecast. As expected, manufacturing employment growth has been strong, adding 2,800 jobs of which 1,000 were in the aerospace sector. Also as expected, construction employment remains relatively flat, up only 200 jobs while government employment continues to decline, losing 1,200 jobs. Most of the net new jobs were in private service-providing industries which added 9,200 jobs in February, March, and April. Even though growth in the last three months has been a bit stronger than expected in our forecast, a downward revision to the historical data leaves the level of employment in April slightly below our forecast. Washington's unemployment rate declined to 8.1% in April from 8.3% in March. However, Washington's initial claims for unemployment insurance are indicating a possible weakening in labor market conditions. After falling steadily in the second half of 2011, claims have moved slightly higher so far this year.

First quarter single-family housing permits averaged 15,700 units, multi-family averaged 12,000 units, and the total averaged 27,700 units, all at seasonally adjusted annual rates (SAAR). These are all stronger than our February forecast of 12,300 for single family, 7,100 for multi-family, and 19,400 for total units. New housing construction has not been this strong since before the financial meltdown in late 2008. The second quarter got off to a strong start as well with 29,000 units (SAAR) of which 14,800 were single-family and 14,100 were multi-family. We do not expect housing construction to continue at this rate but we have increased our forecast for the remainder of 2012 based on the recent experience. Most of the recent improvement in housing construction has been in the multi-family segment while single-family housing has been flat. We expect this pattern to continue for the remainder of this year with single-family housing beginning to recover in 2013. The March S&P/Case-Shiller Home Price Index for Seattle jumped the most since January 2006 yet remains 1.3% below the year-earlier level.

Aside from transportation equipment (mainly Boeing planes), export growth slowed to a crawl in the first quarter as the global economy weakened. Overall exports were up 24.9% over the year-ago-level on a 63.0% increase in exports of transportation equipment. Excluding transportation equipment, exports were up only 2.0% over the year. ([see figure](#))



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washington

The Bureau of Economic Analysis recently released the gross domestic product (GDP) by state estimates for 2011. With 2.0% real growth in 2011, Washington ranked 11th among the states and District of Columbia. The comparable growth rate for the U.S. was 1.5%. (The U.S. values in this release are not identical to the National Income and Product Account (NIPA) values). The relatively strong growth in Washington was not widespread. Just two sectors, information (which includes software) and durable manufacturing (which includes aerospace) more than accounted for the difference between U.S. and Washington growth. Durable goods manufacturing output rose 12.2% in 2011 while information output rose 10.4%. Together these two sectors also accounted for most of Washington's GDP growth in 2011, contributing 1.1 percentage points of the 2.0 percent overall growth.

Our preliminary June forecast for Washington employment is very similar to the forecast adopted in February. The only major change is in the aerospace sector. We now expect aerospace employment to peak at the end of this year and begin a gradual decline in mid-2013. Previously we had expected aerospace employment to peak in mid-2013 and then to level off. Our preliminary June forecast for personal income growth in 2012 is higher than assumed in February due to the extension of the payroll tax cut and emergency unemployment compensation. Our final June economic and revenue forecast is scheduled for adoption on June 20, 2012.

REVENUE COLLECTIONS

Overview

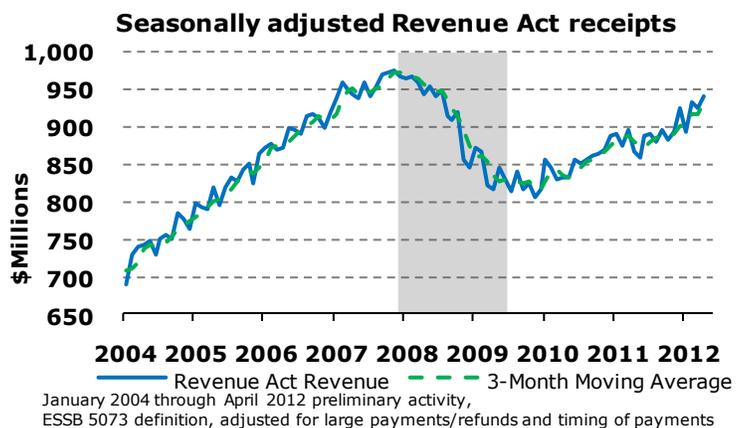
Major General Fund-State (GF-S) revenue collections for the May 11 – June 10, 2012 collection period were \$15.1 million (0.9%) higher than the February forecast. During the period, however, there was a one-time transfer of \$31.4 million in non-GF-S revenue into the GF-S due to a post-forecast legislative change described below. There were also \$15.1 million in net refunds. These special factors summed to \$16.3 million. Without these special factors, this month's revenue would have been \$1.1 million (0.1%) short of the forecast.

Cumulatively, revenue collections are still coming in as predicted. Total collections in the four months since the February forecast are \$24.8 million (0.5%) higher than forecasted, out of \$4.7 billion in collections. Special factors since the forecast, including the above, have added \$9.1 million to collections. Excluding the special factors, cumulative collections are only \$15.7 million (0.3%) higher than forecasted.

Revenue Act

The revenue collections reported here are for the May 11 – June 10, 2011 collection period. Collections correspond primarily to the April 2012 economic activity of monthly filers.

Revenue Act collections for the current period came in \$11.6 million (3.1%) below the February forecast. During the period, however, there was an \$8.7 million transfer of funds



revenue collections

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from the GF-S to the state and local toxics accounts to correct for a past overpayment. Large one-time refunds and payments during the period also resulted in a net refund amount of \$6.4 million. Without these \$15.1 million in non-economic revenue reductions, collections would have come in \$3.5 million (0.4%) above the forecast.

Cumulatively, collections are now \$48.0 million (1.4%) less than forecasted. Without non-economic revenue reductions since the forecast, cumulative collections would have been \$25.7 million (0.7%) less than forecasted.

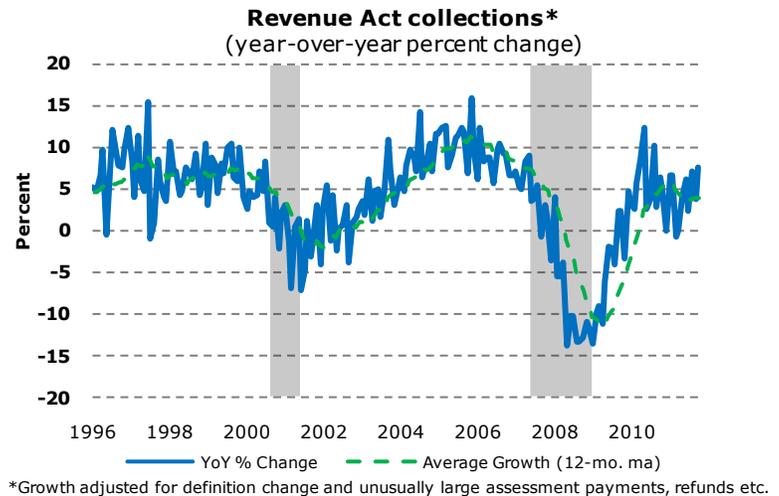
Seasonally adjusted collections continued their upward climb, as did the three-month moving average of collections ([see figure](#)). Adjusted for large one-time payments and refunds in the current and year-ago periods, Revenue Act collections increased 7.2% year-over-year ([see figure](#)). In the previous period revenues had increased 3.7%.

Unadjusted for large one-time payments and refunds, revenue increased 0.5% year-over-year as shown in the "Key Revenue Variables" table. The small size of the unadjusted year-over-year increase was due to a \$40 million one-time payment that occurred last year coupled with large refunds this year. Preliminary unadjusted ERFC monthly estimates indicate retail sales tax collections increased 2.2% year-over-year and B&O taxes increased 3.0% year-over-year.

Tax payments as of May 30th from electronic filers who also paid in the May 11 – June 10 collection period of last year were up 3.1% year-over-year, down slightly from last month's growth rate of 3.4%.

Some details of payments from electronic filers:

- Payments in the retail trade sector were up 4.0% year over year. In the previous period, year-over-year payments increased 9.0%.
- Total payments in the retail trade sector were up 2.8% year-over-year. While this was lower than last month's growth rate of 4.0%, this month's growth rate was affected by a 23.4% year-over-year decline in payments from the electronics and appliances sector, due to unusually high payments last year. Without the decline in the electronics sector, payments from the retail trade sector would have increased by 4.8% and total payments would have increased by 3.8%.
- Payments from the motor vehicle and parts sector increased 7.4% year-over-year. In the previous period, year-over-year payments increased 8.4%.
- Besides the auto sector, the biggest increases were in building materials and garden equipment (+10.4%), non-store retailers (+7.7%) and sporting goods, toys, books and music (+5.7%). One retail trade sector besides electronics saw a decrease in payments: furniture and home furnishings (-2.6%).
- Payments in non-retail trade sectors were up 3.2% year-over-year in the current period and 3.1% in the previous period.



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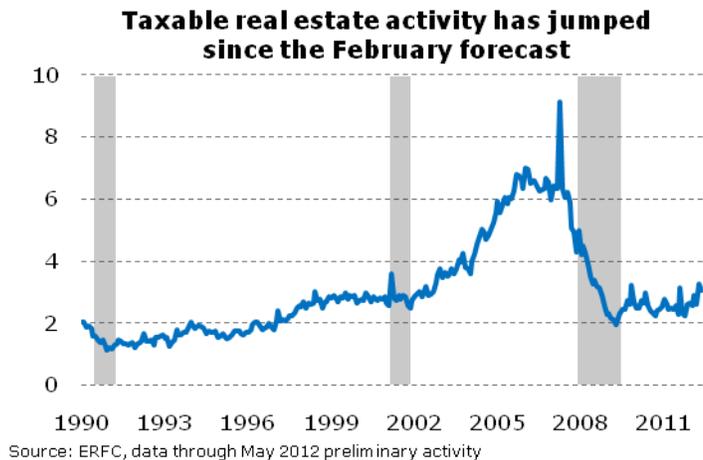
- Tax payments by businesses in the construction sector increased 5.1% year-over-year in the current period and 5.9% in the previous period.
- Payments from the manufacturing sector increased 7.3% year-over-year, with a large decline in payments from petroleum refiners due to the February Cherry Point refinery fire offset by very strong growth in payments from the transportation equipment sector. Last month total payments in the manufacturing sector decreased 1.6%.

DOR Non-Revenue Act

May collections were \$26.5 million (3.3%) above the February forecast, but the positive variance was due entirely to the effects of legislation passed during a special legislative session after the forecast. Under ESHB 2823, a solid waste collection tax that previously was deposited into the Public Works Assistance Account will instead be deposited into the GF-S for the rest of the biennium. In May, collections for the month plus the revenues that had been deposited into the account previously in the fiscal year were transferred into the GF-S. The transfer totaled \$31.4 million. Without the transfer, collections would have been \$4.9 million (0.6%) below the forecast. Cumulatively, collections since February are \$71.9 million (6.3%) higher than expected, but without the abovementioned transfer the variance would have been \$40.6 million (3.5%).

The transfer of the solid waste tax into the GF-S is included in "Other" revenues, which came in \$26.3 million (145.1%) greater than forecasted. Without the transfer, "other" collections would have come in \$5.1 million (28.2%) lower than forecasted, due mainly to smaller-than-forecasted transfers of unclaimed property into the GF-S. Cumulatively, "other" receipts are now \$34.9 million (64.0%) greater than forecasted, but without the transfer of non-GF-S taxes the cumulative variance would have been only \$3.6 million (6.5%).

Another contributor to this month's positive variance was real estate excise taxes (REET), which came in \$6.7 million (23.3%) higher than forecasted. Seasonally adjusted taxable activity declined only slightly after a large jump last month ([see figure](#)). As outlined in last month's report, activity since the forecast has been boosted by a wave of large sales of commercial property, although there is some evidence of strengthening residential activity as well. Due to the unforeseen jump in activity, cumulative REET collections are now \$27.7 million (27.4%) greater than forecasted.



Because property tax payments for the first half of the year are due on April 30th, most of the revenue shows up in May collections. Collections for the month were \$687.4 million, which was \$7.1 million (1.0%) short of the forecast. Cumulatively, however, property tax collections are right on target, differing from the forecast by only \$77,000 (0.0%).

May liquor tax receipts (from April sales) came in \$79,000 (0.5%) lower than forecasted. Cumulative revenue, however, is \$2.3 million (3.6%) greater than forecasted.

Cigarette taxes came in \$416,000 (1.2%) above the forecast. Cumulative cigarette tax collections are now \$6.3 million (5.0%) greater than forecasted.

Other Revenue

Department of Licensing receipts for April were \$536,000 (33.0%) higher than the February forecast and are now cumulatively \$733,000 (32.3%) greater than forecasted.

Revenue from the Administrative Office of the Courts was \$826,000 (9.0%) lower than the February forecast and is now cumulatively \$148,000 (0.6%) less than forecasted.

Key U.S. Economic Variables

	2011	2012						2010	2011
	Dec.	Jan.	Feb.	Mar.	Apr.	May			
Real GDP (SAAR)	3.0	-	-	1.9	-	-		3.0	1.7
Industrial Production (SA, 2002 = 100)	95.9	96.5	96.9	96.4	97.4	-		90.1	93.7
Y/Y % Change	3.8	4.3	5.0	3.6	5.2	-		5.4	4.1
ISM Manufacturing Index (50+ = growth)	53.1	54.1	52.4	53.4	54.8	53.5		57.3	55.2
ISM Non-Manuf. Index (50+ = growth)	53.0	56.8	57.3	56.0	53.5	53.7		54.1	54.5
Housing Starts (SAAR, 000)	697	720	718	699	717	-		586	612
Y/Y % Change	29.3	13.9	38.6	16.5	29.9	-		5.7	4.5
Light Motor Vehicle Sales (SAAR, mil.)	13.6	14.2	15.1	14.4	14.4	13.8		11.6	12.8
Y/Y % Change	8.4	11.7	13.7	10.0	9.5	17.5		11.6	10.4
CPI (SA, 1982-84 = 100)	227.0	227.5	228.4	229.1	229.2	-		32.5	33.4
Y/Y % Change	3.0	2.9	2.9	2.6	2.3	-		3.0	2.8
Core CPI (SA, 1982-84 = 100)	227.2	227.7	227.9	228.4	229.0	-		33.6	34.7
Y/Y % Change	2.2	2.3	2.2	2.3	2.3	-		2.5	3.5
IPD for Consumption (2000=100)	114.7	115.0	115.4	115.6	115.6	-		111.1	113.8
Y/Y % Change	2.5	2.4	2.3	2.1	1.8	-		1.8	2.5
Nonfarm Payroll Empl., e-o-p (SA, mil.)	132.2	132.5	132.7	132.9	132.9	133.0		130.3	132.2
Monthly Change	0.22	0.28	0.26	0.14	0.08	0.07		1.03	1.84
Unemployment Rate (SA, percent)	8.5	8.3	8.3	8.2	8.1	8.2		9.6	9.0
Yield on 10-Year Treasury Note (percent)	1.98	1.97	1.97	2.17	2.05	1.80		3.21	2.79
Yield on 3-Month Treasury Bill (percent)	0.01	0.03	0.09	0.08	0.08	0.09		0.14	0.05
Broad Real USD Index** (Mar. 1973=100)	85.1	84.4	83.3	83.8	84.0	85.4		87.1	82.7
Federal Budget Deficit (\$ bil.)*	86.0	27.4	231.7	198.2	-59.1	-		1,294.2	1,296.8
FYTD sum	321.7	349.1	580.8	779.0	719.9	-			
US Trade Balance (\$ bil.)	-51.7	-52.9	-45.4	-52.6	-50.1	-		-494.7	-559.9
YTD Sum	-559.9	-52.9	-98.4	-151.0	-201.1	-			

*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

	2011	2012						2010	2011
	Dec.	Jan.	Feb.	Mar.	Apr.	May			
Employment									
								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,840.8	2,847.9	2,851.8	2,855.7	2,858.9	-	2,802.5	2,840.8	
Change from Previous Month (000)	1.7	7.1	4.0	3.9	3.2	-	24.0	38.2	
Construction	137.7	138.0	138.6	138.4	138.2	-	138.2	137.7	
Change from Previous Month	0.4	0.2	0.6	-0.2	-0.2	-	-8.1	-0.5	
Manufacturing	274.6	275.8	275.8	276.9	278.6	-	261.2	274.6	
Change from Previous Month	0.4	1.2	0.1	1.1	1.6	-	3.9	13.4	
Aerospace	91.0	91.3	91.4	91.9	92.3	-	81.9	91.0	
Change from Previous Month	0.4	0.3	0.1	0.5	0.5	-	0.8	9.1	
Software	51.9	52.0	52.2	52.4	52.4	-	51.1	51.9	
Change from Previous Month	0.1	0.0	0.2	0.2	0.0	-	0.5	0.8	
All Other	2,376.5	2,382.1	2,385.3	2,388.0	2,389.7	-	2,351.9	2,376.5	
Change from Previous Month	0.8	5.7	3.1	2.7	1.7	-	27.6	24.6	
Other Indicators									
								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	234.8	-	235.7	-	237.9	-	226.7	232.8	
	3.5%	-	2.7%	-	2.9%	-	0.3%	2.7%	
Housing Permits (SAAR, 000)	23.6	17.0	24.9	41.1	29.0	-	19.6	21.2	
	-7.8%	-4.5%	54.2%	133.4%	-14.5%	-	22.7%	8.3%	
WA Index of Leading Ind. (2004=100)	113.2	111.9	113.6	115.3	114.3	-	104.8	111.1	
	5.2%	3.7%	5.0%	5.4%	2.8%	-	4.9%	6.0%	
WA Business Cycle Ind. (Trend=50)	22.1	20.8	23.8	27.7	27.0	-	13.2	18.4	
	34.2%	32.3%	55.0%	76.9%	30.7%	-	-18.3%	39.1%	
Avg. Weekly Hours in Manuf. (SA)	42.1	41.8	41.7	42.8	42.1	-	41.9	42.4	
	0.2%	-0.8%	0.3%	1.9%	-0.6%	-	-0.3%	1.2%	
Avg. Hourly Earnings in Manuf.	24.2	24.3	24.3	24.3	23.9	-	23.5	24.0	
	0.5%	1.1%	0.8%	0.6%	-0.9%	-	0.4%	2.1%	
New Vehicle Registrations (SA, 000)	18.2	17.9	18.6	20.5	18.5	20.2	15.5	17.0	
	12.0%	5.3%	9.6%	18.9%	5.9%	21.1%	10.7%	9.9%	
Initial Unemployment Claims (SA, 000)	42.3	52.9	44.1	46.4	47.1	44.1	56.5	49.9	
	-22.6%	-1.7%	-14.2%	-7.5%	-11.3%	-15.1%	-18.1%	-11.8%	
Personal Income (SAAR, \$bil.)	306.9	-	-	-	-	-	287.2	302.5	
	5.1%	-	-	-	-	-	3.0%	5.3%	
Median Home Price (\$000)	217.0	-	-	208.3	-	-	245.2	224.4	
	-9.2%	-	-	-8.7%	-	-	-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					
	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	Jan 11- Feb 10	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10	May 11- Jun 10*
Department of Revenue-Total	1,270,126 <i>16.1</i>	1,092,482 <i>2.9</i>	1,020,032 <i>7.2</i>	994,146 <i>7.1</i>	1,139,412 <i>-1.0</i>	1,626,929 <i>2.7</i>	1,070,561 <i>-3.2</i>	1,269,913 <i>10.1</i>	865,345 <i>3.7</i>	937,324 <i>7.7</i>	1,137,572 <i>-14.8</i>	1,693,935 <i>3.2</i>
Revenue Act	816,518 <i>2.0</i>	983,045 <i>2.0</i>	899,856 <i>6.7</i>	896,724 <i>7.3</i>	976,349 <i>-0.7</i>	845,057 <i>-1.4</i>	829,991 <i>-0.7</i>	1,135,635 <i>8.4</i>	777,433 <i>3.0</i>	813,701 <i>6.0</i>	955,769 <i>-19.0</i>	865,462 <i>0.5</i>
Retail Sales Tax	505,397 <i>-3.3</i>	599,867 <i>1.2</i>	570,607 <i>3.4</i>	564,767 <i>5.9</i>	607,066 <i>0.3</i>	528,237 <i>-2.3</i>	545,805 <i>3.4</i>	697,507 <i>5.3</i>	465,364 <i>2.6</i>	495,485 <i>8.1</i>	572,262 <i>-13.9</i>	535,852 <i>2.2</i>
Business and Occupation Tax	230,620 <i>17.8</i>	289,042 <i>1.7</i>	251,468 <i>17.5</i>	254,354 <i>15.0</i>	284,690 <i>-3.0</i>	238,227 <i>0.8</i>	210,726 <i>-7.3</i>	340,302 <i>19.5</i>	219,967 <i>2.7</i>	230,474 <i>4.8</i>	285,683 <i>-16.7</i>	247,037 <i>3.0</i>
Use Tax	38,934 <i>10.2</i>	49,193 <i>17.6</i>	38,771 <i>1.1</i>	37,115 <i>0.7</i>	41,932 <i>-0.7</i>	36,319 <i>4.6</i>	31,206 <i>-12.0</i>	43,921 <i>-4.0</i>	34,937 <i>6.2</i>	37,150 <i>2.7</i>	47,413 <i>-56.5</i>	39,536 <i>-4.6</i>
Public Utility Tax	30,194 <i>3.7</i>	29,136 <i>5.8</i>	26,207 <i>1.4</i>	27,937 <i>4.0</i>	29,194 <i>2.2</i>	27,650 <i>-5.3</i>	32,351 <i>18.1</i>	40,021 <i>1.4</i>	41,182 <i>3.4</i>	38,555 <i>5.4</i>	37,276 <i>-6.8</i>	34,125 <i>0.9</i>
Tobacco Products Tax	4,243 <i>78.1</i>	4,334 <i>20.4</i>	4,003 <i>13.6</i>	4,462 <i>26.4</i>	4,238 <i>-2.2</i>	3,958 <i>-6.0</i>	3,593 <i>5.3</i>	3,554 <i>-18.1</i>	3,763 <i>-5.5</i>	3,300 <i>-1.1</i>	3,746 <i>-7.6</i>	4,048 <i>4.7</i>
Penalties and Interest	7,130 <i>-54.4</i>	11,473 <i>-13.7</i>	8,799 <i>-11.2</i>	8,089 <i>-40.6</i>	9,229 <i>-5.4</i>	10,665 <i>-9.0</i>	6,311 <i>-53.8</i>	10,330 <i>-5.8</i>	12,219 <i>24.0</i>	8,738 <i>-35.1</i>	9,388 <i>-50.5</i>	4,863 <i>-72.6</i>
Non-Revenue Act**	453,608 <i>54.7</i>	109,437 <i>11.3</i>	120,176 <i>11.1</i>	97,423 <i>4.9</i>	163,063 <i>-2.3</i>	781,872 <i>7.5</i>	240,569 <i>-11.1</i>	134,278 <i>27.3</i>	87,913 <i>9.8</i>	123,623 <i>20.2</i>	181,803 <i>17.1</i>	828,473 <i>6.2</i>
Liquor Sales/Liter	16,594 <i>3.3</i>	17,247 <i>6.3</i>	18,625 <i>2.2</i>	17,897 <i>8.3</i>	16,998 <i>7.2</i>	16,912 <i>1.1</i>	17,828 <i>5.8</i>	24,559 <i>3.9</i>	14,892 <i>7.0</i>	15,940 <i>9.7</i>	17,799 <i>11.1</i>	16,306 <i>0.9</i>
Cigarette	107,936 <i>210.6</i>	38,924 <i>61.3</i>	41,012 <i>2.9</i>	37,554 <i>29.2</i>	34,412 <i>2.7</i>	35,258 <i>34.8</i>	35,561 <i>-2.7</i>	31,419 <i>5.4</i>	31,768 <i>24.9</i>	32,932 <i>17.9</i>	33,406 <i>17.4</i>	34,027 <i>42.0</i>
Property (State School Levy)	184,883 <i>13.7</i>	9,491 <i>-12.5</i>	7,295 <i>2.8</i>	10,583 <i>7.2</i>	38,957 <i>16.8</i>	654,270 <i>6.7</i>	145,816 <i>-16.0</i>	9,659 <i>-22.1</i>	6,023 <i>-12.2</i>	31,469 <i>22.4</i>	69,804 <i>3.6</i>	697,392 <i>0.4</i>
Real Estate Excise	39,094 <i>-0.8</i>	31,156 <i>-8.7</i>	45,591 <i>43.5</i>	31,027 <i>13.5</i>	23,540 <i>-24.2</i>	29,745 <i>10.3</i>	32,631 <i>-1.9</i>	22,471 <i>-1.9</i>	22,495 <i>14.2</i>	31,182 <i>12.1</i>	39,445 <i>37.1</i>	35,731 <i>31.8</i>
Timber (state share)	0 <i>NA</i>	0 <i>NA</i>	1,166 <i>-29.0</i>	0 <i>NA</i>	0 <i>NA</i>	958 <i>-9.5</i>	0 <i>NA</i>	0 <i>NA</i>	1,019 <i>29.2</i>	0 <i>NA</i>	0 <i>NA</i>	620 <i>-24.9</i>
Other	105,100 <i>160.8</i>	12,619 <i>-2.9</i>	6,488 <i>-31.7</i>	362 <i>-96.3</i>	49,156 <i>-7.6</i>	44,729 <i>5.4</i>	8,733 <i>-14.7</i>	46,170 <i>180.8</i>	11,717 <i>-12.1</i>	12,099 <i>76.5</i>	21,350 <i>43.8</i>	44,398 <i>161.5</i>
Department of Licensing**	6,300 <i>-14.4</i>	3,004 <i>-20.6</i>	1,371 <i>11.5</i>	510 <i>3.4</i>	301 <i>-5.6</i>	244 <i>101.8</i>	221 <i>69.1</i>	194 <i>50.6</i>	307 <i>-10.2</i>	538 <i>3.3</i>	2,161 <i>24.7</i>	2,775 <i>-3.0</i>
Lottery**	6,651 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>	0 <i>NA</i>
Administrative Office of the Courts**	7,997 <i>11.9</i>	8,416 <i>-6.1</i>	7,961 <i>-2.1</i>	8,640 <i>9.1</i>	7,972 <i>2.3</i>	8,281 <i>-5.3</i>	7,462 <i>1.2</i>	7,401 <i>-7.0</i>	6,212 <i>-2.2</i>	8,522 <i>4.4</i>	8,356 <i>-10.8</i>	8,375 <i>-0.3</i>
Total General Fund-State***	1,291,073 <i>16.5</i>	1,103,901 <i>2.7</i>	1,029,364 <i>7.1</i>	1,003,296 <i>7.1</i>	1,147,686 <i>-1.0</i>	1,635,454 <i>2.5</i>	1,078,244 <i>-3.2</i>	1,277,509 <i>10.0</i>	871,864 <i>3.6</i>	946,385 <i>7.6</i>	1,148,089 <i>-14.7</i>	1,705,086 <i>3.2</i>

*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
May 11, 2012 - June 10, 2012				
June 10, 2012 Collections Compared to the February 2012 Forecast				
Department of Revenue-Total	\$1,679,046	\$1,693,935	\$14,889	0.9%
Revenue Act** (1)	877,071	865,462	(11,609)	-1.3%
Non-Revenue Act(2)	801,975	828,473	26,498	3.3%
Liquor Sales/Liter	16,384	16,306	(79)	-0.5%
Cigarette	33,611	34,027	416	1.2%
Property (State School Levy)	704,486	697,392	(7,094)	-1.0%
Real Estate Excise	28,982	35,731	6,749	23.3%
Timber (state share)	394	620	226	57.2%
Other	18,117	44,398	26,281	145.1%
Department of Licensing (2)	2,628	2,775	147	5.6%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	8,281	8,375	94	1.1%
Total General Fund-State***	\$1,689,955	\$1,705,086	\$15,131	0.9%

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

Department of Revenue-Total	\$4,610,235	\$4,634,177	\$23,941	0.5%
Revenue Act** (3)	3,460,370	3,412,365	(48,006)	-1.4%
Non-Revenue Act(4)	1,149,865	1,221,812	71,947	6.3%
Liquor Sales/Liter	62,659	64,936	2,277	3.6%
Cigarette	125,809	132,133	6,324	5.0%
Property (State School Levy)	804,611	804,688	77	0.0%
Real Estate Excise	101,167	128,853	27,685	27.4%
Timber (state share)	1,003	1,638	635	63.3%
Other	54,616	89,564	34,948	64.0%
Department of Licensing (4)	4,901	5,782	881	18.0%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	31,520	31,467	(54)	-0.2%
Total General Fund-State***	\$4,646,656	\$4,671,425	\$24,768	0.5%

1 Collections May 11, 2012 - June 10, 2012. Collections primarily reflect April 2012 activity of monthly filers.

2 May 2012 collections.

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

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

5 Lottery transfers to the General Fund

* Based on the February 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 June 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.