



ECONOMIC & REVENUE UPDATE

11 May 2011

summary

- **The economic recovery appears to have hit a road bump. High energy prices have caused growth to moderate, and uncertainty lies ahead.**
- **The Washington economic recovery slowed in February and March after fairly strong growth at the end of 2010 and early 2011.**
- **Major General Fund-State (GF-S) revenue collections for the April 11 – May 10, 2011 collection period were \$157.7 million (13.3%) higher than the March forecast. The healthy collections mask a weakening economy. The entire positive variance was due to higher than anticipated one-time revenues from the recently concluded amnesty program and other one-time payments. Excluding them, revenue collections are slightly below forecast.**

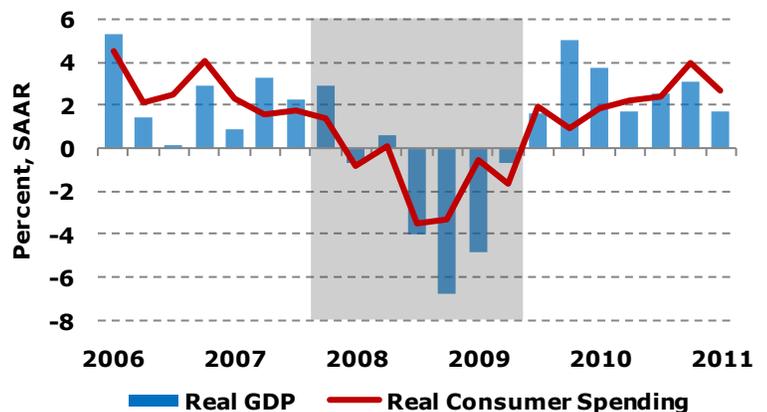
United States

The economic recovery has hit a road bump. Gross domestic product (GDP) growth slowed in the first quarter, and high energy prices continue to erode consumer discretionary expenditures. Inflation, however, does not appear to be a threat. The job market is improving, but the unemployment rate remains stubbornly high and housing is still extremely weak. We mentioned this last month, but it bears repeating - tough negotiations lie ahead about raising the federal debt ceiling. If no agreement is reached, and the United States defaults on its bonds, interest rates will rise and push the economy back into recession.

Real GDP growth is slowing. The Bureau of Economic Analysis' (BEA) first estimate of 2011 Q1 real GDP growth was 1.8% at a seasonally adjusted annualized rate (SAAR), slower than 2010 Q4's 3.1% (SAAR) growth ([see figure](#)). Real personal consumption expenditures also slowed, growing 2.7% (SAAR), down from 4.0% growth in the prior quarter. Real gross domestic private investment grew 8.5% (SAAR) in Q1, but was offset by a 5.2% decline in federal, state and local government expenditures. Net exports which had contributed significantly to Q4 growth, was largely neutral in Q1.

Energy prices led an uptick in headline inflation, but other prices remain stable. The all-items consumer price index (CPI) rose to 2.7% year-over-year in March, from 2.2% year-over-year in February. The main reason was a 15.5% year-over-year increase in energy prices. Excluding food and energy, core inflation was just 1.2% in March. High energy prices are not passing through to the core, but they affect the economy nevertheless, by reducing consumer discretionary spending.

GDP growth is slowing



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High energy prices are cutting into consumer spending on other products. The fastest growing component of personal consumption was energy goods and services, which grew by 56.5% (SAAR) in March. Compared to a year ago, personal consumption expenditures were 4.6% higher this March, while expenditure on energy was up 18.9% over the same period. Current dollar disposable personal income grew by 6.8% (SAAR) in March, while personal consumption expenditures grew 7.0% (SAAR). The erosion of purchasing power due to high energy prices is also reflected in the slowing of retail sales from 9.5% year-over-year in February to 7.3% year-over-year in March. Light motor vehicle (LMV) sales improved marginally to 13.2 million (SAAR) units in April, but can weaken in the months ahead due to production disruptions emanating from Japan.

The April employment report was encouraging, especially the survey of establishments. The economy created 268,000 (SA) new jobs in the private sector. This was offset partially by the loss of 24,000 (SA) jobs in government. Net job gains were 244,000 (SA). Average hourly earnings improved by 3 cents, but average weekly hours remained steady at 33.6 hours. The unemployment rate, calculated from a separate survey of households ticked up to 9.0%, and remains high.

Housing is still in the doldrums despite marginal improvement since February. March housing starts were 549,000 (SAAR), up from 512,000 in February, but still at very low levels. New home sales were 300,000 (SAAR) in March, after a record low 270,000 in February. Sales of existing homes were only 5.1 million (SAAR) in March, up from 4.9 million in the prior month. Home prices, however, continue to decline and the Case-Shiller 20-city composite index is down 3.3% year-over-year in February.

WASHINGTON

The Washington economy continued to grow but at a slower pace in February and March after fairly strong growth at the end of 2010 and early 2011. Aerospace and software are expanding, but construction remains in a prolonged slump. Geopolitical developments in the Middle East and North Africa (MENA) boosted oil and gasoline prices, eroding consumers' purchasing power and confidence. The Japanese earthquake and tsunami continue to pose a threat to the state's recovery. Japan is the state's third largest export market. Eventually reconstruction activity will be a plus for our state's economy but in the near term the devastation has disrupted supply chains and reduced demand for Washington products.

Overall Washington job growth slowed to 2,900 in February and March (2,700 in February and 200 in March) after adding 6,500 in December and January. The state's private sector continues to outperform the public sector but here too growth slowed to 4,400 in February and March from 7,600 in December and January. In spite of continued strong growth in aerospace employment, the manufacturing sector slowed to just 400 net new jobs in the last two months from 2,700 in the previous two months. Construction remains weak, losing 1,200 jobs, but this is actually a little better than the 2,200 construction jobs lost in the previous period. Private services-producing employment grew by 5,000 in February and March, down from 7,000 in December and January. Job cuts continued at all levels of government. Employment in the public sector fell 1,500 in February and March compared to a 1,000 decline in December and January.

Neither higher gas prices nor the slowdown in the state's recovery has affected new car sales in Washington, at least not yet ([see figure](#)). After a slight dip in March, new vehicle registrations advanced to a post-recession high of more than 18,000 units (SA) in April (excluding the August 2009 "cash for clunkers" spike). We do expect some weakness in

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new car sales in coming months as a result of the earthquake and tsunami in Japan. The devastation not only affects automobile manufacturers in Japan, but also manufacturers worldwide that depend on parts made in Japan.

After unprecedented layoffs in 2009, software employment continues to grow in Washington. The software sector has added 1,100 jobs in the last year, 500 of them in the last two months. In April, Microsoft announced a plan to significantly increase as well as restructure employee compensation. Microsoft called it "the most significant investment in overall compensation we have ever made." The higher wages will help Microsoft attract and retain top talent and the spending out of those higher wages will have a positive impact on the Washington economy. Yesterday Microsoft announced the purchase of the internet phone service Skype for \$8.5 billion. This will be the largest acquisition in the company's history.

Boeing is also growing again after layoffs in 2009. Reports that Boeing is hiring at a rate of about 100 jobs per week are borne out by the aerospace employment data which show an increase 1,300 in the last three months. We expect the job growth to continue. Over the next couple of year Boeing plans significant production increases in all five models of commercial aircraft. Between now and early 2013, total production will rise from the 42 planes per month to 60 planes per month, an increase of more than 40%. In the first quarter conference call, Boeing CEO Jim McNerney said "We will be hiring and growing employment in Puget Sound and South Carolina over the foreseeable future."

While the software and aerospace sectors are growing again, the housing sector continues to languish. New home construction in Washington, as measured by building permit data, slumped to 16,900 units (SAAR) in the first quarter of 2011 from 22,100 in the fourth quarter of 2010. Previously permits had risen in both the third and fourth quarters of 2010. Single-family permits edged down to 14,300 units in the first quarter of 2011 from 14,500 in the fourth quarter but the usually volatile multi-family permits plummeted to 2,600 units from 7,600 units. On the price front, the Case-Shiller Home Price Index for Seattle has declined in each of the past nine months and is now 7.4% lower than a year ago. High vacancies are pushing down prices. Also new home construction in Washington is in competition with an increasing stream of foreclosures, so it is likely to stay weak for some time.



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REVENUE COLLECTIONS

Overview

Major General Fund-State (GF-S) revenues for the April 11 – May 10, 2011 collection period were \$157.7 million (13.3%) higher than our March forecast. The positive variance, however, was due entirely to larger-than-anticipated revenue from the recently concluded amnesty program for past due taxes as well as other one-time special payments. Without the extra \$184 million from these sources, receipts would have come in \$26.6 million (2.2%) below the March forecast.

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Revenue Act receipts were \$166.7 million (16.5%) above the forecast, while other receipts came in \$9.0 million (5.1%) below the forecast due mainly to a large shortfall in real estate excise taxes.

Cumulatively, major GF-S revenues are \$162.8 million (7.9%) above the March forecast. Adjusted for the extra revenue from the amnesty program and other one-time payments and refunds, the cumulative variance is negative \$32.5 million (1.6%).

Revenue Act

The revenue collections reported here are for the April 11 – May 10, 2011 collection period. Collections correspond primarily to economic activity in March 2011 for monthly filers and first quarter 2011 activity for quarterly filers.

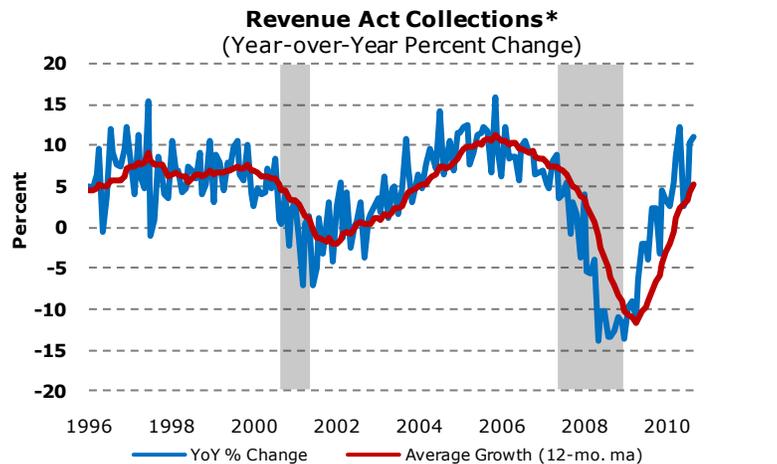
In the December 2010 special session of the Washington State Legislature, a program was established that would allow taxpayers to pay past due taxes with amnesty against penalties or interest

payments from February 1 – April 30, 2011. At the time of the March forecast, the amnesty program had brought in \$10.7 million in payments. The program was anticipated to bring in \$73.9 million in additional payments in the current period. Subtracting an estimated \$3.6 million in penalties and interest that would be foregone, a net gain of \$70.3 million was forecasted for the current collection period. Actual GF-S receipts from the program turned out to be \$263.4 million, which was \$178.8 million more than forecasted. Of this amount, \$165.5 million was received in the current period, and \$13.3 million was received in the previous collection period (this data arrived too late to be included in last month's report).

Revenue Act collections for the current period came in \$166.7 million (16.5%) above the March forecast. In addition to the \$165.5 million in unanticipated amnesty payments described above, there were \$18.8 million in other one-time payments during the period. Without this extra \$184.3 million in revenue, collections would have been \$17.6 million (1.7%) below the forecast.

Cumulatively, Revenue Act collections are \$171.4 million above the March forecast. Adjusted for unanticipated amnesty payments plus one-time payments and refunds, collections would have been \$23.9 million (1.3%) below the forecast.

Revenue Act collections increased 11.1% year-over-year in the current period after adjustments for large one-time payments including amnesty payments (see figure). In the previous period adjusted revenues had increased 10.3%. As reported in earlier Economic and Revenue Updates, however, year-over-year growth rates since the December 2010 report have been distorted by the shift of a large number of taxpayers from quarterly to monthly filing status. Adjusting for both one-time payments/refunds and the estimated effect of the change in the timing of payments from new monthly taxpayers, revenues would have increased approximately 15% year-over-year in the current period and 7% year-over-year in the previous period.



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

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Unadjusted for non-economic factors, revenue grew 32.2% year-over-year growth as shown in the "Key Revenue Variables" table. On a seasonally adjusted basis, preliminary revenue increased 1.5% from last month (see figure). The chart of seasonally adjusted Revenue Act receipts has been adjusted for one-time payments/refunds and the change in payment patterns discussed above.

Under legislation passed in the 2010 session, the B&O tax rate for service industries has been temporarily increased from 1.5% to 1.8% as of May 1, 2010. This change is estimated to have increased Revenue Act receipts by approximately \$19 million per month. Without this \$19 million in additional revenue, year-over-year Revenue Act growth adjusted for large refunds and the shift in payment patterns would have been approximately 13%.

Preliminary ERFC monthly estimates indicate retail sales tax collections are up 29.0% year-over-year and B&O taxes are up 38.7%, due mainly to payments received under the amnesty program. The breakdown of amnesty payments into individual tax categories is not yet available.

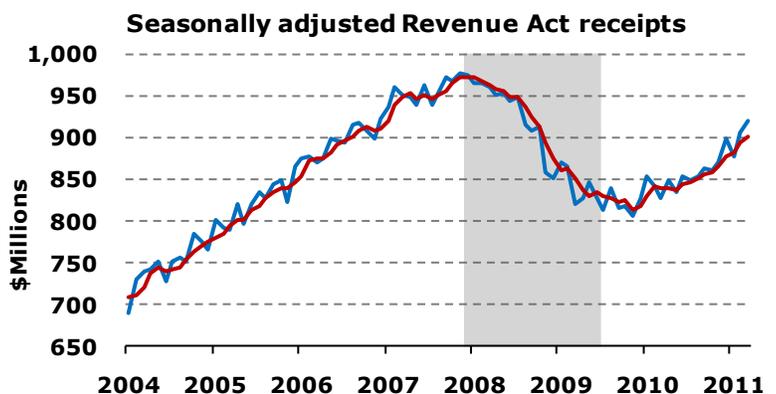
Tax payments as of April 27th from electronic filers who also paid in the April 11 – May 10 collection period of last year were up 2.7% year-over-year. While this number is lower than last month's increase of 5.0%, the growth rate and those presented below are understated due to the shift of a large number of taxpayers from monthly to quarterly status in the fourth quarter of 2010. The understatement is due to the electronic filers who reported monthly receipts in the current period but reported receipts for an entire quarter when they filed in the same period last year.

Some details:

- Payments in the retail trade sector were up 2.4% year-over-year. In the previous period, year-over-year payments increased 4.8%.
- Payments from the motor vehicle and parts sector were up 8.3% year-over-year. In the previous period, year-over-year payments increased 11.4%.

Excluding the auto sector, payments from the retail trade sector were up 0.8% year-over-year in the current period and 3.3% in the previous period.

- The largest year-over-year increases in tax payments from other retail trade sectors were from non-store retailers (+16.5%), gas stations and convenience stores (+8.3%), drug and health stores (+7.1%) and furniture and home furnishings (+6.8%). Building materials and garden equipment was the only retail trade sector to show a major year-over-year decline (-11.5%), while food and beverage stores and miscellaneous retailers showed smaller declines that were likely due to the change in reporting frequencies described above.
- Payments in non-retail trade sectors were up 2.9% year-over-year in the current period and 5.2% in the previous period.
- Payments in the construction sector were down 13.2% year-over-year and those in the manufacturing sector were up 7.7%.



January 2004 through March 2011 preliminary activity, ESSB 5073 definition, adjusted for large payments/refunds and timing of payments

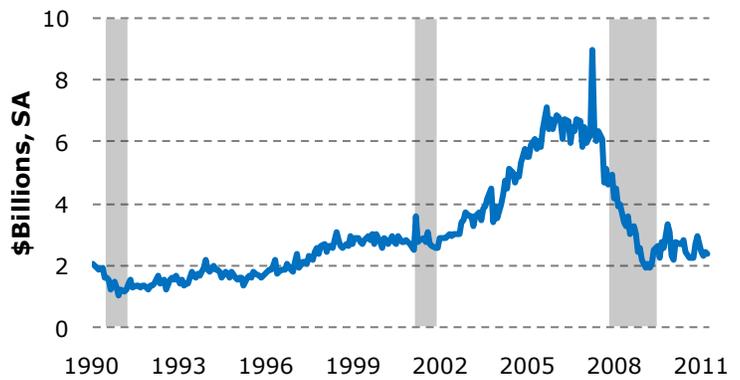
- Excluding the construction sector, total payments were up 4.6% year-over-year and payments from non-retail trade sectors were up 6.2%. Excluding both construction and manufacturing, total payments were up 4.4% and payments from non-retail trade sectors were up 6.0%.

DOR Non-Revenue Act

April collections were \$7.6 million (4.7%) below the March forecast. Cumulatively, collections since the forecast (March and April revenue) are \$7.3 million (-2.8%) below the forecast. April DOR non-Revenue Act collections were up 1.4% year-over-year.

Most of this month’s negative variance was due to an \$8.5 million (22.8%) shortfall in real estate excise tax collections. Seasonally adjusted taxable activity decreased slightly from March’s level (see figure), and collections were down 11.9% year-over-year. In the March collection period (the most recent period for which transaction details are available), the number of transactions increased 4.3% year-over-year while the value per transaction decreased by 15.2% year-over-year. The March forecast had assumed that the number of transactions would continue to grow year-over-year but the decrease in the value per transaction has been greater than forecasted. Cumulatively, receipts are now \$14.7 million (20.6%) below the forecast.

REET activity was flat in April



Source: ERFC, data through April 2011 preliminary activity

April cigarette tax receipts came in \$2.0 million (6.6%) lower than forecasted, but due to last month’s large positive variance cumulative receipts are still \$682,000 (1.2%) above the forecast. Receipts were up 20.8% year-over-year, due mainly to a 91.4 cent per pack increase in GF-S taxes that took effect on May 1, 2010. The large year-over-year increases that can be seen in months prior to July 2010 in the “Key Revenue Variables” were due to the re-classification of pre-existing cigarette taxes as GF-S taxes effective July 2009.

Property tax collections came in \$1.2 million (1.8%) higher than forecasted, bringing the cumulative variance to \$3.0 million (3.3%). “Other” revenues were \$1.5 million (11.0%) higher than forecasted, with a cumulative variance of \$3.2 million (17.6%) and liquor tax receipts came in \$290,000 (1.8%) higher than forecasted, for a cumulative variance of \$462,000 (1.5%).

Other Revenue

Department of Licensing receipts for April were \$1.3 million (43.7%) below the March forecast due to lower than forecasted renewals of boat licenses. While the department recently implemented a new program of emailed renewal notices, delivered in March, participation in the program was lower than anticipated. Much of the shortfall should therefore be made up in the next two months. The cumulative variance is now negative \$1.3 million (-37.3%).

April revenue from the Administrative Office of the Courts was \$33,000 (0.4%) below the forecast. The cumulative variance is now negative \$16,000 (-0.1%).

revenue collections

Key U.S. Economic Variables

	2010		2011				2009	2010
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.		
Real GDP (SAAR)	-	3.1	-	-	1.8	-	-2.6	2.9
Industrial Production (SA, 2002 = 100)	91.4	92.6	92.8	92.8	93.6	-	85.5	90.1
Y/Y % Change	6.0	6.8	5.7	5.6	5.9	-	-11.2	5.3
ISM Manufacturing Index (50+ = growth)	58.2	58.5	60.8	61.4	61.2	60.4	46.3	57.3
ISM Non-Manuf. Index (50+ = growth)	55.0	57.1	59.4	59.7	57.3	52.8	46.2	54.1
Housing Starts (SAAR, 000)	548	522	628	512	549	-	554	585
Y/Y % Change	-7.0	-9.4	2.6	-15.4	-13.4	-	-38.4	5.6
Light Motor Vehicle Sales (SAAR, mil.)	12.3	12.5	12.6	13.4	13.1	13.2	10.4	11.6
Y/Y % Change	12.9	12.6	17.4	27.5	11.8	16.9	-21.5	11.5
CPI (SA, 1982-84 = 100)	219.2	220.2	221.1	222.3	223.5	-	31.5	32.5
Y/Y % Change	1.1	1.4	1.7	2.2	2.7	-	1.6	3.0
Core CPI (SA, 1982-84 = 100)	222.1	222.2	222.6	223.0	223.3	-	32.7	33.6
Y/Y % Change	0.7	0.6	0.9	1.1	1.2	-	1.3	2.5
IPD for Consumption (2000=100)	111.5	111.8	112.2	112.6	113.1	-	109.3	111.1
Y/Y % Change	1.0	1.1	1.2	1.6	1.8	-	0.2	1.7
Nonfarm Payroll Empl., e-o-p (SA, mil.)	130.1	130.3	130.3	130.6	130.8	131.0	129.3	130.3
Monthly Change	0.09	0.15	0.07	0.24	0.22	0.24	-5.06	0.94
Unemployment Rate (SA, percent)	9.8	9.4	9.0	8.9	8.8	9.0	9.3	9.6
Yield on 10-Year Treasury Note (percent)	2.76	3.29	3.39	3.58	3.41	3.46	3.26	3.21
Yield on 3-Month Treasury Bill (percent)	0.14	0.14	0.15	0.13	0.10	0.06	0.15	0.14
Broad Real USD Index** (Mar. 1973=100)	84.1	84.7	83.7	83.3	82.6	81.3	91.2	87.2
Federal Budget Deficit (\$ bil.)*	150.4	78.1	49.8	222.5	188.2	-	1,415.7	1,294.2
FYTD sum	290.8	369.0	418.8	641.3	829.4	-		
US Trade Balance (\$ bil.)	-38.2	-40.3	-47.0	-45.4	-48.2	-	-374.9	-495.7
YTD Sum	-455.5	-495.7	-47.0	-92.4	-140.6	-		

*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

	2010		2011				2009	2010	
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.			
Employment								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,779.0	2,781.8	2,785.5	2,788.2	2,788.4	-	2,774.0	2,781.8	
Change from Previous Month (000)	1.5	2.8	3.7	2.7	0.2	-	-140.7	7.8	
Construction	138.5	137.6	136.4	136.9	135.2	-	146.0	137.6	
Change from Previous Month	-1.5	-1.0	-1.2	0.5	-1.7	-	-38.6	-8.4	
Manufacturing	258.9	260.3	261.5	261.9	262.0	-	256.8	260.3	
Change from Previous Month	0.3	1.5	1.2	0.3	0.1	-	-27.8	3.6	
Aerospace	81.2	82.3	82.6	83.0	83.6	-	81.1	82.3	
Change from Previous Month	0.6	1.1	0.4	0.4	0.6	-	-4.4	1.2	
Software	51.5	51.4	51.3	51.6	51.8	-	50.5	51.4	
Change from Previous Month	0.0	-0.1	-0.1	0.2	0.3	-	-2.5	0.9	
All Other	2,330.1	2,332.5	2,336.3	2,338.0	2,339.4	-	2,320.7	2,332.5	
Change from Previous Month	2.7	2.4	3.8	1.7	1.5	-	-71.8	11.8	
Other Indicators								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	226.9	-	229.5	-	-	226.0	226.7	
	-	0.6%	-	1.5%	-	-	0.6%	0.3%	
Housing Permits (SAAR, 000)	19.7	27.3	18.2	15.5	16.9	-	16.0	19.6	
	22.1%	41.8%	-22.2%	-20.9%	-12.9%	-	-42.0%	22.9%	
WA Index of Leading Ind. (2004=100)	117.4	118.3	118.8	118.6	119.8	-	108.9	114.8	
	5.0%	5.4%	5.1%	5.4%	5.4%	-	-5.9%	5.4%	
WA Business Cycle Ind. (Trend=50)	6.0	9.4	6.5	5.8	6.7	-	7.8	4.6	
	36.7%	122.0%	90.9%	173.5%	83.3%	-	-80.7%	-40.7%	
Avg. Weekly Hours in Manuf. (SA)	41.8	41.7	42.2	40.9	41.4	-	42.0	41.8	
	-0.8%	0.2%	2.4%	-0.2%	0.0%	-	-1.0%	-0.3%	
Avg. Hourly Earnings in Manuf.	23.6	24.1	24.0	24.1	24.4	-	23.4	23.5	
	-0.2%	0.2%	0.4%	0.8%	2.4%	-	11.4%	0.4%	
New Vehicle Registrations (SA, 000)	15.4	16.3	17.3	17.5	17.2	18.0	14.0	15.5	
	21.3%	8.1%	14.6%	9.5%	23.7%	13.3%	-26.4%	10.8%	
Initial Unemployment Claims (SA, 000)	49.3	54.3	52.7	50.0	48.9	52.7	69.2	56.7	
	-18.9%	-9.8%	-5.5%	-12.0%	-12.7%	-6.3%	51.4%	-18.0%	
Personal Income (SAAR, \$bil.)	-	296.8	-	-	-	-	285.7	293.0	
	-	3.2%	-	-	-	-	-0.5%	2.5%	
Median Home Price (\$000)	-	239.0	-	-	228.2	-	255.7	245.2	
	-	-2.0%	-	-	-7.2%	-	-9.8%	-4.1%	

*Percentage Change is Year-over-Year

Key Revenue Variables

	2010					2011						
	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	Jan 11- Feb 10	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10*
Department of Revenue-Total	1,601,911 9.8	1,093,845 6.4	1,061,881 2.0	951,439 3.8	928,373 3.9	1,150,677 8.0	1,584,564 5.7	1,106,158 10.4	1,153,220 1.0	834,514 6.6	870,549 10.4	1,335,204 27.7
Revenue Act	804,996 8.8	800,650 1.2	963,515 3.1	843,523 1.9	835,533 4.2	983,708 6.3	857,053 11.3	835,444 13.2	1,047,776 0.0	754,431 5.0	767,732 11.7	1,179,888 32.2
Retail Sales Tax	505,068 4.2	522,430 -2.7	593,014 -1.2	551,943 -1.4	533,504 -0.5	605,478 2.3	540,948 8.6	528,065 10.0	662,598 -1.9	453,708 2.4	458,338 3.5	720,157 29.0
Business and Occupation Tax	211,752 21.5	195,760 9.4	284,250 12.6	213,939 9.6	221,128 14.1	293,354 14.1	236,261 17.3	227,441 30.0	284,676 -0.4	214,154 12.3	219,836 30.1	350,624 38.7
Use Tax	35,681 -5.6	35,327 3.3	41,819 2.9	38,363 8.7	36,873 10.5	42,233 15.3	34,719 8.5	35,461 18.2	45,743 7.3	32,900 4.5	36,181 12.3	43,076 15.0
Public Utility Tax	30,997 -5.7	29,108 2.1	27,532 2.8	25,848 0.3	26,868 1.8	28,555 4.9	29,190 12.9	27,393 -22.2	39,451 19.9	39,836 10.5	36,583 23.6	44,519 36.9
Tobacco Products Tax	3,448 262.4	2,383 136.4	3,600 18.7	3,524 34.0	3,530 -24.8	4,332 56.7	4,210 56.2	3,413 37.0	4,342 43.8	3,983 81.3	3,338 36.5	4,857 48.8
Penalties and Interest	18,050 89.4	15,643 35.7	13,301 22.4	9,906 11.0	13,630 87.8	9,756 2.6	11,726 22.5	13,671 -11.2	10,967 32.0	9,851 -35.3	13,456 17.5	16,654 109.8
Non-Revenue Act**	796,916 10.9	293,195 23.6	98,366 -8.2	107,916 21.6	92,840 1.4	166,968 19.0	727,511 -0.2	270,714 2.4	105,444 12.1	80,083 24.9	102,817 1.5	155,316 1.4
Liquor Sales/Liter	15,556 25.1	16,056 15.2	16,232 0.2	18,220 -2.8	16,531 3.5	15,859 2.1	16,725 -1.9	16,848 5.7	23,633 2.4	13,913 -0.1	14,524 2.8	16,020 4.3
Cigarette	35,990 749.4	34,746 976.1	24,130 -19.6	39,860 54.7	29,057 16.2	33,520 42.8	26,149 16.9	36,538 40.6	29,800 15.7	25,441 98.3	27,921 17.2	28,463 20.8
Property (State School Levy)	692,782 4.4	162,563 5.5	10,843 6.5	7,094 6.6	9,871 7.5	33,355 24.0	613,332 0.4	173,492 -3.4	12,406 13.0	6,857 8.8	25,700 4.8	67,364 1.2
Real Estate Excise	33,849 37.6	39,401 11.6	34,128 -6.2	31,762 1.7	27,326 -20.0	31,038 -6.7	26,960 -14.5	33,257 -6.9	22,902 10.7	19,704 4.9	27,816 -12.9	28,763 -11.9
Timber (state share)	646 -3.2	0 NA	0 NA	1,354 85.6	0 NA	0 NA	1,058 31.1	0 NA	0 NA	788 -14.2	0 NA	0 NA
Other	18,093 33.8	40,430 32.1	13,034 -7.5	9,626 106.3	10,055 56.8	53,196 29.3	43,286 -6.1	10,579 52.2	16,703 23.6	13,379 18.6	6,855 -20.1	14,707 -2.5
Department of Licensing**	2,326 -38.1	7,357 6.8	3,784 20.7	1,230 37.0	494 18.6	319 13.3	121 -39.4	131 -34.0	129 -23.4	341 20.5	521 16.6	1,733 65.8
Lottery**	0 NA											
Administrative Office of the Courts**	8,827 NA	7,148 NA	8,966 -1.7	8,131 -5.7	7,922 -7.6	7,796 -7.0	8,747 -2.8	7,372 -4.0	7,958 0.4	6,350 -5.1	8,165 -0.3	9,371 -6.4
Total General Fund-State***	1,613,065 10.3	1,108,350 7.1	1,074,632 1.5	960,800 3.8	936,789 3.8	1,158,791 7.9	1,593,432 5.7	1,113,661 10.2	1,161,307 1.0	841,205 6.5	879,235 10.2	1,346,308 27.4

*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. Reflects new definition of GF-S revenue after July 2009.

Note: *Italic figures refer to Year-over-Year percent change.*

Revenue Forecast Variance

Thousands of Dollars

Period/Source	Estimate*	Actual	Difference Amount	Percent
April 11, 2011 - May 10, 2011				
May 10, 2011 Collections Compared to the March 2011 Forecast				
Department of Revenue-Total	\$1,176,079	\$1,335,204	\$159,125	13.5%
Revenue Act** (1)	1,013,181	1,179,888	166,707	16.5%
Non-Revenue Act(2)	\$162,898	\$155,316	(\$7,582)	-4.7%
Liquor Sales/Liter	15,730	16,020	290	1.8%
Cigarette	30,462	28,463	(1,999)	-6.6%
Property (State School Levy)	66,205	67,364	1,159	1.8%
Real Estate Excise	37,248	28,763	(8,485)	-22.8%
Timber (state share)	0	0	0	0.0%
Other	13,254	14,707	1,453	11.0%
Department of Licensing (2)	3,078	1,733	(1,345)	-43.7%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	9,404	9,371	(33)	-0.4%
Total General Fund-State***	\$1,188,562	\$1,346,308	\$157,746	13.3%

Cumulative Variance Since the March Forecast (March 11, 2011 - May 10, 2011)

Department of Revenue-Total	\$2,041,634	2,205,753	164,118	8.0%
Revenue Act** (3)	1,776,173	1,947,620	171,447	9.7%
Non-Revenue Act(4)	265,462	258,133	(7,329)	-2.8%
Liquor Sales/Liter	30,082	30,543	462	1.5%
Cigarette	55,702	56,384	682	1.2%
Property (State School Levy)	90,048	93,063	3,016	3.3%
Real Estate Excise	71,297	56,580	(14,717)	-20.6%
Timber (state share)	0	0	0	0.0%
Other	18,334	21,562	3,228	17.6%
Department of Licensing (4)	3,558	2,230	(1,328)	-37.3%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	17,552	17,536	(16)	-0.1%
Total General Fund-State***	\$2,062,745	\$2,225,519	\$162,774	7.9%

1 Collections April 11, 2011 - May 10, 2011. Collections primarily reflect March 2011 activity of monthly filers and first quarter 2011 activity of quarterly filers.

2 April 2011 collections.

3 Cumulative collections, estimates and variance since the March 2011 forecast; (March 11, 2011 - May 10, 2011) and revisions to history.

4 Cumulative collections, estimates and variance since the March forecast (March - April 2011) and revisions to history.

5 Lottery transfers to the General Fund

* Based on the March 2011 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.