



# ECONOMIC & REVENUE UPDATE

November 12, 2013

summary

## Summary

- **U.S. employment growth was stronger than expected for October.**
- **Consumer confidence is at its lowest level since April.**
- **U.S. house prices continue to rise, while existing homes sales have slowed.**
- **The Washington economy continues to expand in line with the September forecast.**
- **September housing data have been delayed by the partial government shut-down.**
- **The comprehensive revision of the NIPAs raised Washington personal income.**
- **Major General Fund-State revenue collections for the October 11 – November 10, 2013 collection period were \$48.4 million (3.9%) higher than the September forecast, but \$21.7 million of the variance was due to earlier-than expected property tax payments, which will reduce future collections.**
- **Cumulatively, collections are now \$80.7 million (3.5%) above the forecast, but adjusting for the early property tax collections and large one time payments the variance is \$51.8 million (2.2%).**

## United States

The most significant economic event since the September forecast was adopted was the 16 day partial shutdown of the federal government and the last minute increase in the federal debt ceiling. In September, we had assumed that the shutdown would be averted. In the October Global Insight forecast, which is the one we are working with now, the shutdown was expected to last only one week. The direct impact of the temporary government shutdown is likely to be small. Global Insight estimates that each week of shutdown subtracts two-tenths of a percent from annualized GDP growth in the quarter. Since the shutdown lasted about two weeks, it would have reduced the annualized fourth quarter GDP growth rate by about 4 tenths of a percent rather than the 2 tenths of a percent assumed in the preliminary forecast. The full impact of the shutdown will be reflected in the final November economic forecast.

The government shutdown and debt ceiling debate appear to have shaken consumer confidence. The Conference Board index of consumer confidence stands at 71.2 in October, 9.0 points below its September reading and its lowest point since April 2013. The University of Michigan consumer sentiment survey for October fell 4.3 points to 73.2, its lowest point since January 2013.

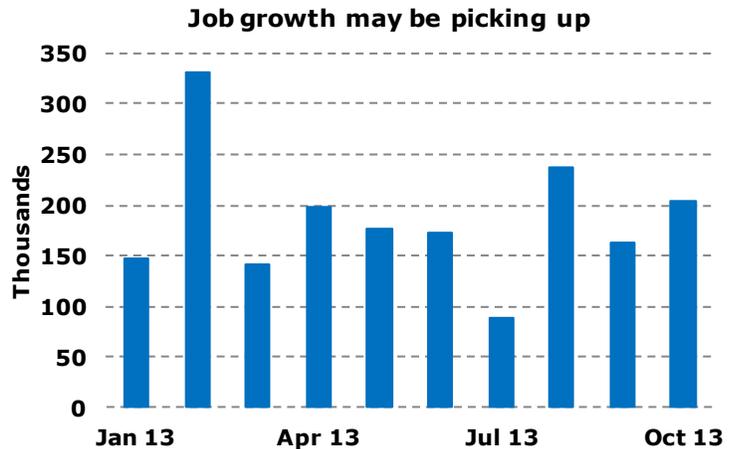
Nonfarm employment increased by 204,000 jobs in October, well above most economists' expectations. In addition, August employment was revised up by 45,000 jobs to 238,000 and September employment was revised up by 15,000 jobs to 163,000 ([see figure](#)). Industries with notable job gains in October included leisure and hospitality (+53,000), retail trade (+44,000), professional and technical services (+21,000) and manufacturing (+19,000). Total government employment declined by 8,000 and wholesale trade employment decreased by 5,000 jobs. The October unemployment rate increased by 0.1% to 7.3%.

Initial claims for unemployment insurance decreased by 9,000 to 336,000 (SA) in the week ending November 2nd, while the four-week moving average for initial claims decreased by

united states

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9,250 to 348,250 as the distorting effects of the partial government shutdown fade. Layoff announcements, as tracked by outplacement firm Challenger, Gray, and Christmas, increased to 45,730 in October. This is a 13.5% increase in planned job cuts from September but is 4.2% below the October 2012 layoff announcements. A total of 433,114 layoffs have been announced this year through October; this is just slightly below the 433,725 planned job cuts for the first 10 months of 2012.



The first estimate of real GDP growth for the third quarter of this year was 2.8% at an annual rate, up from the second quarter's 2.5% growth rate. However, inventory accumulation accounted for much of the stronger growth, with consumer spending actually declining relative to the second quarter. The impact of the government shutdown and the potential for some of the inventory accumulation to be reversed suggest that fourth quarter growth is likely to be lower.

Based on the Census Bureau advance estimate, September retail and food services sales decreased by 0.1% (SA) after having increased by 0.2% in August. September retail and food sales were 3.2% over their September 2012 level.

Gasoline prices have decreased in eight of the last nine weeks, averaging \$3.27 per gallon (regular, all formulations) for the week ending November 4th. This is a decline of \$0.34 per gallon over the last two months. Petroleum prices have also decreased over the last two months. The spot price for West Texas Intermediate (WTI) was \$97 per barrel for the week ending November 1st, down by more than \$11 per barrel from the end of August. The Brent spot price was \$108 per barrel for the week ending November 1st, a decline of more than \$7 per barrel since August 30th.

October light motor vehicle (LMV) sales were 15.2 million units (SAAR), essentially unchanged from the September sales level. Although slower than this summer's sales pace, October sales were still 5.8% above their year-ago level.

The American Trucking Association's truck tonnage index increased 1.4% (SA) in September, equaling its August increase. The September index was 8.4% above the September 2012 level, its highest year-over-year increase since December 2011. Rail carloads in October were 1.0% lower (SA) than in September but were still 1.5% above their year-ago level. Intermodal rail units (shipping containers or truck trailers) in October were 1.1% above their September level, making three consecutive monthly increases.

Industrial production increased by 0.6% in September (SA) following a revised 0.4% increase in August. Manufacturing activity, as measured by the Institute for Supply Management's Purchasing Managers Index (PMI), increased for a fifth consecutive month in October. The October PMI reading of 56.4 (50 or higher indicates growth) was up 0.2 points from September. The non-manufacturing PMI for October increased by 1.0 points from September and has remained above 50 for 46 straight months. Core capital goods orders (i.e., durables excluding aircraft and military) which are a proxy for business investment, decreased by 1.3% (SA) in September after a 1.0% increase in August.

Data from the housing market have weakened somewhat. August existing home sales were unchanged from July, while September sales decreased 1.9% (SAAR). Pending home sales have also declined for four straight months through September. However, September sales

were 10.7% above their year-ago level. The seasonally adjusted Case-Shiller 20-city home price index has increased for nineteen consecutive months through August 2013. The index is now 12.8% above the year-ago level (SA). Seasonally adjusted housing starts in August were 0.9% above their July level and 19.0% above the August 2012 level. August housing permits were 3.8% (SAAR) below July and 11.0% above their year-ago level. (Normally we would also have housing start and permit data for September by now but this month's release from the Census Bureau has been canceled due to the government shutdown.)

**WASHINGTON**

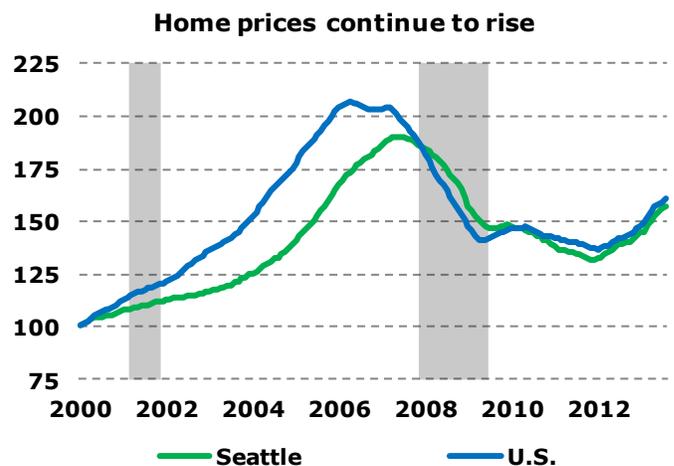
The Washington economy added 3,400 jobs in September which was 400 less than the 3,800 expected in the September forecast. We also have another quarter of Quarterly Census of Payrolls and Employment (QCEW) benchmark employment data. The new QCEW data and other revisions raised the estimated level of total employment in August 2013 by 2,600. As a result of the upward revisions to history and slightly weaker than expected growth, the net effect is 2,200 (0.1%) more jobs in September 2013 than expected in the September forecast. Private service-providing employment is 3,300 higher than expected and government employment is 1,500 higher but manufacturing employment is 1,400 lower than expected and construction is 1,200 lower.

Housing construction dropped sharply in the second quarter of 2013 after rising rapidly throughout 2012 and early 2013. The number of housing units authorized by building permits fell from 36,000 (SAAR) in the first quarter of 2013 to 27,700 in the second quarter. Preliminary data for the third quarter suggest little change. In July and August there was an average of 27,000 units authorized by building permits (SAAR). The results for the month of August were particularly worrisome since they included a significant drop in single-family permits. Single-family permits averaged 17,100 (SAAR) units in August which was the lowest level in more than a year. (Normally we would also have permit data for September by now but this month's release from the Census Bureau has been canceled due to the government shutdown.) We still think the outlook is positive for housing due to the resumption of household formation, low inventories, and still good affordability.

While new home construction has weakened, regional home prices continue to rise at a rapid rate. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices have risen in each of the last 18 months and, as of August, are now 13.2% higher than in the previous August. Though prices and mortgage rates have risen, homes are still relatively affordable. Even with the recent gains, Seattle area home prices are 17.5% lower than their 2007 peak ([see figure](#)).

Washington aerospace employment is down a total of 1,300 jobs since the peak in November 2012. We continue to believe that this downturn will be relatively mild due to the large and increasing backlog of orders. The current reductions are due to improvements in productivity rather than reductions in production.

Despite the mild downturn in aerospace employment, the Institute of Supply Management - Western Washington Index (ISM-WW) continues to indicate positive but slowing growth in the broader manufacturing sector. The index declined from 61.0 in June to 52.7



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in September before edging up to 54.2 in October. Index values above 50 indicate positive growth while values below 50 indicate contractions. The last time the Western Washington index was below 50 was in July 2009.

Washington new light vehicle registrations improved to 268,800 vehicles (SAAR) in October from 263,200 in September. Despite the improvement in October, new vehicle registrations are still below the post-recession high of 279,800 reached in August 2013. October new light vehicle registrations were 6.2% higher than in the previous October.

### REVENUE COLLECTIONS

#### Overview

Major General Fund-State revenue collections for the October 11 – November 10, 2013 collection period were \$48.4 million (3.9%) higher than the September forecast, but \$21.7 million of the variance was due to earlier-than expected property tax payments that will reduce future collections.

Cumulatively, collections are now \$80.7 million (3.5%) above the forecast. Adjusting for the early property tax collections and large one time payments, however, the variance is \$51.8 million (2.2%).

#### Revenue Act

The revenue collections reported here are for the October 11, 2013 – November 10, 2013 collection period. Collections correspond primarily to the September 2013 economic activity of monthly filers and the third quarter 2013 activity of quarterly filers.

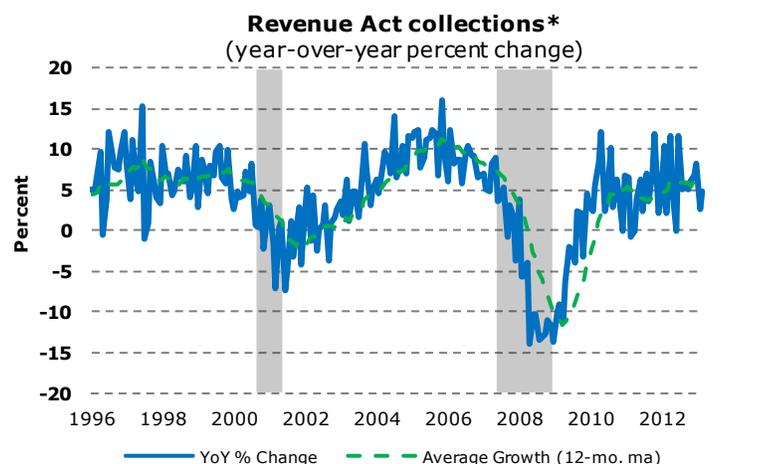
Revenue Act collections for the current period came in \$255,000 (0.0%) below the September forecast. During the period, however, there were \$28.8 million in one-time large refunds, one of which was the \$22 million refund that was expected last month. These refunds were partially offset by a one-time payment of \$14.6 million for back taxes. Had these refunds and payments not occurred in this period, collections would have been \$14.0 million (1.4%) above the forecast.

Cumulatively, Revenue Act collections are now \$33.7 million (1.7%) above the forecast. Adjusted for large one-time refunds and payments that were not included in the forecast, the variance is \$26.5 million (1.3%).

Adjusted for this year’s net one-time large refunds, Revenue Act collections grew 4.9% year over year ([see figure](#)). The 12-month moving average of year-over-year growth increased to 5.8%. Seasonally adjusted collections grew slightly ([see figure](#)).

As shown in the “Key Revenue Variables” table, unadjusted Revenue Act receipts increased by 3.5% year over year. The preliminary estimate of year-over-year retail sales tax growth is 5.1%. The preliminary estimate of B&O tax growth is -0.1%.

Total tax payments as of October 30th from electronic filers who also paid in the October 11 – November 10 collection period of last year were up 2.8% year over



year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well).

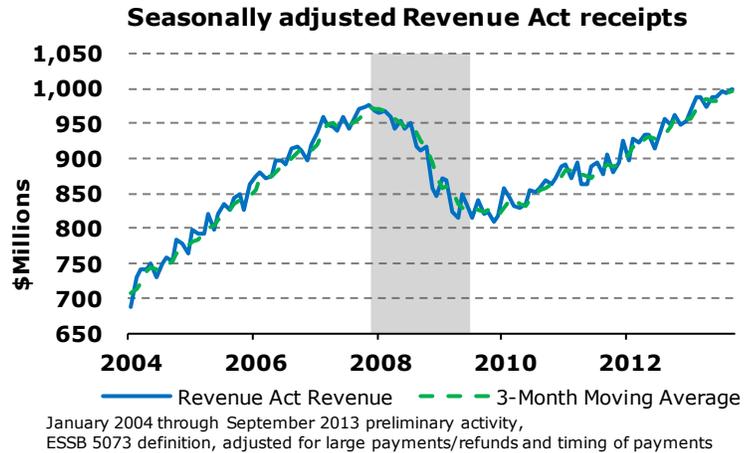
Some details of payments from electronic filers:

- Total payments in the retail trade sector were up 3.1% year over year. Last month, payments grew 4.6% year over year.
- The year-over-year growth rate of payments from the retail trade sector was dampened by strong spirit sales in the early months of privatization last year. The two sectors which sell the largest amount of spirits saw weak growth in payments: food and beverage stores (+2.3%) and general merchandise stores (+1.6%). Excluding these sectors, payments from retail trade would have increased by 3.7% year over year.
- Payments from the retail trade sector were also dampened by this year's early Labor Day. Saturday of this year's Labor Day weekend was in August, but last year Saturday of the Labor Day weekend was in September. This lowered September 2013 sales compared to last year. The sector in which this effect was most visible is the motor vehicles and parts sector, which typically sees large sales during the Labor Day weekend. Payments in the sector increased by only 2.3% year over year after increasing by 11.2% last month.
- Retail trade sectors that showed strong growth in payments were nonstore retailers (+16.2%), electronics and appliances (+8.3%), drug and health stores (+7.0%) and furniture and home furnishings (+5.1%). The two sectors that saw year-over-year declines in payments, apparel and accessories (-0.6%) and gas stations and convenience stores (-1.9%), were likely to have been affected by this year's missing Labor Day Saturday.
- Payments from non-retail trade sectors were up 2.6% year over year in the current period. Last month, year-over-year payments increased 2.9%.
- Payments from the manufacturing sector increased by 15.2% year over year. Last month payments increased 2.2% year over year. This month saw a large year-over-year increase in payments from the transportation equipment sector due to a tax credit that was taken last year but not this year. The petroleum refining sector saw a fairly large decline in payments due largely to gasoline prices that were lower than last year's. Most of the other manufacturing sectors showed year-over-year increases in payments. Excluding the petroleum and transportation equipment sectors, payments from the other manufacturing sectors increased 5.3% year over year.
- Excluding the manufacturing sector, payments from non-retail trade sectors increased 1.4%. Last month, non-retail payments excluding manufacturing increased 2.9%.
- Tax payments by businesses in the construction sector increased by 8.9% year over year. Last month, payments increased 5.8% year over year.

**DOR Non-Revenue Act**

October collections came in \$48.6 million (25.8%) above the forecast, but much of the variance was due to \$21.7 million in earlier-than-expected property tax payments. Cumulatively, collections are now \$48.0 million above the forecast, but excluding the early prop-

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erty tax payments the variance would have been \$26.3 million (8.5%).

Because fall property tax payments are due on October 31st, most arrive on or after that date and are tabulated in November. This month's \$21.7 million (58.7%) positive variance likely represents a higher-than-expected portion of payments that were tabulated in October vs. November rather than a real increase in collections. The positive variance is therefore likely to

lessen or reverse itself over the next two months, during which an additional \$832 million in payments are forecasted to arrive. Cumulatively, property tax collections are now \$20.4 million (42.8%) higher than forecasted.

Real estate excise tax (REET) collections came in \$13.9 million (30.5%) above the September forecast. As has been the case several times over the last year, most of the variance came from large commercial property sales, with sales valued at \$10 million or more totaling \$1 billion. This month's large commercial property sales generated \$11.9 million in REET. Due to the sales, seasonally adjusted October activity once again spiked ([see figure](#)). Cumulatively, REET collections are now \$19.3 million (22.0%) above the forecast.

Liquor taxes came in \$1.6 million (7.7%) below the forecast. Cumulatively, collections are now \$6.3 million (13.7%) below the forecast. This shortfall was due to the difficulty of assigning an appropriate seasonal adjustment factor to August and September sales after last year's changes to the spirits market rather than a sign that future sales will continue to fall short of the forecast. Last August and September saw high sales as they were the first full months of fully operational spirit sales in most large grocery and general merchandise stores. The September forecast projected a smaller portion of total sales would take place during those months this year but the downward adjustment was apparently insufficient. Adjusted for an increase in this year's distribution of taxes to local governments, tax receipts for September sales decreased by 0.5% year over year. Unadjusted receipts decreased by 6.5% as reported in the "Key Revenue Variables" table.

Cigarette taxes came in \$4.6 million (13.7%) above the forecast, but cumulative receipts are only \$2.6 million (3.9%) above the forecast.

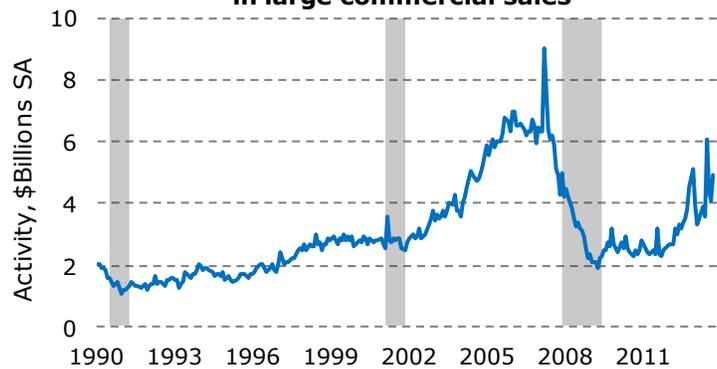
DOR collections in other categories were \$9.9 million (19.5%) higher than forecasted due to larger-than-expected transfers of unclaimed property into the GF-S. Cumulatively, collections are now \$12.0 million (20.0%) higher than forecasted.

### Other Revenue

Department of Licensing receipts for October came in \$4,000 (1.1%) lower than the September forecast. Cumulatively, receipts are now \$44,000 (4.9%) below the forecast.

Revenue from the Administrative Office of the Courts was \$60,000 (0.8%) higher than the September forecast. Cumulatively, receipts are now \$1.0 million (6.6%) below the forecast.

**October REET boosted by \$1 billion in large commercial sales**



Source: ERFC, data through October 2013 preliminary activity

## Key U.S. Economic Variables

	2013						2011	2012
	May	Jun.	Jul.	Aug.	Sep.	Oct.		
Real GDP (SAAR)	-	2.5	-	-	2.8	-	1.8	2.8
Industrial Production (SA, 2007 = 100)	98.9	99.1	99.1	99.5	100.0	-	93.6	97.0
Y/Y % Change	1.9	2.1	1.6	2.8	3.2	-	3.4	3.6
ISM Manufacturing Index (50+ = growth)	49.0	50.9	55.4	55.7	56.2	56.4	55.2	51.7
ISM Non-Manuf. Index (50+ = growth)	53.7	52.2	56.0	58.6	54.4	55.4	54.5	54.6
Housing Starts (SAAR, 000)	919	835	883	891	-	-	612	783
Y/Y % Change	29.3	10.3	19.2	19.0	-	-	4.5	28.0
Light Motor Vehicle Sales (SAAR, mil.)	15.5	15.9	15.8	16.1	15.3	15.2	12.8	14.5
Y/Y % Change	11.0	10.5	11.2	11.1	3.4	5.8	10.8	12.7
CPI (SA, 1982-84 = 100)	231.8	232.9	233.3	233.5	233.9	-	224.9	229.6
Y/Y % Change	1.4	1.8	2.0	1.5	1.2	-	3.1	2.1
Core CPI (SA, 1982-84 = 100)	233.3	233.6	234.0	234.3	234.6	-	225.0	229.8
Y/Y % Change	1.7	1.6	1.7	1.8	1.7	-	1.7	2.1
IPD for Consumption (2009=100)	106.8	107.2	107.3	107.4	107.5	-	104.1	106.0
Y/Y % Change	1.0	1.3	1.3	1.1	0.9	-	2.4	1.8
Nonfarm Payroll Empl., e-o-p (SA, mil.)	135.7	135.9	135.9	136.2	136.4	136.6	132.5	134.7
Monthly Change	0.18	0.17	0.09	0.24	0.16	0.20	2.10	2.19
Unemployment Rate (SA, percent)	7.6	7.6	7.4	7.3	7.2	7.3	8.9	8.1
Yield on 10-Year Treasury Note (percent)	1.93	2.30	2.58	2.74	2.81	2.62	2.79	1.80
Yield on 3-Month Treasury Bill (percent)	0.04	0.05	0.04	0.04	0.02	0.05	0.05	0.09
Broad Real USD Index** (Mar. 1973=100)	84.3	85.1	85.6	85.4	85.1	84.2	82.6	84.3
Federal Budget Deficit (\$ bil.)*	138.7	-116.5	97.6	147.9	-75.1	-	1,296.8	1,089.2
FYTD sum	626.3	509.8	607.4	755.3	680.3	-		
US Trade Balance (\$ bil.)	-43.7	-34.5	-38.6	-38.8	-	-	-556.8	-534.7
YTD Sum	-205.9	-240.4	-279.1	-317.9	-	-		

\*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

	2013						2011	2012	
	May	Jun.	Jul.	Aug.	Sep.	Oct.			
<b>Employment</b>								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,930.4	2,932.3	2,936.0	2,939.8	2,943.3	-	2,841.5	2,902.9	
Change from Previous Month (000)	7.6	1.9	3.6	3.9	3.4	-	38.0	61.3	
Construction	147.9	147.7	148.7	148.8	149.3	-	136.0	144.1	
Change from Previous Month	0.8	-0.2	1.0	0.1	0.5	-	-1.7	8.1	
Manufacturing	286.6	287.6	287.1	286.1	285.5	-	274.5	284.8	
Change from Previous Month	0.4	1.0	-0.5	-1.1	-0.6	-	13.3	10.3	
Aerospace	96.6	97.2	96.9	96.4	96.0	-	90.9	97.0	
Change from Previous Month	-0.2	0.5	-0.2	-0.6	-0.3	-	9.0	6.1	
Software	53.7	53.9	54.2	54.3	54.5	-	52.1	52.7	
Change from Previous Month	0.2	0.2	0.3	0.1	0.3	-	0.9	0.6	
All Other	2,442.3	2,443.2	2,446.0	2,450.7	2,454.0	-	2,379.0	2,421.2	
Change from Previous Month	6.3	0.9	2.8	4.7	3.3	-	25.4	42.3	
<b>Other Indicators</b>								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	242.8	-	242.8	-	-	232.8	238.7	
	-	1.4%	-	1.1%	-	-	2.7%	2.5%	
Housing Permits (SAAR, 000)	30.4	25.6	29.6	24.4	-	-	21.0	28.5	
	23.7%	-14.3%	0.0%	-3.5%	-	-	6.3%	35.9%	
WA Index of Leading Ind. (2004=100)	114.7	114.5	114.7	115.4	-	-	108.2	111.8	
	2.9%	2.9%	2.7%	3.6%	-	-	5.5%	3.3%	
WA Business Cycle Ind. (Trend=50)	40.7	35.9	41.6	39.1	-	-	19.3	30.6	
	56.6%	14.4%	35.3%	38.0%	-	-	48.2%	58.7%	
Avg. Weekly Hours in Manuf. (SA)	41.3	41.5	40.9	41.7	-	-	42.4	41.9	
	-1.4%	-0.7%	-0.9%	0.1%	-	-	1.2%	-1.1%	
Avg. Hourly Earnings in Manuf.	24.2	24.0	23.8	24.0	-	-	24.0	24.1	
	0.3%	-0.5%	-0.6%	1.4%	-	-	2.1%	0.7%	
New Vehicle Registrations (SA, 000)	20.8	22.0	23.2	23.3	21.9	22.4	17.0	19.8	
	4.0%	5.9%	18.0%	16.7%	9.2%	6.2%	9.9%	16.6%	
Initial Unemployment Claims (SA, 000)	39.5	41.9	41.0	39.4	36.6	46.3	49.9	44.6	
	-11.4%	-7.5%	-7.4%	-7.1%	-14.9%	12.7%	-11.8%	-10.6%	
Personal Income (SAAR, \$bil.)	-	325.3	-	-	-	-	303.1	317.6	
	-	3.2%	-	-	-	-	5.7%	4.8%	
Median Home Price (\$000)	-	251.1	-	-	263.4	-	224.4	232.5	
	-	6.4%	-	-	8.4%	-	-8.5%	3.6%	

\*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

	2012		2013									
	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	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10*
<b>Department of Revenue-Total</b>	1,765,423	1,181,039	1,287,497	942,514	1,002,341	1,215,238	1,771,000	1,296,974	1,233,405	1,138,230	1,129,529	1,270,114
	8.5	10.3	1.4	8.9	6.9	6.8	4.5	2.1	10.4	7.3	3.3	5.4
<b>Revenue Act</b>	932,829	913,153	1,150,101	853,541	877,120	1,007,189	926,273	966,962	1,068,312	1,005,940	1,009,226	1,033,526
	10.4	10.0	1.3	9.8	7.8	5.4	7.0	5.8	7.1	8.1	3.1	3.5
Retail Sales Tax	581,784	577,469	715,134	522,243	527,196	613,769	577,213	606,837	665,498	653,087	646,308	653,981
	10.2	5.6	2.5	12.1	6.2	7.1	9.5	7.7	7.4	10.3	5.5	5.1
Business and Occupation Tax	270,761	250,742	336,737	239,767	258,934	299,279	260,306	273,672	310,370	266,141	282,420	291,969
	13.7	18.8	-1.1	8.8	12.2	4.6	2.9	2.8	6.4	4.3	-0.4	-0.1
Use Tax	37,794	41,793	46,676	37,891	39,069	46,800	43,209	44,374	50,751	44,601	38,423	45,816
	4.1	33.8	6.3	8.4	5.1	-1.4	9.1	2.0	14.0	2.1	-5.6	3.0
Public Utility Tax	28,514	30,374	36,867	41,681	38,216	34,155	32,606	29,288	27,554	28,091	28,626	27,224
	2.6	-2.1	-7.4	3.8	2.3	-5.2	-0.5	4.5	-3.7	10.4	3.2	5.7
Tobacco Products Tax	3,145	3,468	3,475	3,377	3,229	3,687	3,827	3,996	5,030	3,860	3,856	3,217
	-20.6	-3.5	-2.2	-10.3	-2.1	-1.6	3.5	2.9	38.1	-0.6	-0.4	2.3
Penalties and Interest	10,831	9,307	11,212	8,582	10,476	9,498	9,112	8,796	9,109	10,159	9,593	11,320
	1.6	47.4	8.5	-29.8	19.8	1.1	0.5	0.6	-3.5	2.0	-8.9	7.9
<b>Non-Revenue Act**</b>	832,594	267,886	137,396	88,972	125,221	208,049	844,727	330,011	165,094	132,290	120,303	236,588
	6.5	11.4	2.3	1.2	1.3	14.4	2.0	-7.5	38.2	1.1	4.7	14.8
Liquor Sales/Liter	21,303	21,568	31,136	21,122	18,787	19,663	19,353	22,260	20,025	23,931	20,689	18,975
	26.0	21.0	26.8	41.8	17.9	10.5	18.7	11.3	3.1	-8.8	-13.9	-6.5
Cigarette	37,100	30,050	37,191	22,316	33,058	29,157	42,365	32,997	36,691	35,149	31,588	38,604
	5.2	-15.5	18.4	-29.8	0.4	-12.7	24.5	-14.3	14.9	-11.3	-9.5	6.6
Property (State School Levy)	676,660	140,457	8,777	5,904	28,731	101,083	699,714	192,002	10,920	8,424	9,381	58,609
	3.4	-3.7	-9.1	-2.0	-8.7	44.8	0.3	-3.4	-15.7	28.7	-9.7	61.5
Real Estate Excise	53,398	63,154	36,918	25,825	36,800	46,189	52,703	48,455	83,478	52,692	47,587	59,637
	79.5	93.5	64.3	14.8	18.0	17.1	47.5	-10.4	126.0	7.6	31.6	21.5
Timber (state share)	795	0	0	618	0	0	673	0	0	716	0	0
	-17.0	NA	NA	-39.4	NA	NA	8.6	NA	NA	-11.0	NA	NA
Other	43,338	12,657	23,375	13,188	7,846	11,959	29,919	34,297	13,979	11,379	11,058	60,763
	-3.1	49.1	-49.3	13.4	-34.8	-44.0	-32.6	-25.2	-23.1	32.7	17.7	-5.4
<b>Department of Licensing**</b>	260	245	307	430	624	2,385	2,839	5,179	3,618	1,091	504	341
	6.2	11.0	58.0	40.2	16.0	10.4	2.3	2.0	6.9	-16.6	-1.7	-5.0
<b>Administrative Office of the Courts**</b>	8,667	6,853	6,462	6,924	7,548	7,973	8,579	7,487	7,053	7,136	6,890	7,122
	4.7	-8.2	-12.7	11.5	-11.4	-4.6	2.4	-8.2	-6.8	-10.3	-7.3	-2.5
<b>Total General Fund-State***</b>	<b>1,774,349</b>	<b>1,188,138</b>	<b>1,294,266</b>	<b>949,868</b>	<b>1,010,514</b>	<b>1,225,596</b>	<b>1,782,418</b>	<b>1,309,640</b>	<b>1,244,077</b>	<b>1,146,457</b>	<b>1,136,923</b>	<b>1,277,577</b>
	<b>8.5</b>	<b>10.2</b>	<b>1.3</b>	<b>8.9</b>	<b>6.8</b>	<b>6.8</b>	<b>4.5</b>	<b>2.0</b>	<b>10.3</b>	<b>7.1</b>	<b>3.2</b>	<b>5.4</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>October 11, 2013 - November 10, 2013</b>				
<b>November 10, 2013 Collections Compared to the September 2013 Forecast</b>				
Department of Revenue-Total	\$1,221,810	\$1,270,114	\$48,304	4.0%
Revenue Act** (1)	1,033,781	1,033,526	(255)	0.0%
Non-Revenue Act(2)	188,029	236,588	48,559	25.8%
Liquor Sales/Liter	20,559	18,975	(1,584)	-7.7%
Cigarette	33,963	38,604	4,641	13.7%
Property (State School Levy)	36,937	58,609	21,672	58.7%
Real Estate Excise	45,707	59,637	13,930	30.5%
Timber (state share)	0	0	0	0.0%
Other	50,863	60,763	9,899	19.5%
Department of Licensing (2)	345	341	(4)	-1.1%
Administrative Office of the Courts (2)	7,062	7,122	60	0.8%
<b>Total General Fund-State***</b>	<b>\$1,229,217</b>	<b>\$1,277,577</b>	<b>\$48,360</b>	<b>3.9%</b>

### Cumulative Variance Since the September Forecast (September 11 - November 10, 2013)

Department of Revenue-Total	\$2,317,939	\$2,399,643	\$81,705	3.5%
Revenue Act** (3)	2,009,050	2,042,753	33,703	1.7%
Non-Revenue Act(4)	308,889	356,891	48,001	15.5%
Liquor Sales/Liter	45,966	39,664	(6,302)	-13.7%
Cigarette	67,562	70,192	2,631	3.9%
Property (State School Levy)	47,602	67,990	20,388	42.8%
Real Estate Excise	87,918	107,224	19,306	22.0%
Timber (state share)	0	0	0	0.0%
Other	59,841	71,820	11,979	20.0%
Department of Licensing (4)	891	847	(44)	-4.9%
Administrative Office of the Courts	15,002	14,011	(991)	-6.6%
<b>Total General Fund-State***</b>	<b>\$2,333,832</b>	<b>\$2,414,502</b>	<b>\$80,670</b>	<b>3.5%</b>

1 Collections October 11, 2013 - November 10, 2013. Collections primarily reflect August 2013 activity of monthly filers and third quarter, 2013 activity of quarterly filers.

2 October 2013 collections.

3 Cumulative collections, estimates and variance since the September 2013 forecast; (September 11, 2013 - November 10, 2013) and revisions to history.

4 Cumulative collections, estimates and variance since the September forecast (September - October 2013) and revisions to history.

\* Based on the September 2013 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.