



# ECONOMIC & REVENUE UPDATE

September 11, 2013

summary

## Summary

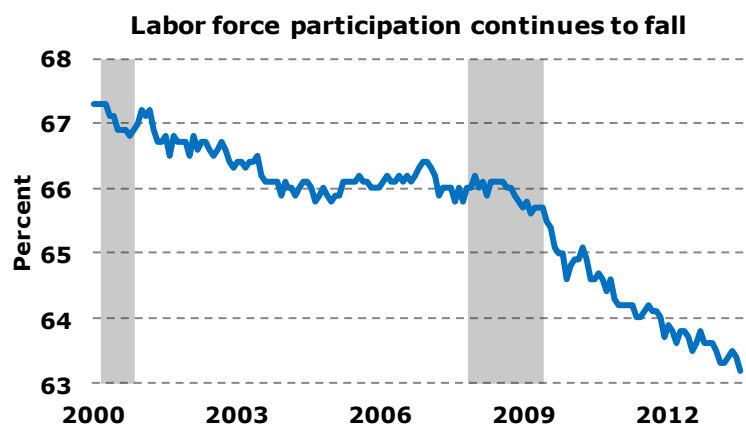
- **Recent U.S. data provide more mixed signals about the direction of the economy.**
- **U.S. 2nd quarter real GDP growth was revised up from an annualized rate of 1.7% to 2.5%.**
- **U.S. employment grew by 169,000 jobs in August, but June and July employment were revised down by a total of 74,000.**
- **Existing U.S. home sales increased in July while new home sales decreased.**
- **Washington employment growth was better than expected in June and July.**
- **Washington housing construction slowed in the second quarter.**
- **Washington export growth is strong thanks to transportation equipment.**
- **Major General Fund-State revenue collections for the August 11 – September 10, 2013 collection period were \$65.0 million (6.0%) higher than the June forecast.**
- **Adjusted for expected refunds, cumulative General Fund-State collections are \$116.1 million (3.3%) above the forecast.**

## United States

Real GDP growth for the second quarter of this year was revised up from 1.7% to 2.5% at an annual rate. Most of this improvement was attributable to an upward revision in net exports.

The U.S. Department of Commerce, Bureau of Economic Analysis has recently undertaken the 14th comprehensive revision of the National Income and Product Accounts. In addition to updating the reference year for prices and quantities from 2005 to 2009, there were two significant conceptual changes. Research and development (R&D) spending and the production of entertainment, literary, and artistic originals are included in a new intellectual properties products category of gross private domestic investment along with software which was previously included in equipment and software investment. Government R&D spending is also now included in government investment. The new categories of investment added 3.1% to the level of GDP in 2012. On the income side, the value of defined benefit pension benefits is now based on expected benefits earned rather than the contributions made to pension plans.

The unemployment rate for August was 7.3%, down from 7.4% in July. Because a major driver of the unemployment rate decline was a drop in the labor force, this is not an indicator of a stronger labor market. The labor force participa-



united states

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tion rate has now dropped to 63.2%, its lowest level since May 1978 ([see figure](#)). Nonfarm payroll employment (private sector and government) in the U.S. increased by 169,000 jobs in August, but June and July data were revised down by a combined 74,000 jobs. Notable employment gains in August occurred in retail trade (44,000), health care (33,000), professional and business services (23,000, of which 13,100 were increases in temporary help services), food services and drinking places (21,000), motor vehicles and parts (19,000) and wholesale trade (8,000). Government employment increased by 17,000 jobs in August due to an increase in local government education jobs.

Initial claims for unemployment insurance decreased by 9,000 to 323,000 (SA) in the week ending August 31st. The four-week moving average for initial claims decreased by 3,000 to 328,500. Layoff announcements, as tracked by outplacement firm Challenger, Gray, and Christmas, increased to 50,462 in August. This is a 33.8% increase in planned job cuts from July and their highest level since February.

Based on the advance estimate, July retail and food services sales increased by 0.2% (SA) after having increased by 0.6% in June. July retail and food sales were 5.4% over their July 2012 level.

After increasing by 0.1% in May and 0.2% in June, real personal consumption expenditures were flat in July. Real disposable personal income (DPI) had increased for four straight months before declining by 0.2% in June. July saw a return to growth with DPI increasing by 0.1% over the June level.

Gasoline prices averaged \$3.59 per gallon (regular, all formulations) for the week ending September 9th. This is very close to the average per gallon price for the year to date; prices have ranged from a low of \$3.30 to a high of \$3.78. Petroleum prices have been trending up since late June. The spot price for West Texas Intermediate (WTI) was \$108 for the week ending August 30th, its highest level since late April 2011. The Brent spot price was \$115 per barrel for the week ending August 30th, a level it has not reached since mid-February.

August light motor vehicle (LMV) sales totaled 16.1 million units (SAAR), a level last reached in November 2007. August sales were 11.1% above the year-ago level.

The American Trucking Association's truck tonnage index decreased 0.4% (SA) in July, its first drop since April. The July index was 4.7% above the July 2012 level. After three consecutive monthly increases, rail carloads in August were essentially unchanged (SA) from their July level. Intermodal units (shipping containers or truck trailers) were up for a fifth straight month and were 1.1% higher (SA) in August than in July.

Industrial production was unchanged in July after growing by a revised 0.2% (SA) in June and after having been flat in May. July industrial production was 1.4% higher than in July 2012. Manufacturing activity as measured by the Institute for Supply Management's Purchasing Managers Index (PMI) increased for a third straight month. The August PMI increased by 0.3 points to 55.7 (50 or higher indicates growth). The non-manufacturing PMI increased by 2.6 points to 58.6 in August after having increased by 3.8 points in July. Core capital goods orders (i.e., durables excluding aircraft and military) which are a proxy for business investment, declined by 4.0% (SA) in July after four consecutive monthly increases.

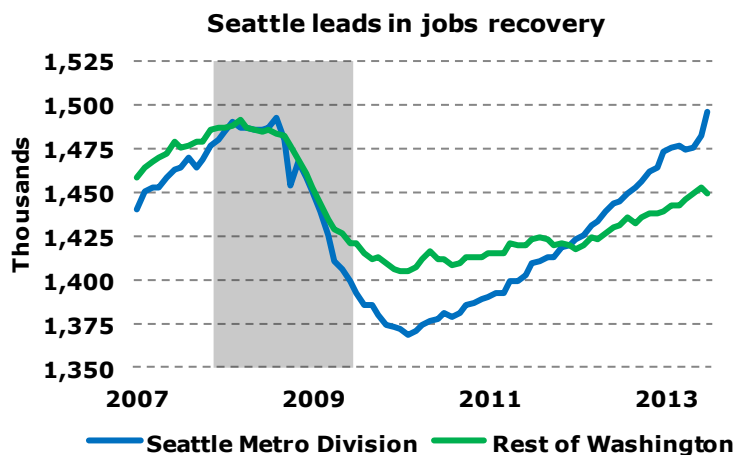
Data from the housing market continue to be generally positive. After declining in June, existing home sales increased 6.5% (SAAR) in July and are 17.2% above their year-ago level. However, July new home sales decreased by 13.4% from June (SAAR). Although July new home sales were still 6.8% above the year-ago level, it is possible the rising mortgage rates are starting to have an impact on the demand for homes. The seasonally adjusted Case-Shiller 20-city home price index has increased for seventeen consecutive months through June 2013. The index is now 12.0% above the year-ago level (SA). Seasonally ad-

justed housing starts in July were 5.9% below their June level but 20.9% above the July 2012 level. July housing permits were 2.7% (SAAR) above June and 12.4% above their year-ago level.

The Conference Board index of consumer confidence increased by 0.5 points in August, partially offsetting last month's 1.8 point decline. At 81.5 points, the index remained above 80 for a third consecutive month; this has not occurred since January 2008. The University of Michigan consumer sentiment index for August decreased by three points to 82.1, its lowest level since April. However, it has remained above 80 for four straight months, an event which last happened in late 2007.

**WASHINGTON**

In the two months since the June forecast was adopted, the Washington economy added 10,900 jobs, 3,400 more than the 7,400 expected. Construction has become Washington's fastest growing industry with employment growth of 11,000 (8.0%) over the last year but manufacturing employment growth has slowed now that aerospace employment is declining. The recovery in jobs since the recession has been concentrated in the Seattle area. While employment in the Seattle Metropolitan Division (defined as King and Snohomish counties) fell more than in the rest of Washington, the recovery has been much stronger. As of July 2013, employment in the Seattle area was slightly higher than at its pre-recession peak while employment in the rest of Washington is still 42,400 (2.8%) lower ([see figure](#)).



Aerospace employment held up better than we expected in the last two months but we have not changed our expectation of a downward trend over the next few years. We continue to believe that this downturn will be relatively mild due to the hefty backlog of orders. The current reductions are due to improvements in productivity. The steep cuts in the past have been associated with production cuts which we do not expect over the next few years.

The Institute of Supply Management - Western Washington Index (ISM-WW) continues to indicate positive but possibly slowing growth in the broader manufacturing sector. The index declined to 53.8 in August from 60.3 in July and 61.0 in June. 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.

After a slump in April and May, Washington new light vehicle registrations rebounded in June, July, and August, reaching a new post-recession high of 279,800 vehicles (SAAR).

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. The June forecast had assumed 30,600 units in the second quarter. We had anticipated a decline in the second quarter since the multi-family segment had been unusually strong in the first quarter, but the multi-family correction was even stronger than we had assumed. Preliminary data for the third quarter suggest a modest improvement compared to the sec-

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ond quarter. In July there were 29,600 units authorized by building permits (SAAR) consisting of 19,500 single family units and 10,100 multi-family units.

Regional home prices continue to rise. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices have risen in 15 of the last 16 months and, as of June, are now 11.8% higher than in the previous June. Though prices and mortgage rates have risen, homes are still relatively affordable. Even with the recent gains, Seattle area home prices are 19.1% lower than their 2007 peak.

Washington exports grew 15.0% from the second quarter of 2012 to the second quarter of 2013. Exports of transportation equipment (mostly Boeing planes) increased 42.4% over the year but exports of agricultural products fell 49.9%. Exports from all other Washington industries rose 6.7% over the year.

### REVENUE COLLECTIONS

#### Overview

Major General Fund-State revenue collections for the August 11 – September 10, 2013 collection period were \$65.0 million (6.0%) higher than the June forecast.

Cumulatively, revenue collections are now \$145.1 million (4.1%) above the forecast. The forecast, however, expected a total of \$29.0 million in large one-time refunds to occur during this month and the last. These refunds are still expected to occur in the future. Adjusted for the expected refunds, collections are \$116.1 million (3.3%) above the forecast.

Real estate excise tax revenue was once again higher than expected, beating the forecast by \$7.5 million (16.5%).

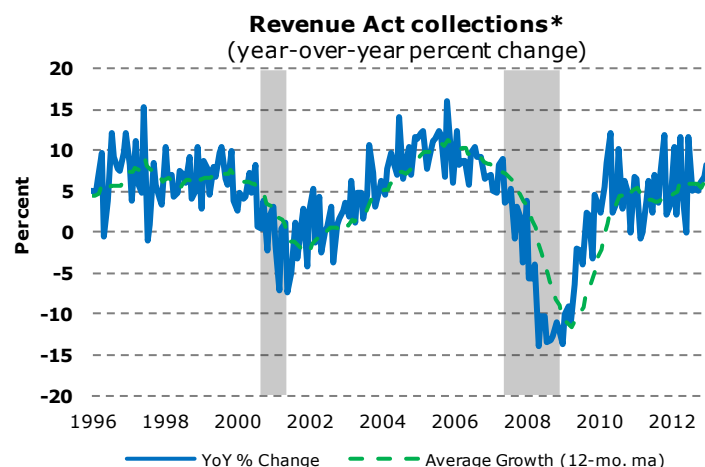
#### Revenue Act

The revenue collections reported here are for the August 11, 2013 – September 10, 2013 collection period. Collections correspond primarily to the July 2013 economic activity of monthly filers.

Revenue Act collections for the current period came in \$54.2 million (5.7%) above the June forecast. Prior to this month, collections for the two months following the forecast (adjusted for delayed refunds) were within 1% of the forecast. It is therefore too early to tell if this month's collections represent stronger-than-forecasted taxable activity or if they are merely a reflection of the inherent variability in collections.

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Year-over-year Revenue Act collections grew 8.1% ([see figure](#)). There were no large one-time payments or refunds in the current or year-ago periods. The 12-month moving average of year-



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

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over-year growth increased to 6.2%. Seasonally adjusted collections were slightly higher than last month's ([see figure](#)).

As shown in the "Key Revenue Variables" table, the preliminary estimate of year-over-year retail sales tax growth is 8.5%. The preliminary estimate of B&O tax growth is 5.8%.

Total tax payments as of August 28th from electronic filers who also paid in the August 11 – September 10 collection period of last year were up 7.7% year-over-year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well).

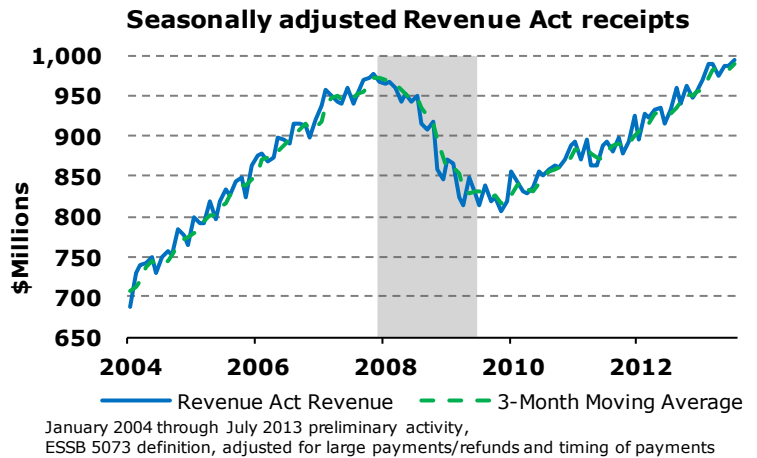
Some details of payments from electronic filers:

- Total payments in the retail trade sector were up 6.7% year-over-year. Last month, payments grew 7.9% year-over-year.
- Payments from the motor vehicles and parts sector increased by 16.0% year-over-year. Last month, year-over-year payments increased 13.3%.
- Other retail trade sectors that showed strong growth in payments were food and beverage stores (+13.7%), building materials and garden equipment (+12.6%), nonstore retailers (+10.9%) and furniture and home furnishings (+9.1%). One retail trade sector, general merchandise stores, saw a 5.2% year-over-year decrease in payments, but the decrease was due to an extraordinarily large payment from one taxpayer last year.
- Payments from non-retail trade sectors were up 8.4% year-over-year in the current period. Last month, year-over-year payments increased 5.5%.
- Payments from the manufacturing sector increased by 20.8% year-over-year. Last month payments increased 5.2% year-over-year. This month saw a large year over year increase in payments from the petroleum refining sector and an even larger increase in payments from the transportation equipment sector. The increase from the transportation sector, however, was due to a large credit that was taken last year but not this year. Most of the other manufacturing sectors also showed year-over-year increases in payments. Excluding the petroleum and transportation equipment sectors, payments from the other manufacturing sectors increased 7.9% year-over-year.
- Excluding the manufacturing sector, payments from non-retail trade sectors increased 7.2%. Last month, non-retail payments excluding manufacturing increased 5.5%.
- Tax payments by businesses in the construction sector increased by 18.9% year-over-year. Last month, payments increased 9.9% year-over-year.

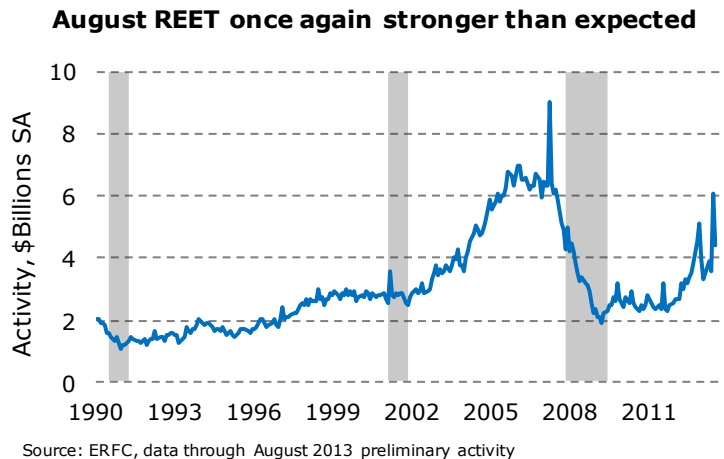
### DOR Non-Revenue Act

August collections came in \$11.1 million (9.2%) above the forecast. Cumulatively, collections are now \$46.4 million (8.0%) above the forecast.

Most of this month's positive variance came from real estate excise tax (REET) collections, which came in \$7.5 million (16.5%) above the June forecast. The month saw a larger-than-average number of large commercial property sales, with sales valued at \$10 million or



more totaling \$363 million. This month's large commercial property sales generated \$4.6 million in REET. Residential sales were also stronger than forecasted, but future sales could be dampened by rising mortgage rates. Cumulatively, REET collections are now \$43.3 million (30.6%) above the forecast due to last month's even larger surge in commercial sales. Seasonally adjusted August activity fell from last month's elevated level but is still above the recent trend ([see figure](#)).



Liquor taxes came in \$2.2 million (10.2%) above the forecast. Adjusted for an increase in this year's distribution of taxes to local governments, tax receipts decreased by 3.0% year-over-year. Unadjusted receipts decreased by 8.8% as reported in the "Key Revenue Variables" table. Cumulatively, collections are now \$4.4 million (7.1%) higher than forecasted.

Property tax collections came in \$1.5 million (21.8%) higher than forecasted. Cumulatively, collections are now \$0.5 million (0.3%) less than forecasted.

DOR collections in other categories were \$2.7 million (31.8%) higher than forecasted due to positive variances across many sources. Cumulatively, collections are now \$0.7 million (1.1%) less than forecasted.

Cigarette taxes came in \$2.7 million (7.2%) below the forecast, offsetting last month's positive variance of \$2.5 million. Cumulatively, collections for the three months since the forecast are now \$77,000 (0.1%) higher than forecasted.

**Other Revenue**

Department of Licensing receipts for August came in \$5,000 (0.5%) higher than the June forecast. Cumulatively, collections are now \$0.8 million (8.5%) above the forecast.

Revenue from the Administrative Office of the Courts was \$0.3 million (3.4%) lower than the forecast. Cumulatively, collections are now \$0.2 million (0.9%) lower than forecasted.



## Key U.S. Economic Variables

	2013						2011	2012
	Mar.	Apr.	May	Jun.	Jul.	Aug.		
Real GDP (SAAR)	1.1	-	-	2.5	-	-	1.8	2.8
Industrial Production (SA, 2007 = 100)	99.0	98.7	98.7	98.9	98.9	-	93.6	97.0
Y/Y % Change	3.0	1.9	1.7	1.8	1.4	-	3.4	3.6
ISM Manufacturing Index (50+ = growth)	51.3	50.7	49.0	50.9	55.4	55.7	55.2	51.7
ISM Non-Manuf. Index (50+ = growth)	54.4	53.1	53.7	52.2	56.0	58.6	54.5	54.6
Housing Starts (SAAR, 000)	1,005	852	919	846	896	-	612	783
Y/Y % Change	42.1	13.0	29.3	11.8	20.9	-	4.5	28.0
Light Motor Vehicle Sales (SAAR, mil.)	15.3	15.2	15.5	15.9	15.8	16.1	12.8	14.5
Y/Y % Change	8.2	7.6	11.0	10.5	11.2	11.1	10.8	12.7
CPI (SA, 1982-84 = 100)	232.3	231.5	231.8	232.9	233.3	-	224.9	229.6
Y/Y % Change	1.5	1.1	1.4	1.8	2.0	-	3.1	2.1
Core CPI (SA, 1982-84 = 100)	232.8	232.9	233.3	233.6	234.0	-	225.0	229.8
Y/Y % Change	1.9	1.7	1.7	1.6	1.7	-	1.7	2.1
IPD for Consumption (2009=100)	107.0	106.7	106.8	107.2	107.3	-	104.1	106.0
Y/Y % Change	1.2	0.9	1.1	1.3	1.4	-	2.4	1.8
Nonfarm Payroll Empl., e-o-p (SA, mil.)	135.3	135.5	135.7	135.9	136.0	136.1	132.5	134.7
Monthly Change	0.14	0.20	0.18	0.17	0.10	0.17	2.10	2.19
Unemployment Rate (SA, percent)	7.6	7.5	7.6	7.6	7.4	7.3	8.9	8.1
Yield on 10-Year Treasury Note (percent)	1.96	1.76	1.93	2.30	2.58	2.74	2.79	1.80
Yield on 3-Month Treasury Bill (percent)	0.09	0.06	0.04	0.05	0.04	0.04	0.05	0.09
Broad Real USD Index** (Mar. 1973=100)	84.6	84.0	84.3	85.1	85.6	85.4	82.6	84.4
Federal Budget Deficit (\$ bil.)*	106.5	-112.9	138.7	-116.5	97.6	-	1,296.8	1,089.2
FYTD sum	600.5	487.6	626.3	509.8	607.4	-		
US Trade Balance (\$ bil.)	-36.8	-39.5	-43.7	-34.5	-39.1	-	-556.8	-534.7
YTD Sum	-122.6	-162.2	-205.9	-240.4	-279.6	-		

\*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	
	Mar.	Apr.	May	Jun.	Jul.	Aug.			
<b>Employment</b>								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,919.1	2,922.7	2,925.9	2,932.6	2,936.8	-	2,840.9	2,902.6	
Change from Previous Month (000)	-1.2	3.6	3.2	6.7	4.2	-	37.7	61.7	
Construction	147.1	147.5	147.8	148.8	149.6	-	136.0	144.1	
Change from Previous Month	0.0	0.4	0.3	0.9	0.9	-	-1.7	8.1	
Manufacturing	286.6	287.2	287.0	287.8	288.0	-	274.2	284.5	
Change from Previous Month	0.3	0.6	-0.2	0.8	0.2	-	13.2	10.3	
Aerospace	97.2	96.9	96.4	96.9	96.7	-	90.9	97.0	
Change from Previous Month	0.0	-0.3	-0.5	0.5	-0.2	-	9.0	6.1	
Software	53.1	53.2	53.6	53.8	54.0	-	52.1	52.7	
Change from Previous Month	0.3	0.1	0.4	0.2	0.2	-	0.9	0.6	
All Other	2,432.2	2,434.7	2,437.5	2,442.2	2,445.1	-	2,378.6	2,421.3	
Change from Previous Month	-1.8	2.5	2.7	4.8	2.9	-	25.3	42.7	
<b>Other Indicators</b>								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	-	240.8	-	242.8	-	-	232.8	238.7	
	-	1.2%	-	1.4%	-	-	2.7%	2.5%	
Housing Permits (SAAR, 000)	35.4	27.0	30.4	25.6	29.6	-	21.0	28.5	
	-9.2%	-0.8%	23.7%	-14.3%	0.0%	-	6.3%	35.9%	
WA Index of Leading Ind. (2004=100)	114.4	114.5	114.7	114.5	114.7	-	108.2	111.8	
	2.6%	2.8%	2.9%	2.9%	2.7%	-	5.5%	3.3%	
WA Business Cycle Ind. (Trend=50)	41.5	36.8	40.7	35.9	41.5	-	19.3	30.6	
	25.7%	27.0%	56.5%	14.2%	35.2%	-	48.2%	58.7%	
Avg. Weekly Hours in Manuf. (SA)	41.9	41.9	41.3	41.5	40.9	-	42.4	41.9	
	-1.4%	-0.2%	-1.4%	-0.7%	-0.9%	-	1.2%	-1.1%	
Avg. Hourly Earnings in Manuf.	24.4	24.3	24.2	24.0	23.9	-	24.0	24.1	
	0.1%	1.7%	0.3%	-0.5%	-0.3%	-	2.1%	0.7%	
New Vehicle Registrations (SA, 000)	21.9	20.5	20.8	22.0	23.2	23.3	17.0	19.8	
	10.7%	9.4%	4.0%	5.9%	18.0%	16.7%	9.9%	16.6%	
Initial Unemployment Claims (SA, 000)	41.2	42.2	39.5	41.9	41.0	39.4	49.9	44.6	
	-12.3%	-9.8%	-11.4%	-7.5%	-7.4%	-7.1%	-11.8%	-10.6%	
Personal Income (SAAR, \$bil.)	319.1	-	-	-	-	-	299.7	314.2	
	3.6%	-	-	-	-	-	5.8%	4.9%	
Median Home Price (\$000)	237.6	-	-	251.1	-	-	224.4	232.5	
	14.1%	-	-	6.4%	-	-	-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							
	Sep 11- Oct 10	Oct 11- Nov 10	Nov 11- Dec 10	Dec 11- Jan 10	Jan 11- Feb 10	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10	May 11- Jun 10	Jun 11- Jul 10	Jul 11- Aug 10	Aug 11- Sep 10*
<b>Department of Revenue-Total</b>	1,093,845 <i>10.0</i>	1,204,793 <i>5.7</i>	1,765,423 <i>8.5</i>	1,181,039 <i>10.3</i>	1,287,497 <i>1.4</i>	942,514 <i>8.9</i>	1,002,341 <i>6.9</i>	1,215,238 <i>6.8</i>	1,771,000 <i>4.5</i>	1,296,974 <i>2.1</i>	1,233,405 <i>10.4</i>	1,138,230 <i>7.3</i>
<b>Revenue Act</b>	978,985 <i>9.2</i>	998,628 <i>2.3</i>	932,829 <i>10.4</i>	913,153 <i>10.0</i>	1,150,101 <i>1.3</i>	853,541 <i>9.8</i>	877,120 <i>7.8</i>	1,007,189 <i>5.4</i>	926,273 <i>7.0</i>	966,962 <i>5.8</i>	1,068,312 <i>7.1</i>	1,005,940 <i>8.1</i>
Retail Sales Tax	612,625 <i>8.3</i>	622,517 <i>2.4</i>	581,784 <i>10.2</i>	577,469 <i>5.6</i>	715,134 <i>2.5</i>	522,243 <i>12.1</i>	527,196 <i>6.2</i>	613,769 <i>7.1</i>	577,213 <i>9.5</i>	606,837 <i>7.7</i>	665,498 <i>7.4</i>	642,464 <i>8.5</i>
Business and Occupation Tax	283,512 <i>11.3</i>	292,223 <i>2.5</i>	270,761 <i>13.7</i>	250,742 <i>18.8</i>	336,737 <i>-1.1</i>	239,767 <i>8.8</i>	258,934 <i>12.2</i>	299,279 <i>4.6</i>	260,306 <i>2.9</i>	273,672 <i>2.8</i>	310,370 <i>6.4</i>	270,048 <i>5.8</i>
Use Tax	40,710 <i>9.6</i>	44,502 <i>6.0</i>	37,794 <i>4.1</i>	41,793 <i>33.8</i>	46,676 <i>6.3</i>	37,891 <i>8.4</i>	39,069 <i>5.1</i>	46,800 <i>-1.4</i>	43,209 <i>9.1</i>	44,374 <i>2.0</i>	50,751 <i>14.0</i>	51,951 <i>18.9</i>
Public Utility Tax	27,731 <i>4.5</i>	25,746 <i>-6.8</i>	28,514 <i>2.6</i>	30,374 <i>-2.1</i>	36,867 <i>-7.4</i>	41,681 <i>3.8</i>	38,216 <i>2.3</i>	34,155 <i>-5.2</i>	32,606 <i>-0.5</i>	29,288 <i>4.5</i>	27,554 <i>-3.7</i>	25,702 <i>1.0</i>
Tobacco Products Tax	3,873 <i>-13.2</i>	3,146 <i>-25.8</i>	3,145 <i>-20.6</i>	3,468 <i>-3.5</i>	3,475 <i>-2.2</i>	3,377 <i>-10.3</i>	3,229 <i>-2.1</i>	3,687 <i>-1.6</i>	3,827 <i>3.5</i>	3,996 <i>2.9</i>	5,030 <i>38.1</i>	5,375 <i>38.4</i>
Penalties and Interest	10,533 <i>30.1</i>	10,494 <i>13.7</i>	10,831 <i>1.6</i>	9,307 <i>47.4</i>	11,212 <i>8.5</i>	8,582 <i>-29.8</i>	10,476 <i>19.8</i>	9,498 <i>1.1</i>	9,112 <i>0.5</i>	8,796 <i>0.6</i>	9,109 <i>-3.5</i>	10,400 <i>4.4</i>
<b>Non-Revenue Act**</b>	114,860 <i>17.9</i>	206,164 <i>26.4</i>	832,594 <i>6.5</i>	267,886 <i>11.4</i>	137,396 <i>2.3</i>	88,972 <i>1.2</i>	125,221 <i>1.3</i>	208,049 <i>14.4</i>	844,727 <i>2.0</i>	330,011 <i>-7.5</i>	165,094 <i>38.2</i>	132,290 <i>1.1</i>
Liquor Sales/Liter	24,032 <i>34.3</i>	20,300 <i>19.4</i>	21,303 <i>26.0</i>	21,568 <i>21.0</i>	31,136 <i>26.8</i>	21,122 <i>41.8</i>	18,787 <i>17.9</i>	19,663 <i>10.5</i>	19,353 <i>18.7</i>	22,260 <i>11.3</i>	20,025 <i>3.1</i>	23,931 <i>-8.8</i>
Cigarette	34,893 <i>-7.1</i>	36,228 <i>5.3</i>	37,100 <i>5.2</i>	30,050 <i>-15.5</i>	37,191 <i>18.4</i>	22,316 <i>-29.8</i>	33,058 <i>0.4</i>	29,157 <i>-12.7</i>	42,365 <i>24.5</i>	32,997 <i>-14.3</i>	36,691 <i>14.9</i>	35,149 <i>-11.3</i>
Property (State School Levy)	10,389 <i>-1.8</i>	36,286 <i>-6.9</i>	676,660 <i>3.4</i>	140,457 <i>-3.7</i>	8,777 <i>-9.1</i>	5,904 <i>-2.0</i>	28,731 <i>-8.7</i>	101,083 <i>44.8</i>	699,714 <i>0.3</i>	192,002 <i>-3.4</i>	10,920 <i>-15.7</i>	8,424 <i>28.7</i>
Real Estate Excise	36,155 <i>16.5</i>	49,081 <i>108.5</i>	53,398 <i>79.5</i>	63,154 <i>93.5</i>	36,918 <i>64.3</i>	25,825 <i>14.8</i>	36,800 <i>18.0</i>	46,189 <i>17.1</i>	52,703 <i>47.5</i>	48,455 <i>-10.4</i>	83,478 <i>126.0</i>	52,692 <i>7.6</i>
Timber (state share)	0 <i>NA</i>	0 <i>NA</i>	795 <i>-17.0</i>	0 <i>NA</i>	0 <i>NA</i>	618 <i>-39.4</i>	0 <i>NA</i>	0 <i>NA</i>	673 <i>8.6</i>	0 <i>NA</i>	0 <i>NA</i>	716 <i>-11.0</i>
Other	9,393 <i>2,496.3</i>	64,270 <i>31.4</i>	43,338 <i>-3.1</i>	12,657 <i>49.1</i>	23,375 <i>-49.3</i>	13,188 <i>13.4</i>	7,846 <i>-34.8</i>	11,959 <i>-44.0</i>	29,919 <i>-32.6</i>	34,297 <i>-25.2</i>	13,979 <i>-23.1</i>	11,379 <i>32.7</i>
<b>Department of Licensing**</b>	513 <i>0.5</i>	358 <i>19.0</i>	260 <i>6.2</i>	245 <i>11.0</i>	307 <i>58.0</i>	430 <i>40.2</i>	624 <i>16.0</i>	2,385 <i>10.4</i>	2,839 <i>2.3</i>	5,179 <i>2.0</i>	3,618 <i>6.9</i>	1,091 <i>-16.6</i>
<b>Administrative Office of the Courts**</b>	7,431 <i>-14.0</i>	7,303 <i>-8.4</i>	8,667 <i>4.7</i>	6,853 <i>-8.2</i>	6,462 <i>-12.7</i>	6,924 <i>11.5</i>	7,548 <i>-11.4</i>	7,973 <i>-4.6</i>	8,579 <i>2.4</i>	7,487 <i>-8.2</i>	7,053 <i>-6.8</i>	7,136 <i>-10.3</i>
<b>Total General Fund-State***</b>	<b>1,101,789</b> <b>9.8</b>	<b>1,212,454</b> <b>5.6</b>	<b>1,774,349</b> <b>8.5</b>	<b>1,188,138</b> <b>10.2</b>	<b>1,294,266</b> <b>1.3</b>	<b>949,868</b> <b>8.9</b>	<b>1,010,514</b> <b>6.8</b>	<b>1,225,596</b> <b>6.8</b>	<b>1,782,418</b> <b>4.5</b>	<b>1,309,640</b> <b>2.0</b>	<b>1,244,077</b> <b>10.3</b>	<b>1,146,457</b> <b>7.1</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>August 11, 2013 - September 10, 2013</b>				
<b>September 10, 2013 Collections Compared to the June 2013 Forecast</b>				
Department of Revenue-Total	\$1,072,961	\$1,138,230	\$65,269	6.1%
Revenue Act** (1)	951,764	1,005,940	54,176	5.7%
Non-Revenue Act(2)	121,197	132,290	11,093	9.2%
Liquor Sales/Liter	21,723	23,931	2,207	10.2%
Cigarette	37,885	35,149	(2,737)	-7.2%
Property (State School Levy)	6,918	8,424	1,506	21.8%
Real Estate Excise	45,231	52,692	7,462	16.5%
Timber (state share)	806	716	(90)	-11.2%
Other	8,634	11,379	2,745	31.8%
Department of Licensing (2)	1,086	1,091	5	0.5%
Administrative Office of the Courts (2)	7,390	7,136	(254)	-3.4%
<b>Total General Fund-State***</b>	<b>\$1,081,437</b>	<b>\$1,146,457</b>	<b>\$65,020</b>	<b>6.0%</b>

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

Department of Revenue-Total	\$3,524,122	\$3,668,609	\$144,487	4.1%
Revenue Act** (3)	2,943,153	3,041,214	98,061	3.3%
Non-Revenue Act(4)	580,969	627,395	46,427	8.0%
Liquor Sales/Liter	61,834	66,215	4,381	7.1%
Cigarette	104,760	104,838	77	0.1%
Property (State School Levy)	211,894	211,346	(548)	-0.3%
Real Estate Excise	141,328	184,626	43,298	30.6%
Timber (state share)	806	716	(90)	-11.2%
Other	60,347	59,655	(692)	-1.1%
Department of Licensing (4)	9,116	9,889	773	8.5%
Administrative Office of the Courts	21,871	21,676	(195)	-0.9%
<b>Total General Fund-State***</b>	<b>\$3,555,108</b>	<b>\$3,700,174</b>	<b>\$145,066</b>	<b>4.1%</b>

1 Collections August 11, 2013 - September 10, 2013. Collections primarily reflect July 2013 activity of monthly filers.

2 August 2013 collections.

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

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

\* Based on the June 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.