# ECONOMIC & REVENUE UPDATE

**August 11, 2016**

summary

## Summary

- **The U.S. labor market had another strong month, adding 255,000 net new jobs in July.**
- **U.S. real GDP growth for the second quarter of 2016 was only 1.2% (SAAR).**
- **U.S. average hourly earnings are trending up.**
- **Washington housing construction has largely recovered since the Great Recession.**
- **Shelter costs continue to drive Seattle inflation above the national average.**
- **Major General Fund-State revenue collections for the July 11 - August 10, 2016 collection period came in $60.6 million (4.1%) above the June forecast.**
- **Cumulatively, collections are now $128.8 million (4.4%) above the June forecast.**
- **Large one-time audit payments and refunds added $27.3 million to collections last month. Without this net payment, cumulative collections would have been $101.5 million (3.5%) higher than forecasted.**

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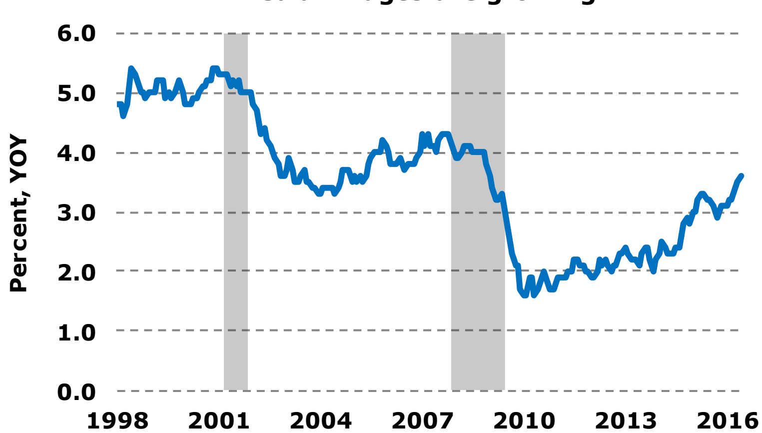
## United States

The labor market had its second consecutive month of job gains in excess of 200,000. Initial claims for unemployment insurance remain low and while layoff announcements increased this month, they are still below their 2015 level for the year to date. Other positives this month included a continued decline in oil and gasoline prices, generally stronger data for the manufacturing sector, and improved home sales and residential construction activity. However, the initial estimate of second quarter GDP growth was a disappointing 1.2%, with first quarter GDP growth revised down to 0.8%.

The U.S. economy added 255,000 net new jobs in July, above most forecasters' expectations. Employment gains in May and June were revised up by a total of 18,000 jobs. Sectors with notable employment gains in July included leisure and hospitality (+45,000), health care (+43,000), professional and technical services (+37,000), administrative and support services (+31,000), local government education (+22,000), financial activities (+18,000), retail trade (+15,000), and construction (+14,000). Industries with net declines in employment in July included educational services (-14,000) and mining (-6,000).

Average hourly earnings increased by eight cents in July and were 2.6% above their year-ago level. The Atlanta Federal Reserve's Wage Growth Tracker, which follows individual workers over time to measure wage growth, has found median hourly wages have been growing by over 3% on a year-over-year basis since November 2015 (see figure). The average work

**Median wages are growing**



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week in July increased by 0.1 hours to 34.5 hours. The unemployment rate in July was 4.9%, unchanged from June.

The first estimate of real GDP growth for the second quarter of 2016 was 1.2% at a seasonally adjusted annual rate (SAAR). The June economic forecast had expected 2.0% growth for the second quarter. Real GDP growth for the first quarter of 2016 was revised down from 1.1% to 0.8% (SAAR), while 2015 annual growth was revised up from 2.4% to 2.6%.

After a revised decrease of 0.3% (SA) in May, industrial production increased by 0.6% in June. Industrial production has increased in two of the last three months but remains 0.7% below its June 2015 level. New orders for core capital goods (i.e., durables excluding aircraft and military), which are a proxy for business investment, increased by 0.4% (SA) in June following a revised 0.6% (SA) decline in May.

Manufacturing activity in July expanded for a fifth consecutive month, although at a slightly slower pace. The Institute for Supply Management's Purchasing Managers Index (PMI) decreased by 0.6 points to 52.6 (50 or higher indicates growth). After increasing in June, the non-manufacturing PMI decreased by 1.0 points to 55.5 in July. The non-manufacturing sector continues to expand as the index has remained above 50 for 78 consecutive months.

Initial claims for unemployment insurance decreased by 1,000 to 266,000 (SA) in the week ending August 6$^{th}$. The four-week moving average of initial claims increased by 3,000 to 262,750. Initial claims have now been below 300,000 for 75 consecutive weeks, the longest streak since 1973. Layoff announcements in July, as tracked by outplacement firm Challenger, Gray, and Christmas, increased by 18% to 45,346 from 38,536 in June. While this is the second consecutive month with higher job cuts, year to date layoff announcements are still 8.7% below the same period in 2015.

Residential construction activity and home sales strengthened this month. June housing starts increased by 4.8% (SA) compared to May but were 2.0% below their June 2015 level. Housing units authorized by building permits in June increased by 1.5% (SA) over May but were 13.6% below their June 2015 level. Existing home sales increased in June by 3.0% (SA) compared to May and were 3.0% above their June 2015 level. First-time buyers accounted for their largest share of sales in nearly four years, according to the National Association of Realtors. New single-family home sales in June increased by 3.5% (SA) and are 25.4% above their year-ago level. The seasonally adjusted Case-Shiller national home price index for May was 0.2% above its April level and 5.1% above its year-ago level.

Consumer optimism was weaker in July compared to June but remains fairly strong. The University of Michigan index of consumer sentiment declined for a second straight month, dropping 3.5 points to 90.0 in July. The Conference Board index of consumer confidence, after a big jump in June, was essentially unchanged in July with a 0.1 point decline. The decrease in the University of Michigan index was attributed to concerns about prospects for the economy, especially among upper-income households.

Light motor vehicle sales bounced back in July, increasing 6.8% to 17.9 million units (SAAR). In the last twelve months, only March 2016 and May 2016 sales have been below the 17 million unit mark.

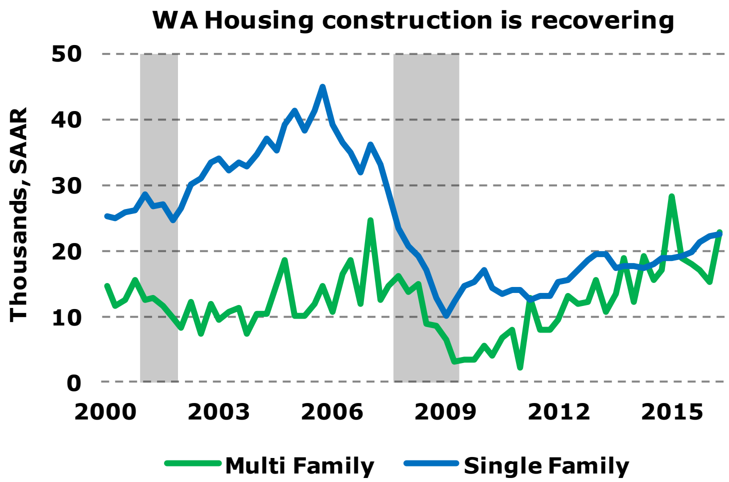
Petroleum spot prices for both U.S. benchmark West Texas Intermediate (WTI) and European benchmark Brent fell again this month. Brent spot prices are down about $6 per barrel since early July while WTI prices decreased by over $7 per barrel during that period. For the week ending August 5$^{th}$, the spot price for both WTI and Brent was $41 per barrel. Gasoline prices are also lower, down about $0.10 per gallon (regular, all formulations) since July 11$^{th}$. Gasoline averaged $2.15 per gallon for the week ending August 8$^{th}$.

The American Trucking Association's truck tonnage index decreased 1.5% (SA) in June following a revised 2.9% gain in May. The index is 2.1% above its June 2015 level. Rail shipments showed some improvement this month. Shipments by rail carload increased for a third straight month and were 3.2% (SA) above their June level. However, they are still 6.9% below their year-ago level. Intermodal rail units (shipping containers or truck trailers) increased for a second consecutive month. They were up 0.6% (SA) over their June level but still 5.9% below their July 2015 level.

**WASHINGTON**



We have just one month of new Washington employment data since the June forecast was released. Total nonfarm payroll employment rose 5,900 (seasonally adjusted) in June, 1,900 more than the 4,000 net new jobs expected in the forecast. The increase in employment in June was almost entirely in private, service-providing sectors which added 5,300 jobs. The construction sector added 600 jobs in June and the manufacturing sector added 200 jobs in spite of the loss of 500 aerospace jobs. Government payrolls declined by 100 jobs in June.




Washington housing construction was stronger than expected in the second quarter. Washington housing units authorized by building permits averaged 45,300 units (SAAR) in the second quarter of 2016, up from 37,600 in the first quarter. The June forecast expected an average rate of 42,600 units in the second quarter. Multifamily permits averaged 22,700 units in the second quarter, up from 15,300 units in the first quarter and higher than the 20,100 expected in the June forecast. Single-family permits averaged 22,600 units in second quarter, up from 22,300 units in the first quarter and slightly higher than the 22,500 units forecasted for the second quarter. Washington housing construction has largely recovered since the Great Recession though single-family permits remain below the pre-recession peak (see figure).

Seattle home prices continue to rise rapidly. According to the S&P/Case-Shiller Home Price Indices, seasonally adjusted Seattle area home prices rose 0.3% in May following a 0.4% increase in April. While the last two months have exhibited weaker growth than in earlier months, we believe this is probably due to problems with the seasonal adjustment process. A more reliable measure is the over-the-year growth which shows a 10.7% increase in prices since the previous May. Seattle home prices are up 49.2% since the November 2011 trough and prices now exceed the May 2007 peak by 3.7%.

Seattle area consumer price inflation remains moderate thanks to lower energy costs. Over the last year, from June 2015 to June 2016, consumer prices in the Seattle area rose 1.8% compared to 1.1% for the U.S. city average. Core prices, which exclude food and energy, were up 2.7% in Seattle compared to 2.2% for the nation. The higher Seattle inflation was due to more rapid growth in shelter costs. During the year, shelter costs in Seattle rose 5.3% compared to 3.4% for the nation. With shelter excluded, Seattle inflation was about the same as the U.S. city average (-0.2% compared to -0.1%).

The Institute of Supply Management - Western Washington Index (ISM-WW) returned to positive territory in July after two consecutive negative months. The index, which measures conditions in the manufacturing sector, rose from 49.1 in June to 50.8 in July (index values above 50 indicate positive growth while values below 50 indicate contraction). The production, orders, and inventory components all declined in July but the employment and deliveries components increased.

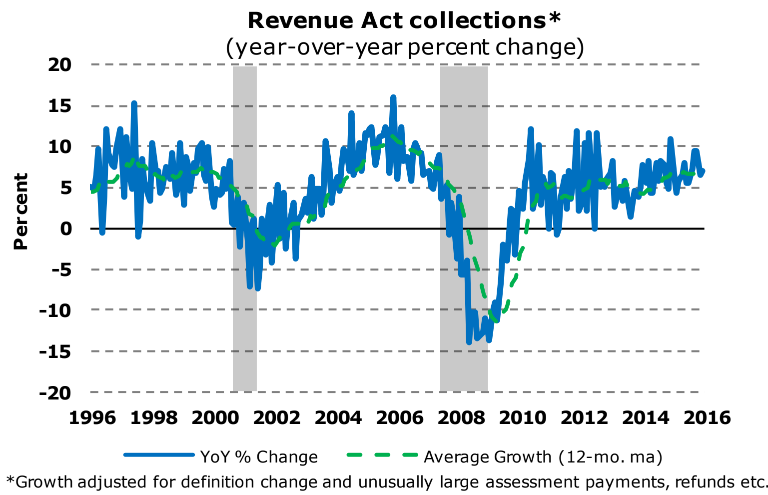
Washington car and truck sales fell 0.9% in July following increases in May and June. Seasonally adjusted new vehicle registrations have now declined in four of the six months since January's post-recession peak. Car and truck sales are down 10.9% since January but are down only 1.1% over the year.



## REVENUE COLLECTIONS

### Overview

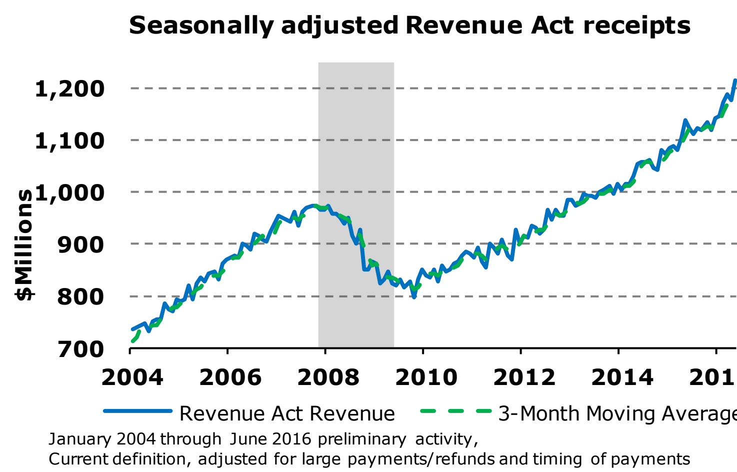
Major General Fund-State revenue collections for the July 11 - August 10, 2016 collection period came in $60.6 million (4.1%) above the June forecast. Cumulatively, collections are now $128.8 million (4.4%) above the forecast. Large one-time audit payments and refunds added $27.3 million to collections last month. Without this net payment, cumulative collections would have been $101.5 million (3.5%) higher than forecasted.




### Revenue Act

Revenue Act taxes consist of the sales, use, business and occupation (B&O), utility, and tobacco products taxes along with associated penalty and interest payments. The revenue collections reported here are for the July 11, 2016 – August 10, 2016 collection period. Collections correspond primarily to the June economic activity of monthly filers and second quarter 2016 activity of quarterly filers.

Revenue Act collections for the current period came in $41.6 million (3.2%) above the June forecast. Cumulatively, collections are now $100.3 million (4.2%) higher than forecasted. Last month, however, large refunds and audit payments that were not included in the forecast added a net of $27.3 million to collections. Without the net payment, collections would have been $73.0 million (3.1%) higher than forecasted.




Adjusted for large one-time payments last year, collections grew 7.1% year over year (see figure). The 12-month moving average of year-over-year growth decreased to 6.8%. Seasonally adjusted collections increased sharply from last month's level (see figure).

As shown in the "Key Revenue Variables" table, unadjusted Revenue Act receipts increased by 5.8% year over year. The preliminary estimate of year-over-year retail sales tax growth is 5.8%. The preliminary estimate of B&O tax growth is 6.5%.

Total tax payments as of July 27th from electronic filers who also paid in the July 11 – August 10 collection period of last year were up 4.3% year over year (payments are mainly Revenue Act taxes but include some non-Revenue Act taxes as well).

Some details of payments from electronic filers:

- Total payments in the retail trade sector were up 4.4% year over year. Last month, payments grew 3.7% year over year.
- Payments from the motor vehicles and parts sector increased by 6.3% year over year. Last month, payments in the sector increased by 3.8% year over year.
- Other retail trade sectors that showed strong growth in payments were food and beverage stores (+12.8%), sporting goods, toys, books and music stores (+12.3%), furniture and home furnishings (+9.3%), nonstore retailers (+7.6%) and drug and health stores (+7.2%).
- Three retail trade sectors had year-over-year declines in payments: gas stations and convenience stores (-4.3%), apparel and accessories (-2.2%) and general merchandise stores (-0.7%). The decline in payments from general merchandise stores was due to exceptionally strong payments last year.
- Payments from non-retail trade sectors were up 4.3% year over year in the current period. Last month, year-over-year payments increased 9.3%.
- Tax payments by businesses in the accommodation and food services sector increased by 3.9% year over year. Last month receipts from the sector increased 4.2% year over year.
- Payments from the manufacturing sector increased by 1.8% year over year. Last month payments increased 3.5% year over year. The month a saw moderate year-over-year increases in payments from both the transportation equipment sector and the petroleum refining sector. Excluding the transportation and petroleum sectors, payments from the remaining manufacturing sectors decreased by 1.1% year over year.
- Excluding the manufacturing sector, payments from non-retail trade sectors increased 4.5% year over year. Last month, non-retail payments excluding manufacturing increased 9.7%.
- Tax payments by businesses in the construction sector increased by 9.4% year over year. Last month, payments increased 19.6% year over year.

**DOR Non-Revenue Act**

July collections came in $20.2 million (12.6%) above the June forecast. Cumulatively, collections are now $28.8 million (5.9%) above the forecast.

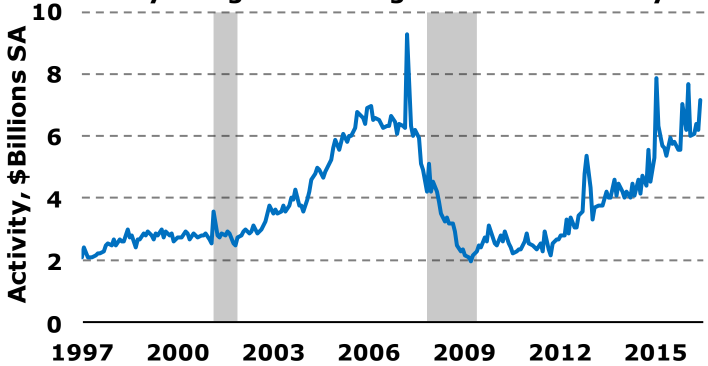
As has often been the case this year, most of this month's surplus was due to real estate excise tax (REET) collections, which came in $23.2 million (30.8%) higher than forecasted. Sales of both commercial and residential property were stronger than forecasted. Sales of large commercial property (property valued at $10 million or more) totaled $1.4 billion, up sharply from last month's already elevated level of $776 million. Seasonally adjusted activity increased significantly over the month (see figure). Cumulatively, collections are now $33.0 million (20.8%) higher than forecasted.

Liquor taxes came in $1.9 million (9.6%) higher than forecasted. Cumulatively, collections are now $2.2 million (5.4%) above the forecast.

Cigarette tax receipts came in $0.6 million (1.6%) lower than forecasted. Cumulatively, collections are now $1.7 million (2.4%) lower than forecasted.

Property tax receipts came in $2.1 million (16.9%) lower than forecasted. Cumulatively, collections are now $3.4 million (2.0%) below the forecast.

**July saw a spike in taxable commercial REET activity along with strong residential activity**




Source: ERFC, data through July 2016 preliminary activity

Refunds of unclaimed property from the GF-S were $5.2 million higher than forecasted. Cumulatively, net refunds are now $9.6 million (5.9%) higher than forecasted.

Other DOR revenue came in $3.0 million (18.1%) higher than forecasted. The variance stemmed from the leasehold excise tax. Cumulatively, collections are now $8.2 million (17.9%) higher than forecasted.

**Other Revenue**

Department of Licensing receipts for July came in $0.9 million (28.2%) lower than forecasted. Due to an upward revision of last month's collections, however, cumulative collections are only $8,000 (0.1%) lower than forecasted.

Revenue from the Administrative Office of the Courts came in $0.3 million (4.4%) lower than forecasted. Cumulatively, collections are now $0.2 million (1.6%) lower than forecasted.

**Key U.S. Economic Variables**

| | 2016 Feb. | Mar. | Apr. | May | Jun. | Jul. | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Real GDP (SAAR) | - | 0.8 | - | - | 1.2 | - | 2.4 | 2.6 |
| Industrial Production (SA, 2007 = 100) | 104.4 | 103.4 | 103.8 | 103.5 | 104.1 | - | 104.9 | 105.2 |
| *Y/Y % Change* | *-1.4* | *-2.0* | *-1.4* | *-1.4* | *-0.7* | - | *2.9* | *0.3* |
| ISM Manufacturing Index (50+ = growth) | 49.5 | 51.8 | 50.8 | 51.3 | 53.2 | 52.6 | 55.7 | 51.4 |
| ISM Non-Manuf. Index (50+ = growth) | 53.4 | 54.5 | 55.7 | 52.9 | 56.5 | 55.5 | 56.2 | 57.2 |
| Housing Starts (SAAR, 000) | 1,213 | 1,113 | 1,155 | 1,135 | 1,189 | - | 1,001 | 1,108 |
| *Y/Y % Change* | *35.8* | *15.5* | *-3.1* | *6.8* | *-2.0* | - | *7.8* | *10.7* |
| Light Motor Vehicle Sales (SAAR, mil.) | 17.6 | 16.8 | 17.5 | 17.3 | 16.7 | 17.9 | 16.5 | 17.4 |
| *Y/Y % Change* | *7.5* | *-1.9* | *4.6* | *-2.4* | *-1.5* | *1.7* | *6.0* | *5.6* |
| CPI (SA, 1982-84 = 100) | 237.7 | 237.9 | 238.9 | 239.4 | 239.9 | - | 236.7 | 237.0 |
| *Y/Y % Change* | *1.0* | *0.9* | *1.1* | *1.1* | *1.1* | - | *1.6* | *0.1* |
| Core CPI (SA, 1982-84 = 100) | 245.9 | 246.1 | 246.6 | 247.1 | 247.5 | - | 237.9 | 242.2 |
| *Y/Y % Change* | *2.3* | *2.2* | *2.1* | *2.2* | *2.2* | - | *1.7* | *1.8* |
| IPD for Consumption (2009=100) | 109.9 | 110.0 | 110.3 | 110.5 | 110.6 | - | 109.2 | 109.5 |
| *Y/Y % Change* | *0.9* | *0.8* | *1.0* | *0.9* | *0.9* | - | *1.5* | *0.3* |
| Nonfarm Payroll Empl., e-o-p (SA, mil.) | 143.5 | 143.7 | 143.9 | 143.9 | 144.2 | 144.4 | 140.4 | 143.1 |
| *Monthly Change* | *0.23* | *0.19* | *0.14* | *0.02* | *0.29* | *0.26* | *3.02* | *2.74* |
| Unemployment Rate (SA, percent) | 4.9 | 5.0 | 5.0 | 4.7 | 4.9 | 4.9 | 6.2 | 5.3 |
| Yield on 10-Year Treasury Note (percent) | 1.78 | 1.89 | 1.81 | 1.81 | 1.64 | 1.50 | 2.54 | 2.14 |
| Yield on 3-Month Treasury Bill (percent) | 0.31 | 0.30 | 0.23 | 0.28 | 0.27 | 0.30 | 0.03 | 0.05 |
| Broad Real USD Index** (Mar. 1973=100) | 99.8 | 97.7 | 96.3 | 97.3 | 97.6 | 98.2 | 86.2 | 95.4 |
| Federal Budget Deficit ($ bil.)* | 192.6 | 108.0 | -106.5 | 52.5 | -6.3 | 112.8 | 483.6 | 439.1 |
| *FYTD sum* | *353.0* | *461.0* | *461.0* | *513.6* | *507.3* | *620.1* | | |
| US Trade Balance ($ bil.) | -44.0 | -35.5 | -37.4 | -41.0 | -44.5 | - | -490.2 | -500.4 |
| *YTD Sum* | *-86.3* | *-121.9* | *-159.3* | *-200.2* | *-244.7* | - | | |

**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**

| | 2016 Feb. | Mar. | Apr. | May | Jun. | Jul. | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|
| **Employment** | | | | | | | | *End-of-period* |
| Total Nonfarm (SA, 000) | 3,198.4 | 3,203.3 | 3,210.3 | 3,212.7 | 3,218.6 | - | 3,098.9 | 3,181.9 |
| *Change from Previous Month (000)* | *4.5* | *5.0* | *7.0* | *2.4* | *5.9* | - | *78.3* | *83.0* |
| Construction | 182.2 | 182.7 | 182.9 | 182.5 | 183.0 | - | 168.4 | 176.8 |
| *Change from Previous Month* | *2.0* | *0.5* | *0.3* | *-0.5* | *0.6* | - | *16.1* | *8.4* |
| Manufacturing | 287.5 | 287.4 | 286.9 | 286.6 | 286.8 | - | 290.8 | 289.1 |
| *Change from Previous Month* | *-1.7* | *-0.1* | *-0.4* | *-0.3* | *0.2* | - | *3.0* | *-1.6* |
| Aerospace | 91.1 | 90.9 | 90.7 | 90.4 | 89.9 | - | 94.4 | 92.4 |
| *Change from Previous Month* | *-1.0* | *-0.2* | *-0.2* | *-0.3* | *-0.5* | - | *-0.5* | *-2.0* |
| Software | 57.2 | 57.4 | 57.5 | 57.6 | 58.6 | - | 55.1 | 56.8 |
| *Change from Previous Month* | *0.5* | *0.2* | *0.1* | *0.1* | *0.9* | - | *0.2* | *1.7* |
| All Other | 2,671.5 | 2,675.9 | 2,682.9 | 2,686.0 | 2,690.2 | - | 2,584.7 | 2,659.2 |
| *Change from Previous Month* | *3.7* | *4.4* | *7.0* | *3.0* | *4.2* | - | *59.0* | *74.5* |
| **Other Indicators** | | | | | | | | *Annual Average* |
| Seattle CPI (1982-84=100) | 250.9 | - | 253.8 | - | 256.1 | - | 246.0 | 249.4 |
| | *2.2%* | - | *2.5%* | - | *1.8%* | - | *1.8%* | *1.4%* |
| Housing Permits (SAAR, 000) | 33.5 | 40.8 | 49.3 | 38.8 | 47.7 | - | 34.3 | 36.4 |
| | *-41.8%* | *2.8%* | *25.8%* | *5.8%* | *23.4%* | - | *11.8%* | *6.1%* |
| WA Index of Leading Ind. (2004=100) | 119.6 | 120.3 | 121.3 | 121.9 | 122.1 | - | 118.0 | 120.0 |
| | *-0.7%* | *0.2%* | *0.8%* | *1.1%* | *1.0%* | - | *2.7%* | *1.7%* |
| WA Business Cycle Ind. (Trend=50) | 62.5 | 60.8 | 61.0 | 65.1 | 67.1 | - | 47.5 | 58.2 |
| | *7.0%* | *4.5%* | *4.1%* | *11.1%* | *14.5%* | - | *16.3%* | *22.5%* |
| Avg. Weekly Hours in Manuf. (SA) | 41.2 | 41.1 | 41.4 | 41.7 | 41.2 | - | 41.1 | 41.3 |
| | *0.2%* | *0.1%* | *0.3%* | *1.5%* | *-0.5%* | - | *-1.1%* | *0.5%* |
| Avg. Hourly Earnings in Manuf. | 26.2 | 26.4 | 26.4 | 26.2 | 26.2 | - | 25.2 | 25.5 |
| | *3.6%* | *3.7%* | *4.1%* | *3.4%* | *3.2%* | - | *3.4%* | *1.5%* |
| New Vehicle Registrations (SA, 000) | 27.3 | 25.7 | 24.6 | 25.3 | 25.5 | 25.3 | 23.3 | 25.0 |
| | *13.1%* | *5.3%* | *-0.5%* | *3.8%* | *2.1%* | *-1.1%* | *5.4%* | *7.3%* |
| Initial Unemployment Claims (SA, 000) | 29.7 | 30.9 | 30.1 | 30.3 | 29.9 | 31.6 | 35.7 | 32.3 |
| | *-7.9%* | *-1.1%* | *-2.3%* | *-3.2%* | *-2.0%* | *-5.4%* | *-11.0%* | *-9.5%* |
| Personal Income (SAAR, $bil.) | - | 378.9 | - | - | - | - | 350.3 | 367.1 |
| | - | *5.6%* | - | - | - | - | *5.8%* | *4.8%* |
| Median Home Price ($000) | - | 289.4 | - | - | 318.6 | - | 266.0 | 286.2 |
| | - | *6.9%* | - | - | *10.1%* | - | *5.5%* | *7.6%* |

**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

| | 2015 | | | | | | 2016 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Jun 11-Jul 10 | Jul 11-Aug 10* |
| **Department of Revenue-Total** | 1,436,951 | 1,307,733 | 1,263,435 | 1,418,988 | 1,980,140 | 1,345,874 | 1,545,740 | 1,112,384 | 1,184,792 | 1,464,935 | 2,093,552 | 1,493,845 | 1,514,116 |
| | *13.2* | *8.0* | *5.0* | *4.9* | *4.9* | *9.1* | *6.2* | *4.5* | *8.9* | *9.0* | *8.7* | *7.4* | *5.4* |
| **Revenue Act** | 1,259,975 | 1,152,679 | 1,116,823 | 1,199,762 | 1,089,367 | 1,051,563 | 1,415,044 | 986,724 | 1,021,579 | 1,224,759 | 1,118,136 | 1,159,028 | 1,333,615 |
| | *12.3* | *6.4* | *4.8* | *6.1* | *6.7* | *5.3* | *8.3* | *5.7* | *7.8* | *10.3* | *12.9* | *11.3* | *5.8* |
| Retail Sales Tax | 810,922 | 761,391 | 731,630 | 782,233 | 716,965 | 667,481 | 901,360 | 631,435 | 647,111 | 765,588 | 728,523 | 768,370 | 857,577 |
| | *15.1* | *8.0* | *4.3* | *6.8* | *8.6* | *4.1* | *8.9* | *5.9* | *6.1* | *8.2* | *13.3* | *12.0* | *5.8* |
| Business and Occupation Tax | 341,117 | 286,835 | 283,300 | 321,516 | 282,016 | 271,703 | 378,280 | 255,333 | 269,043 | 350,865 | 286,100 | 294,506 | 363,189 |
| | *6.1* | *1.0* | *4.0* | *5.5* | *5.7* | *1.9* | *2.6* | *7.2* | *13.1* | *13.9* | *10.7* | *11.9* | *6.5* |
| Use Tax | 59,919 | 54,782 | 54,633 | 53,986 | 49,311 | 53,414 | 60,703 | 47,952 | 47,779 | 52,962 | 49,549 | 48,043 | 63,803 |
| | *12.0* | *1.1* | *12.1* | *7.3* | *-5.5* | *27.0* | *10.3* | *4.9* | *3.0* | *12.5* | *2.8* | *-6.5* | *6.5* |
| Public Utility Tax | 31,894 | 30,563 | 29,051 | 26,493 | 23,365 | 35,076 | 53,670 | 29,979 | 38,474 | 38,933 | 32,723 | 29,912 | 32,826 |
| | *10.3* | *6.7* | *0.9* | *-10.3* | *-16.1* | *24.4* | *28.5* | *-23.6* | *11.4* | *11.4* | *1.3* | *5.0* | *2.9* |
| Tobacco Products Tax | 4,547 | 4,201 | 5,256 | 3,465 | 3,940 | 4,646 | 3,406 | 3,046 | 4,518 | 5,512 | 4,159 | 4,782 | 4,864 |
| | *-3.2* | *5.2* | *13.3* | *-18.4* | *-5.4* | *49.3* | *-6.7* | *-13.2* | *26.0* | *26.1* | *17.4* | *31.3* | *7.0* |
| Penalties and Interest | 11,576 | 14,907 | 12,954 | 12,068 | 13,770 | 19,243 | 17,626 | 18,981 | 14,655 | 10,898 | 17,081 | 13,414 | 11,355 |
| | *28.9* | *91.7* | *41.7* | *28.5* | *35.6* | *10.5* | *76.5* | *70.7* | *-1.1* | *33.9* | *293.7* | *46.5* | *-1.9* |
| **Non-Revenue Act**** | 176,975 | 155,054 | 146,613 | 219,226 | 890,751 | 294,311 | 130,695 | 125,660 | 163,213 | 240,176 | 975,416 | 334,817 | 180,501 |
| | *20.7* | *22.1* | *6.1* | *-1.6* | *2.8* | *25.3* | *-11.7* | *-3.5* | *16.3* | *3.1* | *4.2* | *-4.2* | *2.0* |
| Liquor Sales/Liter | 20,233 | 23,842 | 21,597 | 20,457 | 14,883 | 24,935 | 31,411 | 17,743 | 18,566 | 20,318 | 18,459 | 20,424 | 22,221 |
| | *10.0* | *-7.2* | *11.2* | *-1.2* | *-25.4* | *18.6* | *0.1* | *-4.7* | *0.8* | *7.5* | *27.5* | *-21.3* | *9.8* |
| Cigarette | 37,124 | 34,012 | 34,363 | 29,127 | 33,547 | 38,969 | 31,481 | 23,657 | 31,049 | 32,055 | 31,823 | 34,225 | 35,071 |
| | *-5.7* | *4.6* | *-7.5* | *-19.3* | *10.7* | *15.5* | *-19.0* | *4.5* | *47.9* | *-5.6* | *-13.7* | *-5.7* | *-5.5* |
| Property (State School Levy) | 12,296 | 7,225 | 10,051 | 40,137 | 735,696 | 127,461 | 9,910 | 5,095 | 33,233 | 96,587 | 812,579 | 156,766 | 10,476 |
| | *8.4* | *11.5* | *16.9* | *-3.9* | *1.0* | *13.9* | *-13.5* | *-21.0* | *9.3* | *3.6* | *2.6* | *-3.5* | *-14.8* |
| Real Estate Excise | 86,561 | 82,660 | 76,591 | 70,343 | 54,172 | 92,822 | 46,529 | 65,089 | 68,390 | 68,504 | 80,381 | 93,071 | 98,344 |
| | *38.4* | *49.0* | *21.0* | *19.1* | *1.5* | *67.1* | *10.6* | *-4.8* | *16.0* | *1.3* | *29.9* | *0.0* | *13.6* |
| Unclaimed Property | -1,439 | -3,266 | -3,427 | 42,500 | 39,946 | 2,135 | -3,046 | -2,923 | 1,647 | 6,945 | -3,988 | -4,434 | -5,175 |
| | *-61.0* | *-27.3* | *52.2* | *3.2* | *47.9* | *346.1* | *-196.9* | *-205.3* | *135.1* | *-2,153.8* | *63.0* | *-21.8* | *259.7* |
| Other | 22,200 | 10,580 | 7,438 | 16,662 | 12,507 | 7,989 | 14,411 | 16,998 | 10,327 | 15,768 | 36,161 | 34,765 | 19,565 |
| | *18.7* | *-6.8* | *-37.6* | *-30.6* | *61.4* | *-34.3* | *-31.7* | *48.5* | *-4.4* | *-19.1* | *7.3* | *-7.0* | *-11.9* |
| **Department of Licensing**** | 3,044 | 1,009 | 474 | 355 | 244 | 316 | 377 | 492 | 831 | 2,487 | 2,833 | 6,503 | 2,406 |
| | *-4.9* | *-4.8* | *-19.2* | *-4.6* | *3.7* | *6.9* | *39.9* | *27.5* | *18.1* | *105.0* | *-26.8* | *1.4* | *-21.0* |
| **Administrative Office of the Courts**** | 6,792 | 7,387 | 6,779 | 6,607 | 7,744 | 5,583 | 6,310 | 5,785 | 6,989 | 7,398 | 7,350 | 6,109 | 6,145 |
| | *-1.8* | *2.8* | *6.6* | *-12.8* | *2.1* | *-11.4* | *-5.5* | *-4.4* | *-3.2* | *-7.3* | *-6.7* | *-8.7* | *-9.5* |
| **Total General Fund-State***** | **1,446,787** | **1,316,129** | **1,270,688** | **1,425,950** | **1,988,128** | **1,351,773** | **1,552,426** | **1,118,662** | **1,192,611** | **1,474,819** | **2,103,735** | **1,506,457** | **1,522,667** |
| | ***13.1*** | ***8.0*** | ***5.0*** | ***4.8*** | ***4.9*** | ***9.0*** | ***6.2*** | ***4.5*** | ***8.9*** | ***9.0*** | ***8.5*** | ***7.3*** | ***5.2*** |

*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 |
|---|---|---|---|---|
| ***July 11, 2016 - August 10, 2016*** | | | | |
| **August 10, 2016 Collections Compared to the June 2016 Forecast** | | | | |
| Department of Revenue-Total | $1,452,261 | $1,514,116 | $61,855 | 4.3% |
| Revenue Act** (1) | 1,291,992 | 1,333,615 | 41,622 | 3.2% |
| Non-Revenue Act(2) | 160,269 | 180,501 | 20,233 | 12.6% |
| Liquor Sales/Liter | 20,276 | 22,221 | 1,945 | 9.6% |
| Cigarette | 35,643 | 35,071 | (572) | -1.6% |
| Property (State School Levy) | 12,601 | 10,476 | (2,125) | -16.9% |
| Real Estate Excise | 75,178 | 98,344 | 23,165 | 30.8% |
| Unclaimed Property | 0 | (5,175) | (5,175) | NA |
| Other | 16,570 | 19,565 | 2,995 | 18.1% |
| Department of Licensing (2) | 3,350 | 2,406 | (944) | -28.2% |
| Administrative Office of the Courts (2) | 6,426 | 6,145 | (280) | -4.4% |
| **Total General Fund-State*** ** | **$1,462,036** | **$1,522,667** | **$60,631** | **4.1%** |
| **Cumulative Variance Since the June Forecast (June 11, 2016 - August 10, 2016)** | | | | |
| Department of Revenue-Total | $2,878,935 | $3,007,961 | $129,026 | 4.5% |
| Revenue Act** (3) | 2,392,377 | 2,492,642 | 100,266 | 4.2% |
| Non-Revenue Act(4) | 486,558 | 515,318 | 28,760 | 5.9% |
| Liquor Sales/Liter | 40,471 | 42,645 | 2,174 | 5.4% |
| Cigarette | 70,964 | 69,296 | (1,668) | -2.4% |
| Property (State School Levy) | 170,596 | 167,242 | (3,354) | -2.0% |
| Real Estate Excise | 158,433 | 191,414 | 32,981 | 20.8% |
| Unclaimed Property | 0 | (9,609) | (9,609) | NA |
| Other | 46,094 | 54,329 | 8,236 | 17.9% |
| Department of Licensing (4) | 8,917 | 8,909 | (8) | -0.1% |
| Administrative Office of the Courts | 12,459 | 12,254 | (204) | -1.6% |
| **Total General Fund-State*** ** | **$2,900,311** | **$3,029,124** | **$128,813** | **4.4%** |

1 Collections July 11, 2016 - August 10, 2016. Collections primarily reflect June 2016 activity of monthly filers and second quarter 2016 activity of quarterly filers.
2 July 2016 collections.
3 Cumulative collections, estimates and variance since the June 2016 forecast; (June 11, 2016 - August 10, 2016) and revisions to history.
4 Cumulative collections, estimates and variance since the June forecast (June - July 2016) and revisions to history.
* Based on the June 2016 economic and revenue forecast released June 15, 2016.
**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.