



King County

Office of Economic and Financial Analysis

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Seattle, WA 98104

206.477.3413

MEMORANDUM

DATE: August 31, 2023

TO: King County Forecast Council

FROM: Laurie Elofson, Tony Cacallori, Dave Reich

RE: King County Revenue through July 2023

King County Revenue (through July 2023 unless noted)

Revenue	YTD Forecast (2023 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy	\$ 214,100,000	\$ 216,450,000	\$ 2,350,000	1.1%
UAL/Roads Levy	\$ 52,650,000	\$ 52,770,000	\$ 120,000	0.2%
Parks Levy	\$ 79,570,000	\$ 79,580,000	\$ 10,000	0.0%
AFIS Levy	\$ 12,520,000	\$ 12,550,000	\$ 30,000	0.2%
Veterans, Seniors, & HS Levy (1143)	\$ 36,570,000	\$ 36,600,000	\$ 30,000	0.1%
Conservation Futures Levy (3151)	\$ 28,900,000	\$ 28,720,000	\$ (180,000)	-0.6%
EMS Levy	\$ 61,720,000	\$ 63,630,000	\$ 1,910,000	3.1%
Transit Levy	\$ 17,320,000	\$ 17,410,000	\$ 90,000	0.5%
Marine Levy	\$ 3,620,000	\$ 3,640,000	\$ 20,000	0.6%
Puget Sound Emergency Radio	\$ 19,290,000	\$ 19,330,000	\$ 40,000	0.2%
Best Starts for Kids Levy	\$ 75,600,000	\$ 75,690,000	\$ 90,000	0.1%
P&I on Delinquent Property Taxes	\$ 11,370,000	\$ 12,010,000	\$ 640,000	5.6%
Sales Tax - Local Option (6/23)	\$ 83,120,000	\$ 85,280,000	\$ 2,160,000	2.6%
Sales Tax-Criminal Justice (6/23)	\$ 9,010,000	\$ 9,060,000	\$ 50,000	0.6%
Sales Tax-MIDD (6/23)	\$ 43,860,000	\$ 44,920,000	\$ 1,060,000	2.4%
Sales Tax - Transit (6/23)	\$ 401,910,000	\$ 409,880,000	\$ 7,970,000	2.0%
Sales Tax - Health Through Housing (6/23)	\$ 32,990,000	\$ 34,160,000	\$ 1,170,000	3.5%
MV Fuel Tax-Roads	\$ 6,500,000	\$ 5,930,000	\$ (570,000)	-8.8%
E-911 Excise Tax (6/23)	\$ 13,110,000	\$ 13,260,000	\$ 150,000	1.1%
Hotel/Motel Tax (6/23)	\$ 16,660,000	\$ 17,800,000	\$ 1,140,000	6.8%
Lodging Tax (6/23)	\$ 1,950,000	\$ 2,310,000	\$ 360,000	18.5%
REET 1 Revenue	\$ 5,090,000	\$ 4,390,000	\$ (700,000)	-13.8%
Wastewater Revenues	\$ 277,140,000	\$ 278,000,000	\$ 860,000	0.3%
Solid Waste Net Disposal Charges	\$ 91,400,000	\$ 87,260,000	\$ (4,140,000)	-4.5%
Transit Fare	\$ 35,170,000	\$ 21,080,000	\$ (14,090,000)	-40.1%

Through the end of July 2023, all property tax revenues are above forecast except conservation futures which is slightly below (-0.6%). First half property taxes were due at the end of April (May 1 was the deadline) and so most levies experienced a significant inflow of revenues in April and May which reduced the variance between forecasts and actuals. June and July revenues are much smaller, reflecting the normal timing of payments this time of year.

June taxable sales were up 4.8 percent year-over-year (yoy). Component growth includes construction sales which were up 8.2 percent (yoy), retail sales up 2.6 percent (yoy), and accommodation and food service sales up 8.5 percent (yoy). Sales tax distributions for the local option, MIDD, criminal justice, transit, and health through housing (HTH) tax are all above forecast through June and include the annual installment of the deferred sales taxes for Climate Pledge Arena.

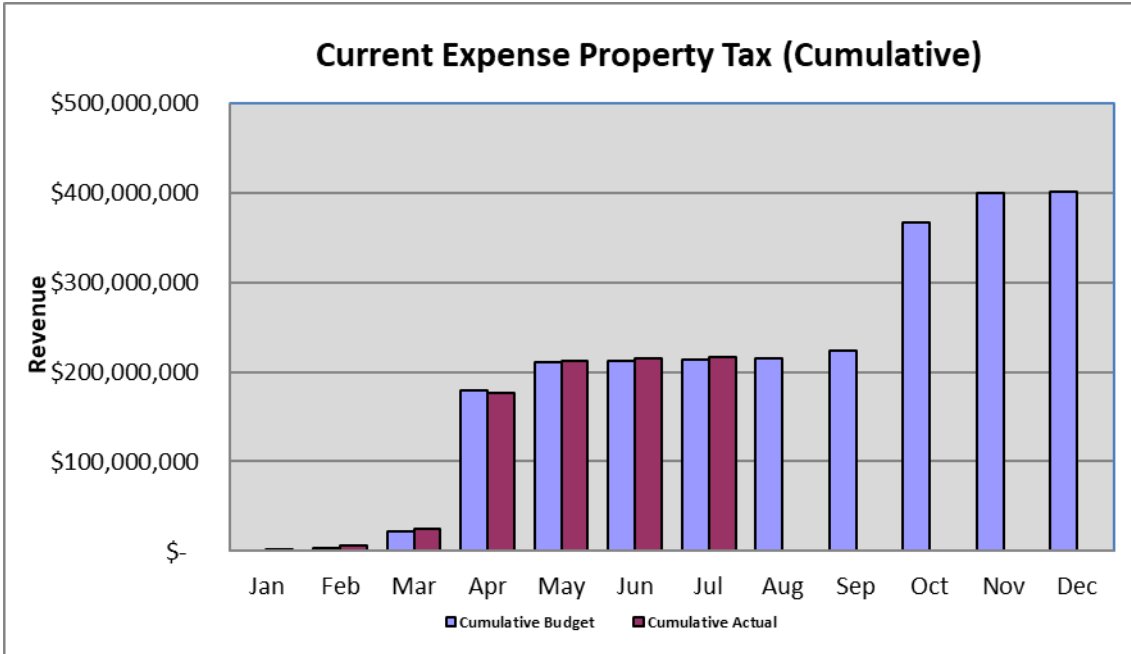
Other revenue streams that deviate from forecast by more than one percent include penalties and interest (5.6 percent above forecast), motor vehicle fuel taxes (8.8 percent below forecast), hotel tax (6.8 percent above forecast), lodging tax (18.5 percent above forecast), and solid waste charges (4.5 percent below forecast).

Transit fare revenue is below forecast by 40.1 percent. Transit fare revenue recognized in EBS continues to run below forecast due to challenges in reporting from the new ORCA system. As a result, the reported fare revenue does not currently reflect what is expected for actual fare revenue YTD. Staff at Metro and Sound Transit are working to resolve reporting issues and expect to have accurate revenue reflected by the end of this year.

REET revenues for July 2023 were based on 1% more transactions and a 22% percent lower average sales price than July 2022. Year to date through July, real estate transactions in the unincorporated area are down about 31% from 2022 and the average price is down about 9%.

The graphs on the following pages indicate revenues from specific funds, including comparisons between revenues as currently forecasted, shown by the blue bars, and actual revenues, indicated by the red bars. An appendix to this memo provides King County taxable retail sales by industry for June 2022 and June 2023.

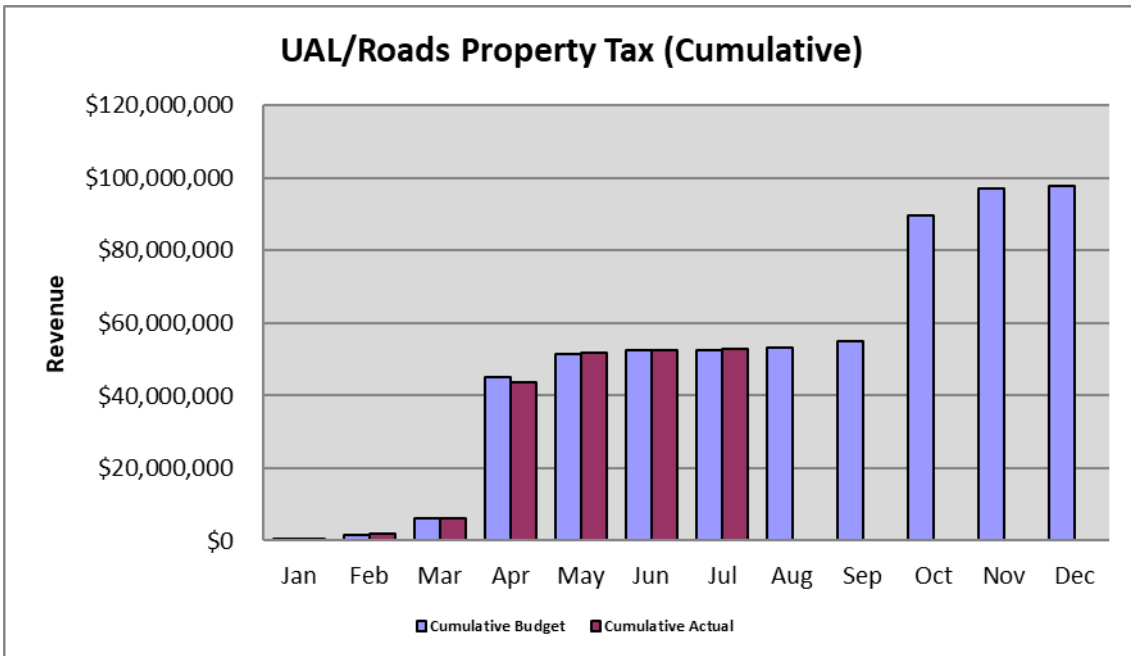
Cc: Adam Cooper PSB
Grant Lahmann Finance Managers
April Putney BFM Committee Lead Staff



Data Source: King County EBS Acct 31111 & 31112

Current Expense Taxes Comparison (July 2023)

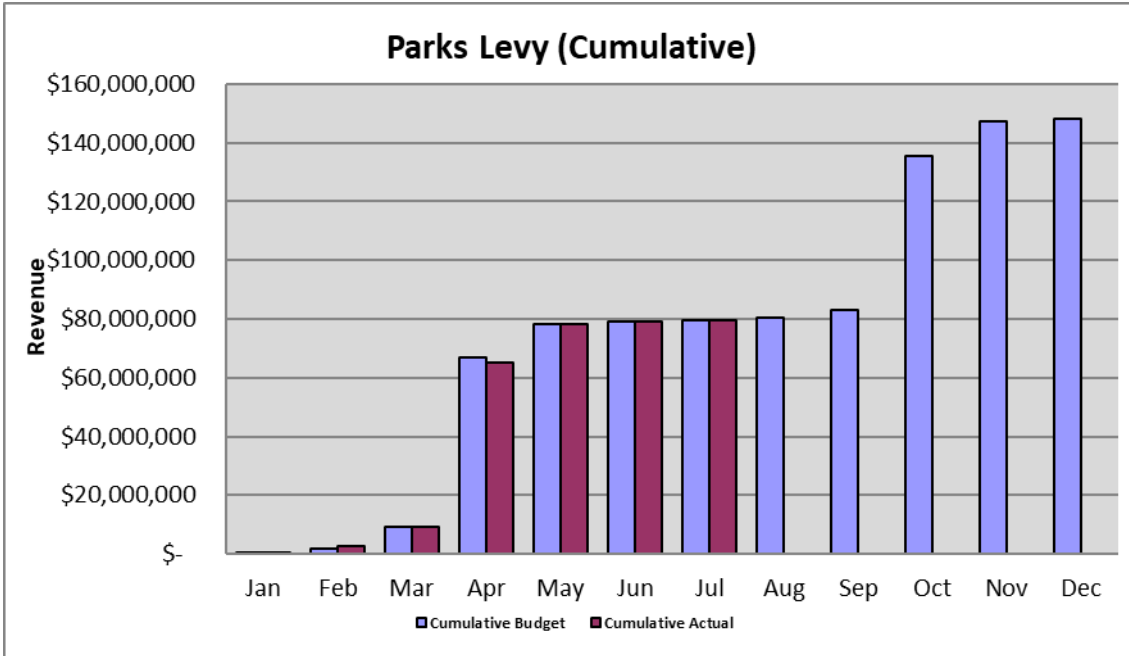
Forecast	Actual	Actual-Forecast	Difference
\$ 1,300,217	\$ 1,077,996	\$ (222,221)	-17.1%



Data Source: King County EBS Acct. 31111, 31112, 31113, 31114, & 31119

UAL/Roads Property Taxes Comparison (July 2023)

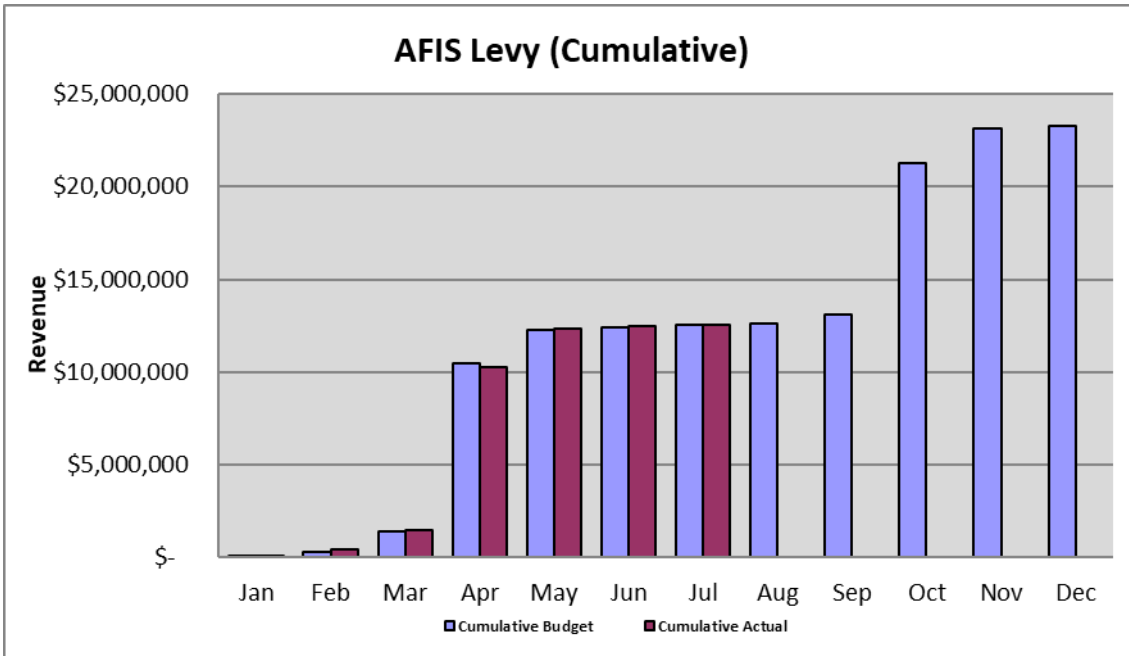
Forecast	Actual	Actual-Forecast	Difference
\$ 307,690	\$ 268,381	\$ (39,309)	-12.8%



Data: King County EBS 31111, 31112, 31113, 31114, & 31119

Parks Property Taxes Comparison (July 2023)

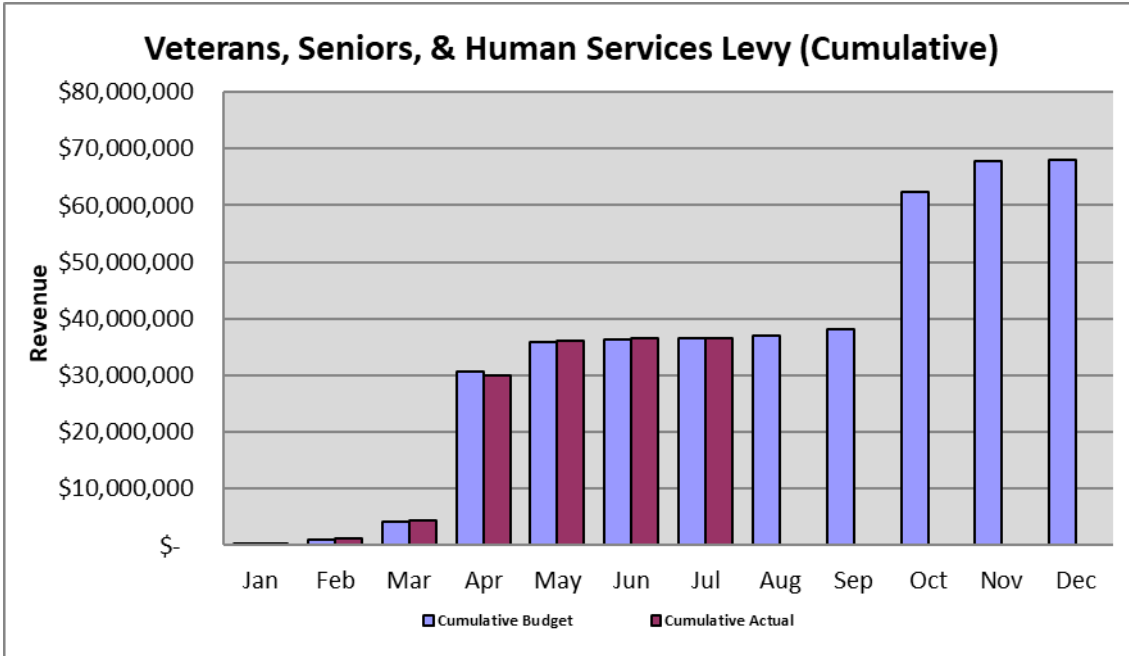
Forecast	Actual	Actual-Forecast	Difference
\$ 494,577	\$ 378,415	\$ (116,162)	-23.5%



Data Source: King County EBS Acct. 31111, 31112, 31113, 31114, & 31119

AFIS Property Taxes Comparison (July 2023)

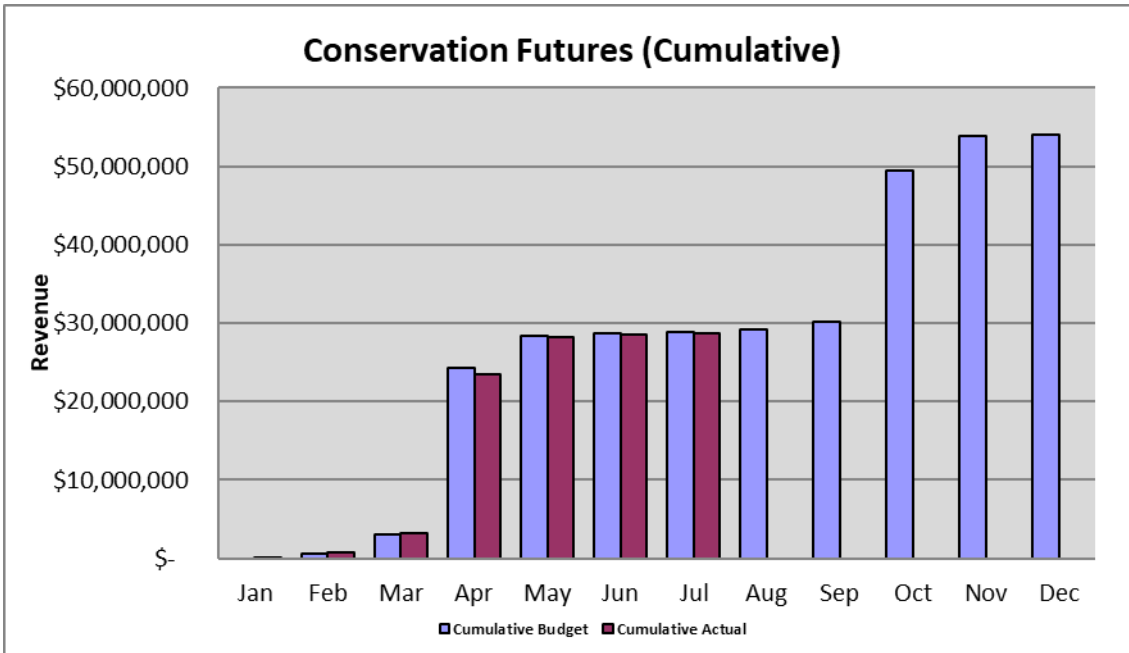
Forecast	Actual	Actual-Forecast	Difference
\$ 80,359	\$ 65,504	\$ (14,854)	-18.5%



Data Source: King County EBS Fund 1143, Acct. 31111, 31112, 31113, 31114, & 31119

VSHSL Property Taxes Comparison (July 2023)

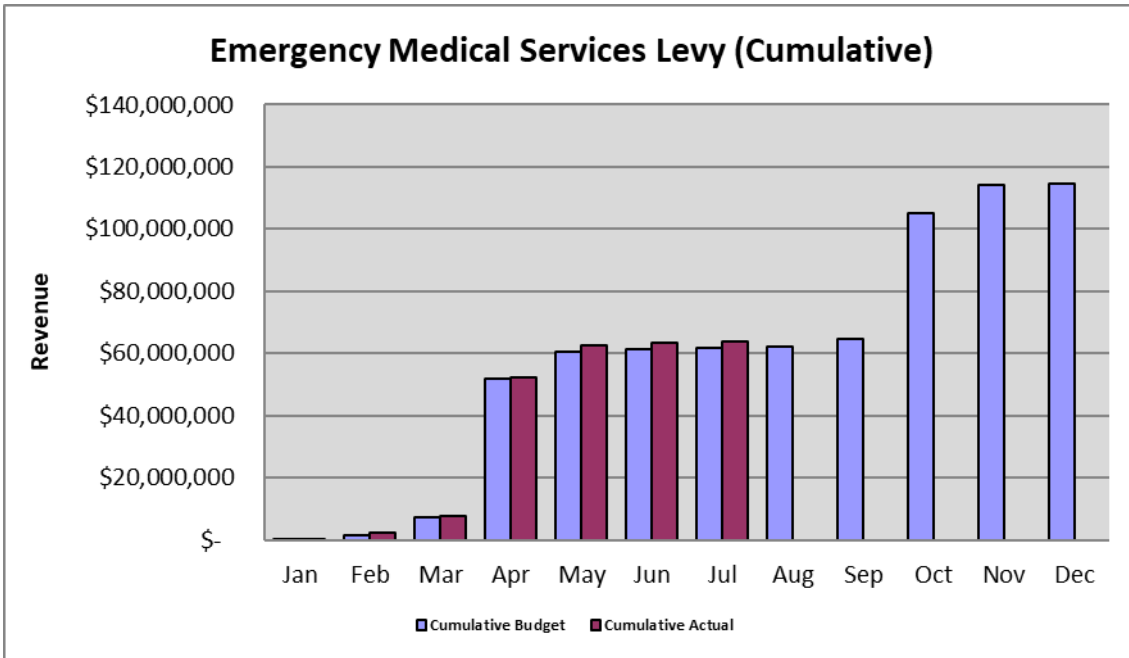
Forecast	Actual	Actual-Forecast	Difference
\$ 226,240	\$ 173,473	\$ (52,767)	-23.3%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (July 2023)

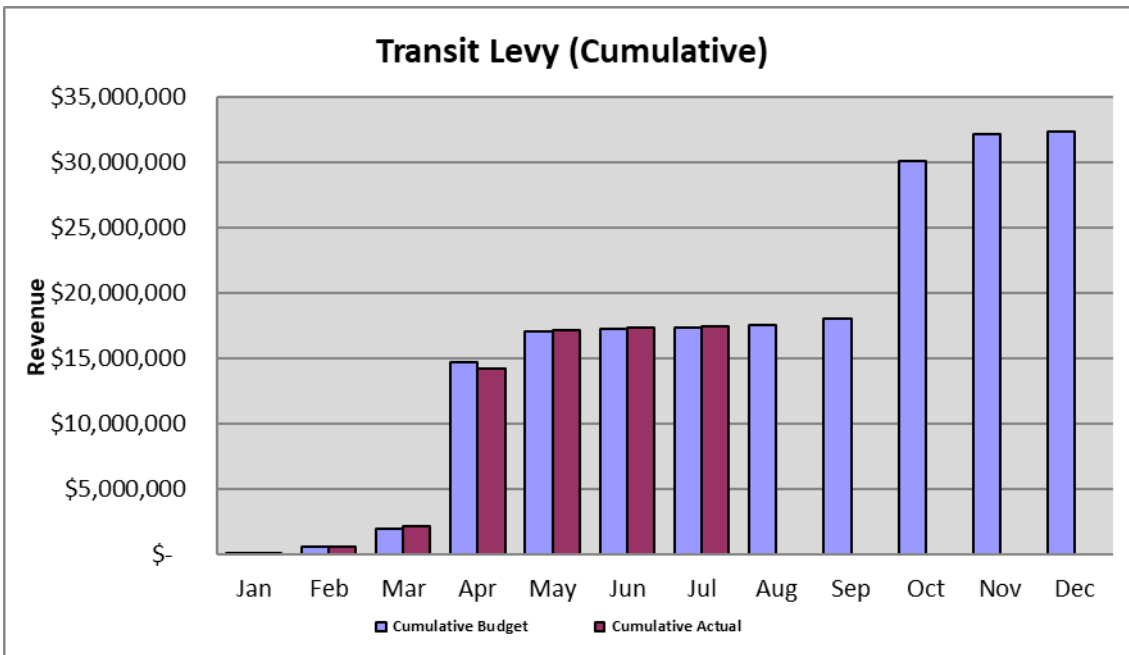
Forecast	Actual	Actual-Forecast	Difference
\$ 175,510	\$ 136,731	\$ (38,779)	-22.1%



Data Source: King County EBS Acct. 31111, 31112, 31113, 31114, & 31119

EMS Property Taxes Comparison (July 2023)

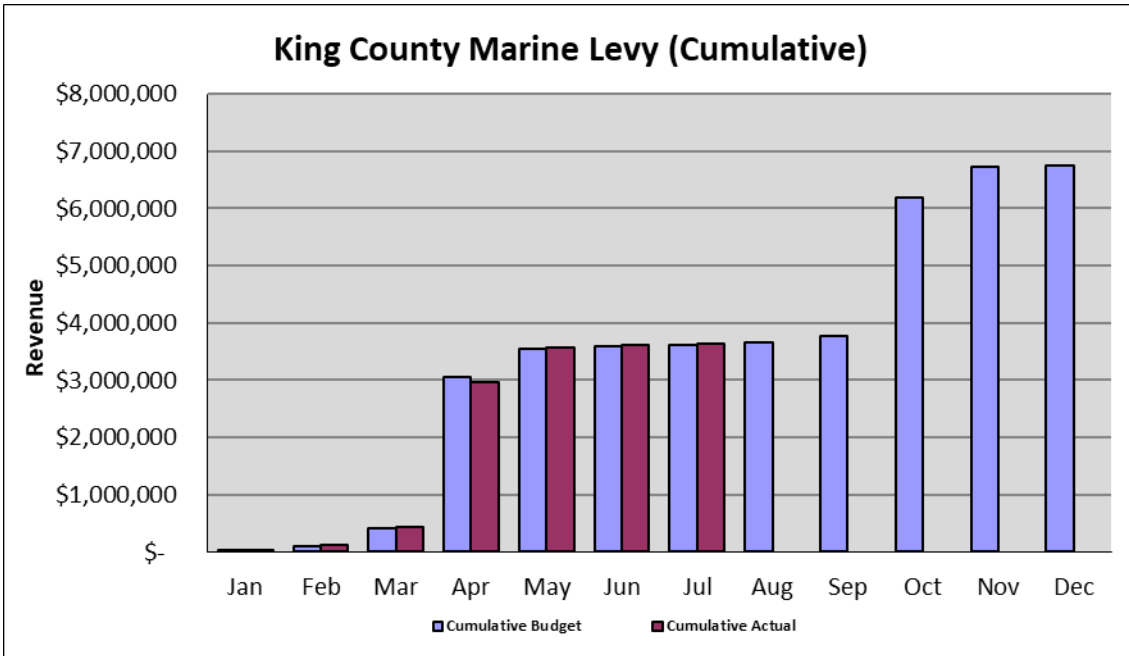
Forecast	Actual	Actual-Forecast	Difference
\$ 370,530	\$ 322,740	\$ (47,790)	-12.9%



Data Source: King County EBS Acct. 31111, 31112, 31113, 31114, & 31119

Transit Property Taxes Comparison (July 2023)

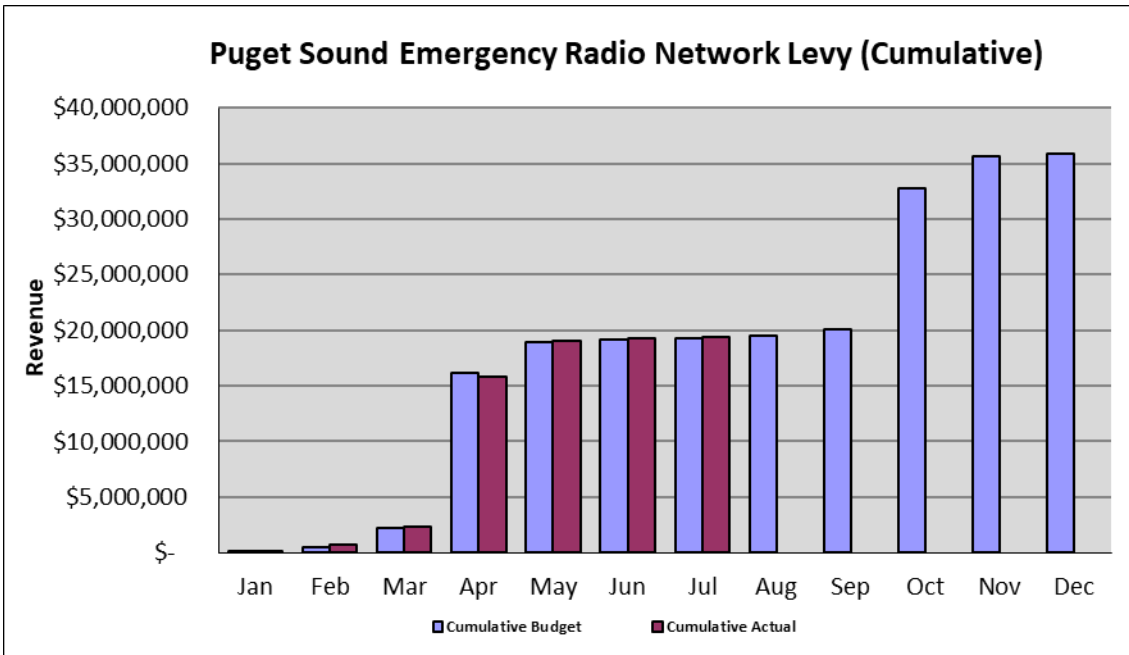
Forecast	Actual	Actual-Forecast	Difference
\$ 119,529	\$ 89,821	\$ (29,708)	-24.9%



Data Source: King County EBS Fund 3641, Accts 31111, 31112, 31113, 31114, & 31119

King County Marine Property Taxes Comparison (July 2023)

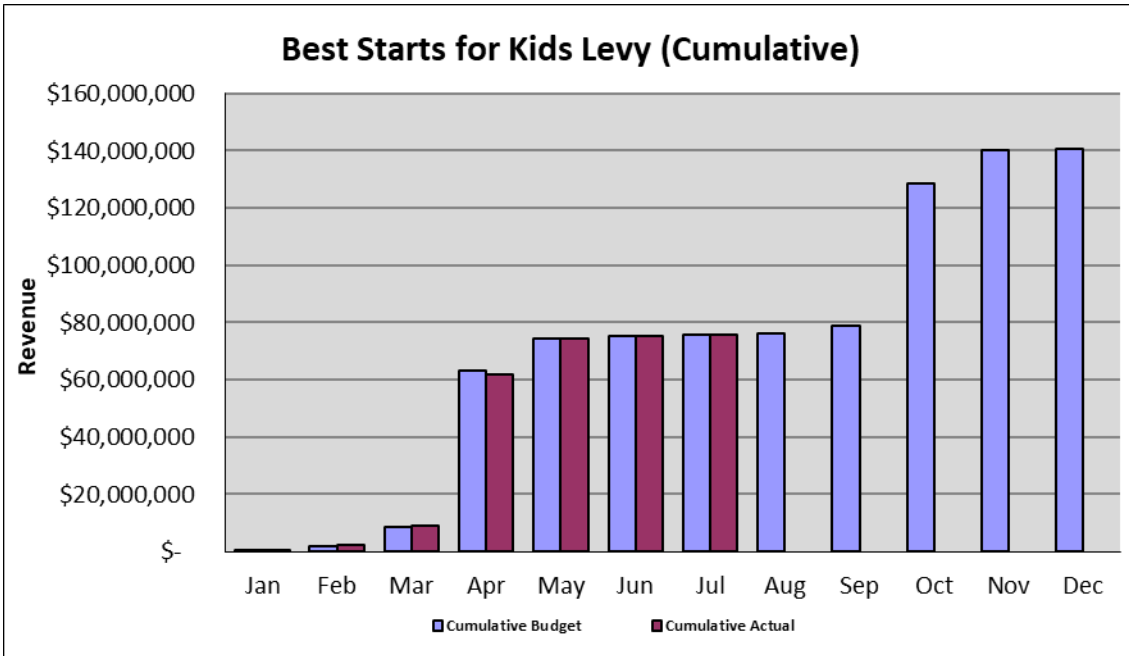
Forecast	Actual	Actual-Forecast	Difference
\$ 23,399	\$ 18,667	\$ (4,732)	-20.2%



Data Source: King County EBS Fund 1511, Accts 31111, 31112, 31113, 31113, & 31119

Puget Sound Emergency Radio Network Property Taxes Comparison (July 2023)

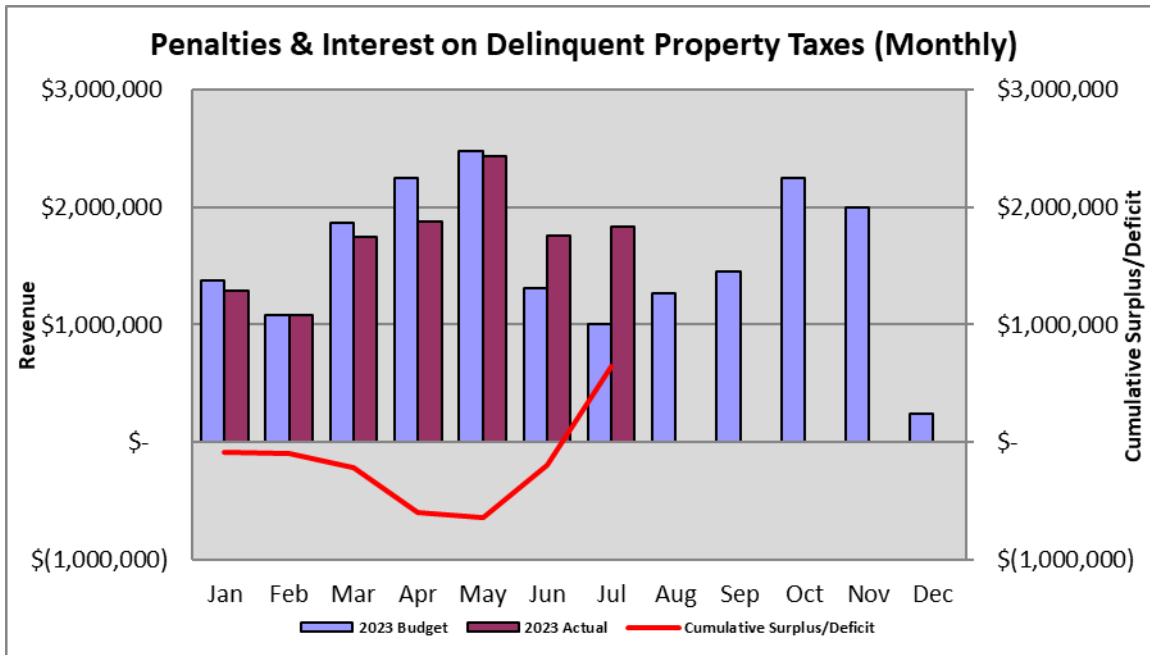
Forecast	Actual	Actual-Forecast	Difference
\$ 123,548	\$ 99,146	\$ (24,402)	-19.8%



Data Source: King County EBS Fund 1480, Accts 31111, 31112, 31113, 31114, & 31119

Best Starts for Kids Property Taxes Comparison (July 2023)

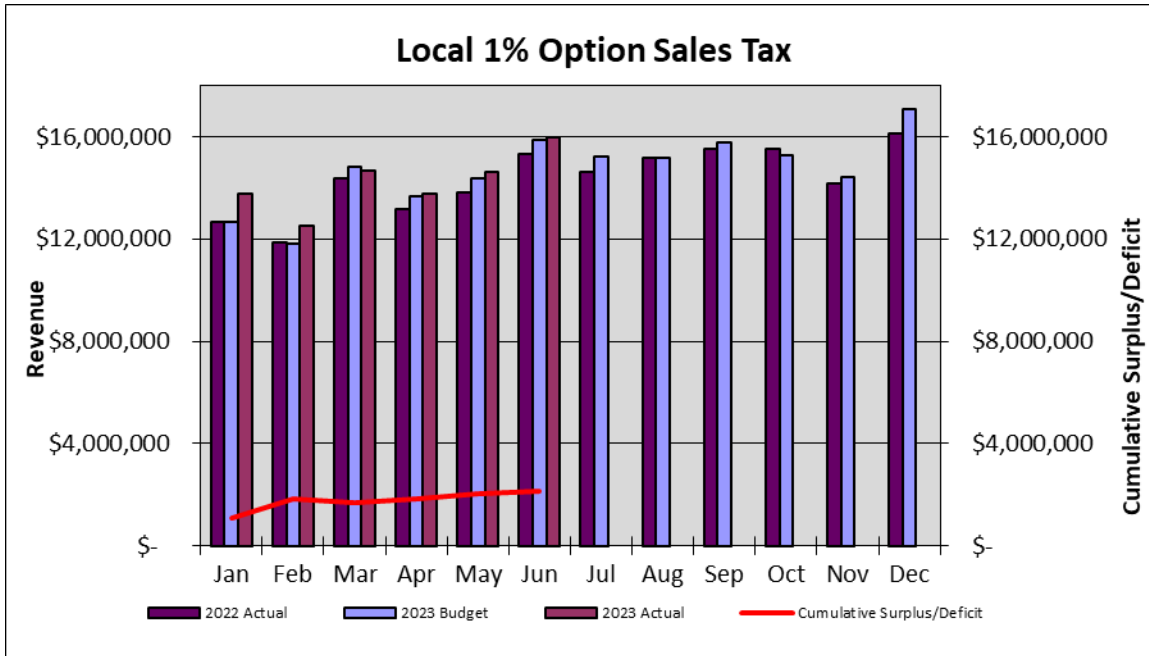
Forecast	Actual	Actual-Forecast	Difference
\$ 477,426	\$ 359,558	\$ (117,868)	-24.7%



Data Source: King County EBS Fund 0010, Acct 31911

Penalties and Interest on Delinquent Property Taxes Comparison (July 2023)

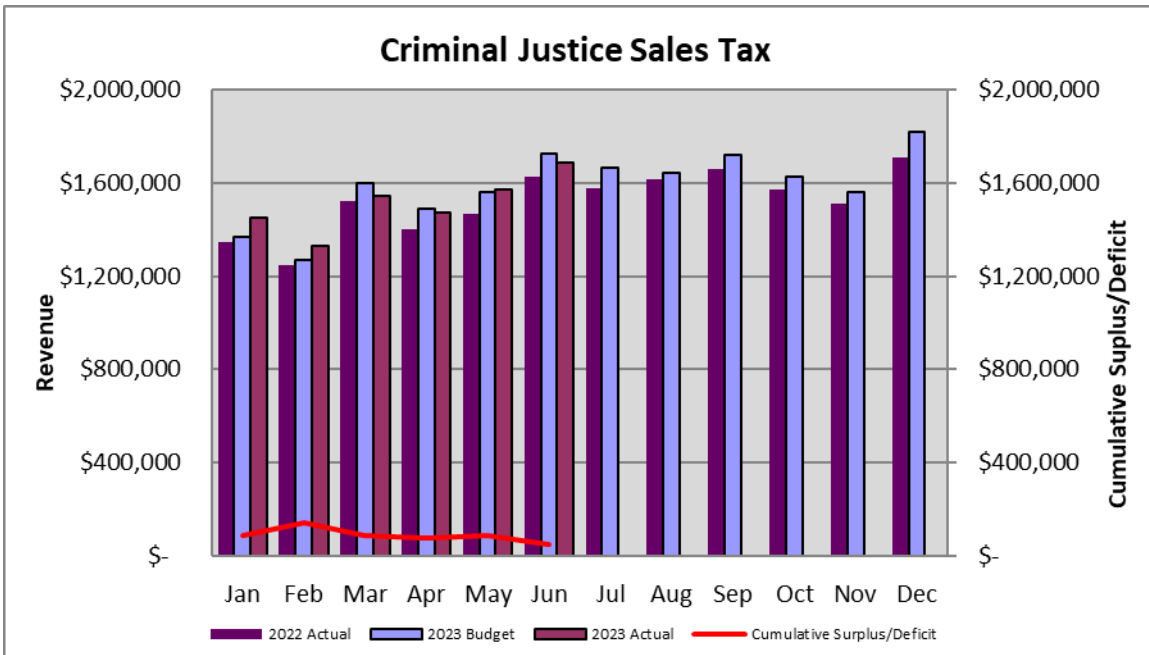
Forecast	Actual	Actual-Forecast	Difference
\$ 999,810	\$ 1,836,217	\$ 836,407	83.7%



Data Source: Washington State DOR through June

Local Option Sales Tax Comparison (June 2023)

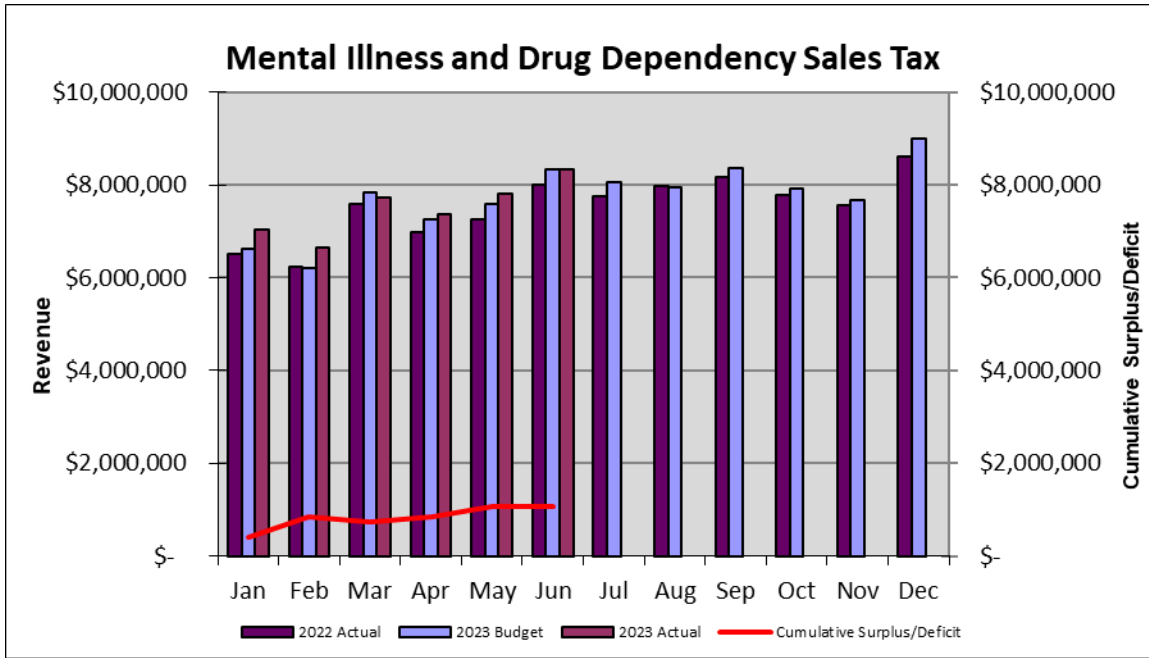
Forecast	Actual	Actual-Forecast	Difference
\$ 15,873,399	\$ 15,971,360	\$ 97,961	0.6%



Data Source: Washington DOR through June

CJ Sales Tax Comparison (June 2023)

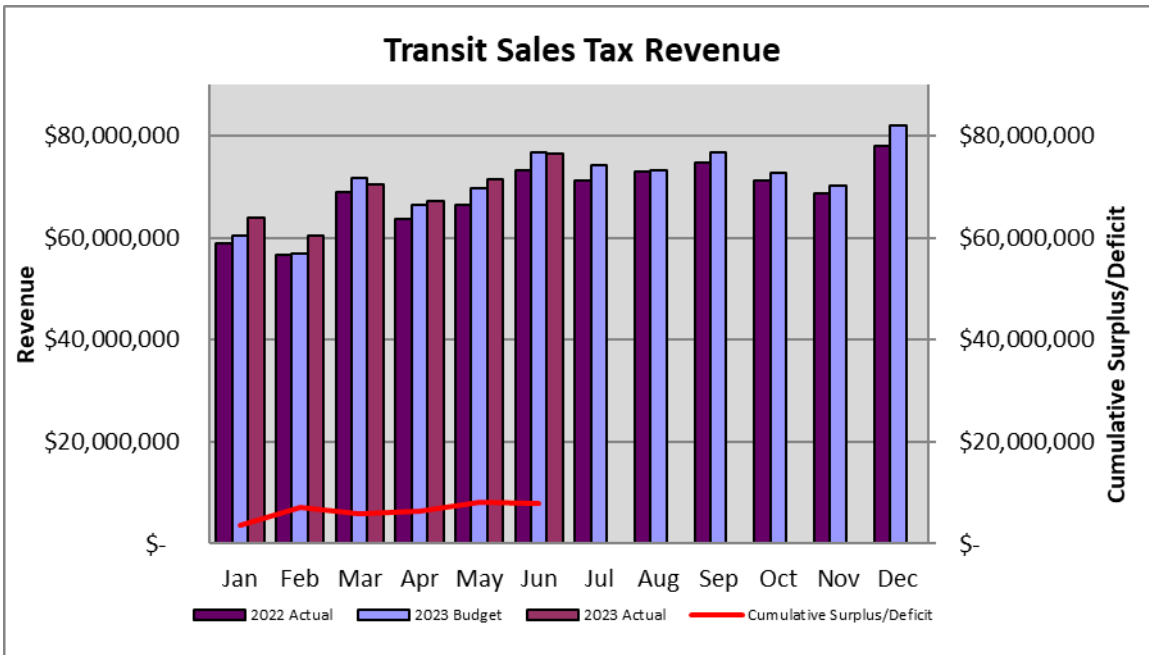
Forecast	Actual	Actual-Forecast	Difference
\$ 1,723,591	\$ 1,686,666	\$ (36,925)	-2.1%



Data Source: Washington DOR through June

MIDD Sales Tax Comparison (June 2023)

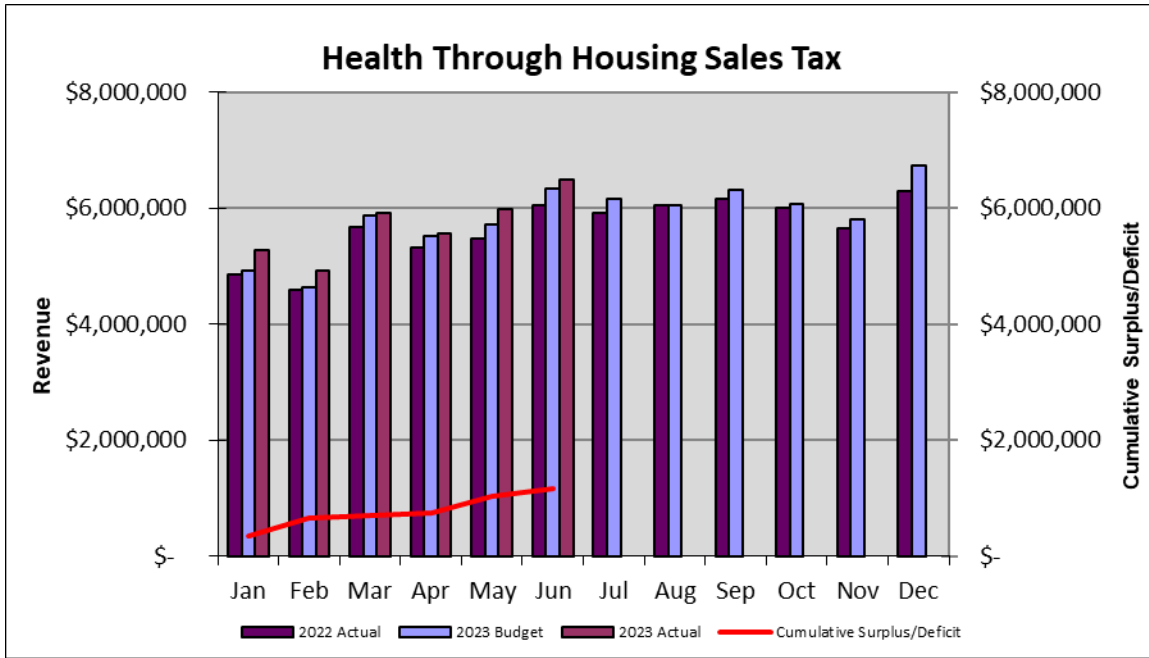
Forecast	Actual	Actual-Forecast	Difference
\$ 8,343,669	\$ 8,343,876	\$ 207	0.0%



Data Source: Washington DOR through June

Transit Sales Tax Comparison (June 2023)

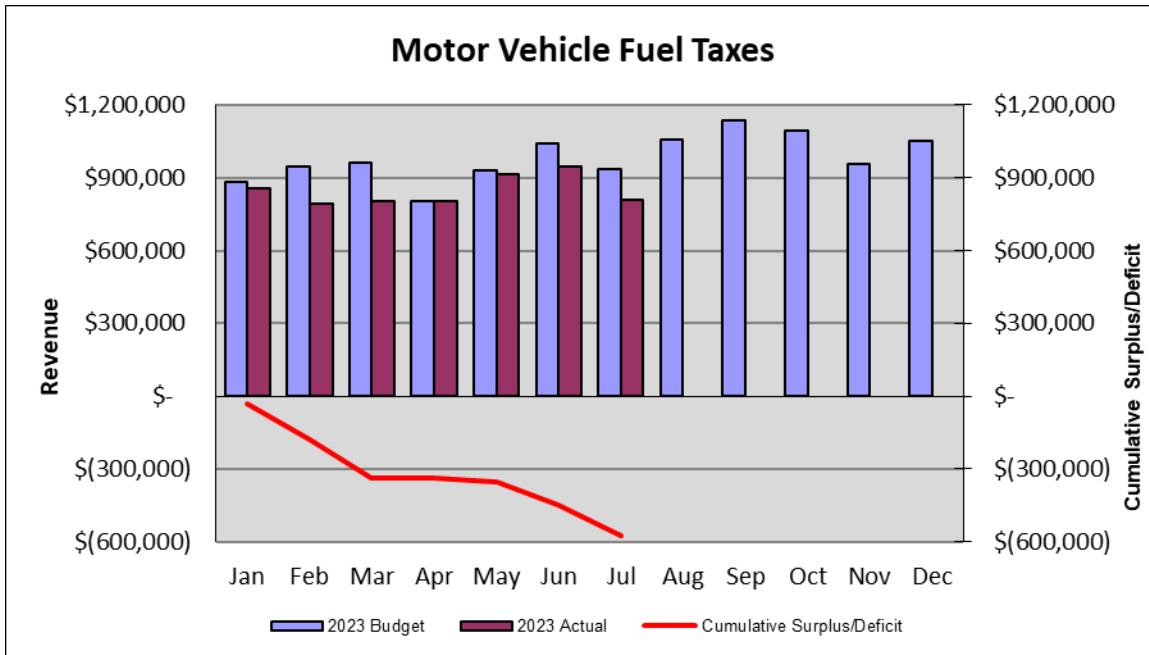
Forecast	Actual	Actual-Forecast	Difference
\$ 76,765,393	\$ 76,469,126	\$ (296,267)	-0.4%



Data Source: Washington DOR through June

HTH Sales Tax Comparison (June 2023)

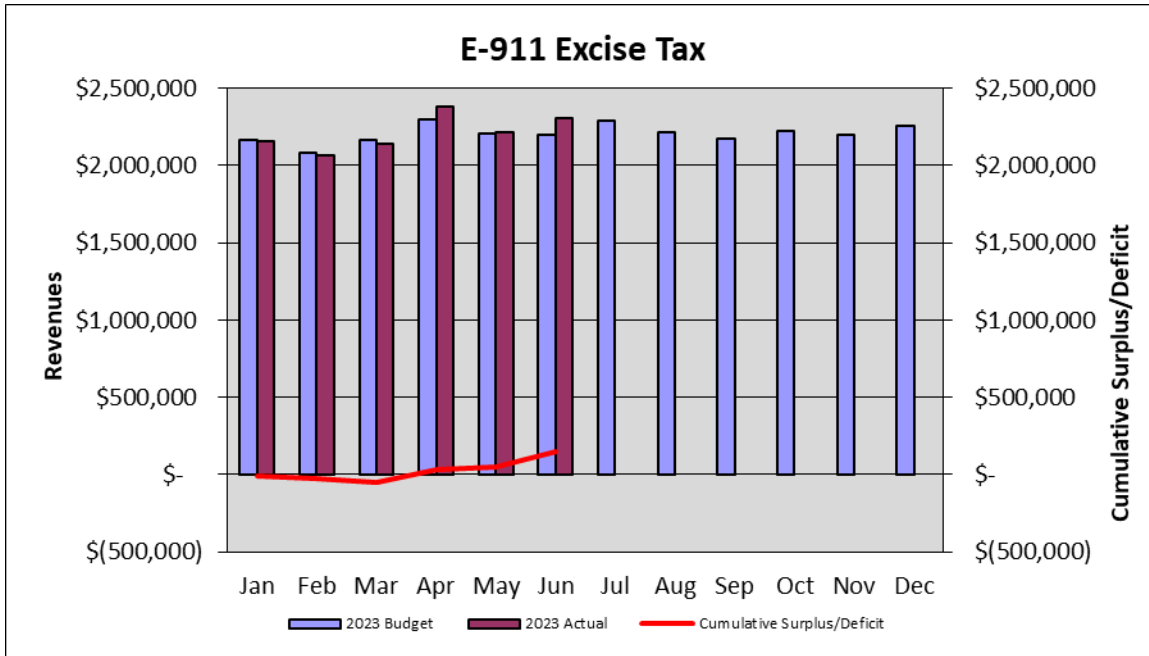
Forecast	Actual	Actual-Forecast	Difference
\$ 6,340,402	\$ 6,483,340	\$ 142,938	2.3%



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (July 2023)

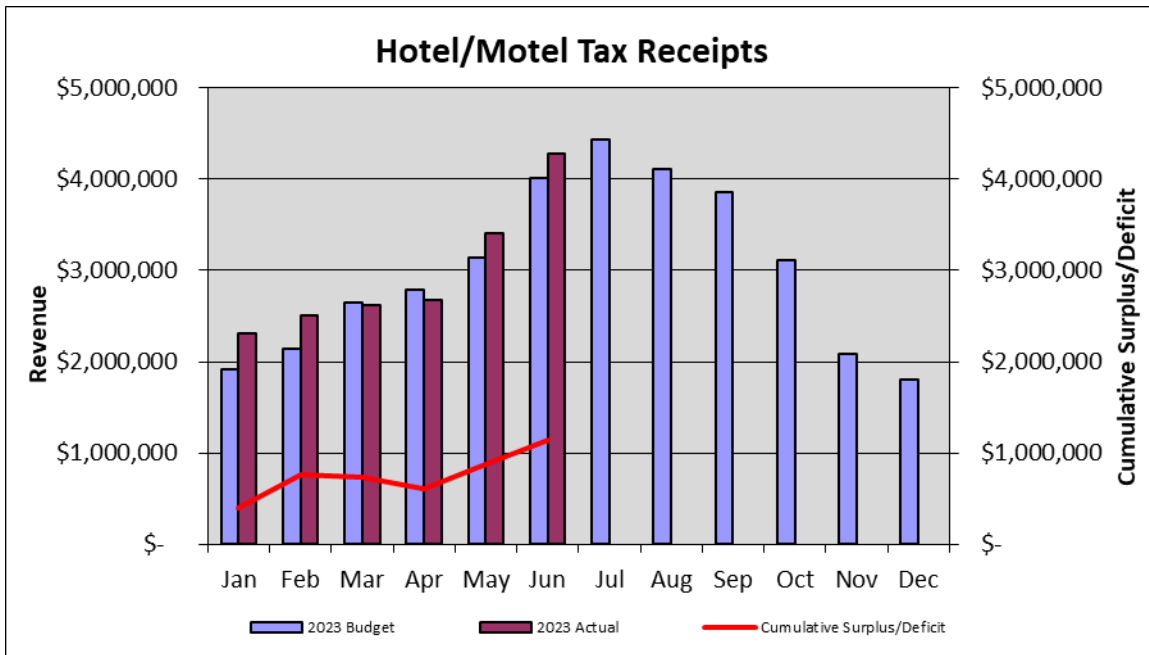
Forecast	Actual	Actual-Forecast	Difference
\$ 937,536	\$ 809,368	\$ (128,168)	-13.7%



Data Source: Washington DOR through June

E-911 Excise Tax Comparison (June 2023)

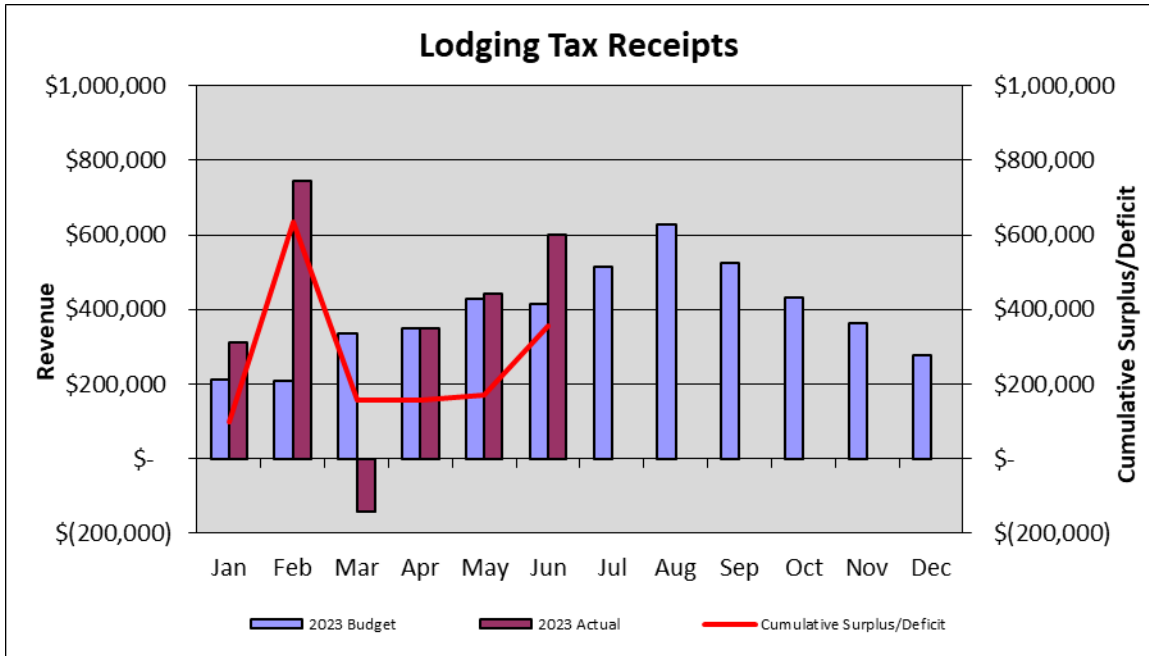
Forecast	Actual	Actual-Forecast	Difference
\$ 2,198,353	\$ 2,301,876	\$ 103,523	4.7%



Data Source: Washington DOR through June

Hotel/Motel Tax Comparison (June 2023)

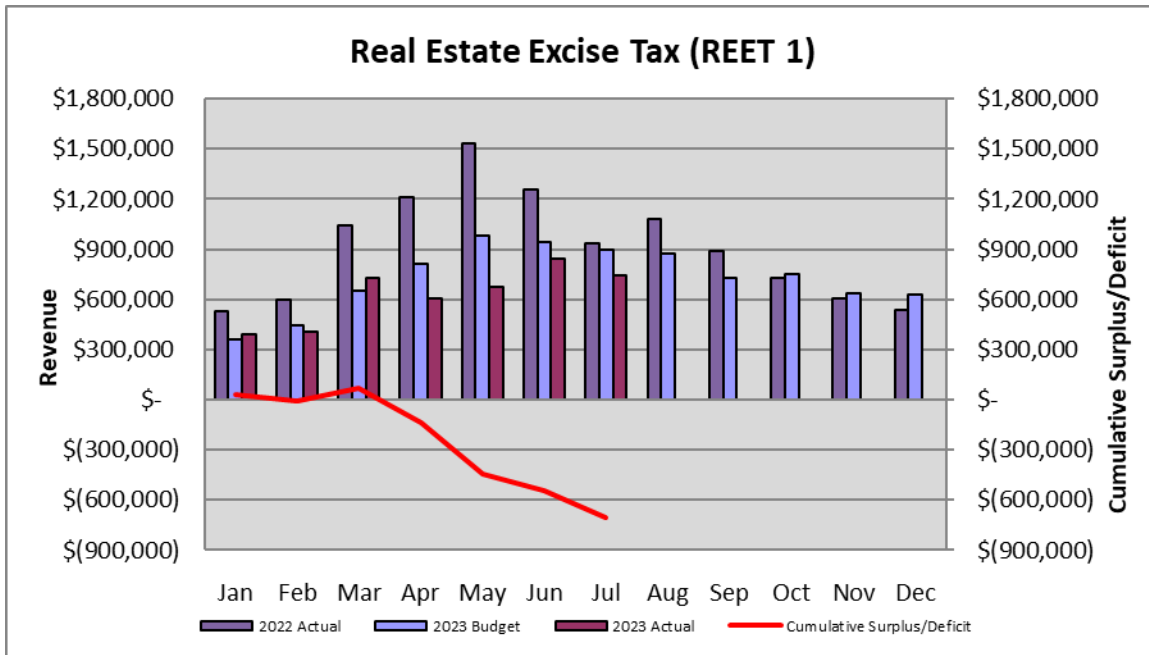
Forecast	Actual	Actual-Forecast	Difference
\$ 4,010,408	\$ 4,282,734	\$ 272,326	6.8%



Data Source: Washington DOR through June

Lodging Tax Comparison (June 2023)

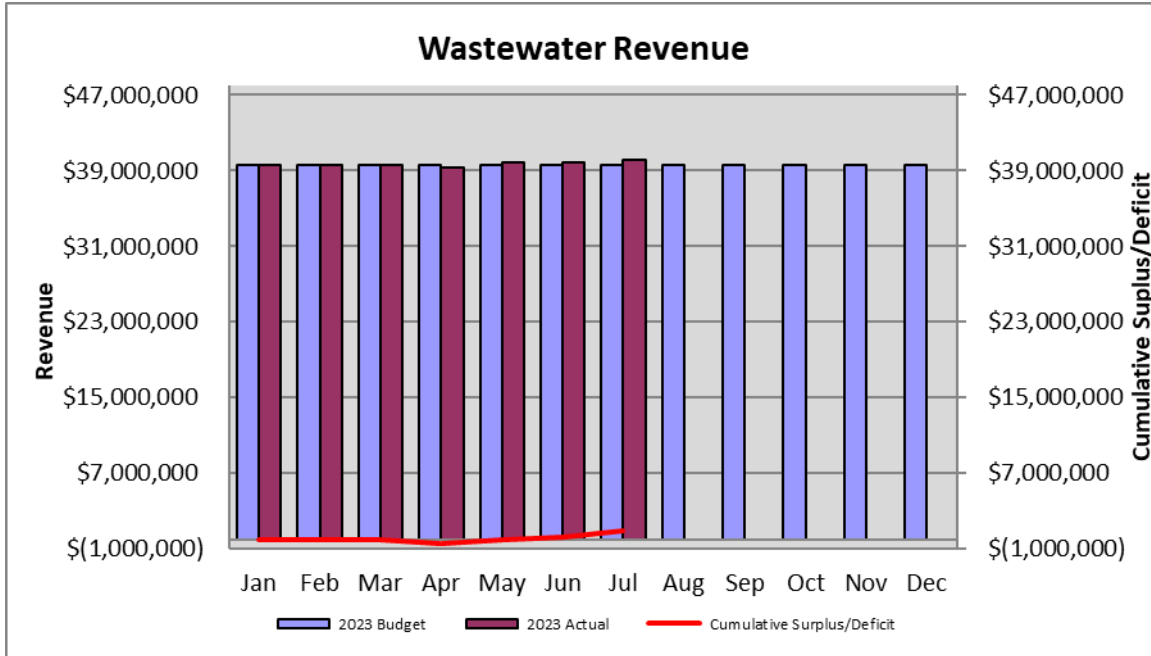
Forecast	Actual	Actual-Forecast	Difference
\$ 415,708	\$ 600,972	\$ 185,264	44.6%



Data Source: King County EBS Acct 31734

Real Estate Excise Tax (REET 1) Comparison (July 2023)

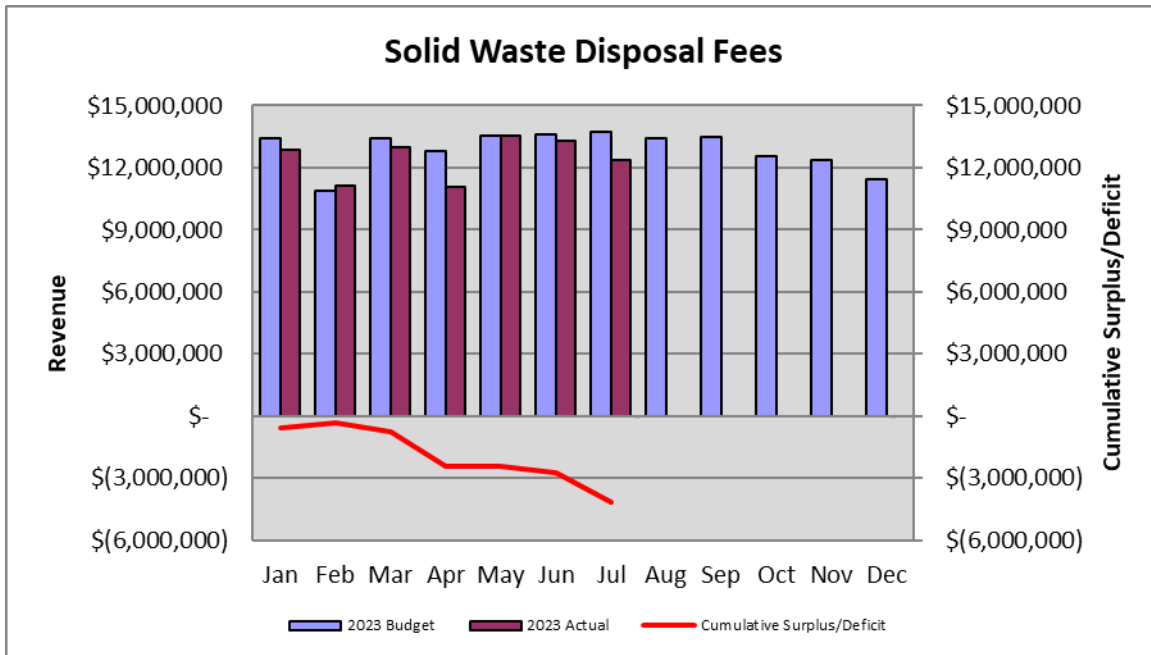
Forecast	Actual	Actual-Forecast	Difference
\$ 895,401	\$ 740,777	\$ (154,624)	-17.3%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (July 2023)

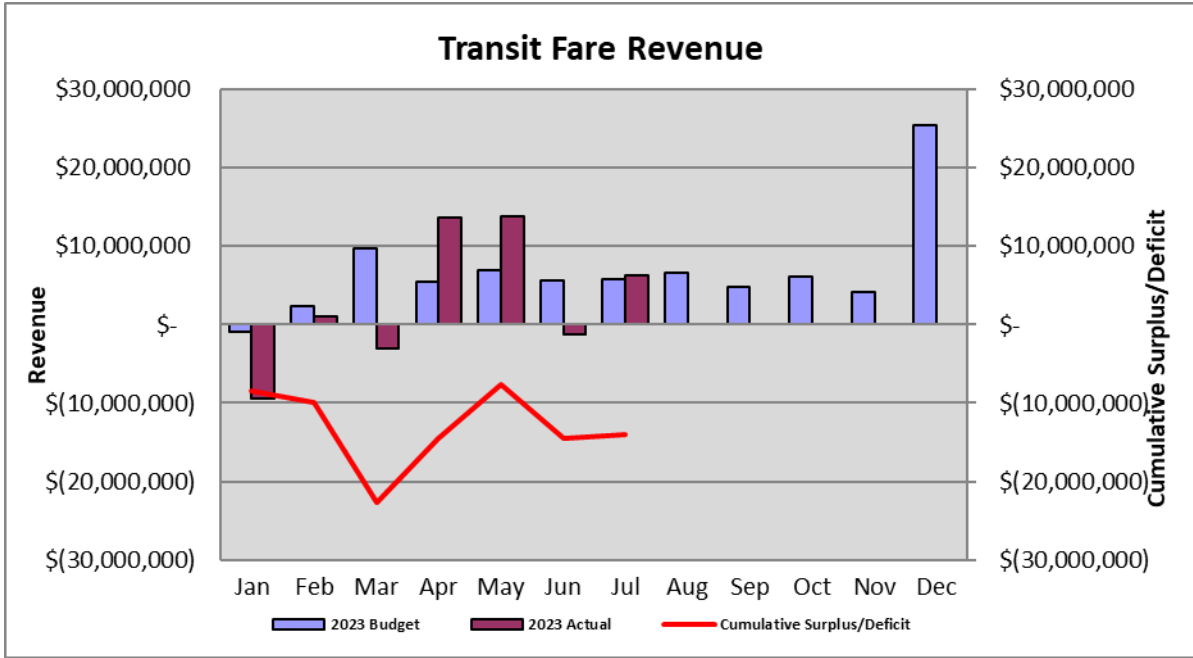
Forecast	Actual	Actual-Forecast	Difference
\$ 39,591,869	\$ 40,155,723	\$ 563,855	1.4%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (July 2023)

Forecast	Actual	Actual-Forecast	Difference
\$ 13,754,426	\$ 12,369,134	\$ (1,385,292)	-10.1%



Data Source: King County EBS Accts 44233, 44234, 44235, 44249, 44253, and 44269

Transit Fare Charges Comparison (July 2023)

Forecast	Actual	Actual-Forecast	Difference
\$ 5,827,919	\$ 6,244,839	\$ 416,720	7.2%

Appendix
King County Taxable Retail Sales by Industry
 (Current obligations: June 2022 – June 2023)

NAICS Category	2-digit NAICS	Jun-22	Jun-23	Percent change (2022-2023)
Agriculture	11	\$ 1,269,622	\$ 1,406,567	10.8%
Mining	21	963,991	846,303	-12.2%
Utilities	22	9,352,329	11,107,549	18.8%
Construction	23	1,690,027,775	1,829,065,995	8.2%
Manufacturing	31-33	198,224,445	185,046,452	-6.6%
Wholesale	41-42	497,745,081	490,974,313	-1.4%
Retail Trade	44-45	2,645,900,910	2,714,594,757	2.6%
Transportation and Warehousing	48-49	139,827,542	118,336,257	-15.4%
Information	51	383,312,473	504,179,430	31.5%
Finance & Insurance	52	74,523,762	64,279,918	-13.7%
Real Estate, Rental, Leasing	53	195,633,458	210,521,541	7.6%
Professional, Scientific, Technical Services	54	349,910,571	332,427,139	-5.0%
Management, Education and Health Services	55-62	471,254,296	482,212,291	2.3%
Arts, Entertainment and Recreation	71	74,870,058	87,898,906	17.4%
Accommodations, Food Services	72	837,675,138	909,041,730	8.5%
Other Services	81	162,235,568	173,270,459	6.8%
Public Administration	92	96,764,542	93,791,127	-3.1%
Other		4,195,468	-	-100.0%
Total-All Industries		\$ 7,833,687,028	\$ 8,209,000,737	4.8%
NAICS Category	3-digit NAICS	Jun-22	Jun-23	Percentage change (2022-2023)
Construction				
Construction of Buildings	236	\$ 1,108,451,030	\$ 1,228,238,797	10.8%
Heavy and Civil Engineering Construction	237	92,075,127	102,602,791	11.4%
Specialty Trade Contractors	238	489,501,618	498,224,406	1.8%
Retail				
Motor Vehicle and Parts Dealers	441	575,878,385	602,004,514	4.5%
Building Material and Garden Equipment and Supplies Dealers	444	243,769,521	223,692,509	-8.2%
Food and Beverage Stores	445	150,459,798	150,369,588	-0.1%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	341,500,708	348,060,208	1.9%
General Merchandise Retailers	455	294,508,684	297,735,339	1.1%
Health and Personal Care Retailers	456	115,183,206	112,807,722	-2.1%
Gasoline Stations and Fuel Dealers	457	49,624,448	51,499,149	3.8%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	201,444,899	199,596,802	-0.9%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailers	459	673,531,263	728,828,925	8.2%
Wholesale				
Wholesale: Durable Goods	423	400,688,204	404,203,951	0.9%
Wholesale: Nondurable Goods	424	91,561,194	81,029,616	-11.5%
Wholesale: Electronic Markets	425	5,495,683	5,740,746	4.5%
Food Service and Accommodations				
Accommodation	721	222,955,311	237,067,545	6.3%
Food Services and Drinking Places	722	614,719,827	671,974,185	9.3%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	Jun-22	Jun-23	Percentage change (2022-2023)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 118,477,358	\$ 107,946,600	-8.9%
Book Retailers and News Dealers	4592	8,887,650	9,136,871	2.8%
Florists	4593	3,670,699	3,371,482	-8.2%
Office Supplies, Stationery, and Gift Retailers	4594	27,558,424	27,192,117	-1.3%
Used Merchandise Retailers	4595	11,215,573	11,859,810	5.7%
Other Miscellaneous Retailers	4599	503,721,557	569,322,044	13.0%