



King County
Office of Economic and Financial Analysis
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MEMORANDUM

DATE: July 29, 2024
 TO: King County Forecast Council
 FROM: Lizbeth Martin-Mahar, Laurie Elofson, Tony Cacallori
 RE: King County Revenue through June 2024

**Actuals Compared to Budget Forecast - King County Revenue
 (through June 2024 unless noted)¹**

Revenue	YTD Forecast (2024 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	\$ 218,370,000	\$ 219,162,346	\$ 792,346	0.4%
UAL/Roads Levy^	\$ 53,230,000	\$ 53,366,757	\$ 136,757	0.3%
Parks Levy^	\$ 84,830,000	\$ 84,470,709	\$ (359,291)	-0.4%
AFIS Levy^	\$ 12,750,000	\$ 12,726,121	\$ (23,879)	-0.2%
Veterans, Seniors, & HS Levy (1143)^	\$ 43,670,000	\$ 43,414,093	\$ (255,907)	-0.6%
Conservation Futures Levy (3151)^	\$ 27,200,000	\$ 26,832,941	\$ (367,059)	-1.3%
EMS Levy^	\$ 60,510,000	\$ 63,549,614	\$ 3,039,614	5.0%
Transit Levy^	\$ 17,720,000	\$ 17,675,000	\$ (45,000)	-0.3%
Marine Levy^	\$ 3,700,000	\$ 3,701,682	\$ 1,682	0.0%
Puget Sound Emergency Radio^	\$ 19,650,000	\$ 19,607,756	\$ (42,244)	-0.2%
Best Starts for Kids Levy^	\$ 78,520,000	\$ 78,265,577	\$ (254,423)	-0.3%
Crisis Care Centers Levy^	\$ 63,280,000	\$ 62,056,643	\$ (1,223,357)	-1.9%
P&I on Delinquent Property Taxes	\$ 9,930,000	\$ 11,737,824	\$ 1,807,824	18.2%
Sales Tax - Local Option (5/24)	\$ 70,620,000	\$ 68,536,665	\$ (2,083,335)	-3.0%
Sales Tax-Criminal Justice (5/24)	\$ 7,410,000	\$ 7,202,925	\$ (207,075)	-2.8%
Sales Tax-MIDD (5/24)	\$ 36,820,000	\$ 35,837,811	\$ (982,189)	-2.7%
Sales Tax - Transit (5/24)	\$ 336,950,000	\$ 327,080,404	\$ (9,869,596)	-2.9%
Sales Tax - Health Through Housing (5/24)	\$ 27,580,000	\$ 27,443,915	\$ (136,085)	-0.5%
Sales Tax - Cultural Access Program (5/24)	\$ 15,120,000	\$ 14,435,006	\$ (684,994)	-4.5%
Marijuana Excise Tax	\$ 1,400,000	\$ 1,552,922	\$ 152,922	10.9%
MV Fuel Tax-Roads+	\$ 5,590,000	\$ 5,174,453	\$ (415,547)	-7.4%
E-911 Excise Tax (5/24)	\$ 11,370,000	\$ 10,520,718	\$ (849,282)	-7.5%
Hotel/Motel Tax (5/24)	\$ 14,500,000	\$ 13,672,551	\$ (827,449)	-5.7%
Lodging Tax (HB 2015) (5/24)	\$ 1,640,000	\$ 2,118,378	\$ 478,378	29.2%
REET 1 Revenue	\$ 4,010,000	\$ 4,374,763	\$ 364,763	9.1%
Wastewater Revenues+	\$ 256,710,000	\$ 255,995,039	\$ (714,961)	-0.3%
Solid Waste Net Disposal Charges+	\$ 85,130,000	\$ 81,037,264	\$ (4,092,736)	-4.8%
Transit Fare+	\$ 25,130,000	\$ 32,022,156	\$ 6,892,156	27.4%

¹ 2024 actual values are preliminary and subject to adjustment.
 * 2024 budget is 97.5% of levy ordinance
 ^ 2024 budget is 99% of levy ordinance
 + 2024 budget is from Agency budget documents reflecting changes made in 2023 2nd omnibus.
 All other taxes' 2024 budget based on OEFA March 2024 Forecast

2024 Actuals Compared to Budget Forecasts

Through the end of June 2024, property tax revenues combined for all levies are above forecast by \$1.4 million or 0.2 percent. This includes the first half of the property tax collections for 2024. The year-to-date differences in the actuals versus the March forecast for individual levies is between -1.9 and 5 percent. The EMS levy has come in the strongest at \$3 million, 5 percent, above the March forecast. However, two levies, Conservation futures and Crisis Care Center levies have seen actuals come in below forecast by more than 1% at -1.3 and -1.9 percent, respectively. The first six months of collections of penalties and interest on delinquent property taxes came in \$1.4 million or 17 percent above forecast.

Total taxable sales, categorized by industry sectors, were down in the first five months of 2024 by 1.7 percent yoy. Year-to-date, some industry sectors were up: management of companies up 81.5 percent, utilities up 39.7 percent, educational services up 32.7 percent, transportation and warehousing up 13.7 percent, health care and social assistance up 20.3 percent and arts, entertainment and recreation up 6.7 percent over last year. Some sectors for the first five months of 2024 were down from last year like retail trade sales down 0.5 percent (yoy), construction sales down 8.1 percent (yoy), information sales down 12.4 percent (yoy), finance and insurance down 5.5 percent, administrative and support and waste management down 4.2 percent (yoy), and manufacturing sales down 3.7 percent (yoy). An appendix to this memo provides King County taxable retail sales by industry for the most recent month May 2024 compared to May 2023. This table indicates that in the month of May, total taxable sales were down year over year by 3.8 percent. The areas of growth in taxable sales over a year ago included transportation & warehousing (up 18 percent), wholesale (up 12 percent), manufacturing (up 12.3 percent), utilities (up 12.5 percent), finance & insurance (up 6.4 percent) and professional services (up 6 percent). Some industries taxable sales in May were down over last year like information (down 24.5 percent), construction (down 10 percent), management, education and health services (down 15 percent) and retail (down 3.5 percent).

The first five months of 2024 saw sales taxes below the March forecast by \$13.9 million, 2.8 percent, for all six sales tax levies. Sales tax distributions for transit were down the most at 2.9 percent or \$9.9 million from the March forecast. Three other sales tax levies, the local option, MIDD and criminal justice were each down around 3 percent from the March forecast through April. The sales taxes for Health through Housing were down the smallest percentage by -0.5 percent, for the first five months of 2024. The Cultural Access Program sales tax had its second month of collection, which came in collectively below projections (4.5 percent below).

Other revenue streams that deviated from forecast by more than one percent included the marijuana excise tax being up 10.9 percent cumulatively for the first two quarters. Real estate excise taxes were currently tracking 9.1 percent above forecast, and lodging tax (HB 2015) was up 29.2 percent over projections in March for the first five months. Other forecasts were below forecast for the first five months by more than one percent: hotel/motel taxes (5.7 percent below), E-911 excise taxes (7.5 percent below), motor vehicle fuel taxes (7.4 percent below) and solid waste charges (4.8 percent below).

2024 Actuals Compared to OEFA July Forecasts

On July 22, 2024, the King County Forecast Council adopted a new July 2024 revenue forecast. This forecast has minor modifications to the March 2024 forecast used for setting the 2024 budget. One important element of revision in the July 2024 revenue forecast was the forecast for King County taxable sales as it was reduced by more than 3 percent. This resulted in a lower forecast for sales tax levies. The 2024 property tax levies were not changed in the July forecast from March as these levies are already set by the King County assessor.

Below is a table comparing the monthly 2024 OEFA July forecasts to the monthly actuals received so far in 2024 for those OEFA forecasts that were impacted by the July revisions from the March forecast.

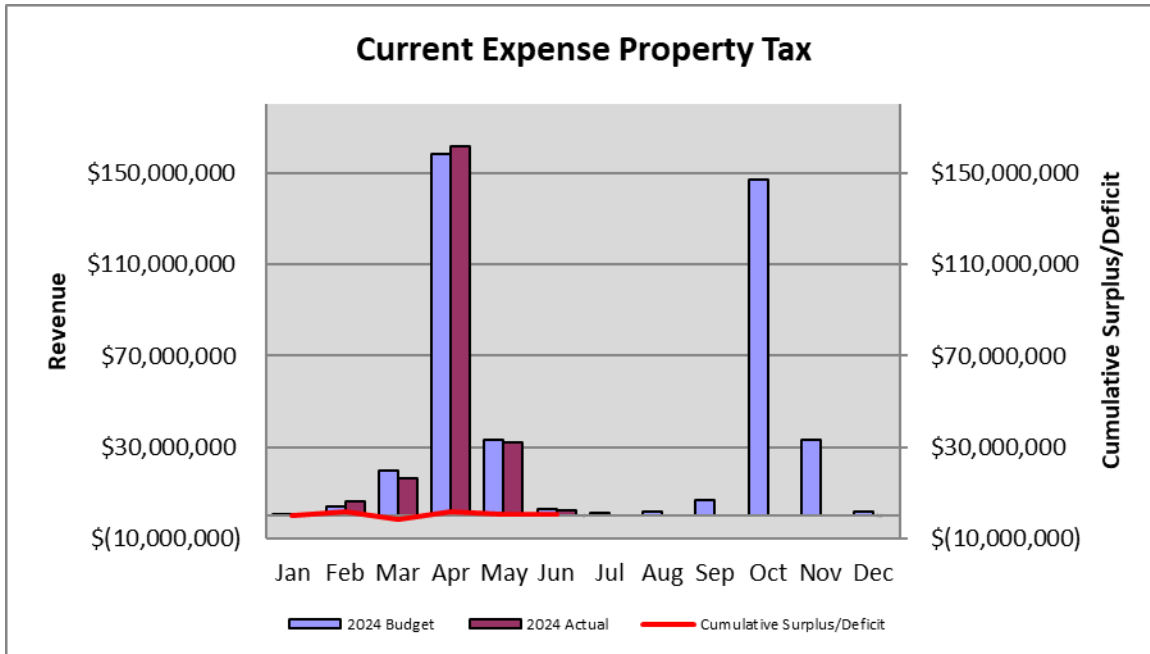
Since the July forecast for taxable sales was revised downward by more than 3% in 2024 from the March forecast, the difference in actual sales tax levies cumulatively for the first five months is up \$2.5 million, 0.5 percent, from the July forecast.

In July, the marijuana, lodging tax and REET 1 forecasts were each revised upward from the March forecast. Now for the first five months of 2024 actuals compared to the July forecast is up for the marijuana excise tax by \$112,922, 7.8 percent and the lodging tax was also up now by \$378,378 or 21.7 percent. The hotel/motel tax was also now above the new July forecast by \$1.7 million, 13.8 percent. The REET 1 actuals compared to the new July forecast is down by -1.9 percent and the E-911 excise tax actuals were also still below the July forecast by -\$539,282, -4.9 percent.

**Actuals Compared to OEFA July Forecast - King County Revenue
 (through June 2024 unless noted)**

Revenue	YTD Forecast (July Forecast)	YTD Actual	Actual - Forecast	Difference (percentage)
P&I on Delinquent Property Taxes	\$ 11,680,000	\$ 11,737,824	\$ 57,824	0.5%
Sales Tax - Local Option (5/24)	\$ 68,270,000	\$ 68,536,665	\$ 266,665	0.4%
Sales Tax-Criminal Justice (5/24)	\$ 7,160,000	\$ 7,202,925	\$ 42,925	0.6%
Sales Tax-MIDD (5/24)	\$ 35,590,000	\$ 35,837,811	\$ 247,811	0.7%
Sales Tax - Transit (5/24)	\$ 325,720,000	\$ 327,080,404	\$ 1,360,404	0.4%
Sales Tax - Health Through Housing (5/24)	\$ 26,660,000	\$ 27,443,915	\$ 783,915	2.9%
Sales Tax - Cultural Access Program (5/24)	\$ 14,610,000	\$ 14,435,006	\$ (174,994)	-1.2%
Marijuana Excise Tax	\$ 1,440,000	\$ 1,552,922	\$ 112,922	7.8%
E-911 Excise Tax (5/24)	\$ 11,060,000	\$ 10,520,718	\$ (539,282)	-4.9%
Hotel/Motel Tax (5/24)	\$ 12,010,000	\$ 13,672,551	\$ 1,662,551	13.8%
Lodging Tax (HB 2015) (5/24)	\$ 1,740,000	\$ 2,118,378	\$ 378,378	21.7%
REET 1 Revenue	\$ 4,460,000	\$ 4,373,053	\$ (86,947)	-1.9%

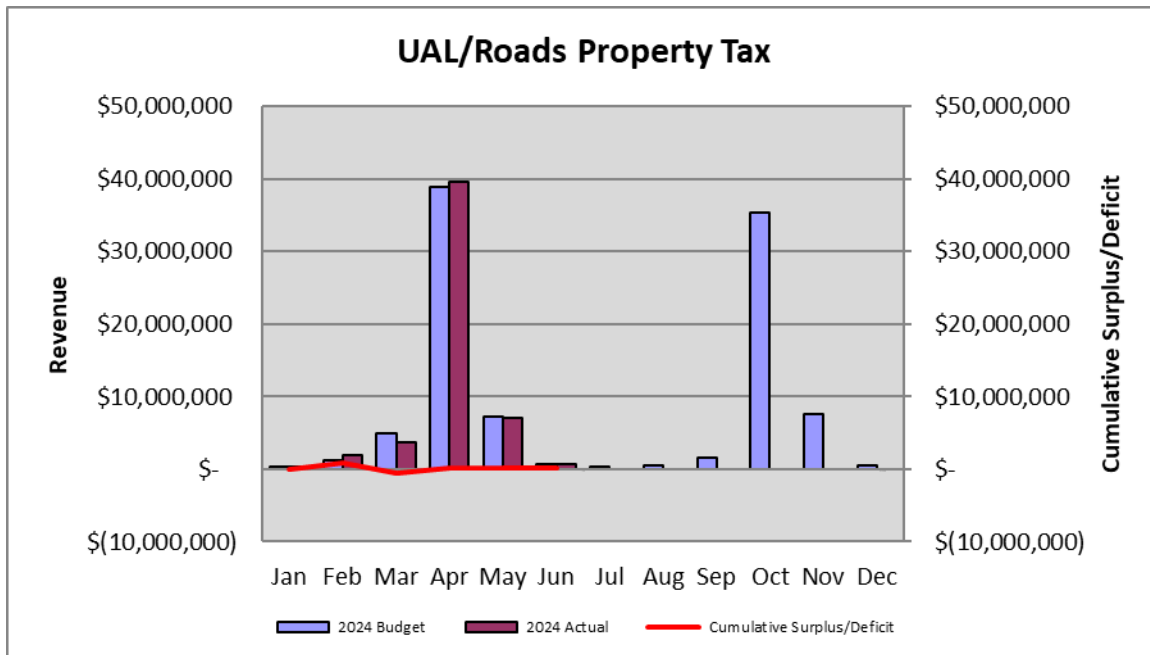
The graphs on the following pages indicate revenues from specific funds, including comparisons between monthly revenues as forecasted in March, shown by the blue bars, actual monthly revenues, indicated by the burgundy bars and the red line showing the cumulative difference between March forecasts and actuals. The table below the graphs show the single month of June or May's March forecast, actual and difference for each taxing district's levy.



Data Source: King County EBS Acct 31111 & 31112

Current Expense Taxes Comparison (June 2024)

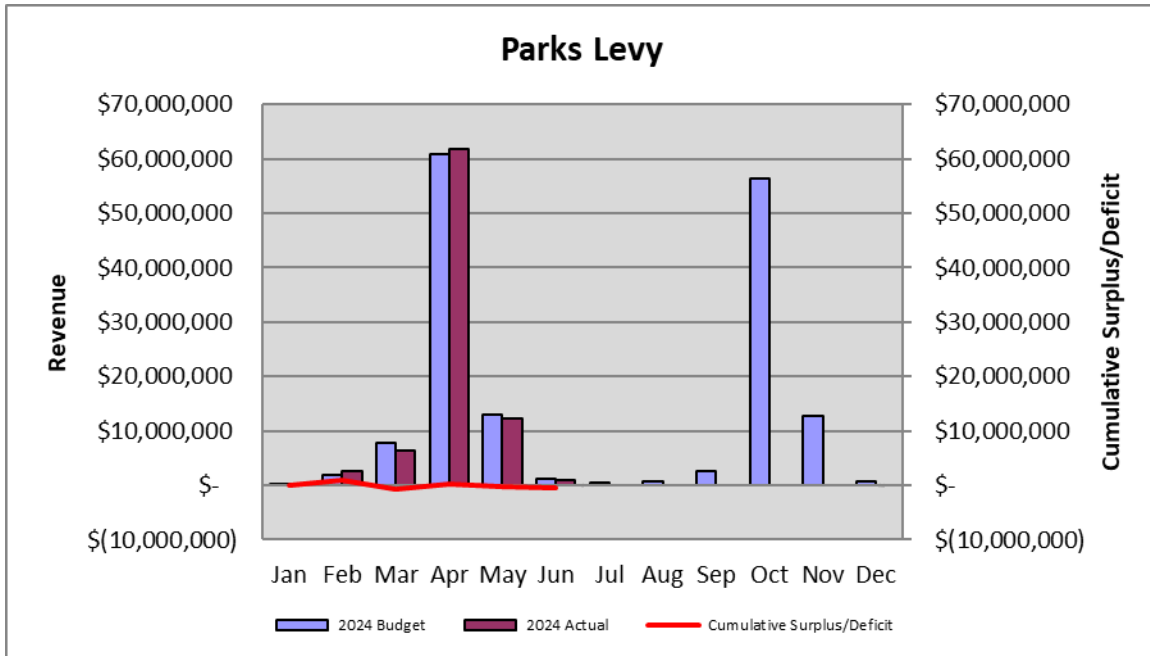
Forecast	Actual	Actual-Forecast	Difference
\$ 2,744,220	\$ 2,644,667	\$ (99,554)	-3.6%



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

UAL/Roads Property Taxes Comparison (June 2024)

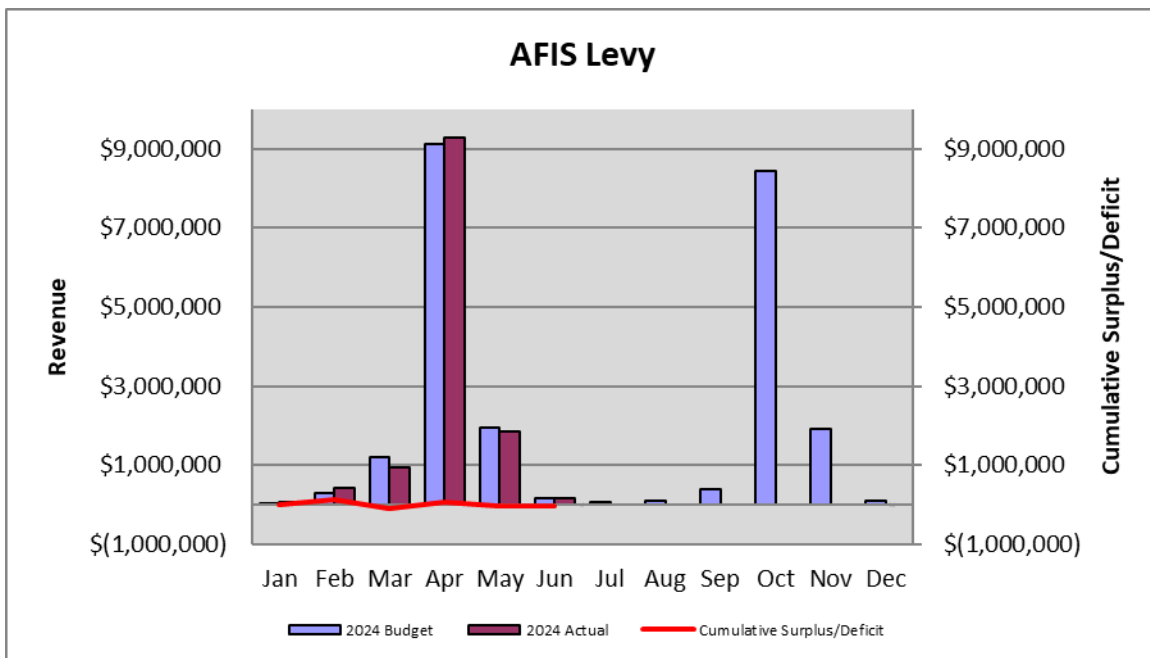
Forecast	Actual	Actual-Forecast	Difference
\$ 744,947	\$ 756,132	\$ 11,186	1.5%



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

Parks Property Taxes Comparison (June 2024)

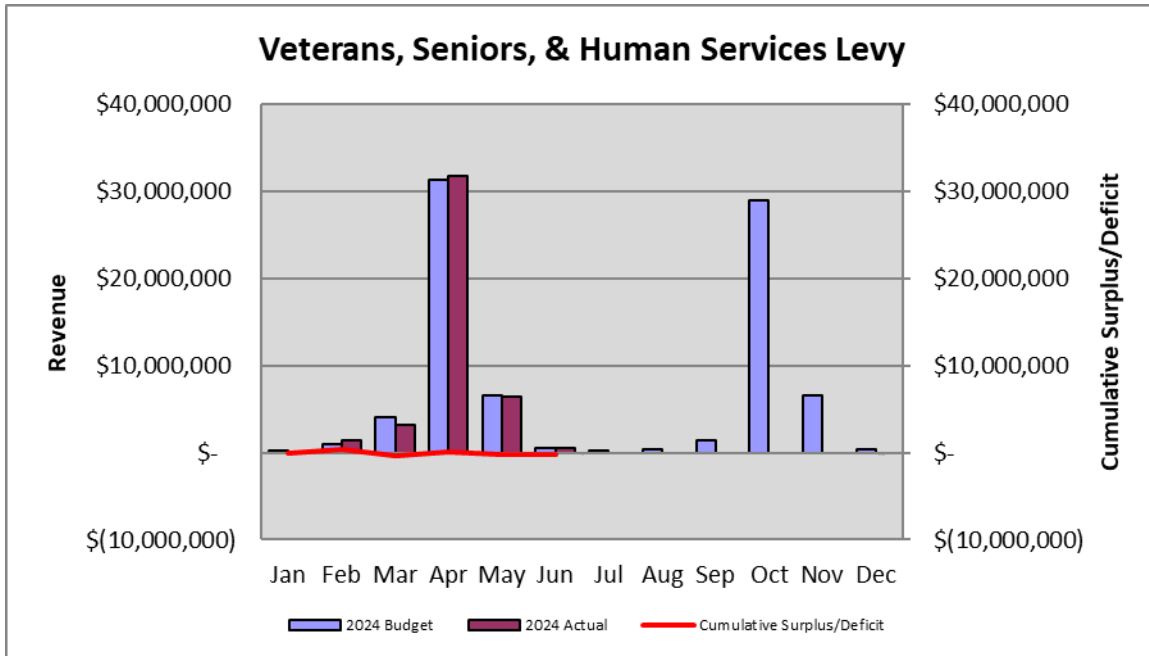
Forecast	Actual	Actual-Forecast	Difference
\$ 1,076,611	\$ 995,211	\$ (81,400)	-7.6%



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

AFIS Property Taxes Comparison (June 2024)

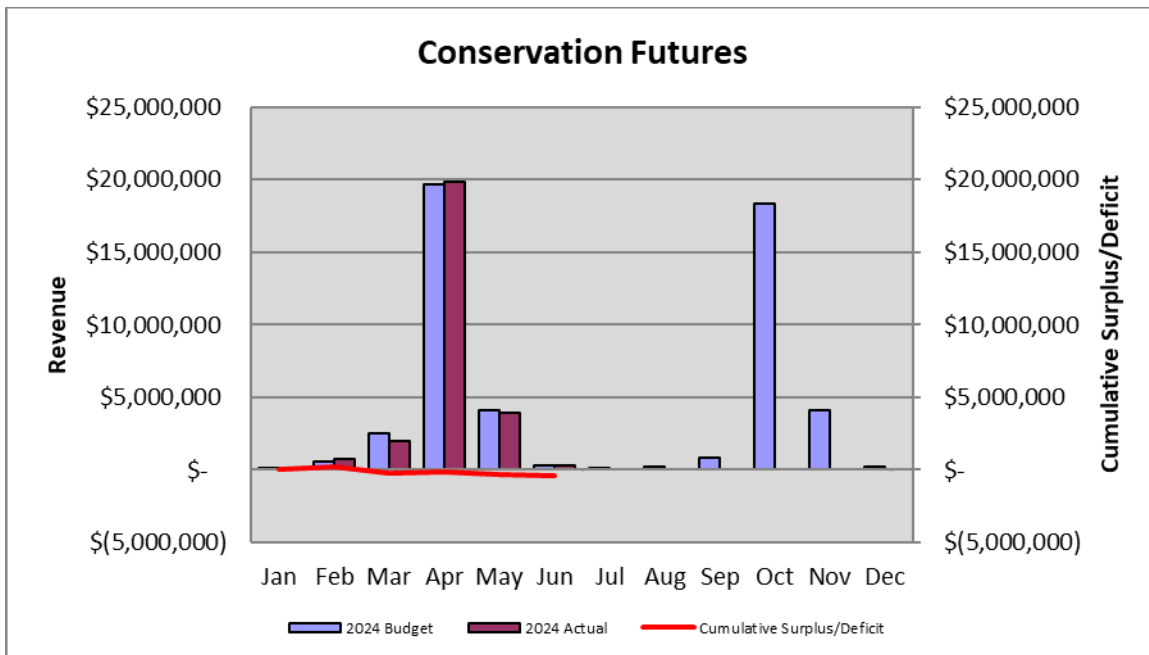
Forecast	Actual	Actual-Forecast	Difference
\$ 164,854	\$ 161,594	\$ (3,260)	-2.0%



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

VSHSL Property Taxes Comparison (June 2024)

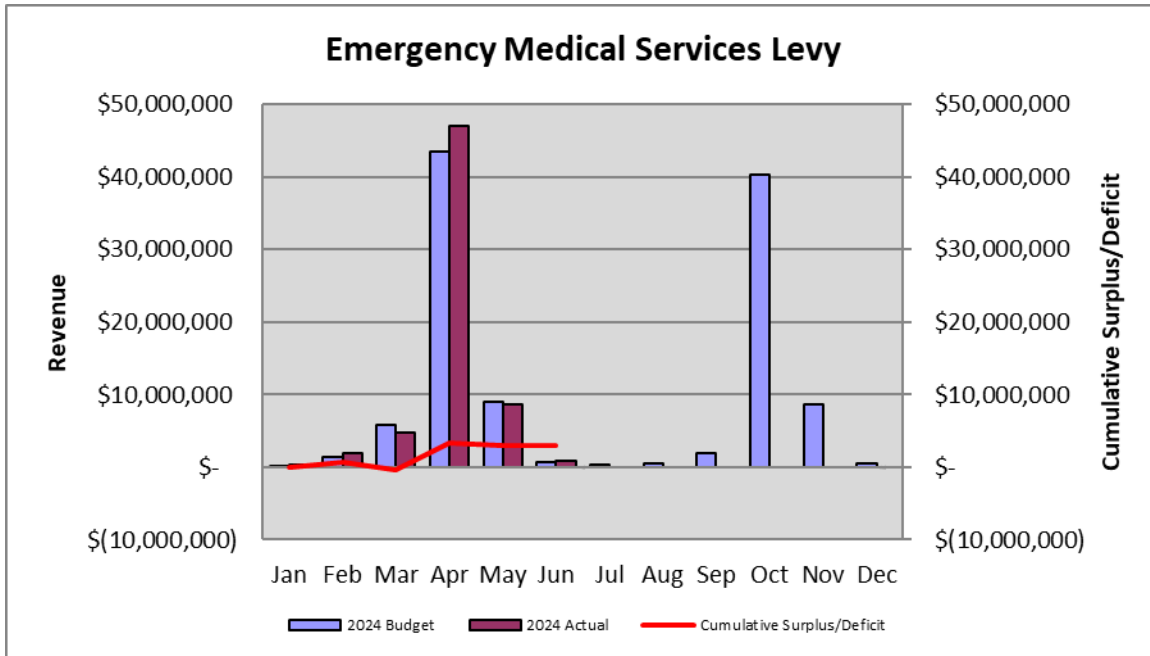
Forecast	Actual	Actual-Forecast	Difference
\$ 555,258	\$ 509,424	\$ (45,833)	-8.3%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (June 2024)

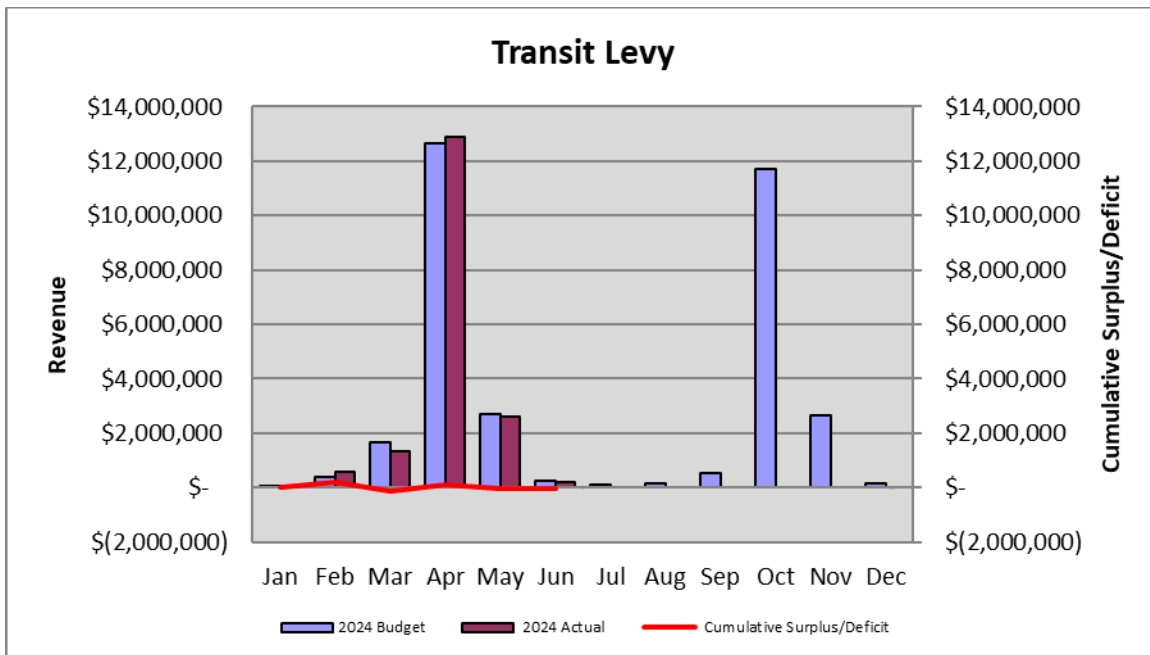
Forecast	Actual	Actual-Forecast	Difference
\$ 341,386	\$ 311,048	\$ (30,338)	-8.9%



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

EMS Property Taxes Comparison (June 2024)

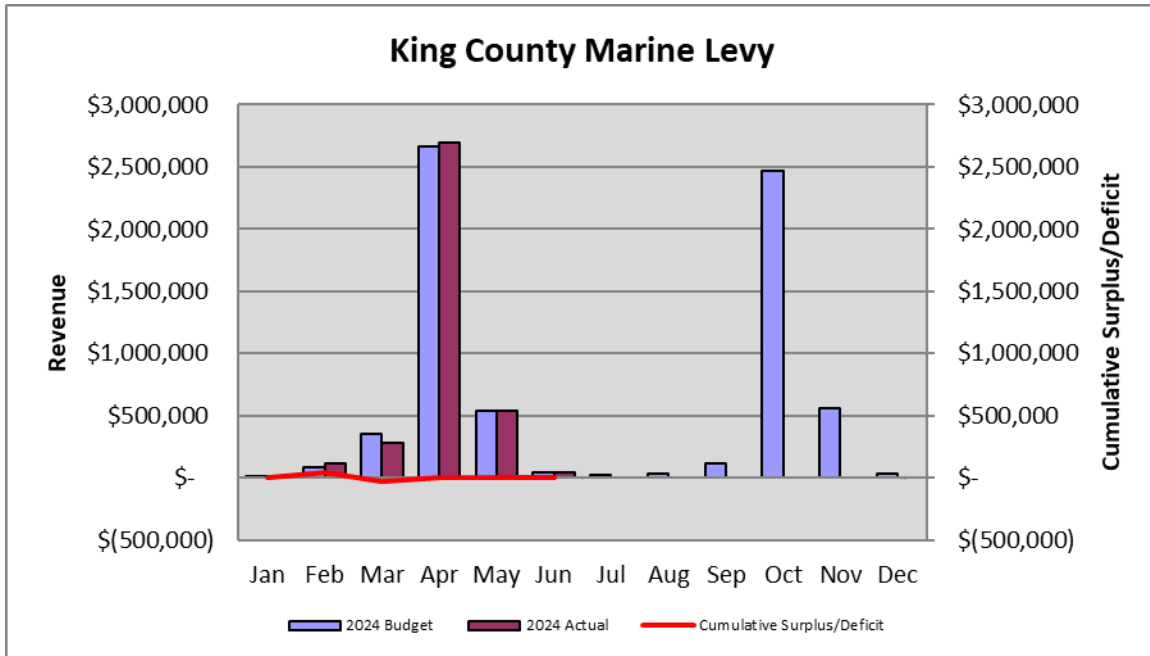
Forecast	Actual	Actual-Forecast	Difference
\$ 753,661	\$ 790,480	\$ 36,819	4.9%



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

Transit Property Taxes Comparison (June 2024)

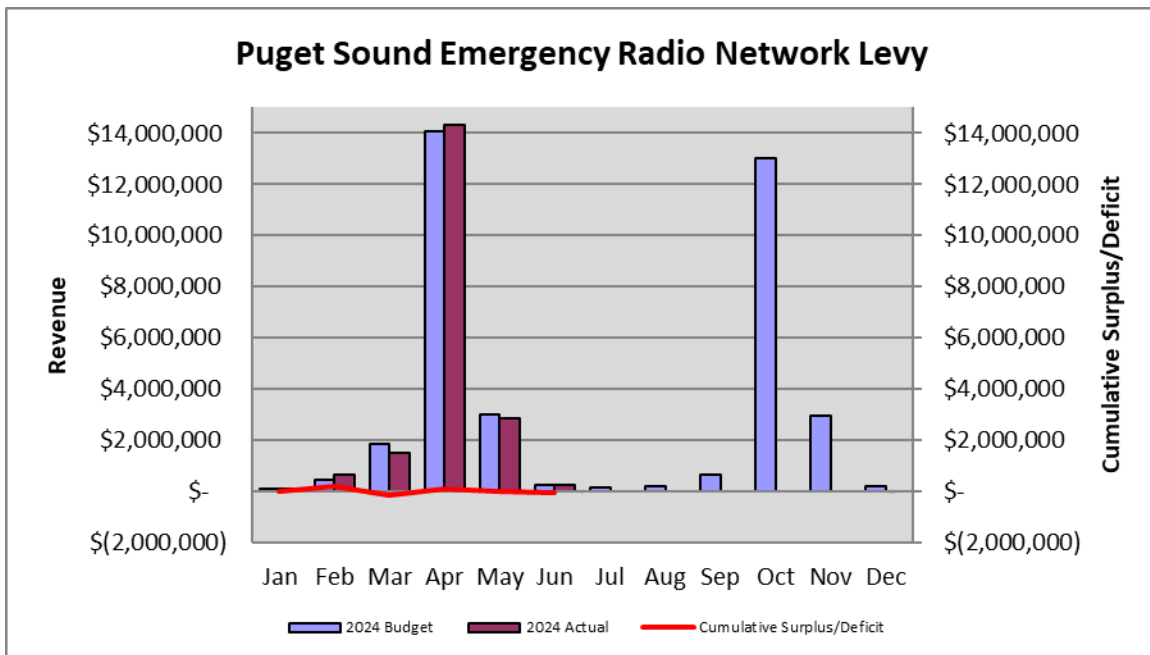
Forecast	Actual	Actual-Forecast	Difference
\$ 228,579	\$ 224,414	\$ (4,165)	-1.8%



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

King County Marine Property Taxes Comparison (June 2024)

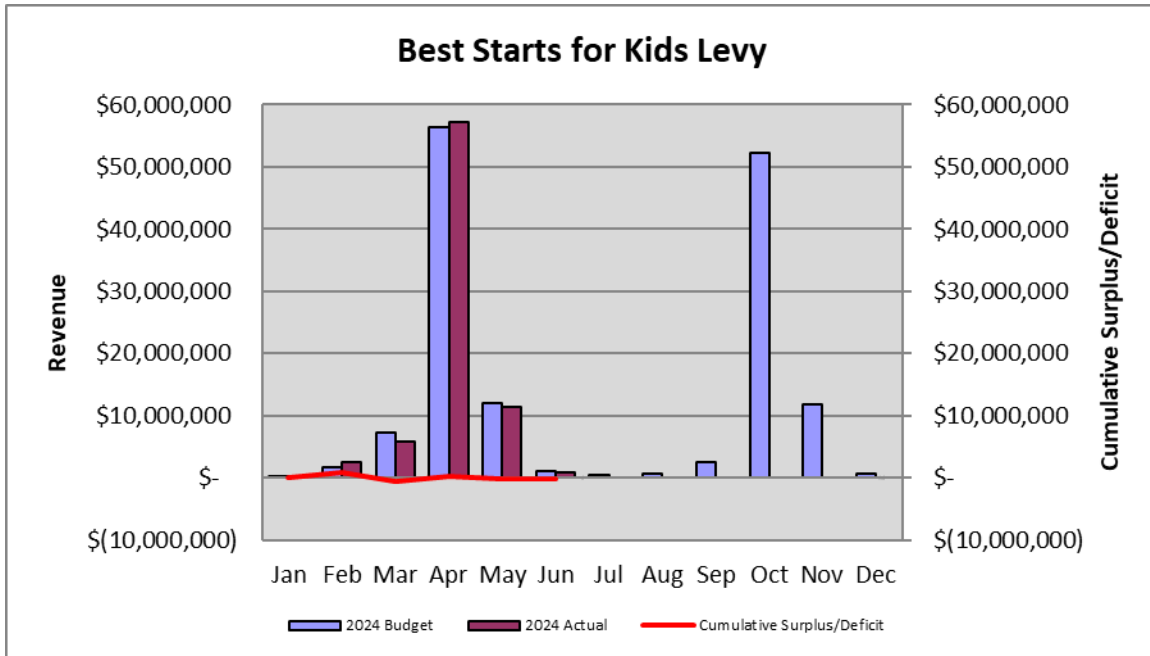
Forecast	Actual	Actual-Forecast	Difference
\$ 48,237	\$ 46,987	\$ (1,251)	-2.6%



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

Puget Sound Emergency Radio Network Property Taxes Comparison (June 2024)

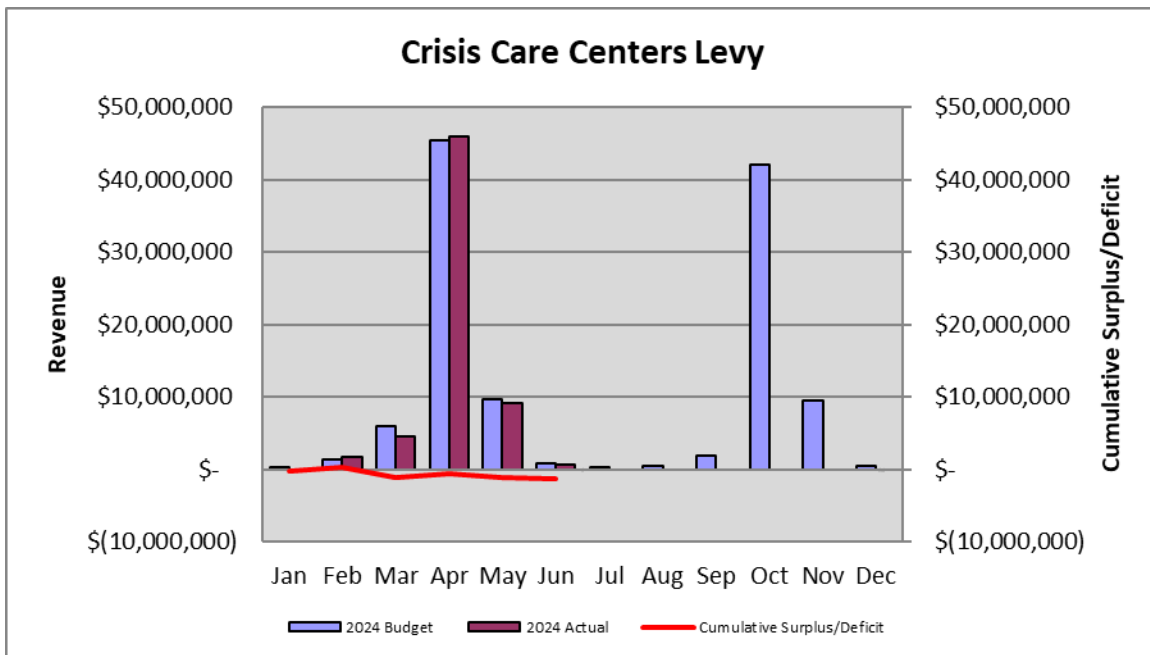
Forecast	Actual	Actual-Forecast	Difference
\$ 253,924	\$ 248,974	\$ (4,950)	-1.9%



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

Best Starts for Kids Property Taxes Comparison (June 2024)

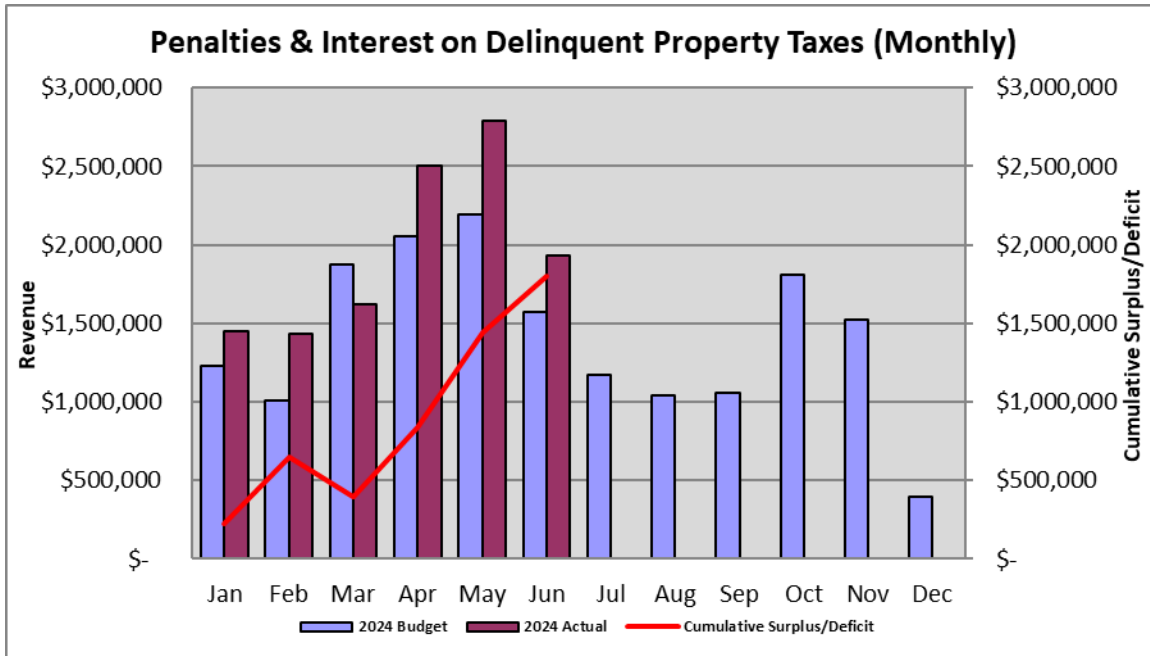
Forecast	Actual	Actual-Forecast	Difference
\$ 1,003,940	\$ 922,206	\$ (81,734)	-8.1%



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

Crisis Care Centers Property Taxes Comparison (June 2024)

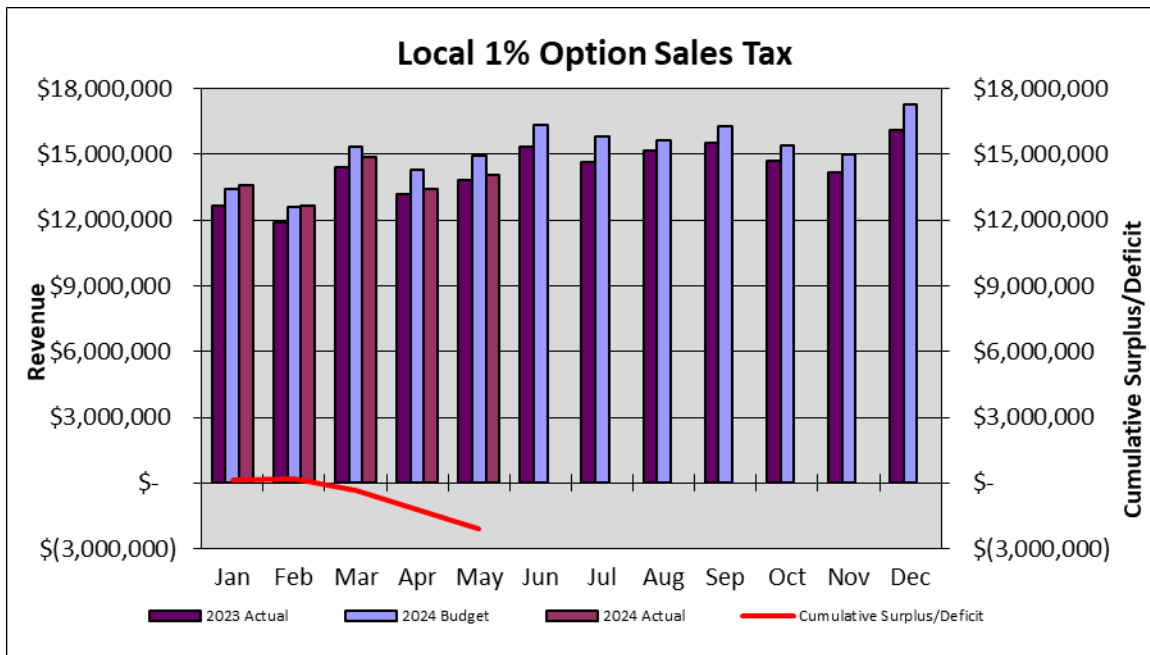
Forecast	Actual	Actual-Forecast	Difference
\$ 809,086	\$ 694,017	\$ (115,070)	-14.2%



Data Source: King County EBS Fund 0010, Acct 31911

Penalties and Interest on Delinquent Property Taxes Comparison (June 2024)

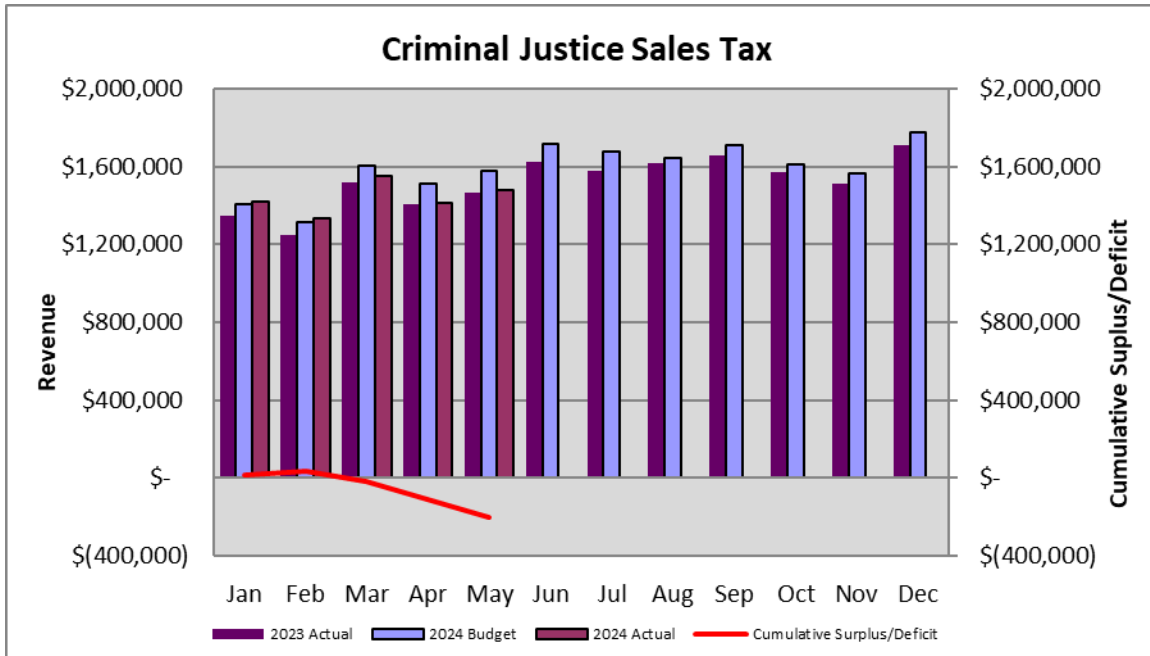
Forecast	Actual	Actual-Forecast	Difference
\$ 1,568,738	\$ 1,933,346	\$ 364,608	23.2%



Data Source: Washington State DOR through May

Local Option Sales Tax Comparison (May 2024)

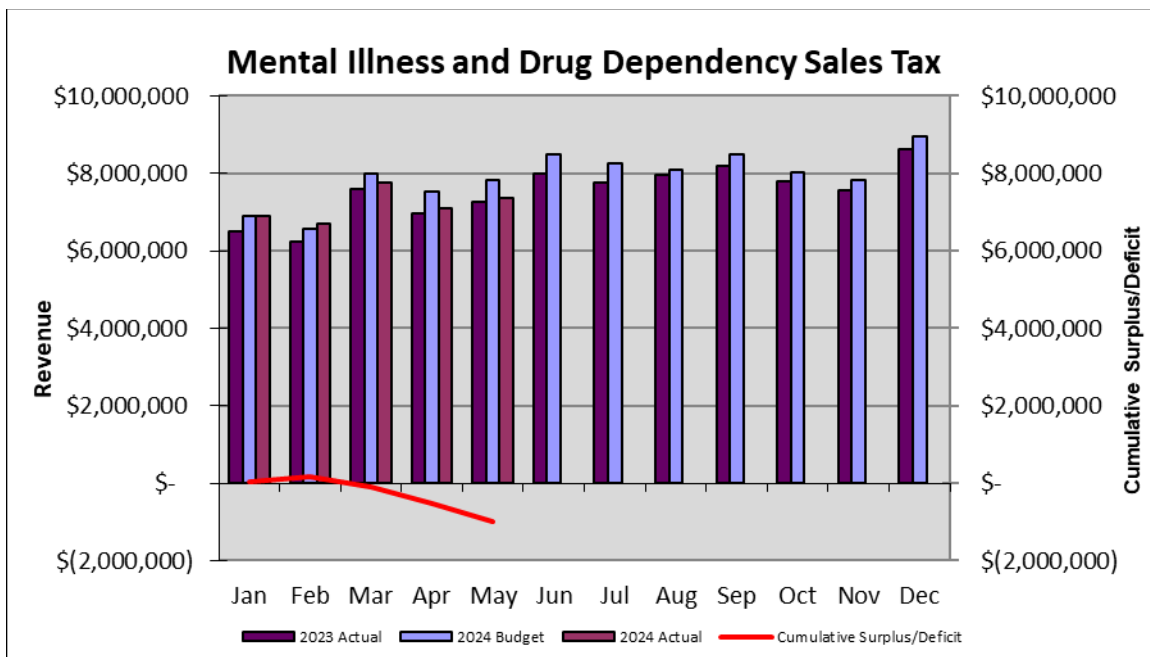
Forecast	Actual	Actual-Forecast	Difference
\$ 14,931,868	\$ 14,035,547	\$ (896,321)	-6.0%



Data Source: Washington DOR through May

CJ Sales Tax Comparison (May 2024)

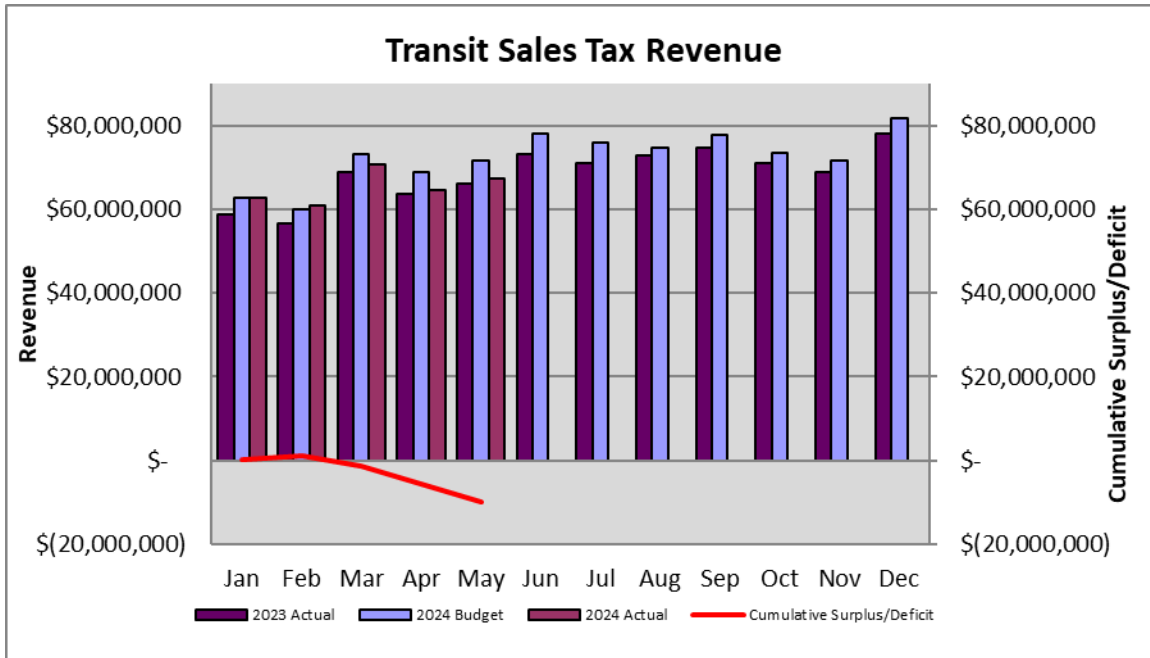
Forecast	Actual	Actual-Forecast	Difference
\$ 1,577,552	\$ 1,481,418	\$ (96,134)	-6.1%



Data Source: Washington DOR through May

MIDD Sales Tax Comparison (May 2024)

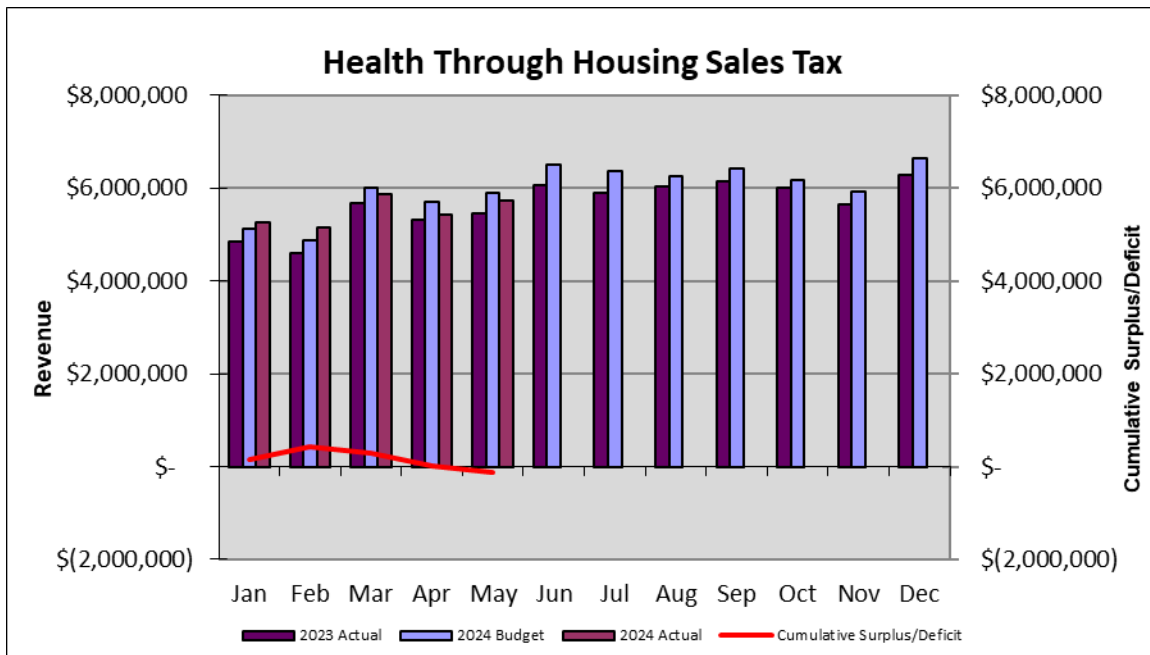
Forecast	Actual	Actual-Forecast	Difference
\$ 7,827,026	\$ 7,371,907	\$ (455,119)	-5.8%



Data Source: Washington DOR through May

Transit Sales Tax Comparison (May 2024)

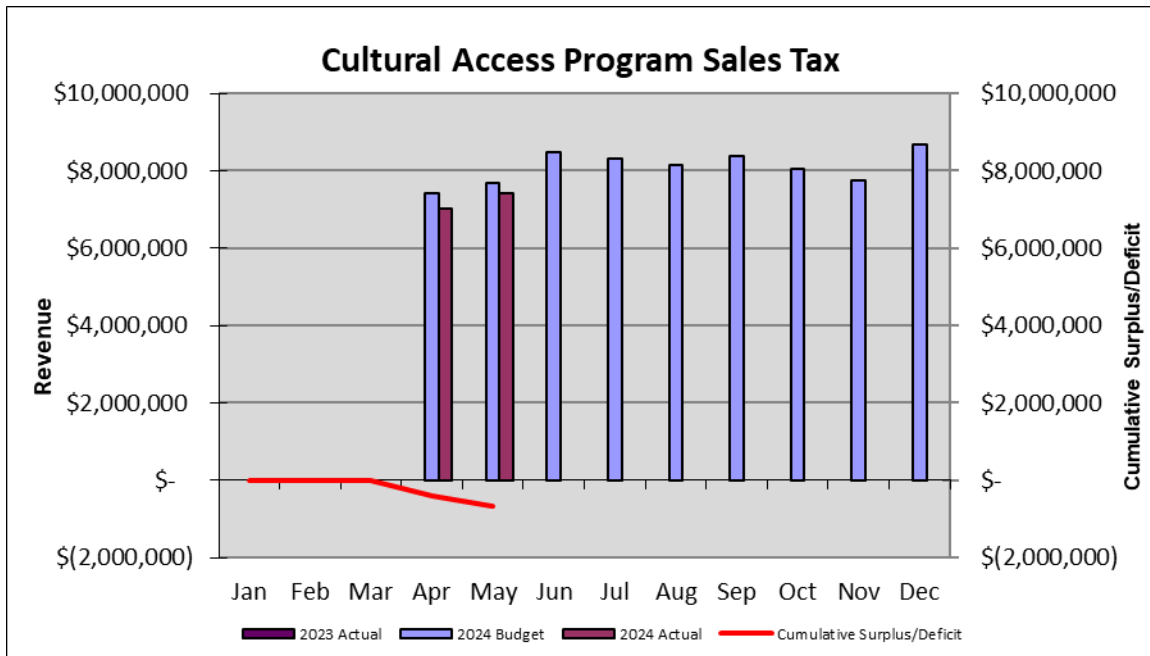
Forecast	Actual	Actual-Forecast	Difference
\$ 71,832,403	\$ 67,571,546	\$ (4,260,857)	-5.9%



Data Source: Washington DOR through May

HTH Sales Tax Comparison (May 2024)

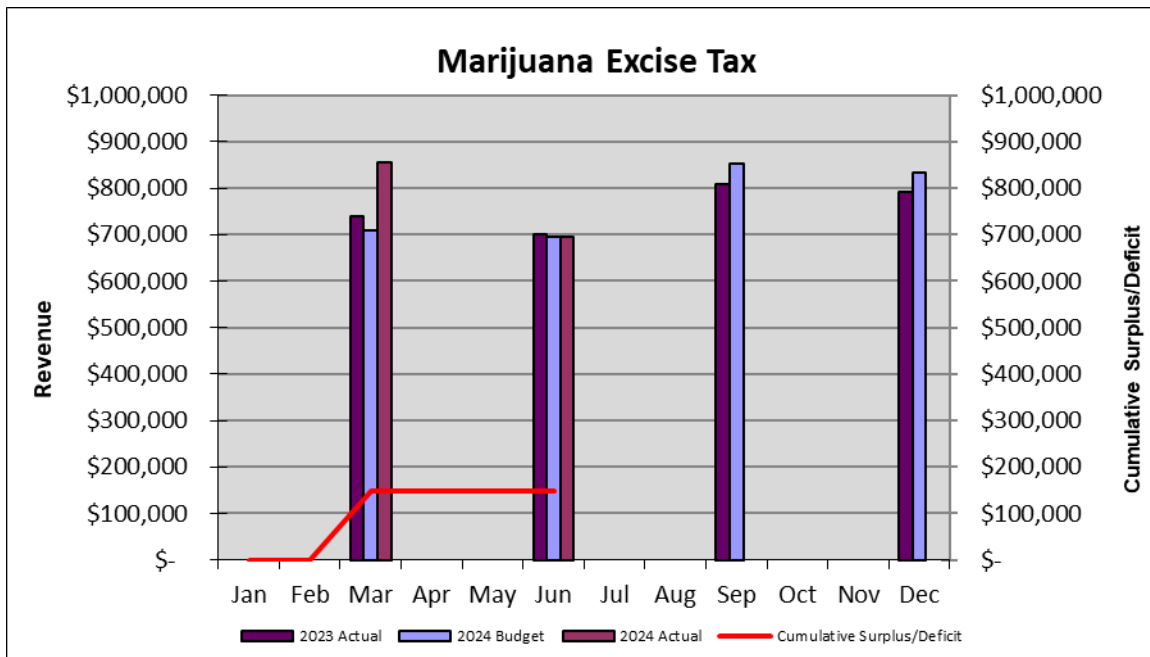
Forecast	Actual	Actual-Forecast	Difference
\$ 5,898,524	\$ 5,740,259	\$ (158,264)	-2.7%



Data Source: Washington DOR through May

CAP Sales Tax Comparison (May 2024)

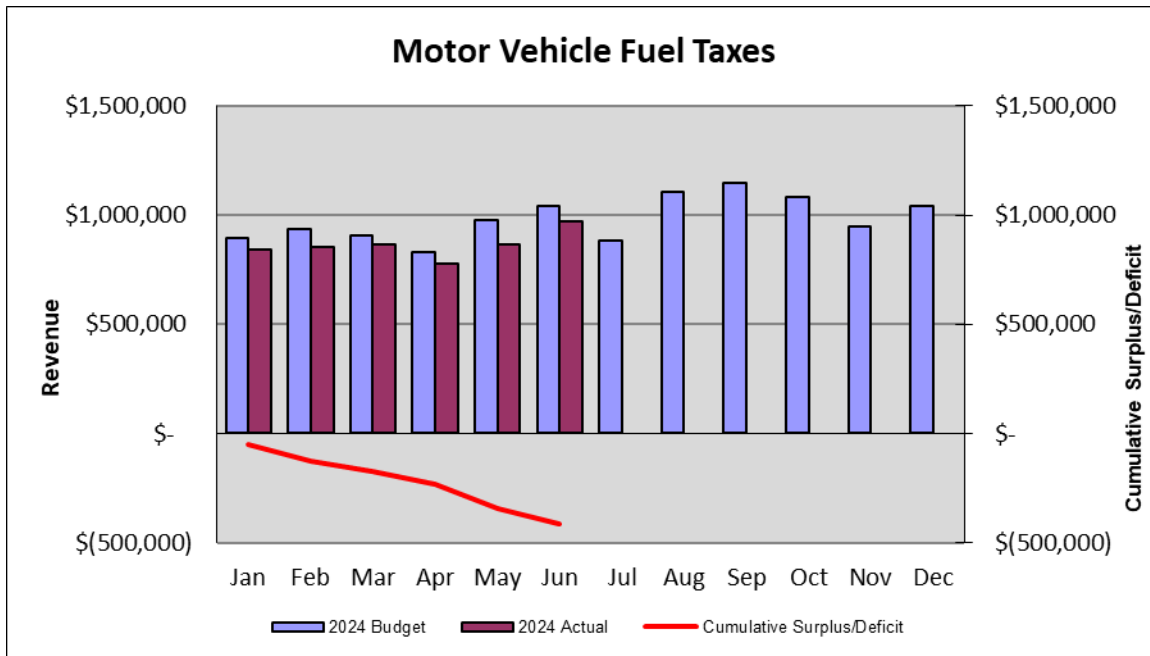
Forecast	Actual	Actual-Forecast	Difference
\$ 7,692,588	\$ 7,404,941	\$ (287,647)	-3.7%



Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (June 2024)

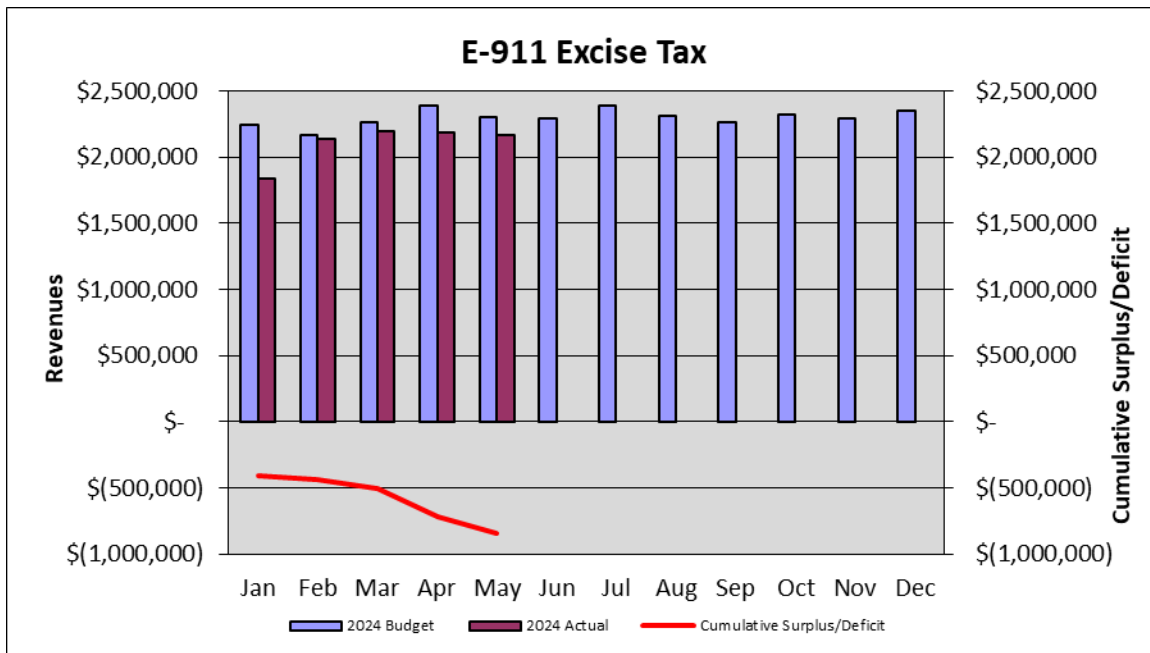
Forecast	Actual	Actual-Forecast	Difference
\$ 695,399	\$ 696,486	\$ 1,087	0.2%



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (June 2024)

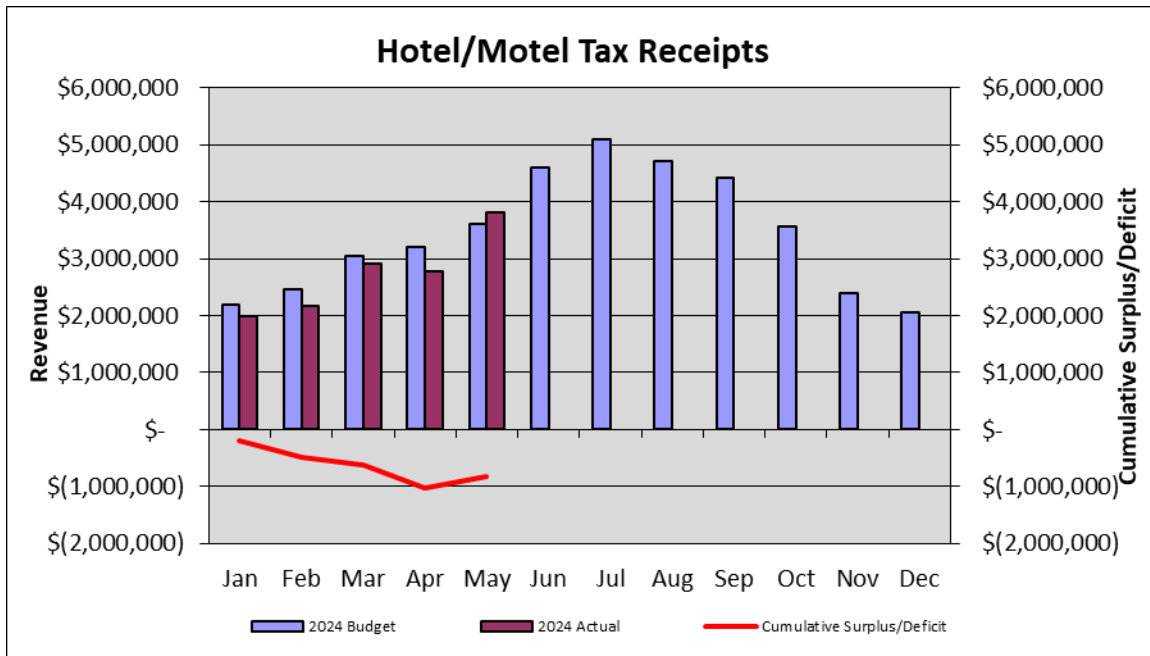
Forecast	Actual	Actual-Forecast	Difference
\$ 1,043,035	\$ 969,362	\$ (73,673)	-7.1%



Data Source: Washington DOR through May

E-911 Excise Tax Comparison (May 2024)

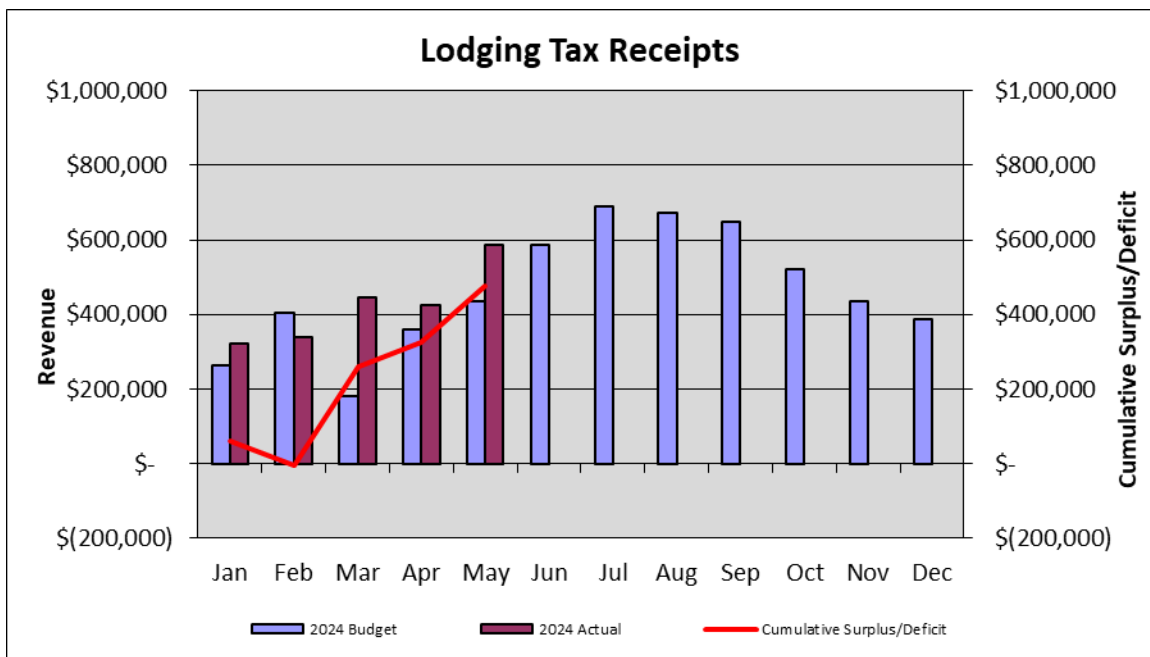
Forecast	Actual	Actual-Forecast	Difference
\$ 2,297,966	\$ 2,170,252	\$ (127,714)	-5.6%



Data Source: Washington DOR through May

Hotel/Motel Tax Comparison (May 2024)

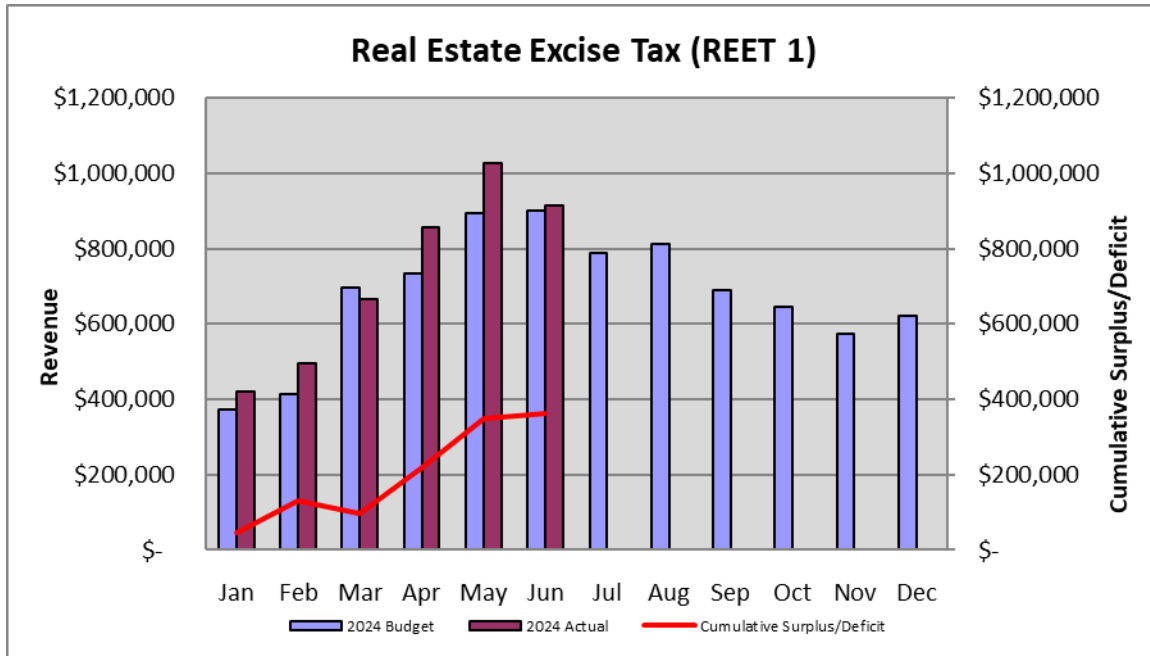
Forecast	Actual	Actual-Forecast	Difference
\$ 3,602,053	\$ 3,808,844	\$ 206,791	5.7%



Data Source: Seattle Convention Center through May

Lodging Tax Comparison (May 2024)

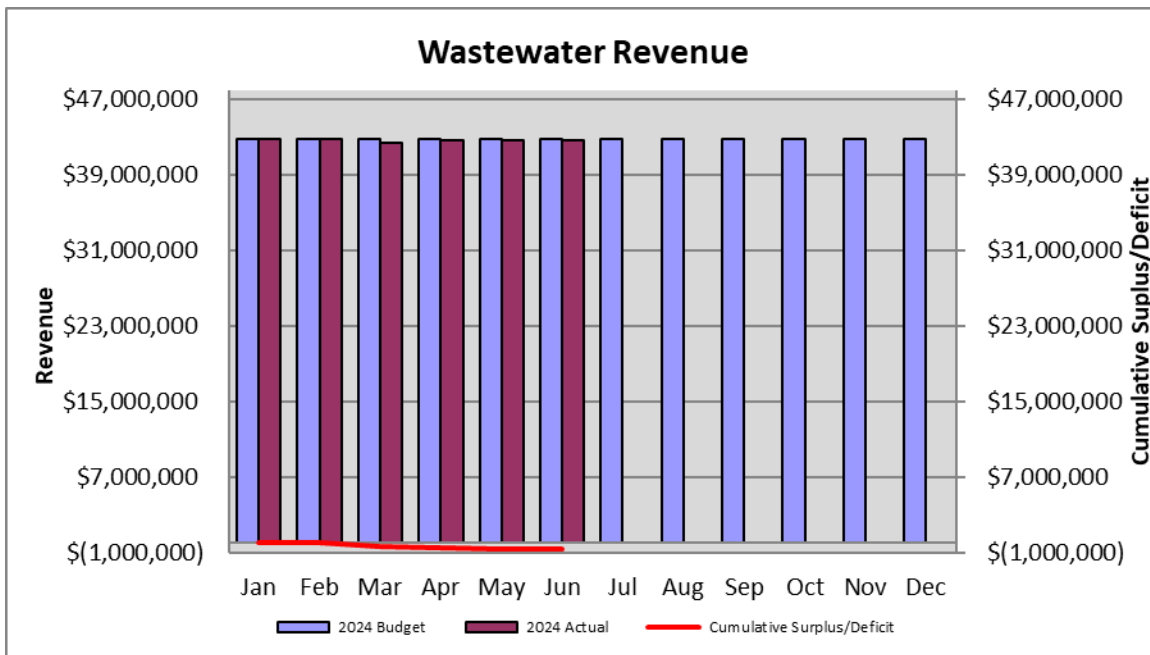
Forecast	Actual	Actual-Forecast	Difference
\$ 434,475	\$ 586,570	\$ 152,095	35.0%



Data Source: King County EBS Acct 31734

Real Estate Excise Tax (REET 1) Comparison (June 2024)

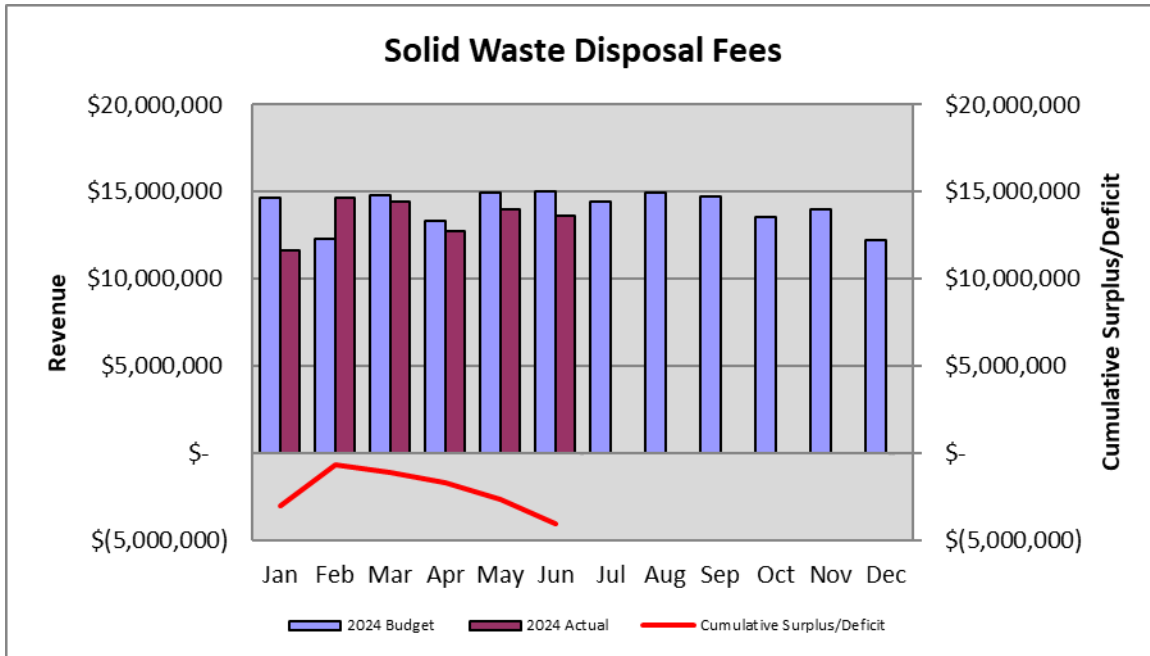
Forecast	Actual	Actual-Forecast	Difference
\$ 900,293	\$ 912,570	\$ 12,277	1.4%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (June 2024)

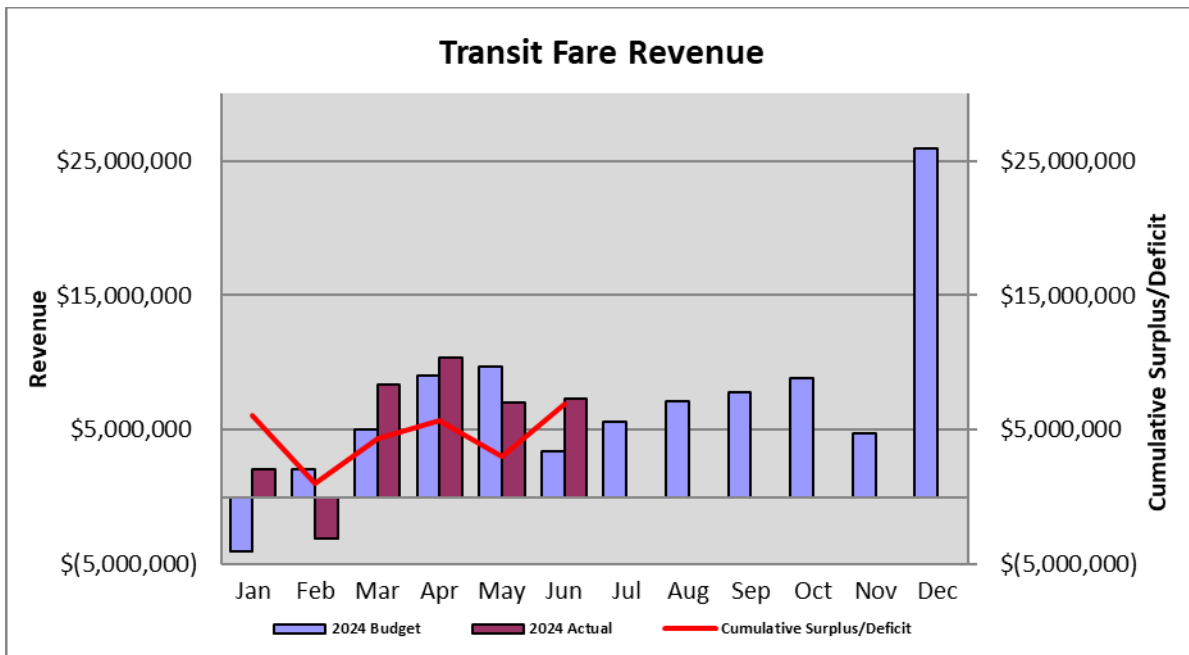
Forecast	Actual	Actual-Forecast	Difference
\$ 42,784,325	\$ 42,661,863	\$ (122,462)	-0.3%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (June 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 15,051,185	\$ 13,637,257	\$ (1,413,928)	-9.4%



Data Source: King County EBS Accts 44233, 44234, 44235, 44237, 44249, 44253, and 44269

Transit Fare Charges Comparison (June 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 3,380,961	\$ 7,300,584	\$ 3,919,623	115.9%

Appendix
King County Taxable Retail Sales by Industry
 (Current obligations: May 2023 – May 2024)

NAICS Category	2-digit NAICS	May-23	May-24	Percent change (2023-2024)
Agriculture	11	\$ 1,657,413	\$ 1,904,613	14.9%
Mining	21	646,828	573,534	-11.3%
Utilities	22	7,452,451	8,382,557	12.5%
Construction	23	1,802,829,544	1,621,541,891	-10.1%
Manufacturing	31-33	176,090,648	197,714,611	12.3%
Wholesale	41-42	444,463,465	497,657,984	12.0%
Retail Trade	44-45	2,613,386,470	2,520,682,466	-3.5%
Transportation and Warehousing	48-49	116,426,475	137,402,772	18.0%
Information	51	389,751,381	294,069,717	-24.5%
Finance & Insurance	52	56,547,790	60,184,905	6.4%
Real Estate, Rental, Leasing	53	185,975,243	183,231,020	-1.5%
Professional, Scientific, Technical Services	54	291,648,072	309,005,141	6.0%
Management, Education and Health Services	55-62	622,867,472	528,166,246	-15.2%
Arts, Entertainment and Recreation	71	80,375,444	84,100,652	4.6%
Accommodations, Food Services	72	812,641,851	858,815,163	5.7%
Other Services	81	171,287,987	178,329,801	4.1%
Public Administration/DOL Monthly	92	99,178,459	92,447,538	-6.8%
Other		-	-	0.0%
Total-All Industries		\$ 7,873,226,992	\$ 7,574,210,611	-3.8%
NAICS Category	3-digit NAICS	May-23	May-24	Percentage change (2023-2024)
Construction				
Construction of Buildings	236	\$ 1,229,565,083	\$ 1,031,618,817	-16.1%
Heavy and Civil Engineering Construction	237	92,369,765	126,524,356	37.0%
Specialty Trade Contractors	238	480,894,696	463,398,718	-3.6%
Retail				
Motor Vehicle and Parts Dealers	441	558,152,623	536,700,781	-3.8%
Building Material and Garden Equipment and Supplies Dealers	444	245,790,319	208,432,099	-15.2%
Food and Beverage Stores	445	158,309,259	162,343,559	2.5%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	322,539,920	310,776,210	-3.6%
General Merchandise Retailers	455	284,877,942	272,822,637	-4.2%
Health and Personal Care Retailers	456	110,328,549	93,956,357	-14.8%
Gasoline Stations and Fuel Dealers	457	51,519,632	50,339,242	-2.3%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	212,010,320	204,592,940	-3.5%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailers	459	669,857,906	680,718,641	1.6%
Wholesale				
Wholesale: Durable Goods	423	351,419,422	373,121,298	6.2%
Wholesale: Nondurable Goods	424	87,209,841	118,745,959	36.2%
Wholesale: Electronic Markets	425	5,834,202	5,790,727	-0.7%
Food Service and Accommodations				
Accommodation	721	188,836,415	216,370,005	14.6%
Food Services and Drinking Places	722	623,805,436	642,445,157	3.0%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	May-23	May-24	Percentage change (2023-2024)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 101,428,879	\$ 94,825,692	-6.5%
Book Retailers and News Dealers	4592	7,269,547	7,849,792	8.0%
Florists	4593	4,921,643	4,639,110	-5.7%
Office Supplies, Stationery, and Gift Retailers	4594	22,527,626	23,336,986	3.6%
Used Merchandise Retailers	4595	11,292,347	11,230,593	-0.5%
Other Miscellaneous Retailers	4599	522,417,861	538,836,471	3.1%