



King County
Office of Economic and Financial Analysis
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MEMORANDUM

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

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

Revenue	YTD Forecast (2024 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	\$ 219,650,000	\$ 220,350,986	\$ 700,986	0.3%
UAL/Roads Levy^	\$ 53,520,000	\$ 53,661,713	\$ 141,713	0.3%
Parks Levy^	\$ 85,320,000	\$ 84,884,011	\$ (435,989)	-0.5%
AFIS Levy^	\$ 12,830,000	\$ 12,790,731	\$ (39,269)	-0.3%
Veterans, Seniors, & HS Levy (1143)^	\$ 43,920,000	\$ 43,626,374	\$ (293,626)	-0.7%
Conservation Futures Levy (3151)^	\$ 27,360,000	\$ 26,974,628	\$ (385,372)	-1.4%
EMS Levy^	\$ 60,860,000	\$ 63,858,075	\$ 2,998,075	4.9%
Transit Levy^	\$ 17,830,000	\$ 17,764,888	\$ (65,112)	-0.4%
Marine Levy^	\$ 3,720,000	\$ 3,720,488	\$ 488	0.0%
Puget Sound Emergency Radio^	\$ 19,770,000	\$ 19,707,356	\$ (62,644)	-0.3%
Best Starts for Kids Levy^	\$ 78,990,000	\$ 78,649,138	\$ (340,862)	-0.4%
Crisis Care Centers Levy^	\$ 63,660,000	\$ 62,376,675	\$ (1,283,326)	-2.0%
P&I on Delinquent Property Taxes	\$ 11,100,000	\$ 12,940,337	\$ 1,840,337	16.6%
Sales Tax - Local Option (6/24)	\$ 86,990,000	\$ 84,538,227	\$ (2,451,773)	-2.8%
Sales Tax-Criminal Justice (6/24)	\$ 9,130,000	\$ 8,875,835	\$ (254,165)	-2.8%
Sales Tax-MIDD (6/24)	\$ 45,310,000	\$ 44,136,134	\$ (1,173,866)	-2.6%
Sales Tax - Transit (6/24)	\$ 415,080,000	\$ 403,217,898	\$ (11,862,102)	-2.9%
Sales Tax - Health Through Housing (6/24)	\$ 34,080,000	\$ 33,930,818	\$ (149,182)	-0.4%
Sales Tax - Cultural Access Program (6/24)	\$ 23,590,000	\$ 22,814,681	\$ (775,319)	-3.3%
Marijuana Excise Tax	\$ 1,400,000	\$ 1,552,922	\$ 152,922	10.9%
MV Fuel Tax-Roads+	\$ 6,470,000	\$ 5,904,195	\$ (565,805)	-8.7%
E-911 Excise Tax (6/24)	\$ 13,660,000	\$ 12,726,419	\$ (933,581)	-6.8%
Hotel/Motel Tax (6/24)	\$ 19,100,000	\$ 18,217,113	\$ (882,887)	-4.6%
Lodging Tax (HB 2015) (6/24)	\$ 2,230,000	\$ 2,893,342	\$ 663,342	29.7%
REET 1 Revenue	\$ 4,800,000	\$ 5,336,970	\$ 536,970	11.2%
Wastewater Revenues+	\$ 299,490,000	\$ 298,648,030	\$ (841,970)	-0.3%
Solid Waste Net Disposal Charges+	\$ 99,560,000	\$ 95,722,207	\$ (3,837,794)	-3.9%
Transit Fare+	\$ 36,190,000	\$ 38,567,860	\$ 2,377,860	6.6%

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 July 2024, property tax revenues combined for all levies are above forecast by \$0.9 million or 0.1 percent. This includes the first half of the property tax collections for 2024. The year-to-date (yoy) differences in the actuals versus the March forecast for individual levies is between -2 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 -1.4 and -2 percent, respectively. The first six months of collections of penalties and interest on delinquent property taxes came in \$1.8 million or 17 percent above forecast.

Total taxable sales, categorized by industry sectors, were down in the first six months of 2024 by 1.4 percent yoy. Year-to-date, some industry sectors were up: management of companies up 74.5 percent, utilities up 29 percent, educational services up 36 percent, transportation and warehousing up 12.5 percent, health care and social assistance up 26 percent and arts, entertainment and recreation up 5.6 percent over last year. Some sectors for the first half of 2024 were down from last year like retail trade sales down 1.2 percent (yoy), construction sales down 8.5 percent (yoy), information sales down 13 percent (yoy), finance and insurance down 6.1 percent, real estate and rental and leasing down 2.7 percent (yoy), manufacturing sales down 4.1 percent (yoy), and administrative and support and waste management down 0.5 percent (yoy). An appendix to this memo provides King County taxable retail sales by industry for the most recent month June 2024 compared to June 2023. This table indicates that in the month of June, total taxable sales were down yoy by 0.7 percent. The June aggregate taxable sales report is a lower reduction yoy than prior months in 2024 but that is really due to unusually large payments in the wholesale and management, education and health services sectors. The areas of growth in taxable sales over a year ago included management, education and health services (up 25.7 percent), transportation & warehousing (up 6.8 percent), wholesale (up 32 percent), accommodations and food service (up 3.7 percent), and professional services (up 8.3 percent). Unfortunately, most industries taxable sales in June were down over last year like information (down 11.6 percent), construction (down 10 percent), manufacturing (down 6 percent), finance and insurance (down 9.4 percent), real estate, rental and leasing (down 2.9 percent), retail (down 4.2 percent), other services (down 3.9 percent), and public administration / DOL monthly (down 13.3 percent).

The first six months of 2024 saw sales taxes below the March forecast by \$16.7 million, 2.7 percent, for all six sales tax levies. Sales tax distributions for transit were down the most \$11.9 million from the March forecast. Most of the sales tax levies were down from the March forecast by at least 2.6 percent except for the Health through Housing levy. The Cultural Access Program sales tax had the highest percentage decline of 3.3 percent. The Health through Housing was down the smallest percentage by 0.4 percent from the March forecast through June.

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 11.2 percent above forecast through July, and lodging tax (HB 2015) was up 29.7 percent over projections in March through June. Other forecasts were below forecast for the first six months by more than one percent: hotel/motel taxes (4.6 percent below), E-911 excise taxes (6.8 percent below), motor vehicle fuel taxes (8.7 percent below) and solid waste charges (3.9 percent below).

2024 Actuals Compared to OEFA August Forecasts

On July 28, 2024, the King County Forecast Council adopted a new August 2024 revenue forecast. This forecast modified the March 2024 forecast used for setting the 2024 budget. One important element of revision in the August 2024 revenue forecast was the forecast for King County taxable sales as it was reduced by 4.7 percent. This resulted in a lower forecast for sales tax levies. For most 2024 property tax levies, the new August forecast was a minor revision downward from March due to slightly lower new construction but some levies were positively impacted by higher assessed value projections. Penalties and interest on delinquent property taxes had been raised since the March forecast and now actuals are cumulatively tracking the latest forecast within 0.8 percent.

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

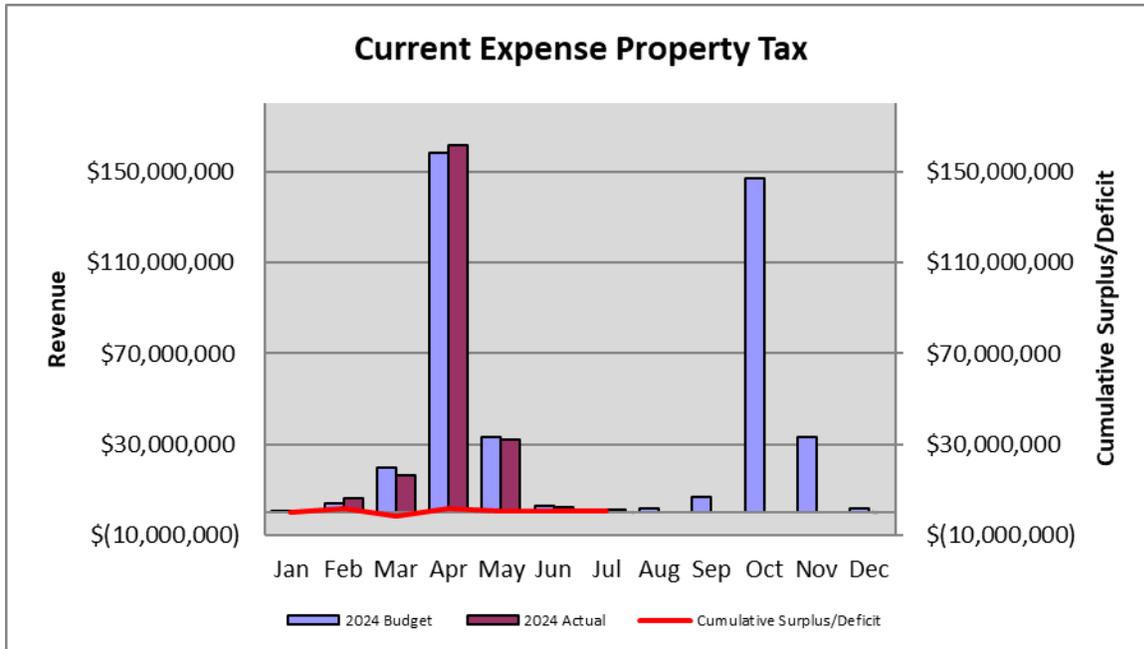
Since the August forecast for taxable sales was revised downward by more than 4% in 2024 from the March forecast, the difference in actual sales tax levies cumulatively for the first six months is up \$14 million, 2.4 percent, from the August forecast.

Since the August forecast, the marijuana, lodging tax and REET 1 forecasts were each revised upward from the March forecast. Now for the first six and seven months of 2024 actuals compared to the latest forecast is up for the marijuana excise tax by \$112,922, 7.8 percent and the lodging tax was also up now by \$453,342 or 18.6 percent. The hotel/motel tax was also now above the new latest forecast by \$2.1 million, 12.8 percent. The REET 1 actuals compared to the new August forecast is down by -0.1 percent and the E-911 excise tax actuals were also still below the July forecast by - \$43,581, -0.3 percent.

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

Revenue	YTD Forecast (August Forecast)	YTD Actual	Actual - Forecast	Difference (percentage)
P&I on Delinquent Property Taxes	\$ 13,050,000	\$ 12,940,337	\$ (109,663)	-0.8%
Sales Tax - Local Option (6/24)	\$ 82,600,000	\$ 84,538,227	\$ 1,938,227	2.3%
Sales Tax-Criminal Justice (6/24)	\$ 8,670,000	\$ 8,875,835	\$ 205,835	2.4%
Sales Tax-MIDD (6/24)	\$ 43,020,000	\$ 44,136,134	\$ 1,116,134	2.6%
Sales Tax - Transit (6/24)	\$ 394,120,000	\$ 403,217,898	\$ 9,097,898	2.3%
Sales Tax - Health Through Housing (6/24)	\$ 32,360,000	\$ 33,930,818	\$ 1,570,818	4.9%
Sales Tax - Cultural Access Program (6/24)	\$ 22,400,000	\$ 22,814,681	\$ 414,681	1.9%
Marijuana Excise Tax	\$ 1,440,000	\$ 1,552,922	\$ 112,922	7.8%
E-911 Excise Tax (6/24)	\$ 12,770,000	\$ 12,726,419	\$ (43,581)	-0.3%
Hotel/Motel Tax (6/24)	\$ 16,150,000	\$ 18,217,113	\$ 2,067,113	12.8%
Lodging Tax (HB 2015) (6/24)	\$ 2,440,000	\$ 2,893,342	\$ 453,342	18.6%
REET 1 Revenue	\$ 5,340,000	\$ 5,335,260	\$ (4,740)	-0.1%

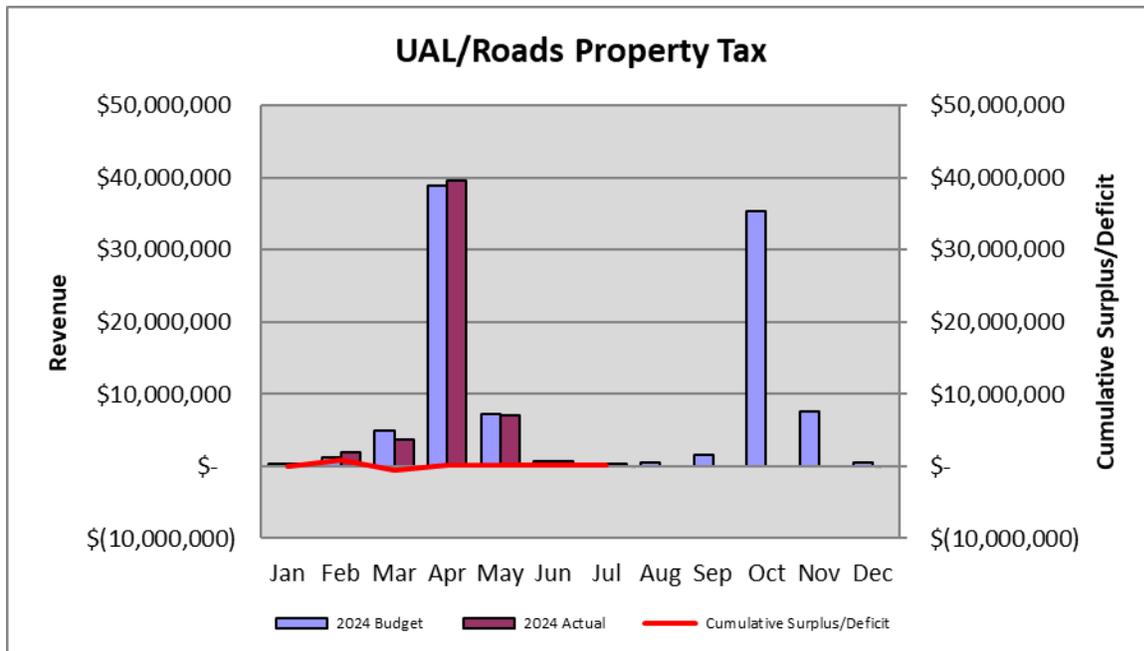
The graphs on the following pages indicate revenues from specific funds, including comparisons between monthly revenues as forecasted in March, shown by the blue bars, actual monthly revenues, indicated by the burgundy bars and the red line showing the cumulative difference between March forecasts and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



Data Source: King County EBS Acct 31111 & 31112

Current Expense Taxes Comparison (July 2024)

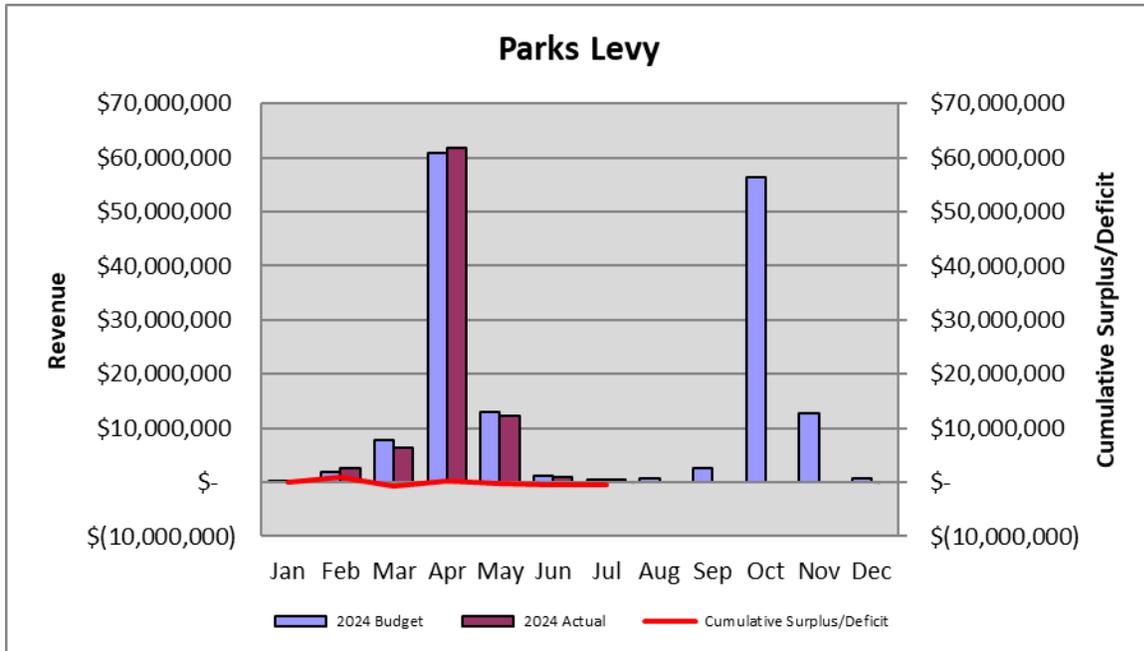
Forecast	Actual	Actual-Forecast	Difference
\$ 1,280,811	\$ 1,188,640	\$ (92,171)	-7.2%



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

UAL/Roads Property Taxes Comparison (July 2024)

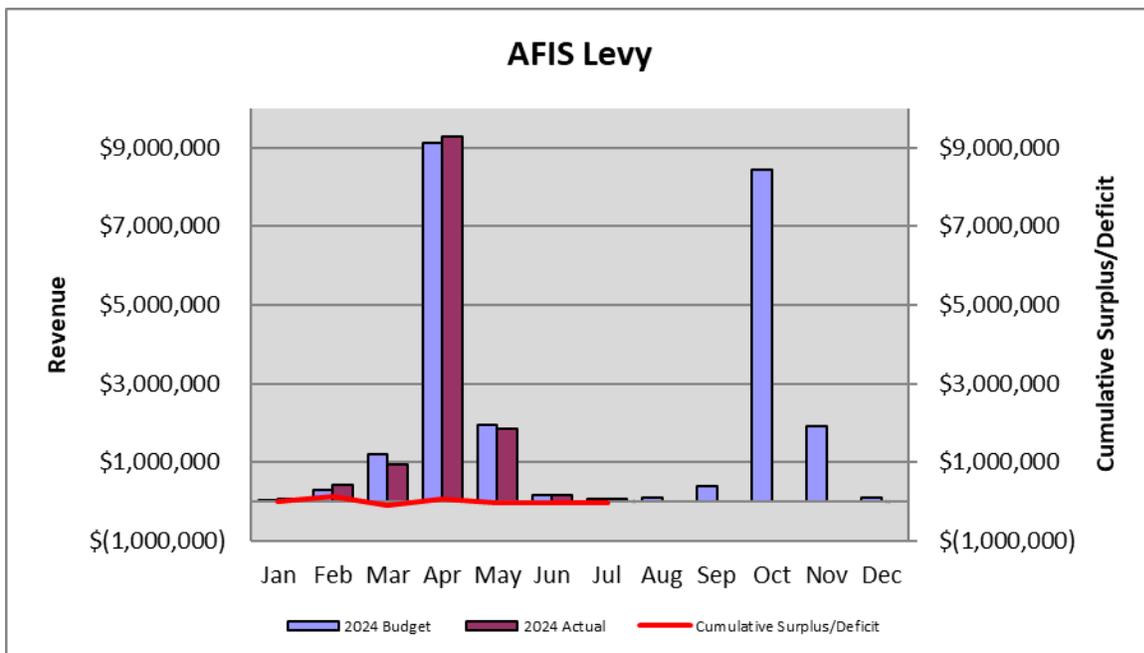
Forecast	Actual	Actual-Forecast	Difference
\$ 284,316	\$ 294,956	\$ 10,640	3.7%



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

Parks Property Taxes Comparison (July 2024)

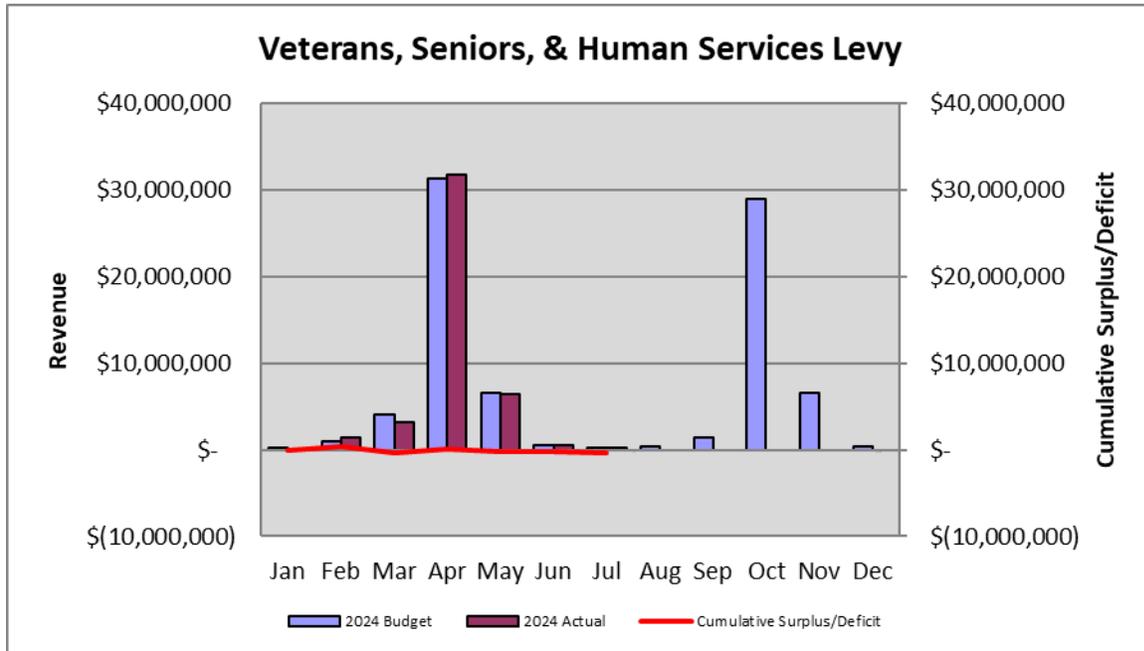
Forecast	Actual	Actual-Forecast	Difference
\$ 493,870	\$ 413,302	\$ (80,568)	-16.3%



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

AFIS Property Taxes Comparison (July 2024)

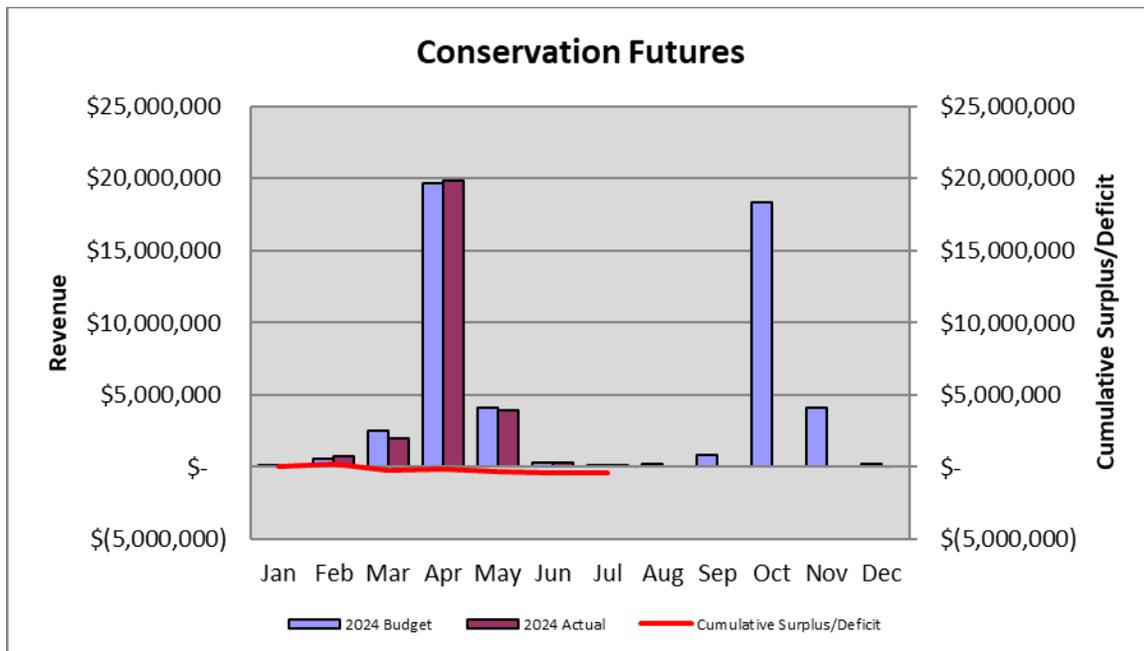
Forecast	Actual	Actual-Forecast	Difference
\$ 78,705	\$ 64,610	\$ (14,095)	-17.9%



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

VSHSL Property Taxes Comparison (July 2024)

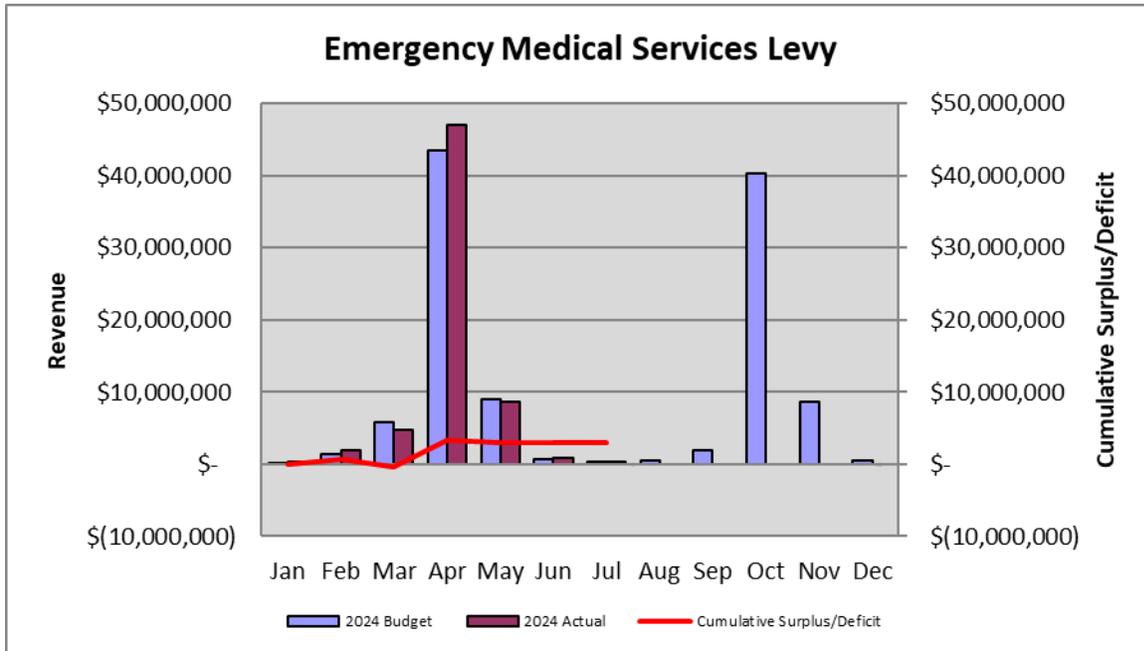
Forecast	Actual	Actual-Forecast	Difference
\$ 254,422	\$ 212,281	\$ (42,141)	-16.6%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (July 2024)

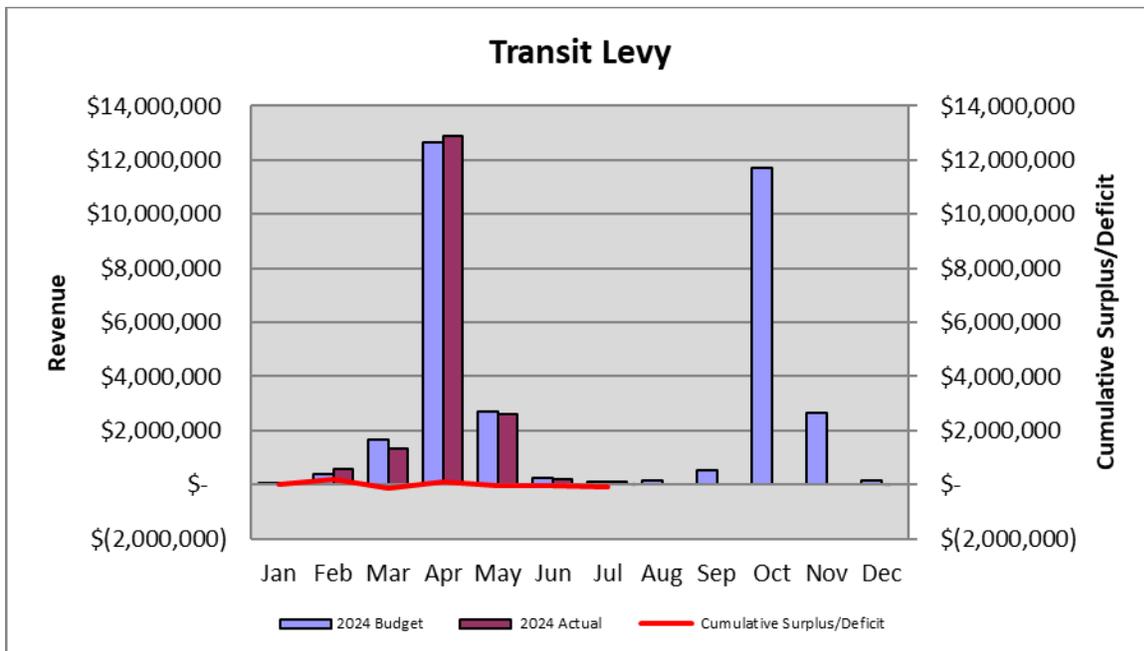
Forecast	Actual	Actual-Forecast	Difference
\$ 157,545	\$ 141,687	\$ (15,859)	-10.1%



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

EMS Property Taxes Comparison (July 2024)

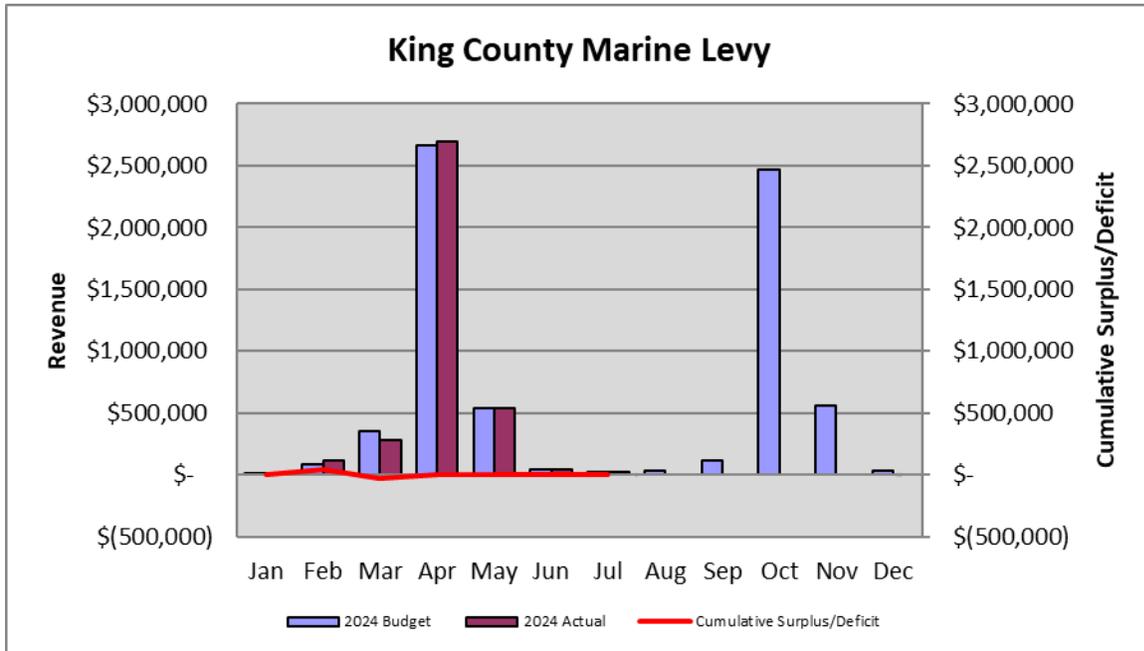
Forecast	Actual	Actual-Forecast	Difference
\$ 348,659	\$ 308,461	\$ (40,198)	-11.5%



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

Transit Property Taxes Comparison (July 2024)

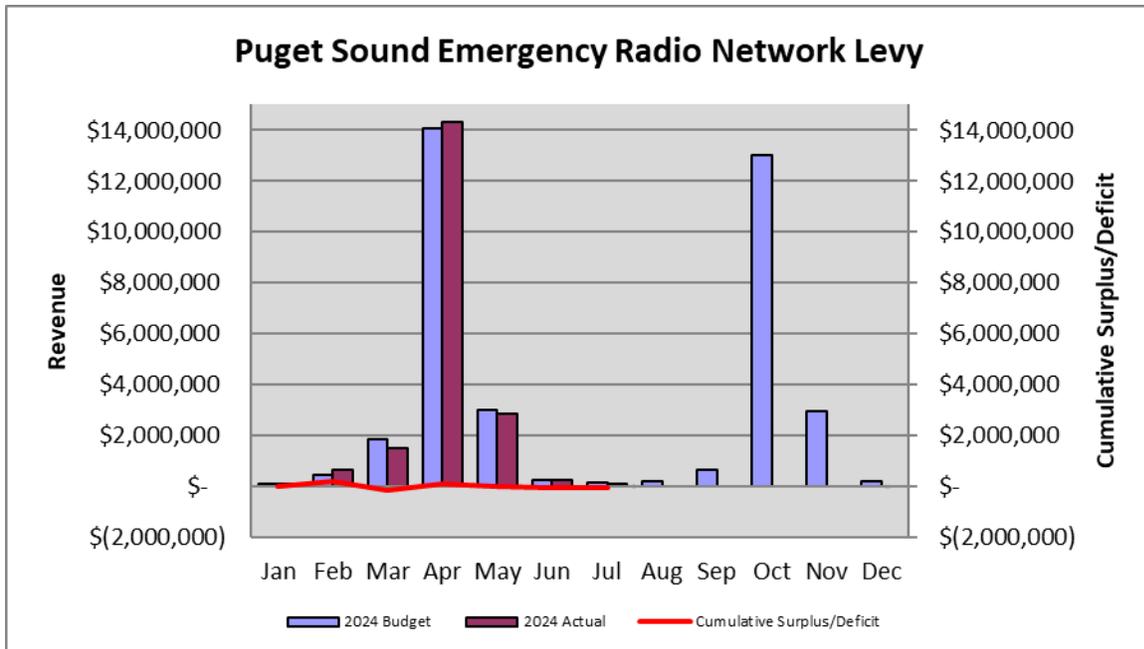
Forecast	Actual	Actual-Forecast	Difference
\$ 108,697	\$ 89,889	\$ (18,808)	-17.3%



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

King County Marine Property Taxes Comparison (July 2024)

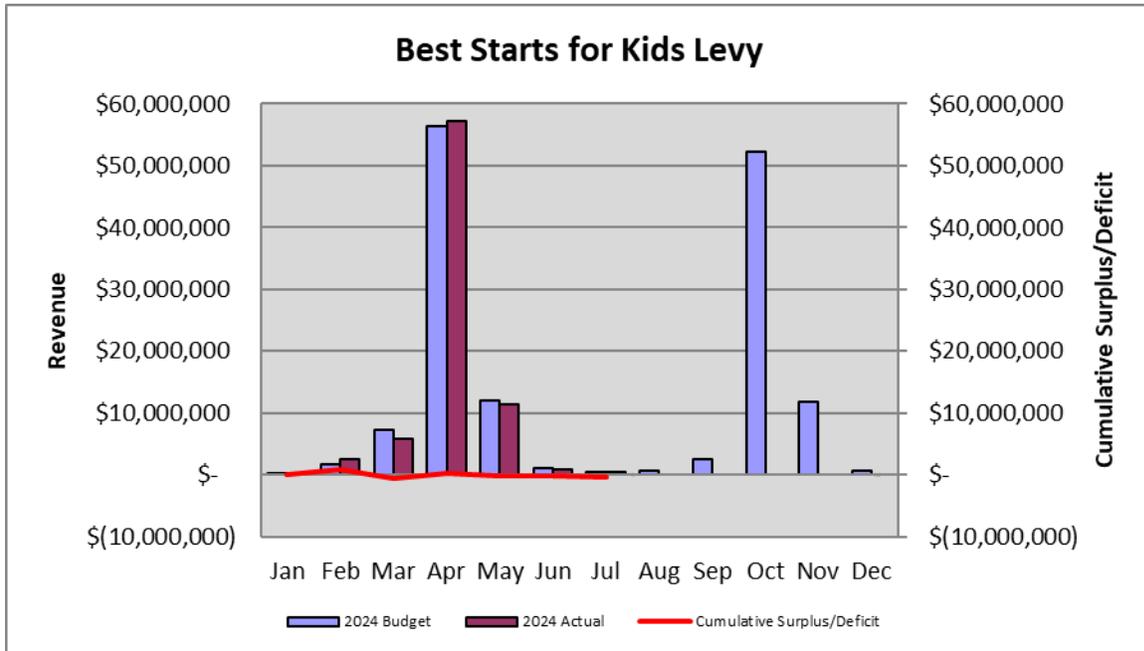
Forecast	Actual	Actual-Forecast	Difference
\$ 22,926	\$ 18,806	\$ (4,119)	-18.0%



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

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

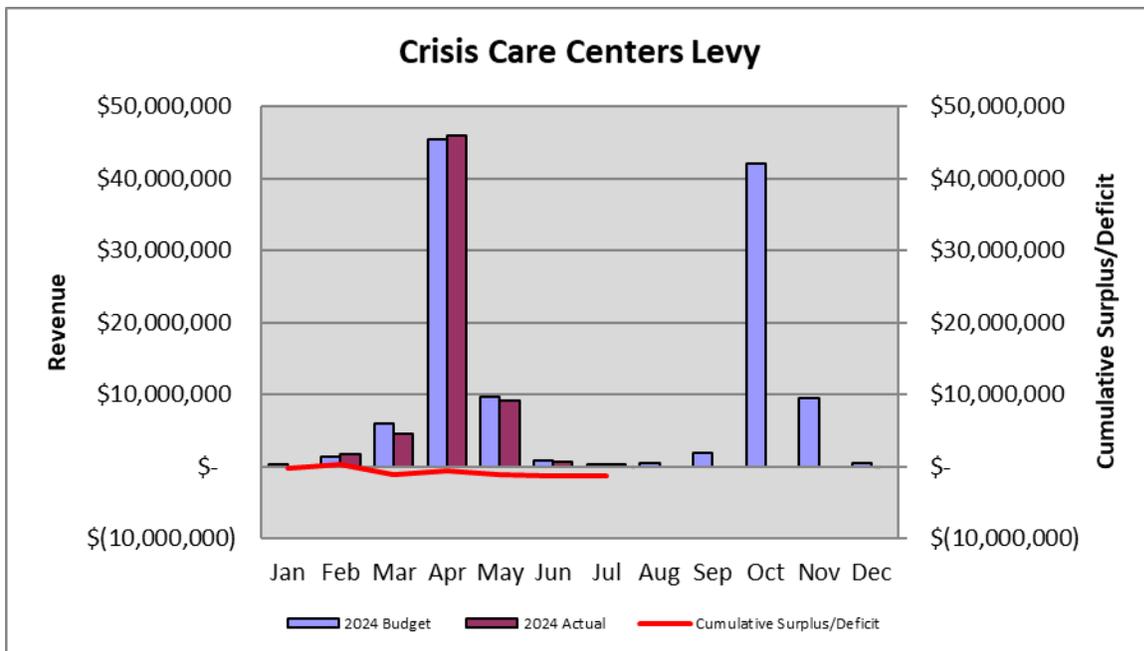
Forecast	Actual	Actual-Forecast	Difference
\$ 120,571	\$ 99,601	\$ (20,970)	-17.4%



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

Best Starts for Kids Property Taxes Comparison (July 2024)

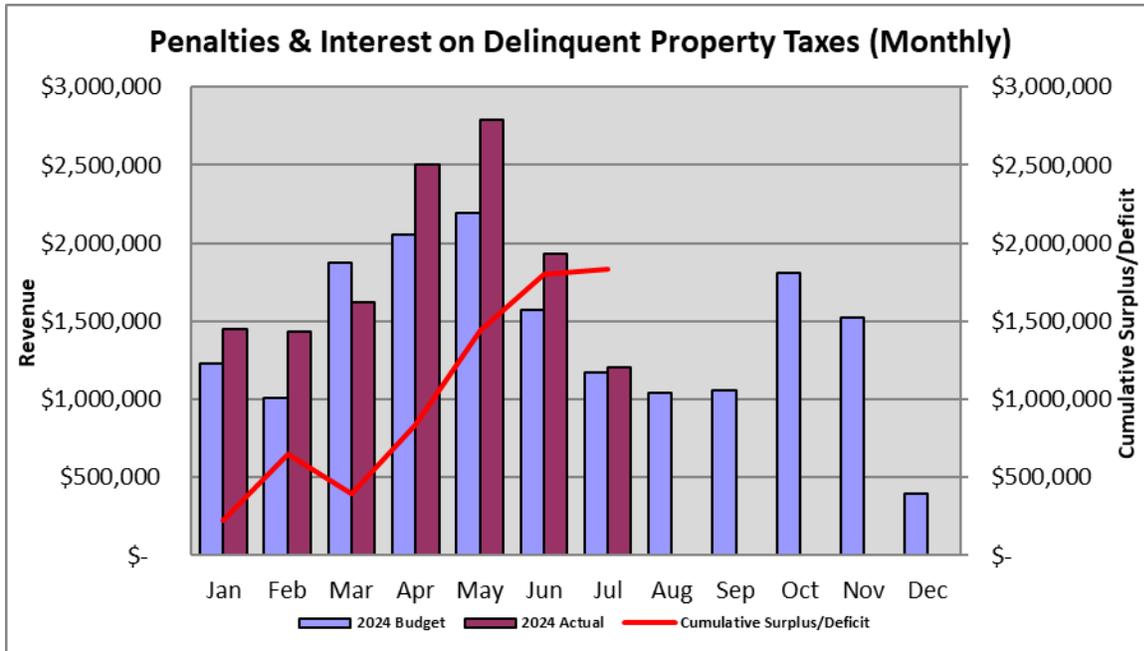
Forecast	Actual	Actual-Forecast	Difference
\$ 464,898	\$ 383,561	\$ (81,337)	-17.5%



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

Crisis Care Centers Property Taxes Comparison (July 2024)

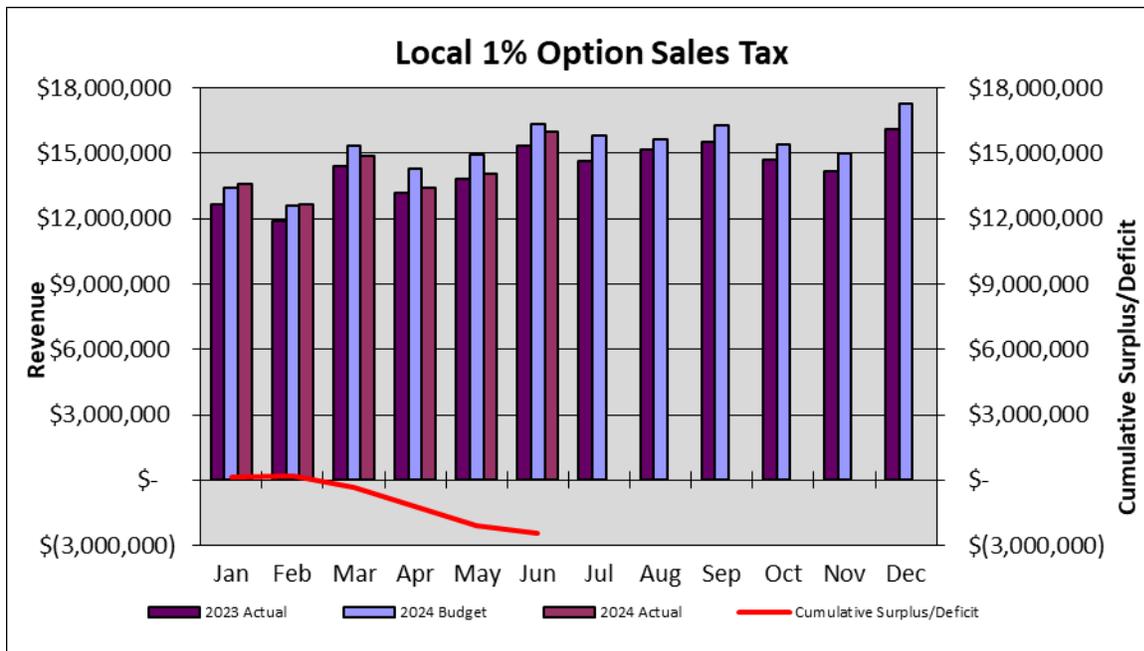
Forecast	Actual	Actual-Forecast	Difference
\$ 374,667	\$ 320,032	\$ (54,635)	-14.6%



Data Source: King County EBS Fund 0010, Acct 31911

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

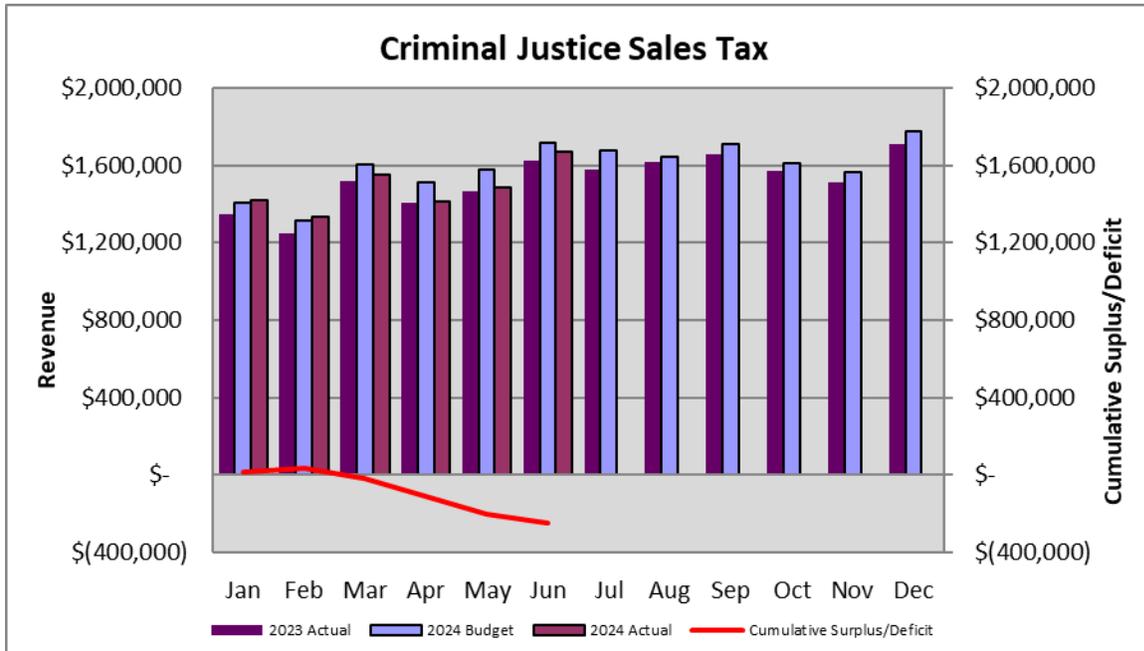
Forecast	Actual	Actual-Forecast	Difference
\$ 1,168,487	\$ 1,202,513	\$ 34,026	2.9%



Data Source: Washington State DOR through June

Local Option Sales Tax Comparison (June 2024)

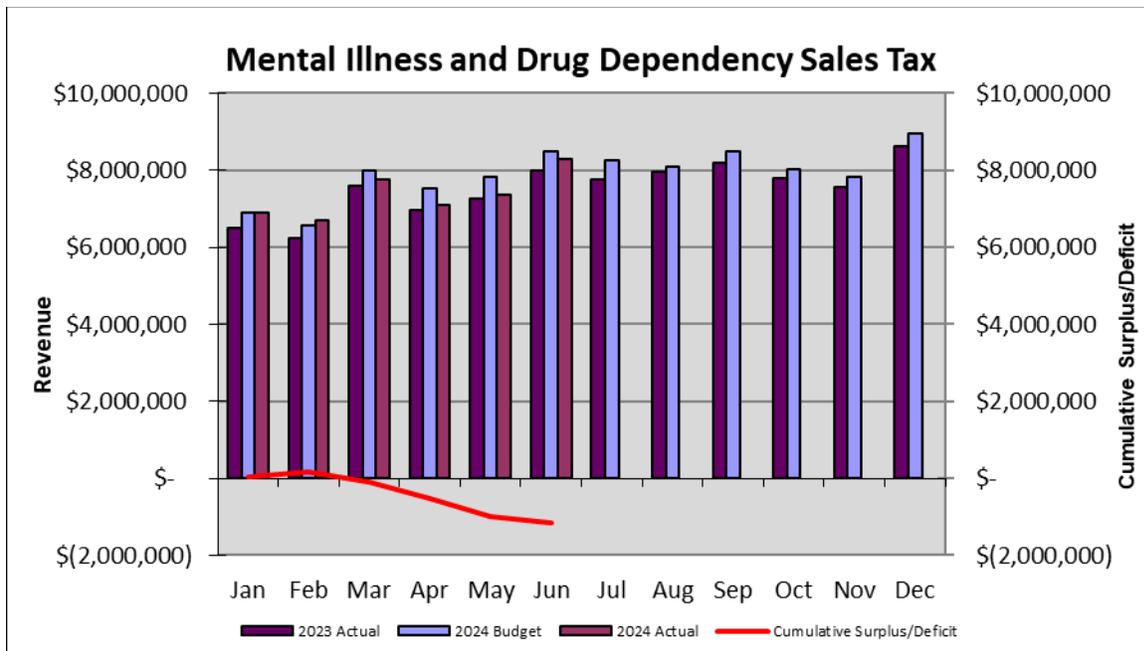
Forecast	Actual	Actual-Forecast	Difference
\$ 16,362,252	\$ 16,001,562	\$ (360,689)	-2.2%



Data Source: Washington DOR through June

CJ Sales Tax Comparison (June 2024)

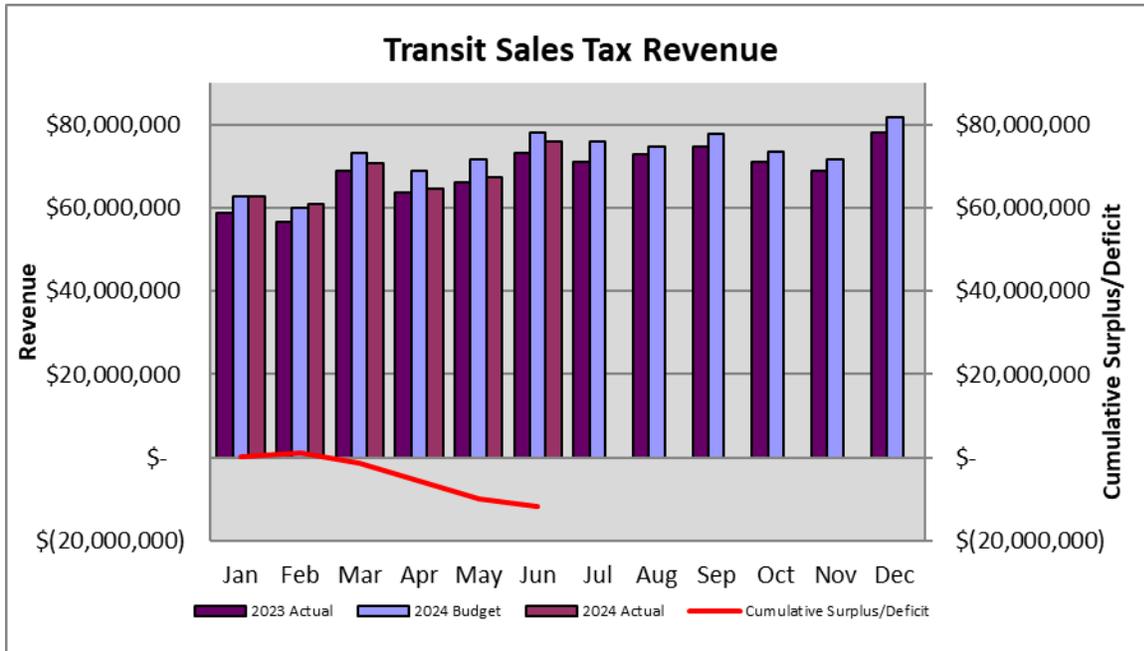
Forecast	Actual	Actual-Forecast	Difference
\$ 1,718,039	\$ 1,671,572	\$ (46,467)	-2.7%



Data Source: Washington DOR through June

MIDD Sales Tax Comparison (June 2024)

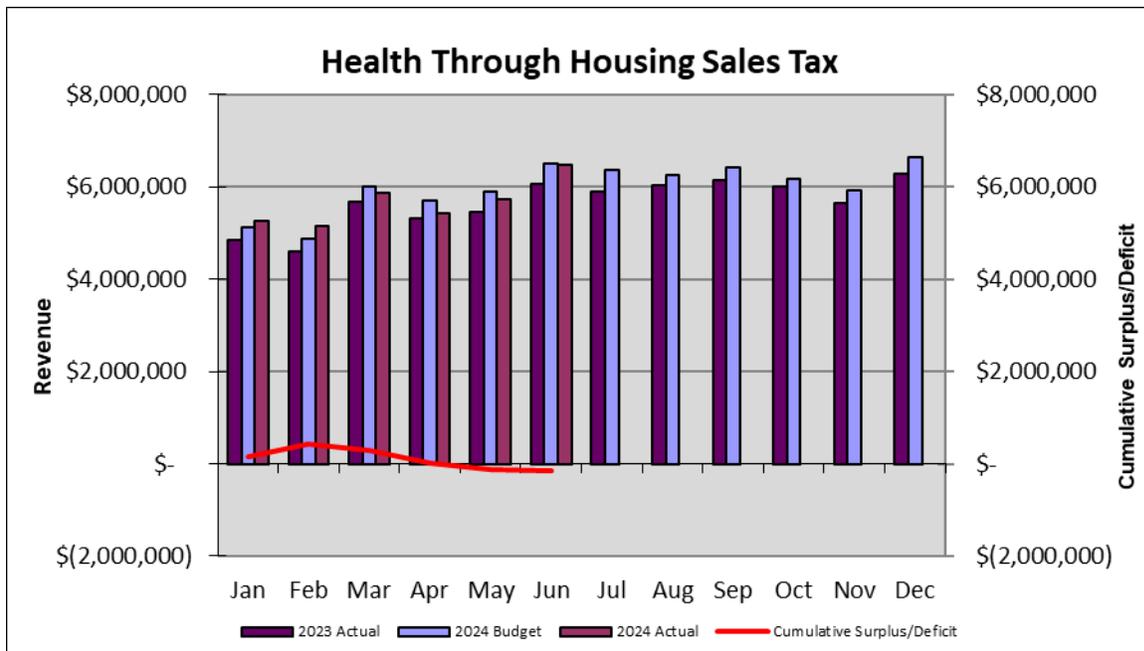
Forecast	Actual	Actual-Forecast	Difference
\$ 8,490,110	\$ 8,298,324	\$ (191,786)	-2.3%



Data Source: Washington DOR through June

Transit Sales Tax Comparison (June 2024)

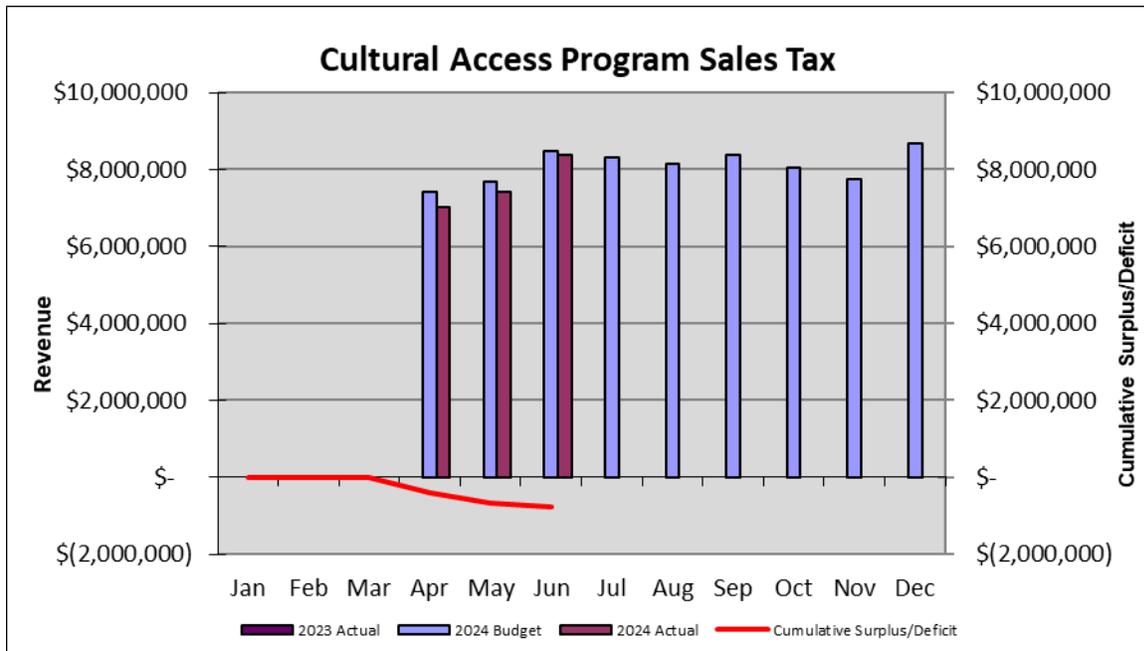
Forecast	Actual	Actual-Forecast	Difference
\$ 78,126,682	\$ 76,137,494	\$ (1,989,189)	-2.5%



Data Source: Washington DOR through June

HTH Sales Tax Comparison (June 2024)

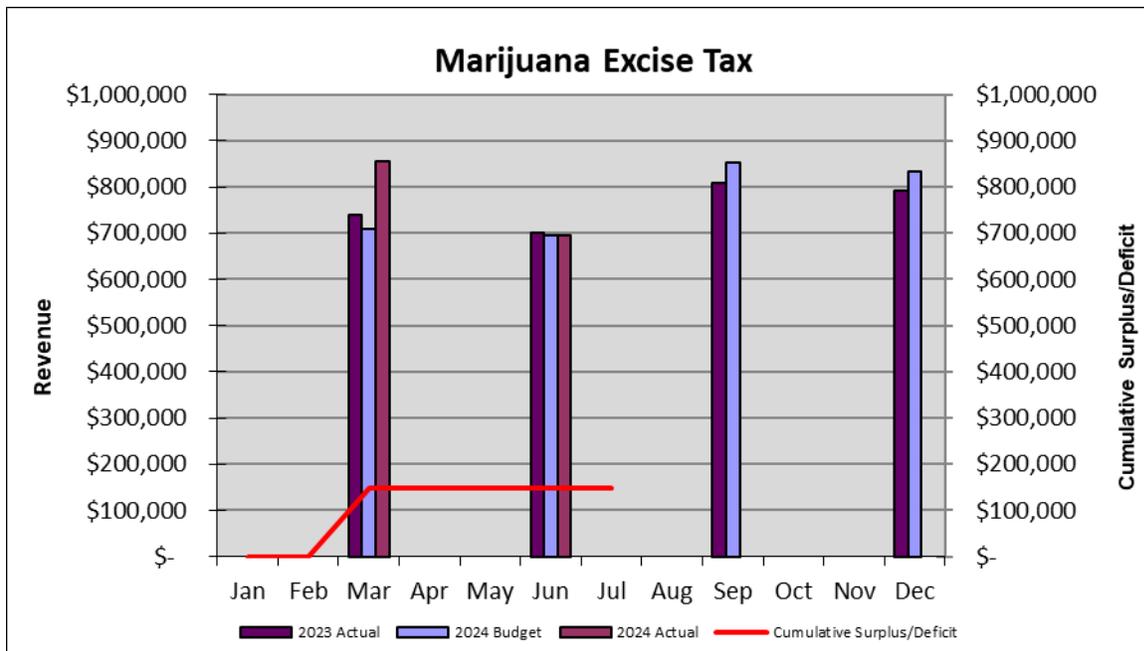
Forecast	Actual	Actual-Forecast	Difference
\$ 6,495,885	\$ 6,486,903	\$ (8,982)	-0.1%



Data Source: Washington DOR through June

CAP Sales Tax Comparison (June 2024)

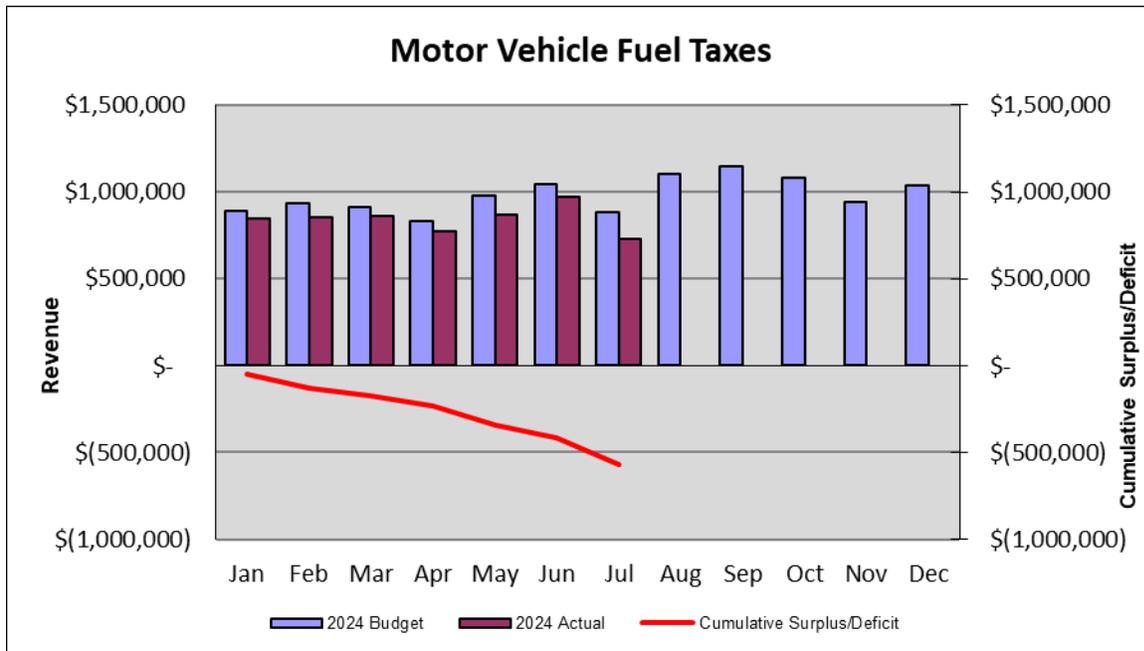
Forecast	Actual	Actual-Forecast	Difference
\$ 8,471,639	\$ 8,379,675	\$ (91,964)	-1.1%



Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (July 2024)

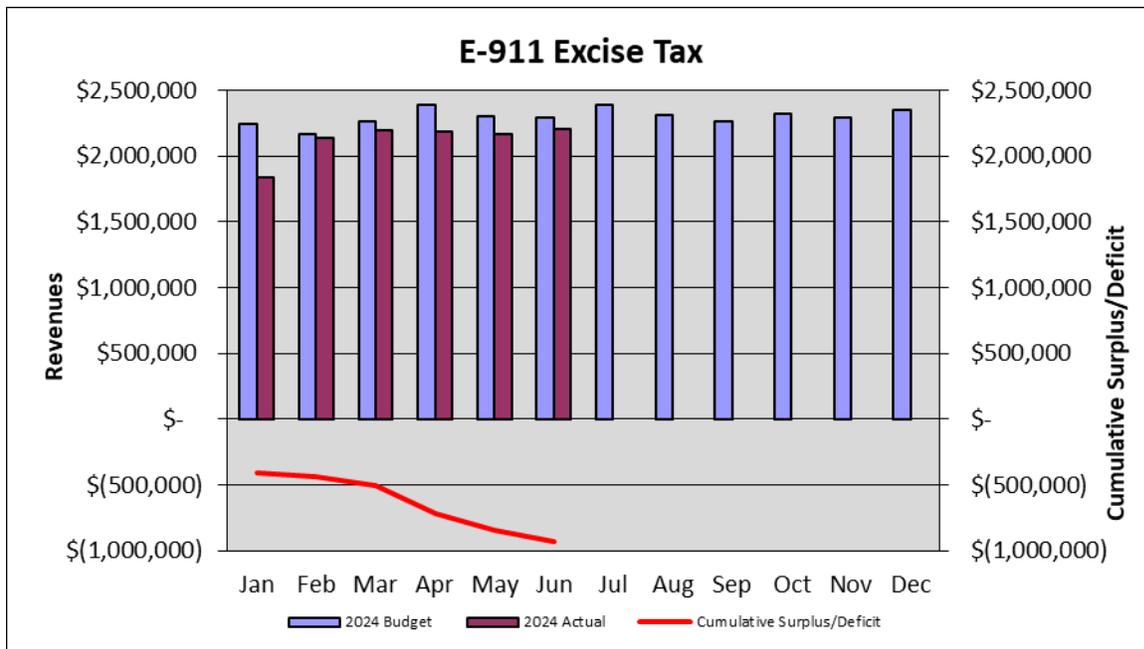
Forecast	Actual	Actual-Forecast	Difference
\$ 0	\$ 0	\$ 0	0.0%



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (July 2024)

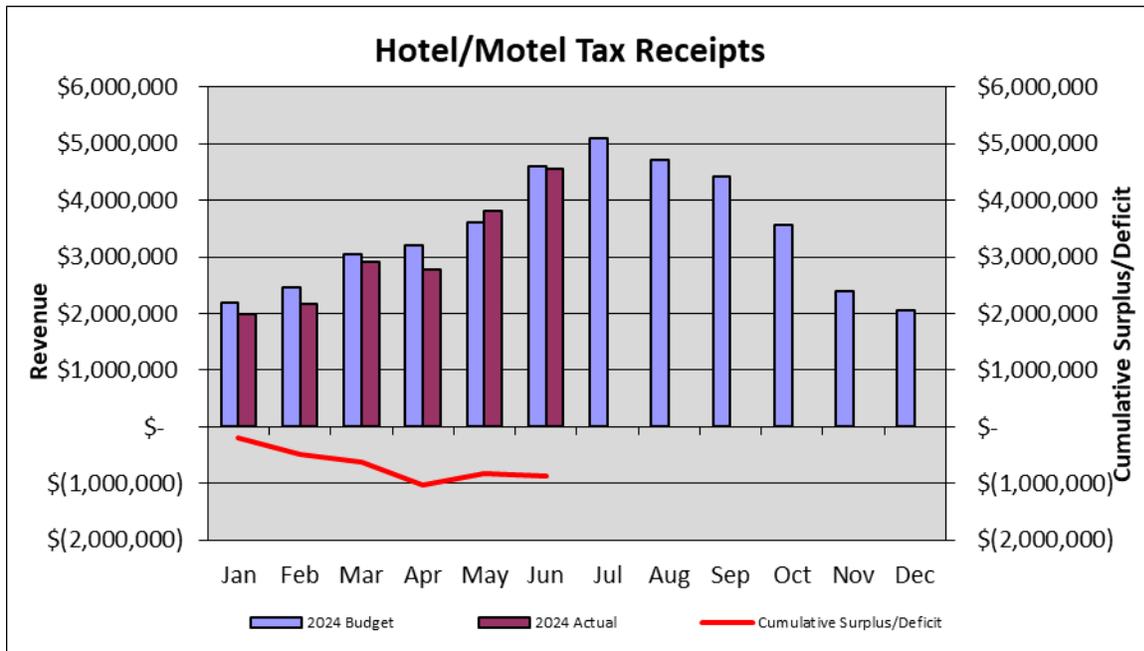
Forecast	Actual	Actual-Forecast	Difference
\$ 884,918	\$ 729,741	\$ (155,177)	-17.5%



Data Source: Washington DOR through June

E-911 Excise Tax Comparison (June 2024)

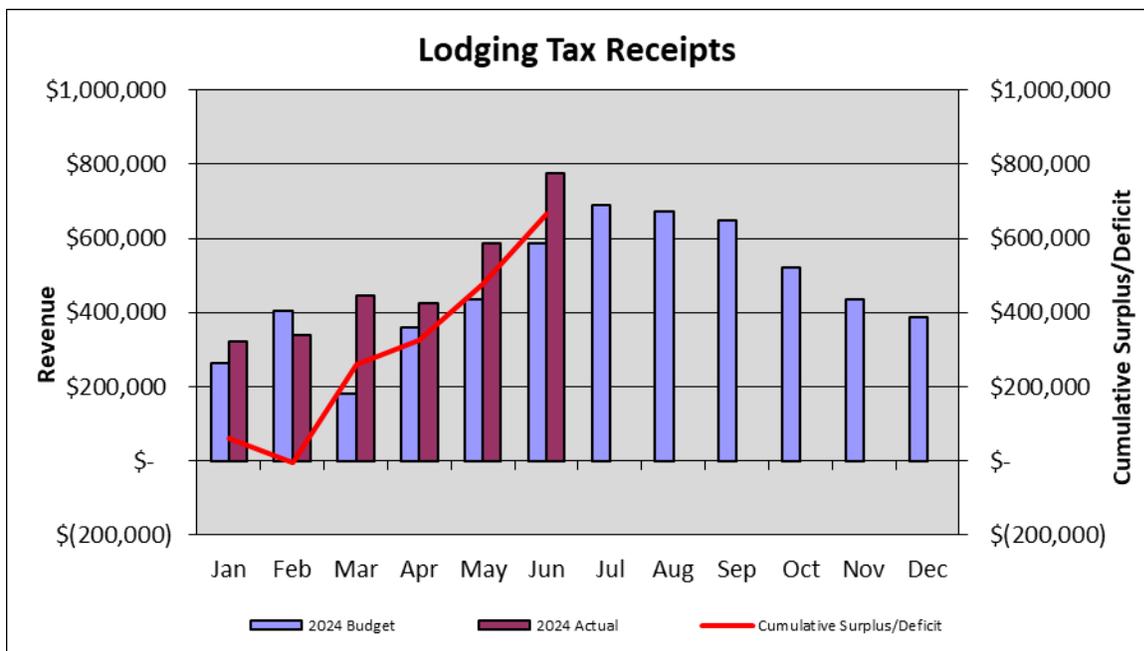
Forecast	Actual	Actual-Forecast	Difference
\$ 2,293,477	\$ 2,205,700	\$ (87,776)	-3.8%



Data Source: Washington DOR through June

Hotel/Motel Tax Comparison (June 2024)

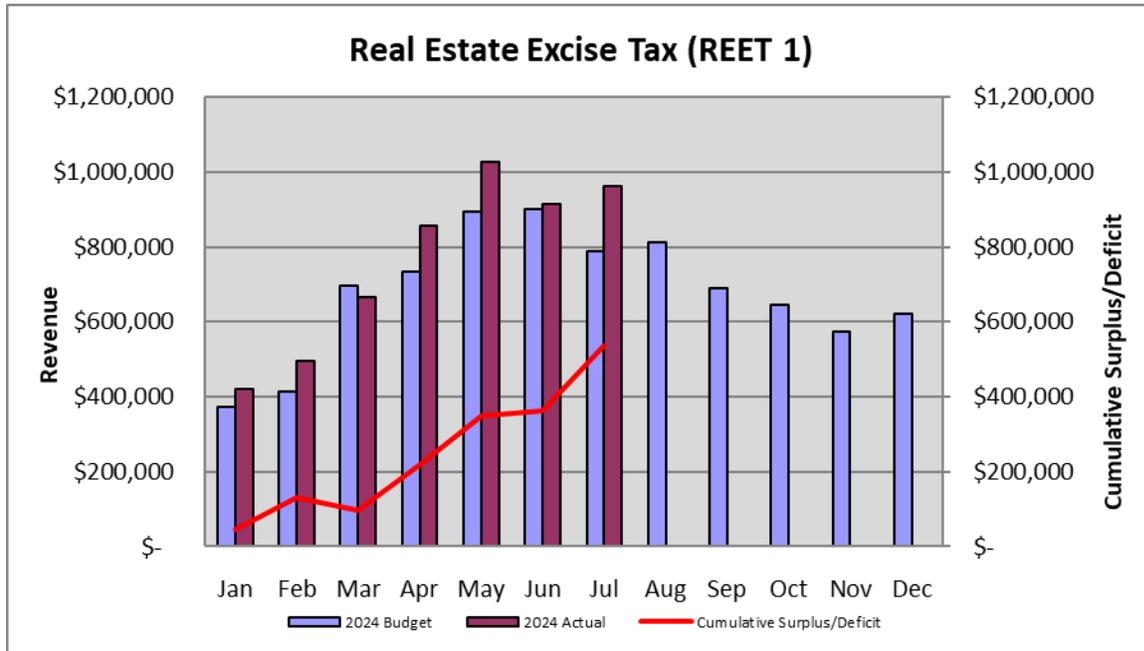
Forecast	Actual	Actual-Forecast	Difference
\$ 4,598,042	\$ 4,544,562	\$ (53,480)	-1.2%



Data Source: Seattle Convention Center through June

Lodging Tax Comparison (June 2024)

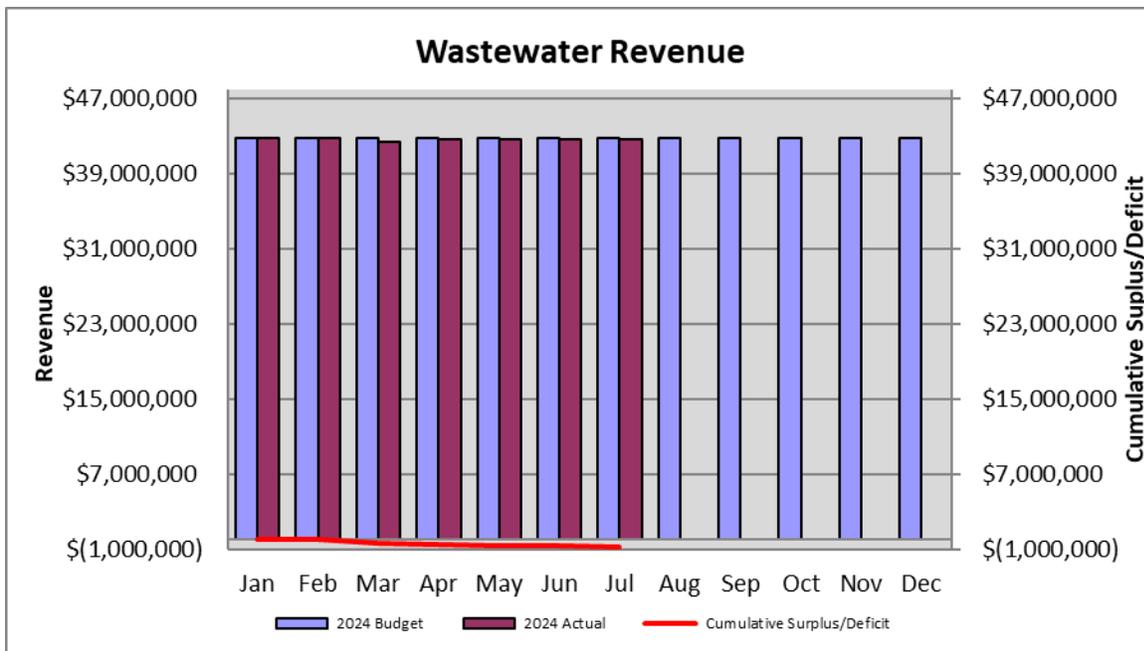
Forecast	Actual	Actual-Forecast	Difference
\$ 587,449	\$ 774,564	\$ 187,515	31.9%



Data Source: King County EBS Acct 31734

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

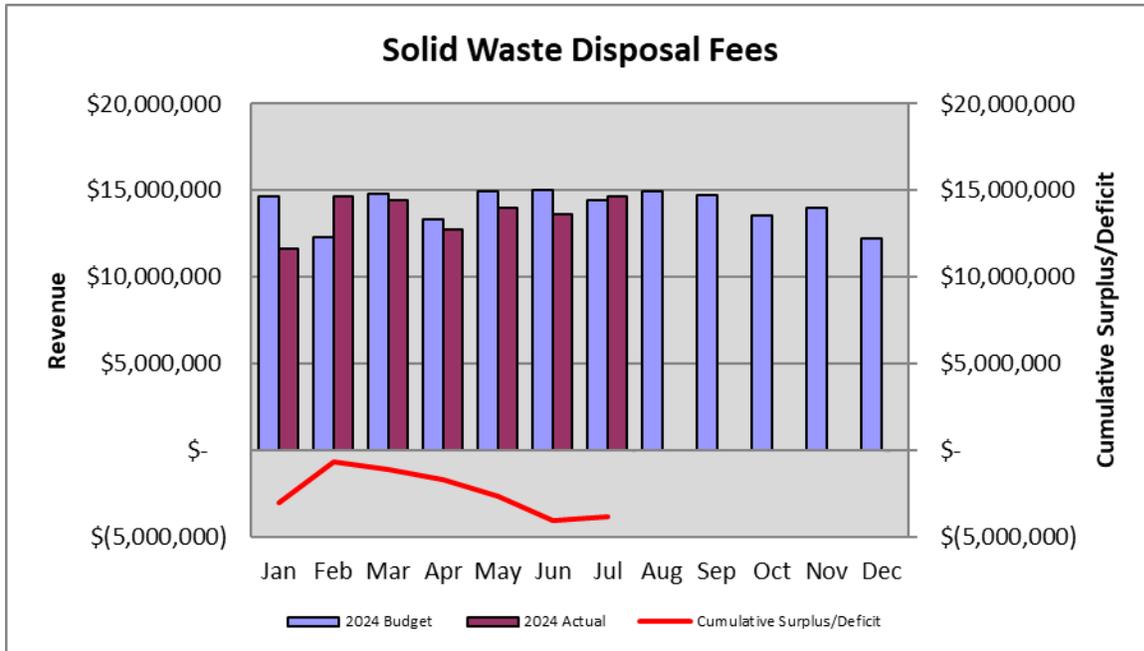
Forecast	Actual	Actual-Forecast	Difference
\$ 788,583	\$ 962,207	\$ 173,624	22.0%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (July 2024)

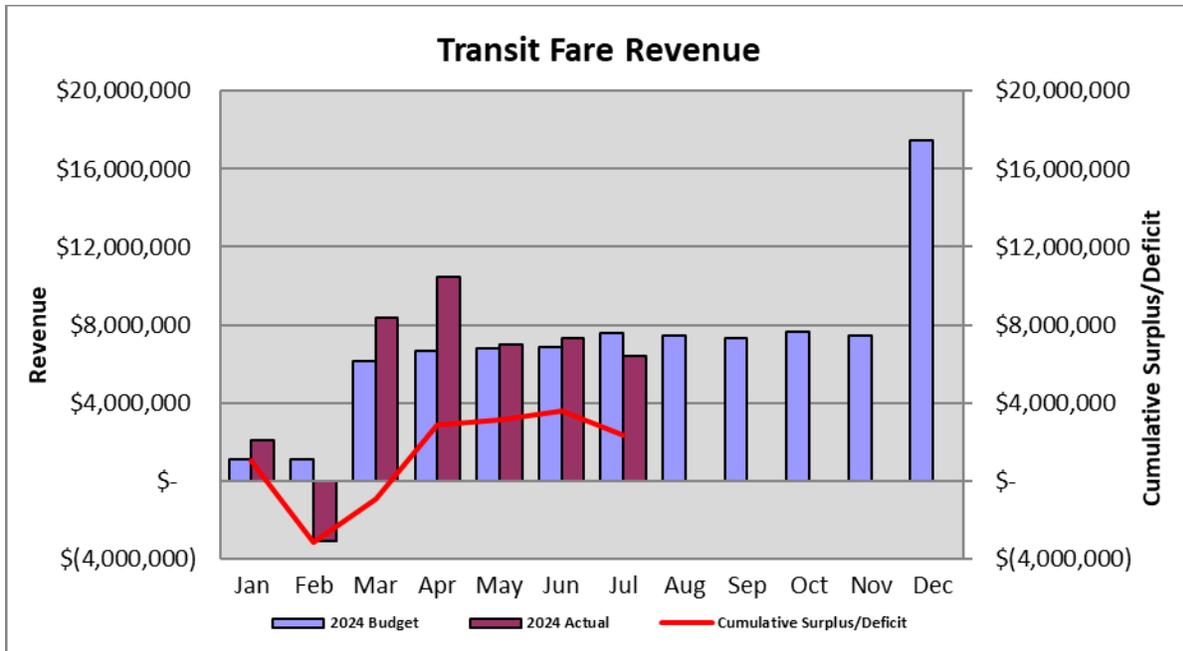
Forecast	Actual	Actual-Forecast	Difference
\$ 42,784,325	\$ 42,652,991	\$ (131,334)	-0.3%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (July 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 14,430,823	\$ 14,684,943	\$ 254,119	1.8%



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

Transit Fare Charges Comparison (July 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 7,596,983	\$ 6,411,695	\$ (1,185,288)	-15.6%

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

NAICS Category	2-digit NAICS	Jun-23	Jun-24	Percent change (2023-2024)
Agriculture	11	\$ 1,406,567	\$ 1,554,576	10.5%
Mining	21	846,303	481,125	-43.1%
Utilities	22	11,107,549	10,778,960	-3.0%
Construction	23	1,829,065,995	1,640,523,406	-10.3%
Manufacturing	31-33	185,046,452	173,909,033	-6.0%
Wholesale	41-42	490,974,313	649,196,558	32.2%
Retail Trade	44-45	2,714,594,757	2,599,424,463	-4.2%
Transportation and Warehousing	48-49	118,336,257	126,335,807	6.8%
Information	51	504,179,430	445,813,739	-11.6%
Finance & Insurance	52	64,279,918	58,215,773	-9.4%
Real Estate, Rental, Leasing	53	210,521,541	204,314,556	-2.9%
Professional, Scientific, Technical Services	54	332,427,139	359,864,867	8.3%
Management, Education and Health Services	55-62	482,212,291	606,360,592	25.7%
Arts, Entertainment and Recreation	71	87,898,906	88,319,713	0.5%
Accommodations, Food Services	72	909,041,730	942,372,404	3.7%
Other Services	81	173,270,459	166,535,711	-3.9%
Public Administration/DOL Monthly	92	93,791,127	81,333,142	-13.3%
Other		-	-	0.0%
Total-All Industries		\$ 8,209,000,737	\$ 8,155,334,426	-0.7%
NAICS Category	3-digit NAICS	Jun-23	Jun-24	Percentage change (2023-2024)
Construction				
Construction of Buildings	236	\$ 1,228,238,797	\$ 1,058,006,421	-13.9%
Heavy and Civil Engineering Construction	237	102,602,791	110,769,045	8.0%
Specialty Trade Contractors	238	498,224,406	471,747,941	-5.3%
Retail				
Motor Vehicle and Parts Dealers	441	602,004,514	526,232,615	-12.6%
Building Material and Garden Equipment and Supplies Dealers	444	223,692,509	207,136,155	-7.4%
Food and Beverage Stores	445	150,369,588	157,083,404	4.5%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	348,060,208	345,245,272	-0.8%
General Merchandise Retailers	455	297,735,339	308,096,509	3.5%
Health and Personal Care Retailers	456	112,807,722	95,632,163	-15.2%
Gasoline Stations and Fuel Dealers	457	51,499,149	47,697,153	-7.4%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	199,596,802	203,269,245	1.8%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailer	459	728,828,925	709,031,947	-2.7%
Wholesale				
Wholesale: Durable Goods	423	404,203,951	562,928,062	39.3%
Wholesale: Nondurable Goods	424	81,029,616	80,335,010	-0.9%
Wholesale: Electronic Markets	425	5,740,746	5,933,486	3.4%
Food Service and Accommodations				
Accommodation	721	237,067,545	250,330,393	5.6%
Food Services and Drinking Places	722	671,974,185	692,042,010	3.0%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	Jun-23	Jun-24	Percentage change (2023-2024)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 107,946,600	\$ 101,315,778	-6.1%
Book Retailers and News Dealers	4592	9,136,871	9,353,548	2.4%
Florists	4593	3,371,482	3,060,592	-9.2%
Office Supplies, Stationery, and Gift Retailers	4594	27,192,117	23,636,727	-13.1%
Used Merchandise Retailers	4595	11,859,810	11,550,639	-2.6%
Other Miscellaneous Retailers	4599	569,322,044	560,114,661	-1.6%