



King County
Office of Economic and Financial Analysis
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MEMORANDUM

DATE: September 26, 2024
 TO: King County Forecast Council
 FROM: Lizbeth Martin-Mahar, Laurie Elofson, Tony Cacallori
 RE: King County Revenue through August 2024

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

Revenue	YTD Forecast (2024 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	\$ 221,530,000	\$ 222,213,607	\$ 683,607	0.3%
UAL/Roads Levy^	\$ 54,040,000	\$ 54,156,945	\$ 116,945	0.2%
Parks Levy^	\$ 86,060,000	\$ 85,561,152	\$ (498,848)	-0.6%
AFIS Levy^	\$ 12,950,000	\$ 12,902,928	\$ (47,072)	-0.4%
Veterans, Seniors, & HS Levy (1143)^	\$ 44,310,000	\$ 43,973,002	\$ (336,998)	-0.8%
Conservation Futures Levy (3151)^	\$ 27,590,000	\$ 27,191,283	\$ (398,717)	-1.4%
EMS Levy^	\$ 61,410,000	\$ 64,407,344	\$ 2,997,344	4.9%
Transit Levy^	\$ 17,990,000	\$ 17,920,699	\$ (69,301)	-0.4%
Marine Levy^	\$ 3,750,000	\$ 3,753,112	\$ 3,112	0.1%
Puget Sound Emergency Radio^	\$ 19,940,000	\$ 19,880,228	\$ (59,772)	-0.3%
Best Starts for Kids Levy^	\$ 79,680,000	\$ 79,277,116	\$ (402,884)	-0.5%
Crisis Care Centers Levy^	\$ 64,210,000	\$ 62,855,032	\$ (1,354,968)	-2.1%
P&I on Delinquent Property Taxes	\$ 12,140,000	\$ 14,705,507	\$ 2,565,507	21.1%
Sales Tax - Local Option (7/24)	\$ 102,780,000	\$ 99,774,384	\$ (3,005,616)	-2.9%
Sales Tax-Criminal Justice (7/24)	\$ 10,800,000	\$ 10,500,128	\$ (299,872)	-2.8%
Sales Tax-MIDD (7/24)	\$ 53,560,000	\$ 52,177,934	\$ (1,382,066)	-2.6%
Sales Tax - Transit (7/24)	\$ 491,200,000	\$ 477,136,772	\$ (14,063,228)	-2.9%
Sales Tax - Health Through Housing (7/24)	\$ 40,450,000	\$ 40,280,422	\$ (169,578)	-0.4%
Sales Tax - Cultural Access Program (7/24)	\$ 31,900,000	\$ 30,913,547	\$ (986,453)	-3.1%
Marijuana Excise Tax	\$ 1,400,000	\$ 1,552,922	\$ 152,922	10.9%
MV Fuel Tax-Roads+	\$ 7,580,000	\$ 6,890,053	\$ (689,947)	-9.1%
E-911 Excise Tax (7/24)	\$ 16,050,000	\$ 15,025,383	\$ (1,024,617)	-6.4%
Hotel/Motel Tax (7/24)	\$ 24,180,000	\$ 23,030,599	\$ (1,149,401)	-4.8%
Lodging Tax (HB 2015) (7/24)	\$ 2,920,000	\$ 3,619,716	\$ 699,716	24.0%
REET 1 Revenue	\$ 5,610,000	\$ 6,165,198	\$ 555,198	9.9%
Wastewater Revenues+	\$ 342,270,000	\$ 341,302,619	\$ (967,381)	-0.3%
Solid Waste Net Disposal Charges+	\$ 114,510,000	\$ 109,989,592	\$ (4,520,408)	-3.9%
Transit Fare+	\$ 43,660,000	\$ 45,258,326	\$ 1,598,326	3.7%

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 \$0.6 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 seven months of collections of penalties and interest on delinquent property taxes came in \$2.6 million or 21 percent above forecast.

Total taxable sales, categorized by industry sectors, were down in the first seven months of 2024 by 1 percent yoy. Year-to-date, some industry sectors were up: management of companies up 56.7 percent, utilities up 14 percent, educational services up 36 percent, transportation and warehousing up 16.7 percent, health care and social assistance up 24 percent and arts, entertainment, and recreation up 4.3 percent over last year. Some sectors for the first seven months of 2024 were down from last year like retail trade sales down 1.1 percent (yoy), construction sales down 8.5 percent (yoy), information sales down 7.3 percent (yoy), finance and insurance down 5.2 percent, real estate, rental and leasing down 2.0 percent (yoy), and manufacturing sales down 3.8 percent (yoy). An appendix to this memo provides King County taxable retail sales by industry for the most recent month July 2024 compared to July 2023. This table indicates that in the month of July, total taxable sales were up slightly yoy by 0.7 percent. The July aggregate taxable sales report shows more positive yoy growth than prior months in 2024 but that is due to unusually large payments in the information and transportation & warehousing sectors. The areas of growth in taxable sales over a year ago included management, education, and health services (up 5.5 percent), transportation & warehousing (up 41.3 percent), wholesale (up 6.2 percent), accommodations and food service (up 11.7 percent), information services (up 21.6 percent), other services (up 9.9 percent), public administration / DOL monthly (up 3.9 percent) and real estate, rental, and leasing (up 1.1 percent). Unfortunately, some industries taxable sales in July were down over last year like utilities (down 30.2 percent), construction (down 8.2 percent), manufacturing (down 1.8 percent), professional, scientific, and technical services (down 3.3 percent), retail (down 1.0 percent), and arts, entertainment, and recreation (down 1.9 percent).

The first seven months of 2024 saw sales taxes below the March forecast by \$19.9 million, 2.7 percent, for all six sales tax levies. Sales tax distributions for transit were down the most \$14.1 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 3.1 percent. The Health through Housing sales tax was down the smallest percentage by 0.4 percent from the March forecast through July.

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 seven months. Real estate excise taxes were currently tracking 9.9 percent above forecast through August, and lodging tax (HB 2015) was up 24 percent over projections in March through July. Other forecasts were below forecast for the first seven months by more than one percent: hotel/motel taxes (4.8 percent below), E-911 excise taxes (6.4 percent below), motor vehicle fuel taxes (9.1 percent below) and solid waste charges (3.9 percent below).

2024 Actuals Compared to OEFA August Forecasts

On August 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 4.9 percent from the March forecast. 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 3 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.

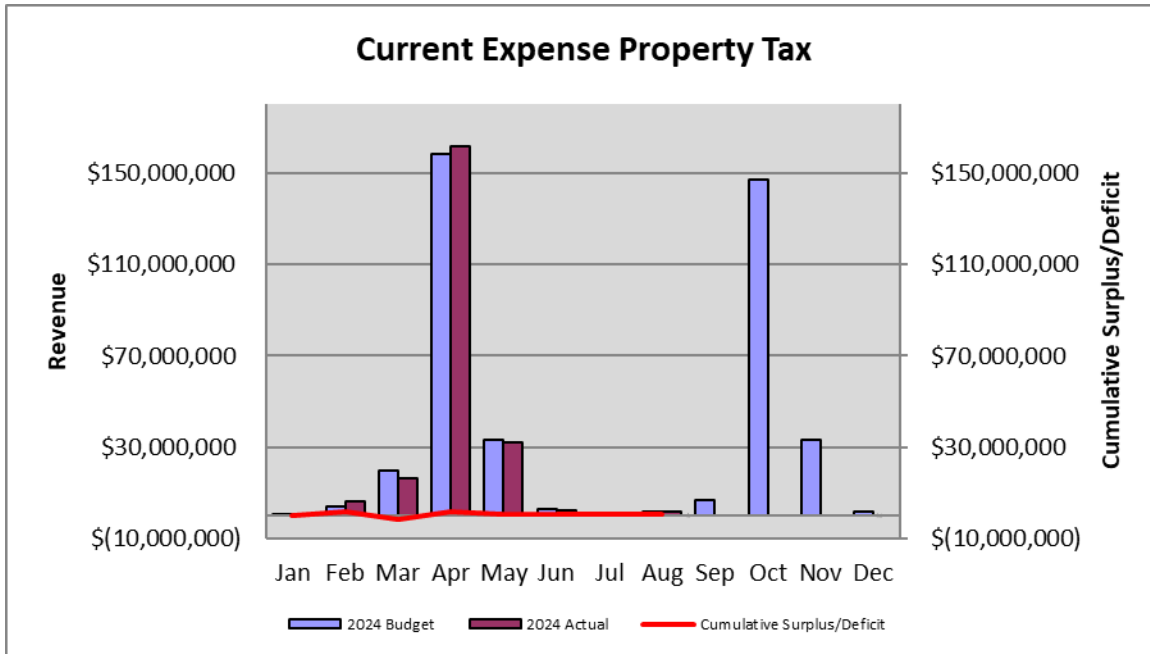
Since the August forecast for taxable sales was revised downward by nearly 5% in 2024 from the March forecast, the difference in actual sales tax levies cumulatively for the first seven months is up \$16.9 million, 2.4 percent, from the August forecast.

Since the August forecast, the marijuana, lodging tax and REET 1 forecasts were each revised upward from the March forecast. Now for the first seven and eight 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 \$429,716 or 13.5 percent. The hotel/motel tax was also now above the new latest forecast by \$1.9 million, 8.8 percent. The E-911 excise tax actuals are also tracking the August forecast by \$15,383, 0.1 percent. The REET 1 actuals compared to the new August forecast is the only forecast slightly down by -1.2 percent.

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

Revenue	YTD Forecast (August Forecast)	YTD Actual	Actual - Forecast	Difference (percentage)
P&I on Delinquent Property Taxes	\$ 14,280,000	\$ 14,705,507	\$ 425,507	3.0%
Sales Tax - Local Option (7/24)	\$ 97,600,000	\$ 99,774,384	\$ 2,174,384	2.2%
Sales Tax-Criminal Justice (7/24)	\$ 10,260,000	\$ 10,500,128	\$ 240,128	2.3%
Sales Tax-MIDD (7/24)	\$ 50,860,000	\$ 52,177,934	\$ 1,317,934	2.6%
Sales Tax - Transit (7/24)	\$ 466,410,000	\$ 477,136,772	\$ 10,726,772	2.3%
Sales Tax - Health Through Housing (7/24)	\$ 38,410,000	\$ 40,280,422	\$ 1,870,422	4.9%
Sales Tax - Cultural Access Program (7/24)	\$ 30,290,000	\$ 30,913,547	\$ 623,547	2.1%
Marijuana Excise Tax	\$ 1,440,000	\$ 1,552,922	\$ 112,922	7.8%
E-911 Excise Tax (7/24)	\$ 15,010,000	\$ 15,025,383	\$ 15,383	0.1%
Hotel/Motel Tax (7/24)	\$ 21,160,000	\$ 23,030,599	\$ 1,870,599	8.8%
Lodging Tax (HB 2015) (7/24)	\$ 3,190,000	\$ 3,619,716	\$ 429,716	13.5%
REET 1 Revenue	\$ 6,240,000	\$ 6,163,488	\$ (76,512)	-1.2%

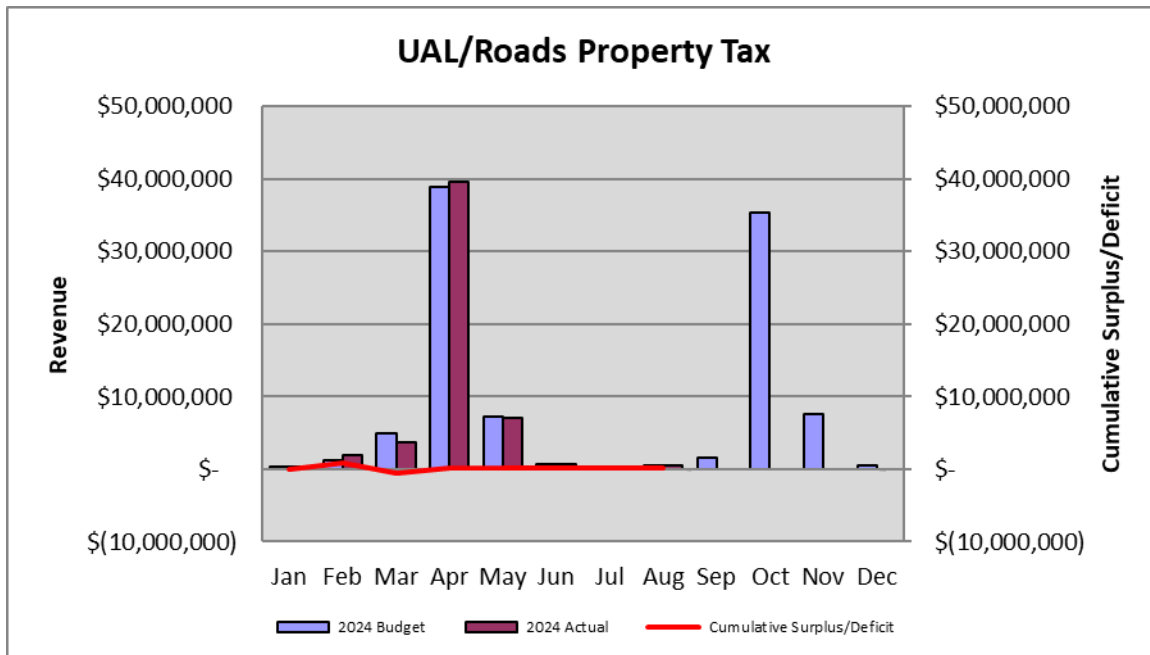
The graphs on the following pages indicate revenues from specific funds, including comparisons between monthly revenues as forecasted in March, shown by the blue bars, actual monthly revenues, indicated by the burgundy bars and the red line showing the cumulative difference between March forecasts and actuals. The table below the graphs show the single month of August or July’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 (August 2024)

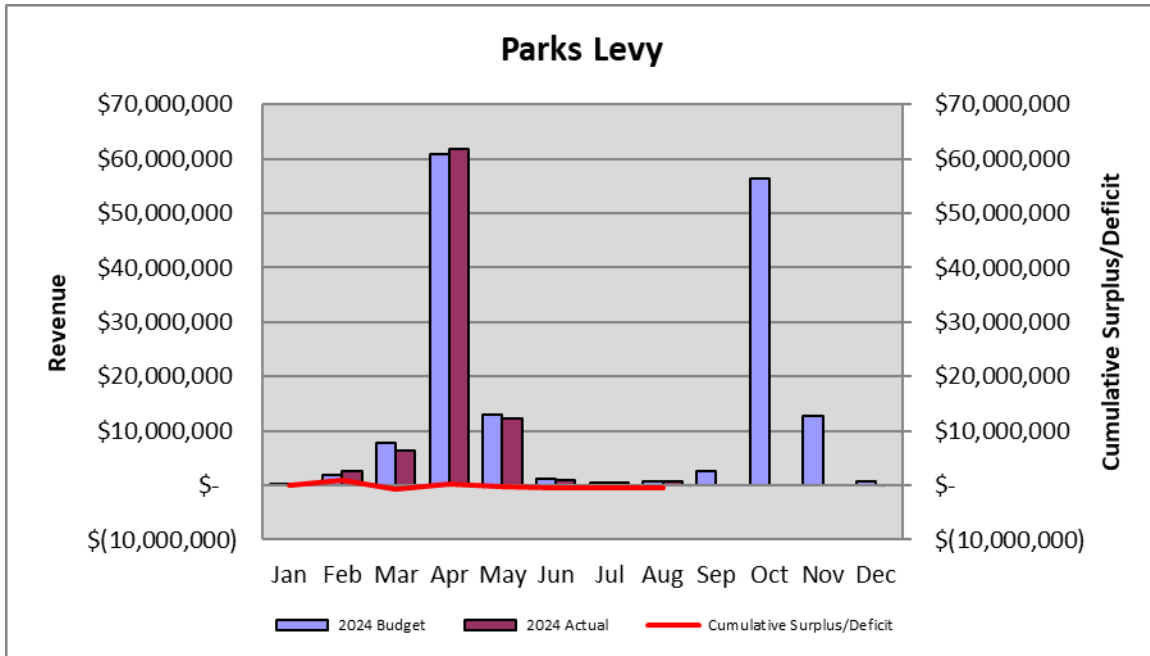
Forecast	Actual	Actual-Forecast	Difference
\$ 1,880,903	\$ 1,862,620	\$ (18,282)	-1.0%



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

UAL/Roads Property Taxes Comparison (August 2024)

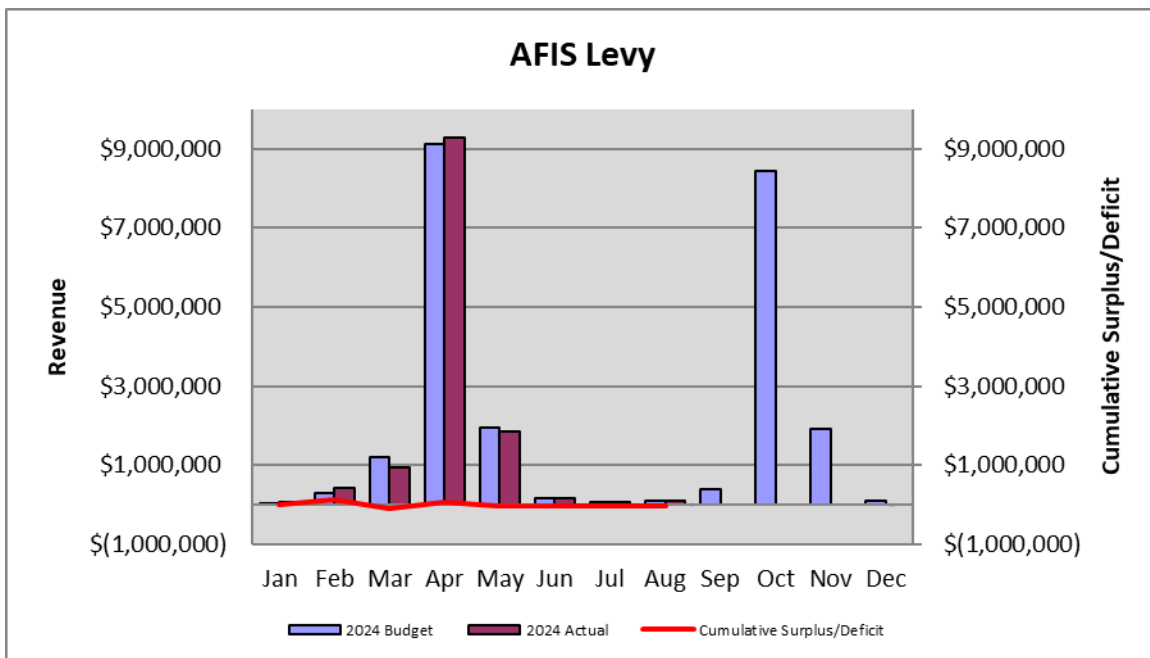
Forecast	Actual	Actual-Forecast	Difference
\$ 526,725	\$ 495,232	\$ (31,494)	-6.0%



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

Parks Property Taxes Comparison (August 2024)

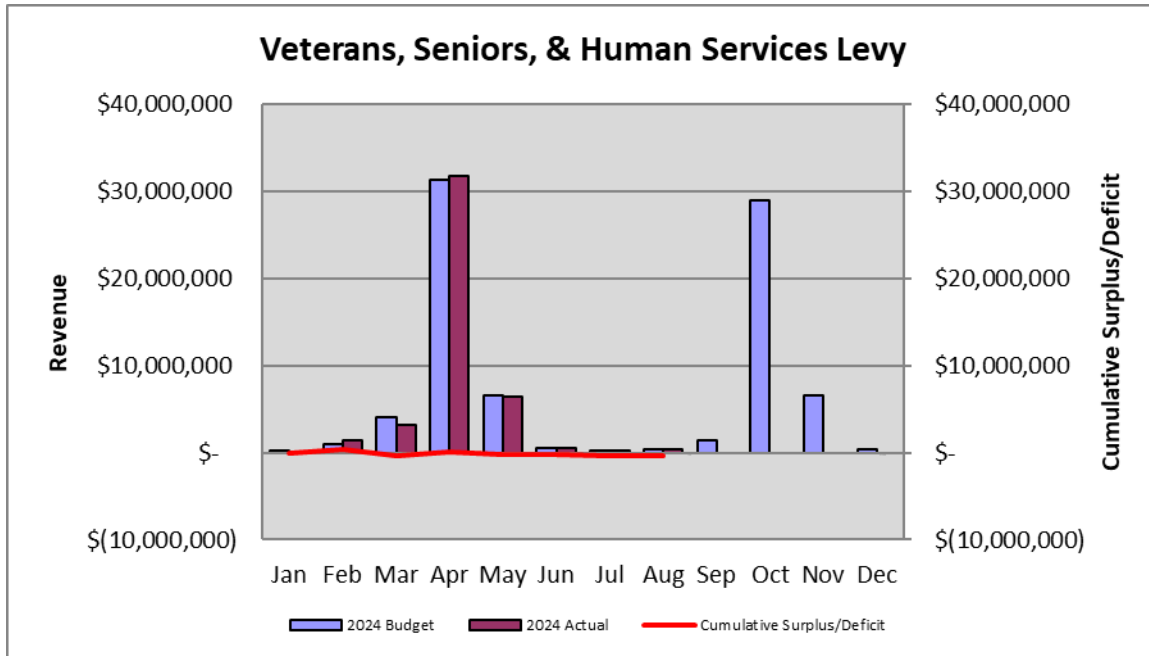
Forecast	Actual	Actual-Forecast	Difference
\$ 740,565	\$ 677,142	\$ (63,423)	-8.6%



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

AFIS Property Taxes Comparison (August 2024)

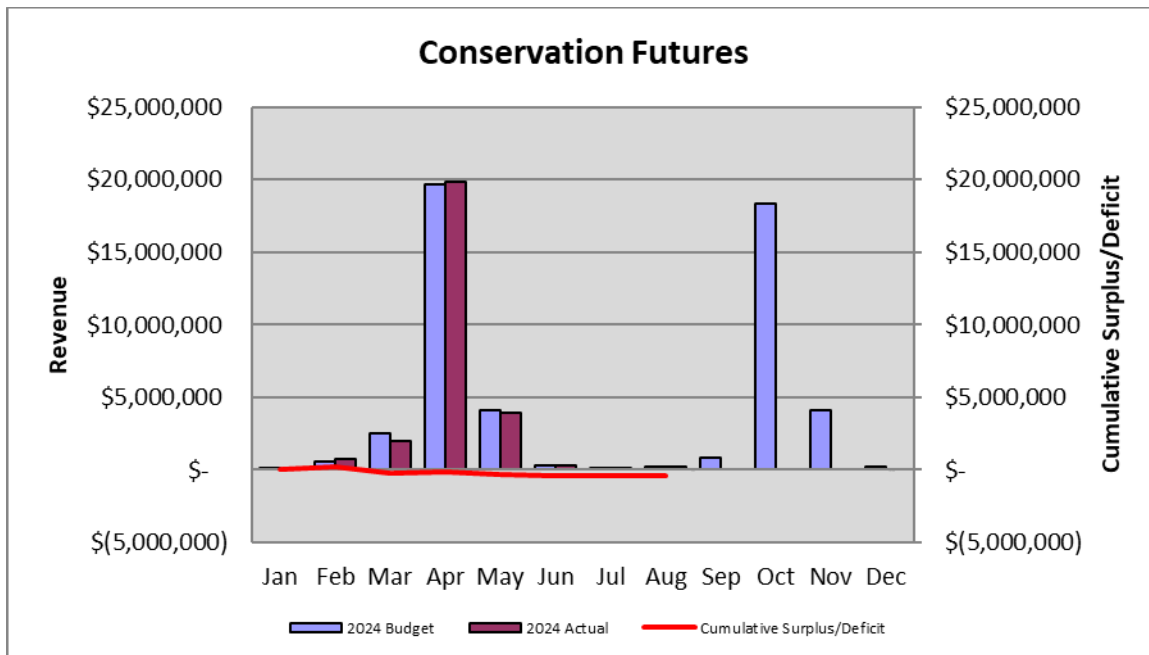
Forecast	Actual	Actual-Forecast	Difference
\$ 115,150	\$ 112,197	\$ (2,953)	-2.6%



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

VSHSL Property Taxes Comparison (August 2024)

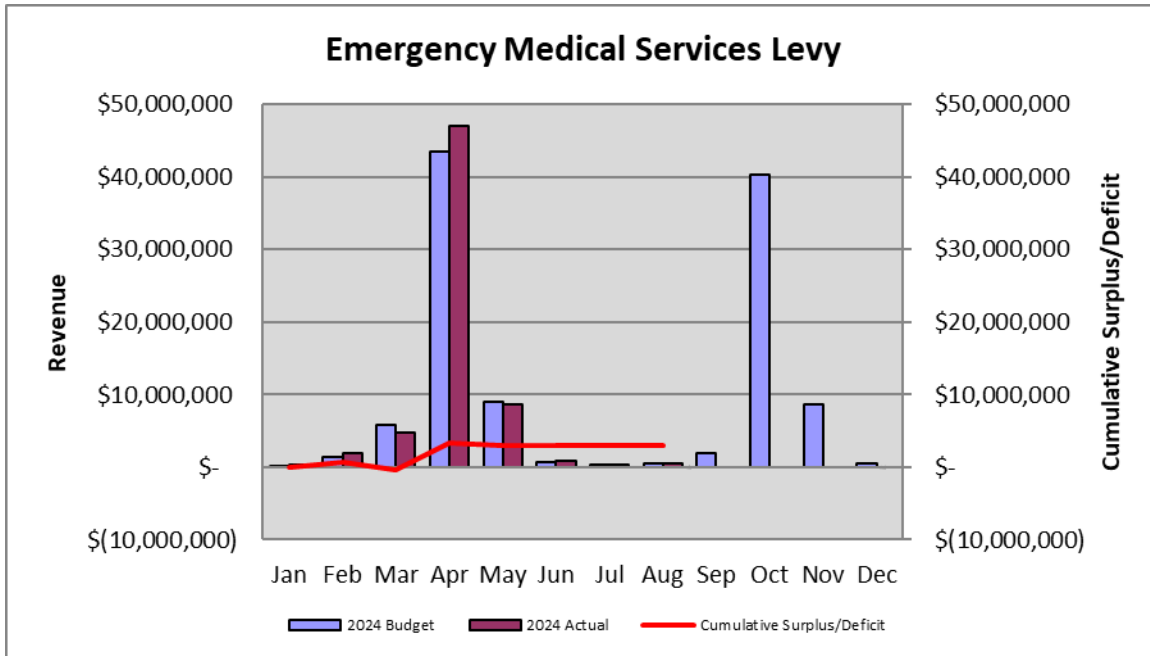
Forecast	Actual	Actual-Forecast	Difference
\$ 383,383	\$ 346,628	\$ (36,754)	-9.6%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (August 2024)

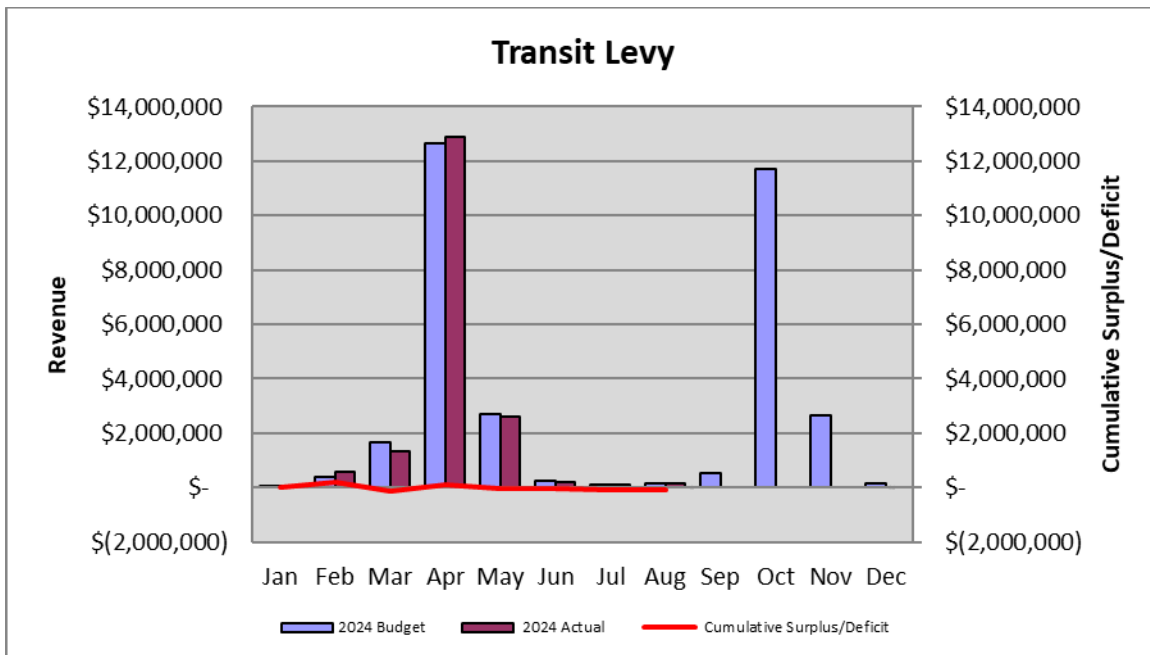
Forecast	Actual	Actual-Forecast	Difference
\$ 233,325	\$ 216,655	\$ (16,671)	-7.1%



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

EMS Property Taxes Comparison (August 2024)

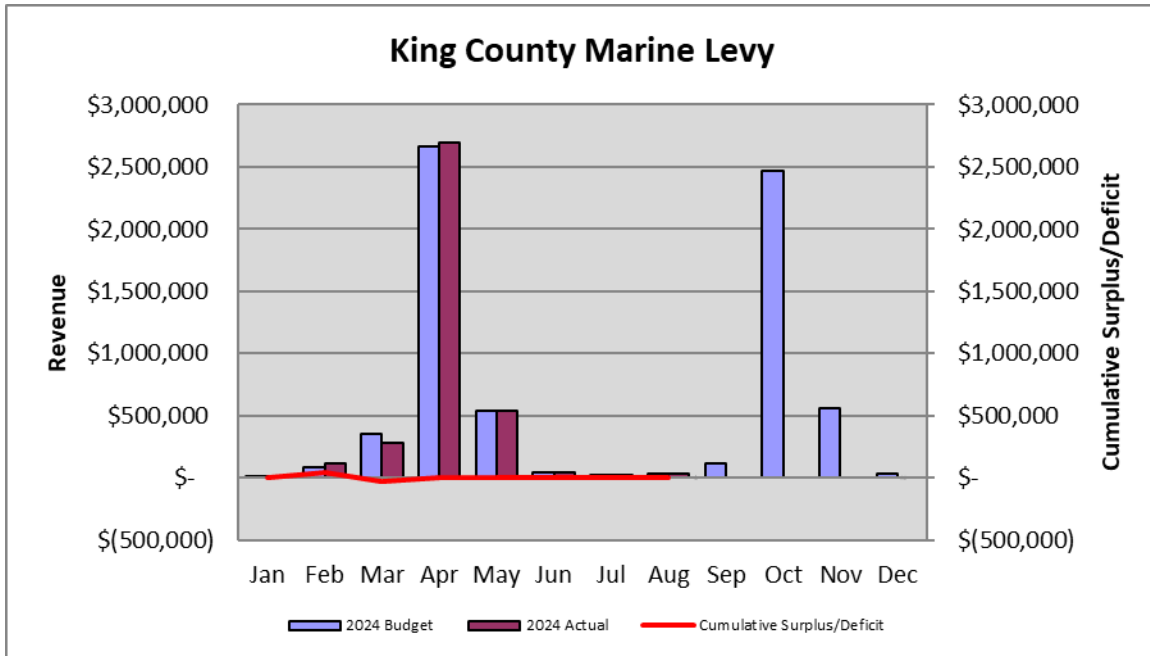
Forecast	Actual	Actual-Forecast	Difference
\$ 551,719	\$ 549,270	\$ (2,449)	-0.4%



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

Transit Property Taxes Comparison (August 2024)

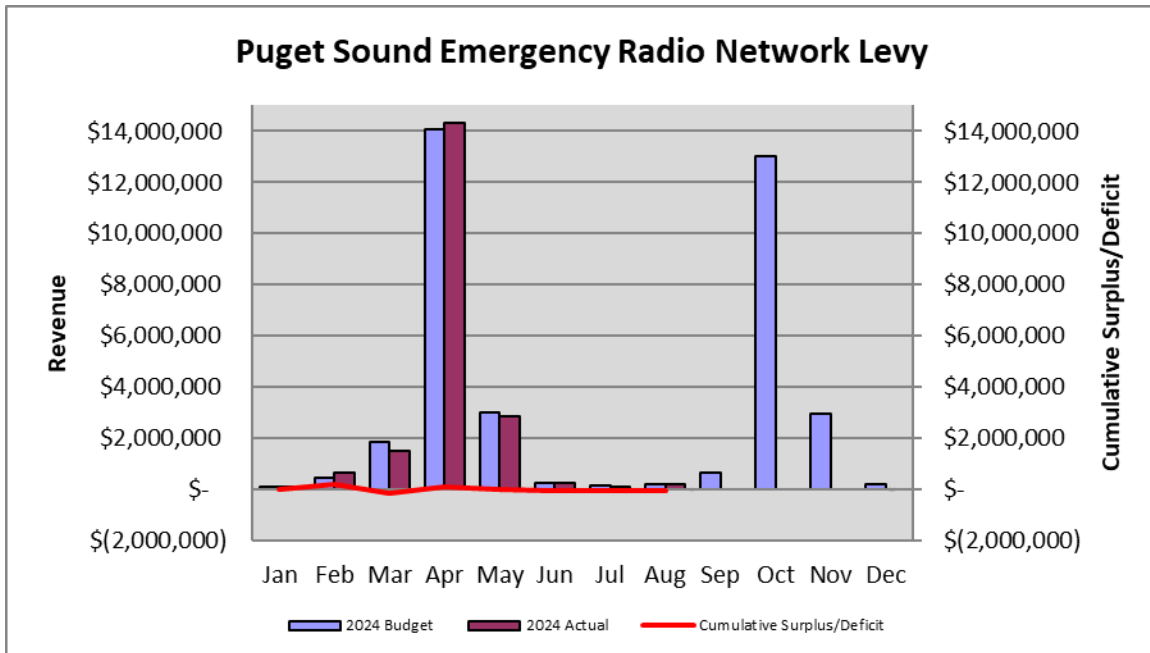
Forecast	Actual	Actual-Forecast	Difference
\$ 159,531	\$ 155,811	\$ (3,720)	-2.3%



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

King County Marine Property Taxes Comparison (August 2024)

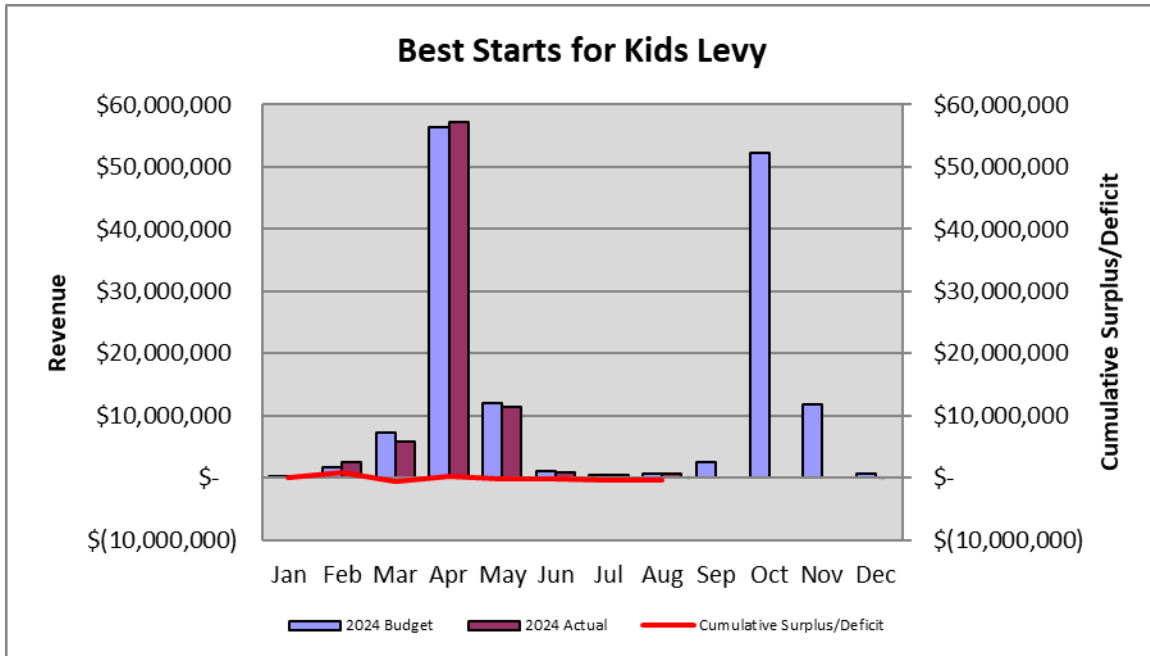
Forecast	Actual	Actual-Forecast	Difference
\$ 33,676	\$ 32,624	\$ (1,052)	-3.1%



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

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

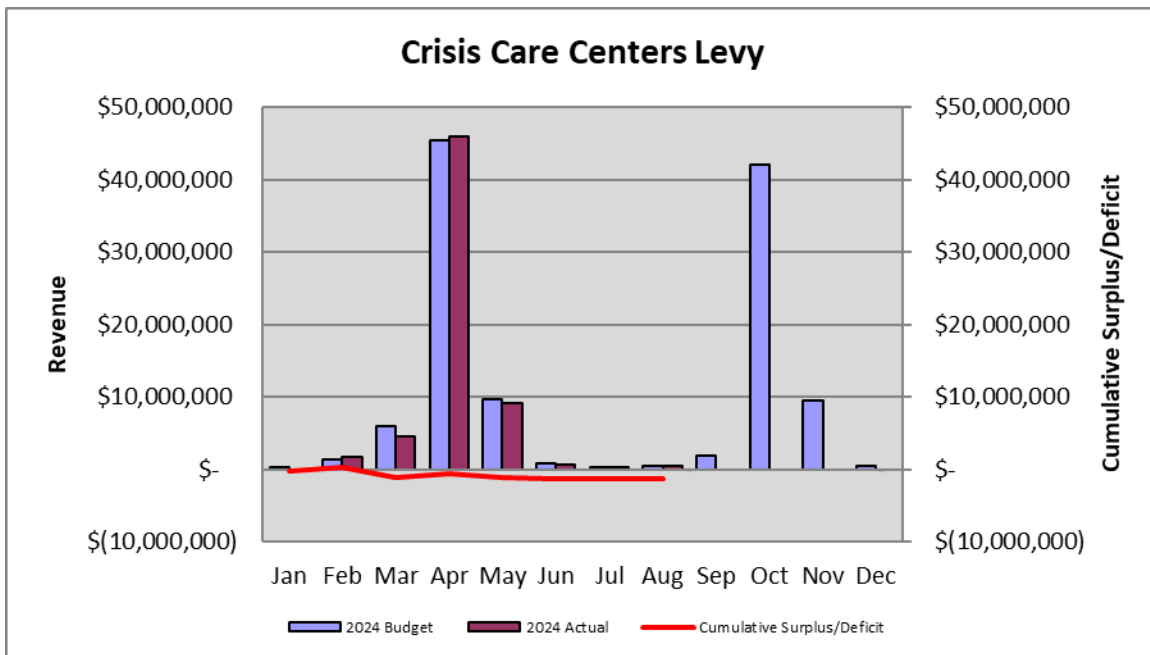
Forecast	Actual	Actual-Forecast	Difference
\$ 177,309	\$ 172,871	\$ (4,437)	-2.5%



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

Best Starts for Kids Property Taxes Comparison (August 2024)

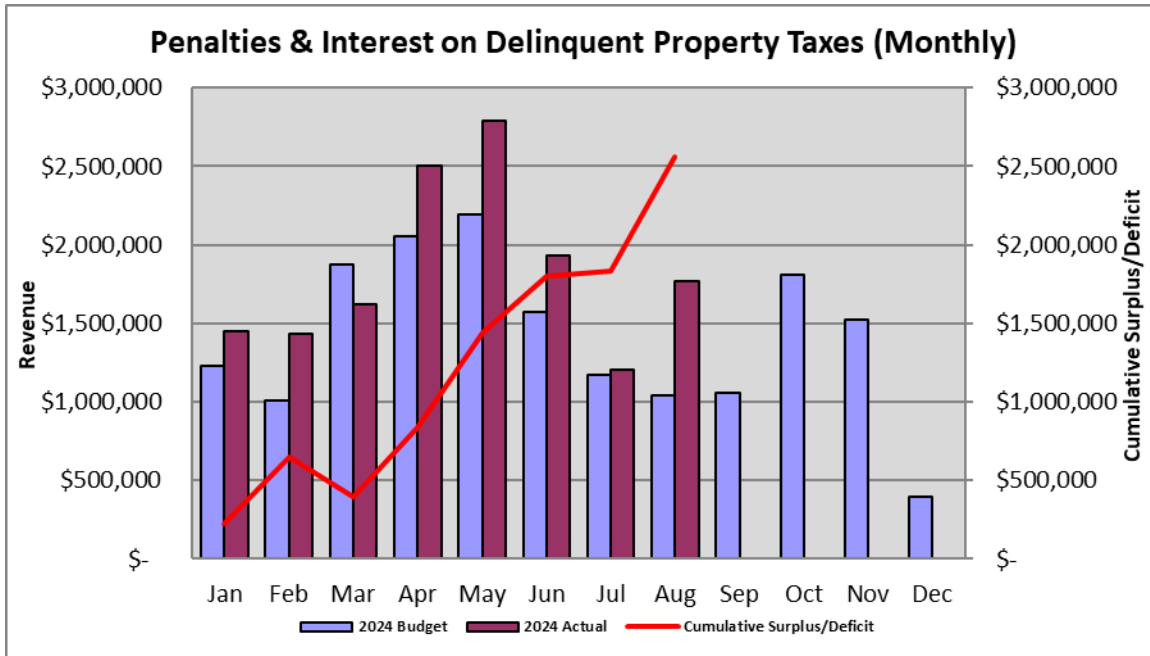
Forecast	Actual	Actual-Forecast	Difference
\$ 692,133	\$ 627,977	\$ (64,156)	-9.3%



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

Crisis Care Centers Property Taxes Comparison (August 2024)

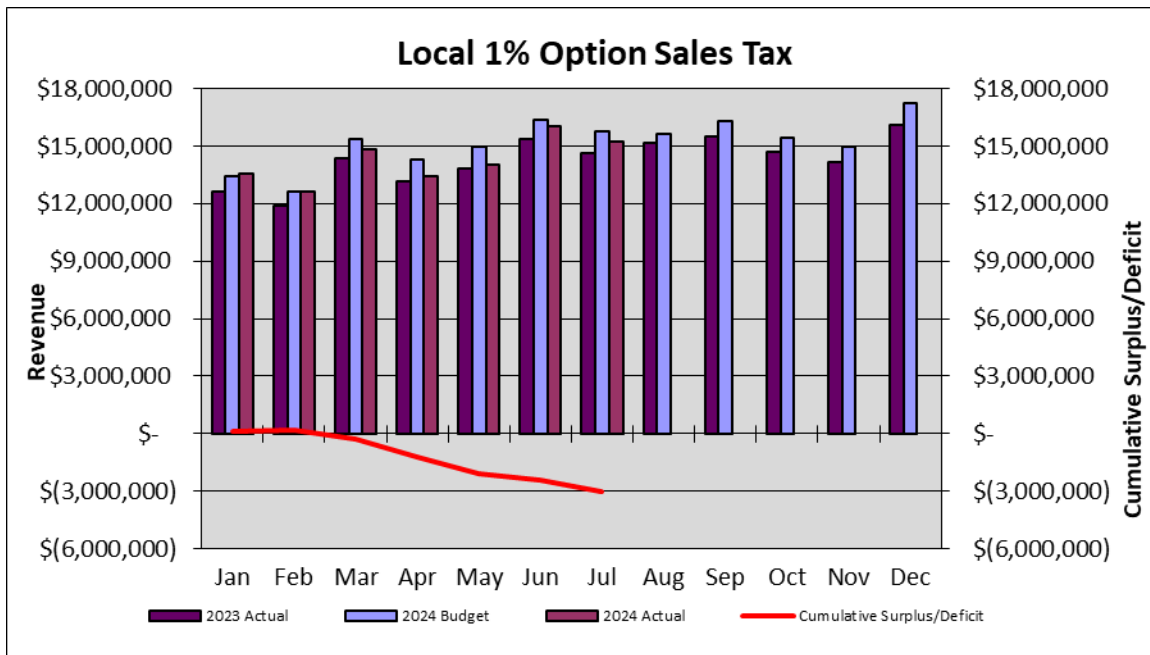
Forecast	Actual	Actual-Forecast	Difference
\$ 557,798	\$ 478,358	\$ (79,440)	-14.2%



Data Source: King County EBS Fund 0010, Acct 31911

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

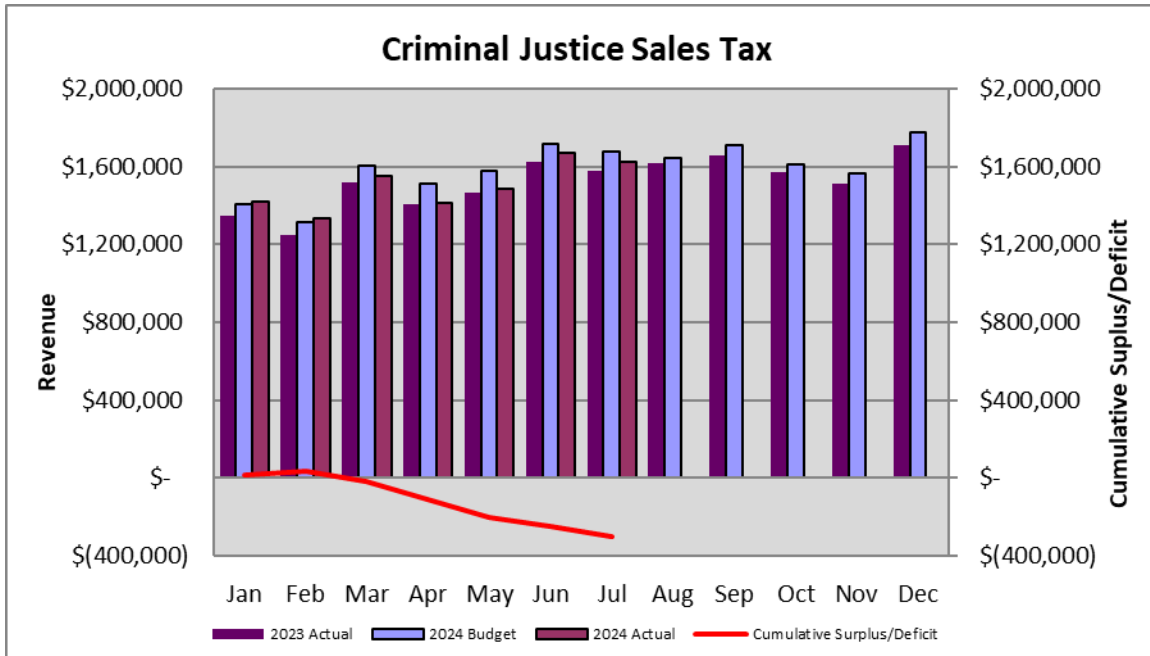
Forecast	Actual	Actual-Forecast	Difference
\$ 1,039,582	\$ 1,765,170	\$ 725,587	69.8%



Data Source: Washington State DOR through July

Local Option Sales Tax Comparison (July 2024)

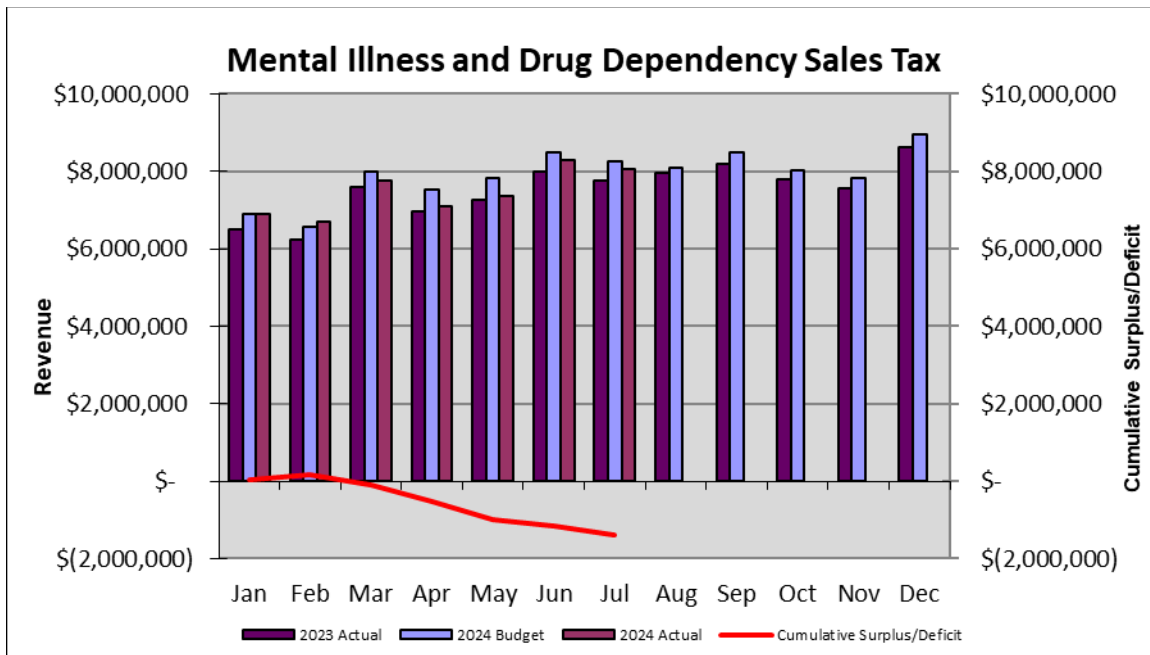
Forecast	Actual	Actual-Forecast	Difference
\$ 15,798,142	\$ 15,236,157	\$ (561,985)	-3.6%



Data Source: Washington DOR through July

CJ Sales Tax Comparison (July 2024)

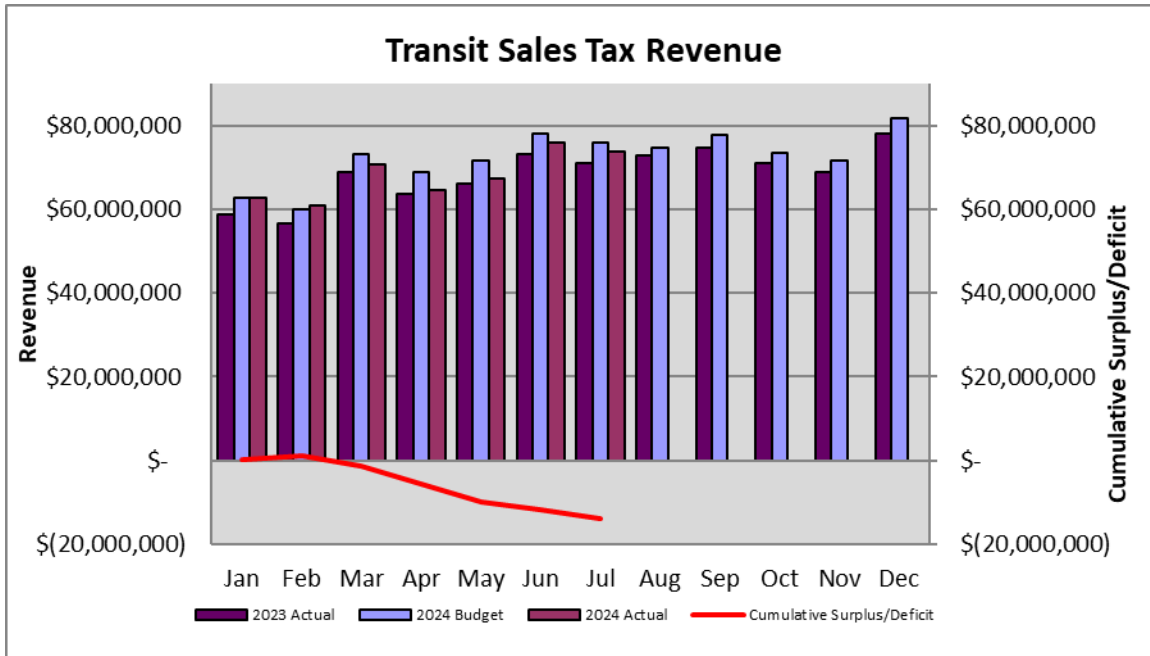
Forecast	Actual	Actual-Forecast	Difference
\$ 1,676,007	\$ 1,624,293	\$ (51,713)	-3.1%



Data Source: Washington DOR through July

MIDD Sales Tax Comparison (July 2024)

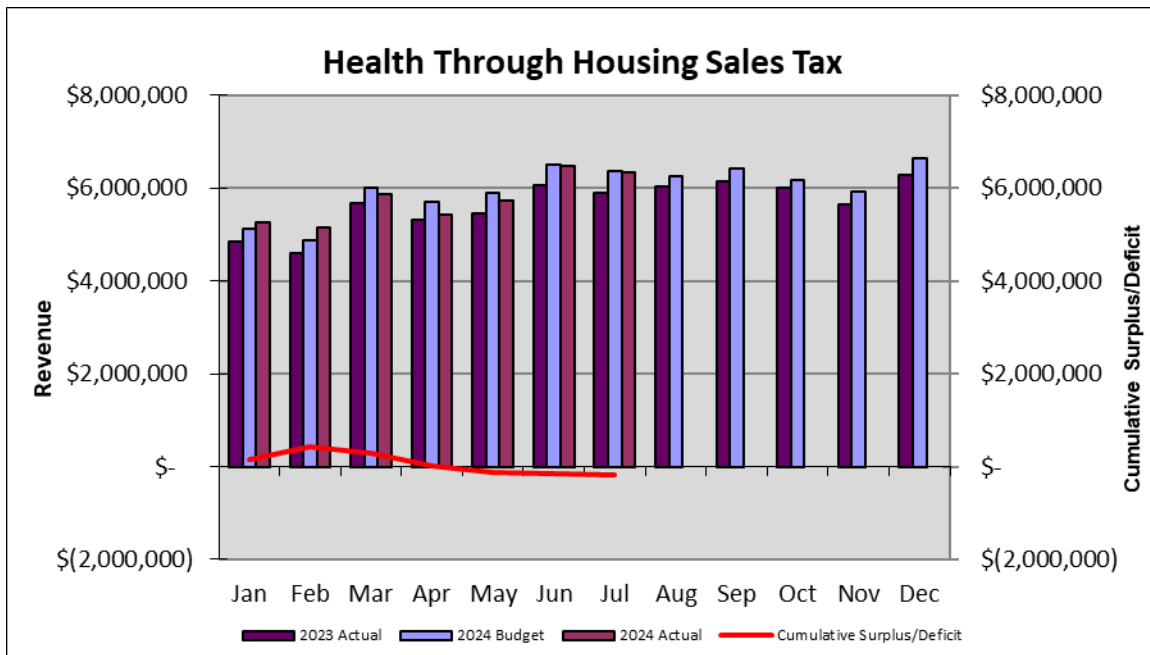
Forecast	Actual	Actual-Forecast	Difference
\$ 8,253,334	\$ 8,041,799	\$ (211,535)	-2.6%



Data Source: Washington DOR through July

Transit Sales Tax Comparison (July 2024)

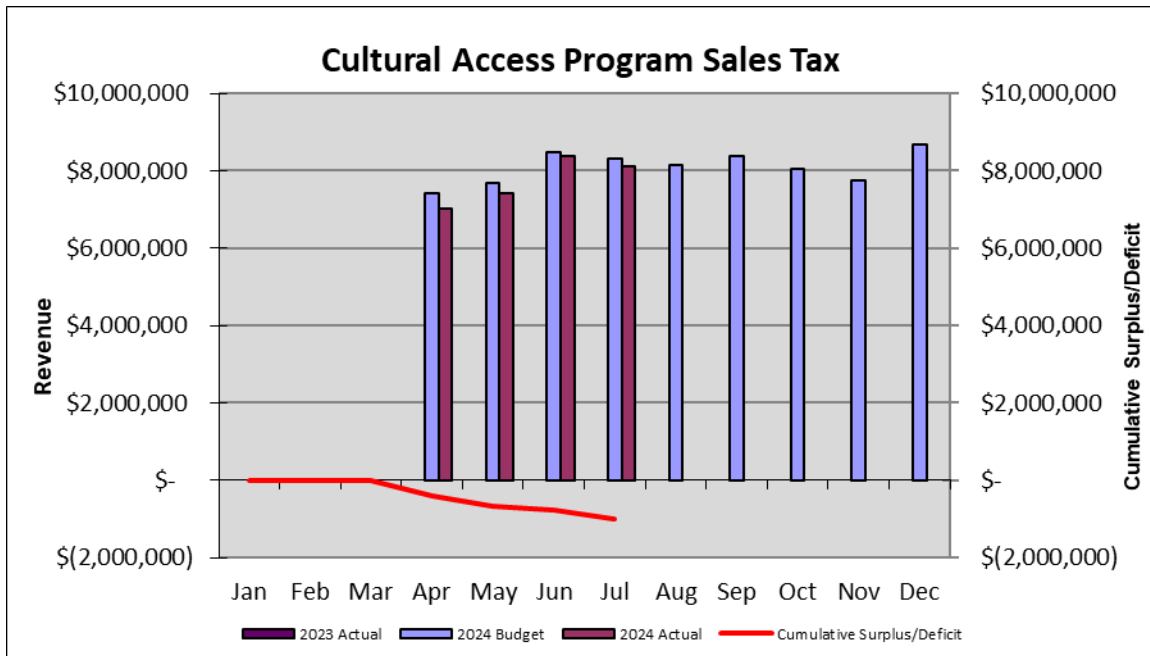
Forecast	Actual	Actual-Forecast	Difference
\$ 76,125,069	\$ 73,918,874	\$ (2,206,195)	-2.9%



Data Source: Washington DOR through July

HTH Sales Tax Comparison (July 2024)

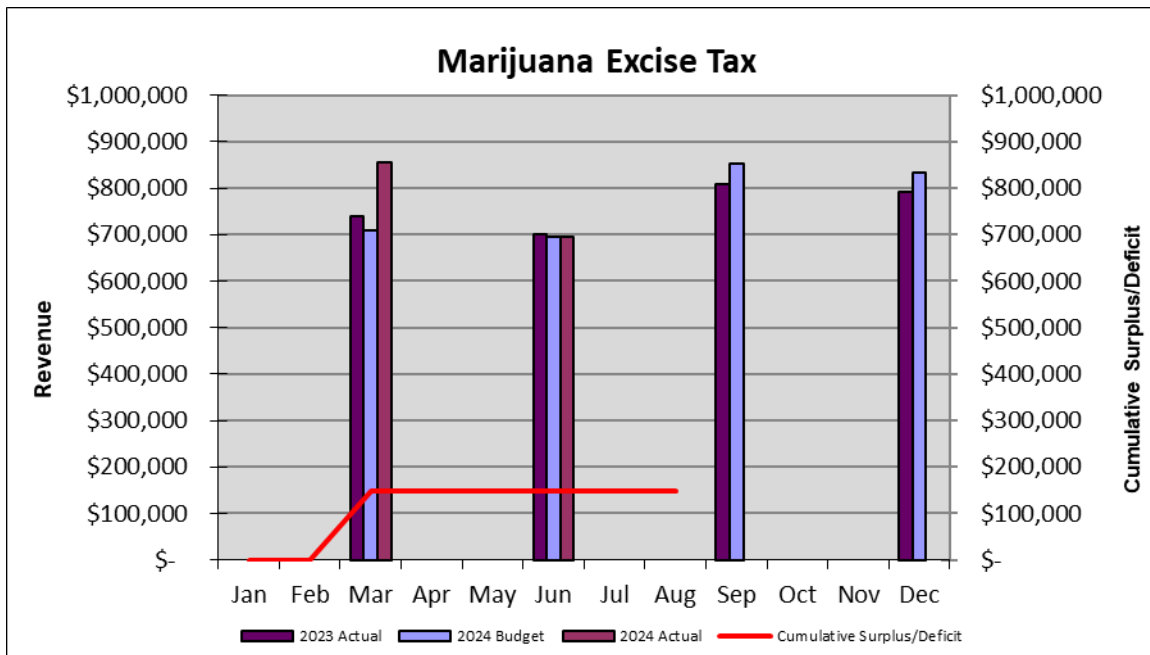
Forecast	Actual	Actual-Forecast	Difference
\$ 6,374,944	\$ 6,349,604	\$ (25,341)	-0.4%



Data Source: Washington DOR through July

CAP Sales Tax Comparison (July 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 8,313,914	\$ 8,098,867	\$ (215,048)	-2.6%

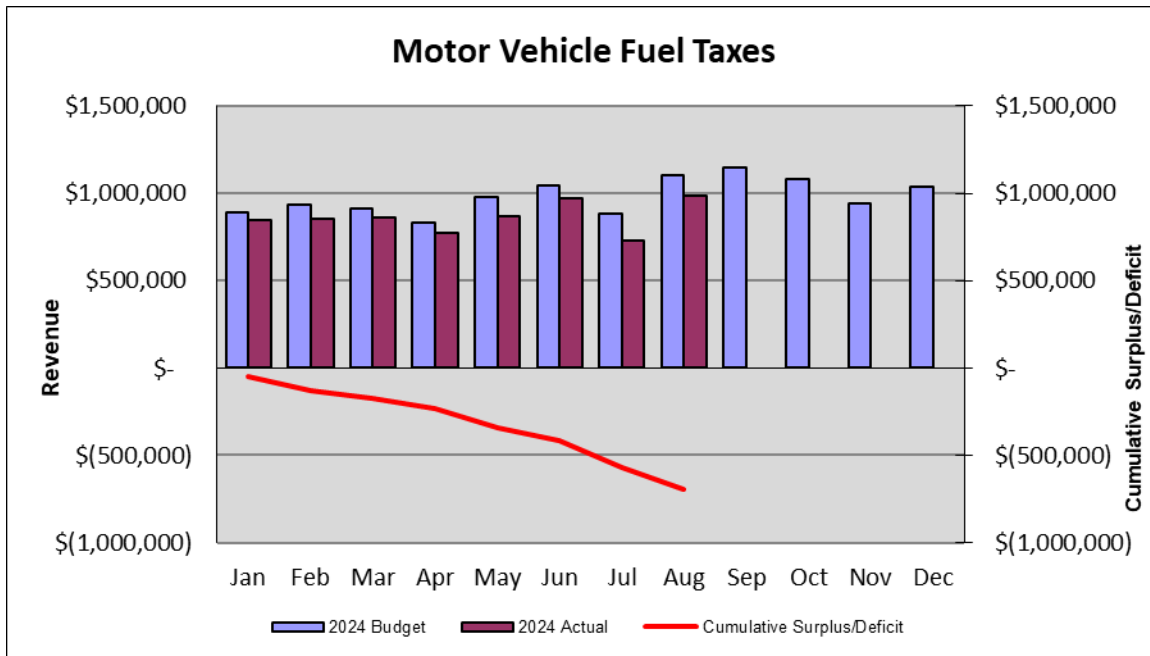


Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (August 2024)

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

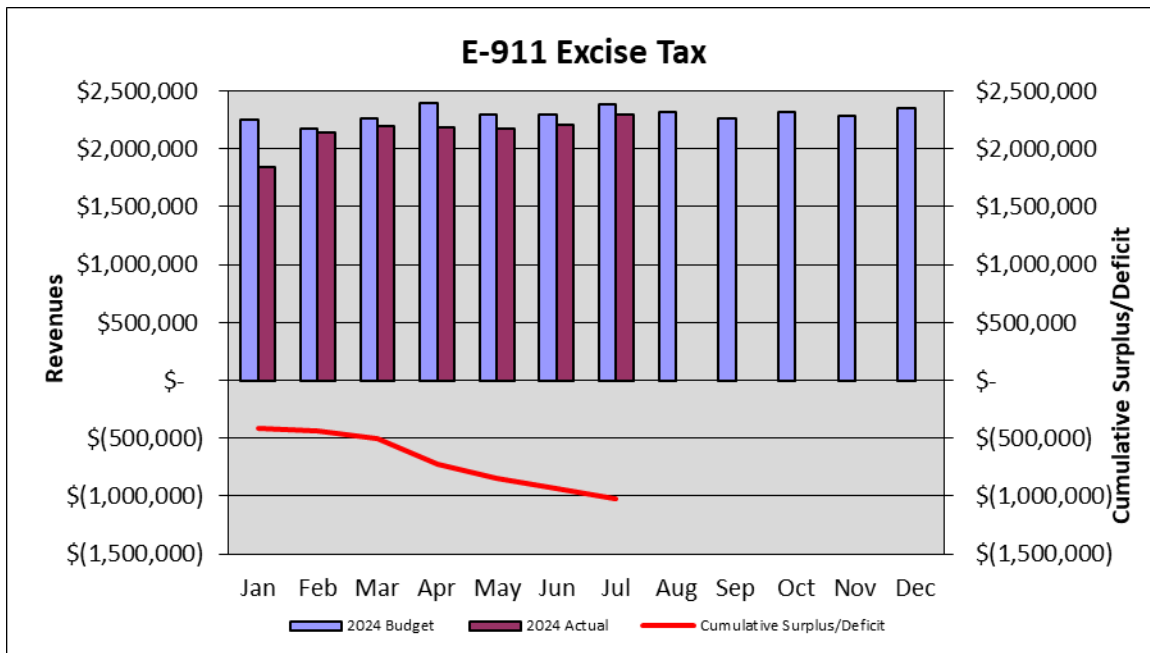
This data is received quarterly in March, June, September and December.



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (August 2024)

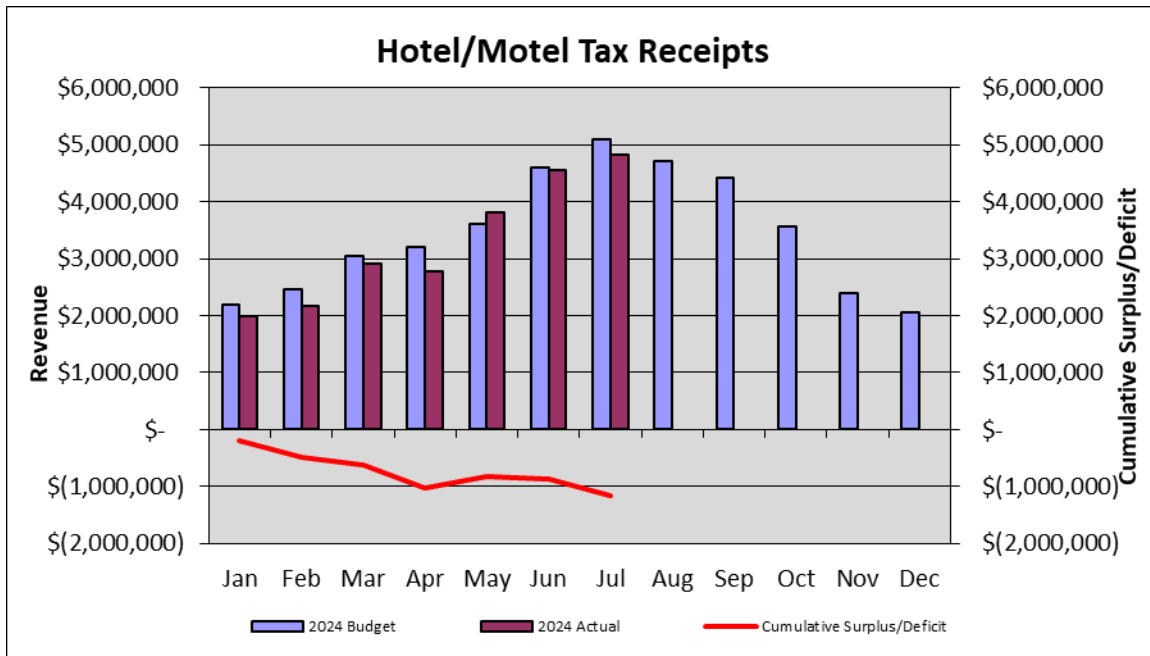
Forecast	Actual	Actual-Forecast	Difference
\$ 1,106,691	\$ 985,858	\$ (120,833)	-10.9%



Data Source: Washington DOR through July

E-911 Excise Tax Comparison (July 2024)

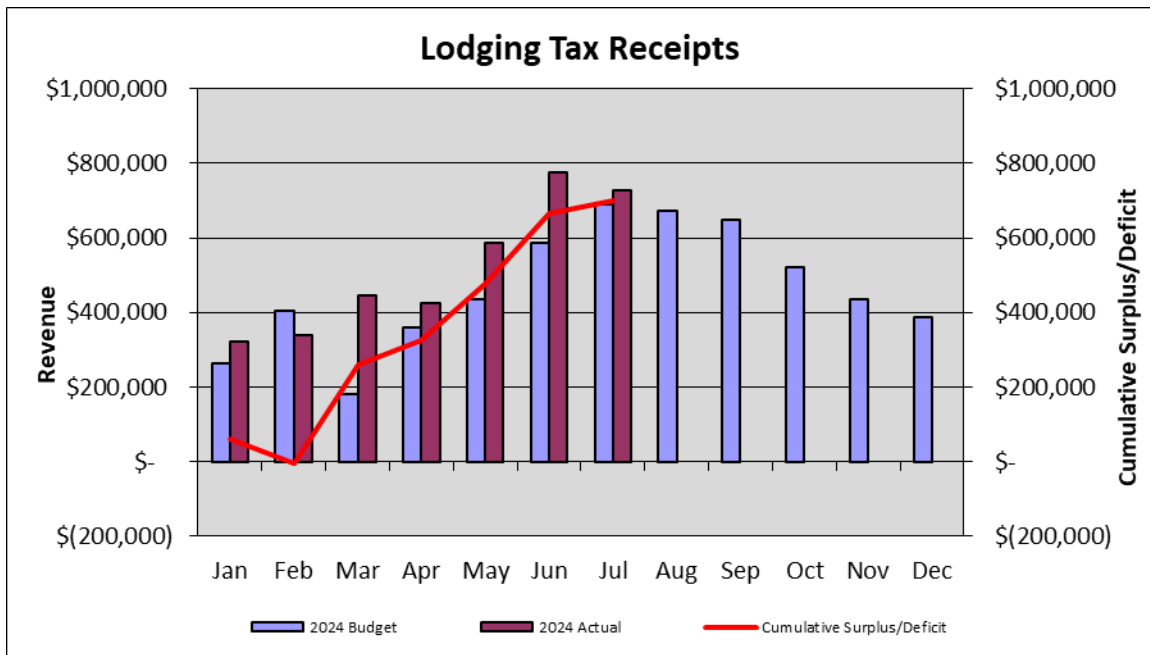
Forecast	Actual	Actual-Forecast	Difference
\$ 2,388,659	\$ 2,298,964	\$ (89,695)	-3.8%



Data Source: Washington DOR through July

Hotel/Motel Tax Comparison (July 2024)

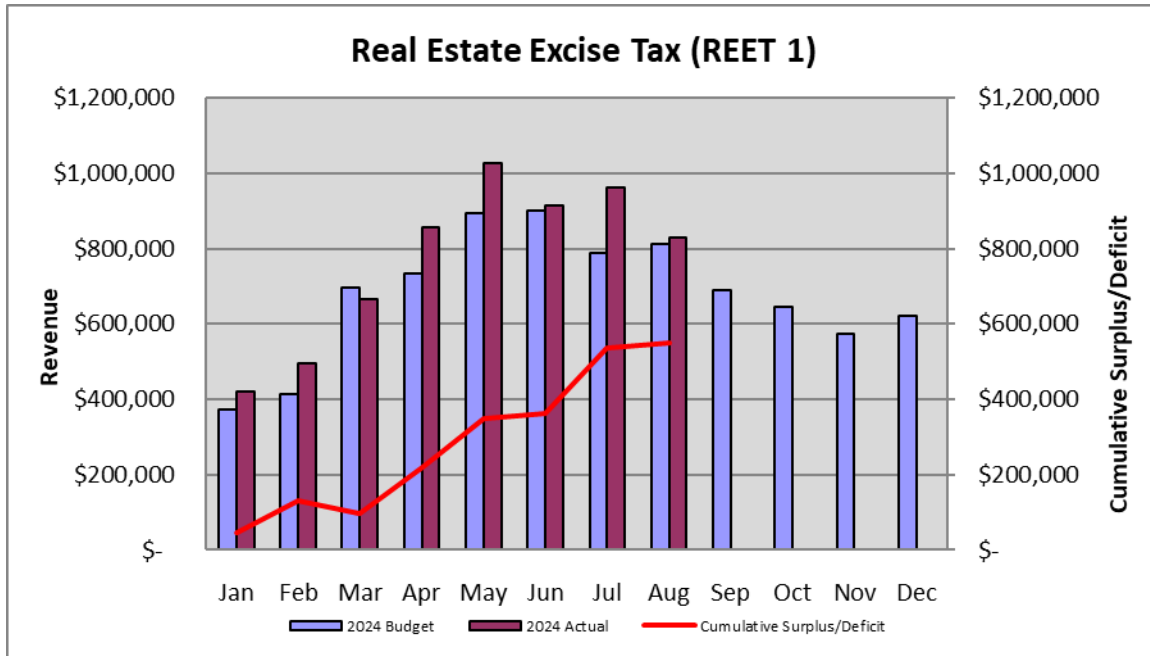
Forecast	Actual	Actual-Forecast	Difference
\$ 5,085,476	\$ 4,813,486	\$ (271,990)	-5.3%



Data Source: Seattle Convention Center through July

Lodging Tax Comparison (July 2024)

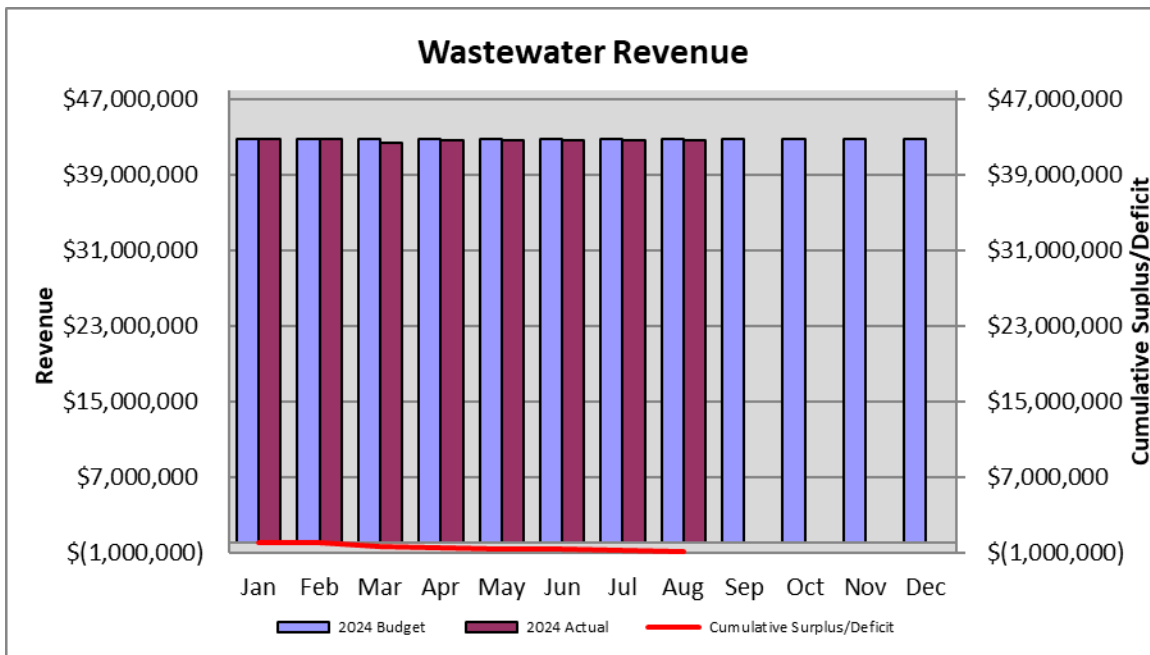
Forecast	Actual	Actual-Forecast	Difference
\$ 690,880	\$ 726,374	\$ 35,494	5.1%



Data Source: King County EBS Acct 31734

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

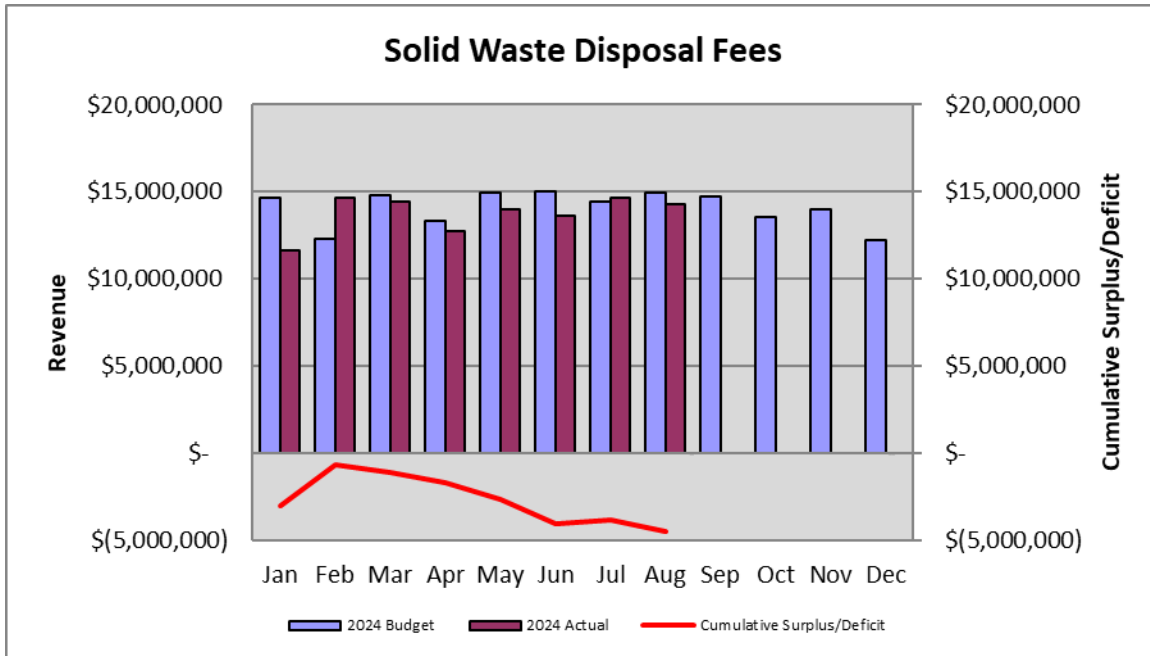
Forecast	Actual	Actual-Forecast	Difference
\$ 812,861	\$ 828,228	\$ 15,367	1.9%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (August 2024)

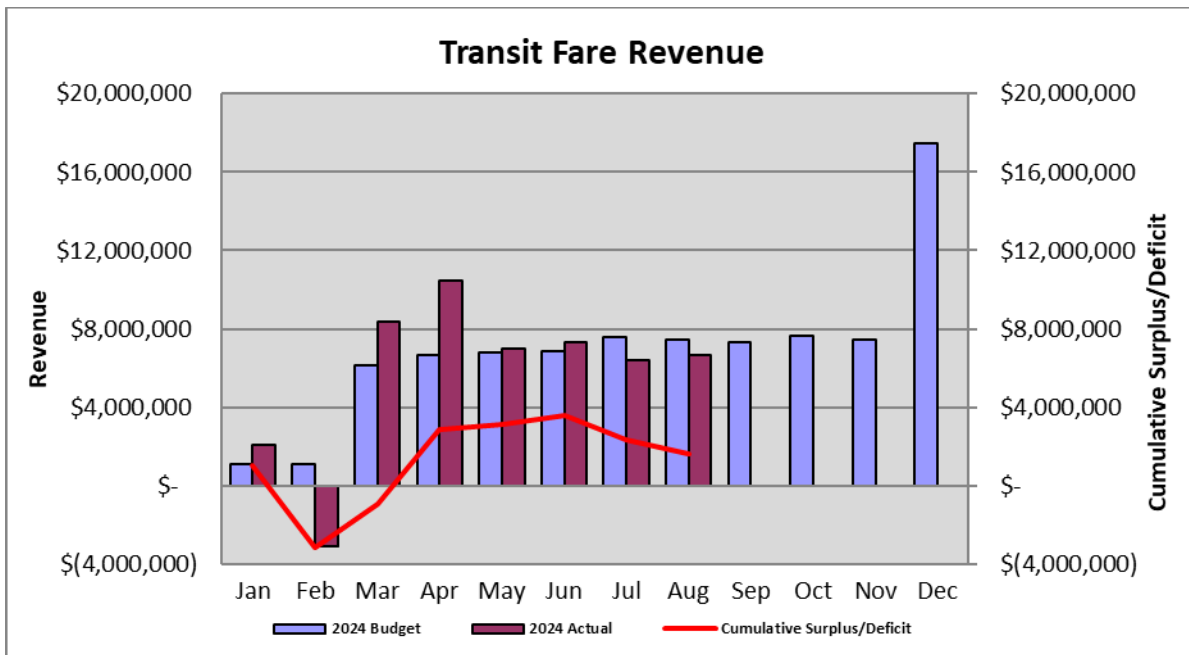
Forecast	Actual	Actual-Forecast	Difference
\$ 42,784,325	\$ 42,654,589	\$ (129,736)	-0.3%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (August 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 14,951,205	\$ 14,267,385	\$ (683,820)	-4.6%



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

Transit Fare Charges Comparison (August 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 7,467,377	\$ 6,690,466	\$ (776,911)	-10.4%

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

NAICS Category	2-digit NAICS	Jul-23	Jul-24	Percent change (2023-2024)
Agriculture	11	\$ 1,627,016	\$ 1,604,523	-1.4%
Mining	21	482,910	526,453	9.0%
Utilities	22	14,809,015	10,331,849	-30.2%
Construction	23	1,737,639,371	1,595,755,473	-8.2%
Manufacturing	31-33	177,369,231	174,246,366	-1.8%
Wholesale	41-42	409,954,758	435,261,672	6.2%
Retail Trade	44-45	2,725,618,868	2,697,826,822	-1.0%
Transportation and Warehousing	48-49	115,550,751	163,240,347	41.3%
Information	51	485,602,302	590,365,859	21.6%
Finance & Insurance	52	61,417,647	61,836,124	0.7%
Real Estate, Rental, Leasing	53	234,164,131	236,836,970	1.1%
Professional, Scientific, Technical Services	54	339,259,553	327,936,928	-3.3%
Management, Education and Health Services	55-62	510,734,009	538,879,811	5.5%
Arts, Entertainment and Recreation	71	97,706,862	95,829,198	-1.9%
Accommodations, Food Services	72	939,244,398	959,668,259	2.2%
Other Services	81	161,564,141	177,595,167	9.9%
Public Administration/DOL Monthly	92	98,527,337	102,356,321	3.9%
Other		-	-	0.0%
Total-All Industries		\$ 8,111,272,298	\$ 8,170,098,141	0.7%
NAICS Category	3-digit NAICS	Jul-23	Jul-24	Percentage change (2023-2024)
Construction				
Construction of Buildings	236	\$ 1,161,212,522	\$ 950,893,150	-18.1%
Heavy and Civil Engineering Construction	237	102,240,711	157,401,950	54.0%
Specialty Trade Contractors	238	474,186,138	487,460,373	2.8%
Retail				
Motor Vehicle and Parts Dealers	441	557,153,127	523,775,802	-6.0%
Building Material and Garden Equipment and Supplies Dealers	444	228,260,032	223,703,720	-2.0%
Food and Beverage Stores	445	147,521,017	166,091,645	12.6%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	347,927,237	332,727,054	-4.4%
General Merchandise Retailers	455	374,824,592	381,360,298	1.7%
Health and Personal Care Retailers	456	109,571,186	89,243,394	-18.6%
Gasoline Stations and Fuel Dealers	457	48,501,833	51,810,070	6.8%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	213,878,837	218,189,356	2.0%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailers	459	697,981,008	710,925,484	1.9%
Wholesale				
Wholesale: Durable Goods	423	331,408,089	354,095,761	6.8%
Wholesale: Nondurable Goods	424	73,473,311	75,814,945	3.2%
Wholesale: Electronic Markets	425	5,073,359	5,350,966	5.5%
Food Service and Accommodations				
Accommodation	721	266,864,198	268,968,621	0.8%
Food Services and Drinking Places	722	672,380,201	690,699,639	2.7%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	Jul-23	Jul-24	Percentage change (2023-2024)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 99,905,247	\$ 92,197,595	-7.7%
Book Retailers and News Dealers	4592	8,105,205	7,742,167	-4.5%
Florists	4593	3,026,764	2,970,274	-1.9%
Office Supplies, Stationery, and Gift Retailers	4594	24,548,440	23,763,753	-3.2%
Used Merchandise Retailers	4595	11,702,114	11,839,595	1.2%
Other Miscellaneous Retailers	4599	550,693,242	572,412,102	3.9%