



King County
Office of Economic and Financial Analysis
 King Street Center, 3rd Floor.
 201 South Jackson Street
 Seattle, WA 98104
 206.477.3413

MEMORANDUM

DATE: October 28, 2024
 TO: King County Forecast Council
 FROM: Lizbeth Martin-Mahar, Laurie Elofson, Tony Cacallori
 RE: King County Revenue through September 2024

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

Revenue	YTD Forecast (2024 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	\$ 228,320,000	\$ 228,490,245	\$ 170,245	0.1%
UAL/Roads Levy^	\$ 55,690,000	\$ 55,543,885	\$ (146,115)	-0.3%
Parks Levy^	\$ 88,690,000	\$ 87,870,360	\$ (819,640)	-0.9%
AFIS Levy^	\$ 13,350,000	\$ 13,261,525	\$ (88,475)	-0.7%
Veterans, Seniors, & HS Levy (1143)^	\$ 45,670,000	\$ 45,162,375	\$ (507,625)	-1.1%
Conservation Futures Levy (3151)^	\$ 28,440,000	\$ 27,947,525	\$ (492,475)	-1.7%
EMS Levy^	\$ 63,310,000	\$ 66,203,368	\$ 2,893,368	4.6%
Transit Levy^	\$ 18,550,000	\$ 18,418,749	\$ (131,251)	-0.7%
Marine Levy^	\$ 3,870,000	\$ 3,857,419	\$ (12,581)	-0.3%
Puget Sound Emergency Radio^	\$ 20,560,000	\$ 20,432,717	\$ (127,283)	-0.6%
Best Starts for Kids Levy^	\$ 82,120,000	\$ 81,414,307	\$ (705,693)	-0.9%
Crisis Care Centers Levy^	\$ 66,180,000	\$ 64,580,062	\$ (1,599,938)	-2.4%
P&I on Delinquent Property Taxes	\$ 13,200,000	\$ 16,383,401	\$ 3,183,401	24.1%
Sales Tax - Local Option (8/24)	\$ 118,400,000	\$ 114,375,471	\$ (4,024,529)	-3.4%
Sales Tax-Criminal Justice (8/24)	\$ 12,450,000	\$ 12,033,938	\$ (416,062)	-3.3%
Sales Tax-MIDD (8/24)	\$ 61,670,000	\$ 59,764,381	\$ (1,905,619)	-3.1%
Sales Tax - Transit (8/24)	\$ 565,910,000	\$ 546,916,739	\$ (18,993,261)	-3.4%
Sales Tax - Health Through Housing (8/24)	\$ 46,700,000	\$ 46,187,812	\$ (512,188)	-1.1%
Sales Tax - Cultural Access Program (8/24)	\$ 40,060,000	\$ 38,523,428	\$ (1,536,572)	-3.8%
Marijuana Excise Tax	\$ 2,260,000	\$ 2,297,944	\$ 37,944	1.7%
E-911 Excise Tax (8/24)	\$ 18,360,000	\$ 17,218,331	\$ (1,141,669)	-6.2%
Hotel/Motel Tax (8/24)	\$ 28,890,000	\$ 27,644,965	\$ (1,245,035)	-4.3%
Lodging Tax (HB 2015) (8/24)	\$ 3,590,000	\$ 4,404,587	\$ 814,587	22.7%
REET 1 Revenue	\$ 6,300,000	\$ 6,891,896	\$ 591,896	9.4%
Wastewater Revenues+	\$ 385,060,000	\$ 384,013,613	\$ (1,046,387)	-0.3%
Solid Waste Net Disposal Charges+	\$ 129,210,000	\$ 123,623,084	\$ (5,586,916)	-4.3%
Transit Fare+	\$ 50,970,000	\$ 51,968,272	\$ 998,272	2.0%

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 September 2024, property tax revenues combined for all levies are down from the forecast by \$1.6 million or -0.2 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 -2.4 and 4.6 percent. The EMS levy has come in the strongest at \$2.8 million, 4.6 percent, above the March forecast. However, two levies, Parks and Crisis Care Center levies have seen actuals come in below forecast by more than 0.9 percent at -0.9 and -2.4 percent, respectively. The first eight months of collections of penalties and interest on delinquent property taxes came in \$3.2 million or 24 percent above forecast.

Total taxable sales, categorized by industry sectors, were down in the first eight months of 2024 by 1.1 percent yoy. Year-to-date, some industry sectors were up: management of companies up 43.8 percent, utilities up 12 percent, educational services up 32 percent, transportation and warehousing up 15.2 percent, health care and social assistance up 22 percent, public admin. /DOL monthly payments up 8.3 percent and arts, entertainment, and recreation up 4.3 percent over last year. Some sectors for the first eight months of 2024 were down from last year like retail trade sales down 1.3 percent (yoy), construction sales down 8.3 percent (yoy), information sales down 9.4 percent (yoy), finance and insurance down 3.5 percent, real estate, rental and leasing down 1.6 percent (yoy), and manufacturing sales down 2.7 percent (yoy). An appendix to this memo provides King County taxable retail sales by industry for the most recent month August 2024 compared to August 2023. This table indicates that in the month of August, total taxable sales were down yoy by 2.9 percent. The August aggregate taxable sales report are down more than typical months in 2024 due partially to a large payment that did not have any associated industry classification, thus excluded from this table of taxable sales by industry. This reduction in taxable sales in August is seen in industries taxable sales like information (down 23.5 percent), construction (down 7.4 percent), public admin. /DOL monthly payments (down 25.1 percent), wholesale (down 6.7 percent) and retail (down 2.4 percent). In the retail area, declines were seen of more than 16 percent in the health and personal care retailers and general merchandise and gas station dealers also each declined by 8 percent. The areas of growth in taxable sales over a year ago included management, ed. and health services (up 6.4 percent), transportation & warehousing (up 6.1 percent), manufacturing (up 4.8 percent), accommodations & food service (up 5.3 percent), finance and insurance services (up 8.3 percent), professional, scientific and technical services (up 7.5 percent), arts, entertainment & recreation (up 4.5 percent), real estate, rental leasing (up 1.1 percent) and other services (up 0.5 percent).

The first eight months of 2024 saw sales taxes below the March forecast by \$27.4 million, 3.2 percent, for all six sales tax levies. Sales tax distributions for transit were down the most \$19 million from the March forecast. Most of the sales tax levies were down from the March forecast by at least 3.1 percent except for the Health through Housing levy with smallest decline at 1 percent.

Other revenue streams that deviated from forecast by more than one percent included the marijuana excise tax being up 1.7 percent cumulatively for the first eight months. Real estate excise taxes were currently tracking 9.4 percent above forecast through August, and lodging tax (HB 2015) was up nearly 23 percent over projections in March through August. Other forecasts were below forecast for the first eight months by more than one percent: hotel/motel taxes (4.3 percent below), E-911 excise taxes (6.2 percent below), motor vehicle fuel taxes (4.0 percent below) and solid waste charges (4.3 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.

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.

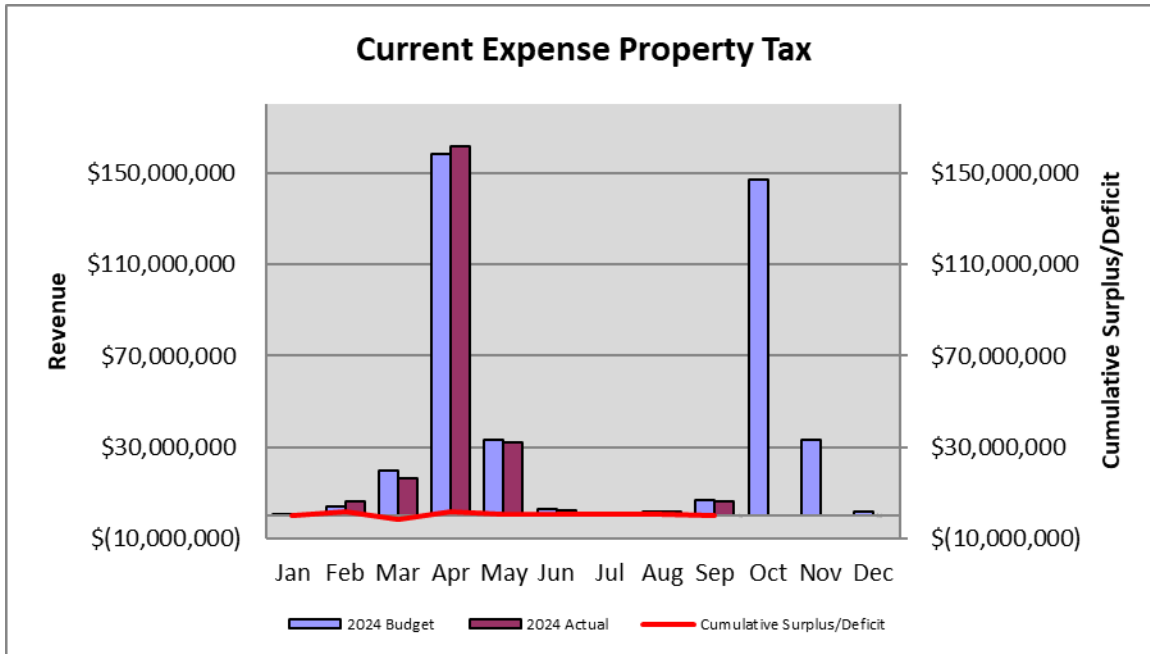
Since the August forecast for taxable sales was revised downward by nearly 5% in 2024 from the March forecast, the difference in actual sales tax levies cumulatively for the first eight months is up \$15.3 million, 1.9 percent, from the August forecast.

The 2024 Marijuana tax, lodging tax, REET 1 and penalties and interest forecasts were each revised upward by the August forecast compared to March. YTD actuals for Penalties & Interest are up compared to the August forecast by \$863,401, 5.6 percent, hotel/motel tax by \$1.7 million, 6.6 percent and the lodging tax by \$474,587 or 12.1 percent. The E-911 excise tax actuals are also closely tracking the August forecast by \$48,331, 0.3 percent. The REET 1 and Marijuana excise tax actuals compared to the August forecast are down slightly from the forecast by -1.7 and -0.5 percent respectively.

**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	\$ 15,520,000	\$ 16,383,401	\$ 863,401	5.6%
Sales Tax - Local Option (8/24)	\$ 112,420,000	\$ 114,375,471	\$ 1,955,471	1.7%
Sales Tax-Criminal Justice (8/24)	\$ 11,820,000	\$ 12,033,938	\$ 213,938	1.8%
Sales Tax-MIDD (8/24)	\$ 58,550,000	\$ 59,764,381	\$ 1,214,381	2.1%
Sales Tax - Transit (8/24)	\$ 537,340,000	\$ 546,916,739	\$ 9,576,739	1.8%
Sales Tax - Health Through Housing (8/24)	\$ 44,350,000	\$ 46,187,812	\$ 1,837,812	4.1%
Sales Tax - Cultural Access Program (8/24)	\$ 38,030,000	\$ 38,523,428	\$ 493,428	1.3%
Marijuana Excise Tax	\$ 2,310,000	\$ 2,297,944	\$ (12,056)	-0.5%
E-911 Excise Tax (8/24)	\$ 17,170,000	\$ 17,218,331	\$ 48,331	0.3%
Hotel/Motel Tax (8/24)	\$ 25,930,000	\$ 27,644,965	\$ 1,714,965	6.6%
Lodging Tax (HB 2015) (8/24)	\$ 3,930,000	\$ 4,404,587	\$ 474,587	12.1%
REET 1 Revenue	\$ 7,010,000	\$ 6,890,185	\$ (119,815)	-1.7%

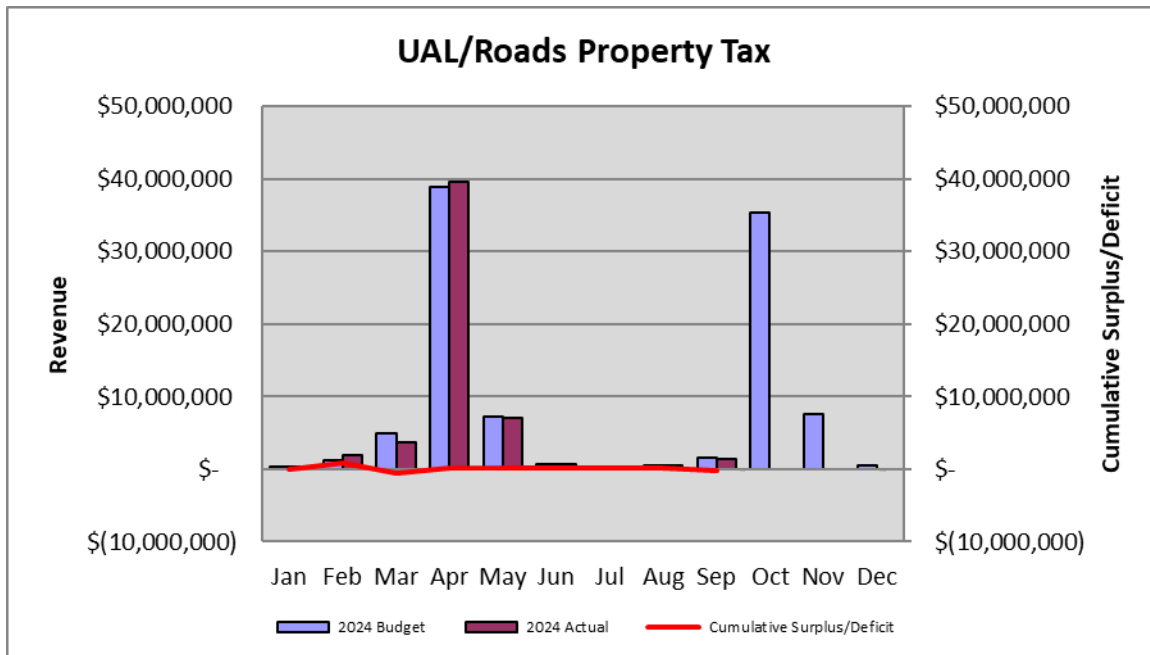
The graphs on the following pages indicate revenues from specific funds, including comparisons between monthly revenues as forecasted in March, shown by the blue bars, actual monthly revenues, indicated by the burgundy bars and the red line showing the cumulative difference between March forecasts and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



Data Source: King County EBS Acct 31111 & 31112

Current Expense Taxes Comparison (September 2024)

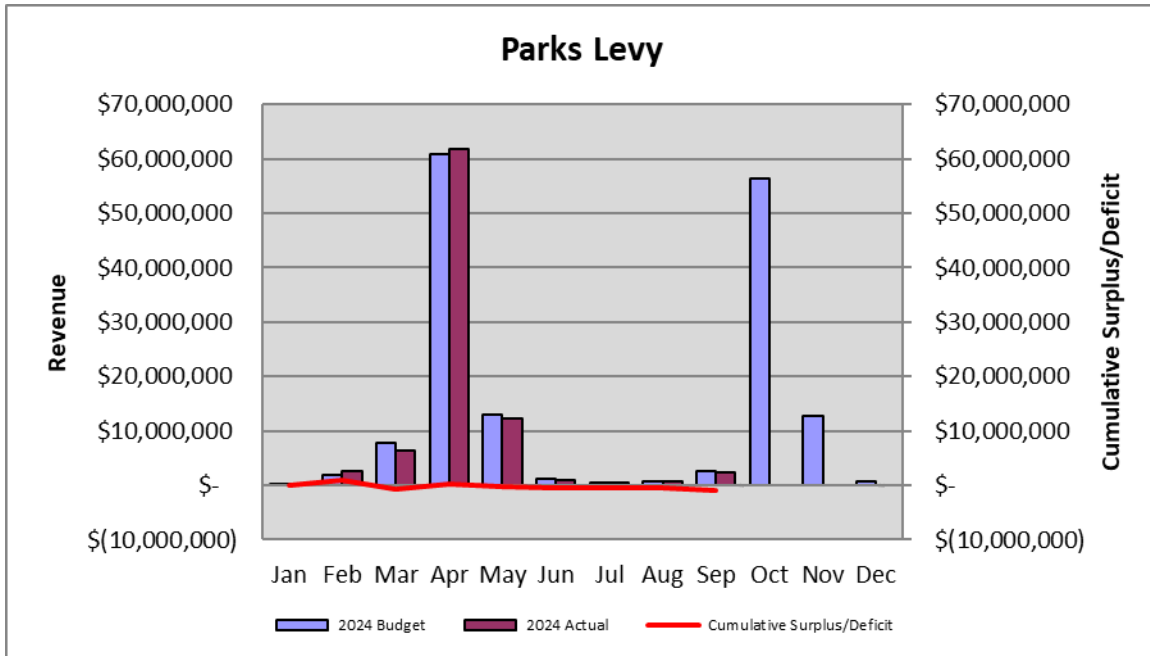
Forecast	Actual	Actual-Forecast	Difference
\$ 6,793,426	\$ 6,276,638	\$ (516,788)	-7.6%



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

UAL/Roads Property Taxes Comparison (September 2024)

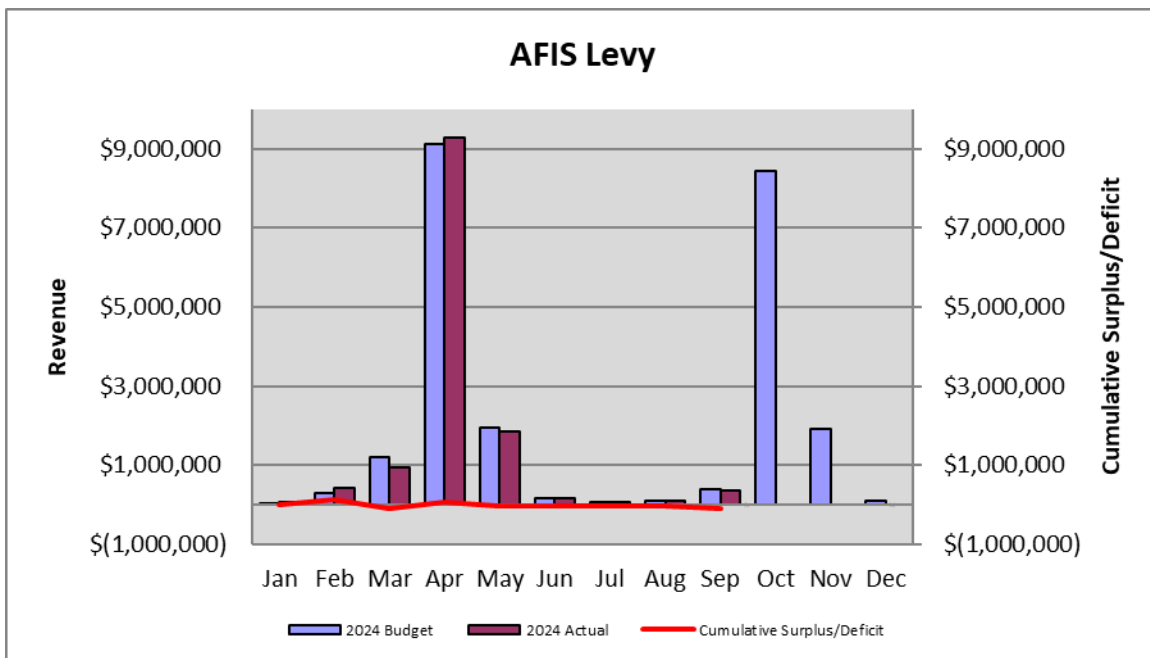
Forecast	Actual	Actual-Forecast	Difference
\$ 1,646,247	\$ 1,386,940	\$ (259,307)	-15.8%



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

Parks Property Taxes Comparison (September 2024)

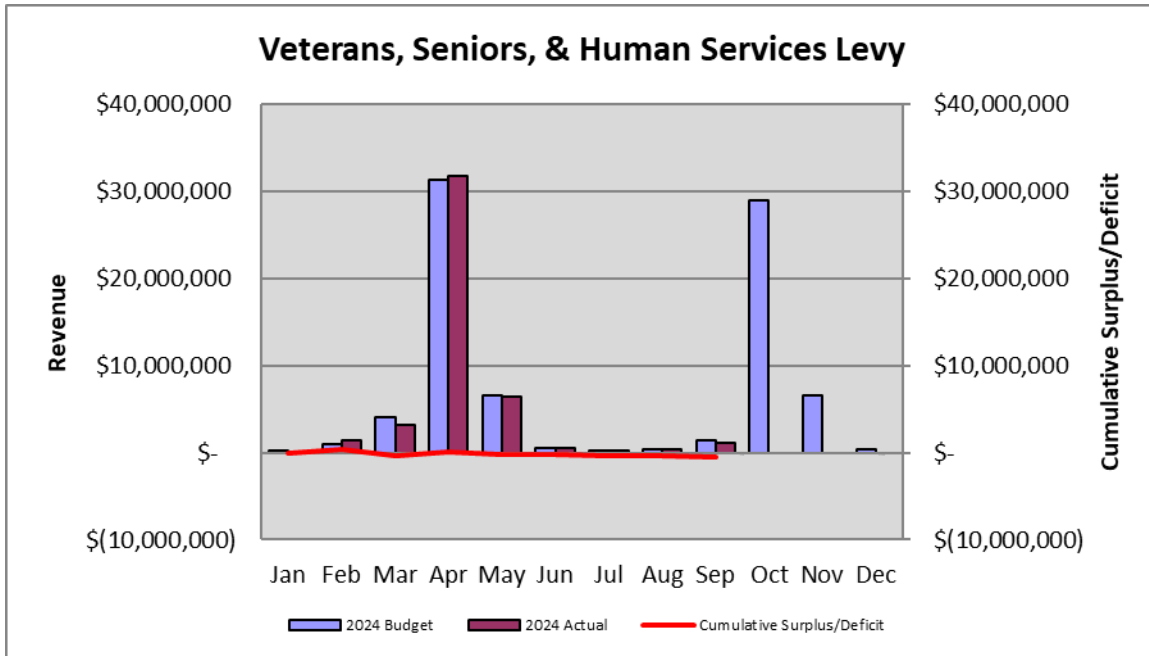
Forecast	Actual	Actual-Forecast	Difference
\$ 2,633,701	\$ 2,309,208	\$ (324,494)	-12.3%



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

AFIS Property Taxes Comparison (September 2024)

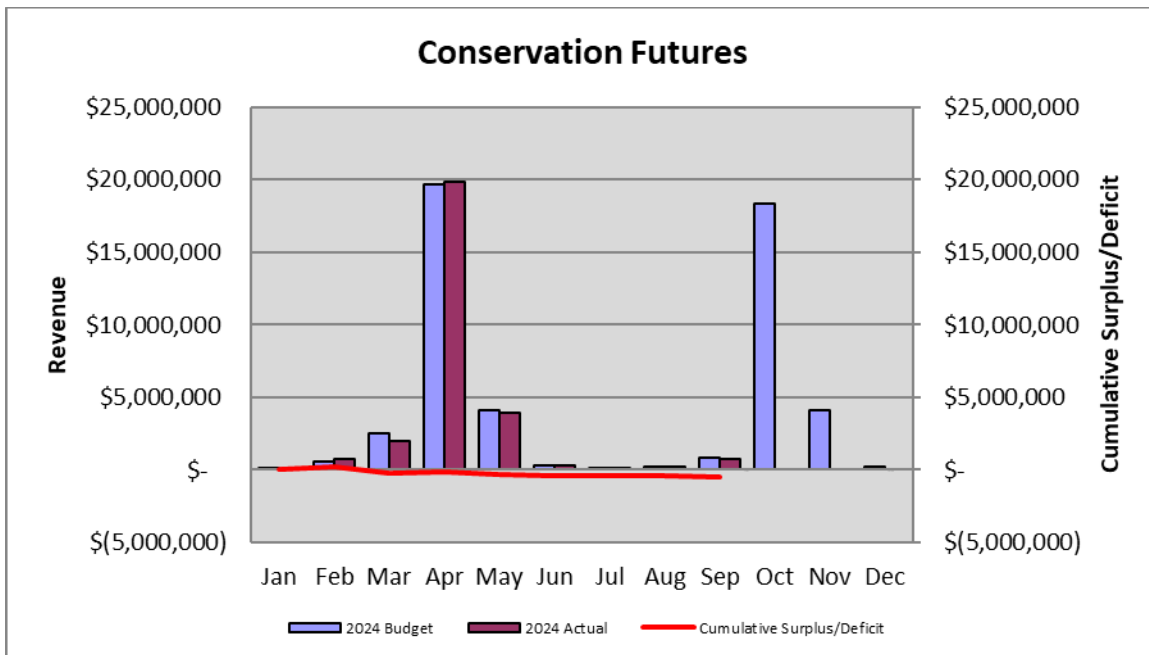
Forecast	Actual	Actual-Forecast	Difference
\$ 399,795	\$ 358,597	\$ (41,199)	-10.3%



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

VSHSL Property Taxes Comparison (September 2024)

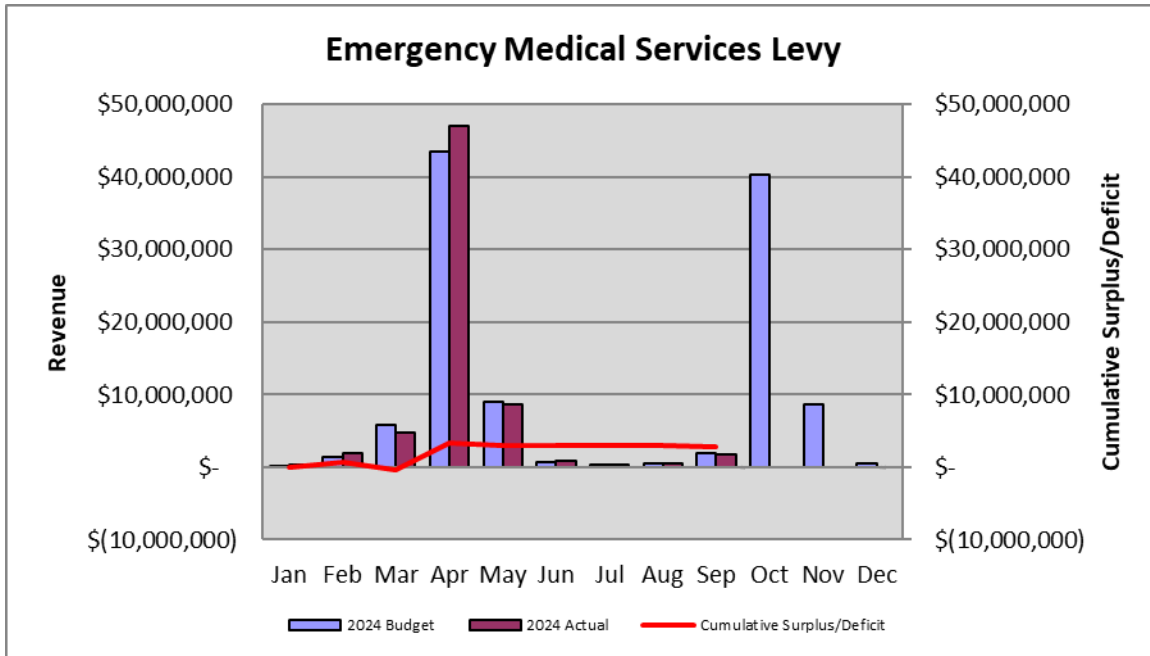
Forecast	Actual	Actual-Forecast	Difference
\$ 1,358,596	\$ 1,189,372	\$ (169,224)	-12.5%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (September 2024)

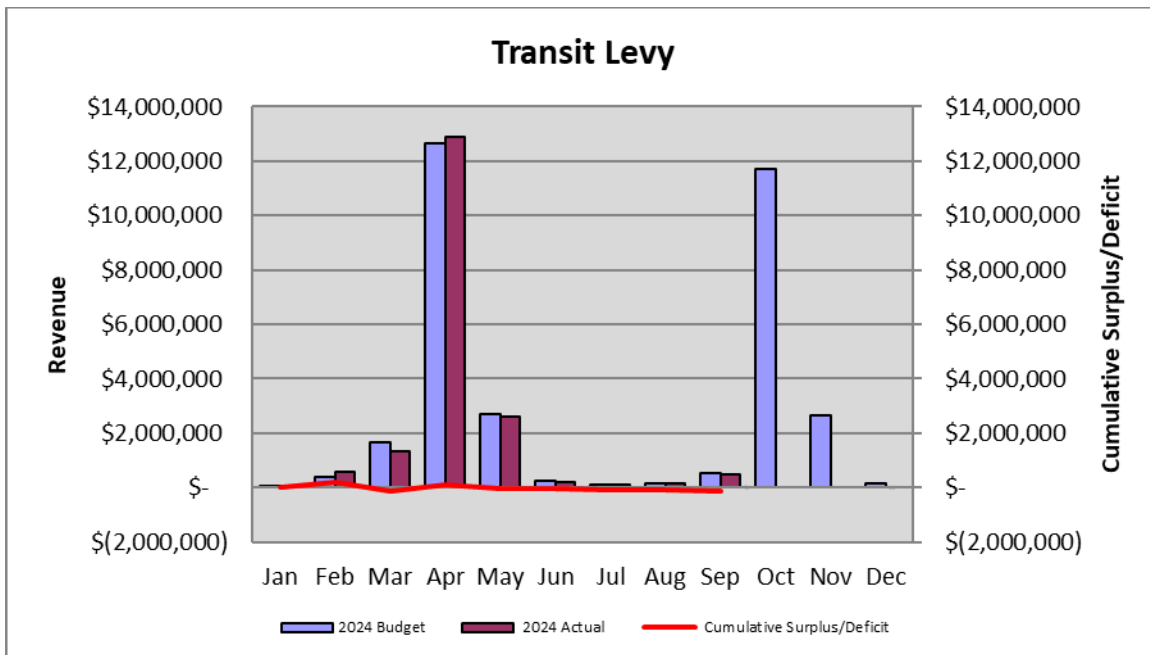
Forecast	Actual	Actual-Forecast	Difference
\$ 845,349	\$ 756,243	\$ (89,106)	-10.5%



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

EMS Property Taxes Comparison (September 2024)

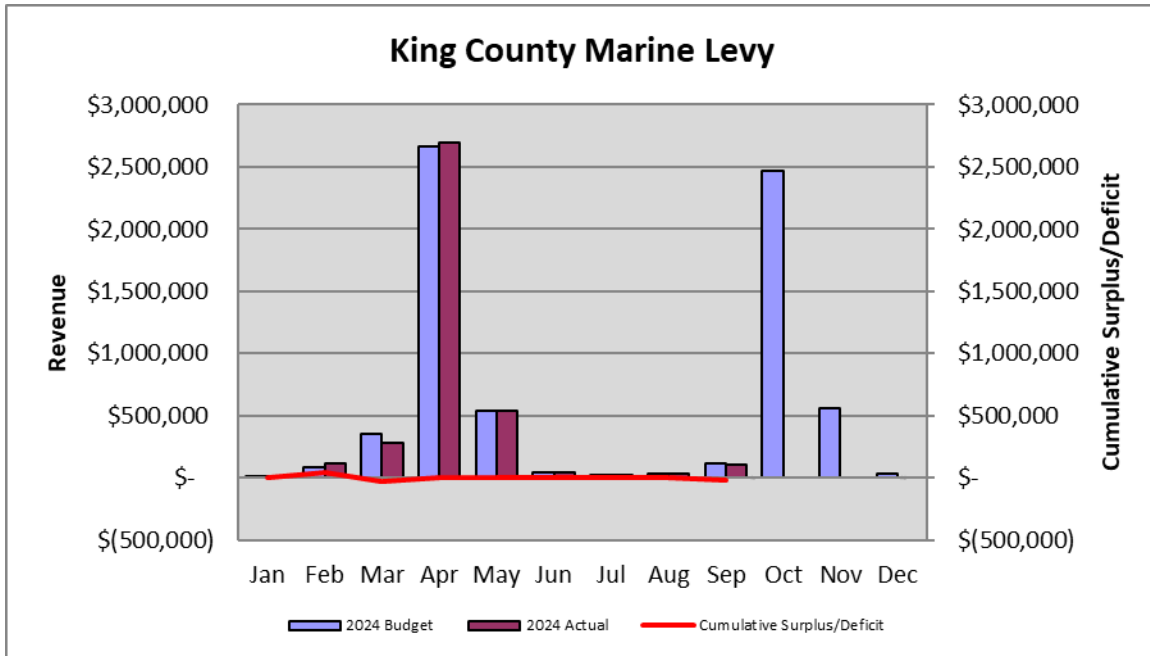
Forecast	Actual	Actual-Forecast	Difference
\$ 1,895,259	\$ 1,796,024	\$ (99,234)	-5.2%



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

Transit Property Taxes Comparison (September 2024)

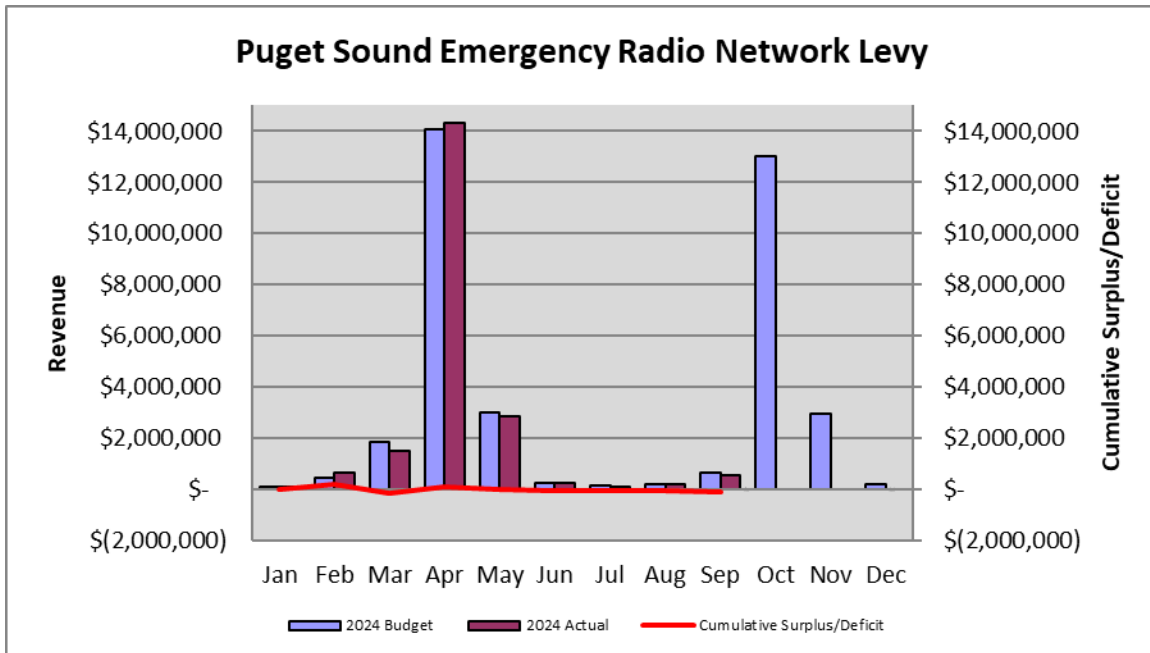
Forecast	Actual	Actual-Forecast	Difference
\$ 554,123	\$ 498,050	\$ (56,074)	-10.1%



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

King County Marine Property Taxes Comparison (September 2024)

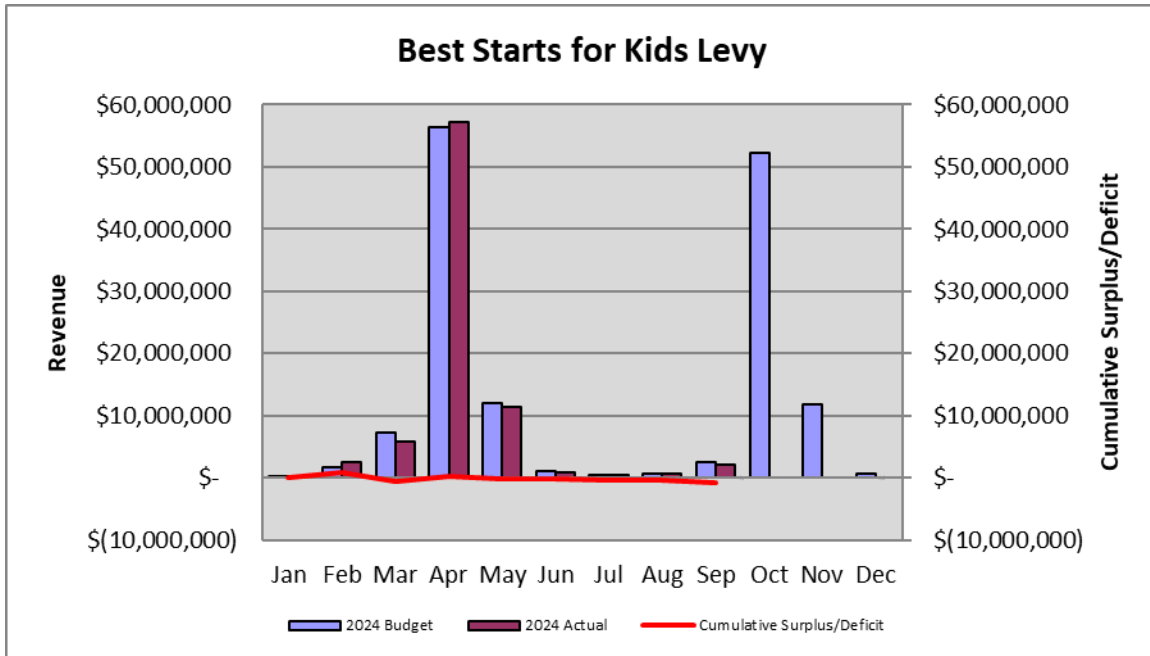
Forecast	Actual	Actual-Forecast	Difference
\$ 116,965	\$ 104,307	\$ (12,658)	-10.8%



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

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

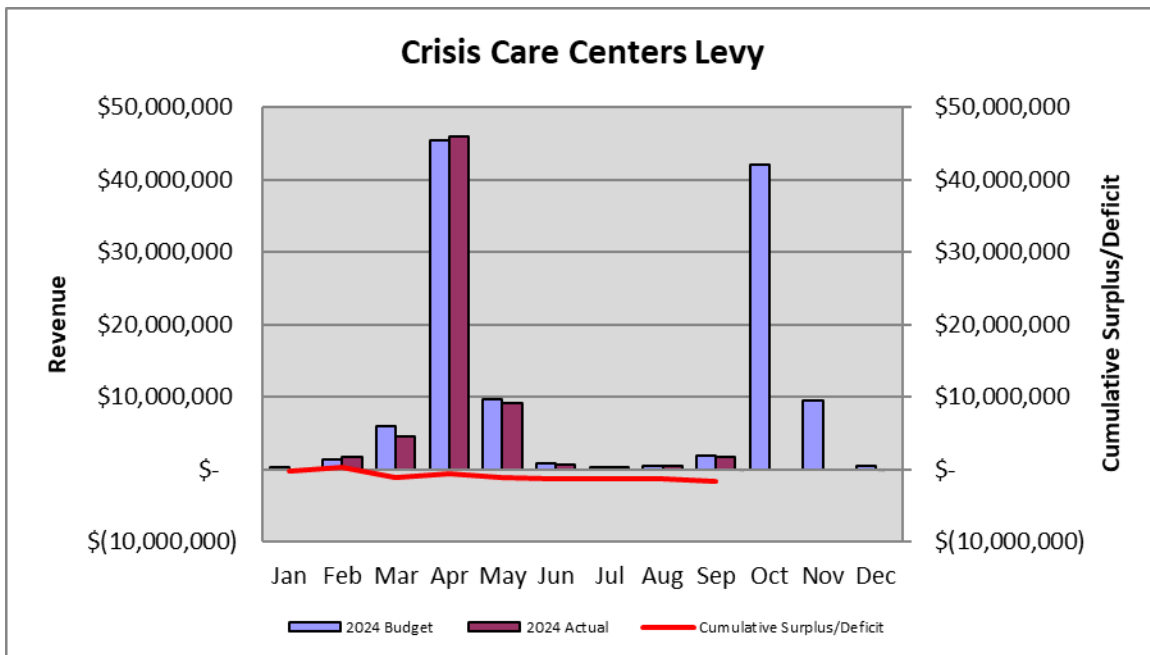
Forecast	Actual	Actual-Forecast	Difference
\$ 615,651	\$ 552,489	\$ (63,161)	-10.3%



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

Best Starts for Kids Property Taxes Comparison (September 2024)

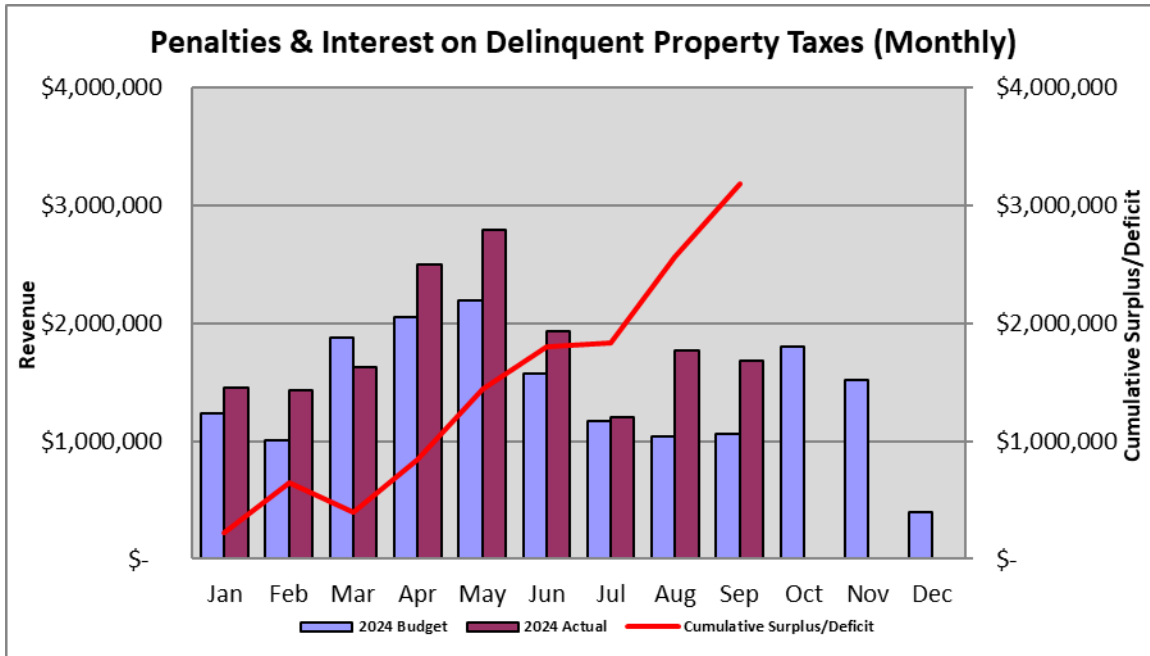
Forecast	Actual	Actual-Forecast	Difference
\$ 2,444,769	\$ 2,137,192	\$ (307,577)	-12.6%



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

Crisis Care Centers Property Taxes Comparison (September 2024)

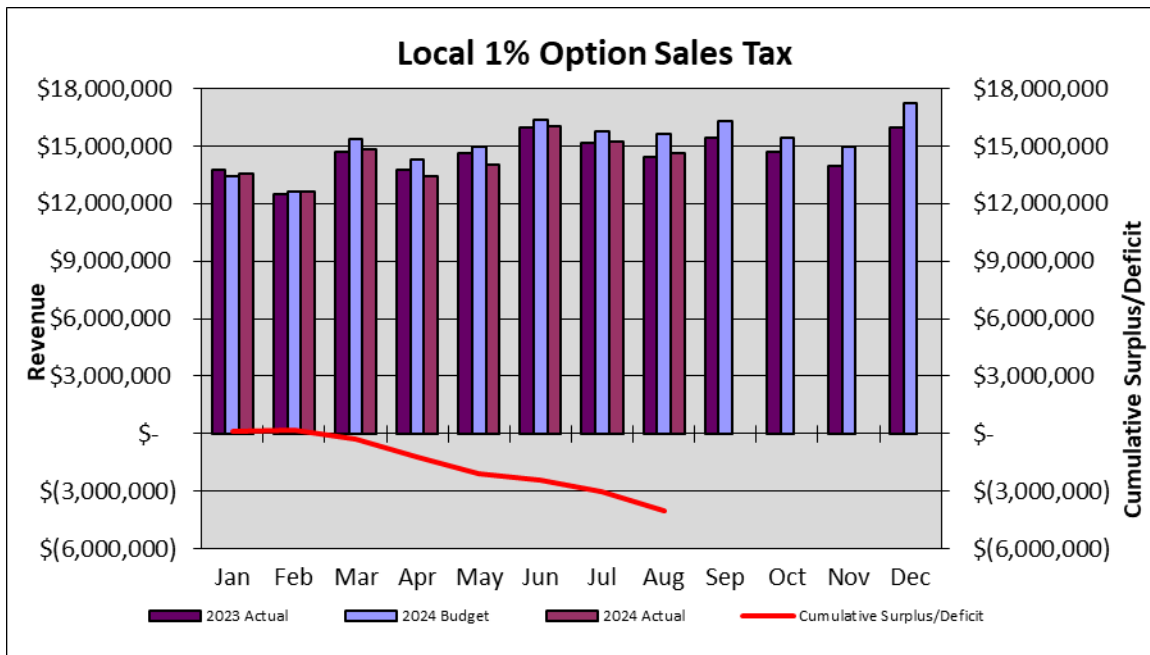
Forecast	Actual	Actual-Forecast	Difference
\$ 1,970,267	\$ 1,725,030	\$ (245,237)	-12.4%



Data Source: King County EBS Fund 0010, Acct 31911

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

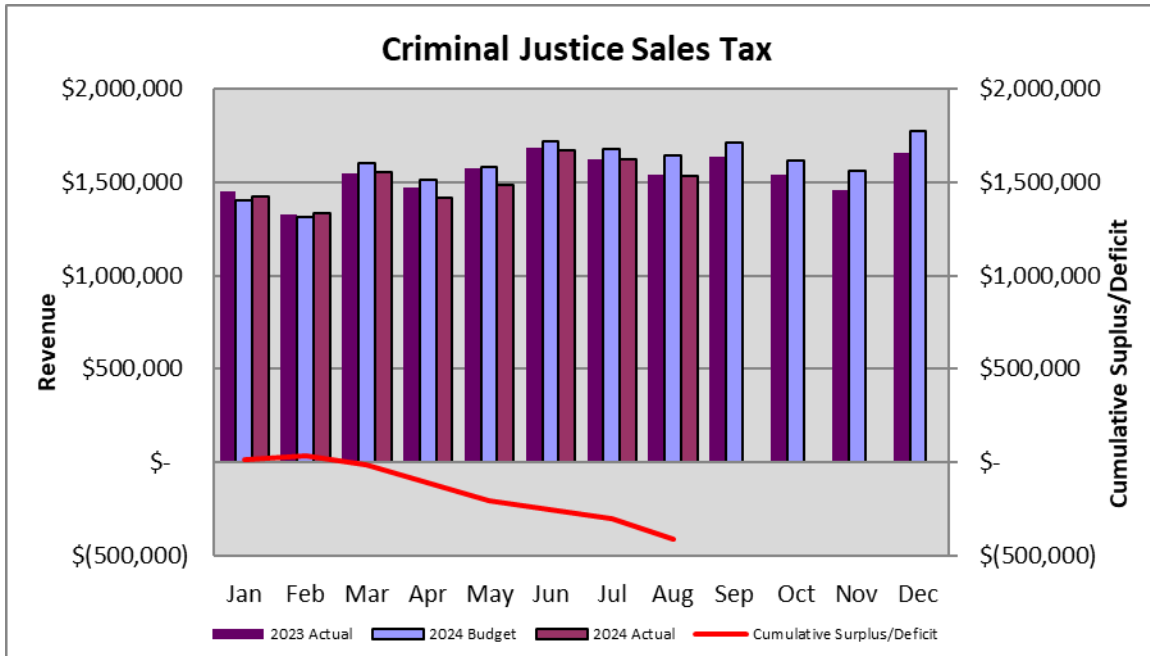
Forecast	Actual	Actual-Forecast	Difference
\$ 1,057,552	\$ 1,677,894	\$ 620,342	58.7%



Data Source: Washington State DOR through August

Local Option Sales Tax Comparison (August 2024)

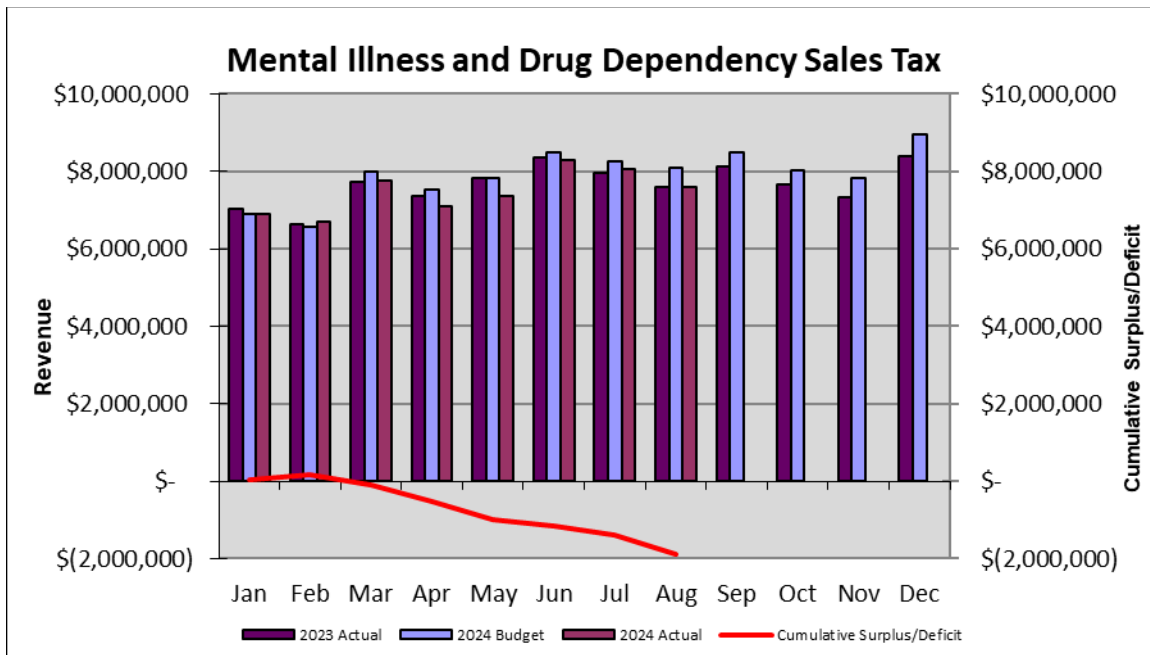
Forecast	Actual	Actual-Forecast	Difference
\$ 15,613,509	\$ 14,601,086	\$ (1,012,422)	-6.5%



Data Source: Washington DOR through August

CJ Sales Tax Comparison (August 2024)

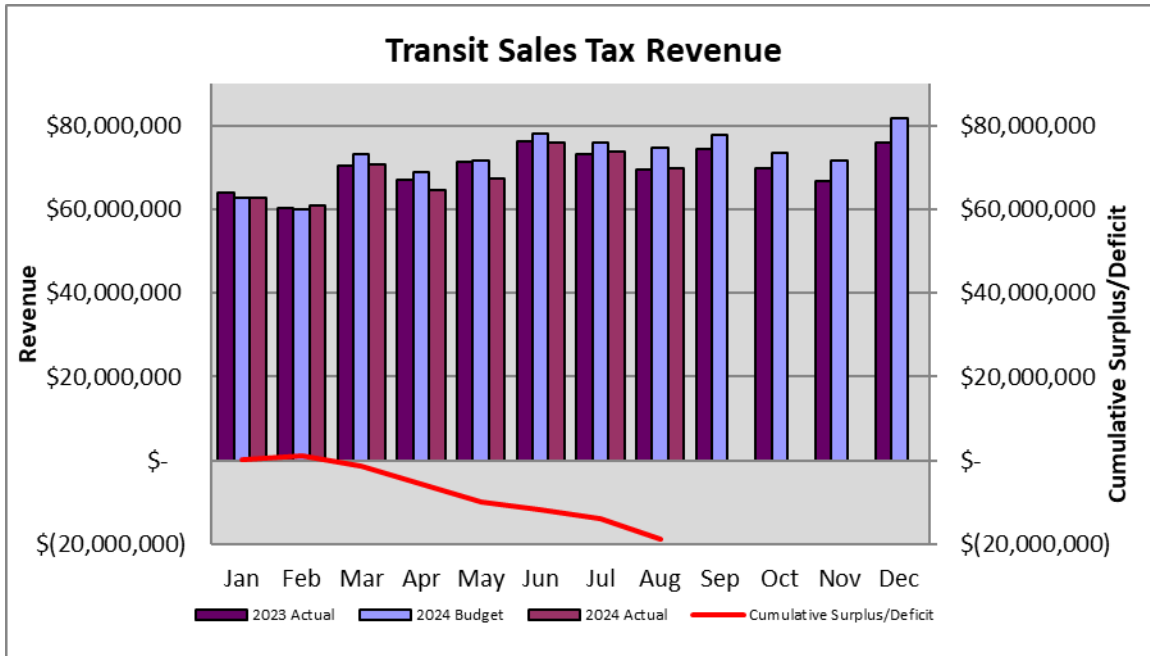
Forecast	Actual	Actual-Forecast	Difference
\$ 1,642,759	\$ 1,533,810	\$ (108,949)	-6.6%



Data Source: Washington DOR through August

MIDD Sales Tax Comparison (August 2024)

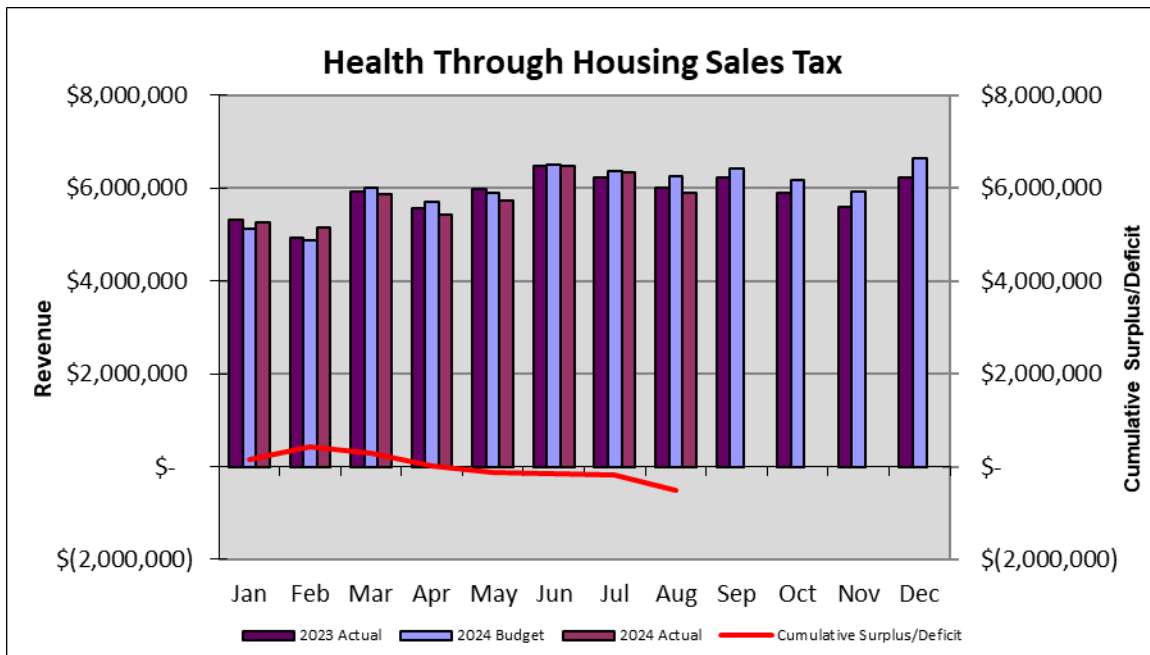
Forecast	Actual	Actual-Forecast	Difference
\$ 8,104,179	\$ 7,586,448	\$ (517,731)	-6.4%



Data Source: Washington DOR through August

Transit Sales Tax Comparison (August 2024)

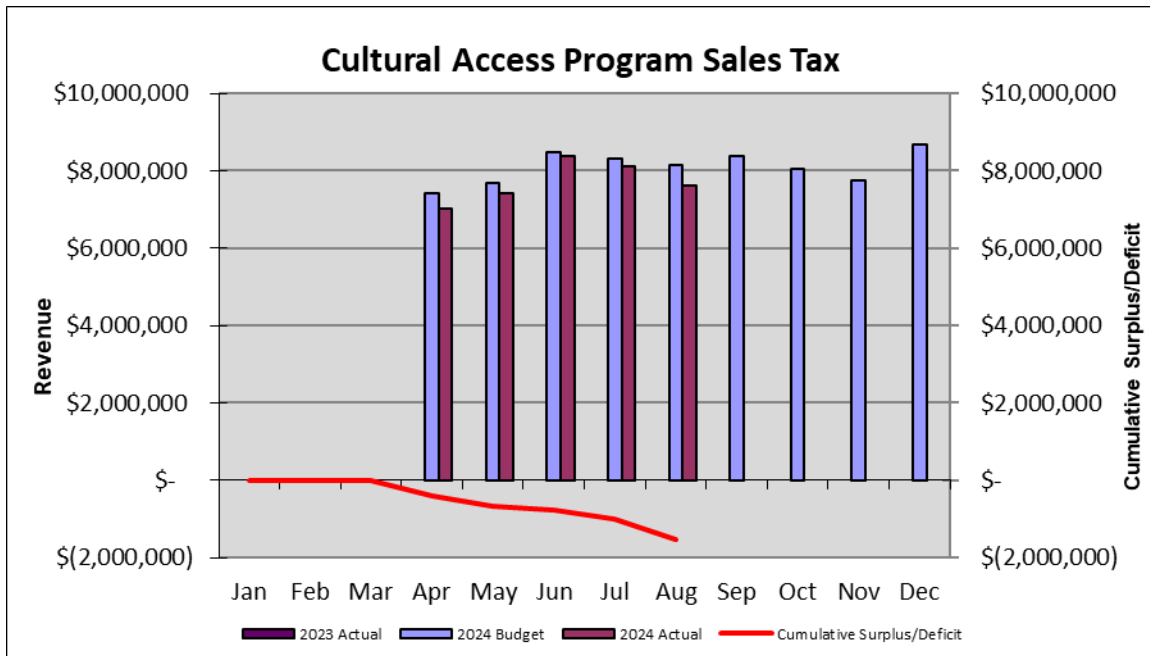
Forecast	Actual	Actual-Forecast	Difference
\$ 74,703,745	\$ 69,779,967	\$ (4,923,778)	-6.6%



Data Source: Washington DOR through August

HTH Sales Tax Comparison (August 2024)

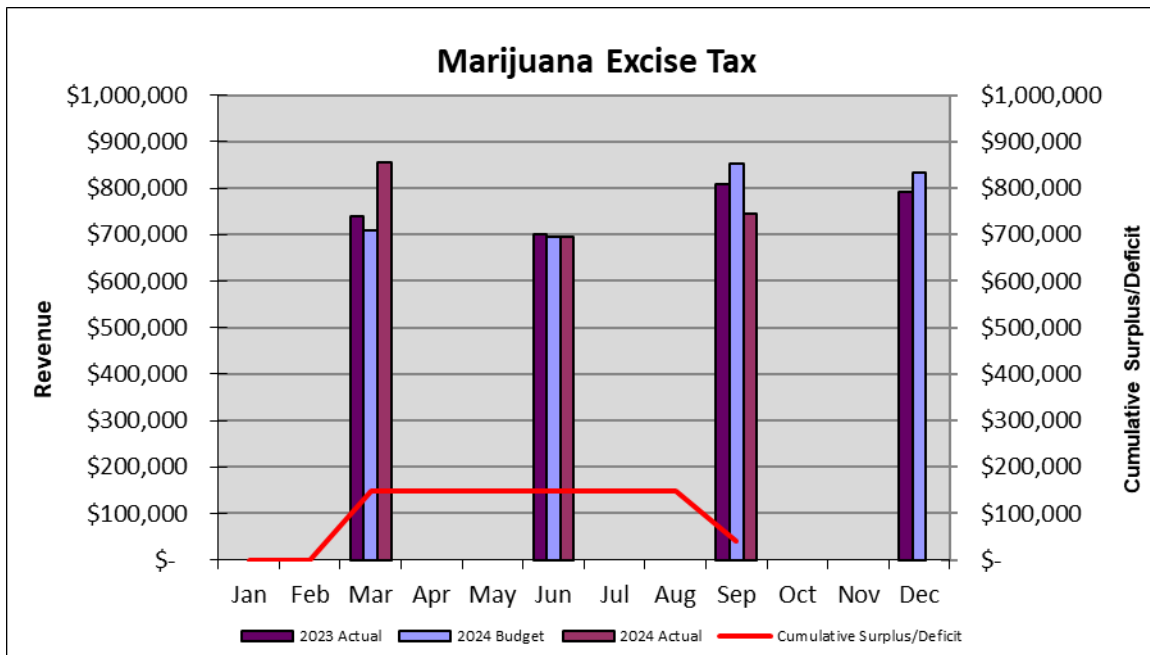
Forecast	Actual	Actual-Forecast	Difference
\$ 6,250,493	\$ 5,907,390	\$ (343,103)	-5.5%



Data Source: Washington DOR through August

CAP Sales Tax Comparison (August 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 8,151,610	\$ 7,609,881	\$ (541,729)	-6.6%

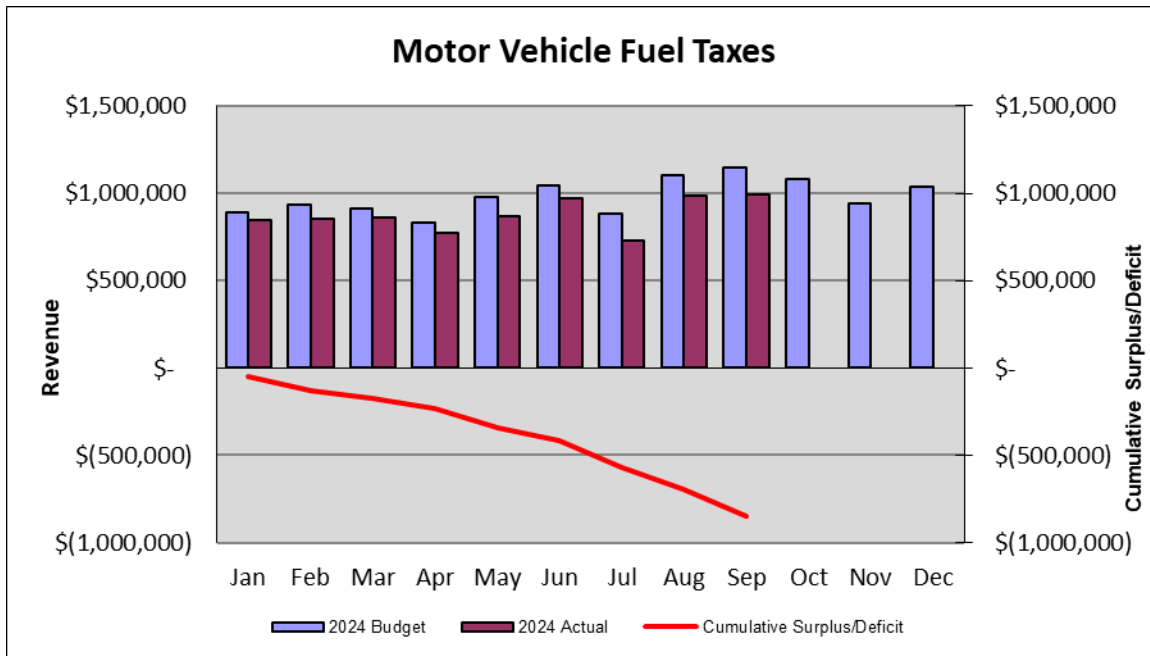


Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (September 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 852,940	\$ 745,022	\$ (107,918)	-12.7%

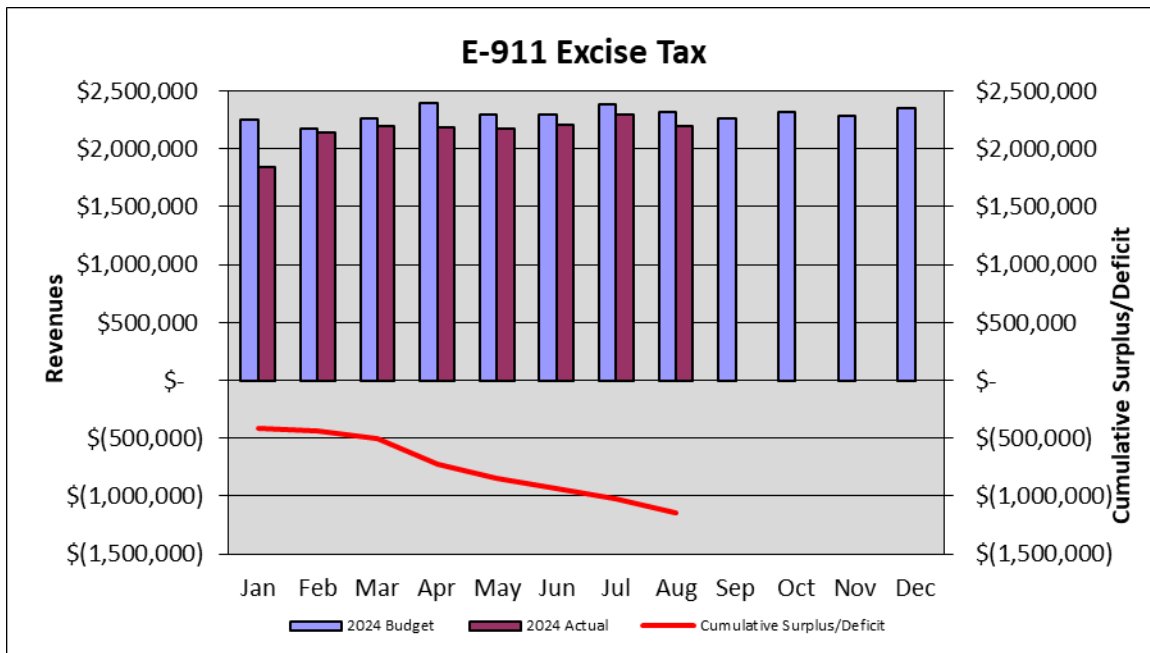
This data is received quarterly in March, June, September and December.



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (September 2024)

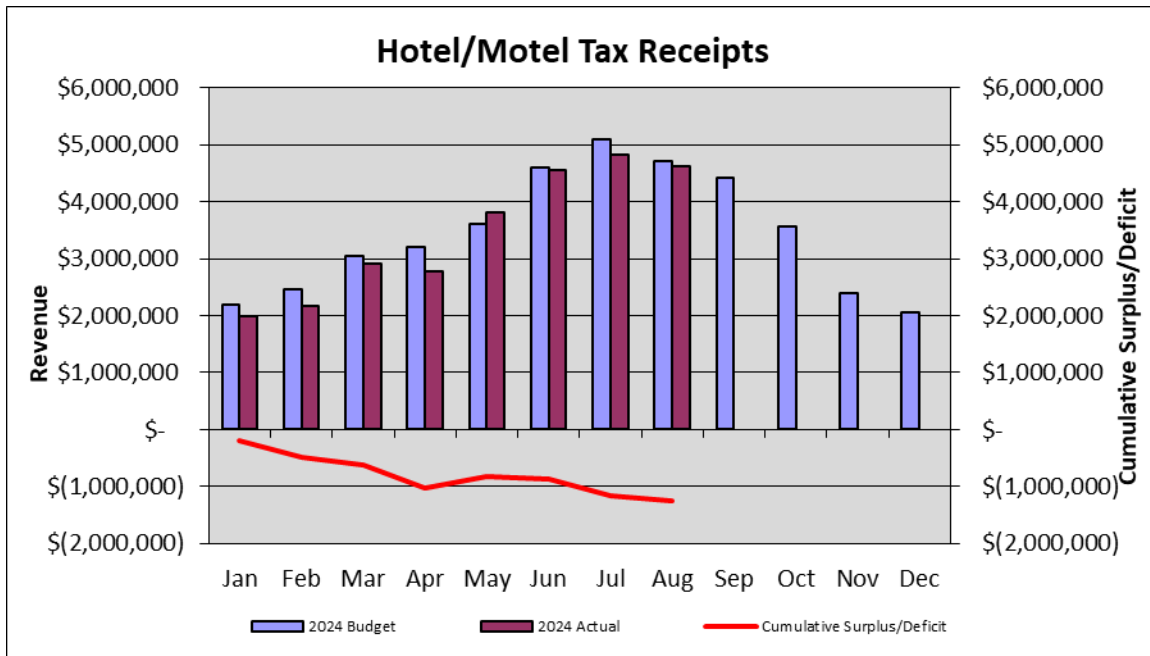
Forecast	Actual	Actual-Forecast	Difference
\$ 1,149,213	\$ 992,567	\$ (156,646)	-13.6%



Data Source: Washington DOR through August

E-911 Excise Tax Comparison (August 2024)

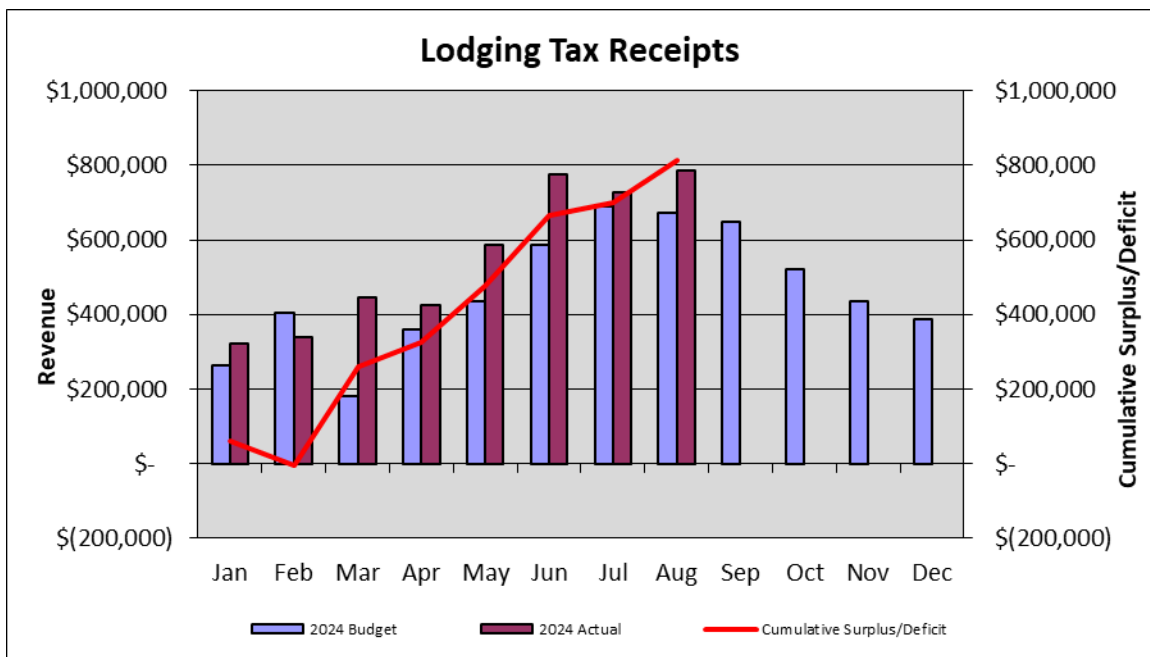
Forecast	Actual	Actual-Forecast	Difference
\$ 2,313,669	\$ 2,192,948	\$ (120,720)	-5.2%



Data Source: Washington DOR through August

Hotel/Motel Tax Comparison (August 2024)

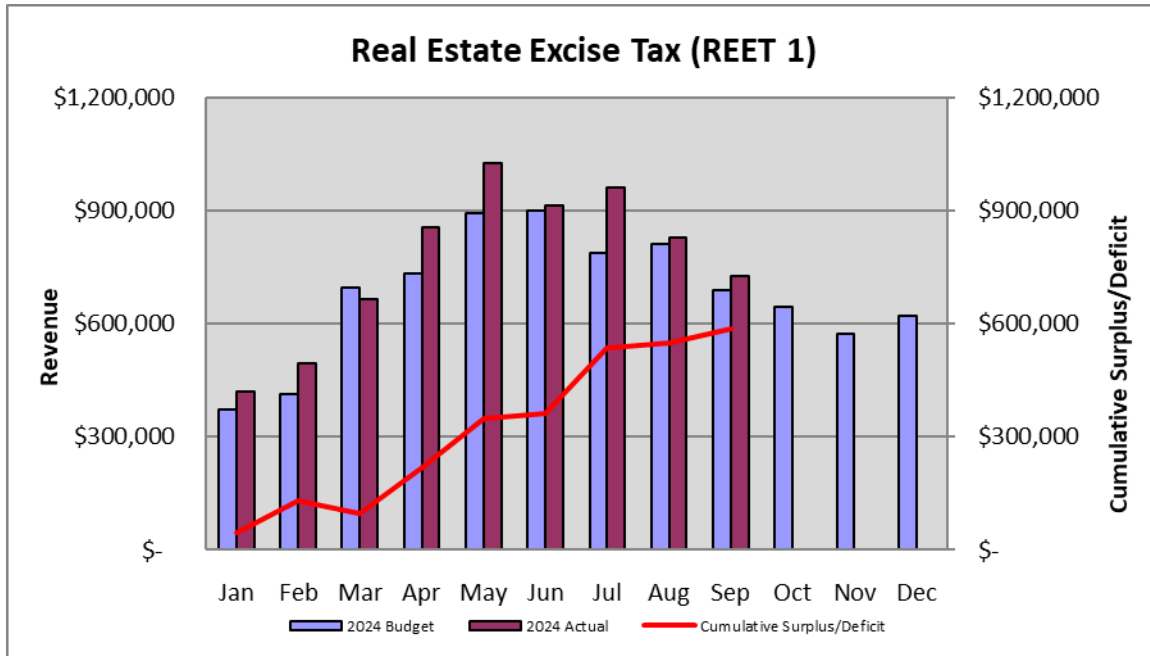
Forecast	Actual	Actual-Forecast	Difference
\$ 4,709,640	\$ 4,614,366	\$ (95,274)	-2.0%



Data Source: Seattle Convention Center through August

Lodging Tax Comparison (August 2024)

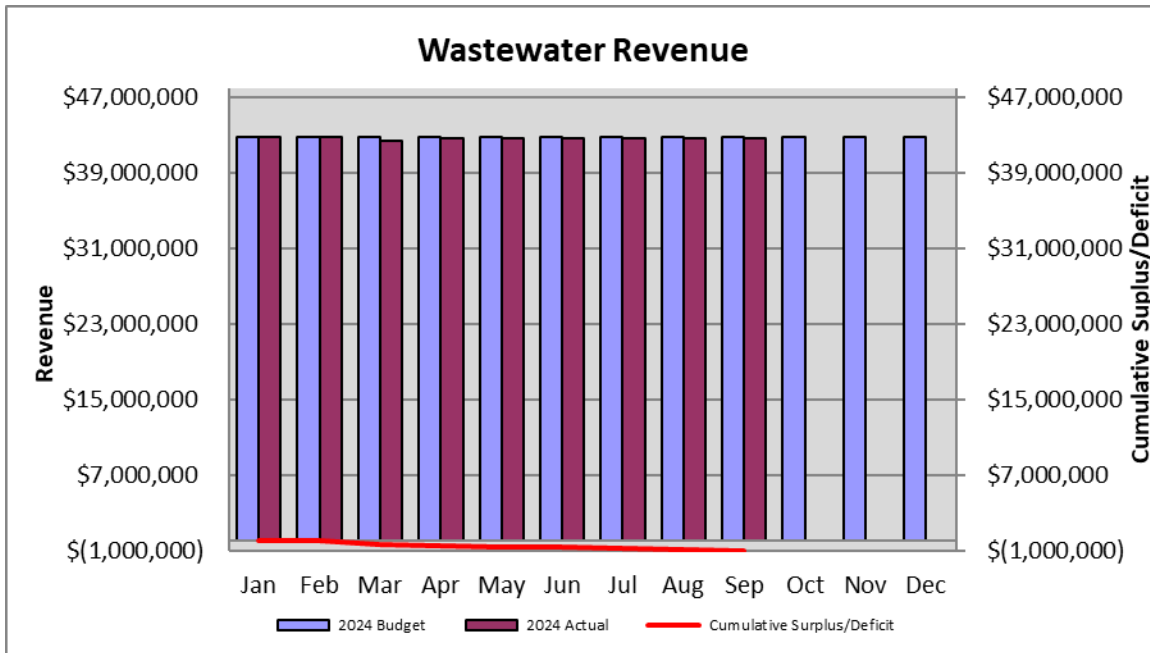
Forecast	Actual	Actual-Forecast	Difference
\$ 671,528	\$ 784,871	\$ 113,343	16.9%



Data Source: King County EBS Acct 31734

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

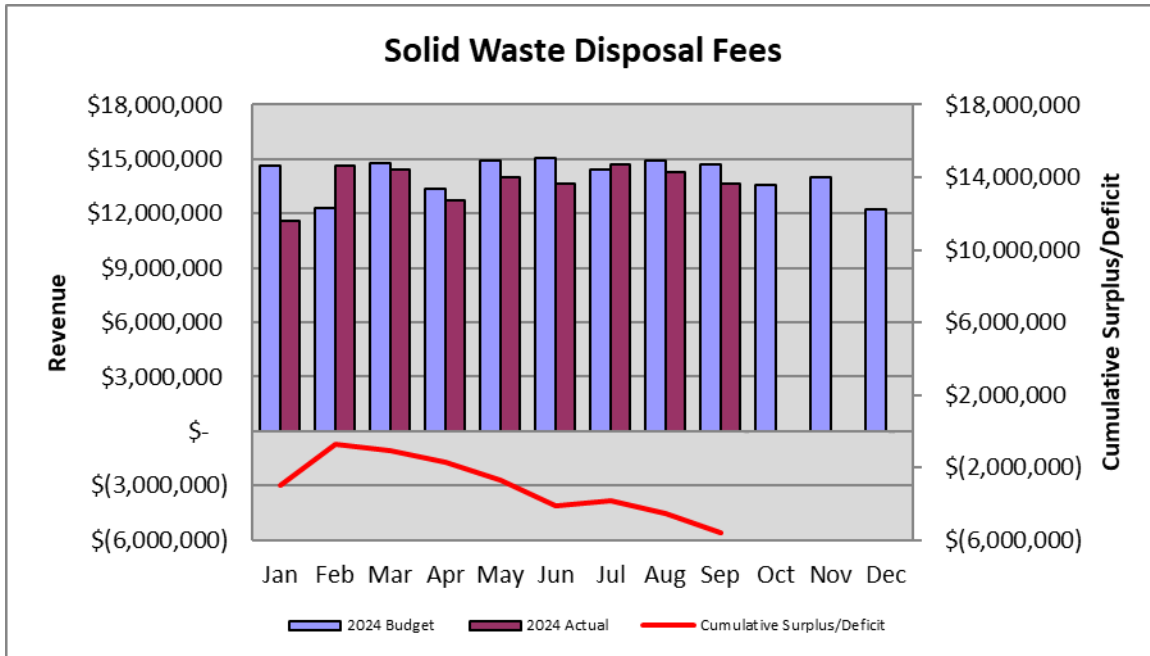
Forecast	Actual	Actual-Forecast	Difference
\$ 690,871	\$ 726,697	\$ 35,826	5.2%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (September 2024)

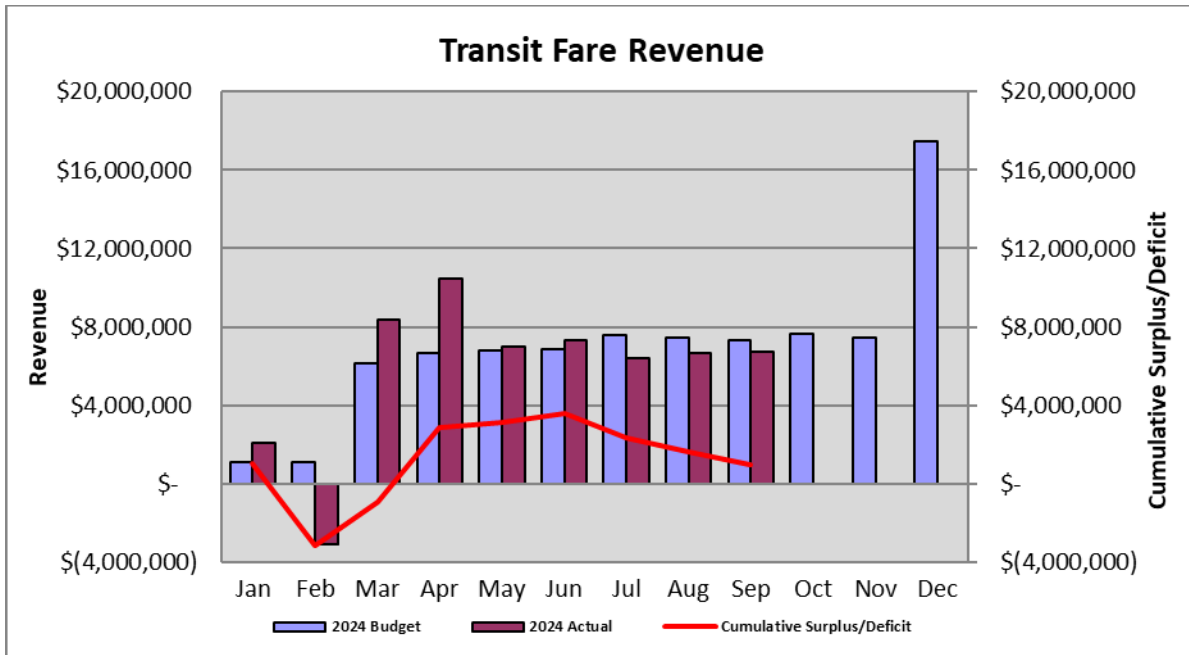
Forecast	Actual	Actual-Forecast	Difference
\$ 42,784,325	\$ 42,710,994	\$ (73,331)	-0.2%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (September 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 14,695,014	\$ 13,633,492	\$ (1,061,522)	-7.2%



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

Transit Fare Charges Comparison (September 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 7,310,824	\$ 6,709,946	\$ (600,878)	-8.2%

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

NAICS Category	2-digit NAICS	Aug-23	Aug-24	Percent change (2023-2024)
Agriculture	11	\$ 1,536,784	\$ 1,439,954	-6.3%
Mining	21	999,715	572,716	-42.7%
Utilities	22	9,504,546	9,449,440	-0.6%
Construction	23	1,780,854,971	1,649,037,963	-7.4%
Manufacturing	31-33	184,811,714	193,751,238	4.8%
Wholesale	41-42	452,314,050	422,217,936	-6.7%
Retail Trade	44-45	2,553,120,652	2,492,228,623	-2.4%
Transportation and Warehousing	48-49	130,644,576	138,579,792	6.1%
Information	51	450,478,977	344,548,138	-23.5%
Finance & Insurance	52	60,096,652	65,074,284	8.3%
Real Estate, Rental, Leasing	53	225,505,262	228,058,068	1.1%
Professional, Scientific, Technical Services	54	286,896,859	308,347,226	7.5%
Management, Education and Health Services	55-62	484,689,429	515,837,780	6.4%
Arts, Entertainment and Recreation	71	95,891,978	100,220,353	4.5%
Accommodations, Food Services	72	901,547,890	949,745,605	5.3%
Other Services	81	177,424,767	178,313,272	0.5%
Public Administration/DOL Monthly	92	118,808,150	88,946,289	-25.1%
Other		-	-	0.0%
Total-All Industries		\$ 7,915,126,974	\$ 7,686,368,680	-2.9%
NAICS Category	3-digit NAICS	Aug-23	Aug-24	Percentage change (2023-2024)
Construction				
Construction of Buildings	236	\$ 1,152,405,474	\$ 999,428,268	-13.3%
Heavy and Civil Engineering Construction	237	114,550,541	149,919,915	30.9%
Specialty Trade Contractors	238	513,898,956	499,689,780	-2.8%
Retail				
Motor Vehicle and Parts Dealers	441	555,968,302	549,873,812	-1.1%
Building Material and Garden Equipment and Supplies Dealers	444	191,918,072	187,517,128	-2.3%
Food and Beverage Stores	445	152,987,169	151,006,925	-1.3%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	310,567,195	304,113,775	-2.1%
General Merchandise Retailers	455	309,801,178	284,805,372	-8.1%
Health and Personal Care Retailers	456	106,381,016	88,643,213	-16.7%
Gasoline Stations and Fuel Dealers	457	52,830,047	48,627,866	-8.0%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	198,620,482	210,196,975	5.8%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailers	459	674,047,192	667,443,556	-1.0%
Wholesale				
Wholesale: Durable Goods	423	349,655,879	325,655,897	-6.9%
Wholesale: Nondurable Goods	424	97,380,187	91,139,423	-6.4%
Wholesale: Electronic Markets	425	5,277,985	5,422,616	2.7%
Food Service and Accommodations				
Accommodation	721	239,304,391	259,081,541	8.3%
Food Services and Drinking Places	722	662,243,499	690,664,064	4.3%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	Aug-23	Aug-24	Percentage change (2023-2024)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 103,066,394	\$ 98,127,591	-7.7%
Book Retailers and News Dealers	4592	8,832,703	8,952,560	-4.5%
Florists	4593	3,406,284	3,002,128	-1.9%
Office Supplies, Stationery, and Gift Retailers	4594	27,918,703	25,085,245	-3.2%
Used Merchandise Retailers	4595	11,205,181	12,411,370	1.2%
Other Miscellaneous Retailers	4599	519,617,927	519,864,663	3.9%