



King County
Office of Economic and Financial Analysis
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MEMORANDUM

DATE: December 3, 2024
 TO: King County Forecast Council
 FROM: Lizbeth Martin-Mahar, Laurie Elofson, Tony Cacallori
 RE: King County Revenue through October 2024

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

Revenue	YTD Forecast (2024 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	\$ 375,220,000	\$ 388,927,618	\$ 13,707,618	3.7%
UAL/Roads Levy^	\$ 91,090,000	\$ 94,141,205	\$ 3,051,205	3.3%
Parks Levy^	\$ 145,070,000	\$ 148,930,851	\$ 3,860,851	2.7%
AFIS Levy^	\$ 21,790,000	\$ 22,434,216	\$ 644,216	3.0%
Veterans, Seniors, & HS Levy (1143)^	\$ 74,680,000	\$ 76,593,191	\$ 1,913,191	2.6%
Conservation Futures Levy (3151)^	\$ 46,740,000	\$ 47,608,150	\$ 868,150	1.9%
EMS Levy^	\$ 103,650,000	\$ 112,406,864	\$ 8,756,864	8.4%
Transit Levy^	\$ 30,270,000	\$ 31,158,698	\$ 888,698	2.9%
Marine Levy^	\$ 6,340,000	\$ 6,525,672	\$ 185,672	2.9%
Puget Sound Emergency Radio^	\$ 33,580,000	\$ 34,565,610	\$ 985,610	2.9%
Best Starts for Kids Levy^	\$ 134,340,000	\$ 137,961,931	\$ 3,621,931	2.7%
Crisis Care Centers Levy^	\$ 108,260,000	\$ 110,102,687	\$ 1,842,687	1.7%
P&I on Delinquent Property Taxes	\$ 15,010,000	\$ 19,427,175	\$ 4,417,175	29.4%
Sales Tax - Local Option (9/24)	\$ 134,690,000	\$ 130,169,787	\$ (4,520,213)	-3.4%
Sales Tax-Criminal Justice (9/24)	\$ 14,160,000	\$ 13,661,036	\$ (498,964)	-3.5%
Sales Tax-MIDD (9/24)	\$ 70,140,000	\$ 67,858,618	\$ (2,281,382)	-3.3%
Sales Tax - Transit (9/24)	\$ 643,860,000	\$ 621,082,833	\$ (22,777,167)	-3.5%
Sales Tax - Health Through Housing (9/24)	\$ 53,130,000	\$ 52,496,039	\$ (633,961)	-1.2%
Sales Tax - Cultural Access Program (9/24)	\$ 48,430,000	\$ 46,612,164	\$ (1,817,836)	-3.8%
Marijuana Excise Tax	\$ 2,260,000	\$ 2,297,944	\$ 37,944	1.7%
MV Fuel Tax-Roads+	\$ 9,810,000	\$ 8,830,498	\$ (979,502)	-10.0%
E-911 Excise Tax (9/24)	\$ 20,630,000	\$ 19,361,407	\$ (1,268,593)	-6.1%
Hotel/Motel Tax (9/24)	\$ 33,320,000	\$ 31,685,739	\$ (1,634,261)	-4.9%
Lodging Tax (HB 2015) (9/24)	\$ 4,240,000	\$ 5,074,546	\$ 834,546	19.7%
REET 1 Revenue	\$ 6,950,000	\$ 7,736,501	\$ 786,501	11.3%
Wastewater Revenues+	\$ 427,840,000	\$ 426,701,543	\$ (1,138,457)	-0.3%
Solid Waste Net Disposal Charges+	\$ 142,750,000	\$ 137,478,017	\$ (5,271,983)	-3.7%
Transit Fare+	\$ 58,640,000	\$ 57,193,756	\$ (1,446,244)	-2.5%

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 October 2024, property tax revenues combined for all levies are up from the forecast by \$40.3 million or 3.4 percent. This includes both the first and second 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 positive for all levies and the differences range between 1.7 and 8.4 percent. The EMS levy has come in the strongest at \$8.7 million, 8.4 percent, above the March forecast. The two levies with the smallest differences were Conservation Futures and Crisis Care Center levies with actuals coming in above forecast by 1.9 and 1.7 percent respectively. The first nine months of collections of penalties and interest on delinquent property taxes came in \$4.4 million or 29 percent above forecast.

Total taxable sales, categorized by industry sectors, were down in the first nine months of 2024 by 1.1 percent yoy. Year-to-date, some industry sectors were up: management of companies up 31.9 percent, utilities up 12 percent, educational services up 32 percent, transportation and warehousing up 12.6 percent, health care and social assistance up 22 percent, public admin. /DOL monthly payments up 7.8 percent and arts, entertainment, and recreation up 4.6 percent over last year. Some sectors for the first nine months of 2024 were down from last year like retail trade sales down 1.5 percent (yoy), construction sales down 8.1 percent (yoy), information sales down 7.1 percent (yoy), finance and insurance down 2.7 percent, real estate, rental and leasing down 1.8 percent (yoy), and manufacturing sales down 3.6 percent (yoy). An appendix to this memo provides King County taxable retail sales by industry for the most recent month September 2024 compared to September 2023. This table indicates that in the month of September, total taxable sales were down yoy by 1.9 percent. The September aggregate taxable sales report are down more than typical months in 2024 due to having the beginning impacts of the Boeing strikes in the taxable sales. This reduction in taxable sales in September is seen in industries taxable sales like manufacturing (down 11.1 percent), wholesale (down 3.6 percent), retail (down 2.8 percent), construction (down 6.1 percent), public admin. /DOL monthly payments (down 20.4 percent), transportation and warehousing (down 6.1 percent) and real estate, rental, and leasing (down 3.4 percent). In the retail area, declines were seen in most sectors like more than 19 percent in the health and personal care retailers, 12 percent in motor vehicle and parts dealers, 8 percent for gas station dealers, 4.9 percent in building materials and 2.8 percent in clothing retail. In the appendix, the top 10 largest manufacturing sectors are highlighted for September. Transportation equipment manufacturing is down yoy by 7 percent, computer and electronic product manufacturing is down 33 percent, miscellaneous manufacturing is down 19 percent, and fabricated metal product manufacturing is down 20 percent. These manufacturing sectors were negatively impacted by the Boeing strike. The strike impacts will also be seen next month in October taxable sales as well. The areas of growth in September taxable sales over a year ago included management, ed., and health services (up 4.8 percent), utilities (up 13.8 percent), information (up 8.9 percent), finance and insurance services (up 5.1 percent), professional, scientific, and technical services (up 7.9 percent), and arts, entertainment & recreation (up 6.5 percent).

The first nine months of 2024 saw sales taxes below the March forecast by \$32.5 million, 3.4 percent, for all six sales tax levies. Sales tax distributions for transit were down the most \$22.8 million from the March forecast. Most of the sales tax levies were down from the March forecast by at least 3.3 percent except for the Health through Housing levy with smallest decline at 1.2 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 nine months. Real estate excise taxes were currently tracking 11.3 percent above forecast through August, and lodging tax (HB 2015) was up

nearly 20 percent over projections in March through September. Other forecasts were below forecast for the first nine months by more than one percent: hotel/motel taxes (4.9 percent below), E-911 excise taxes (6.1 percent below), motor vehicle fuel taxes (10.0 percent below), solid waste charges (3.7 percent below) and transit fares (2.5 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.

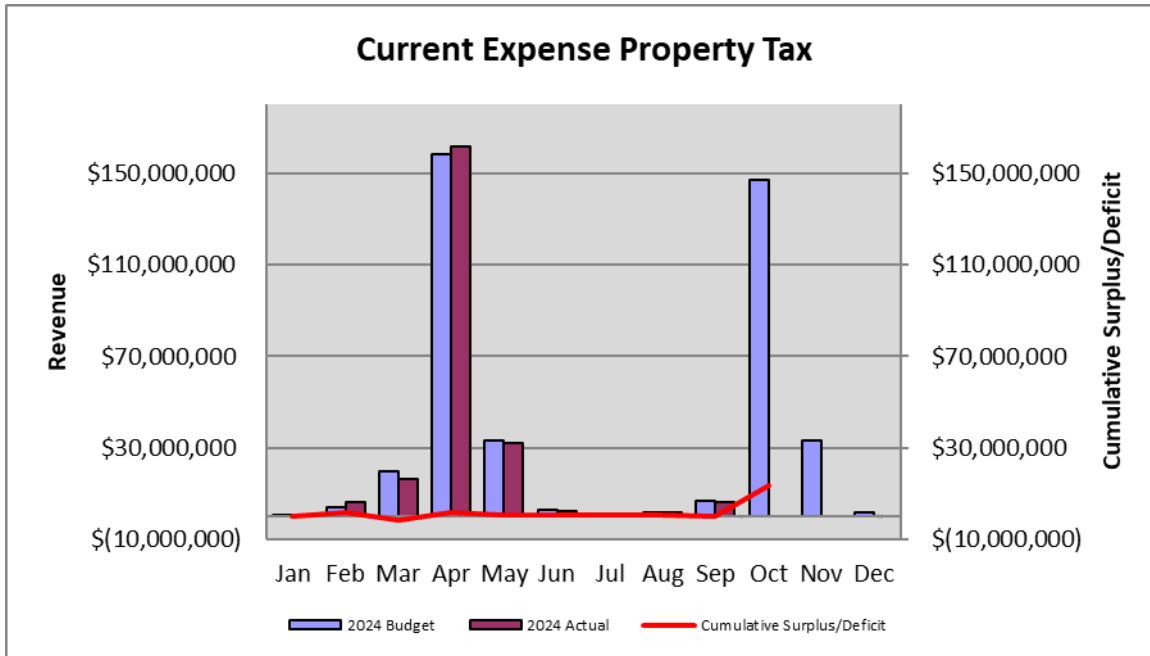
Below is a table comparing the monthly 2024 OEFA August forecasts to the monthly actuals received so far in 2024 for those OEFA forecasts that were impacted by the August revisions. Since the August forecast for taxable sales was revised downward by nearly 5% in 2024 from the March forecast, the difference in actual sales tax levies cumulatively for the first nine months is up \$19.4 million, 2 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 \$1,787,175, 10.1 percent, hotel/motel tax by \$1.4 million, 4.7 percent and the lodging tax by \$434,546 or 9.4 percent. The E-911 and REET 1 excise tax actuals are also closely tracking the August forecast by \$71,407, 0.4 percent and \$4,791, 0.1 percent respectively. The Marijuana excise tax actuals compared to the August forecast are the only revenue source slightly down from the last forecast by -0.5 percent.

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

Revenue	YTD Forecast (August Forecast)	YTD Actual	Actual - Forecast	Difference (percentage)
P&I on Delinquent Property Taxes	\$ 17,640,000	\$ 19,427,175	\$ 1,787,175	10.1%
Sales Tax - Local Option (9/24)	\$ 127,890,000	\$ 130,169,787	\$ 2,279,787	1.8%
Sales Tax-Criminal Justice (9/24)	\$ 13,440,000	\$ 13,661,036	\$ 221,036	1.6%
Sales Tax-MIDD (9/24)	\$ 66,600,000	\$ 67,858,618	\$ 1,258,618	1.9%
Sales Tax - Transit (9/24)	\$ 611,350,000	\$ 621,082,833	\$ 9,732,833	1.6%
Sales Tax - Health Through Housing (9/24)	\$ 50,450,000	\$ 52,496,039	\$ 2,046,039	4.1%
Sales Tax - Cultural Access Program (9/24)	\$ 45,990,000	\$ 46,612,164	\$ 622,164	1.4%
Marijuana Excise Tax	\$ 2,310,000	\$ 2,297,944	\$ (12,056)	-0.5%
E-911 Excise Tax (9/24)	\$ 19,290,000	\$ 19,361,407	\$ 71,407	0.4%
Hotel/Motel Tax (9/24)	\$ 30,260,000	\$ 31,685,739	\$ 1,425,739	4.7%
Lodging Tax (HB 2015) (9/24)	\$ 4,640,000	\$ 5,074,546	\$ 434,546	9.4%
REET 1 Revenue	\$ 7,730,000	\$ 7,734,791	\$ 4,791	0.1%

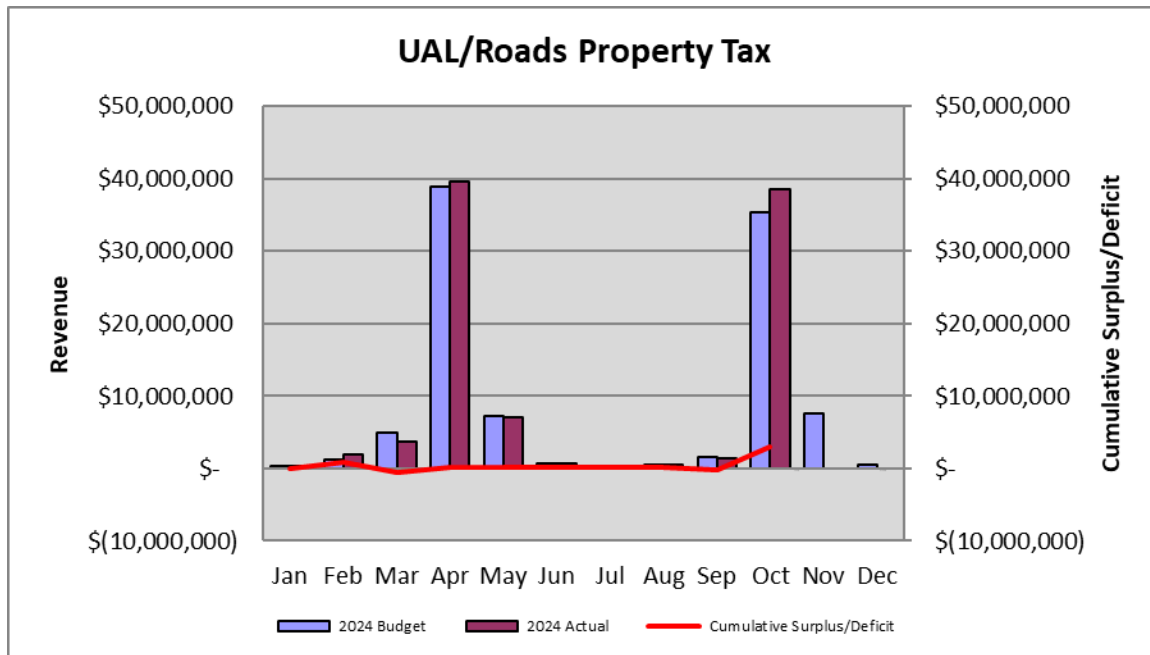
The graphs on the following pages indicate revenues from specific funds, including comparisons between monthly revenues as forecasted in March, shown by the blue bars, actual monthly revenues, indicated by the burgundy bars and the red line showing the cumulative difference between March forecasts and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

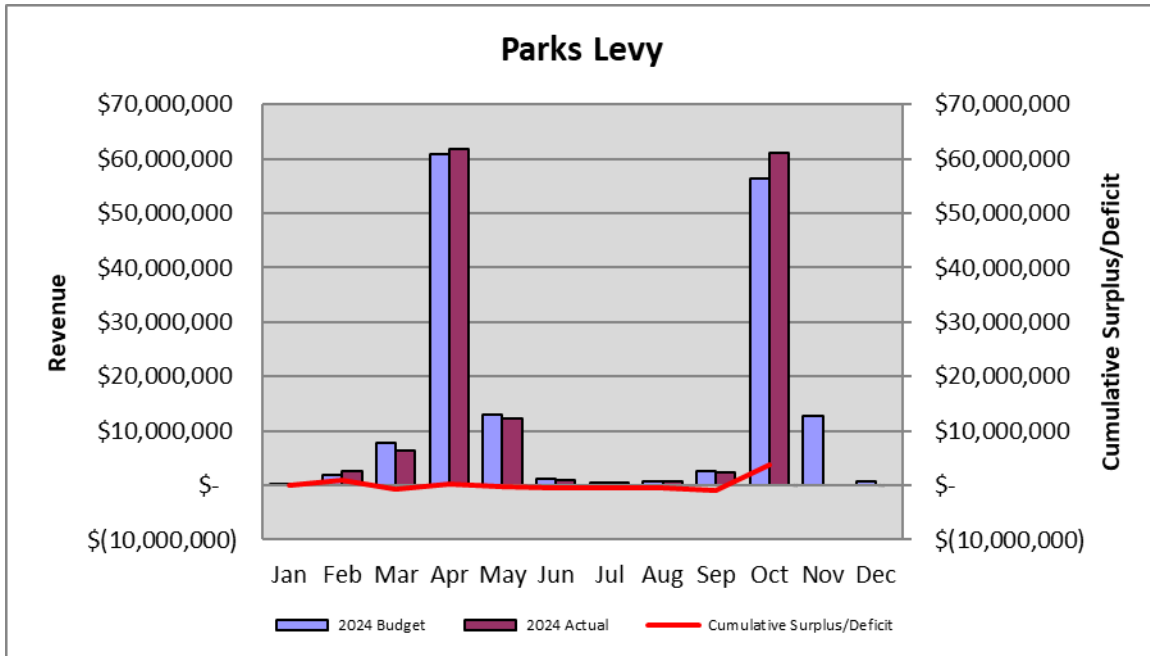
Forecast	Actual	Actual-Forecast	Difference
\$ 146,892,537	\$ 160,437,374	\$ 13,544,837	9.2%



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

UAL/Roads Property Taxes Comparison (October 2024)

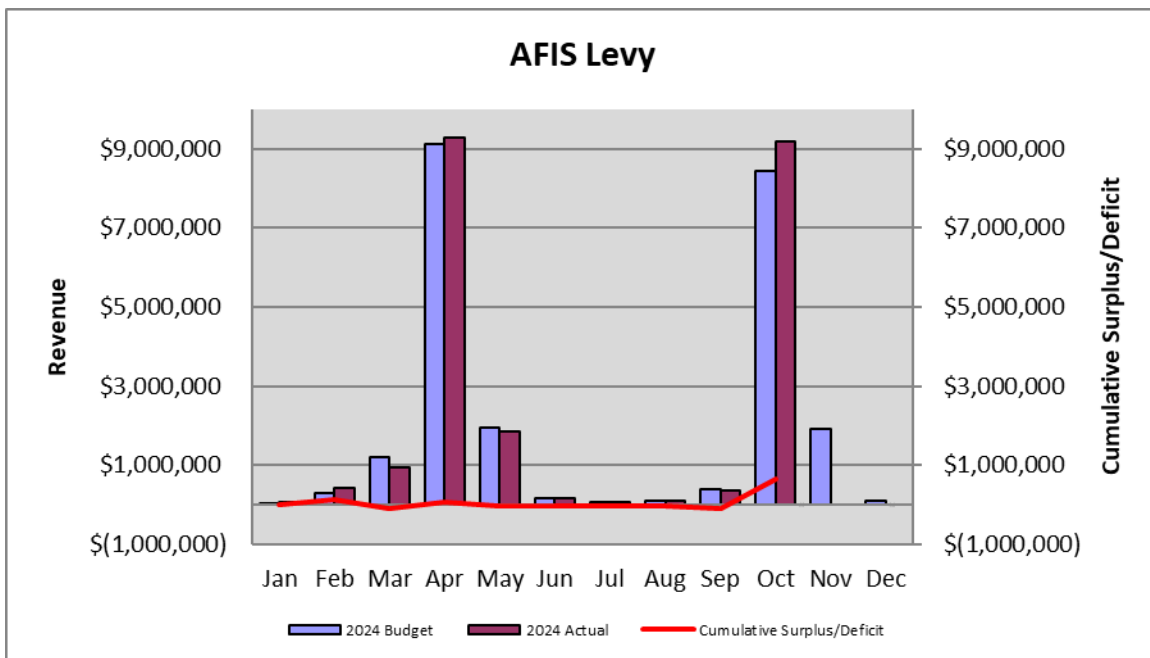
Forecast	Actual	Actual-Forecast	Difference
\$ 35,401,930	\$ 38,597,320	\$ 3,195,390	9.0%



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

Parks Property Taxes Comparison (October 2024)

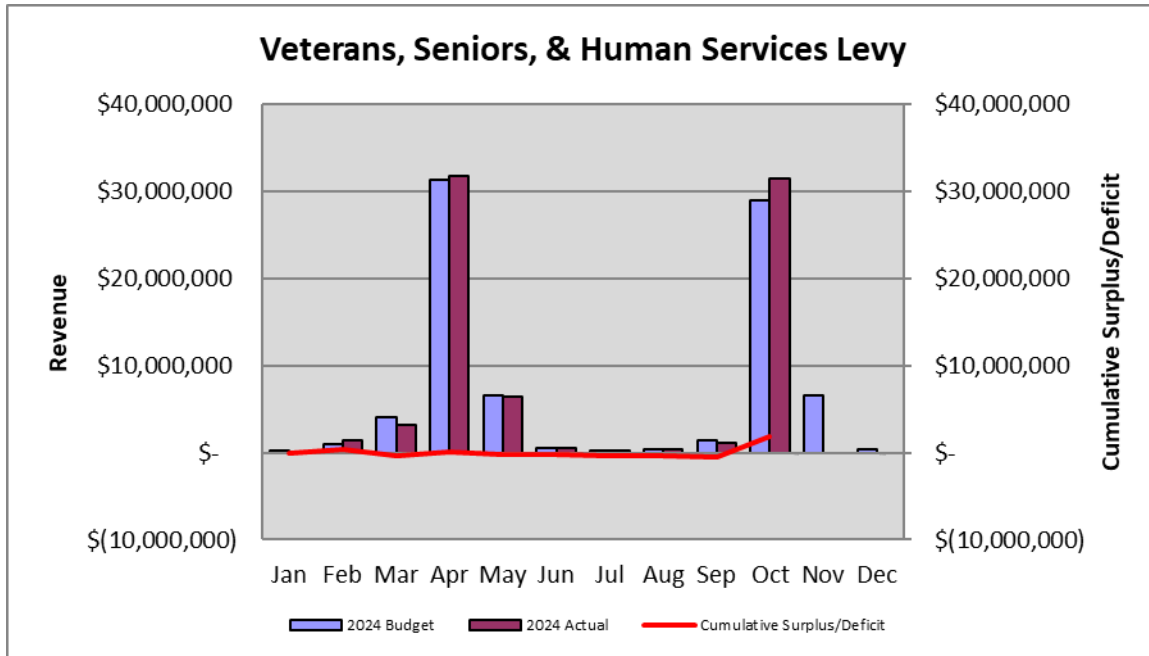
Forecast	Actual	Actual-Forecast	Difference
\$ 56,375,126	\$ 61,060,491	\$ 4,685,365	8.3%



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

AFIS Property Taxes Comparison (October 2024)

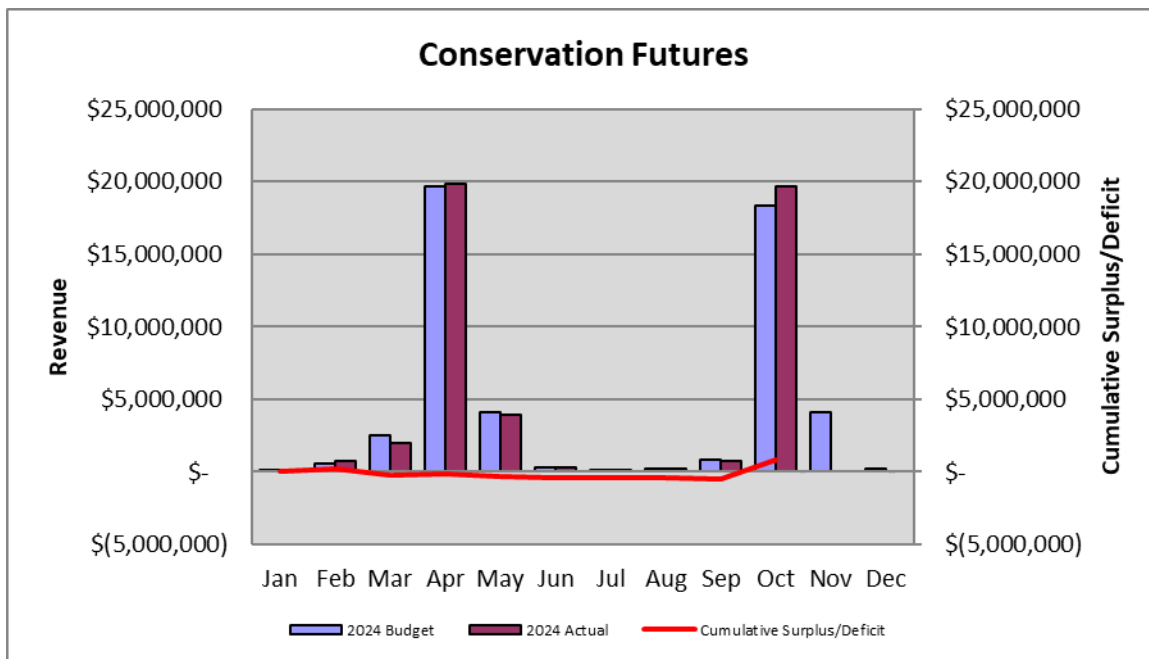
Forecast	Actual	Actual-Forecast	Difference
\$ 8,448,471	\$ 9,172,692	\$ 724,220	8.6%



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

VSHSL Property Taxes Comparison (October 2024)

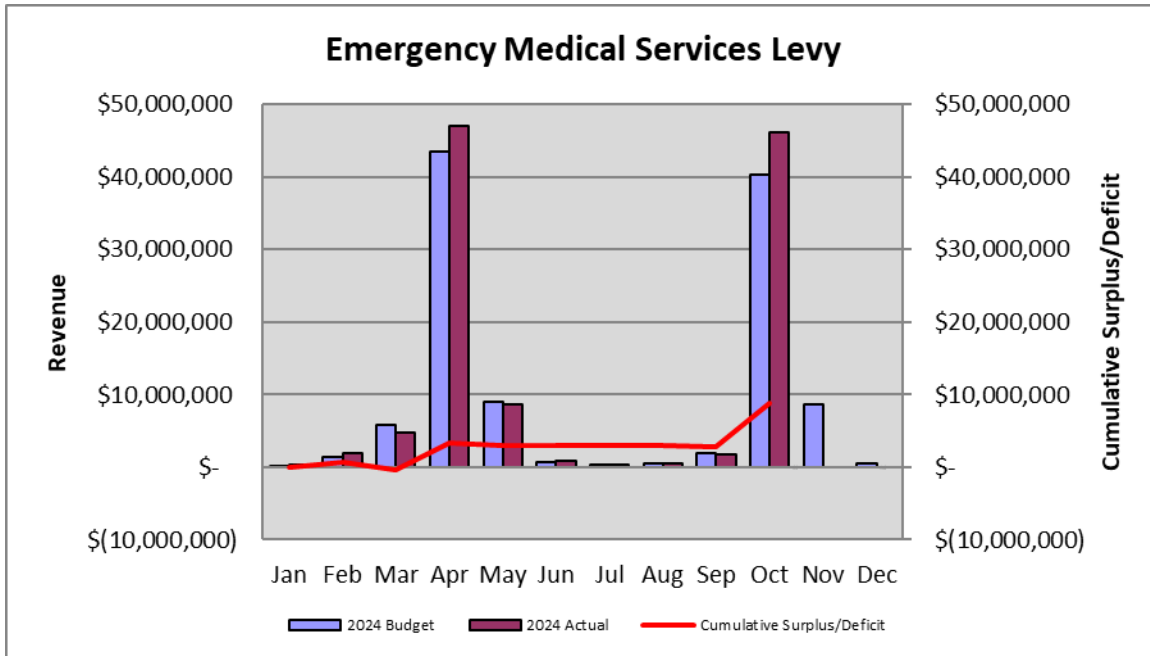
Forecast	Actual	Actual-Forecast	Difference
\$ 29,009,941	\$ 31,430,816	\$ 2,420,875	8.3%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (October 2024)

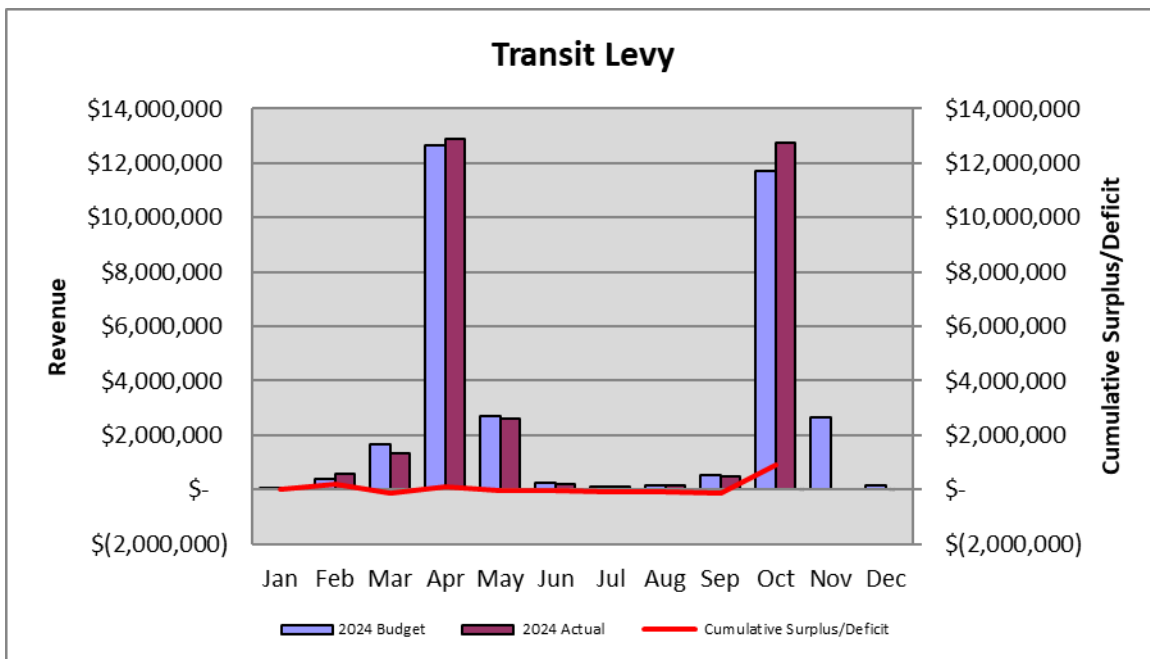
Forecast	Actual	Actual-Forecast	Difference
\$ 18,308,725	\$ 19,660,625	\$ 1,351,900	7.4%



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

EMS Property Taxes Comparison (October 2024)

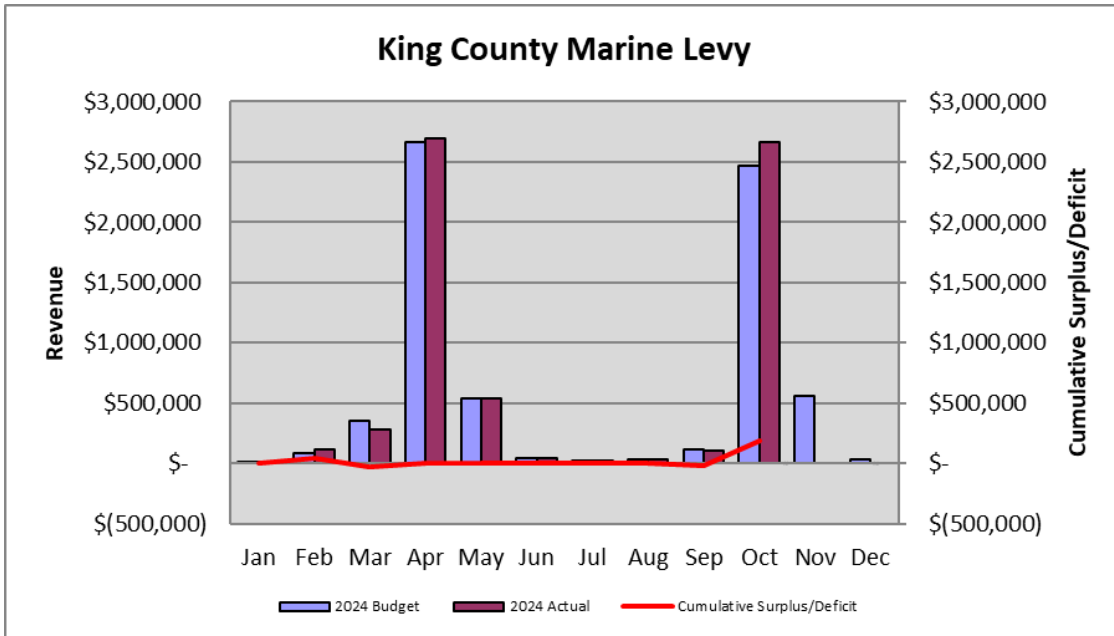
Forecast	Actual	Actual-Forecast	Difference
\$ 40,337,680	\$ 46,202,496	\$ 5,864,816	14.5%



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

Transit Property Taxes Comparison (October 2024)

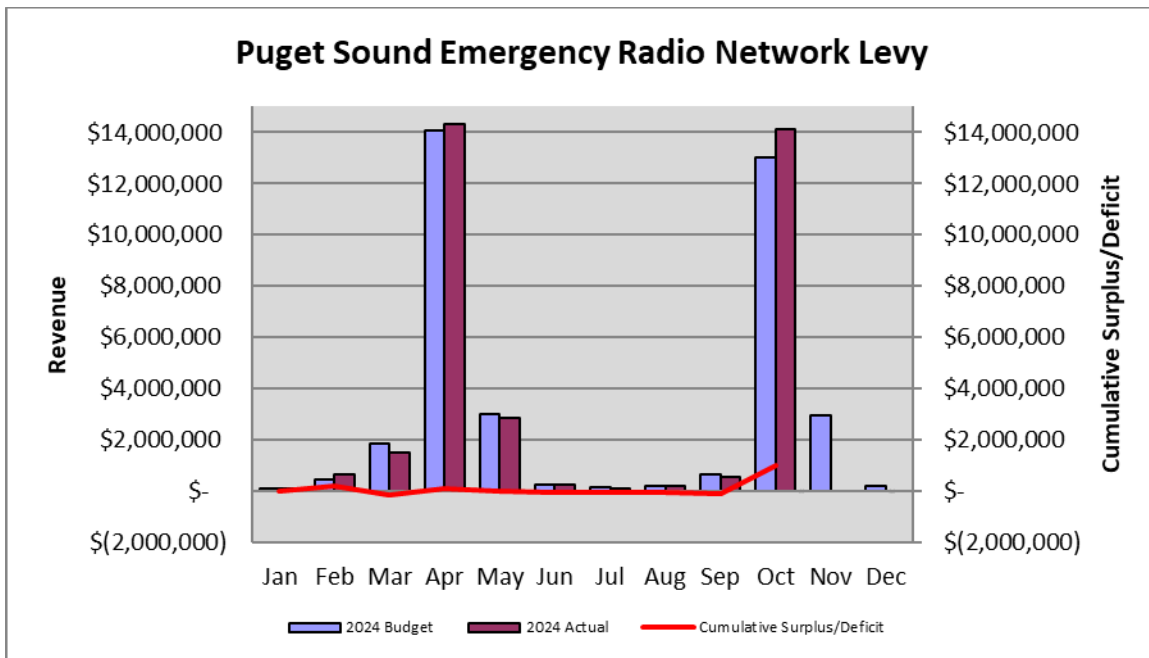
Forecast	Actual	Actual-Forecast	Difference
\$ 11,720,768	\$ 12,739,949	\$ 1,019,181	8.7%



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

King County Marine Property Taxes Comparison (October 2024)

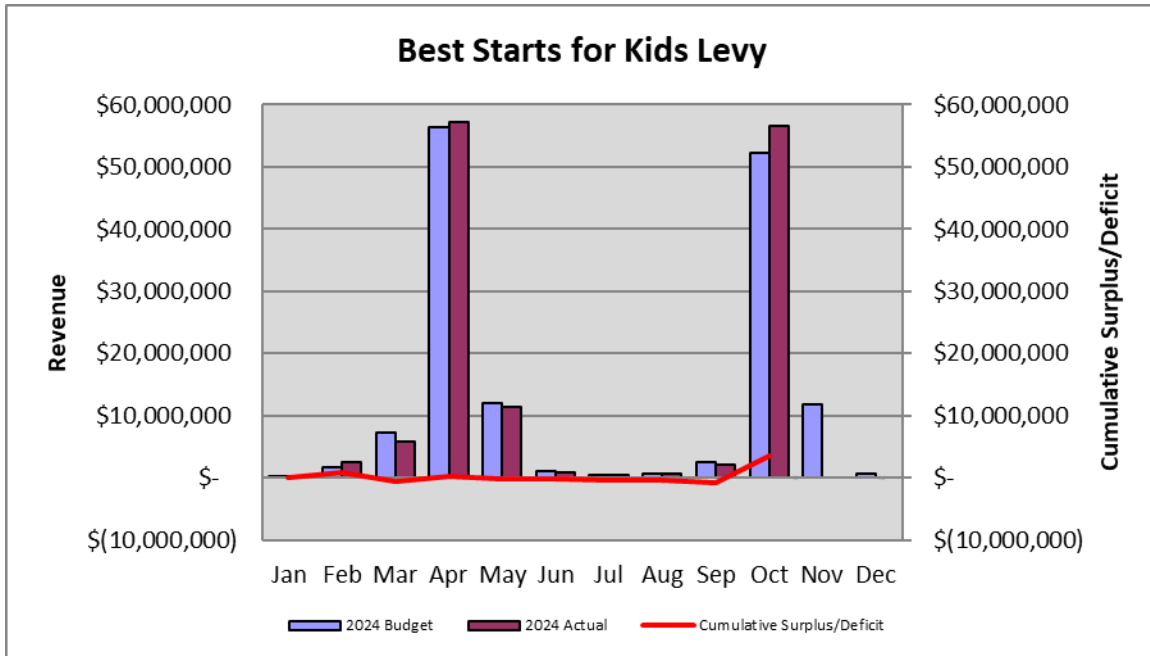
Forecast	Actual	Actual-Forecast	Difference
\$ 2,470,735	\$ 2,668,254	\$ 197,518	8.0%



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

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

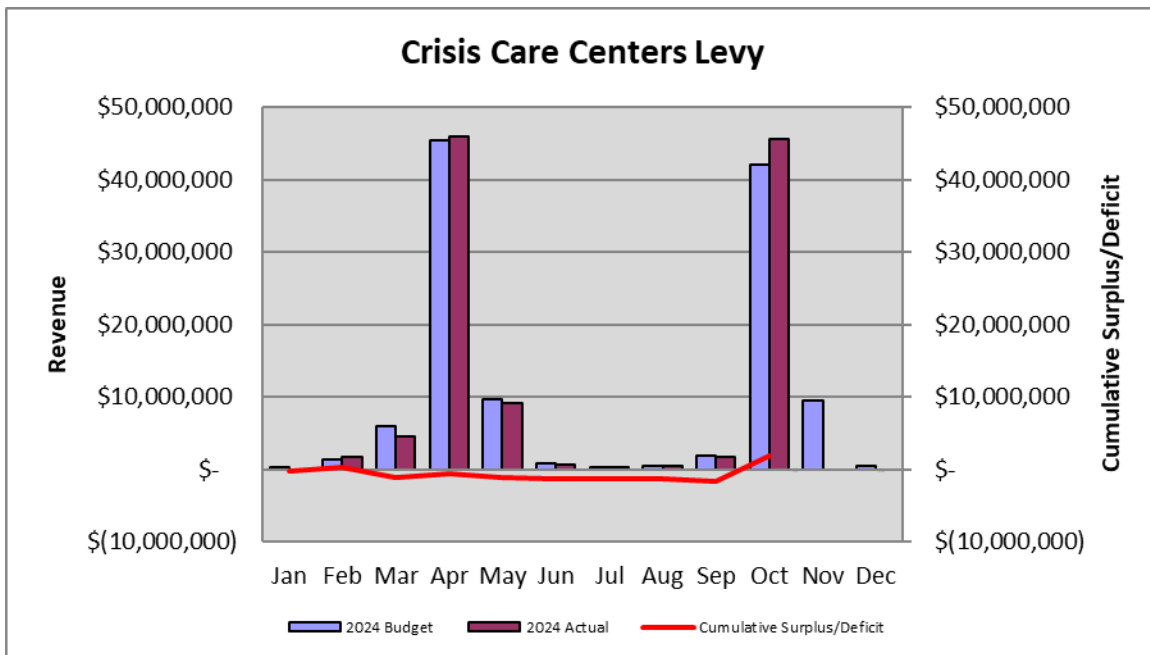
Forecast	Actual	Actual-Forecast	Difference
\$ 13,015,619	\$ 14,132,893	\$ 1,117,274	8.6%



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

Best Starts for Kids Property Taxes Comparison (October 2024)

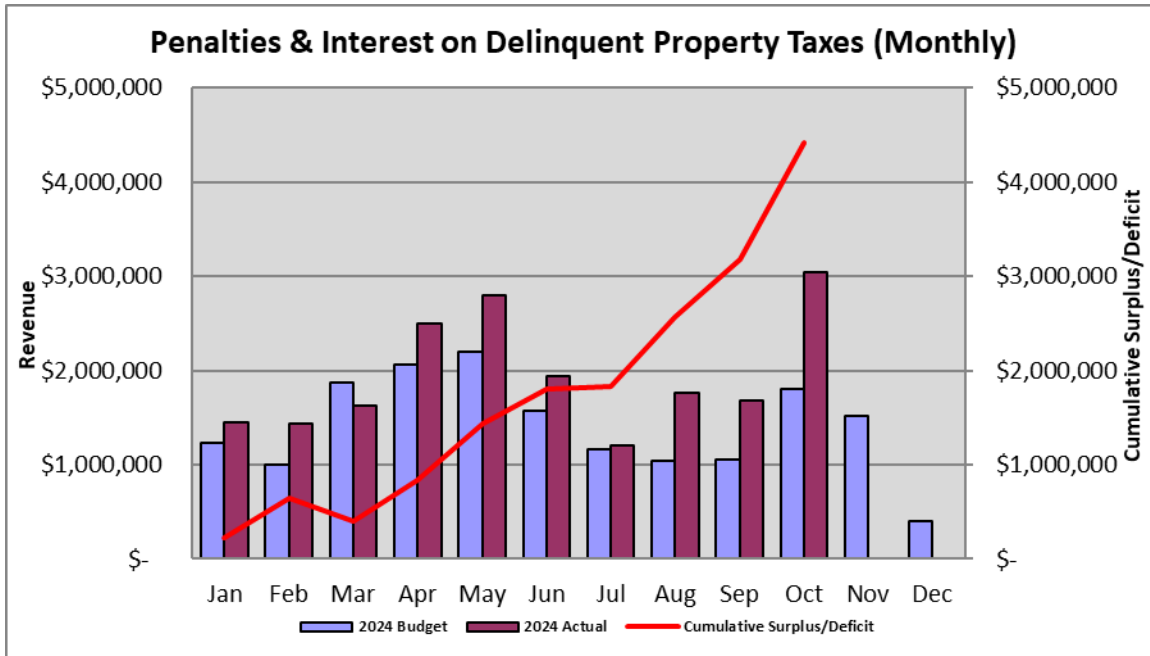
Forecast	Actual	Actual-Forecast	Difference
\$ 52,211,832	\$ 56,547,624	\$ 4,335,792	8.3%



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

Crisis Care Centers Property Taxes Comparison (October 2024)

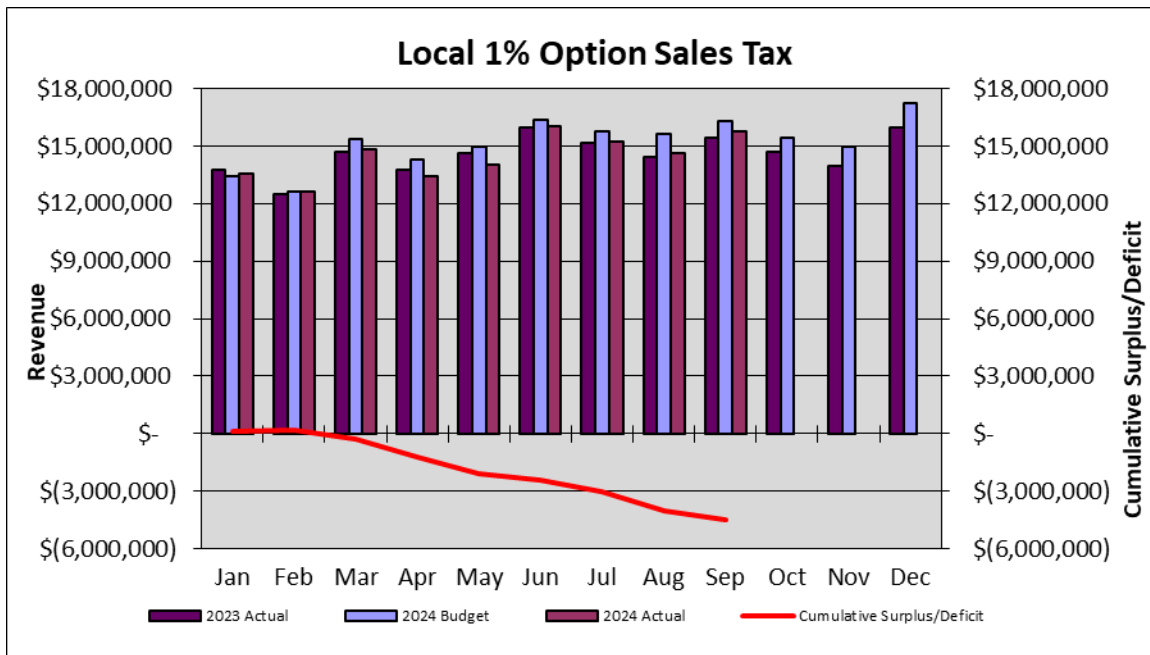
Forecast	Actual	Actual-Forecast	Difference
\$ 42,078,103	\$ 45,522,625	\$ 3,444,522	8.2%



Data Source: King County EBS Fund 0010, Acct 31911

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

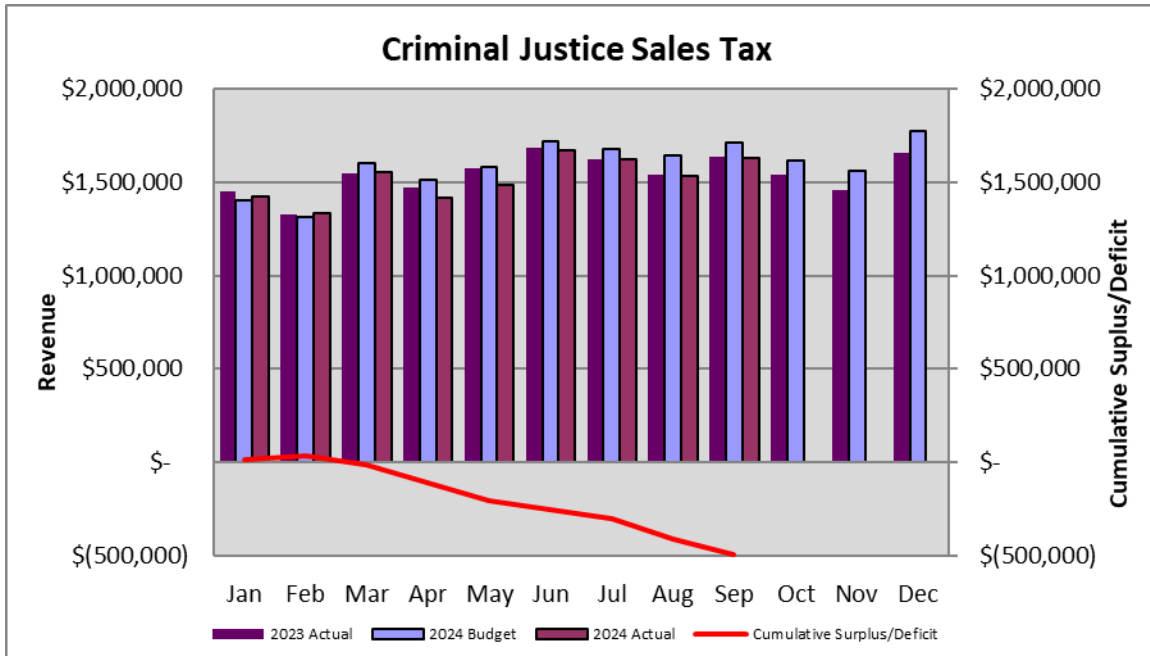
Forecast	Actual	Actual-Forecast	Difference
\$ 1,805,758	\$ 3,043,774	\$ 1,238,016	68.6%



Data Source: Washington State DOR through September

Local Option Sales Tax Comparison (September 2024)

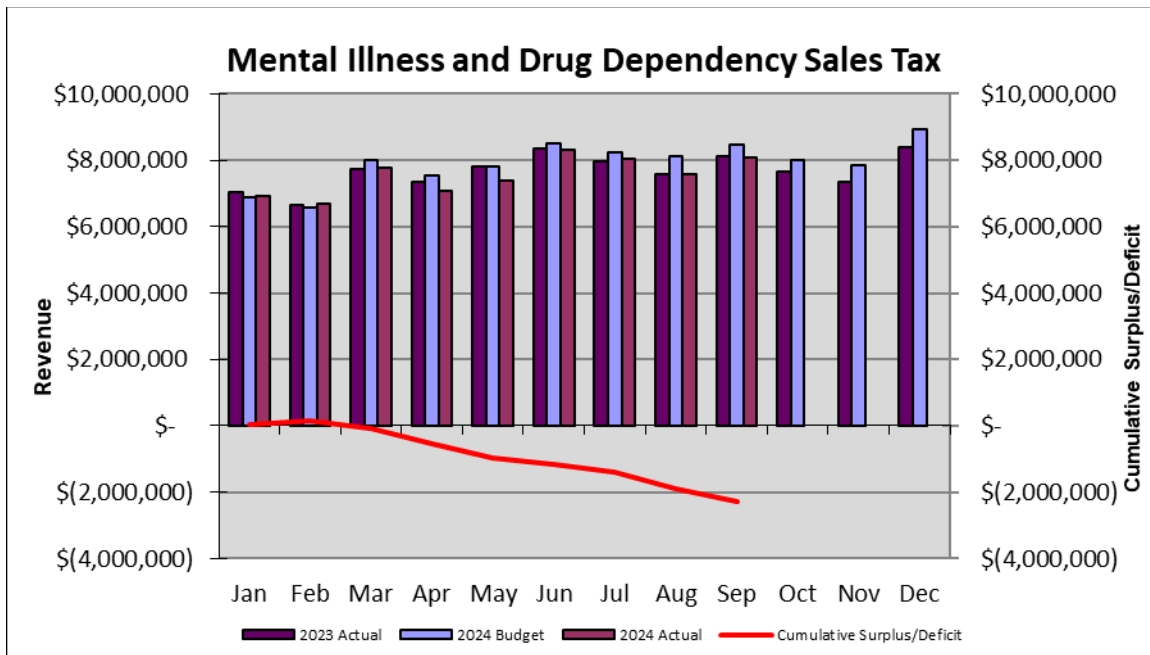
Forecast	Actual	Actual-Forecast	Difference
\$ 16,288,985	\$ 15,794,316	\$ (494,669)	-3.0%



Data Source: Washington DOR through September

CJ Sales Tax Comparison (September 2024)

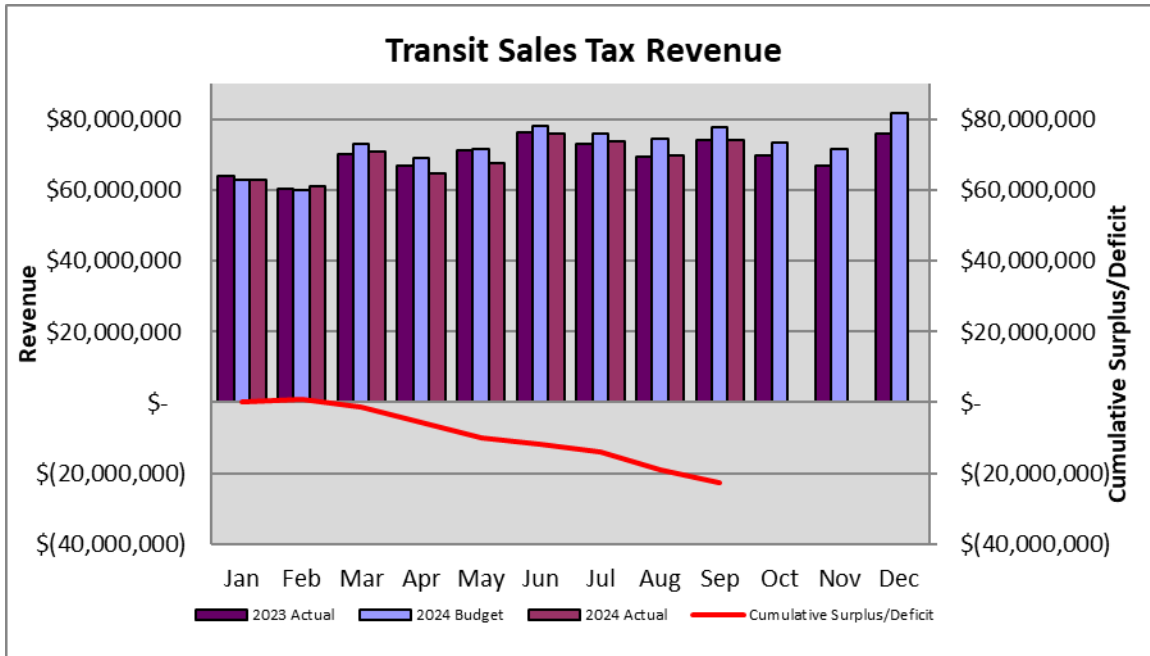
Forecast	Actual	Actual-Forecast	Difference
\$ 1,712,515	\$ 1,627,102	\$ (85,413)	-5.0%



Data Source: Washington DOR through September

MIDD Sales Tax Comparison (September 2024)

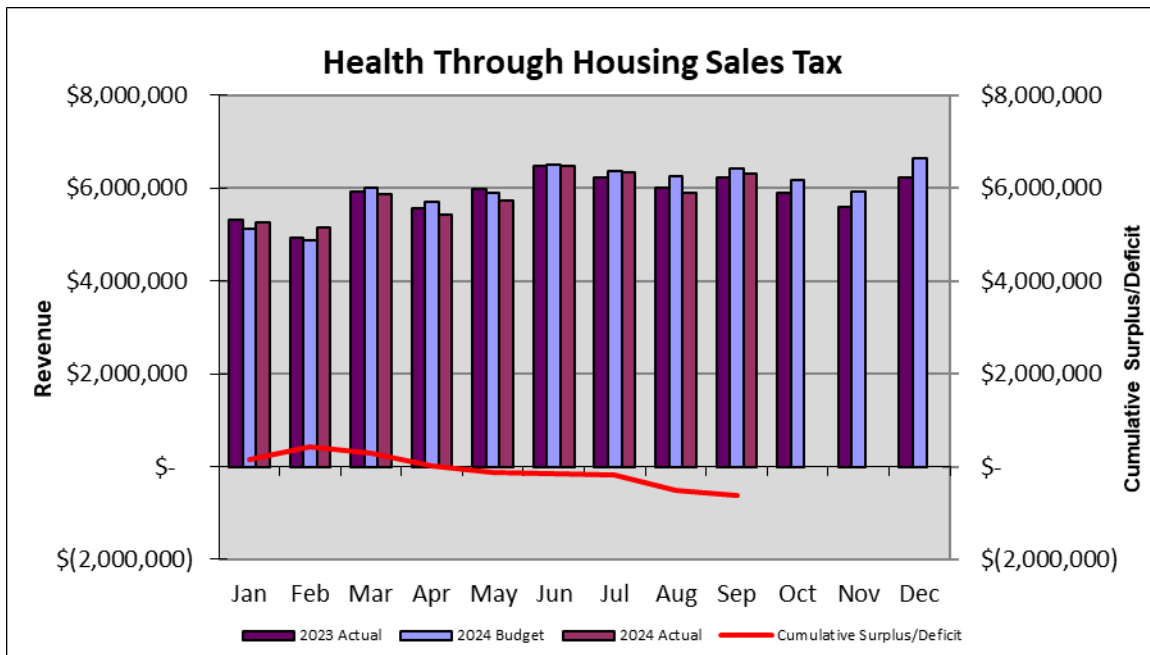
Forecast	Actual	Actual-Forecast	Difference
\$ 8,472,316	\$ 8,094,236	\$ (378,079)	-4.5%



Data Source: Washington DOR through September

Transit Sales Tax Comparison (September 2024)

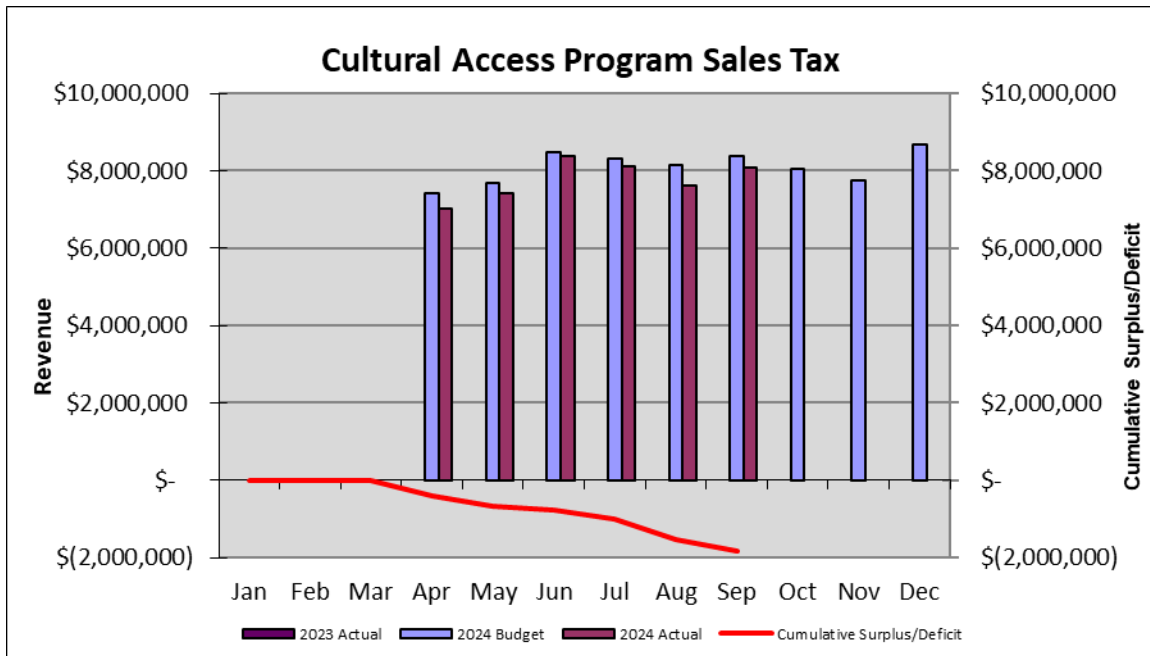
Forecast	Actual	Actual-Forecast	Difference
\$ 77,951,042	\$ 74,166,094	\$ (3,784,948)	-4.9%



Data Source: Washington DOR through September

HTH Sales Tax Comparison (September 2024)

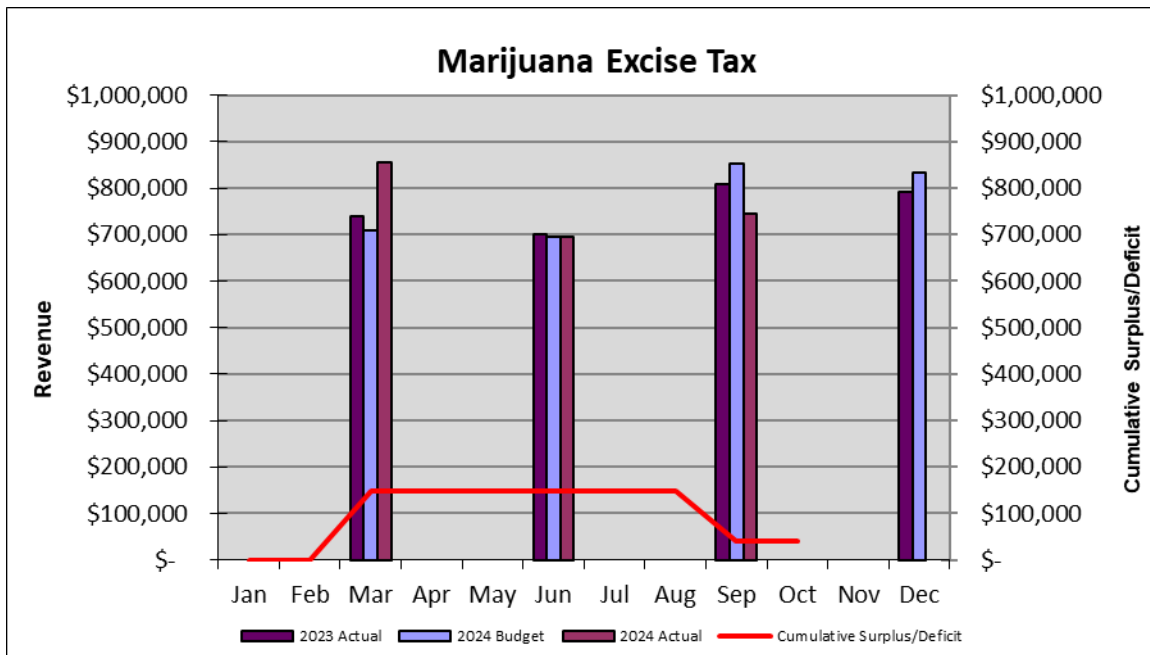
Forecast	Actual	Actual-Forecast	Difference
\$ 6,425,275	\$ 6,308,227	\$ (117,047)	-1.8%



Data Source: Washington DOR through September

CAP Sales Tax Comparison (September 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 8,379,553	\$ 8,088,736	\$ (290,816)	-3.5%

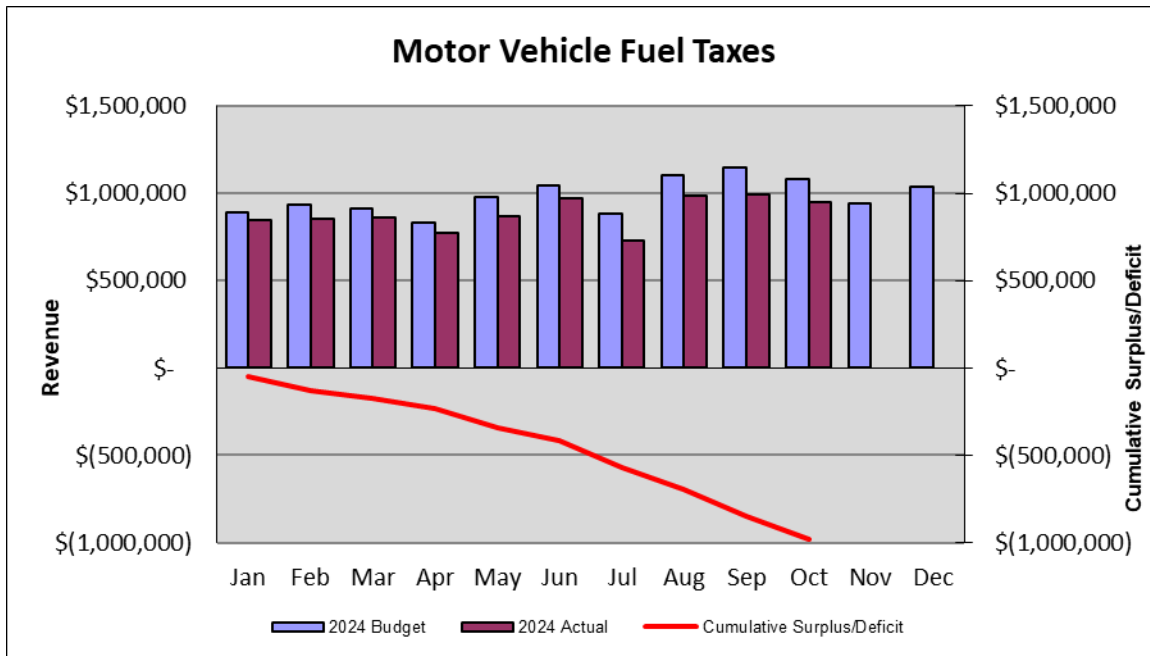


Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (October 2024)

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

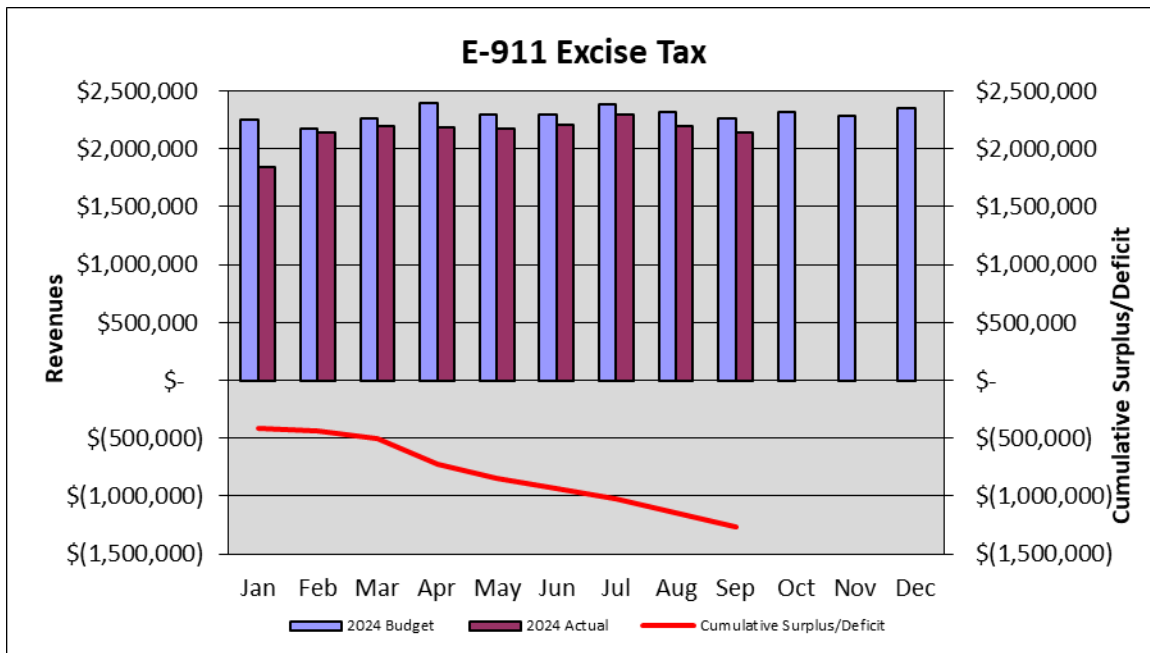
This data is received quarterly in March, June, September and December.



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (October 2024)

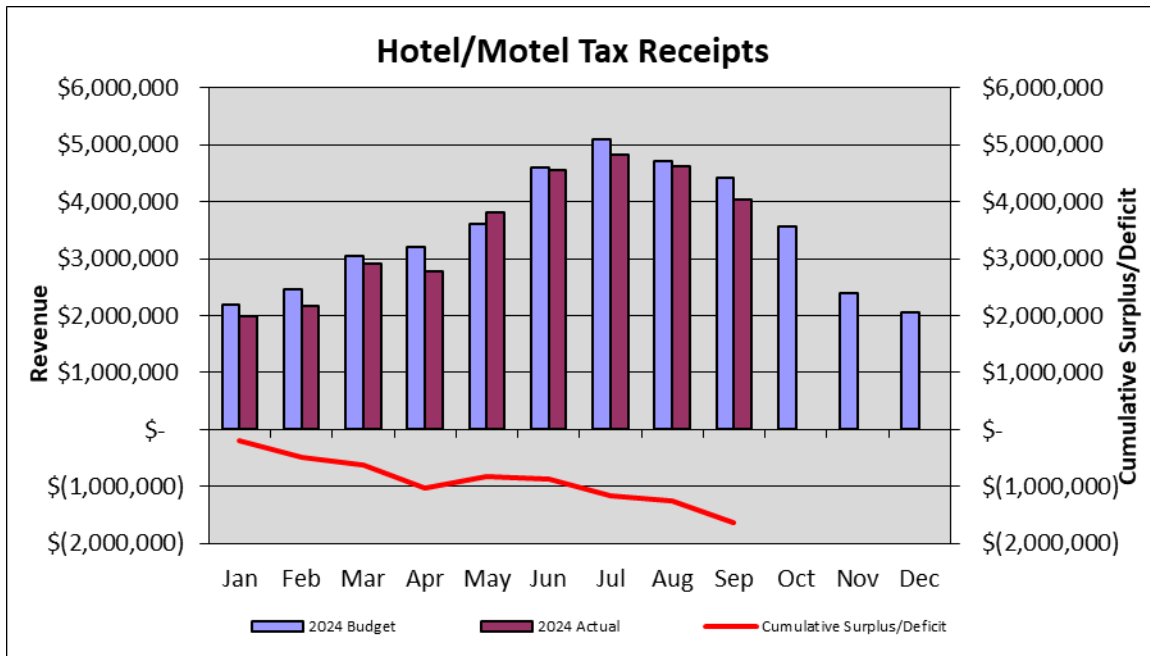
Forecast	Actual	Actual-Forecast	Difference
\$ 1,083,916	\$ 947,878	\$ (136,038)	-12.6%



Data Source: Washington DOR through September

E-911 Excise Tax Comparison (September 2024)

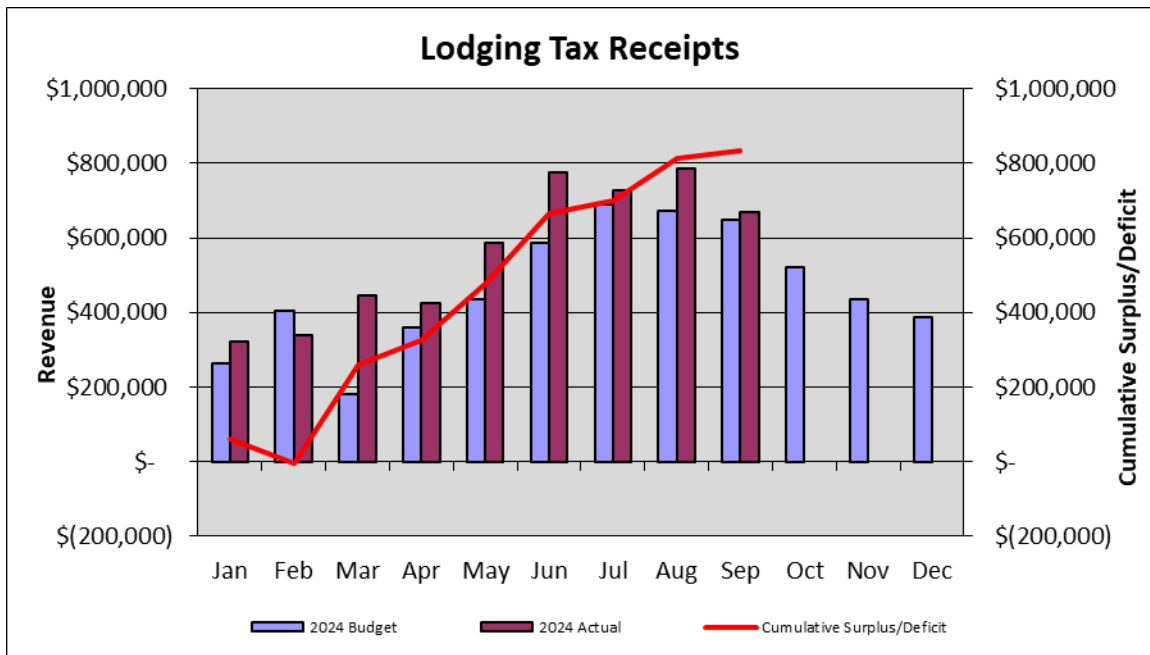
Forecast	Actual	Actual-Forecast	Difference
\$ 2,263,865	\$ 2,143,076	\$ (120,789)	-5.3%



Data Source: Washington DOR through September

Hotel/Motel Tax Comparison (September 2024)

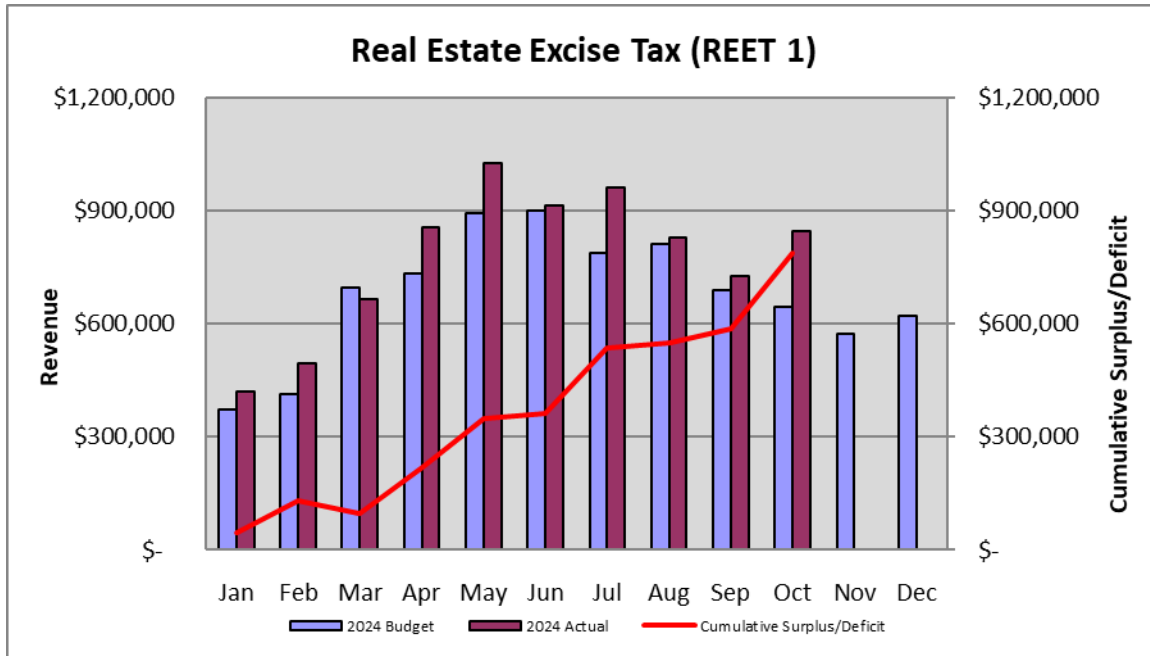
Forecast	Actual	Actual-Forecast	Difference
\$ 4,428,194	\$ 4,040,775	\$ (387,419)	-8.7%



Data Source: Seattle Convention Center through September

Lodging Tax Comparison (September 2024)

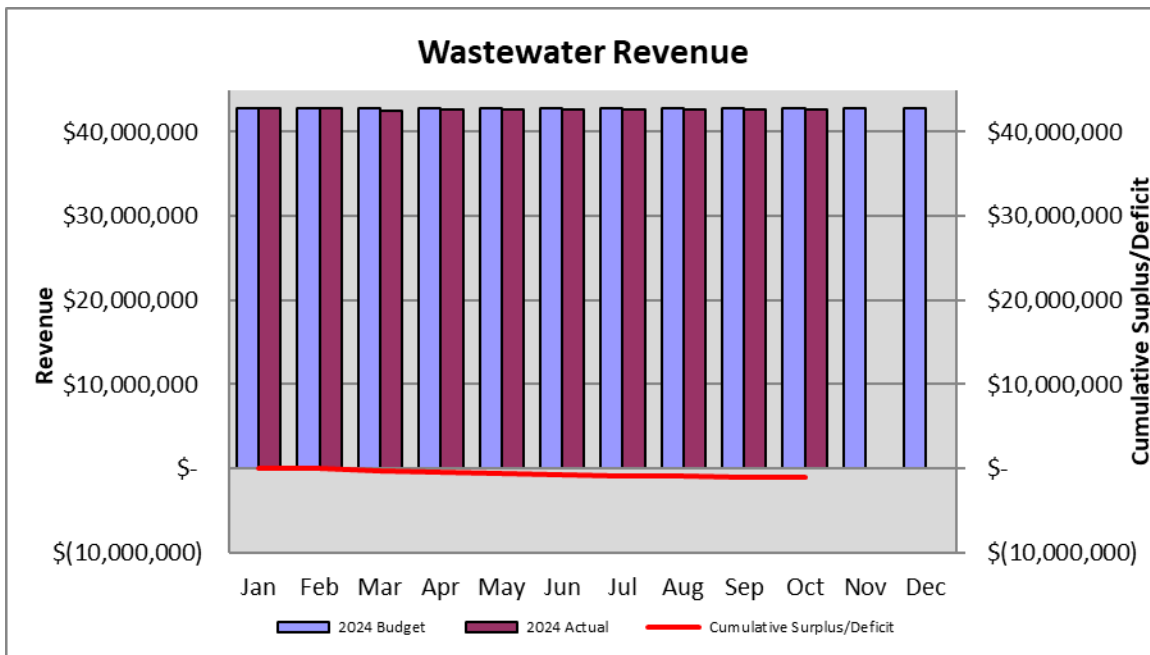
Forecast	Actual	Actual-Forecast	Difference
\$ 649,901	\$ 669,959	\$ 20,059	3.1%



Data Source: King County EBS Acct 31734

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

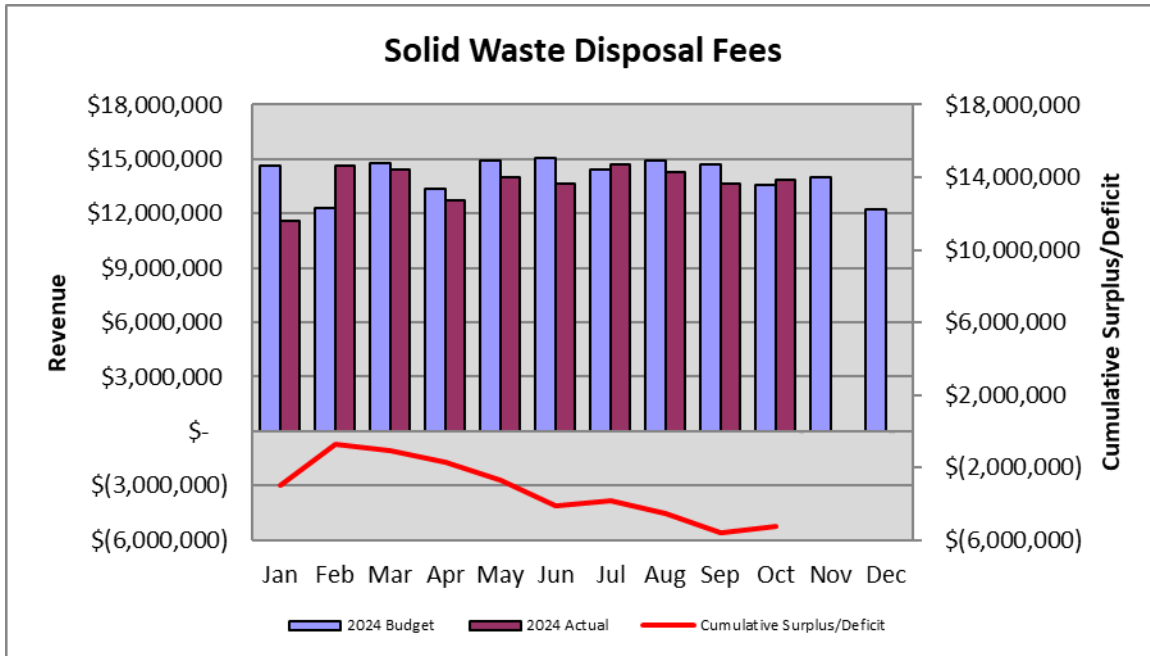
Forecast	Actual	Actual-Forecast	Difference
\$ 643,647	\$ 844,605	\$ 200,958	31.2%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (October 2024)

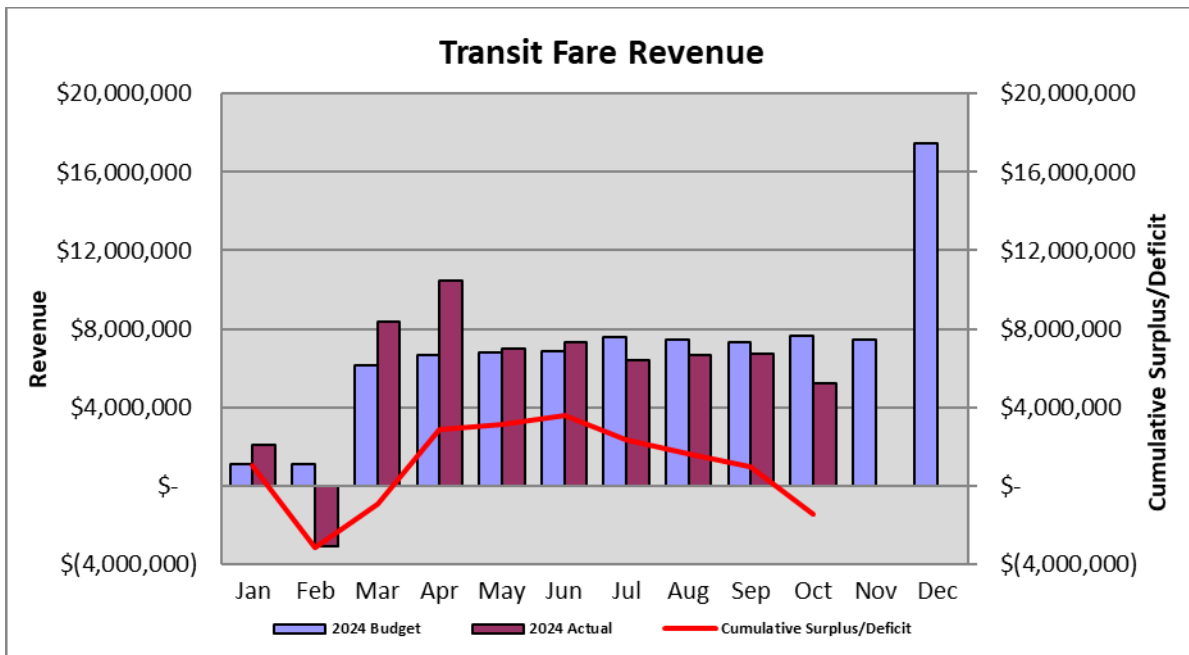
Forecast	Actual	Actual-Forecast	Difference
\$ 42,784,325	\$ 42,687,930	\$ (96,395)	-0.2%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (October 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 13,542,230	\$ 13,854,933	\$ 312,703	2.3%



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

Transit Fare Charges Comparison (October 2024)

Forecast	Actual	Actual-Forecast	Difference
\$ 7,675,099	\$ 5,225,484	\$ (2,449,615)	-31.9%

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

NAICS Category	2-digit NAICS	Sep-23	Sep-24	Percent change (2023-2024)
Agriculture	11	\$ 1,757,121	\$ 1,685,554	-4.1%
Mining	21	1,273,619	687,215	-46.0%
Utilities	22	10,134,509	11,536,402	13.8%
Construction	23	1,742,986,156	1,637,157,503	-6.1%
Manufacturing	31-33	189,432,438	168,361,040	-11.1%
Wholesale	41-42	450,050,864	434,031,524	-3.6%
Retail Trade	44-45	2,612,346,245	2,539,744,287	-2.8%
Transportation and Warehousing	48-49	129,578,379	121,613,723	-6.1%
Information	51	487,407,574	530,773,605	8.9%
Finance & Insurance	52	53,560,459	56,289,702	5.1%
Real Estate, Rental, Leasing	53	200,599,259	193,821,820	-3.4%
Professional, Scientific, Technical Services	54	337,120,167	363,829,595	7.9%
Management, Education and Health Services	55-62	497,515,302	521,230,076	4.8%
Arts, Entertainment and Recreation	71	83,063,224	88,421,269	6.5%
Accommodations, Food Services	72	902,340,184	895,369,296	-0.8%
Other Services	81	166,089,553	165,412,466	-0.4%
Public Administration/DOL Monthly	92	95,288,862	75,868,390	-20.4%
Other		-	-	0.0%
Total-All Industries		\$ 7,960,543,915	\$ 7,805,833,467	-1.9%
NAICS Category	3-digit NAICS	Sep-23	Sep-24	Percentage change (2023-2024)
Construction				
Construction of Buildings	236	\$ 1,160,978,548	\$ 1,030,489,127	-11.2%
Heavy and Civil Engineering Construction	237	101,666,780	133,490,941	31.3%
Specialty Trade Contractors	238	480,340,828	473,177,435	-1.5%
Retail				
Motor Vehicle and Parts Dealers	441	557,761,158	490,217,347	-12.1%
Building Material and Garden Equipment and Supplies Dealers	444	195,816,372	186,318,258	-4.9%
Food and Beverage Stores	445	144,943,634	151,630,498	4.6%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	365,868,540	396,428,127	8.4%
General Merchandise Retailers	455	295,502,259	292,886,131	-0.9%
Health and Personal Care Retailers	456	107,293,955	86,638,264	-19.3%
Gasoline Stations and Fuel Dealers	457	50,329,393	46,234,441	-8.1%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	217,232,972	211,070,496	-2.8%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailers	459	677,597,961	678,320,725	0.1%
Wholesale				
Wholesale: Durable Goods	423	360,947,299	353,964,465	-1.9%
Wholesale: Nondurable Goods	424	82,727,268	74,799,781	-9.6%
Wholesale: Electronic Markets	425	6,376,297	5,267,278	-17.4%
Food Service and Accommodations				
Accommodation	721	240,510,764	239,207,322	-0.5%
Food Services and Drinking Places	722	661,829,420	656,161,974	-0.9%
Note: NAICS values were updated & consolidated in 2022				
NAICS Category	4-digit NAICS	Sep-23	Sep-24	Percentage change (2023-2024)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	\$ 106,816,759	\$ 96,040,842	-10.1%
Book Retailers and News Dealers	4592	11,194,128	11,190,011	0.0%
Florists	4593	3,027,832	2,969,828	-1.9%
Office Supplies, Stationery, and Gift Retailers	4594	26,550,751	25,451,407	-4.1%
Used Merchandise Retailers	4595	12,089,471	12,257,390	1.4%
Other Miscellaneous Retailers	4599	517,919,022	530,411,245	2.4%

King County Taxable Retail Sales by Industry – Top 10 Manufacturing Sectors
 (Current obligations: September 2023 – September 2024)

Manufacturing Category	Sep-23	Sep-24	Percent Change (2023-2024)
Transportation Equipment	\$ 67,389,968	\$ 62,678,191	-7.0%
Beverage and Tobacco Product	\$ 18,650,219	\$ 17,190,276	-7.8%
Computer and Electronic Product	\$ 16,101,841	\$ 10,790,849	-33.0%
Printing and Related Support Activities	\$ 13,572,890	\$ 12,643,124	-6.9%
Miscellaneous	\$ 12,962,579	\$ 10,411,219	-19.7%
Food	\$ 7,838,076	\$ 9,155,348	16.8%
Fabricated Metal Product	\$ 9,151,605	\$ 7,312,458	-20.1%
Nonmetallic Mineral Product	\$ 8,314,338	\$ 8,314,200	0.0%
Furniture and Related Product	\$ 6,171,687	\$ 6,669,573	8.1%
Chemical	\$ 6,142,788	\$ 6,593,502	7.3%