King County
Office of Economic and Financial Analysis
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Seattle, WA 98104
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MEMORANDUM

DATE: July 27, 2026

TO: King County Forecast Council

FROM: Lizbeth Martin-Mahar, Laurie Elofson, Tony Cacallori

RE: King County Revenue through June 2026

Actuals Compared to Budget Forecast - King County Revenue
(through June 2026 unless noted)[1]

Revenue	YTD Forecast (2026 Budget)	YTD Actual	Actual - Forecast	Difference (percentage)
Current Expense Levy*	$ 229,240,000	$ 231,145,840	$ 1,905,840	0.8%
UAL/Roads Levy^	$ 54,990,000	$ 54,679,716	$ (310,284)	-0.6%
Parks Levy^	$ 111,530,000	$ 110,891,811	$ (638,189)	-0.6%
AFIS Levy^	$ 13,200,000	$ 12,978,654	$ (221,346)	-1.7%
Veterans, Seniors, & HS Levy (1143)^	$ 47,990,000	$ 47,719,178	$ (270,822)	-0.6%
Conservation Futures Levy (3151)^	$ 29,500,000	$ 29,269,704	$ (230,296)	-0.8%
EMS Levy^	$ 74,650,000	$ 80,171,810	$ 5,521,810	7.4%
Transit Levy^	$ 18,520,000	$ 18,492,803	$ (27,197)	-0.1%
Marine Levy^	$ 3,910,000	$ 3,899,673	$ (10,327)	-0.3%
Best Starts for Kids Levy^	$ 85,470,000	$ 85,052,298	$ (417,702)	-0.5%
Crisis Care Centers Levy^	$ 66,270,000	$ 65,951,608	$ (318,392)	-0.5%
County Hospital Levy^	$ 73,210,000	$ 72,681,073	$ (528,927)	-0.7%
P&I on Delinquent Property Taxes	$ 11,540,000	$ 11,486,337	$ (53,663)	-0.5%
Sales Tax - Local Option (5/26)	$ 75,560,000	$ 82,620,148	$ 7,060,148	9.3%
Sales Tax-Criminal Justice (5/26)	$ 7,780,000	$ 8,358,005	$ 578,005	7.4%
Sales Tax-MIDD (5/26)	$ 39,180,000	$ 42,196,402	$ 3,016,402	7.7%
Sales Tax - Transit (5/26)	$ 357,060,000	$ 384,390,563	$ 27,330,563	7.7%
Sales Tax - Health Through Housing (5/26)	$ 30,140,000	$ 31,354,581	$ 1,214,581	4.0%
Sales Tax - Cultural Access Program (5/26)	$ 38,960,000	$ 41,088,790	$ 2,128,790	5.5%
Sales Tax - Safe and Stable Communities (5/26)	$ 38,910,000	$ 40,113,224	$ 1,203,224	3.1%
Marijuana Excise Tax	$ 1,290,000	$ 1,372,344	$ 82,344	6.4%
MV Fuel Tax-Roads+	$ 5,360,000	$ 5,806,153	$ 446,153	8.3%
E-911 Excise Tax (5/26)	$ 11,040,000	$ 10,571,545	$ (468,455)	-4.2%
Hotel/Motel Tax (5/26)	$ 14,060,000	$ 13,722,793	$ (337,207)	-2.4%
Lodging Tax (HB 2015) (5/26)	$ 780,000	$ 869,801	$ 89,801	11.5%
Rental Car Tax (5/26)	$ 1,520,000	$ 1,344,981	$ (175,019)	-11.5%
REET 1 Revenue	$ 4,230,000	$ 4,071,817	$ (158,183)	-3.7%
Wastewater Revenues+	$ 296,090,000	$ 297,962,126	$ 1,872,126	0.6%
Solid Waste Net Disposal Charges+	$ 80,720,000	$ 83,182,288	$ 2,462,288	3.1%
Transit Fare+	$ 34,000,000	$ 34,680,103	$ 680,103	2.0%

[1] 2026 actual values are preliminary and subject to adjustment.
* 2026 budget is 97.5% of levy ordinance
^ 2026 budget is 99% of levy ordinance
\+ 2026 budget is from Agency budget documents.
All other taxes' 2026 budget based on OEFA March 2026 Forecast

2026 Actuals Compared to Budget Forecasts

Through the end of June 2026, property tax revenues combined for all levies are up from the forecast by $4.45 million or 0.55 percent. This is preliminary data for 2026 as it now includes the first half of the property tax collections in April 2026. The year-to-date differences in the actual versus the March 2026 forecast for most levies were negative except for the EMS and Current Expense levies. The Parks levy is down the most at $0.64 million or 0.6 percent below forecast but this is an improvement over prior months when it was down as much as 2 percent from the forecast. The Hospital levy is second largest decline from the forecast, down $0.53 million or 0.7 percent. The Best Start for Kids levy is also down $0.42 million, or 0.5 percent below the forecast. All the other levies are down from projections by less than $0.32 million. The new EMS levy is above the forecast for the first 6 months now by $5.5 million or 7.4 percent. In addition, the CX levy, which goes to the general fund, is above the March forecast by nearly $2 million or 0.8 percent for the first half of 2026. The first 6 months of collections of penalties and interest on delinquent property taxes came in -$0.054 million or 0.5 percent below forecast. This current shortfall is due to an unusually low February 2026 collection month in which collections did not even reach $1 million, and penalties and interest have not been below $1 million for a February in more than a decade. Subsequent months have made up some of the losses seen in the early months of 2026, but collections are still $0.05 million below March's projections.

Total taxable sales, categorized by industry sectors, were up for the first five months of 2026 by 11.5 percent year-over-year (yoy), and most of the industry sectors were up from last year except for four sectors: construction, real estate, rental and leasing, health care and social assistance and public administration. The sectors showing strong performance in the first five months of 2026 from last year were the following: information up 80 percent, manufacturing up 24 percent, professional, scientific, and technical services up 32.9 percent, transportation and warehousing up 16.7 percent, finance and insurance up 6.3 percent, retail trade up 5.2 percent, wholesale trade up 1.2 percent, management of companies up 13.1 percent, arts, entertainment, and recreation services up 10.8 percent, accommodations and food services up 4.5 percent, administrative and support and waste management up 31.1 percent, educational services up 34.7 percent and other services up 1.4 percent yoy. For the first five months of 2026, some big sectors in the local economy were down from last year like construction sales down 4.7 percent, real estate, rental and leasing services down 4.5 percent, health care and social assistance down 0.8 percent and public administration down 14.3 percent. As noted in prior editions of this report, the 2026 taxable sales are heavily impacted by the passage of ESSB 5814 which expanded the sales tax base for many sectors causing strong growth in sales from last year in most of the sectors like information, transportation and warehousing, professional and technical services and management of companies. The increase in taxable sales in 2026 would be minor growth without the 2025 legislation. These year-to-date actuals do not yet include the impact from the Seattle World Cup events in June and July 2026.

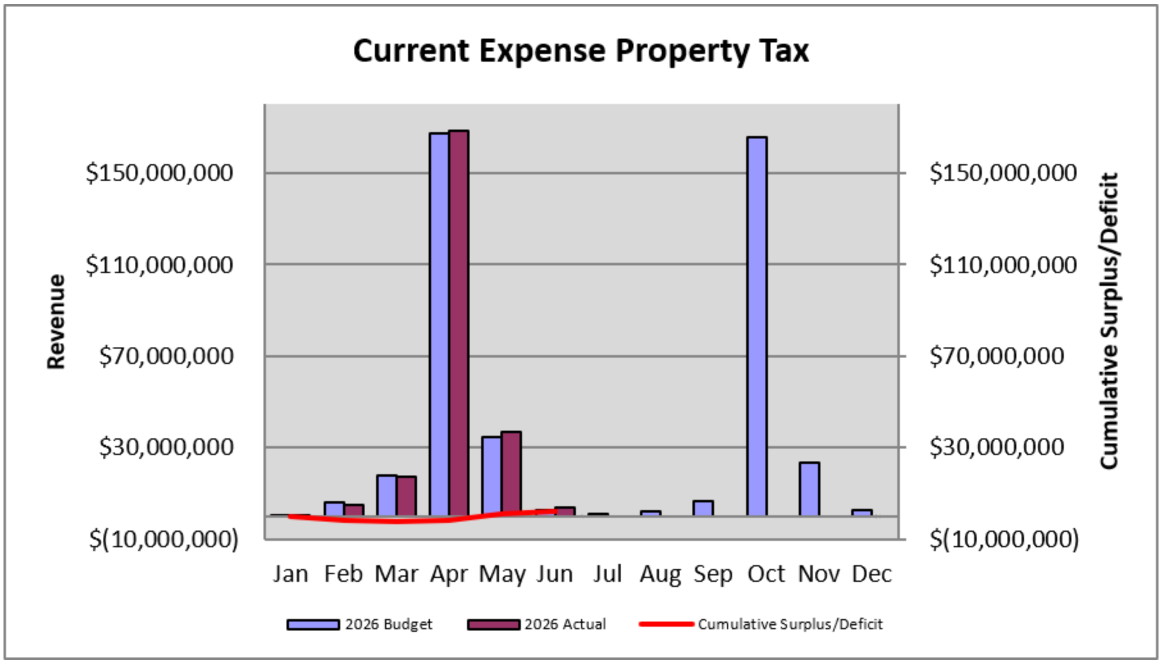
An appendix to this memo provides King County taxable retail sales by industry for the most recent month of May 2026 compared to May 2025. This table indicates that in the month of May, total taxable sales were up year-over-year by 12.7 percent, which was another very strong monthly growth with the information sector having an 87 percent increase over May 2025. Most industry sectors are up, with only the following five sectors down from last May: construction, real estate and rental and leasing, management of companies, health care and social assistance and other services. The information sector made big payments again this month with revenue up 87 percent compared to prior year, and this sector alone made up more than 1/3 of the May year-over-year revenue increase. Manufacturing was up by 20.6 percent, administrative and support and waste management were up 46.6 percent, educational services up 28.6 percent and professional, scientific and technical services were also strong by 51.6 percent. Other notable industries grew in May 2026, transportation and warehousing industries grew 30.5 percent, public administration was up 14.4 percent, arts, entertainment and recreation up by 20.6 percent and accommodation and food services were each up more than 7 percent, wholesale trade up 1.2 percent and retail trade up 9.3 percent and finance and insurance up 8.8 percent. Unfortunately, the construction sector was once again down 8.9 percent from May 2025. In the first 5 months of 2026, the construction sector has been down year-over-year for 4 out of 5 months this year.

July sales tax distributions to King County were amplified by Department of Revenue (DOR) excise tax audit collections connected with the Washington State Department of Transportation (WSDOT). We suspect that in this case, the payment reflects unpaid sales and use taxes by WSDOT contractors or vendors, which were identified through DOR audits and remitted by WSDOT as a lump sum. Such one-time recoveries are distributed to the local jurisdiction in the month received and are not anticipated to be repeated in the future. This audited amount accounts for a substantial portion of the monthly year-over-year increase in the July distributions. The Local & Option sales tax increased by $5 million (34.2% of increase), the Mental Health sales tax by $1.35m (17.7% of increase), Metro Transit by $12.1 million (17.4% of increase), and Criminal Justice by $0.3 million (18.3% of increase) due to the WSDOT audit.

The first five months of 2026 saw sales taxes up from the March forecast by $42.53 million, 7 percent, for all seven sales tax levies. Sales tax distributions for Metro Transit were up the most at $27.3 million or 7.7 percent and second largest was the local option levy being up $7.1 million, 9.3 percent, from the March forecast. The third largest levy increase was the Mental Illness and Drug Dependence (MIDD) levy was up $3.02 million, or 7.7 percent, from the March forecast. The Cultural Access program sales tax was up $2.3 million or 5.5 percent, the new Safe and Stable Communities levy and Health Through Housing levy were each up $1.2 million or 3 and 4 percent higher than the March forecast respectively.

Most other revenue streams deviated from the forecast by more than one percent except for wastewater revenues which were up by $1.87 million or 0.6 percent. Revenue streams which were down included E-911 down 4.2 percent, hotel/motel taxes down 2.4 percent, rental car tax down 11.5 percent, and real estate excise taxes down 3.7 percent. Lodging taxes were revised down heavily in the March forecast and are coming in slightly above forecast by $0.09 million or 11.5 percent for the past five months. The solid waste disposal charges are $2.5 million or 3.1 percent above the March forecast. Marijuana excise tax was up 6.4 percent based on preliminary figures through June 2026. In addition, both transit fares and MV fuel taxes were up from budgeted estimates by 2.0 and 8.3 percent respectively.

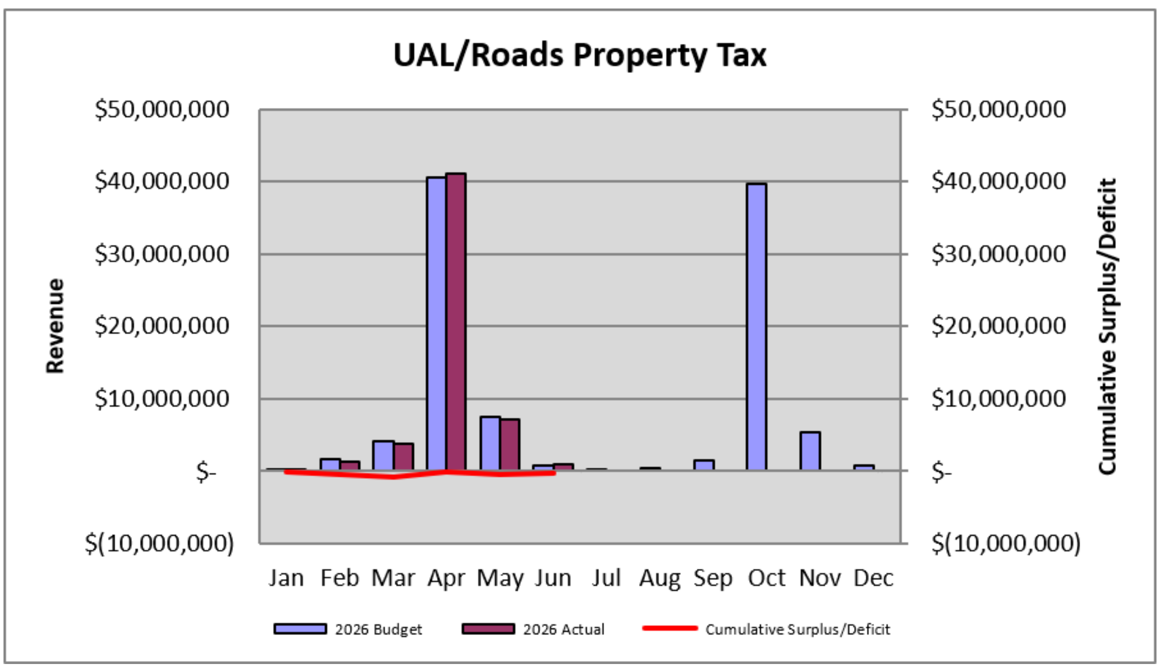
The following charts and tables show the accumulative monthly actuals and projections for all revenue sources with the latest month comparison of actuals and projections highlighted in each table.



Data Source: King County EBS Acct 31111 & 31112

Current Expense Taxes Comparison (June 2026)

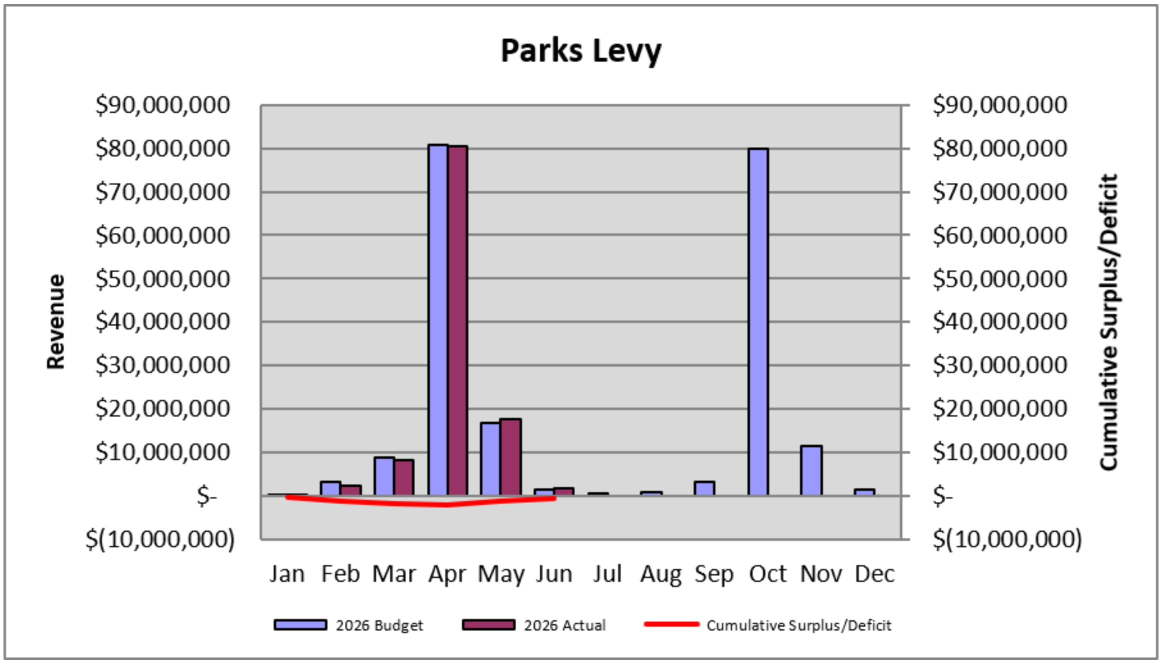
Forecast	Actual	Actual-Forecast	Difference
$ 2,839,852	$ 3,833,799	$ 993,948	35.0%



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

UAL/Roads Property Taxes Comparison (June 2026)

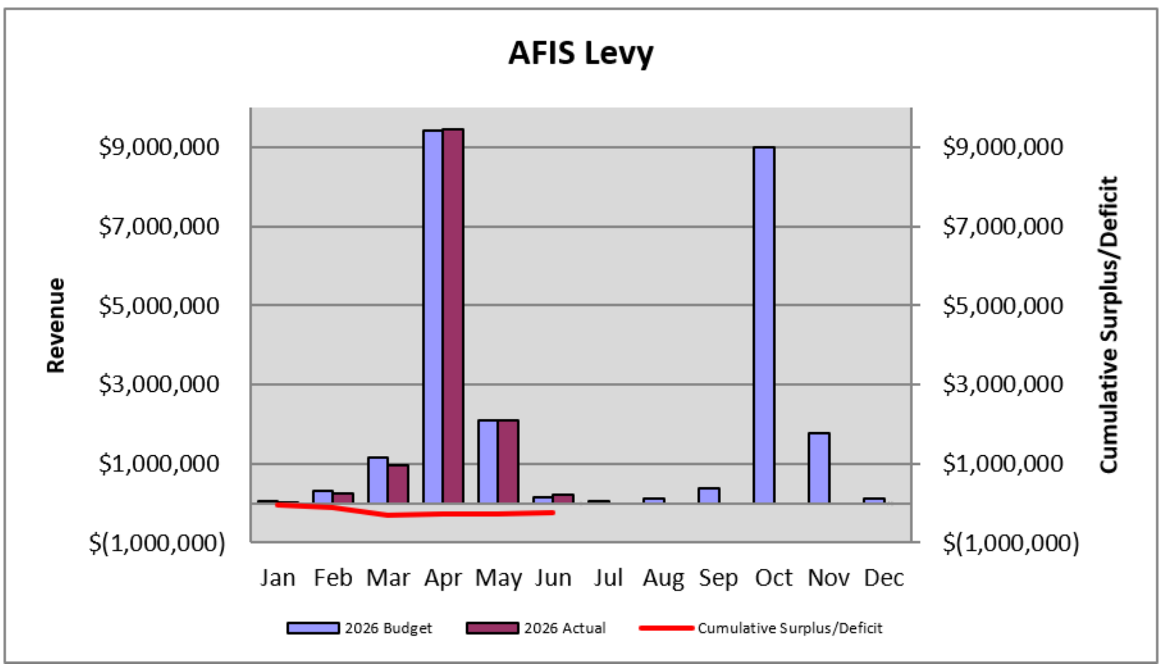
Forecast	Actual	Actual-Forecast	Difference
$ 767,702	$ 997,888	$ 230,186	30.0%



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

Parks Property Taxes Comparison (June 2026)

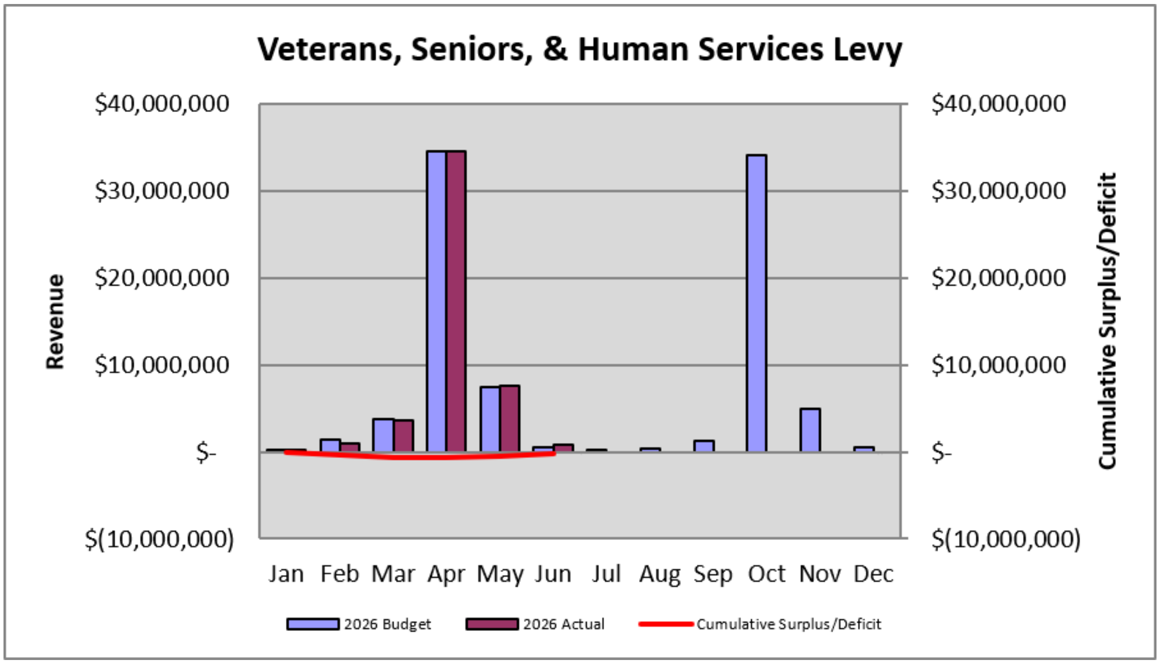
Forecast	Actual	Actual-Forecast	Difference
$ 1,371,375	$ 1,873,356	$ 501,980	36.6%



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

AFIS Property Taxes Comparison (June 2026)

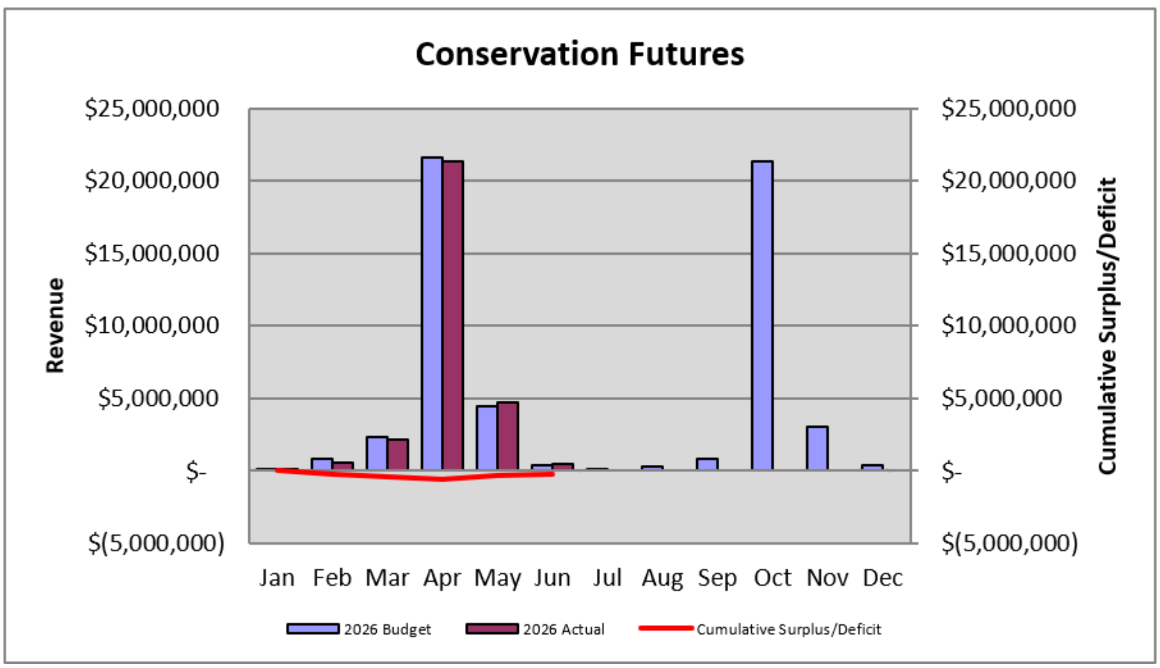
Forecast	Actual	Actual-Forecast	Difference
$ 158,323	$ 214,460	$ 56,136	35.5%



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

VSHSL Property Taxes Comparison (June 2026)

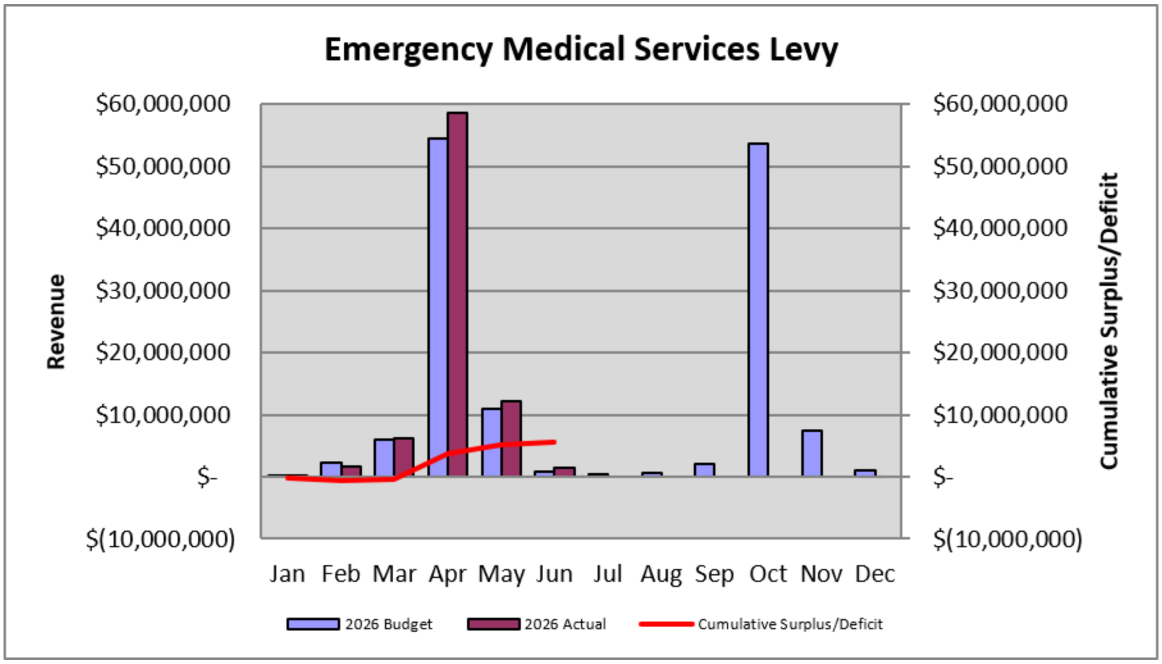
Forecast	Actual	Actual-Forecast	Difference
$ 586,267	$ 806,716	$ 220,449	37.6%



Data Source: King County EBS, Acct. 31117

Conservation Futures Property Taxes Comparison (June 2026)

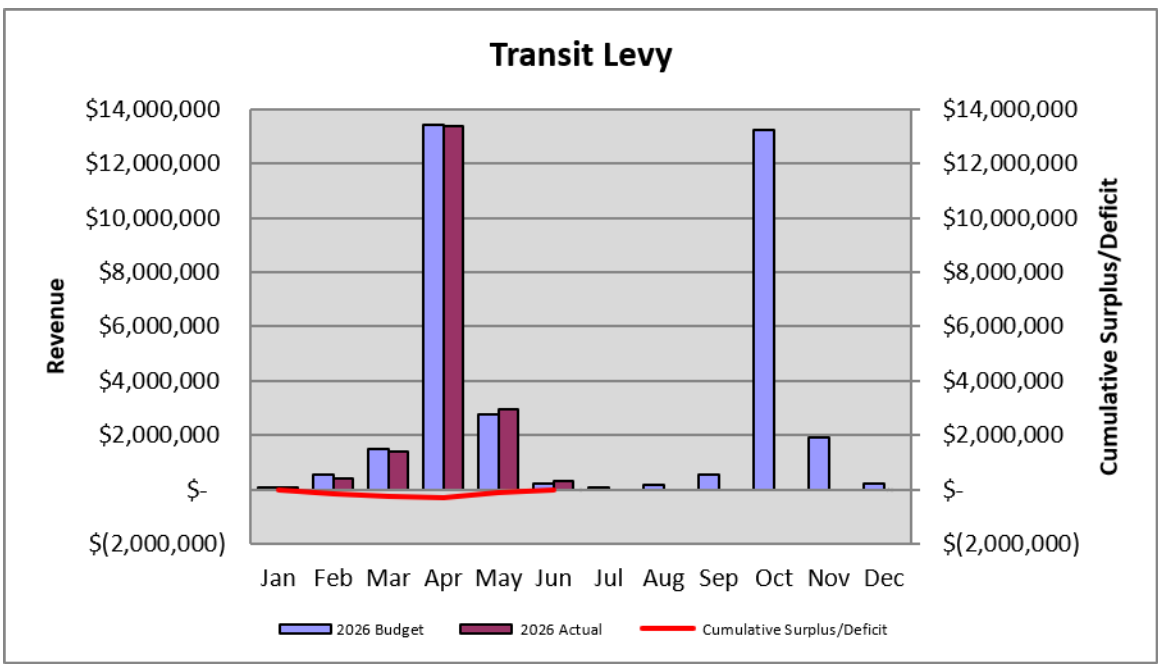
Forecast	Actual	Actual-Forecast	Difference
$ 358,326	$ 483,883	$ 125,557	35.0%



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

EMS Property Taxes Comparison (June 2026)

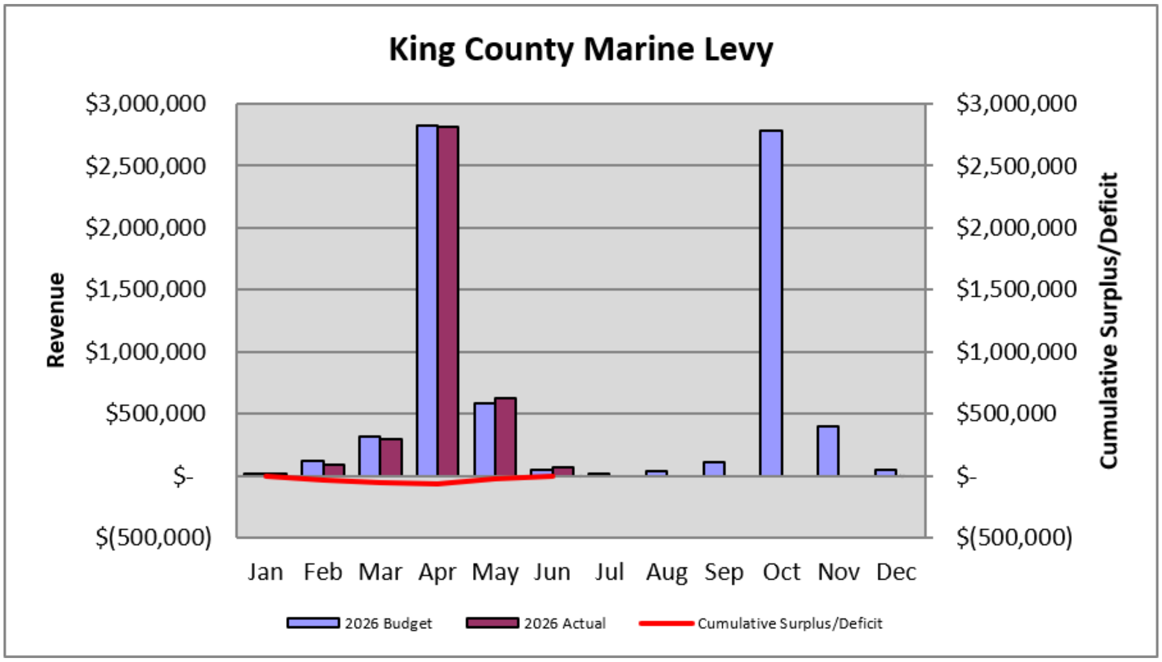
Forecast	Actual	Actual-Forecast	Difference
$ 911,120	$ 1,363,430	$ 452,310	49.6%



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

Transit Property Taxes Comparison (June 2026)

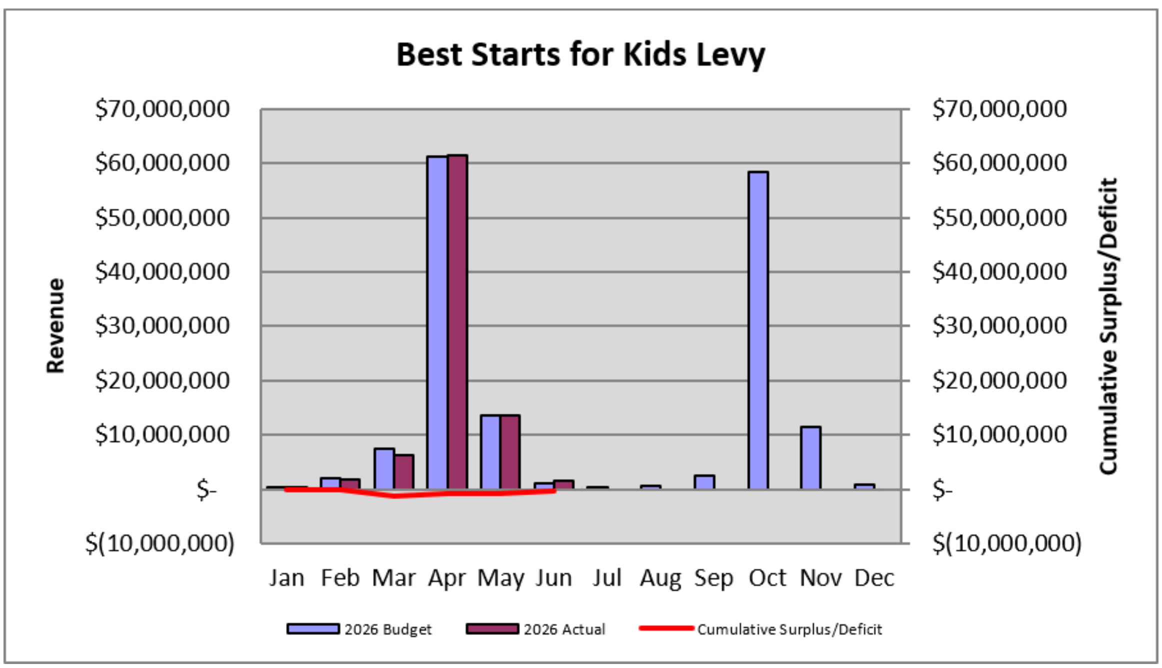
Forecast	Actual	Actual-Forecast	Difference
$ 236,344	$ 315,687	$ 79,343	33.6%



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

King County Marine Property Taxes Comparison (June 2026)

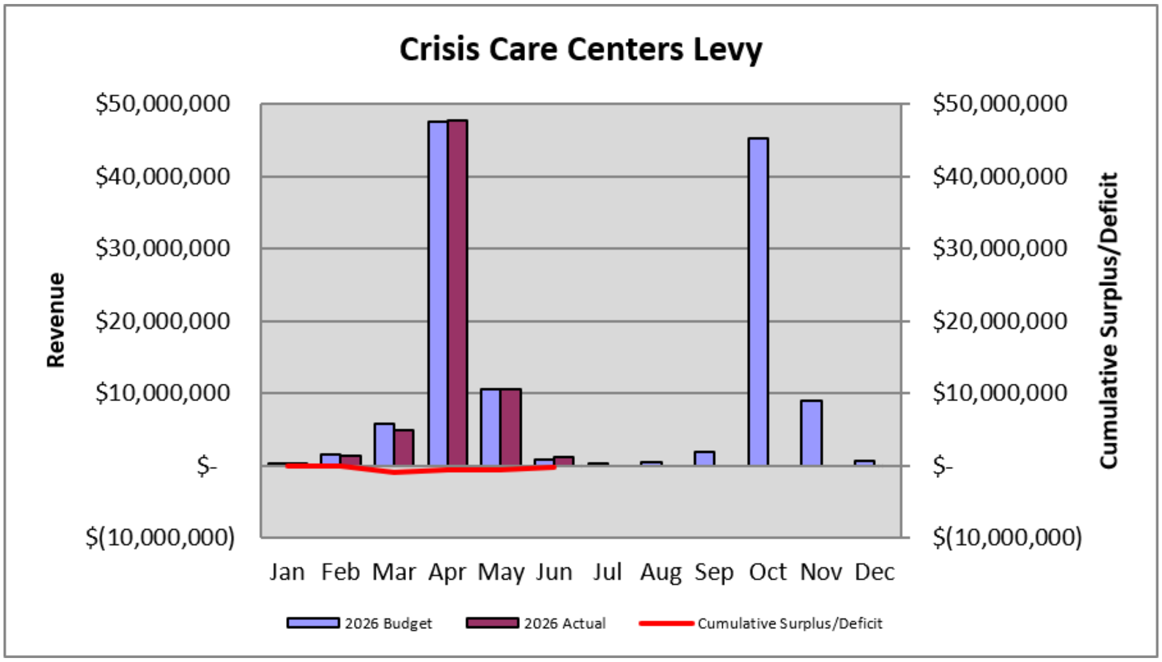
Forecast	Actual	Actual-Forecast	Difference
$ 49,852	$ 66,562	$ 16,711	33.5%



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

Best Starts for Kids Property Taxes Comparison June 2026)

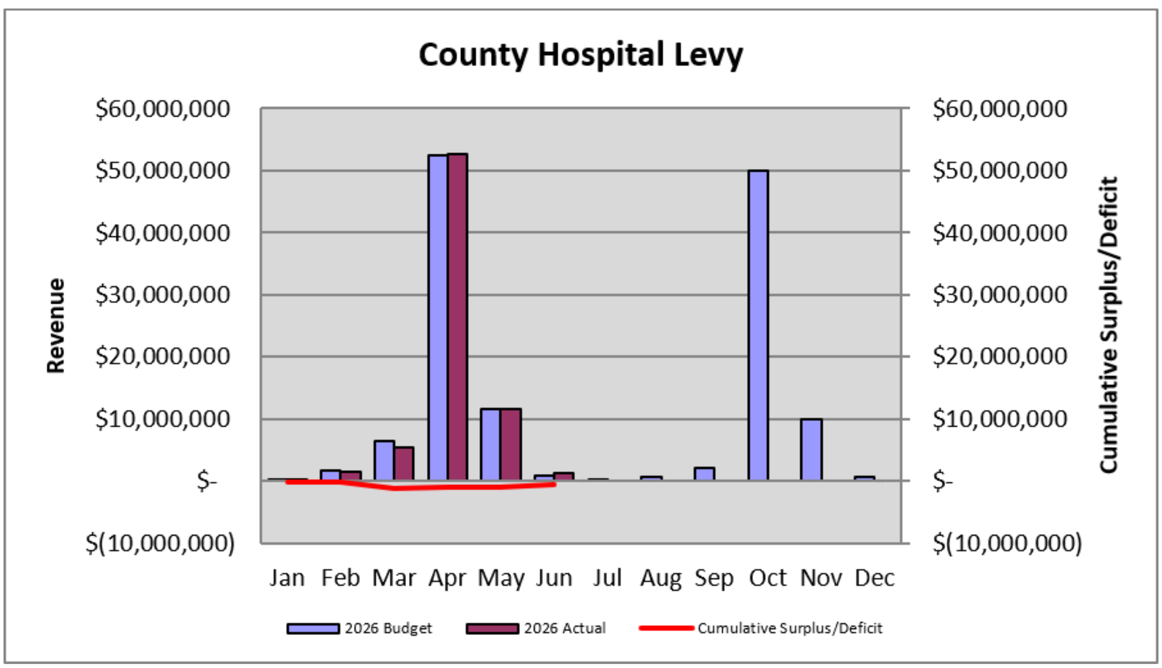
Forecast	Actual	Actual-Forecast	Difference
$ 987,254	$ 1,440,601	$ 453,347	45.9%



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

Crisis Care Centers Property Taxes Comparison (June 2026)

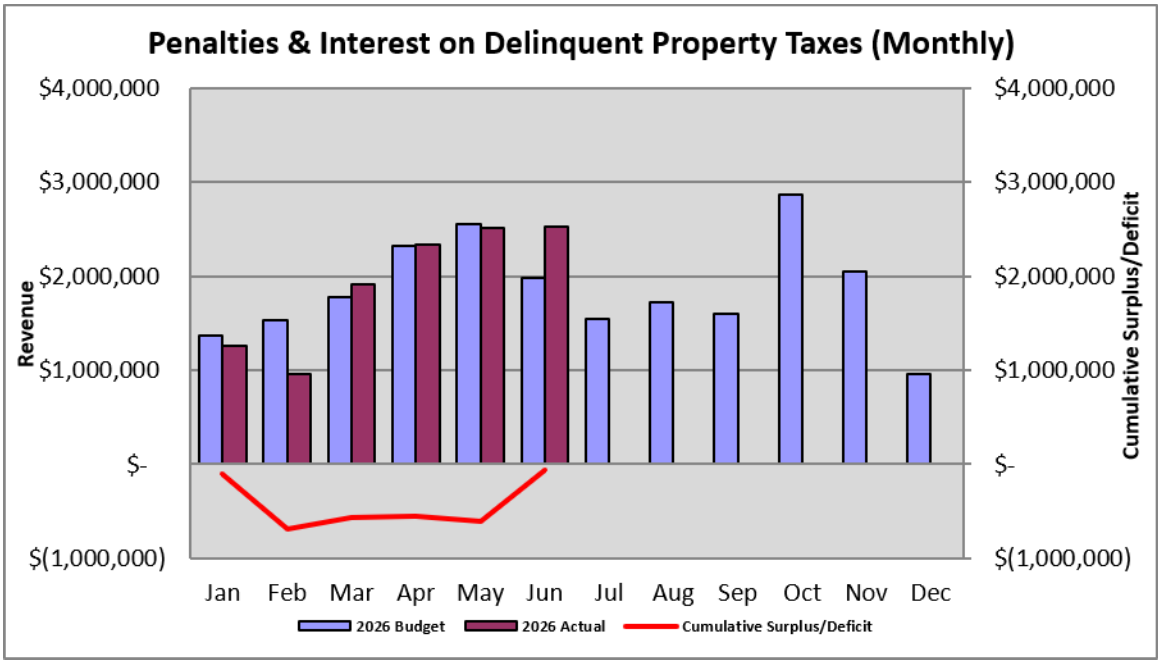
Forecast	Actual	Actual-Forecast	Difference
$ 765,488	$ 1,115,648	$ 350,160	45.7%



Data Source: King County EBS Fund 1700, Accts 31111, 31112, 31113, 31114, & 31119

County Hospital Property Taxes Comparison (June 2026)

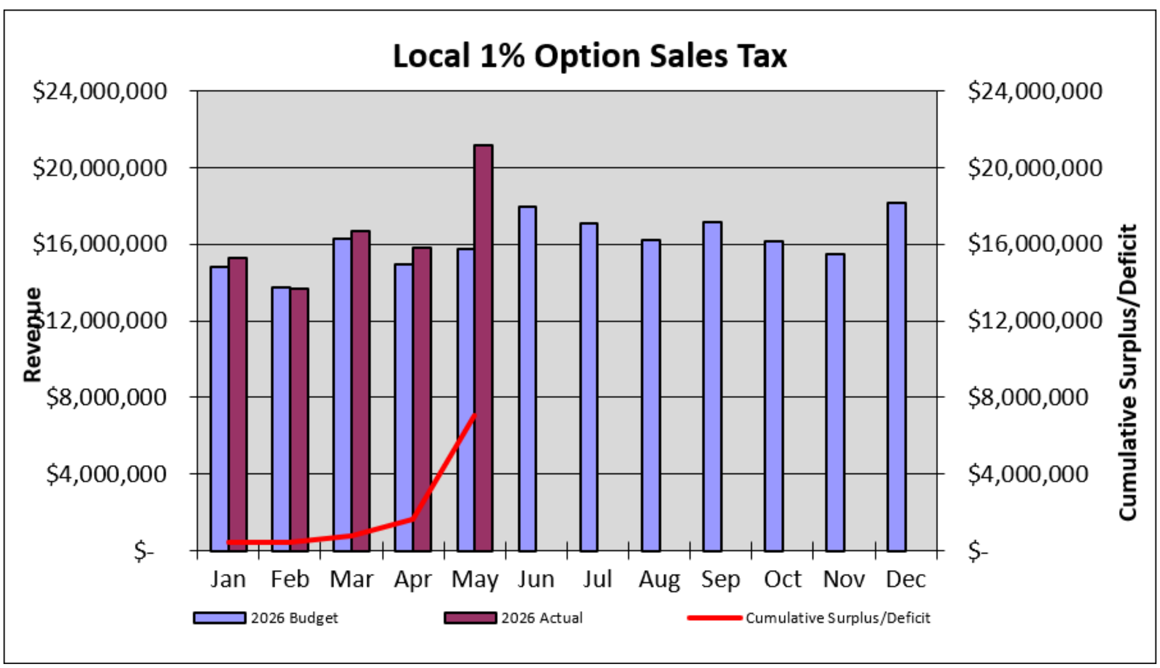
Forecast	Actual	Actual-Forecast	Difference
$ 845,543	$ 1,223,246	$ 377,704	44.7%



Data Source: King County EBS Fund 0010, Acct 31911

Penalties and Interest on Delinquent Property Taxes Comparison (June 2026)

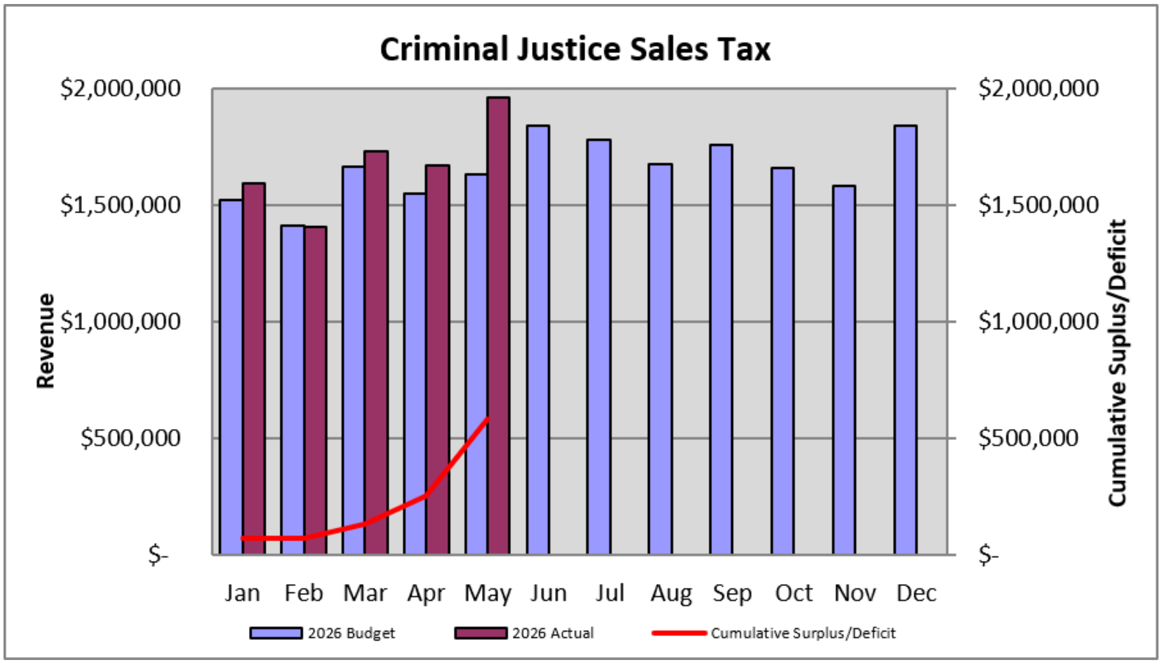
Forecast	Actual	Actual-Forecast	Difference
$ 1,979,872	$ 2,524,283	$ 544,411	27.5%



Data Source: Washington State DOR through May

Local Option Sales Tax Comparison (May 2026)

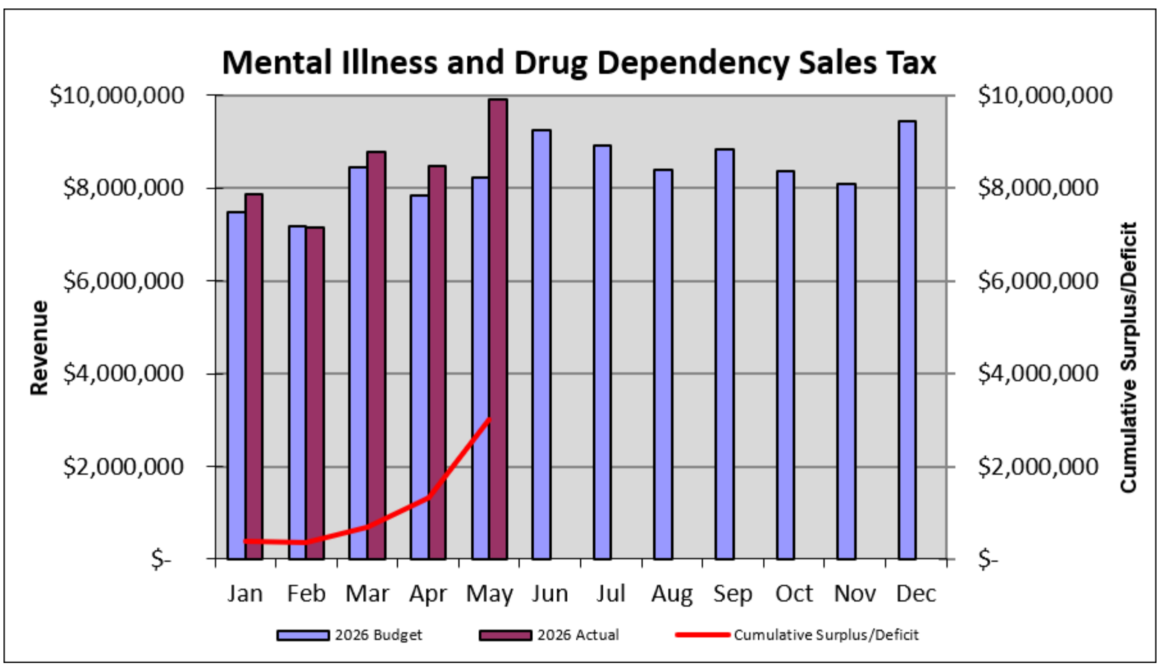
Forecast	Actual	Actual-Forecast	Difference
$ 15,745,822	$ 21,173,268	$ 5,427,446	34.5%



Data Source: Washington DOR through May

CJ Sales Tax Comparison (May 2026)

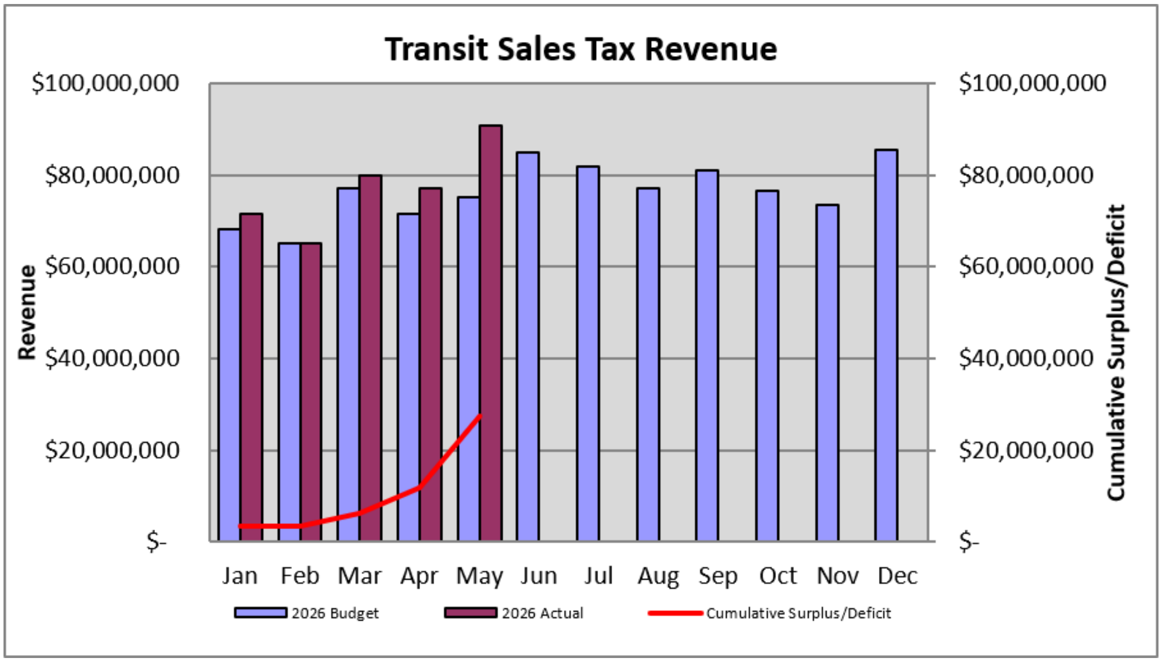
Forecast	Actual	Actual-Forecast	Difference
$ 1,631,591	$ 1,960,830	$ 329,239	20.2%



Data Source: Washington DOR through May

MIDD Sales Tax Comparison (May 2026)

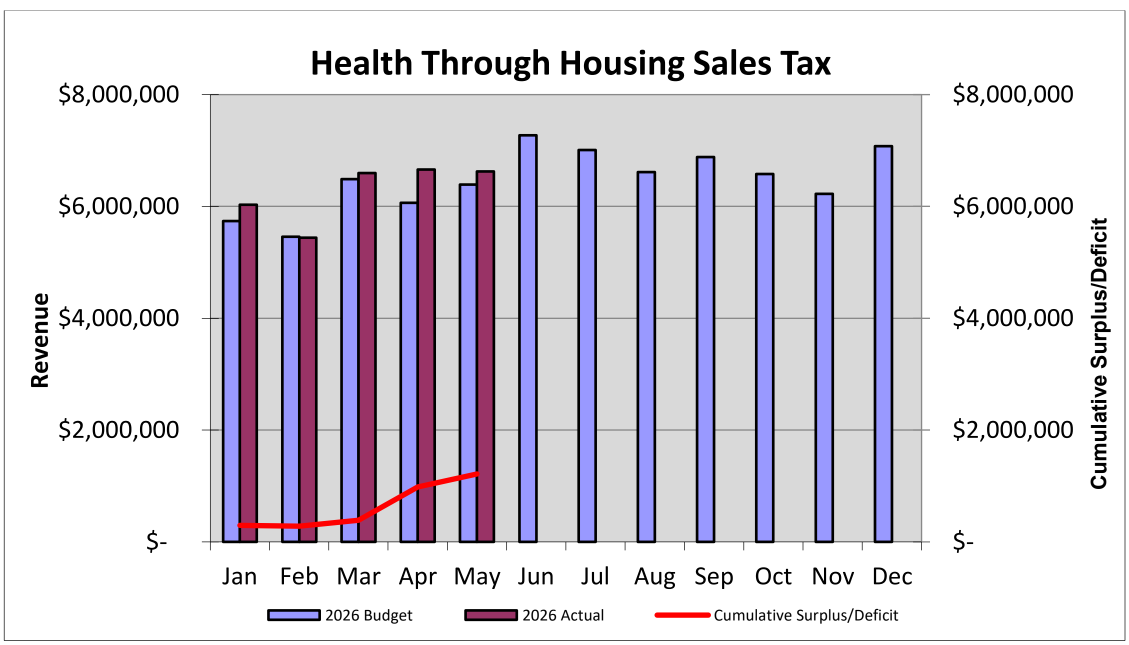
Forecast	Actual	Actual-Forecast	Difference
$ 8,222,734	$ 9,924,102	$ 1,701,367	20.7%



Data Source: Washington DOR through May

Transit Sales Tax Comparison (May 2026)

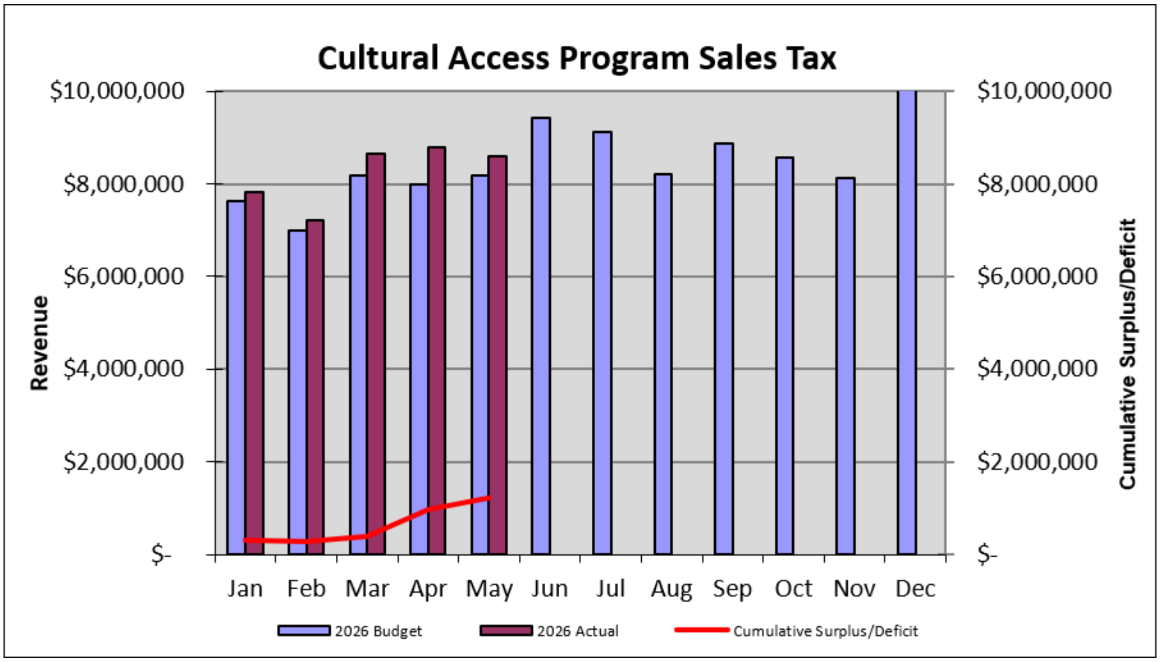
Forecast	Actual	Actual-Forecast	Difference
$ 75,209,302	$ 90,647,290	$ 15,437,988	20.5%



Data Source: Washington DOR through May

HTH Sales Tax Comparison (May 2026)

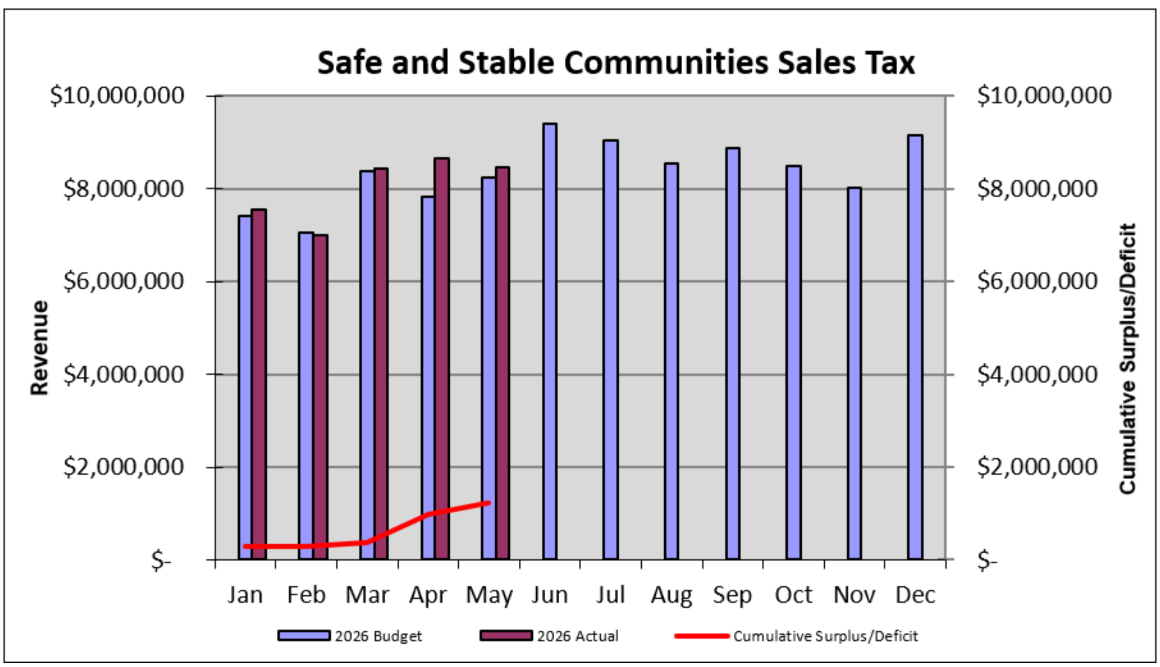
Forecast	Actual	Actual-Forecast	Difference
$ 6,392,458	$ 6,627,337	$ 234,879	3.7%



Data Source: Washington DOR through May

CAP Sales Tax Comparison (May 2026)

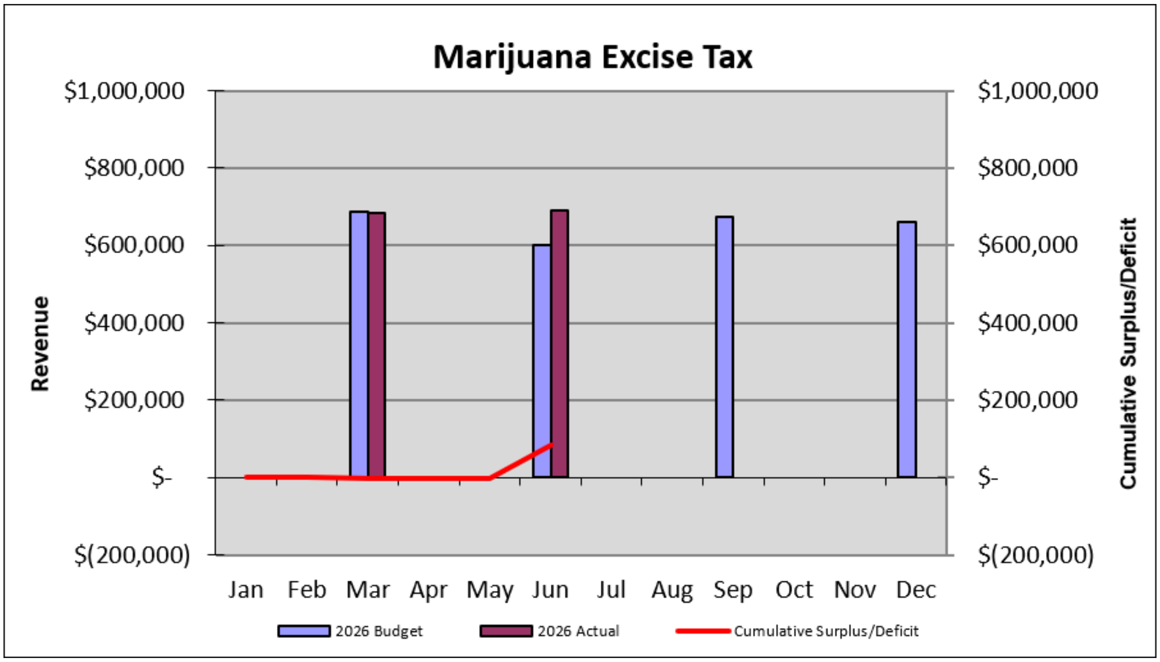
Forecast	Actual	Actual-Forecast	Difference
$ 8,190,07	$ 8,606,382	$ 416,375	5.1%



Data Source: Washington DOR through May

SSC Sales Tax Comparison (May 2026)

Forecast	Actual	Actual-Forecast	Difference
$ 8,253,211	$ 8,459,407	$ 206,196	2.5%

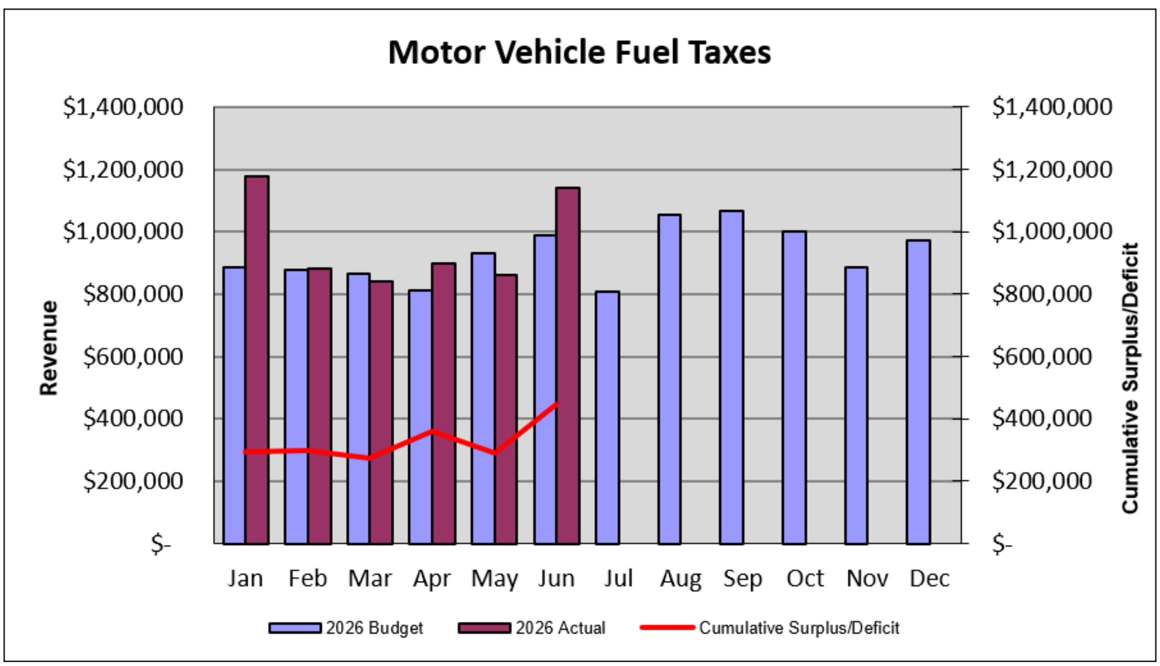


Data Source: King County EBS Fund 0010, Account 33605

Marijuana Excise Tax Comparison (June 2026)

Forecast	Actual	Actual-Forecast	Difference
$ 602,119	$ 689,089	$ 86,970	14.4%

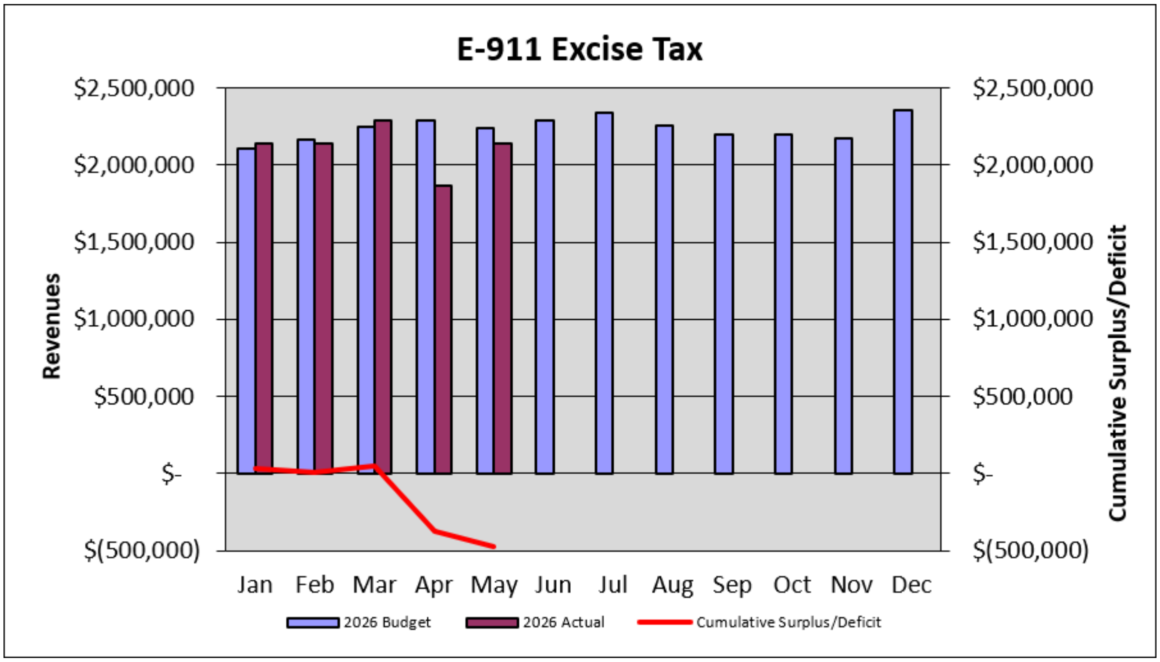
This data is received quarterly in March, June, September and December.



Data Source: King County EBS Acct. 33689

MV Fuel Taxes Comparison (June 2026)

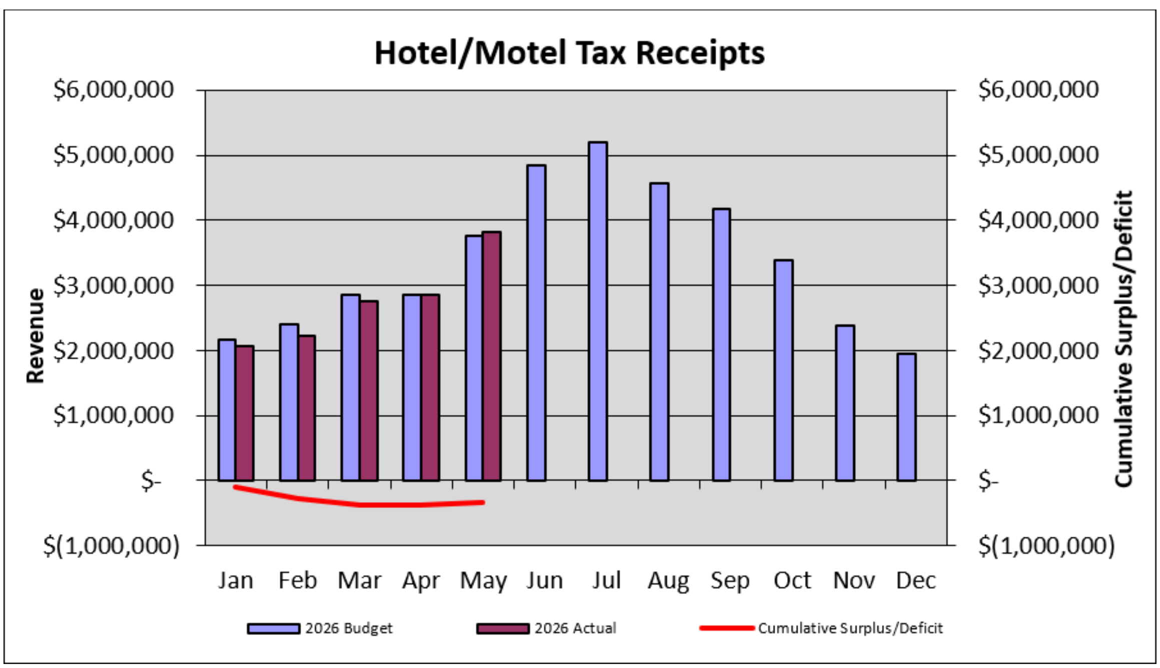
Forecast	Actual	Actual-Forecast	Difference
$ 988,339	$ 1,141,389	$ 153,050	15.5%



Data Source: Washington DOR through May

E-911 Excise Tax Comparison (May 2026)

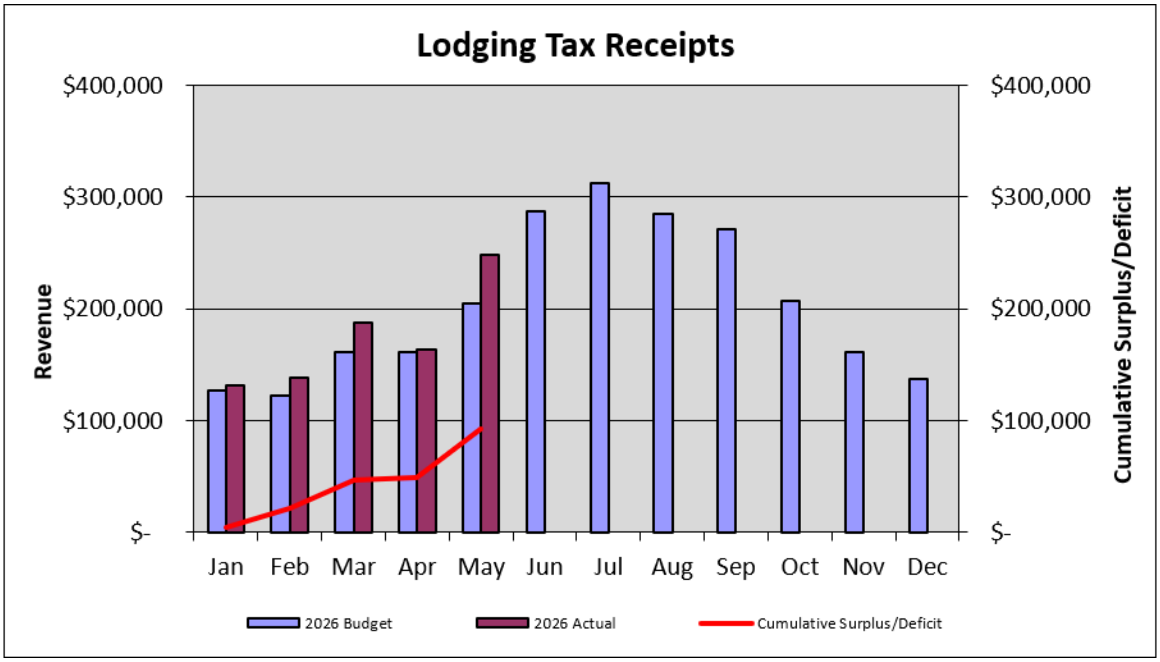
Forecast	Actual	Actual-Forecast	Difference
$ 2,237,010	$ 2,138,006	$ (99,004)	-4.4%



Data Source: Washington DOR through May

Hotel/Motel Tax Comparison (May 2026)

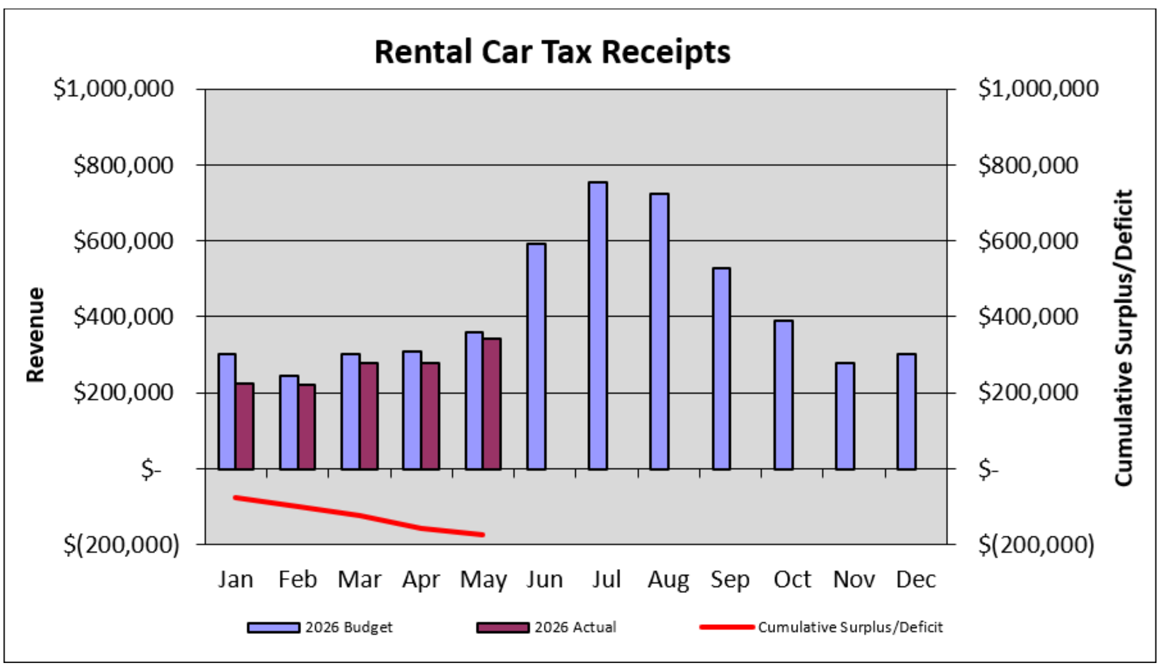
Forecast	Actual	Actual-Forecast	Difference
$ 3,767,343	$ 3,812,402	$ 47,059	1.2%



Data Source: Seattle Convention Center through May

Lodging Tax Comparison (May 2026)

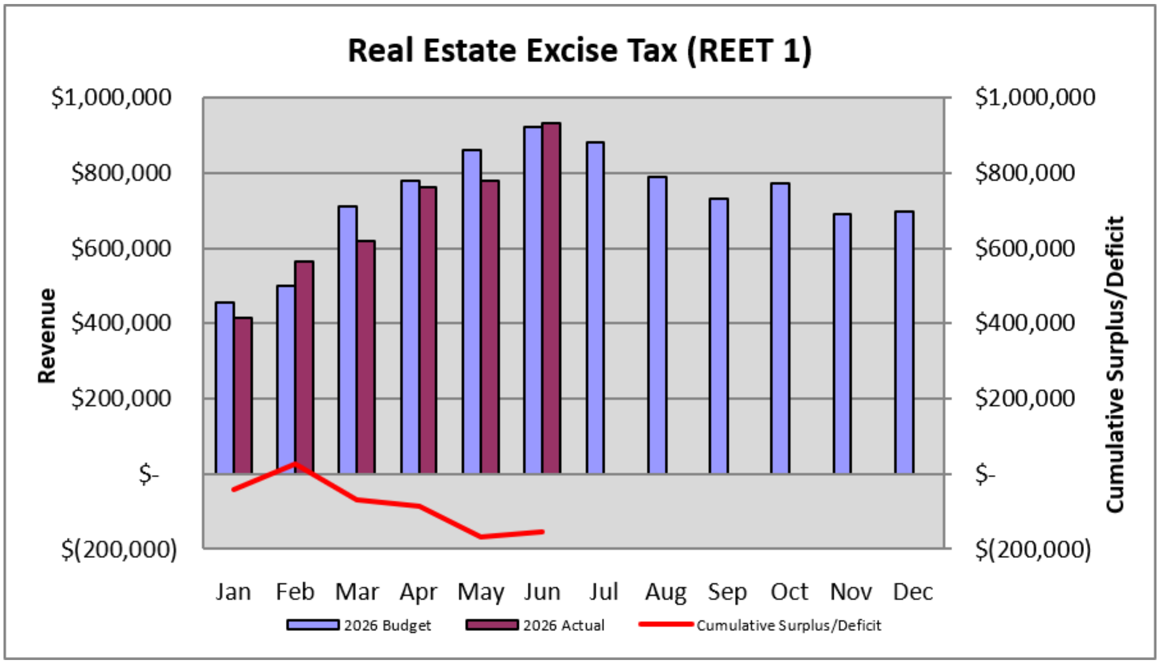
Forecast	Actual	Actual-Forecast	Difference
$ 205,014	$ 248,900	$ 43,886	21.4%



Data Source: Washington DOR through May

Rental Car Tax Comparison (May 2026)

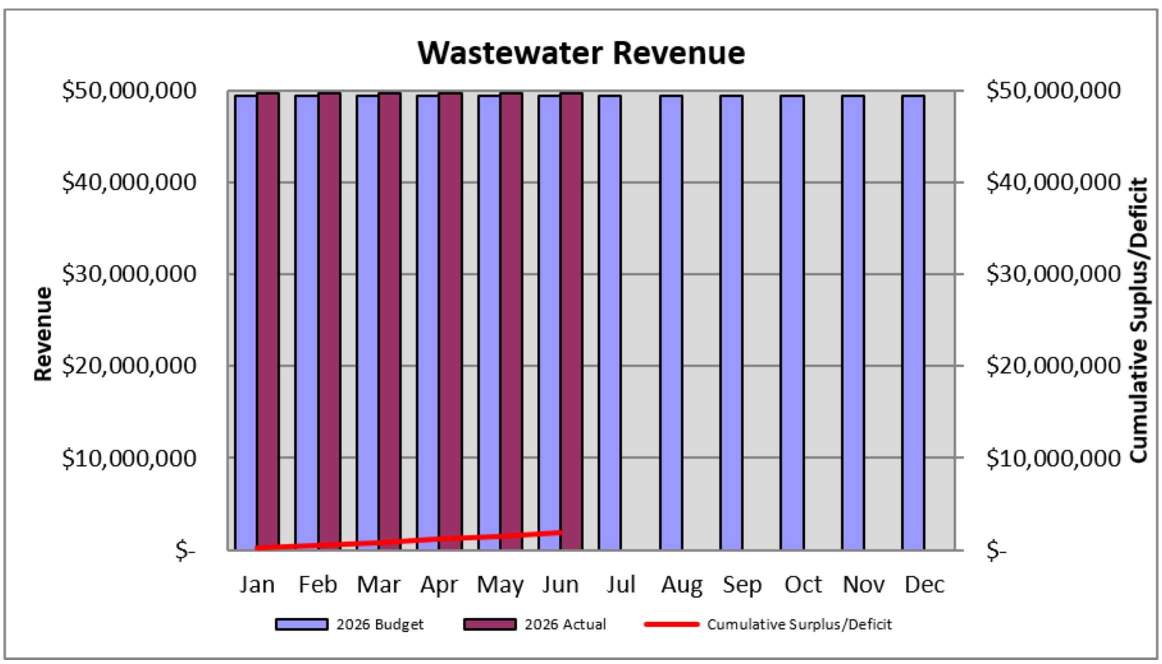
Forecast	Actual	Actual-Forecast	Difference
$ 358,524	$ 342,735	$ (15,790)	-4.4%



Data Source: King County EBS Acct 31734

Real Estate Excise Tax (REET 1) Comparison (June 2026)

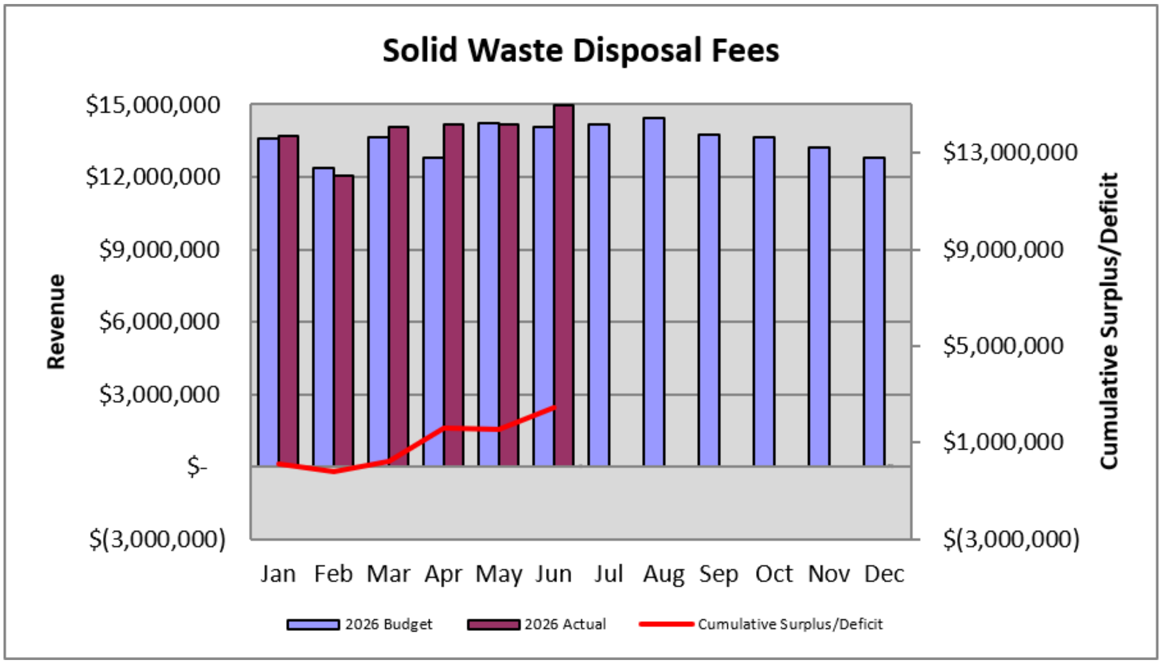
Forecast	Actual	Actual-Forecast	Difference
$ 922,282	$ 933,826	$ 11,544	1.3%



Data Source: King County EBS Acct 44192

Wastewater Revenues Comparison (June 2026)

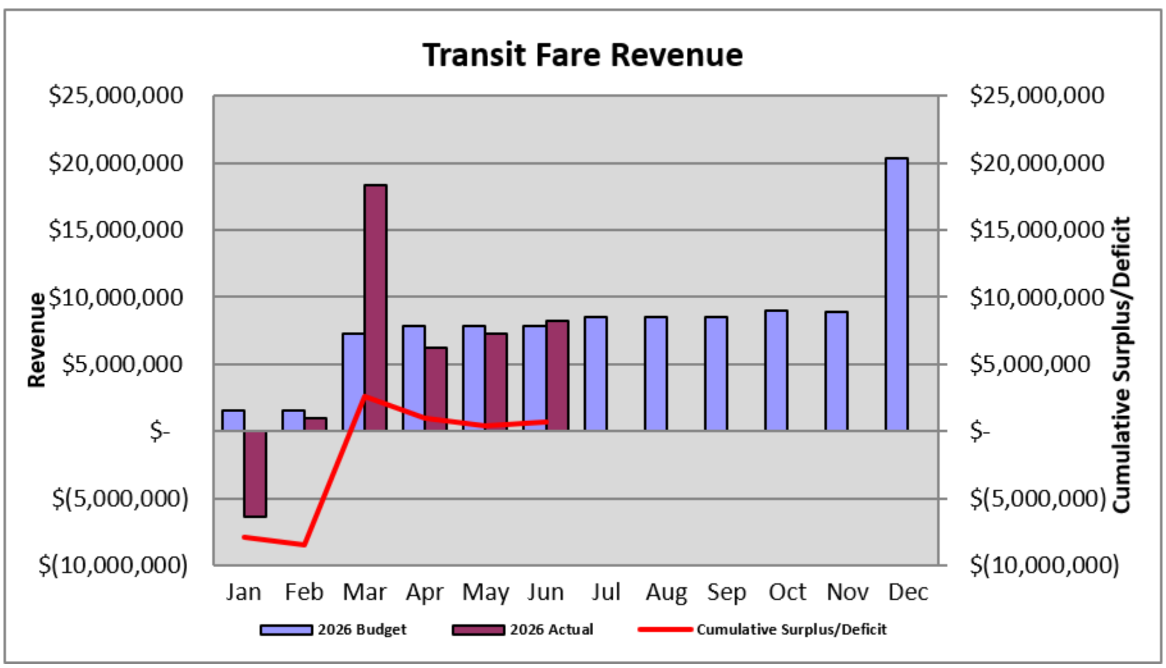
Forecast	Actual	Actual-Forecast	Difference
$ 49,349,014	$ 49,689,317	$ 340,303	0.7%



Data Source: EBS acct. 34371

Solid Waste Net Disposal Charges Comparison (June 2026)

Forecast	Actual	Actual-Forecast	Difference
$ 14,050,670	$ 14,961,429	$ 910,759	6.5%



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

Transit Fare Charges Comparison (June 2026)

Forecast	Actual	Actual-Forecast	Difference
$ 7,877,872	$ 8,183,726	$ 305,854	3.9%

Appendix
King County Taxable Retail Sales by Industry
(Current obligations: May 2025 – May 2026)

NAICS Category	2-digit NAICS	May-25	May-26	Percent change (2025-2026)
Agriculture	11	$ 2,323,969	$ 2,430,346	4.6%
Mining	21	615,873	645,120	4.7%
Utilities	22	6,420,919	11,474,242	78.7%
Construction	23	1,562,725,838	1,423,873,416	-8.9%
Manufacturing	31-33	185,930,370	224,233,439	20.6%
Wholesale	41-42	482,042,653	509,083,933	5.6%
Retail Trade	44-45	2,565,627,330	2,803,342,154	9.3%
Transportation and Warehousing	48-49	119,363,468	155,722,299	30.5%
Information	51	374,545,454	700,385,491	87.0%
Finance & Insurance	52	64,674,333	70,388,182	8.8%
Real Estate, Rental, Leasing	53	194,734,399	190,408,183	-2.2%
Professional, Scientific, Technical Services	54	314,055,069	476,231,477	51.6%
Management, Education and Health Services	55-62	517,603,940	715,993,546	38.3%
Arts, Entertainment and Recreation	71	88,069,916	106,198,294	20.6%
Accommodations, Food Services	72	870,627,023	932,448,348	7.1%
Other Services	81	172,461,423	171,607,649	-0.5%
Public Administration/DOL Monthly	92	81,519,966	75,518,756	-7.4%
Total-All Industries		**$ 7,603,341,941**	**$ 8,569,984,875**	**12.7%**

NAICS Category	3-digit NAICS	May-25	May-26	Percentage change (2025-2026)
Construction				
Construction of Buildings	236	$ 952,516,159	$ 833,310,429	-12.5%
Heavy and Civil Engineering Construction	237	130,405,138	127,643,020	-2.1%
Specialty Trade Contractors	238	479,804,541	462,919,967	-3.5%
Retail				
Motor Vehicle and Parts Dealers	441	534,111,866	565,344,938	5.8%
Building Material and Garden Equipment and Supplies Dealers	444	210,934,397	209,113,025	-0.9%
Food and Beverage Stores	445	160,251,120	165,379,885	3.2%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	449	306,584,931	375,833,050	22.6%
General Merchandise Retailers	455	280,333,727	322,828,212	15.2%
Health and Personal Care Retailers	456	84,084,979	85,741,271	2.0%
Gasoline Stations and Fuel Dealers	457	49,292,769	50,596,124	2.6%
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	458	220,622,808	251,168,662	13.8%
Sporting Goods, Hobby, Musical Instrument, Book, & Misc. Retailer	459	719,410,734	777,336,987	8.1%
Wholesale				
Wholesale: Durable Goods	423	366,073,198	374,980,179	2.4%
Wholesale: Nondurable Goods	424	109,926,876	126,379,365	15.0%
Wholesale: Electronic Markets	425	6,042,579	7,724,389	27.8%
Food Service and Accommodations				
Accommodation	721	205,574,576	217,958,210	6.0%
Food Services and Drinking Places	722	665,052,447	714,490,138	7.4%
Note: NAICS values were updated & consolidated in 2022				

NAICS Category	4-digit NAICS	May-25	May-26	Percentage change (2025-2026)
Sporting Goods, Hobby, and Musical Instrument Retailers	4591	$ 98,666,398	$ 104,134,920	5.5%
Book Retailers and News Dealers	4592	8,568,886	9,686,665	13.0%
Florists	4593	4,515,148	4,284,838	-5.1%
Office Supplies, Stationery, and Gift Retailers	4594	23,858,260	26,796,411	12.3%
Used Merchandise Retailers	4595	12,190,380	14,523,784	19.1%
Other Miscellaneous Retailers	4599	571,611,664	617,910,373	8.1%