

An aerial view of the Seattle skyline, featuring numerous skyscrapers and the Space Needle. In the foreground, a large Ferris wheel is visible on the waterfront, with its reflection on the water. The overall scene is a cityscape with a mix of modern and older buildings.

# **2026 Work Program of the Office of Economic and Revenue Forecasts**

**Economic and Revenue Forecast Council  
April 10, 2026**

**Office of Economic and Revenue Forecasts**

# Office of Economic and Revenue Forecasts - Background

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Office of Economic and Revenue Forecasts was established in 2021. It is structured similarly as King County's Office of Economic and Financial Analysis and Washington State's Economic and Revenue Forecast Council.

## **Purpose, per the authorizing legislation:**

“The Office shall staff the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program. Such analyses shall be nonpartisan, and confidential to the extent allowed by law.”

Over the past four years, the staff of the Forecast Office has worked with Central Staff, CBO, and OCF and has successfully established new working relationships and protocols. Policies put in place ensure that the Forecast Office can provide truly independent revenue forecasting and monitoring and assist both legislative and executive branches with policy analyses.

# Office of Economic and Revenue Forecasts - Background

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## Revenue sources within OERF's purview:

- Retail Sales Tax
- Business & Occupations Tax
- Private Utility Taxes
- Business License Fees
  
- Payroll Expense Tax
- Real Estate Excise Tax
- Admission Tax
- Social Housing Tax
  
- Assessed Value of real and personal property (as input to Property Tax forecast developed by CBO)
- Value of new construction (as input to Property Tax forecast developed by CBO)

# Overview of the 2026 work program

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## Forecasts

- Regional economic forecasts: updated in January, March, July, and October.
- Revenue forecasts, based on regional economic forecasts: updated in April, August, and October.
- Forecasts presented to the Forecast Council on April 10, August 7, and TBD in October

## Revenue monitoring and reports

- Ongoing monitoring of the state of the economy, revenue monitoring.
- Quarterly revenue reports comparing actual revenue received to revenue expected based on historical patterns. Power BI dashboard version of the revenue report developed in 2024 is available on our website, improving the ease of access to information about City's revenues for both staff and public.
- Update to the forecast accuracy assessment analysis conducted in 2022 (time permitting).

# Overview of the 2026 work program

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## Refinements to the forecasting processes and forecasting models

- Business and Occupation Tax forecasting model
  - Forecasting process needs to be redesigned to reflect the extensive changes due to ESSB 5814 and the 2025 restructure (reclassified activities, increased threshold, a new deduction, modified tax rates).
- Develop a model for Social Housing Tax
  - In 2026, first payments were received for the Social Housing Tax that the City administers for Seattle's Social Housing Developer. A new forecasting model incorporating the revenue collection data is being developed.
- Continued improvements to the forecasting process and forecasting models.
  - Monitoring the accuracy of existing models. Development and refinements of the existing models, both in terms of methodology and data inputs.
  - Model development and improvements for the Assessed Value and Payroll Expense Tax are planned this year in between the work on the forecasts.

# Overview of the 2026 work program

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## **Policy analysis and supporting the work of other departments**

- The Forecast Office conducts special analyses at the request of the Forecast Council and provides analytical support on economic and revenue estimation for legislative and executive staff. These analyses are nonpartisan, and confidential to the extent allowed by law. This work is done as needs arise throughout the year, but consideration has to be given to available staffing.
- Each year in April and May the Forecast Office supports the Office of City Finance in preparing and presenting to S&P Global Ratings, Moody's, and Fitch Group part of the Limited Tax General Obligation Bond ratings presentation related to the economic situation and City's revenues.
- The Forecast Office also provides City Budget Office with updates for the economic situation section of the Proposed Budget and Adopted Budget books, as well as updates for the sections summarizing the outlook for revenues in purview of the Forecast Office.