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Controller Releases April Cash Flow Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California's cash balance, receipts and disbursements in April and through the first ten months of the fiscal year. Year-to-date revenue is \$2.1 billion under the Budget's estimates.

"Beginning this summer, we face a cash problem unseen in nearly eight decades, and the magnitude of that problem grows with every projected revenue dollar that fails to appear," said State Controller John Chiang.

"The State's last shortage and the resulting payment delays in February hurt California taxpayers, businesses, local governments and public works projects – and yet the crisis looming could be at least three times as bad."

Actual General Fund revenue in April was down \$1.89 billion (-16%) from estimates in the State Budget. Personal income taxes were down \$1.06 billion (-12.6%) and corporate taxes were down \$831 million (-35.6%).

Sales tax receipts were down \$108 million (-19.9%) for the month compared to revenues estimated in the State Budget. Although the State's base sales tax rate rose to 8.25% on April 1, revenues from the new rate will not start to arrive until the end of May. Sales tax payment schedules vary depending on the retailer's size; quarterly filers make their first second quarter payment by May 26, and monthly filers will not owe tax on April receipts until June 1.

The State started the fiscal year with a \$1.45 billion cash deficit, which grew to \$20.5 billion on April 30, 2009. That deficit is being covered by a combination of Revenue Anticipation Notes (RANs) and internal borrowing from special funds. Borrowing from special funds will provide enough cash to fund State operations for the remainder of the fiscal year.

April 2009's and the can be found on the Controller's Web site at www.sco.ca.gov.