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Controller Releases March Cash Update

SACRAMENTO – State Controller John Chiang today released his monthly report covering California’s cash balance, receipts and disbursements in March. Total receipts for the month were \$370 million lower (-5.8 percent) than estimates found in the Governor’s proposed 2011-12 State Budget.

“The State’s cash position actually worsened by \$370 million in March, despite very strong income tax collections,” said Chiang. “California’s economic recovery is clearly underway but is threatened by a budget gridlock that could halt job-producing public works projects, further erode the State’s credit ratings, and delay billions of dollars in payments.”

Sales taxes were up \$9.7 million (0.5 percent) in March, and personal income taxes came in \$1.2 billion above (144.7 percent) estimates. The drop in revenues was caused by corporate taxes, which were down \$387.6 million (-19.7 percent), and the cancelled sale and lease-back of State properties that was slated to generate \$1.2 billion in March.

The State faced a \$19 billion cash deficit on March 31. That deficit was covered by \$9 billion of internal borrowing – short term loans from special funds – and \$10 billion of external borrowing.

March 2011’s [financial statement](#) and the [summary analysis](#) can found on the Controller’s Web site at www.sco.ca.gov. The site also includes an , which lists the daily amount of personal income tax collected. The Governor’s proposed 2011-12 State Budget expects more than \$6.8 billion of income tax collections in the month of April alone.

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