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Chiang Releases October Cash Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California's cash balance, receipts and disbursements for October 2008.

"Our primary sources of revenue – income, sales and corporate taxes – continue to deteriorate," said Chiang. "Major tax receipts have not only missed Budget estimates, but are also running \$1.2 billion behind this point last year."

Personal income tax revenues for the month of October were \$146 million below (-4.5%) estimates found in the Budget Act, retail sales taxes were down by \$34 million (-3.7%), and corporate taxes were down \$84 million (-22.4%). Total General Fund revenue was \$359 million below (-7.3%) the Budget Act projections.

By the end of October, the State had \$6.9 billion remaining in special funds available for internal borrowing. Internal borrowing and Revenue Anticipation Notes (RANs) were used during the first four months of the fiscal year to bridge the difference between \$26.8 billion in receipts and \$42.2 billion in disbursements.

Yesterday, the Controller issued a statement urging the Governor and Legislature to quickly address an expected \$11.2 billion gap in the current year budget. The \$11.2 billion gap was identified in new estimates released yesterday by the Department of Finance. Once detailed information is provided, the Controller will conduct an independent cash flow analysis to validate the reasonableness of the assumptions underlying the forecast and determine the impact on the State's ability to meet its payment obligations through the end of the fiscal year.

The financial statement and the summary analysis can be found on the Controller's Web site at www.sco.ca.gov.

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