

# CONTROLLER STEVE WESTLY

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## **Westly Reports Receipts Up 12 Percent from Last Year**

*Controller Finds Revenue Is Tracking With Budget Estimates*

SACRAMENTO – State Controller Steve Westly announced today that cash receipts through January are up 12.1 percent over the same period last fiscal year, a more than \$4.8 billion increase.

Compared to the budget forecast, income taxes are slightly ahead, while sales tax revenue is running slightly behind, Westly said. Total receipts to date for the current fiscal year are \$411.7 million higher than the most recent budget estimate, an increase of 0.9 percent.

“California’s rising cash receipts show the economy is growing year over year,” Westly said. “But it’s not enough to grow our way out of the budget shortfall without real structural reform.”

July through January receipts showed significant gains compared to the same seven months last fiscal year, according to the State Controller’s monthly General Fund Cash Basis Revenue Report. Retail sales and use taxes were 6 percent higher; personal income taxes were 12.5 percent higher; and corporation taxes were 35.4 percent higher.

Retail sales and use taxes came in at \$12.9 billion this year, \$730.2 million above the same period last fiscal year. Personal income taxes generated \$24.5 billion, \$2.7 billion above last year.

Corporation taxes yielded \$4.3 billion, \$1.1 billion above last year. While this sector showed significant gains, it makes up a relatively small portion of state revenues. In addition, corporations often base initial tax payments on estimates, which are revised later in the tax season.

**Excerpt of General Fund Cash Basis Revenue report follows.**

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**STATE CONTROLLER'S OFFICE**  
**GENERAL FUND CASH BASIS REVENUE \*\***  
**A comparison of Fiscal Years 2004-05 to 2003-04**  
**(Amount in thousands)**

<b>Fiscal Year 2004-05</b>								
<u>Revenue</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>
Alcoholic Beverage Excise Tax	30,760	26,353	26,329	26,320	21,247	32,138	29,549	192,696
Corporation Tax	329,974	157,015	1,735,689	366,069	32,705	1,222,928	430,371	4,274,751
Cigarette Tax	15,889	7,153	8,376	10,699	7,529	14,462	8,273	72,381
Estate, Inheritance, and Gift Tax	70,367	47,992	56,525	41,386	36,300	38,934	18,870	310,374
Insurance Companies Tax	19,926	15,075	469,721	21,210	14,398	471,924	16,429	1,028,683
Personal Income Tax	2,501,625	2,470,250	4,060,459	2,657,548	2,351,129	4,170,408	6,277,579	24,488,998
Retail Sales and Use Taxes	983,743	2,829,447	2,011,596	849,943	3,342,672	2,034,811	884,619	12,936,831
Pooled Money Investment Interest	10,571	13,426	-	7,186	19,620	9,317	13,145	73,265
Not Otherwise Classified	87,764	136,717	73,873	120,758	427,710	196,783	49,184	1,092,789
<b>Total</b>	<b>4,050,619</b>	<b>5,703,428</b>	<b>8,442,568</b>	<b>4,101,119</b>	<b>6,253,310</b>	<b>8,191,705</b>	<b>7,728,019</b>	<b>44,470,768</b>

<b>Fiscal Year 2003-04</b>								
<u>Revenue</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>
Alcoholic Beverage Excise Tax	32,070	25,241	24,706	28,466	28,782	24,657	31,604	195,526
Corporation Tax	252,030	116,949	1,324,830	260,836	65,675	976,566	161,176	3,158,062
Cigarette Tax	10,452	12,892	7,742	8,023	7,024	13,711	8,202	68,046
Estate, Inheritance, and Gift Tax	59,763	42,448	49,572	59,208	53,344	61,879	38,659	364,873
Insurance Companies Tax	18,219	14,255	423,612	17,224	12,992	417,293	15,179	918,774
Personal Income Tax	2,325,968	2,245,564	3,688,587	2,457,983	1,822,901	3,882,765	5,339,567	21,763,335
Retail Sales and Use Taxes	898,649	2,816,615	1,790,113	923,976	2,867,920	2,018,467	890,918	12,206,658
Pooled Money Investment Interest	11,137	9,801	15,730	2,167	17,091	5,060	7,265	68,251
Not Otherwise Classified	102,871	50,604	105,856 *	63,888	405,566	98,794	87,992	915,571
<b>Total</b>	<b>3,711,159</b>	<b>5,334,369</b>	<b>7,430,748</b>	<b>3,821,771</b>	<b>5,281,295</b>	<b>7,499,192</b>	<b>6,580,562</b>	<b>39,659,096</b>

<b>Comparison</b>								
<u>Revenue</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>
Alcoholic Beverage Excise Tax	(1,310)	1,112	1,623	(2,146)	(7,535)	7,481	(2,055)	(2,830)
Corporation Tax	77,944	40,066	410,859	105,233	(32,970)	246,362	269,195	1,116,689
Cigarette Tax	5,437	(5,739)	634	2,676	505	751	71	4,335
Estate, Inheritance, and Gift Tax	10,604	5,544	6,953	(17,822)	(17,044)	(22,945)	(19,789)	(54,499)
Insurance Companies Tax	1,707	820	46,109	3,986	1,406	54,631	1,250	109,909
Personal Income Tax	175,657	224,686	371,872	199,565	528,228	287,643	938,012	2,725,663
Retail Sales and Use Taxes	85,094	12,832	221,483	(74,033)	474,752	16,344	(6,299)	730,173
Pooled Money Investment Interest	(566)	3,625	(15,730)	5,019	2,529	4,257	5,880	5,014
Not Otherwise Classified	(15,107)	86,113	(31,983)	56,870	22,144	97,989	(38,808)	177,218
<b>Total</b>	<b>339,460</b>	<b>369,059</b>	<b>1,011,820</b>	<b>279,348</b>	<b>972,015</b>	<b>692,513</b>	<b>1,147,457</b>	<b>4,811,672</b>

<b>Percentage Over/Under</b>								
<u>Revenue</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>
Alcoholic Beverage Excise Tax	(4.1)%	4.4%	6.6%	(7.5)%	(26.2)%	30.3%	(6.5)%	(1.4)%
Corporation Tax	30.9%	34.3%	31.0%	40.3%	(50.2)%	25.2%	167.0%	35.4%
Cigarette Tax	52.0%	(44.5)%	8.2%	33.4%	7.2%	5.5%	0.9%	6.4%
Estate, Inheritance, and Gift Tax	17.7%	13.1%	14.0%	(30.1)%	(32.0)%	(37.1)%	(51.2)%	(14.9)%
Insurance Companies Tax	9.4%	5.8%	10.9%	23.1%	10.8%	13.1%	8.2%	12.0%
Personal Income Tax	7.6%	10.0%	10.1%	8.1%	29.0%	7.4%	17.6%	12.5%
Retail Sales and Use Taxes	9.5%	0.5%	12.4%	(8.0)%	16.6%	0.8%	(0.7)%	6.0%
Pooled Money Investment Interest	(5.1)%	37.0%	(100.0)%	231.6%	14.8%	84.1%	80.9%	7.3%
Not Otherwise Classified	(14.7)%	170.2%	(30.2)%	89.0%	5.5%	99.2%	(44.1)%	19.4%
<b>Total</b>	<b>9.1%</b>	<b>6.9%</b>	<b>13.6%</b>	<b>7.3%</b>	<b>18.4%</b>	<b>9.2%</b>	<b>17.4%</b>	<b>12.1%</b>

\* Excludes 2,263,609 received on 09/30/03 from the issuance of Tobacco Securitization Bonds.

\*\* This information is based upon funded cash. Fund cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the

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**General Fund Cash Basis Revenues for the month of January 2005 \***

In thousands

	<b>January 2005</b>		Actual Over or	
	Actual	DOF's 2005-06 Governor's Budget Estimates	(Under) Estimate Amount	%
Alcoholic Beverage Excise Tax	29,549	29,000	549	1.9
Corporation Tax	430,371	196,000	234,371	119.6
Cigarette Tax	8,273	10,000	(1,727)	(17.3)
Estate, Inheritance, and Gift Tax	18,870	22,000	(3,130)	(14.2)
Insurance Companies Tax	16,429	13,000	3,429	26.4
Personal Income Tax	6,277,579	5,856,000	421,579	7.2
Retail Sales and Use Taxes	884,619	922,000	(37,381)	(4.1)
Pooled Money Investment Interest	13,145	20,000	(6,855)	(34.3)
Not Otherwise Classified	49,184	296,000	(246,816)	(83.4)
<b>Total Revenues</b>	<b>7,728,019</b>	<b>7,364,000</b>	<b>364,019</b>	<b>4.9</b>

**General Fund Cash Basis Revenues as of January 2005 \***

In thousands

	Actual	DOF's 2005-06 Governor's Budget Estimates	Actual Over or	
			(Under) Estimate Amount	%
Alcoholic Beverage Excise Tax	192,696	186,009	6,687	3.6
Corporation Tax	4,274,751	4,123,452	151,299	3.7
Cigarette Tax	72,381	69,646	2,735	3.9
Estate, Inheritance, and Gift Tax	310,374	296,570	13,804	4.7
Insurance Companies Tax	1,028,683	1,013,330	15,353	1.5
Personal Income Tax	24,488,998	24,031,011	457,987	1.9
Retail Sales and Use Taxes	12,936,831	12,976,401	(39,570)	(0.3)
Pooled Money Investment Interest	73,265	83,803	(10,538)	(12.6)
Not Otherwise Classified	1,092,789	1,278,822	(186,033)	(14.5)
<b>Total Revenues</b>	<b>44,470,768</b>	<b>44,059,044</b>	<b>411,724</b>	<b>0.9</b>

\* This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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