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Chiang Releases May Cash-Flow Figures

May Income Taxes Fall Below May Revise Estimate By \$532 Million

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements through the 11 months of this fiscal year. The *Statement of General Fund Cash Receipts and Disbursements* showed May income taxes more than \$532 million below the May Revise estimate.

“While one month does not make a trend, May revenue indicates an economy that is still growing but at a slower pace than last year,” Chiang said. “It is important that we exercise caution as we enter the next budget year.”

Fiscal year General Fund revenue through May is \$111 million below the May Revise. Sales taxes came in \$401 million above estimate, and corporate taxes were \$27 million above estimate.

Through the end of May, personal income tax receipts are \$1.9 billion higher than at this date last year, a 4.2 percent increase. Corporate taxes are \$277.5 million above last year at this time, a 3.2 percent increase. Sales taxes are the slowest growing of the major revenue sources at \$168.6 million above the same period last year, a 0.7 percent increase.

The State spent \$12.3 billion more than it received through May. Expenditures were \$99 billion, while revenues totaled \$86.7 billion. Historically, General Fund revenue exceeds spending during the last three months of the fiscal year. The State started the year with a \$9.2 billion cash balance, leaving a cash deficit of \$11.4 billion at the end of March. At the end of April, the cash deficit shrank to \$4.4 billion. May revenues reduced the cash deficit to \$3.1 billion. If June revenue meets projections, then the state will close the gap between revenues and expenditures.

As California’s Chief Fiscal Officer, the State Controller is required to issue monthly financial statements on the state’s cash flow. Controller Chiang also offers a Summary Analysis to provide context to the raw numbers.

The [financial statement](#) and the [summary analysis](#) including an economic guest article can be found on the Controller’s Web site at www.sco.ca.gov.

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