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Controller Releases December Cash Flow Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements in December and through the first half of the fiscal year.

“We started the New Year with a billion dollar gap between actual receipts and expectations,” said Chiang. “Given December’s sluggish performance, the Governor’s dismal budget projections, unfortunately, may be on the mark.”

Actual General Fund receipts in December were \$545 million, or -5.8 percent, below the 2007-2008 Budget Act estimate for that month. Sales tax receipts were down \$120 million, or -5.5 percent and corporate taxes missed the mark by \$666 million, or -32.2 percent. Income tax receipts surpassed estimates by \$315 million, but early (or estimated) payments remain below the Budget Act projection by 4.6 percent for the year-to-date. These payments are one indication of future state revenues because they reflect what taxpayers think they will owe on their final annual returns.

The State received \$1 billion more than it spent in the month of December. For the fiscal year-to-date, the State has spent \$15.8 billion more than it received in revenue – but deficits at this point are not unusual because a large part of the State’s revenues come in during the last four months of a fiscal year, while many of its expenses occur in the first eight months.

The State started the fiscal year with a \$2.5 billion cash balance, leaving a net cash deficit of \$13.3 billion on December 31. The State issued a \$7 billion Revenue Anticipation Note in November to cover a portion of this short-term deficit. The remaining \$6.3 billion is being covered by internal borrowing.

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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