



# Betty T. Yee

## California State Controller

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### CA Controller's December Cash Report Shows Revenues Surpass Estimates by \$381.7 Million

**SACRAMENTO**—Personal income tax revenues continued to surpass expectations in December, pushing the month's total state collections \$381.7 million, or 2.8 percent, higher than expected, State Controller Betty T. Yee reported today.

"It's encouraging to see the state's continued fiscal strength," Yee said. "But as Governor Brown stressed in his budget proposal last week, we need to be aware that the good times will not last forever. As the state's chief fiscal officer, I will be closely monitoring revenues to detect signals of a downturn."

Total revenues for December were \$14.1 billion. Personal income tax for the month came in at \$9.5 billion, \$388.3 million more than expected when the budget was enacted last summer. Corporation tax revenues of \$1.7 billion beat projections by \$25.8 million, or 1.5 percent. These gains were offset slightly by retail sales and use tax revenues of \$2.4 billion, short of estimates by \$35.8 million, or 1.5 percent.

For the first half of the fiscal year that began in July, total revenues of \$51.1 billion exceeded projections by \$884.6 million, or 1.8 percent, with higher-than-expected personal income tax revenues more than offsetting shortfalls in the corporation tax and the sales and use tax. Personal income tax since the beginning of the fiscal year beat estimates by \$1.3 billion, or 3.9 percent. The corporation tax fell short by \$120.6 million, or 3.6 percent, while the sales and use tax slipped \$262.5 million, or 2.1 percent, compared to projections.

This month's edition of the Controller's California Fiscal Focus analyzes the influence of low interest rates on state and local government borrowing. For more details on that and other fiscal trends, see the [January newsletter](#).

The state ended the month of December with \$11.1 billion in outstanding loans—\$1.4 billion, or 11.4 percent, less than expected. For the first year in 15 years, the state is covering month-to-month shortfalls exclusively through internal borrowing from special funds rather than external loans, such as revenue anticipation notes. The improved fiscal condition of the General Fund, the source of most state spending, has saved the state tens of millions of dollars in interest costs.

For more details, read the [monthly cash report](#).

*As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state's financial resources. The Controller also safeguards many types of property until claimed by the rightful owners, and has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation's two largest public pension funds. Elected in 2014, Controller Yee is the tenth woman elected to a statewide office in California's history. Follow the Controller on Twitter at [@CAController](#) and on Facebook at [California State Controller's Office](#).*

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