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CA Controller's February Cash Report Shows Revenues Surpassing Estimates

SACRAMENTO—February state revenues exceeded projections in Governor Jerry Brown's proposed 2016-17 budget by \$439.1 million, with the personal income tax and the corporation tax both beating forecasts, State Controller Betty T. Yee reported today.

"It is encouraging to see that revenues remain strong," said Yee, the state's chief fiscal officer. "At the same time, we must be prudent in setting aside money during the good times to bolster our fiscal position for the inevitable next downturn."

Total revenues for February of \$6.85 billion surpassed projections in the budget for the coming fiscal year, released by Gov. Brown in early January, by 6.8 percent. Personal income tax revenues of \$2.88 billion beat estimates by \$304.7 million, or 11.8 percent, while corporation tax revenues of \$189.5 million were more than 10 times what was expected. For the second month in a row, corporation tax refunds were lower than expected, increasing overall collections.

Of the state's three major revenue sources, only the retail sales and use tax underperformed. Revenues of \$3.66 billion fell short by \$37.6 million, or 1.0 percent.

For the 2015-16 fiscal year that began July 1, revenues of \$70.96 billion exceeded the governor's budget by \$293.8 million, or 0.4 percent, with the personal income tax and the corporation tax both beating projections and the sales tax falling short by \$199.7 million, or 1.2 percent.

Total revenues are surpassing estimates made when the budget was approved last summer by \$1.38 billion, or 2.0 percent. Compared to the 2014-15 fiscal year, revenues are higher by \$4.61 billion, or 6.9 percent.

This month's edition of the Controller's California Fiscal Focus looks at the potential impact on different income groups of a sales tax on services. For more details on that and other fiscal trends, see the [March newsletter](#).

The state ended the month of February with \$10.41 billion in outstanding loans, which was \$179.9 million less than expected in the governor's proposed budget and \$1.09 billion less than projected in the budget signed last July.

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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