



Betty T. Yee

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CA Controller Reports State Revenues Beating Estimates after Four Months of Shortfalls

SACRAMENTO—After four straight months of missed budget projections, California's August revenues of \$8.56 billion outpaced expectations by \$425.2 million, or 5.2 percent, based largely on the strength of personal income tax receipts, State Controller Betty T. Yee reported today.

Personal income tax (PIT) receipts of \$4.79 billion in August were \$373.4 million higher than predicted in the 2016-17 Budget Act signed by Governor Jerry Brown in June—a difference of 8.5 percent. For the first two months of the fiscal year, PIT receipts are on target—just 0.5 percent higher than expected.

Two months into the new fiscal year, total year-to-date revenues of \$13.98 billion are just \$166.1 million below projections, or 1.2 percent.

“Under our outdated tax structure, revenues fluctuate greatly from month to month,” said Controller Yee, the state's chief fiscal officer. “After the lengthy period of sustained growth California has enjoyed, I would expect to see some degree of economic plateau.”

Corporation tax receipts of \$72.8 million for August fell \$49.7 million short of projections—a difference of 40.6 percent. For the fiscal year-to-date, they are 24.9 percent lower than anticipated. Retail sales and use tax receipts of \$3.24 billion for August were just \$20.8 million—a negligible 0.6 percent—lower than expected. For the fiscal year-to-date, sales tax receipts are 5.6 percent lower than expected.

The state ended the month of August with unused borrowable resources of \$30.97 billion, which was \$2.45 billion more than predicted in the 2016-17 Budget Act. Outstanding loans of \$5.61 billion were \$421.4 million less than projected. This loan balance consists of borrowing from the state's internal special funds.

For more details, read the [monthly cash report](#). This month's edition of the Controller's [California Fiscal Focus newsletter](#) examines the predictability of revenue streams.

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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