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CA Controller's April Cash Report Shows Sluggish State Revenues

SACRAMENTO—In one of the most crucial months for collections, California revenues of \$15.98 billion for April fell short of projections in the governor's proposed 2017-18 budget by \$1.05 billion, or 6.2 percent, State Controller Betty T. Yee reported today.

For the first ten months of the 2016-17 fiscal year that began in July, total revenues of \$96.88 billion are \$1.83 billion below last summer's budget estimates and \$211.3 million shy of January's revised fiscal year-to-date predictions. Total fiscal year-to-date revenues are \$1.74 billion higher than for the same period of the prior fiscal year.

April personal income tax (PIT) receipts of \$12.76 billion lagged by \$707.6 million, or 5.3 percent. In the current fiscal year, California has collected total PIT receipts of \$67.66 billion, or 0.2 percent less than January's revised estimate. Last year, nearly 17 percent of PIT receipts arrived in April.

"April is usually the state's biggest tax filing month, so lower-than-expected personal income tax receipts are troubling," said Controller Yee, the state's chief fiscal officer and a leading advocate for comprehensive tax reform. "While we await the governor's May Revision, this is another signal that we may be inching towards an economic downturn, and we must tailor our spending accordingly."

April retail sales and use tax receipts of \$696.7 million fell short of projections in the governor's proposed 2017-18 budget by \$106.7 million, or 13.3 percent. For the fiscal year to date, sales tax receipts of \$18.99 billion are \$453.5 million below the revised estimates released in January.

Corporation tax receipts of \$1.97 billion for April were 13.8 percent lower than assumptions in the proposed 2017-18 budget. Fiscal year-to-date corporation tax receipts of \$7.17 billion are 1.6 percent above projections in the proposed budget, the only one of the "big three" General Fund revenue sources to exceed expectations.

The state ended April with unused borrowable resources of \$27.02 billion, which was \$3.46 billion more than predicted in the governor's proposed budget. Outstanding loans of \$12.28 billion were \$276.6 million lower than projected in early January. This loan balance consists of borrowing from the state's internal special funds.

For more details, read the [monthly cash report](#) and this month's edition of the Controller's [California Fiscal Focus newsletter](#), which discusses public access to state lands and waterways and the opportunity for tax credits to spur the green economy.

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 [@CACController](#) and on Facebook at [California State Controller's Office](#).

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