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Controller Releases March Cash Update

SACRAMENTO – State Controller John Chiang today released his monthly report covering California's cash balance, receipts and disbursements in March, showing monthly revenues came in \$233.5 million below (-4.2 percent) the latest estimates contained in the Governor's proposed 2012-13 Budget.

"While revenues continue to fall short, the months ahead will be far more important to the State's finances," said Chiang. "More than 35 percent of all revenues are expected in the next three months, making this the most important period for tax collection in the fiscal year."

Most of the shortfall was caused by corporate tax receipts, which came in \$125.8 million below (-8.2 percent) projections. Sales taxes were also down by \$25.7 million (-1.7 percent). Personal income taxes were down \$41.4 million (-1.8 percent), but this shortfall was caused by taxpayer refunds going out faster than expected.

The State ended last fiscal year with a cash deficit of \$8.2 billion. The combined current-year cash deficit stands at \$21.5 billion. Those deficits are being covered with \$15.1 billion of internal borrowing (temporary loans from special funds) and \$6.4 billion of external borrowing.

The Controller's Office had warned that General Fund cash could dip below the minimum safety level of \$2.5 billion and slip into the red in March. That shortfall was avoided by a series of short-term cash solutions developed by the Controller's Office, the Department of Finance and the Treasurer's Office.

For more details, read March 2012's and .

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