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Westly Report: Revenues 3.6 Percent Ahead of Forecast *Fiscal Crisis Remains Deep and Cutting Waste Is the Way Out*

Sacramento, CA – State Controller Steve Westly today announced new monthly revenue figures that show California’s fiscal crisis remains deep, which means Governor Schwarzenegger must deliver immediately on his promise to cut government waste.

According to the Controller’s monthly revenue report, actual revenues for the current fiscal year remain approximately 3.6 percent higher than forecast by the Department of Finance, the same level as last month. Most of this increase results from continuing growth in California’s Personal Income Tax collections.

To ensure fiscal solvency, Westly this week sent a letter to Governor Schwarzenegger to support his debt bond proposal but said it must be coupled with serious reforms to cut government waste.

“While revenues are a little better, the crisis is just as bad as ever. Serious reforms that cut waste is what the people want and the Governor should deliver,” Westly said. “If we’re going to borrow big to fix our fiscal crisis, then we have to reform big.”

Westly has proposed eliminating state agency offices that sit between the Governor’s office and departments that serve the people. He also urged the Governor to support restoring the Controller Office’s power to conduct performance audits that examine efficiency and effectiveness in government.

“In order to get California back on the road to fiscal health, we need to cut waste, starting at the top,” Westly said.

REVENUE REPORT FOLLOWS

General Fund Revenues for the month of November 2003

In thousands

	November 2003		Actual Over or	
	Actual	DOF's Budget Act Estimates	(Under) Estimate Amount	%
Alcoholic Beverage Excise Tax	28,782	25,000	3,782	15.1
Corporation Tax	65,675	(60,000)	125,675	-
Cigarette Tax	7,024	10,000	(2,976)	(29.8)
Estate, Inheritance, and Gift Tax	53,344	47,000	6,344	13.5
Insurance Companies Tax	12,992	16,000	(3,008)	(18.8)
Personal Income Tax	1,822,901	1,852,000	(29,099)	(1.6)
Retail Sales and Use Taxes	2,867,920	2,993,000	(125,080)	(4.2)
Pooled Money Investment Interest	17,091	22,000	(4,909)	(22.3)
Not Otherwise Classified	405,566	177,000	228,566	129.1
Total Revenues	5,281,295	5,082,000	199,295	3.9

General Fund Revenues as of November 30, 2003

In thousands

	Actual	DOF's Budget Act Estimates	Actual Over or	
			(Under) Estimate Amount	%
Alcoholic Beverage Excise Tax	139,265	131,070	8,195	6.3
Corporation Tax	2,020,320	1,882,030	138,290	7.3
Cigarette Tax	46,133	50,452	(4,319)	(8.6)
Estate, Inheritance, and Gift Tax	264,335	295,763	(31,428)	(10.6)
Insurance Companies Tax	486,302	485,219	1,083	0.2
Personal Income Tax	12,541,003	12,012,968	528,035	4.4
Retail Sales and Use Taxes	9,297,273	9,303,649	(6,376)	(0.1)
Pooled Money Investment Interest	55,926	84,137	(28,211)	(33.5)
Not Otherwise Classified *	2,992,394	2,620,871	371,523	14.2
Total Revenues	27,842,951	26,866,159	976,792	3.6

* \$2,263,609 Tobacco Securitization Bonds were received in September 2003