



Betty T. Yee

California State Controller

300 Capitol Mall
Sacramento, CA 95814
www.sco.ca.gov

PR15:41
For Immediate Release
9/10/2015

Contact: JOHN HILL
(916) 445-2636

CA Controller's August Cash Report Shows Strong Retail Sales and Use Tax Revenues

SACRAMENTO—Boosted by strong retail sales and use tax revenues, the state in August brought in \$637.8 million more than expected when the 2015-16 budget was finalized two months ago, according to State Controller Betty T. Yee's monthly report of California's cash balance, receipts, and disbursements published today.

For more than a year, personal income tax drove state revenues to surpass expectations. In August, by contrast, retail sales and use tax took the lead, exceeding estimates by \$127.2 million, or 4.3 percent. Personal income tax continued to show strength, beating projections by \$39.7 million, or 1.0 percent. The last of the state's "big three" revenue sources—the corporation tax—also came in higher than anticipated by \$35.7 million, or 28.9 percent.

After July revenue came in close to expectations, the strong August numbers pushed overall receipts for the 2015-16 fiscal year to \$674.7 million, or 5.0 percent, above projections. For the fiscal year to date, all three major sources of revenue are surpassing expectations.

They also are beating totals from the prior fiscal year, with August receipts \$1.5 billion higher than a year ago, and year-to-date receipts \$1.9 billion higher. August retail sales and use tax revenues of \$3.1 billion surpassed those from a year ago by 36.7 percent, while personal income tax revenue of \$4.2 billion came in 6 percent higher, and corporation tax revenue of \$159.1 million was 26.2 percent higher.

For an analysis of fiscal trends and issues, see the newest issue of the Controller's monthly newsletter, [California Fiscal Focus](#).

The state ended the month of August with unused borrowable resources of \$29.8 billion, which is 10.1 percent more than anticipated when the budget was signed. The General Fund, the source of most state spending, may borrow from other funds to even out variability in revenue and disbursement patterns.

For many years, the Controller pursued external borrowing when cash available from these special funds was projected to fall short of General Fund obligations. However, this year, because of the state's improved fiscal position, the Controller anticipates internal borrowing will be sufficient to meet cash flow without having to issue revenue anticipation notes.

For more details, read the [monthly cash report](#).

###