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Contact: TARYN KINNEY
(916) 324-2709

CA Controller Reports 2018 State Revenues Off to a Strong Start

SACRAMENTO—California's total revenues of \$17.35 billion for January beat the governor's 2018-19 proposed budget estimates by \$2.37 billion, or 15.8 percent, and outpaced 2017-18 Budget Act projections by \$1.45 billion, or 9.1 percent, State Controller Betty T. Yee reported today.

Personal income taxes (PIT) and corporation taxes, two of the "big three" sources of General Fund dollars, exceeded estimates for the second consecutive month and are both surpassing assumptions for the fiscal year. For the first seven months of the 2017-18 fiscal year, total revenues of \$74.56 billion are higher than expected in the January budget proposal by 4.0 percent, 7.5 percent above the enacted budget's assumptions, and 11.7 percent higher than the same period in 2016-17.

For January, PIT receipts of \$15.60 billion were \$2.25 billion, or 16.9 percent, above the proposed budget's projections and \$1.33 billion ahead of 2017-18 Budget Act estimates. For the fiscal year, PIT receipts of \$54.70 billion are higher than anticipated in last summer's budget by \$3.61 billion, or 7.1 percent.

Corporation taxes for January of \$551.6 million were \$211.3 million, or 62.1 percent, higher than expected in the proposed budget and \$143.4 million above the enacted budget's estimates. This variance is partially because refunds were approximately \$38.0 million lower than anticipated. For the fiscal year to date, total corporation tax receipts of \$4.81 billion are \$1.08 billion, or 28.8 percent, above assumptions in the 2017-18 Budget Act.

Sales tax receipts of \$1.01 billion for January were \$138.0 million, or 12.0 percent, lower than anticipated in the governor's budget proposal unveiled last month. Notably, for the fiscal year, sales tax receipts of \$13.03 billion are \$151.2 million lower than January's assumptions but \$396.6 million, or 3.1 percent, above the enacted budget's expectations.

Unused borrowable resources through January exceeded revised projections by \$7.83 billion, or 30.8 percent. Outstanding loans of \$5.64 billion were \$5.19 billion, or 47.9 percent, less than the 2018-19 proposed budget estimates and \$5.02 billion, or 47.1 percent, less than the 2017-18 Budget Act assumed the state would need by the end of January. The loans were financed entirely by borrowing from internal state funds.

For more details, read the [monthly cash report](#). The Controller's [California Fiscal Focus newsletter](#) this month examines the impacts of federal tax reform on state taxpayers and ways the health care delivery system can adapt to the changing nature of work.

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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