



# Betty T. Yee

## California State Controller

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### CA Controller's June Cash Report Shows Another Surge to End 2014-15 Fiscal Year

**SACRAMENTO**—California ended the fiscal year with another unexpected revenue surge in June, with total General Fund receipts surpassing the Governor's May estimates by \$859.4 million, according to State Controller Betty T. Yee's monthly report of California's cash balance, receipts, and disbursements published today.

For the second year in a row, the General Fund ended with a positive cash balance.

June capped a 12-month boom in state revenues, driven largely by personal income tax. For the fiscal year ending June 30, total revenues for the General Fund (the source of most state spending) were \$6.8 billion more than anticipated a year ago, when the 2014-15 budget was enacted. This was 6.4 percent higher than projected. Compared to the previous fiscal year, California revenues were \$12.7 billion higher, a bump of 12.5 percent.

June's revenues easily outstripped projections included in the Governor's revised budget released only a month earlier. Personal income tax led the way, coming in \$762.5 million higher than anticipated in the May Revision. Much of this windfall was split almost evenly between taxes withheld from workers' paychecks and estimated payments. Second-quarter estimated payments were due June 15.

Retail sales and use taxes exceeded May Revision estimates by \$31.4 million, or 1.5 percent. Of the state's three major revenue sources, only corporation taxes fell short in June, coming in \$9.7 million lower than expected.

For the entire 2014-15 fiscal year that ended June 30, personal income tax likewise led the surge, accounting for \$5.8 billion of the \$6.8 billion windfall, compared to 2014-15 budget estimates. Corporation taxes beat projections by \$1.6 billion, while retail sales and use taxes for the year came in \$395.9 million lower than expected.

Of the \$12.7 billion revenue increase over the previous year, \$10.1 billion, or 80 percent, consisted of personal income taxes. California's high revenue volatility is tied to swings in personal income tax, especially on capital gains.

The state disbursed \$16.2 billion more in the 2014-15 fiscal year than in the previous year. This amount included \$9.5 billion for local assistance – mostly K-12 school spending set by Proposition 98 – and \$4 billion for state operations.

On June 22, the state repaid \$2.8 billion in Revenue Anticipation Notes (RANs) from summer 2014. The Controller pursues external borrowing when cash available from special funds is projected to fall short of General Fund obligations. The Controller may ask the Treasurer to sell short-term RANs that are repaid by the end of the fiscal year.

As of June 30, the amount available for internal borrowing from the state's own funds was \$28.3 billion, exceeding the May Revision estimate by \$1.7 billion.

For more details on today's report, read the [financial statement](#). Also read the first issue of [California Fiscal Focus](#), the Controller's monthly analysis of the numbers.

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