



FOR IMMEDIATE RELEASE
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ICYMI: *The Sacramento Bee*: State revenue now hundreds of millions higher than budget estimates

(SACRAMENTO)— As the 2014-15 fiscal year drew to a close last week, the State’s Legislative Analyst’s Office projected California will have collected \$541 million more in tax revenues than predicted by the state’s Department of Finance. Despite this increase in revenue, which is in addition to the nearly \$6 billion in reserves following the recent passage of the budget, legislators and special interest groups in Sacramento are proposing more than \$141 billion per year in proposed tax and fee increases, including tax increases on tobacco, oil production and commercial property.

The Sacramento Bee recently wrote about how general fund revenues will be well above the newly passed budget’s estimations.

***Sacramento Bee*: State revenue now hundreds of millions higher than budget estimates**

The 2014-15 fiscal year came to an end this week, and it will be a long time before officials finish closing the books. Early signs, though, are that revenue for the just-completed fiscal year will exceed estimates in the newly minted state budget by hundreds of millions of dollars.

New numbers from the Legislative Analyst’s Office, reflecting the latest data from the Franchise Tax Board, show that the state took in \$541 million more in income tax and corporate tax revenue than reflected in the budget approved two weeks ago.



2014-15 Income Tax Agency Cash Results
In Millions. Reflects Preliminary Agency Cash Totals for June 2015
CA Economy & Taxes on Twitter @LAOEconTax

	Total Collections As of May 30	+	June Collections	=	Agency Cash for 2014-15 Fiscal Year	Difference vs. Governor's (Budget Act) Projection
Personal Income Tax (PIT)						
EDD Withholding	\$46,860		\$4,118		\$50,979	\$417
FTB Collections	30,517		7,348		37,865	224
Minus: FTB Refunds	-10,913		-331		-11,244	-36
Total PIT	\$66,465		\$11,135		\$77,600	\$605
Minus: Prop. 63 Transfer ³	-\$1,170		-196		-1,366	-11
General Fund PIT	\$65,295		\$10,939		\$76,234	\$594
Corporation Tax (CT)						
FTB Collections	\$8,833		\$2,662		\$11,495	-\$100
Minus: FTB Refunds	-1,239		-42		-1,281	47
General Fund CT	\$7,594		\$2,620		\$10,214	-\$54
Combined PIT and CT	\$72,889		\$13,559		\$86,448	\$541

³ Pursuant to Section 19602.5 of the Revenue and Taxation Code, the state transfers 1.76% of total PIT monthly to the Mental Health Services Fund established by Proposition 63.

EDD=Employment Development Department. FTB=Franchise Tax Board.

June agency cash totals will change based on tax agency reconciliations at the end of the month. Accruals and other adjustments are made separately, such that these agency cash totals are not directly comparable to the revenue total for the fiscal year incorporated into budget act calculations. Accrual totals are revealed over the next two years and could alter 2014-15 budgetary revenue totals upward or downward by hundreds of millions of dollars or more.

The early numbers could change as the money moves through the state controller's office and officials figure out how much will actually go into the state treasury and be available for state programs. Still, it's a strong sign that general fund revenue for the fiscal year that ended Tuesday will be well above the \$112.9 billion estimated in the budget package approved by lawmakers June 17 and signed by Brown last week. Sales tax data through June, for example, has yet to be compiled.

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The analyst's office took a [more bullish view of state revenue](#) than did the Brown administration, projecting about \$3 billion more in revenue through June 2016. Last month's budget, though, reflects the administration's numbers.

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