State Controller Reports State Revenues for October 2013 Up Ten Percent

In a cash report released today, November 8, 2013, State Controller John Chiang reported the cash receipts for October were stronger than forecast, exceeding estimates by $510 million, or 10.7%. Revenues for the month were $5.3 billion, and year-to-date are up by $604 million for a total of $25.5 billion over the first four months of the fiscal year.

Commenting on the state's stronger revenue picture, Controller Chiang said, "State revenues are more than $600 million ahead of projections following a second straight month of strong collections. Importantly, because higher-than-expected payroll withholdings and estimated payments are driving the good news, it signals that Californians are beginning to earn more, work more, and the Great Recession is becoming a faint image in the rear view mirror. The recipe for sustaining this momentum is to remain disciplined in our spending, pay down debt, and aggressively hold taxpayer-funded programs accountable for results."

Personal income taxes for the month came in $438.9 million (11.8%) above estimates, much of that from tax amounts withheld on individuals' paychecks. Sales tax receipts were up $53.2 million (7.4%). Only corporate taxes missed their monthly estimate, coming in $16 million (8.9%) below projections.

The report noted that higher total income, driven by job growth, is supporting the tax base while capital gains from rising stock prices have provided an additional boost. More jobs, higher stock prices, and rising home values also drove consumer spending, putting sales tax receipts ahead of expectations.

Click on the following links to see the full text of the October 2013 summary analysis and the October financial statement.

—Michael Ricketts

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