

California revenues down \$1.5 billion – midyear cuts loom

By Kevin Yamamura, Sacramento Bee

California has fallen \$1.5 billion behind in revenue through the first four months of the fiscal year, state Controller John Chiang said Thursday, amplifying fears the state will impose deeper budget cuts this winter.

For October, Chiang said, California was \$810.5 million behind what was expected, or 16.3 percent. Notably, the state missed its personal income tax estimate by \$451 million, or 12.9 percent, which the Franchise Tax Board attributed to lower withholdings and estimated tax payments.

The state also faced spending pressures through the first four months of the year. Chiang reported that California spent \$1.7 billion more than budget writers expected.

Under the budget deal Gov. Jerry Brown signed in June, the state will automatically cut a variety of programs depending on how deep budget analysts determine the revenue shortfall will be.

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