



For Immediate Release
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Contact: David Duran
916-322-1447 or 916-531-7317 (mobile)

George Runner: July Sales Tax Revenue Surpassed Budget Projections by Half a Billion Dollars

George Runner today reported that sales and use tax revenues received by the State Board of Equalization last month exceeded projections.

“Although I continue to remain deeply concerned about California’s economic recovery, I’m pleased to report that our state’s budget picture—at least when it comes to sales tax—isn’t quite as bleak as it might seem,” said Senator Runner.

On Tuesday, the State Controller reported that sales and use tax general fund revenues for the month of July were \$977.6 million, 12.5% below the Department of Finance projection of \$1.12 billion.

However, according to Runner, BOE actually received \$1.64 billion in July, more than half a billion dollars above the budget projection.

“It’s really comparing apples and oranges to talk about the state’s budget picture without acknowledging every dollar we received last month,” said Runner.

The competing revenue numbers are the result of two different methods of accounting. As required by statute, the Controller looks at “money in the bank,” which does not include pending deposits. BOE numbers, as well as those used for state budget estimates, reflect “money in the door,” which includes all payments—including those received but not yet deposited.

The last few days of July saw more than \$600 million in sales tax revenue received by BOE. These dollars were not included in the Controller’s report because they had not yet been deposited into state coffers. Retail sales tax receipts are critical in July, as both annual payments by smaller businesses and quarterly payments from larger businesses are due July 31.

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

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