



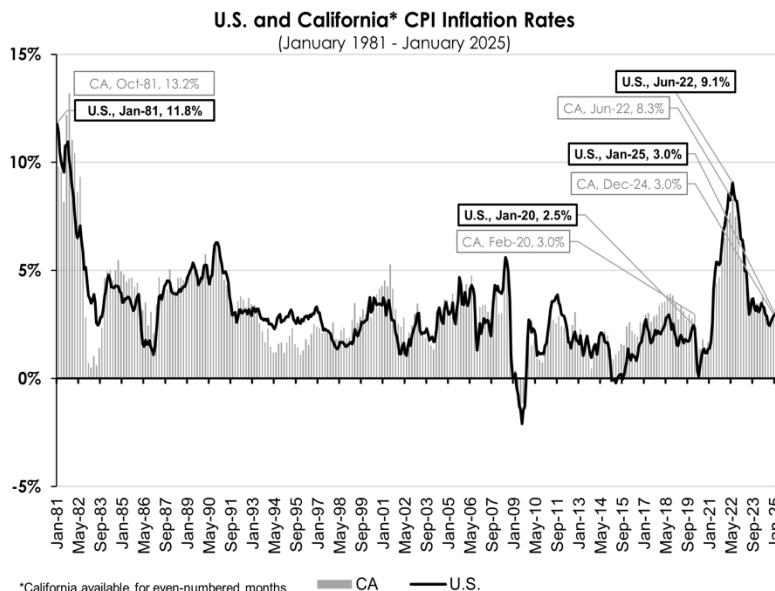
Finance Bulletin

Joe Stephanshaw, Director

Economic Update

U.S. headline inflation ticked up 0.1 percentage point to 3 percent year-over-year in January 2025. Core inflation—which excludes food and energy—also rose 0.1 percentage point to 3.3 percent year-over-year. Shelter inflation—which includes owners' equivalent rent and residential rent—inched down from 4.6 percent in December to 4.4 percent in January. California headline inflation—which is only officially calculated for even-numbered months—accelerated from 2.5 percent in October 2024 to 3 percent in December 2024.

U.S. real GDP grew at a 2.3-percent seasonally adjusted annualized rate (SAAR) in the fourth quarter of 2024, following a 3.1-percent growth in the third quarter. U.S. real GDP increased by 2.8 percent in 2024, after increasing by 2.9 percent in 2023 and by 2.5 percent in 2022. U.S. real GDP growth in 2024 was driven by personal consumption (contributing 1.9 percentage points), private investment (0.7 percentage point), and government expenditures (0.6 percentage point), offset by the drag from net exports (-0.5 percentage point).



LABOR MARKET CONDITIONS

- The U.S. unemployment rate decreased by 0.1 percentage point to 4 percent in January as the number of employed increased by over 2.2 million persons, the number of unemployed decreased by 37,000 persons, and the U.S. labor force increased up by just over 2.1 million persons. January's household survey estimates reflect revisions to the nation's population estimate as part of the annual benchmarking process from the U.S. Bureau of Labor Statistics. The nation added 143,000 nonfarm payroll jobs in January, with eight sectors gaining jobs: private education and health services (61,000), trade, transportation, and utilities (38,000), government (32,000), other services (17,000), financial activities (7,000), construction (4,000), manufacturing (3,000), and information (2,000). Three sectors shed jobs: professional and business services (-11,000), mining and logging (-7,000), and leisure and hospitality (-3,000).
- California's unemployment rate increased by 0.1 percentage point to 5.5 percent in December 2024, as labor force increased (2,900 persons), civilian household employment declined (-3,100 persons), causing the civilian unemployment to increase by 6,000 persons. This brings the annual unemployment rate for 2024 to 5.3 percent, up from 4.3 percent in 2023 and 4.7 percent in 2022. California added 15,000 nonfarm payroll jobs in December. Seven sectors added jobs, led by leisure and hospitality (7,500), followed by information (4,900), other services (3,100), government (2,200), trade, transportation and utilities (1,200), financial activities (1,100), and private education and health services (300). The remaining four sectors lost jobs: professional and business services (-3,000), manufacturing (-1,300), construction (-900), and mining and logging (-100).

BUILDING ACTIVITY

- In 2024, California permitted nearly 100,000 total housing units, down 10.6 percent from the nearly 112,000 units issued in 2023. Total units permitted in 2024 consisted of 61,000 single-family units (up 3.6 percent from 2023) and 39,000 multi-family units (down 26.1 percent from 2023). Some of the reasons for the decline in units permitted may be attributed to the high-interest environment for most of 2024, which made borrowing costs more expensive for residential construction, especially higher capital costs for multi-family units.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts were \$361 million, or 1.5 percent, below the Governor's Budget forecast in January, but remained \$2.2 billion, or 2 percent above the fiscal year-to-date forecast. The fiscal year-to-date overage was the result of higher receipts from personal income tax (up \$2.1 billion due to a \$2.3 billion overage in withholding) and other revenues (up \$483 million), partially offset by lower-than-expected corporation tax (down \$186 million) and sales tax receipts (down \$96 million). The Governor's Budget forecast was finalized in late November and does not incorporate the delayed tax deadlines for Los Angeles county taxpayers, which negatively impacted January receipts. Of note for this bulletin, the fourth quarter personal income tax estimated payments deadline of January 15 is delayed to October 15 and fourth quarter sales tax payments for smaller businesses are delayed from February 3 to April 30 for Los Angeles County taxpayers.

- Personal income tax cash receipts were \$174 million, or 1 percent, below forecast in January, but remained \$2.1 billion, or 2.9 percent above the fiscal year-to-date forecast. The fiscal year-to-date overage was due to withholding receipts coming in \$2.3 billion higher in December and January, which are significant months for withholding as they include large amounts of bonuses and stock-based compensation. Refunds were \$713 million lower due to lower refunds in December related to tax year 2023. Estimated payments were \$644 million below the fiscal year-to-date forecast due to January receipts falling short by \$825 million. This is due in large part to the tax deadline delay; however, the exact amount that shifted will not be known until October.
- Corporation tax cash receipts were \$535 million, or 18.4 percent, below forecast in January and were \$186 million, or 1 percent, below the fiscal year-to-date forecast. The fiscal year-to-date shortfall is due primarily to Pass-Through Entity Elective Tax payments being \$252 million lower than projected, partially offset by other payments exceeding the forecast by \$133 million.
- Preliminary sales and use tax receipts were \$48 million, or 2.5 percent, below forecast in January and \$96 million, or 0.5 percent, below the fiscal year-to-date forecast. January included a portion of the payments related to the final payment for fourth quarter of 2024, which was due on February 3.
- Other revenues were \$439 million, or 296.6 percent, above forecast in January and \$483 million, or 75.5 percent above the fiscal year-to-date forecast due to higher federal cost recovery collections.

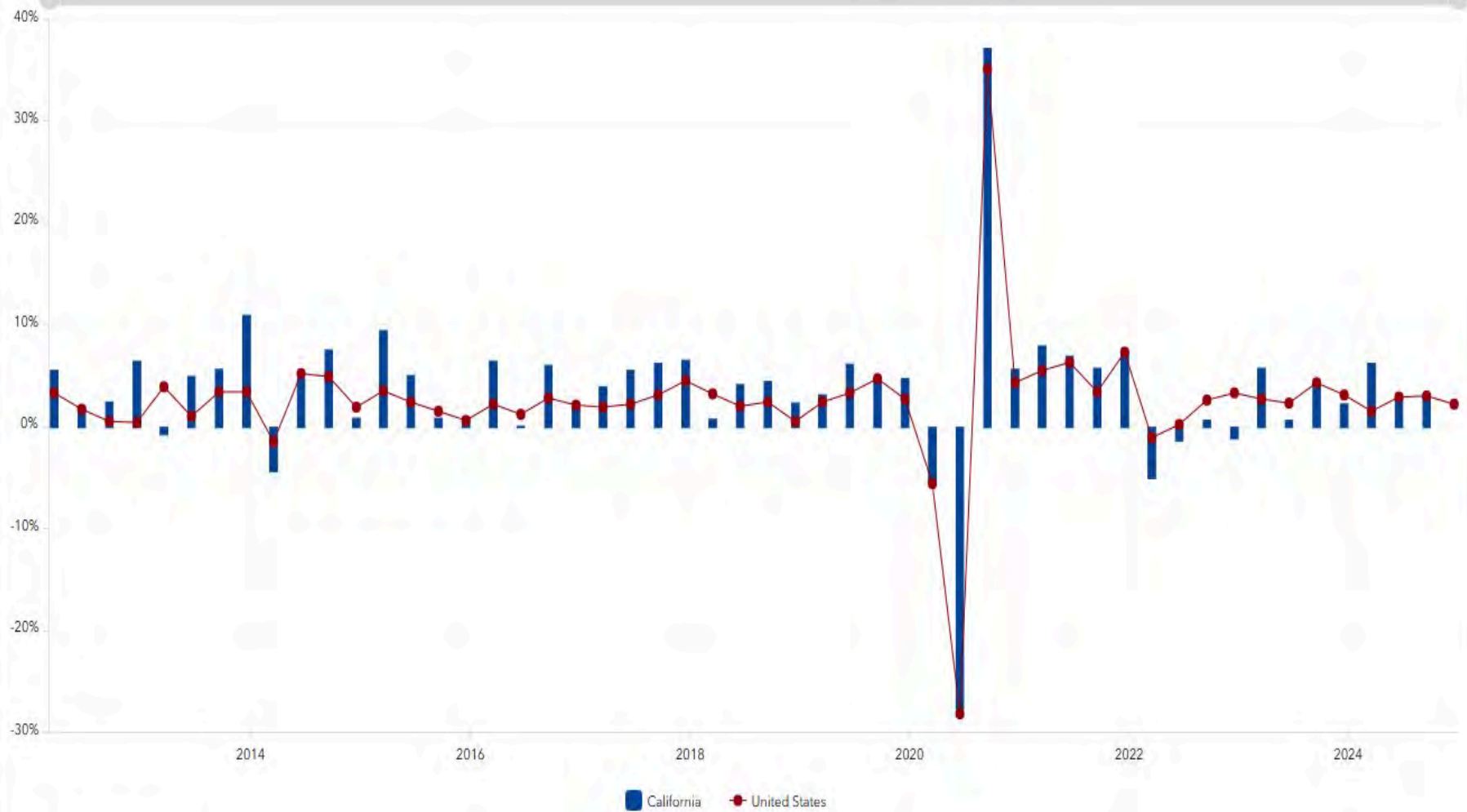
2024-25 Comparison of Actual and Forecast Agency General Fund Revenues (Dollars in Millions)

Revenue Source	JANUARY 2025					2024-25 YEAR-TO-DATE			
	Forecast	Actual	Difference	Percent Difference		Forecast	Actual	Difference	Percent Difference
Personal Income	\$17,996	\$17,821	-\$174	-1.0%		\$70,700	\$72,780	\$2,080	2.9%
Withholding	8,927	9,902	975	10.9%		57,725	60,030	2,305	4.0%
Estimated Payments	9,169	8,344	-825	-9.0%		14,633	13,990	-644	-4.4%
Final Payments	211	116	-94	-44.8%		3,161	3,117	-44	-1.4%
Other Payments	737	602	-136	-18.4%		3,937	3,718	-219	-5.6%
Refunds	-718	-819	-101	14.1%		-7,382	-6,669	713	-9.7%
MHSF Transfer	-322	-319	3	-1.0%		-1,267	-1,304	-37	2.9%
Corporation	\$2,914	\$2,378	-\$535	-18.4%		\$17,775	\$17,589	-\$186	-1.0%
Estimated Payments	988	911	-77	-7.8%		9,448	9,434	-14	-0.1%
PTET Payments	1,972	1,435	-537	-27.2%		9,295	9,043	-252	-2.7%
Other Payments	334	317	-17	-5.0%		2,731	2,863	133	4.9%
Refunds	-380	-285	96	-25.2%		-3,698	-3,751	-53	1.4%
Sales & Use	\$1,919	\$1,871	-\$48	-2.5%		\$18,714	\$18,618	-\$96	-0.5%
Insurance	\$52	\$50	-\$1	-2.5%		\$2,012	\$2,031	\$19	0.9%
Pooled Money Interest	\$272	\$228	-\$44	-16.3%		\$1,954	\$1,891	-\$63	-3.2%
Alcohol	\$45	\$49	\$4	9.1%		\$262	\$258	-\$3	-1.3%
Tobacco	\$3	\$3	-\$1	-19.0%		\$23	\$22	-\$1	-3.2%
Other	\$148	\$587	\$439	296.6%		\$641	\$1,124	\$483	75.5%
Total	\$23,348	\$22,987	-\$361	-1.5%		\$112,080	\$114,314	\$2,234	2.0%

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller. The personal income total includes Individual Shared Responsibility Penalty transfers. The forecast is from the 2025-26 Governor's Budget.

Figure 1

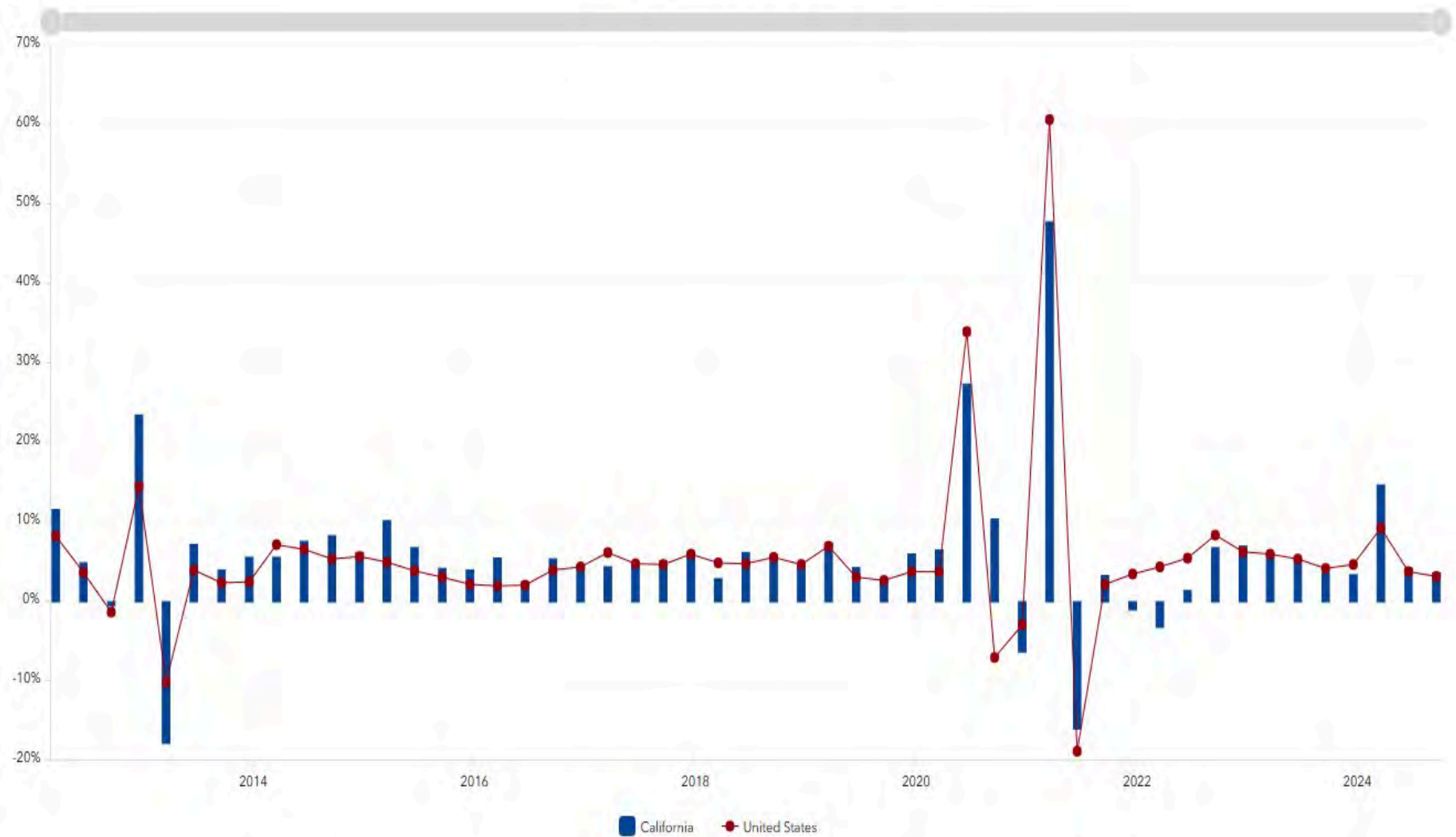
Quarterly GDP Growth
Seasonally Adjusted Annualized Rate (%)



Source: Bureau of Economic Analysis (BEA)

Figure 2

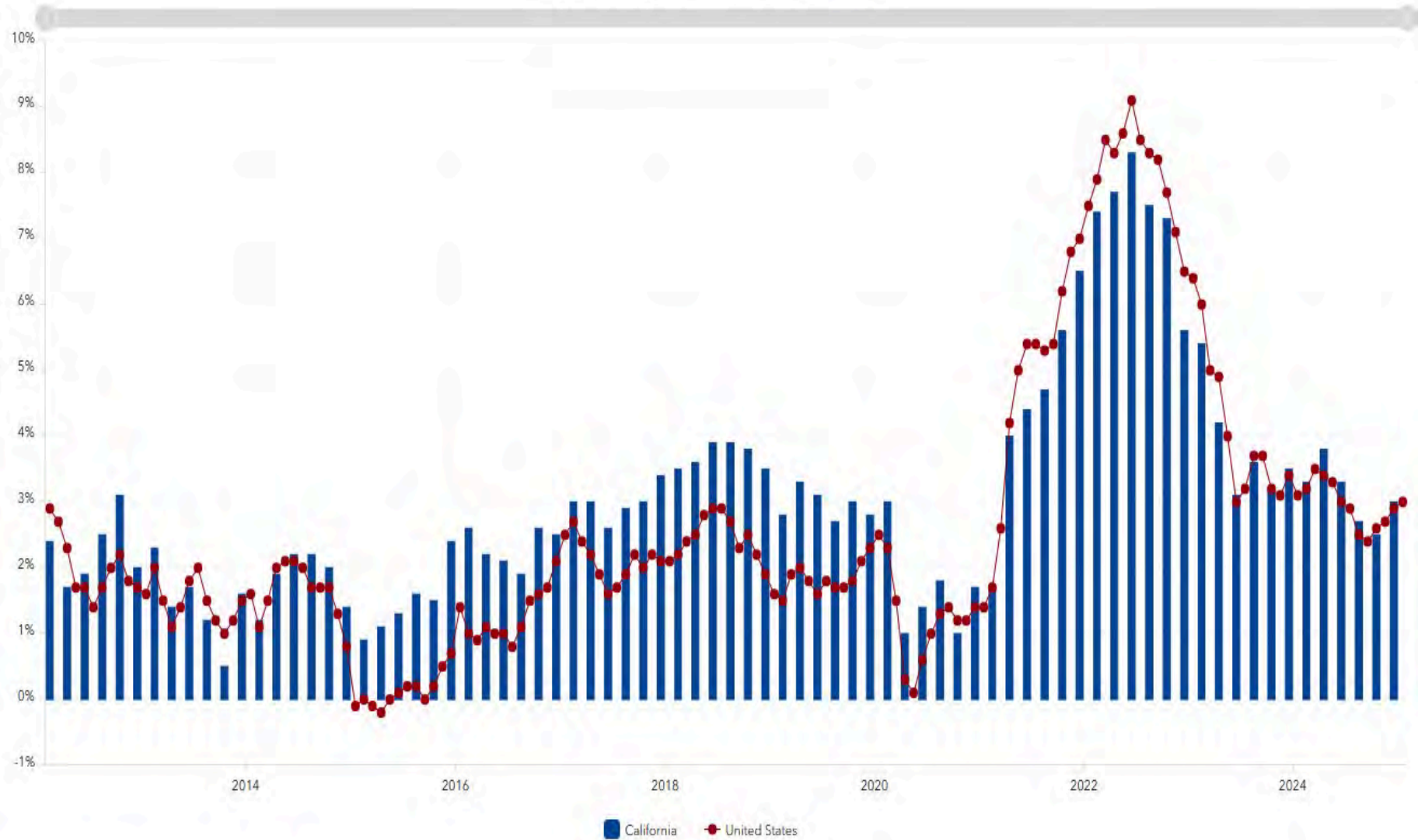
Personal Income Growth Rates
Seasonally Adjusted Annualized Rate (SAAR)



Source: Bureau of Economic Analysis (BEA)

Figure 3

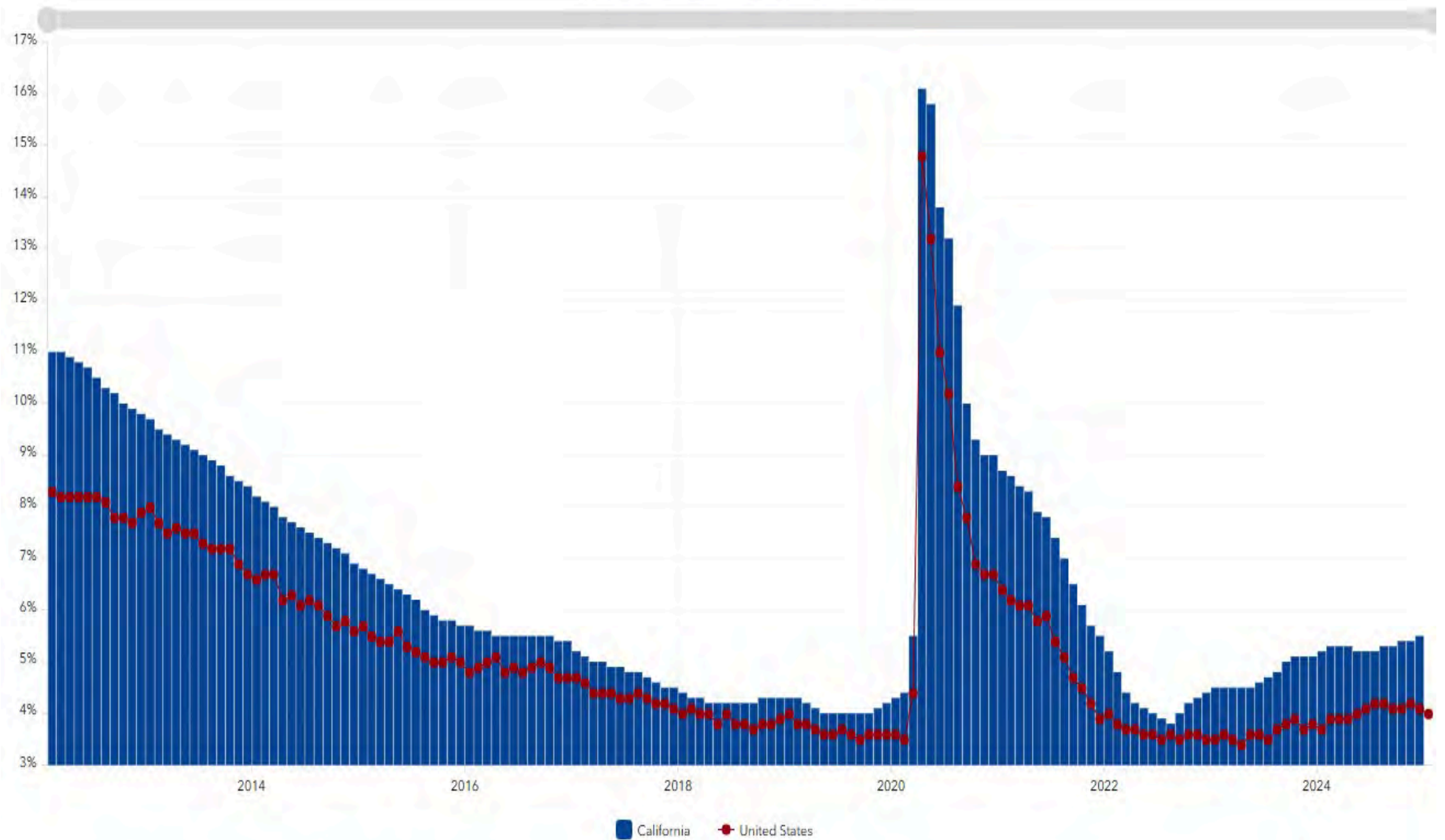
U.S. and California Consumer Price Index (CPI) Rates



Sources: Bureau of Labor Statistics (BLS) and California Department of Industrial Relations (DIR)

Figure 4

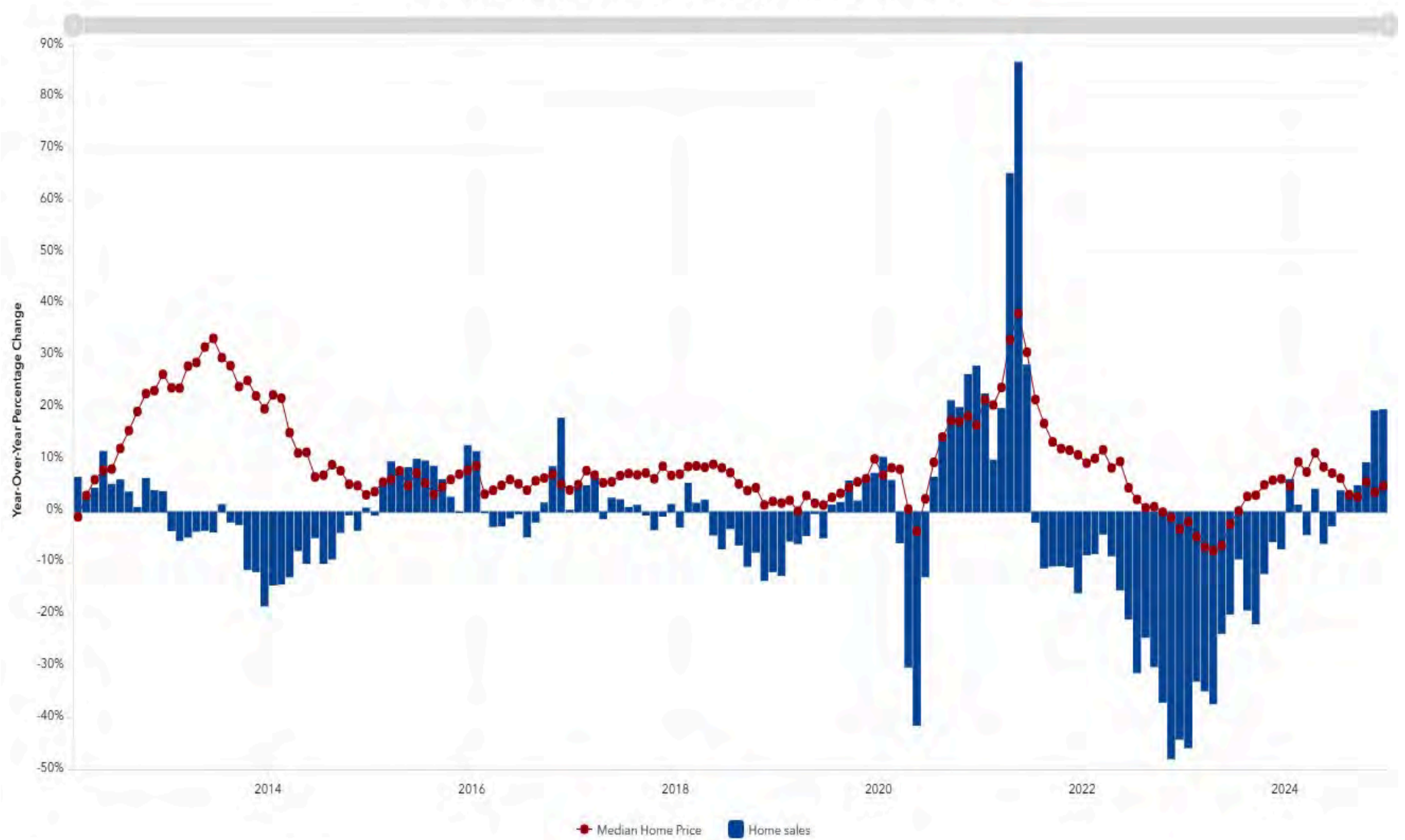
U.S. and California Unemployment Rate



Source: California Employment Development Department (EDD), Bureau of Labor Statistics (BLS)

Figure 5

California Home Sales and Median Home Sales Price of Existing Single-Family Homes



Source: California Association of Realtors (CAR)

Figure 6

Comparison of Actual and 2024-25 Budget Act Forecast: Agency General Fund Cash Receipts

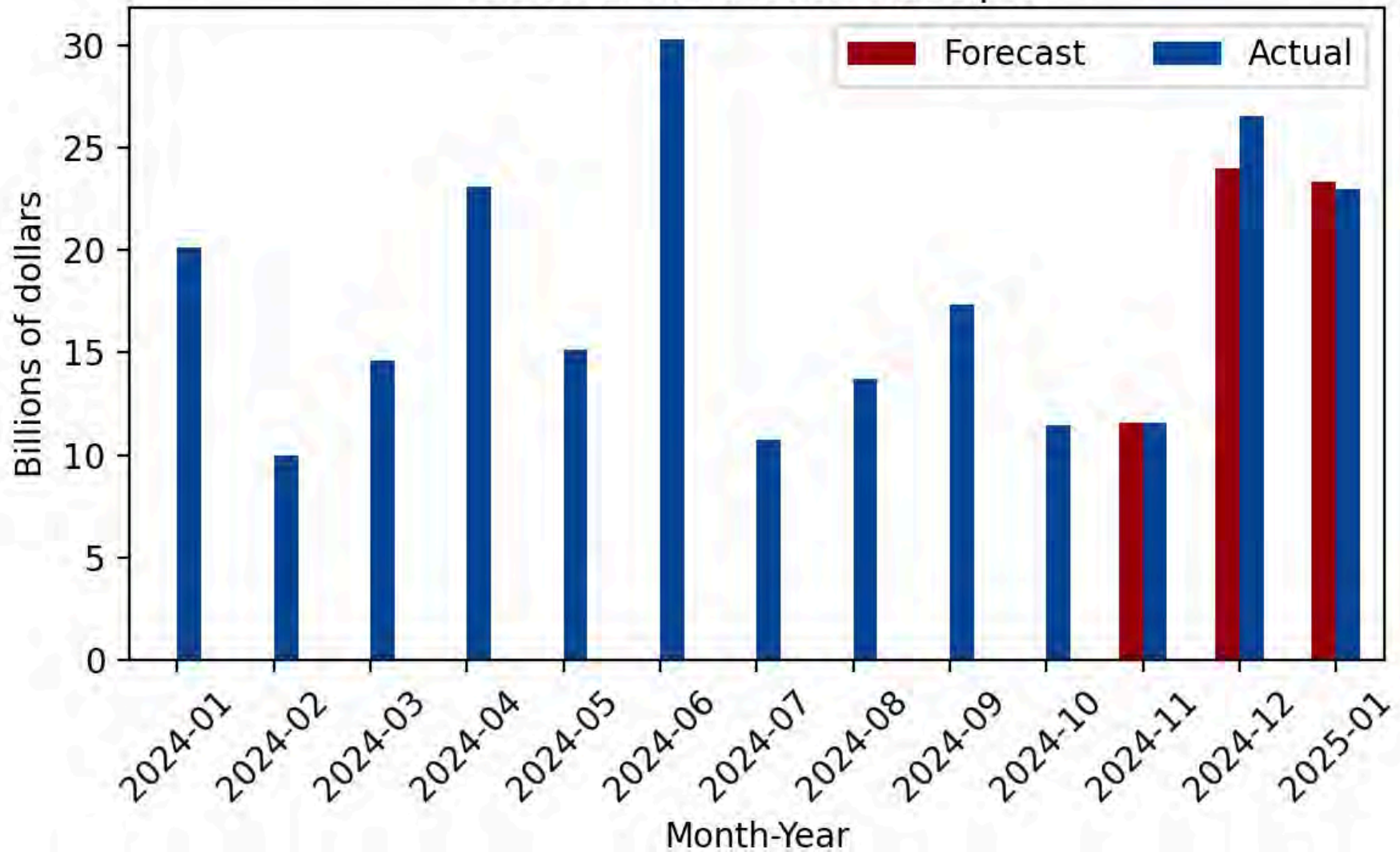


Figure 7

Comparison of Actual and 2024-25 Budget Act Forecast: Personal Income Tax

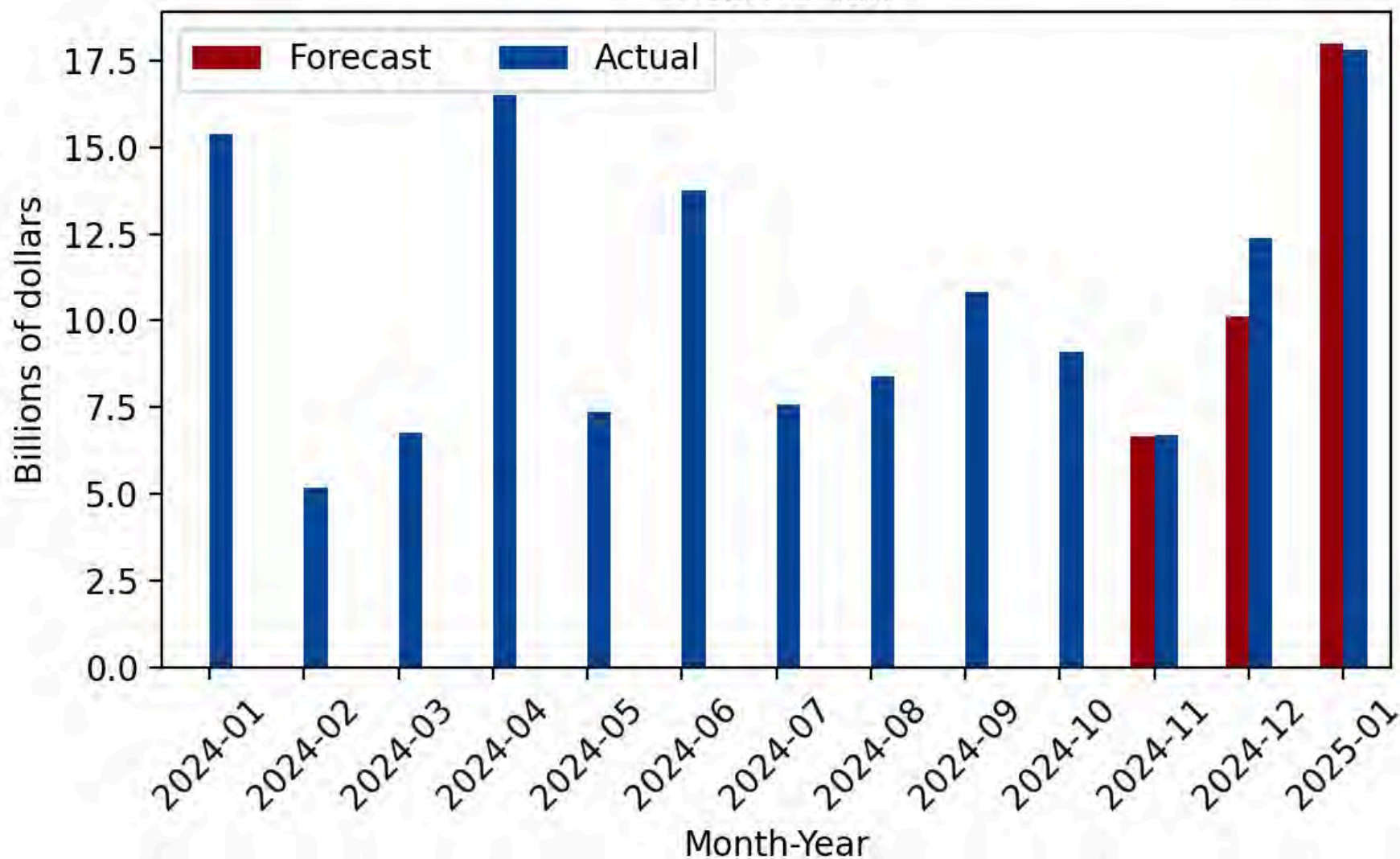


Figure 8

Comparison of Actual and 2024-25 Budget Act Forecast:
Corporation Tax

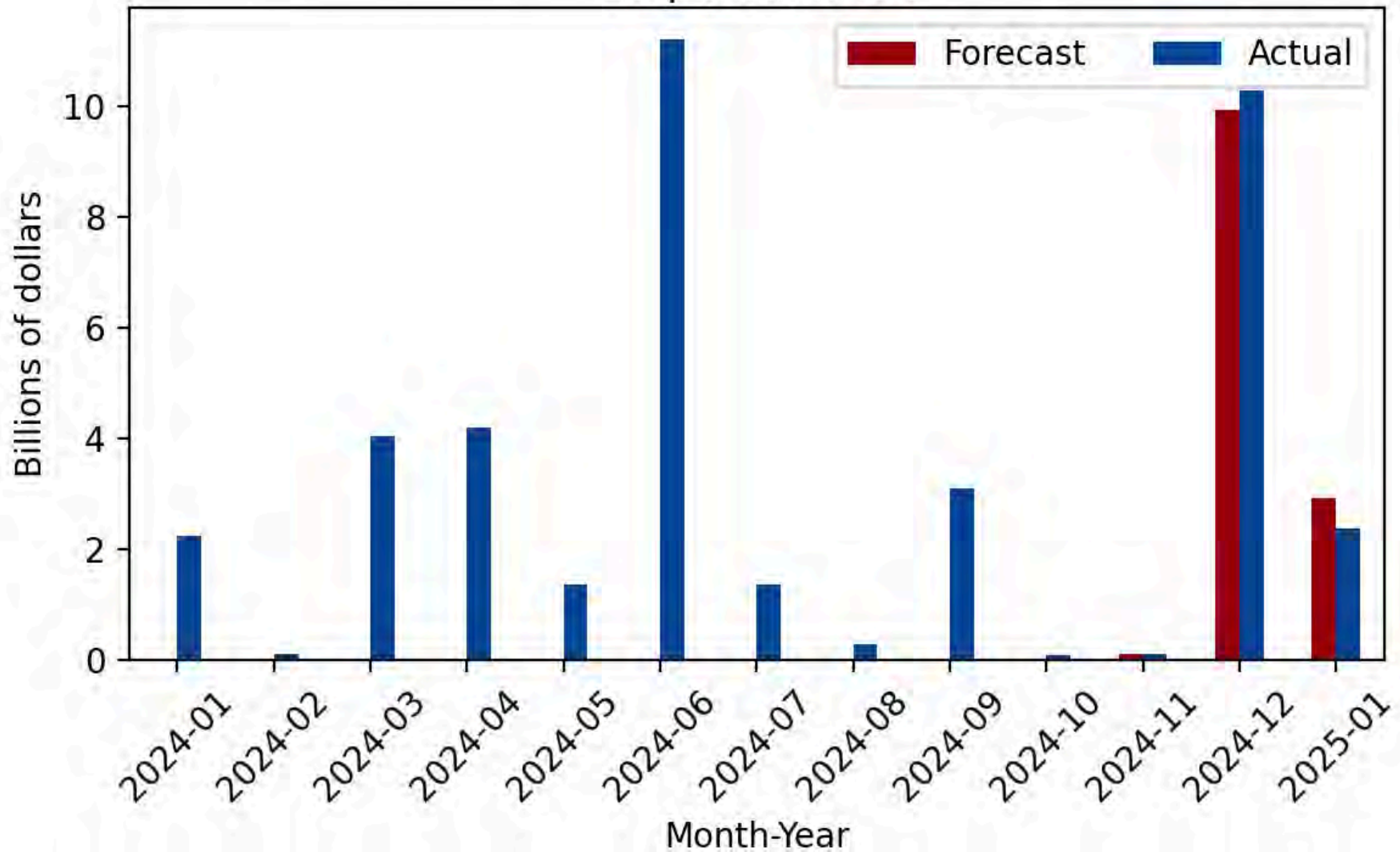


Figure 9

Comparison of Actual and 2024-25 Budget Act Forecast: Sales & Use Tax

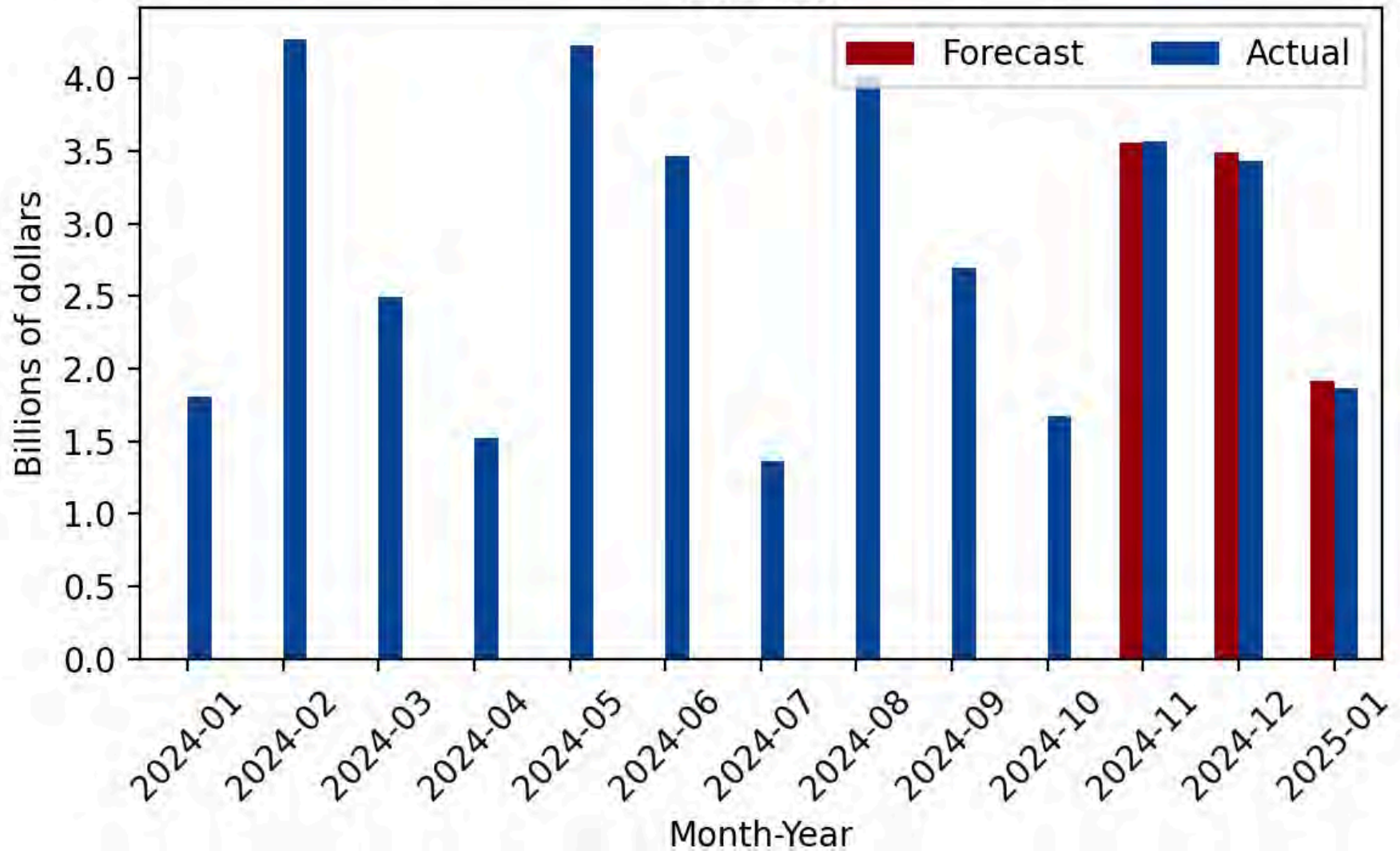


Figure 10

Comparison of Actual and 2024-25 Budget Act Forecast: All Other Taxes

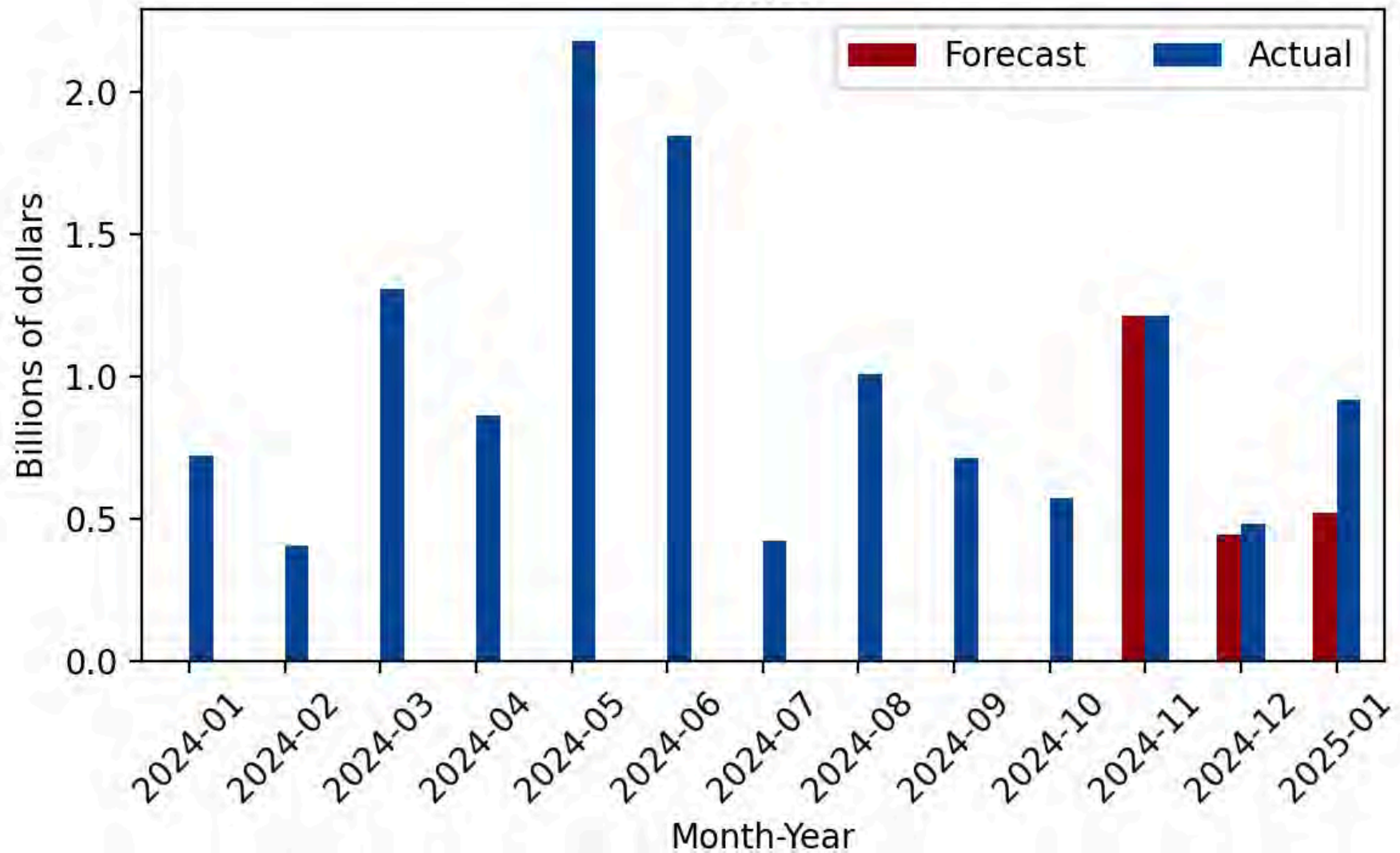


Figure 11

Difference between Actual and 2024-25 Budget Act Forecast:
Agency General Fund Cash Receipts

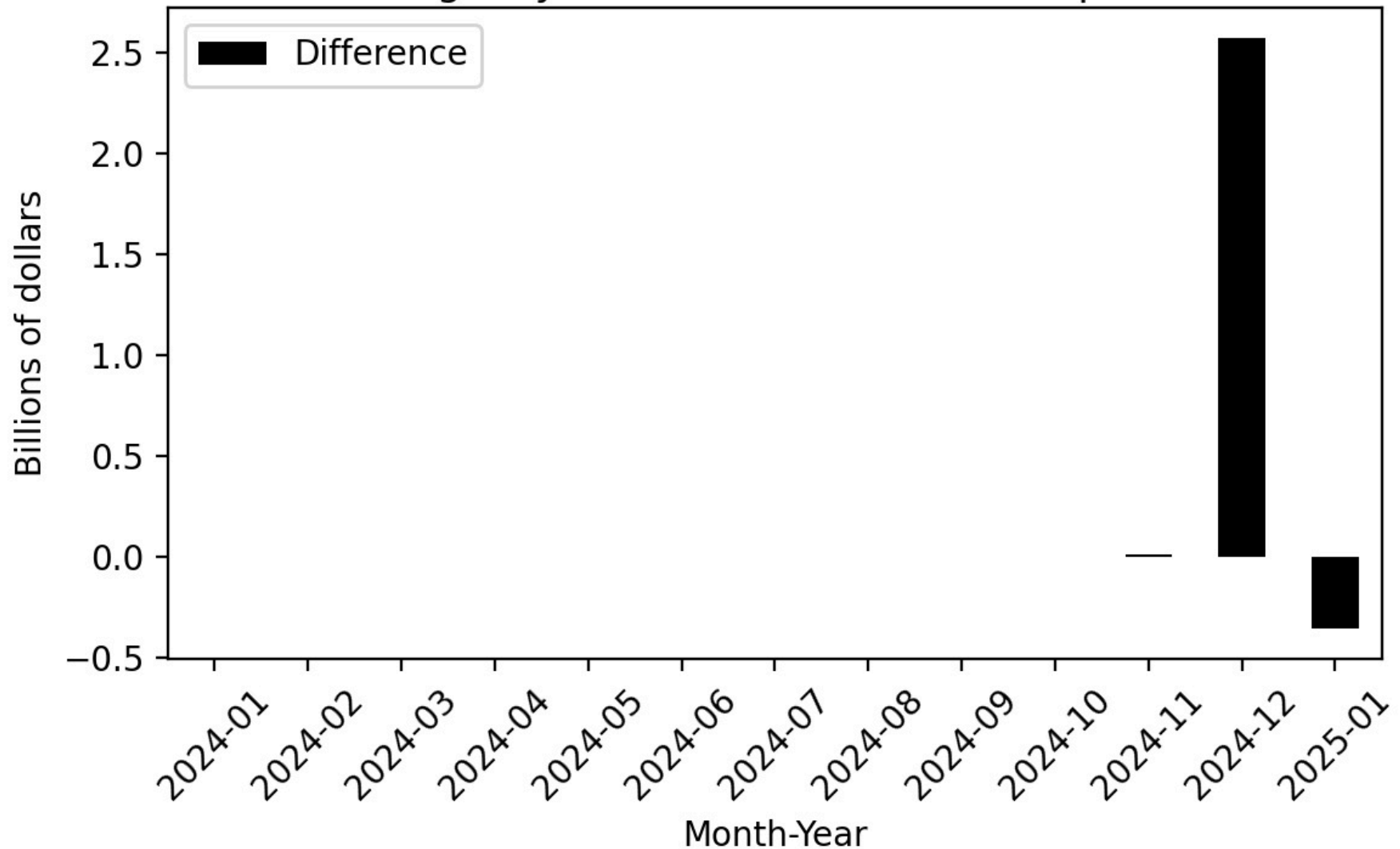


Figure 12

Difference between Actual and 2024-25 Budget Act Forecast:
Personal Income Tax

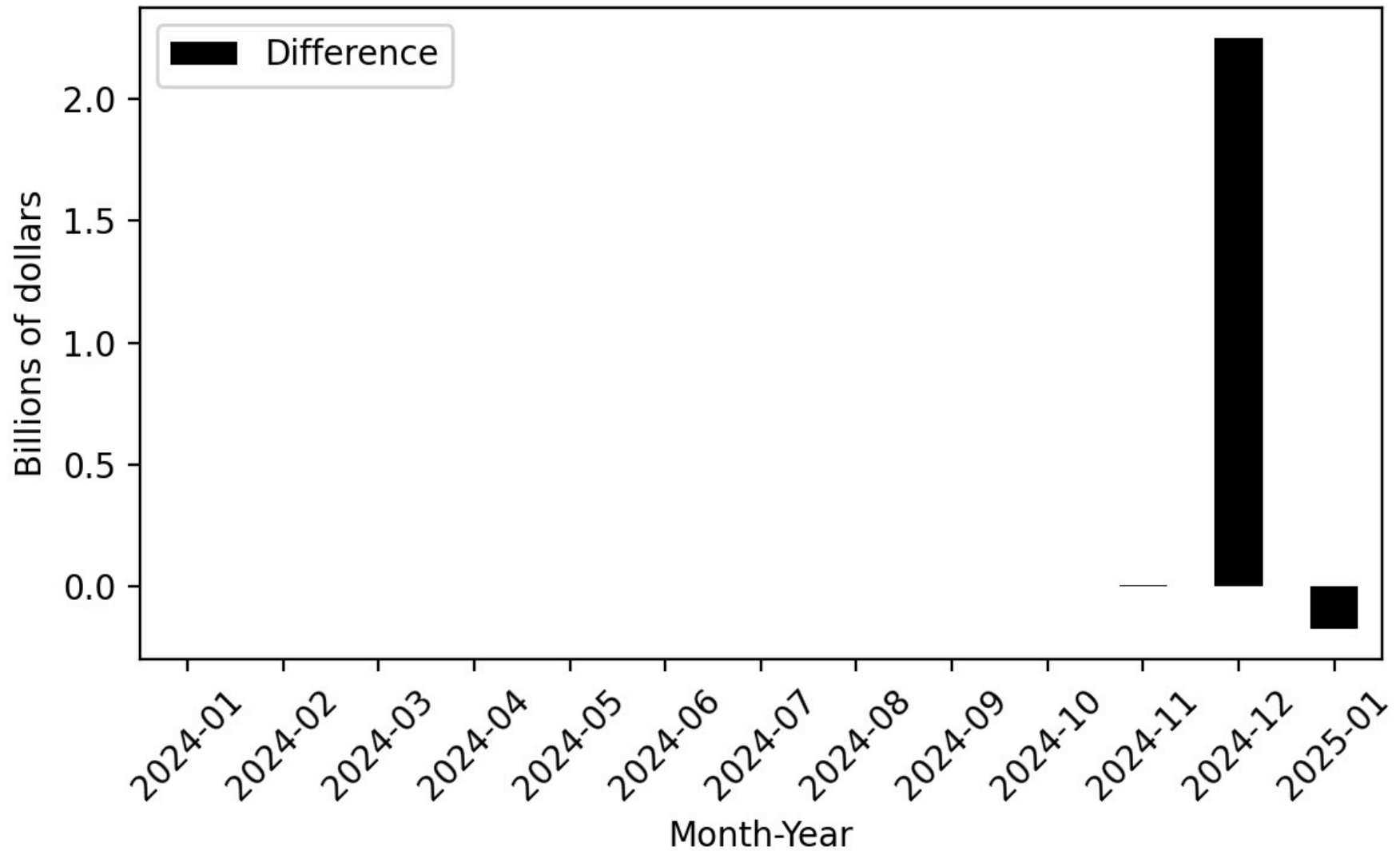


Figure 13

Difference between Actual and 2024-25 Budget Act Forecast:
Corporation Tax

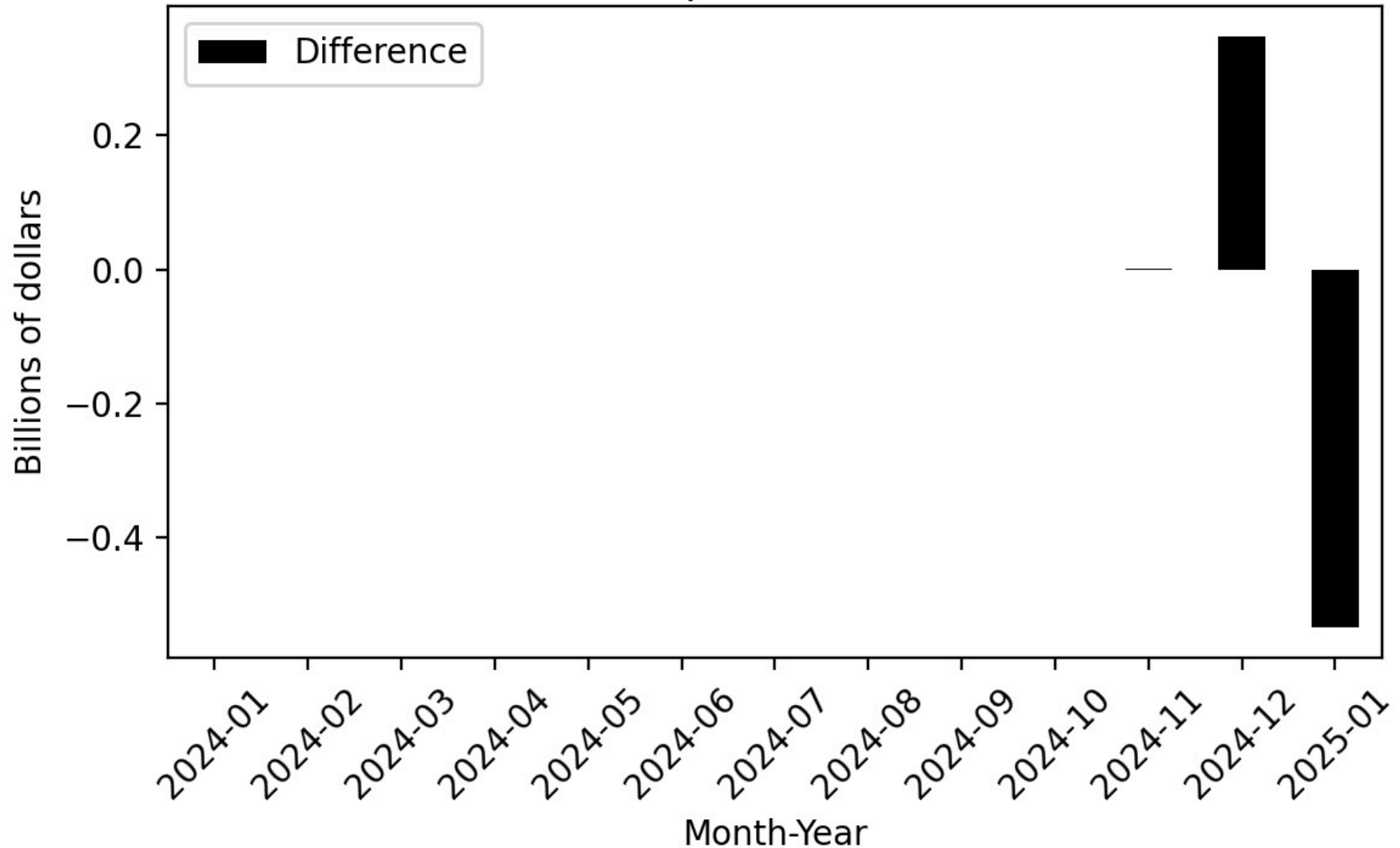


Figure 14

Difference between Actual and 2024-25 Budget Act Forecast:
Sales & Use Tax

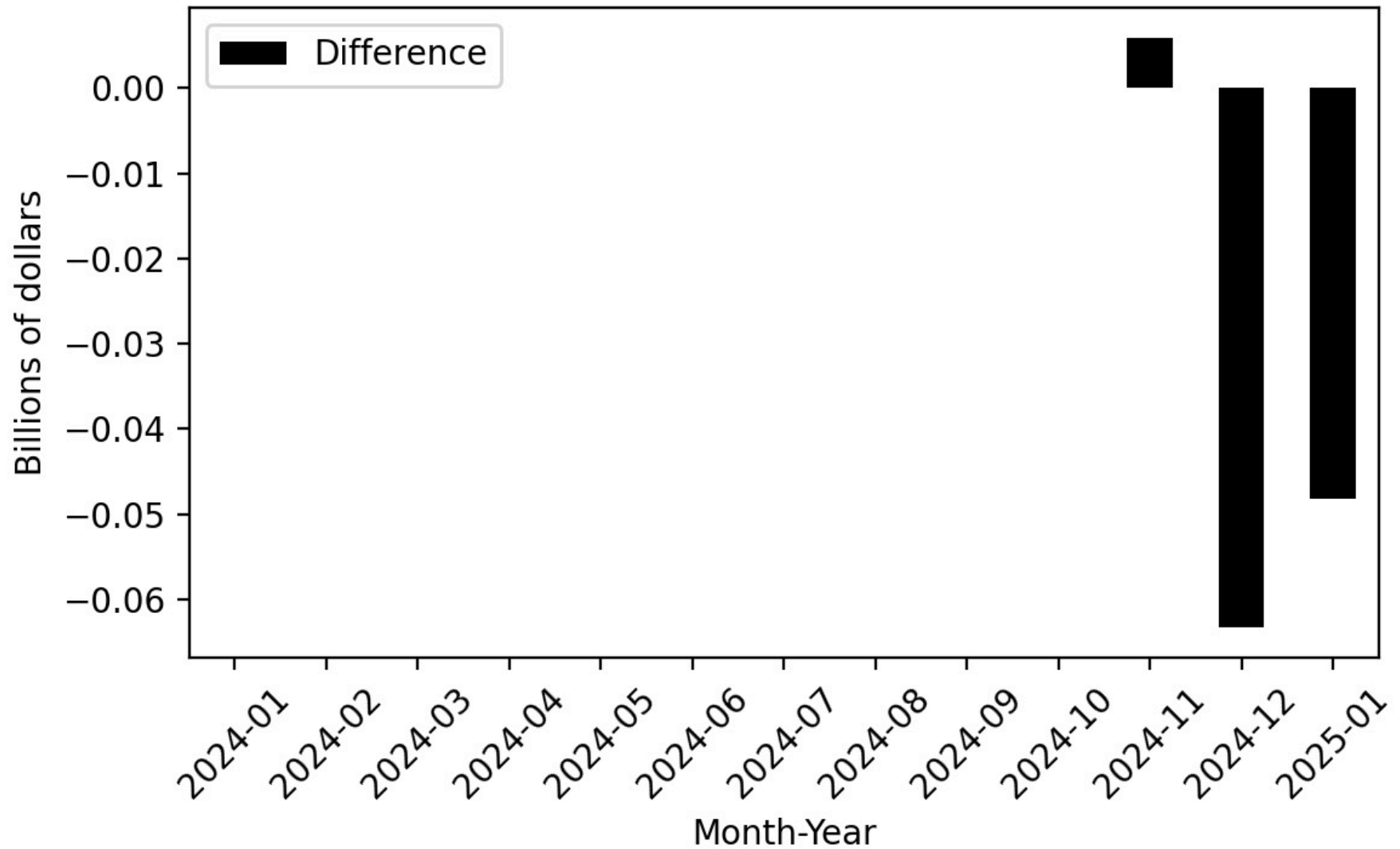


Figure 15

Difference between Actual and 2024-25 Budget Act Forecast: All Other Taxes

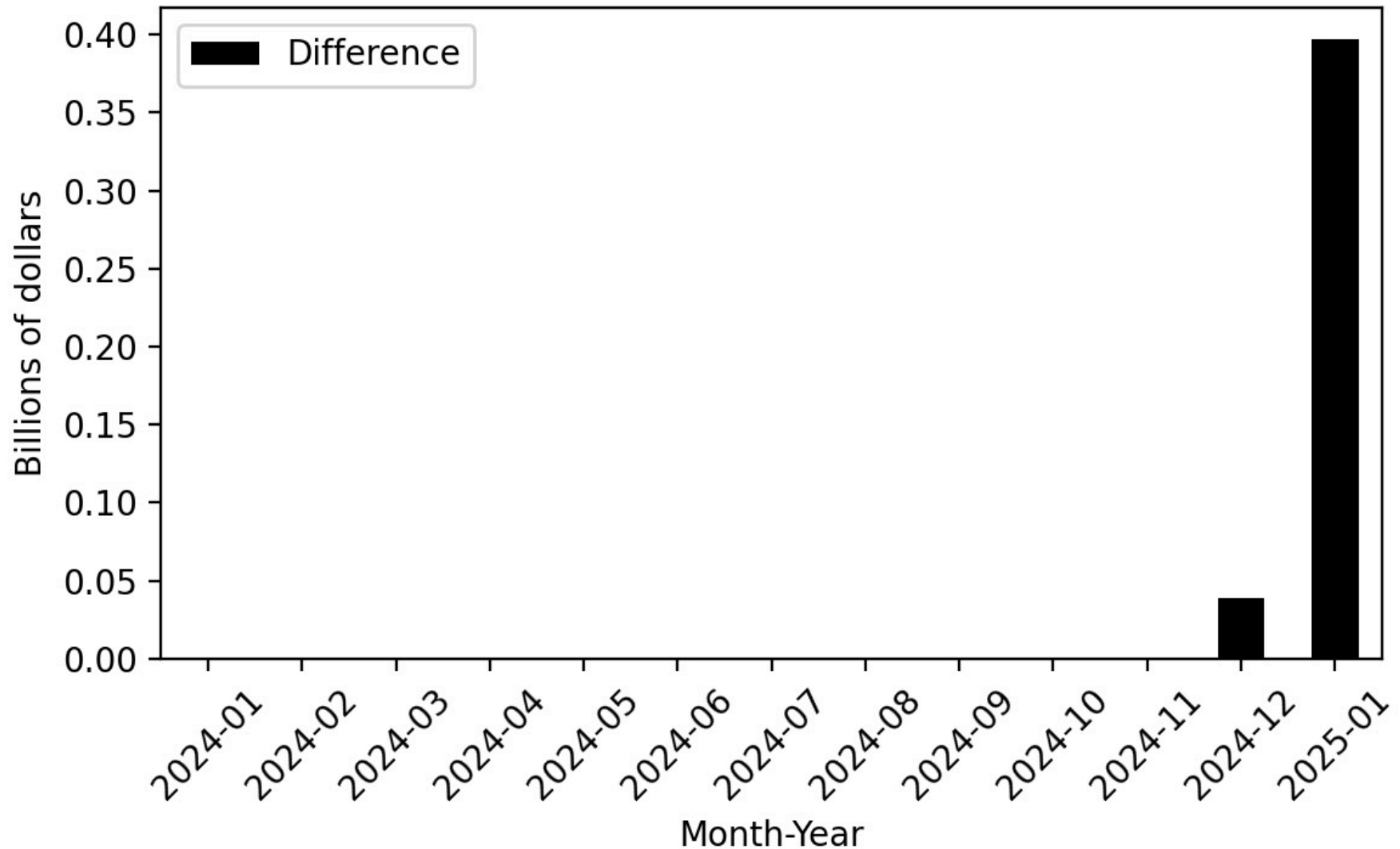


Figure 16

Cumulative Difference between Actual and 2024-25 Budget Act
Forecast: Agency General Fund Cash Receipts

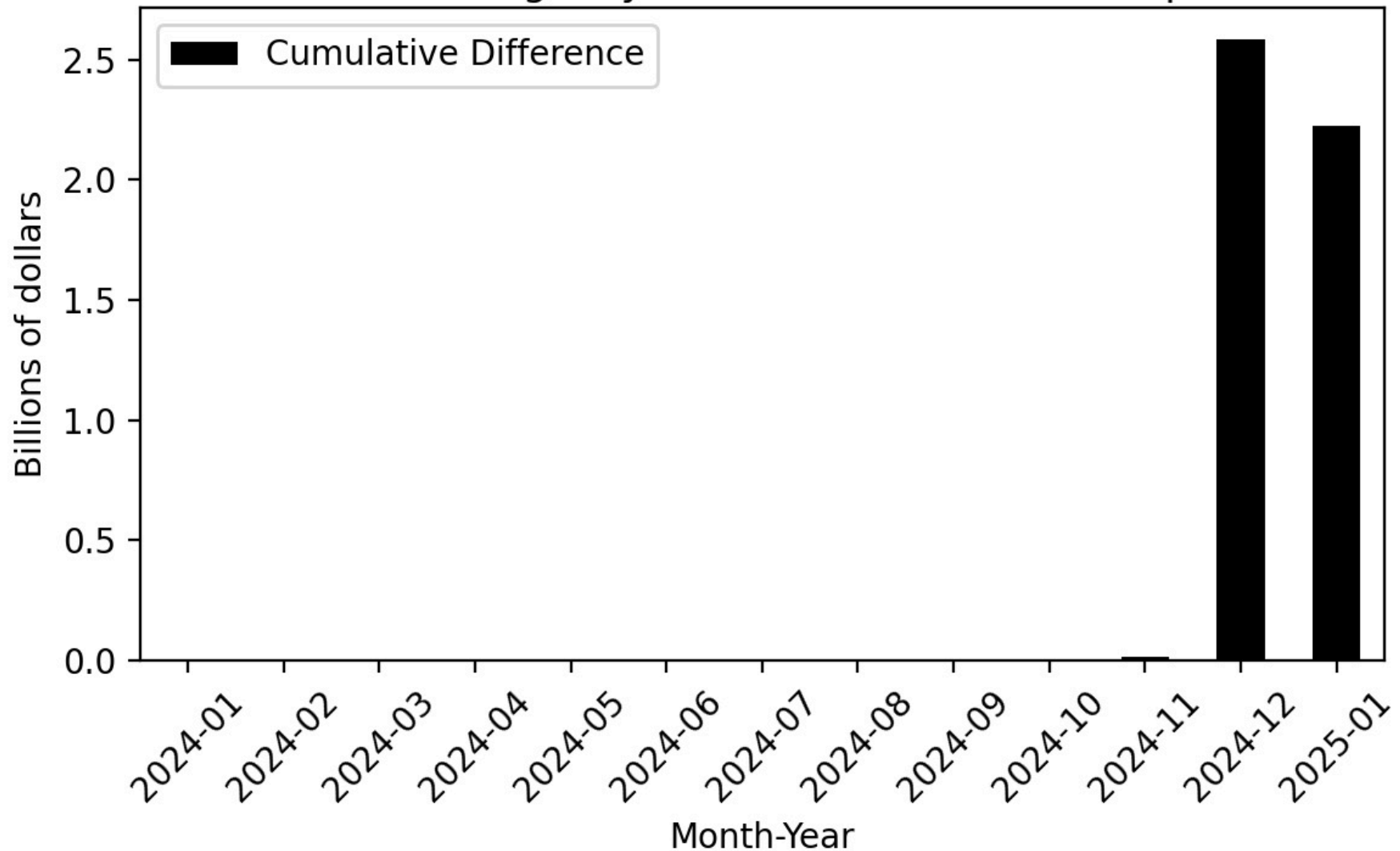


Figure 17

Cumulative Difference between Actual and 2024-25 Budget Act
Forecast: Personal Income Tax

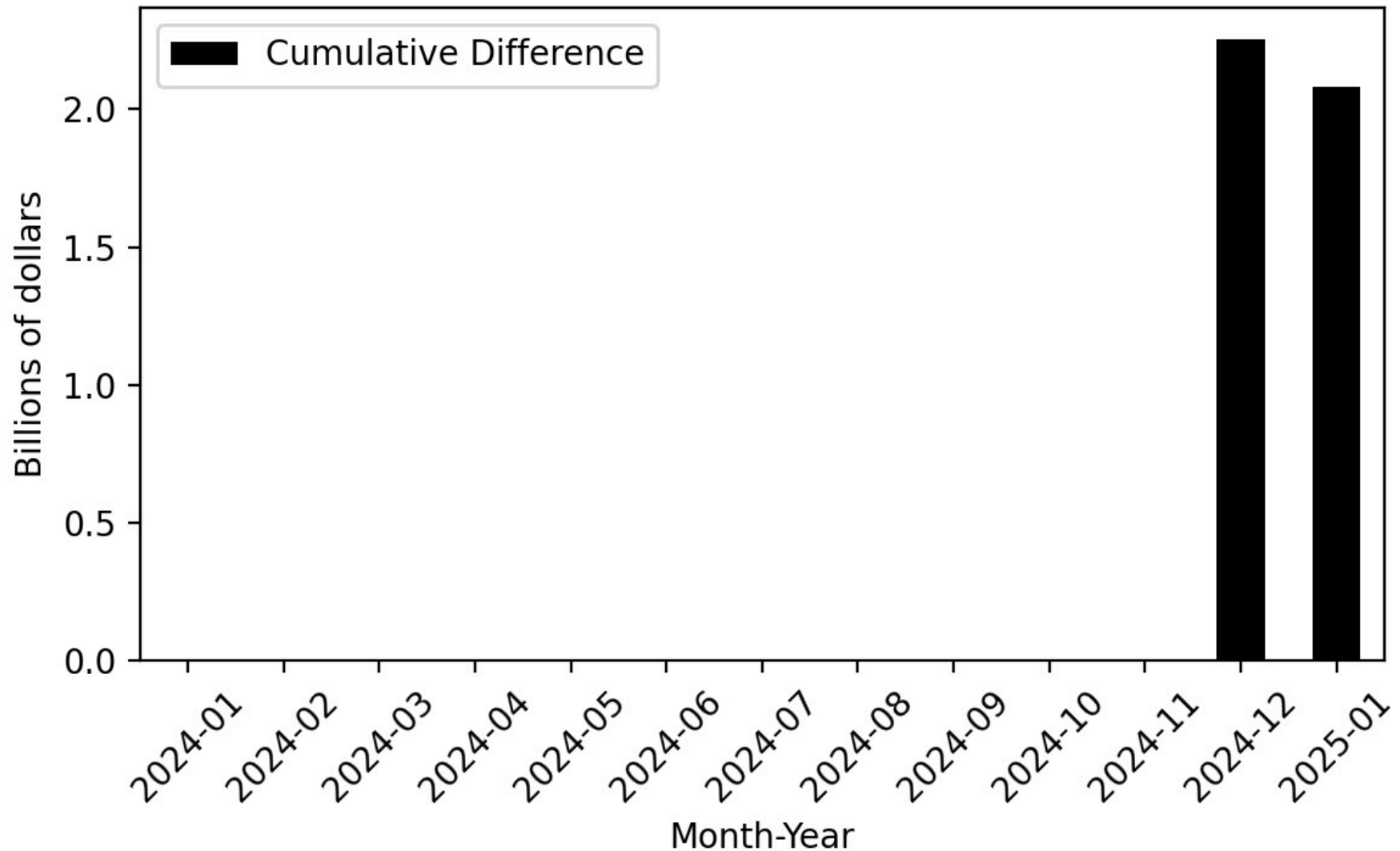


Figure 18

Cumulative Difference between Actual and 2024-25 Budget Act
Forecast: Corporation Tax

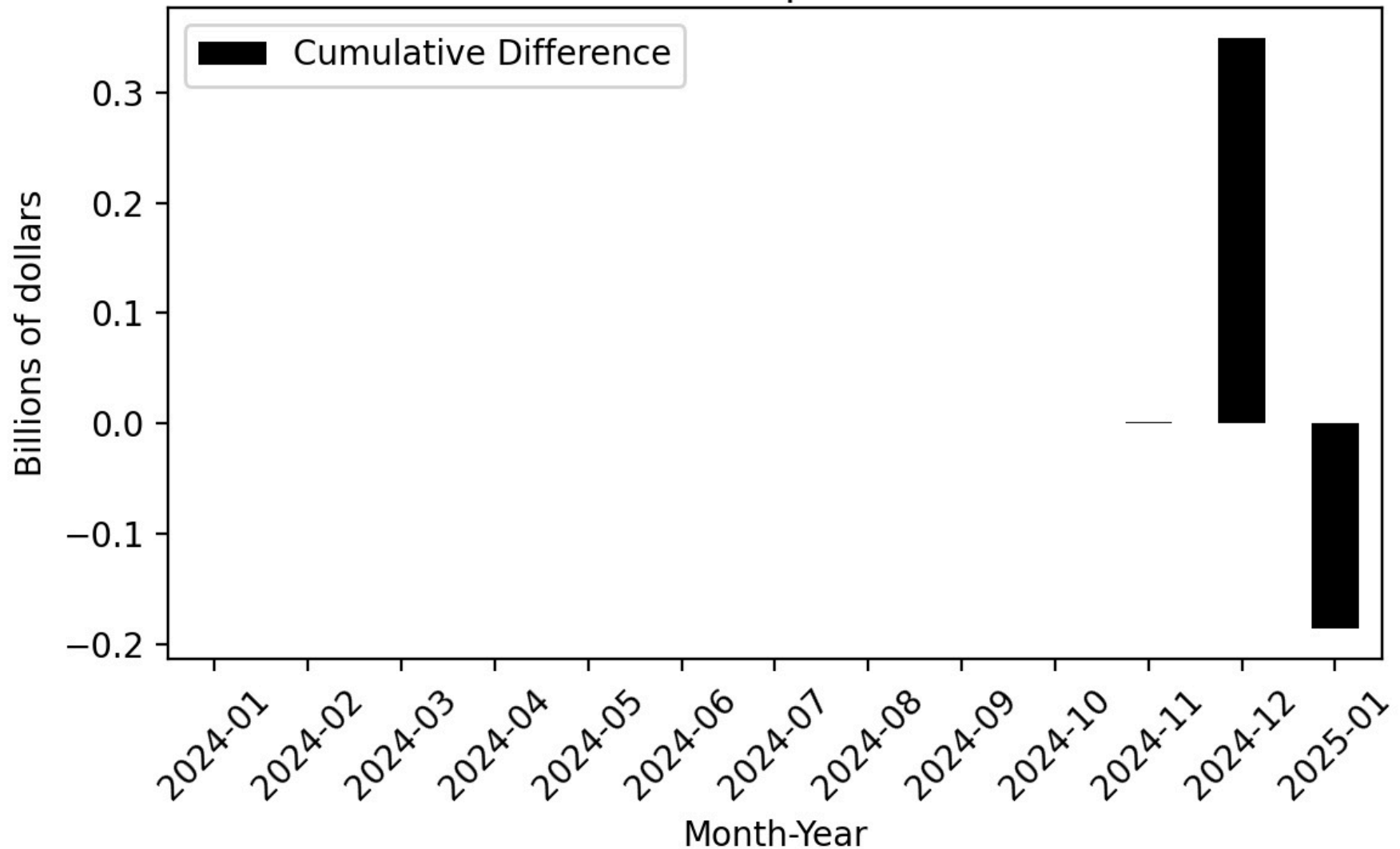


Figure 19

Cumulative Difference between Actual and 2024-25 Budget Act
Forecast: Sales & Use Tax

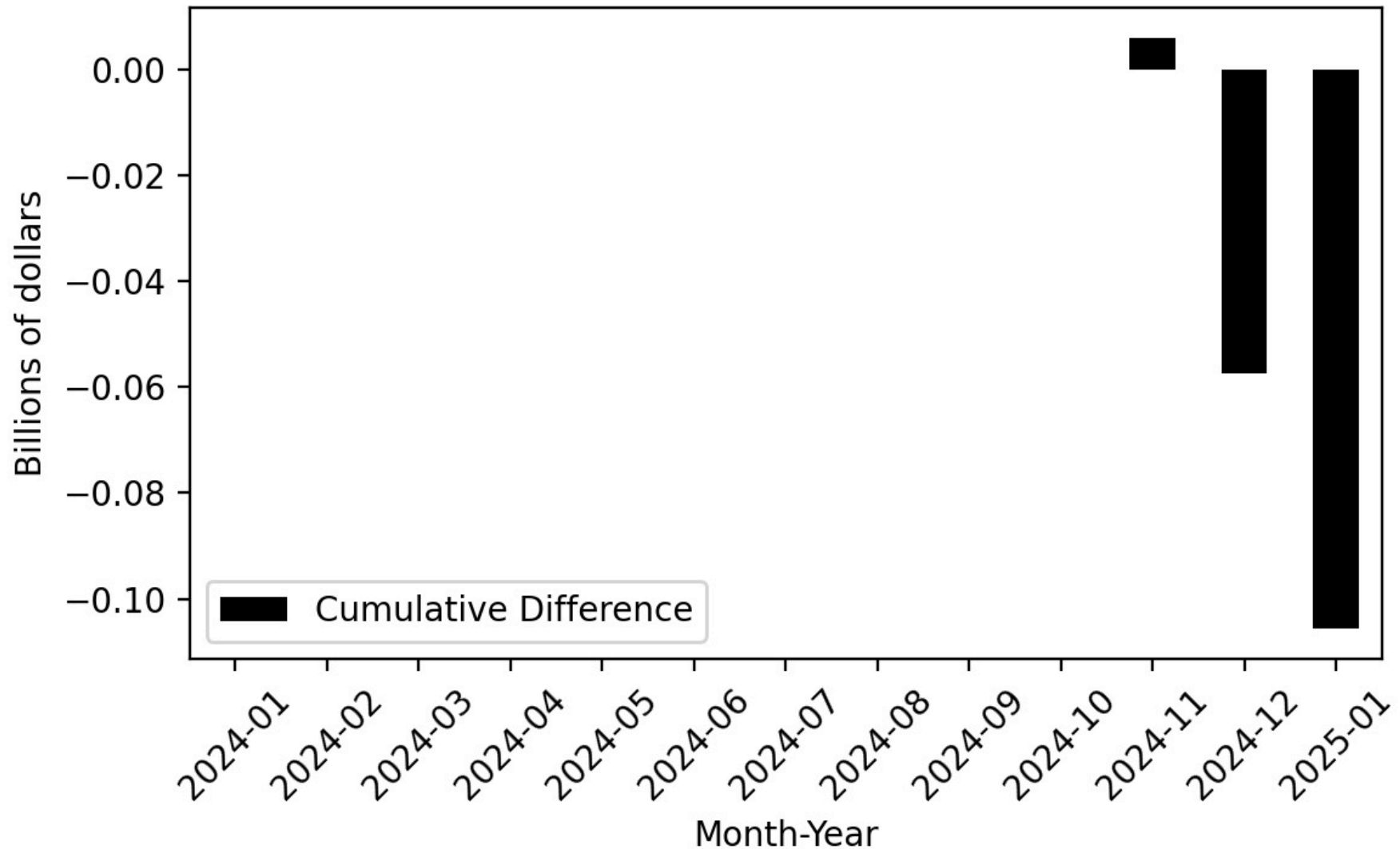


Figure 20

Cumulative Difference between Actual and 2024-25 Budget Act
Forecast: All Other Taxes

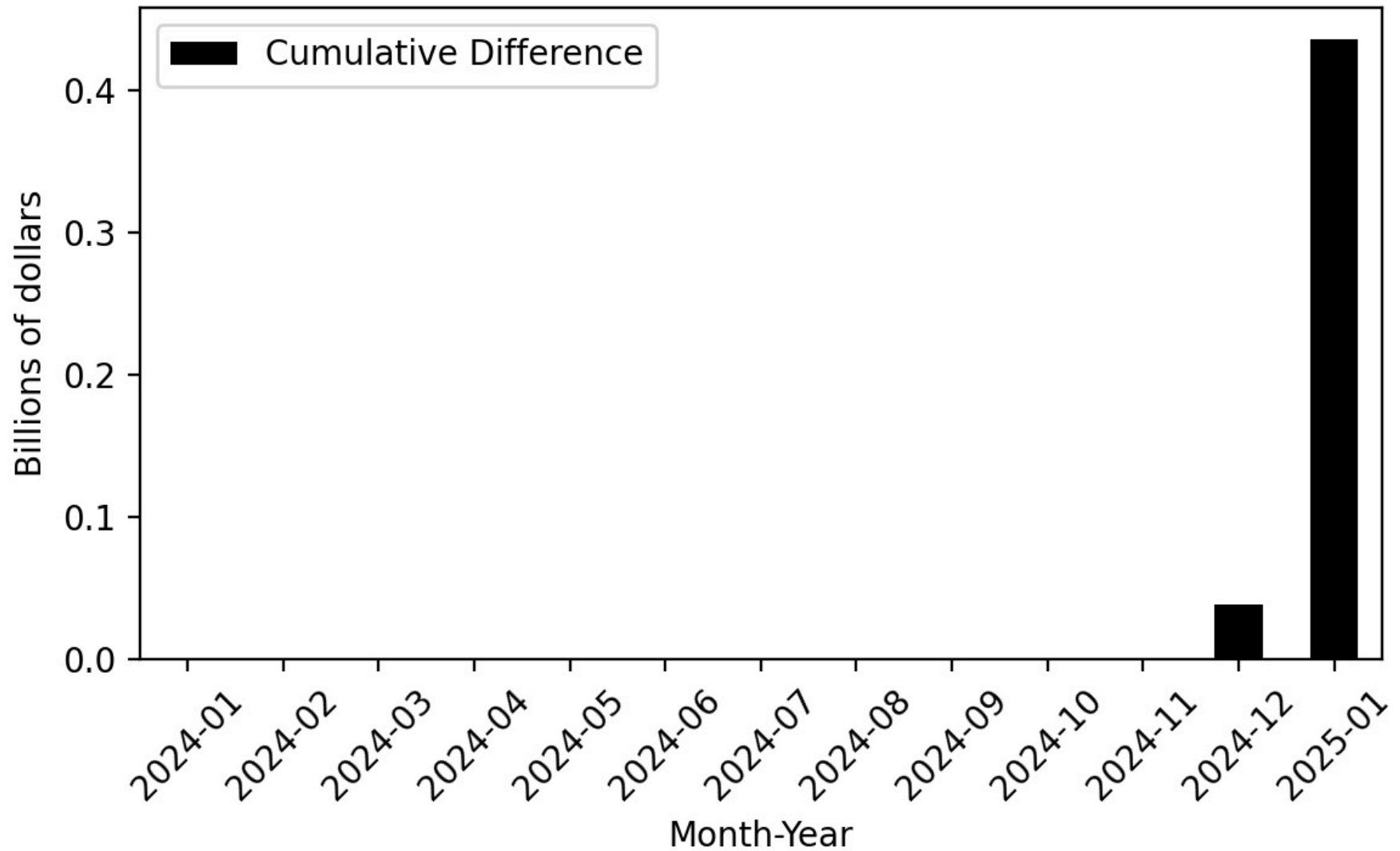


Figure 21

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
- Agency General Fund Cash Receipts

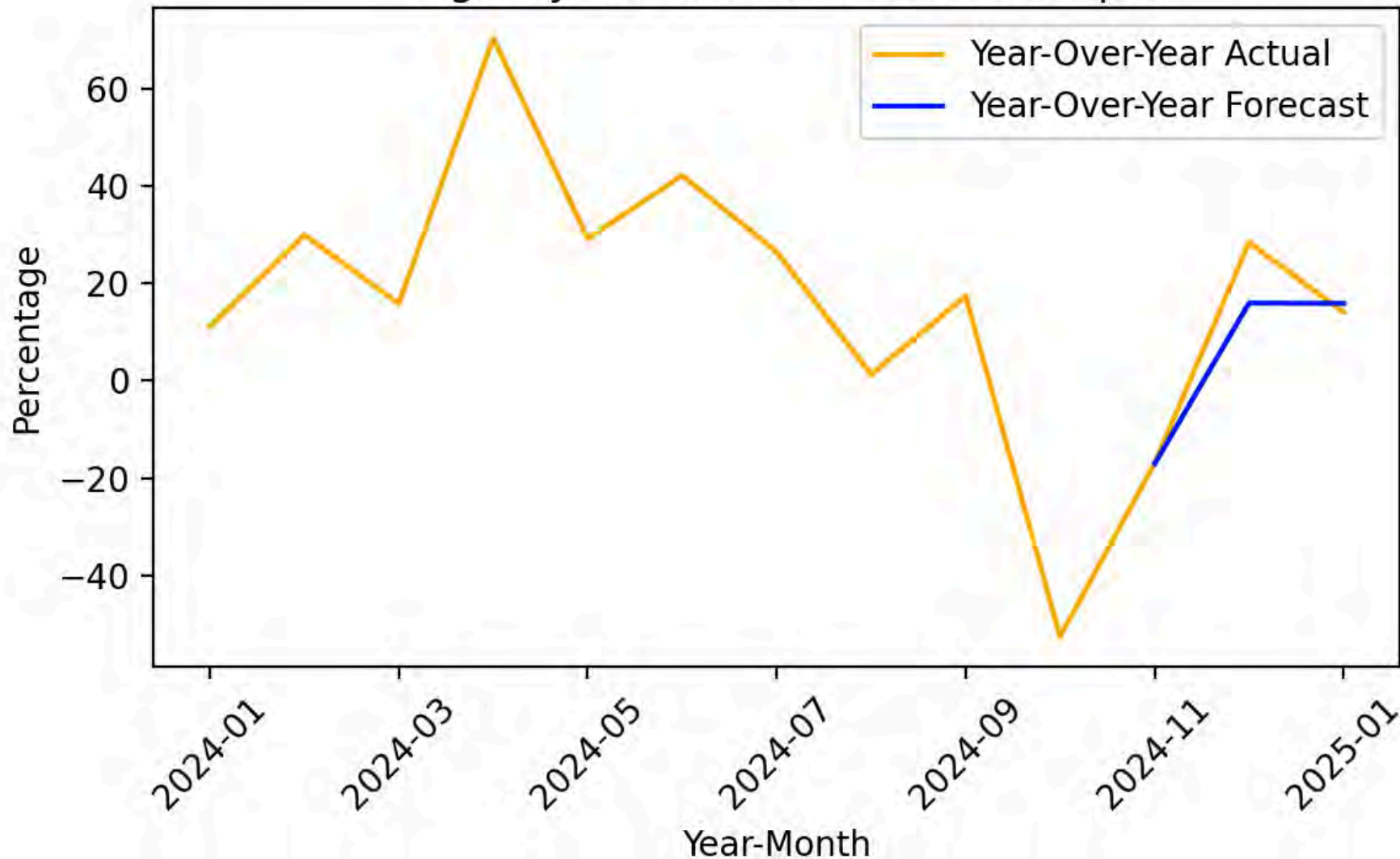


Figure 22

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Personal Income

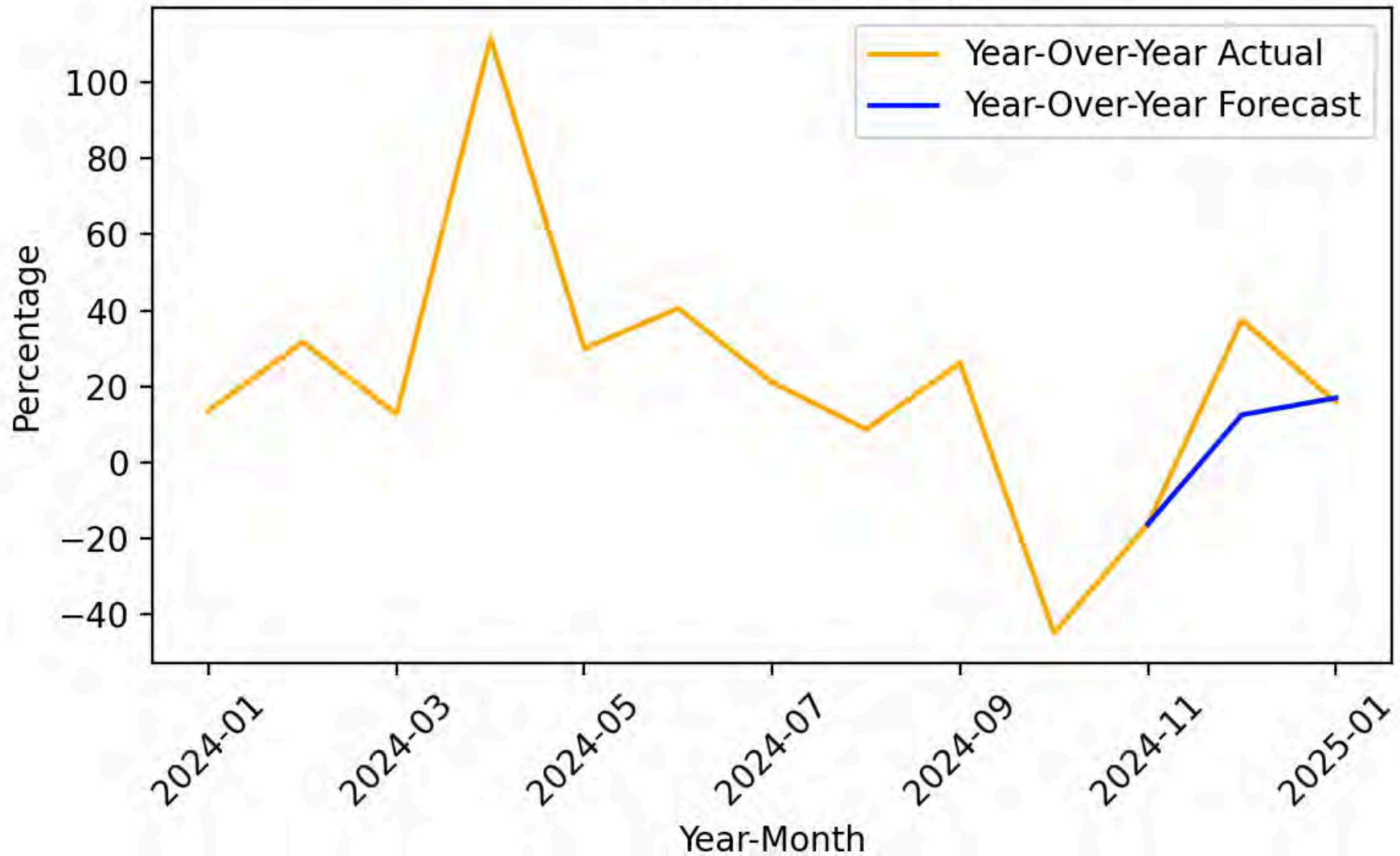


Figure 23

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast Corp-Corporation

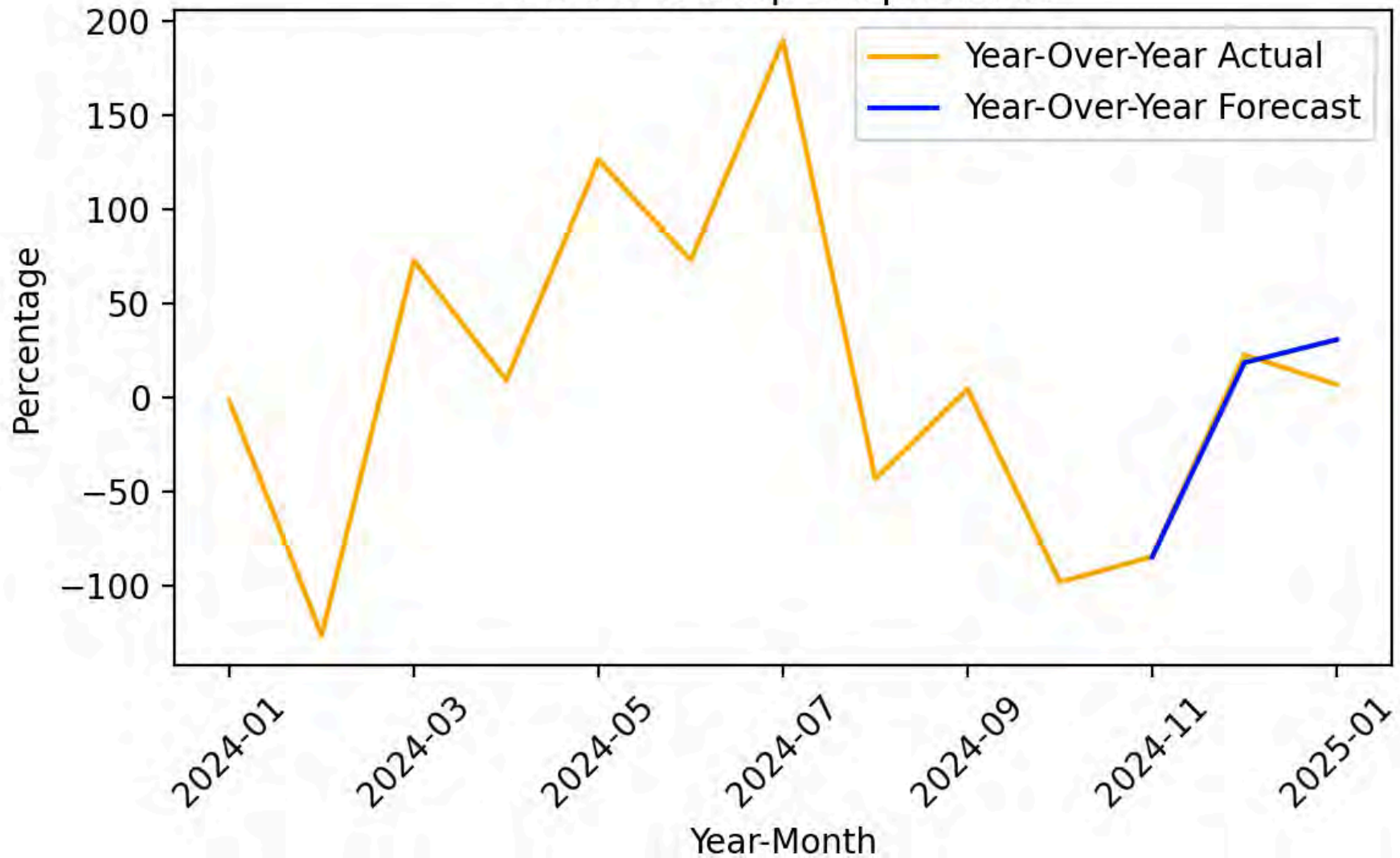


Figure 24

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
SUT-Sales & Use

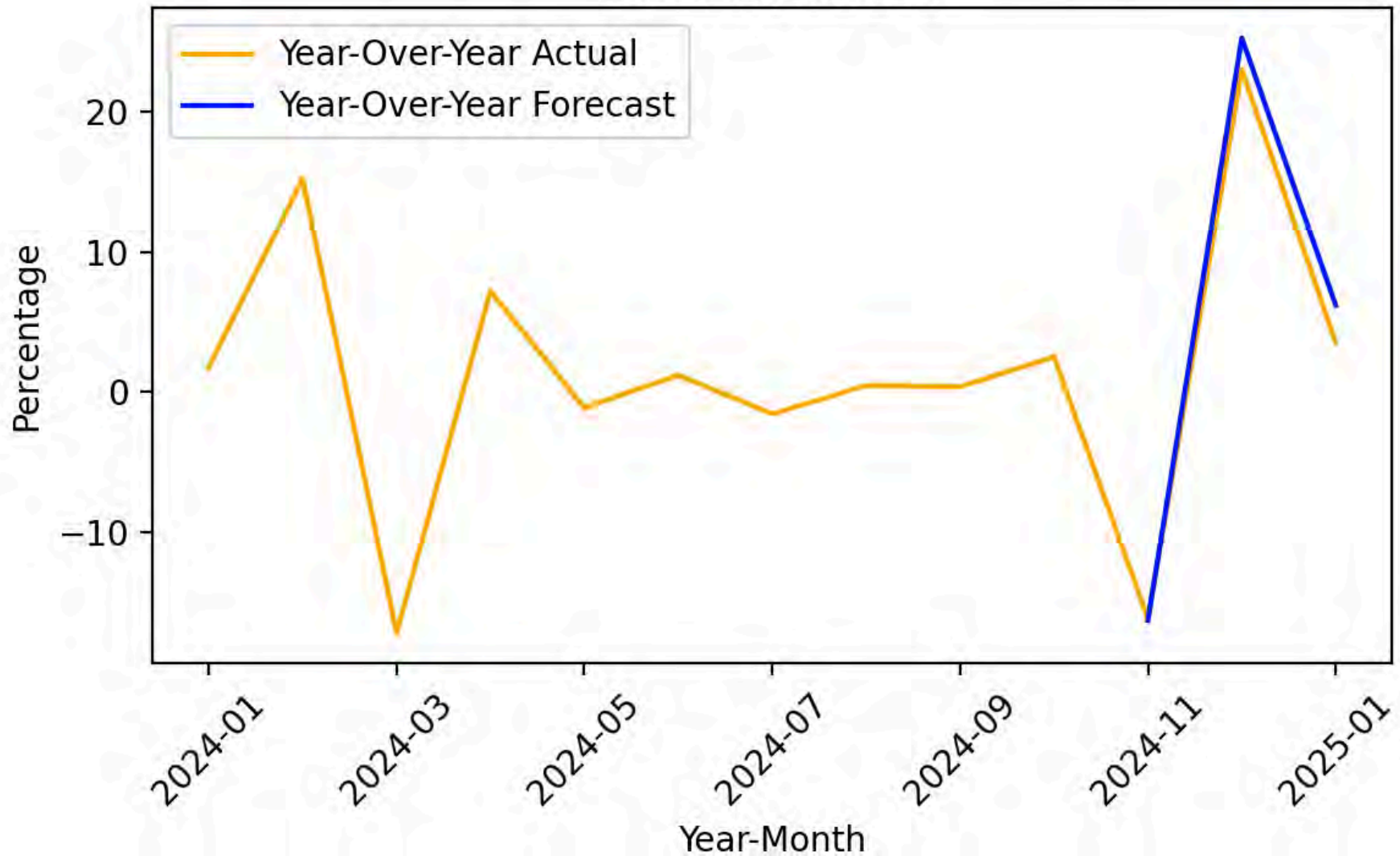


Figure 25

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-All Other Revenue

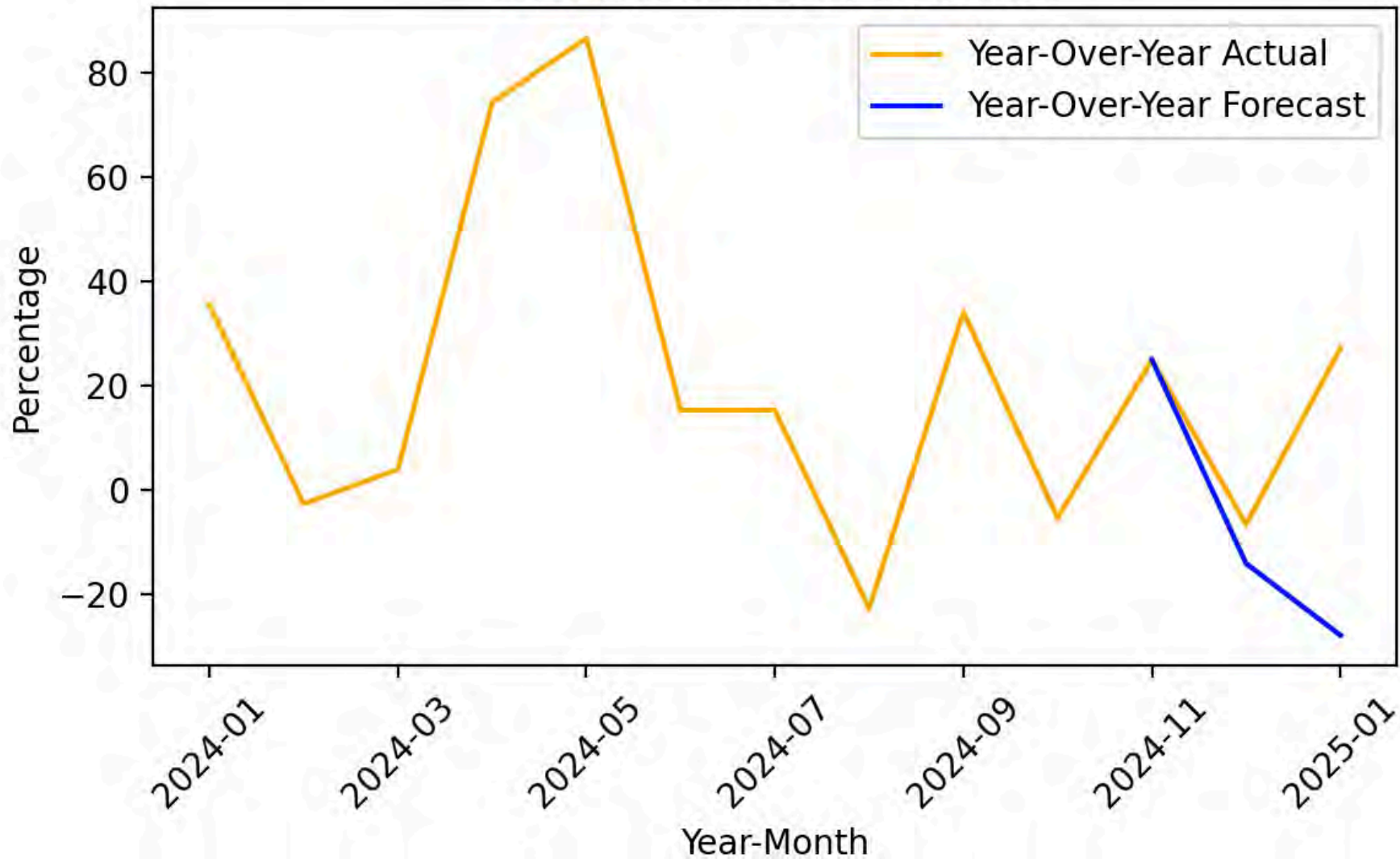


Figure 26

Agency General Fund Revenues - Actual

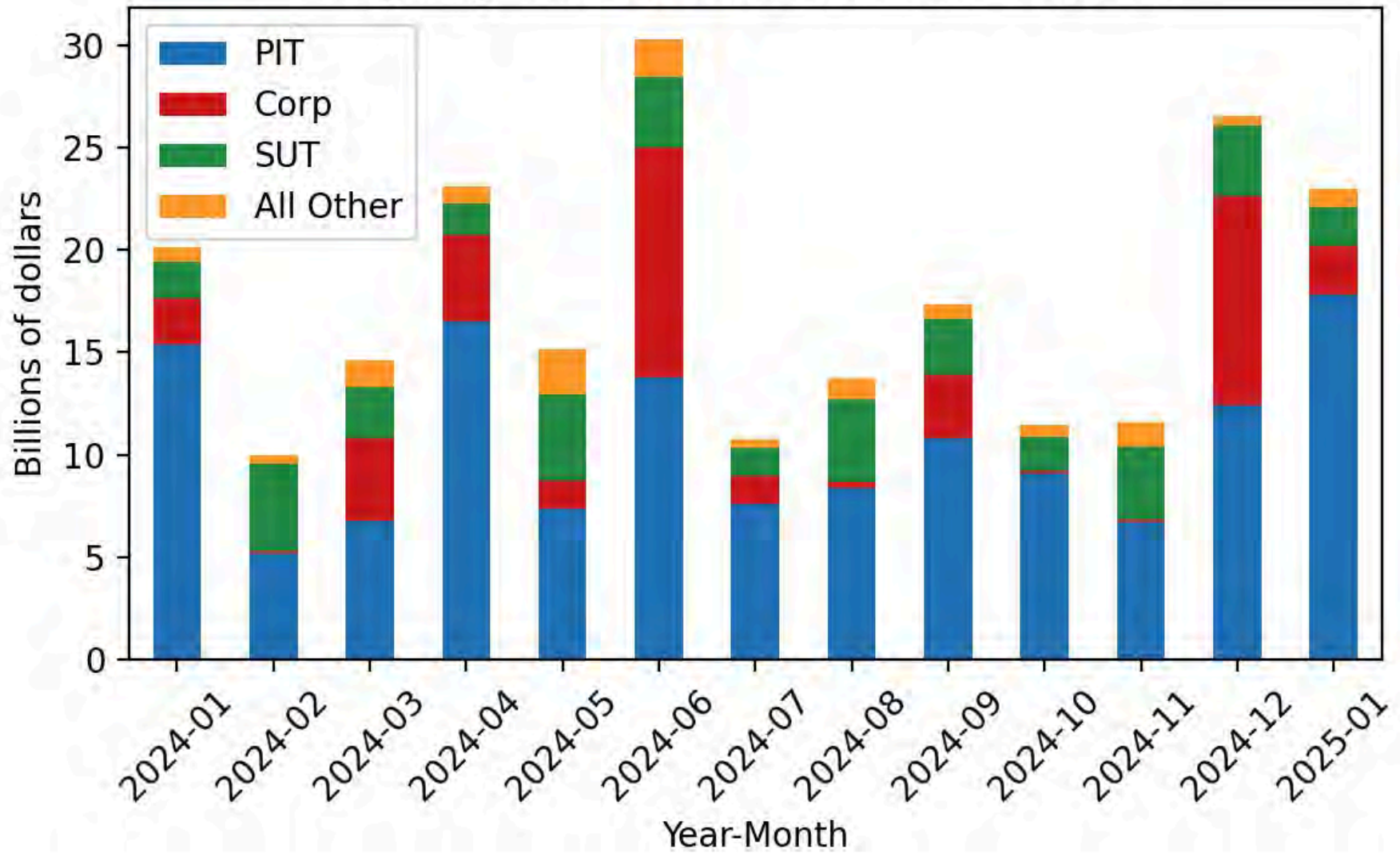


Figure 27

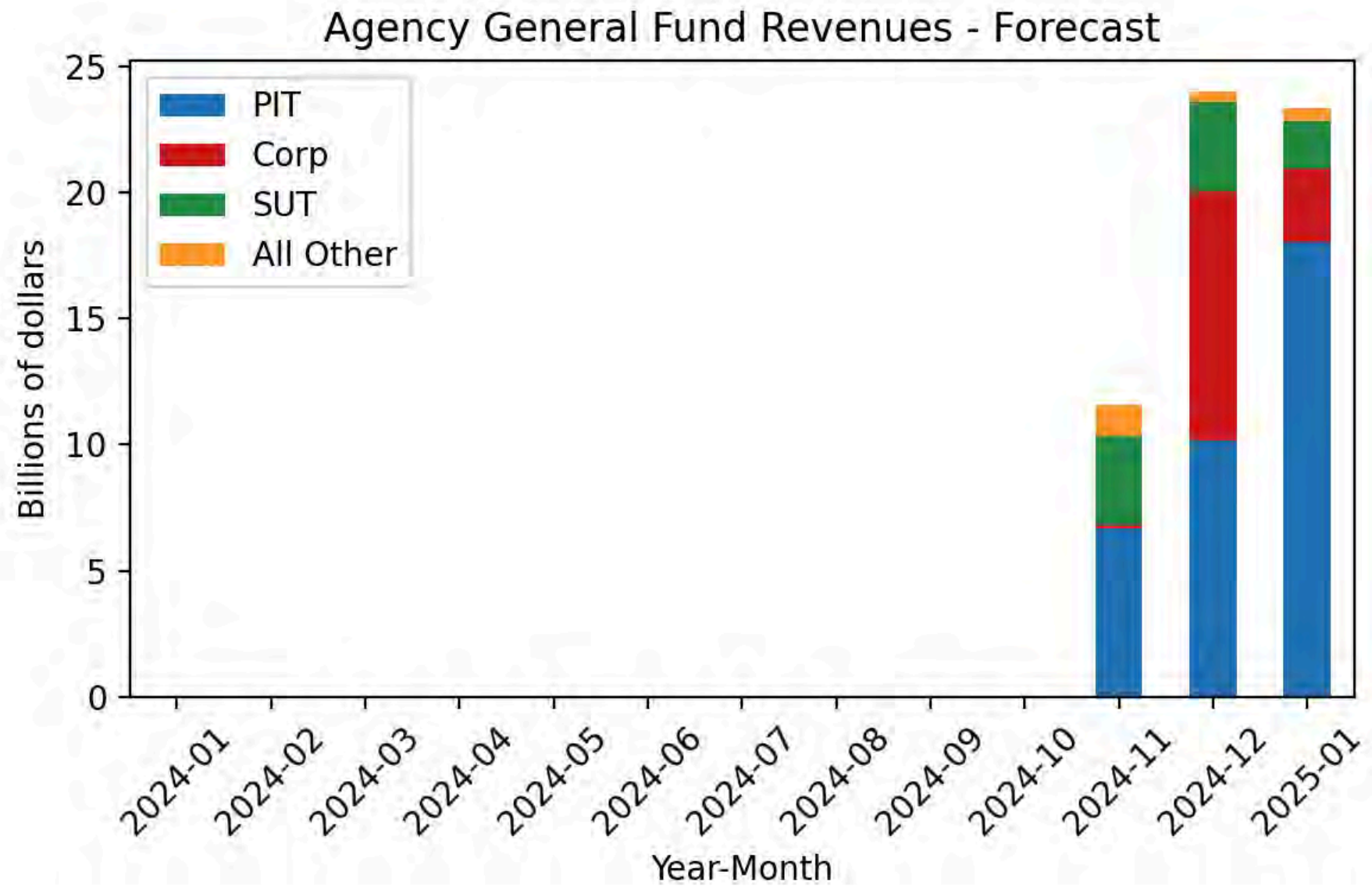


Figure 28

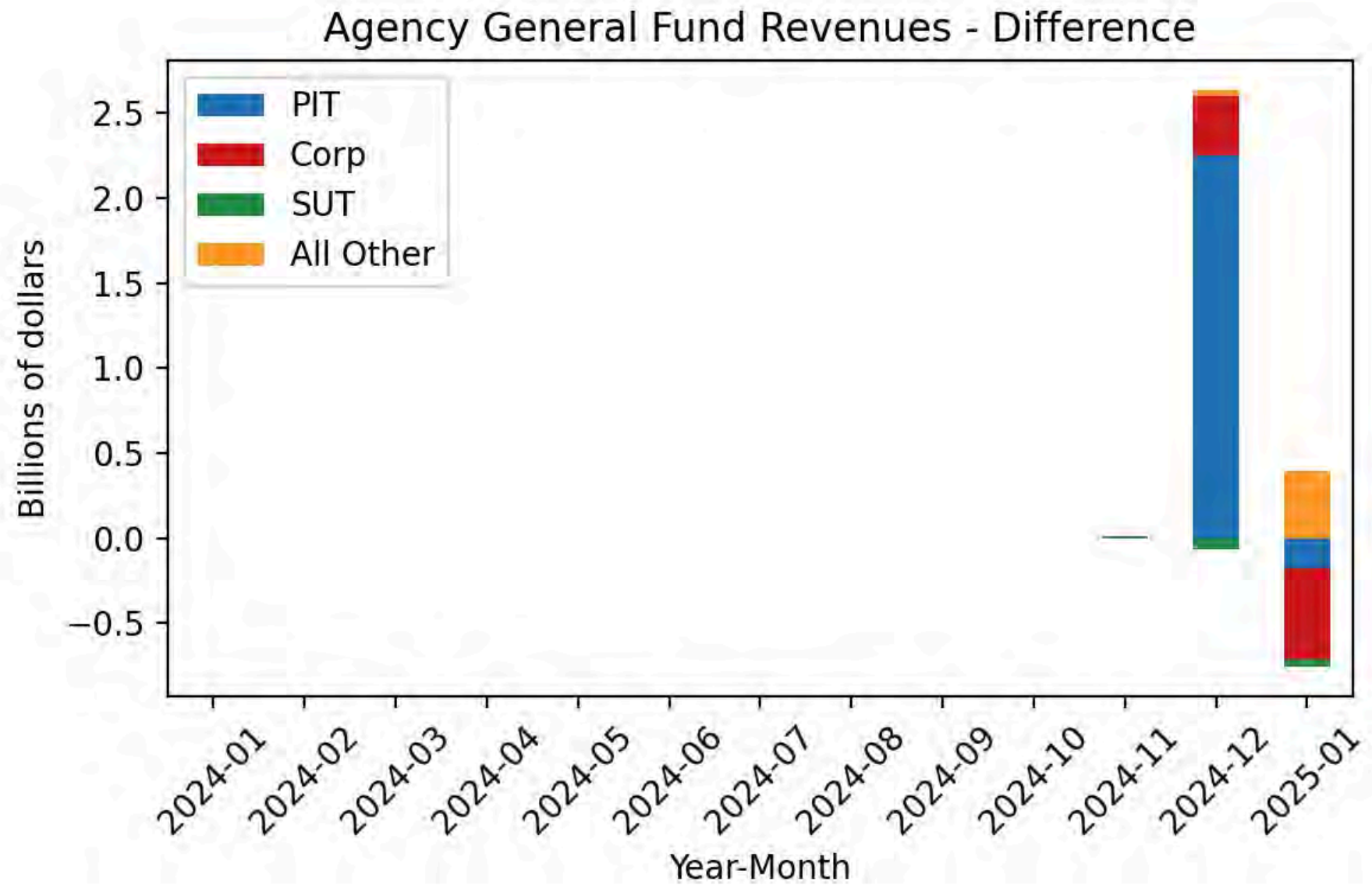


Figure 29

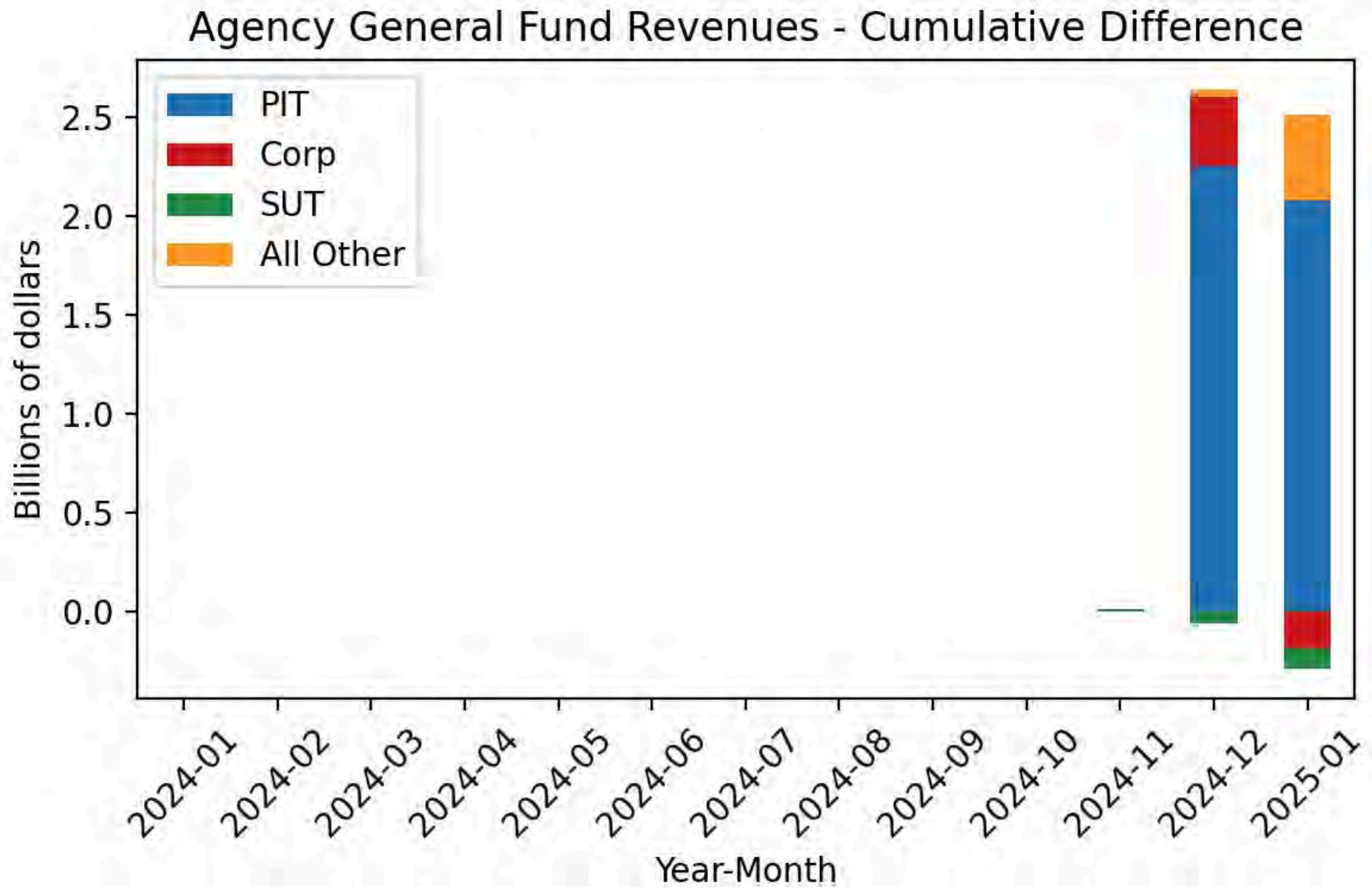


Figure 30

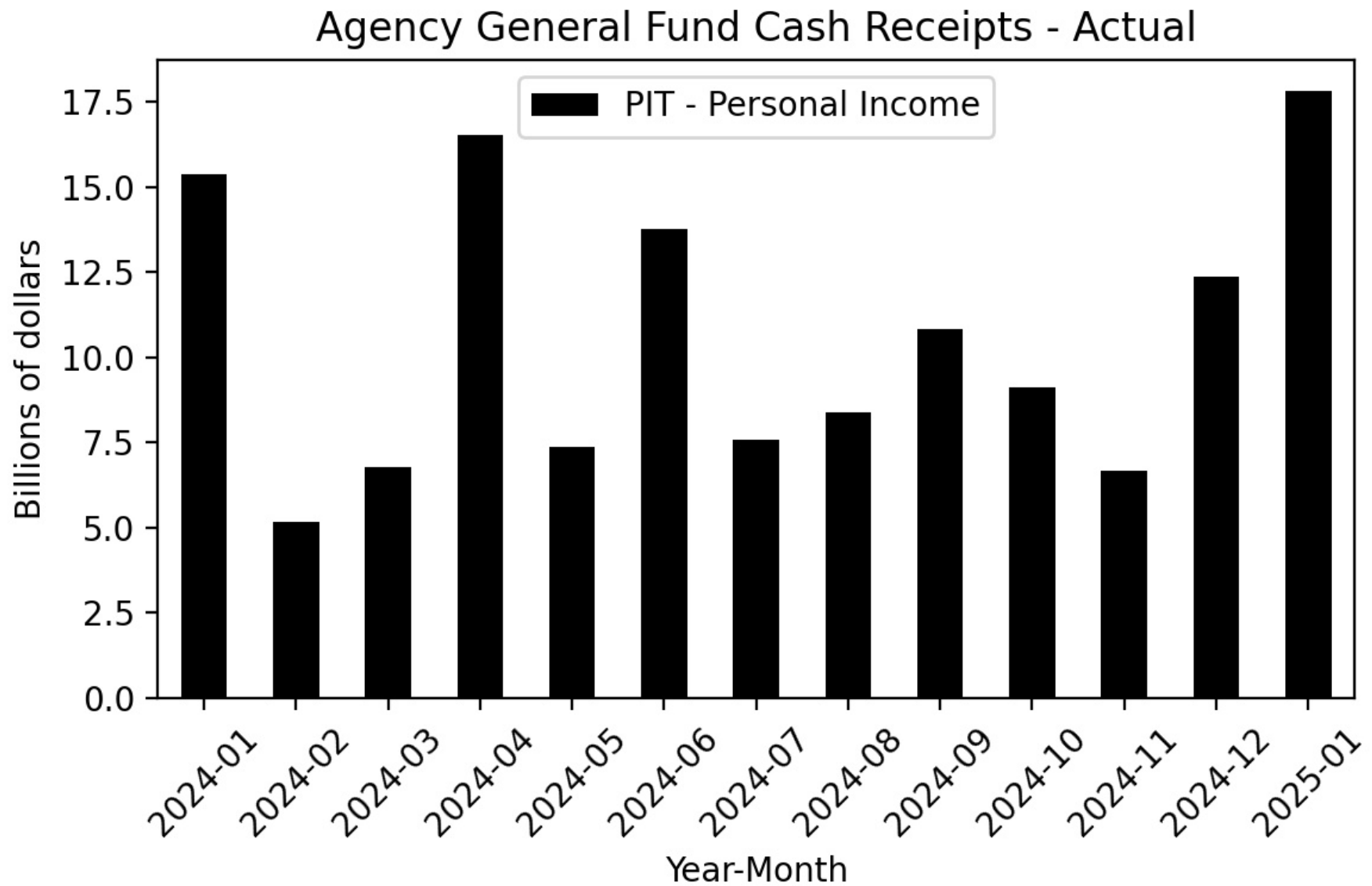


Figure 31

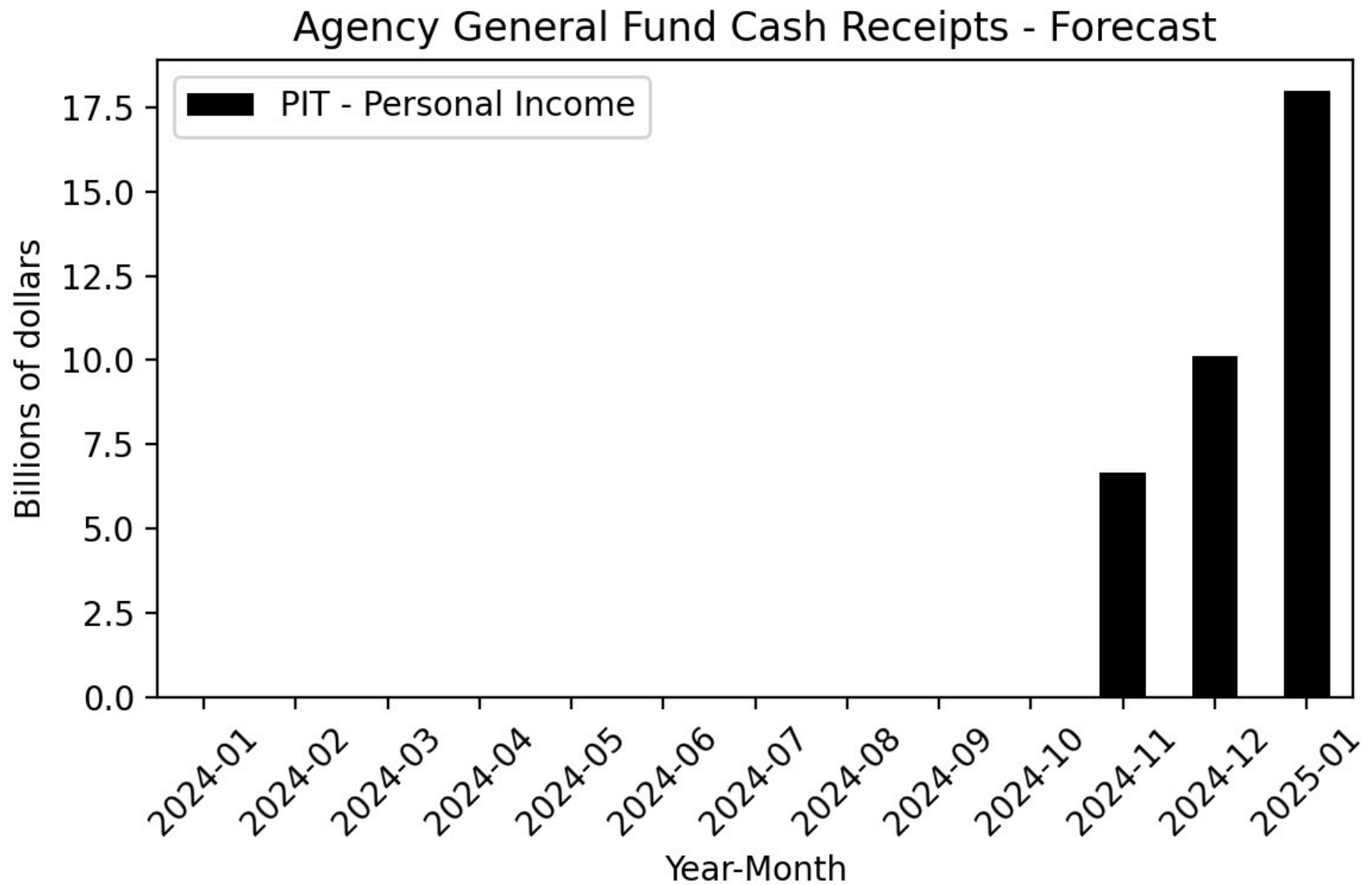


Figure 32

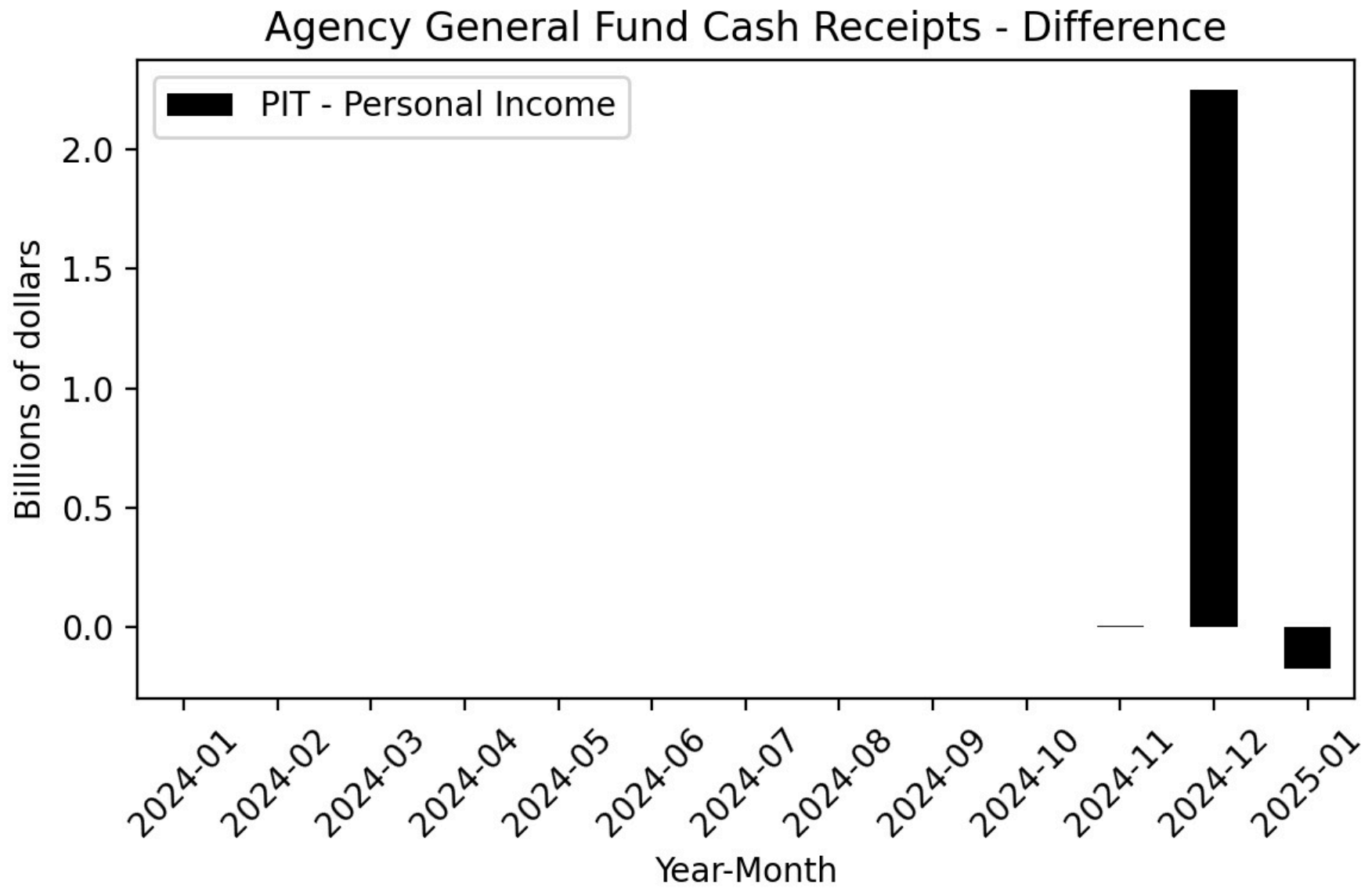


Figure 33

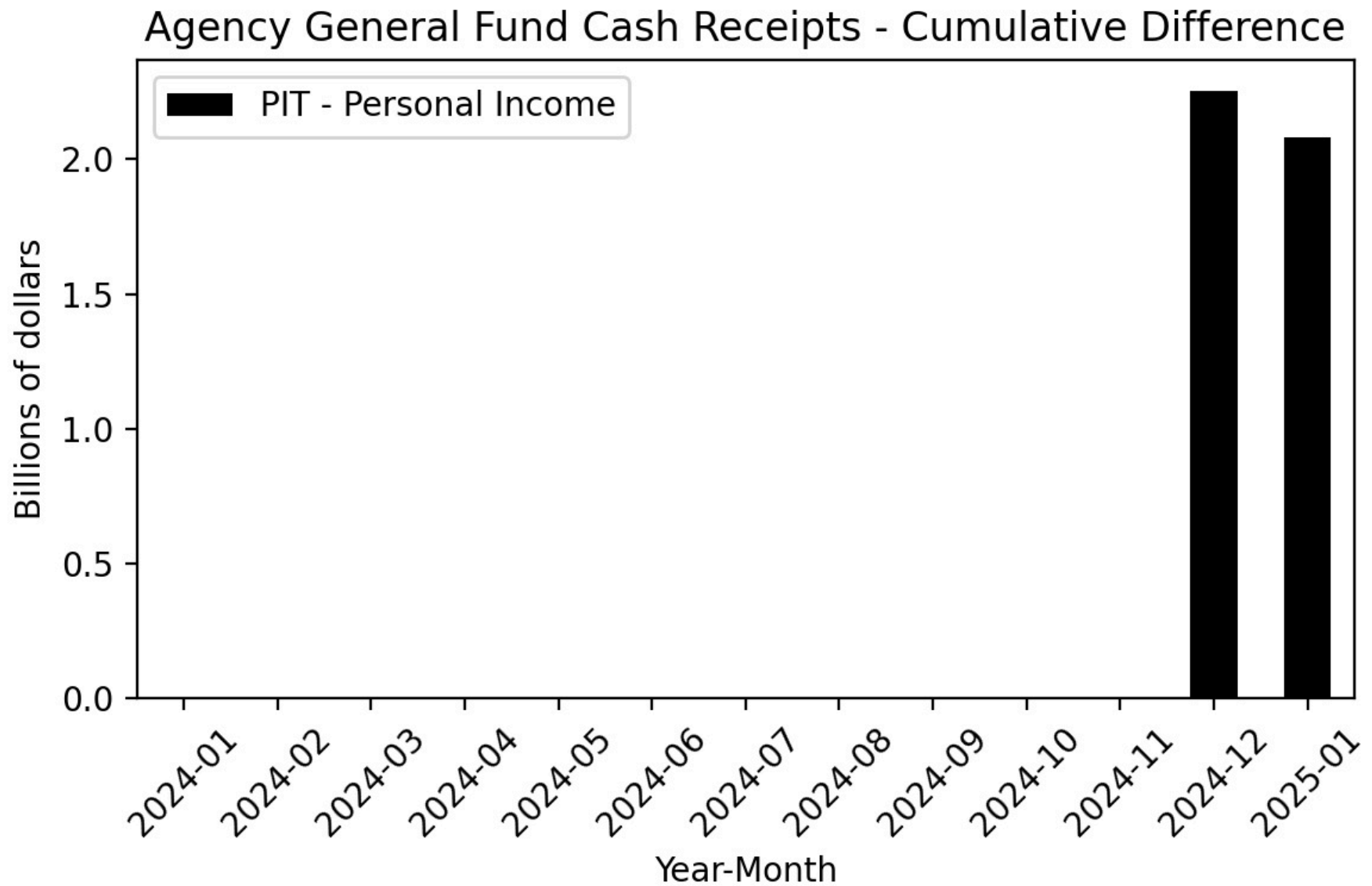


Figure 34

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Personal Income

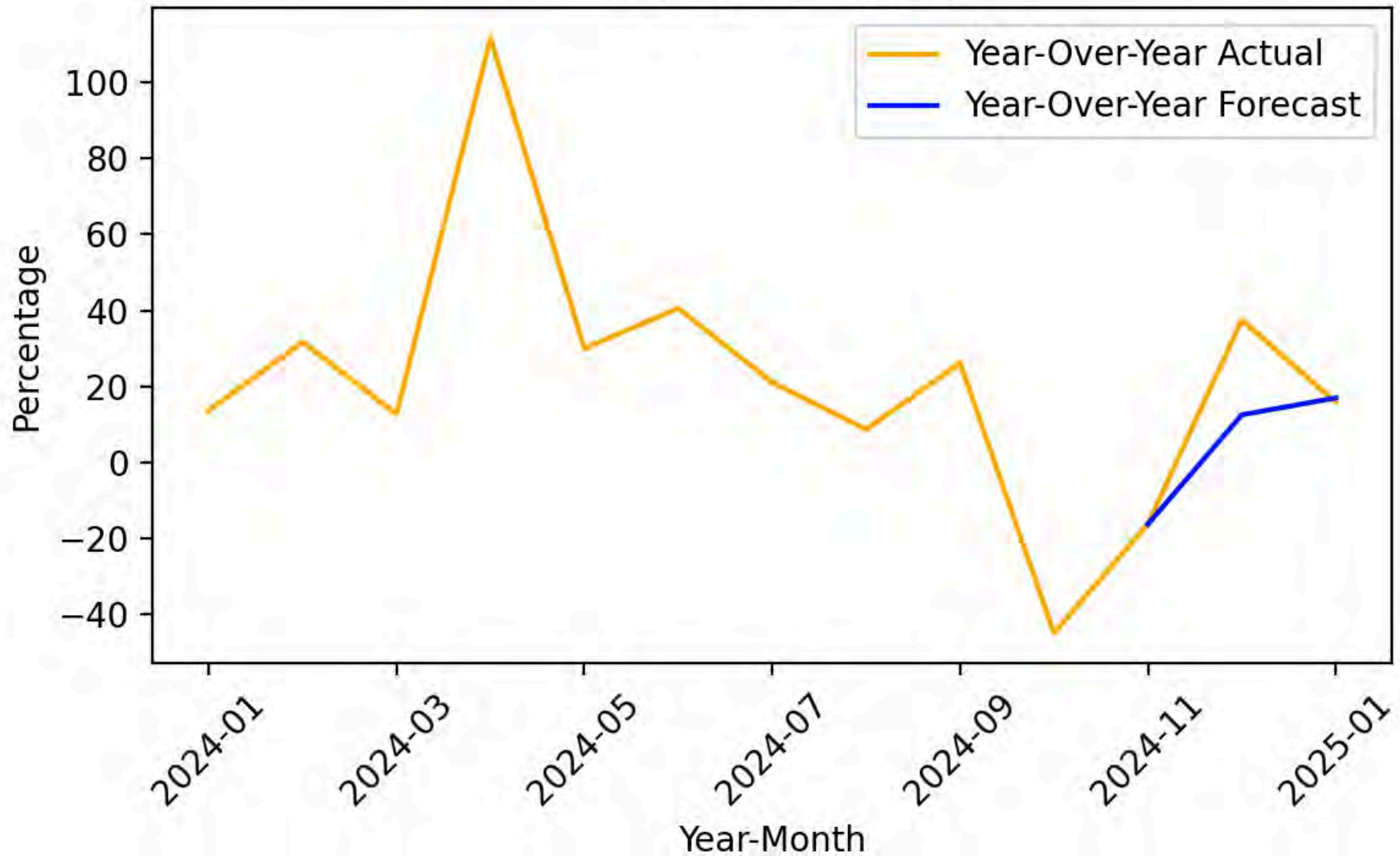


Figure 35

Agency General Fund Cash Receipts - Actual

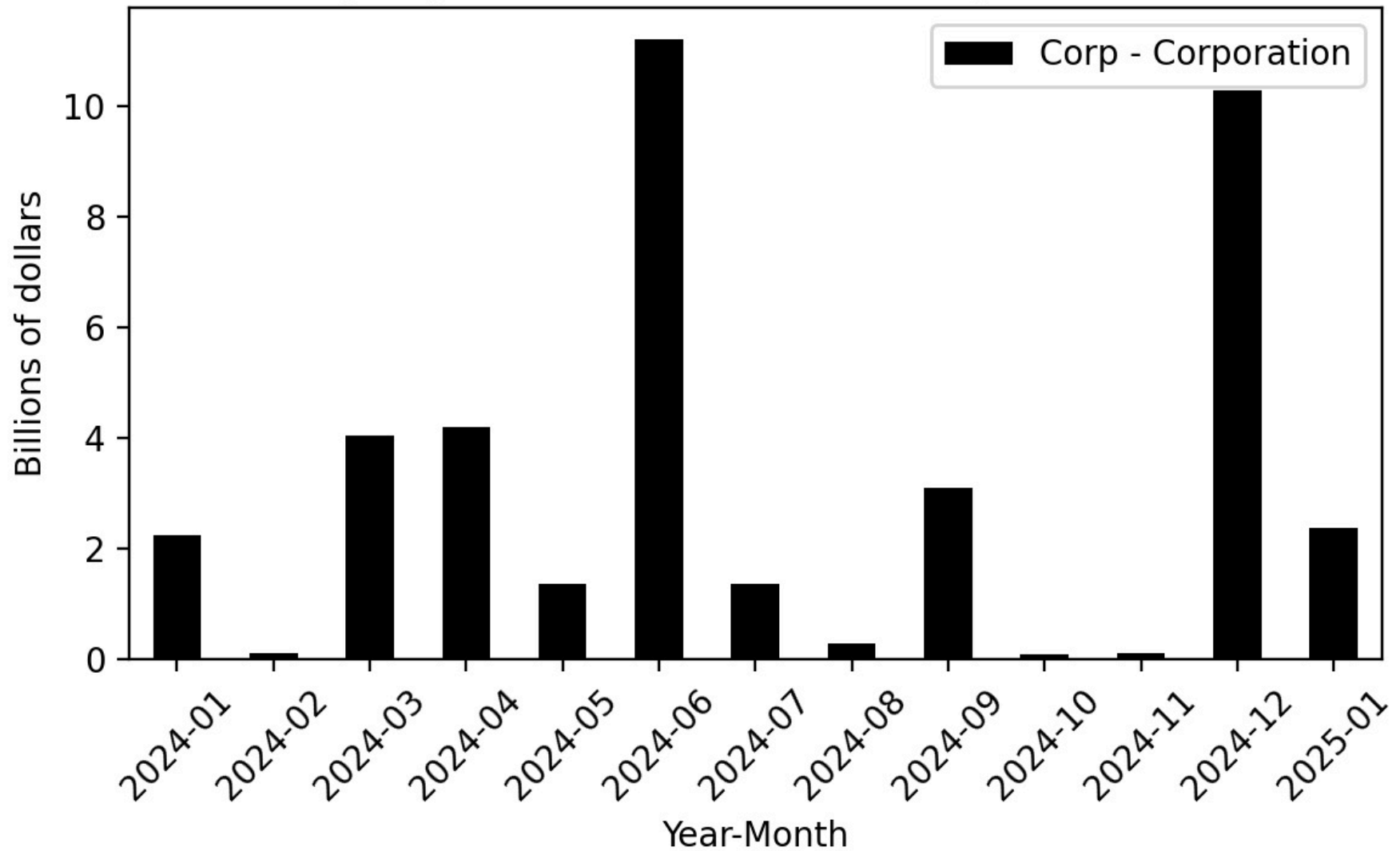


Figure 36

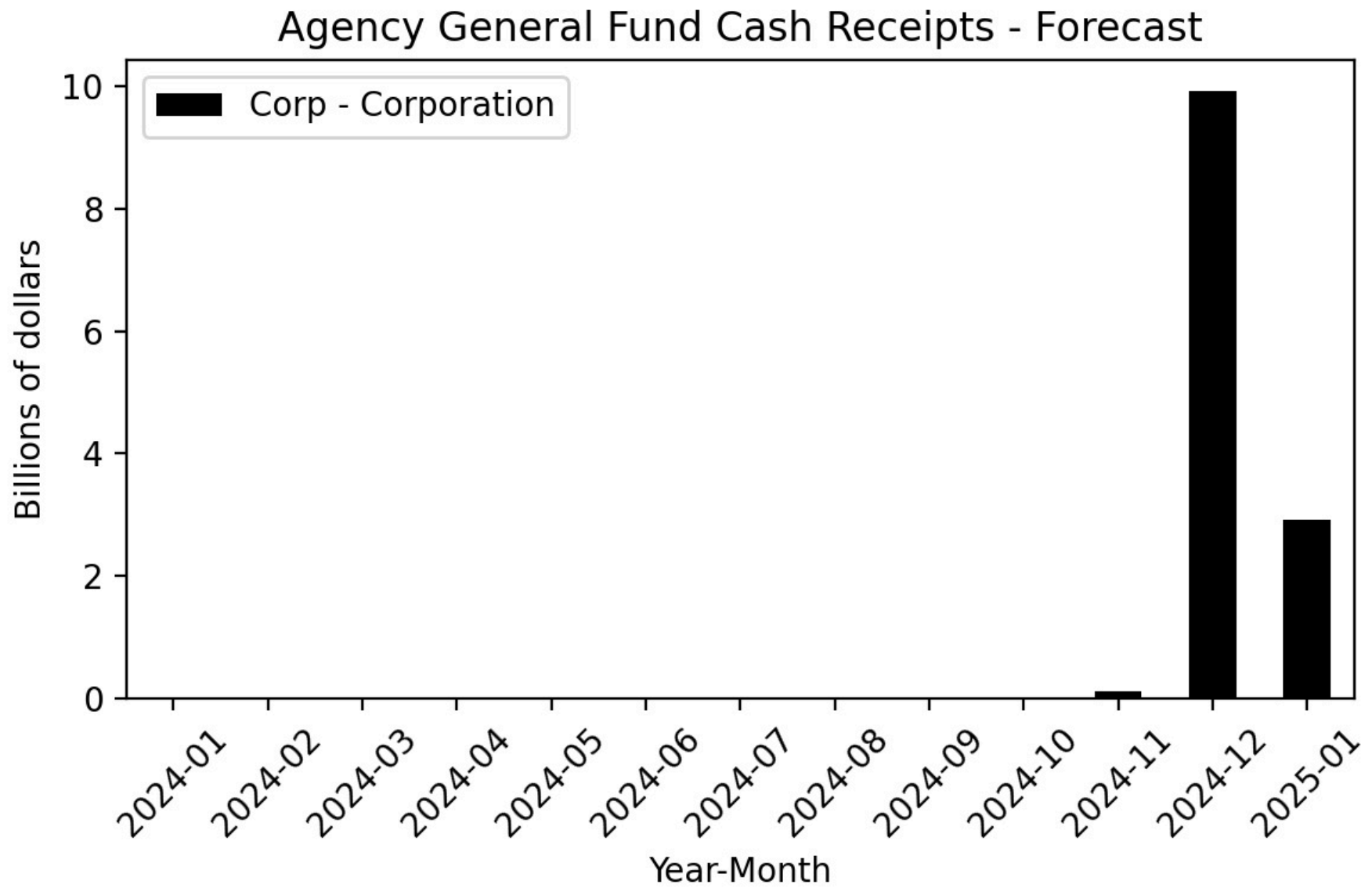


Figure 37

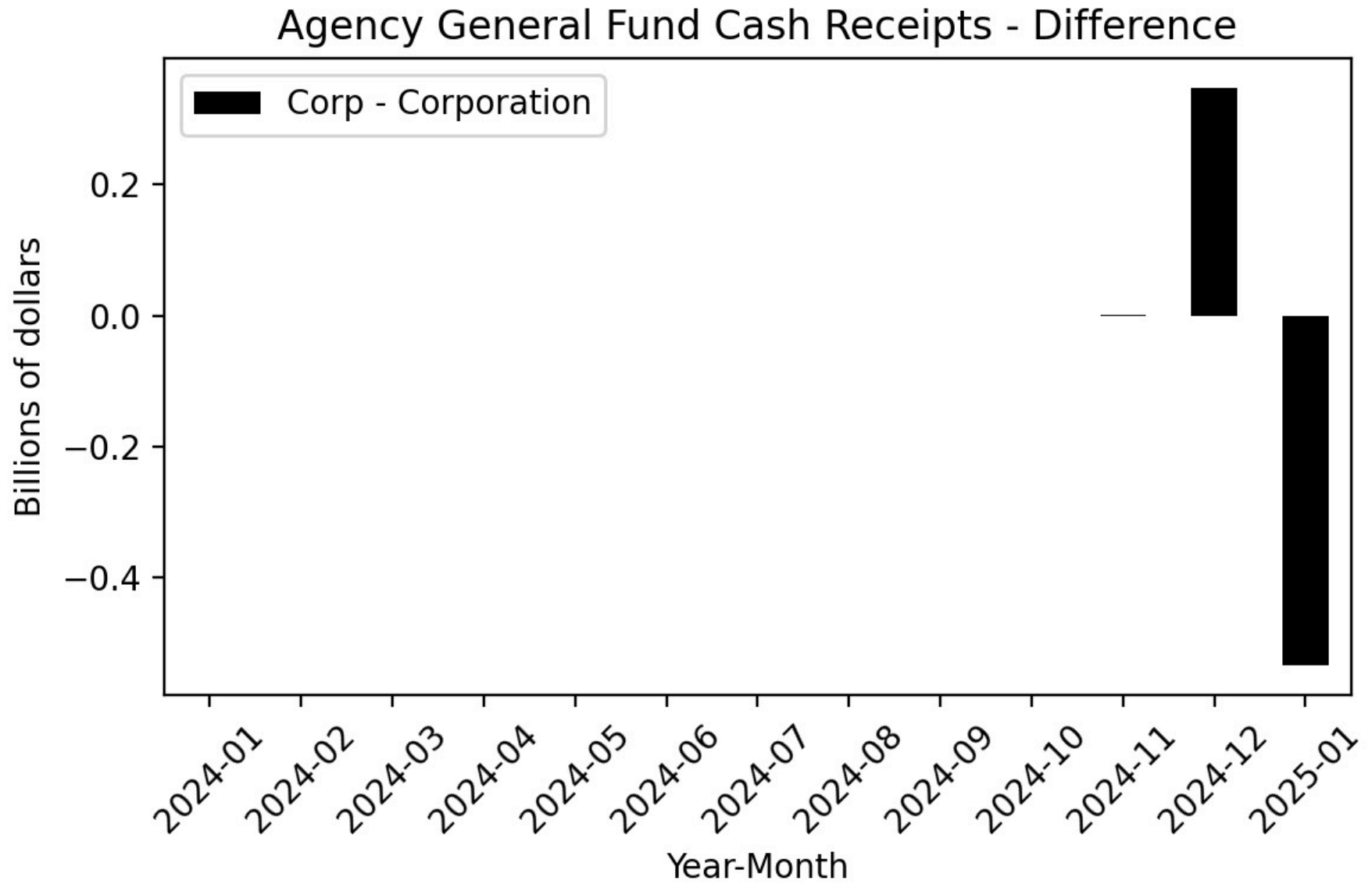


Figure 38

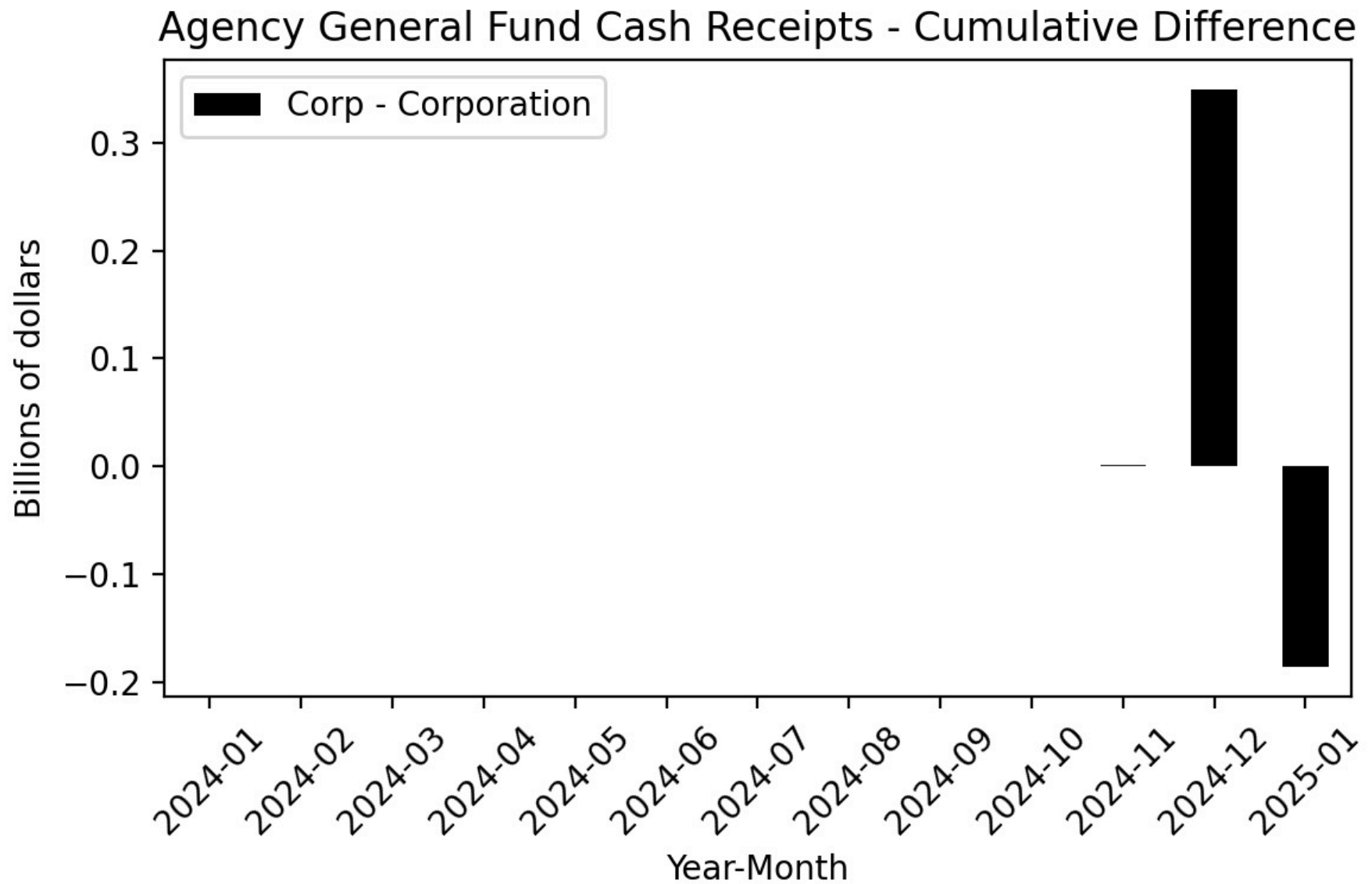


Figure 39

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast Corp-Corporation

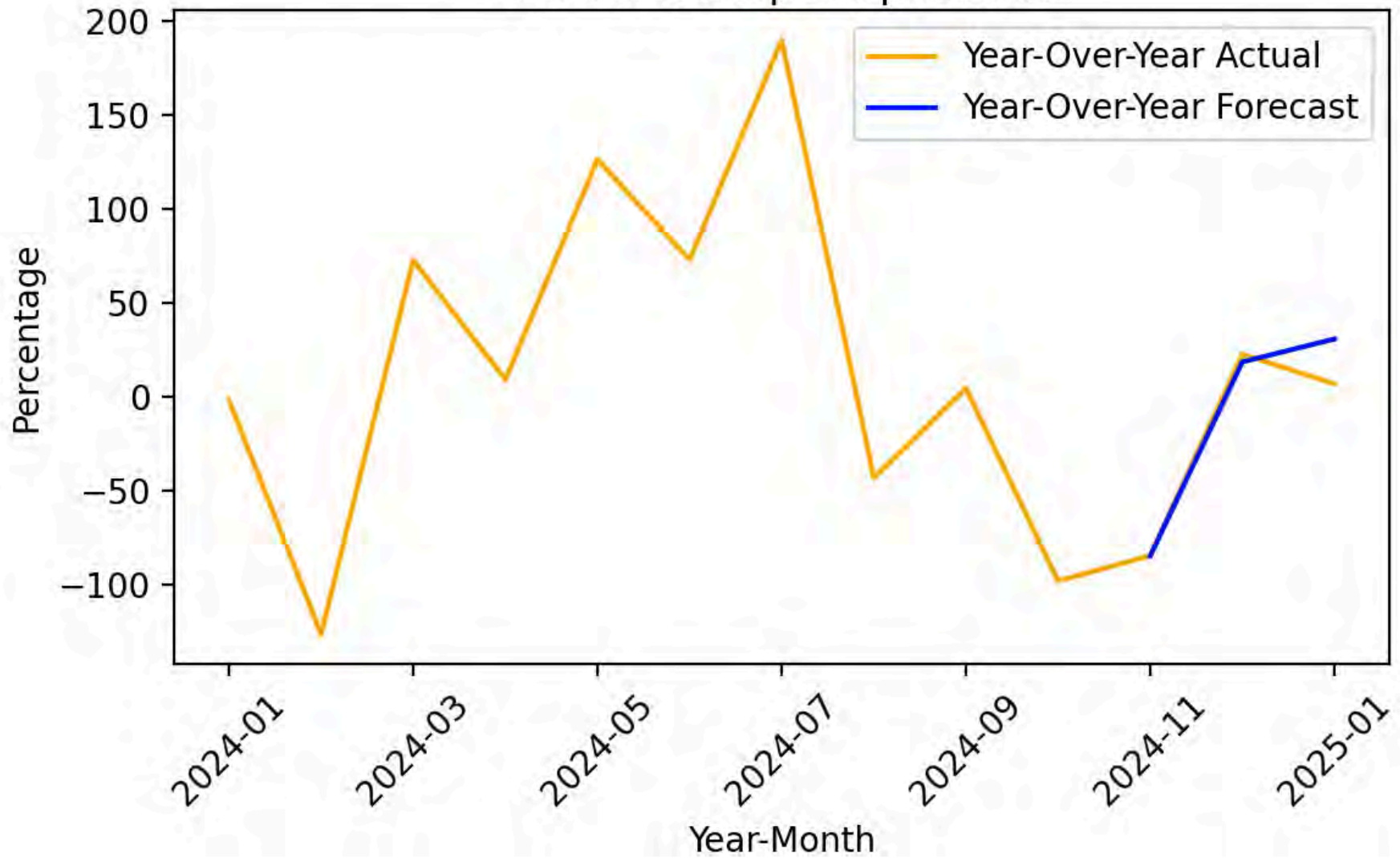


Figure 40

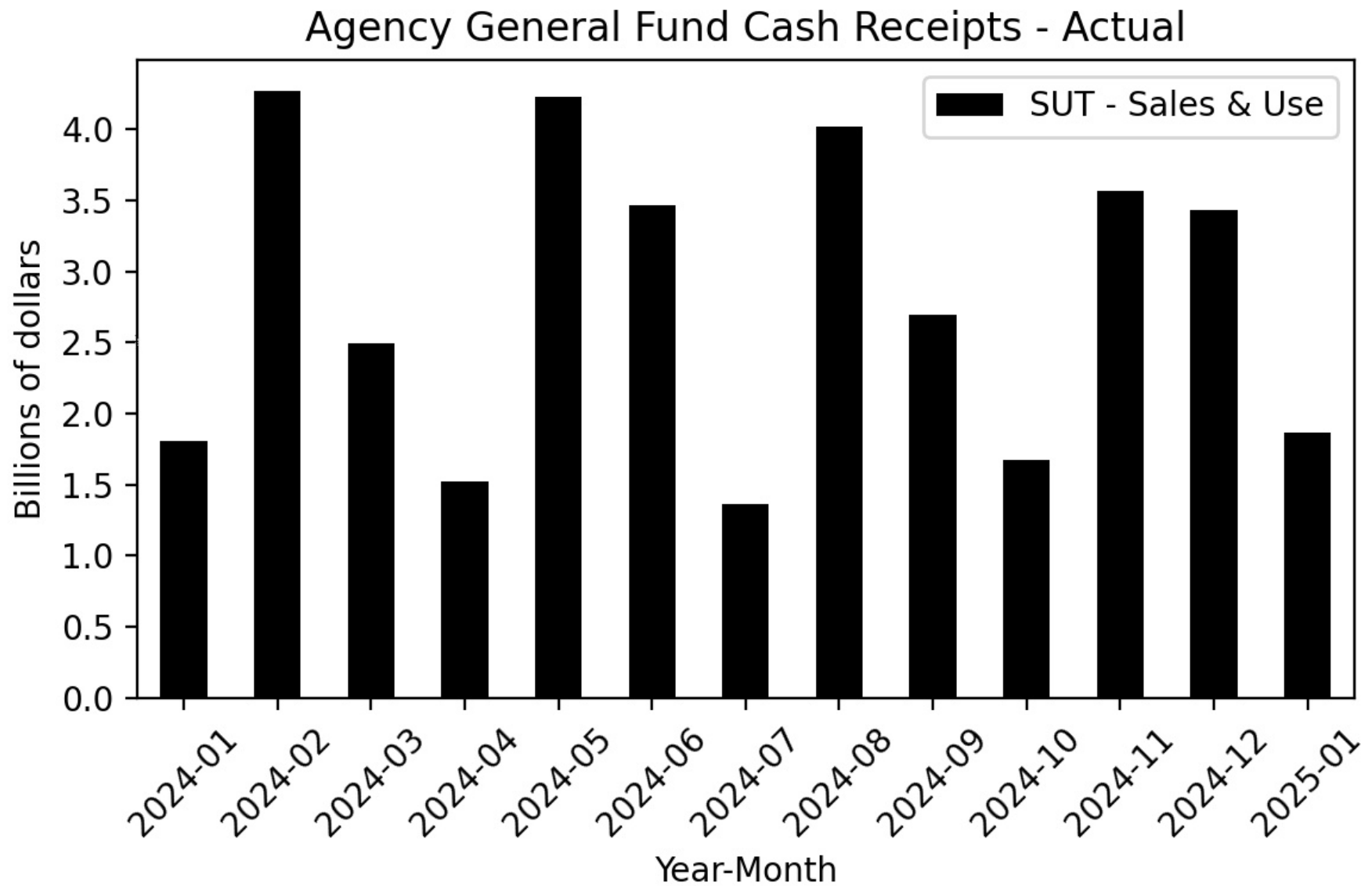


Figure 41

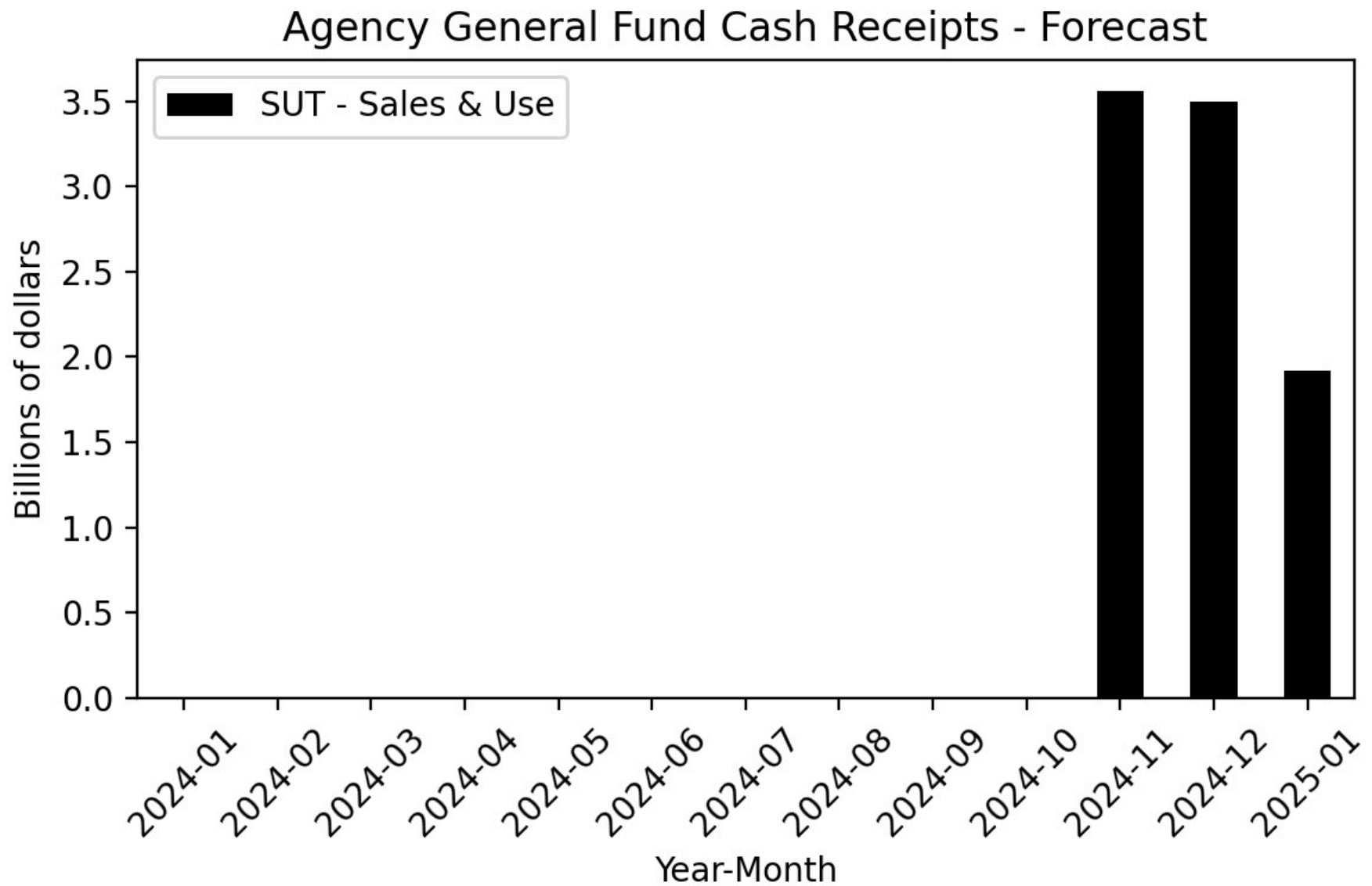


Figure 42

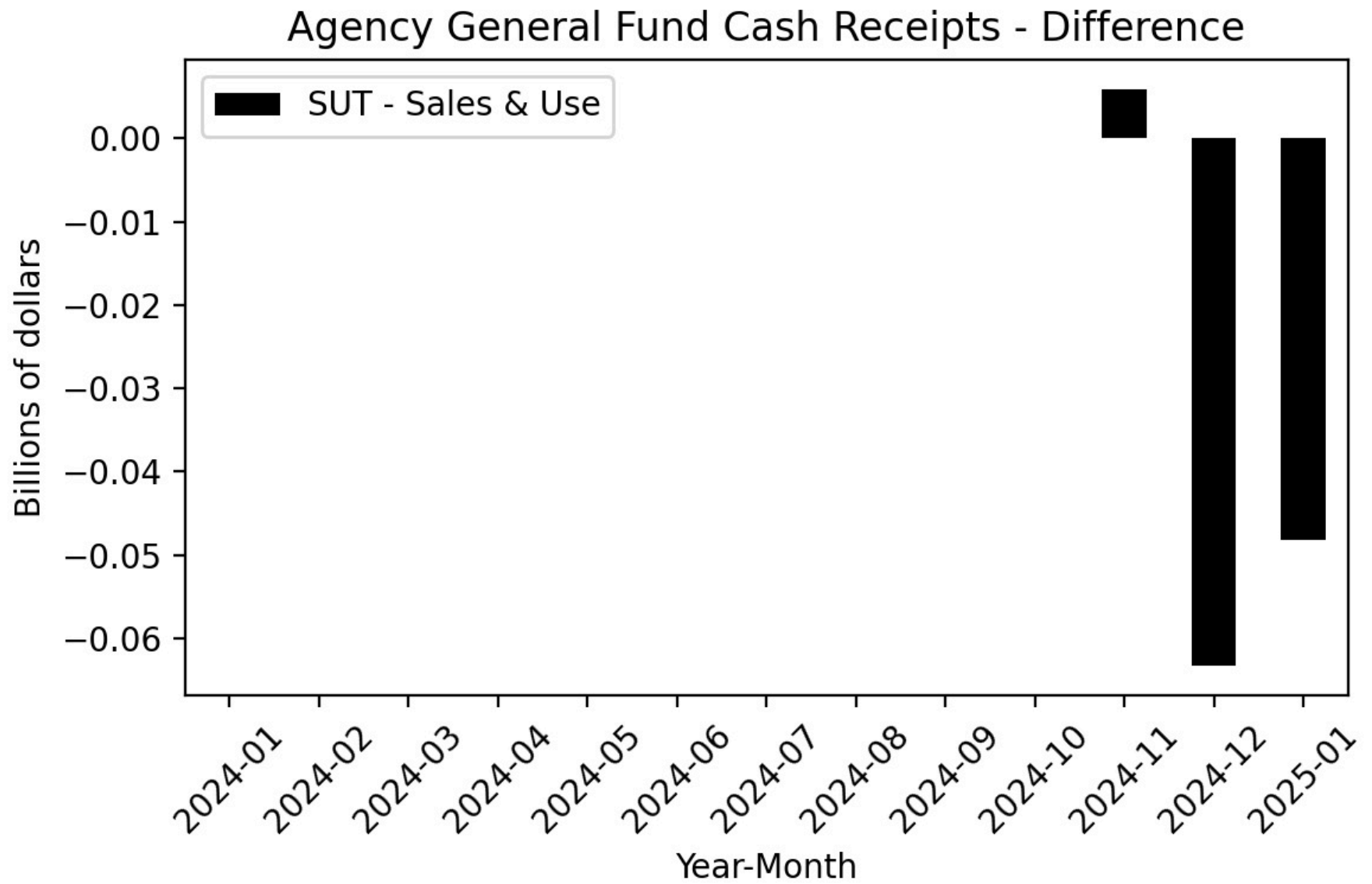


Figure 43

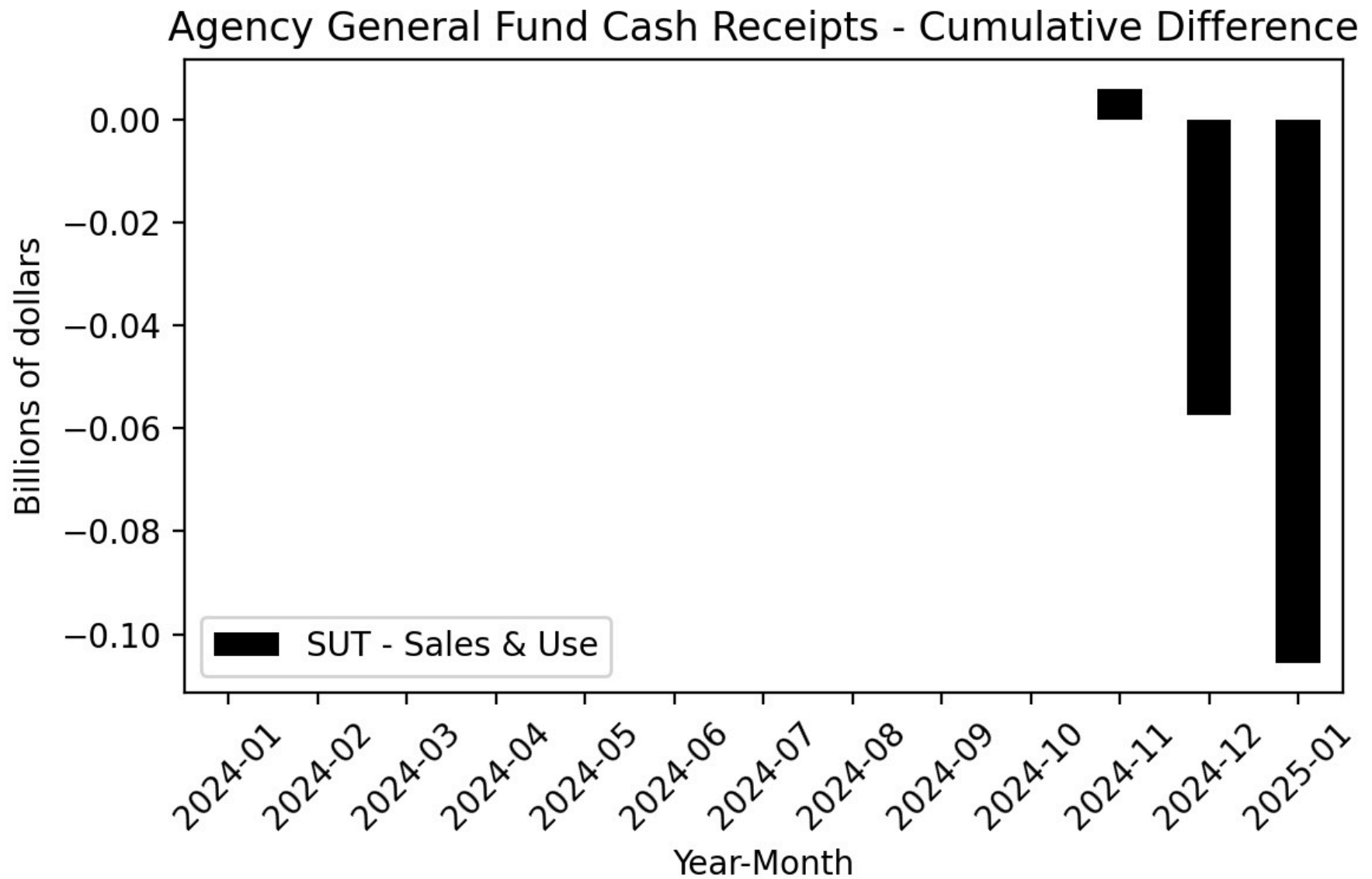


Figure 44

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
SUT-Sales & Use

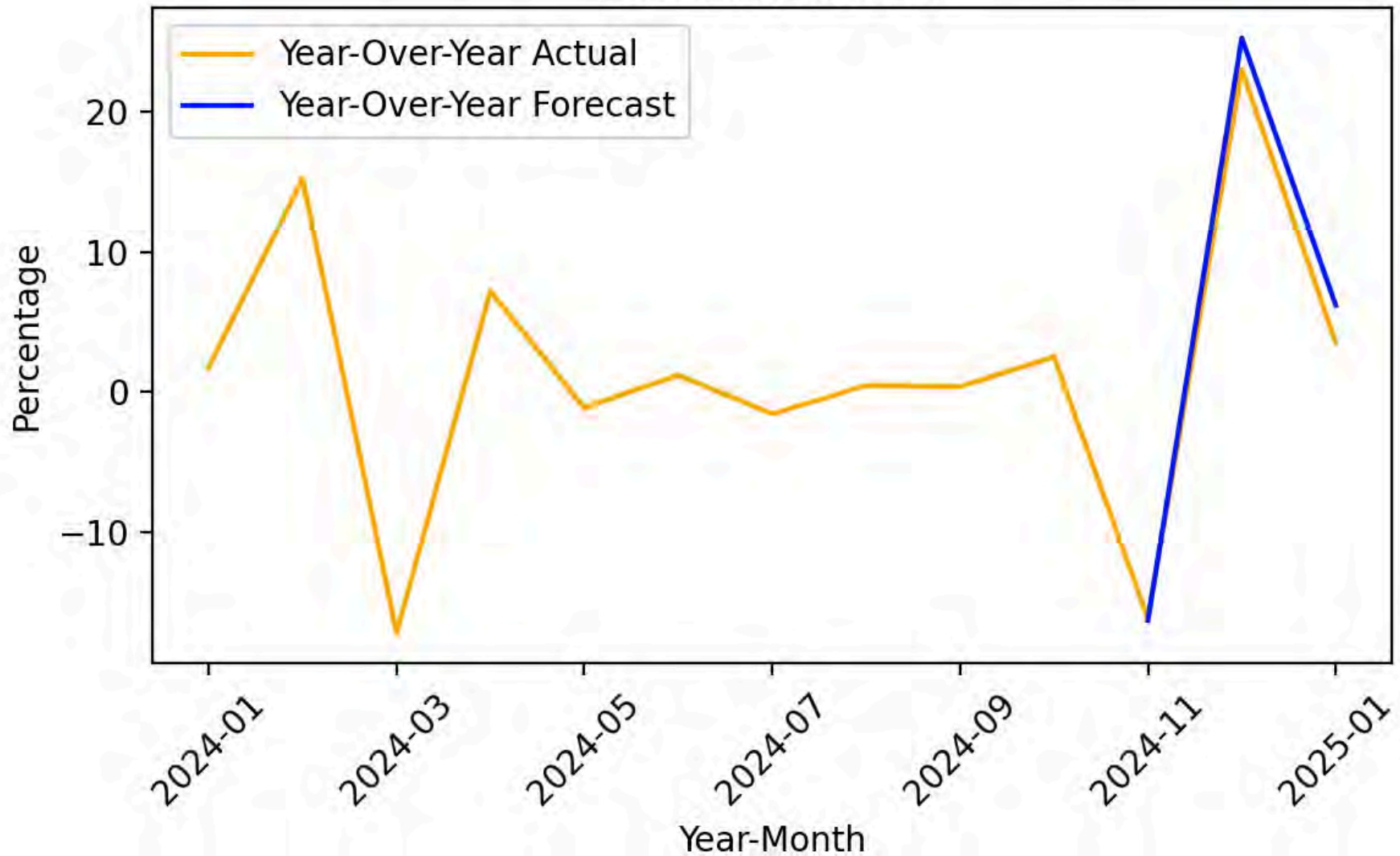


Figure 45

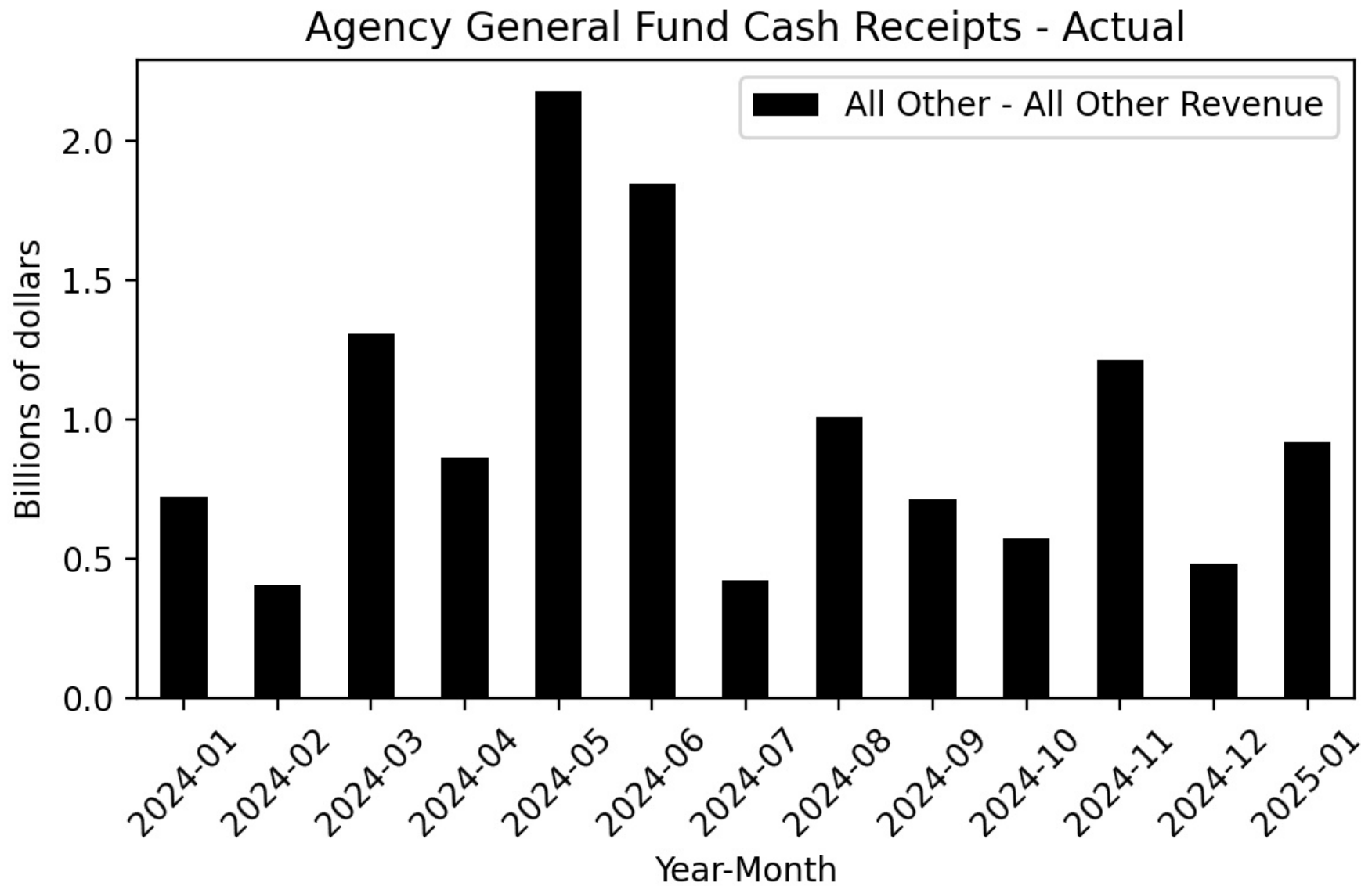


Figure 46

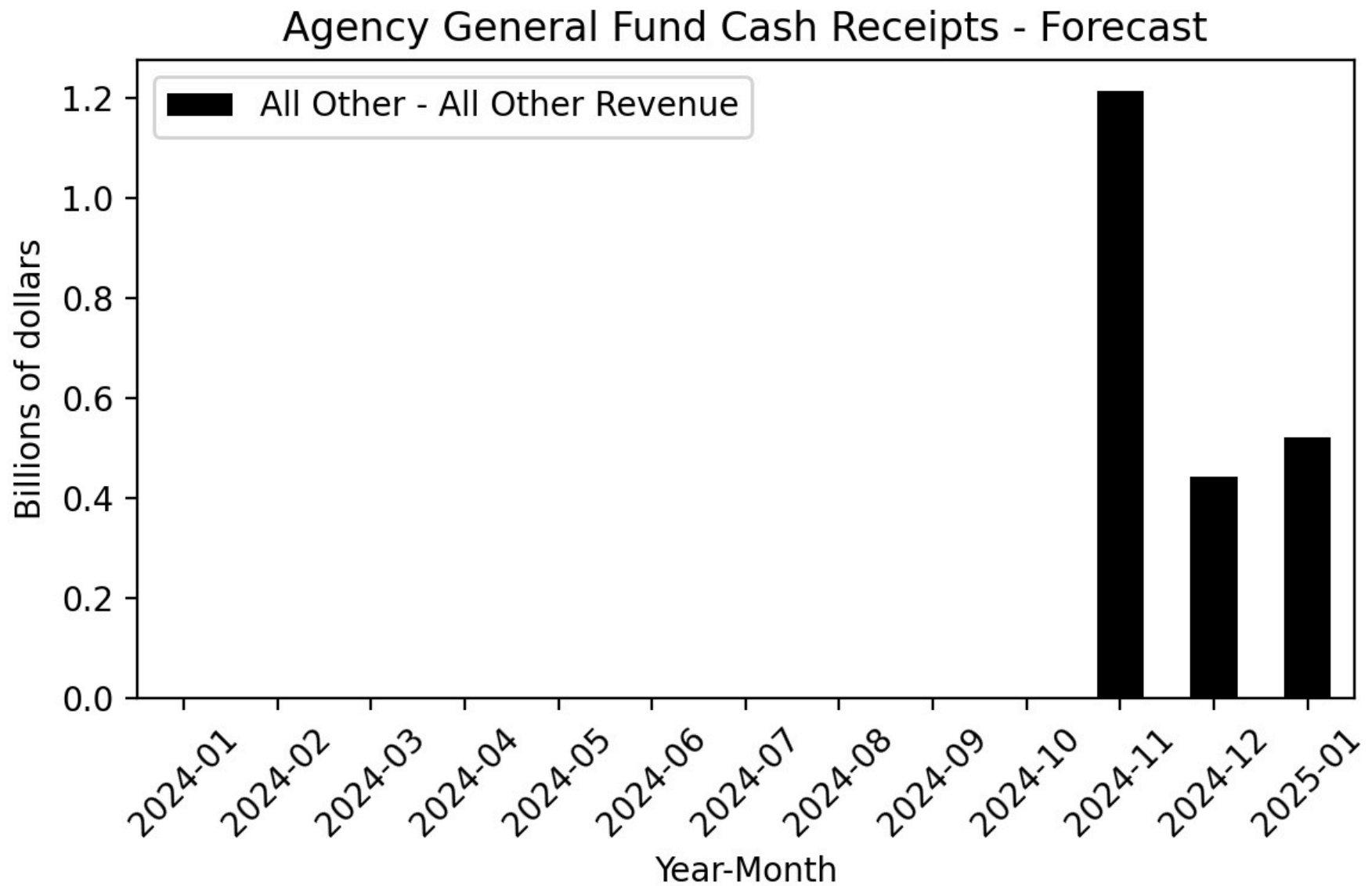


Figure 47

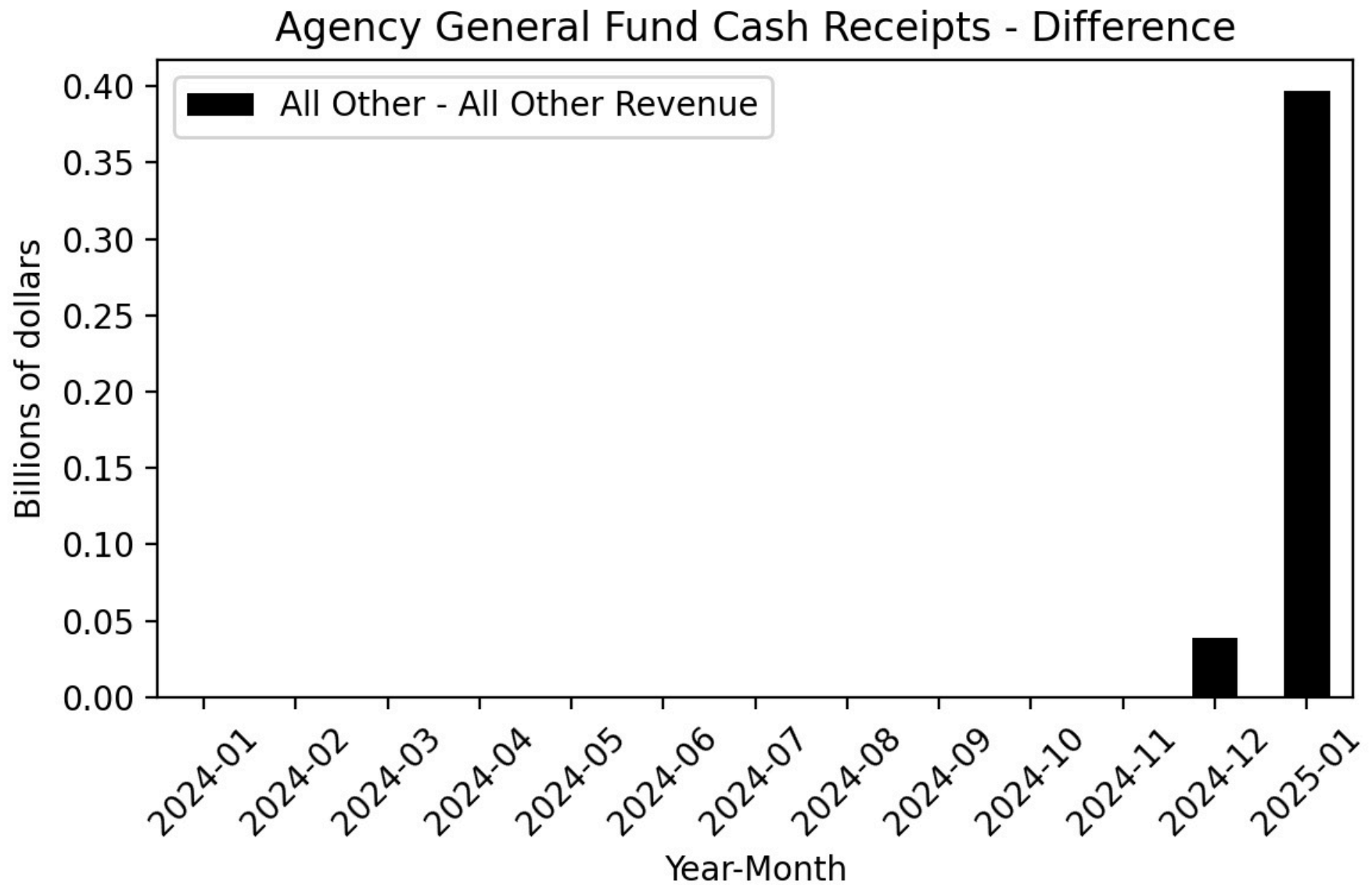


Figure 48

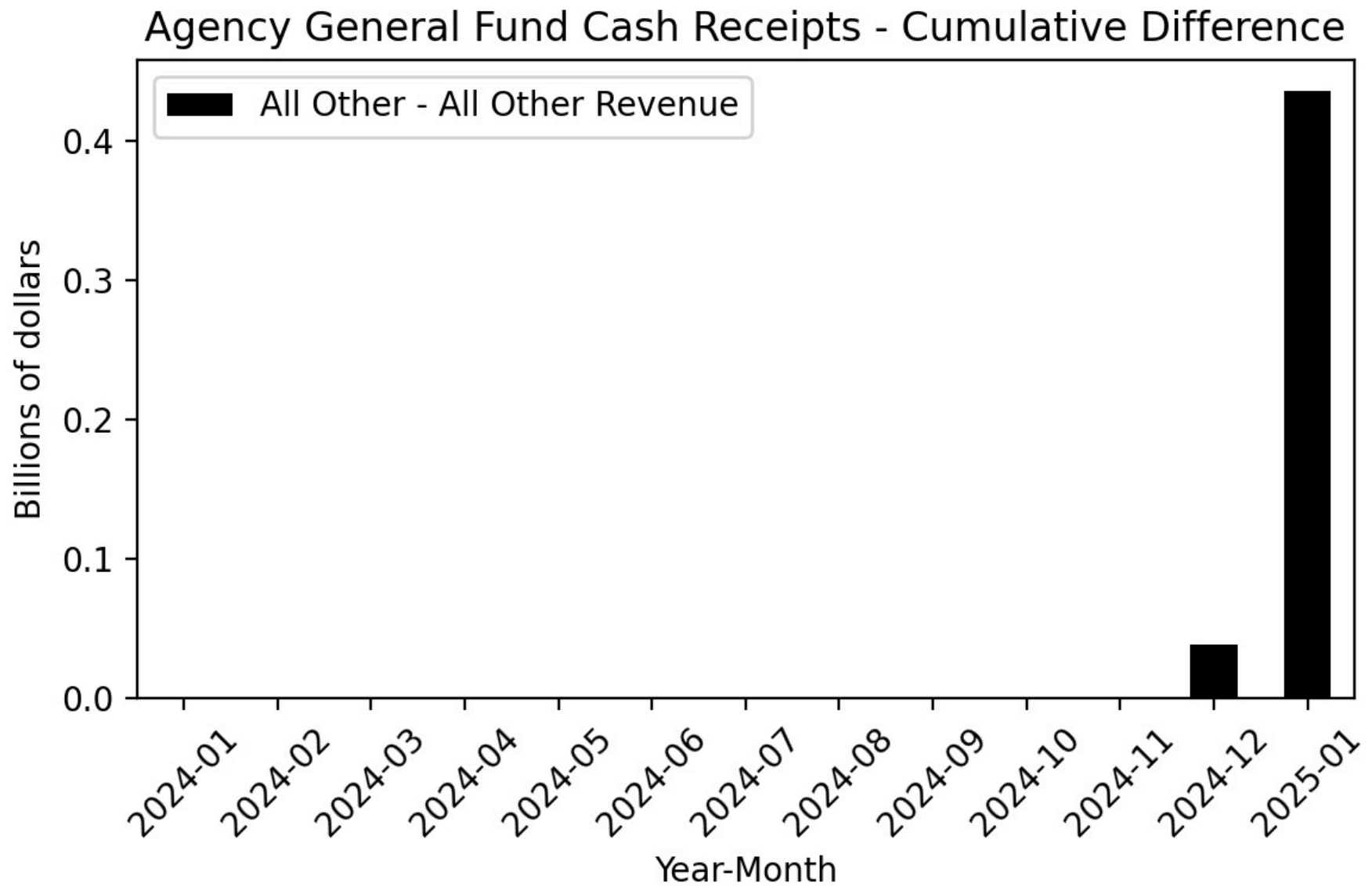


Figure 49

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-All Other Revenue

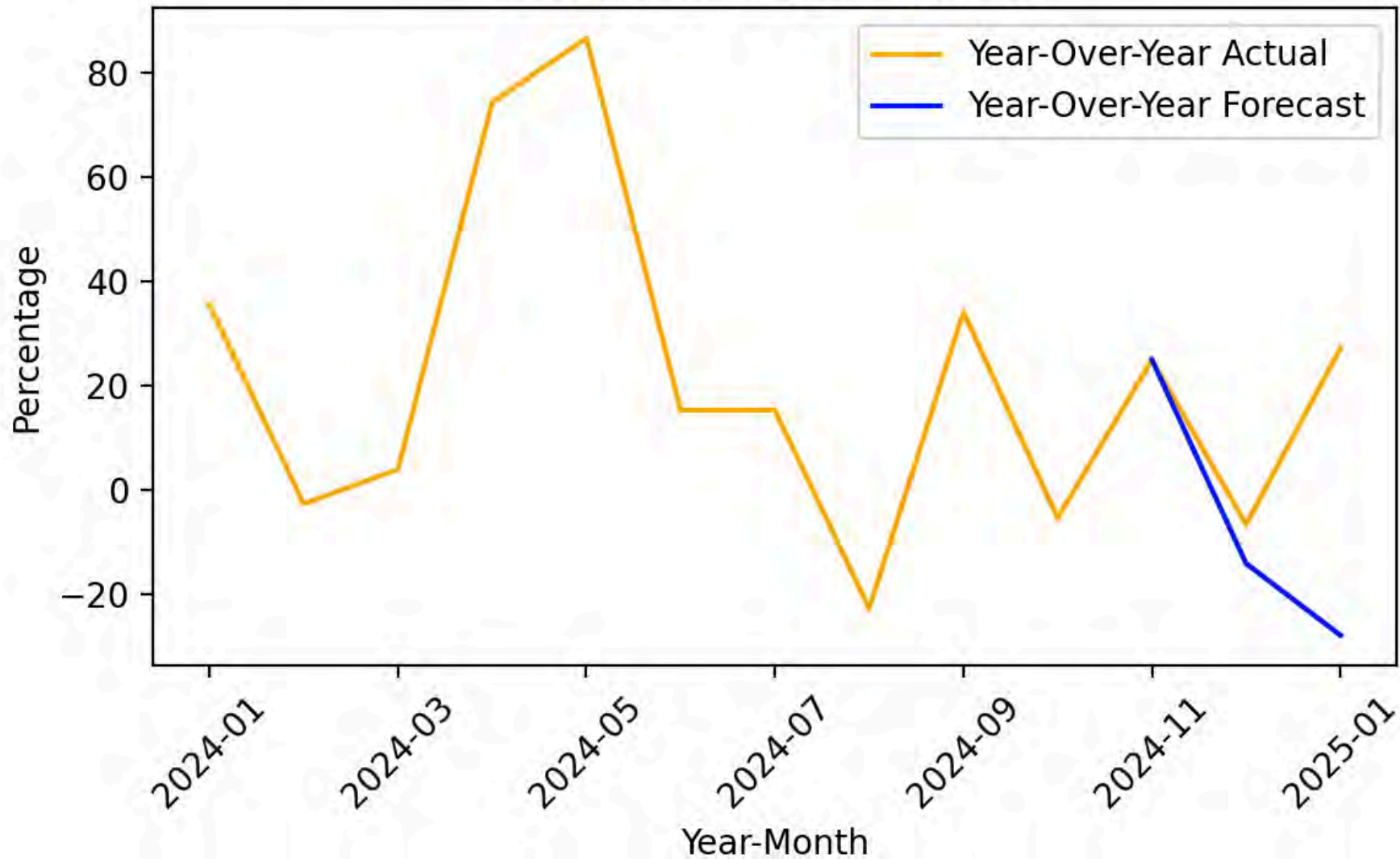


Figure 50

Personal Income Tax - Agency General Fund Revenues (Actual)

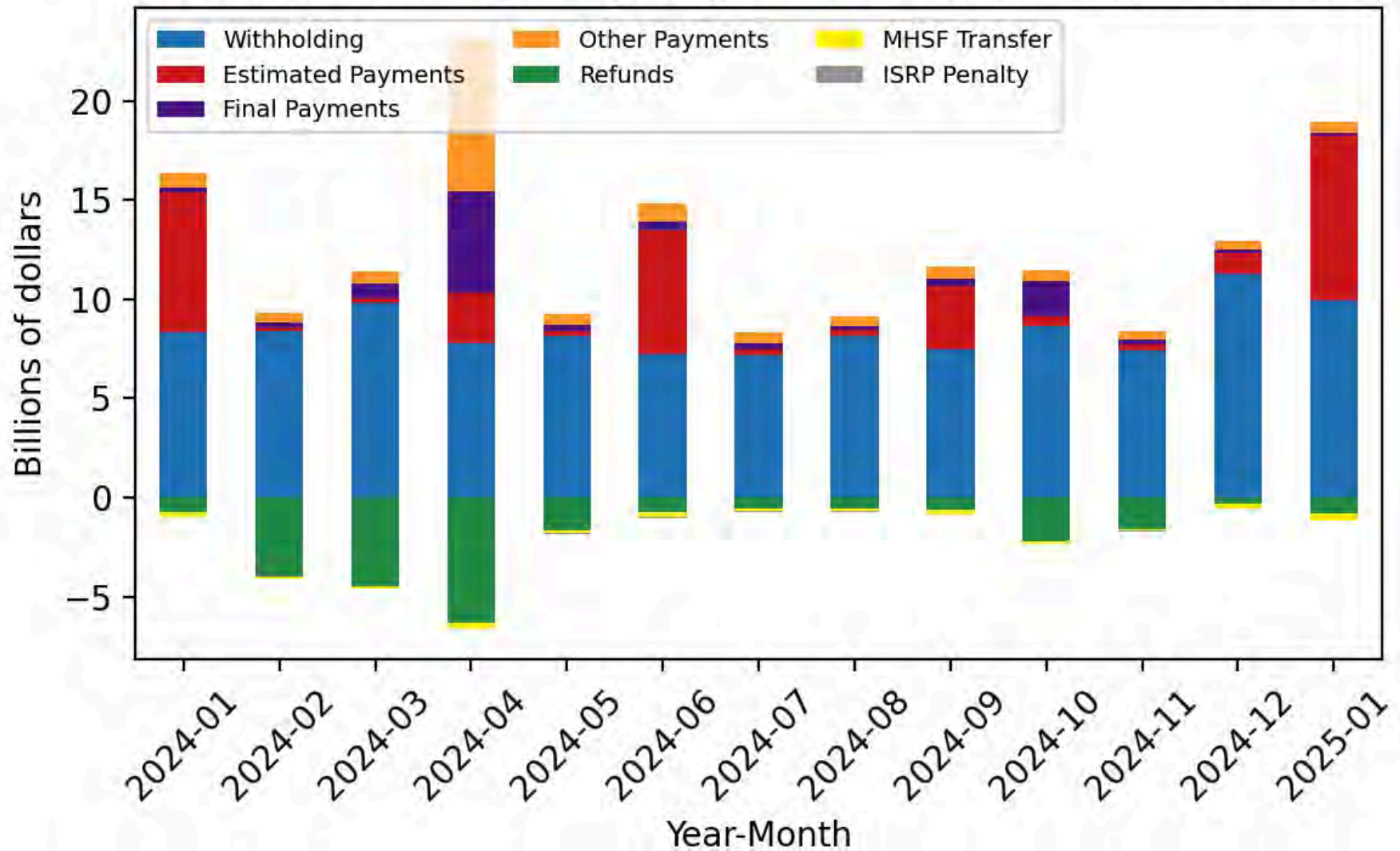


Figure 51

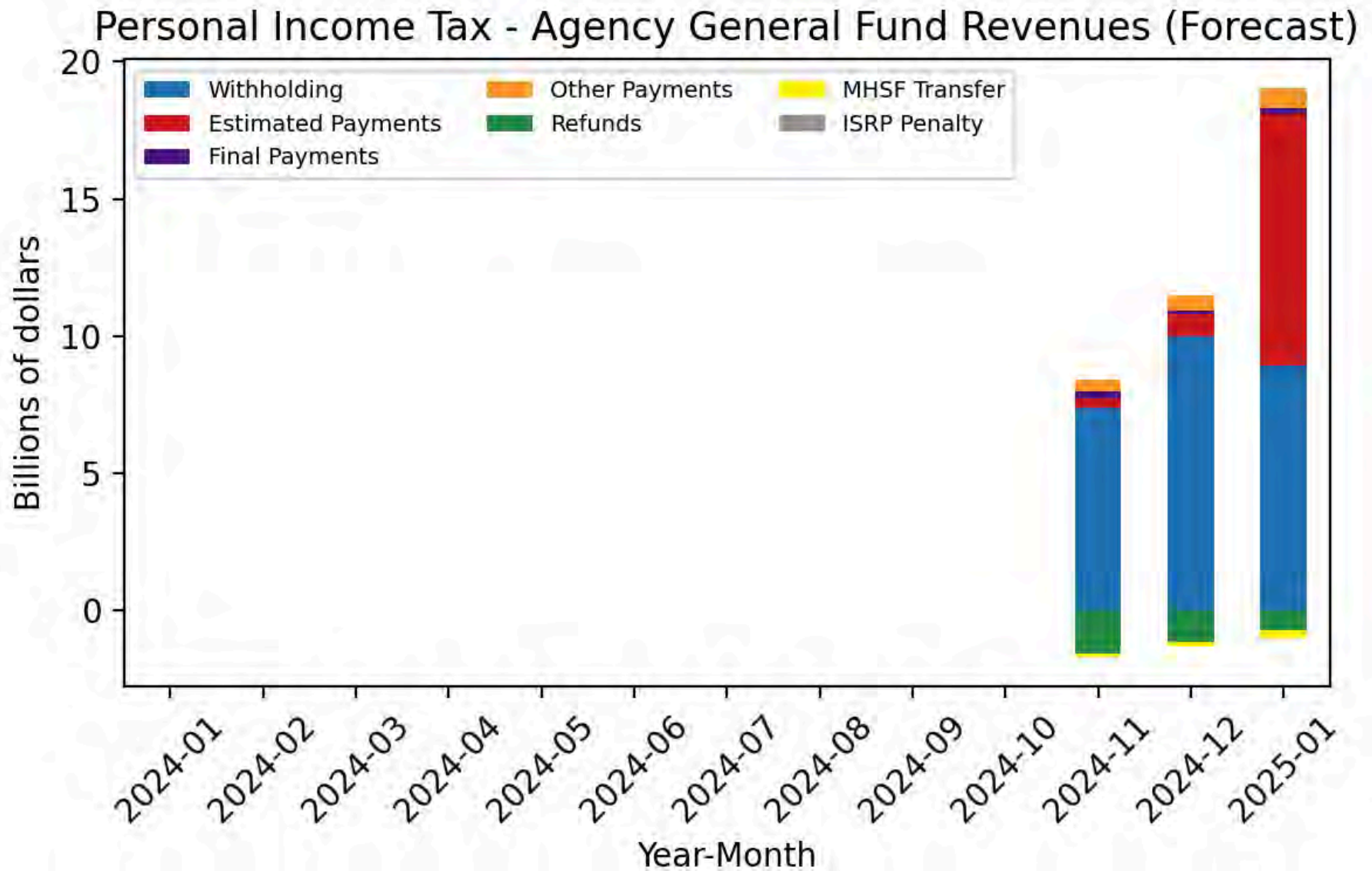


Figure 52

**Personal Income Tax - Agency General Fund Revenues
(Difference)**

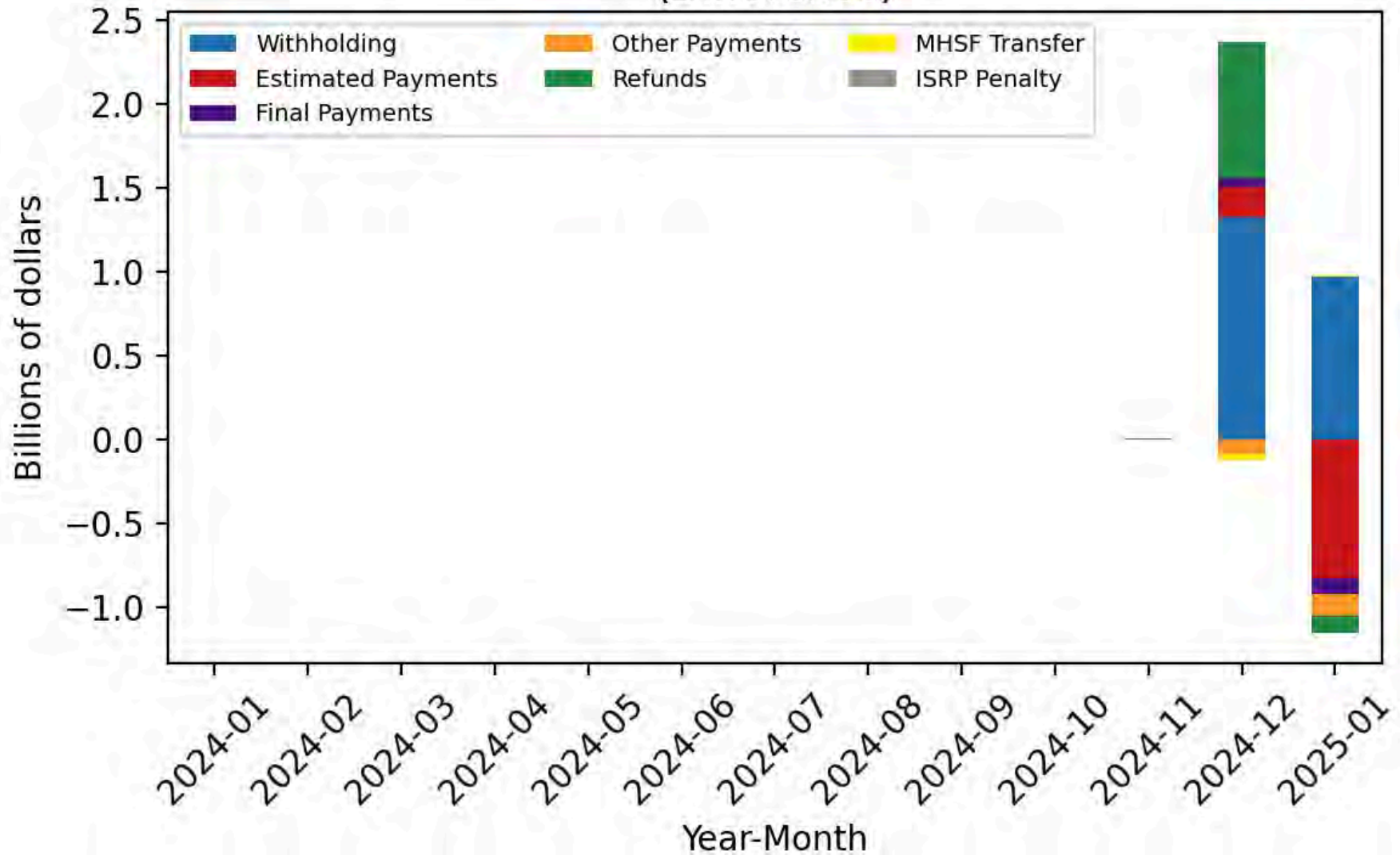


Figure 53

**Personal Income Tax - Agency General Fund Revenues
(Cumulative Difference)**

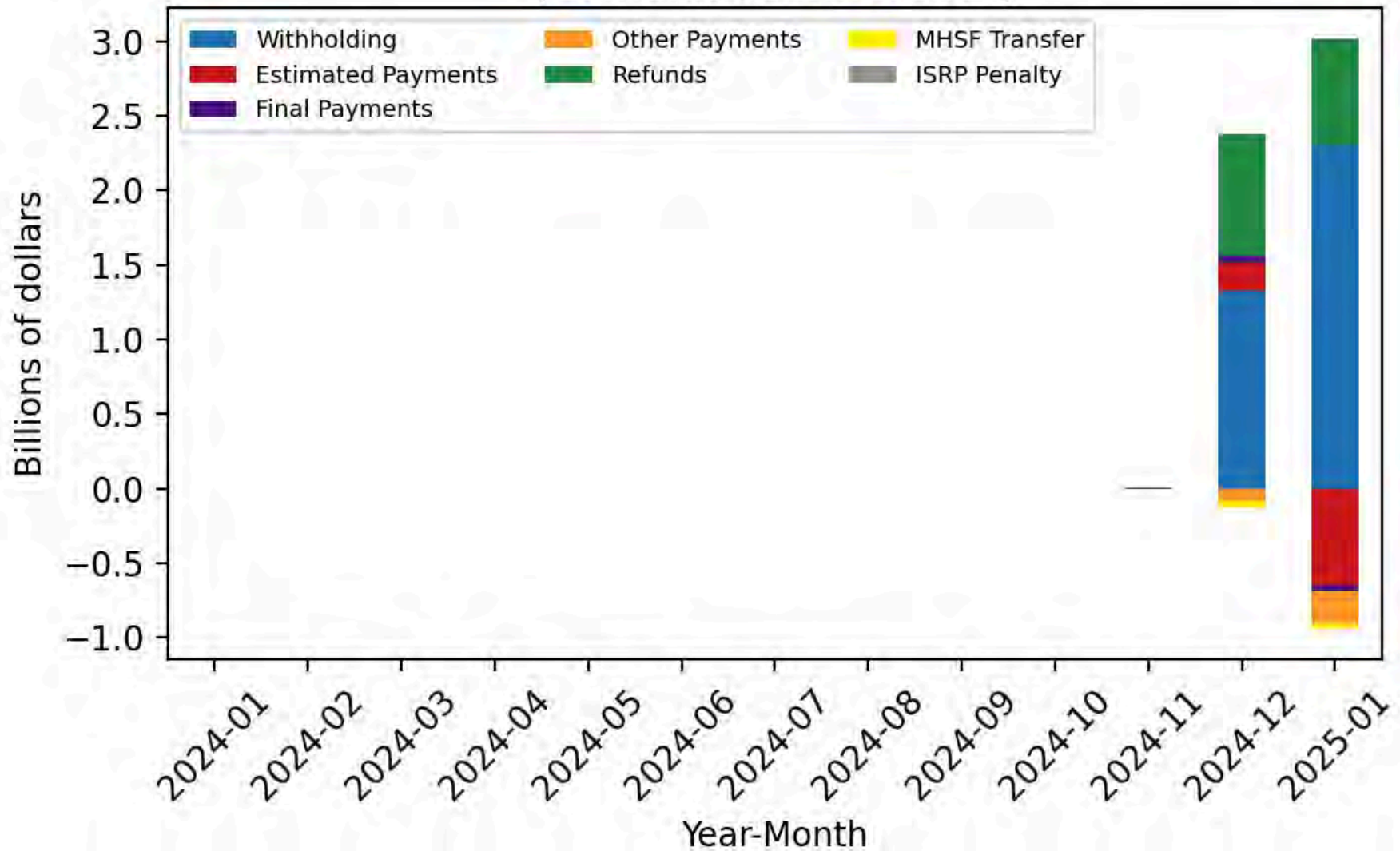


Figure 54

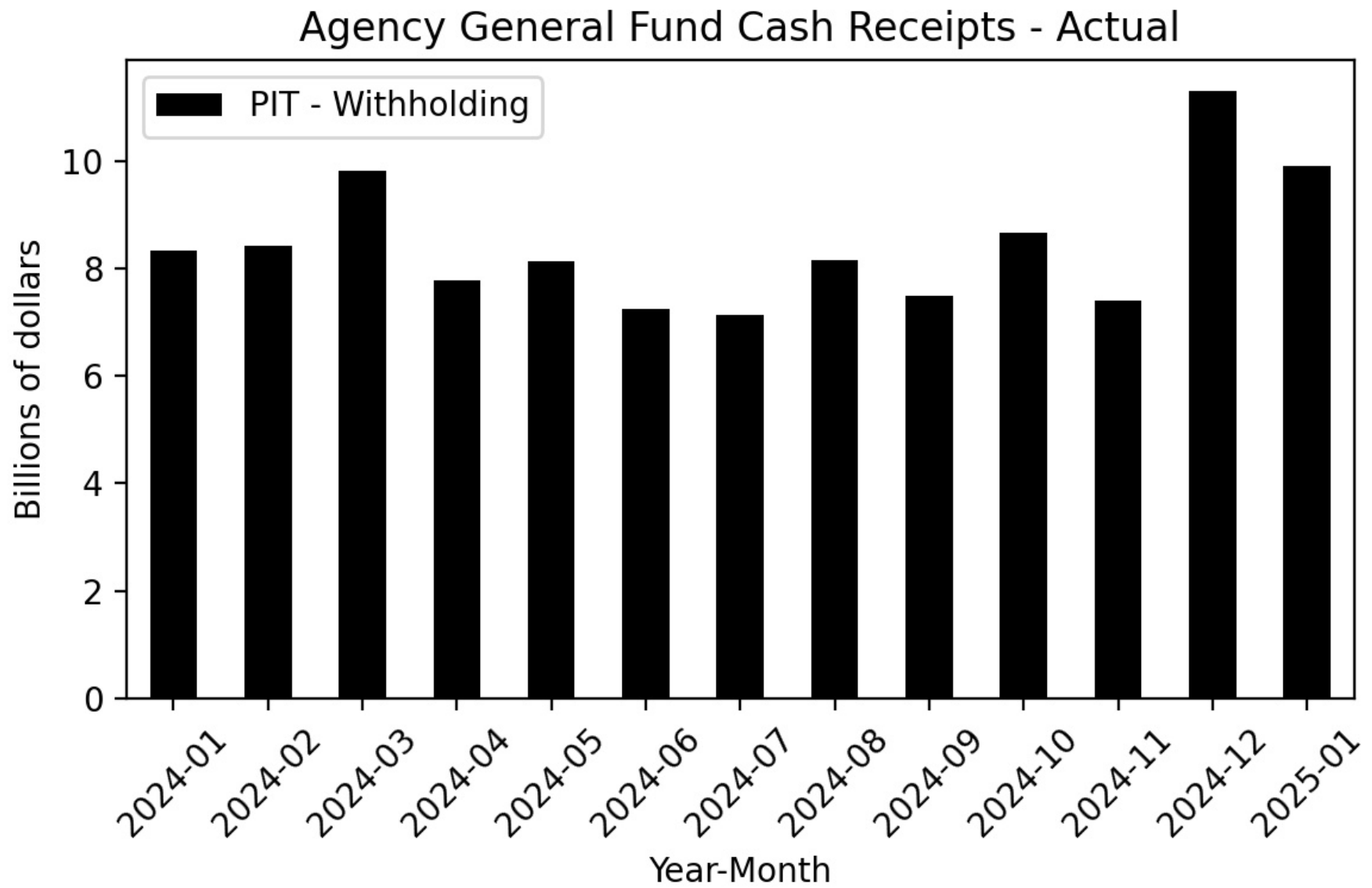


Figure 55

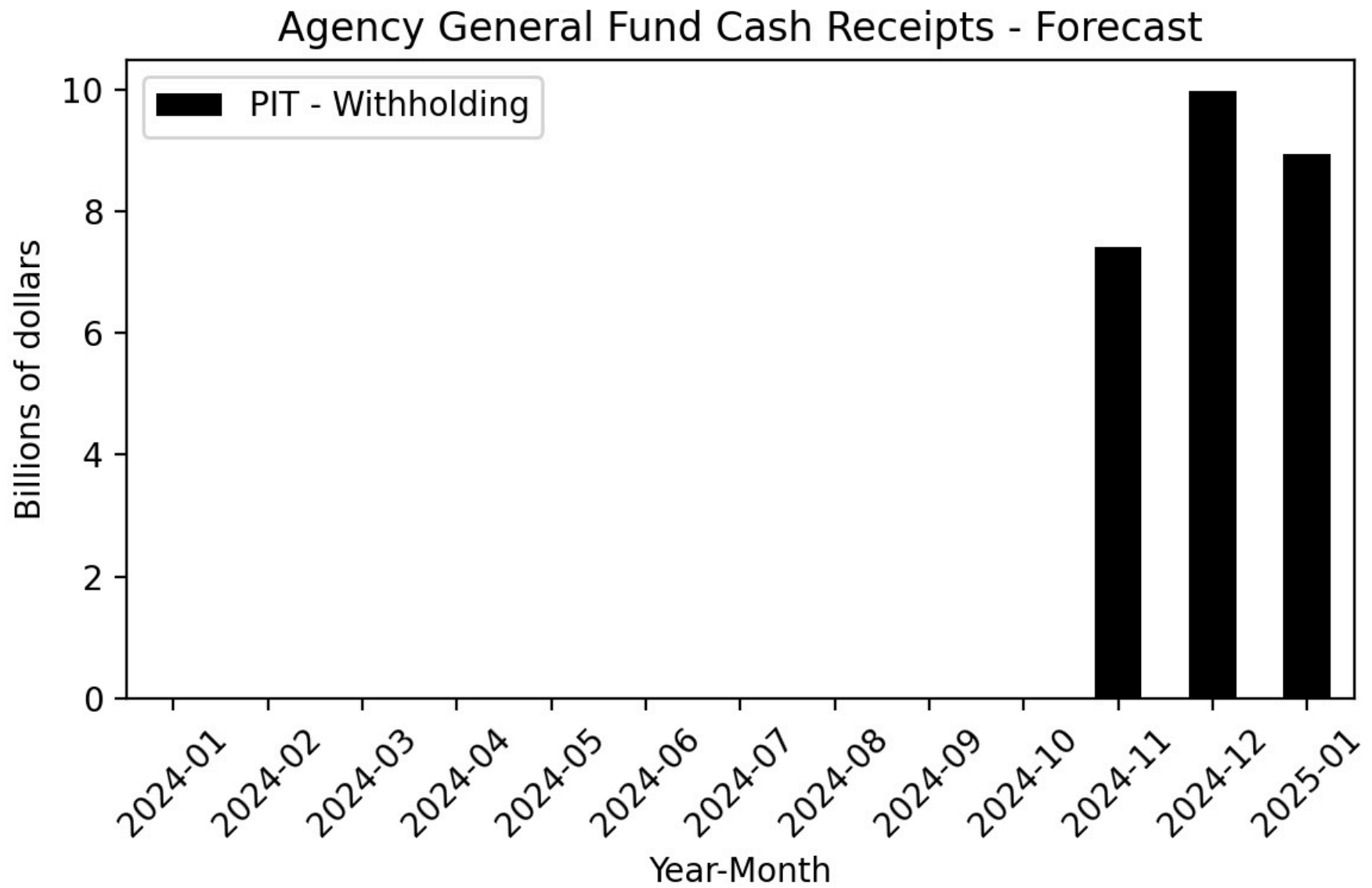


Figure 56

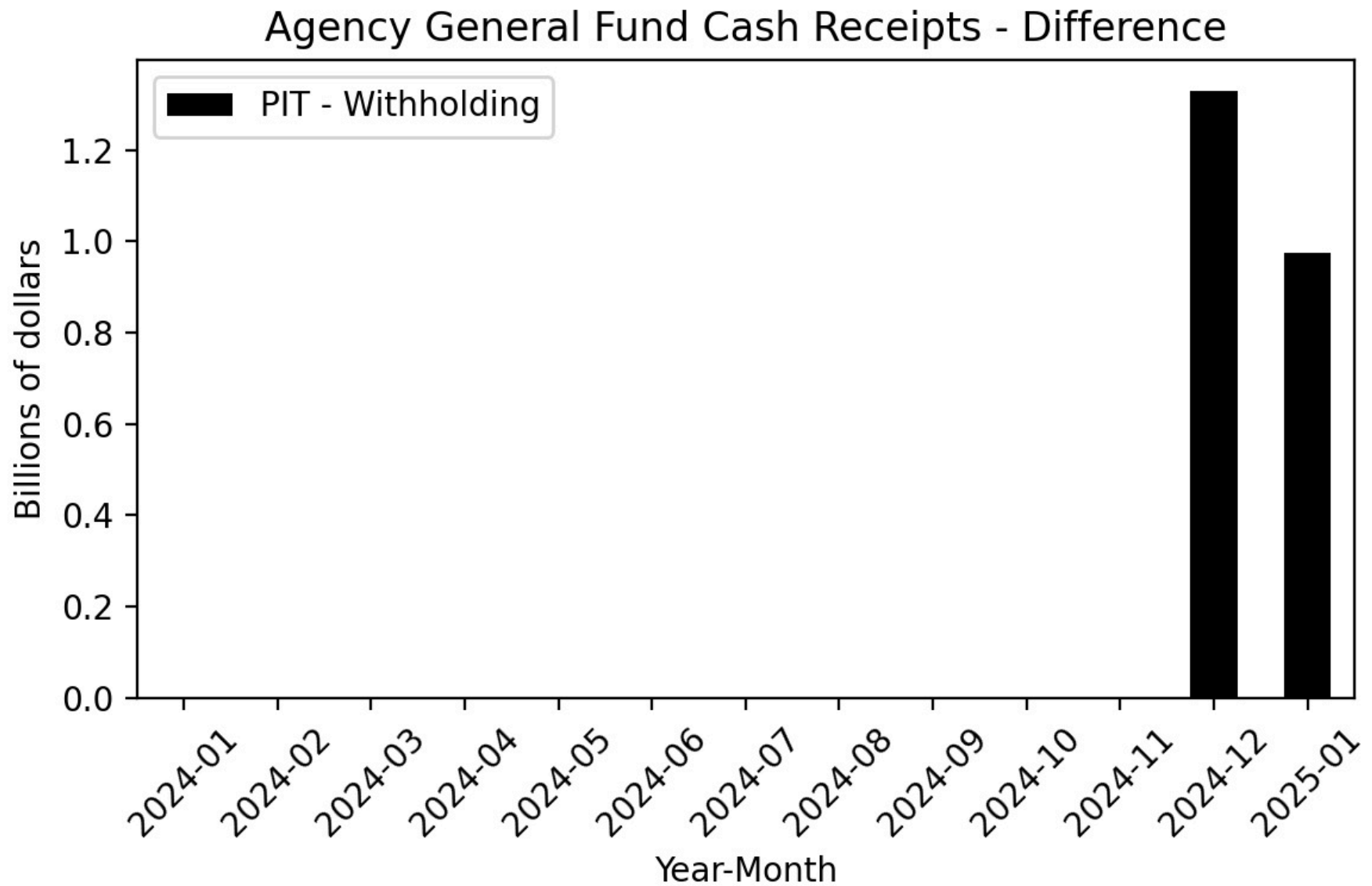


Figure 57

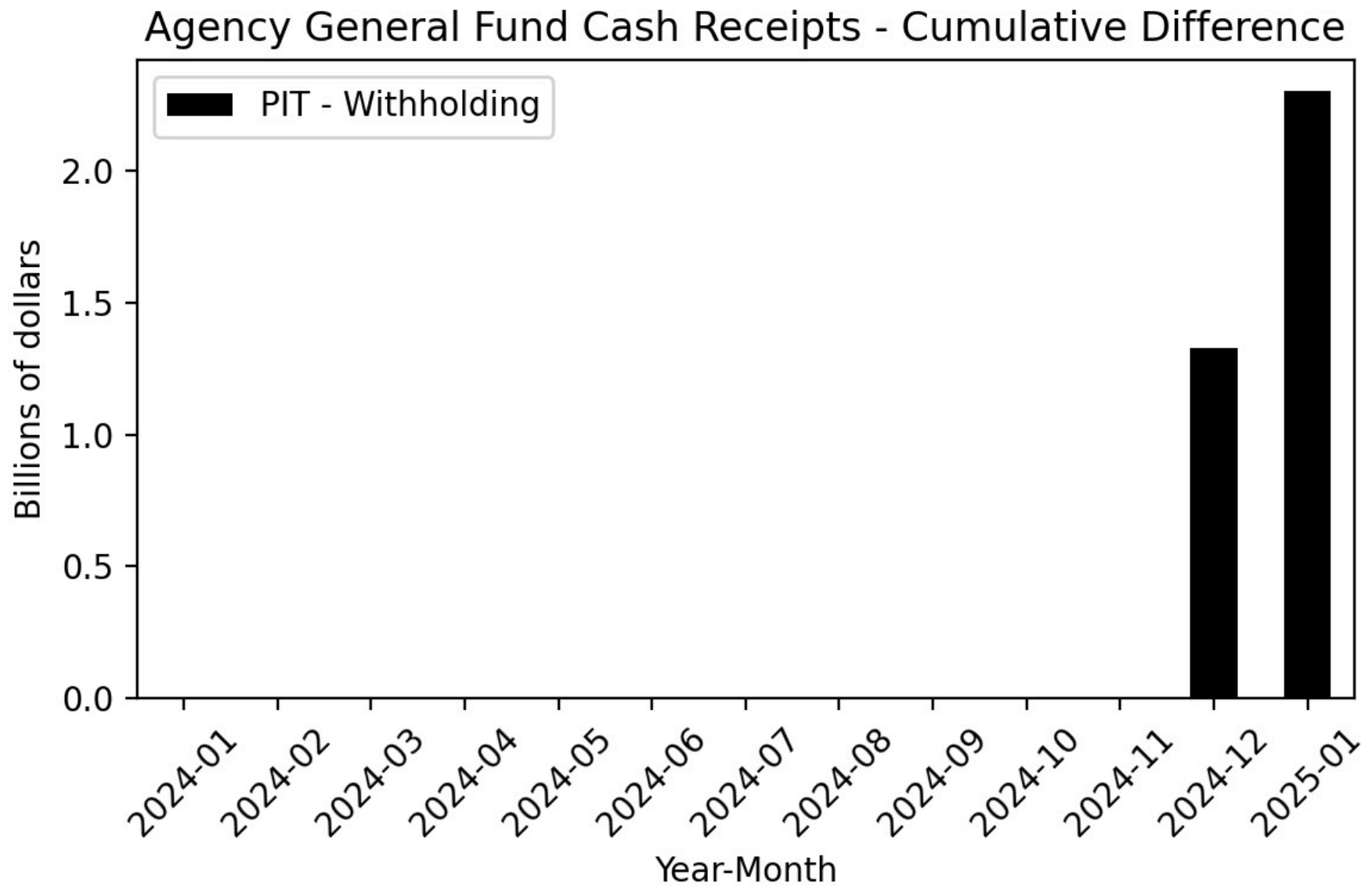


Figure 58

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Withholding

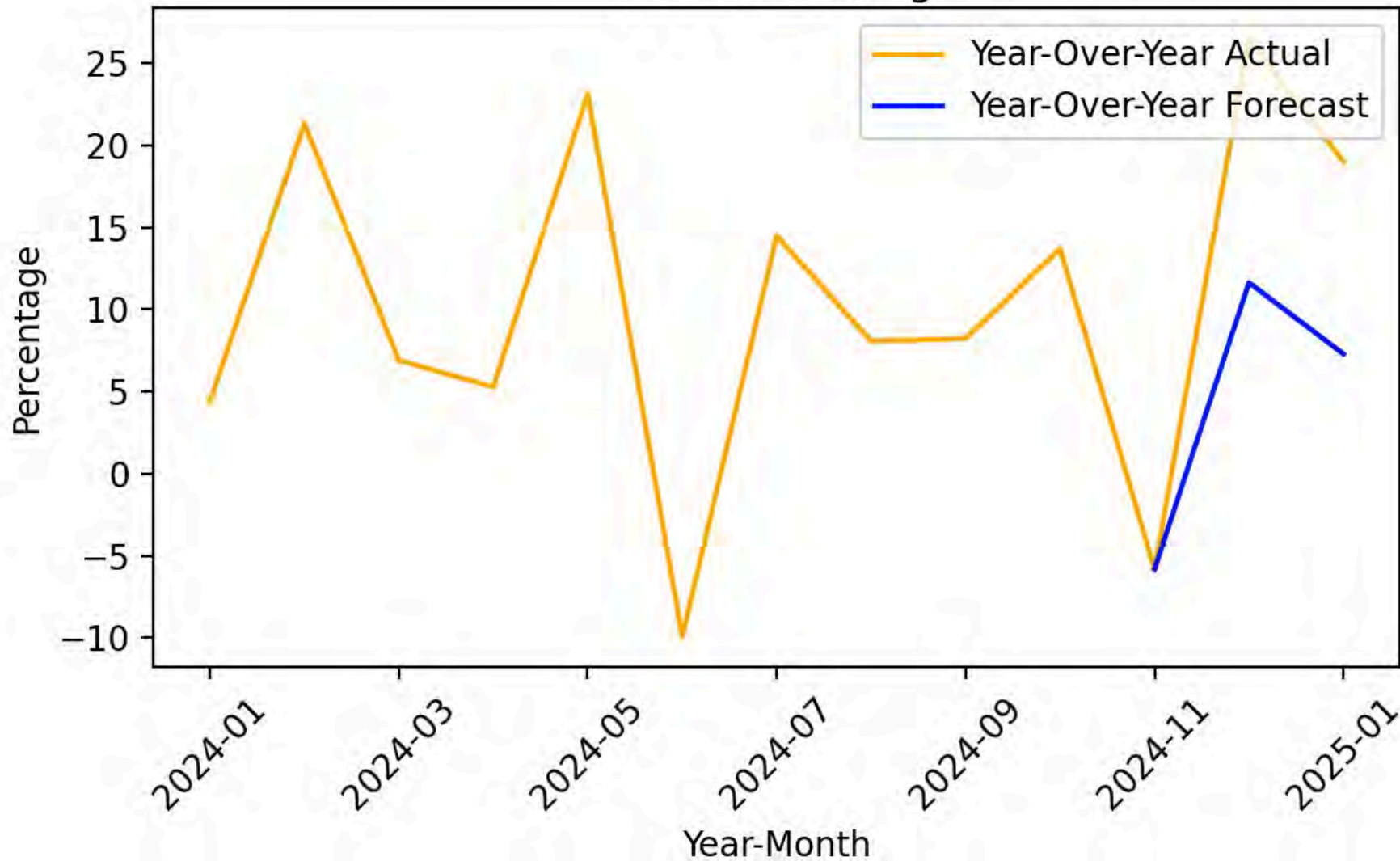


Figure 59

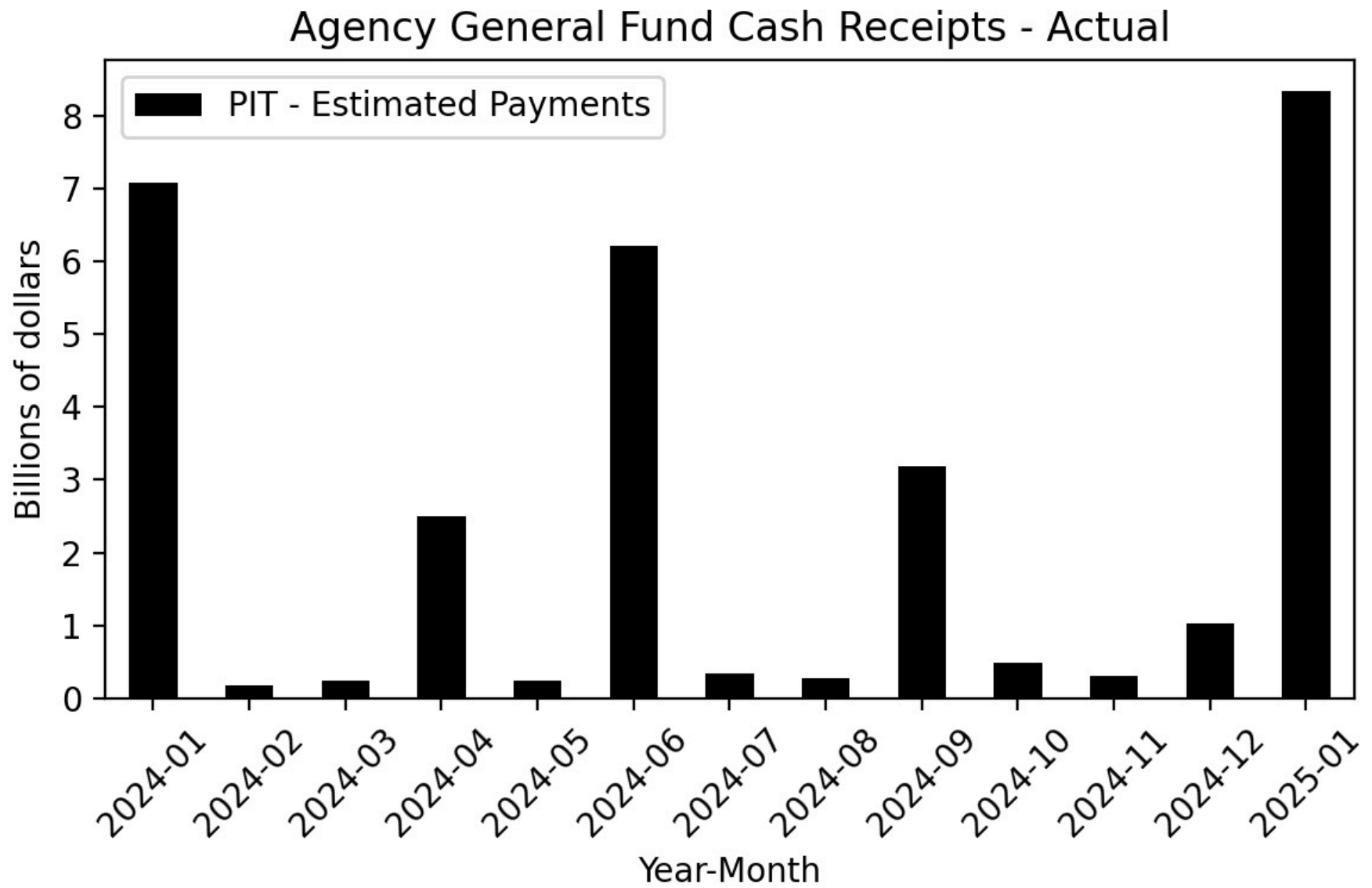


Figure 60

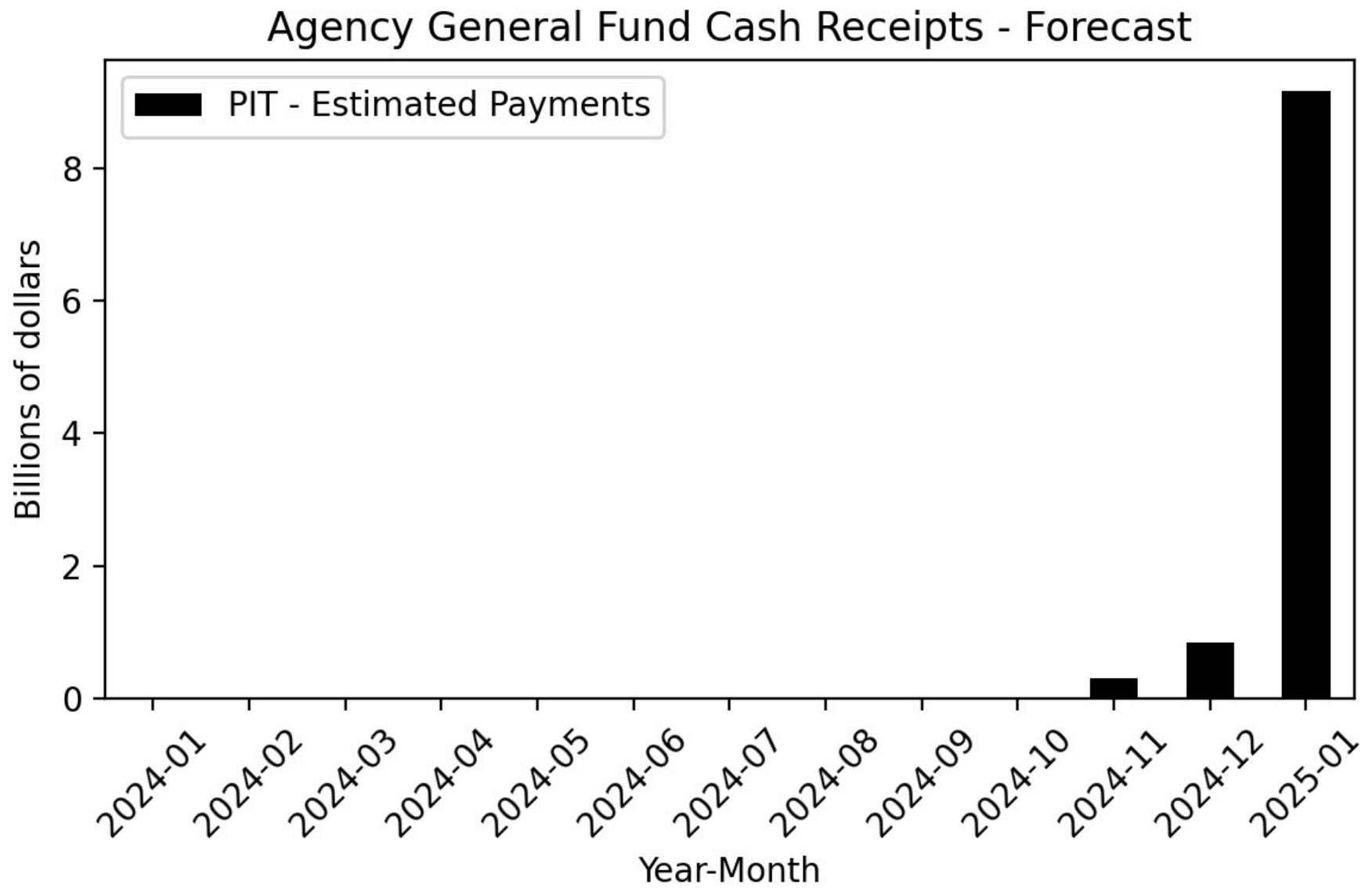


Figure 61

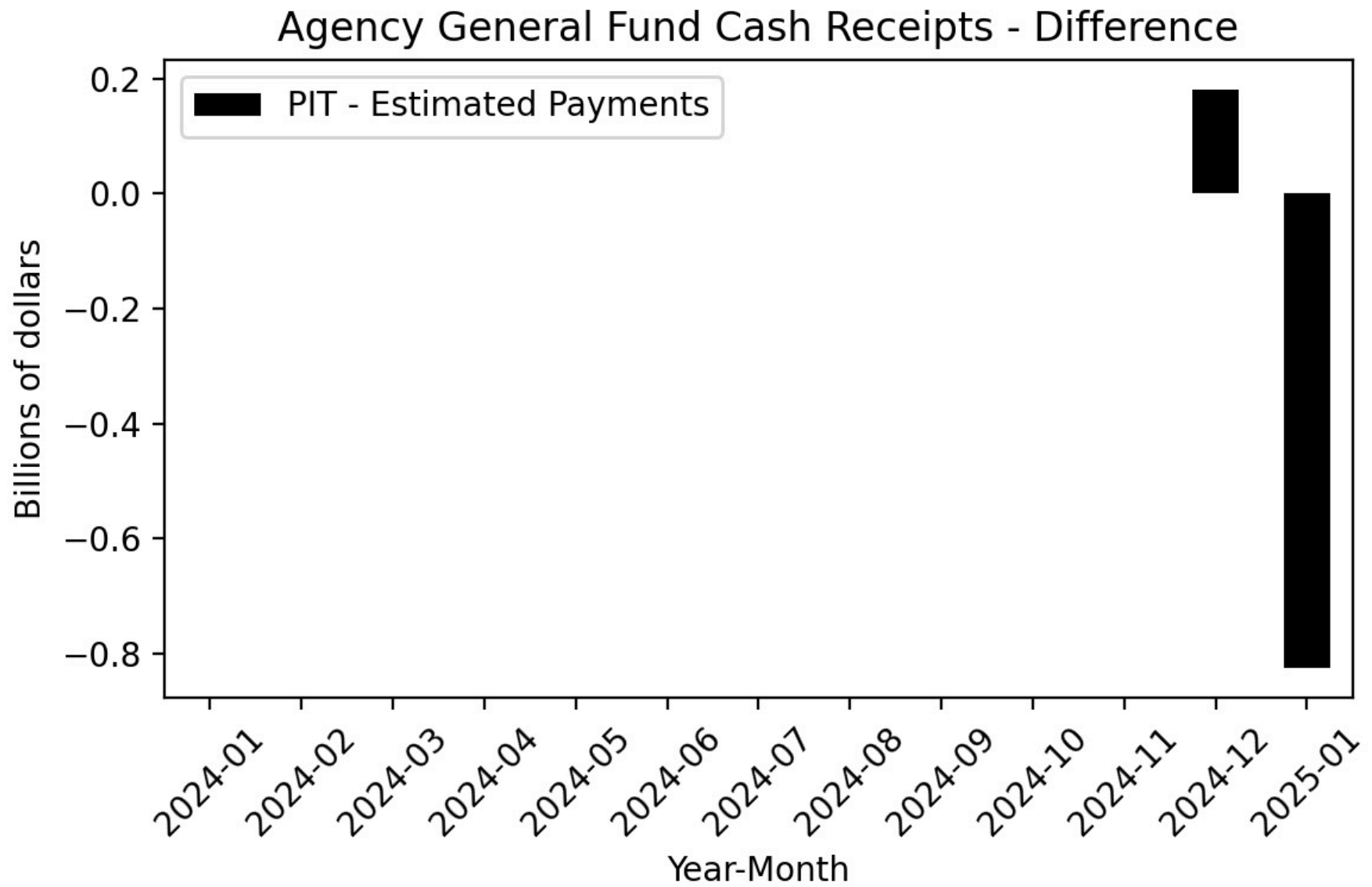


Figure 62

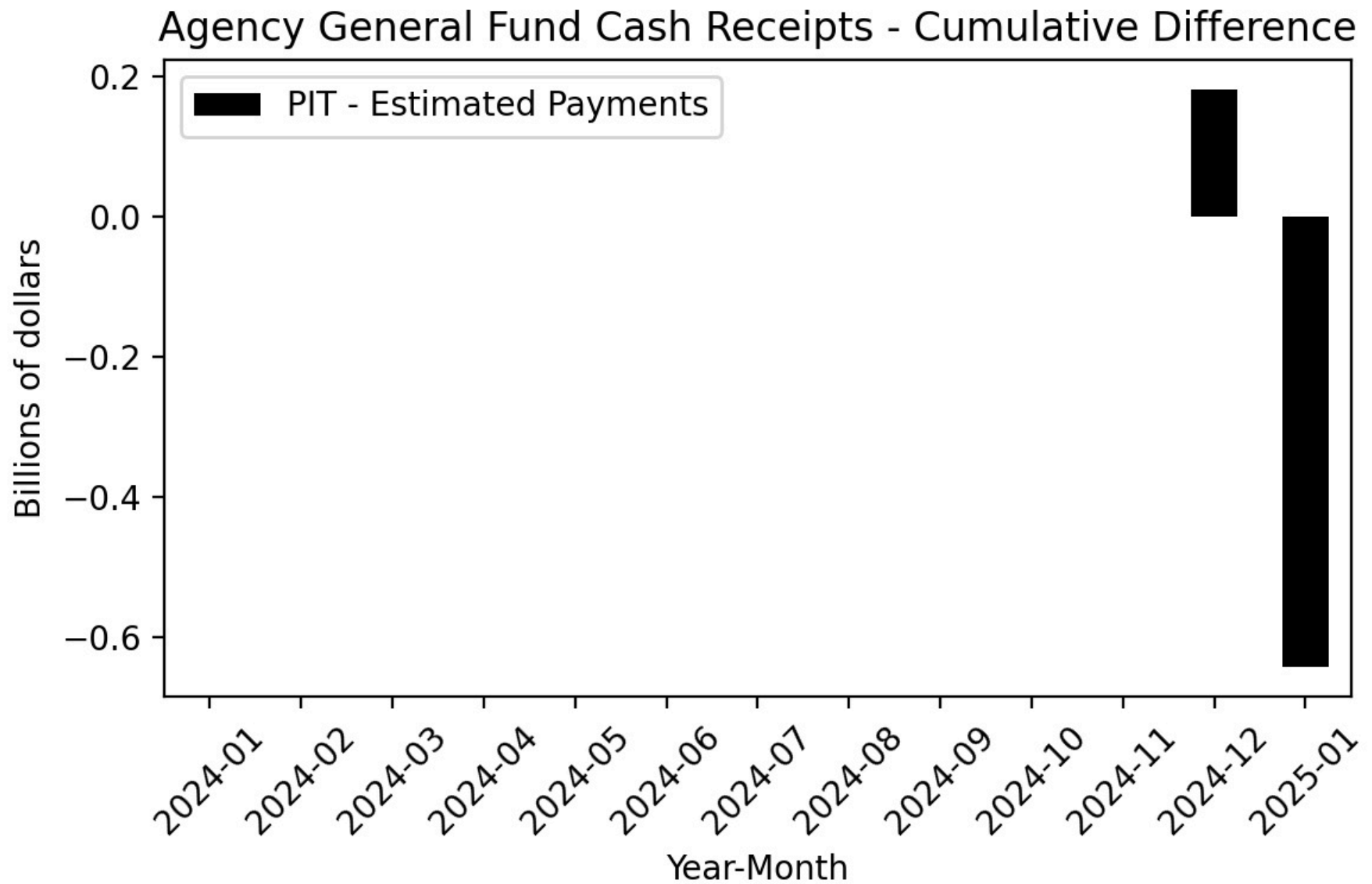


Figure 63

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast PIT-Estimated Payments

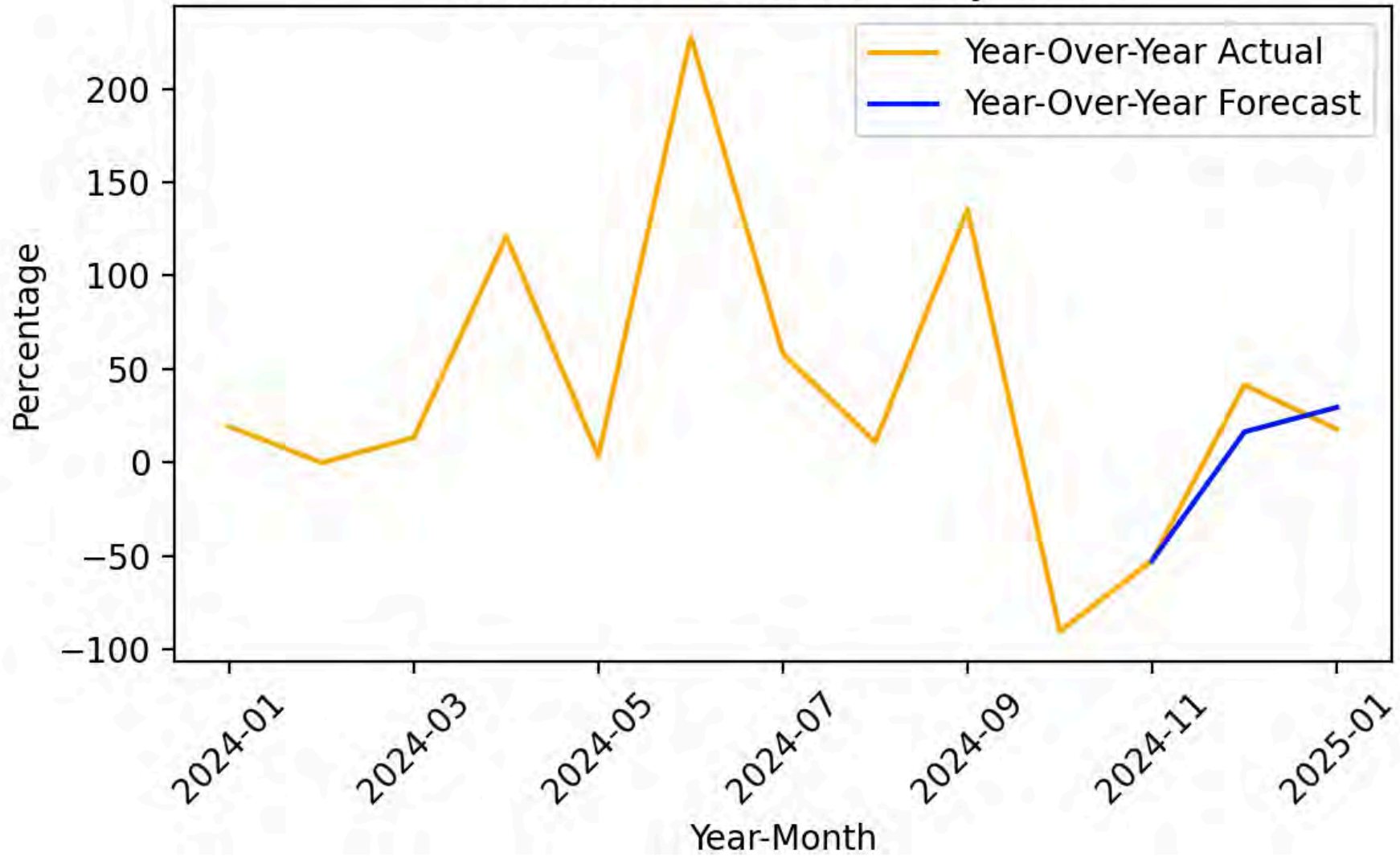


Figure 64

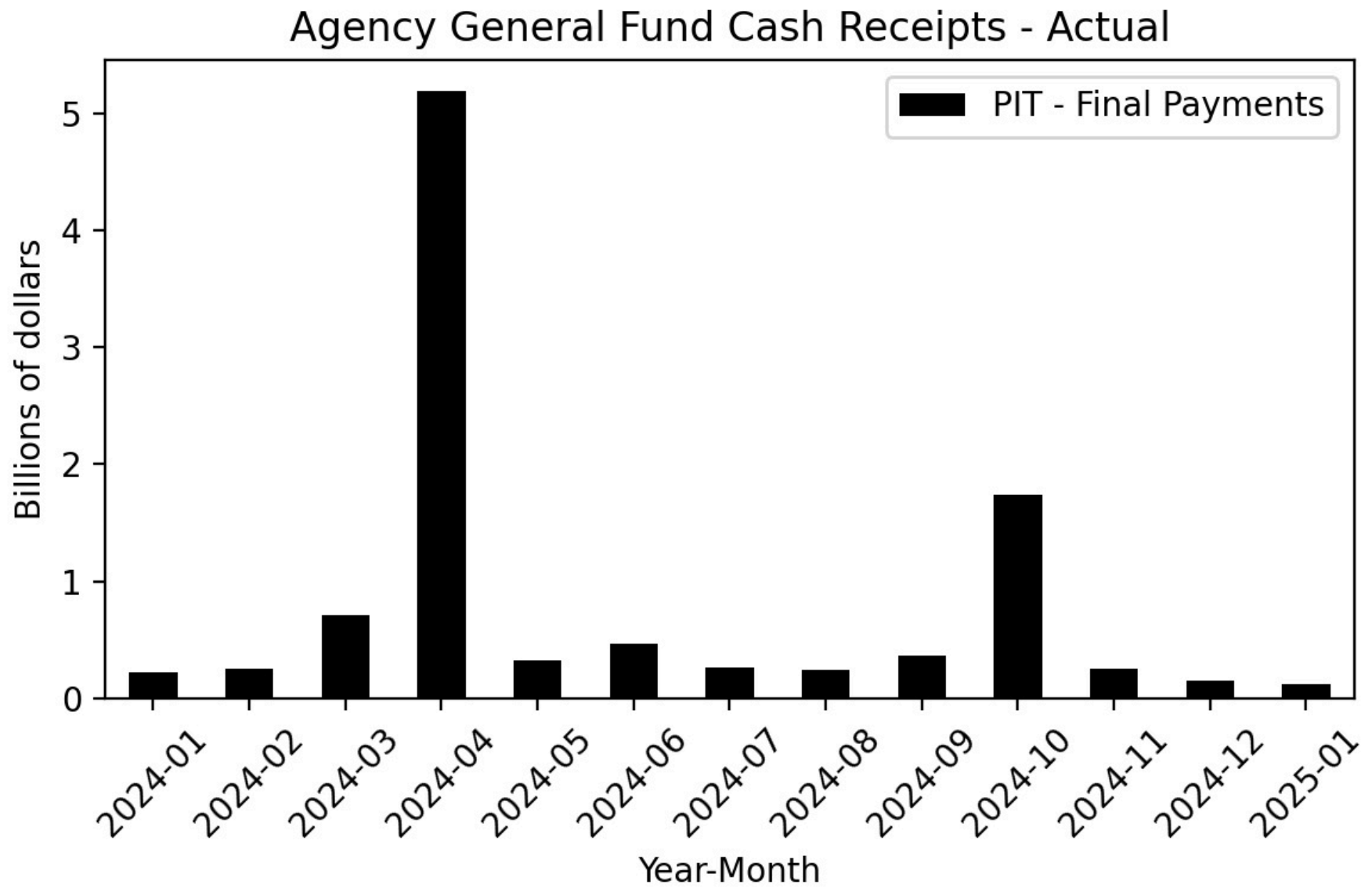


Figure 65

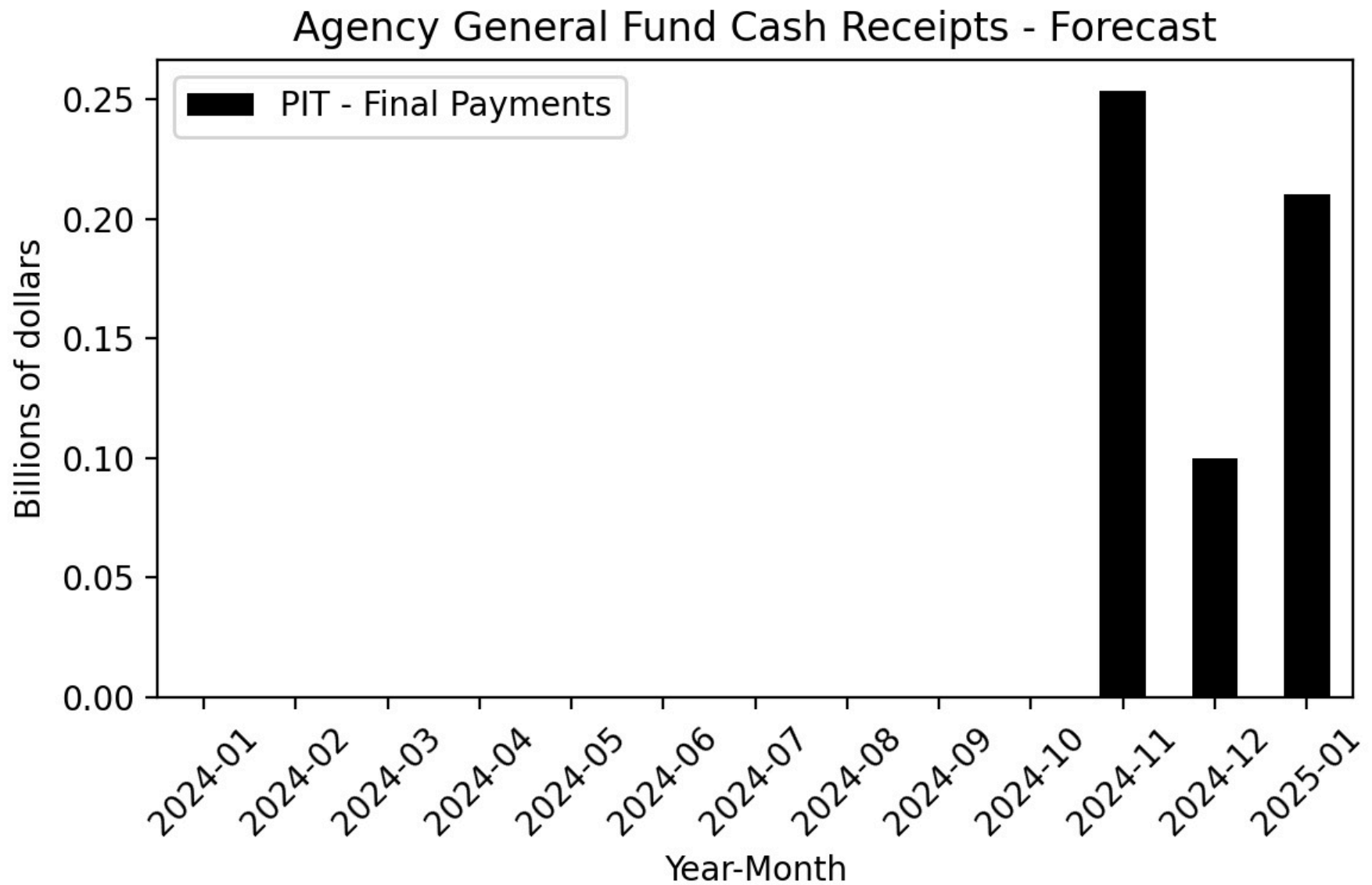


Figure 66

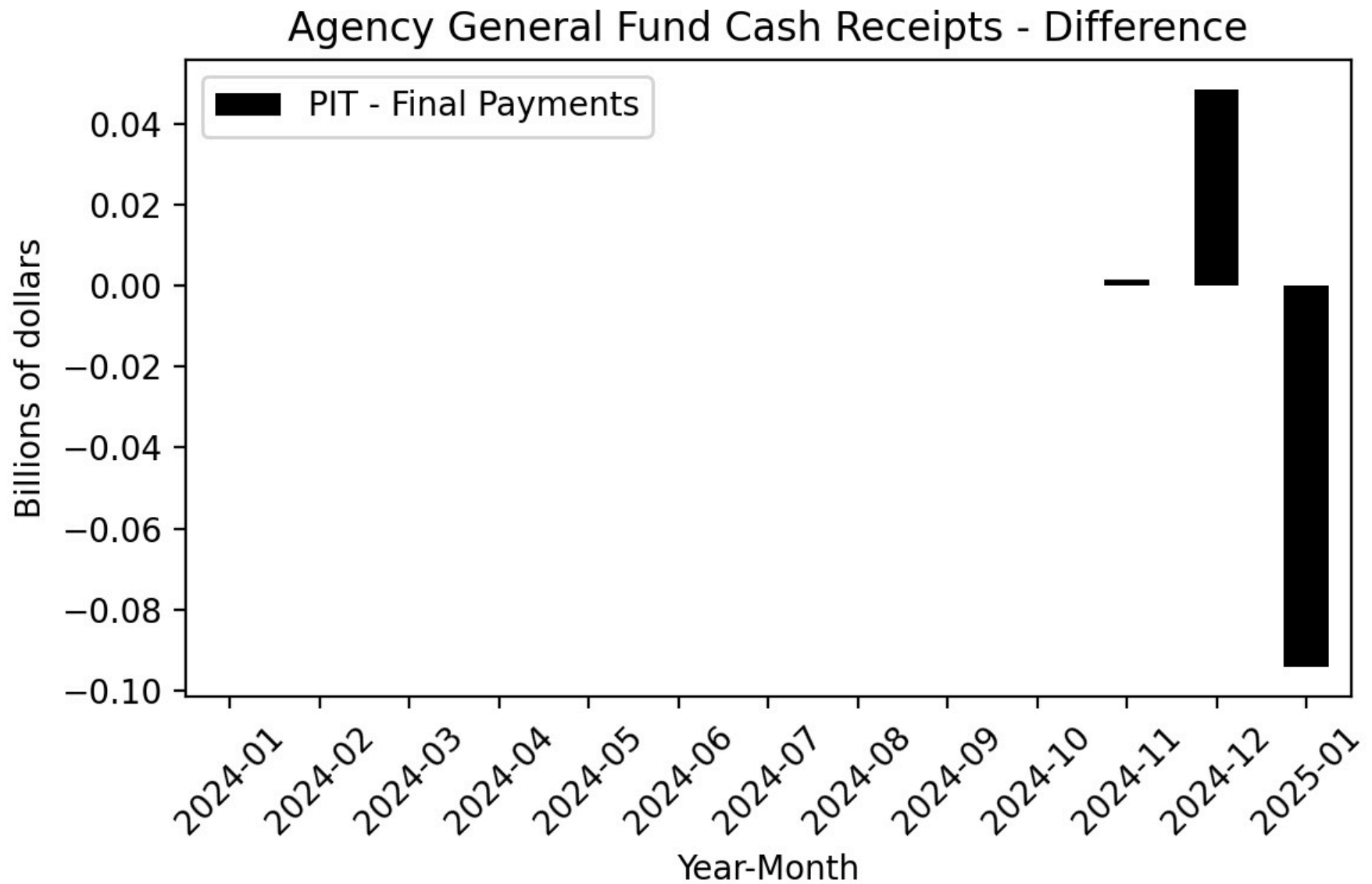


Figure 67

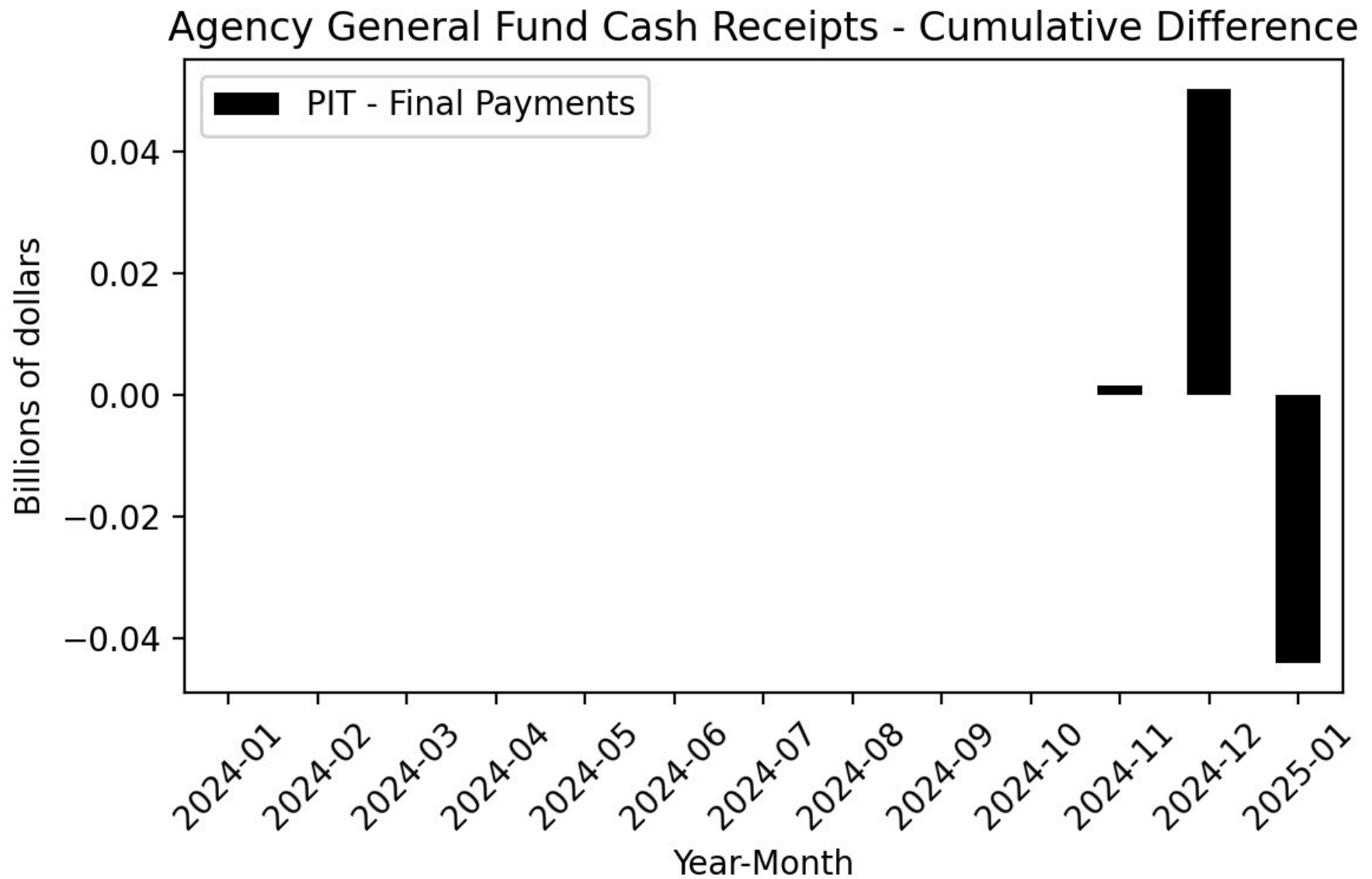


Figure 68

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Final Payments

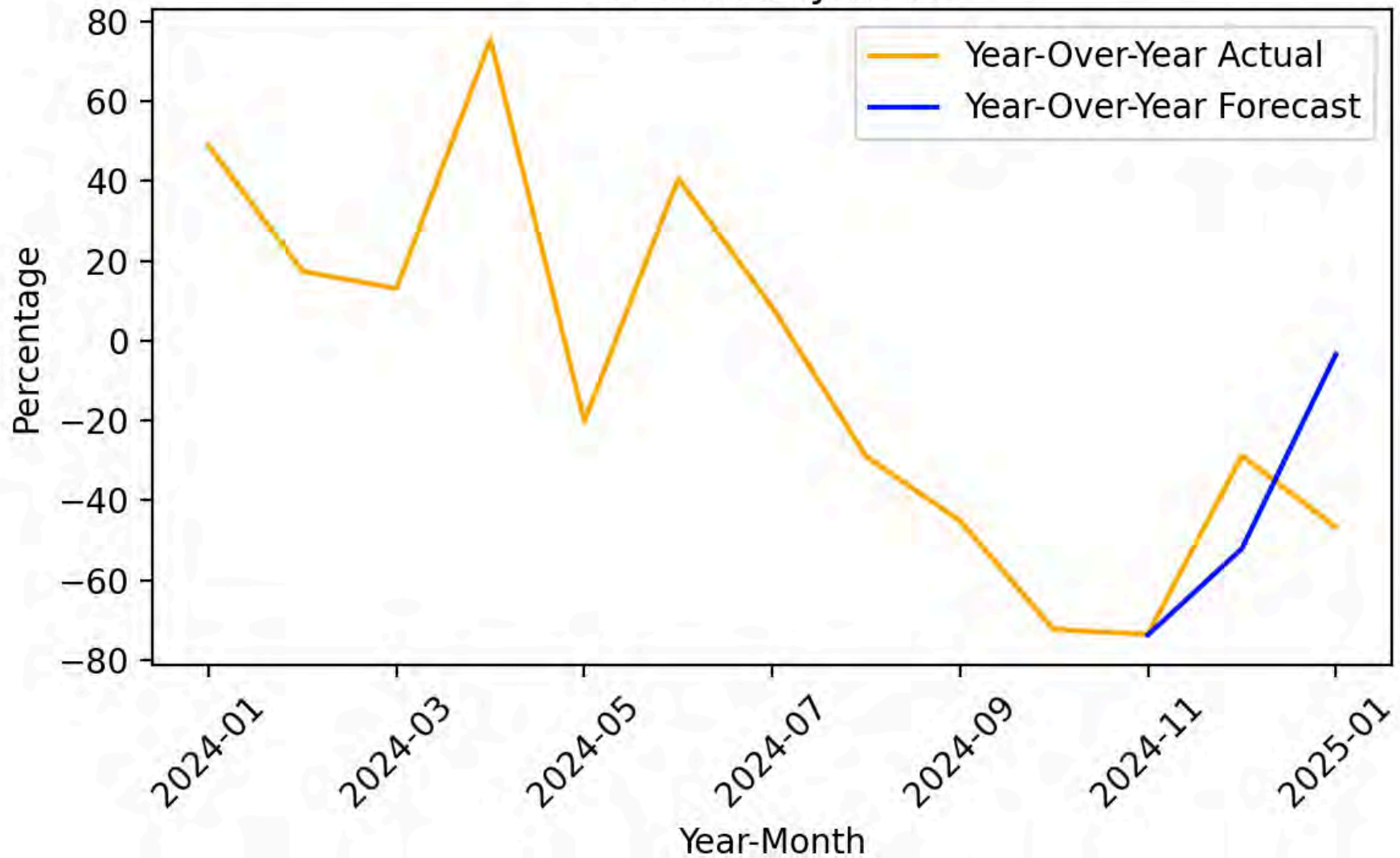


Figure 69

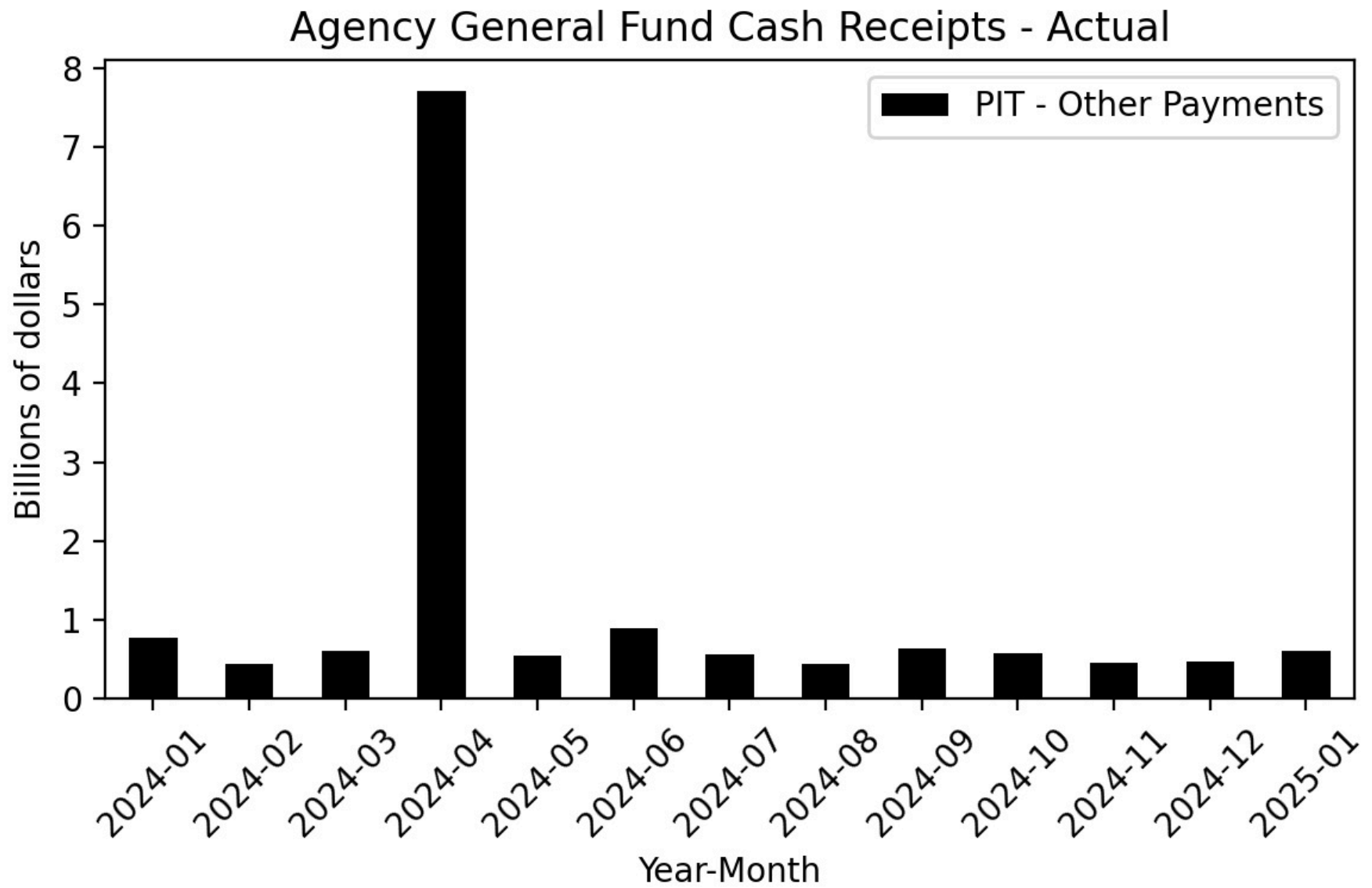


Figure 70

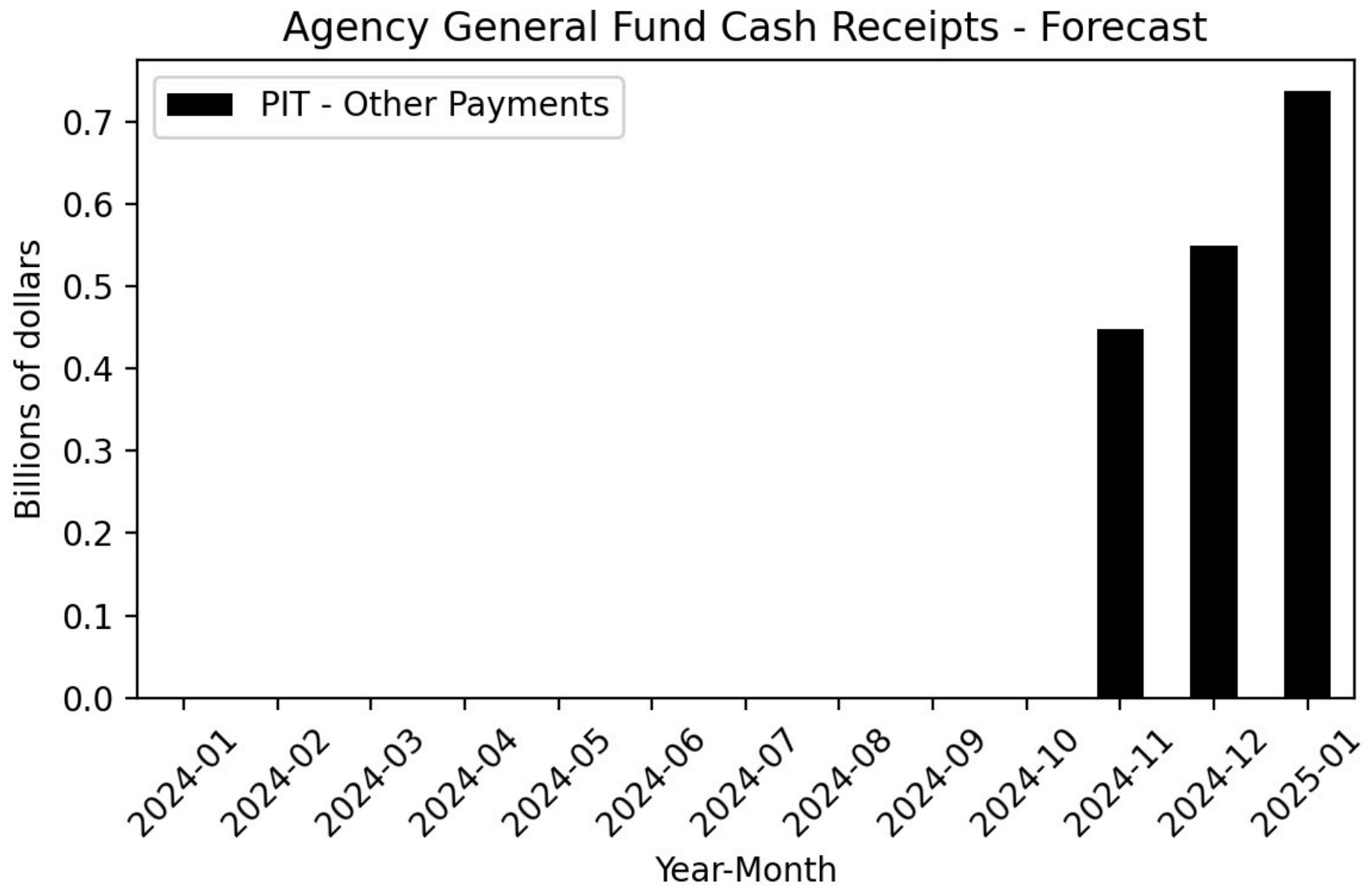


Figure 71

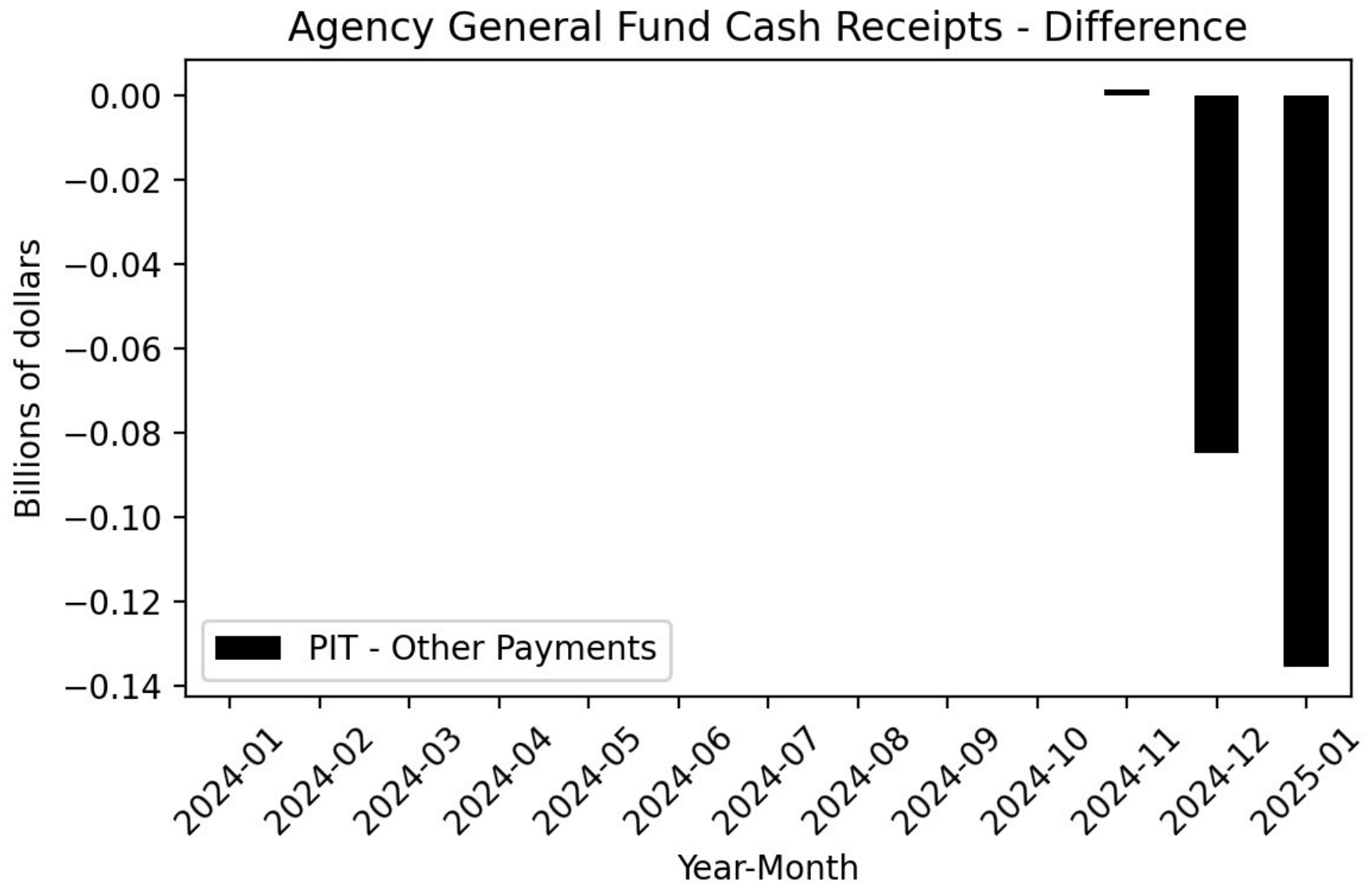


Figure 72

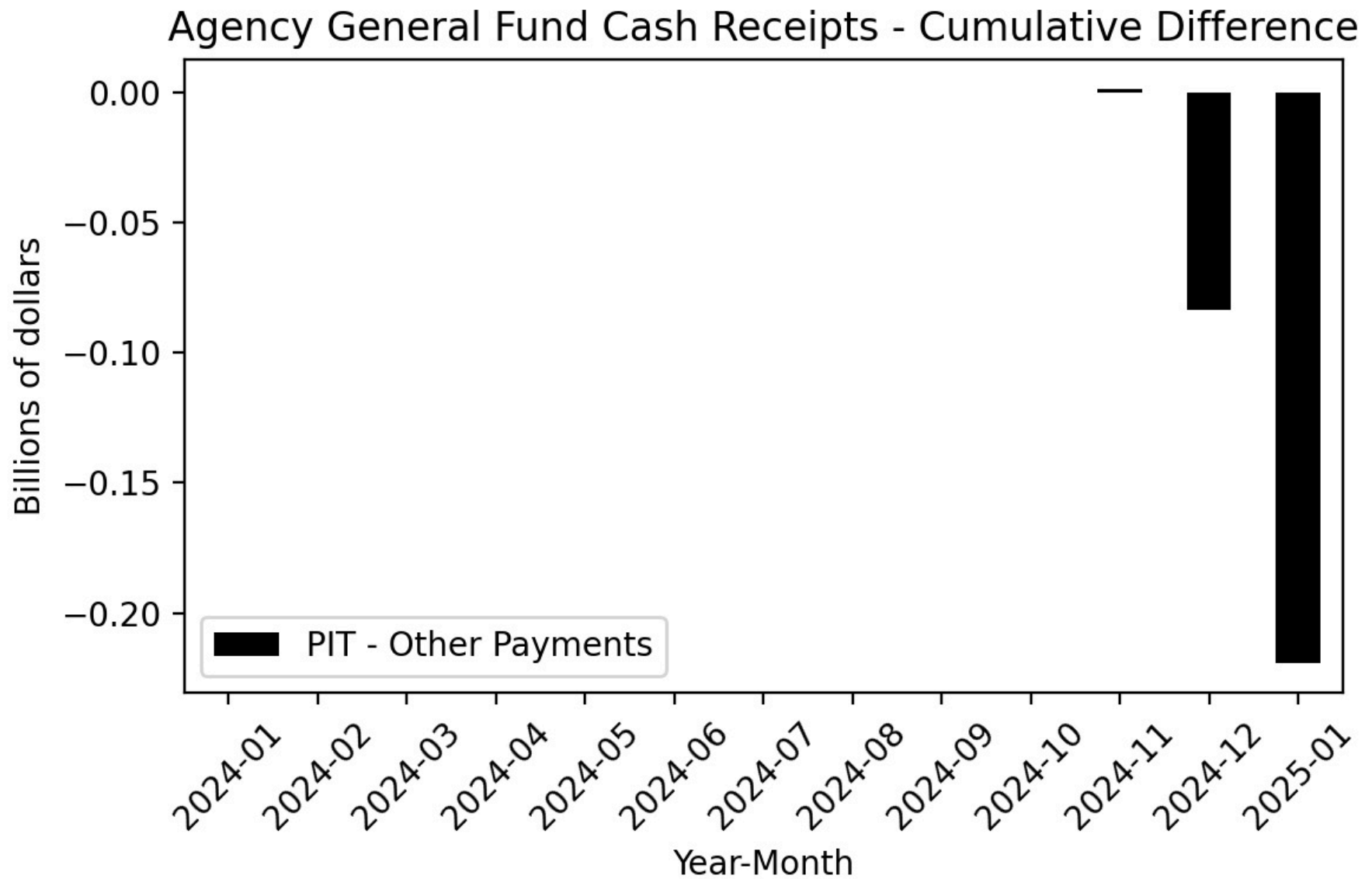


Figure 73

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Other Payments

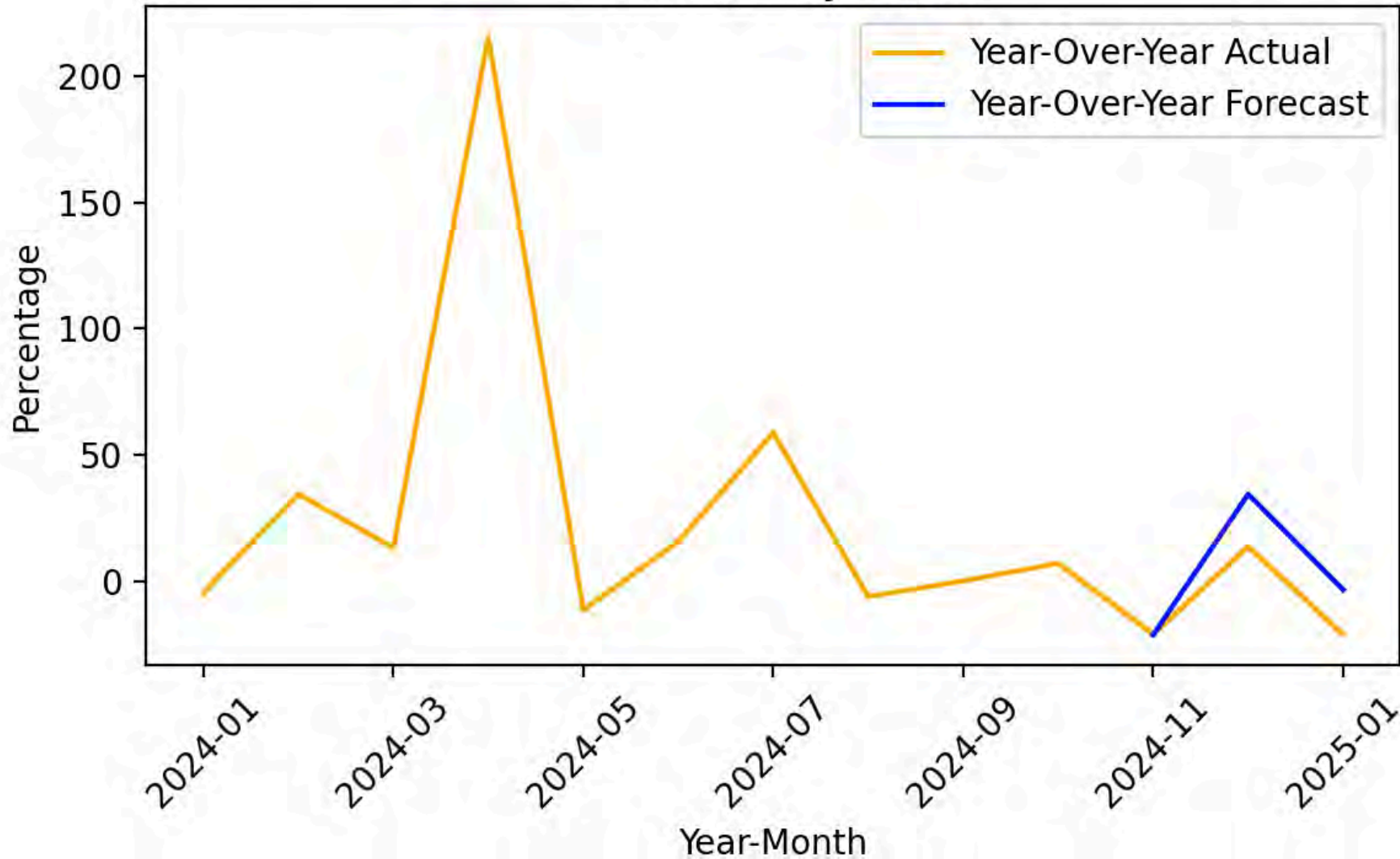


Figure 74

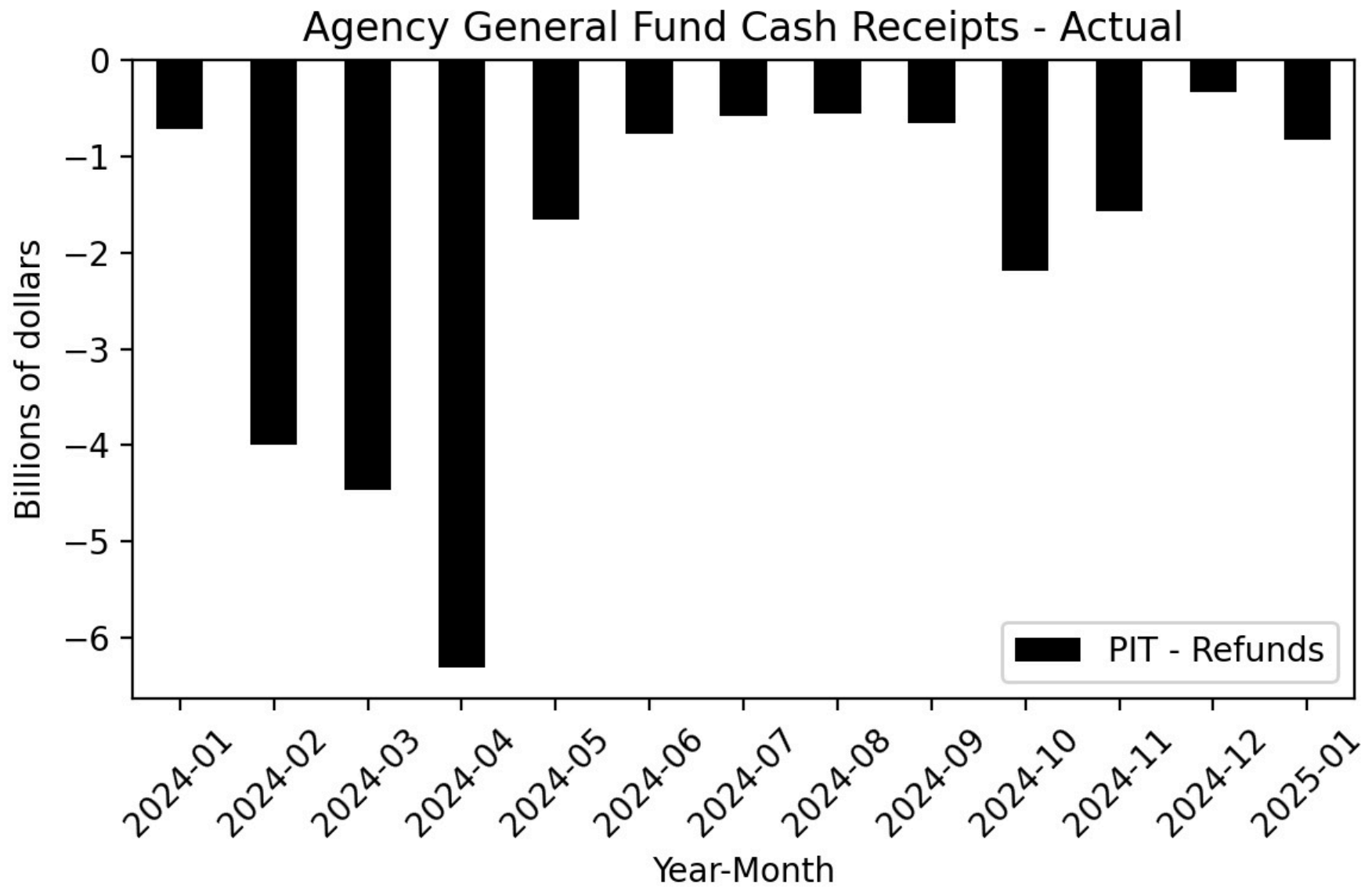


Figure 75

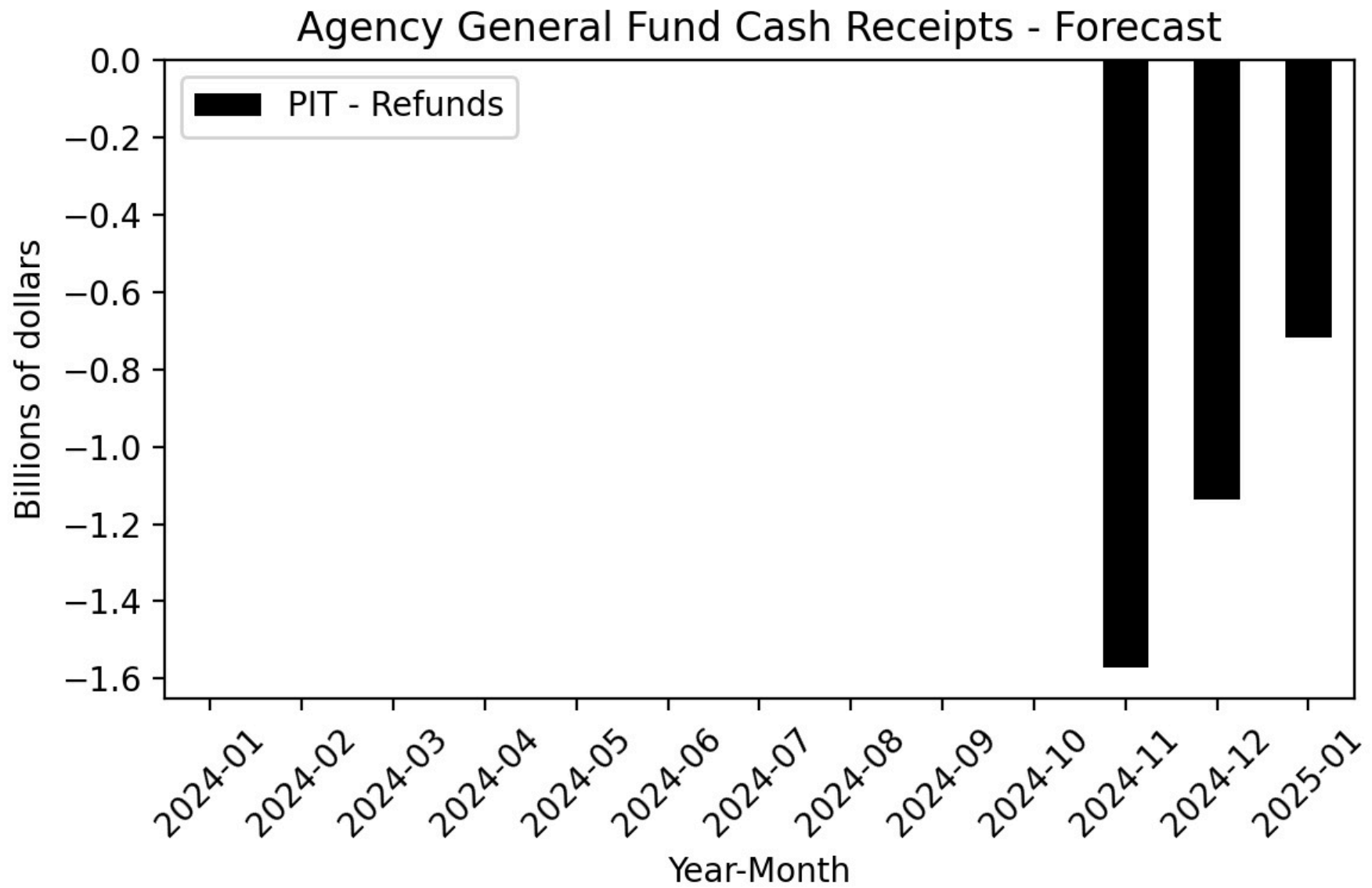


Figure 76

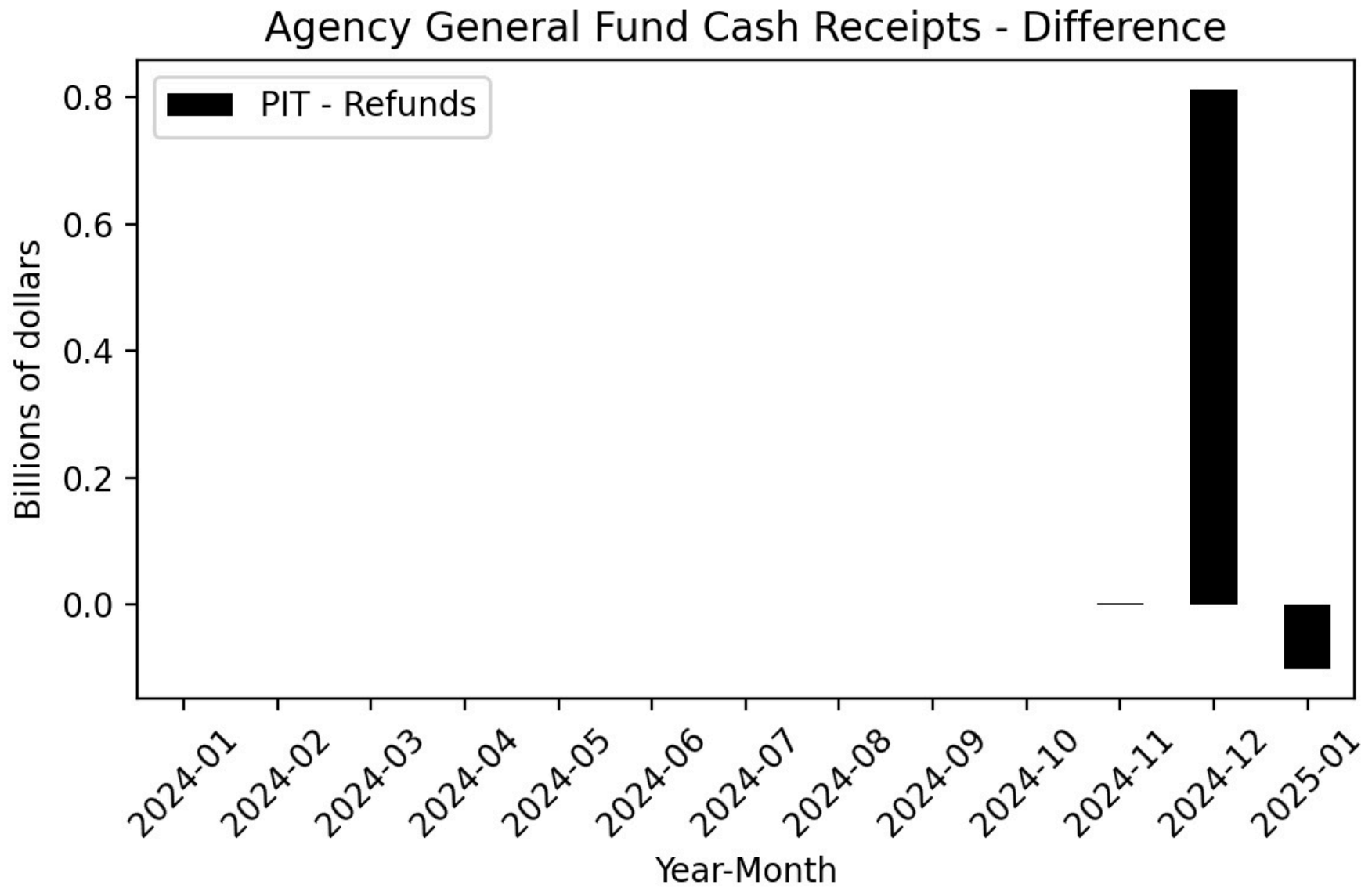


Figure 77

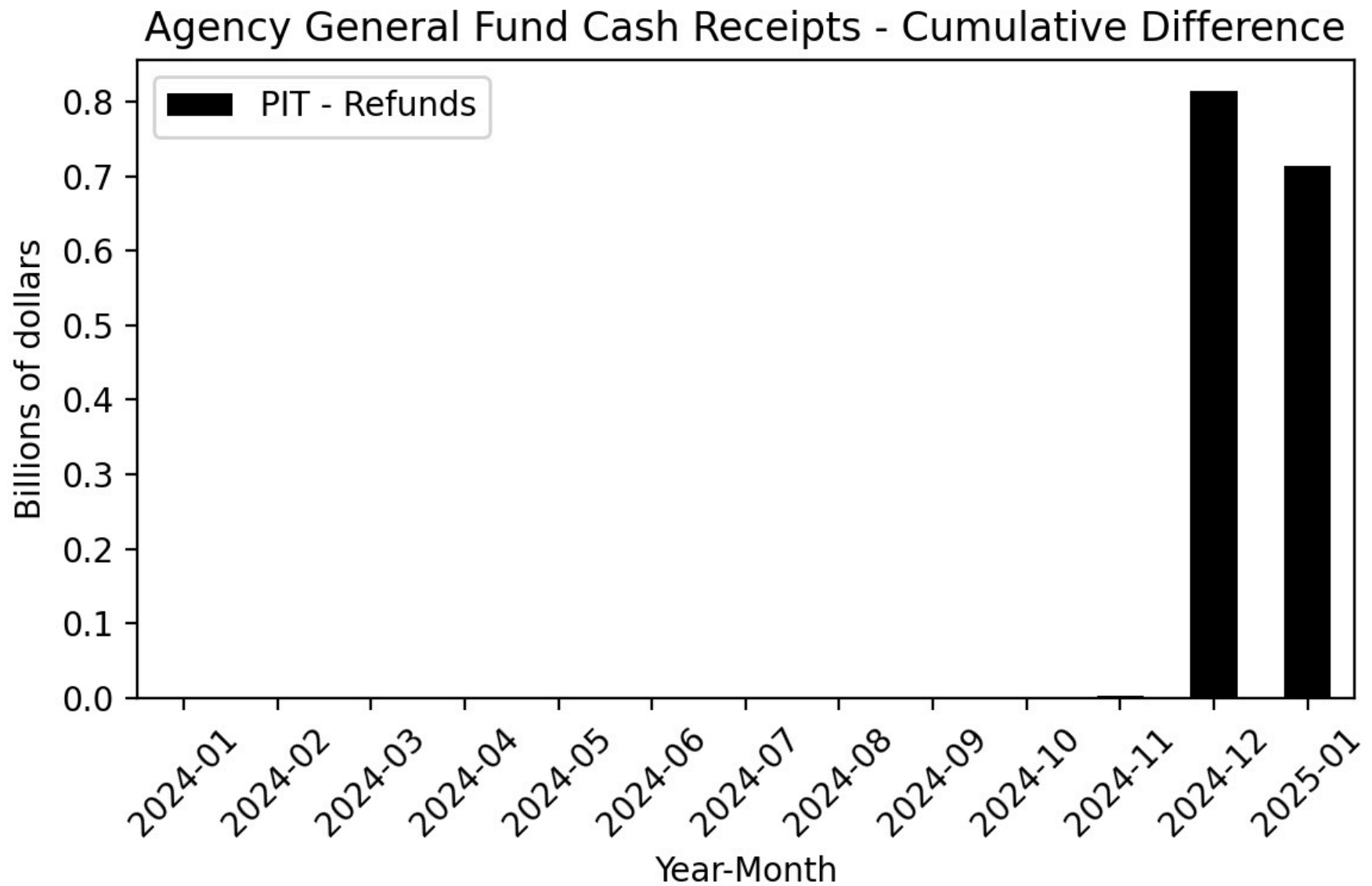


Figure 78

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-Refunds

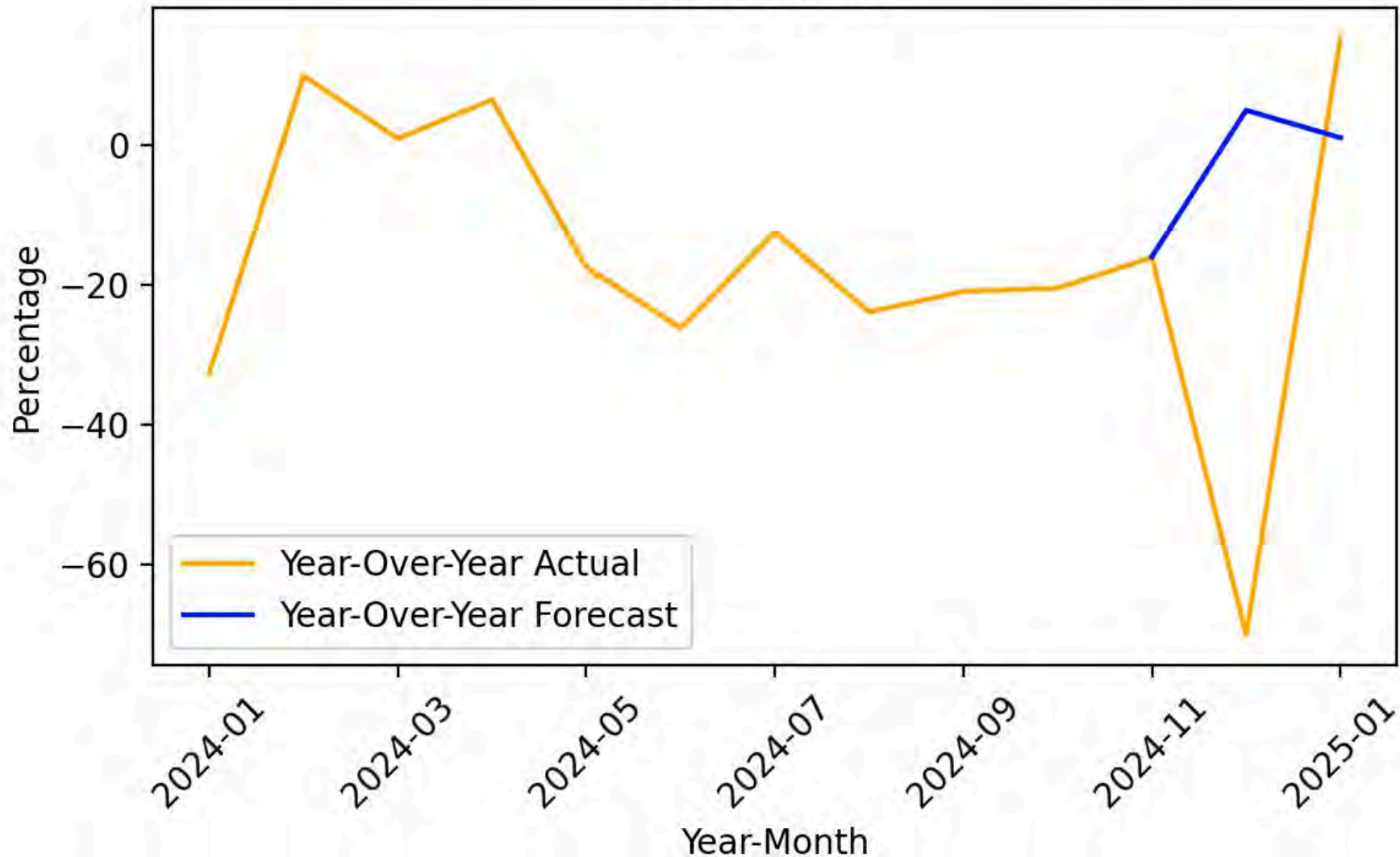


Figure 79

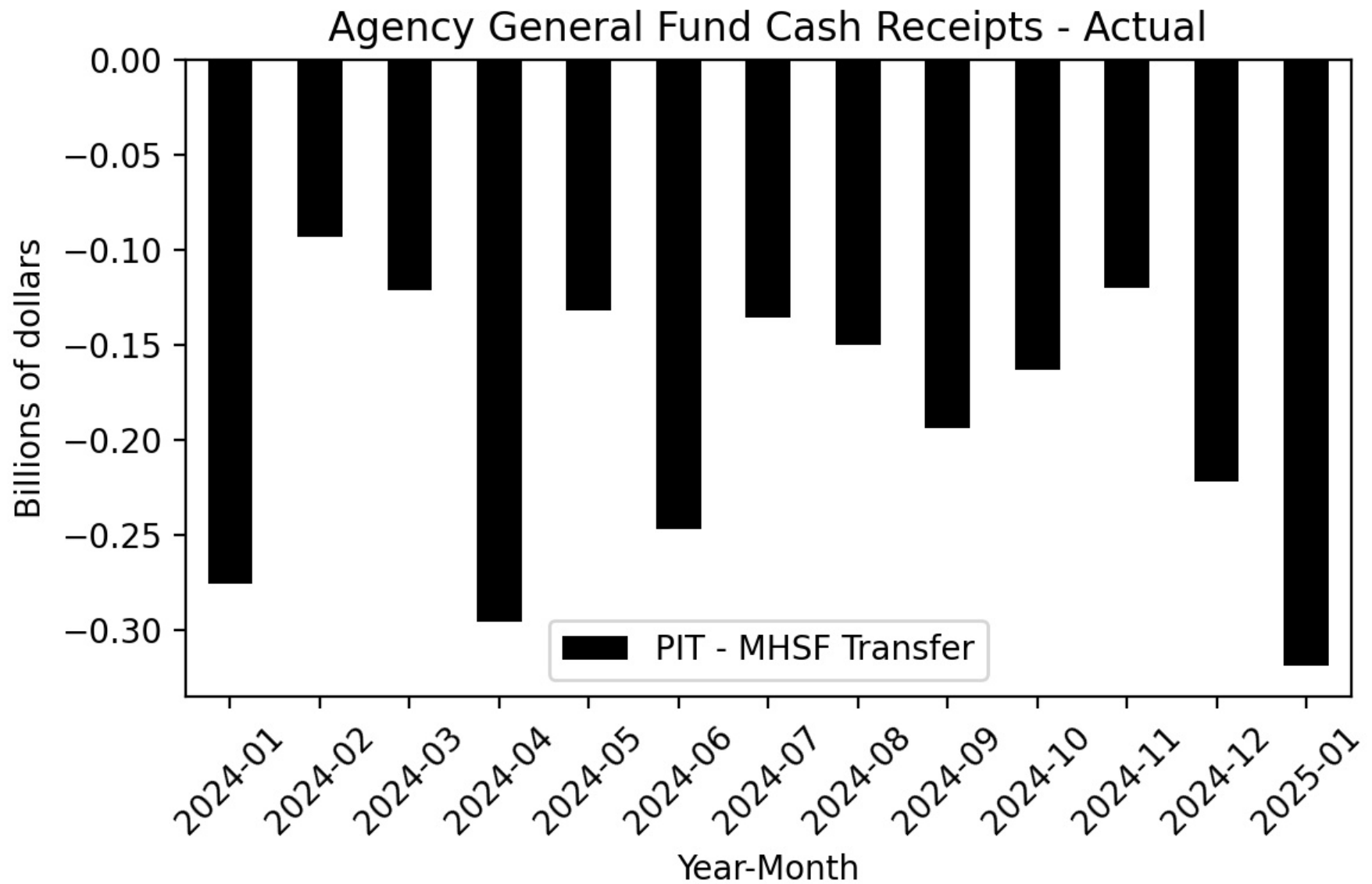


Figure 80

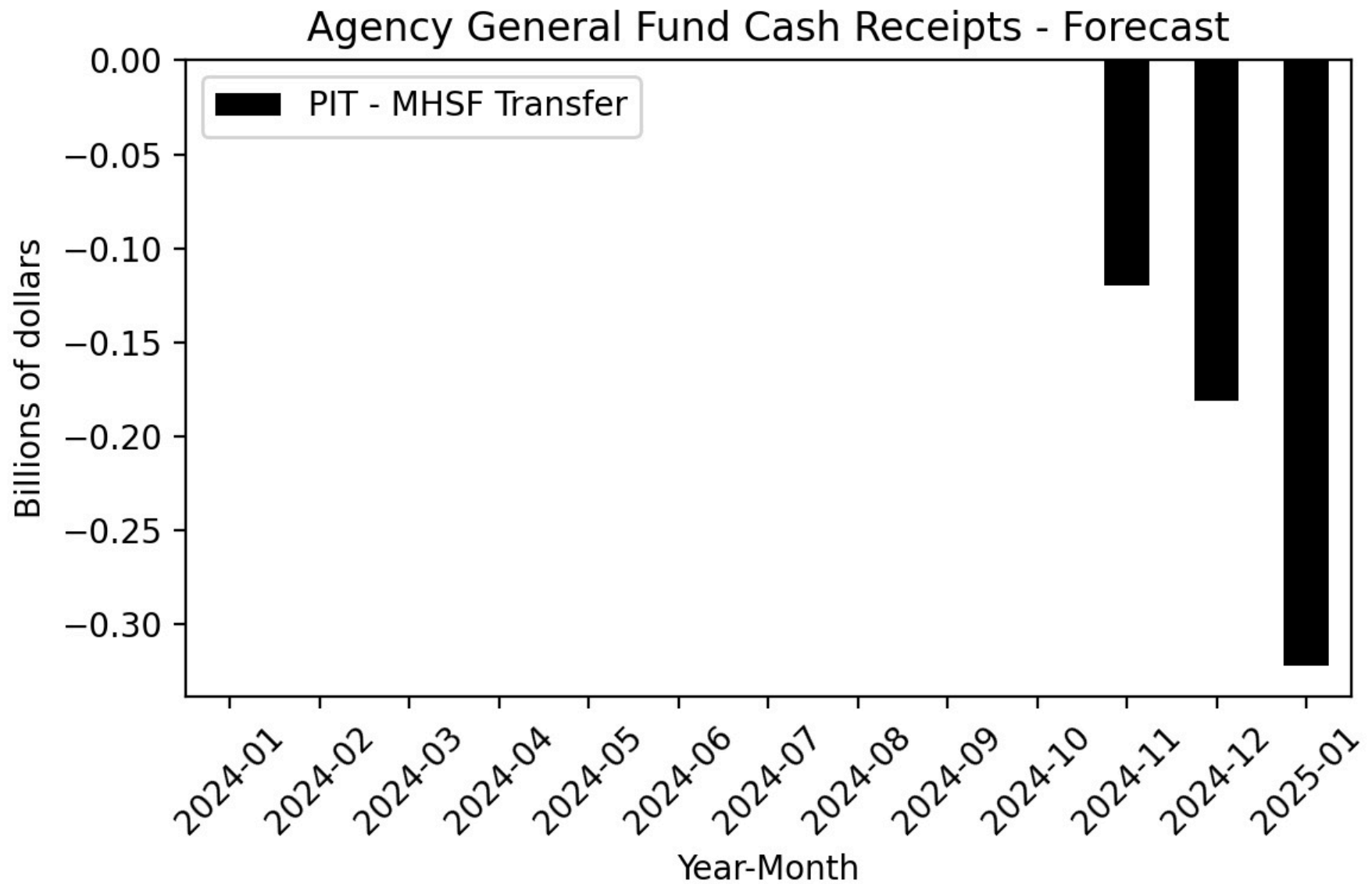


Figure 81

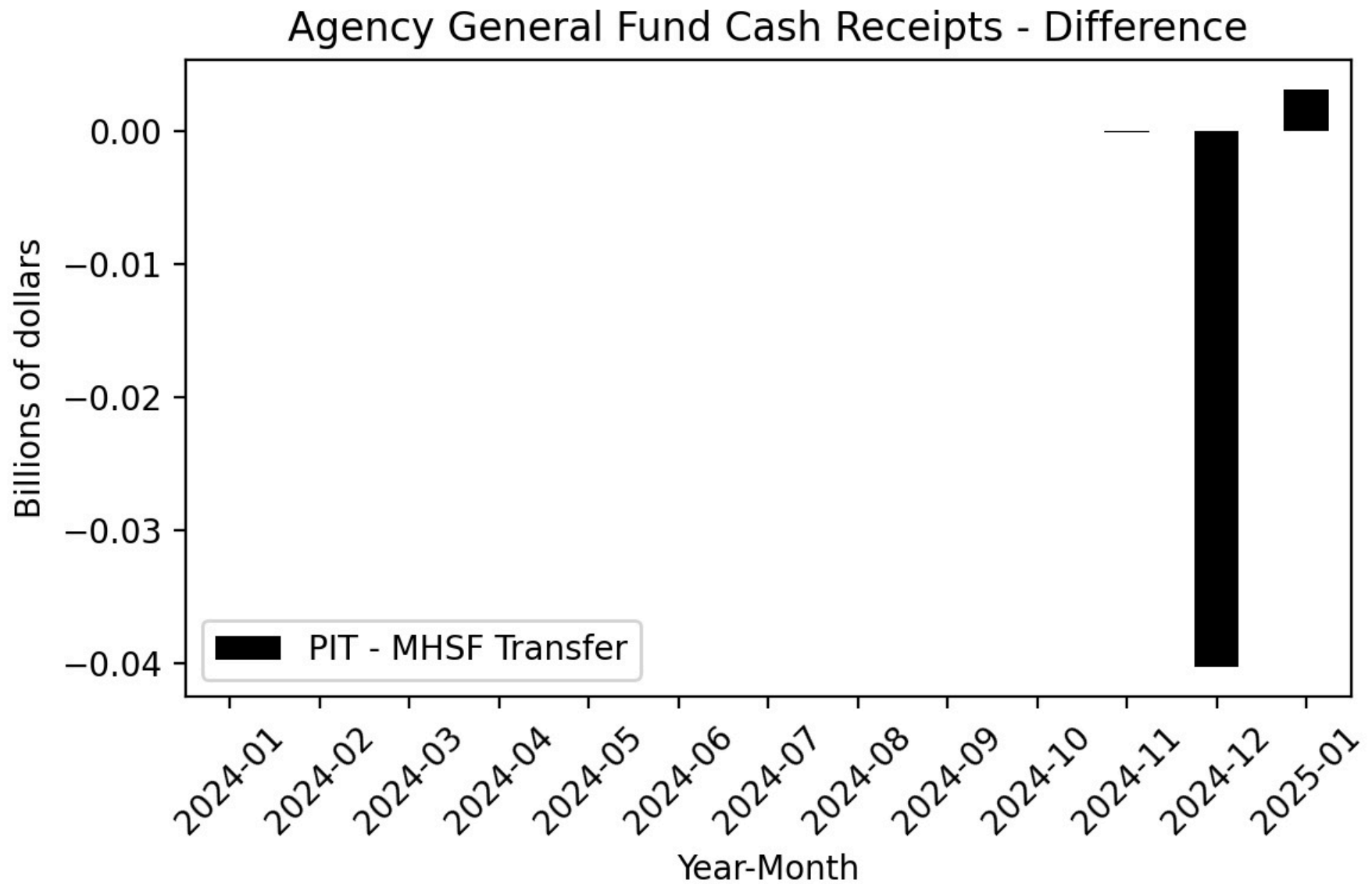


Figure 82

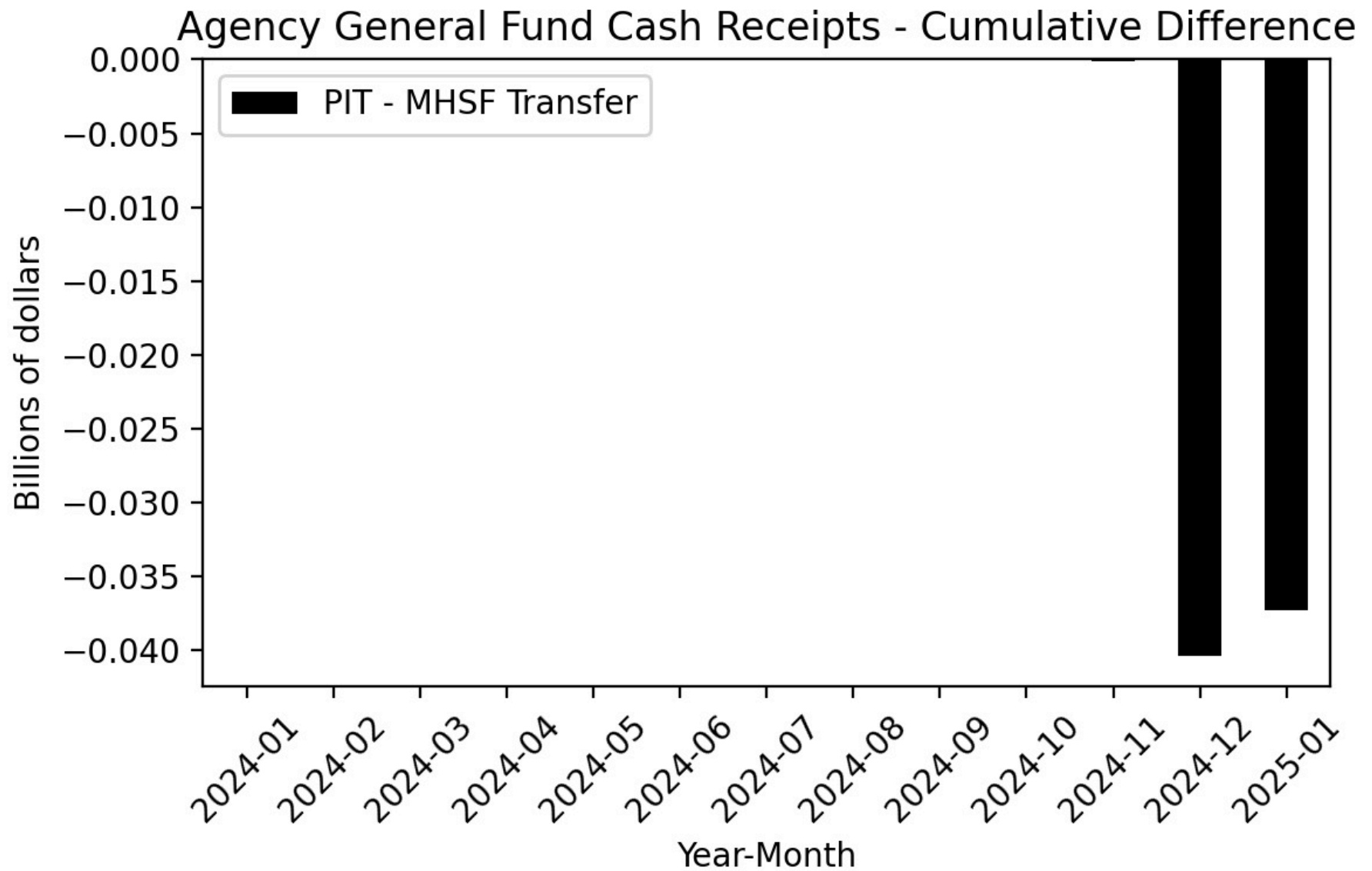


Figure 83

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
PIT-MHSF Transfer

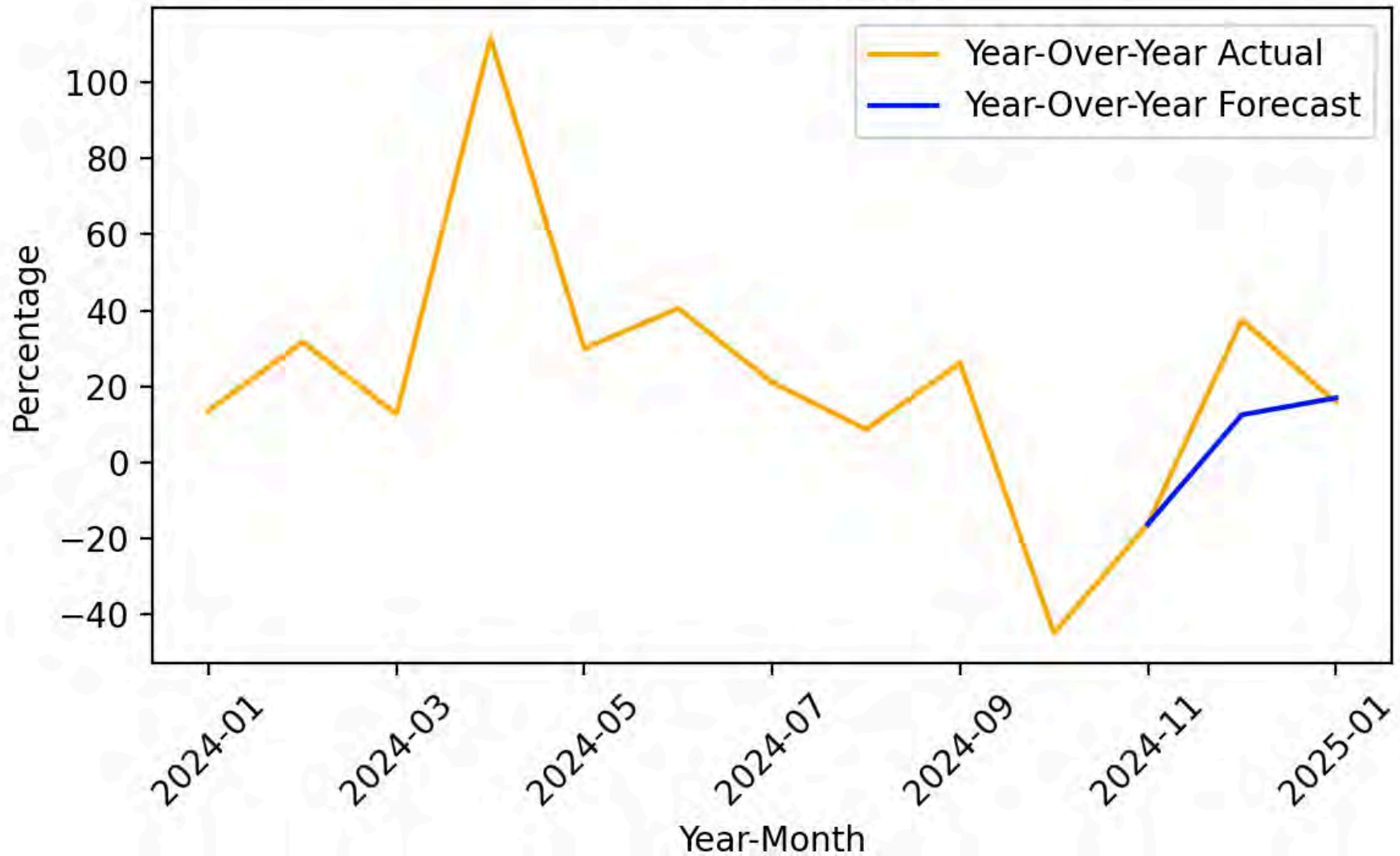


Figure 84

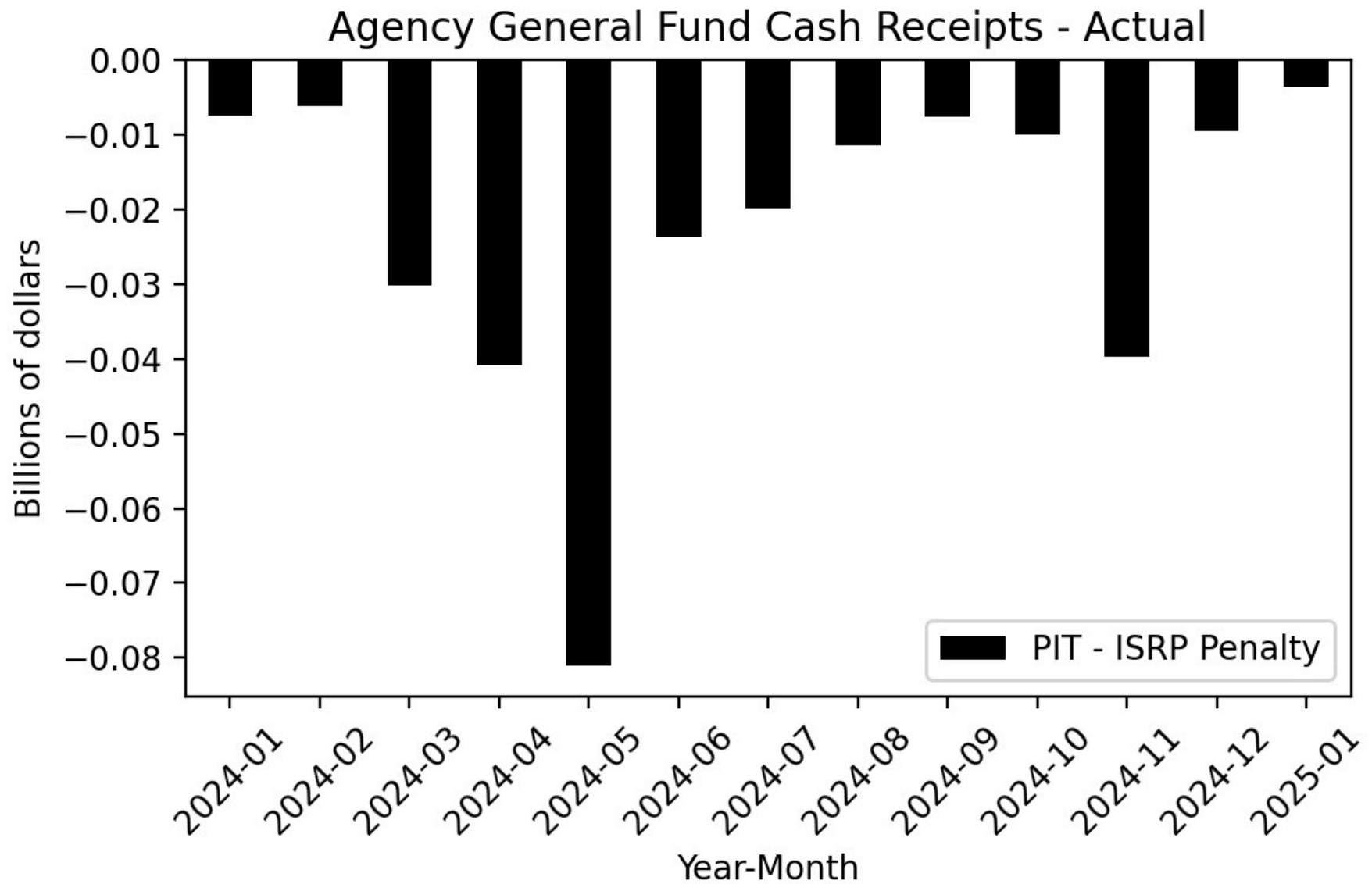


Figure 85

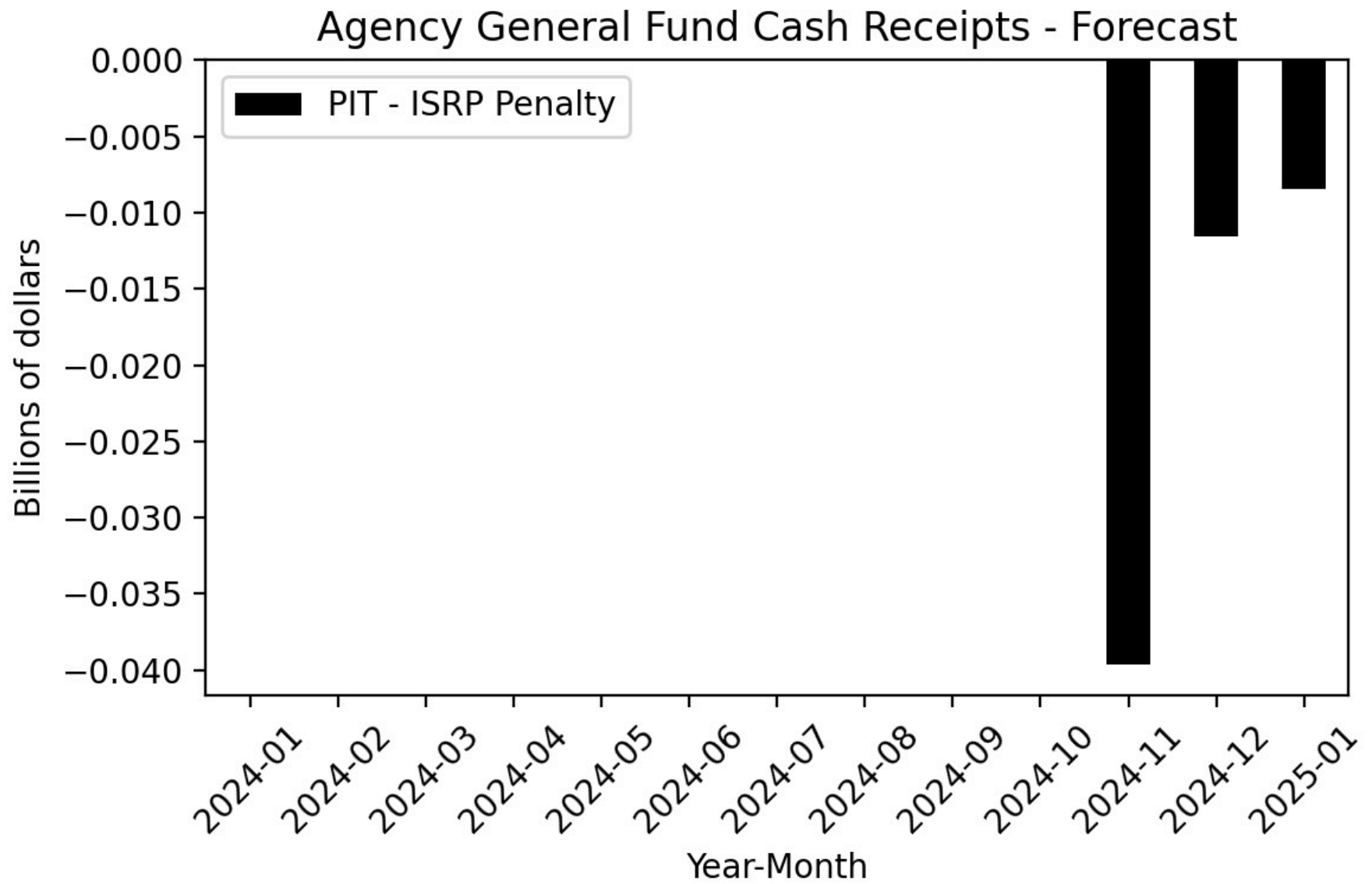


Figure 86

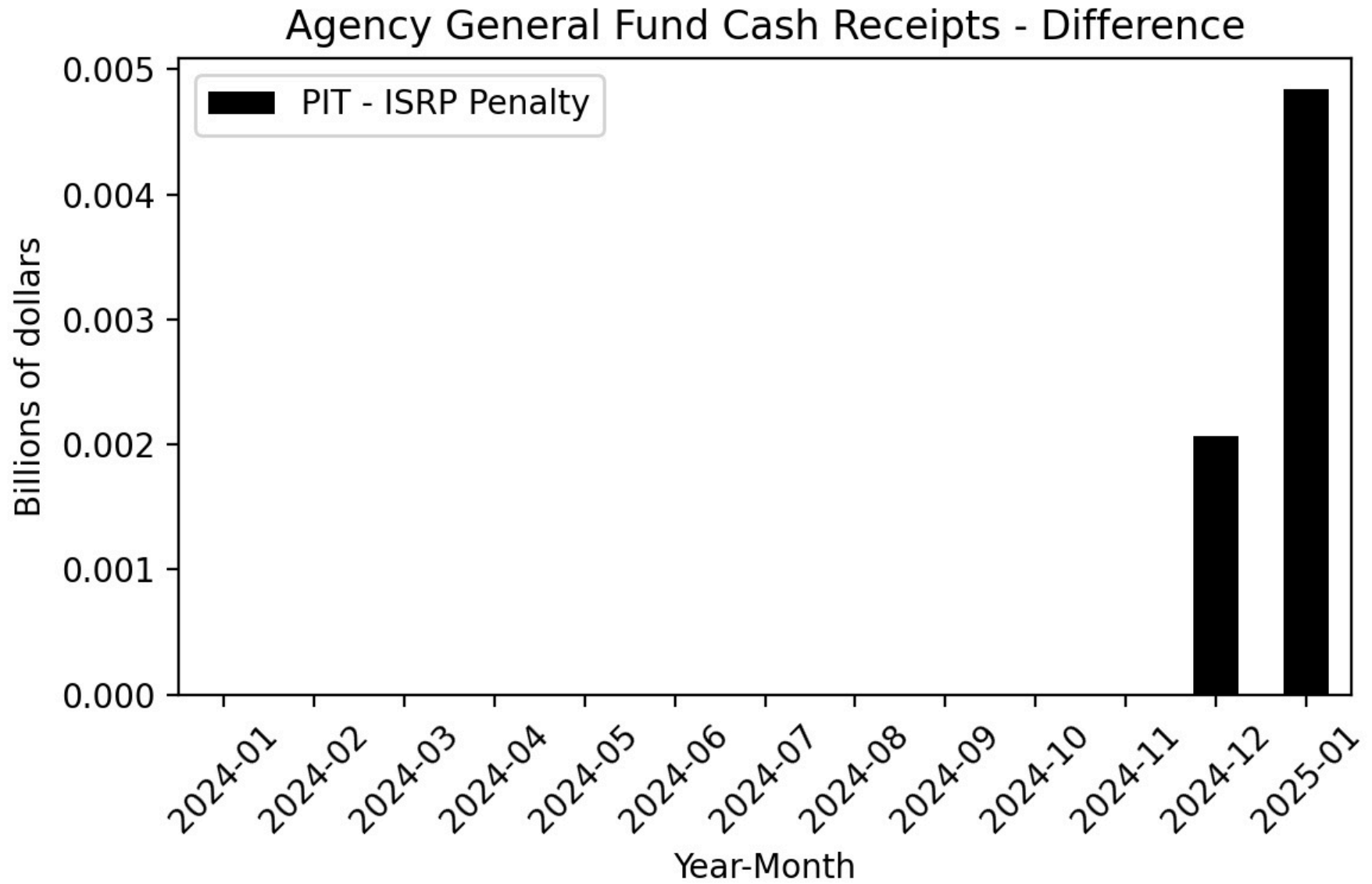


Figure 87

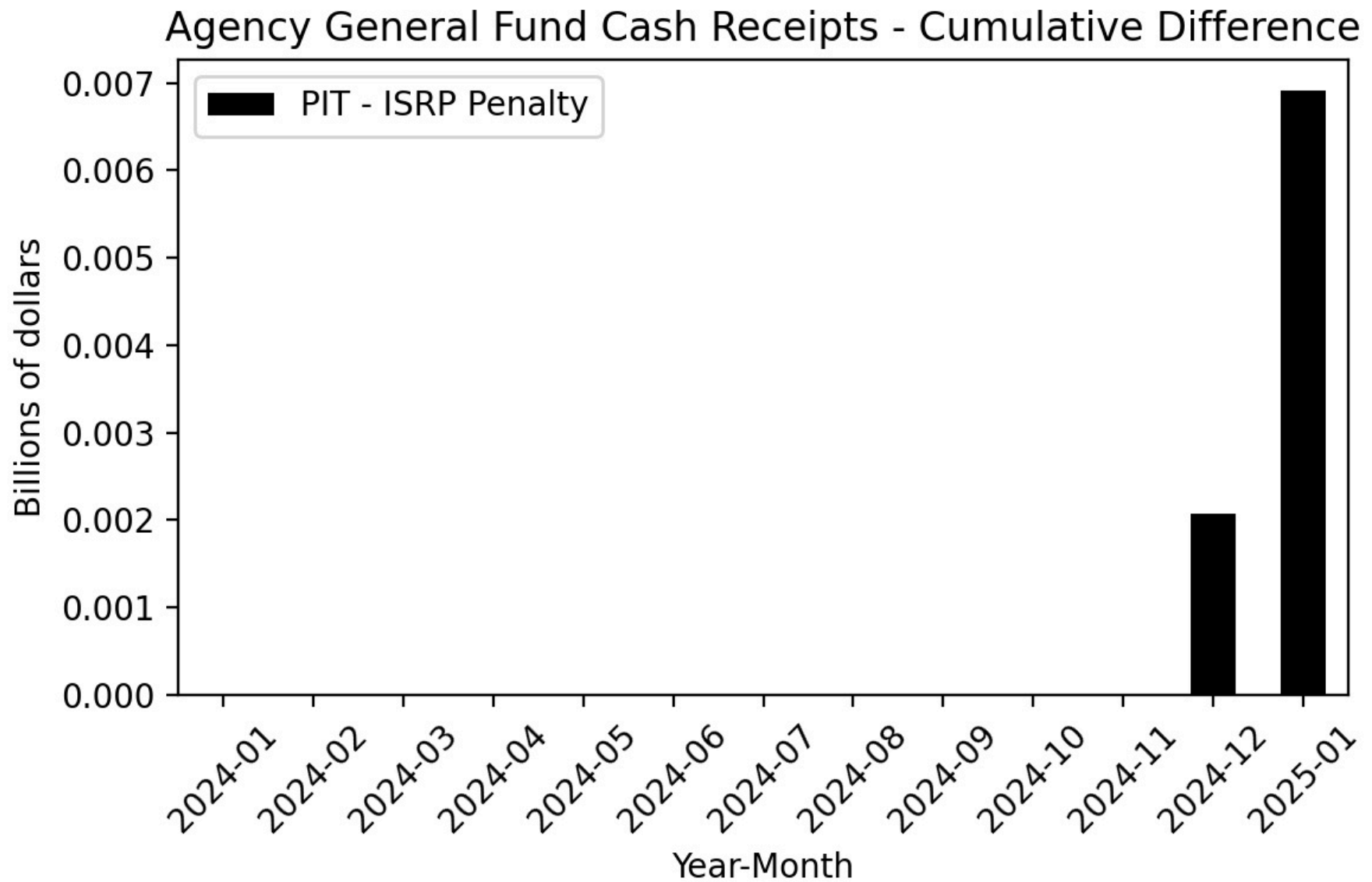


Figure 88

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast PIT-ISRP Penalty

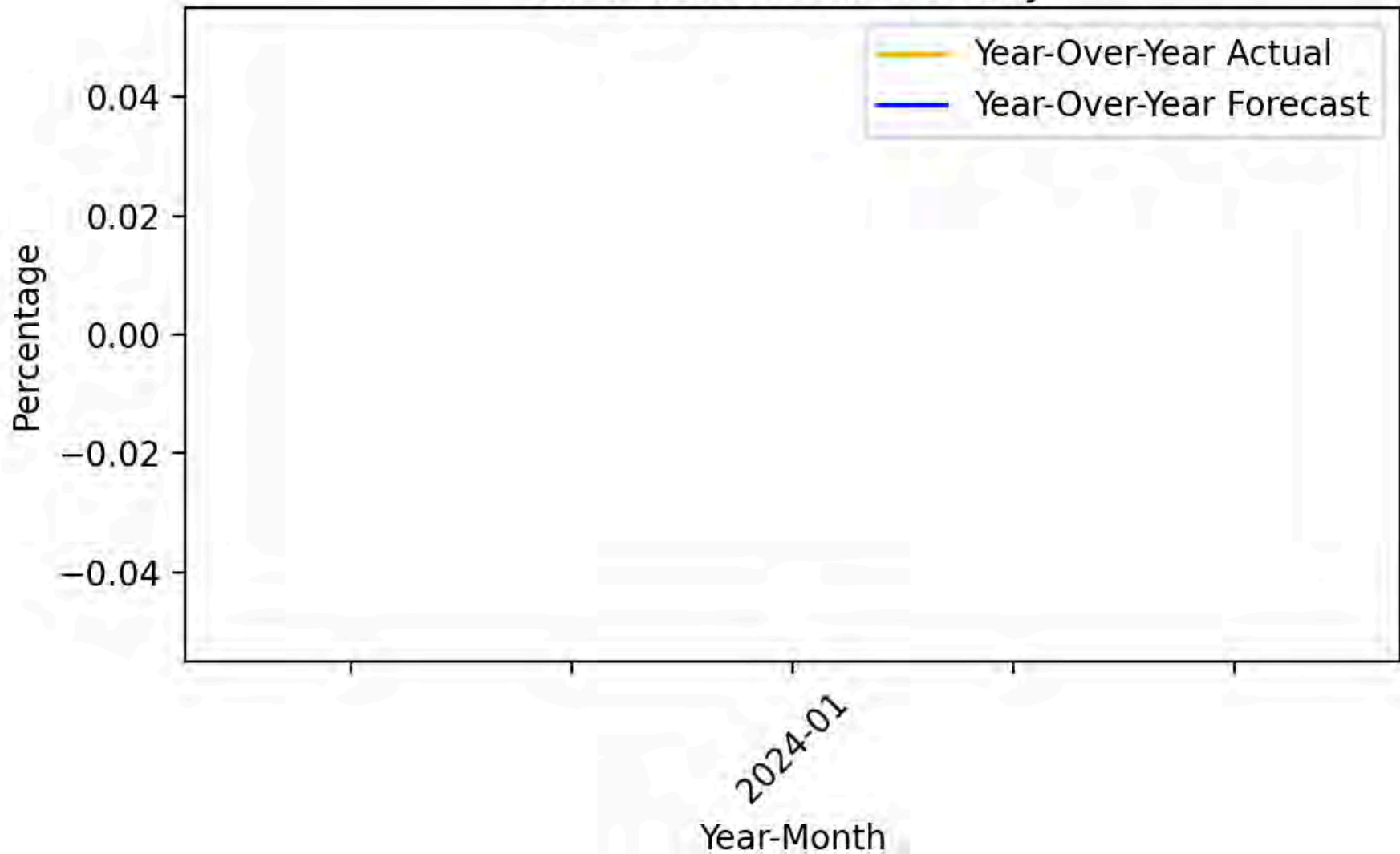


Figure 89

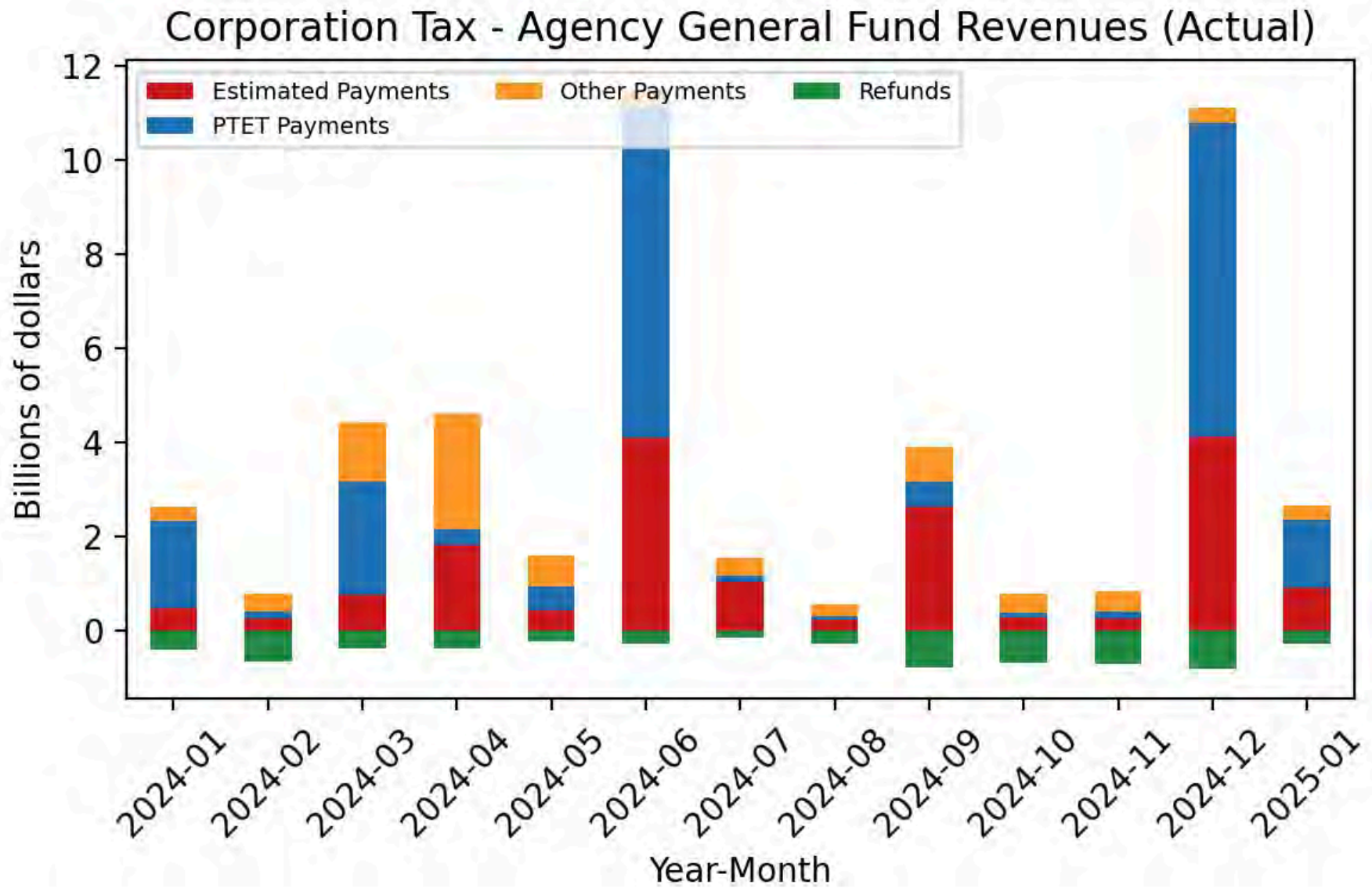


Figure 90

Corporation Tax - Agency General Fund Revenues (Forecast)

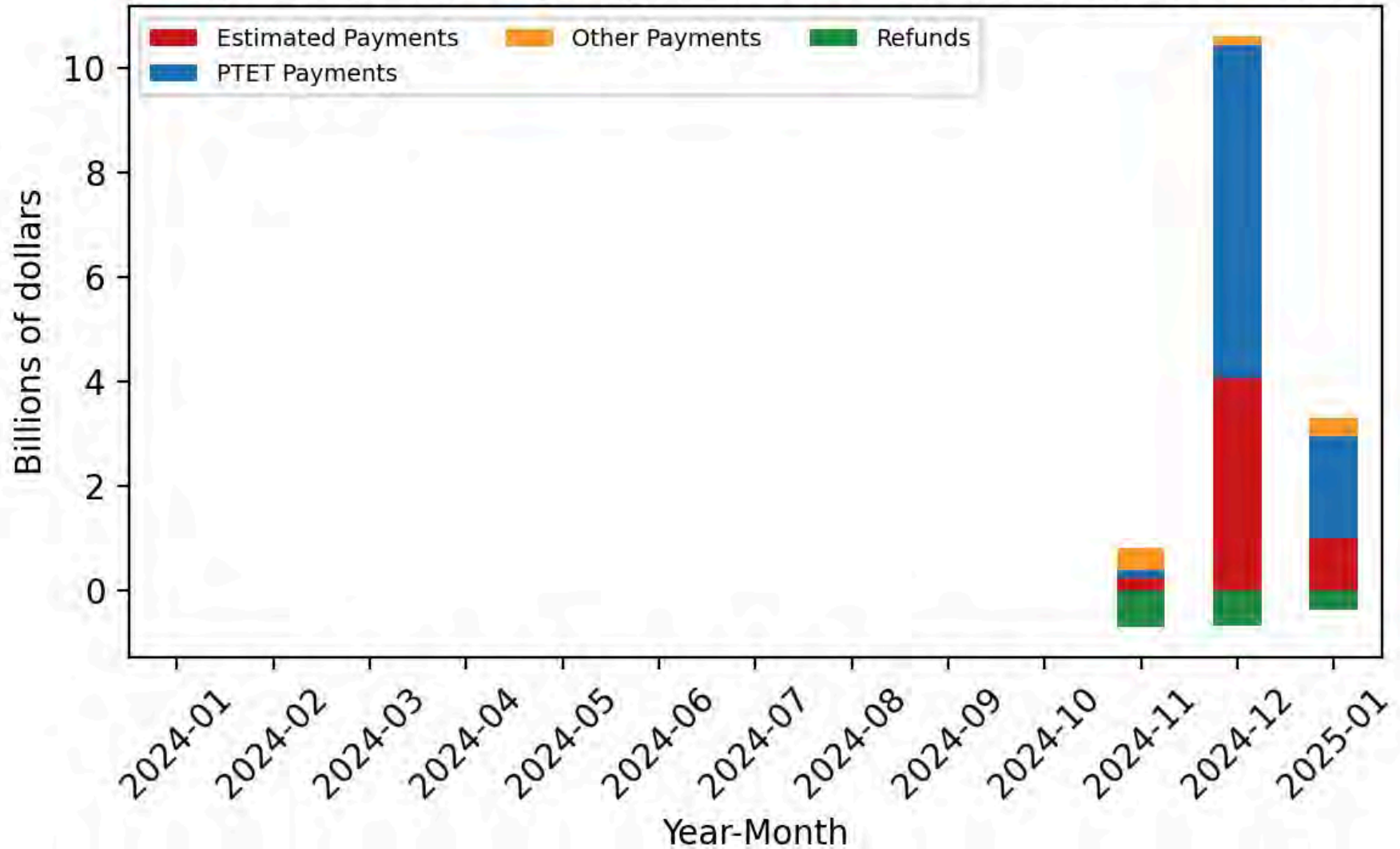


Figure 91

Corporation Tax - Agency General Fund Revenues (Difference)

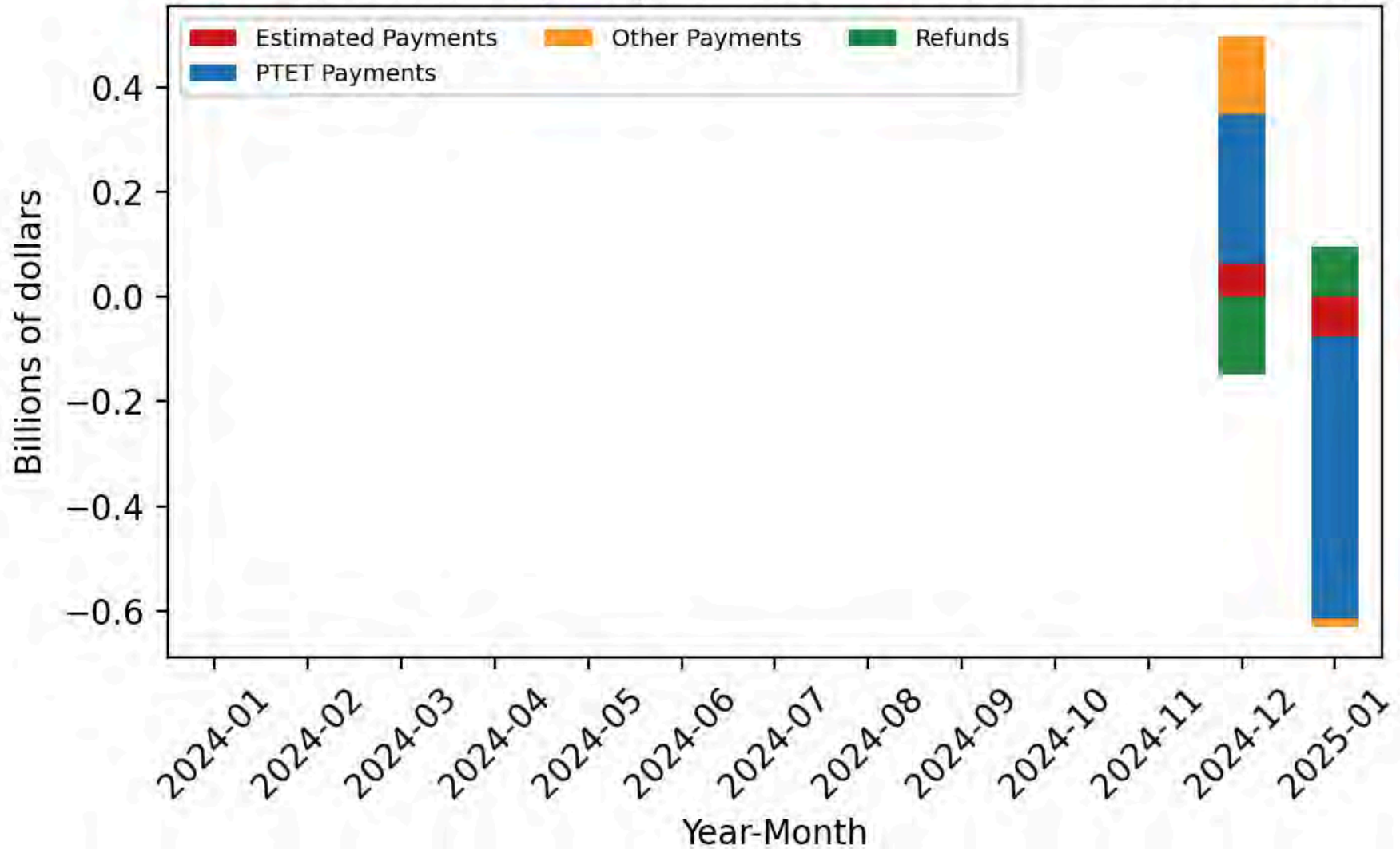


Figure 92

Corporation Tax - Agency General Fund Revenues (Cumulative Difference)

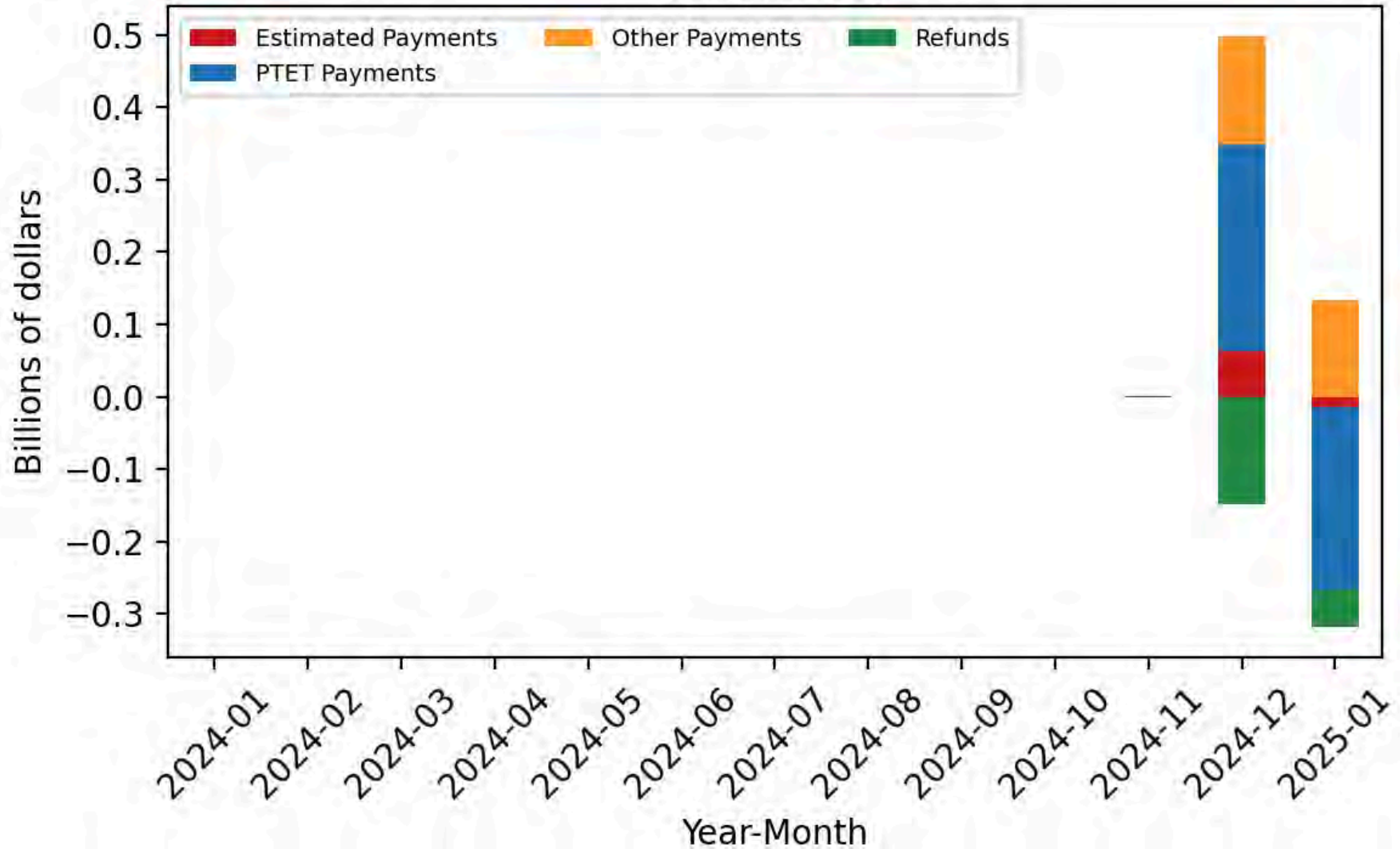


Figure 93

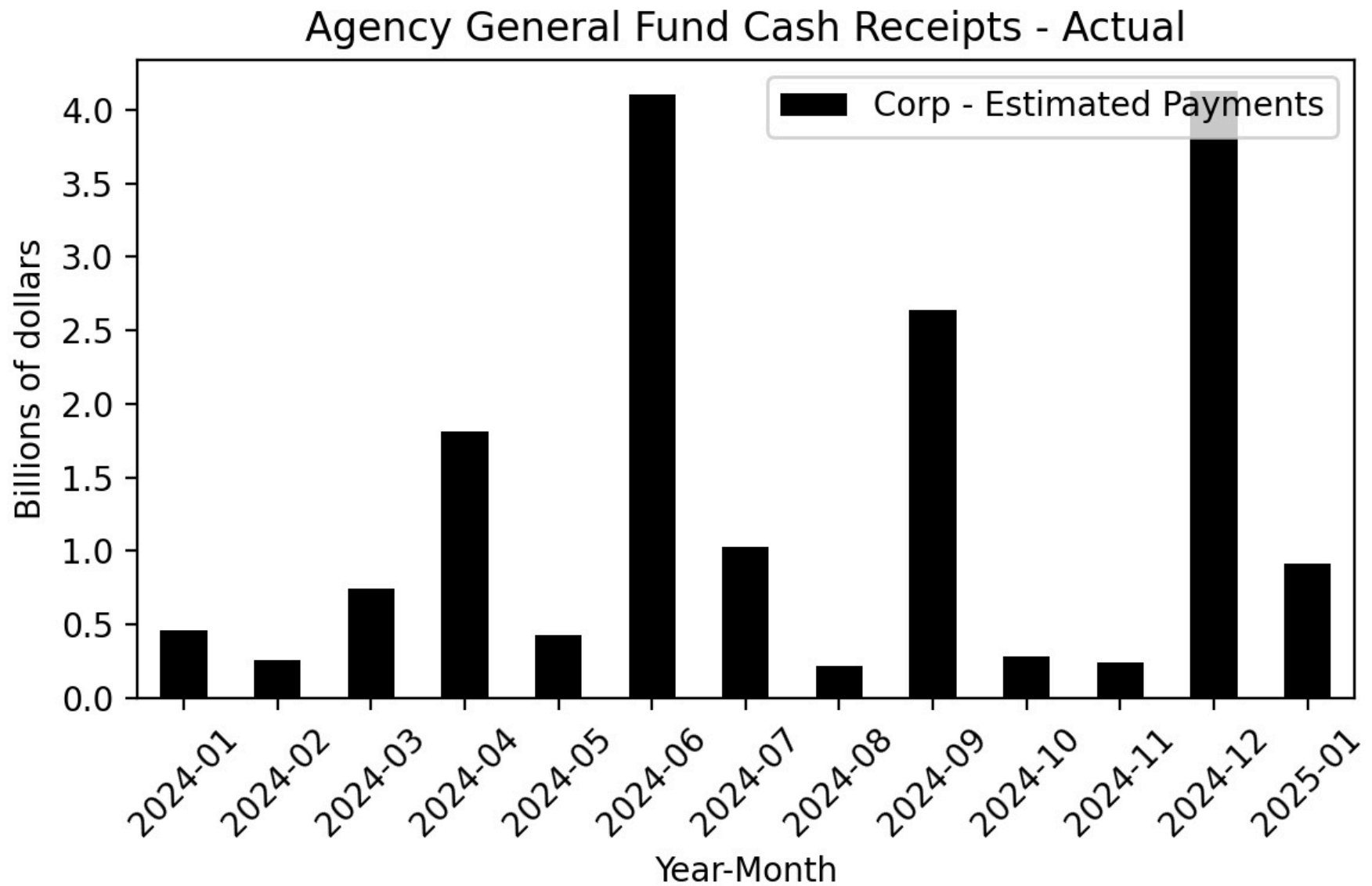


Figure 94

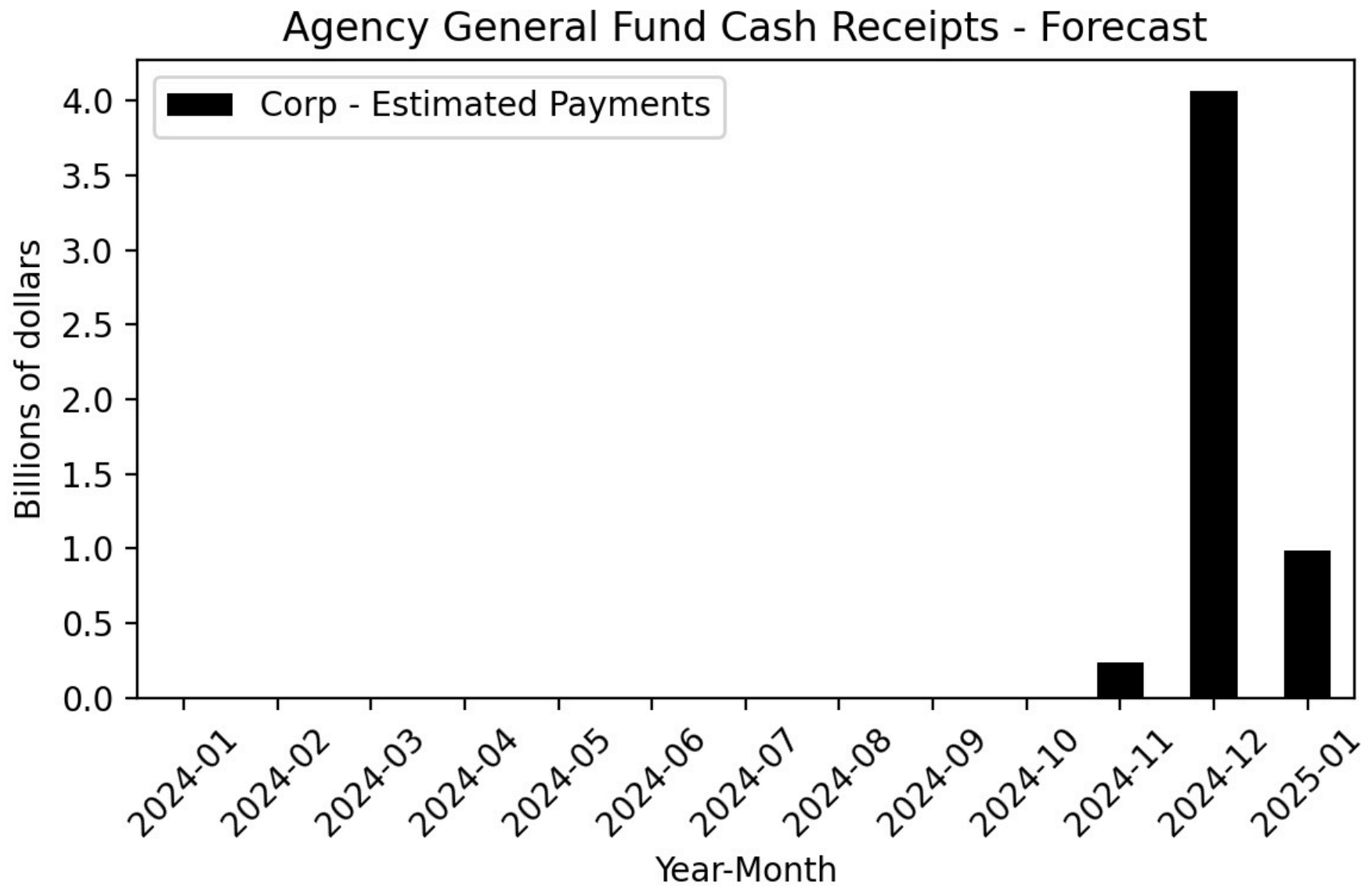


Figure 95

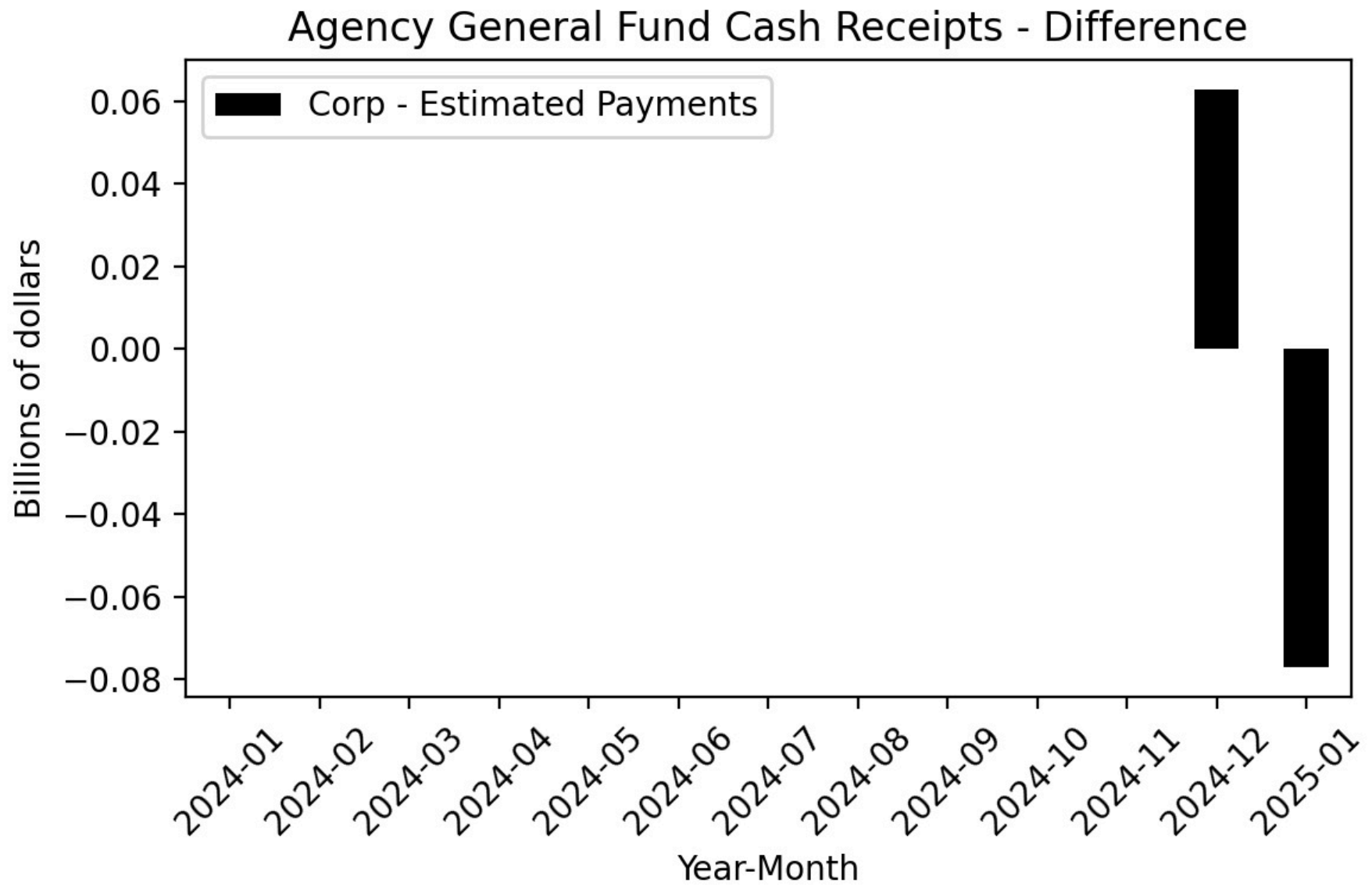


Figure 96

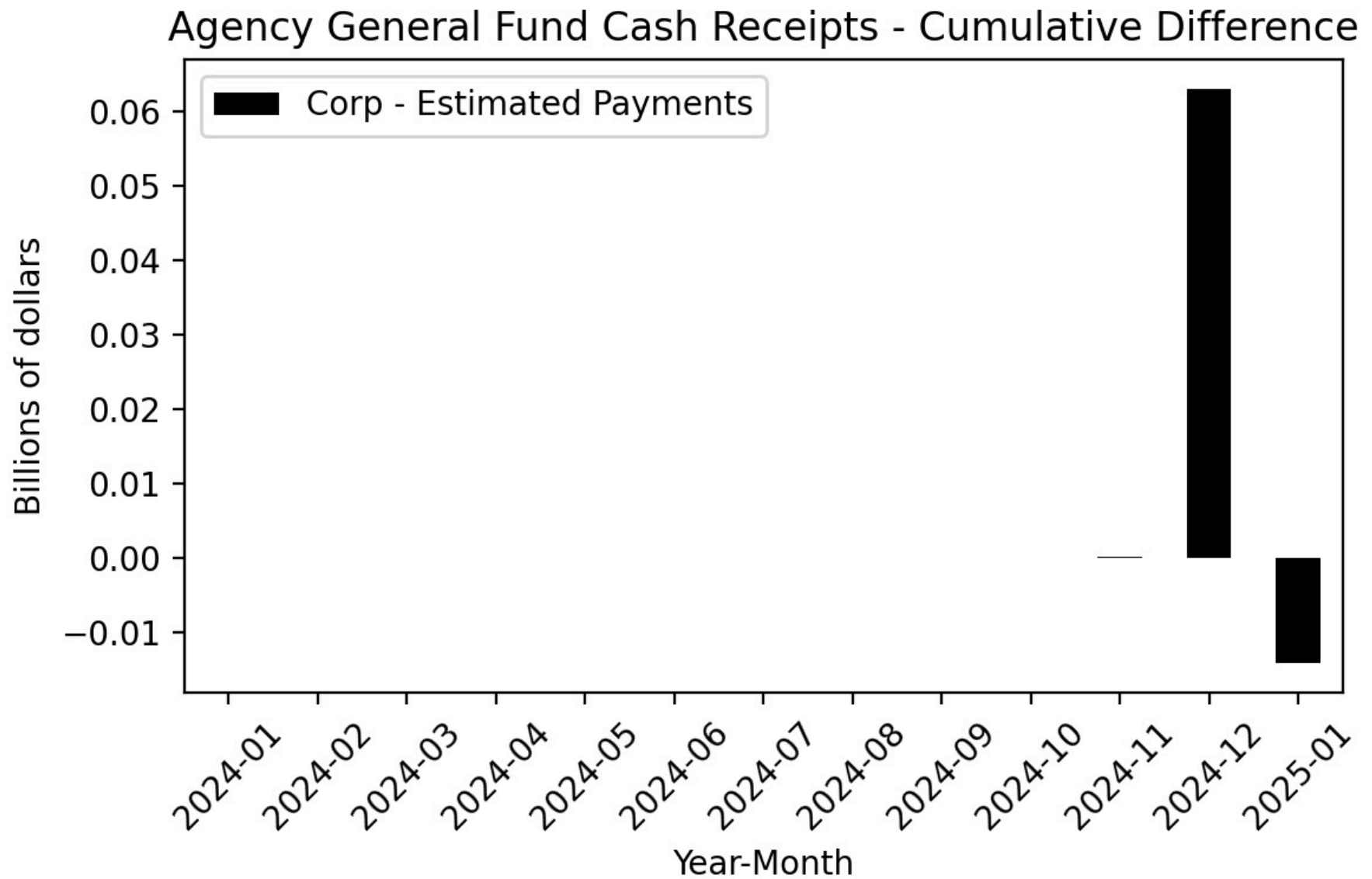


Figure 97

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
Corp-Estimated Payments

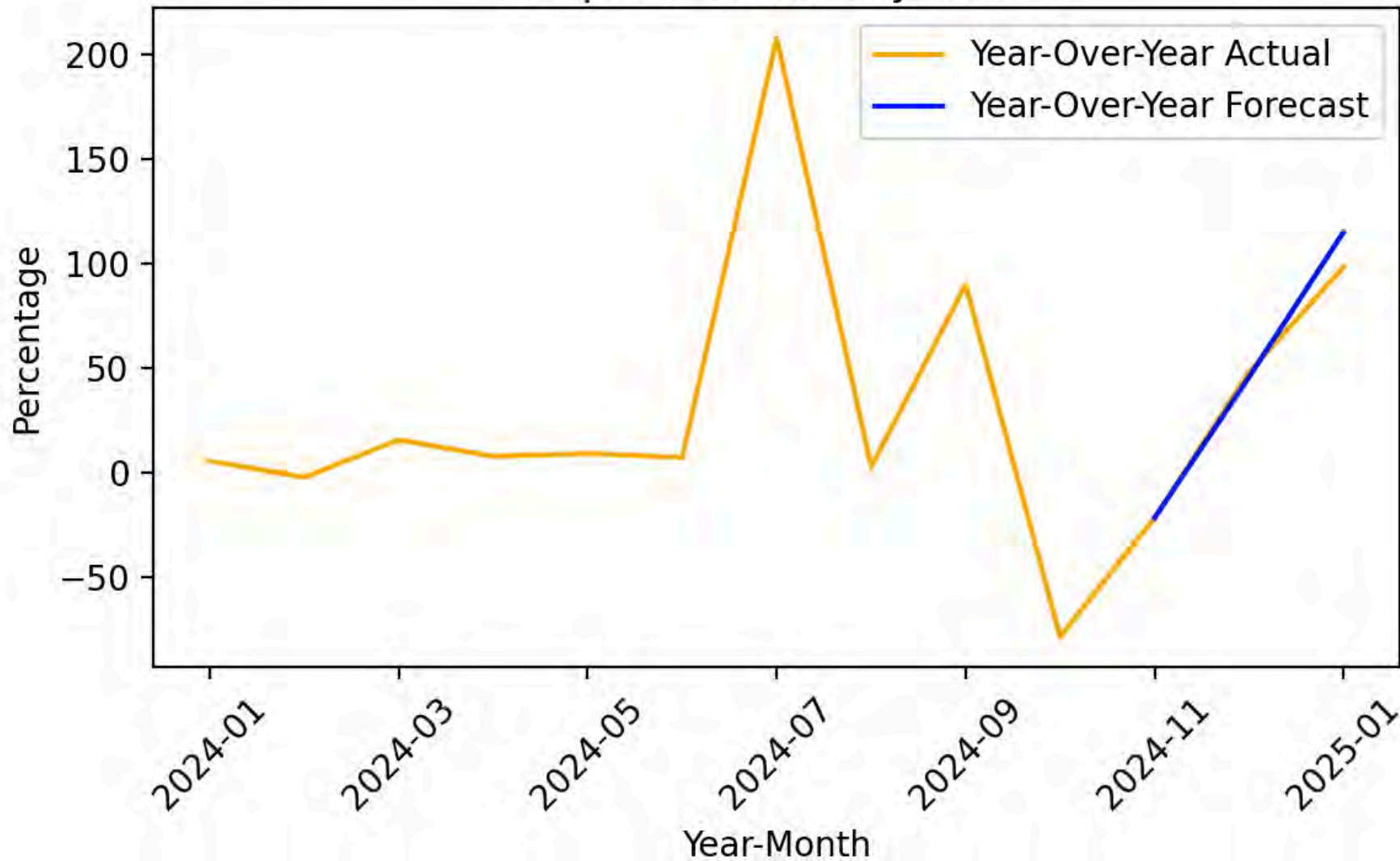


Figure 98

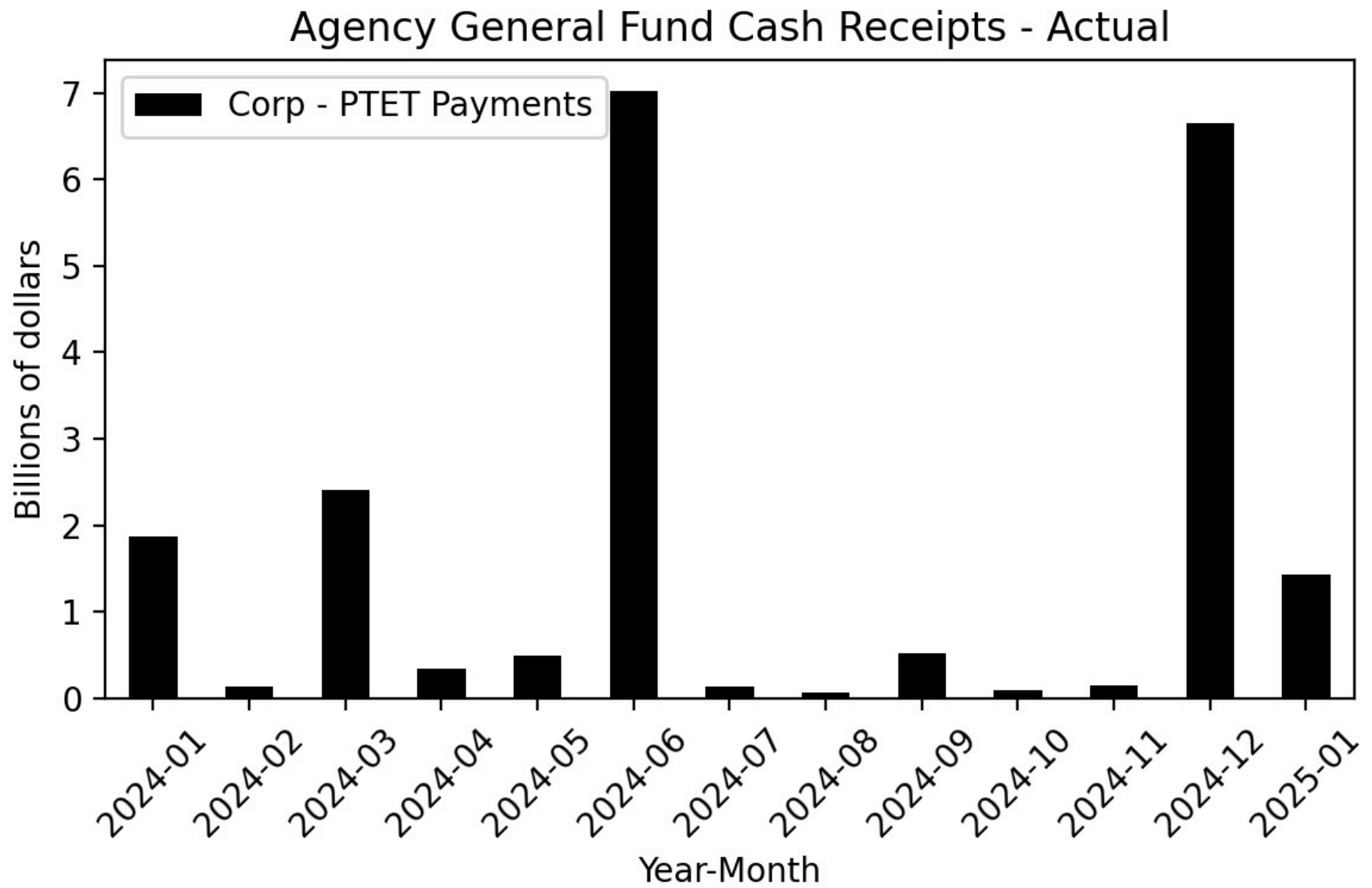


Figure 99

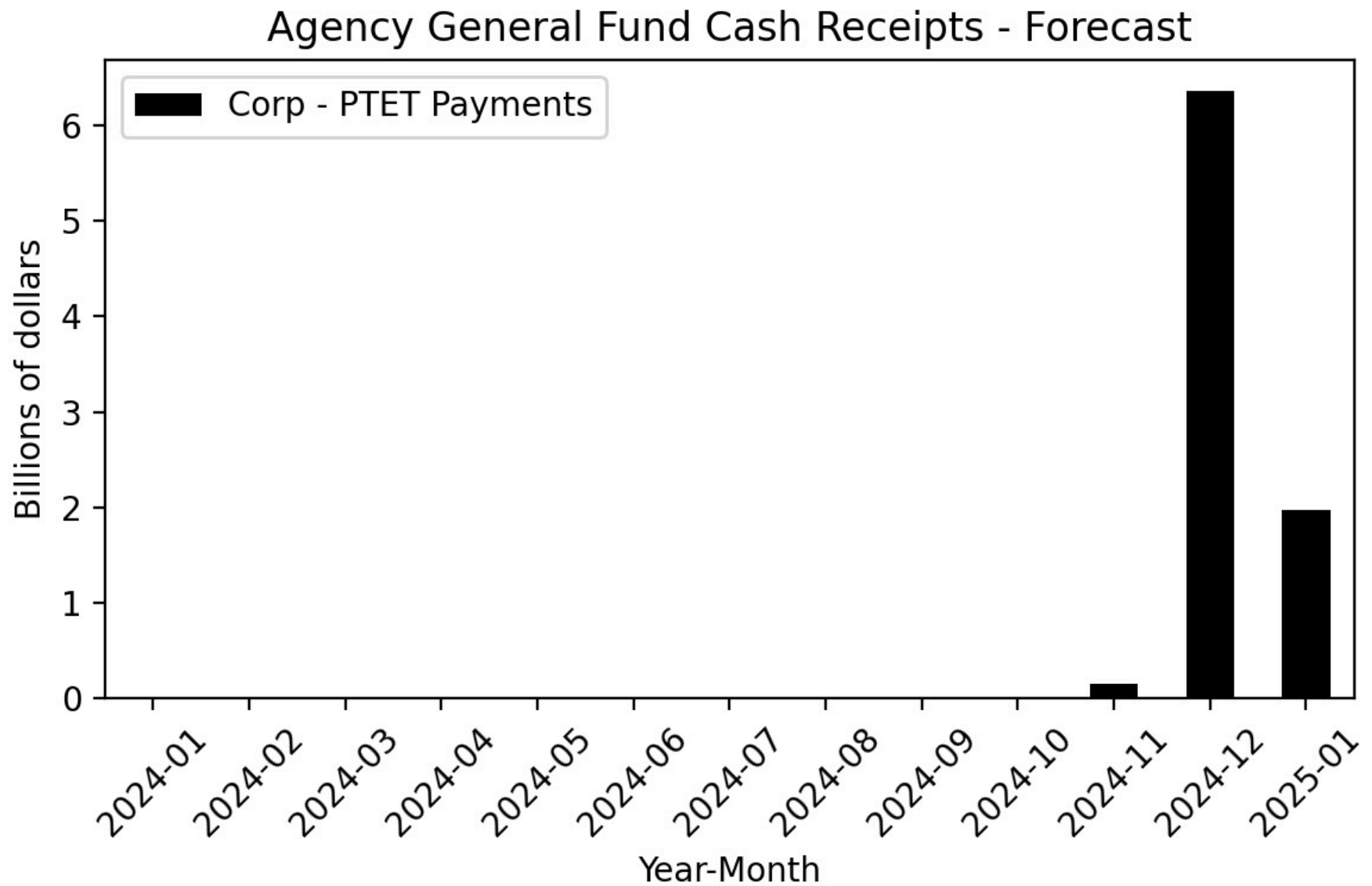


Figure 100

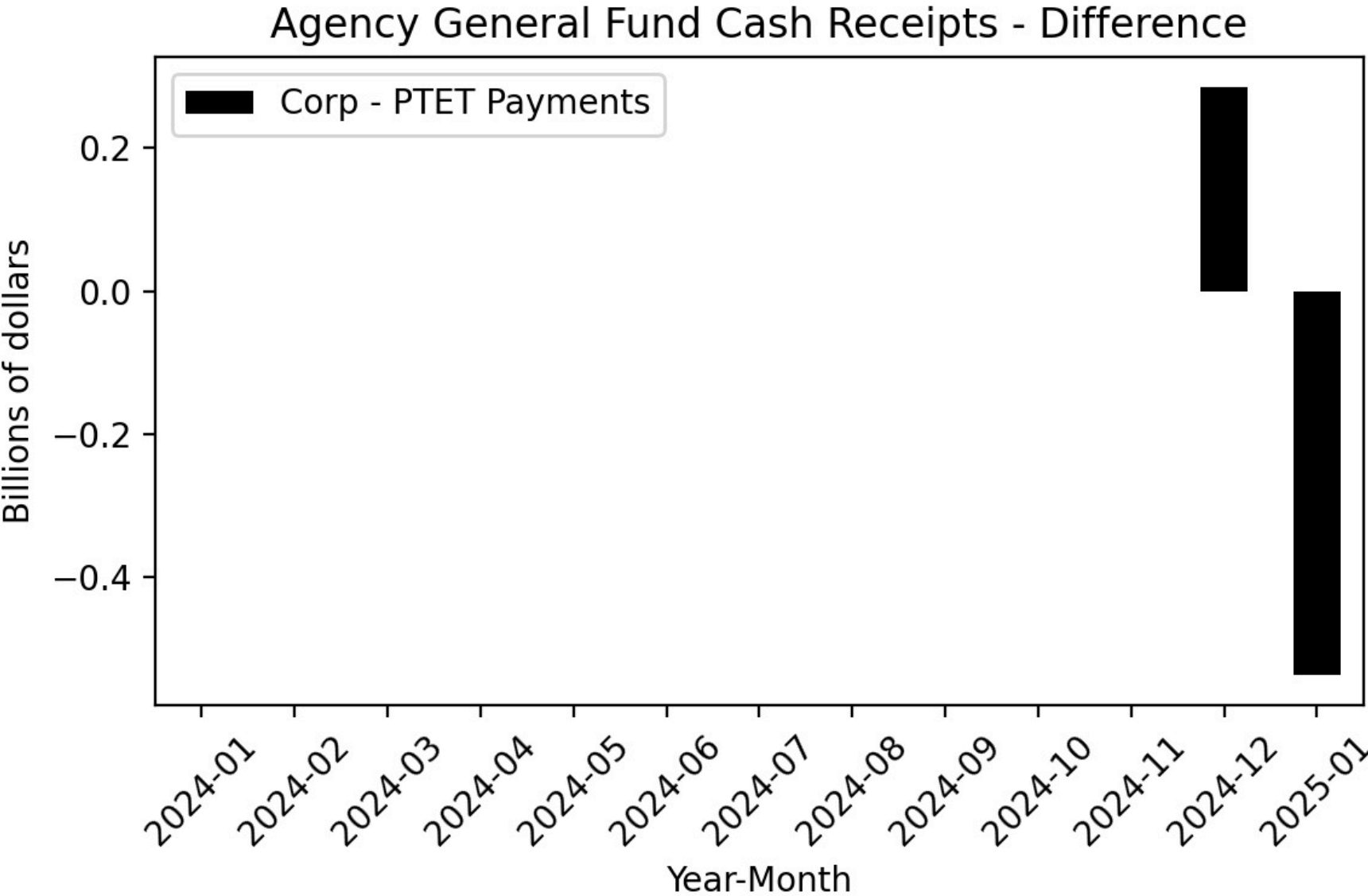


Figure 101

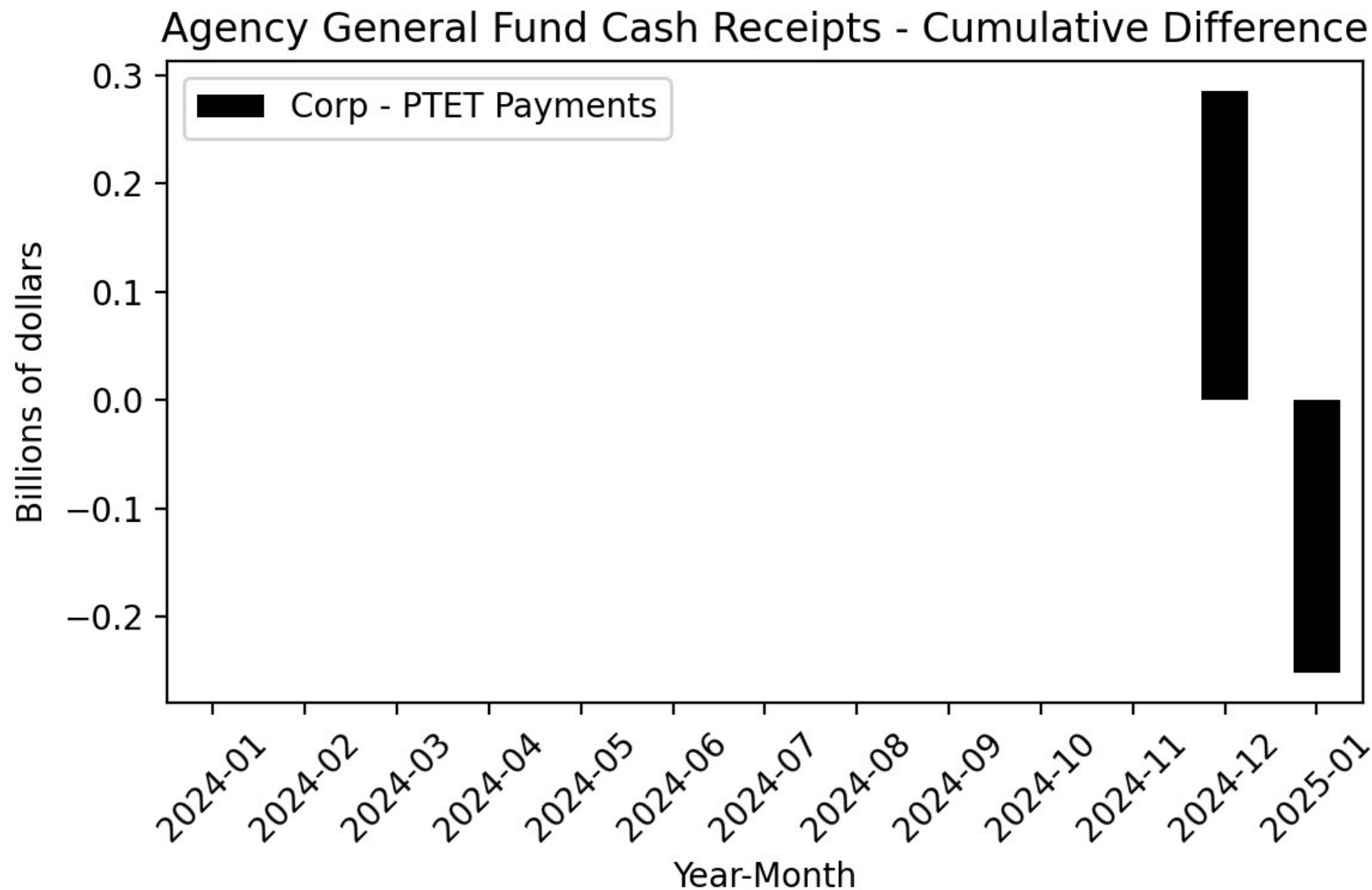


Figure 102

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast Corp-PTET Payments

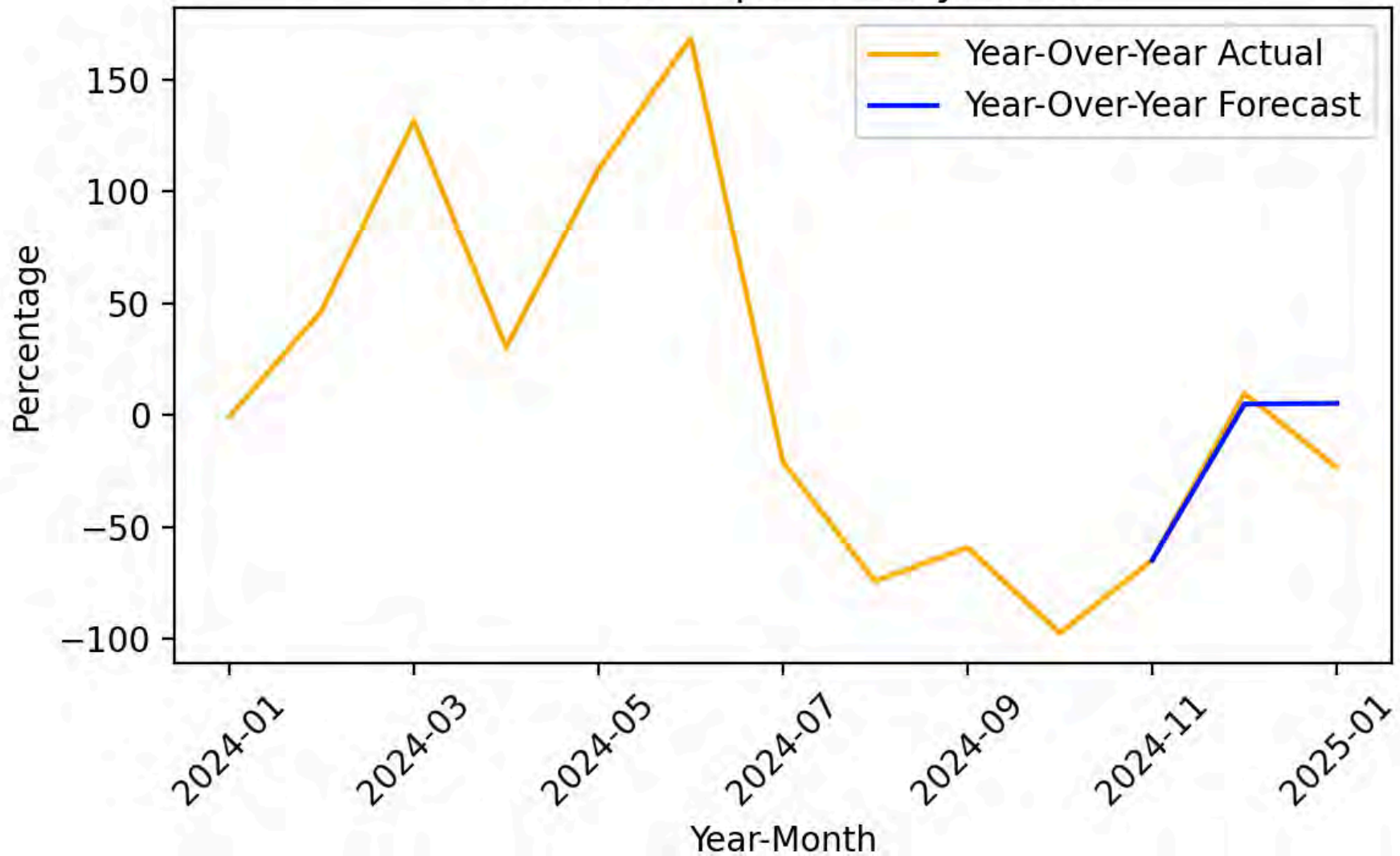


Figure 103

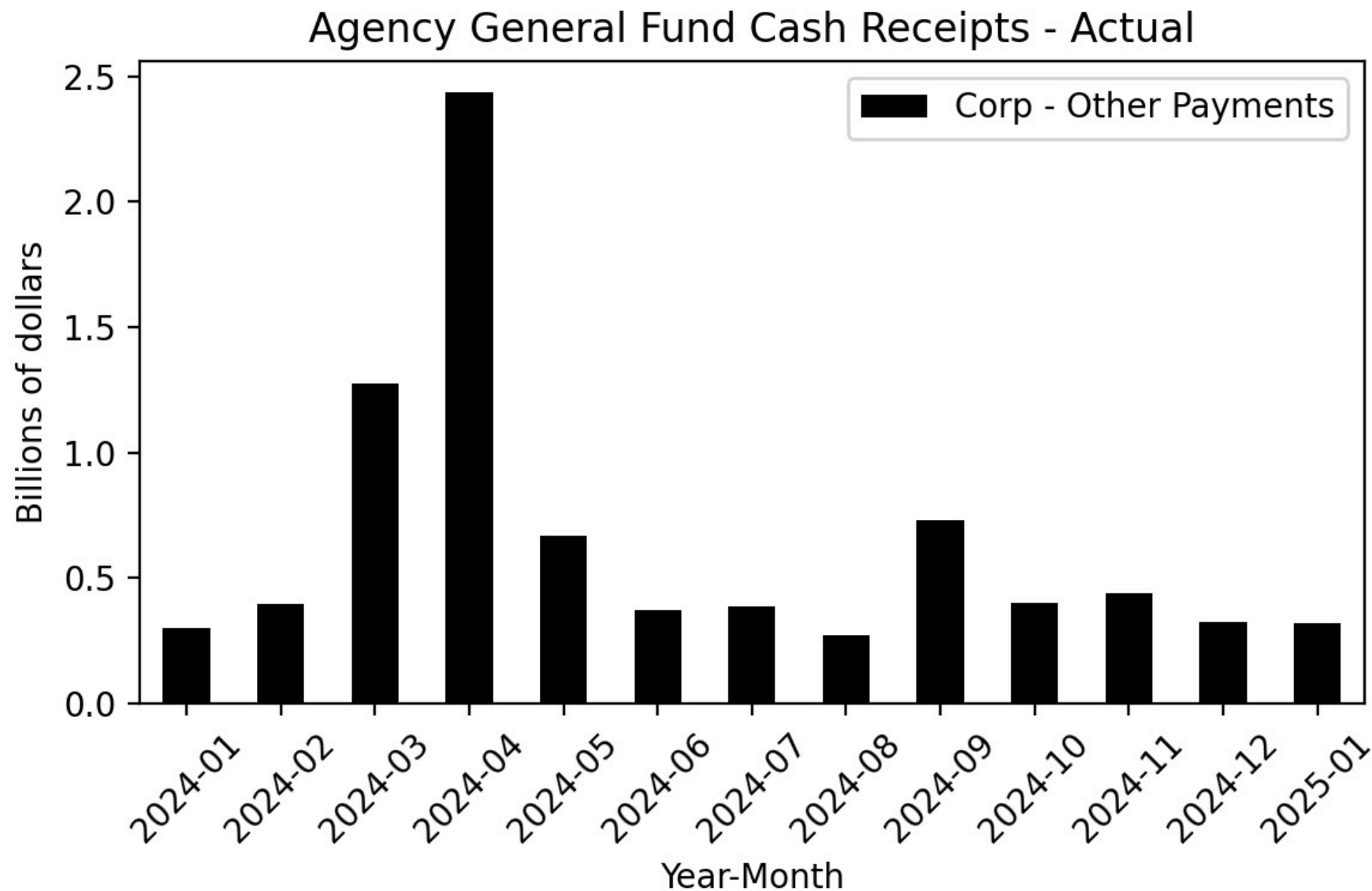


Figure 104

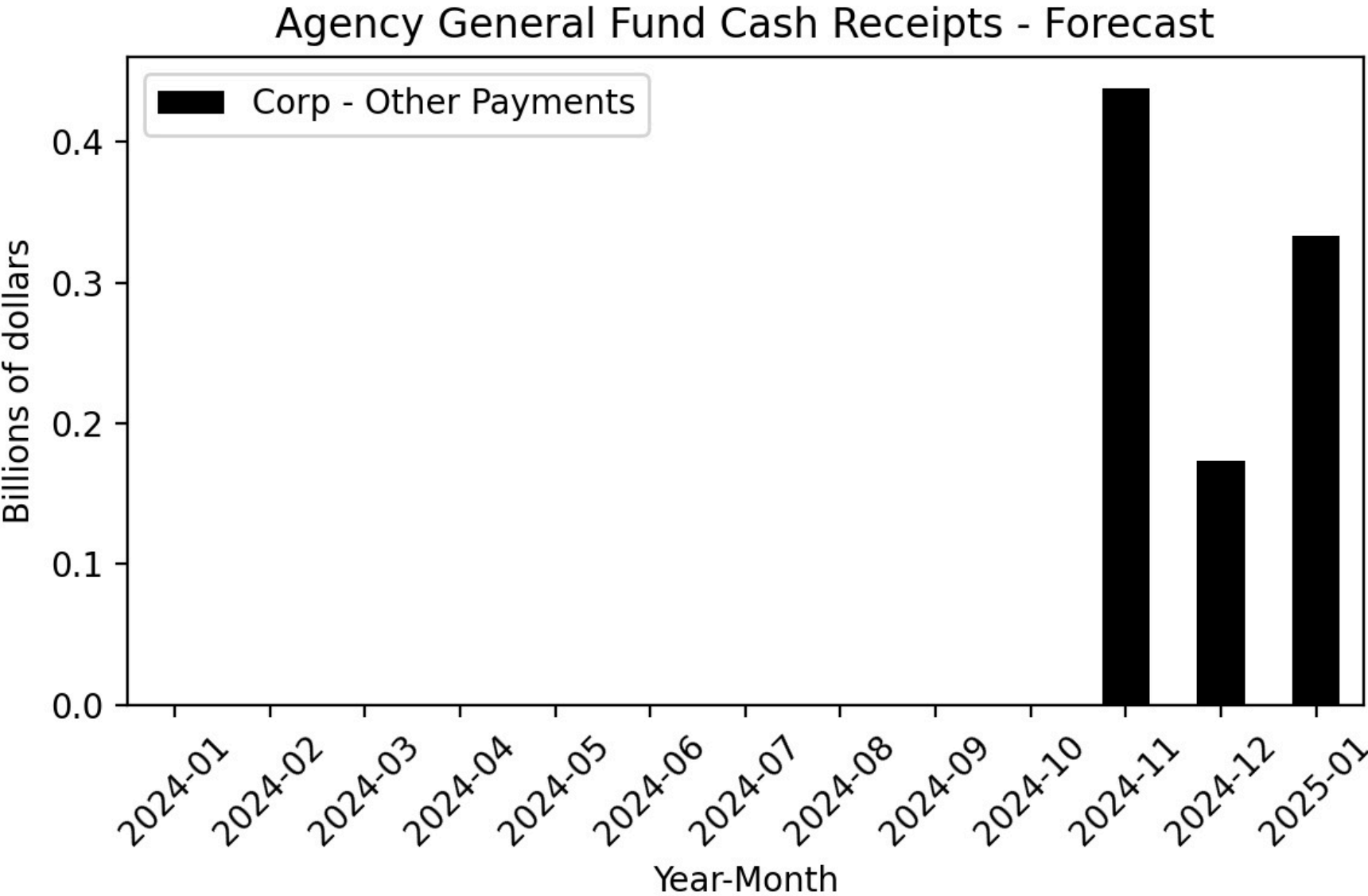


Figure 105

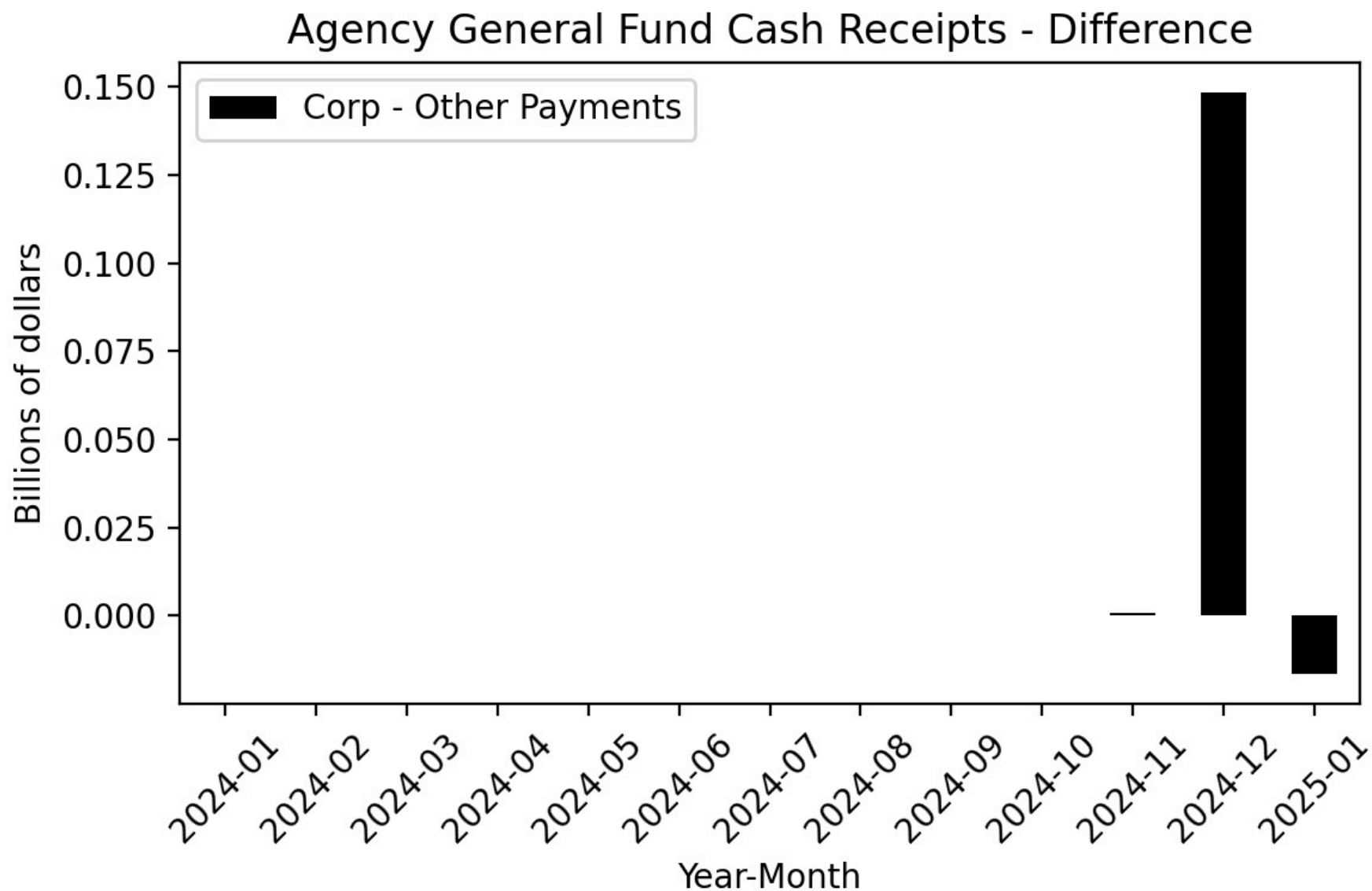


Figure 106

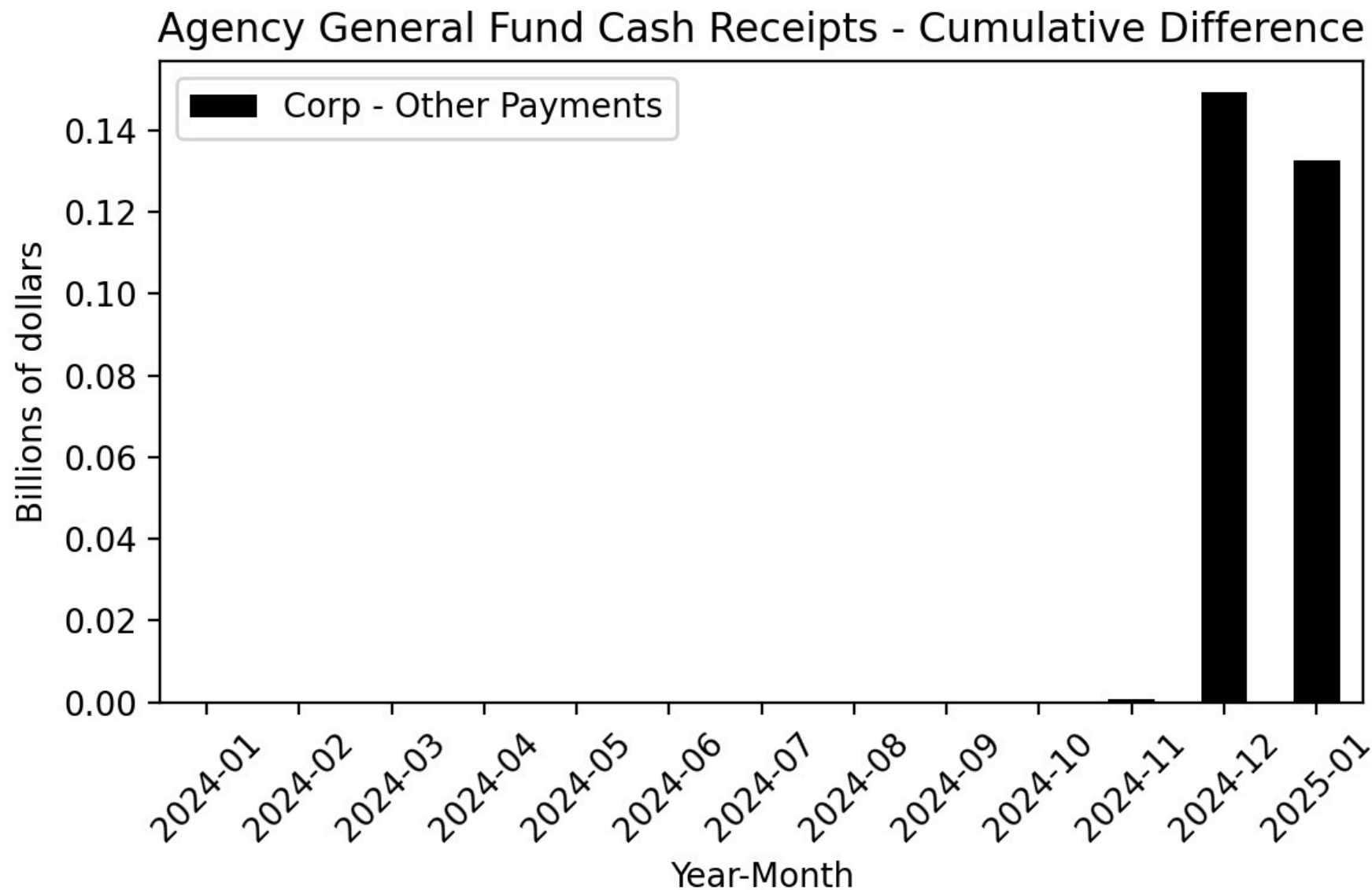


Figure 107

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
Corp-Other Payments

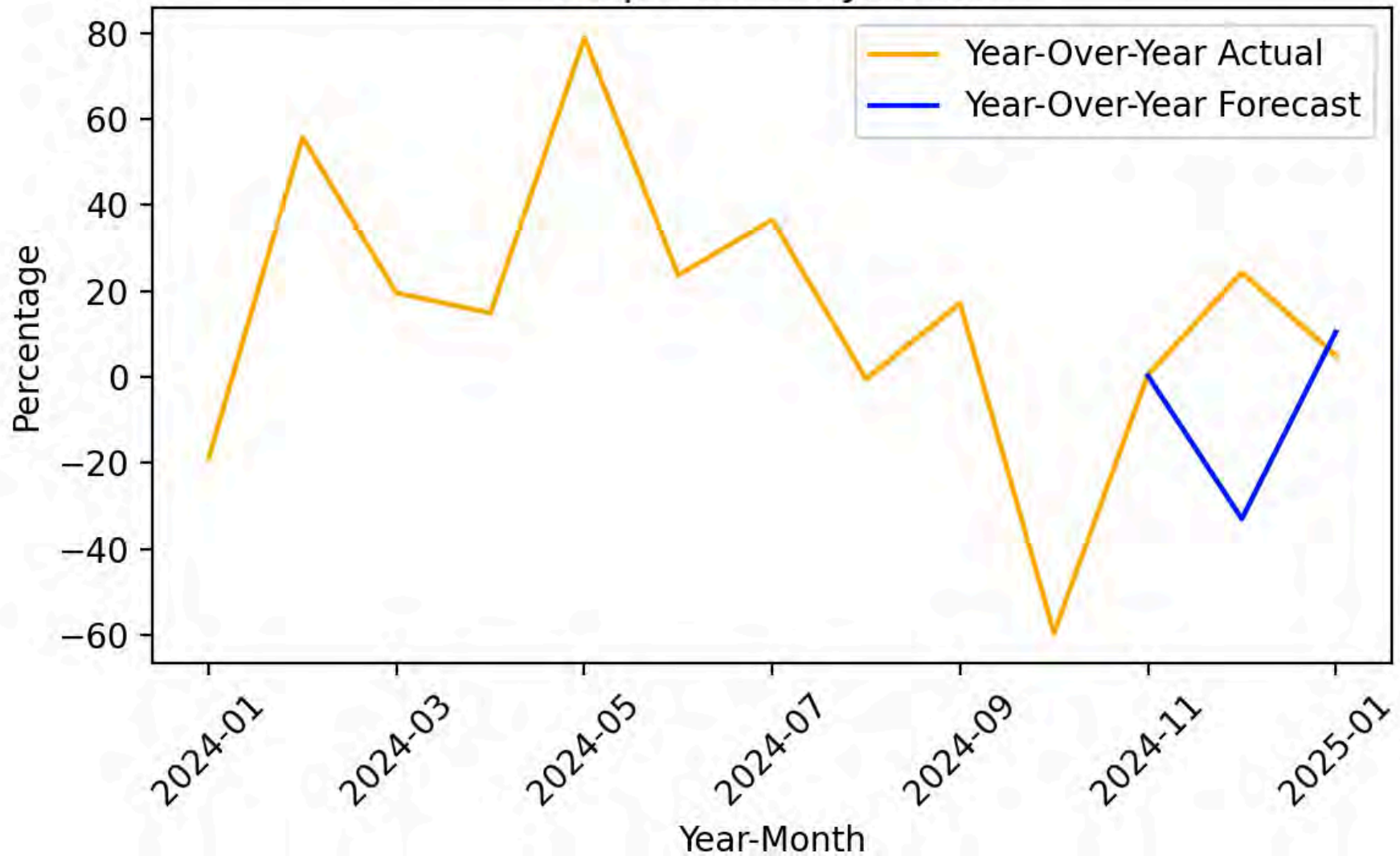


Figure 108

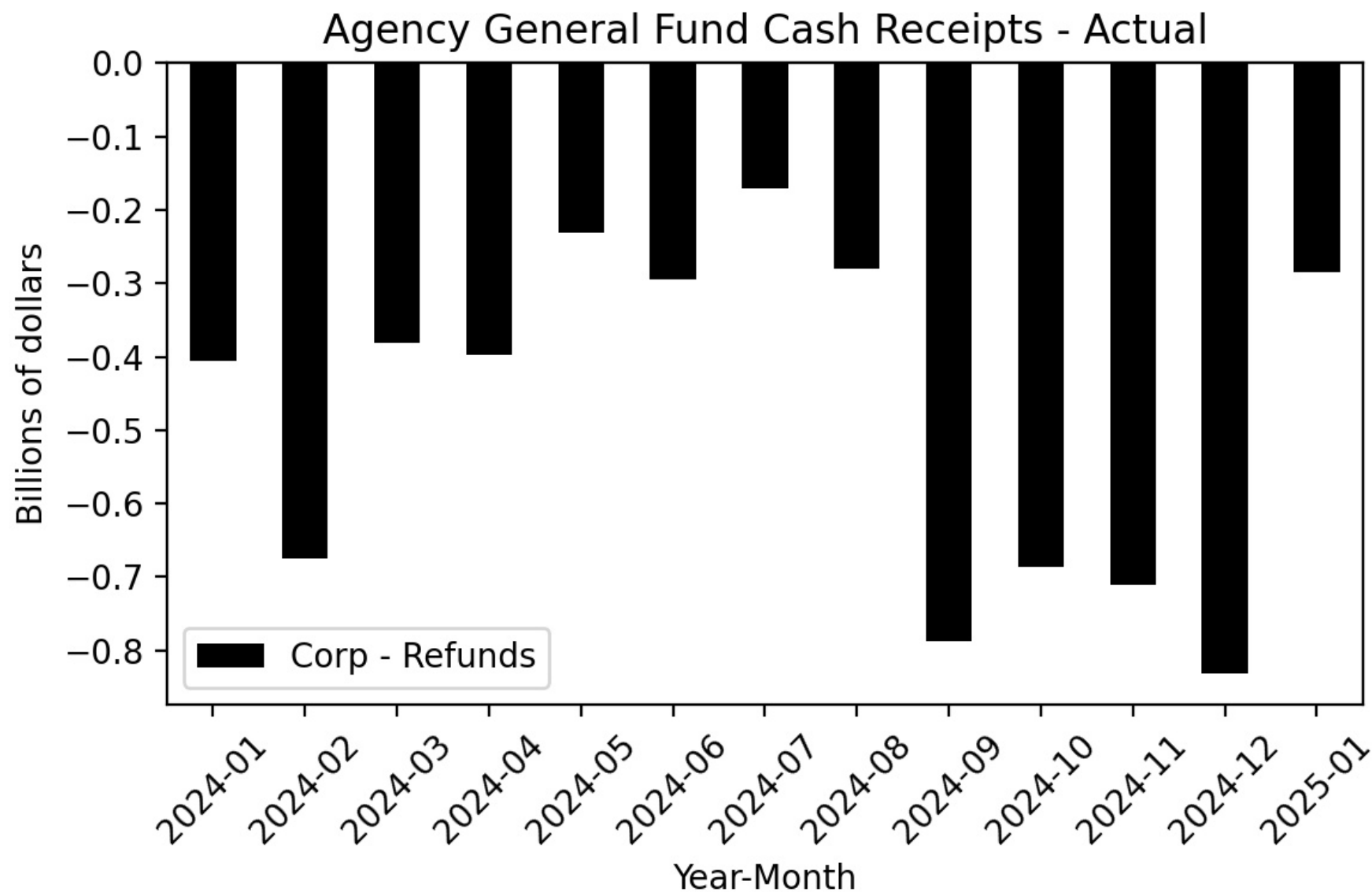


Figure 109

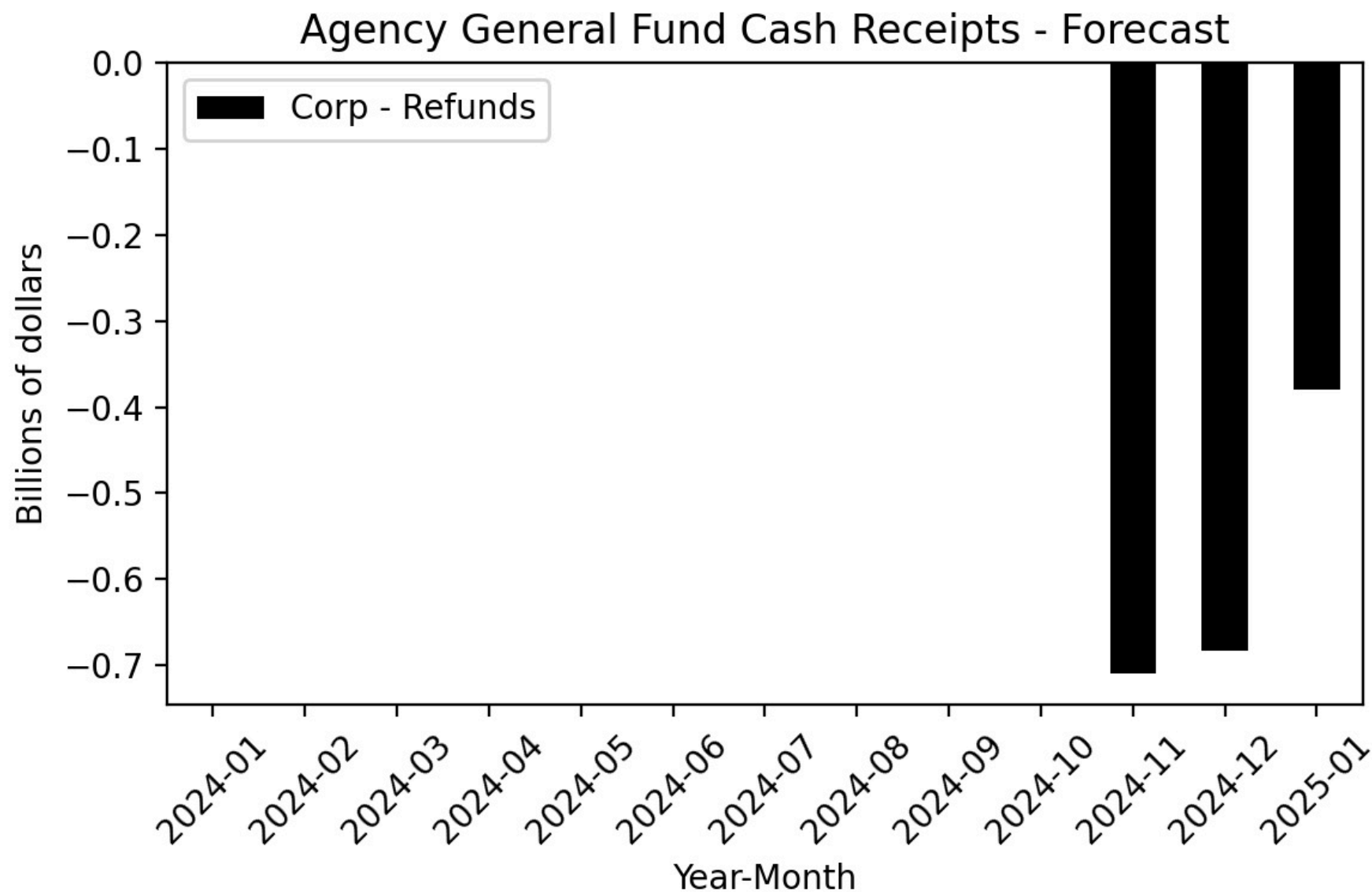


Figure 110

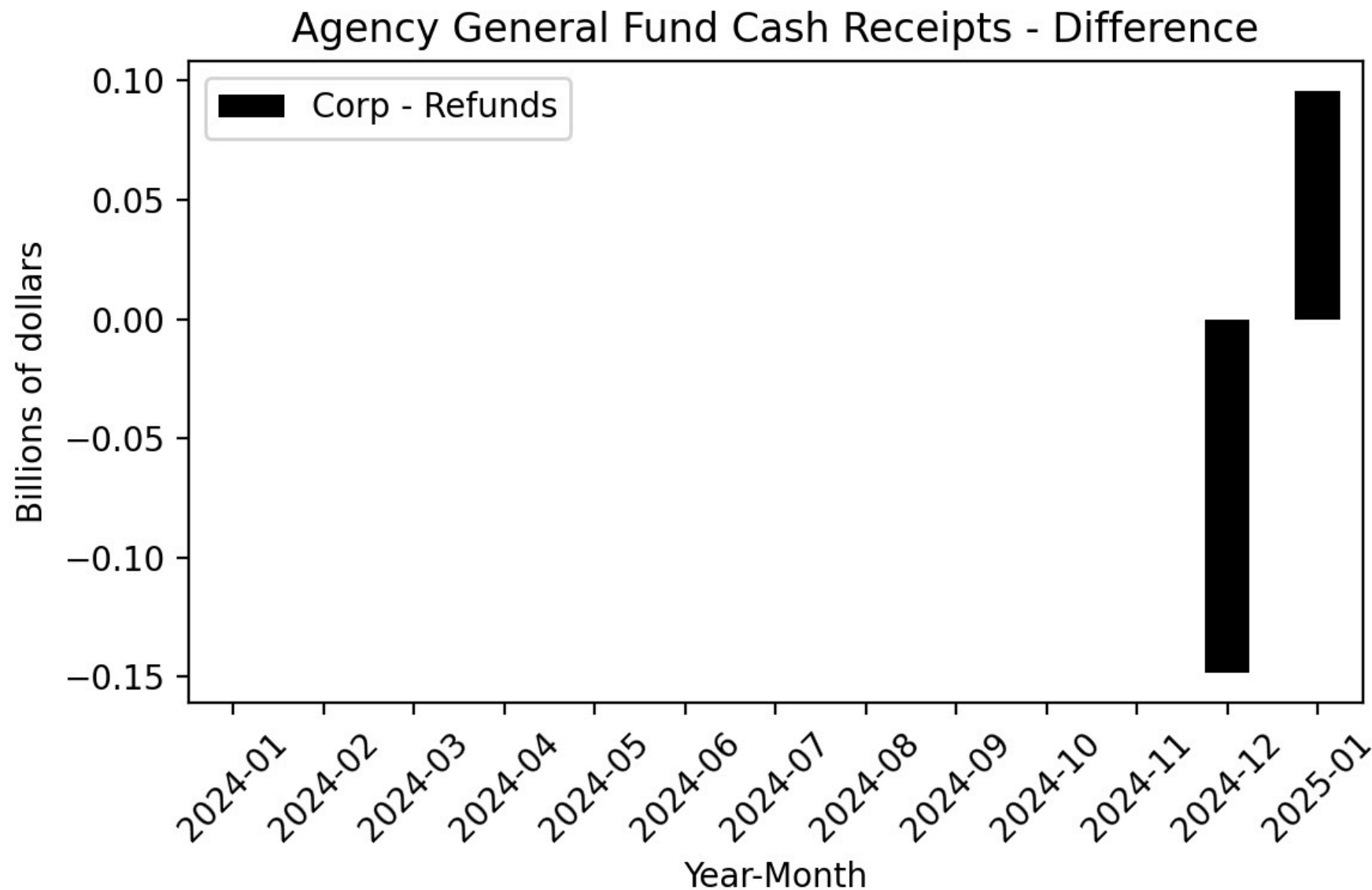


Figure 111

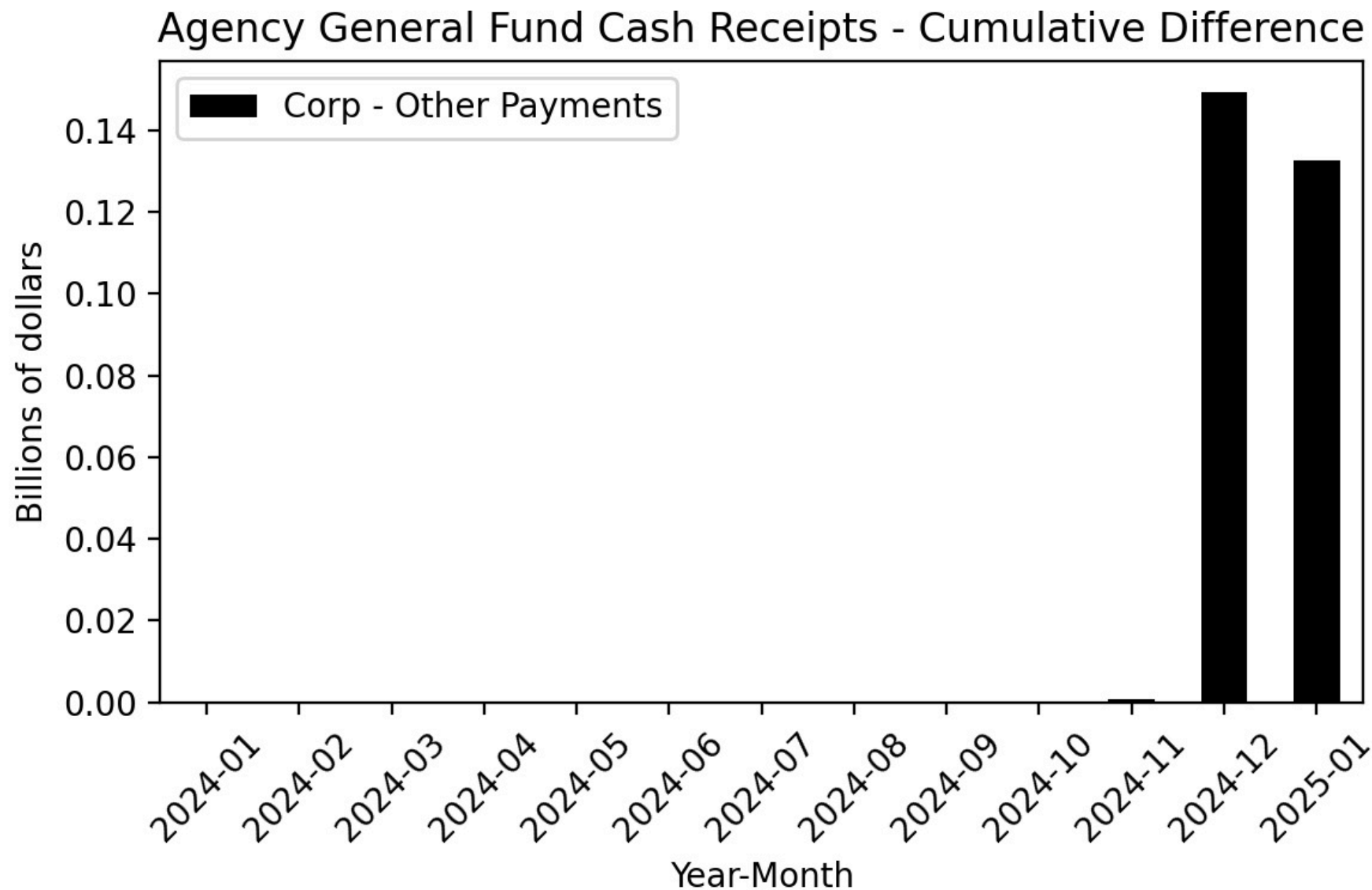


Figure 112

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
Corp-Refunds

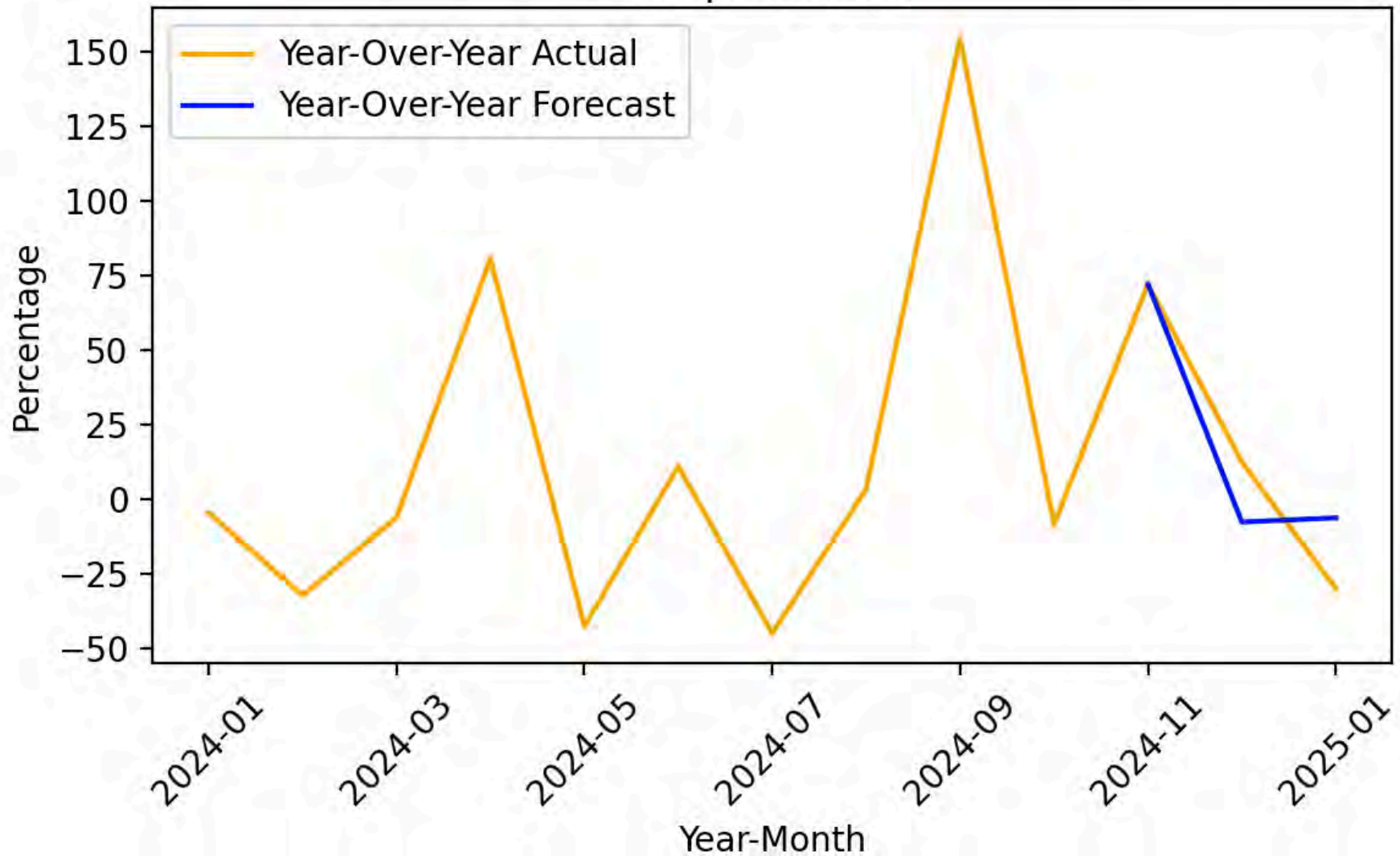


Figure 113

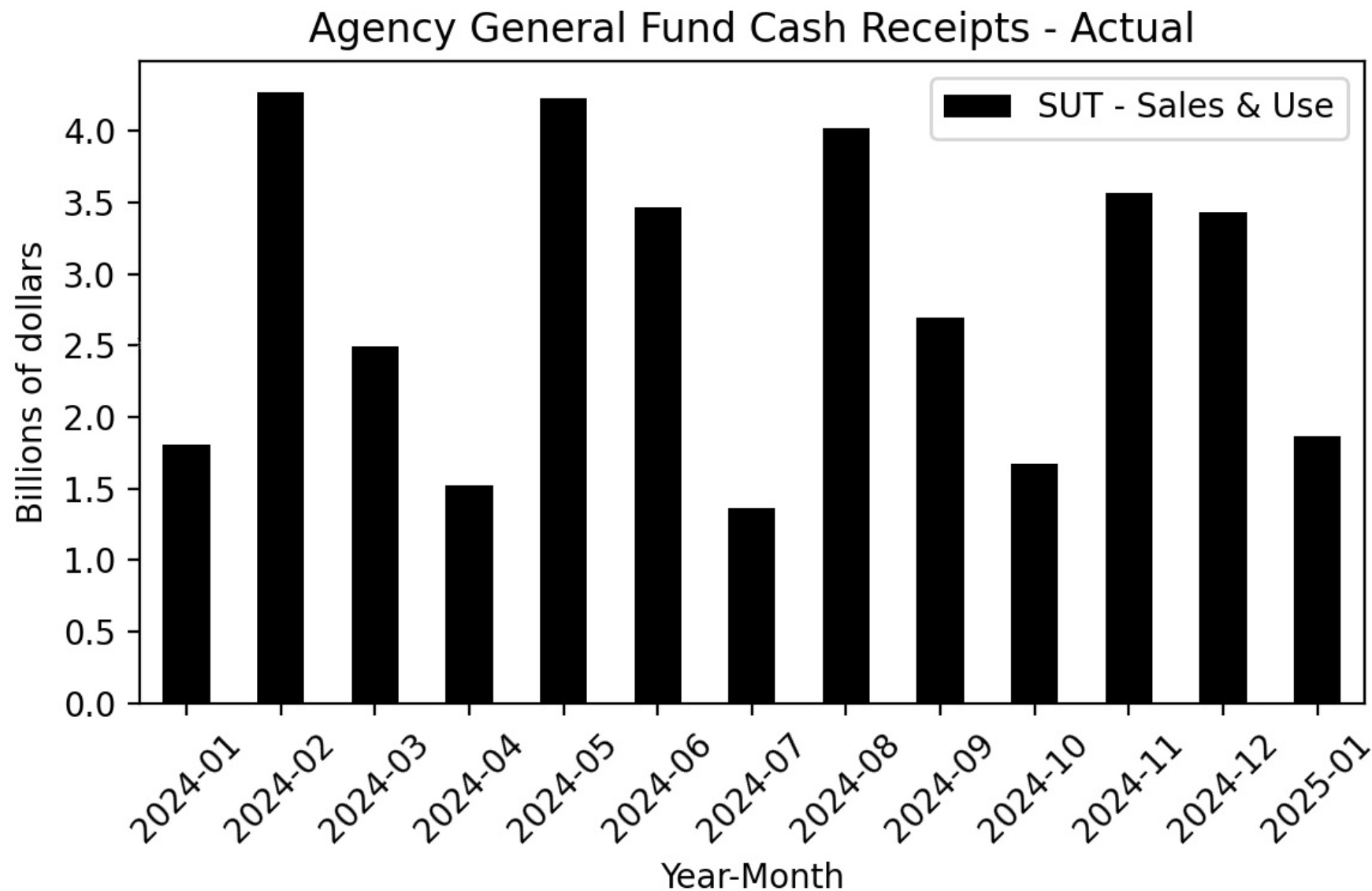


Figure 114

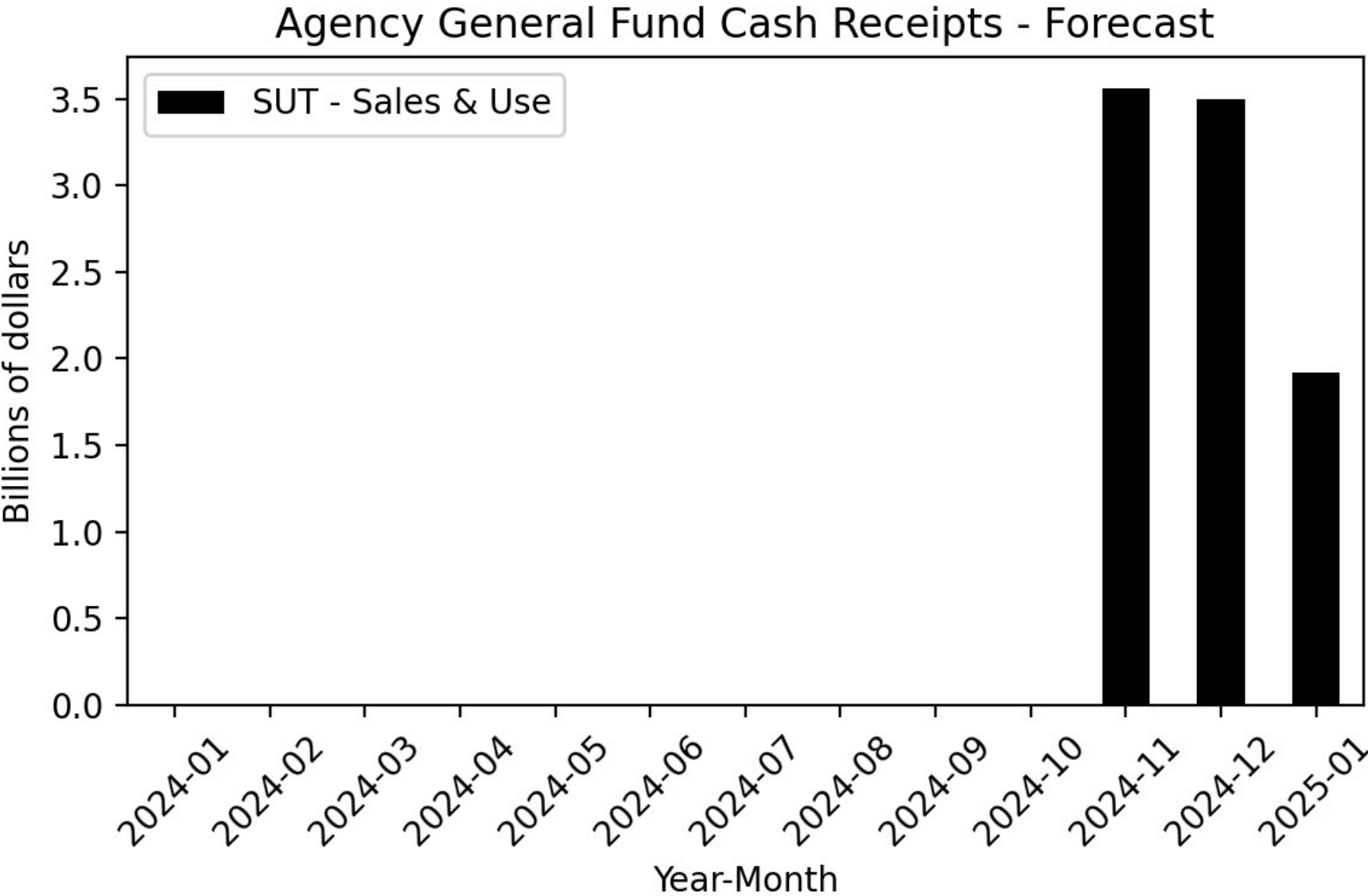


Figure 115

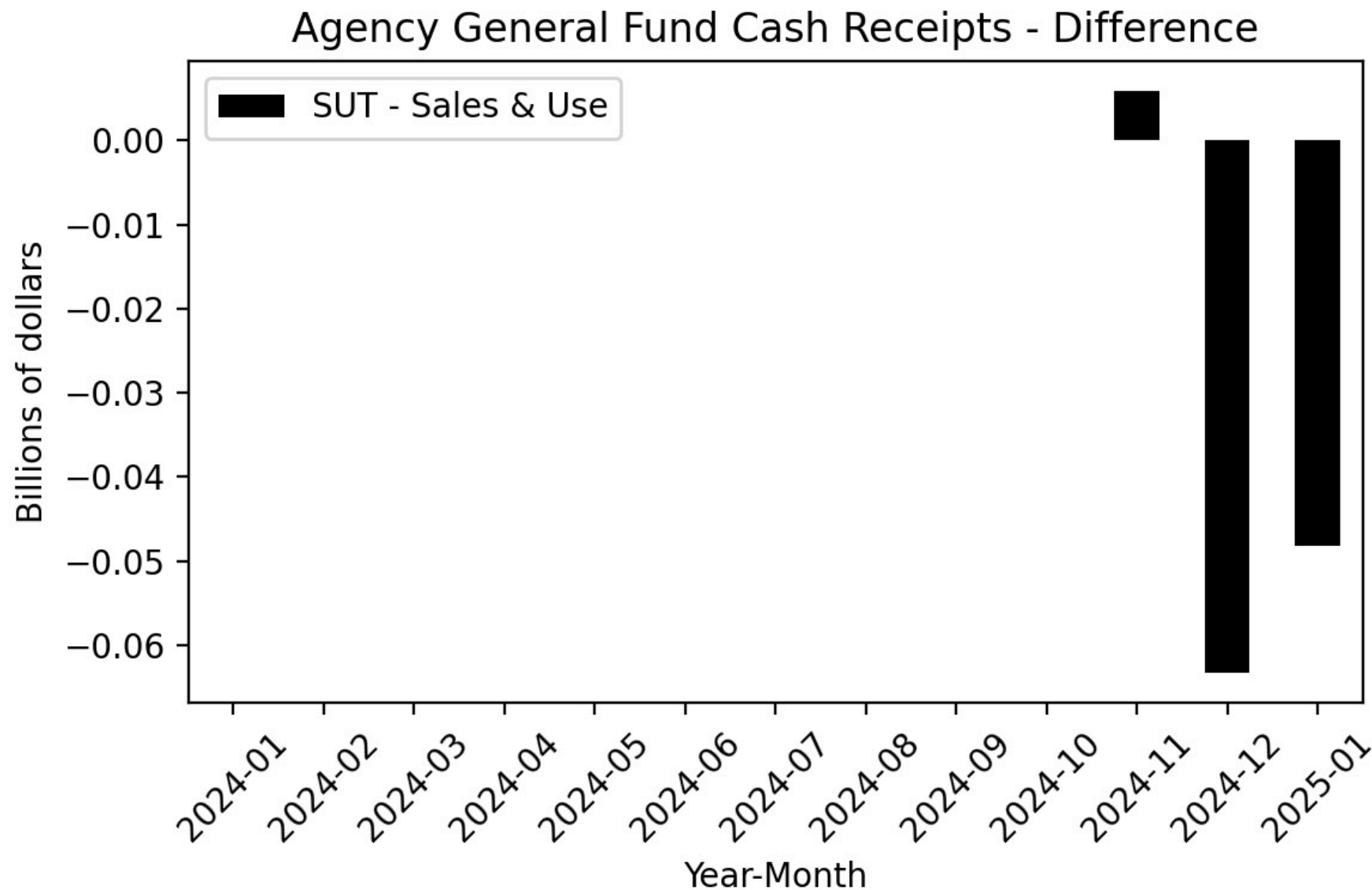


Figure 116

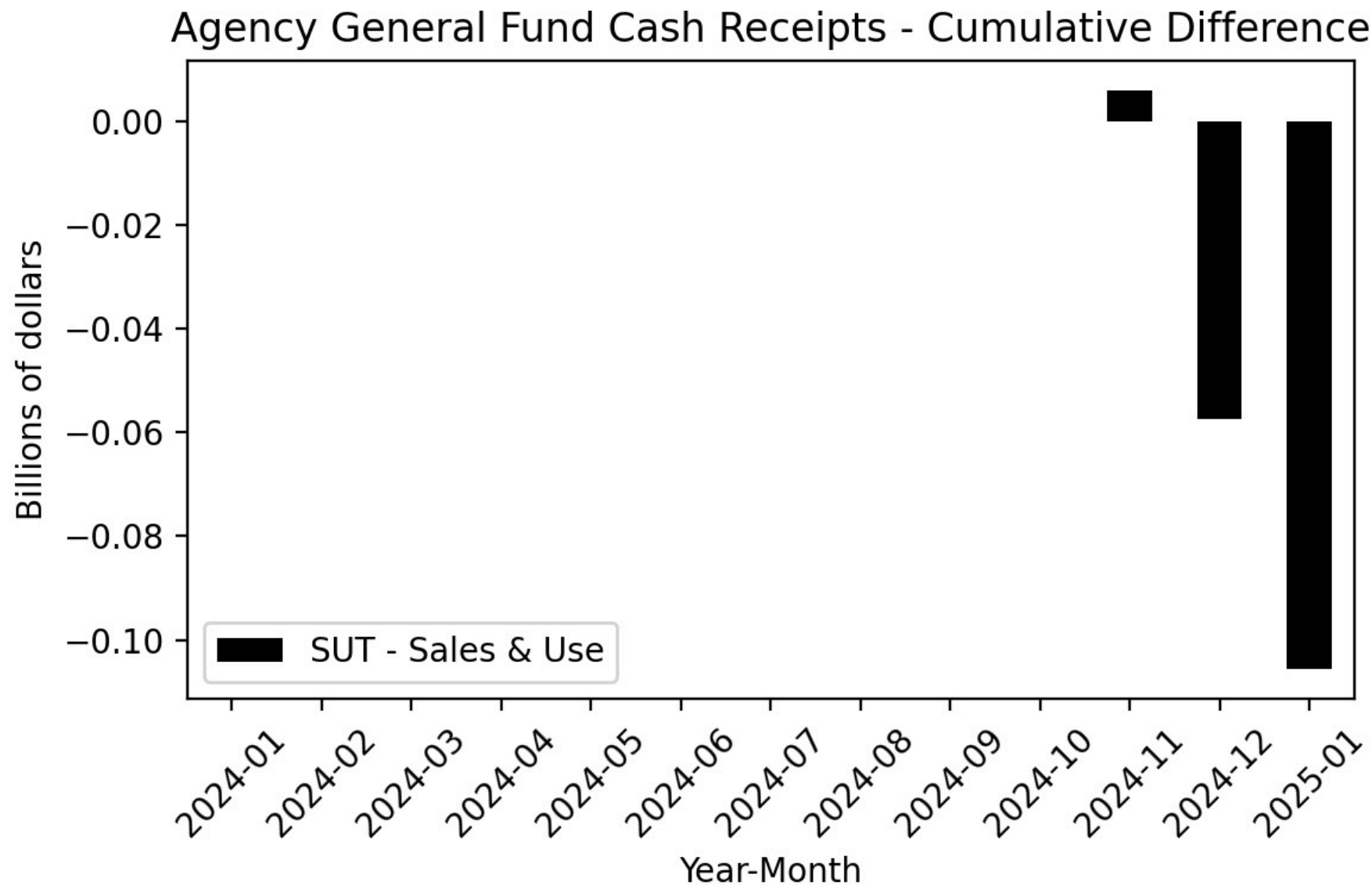


Figure 117

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
SUT-Sales & Use

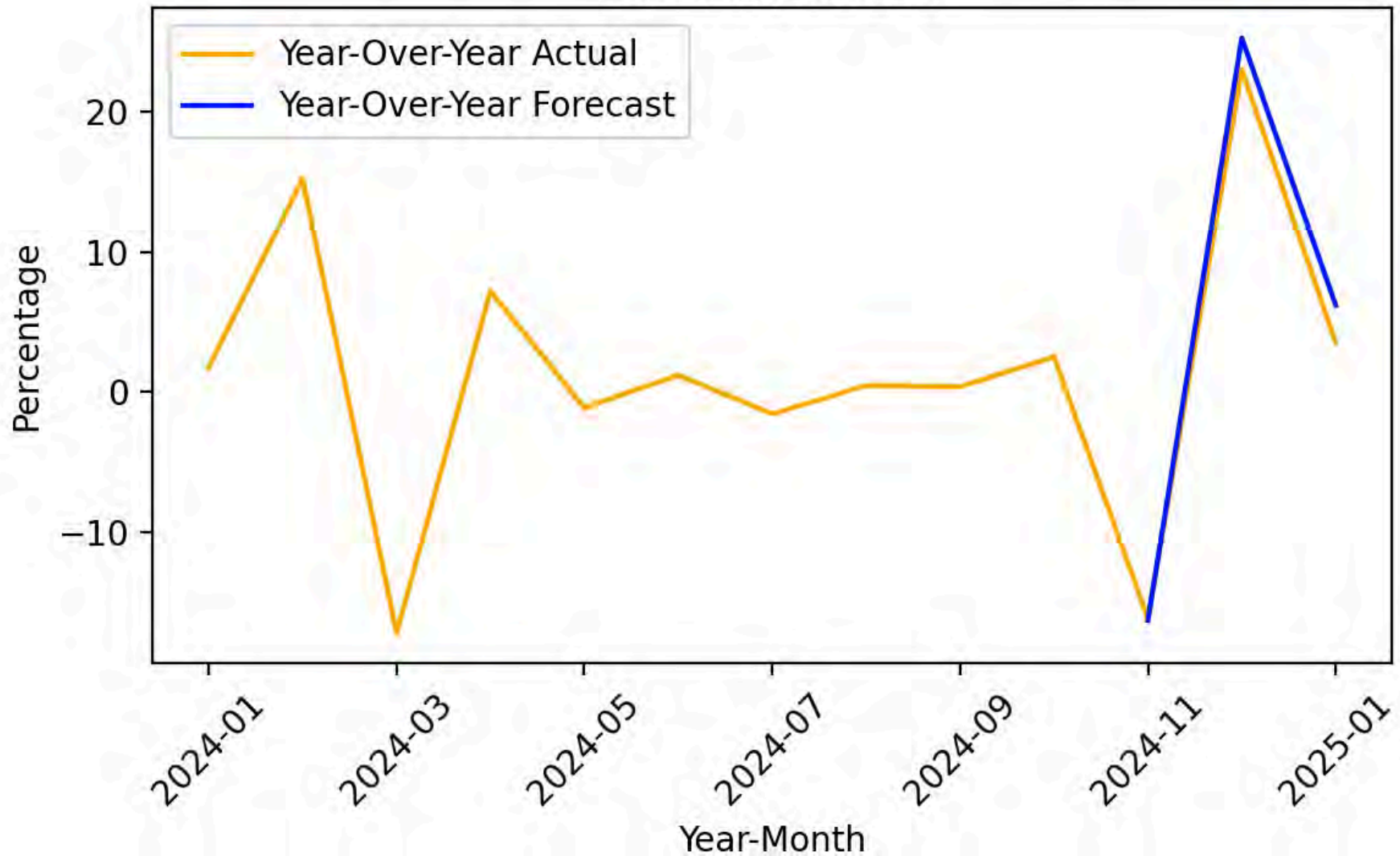


Figure 118

Other Tax - Agency General Fund Revenues (Actual)

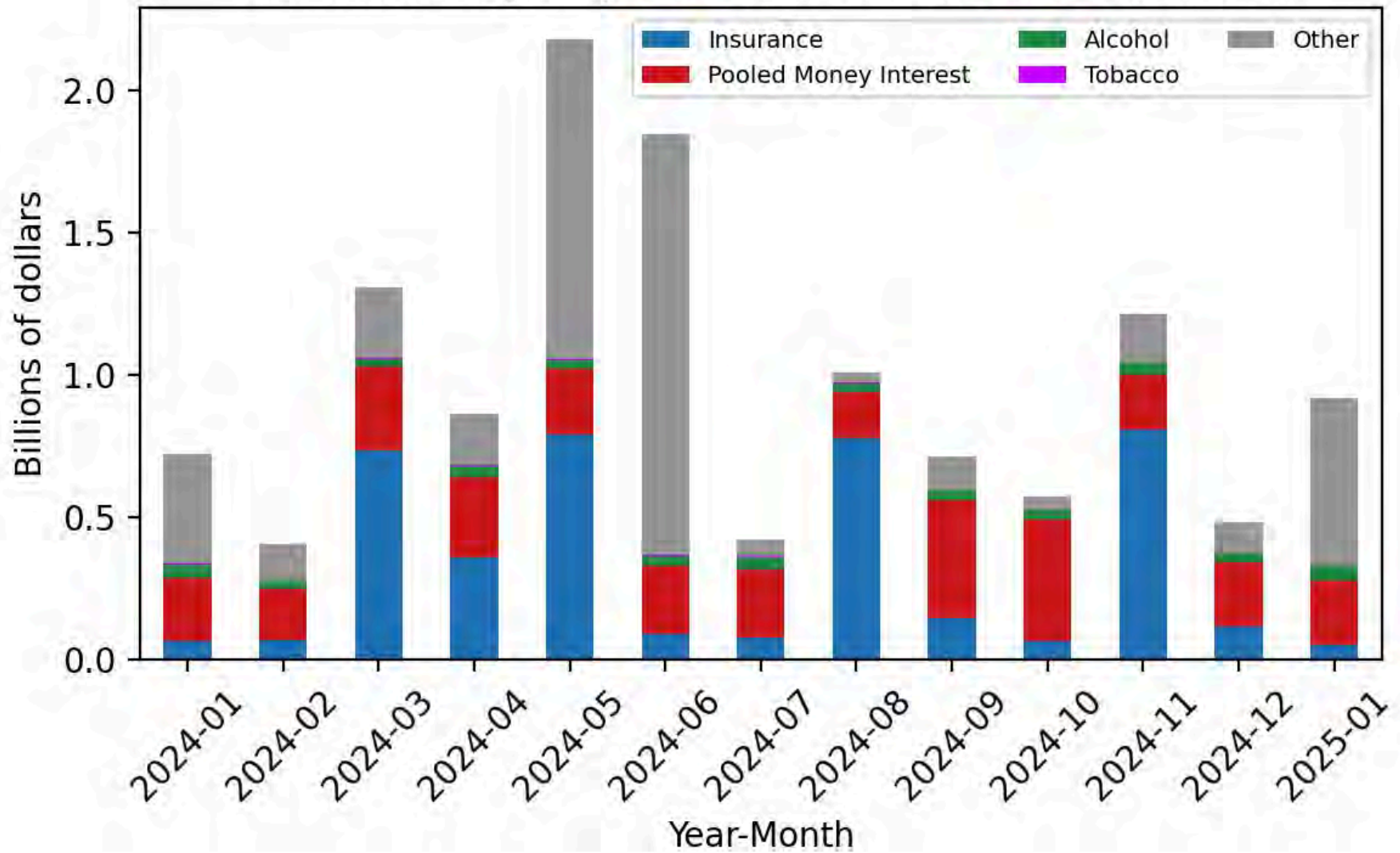


Figure 119

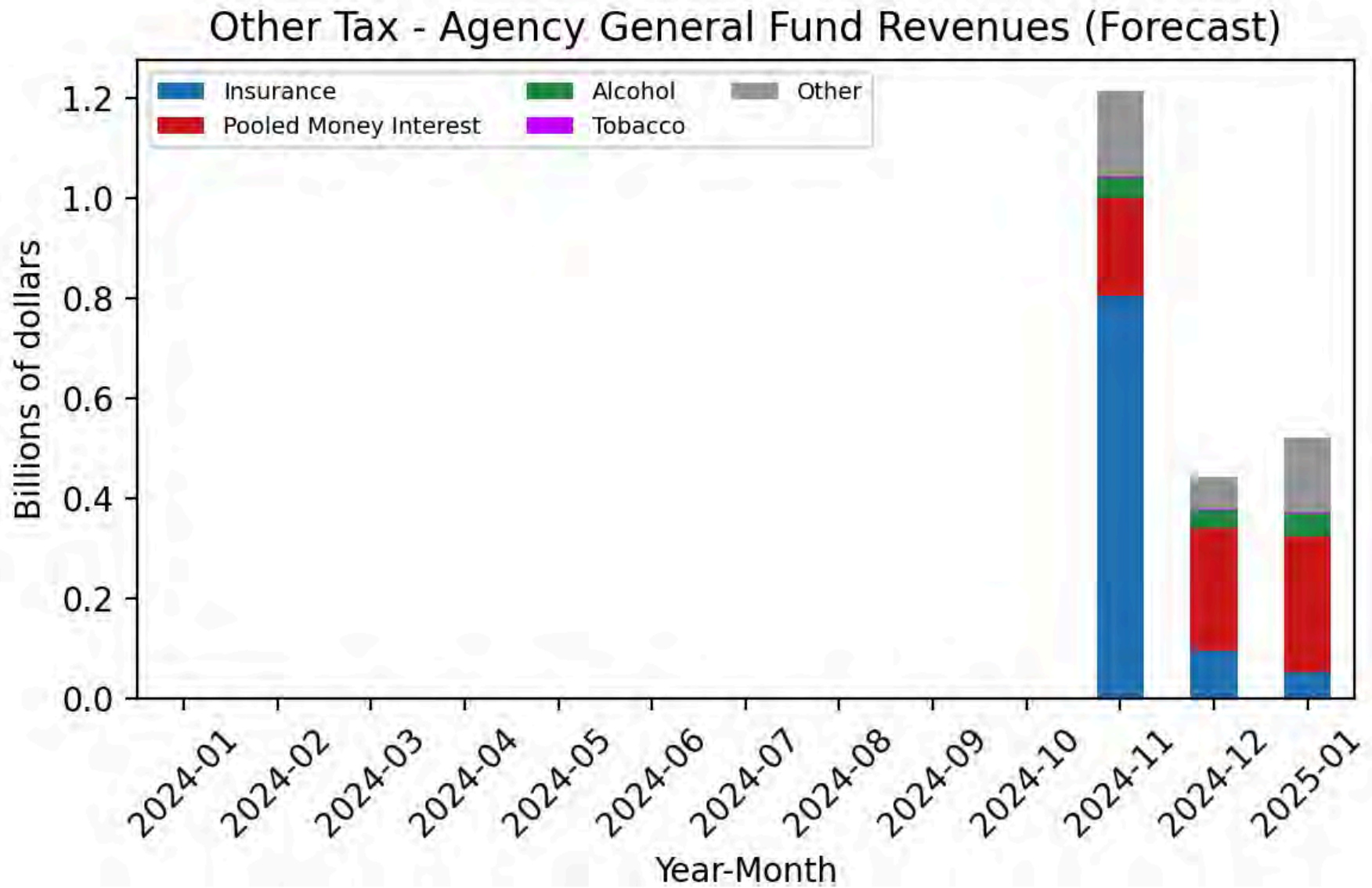


Figure 120

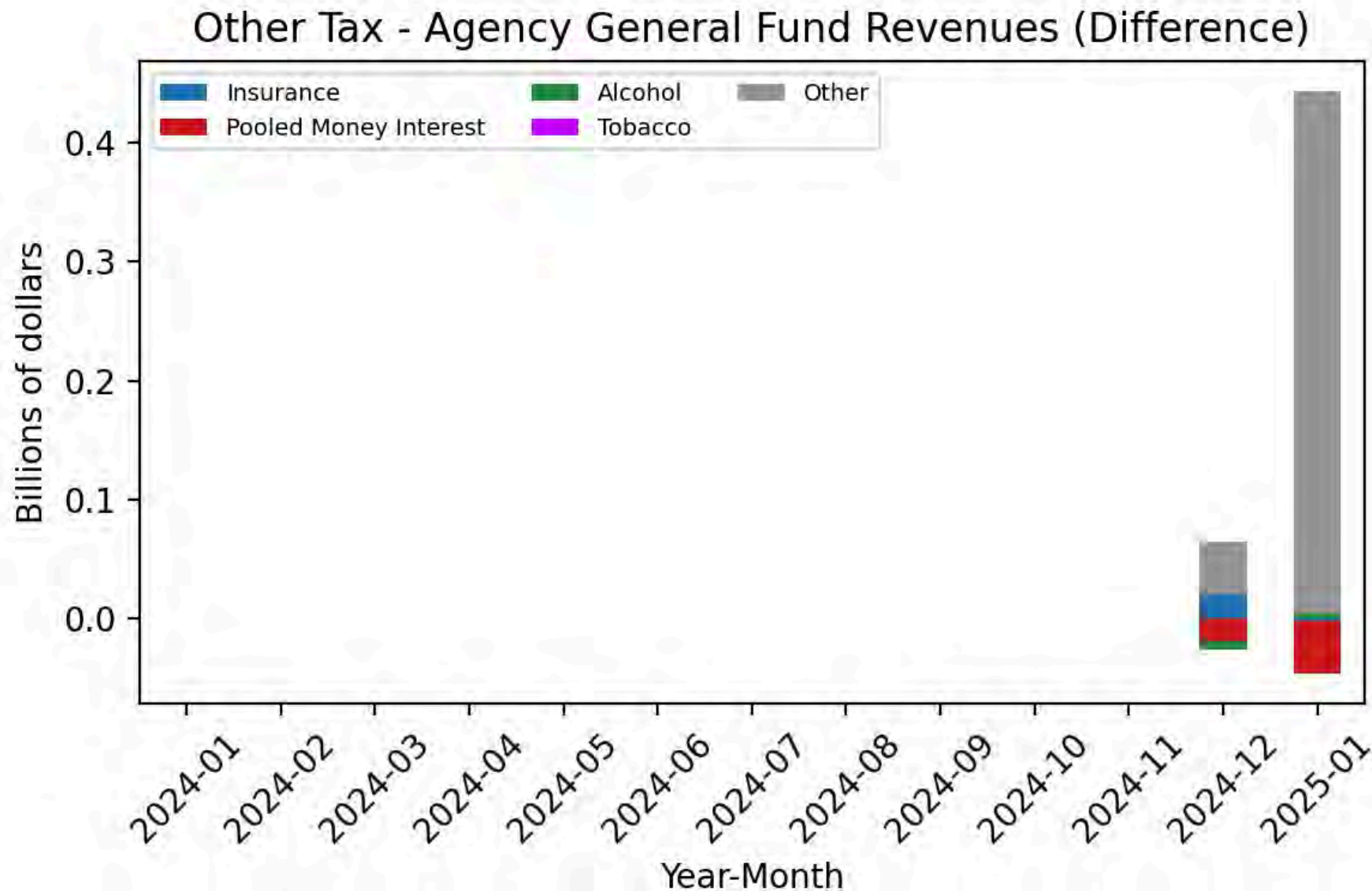


Figure 121

Other Tax - Agency General Fund Revenues (Cumulative Difference)

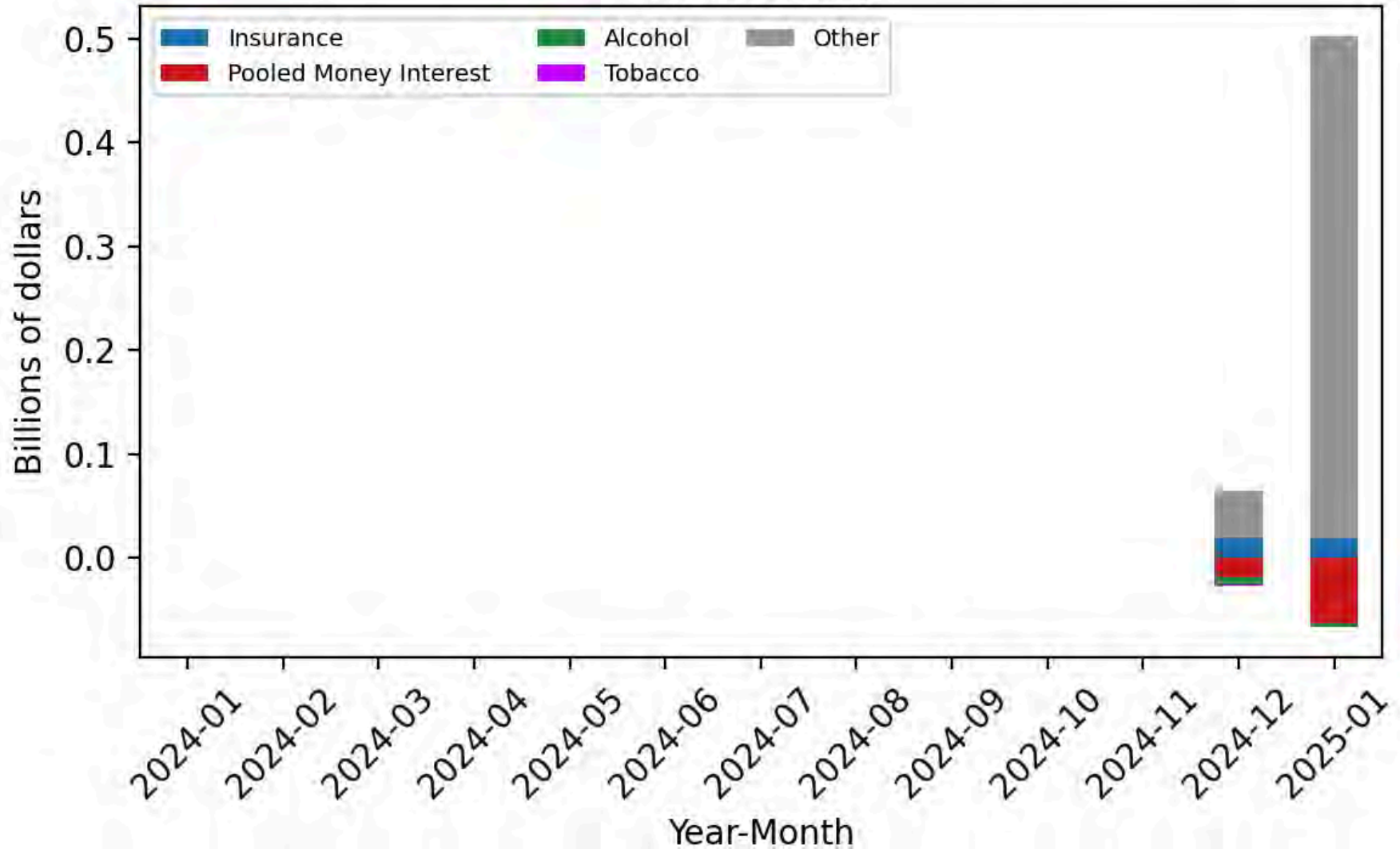


Figure 122

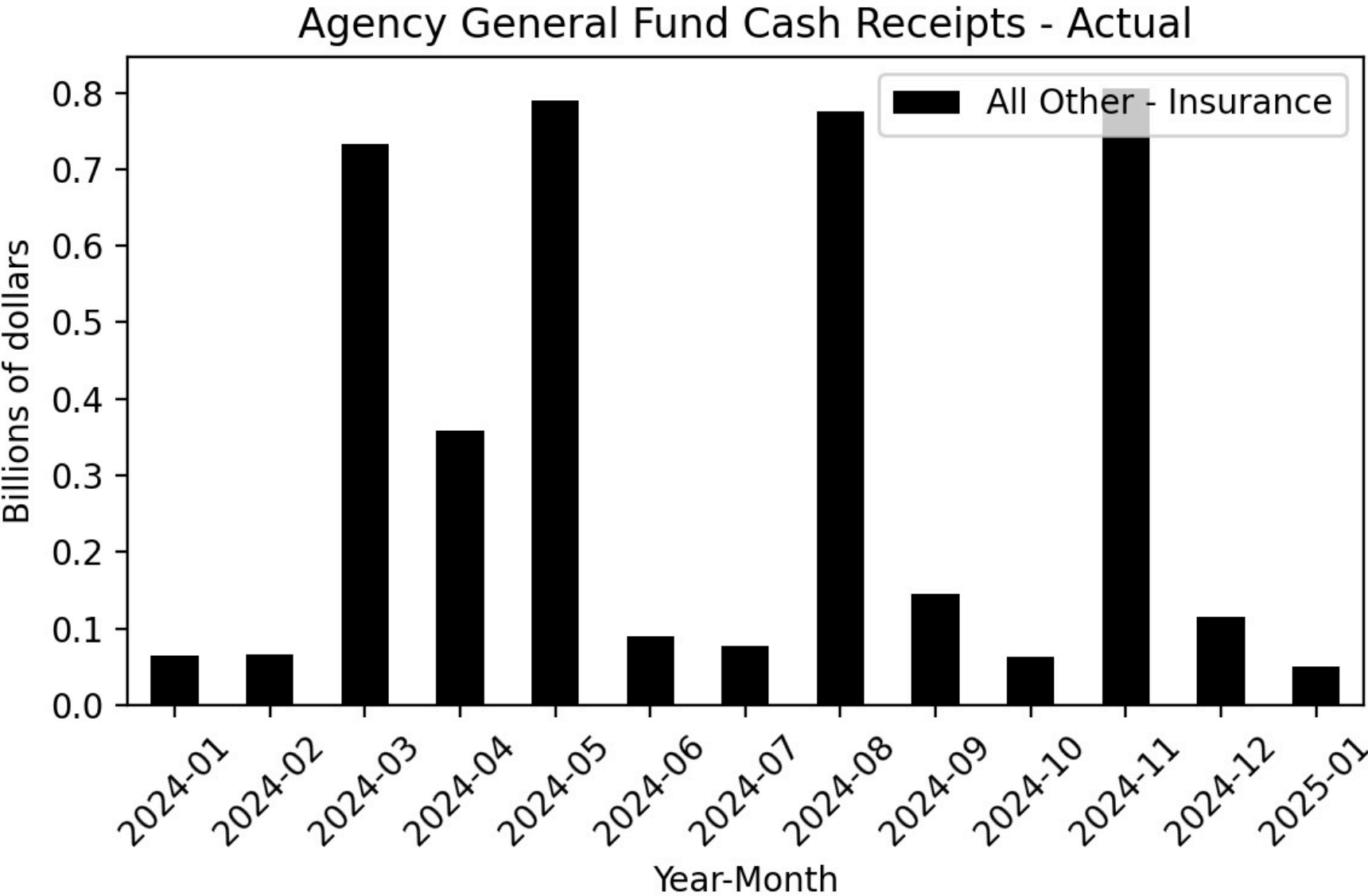


Figure 123

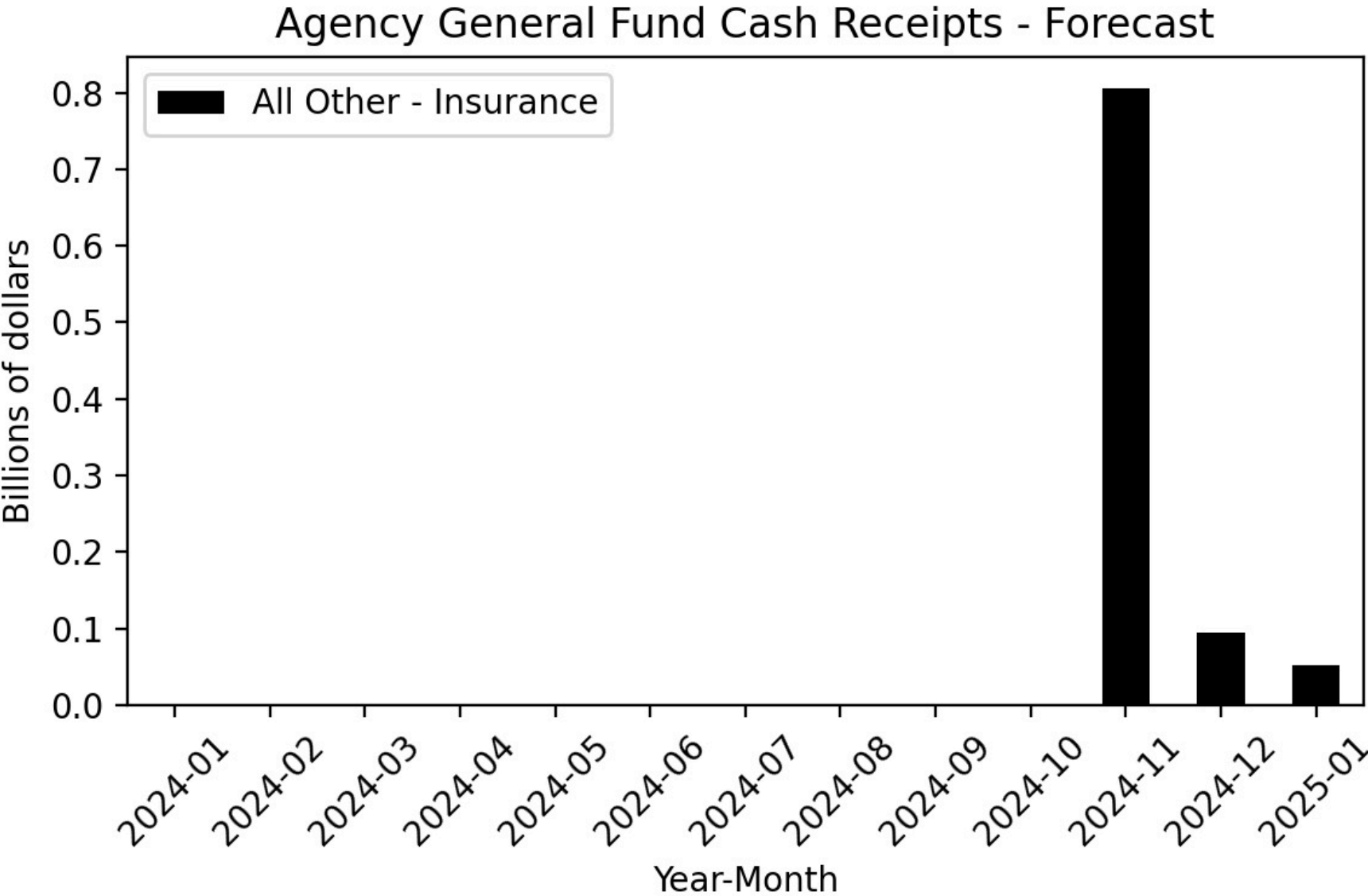


Figure 124

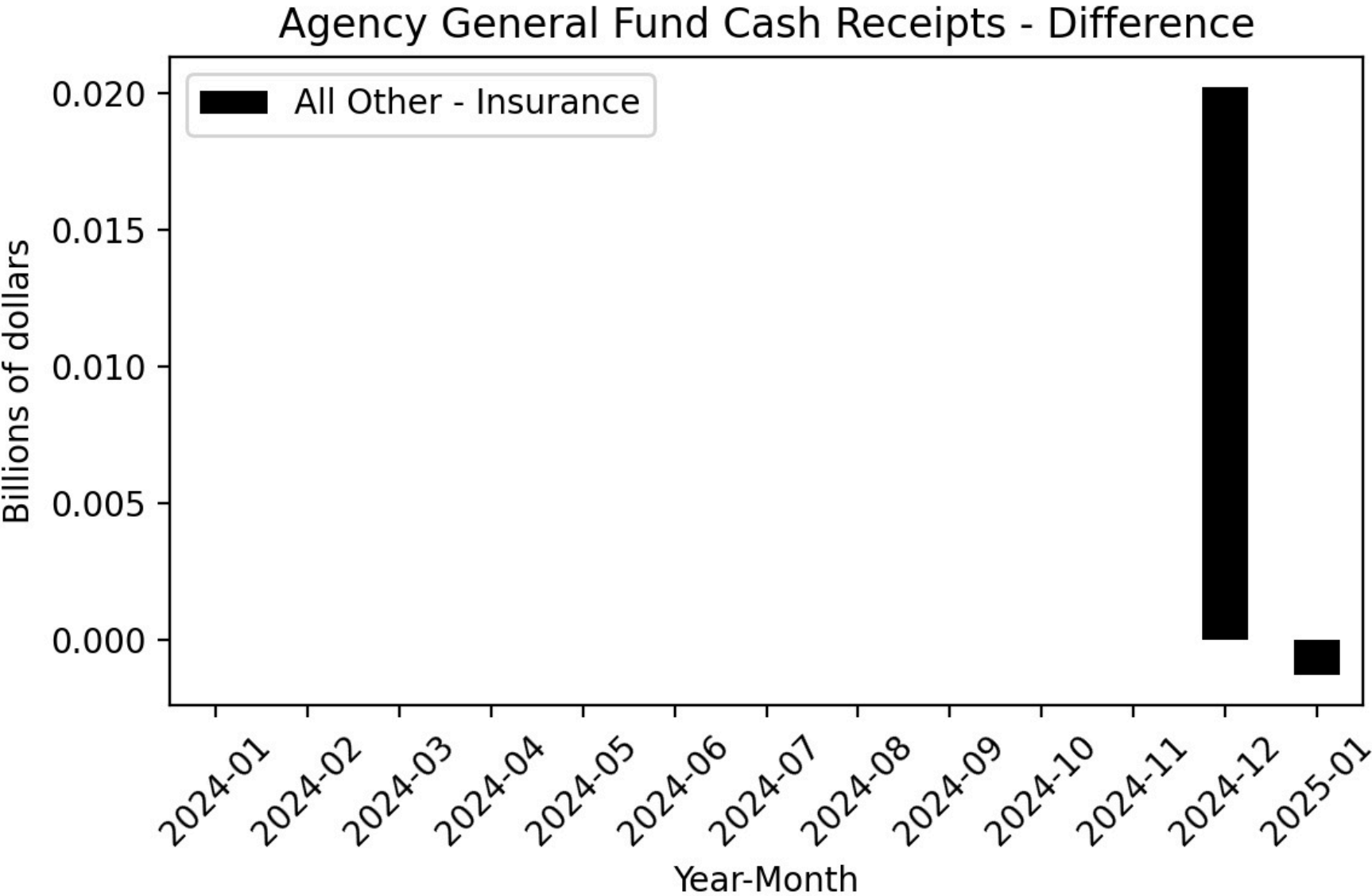


Figure 125

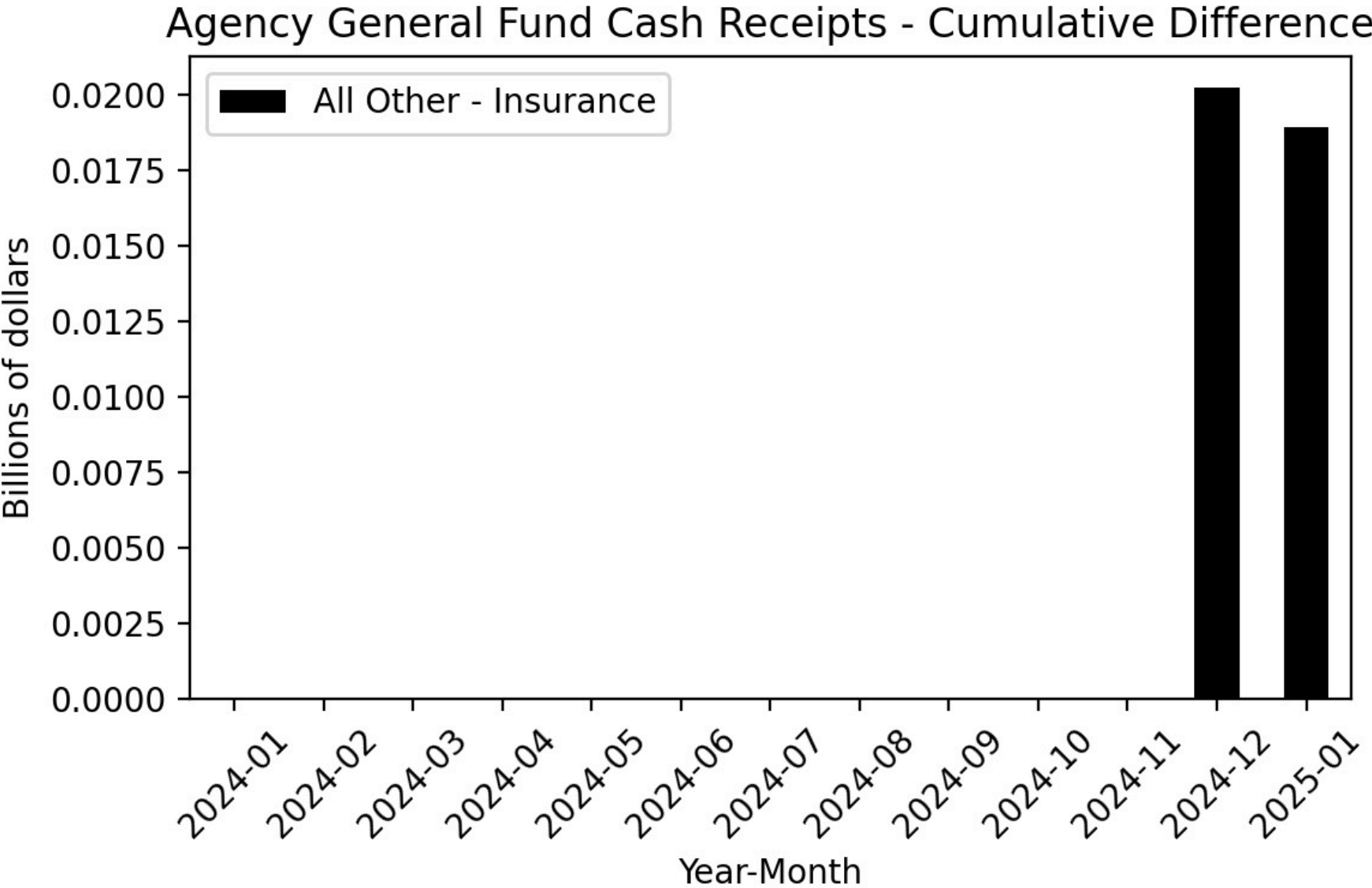


Figure 126

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-Insurance

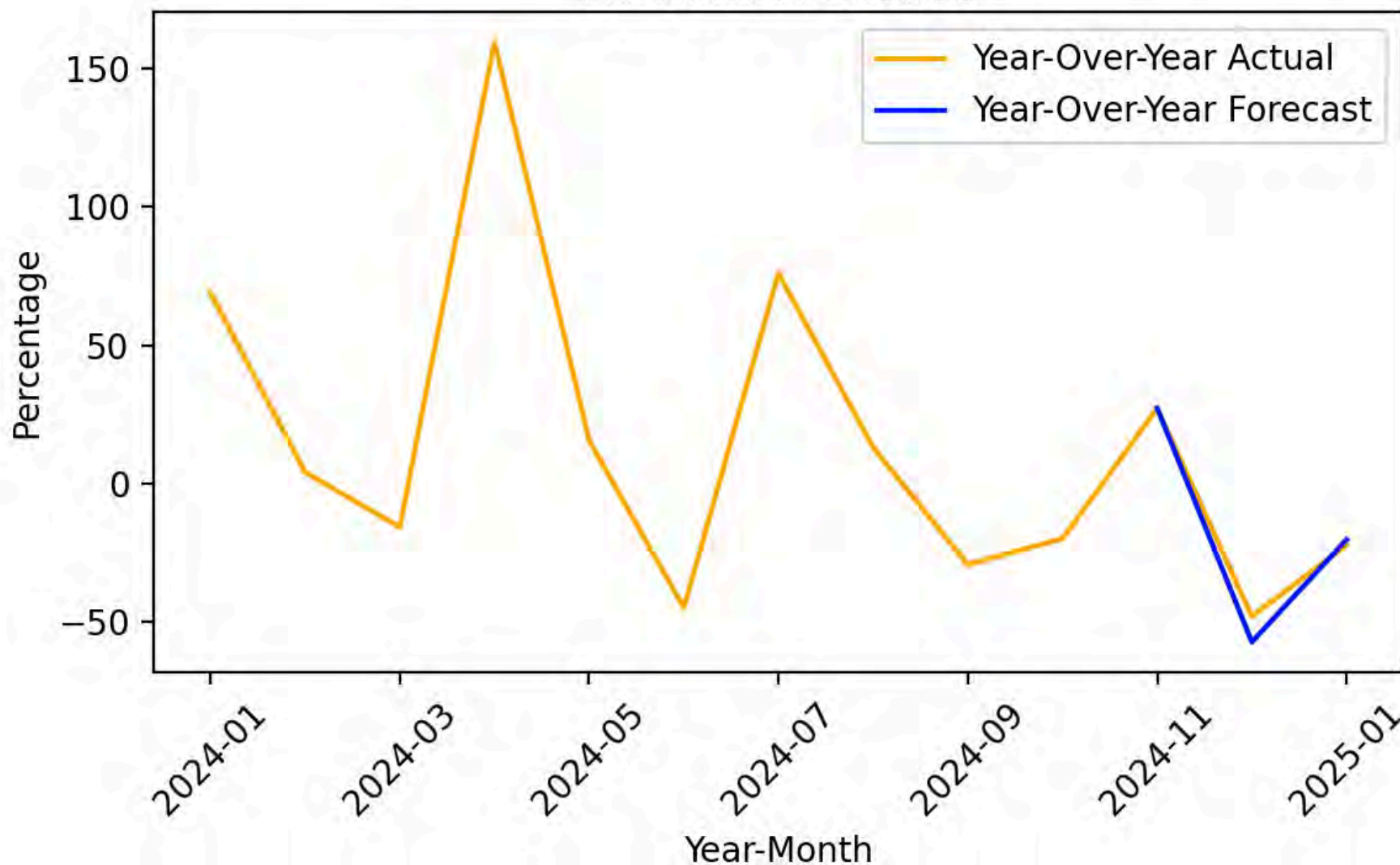


Figure 127

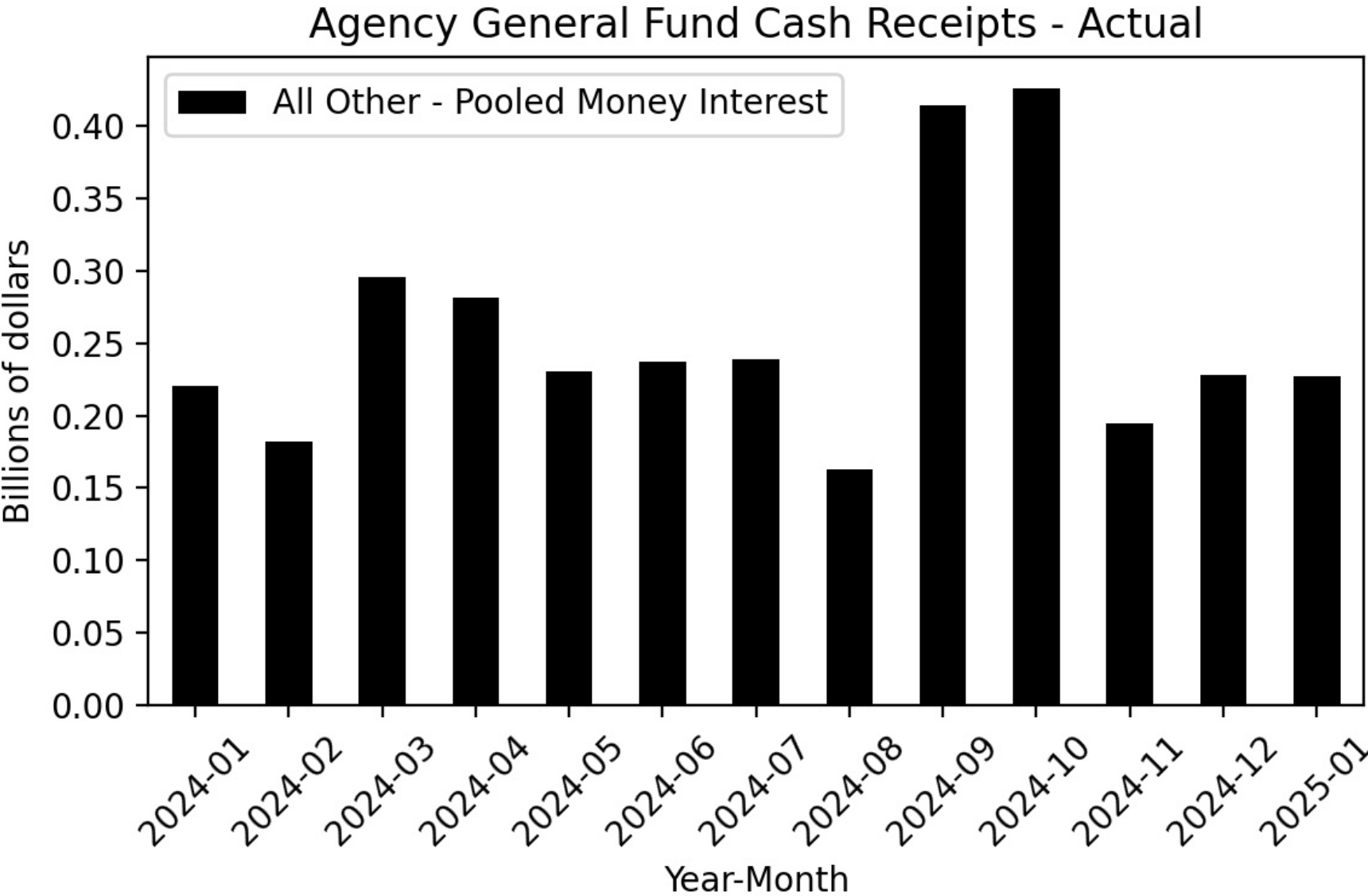


Figure 128

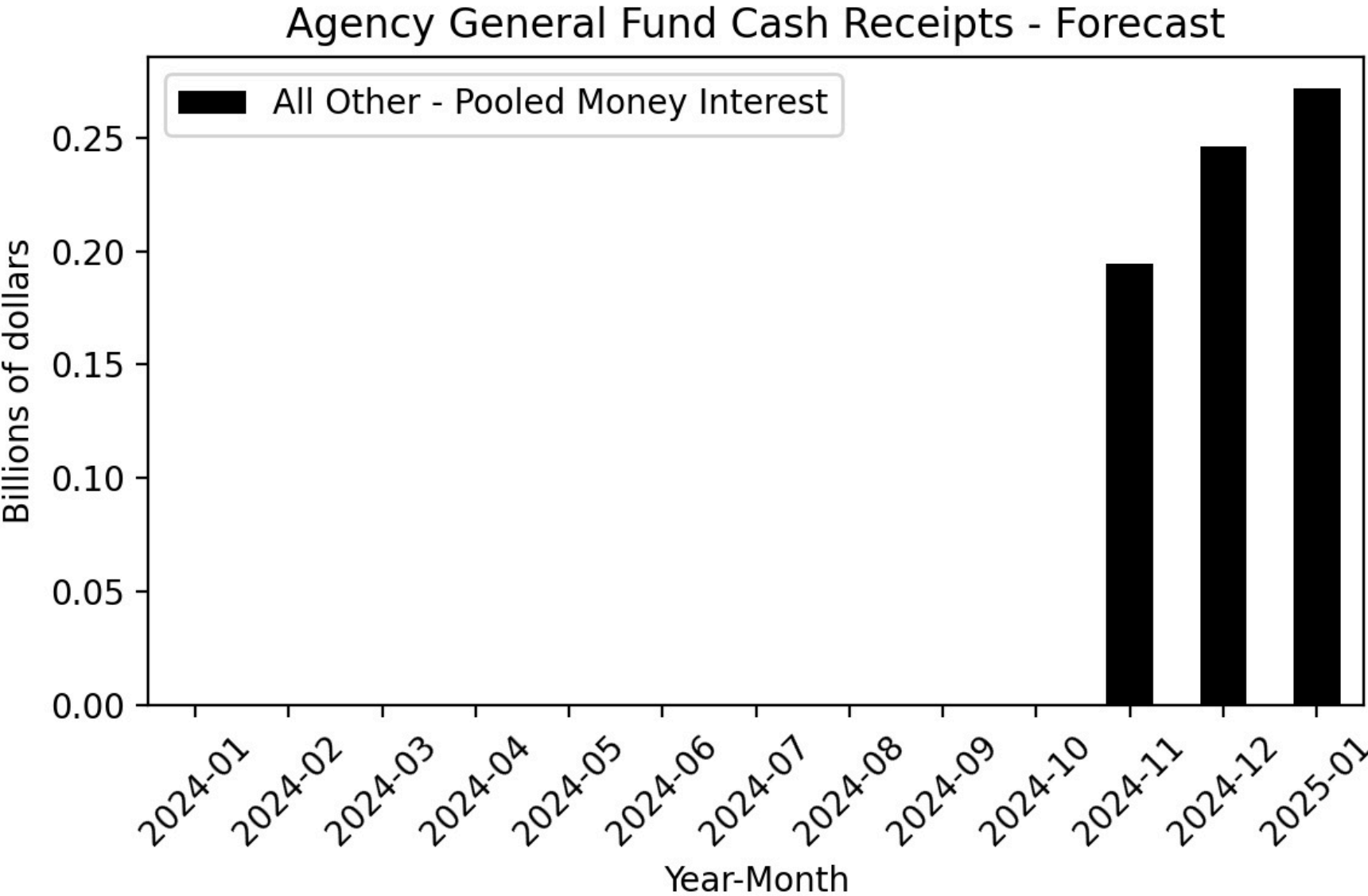


Figure 129

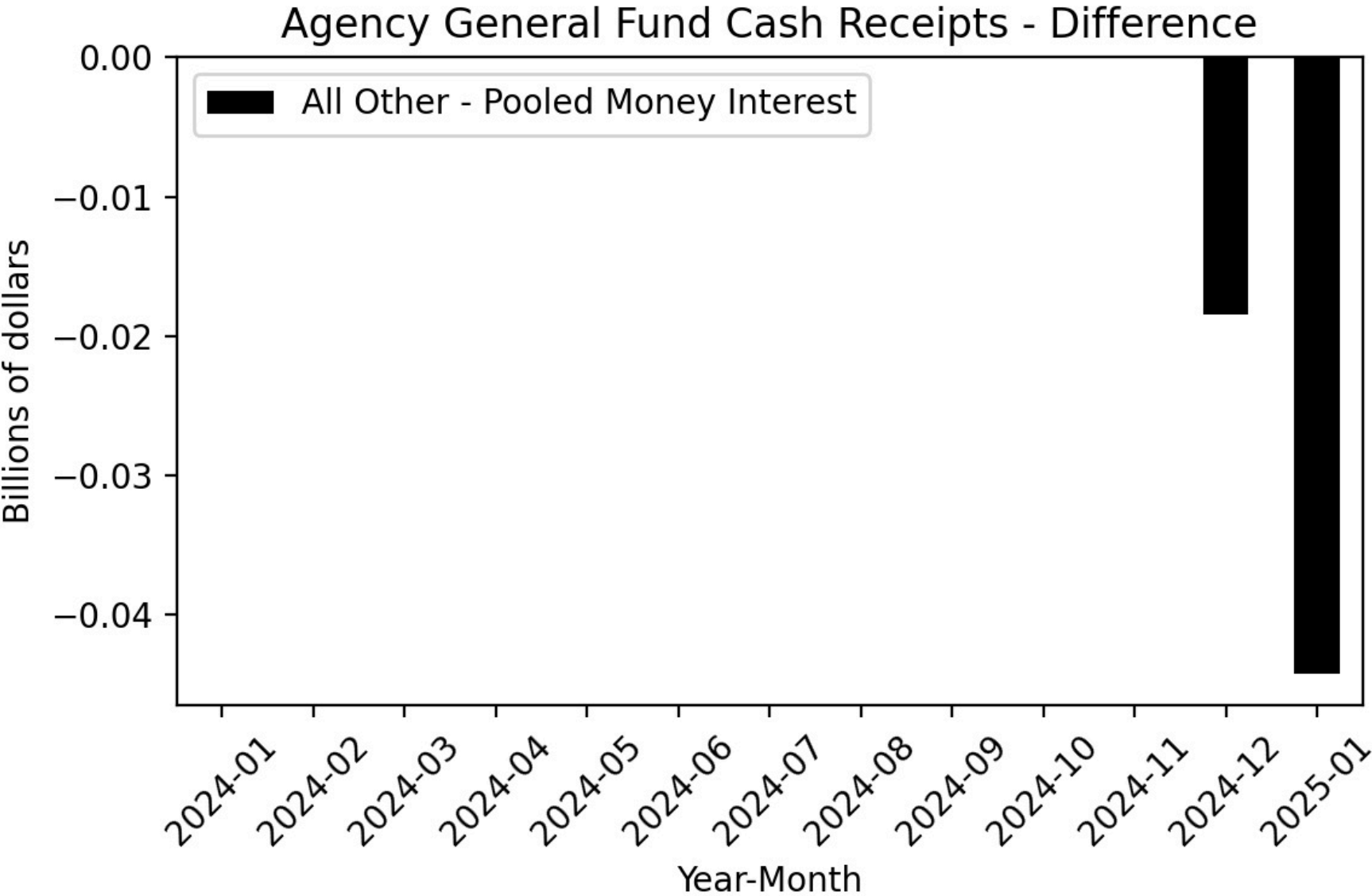


Figure 130

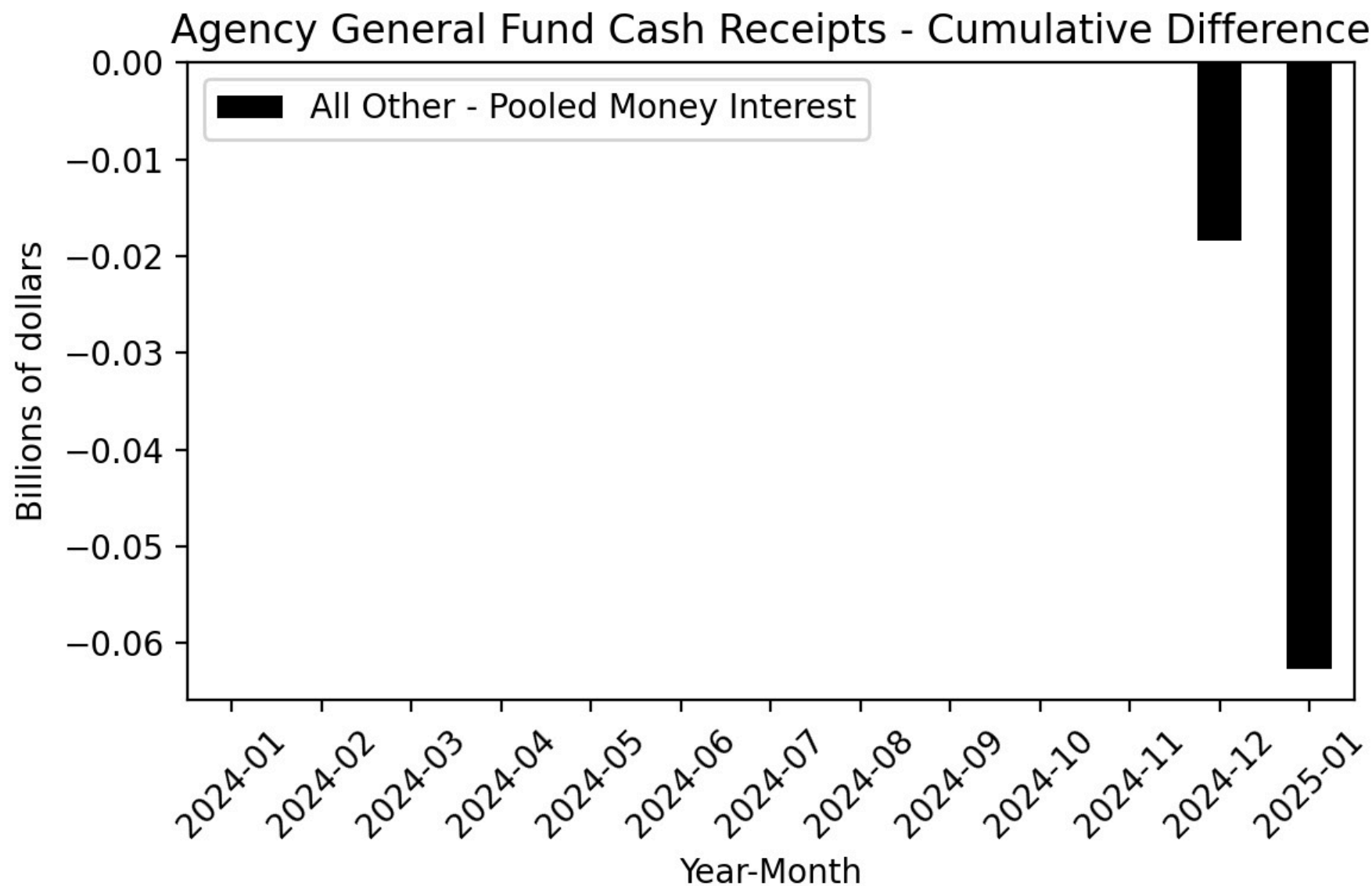


Figure 131

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-Pooled Money Interest

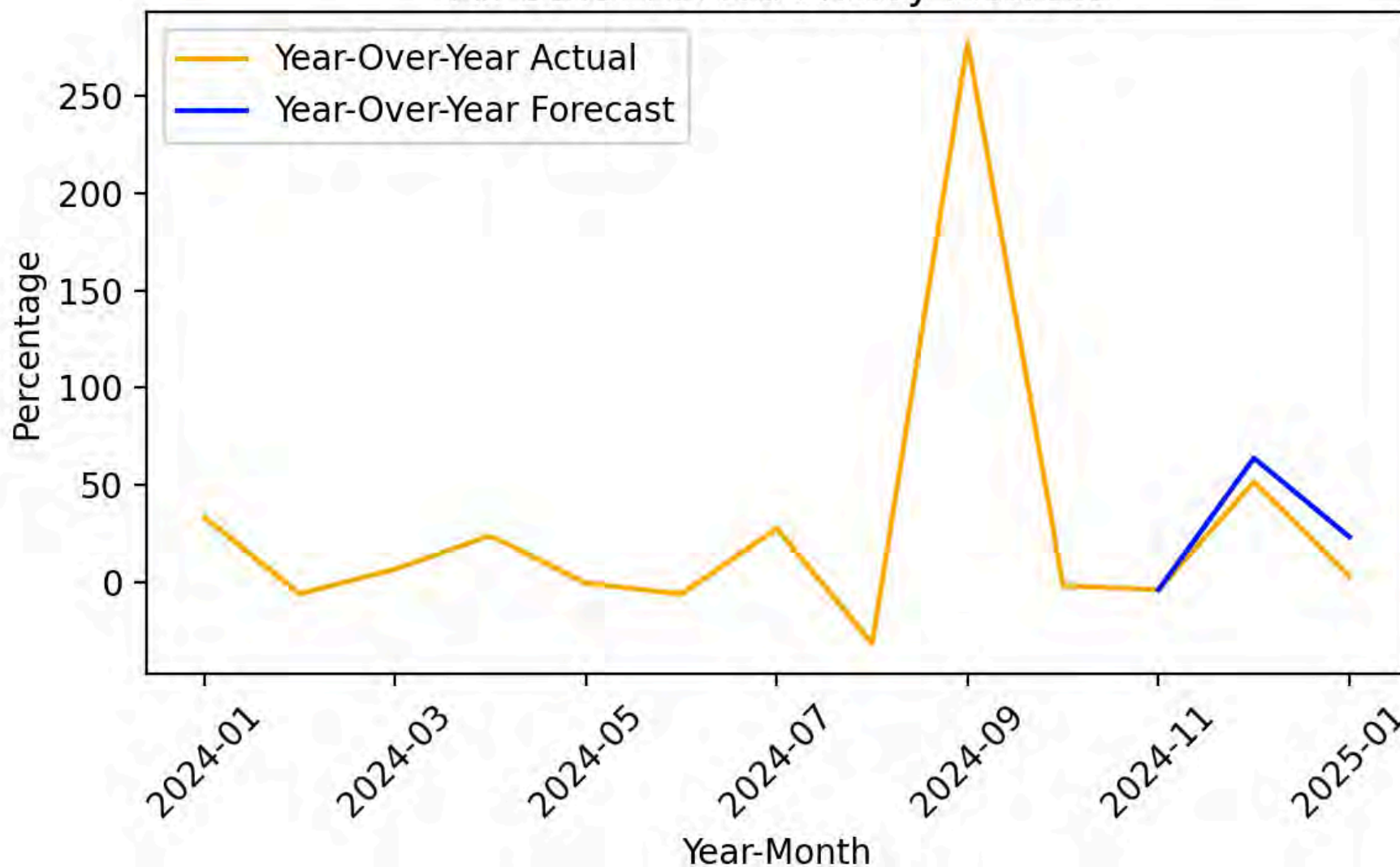


Figure 132

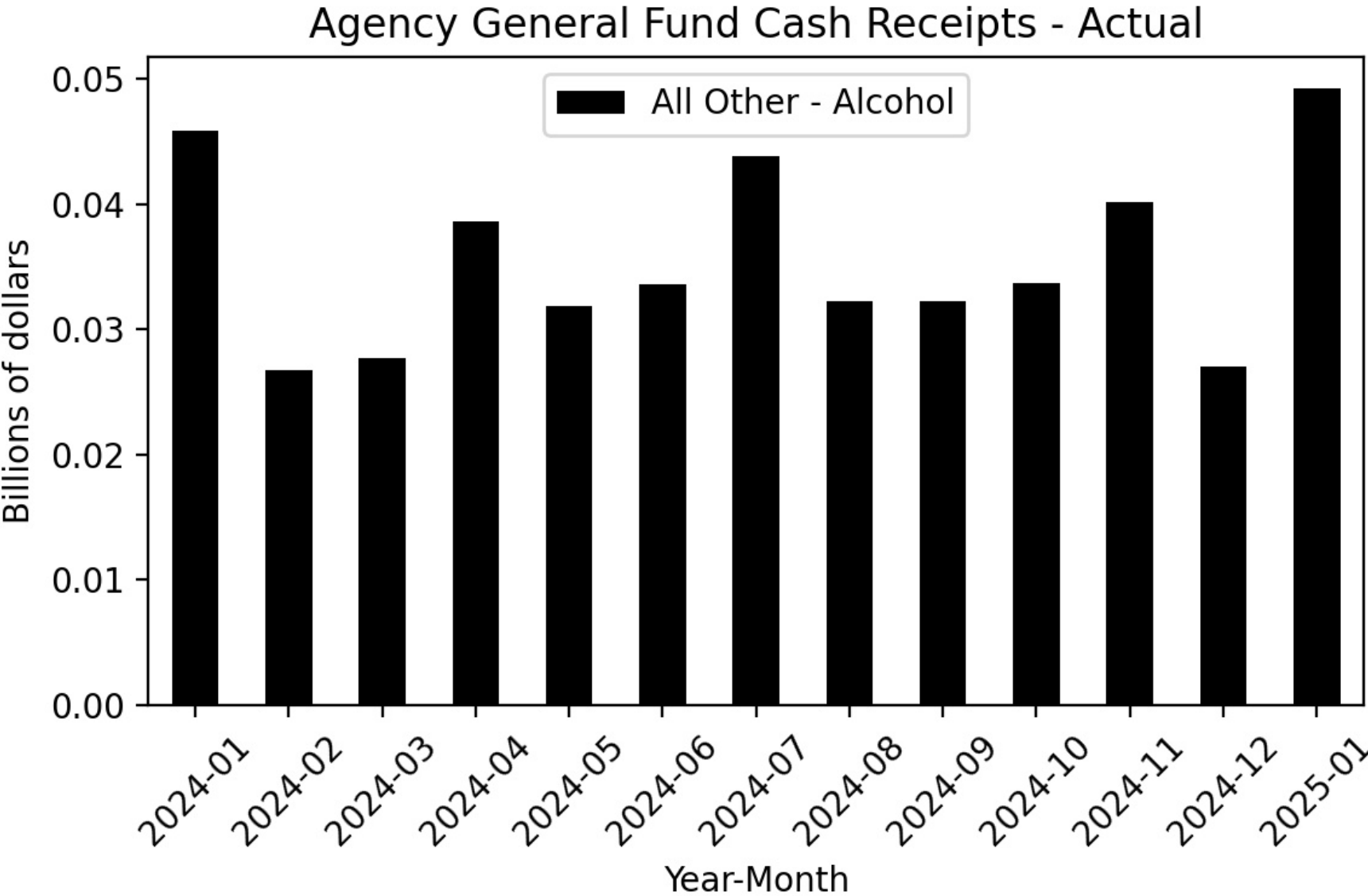


Figure 133

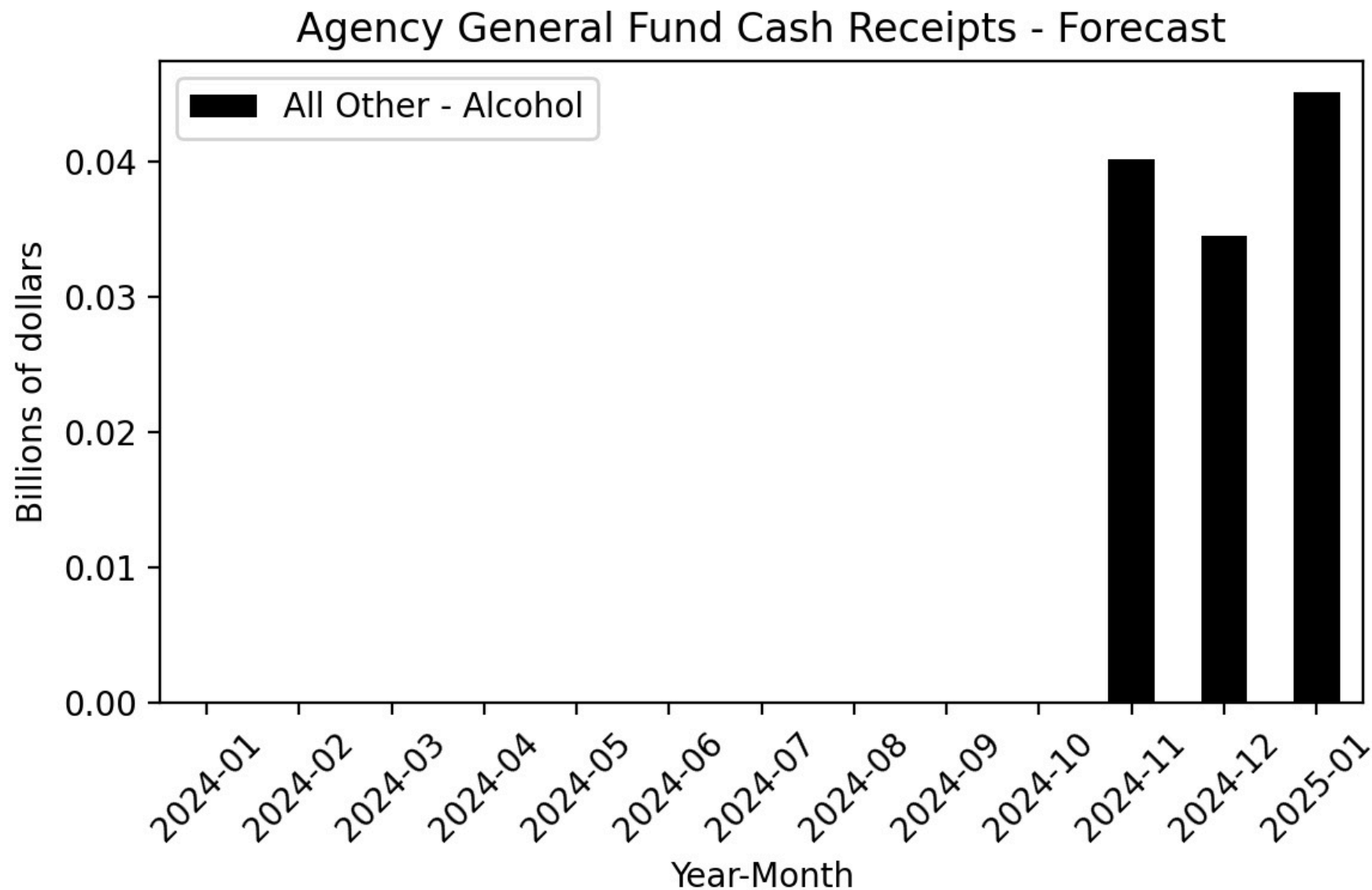


Figure 134

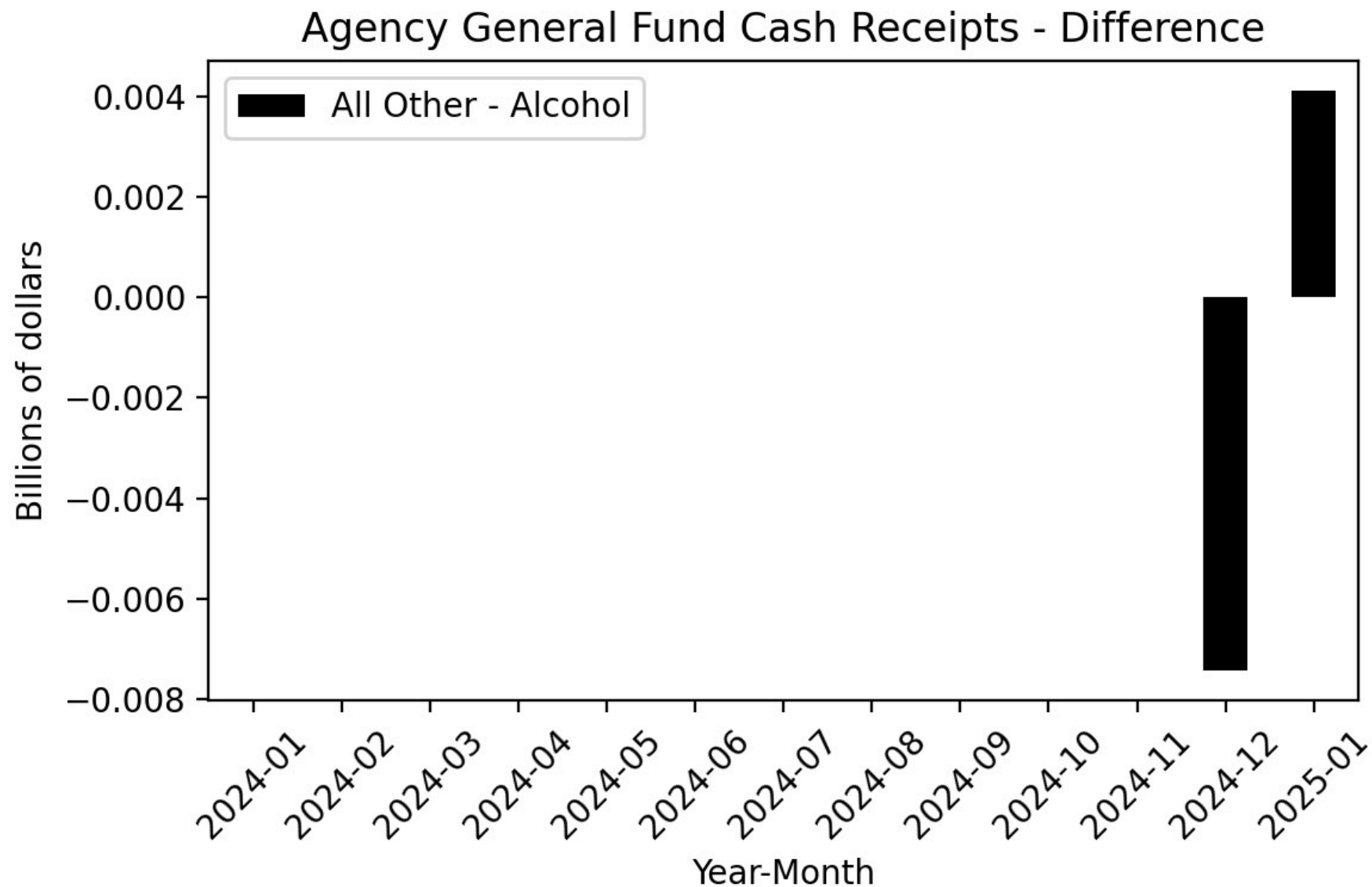


Figure 135

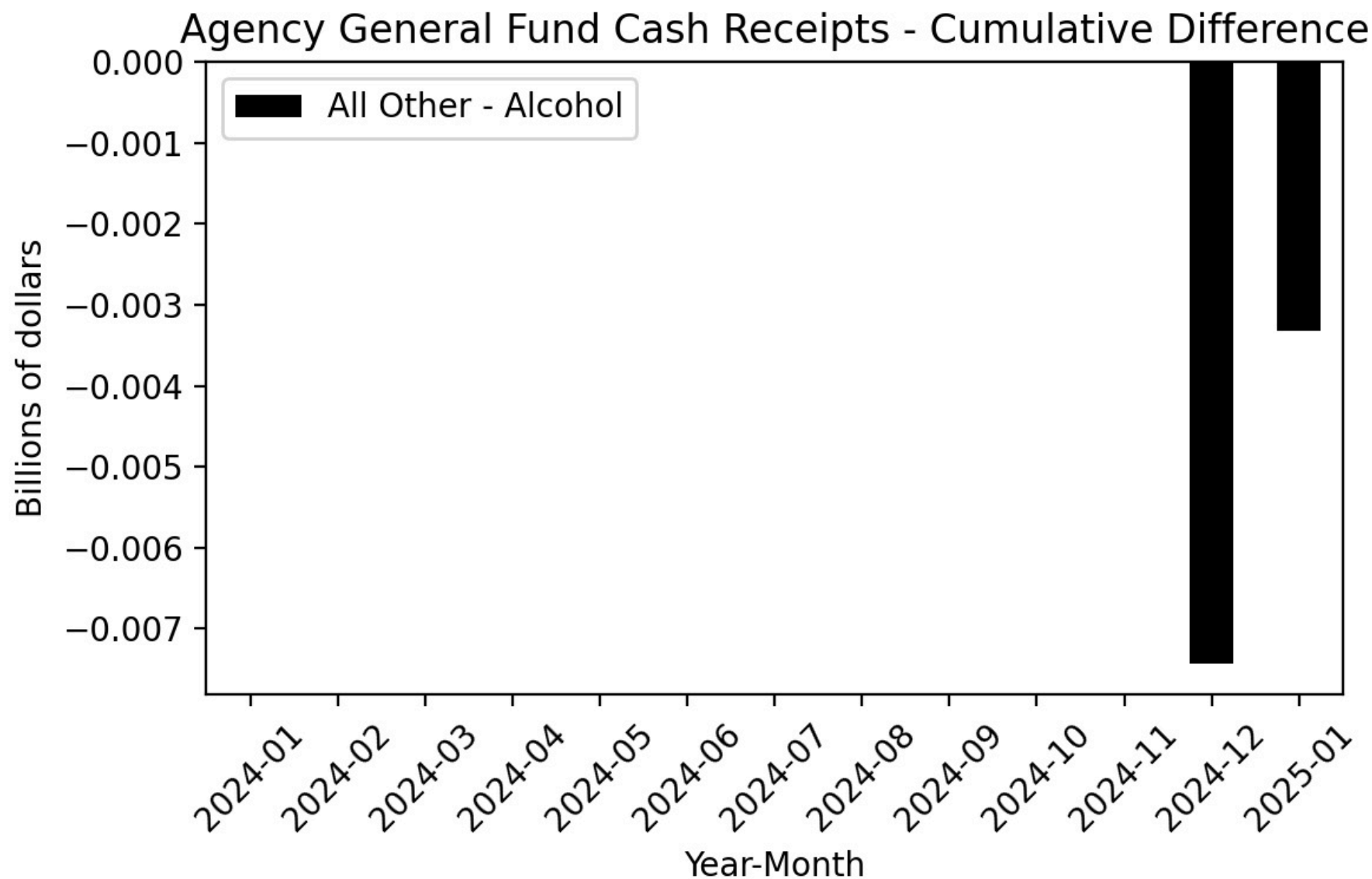


Figure 136

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-Alcohol

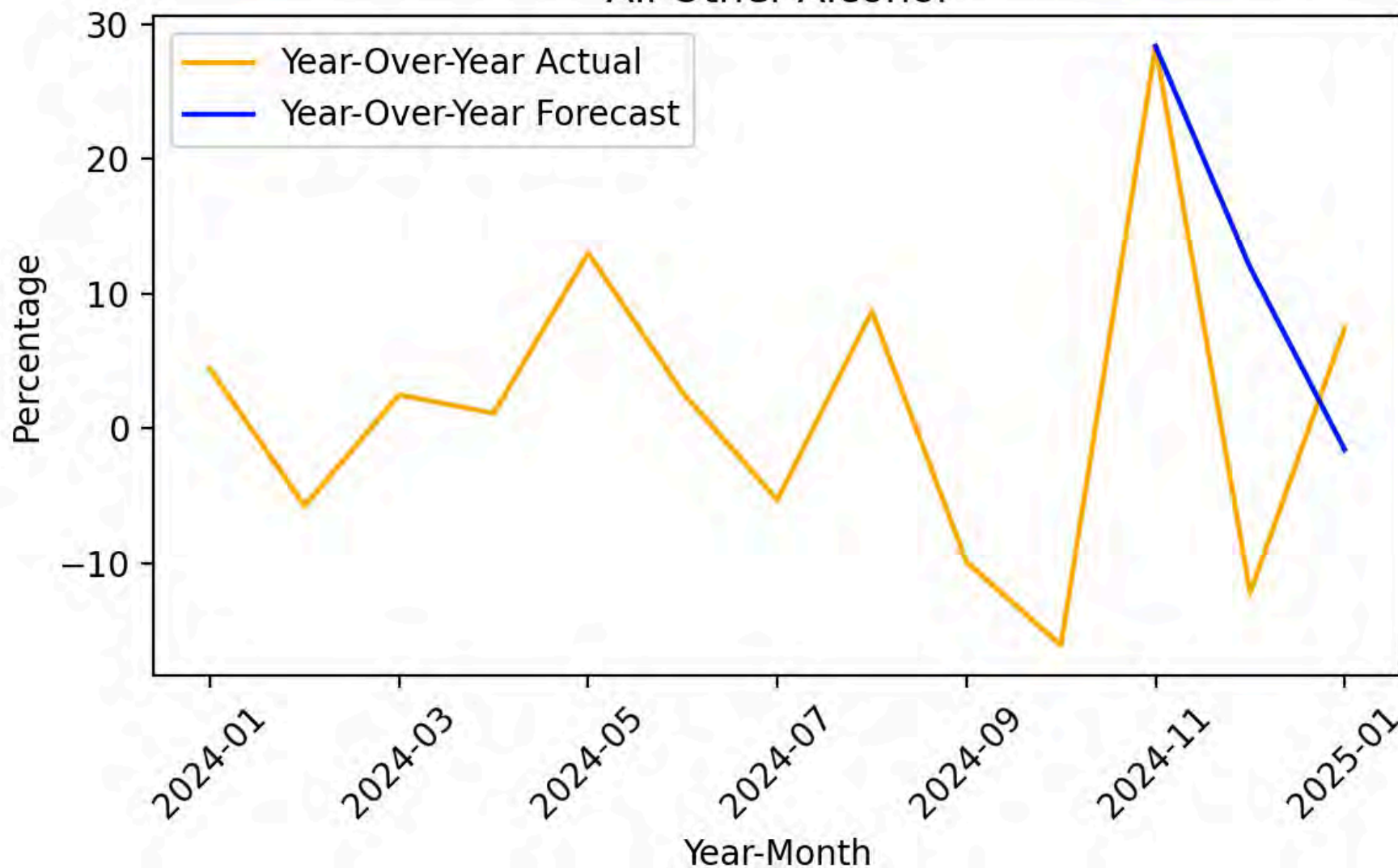


Figure 137

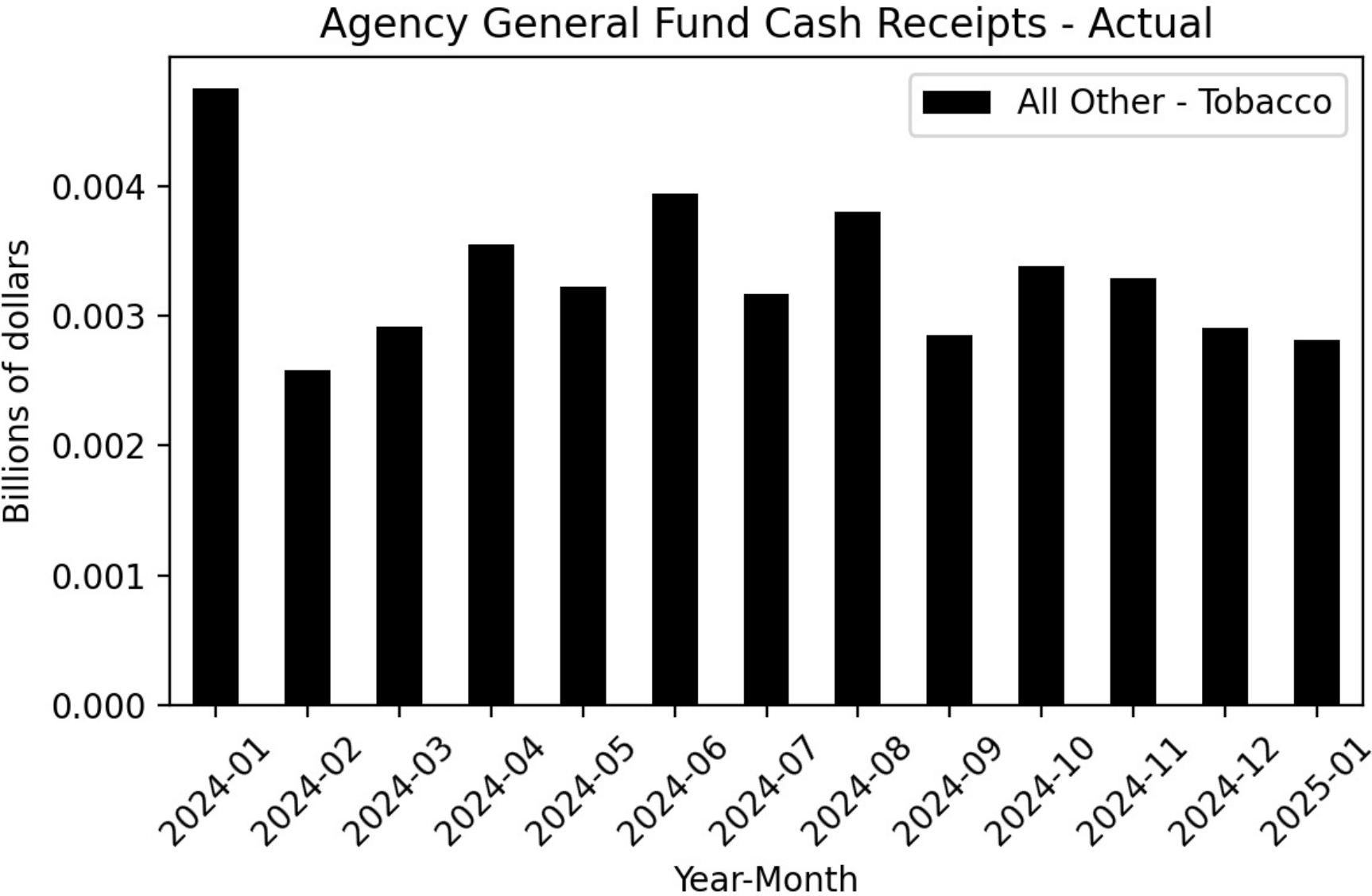


Figure 138

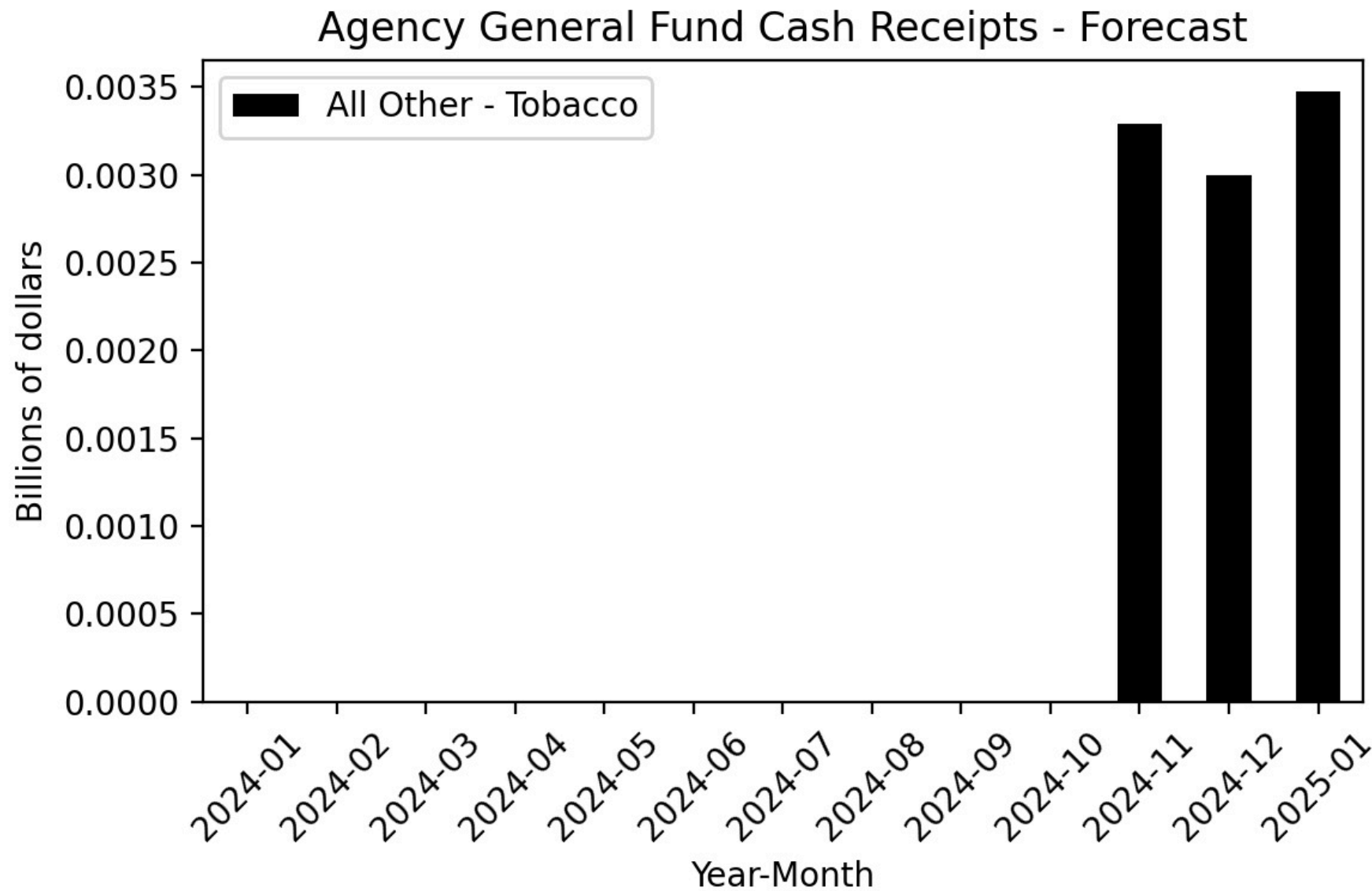


Figure 139

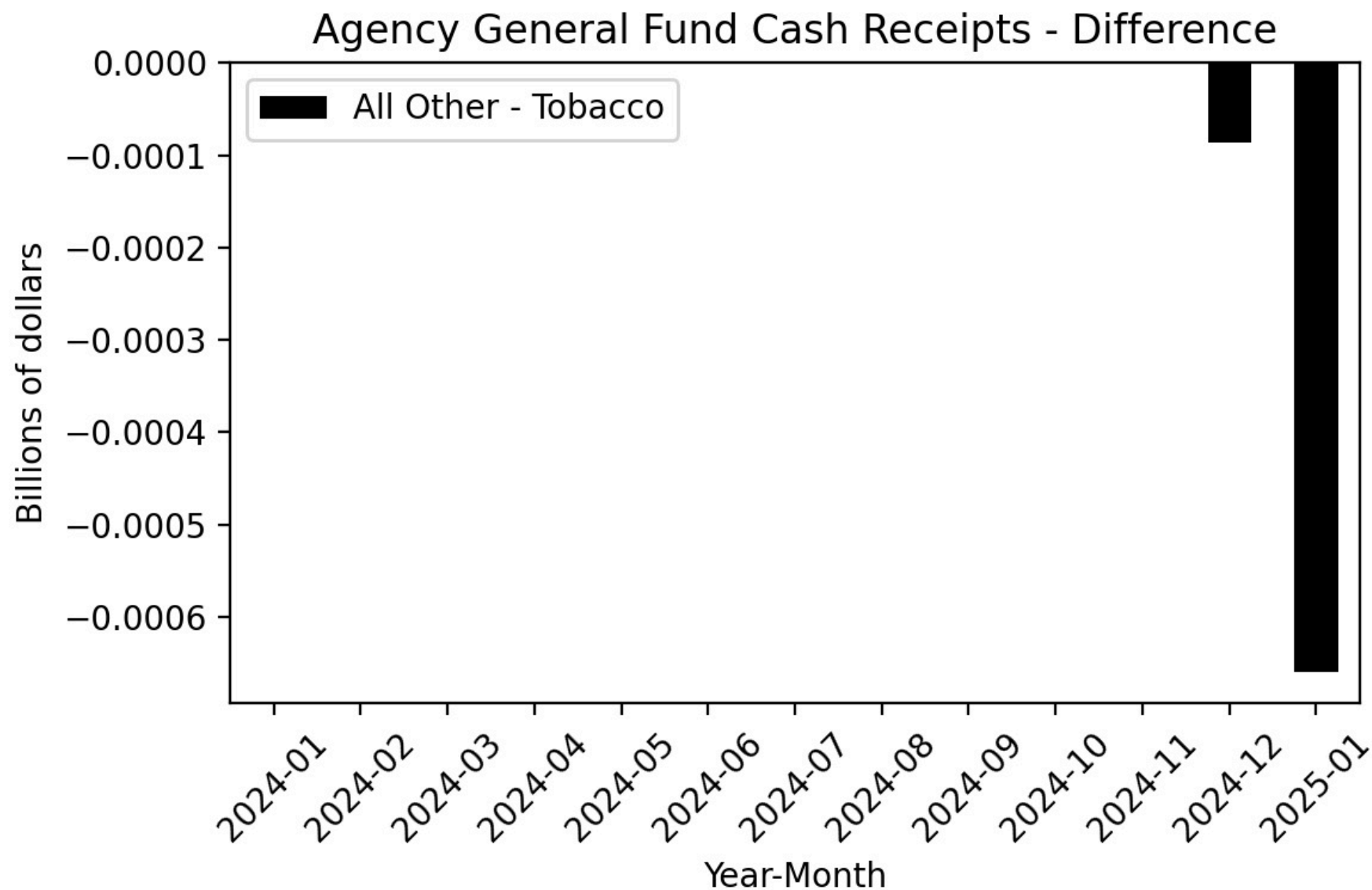


Figure 140

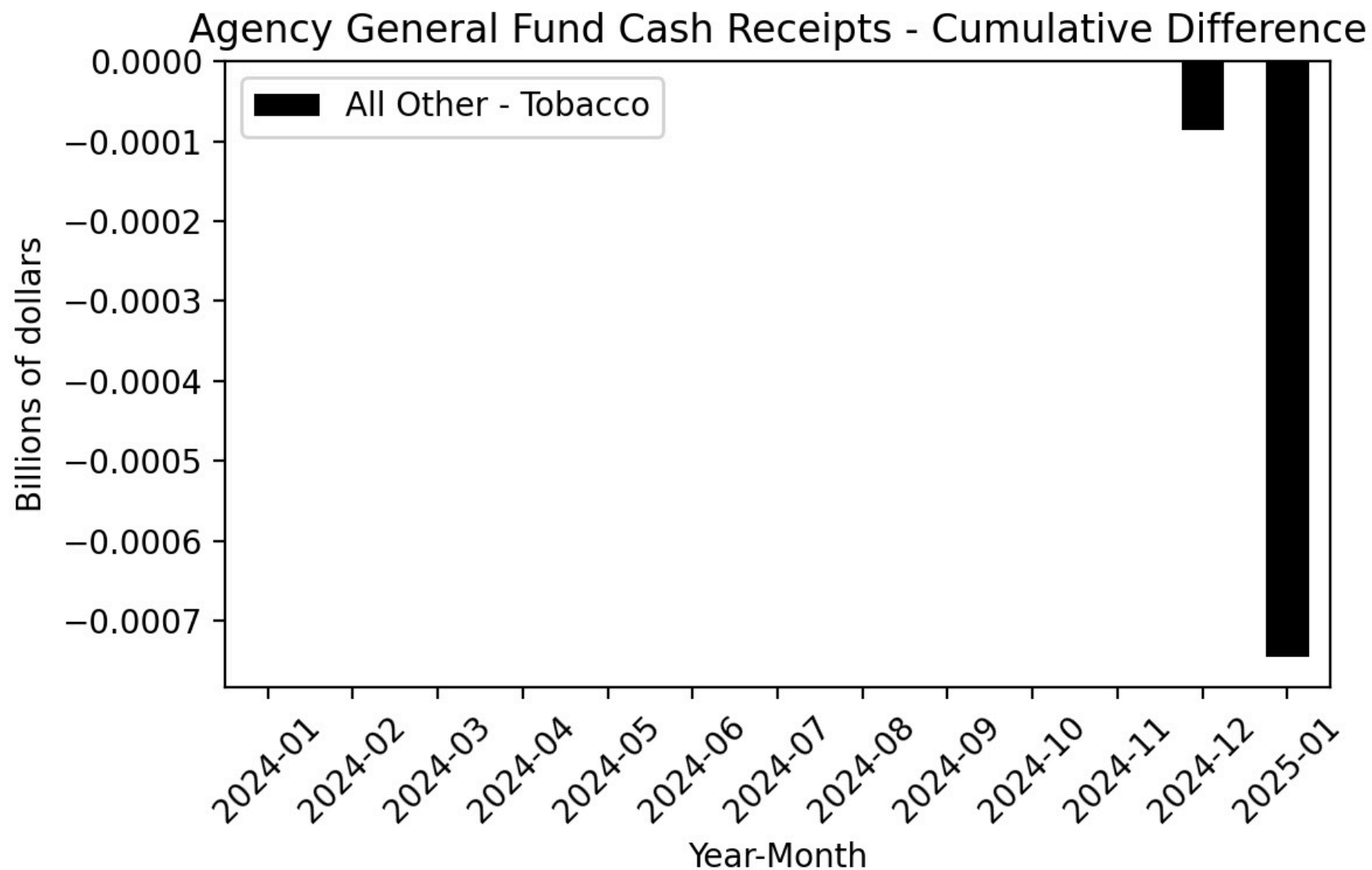


Figure 141

Year-Over-Year Change - Actual and 2024-25 Budget Act Forecast
All Other-Tobacco

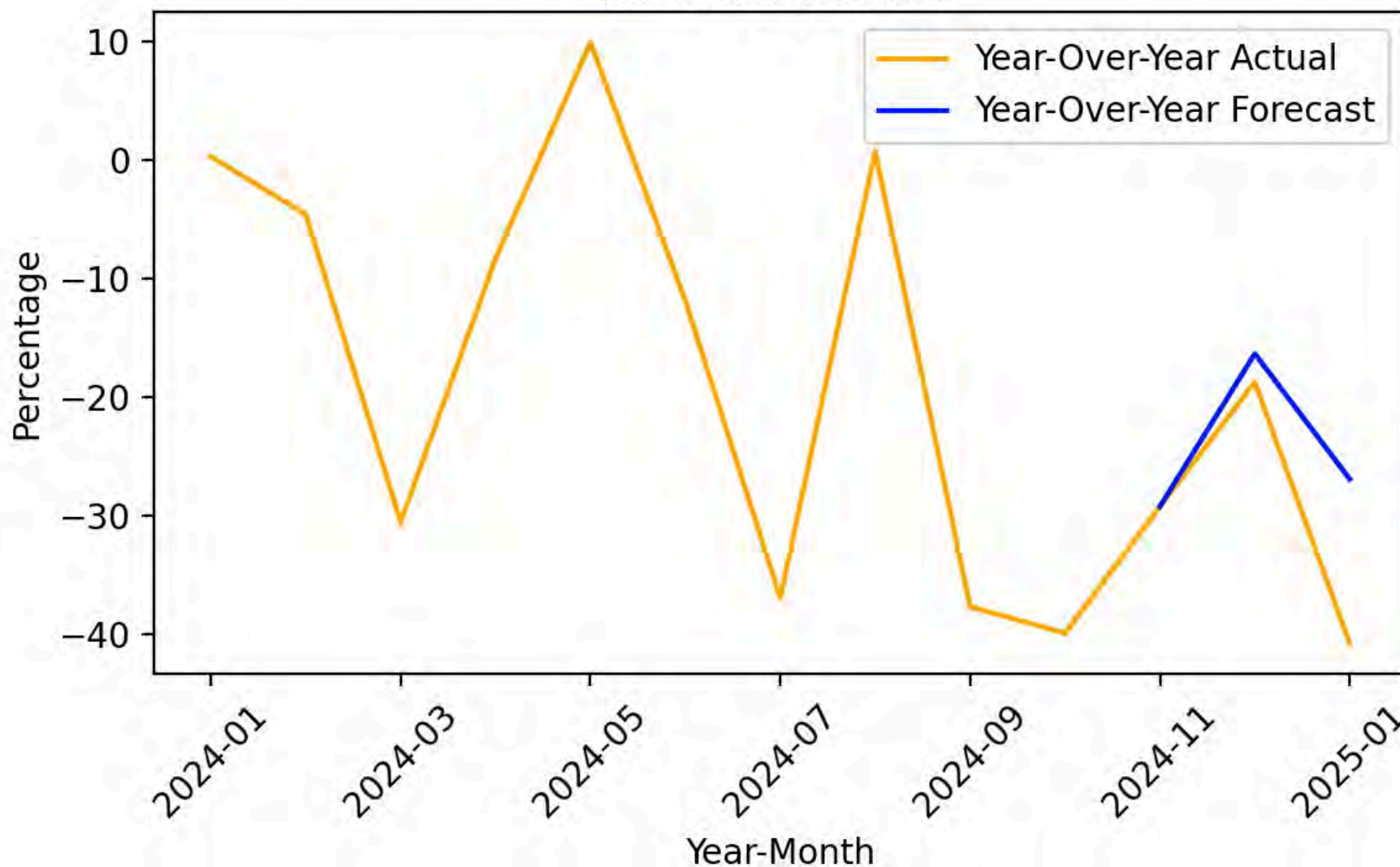


Figure 142

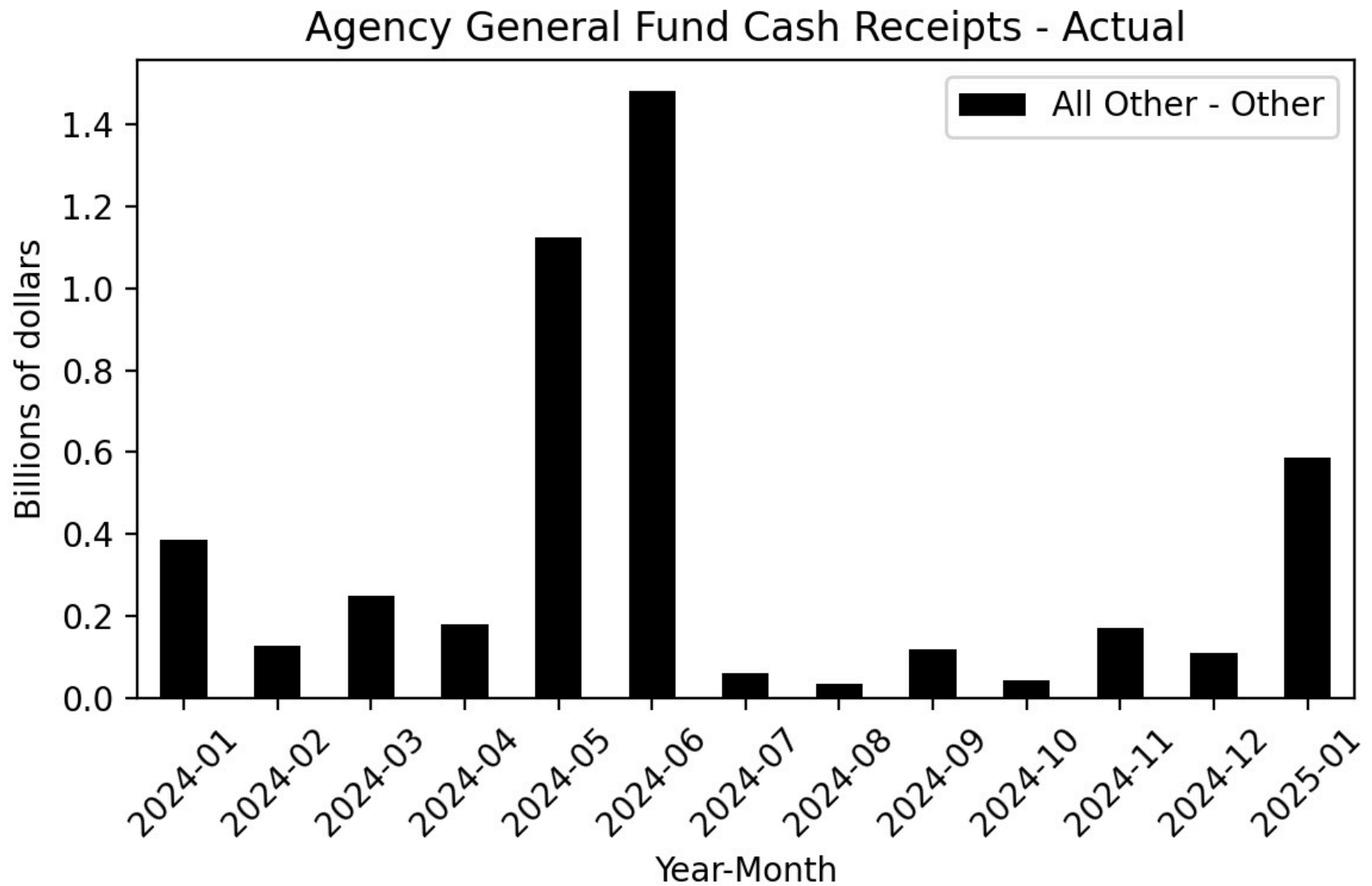


Figure 143

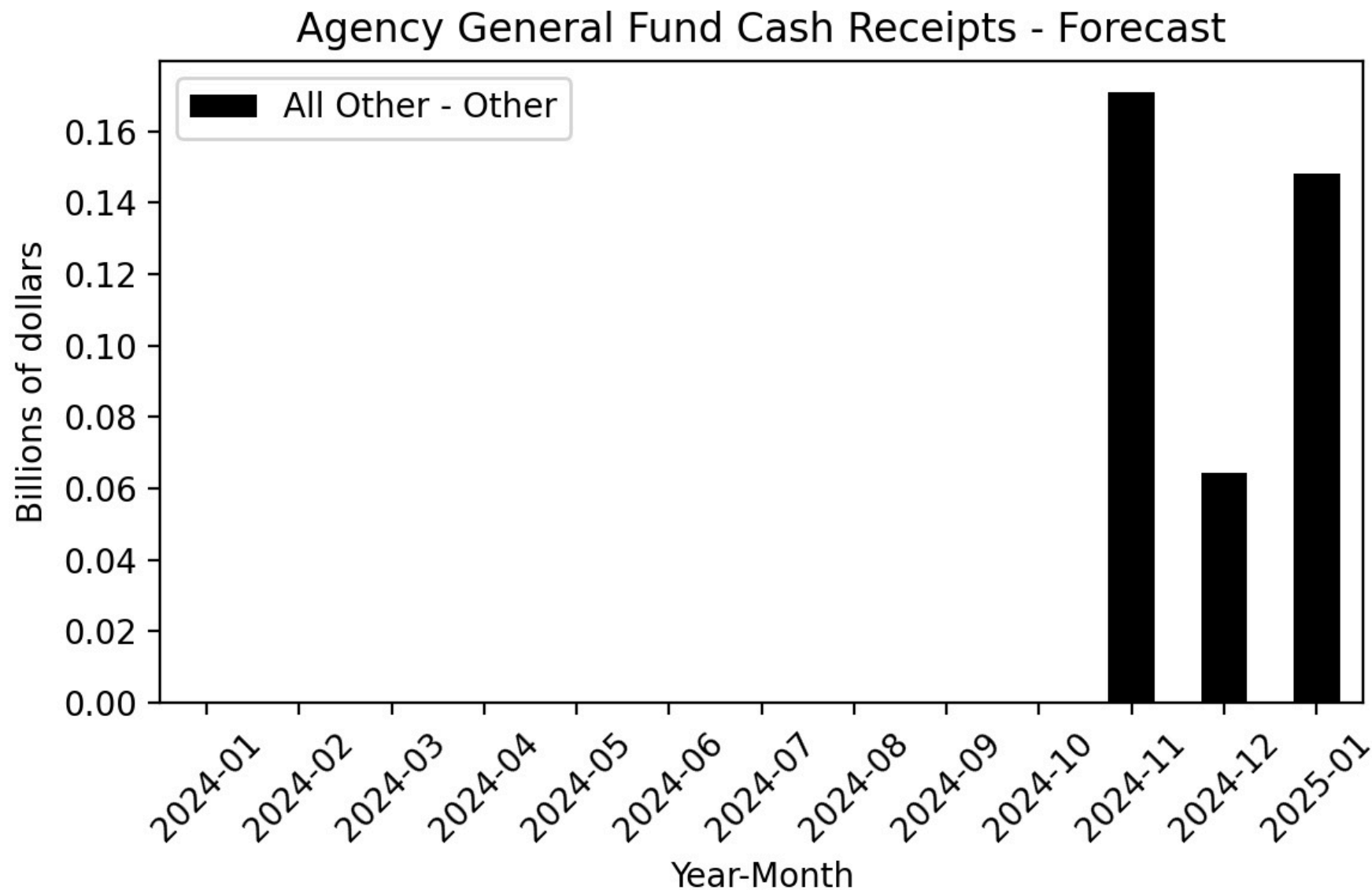


Figure 144

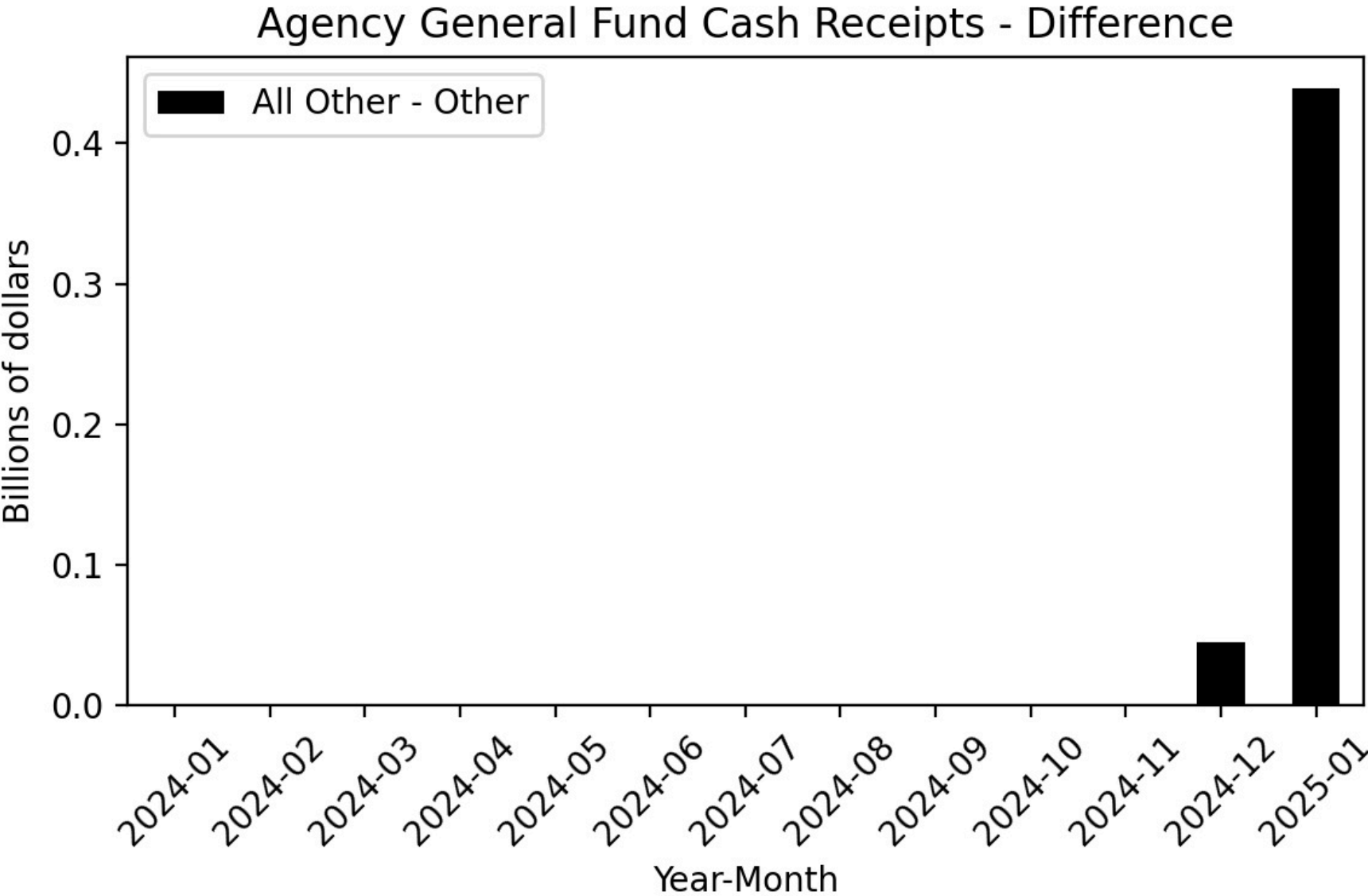


Figure 145

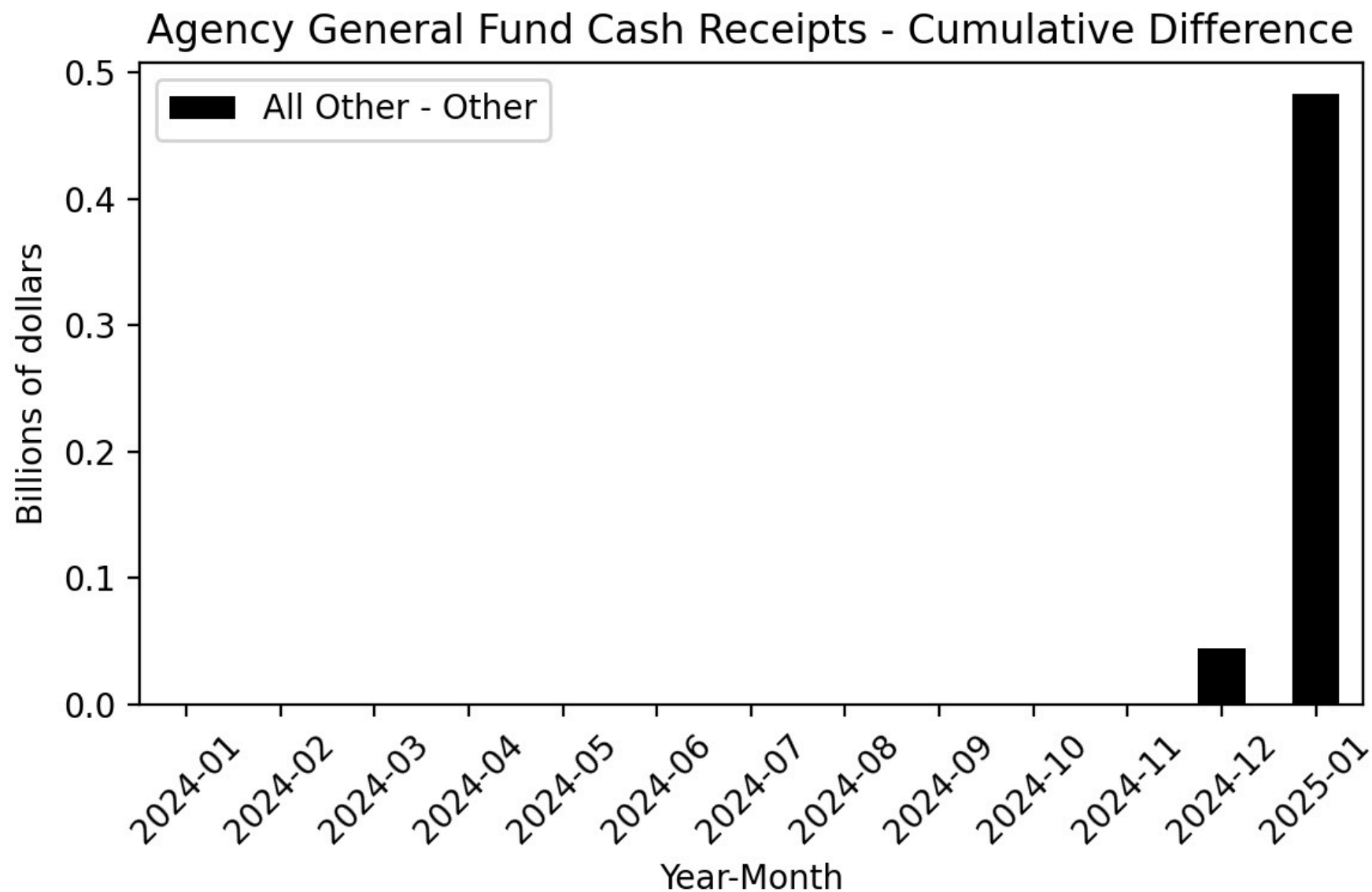


Figure 146

Year-Over-Year Change - Actual and 2024-25 Budget Act
Forecast All Other-Other

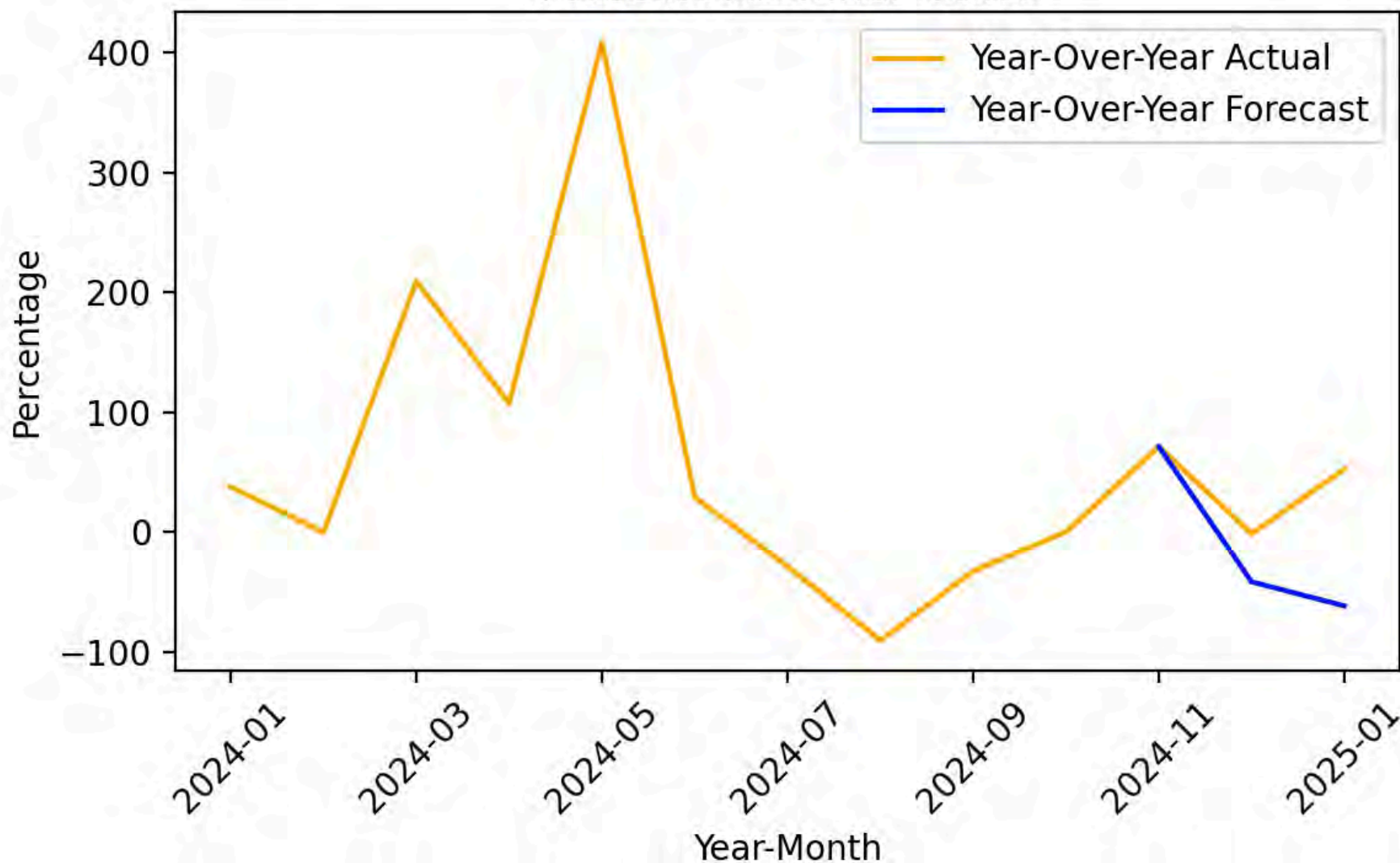


Figure 147

**Personal Income Tax - Historical Agency General Fund Revenues
by Sub-Category (Calendar Year)**

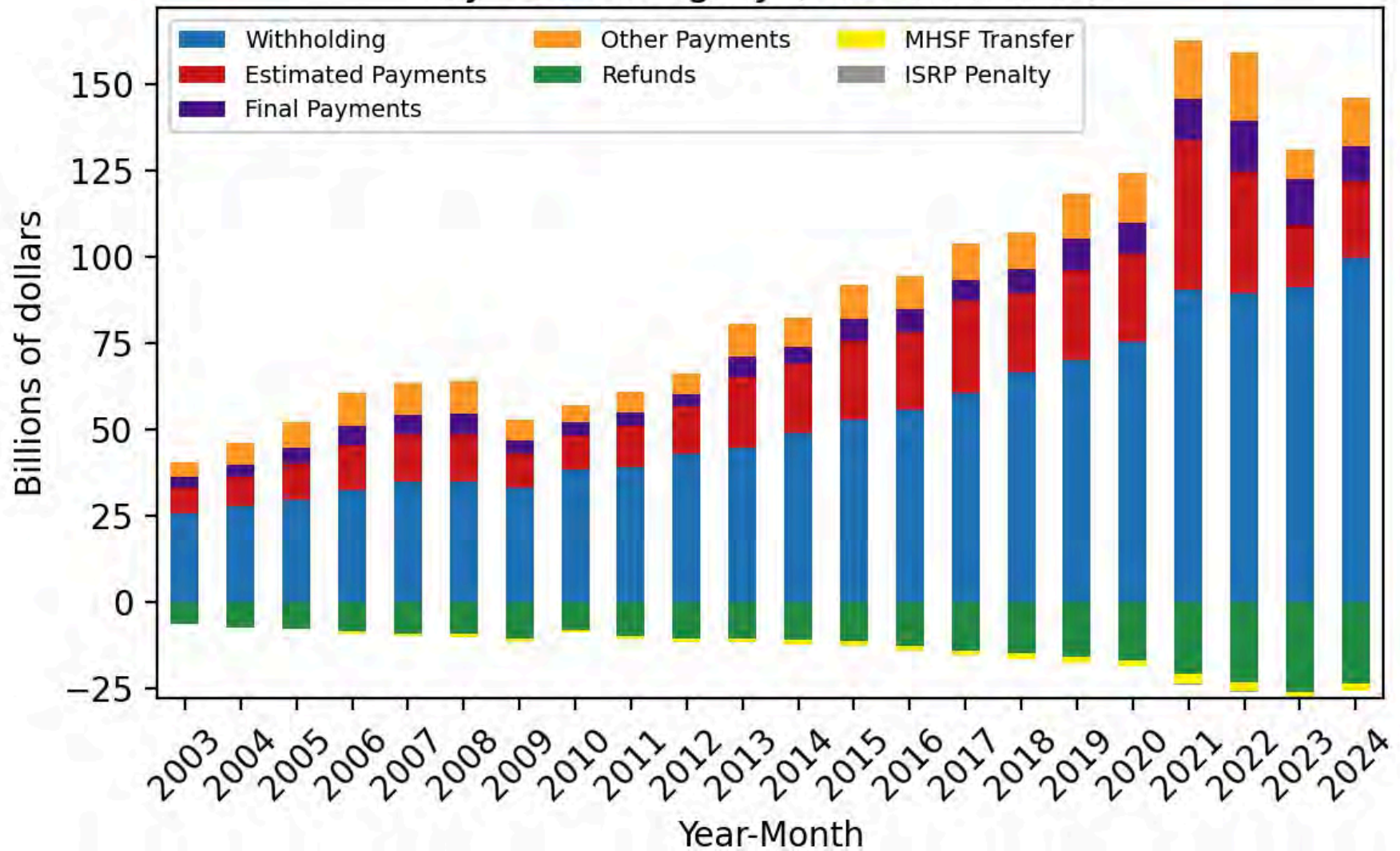


Figure 148

**Personal Income Tax - Historical Agency General Fund Revenues
by Sub-Category (Fiscal Year)**

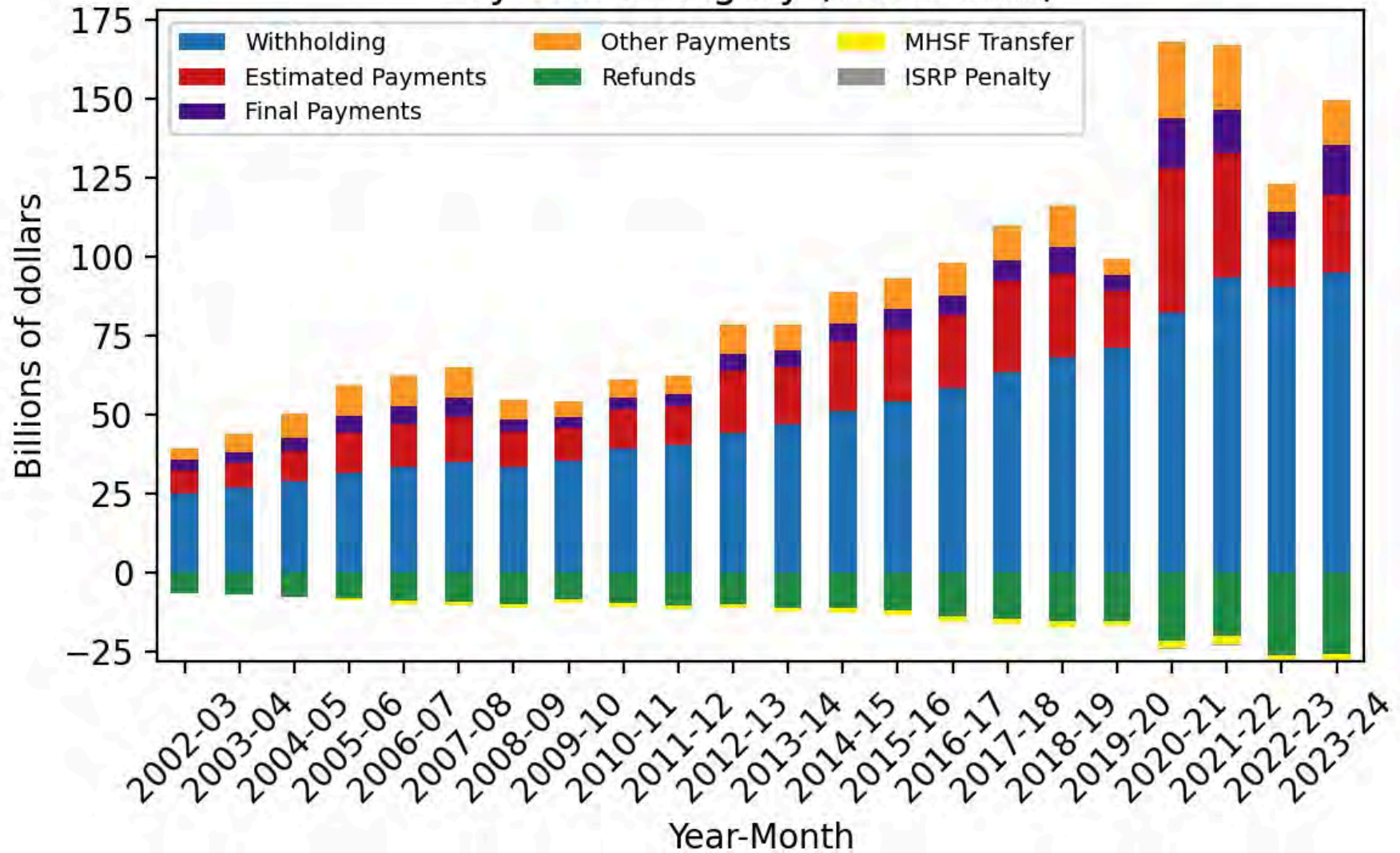


Figure 149

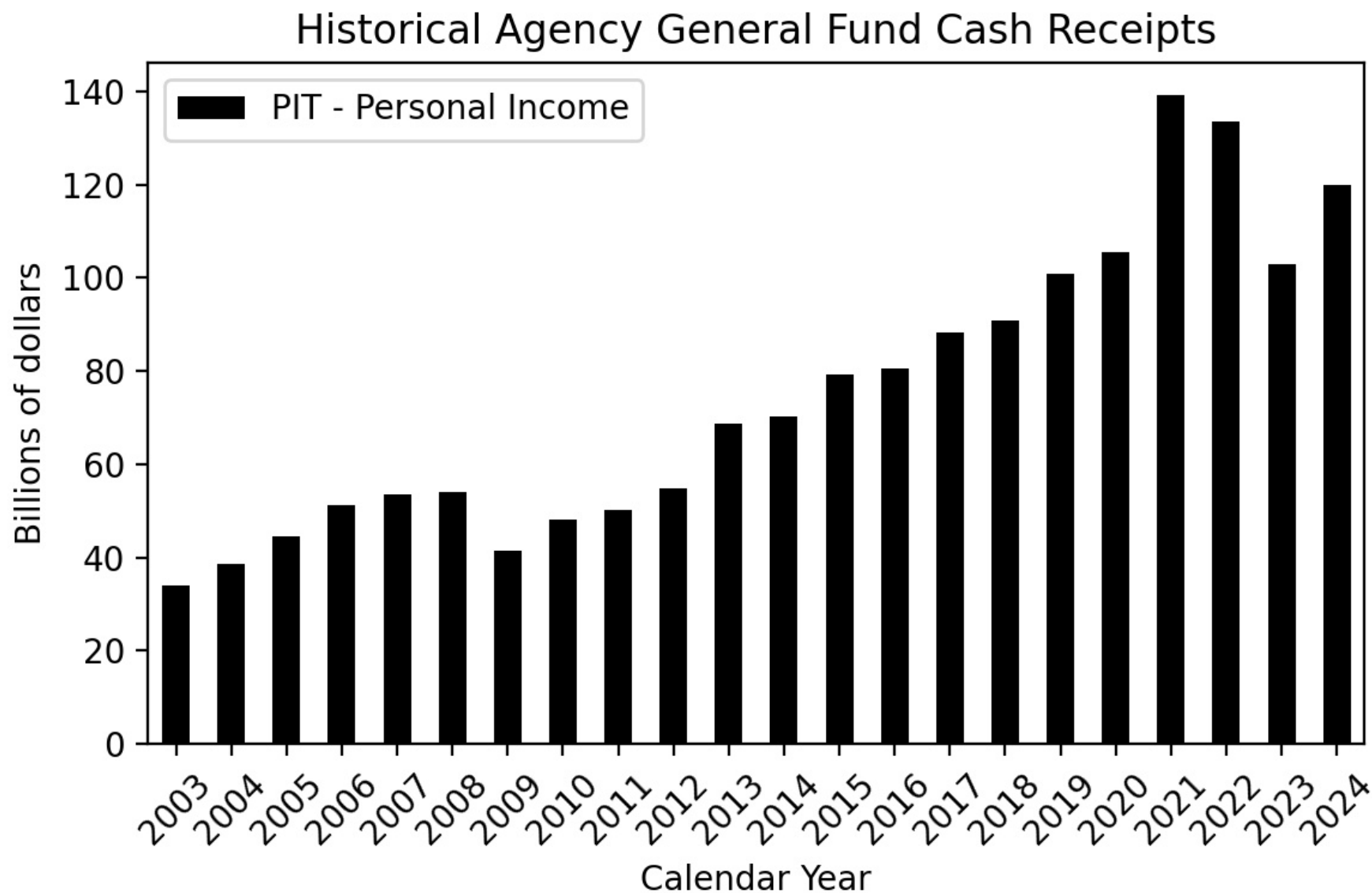


Figure 150

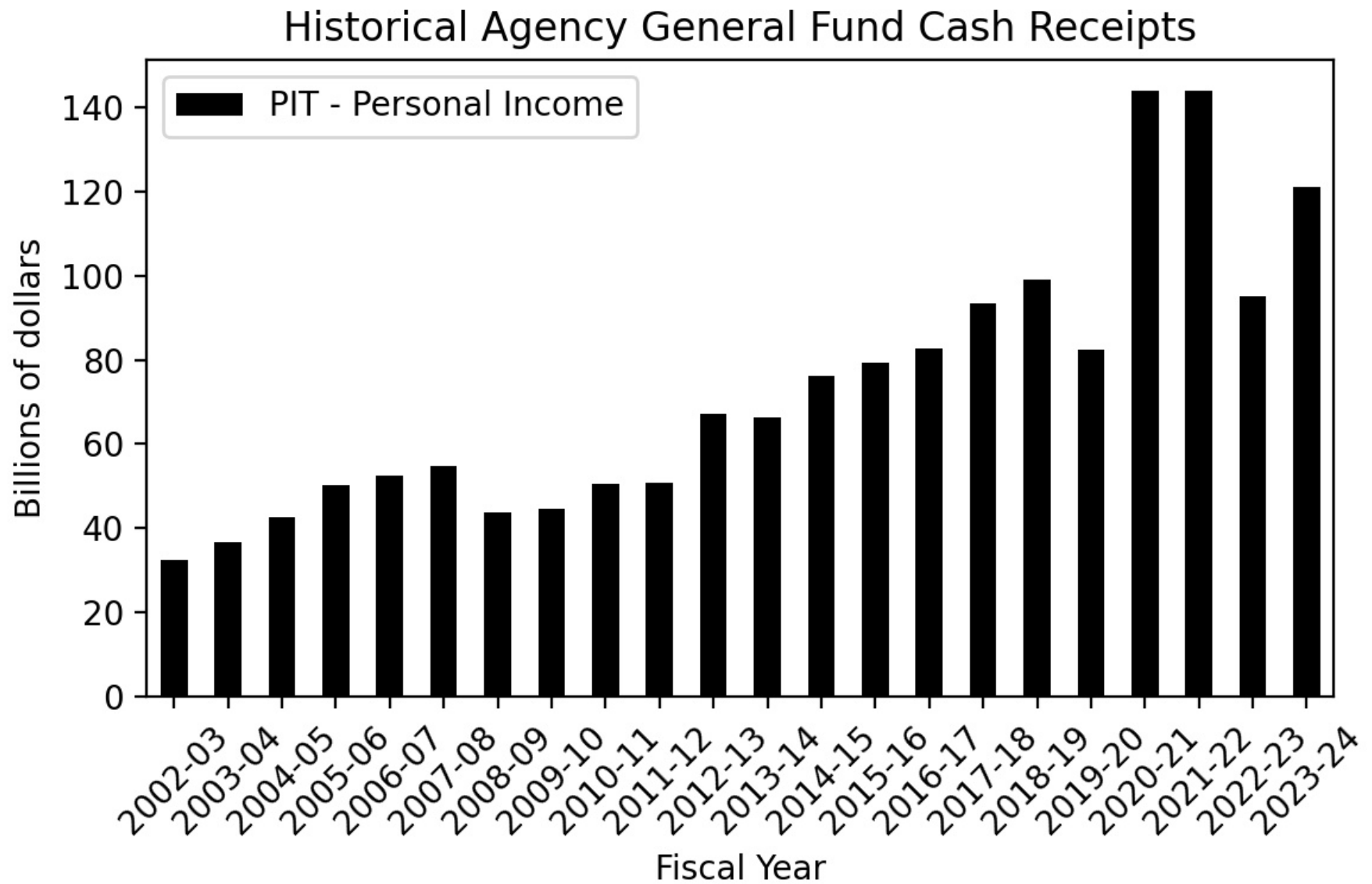


Figure 151

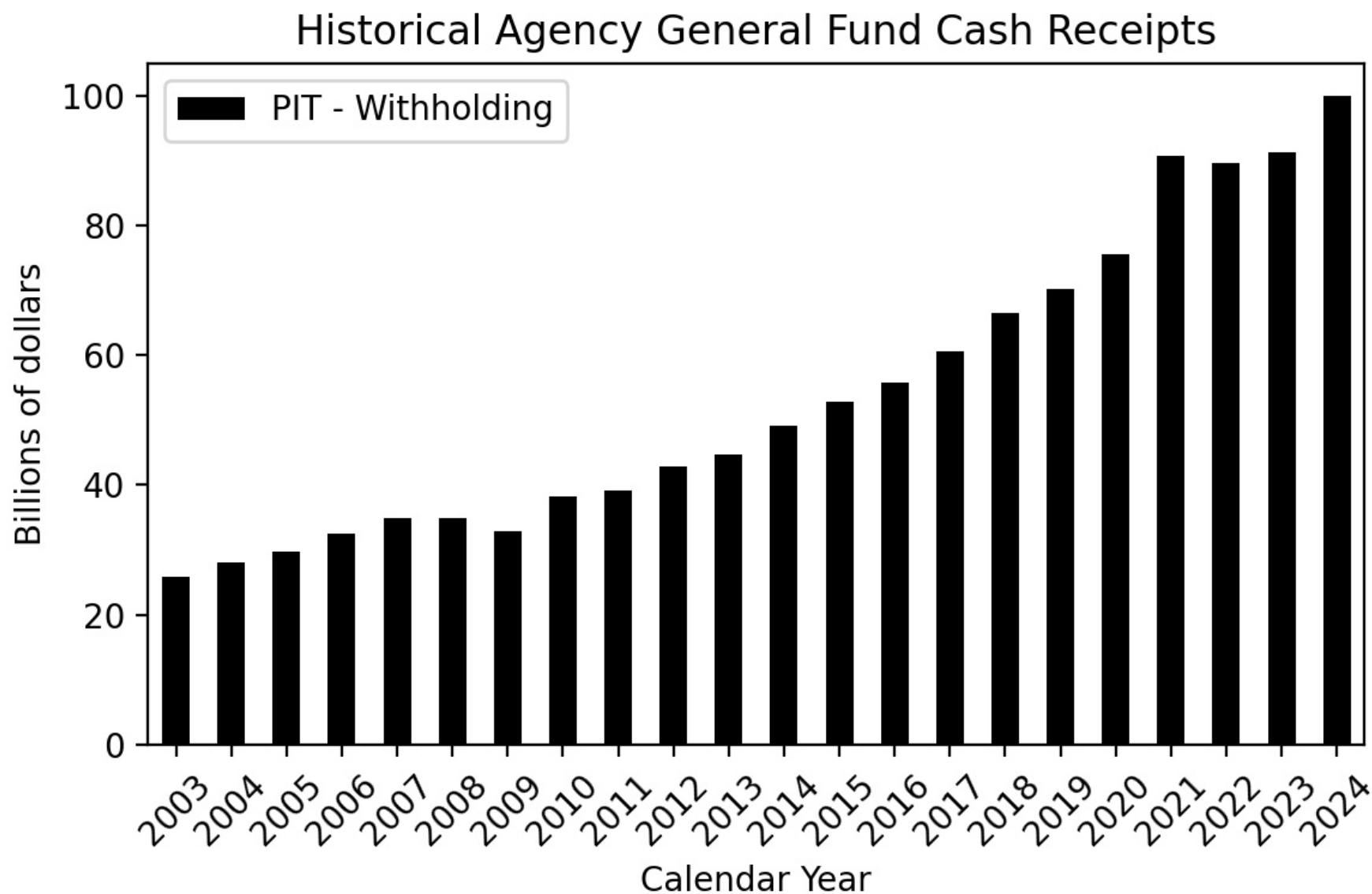


Figure 152

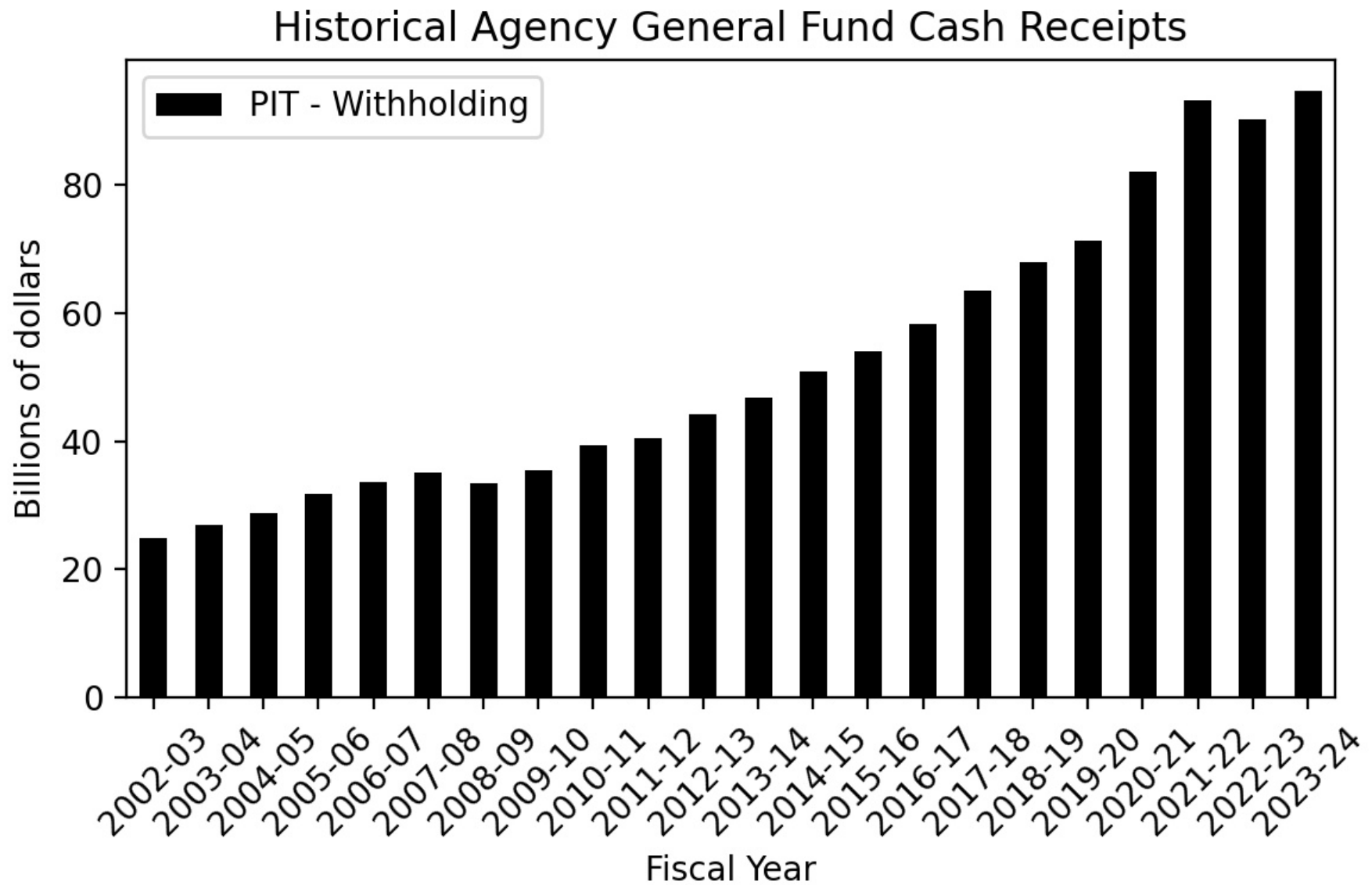


Figure 153

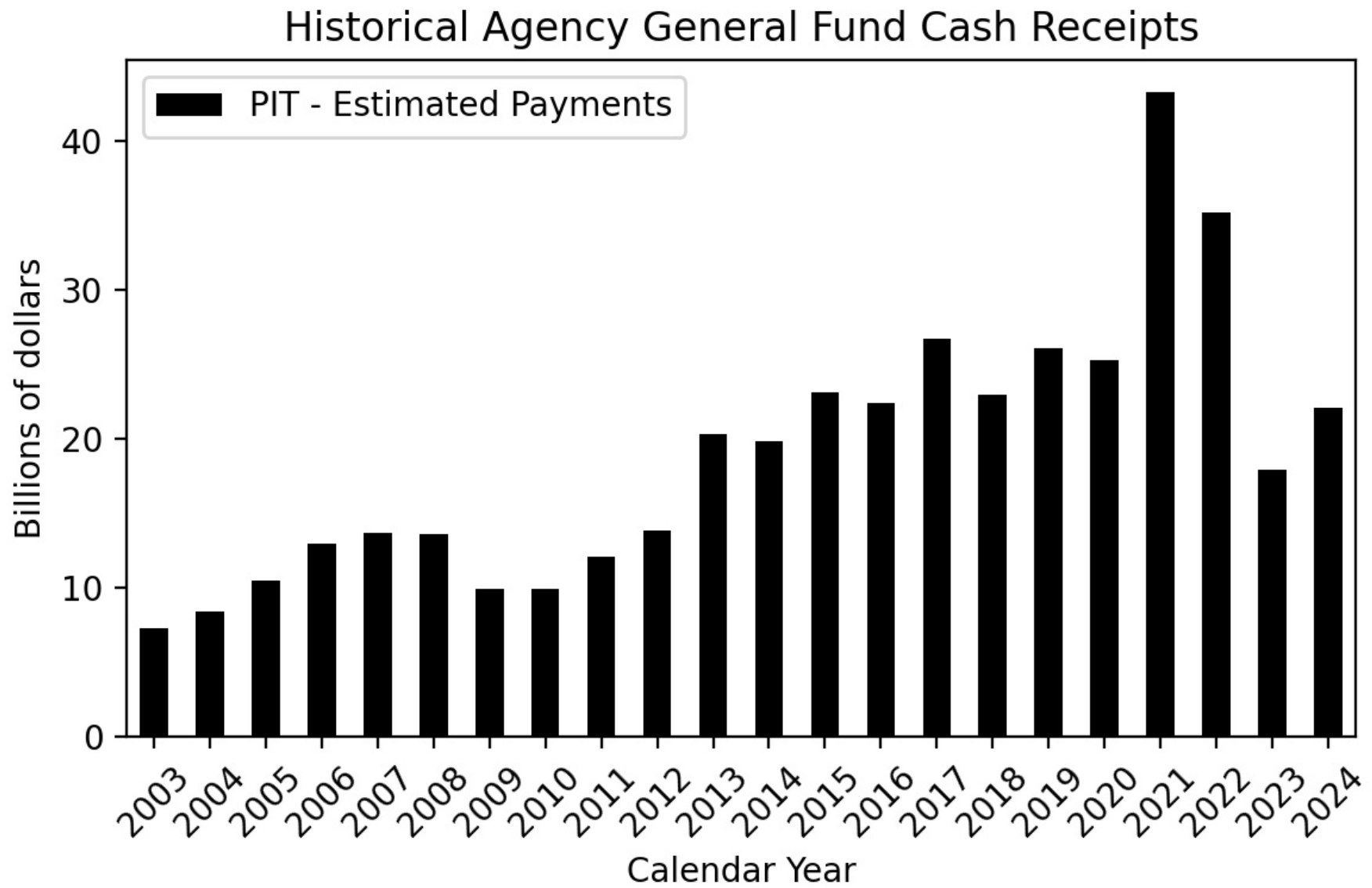


Figure 154

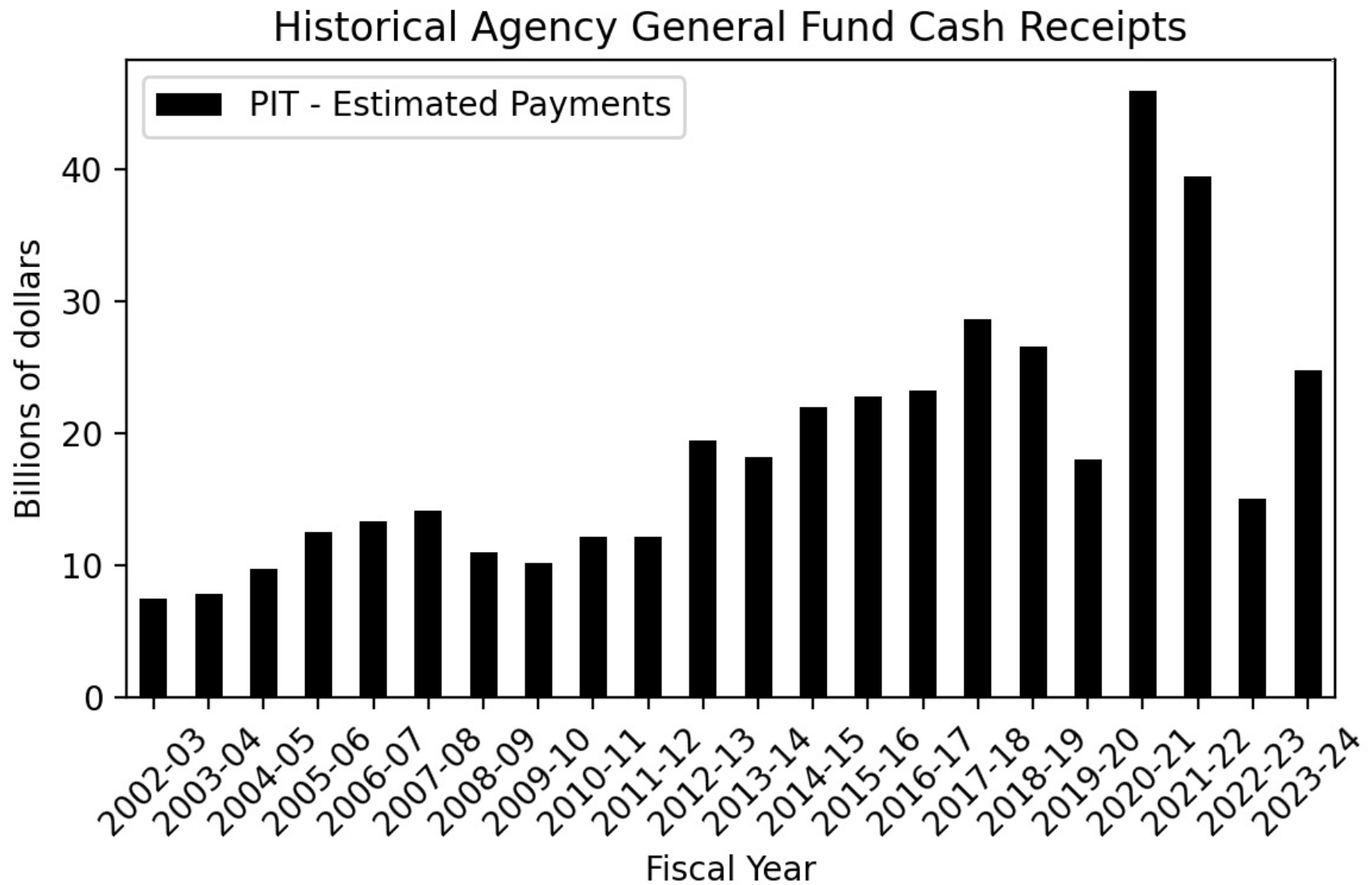


Figure 155

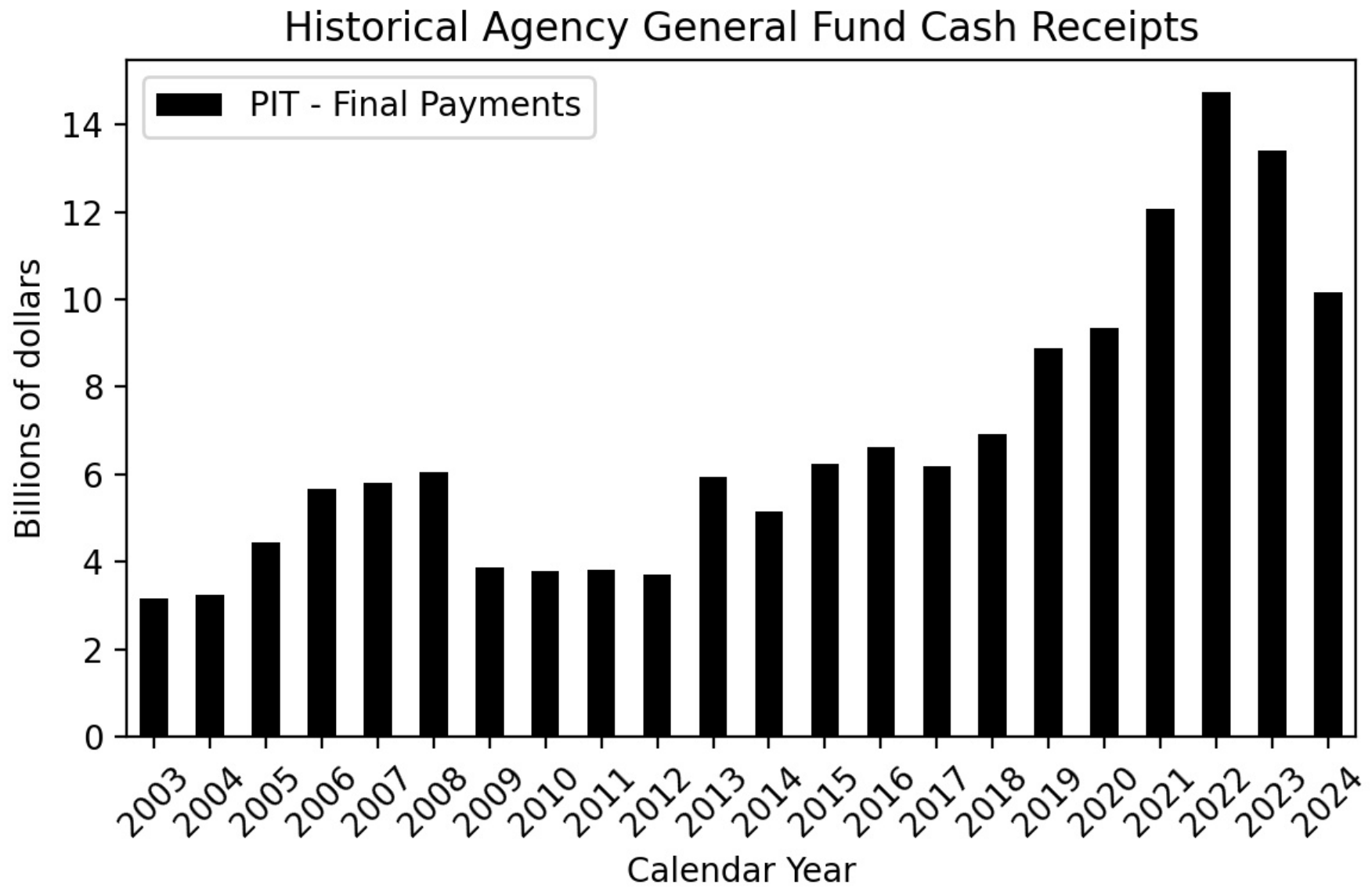


Figure 156

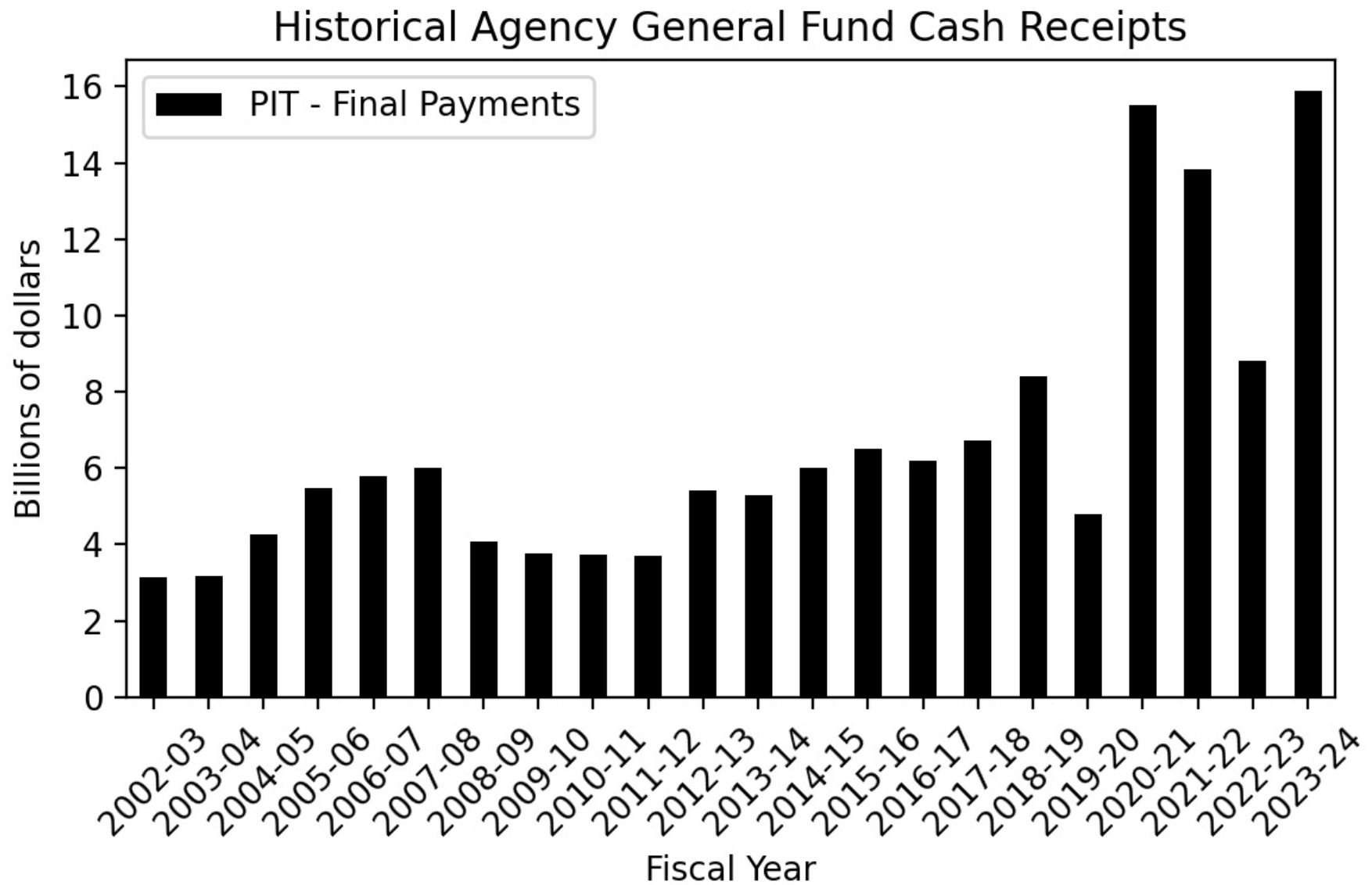


Figure 157

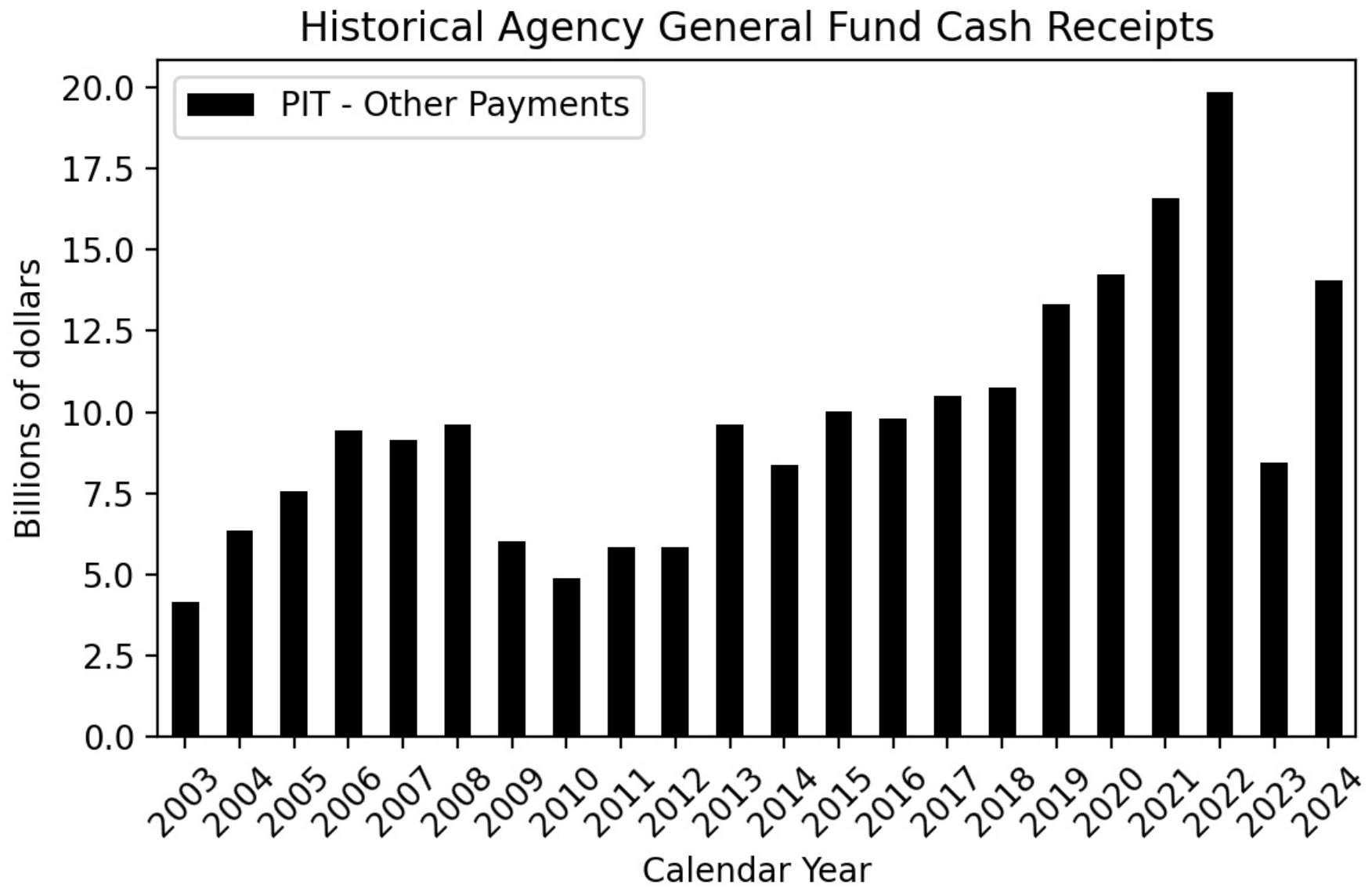


Figure 158

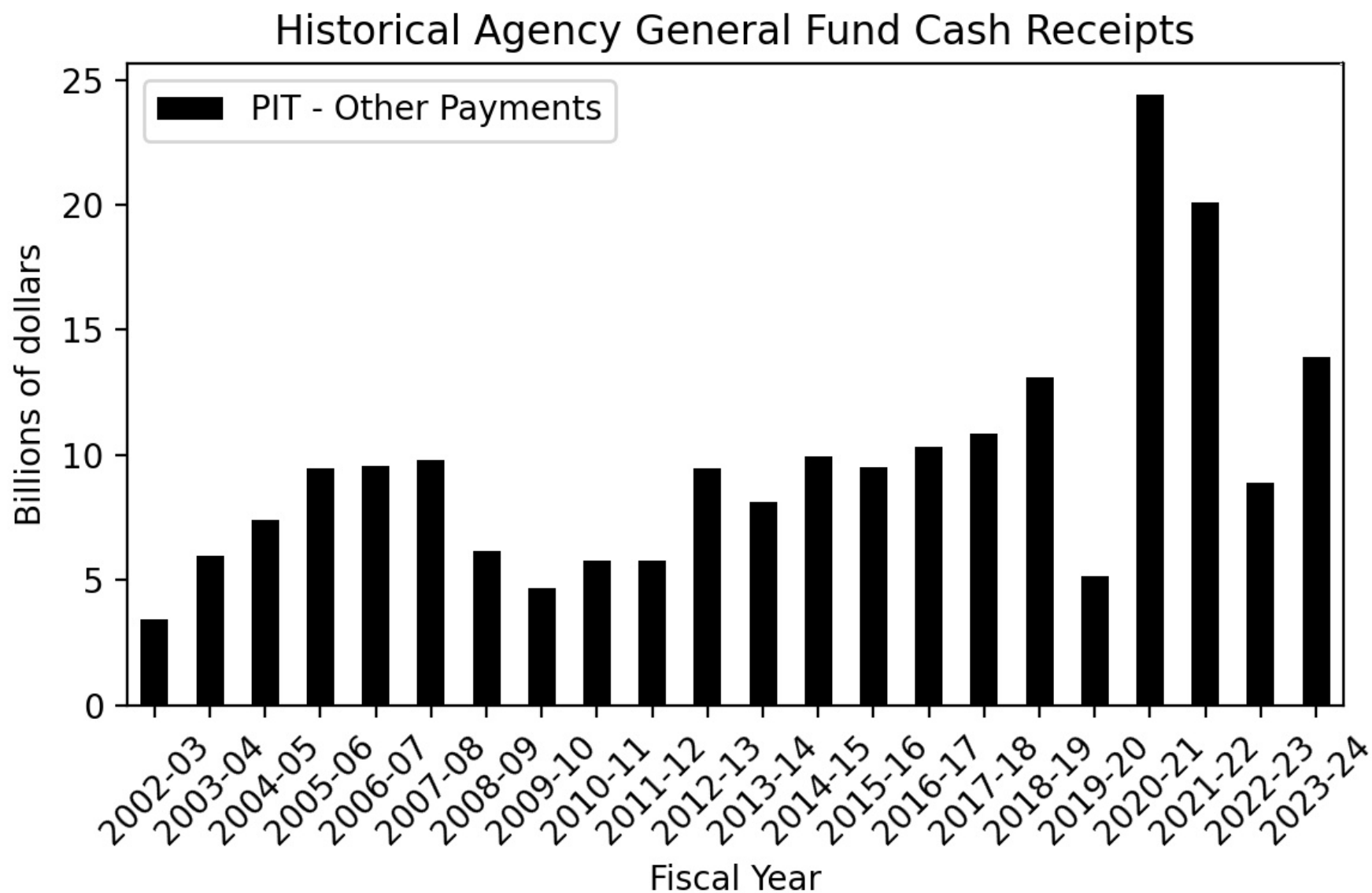


Figure 159

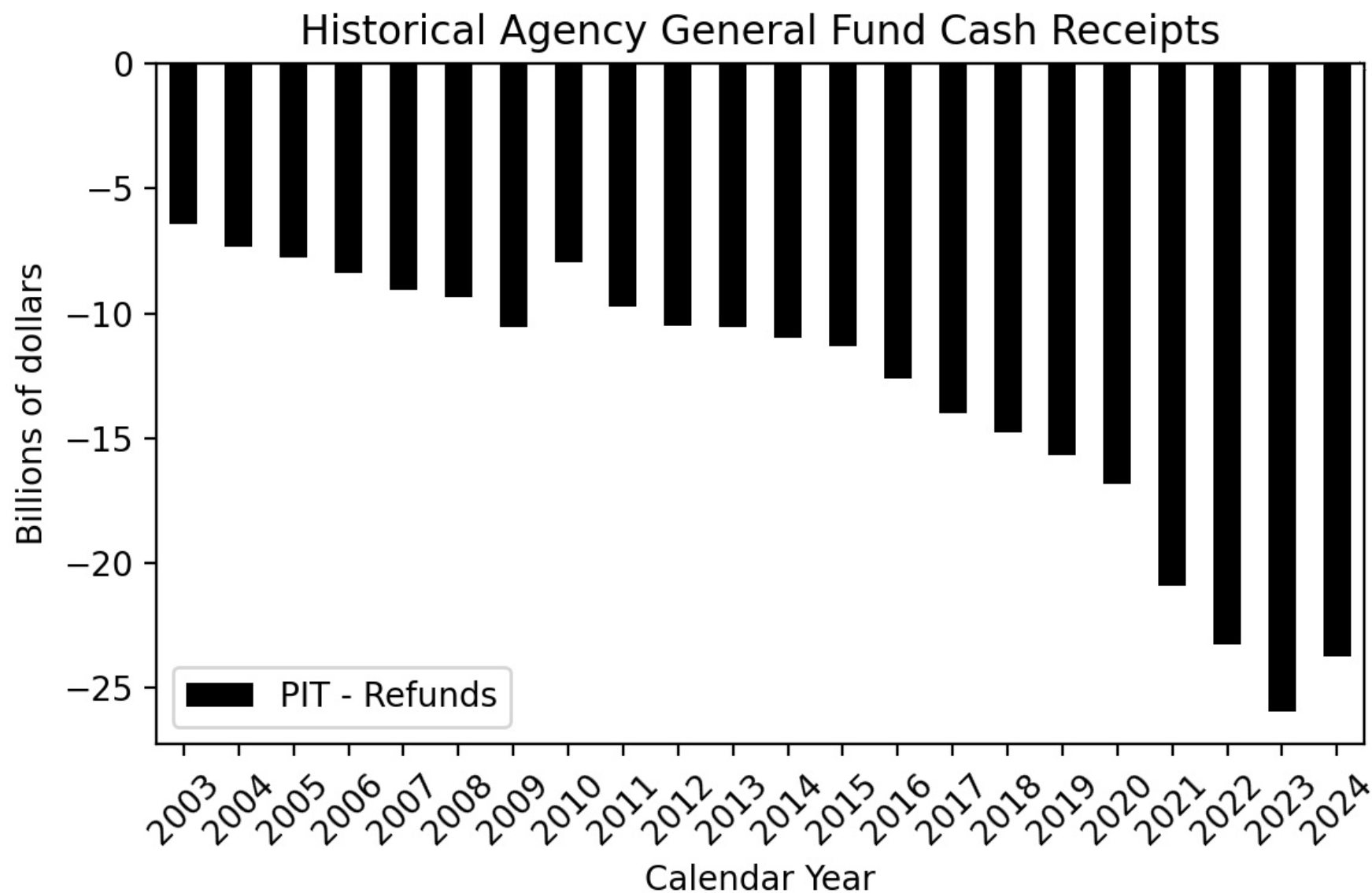


Figure 160

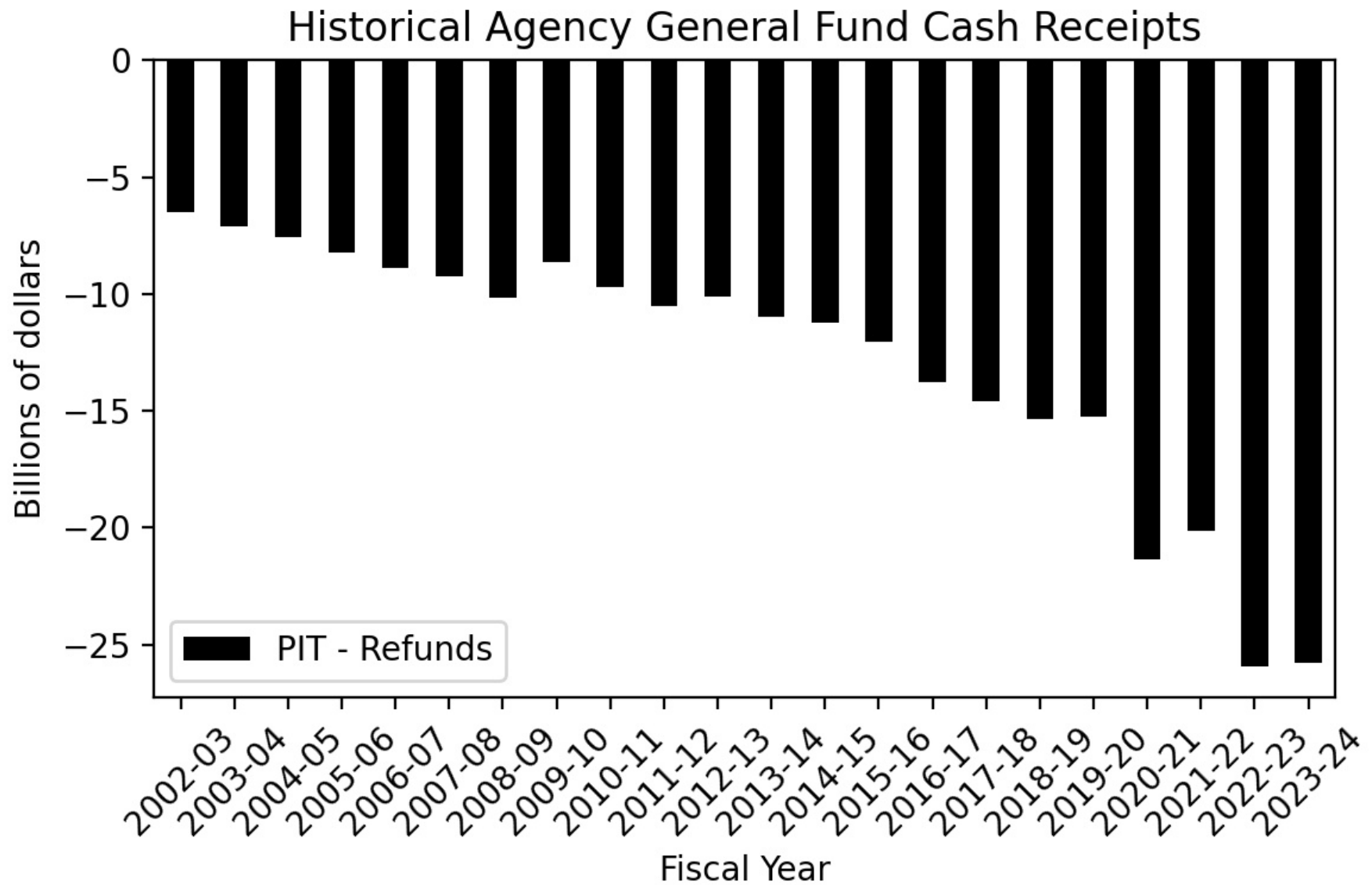


Figure 161

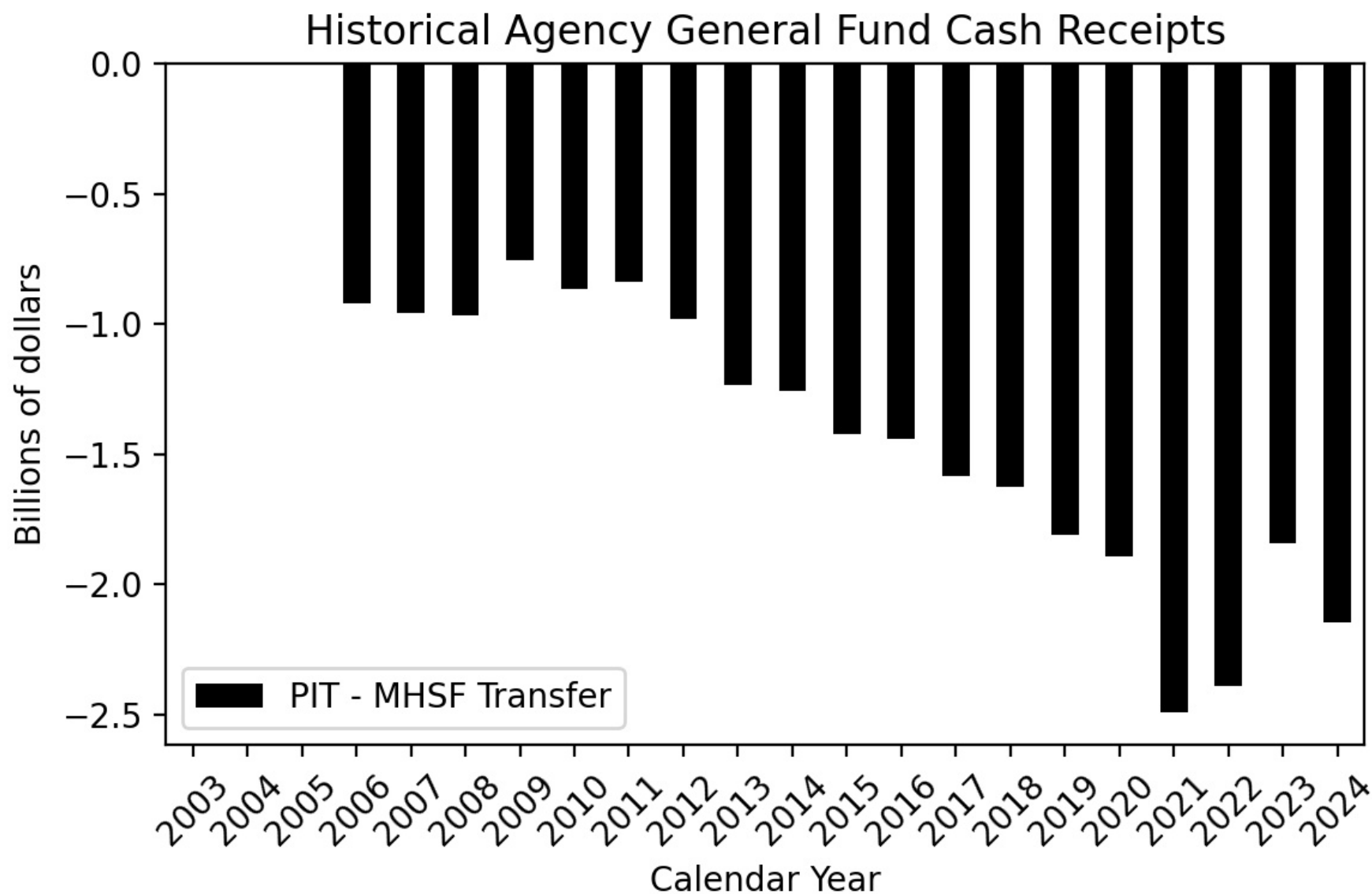


Figure 162

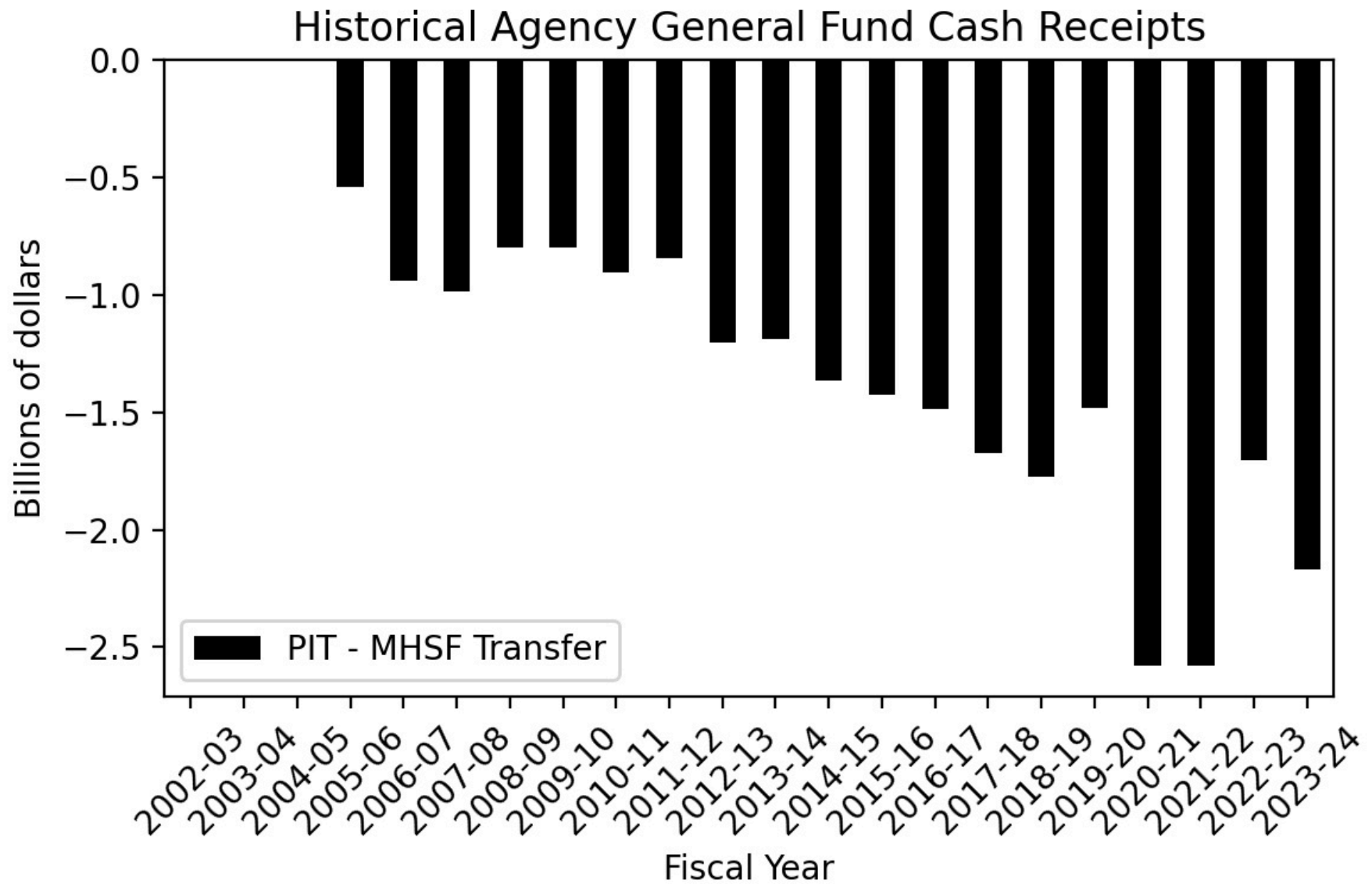


Figure 163

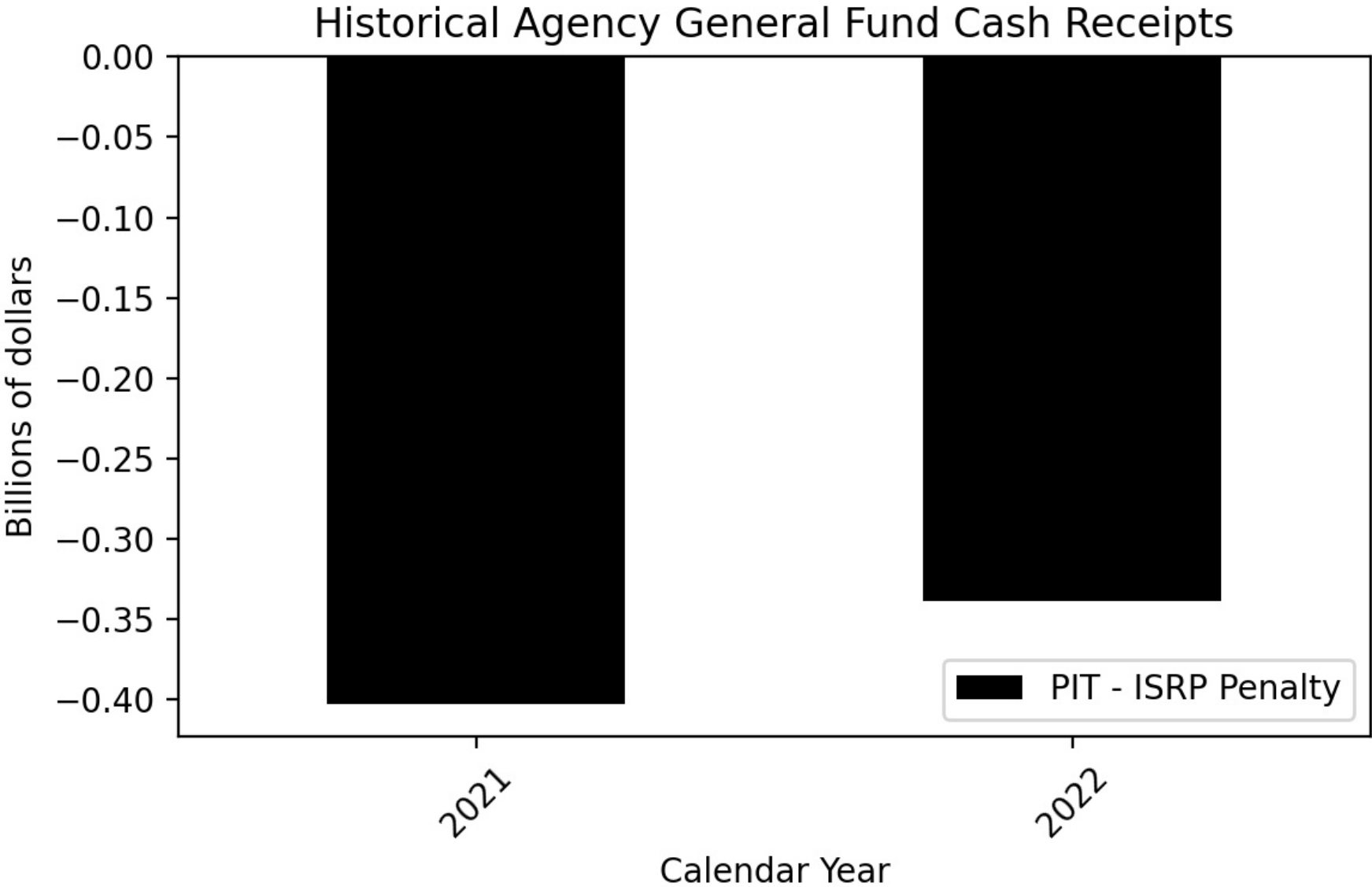


Figure 164

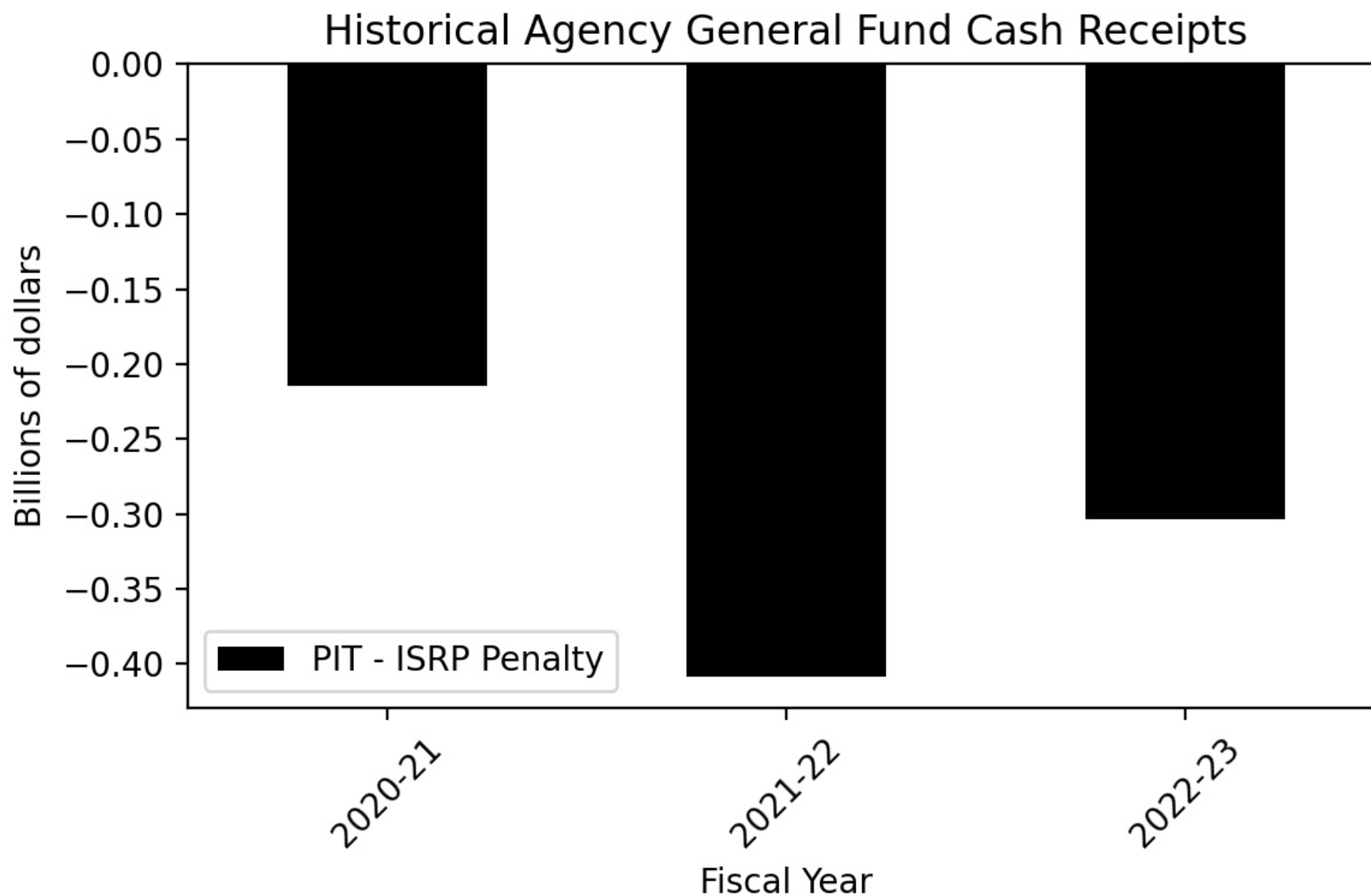


Figure 165

Corporation Tax - Historical Agency General Fund Revenues by Sub-Category (Calendar Year)

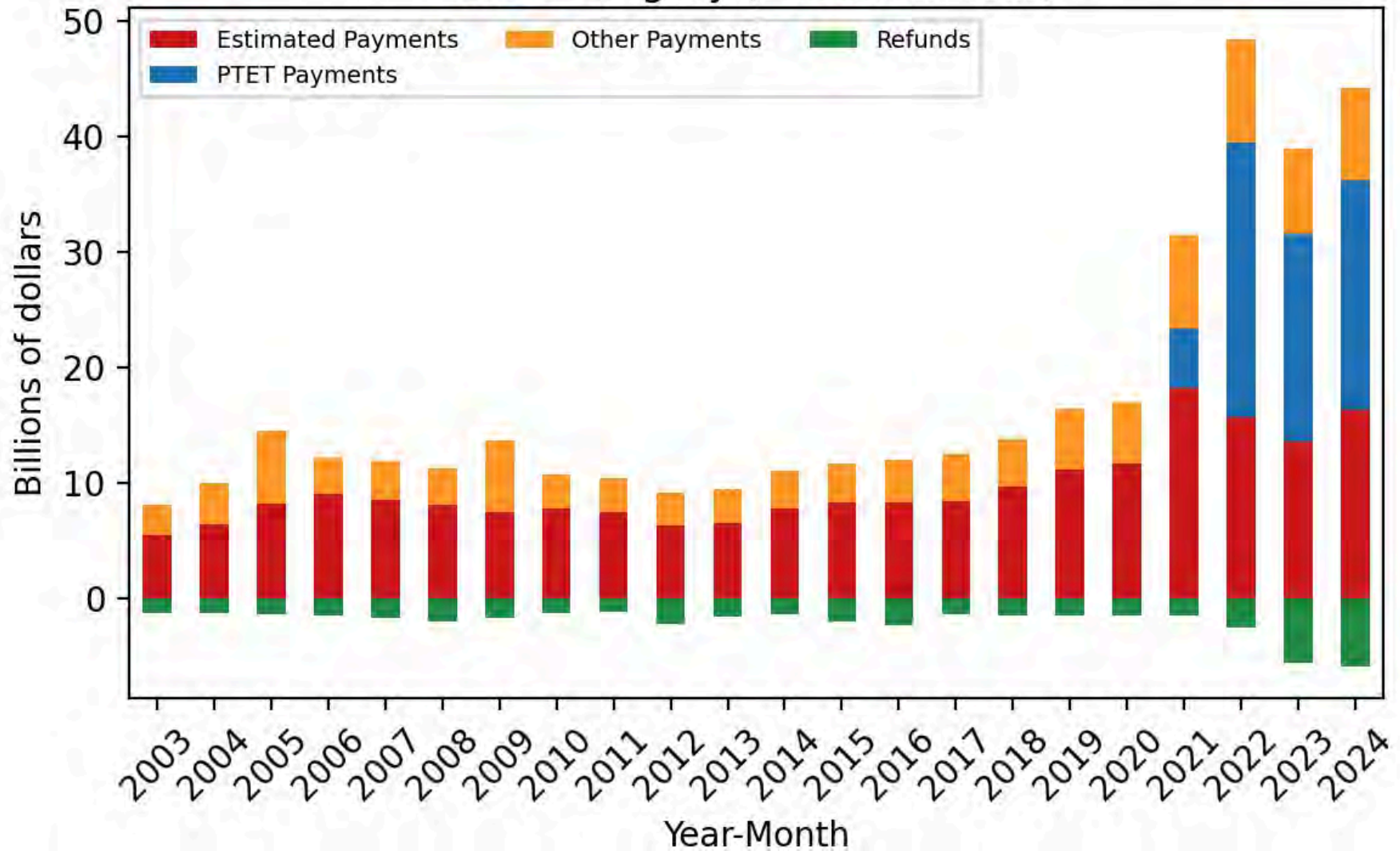


Figure 166

Corporation Tax - Historical Agency General Fund Revenues by Sub-Category (Fiscal Year)

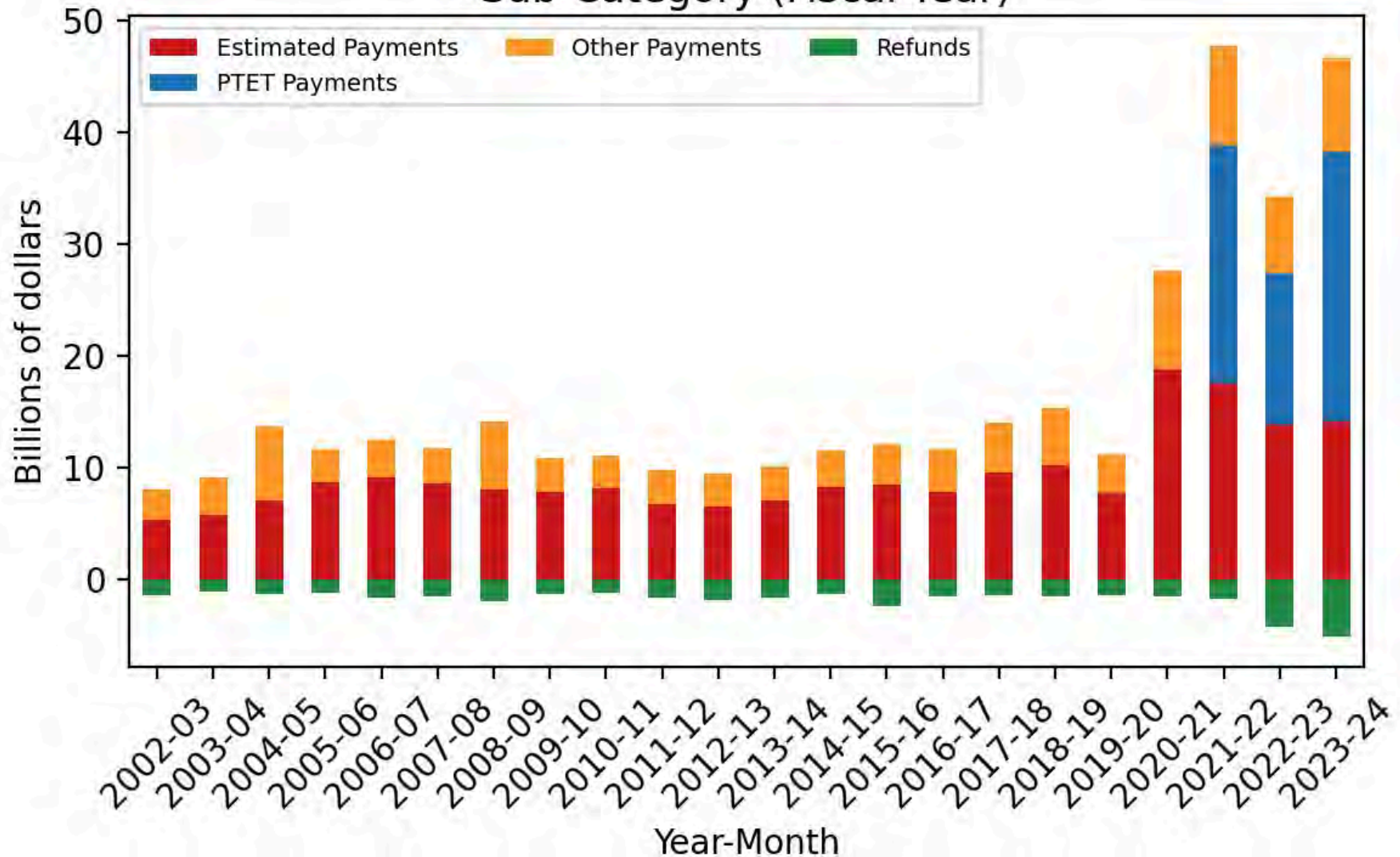


Figure 167

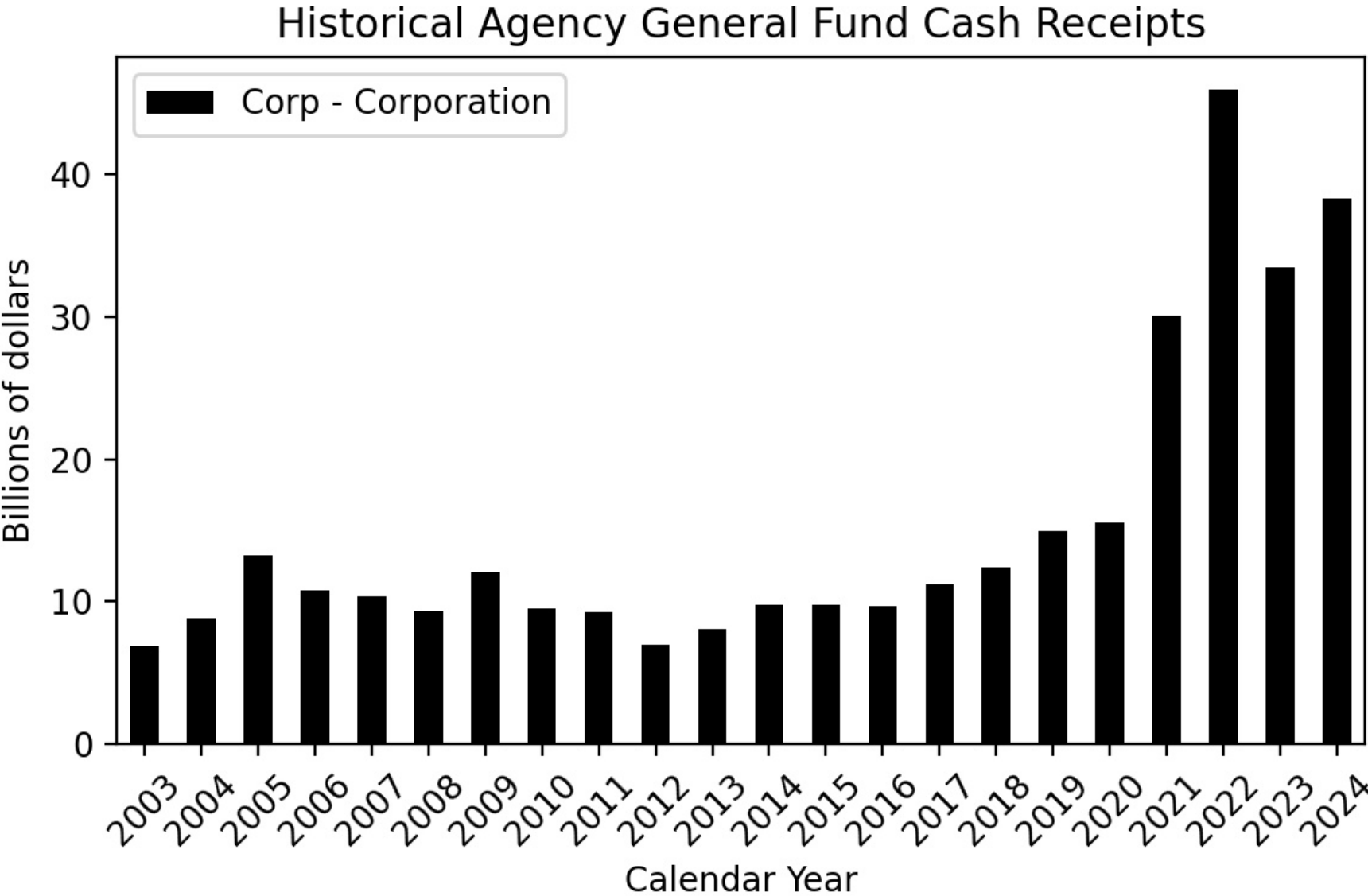


Figure 168

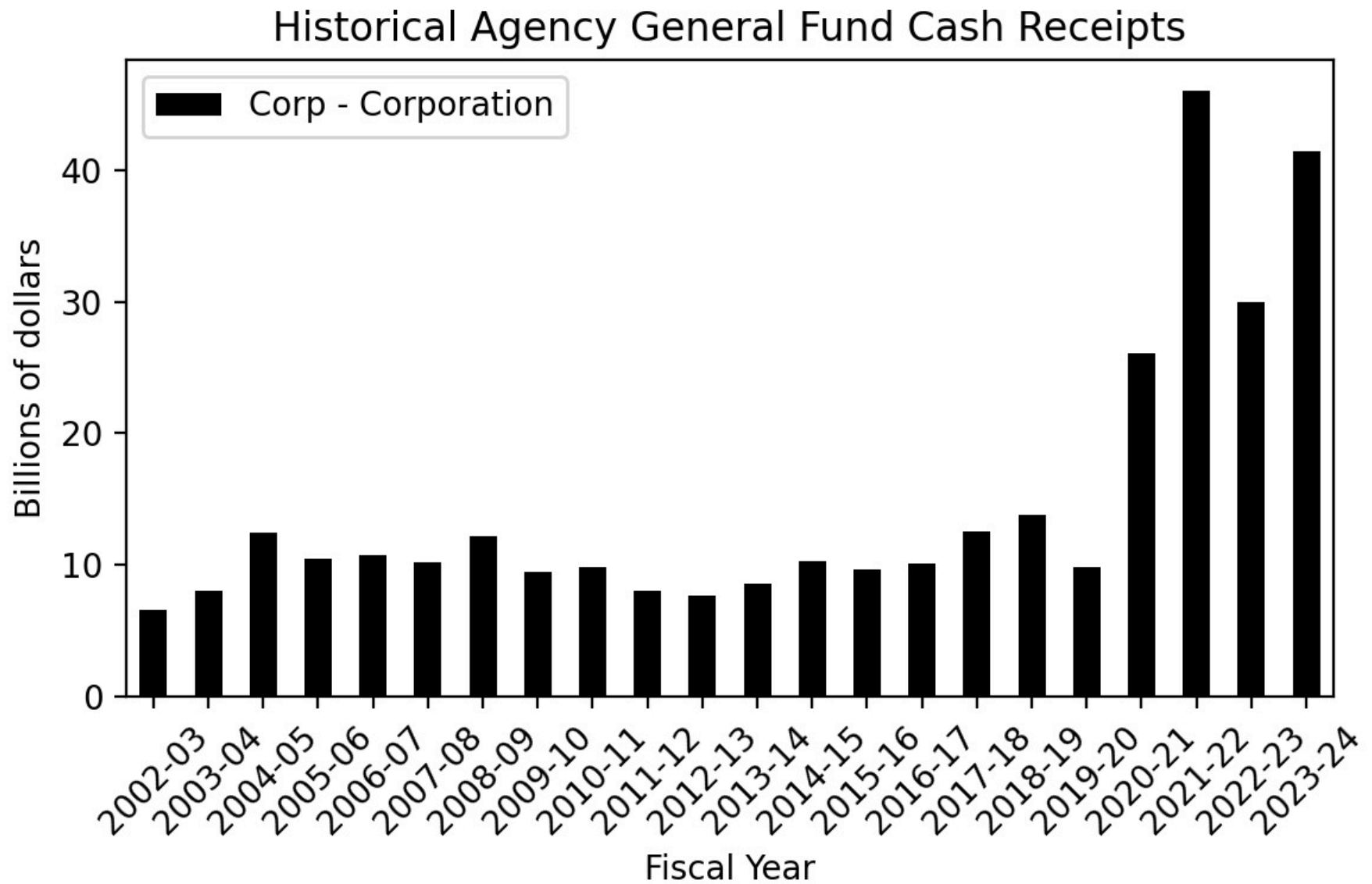


Figure 169

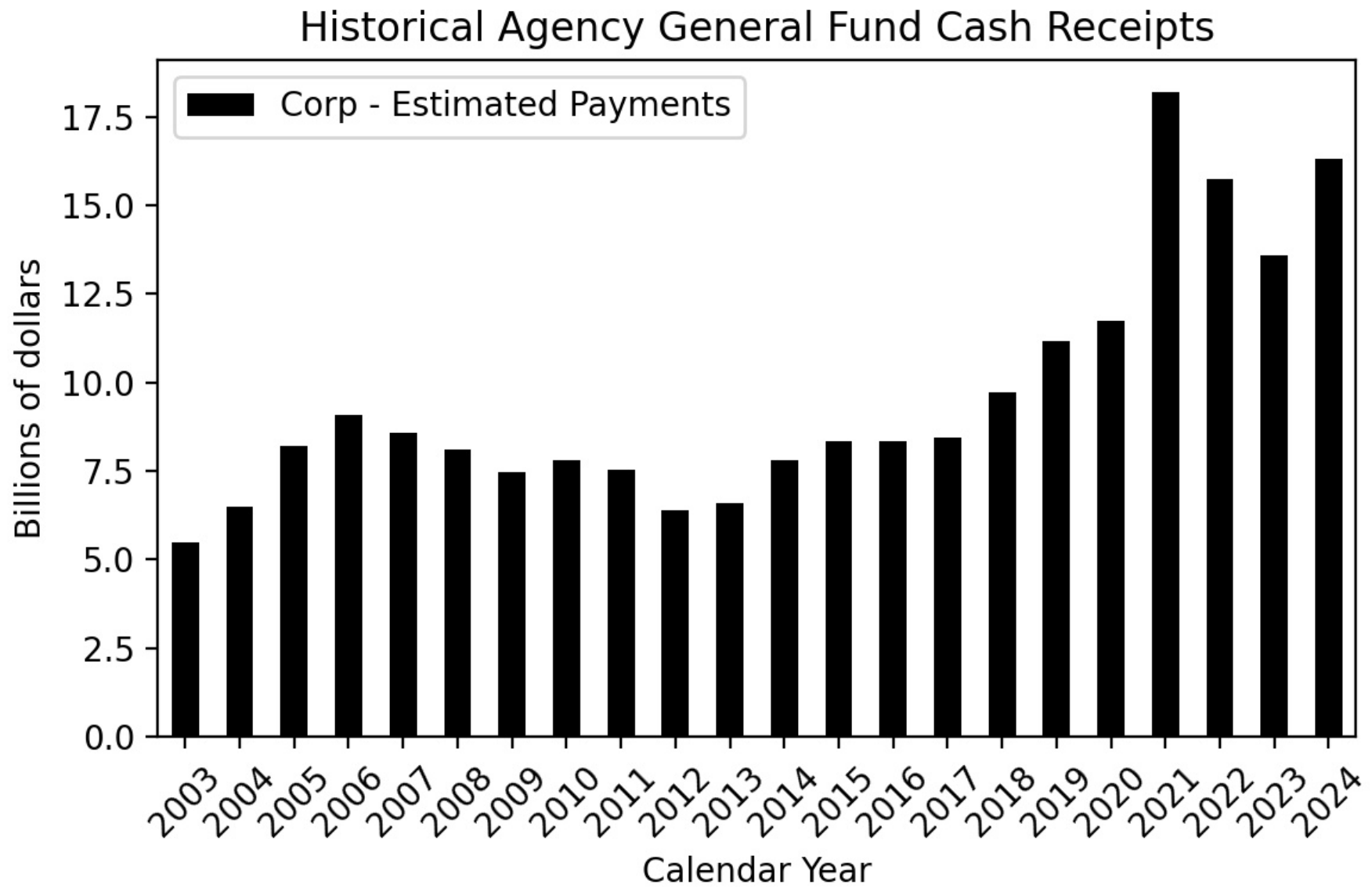


Figure 170

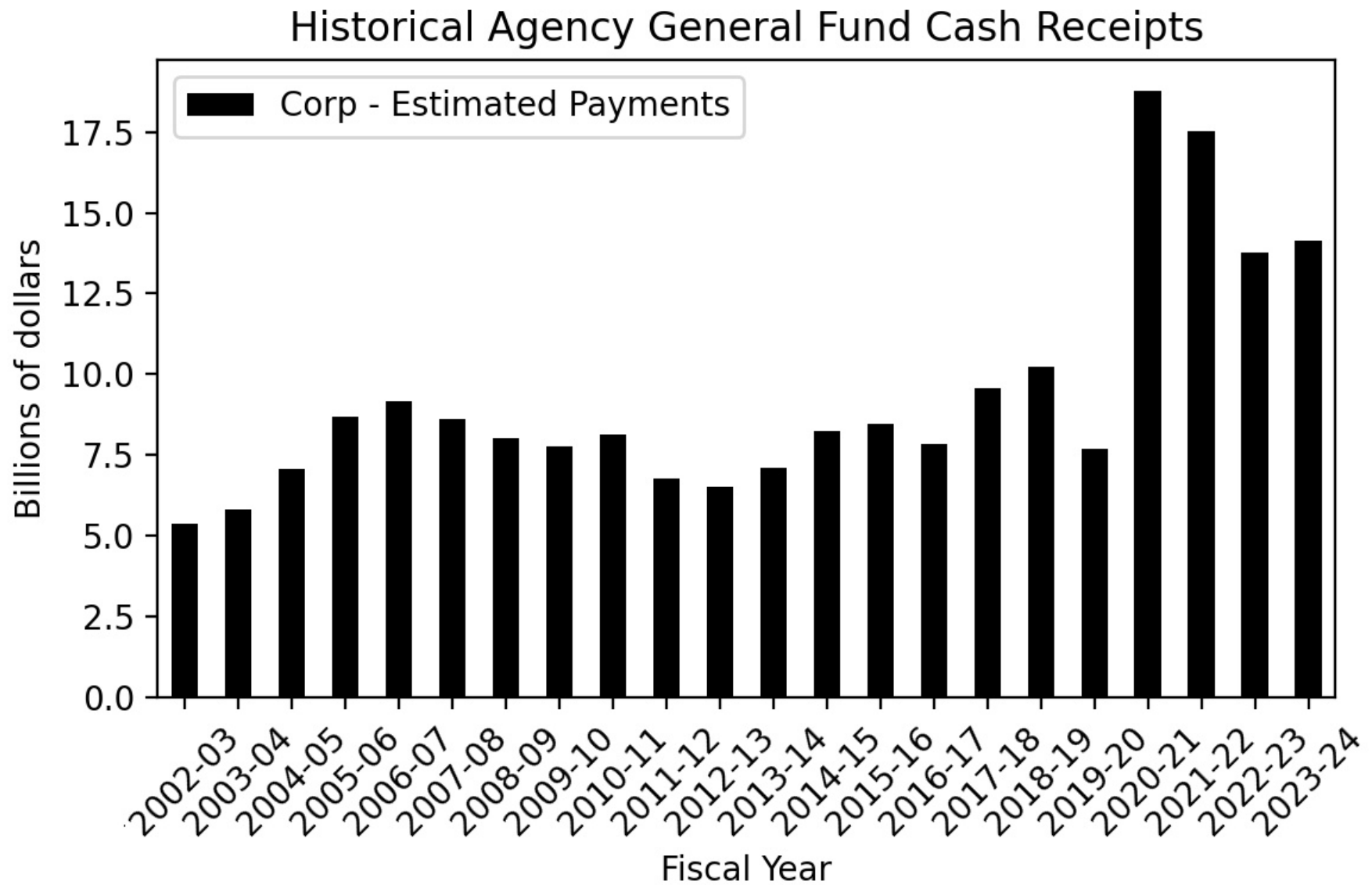


Figure 171

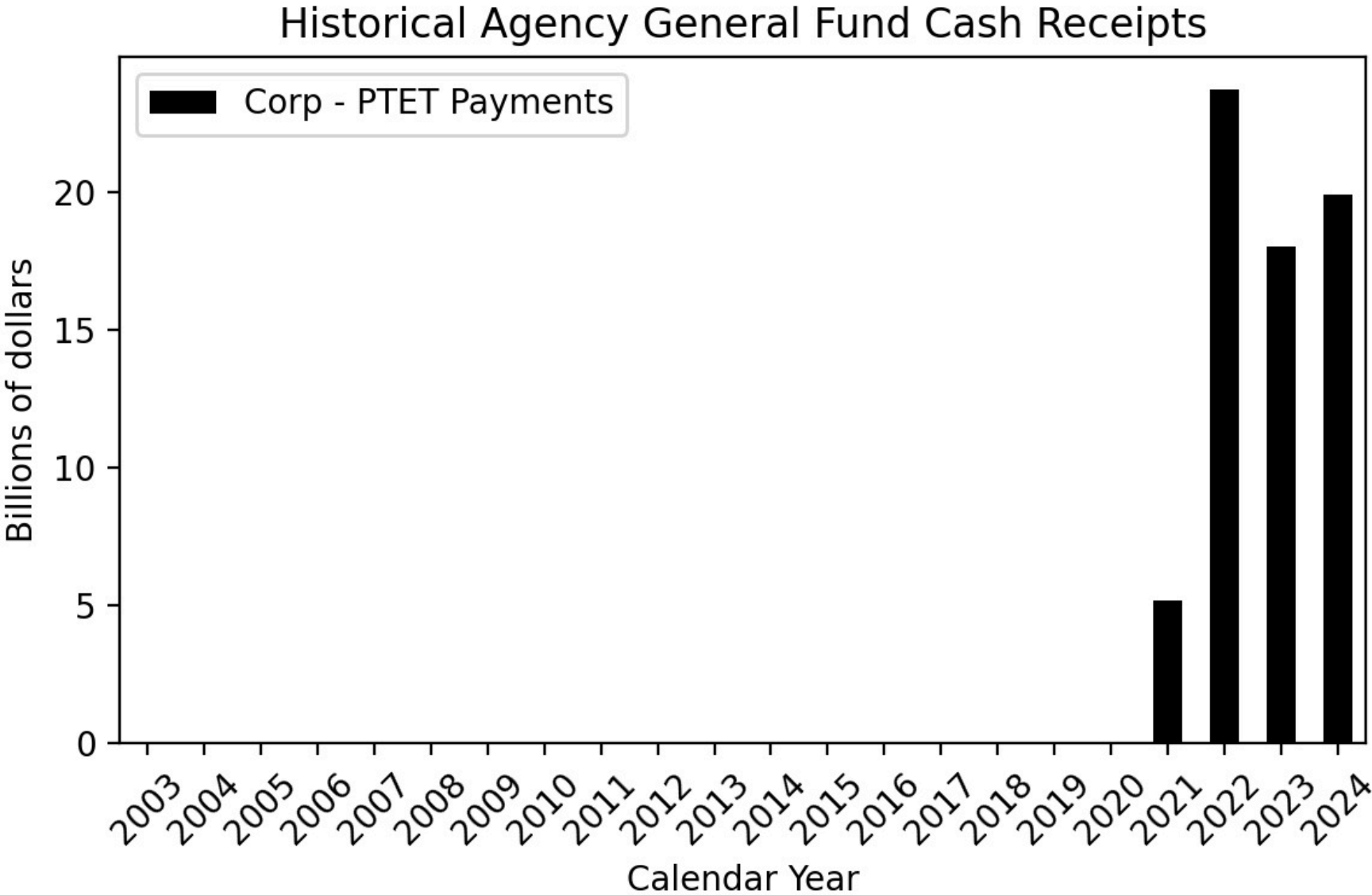


Figure 172

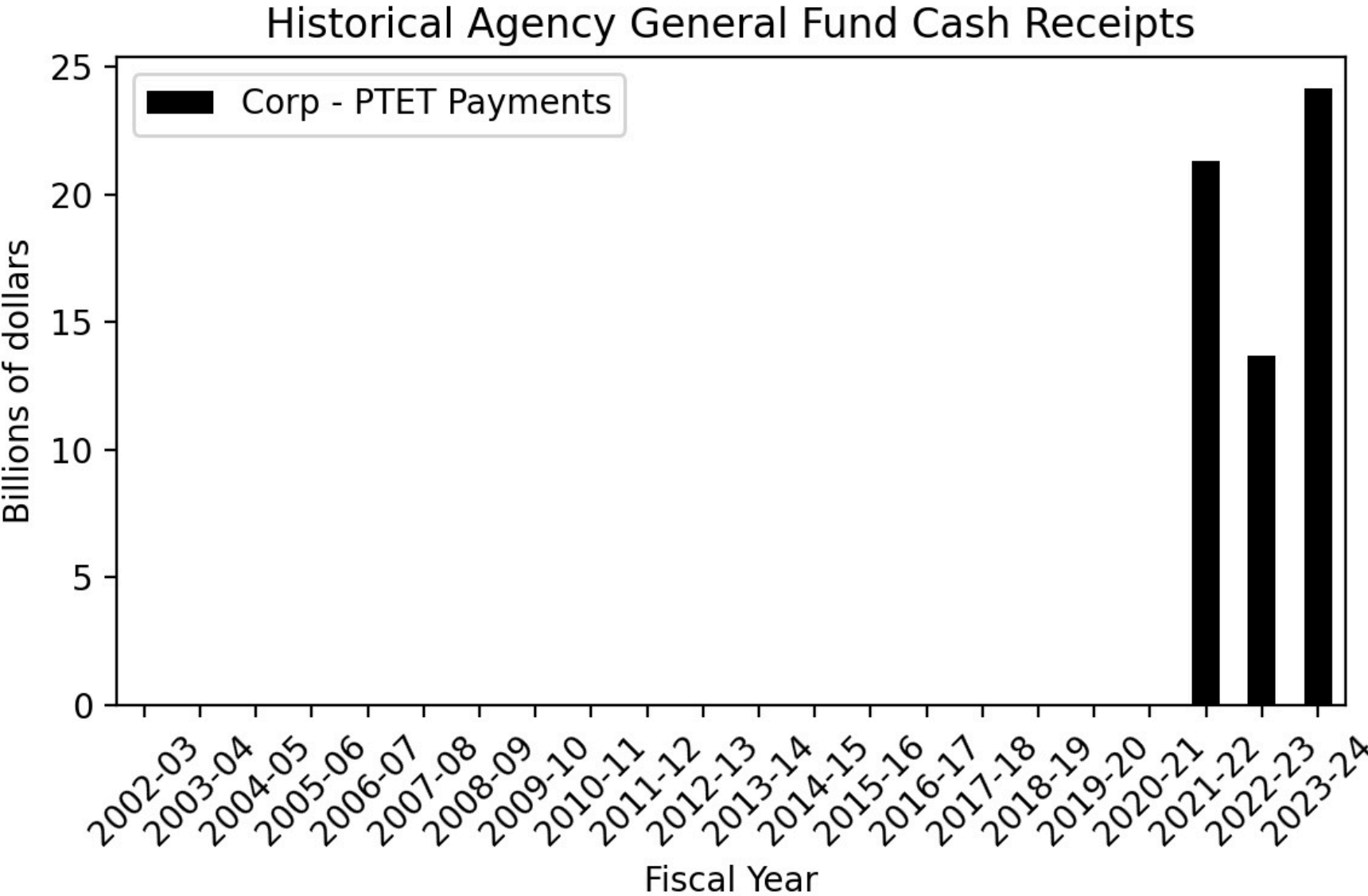


Figure 173

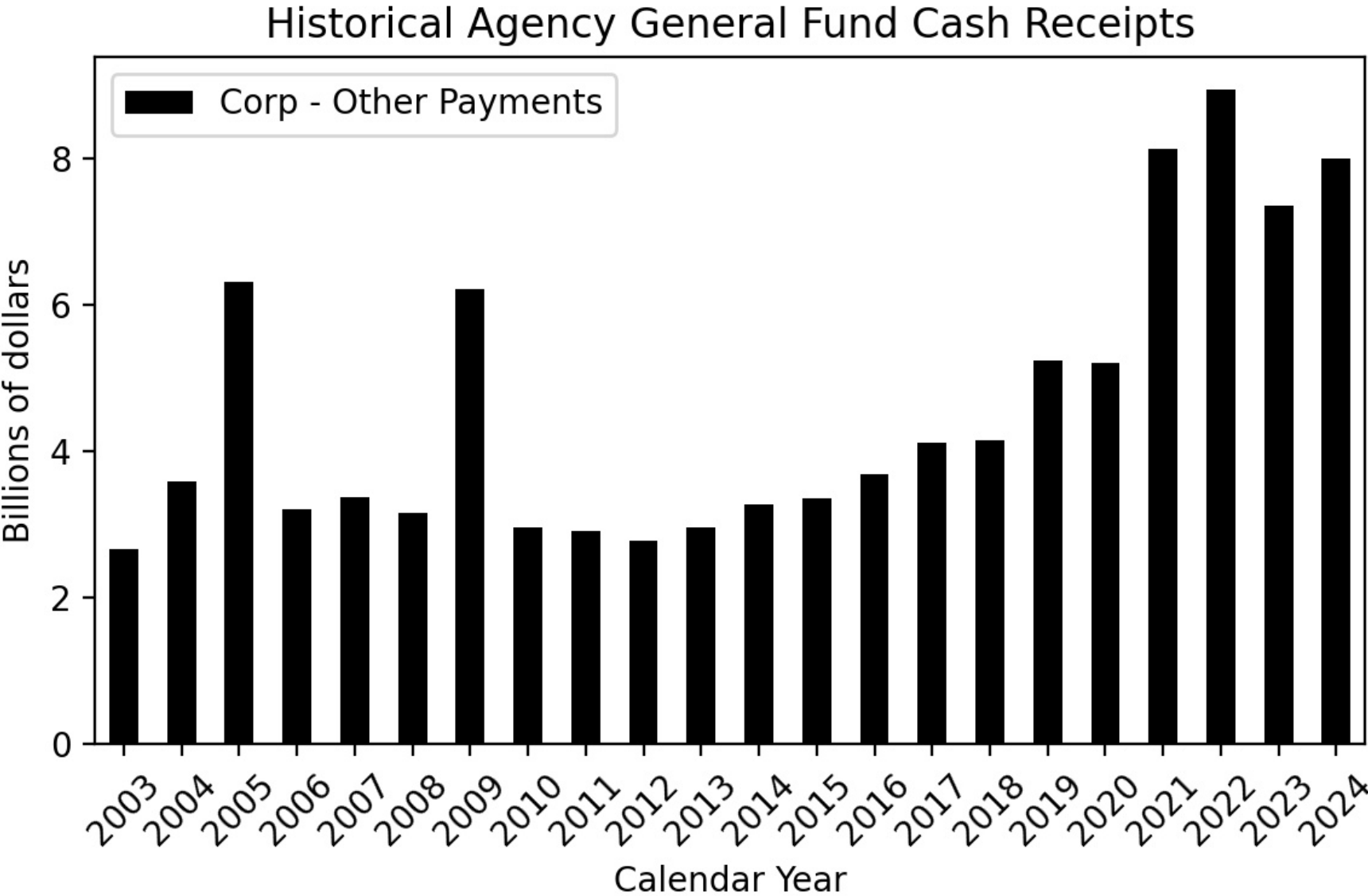


Figure 174

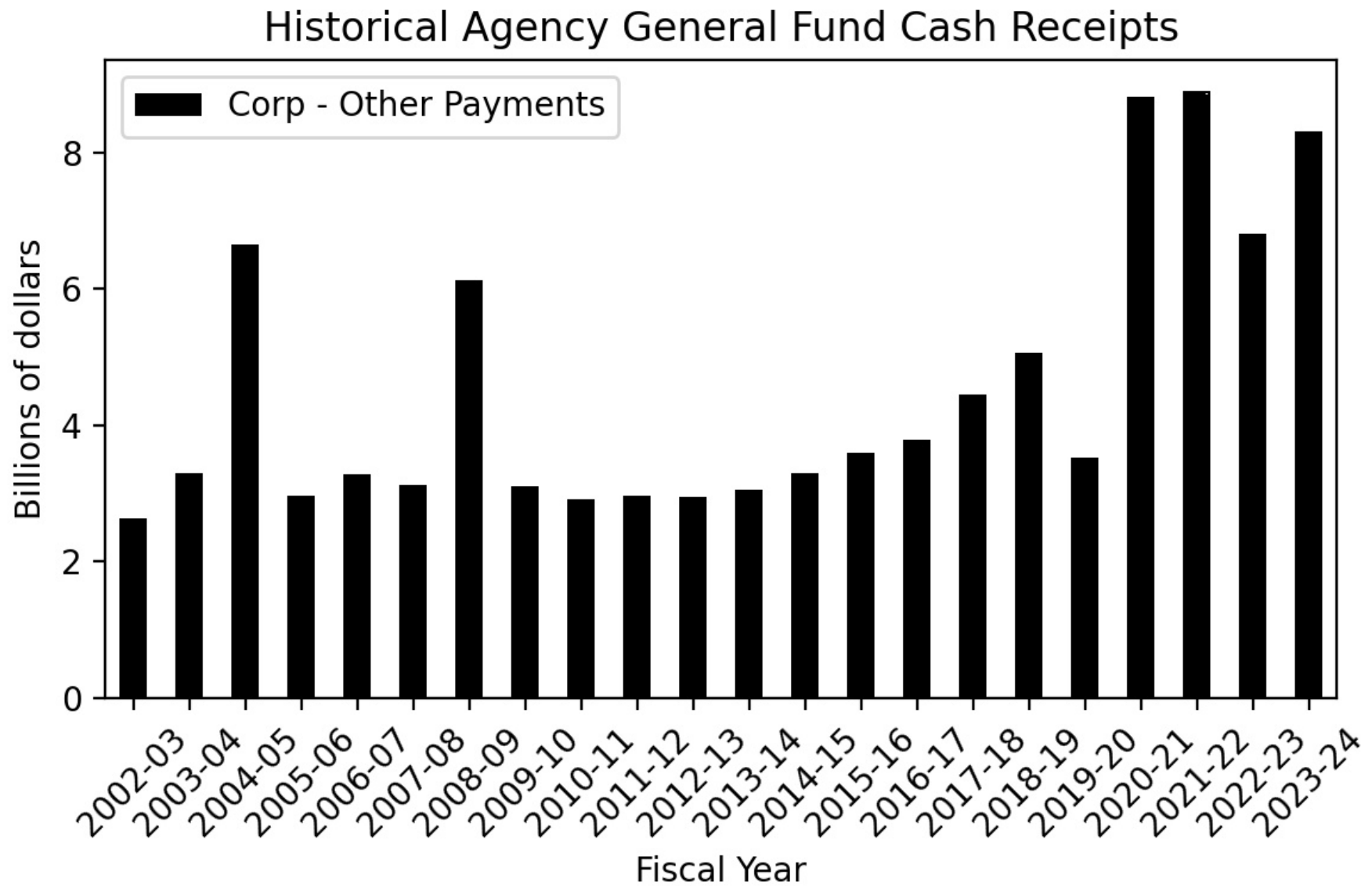


Figure 175

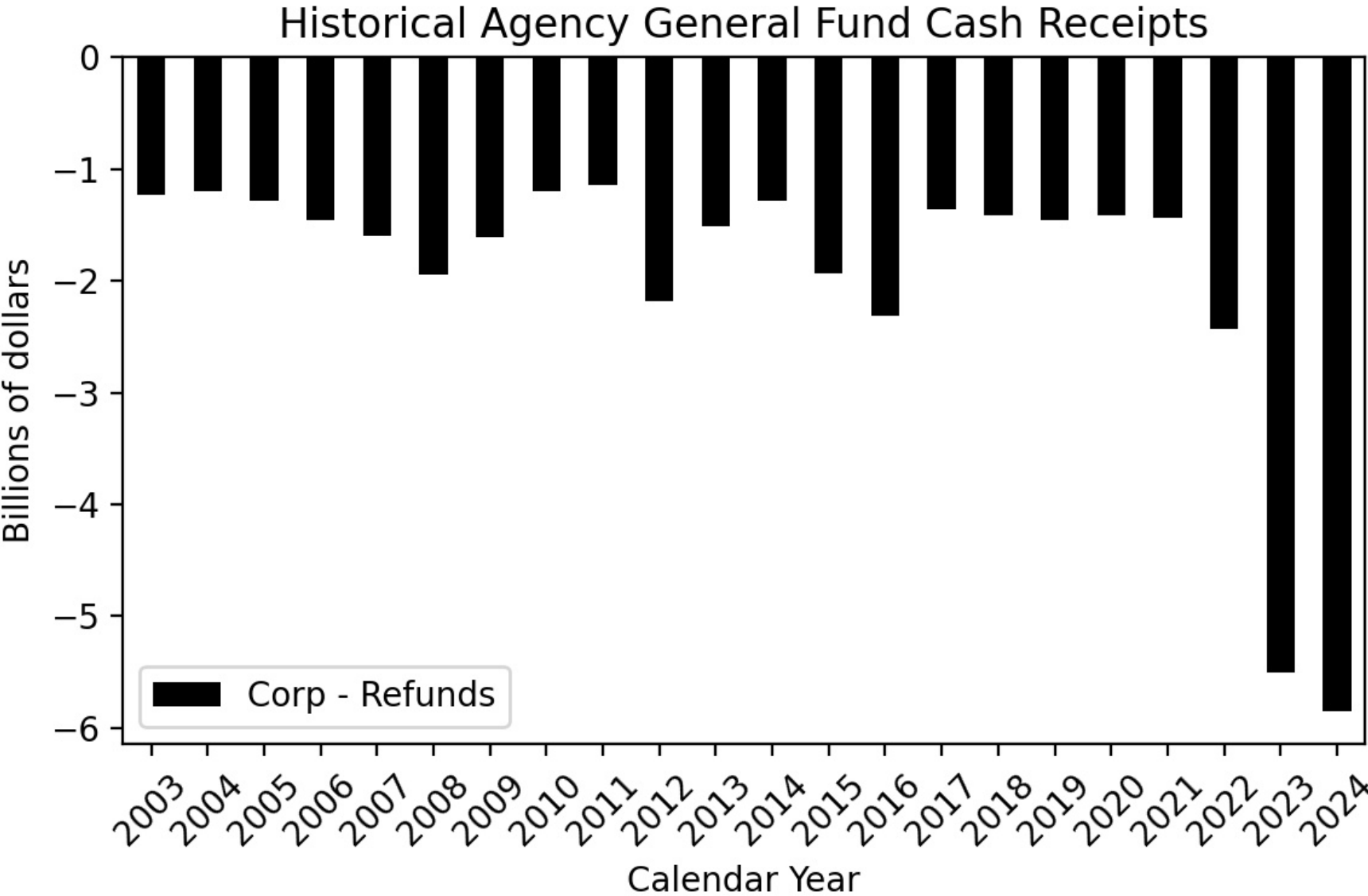


Figure 176

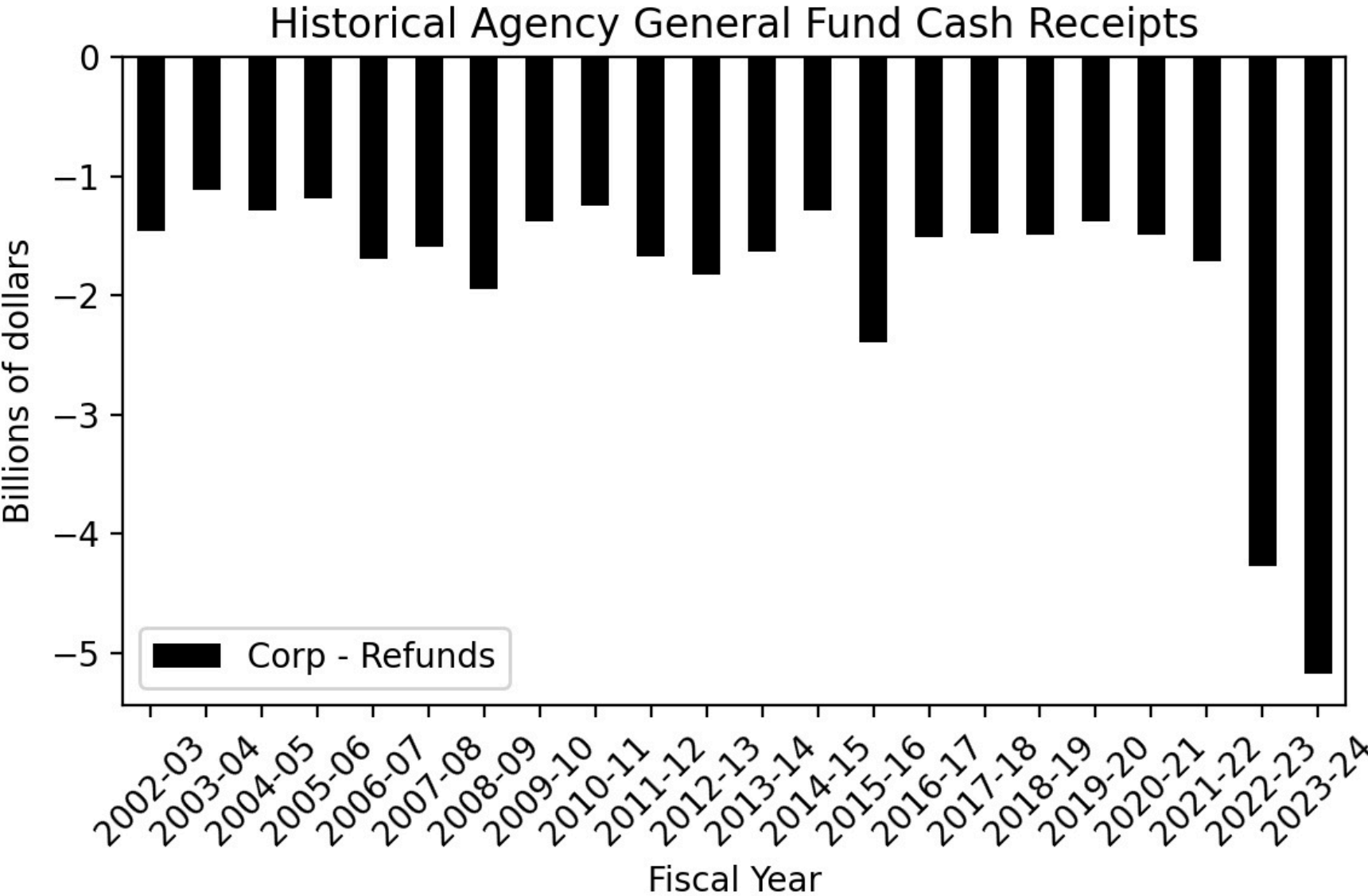


Figure 177

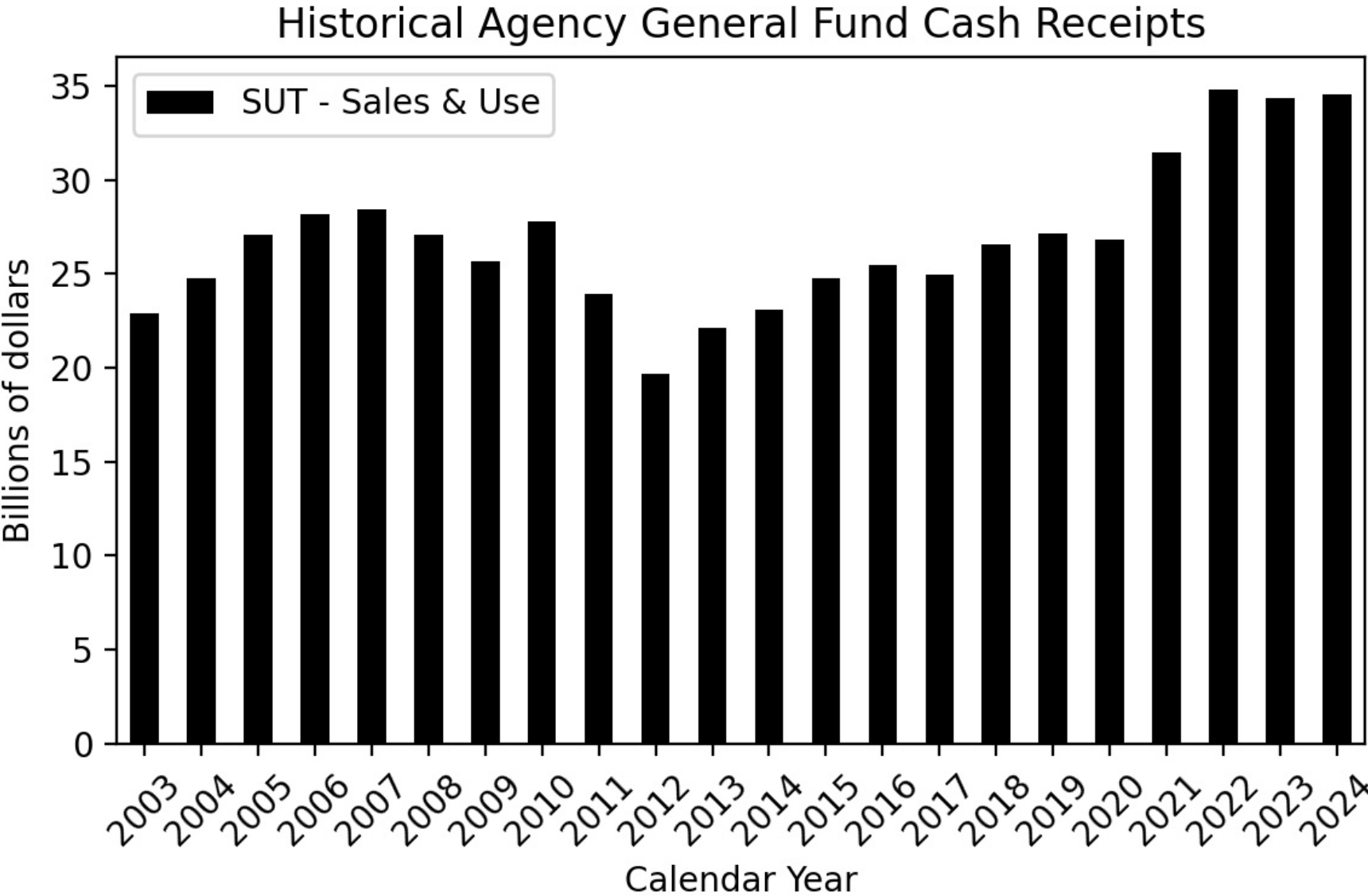


Figure 178

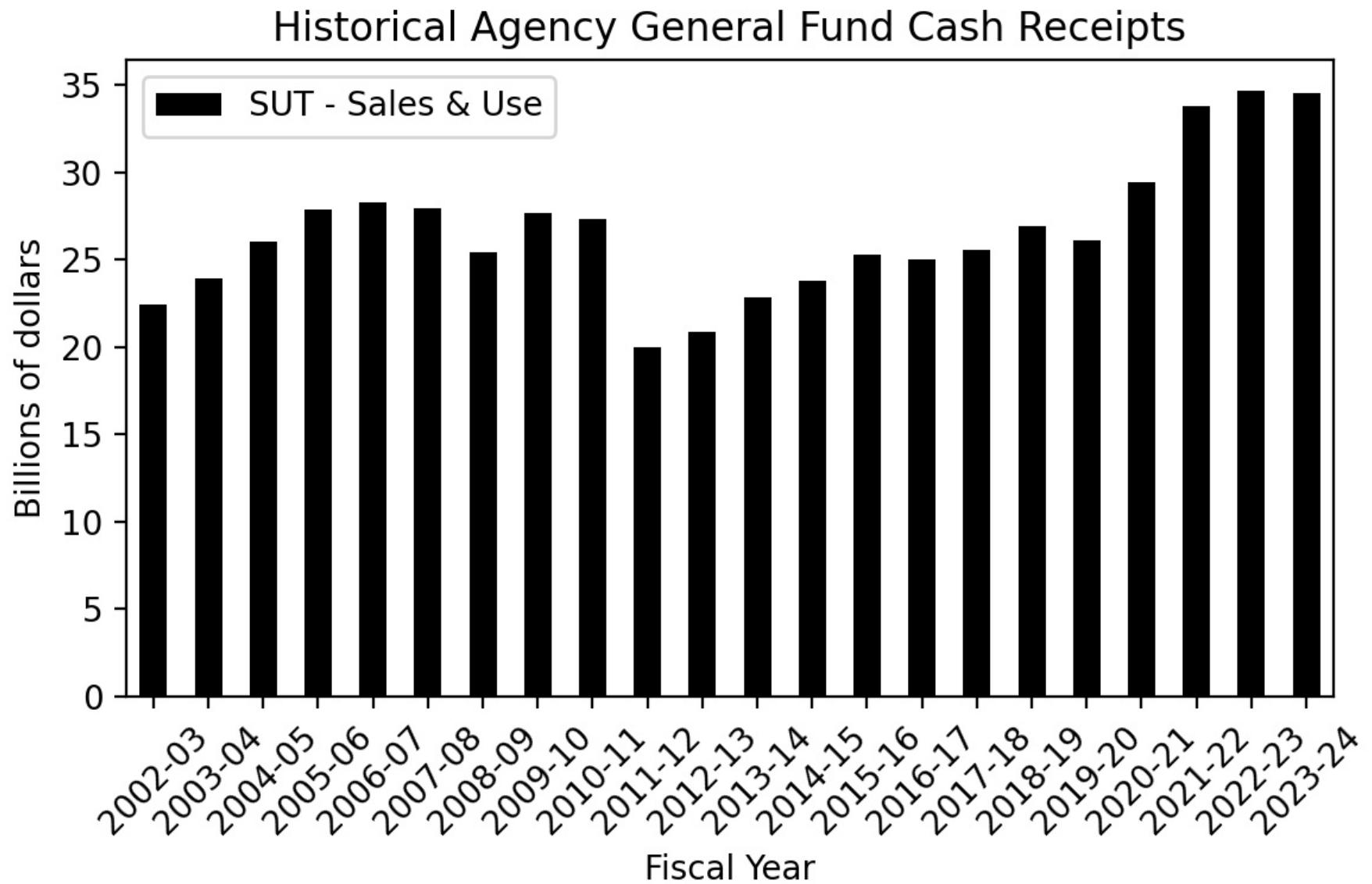


Figure 179

Other Tax - Historical Agency General Fund Revenues by Sub-Category (Calendar Year)

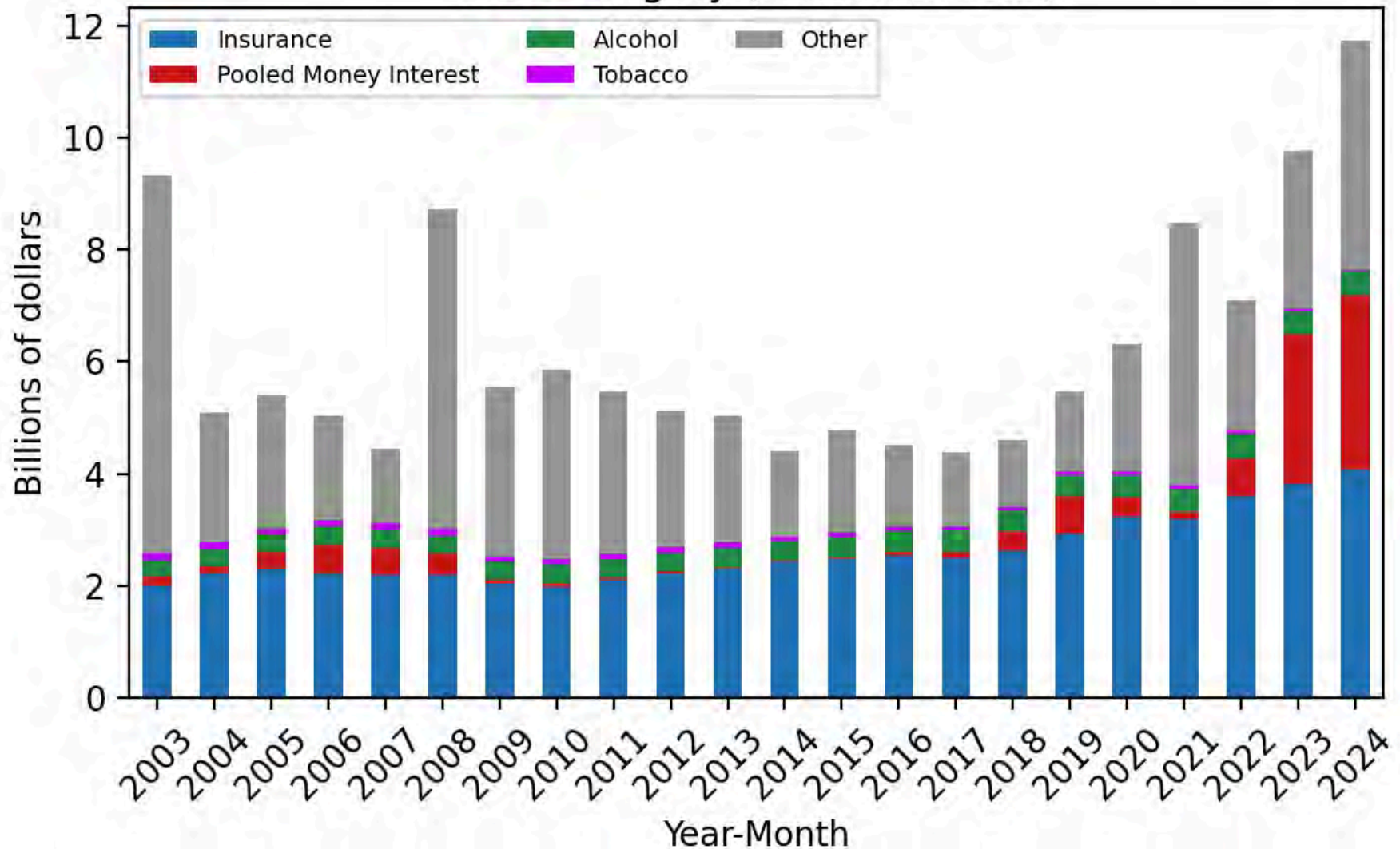


Figure 180

Other Tax - Historical Agency General Fund Revenues by Sub-Category (Fiscal Year)

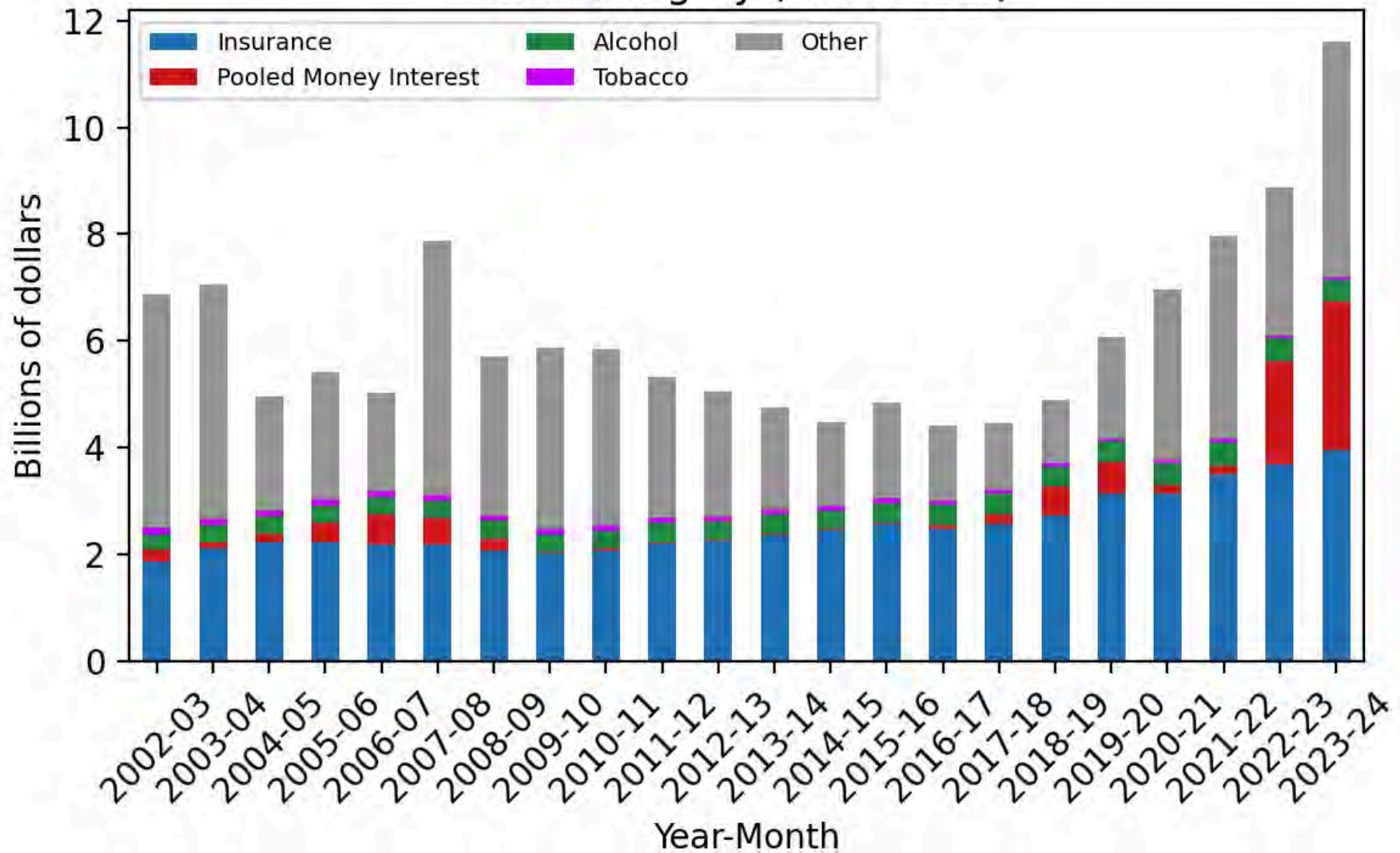


Figure 181

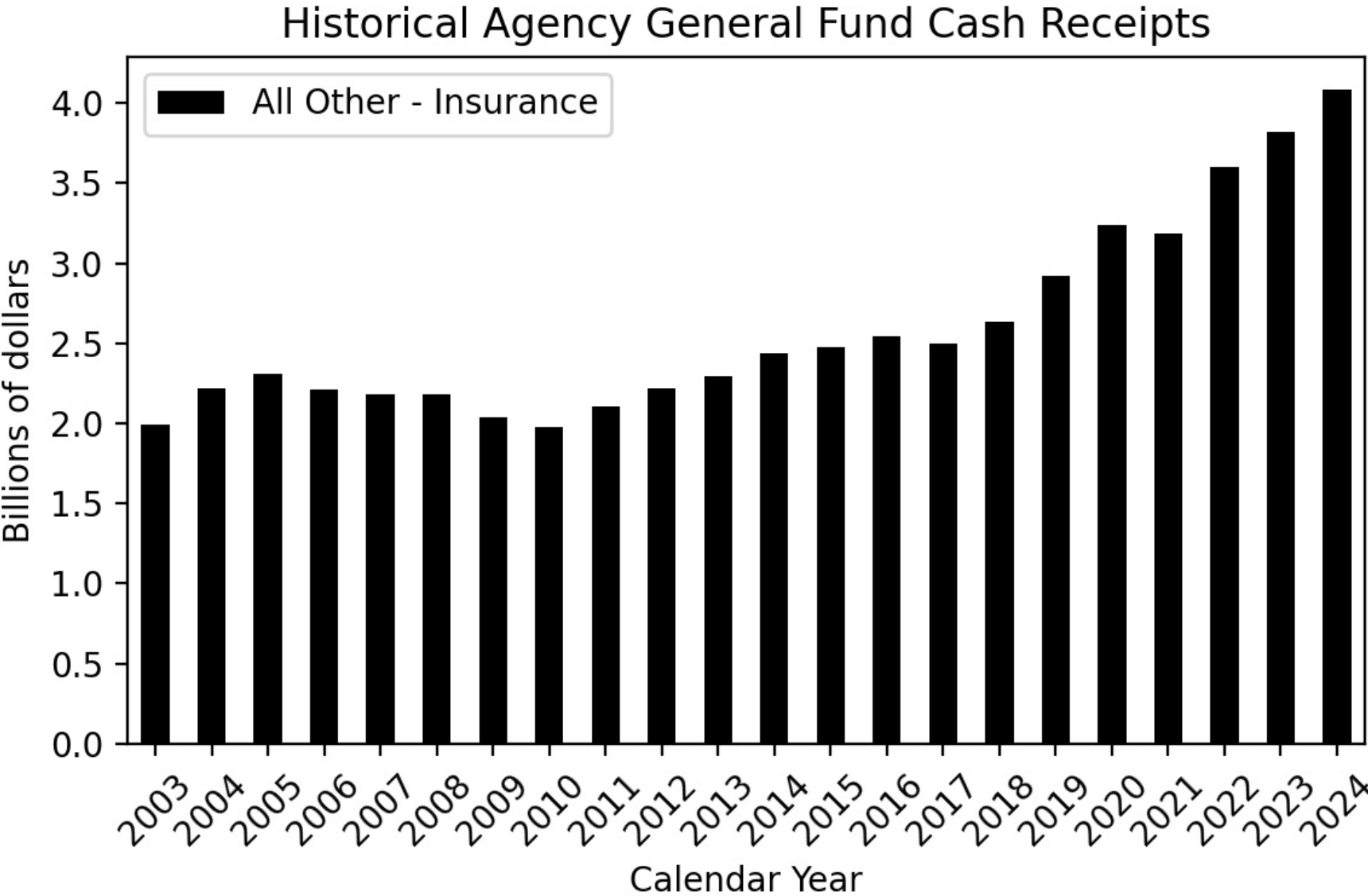


Figure 182

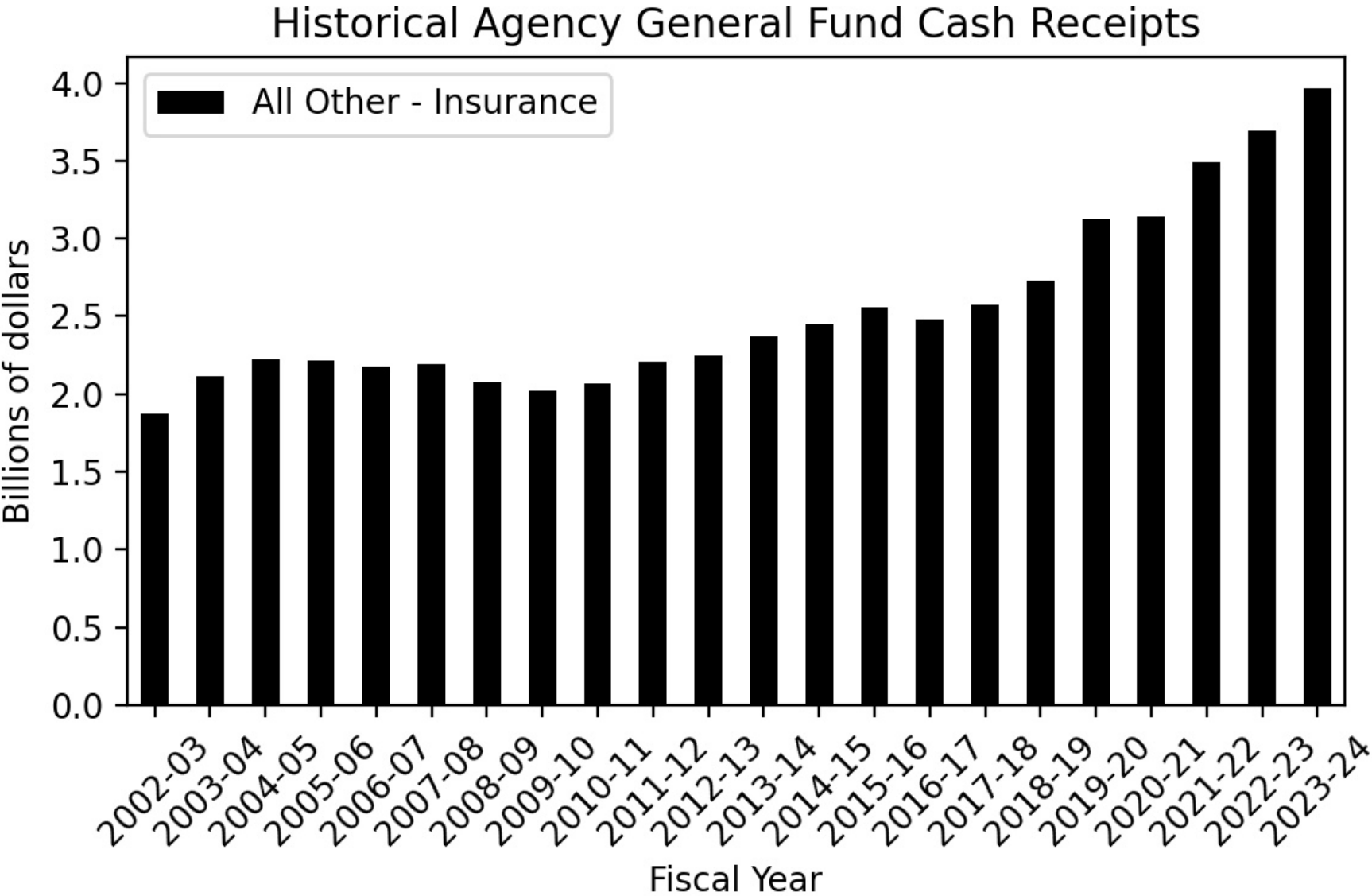


Figure 183

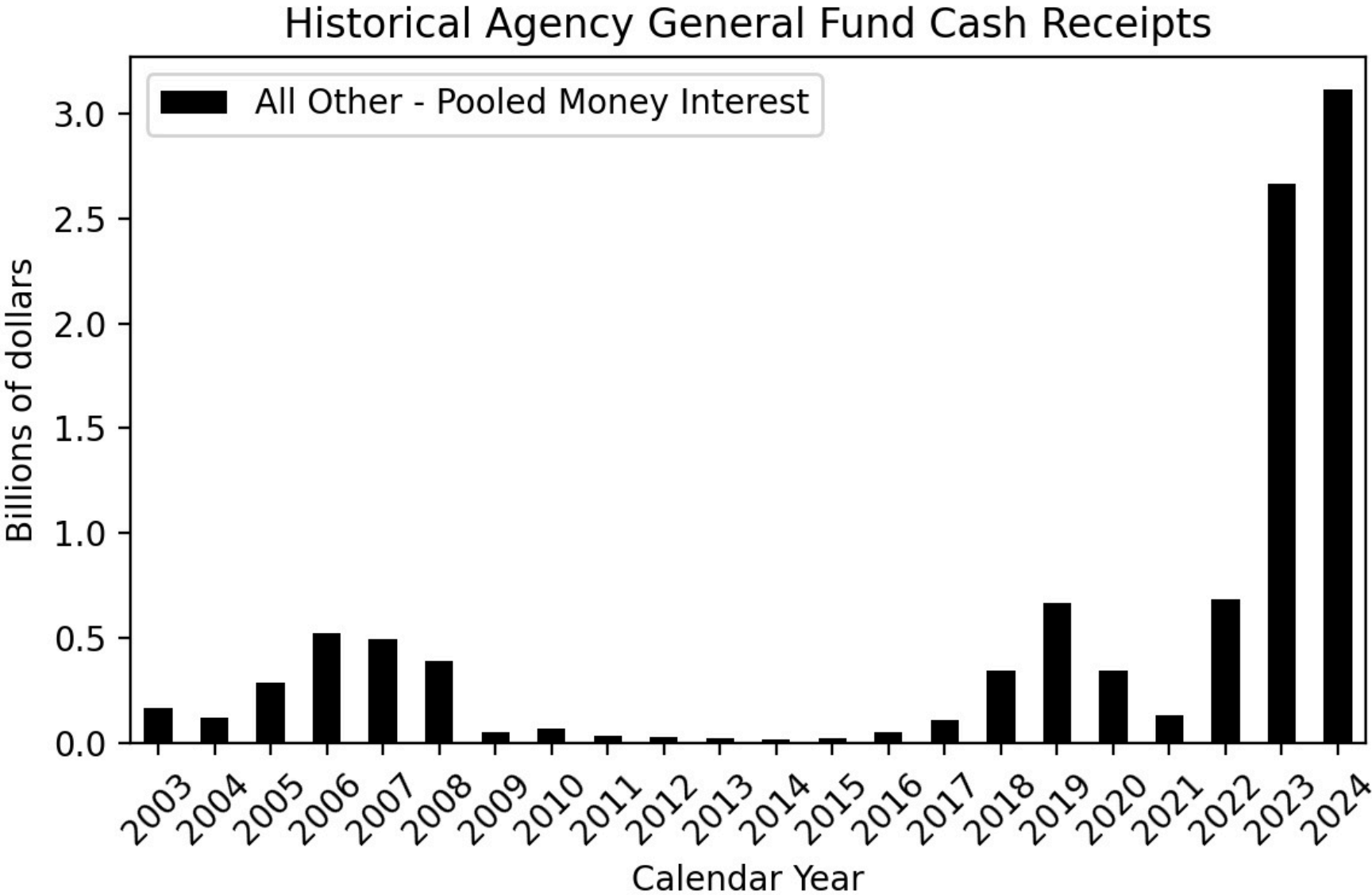


Figure 184

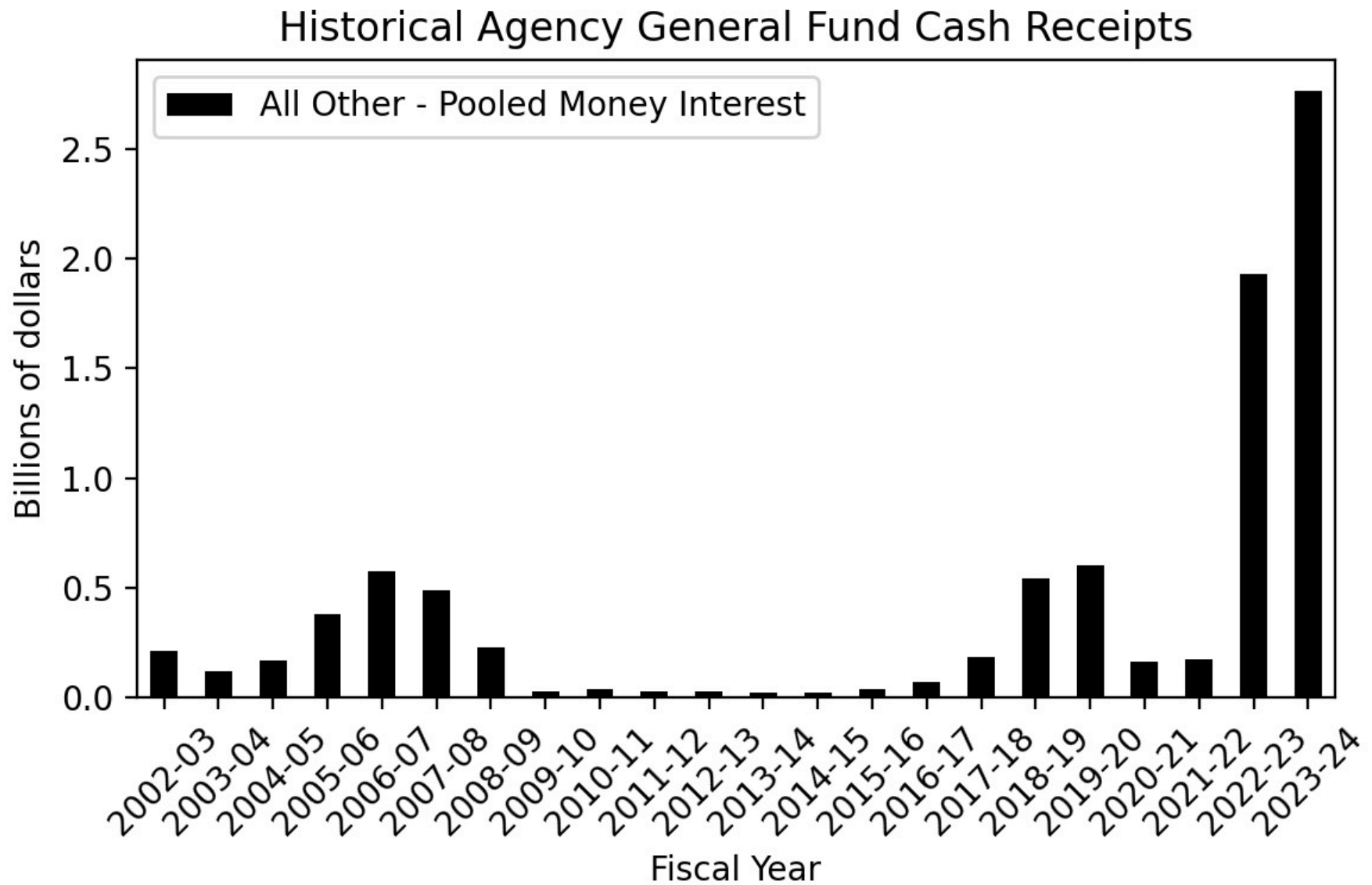


Figure 185

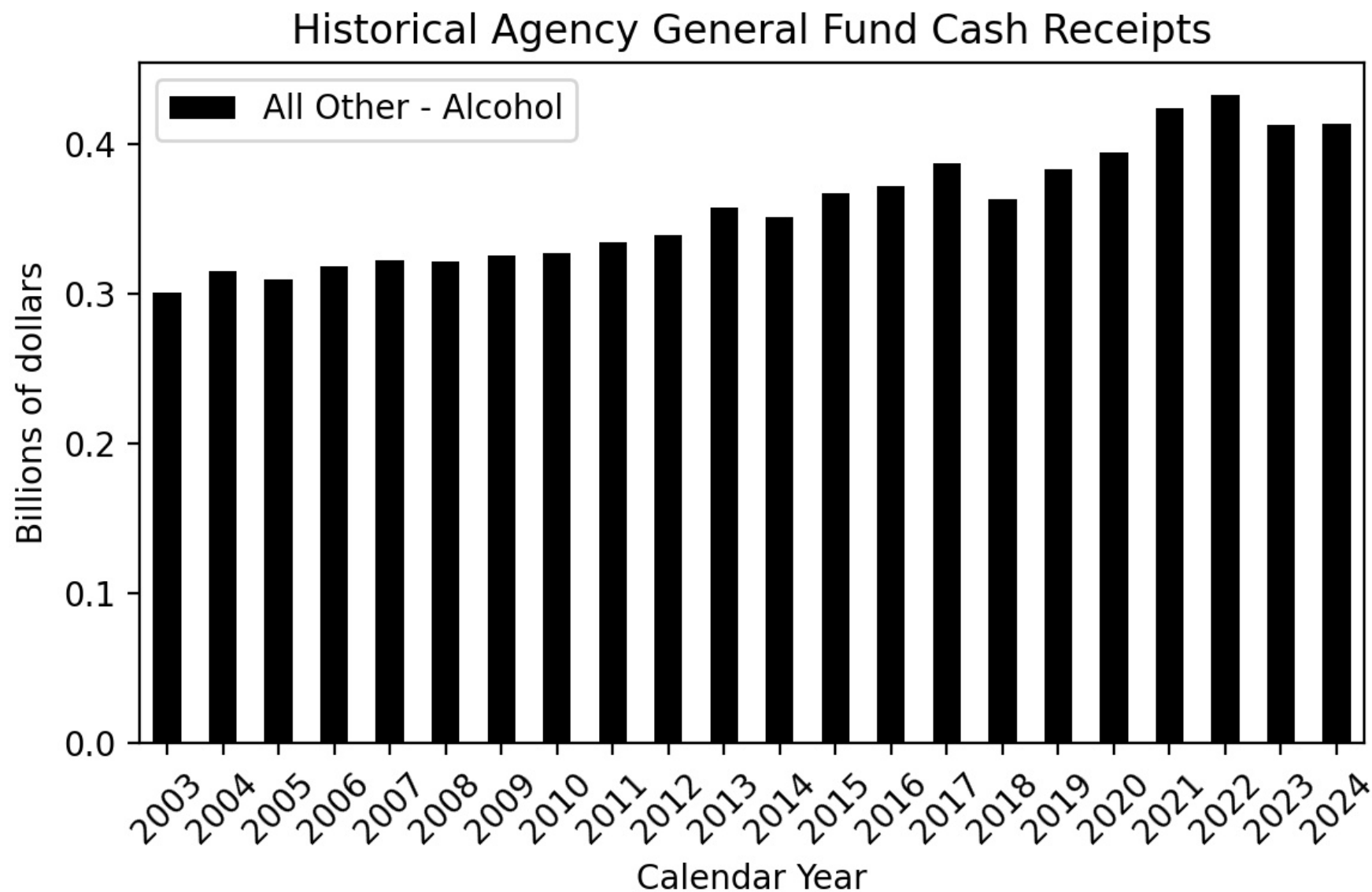


Figure 186

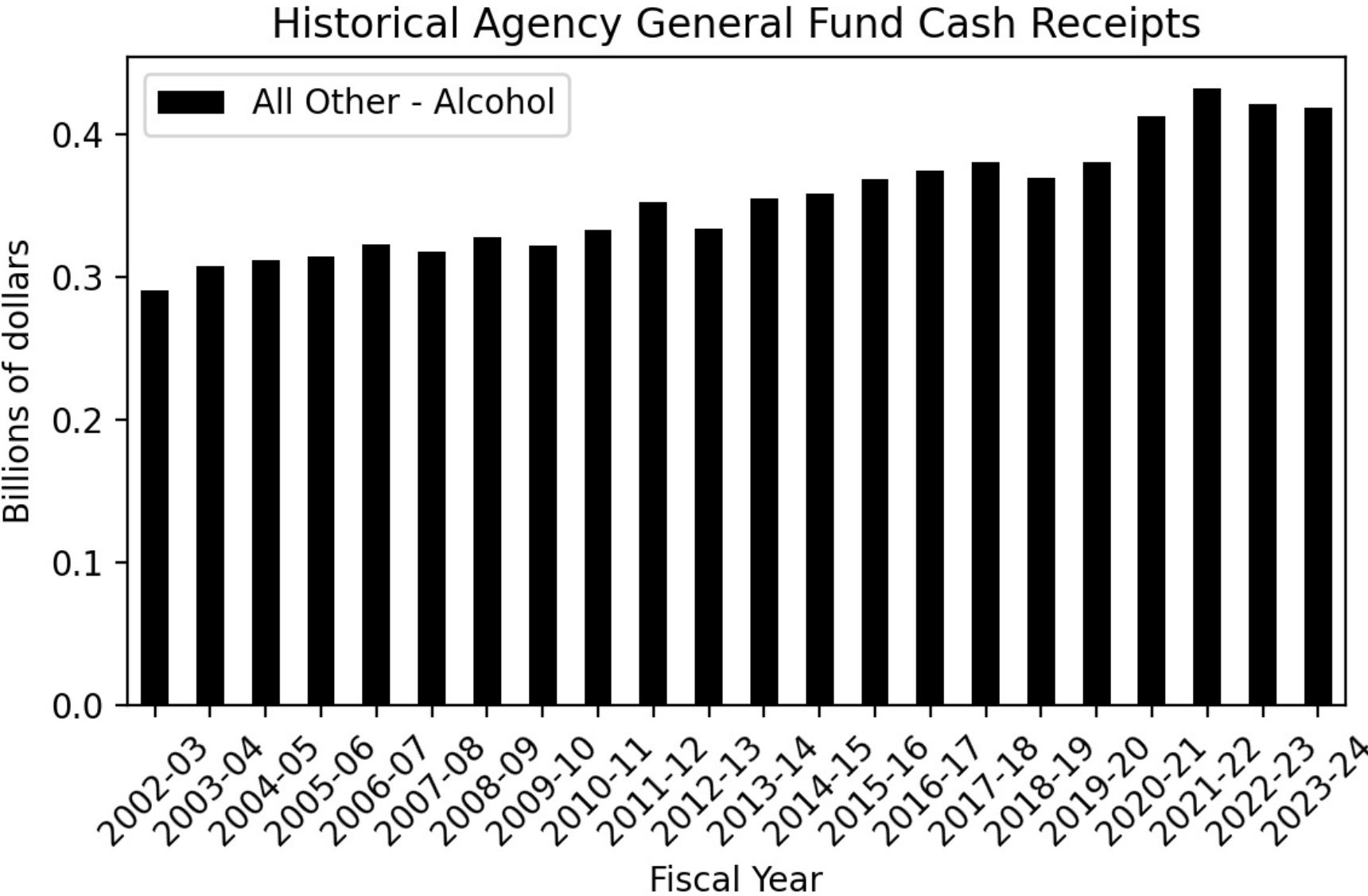


Figure 187

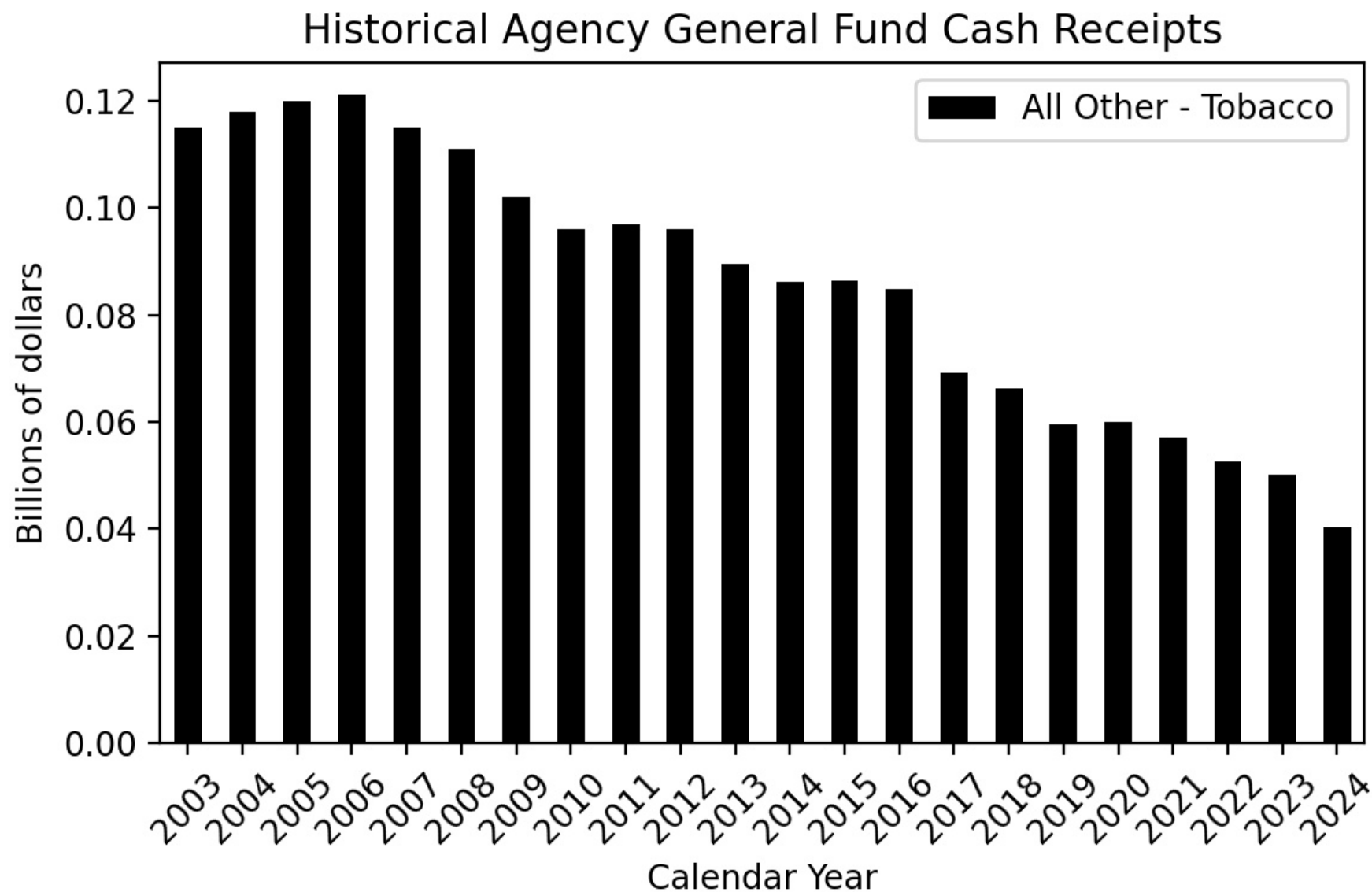


Figure 188

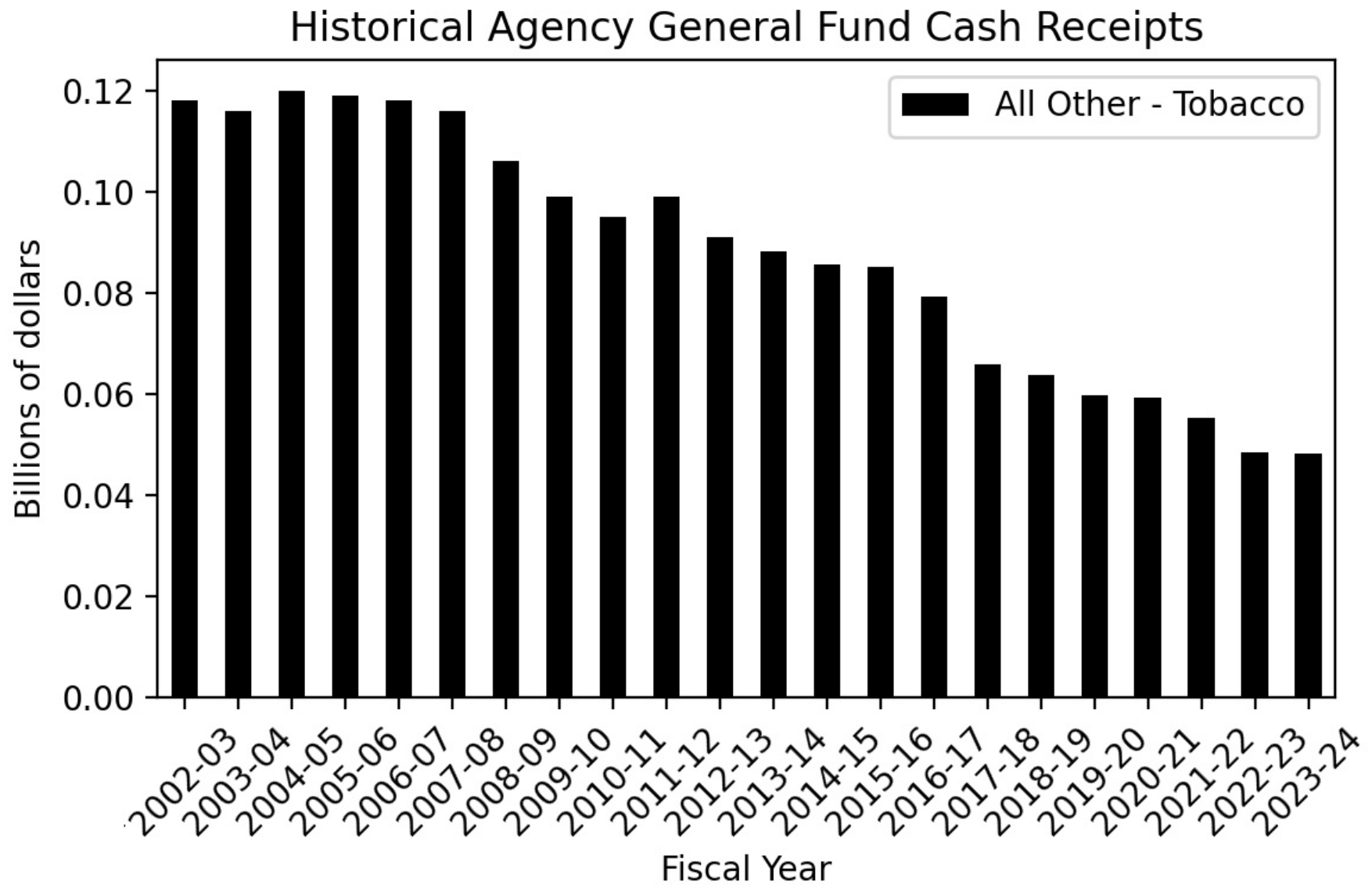


Figure 189

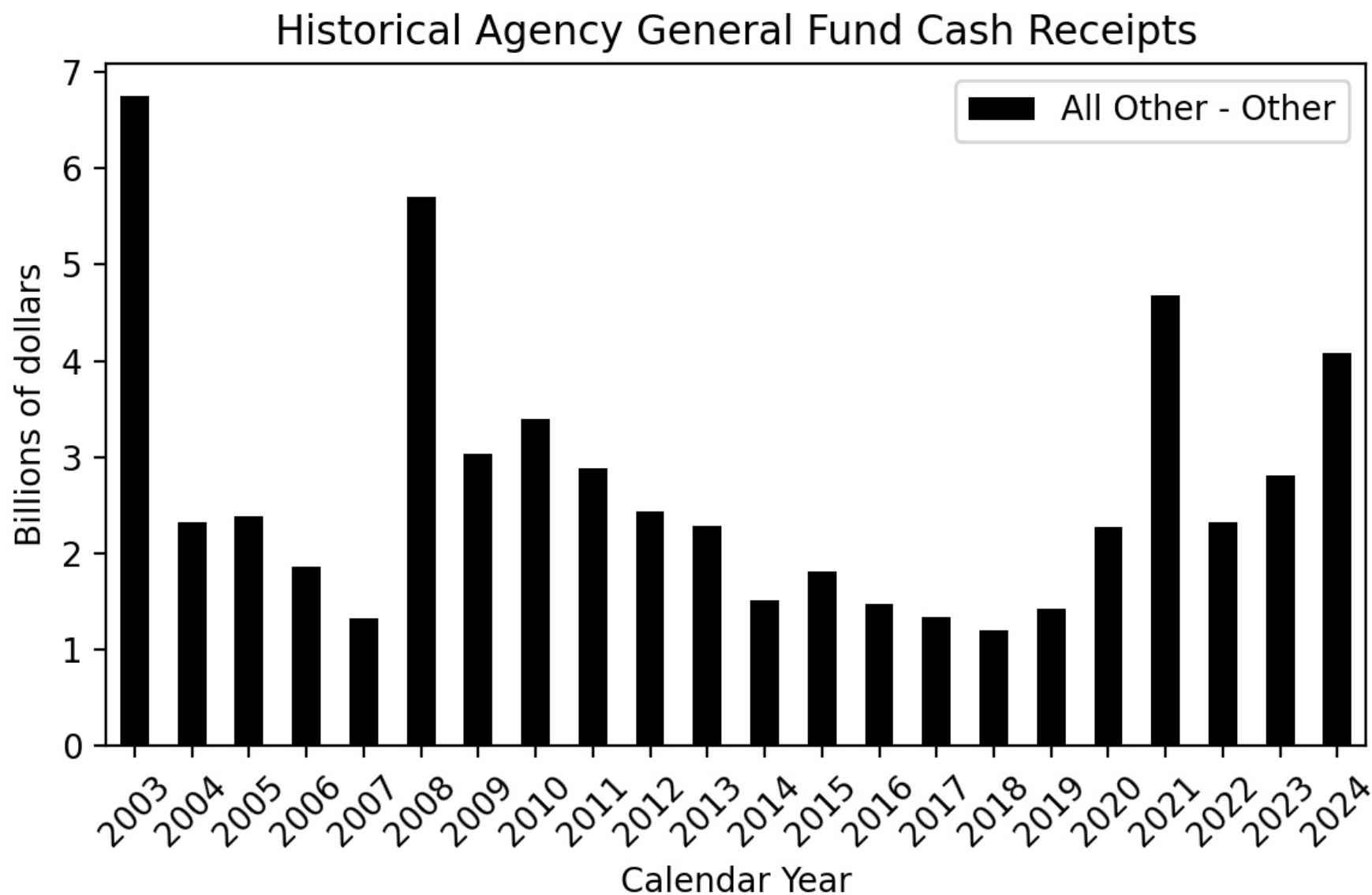


Figure 190

