



Finance Bulletin

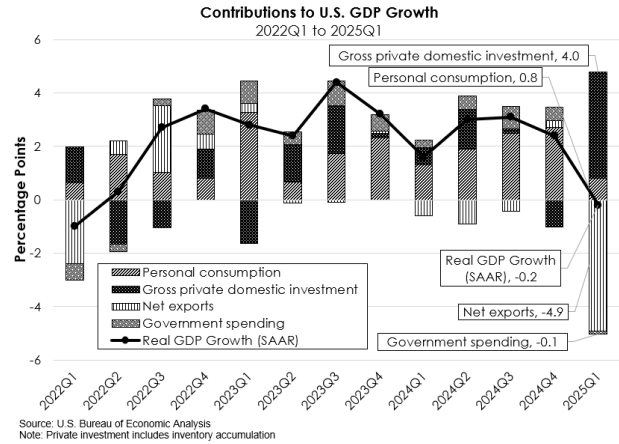
Joe Stephenshaw, Director

Economic Update

In the first quarter of 2025, U.S. real GDP contracted by 0.2 percent on a seasonally adjusted annualized rate (SAAR) basis according to the Bureau of Economic Analysis' second estimate. This follows a growth of 2.4 percent in the fourth quarter of 2024. The contraction in U.S. real GDP in the first quarter of 2025 reflects the frontrunning of tariffs as net exports subtracted 4.9 percentage points from GDP.

U.S. headline inflation ticked up 0.1 percentage point from 2.3 percent year-over-year in April to 2.4 percent in May 2025. Core inflation—which excludes food and energy—remained unchanged at 2.8 percent year-over-year. Shelter inflation—which includes owners' equivalent rent and residential rent—slowed slightly from 4 percent in April to 3.9 percent in May.

The U.S. trade deficit was \$87.5 billion in April, down 42.3 percent from March and down 12.4 percent from April 2024 following large increases in the first quarter due to tariff-induced inventory frontloading by U.S. businesses. California's trade deficit in April 2025 totaled \$22.9 billion, down 4.6 percent from \$24 billion in March 2025 and down 8 percent from April 2024.



LABOR MARKET CONDITIONS

- In May 2025, the U.S. unemployment rate remained at 4.2 percent for the third consecutive month, however, household employment decreased by 696,000 persons and the labor force decreased by 625,000 percent. The nation added 139,000 nonfarm payroll jobs driven almost entirely by two sectors: private education and health services (87,000 jobs), and leisure and hospitality (48,000 jobs). Five other sectors also added jobs: financial activities (13,000 jobs), other services (9,000 jobs), construction (4,000 jobs), trade, transportation, and utilities (4,000 jobs) and information (2,000 jobs). Four sectors lost jobs: professional and business services (-18,000 jobs), manufacturing (-8,000 jobs), mining and logging (-1,000 jobs) and government (-1,000 jobs).
- California's unemployment rate remained at 5.3 percent for the third consecutive month in May 2025 as the number of unemployed increased by 2,500 persons (0.2 percent) while the number of employed Californians increased by 49,400 (0.3 percent). This was the state's largest employment increase since April 2022. California's labor force grew by 51,700 persons (0.3 percent), the largest increase since December 2021. The state added 17,700 nonfarm payroll jobs driven largely by two sectors: private education and health services (10,400 jobs), and leisure and hospitality (9,000 jobs). Four other sectors added jobs: information (2,600 jobs), government (1,500 jobs), other services (1,400 jobs), and trade, transportation, and utilities (1,000 jobs). As with the nation, four sectors lost jobs: professional and business services (-4,800 jobs), construction (-1,900 jobs), manufacturing (-1,100 jobs), and financial activities (400 jobs). There was no change in mining and logging jobs.

BUILDING ACTIVITY & REAL ESTATE

- Year-to-date through April 2025, California permitted 97,500 housing units on a seasonally adjusted annualized rate (SAAR), up 3.3 percent from March 2025 but down 5.6 percent from a year ago in April 2024. This year-to-date total consisted of 64,200 single-family units (down 2.7 percent from March and up 4.2 percent year-over-year) and 33,300 multi-family units (up 17.2 percent from March and down 20.1 percent year-over-year).
- The statewide median sale price of existing single-family homes decreased to \$900,170 in May 2025, down 1.1 percent from the new record-high of \$910,160 set in April 2025 and down 0.9 percent from May 2024. Sales of existing single-family homes in California were 253,994 (SAAR) in May 2025, down 5.1 percent from April 2025 and down 4 percent from May 2024.

MONTHLY CASH REPORT

Preliminary General Fund agency cash receipts were \$1.1 billion, or 7.7 percent, above the May Revision forecast in May and \$1.1 billion, or 0.6 percent, above the fiscal year-to-date forecast. The May overage was largely the result of higher receipts from personal income tax (up \$675 million), insurance tax (up \$339 million) and corporation tax (up \$229 million), and was partially offset by lower-than-expected sales and use tax (down \$120 million). May is not a particularly important month for personal and corporate income taxes as there are no major payment due dates; however, May personal income tax receipts benefited from strong final and other payments related to tax year 2024 collected in early May.

- Personal income tax cash receipts were \$675 million, or 8.9 percent, above the forecast in May and \$571 million, or 0.5 percent, above the fiscal year-to-date forecast. Final payments, which were due April 15 and are related to tax year 2024, were \$194 million above forecast in May and \$424 million above the fiscal year-to-date forecast due to strong payments at the end of April and into early May. Other payments, which include extension payments related to tax year 2024, were above forecast by \$232 million in May, but only \$43 million fiscal year-to-date, as some collections shifted from April to early May. Estimated payments were \$110 million above forecast in May and \$183 million above the fiscal year-to-date forecast. Withholding receipts were \$26 million, or 0.3 percent, below forecast in May. Refunds, which are also related to tax year 2024, were \$188 million below forecast in May and \$33 million higher fiscal year-to-date.
- Corporation tax cash receipts were \$229 million, or 19.8 percent, above forecast in May and \$361 million, or 1.3 percent, above the fiscal year-to-date forecast. The overage in May was due to other payments exceeding the forecast by \$196 million and refunds being \$170 million below forecast, partially offset by Pass-Through Entity Elective Tax payments, which were \$144 million below forecast, and estimated payments, which were \$8 million below forecast.
- Preliminary sales and use tax receipts were \$120 million, or 2.7 percent, below forecast in May and \$116 million, or 0.4 percent, below the fiscal year-to-date forecast. May cash results include a portion of the final payment for first quarter taxable sales and the first prepayment for second quarter taxable sales.
- Insurance tax receipts were \$339 million, or 66 percent, above forecast in May and \$339 million, or 8.8 percent, above the fiscal year-to-date forecast. Final payments related to tax year 2024 comprised about half of this overage, while accelerated collections of the second quarter prepayment due on June 2, which will be largely offset in June, comprised the remaining half of the overage.

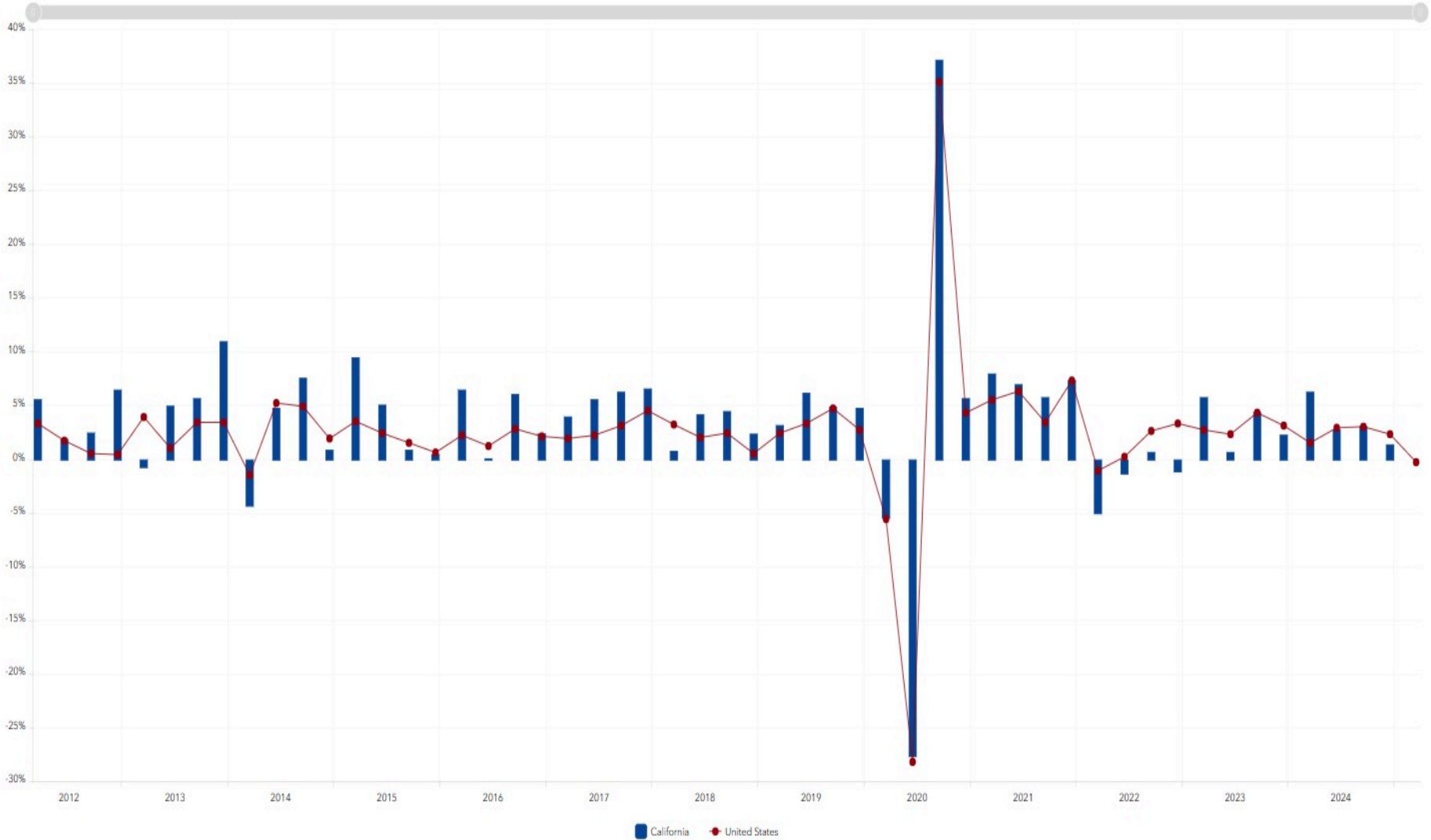
2024-25 Comparison of Actual and Forecast Agency General Fund Revenues (Dollars in Millions)

Revenue Source	May 2025					2024-25 YEAR-TO-DATE			
	Forecast	Actual	Difference	Percent Difference		Forecast	Actual	Difference	Percent Difference
Personal Income	\$7,587	\$8,263	\$675	8.9%		\$111,561	\$112,133	\$571	0.5%
Withholding	8,435	8,409	-26	-0.3%		95,626	95,600	-26	0.0%
Estimated Payments	211	321	110	51.9%		17,355	17,538	183	1.1%
Final Payments	306	500	194	63.5%		11,338	11,762	424	3.7%
Other Payments	510	742	232	45.4%		12,529	12,572	43	0.3%
Refunds	-1,657	-1,470	188	-11.3%		-23,025	-23,057	-33	0.1%
MHSF Transfer	-136	-148	-12	8.9%		-1,999	-2,009	-10	0.5%
Corporation	\$1,155	\$1,384	\$229	19.8%		\$28,396	\$28,757	\$361	1.3%
Estimated Payments	435	441	6	1.4%		13,162	13,208	45	0.3%
PTET Payments	471	328	-144	-30.5%		12,036	11,949	-87	-0.7%
Other Payments	635	832	196	30.9%		8,290	8,492	202	2.4%
Refunds	-387	-217	170	-43.9%		-5,092	-4,891	201	-3.9%
Sales & Use	\$4,377	\$4,257	-\$120	-2.7%		\$31,295	\$31,177	-\$118	-0.4%
Insurance	\$508	\$847	\$339	66.8%		\$3,866	\$4,205	\$339	8.8%
Pooled Money Interest	\$239	\$192	-\$47	-19.8%		\$2,968	\$2,921	-\$47	-1.6%
Alcohol	\$30	\$34	\$4	14.6%		\$384	\$389	\$4	1.1%
Tobacco	\$3	\$3	\$0	7.0%		\$34	\$34	\$0	0.5%
Other	\$147	\$145	-\$2	-1.6%		\$2,496	\$2,493	-\$2	-0.1%
Total	\$14,047	\$15,125	\$1,078	7.7%		\$181,000	\$182,109	\$1,109	0.6%

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 May Revision.

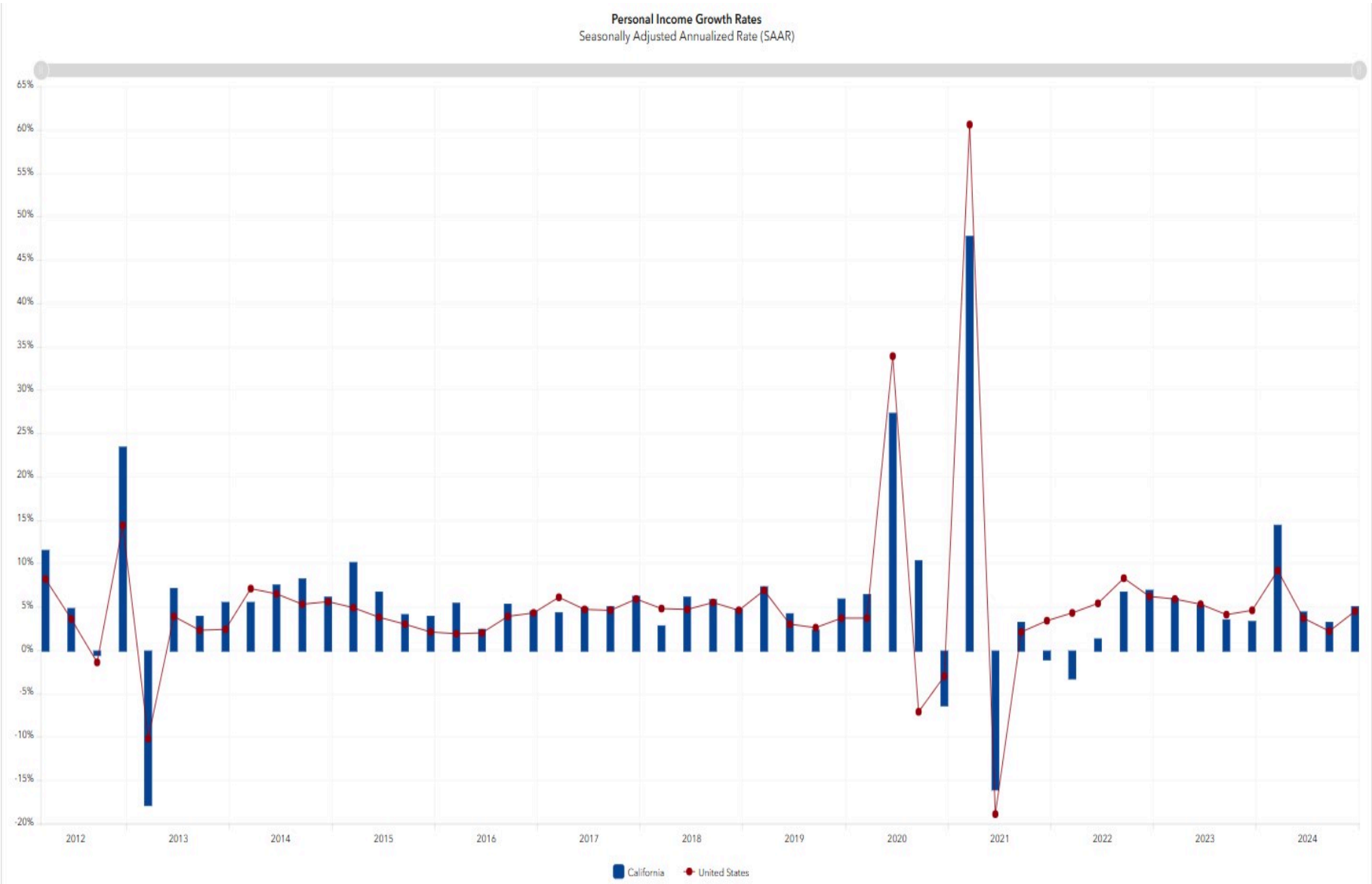
Figure 1

Quarterly GDP Growth
Seasonally Adjusted Annualized Rate (%)



Source: Bureau of Economic Analysis (BEA)

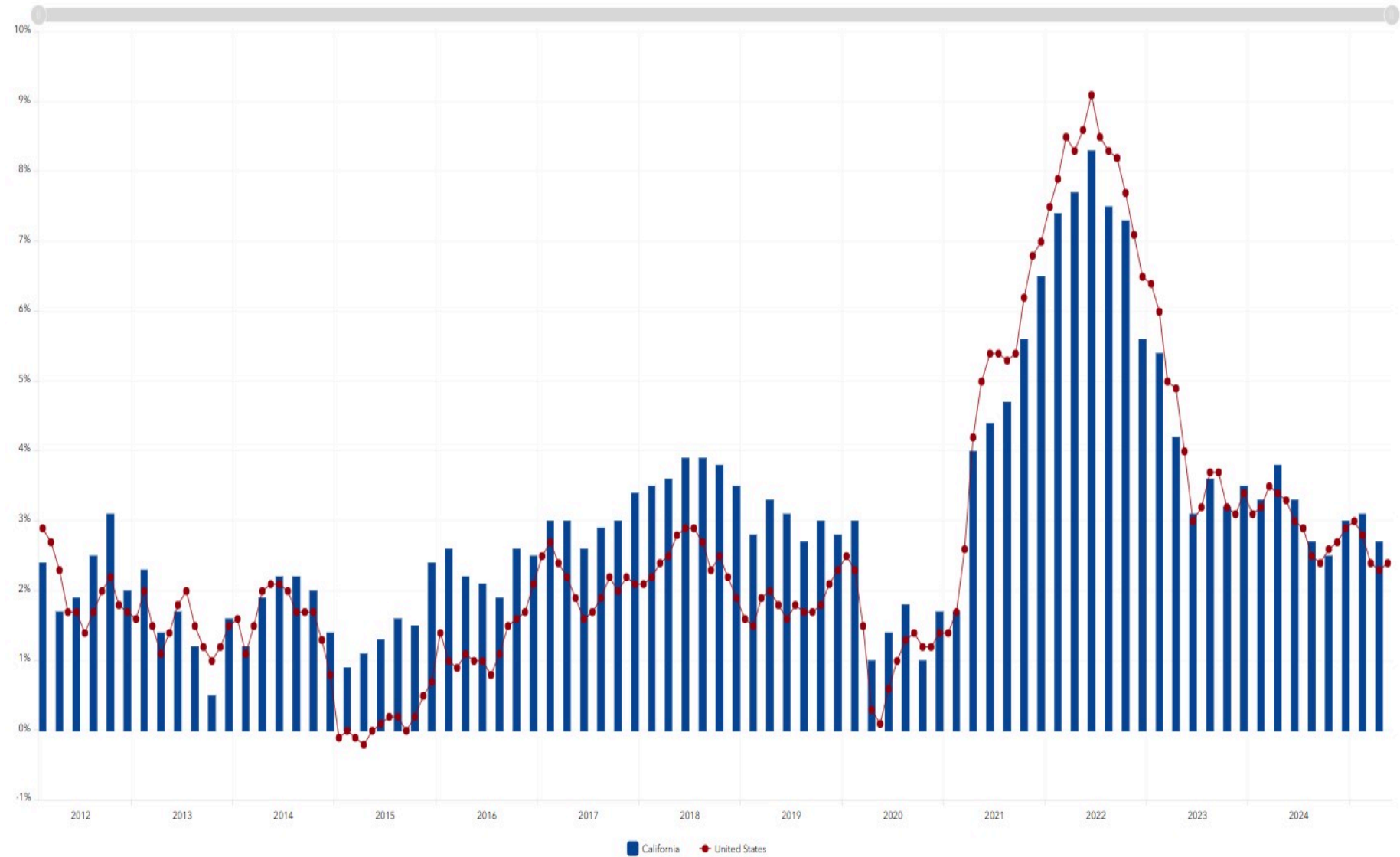
Figure 2



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

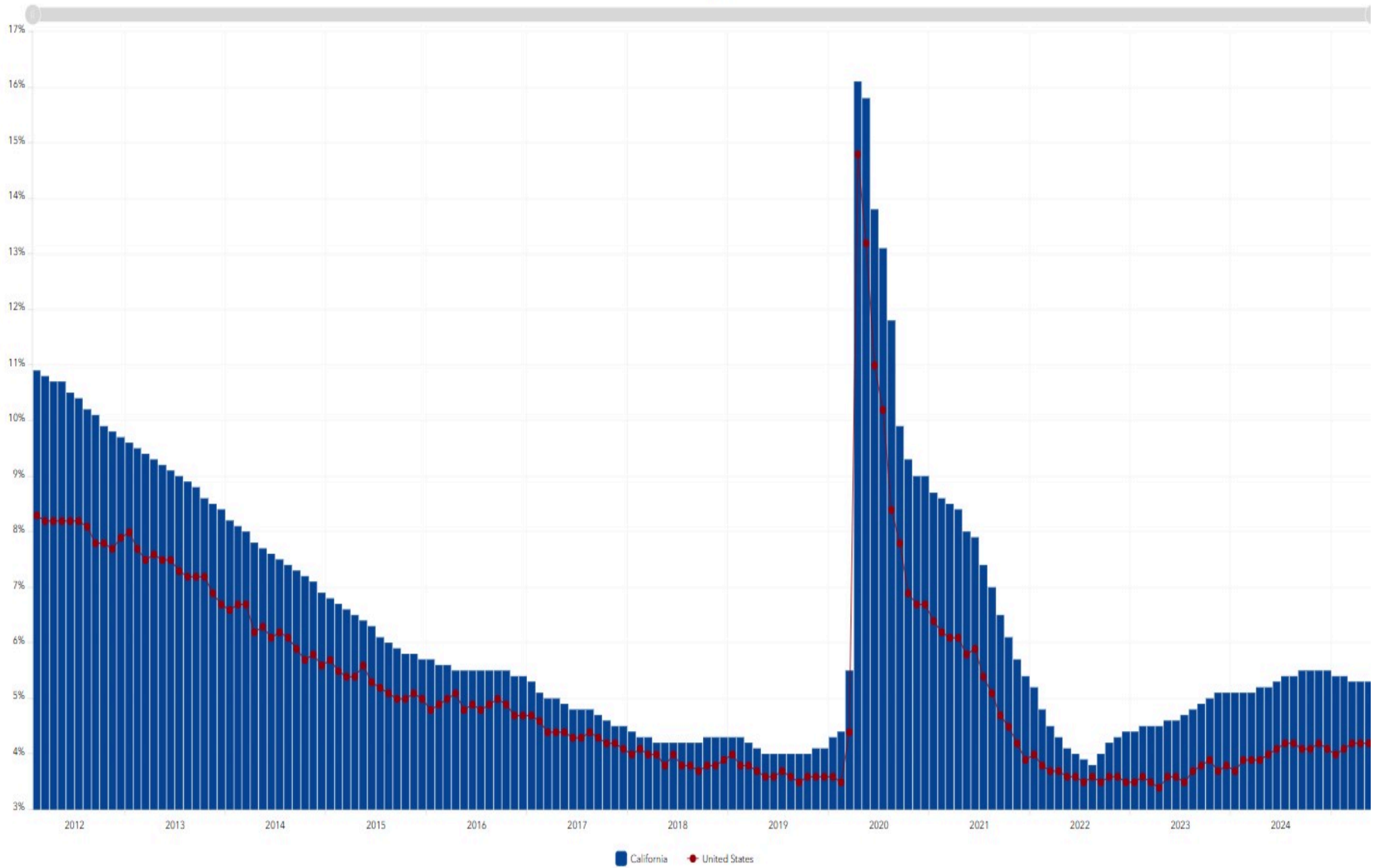
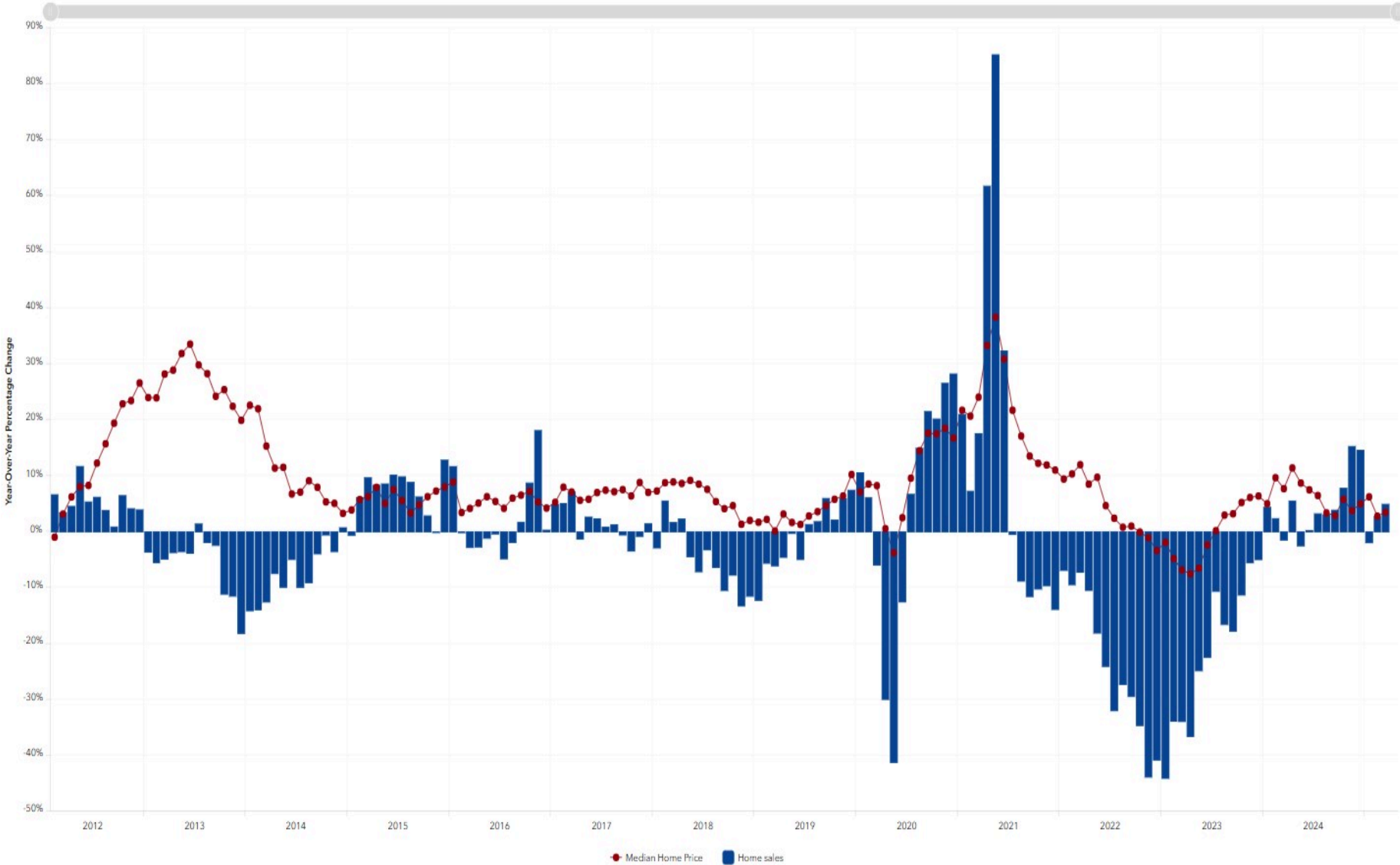


Figure 5

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 2025-26 May Revision Forecast: Agency General Fund Cash Receipts

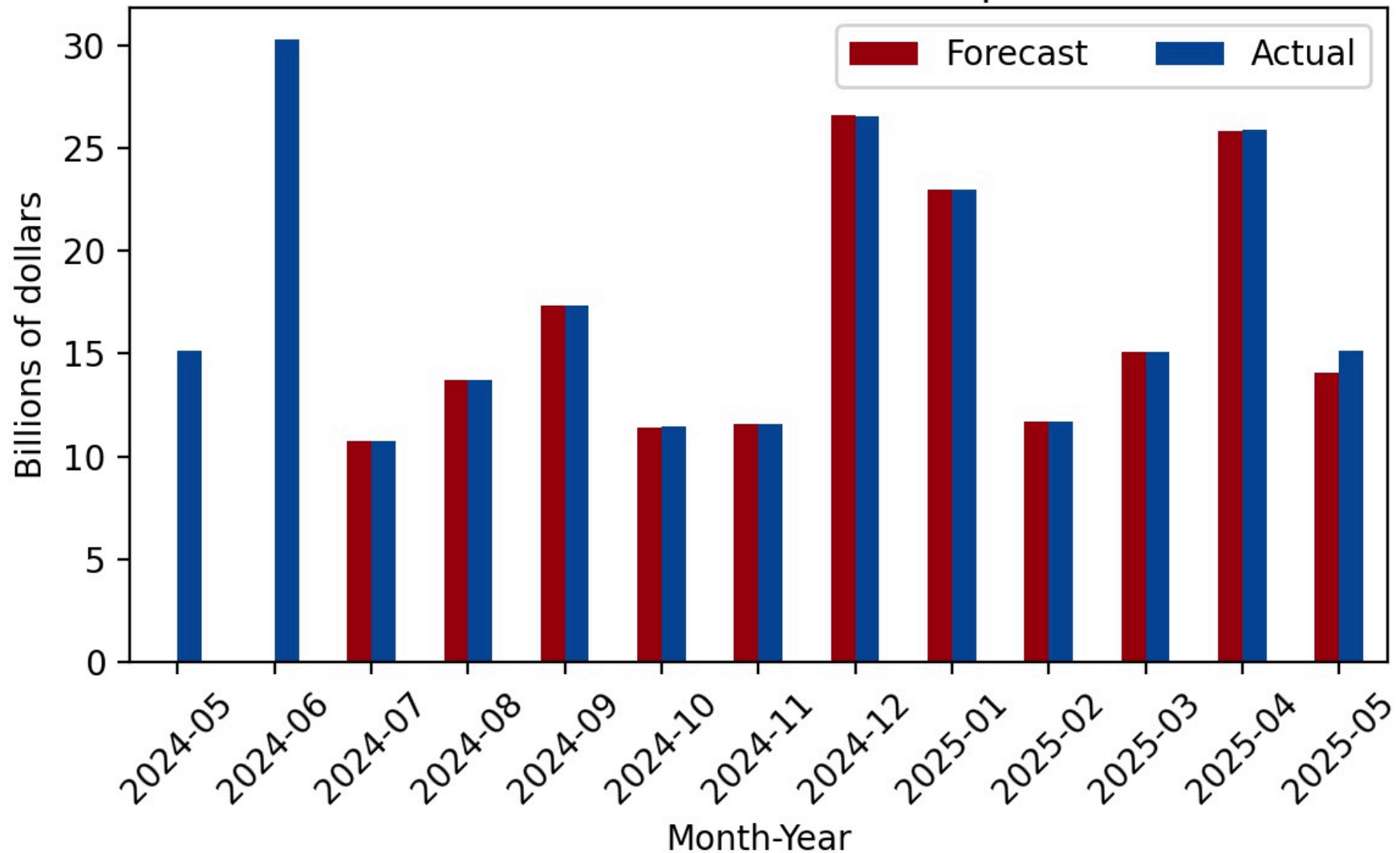


Figure 7

Comparison of Actual and 2025-26 May Revision Forecast:
Personal Income Tax

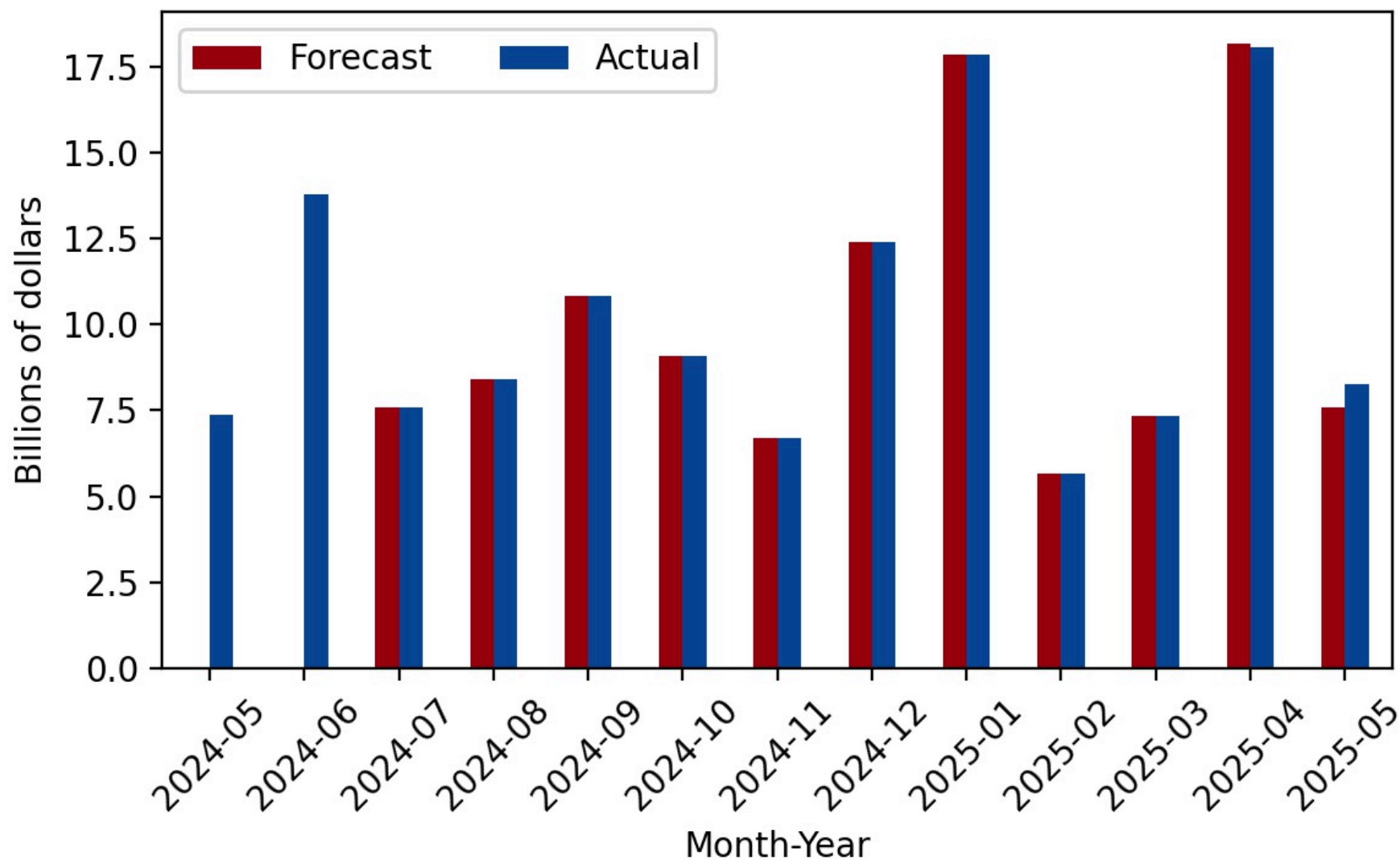


Figure 8

Comparison of Actual and 2025-26 May Revision Forecast:
Corporation Tax

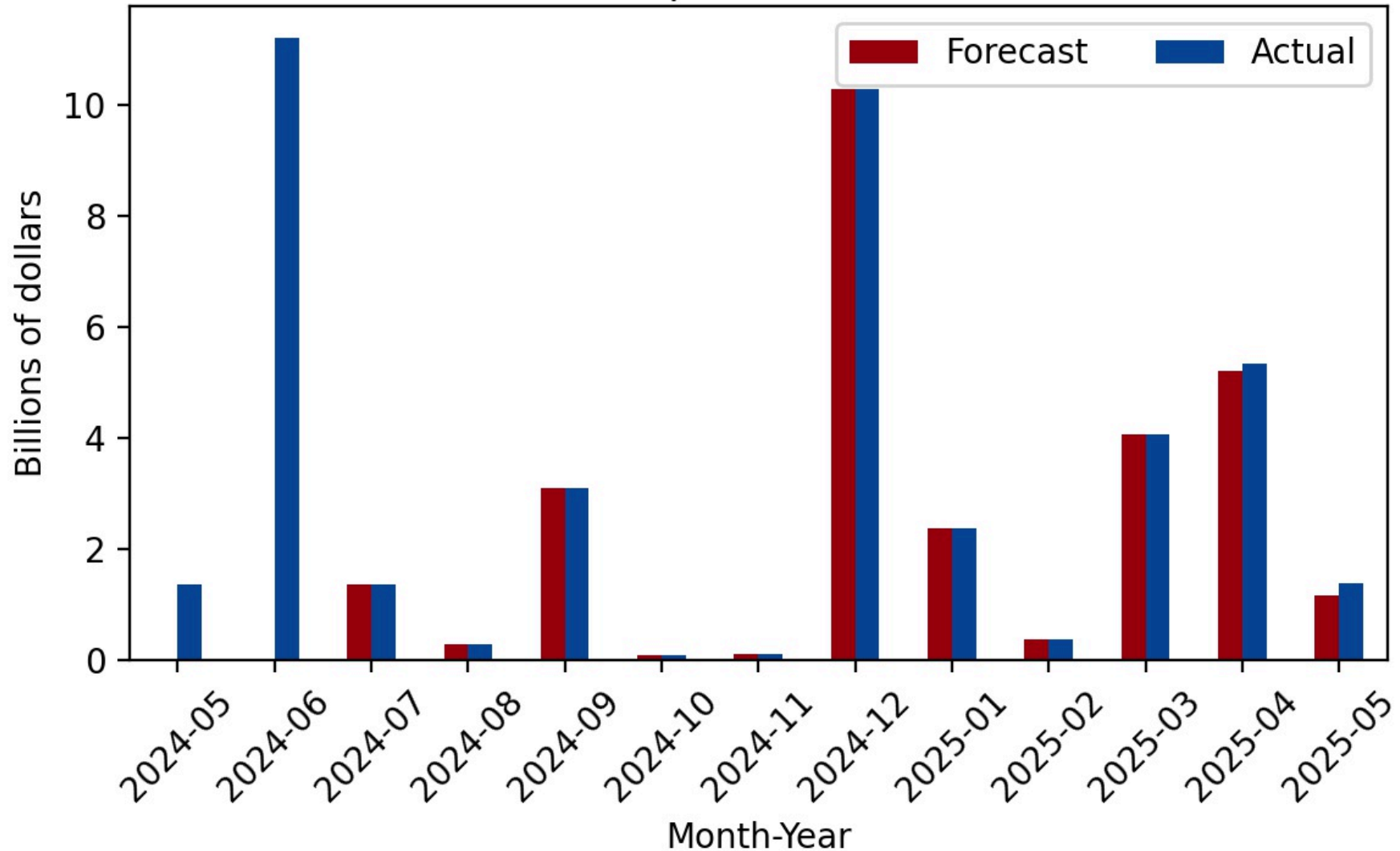


Figure 9

Comparison of Actual and 2025-26 May Revision Forecast: Sales & Use Tax

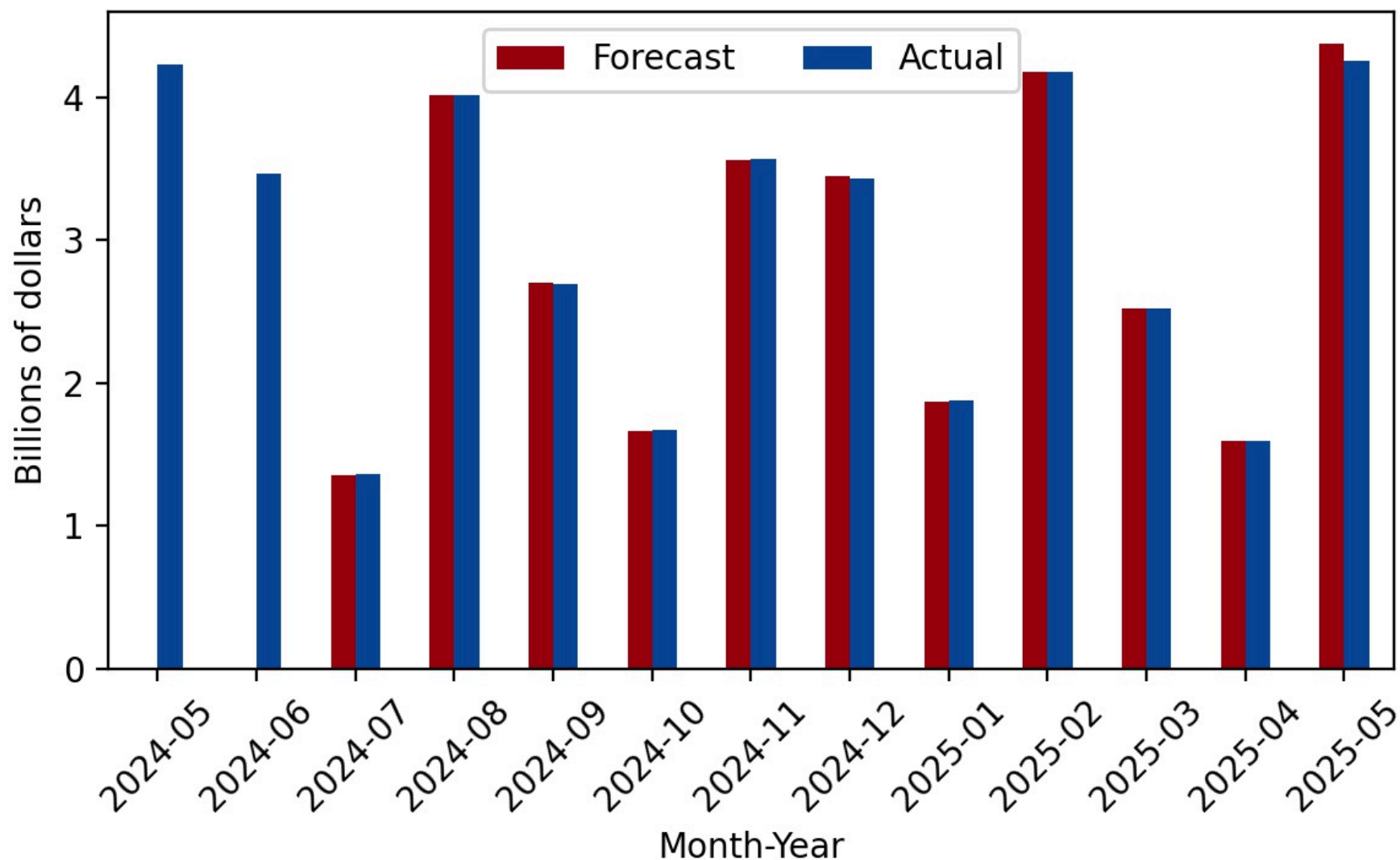


Figure 10

Comparison of Actual and 2025-26 May Revision Forecast: All Other Taxes

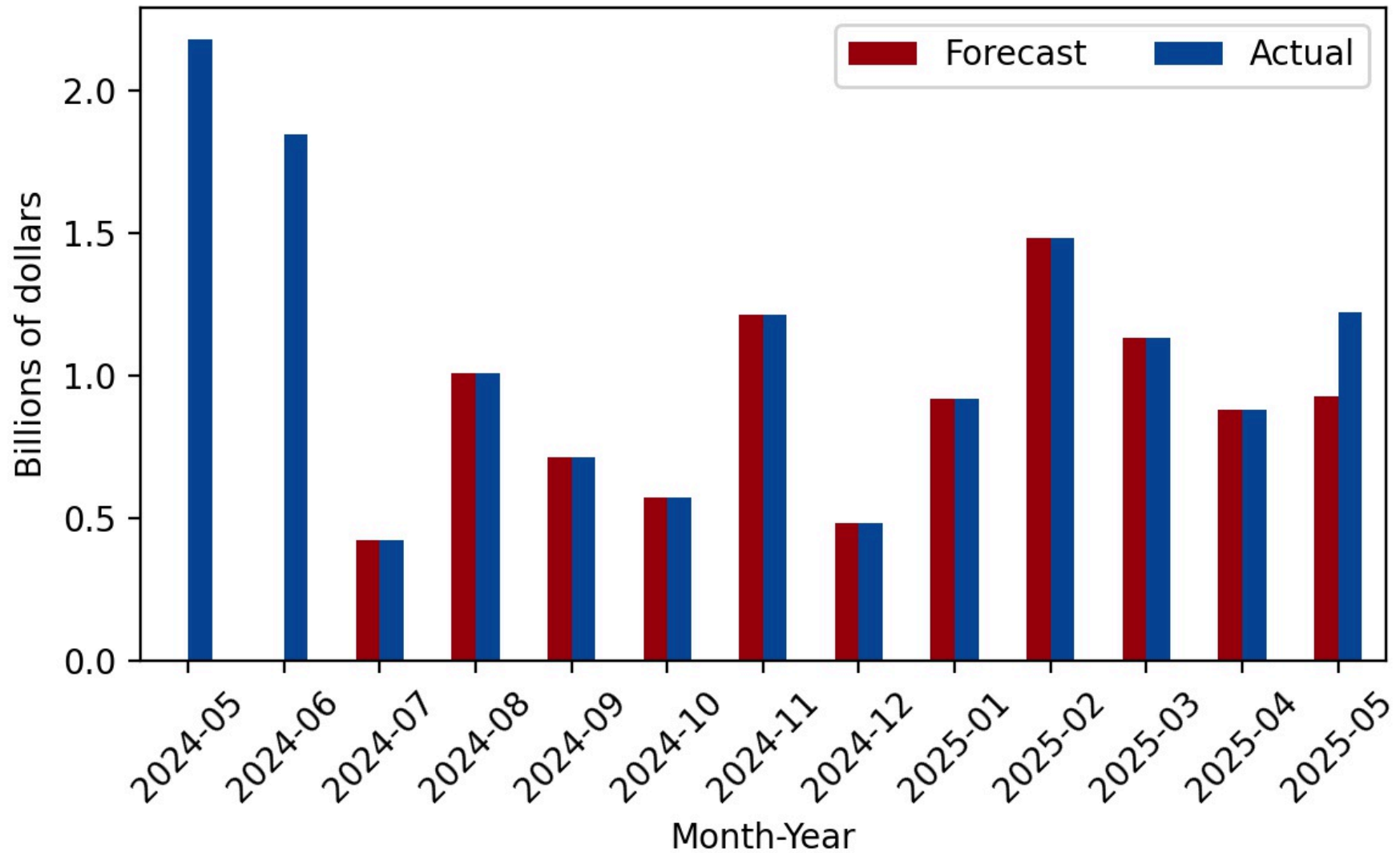


Figure 11

Difference between Actual and 2025-26 May Revision Forecast:
Agency General Fund Cash Receipts

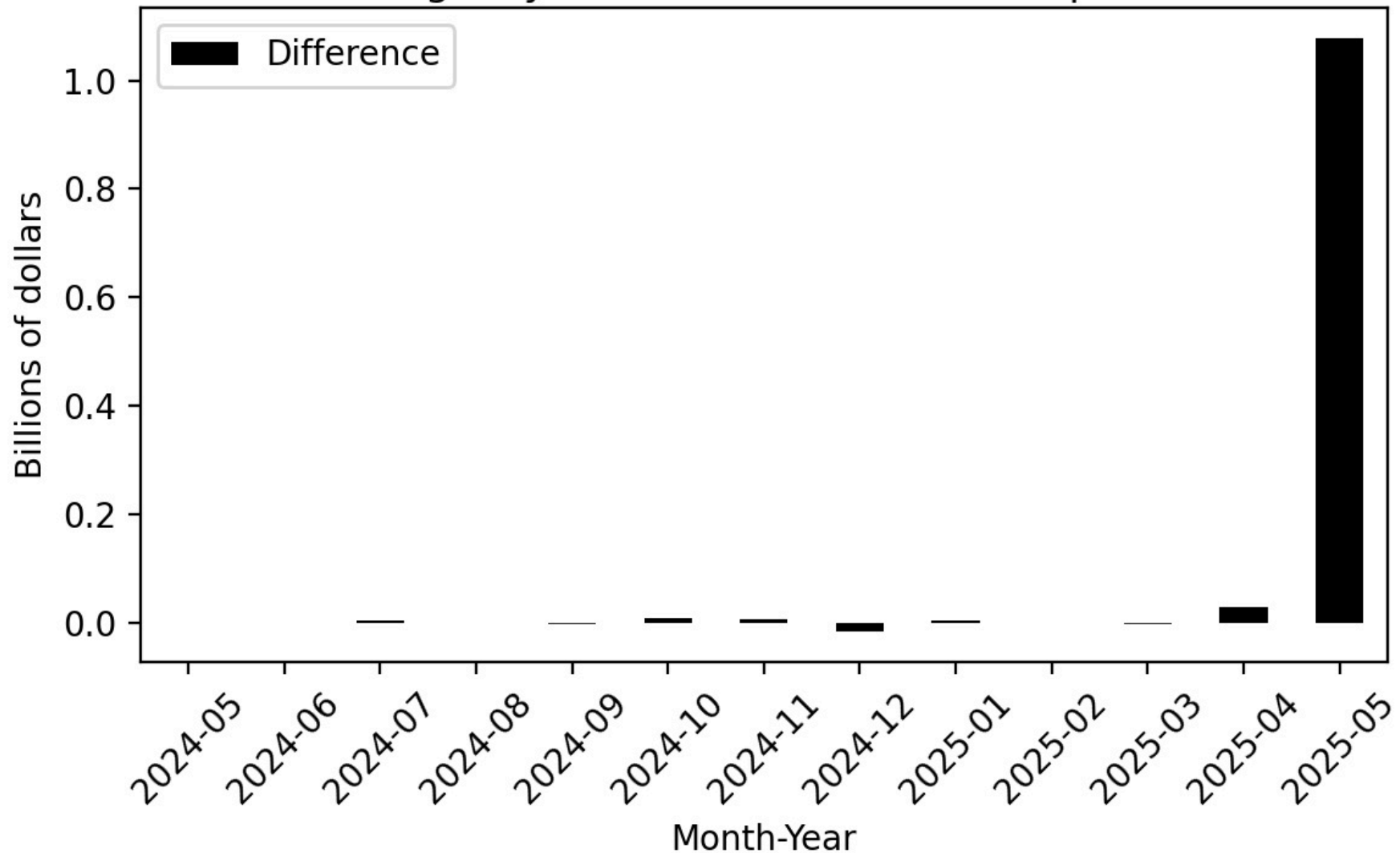


Figure 12

Difference between Actual and 2025-26 May Revision Forecast:
Personal Income Tax

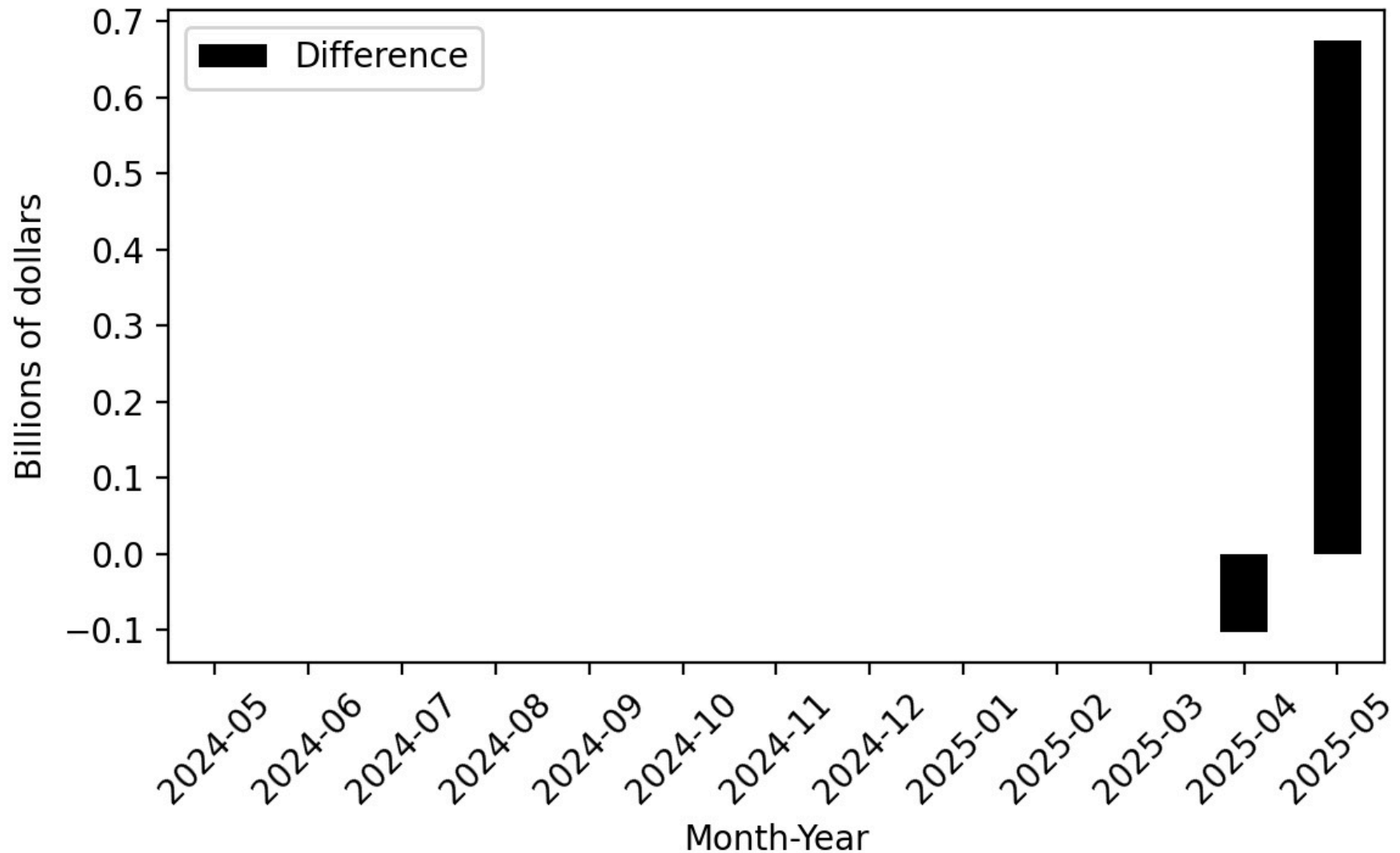


Figure 13

Difference between Actual and 2025-26 May Revision Forecast:
Corporation Tax

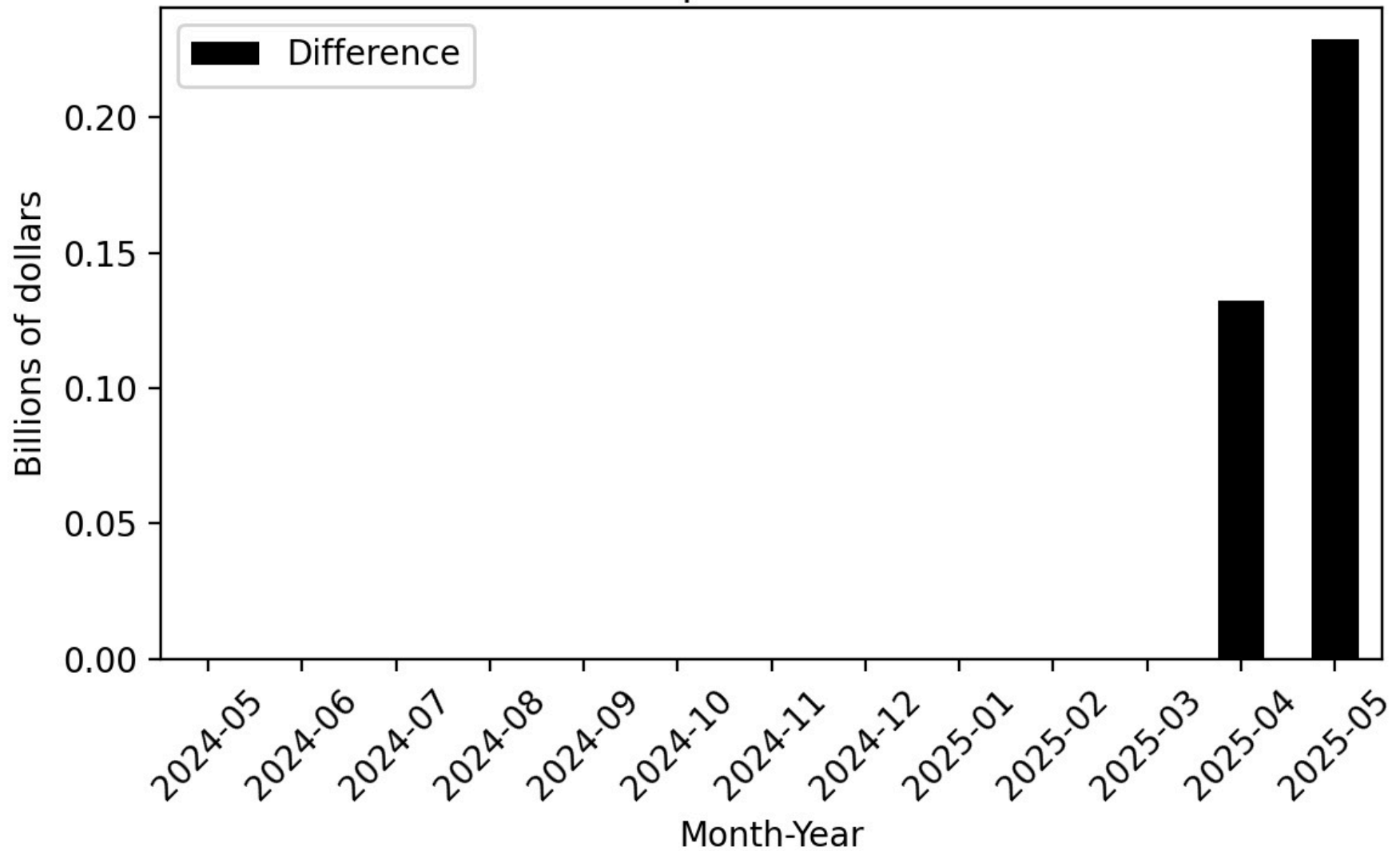


Figure 14

Difference between Actual and 2025-26 May Revision Forecast:
Sales & Use Tax

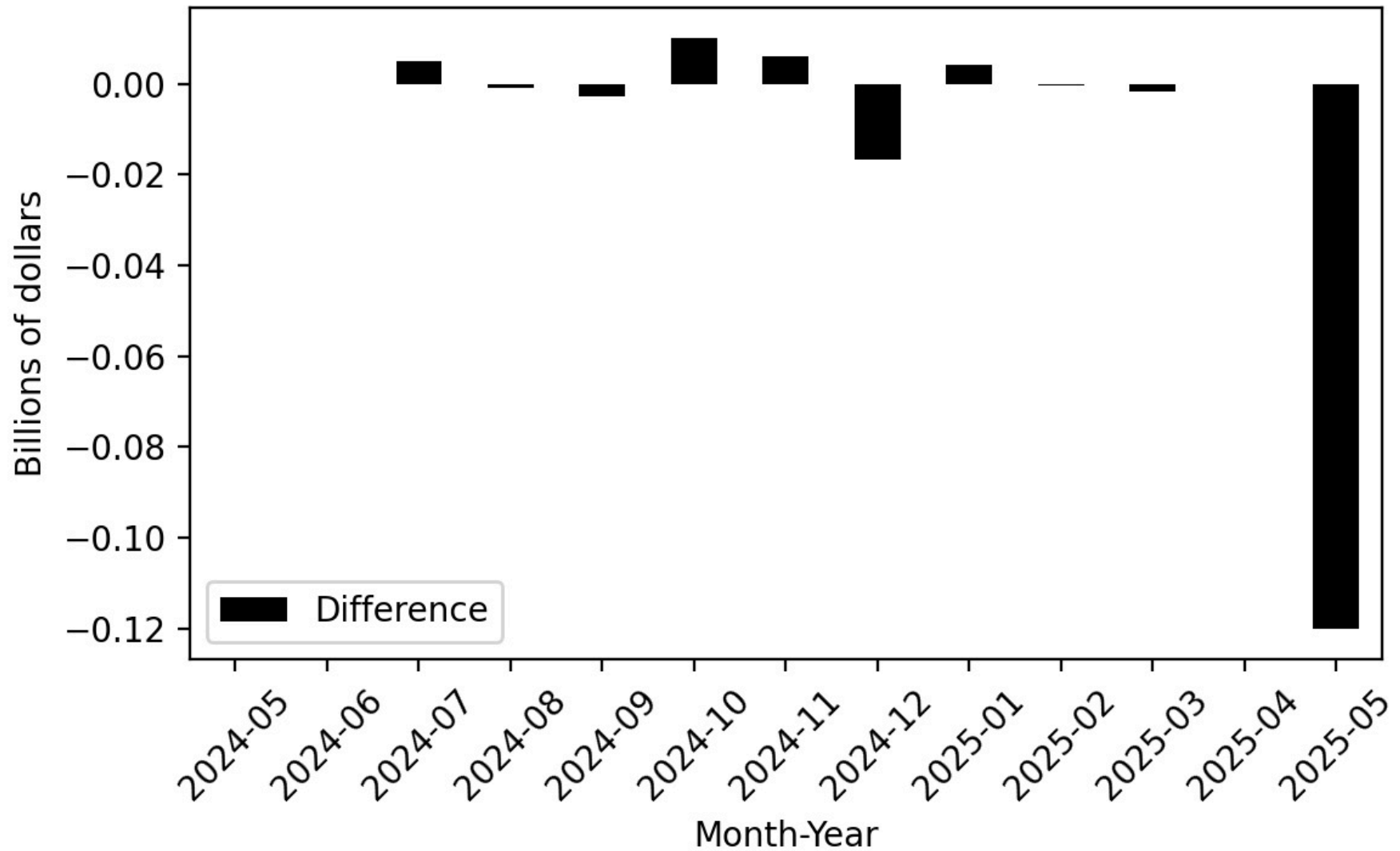


Figure 15

Difference between Actual and 2025-26 May Revision Forecast:
All Other Taxes

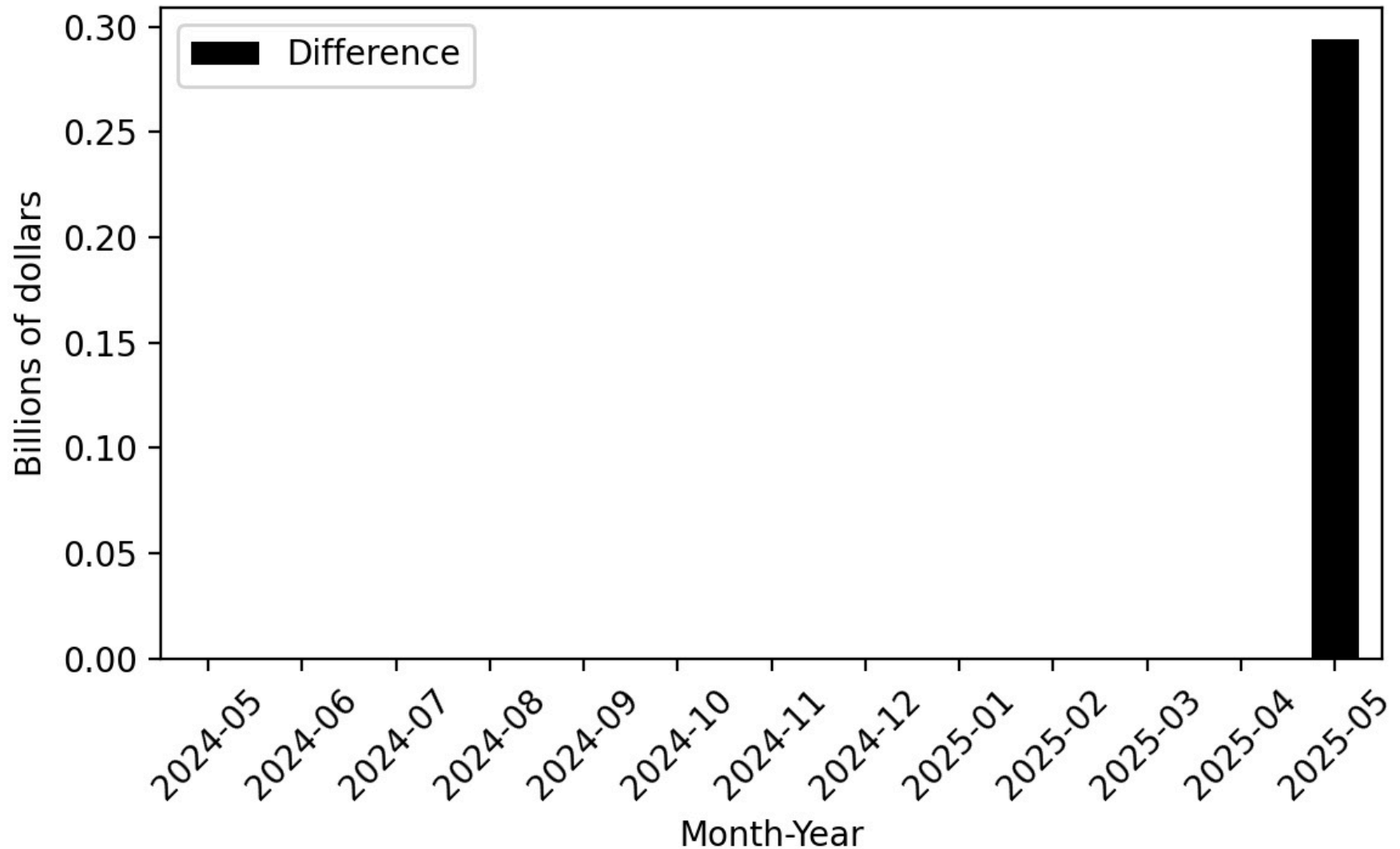


Figure 16

Cumulative Difference between Actual and 2025-26 May Revision
Forecast: Agency General Fund Cash Receipts

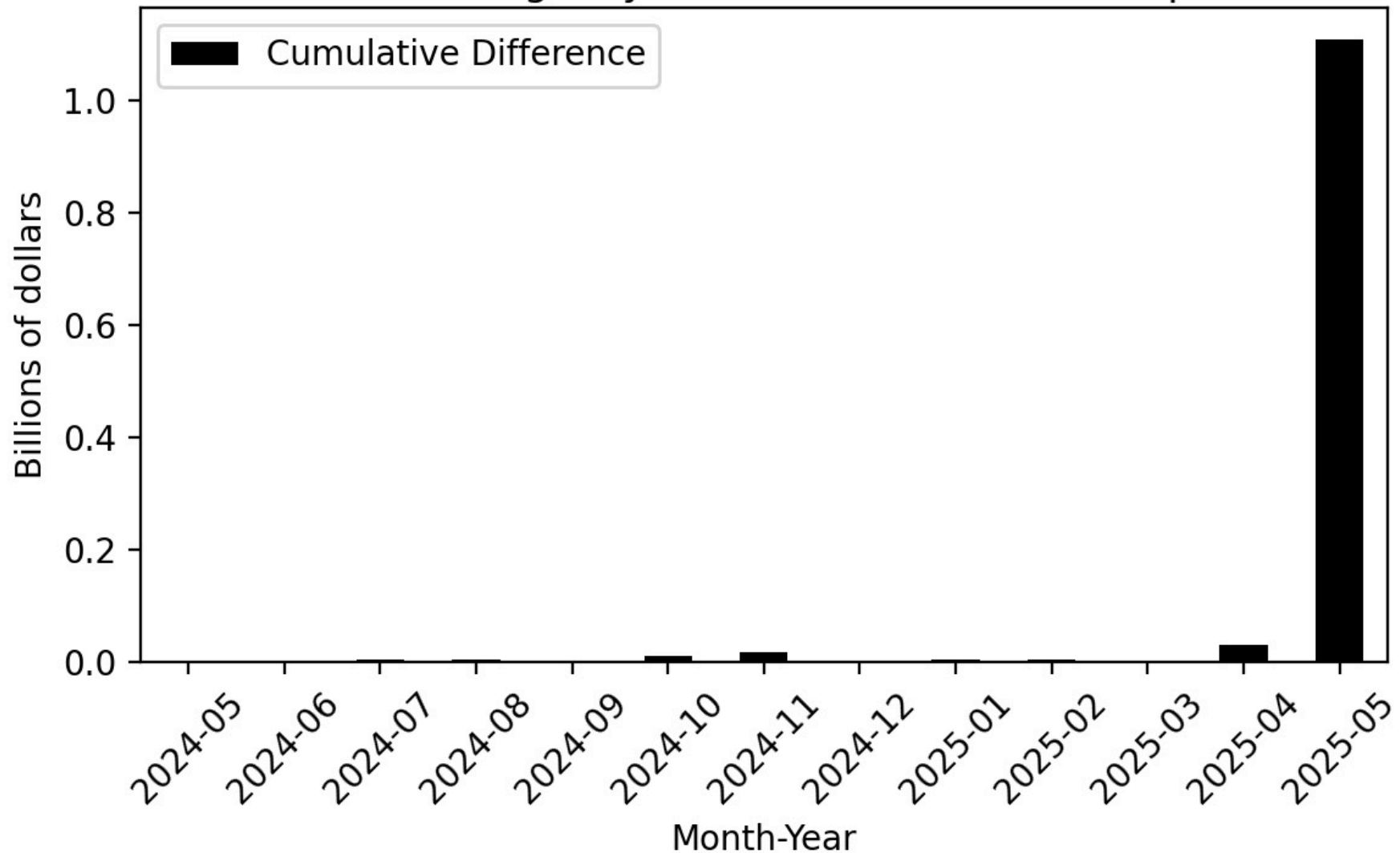


Figure 17

Cumulative Difference between Actual and 2025-26 May
Revision Forecast: Personal Income Tax

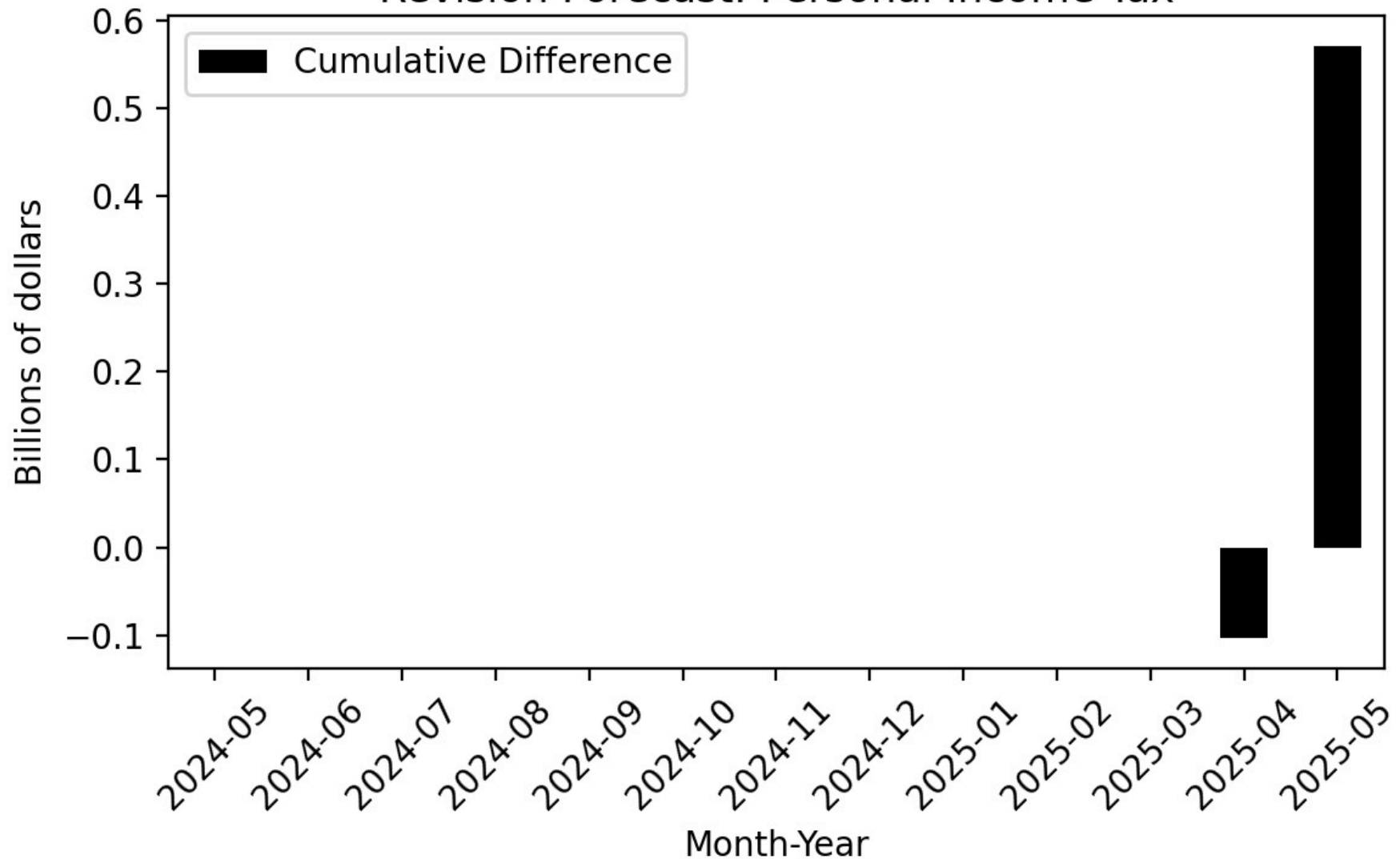


Figure 18

Cumulative Difference between Actual and 2025-26 May
Revision Forecast: Corporation Tax

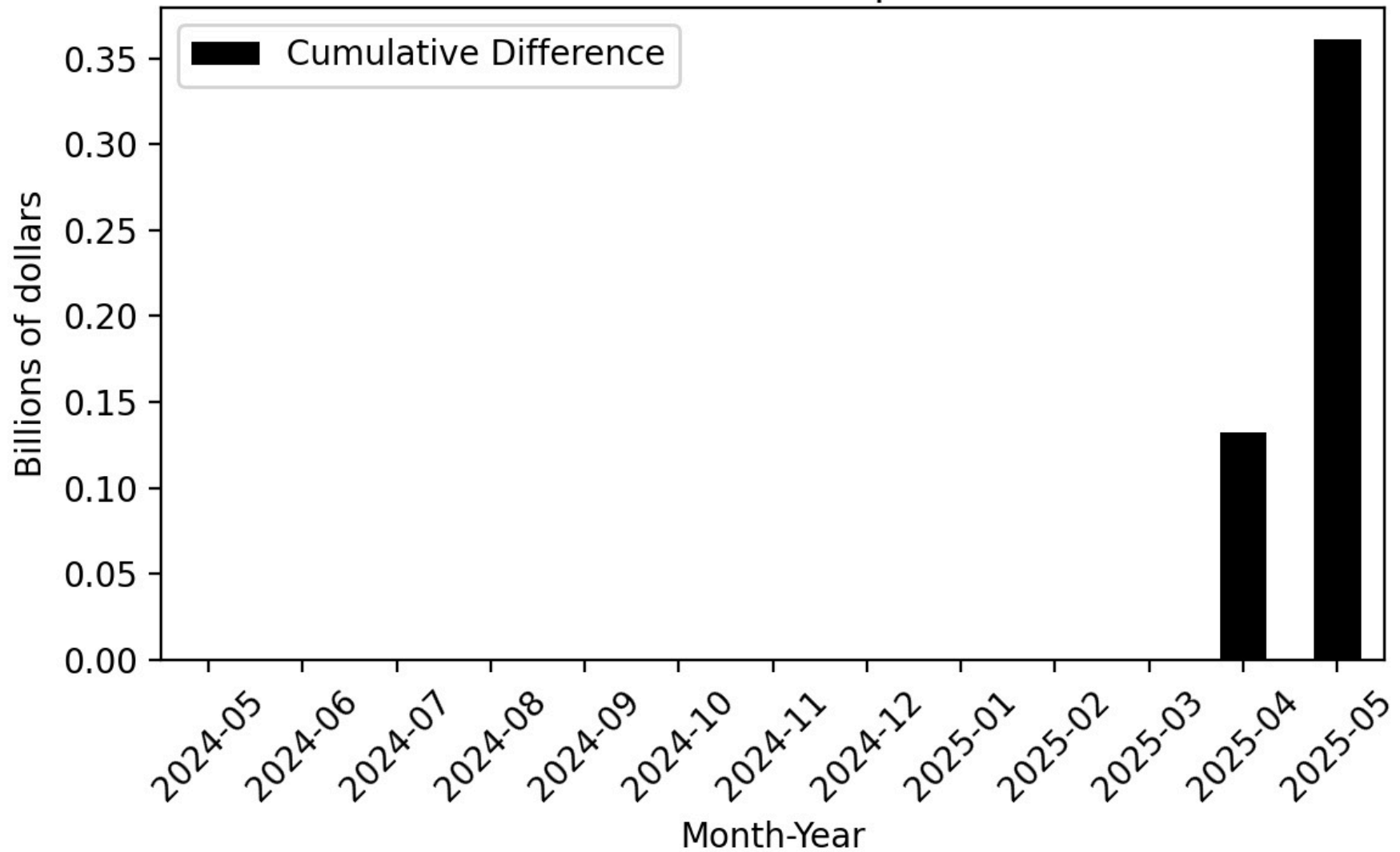


Figure 19

Cumulative Difference between Actual and 2025-26 May
Revision Forecast: Sales & Use Tax

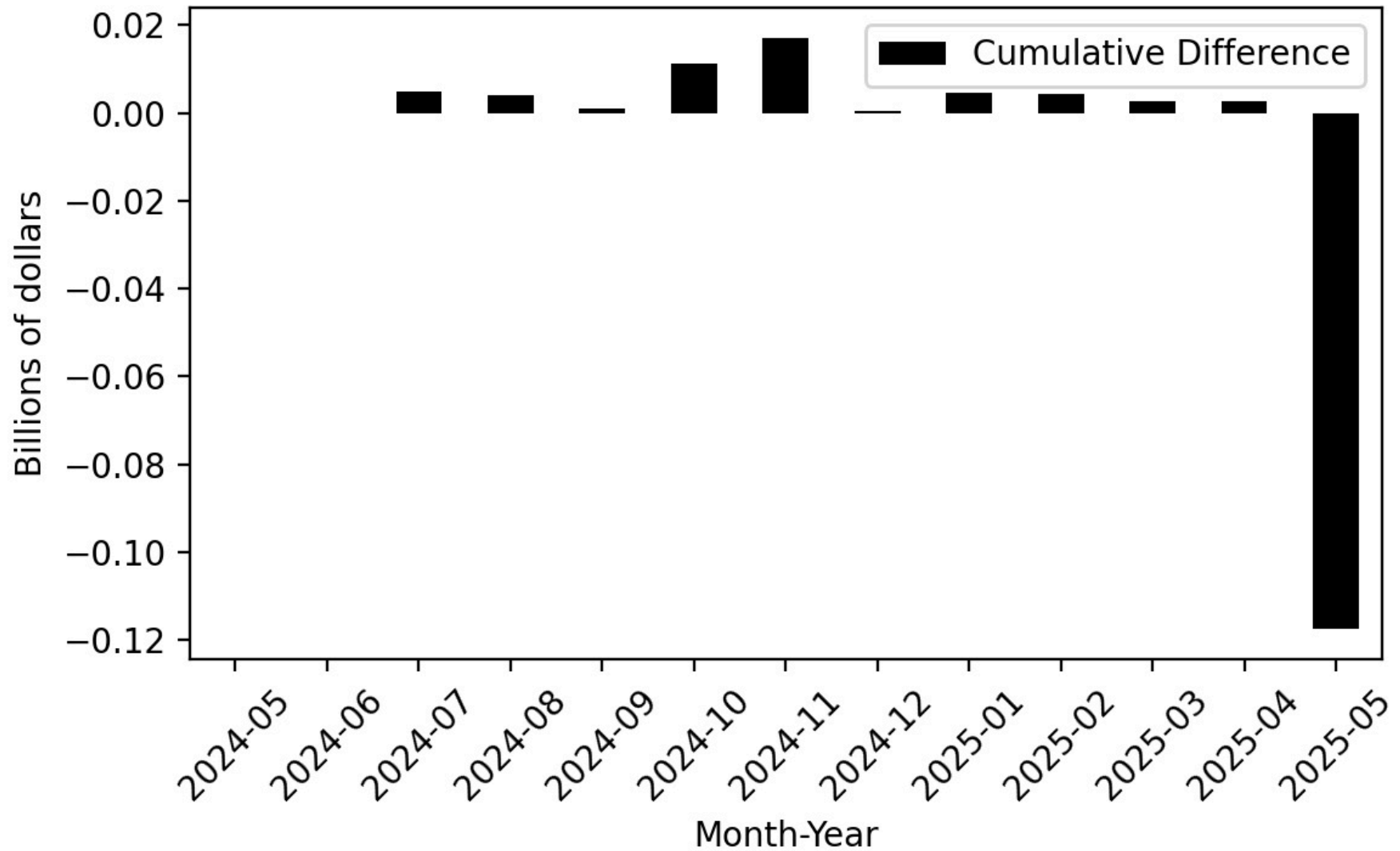


Figure 20

Cumulative Difference between Actual and 2025-26 May
Revision Forecast: All Other Taxes

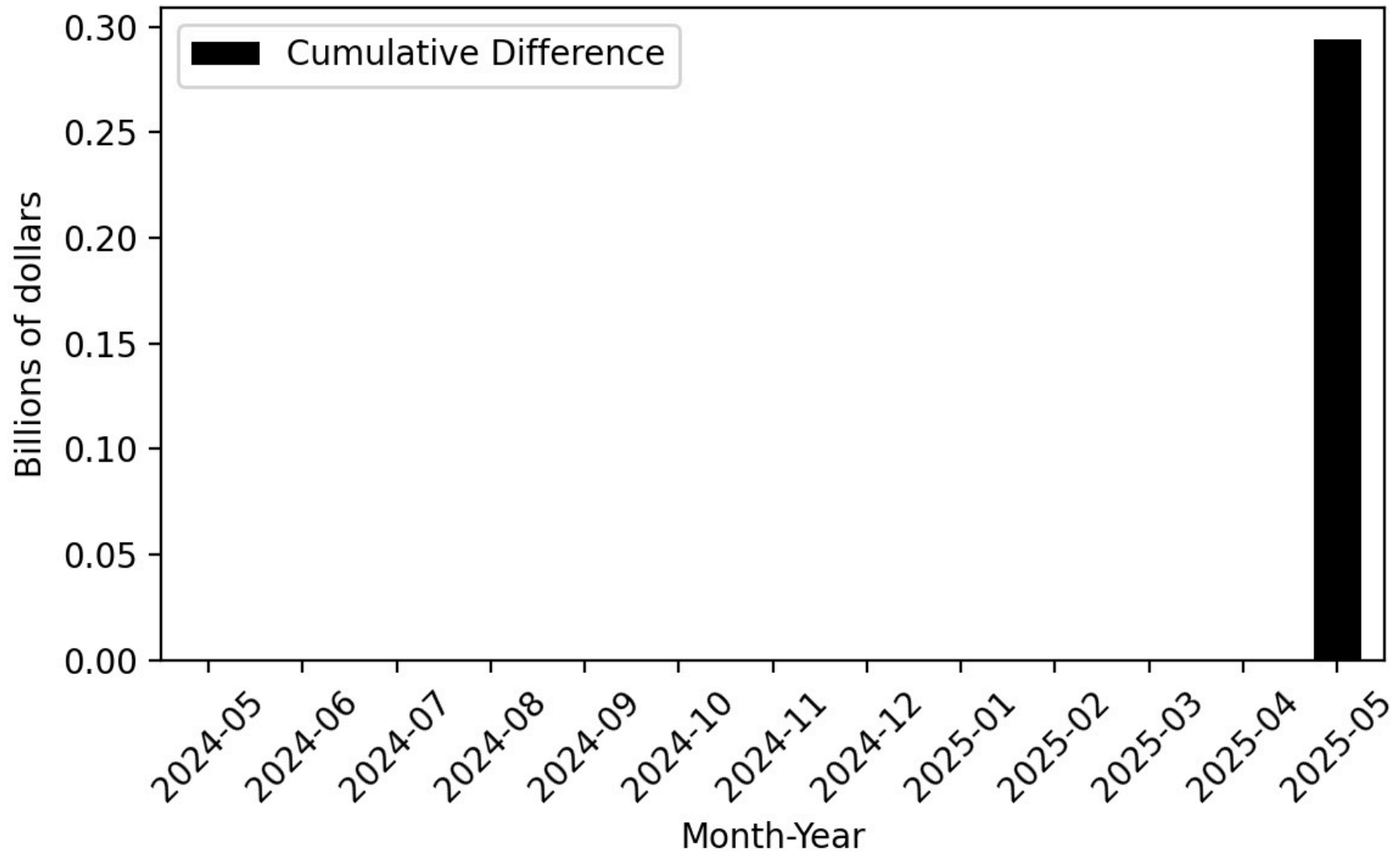


Figure 21

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast - Agency General Fund Cash Receipts

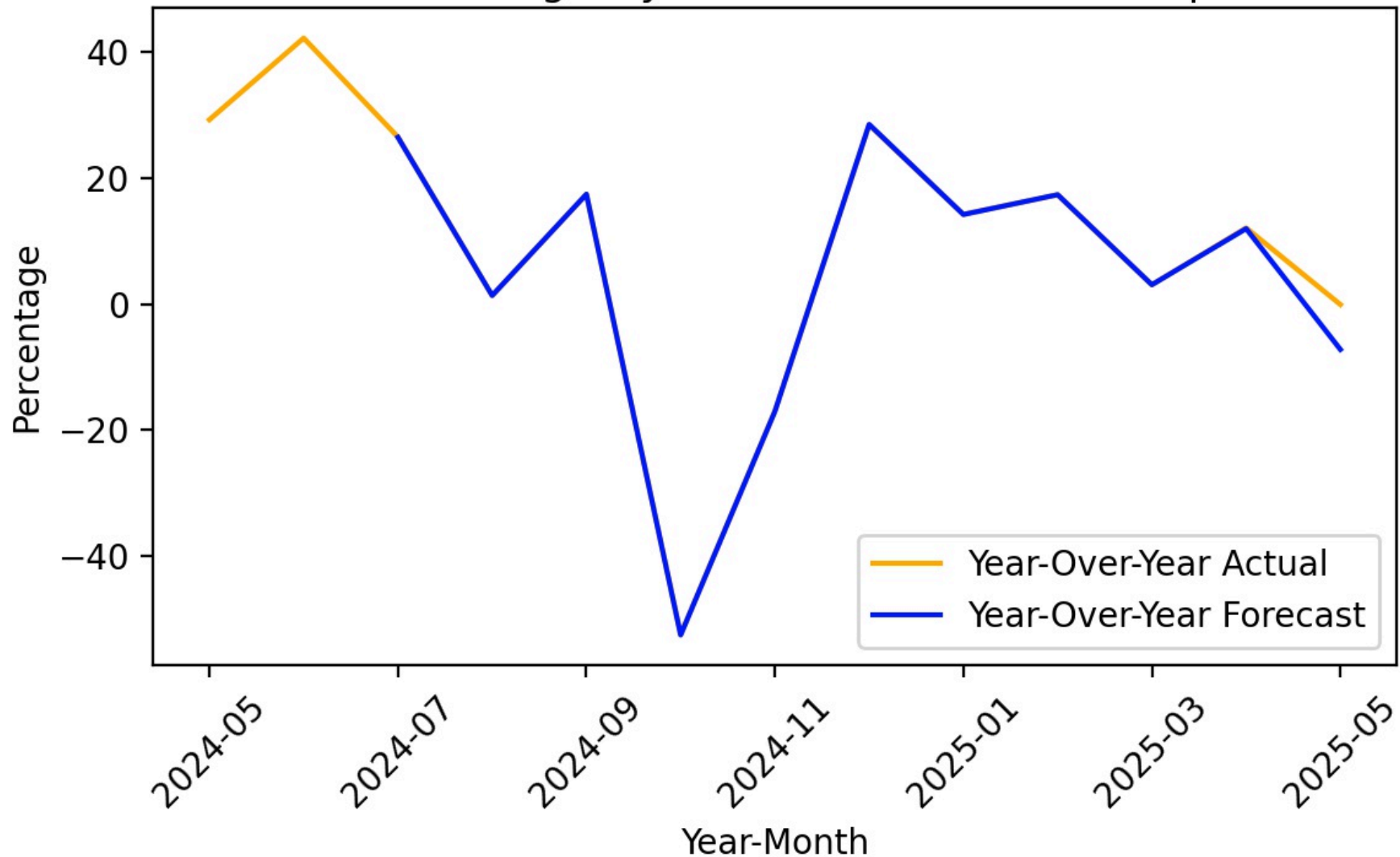


Figure 22

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Personal Income

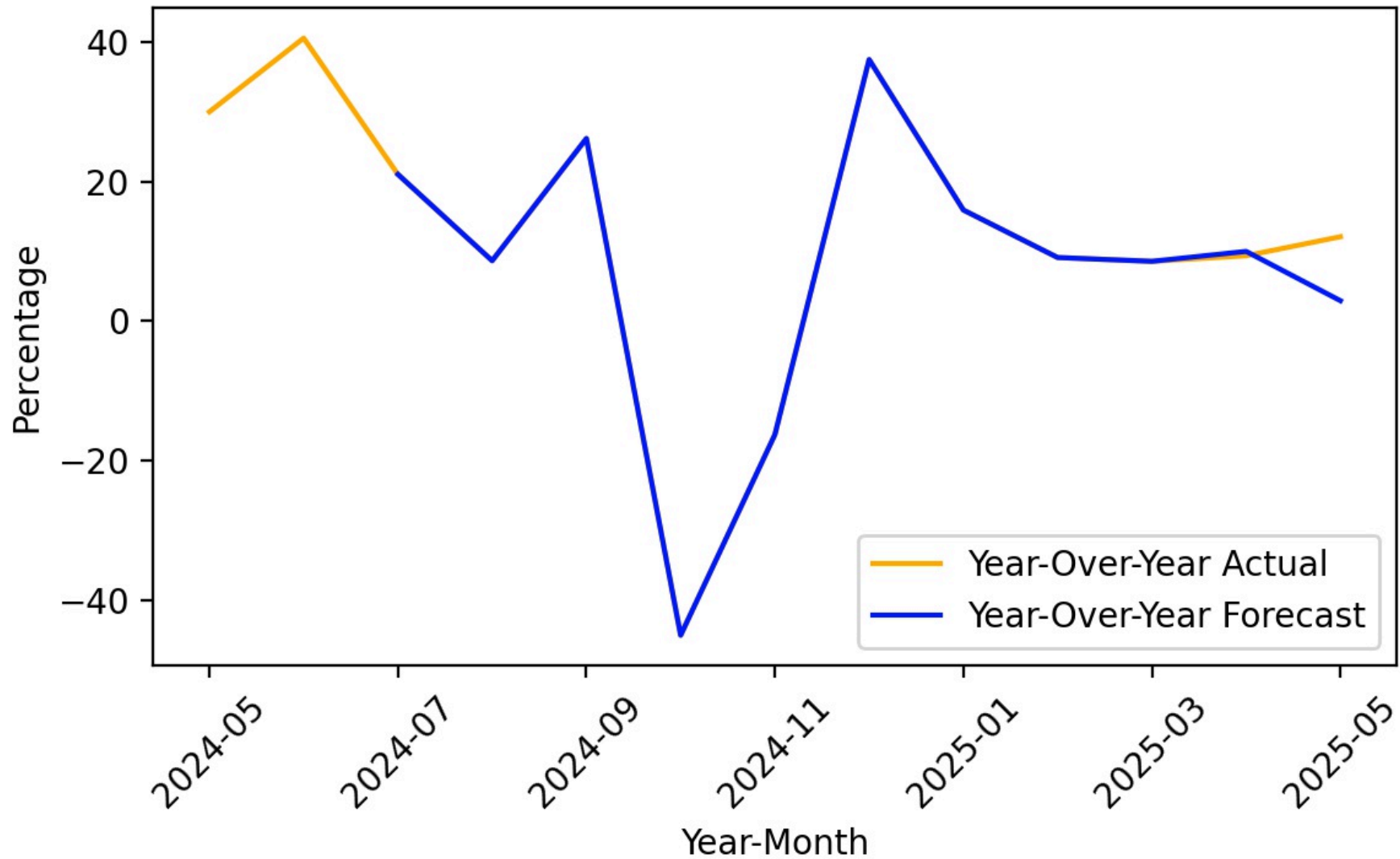


Figure 23

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-Corporation

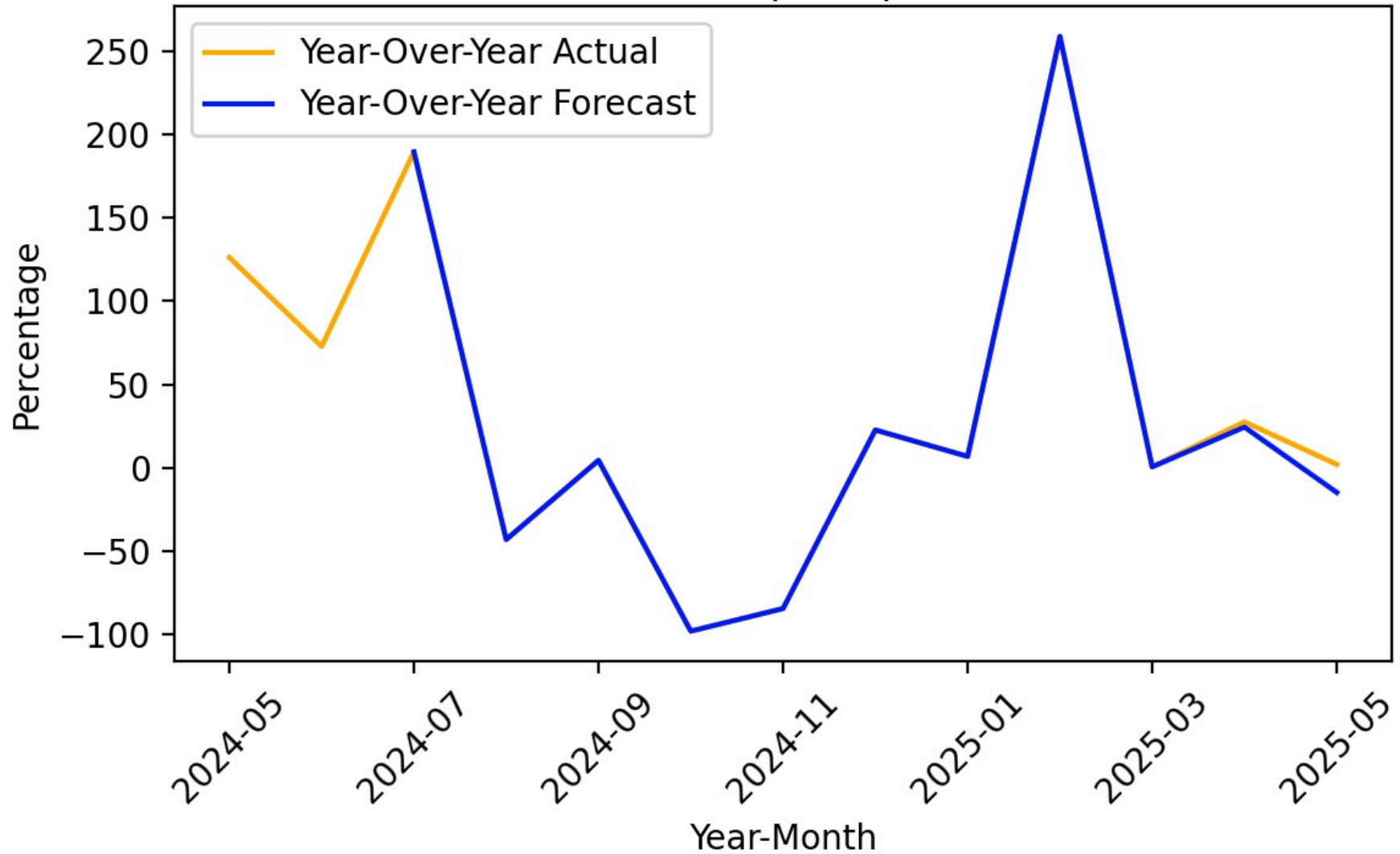


Figure 24

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast SUT-Sales & Use

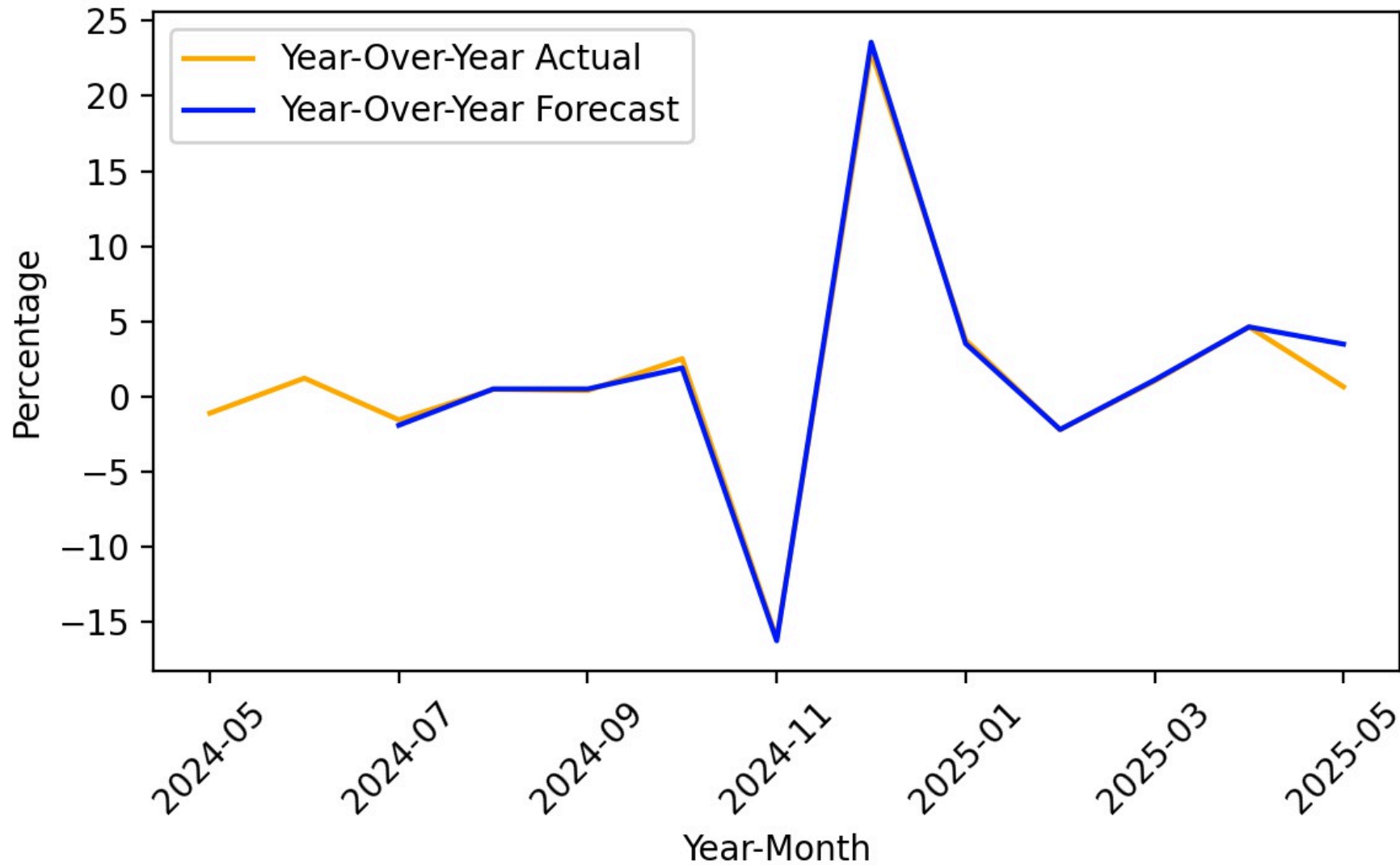


Figure 25

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-All Other Revenue

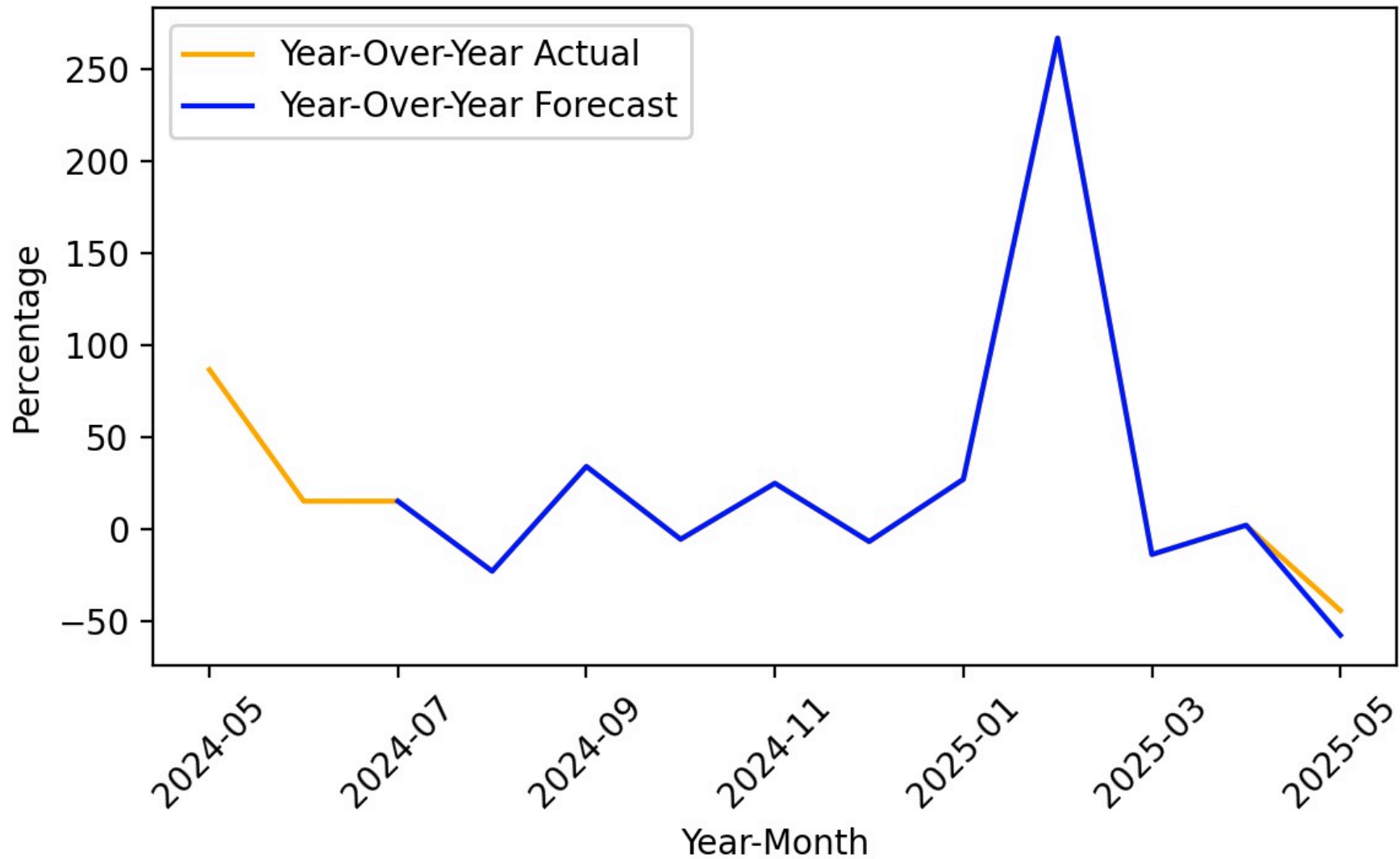


Figure 26

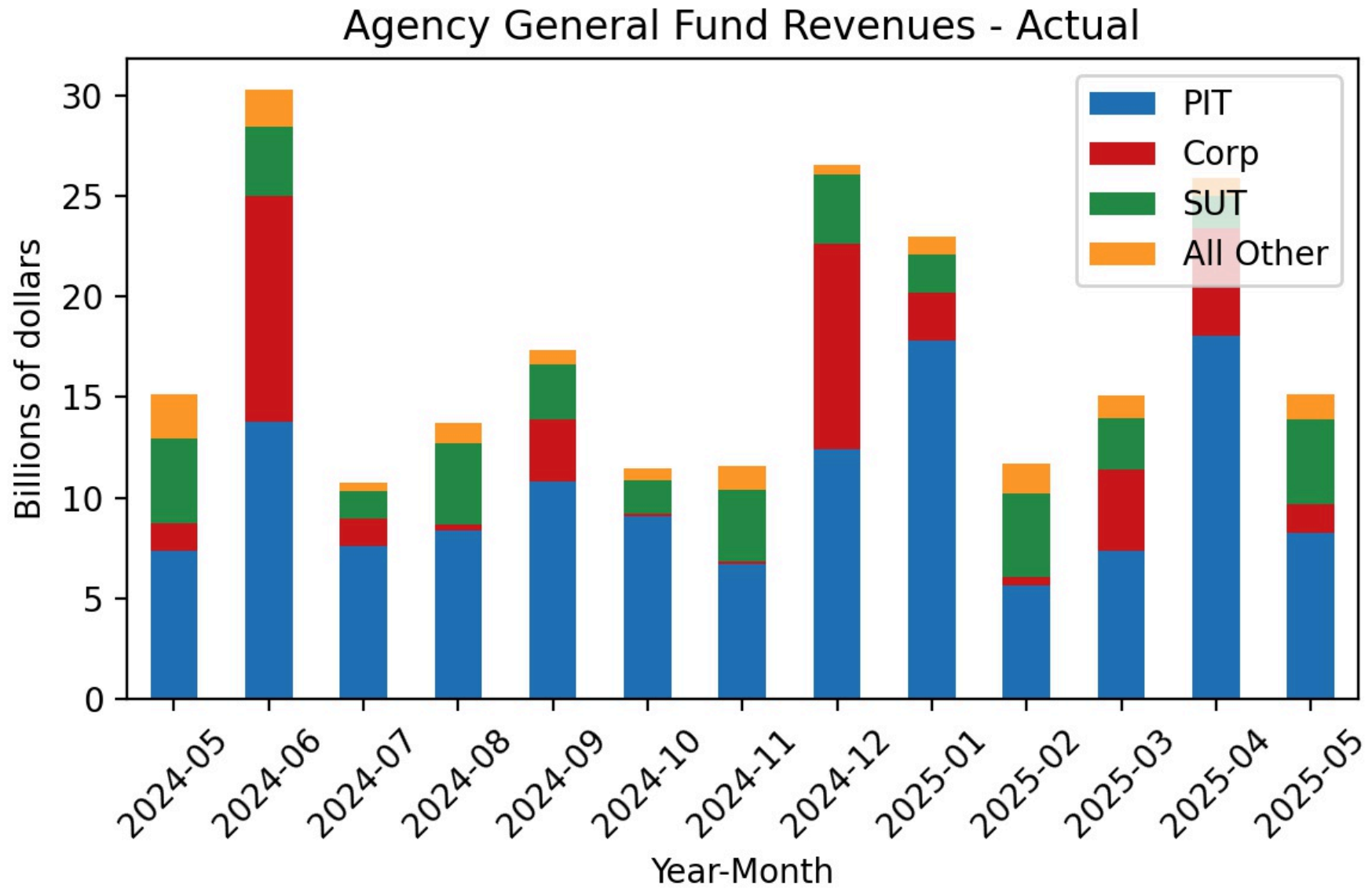


Figure 27

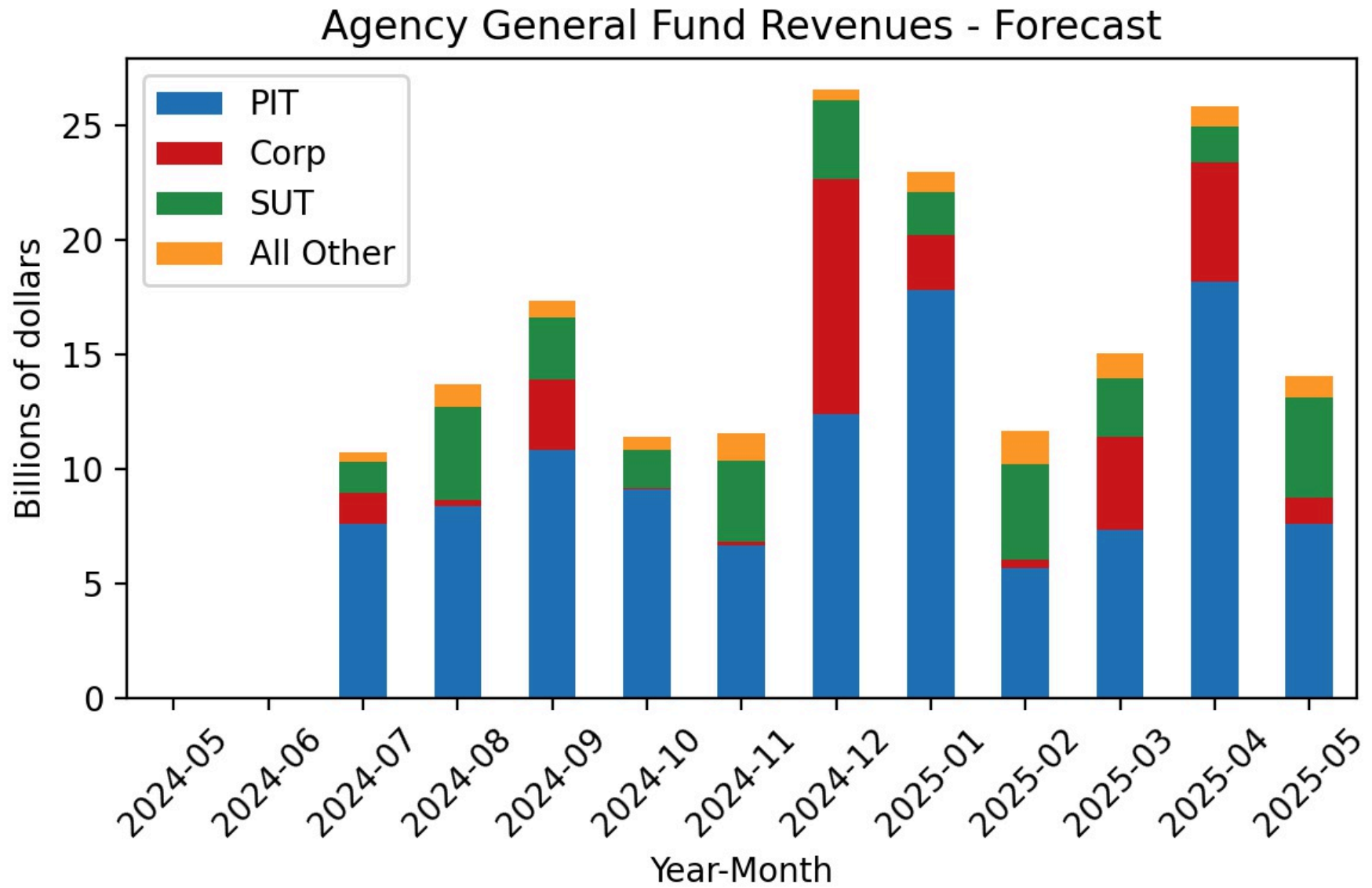


Figure 28

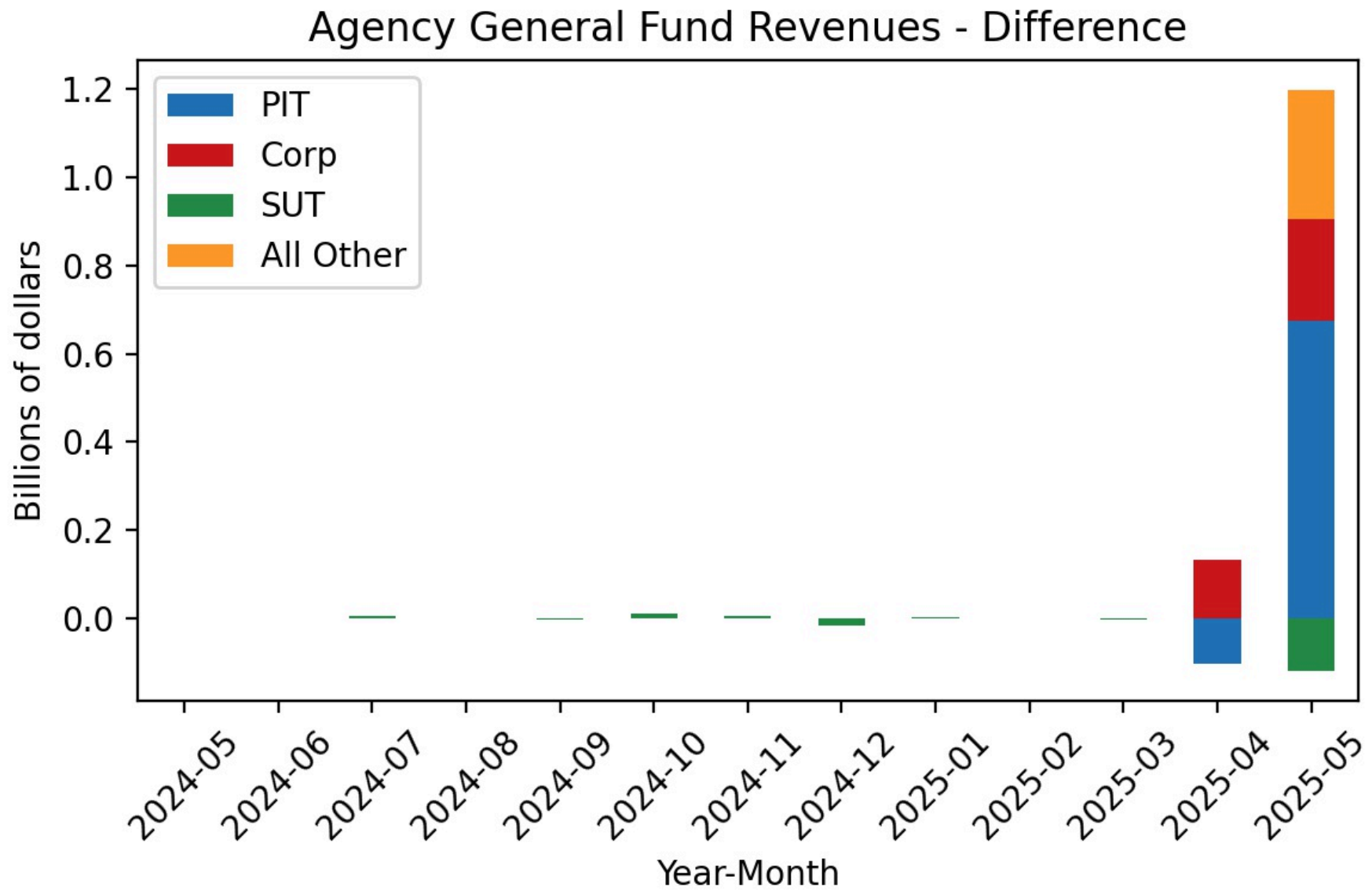


Figure 29

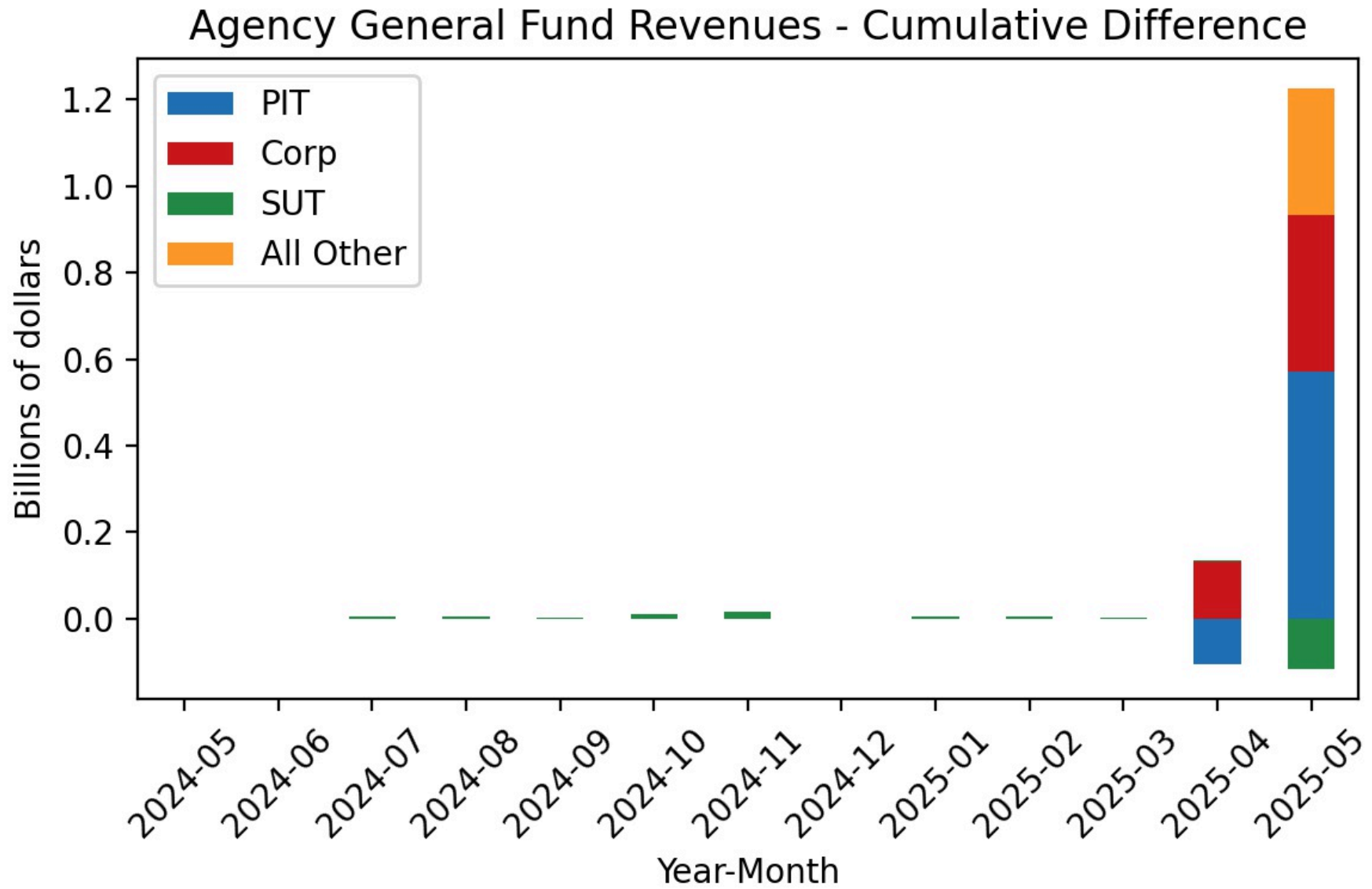


Figure 30

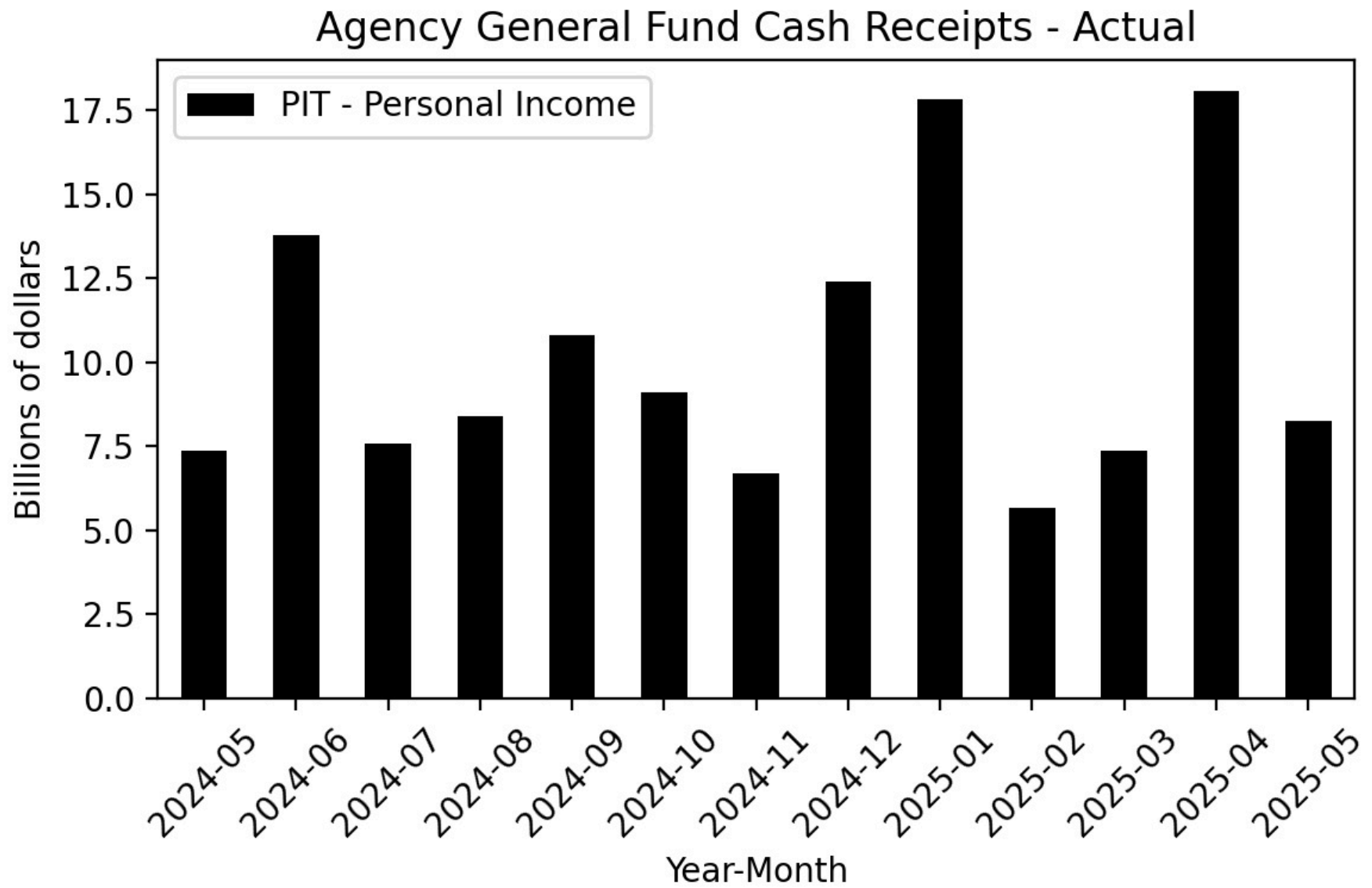


Figure 31

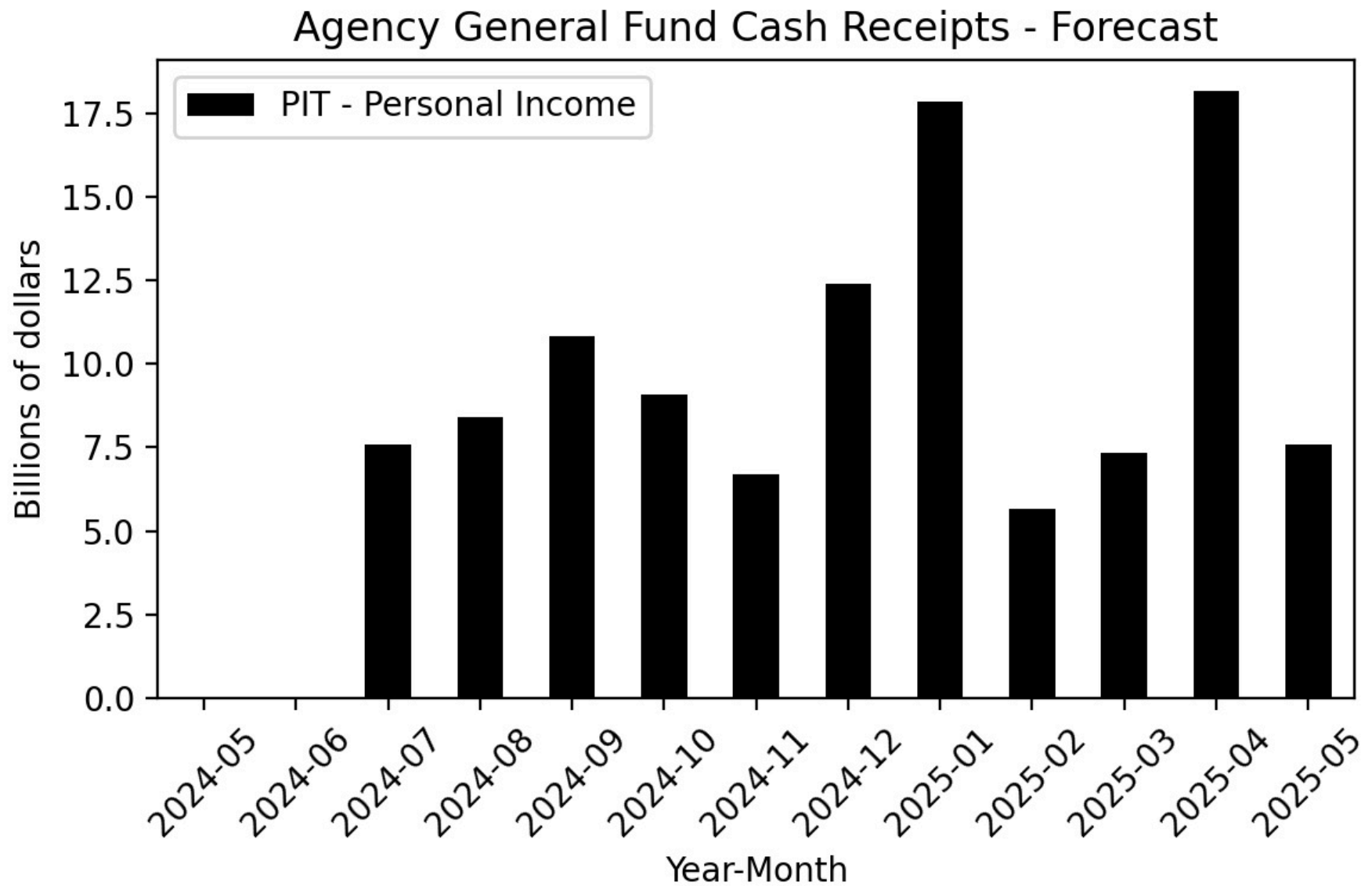


Figure 32

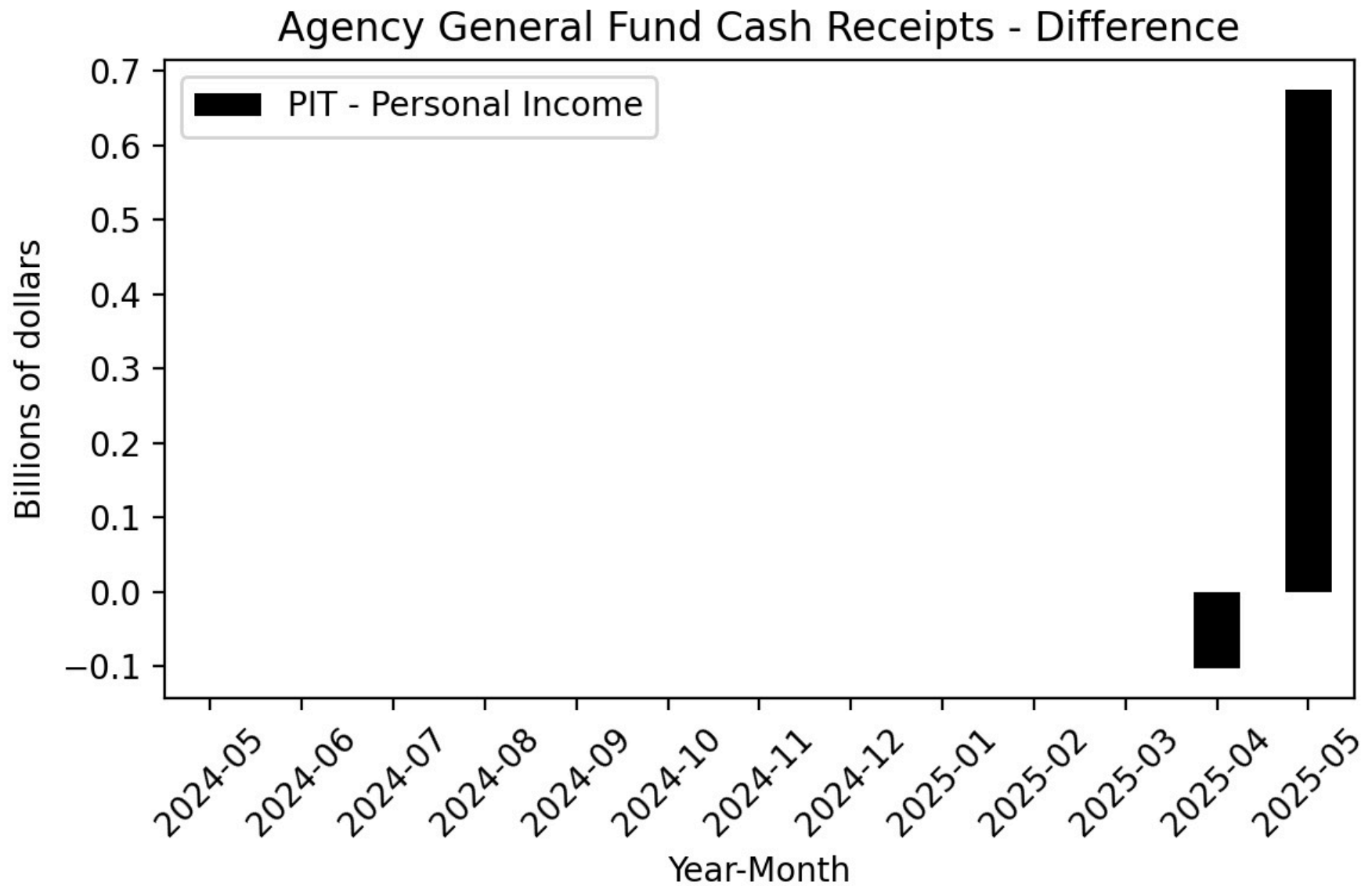


Figure 33

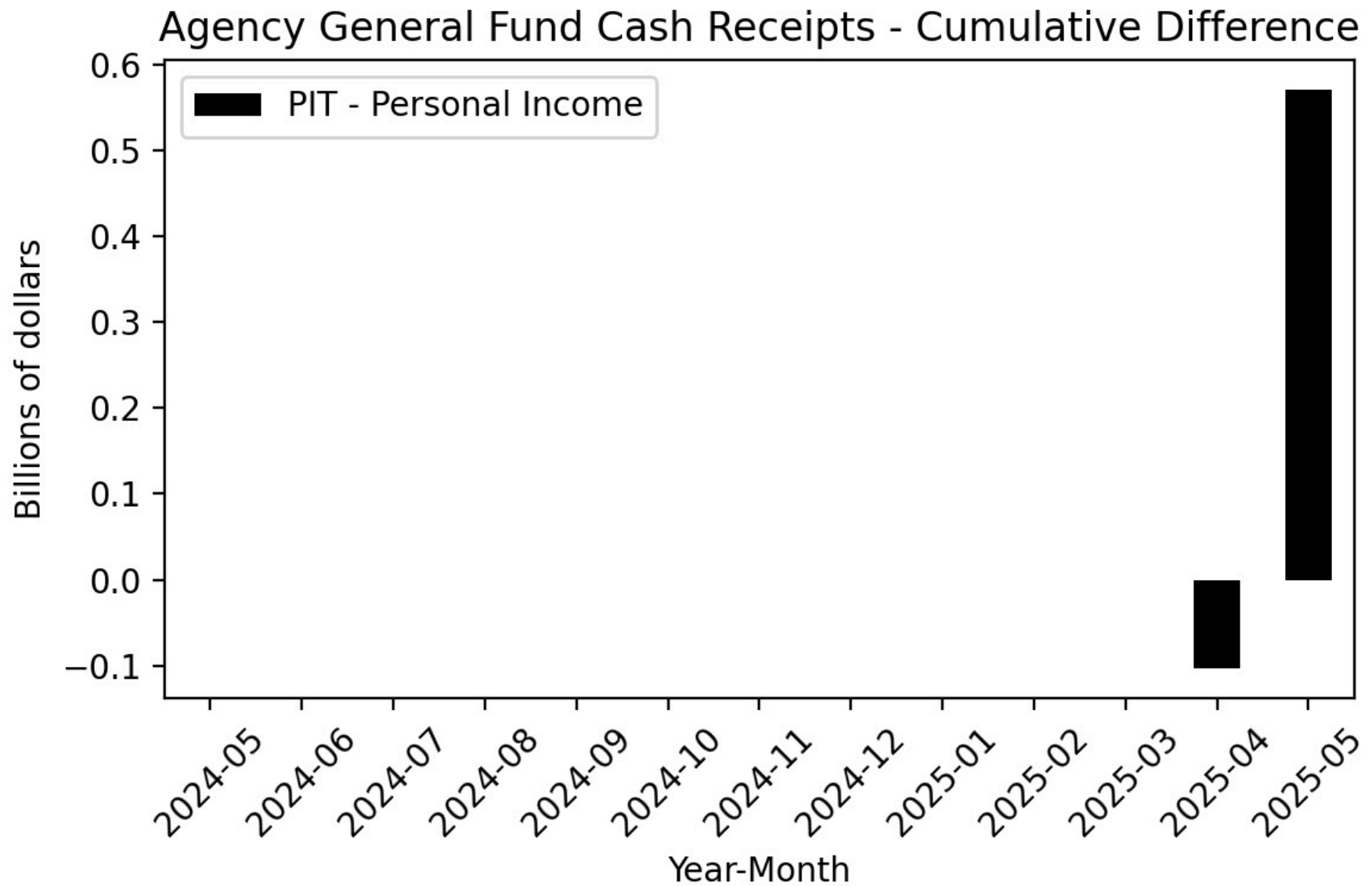


Figure 34

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Personal Income

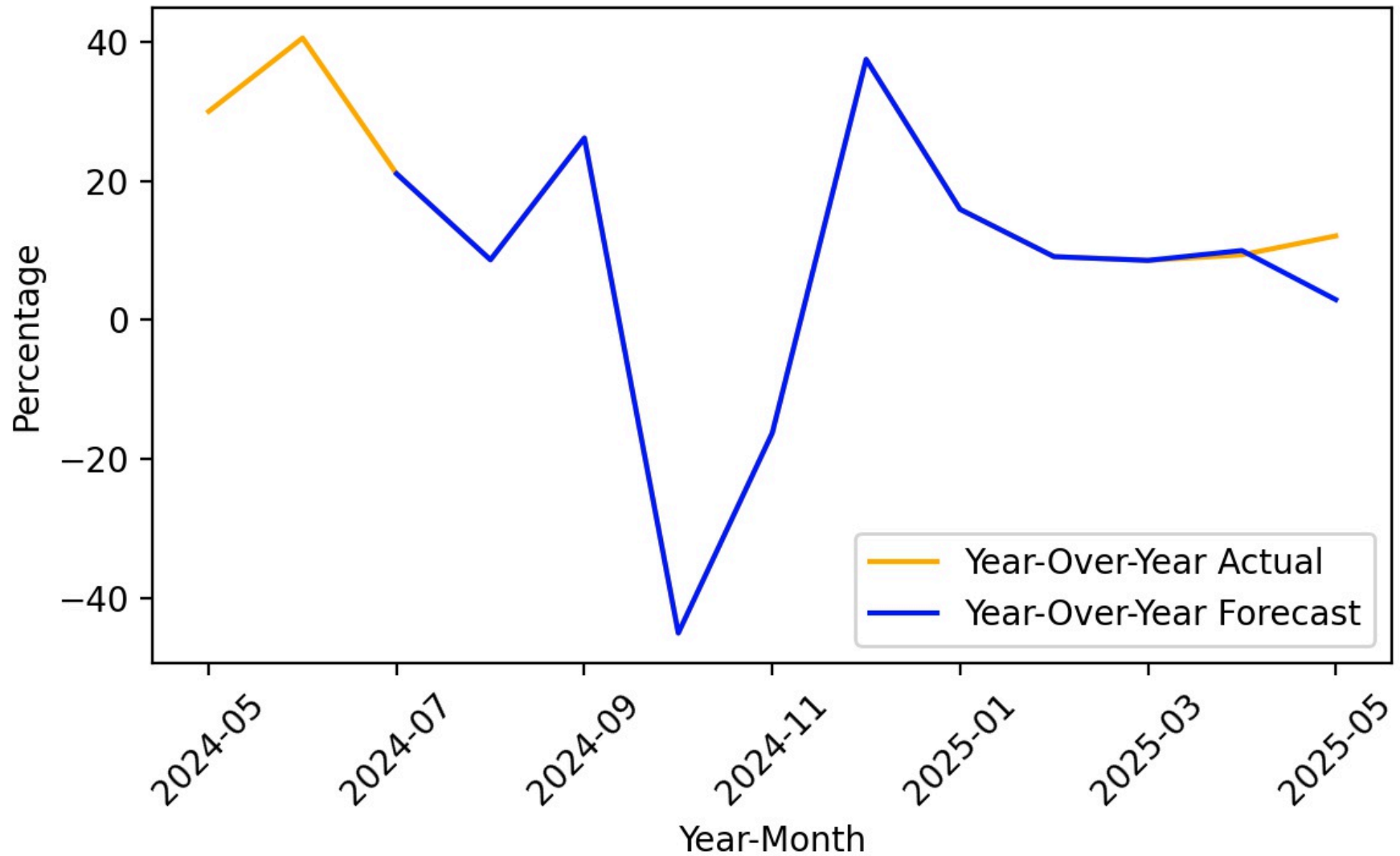


Figure 35

Agency General Fund Cash Receipts - Actual

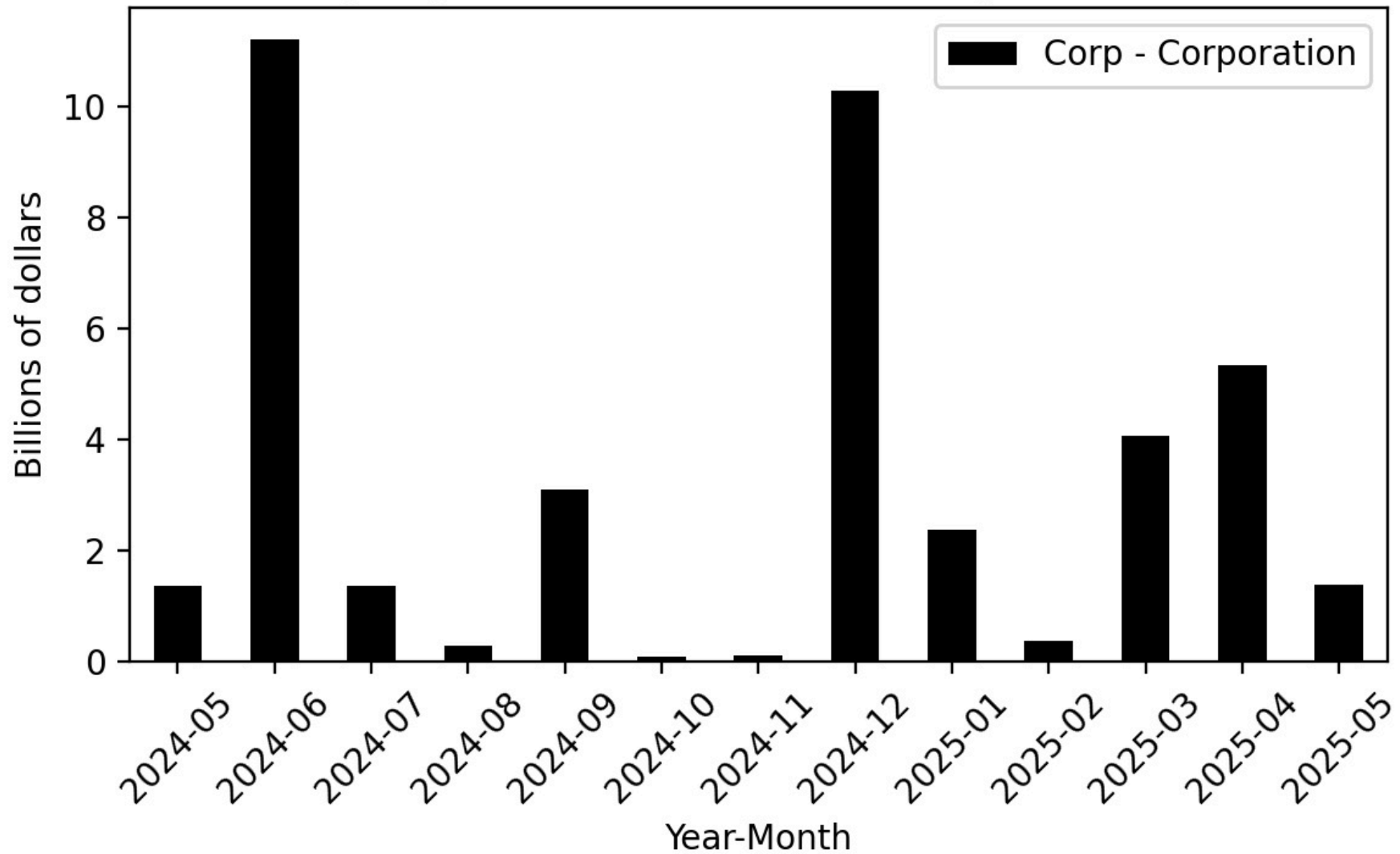


Figure 36

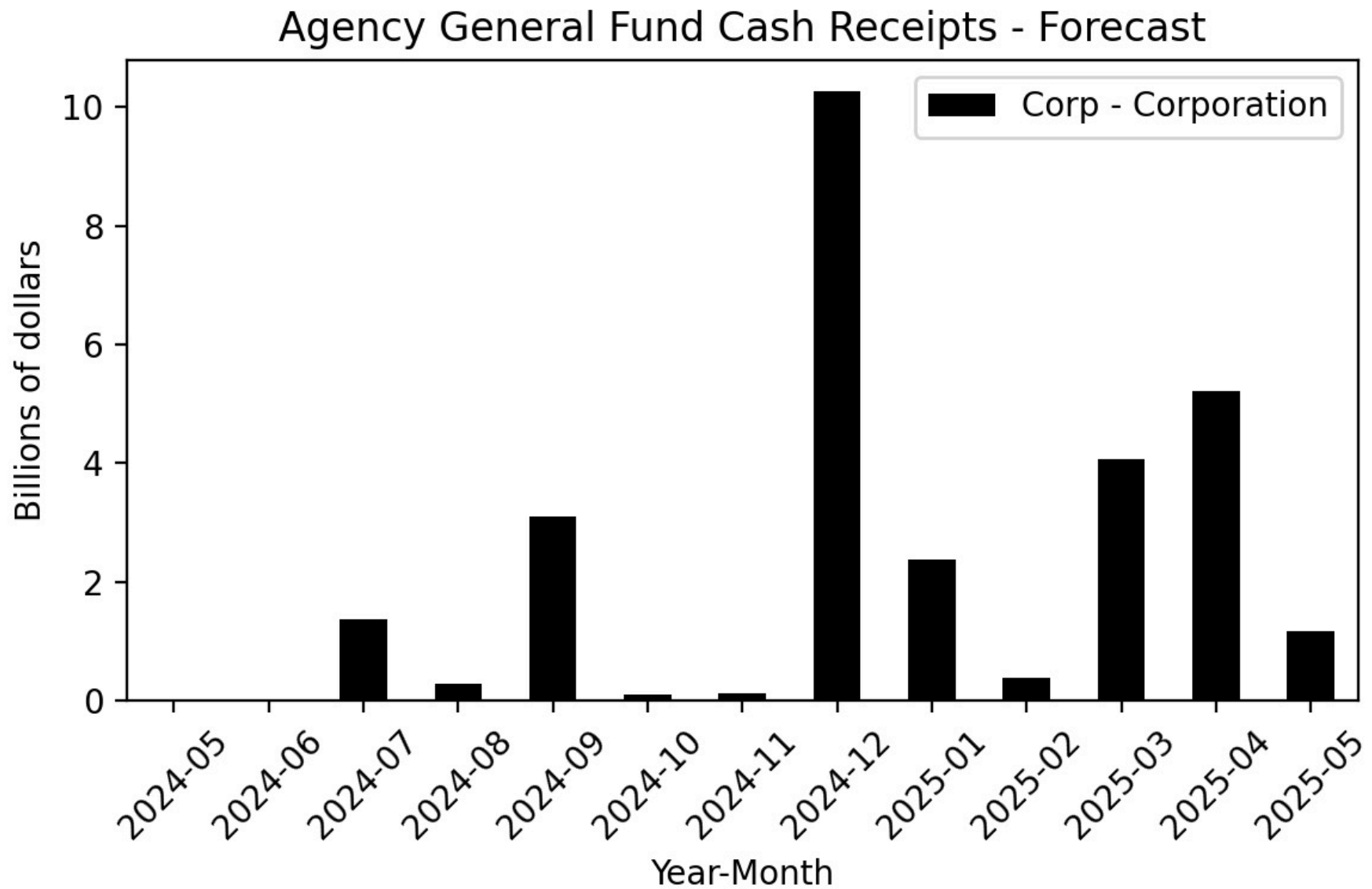


Figure 37

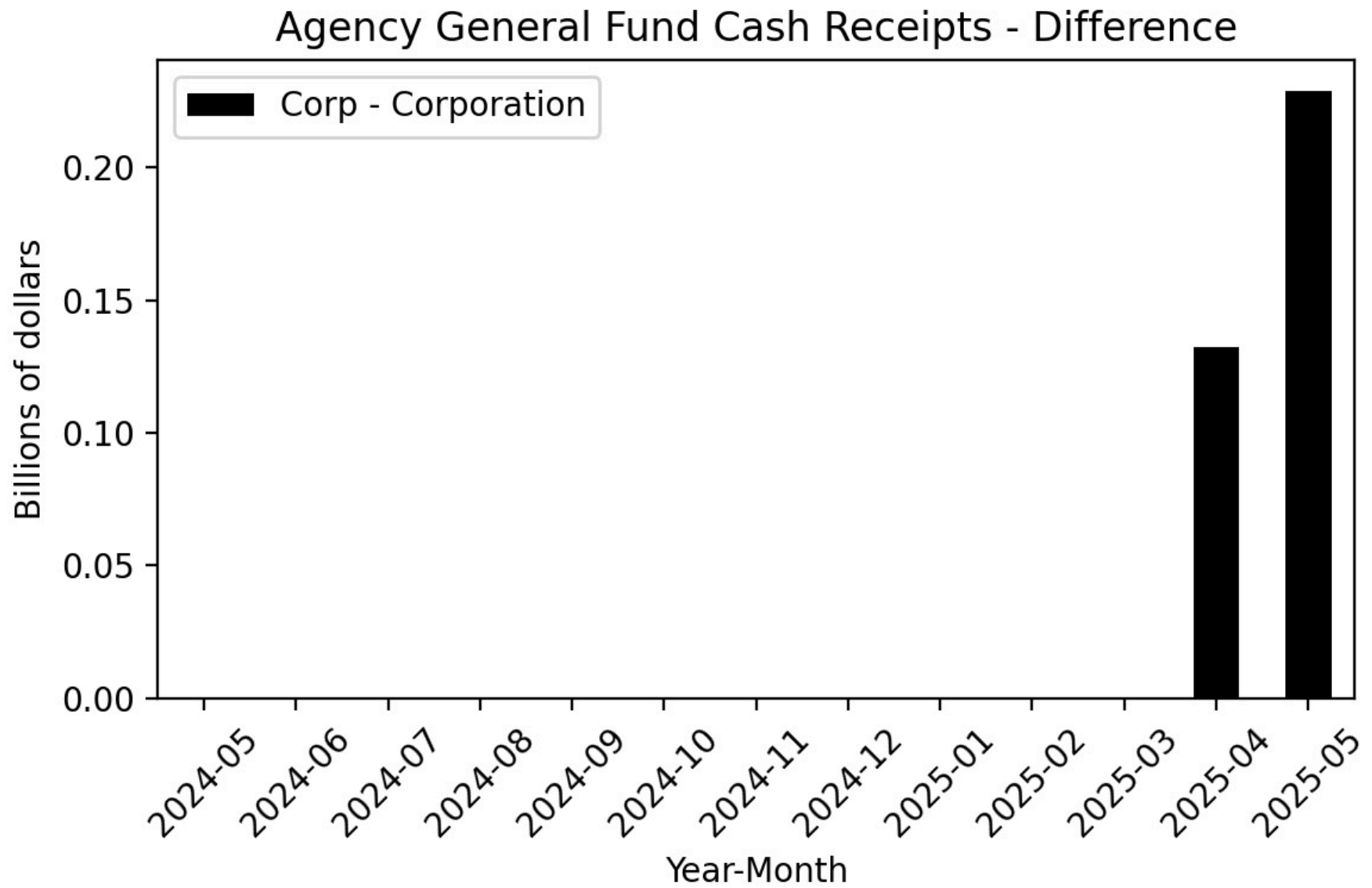


Figure 38

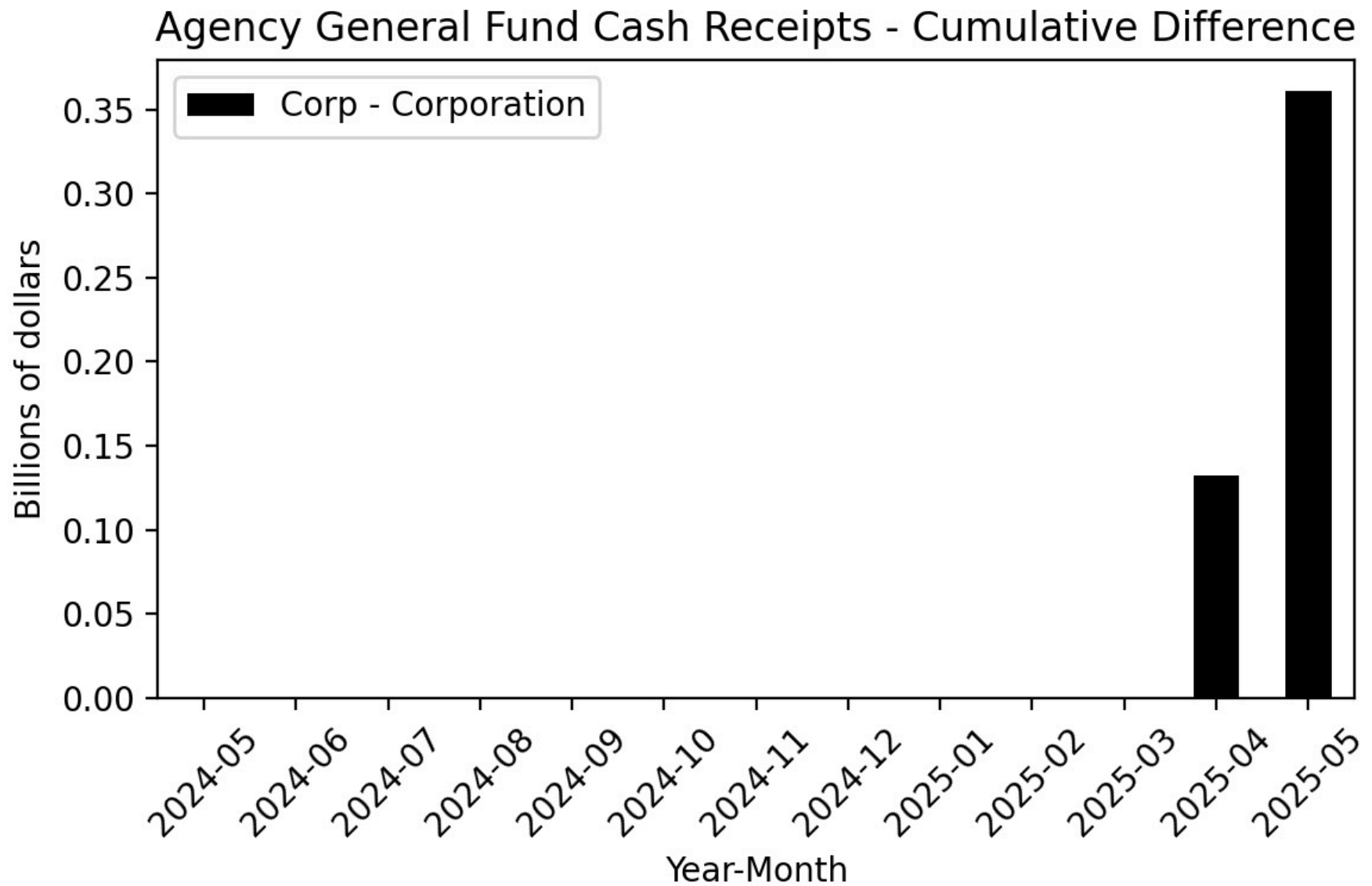


Figure 39

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-Corporation

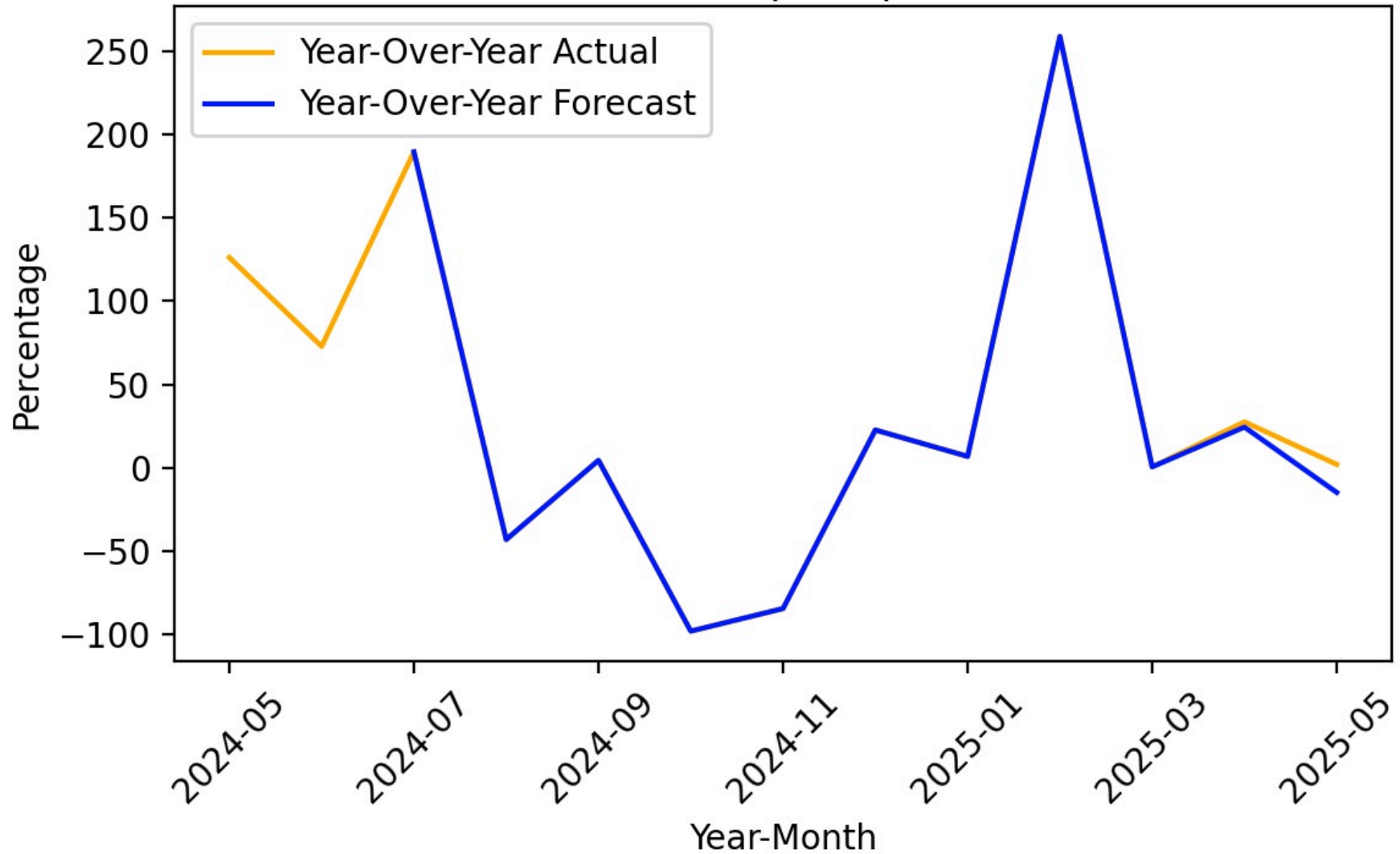


Figure 40

Agency General Fund Cash Receipts - Actual

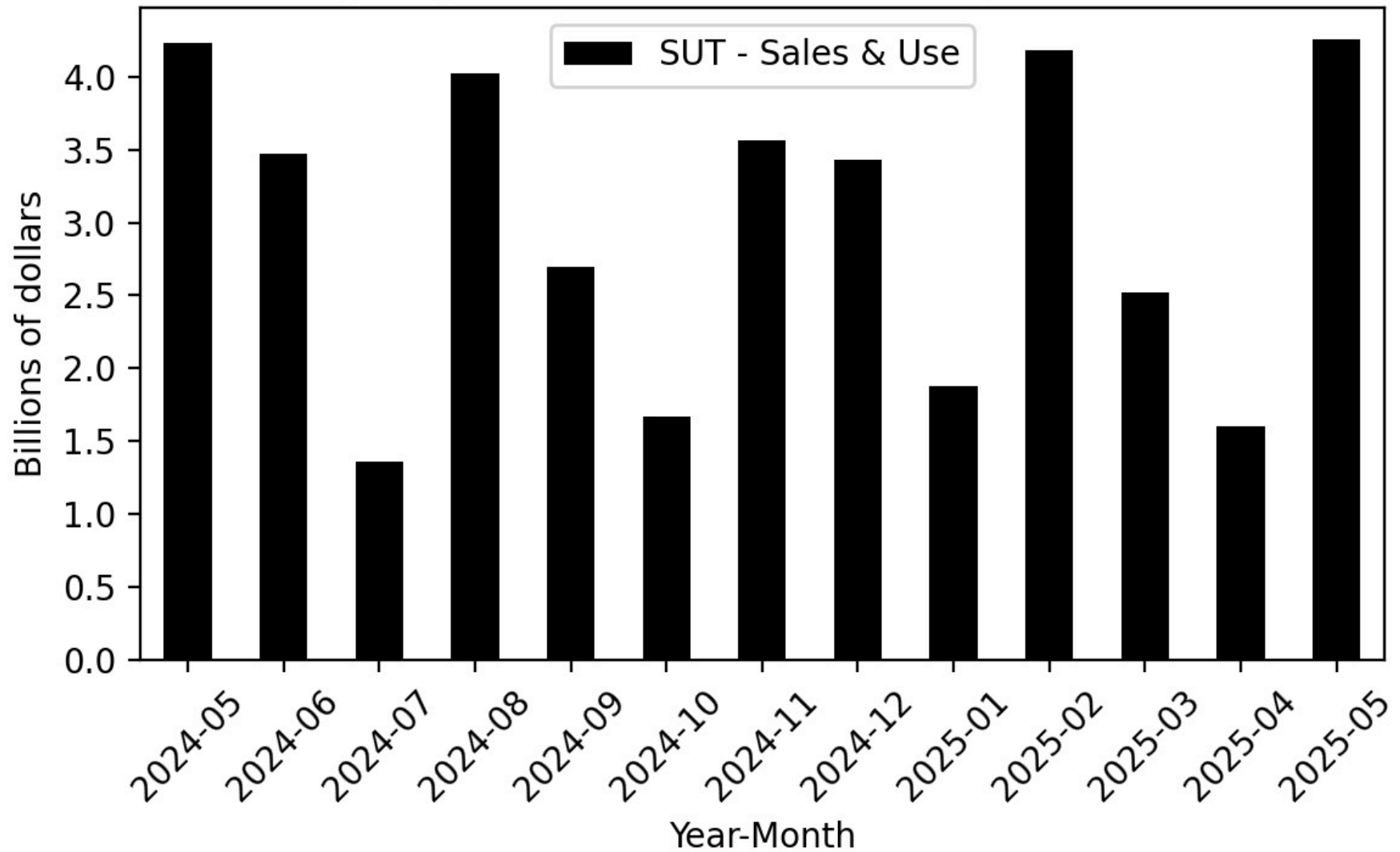


Figure 41

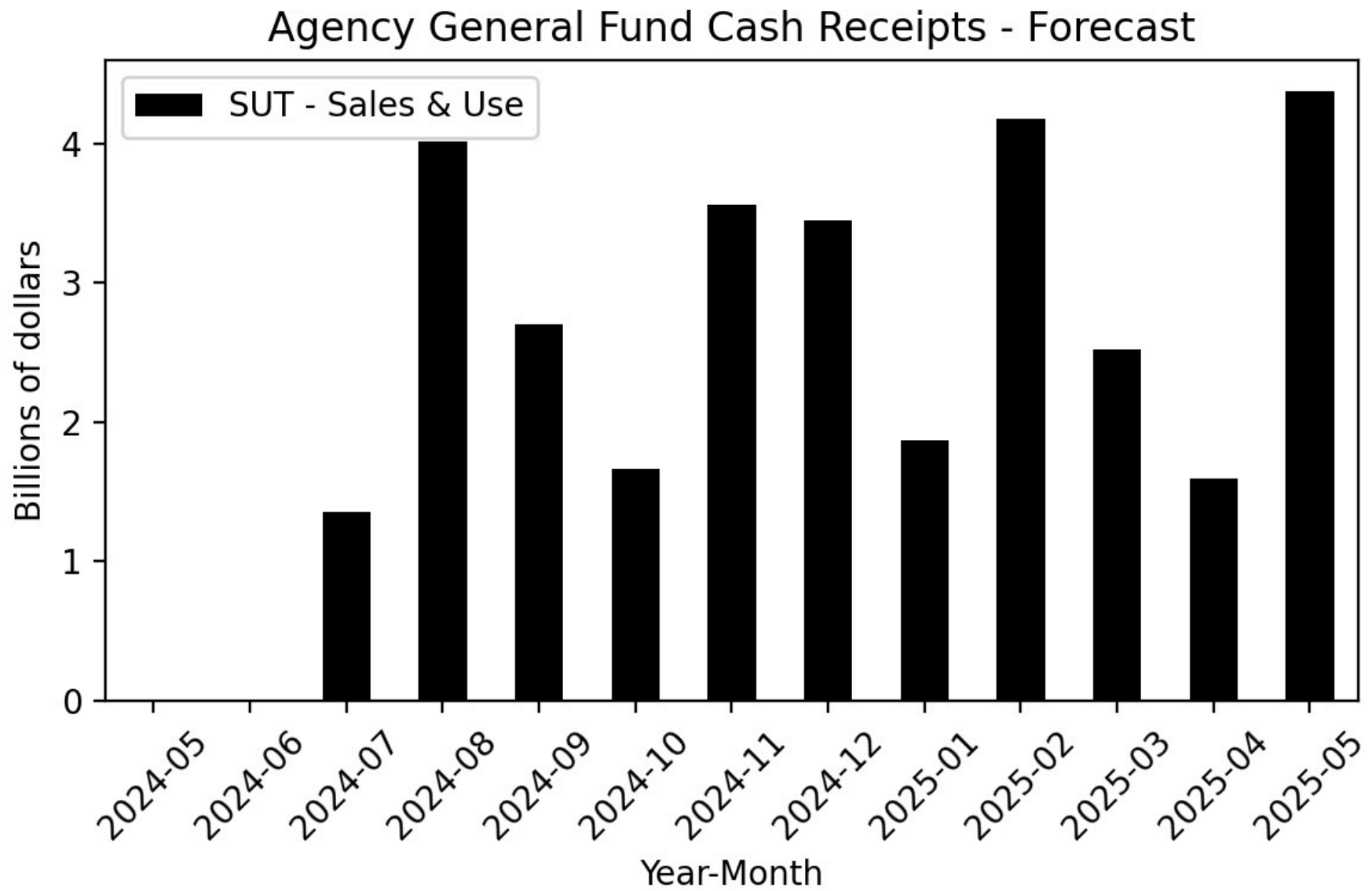


Figure 42

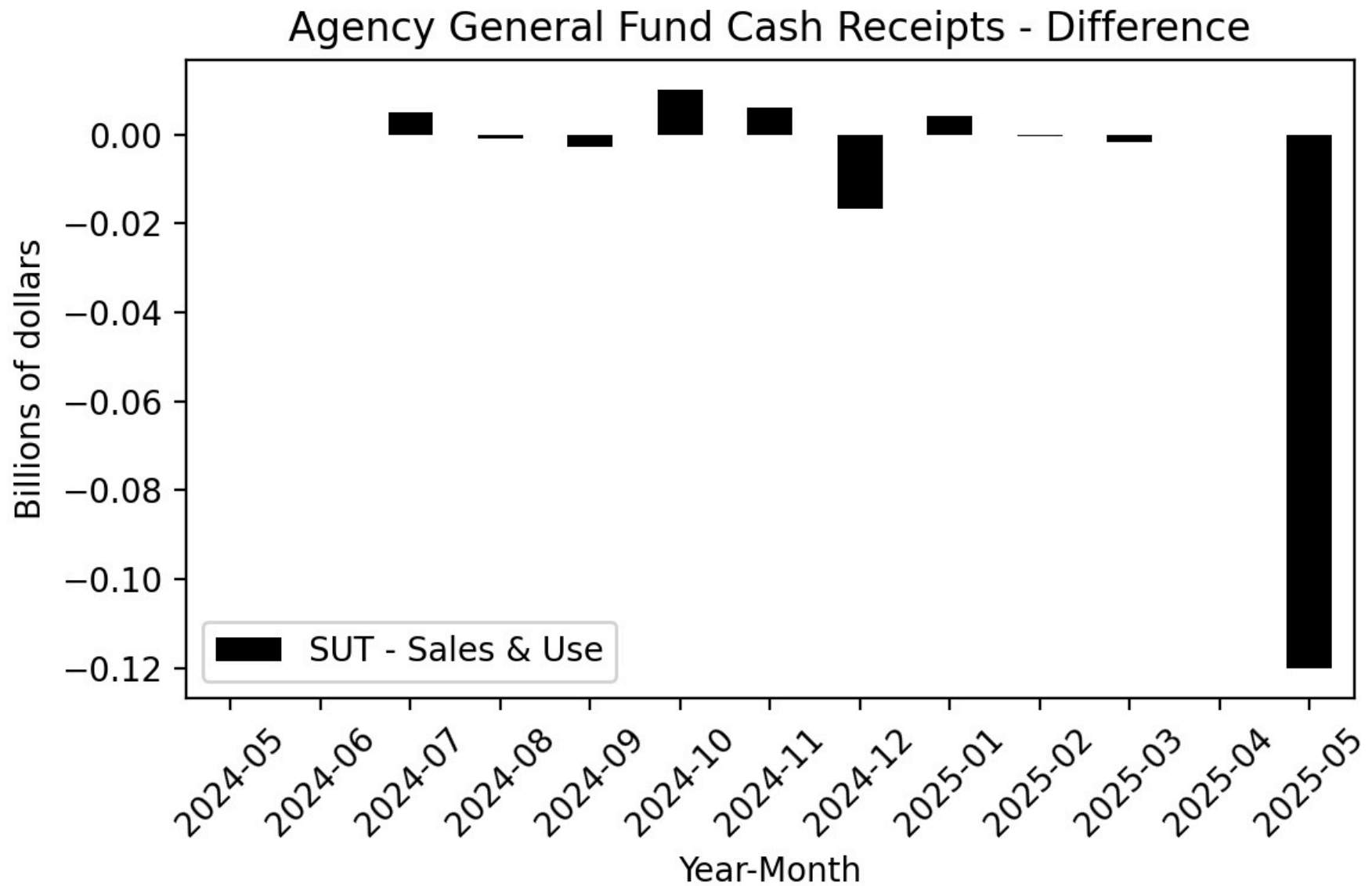


Figure 43

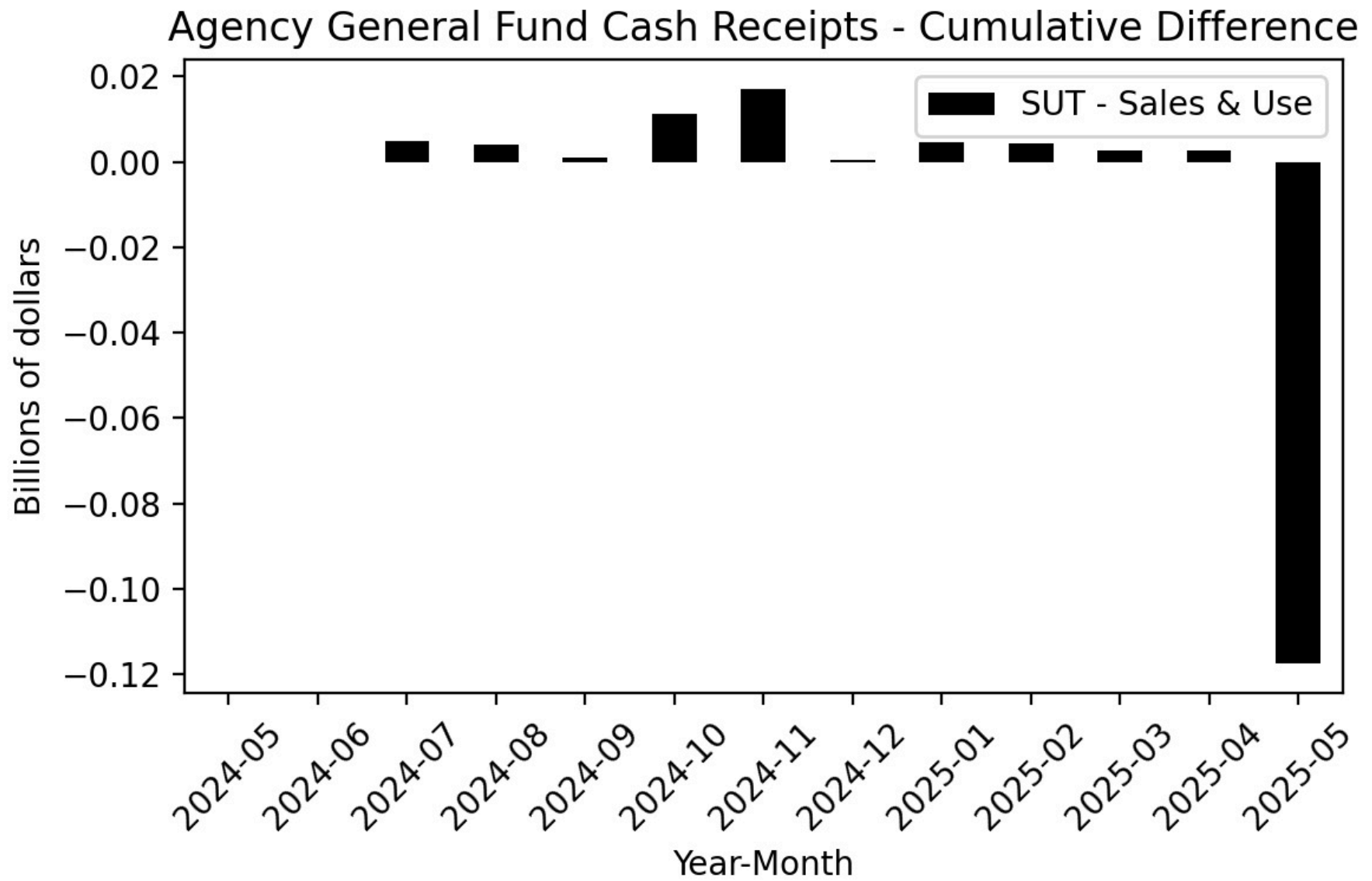


Figure 44

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast SUT-Sales & Use

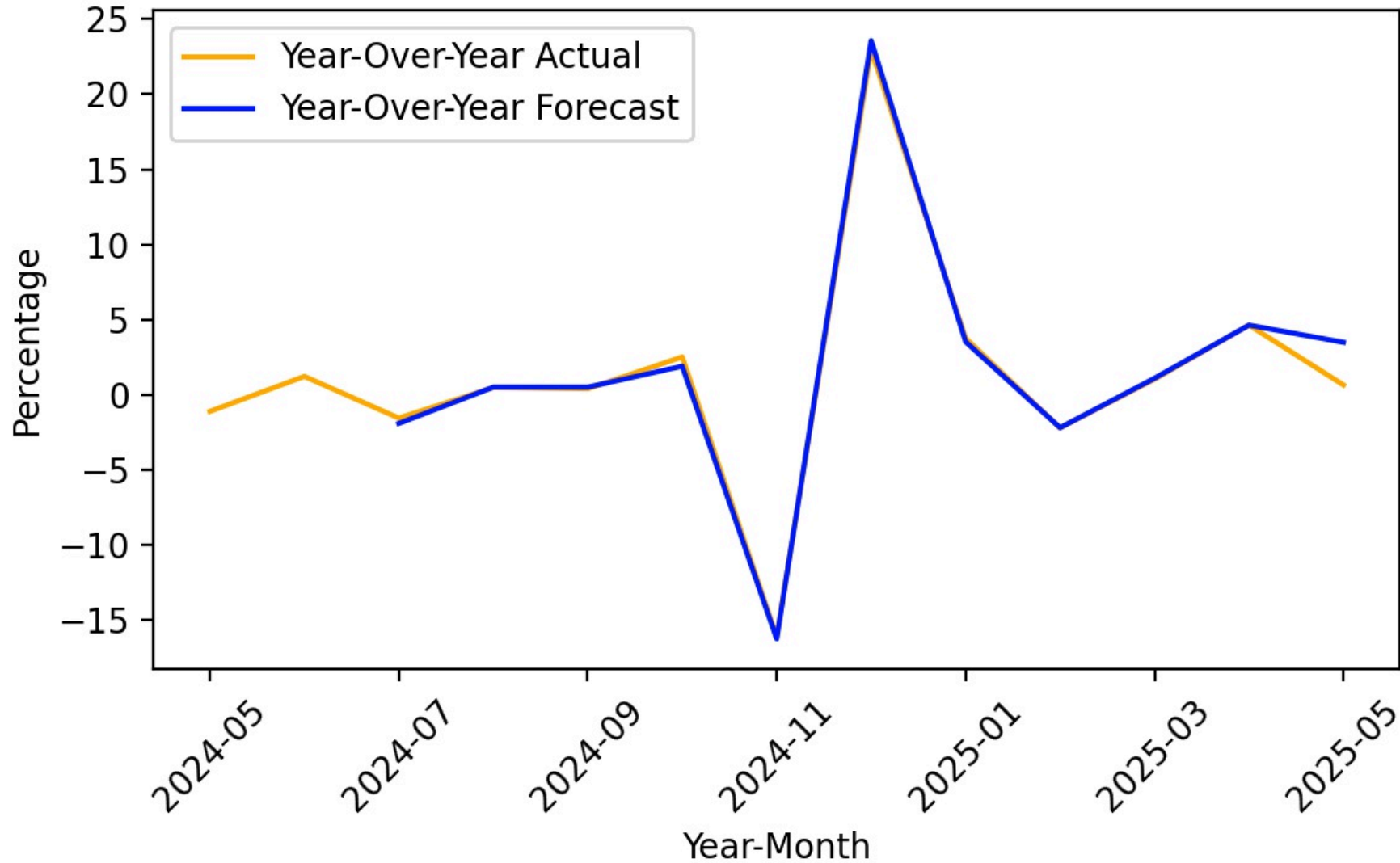


Figure 45

Agency General Fund Cash Receipts - Actual

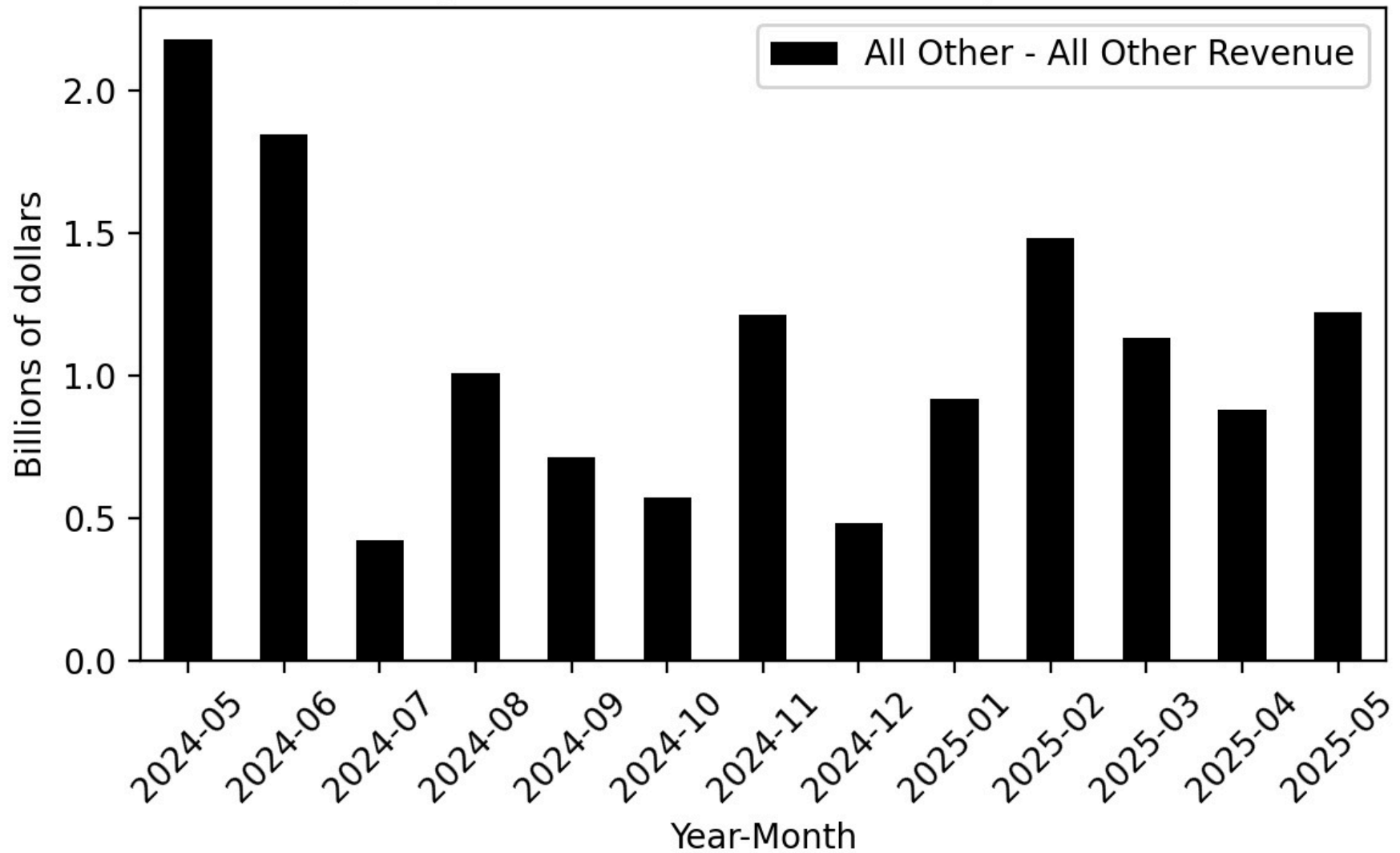


Figure 46

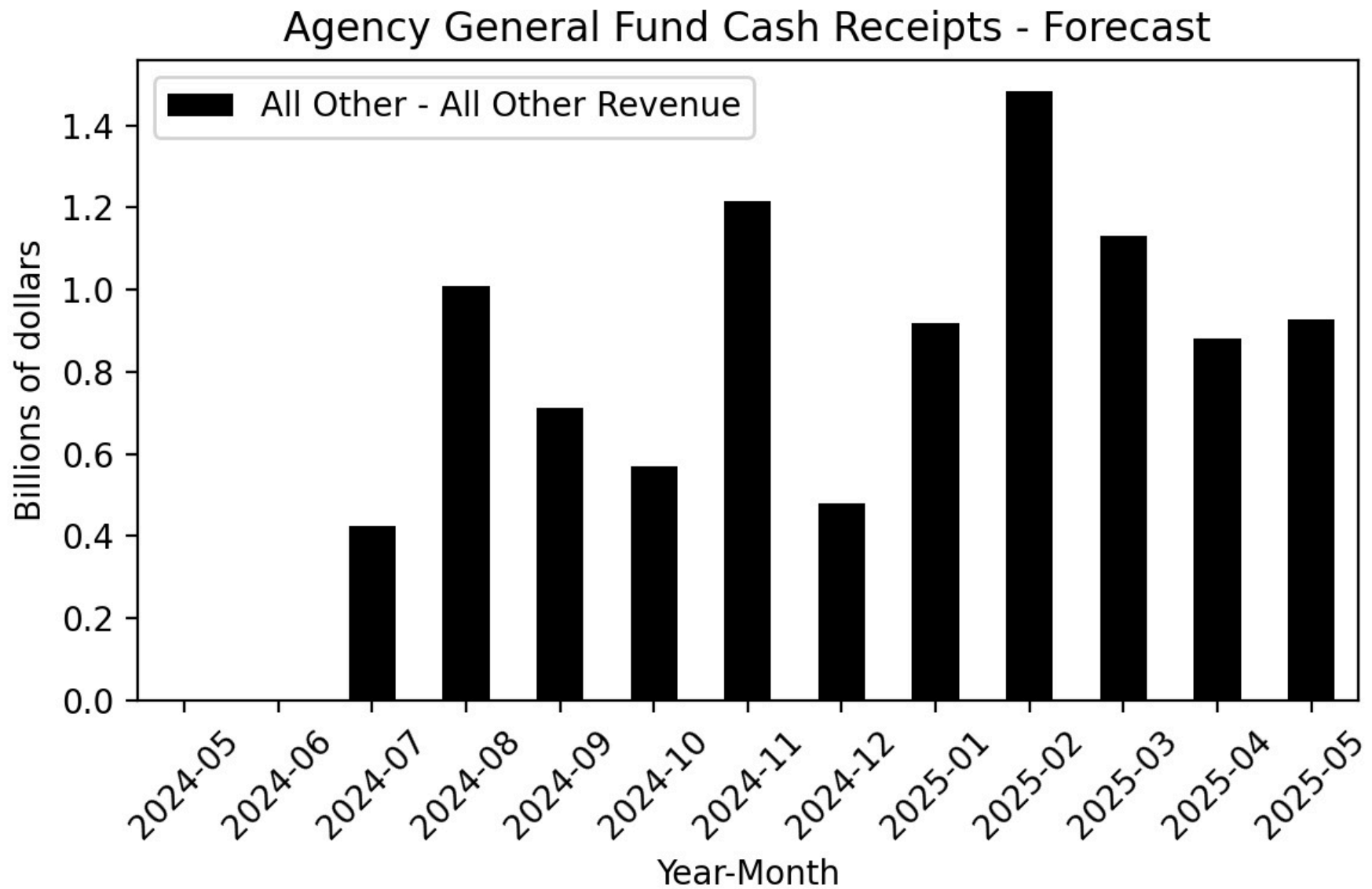


Figure 47

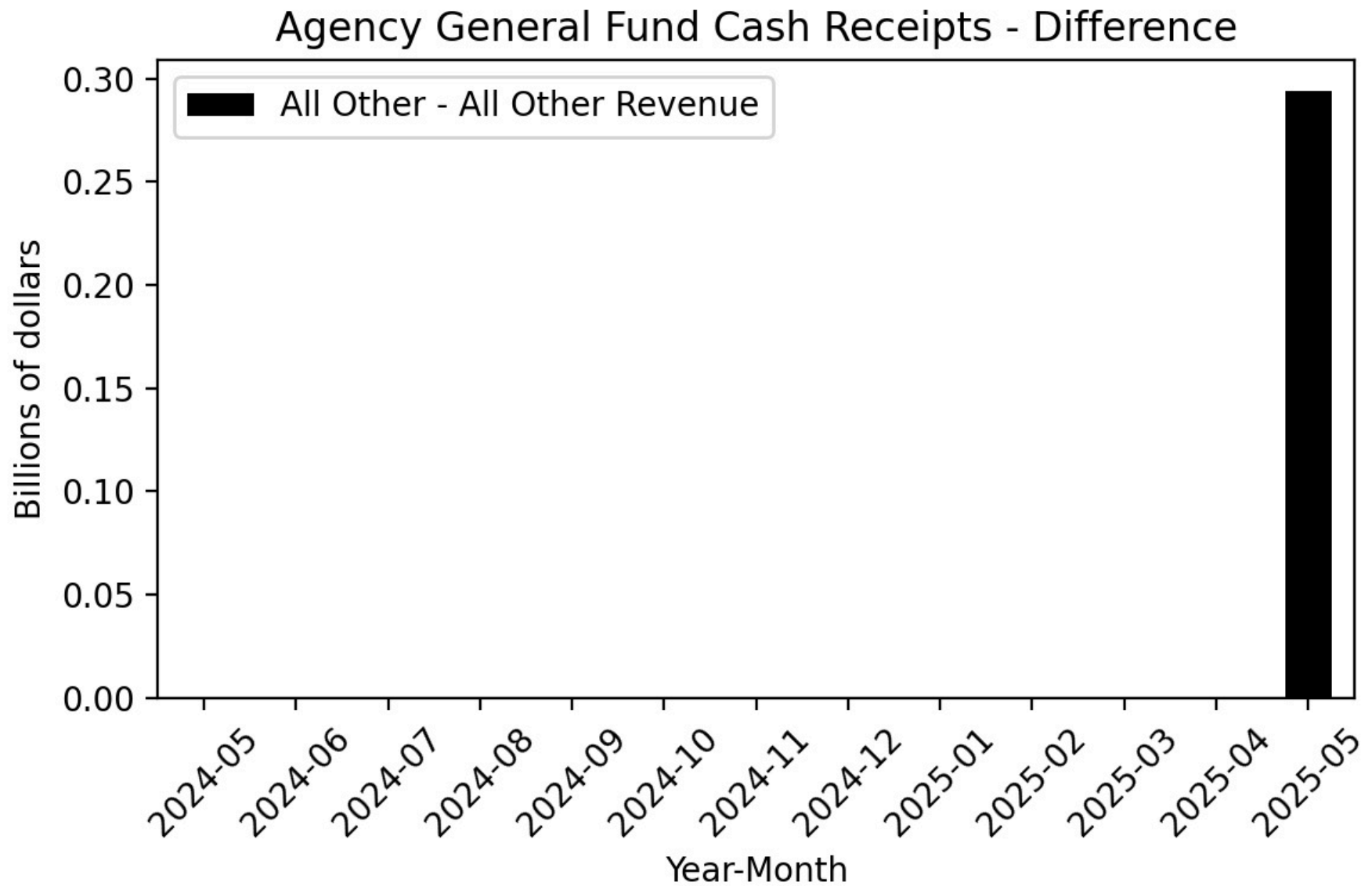


Figure 48

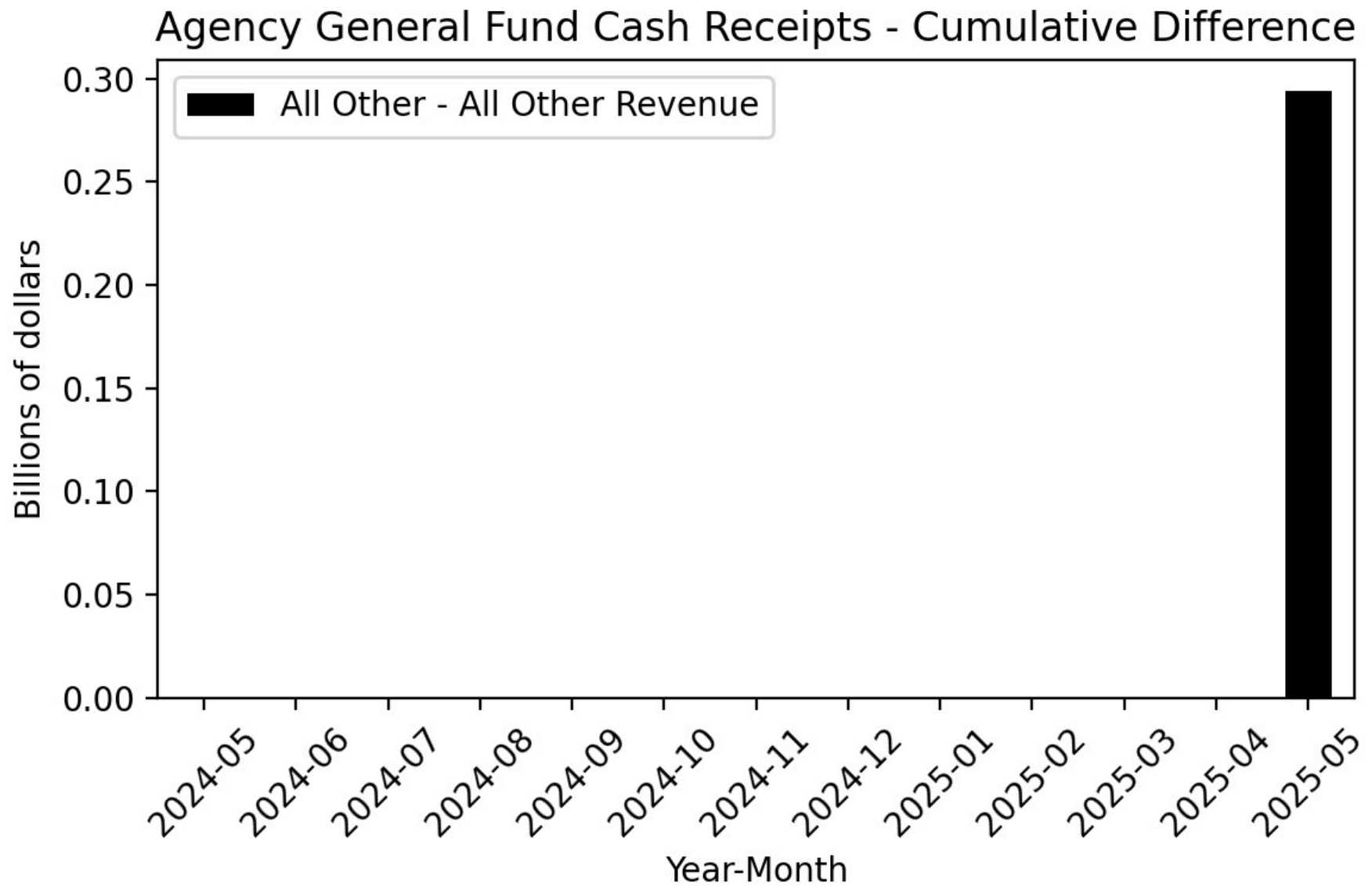


Figure 49

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-All Other Revenue

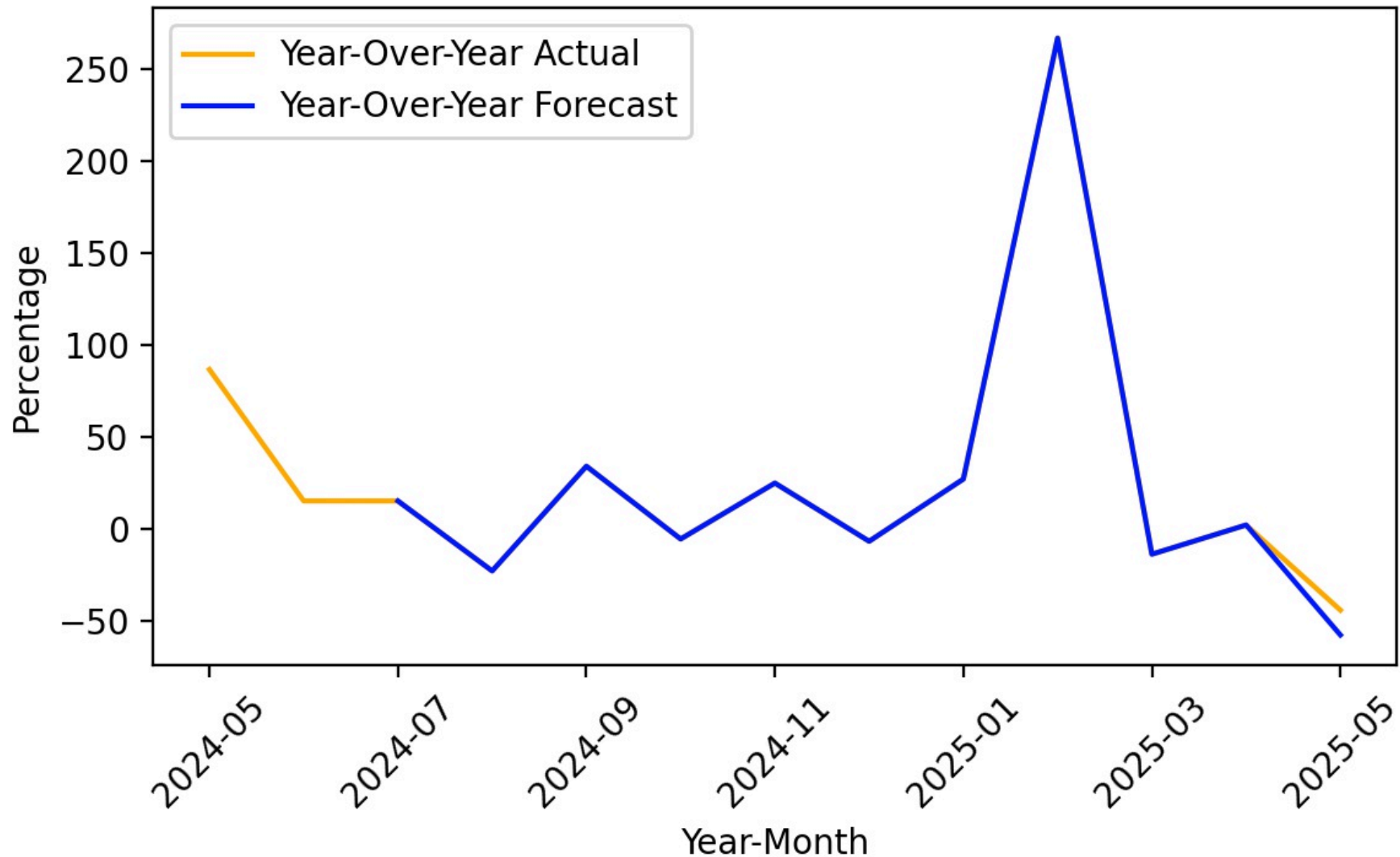


Figure 50

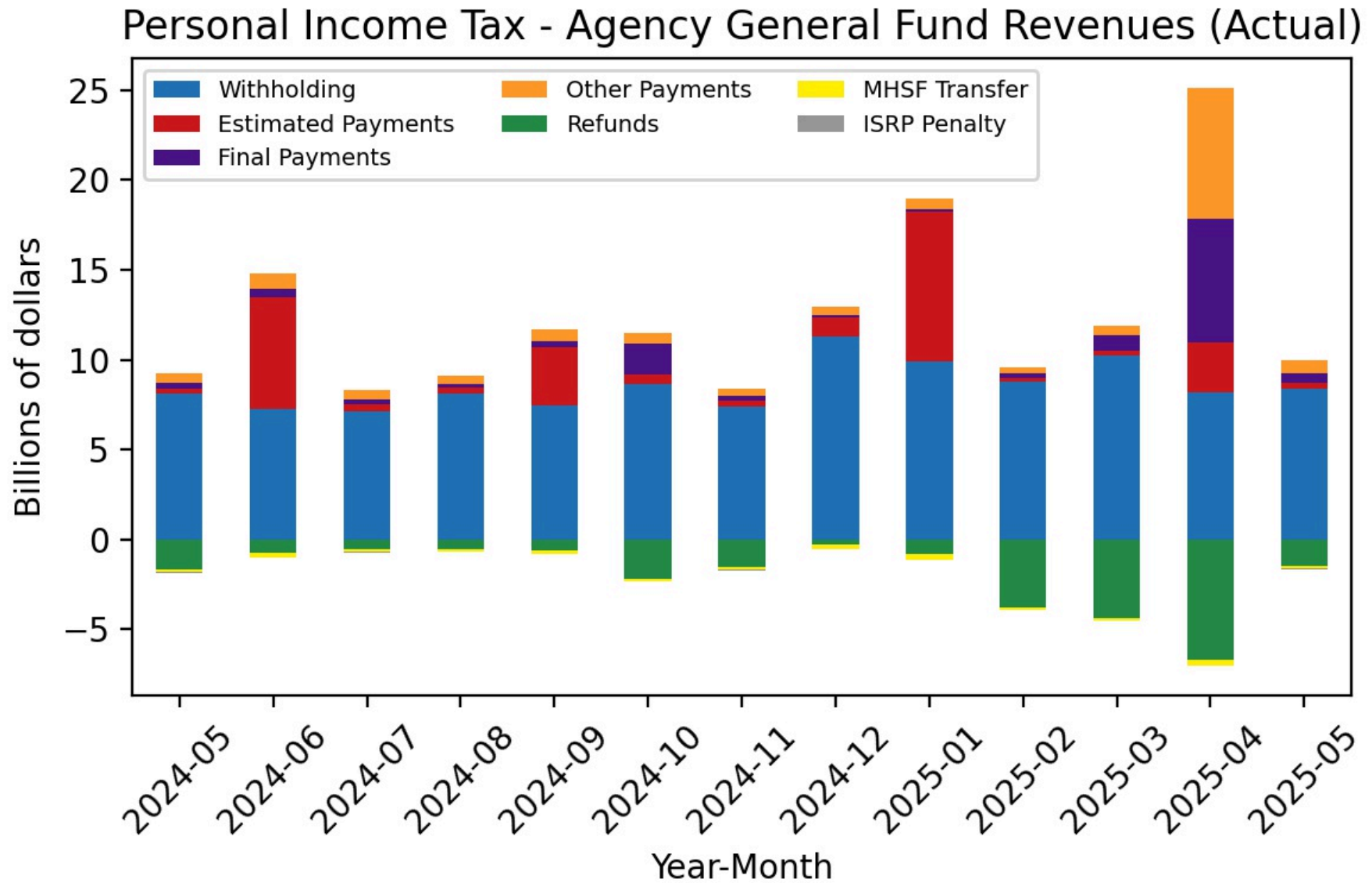


Figure 51

Personal Income Tax - Agency General Fund Revenues (Forecast)

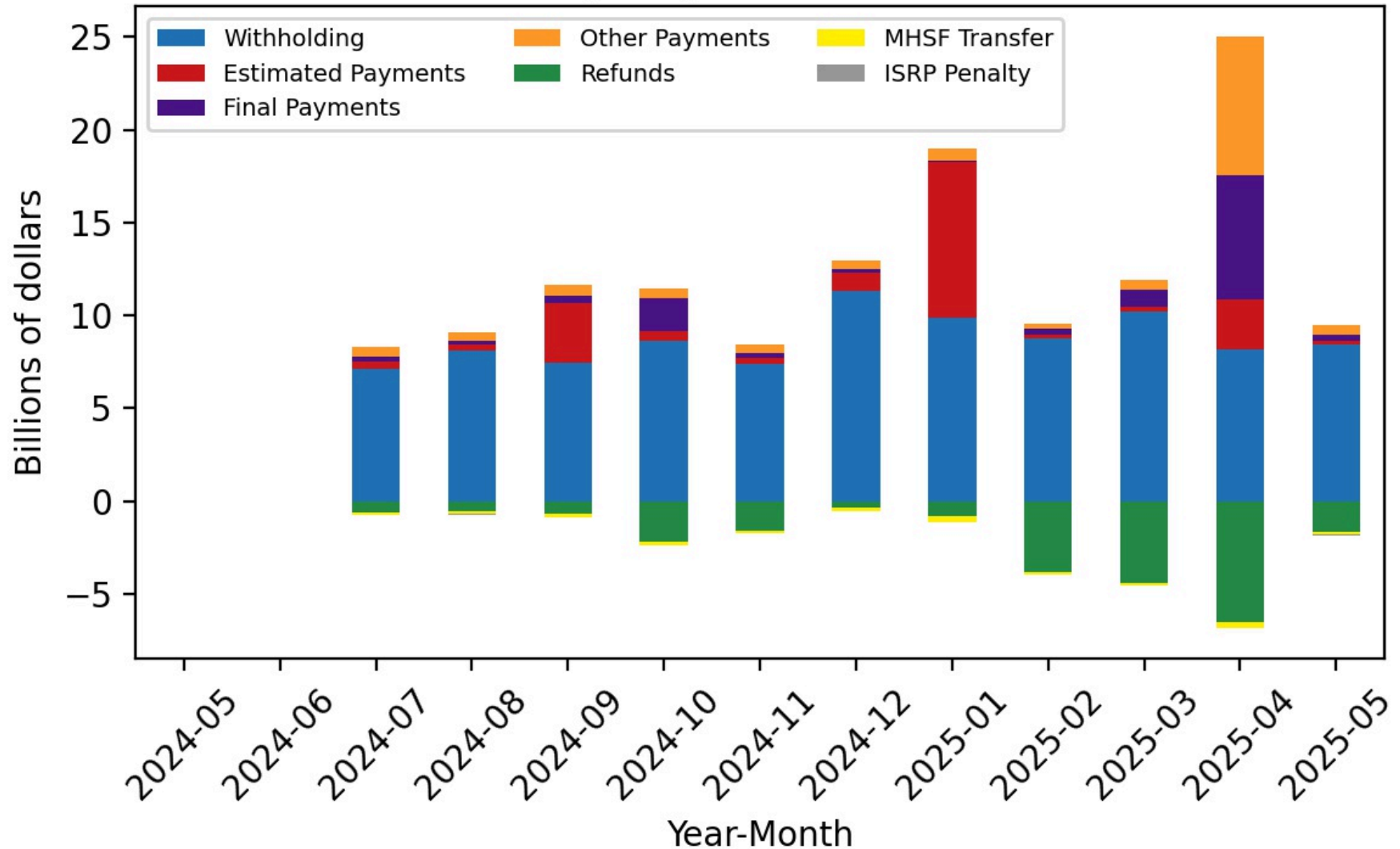


Figure 52

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

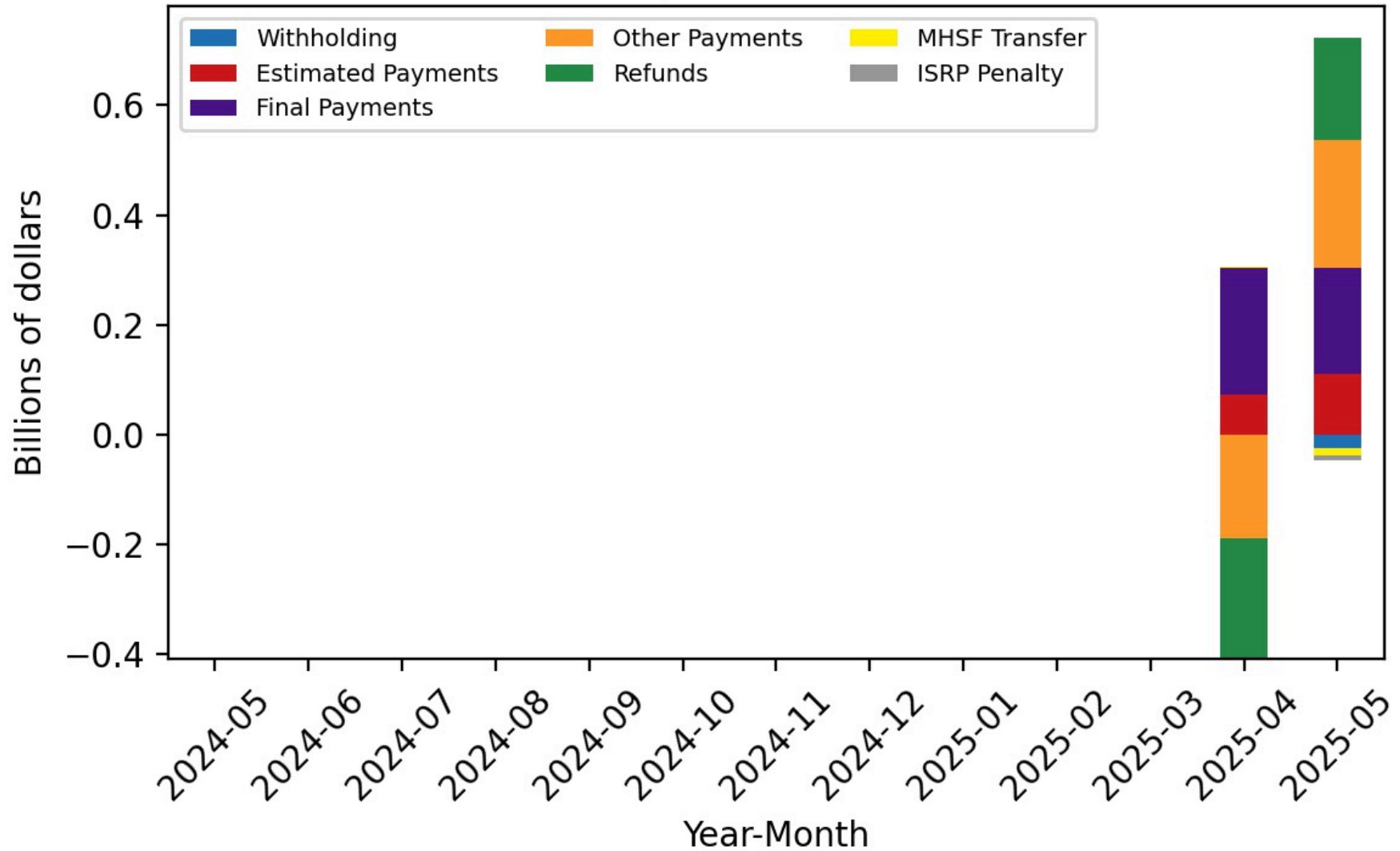


Figure 53

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

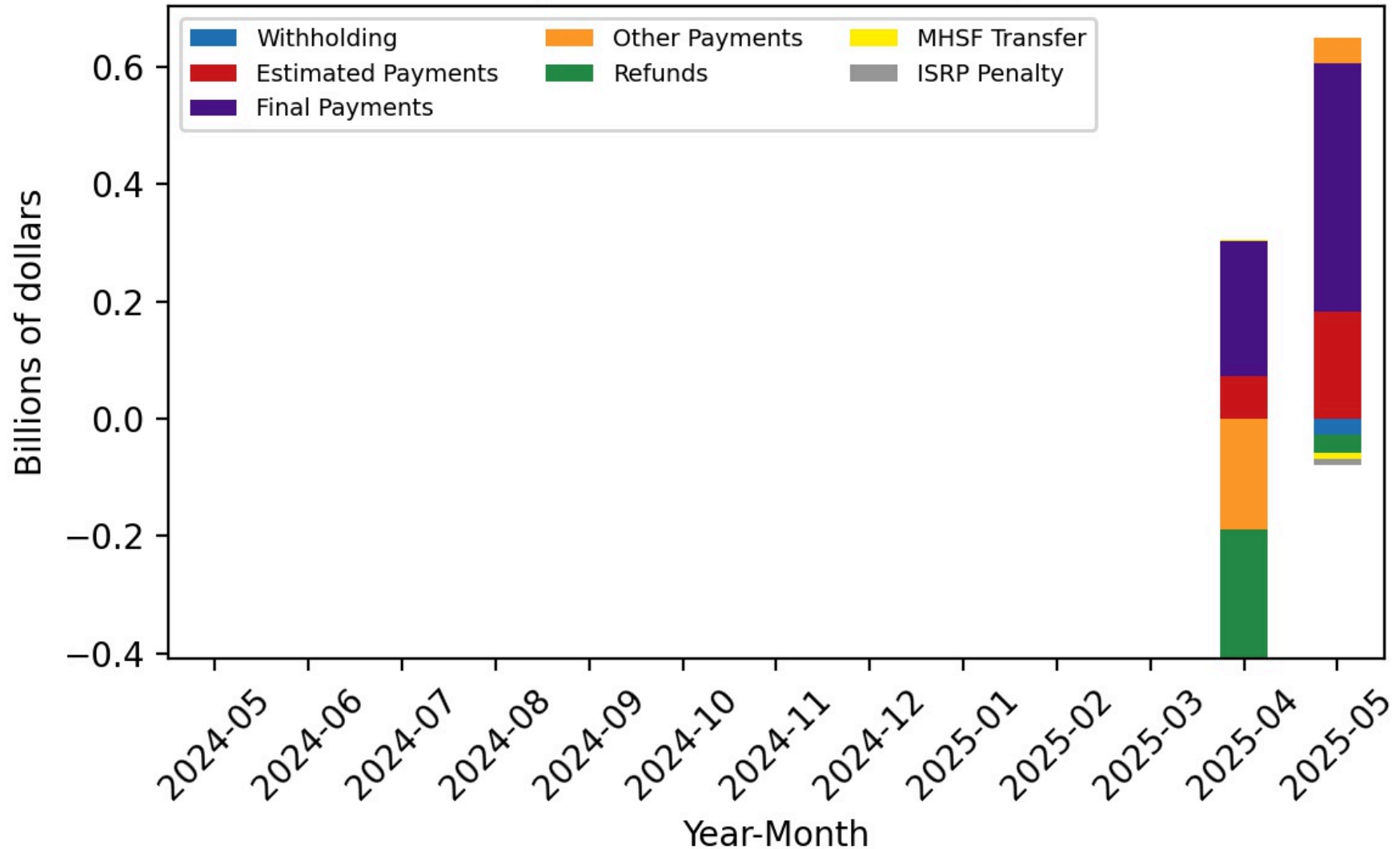


Figure 54

Agency General Fund Cash Receipts - Actual

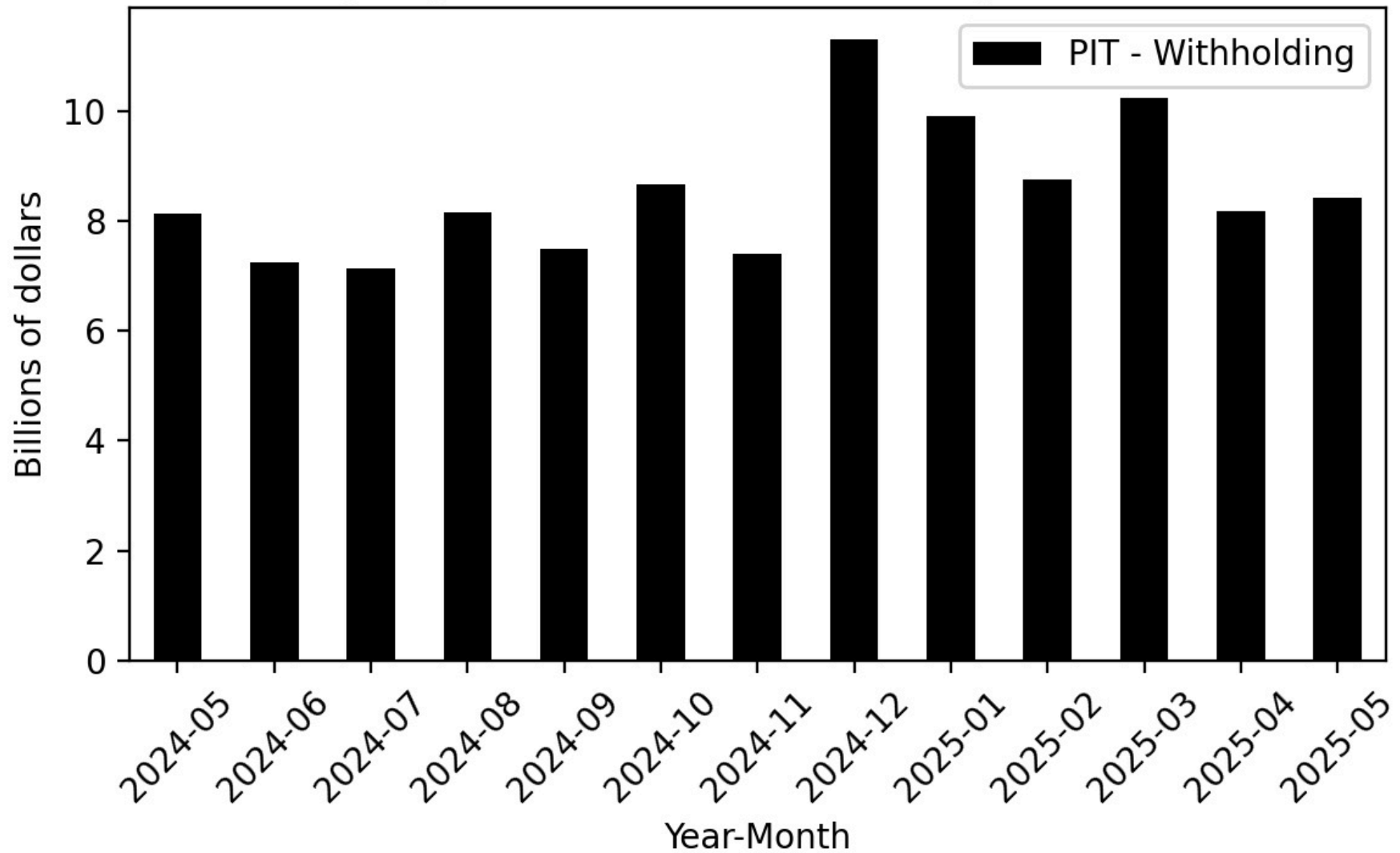


Figure 55

Agency General Fund Cash Receipts - Forecast

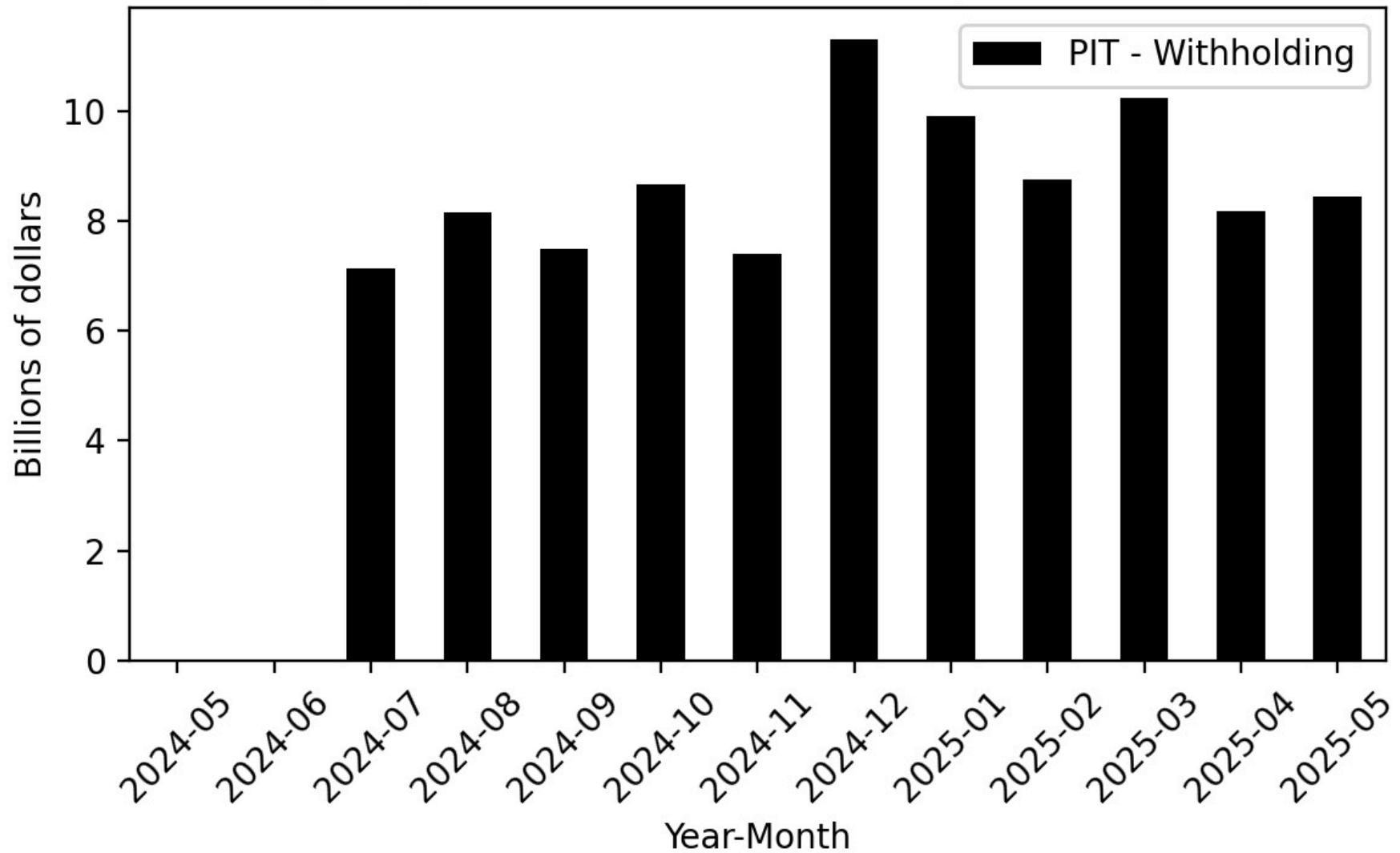


Figure 56

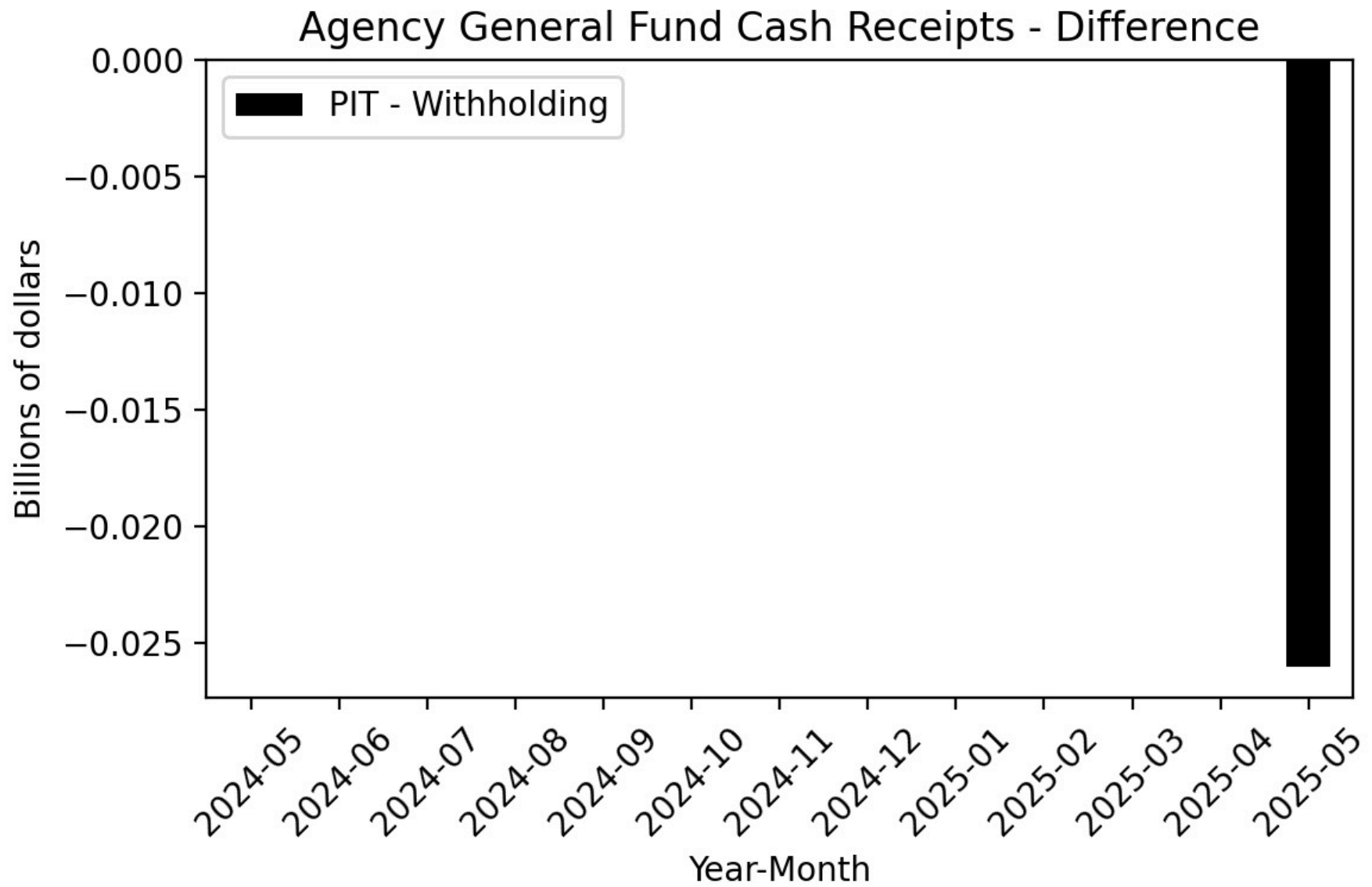


Figure 57

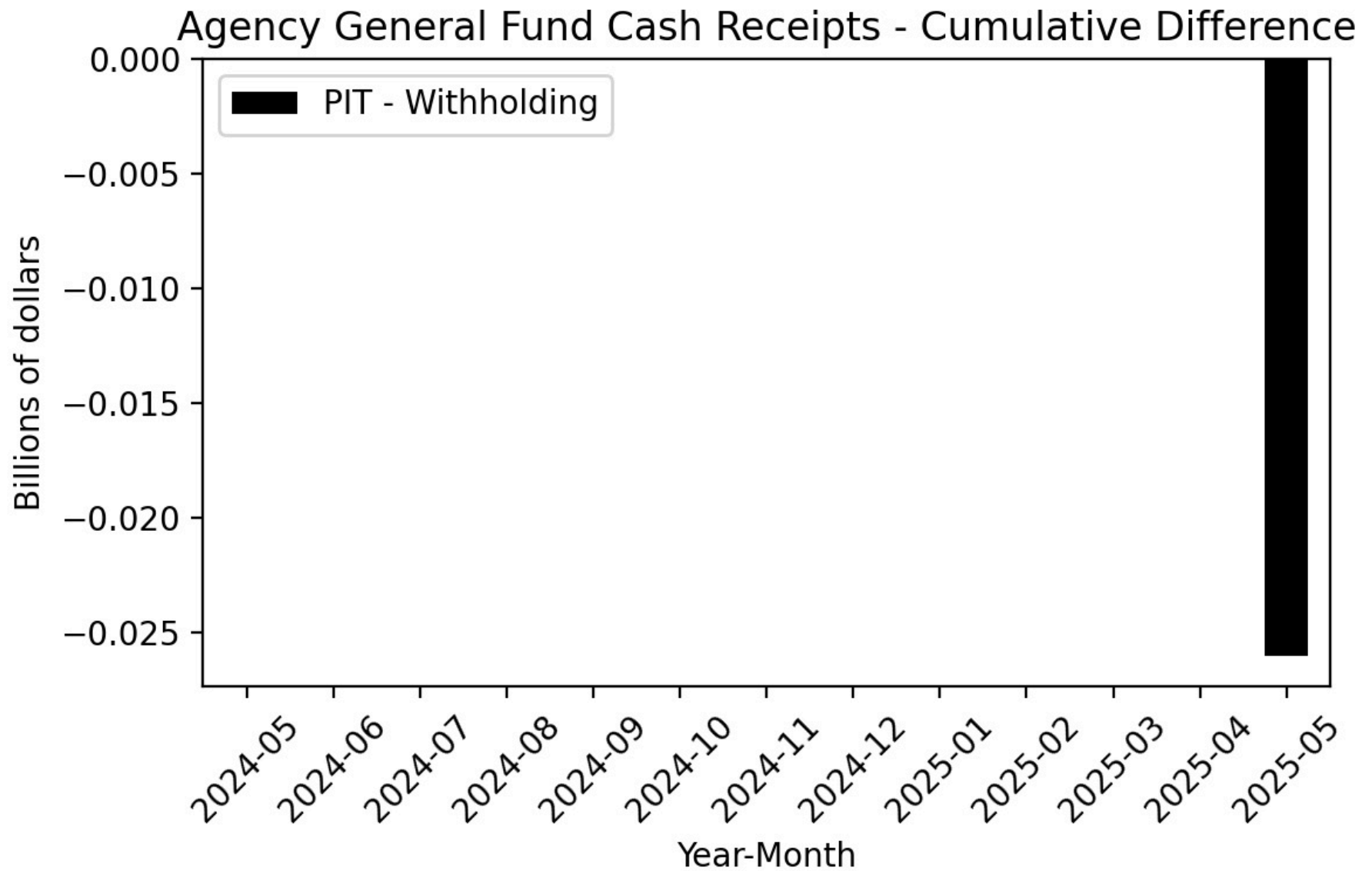


Figure 58

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Withholding

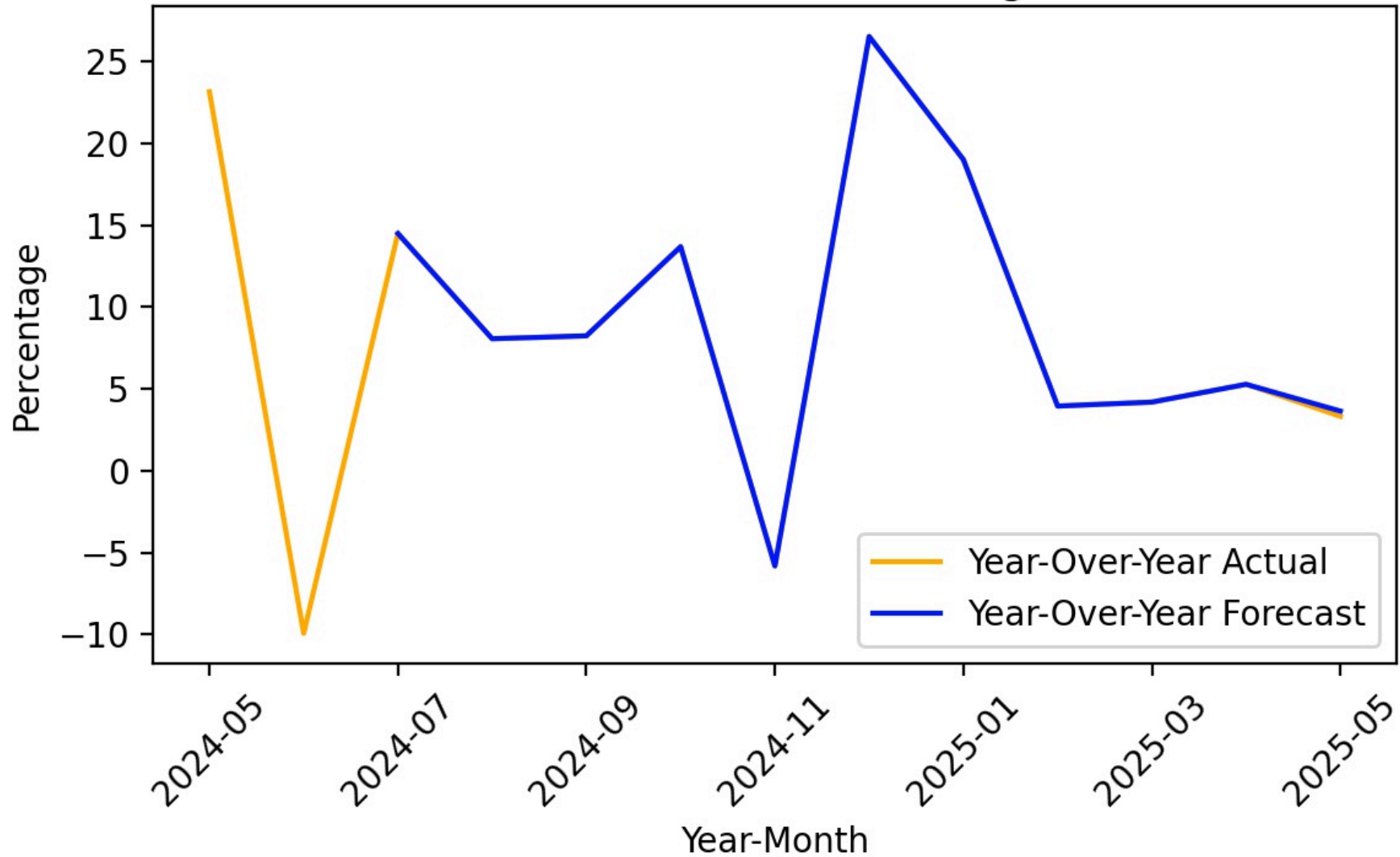


Figure 59

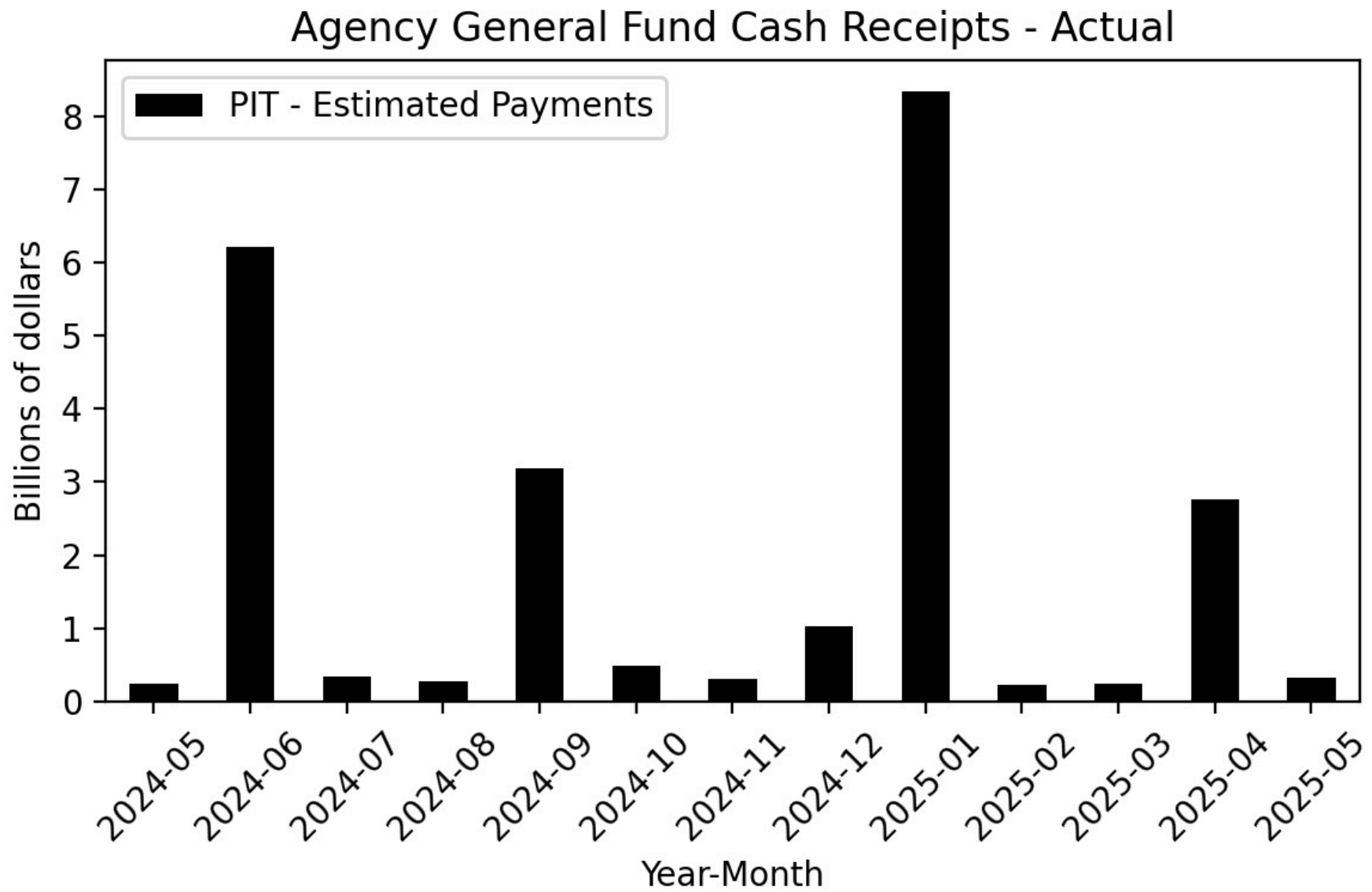


Figure 60

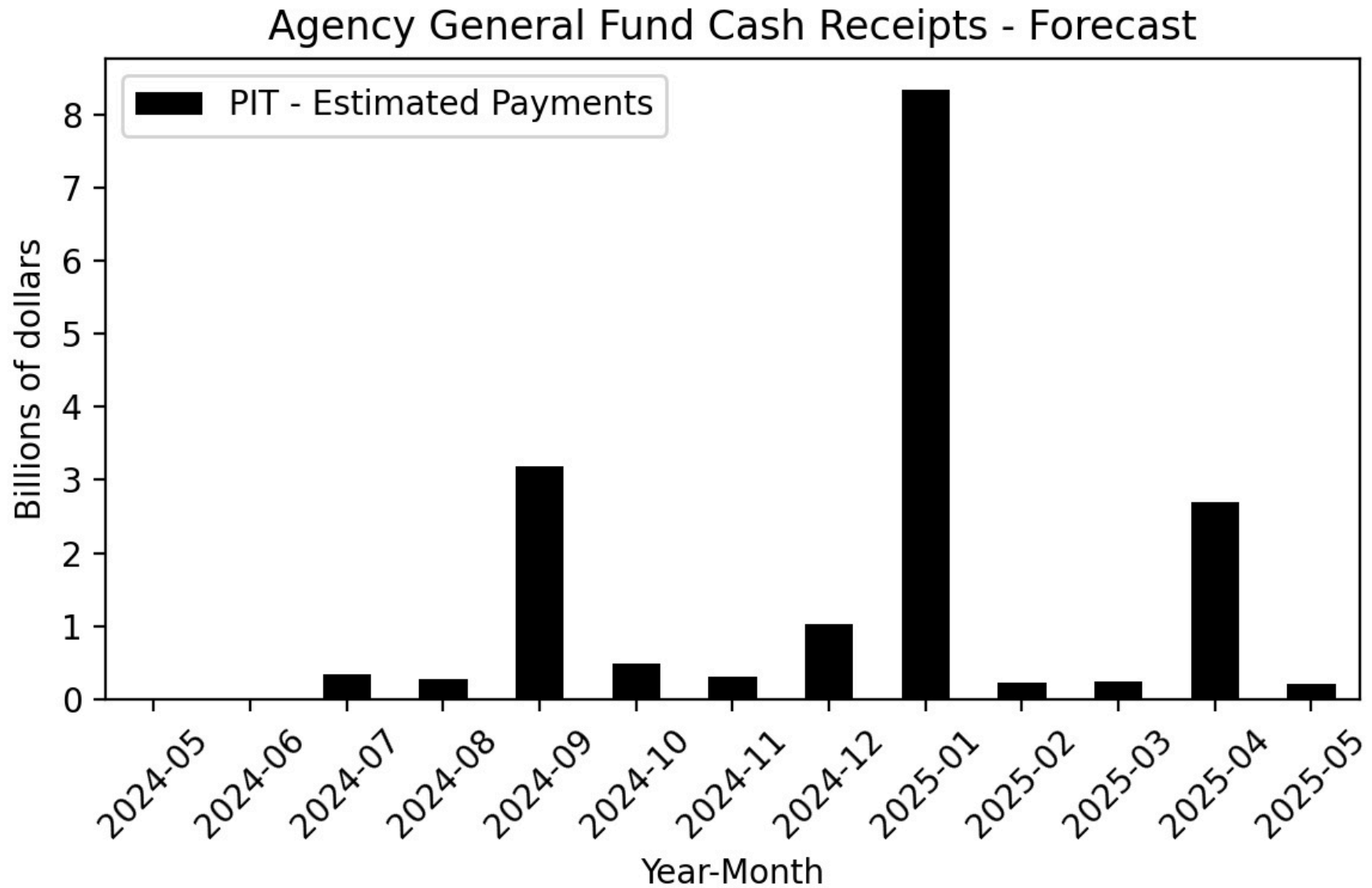


Figure 61

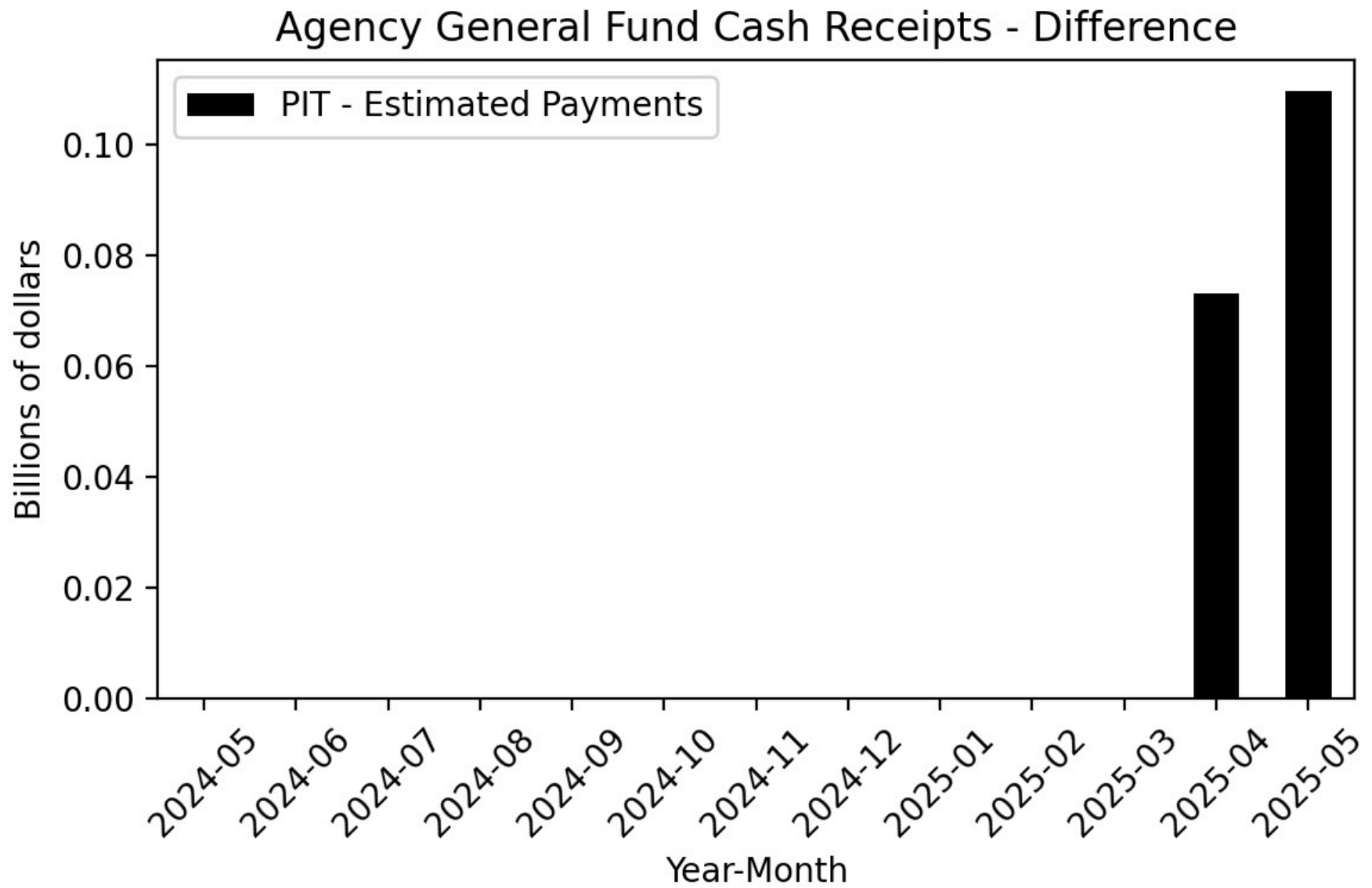


Figure 62

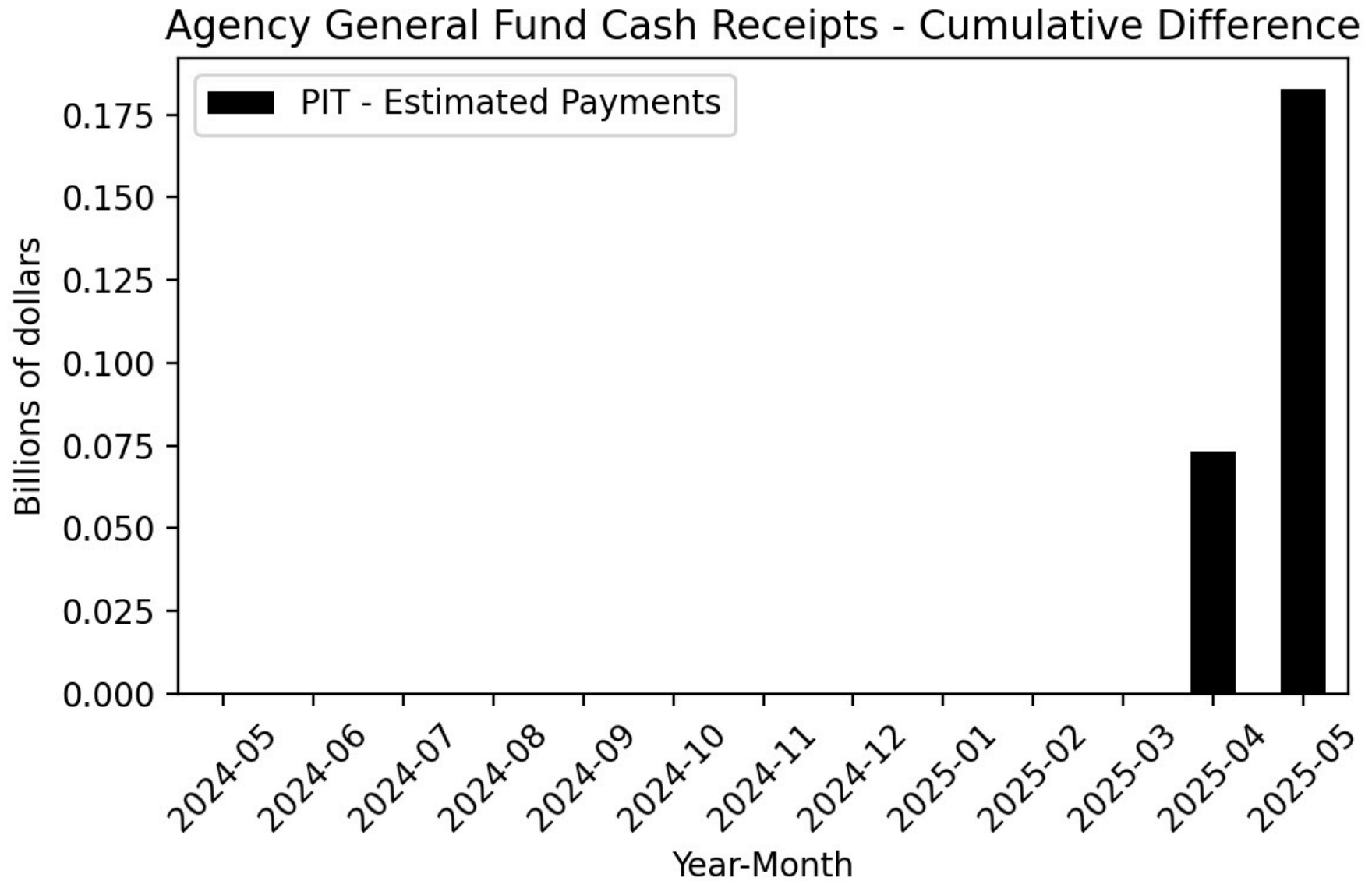


Figure 63

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Estimated Payments

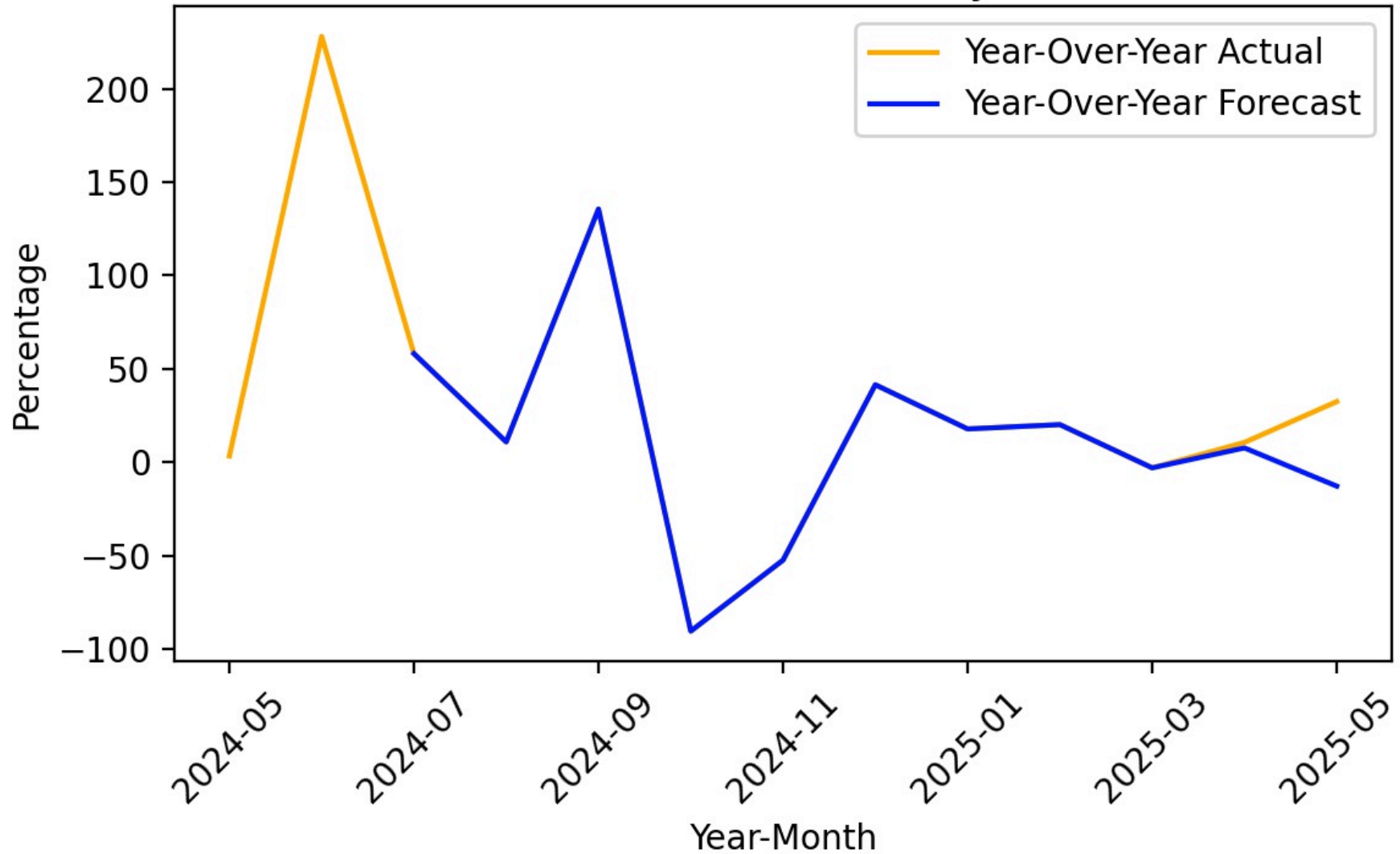


Figure 64

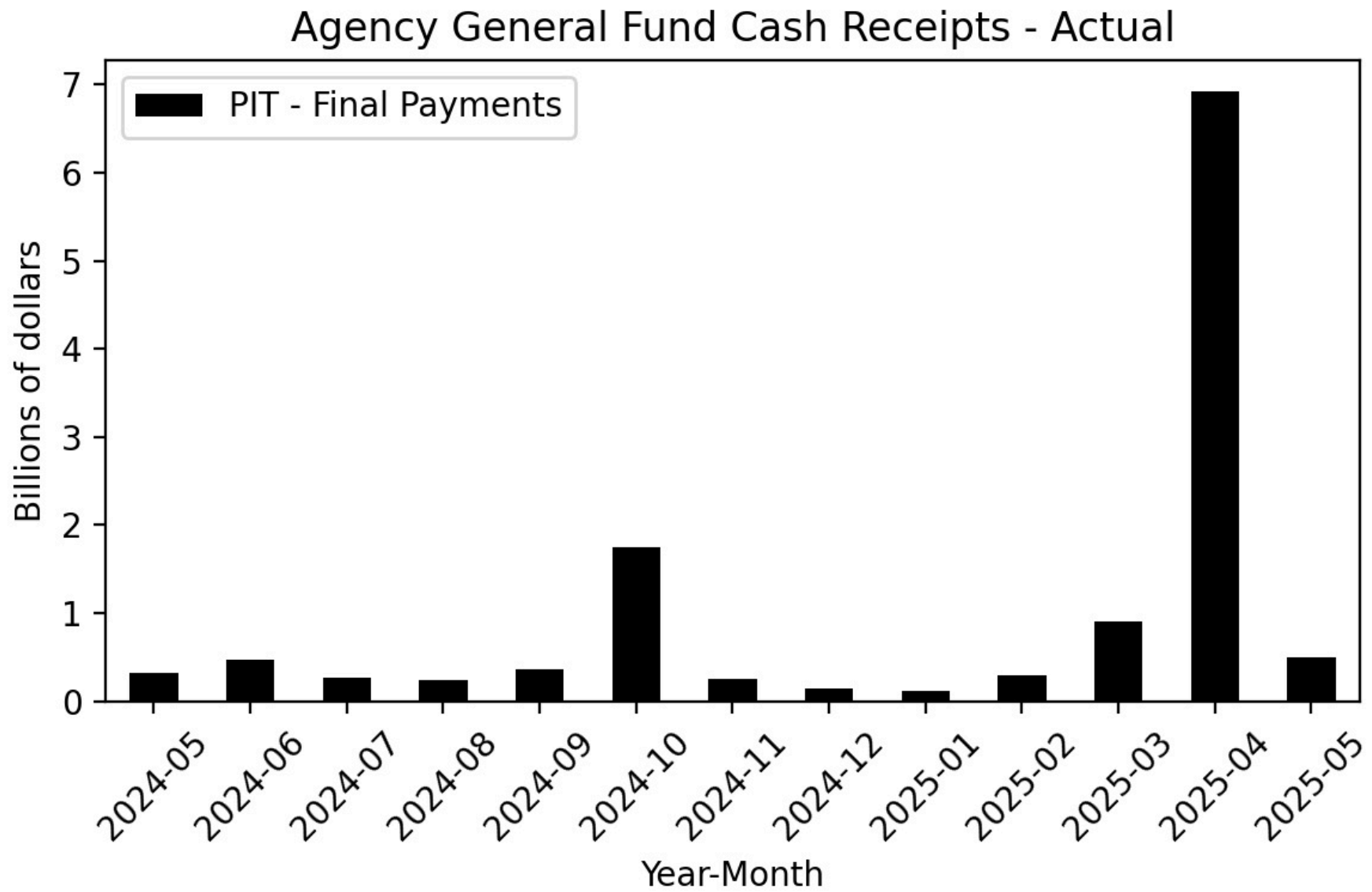


Figure 65

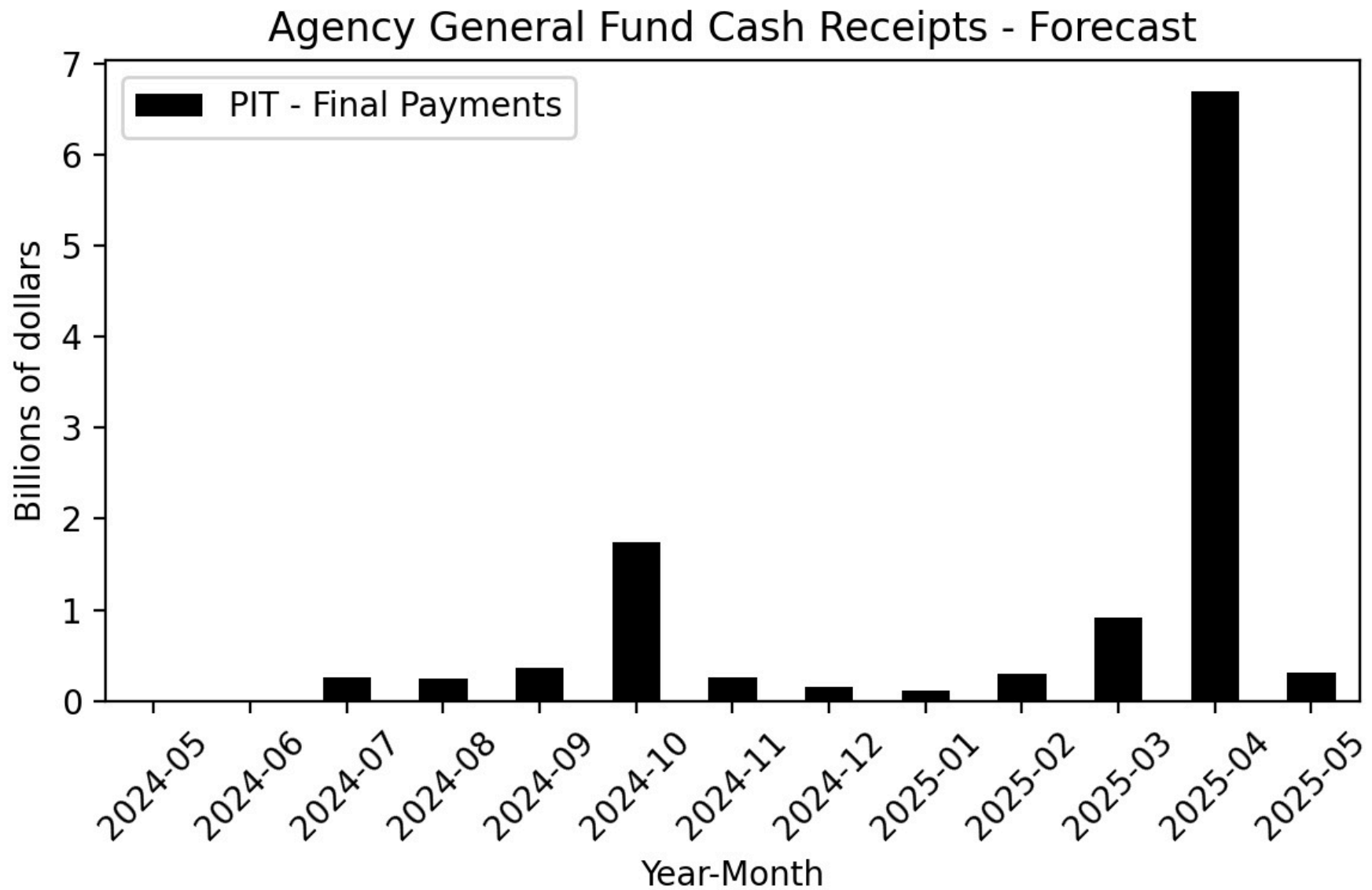


Figure 66

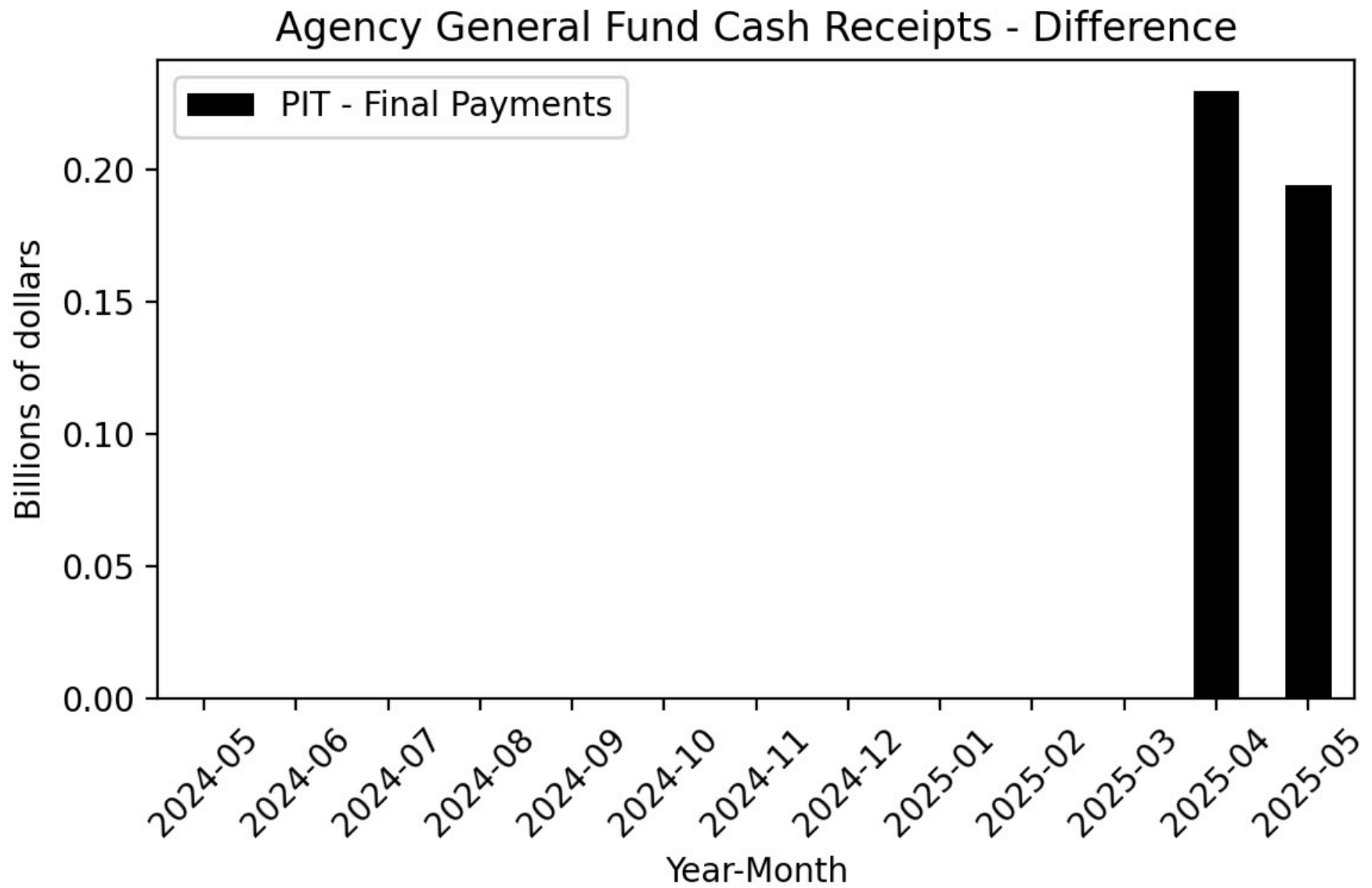


Figure 67

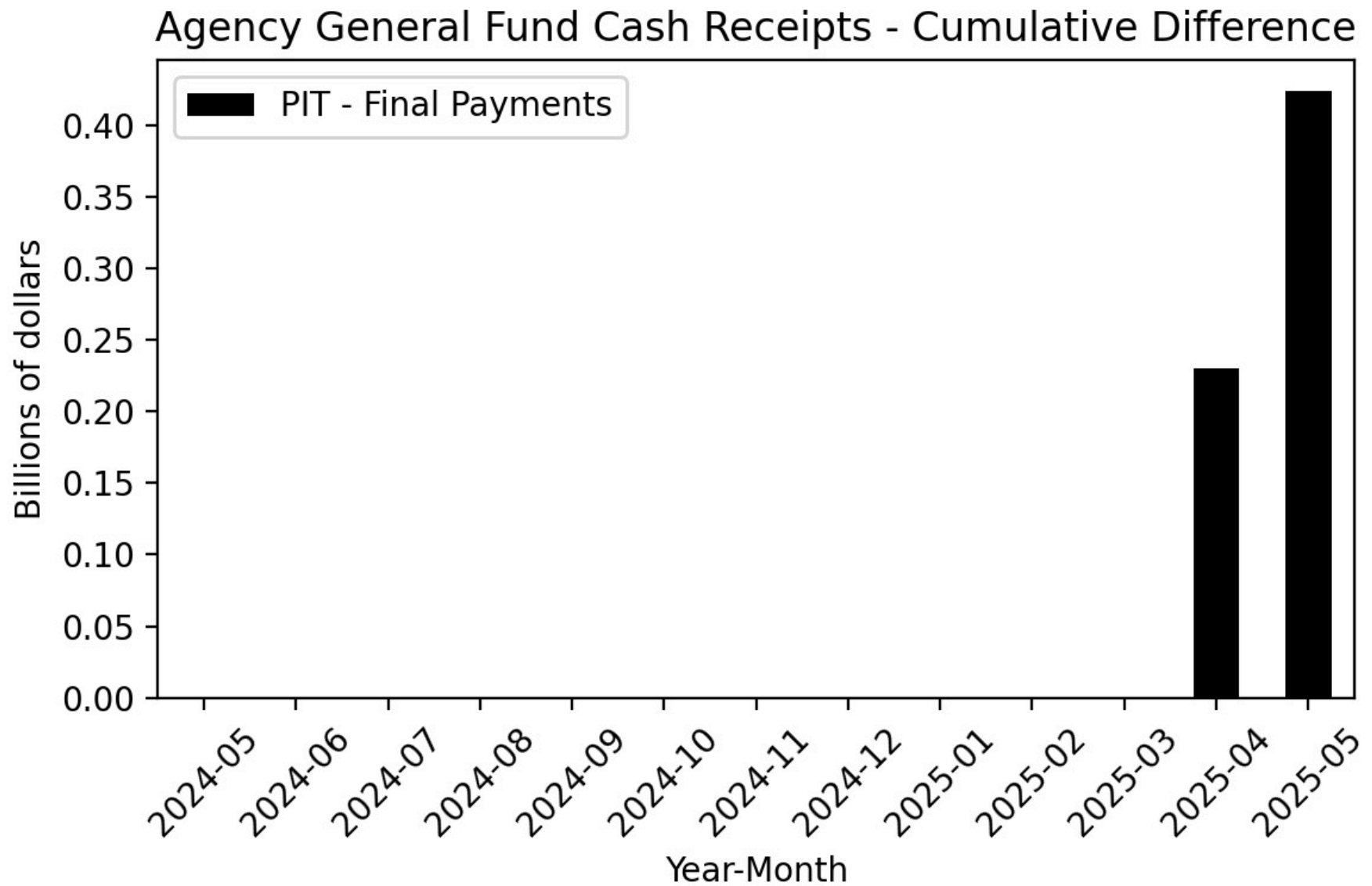


Figure 68

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Final Payments

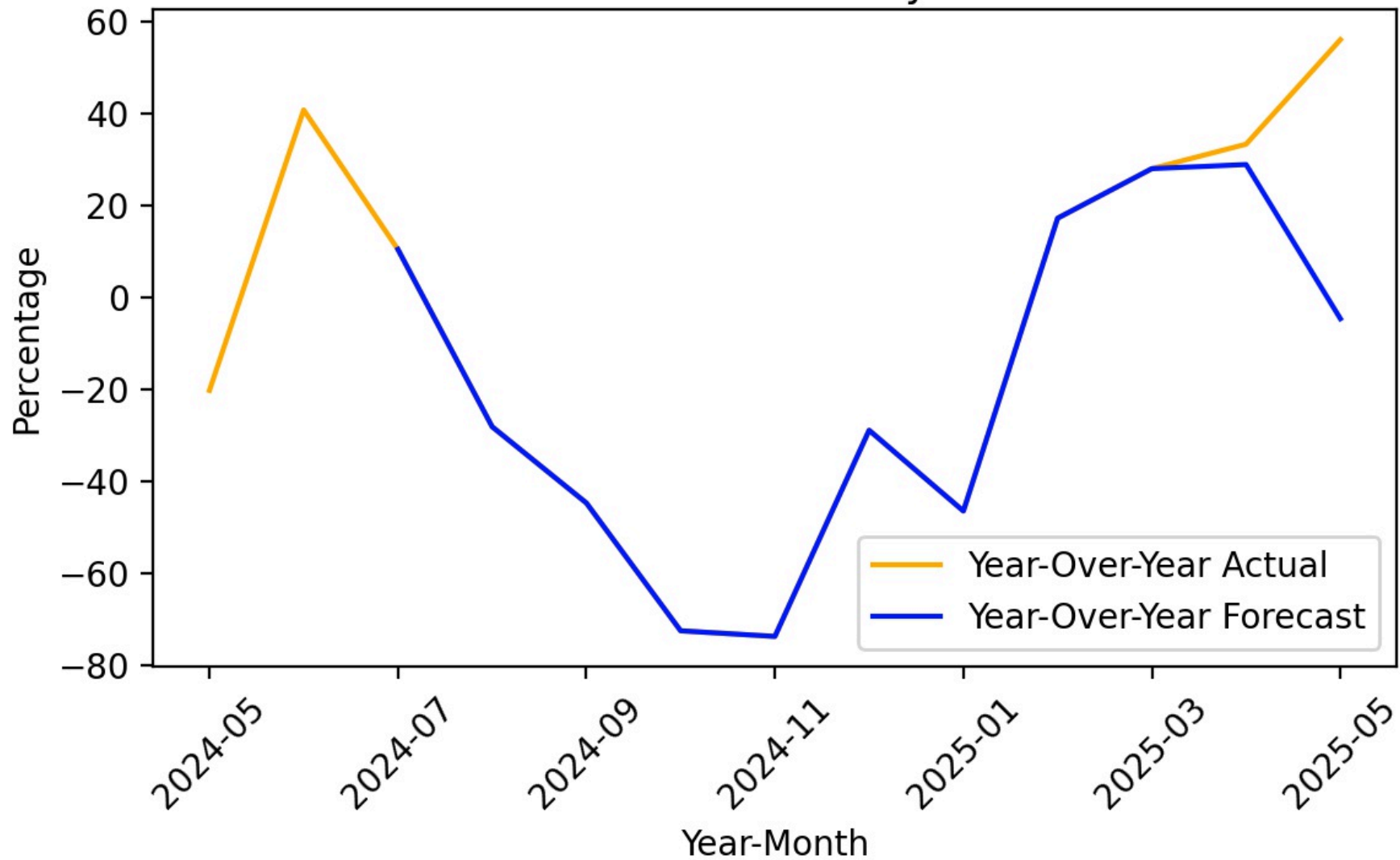


Figure 69

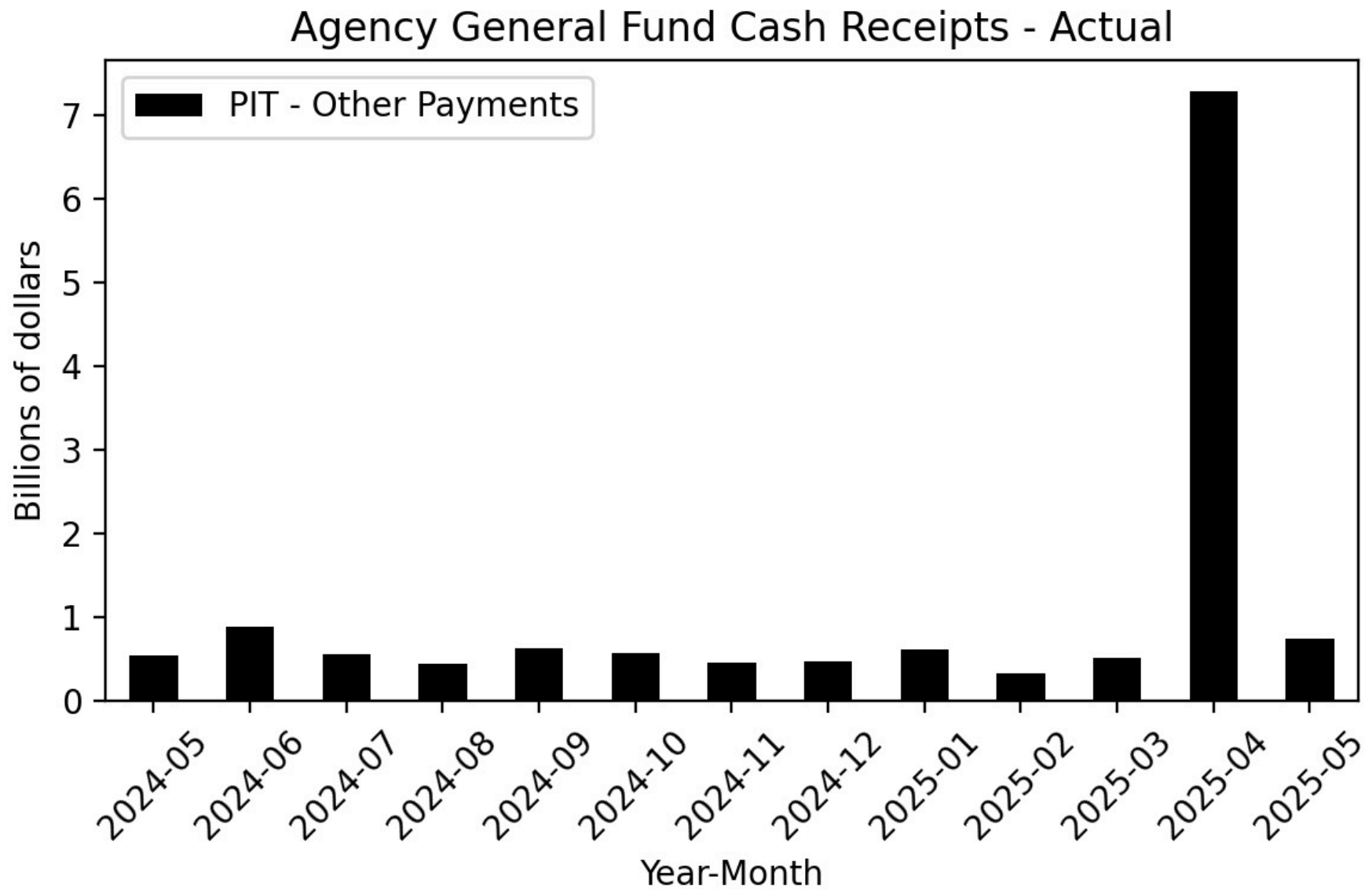


Figure 70

Agency General Fund Cash Receipts - Forecast

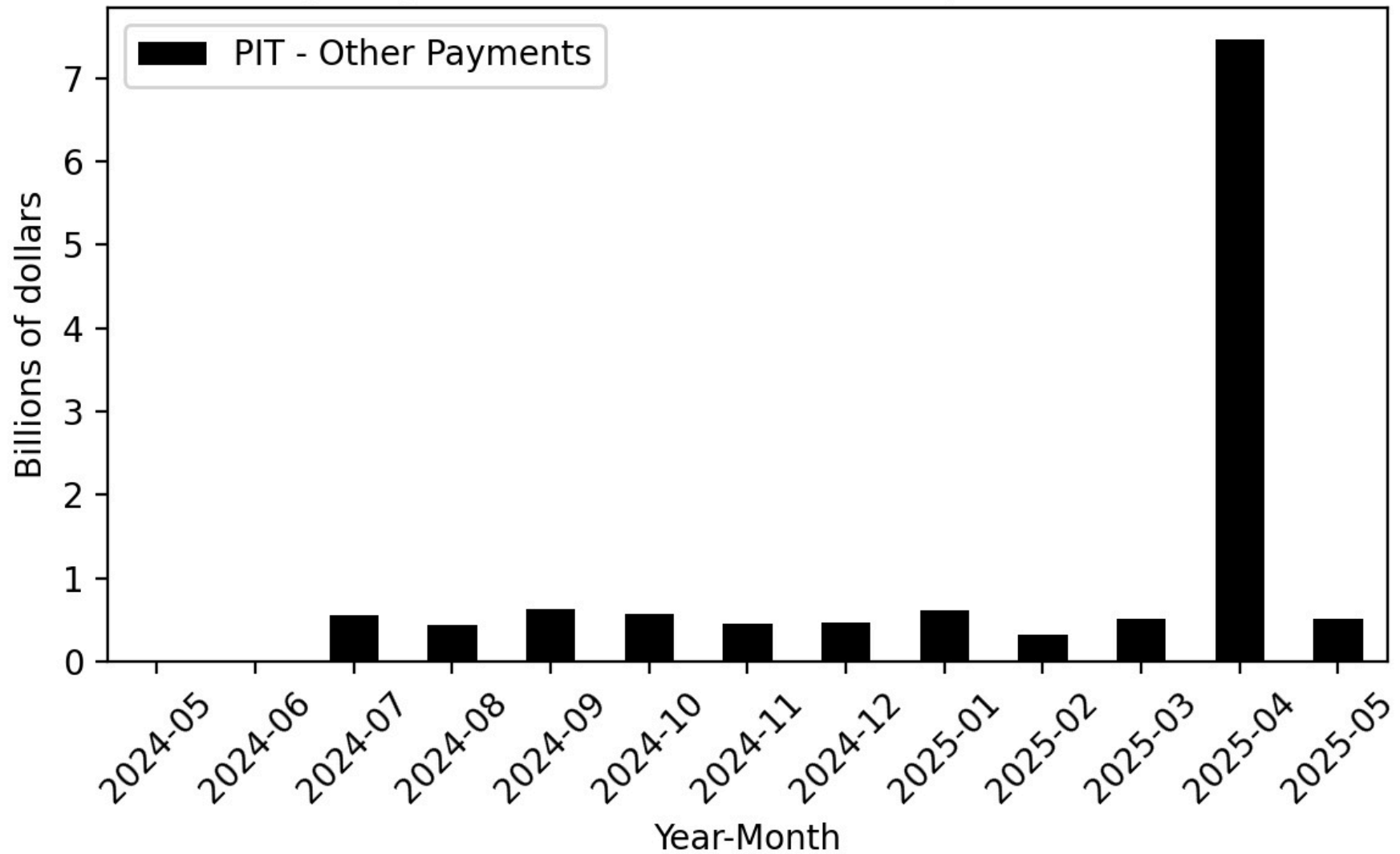


Figure 71

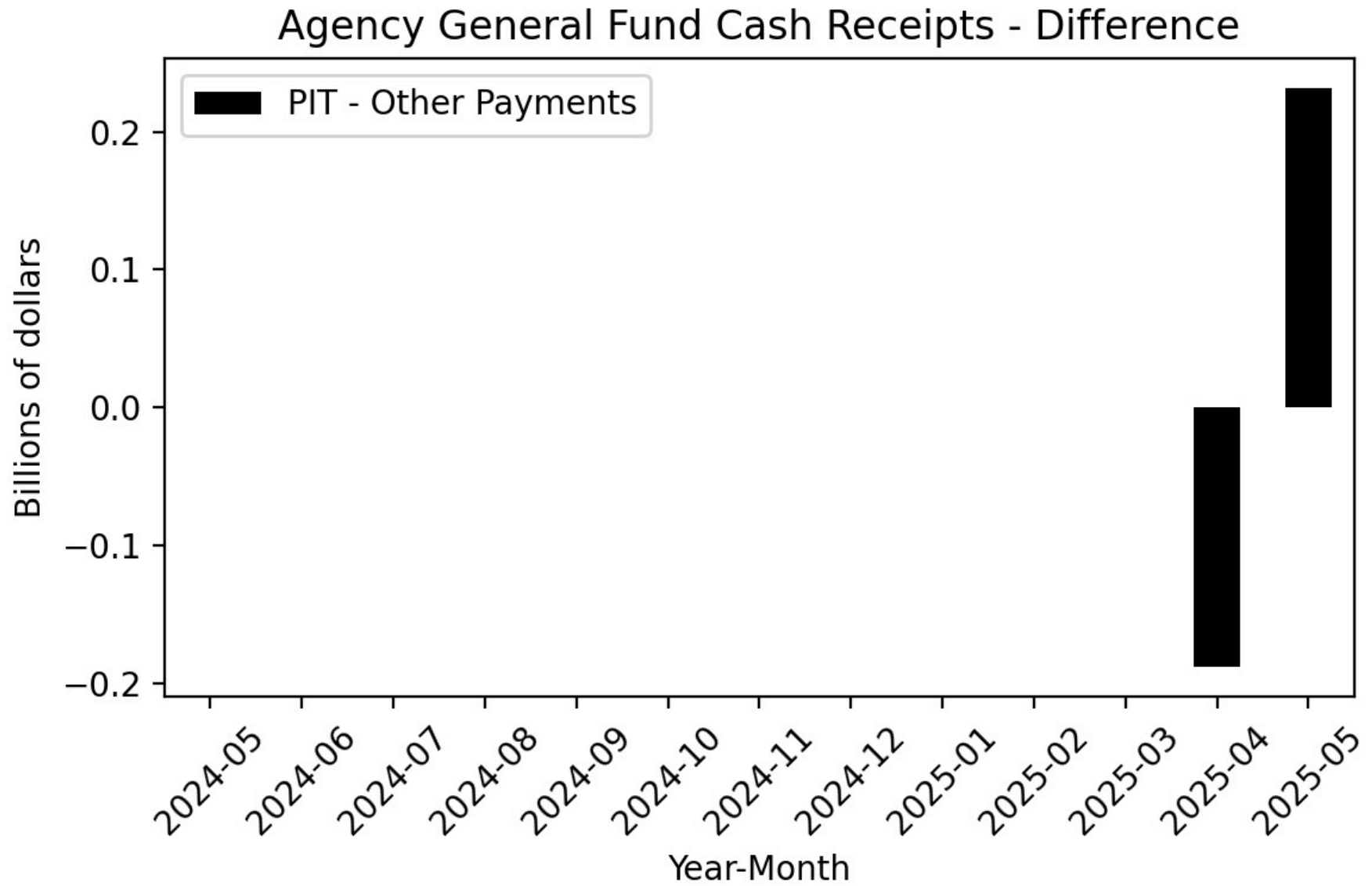


Figure 72

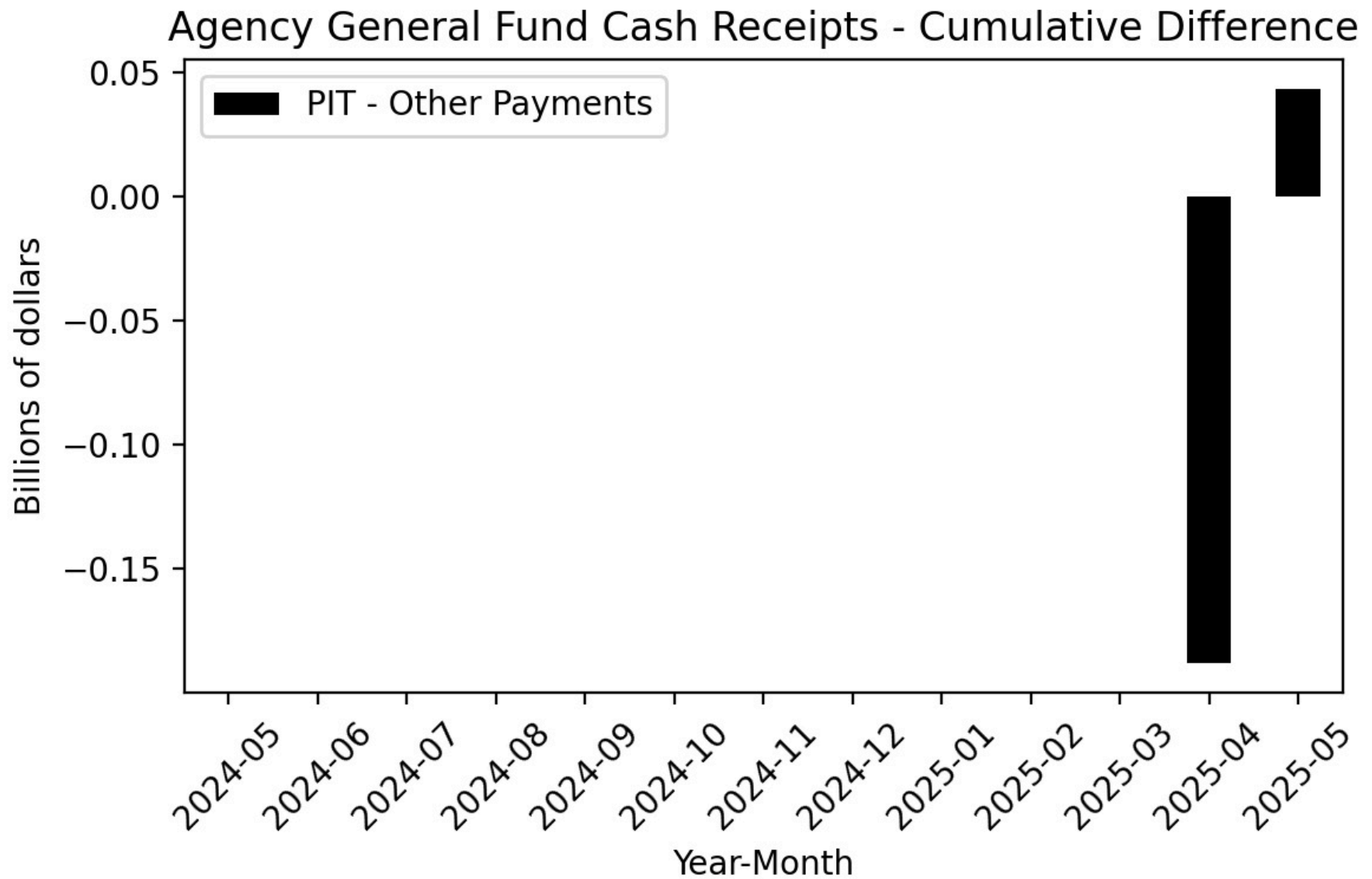


Figure 73

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Other Payments

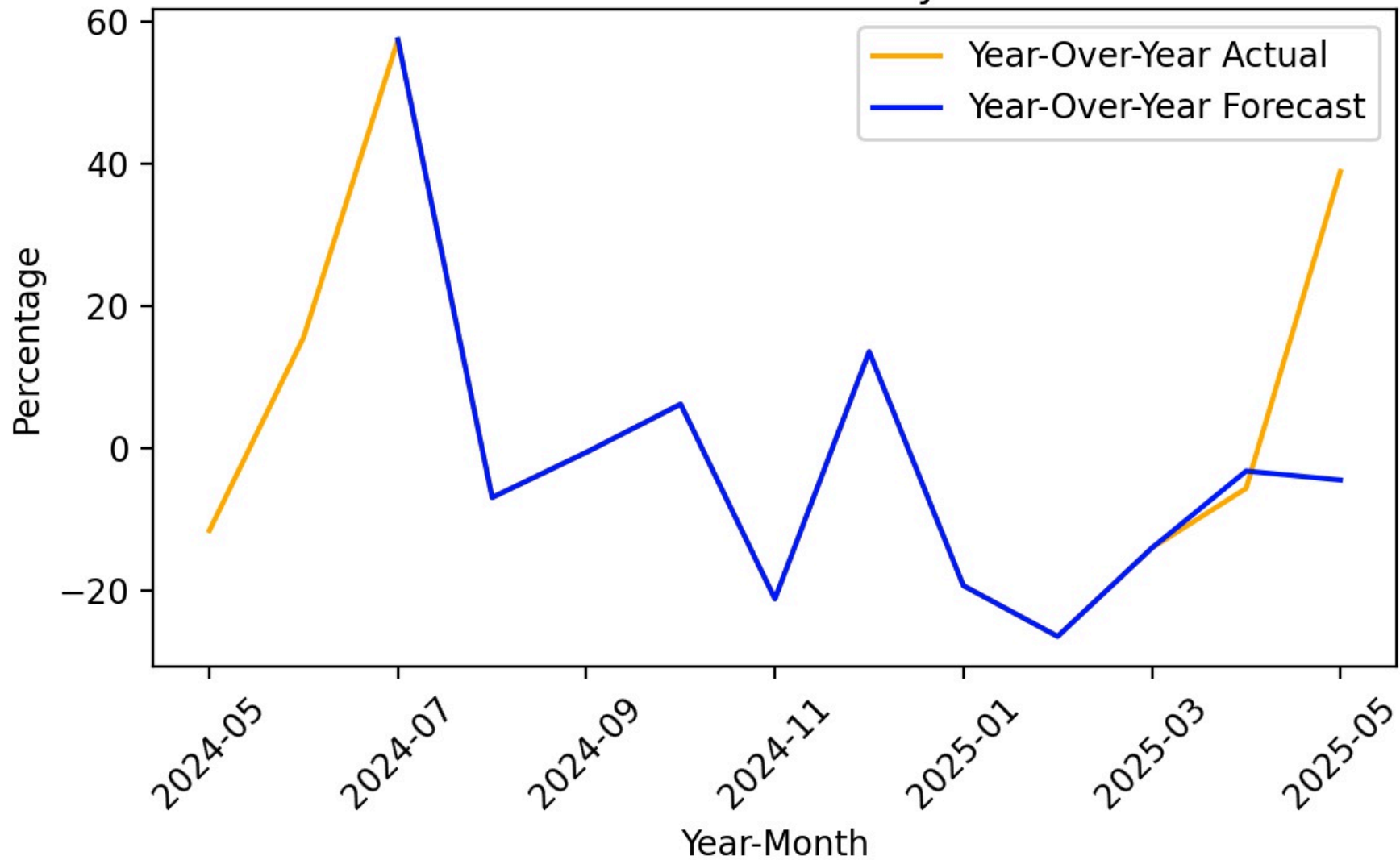


Figure 74

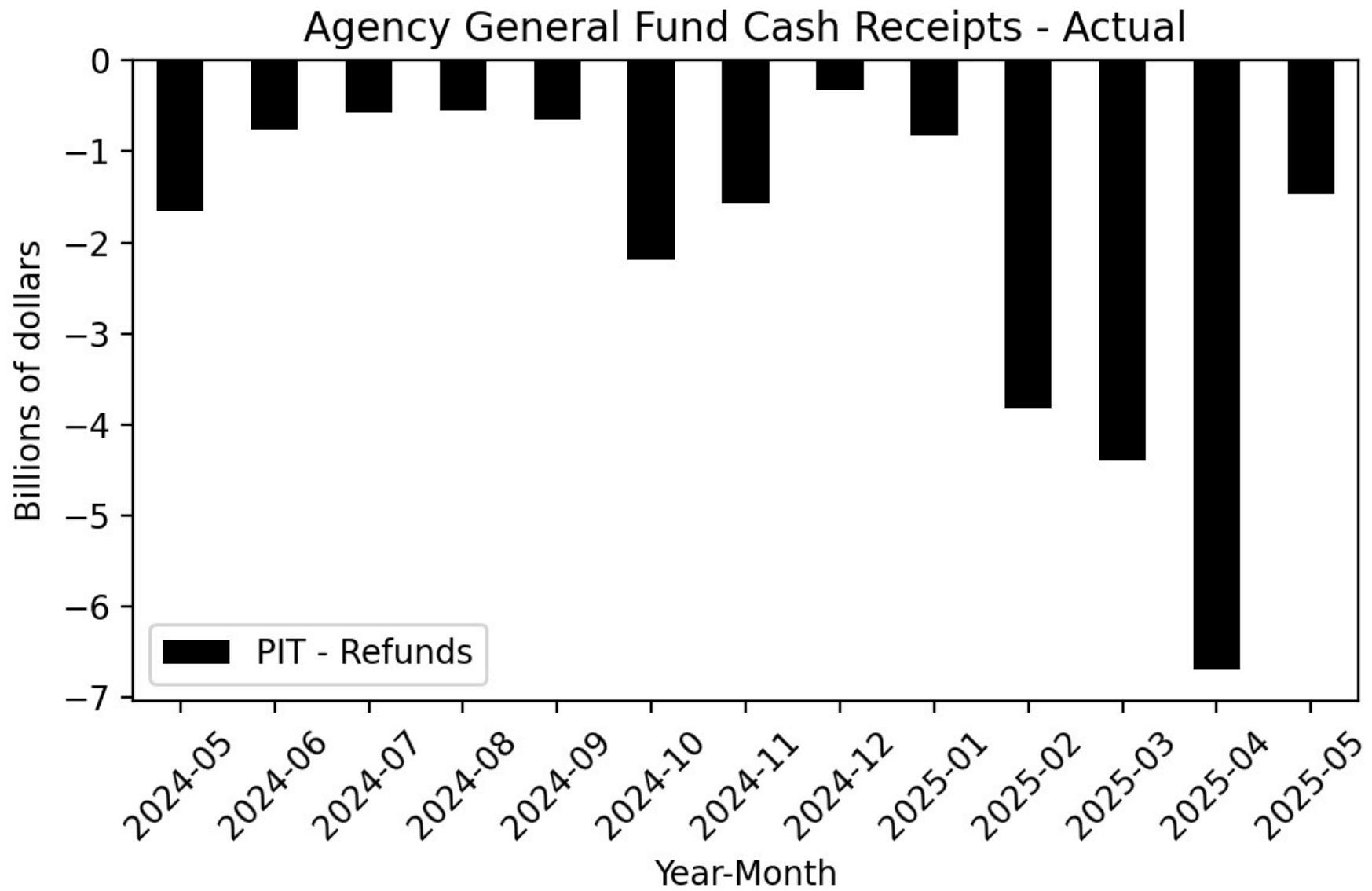


Figure 75

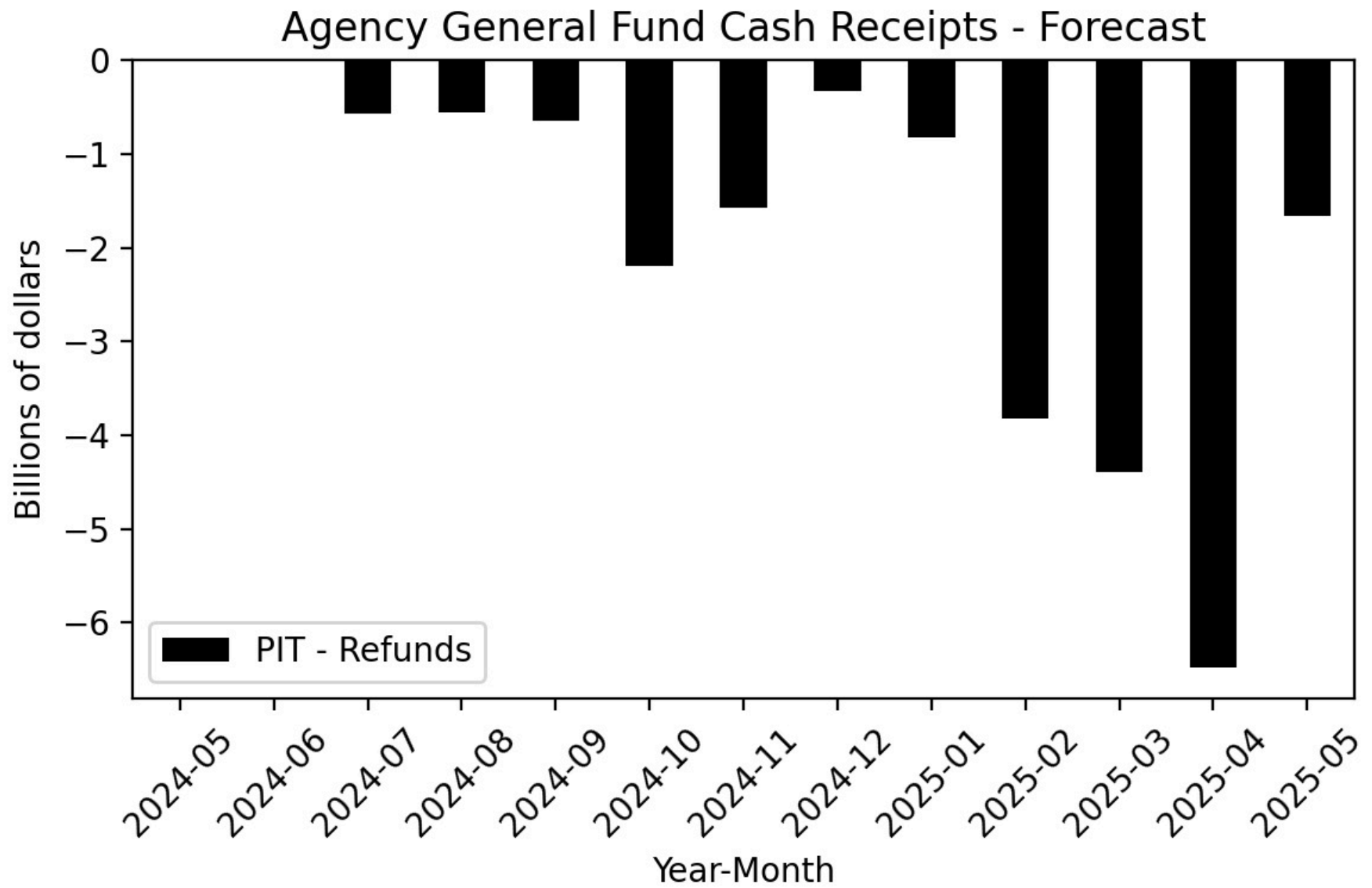


Figure 76

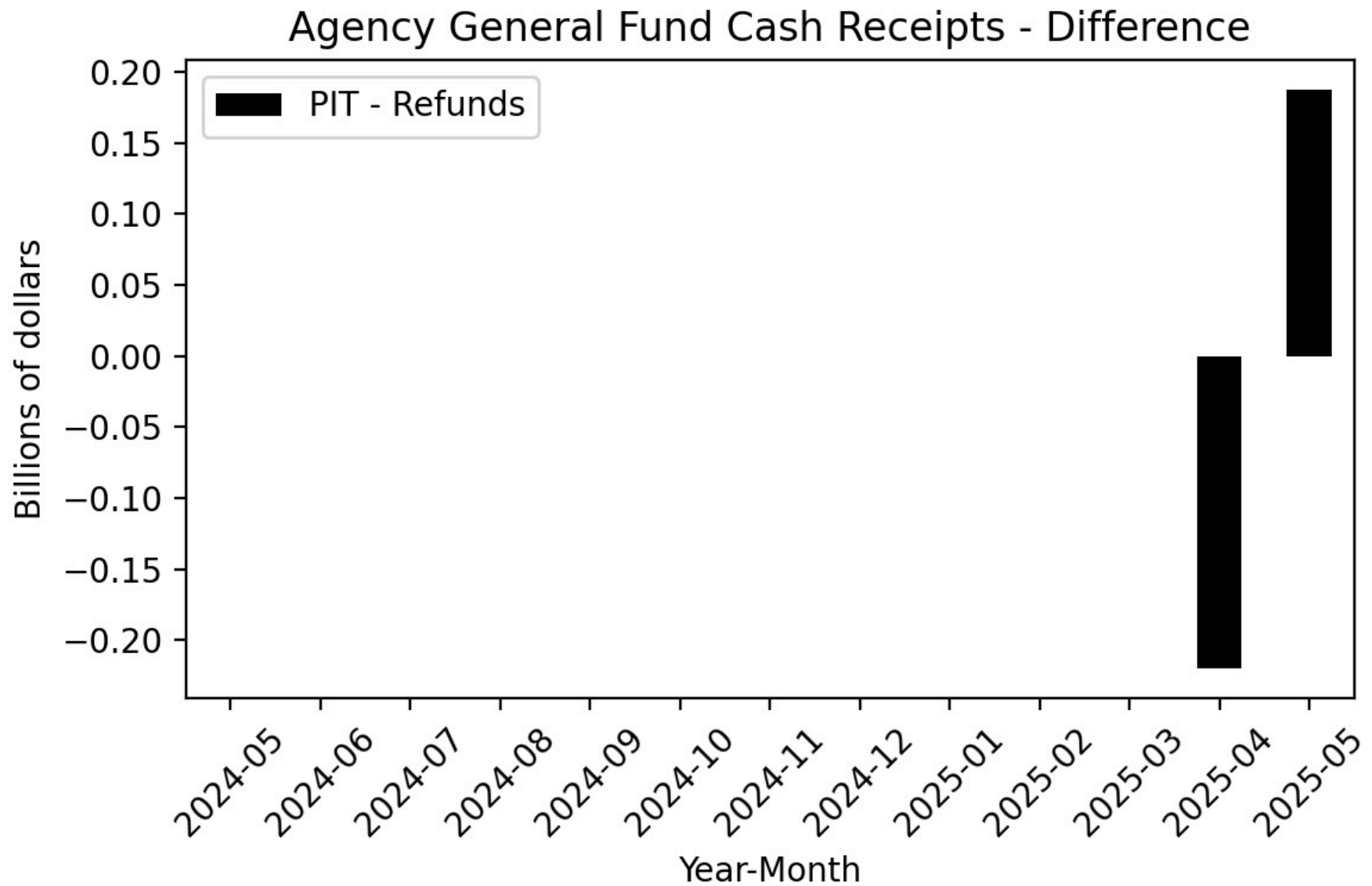


Figure 77

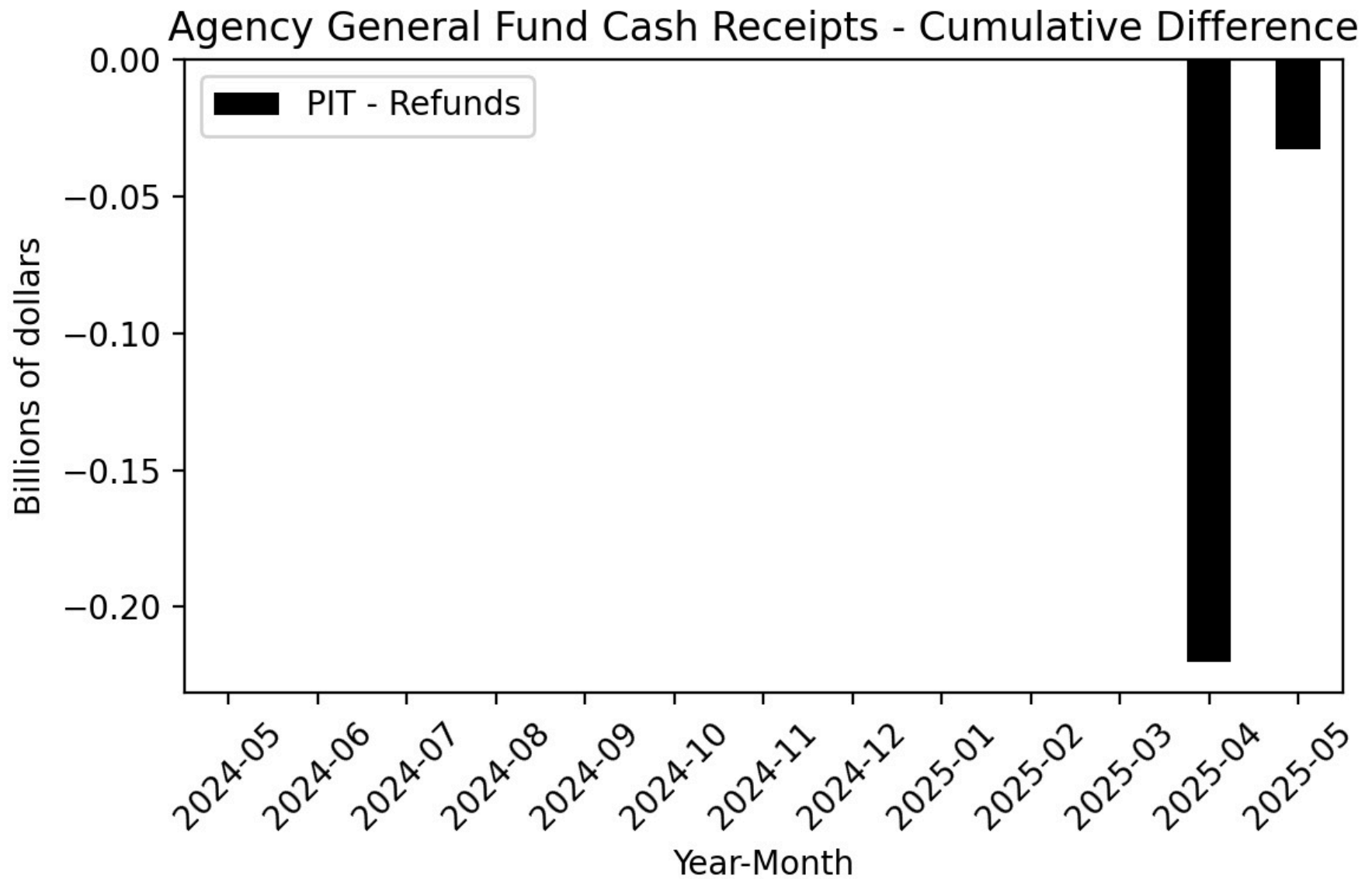


Figure 78

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-Refunds

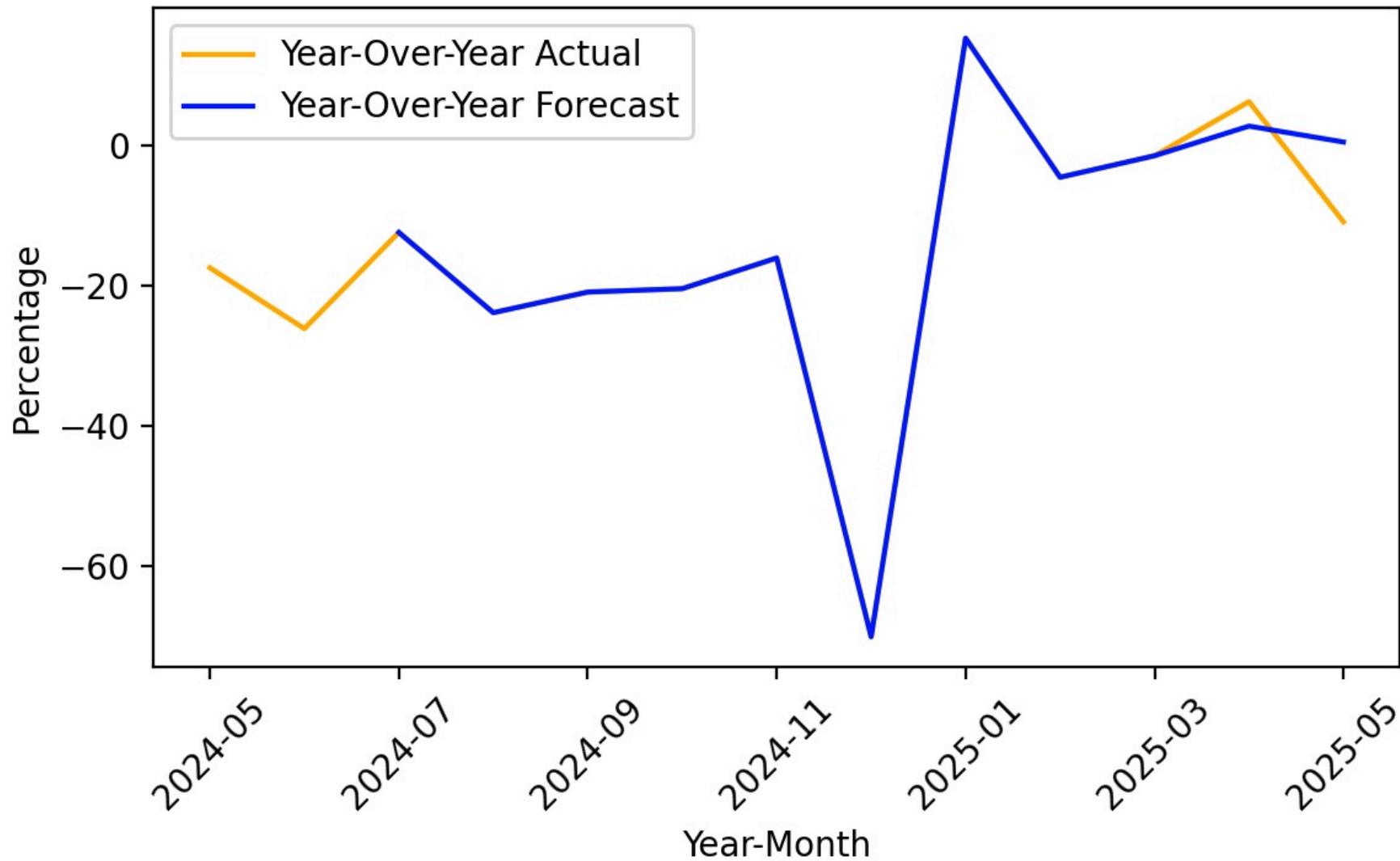


Figure 79

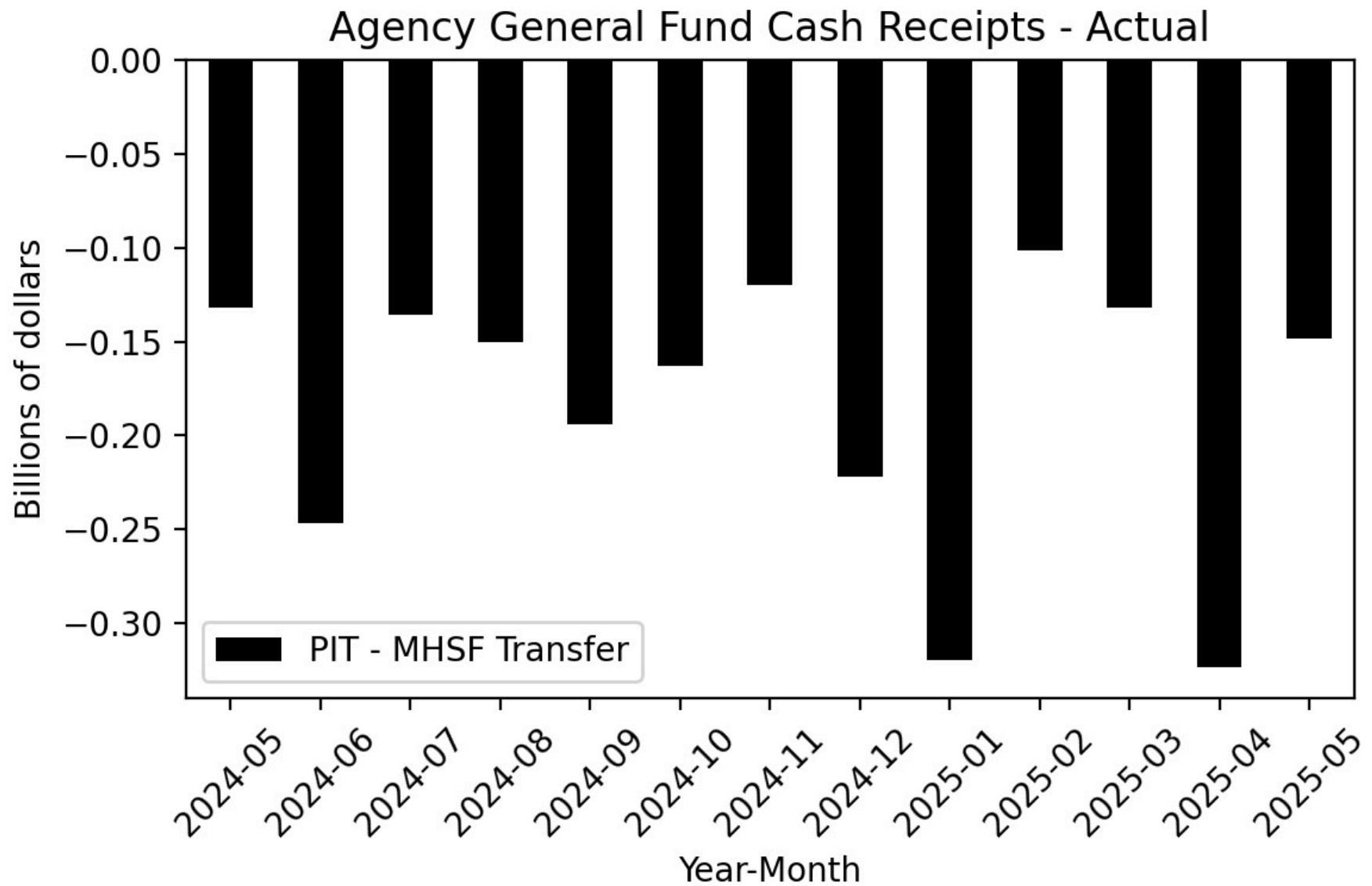


Figure 80

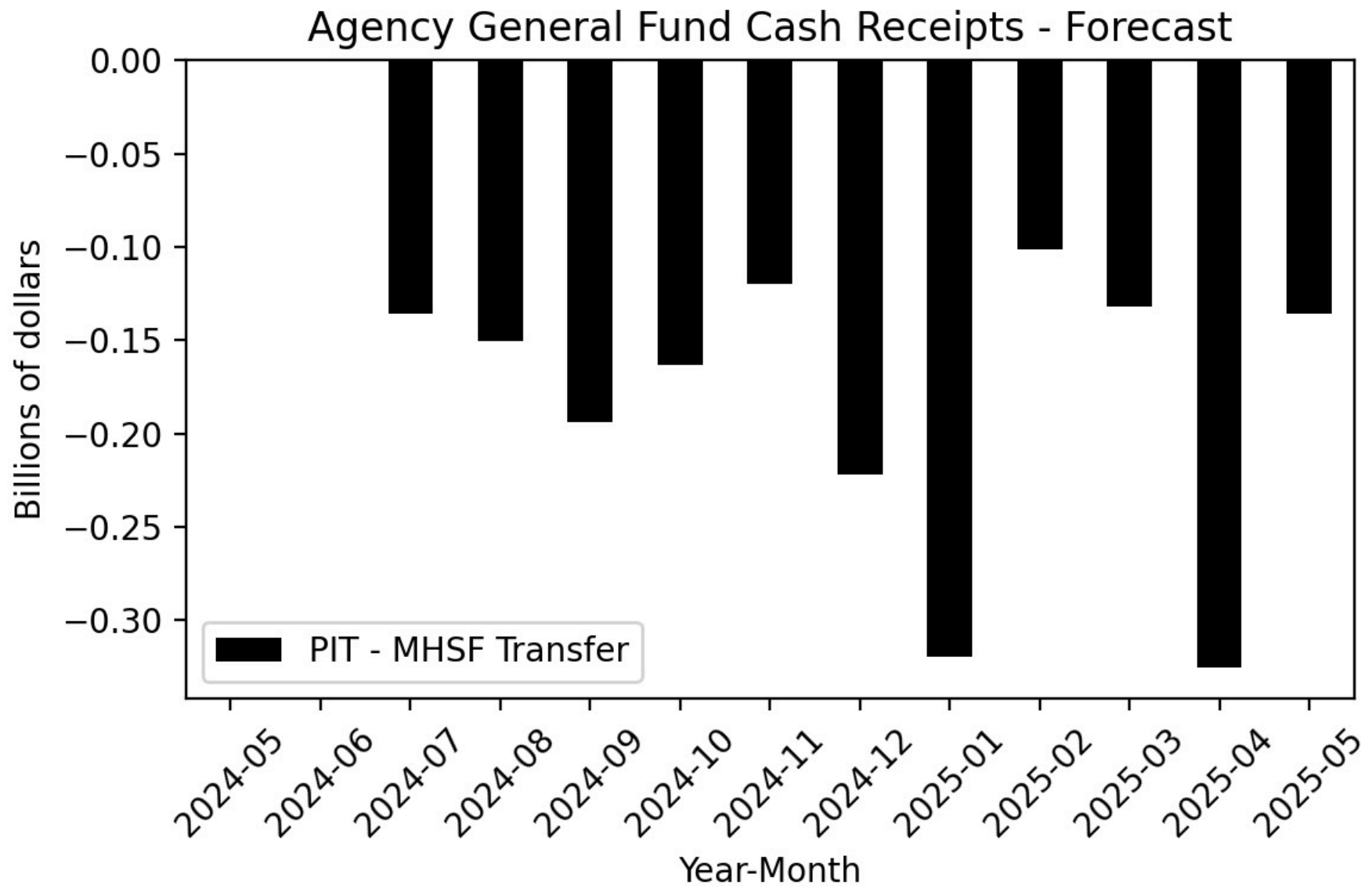


Figure 81

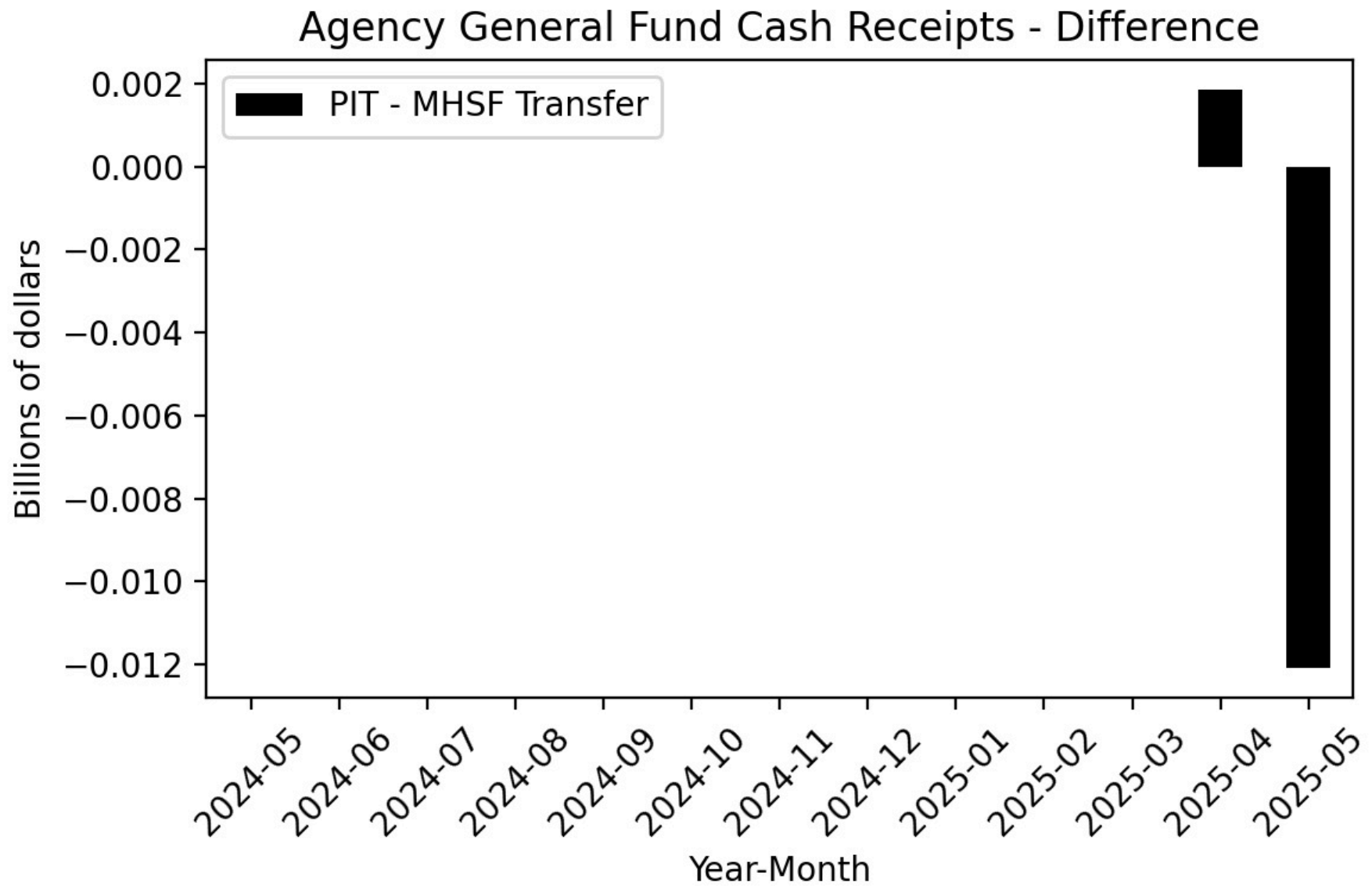


Figure 82

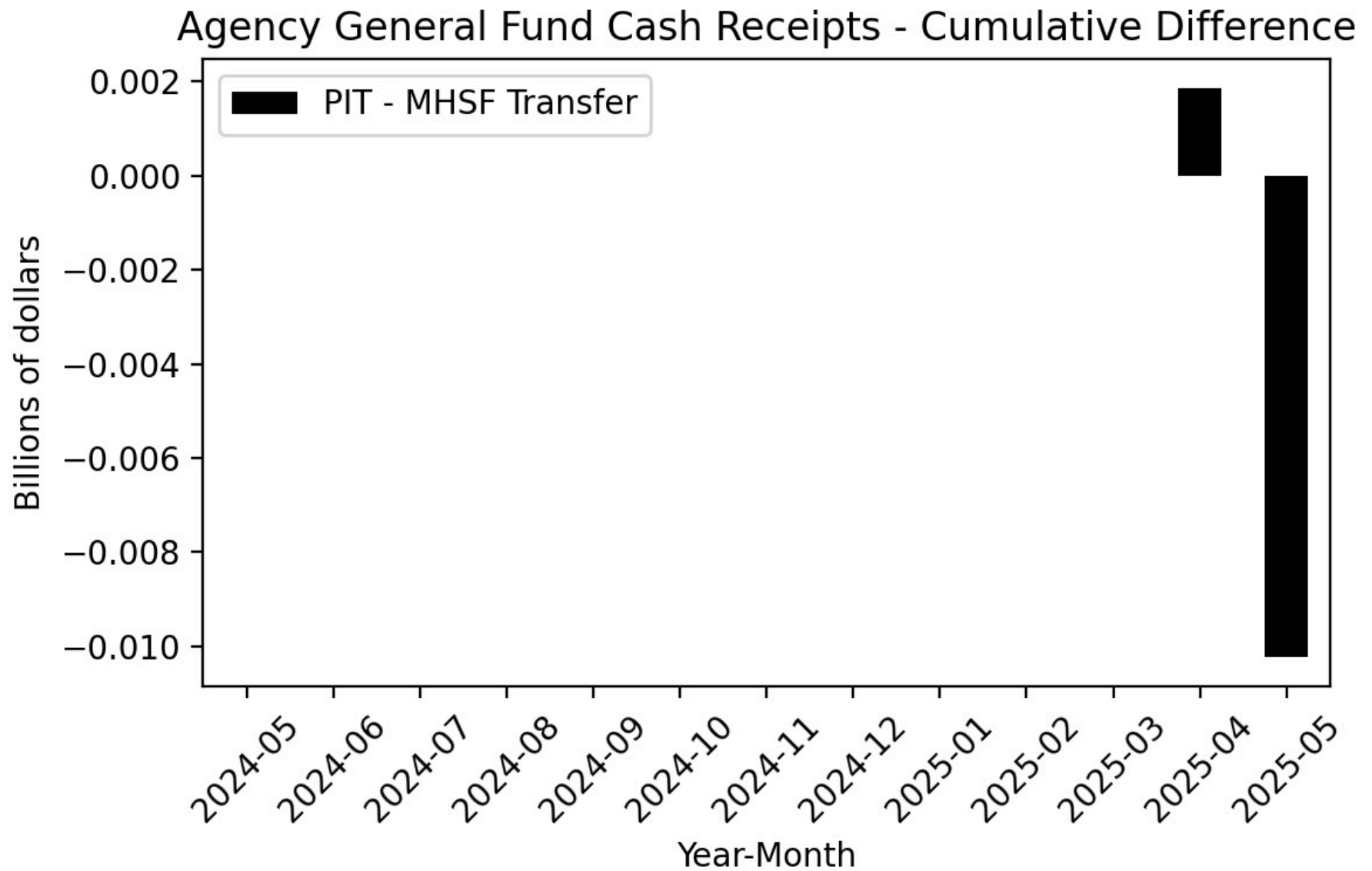


Figure 83

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-MHSF Transfer

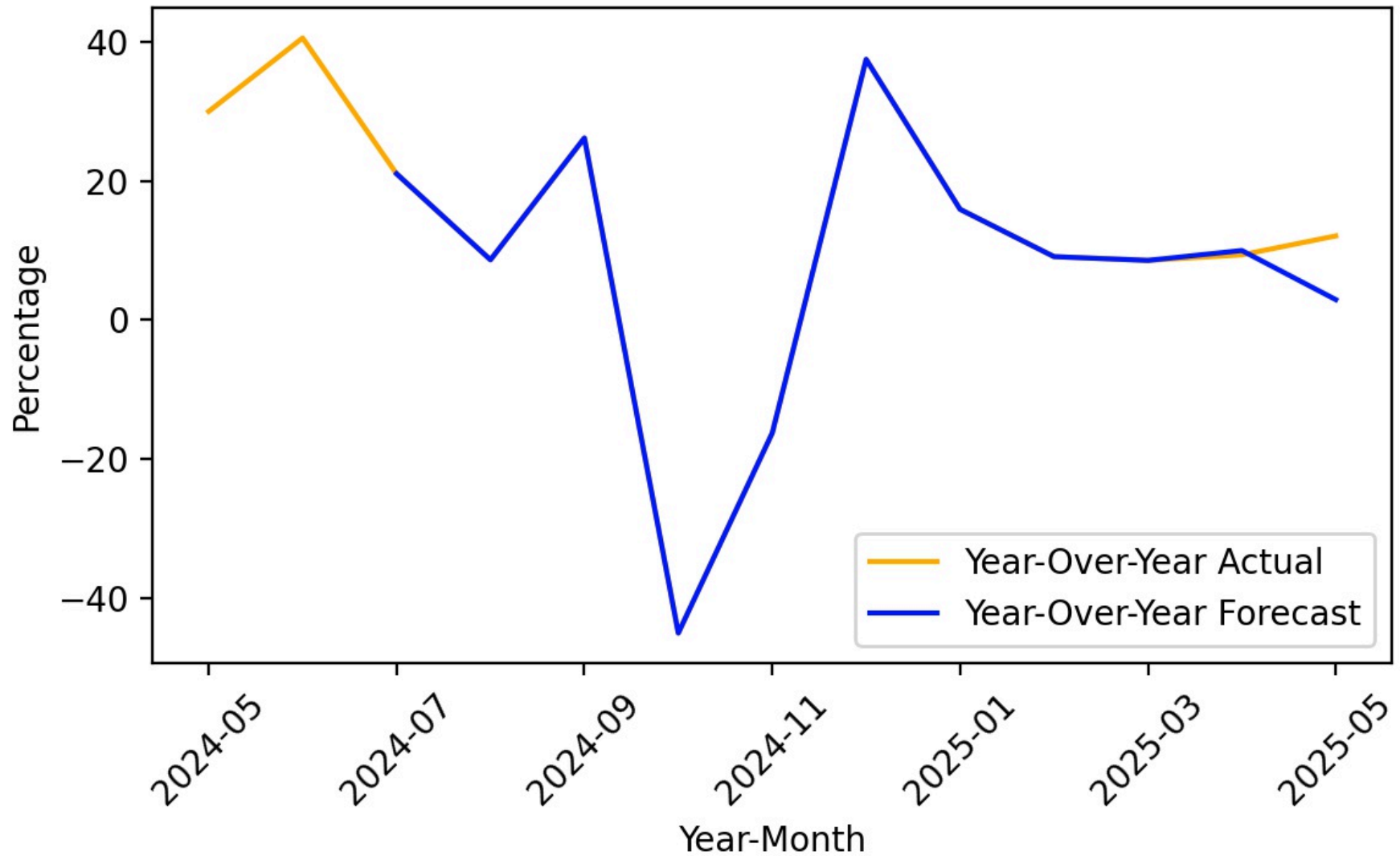


Figure 84

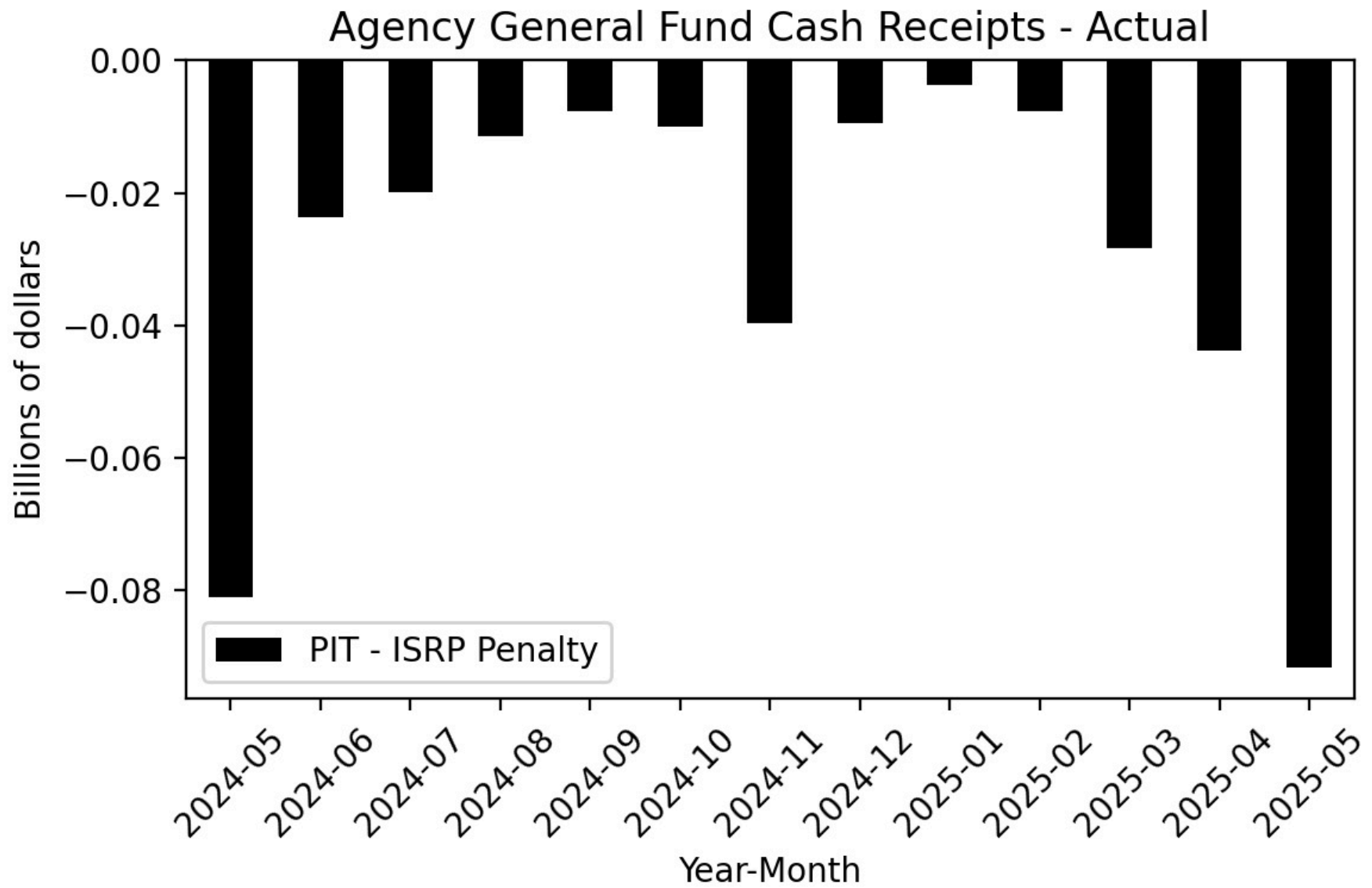


Figure 85

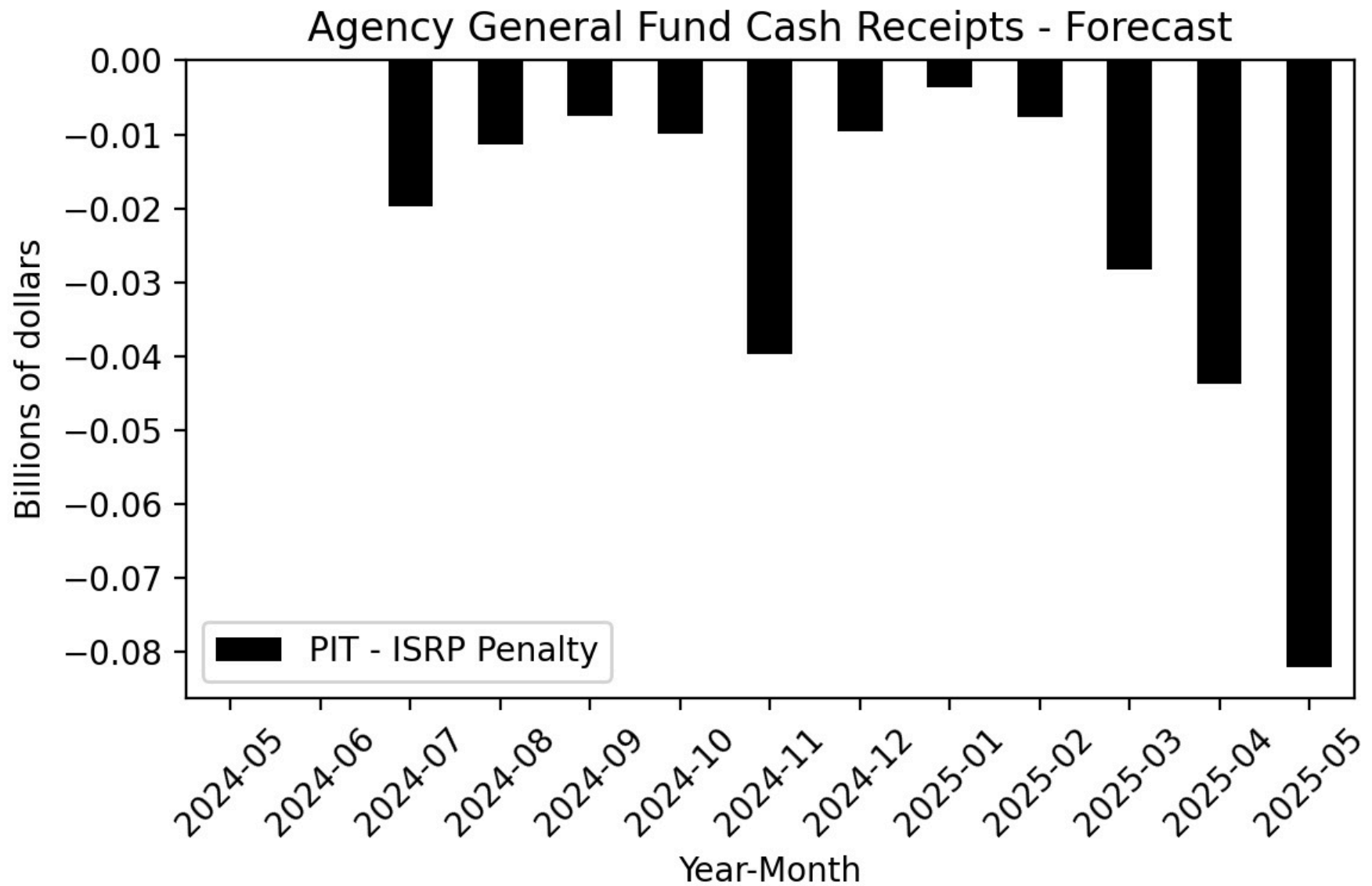


Figure 86

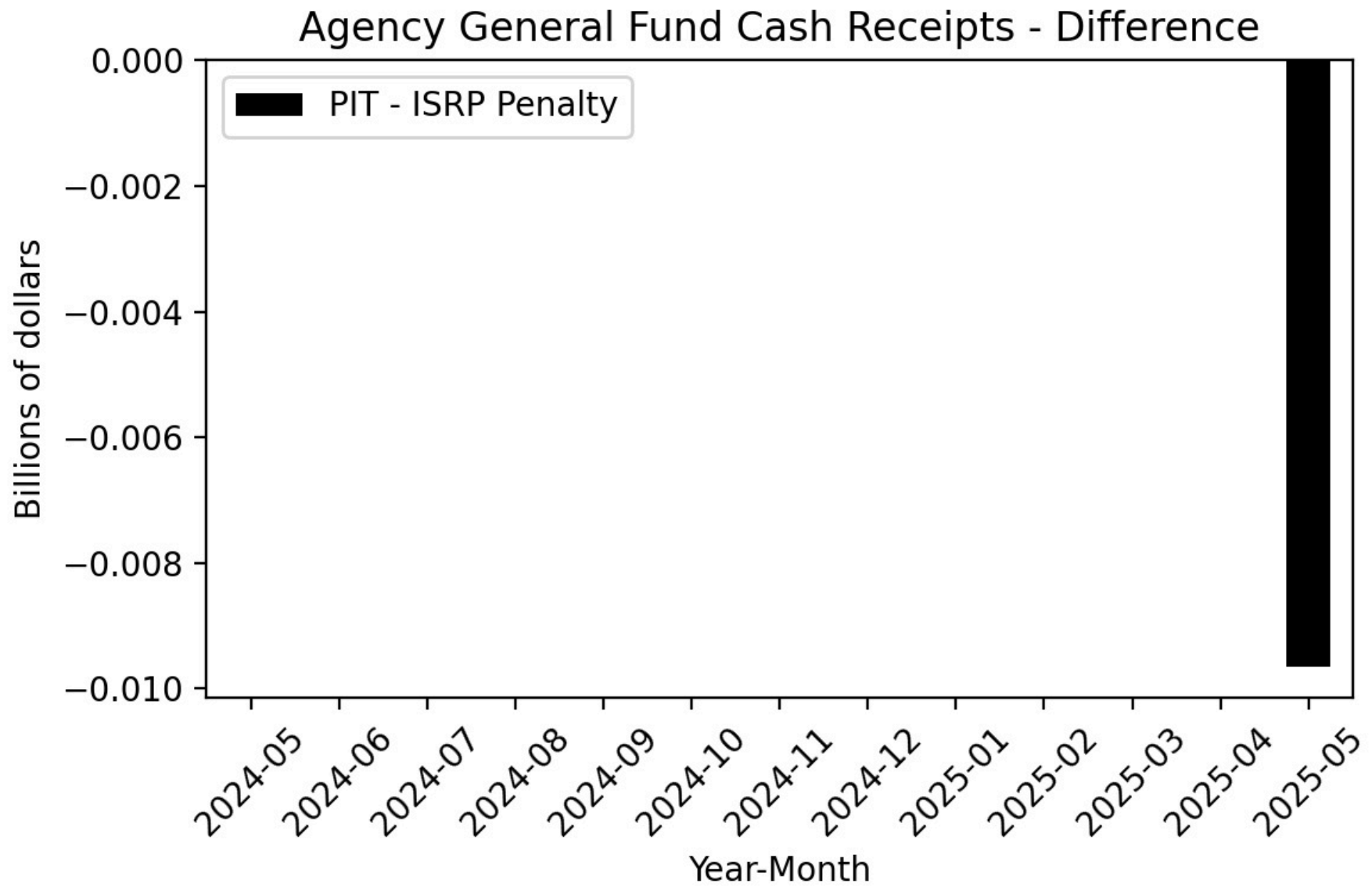


Figure 87

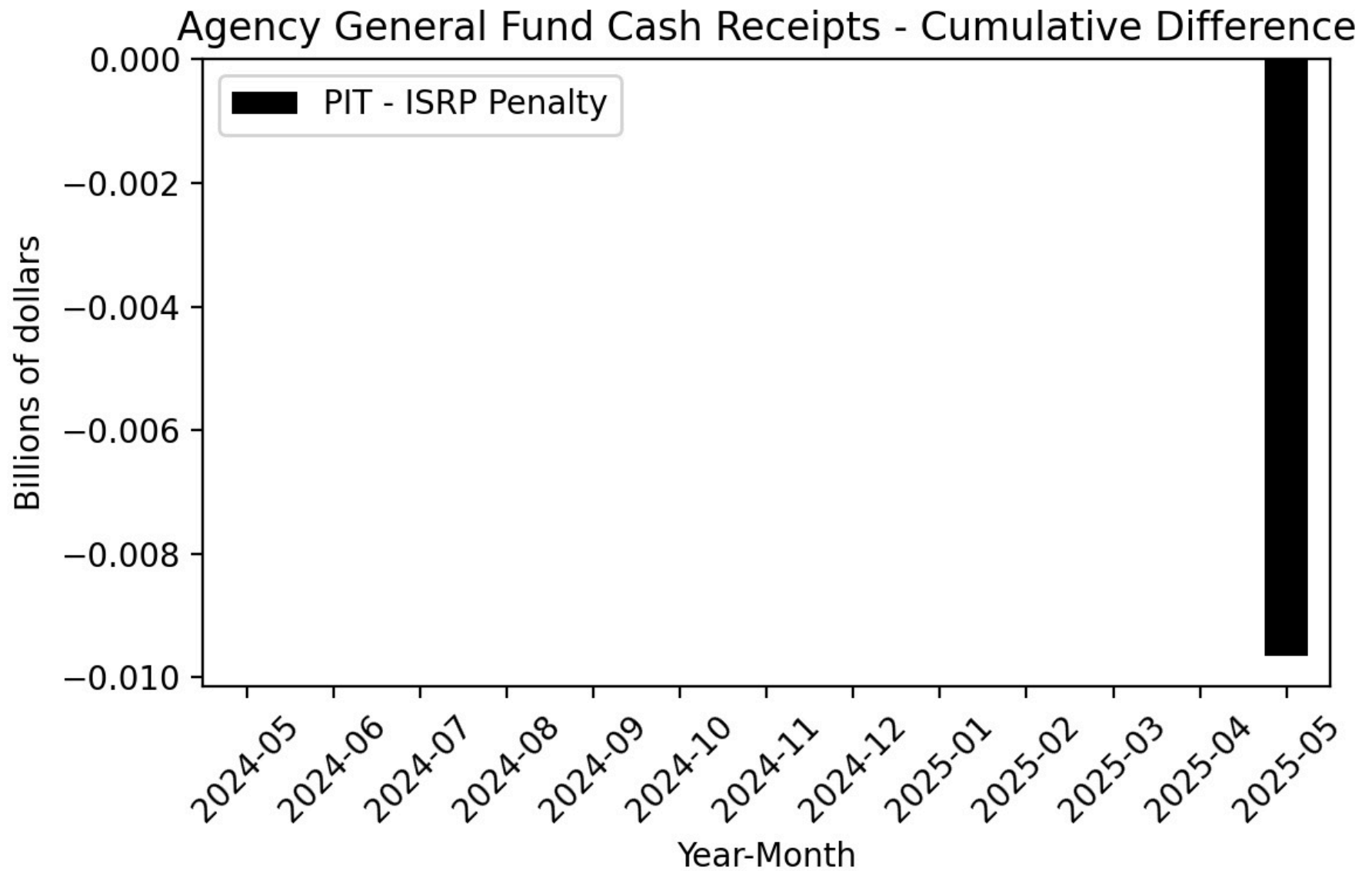


Figure 88

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast PIT-ISRP Penalty

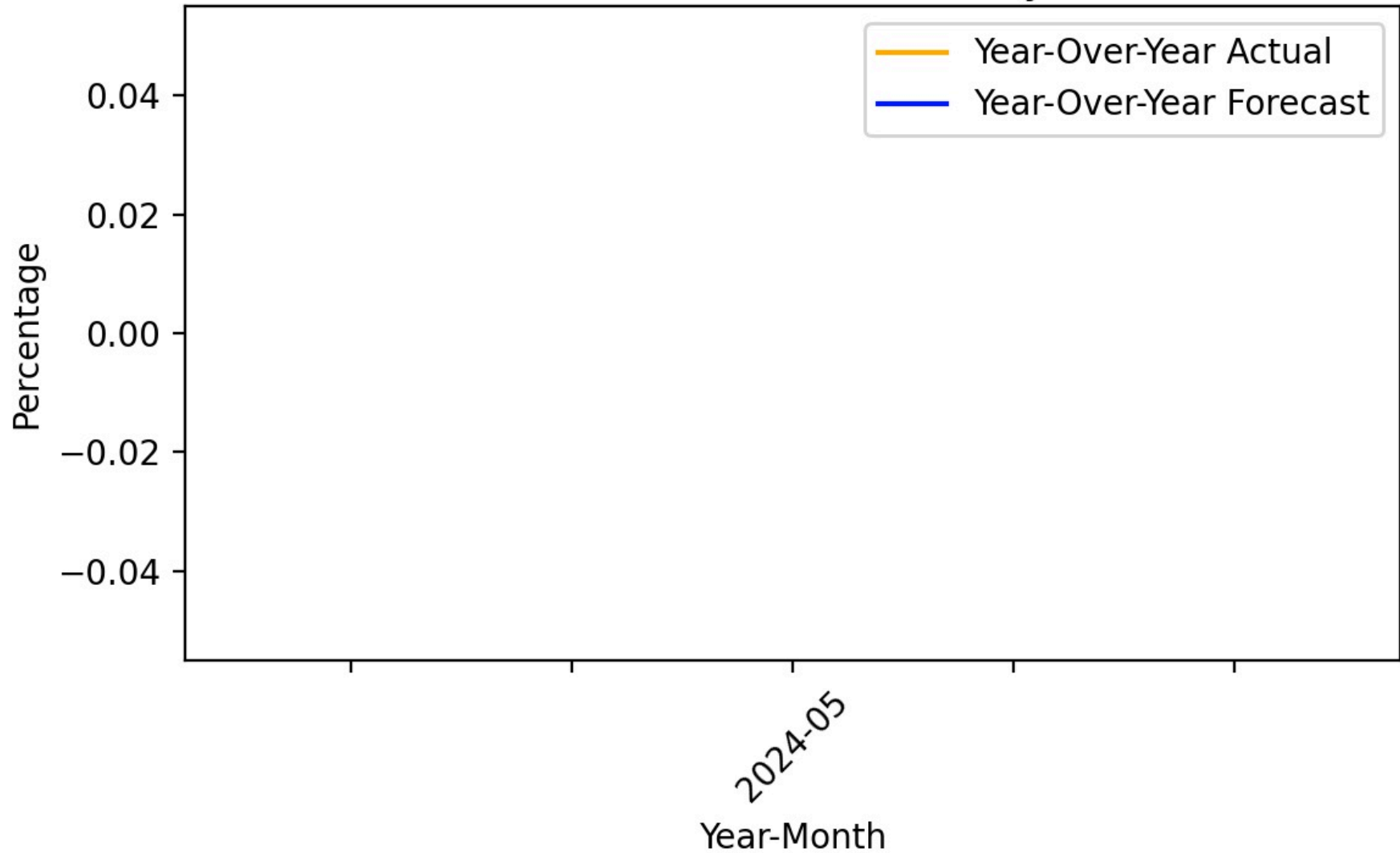


Figure 89

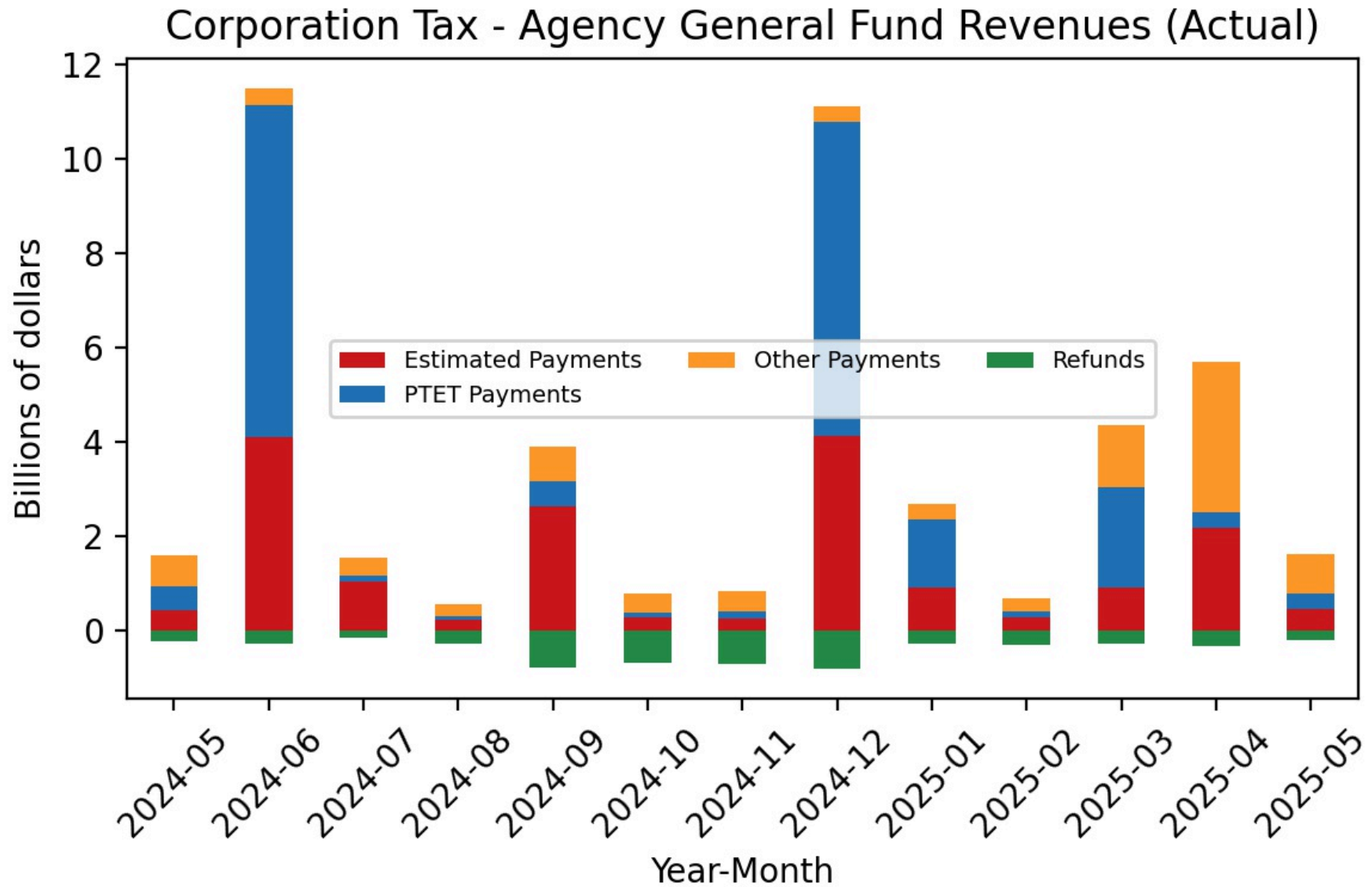


Figure 90

Corporation Tax - Agency General Fund Revenues (Forecast)

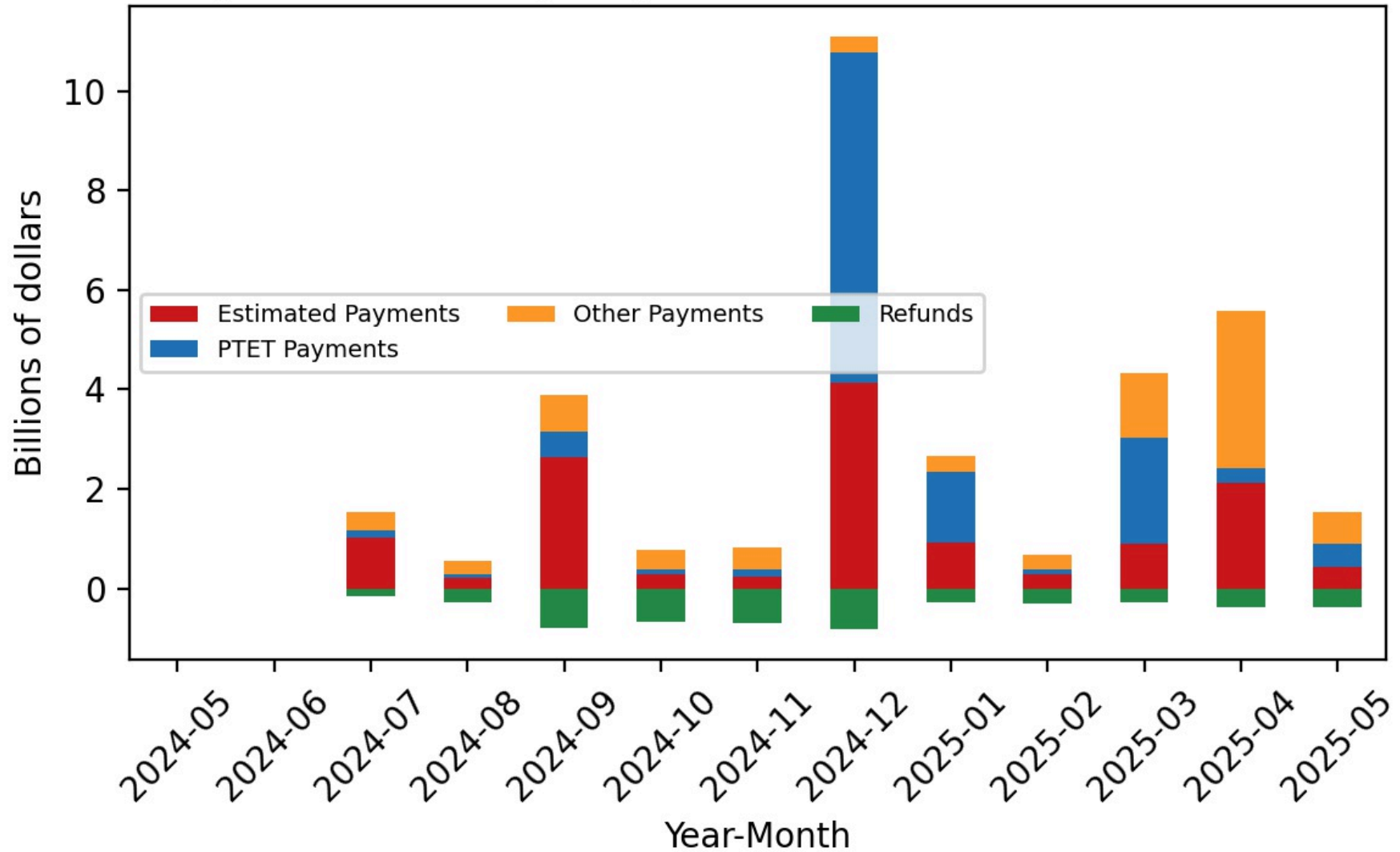


Figure 91

Corporation Tax - Agency General Fund Revenues (Difference)

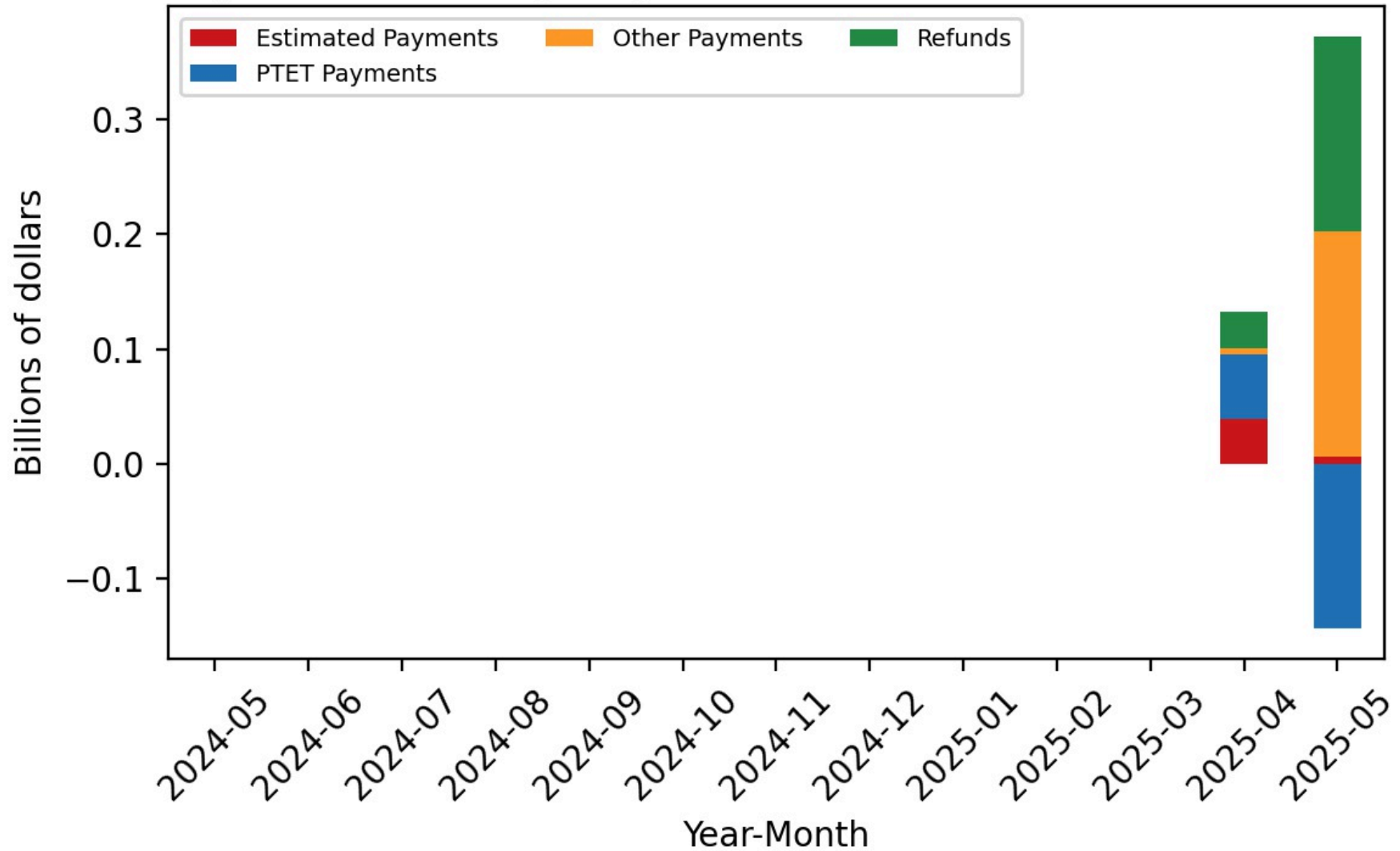


Figure 92

Corporation Tax - Agency General Fund Revenues (Cumulative Difference)

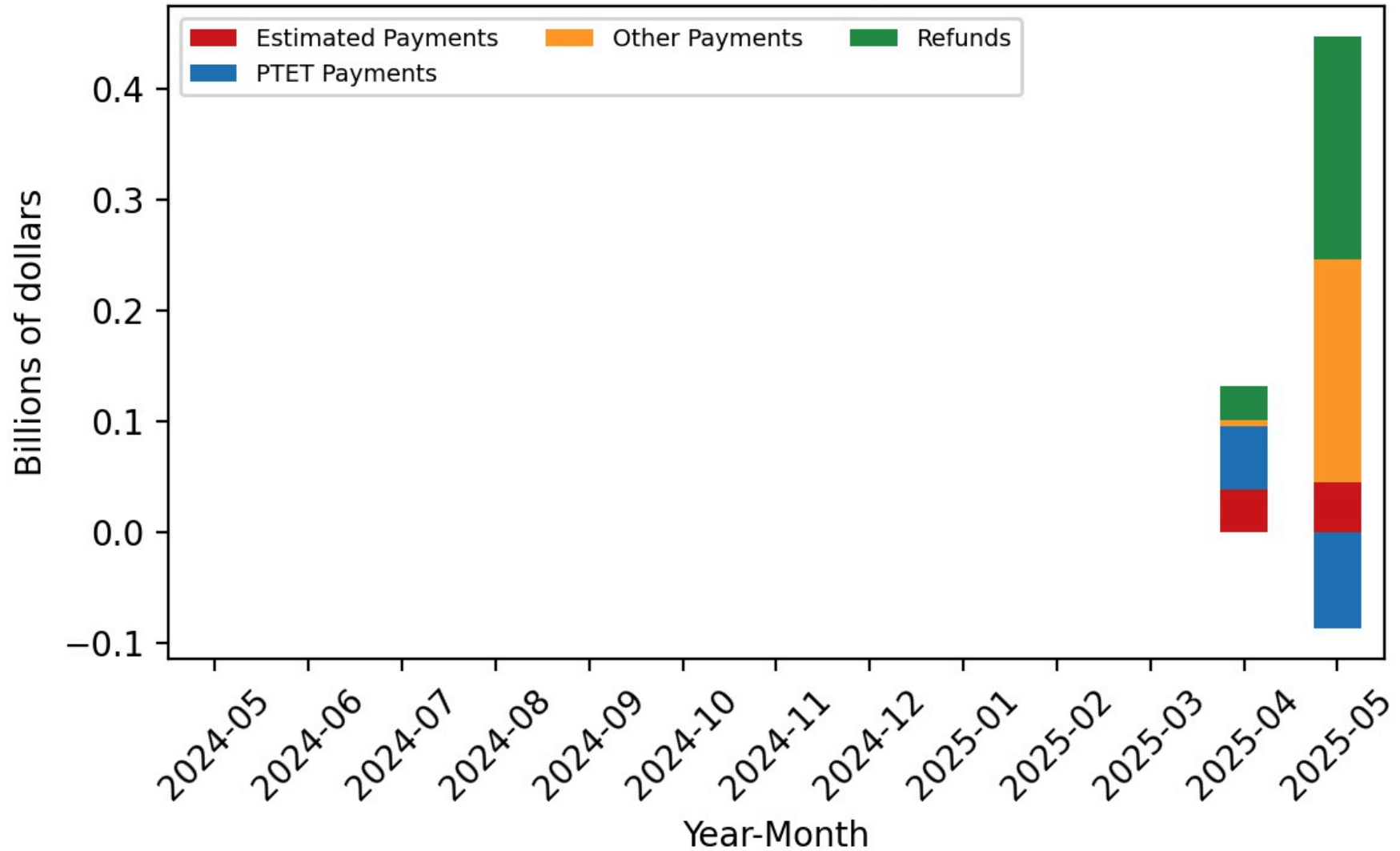


Figure 93

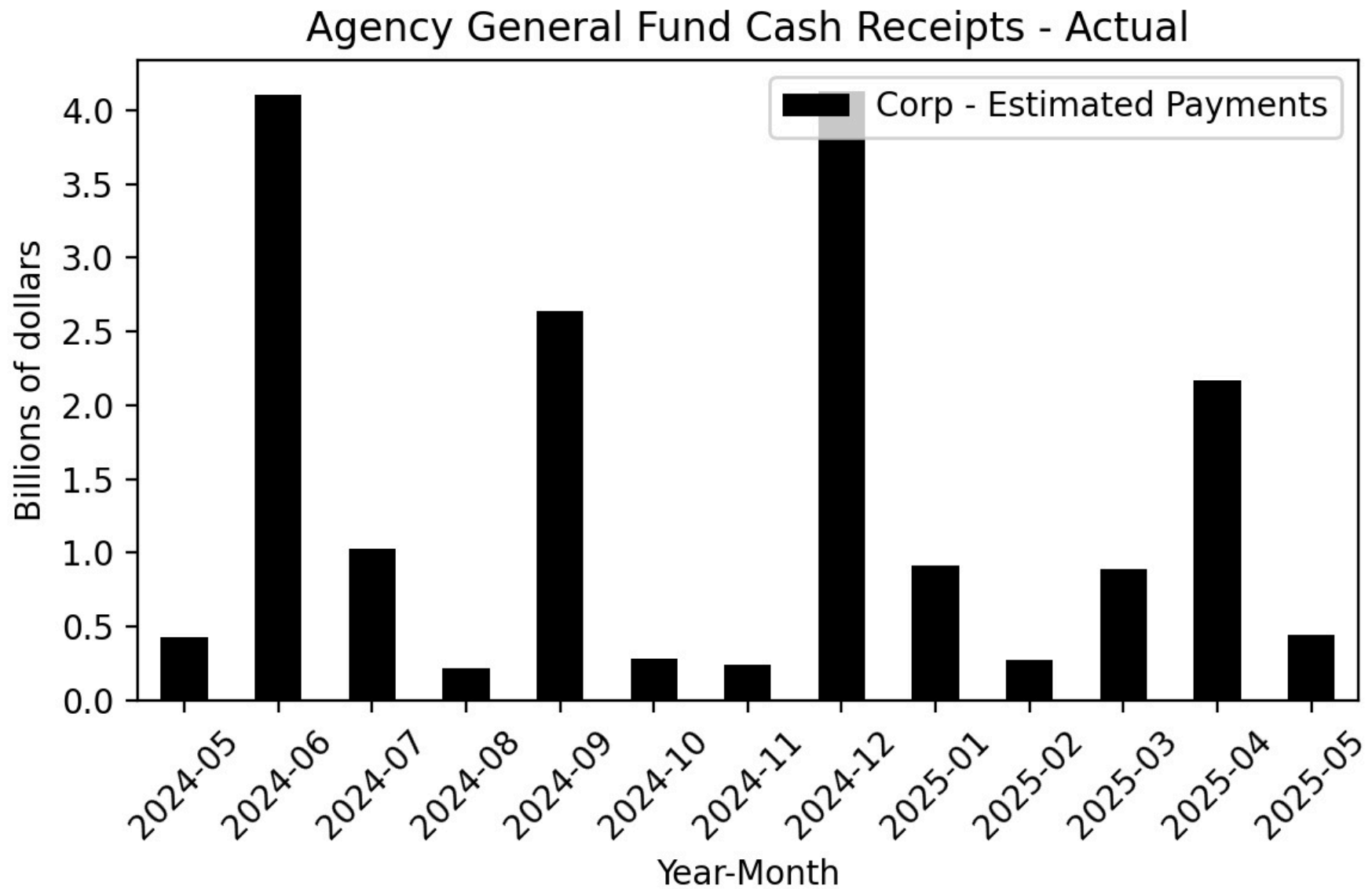


Figure 94

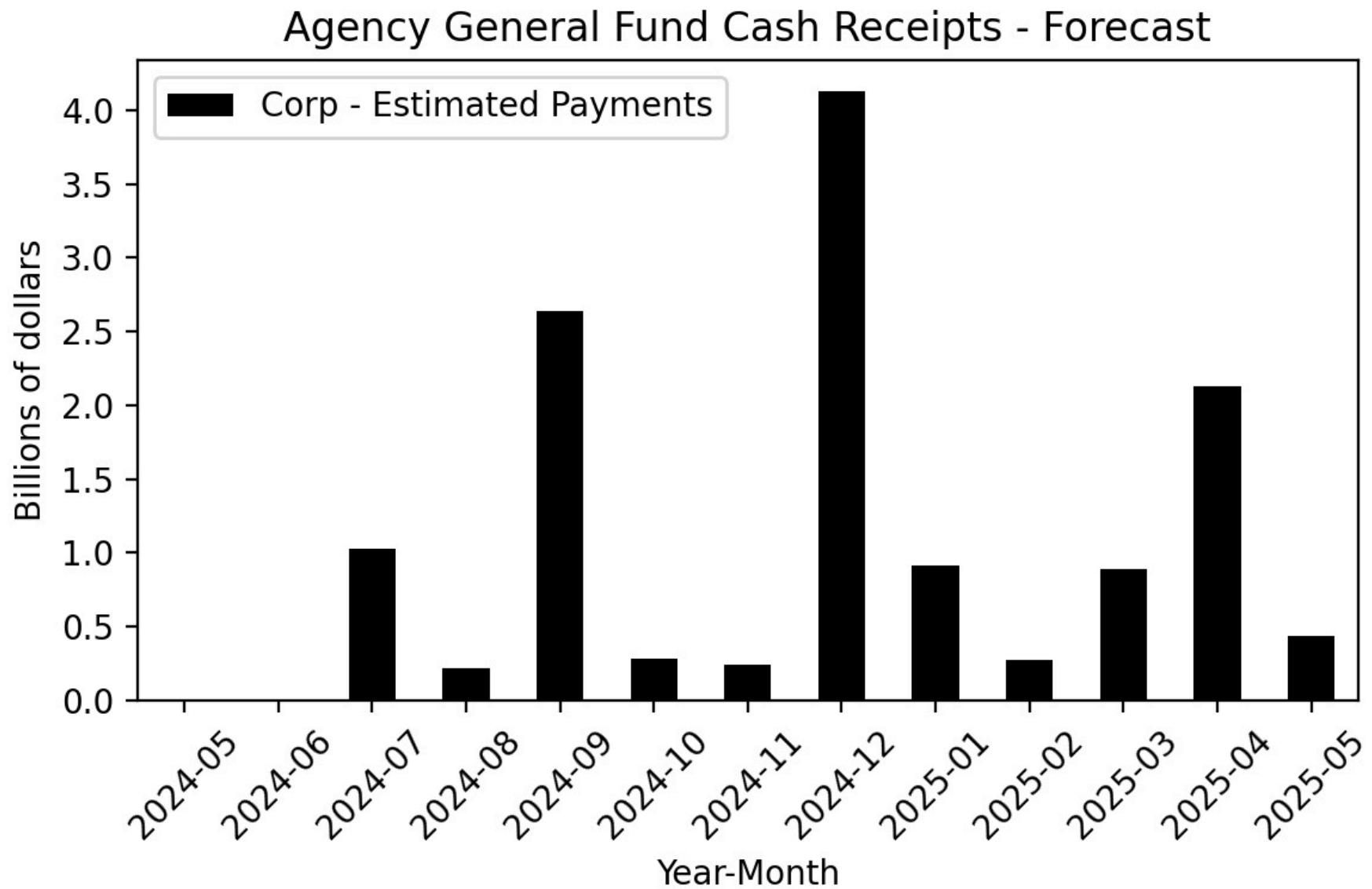


Figure 95

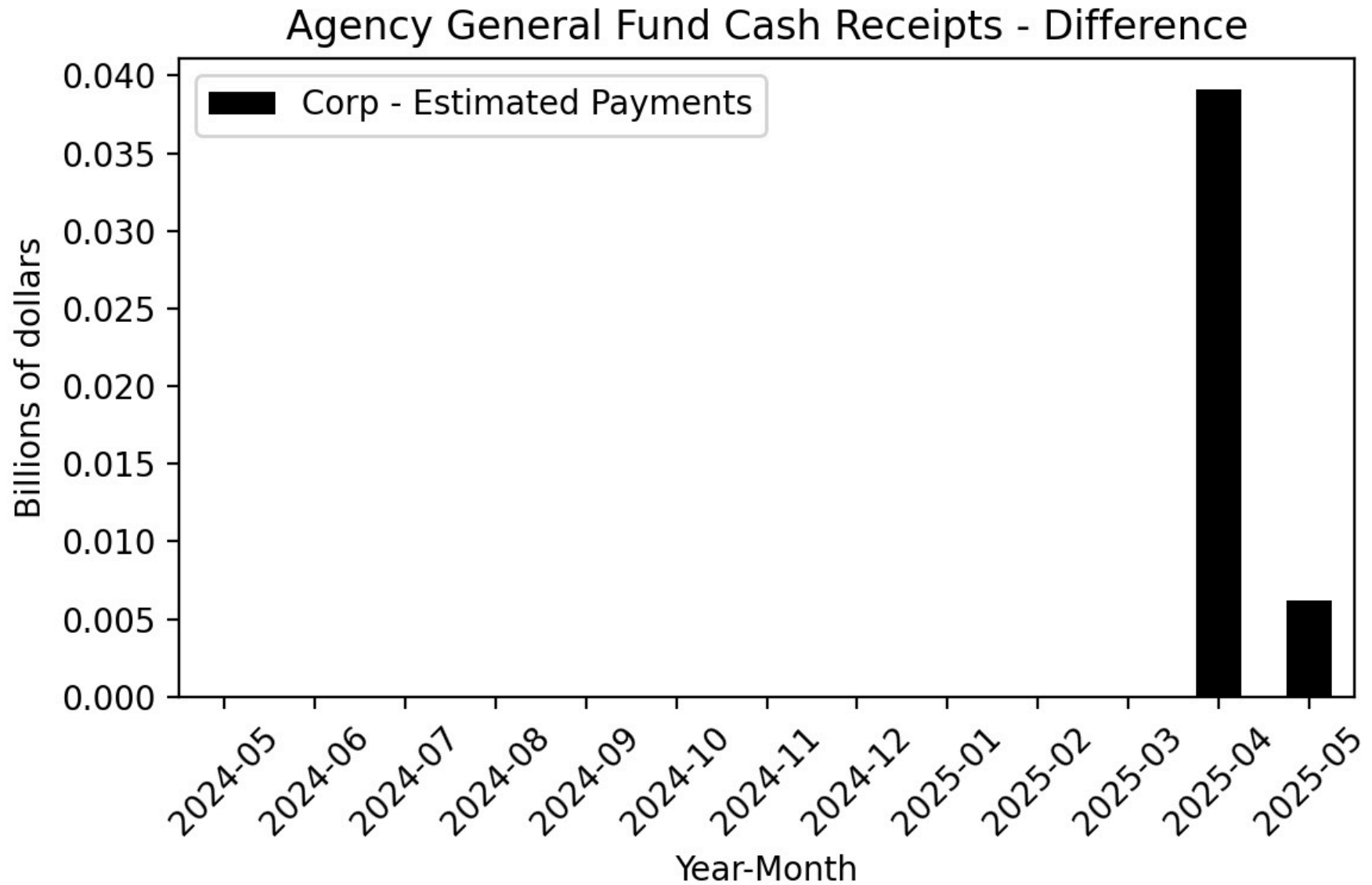


Figure 96

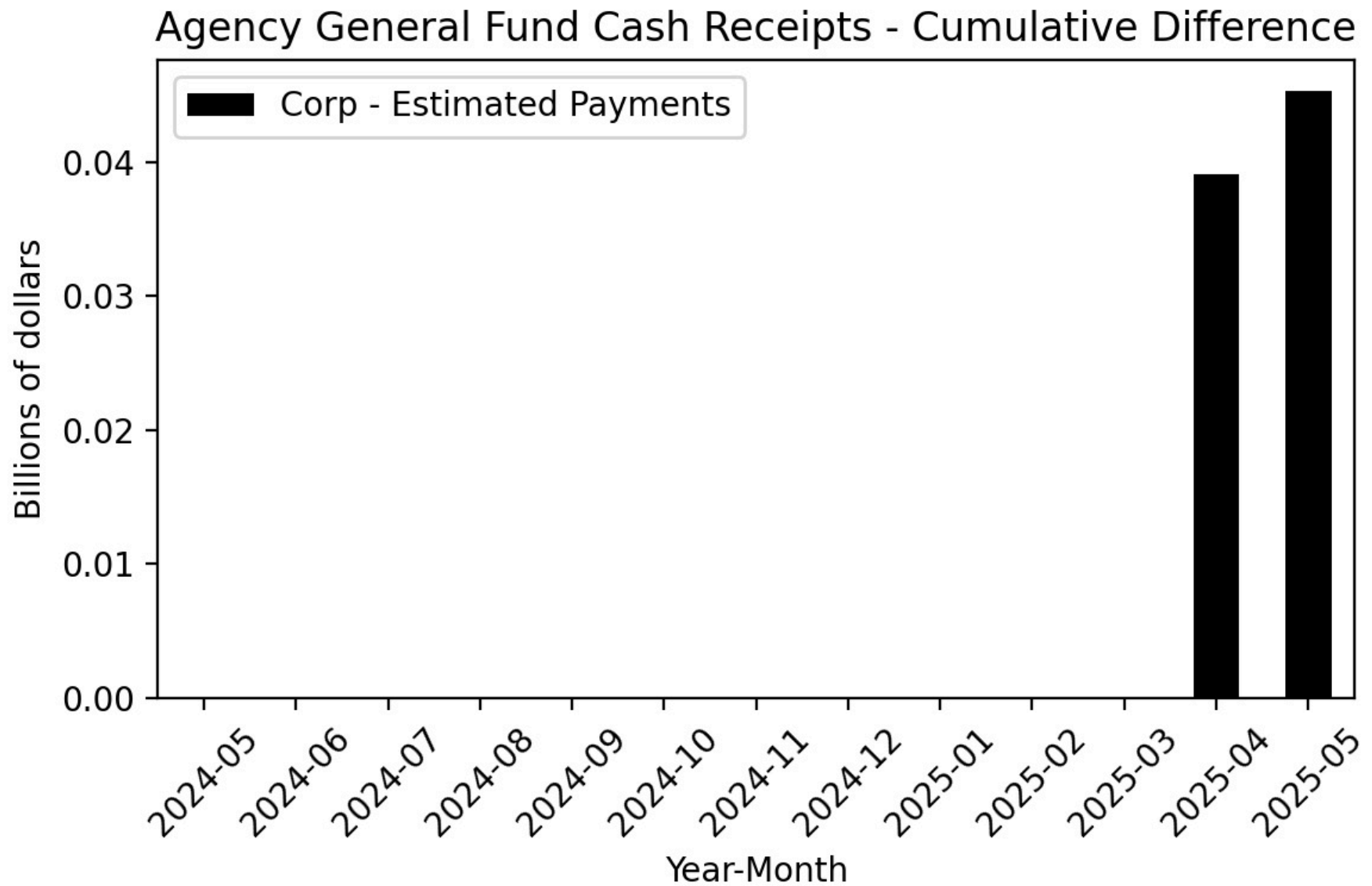


Figure 97

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-Estimated Payments

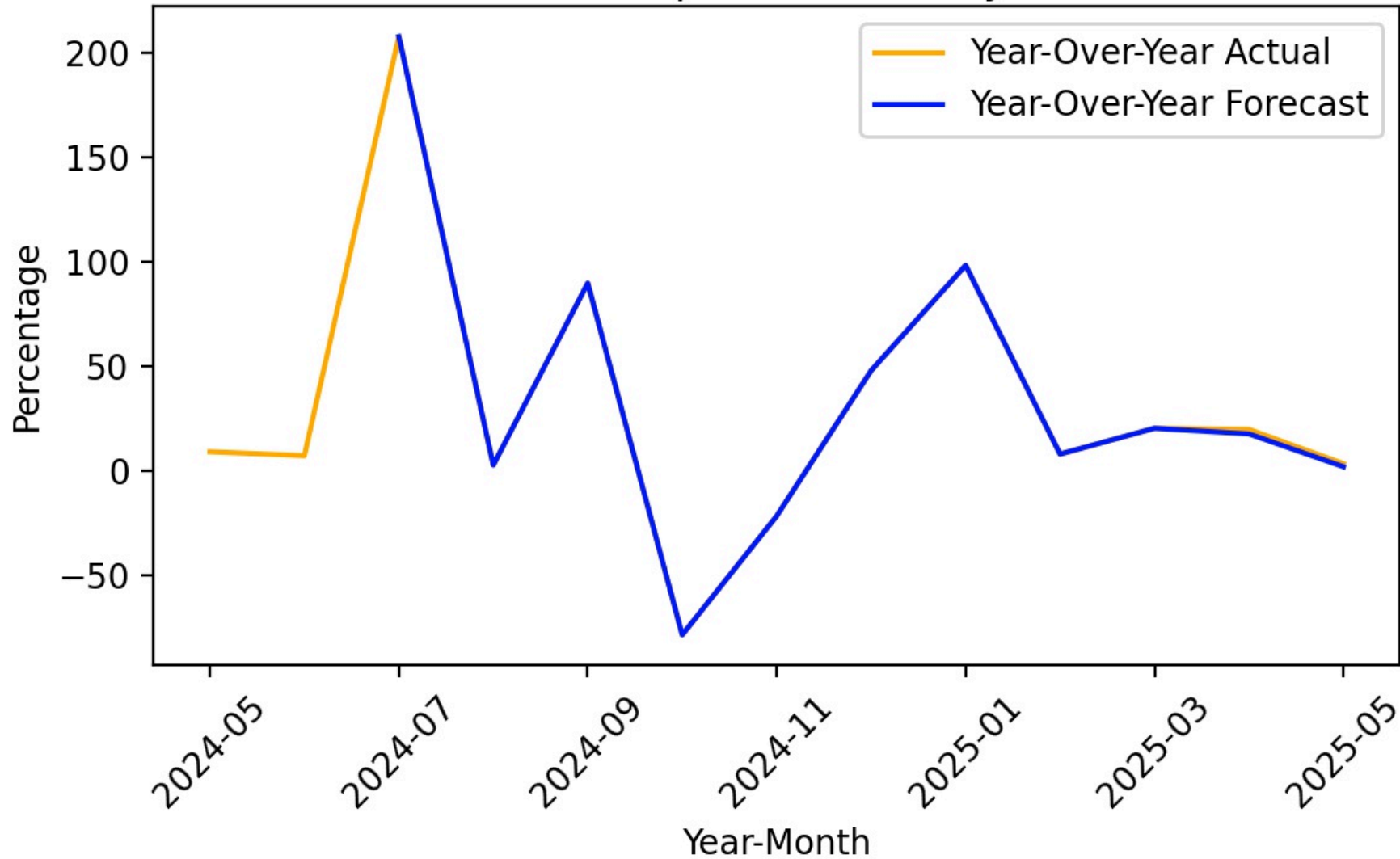


Figure 98

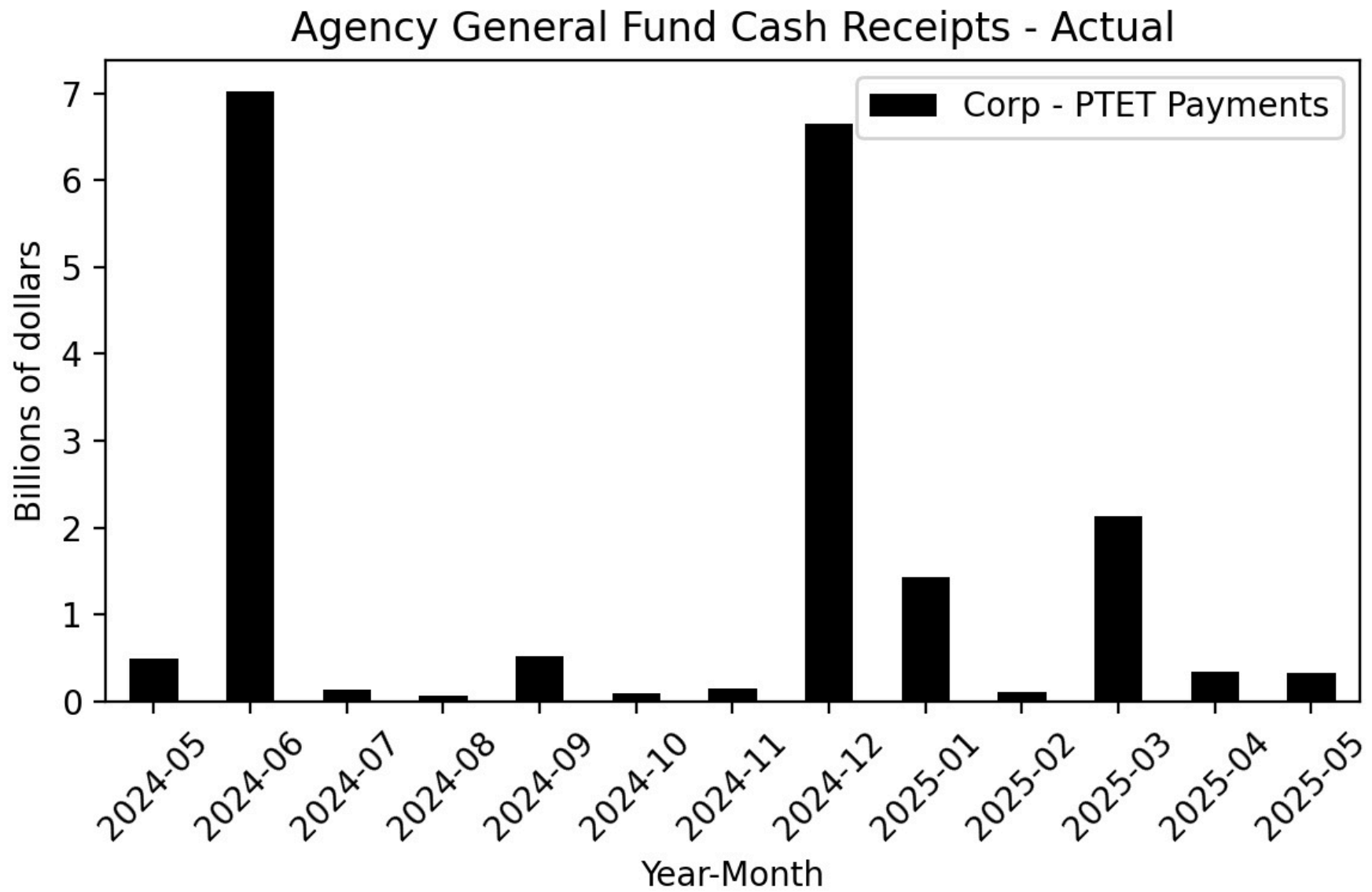


Figure 99

Agency General Fund Cash Receipts - Forecast

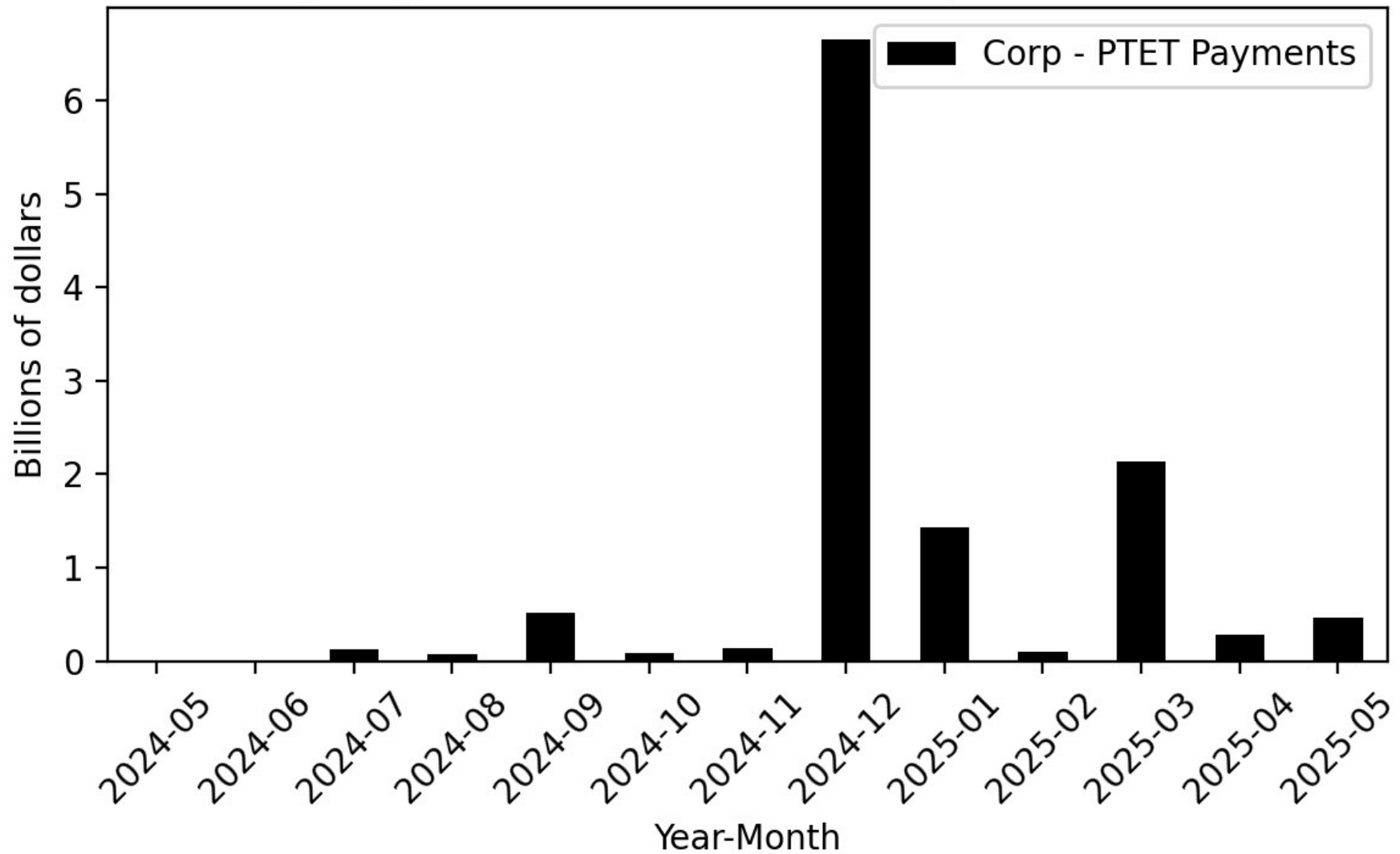


Figure 100

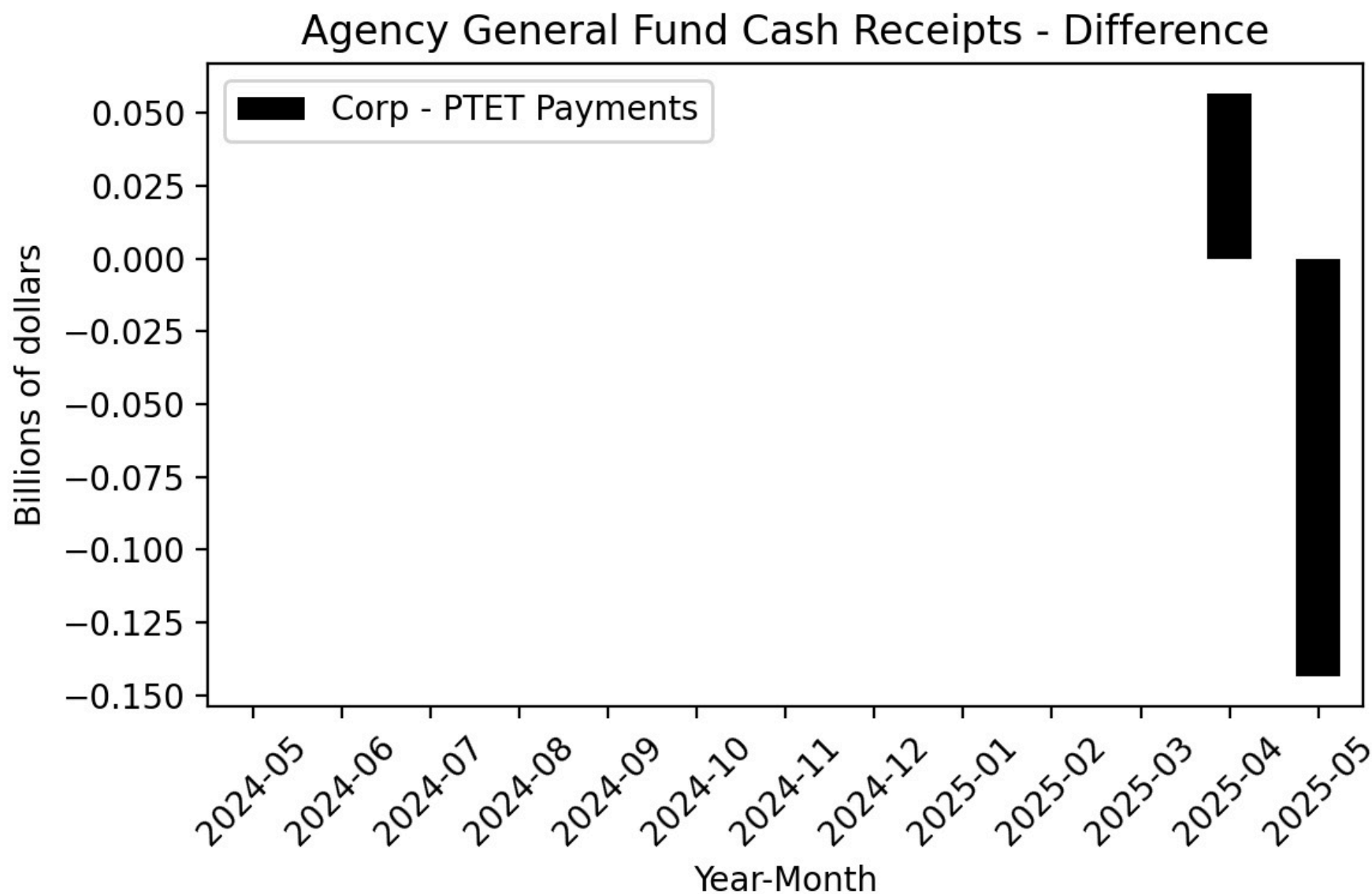


Figure 101

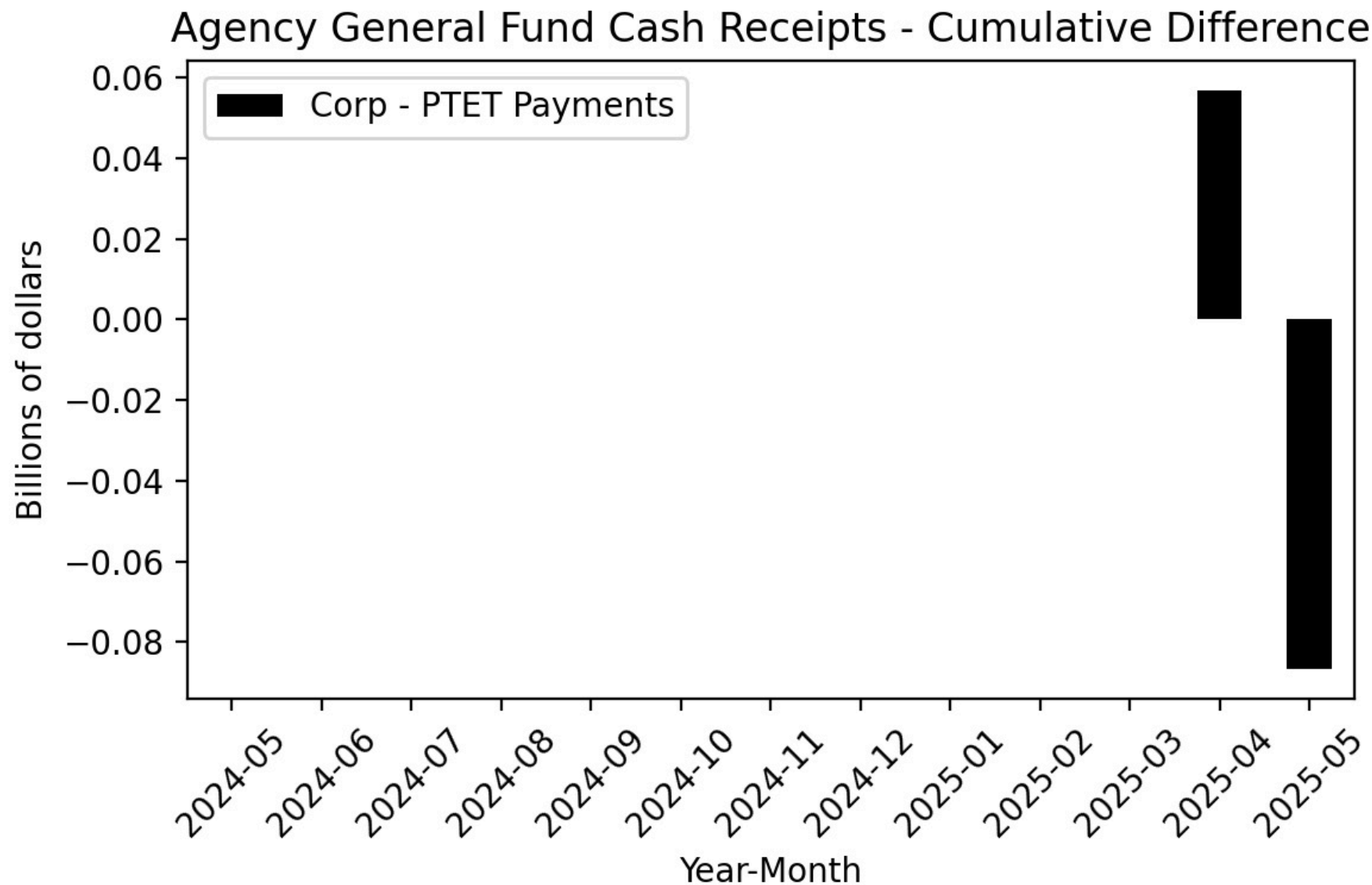


Figure 102

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-PTET Payments

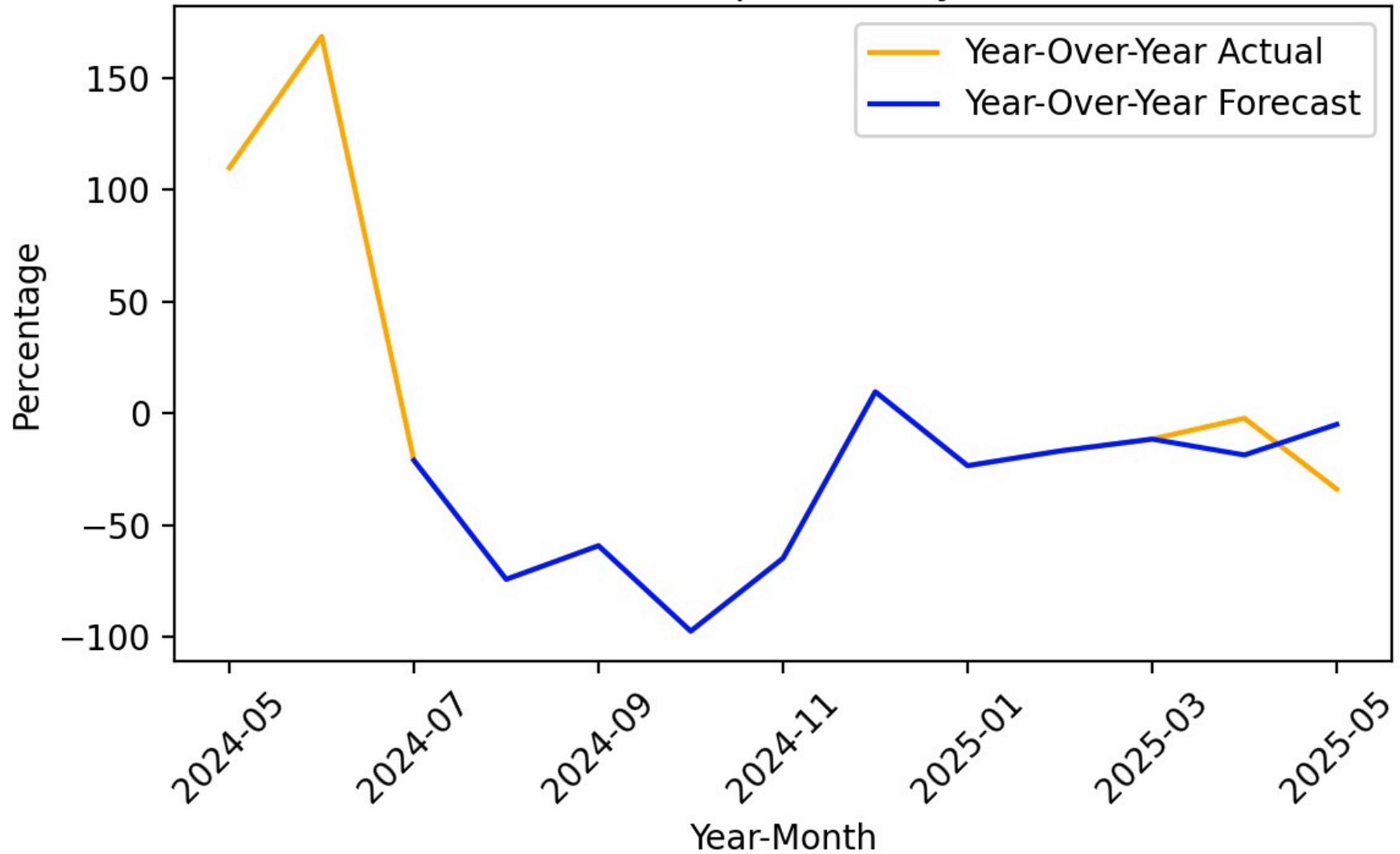


Figure 103

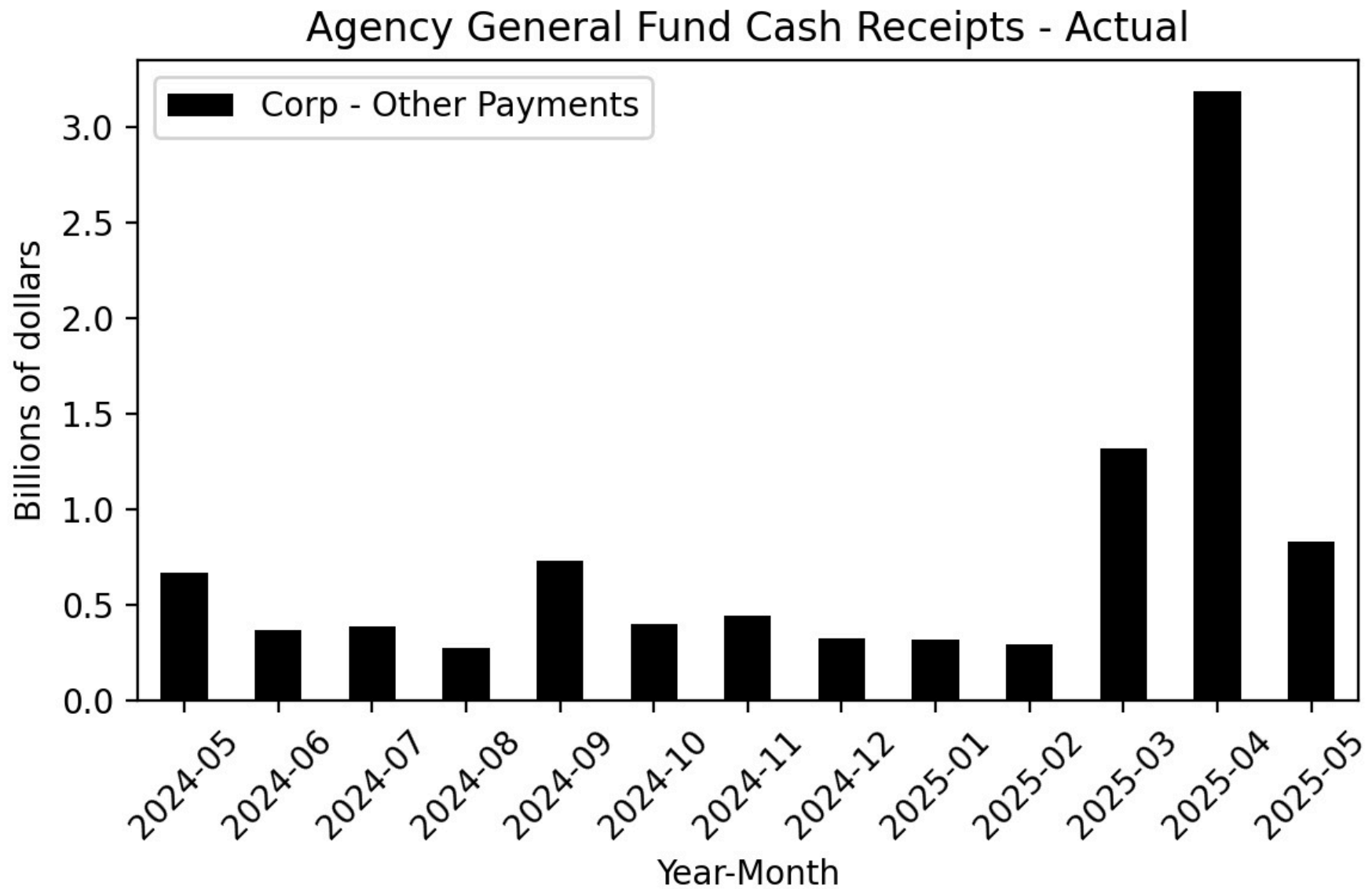


Figure 104

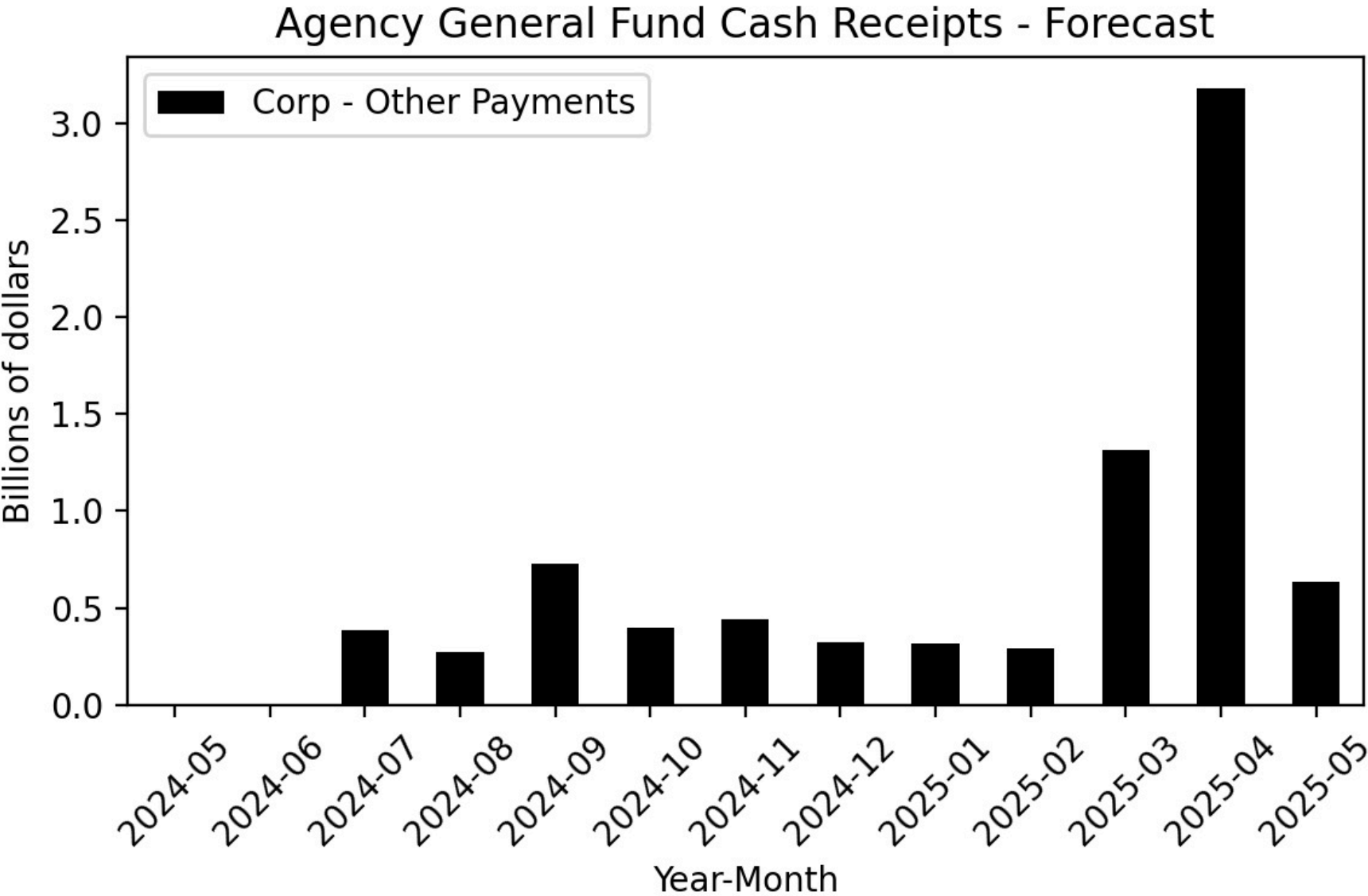


Figure 105

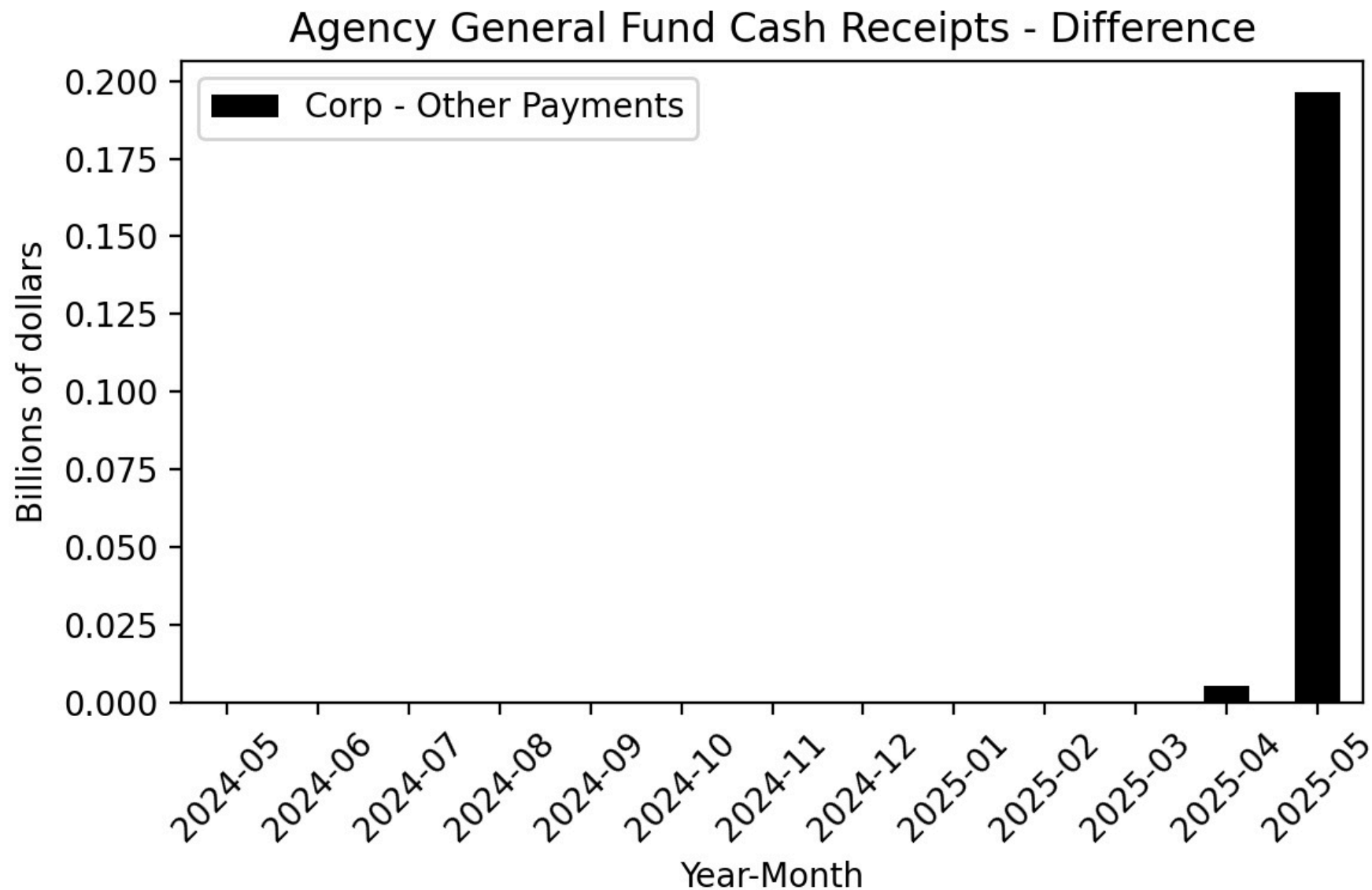


Figure 106

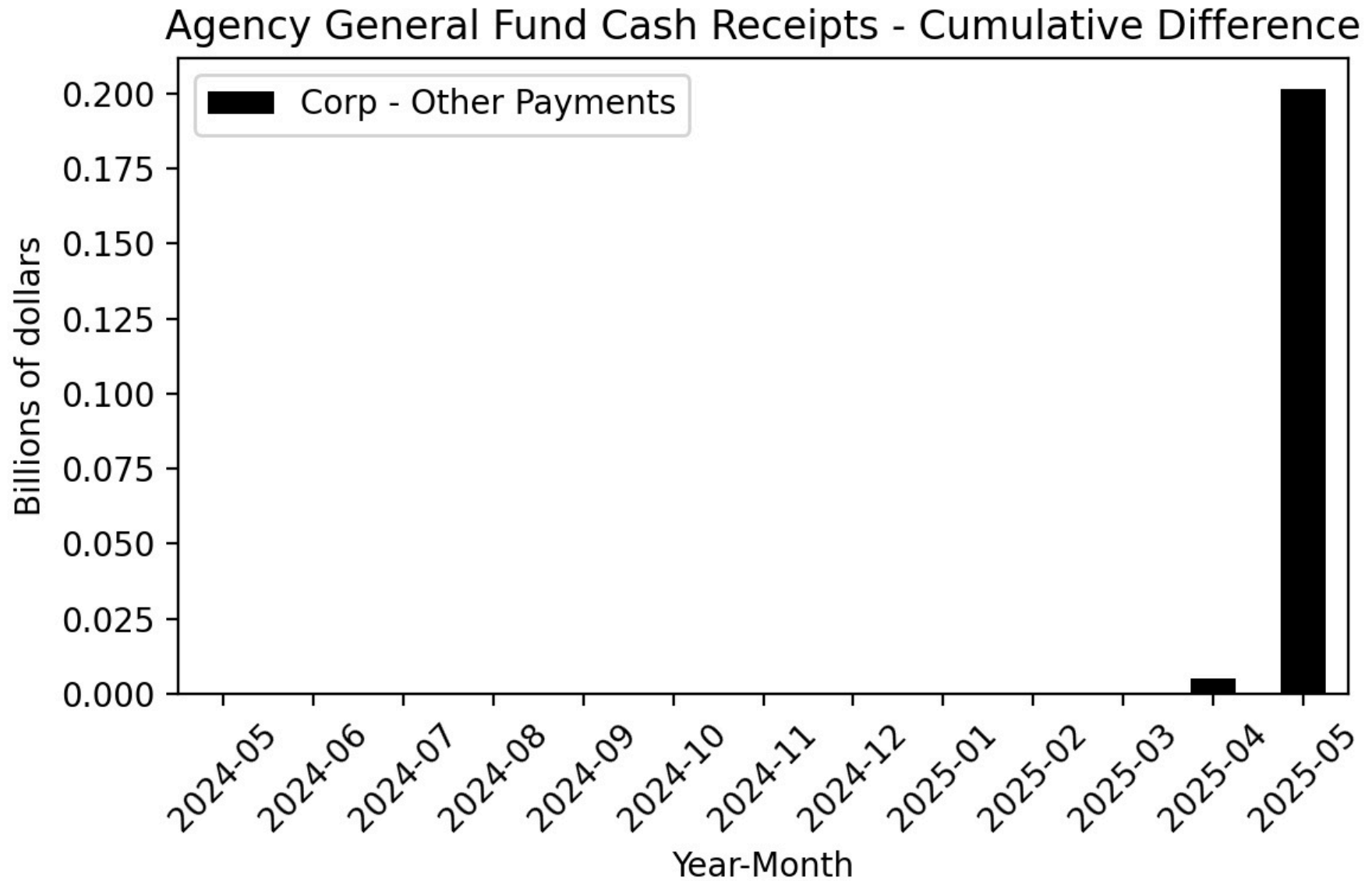


Figure 107

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-Other Payments

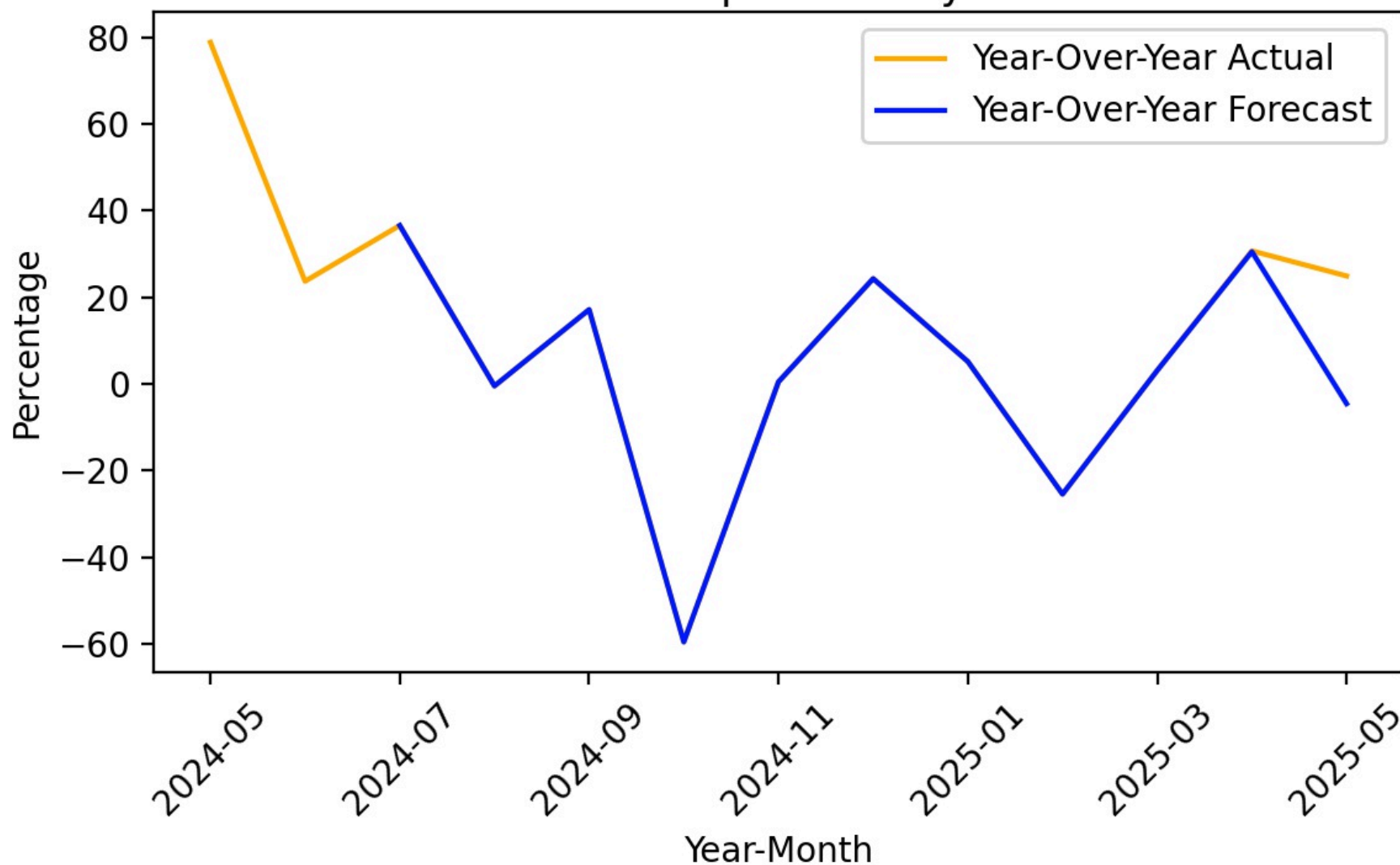


Figure 108

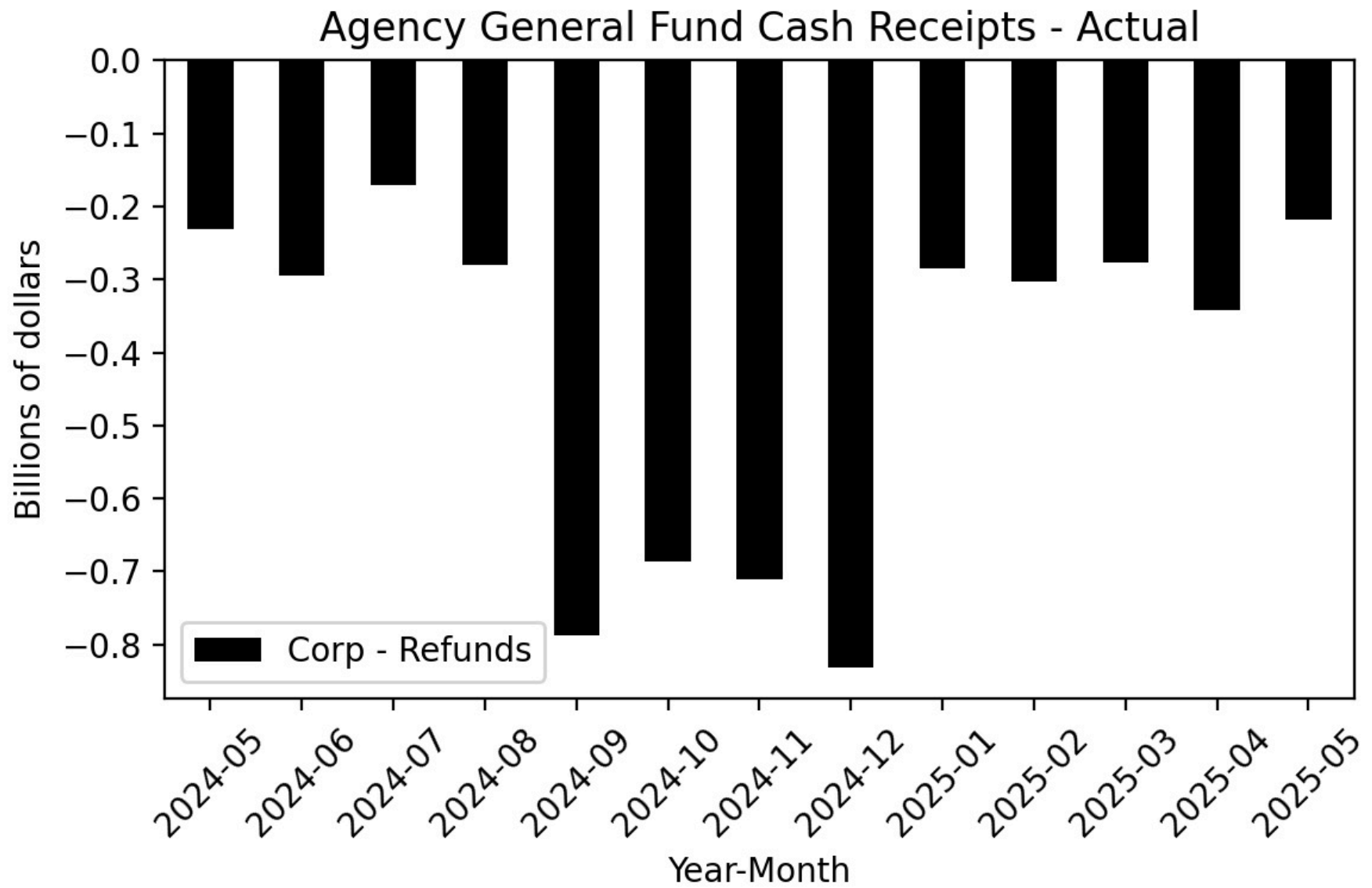


Figure 109

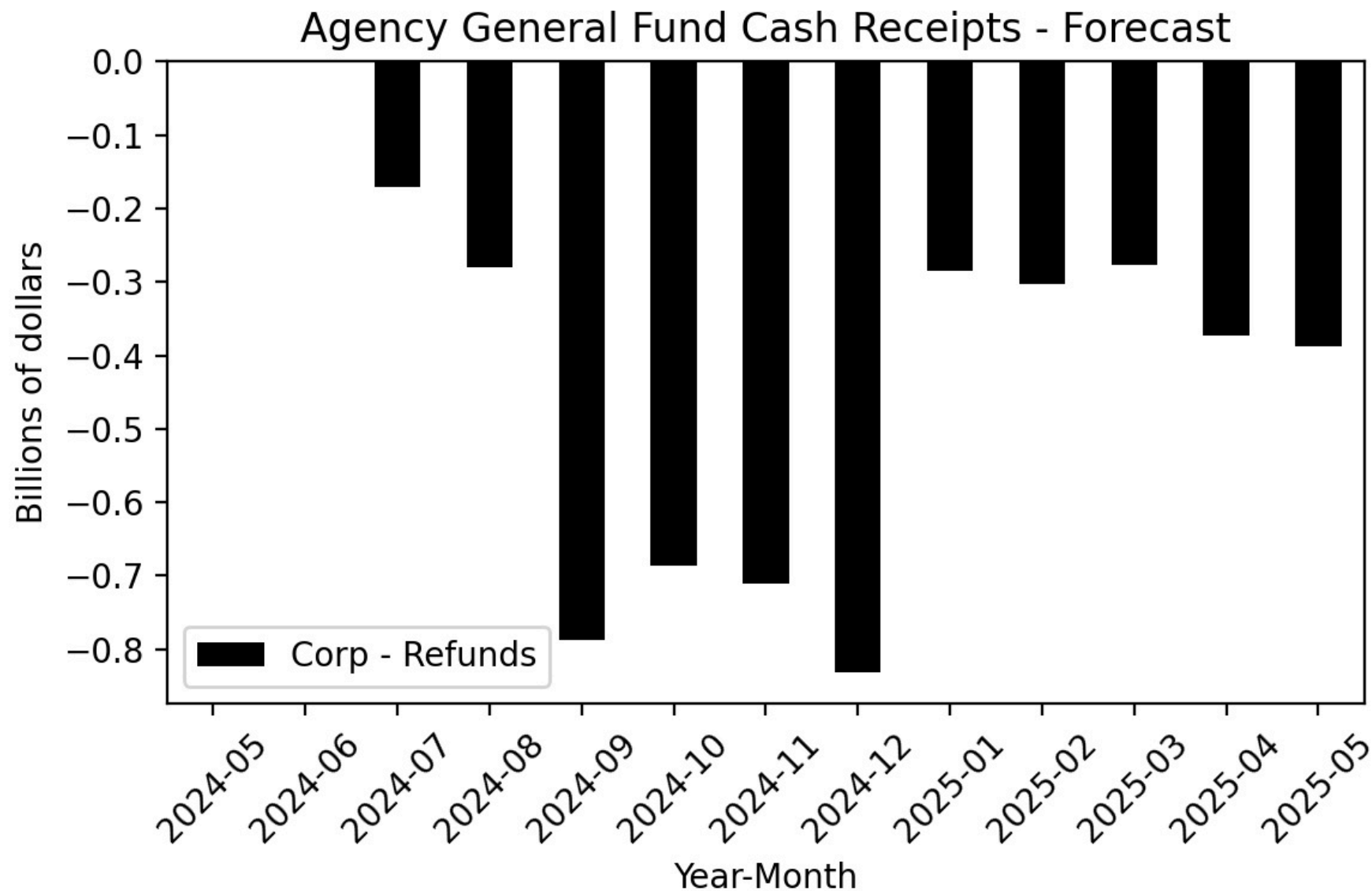


Figure 110

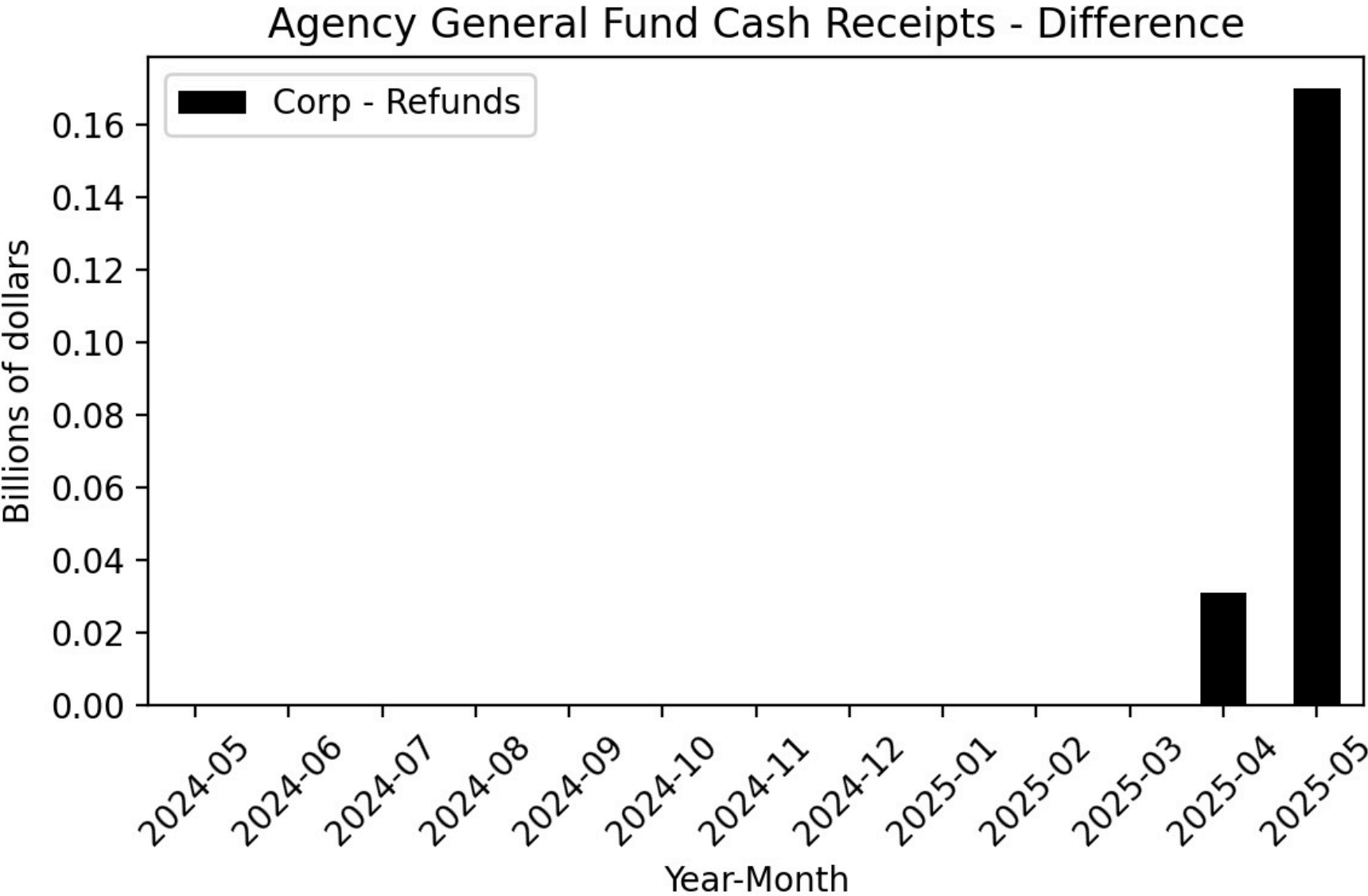


Figure 111

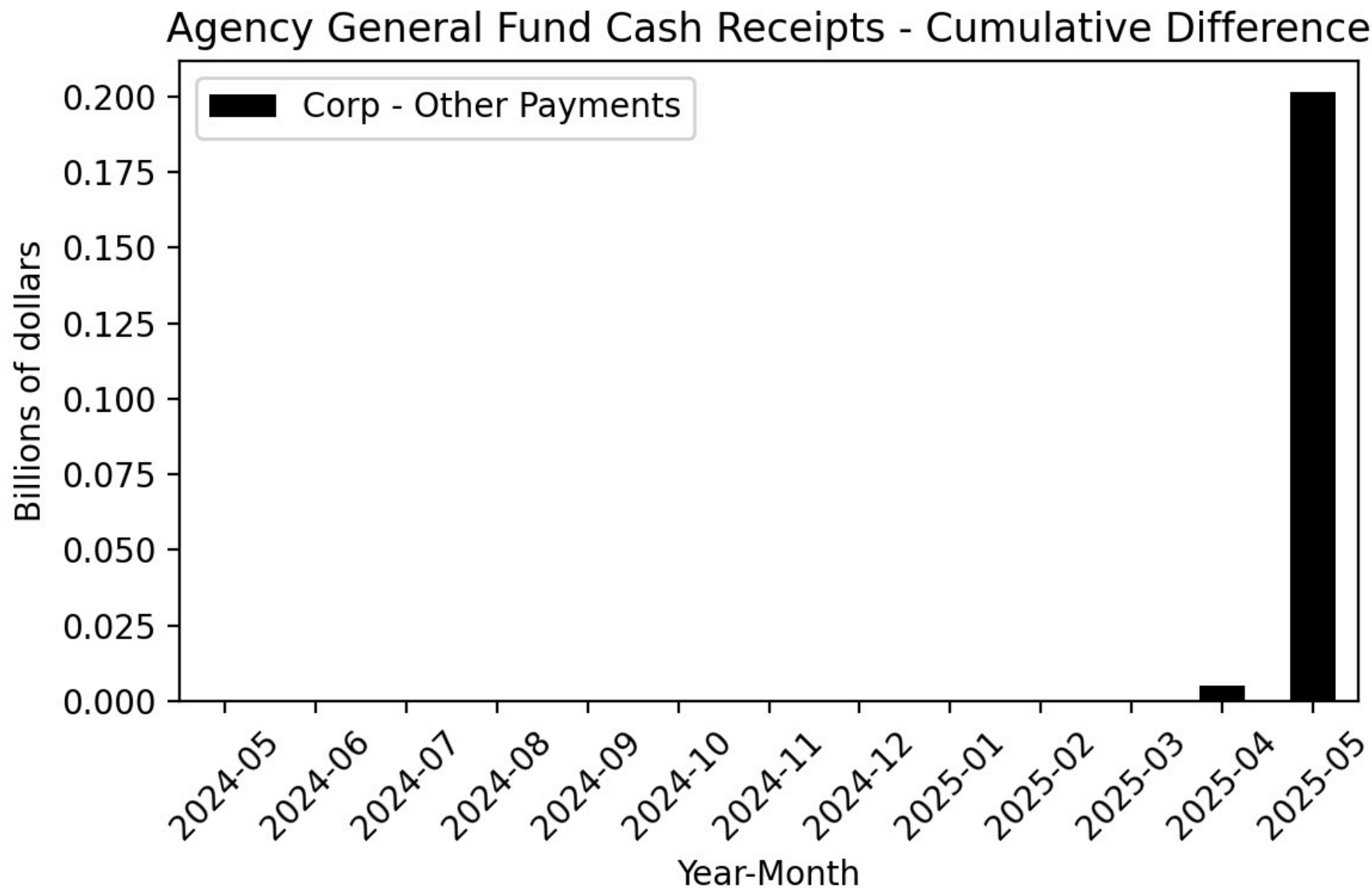


Figure 112

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast Corp-Refunds

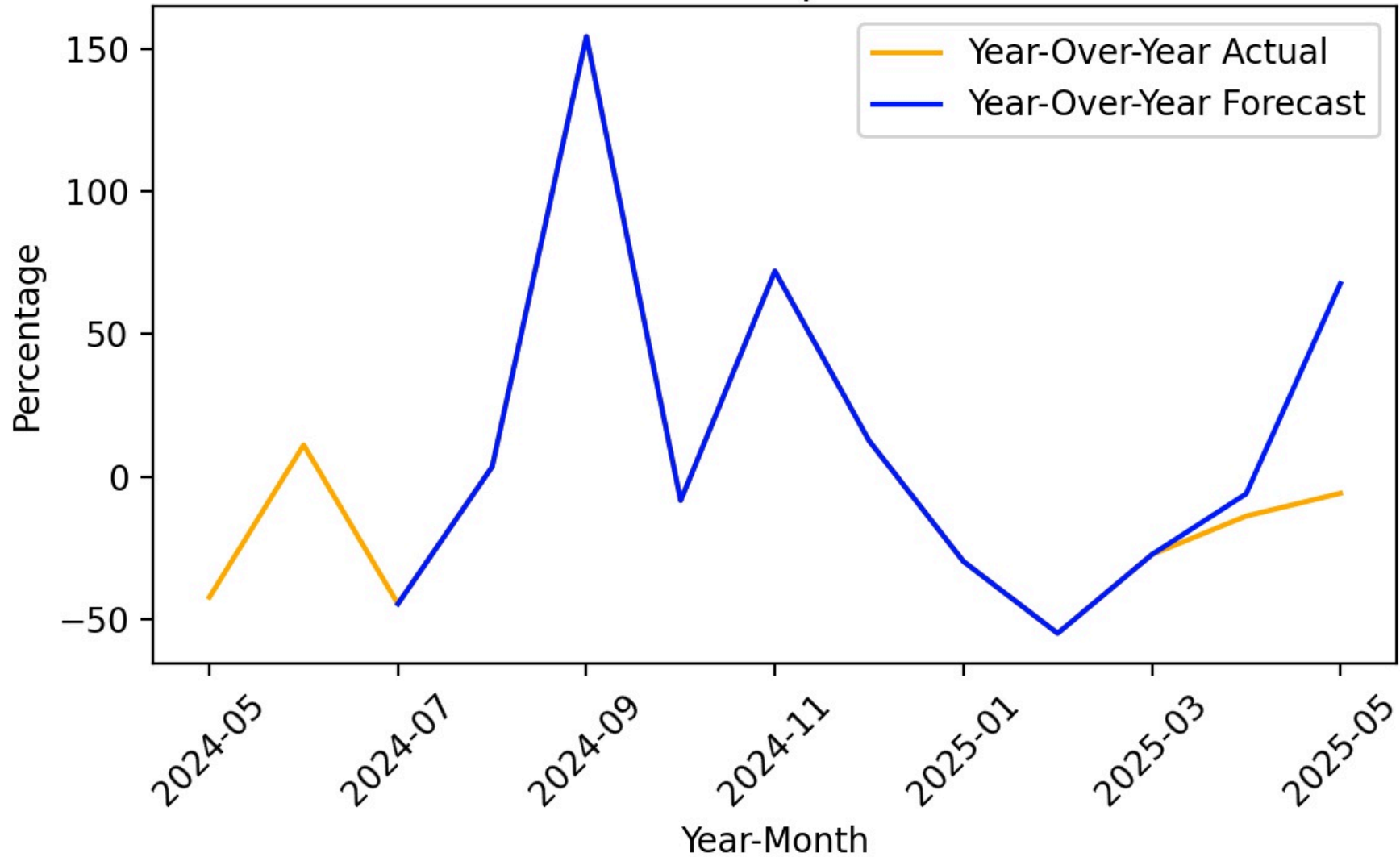


Figure 113

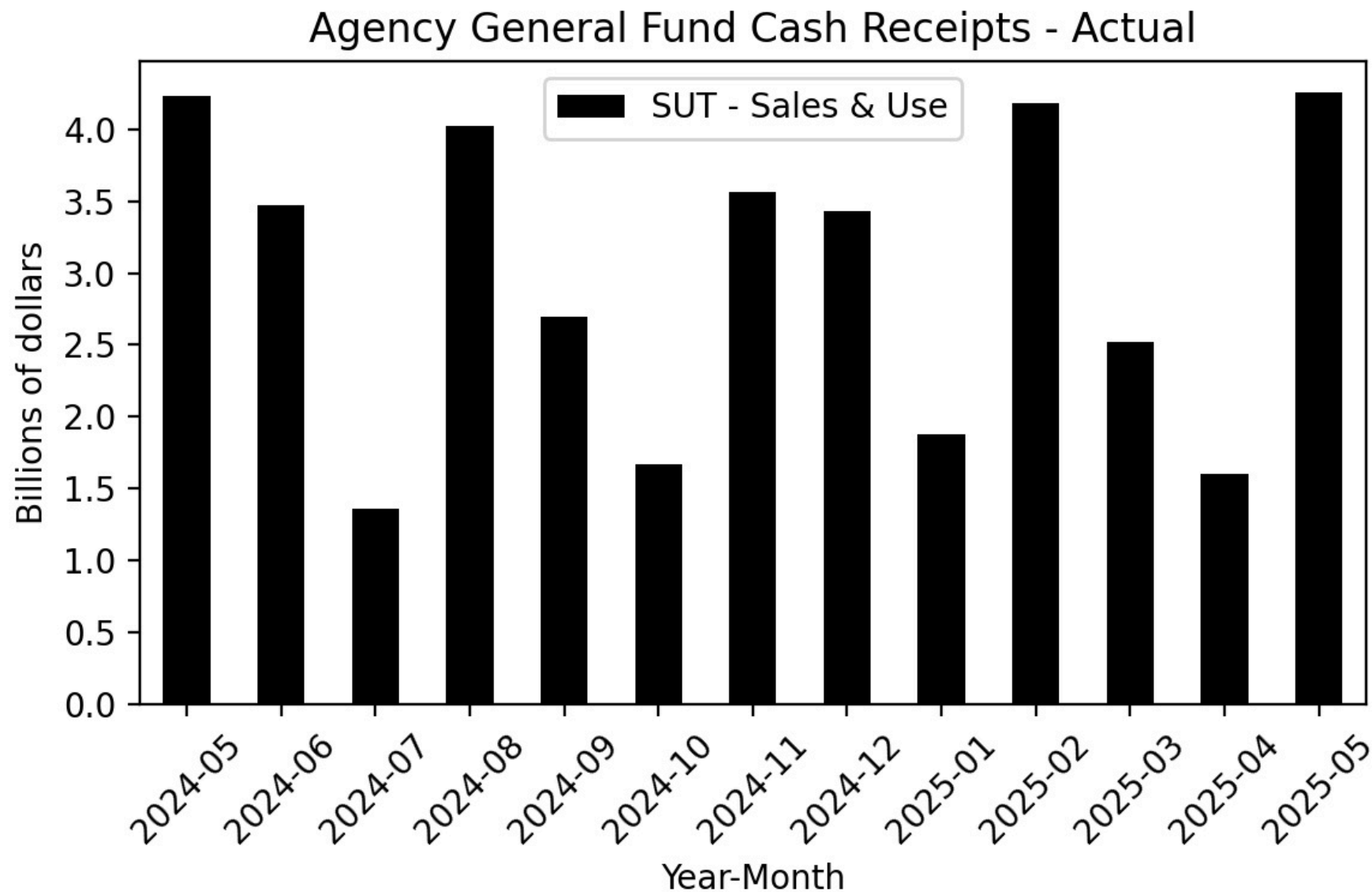


Figure 114

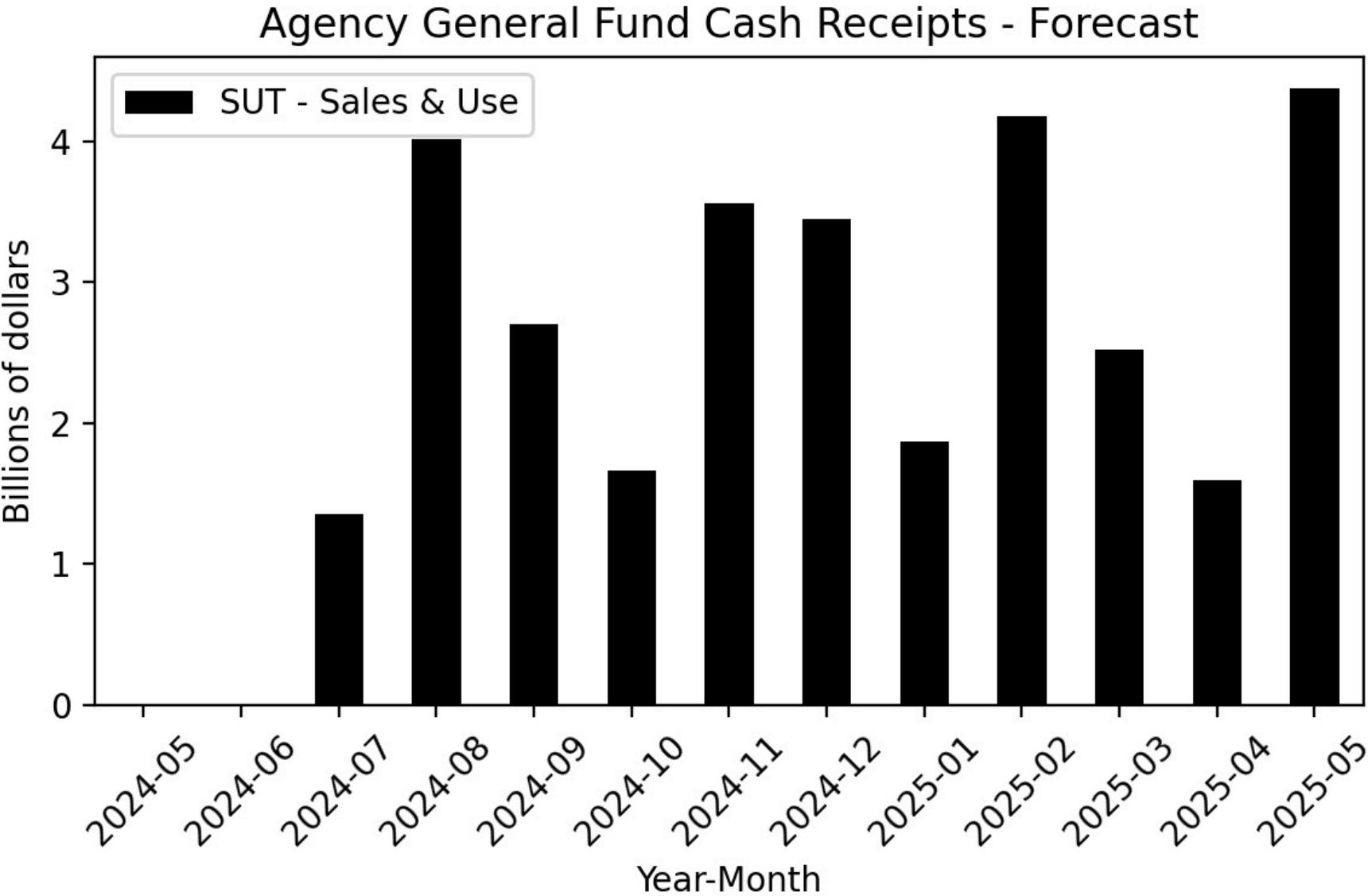


Figure 115

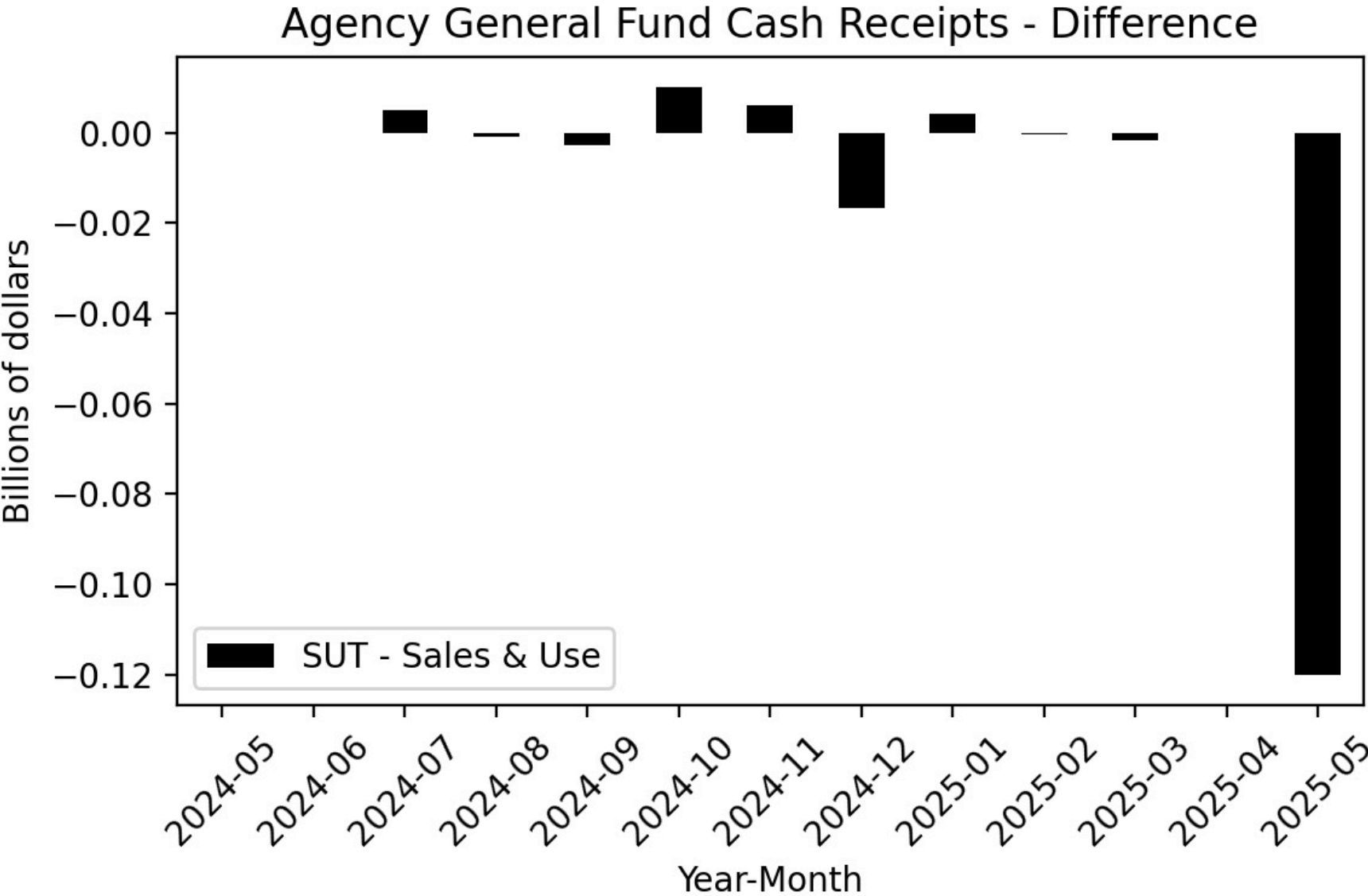


Figure 116

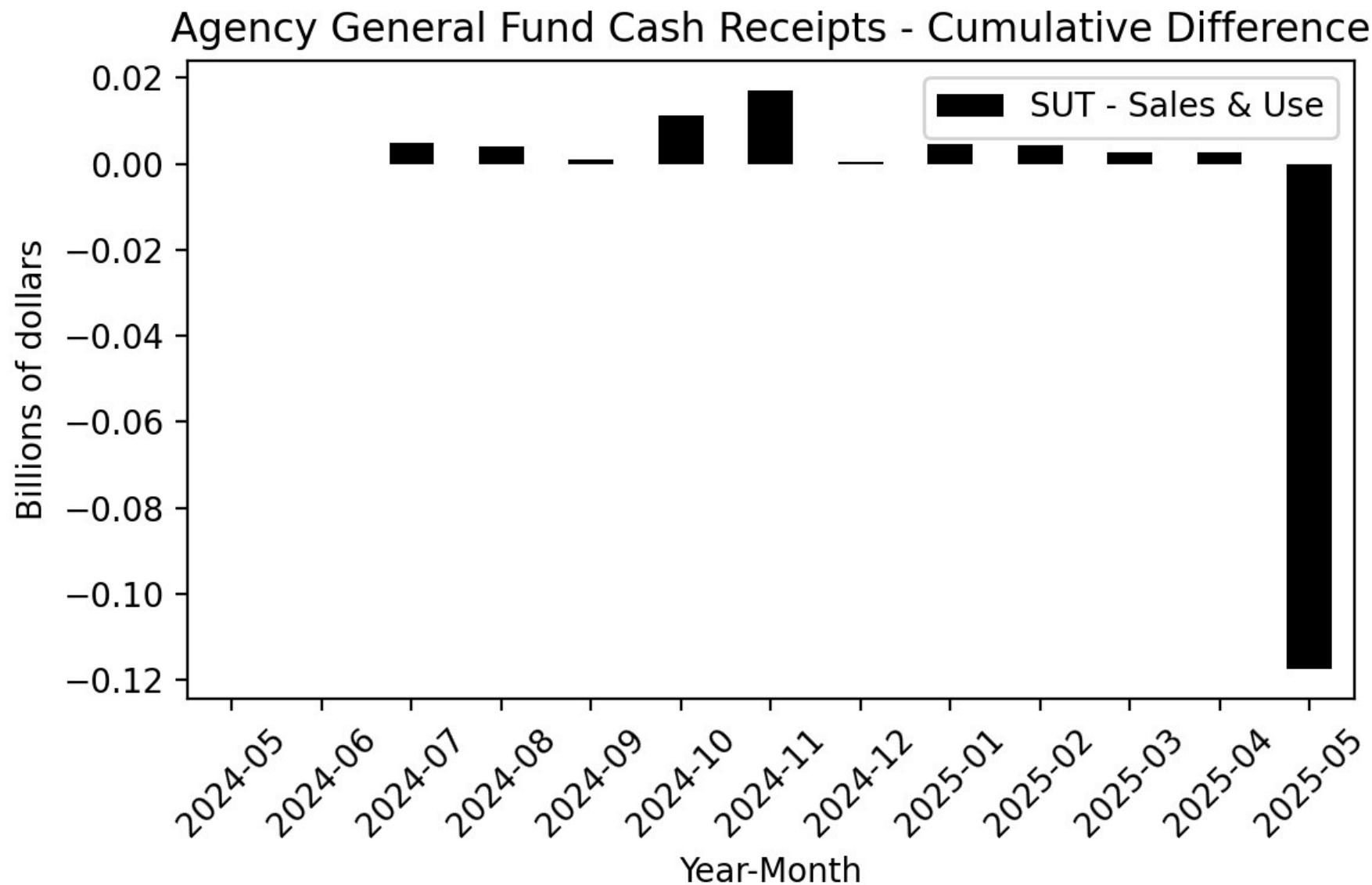


Figure 117

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast SUT-Sales & Use

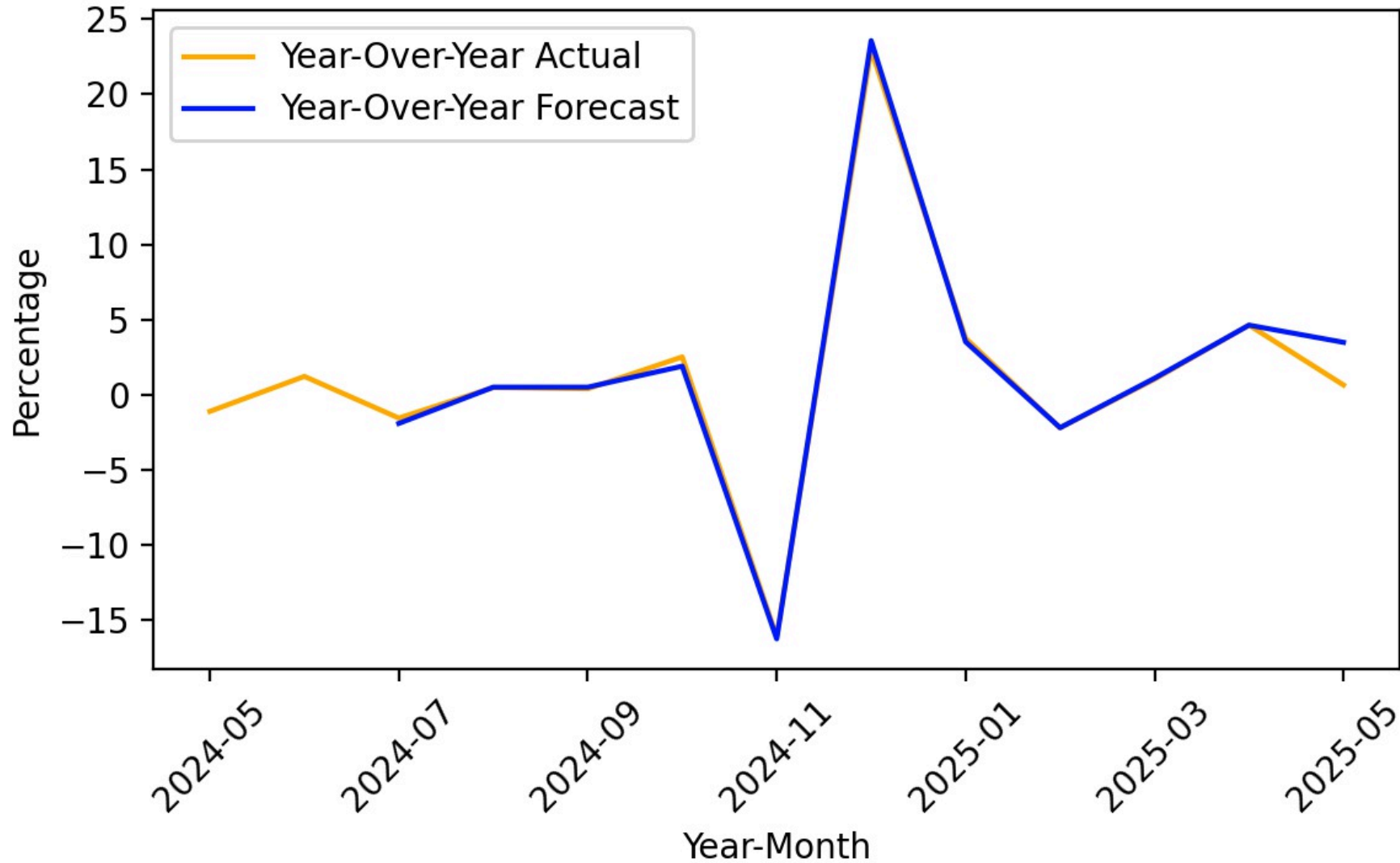


Figure 118

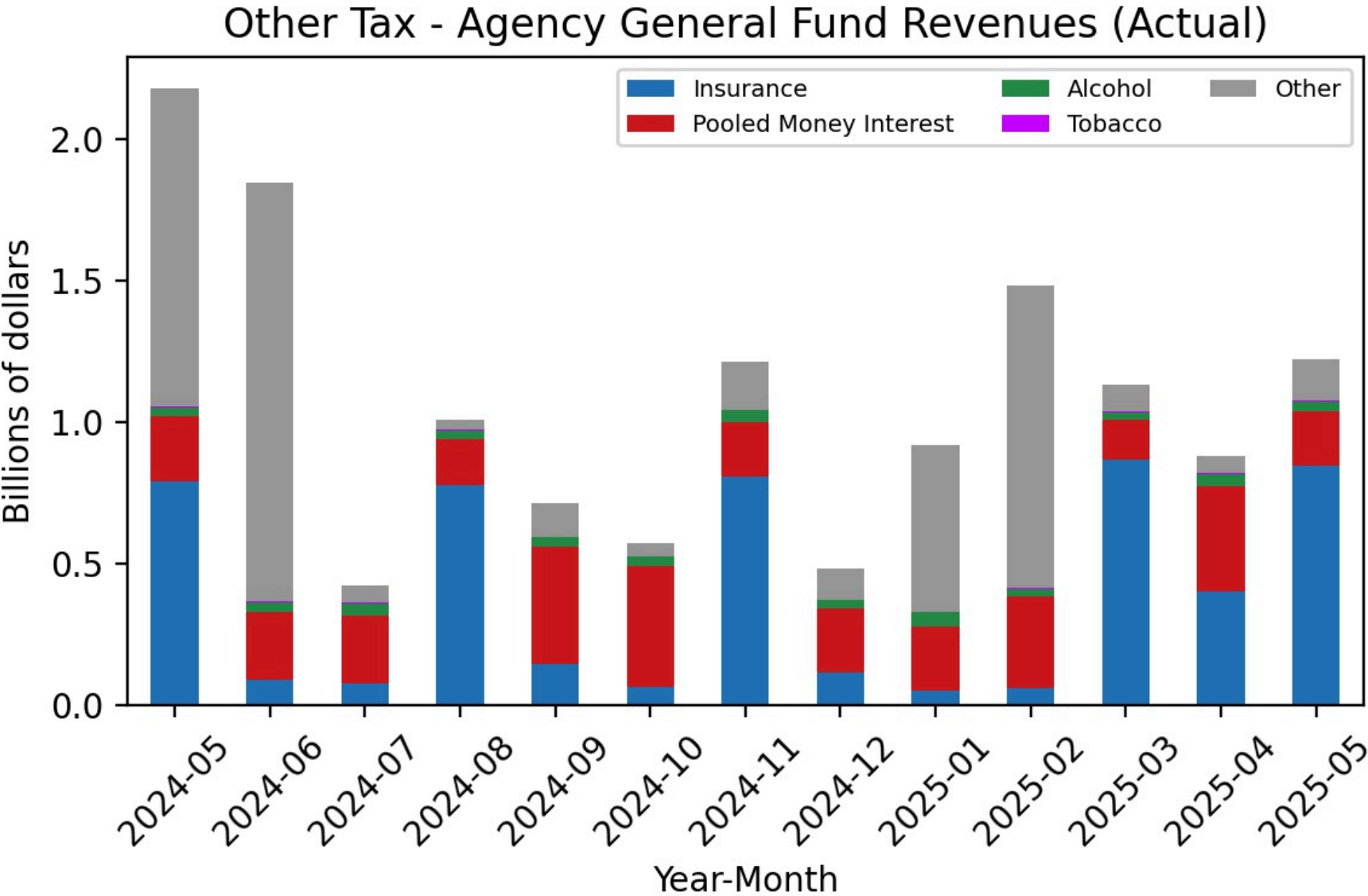


Figure 119

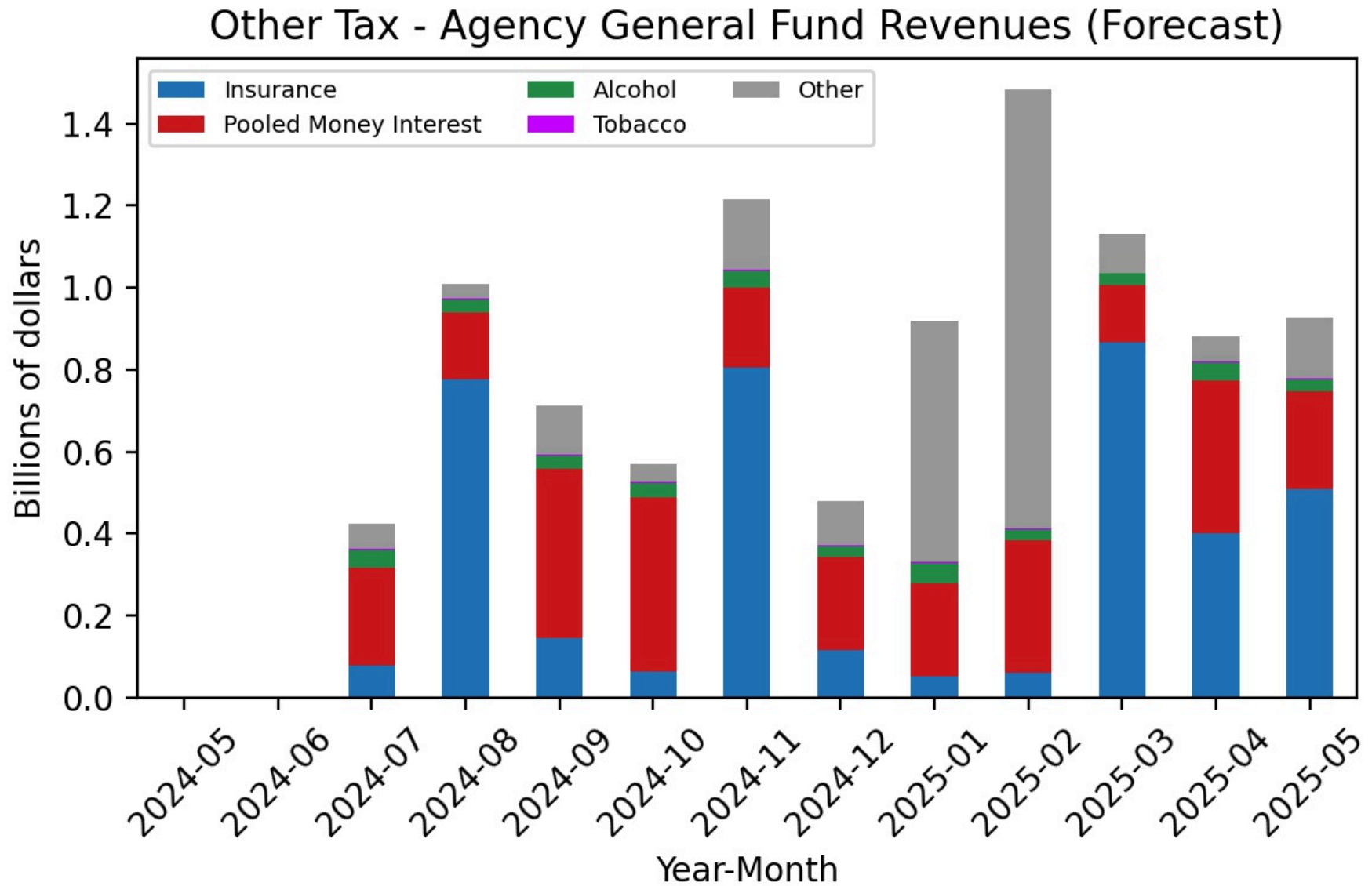


Figure 120

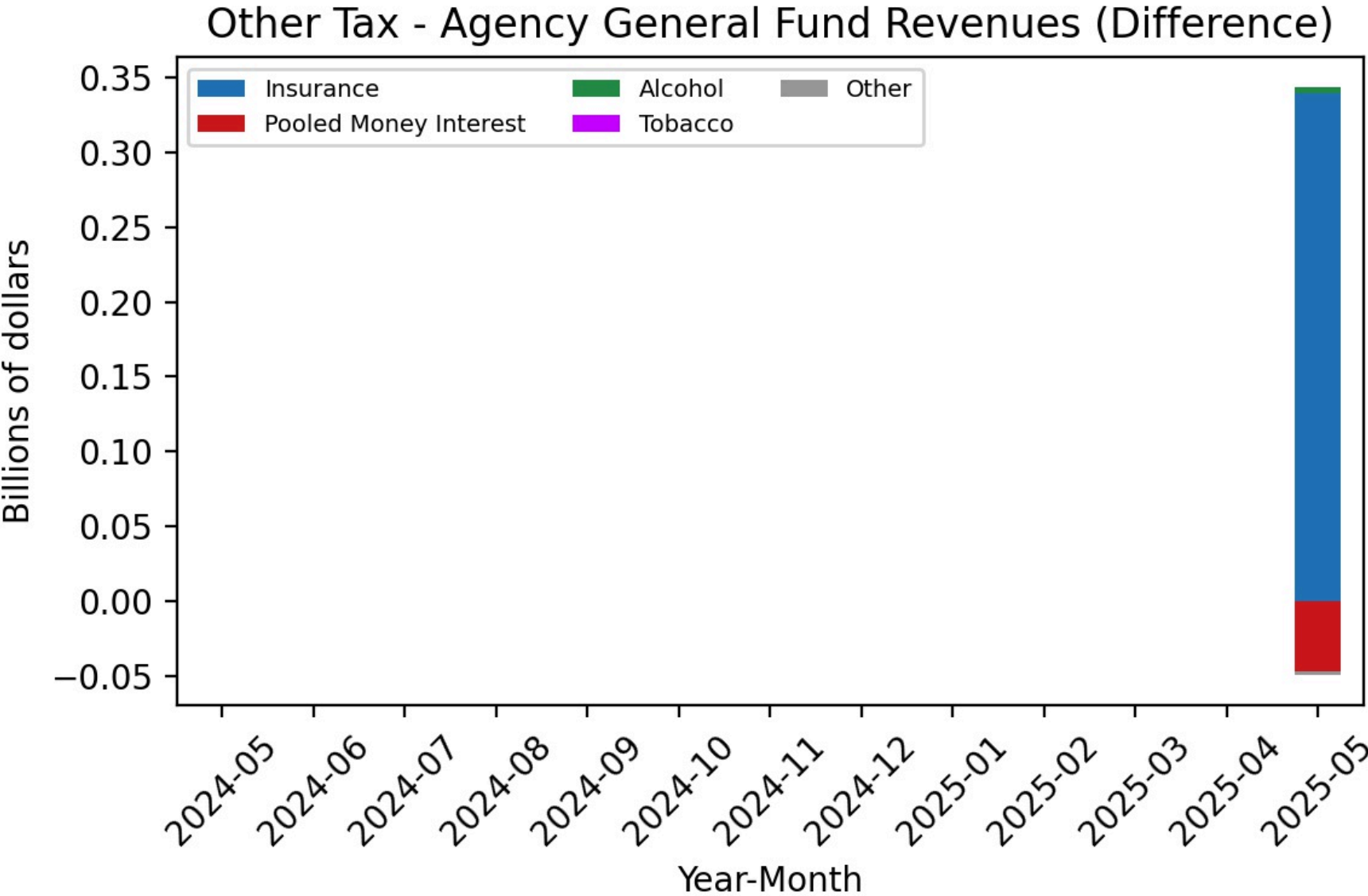


Figure 121

Other Tax - Agency General Fund Revenues (Cumulative Difference)

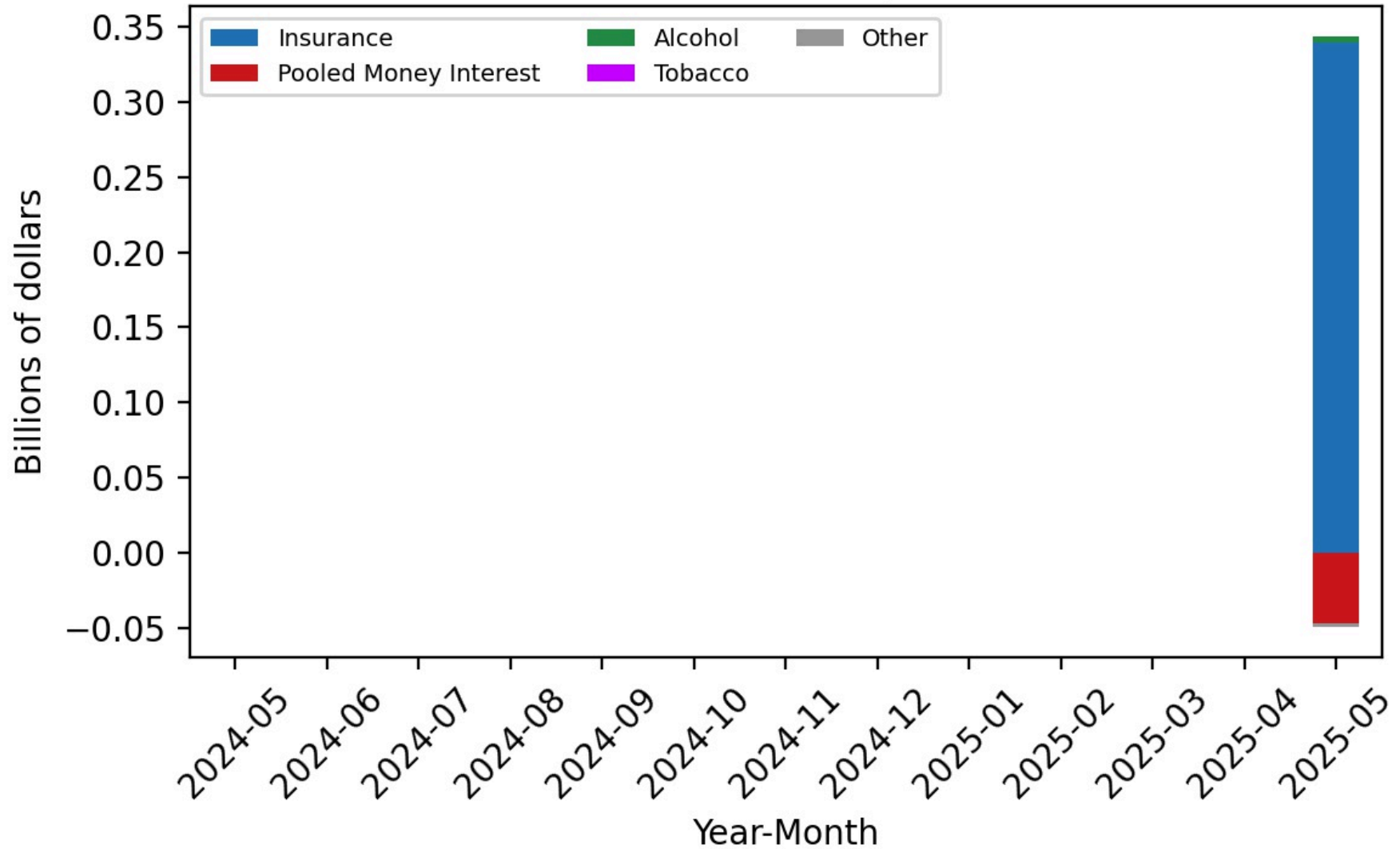


Figure 122

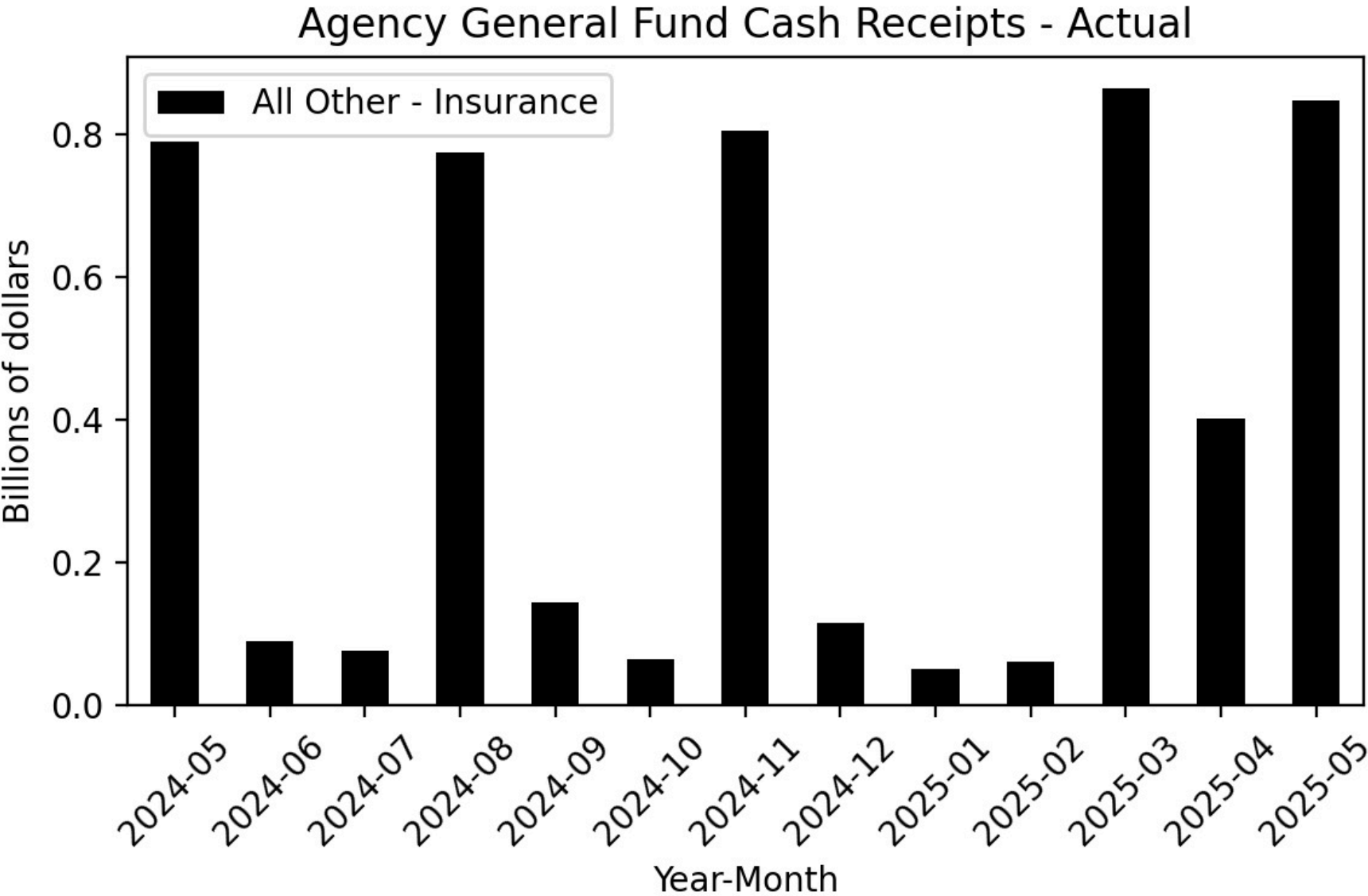


Figure 123

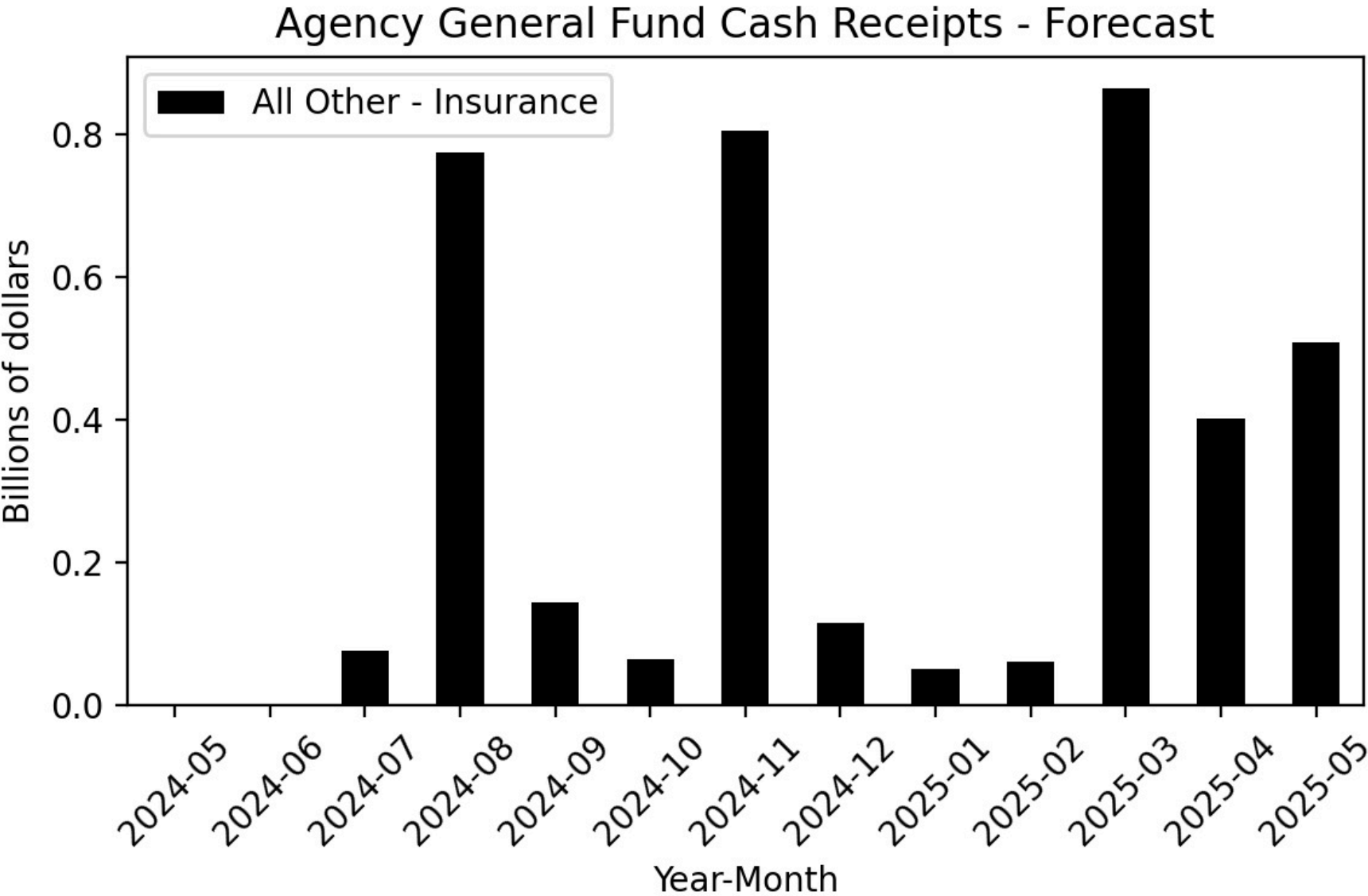


Figure 124

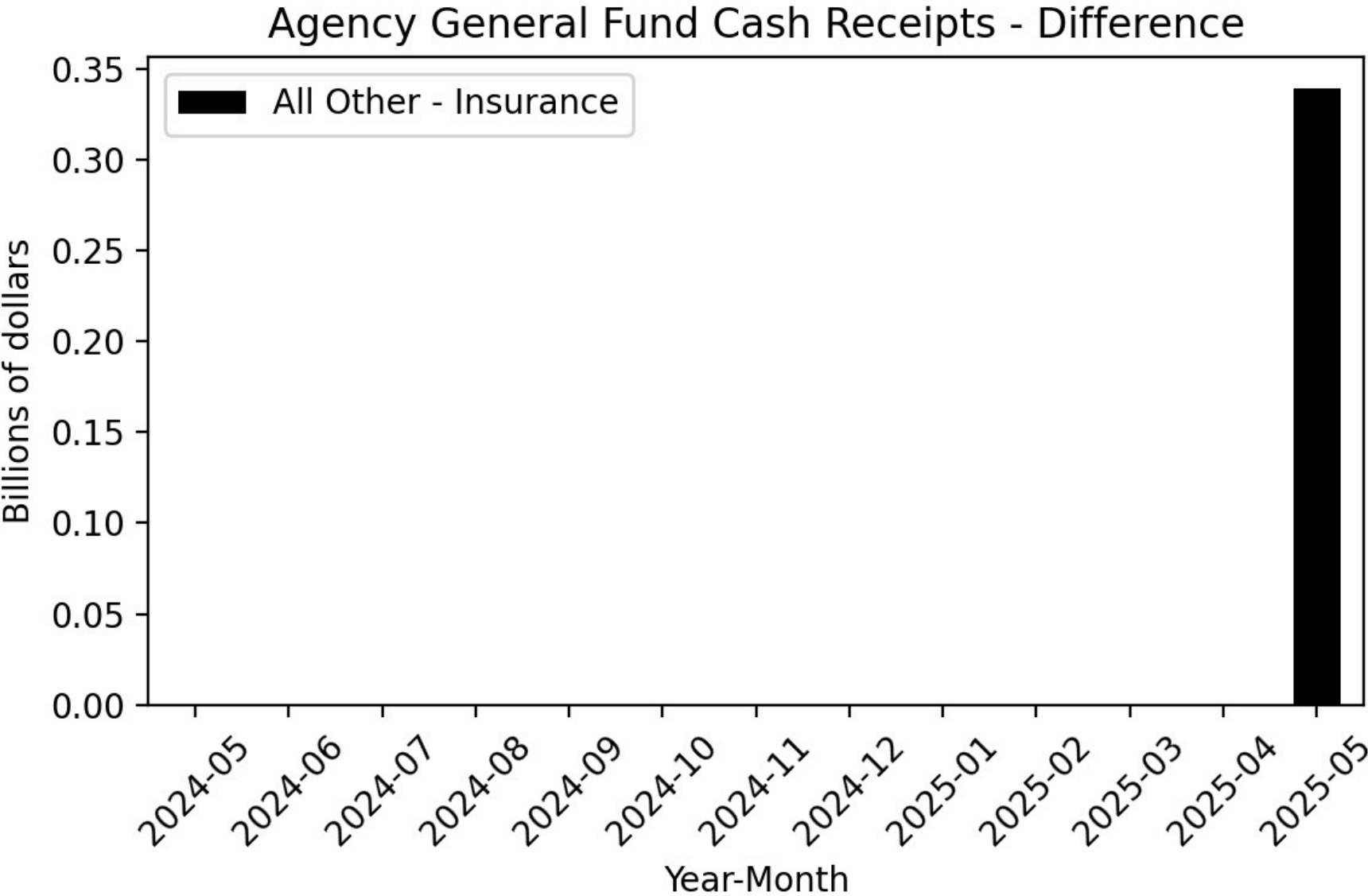


Figure 125

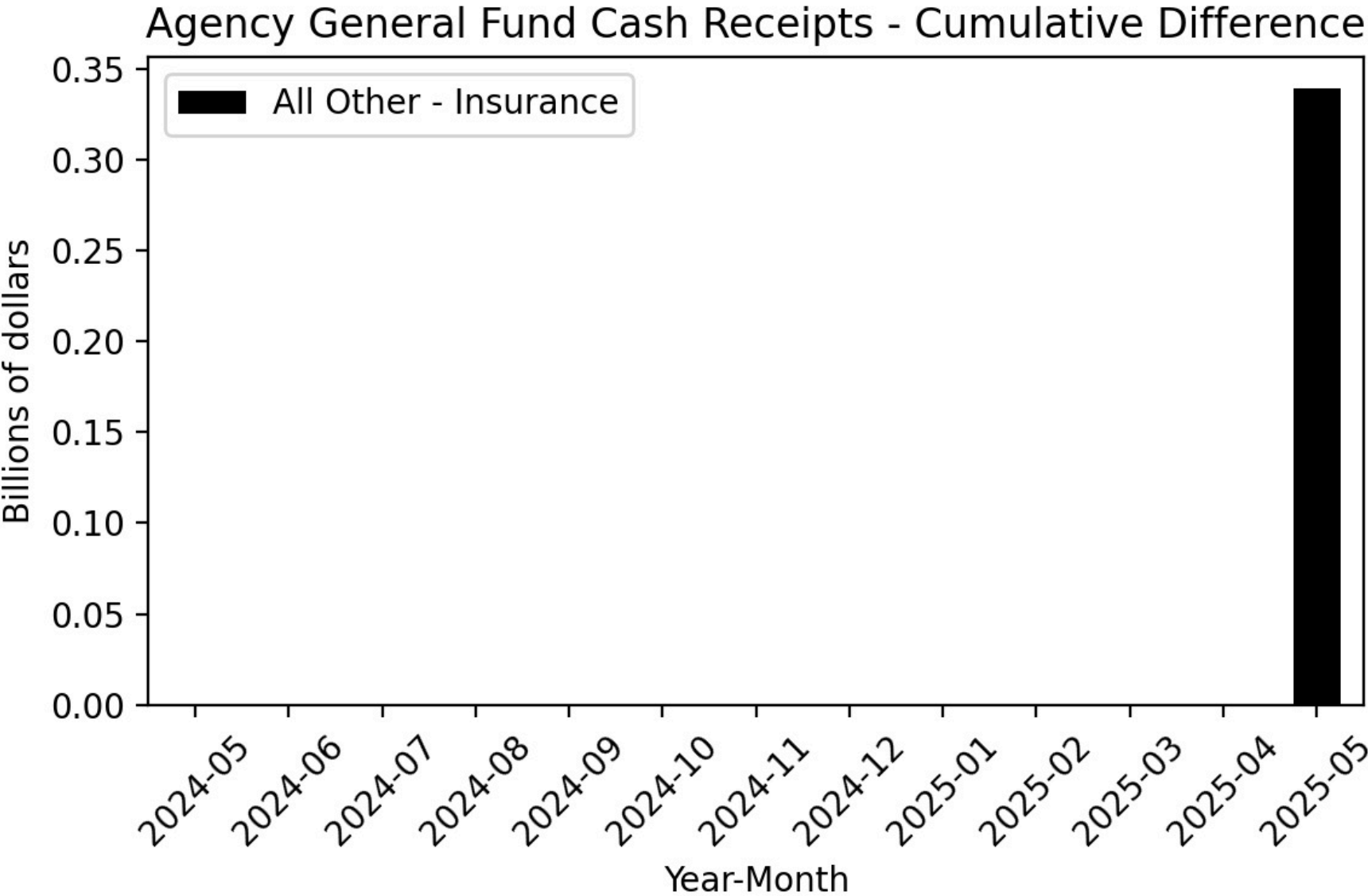


Figure 126

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-Insurance

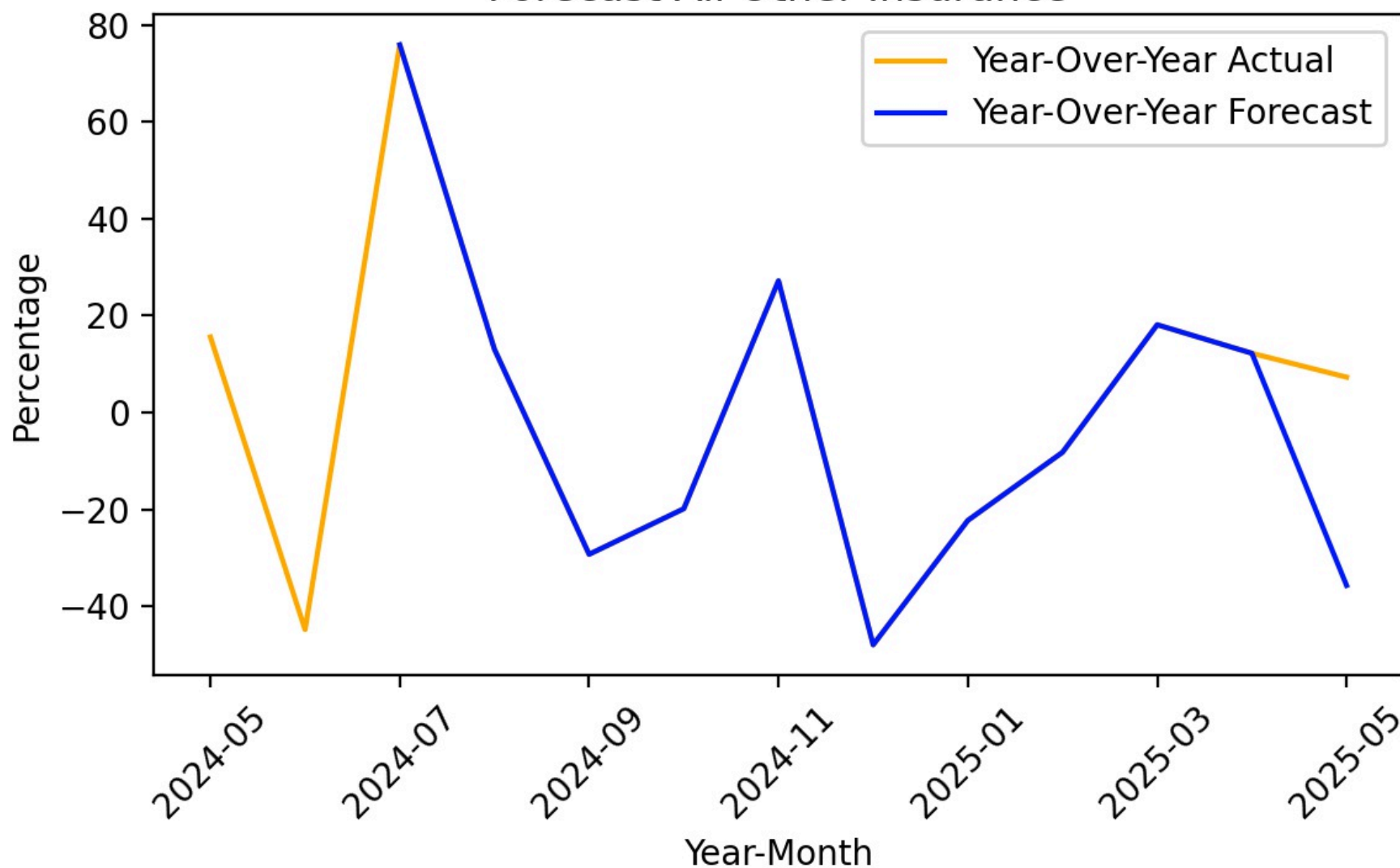


Figure 127

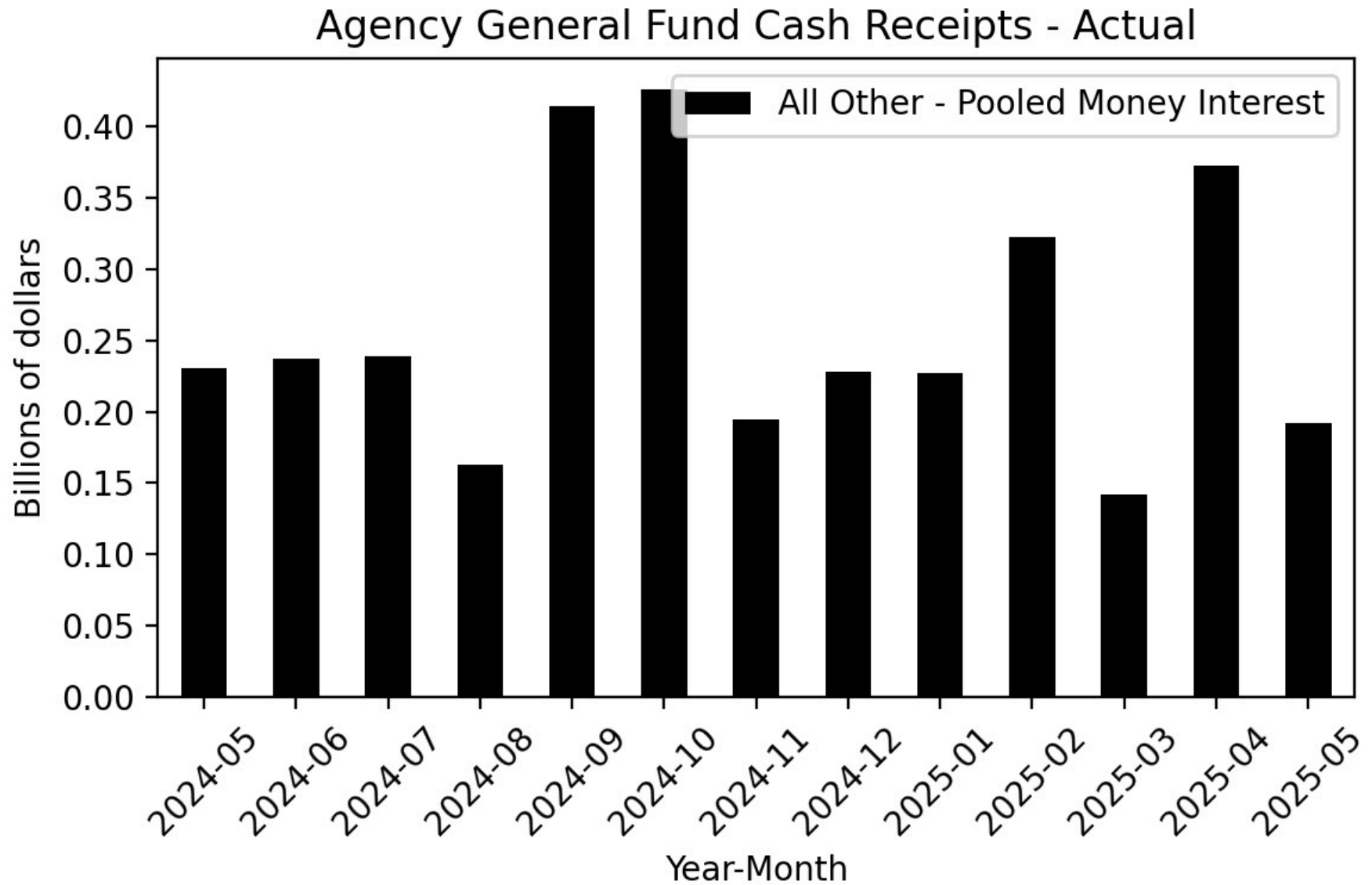


Figure 128

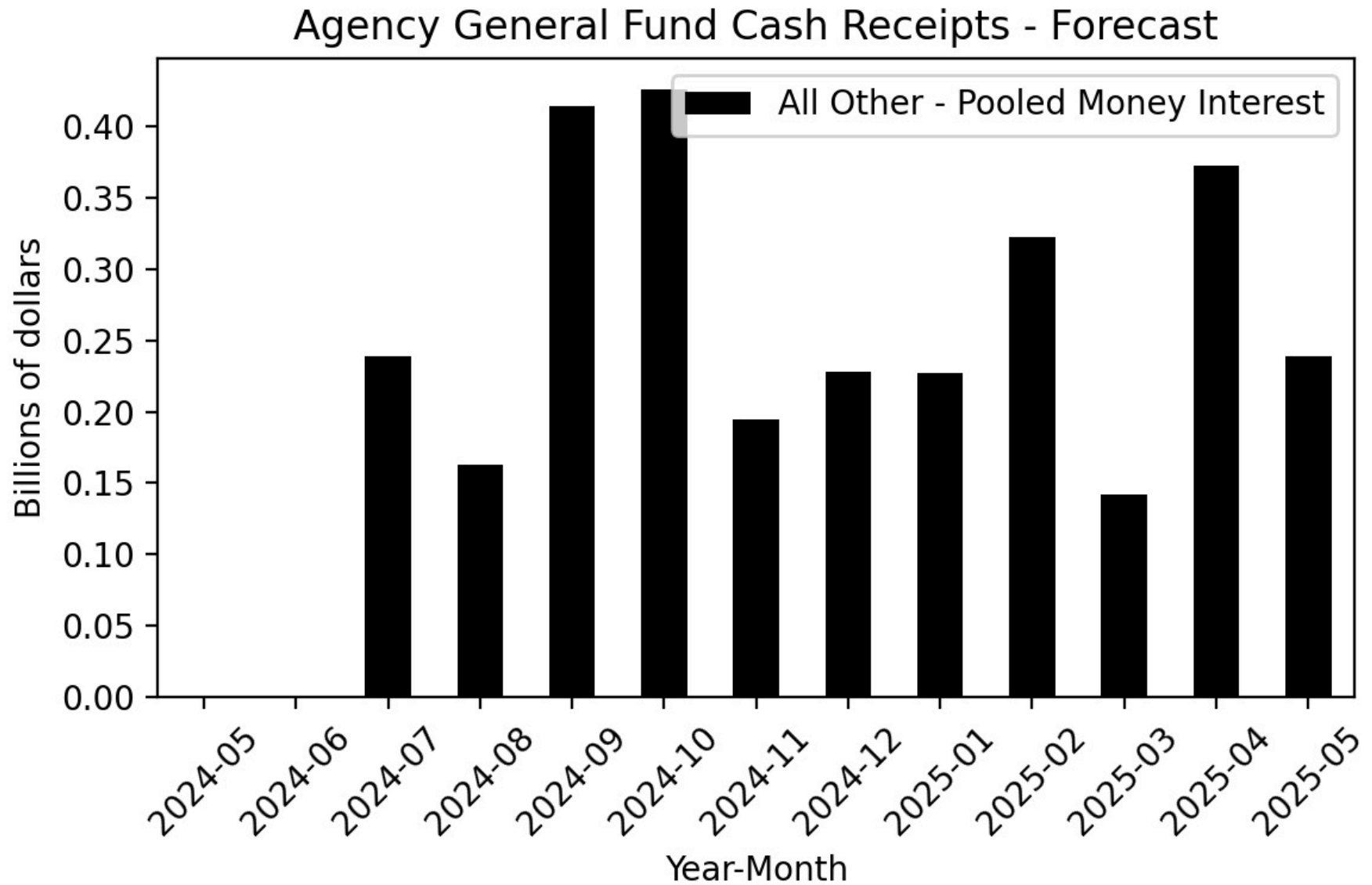


Figure 129

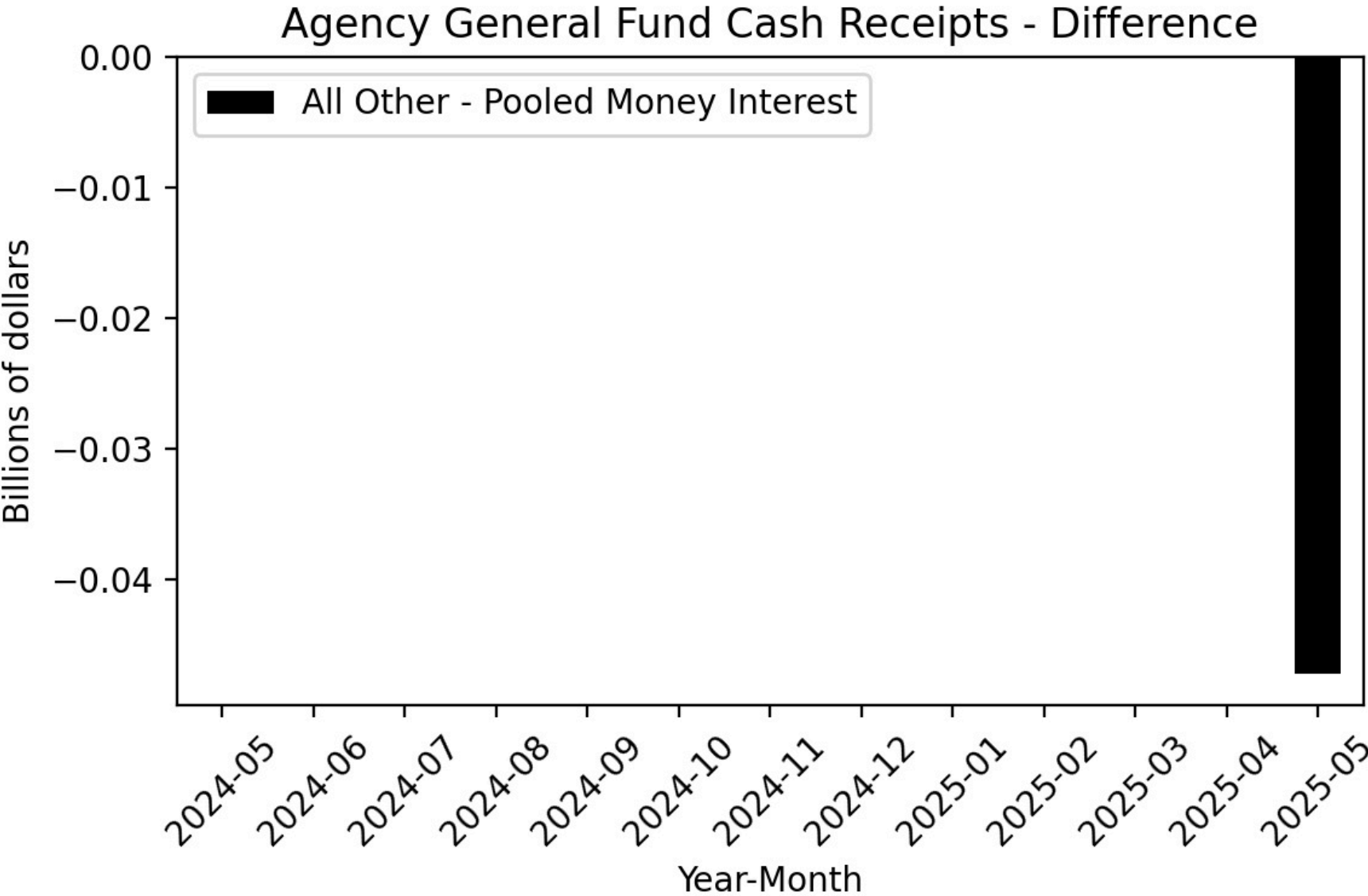


Figure 130

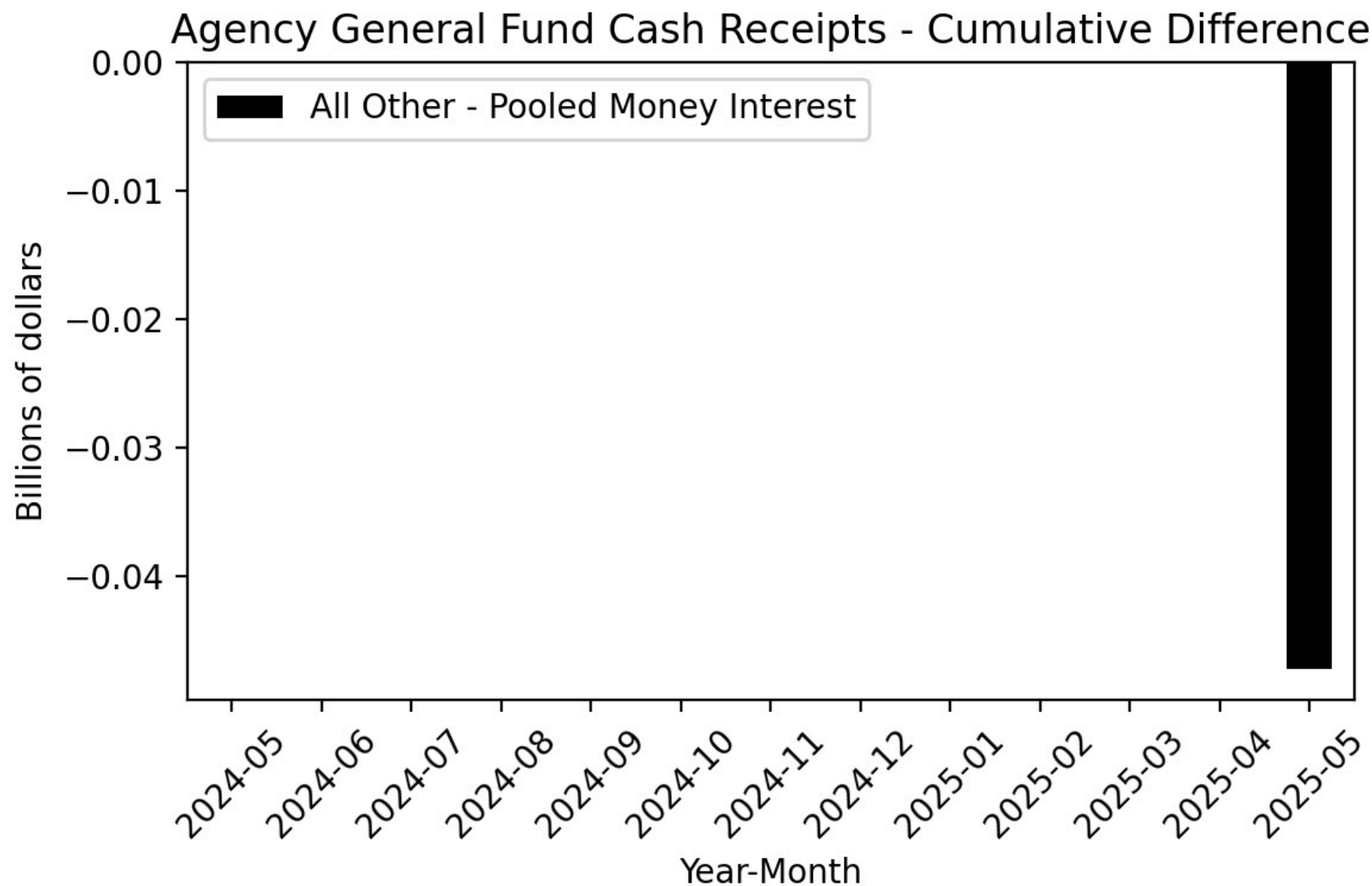


Figure 131

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-Pooled Money Interest

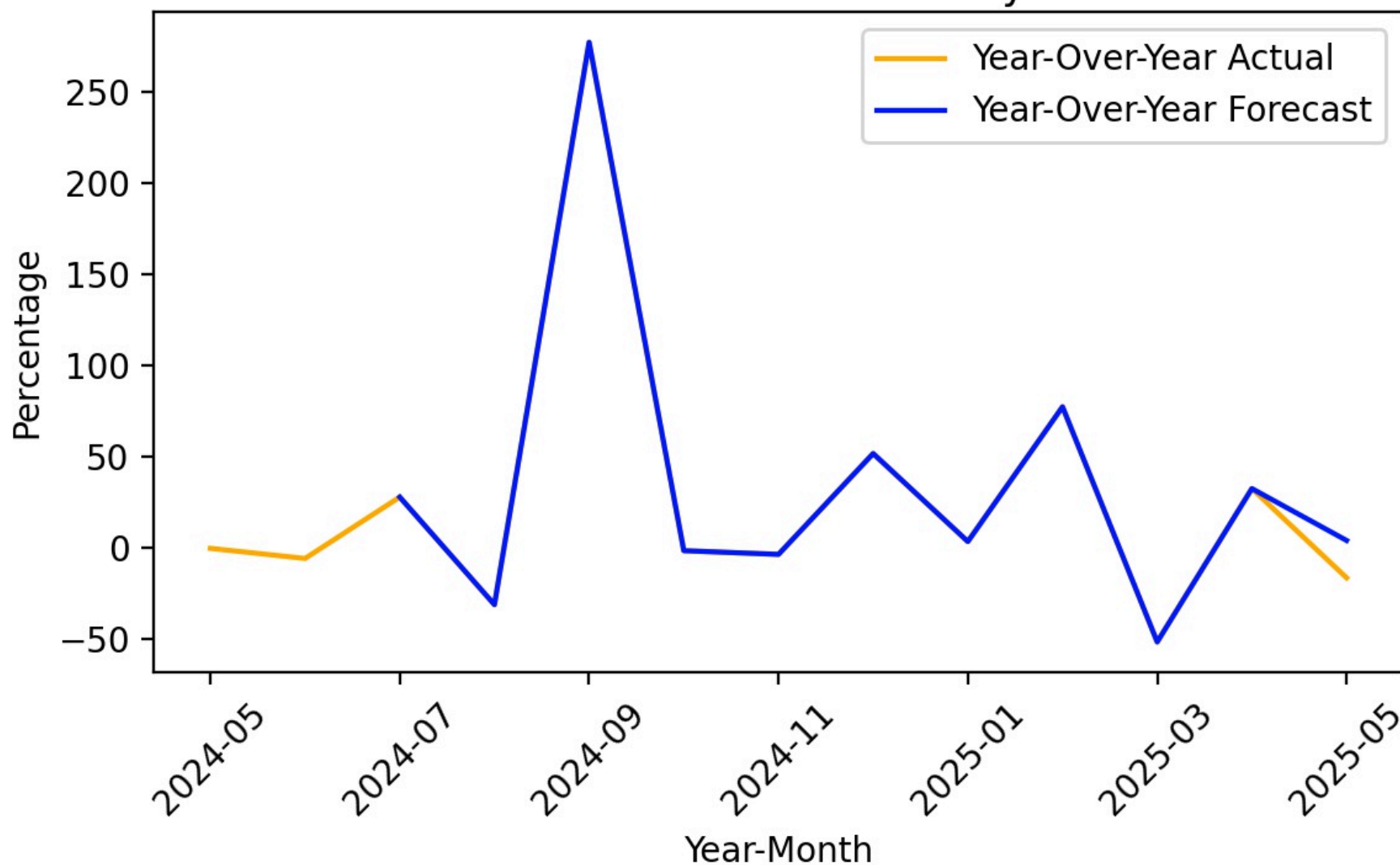


Figure 132

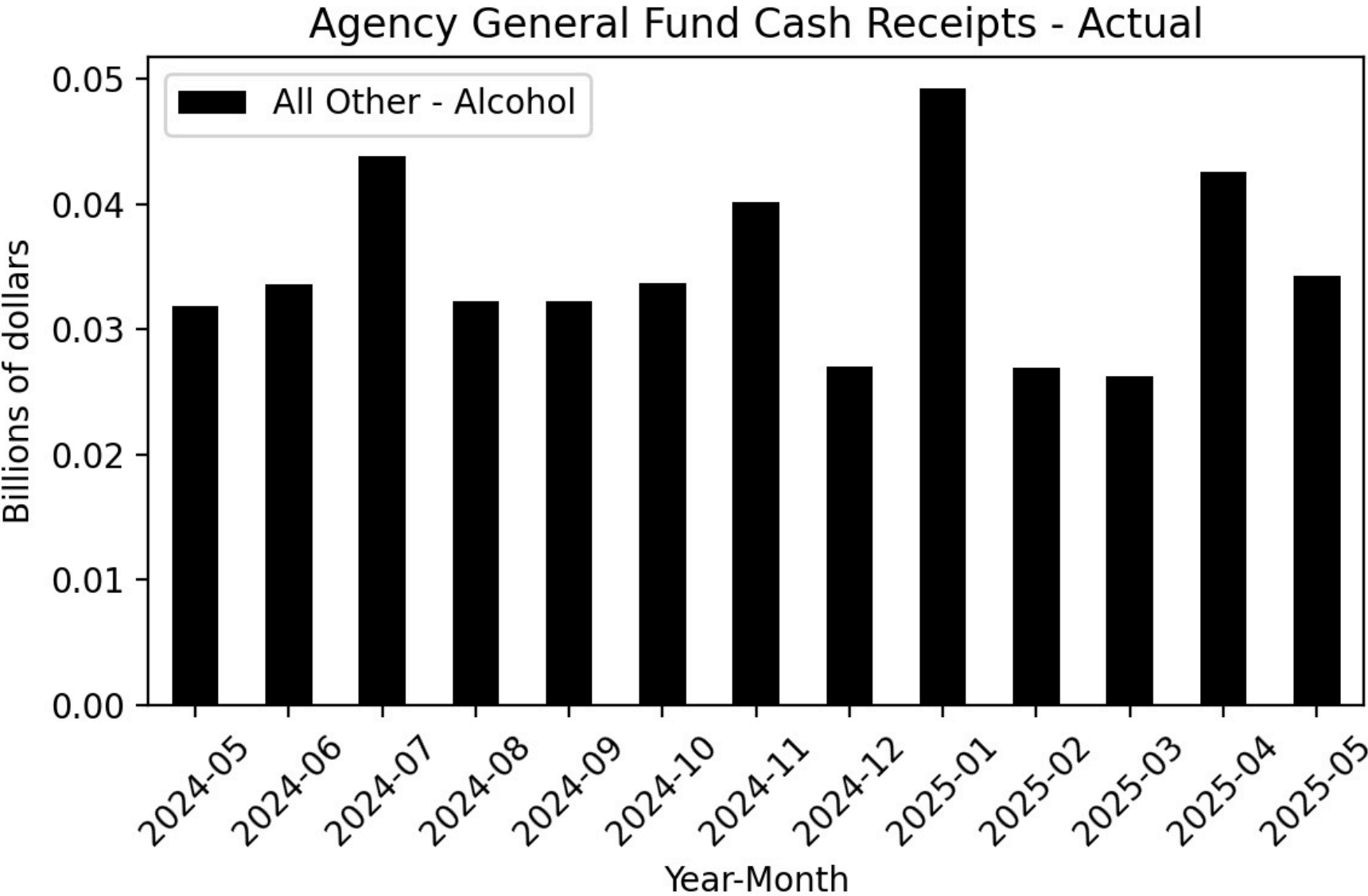


Figure 133

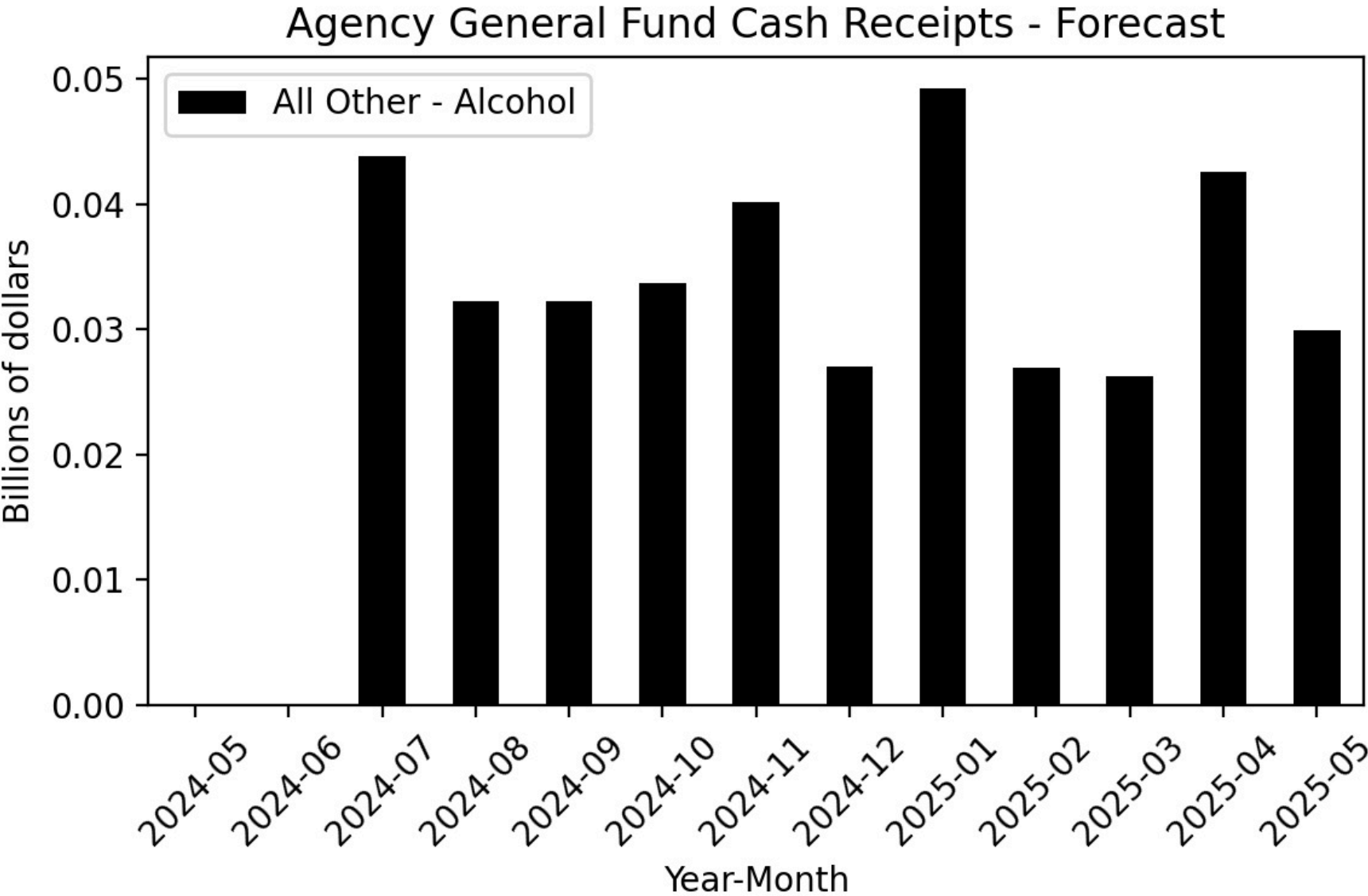


Figure 134

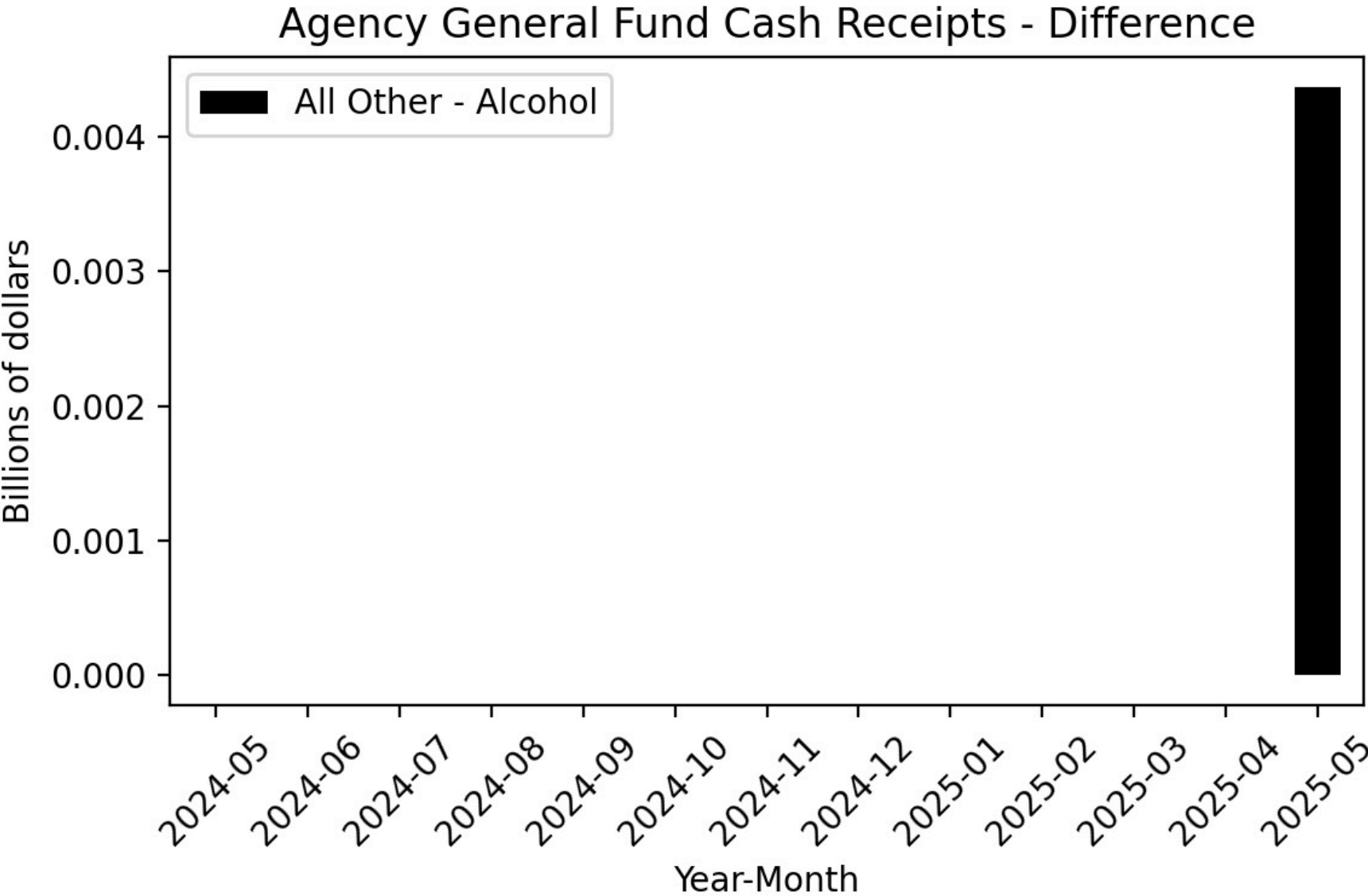


Figure 135

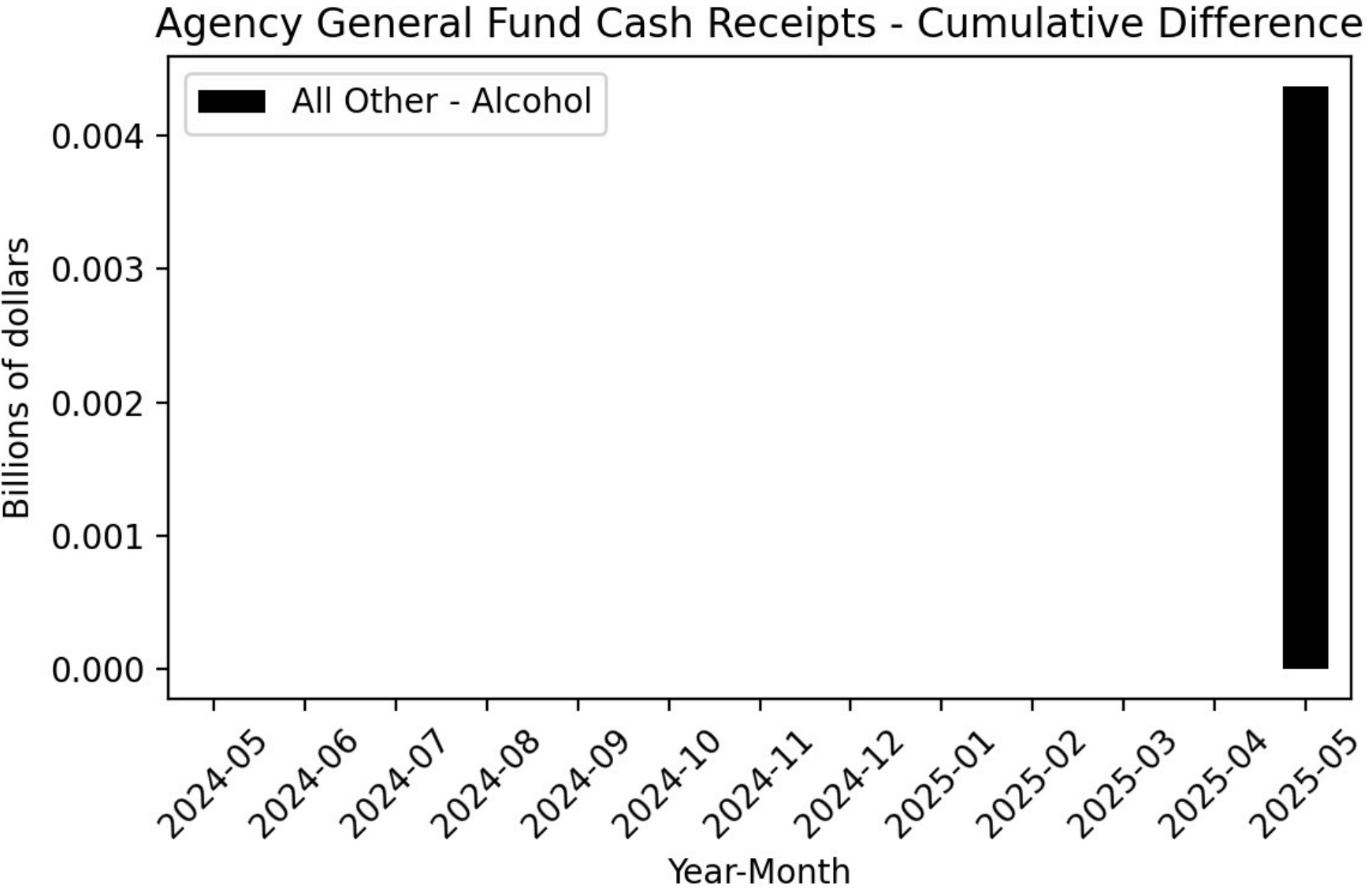


Figure 136

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-Alcohol

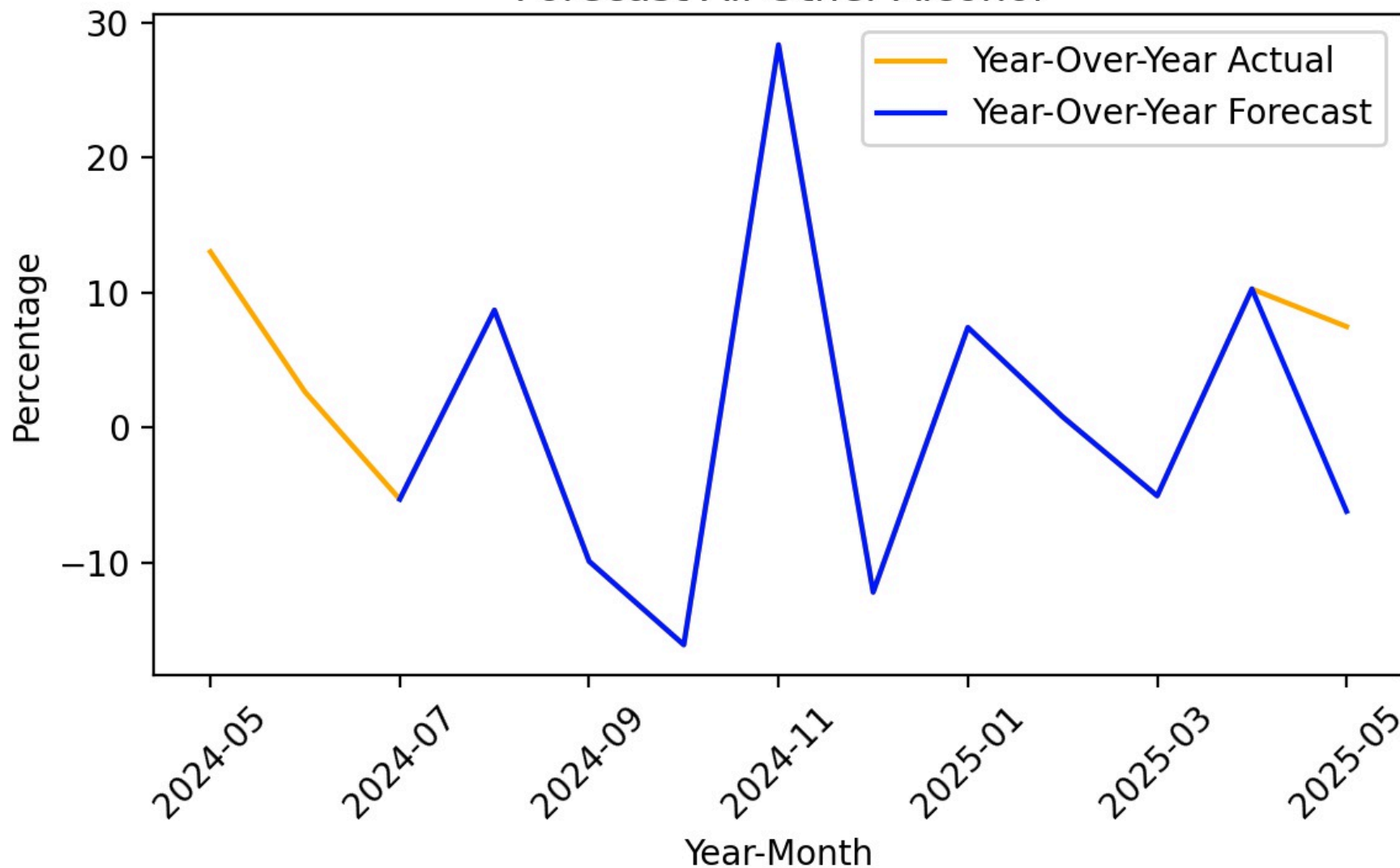


Figure 137

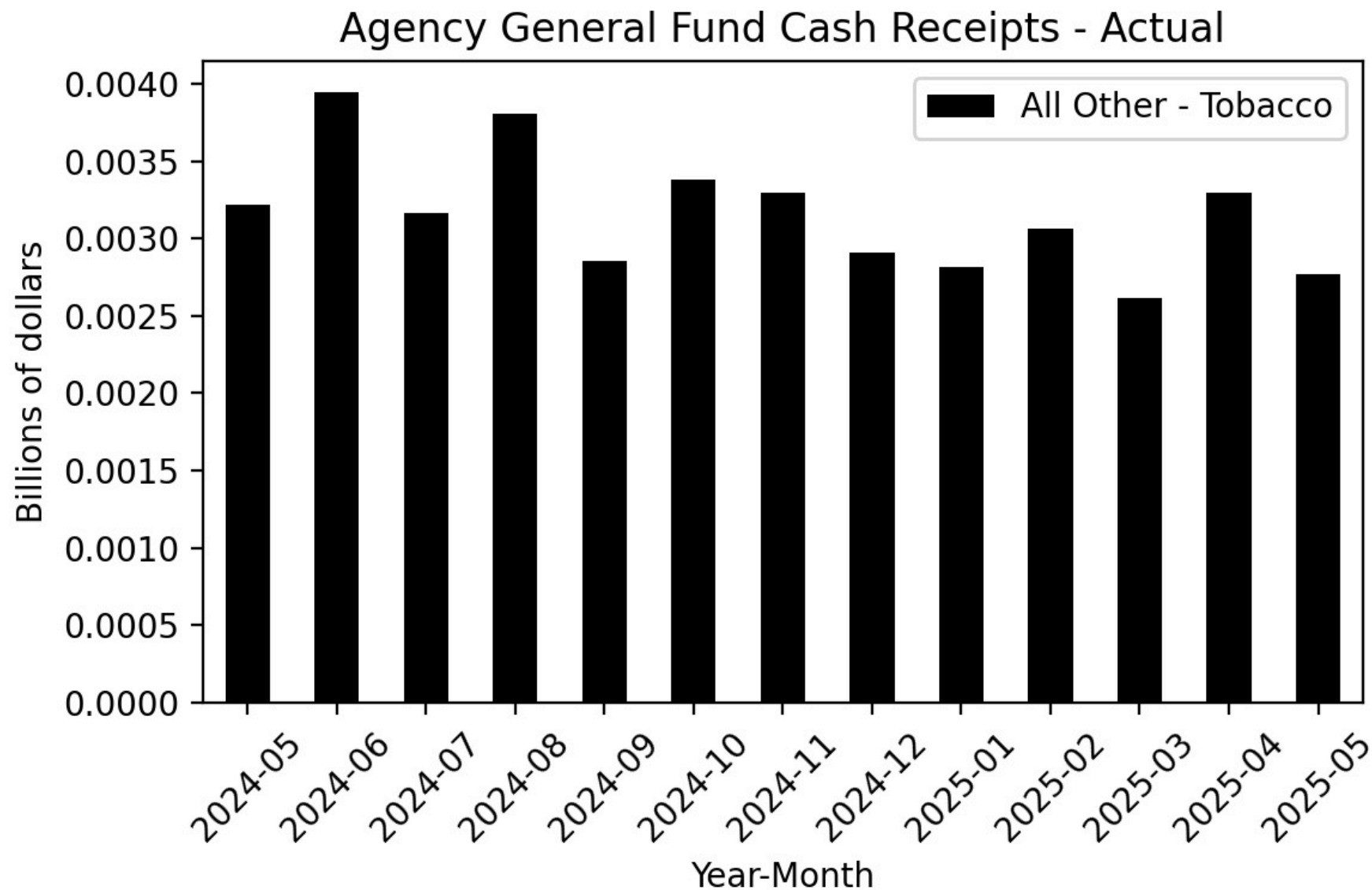


Figure 138

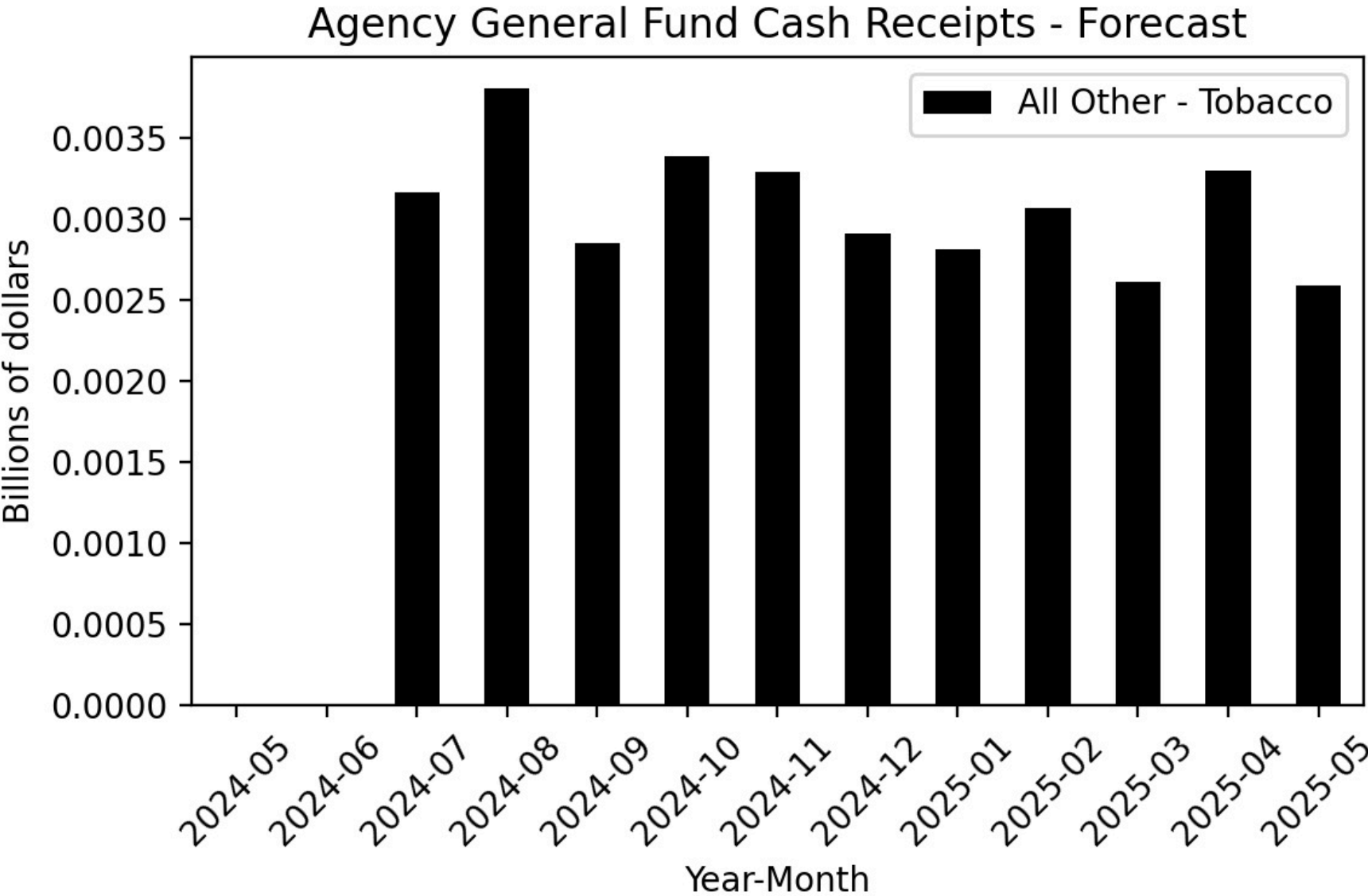


Figure 139

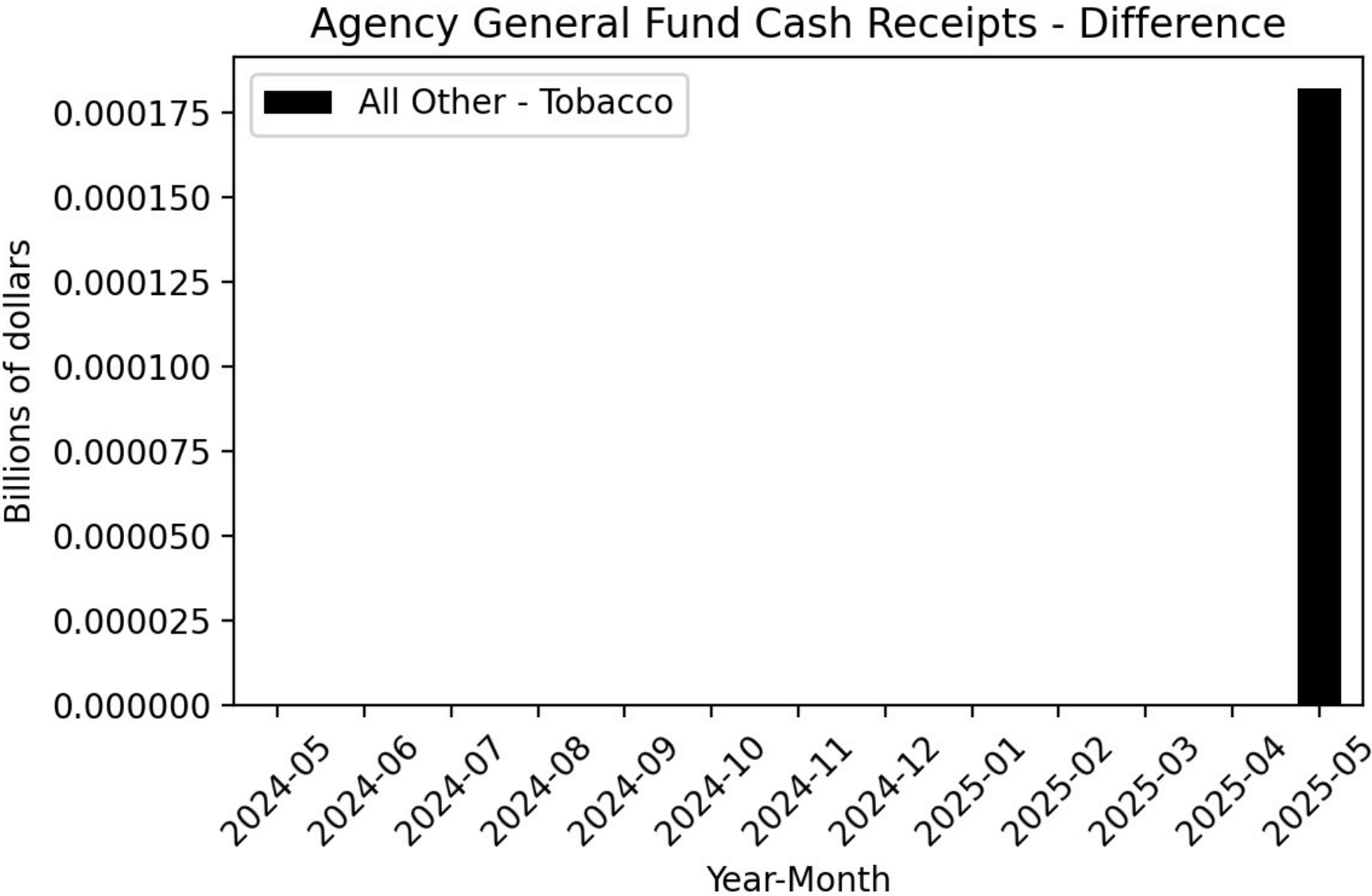


Figure 140

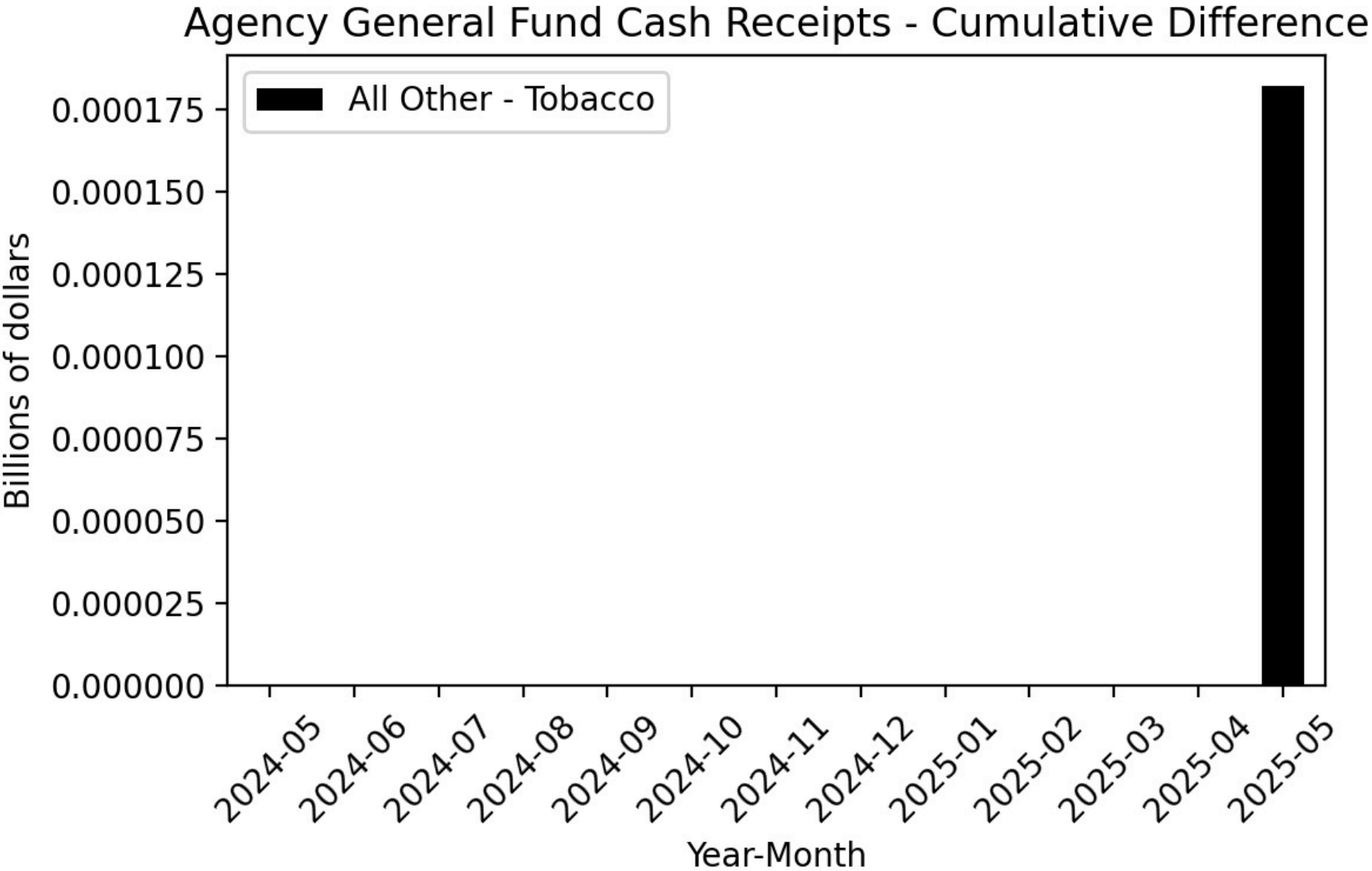


Figure 141

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-Tobacco

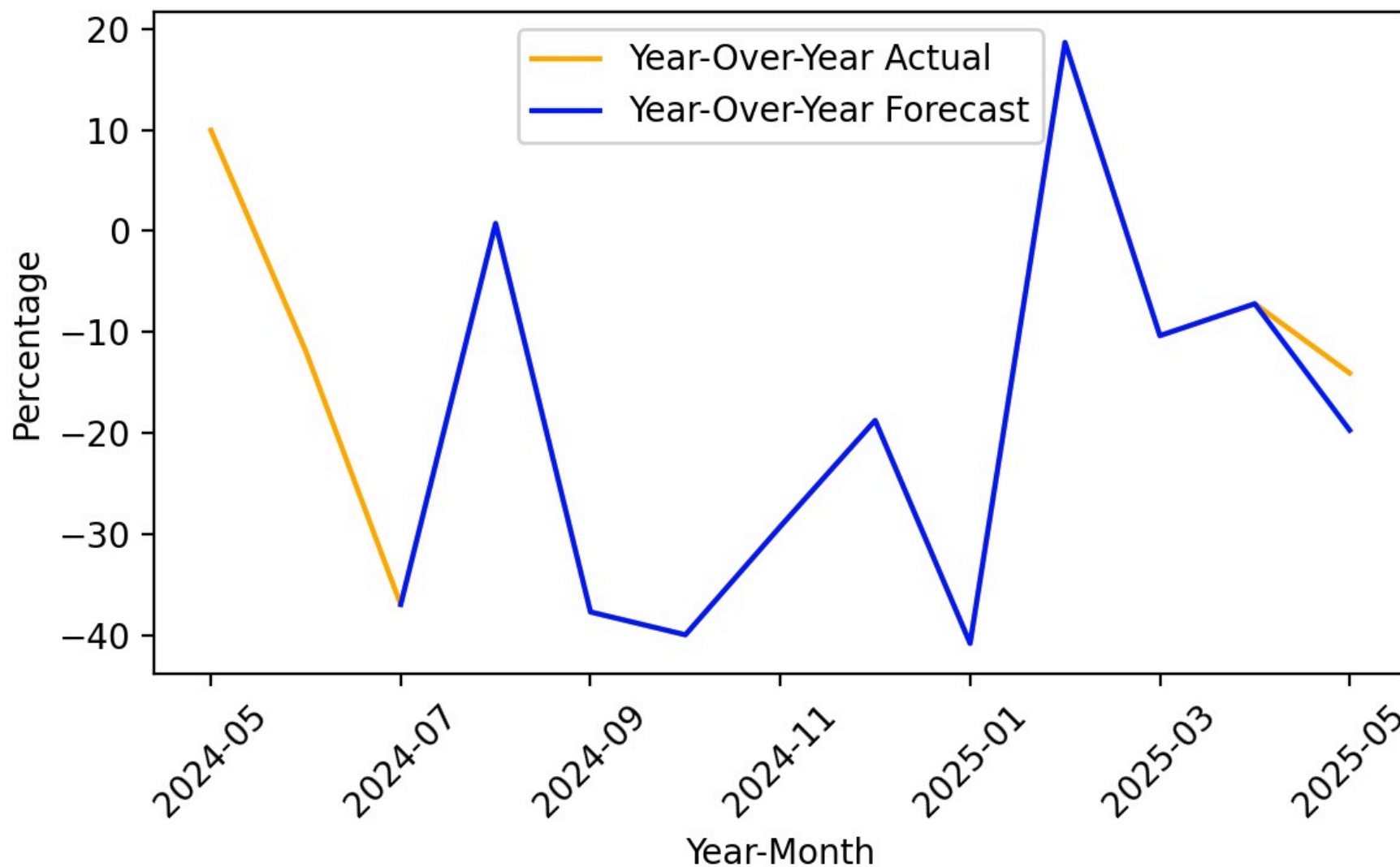


Figure 142

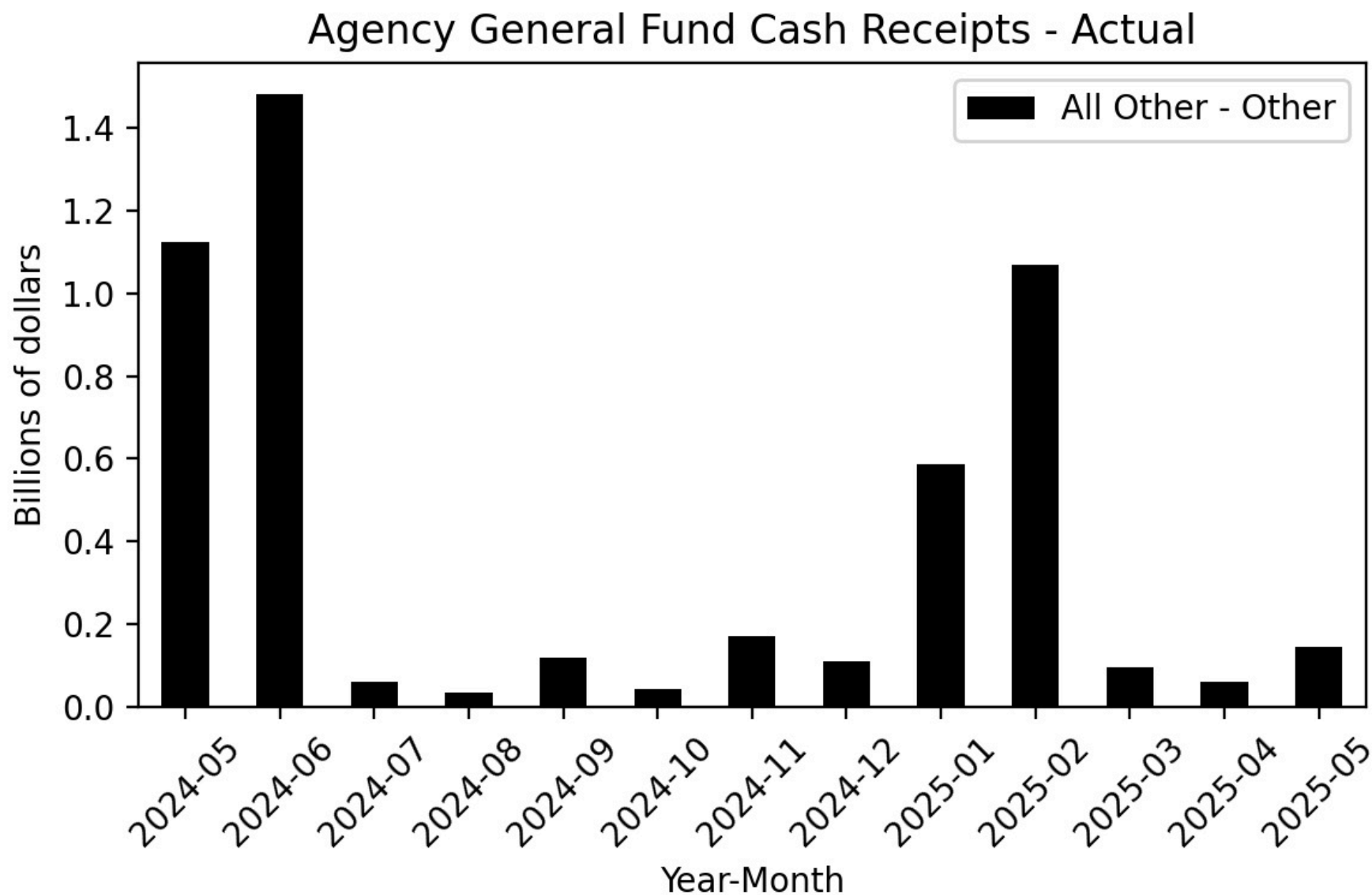


Figure 143

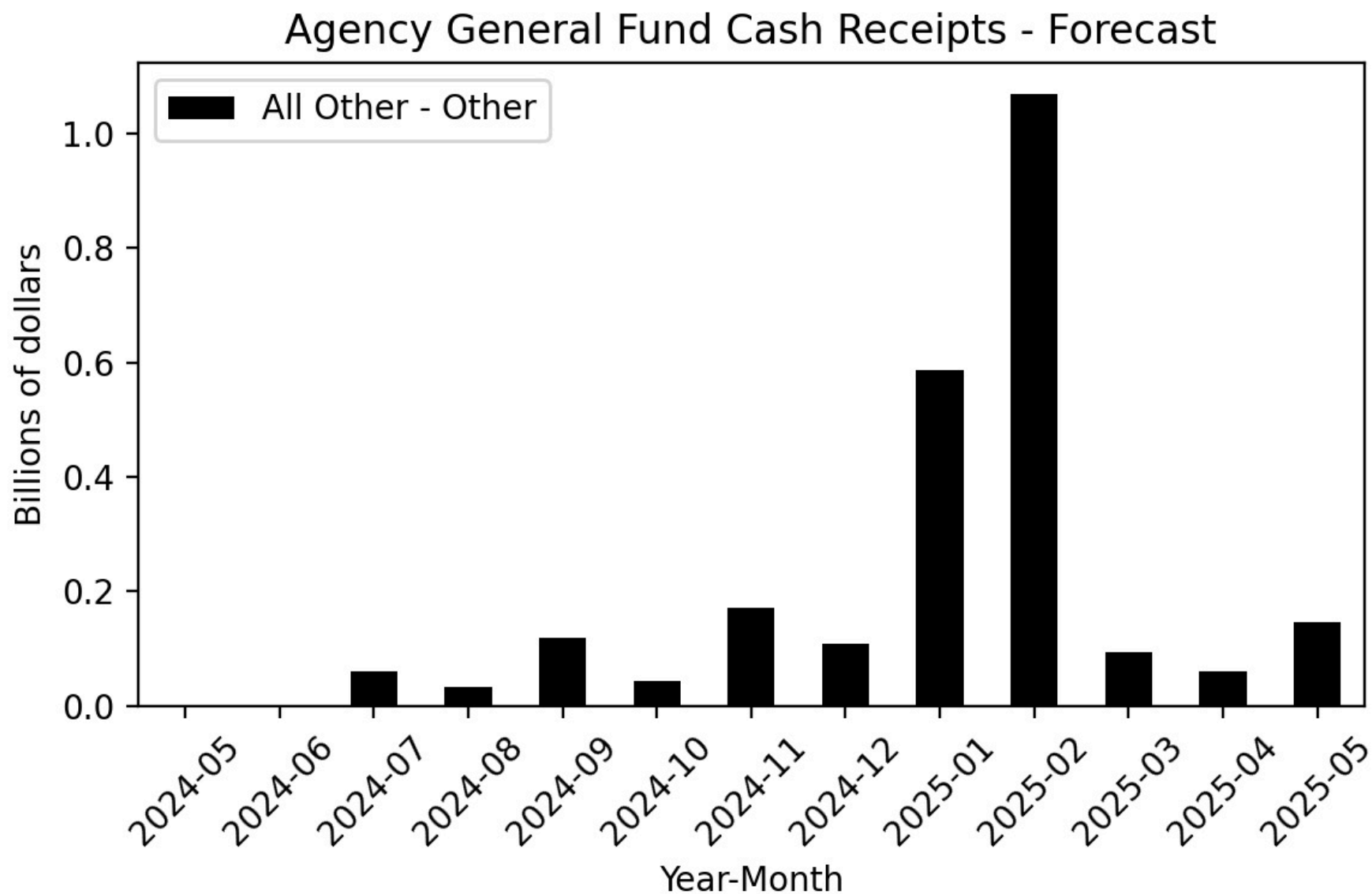


Figure 144

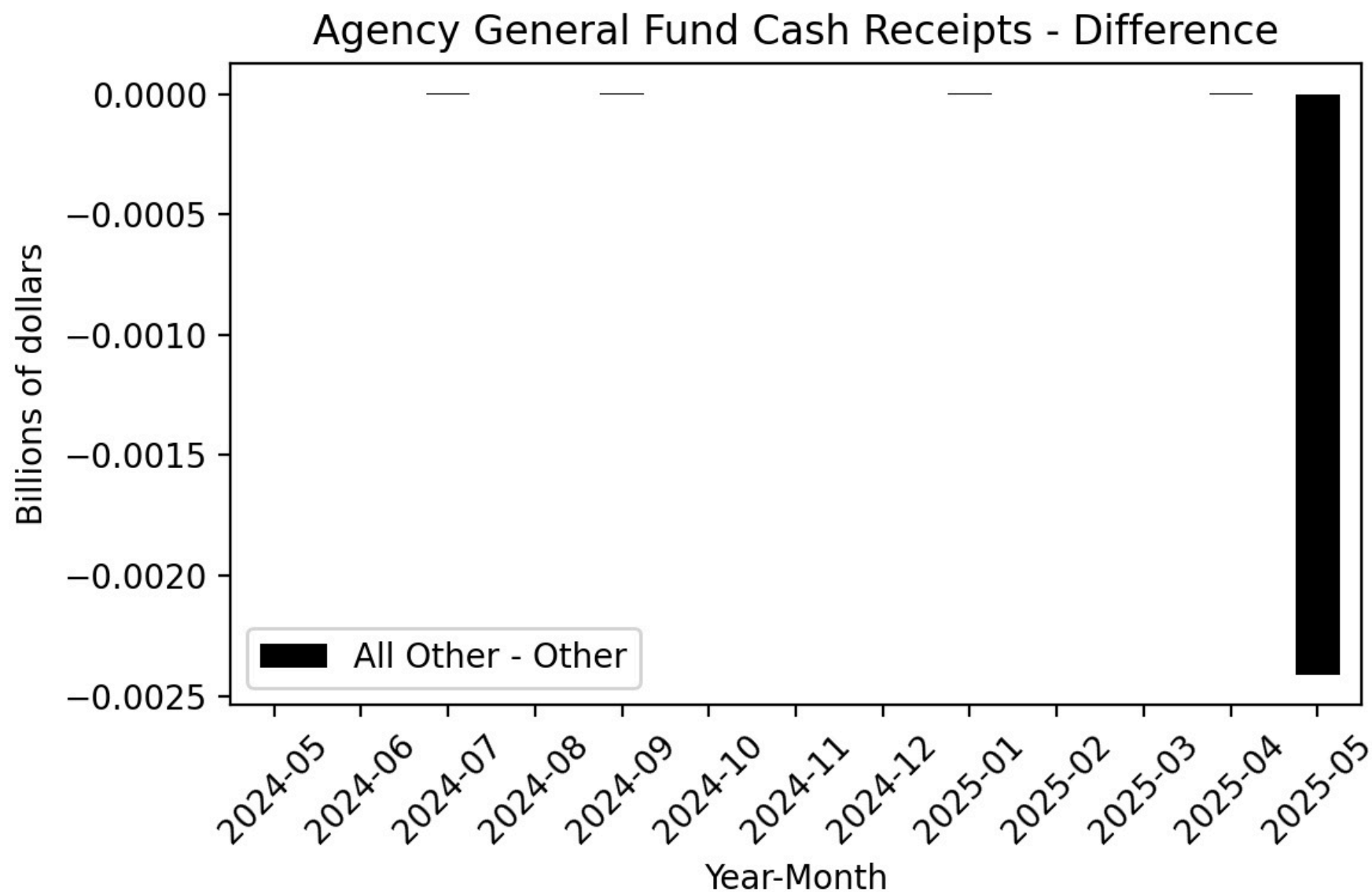


Figure 145

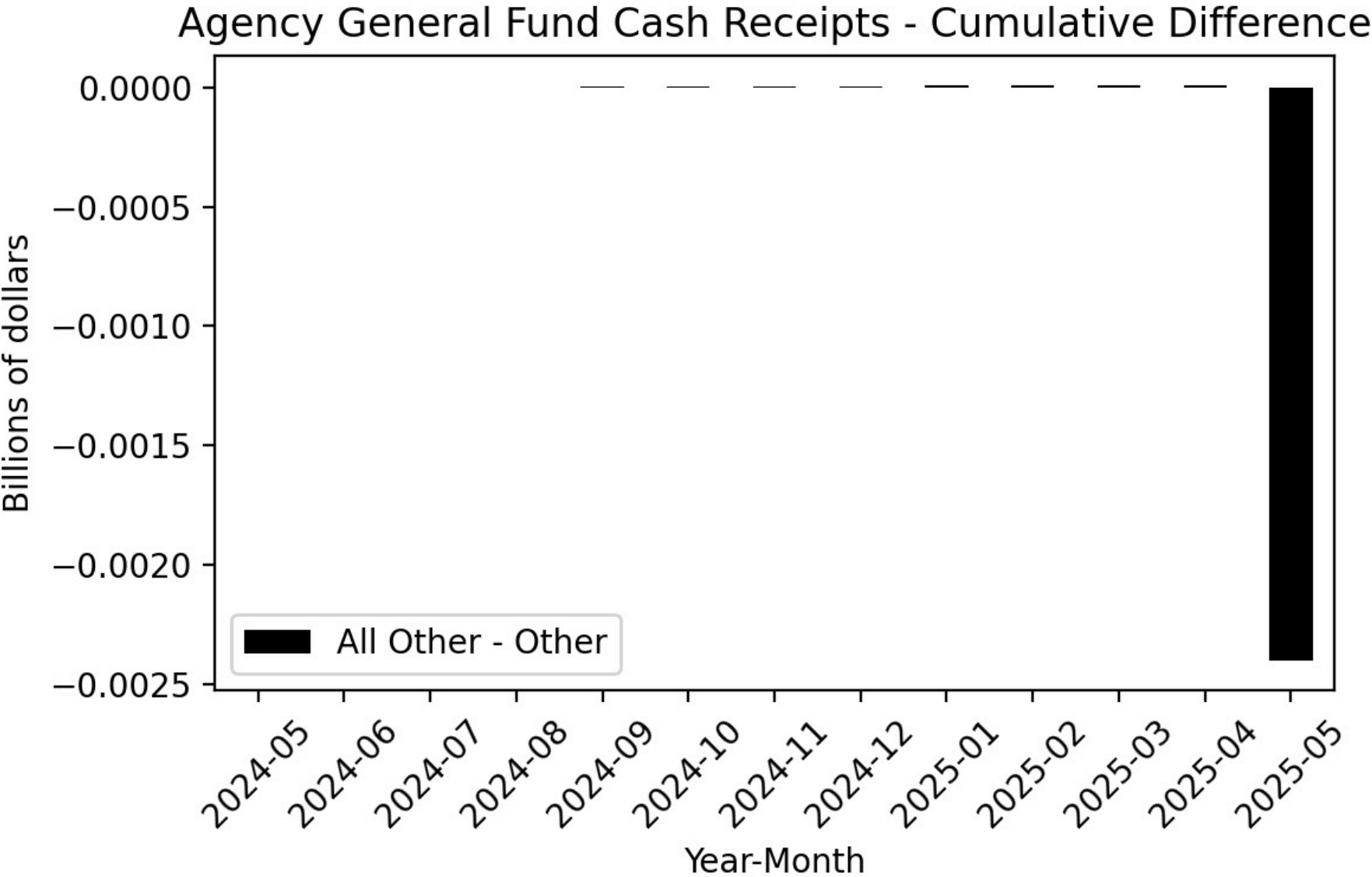


Figure 146

Year-Over-Year Change - Actual and 2025-26 May Revision
Forecast All Other-Other

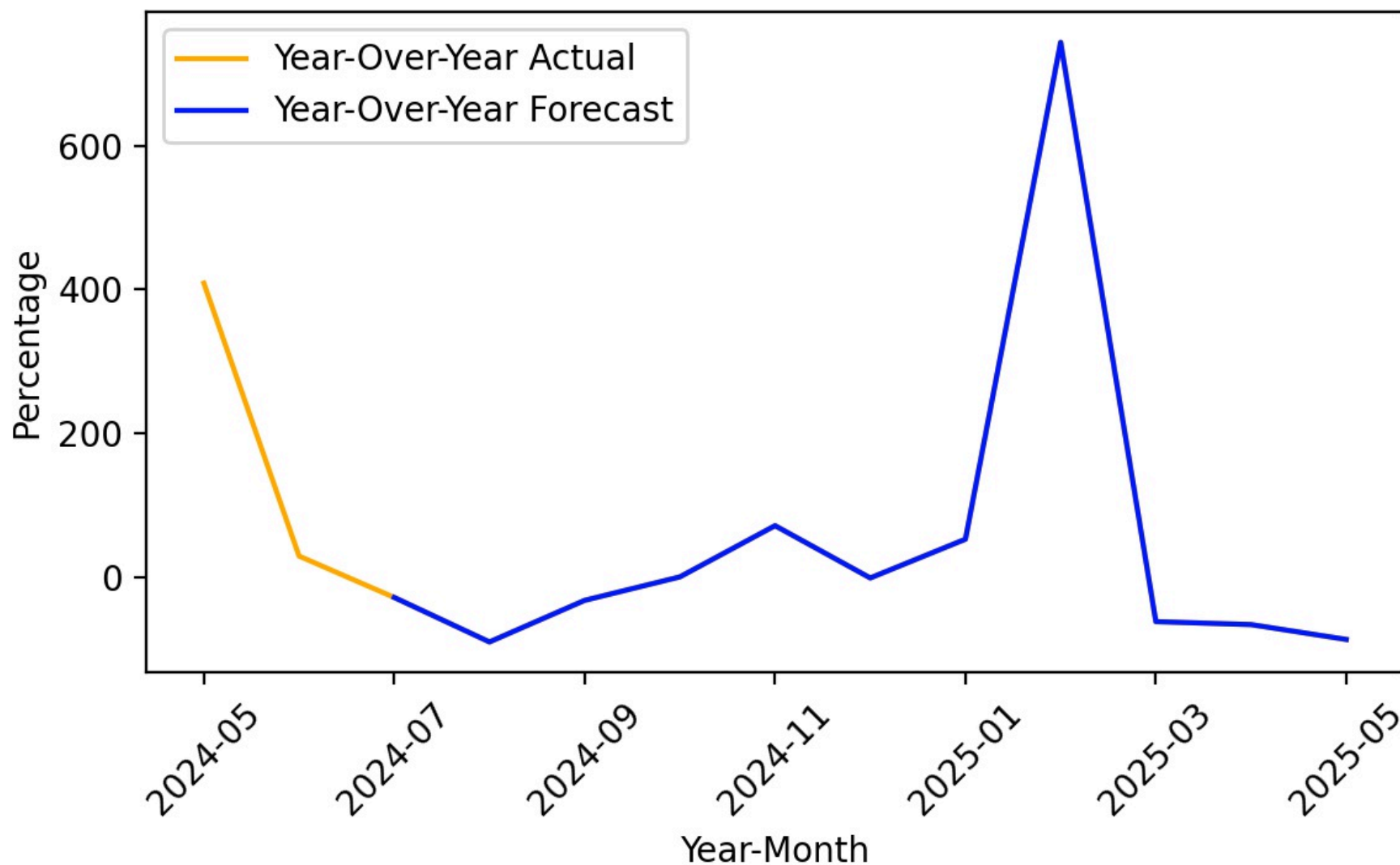


Figure 147

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

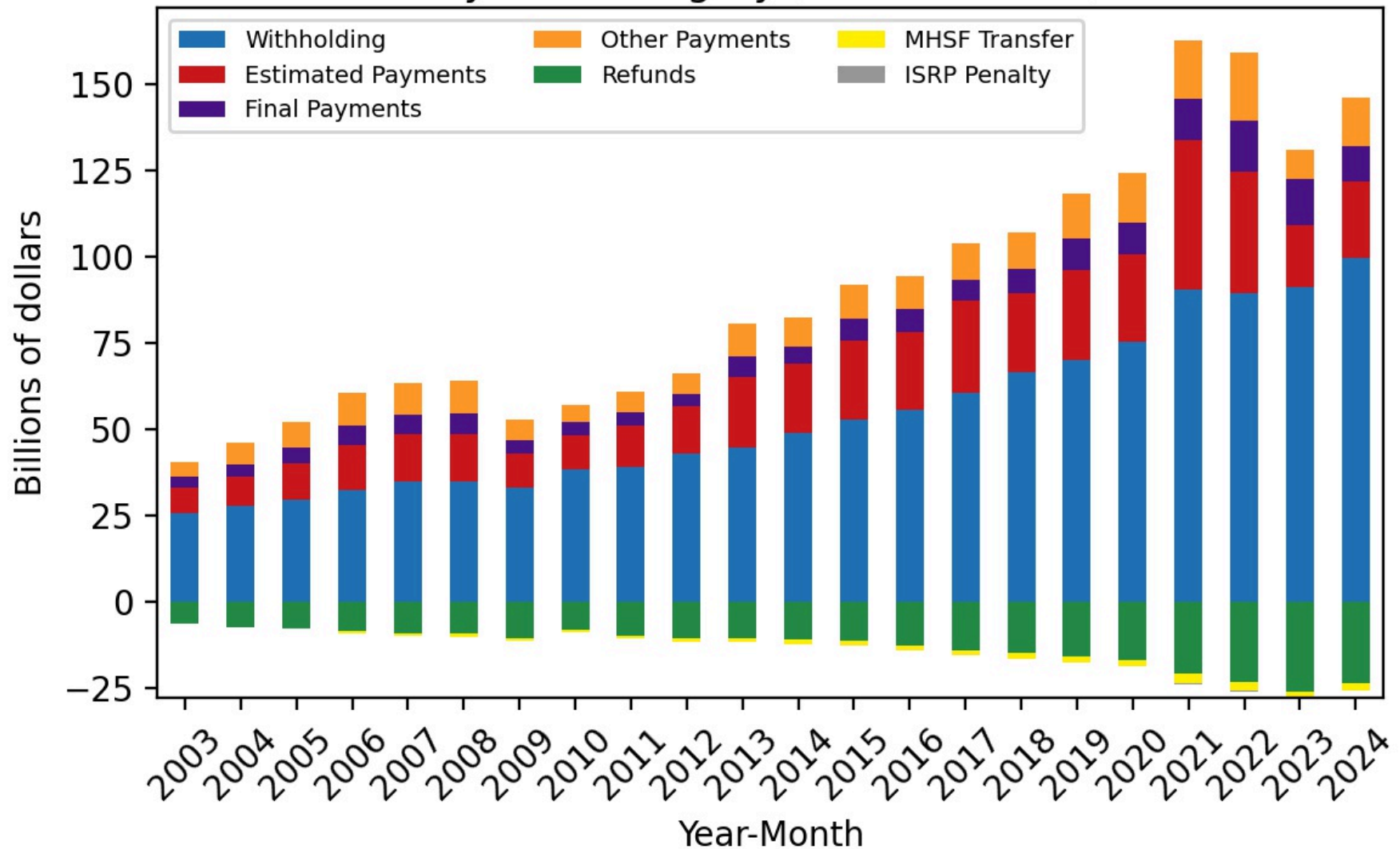


Figure 148

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

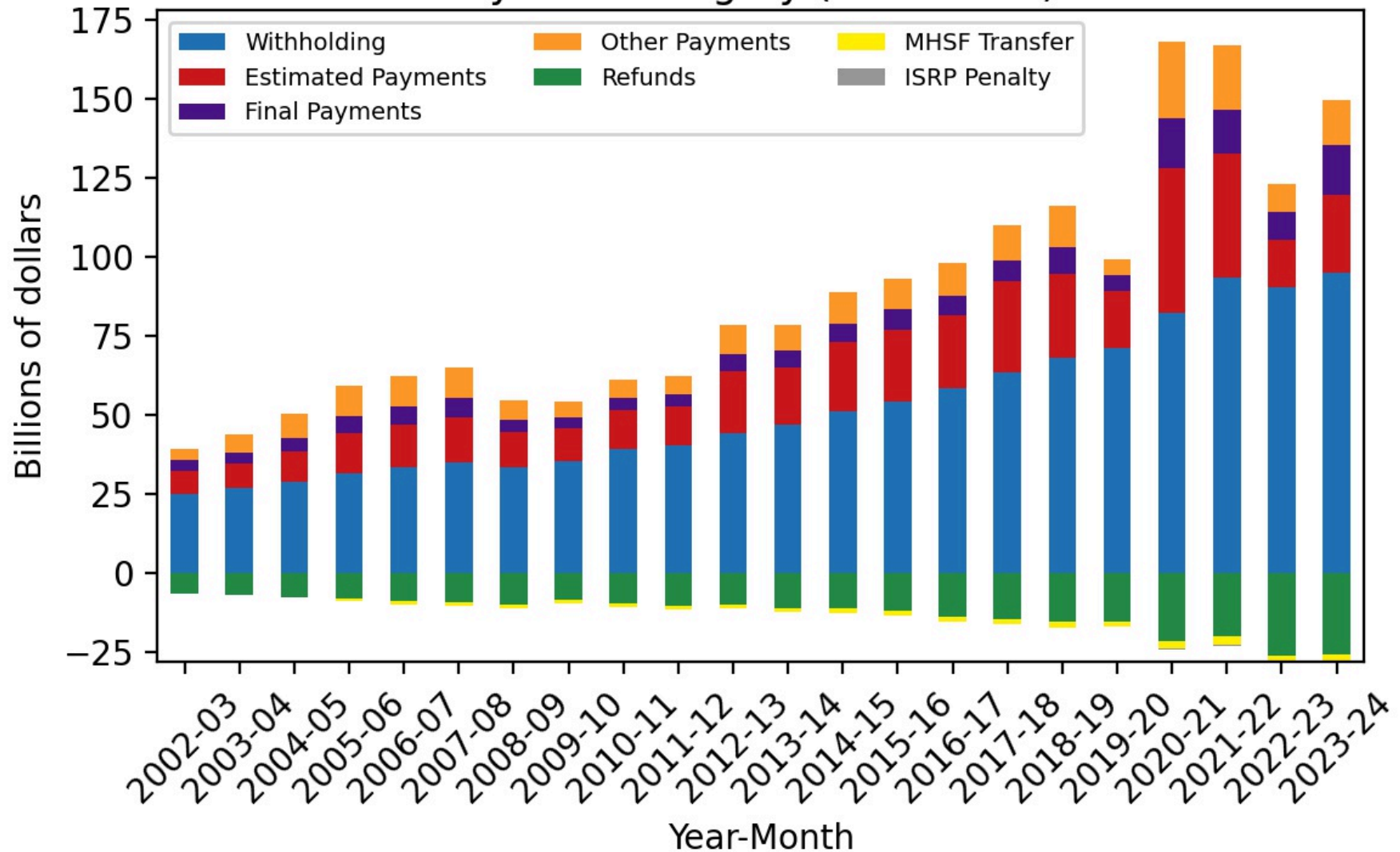


Figure 149

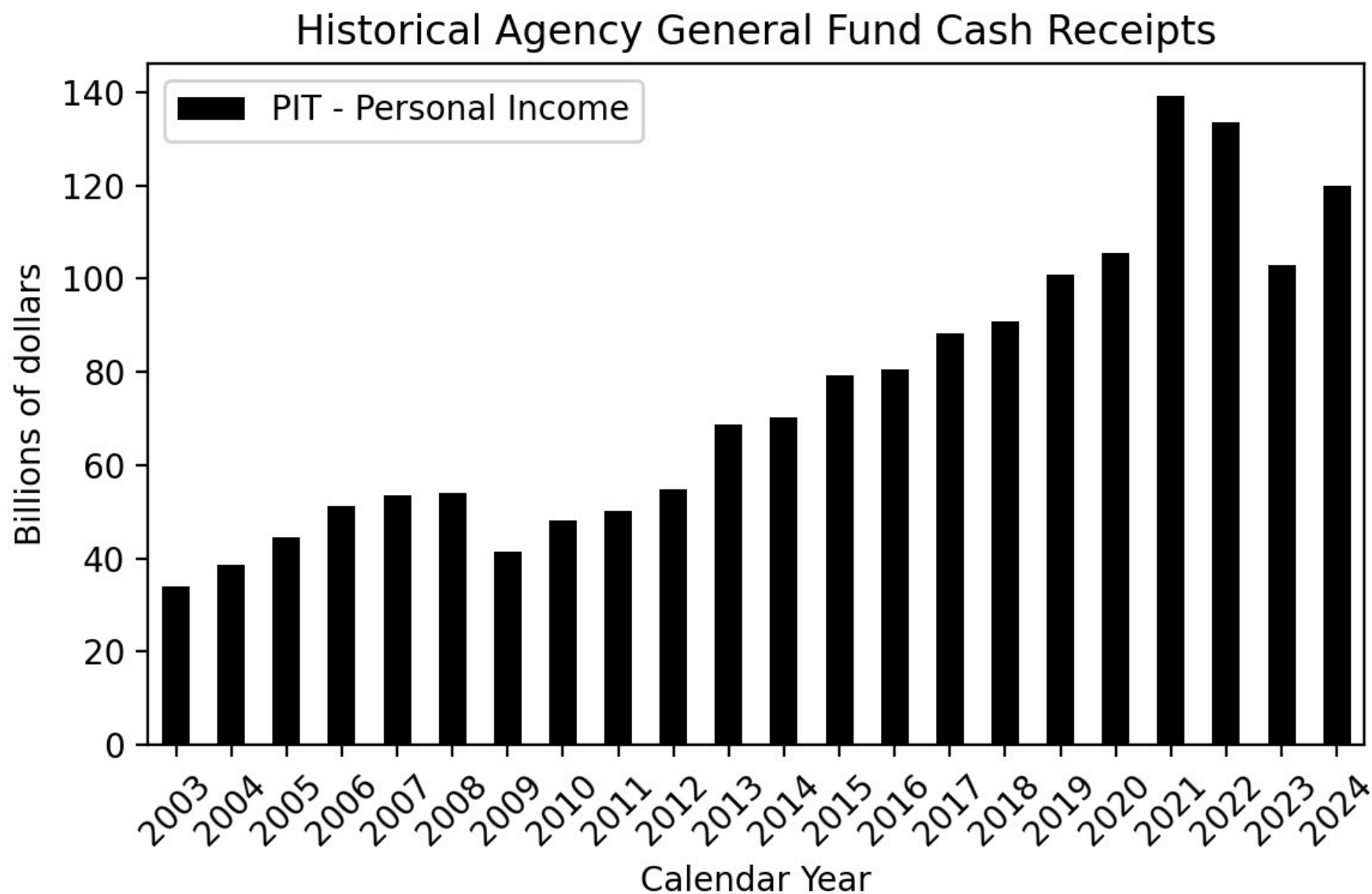


Figure 150

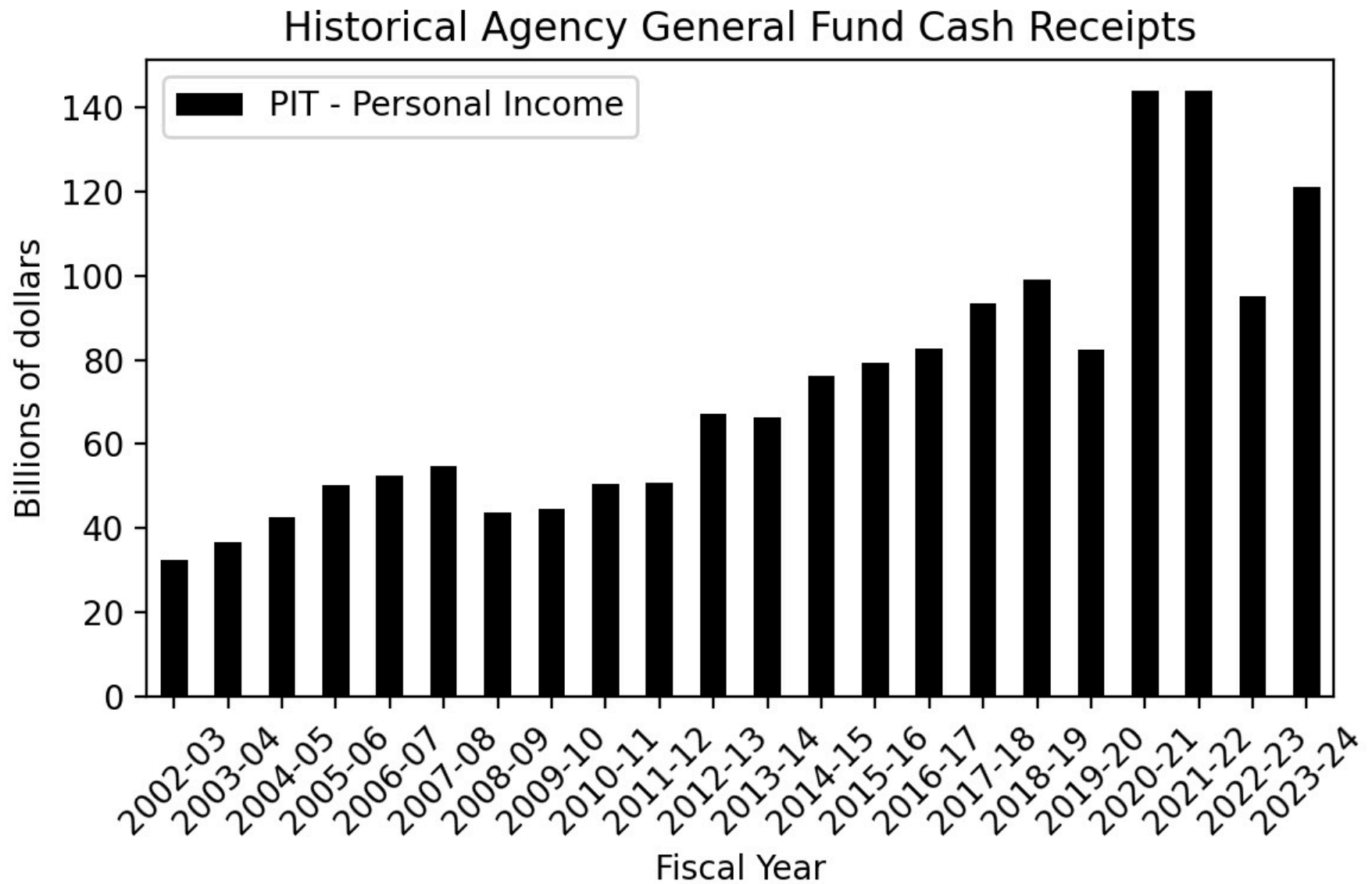


Figure 151

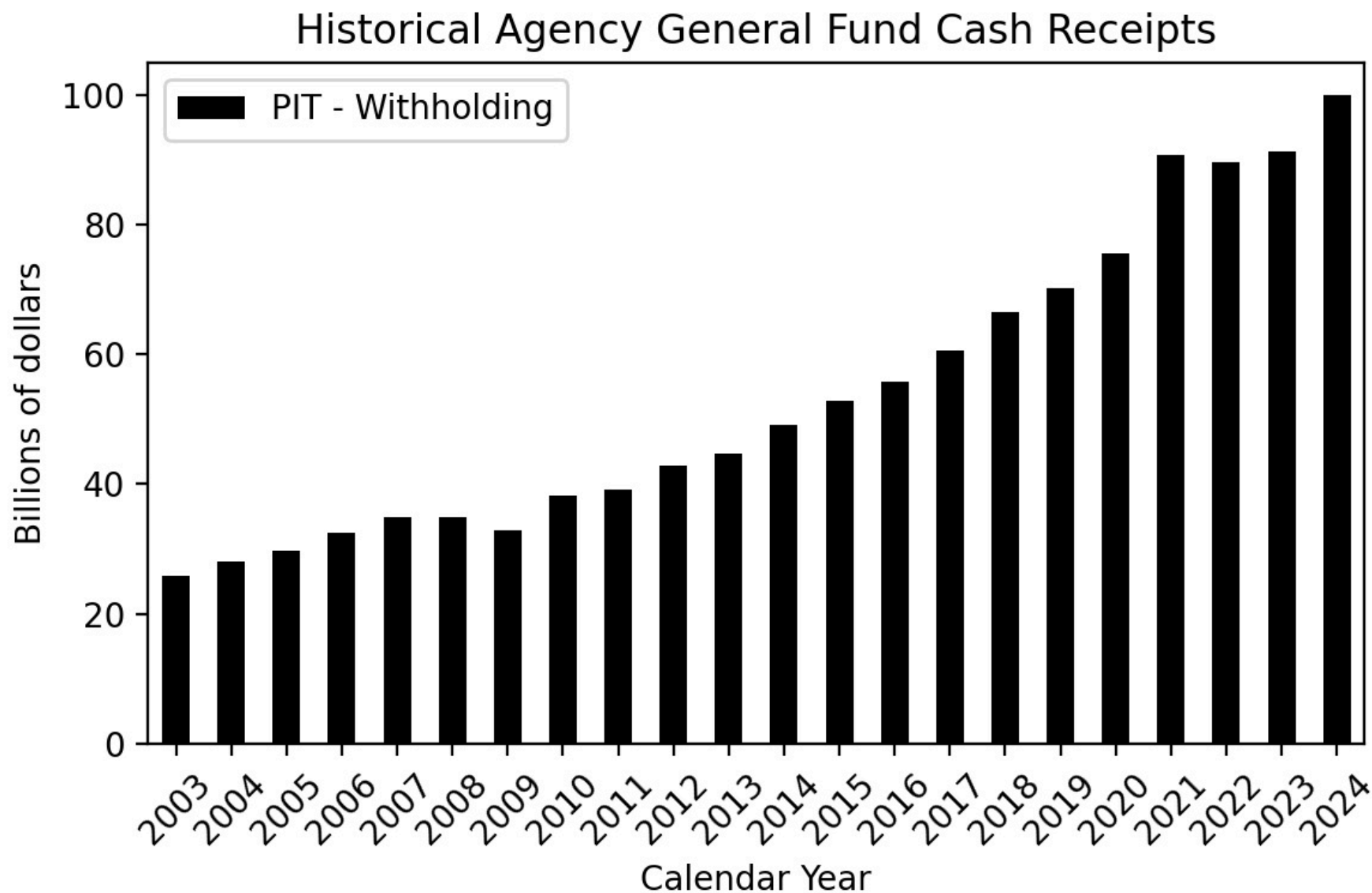


Figure 152

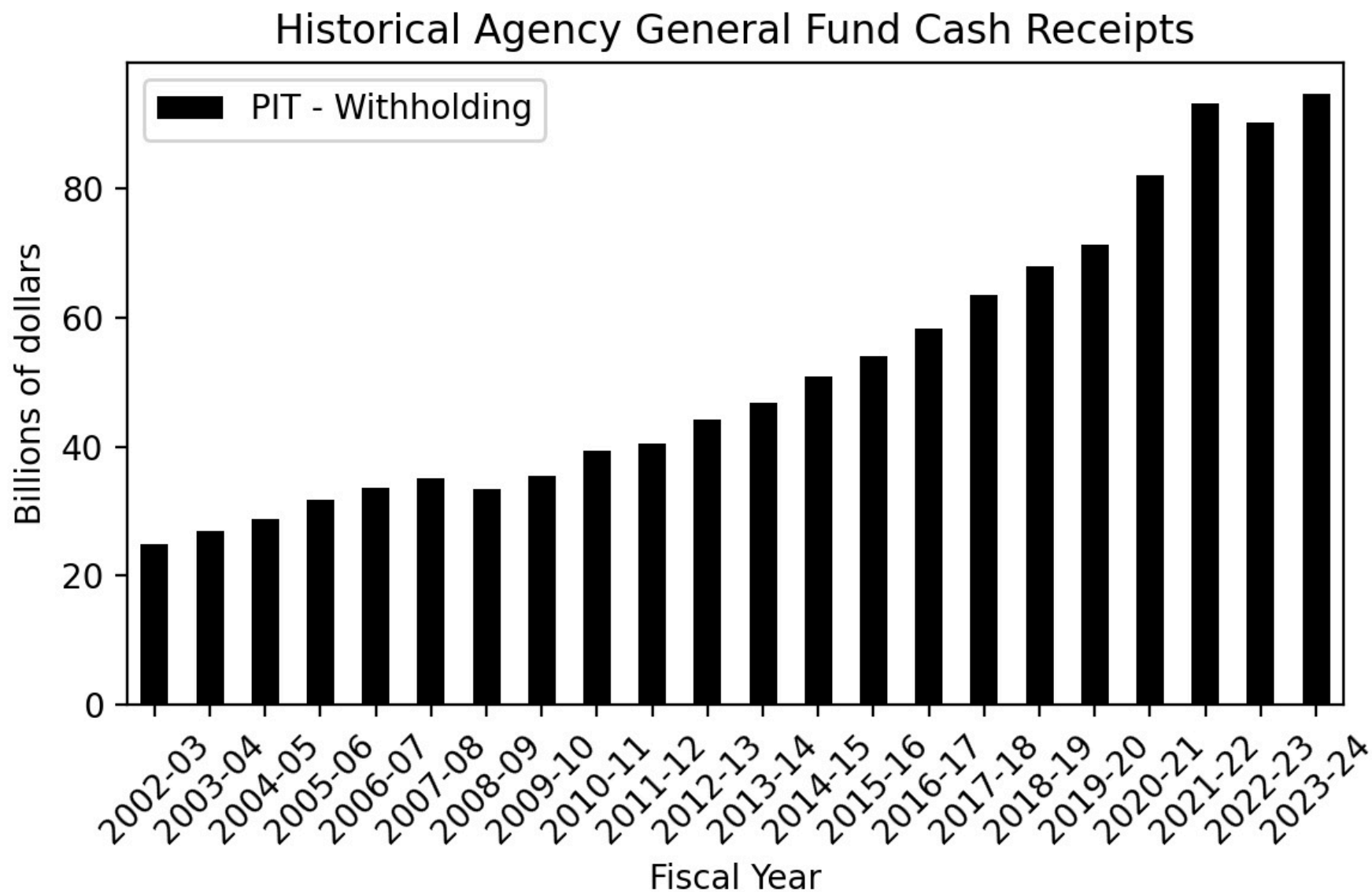


Figure 153

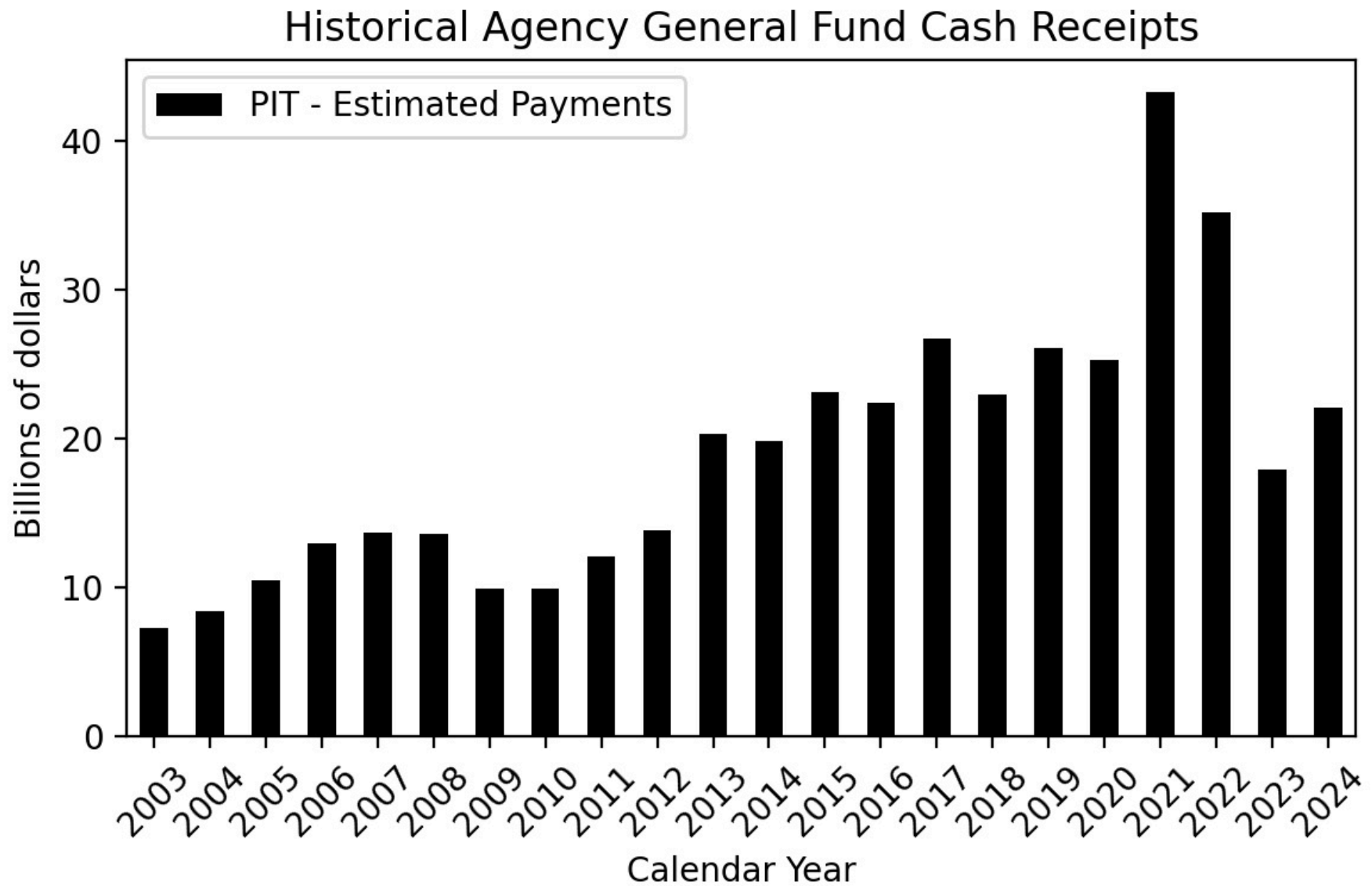


Figure 154

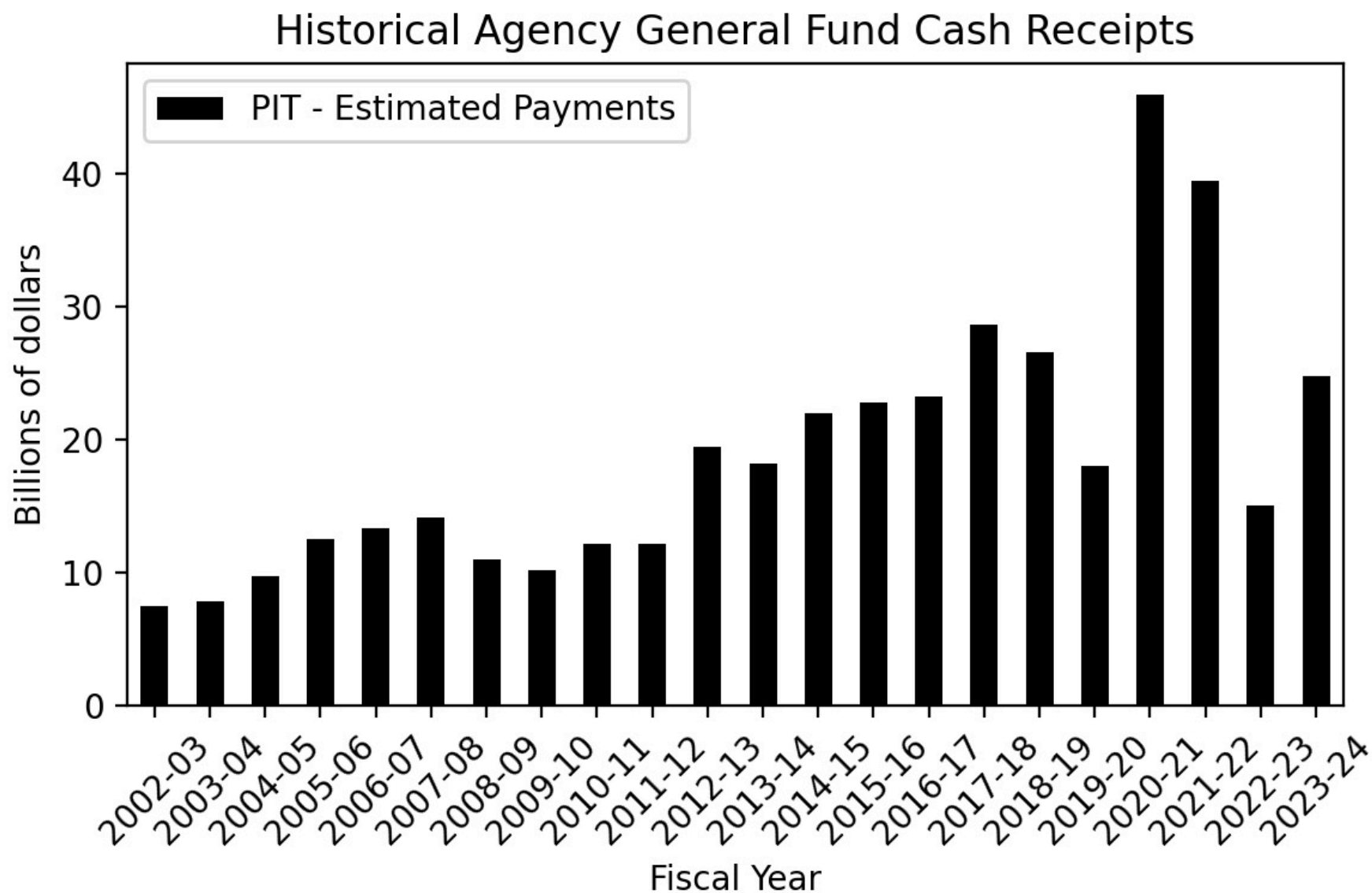


Figure 155

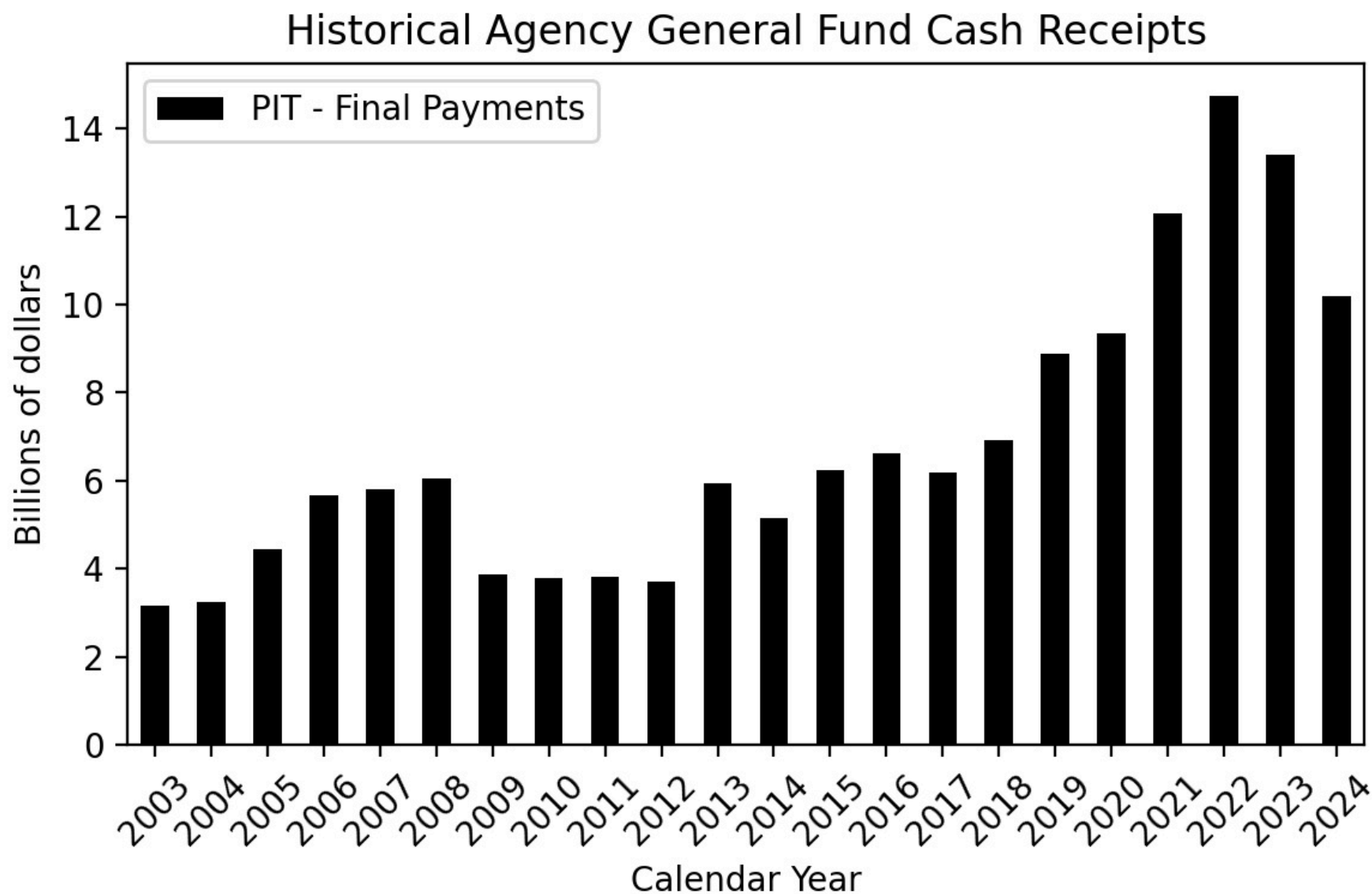


Figure 156

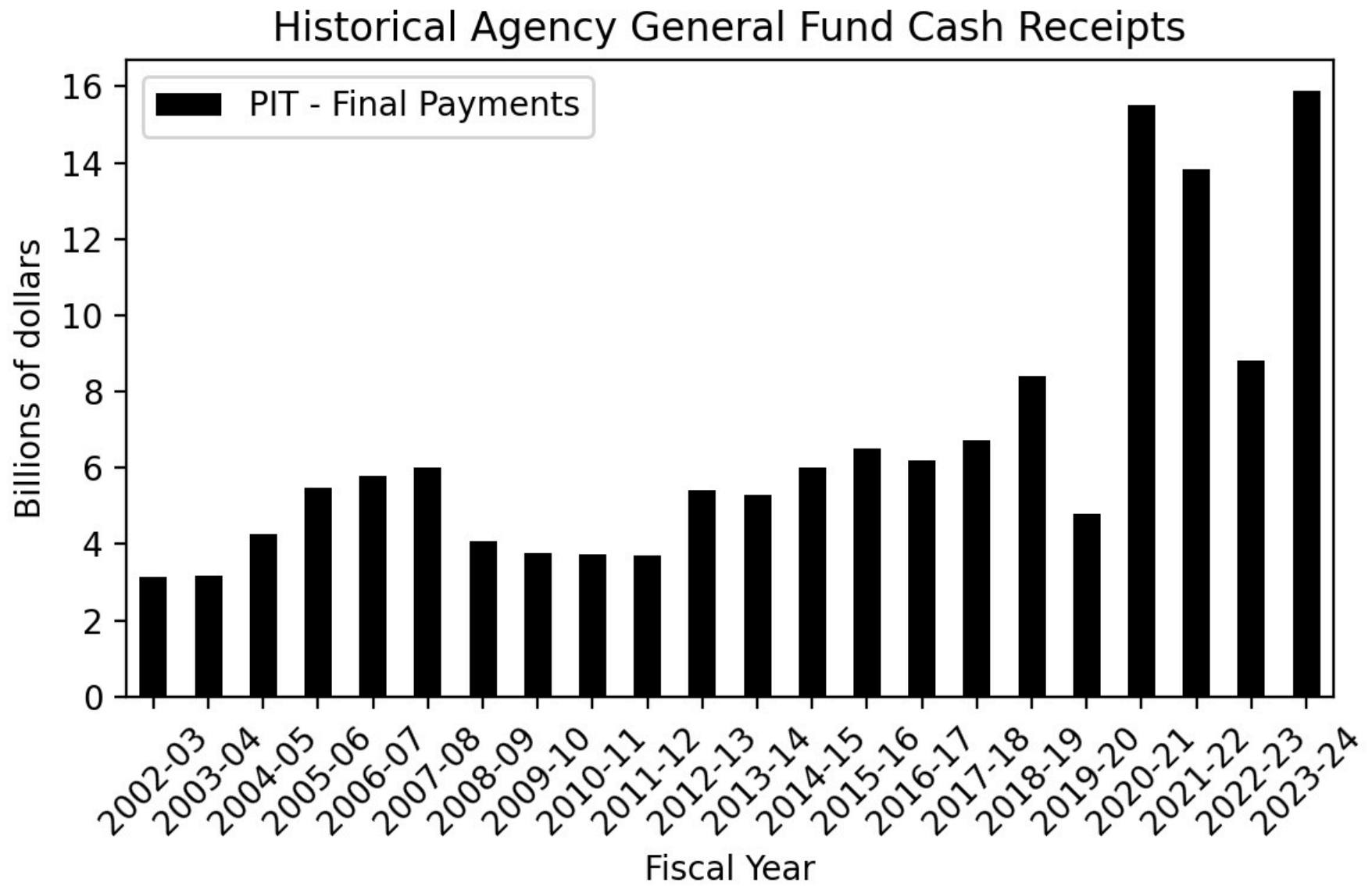


Figure 157

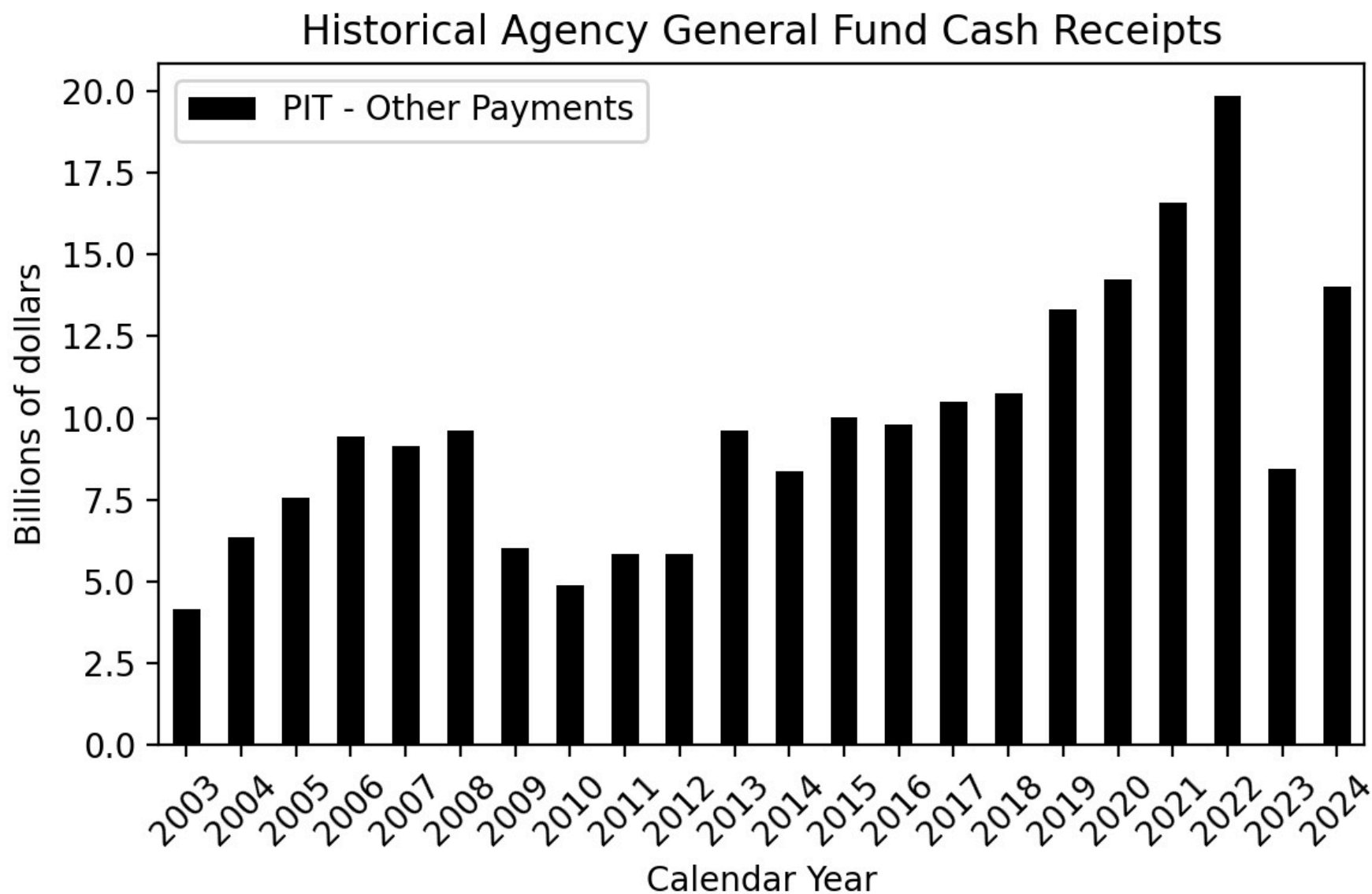


Figure 158

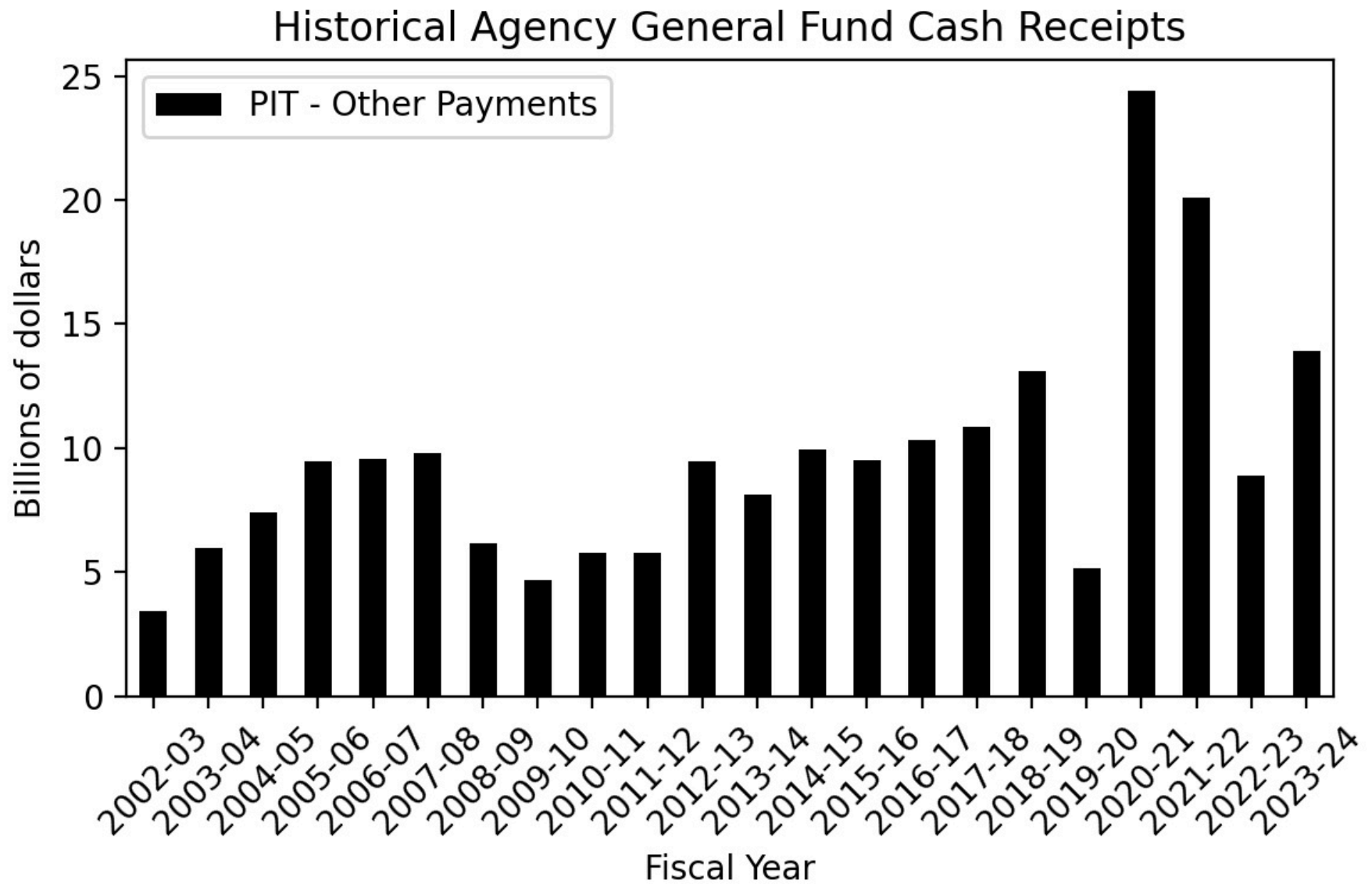


Figure 159

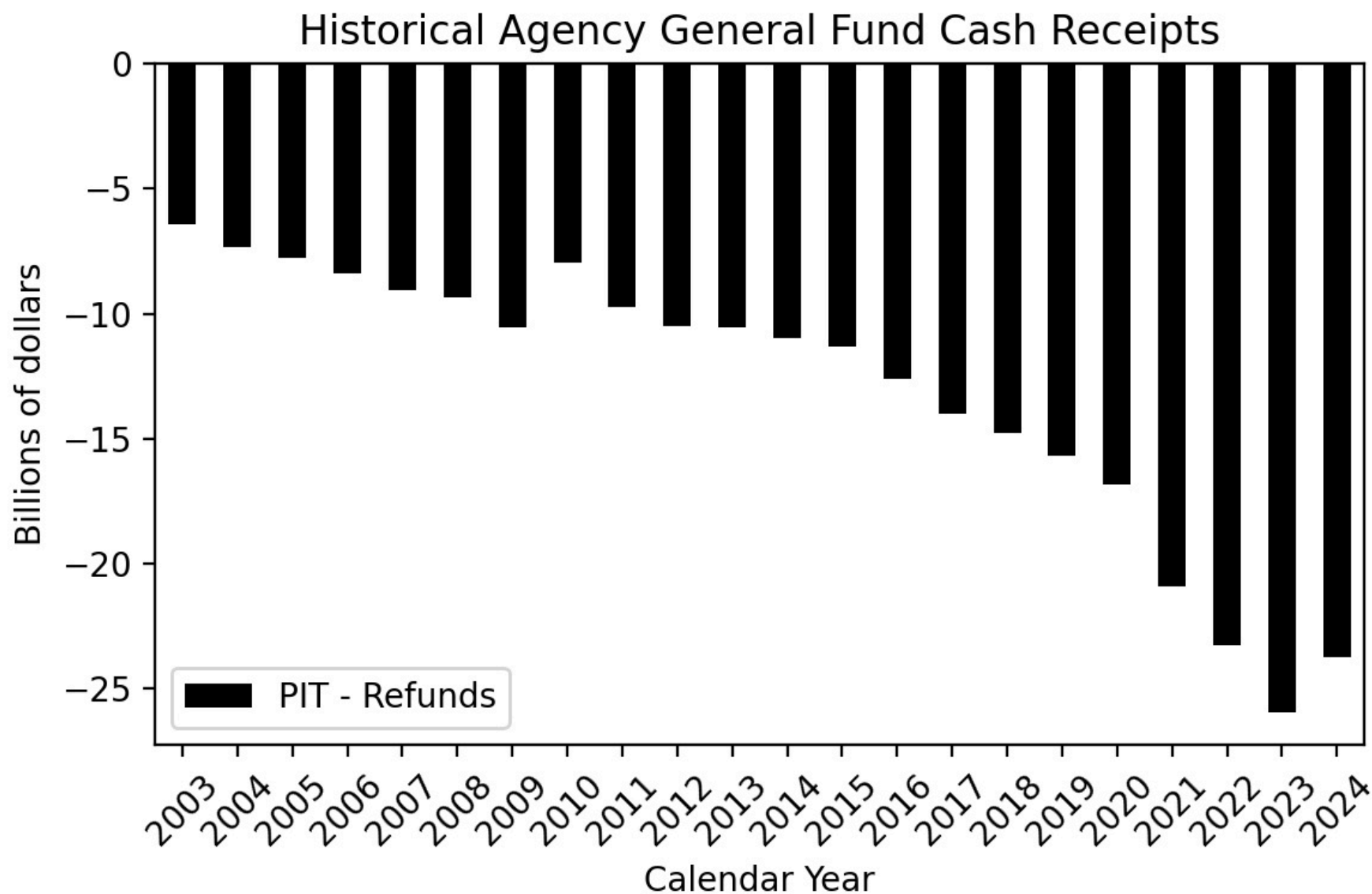


Figure 160

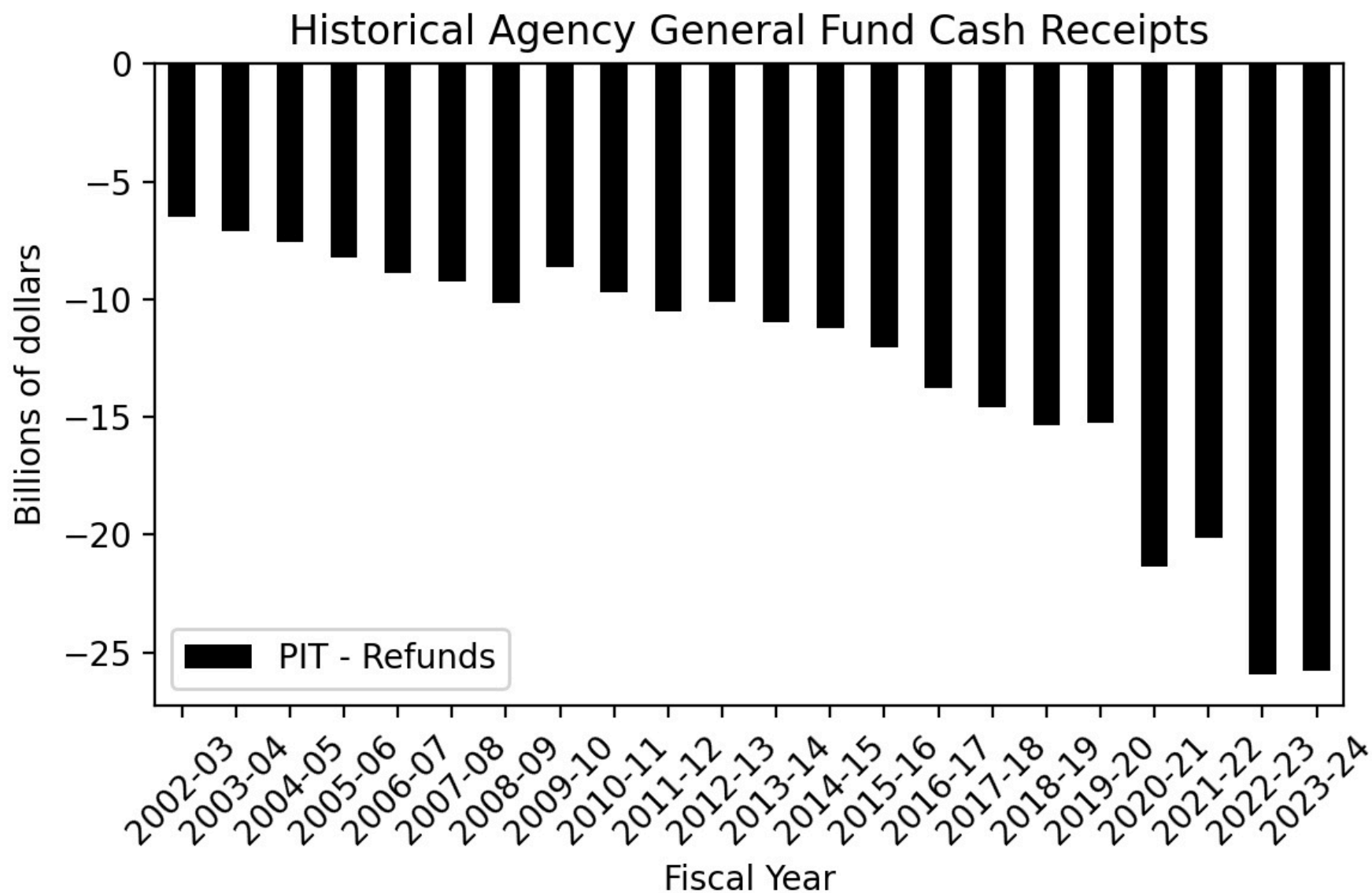


Figure 161

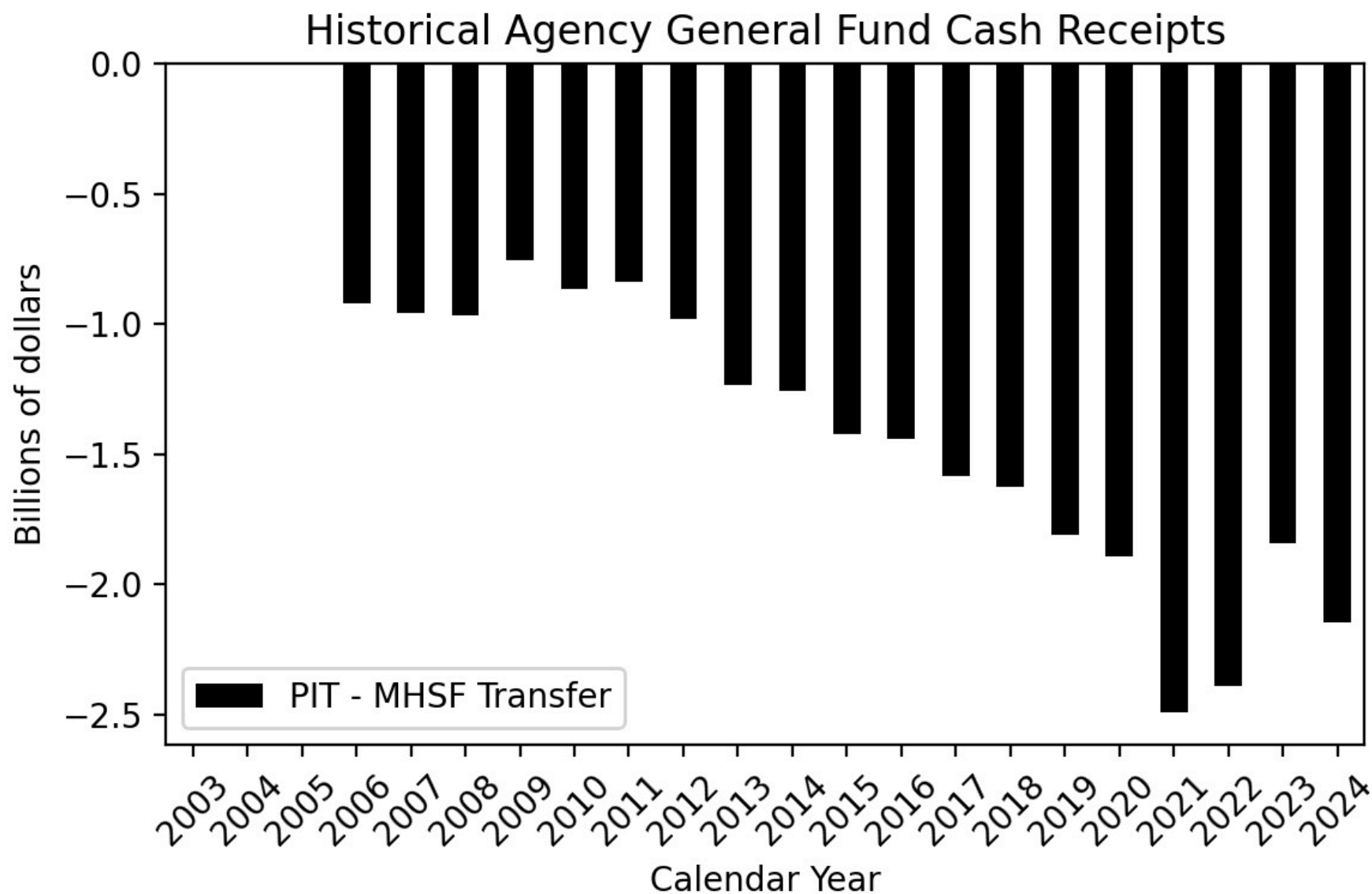


Figure 162

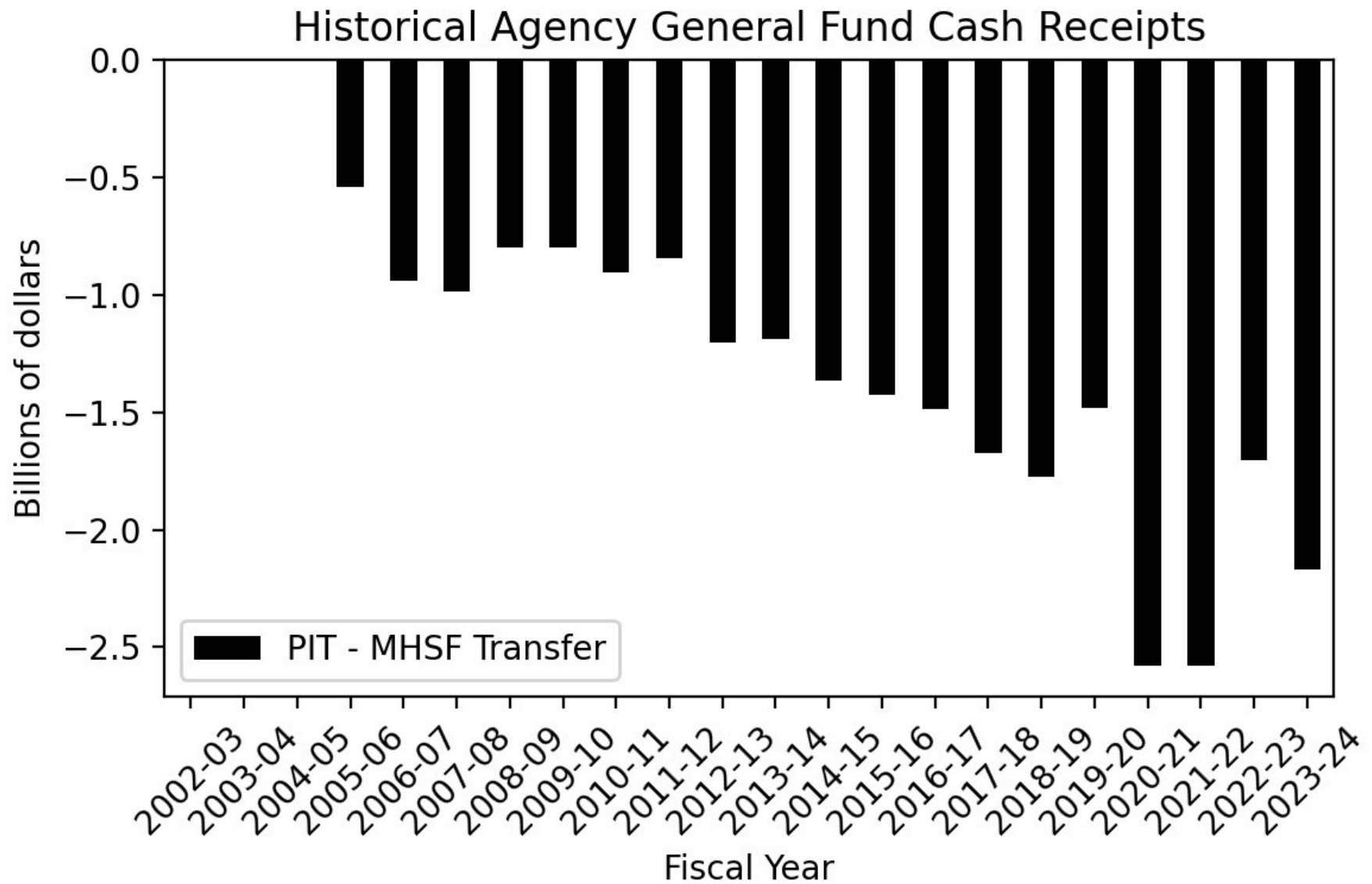


Figure 163

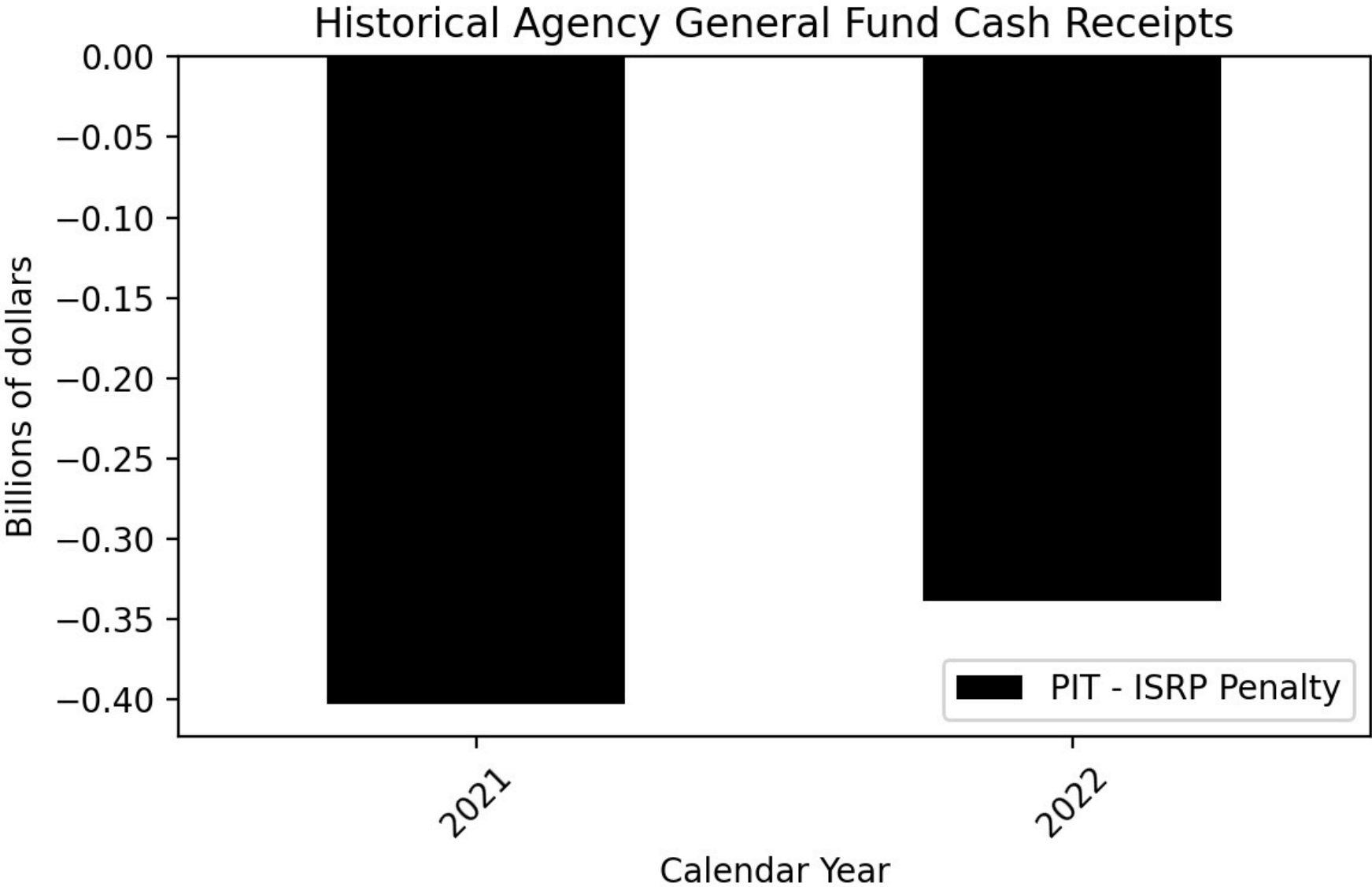


Figure 164

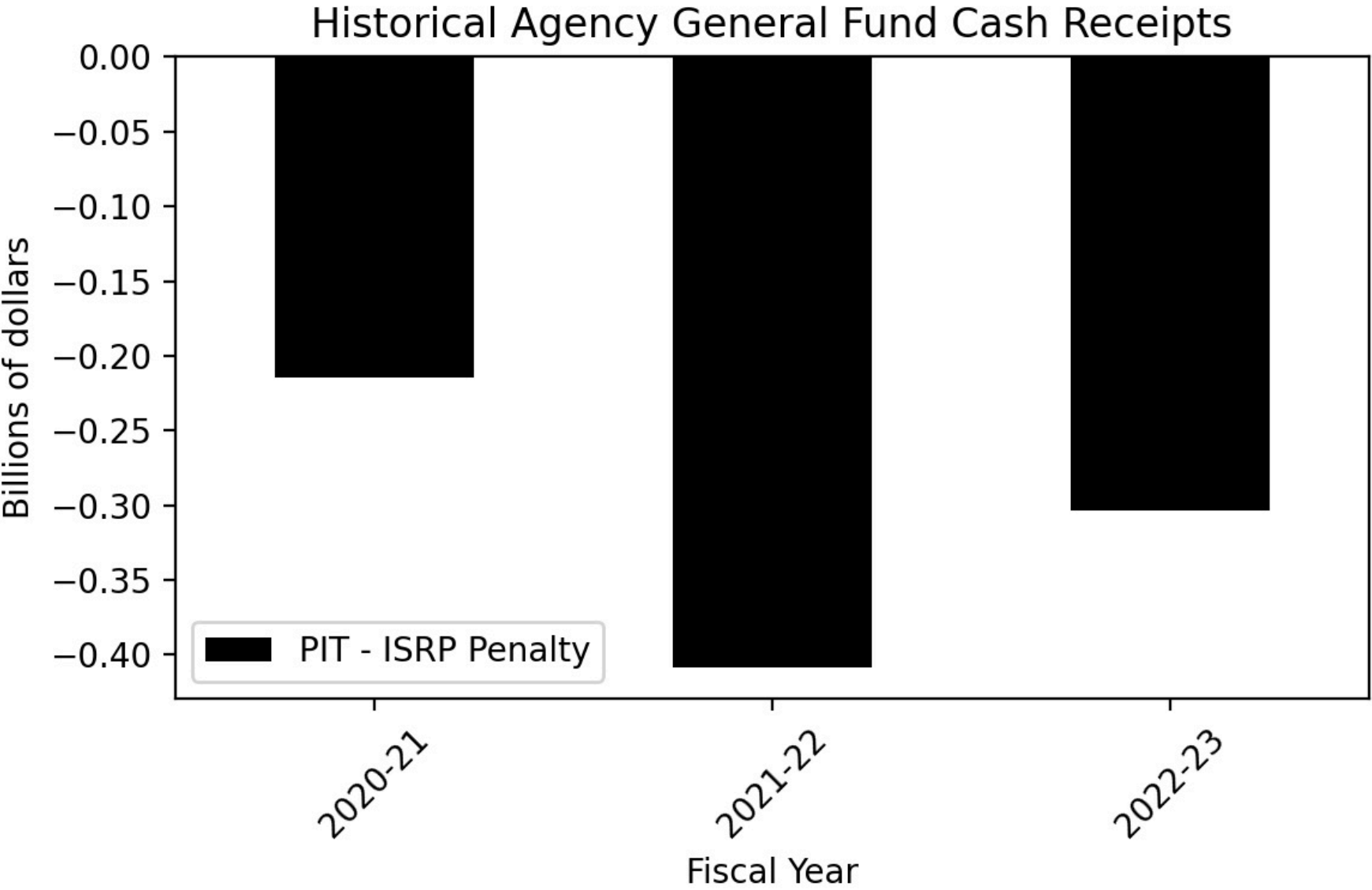


Figure 165

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

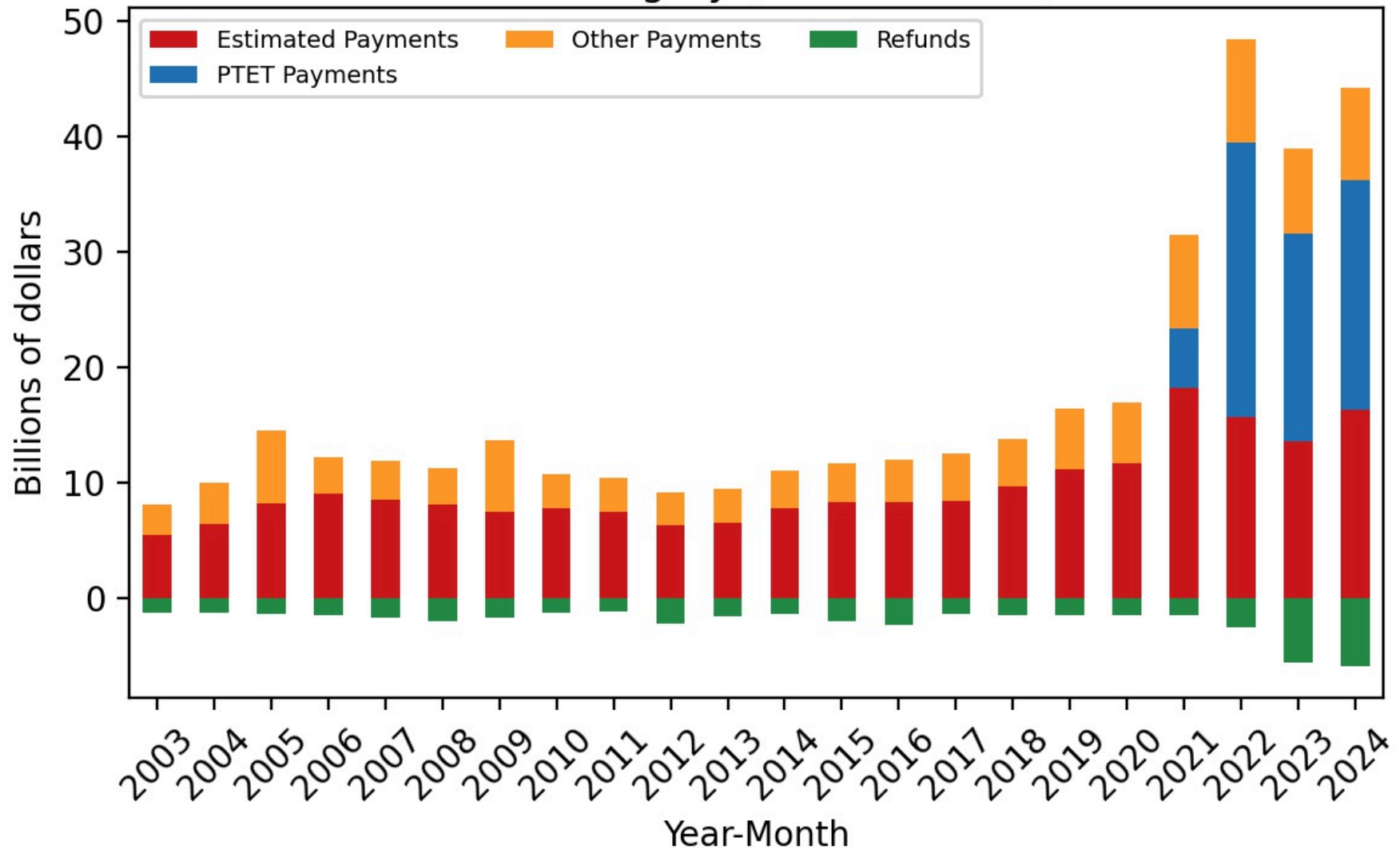


Figure 166

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

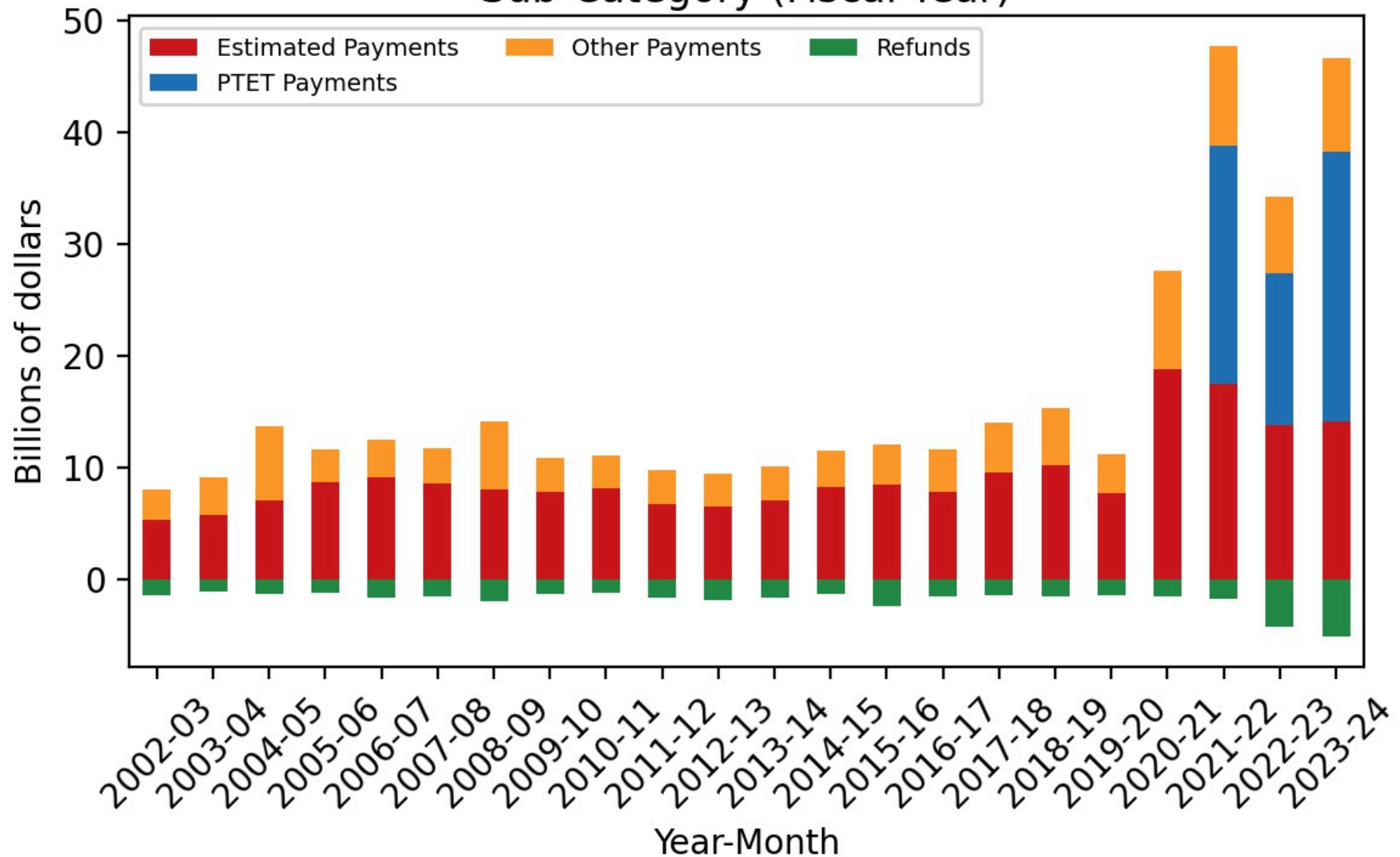


Figure 167

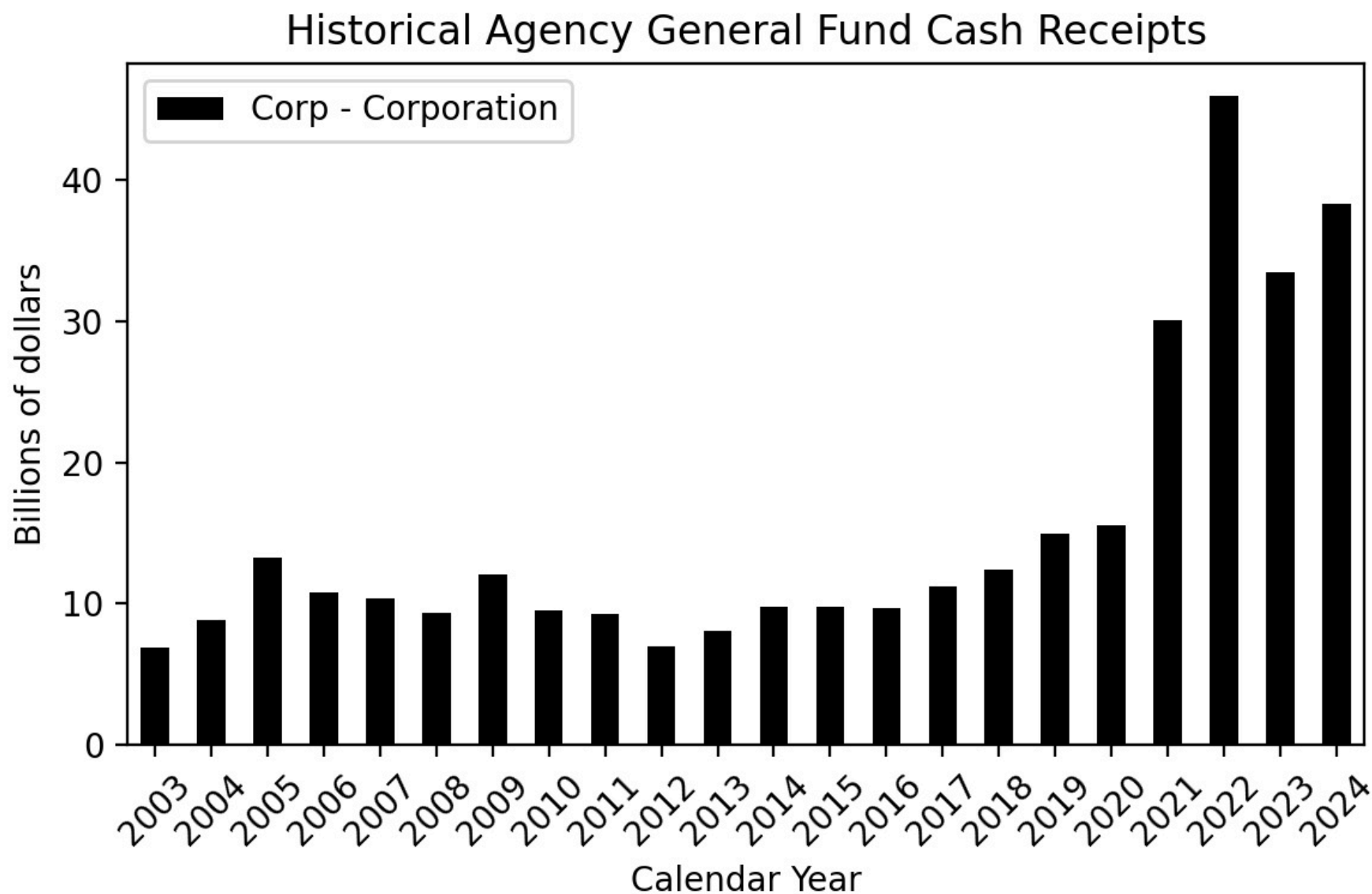


Figure 168

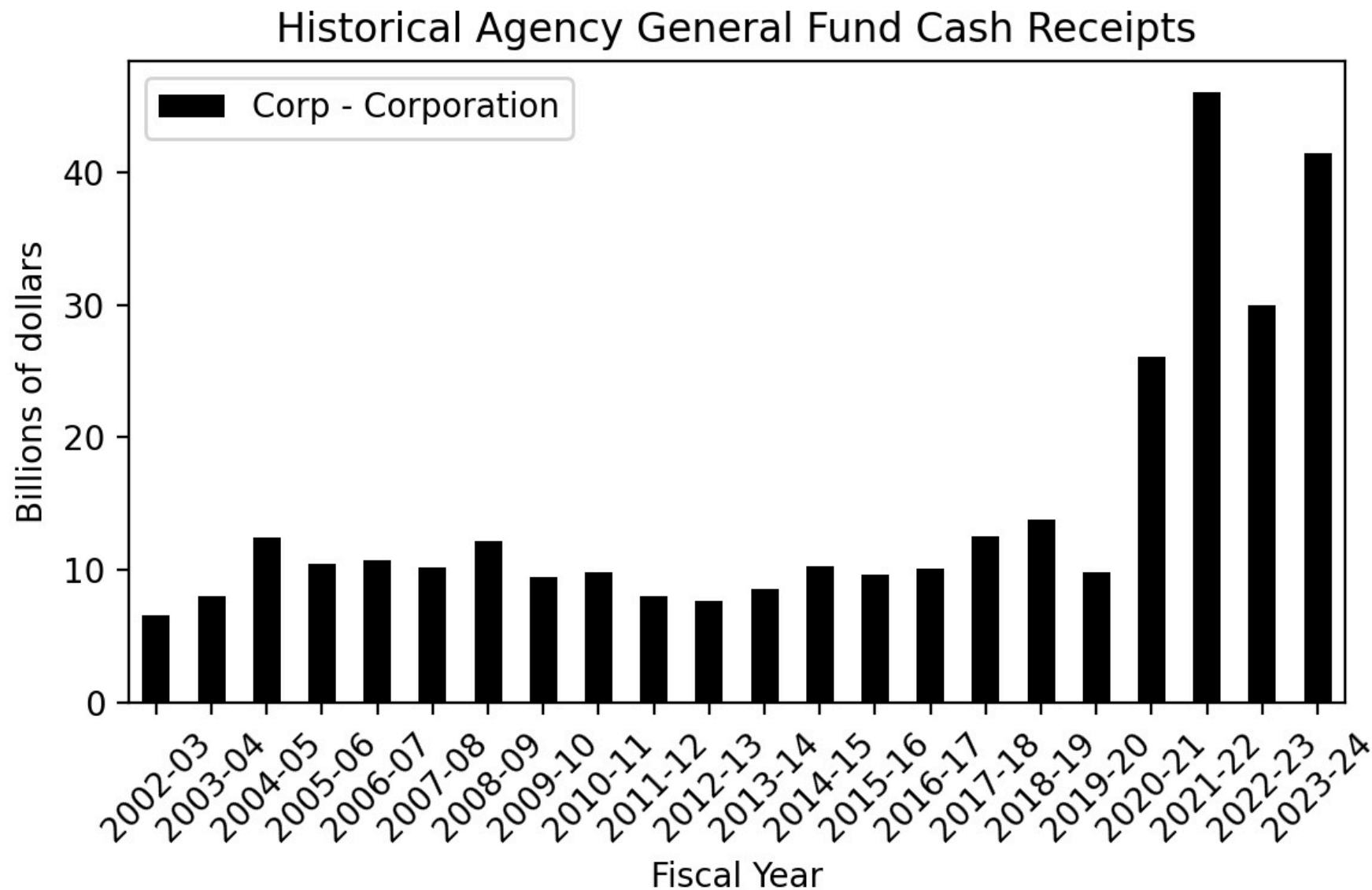


Figure 169

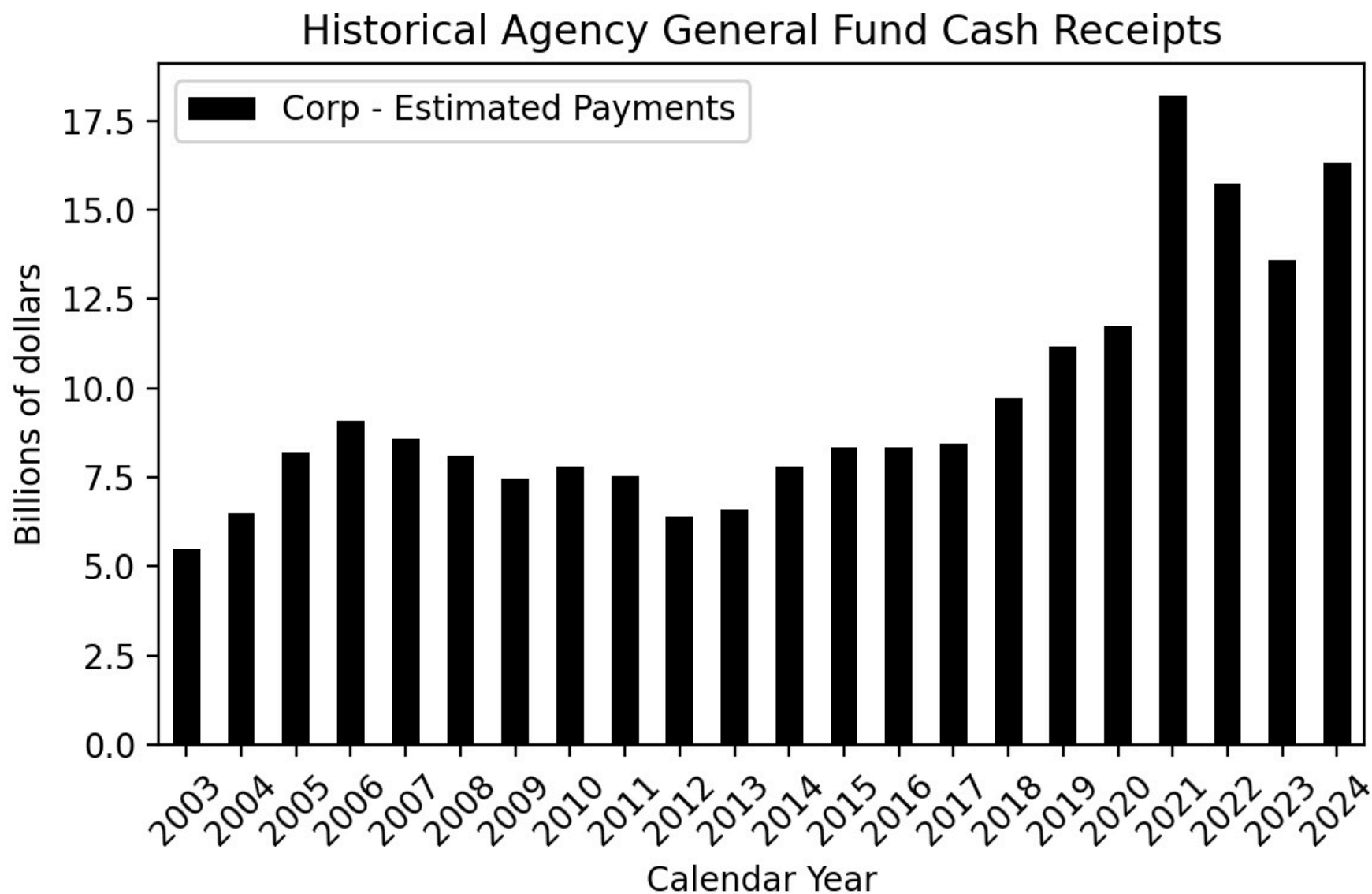


Figure 170

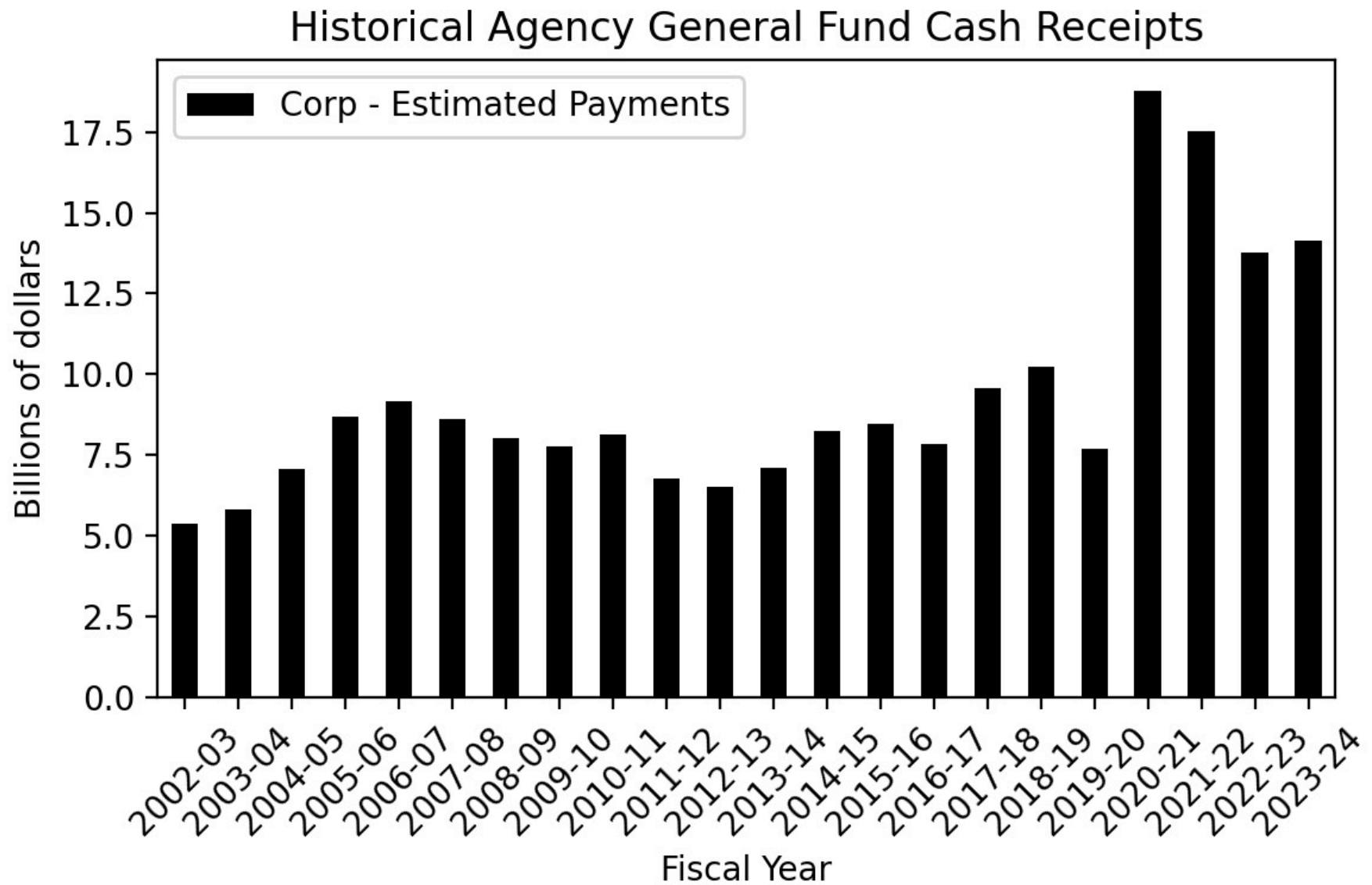


Figure 171

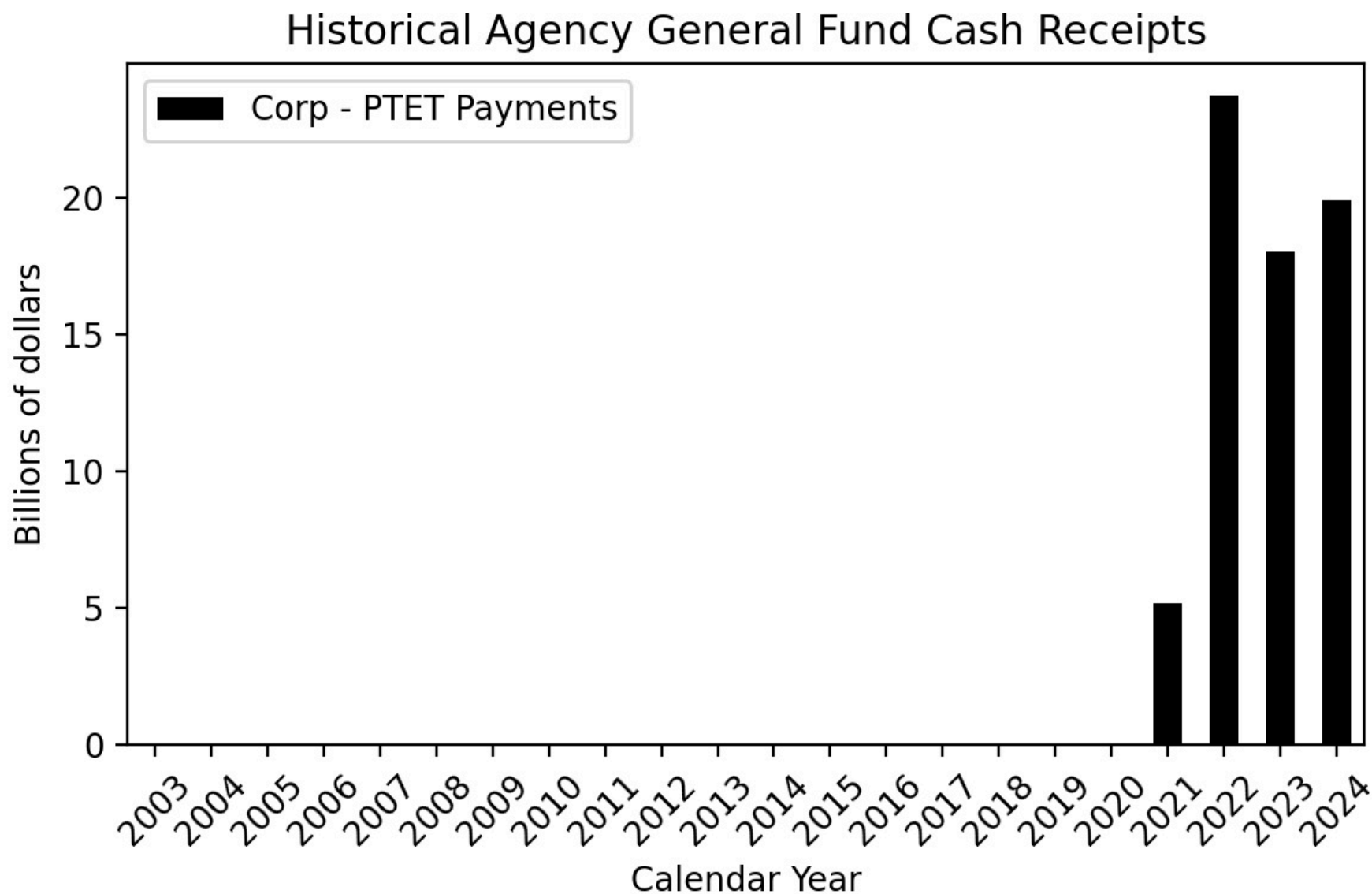


Figure 172

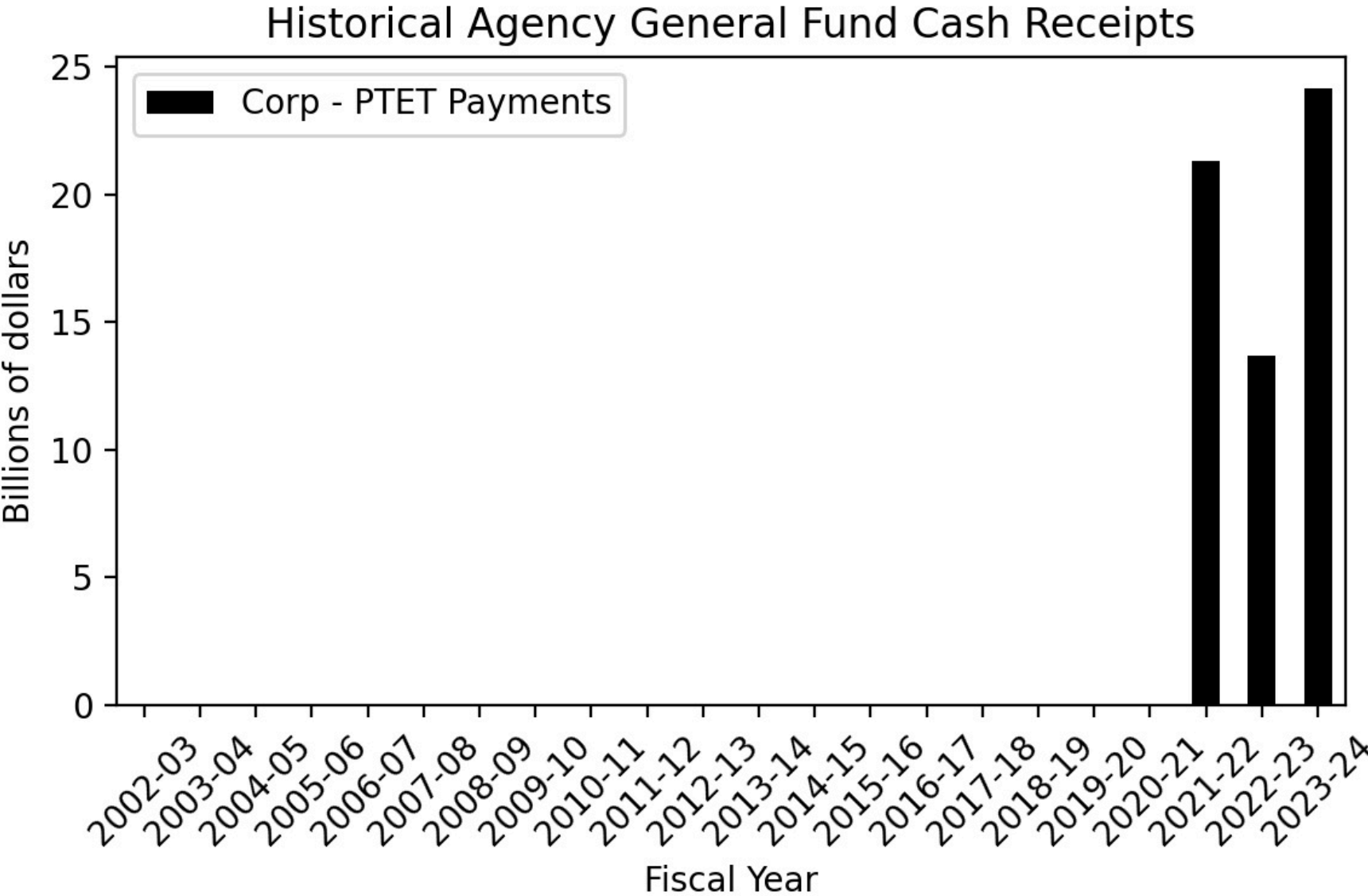


Figure 173

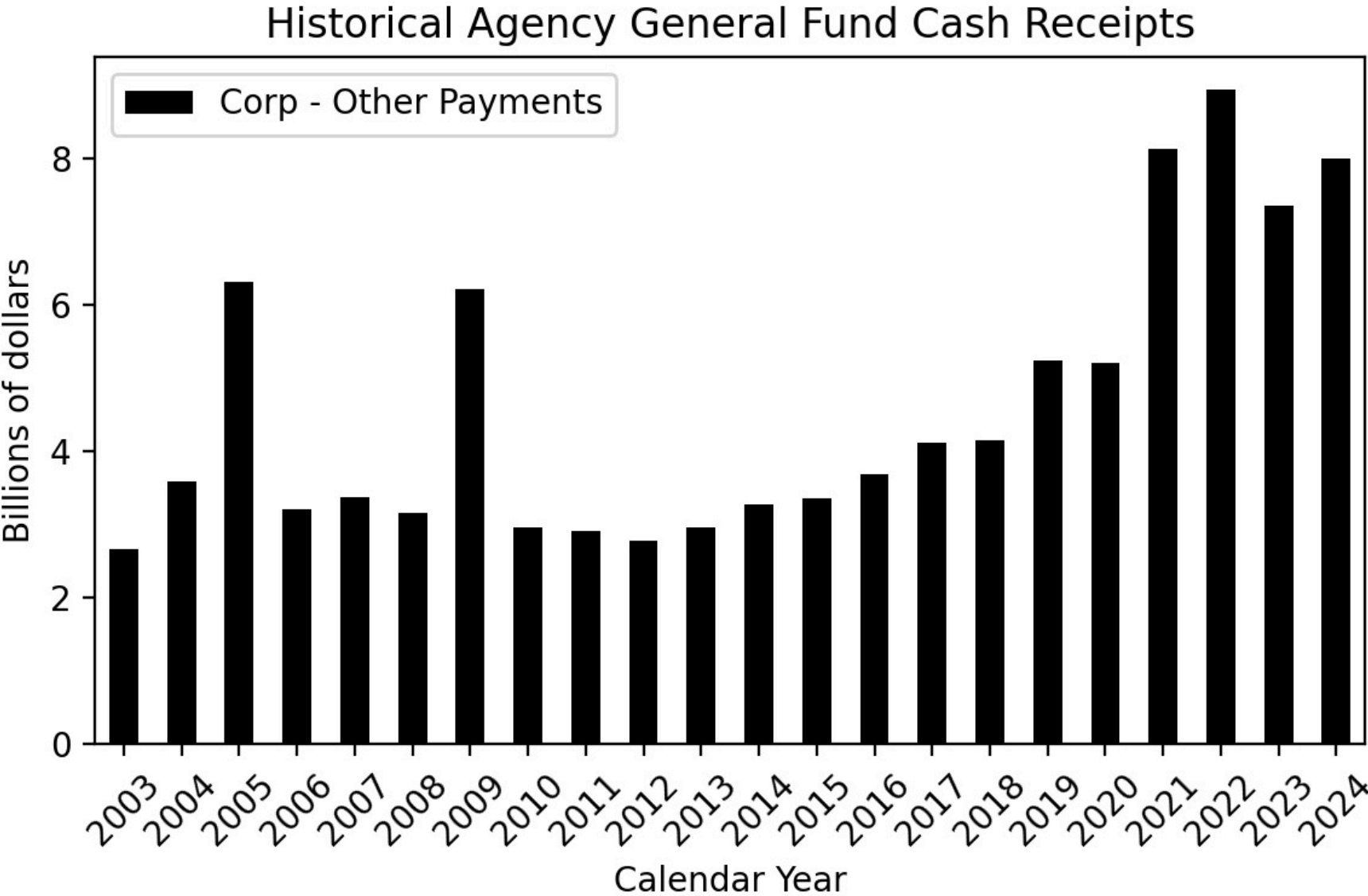


Figure 174

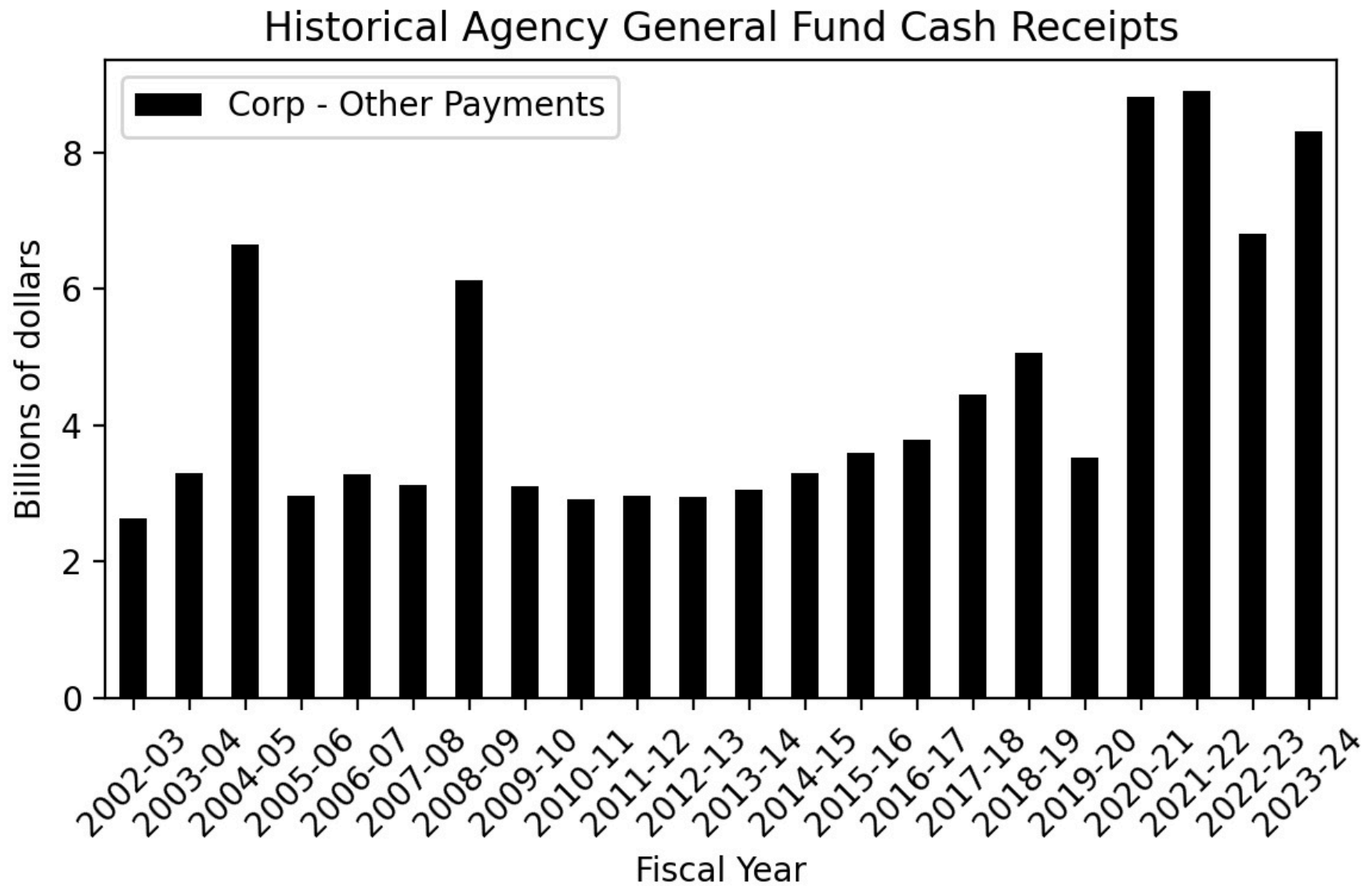


Figure 175

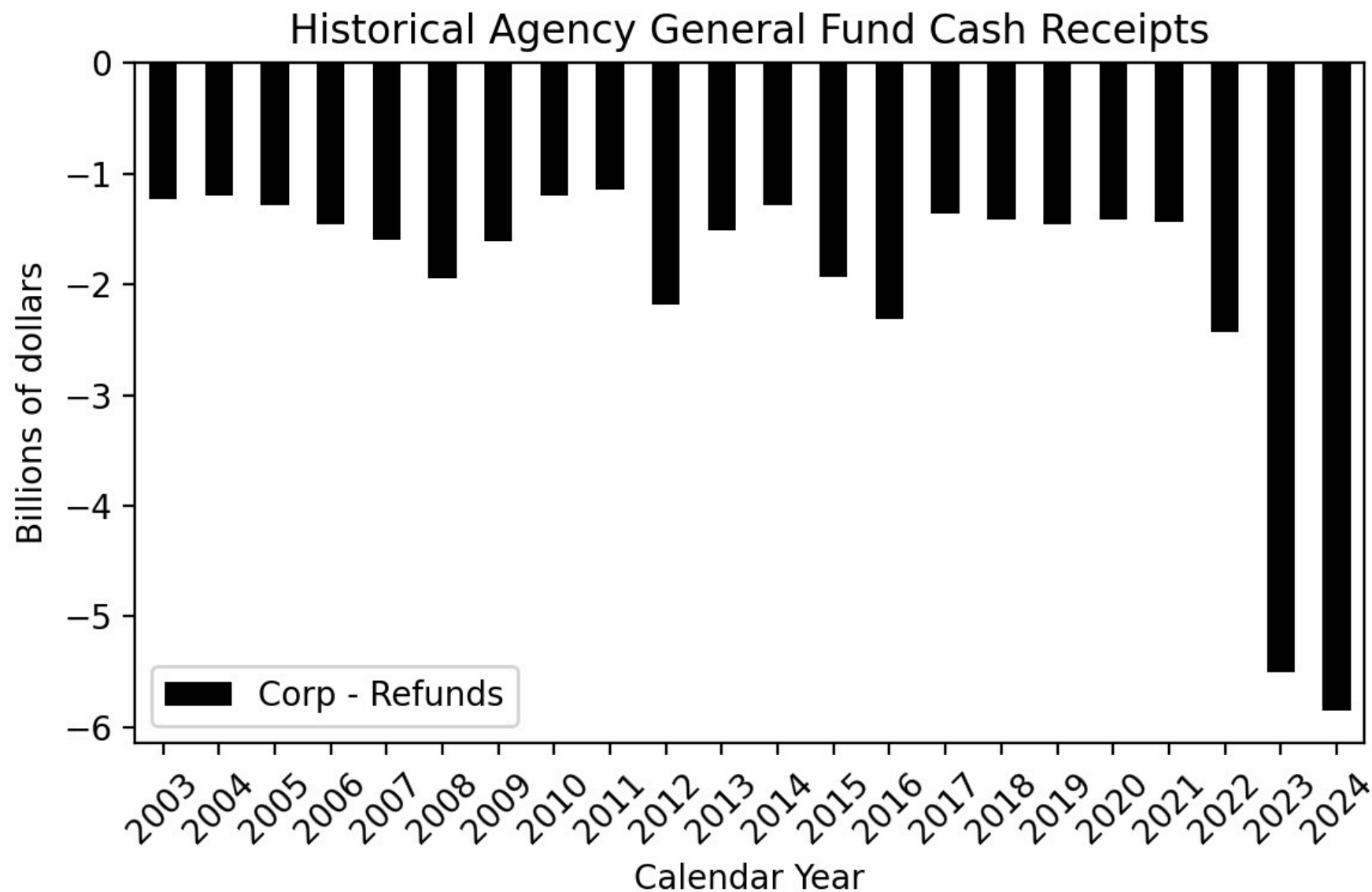


Figure 176

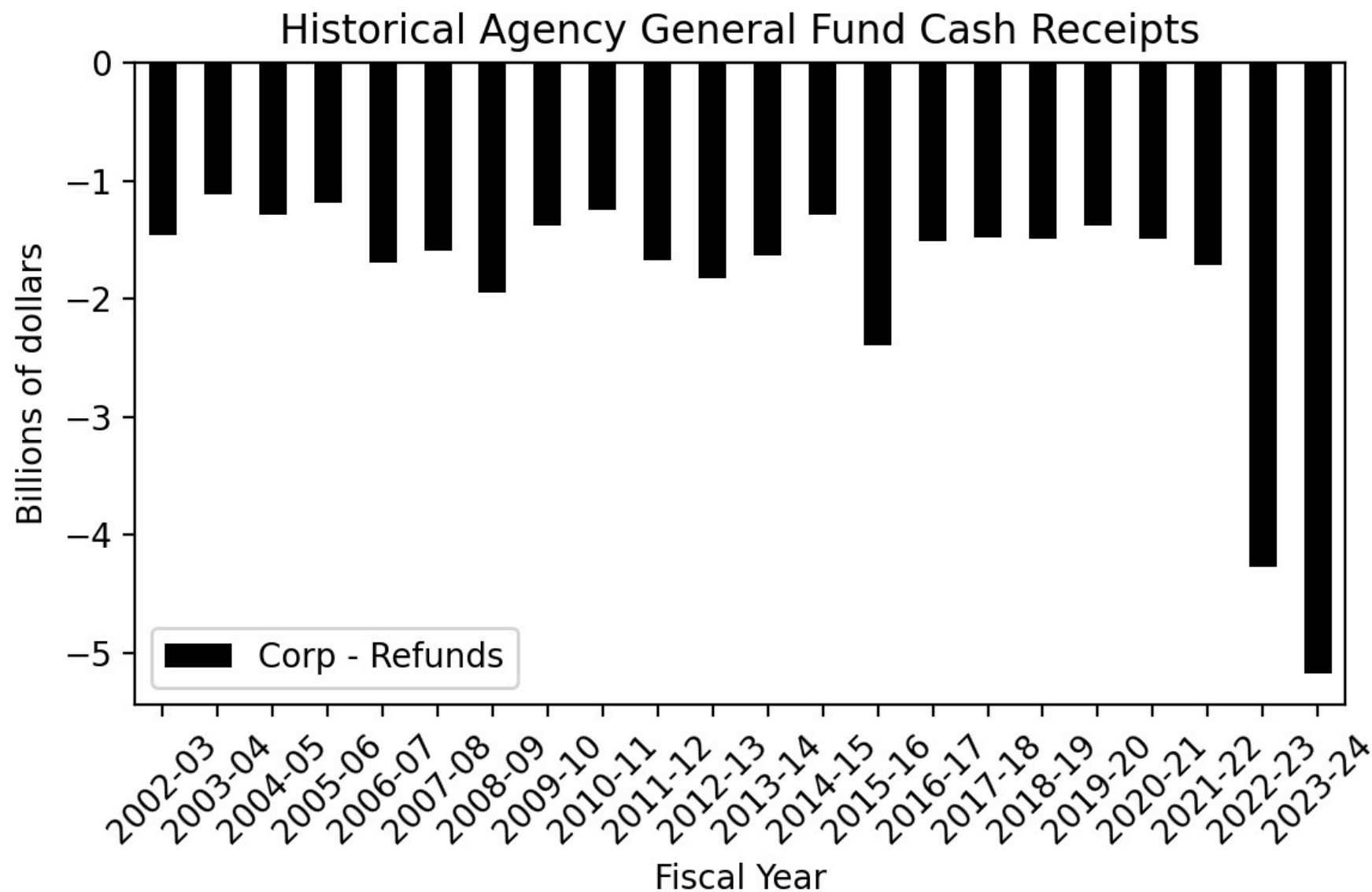


Figure 177

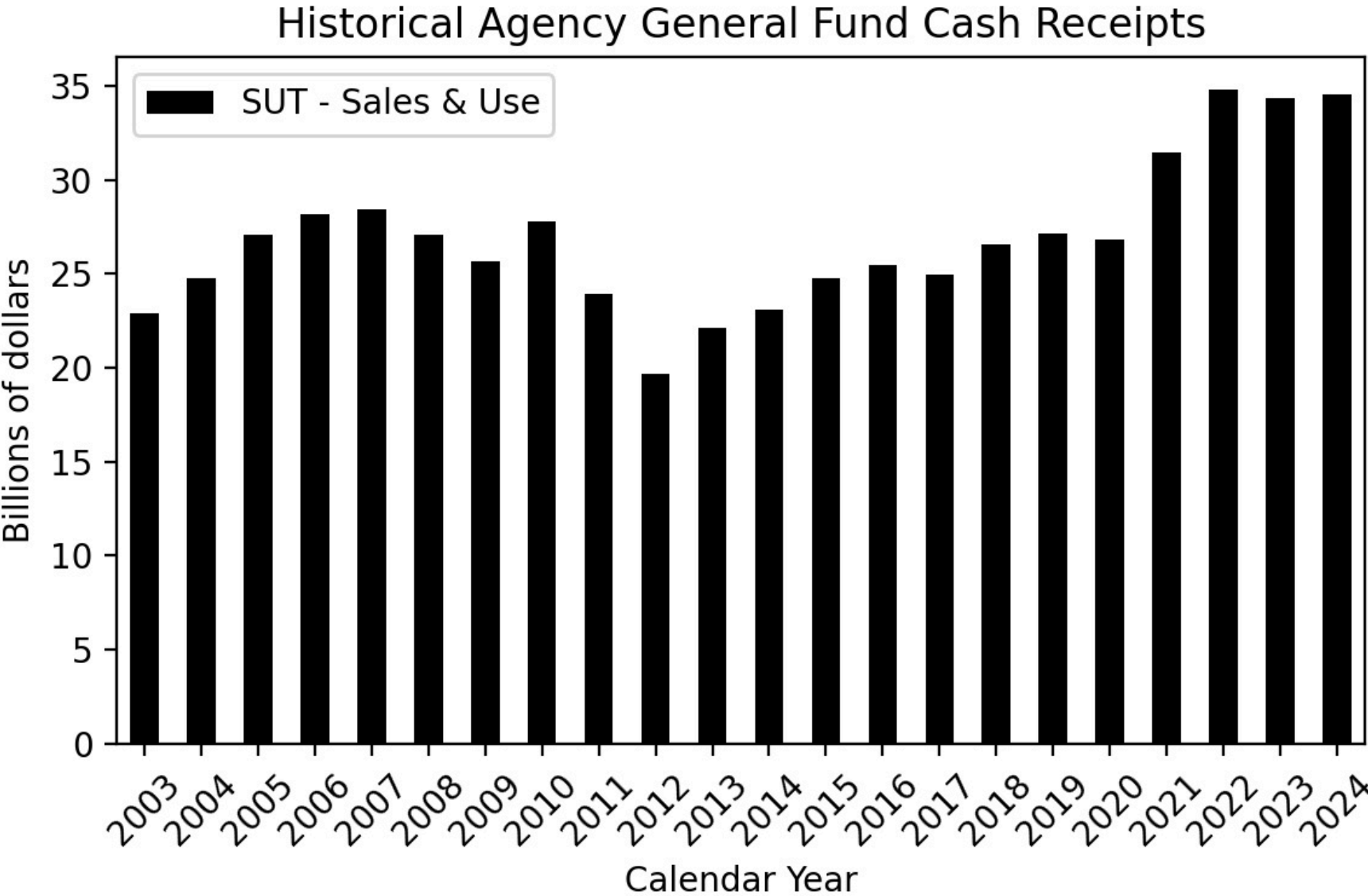


Figure 178

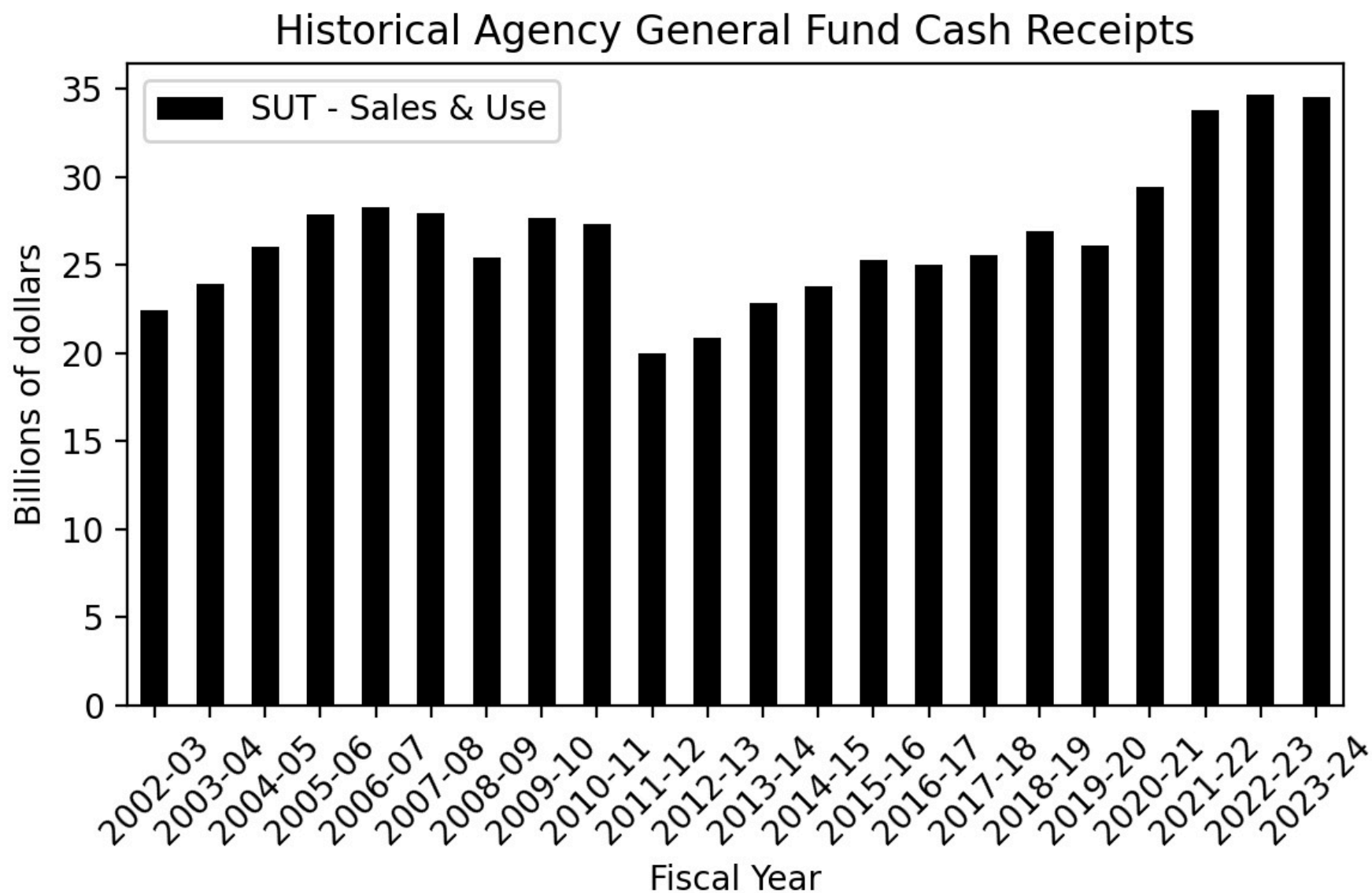


Figure 179

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

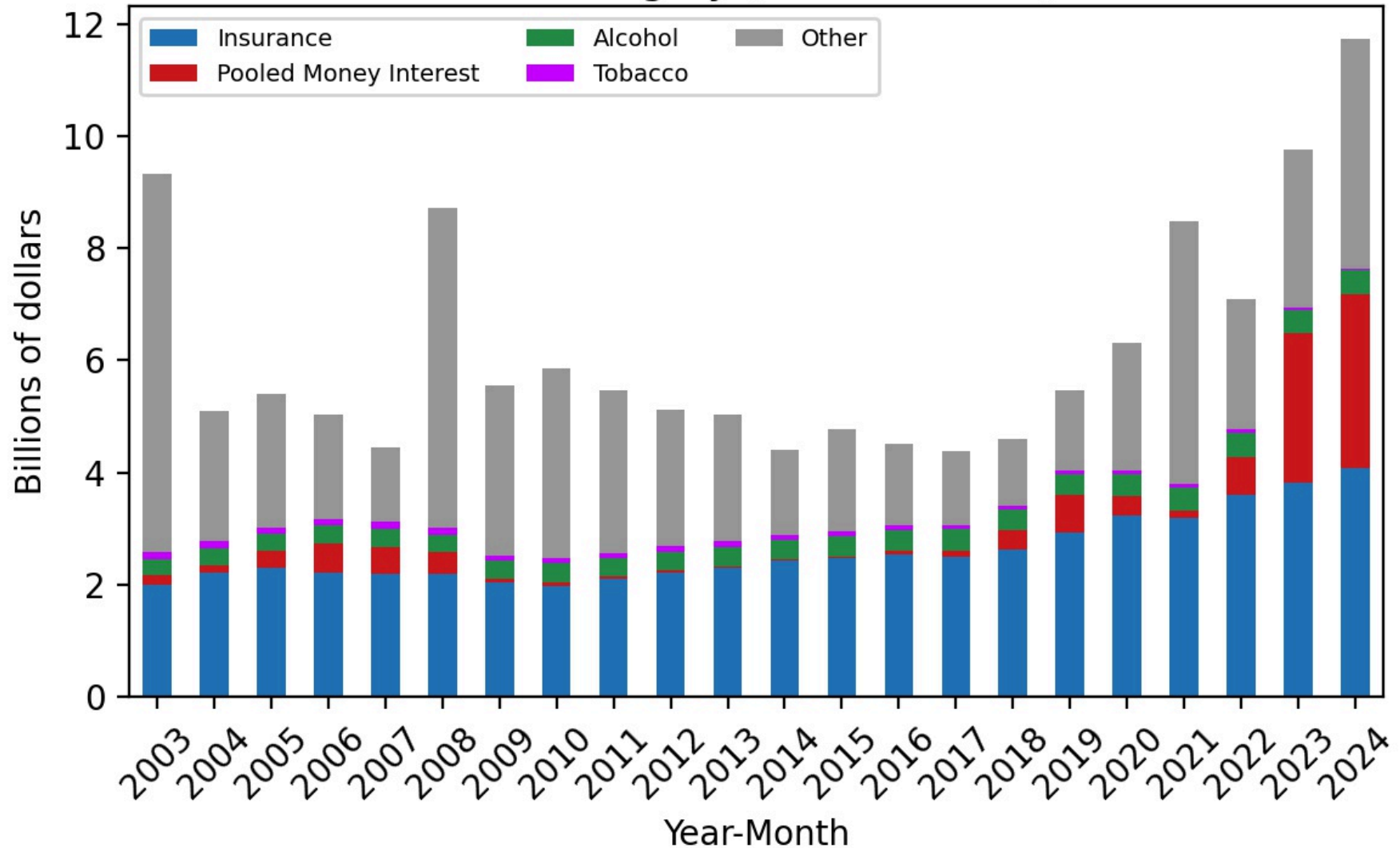


Figure 180

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

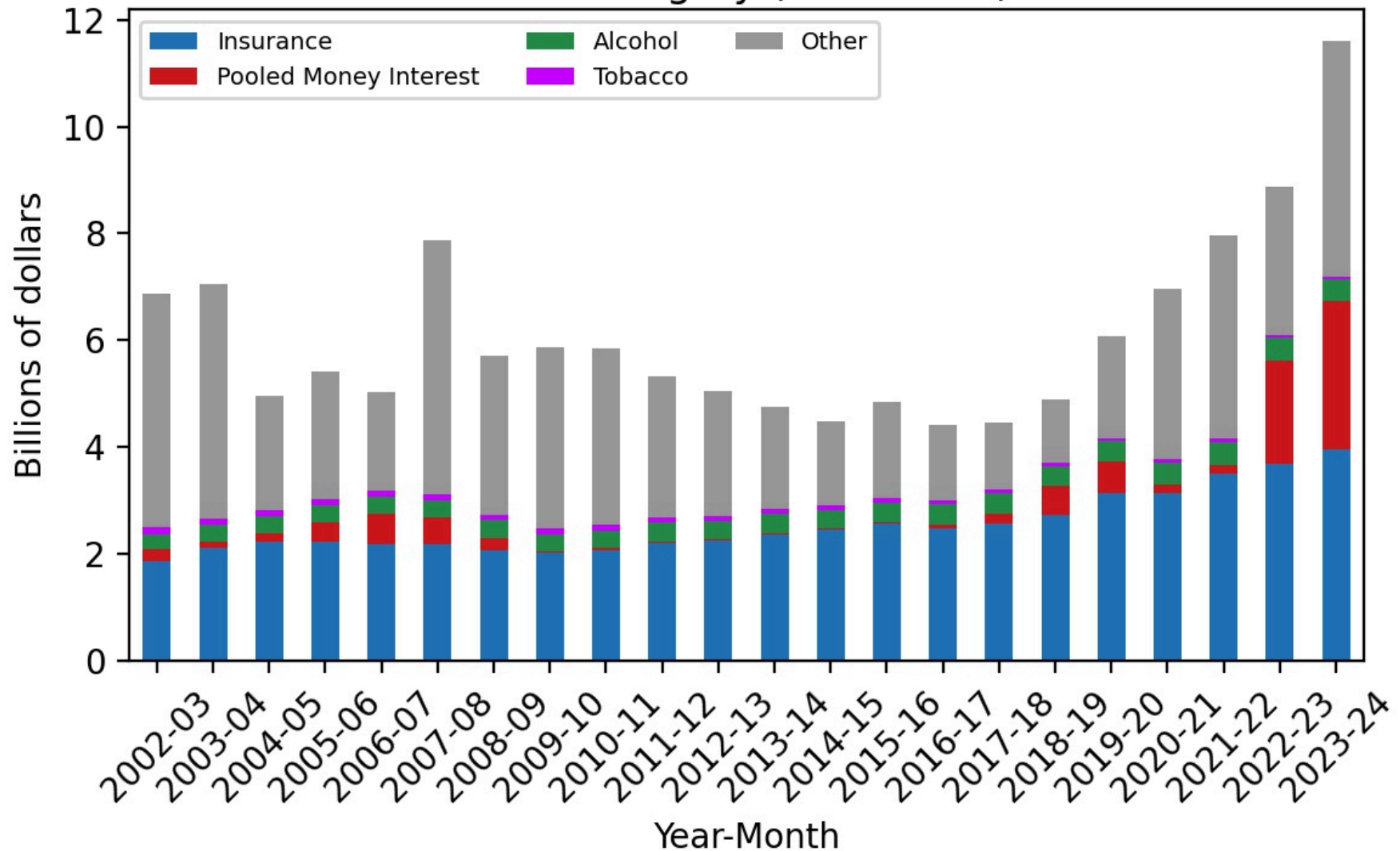


Figure 181

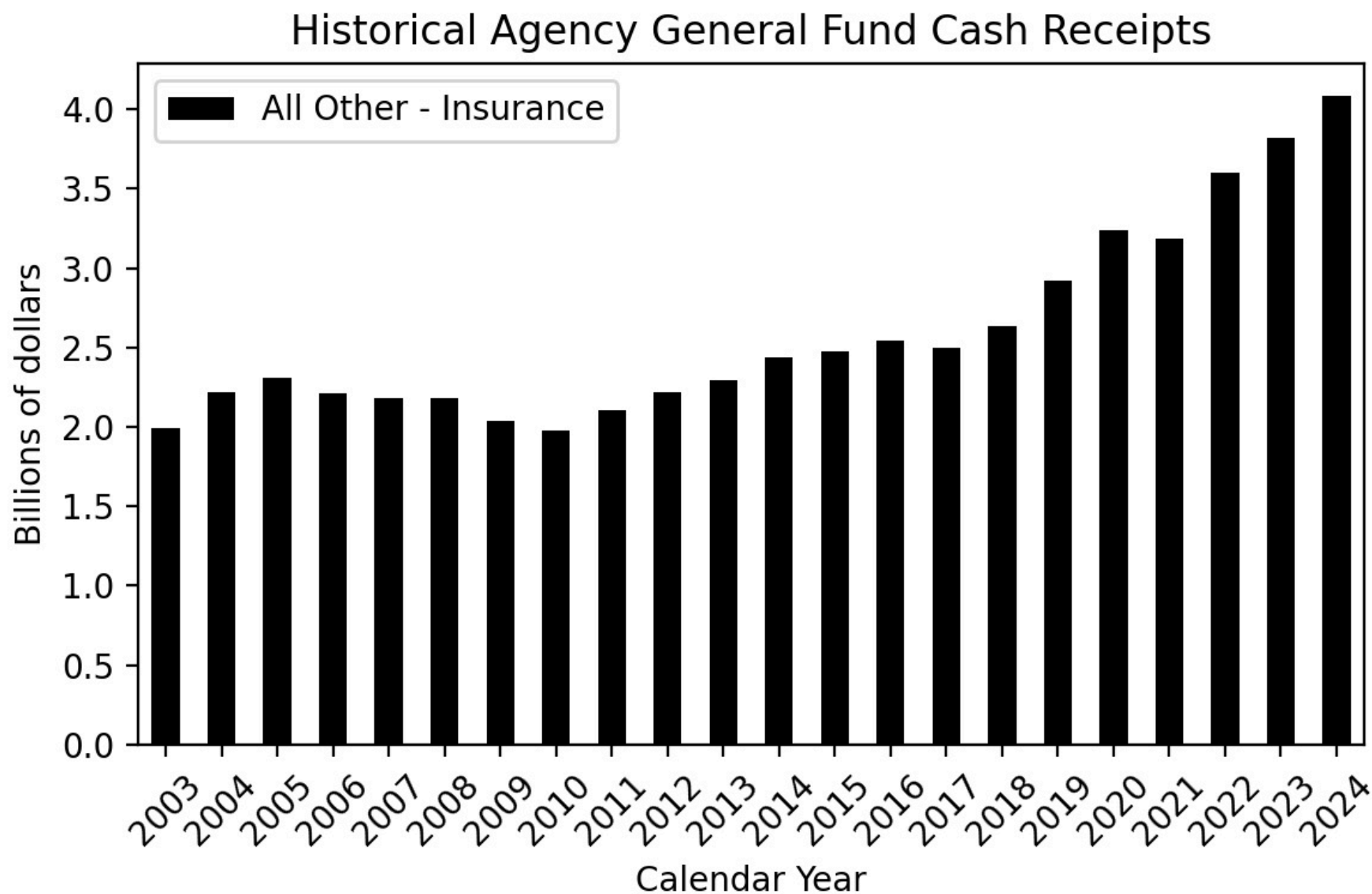


Figure 182

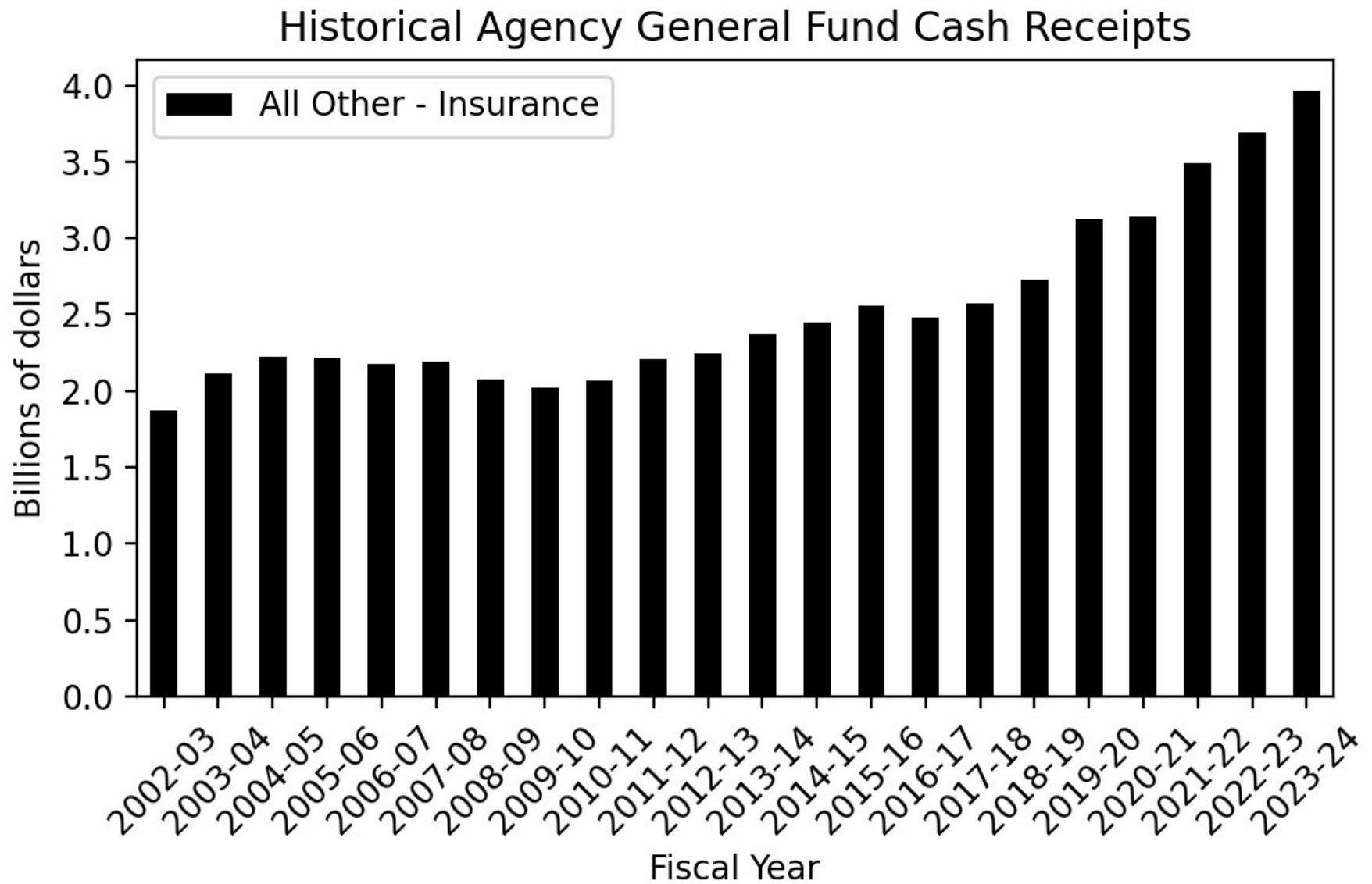


Figure 183

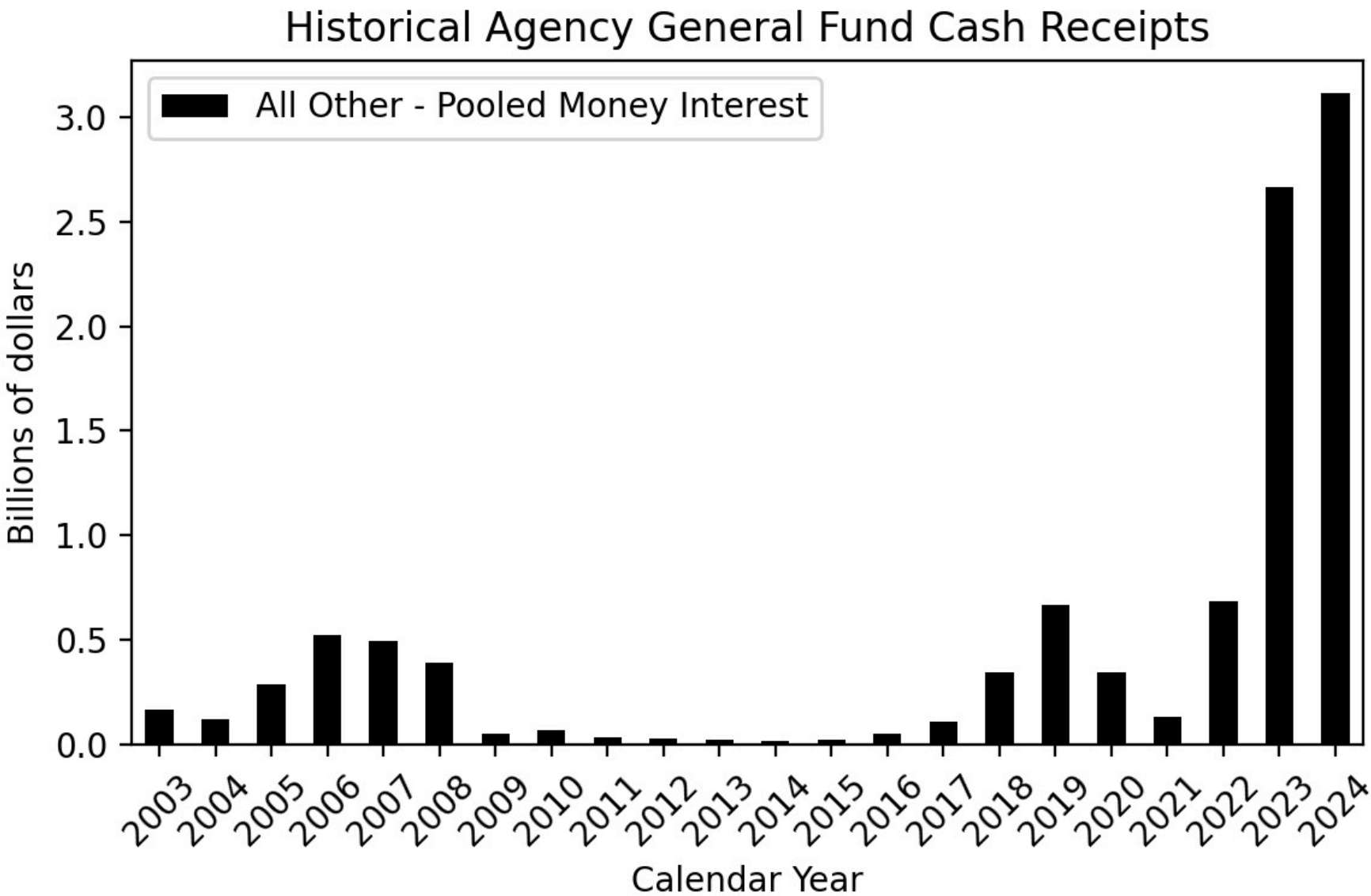


Figure 184

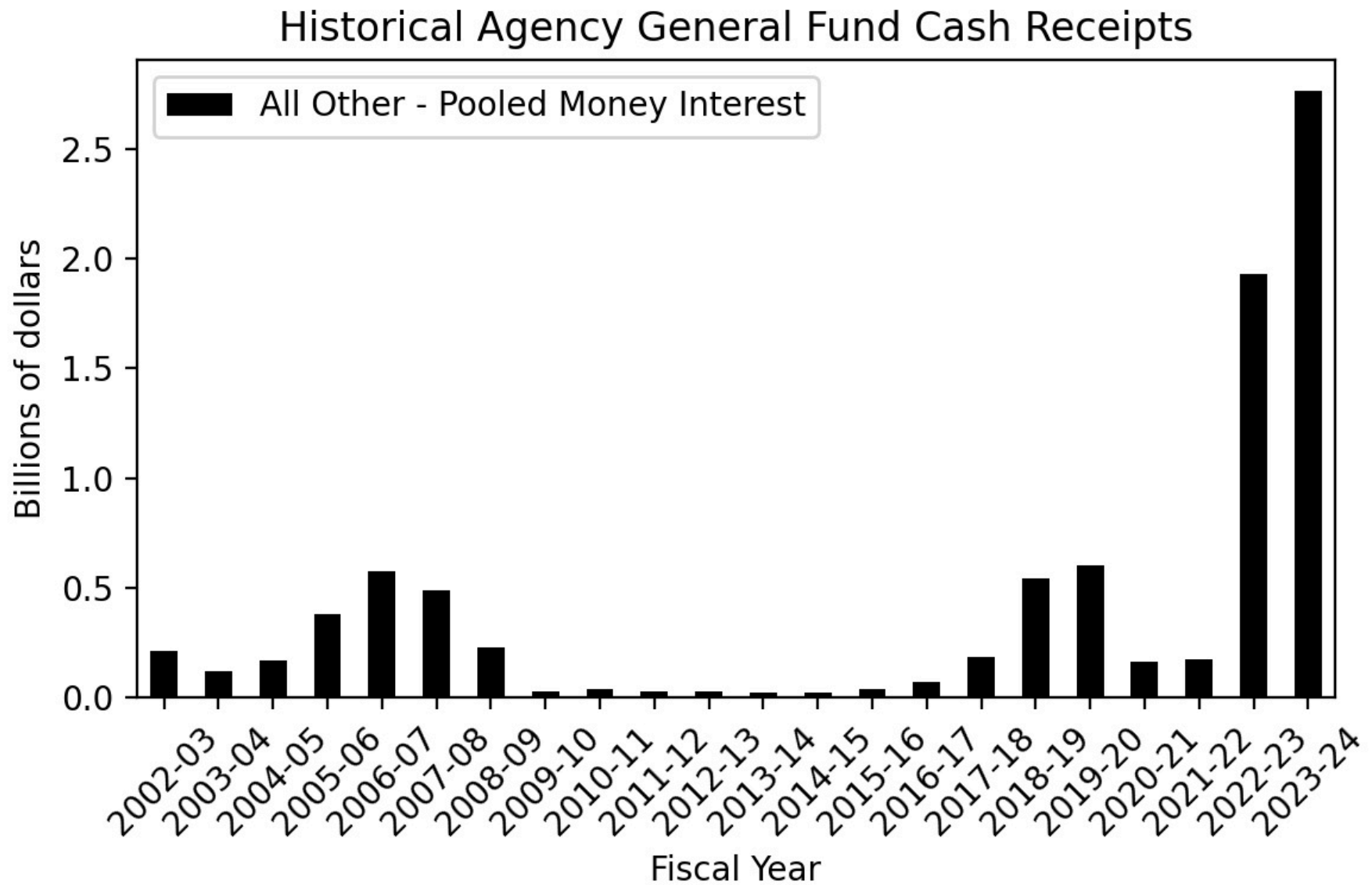


Figure 185

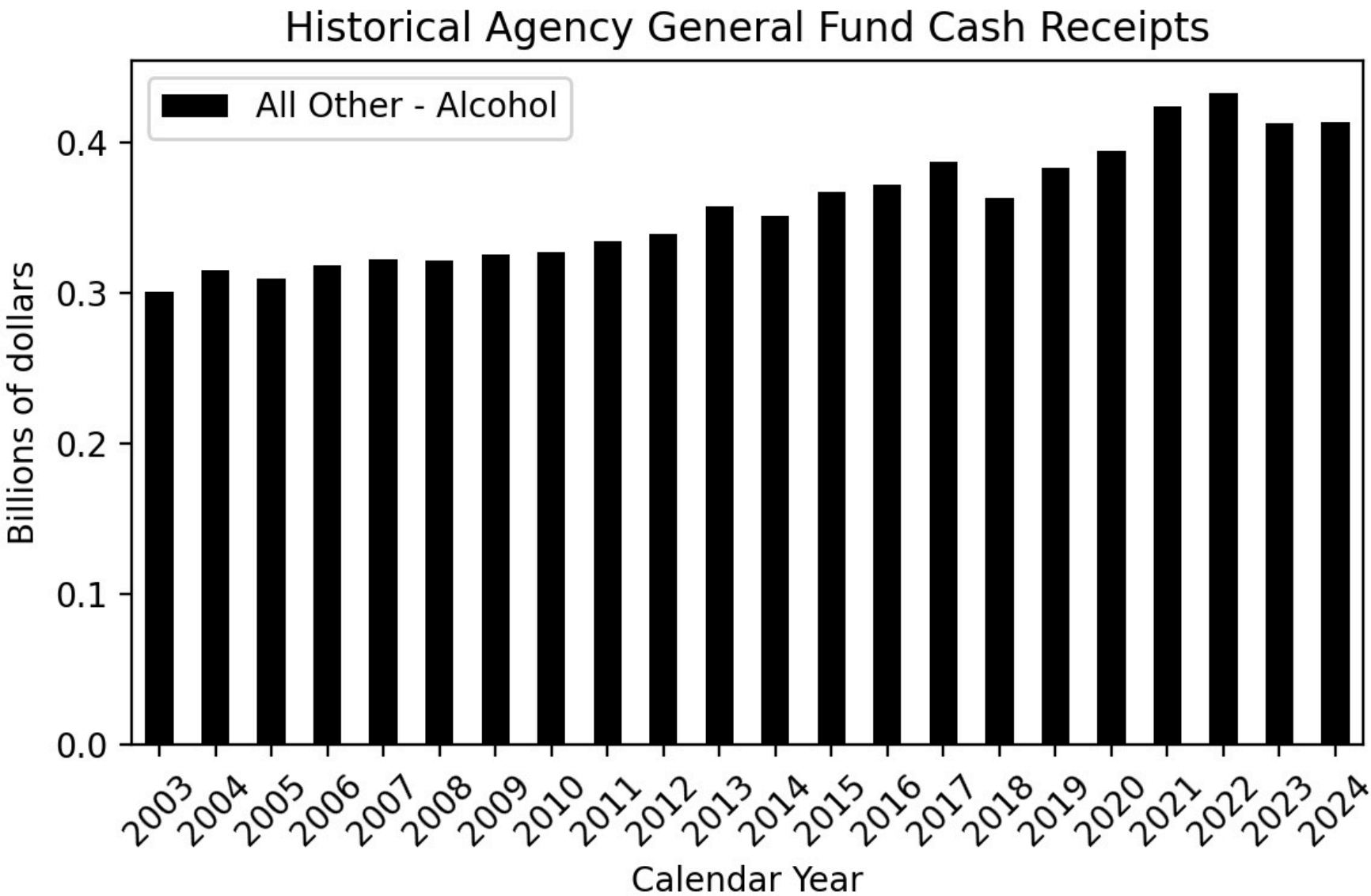


Figure 186

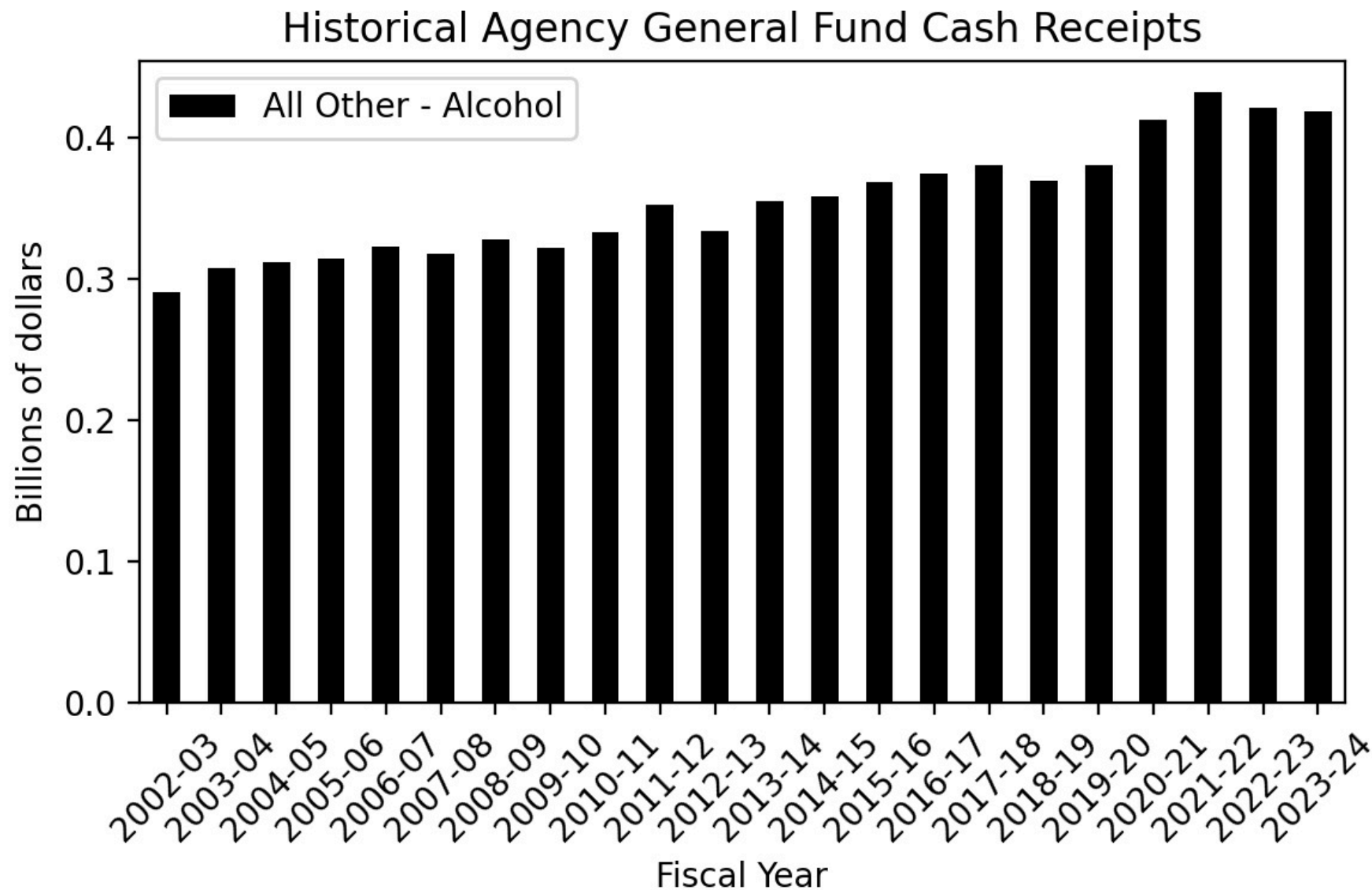


Figure 187

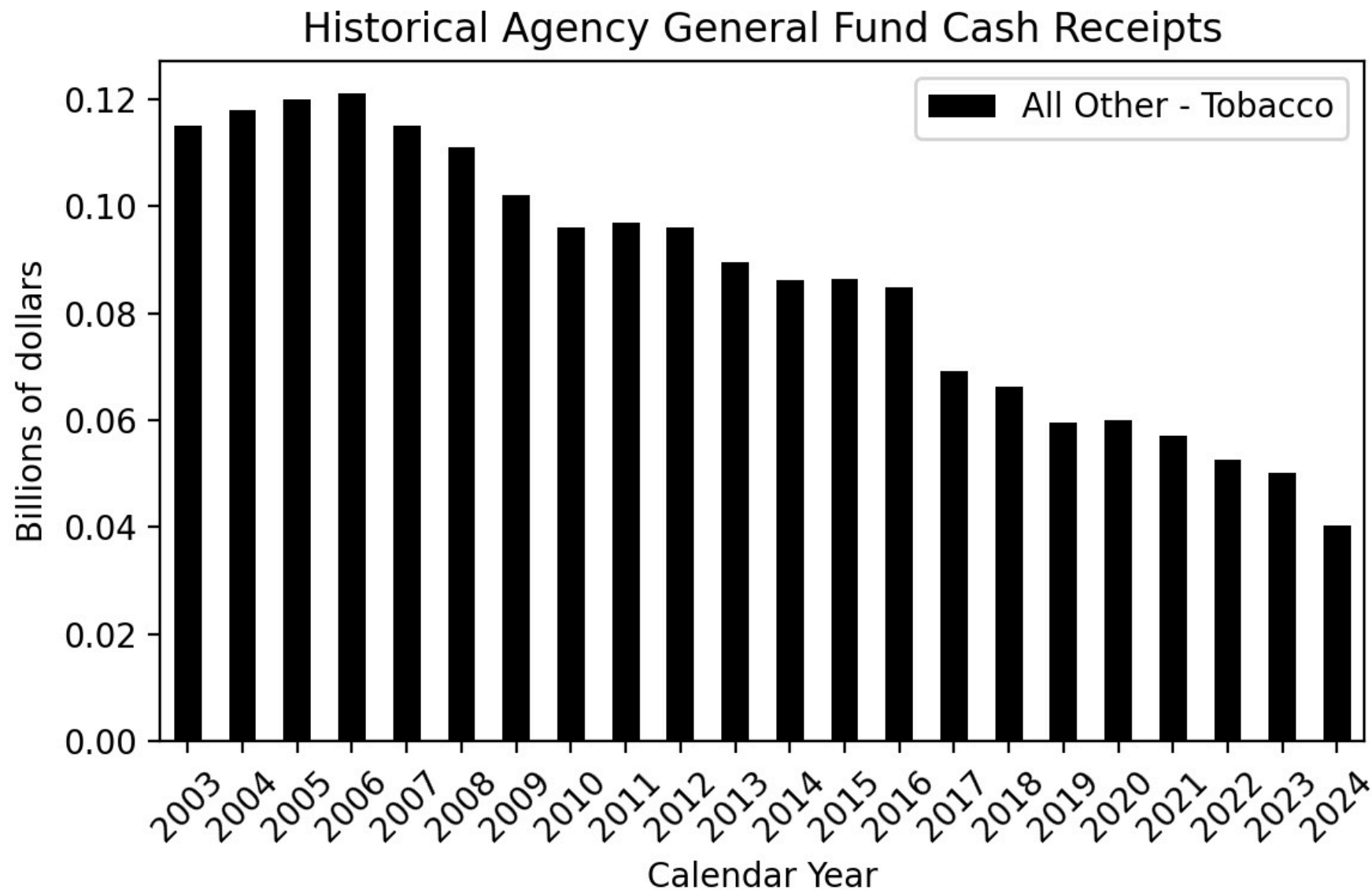


Figure 188

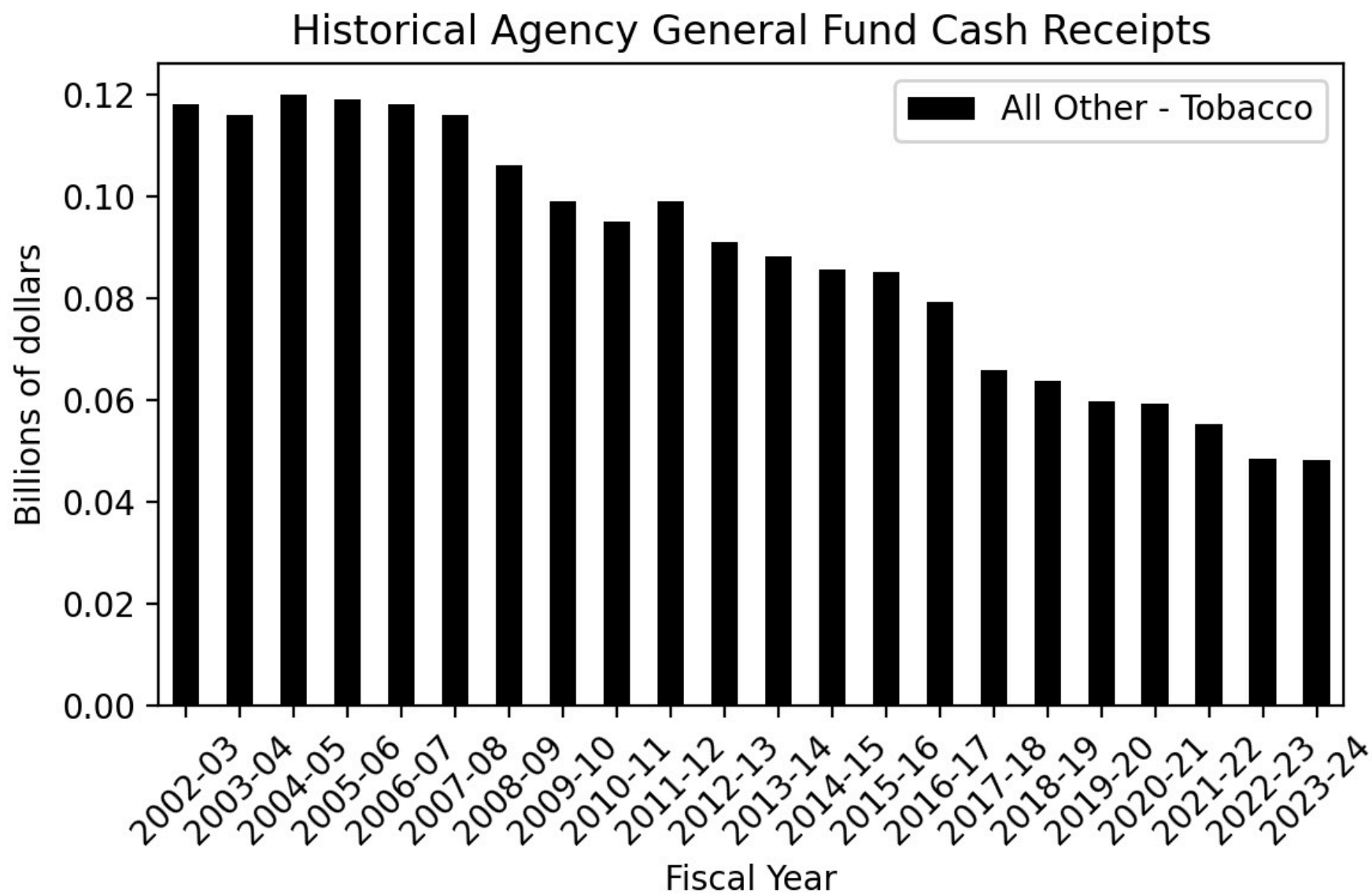


Figure 189

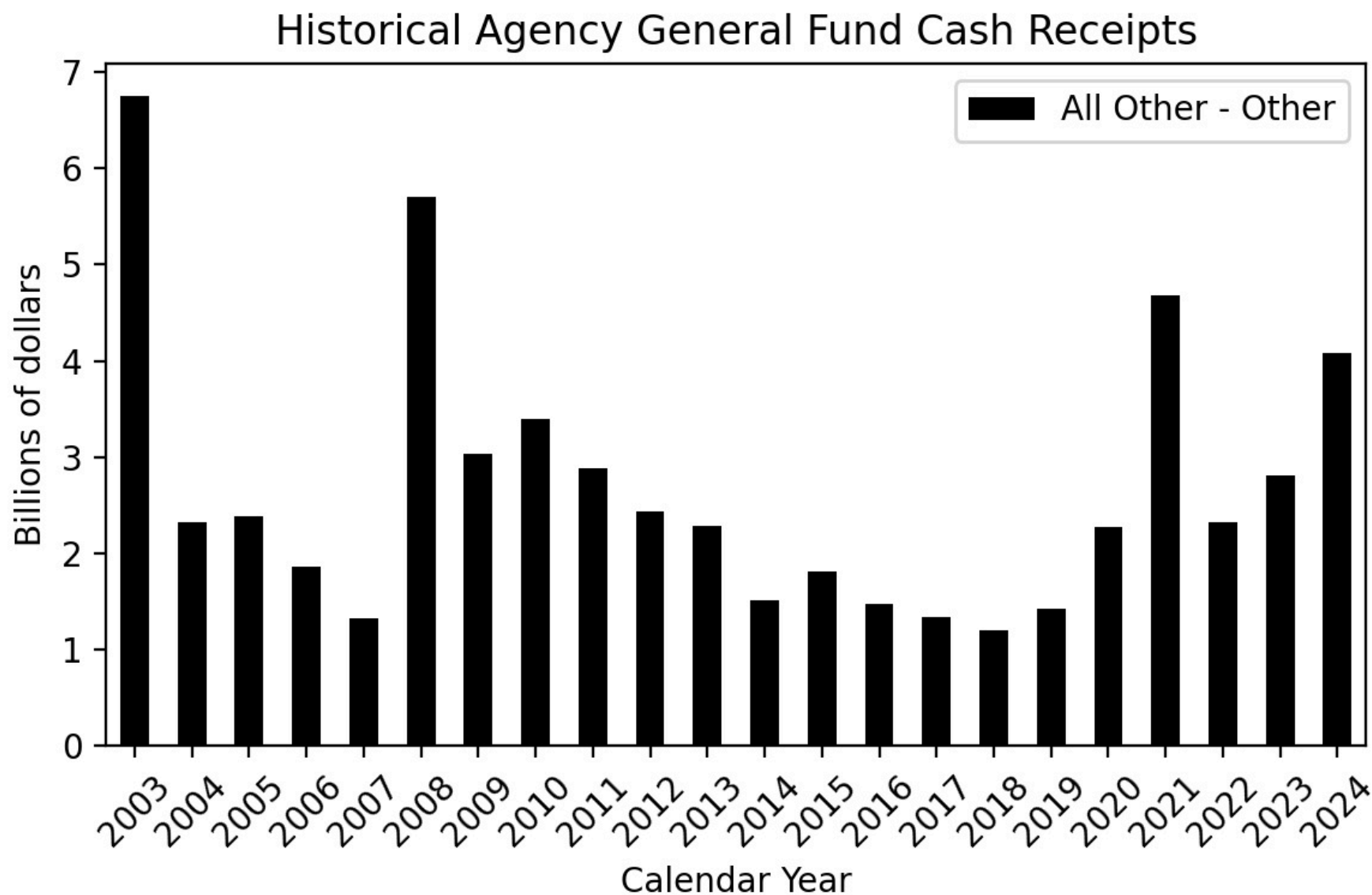


Figure 190

