



Commission on Government Forecasting and Accountability

703 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: JANUARY 2015

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ECONOMY: Consumer Remains the Key

Edward H. Boss, Jr., Chief Economist

Latest data on economic growth showed a sharp slowdown in the fourth quarter of 2014. After reporting an increase of 5.0% in the third quarter following an annual rate of gain of 4.6% in the second, the annual rate of gain in real or inflation-adjusted GDP in the final quarter of 2014 slowed to an annual rate of 2.6% according to the advance GDP report reported at month's end. When coupled with the -2.1% annual rate of contraction in the first quarter, this put the yearly growth in GDP at 2.4%, not substantially different from the 2.2% in 2013 or the 2.3% for 2012. The largest component, accounting for as much as 70%, was consumer spending, which rose 4.3% during the quarter. This was partially offset by a negative contribution from federal government spending; a rising level of imports with a reduced level of exports due to slowing economies abroad, and a major slowdown in nonresidential business spending with an actual decline in equipment spending.

Even with the strong rise in consumer expenditures last quarter, some hesitation could occur as earlier in the month it was announced that retail sales in December fell 0.9%, whereas many forecasters had expected a slight increase. In part the decline reflects the 0.4% drop in overall prices as measured by the Consumer Price Index for December, led by a 9.4% drop in gasoline prices. Eliminating auto and gasoline sales, the so-called core rate of retail sales fell 0.3% and November's 0.7% rise in sales was reduced to 0.4%. The National Retail Federation edged down its forecast of holiday sales, which include sales for November and December, to 4.0% from 4.1%. It is interesting to note, however, that last year's forecast of a 3.9% gain in holiday sales was later lowered to a gain of only 3.1%.

The downward revisions to retail sales came as a surprise to the markets. Employment has been rising; the unemployment rate had dropped to 5.6%, the lowest rate since June 2008; the first signs of some wage improvement surfaced; and in early

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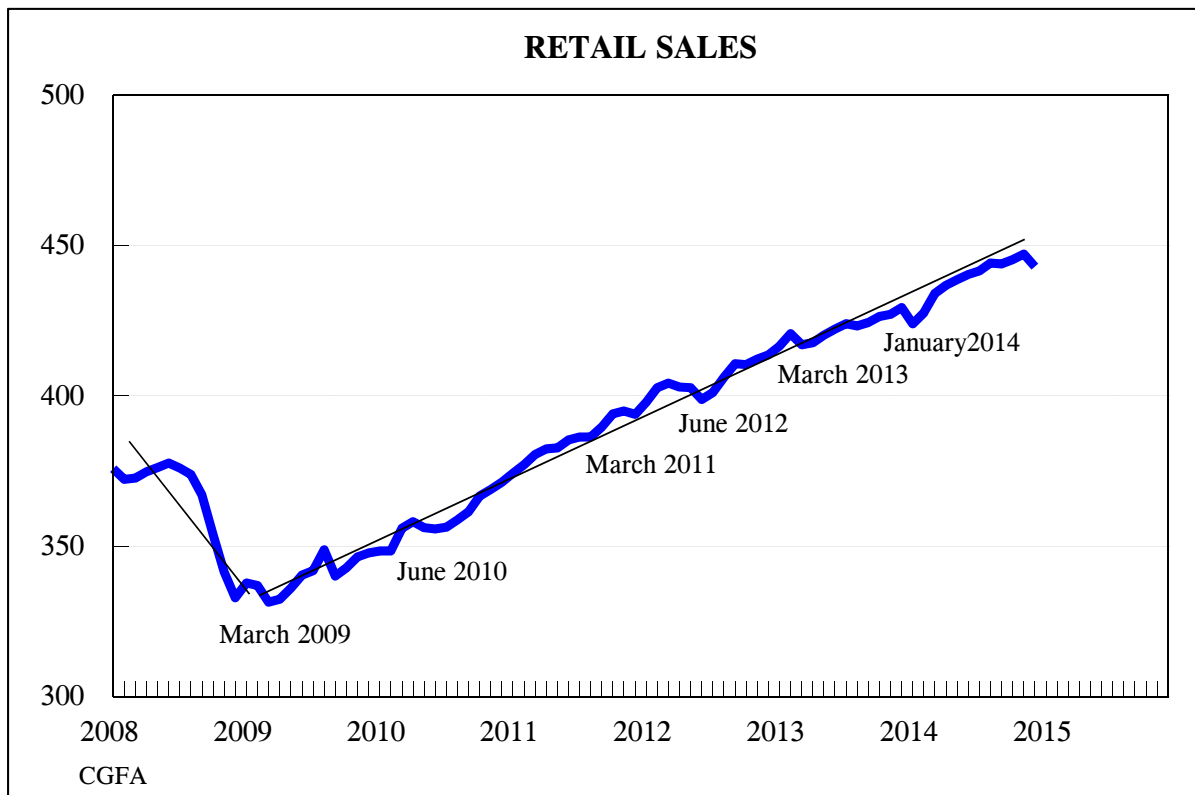
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LATEST PUBLICATIONS

State of Illinois Economic Forecast: January 2015. Prepared by Moody's Analytics/Economic & Consumer Credit Analytics



January the University of Michigan’s initial Consumer Sentiment Index reported that it rose to its highest level in a decade and the Conference Consumer Confidence Index rose to the highest level since August 2007. As shown in the attached Chart, however, even on a seasonally adjusted basis retail sales have slowed around this time in the last few years.

Such slowing in the economy after rapid growth during the previous two quarters does not necessarily preface a trend, but rather is consistent with many economic forecasts which at this time project more moderate growth in the quarters immediately ahead. For example, the Commission’s forecasting service, Global Insight, that had correctly forecast in its latest baseline solution real GDP rising at an annual rate of 2.6% last quarter, anticipates some improvement for this year with 3.1% growth estimated for the first quarter of 2015 as well as for the year as a whole.

Illinois’ economy also has improved over the last year. According to the State of Illinois Forecast completed by Moody’s Analytics for the Commission, in its analysis of the near-term, *“Illinois’ economy has improved over the last year, but progress has been slow and the state has underperformed the region and nation in key gauges such as jobs, income and output. The weakness can be traced to failed fiscal policy, a slow housing upturn, and stalled manufacturing industry downstate..... The state’s demographics present it with another challenge, as an aging population coupled with a trend toward fewer workers hampers job and income gains, which are forecast to be below average over the extended forecast horizon.”* The report goes on to point out some of the State’s strengths and differences by regions within the State. The entire report can be found on the Commission’s web site.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

| <u>INDICATORS</u> * | <u>DEC. 2014</u> | <u>NOV. 2014</u> | <u>DEC. 2013</u> |
|--|------------------|-------------------|------------------|
| Unemployment Rate (Average) | 6.2% | 6.4% | 8.9% |
| Annual Rate of Inflation (Chicago) | -4.8% | -9.4% | 1.5% |
| | <u>LATEST</u> | <u>% CHANGE</u> | <u>% CHANGE</u> |
| | <u>MONTH</u> | <u>OVER PRIOR</u> | <u>OVER A</u> |
| | | <u>MONTH</u> | <u>YEAR AGO</u> |
| Civilian Labor Force (thousands) (December) | 6,547 | 0% | 0.1% |
| Employment (thousands) (December) | 6,141 | 0.2% | 3.0% |
| NonFarm Payroll Employment (December) | 5,880,300 | 17,100 | 51,600 |
| New Car & Truck Registration (December) | 52,156 | 33.9% | 14.4% |
| Single Family Housing Permits (December) | 704 | 2.5% | 16.1% |
| Total Exports (\$ mil) (November) | 5,697 | -4.7% | -3.8% |
| Chicago Purchasing Managers Index (December) | 59.4 | 1.0% | -0.3% |

* Due to monthly fluctuations, trend best shown by % change from a year ago

ILLINOIS GAMING STATISTICS

Eric Noggle, Senior Revenue Analyst

It now has been over two years since the first video gaming machines became operational in Illinois. In its opening month in September 2012, 61 video gaming machines were in operation. By the end of 2012 that number grew to 2,293 terminals. In the four months of operation in 2012, net terminal income from video gaming machines totaled \$12.3 million, generating \$3.7 million in tax revenues.

By the end of 2013, the number of operating video gaming machines had grown to 13,974 terminals. A total of \$300.7 million in net terminal income was reported to be collected from video gaming machines in 2013. This

equated to \$90.2 million in tax receipts under the 30% tax rate, of which 5/6th went to the Capital Projects Fund and 1/6th went to local governments.

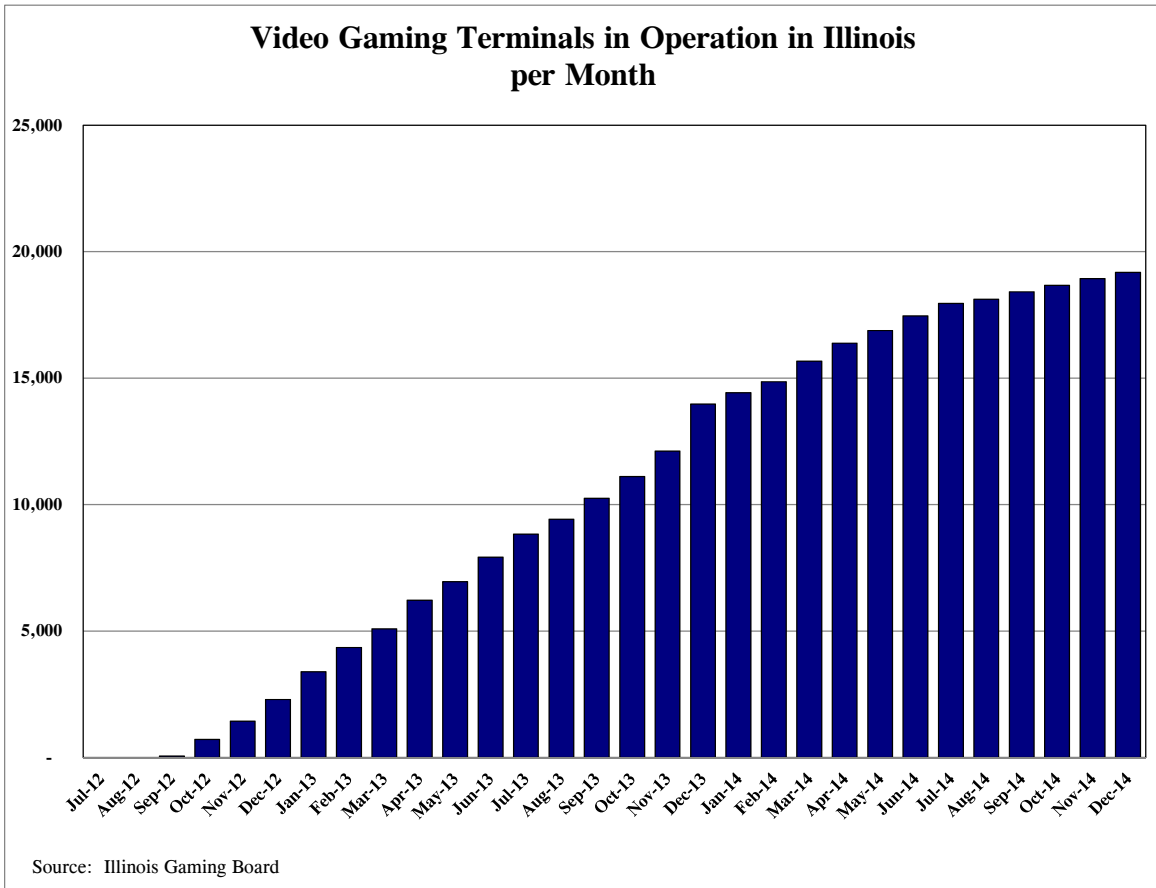
The latest monthly report from the Illinois Gaming Board reports that the number of video gaming machines in Illinois has now grown to 19,182 terminals (December 2014). In 2014, a total of \$659.5 million in net terminal income was reported to be collected. This yielded a 2014 tax revenue total of \$197.9 million. Of this total, approximately \$164.9 million went to the Capital Projects Fund with the remaining \$33.0 million going to local governments where video gaming machines are located.

Therefore, in total, the first 27 months of video gaming in Illinois has generated \$972.5 million in net terminal income and \$291.8 million in tax revenues. Of the tax revenues collected, a total of \$243.1 million has been collected for the Capital Projects Fund and \$48.6 million has been collected for local governments. The following graphs display the growth in video gaming terminals and net terminal income from Illinois video gaming machines since video gaming became operational in September 2012.

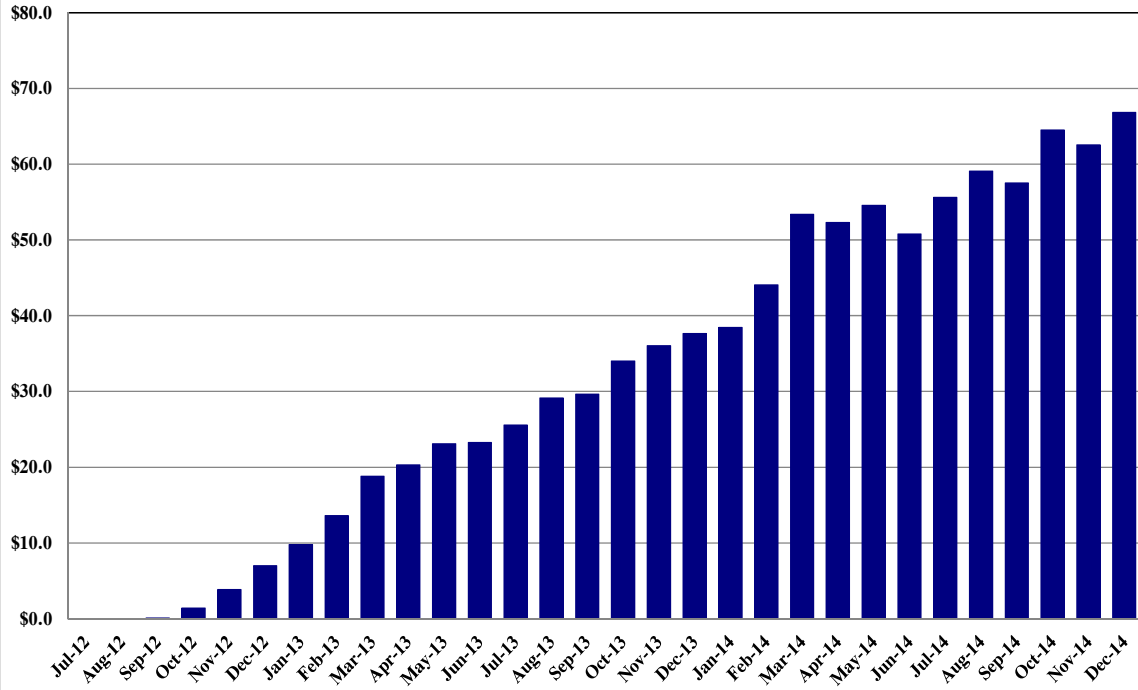
As projected, the first chart shows that the number of video gaming terminals in Illinois is beginning to plateau at around 20,000. Therefore, it appears that Illinois is nearing “full implementation”. Because of this, monthly tax revenues from video gaming should begin to level off in the months to come, barring no significant changes to the industry (i.e. maximum

terminal increases/decreases, lifting of municipality video gaming bans, etc).

On page 6 is a breakdown of video gaming figures from 2014 on a county by county basis. (The original data comes from the Illinois Gaming Board with the Commission compiling the data into a “per county” format). This table displays how the \$659.5 million in net terminal income from 2014 was spread throughout the State. The 2014 information shows that 5,125 different businesses conducted video gaming operations during this year, using 20,511 terminals. (Note: While 20,511 video gaming terminals were in operation at some point during CY 2014, the most in operation at one time was in December 2014 with 19,182 terminals). On average, businesses averaged 4.0 terminals per businesses. Businesses can have no more than 5 terminals at one time.



**Net Terminal Income from Illinois Video Gaming Machines
per Month
\$ in millions**



Source: Illinois Gaming Board

Video Gaming Statistics by Illinois County - 2014 Totals \$ in millions

| County | Busin- esses | Term- inals | Net Terminal Income | Tax Revenue | State Portion | Local Portion | County | Busin- esses | Term- inals | Net Terminal Income | Tax Revenue | State Portion | Local Portion |
|--------------------------|-----------------|----------------|------------------------|---------------|---------------|---------------|--------------------------|-----------------|----------------|------------------------|---------------|---------------|---------------|
| State Totals: | 5,125 | 20,511 | \$659,499,394 | \$197,851,342 | \$164,876,178 | \$32,975,164 | State Totals: | 5,125 | 20,511 | \$659,499,394 | \$197,851,342 | \$164,876,178 | \$32,975,164 |
| Adams | 59 | 131 | \$3,980,928 | \$1,194,289 | \$995,241 | \$199,048 | Lee | 51 | 199 | \$5,058,833 | \$1,517,668 | \$1,264,724 | \$252,944 |
| Alexander | 16 | 64 | \$1,312,735 | \$393,826 | \$328,189 | \$65,638 | Livingston | 45 | 174 | \$5,245,923 | \$1,573,794 | \$1,311,495 | \$262,299 |
| Bond | 18 | 55 | \$1,298,074 | \$389,427 | \$324,523 | \$64,904 | Logan | 28 | 109 | \$3,121,083 | \$936,333 | \$780,278 | \$156,055 |
| Boone | 28 | 124 | \$3,712,717 | \$1,113,825 | \$928,188 | \$185,637 | McDonough | 16 | 51 | \$946,259 | \$283,883 | \$236,569 | \$47,314 |
| Brown | 2 | 6 | \$101,225 | \$30,368 | \$25,307 | \$5,061 | McHenry | 145 | 620 | \$19,702,857 | \$5,910,913 | \$4,925,763 | \$985,150 |
| Bureau | 47 | 161 | \$3,763,187 | \$1,128,972 | \$940,810 | \$188,162 | McLean | 92 | 369 | \$16,628,537 | \$4,988,598 | \$4,157,166 | \$831,432 |
| Calhoun | 9 | 26 | \$545,110 | \$163,509 | \$136,253 | \$27,256 | Macon | 64 | 301 | \$14,943,697 | \$4,483,139 | \$3,735,950 | \$747,189 |
| Carroll | 20 | 73 | \$1,364,023 | \$409,214 | \$341,012 | \$68,202 | Macoupin | 52 | 190 | \$3,630,671 | \$1,089,218 | \$907,682 | \$181,536 |
| Cass | 18 | 65 | \$1,430,897 | \$429,275 | \$357,730 | \$71,546 | Madison | 165 | 636 | \$17,375,859 | \$5,212,819 | \$4,344,018 | \$868,801 |
| Champaign | 94 | 404 | \$16,607,055 | \$4,982,154 | \$4,151,796 | \$830,358 | Marion | 52 | 222 | \$6,441,201 | \$1,932,378 | \$1,610,316 | \$322,062 |
| Christian | 52 | 208 | \$5,230,303 | \$1,569,110 | \$1,307,593 | \$261,518 | Marshall | 15 | 51 | \$1,176,413 | \$352,928 | \$294,107 | \$58,821 |
| Clark | 8 | 36 | \$1,029,226 | \$308,771 | \$257,309 | \$51,462 | Mason | 21 | 75 | \$1,577,931 | \$473,386 | \$394,489 | \$78,898 |
| Clay | 8 | 35 | \$1,173,896 | \$352,172 | \$293,477 | \$58,695 | Massac | 5 | 20 | \$774,652 | \$232,397 | \$193,664 | \$38,733 |
| Clinton | 56 | 165 | \$3,106,045 | \$931,828 | \$776,524 | \$155,304 | Menard | 11 | 43 | \$1,239,505 | \$371,856 | \$309,880 | \$61,976 |
| Coles | 48 | 205 | \$5,716,410 | \$1,714,939 | \$1,429,116 | \$285,823 | Mercer | 11 | 35 | \$1,017,030 | \$305,113 | \$254,261 | \$50,852 |
| Cook | 688 | 2,978 | \$114,680,850 | \$34,404,436 | \$28,670,373 | \$5,734,063 | Monroe | 18 | 58 | \$1,386,054 | \$415,820 | \$346,517 | \$69,303 |
| Crawford | 9 | 39 | \$988,052 | \$296,419 | \$247,016 | \$49,403 | Montgomery | 40 | 132 | \$3,679,925 | \$1,103,910 | \$919,925 | \$183,985 |
| Cumberland | 7 | 31 | \$741,363 | \$222,411 | \$185,343 | \$37,068 | Morgan | 37 | 156 | \$5,374,711 | \$1,612,429 | \$1,343,691 | \$268,738 |
| DeKalb | 51 | 189 | \$5,499,128 | \$1,649,757 | \$1,374,798 | \$274,959 | Moultrie | 15 | 61 | \$1,675,403 | \$502,627 | \$418,856 | \$83,771 |
| DeWitt | 17 | 76 | \$2,219,664 | \$665,907 | \$554,923 | \$110,984 | Ogle | 51 | 203 | \$6,017,645 | \$1,805,312 | \$1,504,428 | \$300,885 |
| Douglas | 23 | 90 | \$2,712,512 | \$813,762 | \$678,135 | \$135,627 | Peoria | 137 | 513 | \$13,683,759 | \$4,105,173 | \$3,420,979 | \$684,194 |
| DuPage | 97 | 424 | \$15,495,847 | \$4,648,687 | \$3,873,910 | \$774,778 | Perry | 22 | 90 | \$2,441,972 | \$732,600 | \$610,500 | \$122,100 |
| Edgar | 11 | 46 | \$1,536,407 | \$460,926 | \$384,106 | \$76,821 | Piatt | 14 | 59 | \$1,393,500 | \$418,054 | \$348,378 | \$69,676 |
| Edwards | 7 | 29 | \$758,441 | \$227,535 | \$189,612 | \$37,922 | Pike | 13 | 44 | \$1,111,756 | \$333,530 | \$277,942 | \$55,588 |
| Effingham | 48 | 198 | \$6,694,901 | \$2,008,488 | \$1,673,740 | \$334,748 | Pope | 2 | 8 | \$25,384 | \$7,615 | \$6,346 | \$1,269 |
| Fayette | 16 | 71 | \$2,611,348 | \$783,410 | \$652,842 | \$130,568 | Pulaski | 1 | 4 | \$143,773 | \$43,132 | \$35,944 | \$7,189 |
| Ford | 14 | 58 | \$1,217,949 | \$365,389 | \$304,491 | \$60,898 | Putnam | 9 | 26 | \$396,457 | \$118,939 | \$99,116 | \$19,823 |
| Franklin | 49 | 194 | \$4,899,403 | \$1,469,837 | \$1,224,865 | \$244,972 | Randolph | 40 | 158 | \$4,665,016 | \$1,399,522 | \$1,166,269 | \$233,253 |
| Fulton | 46 | 154 | \$3,395,989 | \$1,018,810 | \$849,009 | \$169,801 | Richland | 10 | 41 | \$1,292,973 | \$387,896 | \$323,247 | \$64,649 |
| Gallatin | 4 | 16 | \$380,949 | \$114,286 | \$95,238 | \$19,047 | Rock Island | 98 | 325 | \$7,729,631 | \$2,318,917 | \$1,932,432 | \$386,485 |
| Greene | 19 | 46 | \$895,216 | \$268,567 | \$223,806 | \$44,761 | St. Clair | 126 | 481 | \$12,472,094 | \$3,741,674 | \$3,118,063 | \$623,611 |
| Grundy | 50 | 191 | \$5,446,374 | \$1,633,932 | \$1,361,611 | \$272,321 | Saline | 20 | 87 | \$2,426,466 | \$727,946 | \$606,622 | \$121,324 |
| Hamilton | 3 | 14 | \$455,431 | \$136,631 | \$113,859 | \$22,772 | Sangamon | 203 | 851 | \$32,973,708 | \$9,892,191 | \$8,243,496 | \$1,648,696 |
| Hancock | 18 | 50 | \$872,109 | \$261,637 | \$218,031 | \$43,606 | Schuyler | 6 | 22 | \$543,110 | \$162,935 | \$135,779 | \$27,156 |
| Hardin | 1 | 3 | \$102,266 | \$30,680 | \$25,567 | \$5,113 | Scott | 7 | 24 | \$687,304 | \$206,194 | \$171,828 | \$34,366 |
| Henderson | 6 | 21 | \$457,554 | \$137,268 | \$114,390 | \$22,878 | Shelby | 14 | 54 | \$1,231,403 | \$369,426 | \$307,855 | \$61,571 |
| Henry | 31 | 114 | \$3,095,459 | \$928,648 | \$773,874 | \$154,774 | Stark | 5 | 15 | \$229,372 | \$68,813 | \$57,344 | \$11,469 |
| Iroquois | 45 | 160 | \$3,379,797 | \$1,013,954 | \$844,962 | \$168,992 | Stephenson | 44 | 179 | \$5,118,775 | \$1,535,648 | \$1,279,707 | \$255,941 |
| Jackson | 36 | 140 | \$2,998,019 | \$899,416 | \$749,514 | \$149,902 | Tazewell | 96 | 374 | \$9,758,622 | \$2,927,619 | \$2,439,684 | \$487,936 |
| Jasper | 8 | 32 | \$828,521 | \$248,559 | \$207,132 | \$41,426 | Union | 15 | 61 | \$1,229,007 | \$368,707 | \$307,256 | \$61,451 |
| Jefferson | 29 | 123 | \$5,020,178 | \$1,506,066 | \$1,255,055 | \$251,011 | Vermilion | 70 | 292 | \$9,027,307 | \$2,708,219 | \$2,256,850 | \$451,369 |
| Jersey | 22 | 67 | \$1,038,318 | \$311,501 | \$259,584 | \$51,917 | Wabash | 9 | 40 | \$1,223,947 | \$367,187 | \$305,989 | \$61,198 |
| JoDaviess | 35 | 112 | \$3,064,301 | \$919,301 | \$766,085 | \$153,216 | Warren | 16 | 58 | \$1,226,907 | \$368,077 | \$306,731 | \$61,346 |
| Johnson | 7 | 26 | \$364,860 | \$109,460 | \$91,217 | \$18,243 | Washington | 25 | 102 | \$2,703,289 | \$810,996 | \$675,830 | \$135,166 |
| Kane | 148 | 611 | \$17,801,981 | \$5,340,650 | \$4,450,543 | \$890,106 | Wayne | 5 | 22 | \$581,828 | \$174,550 | \$145,458 | \$29,092 |
| Kankakee | 91 | 383 | \$10,248,721 | \$3,074,654 | \$2,562,213 | \$512,441 | White | 7 | 29 | \$944,807 | \$283,444 | \$236,204 | \$47,241 |
| Kendall | 35 | 133 | \$2,857,498 | \$857,260 | \$714,383 | \$142,876 | Whiteside | 55 | 237 | \$6,512,048 | \$1,953,638 | \$1,628,032 | \$325,606 |
| Knox | 43 | 163 | \$5,155,515 | \$1,546,620 | \$1,288,851 | \$257,769 | Will | 217 | 855 | \$27,260,698 | \$8,178,292 | \$6,815,246 | \$1,363,046 |
| Lake | 201 | 892 | \$35,831,836 | \$10,749,634 | \$8,958,030 | \$1,791,603 | Williamson | 49 | 211 | \$6,054,889 | \$1,816,487 | \$1,513,740 | \$302,747 |
| LaSalle | 186 | 702 | \$19,790,330 | \$5,937,161 | \$4,947,636 | \$989,525 | Winebago | 227 | 1,036 | \$48,932,259 | \$14,679,777 | \$12,233,151 | \$2,446,627 |
| Lawrence | 21 | 87 | \$2,437,416 | \$731,232 | \$609,360 | \$121,872 | Woodford | 24 | 87 | \$2,116,815 | \$635,052 | \$529,210 | \$105,842 |

| | | | | | | | | | | | | | |
|------------------|-------|-------|---------------|--------------|--------------|--------------|----------------------------|-------|-------|-------|-------|-------|-------|
| Chi Area* | 1,632 | 6,893 | \$244,577,068 | \$73,373,561 | \$61,144,657 | \$12,228,903 | % in Chi Area*: | 31.8% | 33.6% | 37.1% | 37.1% | 37.1% | 37.1% |
|------------------|-------|-------|---------------|--------------|--------------|--------------|----------------------------|-------|-------|-------|-------|-------|-------|

*The Chicago Metropolitan Statistical Area is defined by the Census Bureau to include the Illinois Counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, Will, and Lake.
Source: <http://www.igb.illinois.gov/VideoReports.aspx>. County compilations by CGFA.

In 2014, the county with the most video gaming terminals was Cook County with 2,978 terminals. This is despite the fact that the City of Chicago has continued to ban video gaming in their City. Second on the list was Winnebago County (1,036 terminals), followed by Lake (892), Will (855), and Sangamon (851). The counties generating the most terminal income in 2014 was Cook (\$114.7 million), followed

by Winnebago (\$48.9 M), Lake (\$35.8 M), Sangamon (\$33.0 M), and Will County (\$27.3 M). The County with the highest rate of net terminal income per population was Effingham County with a value of \$195.52. Pope County had the lowest rate at \$5.68. A list of the “top twenty” and “bottom twenty” counties in various video gaming categories is shown below.

| Video Gaming Statistics by County Ranking | | | | | | | | | | | |
|---|-------------|-----------|------|------------|-------------------------|------|-------------|---------------------|------|------------|--------------------|
| 2014 Data | | | | | | | | | | | |
| Rank | County | Terminals | Rank | County | Terminal per Population | Rank | County | Net Terminal Income | Rank | County | NTI per Population |
| "TOP TWENTY COUNTIES" | | | | | | | | | | | |
| 1 | Cook | 2,978 | 1 | Alexander | 0.78% | 1 | Cook | \$114,680,850 | 1 | Effingham | \$195.52 |
| 2 | Winnebago | 1,036 | 2 | Washington | 0.69% | 2 | Winnebago | \$48,932,259 | 2 | Washington | \$183.70 |
| 3 | Lake | 892 | 3 | LaSalle | 0.62% | 3 | Lake | \$35,831,836 | 3 | LaSalle | \$173.72 |
| 4 | Will | 855 | 4 | Christian | 0.60% | 4 | Sangamon | \$32,973,708 | 4 | Sangamon | \$166.99 |
| 5 | Sangamon | 851 | 5 | Effingham | 0.58% | 5 | Will | \$27,260,698 | 5 | Winnebago | \$165.72 |
| 6 | LaSalle | 702 | 6 | Marion | 0.56% | 6 | LaSalle | \$19,790,330 | 6 | Marion | \$163.33 |
| 7 | Madison | 636 | 7 | Lee | 0.55% | 7 | McHenry | \$19,702,857 | 7 | Alexander | \$159.35 |
| 8 | McHenry | 620 | 8 | Iroquois | 0.54% | 8 | Kane | \$17,801,981 | 8 | Morgan | \$151.20 |
| 9 | Kane | 611 | 9 | Lawrence | 0.52% | 9 | Madison | \$17,375,859 | 9 | Christian | \$150.30 |
| 10 | Peoria | 513 | 10 | Mason | 0.51% | 10 | McLean | \$16,628,537 | 10 | Lawrence | \$144.80 |
| 11 | St. Clair | 481 | 11 | Calhoun | 0.51% | 11 | Champaign | \$16,607,055 | 11 | Lee | \$140.40 |
| 12 | DuPage | 424 | 12 | JoDaviess | 0.49% | 12 | DuPage | \$15,495,847 | 12 | Randolph | \$139.35 |
| 13 | Champaign | 404 | 13 | Franklin | 0.49% | 13 | Macon | \$14,943,697 | 13 | Douglas | \$135.76 |
| 14 | Kankakee | 383 | 14 | Cass | 0.48% | 14 | Peoria | \$13,683,759 | 14 | JoDaviess | \$135.12 |
| 15 | Tazewell | 374 | 15 | Carroll | 0.47% | 15 | St. Clair | \$12,472,094 | 15 | Macon | \$134.91 |
| 16 | McLean | 369 | 16 | Randolph | 0.47% | 16 | Kankakee | \$10,248,721 | 16 | Livingston | \$134.68 |
| 17 | Rock Island | 325 | 17 | Bureau | 0.46% | 17 | Tazewell | \$9,758,622 | 17 | DeWitt | \$134.03 |
| 18 | Macon | 301 | 18 | DeWitt | 0.46% | 18 | Vermilion | \$9,027,307 | 18 | Jefferson | \$129.30 |
| 19 | Vermilion | 292 | 19 | Douglas | 0.45% | 19 | Rock Island | \$7,729,631 | 19 | Scott | \$128.35 |
| 20 | Whiteside | 237 | 20 | Scott | 0.45% | 20 | Effingham | \$6,694,901 | 20 | Franklin | \$123.84 |
| "BOTTOM TWENTY COUNTIES" | | | | | | | | | | | |
| 83 | Mercer | 35 | 83 | White | 0.20% | 83 | Greene | \$895,216 | 83 | Massac | \$50.21 |
| 84 | Jasper | 32 | 84 | Crawford | 0.20% | 84 | Hancock | \$872,109 | 84 | Crawford | \$49.86 |
| 85 | Cumberland | 31 | 85 | Adams | 0.20% | 85 | Jasper | \$828,521 | 85 | Jackson | \$49.79 |
| 86 | Edwards | 29 | 86 | DeKalb | 0.18% | 86 | Massac | \$774,652 | 86 | St. Clair | \$46.18 |
| 87 | White | 29 | 87 | Pope | 0.18% | 87 | Edwards | \$758,441 | 87 | Hancock | \$45.65 |
| 88 | Calhoun | 26 | 88 | St. Clair | 0.18% | 88 | Cumberland | \$741,363 | 88 | Jersey | \$45.17 |
| 89 | Johnson | 26 | 89 | Monroe | 0.18% | 89 | Scott | \$687,304 | 89 | Monroe | \$42.06 |
| 90 | Putnam | 26 | 90 | Hamilton | 0.17% | 90 | Wayne | \$581,828 | 90 | Will | \$40.23 |
| 91 | Scott | 24 | 91 | McDonough | 0.16% | 91 | Calhoun | \$545,110 | 91 | Stark | \$38.27 |
| 92 | Schuyler | 22 | 92 | Wayne | 0.13% | 92 | Schuyler | \$543,110 | 92 | Wayne | \$34.72 |
| 93 | Wayne | 22 | 93 | Massac | 0.13% | 93 | Henderson | \$457,554 | 93 | Kane | \$34.55 |
| 94 | Henderson | 21 | 94 | Lake | 0.13% | 94 | Hamilton | \$455,431 | 94 | McDonough | \$29.02 |
| 95 | Massac | 20 | 95 | Will | 0.13% | 95 | Putnam | \$396,457 | 95 | Johnson | \$29.00 |
| 96 | Gallatin | 16 | 96 | Kane | 0.12% | 96 | Gallatin | \$380,949 | 96 | Kendall | \$24.90 |
| 97 | Stark | 15 | 97 | Kendall | 0.12% | 97 | Johnson | \$364,860 | 97 | Hardin | \$23.67 |
| 98 | Hamilton | 14 | 98 | Brown | 0.09% | 98 | Stark | \$229,372 | 98 | Pulaski | \$23.34 |
| 99 | Pope | 8 | 99 | Hardin | 0.07% | 99 | Pulaski | \$143,773 | 99 | Cook | \$22.08 |
| 100 | Brown | 6 | 100 | Pulaski | 0.06% | 100 | Hardin | \$102,266 | 100 | DuPage | \$16.90 |
| 101 | Pulaski | 4 | 101 | Cook | 0.06% | 101 | Brown | \$101,225 | 101 | Brown | \$14.59 |
| 102 | Hardin | 3 | 102 | DuPage | 0.05% | 102 | Pope | \$25,384 | 102 | Pope | \$5.68 |

Source: <http://www.igb.illinois.gov/VideoReports.aspx>. County compilations by CGFA.

Below is a list of the top municipalities with video gaming terminals in 2014. Topping the list was Springfield with 520 terminals. Second on the list was Rockford with 417 video gaming machines, followed by Loves Park (246), Joliet (244), and Bloomington (229). In

terms of net terminal income generated from video gaming machines, the City of Rockford leads the list with \$21.8 million in net terminal income. Rockford was followed by Springfield (\$21.7 million), Decatur (\$11.6 M), Loves Park (\$11.2 M), and Bloomington (\$11.2 M).

| Top Municipalities with Video Gaming | | | | | |
|---|---------------------|------------------|-------------|---------------------|----------------------------|
| 2014 Totals | | | | | |
| Rank | Municipality | Terminals | Rank | Municipality | Net Terminal Income |
| 1 | Springfield | 520 | 1 | Rockford | \$21,823,634 |
| 2 | Rockford | 417 | 2 | Springfield | \$21,718,624 |
| 3 | Loves Park | 246 | 3 | Decatur | \$11,587,091 |
| 4 | Joliet | 244 | 4 | Loves Park | \$11,218,309 |
| 5 | Bloomington | 229 | 5 | Bloomington | \$11,180,218 |
| 6 | Peoria | 227 | 6 | Waukegan | \$9,930,274 |
| 7 | Decatur | 224 | 7 | Joliet | \$7,979,755 |
| 8 | Lake County | 219 | 8 | Champaign | \$7,522,849 |
| 9 | Berwyn | 181 | 9 | Oak Lawn | \$7,029,908 |
| 10 | Waukegan | 168 | 10 | Peoria | \$5,925,473 |
| 11 | Champaign | 167 | 11 | Sangamon County | \$5,578,895 |
| 12 | Kankakee | 153 | 12 | Lake County | \$5,284,062 |
| 13 | Oak Lawn | 151 | 13 | Berwyn | \$5,266,106 |
| 14 | Sangamon County | 147 | 14 | Fox Lake | \$4,692,633 |
| 15 | Aurora | 137 | 15 | Kankakee | \$4,206,446 |
| 16 | Pekin | 127 | 16 | Effingham | \$4,180,934 |
| 17 | McHenry County | 124 | 17 | Freeport | \$4,120,519 |
| 18 | Mattoon | 123 | 18 | Winnebago County | \$4,095,636 |
| 19 | Alton | 122 | 19 | Jacksonville | \$4,045,518 |
| 20 | Effingham | 121 | 20 | Mount Vernon | \$4,033,222 |
| 21 | Ottawa | 119 | 21 | Chicago Ridge | \$4,006,293 |
| 22 | Will County | 116 | 22 | Mattoon | \$3,809,551 |
| 23 | Danville | 111 | 23 | Streator | \$3,797,908 |
| 24 | Belleville | 109 | 24 | Aurora | \$3,618,341 |
| 25 | Blue Island | 107 | 25 | Galesburg | \$3,609,877 |

The revenues generated from video gaming would undoubtedly be much higher if it were not for the number of communities that continue to ban video gaming in their areas. As mentioned earlier, the City of Chicago has continued their ban on video gaming and is obviously the largest city in Illinois to not

offer video gaming. After Chicago, the five highest populated cities in Illinois not operating video gaming machines are Naperville, Arlington Heights, Evanston, and Schaumburg. A table displaying the top 25 municipalities without video gaming, as of December 2014, is shown below.

| Highest Populated Cities without Video Gaming as of December 2014 | | | |
|--|---------------------|-------------------|----------------------------------|
| Rank | Municipality | Population | % of State Population |
| 1 | Chicago | 2,695,598 | 21.0% |
| 2 | Naperville | 141,853 | 1.1% |
| 3 | Arlington Heights | 75,101 | 0.6% |
| 4 | Evanston | 74,486 | 0.6% |
| 5 | Schaumburg | 74,227 | 0.6% |
| 6 | Bolingbrook | 73,366 | 0.6% |
| 7 | Palatine | 68,557 | 0.5% |
| 8 | Skokie | 64,784 | 0.5% |
| 9 | Des Plaines | 58,364 | 0.5% |
| 10 | Orland Park | 56,767 | 0.4% |
| 11 | Mount Prospect | 54,167 | 0.4% |
| 12 | Wheaton | 52,894 | 0.4% |
| 13 | Oak Park | 51,878 | 0.4% |
| 14 | Downers Grove | 47,833 | 0.4% |
| 15 | Glenview | 44,692 | 0.3% |
| 16 | Elmhurst | 44,121 | 0.3% |
| 17 | Lombard | 43,395 | 0.3% |
| 18 | Buffalo Grove | 41,496 | 0.3% |
| 19 | Crystal Lake | 40,743 | 0.3% |
| 20 | Plainfield | 39,581 | 0.3% |
| 21 | Park Ridge | 37,480 | 0.3% |
| 22 | Northbrook | 33,170 | 0.3% |
| 23 | St. Charles | 32,974 | 0.3% |
| 24 | Woodridge | 32,971 | 0.3% |
| 25 | Gurnee | 31,295 | 0.2% |

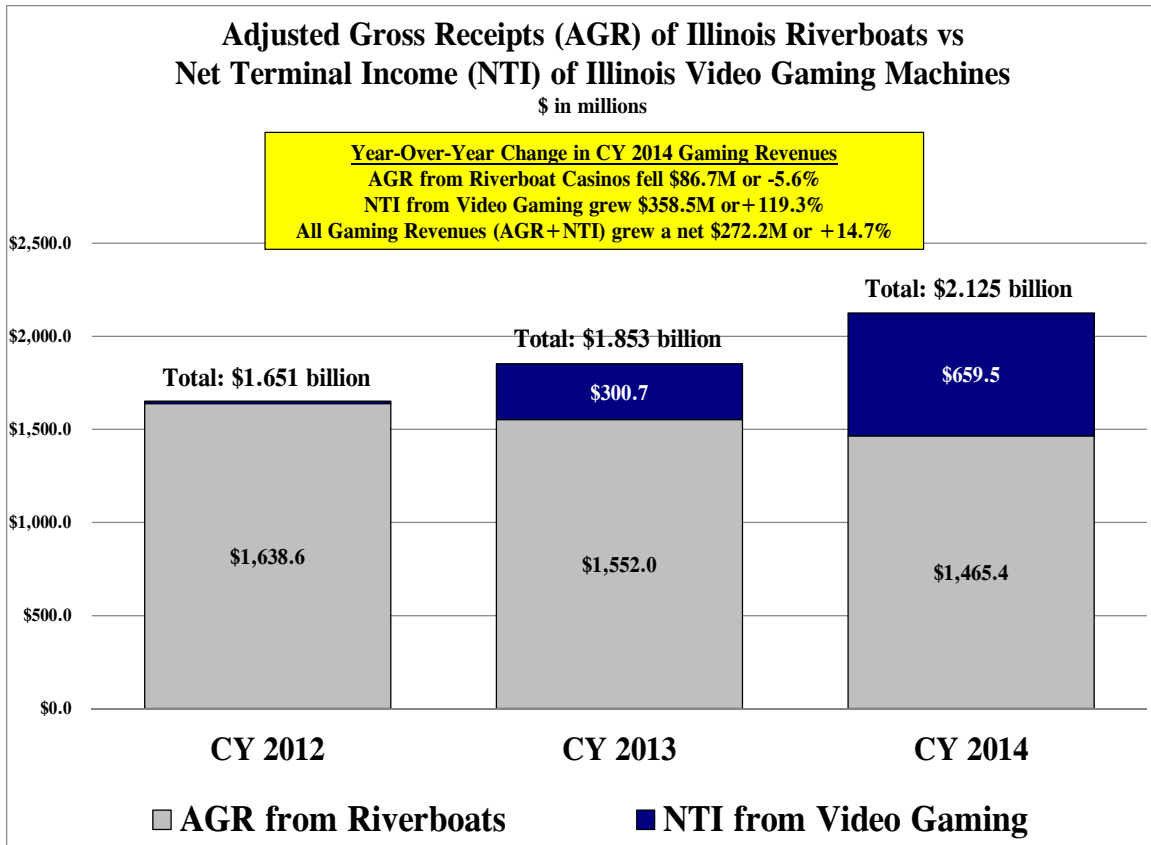
As Illinois' video gaming numbers continue to increase, the opposite has been the case for Illinois' riverboats. In CY 2014, adjusted gross receipts (AGR) from Illinois' ten riverboats totaled \$1.465 billion. This figure is 5.6% below CY 2013 levels and 10.6% below CY 2012 levels. In CY 2014 only one

riverboat casino, Rivers Casino in Des Plaines, experienced an increase in AGR as it grew a modest +1.6%. Five Illinois casinos had double-digit losses in CY 2014 and eight of the ten casinos have experienced losses of greater than 12% since CY 2013. These statistics can be seen in the following table.

| Statistical Summary of Illinois' Riverboat Casinos | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|--------------|---------------|-------------|---------------|--------------|
| <i>\$ IN MILLIONS</i> | CY 2010 | CY 2011 | CY 2012 | CY 2013 | CY 2014 | 1-Yr. | 2-Yr. | 5-Yr. | Nov 2014 | 2014 AGR/ |
| | AGR | AGR | AGR | AGR | AGR | Change | Change | Change | Positions | Pos/Day |
| ALTON ARGOSY - Alton | \$77.4 | \$73.0 | \$71.0 | \$64.3 | \$56.5 | -12.0% | -20.3% | -32.9% | 794 | \$222 |
| PAR-A-DICE - E. Peoria | \$115.3 | \$115.6 | \$116.3 | \$107.3 | \$94.0 | -12.4% | -19.1% | -18.3% | 1,111 | \$265 |
| JUMER'S - Rock Island | \$79.4 | \$85.9 | \$87.9 | \$81.6 | \$76.7 | -6.0% | -12.7% | 8.8% | 1,051 | \$213 |
| HOLLYWOOD CASINO - Joliet | \$143.5 | \$146.2 | \$141.5 | \$131.3 | \$122.6 | -6.6% | -13.4% | 2.2% | 1,121 | \$321 |
| HARRAH'S - Metropolis | \$113.0 | \$95.5 | \$97.7 | \$85.5 | \$81.8 | -4.3% | -16.3% | -30.6% | 896 | \$261 |
| HARRAH'S - Joliet | \$246.5 | \$223.4 | \$212.1 | \$202.4 | \$199.1 | -1.7% | -6.1% | -28.6% | 1,200 | \$462 |
| HOLLYWOOD CASINO - Aurora | \$181.2 | \$173.2 | \$151.9 | \$141.9 | \$126.9 | -10.6% | -16.5% | -37.3% | 1,186 | \$328 |
| CASINO QUEEN - E. St. Louis | \$131.0 | \$129.9 | \$131.2 | \$124.6 | \$110.5 | -11.3% | -15.8% | -25.1% | 1,174 | \$291 |
| GRAND VICTORIA - Elgin | \$287.1 | \$256.9 | \$212.4 | \$194.3 | \$171.8 | -11.6% | -19.1% | -41.4% | 1,200 | \$444 |
| RIVERS CASINO - Des Plaines | \$0.0 | \$177.5 | \$416.7 | \$418.9 | \$425.5 | 1.6% | 2.1% | N/A | 1,200 | \$957 |
| TOTALS | \$1,374.4 | \$1,477.0 | \$1,638.6 | \$1,552.0 | \$1,465.4 | -5.6% | -10.6% | 2.5% | 10,933 | \$389 |
| CHICAGO REGION TOTALS | \$858.3 | \$977.2 | \$1,134.6 | \$1,088.8 | \$1,045.8 | -4.0% | -7.8% | 17.0% | 5,907 | \$505 |
| CHICAGO REGION W/O DES PLAINES | \$858.3 | \$799.8 | \$717.9 | \$669.9 | \$620.3 | -7.4% | -13.6% | -30.6% | 4,707 | \$390 |
| ST. LOUIS REGION TOTALS | \$208.4 | \$202.8 | \$202.2 | \$188.8 | \$167.1 | -11.5% | -17.4% | -27.9% | 1,968 | \$263 |

While there are an abundance of factors than can contribute to the decline in casino numbers, undoubtedly, a major contributing factor to this falloff is the increased competition resulting from the growth of video gaming. When looking at gambling forms separately, the previous statistics show a downward trend in riverboat gambling. However, as shown in the following graph, when combined with video gaming totals, gambling as a whole has actually increased Statewide.

In CY 2012, gaming revenues totaled \$1.651 billion with the vast majority of the dollars coming from Illinois riverboats. In CY 2013, riverboat casino revenues fell \$87 million. But when combined with the \$300.7 million in video gaming revenues, total gaming revenues actually increased 15.0% in CY 2013. In CY 2014, riverboat revenues fell another \$86.7 million or -5.6%. But video gaming revenues more than offset this decline, growing \$358.5 million or +119.3%. As a result, gaming revenues grew a net \$272.2 million in CY 2014 or +14.7%.



While it is difficult to quantitatively estimate the impact that video gaming has had on Illinois riverboats, video gaming in certain regions has obviously hurt the riverboat industry more than others. For the communities that lie several hours away from the nearest riverboat casino, the impact of these communities offering video gaming has likely had very little impact on the casino industry – except for the small number of patrons that once would travel the distance to gamble at a casino, but now elect to gamble with the video gaming machines near their home. It is these communities that likely have brought in a lot of “new” gaming dollars to State and local coffers creating the overall 14.7% increase in gaming revenues over the past year. But for the communities that reside in close distance to existing casinos, the numbers would suggest that this increased competition is

having a negative impact on the casino industry.

An example of video gaming’s impact on the riverboat casino industry is seen by looking at the Chicago region. As shown at the bottom of the county-by-county video gaming table on page 6, there were an estimated 1,632 businesses in the Chicago Metropolitan Statistical Area (which is defined by the Census Bureau to include the Illinois counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, McHenry, Will, and Lake) in 2014 that offered video gaming. These locations housed 6,893 video gaming terminals during the calendar year. Illinois casinos can have a maximum of 1,200 gaming positions at their locations. This means that video gaming has added the equivalency of nearly 6 full-size casinos to this region. Again, these totals are

without the City of Chicago even participating in this gaming expansion.

These 6,893 terminals were added to an area that already had in its region five riverboat casinos in four Illinois communities: Joliet, Aurora, Elgin, and Des Plaines. Despite increases at the Des Plaines casino, combined, these five casinos have seen their CY 2014 AGR totals decline -7.8% since CY 2012. Without the newer Des Plaines casino, these Illinois based casinos have fallen -13.6% over the last two fiscal years. The popular Des Plaines casino is part of the reason for the declines at the other riverboat casinos, but video gaming has no doubt been a significant contributor to this falloff as well.

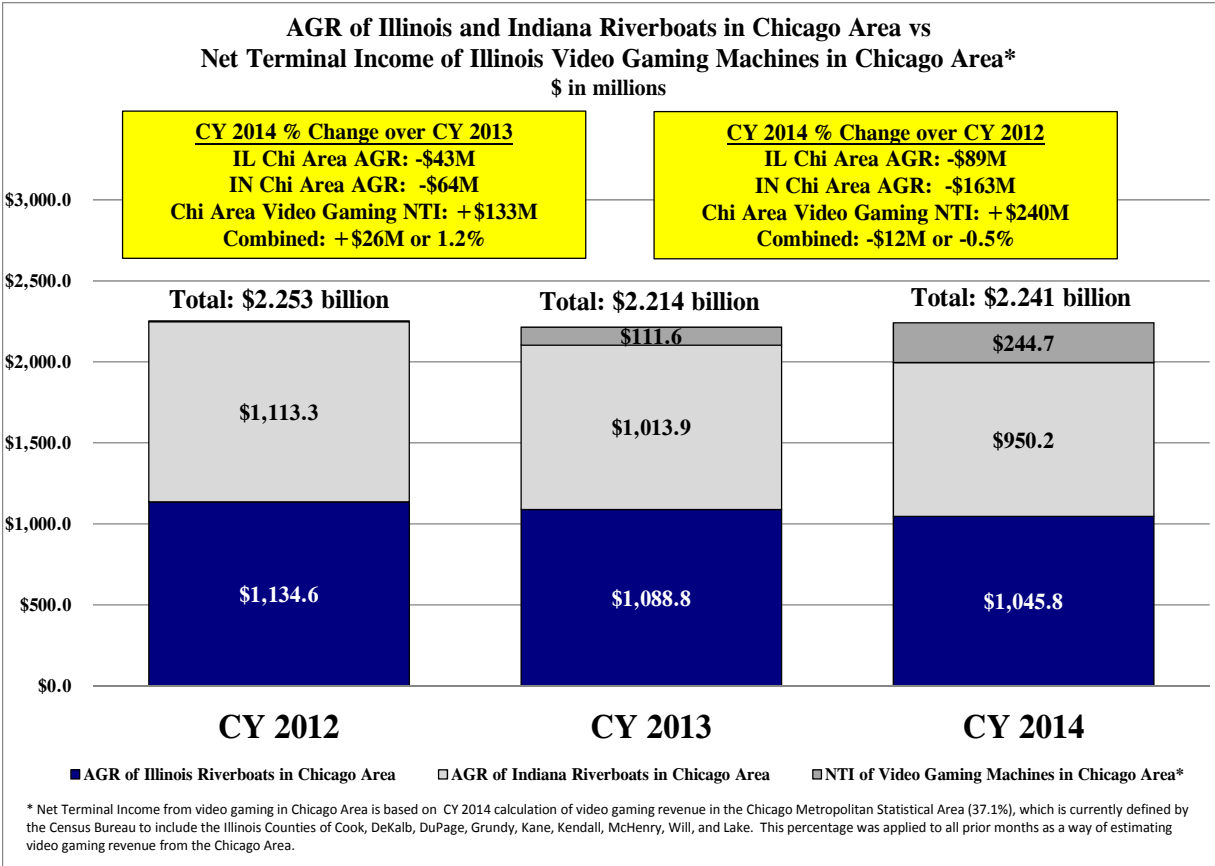
In addition, there are five Indiana casinos within a short drive of the Chicago Area in the communities of Michigan City, Gary (2), Hammond, and East Chicago. These five Indiana casinos have seen their AGR totals fall from \$1.1 billion in CY 2012 to \$950 million in CY 2014, a two-year decline of -14.6%. Again, the new casino in Des Plaines has contributed to this falloff, but the numbers would suggest that video gaming has also contributed to this decline.

When combining the receipts of all ten of the casinos in the Chicago Area, adjusted gross receipts totaled \$2.248 billion in CY 2012. But since the inception of video

gaming, these casinos have seen their combined AGR totals fall to \$1.996 billion in CY 2014, a two-year decline of -11.2%. And this falloff includes the +2.1% two-year increase at the Des Plaines casino.

As the chart on the following page displays, the loss in gaming revenues from the casinos in this area appears to be closely related to an increase in video gaming revenues. It is estimated that \$111.6 million in video gaming net terminal income came from communities in the Chicago Area in CY 2013 and an additional \$244.7 million was collected in CY 2014. As shown, when the Chicago Area video gaming figures are added to the riverboat casino figures, overall gaming in the Chicago Area were relatively stagnant. Collectively, total gaming in this area went from \$2.253 billion in CY 2012 to \$2.214 billion in CY 2013 to \$2.241 billion in CY 2014. This results in a two-year change in combined gaming revenues of only +1.2%.

In other words, it appears that the gaming dollars once spent at casinos have switched to local video gaming venues. Furthermore, the numbers would suggest that the inclusion of video gaming in the Chicago Area has not increased the amount of gaming dollars in this area, but rather simply redistributed the gaming revenues to the numerous gaming venues that now exist in this region.



So why has the combined gaming totals remained stagnant in the Chicago Area if the Statewide totals have increased +14.7%? A possible explanation for this is simply because of the amount of gaming options that already existed in this area even before video gaming began. Before video gaming, the Chicago Area already had its choice of 10 casinos which was the home to over 15,000 gaming positions. Adding 6,893 additional video gaming terminals to the region appears to have simply spread the gaming dollars to the numerous gaming facilities now located throughout this region. Most downstate communities did not have these pre-existing gaming options in close proximity to them. This is a plausible explanation for why the net increase in overall gaming revenues has occurred outside of the Chicago Area.

Many gambling proponents argue that because Chicago has yet to enter into the gaming market, there remains a large untapped amount of gaming dollars. There is likely a lot of truth to this, especially when considering the potential revenues from tourists that typically would not venture outside of the downtown area to visit other gaming facilities. But from the standpoint of the outer regions of Chicago, the previous graph would indicate these areas may have already reached a saturation point. Of course improvements in the economy and income levels would assist in raising this “saturation point” to higher levels.

But even though overall gaming revenues have been stagnant in the Chicago Area as a whole, Illinois appears to be taking advantage of Indiana’s

revenue losses. It has always been widely believed that a significant portion of Indiana's riverboat revenues have come from Illinois residents crossing the border to gamble at Indiana's facilities. Indiana's recent decline in their AGR numbers suggest that Illinois' recent increase in its gaming options, whether it comes from the Des Plaines Casino or the new video gaming terminals, have retained more gaming dollars in Illinois, increasing Illinois' coffers while reducing Indiana's.

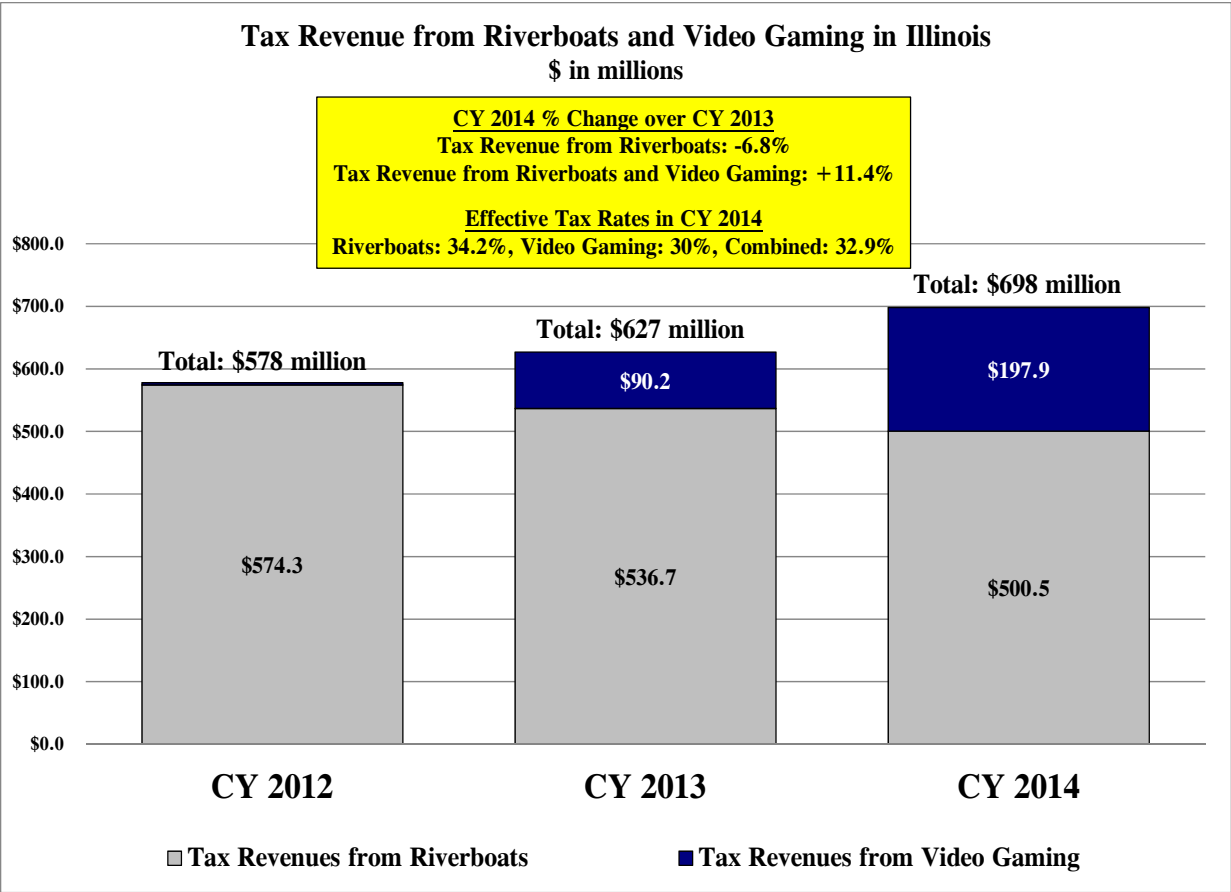
So what kind of impact has video gaming had on the tax revenues from all gaming sources? In CY 2013, the taxes imposed on the Illinois riverboats (admission tax and the graduated tax on adjusted gross receipts) generated \$536.7 million. Due to the recent declines in admissions and AGR totals, this tax amount fell to \$500.5 million in CY 2014, a decline of -6.8%. However, these declines have been more than offset by the additional tax revenue generated from video gaming.

In CY 2013, \$90.2 million in tax revenues were generated from video gaming. In CY 2014, this figure rose to \$197.9 million as video gaming revved up. When adding these tax revenues to the tax revenues from riverboat gambling, overall tax revenues grew from \$626.9 million in CY 2013 to \$698.3 million in CY 2014,

an increase of +11.4%. These figures are displayed in the following chart.

While higher tax revenues when combining these revenues sources are welcomed, there are aspects of this growth that may be concerning to some. The first pertains to the tax rate imposed on these gaming sources. Video gaming revenues are taxed at a flat 30% tax rate. Casino revenues, on the other hand, are taxed on a graduated basis - meaning the more revenues that are collected, the higher the tax. In CY 2014, the effective tax rate for the 10 casinos was 34.2% (includes wagering tax and admission tax). As gaming dollars move from the casinos to the video gaming terminals, these dollars are then taxed at a lower rate, thereby reducing overall tax collections.

The other aspect that may be troubling to some is the destination of these gaming tax dollars. The majority of tax revenues from riverboat casinos are eventually transferred to the Education Assistance Fund. The majority of tax revenues from video gaming are deposited into the Capital Projects Fund. Therefore, if video gaming causes a reduction in revenues from riverboats, this means tax dollars are effectively being shifted from the Education Assistance Fund to the Capital Projects Fund. Whether this funding shift is a positive or negative trend is, of course, open to discussion.



REVENUE

**January Receipts Down As Lower Income Tax Rates Begin Impact –
Federal Sources Continue Weak**
Jim Muschinske, Revenue Manager

Overall base revenues fell \$363 million in January. As expected, income tax receipts have begun to reflect the lower rates that went into effect January 1st. Federal sources experienced yet another disappointing month, marking the seventh consecutive decline in monthly revenues. One less receiving day likely contributed to some of the decline.

To begin 2015, gross personal income taxes fell \$126 million, or \$124 million net of refunds. The falloff being

attributed to the lower tax rates. Similarly, gross corporate income tax dropped \$11 million. Public utility receipts were down \$10 million, while other sources were off \$6 million. Cigarette taxes fell \$5 million, insurance taxes \$3 million, sales tax \$2 million and vehicle use tax \$1 million.

Only two revenue sources managed to increase in January, albeit at extremely modest levels as both inheritance tax and interest earnings managed to each post a \$1 million gain.

Overall transfers fell \$16 million for the month. Despite lottery transfers gaining \$14 million and riverboat transfers adding \$3 million, those performances were more than offset by a falloff of \$33 million in other transfers. As mentioned, federal sources suffered yet another poor month, this time falling a whopping \$190 million.

Year to Date

Through the first seven months of the fiscal year, overall base revenues are down \$743 million. However, much of that decline was expected and due to the much lower Refund Fund transfer into GRF. In addition, effective January 1st, receipts from the income tax began to reflect the lower rates.

To date, sales tax receipts are ahead of last year's pace by \$238 million, while gross personal income taxes are up \$174 million, or \$106 million net of refunds. Other sources are up \$66 million. The Cook County IGT gained \$30 million while inheritance tax added \$28 million. Insurance taxes and interest earnings both managed to post \$3 million gains through January, and

vehicle use tax eked out a \$1 million gain.

Gross corporate income taxes are down \$227 million through the first seven months, or \$207 million net of refunds. Public utility taxes are off \$18 million, cigarette tax by \$5 million, and corporate franchise taxes dipped \$1 million.

To date, overall transfers are down \$393 million due to the much lower Refund transfer which accounts for \$334 million of that falloff. Other transfers are off \$38 million while riverboat transfers are down \$26 million. Lottery transfers have managed to grow by \$5 million.

Federal sources are down \$594 million thus far in the fiscal year, reflecting lower reimbursable spending from GRF. So far in FY 2015, federal sources have performed very poorly as each month experienced declines from the previous year. It is clear that absent an unexpected surge in general funds reimbursable spending [i.e. Medicaid], federal sources will fall well short of expectations anticipated in the adopted revenue forecast HJR 100.

GENERAL FUNDS RECEIPTS: DECEMBER

FY 2015 vs. FY 2014

(\$ million)

| <u>Revenue Sources</u> | <u>Jan. FY 2015</u> | <u>Jan. FY 2014</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|--|-------------------------|-------------------------|----------------------|---------------------|
| State Taxes | | | | |
| Personal Income Tax | \$2,012 | \$2,138 | (\$126) | -5.9% |
| Corporate Income Tax (regular) | 141 | 152 | (\$11) | -7.2% |
| Sales Taxes | 669 | 671 | (\$2) | -0.3% |
| Public Utility Taxes (regular) | 93 | 103 | (\$10) | -9.7% |
| Cigarette Tax | 24 | 29 | (\$5) | -17.2% |
| Liquor Gallonage Taxes | 19 | 19 | \$0 | 0.0% |
| Vehicle Use Tax | 1 | 2 | (\$1) | -50.0% |
| Inheritance Tax (Gross) | 18 | 17 | \$1 | 5.9% |
| Insurance Taxes and Fees | 5 | 8 | (\$3) | -37.5% |
| Corporate Franchise Tax & Fees | 25 | 22 | \$3 | 13.6% |
| Interest on State Funds & Investments | 3 | 2 | \$1 | 50.0% |
| Cook County IGT | 0 | 0 | \$0 | N/A |
| Other Sources | 54 | 60 | (\$6) | -10.0% |
| Subtotal | \$3,064 | \$3,223 | (\$159) | -4.9% |
| Transfers | | | | |
| Lottery | 63 | 49 | \$14 | 28.6% |
| Riverboat transfers & receipts | 34 | 31 | \$3 | 9.7% |
| Proceeds from Sale of 10th license | 0 | 0 | \$0 | N/A |
| Refund Fund transfer | 0 | 0 | \$0 | N/A |
| Other | 49 | 82 | (\$33) | -40.2% |
| Total State Sources | \$3,210 | \$3,385 | (\$175) | -5.2% |
| Federal Sources | \$351 | \$541 | (\$190) | -35.1% |
| Total Federal & State Sources | \$3,561 | \$3,926 | (\$365) | -9.3% |
| Nongeneral Funds Distribution: | | | | |
| Refund Fund | | | | |
| Personal Income Tax | (\$201) | (\$203) | \$2 | -1.0% |
| Corporate Income Tax | (\$20) | (20) | \$0 | 0.0% |
| Subtotal General Funds | \$3,340 | \$3,703 | (\$363) | -9.8% |
| Short-Term Borrowing | \$0 | \$0 | \$0 | N/A |
| FY'13/14 Backlog Payment Fund | \$0 | \$0 | \$0 | N/A |
| Budget Stabilization Fund Transfer | \$0 | \$0 | \$0 | N/A |
| Total General Funds | \$3,340 | \$3,703 | (\$363) | -9.8% |
| CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding | | | | 2-Feb-15 |

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2015 vs. FY 2014

(\$ million)

| Revenue Sources | FY 2015 | FY 2014 | CHANGE FROM FY 2014 | % CHANGE |
|---|-----------------|-----------------|------------------------------------|---------------------|
| State Taxes | | | | |
| Personal Income Tax | \$10,239 | \$10,065 | \$174 | 1.7% |
| Corporate Income Tax (regular) | 1,455 | 1,682 | (\$227) | -13.5% |
| Sales Taxes | 4,805 | 4,567 | \$238 | 5.2% |
| Public Utility Taxes (regular) | 553 | 571 | (\$18) | -3.2% |
| Cigarette Tax | 201 | 206 | (\$5) | -2.4% |
| Liquor Gallonage Taxes | 104 | 104 | \$0 | 0.0% |
| Vehicle Use Tax | 18 | 17 | \$1 | 5.9% |
| Inheritance Tax (Gross) | 175 | 147 | \$28 | 19.0% |
| Insurance Taxes and Fees | 165 | 162 | \$3 | 1.9% |
| Corporate Franchise Tax & Fees | 127 | 128 | (\$1) | -0.8% |
| Interest on State Funds & Investments | 13 | 10 | \$3 | 30.0% |
| Cook County IGT | 56 | 26 | \$30 | 115.4% |
| Other Sources | 370 | 304 | \$66 | 21.7% |
| Subtotal | \$18,281 | \$17,989 | \$292 | 1.6% |
| Transfers | | | | |
| Lottery | 368 | 363 | \$5 | 1.4% |
| Riverboat transfers & receipts | 215 | 241 | (\$26) | -10.8% |
| Proceeds from Sale of 10th license | 0 | 0 | \$0 | N/A |
| Refund Fund transfer | 63 | 397 | (\$334) | N/A |
| Other | 312 | 350 | (\$38) | -10.9% |
| Total State Sources | \$19,239 | \$19,340 | (\$101) | -0.5% |
| Federal Sources | | | | |
| Total Federal & State Sources | \$1,408 | \$2,002 | (\$594) | -29.7% |
| Nongeneral Funds Distribution: | | | | |
| Refund Fund | | | | |
| Personal Income Tax | (\$1,024) | (\$956) | (\$68) | 7.1% |
| Corporate Income Tax | (\$205) | (\$225) | \$20 | -8.9% |
| Subtotal General Funds | \$19,418 | \$20,161 | (\$743) | -3.7% |
| Short-Term Borrowing | \$0 | \$0 | \$0 | N/A |
| FY'13/14 Backlog Payment Fund Transfer | \$0 | \$50 | (\$50) | N/A |
| Tobacco Liquidation Proceeds | \$0 | \$0 | \$0 | N/A |
| Pension Contribution Fund Transfer | \$0 | \$0 | \$0 | N/A |
| Budget Stabilization Fund Transfer | \$275 | \$275 | \$0 | 0.0% |
| Total General Funds | \$19,693 | \$20,486 | (\$793) | -3.9% |

SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.

CGFA

2-Feb-15