

FY 2017 Economic Forecast and Revenue Estimate and FY 2016 Revenue Update



Presented by:

Jim Muschinske, Revenue Manager – Edward H. Boss, Jr., Chief Economist
Commission on Government Forecasting and Accountability
703 Stratton Office Building; Springfield, Illinois 62706

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<http://cgfa.ilga.gov>

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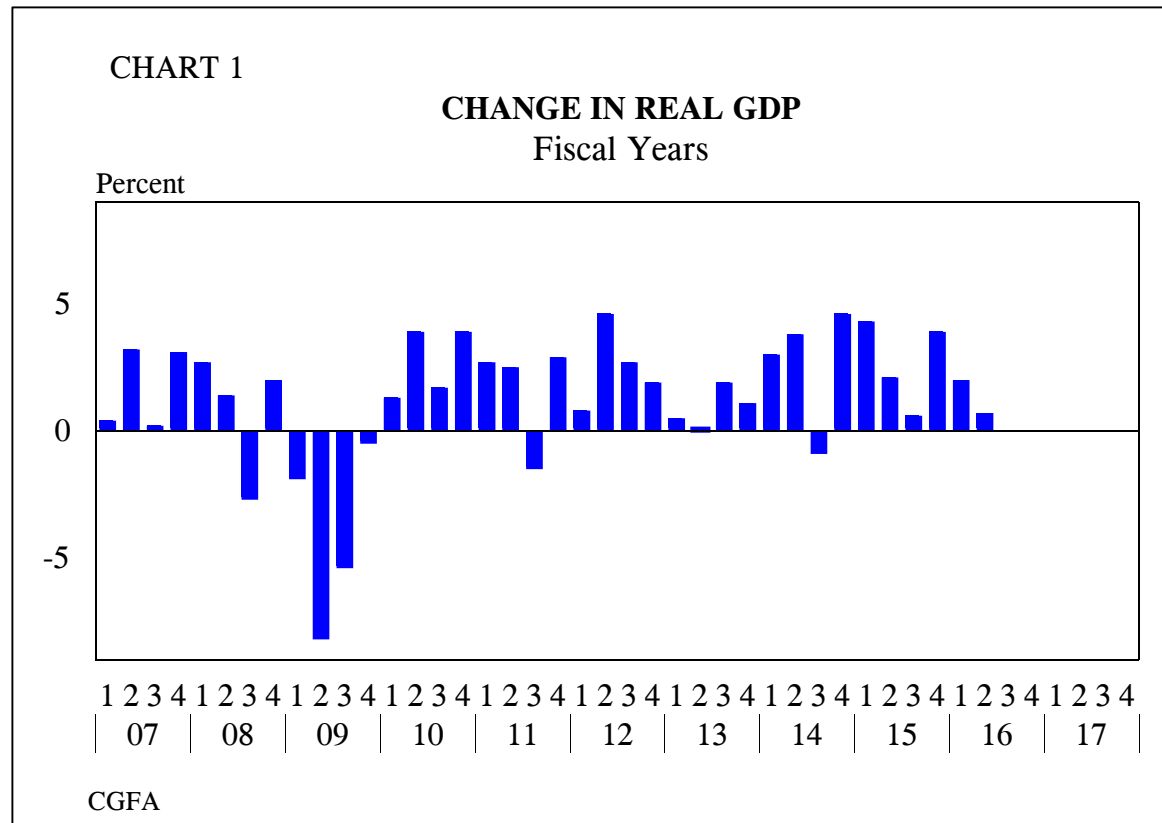
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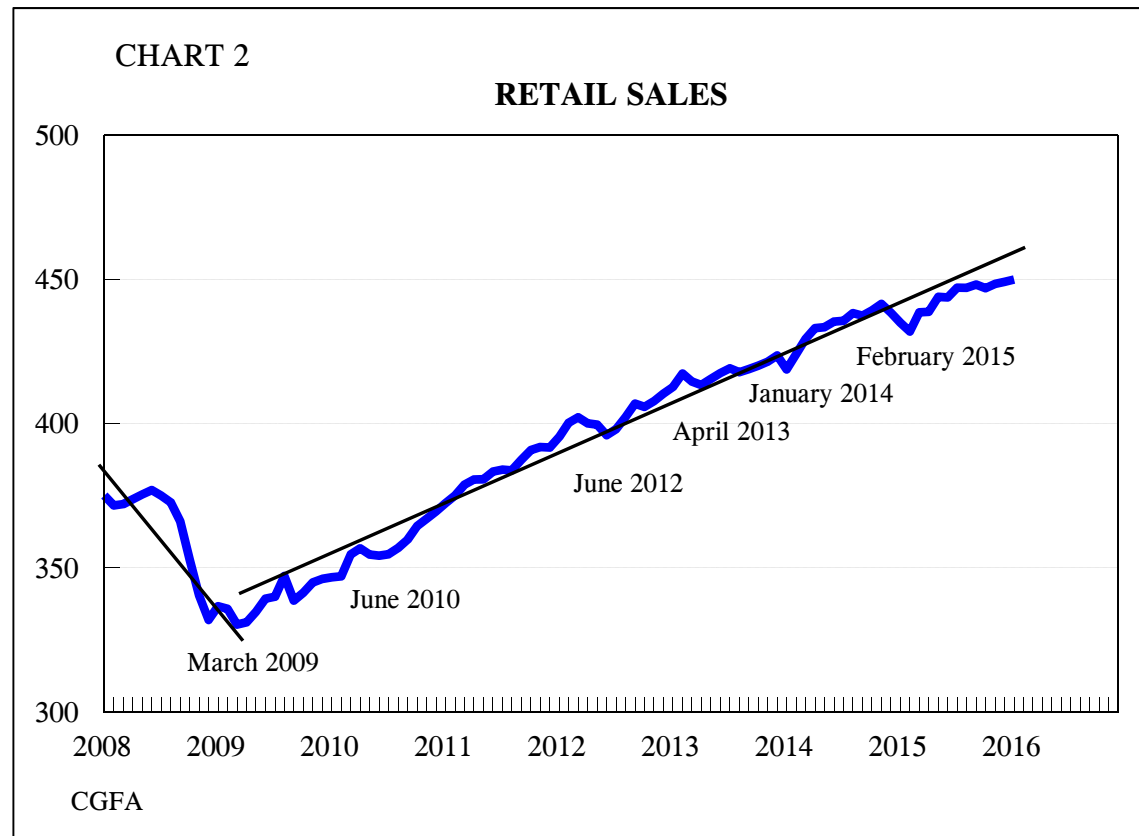
CHANGE IN REAL GDP

- Chart 1 shows quarterly GDP growth for the fiscal years 2007 through 2016.
- As can be seen, after the severe recession, growth in the recovery that began in June 2009 has been erratic on a quarterly basis, but on average has been well below that of earlier recoveries from recession.
- This makes it the weakest recovery in the post WWII period.
- The tepid growth rate seems in conflict with the recovery in the housing market, a surprisingly sharp drop in the unemployment rate, and surge in auto sales.



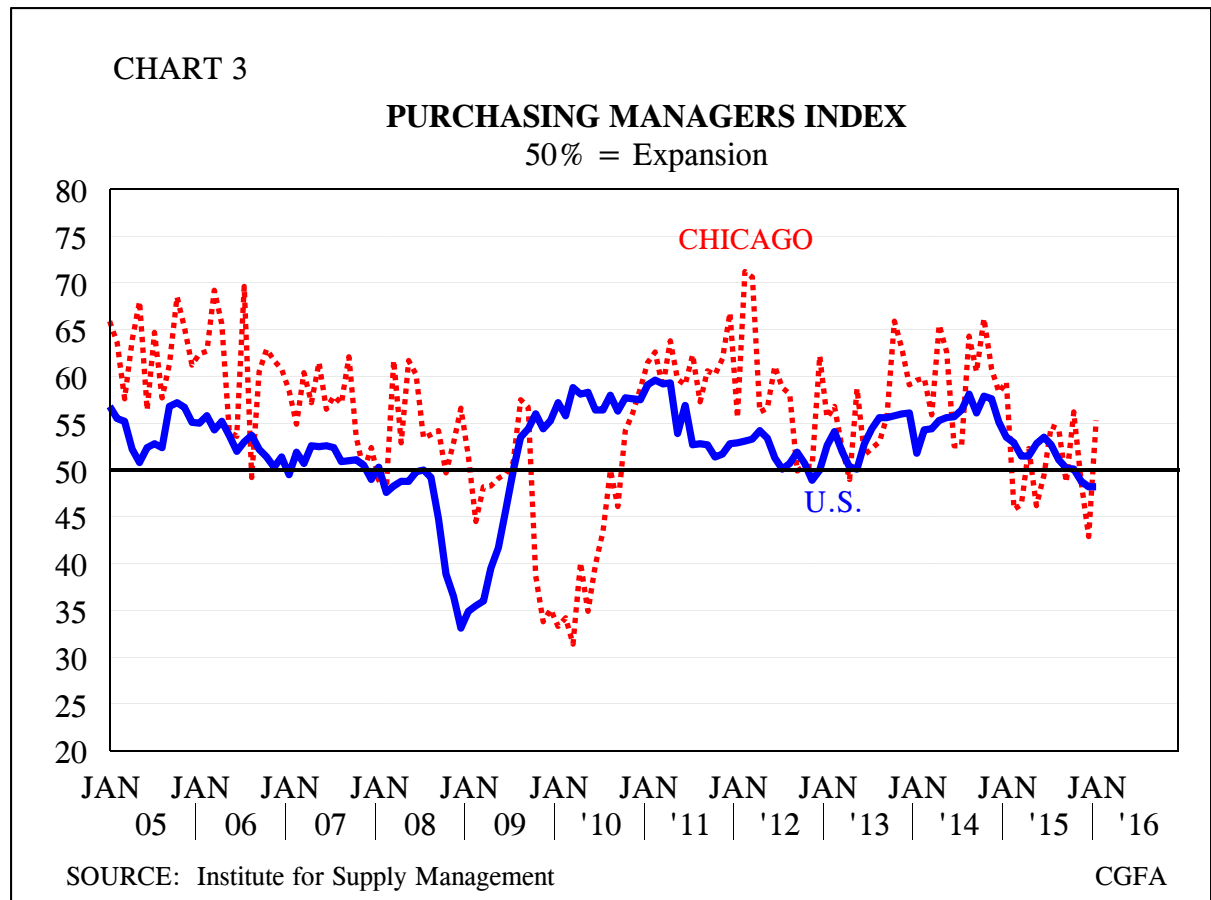
RETAIL SALES

- To explain the slower recovery it is important to look at the major sectors that make up GDP.
- The consumer accounts for about 70% of GDP spending and, therefore, is critical to growth. The less-than-stellar performance during this recovery helps to explain the slow growth path of the overall economy.
- Retail sales continued to rise but, as shown in Chart 2, for most of the recovery they have been less than robust. In January 2016, retail sales were up a modest 1.4% from a year earlier.
- However, excluding strong motor vehicle and parts, the rise was only 1.0% and department store sales were 4.5% lower. Moreover, other sectors of the economy also appear to be softening.



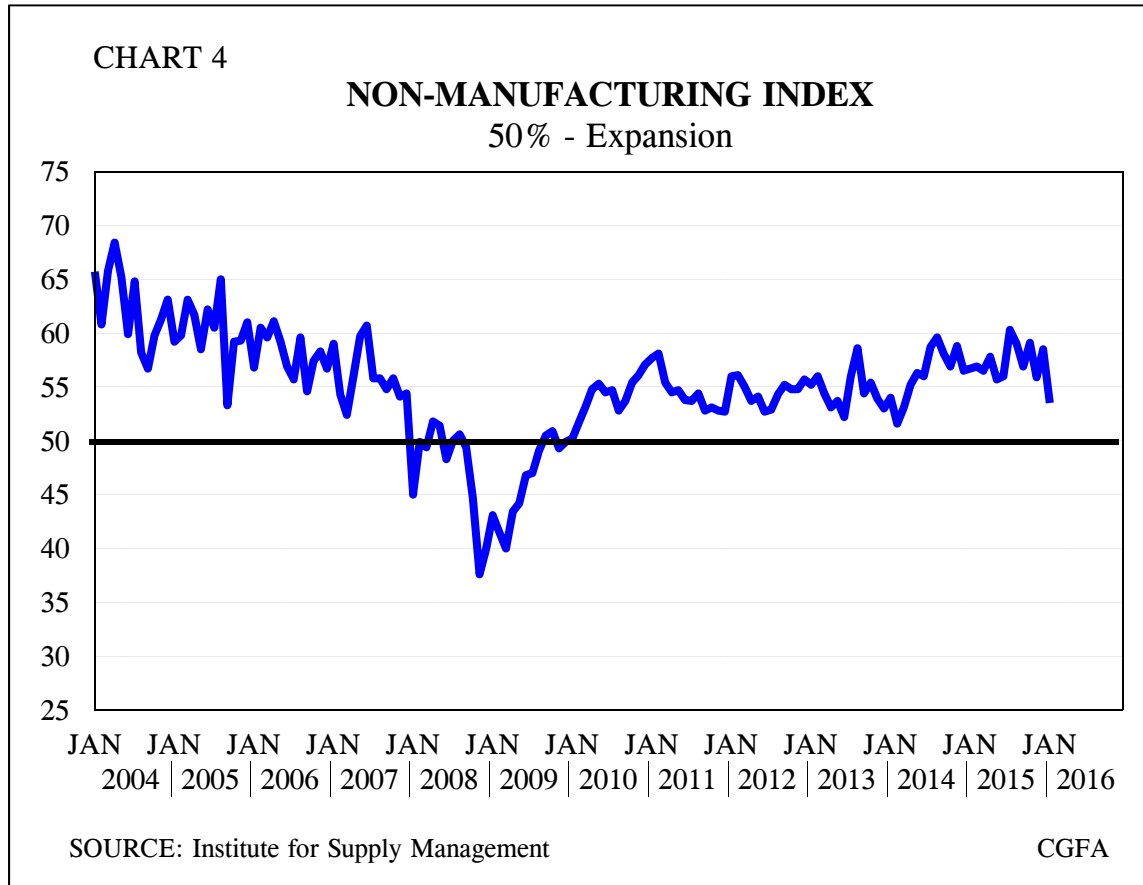
PURCHASING MANAGERS INDEX

- While the consumer accounts for the majority of spending in the economy and has been lethargic, business spending had been expanding, though with some volatility, since shortly after the expansion got under way in mid-2009.
- As Chart 3 shows, the index of manufacturing expanded (with an index number of 50 or more) for 40 consecutive months from August 2009, slightly after the recovery began, to October 2012.
- The sector began to improve again reaching a recent high in November 2014 only to weaken again. In January of this year the National measure contracted for the third consecutive month while the erratic Chicago measure fluctuated around the even level.



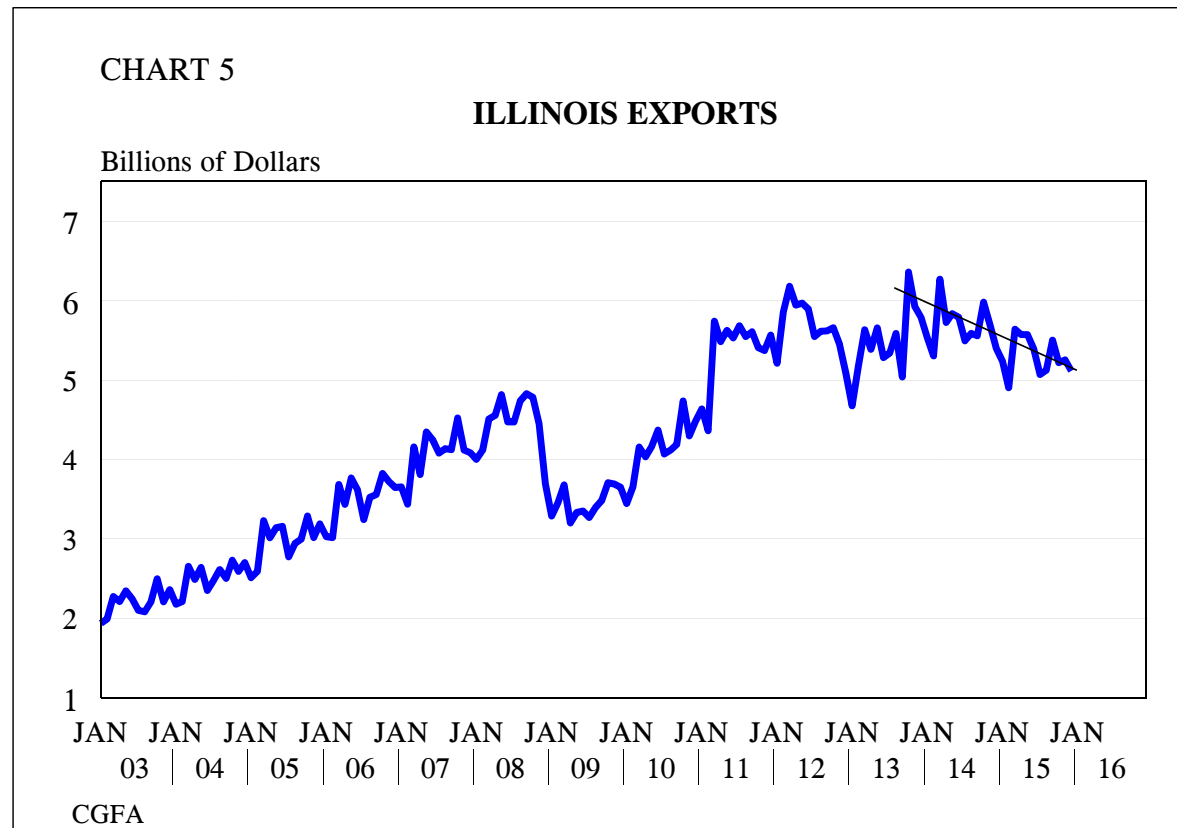
NON-MANUFACTURING INDEX

- A growing share of business has been in the non-manufacturing, or service sector. Chart 4 takes a look at this growing sector of the economy.
- Economic activity in the service sector, which had contracted for 12 straight months through August 2009, worked its way back to neutral by January 2010 before rising again.
- By July 2015, the index had expanded for 66 consecutive months. It traded in the mid-50s for the first half of 2015, showing little trend, before jumping to 60.3 in July. Since then, the index leveled out again before softening recently, reaching 53.5 in January 2016, and the lowest reading since February 2014.



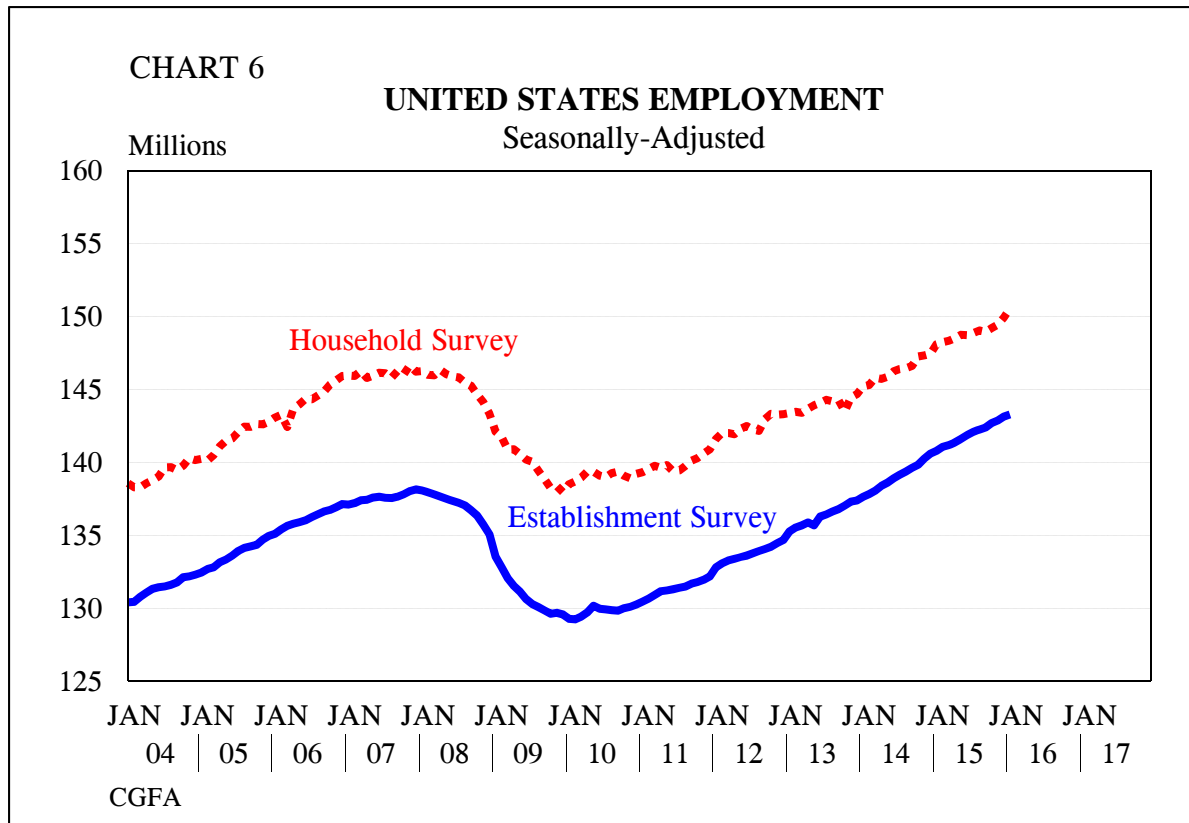
ILLINOIS EXPORTS

- As shown in Chart 5, Illinois export growth, while erratic, has continued to slow on a downward trend since March of 2014 following strong growth in the first three years of the recovery.
- The softening in exports reflects recessions in much of Europe, which account for about 20% of U.S. exports, reduced growth in China and some of the emerging countries, and a strengthening in the U.S. dollar.
- This affects Illinois as it has been the fifth largest U.S. exporter.



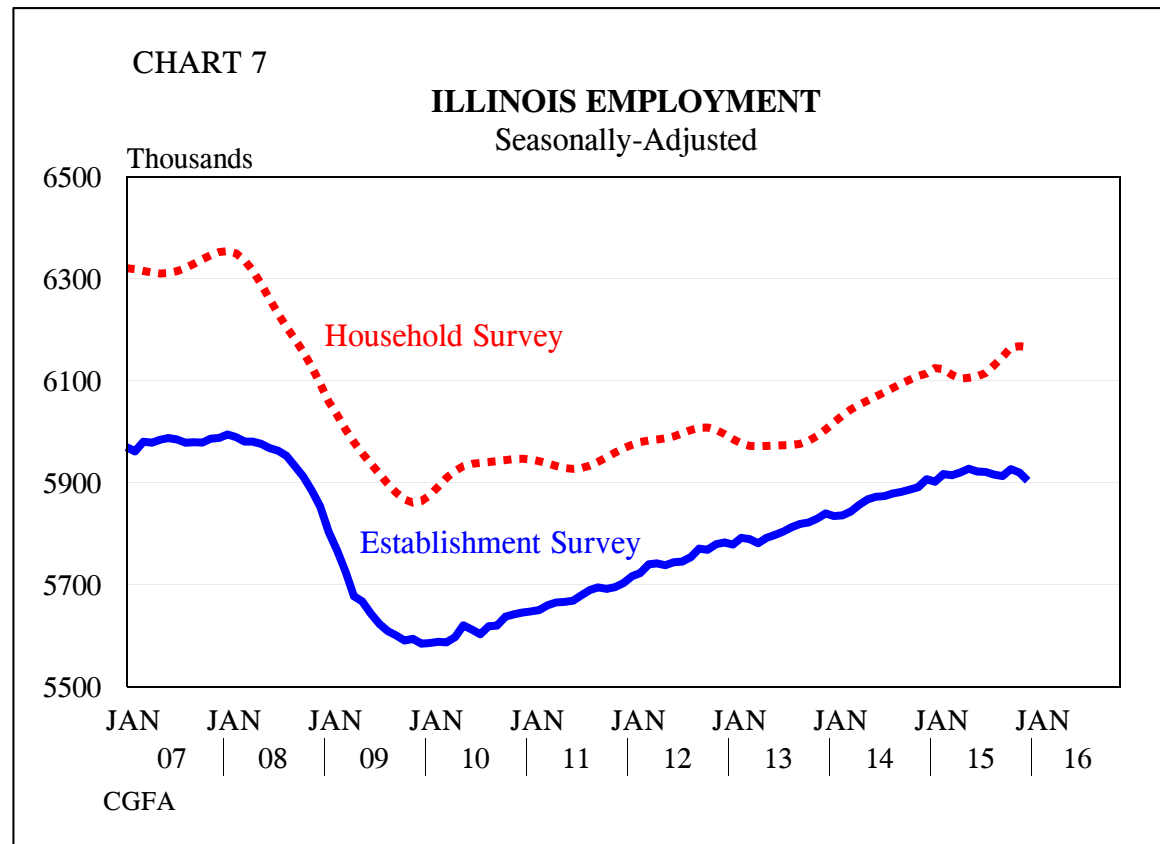
UNITED STATES EMPLOYMENT

- As shown in Chart 6, United States employment has been rising since its low reached at the end of 2009. All the jobs lost during the last recession had been recovered after 5 years and have been added to since. As this occurred, the business cycle ended its recovery phase and finally began its expansion phase.
- Even while employment growth has continued, however, the labor participation rate remains near its lowest level since 1978.



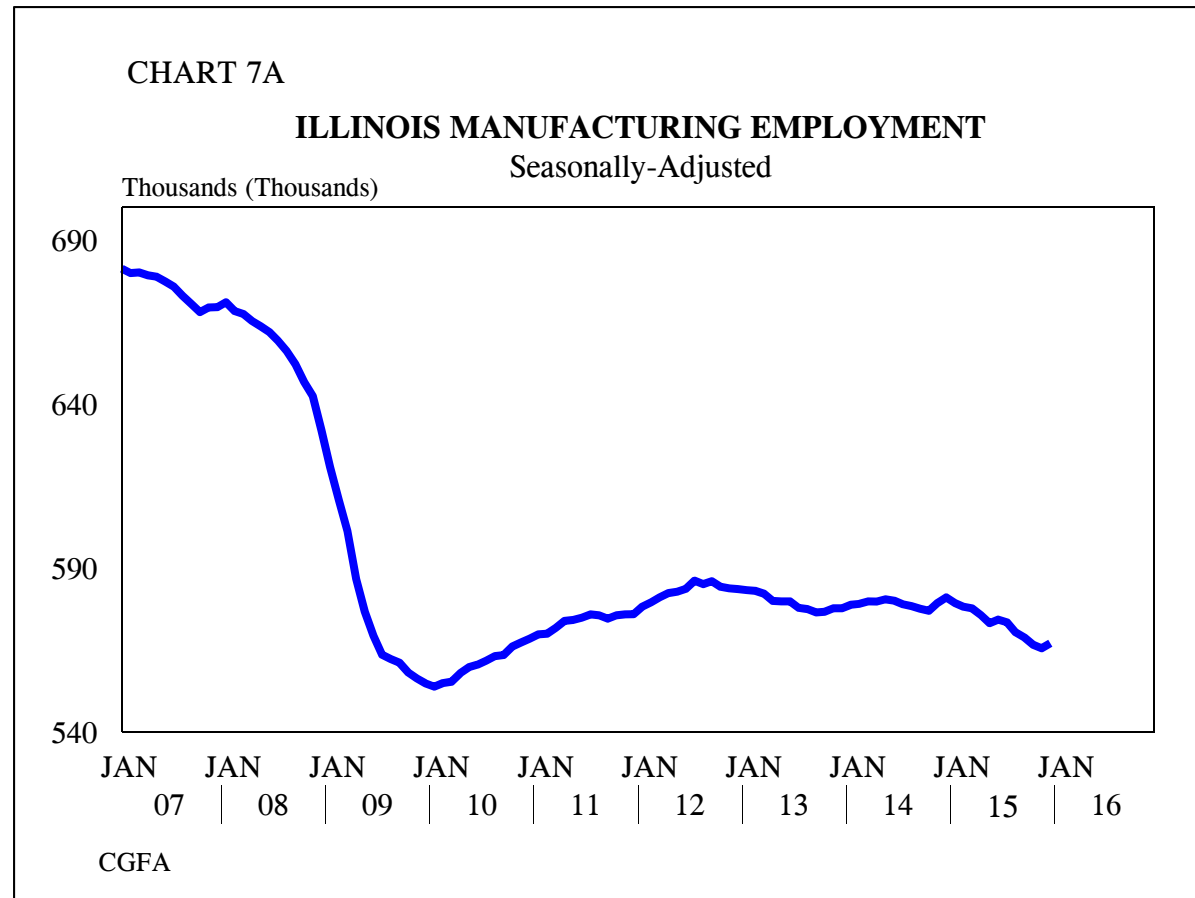
ILLINOIS EMPLOYMENT

- Like the U.S., Illinois employment also has shown gains but they have been at a much slower pace as illustrated in Chart 7.
- As mentioned, it took 5 years for U.S. employment to finally recoup all the jobs lost during the 2007 recession.
- In contrast, Illinois never did recoup the job loss during the previous recession before the last recession set in at the end of 2007. As a result Illinois is still in a recovery, rather than expansion, phase of a business cycle.
- Thus, the gap to reach a new high in employment in the current recovery will be more difficult for Illinois.



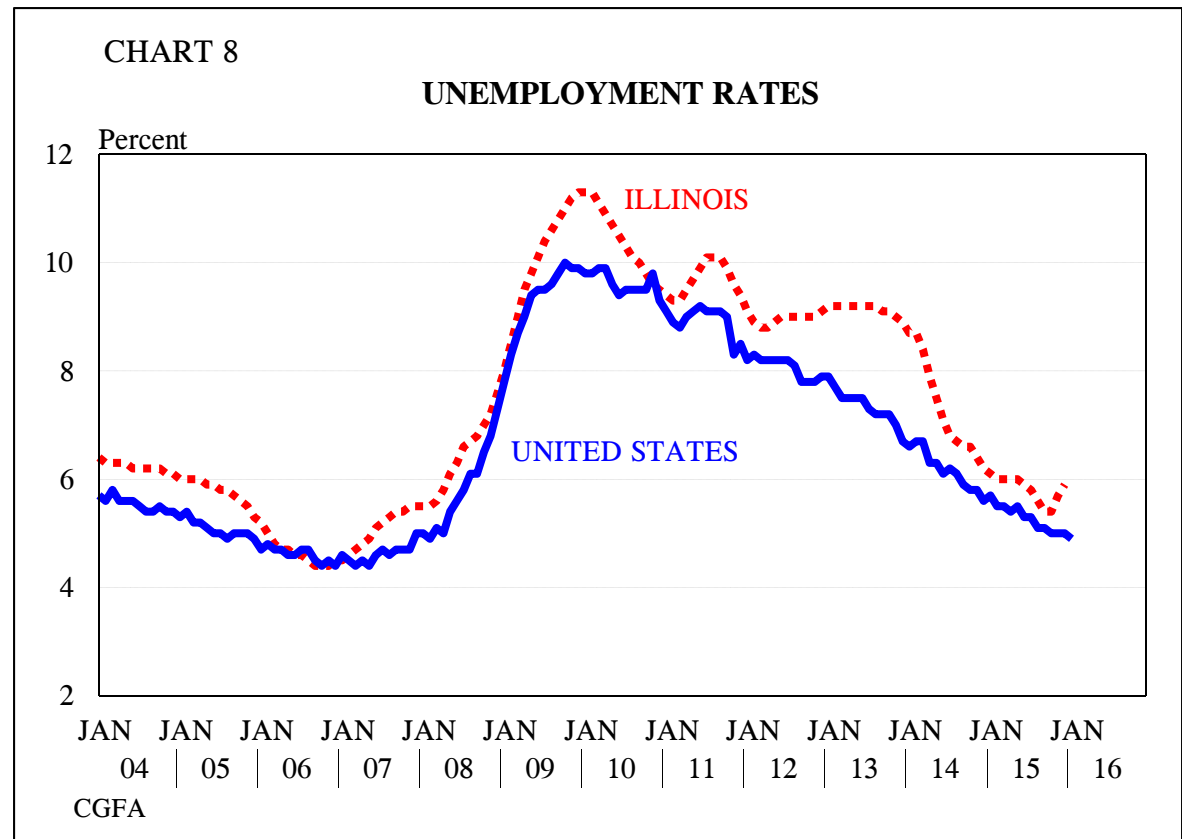
ILLINOIS MANUFACTURING EMPLOYMENT

- A major weakness in the Illinois employment data reflects the continuing loss of jobs in the manufacturing sector.
- As illustrated in Chart 7A, Illinois has lost 14,000 manufacturing jobs in 2015, reaching its lowest level since October 2010.
- Moreover, the trend continues downward.



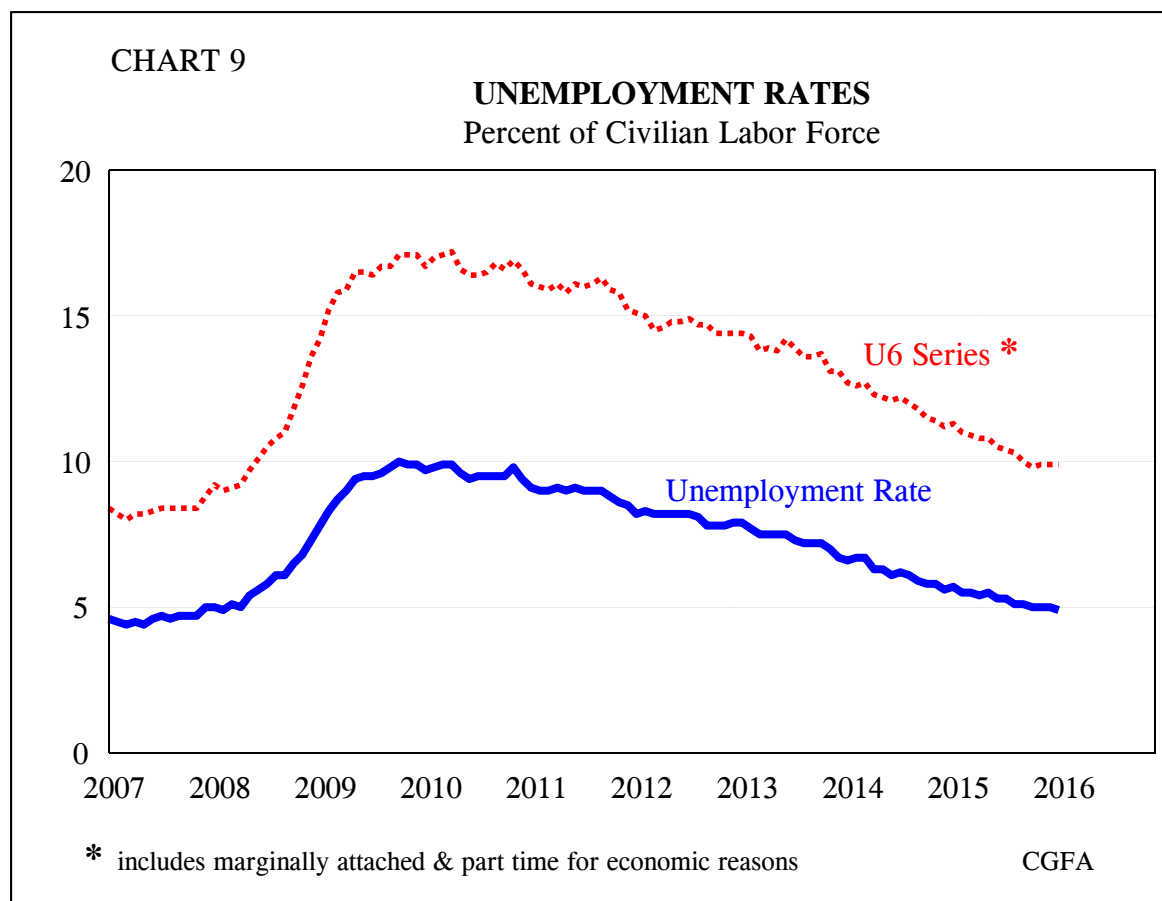
UNEMPLOYMENT RATES

- As shown in Chart 8, as a result of job losses during the recession, the national unemployment rate rose from a low of 4.4% in late 2006 and early 2007 to a high of 10.0% by October 2009.
- In the recovery that began in mid-2009, the unemployment rate showed only moderate improvement. By January 2012, the unemployment rate had edged down to 8.2%. However, the rate fell sharply thereafter so that by the final three months of 2015 it reached 5.0% and edged down further to 4.9% in January of this year.
- Much of the decline came from people dropping out of the labor force.
- As shown, the unemployment rate in Illinois continues to trail the U.S. and the gap is growing larger. After falling to 5.4% in September and October, the Illinois rate rose to 5.7% in November and jumped further to 5.9% in December.



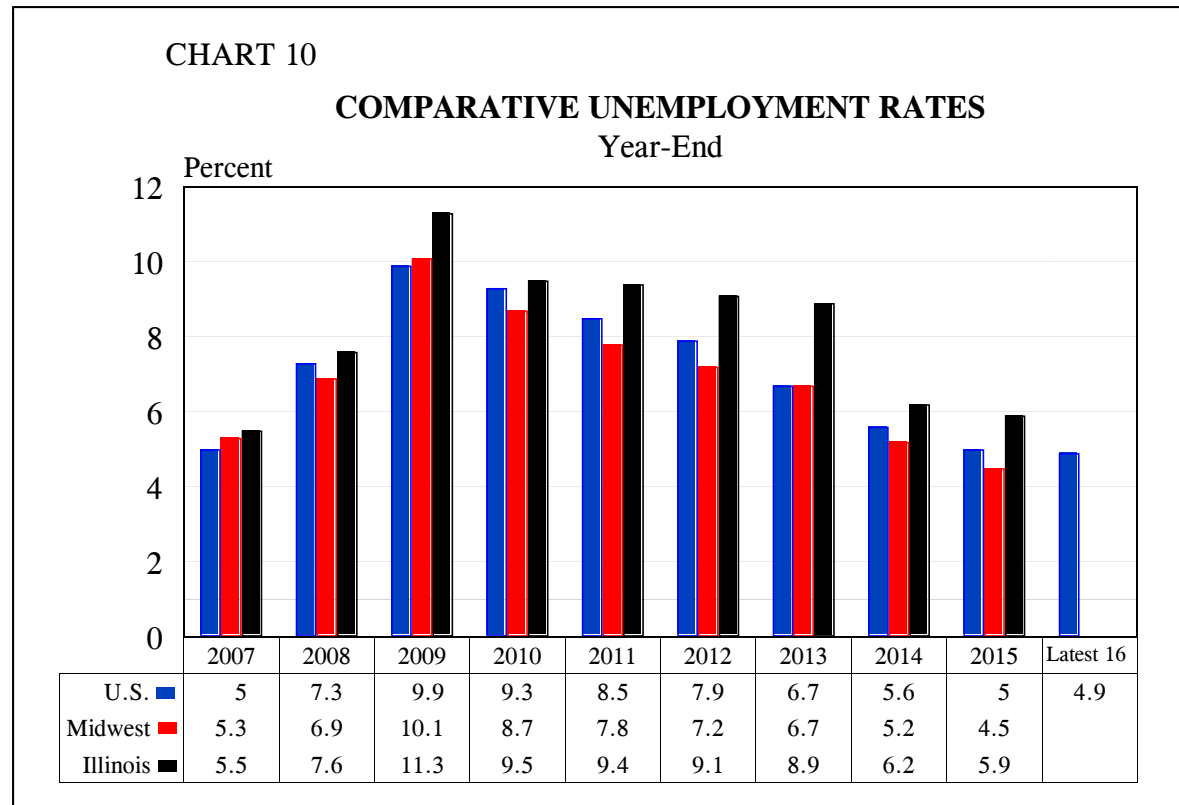
TWO UNEMPLOYMENT RATES

- Chart 9 shows two measures of unemployment issued by the Department of Labor. The lower line is the rate of those unemployed as a percent of the civilian labor force.
- The upper line shows total unemployed, plus those marginally attached workers plus total employed part time for economic reasons, as a percent of all.
- As shown, the gap between the two widened sharply following the recession that got underway at the end of 2007 and slowly narrowed during the current recovery that began at mid-2009 only to widen again recently.
- In January the unemployment rate fell to 4.9% whereas the alternative measure held at 9.9% for the third month.



COMPARATIVE UNEMPLOYMENT RATES

- Unemployment rates have not moved in sync in recent years. Chart 10 shows comparative unemployment rates for the nation, Midwest, and Illinois.
- Starting in 2007, prior to the recession at year-end, Midwest and Illinois rates were similar and only slightly higher than the nation.
- Since 2010, unemployment in the Midwest fell below the national rate and this continued through 2015 in part because manufacturing in the "rust belt" outside of Illinois showed resurgence.
- Unemployment in Illinois began to exceed the national and Midwest rates and that gap has continued.



CHANGE IN REAL GDP

- Chart 11 shows three alternative forecasts of the U.S. economy through FY 2017. The **BASELINE** shows the most likely solution with a 65% chance of occurrence and has the economy continuing to rise moderately through FY 2017.
- A more **OPTIMISTIC** scenario, with a 15% chance of happening shows somewhat stronger economic gains continuing through FY 2017 somewhat stronger than in recent years.
- Finally, a **PESSIMISTIC** scenario, with a 20% chance of occurrence, is shown where the economy stalls, declines for two consecutive quarters, before rising at a slow pace for several quarters, and remaining below the Baseline. This would represent either a mild recession or very sluggish performance.

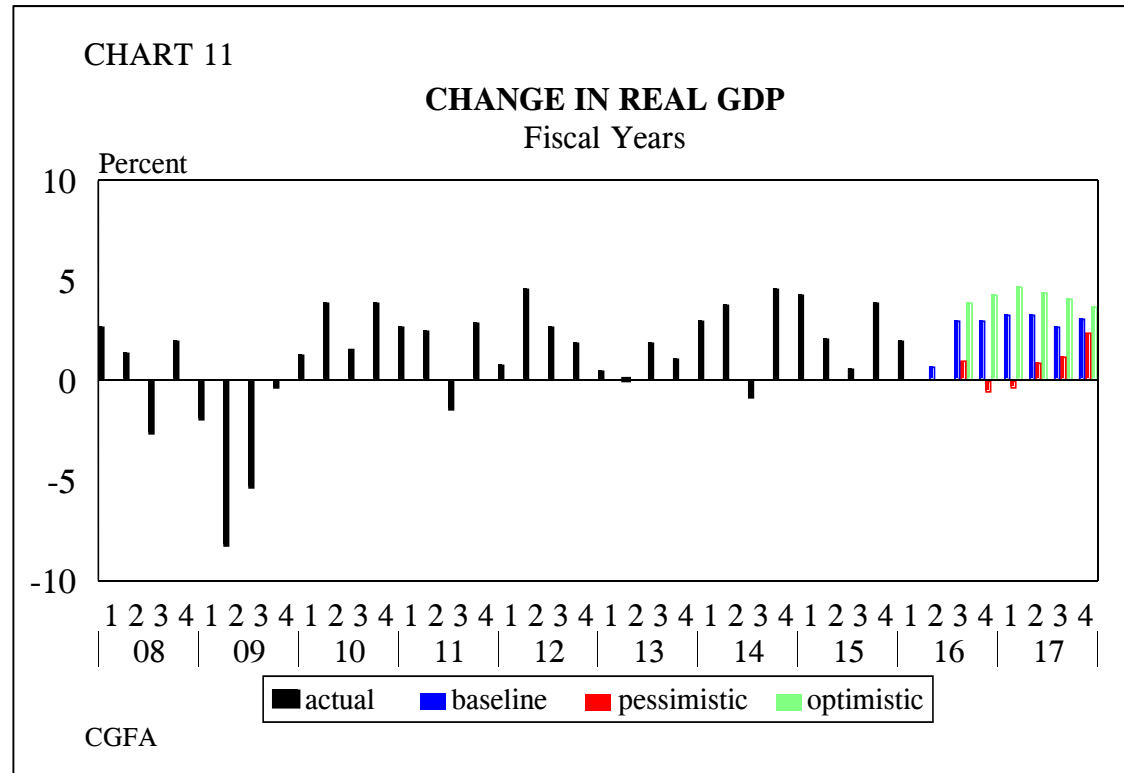


CHART 12: BASELINE FORECASTS -- JANUARY 2016

(\$ Change from prior year levels)

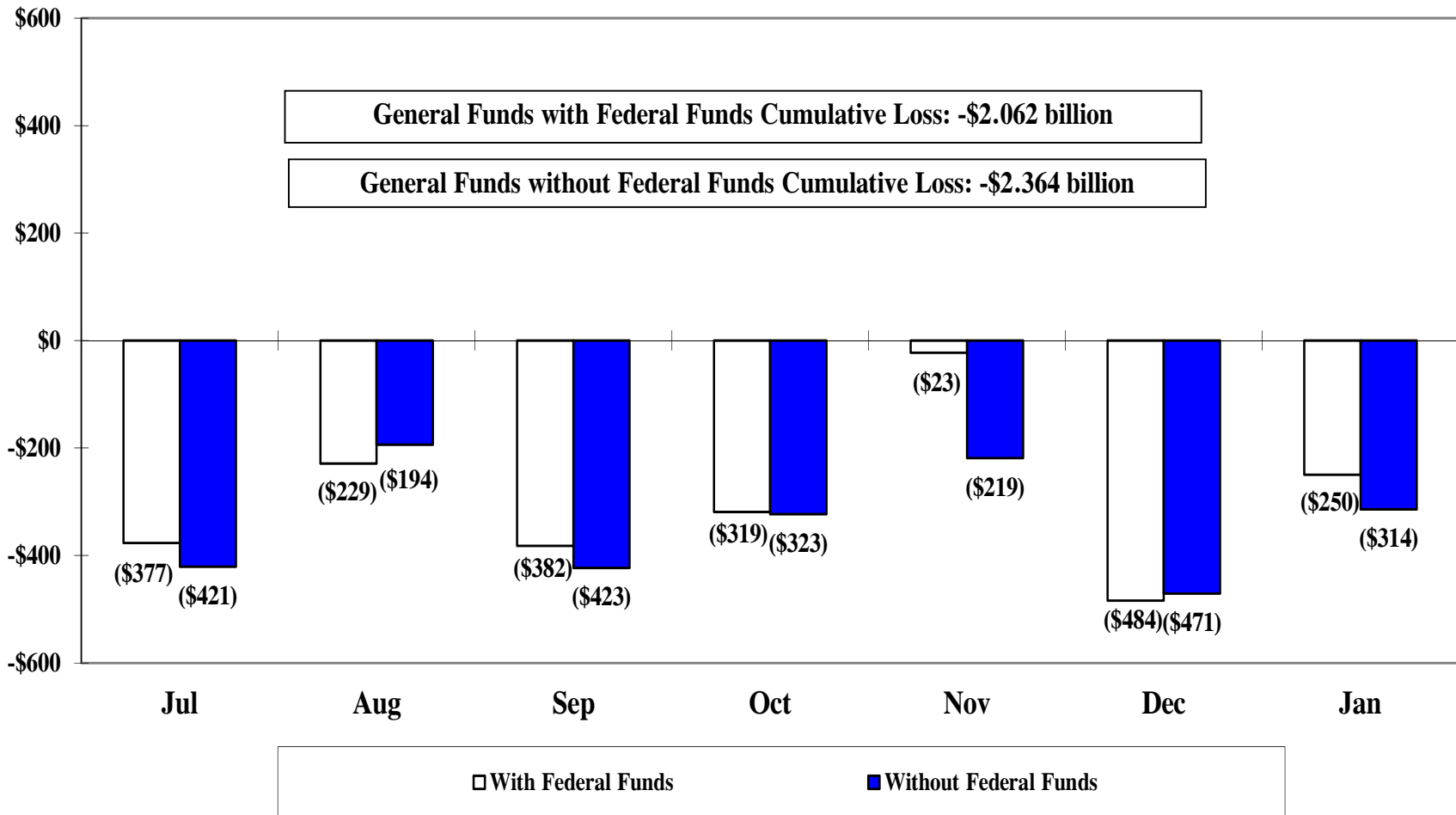
REAL (2009 \$)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Estimated	Estimated
Gross Domestic Product	2.0	1.4	1.4	3.4	2.2	3.0
Personal Consumption	1.7	1.4	2.1	4.3	2.9	3.2
Durable	6.0	7.1	4.8	6.9	5.8	7.2
Nondurable	0.7	1.2	2.0	2.4	3.1	3.0
Services	1.4	0.6	1.7	2.9	2.4	2.6
Fixed Investment	9.4	5.0	6.2	5.8	2.7	6.1
Exports	4.6	2.3	3.7	2.5	0.6	4.4
Imports	3.2	3.9	-0.5	4.9	4.0	6.7
Government	-2.6	-1.7	-2.6	0.2	1.6	1.2
Federal	-3.0	-3.2	-5.3	-0.7	1.6	1.5
State & Local	-2.3	-1.8	0.0	1.0	1.8	1.2
OTHER MEASURES						
Personal Consumption (Current \$)	4.2	3.0	3.5	4.0	3.5	4.9
Before Tax Profits (Current \$)	9.5	2.8	1.0	3.6	-1.8	5.2
Unemployment Rate (Average)	8.5	7.7	6.8	5.7	5.0	4.9

CHART 13: ILLINOIS FORECASTS

Calendar Years	2012 Actual	2013 Actual	2014 Actual	2015 Est.	2016 Est.	2017 Est.
Real Gross State Product (Mil. 2005 \$)	669,665	663,012	669,378	681,806	691,066	708,320
% Change	1.7	-1.0	1.0	1.9	1.4	2.5
Total Employment (Ths)	5,750.6	5,805.1	5,869.4	5,917.2	5,951.8	6,000.0
% Change	1.3	0.9	1.1	0.8	0.6	0.8
Population (Ths)	12,877.0	12,887.3	12,878.5	12,860.5	12,858.8	12,871.4
% Change	0.1	0.1	-0.1	-0.1	0.0	0.1
Personal Income (Bil \$)	593.0	599.1	613.6	635.3	656.7	684.1
% Change	4.1	1.0	2.4	3.5	3.4	4.2
OTHER MEASURES						
Private Housing Starts (Ths)	13.5	14.9	19.3	16.4	18.9	25.2
Unemployment Rate Avg. %	9.0	8.9	7.0	5.8	5.6	5.6

SOURCE: Global Insight FEBRUARY 2016

FY 2016 Monthly General Funds Performance
**July thru January as Compared to Same Prior Year Months*
 (\$ in millions)



* Figures exclude short-term borrowing and Budget Stabilization Fund transfers.

GENERAL FUNDS RECEIPTS: Year to Date (July – January)

Through the first seven months of FY 2016, overall base general funds receipts have declined \$2.062 billion. A large decline was anticipated and reflects comparatively lower income tax rates for the first part of the fiscal year as well as the one-time nature of some pharmaceutical court settlements recovered by the Attorney General's Office last fiscal year. A brief discussion of the performance of major revenue sources to date follows:

- Gross personal income taxes have fallen \$1.639 billion, or \$1.947 billion net of refunds and diversions to the education and human service funds. The large decline was anticipated and reflected in earlier forecasts. In fact, despite the falloff, performance to date can be characterized as decent, even adjusting for what may have been delayed taxpayer adjustments to the lower rates.
- While personal income tax has met expectations, gross corporate income tax revenues have failed to meet even modest expectations. Receipts to date are down \$400 million, or \$355 million net of refunds. A weakening corporate profits picture being the largest culprit.
- Sales tax receipts have been essentially flat for the fiscal year, growing only \$9 million to date. While suppressed levels are due in part to lower sales tax on motor fuel, a pullback in overall consumer spending seems to be in the works.
- While federal sources have grown \$302 million over a comparatively very weak period of a year earlier, the pace to date is disappointing and reflects cash flow constraints on reimbursable spending. In FY 2015, \$1.284 billion in fund sweeps over the last third of the fiscal year allowed for a surge in reimbursable spending. Absent a repeat of a similar cash infusion, federal sources are likely to disappoint over the remainder of the fiscal year.

GENERAL FUNDS RECEIPTS: YEAR TO DATE [July-Jan]				
FY 2016 vs. FY 2015				
(\$ million)				
Revenue Sources	FY 2016	FY 2015	CHANGE FROM FY 2015	% CHANGE
State Taxes				
Personal Income Tax	\$8,600	\$10,239	(\$1,639)	-16.0%
Corporate Income Tax (regular)	1,055	1,455	(\$400)	-27.5%
Sales Taxes	4,814	4,805	\$9	0.2%
Public Utility Taxes (regular)	515	553	(\$38)	-6.9%
Cigarette Tax	198	201	(\$3)	-1.5%
Liquor Gallonage Taxes	106	104	\$2	1.9%
Vehicle Use Tax	19	18	\$1	5.6%
Inheritance Tax	215	175	\$40	22.9%
Insurance Taxes and Fees	175	165	\$10	6.1%
Corporate Franchise Tax & Fees	126	127	(\$1)	-0.8%
Interest on State Funds & Investments	13	13	\$0	0.0%
Cook County IGT	56	56	\$0	0.0%
Other Sources	235	370	(\$135)	-36.5%
Subtotal	\$16,127	\$18,281	(\$2,154)	-11.8%
Transfers				
Lottery	376	368	\$8	2.2%
Riverboat transfers & receipts	205	215	(\$10)	-4.7%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	77	63	\$14	22.2%
Fund sweeps	0	0	\$0	N/A
Other	353	312	\$41	13.1%
Total State Sources	\$17,138	\$19,239	(\$2,101)	-10.9%
Federal Sources				
	\$1,710	\$1,408	\$302	21.4%
Total Federal & State Sources	\$18,848	\$20,647	(\$1,799)	-8.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$838)	(\$1,024)	\$186	-18.2%
Corporate Income Tax	(\$160)	(\$205)	\$45	-22.0%
Fund for Advancement of Education	(\$247)	\$0	(\$247)	N/A
Commitment to Human Services Fund	(\$247)	\$0	(\$247)	N/A
Subtotal General Funds	\$17,356	\$19,418	(\$2,062)	-10.6%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Interfund Borrowing	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$125	\$275	(\$150)	-54.5%
Total General Funds	\$17,481	\$19,693	(\$2,212)	-11.2%

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

24-Feb-16

(\$ millions) Revenue Source	CGFA July-15	Identified Revenue Pressures FY 2016 Revenue Performance	Revised CGFA March-16
"Big Three"--PIT,CIT, Sales	\$23,381	<p>Personal income tax receipts have performed quite well thus far, particularly the withholding and estimated payment components. However, that overperformance may come at a cost when final payments are received this spring. Tax payers slow to adjust to the lower January 2016 rates may have paid higher than necessary amounts. The consequence would be lower final payments and increased refunds owed. With these mixed pressures present, until final returns are made this spring, the estimate for gross personal income tax is unchanged [but net receipts are revised up \$44 million due to slightly lower refund rates being used thus far]. Corporate income taxes have underperformed so far in FY'16. Given the poor outlook for corporate profits over the forecast horizon the net estimate has been lowered by \$73 million. Sales taxes have struggled to produce any growth thus far in FY'16. Lower fuel prices are a contributing factor to the suppressed outlook as is a moderating outlook on overall consumer appetite. As a result, the lack of sales tax growth experienced thus far equates to a downward revision of \$230 million.</p> <p>DOWNWARD PRESSURE \$259M</p>	\$23,122
All Other State Sources	\$3,210	<p>Inheritance tax receipts have continued to surprise with much better than expected performance, presumably due to market conditions and subsequent estate valuation. Offsetting some of those gains are weaker than expected public utility tax receipts. UPWARD PRESSURE \$6M</p>	\$3,216
Transfers In	\$1,626	<p>While \$77 million in unexpected Refund Fund transfers into the General Fund occurred early in the fiscal year, lower expectations from all other transfers are expected to offset most of that gain. UPWARD PRESSURE \$22M</p>	\$1,648
Federal Sources	\$3,922	<p>Federal source receipt performance to date has demonstrated some growth over an extremely weak first two-thirds of FY 15. However, absent an infusion of resources such as happened last year [\$1.284 billion in fund sweeps in the last quarter] reaching the earlier forecast would be unlikely. As a result, federal sources are expected to fall well short of earlier expectations. DOWNWARD PRESSURE \$211M</p>	\$3,711
Total	\$32,139	<p>While personal income tax has done well to date, remaining uncertainty related to final payments raises concerns that a revision at this time may be premature. However, poor performance from both corporate income tax and sales tax must be accounted for in the revised estimate. Also, federal sources stemming from reimbursable spending are well behind levels necessary to reach the earlier forecast, and must be revised down.</p> <p>TOTAL DOWNWARD PRESSURE \$442M</p>	\$31,697

UPDATED CGFA FY 2016 ESTIMATE

The table presents an updated outlook of FY 2016 general funds revenue. As shown, the forecast is for \$31.697 billion, a drop of \$442 million from the Commission's July 2015 estimate. The following highlights explain the largest revisions and/or discussions of note.

- The estimate of gross personal income tax remains unchanged. While the year to date performance of the withholding and estimated tax components have been somewhat stronger than expected, uncertainty related to what that early performance may have on final payments in March/April gives pause for any revision at this time. A slight reduction in the refund rate assumption results in a net increase in the forecast of \$44 million.
- Gross corporate income tax, after underwhelming performance thus far, is revised down \$130 million, or \$73 million net of refunds.
- Sales tax has experienced weakness over the entire fiscal year. Lower sales tax receipts on motor fuel due to price declines contributed to the lack of growth, but underlying consumer weakening also no doubt contributed. With little reason to expect improvement over the remainder of the fiscal year, the estimate is revised down \$230 million.
- Public utility tax receipts have performed somewhat below expectations through the first two-thirds of the fiscal year. As a result, the estimate is lowered \$32 million.
- Inheritance tax receipts continue to over perform relative to expectations. Obviously this source is quite unpredictable and a small number of large estates can skew performance. However, with two thirds of the fiscal year complete, an upward revision of \$25 million is being made.
- While an unexpected transfer early in the fiscal year of \$77 million from the Refund Fund is now incorporated into the estimate, other transfers into the general funds are expected to fall short of the earlier forecast. The estimate is lowered by \$57 million.
- Federal sources are one of the most uncertain elements in the estimate. Federal sources are normally governed by appropriation levels, available cash for spending, and the priority of payments made by the Comptroller. This year with no actual budget, spending on federal reimbursable programs is being made under court orders and decrees. With unpaid bills hovering around \$7 billion, the Comptroller is under the unenviable position of deciding what bills to pay, and what ones to defer. While it stands to reason that some consideration is given to bills that can generate federal reimbursement, current performance to date would indicate that federal sources will fall well short of initial expectations. As a result, the forecast has been revised down \$211 million at this time. Absent some infusion of resources over the remainder of the year, even that outlook may prove too optimistic. [\$1.284b in fund sweeps last year significantly boosted reimbursable spending and subsequent reimbursement in the final quarter].

UPDATED CGFA FY 2016 ESTIMATE			
[Based on Current Law]			
(millions)			
	FY 2016 March-16	FY 2016 July-15	\$ Difference
Revenue Sources			
State Taxes			
Personal Income Tax	\$15,173	\$15,173	\$0
Corporate Income Tax (regular)	\$2,700	\$2,830	(\$130)
Sales Taxes	\$8,050	\$8,280	(\$230)
Public Utility (regular)	\$958	\$990	(\$32)
Cigarette Tax	\$355	\$355	\$0
Liquor Gallonage Taxes	\$168	\$168	\$0
Vehicle Use Tax	\$34	\$32	\$2
Inheritance Tax	\$345	\$320	\$25
Insurance Taxes & Fees	\$365	\$353	\$12
Corporate Franchise Tax & Fees	\$211	\$212	(\$1)
Interest on State Funds & Investments	\$25	\$25	\$0
Cook County Intergovernmental Transfer	\$244	\$244	\$0
Other Sources	\$511	\$511	\$0
Subtotal	\$29,139	\$29,493	(\$354)
Transfers			
Lottery	\$691	\$689	\$2
Riverboat transfers and receipts	\$280	\$280	\$0
Proceeds from sale of 10th license	\$10	\$10	\$0
Refund Fund transfer	\$77	\$0	\$77
Other	\$590	\$647	(\$57)
Total State Sources	\$30,787	\$31,119	(\$332)
Federal Sources	\$3,711	\$3,922	(\$211)
Total Federal & State Sources	\$34,498	\$35,041	(\$543)
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax [9.75% vs. 10%]	(\$1,479)	(\$1,517)	\$38
Corporate Income Tax [15.2% vs. 16.5%]	(\$410)	(\$467)	\$57
Fund for Advancement of Education	(\$456)	(\$459)	\$3
Commitment to Human Services Fund	(\$456)	(\$459)	\$3
Subtotal General Funds	\$31,697	\$32,139	(\$442)

NOTE: Totals exclude Budget Stabilization transfers, and other cash flow transfers.

REVISED FY 2016 GENERAL FUNDS FORECAST

Revised FY 2016 General Funds Forecast			
CGFA vs. GOMB [Current Law]			
(\$ millions)	CGFA	GOMB	Difference
"Big Three"--Personal, Corporate, and Sales Taxes	\$23,122	\$22,750	\$372
All Other State Sources	\$3,216	\$3,135	\$81
Transfers In	\$1,648	\$1,666	(\$18)
Federal Sources	\$3,711	\$4,161	(\$450)
Interfund Borrowing	\$0	\$0	\$0
Total	\$31,697	\$31,712	(\$15)

The accompanying tables compare the revised FY 2016 Commission's estimate to the one presented in the Governor's Budget Book. As shown, overall the estimates are similar differing by only \$15 million; however, closer inspection reveal some significant differences.

- In terms of the "Big Three", the Commission is \$372 million above levels forecast by GOMB. The estimates of corporate income tax are very similar, while the Commission's outlook for sales taxes are \$90 million less than GOMB as there appears little reason to expect growth over the remaining third of the fiscal year. It is in the forecast of personal income tax that fairly significant differences can be found. While both agencies anticipate declines in final payments due to what appears to be the surprisingly strong performance earlier in the fiscal year as some taxpayers may have been slow to adjust to the lower rates, the Commission is quite comfortable at this stage in retaining its earlier forecast. Only until final payments are made in the coming months will this uncertainly be removed. If necessary, an adjustment can be made in early May.
- For the most part, the estimates of all other state sources are similar, although the Commission's forecast is \$81 million higher than GOMB. While CGFA is lower in the estimate of public utility tax receipts, it is more than offset by higher projections for inheritance, insurance and corporate franchise taxes.
- Little difference exists in the estimates of transfers into the general funds.
- Federal sources continue to present challenges to forecasters. With no specific appropriation spending authority in place at this time, coupled with cash flow problems as well as continued use of Medicare premium off-set methodology, forecasting federal sources elevates from difficult to near impossible. The Commission's estimate of federal sources is \$450 million lower than that presented by GOMB in the Budget Book. That amount is the value assigned to the impact of the current Medicare premium off-set methodology being employed. The GOMB's forecast appears to assume a spend/reimburse method which has not been employed for a number of fiscal years.

FY 2016 GENERAL FUNDS REVENUE			
CGFA REVISED vs. GOMB BUDGET BOOK [current law]			
(millions)			
	FY 2016 CGFA Mar-2016	FY 2016 GOMB Feb-2016	\$ Difference
Revenue Sources			
State Taxes			
Personal Income Tax	\$15,173	\$14,644	\$529
Corporate Income Tax (regular)	\$2,700	\$2,690	\$10
Sales Taxes	\$8,050	\$8,140	(\$90)
Public Utility (regular)	\$958	\$977	(\$19)
Cigarette Tax	\$355	\$355	\$0
Liquor Gallonage Taxes	\$168	\$168	\$0
Vehicle Use Tax	\$34	\$29	\$5
Inheritance Tax	\$345	\$275	\$70
Insurance Taxes & Fees	\$365	\$355	\$10
Corporate Franchise Tax & Fees	\$211	\$202	\$9
Interest on State Funds & Investments	\$25	\$19	\$6
Cook County Intergovernmental Transfer	\$244	\$244	\$0
Other Sources	\$511	\$511	\$0
Subtotal	\$29,139	\$28,609	\$530
Transfers			
Lottery	\$691	\$692	(\$1)
Riverboat transfers and receipts	\$280	\$271	\$9
Proceeds from sale of 10th license	\$10	\$10	\$0
Refund Fund transfer	\$77	\$77	\$0
Interfund Borrowing	\$0	\$0	\$0
Other	\$590	\$616	(\$26)
Total State Sources	\$30,787	\$30,275	\$512
Federal Sources	\$3,711	\$4,161	(\$450)
Total Federal & State Sources	\$34,498	\$34,436	\$62
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax [9.75% '16]	(\$1,479)	(\$1,428)	(\$51)
Corporate Income Tax [15.2% '16]	(\$410)	(\$409)	(\$1)
Fund for Advancement of Education	(\$456)	(\$444)	(\$13)
Commitment to Human Services Fund	(\$456)	(\$444)	(\$13)
Subtotal General Funds	\$31,697	\$31,712	(\$15)
NOTE: Totals exclude Budget Stabilization transfers, and other cash flow transfers.			

CGFA FY 2017 GENERAL FUNDS FORECAST

The Commission’s FY 2017 estimate of general funds revenues, based on current law, is \$31.912 billion, reflecting a net increase of \$215 million from the revised FY 2016 forecast. The following provides a brief overview of the assumptions used to develop the estimates of the larger economic sources. A more detailed table as well as additional discussion of components of the forecast can be found on the following page.

CGFA FY 2017 General Funds Forecast [Based on Current Law]				
(\$ millions)				
Revenue Source	FY 2017	FY 2016	Difference	
"Big Three"--Personal, Corporate, and Sales Taxes	\$23,338	\$23,122	\$216	
All Other State Sources	\$3,199	\$3,216	(\$17)	
Transfers In	\$1,608	\$1,648	(\$40)	
Federal Sources	\$3,767	\$3,711	\$56	
Total	\$31,912	\$31,697	\$215	

“The Big Three”

- The estimate of gross personal income tax assumes underlying base growth of 2.0%. The subpar growth reflects continued weakness in jobs, wages, and the increased likelihood of recessionary pressures. That modest growth rate is further reduced by the inclusion of comparative timing elements of the lower tax rate [first qtr. FY’16 final payments still reflected the higher rates]. On a net basis, the estimate is further limited by the assumption that the refund rate will increase from 9.75% in FY 2016 to 10% in FY 2017. Ultimately, net growth is expected to be only \$115 million. [It should be pointed out that even further upward pressure on the refund percentage may develop should a backlog in unpaid refunds occur, a distinct possibility given preliminary DoR observations.]
- The estimate of gross corporate income tax assumes underlying base growth of 1.5%. Lack of meaningful growth is consistent with what has been described as a “profits recession”, and is in line with low profit expectations per our forecasting service Global Insight. The estimate is further adjusted down by timing elements still at work related to the rate reduction of January 2015. In fact, those timing elements, coupled with lackluster base growth actually translate into a small loss in gross receipts on a year over year basis. Adding the assumed higher refund percentage of 15.5%, and on a net basis, the estimate actually reflects a decline of \$52 million.
- Sales tax is forecast to grow only 1.9%, or \$153 million. The relatively modest growth reflects lower fuel prices that have not translated into other consumer activity. Also, a modest rate of growth is appropriate given other conditions that may lead to a continued cautious consumer i.e. lack of a state budget and increased possibility of recession.

CGFA FY 2016 & FY 2017 ESTIMATES

All Other State Sources

- Public Utility Taxes are expected to fall \$12 million, continuing its downward trend experienced over the last several years, primarily due to a weakening telecommunication tax.
- The estimate of Inheritance Tax (Estate Tax) reflects a reduction of \$35 million from what appears to be a period of excessively strong receipts likely brought about by wealth created during stellar market conditions during 2012-2014. With subpar 2015 and thus far weak 2016, at some point estate valuations may very well slide, resulting in reduced receipts. Complicating this estimate is the uncertainty over the number of qualifying deaths, and fairly long lag from death to tax payment, which can be more than nine months.
- Other Sources are forecast to grow \$29 million due primarily to higher expected Build Illinois escrow deposits that are initiated by GOMB and are reflected in their forecast.

Transfers

- Overall transfers are expected to drop \$40 million in FY 2017. Lottery transfer growth of \$12 million is statutorily tied to an inflation index and the \$6 million decline in riverboat transfers and receipts reflect further erosion. With the likelihood building of a backlog of unpaid tax refunds, no such transfer is assumed next fiscal year (\$77 in FY 2016). Finally, all other miscellaneous transfers are expected to grow \$31 million.

Federal Sources

- Federal sources are anticipated to grow \$56 million in FY 2017. At this time, the Commission is utilizing as a starting point the FY 2017 federal source estimate displayed in the Governor's Budget Book. However, the Commission is adjusting the forecast down by \$500 million to account for the expected continuation of the federal government off-setting reimbursements by what the state owes for Medicare premium payments under the Medicaid program. In essence, the federal government has been reducing Illinois' reimbursement for a number of fiscal years now by an amount equal to what is owed them for Medicare premiums. The value of the offset method versus the old "spend and reimburse" method is approximately \$500 million. Should the federal government make the state return to the "spend and reimburse" method, the result would be upward pressure on the estimate. Although, it must be mentioned that several factors govern federal sources; appropriation levels, cash available for spending, and bill payment priorities of the Comptroller. All of which can have a significant impact on the actual amount of federal reimbursement realized in a given fiscal year.

CGFA FY 2016 & FY 2017 ESTIMATES			
[Based on Current Law]			
(millions)			
	FY 2017	FY 2016	\$
Revenue Sources	March-16	March-16	Difference
State Taxes			
Personal Income Tax	\$15,354	\$15,173	\$181
Corporate Income Tax (regular)	\$2,648	\$2,700	(\$52)
Sales Taxes	\$8,203	\$8,050	\$153
Public Utility (regular)	\$946	\$958	(\$12)
Cigarette Tax	\$355	\$355	\$0
Liquor Gallonage Taxes	\$169	\$168	\$1
Vehicle Use Tax	\$34	\$34	\$0
Inheritance Tax	\$310	\$345	(\$35)
Insurance Taxes & Fees	\$365	\$365	\$0
Corporate Franchise Tax & Fees	\$211	\$211	\$0
Interest on State Funds & Investments	\$25	\$25	\$0
Cook County Intergovernmental Transfer	\$244	\$244	\$0
<u>Other Sources</u>	<u>\$540</u>	<u>\$511</u>	<u>\$29</u>
Subtotal	\$29,404	\$29,139	\$265
Transfers			
Lottery	\$703	\$691	\$12
Riverboat transfers and receipts	\$274	\$280	(\$6)
Proceeds from sale of 10th license	\$10	\$10	\$0
Refund Fund transfer	\$0	\$77	(\$77)
<u>Other</u>	<u>\$621</u>	<u>\$590</u>	<u>\$31</u>
Total State Sources	\$31,012	\$30,787	\$225
Federal Sources	\$3,767	\$3,711	\$56
Total Federal & State Sources	\$34,779	\$34,498	\$281
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax [9.75% '16 & 10% '17]	(\$1,535)	(\$1,479)	(\$56)
Corporate Income Tax [15.2% '16 & 15.5% '17]	(\$410)	(\$410)	\$0
Fund for Advancement of Education	(\$461)	(\$456)	(\$5)
Commitment to Human Services Fund	(\$461)	(\$456)	(\$5)
Subtotal General Funds	\$31,912	\$31,697	\$215
NOTE: Totals exclude Budget Stabilization transfers, and other cash flow transfers.			

FY 2017 GENERAL FUNDS FORECAST

CGFA vs. GOMB (current law)

The accompanying table compares FY 2017 revenue outlooks between the Commission and the GOMB. As shown, the overall differences are minimal, accounting for a difference of \$19 million. However, as presented in the Budget Book, the Governor’s FY 2017 forecast includes approximately \$925 million in revenue in what can be described in varying degrees from being unlikely to uncertain.

FY 2017 General Funds Forecast CGFA vs. GOMB [Current Law]			
(\$ millions)	CGFA	GOMB	Difference
"Big Three"--Personal, Corporate, and Sales Taxes	\$23,338	\$23,271	\$67
All Other State Sources	\$3,199	\$3,151	\$48
Transfers In	\$1,608	\$1,704	(\$96)
Federal Sources	\$3,767	\$3,767	\$0
Total	\$31,912	\$31,893	\$19

Including Key GOMB Assumptions in Budget Book			
No Medicare offset to Federal reimbursements	\$500	\$500	\$0
Proceeds from sale of Thompson Center	\$200	\$200	\$0
Sweep of Budget Stabilization Fund Balance	\$275	\$275	\$0
Hotel tax distribution change	(\$50)	(\$50)	\$0
Total GOMB Assumptions	\$925	\$925	\$0
Total General Funds	\$32,837	\$32,818	\$19

- On a net basis the Commission’s estimate of the “Big Three” stands at \$67 million higher than the GOMB forecast. CGFA is higher in the estimates of personal income tax, but lower in the outlook for the corporate income tax and sales tax.
- CGFA is slightly higher than the GOMB in the forecasts for a number of the lessor revenue sources, as the total difference is \$48 million.
- The Commission’s estimate of overall transfers into the General Funds is \$96 million below GOMB levels and reflects lower expectations from the Capitol Projects Funds.
- For presentation purposes, both federal source estimates assume the continuation of the “off-set” methodology regarding the Medicare premium payments under the Medicaid program.

FY 2017 GENERAL FUNDS REVENUE CGFA vs. GOMB (Detailed)

The accompanying table provides a higher level of detail as to the Commission's and GOMB's base FY 2017 forecast. In addition, as shown in the section entitled **Key GOMB Assumptions in Budget Book**, \$925 million is included but certainly not assured.

Namely:

- GOMB assumes \$500 million from the old “spend and reimburse” methodology of Medicare premiums rather than the “off-set” method which has been in effect for a number of fiscal years. At this time, it seems unlikely the old method will be applied again. It should be noted that on a budgetary basis the two methods impact the same—while we get less back under the “off-set” method, we also spend less in a similar amount.
- GOMB assumes the receipt of \$200 million from the sale of the Thompson Center. History may be a guide in terms of counting on the sale of this property. It may take some time for such a transaction to occur, if at all.
- GOMB assumes a one-time non-repayable sweep of the balance in the Budget Stabilization Fund, valued at \$275 million. Statutory changes would be required to eliminate repayment provisions.
- GOMB assumes in their estimate of “other sources” a change in the distribution of the hotel tax whereby approximately \$50 million that normally gets deposited into GRF, instead is directed to the Tourism Promotion Fund. Statutory changes are necessary to enact that proposed change.

FY 2017 GENERAL FUNDS REVENUE CGFA vs. GOMB [Current Law] (millions)			
Revenue Sources	FY 2017 CGFA Mar-2016	FY 2017 GOMB Feb-2016	\$ Difference
State Taxes			
Personal Income Tax	\$15,354	\$15,022	\$332
Corporate Income Tax (regular)	\$2,648	\$2,780	(\$132)
Sales Taxes	\$8,203	\$8,310	(\$107)
Public Utility (regular)	\$946	\$958	(\$12)
Cigarette Tax	\$355	\$355	\$0
Liquor Gallonage Taxes	\$169	\$169	\$0
Vehicle Use Tax	\$34	\$29	\$5
Inheritance Tax	\$310	\$275	\$35
Insurance Taxes & Fees	\$365	\$355	\$10
Corporate Franchise Tax & Fees	\$211	\$201	\$10
Interest on State Funds & Investments	\$25	\$19	\$6
Cook County Intergovernmental Transfer	\$244	\$244	\$0
<u>Other Sources</u>	<u>\$540</u>	<u>\$546</u>	<u>(\$6)</u>
Subtotal	\$29,404	\$29,263	\$141
Transfers			
Lottery	\$703	\$705	(\$2)
Riverboat transfers and receipts	\$274	\$273	\$1
Proceeds from sale of 10th license	\$10	\$10	\$0
Refund Fund transfer	\$0	\$0	\$0
Interfund Borrowing	\$0	\$0	\$0
<u>Other</u>	<u>\$621</u>	<u>\$716</u>	<u>(\$95)</u>
Total State Sources	\$31,012	\$30,967	\$45
Federal Sources	\$3,767	\$3,767	\$0
Total Federal & State Sources	\$34,779	\$34,734	\$45
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax [10% '17]	(\$1,535)	(\$1,502)	(\$33)
Corporate Income Tax [15.5% '17]	(\$410)	(\$431)	\$21
Fund for Advancement of Education	(\$461)	(\$454)	(\$7)
Commitment to Human Services Fund	(\$461)	(\$454)	(\$7)
Subtotal General Funds	\$31,912	\$31,893	\$19
Including Key GOMB Assumptions in Budget Book			
No Medicare offset to Federal reimbursements	\$500	\$500	\$0
Proceeds from sale of Thompson Center	\$200	\$200	\$0
Sweep of Budget Stabilization Fund Balance	\$275	\$275	\$0
Hotel tax distribution change	(\$50)	(\$50)	\$0
Total GOMB Assumptions	\$925	\$925	\$0
Total General Funds	\$32,837	\$32,818	\$19

BASE GROWTH ASSUMPTIONS FOR FY 2017

Base Growth Assumptions for FY'17

"The Big Three"

	<u>CGFA</u>	<u>GOMB</u>	<u>5 yr. avg</u>
PIT [base]	2.0%	2.6%	4.2%
CIT [base]	1.5%	3.0%	4.8%
Sales	1.9%	2.1%	3.4%

"Big Three" Forecasts

- CGFA's estimated rate of growth for base personal income tax is 2% and is consistent with a view that reflects a continued weakening of job growth and average weekly earnings. The forecast represents growth of approximately half of what has been the 5 year average base growth of 4.2%.
- Base corporate income tax receipts are forecast to grow only 1.5%, reflecting continued struggles for corporate profits. The forecasted rate is lower than the 5 year average base growth of 4.8%, and falls between the baseline and pessimistic scenarios.

- Sales tax is estimated to grow 1.9% and reflects a view of slow growth in FY 2017. Given the considerable weakening trend being established to date in FY'16, there is little reason to anticipate a near term turnaround. The lower estimated rate of growth compares with a 5 yr. average of 3.4%.

Development of CGFA Estimates

Econometric Firms—The Commission utilizes the services of IHS Global Insight, Moody's Analytics and Consultant Robert Dieli, Ph.D. They provide a wealth of economic measures and forecasts, both on a national and state specific basis, which are utilized to varying degrees during the estimating process.

Data Sources—The Commission utilizes actual receipt data via the Comptroller's warehouse. Additional tax collection data reports prepared by the DoR, as well as employment and earning reports produced by the Bureau of Labor Statistics and IDES are also utilized, as are other pertinent data that may be necessary and available.

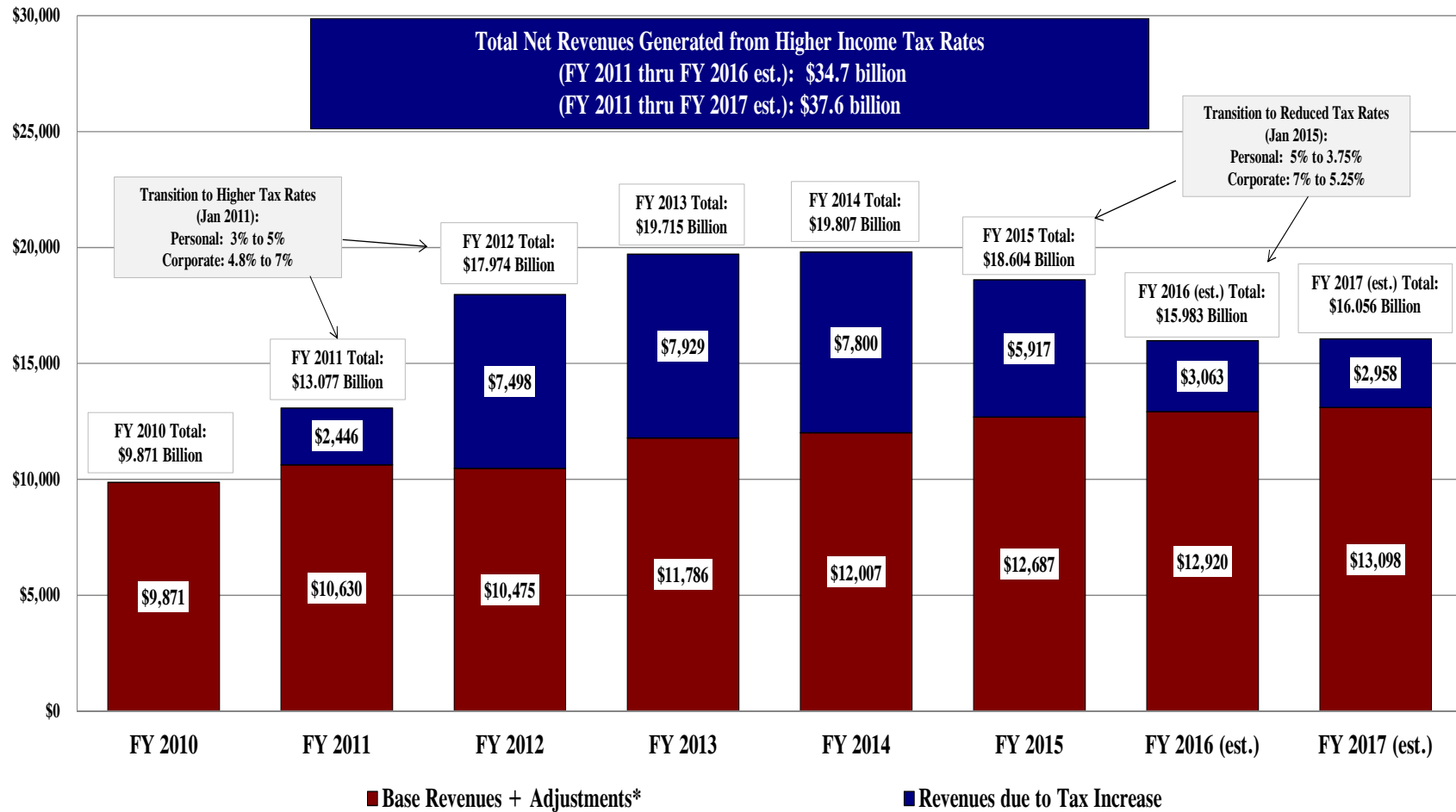
Forecasting models—Depending on the revenue source being forecasted, model complexity can range from the very simple to fairly complex. Several smaller sources with relatively low volatility need nothing more than simple trend analysis to produce accurate forecasts, while the estimates of the larger more economically driven revenue sources such as income and sales benefit from more sophisticated econometric models which utilize regressions and various time series techniques.

Application of Adjustments—Often times a base forecast must be adjusted by factors such as tax changes made at either the federal or state level that will disrupt historical receipt patterns, either by acceleration or delay. These are usually one-time phenomena, but must be accounted for by adjusting the estimate. Examples include tax rates, credits, deductions, exemptions, amnesty, etc.

Review Process and Tests of Reasonableness— Before a forecast is presented, it must pass internal review. In other words, the forecast must make sense. Any questionable forecast is reexamined for error. Accuracy of the estimates is reviewed during each forecasting period and, if necessary, appropriate revisions to the models are made in an effort to improve accuracy.

Composition of Income Tax Net Revenues between FY 2010 and FY 2017 (est.)

\$ in millions



* The adjustments added/subtracted to the base revenues include the impacts from bonus depreciation, tax amnesty, refund percentage changes, and the costs of the new tax expenditures implemented by P.A. 97-0636 and P.A. 97-0652.

DETAILED GENERAL FUNDS REVENUE HISTORY FY 2008 - FY 2016 & FY 2017 [Estimated]

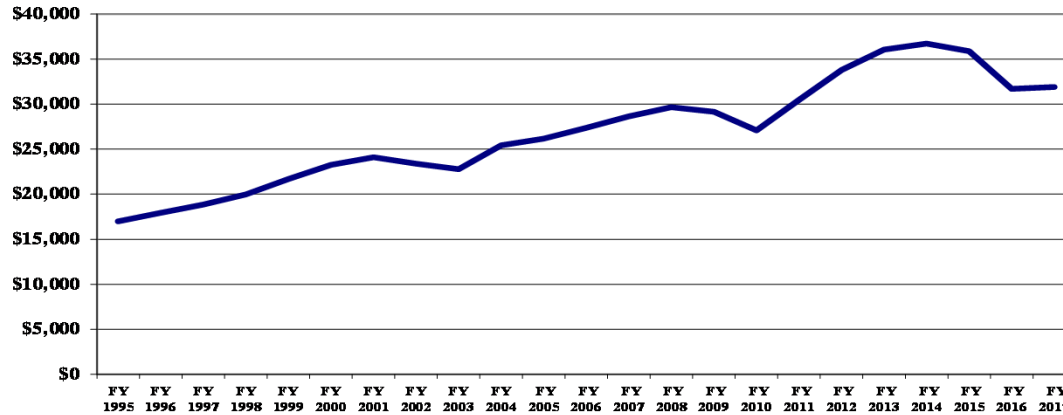
(\$ Million)

<i>Revenue Sources</i>	Actual Receipts FY 2008	Actual Receipts FY 2009	Actual Receipts FY 2010	Actual Receipts FY 2011	Actual Receipts FY 2012	Actual Receipts FY 2013	Actual Receipts FY 2014	Actual Receipts FY 2015	CGFA Mar-16 FY 2016	CGFA Mar-16 FY 2017
State Taxes										
Personal Income Tax	\$11,187	\$10,219	\$9,430	\$12,301	\$17,000	\$18,323	\$18,388	\$17,682	\$15,173	\$15,354
Corporate Income Tax (regular)	2,201	2,073	1,649	2,277	2,983	3,679	3,640	3,129	2,700	2,648
Sales Taxes	7,215	6,773	6,308	6,833	7,226	7,355	7,676	8,030	8,050	8,203
Public Utility Taxes (regular)	1,157	1,168	1,089	1,147	995	1,033	1,013	1,006	958	946
Cigarette Tax	350	350	355	355	354	353	353	353	355	355
Liquor Gallonage Taxes	158	158	159	157	164	165	165	167	168	169
Vehicle Use Tax	32	27	30	30	29	27	29	32	34	34
Inheritance Tax (Gross)	373	288	243	122	235	293	276	333	345	310
Insurance Taxes and Fees	298	334	322	317	345	334	333	353	365	365
Corporate Franchise Tax & Fees	225	201	208	207	192	205	203	211	211	211
Interest on State Funds & Investments	212	81	26	28	21	20	20	24	25	25
Cook County Intergovernmental Transfer	302	253	244	244	244	244	244	244	244	244
Other Sources	<u>442</u>	<u>418</u>	<u>431</u>	<u>404</u>	<u>399</u>	<u>462</u>	<u>585</u>	<u>693</u>	<u>511</u>	<u>540</u>
Subtotal	\$24,152	\$22,343	\$20,494	\$24,422	\$30,187	\$32,493	\$32,925	\$32,257	\$29,139	\$29,404
Transfers										
Lottery	657	625	625	632	640	656	668	679	691	703
Gaming Fund Transfer [and related]	564	430	431	324	413	360	331	302	290	284
Other	<u>679</u>	<u>538</u>	<u>828</u>	<u>1,226</u>	<u>885</u>	<u>688</u>	<u>1,113</u>	<u>2,012</u>	<u>667</u>	<u>621</u>
Total State Sources	\$26,052	\$23,936	\$22,378	\$26,604	\$32,125	\$34,197	\$35,037	\$35,250	\$30,787	\$31,012
Federal Sources	\$4,815	\$6,567	\$5,920	\$5,386	\$3,682	\$4,154	\$3,903	\$3,330	\$3,711	\$3,767
Total Federal & State Sources	\$30,867	\$30,503	\$28,298	\$31,990	\$35,807	\$38,351	\$38,940	\$38,580	\$34,498	\$34,779
Nongeneral Funds Distribution:										
Refund Fund										
Personal Income Tax	(\$867)	(\$996)	(\$919)	(\$1,076)	(\$1,488)	(\$1,785)	(\$1,746)	(\$1,769)	(\$1,479)	(\$1,535)
Corporate Income Tax	(341)	(363)	(289)	(426)	(522)	(502)	(476)	(439)	(410)	(410)
Fund for Advancement of Education	0	0	0	0	0	0	0	(242)	(456)	(461)
Commitment to Human Services Fund	0	0	0	0	0	0	0	(242)	(456)	(461)
Subtotal General Funds	\$29,659	\$29,144	\$27,090	\$30,488	\$33,797	\$36,064	\$36,718	\$35,888	\$31,697	\$31,912
Change from Prior Year	\$1,019	(\$515)	(\$2,054)	\$1,344	\$3,309	\$2,267	\$654	(\$830)	(\$4,191)	\$215
Percent Change	3.6%	-1.7%	-7.0%	4.6%	10.9%	6.7%	1.8%	-2.3%	-11.7%	0.7%
Short-Term Borrowing	\$2,400	\$2,400	\$1,250	\$1,300	\$0	\$0	\$0	\$454	\$0	\$0
FY'13/14 Backlog Payment Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$264	\$50	\$0	\$0	\$0
Tobacco Liquidation Proceeds	\$0	\$0	\$0	\$1,250	\$0	\$0	\$0	\$0	\$0	\$0
HPF and HHSMTF Transfers	\$1,503	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$276	\$576	\$1,146	\$535	\$275	\$275	\$275	\$275	\$275	\$275
Pension Contribution Fund Transfer	\$0	\$0	\$843	\$224	\$0	\$0	\$0	\$0	\$0	\$0
Total General Funds	\$33,838	\$32,120	\$30,329	\$33,797	\$34,072	\$36,603	\$37,043	\$36,617	\$31,972	\$32,187
Change from Prior Year	\$3,566	(\$1,718)	(\$1,791)	\$1,677	\$275	\$2,531	\$440	(\$426)	(\$4,645)	\$215
Percent Change	11.8%	-5.1%	-5.6%	5.2%	0.8%	7.4%	1.2%	-1.2%	-12.7%	0.7%

SOURCE: CGFA

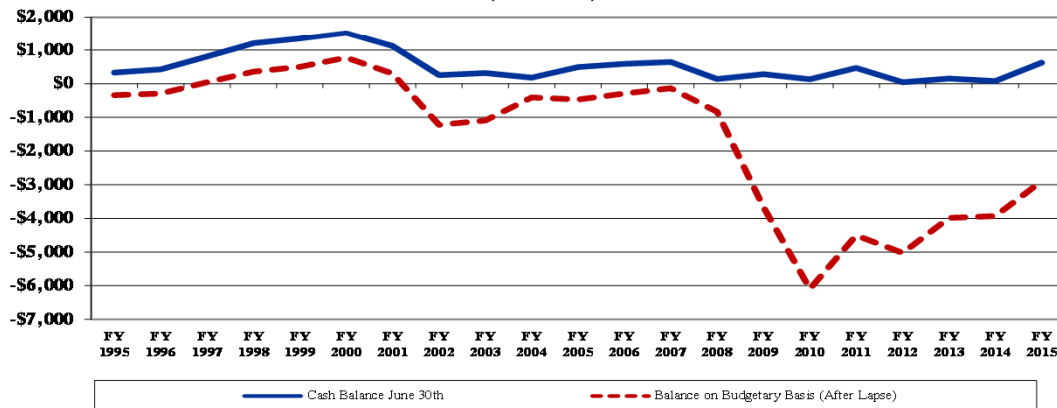
GENERAL FUNDS BALANCE INFORMATION

GENERAL FUNDS REVENUE HISTORY: FY 1995 - FY 2017 (est.)
Excludes Budget Stabilization and Pension Contribution Fund Transfers, Short-Term Borrowing, and Related Transfers
(in millions)



General Funds	Annual \$ Change	% Change
(in millions)		
FY 1995	\$1,416	9.1%
FY 1996	\$934	5.5%
FY 1997	\$918	5.1%
FY 1998	\$1,130	6.0%
FY 1999	\$1,690	8.5%
FY 2000	\$1,576	7.3%
FY 2001	\$856	3.7%
FY 2002	-\$727	-3.0%
FY 2003	-\$593	-2.5%
FY 2004	\$2,642	11.6%
FY 2005	\$732	2.9%
FY 2006	\$1,199	4.6%
FY 2007	\$1,281	4.7%
FY 2008	\$1,019	3.6%
FY 2009	-\$515	-1.7%
FY 2010	-\$2,054	-7.0%
FY 2011	\$3,398	12.5%
FY 2012	\$3,309	10.9%
FY 2013	\$2,267	6.7%
FY 2014	\$654	1.8%
FY 2015	-\$830	-2.3%
FY 2016	-\$4,191	-11.7%
FY 2017	\$215	0.7%

GENERAL FUNDS BALANCES - CASH BASIS
FY 1995 - FY 2015
(in millions)



Cash Balance June 30th	Lapse Spending	Balance on Budgetary Basis (After Lapse)
FY 1995	\$672	(\$341)
FY 1996	\$718	(\$292)
FY 1997	\$761	\$45
FY 1998	\$846	\$356
FY 1999	\$848	\$503
FY 2000	\$740	\$777
FY 2001	\$826	\$300
FY 2002	\$1,476	(\$1,220)
FY 2003	\$1,411	(\$1,094)
FY 2004	\$592	(\$410)
FY 2005	\$971	(\$474)
FY 2006	\$881	(\$291)
FY 2007	\$777	(\$135)
FY 2008	\$975	(\$834)
FY 2009	\$3,953	(\$3,673)
FY 2010	\$6,224	(\$6,094)
FY 2011	\$4,976	(\$4,507)
FY 2012	\$5,064	(\$5,024)
FY 2013	\$4,142	(\$3,988)
FY 2014	\$4,005	(\$3,931)
FY 2015	\$3,521	(\$2,900)

ALL APPROPRIATED FUNDS REVENUE FY 2006 to FY 2015 & ESTIMATED FY 2016-17

(\$ millions)

<u>REVENUE SOURCES</u>	<u>ACTUAL RECEIPTS FY 2006</u>	<u>ACTUAL RECEIPTS FY 2007</u>	<u>ACTUAL RECEIPTS FY 2008</u>	<u>ACTUAL RECEIPTS FY 2009</u>	<u>ACTUAL RECEIPTS FY 2010</u>	<u>ACTUAL RECEIPTS FY 2011</u>	<u>ACTUAL RECEIPTS FY 2012</u>	<u>ACTUAL RECEIPTS FY 2013</u>	<u>ACTUAL RECEIPTS FY 2014</u>	<u>ACTUAL RECEIPTS FY 2015</u>	<u>Mar-16 Estimate FY 2016</u>	<u>Mar-16 Estimate FY 2017</u>
State Sources												
CASH RECEIPTS:												
Personal Income Tax (gross)	\$9,568	\$10,425	\$11,187	\$10,219	\$9,430	\$12,302	\$17,000	\$18,324	\$18,388	\$17,682	\$15,173	\$15,354
Corporate Income Tax (gross)	\$1,784	\$2,120	\$2,201	\$2,073	\$1,649	\$2,285	\$2,983	\$3,679	\$3,640	\$3,132	\$2,704	\$2,665
Sales Taxes	\$8,425	\$8,603	\$8,733	\$8,216	\$7,752	\$8,400	\$8,851	\$9,054	\$9,451	\$9,908	\$10,037	\$10,228
Short-Term Borrowing	\$1,000	\$900	\$2,400	\$2,400	\$1,500	\$1,300	\$0	\$0	\$0	\$0	\$0	\$0
Fund Transfers	\$1,590	\$1,649	\$1,619	\$1,725	\$1,576	\$1,396	\$2,366	\$2,689	\$2,322	\$2,882	\$1,816	\$2,059
State Employees Retirement System	n/a	\$1,262	\$1,358	\$1,316	\$1,258	\$1,566	\$1,764	\$1,875	\$2,136	n/a	n/a	n/a
Corporate Personal Property Replacement Taxes	\$1,442	\$1,651	\$1,693	\$1,487	\$1,192	\$1,537	\$1,460	\$1,690	\$1,657	\$1,786	\$1,829	\$1,855
Health Care Provider Assessment Fees & Taxes	\$890	\$1,529	\$2,189	\$1,724	\$1,575	\$1,635	\$1,677	\$1,656	\$2,413	\$1,961	\$1,962	\$2,030
Public Utility Taxes	\$1,595	\$1,666	\$1,713	\$1,741	\$1,666	\$1,691	\$1,584	\$1,564	\$1,498	\$1,510	\$1,439	\$1,420
Motor Vehicle & Operators Licenses	\$1,296	\$1,288	\$1,302	\$1,302	\$1,370	\$1,494	\$1,498	\$1,462	\$1,511	\$1,539	\$1,530	\$1,559
Lottery Tickets & Licenses	\$984	\$960	\$997	\$991	\$1,074	\$1,104	\$1,502	\$1,388	\$1,341	\$1,589	\$1,437	\$1,478
Motor Fuel Tax (gross)	\$1,477	\$1,484	\$1,369	\$1,499	\$1,371	\$1,347	\$1,324	\$1,292	\$1,326	\$1,326	\$1,365	\$1,372
Cigarette Taxes	\$640	\$639	\$614	\$582	\$582	\$588	\$606	\$856	\$860	\$862	\$834	\$813
Riverboat Gambling Taxes & Fees	\$817	\$813	\$688	\$553	\$532	\$458	\$611	\$579	\$533	\$520	\$508	\$505
Revolving Funds	\$495	\$515	\$563	\$505	\$526	\$565	\$617	\$544	\$595	\$606	\$403	\$601
Insurance Tax & Fees	\$393	\$393	\$384	\$422	\$411	\$414	\$447	\$442	\$443	\$466	\$479	\$481
Inheritance Tax (gross)	\$272	\$264	\$373	\$288	\$243	\$122	\$235	\$309	\$294	\$355	\$367	\$330
Liquor Gallonage Taxes	\$152	\$162	\$164	\$164	\$188	\$182	\$279	\$280	\$280	\$283	\$285	\$287
Optional Health Insurance Deductions	\$196	\$212	\$224	\$229	\$263	\$268	\$266	\$269	\$404	\$376	\$357	\$345
County Intergovernmental Transfers	\$421	\$383	\$345	\$305	\$261	\$244	\$244	\$244	\$244	\$244	\$244	\$244
Hotel Tax	\$181	\$199	\$219	\$203	\$173	\$192	\$208	\$221	\$227	\$257	\$265	\$272
Corporate Franchise Tax & Fees	\$189	\$201	\$234	\$210	\$216	\$215	\$200	\$213	\$211	\$219	\$212	\$212
Tobacco Settlement	\$273	\$285	\$310	\$340	\$284	\$290	\$133	\$133	\$163	\$120	\$115	\$110
Investment Income	\$261	\$358	\$357	\$156	\$46	\$49	\$43	\$37	\$52	\$52	\$52	\$52
Other Taxes, Licenses, Fees & Earnings	\$4,601	\$2,968	\$3,197	\$2,855	\$3,207	\$3,545	\$3,586	\$4,182	\$4,132	\$4,421	\$4,474	\$4,617
Total, State Source Cash Receipts	\$38,942	\$40,929	\$44,433	\$41,505	\$38,345	\$43,189	\$49,484	\$52,982	\$54,121	\$52,096	\$47,887	\$48,889
Transfers in from Other State Funds:	\$250	\$442	\$329	\$314	\$223	\$454	\$361	\$316	\$315	\$493	\$274	\$274
TOTAL, STATE SOURCES	\$39,192	\$41,371	\$44,762	\$41,819	\$38,568	\$43,643	\$49,845	\$53,298	\$54,436	\$52,589	\$48,161	\$49,163
Federal Sources	\$12,366	\$13,112	\$13,702	\$16,383	\$18,284	\$18,149	\$14,669	\$16,252	\$17,095	\$18,722	\$20,442	\$20,645
Sale of Bonds	\$1,484	\$611	\$181	\$151	\$8,551	\$6,125	\$4,099	\$1,872	\$4,244	\$42	\$1,630	\$1,025
TOTAL, REVENUES - APPROPRIATED FUNDS	\$53,042	\$55,094	\$58,645	\$58,353	\$65,403	\$67,917	\$68,613	\$71,422	\$75,775	\$71,353	\$70,233	\$70,833
Short Term Borrowing	\$1,000	\$900	\$2,400	\$2,400	\$1,500	\$1,300	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL BASE REVENUE - ALL APPROPRIATED	\$52,042	\$54,194	\$56,245	\$55,953	\$63,903	\$66,617	\$68,613	\$71,422	\$75,775	\$71,353	\$70,233	\$70,833

CGFA Background & Responsibilities

- Bi-Partisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State.
- Preparation of annual revenue estimates with periodic updates;
- Analysis of the fiscal impact of revenue bills;
- Preparation of State Debt Impact Notes;
- Periodic assessment of capital facility plans;
- Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- Implement the provisions of the State Facility Closure Act;
- Annual estimates of public pension funding requirements and preparation of pension impact notes.