



2018 Illinois National Ranking

A State-by-State Comparison
of Tax Rates, Tax Revenues,
Government Spending,
Business Climate and
Employment Trends



*Commission on Government Forecasting
and Accountability*

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TABLE OF CONTENTS

ILLINOIS' NATIONAL RANKINGS - 2018 UPDATE December 2018

	<u>PAGE</u>
Introduction	i
 <u>CHART & TABLE CATEGORIES:</u>	
State Government Tax Revenue	1
State Government Individual Income Tax Revenue	3
State Government Corporate Income Tax Revenue	6
State Government General Sales Tax Revenue	10
State Government Tobacco Product Sales Tax Revenue	13
State Government Alcoholic Beverage Sales Tax Revenue	16
State Government Motor Fuel Tax Revenue	19
State Government Motor Fuel Vehicle and Operators' License Tax Revenue	22
State Government Insurance Premium Tax Revenue	24
State Government Tax Revenue as a Percent of Personal Income	26
Local Government Tax Revenue	28
Local Government Property Tax Revenue	30
State and Local Government Total Expenditures	32
Elementary and Secondary Ed. Expenditures by State and Local Governments	34
Source of Elementary and Education Funding	36
Higher Education Expenditures by State and Local Governments	38
State and Local Government Expenditures for Police Protection	40
State and Local Government Expenditures for Corrections	42
State and Local Government Expenditures for Housing and Community Development	44
State and Local Government Expenditures for Parks and Recreation	46
State and Local Government Expenditures for Public Welfare Programs	48
State and Local Government Expenditures for Highways	50
State and Local Government Debt Outstanding	52
 <u>OTHER RELATED INFORMATION:</u>	
Population in 2017	i
 Tax Rates by State	
State Individual Income Tax Rates	5
Range of State Corporate Income Tax Rates	8
State Sales and Use Tax Rates	12
State Excise Tax Rates on Cigarettes	15
State Tax Rates on Beer	18
Motor Fuel Excise Tax Rates	21

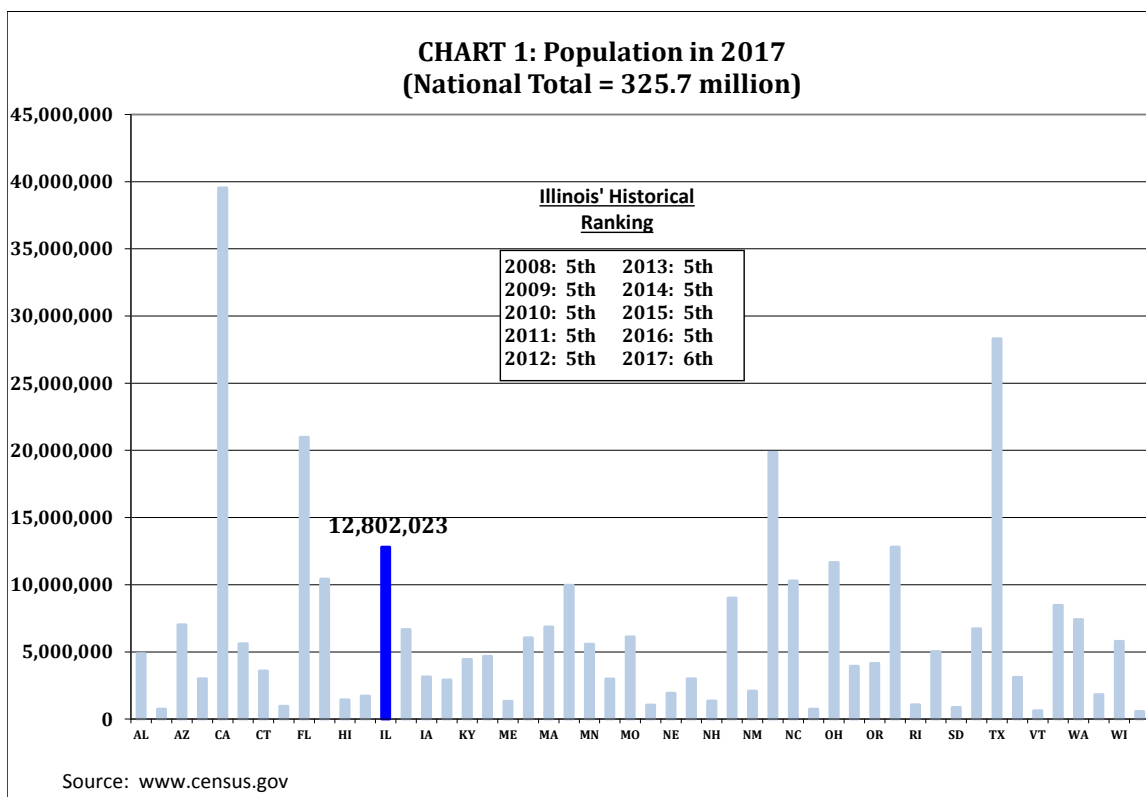
Summary of Public School System Finances for Elementary-Secondary Education by State	37
Business Climate Rankings by State	54
State Business Tax Climate Index	55
Small Business Policy Index	58
Economic Competitiveness Index	60
What do the Business Climate Rankings Tell Us?	62
State Rankings of Various “Business Climate” Studies	63
Employment Statistics and Rankings	64
September 2018 Unemployment Rates for States and Historical Highs/Lows	65
Employment “High-Point” and “Low-Point” by State (2000-2018)	66
Total Nonfarm Employment by State, Year-Over-Year Change	67
Illinois Nonfarm Employment Sector Composition by Year	68
U.S. Nonfarm Employment Sector Composition by Year	68
Illinois Nonfarm Employment by Sector	69
Illinois Employment by Sector, Year-Over-Year Change	70
Average Weekly Earnings and Employment Change by Sector in Illinois	72
State Rankings of Illinois’ Employment Subsectors	73
Composition of Employment Subsectors	73
State Rankings of Illinois Employment Subsectors – cont.	74

Introduction

The Commission is often asked by lawmakers how the State of Illinois compares nationally in revenue and spending categories. In response, the Commission has created the following report, *Illinois' National Rankings*. This 2018 edition is the latest in a series of updates to the initial rankings report first completed by the Commission in 2001.

This report addresses specific State revenue related topics, including current overall tax levels in Illinois, how these levels have changed in recent years, and how these levels compare to other Midwestern states. The report provides a quick guide as to how Illinois stacks up against the other 49 states in the various areas of state government financing. The information comes from a variety of sources including the U.S. Census Bureau and the Bureau of Labor Statistics.

Due to its large population size, Illinois ranks high in most areas on a total dollar basis. As shown below in Chart 1, according to the U.S. Census Bureau, Illinois ranks 6th in the nation in total population with 12.8 million people. This 2017 ranking is the first time in many years that Illinois was not ranked 5th. Pennsylvania has now overtaken Illinois for this 5th spot. California continues to lead the country in population by a wide margin with nearly 40 million people. Rounding out the top five are Texas, Florida, and New York.



Because Illinois is one of the larger states in terms of population, it is among the top ten states in nearly every category dealing with total dollars receipted or spent. Therefore, in order to get a better picture of how Illinois compares to other states, the information is provided in two formats: in total dollars and on a per-capita basis. The per-capita format is useful for comparing a highly-populated state, like Illinois, with states with much lower populations, such as neighboring Iowa (ranked 30th with approximately 3.1 million people), to account for the population discrepancy.

Whether it is better for a state to be ranked high or low in the rankings is open to interpretation. When observing revenue-related rankings on a per-capita basis, some believe that if a state is able to operate on tax rates that create relatively low per-capita figures, the better the financial situation for the people of that state. Others, however, would view low per-capita figures as missed opportunities for revenue growth, and subsequent program spending.

A similar argument holds true for the rankings dealing with government spending. Those benefiting from spending in a particular area would likely view the rankings as the higher the better. On the other hand, those who do not benefit from a specific area of spending would likely view a high ranking negatively, as spending for one source prevents monies from being allocated to other areas.

In this year's report, there are 23 different categories that compare Illinois with the rest of the nation in various financial areas. The first section looks at the amount of government revenue collected from the various major revenue sources in the State. The second portion looks at where these revenues are spent at the State and local government level.

For each category, a table is provided which displays each state's amount, amount per-capita, and specific ranking in each category. Illinois' totals are highlighted, along with the states bordering Illinois: Iowa, Wisconsin, Indiana, Kentucky, and Missouri. Ohio and Michigan are also highlighted due to their proximity to Illinois and because of their similarities to Illinois in population and in demographics. For the purpose of this report, this group of states will be considered the *Midwest Region*.

Following each table are charts displaying the figures graphically. Listed on the top of each chart ranked in total dollars is the national total amount of revenue for that particular source. For the charts shown on a per-capita basis, the overall national per-capita figure is included. Each chart also includes a history of how Illinois has ranked in a particular area over the past several years. Most of the revenue data are from 2017, unless stated otherwise. Most of the spending data are from 2016. These years are the most recent years of compiled data available from the U.S. Census Bureau at the time of this report.

Included in each category of charts is a short synopsis of Illinois' rankings. In most categories, Illinois ranks near the middle of the pack with revenue on a per-capita basis. However, there are a few charts that show Illinois at the high end of the rankings, while some show Illinois near the low end of the national rankings. Examples of this are highlighted throughout the report.

Complicating this year's report is the fact that the revenue comparisons from 2017 will reflect Illinois' FY 2017 income tax revenue figures. In July 2017, P.A. 100-0022 increased Illinois' income tax rates from 3.75% to 4.95% (personal income tax) and from 5.25% to 7.0% (corporate income tax). Therefore, the census bureau's latest data comparisons from FY 2017 in this document reflect Illinois' revenue figures from the prior tax rates. As a result, tables including income tax revenues will have lower values (and rankings) than what will be shown when comparable data from 2018 and 2019 becomes available.

Tables and charts impacted by these altered tax rates and revenues are noted in the analysis accompanying those categories and this fact should be taken into account when observing and comparing Illinois' rankings. The "new" income tax rates are very similar to the "temporary" higher tax rates that were in effect by way of P.A. 96-1496 for Tax Years 2011 thru 2014. As a result, future rankings will likely place Illinois in spots similar to those experienced in those years. The variation in tax rates over the last decade is why related tables and charts in this document show significant fluctuations in rankings.

Comparing Illinois' tax revenue performance with other states can be difficult because of the various taxing structures that each state may impose. Therefore, throughout the report are state-specific tables displaying pertinent information relative to certain taxing categories. This includes several tables identifying the tax rates of states throughout the nation and how these tax rates compare to Illinois.

Following the revenue and spending comparisons is a summary of national studies that attempt to quantify each state's "business climate". These studies are intended to provide a "big picture" look at how a state like Illinois compares with the rest of the nation when considering numerous business-related variables such as tax structures, government and fiscal policies, infrastructure, and various other factors in the business industry. As a whole, the most recent results of these studies tend to rank Illinois in the middle to lower half of these rankings, with an average ranking of 39th. Several tables and graphs are provided to illustrate these results. While the legitimacy of these studies are often questioned, their mere existence is noteworthy because of the negative connotation these studies often give Illinois.

Repeated in this year's version of *Illinois' National Rankings* is a comprehensive section providing state-specific statistics and rankings on employment data. Despite recent improvement, Illinois' unemployment rate continues to trail other states in this category. The Commission often receives inquiries on how Illinois' employment situation – job gains and job losses by sector – compares to other states across the nation. In response, the Commission, with the assistance of information from the Bureau of Labor Statistics, has again created an extensive selection of employment data tables and rankings which assist in answering questions regarding Illinois' employment situation. This includes a historical look at Illinois jobs by sector to see which area of employment has been hurt the most over the last twenty years and how Illinois' change in employment compares nationally.

Category 1: State Government Tax Revenue

In the category of state government tax revenue, Illinois had the 5th highest amount of revenues collected in 2017 and was the highest ranked state in the Midwest Region in total dollars with a total of \$38.0 billion. This category is primarily composed of each state's total general funds. The Census Bureau notes, however, that it can also include "special revenue funds, sinking funds, public trust funds, bond funds, and all other special funds." *For specific definitions of what is included for each category in this report, please see:*

<https://www2.census.gov/programs-surveys/stc/technical-documentation/methodology/2017stcmethodology.pdf>.

California had the highest dollar amount overall with revenues totaling \$155.6 billion. On a per-capita basis, Illinois ranked 18th in the nation with an amount of \$2,967 per capita. Illinois' value was very similar to the national per-capita rate of \$2,918. Vermont had the highest per-capita ranking with an amount of \$5,015 per capita.

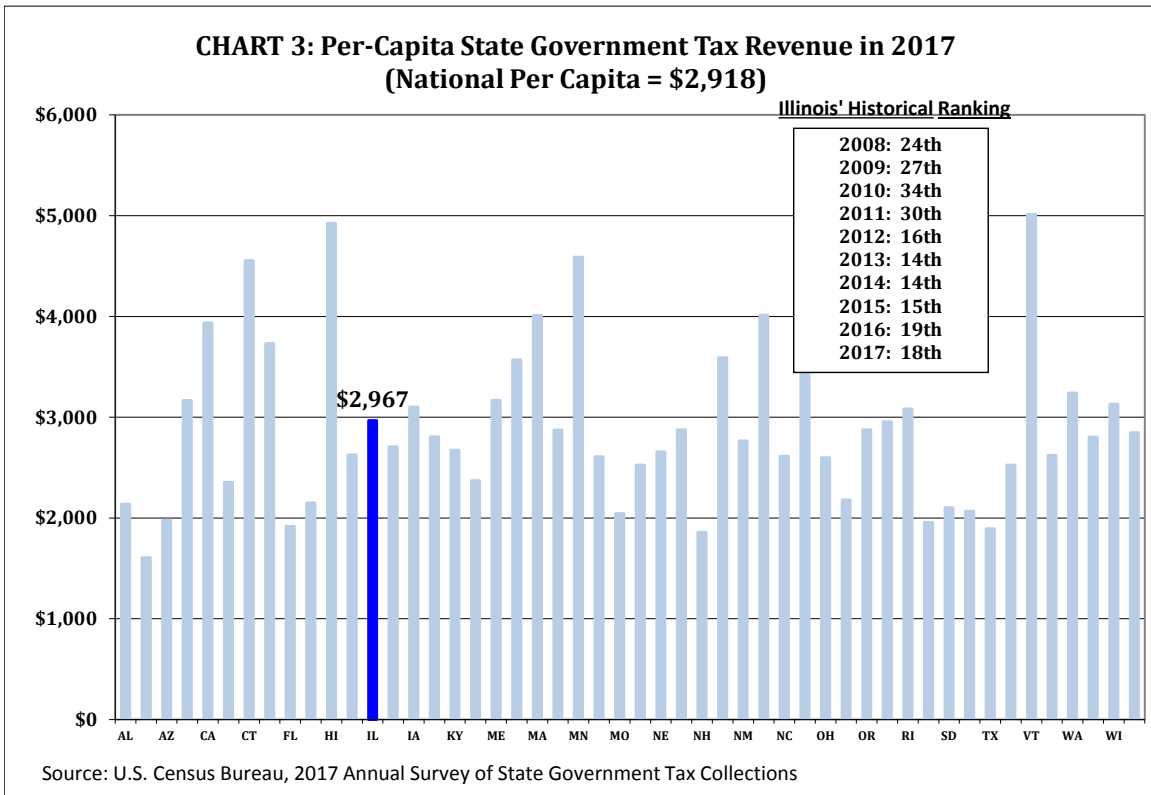
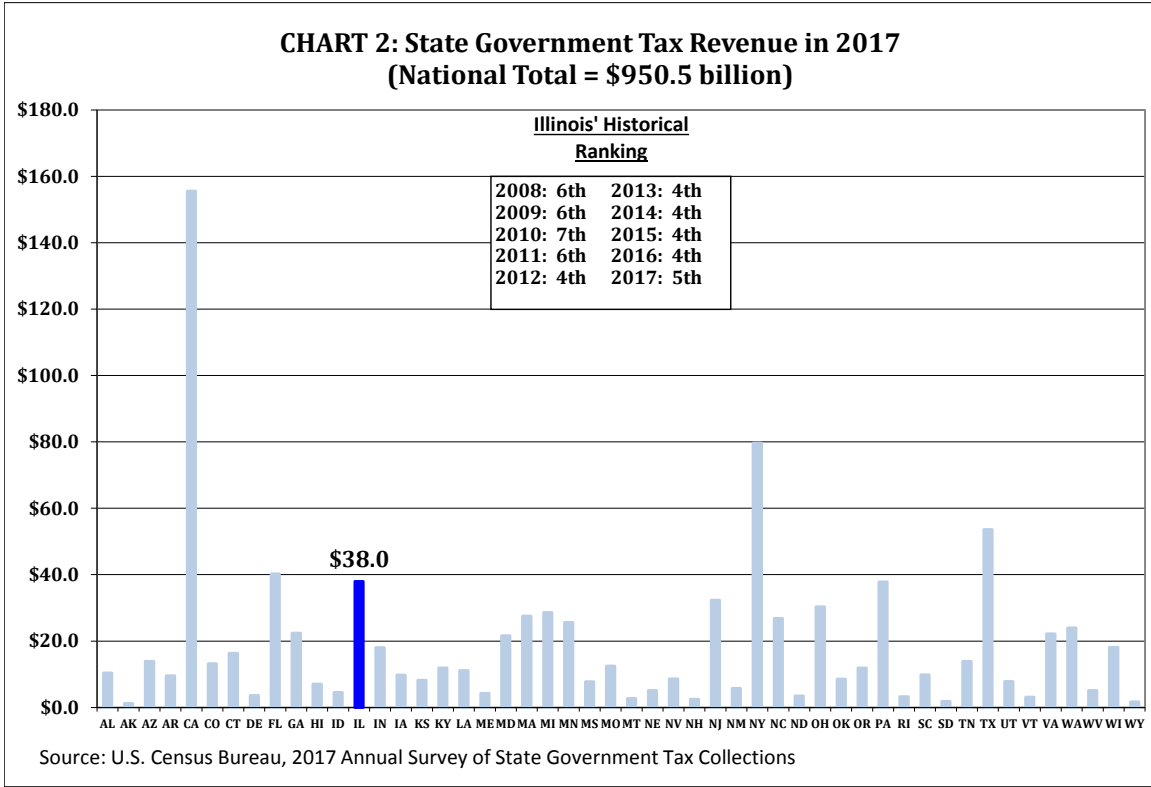
Table 1: State Government Tax Revenue in 2017									
\$ in billions									
	State	Total				State	Total		
	Government	Dollars	Amount	Per Capita		Government	Dollars	Amount	Per Capita
	Tax Revenue	Ranking	Per Capita	Ranking		Tax Revenue	Ranking	Per Capita	Ranking
United States	\$950.5	-	\$2,918	-	United States	\$950.5	-	\$2,918	-
Alabama	\$10.4	27	\$2,137	41	Montana	\$2.7	46	\$2,527	35
Alaska	\$1.2	50	\$1,608	50	Nebraska	\$5.1	38	\$2,658	29
Arizona	\$13.9	21	\$1,979	45	Nevada	\$8.6	31	\$2,877	20
Arkansas	\$9.5	30	\$3,168	14	New Hampshire	\$2.5	47	\$1,859	49
California	\$155.6	1	\$3,936	8	New Jersey	\$32.3	7	\$3,590	10
Colorado	\$13.2	22	\$2,354	38	New Mexico	\$5.8	37	\$2,766	26
Connecticut	\$16.3	19	\$4,555	5	New York	\$79.7	2	\$4,014	6
Delaware	\$3.6	42	\$3,731	9	North Carolina	\$26.9	11	\$2,614	32
Florida	\$40.2	4	\$1,917	47	North Dakota	\$3.5	43	\$4,587	4
Georgia	\$22.4	14	\$2,150	40	Ohio	\$30.3	8	\$2,599	34
Hawaii	\$7.0	36	\$4,924	2	Oklahoma	\$8.6	32	\$2,180	39
Idaho	\$4.5	40	\$2,627	30	Oregon	\$11.9	24	\$2,876	21
Illinois	\$38.0	5	\$2,967	18	Pennsylvania	\$37.9	6	\$2,956	19
Indiana	\$18.1	18	\$2,708	27	Rhode Island	\$3.3	44	\$3,083	17
Iowa	\$9.8	29	\$3,101	16	South Carolina	\$9.8	28	\$1,956	46
Kansas	\$8.2	33	\$2,806	24	South Dakota	\$1.8	48	\$2,103	42
Kentucky	\$11.9	25	\$2,673	28	Tennessee	\$13.9	20	\$2,069	43
Louisiana	\$11.1	26	\$2,371	37	Texas	\$53.6	3	\$1,894	48
Maine	\$4.2	41	\$3,168	13	Utah	\$7.8	34	\$2,525	36
Maryland	\$21.6	16	\$3,569	11	Vermont	\$3.1	45	\$5,015	1
Massachusetts	\$27.5	10	\$4,012	7	Virginia	\$22.2	15	\$2,623	31
Michigan	\$28.6	9	\$2,874	22	Washington	\$24.0	13	\$3,240	12
Minnesota	\$25.6	12	\$4,590	3	West Virginia	\$5.1	39	\$2,804	25
Mississippi	\$7.8	35	\$2,608	33	Wisconsin	\$18.1	17	\$3,129	15
Missouri	\$12.5	23	\$2,044	44	Wyoming	\$1.6	49	\$2,847	23

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

As expected, Illinois' ranking in this category has fluctuated over the past several years. As discussed in the introduction section of this report, this fluctuation is primarily because of the impact from the 2011 income tax increases, as well as the statutory lowering of the tax rates in 2015. Between 2010 and 2015, Illinois' revenue total in this category rose from \$25.5 billion to \$39.3 billion, which increased Illinois' ranking from 7th to 4th. Similarly, between 2010 and 2015, Illinois' per-capita ranking rose from 34th to 15th. In 2017, with reduced income tax rates, Illinois' total slipped to \$38.0 billion,

which caused the total dollars ranking to fall to 5th. The per-capita value ranking fell slightly to its most recent ranking of 18th. This per-capita ranking will likely return to near 15th, once the full effect of the 2017 tax rate increases are included.



Category 2: State Government Individual Income Tax Revenue

Illinois ranked 5th in the nation in the amount collected from state government individual income taxes in 2017 with a total amount of \$13.3 billion (reflecting the 3.75% tax rate, which is discussed below). On a per-capita basis, Illinois ranked 23rd. Illinois' per-capita rate of \$1,036 was slightly below the national average of \$1,083, but remains well below the 1st ranked state in this category, New York, at \$2,249 per capita.

TABLE 2: State Government Individual Income Tax Revenue in 2017									
§ in billions									
	State Govt Indiv. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Indiv. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$352.8	-	\$1,083	-	United States	\$352.8	-	\$1,083	-
Alabama	\$3.6	23	\$744	35	Montana	\$1.2	39	\$1,121	21
Alaska	No Income Tax				Nebraska	\$2.2	30	\$1,161	19
Arizona	\$3.4	25	\$491	40	Nevada	No Income Tax			
Arkansas	\$2.8	28	\$921	30	New Hampshire	\$0.1	43	\$49	42
California	\$84.2	1	\$2,130	4	New Jersey	\$14.0	4	\$1,550	7
Colorado	\$6.8	17	\$1,211	13	New Mexico	\$1.3	36	\$641	37
Connecticut	\$8.0	15	\$2,218	2	New York	\$44.6	2	\$2,249	1
Delaware	\$1.2	38	\$1,228	12	North Carolina	\$12.1	7	\$1,176	15
Florida	No Income Tax				North Dakota	\$0.3	41	\$423	41
Georgia	\$11.0	9	\$1,053	22	Ohio	\$8.4	14	\$719	36
Hawaii	\$2.1	31	\$1,468	10	Oklahoma	\$3.1	26	\$794	34
Idaho	\$1.7	34	\$967	27	Oregon	\$8.4	13	\$2,023	5
Illinois	\$13.3	5	\$1,036	23	Pennsylvania	\$12.1	8	\$942	29
Indiana	\$5.4	19	\$815	32	Rhode Island	\$1.2	37	\$1,169	16
Iowa	\$3.7	22	\$1,162	18	South Carolina	\$4.1	21	\$824	31
Kansas	\$2.3	29	\$799	33	South Dakota	No Income Tax			
Kentucky	\$4.4	20	\$987	26	Tennessee	\$0.2	42	\$37	43
Louisiana	\$2.9	27	\$630	38	Texas	No Income Tax			
Maine	\$1.5	35	\$1,149	20	Utah	\$3.6	24	\$1,167	17
Maryland	\$9.1	12	\$1,498	9	Vermont	\$0.7	40	\$1,192	14
Massachusetts	\$14.7	3	\$2,146	3	Virginia	\$13.1	6	\$1,541	8
Michigan	\$9.5	11	\$952	28	Washington	No Income Tax			
Minnesota	\$11.0	10	\$1,965	6	West Virginia	\$1.8	33	\$999	25
Mississippi	\$1.8	32	\$615	39	Wisconsin	\$7.8	16	\$1,345	11
Missouri	\$6.1	18	\$1,006	24	Wyoming	No Income Tax			

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

As shown in Charts 4 and 5, there has been a lot of movement in Illinois' rankings in this category over the last several years. For example, in 2010, Illinois' per-capita ranking was 31st. At this time, Illinois' income tax rate was at 3%. Between 2012 and 2015, Illinois' per-capita ranking increased significantly, hovering between 10th and 11th place. At the same time, its total dollar ranking rose from 7th to 3rd. Illinois' jump in the rankings is due to P.A. 96-1496, which increased the individual income tax rate from 3% to 5% effective in January 2011.

Statutorily, the individual income tax rates fell to 3.75% on January 1, 2015. This decline in the tax rates is reflected in the numbers shown in the table above and in Charts 4 and 5. The decline in the tax rates significantly lowered the amount generated from the individual income tax over the next two fiscal years, causing Illinois' per-capita ranking to fall to 22nd in 2016 and to 23rd in 2017. However, these rankings will raise again in future revenue comparisons because on July 6, 2017, P.A. 100-0022 increased the personal income tax rate to 4.95%. Based on current revenue projections, and assuming no significant changes to the tax rates of other states, Illinois' per-capita

ranking will likely return to a ranking around 10th. A list of the 2017 personal income tax rates for all of the states is shown in Table 3.

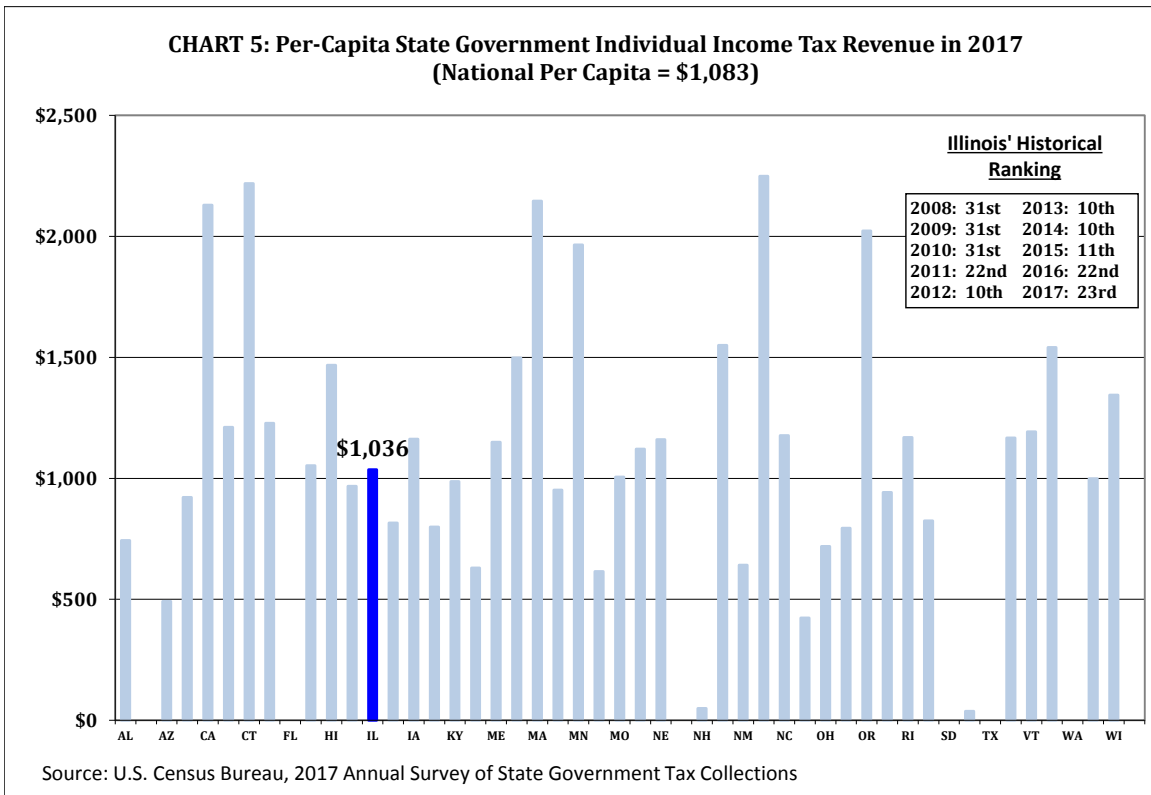
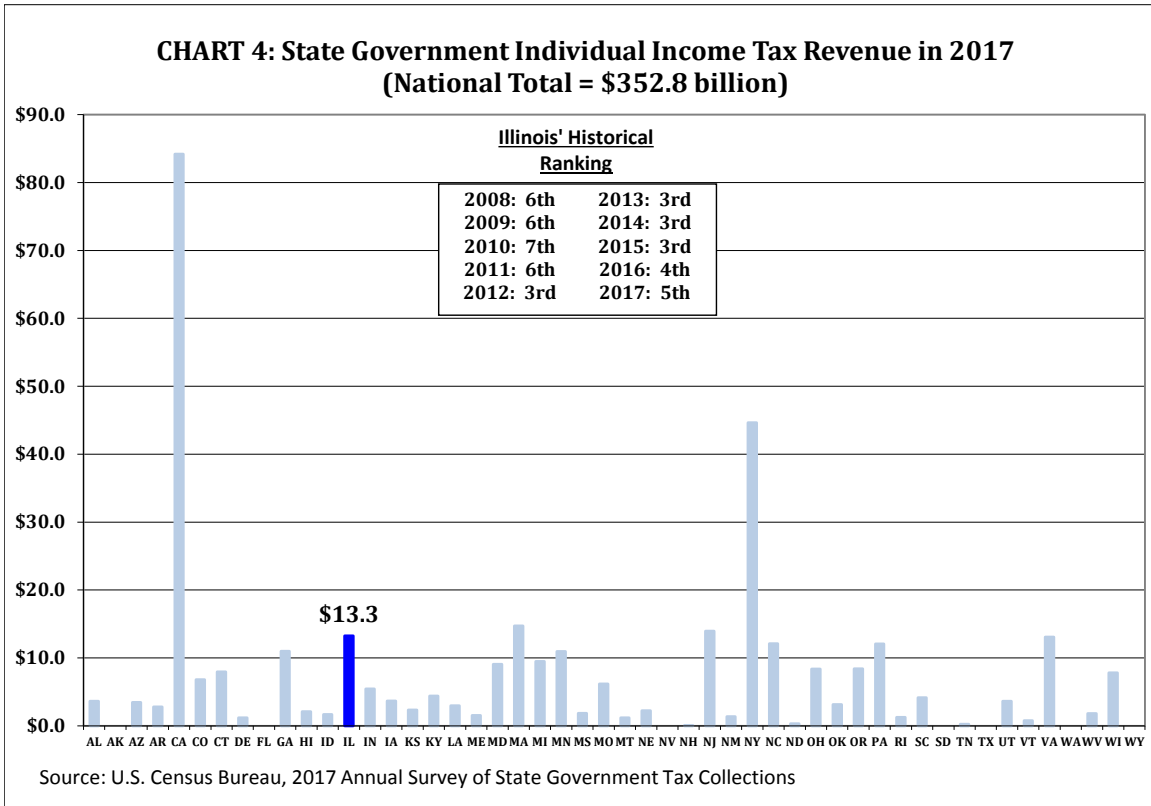


TABLE 3: STATE INDIVIDUAL INCOME TAXES

(Tax rates for tax year 2018 -- as of July 1, 2018)

	TAX RATE RANGE		Number of Brackets	INCOME BRACKETS		PERSONAL EXEMPTIONS			FEDERAL INCOME TAX DEDUCTIBLE
	Low	High		Lowest	Highest	Single	Married	Dependents	
ALABAMA	2.0	- 5.0	3	500 (b)	- 3,001 (b)	1,500	3,000	500 (e)	Yes
ALASKA	No State Income Tax								
ARIZONA (a)	2.59	- 4.54	5	10,179 (b)	- 152,668 (b)	2,150	4,300	2,300	
ARKANSAS (a)	0.9	- 6.9 (f)	6	4,299	- 35,100	26 (c)	52 (c)	26 (c)	
CALIFORNIA (a)	1.0	- 12.3 (g)	9	8,223 (b)	- 551,473 (b)	114 (c)	228 (c)	353 (c)	
COLORADO	4.63		1	----Flat rate----		- (d)	- (d)	- (d)	
CONNECTICUT	3.0	- 6.99	7	10,000 (b)	- 500,000 (b)	14,500 (h)	24,000 (h)	0	
DELAWARE	0.0	- 6.6	7	2,000	- 60,001	110 (c)	220 (c)	110 (c)	
FLORIDA	No State Income Tax								
GEORGIA (z)	1.0	- 6.0	6	750 (i)	- 7,001 (i)	2,700	7,400	3,000	
HAWAII	1.4	- 11.00	12	2,400 (b)	- 200,000 (b)	1,144	2,288	1,144	
IDAHO (a)	1.125	- 6.925	7	1,504 (b)	- 11,279 (b)	4,150 (d)	8,300 (d)	4,150 (d)	
ILLINOIS	4.95		1	----Flat rate----		2,000	4,000	2,000	
INDIANA	3.23		1	----Flat rate----		1,000	2,000	2,500 (j)	
IOWA (a)	0.36	- 8.98	9	1,598	- 71,910	40 (c)	80 (c)	40 (c)	Yes
KANSAS	3.1	- 5.7	3	15,000 (b)	- 30,000 (b)	2,250	4,500	2,250	
KENTUCKY	5.0		1	----Flat rate----		-----None-----			
LOUISIANA	2.0	- 6.0	3	12,500 (b)	- 50,001 (b)	4,500 (k)	9,000 (k)	1,000	Yes
MAINE (a)	5.8	- 7.15	3	21,450 (l)	- 50,750 (l)	- (d)	- (d)	- (d)	
MARYLAND	2.0	- 5.75	8	1,000 (m)	- 250,000 (m)	3,200	6,400	3,200	
MASSACHUSETTS	5.10		1	----Flat rate----		4,400	8,800	1,000	
MICHIGAN (a)	4.25		1	----Flat rate----		4,000	8,000	4,000	
MINNESOTA (a)	5.35	- 9.85	4	25,890 (n)	- 160,020 (n)	4,150 (d)	8,300 (d)	4,150 (d)	
MISSISSIPPI	3.0	- 5.0	3	5,000	- 10,001	6,000	12,000	1,500	
MISSOURI (a) (o)	1.5	- 5.9	10	1,028	- 9,253	2,100	4,200	1,200	Yes (p)
MONTANA (a)	1.0	- 6.9	7	3,000	- 17,900	2,400	4,800	2,400	Yes (p)
NEBRASKA (a)	2.46	- 6.84	4	3,150 (b)	- 30,420 (b)	134 (c)	268 (c)	134 (c)	
NEVADA	No State Income Tax								
NEW HAMPSHIRE	State Income Tax of 5% on Dividends and Interest Income Only								
NEW JERSEY	1.4	- 8.97	6	20,000 (q)	- 500,000 (q)	1,000	2,000	1,500	
NEW MEXICO	1.7	- 4.9	4	5,500 (r)	- 16,001 (r)	- (d)	- (d)	- (d)	
NEW YORK (a)	4.0	- 8.82	8	8,500 (b)	- 1,077,550 (b)	0	0	1,000	
NORTH CAROLINA	5.499		1	----Flat rate----		-----None-----			
NORTH DAKOTA (a)	1.10	- 2.90	5	38,700 (s)	- 424,950 (s)	- (d)	- (d)	- (d)	
OHIO (a)	0.0	- 4.997	8	10,650	- 213,350	2,300 (t)	4,600 (t)	2,300 (t)	
OKLAHOMA	0.5	- 5.0	6	1,000 (u)	- 7,200 (u)	1,000	2,000	1,000	
OREGON (a)	5.0	- 9.9	4	3,450 (b)	- 125,000 (b)	201 (c)	402 (c)	201 (c)	Yes (p)
PENNSYLVANIA	3.07		1	----Flat rate----		-----None-----			
RHODE ISLAND (a)	3.75	- 5.99	3	62,550	- 142,150	4,000	8,000	4,000	
SOUTH CAROLINA (a)	0.0	- 7.0	6	2,970	- 14,860	4,150 (d)	8,300 (d)	4,150 (d)	
SOUTH DAKOTA	No State Income Tax								
TENNESSEE	State Income Tax of 6% on Dividends and Interest Income Only					1,250	2,500	0	
TEXAS	No State Income Tax								
UTAH	5.0		1	----Flat rate----		(v)	(v)	(v)	
VERMONT (a)	3.55	- 8.95	5	37,950 (w)	- 416,700 (w)	4,150 (d)	8,300 (d)	4,150 (d)	
VIRGINIA	2.0	- 5.75	4	3,000	- 17,001	930	1,860	930	
WASHINGTON	No State Income Tax								
WEST VIRGINIA	3.0	- 6.5	5	10,000	- 60,000	2,000	4,000	2,000	
WISCONSIN (a)	4.0	- 7.65	4	11,450 (x)	- 252,150 (x)	700	1,400	700	
WYOMING	No State Income Tax								

Source: The Federation of Tax Administrators from various sources. Includes state legislation enacted before July 1, 2018.

- (a) 19 states have statutory provision for automatically adjusting to the rate of inflation the dollar values of the income tax brackets, standard deductions, and/or personal exemptions. Massachusetts, Michigan, and Nebraska index the personal exemption only. Oregon does not index the income brackets for \$125,000 and over.
- (b) For joint returns, taxes are twice the tax on half the couple's income.
- (c) The personal exemption takes the form of a tax credit instead of a deduction.
- (d) These states use the personal exemption/standard deduction amounts provided in the federal Internal Revenue Code. Note, the Tax Cut and Reform Act of 2017 has eliminated personal exemptions from the IRC. To date, CO, ME, NM, ND, and DC have not passed legislation to change conformity. ID, MN, SC, and VT conform to the federal code before the enactment of the TCJA.
- (e) In Alabama, the per-dependent exemption is \$1,000 for taxpayers with state AGI of \$20,000 or less, \$500 with AGI from \$20,001 to \$100,000, and \$300 with AGI over \$100,000.
- (f) Arkansas has separate brackets for taxpayers with income under \$75,000 and \$21,000. The tax rates for lower-income taxpayers are scheduled to decrease beginning in tax year 2019.
- (g) Connecticut's personal exemption incorporates a standard deduction. An additional tax credit is allowed ranging from 75% to 0% based on state adjusted gross income. Exemption amounts are phased out for higher-income taxpayers until they are eliminated for households earning over \$71,000.
- (h) The Georgia income brackets reported are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$1,000, to \$10,000.
- (i) In Indiana, an additional exemption of \$1,500 for each dependent child is included.
- (j) The amounts reported for Louisiana are a combined personal exemption-standard deduction.
- (k) The income bracket reported for Maine are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$42,900 to \$101,550.
- (l) The income brackets reported for Maryland are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$1,000, to \$300,000.
- (m) The income brackets reported for Minnesota are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$37,850 to \$266,700.
- (n) Beginning after tax year 2017, the top Missouri tax rate is scheduled to decrease by 0.1 each year [if revenue gain requirements are met] until it reaches 5.5%.
- (o) The deduction for federal income tax is limited to \$5,000 for individuals and \$10,000 for joint returns in Missouri and Montana, and to \$6,350 for all filers in Oregon.
- (p) The New Jersey rates reported are for single individuals. For married couples filing jointly, the tax rates also range from 1.4% to 8.97%, with 7 brackets and the same high and low income ranges.
- (q) The income brackets reported for New Mexico are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$8,000 to \$24,000.
- (r) The income brackets reported for North Dakota are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from \$64,650 to \$424,950.
- (s) Ohio provides an additional tax credit of \$20 per exemption. Exemption amounts reduced for higher-income taxpayers.
- (t) The income brackets reported for Oklahoma are for single persons. For married persons filing jointly, the same tax rates apply to income brackets ranging from \$2,000, to \$12,200.
- (u) Utah provides a tax credit equal to 6% of the federal personal exemption amounts (and applicable standard deduction).
- (v) Vermont's income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply to income brackets ranging from \$63,350 to \$416,700.
- (x) The Wisconsin income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply income brackets ranging from \$15,270, to \$336,200.
- (z) Georgia's top tax rate is scheduled to decrease to 5.75% for tax years beginning after 1/1/2019.

Category 3: State Government Corporation Net Income Tax Revenue

Illinois collected \$2.9 billion in corporate income tax receipts in 2017, which ranked 3rd in the nation in this category. It appears that the Census Bureau included revenues from the personal property replacement tax in Illinois' total, less revenues to the income tax refund fund. Again, California had the highest total with \$10.1 billion. On a per-capita basis, Illinois ranked 8th with a per-capita rate of \$225, notably higher than the national per-capita rate of \$139. Illinois' per-capita value was the highest in the Midwest Region.

TABLE 4: State Government Corporate Income Tax Revenue in 2017									
\$ in billions									
	State Govt Corp. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Corp. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$45.2	-	\$139	-	United States	\$45.2	-	\$139	-
Alabama	\$0.5	21	\$107	30	Montana	\$0.1	39	\$119	27
Alaska	\$0.1	42	\$119	28	Nebraska	\$0.3	32	\$138	16
Arizona	\$0.4	28	\$52	41	Nevada	No Income Tax			
Arkansas	\$0.4	25	\$132	20	New Hampshire	\$0.6	19	\$427	1
California	\$10.1	1	\$256	5	New Jersey	\$2.1	7	\$234	7
Colorado	\$0.5	20	\$94	34	New Mexico	\$0.1	41	\$44	43
Connecticut	\$0.9	15	\$250	6	New York	\$4.0	2	\$203	10
Delaware	\$0.2	33	\$256	4	North Carolina	\$0.8	17	\$74	38
Florida	\$2.4	4	\$114	29	North Dakota	\$0.1	44	\$81	36
Georgia	\$1.0	13	\$93	35	Ohio	\$0.0	46	\$1	46
Hawaii	\$0.2	35	\$129	23	Oklahoma	\$0.2	37	\$40	44
Idaho	\$0.2	34	\$126	24	Oregon	\$0.6	18	\$153	15
Illinois	\$2.9	3	\$225	8	Pennsylvania	\$2.3	5	\$183	11
Indiana	\$1.0	11	\$154	14	Rhode Island	\$0.1	38	\$122	25
Iowa	\$0.4	23	\$137	17	South Carolina	\$0.4	27	\$75	37
Kansas	\$0.4	26	\$133	19	South Dakota	\$0.0	45	\$35	45
Kentucky	\$0.5	22	\$103	32	Tennessee	\$1.7	8	\$257	3
Louisiana	\$0.3	31	\$62	40	Texas	No Income Tax			
Maine	\$0.2	36	\$131	21	Utah	\$0.3	29	\$106	31
Maryland	\$1.0	12	\$166	13	Vermont	\$0.1	43	\$131	22
Massachusetts	\$2.2	6	\$320	2	Virginia	\$0.8	16	\$98	33
Michigan	\$1.2	10	\$120	26	Washington	No Income Tax			
Minnesota	\$1.2	9	\$220	9	West Virginia	\$0.1	40	\$64	39
Mississippi	\$0.4	24	\$137	18	Wisconsin	\$1.0	14	\$166	12
Missouri	\$0.3	30	\$50	42	Wyoming	No Income Tax			

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

Illinois' rankings, particularly for its per-capita comparisons, have been noticeably volatile over the past several years. Again, this is due to the tax rate changes associated with P.A. 96-1496 (from 4.8% to 7.0% in January 2011 and then to 5.25% in January 2015) and P.A. 100-0022 (permanently increased rate to 7% in July 2017). In the 2010 Annual Survey of State Government Tax Collections, Illinois had the 23rd highest per-capita ranking. By 2013, this per-capita ranking increased sharply to 3rd. In 2017, the latest figures show Illinois' per-capita ranking had fallen slightly to 8th as a result of the lowering of the tax rate to 5.25%. This ranking, however, will likely return to near 3rd in the nation once the full impacts of the now-permanent 7.0% tax are realized.

Table 5, on page 8, displays each state's corporate income tax rate. Illinois is one of twenty-eight states with a flat tax. Illinois' 2018 rate of 9.5%, which includes the State's

rate of 7.0% and the corporate replacement tax rate of 2.5%, places Illinois in the upper-half of corporate income tax rates in the country.

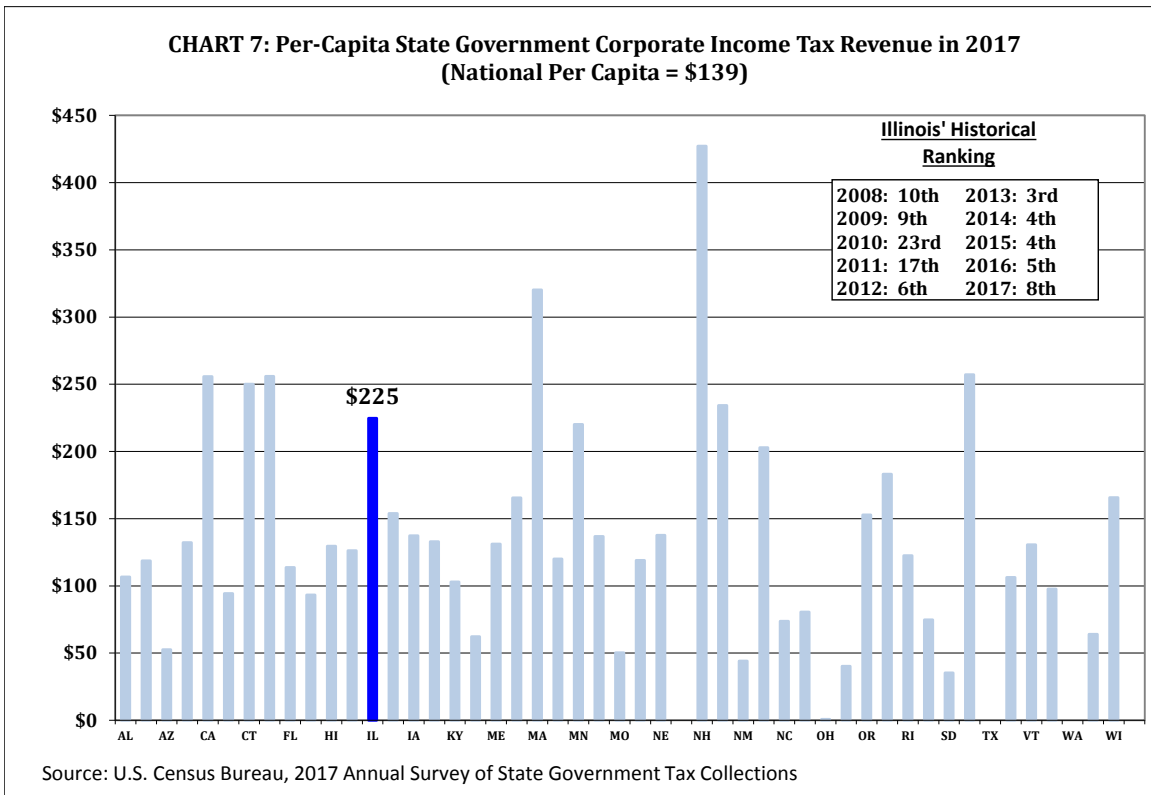
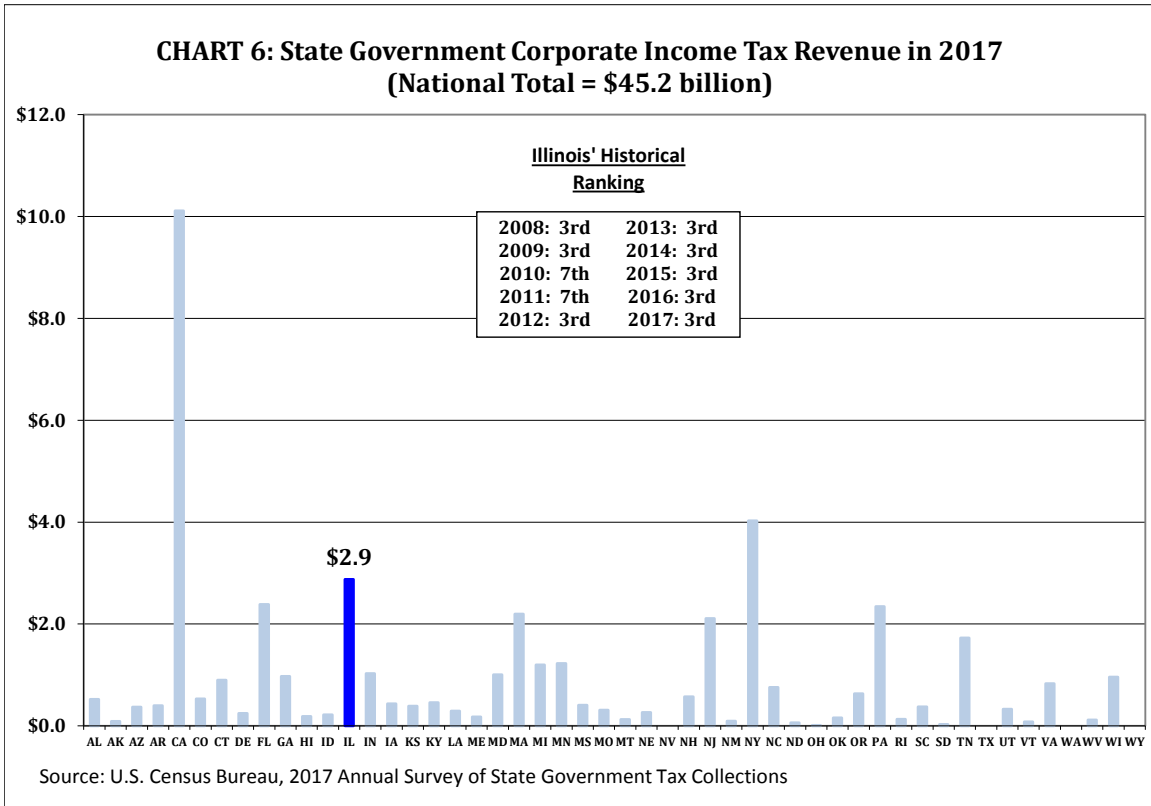


TABLE 5: RANGE OF STATE CORPORATE INCOME TAX RATES*(For tax year 2018 -- as of January 1, 2018)*

STATE	TAX RATE (percent)	TAX BRACKETS		NUMBER OF BRACKETS	TAX RATE (a)	FEDERAL INCOME TAX DEDUCTIBLE
		LOWEST	HIGHEST		(percent) FINANCIAL INST.	
ALABAMA	6.5	---Flat Rate---		1	6.5	Yes
ALASKA	0 - 9.4	25,000	222,000	10	0 - 9.4	
ARIZONA	4.9 (b)	---Flat Rate---		1	4.9 (b)	
ARKANSAS	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
CALIFORNIA	8.84 (c)	---Flat Rate---		1	10.84 (b)	
COLORADO	4.63	---Flat Rate---		1	4.63	
CONNECTICUT	7.5 (c)	---Flat Rate---		1	7.5 (c)	
DELAWARE	8.7	---Flat Rate---		1	8.7-1.7 (d)	
FLORIDA	5.5 (e)	---Flat Rate---		1	5.5 (e)	
GEORGIA	6.0	---Flat Rate---		1	6.0	
HAWAII	4.4 - 6.4 (f)	25,000	100,001	3	7.92 (f)	
IDAHO	7.4 (g)	---Flat Rate---		1	7.4 (g)	
ILLINOIS	9.5 (h)	---Flat Rate---		1	9.5 (h)	
INDIANA	5.75 (i)	---Flat Rate---		1	6.5	
IOWA	6.0 - 12.0	25,000	250,001	4	5.0	Yes (j)
KANSAS	4.0 (k)	---Flat Rate---		1	2.25 (k)	
KENTUCKY	4.0 - 6.0	50,000	100,001	3	---	(a)
LOUISIANA	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
MAINE	3.5 - 8.93	25,000	250,000	4	1.0 (l)	
MARYLAND	8.25	---Flat Rate---		1	8.25	
MASSACHUSETTS	8.0 (m)	---Flat Rate---		1	9.0 (m)	
MICHIGAN	6.0	---Flat Rate---		1	---	(a)
MINNESOTA	9.8 (n)	---Flat Rate---		1	9.8 (n)	
MISSISSIPPI	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	
MISSOURI	6.25	---Flat Rate---		1	7.0	Yes (j)
MONTANA	6.75 (o)	---Flat Rate---		1	6.75 (o)	
NEBRASKA	5.58 - 7.81	100,000		2	---	(a)
NEVADA	--	No corporate income tax				
NEW HAMPSHIRE	7.9 (p)	---Flat Rate---		1	7.9 (p)	
NEW JERSEY	9.0 (q)	---Flat Rate---		1	9.0 (q)	
NEW MEXICO	4.8 - 5.9	500,000		2	4.8 - 5.9	
NEW YORK	6.5 (r)	---Flat Rate---		1	6.5 (r)	
NORTH CAROLINA	3.0	---Flat Rate---		1	3.0	
NORTH DAKOTA	1.41 - 4.31 (s)	25,000	50,001	3	1.41 - 4.31 (s)	
OHIO	(t)	---			---	(t)
OKLAHOMA	6.0	---Flat Rate---		1	6.0	
OREGON	6.6 - 7.6 (u)	1 million		2	6.6 - 7.6 (u)	
PENNSYLVANIA	9.99	---Flat Rate---		1	---	(a)
RHODE ISLAND	7.0 (b)	---Flat Rate---		1	9.0 (b)	
SOUTH CAROLINA	5.0	---Flat Rate---		1	4.5 (v)	
SOUTH DAKOTA	--	No corporate income tax			6.0-0.25% (b)	
TENNESSEE	6.5	---Flat Rate---		1	6.5	
TEXAS	(w)	---			(w)	
UTAH	5.0 (b)	---Flat Rate---			5.0 (b)	
VERMONT	6.0 - 8.5 (c)	10,000	25,000	3	---	(a)
VIRGINIA	6.0	---Flat Rate---		1	6.0	
WASHINGTON	--	No corporate income tax				
WEST VIRGINIA	6.5	---Flat Rate---		1	6.5	
WISCONSIN	7.9	---Flat Rate---		1	7.9	
WYOMING	--	No corporate income tax				

Source: Compiled by the Federation of Tax Administrators from various sources.

TABLE 6: Footnotes for Corporate Income Tax Rate Table

- (a) Rates listed are the corporate income tax rates applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.
- (b) Minimum tax is \$800 in California, \$100 in District of Columbia and Arizona, \$50 in North Dakota (banks), \$400 in Rhode Island, \$200 per location in South Dakota (banks), \$100 in Utah, \$250 in Vermont.
- (c) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of \$1 million), or \$250 (the minimum tax). Plus, an additional 10% surtax applies for tax years through 2018.
- (d) The Delaware Bank marginal rate decreases over 4 brackets ranging from \$20 to \$650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.
- (e) An exemption of \$50,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.
- (f) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).
- (g) Idaho's minimum tax on a corporation is \$20. The \$10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under \$100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).
- (h) The Illinois rate of 9.5% is the sum of a corporate income tax rate of 7.0% plus a replacement tax of 2.5%.**
- (i) The Indiana Corporate tax rate decreased from 6% to 5.75% on July 1, 2018. Bank tax rate is scheduled to decrease to 6.25% on 1/1/19.
- (j) 50% of the federal income tax is deductible.
- (k) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over \$50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of \$25,000.
- (l) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per \$1,000 of the institution's Maine assets as of the end of its taxable year.
- (m) Business and manufacturing corporations pay an additional tax of \$2.60 per \$1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is \$456.
- (n) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.
- (o) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is \$50; the \$50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of \$100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.
- (p) New Hampshire's 7.9% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over \$50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.675% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross receipts over \$208,000 or enterprise base over \$104,000, adjusted every biennium for CPI. The Business Profits Tax is scheduled to decrease to 7.7% for tax years 2019 and 2020, and to 7.5% beginning tax year 2021.
- (q) In New Jersey small businesses with annual entire net income under \$100,000 pay a tax rate of 7.5%; businesses with income under \$50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from \$500 for a corporation with gross receipts less than \$100,000, to \$2,000 for a corporation with gross receipts of \$1 million or more.
- (r) New York's General business corporate rate shown. Corporations may also be subject to a capital stocks tax, which is being phased out through 2021. A minimum tax ranges from \$25 to \$200,000, depending on receipts (\$250 minimum for banks). Certain qualified New York manufacturers pay 0%.
- (s) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.
- (t) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to \$150 for gross receipts situated to Ohio of between \$150,000 and \$1 million, plus 0.26% of gross receipts over \$1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for which the franchise tax on net worth or net income still applies, a litter tax also applies.
- (u) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from \$150 for corporations with sales under \$500,000, up to \$100,000 for companies with sales of \$100 million or above.
- (v) South Carolina taxes savings and loans at a 6% rate.
- (w) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than \$1,110,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on the lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

Category 4: State Government General Sales Tax Revenue

General sales tax revenue, under this category, does not include special sales taxes such as those on sale of alcohol, gasoline, or tobacco. In 2017, Illinois ranked 7th in the amount of sales tax revenue collected with a total of \$11.4 billion. California collected the most, generating \$35.4 billion. On a per-capita basis, Illinois ranked 30th in the nation with a value of \$888, which was well below the national average per-capita value of \$925. As shown in Table 7 below, in the Midwest Region, only Kentucky (33rd) and Missouri (41st) ranked lower than Illinois on a per-capita basis.

TABLE 7: State Government General Sales Tax Revenue in 2017									
\$ in billions									
	State Govt General Sales Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt General Sales Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$301.2	-	\$925	-	United States	\$301.2	-	\$925	-
Alabama	\$2.7	33	\$545	43	Montana	No Sales Tax			
Alaska	No Sales Tax				Nebraska	\$1.8	37	\$956	22
Arizona	\$6.6	14	\$936	24	Nevada	\$4.8	19	\$1,586	3
Arkansas	\$3.4	27	\$1,127	12	New Hampshire	No Sales Tax			
California	\$35.4	1	\$894	29	New Jersey	\$9.6	9	\$1,065	17
Colorado	\$3.0	32	\$531	44	New Mexico	\$2.3	36	\$1,082	14
Connecticut	\$4.2	21	\$1,181	7	New York	\$14.1	5	\$712	37
Delaware	No Sales Tax				North Carolina	\$7.7	11	\$745	35
Florida	\$25.3	3	\$1,208	5	North Dakota	\$0.9	43	\$1,155	8
Georgia	\$5.7	17	\$549	42	Ohio	\$13.3	6	\$1,144	10
Hawaii	\$3.2	29	\$2,269	1	Oklahoma	\$2.5	35	\$627	39
Idaho	\$1.7	38	\$961	21	Oregon	No Sales Tax			
Illinois	\$11.4	7	\$888	30	Pennsylvania	\$10.5	8	\$821	31
Indiana	\$7.6	12	\$1,133	11	Rhode Island	\$1.0	42	\$940	23
Iowa	\$3.2	31	\$1,019	19	South Carolina	\$3.3	28	\$654	38
Kansas	\$3.2	30	\$1,102	13	South Dakota	\$1.1	41	\$1,225	4
Kentucky	\$3.5	26	\$784	33	Tennessee	\$7.3	13	\$1,081	15
Louisiana	\$4.2	22	\$900	28	Texas	\$32.5	2	\$1,148	9
Maine	\$1.4	39	\$1,079	16	Utah	\$2.5	34	\$817	32
Maryland	\$4.6	20	\$762	34	Vermont	\$0.4	45	\$603	40
Massachusetts	\$6.2	15	\$910	26	Virginia	\$4.0	23	\$469	45
Michigan	\$9.2	10	\$926	25	Washington	\$14.5	4	\$1,959	2
Minnesota	\$5.9	16	\$1,056	18	West Virginia	\$1.3	40	\$735	36
Mississippi	\$3.5	25	\$1,182	6	Wisconsin	\$5.2	18	\$901	27
Missouri	\$3.6	24	\$590	41	Wyoming	\$0.6	44	\$1,016	20

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections Light Blue Areas= Midwest Region

The last State sales tax rate increase (from 4% to 5%) occurred in 1984. Illinois' sales tax rate is typically shown as 6.25%, in which 5% goes to the State, and the remaining 1.25% goes to local governments. When the combined rate of 6.25% took effect in 1990, a 1% state tax was imposed on food and drugs. Table 8 lists the sales tax rates for all of the states. As shown, Illinois is currently the only State to impose a sales tax on prescription drugs and is one of only six states to impose a sales tax on food.

Illinois law also authorizes local governments to impose sales taxes, so the sales tax in many communities is often higher than 6.25%. For example, the City of Chicago currently has an overall sales tax rate of 10.25% when encompassing all of the local sales taxes (6.25% State, 1.75% County Home Rule, 1.25% Home Rule, 1.0% Regional Transportation Authority). Portions of suburban Cook County impose a combined rate of 11%. The rate imposed can vary even in the same city. For example, in 2018, voters

in Sangamon County approved a 1% sales tax to fund school facility renovations. This increases the combined sales tax rate to 9.75% for most of the City of Springfield. But Springfield’s South Central Business District has its own 1% tax, which brings the imposed rate to 10.75% in this area of the city. For information regarding the combined tax rate in a particular Illinois location, see the Department of Revenue’s following website: <https://mytax.illinois.gov/>.

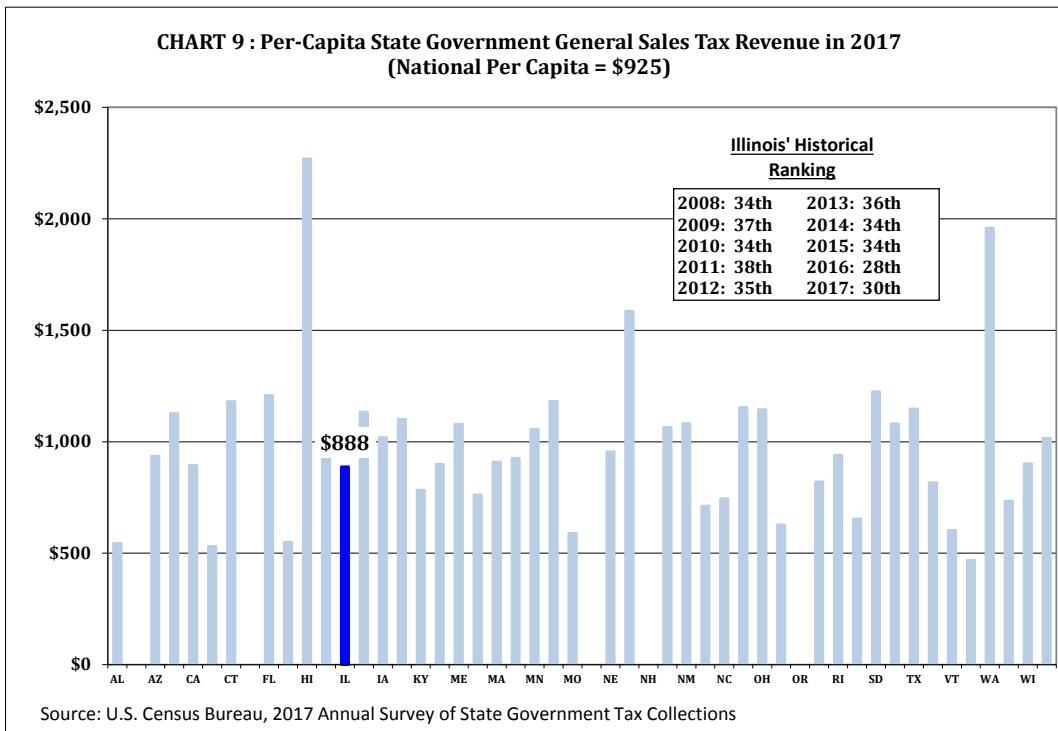
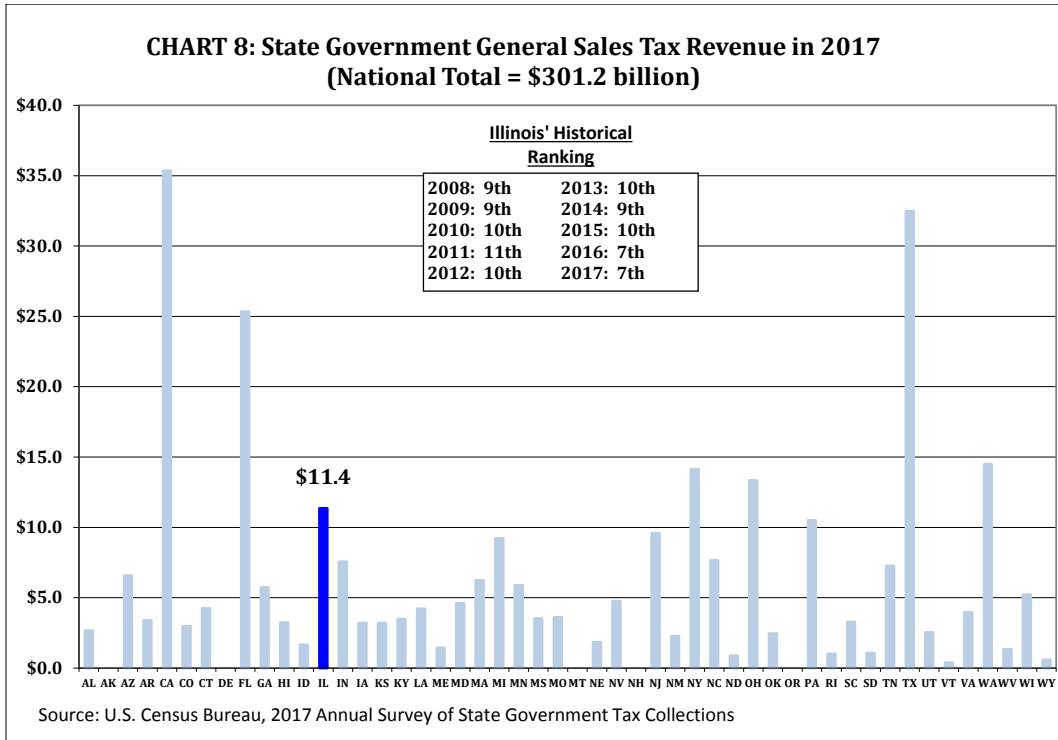


TABLE 8: Sales and Use Taxes

(as of January 1, 2018)

	Tax Rate	Food (1)	Prescription Drugs	Non-prescriptions drugs
Alabama	4.00%		Exempt	
Alaska	None			
Arizona	5.60%	Exempt	Exempt	
Arkansas	6.50%	1.5% (4)	Exempt	
California (3)	7.25%	Exempt	Exempt	
Colorado	2.90%	Exempt	Exempt	
Connecticut	6.35%	Exempt	Exempt	Exempt
Delaware	None			
Florida	6.00%	Exempt	Exempt	Exempt
Georgia	4.00%	Exempt (4)	Exempt	
Hawaii	4.00%		Exempt	
Idaho	6.00%		Exempt	
Illinois	6.25%	1.00%	1.00%	1.00%
Indiana	7.00%	Exempt	Exempt	
Iowa	6.00%	Exempt	Exempt	
Kansas	6.50%		Exempt	
Kentucky	6.00%	Exempt	Exempt	
Louisiana (6)	5.00%	Exempt (4)	Exempt	
Maine	5.50%	Exempt	Exempt	
Maryland	6.00%	Exempt	Exempt	Exempt
Massachusetts	6.25%	Exempt	Exempt	
Michigan	6.00%	Exempt	Exempt	
Minnesota	6.875%	Exempt	Exempt	Exempt
Mississippi	7.00%		Exempt	
Missouri	4.225%	1.225%	Exempt	
Montana	None			
Nebraska	5.50%	Exempt	Exempt	
Nevada	6.85%	Exempt	Exempt	
New Hampshire	None			
New Jersey	6.625%	Exempt	Exempt	Exempt
New Mexico	5.125%	Exempt	Exempt	
New York	4.00%	Exempt	Exempt	Exempt
North Carolina	4.75%	Exempt (4)	Exempt	
North Dakota	5.00%	Exempt	Exempt	
Ohio	5.75%	Exempt	Exempt	
Oklahoma	4.50%		Exempt	
Oregon	None			
Pennsylvania	6.00%	Exempt	Exempt	Exempt
Rhode Island	7.00%	Exempt	Exempt	
South Carolina	6.00%	Exempt	Exempt	
South Dakota	4.50%		Exempt	
Tennessee	7.00%	5% (4)	Exempt	
Texas	6.25%	Exempt	Exempt	Exempt
Utah	5.95%	3% (5)	Exempt	
Vermont	6.00%	Exempt	Exempt	Exempt
Virginia	5.30%	2.5% (2)	Exempt	Exempt
Washington	6.50%	Exempt	Exempt	
West Virginia	6.00%	Exempt	Exempt	
Wisconsin	5.00%	Exempt	Exempt	
Wyoming	4.00%	Exempt	Exempt	

* -- indicates exempt from tax, blank indicates subject to general sales tax rate.

Source: Federation of Tax Administrators

(1) Some states tax food, but allow a rebate or income tax credit to compensate lower income households. They are HI, ID, KS, OK, and SD.

(2) Includes statewide 1.0% tax levied by local governments in Virginia.

(3) Tax rate may be adjusted annually according to a formula based on balances in the unappropriated general fund and the school foundation fund.

(4) Food sales subject to local taxes.

(5) Includes a statewide 1.25% tax levied by local governments in Utah.

(6) Louisiana tax rate will decrease to 4%, 7/1/18.

Category 5: State Government Tobacco Product Sales Tax Revenue

In the category of State Government Tobacco Product Sales Tax Revenue, which is mostly comprised of cigarette tax revenues, Illinois ranked 8th in total sales in 2017 with a total of \$845 million. Texas ranked 1st generating \$1.5 billion. On a per-capita basis, Illinois ranked 26th with a value of \$61 per capita. New Hampshire is the highest ranked state on a per-capita basis with a value of \$151.

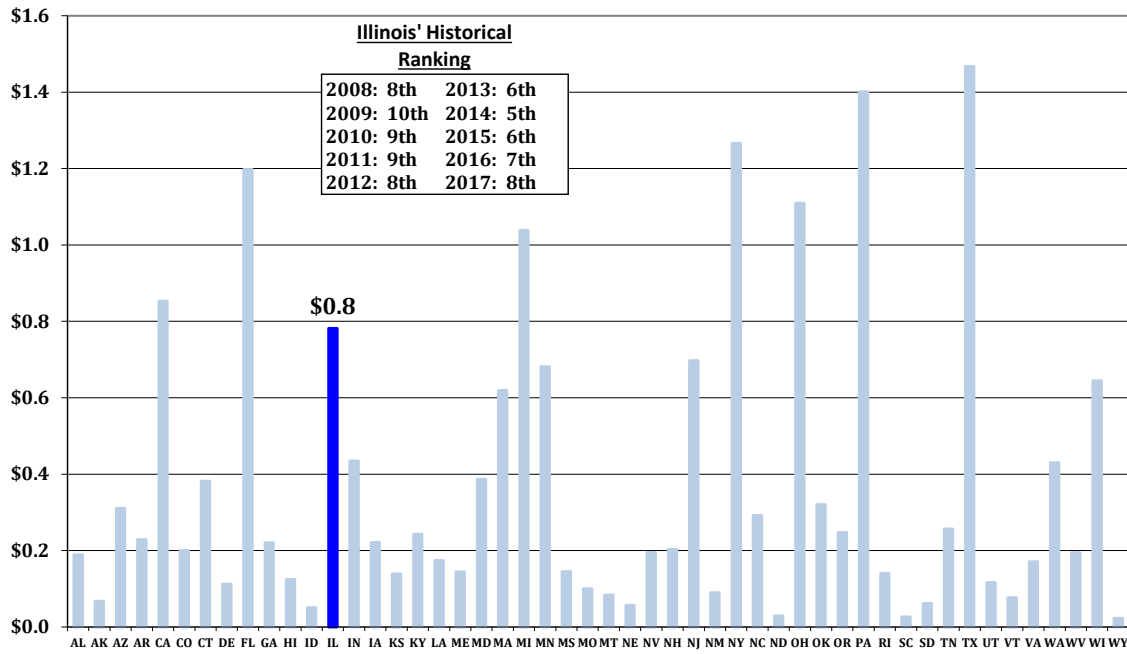
TABLE 9: State Government Tobacco Products Tax Revenue in 2017									
§ in billions									
	State Govt Tobacco Products Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Tobacco Products Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$18.7	-	\$57	-	United States	\$18.7	-	\$57	-
Alabama	\$0.2	30	\$39	37	Montana	\$0.1	42	\$80	17
Alaska	\$0.1	44	\$91	13	Nebraska	\$0.1	46	\$30	43
Arizona	\$0.3	18	\$44	34	Nevada	\$0.2	28	\$65	22
Arkansas	\$0.2	23	\$76	19	New Hampshire	\$0.2	26	\$151	1
California	\$0.9	7	\$22	46	New Jersey	\$0.7	9	\$77	18
Colorado	\$0.2	27	\$36	42	New Mexico	\$0.1	41	\$43	35
Connecticut	\$0.4	16	\$106	10	New York	\$1.3	3	\$64	25
Delaware	\$0.1	39	\$117	5	North Carolina	\$0.3	19	\$28	45
Florida	\$1.2	4	\$57	29	North Dakota	\$0.0	48	\$38	38
Georgia	\$0.2	25	\$21	47	Ohio	\$1.1	5	\$95	12
Hawaii	\$0.1	37	\$87	15	Oklahoma	\$0.3	17	\$81	16
Idaho	\$0.1	47	\$30	44	Oregon	\$0.2	21	\$60	27
Illinois	\$0.8	8	\$61	26	Pennsylvania	\$1.4	2	\$109	7
Indiana	\$0.4	13	\$65	23	Rhode Island	\$0.1	35	\$132	2
Iowa	\$0.2	24	\$70	21	South Carolina	\$0.0	49	\$5	50
Kansas	\$0.1	36	\$48	33	South Dakota	\$0.1	45	\$71	20
Kentucky	\$0.2	22	\$55	30	Tennessee	\$0.3	20	\$38	39
Louisiana	\$0.2	31	\$37	41	Texas	\$1.5	1	\$52	31
Maine	\$0.1	34	\$108	8	Utah	\$0.1	38	\$37	40
Maryland	\$0.4	15	\$64	24	Vermont	\$0.1	43	\$123	3
Massachusetts	\$0.6	12	\$90	14	Virginia	\$0.2	32	\$20	48
Michigan	\$1.0	6	\$104	11	Washington	\$0.4	14	\$58	28
Minnesota	\$0.7	10	\$122	4	West Virginia	\$0.2	29	\$107	9
Mississippi	\$0.1	33	\$49	32	Wisconsin	\$0.6	11	\$111	6
Missouri	\$0.1	40	\$16	49	Wyoming	\$0.0	50	\$39	36

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

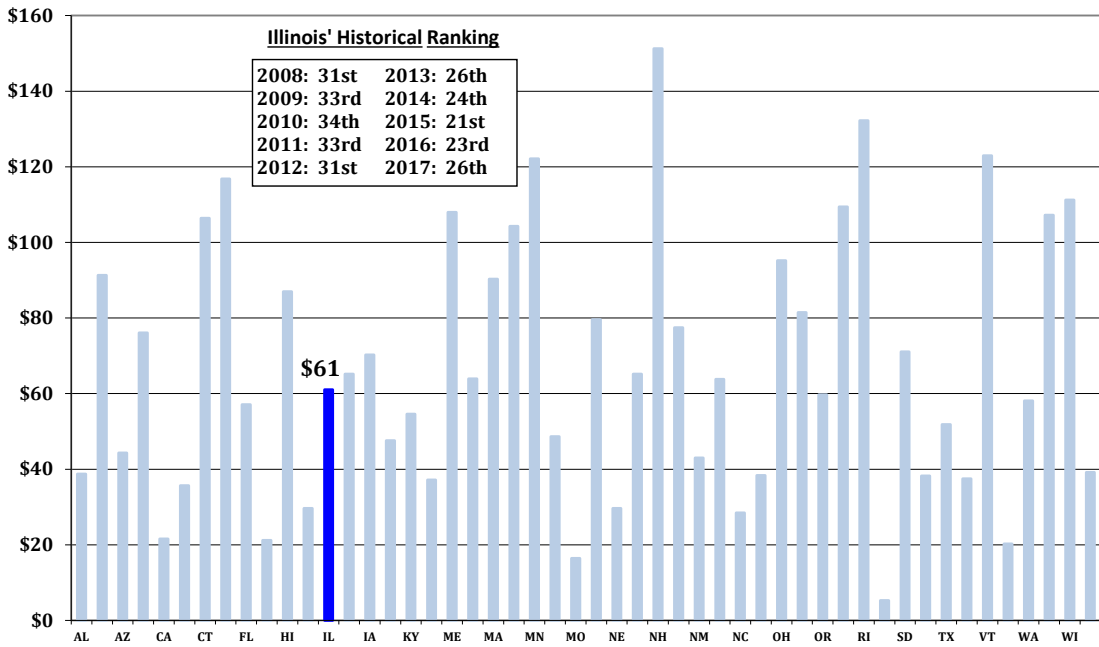
In June 2012, Illinois increased the State cigarette tax from \$0.98 to \$1.98 per pack. This is the primary reason why Illinois' total dollar ranking increased from 9th in 2011 to 6th in 2015 and its per-capita ranking increased from 31st to 21st. The total dollar ranking has since fallen to 8th and the per-capita ranking has fallen to 26th. This slight drop likely reflects the effect of other states across the nation increasing their cigarette tax rates.

**CHART 10: State Government Tobacco Products Tax Revenue in 2017
(National Total = \$18.7 billion)**



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

**CHART 11 : Per-Capita State Government Tobacco Products Tax Revenue in 2017
(National Per Capita = \$57)**



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

As shown below, in terms of the cigarette tax rate in 2018, Illinois' 2012 cigarette rate hike increased the State's ranking from what would have been the 37th highest rate to the 20th highest rate in the country. In addition to the State cigarette tax, Illinois law authorizes a municipal cigarette tax of 1-cent per package of 20 cigarettes, but it cannot be imposed by municipalities for which the state already collects a municipal home-rule retailers' occupation (sales) tax. Home-rule units can collect their own cigarette taxes.

For example, Chicago collects \$1.18 per pack of 20 cigarettes, and Cook County collects \$3.00. Chicago's combined rate, when including city, county, State, and federal taxes is \$7.17 per pack of 20 cigarettes. This ranks Chicago as having one of the highest combined tax rates of any city in the nation.

TABLE 10: STATE EXCISE TAX RATES ON CIGARETTES					
(January 1, 2018)					
STATE	TAX RATE		STATE	TAX RATE	
	(¢ per pack)	RANK		(¢ per pack)	RANK
Alabama (a)	67.5	40	Nebraska	64	41
Alaska	200	15	Nevada	180	21
Arizona	200	15	New Hampshire	178	22
Arkansas	115	34	New Jersey	270	10
California	287	9	New Mexico	166	25
Colorado	84	38	New York (a)	435	1
Connecticut	435	1	North Carolina	45	47
Delaware	210	14	North Dakota	44	48
Florida (b)	133.9	30	Ohio	160	26
Georgia	37	49	Oklahoma	103	36
Hawaii	320	5	Oregon	133	31
Idaho	57	45	Pennsylvania	260	11
Illinois (a)	198	20	Rhode Island	425	3
Indiana	99.5	37	South Carolina	57	45
Iowa	136	29	South Dakota	153	27
Kansas	129	32	Tennessee (a) (c)	62	42
Kentucky	60	43	Texas	141	28
Louisiana	108	35	Utah	170	23
Maine	200	15	Vermont	308	6
Maryland	200	15	Virginia (a)	30	50
Massachusetts	351	4	Washington	302.5	8
Michigan	200	15	West Virginia	120	33
Minnesota (d)	304	7	Wisconsin	252	12
Mississippi	68	39	Wyoming	60	43
Missouri (a)	17	51	Dist. of Columbia (f)	250	13
Montana	170	23	U. S. Median	160	

Source: www.taxadmin.org

* In Illinois, State law authorizes a municipal cigarette tax of 1-cent per package of 20, but it cannot be imposed by municipalities for which the state already collects a municipal home-rule retailers' occupation (sales) tax. Home-rule units can collect their own taxes on cigarettes. For example, Chicago collects \$1.18 per pack of 20, and Cook County collects \$3.00. Chicago's combined rate when including city, county, State, and federal taxes is \$7.17 per pack of 20 cigarettes, which ranks the City as having one of the highest combined tax rates of any city in the nation.

(a) Counties and cities may impose an additional tax on a pack of cigarettes: in Alabama, 1¢ to 25¢; Illinois, 10¢ to \$4.18; Missouri, 4¢ to 7¢; New York City, \$1.50; Tennessee, 1¢; and Virginia, 2¢ to 15¢.

(b) Florida's rate includes a surcharge of \$1 per pack.

(c) Dealers pay an additional enforcement and administrative fee of 0.05¢ in Tennessee.

(d) In addition, Minnesota imposes an in lieu cigarette sales tax determined annually by the Department. The current rate is 57.4¢ through December 31, 2018.

(e) In addition, District of Columbia imposes an in lieu cigarette sales tax calculated every March 31. The current rate is 44¢.

Category 6: State Government Alcoholic Beverage Sales Tax Revenue

In 2017, in the category of State Government Alcoholic Beverage Sales Tax Revenue, Illinois ranked 7th in total sales with a total of \$294 million. Texas ranked 1st generating \$1.229 billion. On a per-capita basis, Illinois ranked 16th in the nation with a value of \$23 per capita. Alaska is the highest ranked state on a per-capita basis with a value of \$54 per capita.

TABLE 11: State Government Alcoholic Beverage Tax Revenue in 2017									
\$ in millions									
	State Govt Alcoholic Beverage Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Alcoholic Beverage Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$6,626.4	-	\$20	-	United States	\$6,626.4	-	\$20	-
Alabama	\$217.8	10	\$45	4	Montana	\$32.9	36	\$31	11
Alaska	\$40.1	34	\$54	1	Nebraska	\$30.9	38	\$16	26
Arizona	\$74.1	23	\$11	37	Nevada	\$45.0	30	\$15	31
Arkansas	\$55.8	26	\$19	21	New Hampshire	\$12.7	47	\$9	40
California	\$370.7	4	\$9	41	New Jersey	\$137.8	17	\$15	30
Colorado	\$44.9	32	\$8	43	New Mexico	\$44.9	31	\$22	17
Connecticut	\$63.2	24	\$18	23	New York	\$257.7	8	\$13	34
Delaware	\$20.6	42	\$21	18	North Carolina	\$394.8	2	\$38	7
Florida	\$323.4	6	\$15	29	North Dakota	\$8.9	49	\$12	36
Georgia	\$193.4	11	\$19	22	Ohio	\$107.1	19	\$9	42
Hawaii	\$51.2	27	\$36	8	Oklahoma	\$118.3	18	\$30	13
Idaho	\$9.5	48	\$6	47	Oregon	\$18.8	44	\$5	49
Illinois	\$294.3	7	\$23	16	Pennsylvania	\$386.8	3	\$30	12
Indiana	\$49.4	29	\$7	44	Rhode Island	\$20.9	41	\$20	19
Iowa	\$22.5	40	\$7	45	South Carolina	\$177.3	13	\$35	9
Kansas	\$137.8	16	\$47	3	South Dakota	\$16.9	46	\$19	20
Kentucky	\$146.2	15	\$33	10	Tennessee	\$187.1	12	\$28	14
Louisiana	\$77.1	22	\$16	24	Texas	\$1,228.6	1	\$43	5
Maine	\$19.3	43	\$14	32	Utah	\$50.0	28	\$16	25
Maryland	\$32.2	37	\$5	48	Vermont	\$26.0	39	\$42	6
Massachusetts	\$85.4	21	\$12	35	Virginia	\$224.4	9	\$26	15
Michigan	\$159.4	14	\$16	27	Washington	\$354.9	5	\$48	2
Minnesota	\$88.2	20	\$16	28	West Virginia	\$17.8	45	\$10	39
Mississippi	\$41.8	33	\$14	33	Wisconsin	\$61.2	25	\$11	38
Missouri	\$37.9	35	\$6	46	Wyoming	\$1.9	50	\$3	50

Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections Light Blue Areas= Midwest Region

In the Midwest region, Illinois collects the highest amount of tax revenue from alcoholic beverages from a total dollars perspective. On a per-capita basis, Illinois is only behind Kentucky in the Midwest which is ranked 10th in the nation with a per-capita value of \$33.

As shown in the charts on the following page, Illinois' latest rankings have increased since 2009, as the total dollar ranking has risen from 11th to 7th, while the per-capita ranking has risen from 31st to 16th. The reason for this is because in September 2009, the rate and base of Illinois liquor tax was increased to the following amounts (per gallon): \$0.231 on beer and cider (up from \$0.185); \$1.39 on wine (up from \$0.73); and \$8.55 on distilled liquor (up from \$4.50).

Table 12 on page 18 displays a list of each state's tax rate on beer; as shown, Illinois currently has the 23rd highest tax rate on beer in the country.

CHART 12: State Government Alcoholic Beverage Tax Revenue in 2017
(National Total = \$6.6 billion)

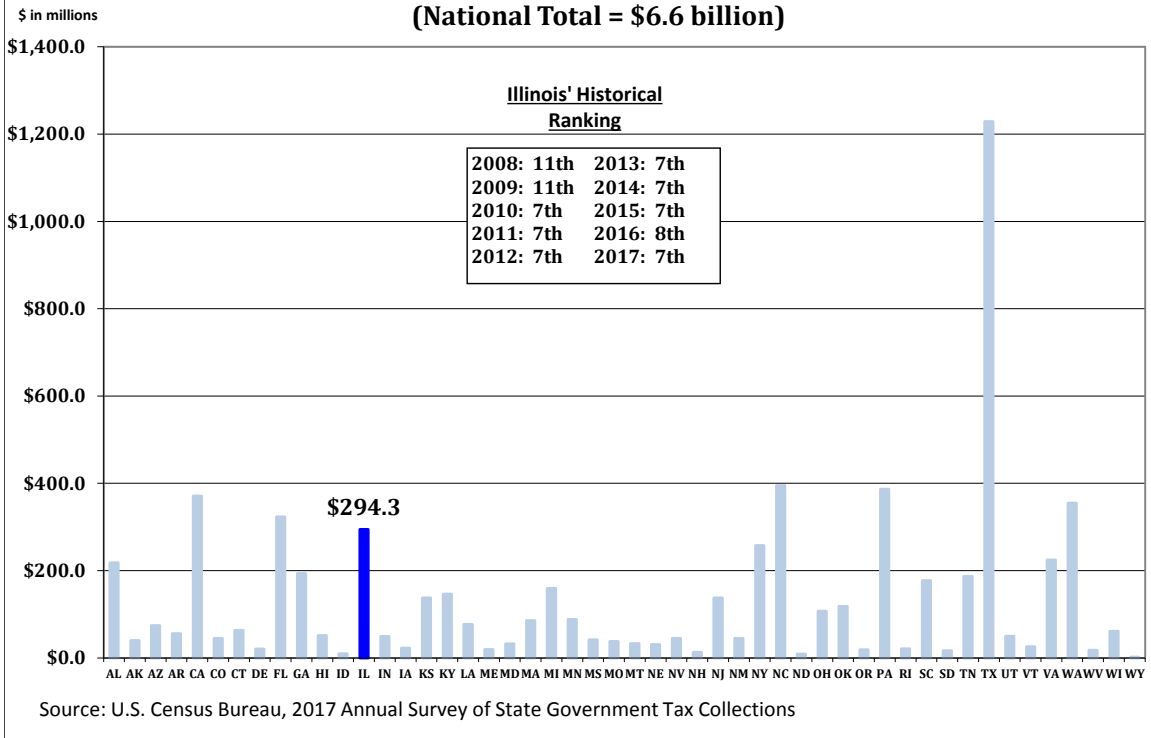


CHART 13 : Per-Capita State Government Alcoholic Beverage Tax Revenue in 2017
(National Per Capita = \$20)

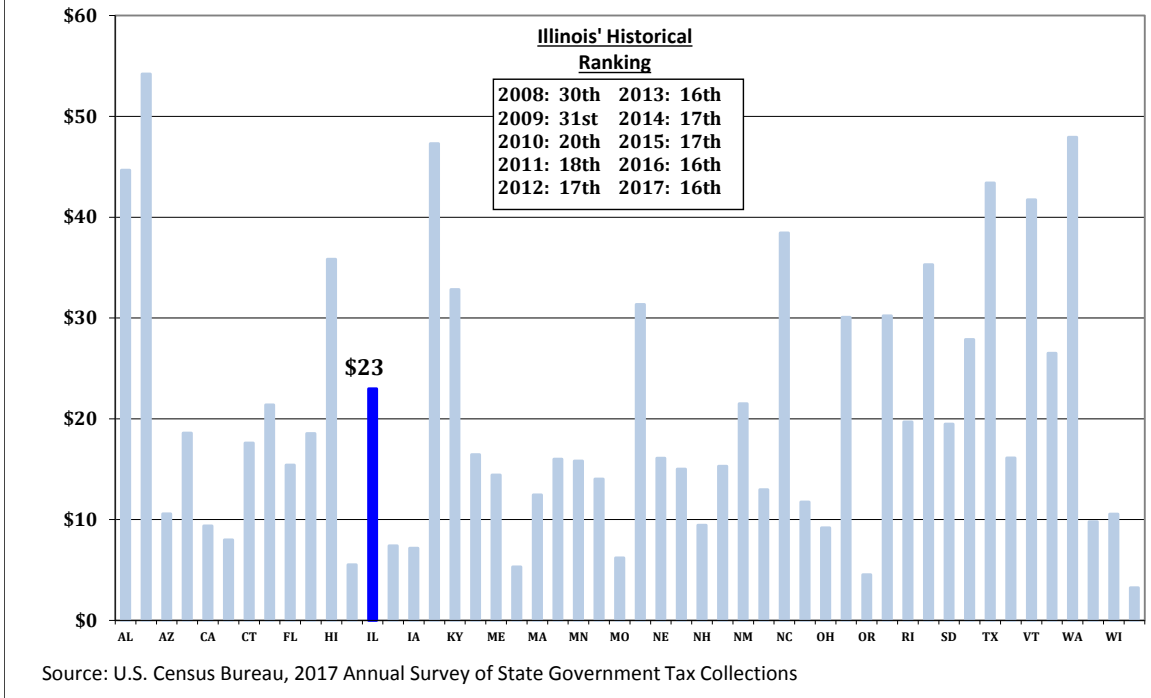


TABLE 12: State Tax Rates on Beer

As of January 1, 2018

(Dollars Per Gallon)

State	Beer Excise Tax Rates		General Sales Tax Applies?	Other Taxes
	Tax Rate	Rank		
Alabama	\$0.53	6	Yes	\$0.52/gallon local tax statewide
Alaska	\$1.07	2	n.a.	
Arizona	\$0.16	32	Yes	
Arkansas	\$0.23	24	Yes	3% off- 10% on-premise tax
California	\$0.20	25	Yes	
Colorado	\$0.08	44	Yes	
Connecticut	\$0.24	22	Yes	
Delaware	\$0.26	19	n.a.	
Florida	\$0.48	7	Yes	
Georgia	\$0.32	14	Yes	\$0.53/gallon local tax
Hawaii	\$0.93	3	Yes	\$0.54/gallon draft beer
Idaho	\$0.15	35	Yes	over 4% - \$0.45/gallon
Illinois	\$0.231	23	Yes	\$0.29/gallon in Chicago and \$0.09/gallon in Cook County
Indiana	\$0.115	40	Yes	
Iowa	\$0.19	28	Yes	
Kansas	\$0.18	29	--	8% off- and 10% on-premise
Kentucky	\$0.08	44	Yes	10.5% wholesale tax
Louisiana	\$0.40	11	Yes	\$0.048/gallon local tax
Maine	\$0.35	13	Yes	7% on-premise sales tax
Maryland	\$0.09	43	--	9% sales tax
Massachusetts	\$0.11	41		0.57% on private club sales
Michigan	\$0.20	25	Yes	
Minnesota	\$0.15	35	--	under 3.2% - \$0.077/gallon, 9% sales tax
Mississippi	\$0.4268	8	Yes	
Missouri	\$0.06	48	Yes	
Montana	\$0.14	37	n.a.	
Nebraska	\$0.31	15	Yes	
Nevada	\$0.16	32	Yes	
New Hampshire	\$0.30	16	n.a.	
New Jersey	\$0.12	39	Yes	
New Mexico	\$0.41	10	Yes	
New York	\$0.14	37	Yes	additional \$0.12/gallon in New York City
North Carolina	\$0.6171	5	Yes	
North Dakota	\$0.16	32	--	7% state sales tax, bulk beer \$0.08/gal.
Ohio	\$0.18	29	Yes	
Oklahoma	\$0.40	11	Yes	under 3.2% - \$0.36/gallon; 13.5% on-premise
Oregon	\$0.08	44	n.a.	
Pennsylvania	\$0.08	44	Yes	
Rhode Island	\$0.11	41	Yes	\$0.04/case wholesale tax
South Carolina	\$0.77	4	Yes	
South Dakota	\$0.27	17	Yes	
Tennessee	\$1.29	1	Yes	Excise Barrelage Tax and Wholesale Tax
Texas	\$0.194	27	Yes	14.95% on-premise and \$0.05/drink on airline sales
Utah	\$0.4129	9	Yes	over 3.2% - sold through state store
Vermont	\$0.265	18	Yes	more than 6% alcohol - \$0.55; 10% on-premise sales tax
Virginia	\$0.2565	21	Yes	
Washington	\$0.26	19	Yes	
West Virginia	\$0.18	29	Yes	
Wisconsin	\$0.06	48	Yes	
Wyoming	\$0.02	50	Yes	
D.C.	\$0.09	N/A	Yes	9% off- and on-premise sales tax

For tax rates on wine, go to <http://www.taxadmin.org/assets/docs/Research/Rates/wine.pdf>For tax rates on distilled spirits, go to <http://www.taxadmin.org/assets/docs/Research/Rates/liquor.pdf>Source: taxfoundation.org

Category 7: State Government Motor Fuel Tax Revenue

In 2017, Illinois ranked 10th in the nation in the amount of motor fuel tax revenue collected with a total of \$1.3 billion. Only Ohio collected more in the Midwest Region (\$2.0 billion). However, on a per-capita basis, Illinois ranked 45th in the nation with a per-capita rate of \$105, which was lower than the national per-capita rate of \$138. Illinois was the lowest ranking state on a per-capita basis in the Midwest Region.

TABLE 13: State Government Motor Fuel Tax Revenue in 2017									
\$ in billions									
	State Govt Motor Fuel Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Motor Fuel Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$45.1	-	\$138	-	United States	\$45.1	-	\$138	-
Alabama	\$0.6	25	\$121	35	Montana	\$0.2	42	\$180	12
Alaska	\$0.0	50	\$62	48	Nebraska	\$0.4	36	\$184	11
Arizona	\$0.9	17	\$122	33	Nevada	\$0.3	38	\$109	44
Arkansas	\$0.5	30	\$162	18	New Hampshire	\$0.2	44	\$113	42
California	\$4.8	1	\$122	32	New Jersey	\$0.5	27	\$59	50
Colorado	\$0.7	23	\$117	39	New Mexico	\$0.2	40	\$116	40
Connecticut	\$0.5	31	\$135	25	New York	\$1.6	9	\$83	47
Delaware	\$0.1	45	\$135	26	North Carolina	\$1.9	6	\$187	10
Florida	\$2.7	4	\$130	27	North Dakota	\$0.2	41	\$251	1
Georgia	\$1.7	8	\$167	16	Ohio	\$2.0	5	\$170	15
Hawaii	\$0.1	48	\$61	49	Oklahoma	\$0.5	32	\$121	36
Idaho	\$0.4	37	\$206	7	Oregon	\$0.5	28	\$128	30
Illinois	\$1.3	10	\$105	45	Pennsylvania	\$3.1	3	\$245	2
Indiana	\$0.9	18	\$128	29	Rhode Island	\$0.1	47	\$86	46
Iowa	\$0.7	22	\$214	5	South Carolina	\$0.6	26	\$116	41
Kansas	\$0.5	33	\$157	21	South Dakota	\$0.2	43	\$217	4
Kentucky	\$0.7	21	\$157	19	Tennessee	\$0.9	15	\$136	23
Louisiana	\$0.6	24	\$136	24	Texas	\$3.6	2	\$127	31
Maine	\$0.3	39	\$189	9	Utah	\$0.5	29	\$157	20
Maryland	\$1.1	12	\$178	14	Vermont	\$0.1	49	\$130	28
Massachusetts	\$0.8	19	\$112	43	Virginia	\$1.0	14	\$118	38
Michigan	\$1.2	11	\$122	34	Washington	\$1.8	7	\$245	3
Minnesota	\$0.9	16	\$164	17	West Virginia	\$0.4	35	\$211	6
Mississippi	\$0.4	34	\$149	22	Wisconsin	\$1.0	13	\$180	13
Missouri	\$0.7	20	\$118	37	Wyoming	\$0.1	46	\$197	8

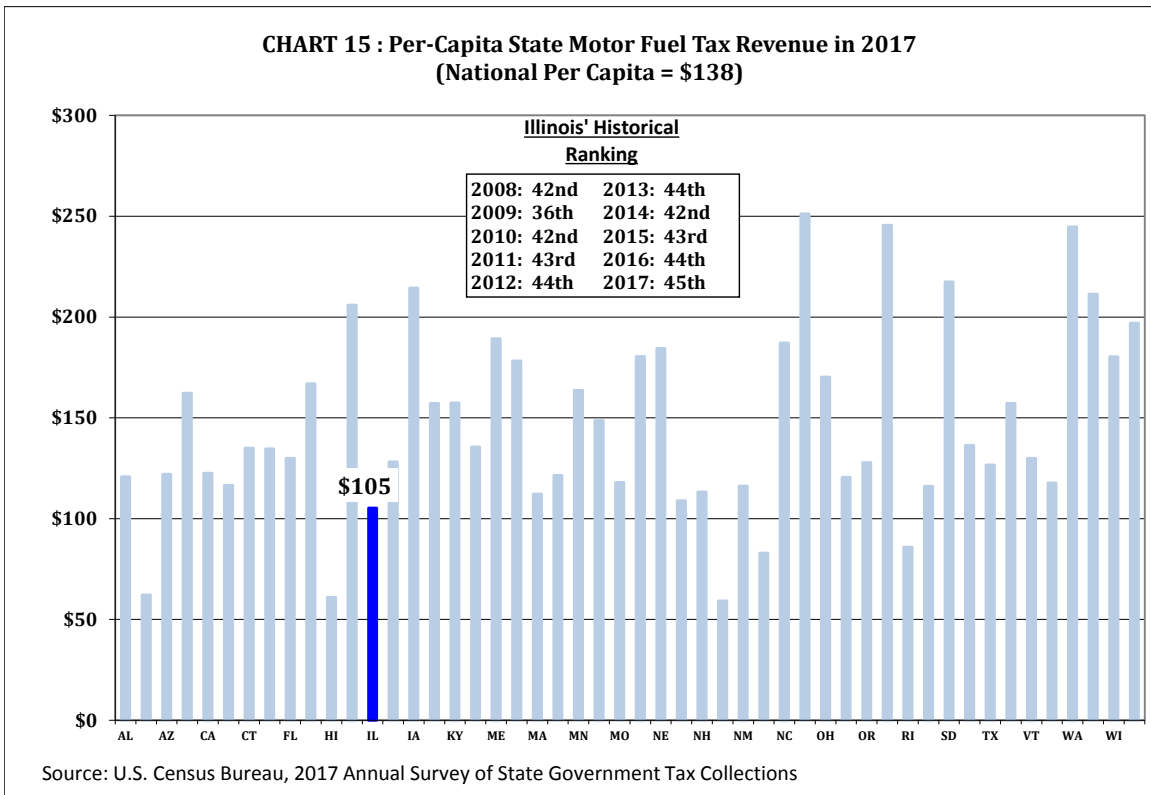
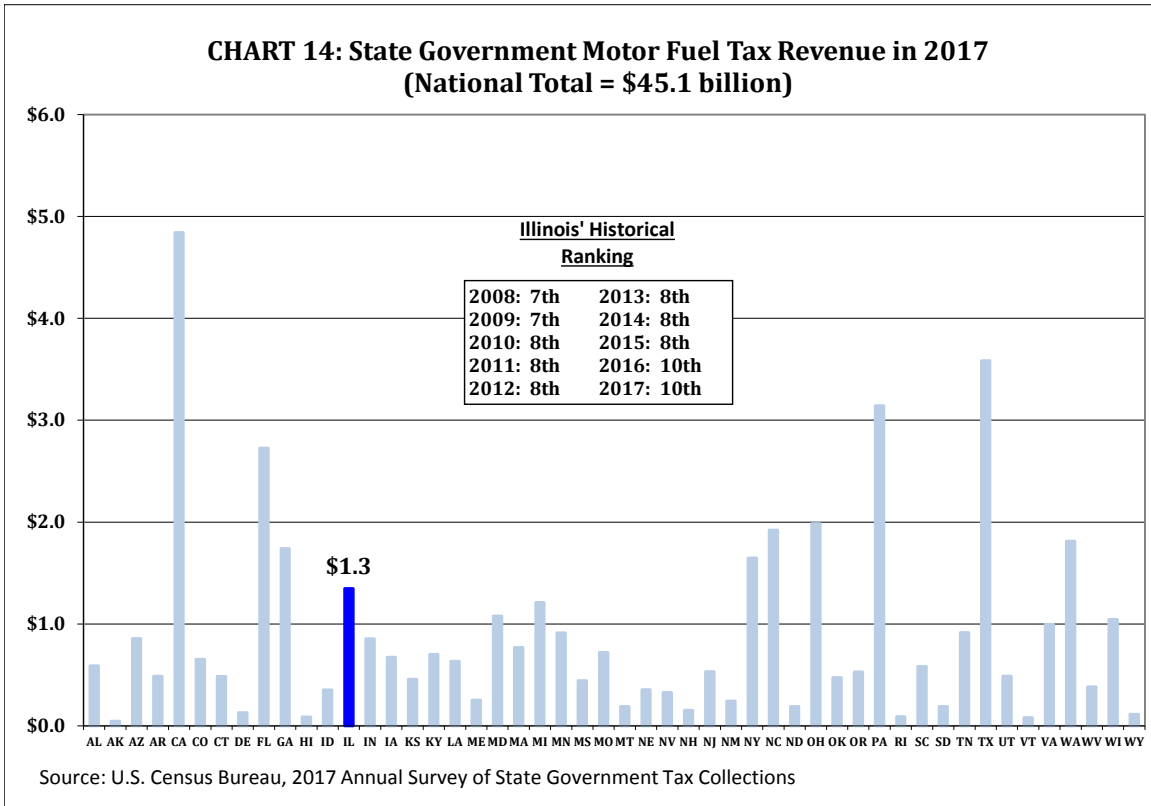
Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections Light Blue Areas= Midwest Region

As shown on page 21, as of January 1, 2017, Illinois had the 38th highest tax rate on gasoline at 20.1 cents per gallon (which includes 1.1 cents in environmental fees). Pennsylvania had the highest gasoline tax at 57.6 cents-per-gallon.

It must be noted that Illinois is among eight states that collect general sales taxes on motor fuel as well (including Indiana and Michigan in the Midwest). These revenues would be included in the sales tax figures and not in the tables and graphs shown in this section. If the sales tax on motor fuel is included, Illinois goes from being one of the lower taxing states, in terms of motor fuel-related taxes, to one of the higher taxing states, especially in years when oil prices are high.

When combining the State motor fuel tax with the sales tax and federal and local taxes on gasoline, the American Petroleum Institute (API) estimates that, on average, Illinois drivers pay 55.72 cents per gallon in taxes, above the national average of 52.49 cents per gallon. For diesel fuel, the API estimates that the combined average tax in Illinois is

62.74 cents per gallon, which is higher than the national average of 60.51 cents per gallon.



**TABLE 14: Motor Fuel Excise Tax Rates
as of January 1, 2017**

State	---Gasoline---			---Diesel Fuel---			---Gasohol---			Notes
	Excise Tax	Add'l Tax	Total Tax	Excise Tax	Add'l Tax	Total Tax	Excise Tax	Add'l Tax	Total Tax	
Alabama /1	18.0		18.0	19.0		19.0	18.0		18.0	
Alaska	8.0	0.95	8.95	8.0	0.95	8.95	8.0	0.95	8.95	Refining Surcharge
Arizona	18.0	1.0	19.0	26.0	1.0	27.0	18.0	1.0	19.0	/8 LUST Tax
Arkansas	21.5	0.3	21.8	22.5	0.3	22.8	21.5	0.3	21.8	Environmental fee
California	41.7	5.0	46.7	36.0	25.0	61.0	41.7	5.0	46.7	Includes prepaid sales tax /7
Colorado	22.0		22.0	20.5		20.5	20.0		20.0	
Connecticut	25.0		25.0	41.7		41.7	25.0		25.0	Plus a 8.1% Petroleum tax (gas)
Delaware	23.0		23.0	22.0		22.0	23.0		23.0	Plus 0.9% GRT
Florida /2	17.725	13.7	31.425	18.6	13.7	32.3	17.725	13.7	31.425	Sales tax added to excise /2
Georgia /5	26.8		26.8	30.0		30.0	26.8		26.8	/5 Local sales tax additional
Hawaii /1	16.0		16.0	16.0		16.0	16.0		16.0	Sales tax additional
Idaho	32.0	1.0	33.0	32.0	1.0	33.0	32.0	1.0	33.0	Clean Water Fee
Illinois /1	19.0	1.1	20.1	21.5	1.1	22.6	19.0	1.1	20.1	Sales tax add., env. & LUST fee /3
Indiana /5	28.0		28.0	26.0		26.0	28.0		28.0	Sales tax additional /3
Iowa	30.5		30.5	32.5		32.5	29.0		29.0	
Kansas	24.0	1.03	25.03	26.0	1.03	27.03	24.0	1.03	25.03	Environmental & Inspection fees
Kentucky	24.6	1.4	26.0	21.6	1.4	23.0	24.6	1.4	26.0	Environmental fee /4 /3
Louisiana	20.0	0.125	20.125	20.0	0.125	20.125	20.0	0.125	20.125	Inspection fee
Maine	30.0		30.0	31.2		31.2	30.0		30.0	
Maryland /5	33.8		33.8	34.55		34.55	33.8		33.8	/5
Massachusetts	24.0		24.0	24.0		24.0	24.0		24.0	
Michigan	26.3		26.3	26.3		26.3	26.3		26.3	Sales tax additional
Minnesota	28.5	0.1	28.6	28.5	0.1	28.6	28.5	0.1	28.6	Inspect fee
Mississippi	18.0	0.4	18.4	18.0	0.4	18.4	18.0	0.4	18.4	Environmental fee
Missouri	17.0	0.3	17.3	17.0	0.3	17.3	17.0	0.3	17.3	Inspection & Load fees
Montana	31.5		31.5	29.25		29.25	31.5		31.5	
Nebraska	28.4	0.9	29.3	28.4	0.30	28.7	28.4	0.9	29.3	Petroleum fee /5
Nevada /1	23.0	0.805	23.805	27.0	0.75	27.75	23.0	0.805	23.805	Inspection & cleanup fee
New Hampshire	22.2	1.625	23.825	22.2	1.625	23.825	22.2	1.625	23.825	Oil discharge cleanup fee
New Jersey	10.5	26.6	37.1	13.5	30.7	44.2	10.5	26.6	37.1	Petroleum fee
New Mexico	17.0	1.875	18.875	21.0	1.875	22.875	17.0	1.875	18.875	Petroleum loading fee
New York	8.0	16.9	24.9	8.0	15.15	23.15	8.0	16.9	24.9	Petroleum Tax, Sales tax additional
North Carolina	35.10	0.25	35.35	35.1	0.25	35.3	35.1	0.25	35.35	/5 Inspection tax
North Dakota	23.0		23.0	23.0		23.0	23.0		23.0	
Ohio	28.0		28.0	28.0		28.0	28.0		28.0	
Oklahoma	16.0	1.0	17.0	13.0	1.0	14.0	16.0	1.0	17.0	Environmental fee
Oregon /1	34.0		34.0	34.0		34.0	34.0		34.0	
Pennsylvania	57.6		57.6	74.1		74.1	57.6		57.6	Oil franchise tax only /5
Rhode Island	33.0	1.0	34.0	33.0	1.0	34.0	33.0	1.0	34.0	LUST tax
South Carolina	16.0	0.75	16.75	16.0	0.75	16.75	16.0	0.75	16.75	Inspection fee & LUST tax
South Dakota /1	28.0	2.0	30.0	28.0	2.0	30.0	26.6	2.0	28.6	Inspection fee (gasoline E10)
Tennessee /1 /9	24.0	1.4	25.4	21.0	1.4	22.4	24.0	1.4	25.4	Petroleum Tax & Envir. Fee
Texas	20.0		20.0	20.0		20.0	20.0		20.0	
Utah	29.4		29.4	29.4		29.4	29.4		29.4	/4
Vermont /5	12.1	18.62	30.72	28.0	4.0	32.0	12.1	18.6	30.72	Cleanup Fee & Trans. Fee
Virginia /1	16.2		16.2	20.2		20.2	16.2		16.2	/6
Washington	49.4		49.4	49.4		49.4	49.4		49.4	0.5% privilege tax
West Virginia	20.5	15.2	35.7	20.5	15.2	35.7	20.5	15.2	35.7	Sales tax added to excise
Wisconsin	30.9	2.0	32.9	30.9	2.0	32.9	30.9	2.0	32.9	Petroleum Insp. Fee
Wyoming	23.0	1.0	24.0	23.0	1.0	24.0	23.0	1.0	24.0	License tax
Dist. of Columbia	23.5		23.5	23.5		23.5	23.5		23.5	
Federal	18.3	0.1	18.4	24.3	0.1	24.4	13.0	0.1	13.1	/7 LUST tax

SOURCE: www.taxadmin.org

/1 Tax rates do not include local option taxes. In AL, 1 - 3 cents; HI, 8.8 to 18.0 cent; IL, 5 cents in Chicago and 6 cents in Cook county (gasoline only); NV, 4.0 to 9.0 cents; OR, 1 to 5 cents; SD and TN, one cent; and VA 2.1%.

/2 Local taxes for gasoline and gasohol vary from 0 cents to 6.0 cents. Includes Inspection Fee, SCETS, & Statewide Local Tax.

/3 Carriers pay an additional surcharge equal to IL-13.4 cents, IN-21 cents, KY-2% (g) 4.7% (d).

/4 Tax rate is based on the average wholesale price and is adjusted annually. The actual rates are: KY, 9%; and UT, 16.5%.

/5 Portion of the rate is adjustable based on maintenance costs, sales volume, cost of fuel to state government, or inflation.

/6 Large trucks pay an additional (d) 3.5 cents (g) 12.6 cents. Actual rates (g) 5.1%, (d) 6%.

/7 California Gasoline subject to 2.25% sales tax. Diesel subject to a 9.25% sales tax.

/8 Diesel rate specified is the fuel use tax rate on large trucks. Small vehicles are subject to 18 cent tax rate.

/9 On July 1, 2018, the SC fuel excise tax will increase to 18 cents on July 1, 2018 and the TN tax rate will increase to 25 cents (g) and 24 cents (d).

Category 8: State Government Motor Vehicle and Operators' License Tax Revenue

In 2017, Illinois collected the 3rd highest amount of tax revenue from motor vehicle and operators' licenses. Illinois' total amount of \$1.7 billion trailed only California (\$4.3 billion) and Texas (\$2.2 billion) in this category. Illinois had the 6th highest per-capita ranking in this category, collecting \$135 per capita, which was well above the national per-capita value of \$80. Only Iowa (ranked 1st) had a higher ranking than Illinois in the Midwest Region at \$203 per capita.

TABLE 15: State Government Motor Vehicle and Operators' License Tax Revenue in 2017									
\$ in billions									
	State Govt Vehicle and License Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Vehicle and License Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$26.1	-	\$80	-	United States	\$26.1	-	\$80	-
Alabama	\$0.2	28	\$45	44	Montana	\$0.1	38	\$137	5
Alaska	\$0.0	48	\$53	39	Nebraska	\$0.1	40	\$58	35
Arizona	\$0.2	29	\$31	47	Nevada	\$0.2	30	\$71	28
Arkansas	\$0.2	36	\$53	37	New Hampshire	\$0.1	42	\$76	23
California	\$4.3	1	\$108	13	New Jersey	\$0.7	12	\$74	25
Colorado	\$0.5	16	\$96	14	New Mexico	\$0.2	33	\$94	16
Connecticut	\$0.2	25	\$66	31	New York	\$1.4	4	\$71	29
Delaware	\$0.1	47	\$60	34	North Carolina	\$0.8	9	\$81	20
Florida	\$1.4	5	\$65	32	North Dakota	\$0.1	39	\$159	3
Georgia	\$0.4	21	\$35	46	Ohio	\$0.8	8	\$72	27
Hawaii	\$0.2	34	\$132	7	Oklahoma	\$0.8	11	\$192	2
Idaho	\$0.2	35	\$109	12	Oregon	\$0.5	15	\$130	8
Illinois	\$1.7	3	\$135	6	Pennsylvania	\$0.9	7	\$73	26
Indiana	\$0.3	24	\$43	45	Rhode Island	\$0.0	49	\$25	48
Iowa	\$0.6	13	\$203	1	South Carolina	\$0.2	26	\$46	42
Kansas	\$0.2	27	\$77	22	South Dakota	\$0.1	44	\$95	15
Kentucky	\$0.2	31	\$47	41	Tennessee	\$0.3	22	\$46	43
Louisiana	\$0.1	43	\$18	49	Texas	\$2.2	2	\$79	21
Maine	\$0.1	41	\$82	19	Utah	\$0.2	32	\$66	30
Maryland	\$0.5	17	\$83	18	Vermont	\$0.1	45	\$123	10
Massachusetts	\$0.4	20	\$64	33	Virginia	\$0.5	19	\$57	36
Michigan	\$1.2	6	\$120	11	Washington	\$0.6	14	\$74	24
Minnesota	\$0.8	10	\$142	4	West Virginia	\$0.0	50	\$2	50
Mississippi	\$0.2	37	\$53	38	Wisconsin	\$0.5	18	\$86	17
Missouri	\$0.3	23	\$47	40	Wyoming	\$0.1	46	\$124	9

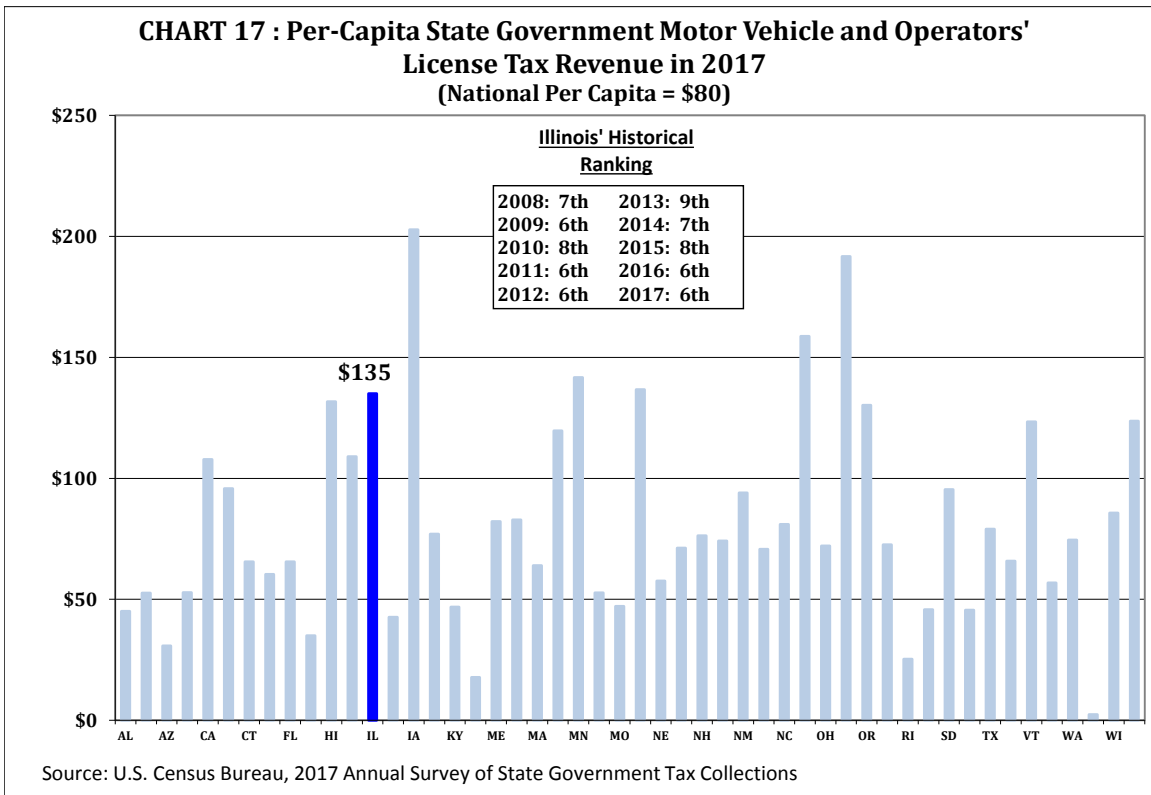
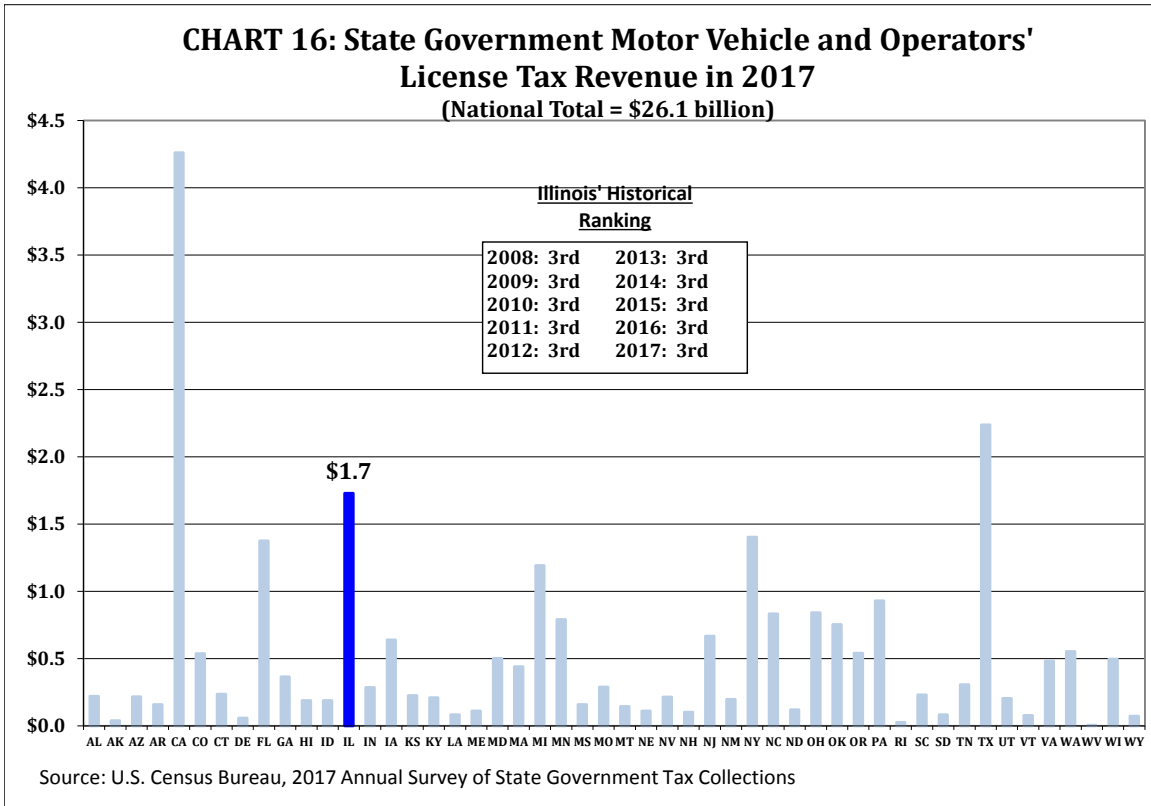
Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections Light Blue Areas= Midwest Region

The State imposes a wide variety of fees on operators of motor vehicles in Illinois. These fees are administered by the Secretary of State. In 2009, the annual registration fee for passenger cars, motorcycles, and smaller commercial vehicles rose from \$78 to \$79. Also in that year, as part of the Capital Bill (P.A. 96-0034), the fees for vehicle registrations were raised by \$20 to \$99. In 2013, the annual registration fee for passenger cars, motorcycles, and commercial vehicles was increased another \$2 from \$99 to \$101.

According to the *Illinois Tax Handbook for Legislators*, the original driver's license fee was \$1. In 1983, the fee for a 4-year license was \$10. On July 1, 2009, this fee was raised to \$30 (Capital Bill: P.A. 96-0034).

Additional vehicle taxes may come from local governments. According to the *Illinois Tax Handbook for Legislators*, "State law allows any municipality to tax motor vehicles

owned by its residents at rates set by its governing body (65 ILCS 5/8-11-4). Home-rule units can tax motor vehicles that are registered in their jurisdictions, as some do.”



Category 9: State Government Insurance Premium Tax Revenue

In 2017, Illinois ranked 18th in the nation in the amount of insurance tax revenue collected with a value of \$418.6 million. Only Ohio (8th) and Missouri (17th) collected more in the Midwest Region. On a per-capita basis, Illinois ranked 48th in the nation with a value of \$33, well below the national average of \$64. Only Nebraska (49th) and Oregon (50th) had lower per-capita rates than Illinois. Louisiana had the highest per-capita rate at \$174.

TABLE 16: State Government Insurance Premium Tax Revenue in 2017									
\$ in millions									
State Govt Insurance Premium Tax Revenue					State Govt Insurance Premium Tax Revenue				
	Total Dollars	Amount Per Capita	Per Capita Ranking		Total Dollars	Amount Per Capita	Per Capita Ranking		
	Ranking	Per Capita	Ranking		Ranking	Per Capita	Ranking		
United States	\$21,001.8	-	\$64	-	United States	\$21,001.8	-	\$64	-
Alabama	\$339.7	21	\$70	25	Montana	\$108.4	39	\$103	9
Alaska	\$62.5	47	\$84	13	Nebraska	\$54.4	49	\$28	49
Arizona	\$536.8	11	\$77	20	Nevada	\$359.7	20	\$120	3
Arkansas	\$213.2	29	\$71	23	New Hampshire	\$108.0	40	\$80	17
California	\$2,422.1	1	\$61	30	New Jersey	\$579.6	10	\$64	28
Colorado	\$256.2	26	\$46	39	New Mexico	\$163.5	33	\$78	18
Connecticut	\$199.5	31	\$56	33	New York	\$1,381.1	3	\$70	26
Delaware	\$100.1	41	\$104	8	North Carolina	\$517.1	12	\$50	36
Florida	\$959.3	4	\$46	38	North Dakota	\$63.6	46	\$84	14
Georgia	\$480.2	15	\$46	37	Ohio	\$629.7	8	\$54	34
Hawaii	\$170.1	32	\$119	4	Oklahoma	\$304.4	25	\$77	19
Idaho	\$92.0	43	\$54	35	Oregon	\$68.5	44	\$17	50
Illinois	\$418.6	18	\$33	48	Pennsylvania	\$808.3	7	\$63	29
Indiana	\$235.2	27	\$35	44	Rhode Island	\$120.6	36	\$114	5
Iowa	\$113.5	38	\$36	43	South Carolina	\$228.3	28	\$45	40
Kansas	\$310.4	24	\$107	7	South Dakota	\$66.5	45	\$76	21
Kentucky	\$153.7	34	\$35	46	Tennessee	\$912.3	5	\$136	2
Louisiana	\$814.0	6	\$174	1	Texas	\$2,325.9	2	\$82	15
Maine	\$95.9	42	\$72	22	Utah	\$130.1	35	\$42	42
Maryland	\$516.5	13	\$85	12	Vermont	\$59.9	48	\$96	10
Massachusetts	\$397.5	19	\$58	31	Virginia	\$479.2	16	\$57	32
Michigan	\$337.3	22	\$34	47	Washington	\$604.0	9	\$82	16
Minnesota	\$486.4	14	\$87	11	West Virginia	\$120.2	37	\$66	27
Mississippi	\$327.8	23	\$110	6	Wisconsin	\$202.4	30	\$35	45
Missouri	\$432.6	17	\$71	24	Wyoming	\$24.8	50	\$43	41

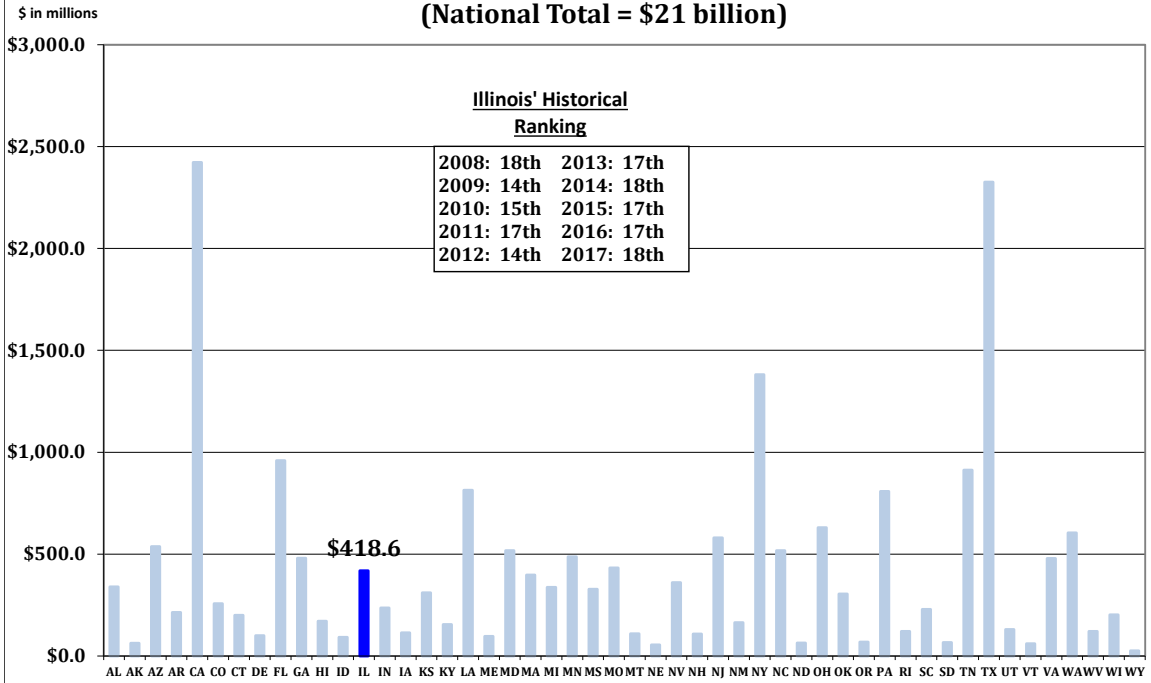
Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

Illinois imposes a number of taxes and fees on insurance companies, including a privilege tax on foreign companies, fire-marshall taxes, and a surplus line produce tax on nonstandard policies. The rate and base of the insurance taxes and fees in Illinois, as provided in the Legislative Research Unit's *Illinois Tax Handbook for Legislators*, are as follows:

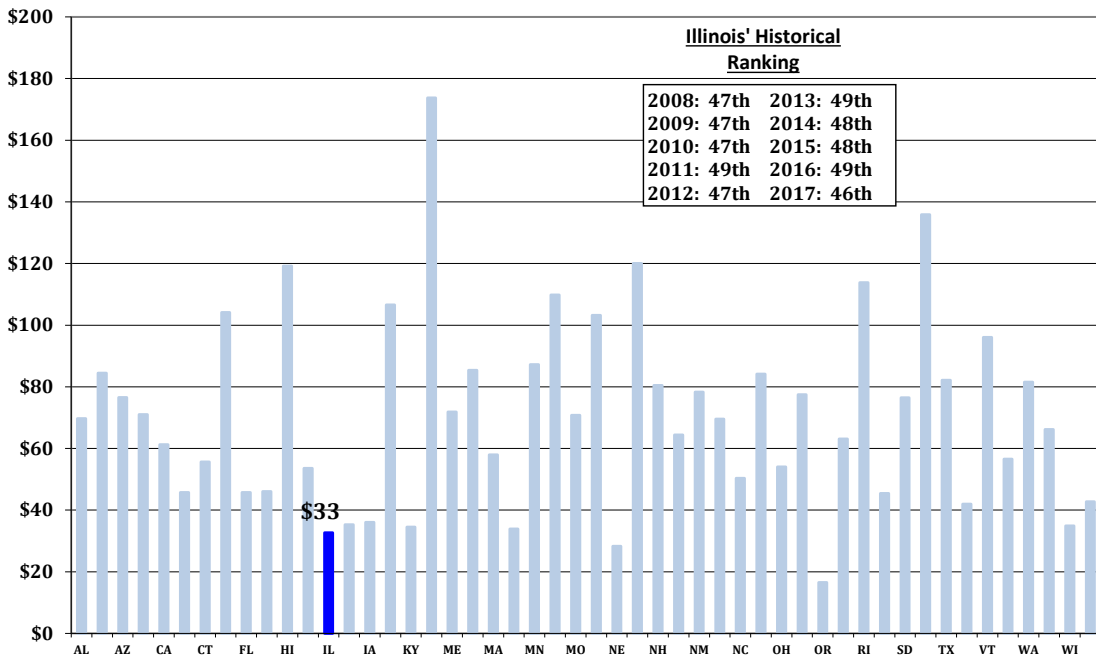
- 1) Privilege tax on insurers and HMOs:
 - a) 0.4% of net taxable written premiums for accident and health insurance.
 - b) 0.5% of net taxable written premiums for all other types of insurance.
- 2) Fire marshal's tax: 1% of premiums on fire or fire-related insurance policies.
- 3) Surplus line producers' tax: 3.5% of gross insurance premiums from policies issued in Illinois.
- 4) Workers' Compensation Commission Operations Fund Surcharge: 1.01% of direct written premiums for workers' compensation liability insurance.
- 5) Numerous other fees on particular types of insurance activities.

**CHART 18: State Government Insurance Premium Tax Revenue in 2017
(National Total = \$21 billion)**



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

**CHART 19 : Per-Capita State Government Insurance Premium Tax Revenue in 2017
(National Per Capita = \$64)**



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections

Category 10: State Government Tax Revenue as a Percent of Personal Income

As shown in Table 17, Illinois ranked 33rd in the nation in 2017 in the category of state government tax revenue as a percentage of personal income with a value of 5.6%. This ranking is notably higher than the State's 2010 ranking of 41st, where it had a value of 5.1%, but lower than the 2015 value of 6.2% and ranking of 24th. In 2017, the national average percentage was 5.8%. The highest-ranking state was Vermont at 9.8%.

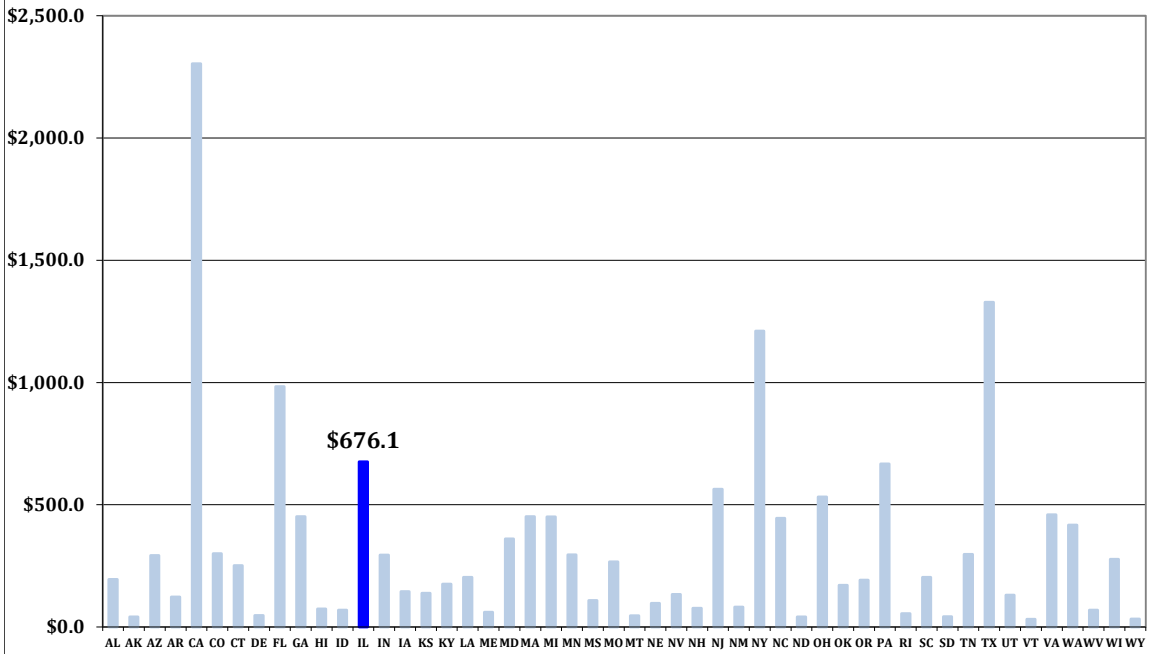
TABLE 17: State Government Tax Revenue as a Percentage of Personal Income in 2017									
\$ in billions									
	Personal Income (2017)	Total Dollars Ranking	Pers. Income % of State Government Revenues % Ranking			Personal Income (2017)	Total Dollars Ranking	Pers. Income % of State Government Revenues % Ranking	
United States	\$16,413.6	-	5.8%	-	United States	\$16,413.6	-	5.8%	-
Alabama	\$194.9	26	5.3%	35	Montana	\$46.1	45	5.8%	29
Alaska	\$41.5	47	2.9%	50	Nebraska	\$96.8	36	5.3%	36
Arizona	\$292.1	20	4.8%	42	Nevada	\$133.8	32	6.4%	18
Arkansas	\$122.5	34	7.8%	5	New Hampshire	\$77.3	38	3.2%	49
California	\$2,303.9	1	6.8%	12	New Jersey	\$563.3	7	5.7%	30
Colorado	\$300.0	16	4.4%	45	New Mexico	\$81.5	37	7.1%	9
Connecticut	\$251.6	23	6.5%	16	New York	\$1,210.6	3	6.6%	14
Delaware	\$47.3	44	7.6%	6	North Carolina	\$444.9	13	6.0%	23
Florida	\$983.3	4	4.1%	47	North Dakota	\$41.3	48	8.4%	4
Georgia	\$451.3	11	5.0%	39	Ohio	\$531.8	8	5.7%	31
Hawaii	\$74.1	39	9.5%	2	Oklahoma	\$170.8	29	5.0%	38
Idaho	\$69.5	40	6.5%	17	Oregon	\$192.1	27	6.2%	20
Illinois	\$676.1	5	5.6%	33	Pennsylvania	\$667.1	6	5.7%	32
Indiana	\$294.4	19	6.1%	21	Rhode Island	\$54.6	43	6.0%	26
Iowa	\$144.7	30	6.7%	13	South Carolina	\$203.1	25	4.8%	40
Kansas	\$138.7	31	5.9%	27	South Dakota	\$42.0	46	4.4%	46
Kentucky	\$175.5	28	6.8%	11	Tennessee	\$297.3	17	4.7%	44
Louisiana	\$203.7	24	5.5%	34	Texas	\$1,328.7	2	4.0%	48
Maine	\$60.2	42	7.0%	10	Utah	\$130.4	33	6.0%	24
Maryland	\$360.3	15	6.0%	25	Vermont	\$31.9	50	9.8%	1
Massachusetts	\$452.0	10	6.1%	22	Virginia	\$459.4	9	4.8%	41
Michigan	\$450.8	12	6.3%	19	Washington	\$416.8	14	5.8%	28
Minnesota	\$295.8	18	8.7%	3	West Virginia	\$68.9	41	7.4%	7
Mississippi	\$108.5	35	7.2%	8	Wisconsin	\$277.3	21	6.5%	15
Missouri	\$266.9	22	4.7%	43	Wyoming	\$32.9	49	5.0%	37

Source: U.S. Census Bureau, Survey of State Govt Tax Collections, Bureau of Econ Analysis

Light Blue Areas= Midwest Region

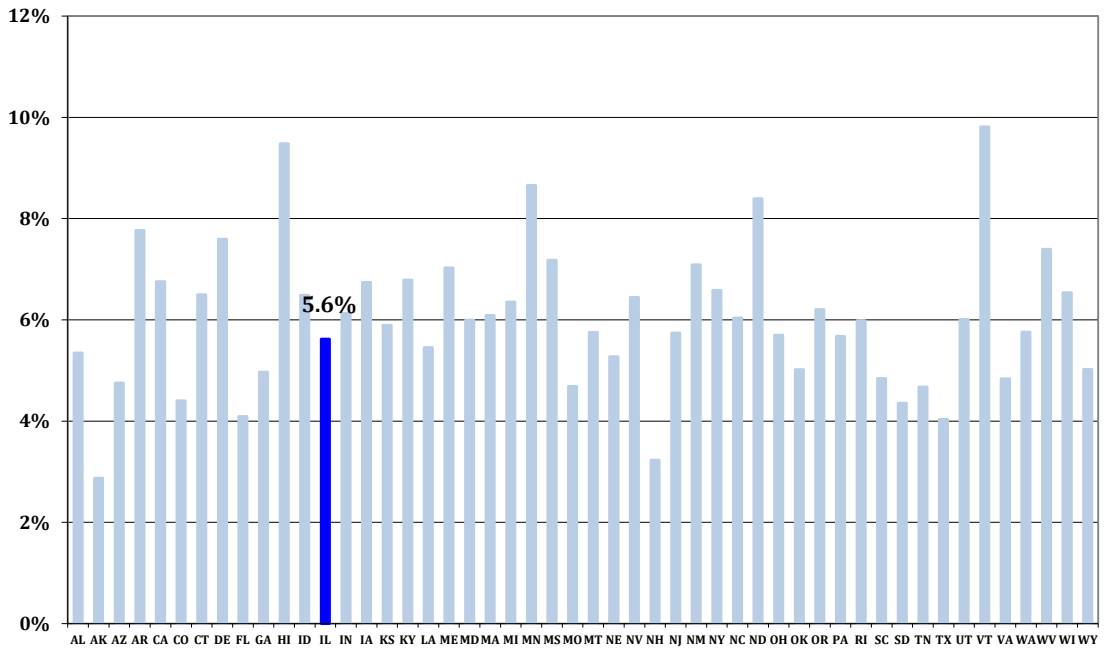
Illinois' fluctuation in the rankings is again primarily due to the variation in the income tax rates over the past decade. When the 2011 tax rate hikes took full effect, Illinois went from being one of the lowest taxing states in the nation (41st), in terms of the percentage of personal income that goes to state government tax revenues, to ranking among the upper half of states in this category (24th). However, the statutory lowering of the income tax rates in 2015 caused Illinois' ranking to slide to 33rd for this category in 2017. It is expected that, once the impact of the 2017 tax rate increases take full effect, Illinois ranking in this category will again be similar to the 2015 ranking of 24th.

CHART 20: Personal Income by State in 2017
(National Total = \$16,413 billion)



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections, Bureau of Economic Analysis

CHART 21: State Govt. Tax Revenue as a Percentage of Personal Income in 2017
(National Rate = 5.8%)



Source: U.S. Census Bureau, 2017 Annual Survey of State Government Tax Collections, Bureau of Economic Analysis

Category 11: Local Government Tax Revenue

In 2016 (the most recent year of compiled data available), Illinois ranked 5th in the nation in the category of local government tax revenue collected with an amount of \$73.3 billion. California was ranked 1st with an amount of \$305 billion. On a per-capita basis, Illinois ranked 9th at \$5,709 per capita and was the highest ranked state in the Midwest Region. New York was first at \$9,849 per capita. A major reason for Illinois' high rankings in this area is because Illinois has more units of government (over 6,000) than any other state in the nation.

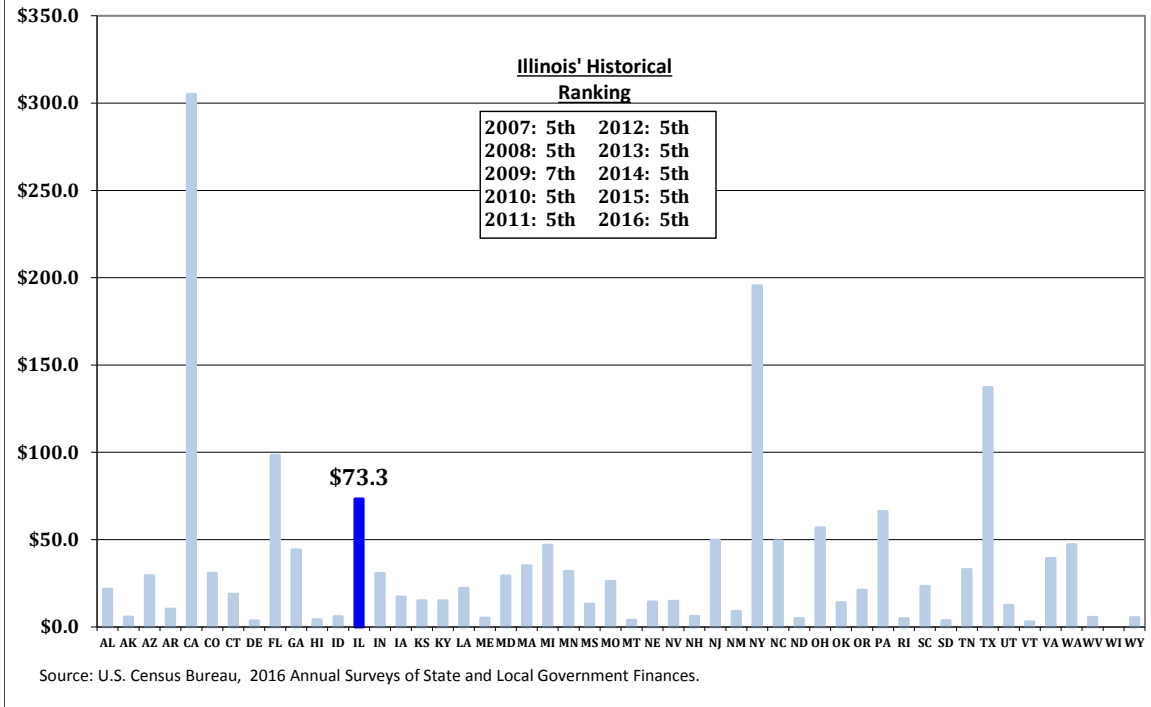
TABLE 18: Local Government Tax Revenue in 2016									
§ in billions									
	Local Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Local Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$1,802.2	-	\$5,572	-	United States	\$1,802.2	-	\$5,572	-
Alabama	\$21.7	24	\$4,468	33	Montana	\$3.9	46	\$3,758	42
Alaska	\$5.6	39	\$7,554	4	Nebraska	\$14.4	31	\$7,542	5
Arizona	\$29.4	19	\$4,263	39	Nevada	\$14.8	30	\$5,039	18
Arkansas	\$10.3	35	\$3,458	46	New Hampshire	\$6.1	37	\$4,595	31
California	\$305.0	1	\$7,763	3	New Jersey	\$49.8	8	\$5,544	11
Colorado	\$30.7	17	\$5,554	10	New Mexico	\$9.0	36	\$4,297	35
Connecticut	\$18.8	26	\$5,231	13	New York	\$195.4	2	\$9,849	1
Delaware	\$3.6	48	\$3,731	43	North Carolina	\$49.3	9	\$4,852	23
Florida	\$98.3	4	\$4,758	25	North Dakota	\$4.8	43	\$6,406	7
Georgia	\$44.1	12	\$4,280	37	Ohio	\$56.8	7	\$4,886	21
Hawaii	\$4.2	45	\$2,933	49	Oklahoma	\$13.9	32	\$3,548	44
Idaho	\$5.9	38	\$3,523	45	Oregon	\$21.1	25	\$5,170	15
Illinois	\$73.3	5	\$5,709	9	Pennsylvania	\$66.2	6	\$5,174	14
Indiana	\$30.6	18	\$4,609	30	Rhode Island	\$4.8	44	\$4,570	32
Iowa	\$17.2	27	\$5,500	12	South Carolina	\$23.3	22	\$4,692	28
Kansas	\$15.0	29	\$5,150	16	South Dakota	\$3.7	47	\$4,266	38
Kentucky	\$15.0	28	\$3,390	47	Tennessee	\$32.9	15	\$4,947	19
Louisiana	\$22.2	23	\$4,739	26	Texas	\$137.2	3	\$4,918	20
Maine	\$5.2	42	\$3,879	41	Utah	\$12.5	34	\$4,094	40
Maryland	\$29.3	20	\$4,864	22	Vermont	\$3.0	49	\$4,791	24
Massachusetts	\$35.1	14	\$5,138	17	Virginia	\$39.2	13	\$4,663	29
Michigan	\$46.9	11	\$4,726	27	Washington	\$47.1	10	\$6,469	6
Minnesota	\$31.9	16	\$5,769	8	West Virginia	\$5.5	40	\$3,007	48
Mississippi	\$13.1	33	\$4,388	34	Wisconsin	\$0.0	#N/A	\$0	50
Missouri	\$26.1	21	\$4,286	36	Wyoming	\$5.4	41	\$9,208	2

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

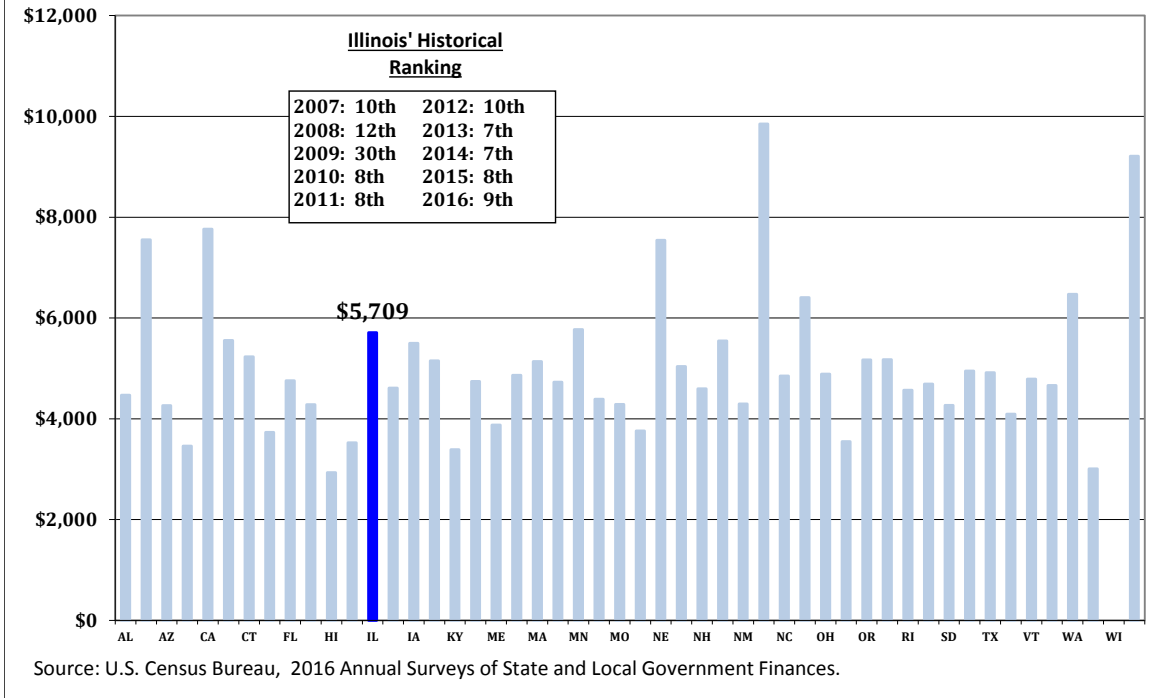
Light Blue Areas= Midwest Region

Because Illinois' ranking in per-capita local government revenue is notably higher than its ranking in state government revenue, many argue that the State should take a larger role in financing programs. They argue that local taxes need to be lowered, while increasing State tax sources to create a more "equitable" system. Others argue that a reliance on property taxes gives local governments more local control and promotes a higher degree of accountability to their community. This debate will continue in the years to come, especially in the area of education funding.

**CHART 22: Local Government Tax Revenue in 2016
(National Total = \$1,802.2 billion)**



**CHART 23: Per-Capita Local Government Tax Revenue in 2016
(National Per Capita = \$5,572)**



Category 12: Local Government Property Tax Revenue

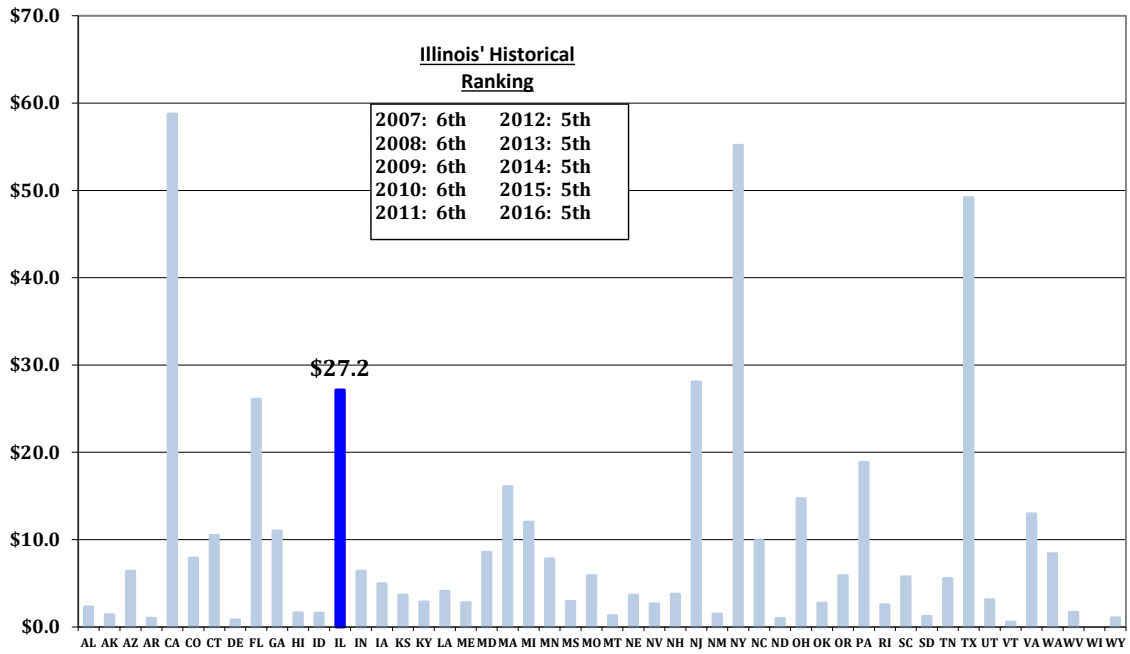
The majority of local taxes come from the property tax. Illinois has historically been one of the highest property taxing states in the nation. As shown below in Table 19, in 2016, Illinois ranked 5th in the nation in the amount of property tax revenue collected. It was also the highest ranked state in the Midwest in terms of total dollars. On a per-capita basis, Illinois ranked 7th and was the highest ranked state in this category in the Midwest Region. Illinois' per-capita rate was \$2,115, which was well above the national average of \$1,507.

TABLE 19: Local Government Property Tax Revenue in 2016									
\$ in billions									
	Local Government Property Tax Revenue				Local Government Property Tax Revenue				
	Total Dollars	Amount Per Capita	Per Capita	Ranking	Total Dollars	Amount Per Capita	Per Capita	Ranking	
United States	\$487.3	-	\$1,507	-	United States	\$487.3	-	\$1,507	-
Alabama	\$2.3	37	\$474	48	Montana	\$1.3	43	\$1,249	26
Alaska	\$1.4	42	\$1,896	10	Nebraska	\$3.6	29	\$1,909	9
Arizona	\$6.4	20	\$925	38	Nevada	\$2.6	35	\$899	40
Arkansas	\$1.0	46	\$337	49	New Hampshire	\$3.8	27	\$2,811	3
California	\$58.8	1	\$1,495	15	New Jersey	\$28.1	4	\$3,127	1
Colorado	\$7.9	17	\$1,425	18	New Mexico	\$1.5	41	\$717	45
Connecticut	\$10.5	13	\$2,927	2	New York	\$55.2	2	\$2,782	4
Delaware	\$0.8	48	\$860	43	North Carolina	\$9.9	14	\$975	34
Florida	\$26.1	6	\$1,263	24	North Dakota	\$1.0	47	\$1,291	22
Georgia	\$11.0	12	\$1,066	31	Ohio	\$14.7	9	\$1,264	23
Hawaii	\$1.6	39	\$1,140	30	Oklahoma	\$2.7	34	\$699	46
Idaho	\$1.6	40	\$944	37	Oregon	\$5.9	22	\$1,439	17
Illinois	\$27.2	5	\$2,115	7	Pennsylvania	\$18.8	7	\$1,474	16
Indiana	\$6.4	19	\$966	36	Rhode Island	\$2.6	36	\$2,413	5
Iowa	\$5.0	25	\$1,582	13	South Carolina	\$5.7	23	\$1,156	28
Kansas	\$3.7	28	\$1,261	25	South Dakota	\$1.2	44	\$1,394	21
Kentucky	\$2.9	32	\$645	47	Tennessee	\$5.6	24	\$836	44
Louisiana	\$4.1	26	\$873	42	Texas	\$49.2	3	\$1,762	12
Maine	\$2.8	33	\$2,097	8	Utah	\$3.1	30	\$1,019	32
Maryland	\$8.6	15	\$1,423	19	Vermont	\$0.6	49	\$898	41
Massachusetts	\$16.1	8	\$2,357	6	Virginia	\$13.0	10	\$1,542	14
Michigan	\$12.0	11	\$1,209	27	Washington	\$8.4	16	\$1,153	29
Minnesota	\$7.8	18	\$1,413	20	West Virginia	\$1.7	38	\$911	39
Mississippi	\$2.9	31	\$979	33	Wisconsin	\$0.0	#N/A	\$0	50
Missouri	\$5.9	21	\$966	35	Wyoming	\$1.1	45	\$1,814	11

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

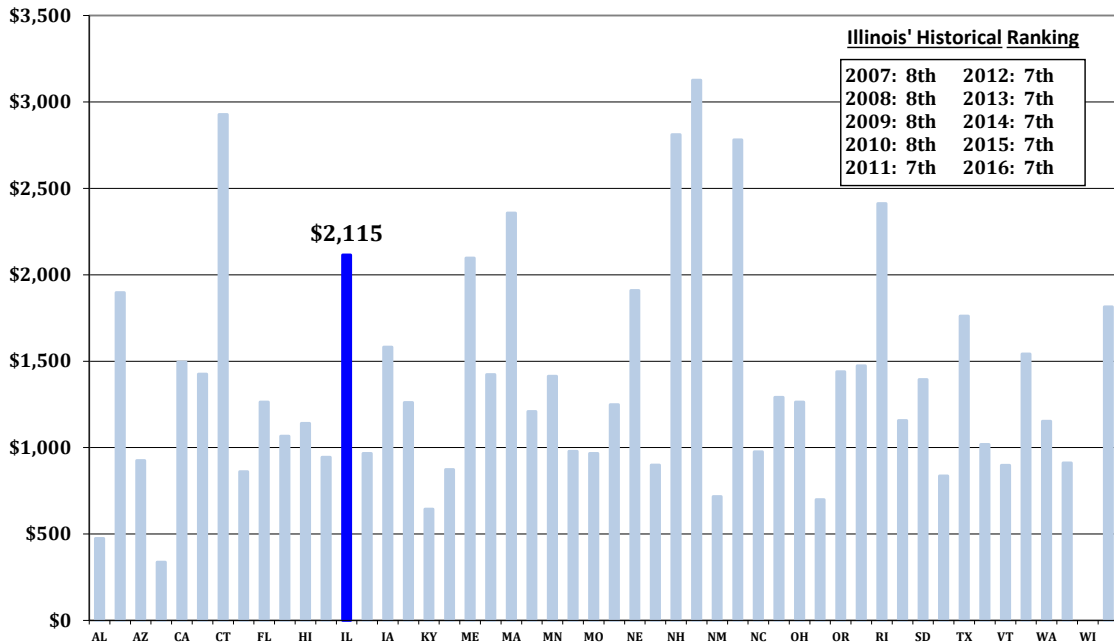
Light Blue Areas= Midwest Region

CHART 24: Local Government Property Tax Revenue in 2016
(National Total = \$487.3 billion)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

CHART 25: Per-Capita Local Government Property Tax Revenue in 2016
(National Per Capita = \$1,507)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 13: State and Local Government Total Expenditures

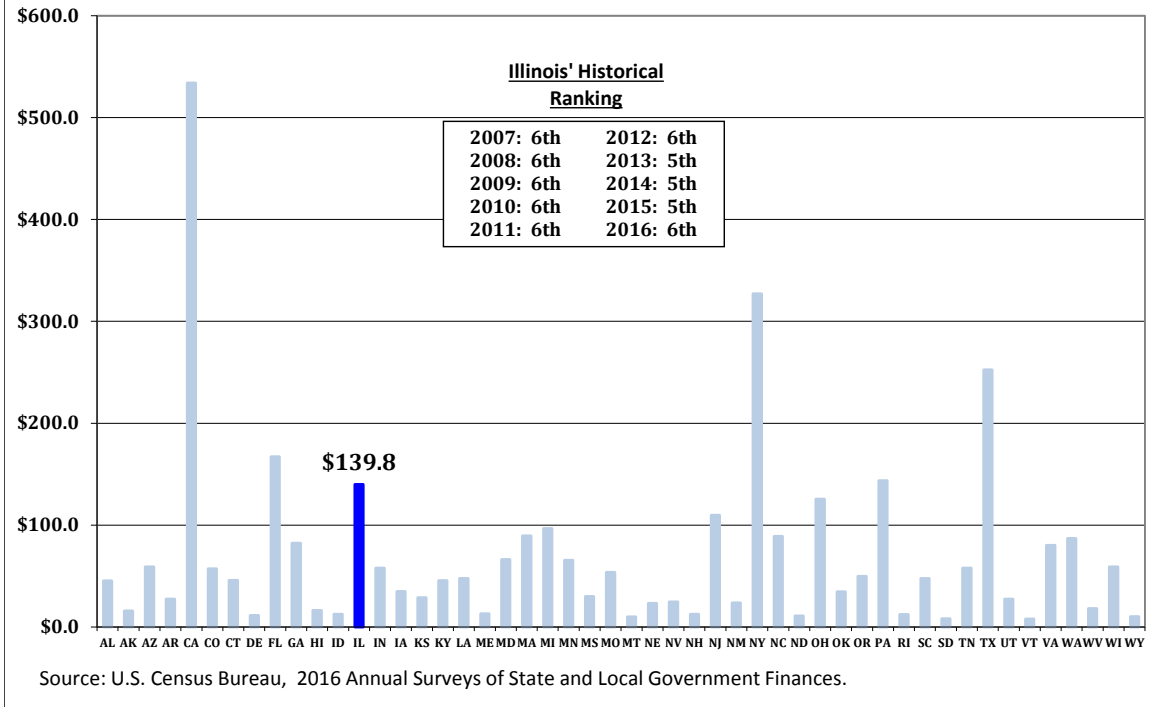
In terms of State and Local Government Total Expenditures, Illinois ranks 6th in total dollars and ranks 21st in terms of per-capita spending. Total expenditures, in this instance, include all money paid other than for retirement of debt and extension of loans. It includes payments from all sources of funds including current revenues and proceeds from borrowing and prior year fund balances. It also includes intergovernmental transfers and expenditures for government owned utilities and other commercial or auxiliary enterprise and insurance trust expenditures. Illinois' per-capita spending rate was \$10,894, which was very similar to the national average rate of \$10,853. Illinois had the highest amount of total expenditures in the Midwest in total dollars and on a per-capita basis, except for Iowa (19th).

TABLE 20: State and Local Government Total Expenditures in 2016									
\$ in billions									
	Total Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Total Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$3,510.0	-	\$10,853	-	United States	\$3,510.0	-	\$10,853	-
Alabama	\$45.2	28	\$9,297	36	Montana	\$10.0	48	\$9,635	32
Alaska	\$15.9	40	\$21,376	1	Nebraska	\$23.1	37	\$12,095	11
Arizona	\$59.0	18	\$8,543	46	Nevada	\$24.5	35	\$8,349	47
Arkansas	\$27.3	34	\$9,133	38	New Hampshire	\$12.6	42	\$9,428	35
California	\$533.9	1	\$13,587	5	New Jersey	\$109.8	8	\$12,226	9
Colorado	\$57.2	21	\$10,335	23	New Mexico	\$23.6	36	\$11,312	17
Connecticut	\$45.7	26	\$12,724	7	New York	\$327.2	2	\$16,495	3
Delaware	\$11.4	45	\$11,981	12	North Carolina	\$89.0	11	\$8,759	43
Florida	\$167.2	4	\$8,096	48	North Dakota	\$10.8	46	\$14,285	4
Georgia	\$82.2	13	\$7,969	49	Ohio	\$125.6	7	\$10,805	22
Hawaii	\$16.2	39	\$11,352	16	Oklahoma	\$34.5	30	\$8,806	42
Idaho	\$12.5	43	\$7,444	50	Oregon	\$49.7	23	\$12,152	10
Illinois	\$139.8	6	\$10,894	21	Pennsylvania	\$143.6	5	\$11,226	18
Indiana	\$57.9	19	\$8,731	44	Rhode Island	\$12.2	44	\$11,504	15
Iowa	\$34.9	29	\$11,152	19	South Carolina	\$47.5	24	\$9,584	33
Kansas	\$28.8	32	\$9,892	28	South Dakota	\$8.0	49	\$9,249	37
Kentucky	\$45.5	27	\$10,247	24	Tennessee	\$57.8	20	\$8,690	45
Louisiana	\$47.5	25	\$10,135	26	Texas	\$252.4	3	\$9,045	39
Maine	\$13.0	41	\$9,746	30	Utah	\$27.3	33	\$8,978	40
Maryland	\$66.2	15	\$10,985	20	Vermont	\$7.8	50	\$12,473	8
Massachusetts	\$89.4	10	\$13,108	6	Virginia	\$80.2	14	\$9,529	34
Michigan	\$96.6	9	\$9,730	31	Washington	\$86.9	12	\$11,933	13
Minnesota	\$65.6	16	\$11,875	14	West Virginia	\$18.1	38	\$9,874	29
Mississippi	\$29.9	31	\$10,025	27	Wisconsin	\$59.0	17	\$10,225	25
Missouri	\$53.6	22	\$8,807	41	Wyoming	\$10.1	47	\$17,213	2

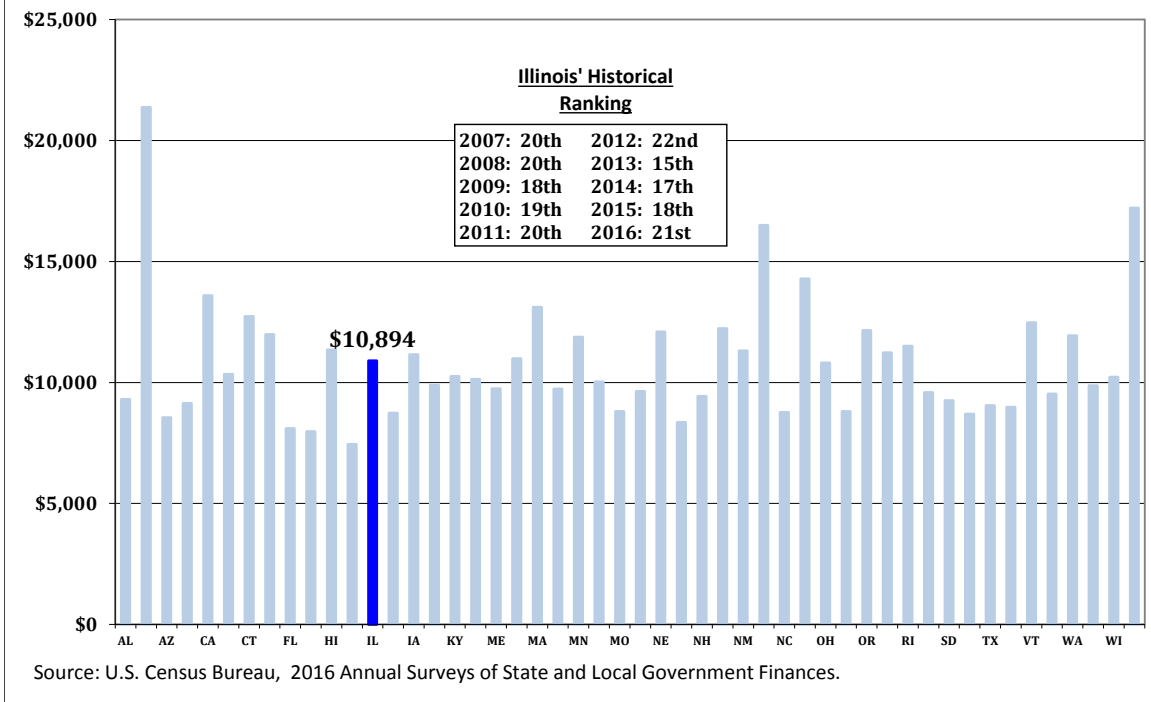
Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region

**CHART 26: State and Local Government Total Expenditures in 2016
(National Total = \$3,510.0 billion)**



**CHART 27: Per-Capita State and Local Government Total Expenditures in 2016
(National Per Capita = \$10,853)**



Category 14: Elementary and Secondary Education Expenditures by State and Local Governments

Illinois ranked 7th in the nation in the amount spent on elementary and secondary education in 2016 with an amount of \$26.5 billion. This includes money from state and local governments (property tax revenues). California was the highest ranked state with a total expenditure amount of \$76.7 billion. On a per-capita basis, Illinois ranked 15th at \$2,067 per capita, which was above the national average of \$1,933. Wyoming was the highest ranked state on a per-capita basis at \$3,445. Illinois has the second highest per capita ranking in the Midwest, just behind Iowa (ranked 14th)

TABLE 21: Elementary and Secondary Education Expenditures by State and Local Governments in 2016

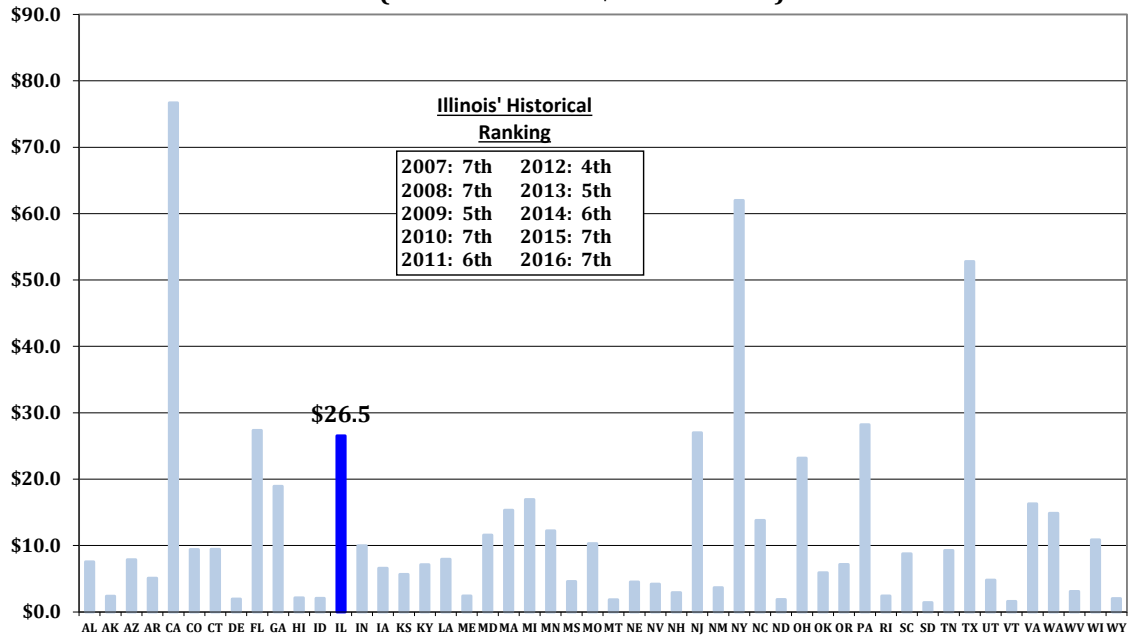
\$ in billions

	Elem. & Sec. Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Elem. & Sec. Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$625.2	-	\$1,933	-	United States	\$625.2	-	\$1,933	-
Alabama	\$7.6	26	\$1,554	40	Montana	\$1.8	48	\$1,771	27
Alaska	\$2.4	42	\$3,190	2	Nebraska	\$4.5	35	\$2,375	8
Arizona	\$7.9	25	\$1,142	50	Nevada	\$4.2	36	\$1,430	45
Arkansas	\$5.1	32	\$1,703	32	New Hampshire	\$2.9	39	\$2,190	13
California	\$76.7	1	\$1,952	19	New Jersey	\$27.0	6	\$3,006	4
Colorado	\$9.4	21	\$1,702	33	New Mexico	\$3.7	37	\$1,752	29
Connecticut	\$9.4	20	\$2,632	5	New York	\$62.0	2	\$3,126	3
Delaware	\$1.9	46	\$2,047	16	North Carolina	\$13.8	14	\$1,359	47
Florida	\$27.4	5	\$1,325	48	North Dakota	\$1.9	47	\$2,480	7
Georgia	\$18.9	9	\$1,834	25	Ohio	\$23.2	8	\$1,993	18
Hawaii	\$2.1	43	\$1,483	44	Oklahoma	\$5.9	30	\$1,509	42
Idaho	\$2.0	44	\$1,218	49	Oregon	\$7.1	27	\$1,749	30
Illinois	\$26.5	7	\$2,067	15	Pennsylvania	\$28.2	4	\$2,205	12
Indiana	\$10.0	19	\$1,502	43	Rhode Island	\$2.4	41	\$2,280	9
Iowa	\$6.6	29	\$2,103	14	South Carolina	\$8.8	23	\$1,765	28
Kansas	\$5.6	31	\$1,942	20	South Dakota	\$1.4	50	\$1,661	37
Kentucky	\$7.1	28	\$1,606	38	Tennessee	\$9.3	22	\$1,395	46
Louisiana	\$7.9	24	\$1,692	35	Texas	\$52.8	3	\$1,892	23
Maine	\$2.4	40	\$1,823	26	Utah	\$4.8	33	\$1,582	39
Maryland	\$11.6	16	\$1,923	22	Vermont	\$1.6	49	\$2,580	6
Massachusetts	\$15.3	12	\$2,249	10	Virginia	\$16.3	11	\$1,937	21
Michigan	\$17.0	10	\$1,706	31	Washington	\$14.9	13	\$2,043	17
Minnesota	\$12.2	15	\$2,214	11	West Virginia	\$3.1	38	\$1,688	36
Mississippi	\$4.6	34	\$1,535	41	Wisconsin	\$10.9	17	\$1,882	24
Missouri	\$10.3	18	\$1,693	34	Wyoming	\$2.0	45	\$3,445	1

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

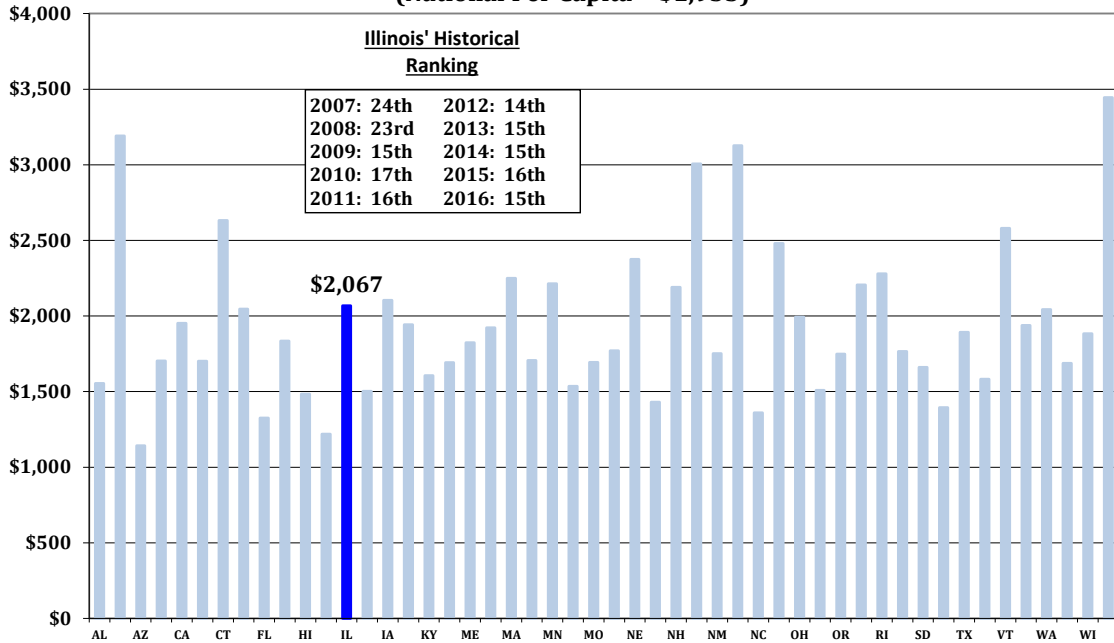
Light Blue Areas= Midwest Region

**CHART 28: Elementary and Secondary Education Expenditures by State and Local Governments in 2016
(National Total = \$625.2 billion)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

**CHART 29: Per-Capita Elementary and Secondary Education Expenditures by State and Local Governments in 2016
(National Per Capita = \$1,933)**

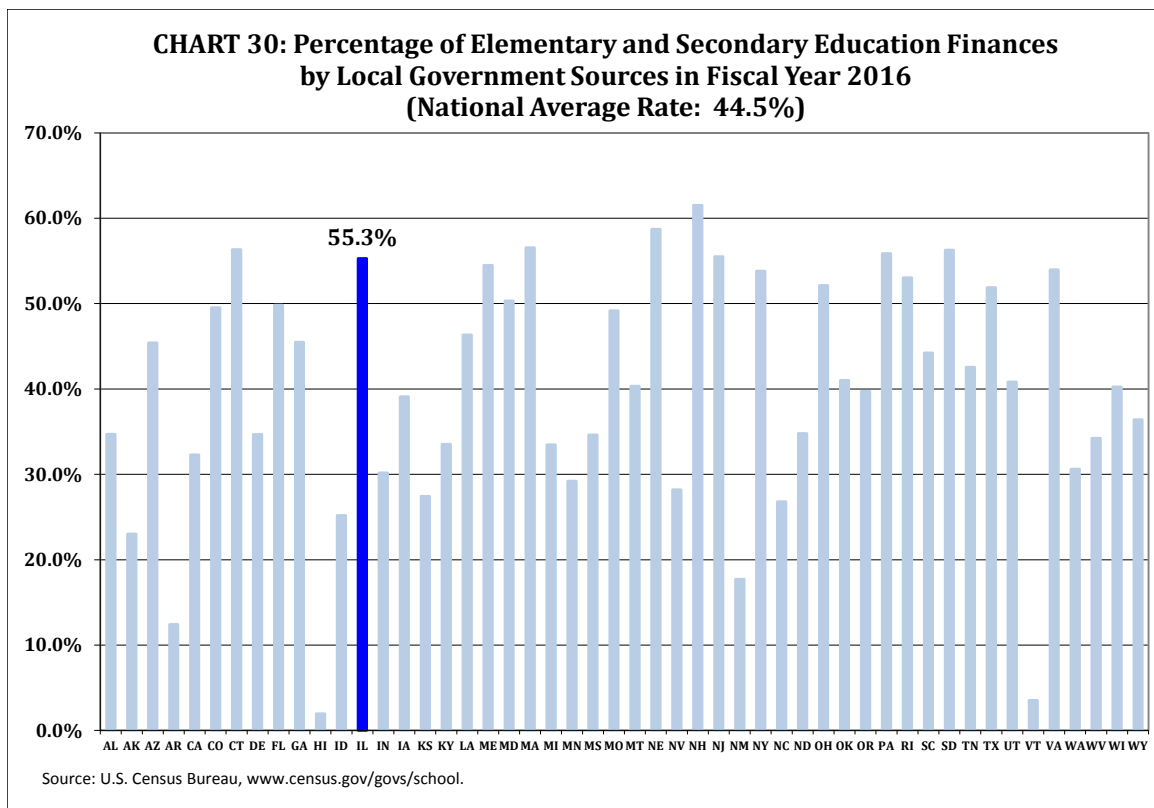


Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 15: Source of Elementary and Education Funding

On the following page is a table displaying the amount of revenue used for the financing of elementary and secondary education by state. The table shows how much of the education funding came from federal sources, state sources, and from local sources for the 2015-2016 school-year (the most recent available). A closer look shows that 55.3% of Illinois’ portion of education funding in this year came from local sources, 37.5% came from state sources, and 7.2% came from federal sources.

As shown in the below chart, Illinois’ local government portion of elementary and secondary education is among the highest in the nation. In the year shown, Illinois ranked 8th in the nation, but has been ranked 1st in this category as recent as the 2007-2008 school year. Illinois has consistently been ranked above other states in the Midwest region for this category over the last several years.



Note: The Census Bureau adds the following footnote regarding Illinois’ data: “Payments made by the state government into the state’s public school retirement systems on behalf of Illinois school districts are included in the tables that display state totals of elementary-secondary education finances. These payments have been estimated for local school systems and appear in the tabular detail for state revenue and expenditure of individual school systems. Illinois corporate personal property replacement tax revenue is included as a state revenue source rather than local revenue in this report.”

**TABLE 22: Summary of Public Elementary-Secondary
School System Finances by State: Fiscal Year 2016**
(Revenue Amounts in Thousands of Dollars)

Geographic area	Elementary-secondary revenue ¹				Percentage Breakout		
	Total	From Federal sources	From state sources	From local sources	From Federal sources	From state sources	From local sources
United States.....	\$670,949,469	\$54,140,537	\$317,956,322	\$298,852,610	8.1%	47.4%	44.5%
Alabama.....	\$7,497,291	\$797,631	\$4,097,696	\$2,601,964	10.6%	54.7%	34.7%
Alaska.....	\$2,494,680	\$307,320	\$1,613,675	\$573,685	12.3%	64.7%	23.0%
Arizona.....	\$8,430,089	\$1,160,908	\$3,440,726	\$3,828,455	13.8%	40.8%	45.4%
Arkansas.....	\$5,384,115	\$593,656	\$4,122,377	\$668,082	11.0%	76.6%	12.4%
California.....	\$86,557,167	\$7,709,079	\$50,904,567	\$27,943,521	8.9%	58.8%	32.3%
Colorado.....	\$10,063,463	\$713,914	\$4,365,019	\$4,984,530	7.1%	43.4%	49.5%
Connecticut.....	\$11,170,433	\$468,595	\$4,411,204	\$6,290,634	4.2%	39.5%	56.3%
Delaware.....	\$2,000,430	\$134,412	\$1,172,219	\$693,799	6.7%	58.6%	34.7%
District of Columbia.....	\$1,329,719	\$154,922	(X)	\$1,174,797	11.7%	N/A	88.3%
Florida.....	\$28,119,997	\$3,147,329	\$10,963,807	\$14,008,861	11.2%	39.0%	49.8%
Georgia.....	\$19,399,889	\$1,807,371	\$8,771,192	\$8,821,326	9.3%	45.2%	45.5%
Hawaii.....	\$3,030,519	\$261,131	\$2,710,361	\$59,027	8.6%	89.4%	1.9%
Idaho.....	\$2,265,813	\$240,322	\$1,454,830	\$570,661	10.6%	64.2%	25.2%
Illinois.....	\$32,167,833	\$2,331,724	\$12,053,316	\$17,782,793	7.2%	37.5%	55.3%
Indiana.....	\$12,510,738	\$954,837	\$7,780,711	\$3,775,190	7.6%	62.2%	30.2%
Iowa.....	\$6,644,950	\$464,852	\$3,583,134	\$2,596,964	7.0%	53.9%	39.1%
Kansas.....	\$6,067,808	\$453,922	\$3,949,517	\$1,664,369	7.5%	65.1%	27.4%
Kentucky.....	\$7,744,812	\$880,296	\$4,269,100	\$2,595,416	11.4%	55.1%	33.5%
Louisiana.....	\$8,386,531	\$1,021,465	\$3,480,353	\$3,884,713	12.2%	41.5%	46.3%
Maine.....	\$2,768,776	\$185,803	\$1,074,641	\$1,508,332	6.7%	38.8%	54.5%
Maryland.....	\$14,405,532	\$823,599	\$6,334,951	\$7,246,982	5.7%	44.0%	50.3%
Massachusetts.....	\$17,339,360	\$765,043	\$6,770,086	\$9,804,231	4.4%	39.0%	56.5%
Michigan.....	\$18,456,737	\$1,552,824	\$10,727,785	\$6,176,128	8.4%	58.1%	33.5%
Minnesota.....	\$12,036,272	\$634,332	\$7,887,346	\$3,514,594	5.3%	65.5%	29.2%
Mississippi.....	\$4,743,998	\$690,724	\$2,411,621	\$1,641,653	14.6%	50.8%	34.6%
Missouri.....	\$10,806,710	\$924,655	\$4,568,867	\$5,313,188	8.6%	42.3%	49.2%
Montana.....	\$1,778,177	\$220,340	\$840,804	\$717,033	12.4%	47.3%	40.3%
Nebraska.....	\$4,319,834	\$346,826	\$1,437,048	\$2,535,960	8.0%	33.3%	58.7%
Nevada.....	\$4,481,097	\$401,323	\$2,816,911	\$1,262,863	9.0%	62.9%	28.2%
New Hampshire.....	\$3,050,303	\$169,166	\$1,004,753	\$1,876,384	5.5%	32.9%	61.5%
New Jersey.....	\$28,911,653	\$1,187,430	\$11,681,799	\$16,042,424	4.1%	40.4%	55.5%
New Mexico.....	\$3,765,069	\$506,995	\$2,591,444	\$666,630	13.5%	68.8%	17.7%
New York.....	\$66,664,079	\$3,369,803	\$27,437,593	\$35,856,683	5.1%	41.2%	53.8%
North Carolina.....	\$13,448,045	\$1,557,900	\$8,287,126	\$3,603,019	11.6%	61.6%	26.8%
North Dakota.....	\$1,749,290	\$155,453	\$985,365	\$608,472	8.9%	56.3%	34.8%
Ohio.....	\$22,886,040	\$1,680,983	\$9,277,802	\$11,927,255	7.3%	40.5%	52.1%
Oklahoma.....	\$6,102,050	\$689,756	\$2,909,651	\$2,502,643	11.3%	47.7%	41.0%
Oregon.....	\$7,371,975	\$582,560	\$3,861,438	\$2,927,977	7.9%	52.4%	39.7%
Pennsylvania.....	\$29,645,080	\$1,904,293	\$11,181,046	\$16,559,741	6.4%	37.7%	55.9%
Rhode Island.....	\$2,377,283	\$175,379	\$940,989	\$1,260,915	7.4%	39.6%	53.0%
South Carolina.....	\$9,149,576	\$840,786	\$4,262,164	\$4,046,626	9.2%	46.6%	44.2%
South Dakota.....	\$1,452,424	\$196,644	\$438,629	\$817,151	13.5%	30.2%	56.3%
Tennessee.....	\$9,558,955	\$1,095,415	\$4,395,757	\$4,067,783	11.5%	46.0%	42.6%
Texas.....	\$58,102,045	\$5,953,348	\$22,004,299	\$30,144,398	10.2%	37.9%	51.9%
Utah.....	\$4,946,408	\$394,060	\$2,533,573	\$2,018,775	8.0%	51.2%	40.8%
Vermont.....	\$1,789,559	\$111,891	\$1,614,518	\$63,150	6.3%	90.2%	3.5%
Virginia.....	\$15,977,316	\$1,058,146	\$6,297,587	\$8,621,583	6.6%	39.4%	54.0%
Washington.....	\$14,854,084	\$1,097,684	\$9,211,201	\$4,545,199	7.4%	62.0%	30.6%
West Virginia.....	\$3,377,707	\$358,068	\$1,863,062	\$1,156,577	10.6%	55.2%	34.2%
Wisconsin.....	\$11,325,800	\$782,610	\$5,986,763	\$4,556,427	6.9%	52.9%	40.2%
Wyoming.....	\$2,041,958	\$123,012	\$1,175,899	\$743,047	6.0%	57.6%	36.4%

¹Duplicative interschool system transactions are excluded.

SOURCE: 2016 Annual Survey of School System Finances found at:
www.census.gov/data/tables/2016/econ/school-finances/secondary-education-finance.html

Category 16: Higher Education Expenditures by State and Local Governments

In the category of higher education expenditures, Illinois ranked 9th in the nation, spending \$9.5 billion in 2016. Again, this includes money from local and state governments. California was the highest ranked state with a total expenditure amount of \$39.6 billion. On a per-capita basis, Illinois ranked 40th at \$740 per capita, which was below the national per-capita value of \$890. North Dakota was the highest ranked state on a per-capita basis at \$1,615. In the Midwest Region, only Missouri (44nd) had a lower ranking than Illinois.

**TABLE 23: Higher Education Expenditures
by State and Local Governments in 2016**

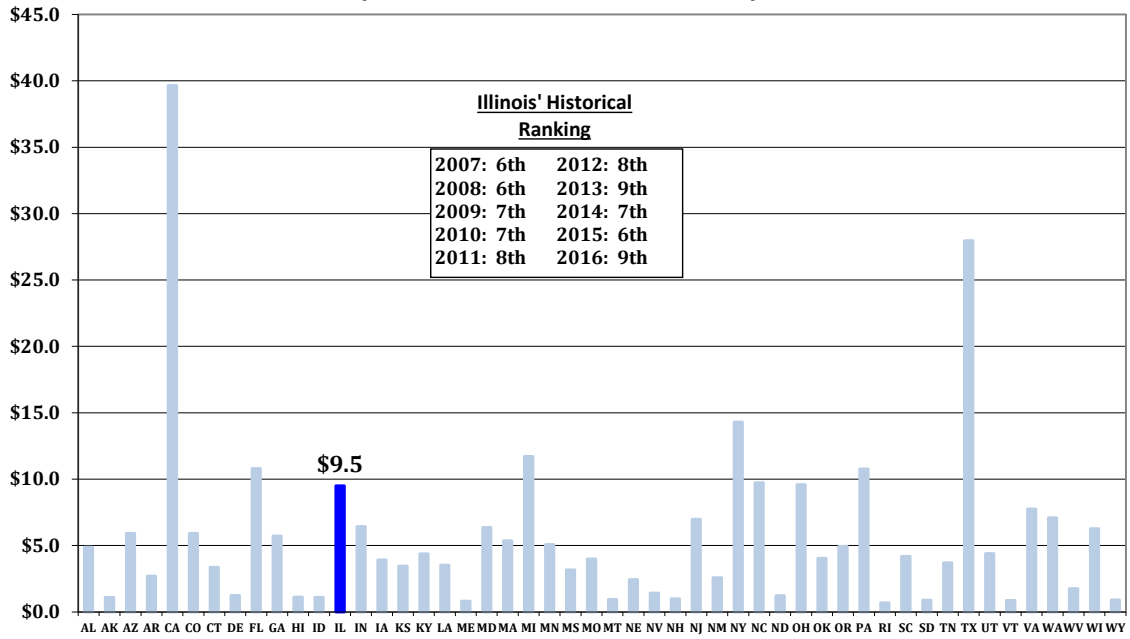
\$ in billions

	Higher Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Higher Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$287.8	-	\$890	-	United States	\$287.8	-	\$890	-
Alabama	\$4.9	22	\$1,004	20	Montana	\$0.9	45	\$905	31
Alaska	\$1.1	43	\$1,474	3	Nebraska	\$2.4	36	\$1,275	7
Arizona	\$5.9	17	\$856	32	Nevada	\$1.4	38	\$483	50
Arkansas	\$2.7	34	\$907	30	New Hampshire	\$1.0	44	\$738	41
California	\$39.6	1	\$1,009	19	New Jersey	\$7.0	12	\$778	37
Colorado	\$5.9	16	\$1,071	14	New Mexico	\$2.6	35	\$1,240	9
Connecticut	\$3.4	32	\$939	27	New York	\$14.3	3	\$721	42
Delaware	\$1.2	39	\$1,311	6	North Carolina	\$9.7	7	\$958	26
Florida	\$10.8	5	\$523	49	North Dakota	\$1.2	40	\$1,615	1
Georgia	\$5.7	18	\$555	48	Ohio	\$9.6	8	\$825	35
Hawaii	\$1.1	41	\$777	38	Oklahoma	\$4.1	26	\$1,034	17
Idaho	\$1.1	42	\$659	43	Oregon	\$4.9	21	\$1,210	10
Illinois	\$9.5	9	\$740	40	Pennsylvania	\$10.8	6	\$842	34
Indiana	\$6.4	13	\$970	24	Rhode Island	\$0.7	50	\$646	45
Iowa	\$3.9	28	\$1,252	8	South Carolina	\$4.2	25	\$843	33
Kansas	\$3.5	31	\$1,190	11	South Dakota	\$0.9	47	\$1,023	18
Kentucky	\$4.4	24	\$986	22	Tennessee	\$3.7	29	\$558	47
Louisiana	\$3.5	30	\$752	39	Texas	\$28.0	2	\$1,002	21
Maine	\$0.8	49	\$611	46	Utah	\$4.4	23	\$1,446	4
Maryland	\$6.4	14	\$1,056	16	Vermont	\$0.9	48	\$1,399	5
Massachusetts	\$5.4	19	\$787	36	Virginia	\$7.8	10	\$922	28
Michigan	\$11.7	4	\$1,180	12	Washington	\$7.1	11	\$975	23
Minnesota	\$5.1	20	\$920	29	West Virginia	\$1.8	37	\$959	25
Mississippi	\$3.2	33	\$1,062	15	Wisconsin	\$6.3	15	\$1,088	13
Missouri	\$4.0	27	\$654	44	Wyoming	\$0.9	46	\$1,536	2

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

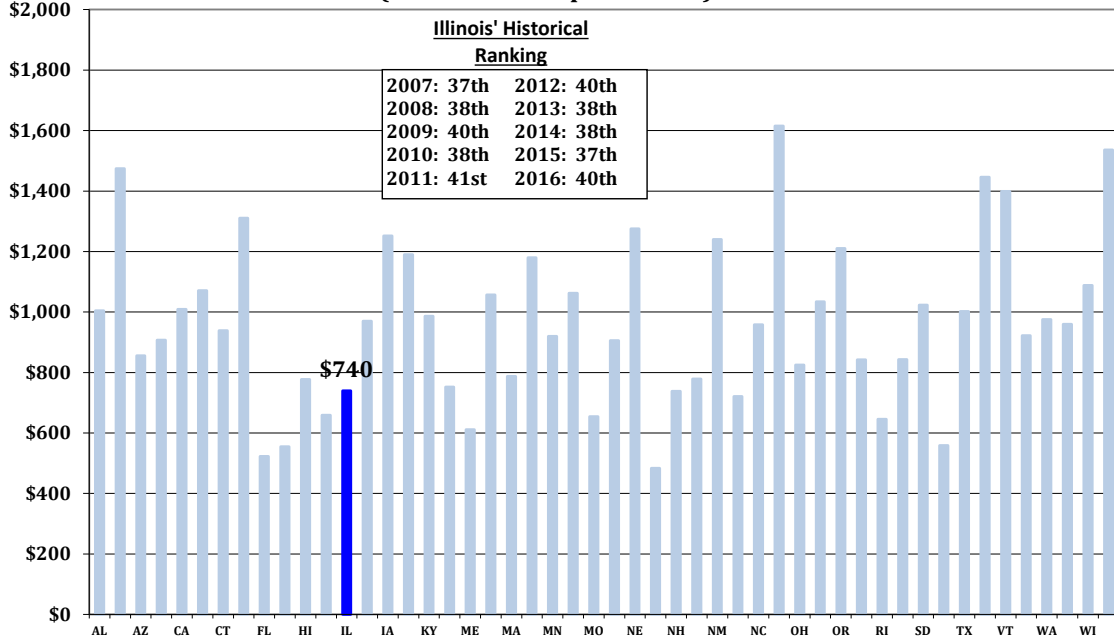
Light Blue Areas= Midwest Region

CHART 31: Higher Education Expenditures by State and Local Governments in 2016
(National Total = \$287.8 billion)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

CHART 32: Per-Capita Higher Education Expenditures by State and Local Governments in 2016
(National Per Capita = \$890)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 17: State and Local Government Expenditures for Police Protection

In 2016, Illinois ranked 5th in the nation in the amount of state and local government expenditures for police protection with a total of \$5.2 billion. California ranked 1st with a total of \$17.6 billion. On a per-capita basis, Illinois ranked 6th in the nation with a value of \$406 per capita, above the national average of \$338. Illinois was the highest ranked state in the Midwest Region in total dollars and on a per-capita basis. The highest ranked states on a per-capita basis were New York and Alaska, tied at a per-capita value of \$500.

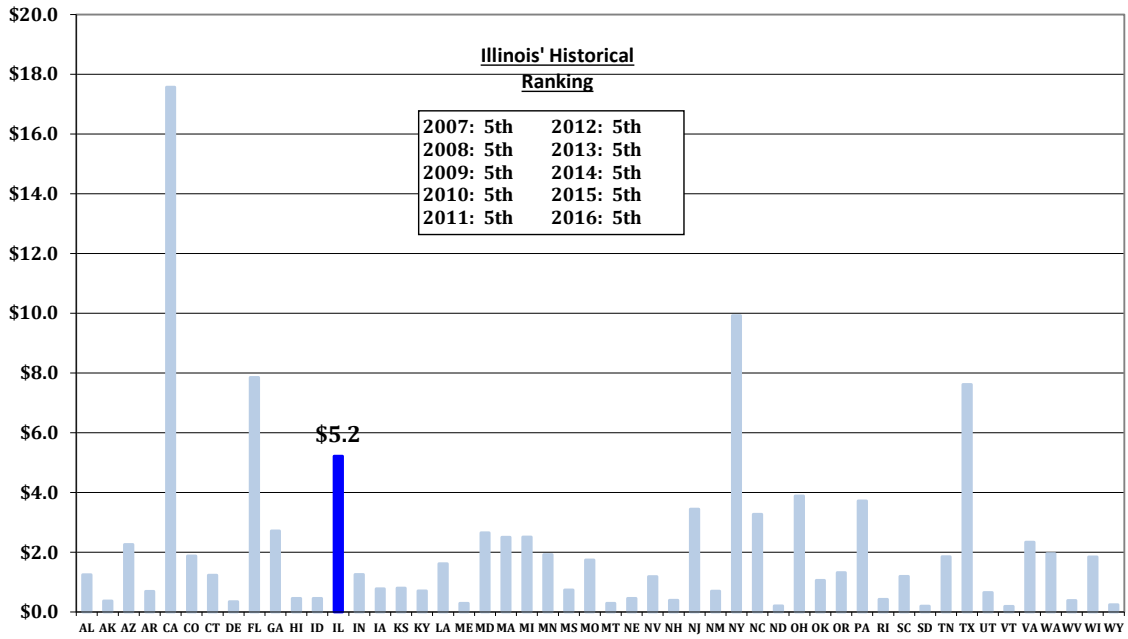
**TABLE 24: Police Protection Expenditures
by State and Local Governments in 2016**
\$ in billions

	Police Protection Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Police Protection Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$109.2	-	\$338	-	United States	\$109.2	-	\$338	-
Alabama	\$1.3	25	\$257	38	Montana	\$0.3	46	\$279	28
Alaska	\$0.4	43	\$500	2	Nebraska	\$0.5	38	\$240	43
Arizona	\$2.3	15	\$327	19	Nevada	\$1.2	28	\$403	7
Arkansas	\$0.7	35	\$231	45	New Hampshire	\$0.4	41	\$295	25
California	\$17.6	1	\$447	3	New Jersey	\$3.4	8	\$384	9
Colorado	\$1.9	18	\$339	16	New Mexico	\$0.7	34	\$336	17
Connecticut	\$1.2	26	\$345	14	New York	\$9.9	2	\$500	1
Delaware	\$0.3	44	\$365	12	North Carolina	\$3.3	9	\$322	20
Florida	\$7.8	3	\$380	10	North Dakota	\$0.2	48	\$275	31
Georgia	\$2.7	10	\$264	37	Ohio	\$3.9	6	\$334	18
Hawaii	\$0.5	37	\$321	22	Oklahoma	\$1.1	29	\$271	35
Idaho	\$0.5	39	\$272	34	Oregon	\$1.3	23	\$322	21
Illinois	\$5.2	5	\$406	6	Pennsylvania	\$3.7	7	\$291	26
Indiana	\$1.3	24	\$189	49	Rhode Island	\$0.4	40	\$402	8
Iowa	\$0.8	31	\$249	41	South Carolina	\$1.2	27	\$241	42
Kansas	\$0.8	30	\$275	32	South Dakota	\$0.2	49	\$234	44
Kentucky	\$0.7	33	\$160	50	Tennessee	\$1.9	19	\$279	29
Louisiana	\$1.6	22	\$344	15	Texas	\$7.6	4	\$273	33
Maine	\$0.3	45	\$222	46	Utah	\$0.7	36	\$215	47
Maryland	\$2.6	11	\$440	4	Vermont	\$0.2	50	\$302	24
Massachusetts	\$2.5	13	\$367	11	Virginia	\$2.3	14	\$278	30
Michigan	\$2.5	12	\$253	39	Washington	\$2.0	16	\$268	36
Minnesota	\$1.9	17	\$348	13	West Virginia	\$0.4	42	\$212	48
Mississippi	\$0.7	32	\$249	40	Wisconsin	\$1.8	20	\$320	23
Missouri	\$1.7	21	\$286	27	Wyoming	\$0.2	47	\$413	5

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

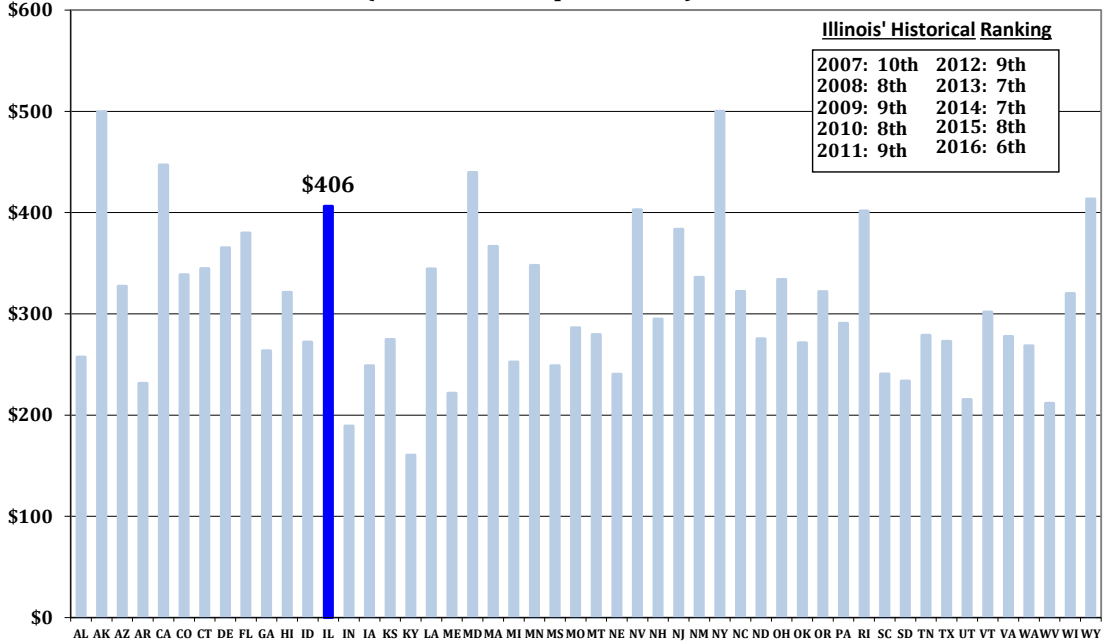
Light Blue Areas= Midwest Region

CHART 33: Police Protection Expenditures by State and Local Governments in 2016
(National Total = \$109.2 billion)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

CHART 34: Per-Capita Police Protection Expenditures by State and Local Governments in 2016
(National Per Capita = \$338)



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 18: State and Local Government Expenditures for Corrections

Illinois is ranked 12th in the nation in the amount of state and local government expenditures for corrections in 2016, spending \$1.9 billion. California ranked 1st spending \$15.5 billion. On a per-capita basis, Illinois ranked 49th with a value of \$144 per capita, which was well below the national per-capita rate of \$241. The highest ranked state on a per-capita basis was Alaska with a per-capita value of \$456.

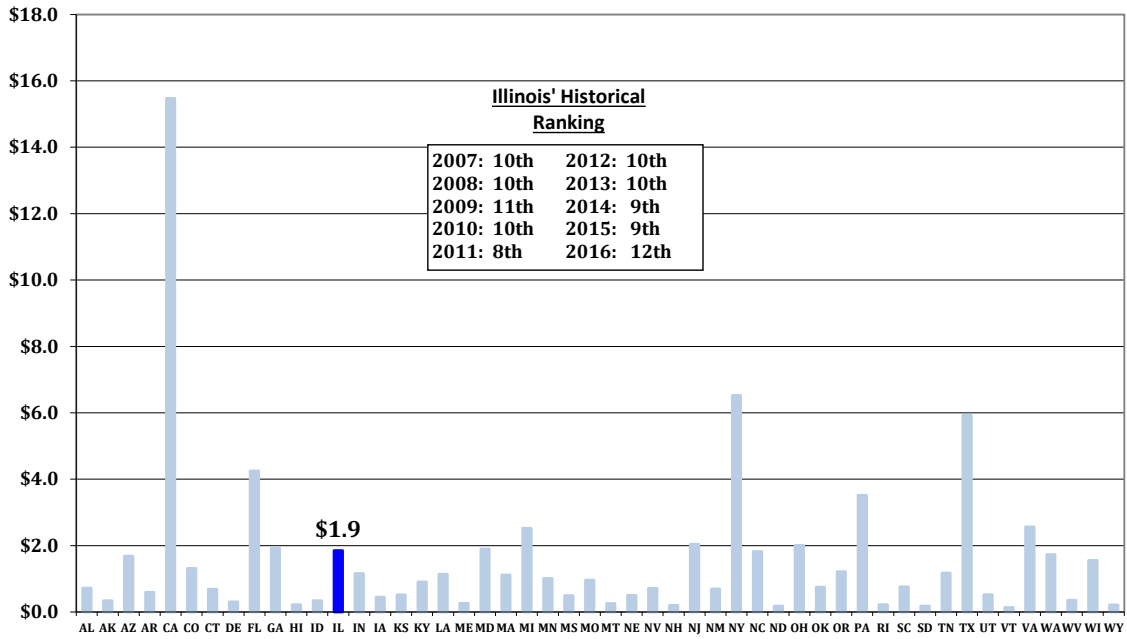
Illinois' ranking on a per-capita basis has steadily declined over the past two decades. Illinois was ranked 29th in 1997, 38th in 2004, 43rd in 2006, and 46th in 2010, before settling to its current position of 49th. Similar to Illinois' low ranking, several other states in the Midwest also had relatively low rankings in this category (Indiana: 39th; Ohio: 41st, Missouri: 44th; Iowa: 50th).

TABLE 25: Corrections Expenditures by State and Local Governments in 2016									
§ in billions									
	Corrections Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Corrections Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$78.0	-	\$241	-	United States	\$78.0	-	\$241	-
Alabama	\$0.7	28	\$149	48	Montana	\$0.3	43	\$248	14
Alaska	\$0.3	40	\$456	1	Nebraska	\$0.5	35	\$262	12
Arizona	\$1.7	15	\$244	15	Nevada	\$0.7	29	\$242	17
Arkansas	\$0.6	32	\$200	29	New Hampshire	\$0.2	47	\$149	47
California	\$15.5	1	\$394	2	New Jersey	\$2.0	8	\$228	21
Colorado	\$1.3	17	\$237	18	New Mexico	\$0.7	30	\$334	4
Connecticut	\$0.7	31	\$191	33	New York	\$6.5	2	\$329	5
Delaware	\$0.3	41	\$324	6	North Carolina	\$1.8	13	\$180	36
Florida	\$4.2	4	\$206	26	North Dakota	\$0.2	49	\$232	20
Georgia	\$1.9	10	\$186	34	Ohio	\$2.0	9	\$173	41
Hawaii	\$0.2	45	\$152	46	Oklahoma	\$0.8	27	\$192	32
Idaho	\$0.3	39	\$204	27	Oregon	\$1.2	18	\$298	9
Illinois	\$1.9	12	\$144	49	Pennsylvania	\$3.5	5	\$275	10
Indiana	\$1.2	20	\$175	39	Rhode Island	\$0.2	44	\$210	24
Iowa	\$0.4	37	\$142	50	South Carolina	\$0.8	26	\$152	45
Kansas	\$0.5	34	\$177	37	South Dakota	\$0.2	48	\$209	25
Kentucky	\$0.9	25	\$204	28	Tennessee	\$1.2	19	\$177	38
Louisiana	\$1.1	21	\$243	16	Texas	\$5.9	3	\$212	23
Maine	\$0.3	42	\$199	30	Utah	\$0.5	33	\$173	40
Maryland	\$1.9	11	\$315	7	Vermont	\$0.1	50	\$220	22
Massachusetts	\$1.1	22	\$164	43	Virginia	\$2.6	6	\$304	8
Michigan	\$2.5	7	\$254	13	Washington	\$1.7	14	\$237	19
Minnesota	\$1.0	23	\$183	35	West Virginia	\$0.4	38	\$193	31
Mississippi	\$0.5	36	\$167	42	Wisconsin	\$1.6	16	\$269	11
Missouri	\$1.0	24	\$158	44	Wyoming	\$0.2	46	\$367	3

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

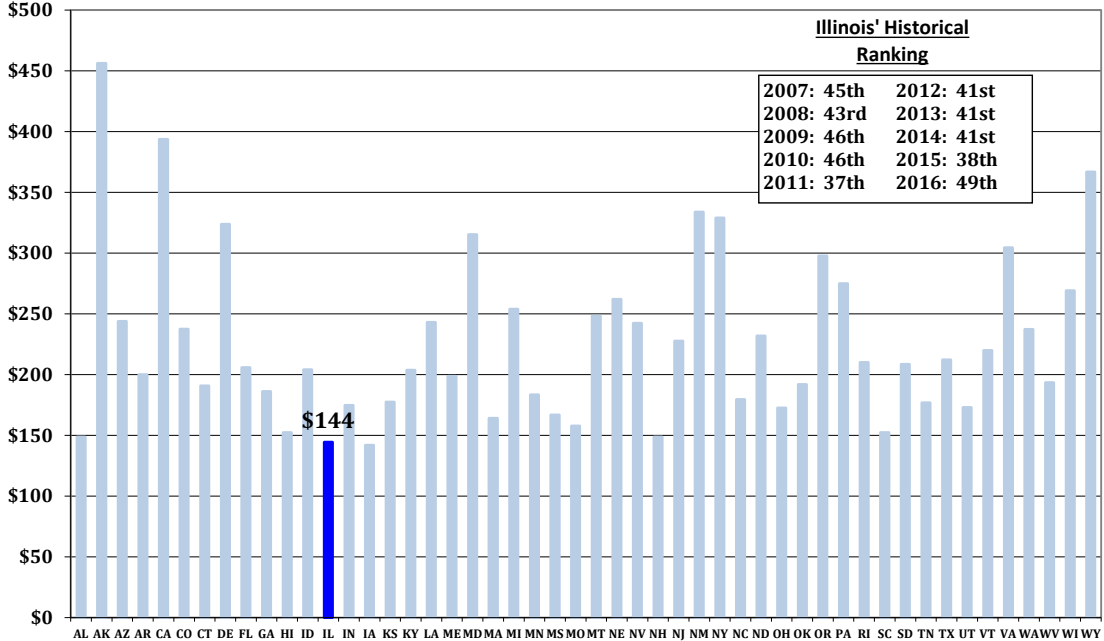
Light Blue Areas= Midwest Region

**CHART 35: Corrections Expenditures
by State and Local Governments in 2016
(National Total = \$78.0 billion)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

**CHART 36: Per-Capita Corrections Expenditures
by State and Local Governments in 2016
(National Per Capita = \$241)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 19: State and Local Government Expenditures for Housing and Community Development

In 2016, Illinois ranked 7th in the nation in the category of state and local government expenditures for housing and community development with an amount of \$2.0 billion. Again, California had the highest total at \$8.2 billion. On a per-capita basis, Illinois ranked 19th with a value of \$153, which was just below the national average of \$155. Illinois was the second highest ranked state in the Midwest Region, with Ohio (12th) slightly higher.

TABLE 26: Housing and Community Development Expenditures by State and Local Governments in 2016

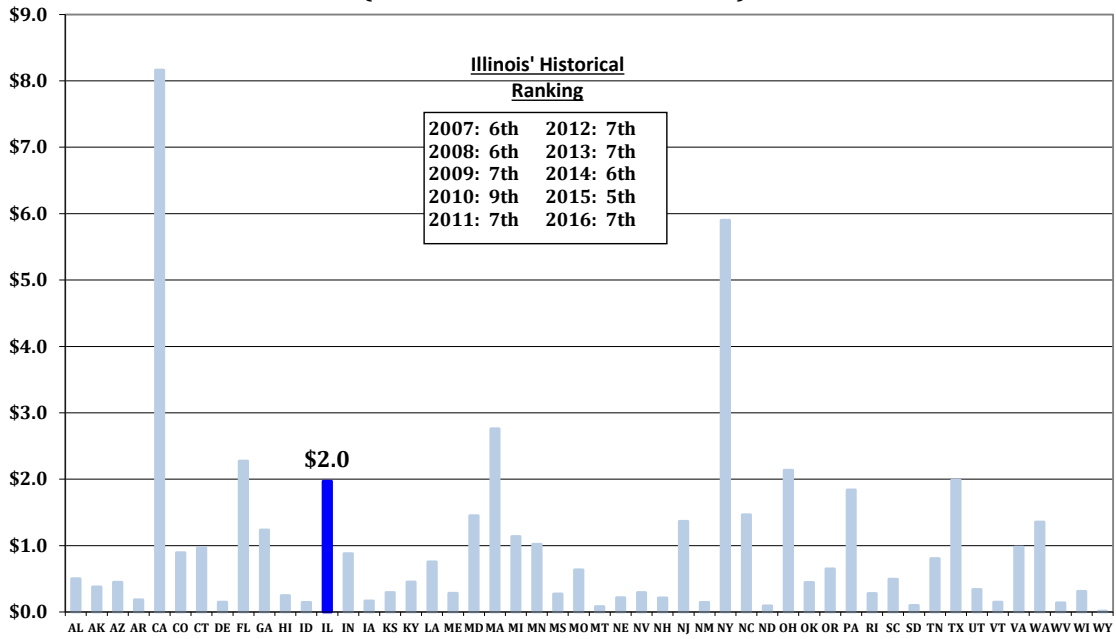
\$ in billions

	Housing & Community Development Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Housing & Community Development Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$50.1	-	\$155	-	United States	\$50.1	-	\$155	-
Alabama	\$0.5	24	\$103	35	Montana	\$0.1	49	\$80	42
Alaska	\$0.4	29	\$511	1	Nebraska	\$0.2	38	\$114	30
Arizona	\$0.4	27	\$65	46	Nevada	\$0.3	33	\$100	39
Arkansas	\$0.2	40	\$62	47	New Hampshire	\$0.2	39	\$159	16
California	\$8.2	1	\$208	9	New Jersey	\$1.4	11	\$152	20
Colorado	\$0.9	18	\$161	14	New Mexico	\$0.1	45	\$69	45
Connecticut	\$1.0	17	\$270	4	New York	\$5.9	2	\$298	3
Delaware	\$0.1	43	\$155	18	North Carolina	\$1.5	9	\$144	21
Florida	\$2.3	4	\$110	33	North Dakota	\$0.1	48	\$123	24
Georgia	\$1.2	13	\$120	26	Ohio	\$2.1	5	\$184	12
Hawaii	\$0.2	37	\$173	13	Oklahoma	\$0.4	28	\$113	31
Idaho	\$0.1	44	\$88	41	Oregon	\$0.7	22	\$159	17
Illinois	\$2.0	7	\$153	19	Pennsylvania	\$1.8	8	\$144	22
Indiana	\$0.9	19	\$132	23	Rhode Island	\$0.3	35	\$263	5
Iowa	\$0.2	41	\$53	49	South Carolina	\$0.5	25	\$100	38
Kansas	\$0.3	32	\$101	37	South Dakota	\$0.1	47	\$117	27
Kentucky	\$0.5	26	\$102	36	Tennessee	\$0.8	20	\$121	25
Louisiana	\$0.8	21	\$161	15	Texas	\$2.0	6	\$71	44
Maine	\$0.3	34	\$214	8	Utah	\$0.3	30	\$111	32
Maryland	\$1.5	10	\$241	6	Vermont	\$0.1	42	\$240	7
Massachusetts	\$2.8	3	\$405	2	Virginia	\$1.0	16	\$116	28
Michigan	\$1.1	14	\$115	29	Washington	\$1.4	12	\$186	10
Minnesota	\$1.0	15	\$185	11	West Virginia	\$0.1	46	\$76	43
Mississippi	\$0.3	36	\$92	40	Wisconsin	\$0.3	31	\$54	48
Missouri	\$0.6	23	\$105	34	Wyoming	\$0.0	50	\$26	50

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

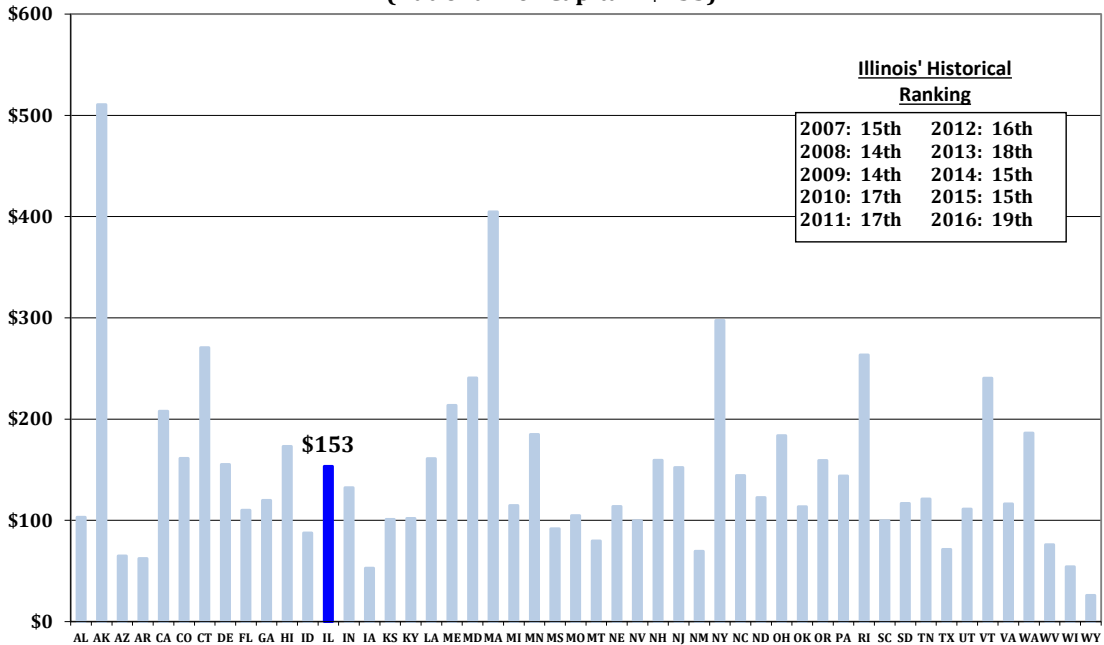
Light Blue Areas= Midwest Region

**CHART 37: Housing and Community Development Expenditures
by State and Local Governments in 2016
(National Total = \$50.1 billion)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

**CHART 38: Per-Capita Housing and Community Development Expenditures
by State and Local Governments in 2016
(National Per Capita = \$155)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 20: State and Local Government Expenditures for Parks and Recreation

In 2016, in the category of state and local government expenditures for parks and recreation, Illinois ranked 4th in the nation in total dollars with spending totaling \$2.6 billion. California was ranked 1st with an amount of \$6.4 billion. Illinois, on a per-capita basis, ranked 5th with a per-capita value of \$205, which was well above the national average of \$130 per capita. Illinois was the highest ranked Midwest Region state. North Dakota had the highest per-capita ranking overall with a value of \$329.

**TABLE 27: Parks and Recreation Expenditures
by State and Local Governments in 2016**

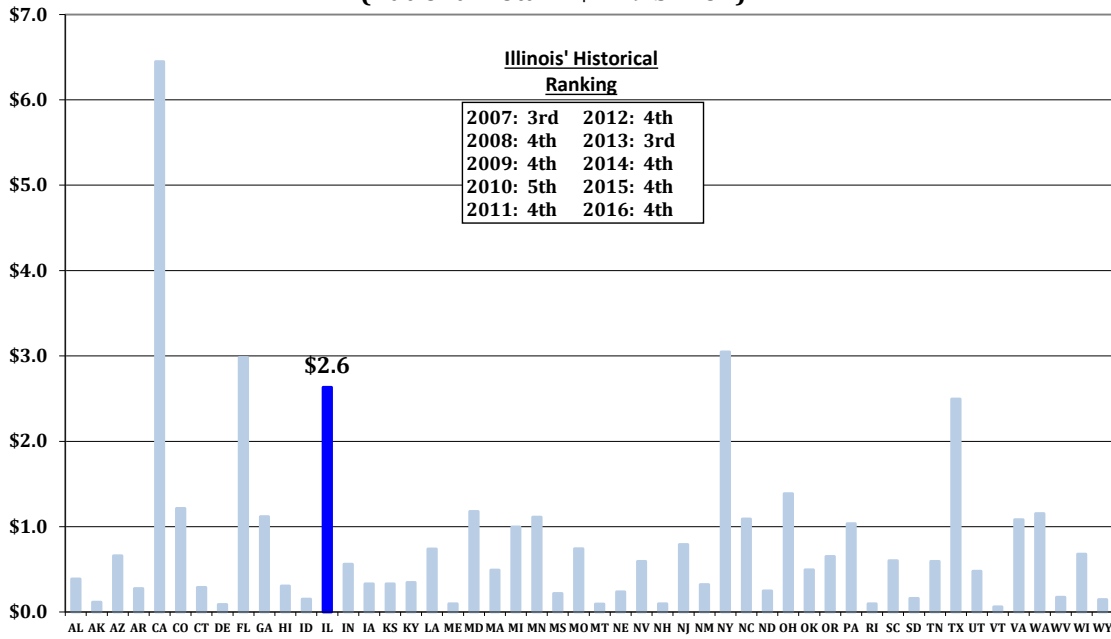
\$ in billions

	Parks and Recreation Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Parks and Recreation Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$41.9	-	\$130	-	United States	\$41.9	-	\$130	-
Alabama	\$0.4	29	\$80	45	Montana	\$0.1	48	\$91	37
Alaska	\$0.1	44	\$158	13	Nebraska	\$0.2	38	\$124	21
Arizona	\$0.7	20	\$95	32	Nevada	\$0.6	24	\$202	6
Arkansas	\$0.3	36	\$92	35	New Hampshire	\$0.1	45	\$73	47
California	\$6.4	1	\$164	10	New Jersey	\$0.8	16	\$88	41
Colorado	\$1.2	7	\$219	3	New Mexico	\$0.3	33	\$154	16
Connecticut	\$0.3	35	\$80	44	New York	\$3.0	2	\$154	17
Delaware	\$0.1	49	\$92	34	North Carolina	\$1.1	12	\$107	28
Florida	\$3.0	3	\$144	18	North Dakota	\$0.2	37	\$329	1
Georgia	\$1.1	10	\$108	27	Ohio	\$1.4	6	\$119	24
Hawaii	\$0.3	34	\$214	4	Oklahoma	\$0.5	26	\$126	20
Idaho	\$0.2	42	\$90	38	Oregon	\$0.7	21	\$159	11
Illinois	\$2.6	4	\$205	5	Pennsylvania	\$1.0	14	\$81	43
Indiana	\$0.6	25	\$85	42	Rhode Island	\$0.1	46	\$92	36
Iowa	\$0.3	32	\$105	29	South Carolina	\$0.6	22	\$121	23
Kansas	\$0.3	31	\$114	26	South Dakota	\$0.2	41	\$186	9
Kentucky	\$0.3	30	\$78	46	Tennessee	\$0.6	23	\$89	40
Louisiana	\$0.7	18	\$158	14	Texas	\$2.5	5	\$89	39
Maine	\$0.1	47	\$72	49	Utah	\$0.5	28	\$157	15
Maryland	\$1.2	8	\$195	8	Vermont	\$0.1	50	\$96	31
Massachusetts	\$0.5	27	\$72	50	Virginia	\$1.1	13	\$129	19
Michigan	\$1.0	15	\$100	30	Washington	\$1.2	9	\$158	12
Minnesota	\$1.1	11	\$201	7	West Virginia	\$0.2	40	\$95	33
Mississippi	\$0.2	39	\$72	48	Wisconsin	\$0.7	19	\$117	25
Missouri	\$0.7	17	\$122	22	Wyoming	\$0.1	43	\$248	2

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

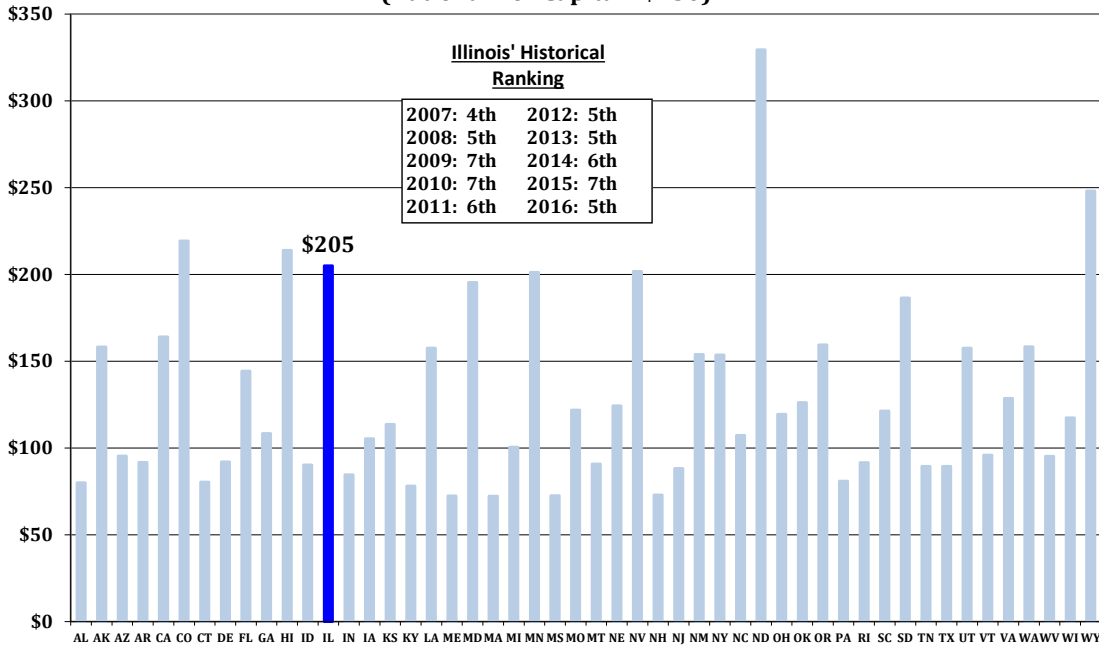
Light Blue Areas= Midwest Region

**CHART 39: Parks and Recreation Expenditures
by State and Local Governments in 2016
(National Total = \$41.9 billion)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

**CHART 40: Per-Capita Parks and Recreation Expenditures
by State and Local Governments in 2016
(National Per Capita = \$130)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 21: State and Local Government Expenditures for Public Welfare Programs

In 2016, in the category of state and local government expenditures for public welfare programs, Illinois ranked 7th in the nation in total dollars with a value of \$20.2 billion. California was ranked 1st with spending totaling \$98.5 billion. Illinois, on a per-capita basis, ranked 34th with a per-capita value of \$1,572, which was below the national average of \$1,972 per capita. Kentucky (10th) was the highest ranked Midwest Region state with a per-capita value of \$2,527. Only Missouri (38th) had a lower ranking than Illinois in the Midwest Region. New York had the highest per-capita ranking overall with a value of \$3,307.

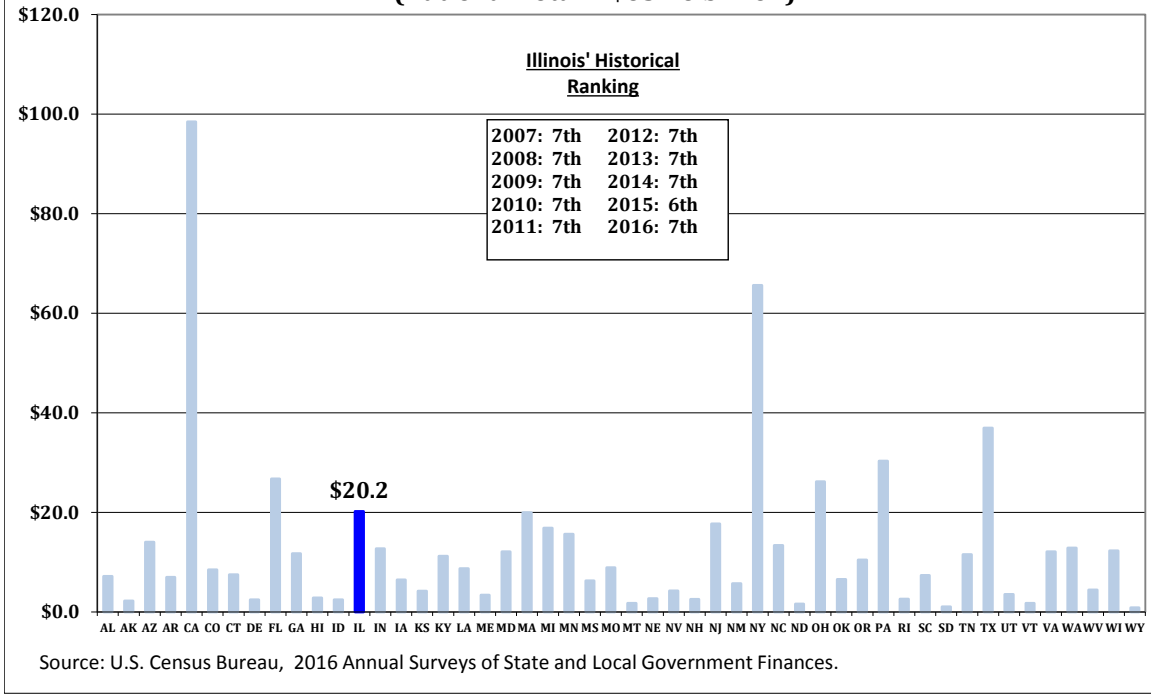
**TABLE 28: Public Welfare Program Expenditures
by State and Local Governments in 2016**
\$ in billions

	Public Welfare Programs Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Public Welfare Programs Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$637.6	-	\$1,972	-	United States	\$637.6	-	\$1,972	-
Alabama	\$7.2	28	\$1,473	37	Montana	\$1.8	47	\$1,693	32
Alaska	\$2.2	45	\$3,013	2	Nebraska	\$2.7	40	\$1,422	44
Arizona	\$14.0	12	\$2,030	22	Nevada	\$4.2	35	\$1,439	41
Arkansas	\$7.0	29	\$2,341	15	New Hampshire	\$2.6	42	\$1,911	27
California	\$98.5	1	\$2,506	11	New Jersey	\$17.7	9	\$1,973	25
Colorado	\$8.5	25	\$1,537	35	New Mexico	\$5.7	33	\$2,744	6
Connecticut	\$7.5	26	\$2,095	19	New York	\$65.6	2	\$3,307	1
Delaware	\$2.4	44	\$2,569	7	North Carolina	\$13.4	13	\$1,318	46
Florida	\$26.7	5	\$1,294	47	North Dakota	\$1.6	48	\$2,153	17
Georgia	\$11.7	19	\$1,139	50	Ohio	\$26.2	6	\$2,251	16
Hawaii	\$2.9	39	\$1,998	24	Oklahoma	\$6.6	30	\$1,674	33
Idaho	\$2.5	43	\$1,462	39	Oregon	\$10.4	22	\$2,555	8
Illinois	\$20.2	7	\$1,572	34	Pennsylvania	\$30.3	4	\$2,371	14
Indiana	\$12.7	15	\$1,916	26	Rhode Island	\$2.6	41	\$2,478	12
Iowa	\$6.5	31	\$2,064	21	South Carolina	\$7.4	27	\$1,484	36
Kansas	\$4.2	36	\$1,439	42	South Dakota	\$1.1	49	\$1,230	48
Kentucky	\$11.2	21	\$2,527	10	Tennessee	\$11.5	20	\$1,734	30
Louisiana	\$8.7	24	\$1,856	28	Texas	\$36.9	3	\$1,324	45
Maine	\$3.4	38	\$2,540	9	Utah	\$3.6	37	\$1,171	49
Maryland	\$12.1	18	\$2,006	23	Vermont	\$1.8	46	\$2,843	4
Massachusetts	\$20.0	8	\$2,927	3	Virginia	\$12.1	17	\$1,438	43
Michigan	\$16.9	10	\$1,699	31	Washington	\$12.9	14	\$1,765	29
Minnesota	\$15.6	11	\$2,831	5	West Virginia	\$4.4	34	\$2,426	13
Mississippi	\$6.3	32	\$2,095	20	Wisconsin	\$12.3	16	\$2,127	18
Missouri	\$8.9	23	\$1,466	38	Wyoming	\$0.8	50	\$1,442	40

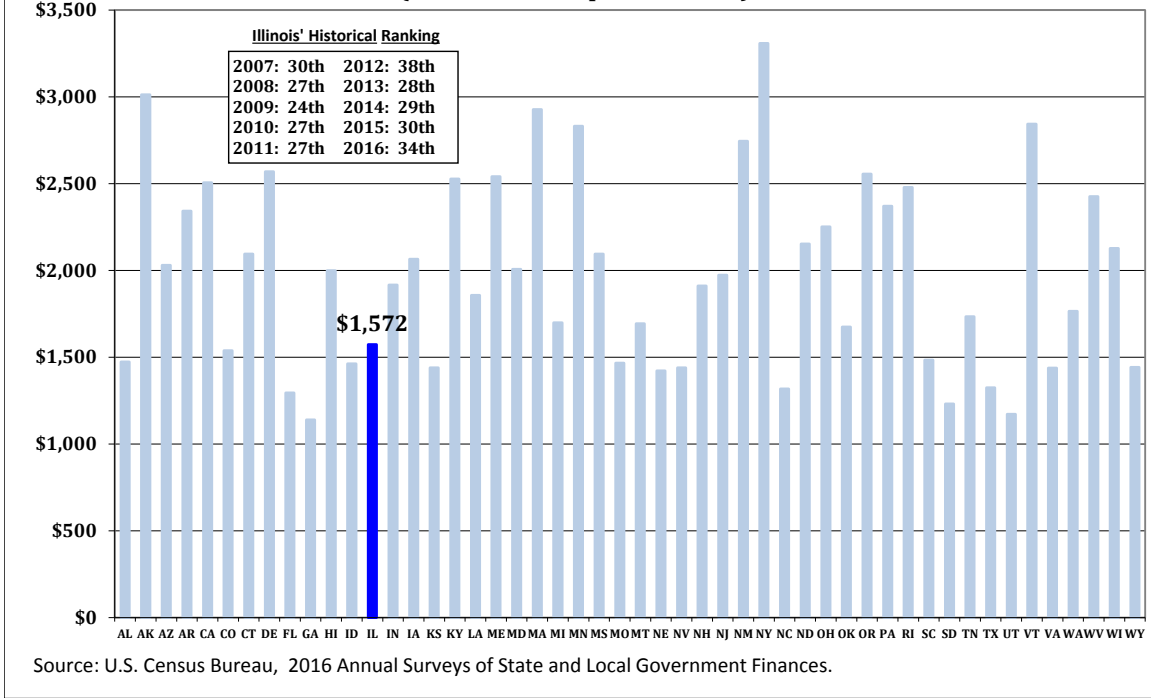
Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region

**CHART 41: Public Welfare Programs Expenditures
by State and Local Governments in 2016
(National Total = \$637.6 billion)**



**CHART 42: Public Welfare Programs Expenditures
by State and Local Governments in 2013
(National Per Capita = \$1,972)**



Category 22: State and Local Government Expenditures for Highways

In 2016, Illinois ranked 6th in the nation in the category of state and local government expenditures for highways with an amount of \$9.6 billion. California had the highest total at \$17.1 billion. On a per-capita basis, Illinois ranked 13th with a value of \$745, which was above the national average of \$541. Illinois' per-capita ranking has increased in recent years from 25th in 2012 to as high as 10th in 2015.

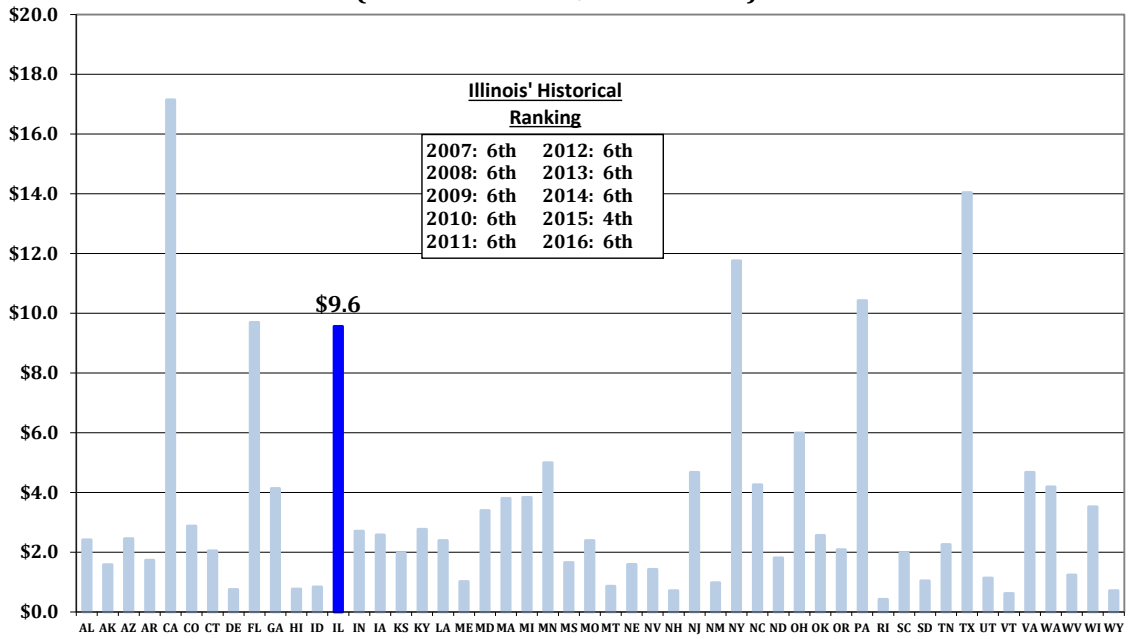
Illinois was the second highest ranked state in the Midwest Region on a per-capita basis behind Iowa (ranked 9th) at \$825 per capita. The highest ranked states on a per-capita basis were North Dakota, Alaska, and Wyoming.

TABLE 29: Highway Expenditures by State and Local Governments in 2016									
\$ in billions									
	Highway Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Highway Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$174.9	-	\$541	-	United States	\$174.9	-	\$541	-
Alabama	\$2.4	24	\$498	36	Montana	\$0.9	43	\$832	8
Alaska	\$1.6	36	\$2,135	2	Nebraska	\$1.6	35	\$834	7
Arizona	\$2.5	23	\$356	49	Nevada	\$1.4	37	\$487	37
Arkansas	\$1.7	33	\$580	20	New Hampshire	\$0.7	48	\$535	28
California	\$17.1	1	\$436	40	New Jersey	\$4.7	10	\$521	30
Colorado	\$2.9	18	\$521	29	New Mexico	\$1.0	42	\$471	38
Connecticut	\$2.1	29	\$572	22	New York	\$11.8	3	\$593	19
Delaware	\$0.8	46	\$795	11	North Carolina	\$4.3	11	\$420	41
Florida	\$9.7	5	\$469	39	North Dakota	\$1.8	32	\$2,400	1
Georgia	\$4.1	13	\$401	44	Ohio	\$6.0	7	\$516	31
Hawaii	\$0.8	45	\$540	27	Oklahoma	\$2.6	22	\$654	16
Idaho	\$0.8	44	\$501	35	Oregon	\$2.1	28	\$512	32
Illinois	\$9.6	6	\$745	13	Pennsylvania	\$10.4	4	\$815	10
Indiana	\$2.7	20	\$409	42	Rhode Island	\$0.4	50	\$401	43
Iowa	\$2.6	21	\$825	9	South Carolina	\$2.0	30	\$399	45
Kansas	\$2.0	31	\$677	15	South Dakota	\$1.0	40	\$1,216	4
Kentucky	\$2.8	19	\$624	17	Tennessee	\$2.3	27	\$340	50
Louisiana	\$2.4	25	\$511	33	Texas	\$14.0	2	\$503	34
Maine	\$1.0	41	\$766	12	Utah	\$1.1	39	\$375	48
Maryland	\$3.4	17	\$564	23	Vermont	\$0.6	49	\$999	5
Massachusetts	\$3.8	15	\$558	24	Virginia	\$4.7	9	\$556	25
Michigan	\$3.8	14	\$386	47	Washington	\$4.2	12	\$575	21
Minnesota	\$5.0	8	\$904	6	West Virginia	\$1.2	38	\$680	14
Mississippi	\$1.7	34	\$556	26	Wisconsin	\$3.5	16	\$610	18
Missouri	\$2.4	26	\$393	46	Wyoming	\$0.7	47	\$1,223	3

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

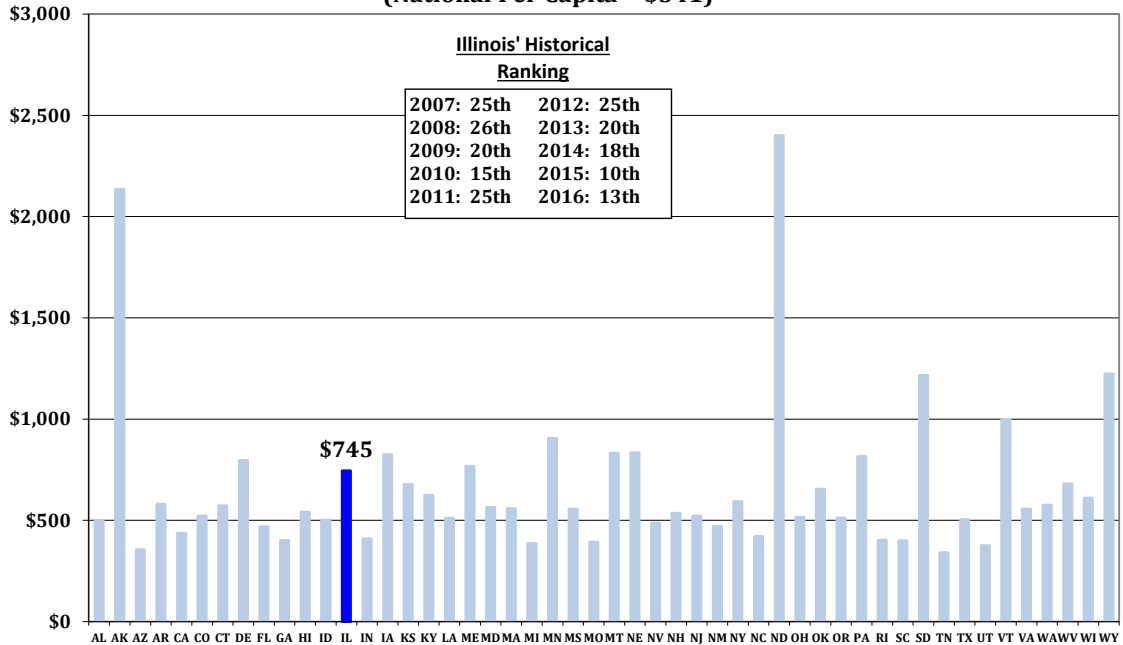
Light Blue Areas= Midwest Region

**CHART 43: Highway Expenditures
by State and Local Governments in 2016
(National Total = \$174.9 billion)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

**CHART 44: Highway Expenditures
by State and Local Governments in 2016
(National Per Capita = \$541)**



Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Category 23: State and Local Government Debt Outstanding

In 2016, Illinois ranked 4th in the nation with a total debt of \$151.7 billion. In this category, state and local government debt outstanding includes short-term, long-term, full faith and credit, non-guaranteed and public debt for private purposes. California had the highest level of debt outstanding with \$433.8 billion. On a per-capita basis, Illinois ranked 5th with a value of \$11,816. This amount was well above the national average of \$9,285. Illinois has consistently been the highest ranked state in the Midwest Region in both total dollars and on a per-capita basis over the last several years. New York had the highest per-capita value of \$17,973.

TABLE 30: State and Local Government Debt Outstanding in 2016

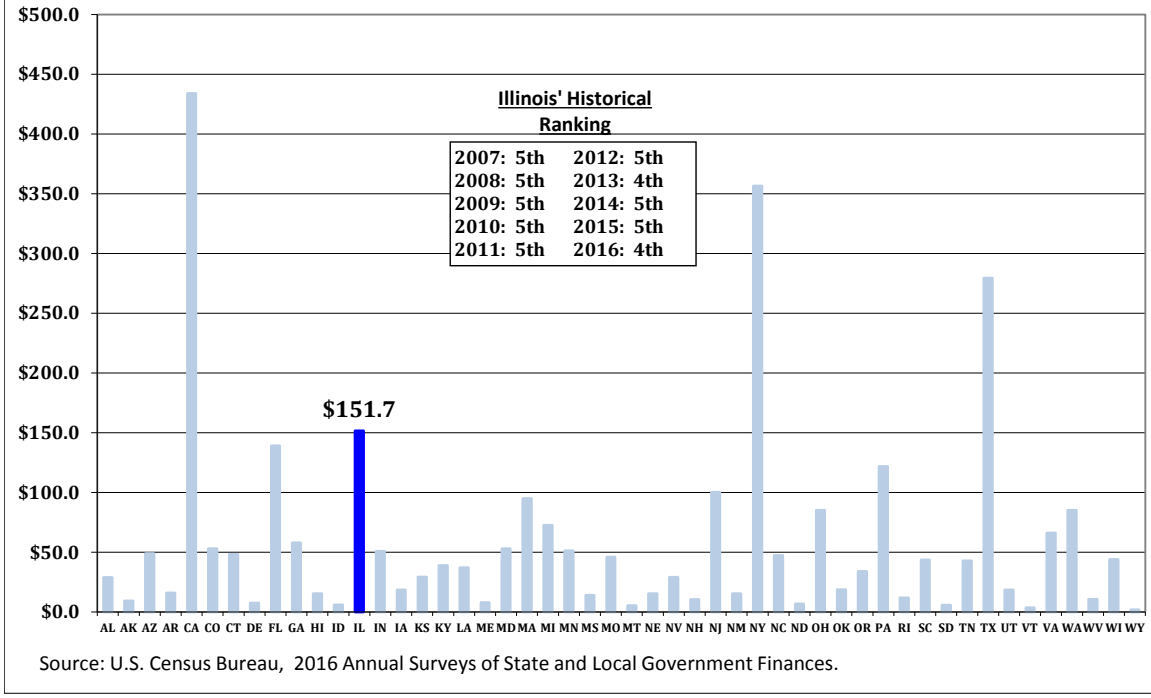
\$ in billions

Total Dollars Debt Outstanding		Total Dollars Ranking	Amount Per Capita	Per Capita Ranking	Total Dollars Debt Outstanding		Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	\$3,002.7	-	\$9,285	-	United States	\$3,002.7	-	\$9,285	-
Alabama	\$28.9	30	\$5,939	38	Montana	\$5.3	48	\$5,073	45
Alaska	\$9.3	42	\$12,520	4	Nebraska	\$15.3	37	\$8,011	22
Arizona	\$48.8	18	\$7,063	33	Nevada	\$29.1	29	\$9,902	13
Arkansas	\$15.9	34	\$5,316	44	New Hampshire	\$10.4	41	\$7,817	26
California	\$433.8	1	\$11,040	9	New Jersey	\$100.1	7	\$11,153	7
Colorado	\$52.9	14	\$9,570	14	New Mexico	\$15.3	36	\$7,343	30
Connecticut	\$48.3	19	\$13,474	3	New York	\$356.5	2	\$17,973	1
Delaware	\$7.6	44	\$7,965	23	North Carolina	\$47.2	20	\$4,651	48
Florida	\$139.1	5	\$6,733	34	North Dakota	\$6.8	45	\$8,978	17
Georgia	\$57.9	13	\$5,618	43	Ohio	\$85.2	9	\$7,333	31
Hawaii	\$15.4	35	\$10,767	10	Oklahoma	\$18.7	31	\$4,774	46
Idaho	\$6.0	46	\$3,555	49	Oregon	\$33.9	27	\$8,298	21
Illinois	\$151.7	4	\$11,816	5	Pennsylvania	\$121.9	6	\$9,531	15
Indiana	\$50.8	17	\$7,664	27	Rhode Island	\$11.7	39	\$11,092	8
Iowa	\$18.5	32	\$5,917	39	South Carolina	\$43.6	23	\$8,793	18
Kansas	\$29.2	28	\$10,053	11	South Dakota	\$5.8	47	\$6,696	35
Kentucky	\$38.8	25	\$8,753	20	Tennessee	\$42.7	24	\$6,424	36
Louisiana	\$37.1	26	\$7,913	24	Texas	\$279.3	3	\$10,009	12
Maine	\$7.8	43	\$5,872	40	Utah	\$18.4	33	\$6,054	37
Maryland	\$52.9	15	\$8,779	19	Vermont	\$3.6	49	\$5,824	42
Massachusetts	\$95.0	8	\$13,922	2	Virginia	\$66.1	12	\$7,854	25
Michigan	\$72.5	11	\$7,299	32	Washington	\$85.1	10	\$11,686	6
Minnesota	\$51.2	16	\$9,268	16	West Virginia	\$10.7	40	\$5,853	41
Mississippi	\$14.0	38	\$4,693	47	Wisconsin	\$44.0	22	\$7,628	28
Missouri	\$45.9	21	\$7,533	29	Wyoming	\$1.9	50	\$3,272	50

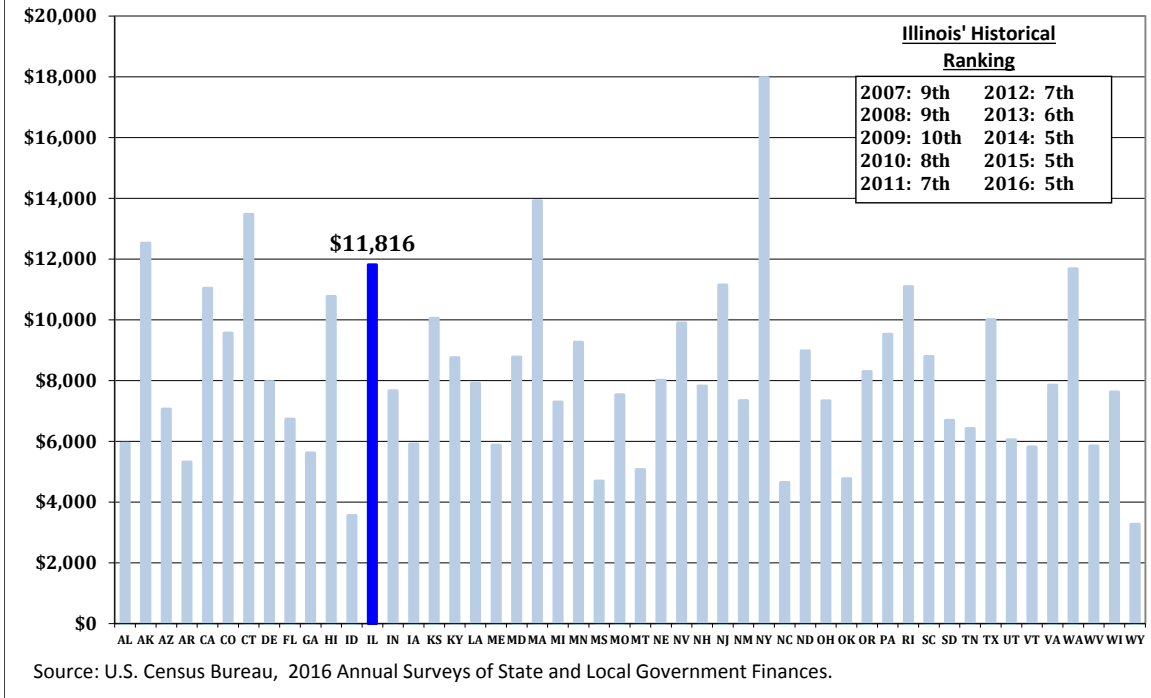
Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region

**CHART 45: State and Local Government Debt Outstanding in 2016
(National Total = \$3,002.7 billion)**



**CHART 46: Per Capita State and Local Government Debt Outstanding in 2016
(National Per Capita = \$9,285)**



Business Climate Rankings by State

In past *Illinois' National Ranking* editions, the Commission has included a brief look at how Illinois' business climate compares with other states by providing a summary of the Tax Foundation's *State Business Tax Climate Index*. In the most recent updates, the Commission has taken a deeper look into business climate rankings by looking at several different studies seeking to quantitatively compare states across the nation. This year's report includes business climate rankings from the following studies: *The State Business Tax Climate Index*, the SBE Council's *Small Business Policy Index*, and the American Legislative Exchange Council's *Economic Competitiveness Index*.

For Illinois to succeed in attracting and retaining businesses, the State must continuously evaluate their business climate and compare itself to other states across the country. This means reviewing policies, tax structures, and various other factors in the business industry to see how Illinois compares to the nation. If Illinois is perceived inadequate in any area, changes may be necessary to keep the State competitive in the business world. On the other hand, areas where Illinois is shown to be comparatively strong could be looked at as the focus for promoting Illinois to the business community or as an opportunity for revenue growth through the adjustments of perhaps over-zealous tax incentives.

So if business climate is important to most businesses, how does Illinois compare to other states in this area? This is a difficult question to answer because there are numerous factors that could affect the business climate of a state. Common vectors used to understand business climates include tax stability and rates, infrastructure, education, and employment statistics. What may be important to one state may not be as important to another state in attracting jobs. The importance also depends on the type of company that may be seeking to locate their business in a particular area. Several studies have attempted to answer the question of how states compare by quantifying factors they consider important to businesses. By quantifying various factors, these studies provide rankings intended to help compare the business climate of one state to another.

As mentioned above, this portion of the report focuses on three national studies, the State Business Tax Climate Index, The Small Business Policy Index, and the American Legislative Exchange Council's Economic Competitiveness Index. Each of these studies has their own way of evaluating the business climate of a state. Sometimes the same variables are used in each study, while some studies utilize unique variables in their evaluation. And even if the same variable is used, the weight that each variable holds in comparison to other variables in the study may differ. Because of these factors, the rankings of each state can vary wildly to the point where one state may rank high in one study and poorly in another.

The following pages provide a summary of each study and displays how Illinois ranks in comparison to the rest of the nation. For each of these studies, the overall rankings are shown along with a short synopsis of how these rankings were conceived. Following these summaries is an evaluation of the rankings and a discussion of why some believe these rankings should be viewed with much caution.

State Business Tax Climate Index

There are numerous factors that go into a company's decision to headquarter in a particular location. But in a September 2016 background paper promoting their 2017 State Business Tax Climate Index, the Tax Foundation stresses how important it is for states to have a welcoming business tax climate.

The modern market is characterized by mobile capital and labor, with all types of businesses, small and large, tending to locate where they have the greatest competitive advantage. The evidence shows that states with the best tax systems will be the most competitive at attracting new businesses and most effective at generating economic and employment growth. It is true that taxes are but one factor in business decision making. Other concerns also matter—such as access to raw materials or infrastructure or a skilled labor pool—but a simple, sensible tax system can positively impact business operations with regard to these resources. Furthermore, unlike changes to a state's health care, transportation, or education systems, which can take decades to implement, changes to the tax code can quickly improve a state's business climate. Source: taxfoundation.org

While it is difficult to know what each business' deciding factor is for deciding where to locate, this study by the Tax Foundation attempts to compare the business climate of the fifty states by quantifying several factors into a single index. This index, called the State Business Tax Climate Index (SBTCI), "enables business leaders, government policymakers, and taxpayers to gauge how their states' tax systems compare" and is "designed to show *how well* states structure their tax systems, and provides a roadmap for improvement".

The SBTCI places over 100 different variables into five component indexes that each measures a different sector of a state's business tax climate. The five component indexes are the Corporate Tax Index, Individual Income Tax Index, Sales Tax Index, Unemployment Tax Index, and Property Tax Index. The total score for each state is calculated based on the scores for each of the five component indexes.

The results of the study are displayed on the following two pages. **As shown, the study ranked Illinois as having the 36th best State Business Tax Climate in the nation for FY 2019.** The highest-ranked states were Wyoming, Alaska, and South Dakota. The lowest-ranked states were New Jersey, California, and New York. Rankings of Midwest states include Indiana (10th), Michigan (13th), Missouri (14th), Kentucky (23rd), Wisconsin (32nd), Iowa (45th), and Ohio (42nd). Illinois' ranking of 36th is a slip down from 26th in 2016 and 29th in 2018. The report cites that the post-impasse budget's higher income tax and corporate tax facilitated the drop Illinois experienced. Additionally, a 1.5% pass-through tax on businesses is noted as knocking Illinois further down the list. The SBTCI report also acknowledges that states without major taxes (such as corporate, income, and property) are common among highly-rated states and bases their rankings on taxation levels, but the report does mention that, "states in the bottom 10 tend to have a number of afflictions in common: complex, non-neutral taxes with comparatively high rates".

Looking at each component of the index individually, Illinois ranked in the top half in the individual income tax index (13th), but was in the lower half of the rankings for the corporate tax index (39th), sales tax index (36th), unemployment insurance tax index (42nd), and property tax index (45th). For more information regarding the findings of this study, please see the Tax Foundation’s website at www.taxfoundation.org.

Major Components of the State Business Tax Climate Index						
FY 2019						
State	Overall Rank	Corporate Tax Index Rank	Individual Income Tax Index Rank	Sales Tax Index Rank	Property Tax Index Rank	Unemployment Insurance Tax Index Rank
Alabama	39	20	30	48	15	12
Alaska	2	25	1	5	23	35
Arizona	27	17	19	47	5	13
Arkansas	46	40	40	44	26	34
California	49	31	49	43	14	17
Colorado	18	16	14	38	12	40
Connecticut	47	29	43	30	50	23
Delaware	11	50	41	2	9	3
Florida	4	6	1	22	11	2
Georgia	33	8	38	29	24	38
Hawaii	38	14	47	24	16	26
Idaho	21	26	23	26	4	48
Illinois	36	39	13	36	45	42
Indiana	10	18	15	12	2	11
Iowa	45	48	42	19	39	33
Kansas	28	34	21	31	20	15
Kentucky	23	27	17	14	35	47
Louisiana	44	36	32	50	32	4
Maine	30	41	24	7	41	24
Maryland	40	22	45	18	42	28
Massachusetts	29	37	11	13	46	50
Michigan	13	11	12	11	22	49
Minnesota	43	42	46	27	31	25
Mississippi	31	15	27	35	36	5
Missouri	14	4	25	25	7	8
Montana	5	12	22	3	10	21
Nebraska	24	28	26	9	40	9
Nevada	9	33	5	40	8	45
New Hampshire	6	45	9	1	44	44
New Jersey	50	47	50	45	48	32
New Mexico	25	21	31	41	1	10
New York	48	7	48	42	47	31
North Carolina	12	3	16	20	33	7
North Dakota	17	23	20	32	6	14
Ohio	42	46	44	28	13	6
Oklahoma	26	9	33	39	19	1
Oregon	7	30	36	4	17	37
Pennsylvania	34	43	18	21	34	46
Rhode Island	37	32	29	23	43	29
South Carolina	35	19	34	34	27	27
South Dakota	3	1	1	33	28	39
Tennessee	16	24	8	46	29	22
Texas	15	49	6	37	37	18
Utah	8	5	10	16	3	16
Vermont	41	38	37	15	49	20
Virginia	22	10	35	10	30	43
Washington	20	44	6	49	25	19
West Virginia	19	13	28	17	18	30
Wisconsin	32	35	39	8	21	41
Wyoming	1	1	1	6	38	36
District of Columbia	46	27	45	25	47	33

Note: A rank of 1 is best, 50 is worst. Rankings do not average to the total. States without a tax rank equal to 1. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2018 (the beginning of Fiscal Year 2019).

Source: Tax Foundation.

History of the overall Rank of the State Business Tax Climate Index
Overall Rank: FY 2015-2019

State	Overall Rank FY 2019	Overall Rank FY 2018	Overall Rank FY 2017	Overall Rank FY 2016	Overall Rank FY 2015
Alabama	39	35	35	35	36
Alaska	2	3	3	3	4
Arizona	27	21	21	22	24
Arkansas	46	39	38	41	40
California	49	48	48	48	48
Colorado	18	18	18	17	18
Connecticut	47	44	43	43	43
Delaware	11	15	15	11	11
Florida	4	4	4	4	5
Georgia	33	36	36	39	38
Hawaii	38	27	27	31	32
Idaho	21	20	22	21	20
Illinois	36	29	28	26	35
Indiana	10	9	9	10	10
Iowa	45	40	40	40	41
Kansas	28	23	20	20	21
Kentucky	23	33	33	32	31
Louisiana	44	42	42	36	34
Maine	30	28	29	30	28
Maryland	40	43	41	42	42
Massachusetts	29	22	25	24	25
Michigan	13	12	12	13	13
Minnesota	43	46	46	46	47
Mississippi	31	24	26	25	22
Missouri	14	16	16	18	16
Montana	5	6	6	6	6
Nebraska	24	25	24	23	23
Nevada	9	5	5	5	3
New Hampshire	6	7	7	7	7
New Jersey	50	50	50	50	50
New Mexico	25	34	34	34	33
New York	48	49	49	49	49
North Carolina	12	11	11	12	12
North Dakota	17	30	30	27	26
Ohio	42	45	45	45	44
Oklahoma	26	32	31	33	29
Oregon	7	10	10	9	9
Pennsylvania	34	26	23	28	30
Rhode Island	37	41	44	44	45
South Carolina	35	37	37	37	37
South Dakota	3	2	2	2	2
Tennessee	16	14	14	15	15
Texas	15	13	13	14	14
Utah	8	8	8	8	8
Vermont	41	47	47	47	46
Virginia	22	31	32	29	27
Washington	20	17	17	16	17
West Virginia	19	19	19	19	19
Wisconsin	32	38	39	38	39
Wyoming	1	1	1	1	1

Source: Tax Foundation. Full report can be found at www.taxfoundation.org.

The Small Business Policy Index

In February 2018, the Small Business and Entrepreneurship Council released its 22nd edition of the “Small Business Policy Index”. This report ranks the 50 states according to some of the major government-imposed or government-related costs affecting investment, entrepreneurship, and business. The Council summarizes their comparison tool by stating that “the Index ranks the states according to their public policy climates for the risk taking that drives economic growth, dynamism and job creation”. The Index involves 55 different measuring tools. Of these, 27 are taxes or tax related, 20 relate to rules and regulation, 5 relate to government spending and debt issues, with the 3 remaining “gauging the effectiveness of various important government undertakings”.

Under the Small Business Policy Index (SBPI), the authors state that the lower the index number, the lighter the governmental burdens, and the better the environment for entrepreneurship. They report the SBPI as “a measure by which states can be compared according to how the state and local governments treat small business and entrepreneurs. In essence, it is a comparative measure of economic incentives relating to government policies: the lower the “Small Business Policy Index” number, the greater the incentives to invest and take risks in that particular state.”

Overall, Illinois ranked 33rd in the nation according to the SBPI. The table below displays how Illinois is ranked in each of the main categories that make up the overall ranking.

Small Business Policy Index (SBPI) 2018: State Rankings <i>(How Illinois Ranked in each of the Major Categories of the Index)</i>	
Category of SBSI	Rank
Personal Income Tax Rates	19th
Individual Capital Gains Tax Rates	22nd
Individual Dividends and Interest Tax Rates	18th
Corporate Income Tax Rates	47th
Corporate Capital Gains Tax Rates	47th
State and Local Property Taxes	42nd
State and Local Sales, Gross Receipts and Excise Taxes	24th
Adjusted Unemployment Taxes	19th
State Gas Taxes	37th
State Diesel Taxes	41st
Wireless Taxes	47th
Energy Regulatory Index	31st
Workers' Compensation Premium Costs	43rd
Crime Rate	20th
Number of Government Employees per 100 Residents	13th
State and Local Government Five-Year Spending Trends (thru 2014)	39th
State and Local Government Expenditures (2013-2014)	34th
Per Capita State and Local Government Debt (2013-2014)	46th
Revenue from Fed Govt as a Share of State and Local Revenue (2013-2014)	7th
OVERALL RANKING	33rd
Source: https://sbecouncil.org/wp-content/uploads/2018/02/SBPI2018-SBECouncil.pdf	

While Illinois ranks near the middle of the pack in most categories, their ranking is relatively high in the areas such as the “Number of Government Employees per 100 residents” (ranked 13th) and “Revenue from the Federal Government as a Share of State and Local Revenue” (ranked 7th). The state ranks relatively low in categories like “State and Local Property Taxes” (ranked 42nd), “Workers’ Compensation Premium Costs” (ranked 43rd), and in the category of “Per Capita State and Local Government Debt” (ranked 46th).

Illinois’ ranking in the indexes related to the individual and corporate income tax rate have seen much fluctuation over the last several years. This fluctuation in rankings, of course, coincides with fluctuation of tax rates over the last decade. In 2008, with the individual income tax rate at 3%, the SBPI gave Illinois a favorable sub-index ranking of 10th. After increasing the tax rate to 5%, Illinois’ rating in this sub-index fell to 20th. The ranking rose to 15th after the rate was lowered to 3.75% (2016 and 2017) Now, at a rate of 4.95%, the SBSI lists Illinois’ ranking as 19th in this category. Similarly, Illinois’ ranking for the corporate income tax fell from 28th (2008) to 47th (2013) after increasing this tax rate from 4.8% to 7%. After the rate was lowered to 5.25%, the ranking rose to 34th (2016 & 2017). Now that the corporate tax rate has been increased back to 7%, Illinois’ ranking has fallen back to 47th (2018).

Below are the overall 2018 rankings of the Small Business Policy Index for all 50 states.

Small Business Policy Index (SBPI) 2018: State Rankings					
(Ranked from the Friendliest to the Least Friendly Policy Environments for Small Business and Entrepreneurship)					
Rank	State	SBSI	Rank	State	SBSI
1	Nevada	45.862	26	Idaho	84.560
2	Texas	46.078	27	Louisiana	85.162
3	South Dakota	48.548	28	Wisconsin	86.553
4	Wyoming	50.925	29	West Virginia	87.869
5	Florida	52.484	30	New Hampshire	89.246
6	Arizona	66.683	31	Pennsylvania	89.705
7	Washington	66.747	32	Montana	90.050
8	Indiana	67.480	33	Illinois	95.288
9	Ohio	69.168	34	Delaware	96.964
10	Utah	69.312	35	Kentucky	97.201
11	Alabama	70.652	36	Nebraska	98.300
12	Michigan	71.488	37	Arkansas	99.869
13	Colorado	73.195	38	Massachusetts	100.074
14	Tennessee	73.807	39	Maryland	102.357
15	South Carolina	75.053	40	Rhode Island	103.723
16	Mississippi	75.512	41	Maine	103.993
17	North Carolina	75.675	42	Oregon	108.320
18	Virginia	76.521	43	Connecticut	112.322
19	Missouri	78.363	44	Iowa	114.393
20	Georgia	78.732	45	Vermont	117.761
21	Oklahoma	79.001	46	Minnesota	119.613
22	North Dakota	79.359	47	New York	120.406
23	New Mexico	81.273	48	Hawaii	125.473
24	Kansas	82.589	49	New Jersey	128.196
25	Alaska	83.725	50	California	139.451

Source: <https://sbecouncil.org/wp-content/uploads/2018/02/SBPI2018-SBECouncil.pdf>

American Legislative Exchange Council’s “Economic Competitiveness Index”

The American Legislative Exchange Council annually issues a publication entitled, “Rich States, Poor States”. This publication is an annual economic competitiveness study which is designed to identify which policies can lead a state to economic prosperity. By using these identified policies, the study “makes sound research-based conclusions about which states are poised to achieve greater economic prosperity and those that are stuck on the path to a lackluster economy.” From this, the authors created the State Economic Outlook Rankings, which is described in the publication as follows:

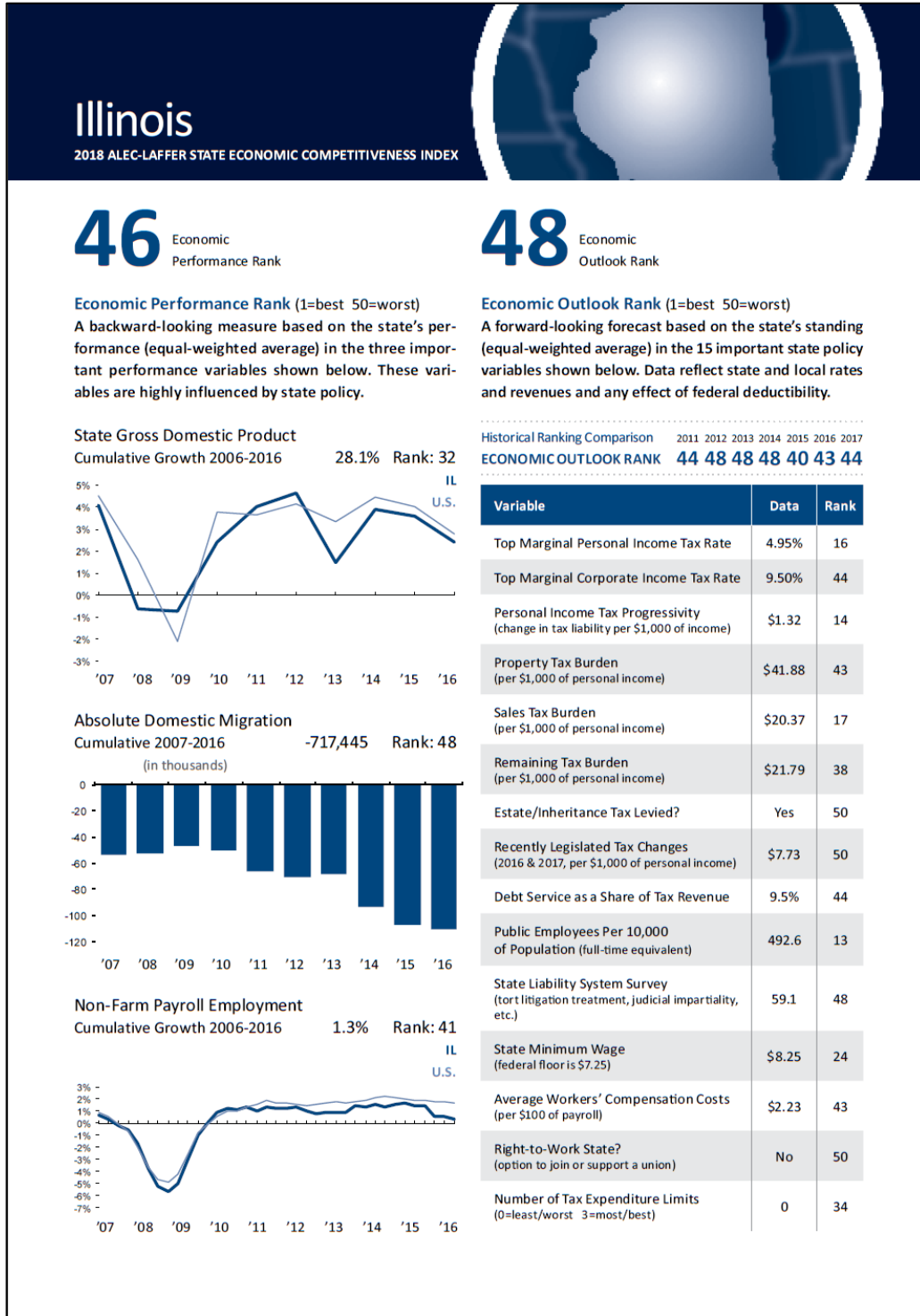
The Economic Outlook Ranking is a forecast based on a state’s current standing in 15 state policy variables. Each of these factors is influenced directly by state lawmakers through the legislative process. Generally speaking, states that spend less—especially on income transfer programs, and states that tax less—particularly on productive activities such as working or investing—experience higher growth rates than states that tax and spend more.

The Economic Performance Ranking is a backward-looking measure based on a state’s performance on three important variables: State Gross Domestic Product, Absolute Domestic Migration and Non-Farm Payroll Employment—all of which are highly influenced by state policy. This ranking details states’ individual performances over the past 10 years based on this economic data.

ALEC - Laffer State Economic Outlook Rankings 2018			
Rank	State	Rank	State
1	Utah	26	Kansas
2	Idaho	27	Louisiana
3	Indiana	28	Nebraska
4	North Dakota	29	Iowa
5	Arizona	30	West Virginia
6	Florida	31	Kentucky
7	North Carolina	32	Maryland
8	Wyoming	33	South Carolina
9	South Dakota	34	Alaska
10	Virginia	35	New Mexico
11	Georgia	36	Delaware
12	Tennessee	37	Washington
13	Nevada	38	Pennsylvania
14	Texas	39	Rhode Island
15	Colorado	40	Connecticut
16	Oklahoma	41	Oregon
17	New Hampshire	42	Maine
18	Michigan	43	Montana
19	Wisconsin	44	Minnesota
20	Alabama	45	Hawaii
21	Ohio	46	New Jersey
22	Arkansas	47	California
23	Missouri	48	Illinois
24	Mississippi	49	Vermont
25	Massachusetts	50	New York

Source: http://www.richstatespoorstates.org/app/uploads/2018/04/2018-RSPS-State-Pages_Final.pdf

Below is the section on Illinois that is included in the report. The study ranks Illinois as having a ranking of 46th for Economic Performance and a ranking of 48th for Illinois' Economic Outlook Ranking for 2018. The scores affiliated with the categories influencing this particular index ranking are shown below. Also shown in this graphic is the study's historic Economic Rankings from 2011 to 2017.



Source: https://www.alec.org/app/uploads/2018/04/2018-RSPS-State-Pages_Final.pdf

What do the Business Climate Rankings Tell Us?

For the studies shown in this report, Illinois' overall ranking ranged from 33rd to 48th in the nation. On the following page is a summary of all of the final rankings discussed in this report, including their average ranking. As shown, Illinois' average ranking was 39 for the three studies, which made them the 42nd highest ranked state overall. This is a drop over their combined ranking of 38th in the 2016 update, likely reflecting Illinois' recent budget woes and recent passage of higher taxes.

When combining all of the rankings together, Florida, Indiana, Nevada, South Dakota, Texas, Utah, and Wyoming all scored in the top fifteen of each study. Arizona, Colorado, North Carolina, and Tennessee all claimed two top fifteen spots. On the other end, California, Connecticut, Hawaii, Minnesota, New Jersey, New York, Rhode Island, and Vermont all scored in the bottom fifteen of each study. Arkansas, Illinois, Iowa, and Maine all took two bottom fifteen scores.

It should be noted the results of each study present some noticeable differences. For example, although Illinois' ranking stayed somewhat consistent, states like Oregon had very diverse results. Oregon scored in the bottom fifteen of both the Small Business Policy Index Rank (42) and the Economic Outlook Rank (41), but came in 7th according to the State Business Tax Climate Indicator. Alabama, Delaware, Montana, and Ohio also experienced similar results to varying degrees. Montana scored 5th in SBTCI and 43rd in the Economic Outlook, while Delaware's difference is less extreme at 11th for SBTCI and 36th for the Economic Outlook.

Looking at all the studies, eighteen different states could brag that they had a top-ten ranking in one of the studies. Thirty different states could boast that they are in the top twenty of a study. Since the results of these states vary so much, the question becomes, which of these studies accurately show which state is best for business and do these rankings actually serve a useful purpose? These are questions that were addressed in the May 2013 article entitled, "Grading Places: What Do the Business Climate Rankings Really Tell Us?". The following is an excerpt from this article, which can be found at www.goodjobsfirst.org.

Indeed, the underlying frame of these studies—that there is such a thing as a state “business climate” that can be measured and rated—is nonsensical. The needs of different businesses and facilities vary far too widely. Besides, states are not the meaningful unit of competition in economic development: metro areas are, and conditions can vary more among metro areas within a state than they do between states...(W)e question whether the entire enterprise of measuring an overall business tax climate for a state can be valid or useful. State tax systems are complex, and interact in complex ways with the asset structure and geographic characteristics of firms. The favorability of a state’s tax system to an economic development project can be measured accurately only when the details of the business and facility are taken into account.

While the Commission acknowledges that the validity and usefulness of these types of rankings are debatable and often should be discounted, their mere existence must be

taken seriously because businesses could look at these rankings for guidance when making business decisions. Illinois' recent political and economic duress gives credence to the state's low ranking, feeding the negative stigma. And this stigma is something Illinois must overcome to retain and grow businesses.

State Rankings of Various "Business Climate" Studies					
State	State Business Tax Climate Index Rank (FY 2019)	Small Business Policy Index Rank (2018)	Economic Outlook Rank (2018)	Overall Average Ranking	Overall Rank
Wyoming	1	4	8	4.3	1
Florida	4	5	6	5.0	2
South Dakota	3	3	9	5.0	2
Utah	8	10	1	6.3	4
Indiana	10	8	3	7.0	5
Nevada	9	1	13	7.7	6
Texas	15	2	14	10.3	7
North Carolina	12	17	7	12.0	8
Arizona	27	6	5	12.7	9
Tennessee	16	14	12	14.0	10
Michigan	13	12	18	14.3	11
North Dakota	17	22	4	14.3	11
Colorado	18	13	15	15.3	13
Idaho	21	26	2	16.3	14
Virginia	22	18	10	16.7	15
New Hampshire	6	30	17	17.7	16
Missouri	14	19	23	18.7	17
Alaska	2	25	34	20.3	18
Oklahoma	26	21	16	21.0	19
Georgia	33	20	11	21.3	20
Washington	20	7	37	21.3	20
Alabama	39	11	20	23.3	22
Mississippi	31	16	24	23.7	23
Ohio	42	9	21	24.0	24
Kansas	28	24	26	26.0	25
West Virginia	19	29	30	26.0	25
Wisconsin	32	28	19	26.3	27
Montana	5	32	43	26.7	28
Delaware	11	34	36	27.0	29
New Mexico	25	23	35	27.7	30
South Carolina	35	15	33	27.7	30
Nebraska	24	36	28	29.3	32
Kentucky	23	35	31	29.7	33
Oregon	7	42	41	30.0	34
Massachusetts	29	38	25	30.7	35
Louisiana	44	27	27	32.7	36
Pennsylvania	34	31	38	34.3	37
Arkansas	46	37	22	35.0	38
Maryland	40	39	32	37.0	39
Maine	30	41	42	37.7	40
Rhode Island	37	40	39	38.7	41
Illinois	36	33	48	39	42
Iowa	45	44	29	39.3	43
Connecticut	47	43	40	43.3	44
Hawaii	38	48	45	43.7	45
Minnesota	43	46	44	44.3	46
Vermont	41	45	49	45.0	47
New Jersey	50	49	46	48.3	48
New York	48	47	50	48.3	48
California	49	50	47	48.7	50

Sources: *State Business Climate Index: www.taxfoundation.org.
Small Business Policy Index: www.sbcouncil.org Economic Outlook: www.alec.org*

Employment Statistics and Rankings

It now has been over ten years since the “Great Recession” swept through the United States. During this economic downturn, job numbers fell to levels not seen in decades. Many states, in fact, recorded historically high unemployment rates in late 2010. While Illinois did not reach a “record high” during this time, the State was not immune to these job losses as Illinois’ unemployment rate surpassed the 11% mark for the first time since August 1983.

Although the recovery of jobs in the aftermath of the Great Recession has been slower than many would have hoped for, most states have now surpassed the job totals experienced prior to the economic slowdown. Illinois is no exception as its employment totals at the end of FY 2018 hit record highs with nearly 6.2 million jobs across the State. These recent totals are aided by historically strong unemployment rates in Illinois. The latest figure (September 2018) from the Bureau of Labor Statistics places Illinois’ seasonally adjusted unemployment rate at 4.1%, which is the State’s lowest rate on record.

Illinois’ recent job growth and its historically low unemployment rate levels is, by itself, very much a positive. However, when comparing Illinois’ unemployment rate and employment data with other states across the country, Illinois’ performance has been relatively average, at best. For example, Illinois’ latest unemployment rate of 4.1% is above the national average of 3.7% and ranks 32nd in the country for this metric. Illinois’ unemployment rate trails most other states in the Midwest region and notably behind neighboring Iowa’s rate of 2.5%, Wisconsin’s rate of 3.0%, and Indiana’s rate of 3.5%. The lowest unemployment rate in the country for September 2018 was Hawaii at 2.2%. The highest unemployment rate belonged to Alaska at 6.5%. These rates can be seen on the following page.

As stated previously, Illinois’ employment levels have now surpassed totals prior to the Great Recession. Again, this fact by itself is encouraging. However, some would argue that Illinois’ job recovery over the last decade has been disappointing, especially when compared to the performance of other states. The following section takes a closer look at these comparisons to put Illinois’ recent job gains into context.

Questions that will be addressed in this section include, “What types of jobs has Illinois lost?”, “How has Illinois’ employment situation changed over the years?”, and “How does Illinois’ employment figures compare to other states throughout the nation?”. In an effort to address these questions, the Commission compiled employment statistics from the U.S. Bureau of Labor Statistics over the last two decades. The data used in this analysis can be obtained at the Bureau’s website (www.bls.gov).

September 2018 Unemployment Rates (Seasonally Adjusted) for States and Historical Highs/Lows

NATIONAL RATE = 3.7%

State	Sep 2018	Rate	Historical High		Historical Low	
	Rate	Ranking	Date	Rate	Date	Rate
Hawaii	2.2	1	Mar. 1976	10.2	May. 2018	2.0
Iowa	2.5	2	Jan. 1983	9.1	Mar. 2000	2.4
Idaho	2.7	3	Dec. 1982	10.2	Sept. 2018	2.7
New Hampshire	2.7	3	Jul. 1992	7.4	Mar. 1988	2.2
North Dakota	2.7	3	Feb. 1983	6.2	Jul. 2017	2.5
Minnesota	2.8	6	Jan. 1983	8.9	Feb. 1999	2.5
Nebraska	2.8	6	Feb. 1983	6.3	Oct. 1990	2.3
Vermont	2.9	8	Apr. 1976	8.7	Mar. 2000	2.6
Virginia	2.9	8	Dec. 1982	7.9	Nov. 2000	2.1
South Dakota	3.0	10	Jan. 1983	5.9	Jul. 2000	2.4
Wisconsin	3.0	10	Jan. 1983	11.9	May. 2018	2.8
Colorado	3.1	12	Dec. 2010	8.9	May. 2017	2.6
Missouri	3.2	13	Mar. 1983	10.6	Jan. 2000	3.1
Utah	3.2	13	Mar. 1983	9.6	Apr. 2007	2.4
Kansas	3.3	15	Aug. 2009	7.3	Aug. 1978	2.9
Maine	3.3	15	Jan. 1977	9.0	Apr. 2018	2.7
South Carolina	3.3	15	Jan. 1983	11.8	Sept. 2018	3.3
Arkansas	3.5	18	Feb. 1983	10.3	Sept. 2018	3.5
Florida	3.5	18	Jan. 2010	11.3	Mar. 2006	3.1
Indiana	3.5	18	Dec. 1982	12.6	Oct. 2000	2.9
Oklahoma	3.5	18	Apr. 1983	8.9	Dec. 2000	2.9
Massachusetts	3.6	22	Mar. 1976	10.3	Oct. 2000	2.6
Montana	3.6	22	May. 1983	8.8	Feb. 2007	2.9
Tennessee	3.6	22	Jan. 1983	12.9	Jan. 2018	3.3
Georgia	3.7	25	Dec. 2010	10.6	Dec. 2000	3.4
North Carolina	3.8	26	Mar. 2010	11.4	Apr. 1999	3.0
Oregon	3.8	26	May. 2009	11.9	Sept. 2018	3.8
Texas	3.8	26	Nov. 1986	9.2	Sept. 2018	3.8
Rhode Island	3.9	29	Aug. 2010	11.3	Jul. 1988	3.0
Delaware	4.0	30	Dec. 1976	9.8	Jun. 1988	3.0
Michigan	4.0	30	Dec. 1982	16.5	Mar. 2000	3.2
Alabama	4.1	32	Dec. 1982	15.5	Feb. 2018	3.7
California	4.1	32	Nov. 2010	12.3	Sept. 2018	4.1
Illinois	4.1	32	Feb. 1983	13.1	Sept. 2018	4.1
New York	4.1	32	Feb. 1976	10.3	May. 1988	4.0
Pennsylvania	4.1	32	Feb. 1983	12.7	May. 2000	4.0
Wyoming	4.1	32	Dec. 1986	9.4	May. 1979	2.5
Connecticut	4.2	38	Mar. 1976	9.8	Oct. 2000	2.2
Maryland	4.2	38	Mar. 1982	8.5	Jan. 2008	3.3
New Jersey	4.2	38	Jan. 1977	10.7	Jun. 2000	3.6
Washington	4.4	41	Nov. 1982	12.2	Sept. 2018	4.4
Kentucky	4.5	42	Mar. 1983	12.0	Apr. 2018	4.0
Nevada	4.5	42	Nov. 2010	13.7	Feb. 1999	3.8
New Mexico	4.6	44	Mar. 1983	10.5	Sept. 2007	3.7
Ohio	4.6	44	Jan. 1983	14.0	Feb. 2001	3.7
Arizona	4.7	46	Dec. 1982	11.5	Jul. 2007	3.6
Mississippi	4.8	47	Apr. 1983	12.8	Mar. 2018	4.5
Louisiana	5.0	48	Nov. 1986	13.1	Oct. 2007	4.1
West Virginia	5.2	49	Feb. 1983	18.8	Jul. 2008	4.0
District of Columbia	5.7	50	Sept. 1983	11.3	Sept. 1989	4.8
Alaska	6.5	51	Aug. 1986	11.2	Jun. 2007	6.3

Note: The September 2018 figures are preliminary. Rates shown are a percentage of the labor force. Data refer to place of residence. Series begin in January 1976. Historical highs and lows show the most recent month that a rate was recorded in the event of multiple occurrences. Estimates for at least the latest five years are subject to revision early in the following calendar year.

Source: <http://www.bls.gov/web/laus/lausthl.htm>

Comparing employment levels reported at the end of each fiscal year (June) since 2000 (non-seasonally adjusted), Illinois reached 6.1 million jobs at the beginning of the century in 2000. Following the Great Recession in 2009, Illinois' employment levels fell below 5.7 million in 2009. Since then, Illinois has slowly increased to its high point of nearly 6.2 million jobs in 2018. The table below displays the highpoints, lowpoints, and current levels of employment for all of the states in the nation.

As shown, comparing Illinois' June 2018 figure with this "lowpoint", employment levels have improved 9.2%. At first glance, this improvement may appear encouraging, but compared to other states, Illinois ranks 39th in the nation in the rate of change from a state's "lowpoint" with its current value. Only nine states are not at a "highpoint" when comparing their year-over-year June totals. Two of these states reside in the Midwest Region (Michigan: 5.3% below its highpoint; Ohio: 0.4% below its highpoint).

Employment "High-Point" and "Low-Point" by State												
Year over Year Comparisons at End of Fiscal Year {June}												
(Employment Values in thousands)												
	Current Value (June 2018)	% of Country	Ranking of Jobs	2000 to Present Lowpoint	Current vs. Chg. From Lowpoint	Current vs. Change from Lowpoint (%)	Ranking of Change	2000 to Present Highpoint	Current vs. Chg. From Highpoint	Current vs. Change from Highpoint (%)	Ranking of Change	
Alabama	2,046.1	1.4%	24	1,890.6	155.5	8.2%	43	2,046.1	0.0	0.0%	1	
Alaska	347.1	0.2%	49	298.4	48.7	16.3%	21	358.0	-10.9	-3.0%	48	
Arizona	2,792.5	1.9%	20	2,225.0	567.5	25.5%	8	2,792.5	0.0	0.0%	1	
Arkansas	1,250.9	0.8%	34	1,146.0	104.9	9.2%	41	1,250.9	0.0	0.0%	1	
California	17,178.0	11.4%	1	14,399.8	2,778.2	19.3%	14	17,178.0	0.0	0.0%	1	
Colorado	2,757.9	1.8%	22	2,168.8	589.1	27.2%	6	2,757.9	0.0	0.0%	1	
Connecticut	1,722.6	1.1%	28	1,625.1	97.5	6.0%	50	1,724.6	-2.0	-0.1%	43	
Delaware	467.4	0.3%	46	420.0	47.4	11.3%	34	467.4	0.0	0.0%	1	
Dist. Of Columbia	793.9	0.5%	38	652.1	141.8	21.7%	12	793.9	0.0	0.0%	1	
Florida	8,695.9	5.8%	4	7,014.2	1,681.7	24.0%	9	8,695.9	0.0	0.0%	1	
Georgia	4,541.2	3.0%	8	3,866.8	674.4	17.4%	18	4,541.2	0.0	0.0%	1	
Hawaii	662.8	0.4%	42	556.3	106.5	19.1%	16	662.8	0.0	0.0%	1	
Idaho	748.3	0.5%	40	569.7	178.6	31.3%	5	748.3	0.0	0.0%	1	
Illinois	6,180.2	4.1%	5	5,659.3	520.9	9.2%	39	6,180.2	0.0	0.00%	1	
Indiana	3,129.4	2.1%	15	2,772.7	356.7	12.9%	28	3,129.4	0.0	0.0%	1	
Iowa	1,612.8	1.1%	30	1,455.2	157.6	10.8%	35	1,612.8	0.0	0.0%	1	
Kansas	1,429.7	1.0%	32	1,324.8	104.9	7.9%	44	1,429.7	0.0	0.0%	1	
Kentucky	1,942.4	1.3%	26	1,765.4	177.0	10.0%	37	1,942.4	0.0	0.0%	1	
Louisiana	1,994.5	1.3%	25	1,859.5	135.0	7.3%	46	1,994.5	0.0	0.0%	1	
Maine	647.2	0.4%	43	604.4	42.8	7.1%	47	647.2	0.0	0.0%	1	
Maryland	2,779.3	1.9%	21	2,481.8	297.5	12.0%	31	2,779.3	0.0	0.0%	1	
Massachusetts	3,733.7	2.5%	13	3,239.0	494.7	15.3%	24	3,733.7	0.0	0.0%	1	
Michigan	4,493.7	3.0%	10	3,882.9	610.8	15.7%	22	4,744.0	-250.3	-5.3%	50	
Minnesota	3,018.6	2.0%	17	2,679.5	339.1	12.7%	29	3,018.6	0.0	0.0%	1	
Mississippi	1,166.0	0.8%	35	1,093.7	72.3	6.6%	48	1,166.0	0.0	0.0%	1	
Missouri	2,932.5	2.0%	19	2,681.4	251.1	9.4%	38	2,932.5	0.0	0.0%	1	
Montana	487.5	0.3%	45	398.6	88.9	22.3%	11	487.5	0.0	0.0%	1	
Nebraska	1,041.5	0.7%	36	924.9	116.6	12.6%	30	1,041.5	0.0	0.0%	1	
Nevada	1,382.6	0.9%	33	1,027.8	354.8	34.5%	2	1,382.6	0.0	0.0%	1	
New Hampshire	698.8	0.5%	41	624.6	74.2	11.9%	32	698.8	0.0	0.0%	1	
New Jersey	4,275.2	2.8%	11	3,916.7	358.5	9.2%	42	4,275.2	0.0	0.0%	1	
New Mexico	843.5	0.6%	37	746.2	97.3	13.0%	27	850.2	-6.7	-0.8%	46	
New York	9,737.8	6.5%	3	8,465.4	1,272.4	15.0%	25	9,737.8	0.0	0.0%	1	
North Carolina	4,539.7	3.0%	9	3,804.1	735.6	19.3%	13	4,539.7	0.0	0.0%	1	
North Dakota	438.0	0.3%	48	329.0	109.0	33.1%	4	466.8	-28.8	-6.2%	51	
Ohio	5,665.0	3.8%	7	5,076.9	588.1	11.6%	33	5,690.3	-25.3	-0.4%	45	
Oklahoma	1,692.5	1.1%	29	1,466.1	226.4	15.4%	23	1,692.5	0.0	0.0%	1	
Oregon	1,936.5	1.3%	27	1,582.3	354.2	22.4%	10	1,936.5	0.0	0.0%	1	
Pennsylvania	6,062.3	4.0%	6	5,642.2	420.1	7.4%	45	6,062.3	0.0	0.0%	1	
Rhode Island	511.4	0.3%	44	463.7	47.7	10.3%	36	511.4	0.0	0.0%	1	
South Carolina	2,145.7	1.4%	23	1,811.2	334.5	18.5%	17	2,145.7	0.0	0.0%	1	
South Dakota	453.0	0.3%	47	387.8	65.2	16.8%	20	453.0	0.0	0.0%	1	
Tennessee	3,052.1	2.0%	16	2,599.4	452.7	17.4%	19	3,052.1	0.0	0.0%	1	
Texas	12,625.3	8.4%	2	9,423.7	3,201.6	34.0%	3	12,625.3	0.0	0.0%	1	
Utah	1,523.0	1.0%	31	1,076.0	447.0	41.5%	1	1,523.0	0.0	0.0%	1	
Vermont	316.5	0.2%	50	297.3	19.2	6.5%	49	317.0	-0.5	-0.2%	44	
Virginia	4,049.6	2.7%	12	3,530.6	519.0	14.7%	26	4,049.6	0.0	0.0%	1	
Washington	3,446.0	2.3%	14	2,719.2	726.8	26.7%	7	3,446.0	0.0	0.0%	1	
West Virginia	754.2	0.5%	39	732.5	21.7	3.0%	51	764.9	-10.7	-1.4%	47	
Wisconsin	3,015.5	2.0%	18	2,761.9	253.6	9.2%	40	3,015.5	0.0	0.0%	1	
Wyoming	296.1	0.2%	51	248.4	47.7	19.2%	15	307.6	-11.5	-3.7%	49	
Totals	150,053.9	100.0%										

Source: The Bureau of Labor Statistics at <http://www.bls.gov/sae/>. Data Compiled by CGFA.

The next table compares the June employment figures of each state with the June employment levels of last year, five years ago, ten years ago, fifteen years ago, and twenty years ago. As shown, throughout these years of comparison, Illinois is consistently in the lower half of improvement compared to other states.

For example, although Illinois' employment levels have improved 4.0% compared to twenty years ago, this rate of growth only ranks Illinois as 47th in the nation. Only Connecticut (3.9%), Mississippi (2.5%), Ohio (2.2%) and Michigan (-1.5%) have lower rates of growth. The state with the greatest improvement over this time period is Nevada growing 49.0%, followed by Utah (47.9%), Idaho (42.1%), Texas (40.3%), and North Dakota (37.3%). These numbers provide evidence of the migration of jobs to the western parts of the United States over the last two decades.

Total Nonfarm Employment Year-Over-Year Change												
Year over Year Comparisons at End of Fiscal Year {June}												
(Employment Values in thousands)												
	Current Value (June 2018)	Rank of Composition	Current Value vs. 1-Yr Ago	Rank of Change	Current Value vs. 5-yrs Ago	Rank of Change	Current Value vs. 10-yrs Ago	Rank of Change	Current Value vs. 15-Yrs Ago	Rank of Change	Current Value vs. 20-yrs Ago	Rank of Change
Alabama	2,046.1	24	1.0%	41	5.7%	34	0.8%	47	8.2%	35	6.2%	44
Alaska	347.1	49	-0.6%	51	-2.3%	50	1.8%	44	10.4%	31	20.6%	18
Arizona	2,792.5	20	2.5%	7	12.9%	10	7.2%	21	22.8%	8	35.9%	6
Arkansas	1,250.9	34	0.8%	46	6.3%	30	3.5%	36	9.2%	32	10.8%	34
California	17,178.0	1	1.9%	19	13.1%	8	11.1%	10	17.0%	16	24.9%	12
Colorado	2,757.9	22	3.0%	3	15.1%	5	16.0%	4	27.2%	6	33.3%	7
Connecticut	1,722.6	28	0.9%	45	2.8%	46	-0.1%	48	3.8%	49	3.9%	48
Delaware	467.4	46	1.5%	33	8.0%	19	5.3%	28	10.6%	29	14.9%	31
Dist. of Col.	793.9	38	1.0%	42	6.8%	26	12.8%	8	19.1%	13	28.7%	10
Florida	8,695.9	4	2.3%	10	16.0%	4	13.3%	6	21.3%	10	31.7%	8
Georgia	4,541.2	8	1.8%	20	12.9%	9	9.7%	14	17.4%	15	19.9%	20
Hawaii	662.8	42	1.7%	23	7.3%	21	6.1%	23	16.5%	18	24.4%	14
Idaho	748.3	40	3.1%	2	16.2%	3	12.9%	7	28.8%	4	42.1%	3
Illinois	6,180.2	5	0.9%	43	5.7%	36	2.7%	41	5.4%	42	4.0%	47
Indiana	3,129.4	15	0.5%	48	6.7%	28	4.8%	29	7.8%	38	6.5%	43
Iowa	1,612.8	30	1.6%	28	4.5%	42	4.4%	32	10.8%	28	9.9%	38
Kansas	1,429.7	32	2.2%	14	4.0%	43	1.7%	45	7.9%	37	7.6%	42
Kentucky	1,942.4	26	0.6%	47	5.8%	33	4.3%	34	9.0%	33	10.8%	36
Louisiana	1,994.5	25	1.0%	40	2.1%	47	2.7%	40	4.3%	46	4.8%	45
Maine	647.2	43	1.1%	38	5.0%	40	2.1%	43	4.6%	45	11.1%	32
Maryland	2,779.3	21	0.9%	44	5.7%	35	5.7%	27	10.4%	30	18.1%	22
Massachusetts	3,733.7	13	1.9%	18	9.3%	15	11.0%	11	14.9%	21	16.0%	27
Michigan	4,493.7	10	1.5%	32	8.3%	17	5.9%	26	0.4%	51	-1.5%	51
Minnesota	3,018.6	17	1.6%	26	7.4%	20	7.4%	20	11.8%	27	15.7%	29
Mississippi	1,166.0	35	1.6%	27	5.0%	39	1.1%	46	4.8%	44	2.5%	49
Missouri	2,932.5	19	1.2%	37	7.3%	22	3.5%	35	8.2%	36	7.9%	41
Montana	487.5	45	1.2%	36	6.7%	27	7.4%	19	19.9%	11	28.1%	11
Nebraska	1,041.5	36	1.5%	30	5.5%	37	6.3%	22	12.4%	25	17.4%	24
Nevada	1,382.6	33	3.0%	4	17.3%	2	8.1%	17	27.6%	5	49.0%	1
New Hampshire	698.8	41	2.2%	13	8.1%	18	6.1%	24	11.9%	26	17.4%	23
New Jersey	4,275.2	11	1.3%	35	6.7%	29	3.4%	38	6.1%	41	10.8%	35
New Mexico	843.5	37	2.2%	12	4.7%	41	-0.8%	49	8.6%	34	16.4%	26
New York	9,737.8	3	1.4%	34	8.5%	16	9.7%	13	15.0%	20	17.4%	25
North Carolina	4,539.7	9	2.3%	11	11.9%	11	9.2%	16	19.3%	12	19.9%	19
North Dakota	438.0	48	0.2%	49	-2.6%	51	18.0%	2	30.6%	3	37.3%	5
Ohio	5,665.0	7	1.8%	22	6.8%	24	4.4%	33	4.1%	48	2.2%	50
Oklahoma	1,692.5	29	1.9%	17	3.4%	44	4.6%	30	15.4%	19	16.0%	28
Oregon	1,936.5	27	2.4%	9	14.8%	6	11.3%	9	22.4%	9	22.6%	16
Pennsylvania	6,062.3	6	1.7%	25	5.0%	38	3.5%	37	7.1%	39	9.8%	39
Rhode Island	511.4	44	1.8%	21	6.8%	25	4.5%	31	4.2%	47	10.3%	37
South Carolina	2,145.7	23	1.7%	24	11.9%	12	9.9%	12	18.5%	14	19.4%	21
South Dakota	453.0	47	1.9%	16	6.0%	32	7.6%	18	16.8%	17	22.7%	15
Tennessee	3,052.1	16	1.9%	15	11.2%	14	9.6%	15	14.4%	23	14.9%	30
Texas	12,625.3	2	2.8%	5	11.9%	13	17.9%	3	34.0%	2	40.3%	4
Utah	1,523.0	31	3.3%	1	17.9%	1	20.7%	1	41.5%	1	47.9%	2
Vermont	316.5	50	-0.2%	50	3.1%	45	2.4%	42	5.1%	43	10.9%	33
Virginia	4,049.6	12	1.6%	29	7.0%	23	6.0%	25	14.7%	22	20.7%	17
Washington	3,446.0	14	2.7%	6	14.8%	7	13.8%	5	26.5%	7	30.0%	9
West Virginia	754.2	39	1.5%	31	-1.4%	48	-1.1%	50	3.0%	50	4.1%	46
Wisconsin	3,015.5	18	1.1%	39	6.0%	31	3.3%	39	7.1%	40	9.3%	40
Wyoming	296.1	51	2.5%	8	-2.0%	49	-3.7%	51	13.9%	24	24.6%	13
National Totals	150,053.9											

Source: The Bureau of Labor Statistics at <http://www.bls.gov/sae/>. Data Compiled by CGFA.

Even from a more recent time-frame perspective, Illinois has struggled to recover jobs in comparison to other states. As the previous table displays, compared to a year ago (June 2018 vs June 2017), Illinois' employment figures improved 0.9%. However, this rate of growth ranked Illinois 43rd in the nation. Similar results are seen when comparing Illinois' numbers from five years ago (+5.7% growth, rank of 36th), ten years ago (+2.7% growth, rank of 41st), and fifteen years ago (+5.4% growth, rank of 42nd). The level of job growth, or lack thereof, over the past two decades is concerning, especially as compared to the rate of growth of other states throughout the country. The following tables attempt to answer the question of which types of jobs are experiencing the greatest falloff/slow-down in Illinois.

The Bureau of Labor Statistics categorizes their employment data into 11 sectors. The latest data (as shown in the table below) shows that the "Trade, Transportation, and Utilities" sector had the highest composition of jobs in Illinois at 19.7%. This was followed by the "Professional and Business Services" sector (comprising 15.5%) and the "Education and Health Services" sector (comprising 14.9%). The table below also shows that this breakout is similar to the U.S. composition, in that the Trade, Transportation, and Utilities" sector has the highest composition (18.5%), but was followed by the "Education and Health Services" sector (comprising 15.6%), and then the Government sector (comprising 15.6%).

Illinois Nonfarm Employment Sector Composition by Year							
(Comparing June Year-over-Year Data)							
	1990	1995	2000	2005	2010	2015	2018
Mining and Logging	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%
Construction	4.4%	4.2%	4.7%	4.8%	3.7%	3.7%	3.9%
Manufacturing	17.4%	16.0%	14.4%	11.7%	9.9%	9.7%	9.6%
Trade, Transportation, and Utilities	21.5%	21.0%	20.4%	20.1%	19.9%	20.0%	19.7%
Information	2.5%	2.5%	2.4%	2.0%	1.8%	1.7%	1.5%
Financial Activities	7.1%	6.8%	6.7%	7.0%	6.6%	6.4%	6.5%
Professional and Business Services	10.8%	11.9%	14.0%	14.0%	14.2%	15.4%	15.5%
Education and Health Services	9.9%	10.9%	11.1%	12.5%	14.6%	14.9%	14.9%
Leisure and Hospitality	7.7%	8.3%	8.3%	9.1%	9.5%	10.0%	10.5%
Other Services	3.9%	4.0%	4.1%	4.4%	4.4%	4.2%	4.1%
Government	14.4%	14.2%	13.8%	14.2%	15.1%	13.7%	13.6%
Total Nonfarm	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

U.S. Nonfarm Employment Sector Composition by Year							
(Comparing June Year-over-Year Data)							
	1990	1995	2000	2005	2010	2015	2018
Mining and Logging	0.7%	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%
Construction	5.0%	4.6%	5.3%	5.6%	4.3%	4.6%	5.0%
Manufacturing	16.1%	14.7%	13.1%	10.6%	8.8%	8.7%	8.5%
Trade, Transportation, and Utilities	20.5%	20.2%	19.7%	19.3%	18.8%	18.9%	18.5%
Information	2.4%	2.4%	2.7%	2.3%	2.1%	1.9%	1.9%
Financial Activities	6.0%	5.8%	5.9%	6.1%	5.9%	5.7%	5.8%
Professional and Business Services	9.9%	10.9%	12.6%	12.7%	12.8%	13.9%	14.1%
Education and Health Services	9.8%	11.2%	11.3%	13.0%	15.0%	15.3%	15.6%
Leisure and Hospitality	8.8%	9.3%	9.4%	9.9%	10.4%	11.0%	11.4%
Other Services	3.9%	3.9%	3.9%	4.0%	4.1%	4.0%	4.0%
Government	16.8%	16.5%	15.7%	16.1%	17.3%	15.4%	14.8%
Total Nonfarm	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: The Bureau of Labor Statistics at <http://www.bls.gov/sae/>. Data Compiled by CGFA.

The previous table also shows how the composition of jobs has dramatically changed over the last twenty years. For example, in 1990, the “Manufacturing” sector made up 17.4% of Illinois jobs and was the second largest sector of jobs in the state. The latest data shows this composition percentage has dropped to 9.6% and is now the sixth largest employment sector. Although, it should be pointed out that this trend is also occurring nationally as the “Manufacturing” sector has fallen from 16.1% of the U.S. total in 1990 to its current level of 8.5%.

The “Education and Health Services” and “Professional and Business Services” sectors, on the other hand, have gained the most jobs over the last two decades as their composition in Illinois has risen from 9.9% and 10.8% of the total in 1990, to their current levels of 14.9% and 15.5%, respectively. Again, a similar trend has occurred nationally as the “Education and Health Services” sector has increased from 9.8% of the nation’s jobs to 15.6%, while the “Professional and Business Services” sector has increased from 9.9% to 14.1% of total employment in the U.S.

The table below looks at the Illinois data a little closer by displaying actual figures. Again, the largest sector of jobs in Illinois comes from the “Trade, Transportation, and Utilities” sector, employing over 1.2 million Illinois workers in June 2018. The next largest sector is the “Professional and Business Services” sector (956 thousand jobs), followed by the “Education and Health Services” sector (923 thousand), the “Government” sector (838 thousand), “Leisure and Hospitality” (650 thousand), and the “Manufacturing” sector (593 thousand jobs). The table displays these statistics by year over the past ten years and shows the annual change of these sectors during that same time period.

Illinois Nonfarm Employment by Sector										
(Using data from the month of June, in thousands, seasonally adjusted)										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mining and Logging	9.7	9.3	9.7	10.4	9.9	10.2	9.7	8.2	8.0	7.9
Construction	227.7	210.9	209.5	199.2	201.3	212.4	225.3	230.8	230.8	241.3
Manufacturing	571.4	562.5	577.5	586.9	583.1	583.8	586.7	577.9	583.3	592.6
Trade, Transp., and Util.	1,141.7	1,128.7	1,145.4	1,156.1	1,166.6	1,183.2	1,207.4	1,209.7	1,211.9	1,218.0
Information	106.7	102.4	101.3	100.5	100.4	100.3	101.6	98.1	97.9	94.1
Financial Activities	382.9	373.9	372.4	377.1	381.1	378.5	384.7	386.3	394.5	403.2
Prof. and Bus. Serv.	781.7	801.7	829.2	868.0	890.8	920.5	930.8	933.6	954.7	956.2
Ed. and Health Services	811.2	827.3	843.4	860.2	868.1	880.2	896.0	910.8	919.0	923.2
Leisure and Hospitality	541.3	538.5	543.8	558.3	570.4	583.2	604.8	621.5	637.1	649.7
Other Services	262.7	249.9	253.7	254.1	252.4	257.2	255.7	253.6	255.6	256.2
Government	853.1	854.2	833.3	826.1	825.5	823.0	823.5	827.1	829.4	837.8
Total Nonfarm	5,690.1	5,659.3	5,719.2	5,796.9	5,849.6	5,932.5	6,026.2	6,057.6	6,122.2	6,180.2
Annual % Change										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mining and Logging	-2.0%	-4.1%	4.3%	7.2%	-4.8%	3.0%	-4.9%	-15.5%	-2.4%	-1.3%
Construction	-16.7%	-7.4%	-0.7%	-4.9%	1.1%	5.5%	6.1%	2.4%	0.0%	4.5%
Manufacturing	-14.1%	-1.6%	2.7%	1.6%	-0.6%	0.1%	0.5%	-1.5%	0.9%	1.6%
Trade, Transp., and Util.	-5.8%	-1.1%	1.5%	0.9%	0.9%	1.4%	2.0%	0.2%	0.2%	0.5%
Information	-7.9%	-4.0%	-1.1%	-0.8%	-0.1%	-0.1%	1.3%	-3.4%	-0.2%	-3.9%
Financial Activities	-5.2%	-2.4%	-0.4%	1.3%	1.1%	-0.7%	1.6%	0.4%	2.1%	2.2%
Prof. and Bus. Serv.	-9.7%	2.6%	3.4%	4.7%	2.6%	3.3%	1.1%	0.3%	2.3%	0.2%
Ed. and Health Services	2.2%	2.0%	1.9%	2.0%	0.9%	1.4%	1.8%	1.7%	0.9%	0.5%
Leisure and Hospitality	-3.3%	-0.5%	1.0%	2.7%	2.2%	2.2%	3.7%	2.8%	2.5%	2.0%
Other Services	-2.0%	-4.9%	1.5%	0.2%	-0.7%	1.9%	-0.6%	-0.8%	0.8%	0.2%
Government	0.3%	0.1%	-2.4%	-0.9%	-0.1%	-0.3%	0.1%	0.4%	0.3%	1.0%
Total Nonfarm	-5.5%	-0.5%	1.1%	1.4%	0.9%	1.4%	1.6%	0.5%	1.1%	0.9%

Source: The Bureau of Labor Statistics at <http://www.bls.gov/sae/>. Data Compiled by CGFA.

Over the past year (June 2018 vs June 2017), total employment grew 0.9% in Illinois. In terms of annual percentage growth, the largest increases came from the Construction sector (+4.5%) and the Financial Activities sector (+2.2%). Two sectors had lower employment levels than a year ago: Mining (-1.3%) and Information (-3.9%). These rates of annual change can be seen in the below table.

The table also identifies how these job sectors have changed over various time frames. For example, over the last ten years, only four of the eleven job sectors in Illinois have seen employment levels grow: Education and Health Services (+16.3%); Leisure and Hospitality (+16.1%); Professional and Business Services (+10.4%); and Trade, Transportation, and Utilities (+0.5%). The largest falloff during this time frame, in terms of percentage change, came from the Mining sector (-20.2%), followed by the Information sector (-18.7%) and the Construction sector (-11.7%).

The question, then, is whether Illinois' changes in job composition are "normal" in today's employment environment or is Illinois perhaps falling behind other states in employment activity? The rankings shown below provide some insight into this question. Along with the percentage changes of the different sectors is Illinois' ranking for each of these rates of change, as it compares to other states. The answer to whether Illinois' job trends are "normal" is tricky as it depends on which sector of employment is being discussed and over what time frame.

Illinois Employment by Subsector Year-Over-Year Change (Comparisons are by June 2018 vs June of Past Years) (Employment Values in thousands)									
	Current Value (June 2018)	Current Value vs. 1-Yr Ago	Ranking of Change	Current Value vs. 2-Years Ago	Ranking of Change	Current Value vs. 3-Years Ago	Ranking of Change	Current Value vs. 4-Years Ago	Ranking of Change
Mining and Logging	7.9	-1.3%	38	-3.7%	41	-18.6%	42	-22.5%	34
Construction	241.3	4.5%	23	4.5%	31	7.1%	31	13.6%	25
Manufacturing	592.6	1.6%	32	2.5%	30	1.0%	35	1.5%	36
Trade, Transp., and Util.	1,218.0	0.5%	38	0.7%	35	0.9%	33	2.9%	31
Information	94.1	-3.9%	41	-4.1%	34	-7.4%	40	-6.2%	37
Financial Activities	403.2	2.2%	17	4.4%	19	4.8%	25	6.5%	21
Prof. and Bus. Serv.	956.2	0.2%	47	2.4%	41	2.7%	42	3.9%	41
Ed. and Health Services	923.2	0.5%	44	1.4%	49	3.0%	47	4.9%	47
Leisure and Hospitality	649.7	2.0%	39	4.5%	30	7.4%	28	11.4%	19
Other Services	256.2	0.2%	34	1.0%	34	0.2%	43	-0.4%	45
Government	837.8	1.0%	10	1.3%	13	1.7%	18	1.8%	20
Totals	6,180.2	0.9%	43	2.0%	38	2.6%	41	4.2%	38
	Current Value (June 2018)	Current Value vs. 5-Yrs Ago	Ranking of Change	Current Value vs. 10-Yrs Ago	Ranking of Change	Current Value vs. 15-Yrs Ago	Ranking of Change	Current Value vs. 20-Yrs Ago	Ranking of Change
Mining and Logging	7.9	-20.2%	34	-20.2%	35	-19.4%	36	-30.1%	36
Construction	241.3	19.9%	22	-11.7%	40	-16.6%	48	-6.2%	44
Manufacturing	592.6	1.6%	38	-10.9%	36	-17.6%	36	-35.2%	38
Trade, Transp., and Util.	1,218.0	4.4%	30	0.5%	38	2.7%	38	0.4%	43
Information	94.1	-6.3%	32	-18.7%	28	-26.7%	35	-36.8%	44
Financial Activities	403.2	5.8%	31	-0.2%	31	-2.6%	41	-1.7%	45
Prof. and Bus. Serv.	956.2	7.3%	39	10.4%	39	23.9%	37	21.6%	44
Ed. and Health Services	923.2	6.3%	39	16.3%	32	29.7%	36	41.3%	42
Leisure and Hospitality	649.7	13.9%	19	16.1%	31	24.5%	30	32.0%	33
Other Services	256.2	1.5%	41	-4.4%	44	0.0%	39	6.4%	42
Government	837.8	1.5%	24	-1.5%	32	-2.1%	41	2.9%	42
Totals	6,180.2	5.7%	36	2.7%	41	5.4%	42	4.0%	47

Source: The Bureau of Labor Statistics at <http://www.bls.gov/sae/>. Data Compiled by CGFA.

For example, over the past year, Construction jobs have increased 4.5% in Illinois. This ranks Illinois as having the 23rd highest growth rate for this sector over this time period. However, over the last ten years, construction jobs have fallen 11.7%, ranking Illinois 40th and have fallen 16.6% over the last fifteen years, ranking Illinois 48th.

As mentioned previously, manufacturing jobs throughout the country have been on a downward trend, as this sector's composition of total jobs has slowly eroded. Over the past twenty years, manufacturing jobs in Illinois have declined 35.2%, which ranks Illinois 38th in the nation for this rate of change for this time period. With that being said, there has been a recent uptick in manufacturing jobs over the past several years. In the past five years, employment in manufacturing in Illinois is up 1.6%. This growth is, of course, welcomed in Illinois as manufacturing jobs are typically high paying jobs. This rate of growth, however, again places Illinois as 38th in the nation during this time period for this sector of jobs as the vast majority of states have seen a larger rate of growth in manufacturing jobs than Illinois.

For Illinois' highest employing sector, the "Trade, Transportation, and Utilities" sector, Illinois' rate of change has consistently been in the lower half of states in the rankings of job change. Illinois remained essentially flat (+0.5%) in this sector over the last year, which ranked them as having the 38th best rate of change for this time period. Compared to five years ago, Illinois' growth of 4.4% ranks the State 30th. Illinois ranked 38th for this job sector compared to ten years ago, 38th compared to 15 years ago, and 43rd compared to 20 years ago.

Numerous other comparisons could be made by looking at the previous table. Unfortunately, from an Illinois employment perspective, Illinois ranks in the lower half of job growth for most of the job sectors, especially when comparing employment levels from a decade or more ago.

Employment Earnings

A concern to the economy of Illinois and its long-term financial outlook is the weekly earnings of the subsector of jobs seeing improvement and the earnings of those that the State is able and unable to retain. When the Bureau of Labor Statistics released their employment data for each sector of jobs, it also included average weekly earnings by subsector. The recent release of “final” June 2018 data allows for final end-of-year statistics for FY 2018, thereby allowing the employment and wage data to be able to be compared on a fiscal year average basis. A summary of these fiscal year averages for Illinois since FY 2010 is shown in the table below.

Average Employment Levels by Subsector in Illinois									
Non-Seasonally Adjusted Averages: Fiscal Years 2010 to 2018									
	FY 2010 Average	FY 2011 Average	FY 2012 Average	FY 2013 Average	FY 2014 Average	FY 2015 Average	FY 2016 Average	FY 2017 Average	FY 2018 Average
Mining	9.0	9.4	10.0	10.0	9.8	9.9	8.6	7.9	7.6
Construction	205.1	197.0	192.5	188.8	195.4	208.6	217.6	218.8	222.7
Manufacturing	558.3	568.7	578.4	583.1	578.4	581.9	578.6	572.6	583.7
Trade, Transportation, and Utilities	1,124.4	1,134.3	1,150.4	1,159.9	1,170.9	1,190.7	1,207.6	1,213.0	1,214.9
Information	103.6	100.9	100.5	99.6	98.6	100.0	98.9	98.6	95.0
Financial Activities	373.5	371.2	372.3	376.5	376.8	378.2	382.3	388.2	395.6
Professional and Business Services	777.6	809.4	840.0	868.5	898.6	915.4	928.2	936.6	940.1
Education and Health Services	821.7	840.0	855.4	868.6	879.8	890.9	907.8	919.5	926.3
Leisure and Hospitality	513.5	518.5	529.4	541.3	552.0	566.0	589.3	603.8	613.7
Other Services	254.1	248.5	250.0	249.3	251.4	252.2	251.7	251.5	251.6
Government	858.3	844.2	833.5	832.3	826.3	828.8	828.8	829.0	835.7
Fiscal Year Average Totals	5,599.2	5,642.0	5,712.3	5,777.9	5,837.9	5,922.6	5,999.5	6,039.4	6,086.9
Illinois' Annual % Change	-3.7%	0.8%	1.2%	1.1%	1.0%	1.5%	1.3%	0.7%	0.8%

Average Weekly Earnings and Employment Change by Subsector in Illinois									
Fiscal Year Averages: 2010 to 2018									
	FY 2010 Average	FY 2011 Average	FY 2012 Average	FY 2013 Average	FY 2014 Average	FY 2015 Average	FY 2016 Average	FY 2017 Average	FY 2018 Average
Mining*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	\$1,231	\$1,249	\$1,285	\$1,272	\$1,273	\$1,334	\$1,317	\$1,354	\$1,374
Manufacturing	\$891	\$964	\$978	\$988	\$1,010	\$1,034	\$1,052	\$1,019	\$1,057
Trade, Transportation, and Utilities	\$677	\$710	\$754	\$781	\$800	\$803	\$807	\$808	\$838
Information	\$1,046	\$1,023	\$1,007	\$1,060	\$1,141	\$1,151	\$1,140	\$1,149	\$1,265
Financial Activities	\$1,063	\$1,027	\$1,104	\$1,115	\$1,154	\$1,211	\$1,273	\$1,379	\$1,396
Professional and Business Services	\$1,028	\$1,020	\$1,014	\$1,028	\$1,034	\$1,036	\$1,061	\$1,081	\$1,105
Education and Health Services	\$723	\$735	\$779	\$802	\$817	\$802	\$813	\$802	\$805
Leisure and Hospitality	\$321	\$323	\$330	\$327	\$328	\$354	\$371	\$384	\$396
Other Services	\$714	\$704	\$714	\$739	\$763	\$808	\$852	\$857	\$845
Government*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Illinois' Annual Average Weekly Earnings*	\$794	\$808	\$835	\$851	\$867	\$880	\$896	\$905	\$926
% Change in Avg. Weekly Earnings	1.3%	1.8%	3.3%	1.9%	2.0%	1.5%	1.8%	0.9%	2.3%
Annualized Wage/Employment Comparison	-2.4%	2.6%	4.6%	3.1%	3.0%	3.0%	3.1%	1.6%	3.1%

* Because the Mining and Government subsectors' weekly earnings are not available from the Bureau of Labor Statistics, "Statewide Average Weekly Earnings" is calculated by using the weekly earnings of the other nine subsectors. The statewide value was calculated by multiplying each subsector's average jobs by its average earnings and divided the sum of these figures by the total number of jobs from these nine subsectors.
Source: www.bls.gov

From a fiscal year average perspective, Illinois averaged 6.087 million jobs in FY 2018, which was a 0.8% increase over the FY 2017 average of 6.039 million jobs. This is the eighth consecutive year of positive growth in Statewide employment following three consecutive years of negative job growth suffered as a result of the Great Recession. Since FY 2010, employment has increased by approximately 488,000, an increase of 8.7% over this eight-year period.

In regards to earnings, the data shows that average weekly earnings grew 2.3% in FY 2018 from an average weekly earnings value of \$905 to \$926. This is a marked improvement over the 0.9% growth in FY 2017. The 2.3% increase in FY 2018 is the highest rate of annual growth in this category since the 3.3% growth in FY 2012. Since

FY 2010, the average weekly earnings value has increased from \$794 to \$926, an increase of 16.6% over this eight-year period.

When combining the impact of the employment change with the growth in wages, a FY 2018 annualized wage/employment growth factor of 3.1% results. This is noticeably higher than the 1.6% comparable value that occurred in FY 2017. The growth in both employment figures and earnings provides some explanation for the solid performance of economically-tied revenue sources in recent months.

State Rankings of Illinois' Employment Subsectors						
Employment Values, Non-Seasonally Adjusted (in thousands)						
	FY 2018 Average Employment Totals	FY 2018 Sector Ranking by # Employed	FY17 to FY18 Change in Jobs (% Change)	Jobs Ranking by 1-Yr % Change	FY17 to FY18 Change in Jobs (thousands)	Jobs Ranking by 1-Yr Change in Jobs
Mining	7.6	11	-3.8%	11	(0.3)	10
Construction	222.7	9	1.8%	3	3.9	6
Manufacturing	583.7	6	1.9%	1	11.1	1
Trade, Transportation, and Utilities	1,214.9	1	0.2%	8	1.9	8
Information	95.0	10	-3.6%	10	(3.6)	11
Financial Activities	395.6	7	1.9%	2	7.4	3
Professional and Business Services	940.1	2	0.4%	7	3.5	7
Education and Health Services	926.3	3	0.7%	6	6.8	4
Leisure and Hospitality	613.7	5	1.6%	4	9.9	2
Other Services	251.6	8	0.0%	9	0.0	9
Government	835.7	4	0.8%	5	6.7	5

Note: Mining and Government subsectors' weekly earnings are not available from the Bureau of Labor Statistics

A closer look shows that the growth in employment in FY 2018 was in large part due to growth in the manufacturing subsector. As shown in the above table, "Manufacturing" had the largest rate of growth between FY 2017 and FY 2018 for any subsector in, both, the number of jobs created (11,100) and in terms of annual percentage growth (+1.9%). The only subsectors in Illinois that saw year-over-year declines in FY 2018 were in "Mining" (-3.8% growth, -300 jobs) and in "Information" (-3.6% growth, -3,600 jobs).

Composition of Employment Subsectors			
FY 2008 vs FY 2018			
	FY 2008	FY 2018	Difference
Mining	0.2%	0.1%	-0.04%
Construction	4.5%	3.7%	-0.79%
Manufacturing	11.2%	9.6%	-1.59%
Trade, Transportation, and Utilities	20.3%	20.0%	-0.34%
Information	1.9%	1.6%	-0.38%
Financial Activities	6.8%	6.5%	-0.28%
Professional and Business Services	14.4%	15.4%	1.00%
Education and Health Services	13.2%	15.2%	2.05%
Leisure and Hospitality	8.9%	10.1%	1.16%
Other Services	4.4%	4.1%	-0.26%
Government	14.3%	13.7%	-0.53%
Fiscal Year Average Totals	100.0%	100.0%	

While the recent improvement in employment and wage statistics in Illinois is encouraging, the long-term trends are still concerning. Over the last decade (comparing average employment pre-recession totals of FY 2008 with FY 2018), the biggest improvement in the number of jobs in Illinois has been in "Education and Health Services" (decade growth of +17.6%). As shown in the above table, this subsector's

overall composition in Illinois has increased from 13.2% of jobs to 15.2%. However, as shown in the table below, this subsector is among the lowest paying subsectors in terms of weekly earnings (average weekly earnings value of \$805).

State Rankings of Illinois' Employment Subsectors						
Employment Values, Non-Seasonally Adjusted (in thousands)						
	FY 2018 Average Employment Totals	FY 2018 Sector Ranking by # Employed	FY08 to FY18 Change in Jobs (% Change)	Jobs Ranking by % Change	FY18 Avg Weekly Wage	FY18 Sector Earnings Ranking
Mining	7.6	11	-22.4%	11	N/A	N/A
Construction	222.7	9	-16.4%	9	\$1,374	2
Manufacturing	583.7	6	-12.7%	8	\$1,057	5
Trade, Transportation, and Utilities	1,214.9	1	0.1%	4	\$838	7
Information	95.0	10	-18.0%	10	\$1,265	3
Financial Activities	395.6	7	-2.5%	6	\$1,396	1
Professional and Business Services	940.1	2	8.8%	3	\$1,105	4
Education and Health Services	926.3	3	17.6%	1	\$805	8
Leisure and Hospitality	613.7	5	15.0%	2	\$396	9
Other Services	251.6	8	-4.2%	7	\$845	6
Government	835.7	4	-2.0%	5	N/A	N/A

Note: Mining and Government subsectors' weekly earnings are not available from the Bureau of Labor Statistics

A similar argument can be made with the “Leisure and Hospitality” subsector. This employment category had the second largest employment subsector increase in the State since FY 2008 (decade growth of +15.0%, with composition increasing from 8.9% to 10.1%). However, it is the lowest paying subsector in terms of weekly earnings with a value of \$396. Illinois’ largest employer of jobs is the “Trade, Transportation, and Utilities” subsector, employing over 1.2 million people in FY 2018 and making up 20.0% of total jobs. This subsector, however, also has one of the lowest average weekly earnings totals in the State (FY 2018 average weekly earnings value of \$838).

The concern comes from the fact the largest producer of jobs in Illinois, and the areas that have seen the most growth over the last decade, are, on average, lower paying jobs. Equally troublesome is the fact that those subsectors with the highest weekly earnings were the subsectors that have lost the most jobs over the last decade. For example, the subsector with the highest weekly earnings is “Financial Activities”, paying, on average, \$1,396 per week. However, jobs in this subsector are down 2.5% since FY 2008, and now make up 6.5% of employment totals in Illinois (compared to 6.8% in FY 2018).

The next highest paying subsectors are “Construction” (\$1,374 per week) and “Information” (\$1,265 per week), but employment in these categories are down 16.4% and 18.0%, respectively, since FY 2008. Over the last decade, “Construction” jobs’ composition of total employment in Illinois has decreased from 4.5% of jobs to 3.7%. Similarly, “Information” jobs have decreased from 1.9% of jobs to 1.6% of jobs.

The largest decline in jobs over the last decade, as it pertains to overall composition, comes from the “Manufacturing” subsector. This subsector has seen its composition fall from 11.2% to 9.6% during this time period, equating to a loss of 85,000 jobs. However, as previously mentioned, the manufacturing subsector had the largest rate of growth between FY 2017 and FY 2018 of any subsector in the State. Time will tell if this recent growth is the beginning of a long-term positive trend or just a temporary blip in an overall disappointing decade of employment activity in Illinois.

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, 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. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) 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;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly "... on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Bonded Indebtedness Report" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well-being of Illinois. All reports are available on the Commission's website.

These reports are available from:

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