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MONTHLY BRIEFING

For the Month Ended: February 2023

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CGFA

COMMISSION ON GOVERNMENT
FORECASTING & ACCOUNTABILITY

Economy: Economic Volatility Complicates Forecasting Benjamin L. Varner, Chief Economist

Over the past few years, economic and tax revenue forecasting has been difficult as a decade of slow but steady growth was upended by the COVID-19 pandemic. As 2020 began, the economy was entering its 127th consecutive month of expansion since the end of the Great Recession, the employment rate stood at 3.5% which was the lowest rate in decades, inflation was under control, and the stock market was coming off a stellar year in 2019. With the outbreak of COVID-19, the economy quickly fell into a deep but short recession. The unemployment rate jumped to almost 15% as more than 20 million people lost their jobs. The pandemic caused multiple supply and demand shocks as workers around the world were unavailable due to sickness, which led to supplier shortages that trickled throughout the various supply chains. During this time, consumer behavior changed significantly as demand for goods increased while demand for services was dampened due to pandemic-related health mitigation efforts.

This sharp decline in economic activity, followed by the reopening of the economy once vaccines were available, led to high levels of volatility in many economic indicators. Extraordinary government economic support during the pandemic left household balance sheets strong. Households flush with cash were able and willing to spend. Around this same time, the outbreak of war in Ukraine led to additional global supply chain issues especially related to energy and food. Increased demand with constrained supplies led to the highest levels of inflation since the early 1980's. To combat this inflation, the Federal Reserve has implemented a series of interest rate hikes over the past year in an attempt to stabilize the rapid increase in prices. While inflation

has slowed in recent months, the question remains whether these actions will bring the nation to a return to stable growth (a soft landing) or into a recession. Regardless of the answer, all of these changes in the economic environment have led to difficulty in forecasting.

This month the Commission looked at a series of economic forecasts to see how they have changed over recent years and to assess if the variance in forecasts has been reduced since the heart of the pandemic. The Commission examined current year economic forecasts for the U.S. from Consensus Economics from January of each year since 2018 and the most current edition in February. A report, *Consensus Forecasts – USA*, from Consensus Economics summarizes economic outlooks for the United States from various economic forecasters monthly. These institutions include banks and econometric firms (Wells Fargo/Moody’s Analytics), professional business associations (National Association of Home Builders), academic institutions (University of Maryland/Georgia State University), and individual businesses (Eaton Corporation/Ford Motor Company). The Commission examined the forecast for various economic indicators, the standard deviation for each indicator, the actual result when the year was over, and the difference between the forecast and the actual result. The standard deviation is a measure of the amount of variation within the forecasts. A low standard deviation means that the forecasts were clustered closer to the mean, while a higher standard deviation means the forecasts were farther from the mean.

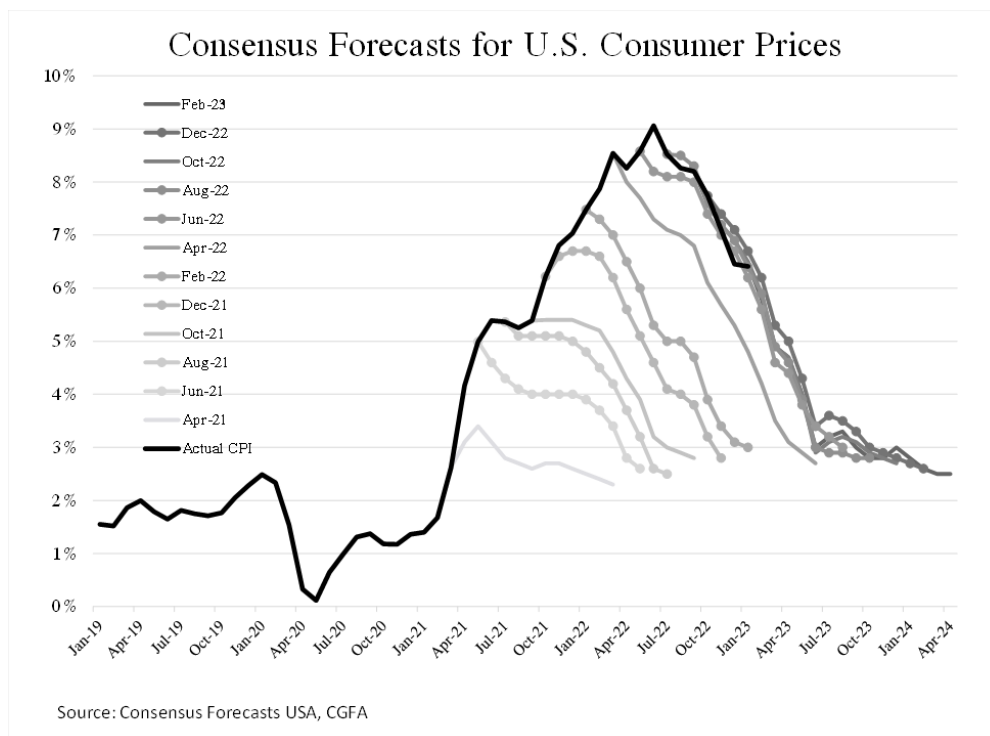
CONSENSUS FORECASTS JANUARY ESTIMATE VS ACTUAL								
	2018				2019			
	Estimate	Standard Deviation	Actual	Difference from Actual	Estimate	Standard Deviation	Actual	Difference from Actual
Real GDP	2.7%	0.2%	3.0%	0.3%	2.5%	0.2%	2.3%	-0.2%
Nominal GDP	4.7%	0.3%	5.5%	0.8%	4.5%	0.3%	4.1%	-0.4%
Real Disposable Personal Income	2.7%	0.7%	3.6%	0.9%	2.5%	0.3%	3.5%	1.0%
Real Personal Consumption	2.6%	0.2%	2.7%	0.1%	2.8%	0.2%	2.0%	-0.8%
Real Business Investment	5.6%	1.0%	6.9%	1.3%	3.8%	0.8%	3.6%	-0.2%
Nominal Pre-Tax Corp. Profits	5.8%	3.5%	6.1%	0.3%	4.4%	2.1%	3.9%	-0.5%
Consumer Prices	2.1%	0.2%	2.4%	0.3%	1.9%	0.3%	1.8%	-0.1%
Employment Costs	2.7%	0.2%	2.8%	0.1%	3.1%	0.2%	2.7%	-0.4%
Unemployment Rate	3.9%	0.1%	3.9%	0.0%	3.6%	0.1%	3.7%	0.1%
2020								
	Estimate	Standard Deviation	Actual	Difference from Actual	Estimate	Standard Deviation	Actual	Difference from Actual
Real GDP	1.9%	0.2%	-2.8%	-4.7%	4.4%	0.7%	5.9%	1.5%
Nominal GDP	4.0%	0.3%	-1.5%	-5.5%	6.3%	0.7%	10.7%	4.4%
Real Disposable Personal Income	2.1%	0.3%	6.2%	4.1%	0.4%	2.1%	1.9%	1.5%
Real Personal Consumption	2.4%	0.2%	-3.0%	-5.4%	5.0%	0.9%	8.3%	3.3%
Real Business Investment	1.2%	0.7%	-4.9%	-6.1%	4.6%	1.4%	6.4%	1.8%
Nominal Pre-Tax Corp. Profits	2.2%	1.3%	-5.9%	-8.1%	7.1%	8.7%	22.6%	15.5%
Consumer Prices	2.1%	0.2%	1.3%	-0.8%	2.1%	0.2%	4.7%	2.6%
Employment Costs	3.0%	0.4%	2.6%	-0.4%	2.2%	0.4%	3.3%	1.1%
Unemployment Rate	3.6%	0.2%	8.1%	4.5%	6.0%	0.4%	5.4%	-0.6%
2022								
	Estimate	Standard Deviation	Actual	Difference from Actual	Feb. '23 Estimate	Standard Deviation	Actual	Difference from Actual
Real GDP	3.9%	0.4%	2.1%	-1.8%	0.7%	0.4%	n/a	n/a
Nominal GDP	8.1%	0.9%	9.2%	1.1%	4.2%	0.8%	n/a	n/a
Real Disposable Personal Income	-2.9%	0.9%	-6.4%	-3.5%	2.0%	0.8%	n/a	n/a
Real Personal Consumption	3.6%	1.0%	8.3%	4.7%	1.0%	0.5%	n/a	n/a
Real Business Investment	5.2%	1.2%	3.6%	-1.6%	0.7%	1.1%	n/a	n/a
Nominal Pre-Tax Corp. Profits	6.0%	5.6%	6.7%	0.7%	-1.0%	2.8%	n/a	n/a
Consumer Prices	4.8%	0.6%	8.0%	3.2%	3.9%	0.4%	n/a	n/a
Employment Costs	3.7%	0.5%	4.9%	1.2%	4.1%	0.4%	n/a	n/a
Unemployment Rate	3.7%	0.2%	3.6%	-0.1%	4.1%	0.3%	n/a	n/a

Consensus Forecasts USA

Results from this examination can be seen in the previous table. As one would expect, the difference between the forecast and the actual results widened considerably during the turbulent times associated with the pandemic. In 2018 and 2019, most of the mean forecasts were within a percentage point of the actual results. However, the January 2020 estimate was off considerably due to forecasters not comprehending the coming economic turmoil associated with the burgeoning health crisis. While the forecasts overestimated the results for 2020, they underestimated the rebound that occurred in 2021 as the economy re-opened. Results from 2022 were mixed as real Gross Domestic Product (GDP) and income were overestimated, while personal consumption and consumer prices were underestimated. Current expectations indicate minimal economic growth with slowing inflation.

Economic forecasts for the various indicators tended to have lower levels of standard deviation prior to the outbreak of the pandemic in March of 2020 (2018-2020 January Forecasts), but much higher standard deviations during the heart of the pandemic in 2021 and 2022. The current forecast from February of 2023 still shows signs of heightened standard deviations compared to prior to the pandemic but lower than in 2021 and 2022. This indicates that while the range of economic forecasts have narrowed somewhat, enough uncertainty remains to create a less than ideal climate for developing forecasts. This leads to further challenges in using these forecasts for tax revenue estimating purposes.

One indicator that has consistently caused economic forecasters issues in recent years is inflation. The chart below shows the consensus forecast for consumer prices going forward approximately a year (gray) and the actual results in black. As can be seen in the chart, forecasters consistently assumed a turn-around in inflation in the near-term. This assumption proved false until inflation peaked in July of 2022. Since then, the forecasts have appeared to be more inline with the actual trek of inflation though January's results may be an indicator of a retrenchment of inflation.



Overall, economic conditions seem to be becoming less volatile compared to the previous few years. However, many factors could throw forecasters for a loop. The effects of COVID-19 appear to be on the wane though Long COVID continues to be a concern. Inflation persists in putting pressure on the economic situation as the Federal Reserve attempts to slow the economy without falling into a recession. Global supply chains continue to improve but geopolitical conditions such as the war in Ukraine could lead to increased instability. Even with those factors, employment remains strong and consumer demand has remained resilient thus far. Forecasters maintain an assumption of economic slowdown in 2023 though it remains to be seen if the country falls fully into a recession.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY			
<u>INDICATORS*</u>	<u>LATEST MONTH</u>	<u>PRIOR MONTH</u>	<u>A YEAR AGO</u>
Unemployment Rate (Average) (Dec.)	4.7%	4.7%	5.1%
Inflation in Chicago (12-month percent change) (Jan.)	5.4%	5.4%	6.8%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (Dec.)	6,413.7	-0.2%	1.2%
Employment (thousands) (Dec.)	6,110.5	-0.2%	1.6%
Nonfarm Payroll Employment (Dec.)	6,101,200	-800	161,000
New Car & Truck Registration (Jan.)	30,938	-2.1%	6.9%
Single Family Housing Permits (Jan.)	370	-11.9%	-30.5%
Total Exports (\$ mil) (Dec.)	6,588.7	-2.1%	13.0%
Chicago Purchasing Managers Index (Feb.)	43.6	-1.6%	-22.6%

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

Standard & Poor's Upgrades Illinois' General Obligation and Build Illinois Bonds

By Lynnae Kapp, Senior Bond and Revenue Analyst

Standard and Poor's has upgraded the State of Illinois' General Obligation Bonds to A- from BBB+. This is the third single-level upgrade on Illinois' General Obligation rating in less than two years, the previous times being in July 2021 and May 2022. In May of 2022, Fitch raised Illinois General Obligation ratings two levels from BBB- to BBB+, and Build Illinois ratings two levels from BBB+ to A, with stable outlooks. Moody's increased the State's GO and Build Illinois ratings by single levels twice, in the summer of 2021 and in April 2022, to the current rating of Baa1. In their past assessments, all three rating agencies explained their decisions were based on Illinois' improved revenues and federal funding, and the State's early budget, which paid down borrowing and late bills, and additional funding to pensions and the rainy-day fund.

S&P General Obligation A-; outlook stable

Standard & Poor's upgraded Illinois General Obligation bonds from BBB+ to A- with a stable outlook. Ratings for Build Illinois Bonds and the Metropolitan Pier and Exposition Authority were raised from A- to A, and the State's moral obligation debt from BB+ to BBB-.

"The upgrade on the GO debt reflects our view that Illinois' commitment and execution to strengthen its budgetary flexibility and stability, supported by accelerating repayment of its liabilities, rebuilding its budget stabilization fund to decade highs; and a slowing of statutory pension funding growth, will likely continue during the outlook period.

"The GO rating on Illinois reflects our view of the state's:

- Deep and diverse economic base;
- Adequate liquidity with access to currently untapped interfund borrowing options, and a growing budget stabilization fund (BSF);
- Expectation that open collective bargaining units will be settled in a timely manner; and
- Transparent reporting both from the comptroller and the governor's office of management and budget that we expect will be sustained or improve.

"Offsetting factors, in our opinion, include:

- High pension and other postemployment benefit (OPEB) liabilities and a pension funding practice where the statutory pension funding is designed to attain a 90% funded status in 2045, which is just part of one of the least conservative funding methodologies in the nation among peers;
- Trend of annual financial audits being released later than in most other states; and
- Population declines that are forecast to continue, and if this accelerates could potentially challenge economic growth.

“The stable outlook reflects our view that Illinois' near-term credit profile has stabilized, given improved liquidity, an economy rebounding from the COVID-19 pandemic-driven recession, and historic levels of direct federal support.

“We could lower the rating if a structural deficit were to increase, derived from economic uncertainties; or if increases in pension, OPEB, or other fixed-cost obligations exceed expectations.

“If the state continues to improve pension, OPEB, and BSF funding levels, while shrinking the structural deficit that we believe was created by not funding to an actuarially determined contribution level without experiencing meaningful deterioration in other credit factors, we could raise the rating. Although not required for us to consider an upgrade, a return to a more abbreviated audit-release period would be in line with that of higher-rated peers.” [*State of Illinois GO Debt Rating Raised To 'A-' From 'BBB+' On Improved Liquidity*, S&P Global Ratings, Feb. 23, 2023]

Fitch Recent Comments (BBB+; stable outlook)

The same week that S&P increased their rating, The Bond Buyer spoke with Eric Kim of Fitch, Head of U.S. Ratings, who said, “[Illinois’] governor's executive budget proposal continues some recent positive fiscal trends including an additional proposed supplemental pension contribution this year and ongoing commitment to add to the state's reserves...With an uncertain economic outlook, the revenue forecast is particularly important and we will be closely watching income tax collections for the rest of this year, particularly in April, to gauge the reasonableness of the governor's revenue forecast.’

“The proposed budget, like those of the past couple years, puts additional funds into the state's budget stabilization account and makes additional, though modest, payments to the state's pension plans,’ Moody's lead Illinois analyst Matthew Butler said in an email. ‘These actions are positive from a credit standpoint...Like all states, Illinois is exposed to uncertainty and potential volatility in revenue, and declines in revenue relative to current expectations could make it more challenging to follow through on these proposals.’” [*S&P upgrade lifts Illinois into single-A category*, The Bond Buyer, February 23, 2023]

ILLINOIS GENERAL OBLIGATION BOND RATINGS														
Rating Agencies	June 2010	Jan 2012	Aug 2012	Jan 2013	June 2013	Oct 2015	Jun 2016	Sep 2016	Feb 2017	Jun 2017	Apr 2020	Jun-Jul 2021	Apr-May 2022	Feb 2023
Fitch Ratings	A	A	A	A	A-	BBB+	BBB+	BBB+	BBB	BBB	BBB-	BBB-	BBB+	BBB+
Standard & Poor's	A+	A+	A	A-	A-	A-	BBB+	BBB	BBB	BBB-	BBB-	BBB	BBB+	A-
Moody's	A1	A2	A2	A2	A3	Baa1	Baa2	Baa2	Baa2	Baa3	Baa3	Baa2	Baa1	Baa2

BUILD ILLINOIS BOND RATINGS HISTORY														
Rating Agencies	Mar-Apr 2010*	June 2010	Jan 2012	June 2013	Oct 2015	Jun 2016	Jun 2017	May 2018	Oct 2018	Apr 2020	Jun-Jul 2021	Apr-May 2022	Feb 2023	
Fitch Ratings	AA+	AA+	AA+	AA+	AA+	AA+	AA+	A-	A-	BBB+	BBB+	A	A	
Standard & Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AA-	AA-	BBB	BBB	BBB+	A-	A	
Moody's	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Baa3	Baa3	Baa3	Baa2	Baa1	Baa2	
Kroll									AA+		AA+	AA+	AA+	

UPDATE ON SPORTS WAGERING

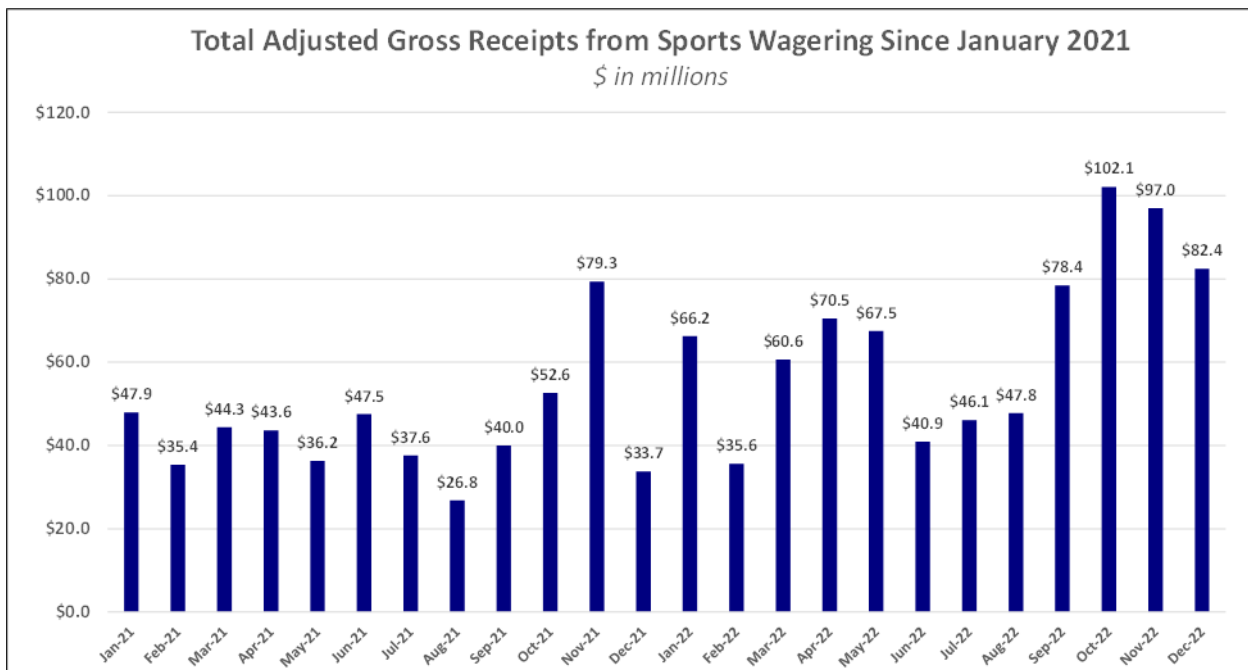
Austin Verthein, Research Analyst

The proliferation of sports wagering throughout Illinois continued in CY 2022, consistently setting record revenues in the process. New laws allowing potential bettors the ability to register online rather than requiring in-person registration meant increased accessibility and growth for the sports wagering industry, and to the State as a whole. As a majority of states have now legalized sports wagering since a major Supreme Court ruling in 2018 granted states the right to decide as they see fit, Illinois' move to legalization in 2020 has allowed the State to reap the benefits ahead of the nationwide curve. Illinois has become one of the biggest markets in sports wagering in the United States.

In 2021, sports wagering revenues in Illinois skyrocketed from the pandemic-fueled lull of 2020. Major sporting and collegiate leagues saw the return of regularly scheduled programming, in which potential bettors became more engaged. As a result, adjusted gross receipts (AGR) from sports wagering during calendar year 2021 totaled \$525.1 million, more than three times the \$125.5 million in 2020. This growth trend continued in 2022, as adjusted gross receipts constituted \$795.0 million, a staggering 51.4% increase from 2021.

Chart 1 shows the monthly breakdown of AGR over the 24 months spanning 2021 and 2022. Seasonal fluctuations based on the sporting calendar and its effect on sports wagering totals are apparent at first sight, as well as the rising growth in the latter half of 2022. The three record months in AGR occurred from October 2022-December 2022 during the football season, sports wagering's primary driver. The AGR and corresponding tax revenues from the back-half of 2022 could set the standard for what is to come from sports wagering heading into 2023.

CHART 1



Adjusted gross receipts from sports wagering are taxed at a flat 15% rate, the vast majority of which is transferred to the Capital Projects Fund (License fees are transferred to the Rebuild Illinois Projects Fund). Chart 2 displays the tax revenues collected on a monthly basis from adjusted gross receipts, for which seasonal disparities and yearly growth patterns are visible once again. In total, 2022 garnered the State \$119.2 million in revenues from sports wagering, once again a 51.4% increase over the \$78.8 million in 2021. Tax revenues from September-December accounted for 45.3% of all 2022 tax revenues, showing just how important football is to sports wagering revenues.

CHART 2

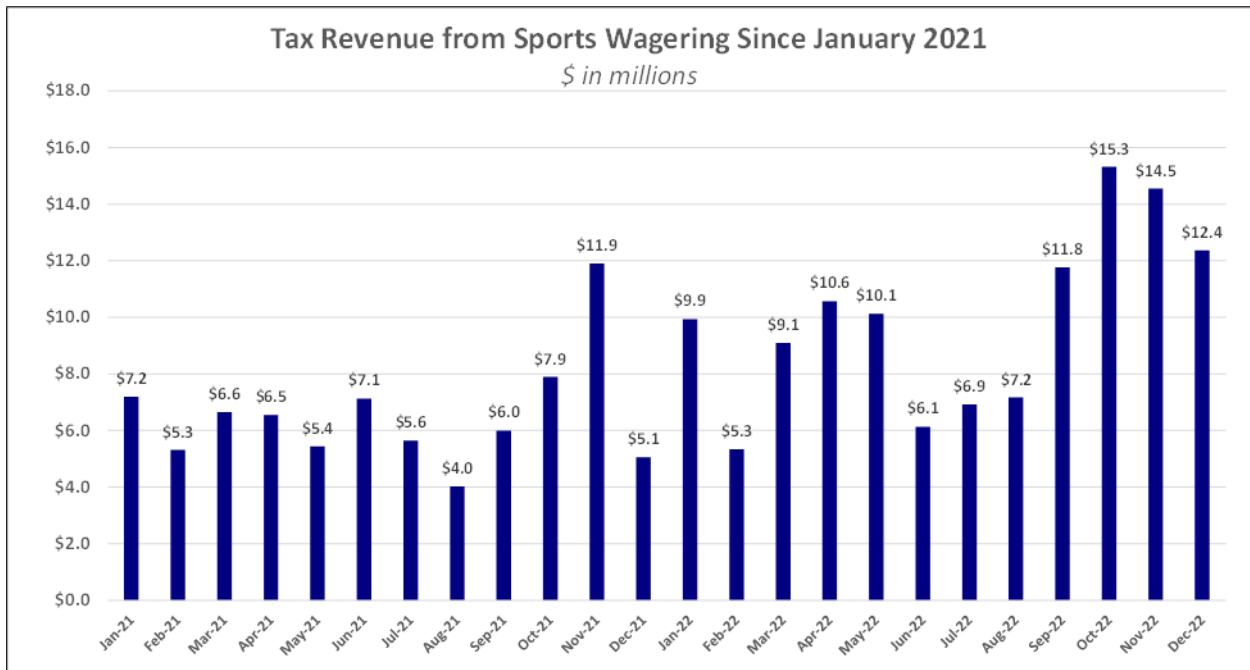


Table 1, below shows the yearly growth in sports wagering across all metrics. In 2022 alone, 262.2 million wagers were placed between in-person and online platforms, with the latter comprising the vast majority. The handle, or the amount of money wagered by bettors, increased at a greater rate than payouts, indicating 2022 was a less successful year than 2021 for bettors. Handle in 2022 grew to \$9.3 billion, a 39.0% jump from 2021. On the other hand, payouts grew to \$8.5 billion, at a rate of 37.8%. Adjusted gross receipts from 2022, as mentioned above, totaled \$795.0 million. The subsequent effects on tax revenue based on a 15% tax rate on AGR are also shown in the table. If current trends hold, Illinois should expect tax revenues to well eclipse \$100 million in 2023 and beyond as marketing increases and as more sports wagering platforms develop across the State.

TABLE 1

Illinois Sports Wagering Statistics By Calendar Year					
<i>in millions</i>					
Year	Wagers	Handle	Payout	AGR	Tax Revenue
2020	52.5	\$ 1,870.6	\$ 1,745.2	\$ 125.4	\$ 18.8
2021	175.1	\$ 6,678.1	\$ 6,182.0	\$ 525.1	\$ 78.8
2022	262.2	\$ 9,283.9	\$ 8,521.0	\$ 795.0	\$ 119.3
Total	489.8	\$ 17,832.6	\$ 16,448.2	\$ 1,445.5	\$ 216.8
Source: Illinois Gaming Board					

As the 103rd General Assembly commences, the momentum created by sports wagering has led to several bills already filed seeking expansion of the market. Bills that have been filed have ranged from legalizing exchange sports betting, a form of wagering in which bettors wager against one another with their own capital, to new laws on the lottery sports wagering pilot program that would place sports lottery terminals in any lottery retail location in Illinois. Based on the 2022 numbers and subsequent session agenda, it appears the proliferation of sports wagering in Illinois will likely continue into the foreseeable future.

GENERAL FUNDS REVENUES CONTINUE ITS NET POSITIVE STREAK AS REVENUES RISE ANOTHER \$256 MILLION IN FEBRUARY

Eric Noggle, Revenue Manager

For the ninth consecutive month, including all eight months so far in FY 2023, General Funds revenues have increased compared to the same month of the prior fiscal year. The last drop occurred in May of 2022. February 2023 revenues were \$256 million higher than last year, mainly on the strength of income tax revenues. February had the same number of receipting days as last year.

After experiencing a slight setback in January, Individual Income Tax revenues bounced back strongly in February with a gross gain of \$252 million. When removing the non-general fund distributions to the Refund Fund and the Local Government Distributive Fund, the net increase was \$213 million. Corporate Income Tax revenues continued its positive performance for the fiscal year with an increase of \$29 million or \$24 million net. Similarly, Sales Tax revenues had another strong month, growing \$99 million with a net gain of \$58 million.

The remaining State sources had mixed results, but still managed to combine for a \$50 million gain. The growth was led by Interest Income, which again benefitted from the recent interest rate hikes, prompting another sizeable increase of \$52 million. More modest increases came from Insurance Taxes [+\$6 million], Public Utility Taxes [+\$3 million], and miscellaneous State sources [+\$2 million]. The growth from these lines helped offset revenue declines from the Inheritance Tax [-\$10 million], the Corporate Franchise Tax [-\$2 million], and the Cigarette Tax [-\$1 million].

Transfers In combined to fall \$15 million in February. Relatively small increases in Lottery Transfers [+\$3 million] and Gaming Transfers [+\$3 million] were more than offset by year-over-year declines in miscellaneous transfers [-\$20 million] and Cannabis Transfers [-\$1 million]. Federal Sources also fell in February, with revenues \$74 million below the monthly total from last year.

Year to Date

Through the first two-thirds of the fiscal year, General Funds base revenues are ahead of last year's pace by \$2.214 billion. When including the revenue gains from ARPA reimbursement funds, the overall growth increases to an impressive \$2.539 billion.

The "Big Three" revenue sources have followed-up FY 2022's strong performance with continued growth throughout FY 2023. Personal Income Tax revenues are now \$596 million above last year's pace on a net basis. Corporate Income Tax revenues are not far behind with a net year-to-date gain of \$508 million. Net sales tax revenues, despite the fact that more of its revenues are being diverted to the Road Fund, have still managed to increase \$242 million so far this fiscal year.

The remaining State sources have combined to grow \$268 million through February. Much of this growth comes from Interest Income, which has increased \$195 million through the first eight months of the fiscal year. To put this in perspective, the FY 2022 total for investment income was only \$30 million. This revenue source generated \$53 million in February alone. Other State taxes with year-

to-date gains through February include Miscellaneous Sources [up \$77 million]; Insurance Taxes [up \$34 million]; Corporate Franchise Taxes [up \$10 million]; and Public Utility Taxes [up \$6 million]. A few sources continue to trail last year's pace. Inheritance Taxes are down \$37 million, though this is compared to the record-breaking year of FY 2022. Cigarette Tax revenues have fallen \$14 million, while Liquor Taxes are \$3 million lower.

As highlighted in January's Monthly Briefing, one of the largest contributors to the significant growth in FY 2023, thus far, is the Income Tax Refund Fund Transfer, which saw its total rise \$1.239 billion from last year's levels. While the other State Transfers have fallen a combined \$143 million through February, the higher-than-normal amount from the Income Tax Refund Fund Transfer in FY 2023 has helped elevate the growth of the State Transfer category to a fiscal year net gain of \$1.096 billion.

The one revenue source category that has disappointed so far in FY 2023 is Federal Sources (base), which is now down \$496 million for the fiscal year. Even when incorporating the \$325 million gains in federal one-time ARPA reimbursement funds, a combined decline of \$171 million still results.

On March 7th, the Commission will be releasing its revised outlook for FY 2023 General Funds revenues and its initial estimates for FY 2024. The revenue performance through February will be incorporated into these estimates.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: YEAR TO DATE				
<i>FY 2022 vs. FY 2023</i>				
<i>(\$ millions)</i>				
Revenue Sources	FY 2022	FY 2023	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$13,773	\$14,369	\$596	4.3%
Net Corporate Income Tax	\$2,476	\$2,984	\$508	20.5%
Net Sales Tax	\$6,777	\$7,019	\$242	3.6%
All Other State Sources	\$1,935	\$2,203	\$268	13.9%
Transfers In	\$1,521	\$2,617	\$1,096	72.1%
Federal Sources [base]	\$3,072	\$2,576	(\$496)	-16.1%
Base General Funds	\$29,554	\$31,768	\$2,214	7.5%
<i>ARPA Reimb. for Essential Gov't Services</i>	\$439	\$764	\$325	74.0%
Total General Funds	\$29,993	\$32,532	\$2,539	8.5%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				1-Mar-23

FEBRUARY
FY 2022 vs. FY 2023
(\$ millions)

Revenue Sources	Feb. FY 2022	Feb. FY 2023	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$1,615	\$1,867	\$252	15.6%
Corporate Income Tax (regular)	95	124	29	30.5%
Sales Taxes	725	824	99	13.7%
Public Utility Taxes (regular)	76	79	3	3.9%
Cigarette Tax	17	16	(1)	-5.9%
Liquor Gallonage Taxes	11	11	0	0.0%
Inheritance Tax	35	25	(10)	-28.6%
Insurance Taxes and Fees	55	61	6	10.9%
Corporate Franchise Tax & Fees	15	13	(2)	-13.3%
Interest on State Funds & Investments	1	53	52	5,200.0%
Cook County IGT	94	94	0	0.0%
Other Sources	18	20	2	11.1%
Total State Taxes	\$2,757	\$3,187	\$430	15.6%
Transfers In				
Lottery	\$47	\$50	\$3	6.4%
Gaming	0	3	3	N/A
Cannabis	10	9	(1)	-10.0%
Refund Fund	0	0	0	N/A
Other	54	34	(20)	-37.0%
Total Transfers In	\$111	\$96	(\$15)	-13.5%
Total State Sources	\$2,868	\$3,283	\$415	14.5%
Federal Sources [base]	\$291	\$217	(\$74)	-25.4%
Total Federal & State Sources	\$3,159	\$3,500	\$341	10.8%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$149)	(\$173)	(\$24)	16.1%
Corporate Income Tax	(14)	(18)	(4)	28.6%
Local Government Distributive Fund				
Personal Income Tax	(89)	(104)	(15)	16.9%
Corporate Income Tax	(6)	(7)	(1)	16.7%
Sales Tax Distributions				
Deposits into Road Fund	(11)	(43)	(32)	290.9%
Distribution to the PTF and DPTF	(63)	(72)	(9)	14.3%
General Funds Subtotal [Base]	\$2,827	\$3,083	\$256	9.1%
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A
Total General Funds	\$2,827	\$3,083	\$256	9.1%

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

2-Mar-23

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2022 vs. FY 2023

(\$ millions)

<u>Revenue Sources</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$16,157	\$16,874	\$717	4.4%
Corporate Income Tax (regular)	3,129	3,747	618	19.8%
Sales Taxes	7,208	7,745	537	7.5%
Public Utility Taxes (regular)	496	502	6	1.2%
Cigarette Tax	167	153	(14)	-8.4%
Liquor Gallonage Taxes	128	125	(3)	-2.3%
Inheritance Tax	381	344	(37)	-9.7%
Insurance Taxes and Fees	250	284	34	13.6%
Corporate Franchise Tax & Fees	145	155	10	6.9%
Interest on State Funds & Investments	9	204	195	2,166.7%
Cook County IGT	150	150	0	0.0%
Other Sources	209	286	77	36.8%
Total State Taxes	\$28,429	\$30,569	\$2,140	7.5%
Transfers In				
Lottery	\$513	\$400	(\$113)	-22.0%
Gaming	107	116	9	8.4%
Cannabis	74	74	0	0.0%
Refund Fund	242	1,481	1,239	512.0%
Other	585	546	(39)	-6.7%
Total Transfers In	\$1,521	\$2,617	\$1,096	72.1%
Total State Sources	\$29,950	\$33,186	\$3,236	10.8%
Federal Sources [base]	\$3,072	\$2,576	(\$496)	-16.1%
Total Federal & State Sources	\$33,022	\$35,762	\$2,740	8.3%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$1,495)	(\$1,561)	(\$66)	4.4%
Corporate Income Tax	(470)	(544)	(74)	15.7%
Local Government Distributive Fund				
Personal Income Tax	(889)	(944)	(55)	6.2%
Corporate Income Tax	(183)	(219)	(36)	19.7%
Sales Tax Distributions				
Deposits into Road Fund	(75)	(329)	(254)	338.7%
Distribution to the PTF and DPTF	(356)	(397)	(41)	11.5%
General Funds Subtotal [Base]	\$29,554	\$31,768	\$2,214	7.5%
ARPA Reimb. for Essential Gov't Services	\$439	\$764	\$325	74.0%
Total General Funds	\$29,993	\$32,532	\$2,539	8.5%

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

2-Mar-23