



Commission on Government Forecasting and Accountability

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MONTHLY BRIEFING FOR THE MONTH ENDED: JANUARY 2022

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2nd Anniversary of Recreational Cannabis

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With the signing of the Cannabis Regulation and Tax Act (P.A. 101-0027) on June 25, 2019, the recreational use of cannabis by adults was made legal in Illinois. Sales of cannabis for recreational purposes began on January 1, 2020. To commemorate the two-year anniversary of the beginning of cannabis sales in Illinois, the Commission examined how cannabis sales have evolved in the state and how Illinois' sales have compared to other states.

According to data from the Illinois Department of Financial and Professional Regulation, Illinois had \$669 million in adult use cannabis sales in calendar year 2020. Of this amount, \$496 million, or 74% of the total, was purchased by in-state residents, while out-of-state residents were responsible for the remaining \$173 million. This amount was spent on just under 14.5 million items which equaled an average price per item of \$46.19. During 2020, the State collected approximately \$107 million in cannabis excise taxes and \$17 million from licenses and fees.

In 2021, these amounts increased as the cannabis market expanded. Total sales grew to \$1.38 billion. This equaled growth of 106% or more than double the 2020 amount. Just over 30.3 million items were purchased with an average sale price of \$45.45. Illinois residents were responsible for \$943 million of these sales (68%), while out-of-state residents

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purchased \$436 million (32%). The percentage of out-of-state sales grew from 26% in 2020 to 32% in 2021. Cannabis excise taxes were up 121% to \$236 million, while license and fee revenue was cut in half to \$8 million.

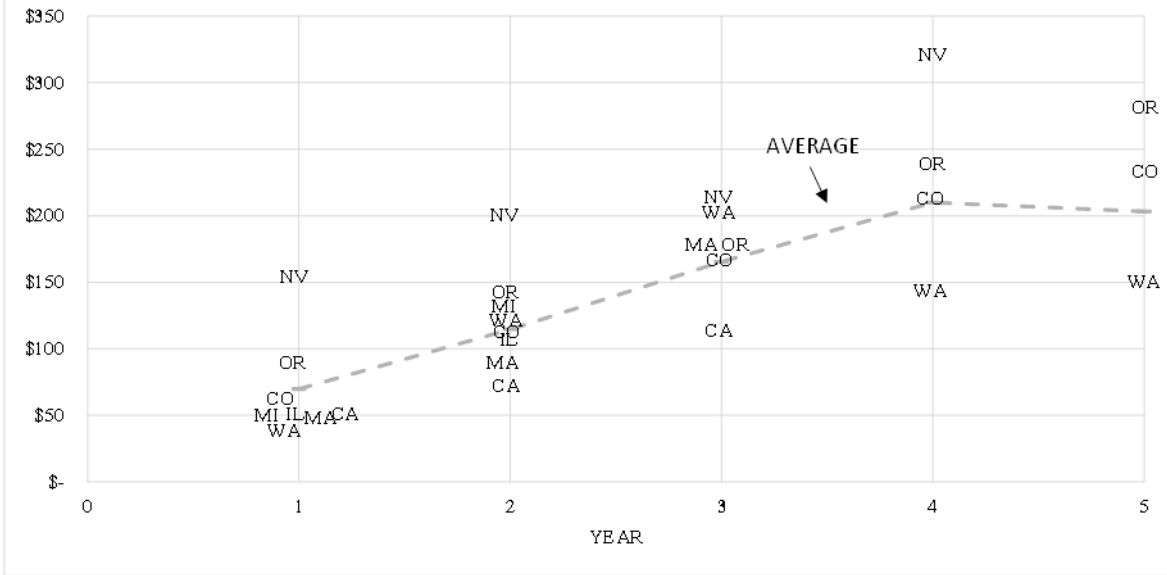
While Illinois' cannabis sales doubled in 2021, its cannabis sales were a little behind what other states have seen over their first two years of sales. The Commission compared Illinois' cannabis sales to other states that have also legalized cannabis. The earliest states to have recreational cannabis sales were Colorado and Washington in 2014. These states were followed by Alaska (2016), Oregon (2016), Nevada (2017), California (2018), Michigan (2019), and Illinois (2020). The Commission compared each of these state's cannabis sales per capita over 12-month periods from when they began selling cannabis for recreational use. Alaska was not included as cannabis sales data was not readily available.

Illinois' total sales of \$669 million in 2020 equaled approximately \$52.33 of cannabis sales per capita. This was \$17.51, or about 25%, below the \$69.84 per capita in cannabis sales on average seen in the eight states analyzed over the first 12-months of sales. Nevada saw the highest amount of sales over the first 12 months at \$141.70 per capita, while Washington saw the lowest amount of \$36.51.

Illinois' 2021 total of \$1.38 billion in sales equated to approximately \$108.84 of cannabis sales per capita. This amount of sales closed much of the gap when compared to the average of the states examined. Illinois' sales between months 13 to 24 were only 5% below the average of \$114.65. Nevada continued to have the highest sales per capita at \$180.71 over the second 12-month period. California had the lowest second year of sales at just \$90.85.

Looking to the future, Illinois' sales per capita are likely to continue to climb. As seen in the chart on the following page, the average sales per capita in states that have had cannabis sales longer than Illinois have continued to grow to higher levels. Average sales per capita grew to \$165 in Year 3 and \$210 in Year 4, before dropping to \$203 in Year 5. Though not shown in the chart, Year 6 and Year 7 averages, which included just Colorado and Washington, equaled \$205 and \$248. In their seventh year of recreational cannabis sales, Colorado saw sales of \$302 per capita, while Washington grew to \$193. If Illinois' cannabis industry were to grow to these levels, annual sales would range from \$2.4 billion to \$3.8 billion per year.

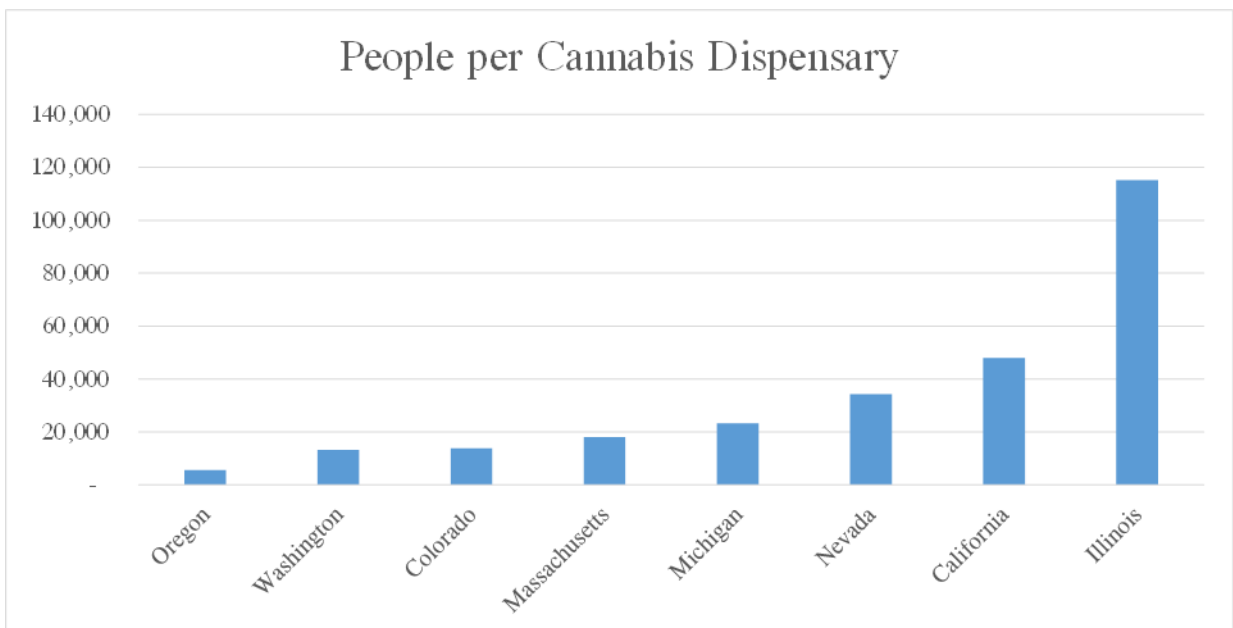
RECREATIONAL CANNABIS SALES PER CAPITA



One thing that is likely holding Illinois cannabis sales back is the number of dispensaries. Illinois currently has only 110 cannabis dispensaries. This equals approximately one dispensary for every 115,000 people. This is much higher than most other states. Oregon has the most dispensaries at one dispensary for every 4,400 people. Most of the other states examined had between one dispensary for every 13,000 to 23,000 people. Nevada and California were a little higher at one per 34,000 and one per 48,000. Illinois has tried to increase the number of

dispensaries in the state. An additional 185 dispensary licenses were scheduled to be awarded by the State during the summer of 2021, however, due to lawsuits related to the licensing process, the awarding of these licenses has been delayed. If these additional 185 dispensaries were to open, the number of dispensaries per person in Illinois would lower to about one dispensary for every 43,000 residents which would be more in line with Nevada and California but still higher than most other states.

People per Cannabis Dispensary



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.) | 5.3% | 5.7% | 8.0% |
| Inflation in Chicago (12-month percent change) (Dec.) | 6.6% | 6.0% | 0.9% |
| ————— | | | |
| | <u>LATEST MONTH</u> | <u>CHANGE OVER PRIOR MONTH</u> | <u>CHANGE OVER A YEAR AGO</u> |
| Civilian Labor Force (thousands) (Dec.) | 6,271.5 | 0.5% | 2.0% |
| Employment (thousands) (Dec.) | 5,938.4 | 0.8% | 4.9% |
| Nonfarm Payroll Employment (Dec.) | 5,899,900 | 22,800 | 262,600 |
| New Car & Truck Registration (Dec.) | 41,901 | 34.5% | -4.9% |
| Single Family Housing Permits (Dec.) | 739 | -13.3% | -1.9% |
| Total Exports (\$ mil) (Nov.) | 5,818.9 | -6.2% | 21.7% |
| Chicago Purchasing Managers Index (Jan.) | 65.2 | 1.4% | 2.2% |
| * Due to monthly fluctuations, trend best shown by % change from a year ago | | | |

Municipal Liquidity Facility Repayment Update

Lynnae Kapp, Senior Revenue/Bond Analyst

Illinois borrowed \$2 billion from the Federal Reserve’s Municipal Liquidity Facility (MLF) on December 17, 2020. The borrowing received a 3.42% rate and had a 3-year maturity (to be paid off by December 2023). The proceeds were used for the payment of Medicaid-related bills which generated approximately \$1 billion dollars in federal matching funds. Although Illinois will receive \$8.1 billion

from the American Rescue Plan, the initial rules restrict the funds from being used to pay debt service on borrowing. Due to better than expected revenues, the \$2 billion in debt was paid off entirely in January 2022. The Governor’s Office of Management and Budget states that paying off the debt almost two years early saved the State approximately \$82 million in interest payments.

| Planned Repayment on December 2020 Certificates | | | |
|---|---------------------------|-------------------------|---------------------------|
| Redemption date | Principal | Accrued Interest | Total |
| 12/15/2021 | \$666,670,000.00 | \$22,673,446.70 | \$689,343,446.70 |
| 12/15/2022 | \$666,665,000.00 | \$45,473,219.65 | \$712,138,219.65 |
| 12/15/2023 | \$666,665,000.00 | \$68,273,162.65 | \$734,938,162.65 |
| Total | \$2,000,000,000.00 | \$136,419,829.00 | \$2,136,419,829.00 |
| Source: GOMB 1/10/2022 | | | |

| Actual Repayment on December 2020 Certificates | | | |
|---|---------------------------|-------------------------|---------------------------|
| Redemption date | Principal | Accrued Interest | Total |
| 6/17/2021 | \$189,420,000.00 | \$3,239,082.00 | \$192,659,082.00 |
| 6/23/2021 | \$186,700,000.00 | \$3,298,989.00 | \$189,998,989.00 |
| 6/29/2021 | \$117,850,000.00 | \$2,149,584.00 | \$119,999,584.00 |
| 6/30/2021 | \$93,290,000.00 | \$1,710,472.15 | \$95,000,472.15 |
| 7/6/2021 | \$397,485,000.00 | \$7,514,453.93 | \$404,999,453.93 |
| 11/12/2021 | \$145,505,000.00 | \$4,492,466.88 | \$149,997,466.88 |
| 12/21/2021 | \$96,660,000.00 | \$3,342,502.80 | \$100,002,502.80 |
| 1/18/2022 | \$482,090,000.00 | \$17,907,233.05 | \$499,997,233.05 |
| 1/26/2022 | \$291,000,000.00 | \$11,030,355.00 | \$302,030,355.00 |
| Total | \$2,000,000,000.00 | \$54,685,138.81 | \$2,054,685,138.81 |
| Source: GOMB 1/10/2022 | | | |

The June 2020 General Obligation Certificates of \$1.2 billion, borrowed through the MLF, were paid off June 5, 2021.

FY 2018 – FY 2022 Interfund Borrowing Update

Lynnae Kapp, Senior Bond/Revenue Analyst

Beginning in FY 2018, Interfund Borrowing was allowed for up to \$1.2 billion outstanding at one time. The initial legislation, Public Act 100-0023, allowed for borrowing from July 6, 2017 through December 31, 2018. Public Act 100-0587 extended the time for borrowing through March 1, 2019. Public Act 101-0010 extended the borrowing period to March 1, 2021 and the payback period from 24 months to 48 months. Public Act 101-636, passed in May 2020, extended the borrowing through June 30, 2021. And the recently passed Budget Implementation bill, Public Act 102-0016, extended the borrowing through June 30, 2022 and payback to 60 months from the date on which the funds were borrowed.

Interfund Borrowing may include transfers from unspecified special state funds to general funds and the Health Insurance Reserve Fund up to and outstanding at any one time of \$1.5 billion (increased

from \$1.2 billion in Public Act 101-636). Additional transfers and retransfers may occur between funds as needed due to insufficient cash in the originator fund, as long as the amount outstanding is still at or below \$1.5 billion. Amounts shall be repaid from general funds to the original funds with interest within 60 months of the date borrowed.

Transfers through the end of FY 2021 to the General Revenue Fund equaled \$1.246 billion (excluding \$10.5 million from other general fund, Commitment to Human Service Fund, which has been paid back), while transfers to the Health Insurance Reserve Fund equaled \$231 million. In January 2022, principal of \$194 million was paid back from the General Revenue Fund, making the total payback of principal to originator funds \$758 million. As of January 31, 2021, the total outstanding was \$719 million, which allows for room to borrow approximately \$782 million.

| 30 ILCS 105/5h.5 Interfund Borrowing Transfers to GRF and HIRF through FY 2021 | | | | | |
|--|--|-----------------------|------------------------|----------------------------|----------------------------|
| Fund # | Transfer from Fund Fund Name | Transferred To GRF | Transferred To HIRF | TTL Principal Paid Back | Amounts to be Paid Back |
| 0016 | Teacher Certificate Fee Revolving Fund | | \$3,000,000 | \$0 | \$3,000,000 |
| 0022 | General Professions Dedicated Fund | \$100,000 | \$5,000,000 | \$0 | \$5,100,000 |
| 0044 | Lobbyist Registration Administration Fund | \$2,000,000 | | \$2,000,000 | \$0 |
| 0047 | Fire Prevention Fund | | \$5,000,000 | \$0 | \$5,000,000 |
| 0048 | Rural/Downstate Health Access Fund | \$200,000 | | \$200,000 | \$0 |
| 0050 | Mental Health Fund | | \$2,000,000 | \$0 | \$2,000,000 |
| 0054 | State Pensions Fund | \$50,000,000 | | \$50,000,000 | \$0 |
| 0057 | Illinois State Pharmacy Disciplinary Fund | | \$1,000,000 | \$0 | \$1,000,000 |
| 0059 | Public Utility Fund | | \$5,000,000 | \$2,000,000 | \$3,000,000 |
| 0067 | Radiation Protection Fund | \$1,000,000 | | \$0 | \$1,000,000 |
| 0068 | Hospital Licensure Fund | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,500,000 |
| 0069 | Natural Heritage Endowment Trust Fund | \$340,000 | | \$340,000 | \$0 |
| 0072 | Underground Storage Tank Fund | \$99,300,000 | \$40,000,000 | \$78,000,000 | \$61,300,000 |
| 0075 | Compassionate Use of Medical Cannabis Fund | \$5,500,000 | | \$3,000,000 | \$2,500,000 |
| 0078 | Solid Waste Management Fund | | \$10,000,000 | \$0 | \$10,000,000 |
| 0082 | Distance Learning Fund | \$100,000 | | \$100,000 | \$0 |
| 0089 | Subtitle D Management Fund | | \$2,000,000 | \$0 | \$2,000,000 |
| 0093 | Illinois State Medical Disciplinary Fund | \$20,000,000 | \$6,000,000 | \$15,000,000 | \$11,000,000 |
| 0104 | Stroke Data Collection Fund | \$150,000 | | \$150,000 | \$0 |
| 0113 | Community Health Center Care Fund | \$400,000 | | \$400,000 | \$0 |
| 0115 | Safe Bottled Water Fund | \$150,000 | | \$150,000 | \$0 |
| 0118 | Facility Licensing Fund | \$2,000,000 | \$1,500,000 | \$2,000,000 | \$1,500,000 |
| 0145 | Explosives Regulatory Fund | \$200,000 | | \$200,000 | \$0 |
| 0148 | Mental Health Reporting Fund | \$4,000,000 | | \$4,000,000 | \$0 |
| 0150 | Rental Housing Support Program Fund | | \$1,000,000 | \$0 | \$1,000,000 |
| 0151 | Registered Certified Public Accountants' Administration and Disciplinary Fund | \$500,000 | \$3,000,000 | \$500,000 | \$3,000,000 |
| 0152 | State Crime Laboratory Fund | \$2,000,000 | \$1,500,000 | \$3,500,000 | \$0 |
| 0166 | State Police Merit Board Public Safety Fund | \$500,000 | | \$500,000 | \$0 |
| 0184 | ICJIA Violence Prevention Fund | \$100,000 | | \$100,000 | \$0 |
| 0238 | Illinois Health Facilities Planning Fund | \$1,000,000 | | \$1,000,000 | \$0 |
| 0240 | Emergency Public Health Fund | | \$500,000 | \$0 | \$500,000 |
| 0244 | Residential Finance Regulatory Fund | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| 0245 | Fair and Exposition Fund | \$2,500,000 | | \$0 | \$2,500,000 |
| 0256 | Public Health Water Permit Fund | \$150,000 | | \$150,000 | \$0 |
| 0258 | Nursing Dedicated and Professional Fund | \$8,000,000 | \$4,000,000 | \$7,000,000 | \$5,000,000 |
| 0259 | Optometric Licensing and Disciplinary Board Fund | \$350,000 | | \$350,000 | \$0 |
| 0265 | State Rail Freight Loan Repayment Fund | \$6,000,000 | | \$0 | \$6,000,000 |
| 0278 | Income Tax Refund Fund | \$150,000,000 | | \$150,000,000 | \$0 |
| 0286 | Illinois Affordable Housing Trust Fund | \$21,295,000 | | \$11,295,000 | \$10,000,000 |
| 0291 | Regulatory Fund | \$100,000 | | \$100,000 | \$0 |
| 0294 | Used Tire Management Fund | \$1,500,000 | \$1,000,000 | \$500,000 | \$2,000,000 |
| 0298 | Natural Areas Acquisition Fund | \$2,000,000 | | \$0 | \$2,000,000 |
| 0299 | Open Space Lands Acquisition and Development Fund | \$58,000,000 | | \$0 | \$58,000,000 |

| Fund # | Transfer from Fund | Transferred To GRF | Transferred To HIRF | Principal Pd Back (GRF) | Amounts to be Paid Back |
|--------|---|--------------------|---------------------|-------------------------|-------------------------|
| | Fund Name | | | | |
| 0327 | Tattoo and Body Piercing Establishment Registration Fund | \$500,000 | | \$500,000 | \$0 |
| 0340 | Public Health Laboratory Services Revolving Fund | | \$1,500,000 | \$1,500,000 | \$0 |
| 0342 | Audit Expense Fund | \$20,000,000 | | \$20,000,000 | \$0 |
| 0343 | Federal National Community Services Grant Fund | \$333,289 | | \$333,289 | \$0 |
| 0356 | Law Enforcement Camera Grant Fund | | \$1,000,000 | \$1,000,000 | \$0 |
| 0362 | Securities Audit and Enforcement Fund | \$12,000,000 | | \$12,000,000 | \$0 |
| 0369 | Feed Control Fund | | \$1,000,000 | \$0 | \$1,000,000 |
| 0372 | Plumbing Licensure and Program Fund | \$1,500,000 | \$1,000,000 | \$2,500,000 | \$0 |
| 0384 | Tax Compliance and Administration Fund | \$3,000,000 | | \$0 | \$3,000,000 |
| 0421 | Public Aid Recoveries Trust Fund | \$200,000,000 | | \$100,000,000 | \$100,000,000 |
| 0422 | Alternate Fuels Fund | \$1,500,000 | | \$1,500,000 | \$0 |
| 0438 | Illinois State Fair Fund | | \$2,000,000 | \$0 | \$2,000,000 |
| 0453 | Monitoring Device Driving Permit Administration Fee Fund | \$6,000,000 | | \$6,000,000 | \$0 |
| 0510 | Illinois Fire Fighters' Memorial Fund | \$5,000,000 | | \$5,000,000 | \$0 |
| 0514 | State Asset Forfeiture Fund | \$100,000 | | \$100,000 | \$0 |
| 0527 | Sex Offender Management Board Fund | \$100,000 | | \$100,000 | \$0 |
| 0534 | Illinois Workers' Compensation Commission Operations Fund | \$2,000,000 | \$5,000,000 | \$2,000,000 | \$5,000,000 |
| 0536 | LEADS Maintenance Fund | | \$500,000 | \$0 | \$500,000 |
| 0539 | Death Penalty Abolition Fund | \$1,500,000 | | \$1,500,000 | \$0 |
| 0546 | Public Pension Regulation Fund | | \$2,000,000 | \$0 | \$2,000,000 |
| 0550 | Supplemental Low-Income Energy Assistance Fund | \$112,000,000 | \$30,000,000 | \$70,000,000 | \$72,000,000 |
| 0564 | Renewable Energy Resources Trust Fund | \$1,500,000 | | \$1,500,000 | \$0 |
| 0568 | School Infrastructure Fund | \$146,000,000 | | \$30,000,000 | \$116,000,000 |
| 0571 | Energy Efficiency Trust Fund | \$4,000,000 | | \$4,000,000 | \$0 |
| 0576 | Pesticide Control Fund | | \$1,500,000 | \$0 | \$1,500,000 |
| 0603 | Port Development Revolving Loan Fund | \$204,153 | | \$204,153 | \$0 |
| 0608 | Partners for Conservation Fund | \$2,000,000 | | \$0 | \$2,000,000 |
| 0611 | Fund For Illinois' Future | \$61,181 | | \$61,181 | \$0 |
| 0621 | International Tourism Fund | \$1,500,000 | | \$1,500,000 | \$0 |
| 0629 | Real Estate Recovery Fund | \$350,000 | \$1,000,000 | \$350,000 | \$1,000,000 |
| 0690 | DHS Private Resources Fund | \$500,000 | | \$500,000 | \$0 |
| 0702 | Assisted Living and Shared Housing Regulatory Fund | \$500,000 | | \$500,000 | \$0 |
| 0705 | State Police Whistleblower Reward and Protection Fund | \$4,000,000 | \$2,000,000 | \$6,000,000 | \$0 |
| 0708 | Illinois Standardbred Breeders Fund | \$1,000,000 | | \$0 | \$1,000,000 |
| 0709 | Illinois Thoroughbred Breeders Fund | \$500,000 | | \$0 | \$500,000 |
| 0714 | Spinal Cord Injury Paralysis Cure Research Trust Fund | \$339,200 | | \$339,200 | \$0 |

| | Transfer from Fund | Transferred To GRF | Transferred To HIRF | Principal Pd Back (GRF) | Amounts to be Paid Back |
|--|---|------------------------|----------------------|-------------------------|-------------------------|
| Fund # | Fund Name | | | | |
| 0718 | Community Mental Health Medicaid Trust Fund | | \$5,000,000 | \$5,000,000 | \$0 |
| 0722 | Comptroller Debt Recovery Trust Fund | \$16,000,000 | | \$16,000,000 | \$0 |
| 0740 | Medicaid Buy-In Program Revolving Fund | | \$1,000,000 | \$0 | \$1,000,000 |
| 0746 | Home Inspector Administration Fund | \$300,000 | | \$300,000 | \$0 |
| 0763 | Tourism Promotion Fund | \$5,000,000 | | \$5,000,000 | \$0 |
| 0792 | Cemetery Oversight Licensing and Disciplinary Fund | \$1,500,000 | \$1,000,000 | \$1,500,000 | \$1,000,000 |
| 0795 | Bank and Trust Company Fund | \$2,000,000 | \$10,000,000 | \$1,000,000 | \$11,000,000 |
| 0796 | Nuclear Safety Emergency Preparedness Fund | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 |
| 0801 | Attorney General's State Projects and Court Ordered Distribution Fund | \$10,000,000 | | \$10,000,000 | \$0 |
| 0816 | Money Laundering Asset Recovery Fund | \$300,000 | | \$300,000 | \$0 |
| 0818 | Grant v. Dimas Escrow Fund | \$1,360,700 | | \$1,360,700 | \$0 |
| 0821 | Dram Shop Fund | \$9,000,000 | | \$9,000,000 | \$0 |
| 0828 | Hazardous Waste Fund | \$1,000,000 | \$1,500,000 | \$1,000,000 | \$1,500,000 |
| 0836 | Illinois Power Agency Renewable Energy Resources Fund | \$160,000,000 | \$10,000,000 | \$61,500,000 | \$108,500,000 |
| 0840 | Hazardous Waste Research Fund | \$300,000 | | \$300,000 | \$0 |
| 0845 | Environmental Protection Trust Fund | \$2,000,000 | | \$2,000,000 | \$0 |
| 0848 | Settlement Fund - Illinois Chamber of Commerce v. Filan | \$5,000,000 | | \$5,000,000 | \$0 |
| 0850 | Real Estate License Administration Fund | \$1,000,000 | | \$0 | \$1,000,000 |
| 0888 | Design Professionals Administration and Investigation Fund | \$200,000 | | \$200,000 | \$0 |
| 0896 | Public Health Special State Projects Fund | \$5,000,000 | | \$5,000,000 | \$0 |
| 0906 | State Police Services Fund | \$6,000,000 | \$6,000,000 | \$6,000,000 | \$6,000,000 |
| 0920 | Metabolic Screening and Treatment Fund | \$5,000,000 | | \$5,000,000 | \$0 |
| 0922 | Insurance Producer Administration Fund | \$15,000,000 | \$30,000,000 | \$0 | \$45,000,000 |
| 0925 | Coal Technology Development Assistance Fund | \$5,000,000 | | \$0 | \$5,000,000 |
| 0940 | Self-Insurers Security Fund | | \$2,000,000 | \$0 | \$2,000,000 |
| 0942 | Low-Level Radioactive Waste Facility Development and Operation Fund | \$500,000 | | \$500,000 | \$0 |
| 0944 | Environmental Protection Permit and Inspection Fund | \$3,100,000 | \$5,000,000 | \$3,000,000 | \$5,100,000 |
| 0945 | Landfill Closure and Post-Closure Fund | \$300,000 | | \$300,000 | \$0 |
| 0962 | Park and Conservation Fund | \$10,000,000 | | \$10,000,000 | \$0 |
| 0974 | Illinois Equity Fund | \$500,000 | | \$500,000 | \$0 |
| 0975 | Large Business Attraction Fund | \$100,000 | | \$100,000 | \$0 |
| 0982 | Adeline Jay Geo-Karis Illinois Beach Marina Fund | \$330,000 | | \$330,000 | \$0 |
| 0997 | Insurance Financial Regulation Fund | \$8,000,000 | \$15,000,000 | \$2,000,000 | \$21,000,000 |
| | TOTAL | \$1,245,713,523 | \$231,000,000 | \$758,213,523 | \$718,500,000 |
| * The Commitment to Human Services Fund is a General Fund. | | | | | |
| 0644 | Commitment to Human Services Fund* | \$10,500,000 | | \$10,500,000 | \$0 |

The Remarkable Year in Revenues Continues, as Receipts Increase another \$1.7 Billion in January

Eric Noggle, Senior Revenue Analyst

Base general funds revenues increased an impressive \$1.721 billion in January. The increase was due to strong gains from the State's largest revenue sources. Combined, net income and sales taxes jumped \$1.224 billion for the month. Receipts were further bolstered by a comparatively strong performance of federal sources. January had one more receipting day compared to last year.

In January, gross personal income tax receipts led the way, growing a remarkable \$1.107 billion, or \$938 million on a net basis. Gross corporate income tax receipts continued its strong performance growing another \$222 million, or \$175 million net. Gross sales tax revenues added \$123 million, or \$111 million net. Other increases from State sources came from other miscellaneous sources [up \$38 million]; public utility taxes [up \$5 million]; and, interest on State funds and investments [up \$1 million].

After falling \$948 million last month, federal source revenues bounced back in January, growing \$511 million. The notable monthly increase was in large part due to the small amount of federal revenues receipted last year, at only \$74 million. [The comparatively small January 2021 total was because it followed the \$1.325 billion in pandemic-related relief money received in December 2020, which gives context to that month's significant decline]. The see-saw nature of federal funds in FY 2021 helps explain the similar wild swings in federal sources so far in FY 2022.

While the large revenue sources performed quite well, several of the smaller sources did experience declines in January. Corporate franchise taxes fell \$39 million, while inheritance taxes dropped \$33 million. Other declines came from insurance taxes [down \$22 million] and cigarette taxes [down \$5 million]; and vehicle use taxes [down \$2 million].

Overall transfers into the general funds were collectively up \$43 million in January, but individually had mixed results. A \$20 million increase in riverboat transfers and a \$31 million gain from miscellaneous transfers were partially offset by an \$8 million decline in lottery transfers.

Year to Date

Through the first seven months of FY 2022, overall base receipts are up a remarkable \$2.639 billion. As mentioned in previous monthly briefings, what makes this growth so impressive is that the revenue totals of FY 2022 are compared to FY 2021 receipts that benefitted from last year's final payment delay, valued at approximately \$1.3 billion. Despite this occurrence, net personal income tax revenues have risen \$560 million and net corporate income tax revenues have increased \$818 million. Net sales tax also continues its phenomenal year, now up \$754 million through January. All other sources are trailing last year's levels by a combined \$96 million.

Overall transfers continue to outpace last year's levels and are now up \$440 million this fiscal year. Those gains reflect \$332 million in gains from miscellaneous transfers, \$107 million from the return of riverboat transfers, and \$40 million improvement from the lottery. Those increases more than offset the \$39 million decline in the refund fund transfer.

In summary, despite the lingering pandemic and its effect on employment, business activity, supply-chain disruptions, and building inflation pressures, FY 2022 revenues have continued to amaze. While this torrid pace cannot continue for much longer as stimulus efforts wind down and inflationary pressures build, thus far FY 2022 revenues have certainly exceeded expectations.

JANUARY

FY 2022 vs. FY 2021

(\$ million)

| <u>Revenue Sources</u> | <u>Jan. FY 2022</u> | <u>Jan. FY 2021</u> | <u>\$ CHANGE</u> | <u>% CHANGE</u> |
|--|-------------------------|-------------------------|----------------------|---------------------|
| State Taxes | | | | |
| Personal Income Tax | \$3,559 | \$2,452 | \$1,107 | 45.1% |
| Corporate Income Tax (regular) | 377 | 155 | 222 | 143.2% |
| Sales Taxes | 938 | 815 | 123 | 15.1% |
| Public Utility Taxes (regular) | 71 | 66 | 5 | 7.6% |
| Cigarette Tax | 13 | 18 | (5) | -27.8% |
| Liquor Gallonage Taxes | 19 | 19 | 0 | 0.0% |
| Vehicle Use Tax | 0 | 2 | (2) | -100.0% |
| Inheritance Tax | 37 | 70 | (33) | -47.1% |
| Insurance Taxes and Fees | 8 | 30 | (22) | -73.3% |
| Corporate Franchise Tax & Fees | 18 | 57 | (39) | -68.4% |
| Interest on State Funds & Investments | 2 | 1 | 1 | 100.0% |
| Cook County IGT | 56 | 56 | 0 | N/A |
| Other Sources | 50 | 12 | 38 | 316.7% |
| Subtotal | \$5,148 | \$3,753 | \$1,395 | 37.2% |
| Transfers | | | | |
| Lottery | \$57 | \$65 | (\$8) | -12.3% |
| Riverboat transfers & receipts | 20 | 0 | 20 | N/A |
| Proceeds from Sale of 10th license | 0 | 0 | 0 | N/A |
| Refund Fund transfer | 0 | 0 | 0 | N/A |
| Other | 86 | 55 | 31 | 56.4% |
| Total State Sources | \$5,311 | \$3,873 | \$1,438 | 37.1% |
| Federal Sources | \$585 | \$74 | \$511 | 690.5% |
| Total Federal & State Sources | \$5,896 | \$3,947 | \$1,949 | 49.4% |
| Nongeneral Funds Distributions/Direct Receipts: | | | | |
| Refund Fund | | | | |
| Personal Income Tax | (\$329) | (\$221) | (\$108) | 48.9% |
| Corporate Income Tax | (56) | (22) | (34) | 154.5% |
| LGDF--Direct from PIT | (196) | (135) | (61) | 45.2% |
| LGDF--Direct from CIT | (22) | (9) | (13) | 144.4% |
| Downstate Pub/Trans--Direct from Sales | (61) | (49) | (12) | 24.5% |
| Subtotal General Funds | \$5,232 | \$3,511 | \$1,721 | 49.0% |
| Treasurer's Investments | \$0 | \$0 | \$0 | N/A |
| Interfund Borrowing | \$0 | \$0 | \$0 | N/A |
| Short Term Borrowing [MLF] | \$0 | \$0 | \$0 | N/A |
| Total General Funds | \$5,232 | \$3,511 | \$1,721 | 49.0% |

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

1-Feb-22

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2022 vs. FY 2021

(\$ million)

| Revenue Sources | FY 2022 | FY 2021 | \$ CHANGE | % CHANGE |
|--|-----------------|-----------------|------------------|--------------|
| State Taxes | | | | |
| Personal Income Tax | \$14,541 | \$13,846 | \$695 | 5.0% |
| Corporate Income Tax (regular) | 3,033 | 1,977 | 1,056 | 53.4% |
| Sales Taxes | 6,420 | 5,548 | 872 | 15.7% |
| Public Utility Taxes (regular) | 419 | 419 | 0 | 0.0% |
| Cigarette Tax | 150 | 168 | (18) | -10.7% |
| Liquor Gallonage Taxes | 117 | 111 | 6 | 5.4% |
| Vehicle Use Tax | 23 | 20 | 3 | 15.0% |
| Inheritance Tax | 347 | 281 | 66 | 23.5% |
| Insurance Taxes and Fees | 195 | 282 | (87) | -30.9% |
| Corporate Franchise Tax & Fees | 130 | 215 | (85) | -39.5% |
| Interest on State Funds & Investments | 8 | 42 | (34) | -81.0% |
| Cook County IGT | 56 | 56 | 0 | 0.0% |
| Other Sources | 168 | 115 | 53 | 46.1% |
| Subtotal | \$25,607 | \$23,080 | \$2,527 | 10.9% |
| Transfers | | | | |
| Lottery | \$466 | \$426 | \$40 | 9.4% |
| Riverboat transfers & receipts | 107 | 0 | 107 | N/A |
| Proceeds from Sale of 10th license | 0 | 0 | 0 | N/A |
| Refund Fund transfer | 242 | 281 | (39) | -13.9% |
| Other | 594 | 262 | 332 | 126.7% |
| Total State Sources | \$27,016 | \$24,049 | \$2,967 | 12.3% |
| Federal Sources | \$3,220 | \$3,057 | \$163 | 5.3% |
| Total Federal & State Sources | \$30,236 | \$27,106 | \$3,130 | 11.5% |
| Nongeneral Funds Distributions/Direct Receipts: | | | | |
| Refund Fund | | | | |
| Personal Income Tax | (\$1,345) | (\$1,246) | (\$99) | 7.9% |
| Corporate Income Tax | (455) | (277) | (178) | 64.3% |
| LGDF--Direct from PIT | (800) | (764) | (36) | 4.7% |
| LGDF--Direct from CIT | (177) | (117) | (60) | 51.3% |
| Downstate Pub/Trans--Direct from Sales | (293) | (175) | (118) | 67.4% |
| Subtotal General Funds | \$27,166 | \$24,527 | \$2,639 | 10.8% |
| Treasurer's Investments | \$0 | \$400 | (\$400) | N/A |
| Interfund Borrowing | \$0 | \$0 | \$0 | N/A |
| Short Term Borrowing [MLF] | \$0 | \$1,998 | (\$1,998) | N/A |
| Total General Funds | \$27,166 | \$26,925 | \$241 | 0.9% |
| CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding | | | | 1-Feb-22 |