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MONTHLY BRIEFING

For the Month Ended: FEBRUARY 2024

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PHONE: 217/782-5320

Economy: Long and Bumpy Path

Benjamin L. Varner, Chief Economist

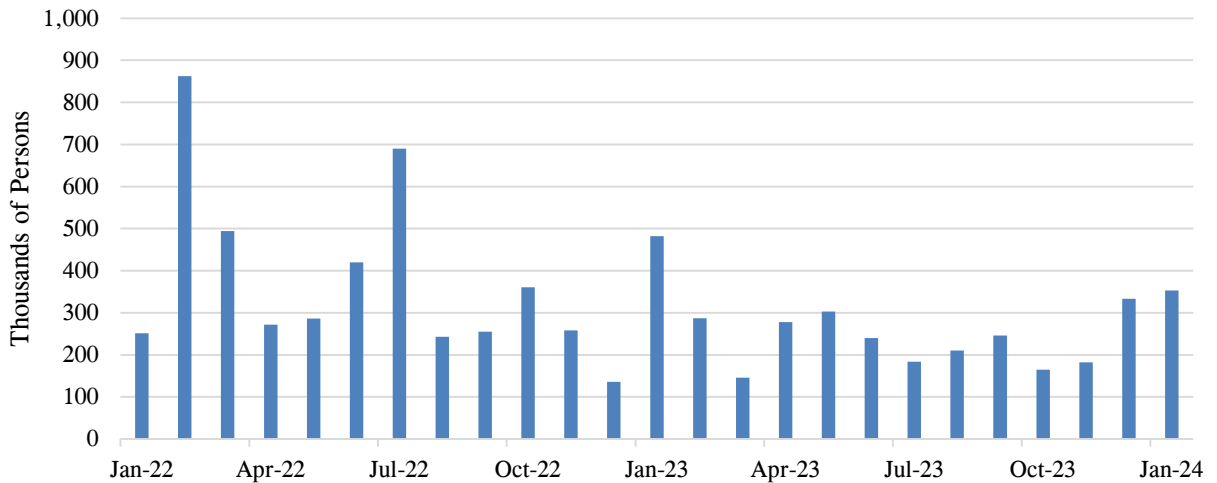
February's economic results show the truth of Federal Reserve Chair Jerome Powell's statement from October of 2023, "... the path is likely to be bumpy and take some time..." Powell said these words in a speech at an Economic Club of New York Luncheon in New York City discussing current economic conditions and the fight to lower inflation. At the time, inflation data had been improving in recent months but he noted that, "We cannot yet know how long these lower readings will persist, or where inflation will settle over coming quarters." February's economic data began with a stellar month of employment data including upward revisions to previous months. However, this was followed by new inflation data that put a bit of a damper on the growing enthusiasm about the economy. This flare up in inflation in January led to the market reassessing the most likely path the Federal Reserve will take regarding monetary policy.

The Bureau of Labor Statistics announced that total nonfarm payroll employment rose 353,000 on a seasonally adjusted basis in January. In addition to that, the December results were revised up from 216,000 to 333,000, an upward revision of 117,000. December and January saw the largest monthly growth since January of 2023.

The national unemployment rate stood at 3.7% in January of 2024. This is up from the 50-year low of 3.4% seen in January of 2023 but remains at historically low levels. Forecasters project the national unemployment rate will climb to around 4.0% during 2024. Illinois' unemployment rate had fallen to 4.0% over the summer of 2023, which was a little above the historic lows seen just prior to the COVID-19 pandemic. However, since then, the

MONTHLY CHANGE IN TOTAL U.S. NONFARM PAYROLLS

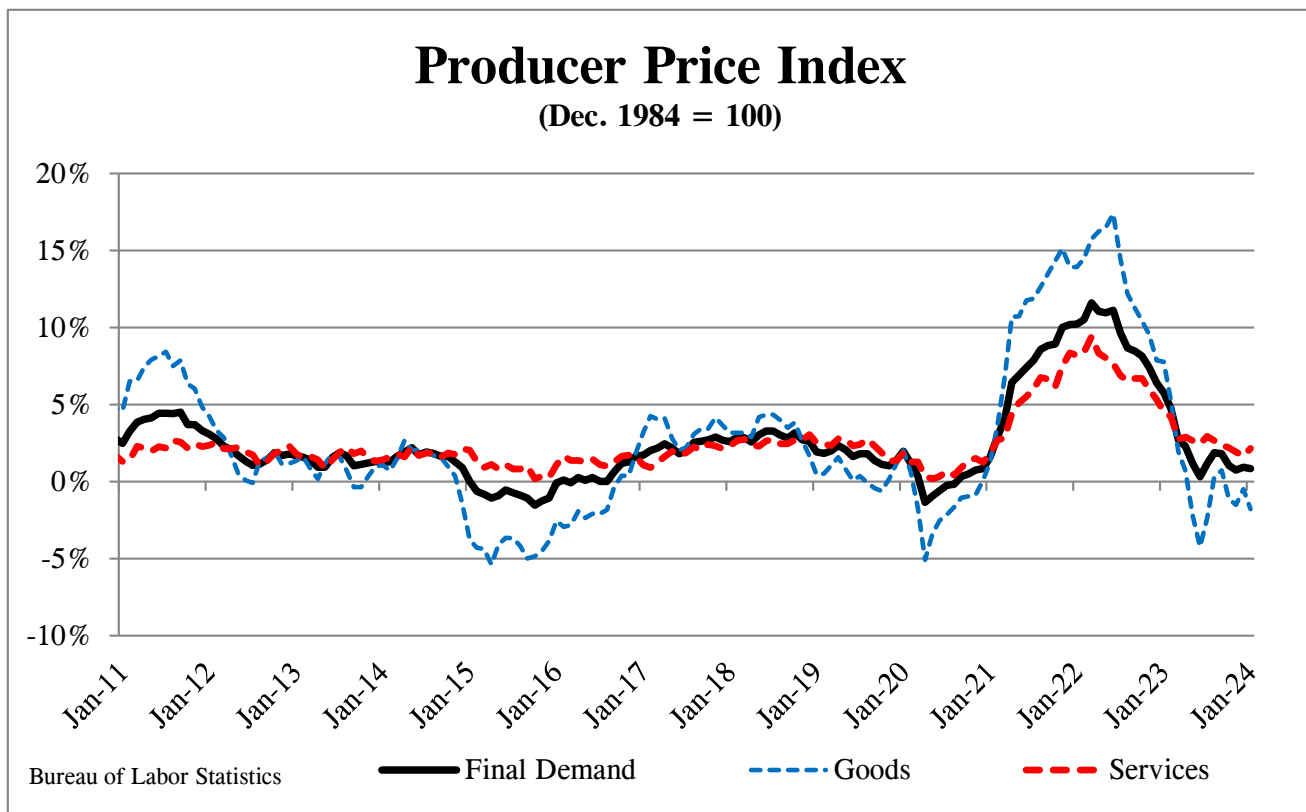
Seasonally Adjusted



U.S. Bureau of Labor Statistics, FRED

unemployment rate in the State has risen. In December of 2023, Illinois' seasonally-adjusted unemployment rate stood at 4.8%, which was tied for 4th highest in the nation with New Jersey. Only California, the District of Columbia, and Nevada had higher unemployment rates. Illinois' unemployment has consistently been about 0.5% to 1.0% above the national rate over the past twenty years. At the state level, the household survey on employment, which is used to calculate the unemployment rate, has shown signs of weakness in Illinois since last summer, while the establishment survey, which is based on payroll data, has remained more encouraging.

The strong start of the month regarding employment was followed by less than stellar inflation releases. The Consumer Price Index (CPI) grew 0.3% month-over-month in January which was higher than expected. On a 12-month basis, CPI was at 3.1%, which was down from 3.4% in December, but still above targeted levels. Economists surveyed by Dow Jones had been looking for a monthly increase of 0.2% and an annual gain of 2.9%. Prices related to shelter were the driving force behind this growth. Core CPI, which excludes food and energy and which are some of the more volatile categories, is up 3.9% compared to 2023. Inflation in the Chicago area had been somewhat below the nation as a whole since last summer but has actually risen above it in the last two months. CPI for the Chicago-Naperville-Elgin area stood at 3.3% in January, which was up from a little over 2% in the summer of 2023. Core CPI for Chicago matched the U.S. at 3.9%.



Following the CPI announcement, the Producer Price Index (PPI) data for January was released three days later. The PPI measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products (and some services) and incorporates the wholesale sector. In January, the PPI for Final Demand rose 0.3% compared to December. This was the largest monthly jump since August. Once again, this was above expectations. This jump in prices was driven by a 0.6% monthly increase in services. Sales of goods was actually down -0.2% on a monthly basis. Despite the jump in monthly inflation, year-over-year inflation as measured by PPI remains low. The PPI for Final Demand is up only 0.9%. Similar to the monthly results, the annual results are being propelled by services which were up 2.2% compared to last year. The PPI for goods is down -1.8% year-over-year.

At the Federal Reserve’s meetings in December, the Fed’s economic forecasters indicated through their forecasts for the projected path of the federal funds rate that they would be loosening their monetary policy during 2024. Prior to the high inflation data in January, the expectation was that the Fed would begin lowering interest rates as early as the Fed’s March meeting based on 30-day Fed Funds future market pricing. After the monthly inflation jump in January, this expectation has been pushed back to June. This new timeframe is likely more in line with Fed thinking based on the minutes of the January Fed meeting that were released recently. In the transcript it was noted that “... they did not expect it would be appropriate to reduce the target range for the federal funds rate until they had gained greater confidence that inflation was moving sustainably toward 2 percent.” It is unlikely that January’s inflation results made the Fed “gain greater confidence” that inflation was moving towards its targeted goal of 2%.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

INDICATORS*	LATEST MONTH	PRIOR MONTH	A YEAR AGO
Unemployment Rate (Average) (Dec.)	4.8%	4.7%	4.6%
Inflation in Chicago (12-month percent change) (Jan.)	3.3%	3.4%	5.4%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (Dec.)	6,465.9	0.0%	-0.1%
Employment (thousands) (Dec.)	6,155.7	0.0%	-0.3%
Nonfarm Payroll Employment (Dec.)	6,149,400	-1,200	57,800
New Car & Truck Registration (Jan.)	36,710	14.5%	18.7%
Single Family Housing Permits (Jan.)	478	-26.1%	29.2%
Total Exports (\$ mil) (Dec.)	6,773.9	2.7%	2.0%
Chicago Purchasing Managers Index (Feb.)	44.0	-4.3%	0.9%

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

Overview of Gaming Related Revenues in CY 2023

Robin Thompson, Revenue Analyst

Calendar Year 2023 marked many distinct changes for gaming related revenues within Illinois. Most notably, many of the components of the gaming expansion package that was enacted in 2019 (P.A. 101-0031) are starting to take effect. This includes the continuing implementation of sports wagering in Illinois, an expansion of Illinois' video gaming industry, and the development of new casinos across the state. While some of the major components of this expansion are still yet to materialize, such as the opening of the 4,000-position permanent Chicago Casino, the activity that has taken place was the impetus behind the 11.4% increase in taxable revenues from gaming-related sources in CY 2023.

For example, the adjusted gross receipts (AGR) of Illinois' casinos grew 12.8% in CY 2023. Much of the reason for this is due to the opening of four new casinos in CY 2023 (Chicago, Danville, Waukegan, and Carterville). In addition, Rockford completed its first full year of operations and Des Plaines was able to take advantage of its increase in gaming positions (from 1,200 to 2,000) to help the adjusted gross receipts total in Illinois grow from \$1.349 billion in CY 2022 to \$1.521 billion in CY 2023. The Net Terminal Income from the over 47,000 video gaming terminals across Illinois boosted its revenue totals from \$2.710 billion in CY 2022 to \$2.884 billion in CY 2023, an increase of 6.4%. This growth is part due to the 2019 change raising the maximum number of terminals eligible for placement in a single location, raising the maximum wager per hand, and allowing video gaming terminals at the Illinois State Fair. Sports Wagering, now in its fourth fiscal year of operations, grew 26.2% in CY 2023, increasing its AGR totals from \$794 million to \$1.002 billion. In total, gaming related revenues in Illinois increased from \$4.853 billion to \$5.408 billion in CY 2023, while tax revenues from these sources grew from \$1.403 billion to \$1.540 billion.

The following paragraphs provide a closer look at each gaming source's CY 2023 performance.

Casinos

The overall AGR of Illinois casinos increased by 12.8% in CY 2023 – indicating a substantial level of growth from the previous year. Although, it should be noted that some of the elevated AGR numbers in CY 2023 can be attributed to both the opening of the Danville and Carterville casinos, as well as the temporary Waukegan and Chicago casinos. The highest generator of adjusted gross receipts in Illinois continues to be Des Plaines' Rivers Casino, with a CY 2023 AGR total of \$538.7 million. While the CY 2023 AGR total of \$1.521 billion is a 10-year high, this total remains below historical levels seen before the proliferation of Illinois' video gaming industry.

Many Illinois casinos are in the process of transitioning from temporary locations to permanent facilities. At the time of this publication Rockford, Waukegan, the City of Chicago, and the South Suburbs are in the process of building a permanent casino. Once these casinos are built, the expanded gaming positions should provide a notable bump in casino AGR figures in future years.

ADJUSTED GROSS RECEIPTS OF ILLINOIS CASINOS								
<i>\$ IN MILLIONS</i>	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	1-Yr.	Dec. '23	AGR/
	AGR	AGR	AGR	AGR	AGR	Change	Positions	Pos/Day
ALTON ARGOSY - Alton	\$39.0	\$17.3	\$31.7	\$31.4	\$34.3	9.1%	503	\$187
HOLLYWOOD - Aurora	\$114.6	\$48.7	\$95.2	\$99.4	\$97.6	-1.8%	938	\$285
WALKER'S BLUFF - Carterville	\$0.0	\$0.0	\$0.0	\$0.0	\$10.7	N/A	658	\$44
BALLY'S - Chicago	\$0.0	\$0.0	\$0.0	\$0.0	\$30.4	N/A	1,012	\$82
GOLDEN NUGGET - Danville	\$0.0	\$0.0	\$0.0	\$0.0	\$22.1	N/A	504	\$120
RIVERS CASINO - Des Plaines	\$450.5	\$230.7	\$458.2	\$528.7	\$538.7	1.9%	1,999	\$738
PAR-A-DICE - E. Peoria	\$72.8	\$31.2	\$61.0	\$60.7	\$63.5	4.5%	598	\$291
CASINO QUEEN - E. St. Louis	\$99.5	\$39.5	\$70.6	\$79.5	\$79.7	0.3%	1,005	\$217
GRAND VICTORIA - Elgin	\$156.0	\$71.1	\$143.3	\$154.4	\$150.1	-2.8%	913	\$451
HARRAH'S - Joliet	\$171.6	\$73.9	\$137.5	\$135.2	\$131.4	-2.8%	799	\$451
HOLLYWOOD - Joliet	\$115.6	\$47.1	\$82.2	\$87.1	\$91.3	4.9%	916	\$273
HARRAH'S - Metropolis	\$68.4	\$34.4	\$57.6	\$62.8	\$65.0	3.5%	632	\$282
BALLY'S - Rock Island	\$66.3	\$24.0	\$41.6	\$54.6	\$61.6	12.8%	936	\$180
HARD ROCK - Rockford	\$0.0	\$0.0	\$8.5	\$54.7	\$69.1	26.3%	577	\$328
AMERICAN PLACE - Waukegan	\$0.0	\$0.0	\$0.0	\$0.0	\$76.1	N/A	1,092	\$191
TOTALS	\$1,354.4	\$617.8	\$1,187.3	\$1,348.7	\$1,521.5	12.8%	13,082	\$319
CHICAGO REGION TOTALS	\$1,008.4	\$471.5	\$916.4	\$1,004.9	\$1,115.6	11.0%	5,558	\$550
ST. LOUIS REGION TOTALS	\$138.5	\$56.7	\$102.3	\$111.0	\$114.0	2.7%	2,502	\$125

Source: Illinois Gaming Board

Video Gaming

In CY 2023, video gaming revenues grew moderately from the historic high recorded during the previous year. Net terminal income levels were documented as rising a total of 6.4% from \$2.701 billion to \$2.884 billion; resulting in tax revenues of \$981 million, of which \$837 million went to the Capital Projects Fund and \$144 million went to local governments.

There are several factors likely driving this growth: the legislative changes resulting from P.A. 101-0031 (as mentioned earlier in this article), continued expansion into municipalities that had previously banned video gaming, and economic conditions favorably impacting bettors.

Illinois Video Gaming Statistics by Calendar Year						
Fiscal Year	Terminals in Operation at end of CY	Net Terminal Income (\$ in mil)	NTI per Terminal per Day	Tax Revenue* (\$ in mil)	State Share of Total* (\$ in mil)	Local Share of Total* (\$ in mil)
CY 2014	19,182	\$659.5	\$94.20	\$197.9	\$164.9	\$33.0
CY 2015	22,135	\$913.6	\$113.08	\$274.1	\$228.4	\$45.7
CY 2016	24,840	\$1,108.1	\$122.22	\$332.4	\$277.0	\$55.4
CY 2017	28,271	\$1,302.8	\$126.25	\$390.8	\$325.7	\$65.1
CY 2018	30,694	\$1,500.0	\$133.89	\$450.0	\$375.0	\$75.0
CY 2019	33,294	\$1,676.7	\$137.97	\$528.2	\$444.4	\$83.8
CY 2020**	37,159	\$1,134.4	\$117.87	\$381.9	\$325.2	\$56.7
CY 2021**	41,826	\$2,474.9	\$192.74	\$841.4	\$717.7	\$123.7
CY 2022	45,008	\$2,710.3	\$164.98	\$895.0	\$786.0	\$135.5
CY 2023	47,047	\$2,884.3	\$167.96	\$980.7	\$836.5	\$144.2

* Prior to July 1, 2019, tax imposed on video gaming net terminal income was at 30% in which 5/6 of the tax revenues went to the Capital Projects Fund and the remaining 1/6 went to local governments. Beginning on July 1, 2019, an additional tax of 3% began, bringing the tax to 33%. On July 1, 2020, the tax increased to 34%. Revenues from the additional tax are to be deposited into the Capital Projects Fund.

**Due to COVID-19, play was suspended between March 16th and June 30th of 2020 and then again from November 19th thru January 15, 2021. After January 15, 2021, play was allowed to resume in a region once its region met certain COVID-19 guidelines.

Sports Wagering

The following table provides an overview of Illinois' sports wagering statistics in its first four years of operation. As shown, over 836 million wagers have been made during this time. More than \$30.2 billion in bets have been handled with almost \$27.8 billion in payouts. This resulted in nearly \$2.5 billion in adjusted gross receipts from sports wagering, thereby generating approximately \$367 million in tax revenues.

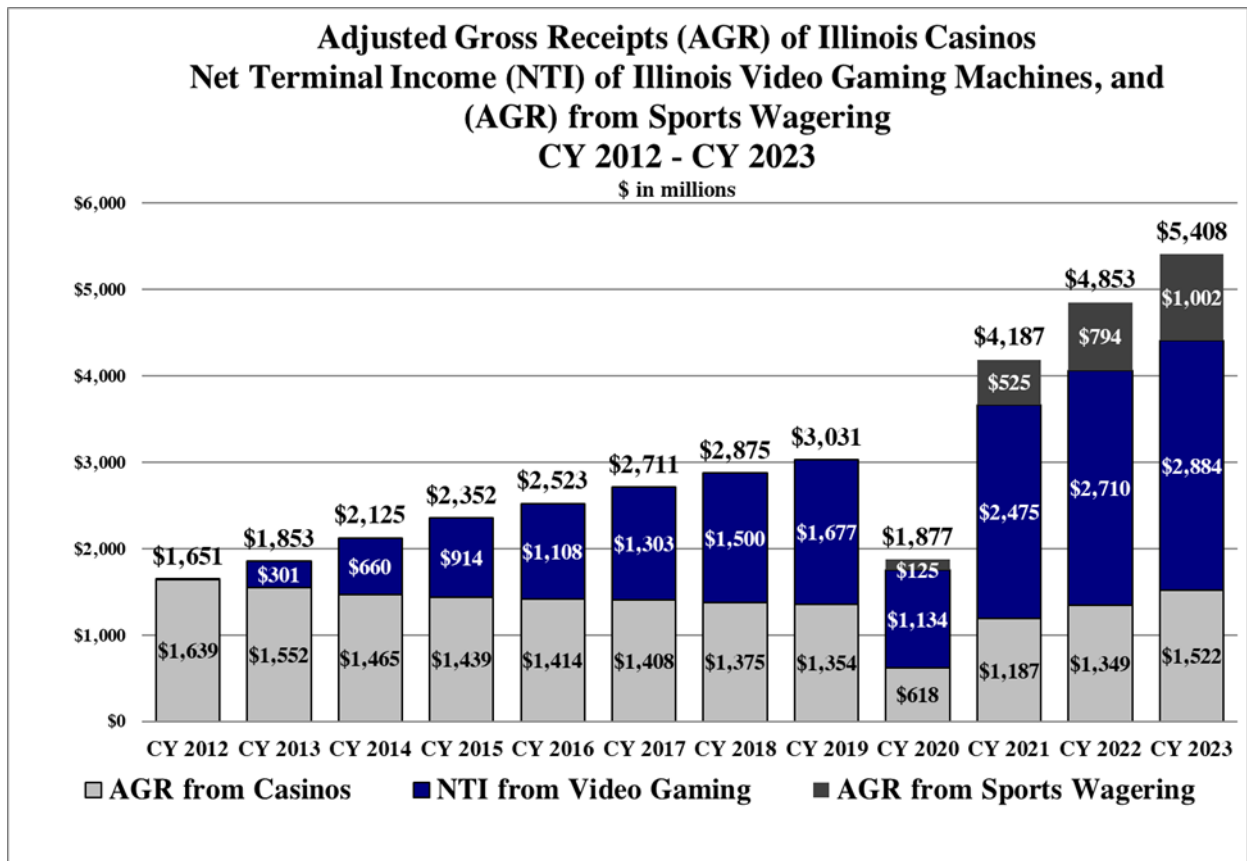
The 26.2% AGR increase between CY 2022 and CY 2023, from \$794 million to \$1.002 billion, is a result of several factors – the most significant being the substantial advertising effort to drive further sports betting activity. A more detailed look at the components of the rise in sports wagering figures are provided in the Commission's *Wagering in Illinois 2023 Update*. In CY 2023, \$150 million in tax revenues were generated from sports wagering, the proceeds of which primarily go to the Capital Projects Fund.

ILLINOIS SPORTS WAGERING STATISTICS BY CALENDAR YEAR					
<i>\$ in millions</i>					
Fiscal Year	Wagers	Handle	Payout	AGR	Tax Revenue
CY 2020	52,167,874	\$1,871	\$1,745	\$125	\$19
CY 2021	188,919,374	\$7,012	\$6,488	\$525	\$79
CY 2022	270,670,993	\$9,739	\$8,945	\$794	\$119
CY 2023	324,454,897	\$11,613	\$10,611	\$1,002	\$150
Total	836,213,138	\$30,236	\$27,789	\$2,446	\$367

Source: Illinois Gaming Board

Overview

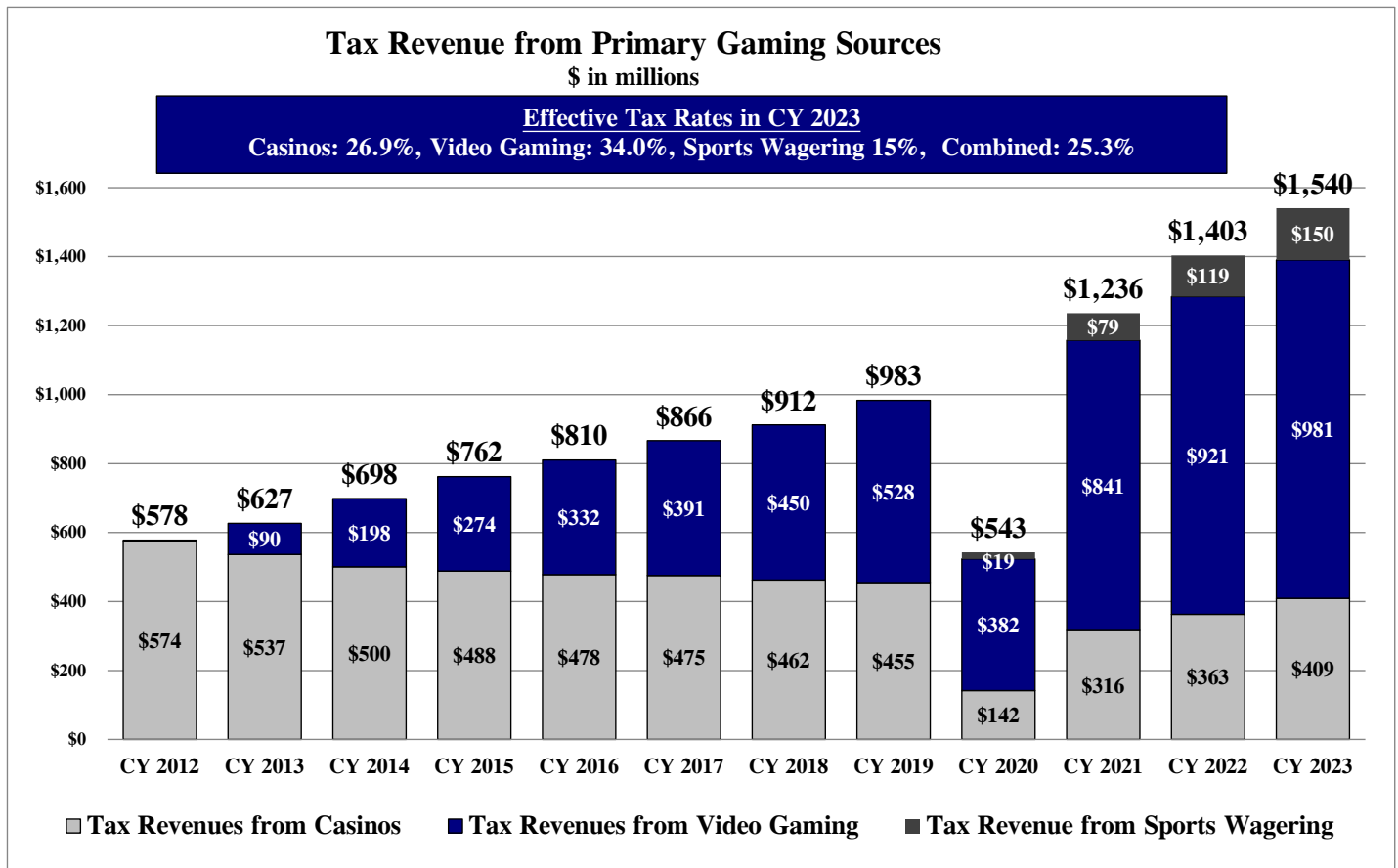
Since video gaming was implemented in CY 2012, the AGR from established casinos has been on a downward trend. While the recent opening of new casinos had disrupted this trend, the CY 2023 AGR total remains 7.1% below the CY 2012 AGR total. However, when combined with other sources, overall wagering revenues are up 227.6% during this time period (from \$1.651 billion in CY 2012 to \$5.408 billion in CY 2023) and are up 11.4% over the last year. The decline of casino AGR totals in recent years indicates a cannibalization effect has developed as a result of the increase in gaming competition. However, the proliferation of video gaming across the state, along with the other additional gambling dollars brought in from sports wagering and new casinos, has more than offset the established casino declines.



From a tax revenue perspective, the annual tax receipts collected from Illinois casinos has dropped 28.8% since video gaming was implemented in CY 2012. This is due to both the previously mentioned cannibalization effect, as well as the reduced tax structure that was put into place by P.A. 101-0031. However, when combining casino tax revenues with video gaming and sports wagering tax revenues, overall tax revenues grew from \$578 million in CY 2012 to \$1.540 billion in CY 2023, an increase of 166.4%. The current figure of \$1.540 billion represents a 9.8% increase over the tally of \$1.403 billion in CY 2022.

Due to differences in tax rate structure between the various forms of wagering, each wagering category contributes a different level of tax contribution to the State. Casinos follow a graduated tax structure system where they are assigned tax rates for table games and electronic gaming devices depending on the total AGR received (the Chicago casino follows a slightly different privilege tax structure). Therefore, the effective tax rate of 26.9%, as shown in the chart below, represents an average effective tax rate for all of Illinois’ casinos. This is in contrast to video gaming and sports wagering, which are both given a flat tax rate of 34.0% and 15.0% on net terminal income and sports wagering AGR, respectively.

Illinois tax revenue is likely to grow higher as more components of P.A. 101-0031 are implemented over the next several calendar years.



Revenues Rebound Nicely in February

Eric Noggle, Revenue Manager

After experiencing a significant, yet expected, drop in revenues last month due to the timing of a FY 2023 revenue transfer, revenues deposited into the State's General Fund rose 11.7% in February. While February is, historically, one of the weaker revenue months of the year, the \$362 million increase this month provides a welcomed revenue boost to State coffers as Illinois heads into the larger revenue months involving the volatile income tax final payment season. This month benefitted from an extra receipting day thanks to Leap Day.

A large segment of the gains this month come from income taxes. Personal Income Tax receipts grew \$123 million this month as compared to last February. On a net basis, when removing distributions to the Refund Fund and the Local Government Distributive Fund, the growth was \$101 million. Corporate Income Tax revenues also performed well, growing a little over 19%, though, the gains totaled only \$24 million [+ \$19 million on a net basis] in a relatively minor receipting month. Sales Tax receipts were basically flat for the month. While the revenue source increased \$5 million on a gross basis, a net decline of \$1 million resulted when adjusting for distributions to the Road Fund and certain transportation funds.

The performance of All Other State Sources was mixed. Collectively, this category of revenues fell \$23 million. However, this drop is mainly due to the absence of Insurance Tax receipts this month, reportedly due to a temporary administrative disruption. The lack of these revenues effectively created a \$61 million hole for this source in February. Cigarette Tax receipts were also \$3 million lower. For the first time in many months, Interest on State Funds & Investments was actually lower than the previous year's monthly value (albeit a mere \$1 million drop) as the interest rates from a year ago are now nearing the levels seen throughout much of FY 2024. These declines were partially offset by a nice bounce back in Inheritance Tax receipts [+ \$19 million], notable growth from Other Sources [+ \$11 million] and the Corporate Franchise Tax [+ \$10 million], and a relatively minor gain in Liquor Taxes [+ \$2 million].

In the Transfers In category, revenues were a combined \$111 million higher. The growth here came from all of the primary transfer sources. Other Transfers were \$88 million higher due to a sizeable increase in Capital Projects Fund transfers to the General Revenue Fund. In addition, Lottery Transfers were up \$15 million for the month, casino-related Gaming Transfers were \$7 million higher, and Cannabis Transfers ticked up \$1 million.

The largest gains in February came from Federal Sources, which were up \$155 million for the month. There were no notable "one-time" revenues in February (this year or last year), so the General Funds Subtotal [Base] increase shown in the table on page 10 matches the bottom-line Total General Funds value of \$362 million.

FEBRUARY
FY 2023 vs. FY 2024
(\$ millions)

Revenue Sources	Feb. FY 2023	Feb. FY 2024	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$1,867	\$1,990	\$123	6.6%
Corporate Income Tax (regular)	124	148	24	19.4%
Sales Taxes	824	829	5	0.6%
Public Utility Taxes (regular)	79	79	0	0.0%
Cigarette Tax	16	13	(3)	-18.8%
Liquor Gallonage Taxes	11	13	2	18.2%
Inheritance Tax	25	44	19	76.0%
Insurance Taxes and Fees	61	0	(61)	-100.0%
Corporate Franchise Tax & Fees	13	23	10	76.9%
Interest on State Funds & Investments	53	52	(1)	-1.9%
Cook County IGT	94	94	0	0.0%
Other Sources	20	31	11	55.0%
Total State Taxes	\$3,187	\$3,316	\$129	4.0%
Transfers In				
Lottery	\$50	\$65	\$15	30.0%
Gaming	3	10	7	233.3%
Cannabis	9	10	1	11.1%
Refund Fund	0	0	0	N/A
Other	34	122	88	258.8%
Total Transfers In	\$96	\$207	\$111	115.6%
Total State Sources	\$3,283	\$3,523	\$240	7.3%
Federal Sources [base]	\$217	\$372	\$155	71.4%
Total Federal & State Sources	\$3,500	\$3,895	\$395	11.3%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$173)	(\$182)	(\$9)	5.2%
Corporate Income Tax	(18)	(\$21)	(3)	16.7%
Local Government Distributive Fund				
Personal Income Tax	(104)	(117)	(13)	12.5%
Corporate Income Tax	(7)	(9)	(2)	28.6%
Sales Tax Distributions				
Deposits into Road Fund	(43)	(51)	(8)	18.6%
Distribution to the PTF and DPTF	(72)	(70)	2	-2.8%
General Funds Subtotal [Base]	\$3,083	\$3,445	\$362	11.7%
Transfer of Excess PA 102-700 Funds to GRF	\$0	\$0	\$0	N/A
Prior Year Federal Matching Funds	\$0	\$0	\$0	N/A
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A
Total General Funds	\$3,083	\$3,445	\$362	11.7%

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

1-Mar-24

Year to Date

After last month's \$696 decline in overall receipts, General Funds Revenue totals fell from a year-over-year increase of \$753 million to growth of only \$56 million. However, February's overall increase of \$362 million has helped replenish these previous gains to an eight-month total growth value of \$418 million. As alluded to in previous monthly briefings, FY 2024's growth has benefitted from several one-time revenue items throughout the year including \$248 million in combined transfers from excess P.A. 102-700 funding [See January 2024 Monthly] and \$633 million in prior-year federal matching funds [See October 2023 Monthly]. When accounting for these items, as well as \$764 million in federal ARPA funds that did not recur in FY 2024, an overall year-to-date "base" increase of \$301 million results (see the tables on page 12 and page 13).

The Personal Income Tax continues to see the largest year-over-year revenue growth this fiscal year. When including February's increase, these tax receipts are now up \$925 million [or +\$755 million on a net basis]. The growth in Corporate Income Tax receipts this month helped improve its year-over-year decline to -\$225 million [or -\$163 million net]. As alluded to throughout the year, the extent of this decline is a little misleading as the majority of these reductions are related to a "true-up" adjustment of business-related tax payments (which have effectively boosted Personal Income Tax receipts). Without these adjustments, Corporate Income Tax revenues are essentially flat for the fiscal year. Sales Tax revenues have stagnated in recent months, but have remained in positive territory thanks to gains in the first half of the fiscal year. With one-quarter of FY 2024 remaining, Sales Tax receipts are up \$115 million [or +\$45 million on a net basis].

The decline this month in All Other State Sources, again mainly due to the lack of Insurance Tax dollars in February, has eaten into its year-to-date gains to lower the category's growth to \$150 million. Insurance Taxes are now \$56 million behind last year's pace, though, this should improve significantly next month when these revenues are made up. Continuing to lead this category of revenues, despite its slight downtick this month, is Interest on State Funds & Investments, which is now \$229 million higher through February. Inheritance Tax receipts bounced back from its weak January to increase its overall FY 2024 growth to \$71 million. The remaining sources in this category continue to have year-to-date declines including the Public Utility Taxes [-\$40 million]; Other Sources [-\$23 million]; the Cigarette Tax [-\$19 million]; the Corporate Franchise Tax [-\$11 million]; and the Liquor Tax [-\$1 million].

Despite this month's improvement, revenues from Transfers In through February are \$667 million behind last year's pace. As discussed in last month's briefing, this is mainly because the Income Tax Refund Fund transfer in FY 2024 was \$926 million lower than FY 2023's annual total. This sizeable decline has been offset, somewhat, by a \$160 million rise in Lottery Transfers and a \$105 million increase in Other Transfers. However, these gains have been also subdued by year-to-date declines in casino-related Gaming Transfers [-\$5 million] and Cannabis Transfers [-\$1 million].

With February's gains, Federal Sources are now up \$181 million when comparing "base" totals through the first two-thirds of the fiscal year. However, if including FY 2023's ARPA reimbursement

funds [-\$764 million] and FY 2024's one-time receipts from prior year Medicaid matching dollars [+\$633 million] received in October, overall Federal Sources are \$50 million above FY 2023's pace through February.

The Commission will be releasing its revised outlook for FY 2024 revenues and its projections for FY 2025 in mid-March. At that time, the Commission will compare its figures with the Governor's updated revenue projections which were released in the annual *Budget Book* on February 21st.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY				
<i>FY 2023 vs. FY 2024</i>				
<i>(\$ millions)</i>				
Revenue Sources	FY 2023	FY 2024	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$14,369	\$15,124	\$755	5.3%
Net Corporate Income Tax	\$2,984	\$2,821	(\$163)	-5.5%
Net Sales Tax	\$7,019	\$7,064	\$45	0.6%
All Other State Sources	\$2,203	\$2,353	\$150	6.8%
Transfers In	\$2,617	\$1,950	(\$667)	-25.5%
Federal Sources [base]	\$2,576	\$2,757	\$181	7.0%
Base General Funds	\$31,768	\$32,069	\$301	0.9%
<i>Transfer of Excess PA 102-700 Funds to GRF</i>	\$0	\$248	\$248	N/A
<i>Prior Year Federal Matching Funds</i>	\$0	\$633	\$633	N/A
<i>ARPA Reimb. for Essential Gov't Services</i>	\$764	\$0	(\$764)	-100.0%
Total General Funds	\$32,532	\$32,950	\$418	1.3%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				1-Mar-24

GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY

FY 2023 vs. FY 2024

(\$ millions)

<u>Revenue Sources</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$16,874	\$17,799	\$925	5.5%
Corporate Income Tax (regular)	3,747	3,522	(225)	-6.0%
Sales Taxes	7,745	7,860	115	1.5%
Public Utility Taxes (regular)	502	462	(40)	-8.0%
Cigarette Tax	153	134	(19)	-12.4%
Liquor Gallonage Taxes	125	124	(1)	-0.8%
Inheritance Tax	344	415	71	20.6%
Insurance Taxes and Fees	284	228	(56)	-19.7%
Corporate Franchise Tax & Fees	155	144	(11)	-7.1%
Interest on State Funds & Investments	204	433	229	112.3%
Cook County IGT	150	150	0	0.0%
Other Sources	286	263	(23)	-8.0%
Total State Taxes	\$30,569	\$31,534	\$965	3.2%
Transfers In				
Lottery	\$400	\$560	\$160	40.0%
Gaming	116	111	(5)	-4.3%
Cannabis	74	73	(1)	-1.4%
Refund Fund	1,481	555	(926)	-62.5%
Other	546	651	105	19.2%
Total Transfers In	\$2,617	\$1,950	(\$667)	-25.5%
Total State Sources	\$33,186	\$33,484	\$298	0.9%
Federal Sources [base]	\$2,576	\$2,757	\$181	7.0%
Total Federal & State Sources	\$35,762	\$36,241	\$479	1.3%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$1,561)	(\$1,629)	(\$68)	4.4%
Corporate Income Tax	(544)	(493)	51	-9.4%
Local Government Distributive Fund				
Personal Income Tax	(944)	(1,046)	(102)	10.8%
Corporate Income Tax	(219)	(208)	11	-5.0%
Sales Tax Distributions				
Deposits into Road Fund	(329)	(389)	(60)	18.2%
Distribution to the PTF and DPTF	(397)	(407)	(10)	2.5%
General Funds Subtotal [Base]	\$31,768	\$32,069	\$301	0.9%
Transfer of Excess PA 102-700 Funds to GRF	\$0	\$248	\$248	N/A
Prior Year Federal Matching Funds	\$0	\$633	\$633	N/A
ARPA Reimb. for Essential Gov't Services	\$764	\$0	(\$764)	-100.0%
Total General Funds	\$32,532	\$32,950	\$418	1.3%

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

1-Mar-24