



Commission on Government Forecasting and Accountability

703 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: JANUARY 2014

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LATEST PUBLICATIONS

January 2014: Illinois Tax Incentives

January 2014: Financial Condition of Chicago, Cook County & IL Municipal Retirement Fund Systems

ECONOMY: Expectations Dampen

Edward H. Boss, Jr., Chief Economist

Year-end 2013 caused many economic forecasters to go back to the drawing boards to adjust their outlook for the final quarter of the year, anxiously awaiting the New Year with high expectations. Even as 2014 got underway, however, the exuberance began to fade. A surprisingly strong advance report showing that GDP rose at a strong 4.1% annual rate in the final quarter of 2013 caused many prognosticators to raise their forecast for the first quarter of this year. Most forecasts at the time appear to have been in a range of 1.6% to 1.8% but were increased to a range of 2.5% to 3.5%. But almost as fast as they had raised their forecast levels, they began to have second thoughts.

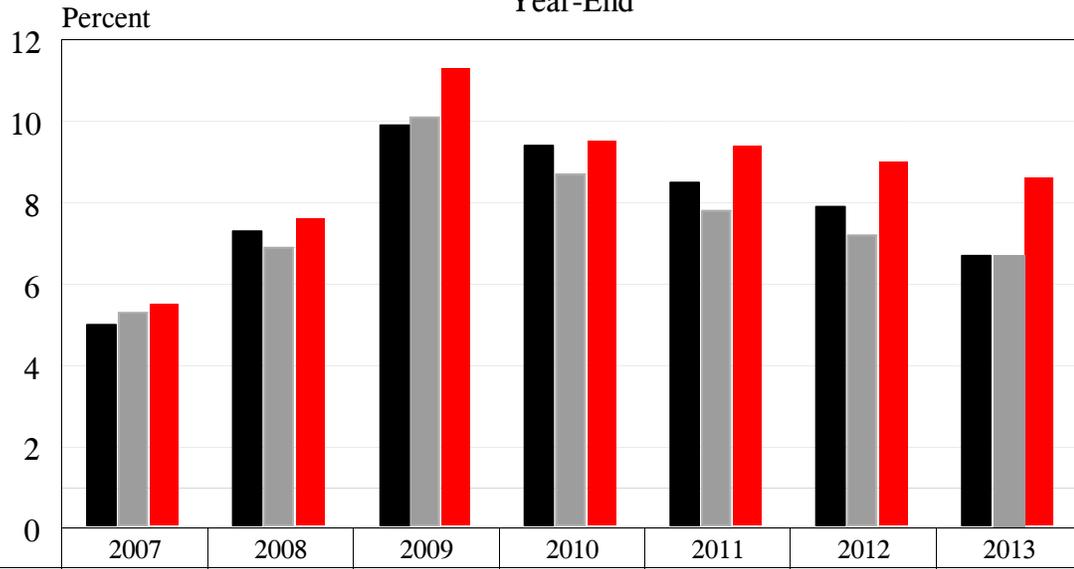
The earlier optimism surrounding the raising of growth expectations stemmed from a variety of sources, not the least of which was the bi-partisan budget agreement that averted a government shut down. At the same time, the stock market was soaring to record levels, consumer inflation remained well contained, the new Federal Reserve Chairman was approved and the course of monetary policy was clarified and removed one uncertainty overhanging the economy. Holiday sales started early and appeared strong, both housing and auto sales were improving, and the unemployment rate was falling.

While the U.S. economy showed signs of strengthening, improvement in economies abroad, emerging from what appeared to be in recession, coupled with increased energy production in the U.S. caused exports to rise while imports, particularly energy, weakened. With sequester limiting government outlays, and economic growth improving and the budget deficit lowered, it's no wonder that an aura of optimism emerged as 2013 came to an end.

CHART 1

COMPARATIVE UNEMPLOYMENT RATES

Year-End



The recent dampening in enthusiasm may well reflect developments that surfaced in reports in the past month. On the government front, while the bipartisan agreement on the budget eased some fiscal concerns, approval of extending unemployment claims for the long-term unemployed were not a part of the deal. Thus, about 1 million of these long-term unemployed had benefits end at the end of December. Moreover, there is still concern over extending the debt limit which will come up late in February. It is not only government concerns, however, that are dampening expectations; business reports also took on a less positive tone.

Since the consumer accounts for the largest segment of GDP, at more than two-thirds, developments here are crucial. Holiday sales rose 3.8%,

greater than the 3.5% last year according to the National Retail Federation, but this was slightly below its forecast of a 3.9% gain, which several forecasters thought was low, and less than the 5.5% and 5.6%, respectively in 2011 and 2012. Total retail sales rose 4.2% in 2013 aided by strong auto sales with non-auto sales up a lesser 3.2%. Still, future sales may well depend on consumer attitudes and here there are some early signs of softening.

After reaching a record high in December, the stock market lost more than 4% by late January. While many had expected a correction, much will depend on its performance in the weeks and months ahead to judge whether the drop develops into anything more severe. The preliminary reading

by the University of Michigan's Consumer Sentiment Index edged down to 80.4 in January from a recent high of 82.5 in December. Another indicator of consumer spending may be representative by a falloff in state sales tax receipts in a monthly survey done by ISI (INTERNATIONAL STRATEGY & INVESTMENT) to which the Commission contributes. In November, the latest data at this writing, the index for sales tax receipts had fallen for two consecutive months to a level of 50.9, the lowest reading since last July. Still, the biggest concern to growth continues to be found in the labor markets.

As shown in the following chart, the nation's unemployment rate fell to 6.7% at last year's end, the lowest level since late 2008. Yet, the apparent good

news was not well received when one went behind the makeup of the numbers. Nonfarm payroll employment rose by a mere 74,000 in December, a far cry from the 241,000 in November and the labor force participation rate fell to its lowest level in 36 years. A colder than normal December may have overwhelmed the seasonal factor even though the data are adjusted for seasonal variation. Since weather throughout most of the nation was substantially worse in January, it does not hold out much hope for next month's report. Finally, there have been large disparities as to the employment picture by State and here Illinois does not compare well to either the nation or in the Midwest. Moreover, the gap between the comparisons has grown larger.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS</u> *	<u>DEC. 2013</u>	<u>NOV. 2013</u>	<u>DEC. 2012</u>
Unemployment Rate (Average)	8.6%	8.7%	8.6%
Annual Rate of Inflation (Chicago)	-4.0%	-3.8%	0.5%
—————			
	<u>LATEST</u>	<u>% CHANGE</u>	<u>% CHANGE</u>
	<u>MONTH</u>	<u>OVER PRIOR</u>	<u>OVER A</u>
		<u>MONTH</u>	<u>YEAR AGO</u>
Civilian Labor Force (thousands) (December)	6,538	0.2%	-1.2%
Employment (thousands) (December)	5,973	0.3%	-1.2%
New Car & Truck Registration (December)	45,565	10.6%	9.9%
Single Family Housing Permits (December)	606	-28.0%	12.2%
Total Exports (\$ mil) (November)	5,925	-6.8%	8.8%
Chicago Purchasing Managers Index (January)	59.6	0.0%	7.1%

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

Illinois Employment and Wage Update

Eric Noggle, Senior Revenue Analyst

With 2013 now complete, the following section takes a look at Illinois' employment situation and how Illinois' latest job figures compare with the rest of the nation. The latest figures (December 2013) from the Bureau of Labor Statistics places Illinois' seasonally

adjusted unemployment rate at 8.6%, which remains significantly higher than the U.S. rate of 6.7%. Illinois currently has the third highest unemployment rate in the nation (or 49th overall, when including the District of Columbia). Only Nevada (8.8%) and Rhode Island (9.1%) have a higher rate than Illinois.

December 2013 Unemployment Rates (Seasonally Adjusted) for States and Historical Highs/Lows						
NATIONAL RATE = 6.7%						
State	Dec. 2013 Rate	Rate Ranking	Historical High Date	Historical High Rate	Historical Low Date	Historical Low Rate
Alabama	6.1	20	Dec. 1982	14.3	Apr. 2007	3.2
Alaska	6.4	27	June 1986	11.5	May 2013	5.9
Arizona	7.6	42	Jan. 1983	11.6	July 2007	3.5
Arkansas	7.4	39	July 1983	10.1	Nov. 2000	4.0
California	8.3	47	Oct. 2010	12.4	Jan. 2001	4.7
Colorado	6.2	22	Nov. 2010	9.1	Jan. 2001	2.6
Connecticut	7.4	39	Dec. 2010	9.4	Oct. 2000	2.1
Delaware	6.2	22	Dec. 1976	9.3	Feb. 1989	2.8
District of Columbia	8.1	46	Feb. 1983	11.6	May 1989	4.8
Florida	6.2	22	Mar. 2010	11.4	Aug. 2006	3.3
Georgia	7.4	39	Jan. 2010	10.4	Dec. 2000	3.3
Hawaii	4.5	8	Jan. 1976	9.9	Dec. 2006	2.3
Idaho	5.7	15	Feb. 1983	9.6	Mar. 2007	2.7
Illinois	8.6	49	Feb. 1983	12.9	Feb. 1999	4.2
Indiana	6.9	31	Jan. 1983	12.7	Apr. 1999	2.6
Iowa	4.2	5	Mar. 1983	8.6	Oct. 1999	2.5
Kansas	4.9	10	Aug. 2009	7.5	Apr. 1979	3.0
Kentucky	8.0	44	Jan. 1983	12.0	June 2000	4.1
Louisiana	5.7	15	Nov. 1986	12.8	July 2006	3.6
Maine	6.2	22	Jan. 1977	9.0	Jan. 2001	3.1
Maryland	6.1	20	Nov. 1982	8.4	Feb. 2008	3.3
Massachusetts	7.0	34	Jan. 1976	11.1	Oct. 2000	2.6
Michigan	8.4	48	Dec. 1982	16.8	Mar. 2000	3.3
Minnesota	4.6	9	Dec. 1982	9.1	Mar. 1999	2.5
Mississippi	8.0	44	Apr. 1983	13.5	Apr. 2001	4.9
Missouri	5.9	17	Feb. 1983	10.6	Jan. 2000	2.8
Montana	5.2	12	Mar. 1983	8.8	Dec. 2006	3.1
Nebraska	3.6	2	Feb. 1983	6.7	Feb. 1998	2.2
Nevada	8.8	50	Oct. 2010	14.0	Apr. 2000	3.8
New Hampshire	5.1	11	Sept. 1992	7.6	May 1987	2.1
New Jersey	7.3	38	Dec. 1976	10.7	July 2000	3.6
New Mexico	6.4	27	Mar. 1983	10.0	June 2007	3.4
New York	7.1	36	Nov. 1976	10.3	Apr. 1988	4.0
North Carolina	6.9	31	Feb. 2010	11.3	Mar. 1999	3.1
North Dakota	2.6	1	Feb. 1983	6.8	Dec. 2013	2.6
Ohio	7.2	37	Jan. 1983	13.9	Jan. 2001	3.8
Oklahoma	5.4	14	June 1983	9.2	Dec. 2000	2.8
Oregon	7.0	34	Jan. 1983	12.1	Feb. 1995	4.7
Pennsylvania	6.9	31	Mar. 1983	12.9	Mar. 2000	4.0
Rhode Island	9.1	51	Feb. 2010	11.9	July 1988	2.9
South Carolina	6.6	29	Jan. 2010	11.9	Mar. 1998	3.2
South Dakota	3.6	2	Feb. 1983	6.0	Mar. 2000	2.5
Tennessee	7.8	43	Jan. 1983	12.8	May 2000	3.9
Texas	6.0	19	Nov. 1986	9.3	Jan. 2001	4.2
Utah	4.1	4	Mar. 1983	10.0	Mar. 2007	2.4
Vermont	4.2	5	Jan. 1976	8.8	Apr. 2000	2.4
Virginia	5.2	12	Jan. 1983	7.8	Dec. 2000	2.2
Washington	6.6	29	Nov. 1982	12.2	May 2007	4.4
West Virginia	5.9	17	Mar. 1983	18.1	Mar. 2008	3.9
Wisconsin	6.2	22	Jan. 1983	11.5	Feb. 2000	3.0
Wyoming	4.4	7	Jan. 1987	9.1	Apr. 1979	2.3

Note: The December 2013 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>

The latest employment data (non-farm, seasonally adjusted) show that there were approximately 5.835 million people employed in Illinois in December 2013. This is an improvement of 1.1% over December 2012 and ranks Illinois 31st in the nation in terms of a state's employment change between December 2012 and December 2013. Illinois' job

totals are 3.4% higher than they were three years ago (ranking Illinois 31st). However, compared to five years ago, Illinois still has fewer jobs than it did in December 2008. In fact, the five year change of -0.3% ranks Illinois as 40th in the nation in terms of a state's employment change between December 2008 and December 2013. These national rankings can be seen below.

Total Nonfarm Employment Year-Over-Year Change (Year over Year Comparisons are Compared to December 2013 Data) (Employment Values in thousands)							
	Current Value (Dec 2013)	Current Value vs. 1-Year Ago	Ranking of Change	Current Value vs. 3-Years Ago	Ranking of Change	Current Value vs. 5-Years Ago	Ranking of Change
Alabama	1,894.9	0.6%	44	1.2%	50	-3.0%	50
Alaska	333.1	-0.7%	51	1.8%	47	3.2%	5
Arizona	2,537.6	2.0%	7	6.0%	5	-0.1%	39
Arkansas	1,193.5	1.1%	32	2.4%	43	0.4%	34
California	14,767.8	1.6%	17	5.4%	9	0.9%	30
Colorado	2,379.7	1.9%	10	6.6%	4	2.6%	9
Connecticut	1,651.2	0.7%	42	2.1%	44	-1.3%	46
Delaware	430.6	2.2%	6	3.3%	33	0.5%	33
Dist. Of Columbia	732.4	-0.1%	50	2.0%	46	4.2%	4
Florida	7,645.0	2.6%	2	6.0%	6	1.9%	17
Georgia	4,078.3	2.2%	5	5.1%	15	1.2%	24
Hawaii	621.1	1.6%	21	5.3%	13	2.6%	11
Idaho	637.4	1.3%	24	5.3%	12	0.9%	29
Illinois	5,835.1	1.1%	31	3.4%	31	-0.3%	40
Indiana	2,975.5	1.8%	12	6.0%	7	3.0%	7
Iowa	1,528.5	0.8%	37	3.6%	28	1.2%	25
Kansas	1,375.9	0.7%	41	3.3%	32	-0.5%	41
Kentucky	1,842.8	0.3%	47	3.1%	35	1.5%	20
Louisiana	1,964.0	1.0%	36	4.0%	24	1.2%	23
Maine	600.5	1.1%	29	1.2%	49	-1.3%	47
Maryland	2,625.2	1.4%	23	3.7%	26	2.2%	13
Massachusetts	3,354.6	1.7%	15	4.6%	20	3.1%	6
Michigan	4,092.7	1.6%	20	5.1%	16	0.9%	28
Minnesota	2,797.7	1.7%	16	5.3%	11	2.5%	12
Mississippi	1,127.1	1.7%	14	3.0%	38	-0.1%	38
Missouri	2,721.8	1.3%	26	2.6%	41	-1.1%	45
Montana	448.5	0.7%	43	4.9%	19	2.1%	14
Nebraska	971.8	1.1%	33	3.1%	36	1.0%	27
Nevada	1,180.1	1.8%	11	5.5%	8	-2.7%	49
New Hampshire	640.3	0.8%	39	2.4%	42	-0.1%	37
New Jersey	3,942.3	0.3%	49	2.6%	40	-0.8%	43
New Mexico	810.4	0.4%	46	1.0%	51	-3.1%	51
New York	8,943.8	1.1%	30	4.0%	25	2.6%	10
North Carolina	4,096.8	1.6%	18	5.3%	14	1.1%	26
North Dakota	456.1	4.0%	1	18.7%	1	23.9%	1
Ohio	5,200.6	0.5%	45	2.8%	39	-1.0%	44
Oklahoma	1,636.8	1.2%	27	4.4%	22	1.2%	22
Oregon	1,682.7	2.4%	3	4.6%	21	0.6%	32
Pennsylvania	5,761.6	0.3%	48	1.8%	48	0.3%	35
Rhode Island	469.2	0.8%	40	2.0%	45	-0.8%	42
South Carolina	1,913.3	2.0%	8	4.9%	17	1.5%	19
South Dakota	421.9	1.4%	22	4.2%	23	2.7%	8
Tennessee	2,771.1	1.1%	28	5.4%	10	2.1%	15
Texas	11,277.1	2.3%	4	8.0%	3	6.6%	2
Utah	1,288.0	1.7%	13	8.1%	2	4.7%	3
Vermont	309.1	1.0%	35	3.7%	27	1.9%	18
Virginia	3,777.3	0.8%	38	3.2%	34	1.3%	21
Washington	2,940.2	1.9%	9	4.9%	18	0.8%	31
West Virginia	773.9	1.0%	34	3.4%	30	2.0%	16
Wisconsin	2,840.5	1.6%	19	3.6%	29	0.1%	36
Wyoming	292.6	1.3%	25	3.0%	37	-1.9%	48
National Totals	136,590.0	1.6%		5.0%		1.8%	

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

The monthly employment data from the Bureau of Labor Statistics includes a wide variety of job-related data, including Statewide employment totals by subsector, as well as each subsector's average weekly earnings. A summary of these figures are shown in the table below.

From an annual average perspective, Illinois averaged 5.80 million jobs in

2013, which was a 1.0% increase over the 2012 average of 5.74 million jobs. This is the third consecutive year of positive growth in Statewide employment following three consecutive years of negative job growth. However, as was the case for the December data, the 2013 average still remains well below the 5.95 million jobs reported five years ago in 2008.

Average Employment Levels by Subsector in Illinois						
Non-Seasonally Adjusted Annual Averages: 2008 to 2013 (in thousands)						
	2008	2009	2010	2011	2012	2013
	Average	Average	Average	Average	Average	Average (Prelim)
Mining	9.8	9.3	9.1	9.6	10.2	10.4
Construction	258.3	217.2	198.3	195.7	187.9	184.3
Manufacturing	657.4	576.7	561.0	573.9	582.9	578.7
Trade, Transportation, and Utilities	1,204.8	1,139.5	1,125.6	1,143.8	1,155.7	1,168.2
Information	114.4	106.4	101.8	100.6	100.1	99.7
Financial Activities	391.7	372.0	363.7	363.3	366.1	372.4
Professional and Business Services	859.9	787.8	801.9	831.4	861.5	884.7
Education and Health Services	801.3	816.4	833.1	848.5	864.0	880.0
Leisure and Hospitality	532.7	516.6	515.4	522.2	534.8	540.6
Other Services	263.6	257.9	249.1	249.7	249.3	254.2
Government	855.6	857.6	853.8	837.9	831.9	827.6
Totals	5,949.5	5,657.4	5,612.8	5,676.6	5,744.4	5,800.7
Illinois' Annual % Change	-0.5%	-4.9%	-0.8%	1.1%	1.2%	1.0%
U.S. Annual % Change	-2.6%	-3.8%	0.8%	1.6%	1.7%	1.6%
Average Weekly Earnings and Employment Change by Subsector in Illinois						
Annual Averages: 2008 to 2013						
	2008	2009	2010	2011	2012	2013
	Average	Average	Average	Average	Average	Average (Prelim.)
Mining*	N/A	N/A	N/A	N/A	N/A	N/A
Construction	\$1,137	\$1,212	\$1,236	\$1,278	\$1,284	\$1,258
Manufacturing	\$862	\$877	\$926	\$978	\$982	\$1,001
Trade, Transportation, and Utilities	\$670	\$670	\$693	\$734	\$766	\$790
Information	\$977	\$1,039	\$1,040	\$1,005	\$1,027	\$1,102
Financial Activities	\$1,006	\$1,068	\$1,036	\$1,054	\$1,131	\$1,116
Professional and Business Services	\$997	\$1,033	\$1,024	\$1,007	\$1,027	\$1,026
Education and Health Services	\$699	\$720	\$724	\$757	\$792	\$813
Leisure and Hospitality	\$310	\$325	\$319	\$322	\$337	\$324
Other Services	\$700	\$707	\$712	\$703	\$728	\$750
Government*	N/A	N/A	N/A	N/A	N/A	N/A
Statewide Average Weekly Earnings*	\$775	\$792	\$799	\$820	\$846	\$856
IL % Change in Avg. Weekly Earnings	-2.3%	2.1%	0.9%	2.6%	3.2%	1.2%
U.S. % Change in Avg. Weekly Earnings	2.7%	1.1%	2.3%	2.7%	2.4%	1.8%
* Because the Mining and Government subsectors' weekly earnings for Illinois 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						

In regards to earnings, the latest data shows that average weekly earnings only grew 1.2% in 2013. This follows weekly earnings growth averages in 2011 and 2012 of 2.6% and 3.2%, respectively. The growth rates of employment and earnings have allowed for some modest improvements in income related tax revenues (base growth) over the last couple of fiscal years. The 2013 employment growth of 1.0% and the weekly earnings growth rate of 1.2% appear to coincide well with the results seen so far in withholding tax receipts (which are tied directly to wages), as this portion of income tax revenues (which roughly makes up 80% of total income tax receipts) are up 2.1% for the first half of FY 2014.

In a year in which many states have recovered from the job losses as a result of the Great Recession, Illinois and its unemployment rate of 8.6% remain well

behind the nation as a whole in job and wage growth. Adding to this concern is the fact that many of the jobs being added in Illinois are comparatively lower paying jobs. To understand this a little better, a closer look at the different subsectors of jobs in Illinois is necessary.

Over the last five years (comparing average employment totals of 2008 with 2013), the biggest improvement in the number of jobs in Illinois has been in “Education and Health Services” (up 9.8%). However, as shown below, this is one of the lower-paying sectors in terms of weekly earnings, with an average weekly earnings value of \$813. Illinois’ largest employer of jobs is the “Trade, Transportation, and Utilities” subsector, employing over 1.1 million people. But, this subsector, too, has one of the lowest average weekly earnings totals in the State (2013 average weekly earnings value of \$790).

State Rankings of Illinois' Employment Subsectors						
Employment Values, Non-Seasonally Adjusted (in thousands)						
	2013 Avg. Employment Totals (Prelim.)	2013 Sector Ranking by # Employed	2008 to 2013 Jobs Ranking % Change in Jobs	Jobs Ranking by 5-Yr Change	2013 Avg. Weekly Wage (Prelim.)	2013 Sector Earnings Ranking
Mining	10.4	11	6.5%	2	N/A	N/A
Construction	184.3	9	-28.7%	11	\$1,258	1
Manufacturing	578.7	5	-12.0%	9	\$1,001	5
Trade, Transportation, and Utilities	1,168.2	1	-3.0%	5	\$790	7
Information	99.7	10	-12.8%	10	\$1,102	3
Financial Activities	372.4	7	-4.9%	8	\$1,116	2
Professional and Business Services	884.7	2	2.9%	3	\$1,026	4
Education and Health Services	880.0	3	9.8%	1	\$813	6
Leisure and Hospitality	540.6	6	1.5%	4	\$324	9
Other Services	254.2	8	-3.6%	7	\$750	8
Government	827.6	4	-3.3%	6	N/A	N/A

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

Equally troublesome is the fact that those sectors with the highest weekly earnings were the sectors that over the last five years have lost the most jobs in Illinois. For example, the sector with the highest weekly earnings is “Construction”, paying, on average, \$1,258 per week. However, construction jobs are down

28.7% over the last five years in Illinois. The next highest paying sectors are “Financial Activities” (\$1,116 per week) and “Information” (\$1,102 per week), but employment in these categories are down 4.9% and 12.8%, respectively, over the last five years. These statistics suggest that when jobs are added in Illinois, they

are migrating from the higher paying sector to lower paying sectors.

Therefore, from a tax revenue perspective, the State will be challenged to see significant growth in base revenues (not impacted by tax increases) as long as its employment levels remain below levels

of the past. Furthermore, because the new jobs being added appear to be lower paying jobs, even higher levels of employment beyond what has been experienced in the past will be necessary for there to be significant increases in job-related base revenues from the State's income taxes.

REVENUE

Revenues Begin 2014 With Decent Showing

Jim Muschinske, Revenue Manager

Overall base revenues grew \$119 million in January. The larger economically related sources of income and sales taxes were mixed. While both corporate and sales tax continued to fare quite well, personal income tax experienced little growth. A decent month for transfers also contributed to the monthly advance. There was the same number of processing days in January as last year.

Gross corporate income tax receipts grew \$40 million, or \$36 million net of refunds. Sales taxes continued to perform quite well, growing \$28 million for the month. Gross personal income taxes managed to rise \$12 million, or \$16 million net of refunds. Public utility taxes posted growth of \$7 million. Liquor taxes and insurance taxes managed to both eke out \$1 million gains.

While overall revenues performed decently for the month, a few sources experienced declines to begin 2014. Inheritance taxes were off \$5 million, other sources also fell \$5 million, while interest income dipped \$2 million, and cigarette taxes \$1 million.

Overall transfers grew \$44 million in January. Riverboat transfers gained \$10 million, lottery transfers rose \$1 million and all other transfers grew \$33 million. Federal sources experienced a good month, but still fell \$1 million compared to as last year's fairly strong month.

Year to Date

Through January, FY 2014 base general funds are up \$935 million compared to last fiscal year. Much of that growth can be attributed to the one-time surge in transfers related to the refund fund [\$397 million]. However, despite the pause in October and November, the larger economically-related sources have performed quite well.

Gross personal income taxes are up \$361 million, or \$351 million net of refunds. Sales taxes continue to do quite well, up \$230 million to date. Gross corporate income tax is up a strong \$169 million, or \$156 million net of refunds. Other sources are up \$56 million for the year, although all of that increase can be attributed to September's receipt of one-time court settlement proceeds.

Despite the performance of the larger sources, a number of smaller revenue lines suffered declines worth noting. The Cook County IGT is off \$30 million, inheritance tax is down \$33 million, and public utility tax is down \$8 million.

Through January, overall transfers are up \$447 million. Nearly all of those gains stem from the one-time \$397 million transfer from the Income Tax Refund Fund. Federal sources are down \$229 million thus far, reflecting lower reimbursable spending.

GENERAL FUNDS RECEIPTS: JANUARY

FY 2014 vs. FY 2013

(\$ million)

<u>Revenue Sources</u>	<u>Jan.</u> <u>FY 2014</u>	<u>Jan.</u> <u>FY 2013</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$2,138	\$2,126	\$12	0.6%
Corporate Income Tax (regular)	152	112	\$40	35.7%
Sales Taxes	671	643	\$28	4.4%
Public Utility Taxes (regular)	103	96	\$7	7.3%
Cigarette Tax	29	30	(\$1)	-3.3%
Liquor Gallonage Taxes	19	18	\$1	5.6%
Vehicle Use Tax	2	2	\$0	0.0%
Inheritance Tax (Gross)	17	22	(\$5)	-22.7%
Insurance Taxes and Fees	8	7	\$1	14.3%
Corporate Franchise Tax & Fees	22	22	\$0	0.0%
Interest on State Funds & Investments	2	4	(\$2)	-50.0%
Cook County IGT	0	0	\$0	N/A
Other Sources	60	65	(\$5)	-7.7%
Subtotal	\$3,223	\$3,147	\$76	2.4%
Transfers				
Lottery	49	48	\$1	2.1%
Riverboat transfers & receipts	31	21	\$10	47.6%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	0	0	\$0	N/A
Other	82	49	\$33	67.3%
Total State Sources	\$3,385	\$3,265	\$120	3.7%
Federal Sources	\$541	\$542	(\$1)	-0.2%
Total Federal & State Sources	\$3,926	\$3,807	\$119	3.1%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$203)	(\$207)	\$4	-1.9%
Corporate Income Tax	(\$20)	(16)	(\$4)	25.0%
Subtotal General Funds	\$3,703	\$3,584	\$119	3.3%
Short-Term Borrowing	\$0	\$0	\$0	N/A
FY'13/14 Backlog Payment Fund	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$0	\$0	\$0	N/A
Total General Funds	\$3,703	\$3,584	\$119	3.3%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				3-Feb-14

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2014 vs. FY 2013

(\$ million)

<u>Revenue Sources</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>CHANGE FROM FY 2013</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$10,065	\$9,704	\$361	3.7%
Corporate Income Tax (regular)	1,682	1,513	\$169	11.2%
Sales Taxes	4,567	4,337	\$230	5.3%
Public Utility Taxes (regular)	571	579	(\$8)	-1.4%
Cigarette Tax	206	206	\$0	0.0%
Liquor Gallonage Taxes	104	104	\$0	0.0%
Vehicle Use Tax	17	16	\$1	6.3%
Inheritance Tax (Gross)	147	180	(\$33)	-18.3%
Insurance Taxes and Fees	162	165	(\$3)	-1.8%
Corporate Franchise Tax & Fees	128	129	(\$1)	-0.8%
Interest on State Funds & Investments	10	12	(\$2)	-16.7%
Cook County IGT	26	56	(\$30)	-53.6%
Other Sources	304	248	\$56	22.6%
Subtotal	\$17,989	\$17,249	\$740	4.3%
Transfers				
Lottery	363	356	\$7	2.0%
Riverboat transfers & receipts	241	242	(\$1)	-0.4%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	397	0	\$397	N/A
Other	350	306	\$44	14.4%
Total State Sources	\$19,340	\$18,153	\$1,187	6.5%
Federal Sources	\$2,002	\$2,231	(\$229)	-10.3%
Total Federal & State Sources	\$21,342	\$20,384	\$958	4.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$956)	(\$946)	(\$10)	1.1%
Corporate Income Tax	(\$225)	(\$212)	(\$13)	6.1%
Subtotal General Funds	\$20,161	\$19,226	\$935	4.9%
Short-Term Borrowing	\$0	\$0	\$0	N/A
FY'13/14 Backlog Payment Fund Transfer	\$50	\$264	(\$214)	N/A
Tobacco Liquidation Proceeds	\$0	\$0	\$0	N/A
Pension Contribution Fund Transfer	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$275	\$275	\$0	0.0%
Total General Funds	\$20,486	\$19,765	\$721	3.6%
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
CGFA				3-Feb-14