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**State of Illinois
 ECONOMIC AND FISCAL COMMISSION**

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April 1, 2003

In lieu of our March Monthly Revenue Briefing, we sent a report last week outlining the Commission's revised estimates for FY 2003 and FY 2004. In summary, the base FY 2003 General Funds Revenue estimate was reduced \$739 million to \$23.054 billion, which represents a decline of \$325 million from the previous year. For FY 2004, due to an anticipated backlog of owed income tax refunds, under current statute the income tax refund percentages will increase significantly resulting in net receipts falling by \$735 million.

Also included is the report of General Revenue Funds receipts for March along with the latest indicators of economic activity outlined below. To summarize briefly, base March receipts fell \$155 million for the month. Through the first three-quarters of the fiscal year, overall revenues are down \$70 million over the same period of last year.

However, if receipts are adjusted for \$251 million in one-time transfers, revenue would be down \$321 million.

http://www.legis.state.il.us/commission/ecfisc/ecfisc_home.html

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY			
<u>INDICATORS</u>	<u>February 2003</u>	<u>January 2003</u>	<u>February 2002</u>
Unemployment Rate (Average)	6.5%	6.3%	6.2%
Annual Rate of Inflation (Chicago)	9.2%	2.0%	3.0%
—————			
	<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) (February)	6,370	-0.5%	-0.6%
Employment (thousands) ((February)	5,954	-0.7%	-0.9%
New Car & Truck Registration (February)	43,010	-2.0%	-20.1%
Single Family Housing Permits (February)	2,330	7.0%	-8.9%
*Total Exports (\$ mil) (January)	1,938	-5.5%	-1.3%
Chicago Purchasing Manager's Index (March)	48.4	-11.8%	-8.9%
*Data now reported only for exports by origin of movement. This series differs from previous reports which used location of exporter that is no longer being published.			

GENERAL FUNDS RECEIPTS: MARCH

*FY 2003 vs. FY 2002
(\$ million)*

<u>Revenue Sources</u>	<u>MARCH FY 2003</u>	<u>MARCH FY 2002</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$557	\$607	(\$50)	-8.2%
Corporate Income Tax (regular)	213	199	\$14	7.0%
Sales Taxes	455	453	\$2	0.4%
Public Utility Taxes (regular)	98	113	(\$15)	-13.3%
Cigarette Tax	33	33	\$0	0.0%
Liquor Gallonage Taxes	8	8	\$0	0.0%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax (Gross)	14	25	(\$11)	-44.0%
Insurance Taxes and Fees	54	46	\$8	17.4%
Corporate Franchise Tax & Fees	16	9	\$7	77.8%
Interest on State Funds & Investments	4	9	(\$5)	-55.6%
Cook County IGT	23	23	\$0	0.0%
Other Sources	12	16	(\$4)	-25.0%
Subtotal	\$1,490	\$1,544	(\$54)	-3.5%
Transfers				
Lottery	44	45	(\$1)	-2.2%
Gaming Fund Transfer	28	30	(\$2)	-6.7%
Other	41	36	\$5	13.9%
Total State Sources	\$1,603	\$1,655	(\$52)	-3.1%
Federal Sources	\$255	\$348	(\$93)	-26.7%
Total Federal & State Sources	\$1,858	\$2,003	(\$145)	-7.2%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$44)	(\$46)	\$2	-4.3%
Corporate Income Tax	(58)	(46)	(\$12)	26.1%
Subtotal General Funds	\$1,756	\$1,911	(\$155)	-8.1%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$0	\$0	\$0	N/A
Total General Funds	\$1,756	\$1,911	(\$155)	-8.1%
IEFC SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				1-Apr-03

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2003 vs. FY 2002

(\$ million)

Revenue Sources	FY 2003	FY 2002	CHANGE FROM FY 2002	% CHANGE
State Taxes				
Personal Income Tax	\$5,622	\$5,710	(\$88)	-1.5%
Corporate Income Tax (regular)	650	690	(\$40)	-5.8%
Sales Taxes	4,520	4,557	(\$37)	-0.8%
Public Utility Taxes (regular)	749	821	(\$72)	-8.8%
Cigarette Tax	300	300	\$0	0.0%
Liquor Gallonage Taxes	94	92	\$2	2.2%
Vehicle Use Tax	25	27	(\$2)	-7.4%
Inheritance Tax (Gross)	189	254	(\$65)	-25.6%
Insurance Taxes and Fees	193	165	\$28	17.0%
Corporate Franchise Tax & Fees	106	117	(\$11)	-9.4%
Interest on State Funds & Investments	51	111	(\$60)	-54.1%
Cook County IGT	243	177	\$66	37.3%
Other Sources	245	139	\$106	76.3%
Subtotal	\$12,987	\$13,160	(\$173)	-1.3%
Transfers				
Lottery	379	376	\$3	0.8%
Gaming Fund Transfer	427	345	\$82	23.8%
Other	438	227	\$211	93.0%
Total State Sources	\$14,231	\$14,108	\$123	0.9%
Federal Sources	\$2,786	\$2,945	(\$159)	-5.4%
Total Federal & State Sources	\$17,017	\$17,053	(\$36)	-0.2%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$450)	(\$434)	(\$16)	3.7%
Corporate Income Tax	(176)	(158)	(\$18)	11.4%
Subtotal General Funds	\$16,391	\$16,461	(\$70)	-0.4%
Short-Term Borrowing	\$700	\$0	\$700	N/A
Budget Stabilization Fund Transfer	\$226	\$226	\$0	N/A
Total General Funds	\$17,317	\$16,687	\$630	3.8%

SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.

IEFC

1-Apr-03

GENERAL FUNDS GROWTH NEEDED TO MEET ESTIMATE
FY 2003 ESTIMATE vs. FY 2002 ACTUAL
(\$ million)

	Mar-03 ESTIMATE FY 2003	FYTD 2003	AMOUNT NEEDED FY 2003 EST.	FYTD 2002	GROWTH NEEDED	% CHANGE
Revenue Sources						
<i>State Taxes</i>						
Personal Income Tax	\$7,950	\$5,622	\$2,328	\$5,710	(\$48)	-2.0%
Corporate Income Tax (regular)	950	650	\$300	690	(\$53)	-15.0%
Sales Taxes	6,025	4,520	\$1,505	4,557	\$11	0.7%
Public Utility Taxes (regular)	1,025	749	\$276	821	(\$7)	-2.5%
Cigarette Tax	400	300	\$100	300	\$0	0.0%
Liquor Gallonage Taxes	125	94	\$31	92	\$1	3.3%
Vehicle Use Tax	35	25	\$10	27	(\$1)	-9.1%
Inheritance Tax (Gross)	250	189	\$61	254	(\$14)	-18.7%
Insurance Taxes and Fees	305	193	\$112	165	\$5	4.7%
Corporate Franchise Tax & Fees	140	106	\$34	117	(\$8)	-19.0%
Interest on State Funds & Investments	65	51	\$14	111	(\$11)	-44.0%
Cook County IGT	395	243	\$152	177	\$84	123.5%
Other Sources	407	245	\$162	139	(\$211)	-56.6%
Subtotal	\$18,072	\$12,987	\$5,085	\$13,160	(\$252)	-4.7%
<i>Transfers</i>						
Lottery	560	379	\$181	376	\$2	1.1%
Gaming Fund Transfer	590	427	\$163	345	\$38	30.4%
Other	650	438	\$212	227	(\$14)	-6.2%
Total State Sources	\$19,872	\$14,231	\$5,641	\$14,108	(\$226)	-3.9%
Federal Sources	\$4,075	\$2,786	\$1,289	\$2,945	(\$24)	-1.8%
Total Federal & State Sources	\$23,947	\$17,017	\$6,930	\$17,053	(\$250)	-3.5%
Nongeneral Funds Distribution:						
<i>Refund Fund</i>						
Personal Income Tax	(\$636)	(\$450)	(\$186)	(\$434)	(\$5)	2.8%
Corporate Income Tax	(257)	(176)	(\$81)	(158)	\$1	-1.2%
Subtotal General Funds	\$23,054	\$16,391	\$6,663	\$16,461	(\$254)	-3.7%
Short-Term Borrowing	\$700	\$700	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$226	\$226	\$0	\$226	\$0	N/A
Total General Funds	\$23,980	\$17,317	\$6,663	\$16,687	(\$254)	-3.7%
IEFC						1-Apr-03