



Commission on Government Forecasting and Accountability

703 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: JULY 2018

<http://cgfa.ilga.gov>

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Illinois Video Gaming Statistics

Eric Noggle, Senior Revenue Analyst

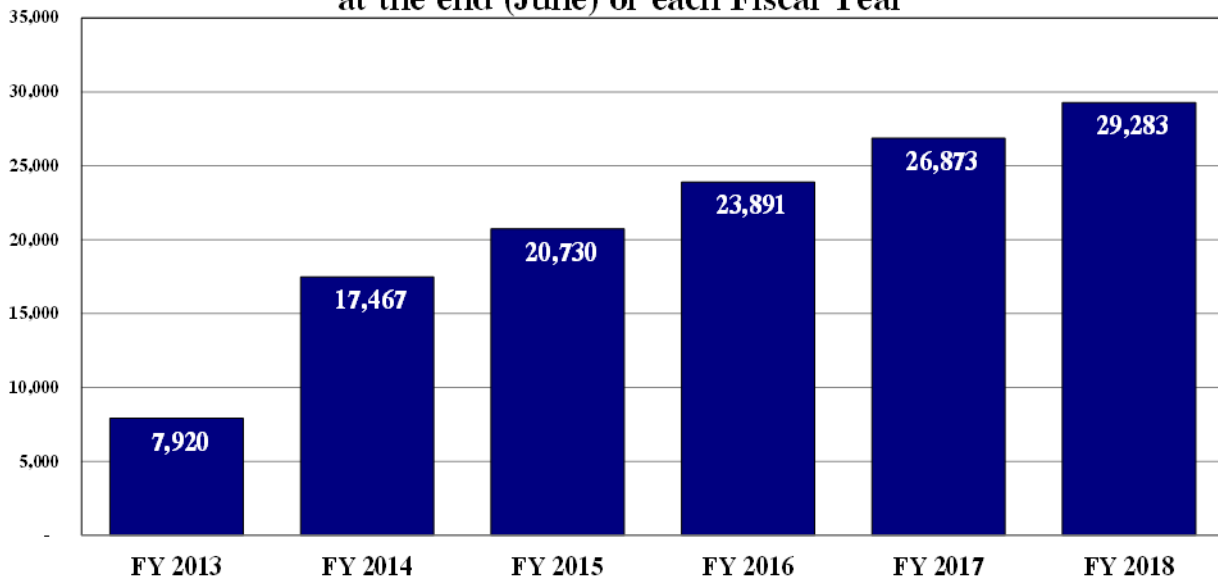
It has been nearly six years since the first video gaming machines became operational in Illinois. In its opening month in September 2012, 61 video gaming machines were in operation. This figure has steadily increased ever since, reaching its latest high of 29,283 terminals in June 2018. As the terminals have increased, so has the amount of revenue (net terminal income) and tax dollars generated by these machines. In FY 2018, a total of \$1.4 billion in net terminal income (taxable base) generated \$422 million in State and local tax dollars. On the following page is a table showing a history of video gaming figures (by fiscal year) since its inception in FY 2013. Accompanying this table are two graphs highlighting some of these statistics.

As shown in the table and the first graph, the number of video gaming terminals in operation has continued to grow from year to year. However, this growth has slowed in recent years. In FY 2015, the average number of new terminals added per month was at 272. This figure slowed to 263 in FY 2016 and to 249 in FY 2017. In FY 2018, the average number of new terminals per month slowed even further to 201. Despite the slower pace of new terminals, the continued increase in new video gaming terminals suggests that this industry has yet to reach its peak.

Illinois Video Gaming Statistics by Fiscal Year

Fiscal Year	Terminals in Operation at end of FY	Net Terminal Income (\$ in mil)	NTI per Terminal	Tax Revenue 30% Tax (\$ in mil)	State Share 5/6 of Total (\$ in mil)	Local Share 1/6 of Total (\$ in mil)
FY 2013	7,920	\$121.1	\$41.88	\$36.3	\$30.3	\$6.1
FY 2014	17,467	\$485.4	\$76.14	\$145.6	\$121.4	\$24.3
FY 2015	20,730	\$804.8	\$106.36	\$241.4	\$201.2	\$40.2
FY 2016	23,891	\$1,020.8	\$117.06	\$306.2	\$255.2	\$51.0
FY 2017	26,873	\$1,202.0	\$122.55	\$360.6	\$300.5	\$60.1
FY 2018	29,283	\$1,406.5	\$131.59	\$421.9	\$351.6	\$70.3

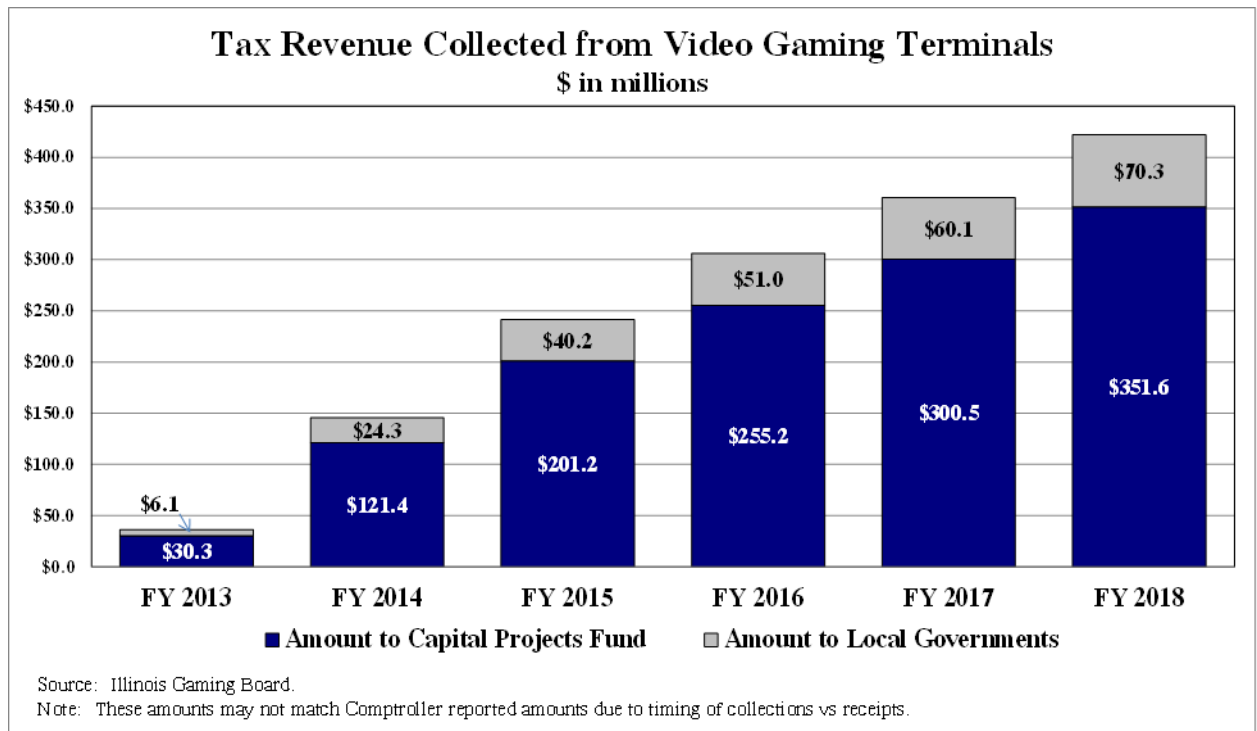
Video Gaming Terminals in Operation in Illinois at the end (June) of each Fiscal Year



Source: Illinois Gaming Board

The second graph displays the breakout of tax revenues collected from video gaming by fiscal year. Since its inception, the tax on video gaming has been equal to 30% of net terminal

income. From this amount, 5/6th goes to the Capital Projects Fund. The remaining 1/6th of the tax revenues go to the local governments where the video gaming machines are located.



The latest data from the Illinois Gaming Board shows that 7,026 different establishments were home to 31,057 video gaming terminals in FY 2018 for an average of 4.4 terminals per location. Under current law, the maximum number of video gaming terminals at one location is five. *(Note: The fiscal year terminal total is higher than the latest monthly figures because this fiscal year total would include terminals that were once in operation, but have been since removed during the fiscal year).* The Gaming Board’s data set includes the name of the municipality of the location operating each video gaming machine. This

enables the Commission to be able to categorize the data by municipality and by county.

On page 4 is a list of the top municipalities with video gaming terminals in FY 2018. Topping the list was Springfield with 630 terminals. Second on the list was Rockford with 468 video gaming machines, followed by Decatur (409), Joliet (344), and unincorporated areas of Lake County (305). In terms of tax revenues generated from video gaming machines, Rockford generated the most in FY 2018, followed by Springfield, Decatur, Waukegan, and Loves Park.

Top Municipalities with Video Gaming FY 2018 Totals

Rank	Municipality	Terminals	Rank	Municipality	Net Terminal Income (taxable base)	State Tax Share (5/6 of 30% tax)	Local Tax Share (1/6 of 30% tax)
1	Springfield	630	1	Rockford	\$33,135,144	\$8,283,786	\$1,656,757
2	Rockford	468	2	Springfield	\$31,214,496	\$7,803,624	\$1,560,725
3	Decatur	409	3	Decatur	\$27,724,803	\$6,931,201	\$1,386,240
4	Joliet	344	4	Waukegan	\$21,051,973	\$5,262,993	\$1,052,599
5	Lake County	305	5	Loves Park	\$17,580,821	\$4,395,205	\$879,041
6	Champaign	277	6	Bloomington	\$15,501,548	\$3,875,387	\$775,077
7	Peoria	268	7	Joliet	\$15,472,539	\$3,868,135	\$773,627
8	Waukegan	262	8	Champaign	\$14,883,680	\$3,720,920	\$744,184
9	Bloomington	260	9	Lake County	\$14,188,199	\$3,547,050	\$709,410
10	Berwyn	244	10	Oak Lawn	\$13,805,987	\$3,451,497	\$690,299
11	Loves Park	242	11	Cicero	\$12,475,933	\$3,118,983	\$623,797
12	Kankakee	202	12	Berwyn	\$12,426,127	\$3,106,532	\$621,306
13	Sangamon County	200	13	Peoria	\$11,777,942	\$2,944,485	\$588,897
14	Oak Lawn	192	14	Sangamon County	\$10,544,861	\$2,636,215	\$527,243
15	Cicero	173	15	Effingham	\$9,150,238	\$2,287,559	\$457,512
16	Pekin	170	16	Crestwood	\$8,799,773	\$2,199,943	\$439,989
17	Effingham	169	17	McHenry	\$8,712,229	\$2,178,057	\$435,611
18	Quincy	168	18	Kankakee	\$8,368,581	\$2,092,145	\$418,429
19	Ottawa	168	19	Tinley Park	\$8,196,740	\$2,049,185	\$409,837
20	McHenry	168	20	Mount Vernon	\$8,152,556	\$2,038,139	\$407,628
21	Crestwood	163	21	Hoffman Estates	\$7,821,729	\$1,955,432	\$391,086
22	Streator	161	22	Burbank	\$7,745,953	\$1,936,488	\$387,298
23	Moline	158	23	Elk Grove Village	\$7,640,981	\$1,910,245	\$382,049
24	Aurora	155	24	Villa Park	\$7,612,987	\$1,903,247	\$380,649
25	Tinley Park	153	25	Bridgeview	\$7,608,373	\$1,902,093	\$380,419

In terms of county rankings, despite the fact that the City of Chicago has continued to ban video gaming in its jurisdiction, Cook County still had, by far, the most video gaming terminals of any county in the State in FY 2018 with 5,071 terminals. Second on the list was Lake County (1,520 terminals), followed by Will (1,276), Sangamon (1,213), and Winnebago (1,157). Cook County also generated the most net terminal

income in FY 2018 with \$298.6 million, followed by Lake (\$92.1 M), Winnebago (\$78.8 M), Will (\$59.7 M), and Sangamon (\$57.0 M). Because of Chicago's absence, Cook County ranks near the bottom in terminals per capita (ranked 101 of 102) and in net terminal income per capita (ranked 97 of 102). A list of the "top twenty" and "bottom twenty" counties in various video gaming categories is shown on the following page.

Video Gaming Statistics by County Ranking FY 2018 Totals

Rank	County	Terminals	Rank	County	Terminals per Capita	Rank	County	Net Terminal Income	Rank	County	NTI per Capita
"TOP TWENTY COUNTIES"											
1	Cook	5,071	1	Washington	1.05%	1	Cook	\$298,568,818	1	Effingham	\$374.55
2	Lake	1,520	2	LaSalle	0.89%	2	Lake	\$92,080,188	2	Washington	\$338.88
3	Will	1,276	3	Effingham	0.88%	3	Winnebago	\$78,828,000	3	Macon	\$295.60
4	Sangamon	1,213	4	JoDavies	0.86%	4	Will	\$59,715,237	4	LaSalle	\$290.65
5	Winnebago	1,157	5	Mason	0.80%	5	Sangamon	\$57,023,186	5	Sangamon	\$288.78
6	McHenry	1,116	6	Scott	0.78%	6	DuPage	\$49,507,215	6	Winnebago	\$266.97
7	LaSalle	1,018	7	Carroll	0.76%	7	McHenry	\$48,558,377	7	Marion	\$266.36
8	Kane	982	8	Marshall	0.76%	8	Kane	\$46,880,483	8	Morgan	\$262.59
9	Madison	947	9	Montgomery	0.73%	9	Madison	\$39,549,610	9	JoDavies	\$259.04
10	St. Clair	866	10	Calhoun	0.73%	10	St. Clair	\$35,753,284	10	Edwards	\$255.49
11	DuPage	717	11	Edwards	0.71%	11	LaSalle	\$33,112,181	11	Lee	\$244.93
12	Peoria	709	12	Christian	0.71%	12	Macon	\$32,743,417	12	DeWitt	\$243.31
13	Champaign	661	13	Bureau	0.71%	13	Champaign	\$32,439,147	13	Christian	\$241.21
14	Kankakee	536	14	Douglas	0.69%	14	Peoria	\$27,334,340	14	Clark	\$240.78
15	Macon	535	15	Iroquois	0.68%	15	McLean	\$26,062,209	15	Logan	\$234.14
16	Rock Island	533	16	Lee	0.68%	16	Kankakee	\$20,711,900	16	Montgomery	\$226.36
17	Tazewell	531	17	Cass	0.67%	17	Rock Island	\$19,230,918	17	Whiteside	\$225.34
18	McLean	478	18	Livingston	0.66%	18	Tazewell	\$19,056,499	18	Jefferson	\$223.38
19	Vermilion	412	19	DeWitt	0.65%	19	Vermilion	\$17,467,518	19	Randolph	\$218.32
20	Whiteside	365	20	Randolph	0.65%	20	Whiteside	\$13,182,202	20	Grundy	\$217.65
"BOTTOM TWENTY COUNTIES"											
83	Richland	47	83	Mercer	0.31%	83	Warren	\$1,694,175	83	White	\$101.24
84	Alexander	47	84	White	0.31%	84	Alexander	\$1,689,410	84	Pulaski	\$97.29
85	White	45	85	Schuyler	0.29%	85	White	\$1,484,645	85	Warren	\$95.68
86	Massac	44	86	Richland	0.29%	86	Wabash	\$1,376,288	86	Kane	\$90.98
87	Jasper	44	87	DeKalb	0.29%	87	Mercer	\$1,229,402	87	Hancock	\$88.88
88	Wayne	42	88	Johnson	0.29%	88	Wayne	\$1,220,568	88	Will	\$88.13
89	Wabash	42	89	Massac	0.29%	89	Jasper	\$1,040,526	89	Stark	\$87.86
90	Scott	42	90	Hamilton	0.28%	90	Scott	\$1,016,617	90	Crawford	\$86.54
91	Henderson	37	91	McLean	0.28%	91	Hamilton	\$899,303	91	Kendall	\$76.72
92	Calhoun	37	92	Woodford	0.27%	92	Johnson	\$881,087	92	Mercer	\$74.81
93	Johnson	36	93	Pope	0.27%	93	Henderson	\$805,409	93	Woodford	\$74.02
94	Putnam	34	94	Wayne	0.25%	94	Putnam	\$739,047	94	Wayne	\$72.83
95	Stark	25	95	McDonough	0.22%	95	Calhoun	\$637,006	95	Johnson	\$70.03
96	Pulaski	24	96	Lake	0.22%	96	Pulaski	\$599,412	96	Schuyler	\$69.82
97	Hamilton	24	97	Kane	0.19%	97	Gallatin	\$576,781	97	Cook	\$57.48
98	Schuyler	22	98	Will	0.19%	98	Schuyler	\$526,756	98	Pope	\$57.45
99	Gallatin	22	99	Kendall	0.18%	99	Stark	\$526,631	99	DuPage	\$53.99
100	Hardin	15	100	Brown	0.16%	100	Pope	\$256,784	100	McDonough	\$52.90
101	Pope	12	101	Cook	0.10%	101	Hardin	\$147,157	101	Hardin	\$34.06
102	Brown	11	102	DuPage	0.08%	102	Brown	\$127,817	102	Brown	\$18.43

Source: <http://www.igb.illinois.gov/VideoReports.aspx>. County compilations by CGFA.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS*</u>	<u>LATEST MONTH</u>	<u>PRIOR MONTH</u>	<u>A YEAR AGO</u>
Unemployment Rate (Average) (June)	4.3%	4.3%	4.9%
Inflation in Chicago (12-month percent change) (June)	2.2%	2.3%	1.3%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (June)	6,487.3	0.0%	0.1%
Employment (thousands) (June)	6,211.5	0.0%	0.8%
Nonfarm Payroll Employment (June)	6,126,100	18,100	58,300
New Car & Truck Registration (June)	54,207	3.3%	1.0%
Single Family Housing Permits (June)	1019	-9.6%	-9.4%
Total Exports (\$ mil) (May)	5,826.3	0.7%	7.3%
Chicago Purchasing Managers Index (July)	65.5	2.2%	11.2%
* Due to monthly fluctuations, trend best shown by % change from a year ago			

REVENUE: FY 2019 REVENUES BEGIN WITH MIXED RESULTS

Jim Muschinske, Revenue Manager

To begin the new fiscal year, overall base receipts grew \$342 million in July. Income taxes performed well, still reflecting the timing of receipts related to last year's July rate change. Sales taxes however were weaker, as were federal sources. July had one more receipting day compared to a year earlier.

Monthly gross personal income taxes increased \$387 million, or \$327 net. While the higher income tax rates went into effect last July, it took some time for those higher rates to be fully integrated. Gross corporate income tax rose \$24 million, or \$20 million on a net basis. Other sources posted gains of \$32 million, while inheritance taxes continue to perform well, growing \$27 million. Interest earnings were strong with an increase of \$9 million.

Despite an overall positive month, a number of revenue sources declined in July. Sales taxes were off by \$9 million, while public utility taxes slid by \$8 million. Insurance taxes decreased by \$7 million, cigarette tax and corporate franchise tax each fell \$2 million. Liquor taxes were down \$1 million.

Overall transfers increased \$1 million in July. Lottery transfers and other miscellaneous transfers each grew \$1 million, but were partially offset by a \$1 million decline in riverboat transfers. Federal sources started FY 2019 at a somewhat weaker pace, with receipts falling \$44 million behind last year's performance.

JULY
FY 2019 vs. FY 2018
(\$ million)

Revenue Sources	July FY 2019	July FY 2018	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$1,461	\$1,074	\$387	36.0%
Corporate Income Tax (regular)	93	69	\$24	34.8%
Sales Taxes	728	737	(\$9)	-1.2%
Public Utility Taxes (regular)	58	66	(\$8)	-12.1%
Cigarette Tax	28	30	(\$2)	-6.7%
Liquor Gallonage Taxes	18	19	(\$1)	-5.3%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax	50	23	\$27	117.4%
Insurance Taxes and Fees	9	16	(\$7)	-43.8%
Corporate Franchise Tax & Fees	12	14	(\$2)	-14.3%
Interest on State Funds & Investments	13	4	\$9	225.0%
Cook County IGT	0	0	\$0	N/A
Other Sources	73	41	\$32	78.0%
Subtotal	\$2,546	\$2,096	\$450	21.5%
Transfers				
Lottery	54	53	\$1	1.9%
Riverboat transfers & receipts	28	29	(\$1)	-3.4%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	0	0	\$0	N/A
Fund sweeps	0	0	\$0	N/A
Other	45	44	\$1	2.3%
Total State Sources	\$2,673	\$2,222	\$451	20.3%
Federal Sources	\$309	\$353	(\$44)	-12.5%
Total Federal & State Sources	\$2,982	\$2,575	\$407	15.8%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$142)	(\$105)	(\$37)	35.2%
Corporate Income Tax	(\$15)	(12)	(\$3)	25.0%
LGDF--Direct from PIT	(\$76)	(53)	(\$23)	43.4%
LGDF--Direct from CIT	(\$5)	(4)	(\$1)	25.0%
Downstate Pub/Trans--Direct from Sales	(\$17)	(16)	(\$1)	6.3%
Subtotal General Funds	\$2,727	\$2,385	\$342	14.3%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Interfund Borrowing	\$0	\$0	\$0	N/A
Income Tax Bond Fund Transfer	\$0	\$0	\$0	N/A
Transfer to Commitment Human Services	\$0	\$0	\$0	N/A
Total General Funds	\$2,727	\$2,385	\$342	14.3%

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

2-Aug-18