



Commission on Government Forecasting and Accountability

MONTHLY BRIEFING FOR THE MONTH ENDED: DECEMBER 2011

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ECONOMY: Entering a New Year

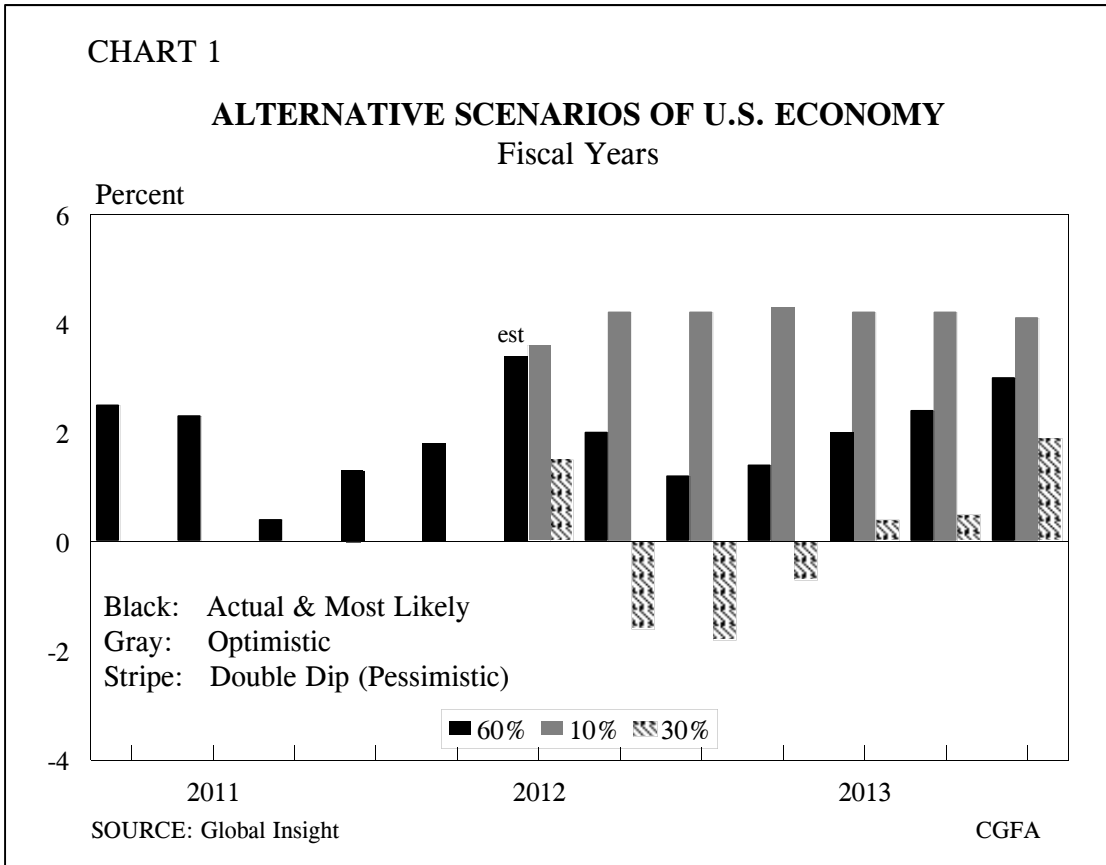
Edward H. Boss, Jr., Chief Economist

The New Year begins with a large number of uncertainties overhanging the economy -- continuing high unemployment, destabilization in the Euro Zone that threatens the very existence of the Euro currency, and spiraling government debt positions both here and abroad. Despite these concerns, as the year came to a close some improvement appeared in the U.S. economy.

Most important were signs that consumers, which account for upwards of two-thirds of total spending, were in the holiday-spirit buying mood. Record after-Thanksgiving sales as well as recent promotions spurred sales to the extent that two major retail sales forecasting groups raised their initial estimates of holiday shopping. (See the article on **Holiday Sales** in the October issue of the *Monthly Briefing*.) The National Retail Federation recently raised its forecast for holiday sales from an initial gain of 2.8%, made in September, to an increase of 3.8%. In agreement, the research firm ShopperTrack also increased its forecast of holiday spending from an initial estimated rise of 3% to 3.7%. These forecasts seemed to be supported by the preliminary University of Michigan Consumer Sentiment Index that rose in December to its highest level in six months.

One of the major drags on the economy has been what some deem a depression in the housing market. Recently released benchmark data on existing home sales suggest the situation was even worse than originally reported as these sales were revised down by 14% since 2007, due in part to a double counting in the prior releases.

In November, existing home sales increased 4.0% and now are 12.2% above the year-ago level. A few days later it was reported out that new home sales rose 1.6% in November, although they account for only about 10% of total sales. The rise in sales has been met with an increase in new home



construction. Housing starts surged to a 1-1/2 year high in November and permits, a precursor to starts, were at the highest levels since March 2010. While latest housing data are indeed encouraging, the Economics Group at Wells Fargo Securities suggest that the recent strength may have been overstated as it was confined to a few areas and due to unseasonably warm weather during a normally weak time of the year.

While the consumer appears to be a stronger factor and housing may be bottoming out, both of which are encouraging signs, other major sectors do not appear to signal the same strength. Business spending, for example, improved sharply in response to the 100% expensing incentive put in place in for 2011; however, some of

this may have borrowed from future spending even if that provision is extended. At the same time, government spending, at the federal, State and local levels will be restrained due to burgeoning debt positions. Finally, even exports that have been surging have begun to level out, due in part to weakening economies in Europe that account for about 20% of U.S. exports. The impact of these sectors that make up GDP on the U.S. economic outlook is displayed in the above chart.

The chart shows different scenarios for the economy quarter by quarter on an Illinois' fiscal year basis for FY 2011 through FY 2013 as projected by the Commission's forecasting service, Global Insight. The actual and most likely outcome is depicted by the

solid black bar and given a 60% chance of occurring. It shows an estimated uptick in growth in the quarter just ended followed by some moderation during the first half of calendar 2012 before quarter to quarter improvement though fiscal 2013. A more optimistic or rapid improvement is shown in gray, but given only a 10% chance. The

third alternative, or double dip, shows real GDP declining starting the first quarter of the New Year and lasting through the first quarter of FY 2013 before improving in the second half of that year. This is given a 30% chance. It is important to note, however, that this pessimistic scenario reading is an improvement, and down from a 40% chance just a month earlier.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY			
INDICATORS	NOV. 2011	OCT. 2011	NOV. 2010
Unemployment Rate (Average)	10.0%	10.1%	9.4%
Annual Rate of Inflation (Chicago)	-2.2%	-2.4%	2.9%
████████████████████			
	LATEST MONTH	% CHG OVER PRIOR MONTH	% CHG OVER A YEAR AGO
Civilian Labor Force (thousands) (November)	6,627	0%	-0.4%
Employment (thousands) (November)	5,966	0.1%	-1.1%
New Car & Truck Registration (November)	39,011	-4.7%	20.8%
Single Family Housing Permits (November)	556	-24.2%	-15.9%
Total Exports (\$ mil) (October)	5,408	-3.6%	14.2%
Chicago Purchasing Managers Index (December)	62.5	-0.1%	-0.4%

INTERFUND BORROWING
Lynnae Kapp, Bond/Revenue Analyst

Public Act 96-0958 allowed the Governor to use Interfund Borrowing from July 1, 2010 through January 9, 2011. Public Act 95-1500, signed into law January 18, 2011, extended the use of Interfund Borrowing until June 30, 2011. Borrowing from any fund must be paid back within 18 months of the date borrowed.

Interfund Borrowing totaled \$496 million. Below is a break out by fund of the amounts borrowed, amounts paid back, and interest paid to date. Approximately \$45 million has been paid back as of December 30, 2011, \$35 million of which occurred in the 2nd Quarter of FY 2012. Twenty-one of the 172 funds are paid back in full, and interest has been paid on four funds.

FY2011 INTERFUND BORROWING		PA 96-0958	Paid Back	Remainder	Interest Paid
No.	Fund	Borrowed	Total To Date		
0015	Penny Seaverns Breast, Cervical, and Ovarian Cancer Research Fund	\$354,200	\$354,200	\$0	
0019	Grade Crossing Protection Fund	\$11,026,600	\$0	\$11,026,600	
0021	Financial Institution Fund	\$2,952,000	\$0	\$2,952,000	
0023	Economic Research and Information Fund	\$29,800	\$0	\$29,800	
0025	Group Home Loan Revolving Fund	\$56,000	\$0	\$56,000	
0046	Aeronautics Fund	\$73,500	\$0	\$73,500	
0049	Industrial Hygiene Regulatory & Enforcement Fund	\$13,400	\$0	\$13,400	
0057	IL State Pharmacy Disciplinary Fund	\$77,000	\$77,000	\$0	
0060	Alzheimer's Disease Research Fund	\$134,900	\$134,900	\$0	
0113	Community Health Center Care Fund	\$560,500	\$0	\$560,500	
0114	Emergency Response Reimbursement Fund	\$33,000	\$0	\$33,000	
0115	Safe Bottled Water Fund	\$21,700	\$0	\$21,700	
0130	School District Emergency Financial Assistance	\$294,700	\$0	\$294,700	
0135	Heartsaver AED Fund	\$202,900	\$0	\$202,900	
0137	Plugging and Restoration Fund	\$40,200	\$0	\$40,200	
0145	Explosives Regulatory Fund	\$74,100	\$0	\$74,100	
0146	Aggregate Operations Regulatory Fund	\$57,800	\$0	\$57,800	
0150	Rental Housing Support Program Fund	\$5,857,000	\$0	\$5,857,000	
0151	Registered CPA Administration & Disciplinary Fund	\$3,588,000	\$3,200,000	\$388,000	
0152	State Crime Laboratory Fund	\$232,300	\$0	\$232,300	
0156	Motor Vehicle Theft Prevention Fund	\$0	\$0	\$0	
0163	Weights and Measures Fund	\$2,992,400	\$0	\$2,992,400	
0189	Local Government Tax Fund	\$100,000,000	\$0	\$100,000,000	
0197	Epilepsy Treatment & Education Grants-in-Aid Fund	\$26,000	\$26,000	\$0	
0198	Diabetes Research Checkoff Fund	\$141,100	\$141,100	\$0	\$458
0208	Ticket For The Cure Fund	\$1,018,700	\$1,018,700	\$0	
0215	CDB Revolving Fund	\$4,976,600	\$0	\$4,976,600	
0225	Illinois Sports Facilities Fund	\$3,199,600	\$0	\$3,199,600	
0228	Autism Research Checkoff Fund	\$63,000	\$63,000	\$0	\$176
0238	IL Health Facilities Planning Fund	\$2,463,400	\$0	\$2,463,400	
0240	Emergency Public Health Fund	\$1,966,300	\$0	\$1,966,300	
0241	Transmitters of Money Act (TOMA) Consumer Protection Fund	\$273,000	\$198,000	\$75,000	

FY2011 INTERFUND BORROWING		PA 96-0958	Paid Back	Remainder	Interest Paid
No.	Fund	Borrowed	Total To Date		
0245	Fair and Exposition Fund	\$449,400	\$0	\$449,400	
0265	State Rail Freight Loan Repayment Fund	\$8,492,000	\$8,492,000	\$0	
0277	Pollution Control Board Fund	\$64,900	\$0	\$64,900	
0279	Debt Collection Fund	\$27,100	\$0	\$27,100	
0285	Long Term Care Monitor/Receiver Fund	\$332,900	\$0	\$332,900	
0286	IL Affordable Housing Trust Fund	\$26,573,700	\$0	\$26,573,700	
0287	Home Care Services Agency Licensure Fund	\$549,200	\$0	\$549,200	
0290	Fertilizer Control Fund	\$280,500	\$0	\$280,500	
0292	Securities Investors Education Fund	\$1,000,000	\$0	\$1,000,000	
0294	Used Tire Management Fund	\$3,986,800	\$0	\$3,986,800	
0298	Natural Areas Acquisition Fund	\$3,460,400	\$0	\$3,460,400	
0299	Open Space Lands Acquisition & Development Fund	\$38,439,100	\$0	\$38,439,100	
0306	I-FLY Fund	\$45,000	\$0	\$45,000	
0310	Tax Recovery Fund	\$408,000	\$0	\$408,000	
0316	IL Prescription Drug Discount Program Fund	\$256,000	\$0	\$256,000	
0326	African-American HIV/AIDS Response Fund	\$1,415,000	\$0	\$1,415,000	
0327	Tattoo and Body Piercing Establishment Registration Fund	\$102,500	\$0	\$102,500	
0334	Ambulance Revolving Loan Fund	\$3,302,000	\$0	\$3,302,000	
0336	Environmental Laboratory Certification Fund	\$102,000	\$0	\$102,000	
0341	Provider Inquiry Trust Fund	\$490,600	\$0	\$490,600	
0356	Law Enforcement Camera Grant Fund	\$3,048,600	\$2,212,000	\$836,600	
0360	Lead Poisoning Screening, Prevention, and Abatement Fund	\$1,102,500	\$0	\$1,102,500	
0362	Securities Audit and Enforcement Fund	\$2,000,000	\$0	\$2,000,000	
0369	Feed Control Fund	\$202,000	\$0	\$202,000	
0370	Tanning Facility Permit Fund	\$95,900	\$0	\$95,900	
0375	Natural Heritage Fund	\$75,500	\$0	\$75,500	
0378	Insurance Premium Tax Refund Fund	\$567,000	\$0	\$567,000	
0384	Tax Compliance Administration Fund	\$12,804,900	\$0	\$12,804,900	
0386	Appraisal Administration Fund	\$839,000	\$0	\$839,000	
0387	Small Business Environmental Assistance Fund	\$22,700	\$0	\$22,700	
0388	Regulatory Evaluation and Basic Enforcement Fund	\$52,000	\$0	\$52,000	
0389	Sexual Assault Services Fund	\$102,600	\$0	\$102,600	
0390	IL Habitat Endowment Trust Fund	\$11,600,000	\$7,600,000	\$4,000,000	
0398	EMS Assistance Fund	\$140,600	\$0	\$140,600	
0406	Comprehensive Regional Planning Fund	\$150,000	\$0	\$150,000	
0417	State College and University Trust Fund	\$107,200	\$0	\$107,200	
0418	University Grant Fund	\$51,500	\$0	\$51,500	
0424	IL Power Agency Trust Fund	\$24,331,100	\$12,500,000	\$11,831,100	
0425	Illinois Power Agency Operations Fund	\$3,321,500	\$0	\$3,321,500	
0429	Multiple Sclerosis Research Fund	\$1,928,100	\$818,000	\$1,110,100	
0430	Livestock Management Facilities Fund	\$56,800	\$0	\$56,800	
0435	Charitable Trust Stabilization Fund	\$2,136,095	\$393,000	\$1,743,095	
0437	Quality of Life Endowment Fund	\$2,116,000	\$1,112,000	\$1,004,000	
0438	Illinois State Fair Fund	\$177,100	\$0	\$177,100	
0445	Sex Offender Investigation Fund	\$68,800	\$0	\$68,800	
0446	Employee Classification Fund	\$15,000	\$0	\$15,000	

FY2011 INTERFUND BORROWING		PA 96-0958	Paid Back	Remainder	Interest Paid
No.	Fund	Borrowed	Total To Date		
0449	Interpreters for the Deaf Fund	\$117,600	\$21,000	\$96,600	
0469	Autoimmune Disease Research Fund	\$44,000	\$44,000	\$0	\$131
0474	Human Services Priority Capital Program Fund	\$1,648,000	\$1,648,000	\$0	
0478	Predatory Lending Database Program Fund	\$650,000	\$0	\$650,000	
0480	Secretary of State Identification Security and Theft Prevention Fund	\$5,000,000	\$0	\$5,000,000	
0504	Wildlife Prairie Park Fund	\$46,000	\$0	\$46,000	
0510	IL Fire Fighters' Memorial Fund	\$3,061,100	\$0	\$3,061,100	
0514	State Asset Forfeiture Fund	\$549,100	\$0	\$549,100	
0517	Police Training Board Services Fund	\$7,200	\$0	\$7,200	
0518	Fire Service and Small Equipment Fund	\$81,900	\$0	\$81,900	
0528	Domestic Violence Abuser Services Fund	\$28,900	\$0	\$28,900	
0534	IL Workers' Compensation Commission Operations Fund	\$11,107,000	\$0	\$11,107,000	
0535	Sex Offender Registration Fund	\$74,300	\$0	\$74,300	
0537	State Offender DNA Identification System Fund	\$641,500	\$0	\$641,500	
0548	Drycleaner Environmental Response Trust Fund	\$948,100	\$0	\$948,100	
0552	Workforce, Technology, and Economic Development Fund	\$60,800	\$0	\$60,800	
0555	Good Samaritan Energy Trust Fund	\$28,500	\$0	\$28,500	
0559	Downstate Transit Improvement Fund	\$17,000,000	\$0	\$17,000,000	
0562	Pawnbroker Regulation Fund	\$29,000	\$0	\$29,000	
0564	Renewable Energy Resources Trust Fund	\$2,617,700	\$0	\$2,617,700	
0567	Charter Schools Revolving Loan Fund	\$3,800	\$0	\$3,800	
0569	School Technology Revolving Loan Fund	\$2,413,800	\$0	\$2,413,800	
0570	Illinois and Michigan Canal Fund	\$83,900	\$0	\$83,900	
0571	Energy Efficiency Trust Fund	\$1,375,000	\$750,000	\$625,000	
0576	Pesticide Control Fund	\$2,627,700	\$1,000,000	\$1,627,700	
0582	DCFS Special Purposes Trust Fund	\$222,100	\$0	\$222,100	
0588	September 11th Fund	\$238,200	\$0	\$238,200	
0589	Transportation Safety Highway Hire-back Fund	\$157,200	\$0	\$157,200	
0605	Temporary Relocation Expenses Revolving Grant Fund	\$599,100	\$0	\$599,100	
0608	Partners for Conservation Fund	\$3,489,600	\$0	\$3,489,600	
0611	Fund for Illinois' Future	\$2,021,900	\$0	\$2,021,900	
0613	Wireless Carrier Reimbursement Fund	\$6,665,500	\$0	\$6,665,500	
0621	International Tourism Fund	\$5,243,200	\$0	\$5,243,200	
0623	Special Olympics IL Fund	\$23,000	\$0	\$23,000	
0626	Prostate Cancer Research Fund	\$25,000	\$25,000	\$0	
0635	Death Certificate Surcharge Fund	\$1,053,000	\$0	\$1,053,000	
0637	State Police Wireless Service Emergency Fund	\$2,725,200	\$0	\$2,725,200	
0638	IL Adoption Registry & Medical Information Exchange Fund	\$4,000	\$0	\$4,000	
0643	Auction Recovery Fund	\$288,000	\$288,000	\$0	
0652	Over Dimensional Load Police Escort Fund	\$19,100	\$0	\$19,100	
0654	Healthy Smiles Fund	\$22,600	\$22,600	\$0	
0660	Academic Quality Assurance Fund	\$344,400	\$0	\$344,400	
0661	Private College Academic Quality Assurance Fund	\$67,800	\$0	\$67,800	
0669	Airport Land Loan Revolving Fund	\$90,000	\$90,000	\$0	
0675	Electronics Recycling Fund	\$26,800	\$0	\$26,800	
0678	FY09 Budget Relief Fund	\$14,000,000	\$0	\$14,000,000	

FY2011 INTERFUND BORROWING		PA 96-0958	Paid Back	Remainder	Interest Paid
No.	Fund	Borrowed	Total To Date		
0697	Roadside Memorial Fund	\$163,000	\$0	\$163,000	
0702	Assisted Living and Shared Housing Regulatory Fund	\$122,400	\$0	\$122,400	
0705	State Police Whistleblower Reward and Protection Fund	\$11,048,800	\$0	\$11,048,800	
0706	Hunger Relief Fund	\$98,400	\$98,400	\$0	\$273
0714	Spinal Cord Injury Paralysis Cure Research Trust Fund	\$597,600	\$0	\$597,600	
0725	Illinois Military Family Relief Fund	\$224,400	\$224,400	\$0	
0731	IL Clean Water Fund	\$1,650,000	\$0	\$1,650,000	
0738	Alternative Compliance Market Account Fund	\$352,200	\$202,000	\$150,200	
0740	Medicaid Buy-In Program Revolving Fund	\$761,300	\$267,000	\$494,300	
0744	IL Animal Abuse Fund	\$8,400	\$0	\$8,400	
0746	Home Inspector Admin Fund	\$373,000	\$195,000	\$178,000	
0750	Real Estate Audit Fund	\$151,000	\$151,000	\$0	
0753	IL Future Teacher Corps Scholarship Fund	\$173,200	\$0	\$173,200	
0754	IL AgriFIRST Program Fund	\$203,100	\$0	\$203,100	
0764	Pet Population Control Fund	\$40,700	\$0	\$40,700	
0774	Oil Spill Response Fund	\$34,000	\$0	\$34,000	
0776	Presidential Library and Museum Operating Fund	\$1,420,600	\$0	\$1,420,600	
0777	Crisis Nursery Fund	\$42,500	\$42,500	\$0	
0778	Dept. of Human Rights Training & Development Fund	\$15,000	\$0	\$15,000	
0784	Performance-enhancing Substance Testing Fund	\$55,000	\$0	\$55,000	
0790	Private Sewage Disposal Program Fund	\$82,600	\$0	\$82,600	
0794	Metro-East Public Transportation Fund	\$91,000	\$0	\$91,000	
0795	Bank and Trust Company Fund	\$8,000,000	\$0	\$8,000,000	
0797	Dept. of Human Rights Special Fund	\$136,000	\$0	\$136,000	
0823	Illinois State Dental Disciplinary Fund	\$1,400,000	\$1,300,000	\$100,000	
0830	Dept. of Aging State Projects Fund	\$53,000	\$0	\$53,000	
0836	IL Power Agency Renewable Energy Resources Fund	\$6,710,000	\$0	\$6,710,000	
0840	Hazardous Waste Research Fund	\$150,600	\$0	\$150,600	
0845	Environmental Protection Trust Fund	\$1,940,800	\$0	\$1,940,800	
0849	Real Estate Research and Education Fund	\$241,000	\$241,000	\$0	
0865	Domestic Violence Shelter and Service Fund	\$355,800	\$0	\$355,800	
0866	Snowmobile Trail Establishment Fund	\$29,500	\$29,500	\$0	
0878	Drug Traffic Prevention Fund	\$128,200	\$0	\$128,200	
0888	Design Professionals Admin and Investigation Fund	\$318,000	\$143,000	\$175,000	
0906	State Police Services Fund	\$3,157,500	\$0	\$3,157,500	
0910	Youth Drug Abuse Prevention Fund	\$14,400	\$0	\$14,400	
0922	Insurance Producer Administration Fund	\$10,788,400	\$0	\$10,788,400	
0927	Illinois National Guard Armory Construction Fund	\$4,300	\$0	\$4,300	
0930	Senior Citizens Real Estate Deferred Tax Revolving Fund	\$1,554,500	\$0	\$1,554,500	
0940	Self-Insurers Security Fund	\$10,000,000	\$0	\$10,000,000	
0942	Low-level Radioactive Waste Facility Development and Operation Fund	\$720,100	\$0	\$720,100	
0954	Illinois State Podiatric Disciplinary Fund	\$30,000	\$0	\$30,000	
0963	Vehicle Inspection Fund	\$18,982,300	\$0	\$18,982,300	
0973	Illinois Capital Revolving Loan Fund	\$6,166,300	\$0	\$6,166,300	
0974	Illinois Equity Fund	\$540,000	\$0	\$540,000	
0975	Large Business Attraction Fund	\$610,400	\$0	\$610,400	
0993	Public Infrastructure Construction Loan Revolving Fund	\$11,496,600	\$0	\$11,496,600	
0997	Insurance Financial Regulation Fund	\$7,515,800	\$0	\$7,515,800	
	Total	\$496,011,595	\$45,122,300	\$450,889,295	\$1,038

REVENUE

December Posts Modest Gain Despite Plunge in Federal Sources

Jim Muschinske, Revenue Manager

While federal sources again suffered a significant drop, overall base revenues grew a modest \$73 million in December. A falloff of \$517 million in federal sources was primarily due to last year's selling of \$1.5 billion in tobacco securitization bonds, the proceeds of which were used to pay down unpaid bills [i.e. reimbursable Medicaid bills]. In addition, monthly revenue growth also was limited by the continued impact of last year's tax amnesty program as approximately \$60 million in net proceeds to the general funds was received last December. As stated many times by CGFA, the vast majority of those tax amnesty revenues should not have been viewed as "new" revenues, but rather an acceleration of tax revenue that ultimately would have been collected later in FY 2011 or in subsequent fiscal years [i.e. FY'12].

Gross personal income tax grew \$497 million, or \$453 million net of refunds. Gross corporate income taxes grew \$172 million, or \$144 million net of refunds. The monthly gain was impressive given that last December approximately \$20 million in net corporate income tax was classified as tax amnesty. Sales taxes also suffered on a comparative basis as monthly receipts only grew \$6 million. Again, the minor gain was due to tax amnesty, as December 2010 receipts included approximately \$36 million classified as such.

As expected, inheritance tax receipts jumped as a consequence of tax changes which went into effect January 2011, up

\$27 million. Other sources grew \$9 million, insurance taxes \$5 million, and liquor taxes \$1 million. A few sources experienced monthly declines as public utility tax fell \$32 million, corporate franchise taxes \$9 million, interest income \$7 million, and vehicle use tax \$1 million.

Overall transfers declined \$6 million in December. While riverboat transfers grew \$28 million, other transfers declined \$34 million. Finally, as mentioned, federal sources dropped \$517 million reflecting reimbursable spending made possible last year due to the tobacco settlement bond proceeds used in large part to pay down overdue Medicaid bills [see December 2010 monthly briefing for more information on the tobacco settlement bond sale].

Year to Date

Through the first half of the fiscal year, absent short-term borrowing, tobacco settlement proceeds and Budget Stabilization Fund transfers, base general funds revenues are up \$1.107 billion. Despite the brief interruption related to the above mentioned tax amnesty timing issue, the increase continues to be fueled by comparatively higher income tax receipts stemming from the January 2011 rate increases as well as continued strong sales tax receipts. Those items have been more than enough to overcome a significant falloff in federal sources that resulted from less reimbursable spending as well as a return to a lower federal matching rate [under ARRA, states enjoyed approximately two years of

higher reimbursable match—that has now ended].

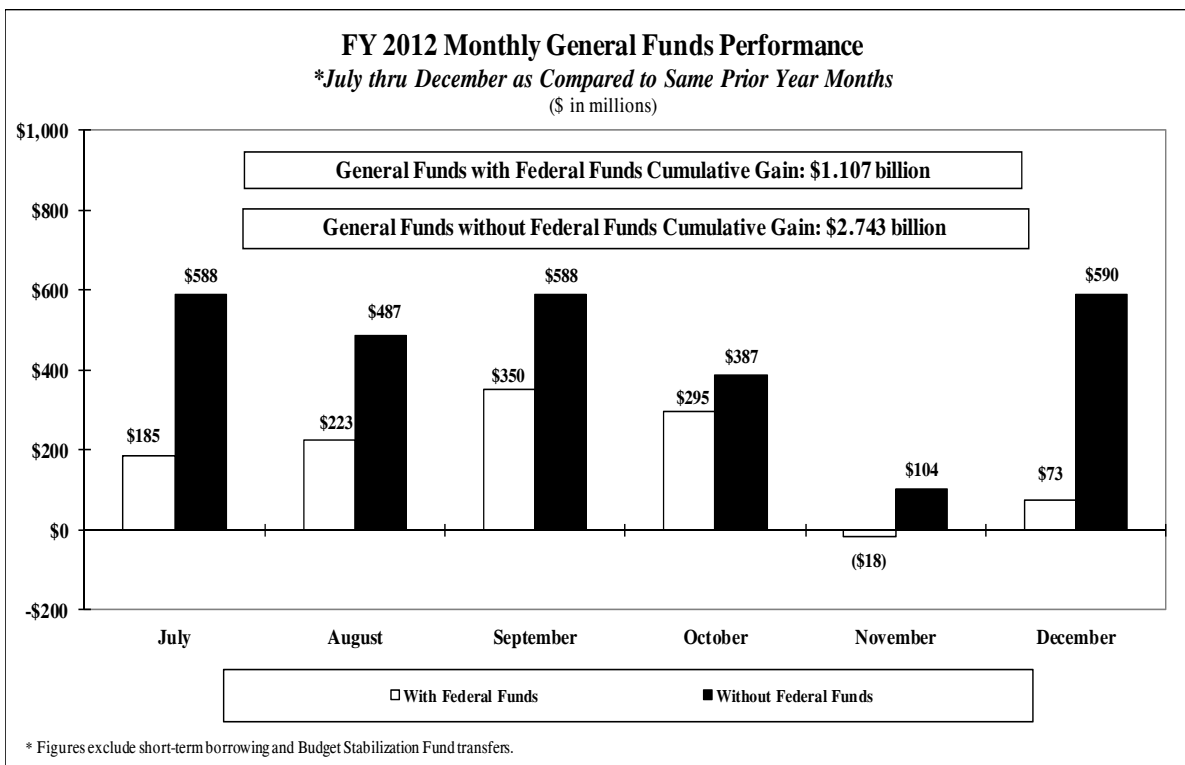
To date, gross personal income taxes are up \$2.840 billion, or \$2.591 billion net of refunds. Gross corporate income taxes are up \$187 million, or \$180 million net of refunds. Sales taxes have increased \$202 million, while all other revenue sources displayed a decline of \$63 million.

Overall transfers are down \$167 million, primarily as the result of \$354 million of interfund borrowing that took place last fiscal year through December. Other transfers are down \$262 million, while regular riverboat transfers are up \$19 million [the final payment of \$73

million is related to the sale of the 10th license]. Lottery transfers are up a scant \$3 million for the year. Federal source receipts suffered a significant drop falling \$1.636 billion due to lower reimbursable spending as well as lower reimbursement rates previously enjoyed under ARRA.

Review of First Half Revenues

The chart below demonstrates how the first half of FY 2012 has performed both with and without federal sources. If the \$1.636 billion of federal source falloff is included, overall base revenues are up \$1.107 billion. When federal sources are excluded, that figure jumps to \$2.743 billion, primarily the result of the higher income tax rates and continued sales tax growth.



Overall, through the first half of the fiscal year, revenues have performed about as expected, although concerns

have increased over the ability to meet the Administration’s estimate of federal sources [which is largely dependent on

reimbursable spending]. In fact, GOMB just released their Three-Year Budget Projection which includes a \$520 million reduction in federal sources. In terms of the economically related sources, both corporate income tax as well as sales tax could be viewed as somewhat outperforming expectations, while personal income tax has slightly underperformed and has struggled to achieve any real growth absent the tax

increase. Looking ahead, the most likely scenario continues to call for modest growth over the remainder of the fiscal year and into FY 2013. As described in the earlier economic section, the probability of falling into another recession in the near term has lessened somewhat. However, given the economy's painful pace of adding jobs that should not be interpreted to mean a return to impressive growth.

GENERAL FUNDS RECEIPTS: DECEMBER

FY 2012 vs. FY 2011

(\$ million)

<u>Revenue Sources</u>	<u>Dec.</u> <u>FY 2012</u>	<u>Dec.</u> <u>FY 2011</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$1,254	\$757	\$497	65.7%
Corporate Income Tax (regular)	430	258	\$172	66.7%
Sales Taxes	635	629	\$6	1.0%
Public Utility Taxes (regular)	78	110	(\$32)	-29.1%
Cigarette Tax	30	30	\$0	0.0%
Liquor Gallonage Taxes	15	14	\$1	7.1%
Vehicle Use Tax	2	3	(\$1)	-33.3%
Inheritance Tax (Gross)	32	5	\$27	540.0%
Insurance Taxes and Fees	63	58	\$5	8.6%
Corporate Franchise Tax & Fees	13	22	(\$9)	-40.9%
Interest on State Funds & Investments	0	7	(\$7)	-100.0%
Cook County IGT	0	0	\$0	N/A
Other Sources	38	29	\$9	31.0%
Subtotal	\$2,590	\$1,922	\$668	34.8%
Transfers				
Lottery	61	61	\$0	0.0%
Riverboat transfers & receipts	53	25	\$28	112.0%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Other	42	76	(\$34)	-44.7%
Total State Sources	\$2,746	\$2,084	\$662	31.8%
Federal Sources	\$195	\$712	(\$517)	-72.6%
Total Federal & State Sources	\$2,941	\$2,796	\$145	5.2%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$110)	(\$66)	(\$44)	66.7%
Corporate Income Tax	(\$75)	(47)	(\$28)	59.6%
Subtotal General Funds	\$2,756	\$2,683	\$73	2.7%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Tobacco Liquidation Proceeds	\$0	\$1,250	(\$1,250)	N/A
Pension Contribution Fund Transfer	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$0	\$235	(\$235)	N/A
Total General Funds	\$2,756	\$4,168	(\$1,412)	-33.9%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				3-Jan-12

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2012 vs. FY 2011

(\$ million)

<u>Revenue Sources</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>CHANGE FROM FY 2011</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$7,150	\$4,310	\$2,840	65.9%
Corporate Income Tax (regular)	1,125	938	\$187	19.9%
Sales Taxes	3,655	3,453	\$202	5.8%
Public Utility Taxes (regular)	503	540	(\$37)	-6.9%
Cigarette Tax	177	177	\$0	0.0%
Liquor Gallonage Taxes	84	82	\$2	2.4%
Vehicle Use Tax	15	16	(\$1)	-6.3%
Inheritance Tax (Gross)	82	113	(\$31)	-27.4%
Insurance Taxes and Fees	148	144	\$4	2.8%
Corporate Franchise Tax & Fees	100	112	(\$12)	-10.7%
Interest on State Funds & Investments	10	17	(\$7)	-41.2%
Cook County IGT	56	56	\$0	N/A
Other Sources	188	169	\$19	11.2%
Subtotal	\$13,293	\$10,127	\$3,166	31.3%
Transfers				
Lottery	300	297	\$3	1.0%
Riverboat transfers & receipts	207	188	\$19	10.1%
Proceeds from Sale of 10th license	73	0	\$73	N/A
Other	471	733	(\$262)	-35.7%
Total State Sources	\$14,344	\$11,345	\$2,999	26.4%
Federal Sources				
Total Federal & State Sources	\$1,329	\$2,965	(\$1,636)	-55.2%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$626)	(\$377)	(\$249)	66.0%
Corporate Income Tax	(\$197)	(\$190)	(\$7)	3.7%
Subtotal General Funds	\$14,850	\$13,743	\$1,107	8.1%
Short-Term Borrowing	\$0	\$1,300	(\$1,300)	-100.0%
Tobacco Liquidation Proceeds	\$0	\$1,250	(\$1,250)	N/A
Pension Contribution Fund Transfer	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$275	\$235	\$40	N/A
Total General Funds	\$15,125	\$16,528	(\$1,403)	

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

CGFA

3-Jan-12