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ECONOMY: Trade Reversal a Needed Strength

Edward H. Boss, Jr., Chief Economist

International trade has begun to take on an increasingly important role in the current U.S. business expansion as housing, corporate profits, business spending, and the domestic auto industries all are under pressure. Generally when the trade deficit is mentioned the discussion turns to disquieting issues such as the drag from high priced imported energy, soaring imports from China and outsourcing abroad, and a resultant pile up of foreign ownership of U.S. debt. As imports expand more rapidly than exports, the net effect has been a subtraction from real or inflation-adjusted Gross Domestic Product (GDP). Lost in the discussion, however, is the fact that the trade deficit has been on an improving trend for some time and again in February was smaller than expected.

In the final quarter of 2006, the last quarter for which complete trade data are available, net exports, instead of

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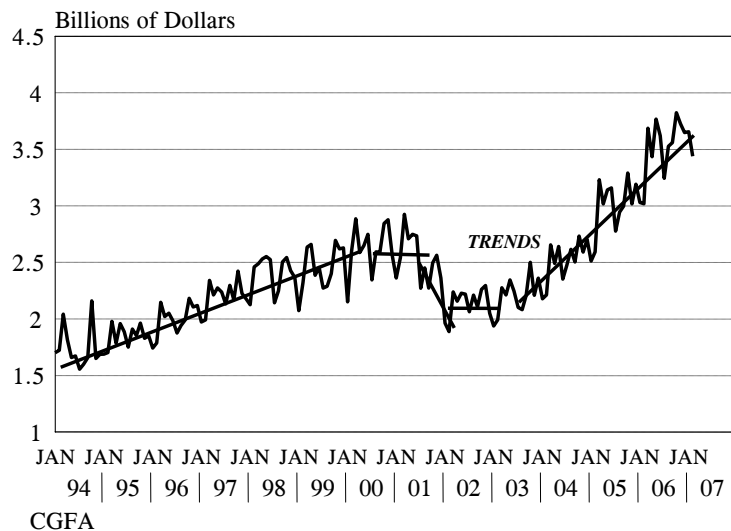
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CHART 1
ILLINOIS EXPORTS



subtracting from growth, contributed 1.6% to the overall 2.5% increase in real GDP as exports accelerated while the rate of imports declined. This net export contribution together with the positive contributions of 2.9% from consumers and 0.6% from government erased the negative contribution of 2.7% derived from declining fixed investment (spending by businesses and on residential housing). The decrease in the growth rate in U.S. imports reflects the slowdown in U.S. growth since the first quarter of 2007 while continuing strong growth abroad kept U.S. export expansion rapid.

In addition, some economists are now citing that the **J** effect finally may be beginning to have a positive effect on net exports. The **J** effect is a theory that a country's trade deficit (in part because of long-standing relationships and contracts) will worsen initially after the depreciation of its currency because higher prices on foreign imports will be greater than the reduced volume of imports. Eventually, however, the change in export prices compared to imports induces an expansion in exports and cut in imports, improving the trade balance. Thus, the trade experience from currency devaluation is in the shape of the letter **J**. As pointed out by ISI (the International Strategy and Investment group)... "The dollar's - 16% decline over the past five years is finally starting to help." In other words, the theory would say the positive effects of more competitive prices on U.S. exports may now have supplanted the negative effects on trade from the declining value of the dollar,

or that trade has entered the vertical part of the **J**.

Exports are a particularly important sector of the Illinois economy, which rates 5th in the nation and, as shown in the accompanying chart, have been on a strong upward trend. In February 2007, Illinois exports were up a sharp 14% from a year earlier. As noted in the *State of Illinois Forecast Report* by Moody's/Economy.com done for the Commission earlier this year, exports account for an increasing share of the State's gross output, with the value of exports as a share of output reaching a record 6.5%, up from a low of 5.1% in 2003. In addition, exports now account for nearly one-half of Illinois' manufacturing output. The report also noted that most of the State's largest exporters (industrial machinery, electrical equipment, fabricated metals) are enjoying double-digit export growth. In addition, Illinois farmers were benefiting from strong export growth and higher prices for corn and soybeans and rising ethanol production.

The Census Bureau is responsible for collecting, compiling, and publishing export statistics for the U.S. The exporter files the Shipper's Export Declaration (SED), which measures the physical movement of merchandise out of the United States to foreign countries. In 1987 the OM, or Origin of Movement, series became available and this is the data depicted in the chart. It shows exports based on the State from which the merchandise starts its journey to the port of export.

Latest data for Illinois show the breakdown of its exports last year consisted of 94% manufactured goods and 6% non-manufactured goods, which represented a 4% share of total U.S. exports, up from a 3.7% share in each of the previous three years. More than half, 54.1%, of Illinois' exports went to five countries - - Canada, Mexico, Japan, United Kingdom, and Germany. Canada alone accounted for 30.3%. In some cases, whenever shipments are consolidated, the origin of movement will reflect the consolidation point. This is a limitation. The primary impact is on the State distribution of non-manufactured goods. The most visible example is tendencies to understate exports from some agricultural states like Illinois and to overstate exports from some states like Louisiana that have ports that handle high-value shipments of farm products. Thus, the

export gains for Illinois may well be stronger than indicated.

In conclusion, strong export growth and slowing imports are providing a lift to overall economic growth that has slowed sharply as housing continues to decline and business capital spending lags despite record corporate profits and rising cash reserves. This improving trade trend is expected to continue, although sharp swings in energy prices will continue to impact the overall trade balance. Advance estimates for the 1st quarter of 2007 indicate GDP rose a meager annual rate of 1.3%. This report, based on incomplete data particularly for the foreign trade sector, showed exports slowed, due mainly to downturns in capital goods and Industrial materials, while imports, which subtract when calculating GDP, rose led by petroleum and related products.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS</u>	<u>MAR 2007</u>	<u>FEB 2007</u>	<u>MAR 2006</u>
Unemployment Rate (Average)	4.2%	4.8%	4.9%
Annual Rate of Inflation (Chicago)	11.1%	7.4%	2.5%
—————			
	<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) (March)	6,652	-0.4%	1.3%
Employment (thousands) (March)	6,371	0.2%	2.0%
New Car & Truck Registration (March)	49,877	24.4%	-9.2%
Single Family Housing Permits (March)	2,648	82.1%	-36.2%
Total Exports (\$ mil) (February)	3,439	-5.9%	14.0%
Chicago Purchasing Managers Index (April)	52.9	-14.3%	-7.5%

Special Transfers

Lynnae Kapp, Bond/Revenue Analyst

April fund sweeps of \$46.9 million, added to \$141.4 million from previous months equals a year-to-date total of \$188.4 million in fund sweeps. Of the statutorily required sweeps, approximately \$11.7 million has not been swept primarily from three funds that are being protested in court: Motor

Vehicle Theft Prevention Trust Fund, Savings and Residential Finance Regulatory Fund, and Real Estate License Administration Fund. Chargebacks occurred in September in the amount of \$24.7 million. The total of all Special Transfers to date equals \$213.1 million. The following table lists totals by fund and type of transfer.

Special Transfers in FY 2007 [PA 94-0839]				
#	FUND NAME	Chargebacks	Statute (s Sweep)	TOTAL
0014	Food & Drug Safety	\$111,300	\$421,000	\$532,300
0019	Grade Crossing Protection	\$2,160,000	\$4,000,000	\$6,160,000
0022	General Professions Dedicated	\$768,600	\$5,000,000	\$5,768,600
0023	Economic Research and Information		\$25,000	\$25,000
0024	IL Dept. of Ag. Laboratory Services	\$62,400	\$40,000	\$102,400
0031	Drivers Education		\$900,000	\$900,000
0040	State Parks	\$893,900	\$1,046,000	\$1,939,900
0044	Lobbyist Registration Administration	\$51,000		\$51,000
0057	IL State Pharmacy Disciplinary	\$140,400	\$3,000,000	\$3,140,400
0059	Public Utility	\$400,000	\$440,000	\$840,000
0078	Solid Waste Management		\$200,000	\$200,000
0085	Illinois Gaming Law Enforcement	\$41,280	\$652,000	\$693,280
0089	Subtitle D Management		\$300,000	\$300,000
0113	Community Health Center Care		\$100,000	\$100,000
0130	School District Emergency Financial Assistance	\$55,900	\$1,325,000	\$1,380,900
0137	Plugging & Restoration	\$41,900		\$41,900
0145	Explosives Regulatory		\$23,000	\$23,000
0146	Aggregate Operation Regulatory		\$33,000	\$33,000
0147	Coal Mining Regulatory		\$50,000	\$50,000
0151	Registered CPA Administration & Disciplinary		\$1,000,000	\$1,000,000
0153	Agrichemical Incident Response Trust		\$200,000	\$200,000
0163	Weights and Measures	\$236,200	\$600,000	\$836,200
0167	Registered Limited Liability Partnership		\$416,250	\$416,250
0193	Local Government Health Insurance Reserve		\$1,000,000	\$1,000,000
0195	IPTIP Administrative Trust		\$700,000	\$700,000
0215	Capital Development Board Revolving	\$217,125		\$217,125
0218	Professions Indirect Cost		\$500,000	\$500,000
0222	State Police DUI	\$50,200	\$150,000	\$200,200

Special Transfers in FY 2007 [PA 94-0839]				
#	FUND NAME	Chargebacks	Statute (s Sweep)	TOTAL
0224	Asbestos Abatement		\$500,000	\$500,000
0238	IL Health Facilities Planning	\$138,900		\$138,900
0245	Fair & Exposition	\$132,900	\$200,000	\$332,900
0246	State Police Vehicle		\$144,000	\$144,000
0251	Dept. of Labor Special State Trust		\$162,000	\$162,000
0258	Nurse Dedicated & Professional		\$3,000,000	\$3,000,000
0261	Underground Resource Conservation Enforcement	\$54,600	\$100,000	\$154,600
0262	Mandatory Arbitration		\$906,000	\$906,000
0278	Income Tax Refund Fund		\$44,000,000	\$44,000,000
0285	Long-Term Care Monitor/Receiver	\$75,900	\$300,000	\$375,900
0288	Community Water Supply Lab		\$200,000	\$200,000
0290	Fertilizer Control	\$46,200		\$46,200
0294	Used Tire Management		\$1,000,000	\$1,000,000
0298	Natural Areas Acquisition	\$1,459,600	\$5,000,000	\$6,459,600
0299	Open Space Lands Acquisition and Development	\$3,408,800		\$3,408,800
0303	State Garage Revolving		\$691,300	\$691,300
0304	Statistical Services Revolving	\$1,000,000	\$231,600	\$1,231,600
0308	Paper and Printing Revolving		\$9,900	\$9,900
0309	Air Transportation Revolving		\$100,000	\$100,000
0310	Tax Recovery		\$150,000	\$150,000
0312	Communications Revolving	\$1,500,000	\$1,076,800	\$2,576,800
0314	Facilities Management Revolving		\$111,900	\$111,900
0317	Professional Services		\$1,064,800	\$1,064,800
0323	Motor Vehicle Review Board	\$18,600		\$18,600
0331	Treasurer's Rental Fee		\$100,000	\$100,000
0332	Workers Compensation Revolving		\$530,800	\$530,800
0342	Audit Expense	\$1,528,800	\$1,800,000	\$3,328,800
0362	Securities Audit and Enforcement	\$718,700	\$695,000	\$1,413,700
0363	Dept. Business Service Spec. Ops	\$440,000	\$7,650,000	\$8,090,000
0369	Feed Control	\$76,000		\$76,000
0371	Innovations in Long-term Care Quality Demonstration Grants	\$63,500	\$300,000	\$363,500
0372	Plumbing Licensure & Program	\$128,100		\$128,100
0373	State Treasurer's Bank Service		\$5,000,000	\$5,000,000
0380	Corporate Franchise Tax Re		\$1,400,000	\$1,400,000
0384	Tax Compliance & Administration	\$134,008	\$429,400	\$563,408
0386	Appraisal Administration	\$48,000	\$1,000,000	\$1,048,000
0397	Trauma Center	\$1,318,000	\$5,000,000	\$6,318,000
0421	Public Aid Recoveries Trust		\$8,611,000	\$8,611,000
0422	Alternative Fuels	\$124,800		\$124,800
0436	Safety Responsibility	\$76,000		\$76,000
0514	State Asset Forfeiture	\$120,300	\$250,000	\$370,300
0524	Health Facility Plan Review	\$132,700	\$166,000	\$298,700
0536	LEADS Maintenance		\$77,000	\$77,000
0537	State Offender DNA ID System	\$247,300		\$247,300
0538	IL Historic Sites		\$134,400	\$134,400

Special Transfers in FY 2007 [PA 94-0839]				
#	FUND NAME	Chargebacks	Statute (s Sweep)	TOTAL
0546	Public Pension Regulation	\$56,000	\$50,000	\$106,000
0562	Pawnbroker Regulation	\$11,600	\$100,000	\$111,600
0567	Charter Schools Revolving		\$1,200,000	\$1,200,000
0569	School Technology Revolving Loan	\$116,800		\$116,800
0571	Energy Efficiency Trust	\$240,000		\$240,000
0576	Pesticide Control	\$124,000		\$124,000
0600	AG Whistleblower Reward & Protection		\$1,000,000	\$1,000,000
0613	Wireless Carrier Reimbursement		\$8,000,000	\$8,000,000
0621	International Tourism	\$608,000	\$3,000,000	\$3,608,000
0629	Real Estate Recovery		\$200,000	\$200,000
0635	Death Certificate Surcharge	\$151,100	\$1,000,000	\$1,151,100
0637	State Police Wireless Service Emergency	\$116,900		\$116,900
0643	Auction Recovery		\$50,000	\$50,000
0649	Motor Carrier Safety Inspection		\$150,000	\$150,000
0705	Whistleblower Reward & Protection	\$68,500	\$750,000	\$818,500
0712	Post Transplant Maintenance and Retention		\$75,000	\$75,000
0733	Tobacco Settlement Recovery		\$19,900,000	\$19,900,000
0740	Medicaid Buy-In Program Revolving		\$319,000	\$319,000
0746	Home Inspector Administration	\$88,000	\$200,000	\$288,000
0763	Tourism Promotion	\$2,837,800	\$4,000,000	\$6,837,800
0769	Lawyers Assistance Program		\$67,200	\$67,200
0770	Digital Divide Elimination	\$161,600		\$161,600
0776	Presidential Library and Museum		\$750,000	\$750,000
0821	Dram Shop		\$112,000	\$112,000
0823	IL State Dental Disciplinary		\$250,000	\$250,000
0879	Traffic & Criminal Conviction Surcharge		\$250,000	\$250,000
0888	Design Professionals Administration & Investigation	\$96,300	\$100,000	\$196,300
0903	State Surplus Property Revolving		\$6,300	\$6,300
0906	State Police Services		\$200,000	\$200,000
0907	Health Insurance Reserve		\$21,000,000	\$21,000,000
0921	DHS Recoveries Trust		\$3,591,800	\$3,591,800
0922	Insurance Producer Administration		\$2,000,000	\$2,000,000
0925	Coal Technology Development Assistance	\$907,400		\$907,400
0930	Senior Citizens Real Estate Deferred Tax Revolving	\$400,000		\$400,000
0932	State Treasurer Court Ordered Escrow		\$250,000	\$250,000
0944	Environmental Protection Permit & Inspection		\$181,000	\$181,000
0954	Illinois State Podiatric Disciplinary		\$250,000	\$250,000
0962	Park & Conservation	\$473,600		\$473,600
0975	Large Business Attraction	\$55,000		\$55,000
0982	IL Beach Marina		\$100,000	\$100,000
0984	International & Promotional		\$70,000	\$70,000
0997	Insurance Financial Regulation		\$5,000,000	\$5,000,000
	TOTAL	\$24,734,513	\$188,385,450	\$213,119,963

REVENUE
April Receipts Soar Due to Income
Taxes, Transfers, and
Federal Sources

Jim Muschinske, Revenue Manager

Revenues in April increased \$460 million, excluding \$167 million in cash flow transfers from the Hospital Provider Fund. The cash flow transfer allowed for spending on Medicaid, thereby generating federal reimbursement. In addition to the good month for federal sources, both personal and corporate income tax receipts did very well. An extra receipt day in April had a significant impact on the monthly receipts, particularly in the case of personal income tax which actually ran behind last year's monthly total until the last receipt day.

For the month, gross personal income taxes rose \$157 million, or \$142 million net of refunds. Interestingly, despite the significant jump in personal income tax, for the vast majority of April, receipts were actually running behind last year's pace. It wasn't until the very last receipt day that personal income tax bounced back. It's possible the extra receipt day this month resulted in revenues being pulled in earlier, thereby potentially impacting May receipts. Gross corporate income taxes were up \$134 million, or \$119 million net of refunds. Public utility taxes and other sources each posted \$9 million increases. Liquor tax, inheritance tax, insurance taxes, and interest earnings each managed to generate \$3 million in gains.

Despite an overall increase in revenues, a few sources suffered declines in April. Sales tax receipts were down by \$21 million, although it is believed the decline is due to an earlier misallocation in sales tax revenue at the Department of Revenue. *[As explained by the Department of Revenue, a misallocation of sales tax revenue took place during FY 2006 and most of FY 2007. Essentially, the sales tax allocations failed to incorporate revised home rule rates. The net result, according to the Department, is that approximately \$71 million was mistakenly directed to the General Revenue Fund rather than going to the Home Rule Fund. In March, a \$25 million adjustment was made to correct the error, and it was expected that another \$30 million in adjustments were to occur in April. The remaining discrepancy will be made up over the remaining months and then FY 2008 will be back to normal.]* The Cook County IGT fell \$14 million as expected and cigarette tax receipts were off by \$4 million due to this year's distribution change. Insurance taxes and fees posted a modest \$2 million dip in receipts.

Overall transfers rose \$91 million in April. Of that gain, \$80 million was accounted for by a one time transfer from the Hospital Provider Fund as a planned consequence of the hospital assessment program. The final quarterly fund sweep also took place in April. While riverboat transfers were up \$5 million for the month, lottery transfers fell \$7 million. Federal sources jumped by \$119 million when compared to a weak April last year, as

well as a \$167 million in cash flow transfer from the Hospital Provider Fund which enabled reimbursable spending on Medicaid bills.

Year to Date

Excluding \$456 million in Hospital Provider Fund cash flow transfers over the last two months and the earlier \$900 million in short-term borrowing, overall general funds are up \$1.093 billion. While income taxes have performed above expectations for virtually all of the fiscal year, given the unusual receipting experienced at the end of April, it would not be surprising to see growth rates moderate over the final two months of the fiscal year. Sales taxes have disappointed over the last several months, even taking into account the mentioned misallocation.

Gross personal income taxes are up \$700 million, or \$632 million net of refunds. Gross corporate income taxes

are up \$312 million, or \$293 million net of refunds. Sales tax receipts are up \$88 million, while interest income is ahead by \$54 million. All other sources experiencing gains added \$58 million.

As expected, the Cook County IGT is down \$52 million while, due to a change in tax distribution, cigarette taxes are off by \$41 million. Inheritance taxes and insurances taxes are behind by \$3 million and the vehicle use tax is down by \$2 million.

Overall transfers are up by \$149 million. Other transfers are up \$197 million due to a large July transfer from the Refund Fund, fund sweeps, chargeback activity, and a one-time \$80 million transfer resulting from the hospital assessment program. A \$64 falloff in lottery transfers served to offset some of those gains. Finally, federal sources, while much improved from earlier levels, are still down \$80 million through April.

GENERAL FUNDS RECEIPTS: APRIL

FY 2007 vs. FY 2006

(\$ million)

<u>Revenue Sources</u>	<u>April FY 2007</u>	<u>April FY 2006</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$1,414	\$1,257	\$157	12.5%
Corporate Income Tax (regular)	484	350	\$134	38.3%
Sales Taxes	553	574	(\$21)	-3.7%
Public Utility Taxes (regular)	77	68	\$9	13.2%
Cigarette Tax	29	33	(\$4)	-12.1%
Liquor Gallonage Taxes	13	10	\$3	30.0%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax (Gross)	22	19	\$3	15.8%
Insurance Taxes and Fees	42	44	(\$2)	-4.5%
Corporate Franchise Tax & Fees	15	12	\$3	25.0%
Interest on State Funds & Investments	17	14	\$3	21.4%
Cook County IGT	26	40	(\$14)	-35.0%
Other Sources	38	29	\$9	31.0%
Subtotal	\$2,733	\$2,453	\$280	11.4%
Transfers				
Lottery	50	57	(\$7)	-12.3%
Riverboat transfers & receipts	40	35	\$5	14.3%
Other	182	89	\$93	104.5%
Total State Sources	\$3,005	\$2,634	\$371	14.1%
Federal Sources	\$389	\$270	\$119	44.1%
Total Federal & State Sources	\$3,394	\$2,904	\$490	16.9%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$138)	(\$123)	(\$15)	12.2%
Corporate Income Tax	(\$85)	(70)	(\$15)	21.4%
Subtotal General Funds	\$3,171	\$2,711	\$460	17.0%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Hopital Provider Fund (cash flow transfer)	\$167	\$0	\$167	N/A
Budget Stabilization Fund Transfer	\$0	\$0	\$0	N/A
Total General Funds	\$3,338	\$2,711	\$627	23.1%

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

1-May-07

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2007 vs. FY 2006
(\$ million)

Revenue Sources	FY 2007	FY 2006	CHANGE FROM FY 2006	% CHANGE
State Taxes				
Personal Income Tax	\$8,403	\$7,703	\$700	9.1%
Corporate Income Tax (regular)	1,752	1,440	\$312	21.7%
Sales Taxes	5,929	5,841	\$88	1.5%
Public Utility Taxes (regular)	924	905	\$19	2.1%
Cigarette Tax	292	333	(\$41)	-12.3%
Liquor Gallonage Taxes	130	124	\$6	4.8%
Vehicle Use Tax	27	29	(\$2)	-6.9%
Inheritance Tax (Gross)	220	223	(\$3)	-1.3%
Insurance Taxes and Fees	245	248	(\$3)	-1.2%
Corporate Franchise Tax & Fees	162	148	\$14	9.5%
Interest on State Funds & Investments	171	117	\$54	46.2%
Cook County IGT	204	256	(\$52)	-20.3%
Other Sources	343	324	\$19	5.9%
Subtotal	\$18,802	\$17,691	\$1,111	6.3%
Transfers				
Lottery	497	561	(\$64)	-11.4%
Riverboat transfers & receipts	495	479	\$16	3.3%
Other	686	489	\$197	40.3%
Total State Sources	\$20,480	\$19,220	\$1,260	6.6%
Federal Sources	\$4,010	\$4,090	(\$80)	-2.0%
Total Federal & State Sources	\$24,490	\$23,310	\$1,180	5.1%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$819)	(\$751)	(\$68)	9.1%
Corporate Income Tax	(\$307)	(\$288)	(\$19)	6.6%
Subtotal General Funds	\$23,364	\$22,271	\$1,093	4.9%
Short-Term Borrowing	\$900	\$1,000	(\$100)	-10.0%
Hopital Provider Fund (cash flow transfer)	\$456	\$0	\$456	N/A
Budget Stabilization Fund Transfer	\$276	\$276	\$0	N/A
Total General Funds	\$24,996	\$23,547	\$1,449	6.2%

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

CGFA

1-May-07

GENERAL FUNDS GROWTH NEEDED TO MEET ESTIMATE

FY 2007 ESTIMATE vs. FY 2006 ACTUAL

(\$ million)

	March-07 ESTIMATE FY 2007	FYTD 2007	AMOUNT NEEDED FY 2007 EST.	FYTD 2006	GROWTH NEEDED	% CHANGE
Revenue Sources						
<i>State Taxes</i>						
Personal Income Tax	\$10,238	\$8,403	\$1,835	\$7,703	(\$30)	-1.6%
Corporate Income Tax (regular)	1,987	1,752	\$235	1,440	(\$109)	-31.7%
Sales Taxes	7,315	5,929	\$1,386	5,841	\$135	10.8%
Public Utility Taxes (regular)	1,114	924	\$190	905	\$21	12.4%
Cigarette Tax	350	292	\$58	333	(\$9)	-13.4%
Liquor Gallonage Taxes	155	130	\$25	124	(\$3)	-10.7%
Vehicle Use Tax	34	27	\$7	29	\$2	40.0%
Inheritance Tax (Gross)	257	220	\$37	223	(\$12)	-24.5%
Insurance Taxes and Fees	314	245	\$69	248	\$0	0.0%
Corporate Franchise Tax & Fees	186	162	\$24	148	(\$9)	-27.3%
Interest on State Funds & Investments	190	171	\$19	117	(\$17)	-47.2%
Cook County IGT	307	204	\$103	256	\$9	9.6%
Other Sources	440	343	\$97	324	(\$20)	-17.1%
Subtotal	\$22,887	\$18,802	\$4,085	\$17,691	(\$42)	-1.0%
<i>Transfers</i>						
Lottery	620	497	\$123	561	\$14	12.8%
Riverboat transfers & receipts	700	495	\$205	479	(\$5)	-2.4%
Other	841	686	\$155	489	(\$102)	-39.7%
Total State Sources	\$25,048	\$20,480	\$4,568	\$19,220	(\$135)	-2.9%
Federal Sources	\$4,803	\$4,010	\$793	\$4,090	\$158	24.9%
Total Federal & State Sources	\$29,851	\$24,490	\$5,361	\$23,310	\$23	0.4%
Nongeneral Funds Distribution:						
<i>Refund Fund</i>						
Personal Income Tax	(\$998)	(\$819)	(\$179)	(\$751)	\$3	-1.6%
Corporate Income Tax	(348)	(\$307)	(\$41)	(288)	\$27	-39.7%
Subtotal General Funds	\$28,505	\$23,364	\$5,141	\$22,271	\$53	1.0%
Short-Term Borrowing	\$900	\$900	\$0	\$1,000	\$0	N/A
Hospital Provider Fund (cash flow transfer)	\$456	\$456	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$276	\$276	\$0	\$276	\$0	N/A
Total General Funds	\$30,137	\$24,996	\$5,141	\$23,547	\$53	1.0%
CGFA estimate updated to reflect actual short-term borrowing						1-May-07

GENERAL FUNDS PERFORMANCE TO DATE
GOVERNOR'S OFFICE OF MANANGEMENT AND BUDGET

FY 2007 ESTIMATE vs. FY 2006 ACTUALS

(\$ million)

	GOMB March-07 Estimate FY 2007	FYTD 2007	AMOUNT NEEDED FY 2007 Est.	FYTD 2006	GROWTH NEEDED	% CHANGE
Revenue Sources						
State Taxes						
Personal Income Tax	\$10,117	\$8,403	\$1,714	\$7,703	(\$151)	-8.1%
Corporate Income Tax (regular)	2,046	1,752	\$294	1,440	(\$50)	-14.5%
Sales Taxes	7,356	5,929	\$1,427	5,841	\$176	14.1%
Public Utility Taxes (regular)	1,110	924	\$186	905	\$17	10.1%
Cigarette Tax	350	292	\$58	333	(\$9)	-13.4%
Liquor Gallonage Taxes	153	130	\$23	124	(\$5)	-17.9%
Vehicle Use Tax	35	27	\$8	29	\$3	60.0%
Inheritance Tax (Gross)	255	220	\$35	223	(\$14)	-28.6%
Insurance Taxes and Fees	322	245	\$77	248	\$8	11.6%
Corporate Franchise Tax & Fees	186	162	\$24	148	(\$9)	-27.3%
Interest on State Funds & Investments	185	171	\$14	117	(\$22)	-61.1%
Cook County IGT	307	204	\$103	256	\$9	9.6%
Other Sources	440	343	\$97	324	(\$20)	-17.1%
Subtotal	\$22,862	\$18,802	\$4,060	\$17,691	(\$67)	-1.6%
Transfers						
Lottery	631	497	\$134	561	\$25	22.9%
Gaming Fund Transfer	692	495	\$197	479	(\$13)	-6.2%
Other	850	686	\$164	489	(\$93)	-36.2%
Total State Sources	\$25,035	\$20,480	\$4,555	\$19,220	(\$148)	-3.1%
Federal Sources	\$4,803	\$4,010	\$793	\$4,090	\$158	24.9%
Total Federal & State Sources	\$29,838	\$24,490	\$5,348	\$23,310	\$10	0.2%
Nongeneral Funds Distribution:						
Refund Fund						
Personal Income Tax	(\$987)	(\$819)	(\$168)	(\$751)	\$14	-7.7%
Corporate Income Tax	(358)	(307)	(\$51)	(288)	\$17	-25.0%
Subtotal General Funds	\$28,493	\$23,364	\$5,129	\$22,271	\$41	0.8%
Short-Term Borrowing	\$900	\$900	\$0	\$1,000	\$0	N/A
Hospital Provider Fund (cash flow transfer)	\$456	\$456	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$276	\$276	\$0	\$276	\$0	N/A
Total General Funds	\$30,125	\$24,996	\$5,129	\$23,547	\$41	0.8%
GOMB Estimate updated to reflect actual short-term borrowing						1-May-07