



Commission on Government Forecasting and Accountability

Clayton Klenke, Executive Director · Laurie Eby, Deputy Director

Co-Chairs: Sen. Dave Koehler and Rep. C.D. Davidsmeyer

Senators: Omar Aquino · Seth Lewis · Donald DeWit · Elgie Sims · David Syverson

Representatives: Sonya Harper · Elizabeth Hernandez · Travis Weaver · Anna Moeller · Joe Sosnowski

MONTHLY BRIEFING

For the Month Ended: JANUARY 2026

Inside this Issue

**PAGE 1: Estate Tax
Receipts Surge Amid
Rising Wealth**

**PAGE 5: Illinois
Economic Indicators**

**PAGE 5: Tax
Amnesty Update**

**PAGE 7:
Intergovernmental
Cooperation Report**

**PAGE 9: General
Funds Revenues Slip
Slightly in January in
Mixed Month for
Receipts**

**PAGE 11, 14:
Revenue Tables**



COMMISSION ON GOVERNMENT
FORECASTING & ACCOUNTABILITY

HTTPS://CGFA.ILGA.GOV/
PHONE: 217/782-5320

Estate Tax Receipts Surge Amid Rising Wealth

Benjamin L. Varner, Chief Economist

Illinois estate tax receipts have risen sharply in recent years and are showing especially strong growth in the current fiscal year, with year-to-date collections up more than 60% compared with the same period last year. This acceleration follows several years of elevated receipts and coincides with substantial increases in financial asset values and overall household wealth. The recent performance of the estate tax appears consistent with these broader economic trends as higher asset valuations expand the taxable value of estates and are likely increasing the number of estates exceeding the exemption threshold. This briefing summarizes the structure of the Illinois estate tax, reviews recent revenue trends, and discusses how asset market performance and changes in estate valuation may be contributing to the growth in collections.

The Illinois Estate Tax is imposed on the transfer of property at death and is paid by a decedent's estate prior to the distribution of assets to heirs. It is authorized under the Illinois Estate and Generation-Skipping Transfer Tax Act (35 ILCS 405/1) and applies to estates with a taxable value exceeding \$4.0 million. The tax is graduated, with marginal rates ranging from 0% to 16%. Illinois' exclusion amount is substantially lower than the federal exclusion, which is \$15.0 million in 2026. Property transferred to a surviving spouse is exempt at both the state and federal levels, and estate tax returns must generally be filed within nine months of death.

The Illinois Estate Tax is complex in structure because it is based on the Internal Revenue Code as it existed in 2001 and is equal to

State Death Tax Credit Table				
Adjusted Taxable Estate		Credit	Percent	Of Excess Over
At Least	But Less Than			
\$0	\$40,000	\$0	0.00%	\$0
\$40,000	\$90,000	\$0	0.80%	\$40,000
\$90,000	\$140,000	\$400	1.60%	\$90,000
\$140,000	\$240,000	\$1,200	2.40%	\$140,000
\$240,000	\$440,000	\$3,600	3.20%	\$240,000
\$440,000	\$640,000	\$10,000	4.00%	\$440,000
\$640,000	\$840,000	\$18,000	4.80%	\$640,000
\$840,000	\$1,040,000	\$27,600	5.60%	\$840,000
\$1,040,000	\$1,540,000	\$38,800	6.40%	\$1,040,000
\$1,540,000	\$2,040,000	\$70,800	7.20%	\$1,540,000
\$2,040,000	\$2,540,000	\$106,800	8.00%	\$2,040,000
\$2,540,000	\$3,040,000	\$146,800	8.80%	\$2,540,000
\$3,040,000	\$3,540,000	\$190,800	9.60%	\$3,040,000
\$3,540,000	\$4,040,000	\$238,800	10.40%	\$3,540,000
\$4,040,000	\$5,040,000	\$290,800	11.20%	\$4,040,000
\$5,040,000	\$6,040,000	\$402,800	12.00%	\$5,040,000
\$6,040,000	\$7,040,000	\$522,800	12.80%	\$6,040,000
\$7,040,000	\$8,040,000	\$650,800	13.60%	\$7,040,000
\$8,040,000	\$9,040,000	\$786,800	14.40%	\$8,040,000
\$9,040,000	\$10,040,000	\$930,800	15.20%	\$9,040,000
\$10,040,000	\$99,999,999,999	\$1,082,800	16.00%	\$10,040,000

Office of the Illinois Attorney General

the state death tax credit that was allowed under federal law at that time. Although the federal credit has since been repealed, Illinois retained this framework, effectively “decoupling” the state tax from current federal estate tax law. As a result, Illinois maintains its own exemption level and rate structure, which differs substantially from the federal system.

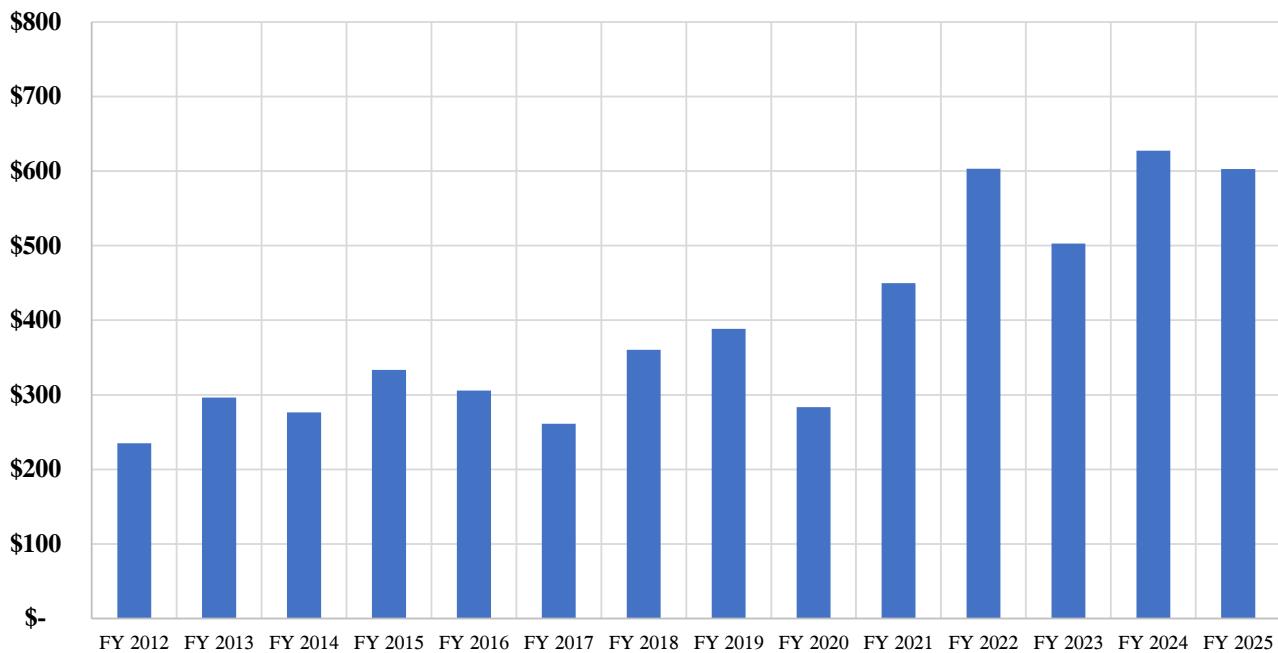
The Illinois estate tax is calculated through an iterative formula that is the lesser of two values:

1. the result from the State Death Tax Credit Table (after being reduced by a “circular calculation”) or
2. the amount of federal tax owed if the federal limit were \$4 million (also after being reduced by a “circular calculation”).

The Attorney General’s office provides an online, estate tax calculator to perform the “circular calculation” to determine the amount of estate tax due and can be found at <https://illinoisattorneygeneral.gov/estate-taxes/2013-2025-estate-calculator>.

Illinois Estate Tax

(\$ Millions)



Illinois Office of the Comptroller

The vast majority of estate tax revenues (94%), are deposited into the General Revenue Fund, with the remaining 6% transferred to the Estate Tax Refund Fund to cover refunds and adjustments. As a result, fluctuations in estate tax collections are reflected primarily in General Revenue Fund receipts. As can be seen in the chart, estate tax revenues have increased significantly in recent years. Between FY 2012 and FY 2020, General Revenue Fund receipts averaged just over \$300 million annually, with growth averaging 4.5% but exhibiting substantial volatility. Revenues rose sharply from \$283 million in FY 2020 to \$450 million in FY 2021, an increase of nearly 60%, followed by additional growth to over \$600 million in FY 2022. Although collections declined to \$503 million in FY 2023, they rebounded above \$600 million in both FY 2024 and FY 2025. Since FY 2021, estate tax receipts have averaged \$557 million annually, more than \$250 million higher than the FY 2012–FY 2020 average. FY 2026 appears on track to be a record year, with receipts through the first seven months totaling almost \$555 million, up 60% from FY 2025 and more than \$200 million ahead of last year's pace.

While detailed information on the composition of estates paying the Illinois estate tax is limited, the recent growth in collections is consistent with the sharp rise in asset valuations over the past several years. The S&P 500 has posted exceptionally strong returns in recent years, reaching record highs and generating average annual gains in excess of 15% from 2019 through 2025, with only one year of decline. This places the recent period among the strongest sustained episodes of equity market performance in decades, comparable to other historically strong market expansions such as the late 1990s.

In addition, prices for alternative assets such as gold and silver have risen in recent years, and for some investors, digital assets have also appreciated, contributing modestly to higher overall estate valuations.

Based on Federal Reserve data, the overall net worth of the top 1% of households has grown at close to a 9% annual rate in recent years. Federal estate tax return data from the IRS show that estates subject to the federal estate tax have become increasingly concentrated in equities. In 2019, approximately 34% of estate assets were held in publicly traded or closely held stock, rising to over 40% by 2023. This shift may reflect changes in portfolio allocation but is also consistent with outsized equity market returns, particularly in U.S. markets. Over the same period, the share of assets held in bonds declined from 8.2% to 5.5%. These patterns suggest that estate values have become more sensitive to equity market conditions, amplifying the impact of strong stock performance on estate tax revenues.

In summary, the recent surge in Illinois estate tax receipts appears to be driven primarily by elevated asset values and sustained growth in household wealth rather than by changes in tax law or administration. Although estate tax revenues remain inherently volatile due to the timing and size of individual estates, the multi-year trend indicates that the underlying revenue base has shifted higher. Future collections will remain closely tied to conditions in financial and real asset markets, particularly equity prices, making estate tax revenues an increasingly market-sensitive component of the State's revenue structure.

Asset Class	2019		2023		Change in % of Total
	\$ Billions	% of Total	\$ Billions	% of Total	
Publicly traded stock	\$42.5	26.6%	\$105.7	29.3%	2.7%
Cash assets	\$14.1	8.8%	\$22.7	6.3%	-2.5%
Other real estate	\$12.8	8.0%	\$25.1	7.0%	-1.0%
Closely held stock	\$12.1	7.6%	\$39.6	11.0%	3.4%
State and local bonds	\$10.6	6.6%	\$15.3	4.3%	-2.4%
Other noncorporate business assets	\$10.5	6.6%	\$24.9	6.9%	0.3%
Real estate partnerships	\$9.2	5.8%	\$24.5	6.8%	1.0%
Retirement assets	\$7.9	4.9%	\$15.4	4.3%	-0.7%
Other limited partnerships	\$6.4	4.0%	\$16.8	4.6%	0.6%
Personal residence	\$6.3	4.0%	\$12.4	3.4%	-0.5%
Mortgages and notes	\$5.5	3.4%	\$9.6	2.7%	-0.8%
Private equity and hedge funds	\$4.3	2.7%	\$4.8	1.3%	-1.4%
Farm assets	\$3.4	2.1%	\$7.2	2.0%	-0.1%
Unallocated investments	\$2.6	1.6%	\$15.5	4.3%	2.7%
Art	\$2.4	1.5%	\$5.5	1.5%	0.0%
Federal bonds	\$2.0	1.3%	\$3.5	1.0%	-0.3%
Corporate and foreign bonds	\$2.0	1.3%	\$2.8	0.8%	-0.5%
Other assets	\$1.7	1.1%	\$4.2	1.2%	0.1%
Net life insurance	\$1.6	1.0%	\$2.4	0.7%	-0.3%
Unclassifiable mutual funds	\$0.6	0.4%	\$0.9	0.2%	-0.2%
Depletables / intangibles	\$0.6	0.4%	\$0.9	0.2%	-0.1%
Bond funds	\$0.5	0.3%	\$1.0	0.3%	-0.1%
Total	\$159.7	100%	\$360.8	100%	

Internal Revenue Service, 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) (Dec.)	4.6%	4.4%	4.9%
Inflation in Chicago (12-month percent change) (Dec.)	2.2%	2.5%	3.9%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (Dec.)	6,545.4	0.0%	-1.6%
Employment (thousands) (Dec.)	6,243.6	-0.3%	-1.3%
Nonfarm Payroll Employment (Dec.)	6,159,300	11,800	-1,700
New Car & Truck Registration (Dec.)	38,217	39.8%	-9.7%
Single Family Housing Permits (Oct.)	1,090	4.5%	4.6%
Total Exports (\$ bil) (Oct.)	7.46	10.2%	7.1%
Chicago Purchasing Managers Index (Jan.)	54.0	26.5%	36.7%

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

Tax Amnesty Update

Anthony Bolton, Senior Analyst and Eric Noggle, Revenue Manager

Illinois has taken in a significant amount of revenues from the tax amnesty program passed as part of the FY 2026 Illinois State Budget (P.A. 104-0006). The State's most recent amnesty period ran from October 1, 2025, through November 15, 2025. The program provided that, "upon payment by a taxpayer of all taxes due from that taxpayer to the State of Illinois for any taxable period ending after June 30, 2018 and prior to July 1, 2024, the Department shall abate and not seek to collect any interest or penalties that may be applicable and the Department shall not seek civil or criminal prosecution for any taxpayer for the period of time for which amnesty has been granted to the taxpayer."

The tax amnesty period previous to the 2025 amnesty program was held between October 1, 2019 and November 15, 2019, and applied to taxes owed for any taxable period ending after June 30, 2011 and prior to July 1, 2018. At the conclusion of this period, the Department of Revenue reported that \$357.4 million in total amnesty-related revenues had been collected, including approximately \$207 million deposited into the State's General Funds. The FY 2026 budget assumed that the 2025 amnesty program would generate approximately \$228 million for the State's General Funds.

Most taxes covered under the 2025 amnesty program are administered by the Department of Revenue, with the exception of the Corporate Franchise Tax, which is administered by the Secretary of State. **As of January 2026, these agencies report that approximately \$331 million has been received across all revenue sources from this recent amnesty period.** A detailed breakdown of these receipts by revenue source and by type of receipt (General Funds vs non-General Funds) is shown in the following table. These totals are subject to some adjustments and should be considered preliminary until final numbers are released by the respective agencies. Individual and Corporate Income Taxes

account for the largest share of collections, although several other tax types were also affected by the amnesty program.

Amnesty Related Revenues <i>(Collections as of January 2025)</i>			
Revenue Source	General Funds	Non-General Funds	All Funds
Sales and Use Tax	\$37,410,416	\$36,102,051	\$73,512,468
Motor Fuel Tax	\$0	\$2,702	\$2,702
Cigarette and Tobacco Taxes	\$0	\$245,543	\$245,543
Liquor Tax	\$6,483	\$5,123	\$11,606
Public Utility Tax	\$1,850,116	\$2,228,645	\$4,078,762
Hotel Tax	\$0	\$298,018	\$298,018
Charitable Gaming Tax	\$60	\$62	\$122
Corporate Income Taxes (including PPRT)	\$51,486,660	\$71,458,010	\$122,944,670
Individual Income Tax	\$101,181,460	\$19,353,950	\$120,535,410
Automobile Renting Tax	\$5,209	\$5,350	\$10,559
Cannabis Tax	\$51,133	\$295,904	\$347,037
Corporate Franchise Tax*	\$8,950,607	\$471,085	\$9,421,692
Total Tax Amnesty Revenues	\$200,942,144	\$130,466,443	\$331,408,588

*Distribution of Corporate Franchise Tax figures are estimated.

As the table above shows, of the \$331 million collected, **approximately \$201 million in amnesty-related receipts was deposited into the State's General Funds**. This figure is \$27 million below the \$228 million assumed in the FY 2026 budget. In the context of the enacted FY 2026 budget of approximately \$55.3 billion, the \$27 million shortfall in General Funds amnesty receipts is relatively minor and does not meaningfully alter the State's fiscal outlook. In addition, above-forecast performance in other revenue sources has effectively masked this variance, allowing the budget to remain on track despite lower-than-expected amnesty collections.

While the FY 2026 amnesty revenues provide short-term benefits to the current fiscal year's budget, it is important to note that most of these funds do not represent new revenue. Rather, they reflect an acceleration of tax receipts that would otherwise have been collected later in FY 2026 or in subsequent fiscal years through audits, settlements, or other enforcement actions. Additionally, the amnesty eliminates the collection of late-payment fees and penalties, further reducing future revenue. As a result, these accelerated collections are likely to have a negative impact on tax revenues in future fiscal years.

Intergovernmental Cooperation Report

The provisions of 25 ILCS 130/4-2 outline intergovernmental cooperation functions currently housed at the Commission on Government Forecasting and Accountability (CGFA). These provisions contain a reporting requirement which provides that CGFA shall report to the Governor and the Legislature as it deems appropriate in relation to these functions. The following information is a summary of recent intergovernmental related activities performed by CGFA in compliance with this mandate.

- The Commission tracks requests made by state agencies for federal funds and the receipt of such funds each state fiscal year. Reports related to these requests and receipts are posted to the Commission's website on a weekly, quarterly, and annual basis. The most recent annual report, dated January 30, 2026, summarizes the receipt of \$29.7 billion in federal funds received by 34 reporting state agencies in FY24. Estimated receipts for FY25, which will be finalized when reporting forms are submitted through June of 2026, indicate receipts of \$30.3 billion. Projected receipts for FY26 total \$32.3 billion. Additional information related to the receipt of federal funds and programs funded by these receipts is contained in the Commission's *Federal Funds to State Agencies* publication which is released annually.
- CGFA staff tracks the appointment to, and vacancies on, boards and commissions comprised of members appointed by the Governor and legislative leadership. The Commission currently tracks appointments across 1,635 active boards and commissions as well as maintaining historical data related to appointments. During calendar year 2025, Commission staff entered 1,746 appointments into the tracking database. Descriptions of State Boards and Commissions and current appointment tracking information is available on the Commission's website.
- The Commission's *Grant Alerts* report provides a monthly summary of federal grant opportunities available to state and local governments and nonprofit entities. Interested individuals may sign up to be included on the *Grant Alerts* mailing list by clicking a link on the Commission's website.
- The Commission's annual budget serves as the appropriation point for the payment of dues to the Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL). For FY25, dues paid for Illinois's membership in CSG totaled \$367,289 and in FY26 the CSG dues totaled \$385,653. The annual dues for Illinois's membership in NCSL totaled \$380,234 in FY25 and \$391,604 for FY26.
- The Commission hosts a biennial District Office Staff Training (DOST) conference to facilitate cooperation between legislative offices and executive branch agencies. The most recent DOST, held in July of 2025, included the participation of 162 legislative staff, 4 Congressional staffers, and 128 individuals representing 46 state agencies. The Commission will be hosting another DOST in July of 2027.
- As required in the Midwestern Higher Education Compact (MEHC) Act, CGFA publishes an annual report each January summarizing the activities and cost savings associated with Illinois's membership in the MHEC. The report issued January of 2026 details a total savings of \$32,851,478 for Illinois colleges, universities, other institutions, and Illinois students in 2024-

2025. Illinois paid annual dues of \$115,000 for membership in the compact for 2024-2025. The full MHEC report is available on CGFA's website.

In addition to the recurring items mentioned above, the Commission also occasionally posts additional information related to intergovernmental activities and publishes this information in the Commissions' *Monthly Briefing* document which is posted each month on the Commission's website at <https://cgfa.ilga.gov>.

General Funds Revenues Slip Slightly in January in Mixed Month for Receipts

Eric Noggle, Revenue Manager

It was a mixed month for revenues deposited into the State's General Funds in January. Modest gains from the primary revenue sources were more than offset by declines in Federal Sources, Transfers, and a few other State revenue areas. Total General Funds revenues for the month reached \$4.597 billion, which is \$152 million, or 3.2%, below the \$4.749 billion collected in January of last year. Despite the monthly decline, cumulative revenues remain ahead of last year's pace by \$1.038 billion, or 3.5%, through the first seven months of the fiscal year. It should also be noted that January had one fewer receipting day compared with the same month last year.

Even with the reduced receipting calendar, Personal Income Tax receipts posted growth of \$63 million, or 2.1%, in January, while Corporate Income Tax receipts increased by \$7 million, or 3.5%. On a net basis—after accounting for distributions to the Income Tax Refund Fund and the Local Government Distributive Fund—Personal Income Tax receipts rose by \$53 million, and Corporate Income Tax receipts were \$7 million higher. The third member of the “Big Three” revenue sources, the State Sales Tax, also recorded moderate growth, with gross receipts increasing by \$30 million, or 3.0%. After adjusting for slightly lower diversions to the Road Fund but marginally higher allocations to certain transportation-related funds, net growth for the Sales Tax totaled \$28 million.

These modest gains from the primary revenue sources were largely offset by a notable decline in Federal Sources. In January, \$304 million in federal revenues were deposited into the State's General Funds, approximately \$169 million below the \$473 million received during the same month last year. As frequently noted in these briefings, Federal Sources are inherently volatile and subject to inconsistent receipting patterns. While the 35.7% year-over-year decline for the month is eye-catching, individual monthly results should not be viewed in isolation. That said, January marked the third consecutive month of declines for this revenue source. To meet initial fiscal year estimates, Federal Sources will need to show meaningful improvement over the remaining five months.

Transfers-In were also significantly lower in January. A total of \$197 million was receipted for the month, representing a decline of \$53 million, or 21.2%, compared with last year. The primary driver of this decrease was a \$66 million reduction in Other Transfers, largely attributable to a \$60 million transfer from the Capital Projects Fund to the General Revenue Fund that occurred in January of last year but did not repeat this January. It is worth noting, however, that \$110 million was transferred from the Capital Projects Fund to the General Revenue Fund in December, which contributed to a \$36 million increase in Other Transfers during this past month. A \$5 million decline in Lottery Transfers further contributed to January's overall decrease. These declines were partially offset by higher transfers from Sports Wagering (up \$10 million), Gaming (up \$7 million), and Cannabis (up \$1 million).

Revenues in the “All Other State Sources” category also declined collectively in January, falling by \$18 million. This decrease was driven primarily by a \$45 million drop in Interest on State Funds and Investments. A closer examination suggests this decline may be attributable to timing issues, as a

sizeable portion of corporate bond proceeds received last January has not yet been processed this quarter. Insurance Taxes declined by \$10 million following a \$34 million increase in December. Additional declines were recorded in Public Utility Taxes (down \$4 million), Cigarette Taxes (down \$1 million), and Liquor Taxes (down \$1 million). These decreases more than offset another strong month for the Estate Tax, which increased by \$34 million, as well as a \$7 million gain in Corporate Franchise Taxes.

<i>Summary of Receipts</i>				
JANUARY				
<i>FY 2025 vs. FY 2026</i>				
(\$ millions)				
	Jan.	Jan.	\$	%
	FY 2025	FY 2026	CHANGE	CHANGE
Revenue Sources				
Net Personal Income Tax	\$2,594	\$2,647	\$53	2.0%
Net Corporate Income Tax	\$161	\$168	\$7	4.3%
Net Sales Tax	\$864	\$892	\$28	3.2%
All Other State Sources	\$407	\$389	(\$18)	-4.4%
Transfers In	\$250	\$197	(\$53)	-21.2%
Federal Sources [base]	\$473	\$304	(\$169)	-35.7%
Base General Funds	\$4,748	\$4,597	(\$152)	-3.2%
<i>Non-Base Gen Funds Revenues</i>	\$0	\$0	\$0	N/A
Total General Funds	\$4,748	\$4,597	(\$152)	-3.2%

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

2-Feb-26

JANUARY				
<i>FY 2025 vs. FY 2026</i>				
(\$ millions)				
	Jan. FY 2025	Jan. FY 2026	\$ CHANGE	% CHANGE
Revenue Sources				
State Taxes				
Personal Income Tax	\$3,052	\$3,115	\$63	2.1%
Corporate Income Tax (regular)	202	209	7	3.5%
Sales Taxes	1,003	1,033	30	3.0%
Public Utility Taxes (regular)	73	69	(4)	-5.5%
Cigarette Tax	14	13	(1)	-7.1%
Liquor Gallonage Taxes	19	18	(1)	-5.3%
Estate Tax	25	59	34	136.0%
Insurance Taxes and Fees	68	58	(10)	-14.7%
Corporate Franchise Tax & Fees	16	23	7	43.8%
Interest on State Funds & Investments	80	35	(45)	-56.3%
Cook County IGT	56	56	0	0.0%
Other Sources	56	58	2	3.6%
Total State Taxes	\$4,664	\$4,746	\$82	1.8%
Transfers In				
Lottery	\$75	\$70	(\$5)	-6.7%
Gaming	30	37	7	23.3%
Sports Wagering	28	38	10	35.7%
Cannabis	10	11	1	10.0%
Refund Fund	0	0	0	N/A
Other	107	41	(66)	-61.7%
Total Transfers In	\$250	\$197	(\$53)	-21.2%
Total State Sources	\$4,914	\$4,943	\$29	0.6%
Federal Sources [base]	\$473	\$304	(\$169)	-35.7%
Total Federal & State Sources	\$5,387	\$5,247	(\$140)	-2.6%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$279)	(\$285)	(\$6)	2.2%
Corporate Income Tax	(\$28)	(\$29)	(1)	3.6%
Local Government Distributive Fund				
Personal Income Tax	(179)	(183)	(4)	2.2%
Corporate Income Tax	(12)	(12)	0	0.0%
Sales Tax Distributions				
Deposits into Road Fund	(62)	(57)	5	-8.1%
Distribution to the PTF and DPTF	(77)	(83)	(6)	7.8%
General Funds Subtotal [Base]	\$4,749	\$4,597	(\$152)	-3.2%
<i>ARPA Reimb. for Essential Gov't Services</i>	\$0	\$0	\$0	N/A
<i>Transfers to Repay Payroll Borrowing</i>	\$0	\$0	\$0	N/A
Total General Funds	\$4,749	\$4,597	(\$152)	-3.2%

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

2-Feb-26

Year to Date

Through the first seven months of FY 2026, revenues deposited into the State's General Funds are up \$1.038 billion, representing growth of 3.5% compared with the same period in FY 2025.

Year-to-date growth continues to be driven by higher Personal Income Tax receipts. Following January's gains, gross Personal Income Tax revenues are now \$655 million, or 3.8%, above last year's seven-month pace. On a net basis, receipts are up \$556 million. January also helped improve the Corporate Income Tax's cumulative totals, although this revenue source remains down \$176 million, or 6.1%, for the fiscal year. On a net basis, Corporate Income Tax receipts are \$139 million below last year's levels through January.

January's modest gains added to what has been a solid fiscal year for State Sales Tax revenues. Gross receipts are up \$336 million, or 4.8%, year to date. However, after accounting for distributions to the Road Fund and certain transportation-related funds—which are statutorily higher this year—net receipts are up a more modest \$91 million, or 1.4%.

Despite January's monthly decline, "All Other State Sources" remain a bright spot in the overall General Funds revenue picture, with cumulative receipts \$184 million, or 8.4%, above last year's levels through January. This growth is led by the Estate Tax, which is up an impressive \$209 million, or 60.4%, for the fiscal year to date. (Additional details on Estate Tax growth are provided in the opening article of this briefing.) Insurance Taxes and Fees have also contributed to this strength, increasing by \$53 million, or 17.4%. These gains have helped offset declines in Interest Income (-\$31 million), Other Sources (-\$22 million), Cigarette Taxes (-\$12 million), Public Utility Taxes (-\$8 million), Liquor Taxes (-\$4 million), and Corporate Franchise Taxes (-\$1 million).

Transfers-In continue to be a major contributor to overall revenue growth despite January's decline, with cumulative receipts up \$611 million, or 42.0%, through the first seven months of the fiscal year. As noted in prior monthly briefings, much of this increase is attributable to the Income Tax Refund Fund Transfer, which is up \$447 million for the year. Other notable contributors include the Sports Wagering Transfer (up \$107 million), Gaming Transfers (up \$58 million), and Lottery Transfers (up \$37 million). Remaining transfer categories are collectively down \$38 million year to date.

After three consecutive months of declines, Federal Sources are now \$202 million, or 7.9%, behind last year's pace. When including last year's \$65 million in ARPA reimbursements for Essential Government Services, the cumulative shortfall increases to \$267 million. The FY 2026 budget assumed a notable rise in Federal Sources this fiscal year, so significant improvement is needed over the remaining five months to reach initial budget expectations for this category of revenues.

*Summary of Receipts***GENERAL FUNDS RECEIPTS: THROUGH JANUARY***FY 2025 vs. FY 2026*

(\$ millions)

Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$14,532	\$15,088	\$556	3.8%
Net Corporate Income Tax	\$2,320	\$2,181	(\$139)	-6.0%
Net Sales Tax	\$6,396	\$6,487	\$91	1.4%
All Other State Sources	\$2,191	\$2,375	\$184	8.4%
Transfers In	\$1,456	\$2,067	\$611	42.0%
Federal Sources [base]	\$2,545	\$2,343	(\$202)	-7.9%
Base General Funds	\$29,440	\$30,541	\$1,101	3.7%
<i>Non-Base Gen Funds Revenues</i>	\$65	\$2	(\$63)	-96.9%
Total General Funds	\$29,505	\$30,543	\$1,038	3.5%

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

2-Feb-26

GENERAL FUNDS RECEIPTS: THROUGH JANUARY

FY 2025 vs. FY 2026

(\$ millions)

Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
<i>State Taxes</i>				
Personal Income Tax	\$17,102	\$17,757	\$655	3.8%
Corporate Income Tax (regular)	2,897	2,721	(176)	-6.1%
Sales Taxes	6,960	7,296	336	4.8%
Public Utility Taxes (regular)	405	397	(8)	-2.0%
Cigarette Tax	117	105	(12)	-10.3%
Liquor Gallonage Taxes	110	106	(4)	-3.6%
Estate Tax	346	555	209	60.4%
Insurance Taxes and Fees	305	358	53	17.4%
Corporate Franchise Tax & Fees	116	115	(1)	-0.9%
Interest on State Funds & Investments	469	438	(31)	-6.6%
Cook County IGT	56	56	0	0.0%
Other Sources	267	245	(22)	-8.2%
Total State Taxes	\$29,150	\$30,149	\$999	3.4%
<i>Transfers In</i>				
Lottery	\$440	\$477	\$37	8.4%
Gaming	121	179	58	47.9%
Sports Wagering	78	185	107	137.2%
Cannabis	65	62	(3)	-4.6%
Refund Fund	253	700	447	176.7%
Other	499	464	(35)	-7.0%
Total Transfers In	\$1,456	\$2,067	\$611	42.0%
Total State Sources	\$30,606	\$32,216	\$1,610	5.3%
Federal Sources [base]	\$2,545	\$2,343	(\$202)	-7.9%
Total Federal & State Sources	\$33,151	\$34,559	\$1,408	4.2%
Nongeneral Funds Distributions/Direct Receipts:				
<i>Refund Fund</i>				
Personal Income Tax	(\$1,565)	(\$1,625)	(\$60)	3.8%
Corporate Income Tax	(406)	(380)	26	-6.4%
<i>Local Government Distributive Fund</i>				
Personal Income Tax	(1,005)	(1,044)	(39)	3.9%
Corporate Income Tax	(171)	(160)	11	-6.4%
<i>Sales Tax Distributions</i>				
Deposits into Road Fund	(411)	(382)	29	-7.1%
Distribution to the PTF and DPTF	(153)	(427)	(274)	179.1%
General Funds Subtotal [Base]	\$29,440	\$30,541	\$1,101	3.7%
ARPA Reimb. for Essential Gov't Services	\$65	\$0	(\$65)	-100.0%
Transfers to Repay Payroll Borrowing	\$0	\$2	\$2	N/A
Total General Funds	\$29,505	\$30,543	\$1,038	3.5%

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

2-Feb-26