



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 DeWitte · Elgie Sims · David Syverson

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

MONTHLY BRIEFING

For the Month Ended: FEBRUARY 2026

Inside this Issue

**PAGE 1: Economic
Outlook – FY 2027**

**PAGE 7: Illinois
Economic
Indicators**

**PAGE 8: Overview
of Gaming Related
Revenues in CY
2025**

**PAGE 8: General
Funds Revenues
See Sizeable
Rebound in
February**

**PAGE 16, 18:
Revenue Tables**



CGFA

COMMISSION ON GOVERNMENT
FORECASTING & ACCOUNTABILITY

[HTTPS://CGFA.ILGA.GOV/](https://cgfa.ilga.gov/)
PHONE: 217/782-5320

Economic Outlook – FY 2027

Benjamin L. Varner, Chief Economist

In preparation for the Commission's FY 2026 and FY 2027 revenue estimates, which will be released at the end of this week, the Commission has prepared an overview of the status of the national and state economy in recent years, as well as a summary of economic estimates for 2026 and 2027 as provided by various economic forecasters.

National Economy

- The first half of 2025 was marked by elevated uncertainty as businesses adjusted to evolving federal trade and immigration policies, contributing to volatility in trade flows, supply chains, and broader economic activity.
- Real GDP contracted at a 0.6% annualized rate in the first quarter of 2025, largely reflecting a surge in front-loaded imports that weighed heavily on net exports, while domestic demand continued to expand at a slower pace.
- Growth rebounded to 3.8% in the second quarter as import levels normalized and the drag from net exports diminished.
- Real GDP accelerated further to 4.4% in the third quarter, supported by a 3.5% increase in consumer spending and continued modest support from net exports.
- Advance estimates for the fourth quarter of 2025 indicate that real GDP increased at an annualized rate of 1.4%, reflecting a moderation in overall growth. While most private-sector components remained solid, a nearly 17% annualized decline in

federal government spending associated with the October and November shutdowns reduced overall growth by approximately 1.2 percentage points. A partial rebound in federal spending could support growth in early 2026 as deferred activity resumes.

- On an annual basis, real GDP grew 2.2% in 2025, down from 2.8% in 2024 but broadly in line with the economy's longer-term trend rate of growth.
- As of February 2026, economic forecasters project U.S. real GDP growth of 2.6% in 2026 and 2.1% in 2027. These projections, as well as the forecasts cited below, reflect the average of monthly surveys compiled by Consensus Forecasts®.
- The national unemployment rate declined to 4.3% in January 2026. Although higher than the 4.0% rate recorded at the start of 2025, the current level remains low by historical standards. Forecasters expect the unemployment rate to average 4.5% in 2026 before easing to 4.3% in 2027.
- Recent downward revisions to payroll employment data indicate that job growth slowed significantly in 2025. A total of approximately 181,000 payroll jobs were added during the year, or roughly 15,000 per month. This compares to nearly 1.5 million jobs, or 122,000 per month, in 2024. Preliminary data for January 2026 showed stronger-than-expected gains of 130,000 jobs.
- Inflation has remained above the Federal Reserve's 2% target but moderated in January. The Consumer Price Index (CPI) had ranged between 2.7% and 3.0% during the second half of 2025 before declining to 2.4% in January 2026. Despite this improvement, forecasters expect inflation to average approximately 2.6% in 2026 before sliding to 2.4% in 2027.
- In response to moderating inflation and signs of cooling labor market conditions, the Federal Reserve reduced the federal funds target range three times in late 2025, lowering it from 4.25%–4.50% to 3.50%–3.75%.
- Earlier expectations had called for additional rate cuts in the first half of 2026. However, following mixed inflation and employment data and more cautious guidance from the Federal Reserve, market expectations have shifted toward the possibility of one rate reduction in mid-to-late 2026, with a second cut later in the year remaining contingent on incoming economic data.

S&P Global Economic Outlook for the U.S.

S&P Global is one of the economic forecasters included in the Consensus Forecasts[®] report. The table below presents key elements of S&P Global's February 2026 baseline forecast for the U.S. economy. The February forecast reflects improved near-term momentum following stronger-than-expected growth at the end of 2025.

GDP growth is projected to remain slightly above its long-term trend in 2026 at 2.3% before slowing to 1.7% in 2027 on a fourth-quarter-over-fourth-quarter basis. Real personal consumption is expected to remain relatively steady in 2026 before moderating to 1.8% in 2027 as household spending growth slows. Business investment strengthened in 2025 but is forecast to decelerate over the next two years as financial conditions remain restrictive. Lower-than-expected inventory levels at the end of 2025 suggest that inventory rebuilding could provide some support to production in the first half of 2026. Housing activity has stabilized as mortgage rates have declined from prior-year highs; however, affordability constraints remain significant. The unemployment rate is projected to rise slightly in 2026 before easing back toward current levels in 2027.

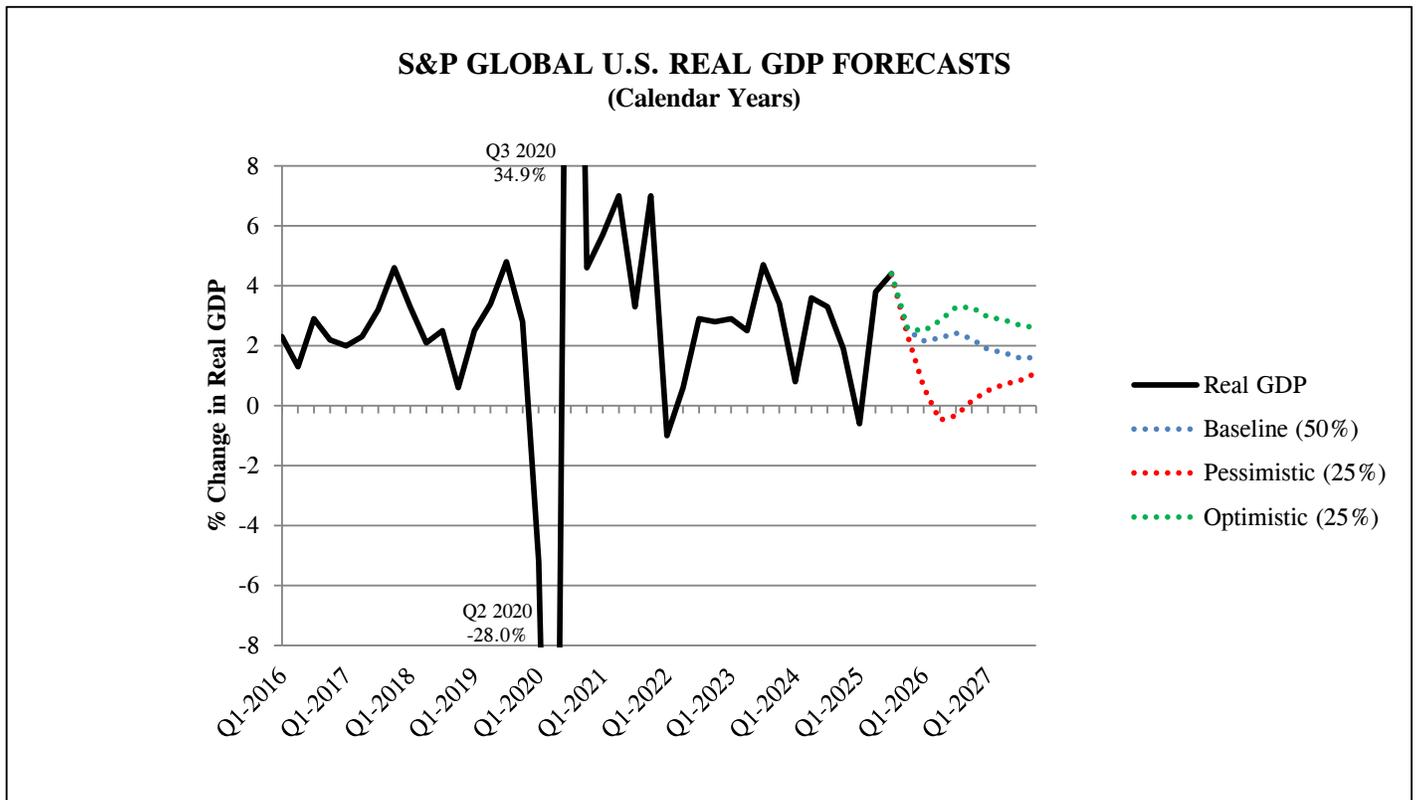
BASELINE U.S. FORECASTS -- FEBRUARY 2026						
(Percent Change of Real 2017 \$ on Calendar Year Basis, Q4/Q4 for Annual Rates)						
	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Est.	Est.	Est.
Gross Domestic Product	1.3%	3.4%	2.4%	2.5%	2.3%	1.7%
Personal Consumption	1.6%	3.0%	3.4%	2.4%	2.6%	1.8%
Durable	-1.9%	5.9%	7.0%	0.7%	6.0%	5.9%
Nondurable	-1.7%	2.2%	2.8%	2.8%	1.8%	0.8%
Services	3.3%	2.8%	3.0%	2.6%	2.3%	1.5%
Fixed Investment (Nonresidential)	8.1%	6.6%	0.9%	5.8%	2.1%	1.9%
Exports	4.9%	2.2%	3.3%	2.4%	3.1%	4.4%
Imports	2.3%	1.3%	6.2%	-2.4%	6.0%	4.3%
Government Purchases	0.3%	4.3%	3.6%	-0.6%	2.2%	0.0%
Federal	-1.2%	3.6%	4.5%	-4.7%	5.1%	-0.4%
State & Local	1.2%	4.8%	3.1%	2.0%	0.5%	0.2%
OTHER MEASURES						
Personal Consumption (Current \$)	7.7%	6.0%	6.0%	5.2%	5.3%	4.3%
Before Tax Profits (Current \$)	-0.3%	13.7%	10.1%	4.0%	0.0%	-1.5%
Unemployment Rate (Average Q4)	3.6%	3.8%	4.1%	4.5%	4.6%	4.5%
S&P GLOBAL						

The following chart from S&P Global presents three alternative quarterly forecasts for real GDP through 2027.

The **BASELINE** forecast (50% probability) reflects continued economic expansion at a gradually slowing pace. Under this scenario, productivity gains associated with gradual adoption of artificial intelligence (AI) support output growth and limit labor market disruption. Inflation remains modestly above the Federal Reserve’s long-run target in the near term. The unemployment rate is projected to rise moderately to 4.6% by the end of 2026.

The **PESSIMISTIC** scenario (25% probability) assumes stricter trade and immigration policies combined with mild financial stress associated with a partial correction in AI-related asset valuations. Under this outlook, the economy contracts in the second and third quarters of 2026 before returning to modest growth in 2027. The unemployment rate rises to approximately 6.5% by the end of 2027 under this scenario.

The **OPTIMISTIC** scenario (25% probability) assumes stronger AI-driven productivity gains that boost business investment and support higher equity valuations. Sustained productivity improvements keep GDP growth above long-term trend throughout the forecast period. In this scenario, the unemployment rate rises temporarily to 4.6% in mid-2026 before declining to approximately 4.3% by late 2027.

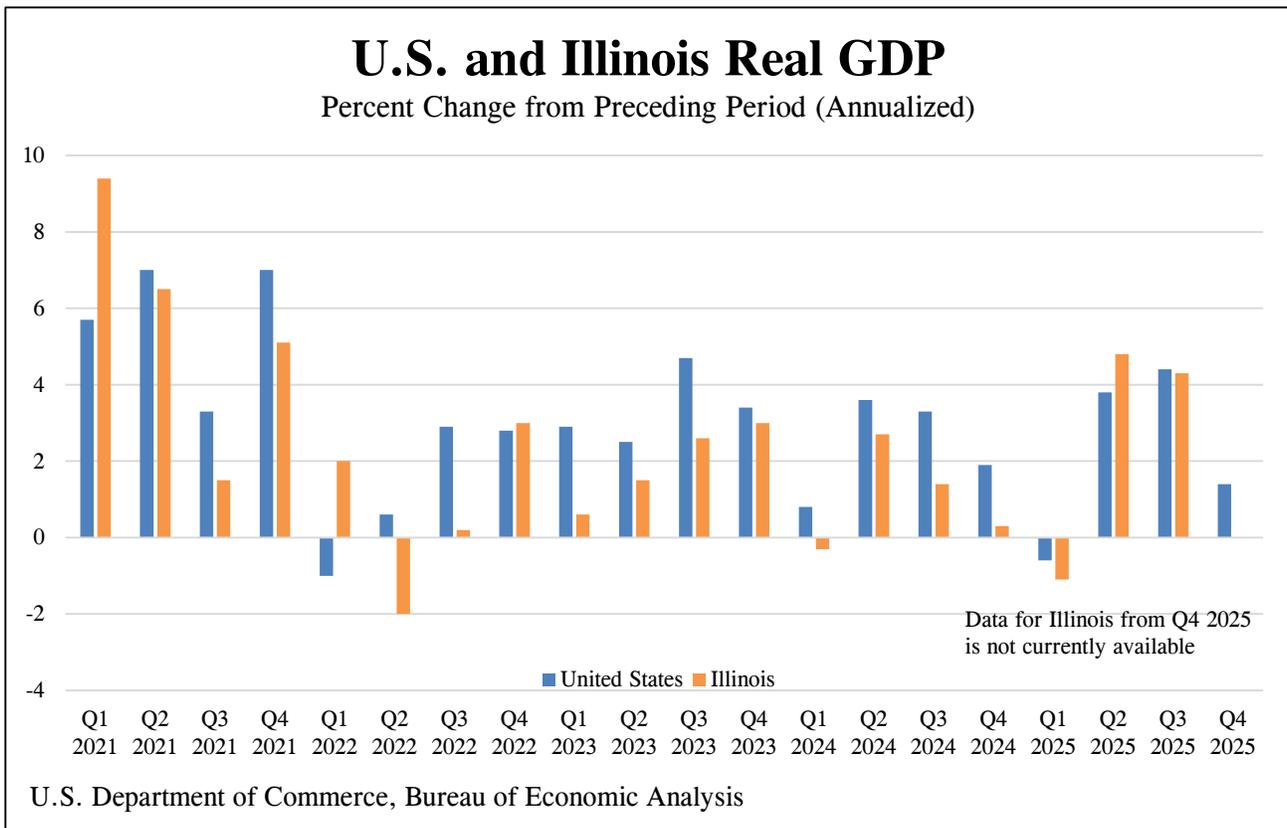


Illinois Economy

The table below shows S&P Global's latest baseline forecast for the State of Illinois from February, 2026.

- S&P Global projects that Illinois' real Gross State Product (GSP) will have grown 2.4% in 2025 on a fourth-quarter-over-fourth-quarter basis once final data are available. This is just below the U.S. economy's estimated 2.5% growth rate for 2025 but remains well above Illinois' longer-term average growth rate.
- Illinois' economic growth has generally lagged the national pace in recent years. Since the first quarter of 2018, the State's average quarterly annualized growth rate has been approximately 1.2 percentage points below that of the U.S. (1.6% versus 2.8%), a difference reflected in the chart on the following page.
- Total nonfarm payroll employment is projected to remain essentially unchanged in 2026 (up 0.1%) before declining modestly by 0.2% in 2027.
- After two years of population growth driven largely by increased international migration in 2023 and 2024, Illinois is projected to resume gradual population declines beginning in 2025 and continuing throughout the forecast period.
- After a slight slowdown in personal income growth in 2024, Illinois personal income is estimated to increase by approximately 4.4% in 2025 when final results are released. This growth rate is projected to rise to 5.7% in 2026 before moderating to 5.0% in 2027. Although these rates remain below the elevated levels experienced during the immediate post-pandemic

ILLINOIS FORECASTS -- FEBRUARY 2026						
(Calendar Years, Q4/Q4 for Annual Rates)						
	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Est.	Est.	Est.
Real Gross State Product (Billions 2017\$)	876.9	893.5	902.8	924.1	939.1	949.5
% Change	0.8%	1.9%	1.0%	2.4%	1.6%	1.1%
Total Employment (1,000's)	6,073.9	6,117.8	6,153.4	6,154.0	6,162.9	6,152.8
% Change	2.5%	0.7%	0.6%	0.0%	0.1%	-0.2%
Population (1,000's)	12,606.2	12,668.1	12,714.6	12,711.8	12,684.9	12,647.0
% Change	-0.4%	0.5%	0.4%	0.0%	-0.2%	-0.3%
Personal Income (Billions \$)	877.9	923.7	960.2	1,002.3	1,059.7	1,113.2
% Change	4.4%	5.2%	3.9%	4.4%	5.7%	5.0%
Private Housing Starts (1,000's)	18.7	17.2	19.7	18.9	19.1	18.5
% Change	-10.9%	-8.0%	14.5%	-3.9%	1.1%	-3.5%
Unemployment Rate Average % (Q4)	4.5	4.8	4.9	4.5	5.2	5.1
S&P GLOBAL						

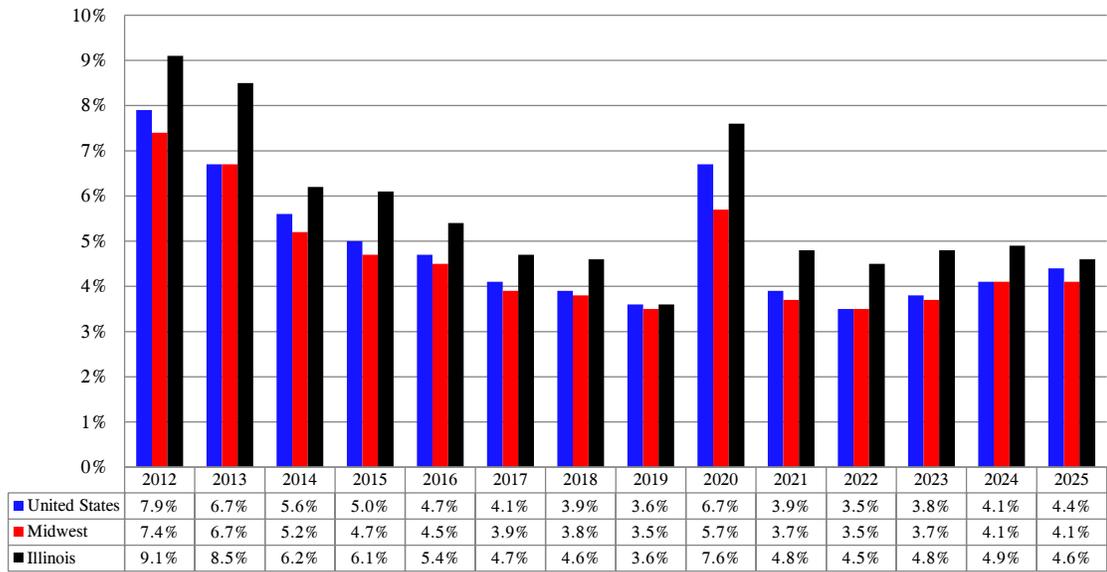


recovery, projected income growth continues to exceed the average pace observed prior to 2020.

- Private housing starts are expected to remain subdued, comparable to levels observed in the years following the Great Recession.
- As of December 2025, Illinois’ seasonally adjusted unemployment rate stood at 4.6%, tied with New York and West Virginia for the eleventh-highest rate in the nation.
- Throughout most of the 2010s, Illinois’ unemployment rate lagged behind both the Midwest and the national average. While the gap had nearly closed by 2019, it widened again during the COVID-19 pandemic. Currently, Illinois’ 4.6% unemployment rate remains a little above the Midwest (4.1%) and U.S. (4.3%) averages, as shown in the chart on the next page.
- Illinois' unemployment rate improved from 4.8% in the spring of 2025 to 4.4% in the fall. However, this improvement reflected a decline in the labor force that outpaced a smaller decline in total employment.
- Illinois’ unemployment rate is projected to rise to approximately 5.2% by the end of 2026 and remain near that level in 2027.

COMPARATIVE UNEMPLOYMENT RATES

Year End



U.S. Department of Labor, Bureau of Labor Statistics

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) (Jan.)	1.3%	2.2%	4.3%
	<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 Employmen (Dec.)	6,159,300	11,800	-1,700
New Car & Truck Registration (Jan.)	35,479	-7.2%	-9.9%
Single Family Housing Permits (Oct.)	1,090	4.5%	4.6%
Total Exports (\$ bil) (Dec.)	6.10	-11.4%	-5.6%
Chicago Purchasing Managers Index (Feb.)	57.7	6.9%	26.8%

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

Overview of Gaming Related Revenues in CY 2025

Ally O'Malley, Revenue Analyst

Calendar Year 2025 incorporated a number of gaming-related changes impacting revenues within Illinois. More of the components of the gaming expansion package that was enacted in 2019 (P.A. 101-0031) are starting to take full effect. This includes the continuing implementation of sports wagering in Illinois, an expansion of Illinois' video gaming industry, and the development of new casinos across the state.

While some of the major components of this expansion are still yet to materialize, such as the opening of the 4,000-position permanent Chicago Casino, the activity that has taken place was a primary contributor behind the 11.5% increase in taxable revenues from gaming-related sources in CY 2025. Several other important changes were made to the tax structure of gaming-related sources as a result of P.A. 103-0592 and recently enacted P.A. 104-0006. Most notably, a sports wagering online per-wager tax was implemented halfway through Calendar Year 2025.

The adjusted gross receipts (AGR) of Illinois' casinos grew 15.1% in CY 2025. Much of the reason for this is due to a full calendar year of operations for the south suburban casino in East Hazel Crest that opened during the previous calendar year. Additionally, the opening of the Fairmount Park racino in Collinsville in CY 2025 helped further enhance casino revenue totals.

Casinos were not the only area of significant growth. The Net Terminal Income (NTI) from the over 49,000 video gaming terminals across Illinois grew from \$3.004 billion in CY 2024 to \$3.186 billion in CY 2025, an increase of 6.0%. Sports Wagering, now in its sixth fiscal year of operations, grew 19.7% in CY 2025, increasing its AGR totals from \$1.233 billion to \$1.477 billion.

In total, gaming related net receipts (AGR or NTI) in Illinois increased 11.5% from \$5.927 billion to \$6.606 billion in CY 2025, while tax revenues from these sources grew 21.1% from \$1.755 billion to \$2.124 billion. Tax revenues grew at a higher percentage than the taxable base because of the graduated tax structure imposed on casinos and sports wagering income. In addition, the new sports wagering online per-wager tax also added to the higher tax totals.

The following paragraphs provide a closer look at each gaming source's CY 2025 performance.

Casinos

The overall AGR of Illinois casinos increased by 15.1% in CY 2025 – indicating a substantial level of growth from the previous year. Although, it should be noted that some of the elevated AGR numbers in CY 2025 can be attributed to a full calendar year of operations from the South Suburbs casino established in the previous year. Furthermore, the new facility for the Hollywood Casino in Joliet and the commencement of operations at the Fairmount Park racino in Collinsville in Calendar Year 2025 contributed to sustained growth in aggregate casino revenues. The highest generator of adjusted gross receipts in Illinois continues to be Des Plaines’ Rivers Casino, with a CY 2025 AGR total of \$503.1 million. The CY 2025 AGR total of \$1.944 billion is the highest tally recorded in more than 10 years.

Many Illinois casinos are in the process of transitioning from temporary locations to permanent facilities. At the time of this publication Waukegan and the City of Chicago are in the process of building a permanent casino. Once these casinos are built, the expanded gaming positions should provide a notable bump in casino AGR figures in future years. Overall, the graduated casino tax structure generated a total of \$529 million in tax revenues, including approximately \$408 million in State revenues across CY 2025. From this tally, administrative expenses incurred by the Illinois Gaming Board are subtracted and a number of distributions to the State Gaming Fund, Chicago State University, School Infrastructure Fund, Cook County Criminal Justice System, and Illinois Department of Human Services are made. Further information regarding the distribution of casino gaming revenues can be found in our Wagering in Illinois 2025 Update that is available on the Commission’s website.

ADJUSTED GROSS RECEIPTS OF ILLINOIS CASINOS									
CASINO	LOCATION	Adjusted Gross Receipts (\$ in millions)					% Change 1-Yr.	Dec '25 Positions	AGR / Pos. per Day
		CY 2021	CY 2022	CY 2023	CY 2024	CY 2025			
American Place Casino	Waukegan	\$0.0	\$0.0	\$76.1	\$108.1	\$121.7	12.7%	1,075	\$325
Argosy Casino Alton	Alton	\$31.7	\$31.4	\$34.3	\$34.0	\$35.2	3.4%	517	\$170
Bally's Chicago	Chicago	\$0.0	\$0.0	\$30.4	\$124.9	\$124.7	-0.2%	893	\$359
Bally's Quad Cities	Rock Island	\$41.6	\$54.6	\$61.6	\$60.4	\$65.3	8.1%	797	\$218
DraftKings at Casino Queen	East St. Louis	\$70.6	\$79.5	\$79.7	\$86.0	\$83.7	-2.6%	926	\$190
Fairmount Park Casino & Racing	Collinsville	\$0.0	\$0.0	\$0.0	\$0.0	\$12.0	N/A	239	\$251
Golden Nugget Danville	Danville	\$0.0	\$0.0	\$22.1	\$37.2	\$39.1	5.2%	503	\$224
Grand Victoria Casino	Elgin	\$143.3	\$154.4	\$150.1	\$138.8	\$142.2	2.4%	924	\$444
Hard Rock Casino Rockford	Rockford	\$8.5	\$54.7	\$69.1	\$97.6	\$146.2	49.8%	1,448	\$264
Harrah's Joliet	Joliet	\$137.5	\$135.2	\$131.4	\$124.6	\$114.4	-8.2%	806	\$371
Harrah's Metropolis	Metropolis	\$57.6	\$62.8	\$65.0	\$58.0	\$56.0	-3.4%	658	\$242
Hollywood Casino Aurora	Aurora	\$95.2	\$99.4	\$97.6	\$99.3	\$101.7	2.5%	976	\$264
Hollywood Casino Joliet	Joliet	\$82.2	\$87.1	\$91.3	\$90.3	\$102.9	13.9%	1,050	\$342
Par-A-Dice Hotel Casino	East Peoria	\$61.0	\$60.7	\$63.5	\$60.5	\$61.9	2.4%	613	\$276
Rivers Casino Des Plaines	Des Plaines	\$458.2	\$528.7	\$538.7	\$516.1	\$503.1	-2.5%	1,991	\$740
Walker's Bluff Casino Resort	Carterville	\$0.0	\$0.0	\$10.7	\$32.0	\$35.7	11.4%	652	\$168
Wind Creek Chicago Southland	East Hazel Crest	\$0.0	\$0.0	\$0.0	\$21.4	\$198.0	824.4%	1,489	\$372
TOTALS		\$1,187.3	\$1,348.7	\$1,521.5	\$1,689.2	\$1,943.7	15.1%	15,555	\$342.4

Source: Illinois Gaming Board

Video Gaming

In CY 2025, video gaming revenues grew moderately from the historic high recorded during the previous year. Net terminal income (NTI) levels were documented as rising a total of 6.0% from \$3.004 billion to \$3.186 billion; resulting in tax revenues of \$1.115 billion, of which \$955 million went to State-related sources and \$160 million went to local governments. Recently, P.A. 104-0002 was enacted which modified the distribution of video gaming tax revenues. Beginning July 1, 2025, 83.7% of Illinois' 35% tax rate is now deposited into the Capital Projects Fund and 14.3% is deposited into the Local Government Video Gaming Distributive Fund. The remaining 2% is deposited into the State Gaming Fund.

There are several factors likely driving this growth: the legislative changes resulting from P.A. 101-0031 (as mentioned earlier in this article), continued expansion into municipalities that had previously banned video gaming, and economic conditions favorably impacting bettors. A further partial impact resulted from P.A. 103-0592 raising the tax rate collected from Net Terminal Income from 34% to 35% in the previous Calendar Year.

Illinois Video Gaming Statistics by Calendar Year

Fiscal Year	Terminals in Operation at end of FY	Net Terminal Income (\$ in mil)	NTI per Terminal per Day	Tax Revenue* (\$ in mil)	State Share of Total* (\$ in mil)	Local Share of Total* (\$ in mil)
CY 2015	22,135	\$913.6	\$113.08	\$274.1	\$228.4	\$45.7
CY 2016	24,841	\$1,108.1	\$122.22	\$332.4	\$277.0	\$55.4
CY 2017	28,271	\$1,302.8	\$126.25	\$390.8	\$325.7	\$65.1
CY 2018	30,694	\$1,500.0	\$133.89	\$450.0	\$375.0	\$75.0
CY 2019	33,294	\$1,676.7	\$137.97	\$528.2	\$444.4	\$83.8
CY 2020**	37,159	\$1,134.4	\$117.87	\$381.9	\$325.2	\$56.7
CY 2021**	41,826	\$2,474.9	\$192.74	\$841.4	\$717.7	\$123.7
CY 2022	45,008	\$2,710.3	\$164.98	\$921.5	\$786.0	\$135.5
CY 2023	47,047	\$2,884.3	\$167.96	\$980.7	\$836.5	\$144.2
CY 2024	48,706	\$3,004.4	\$169.00	\$1,036.5	\$884.2	\$152.4
CY 2025	49,450	\$3,185.9	\$176.51	\$1,115.1	\$955.1	\$160.0

* The tax imposed on video gaming net terminal income was originally at 30%. Beginning on July 1, 2019, an additional tax of 3% began, bringing the tax to 33%. On July 1, 2020, the tax increased to 34%. P.A. 103-0592 further increased the tax rate to 35%. Beginning July 1, 2025, 83.7% of Illinois' 35% tax rate is now deposited into the Capital Projects Fund and 14.3% is deposited into the Local Government Video Gaming Distributive Fund. The remaining 2% is deposited into the State Gaming Fund.

**Due to COVID-19, play was suspended between March 16th and June 30th of 2020 and then again from November 19th thru January 15, 2021. After January 15, 2021, play was allowed to resume in a region once its region met certain COVID-19 guidelines.

Sports Wagering

The table at the bottom of this page provides an overview of Illinois' sports wagering statistics in its first six years of operation. As shown, nearly 1.6 billion wagers have been made during this time. More than \$59.9 billion in bets have been handled with over \$54.8 billion in payouts. This resulted in nearly \$5.2 billion in adjusted gross receipts from sports wagering, thereby generating approximately \$1.1 billion in tax revenues.

There was a 19.8% AGR increase between CY 2024 and CY 2025, from \$1.233 billion to \$1.477 billion. The most recent driving factor of increased sports wagering revenues was the new wager tax, implemented by P.A. 104-0006 on July 1, 2025, on each master sports wagering licensee for every individual wager placed online. A tax of \$0.25 is levied on the first 20 million wagers annually, while each wager in excess incurs a tax of \$0.50 for each licensee. This wager tax generated \$62.2 million in revenues in CY 2025 in its first six months of implementation.

Also, a privilege tax structure was implemented by P.A. 103-0592 on July 1, 2024. The following table outlines the specific rates of the sports wagering graduated tax structure:

Sports Wagering Graduated Tax Structure		
AGR Range	In-Person Tax Rate	Online Tax Rate
≤ \$30 million	20%	20%
>\$30 million to \$50 million	25%	25%
>\$50 million to \$100 million	30%	30%
>\$100 million to \$200 million	35%	35%
>\$200 million	40%	40%

P.A. 103-0592 also made a change to sports wagering distributions. Under prior law, all revenue collected was transferred to the Capital Projects Fund (after first being aggregated in the Sports Wagering Fund). The change resulted in 42% of sports wagering revenue being transferred to the Capital Projects Fund and the remaining 58% being transferred to the State's General Fund.

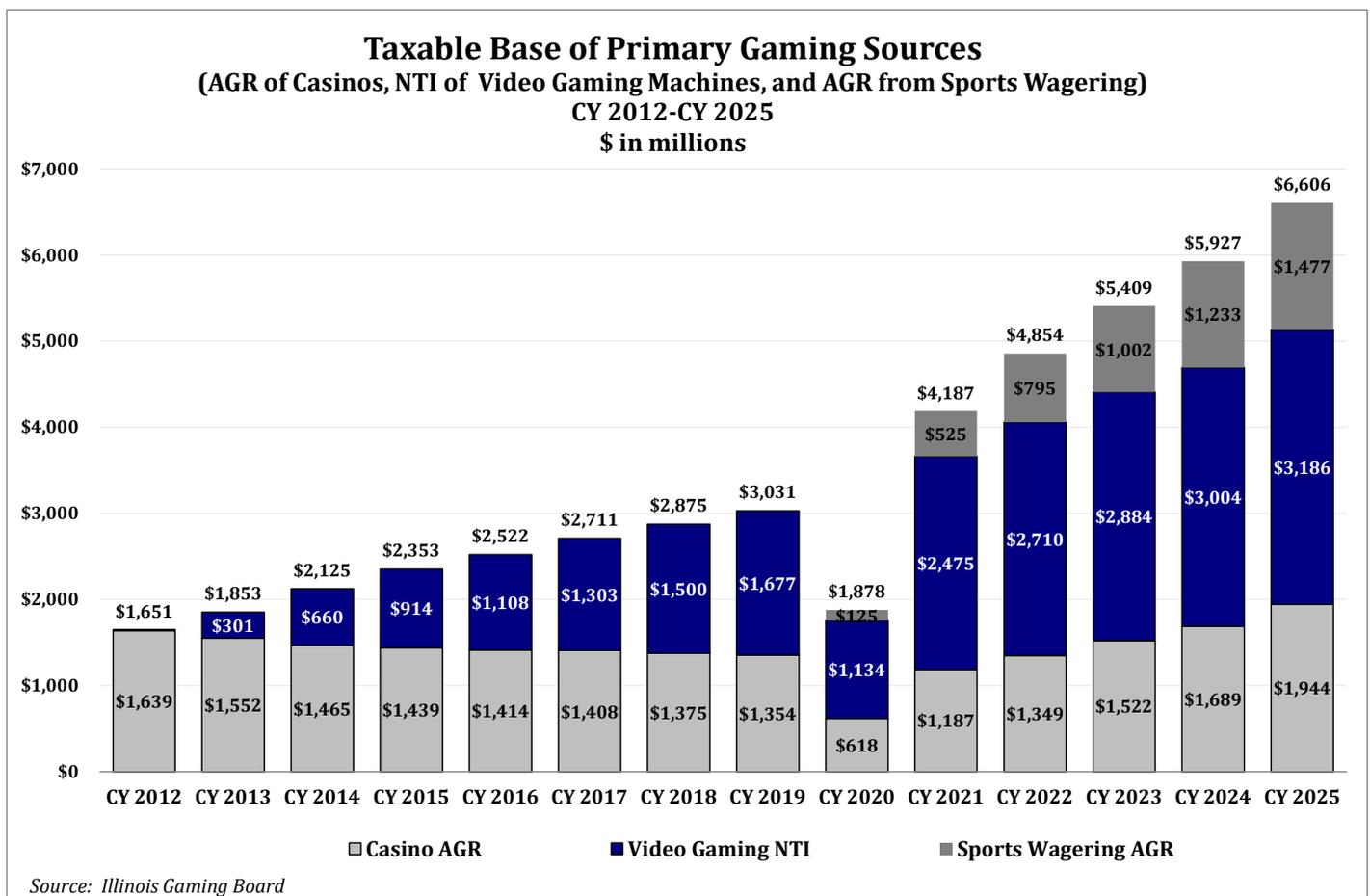
A more detailed look at the components of the rise in sports wagering figures are provided in the Commission's Wagering in Illinois 2025 Update. In CY 2025, \$480 million in tax revenues were generated from sports wagering.

ILLINOIS SPORTS WAGERING STATISTICS BY CALENDAR YEAR					
<i>\$ in millions</i>					
Fiscal Year	Wagers	Handle	Payout	AGR	Tax Revenue
CY 2020	52,167,874	\$1,871	\$1,745	\$125	\$19
CY 2021	188,919,374	\$7,012	\$6,488	\$525	\$79
CY 2022	270,670,993	\$9,739	\$8,945	\$795	\$119
CY 2023	324,455,166	\$11,613	\$10,611	\$1,002	\$150
CY 2024	375,412,326	\$14,013	\$12,813	\$1,233	\$267
CY 2025	355,847,327	\$15,652	\$14,200	\$1,477	\$480
Total	1,567,473,060	\$59,901	\$54,803	\$5,157	\$1,113

Source: Illinois Gaming Board

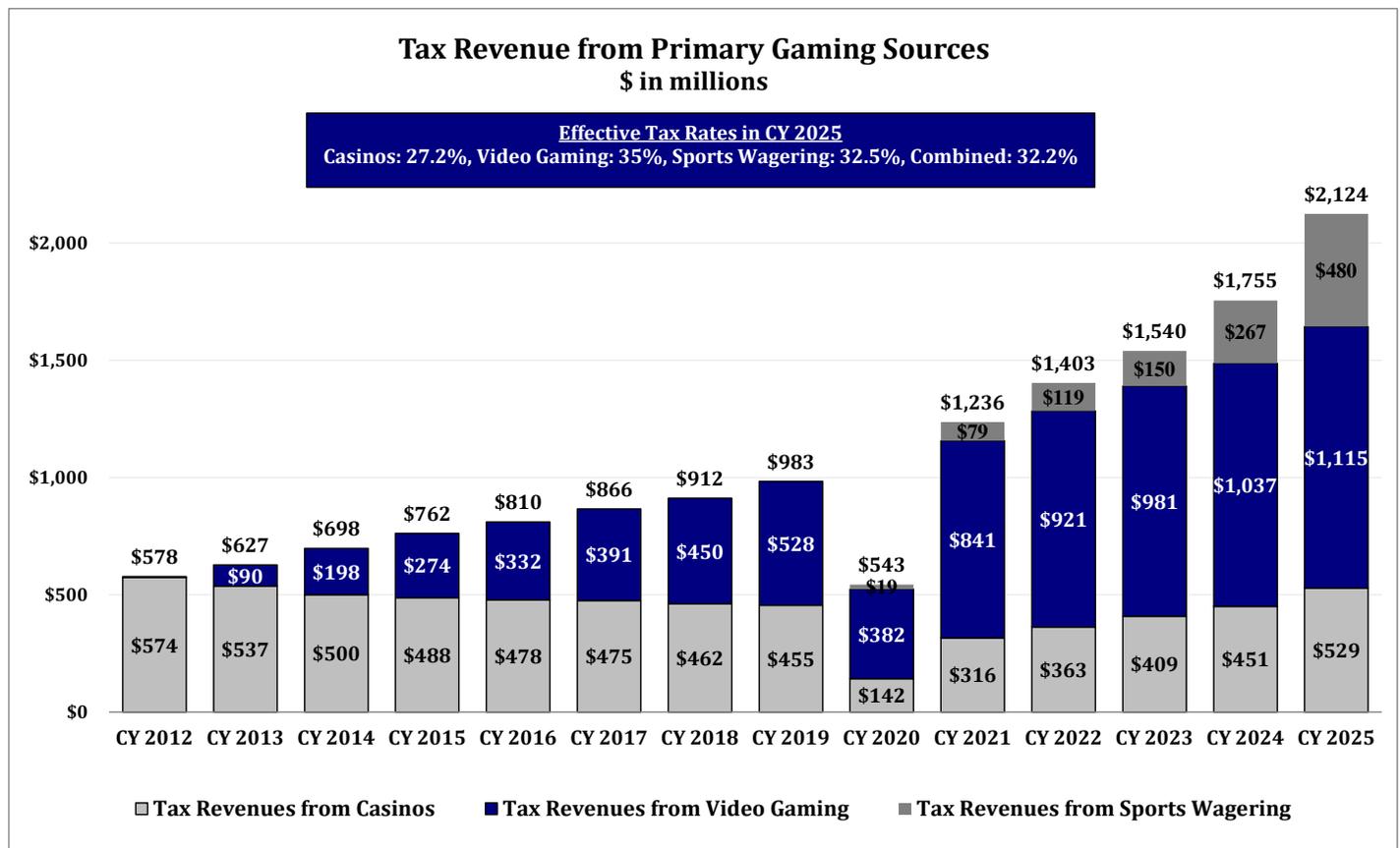
Gaming Figures in Total

Since video gaming was implemented in CY 2012, the AGR from established casinos had been on a downward trend. However, this trend has reversed. The AGR collected from casinos is now 18.6% above the amount collected in Calendar Year 2012. When combined with other gaming sources, overall wagering revenues are up 300.1% during this time period (from \$1.651 billion in CY 2012 to \$6.606 billion in CY 2025) and are up 11.5% over the last year. The proliferation of video gaming across the state, along with the other additional gambling dollars brought in from sports wagering and new casinos, has boosted overall gaming revenues. Although, some cannibalization amongst wagering sources appears to have detrimentally affected casino AGR collections in certain areas, the expansion of new casinos has helped to offset this reduction overall.



From a tax revenue perspective, the annual tax receipts collected from Illinois casinos has dropped 7.8% since video gaming was implemented in CY 2012, despite the recent resurgence in overall AGR totals. This is largely due to the reduced tax structure that was put into place by P.A. 101-0031. However, as illustrated in the following chart, when combining casino tax revenues with video gaming and sports wagering tax revenues, overall tax revenues grew from \$578 million in CY 2012 to \$2.124 billion in CY 2025, an increase of 267.5%. The current figure of \$2.124 billion represents a 21.1% increase over the tally of \$1.755 billion in CY 2024.

Illinois tax revenue is likely to grow higher as the final components of P.A. 101-0031 are implemented over the next several calendar years.



General Funds Revenues See Sizeable Rebound in February

Eric Noggle, Revenue Manager

After beginning 2026 with a year-over-year decline of \$152 million in January, General Funds revenues rebounded strongly in February, posting growth of \$298 million, or 9.0%—more than offsetting the prior month's losses. Gains were realized across several revenue sources, led primarily by a sizeable increase in Personal Income Tax receipts. With two-thirds of FY 2026 now complete, total revenues stand at \$1.337 billion, or 4.1%, above last year's pace with four months remaining in the fiscal year.

Personal Income Tax gross receipts rose \$150 million in February, reflecting growth of 7.6%. On a net basis—after distributions to the Income Tax Refund Fund and the Local Government Distributive Fund—receipts increased \$127 million. This critical revenue source has now grown in six of the last seven months, mirroring continued wage growth over the past year. However, the ultimate strength of fiscal year growth will depend heavily on final payments received over the next several months.

In contrast, Corporate Income Tax receipts continued to underperform. Gross receipts declined \$23 million in February, marking the fifth month this fiscal year with year-over-year decreases. Recent federal tax law changes, many of which flow through to Illinois, are believed to be contributing to this softness. On a net basis, Corporate Income Tax receipts were down \$18 million, or 22.2%, although February is typically a relatively minor month for corporate collections.

Sales Tax revenues were essentially flat, increasing only \$2 million year over year. After accounting for slightly lower diversions to the Road Fund but marginally higher allocations to certain transportation-related funds, net Sales Tax receipts declined \$3 million for the month.

The All Other State Sources category posted particularly strong growth, rising \$124 million, or 33.5%. The largest contributor was Insurance Taxes and Fees, which increased \$60 million in February. While some of this gain may reflect a higher taxable premium base, the magnitude of the increase is largely attributable to timing. A significant payment from the Surplus Line Producer's Tax was received in February this year, compared to March last year. As a result, a year-over-year decline from this source should be anticipated next month.

Another timing-related boost came from Interest on State Funds and Investments. As noted in last month's publication, January receipts were down \$45 million due to delays in processing corporate bond proceeds that had been deposited in January of the prior fiscal year. Those proceeds were deposited into the General Funds in February, contributing to a \$40 million, or 80.0%, increase in this revenue source. Additional gains within this category included a \$12 million increase in the Corporate Franchise Tax, a \$6 million increase in the Estate Tax, and a \$5 million increase in Other Sources. Offsetting declines were limited to Public Utility Taxes (down \$4 million) and Liquor Taxes (down \$1 million).

Transfers-In also experienced solid growth, increasing \$38 million, or 28.1%. The primary driver was a \$30 million increase in Sports Wagering Transfers, reflecting revenue from the new per-wager tax implemented this fiscal year. Lottery Transfers rose \$9 million, while Gaming Transfers increased \$1 million in what is typically a low month for those receipts. Cannabis Transfers and Other Transfers each declined by \$1 million.

After three consecutive months of declining receipts, Federal Sources posted a modest \$30 million increase in February. However, to meet the original fiscal year estimate, Federal Sources will need to demonstrate considerably stronger performance over the remaining four months of FY 2026.

<i>Summary of Receipts</i>				
FEBRUARY				
<i>FY 2025 vs. FY 2026</i>				
<i>(\$ millions)</i>				
Revenue Sources	Feb.	Feb.	\$	%
	FY 2025	FY 2026	CHANGE	CHANGE
Net Personal Income Tax	\$1,688	\$1,815	\$127	7.5%
Net Corporate Income Tax	\$81	\$63	(\$18)	-22.2%
Net Sales Tax	\$720	\$717	(\$3)	-0.4%
All Other State Sources	\$370	\$494	\$124	33.5%
Transfers In	\$135	\$173	\$38	28.1%
Federal Sources [base]	\$299	\$329	\$30	10.0%
Base General Funds	\$3,293	\$3,591	\$298	9.0%
<i>Non-Base Gen Funds Revenues</i>	\$0	\$0	\$0	N/A
Total General Funds	\$3,293	\$3,591	\$298	9.0%

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

2-Mar-26

FEBRUARY
FY 2025 vs. FY 2026
(\$ millions)

Revenue Sources	Feb. FY 2025	Feb. FY 2026	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$1,986	\$2,136	\$150	7.6%
Corporate Income Tax (regular)	102	79	(23)	-22.5%
Sales Taxes	853	855	2	0.2%
Public Utility Taxes (regular)	80	76	(4)	-5.0%
Cigarette Tax	10	12	2	20.0%
Liquor Gallonage Taxes	10	9	(1)	-10.0%
Estate Tax	57	63	6	10.5%
Insurance Taxes and Fees	30	90	60	200.0%
Corporate Franchise Tax & Fees	9	21	12	133.3%
Interest on State Funds & Investments	50	90	40	80.0%
Cook County IGT	94	98	4	4.3%
Other Sources	30	35	5	16.7%
Total State Taxes	\$3,311	\$3,564	\$253	7.6%
Transfers In				
Lottery	\$66	\$75	\$9	13.6%
Gaming	5	6	1	20.0%
Sports Wagering	22	52	30	136.4%
Cannabis	10	9	(1)	-10.0%
Refund Fund	0	0	0	N/A
Other	32	31	(1)	-3.1%
Total Transfers In	\$135	\$173	\$38	28.1%
Total State Sources	\$3,446	\$3,737	\$291	8.4%
Federal Sources [base]	\$299	\$329	\$30	10.0%
Total Federal & State Sources	\$3,745	\$4,066	\$321	8.6%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$182)	(\$196)	(\$14)	7.7%
Corporate Income Tax	(\$14)	(\$11)	3	-21.4%
Local Government Distributive Fund				
Personal Income Tax	(117)	(126)	(9)	7.7%
Corporate Income Tax	(6)	(5)	1	-16.7%
Sales Tax Distributions				
Deposits into Road Fund	(62)	(57)	5	-8.1%
Distribution to the PTF and DPTF	(71)	(81)	(10)	14.1%
General Funds Subtotal [Base]	\$3,293	\$3,591	\$298	9.0%
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A
Transfers to Repay Payroll Borrowing	\$0	\$0	\$0	N/A
Total General Funds	\$3,293	\$3,591	\$298	9.0%

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

2-Mar-26

Year to Date

Through the first eight months of FY 2026, revenues deposited into the State’s General Funds are up \$1.337 billion, representing growth of 4.1% compared with the same period in FY 2025. Year-to-date growth continues to be driven primarily by Personal Income Tax receipts. Following February’s gains, gross Personal Income Tax revenues are now \$805 million, or 4.2%, above last year’s pace through the first two-thirds of the fiscal year. On a net basis, receipts are up \$685 million.

Corporate Income Tax receipts fell further behind last year’s levels following February’s decline. On a gross basis, this revenue source is now down \$199 million, a decrease of 6.6%, and \$158 million lower on a net basis. While the minor increase in Sales Tax receipts this month edged up the gross year-to-date gain to \$338 million, the net gain narrowed to a more modest \$88 million after accounting for February’s small net decline.

With February’s strong performance, All Other State Sources are now a combined \$308 million above last year’s year-to-date total. Growth within this category continues to be led by the Estate Tax, which is up \$215 million, or 53.3%. Insurance Taxes and Fees, bolstered by this month’s increase, are now ahead by \$114 million, or 34.0%. Additional contributors include an \$11 million increase in the Corporate Franchise Tax and a \$9 million rise in Interest on State Funds and Investments. These gains have more than offset year-to-date declines in Other Sources (down \$18 million), Public Utility Taxes (down \$13 million), Cigarette Taxes (down \$9 million), and Liquor Taxes (down \$5 million).

Following another positive month, Transfers-In continue to post substantial year-to-date growth, now totaling a cumulative increase of \$649 million through February. A significant portion of this gain 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 \$137 million), Gaming Transfers (up \$59 million), and Lottery Transfers (up \$46 million). Remaining transfer categories are collectively down \$40 million year to date.

Despite February’s modest improvement, Federal Sources remain \$172 million, or 6.0%, below last year’s pace. When accounting for last year’s \$65 million in ARPA Reimbursements for Essential Government Services, the cumulative shortfall widens to \$237 million.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY				
<i>FY 2025 vs. FY 2026</i>				
<i>(\$ millions)</i>				
Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$16,219	\$16,904	\$685	4.2%
Net Corporate Income Tax	\$2,402	\$2,244	(\$158)	-6.6%
Net Sales Tax	\$7,116	\$7,204	\$88	1.2%
All Other State Sources	\$2,561	\$2,869	\$308	12.0%
Transfers In	\$1,591	\$2,240	\$649	40.8%
Federal Sources [base]	\$2,843	\$2,671	(\$172)	-6.0%
Base General Funds	\$32,732	\$34,132	\$1,400	4.3%
<i>Non-Base Gen Funds Revenues</i>	\$65	\$2	(\$63)	-96.9%
Total General Funds	\$32,797	\$34,134	\$1,337	4.1%

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

2-Mar-26

GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY

FY 2025 vs. FY 2026

(\$ millions)

<u>Revenue Sources</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$19,088	\$19,893	\$805	4.2%
Corporate Income Tax (regular)	2,999	2,800	(199)	-6.6%
Sales Taxes	7,813	8,151	338	4.3%
Public Utility Taxes (regular)	485	472	(13)	-2.7%
Cigarette Tax	127	118	(9)	-7.1%
Liquor Gallonage Taxes	120	115	(5)	-4.2%
Estate Tax	403	618	215	53.3%
Insurance Taxes and Fees	335	449	114	34.0%
Corporate Franchise Tax & Fees	125	136	11	8.8%
Interest on State Funds & Investments	519	528	9	1.7%
Cook County IGT	150	154	4	2.7%
Other Sources	297	279	(18)	-6.1%
Total State Taxes	\$32,461	\$33,713	\$1,252	3.9%
Transfers In				
Lottery	\$506	\$552	\$46	9.1%
Gaming	126	185	59	46.8%
Sports Wagering	101	238	137	135.6%
Cannabis	75	71	(4)	-5.3%
Refund Fund	253	700	447	176.7%
Other	530	494	(36)	-6.8%
Total Transfers In	\$1,591	\$2,240	\$649	40.8%
Total State Sources	\$34,052	\$35,953	\$1,901	5.6%
Federal Sources [base]	\$2,843	\$2,671	(\$172)	-6.0%
Total Federal & State Sources	\$36,895	\$38,624	\$1,729	4.7%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$1,747)	(\$1,820)	(\$73)	4.2%
Corporate Income Tax	(420)	(391)	29	-6.9%
Local Government Distributive Fund				
Personal Income Tax	(1,122)	(1,169)	(47)	4.2%
Corporate Income Tax	(177)	(165)	12	-6.8%
Sales Tax Distributions				
Deposits into Road Fund	(473)	(439)	34	-7.2%
Distribution to the PTF and DPTF	(224)	(508)	(284)	126.8%
General Funds Subtotal [Base]	\$32,732	\$34,132	\$1,400	4.3%
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	\$32,797	\$34,134	\$1,337	4.1%

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

2-Mar-26