



Commission on Government Forecasting and Accountability

MONTHLY BRIEFING

MAY 2008

<http://www.ilga.gov/commission/cgfa2006/home.aspx>

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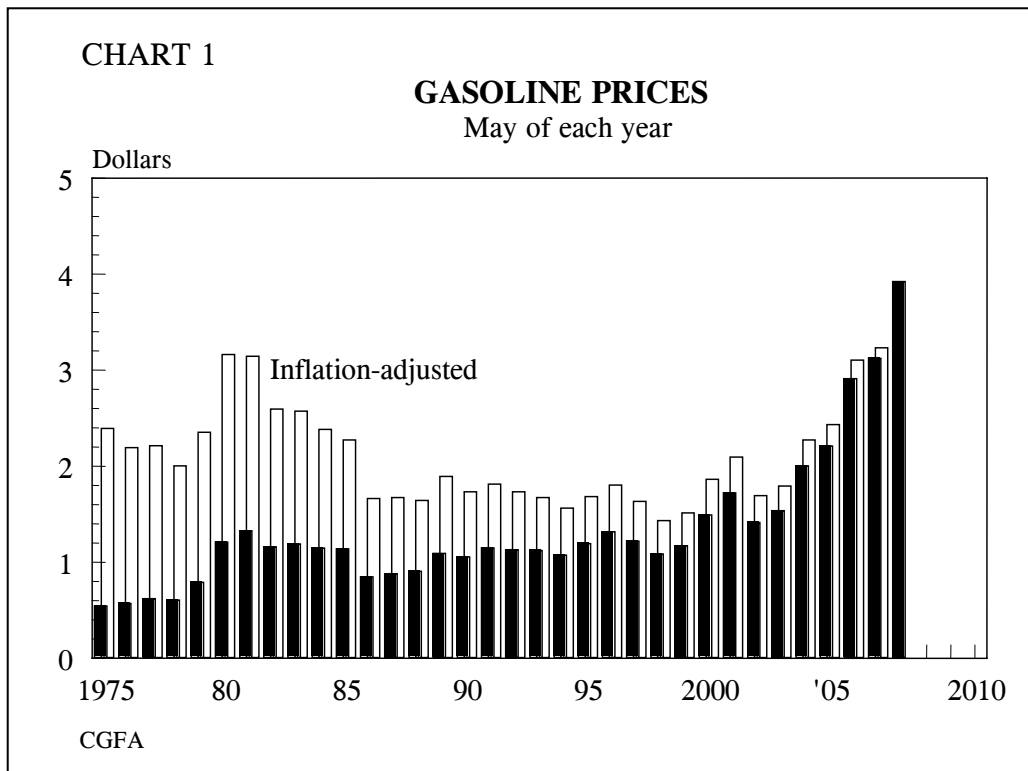
ECONOMY: Impact of Record Energy Prices

Edward H. Boss, Jr., Chief Economist

The U.S. economy has continued to grow, albeit at a snail's pace in each of the past two quarters, even while continuing to experience the fallout from the sharp decline in the housing sector and repercussions from the credit crises. Despite widespread belief that the economy is in recession, data to date have yet to confirm that belief. The economy has not shown a negative rate of growth, thus not meeting the rule of thumb of two consecutive quarters of declining real growth that had been evidenced in previous recessions. Indeed, April's unemployment rate at 5% only a few years back would have been considered full, or close to full, employment. Now, however, also faced with sky rocketing energy prices, the amazing resilience of the U.S. economy may well have met its match.

Oil prices continued to surge, exceeding \$135 a barrel in late May while gasoline prices at the Memorial Day holiday weekend averaged \$3.93 a gallon nationally and \$4.19 a gallon in Chicago, the highest in the nation. Even at those record prices, the rise in gasoline prices has been less than the increase in oil prices, suggesting further upward pressure. As shown in Chart 1 on the top of page 2, current gasoline prices are at record levels even including the effects of inflation over the years, exceeding even those on an inflation adjusted basis reached during the OPEC embargo, the previous peak in March 1981 during the start of the Iran-Iraq War, the Iraq invasion of Kuwait, the period following 9/11 and the U.S. invasion of Iraq.

Many reasons are cited for the surge in energy prices including the weak dollar in foreign exchange markets, heavy speculation, uncertainties in the Middle East, the upcoming hurricane season, and even the oil companies, but the major determinants appear to be supply and demand. Certainly the explosions of growth in China and India coupled with continued growth in



other areas of the world have increased the demand for oil and its products. At the same time, supply has not kept pace as OPEC has refused to increase its output further; output in Russia and other non-OPEC producers is stagnating; there have been periodic disruptions in Nigerian oil production; sanctions on Iran have kept production from rising and Iraq's production remains below pre-war levels, while Venezuela does not seem to have either the will or technical ability to increase output levels.

Higher energy prices are beginning to be reflected in some noticeable changes in consumer behavior. For example, fewer people traveled this Memorial Day holiday weekend than in recent years; airlines continue to cut costs and increase fares and other charges to counter rising fuel costs; sales of more gas efficient autos are rising

while resale prices of trucks and SUVs decline; and passenger train traffic is up while reports show people are better planning their errands so as to reduce the number of trips in their autos. The government has raised mileage requirements for cars in the future and stopped putting oil into the strategic reserves. Yet these do little to ease upward price pressure in the period immediately ahead.

Indeed, for decades there has been little sentiment to increase domestic production; either through drilling or expansion of refining capacity; explore the country's vast supplies of coal, or increase nuclear power. While France's nuclear power plants produce almost 80% of the nation's electricity, a number of European countries have banned or restricted the building of reactors for decades. Currently

19% of electricity in the U.S. comes via nuclear, however, no plants have been opened in the U.S. since 1996. Recently Italy announced that it planned to resume building nuclear energy plants within five years. And, because such power generation emits no greenhouse gases, other countries are rethinking previous bans.

There has been a clamoring for alternative fuels to lessen dependence on oil, but even these are not without controversy. Ethanol production has increased sharply in the U.S. but with a fourth to a third of all corn going into ethanol, it is being blamed on sharply rising food prices. Others proclaim it takes more fossil fuel to make ethanol than it saves as a replacement fuel. Even wind machines placed in offshore waters have been shelved because of obstructing views. And, while the U.S. is the Saudi Arabia in coal with massive reserves, there seems little enthusiasm for the research. The Department of Energy awarded Illinois the site of an experimental clean coal plant

in mid December of 2007 only to cancel the plans in January 2008.

Higher prices will continue to have their impact. Currently with the U.S. near recession; growth slowing abroad; and consumers starting to conserve, some softening in demand could ease the upward price pressure. However, unlike previous price peaks, any lull is likely to be temporary. In the end, economics will continue to come into play. While research will continue on alternatives to oil, higher prices will spark renewed exploration. Although the U.S. has been unwilling to drill in Alaska in ANWR, it has leased for oil and gas drilling in Alaska's Chukchi Sea for the first time since 1991, although drilling won't commence for at least a decade. Russia also has explored drilling in the Arctic Sea. And, while the U.S. has held off from drilling in the waters off Florida, China has forged a deal with Cuba to tap into massive oil reserves almost in sight of Key West. A huge offshore oil find in Brazil also looks promising to increased supplies in the future.

<i>INDICATORS OF ILLINOIS ECONOMIC ACTIVITY</i>			
<u>INDICATORS</u>	<u>April 2008</u>	<u>March 2008</u>	<u>April 2007</u>
Unemployment Rate (Average)	5.4%	5.5%	4.8%
Annual Rate of Inflation (Chicago)	6.4%	16.6%	4.2%
	<u>LATEST MONTH</u>	<u>% CHANGE OVER PRIOR MONTH</u>	<u>% CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (April)	6,813	0.0%	2.1%
Employment (thousands) (April)	6,443	0.1%	1.5%
New Car & Truck Registration (April)	52,850	23.7%	7.7%
Single Family Housing Permits (April)	1,532	38.4%	-37.1%
Total Exports (\$ mil) (March)	4,510	9.5%	8.5%
Chicago Purchasing Managers Index (May)	49.1	1.7%	-20.4%

Update on the Struggles of Illinois Riverboats

Eric Noggle, Senior Revenue Analyst

After a promising four-month start to the fiscal year which saw Illinois riverboat's total adjusted gross receipts (AGR) increase 4.5% and admissions increase 4.8%, Illinois riverboats have since struggled. The following six months saw Statewide

AGR fall 12.2% and admissions fall 4.1%. Illinois' AGR levels are now down 5.5% for the fiscal year (thru April) with admissions down 0.5%. Riverboat figures for FY 2008 through April on a boat-by-boat basis are shown in the below table.

Performance of Illinois Riverboats through April						
(Adjusted Gross Receipts and Admissions FYTD)						
	FY 2007 YTD <u>AGR</u>	FY 2008 YTD <u>AGR</u>	% <u>change</u>	FY 2007 YTD <u>Admissions</u>	FY 2008 YTD <u>Admissions</u>	% <u>change</u>
ALTON	\$ 104,151,000	\$ 93,407,000	-10.3%	1,208,511	1,125,693	-6.9%
EAST PEORIA	\$ 106,915,000	\$ 105,294,000	-1.5%	1,103,442	1,141,575	3.5%
ROCK ISLAND	\$ 31,655,000	\$ 27,630,000	-12.7%	540,824	504,560	-6.7%
JOLIET EMPRESS	\$ 212,505,000	\$ 179,292,000	-15.6%	1,824,619	1,644,886	-9.9%
METROPOLIS	\$ 138,576,000	\$ 130,060,000	-6.1%	1,166,574	1,084,467	-7.0%
JOLIET HARRAH'S	\$ 299,385,000	\$ 295,424,000	-1.3%	2,307,015	2,450,946	6.2%
AURORA	\$ 226,742,000	\$ 211,083,000	-6.9%	1,544,905	1,452,704	-6.0%
EAST ST. LOUIS	\$ 143,802,000	\$ 158,142,000	10.0%	1,701,281	2,060,062	21.1%
ELGIN	\$ 363,313,000	\$ 336,525,000	-7.4%	2,115,516	1,985,036	-6.2%
TOTAL	\$ 1,627,044,000	\$ 1,536,857,000	-5.5%	13,512,687	13,449,929	-0.5%

As stated in the Commission's March update, several factors are likely contributing to the decline in riverboat numbers for FY 2008 including the economy, motor fuel prices, and a harsh winter. However, it appears that the biggest factor that may be affecting Illinois casinos is the Statewide smoking ban that went into effect on January 1, 2008.

Since the indoor smoking ban went into effect, Statewide adjusted gross receipts have declined a whopping 17.6% (January-April 2008 vs. January-April 2007). Preliminary figures indicate a 14% decline in AGR for May (compared to May 2007) as well. A look at how Illinois riverboats have performed since the smoking ban went into effect is shown on the following table.

Performance of Illinois Riverboats Since Smoking Ban Began <i>(January-April 2008 vs. January-April 2007)</i>		
	Adjusted Gross Receipts	Admissions
	Annual % Change	Annual % Change
ALTON	-25.6%	-13.7%
EAST PEORIA	-9.2%	1.7%
ROCK ISLAND	-17.1%	-4.8%
JOLIET EMPRESS	-24.5%	-17.1%
METROPOLIS	-21.7%	-20.2%
JOLIET HARRAH'S	-16.5%	-3.4%
AURORA	-16.9%	-7.7%
EAST ST. LOUIS	-4.4%	14.4%
ELGIN	-18.7%	-7.7%
TOTAL	-17.6%	-6.2%

These figures appear to indicate that the smoking ban has had a significant impact on State riverboat performance. By enforcing an indoor smoking ban at Illinois casinos, many believe that this action may be enticing smoking gamblers to go to other states to gamble. While it is impossible to know how much of Illinois' large decline in riverboat figures is directly attributable to the smoking ban, a look at the three major riverboat regions throughout the state and how Illinois' riverboat figures compare to states bordering these areas (without a smoking ban) may offer some perspective.

In the Chicago region, Illinois' four riverboat's AGR are down a combined 18.8% since the smoking ban went into effect. However, Indiana's Chicago area riverboats are only down 0.7% thru the first four months of 2008 (see the table below). While The Chicago Area region is affected by many factors that hurt both Illinois and Indiana's riverboat performance (economy, motor fuel prices, weather, etc.), there is one

major difference between the two states: the smoking ban. Therefore, it appears that the smoking ban is the major contributing factor for the large discrepancy between Illinois and Indiana's riverboat figures so far this calendar year.

As shown on the following table, a similar argument can be made for the St. Louis region and the Quad City region. Illinois' AGR figures for CY 2008 are down 13.4% for Illinois' two St. Louis area riverboats. However, the AGR of Missouri's St. Louis region riverboats are up 10.4% (although, a portion of this significant increase in Missouri is due to a new riverboat in St. Louis). For the Quad City region, Rock Island's AGR is down 17.1% in 2008, while the AGR for the two Iowa riverboats in the Quad City region are up a combined 4.3%. Again, the smoking ban is likely the main contributing factor for the difference between the performance of riverboats in Illinois and the neighboring states.

Performance of Riverboats by Region Since Smoking Ban Began <i>(January-April 2008 vs. January-April 2007)</i>		
	Adjusted Gross Receipts Annual % Change	Admissions Annual % Change
Chicago-Area (Illinois)	-18.8%	-8.6%
Chicago-Area (Indiana)	-0.7%	-0.9%
St. Louis-Area (Illinois)	-13.4%	2.6%
St. Louis-Area (Missouri)	10.4%	15.7%
Quad City-Area (Illinois)	-17.1%	-4.8%
Quad City-Area (Iowa)	4.3%	-2.6%

No matter the reason, Illinois' declining adjusted gross receipt figures are having a direct impact on State revenues. As stated in the Commission's March update, State revenues from riverboat gambling are expected to come in much below initial FY 2008 estimates. Based on current trends and the assumption that the factors hurting Illinois riverboats (struggling economy, smoking ban, increased competition) will continue, the

Commission estimates State riverboat transfers to be near \$600 million in FY 2008, down from the \$685 million transferred in FY 2007. Assuming no changes to the current tax structure or the smoke ban law, the Commission expects State riverboat revenues to continue to struggle and to fall to near \$590 million in FY 2009. Of course, any changes affecting Illinois' riverboat industry would cause this estimate to be revisited.

REVENUE

May Revenues Rise Due to Federal Sources – Other Sources Lack Meaningful Growth

Jim Muschinske, Revenue Manager

Overall base receipts increased \$220 million in May, excluding \$902 million cash flow transfers related to the hospital assessment program. The increase was almost entirely the result of federal sources stemming from reimbursable spending. A fairly large dip in personal income tax receipts as well as an expected falloff in public utility taxes acted to offset most of those gains. May had one less receipting day than the same month last year.

As mentioned, gross personal income tax experienced a decline in May, falling \$64 million, or \$38 million net of refunds. The decrease was not unexpected due to timing issues related to April's receipts [see last month's briefing]. Similarly, the \$27 million loss in public utility taxes was anticipated, again due to timing of receipts. Other sources fell \$8 million, while corporate franchise taxes dipped \$2 million.

Gross corporate income tax receipts grew \$15 million in May, while sales tax receipts managed to post a modest gain of \$7 million. Inheritance taxes slowed from its torrid pace, growing only \$3 million, as did insurance taxes and fees. Liquor taxes increased \$2 million and interest income eked out a \$1 million rise.

Overall transfers grew \$63 million. Other transfers increased \$65 million due to \$60 million related to the hospital assessment program. Riverboat transfers increased \$5 million, while lottery transfers fell \$7 million. As mentioned, federal sources continued to do well as a result of reimbursable spending and grew by \$201 million. [However, since reimbursable spending is limited by appropriation authority, federal sources should experience a significant loss during the final month].

Year to Date

Through eleven months, overall base receipts were up \$1.173 billion. Despite a drop off in May, one area that continued to fare well was gross personal income tax receipts. Through May, receipts were up \$707 million, or \$842 million on a net of refund basis. Certainly, a strong year for personal income tax served to bolster what otherwise would be a year void of much meaningful growth.

Both corporate income tax as well as sales tax continued to struggle throughout much of the fiscal year. Some positive news came from the strength of the inheritance tax -- up \$104 million.

While lottery transfers were up \$35 million, other transfers more than erased those gains and fell \$181 million due to lack of fund sweeps and chargebacks. Finally, the recent surge in federal sources erased earlier declines and now is running \$163 million ahead of last year, although a fairly large falloff is expected in the final month of the fiscal year.

Despite the year to date growth of \$1.173 billion, the final month is expected to post a sizable loss due to:

- Riverboat transfers in the final month will be significantly less this year as the “hold harmless” provision no longer will supply a last minute surge [\$67 million last June]. That, in conjunction with the second half falloff in gaming activity should equate into a sizable decline.
- Lack of chargeback activity will result in a significant drop off in other transfers [\$73 million in June of last year]. In addition, some large transfers that took place last June are not expected to be repeated at similar levels, if at all.
- Reimbursable spending is anticipated to slow as appropriation levels are exhausted, resulting in a falloff in federal sources.

FY 2008 Estimate Undergoes Modest Revision

In May, the Commission revised its FY 2008 general funds estimate upward by \$110 million. The new base estimate of \$29.555 billion reflects an increase of \$915 million over FY 2008. The increase was primarily due to:

- SB 1863 [P.A. 95-718] provided supplemental spending authority to the Hospital Provider Fund which subsequently allowed the execution of the third and final year of the hospital assessment program. This should result in an additional \$80 million in transfers to the general fund.

- While the estimates of personal and corporate income taxes were marginally increased, most of those anticipated gains were wiped out from decreases in the estimates of insurance taxes, lottery transfers, and riverboat transfers. The net result of the various adjustments totaled only an additional \$30 million.

The line by line revised estimate, as well as the performance needed over the final month to reach that estimate, is provided on page 12.

GENERAL FUNDS RECEIPTS: MAY

FY 2008 vs. FY 2007
(\$ million)

<u>Revenue Sources</u>	<u>May FY 2008</u>	<u>May FY 2007</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$1,039	\$1,103	(\$64)	-5.8%
Corporate Income Tax (regular)	105	90	\$15	16.7%
Sales Taxes	596	589	\$7	1.2%
Public Utility Taxes (regular)	97	124	(\$27)	-21.8%
Cigarette Tax	29	29	\$0	0.0%
Liquor Gallonage Taxes	13	11	\$2	18.2%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax (Gross)	21	18	\$3	16.7%
Insurance Taxes and Fees	11	8	\$3	37.5%
Corporate Franchise Tax & Fees	19	21	(\$2)	-9.5%
Interest on State Funds & Investments	19	18	\$1	5.6%
Cook County IGT	94	94	\$0	0.0%
Other Sources	31	39	(\$8)	-20.5%
Subtotal	\$2,077	\$2,147	(\$70)	-3.3%
Transfers				
Lottery	58	65	(\$7)	-10.8%
Riverboat transfers & receipts	35	30	\$5	16.7%
Other	121	56	\$65	116.1%
Total State Sources	\$2,291	\$2,298	(\$7)	-0.3%
Federal Sources	\$526	\$325	\$201	61.8%
Total Federal & State Sources	\$2,817	\$2,623	\$194	7.4%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$81)	(\$107)	\$26	-24.3%
Corporate Income Tax	(\$16)	(16)	\$0	0.0%
Subtotal General Funds	\$2,720	\$2,500	\$220	8.8%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Hopital Provider Fund (cash flow transfer)	\$902	\$0	\$902	N/A
Budget Stabilization Fund Transfer	\$0	\$0	\$0	N/A
Total General Funds	\$3,622	\$2,500	\$1,122	44.9%
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				3-Jun-08

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2008 vs. FY 2007
(\$ million)

<u>Revenue Sources</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>CHANGE FROM FY 2007</u>	<u>% CHANGE</u>
State Taxes				
Personal Income Tax	\$10,213	\$9,506	\$707	7.4%
Corporate Income Tax (regular)	1,891	1,842	\$49	2.7%
Sales Taxes	6,593	6,518	\$75	1.2%
Public Utility Taxes (regular)	1,084	1,048	\$36	3.4%
Cigarette Tax	321	321	\$0	0.0%
Liquor Gallonage Taxes	144	141	\$3	2.1%
Vehicle Use Tax	30	30	\$0	0.0%
Inheritance Tax (Gross)	343	239	\$104	43.5%
Insurance Taxes and Fees	244	252	(\$8)	-3.2%
Corporate Franchise Tax & Fees	210	183	\$27	14.8%
Interest on State Funds & Investments	190	189	\$1	0.5%
Cook County IGT	302	297	\$5	1.7%
Other Sources	376	382	(\$6)	-1.6%
Subtotal	\$21,941	\$20,948	\$993	4.7%
Transfers				
Lottery	596	561	\$35	6.2%
Riverboat transfers & receipts	524	525	(\$1)	-0.2%
Other	562	743	(\$181)	-24.4%
Total State Sources	\$23,623	\$22,777	\$846	3.7%
Federal Sources	\$4,499	\$4,336	\$163	3.8%
Total Federal & State Sources	\$28,122	\$27,113	\$1,009	3.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$792)	(\$927)	\$135	-14.6%
Corporate Income Tax	(\$293)	(\$322)	\$29	-9.0%
Subtotal General Funds	\$27,037	\$25,864	\$1,173	4.5%
Short-Term Borrowing	\$2,400	\$900	\$1,500	166.7%
Hospital Provider Fund (cash flow transfer)	\$1,202	\$456	\$746	163.6%
Budget Stabilization Fund Transfer	\$276	\$276	\$0	0.0%
Total General Funds	\$30,915	\$27,496	\$3,419	12.4%
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
CGFA				3-Jun-08

GENERAL FUNDS GROWTH NEEDED TO MEET ESTIMATE

FY 2008 ESTIMATE vs. FY 2007 ACTUAL

(\$ million)

<u>Revenue Sources</u>	May-08 ESTIMATE FY 2008	FYTD 2008	AMOUNT NEEDED FY 2008 EST.	FYTD 2007	GROWTH NEEDED	% CHANGE
State Taxes						
Personal Income Tax	\$11,150	\$10,213	\$937	\$9,506	\$19	2.1%
Corporate Income Tax (regular)	2,175	1,891	\$284	1,842	\$5	1.8%
Sales Taxes	7,156	6,593	\$563	6,518	(\$55)	-8.9%
Public Utility Taxes (regular)	1,150	1,084	\$66	1,048	(\$17)	-20.5%
Cigarette Tax	350	321	\$29	321	\$0	0.0%
Liquor Gallonage Taxes	160	144	\$16	141	\$1	6.7%
Vehicle Use Tax	33	30	\$3	30	\$0	0.0%
Inheritance Tax (Gross)	370	343	\$27	239	\$2	8.0%
Insurance Taxes and Fees	300	244	\$56	252	(\$2)	-3.4%
Corporate Franchise Tax & Fees	220	210	\$10	183	\$0	0.0%
Interest on State Funds & Investments	195	190	\$5	189	(\$10)	-66.7%
Cook County IGT	302	302	\$0	297	(\$10)	-100.0%
Other Sources	453	376	\$77	382	\$10	14.9%
Subtotal	\$24,014	\$21,941	\$2,073	\$20,948	(\$57)	-2.7%
Transfers						
Lottery	660	596	\$64	561	\$3	4.9%
Riverboat transfers & receipts	600	524	\$76	525	(\$84)	-52.5%
Other	678	562	\$116	743	(\$80)	-40.8%
Total State Sources	\$25,952	\$23,623	\$2,329	\$22,777	(\$218)	-8.6%
Federal Sources	\$4,804	\$4,499	\$305	\$4,336	(\$62)	-16.9%
Total Federal & State Sources	\$30,756	\$28,122	\$2,634	\$27,113	(\$280)	-9.6%
Nongeneral Funds Distribution:						
Refund Fund						
Personal Income Tax	(\$864)	(\$792)	(\$72)	(\$927)	\$17	-19.1%
Corporate Income Tax	(337)	(\$293)	(\$44)	(322)	\$5	-10.2%
Subtotal General Funds	\$29,555	\$27,037	\$2,518	\$25,864	(\$258)	-9.3%
Short-Term Borrowing	\$2,400	\$2,400	\$0	\$900	\$0	N/A
Hospital Provider Fund (cash flow transfer)	\$1,202	\$1,202	\$0	\$456	\$0	N/A
Budget Stabilization Fund Transfer	\$276	\$276	\$0	\$276	\$0	N/A
Total General Funds	\$33,433	\$30,915	\$2,518	\$27,496	(\$258)	-9.3%
CGFA estimate updated to reflect actual short-term borrowing						
						3-Jun-08

GENERAL FUNDS GROWTH NEEDED TO MEET GOMB ESTIMATE
FY 2008 ESTIMATE vs. FY 2007 ACTUAL
(\$ million)

<u>Revenue Sources</u>	<u>Feb-08 ESTIMATE FY 2008</u>	<u>FYTD 2008</u>	<u>AMOUNT NEEDED FY 2008 EST.</u>	<u>FYTD 2007</u>	<u>GROWTH NEEDED</u>	<u>% CHANGE</u>
State Taxes						
Personal Income Tax	\$11,136	\$10,213	\$923	\$9,506	\$5	0.5%
Corporate Income Tax (regular)	2,121	1,891	\$230	1,842	(\$49)	-17.6%
Sales Taxes	7,172	6,593	\$579	6,518	(\$39)	-6.3%
Public Utility Taxes (regular)	1,111	1,084	\$27	1,048	(\$56)	-67.5%
Cigarette Tax	350	321	\$29	321	\$0	0.0%
Liquor Gallonage Taxes	159	144	\$15	141	\$0	0.0%
Vehicle Use Tax	30	30	\$0	30	(\$3)	-100.0%
Inheritance Tax (Gross)	315	343	(\$28)	239	(\$53)	-212.0%
Insurance Taxes and Fees	320	244	\$76	252	\$18	31.0%
Corporate Franchise Tax & Fees	215	210	\$5	183	(\$5)	-50.0%
Interest on State Funds & Investments	204	190	\$14	189	(\$1)	-6.7%
Cook County IGT	302	302	\$0	297	(\$10)	-100.0%
Other Sources	502	376	\$126	382	\$59	88.1%
Subtotal	\$23,937	\$21,941	\$1,996	\$20,948	(\$134)	-6.3%
Transfers						
Lottery	657	596	\$61	561	\$0	0.0%
Riverboat transfers & receipts	636	524	\$112	525	(\$48)	-30.0%
Other	678	562	\$116	743	(\$80)	-40.8%
Total State Sources	\$25,908	\$23,623	\$2,285	\$22,777	(\$262)	-10.3%
Federal Sources	\$4,804	\$4,499	\$305	\$4,336	(\$62)	-16.9%
Total Federal & State Sources	\$30,712	\$28,122	\$2,590	\$27,113	(\$324)	-11.1%
Nongeneral Funds Distribution:						
Refund Fund						
Personal Income Tax	(\$863)	(\$792)	(\$71)	(\$927)	\$18	-20.2%
Corporate Income Tax	(329)	(\$293)	(\$36)	(322)	\$13	-26.5%
Subtotal General Funds	\$29,520	\$27,037	\$2,483	\$25,864	(\$293)	-10.6%
Short-Term Borrowing	\$2,400	\$2,400	\$0	\$900	\$0	N/A
Hospital Provider Fund (cash flow transfer)	\$1,202	\$1,202	\$0	\$456	\$0	N/A
Budget Stabilization Fund Transfer	\$276	\$276	\$0	\$276	\$0	N/A
Total General Funds	\$33,398	\$30,915	\$2,483	\$27,496	(\$293)	-10.6%

CGFA estimate updated to reflect actual short-term borrowing

3-Jun-08