Commission on Government Forecasting and Accountability

703 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: MAY 2013

http://cgfa.ilga.gov

INSIDE THIS ISSUE

LATEST PUBLICATIONS

FY 2014 Capital Plan Analysis

FY 2014 Liabilities of the State Employees Group Insurance Program

Facts on Funds Update May 2013

ECONOMY: What's Behind the Housing Recovery?

Edward H. Boss, Jr., Chief Economist

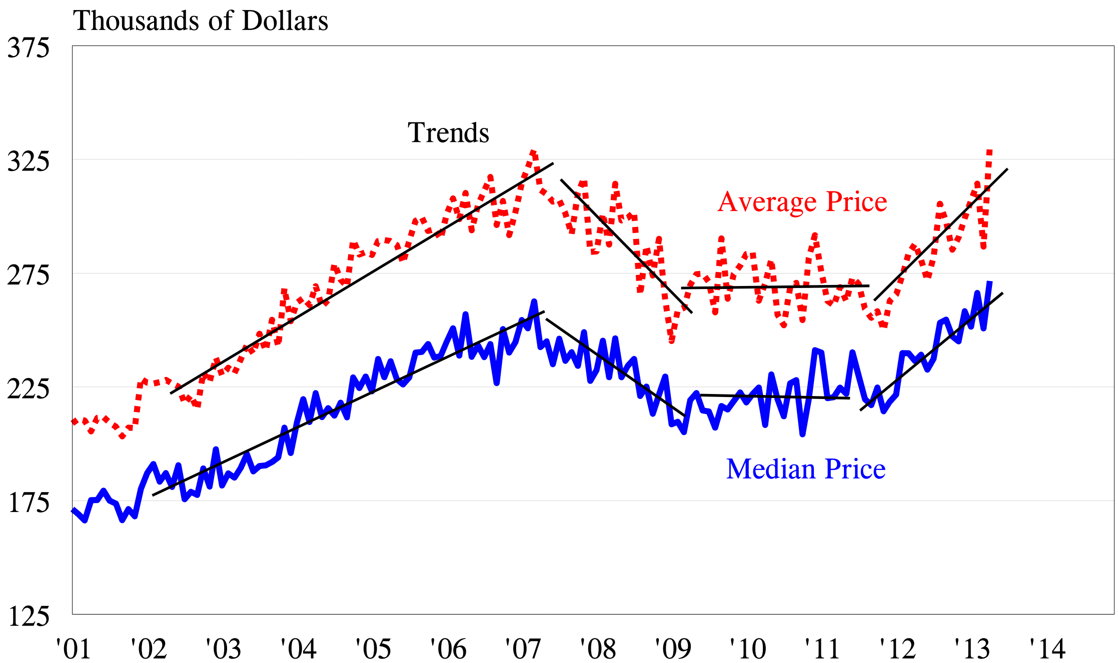
There can be little doubt that the housing sector has been improving following its unprecedented historic decline during the past recession. Now four years after the recovery began, monthly housing-related reports are on an unmistakable upward trend. One cannot over estimate the importance of an improving housing sector to an overall healthy economy. Indeed, many economists repeatedly have questioned whether or not an economic recovery could be sustained without improvement in the housing sector.

Perhaps the most striking sign of housing improvement has been the rise in their prices in recent months. As illustrated in the chart on the following page, new single-family home prices in April of this year, as measured by either the average or median price, hit a record, for the first time exceeding that achieved prior to the last recession. At $271,600, the median price of a new home in April 2013 was almost 15% higher than in April of 2012 with prices for the first four months of this year up 10.9% compared to the same period a year ago. The latest Standard and Poor's/Case-Shiller Index of home prices in all 20 major cities also rose 10.9%, the most since April 2006.

Prices of course are determined by the supply of and demand for housing, and there are some interesting developments that have influenced both supply and demand. On the supply side, U.S. seasonally-adjusted housing starts in April fell 16.5% from March although up 13.1% from a year earlier. Most of the decline last month and earlier increases were in multifamily units. Single-family units were down 2.1% in April. At the same time, new privately owned single-family building permits, a precursor to new starts, were 36.1% higher in April than a year earlier. The substantially stronger rise in single-family permits than starts suggests the desire for a supply increase.

CHART 1

NEW HOME PRICES IN THE U.S.



CGFA

Surprisingly, instead of adding to supply, the rise in home prices actually acted to limit the market supply of homes. With one in five homeowners underwater on their mortgage and home prices rising, many who have been able to hold on to their home now see light at the end of the tunnel, feeling the longer they hold on to their property, with asset prices rising, the closer they will come to full price recovery of their investment.

Even while home supplies, as discussed, have been restrained, demand for residential real estate has been vigorous. This in large part can be explained by the Federal Reserve's continued pursuit of quantitative easing, purchasing $85 billion of securities including heavy purchases of mortgage backed securities each month. This policy, used to stimulate economic growth has kept interest rates, including mortgage rates, at historically low levels, making the prospect of investment in housing often a better vehicle than available on other long-term alternatives.

As a result, much of this demand, particularly in parts of the country like Florida and Nevada where housing prices had felt the brunt of the price declines, caused speculators to step in with purchases. In addition there has been a large increase in foreign purchases of U.S. real estate as wealthy individuals abroad find a stable U.S. economic environment an attractive place in which to diversify their investment holdings. This is particularly noticeable in places like New York and Florida.

At the same time, there are wide regional differences in the extent of the housing recovery. In Illinois for example, the improvement in residential housing, like many economic measures including the employment situation, has failed to keep pace with national trends. For example, in the May 18th issue of Crain's Chicago Business, it was pointed out that according to Core Logic Inc., more than 506,000 Chicago-area homes – or one-third of the market - were under water as of the fourth quarter, up 7.6% from the previous year. Similarly, Illinois' unemployment rate in April was 9.3%, up from 8.8% a year earlier, even as the national rate fell to 7.5% from 8.1% a year ago.

As mentioned early this year in **The State of Illinois Economic Forecast** done for CGFA by Moody's Analytics, "Slower healing in housing and government will cause the state to trail the region and nation by an even larger margin in 2013. A weak housing market and poor state finances are largely to blame." Thus far, this scenario seems to be in place.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

INDICATORS	April 2013	March 2013	April 2012
Unemployment Rate (Average)	9.3%	9.5%	8.8%
Annual Rate of Inflation (Chicago)	0.5%	-1.3%	0.9%

	LATEST MONTH	% CHANGE OVER PRIOR MONTH	% CHANGE OVER A YEAR AGO
Civilian Labor Force (thousands) (April)	6,581	-0.4%	-0.1%
Employment (thousands) (April)	5,970	-0.2%	-0.5%
New Car & Truck Registration (April)	51,728	16.4%	1.2%
Single Family Housing Permits (April)	929	14.2%	27.4%
Total Exports ($ mil) (March)	5,632	8.8%	-8.8%
Chicago Purchasing Managers Index (May)	58.7	19.8%	11.3%

STATE BONDING UPDATE
Lynnae Kapp, Senior Analyst

BOND SALES:

The State sold General Obligation (G.O.) bonds in April, totaling $800 million and Build Illinois bonds in May for $300 million. The G.O. bonds were sold in two series, a tax-exempt sale of $450 million and a taxable sale of $350 million. While General Obligation bonds are backed up by the State's pledge of paying the bonds first out of all funds of the State, Build Illinois bonds are backed specifically by the State's sales tax. As the table shows, Illinois' Build Illinois taxable bond sale is rated higher by the rating agencies due to the specific tax backing, and received a better interest rate than the G.O. taxable sale, 3.286% to 4.970%, respectively.

The Office of Management and Budget plans to sell $600 million of Build Illinois refunding bonds in June and $1 billion in General Obligation bonds in June or July of 2013.

DATE	BOND SALE TYPE	AMOUNT	TRUE INTEREST COST	S&P	FITCH	MOODY'S
Apr-13	GO Series A tax-exempt bonds	$450 million	3.92%	A-	A	A2
Apr-13	GO Series B taxable bonds	$350 million	4.97%			
May-13	BI taxable bonds	$300 million	3.29%	AAA	AA+	A2

BOND AUTHORIZATION LEGISLATION:

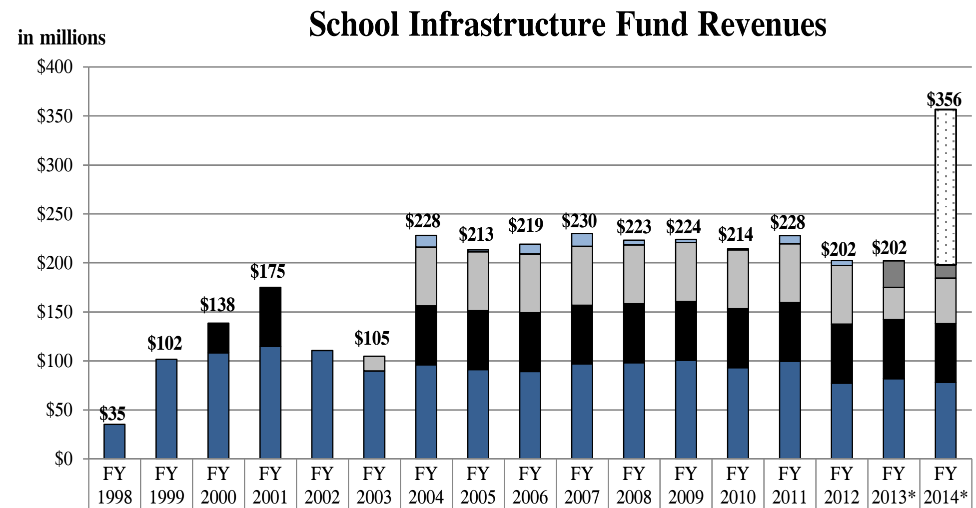
HB 2869, which passed both houses of the General Assembly, amends the General Obligation Bond Act to increase the general obligation bond debt limit by $2,225,000,000, separated in the following categories:

Capital Facilities	$853.5 million
Transportation B (rail/mass transit)	$300.1 million
Transportation D (roads/bridges)	$487.5 million
School Construction	$534.0 million
Anti-Pollution	$20.4 million
Coal/Energy Dvlpt.	$29.5 million

Build Illinois Authorization would be increased by $542.5 million.

FUNDING FIX FOR THE SCHOOL INFRASTRUCTURE FUND:

Traditionally, debt service on School Construction bonds is paid for by transfers from the School Infrastructure Fund. This fund receives transfers from the General Revenue Fund in the amount of $60 million a year (approximately 75% of the additional liquor tax increase from IL FIRST), $60 million a year from the cigarette tax ($5 million a month from the cigarette tax increase enacted in FY 2002 which began April 1, 2003), and 1/7th of the 7% telecommunications excise tax from the School Reform Act. [School Construction Bonds issued under the Illinois Jobs Now program are paid for by the Capital Projects Fund.]



	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013*	FY 2014*
State Gaming Fund^																	$158
GRF Backfill for Cigarette																$27	$14
GRF Backfill for Telecom							$12	$2	$10	$13	$5	$3	$1	$8	$5	$0	$0
Cigarette Tax						$15	$60	$60	$60	$60	$60	$60	$60	$60	$60	$33	$46
Liquor Tax			$30	$60	$0	$0	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60
Telecom Tax	$35	$102	$108	$115	$110	$90	$96	$91	$89	$97	$98	$101	$93	$100	$77	$82	$78

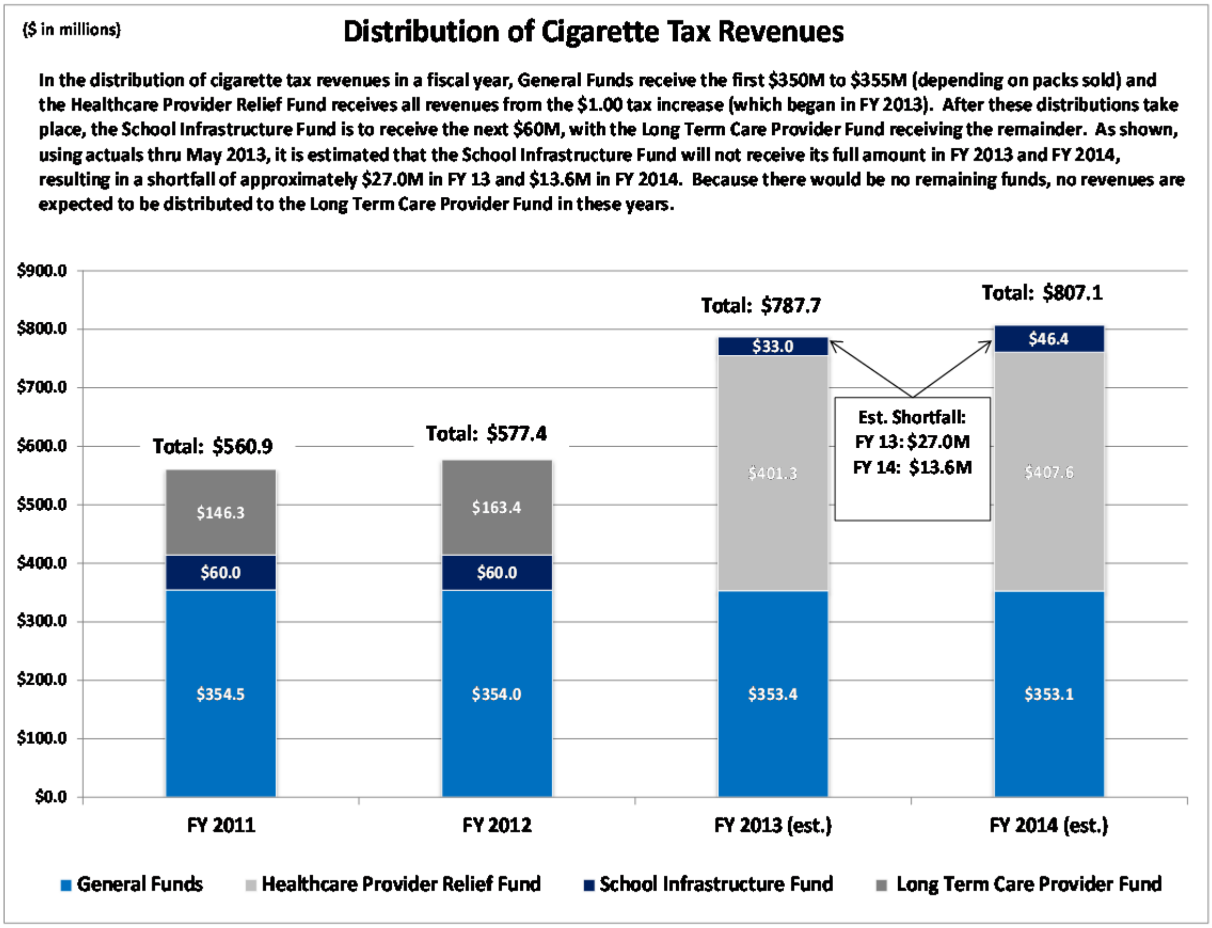
^The State Gaming Fund revenues are dependent on the Governor's signature of SB 1884.
** FY 2013 and FY 2014 numbers are CGFA estimates, updated May 31, 2013.*
NOTE: The Liquor Tax transfer was suspended from FY 2002-FY 2003 as part of budget agreements.

Cigarette Tax Issues: While cigarette tax revenues are expected to increase by approximately 36.7% in FY 2013 due to the $1.00 per pack tax increase on cigarettes, the amount to go to the School Infrastructure Fund is expected to decline from $60 million to around $33.0 million (updated as of May 31, 2013). This is due to the consumption declines that have occurred as a result of the tax increase, along with how revenues from the cigarette tax are statutorily distributed.

The Commission, using figures through March, estimates that the number of cigarette packs taxed in Illinois will decline by approximately 33% in FY 2013. Part of this decline is due to typical declines in cigarette sales following a significant tax rate increase, and part is due to the stockpiling that appears to have occurred in FY 2012 by consumers to avoid the higher tax rates. So, while overall revenues are expected to increase by $212 million in FY 2013, revenues from the base rate of $0.98 per pack is expected to fall.

In the distribution of cigarette tax revenues in a fiscal year, the revenues from the $1.00 tax increase are to go to the Healthcare Provider Relief Fund. The revenues from the base rate of $0.98 per pack are distributed as they were before with General Funds receiving the first $350 million to $355 million (depending on packs sold), the School Infrastructure Fund receiving the next $60 million, with the Long Term Care Provider Fund receiving the remainder. Due to these lower base revenue amounts, as shown in the chart below, using actuals through March 2013, it is estimated that the School Infrastructure

Fund will not receive its full amount in FY 2013 and FY 2014, resulting in a shortfall of approximately $27.0 million in FY 2013 and $13.6 million in FY 2014. And because there would be no remaining funds, no revenues are expected to be distributed to the Long Term Care Provider Fund in these years as well.



Therefore, due to the consumption declines combined with the current distribution language, in FY 2013, FY 2014 and subsequent fiscal years, the School Infrastructure Fund will likely not receive the targeted annual amount of $60 million unless statutory distribution language changes are made.

Telecommunications Excise Tax Issues: The telecommunications excise tax revenues portion, to be paid into the School Infrastructure Fund, has been below $101 million each year since FY 2003. Whenever this amount falls under the 1999 level of $101 million, the General Revenue Fund backfills the shortage amount and whatever may be needed for the transfer of debt service. This has occurred since FY 2004. Telecom revenues for FY 2013 are estimated to be $82 million and for FY 2014 are to be $78 million (CGFA estimate updated May 31, 2013).

Legislative Changes: Due to the aforementioned issues in declining revenues, the General Assembly passed SB 1884 to redirect revenues to the School Infrastructure Fund. Dependent on the Governor's signature, this legislation would change the distribution of gaming revenues deposited into the State Gaming Fund to provide that:

- **$92 million** on July 1, 2013 (one-time) shall be transferred to the School Infrastructure Fund, and
- **$66.4 million** per year, beginning in FY 2014, shall be transferred to the School Infrastructure Fund (instead of a similar amount to the Horse Racing Equity Fund).
- Of these amounts to be redistributed to the School Infrastructure Fund, 20% will be paid from the Capital Development Board to the Board of Education of the City of Chicago. These funds may be used for costs of school construction, debt service on bonds issued for school construction, or lease/installment payments for financing contracts between the school district and a public building commission that has issued bonds to finance qualifying school construction projects.

BOND RATINGS:

One of the factors taken into consideration by the ratings agencies in assessing a state's credit rating is the amount of its pension liabilities. The lack of pension reform in the State of Illinois to deal with its current deficits has caused downgrades in the past, as well as garnered a recent warning from Moody's about further downgrades if the 2013 spring session did not complete this task. At this time, only Fitch Ratings has downgraded the State from A to A- due to Illinois' inability to pass pension reforms. The last downgrade previously was January 2013 from Standard & Poor's.

Illinois' General Obligation Ratings History

Date of	*Fitch*		*S&P*		*Moody's*	
Rating Action	*Rating*	*up/down*	*Rating*	*up/down*	*Rating*	*up/down*
June 2013	*A-*	↓1x				
Jan 2013			*A-*	↓1x		
Aug 2012			*A*	↓1x		
Jan 2012					*A2*	↓1x
Jun 2010	*A*	↓1x			*A1*	↓1x
Mar-Apr 2010	*A-/A+ recal*	↓1x/↑2x			*Aa3 recal*	↑2x
Dec 2009			*A+*	↓1x	*A2*	↓1x
Mar-Jul 2009	*A*	↓2x	*AA-*	↓1x	*A1*	↓1x
Dec 2008	*AA-*	↓1x				
May 2003	*AA*	↓1x			*Aa3*	↓1x
Jun 2000	*AA+*	↑1x				
Jun 1998					*Aa2*	↑1x
Jul 1997			*AA*	↑1x		
Feb 1997					*Aa3*	↑1x
Sep 1996	*AA*	*initial rating*				
Feb 1995					*A1*	↓2x
Aug 1992			*AA-*	↓1x	*Aa*	↓1x
Aug-Sep 1991			*AA*	↓1x	*Aa1*	↓2x
Mar 1983			*AA+*	↓2x		
Feb 1979			*AAA*	*initial rating*		
1973					*AAA*	*initial rating*

Note: "recal" means recalibration, when Fitch and Moody's revised their ratings on municipal bonds to match global/corporate ratings. These are not considered upgrades.

Agency Ratings Comparison

Fitch/S&P	Moody's
AAA+	Aaa1(Aaa)
AAA	Aaa2
AAA-	Aaa3
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB+	Ba1
BB	Ba2
BB-	Ba3
B+	B1
B	B2
B-	B3
CCC+	Caa1
CCC	Caa2
CCC-	Caa3
CC+	Ca1
CC	Ca2
CC-	Ca3
C+	C1
C	C2
C-	C3

Rating Agencies' Explanation of Recently Assigned Ratings:

FITCH	**June 2010**	**A+**	**downgraded to**	**A**
	June 2013	**A**	**downgraded to**	**A-**

"The downgrade reflects the ongoing inability of the state to address its large and growing unfunded pension liability, most recently through the failure to pass pension reform during the regular legislative session that ended May 31, 2013. Fitch believes that the burden of large unfunded pension liabilities and growing annual pension expenses is unsustainable, and that failure to achieve reform measures despite the substantial focus on this topic exacerbates concern about management's willingness and ability to address the state's numerous fiscal challenges. Temporary increases in both the personal and corporate income taxes, coupled with statutory spending limits, have closed a significant portion of the structural gap in the state's budget through fiscal 2014. The state will need to find a more permanent solution to the structural mismatch between spending and revenues, a prospect that appears more elusive following the inaction on pension reform, given the high profile support accorded that issue. The Negative Outlook reflects the continued rating pressure presented by the need for solutions to both the budget and pension issues.

"Pension funding levels are exceptionally weak, and the unfunded liability as a percentage of personal income is at the high end of states rated by Fitch. The state's debt burden is above average and has risen over the past few years with issuance for operational purposes. The state still carries a large accounts payable backlog, which totaled $5 billion at the end of fiscal year 2012. On a positive note, the state is using higher than forecast fiscal 2013 income tax collections to pay down a portion of the accounts payable balance. Nevertheless, the presence of this accumulated liability, and the reduced flexibility it causes, contributes to rating pressure."

S&P	**August 2012**	**A+**	**downgraded to**	**A**
	January 2013	**A**	**downgraded to**	**A-**

"The downgrade reflects what we view as the state's weakened pension funded ratios and lack of action on reform measures intended to improve funding levels and diminish cost pressures associated with annual contributions…Although Illinois has experienced economic and revenue recovery and several revenue enhancements and overall spending restraint have improved structural budget performance in our view, revenues and expenditures have not been fully aligned and payables outstanding continue to be significant.…

"The negative outlook reflects what we view as the range of challenges Illinois faces that will require legislative consensus and action. We believe the outcome of deliberations relating to pension reform and the expiration of current personal and corporate income tax rate increases on Jan. 1, 2015, along with other normal budget pressures, could have a profound effect on the state's budgetary performance and liquidity over the two-year outlook horizon. While it is unusual for a state rating to fall into the 'BBB' category, lack of action on pension reform and upcoming budget

challenges could result in further credit deterioration, particularly if it translates into weaker liquidity. We could revise the outlook to stable if Illinois achieves pension reform that lowers liabilities and associated costs to the state and takes credible actions to achieve structural budget balance over the two-year outlook horizon. We believe there is limited upside potential for the rating in the next two years given the size of the accumulated deficit and the liability challenges Illinois faces but will evaluate the state's progress in addressing key budget and pension challenges."

MOODY'S	**June 2010**	**Aa3**	**downgraded to**	**A1**
	January 2012	**A1**	**downgraded to**	**A2**

"Illinois' A2 general obligation rating and negative outlook are consistent with our view that the state's pension funding pressures are likely to persist and perhaps worsen in the near term. Lawmakers' repeated inability to reach consensus on retiree benefit measures last year underscored the task's extreme difficulty. Any meaningful pension reforms enacted in coming months are likely to be challenged in court, given the state constitution's pension protection clause. This litigation threat and accompanying political pressures may once again deter action altogether or lead to reforms with little effect. Despite a diverse economy and above-average wealth, Illinois has a tax structure that cannot provide enough revenue to maintain public services at current levels while meeting rising employee benefit costs. The state's payment backlog already is sizable. Because fiscal 2014 marks the last year before recent income tax increases are mostly phased out, Illinois is heading towards an unsustainable combination of higher pension contribution needs and reduced tax revenues."

<u>Current Build Illinois Bond Rating Changes</u>

FITCH	**April 2010**	**↑ 1x**	**AA+**
MOODY'S	**October 2009**	**↓ 1x**	**A1**
	December 2009	**↓ 1x**	**A2**
	April 2010	**recalibration**	**Aa3**
	June 2010	**↓ 1x**	**A1**
	January 2012	**↓1x**	**A2**

BUILD ILLINOIS BOND RATINGS						
Rating Agencies	Apr/July 2009	Oct 2009	Dec 2009	Mar-Apr 2010*	June 2010	January 2012
Fitch Ratings	AA	AA	AA	AA+	AA+	AA+
Standard & Poor's	AAA	AAA	AAA	AAA	AAA	AAA
Moody's	Aa3	A1	A2	Aa3	A1	A2
*Fitch and Moody's Recalibration.						

The most recent Build Illinois bond sale was in May 2013. Fitch affirmed its AA+ rating due to the State's statutory first lien on the state's share of the sales tax, strong non-impairment language in statute, and the high debt service coverage. Fitch believes the economy is a credit strength because of its size and diversity, but notes the recovery is slow.

S&P gives the State's sales-tax backed Build Illinois bonds an AAA rating with a stable outlook due to a diverse economic base and above-average income levels supporting sales tax collections. The bonds have "extremely strong debt service coverage, and a strong credit structure that insulates bond holders from economic and revenue volatility".

Moody's was not asked to rate the Build Illinois bond sale. Their A2 rating is based on the State's General Obligation bond rating.

Facts on Funds: New Funds Update

Lynnae Kapp, Senior Analyst

The Commission has updated its Facts on Funds report. This May 2013 version of Facts on Funds includes new funds added to the State's Treasury since the March 2007 report, but is not an update of all funds language. An update of all funds language is forthcoming. **Facts on Funds** includes citations for 869 funds, of which 710 are Appropriated and 159 are Non-Appropriated funds. Since March 2007, 173 funds have been added, including 148 Appropriated and 25 Non-appropriated. A listing of the new funds added is included in the document.

There is also a 2013 New Funds Supplement that only includes the new funds. This version was prepared for subscribers who have the hard copy report and would like to print out just the new funds for easy reference.

You can find the updated report and the supplemental version at the Commission's website cgfa.ilga.gov, under "Latest Publications".

REVENUE

As Expected – May Receipts Give Back Some Gains

Jim Muschinske, Revenue Manager

After a record month of April, revenues gave back some of the gains, falling $336 million in May. The decline in receipts was anticipated with a drop in income taxes as well as federal sources not surprising. Although most of the "April Surprise" was due to taxpayer's efforts to minimize the tax consequences of the higher 2013 federal tax rates, it was believed that some of the phenomenal growth in income taxes was due in part to accelerated receipting that had the effect of pulling some of May receipts into April. [see Commission's April briefing for more discussion]. As a result, a comparatively weaker May for income taxes is not alarming. Neither is a considerable falloff in federal sources that took place this month as those revenues were also down. A combination of a high month for federal sources last May in combination with a slowing of reimbursable spending this year resulted in the falloff. May had the same number of receipting days as last fiscal year.

For the month, gross personal income taxes dropped $167 million, or $164 million net of refunds. Gross corporate income taxes declined $15 million, or $8 million net of refunds. Interest income dipped $2 million, while insurance tax fell $1 million.

Not all sources had a down month. In fact, sales tax rebounded nicely, gaining $43 million in May. Public utility taxes posted growth of $31 million, inheritance jumped $23 million, other sources increased $3 million, cigarette taxes moved up $1 million, and corporate franchise taxes eked out a $1 million advance.

Overall transfers fell $30 million in May. While lottery transfers managed a slight $2 million gain, that was offset by a falloff of $1 million in riverboat transfers and a drop of $31 million in other transfers.

Coming on April's heals, which enjoyed a record setting month of federal sources, May understandably gave back some of those gains as receipts fell $233 million due to a slowing in reimbursable spending.

Year to Date

With only one month remaining in the fiscal year, overall base revenues have grown $2.467 billion. Fueled by the success of April, gross personal income tax is up $1.257 billion, or $979 million net of refunds, while gross corporate income tax is ahead by $662 million, or $656 million net of refunds.

Sales tax is attempting to salvage a disappointing year, but still grew only $97 million, while the remaining tax sources combined grew only $89 million.

Overall transfers are down $270 million to date. The falloff is due to one-time proceeds stemming from the sale of the 10^{th} riverboat license last year as well as timing related to last year's settlement of protested liquor taxes.

With the huge spike in April, federal sources are ahead of last year's pace by $916 million. Again, as spending shifts toward other requirements, some of those gains will be given back over the remaining month.

FY 2013 Revenue Estimate Adjusted

As a consequence of an unanticipated one-time jump in April's income tax receipts and resulting surge in federal sources from the corresponding reimbursable spending, in mid-May the Commission supplied the Illinois General Assembly with an updated revenue forecast for FY 2013. As the table below shows, the estimate for income taxes was raised by $1.207 billion, and the forecast for federal sources was upped by $351 million. Some of those gains were partially offset by a reduction in anticipated revenue from transfers [down $83 million], and all other revenues [down $40 million]. In total, the updated FY 2013 revenue forecast now totals $35.716 billion, reflecting a net upward revision of $1.435 billion from the Commission's March 2013 estimate.

Revised CGFA FY 2013 Estimate			
General Funds $millions	**FY 2013 Feb-13**	**FY 2013 May-13**	**Change**
Income Taxes	**$18,388**	**$19,595**	**$1,207**
Other State Sources	**$10,316**	**$10,276**	**($40)**
Transfers	**$1,777**	**$1,694**	**($83)**
Federal Sources	**$3,800**	**$4,151**	**$351**
TOTAL	**$34,281**	**$35,716**	**$1,435**

FY 2014 Revenue Estimate—HR 389

On May 31, 2013, the Illinois House adopted HR 389 as the official revenue estimate for the new fiscal year. In early March, the House adopted the Commission's forecast for FY 2014 revenue of $35.081 billion [HR 83]. Subsequent to that, a surplus in the Income Tax Refund Fund developed. By statute, that surplus will be transferred into the General Revenue Fund in early July. It is believed that $300 million will be available for such a transfer. In addition, the FY'14 budget implementation legislation [SB 1329] spelled out the refund percentage that will be utilized in FY'14. The value of a slight downward adjustment in the income tax refund percentages is estimated to be $65 million. HR 389 incorporates both of those adjustments, which when added to the base forecast, totals $35.446 billion. Overall, revenues are expected to fall $270 million next year as a result of the one-time "April Surprise" experienced in FY 2013 that will not be repeated.

FY 2014 Revenue Estimate per HR 389			
General Funds $millions	**FY 2014 May-13**	**FY 2013 May-13**	**Change**
Income Taxes	**$18,902**	**$19,595**	**($693)**
Other State Sources	**$10,364**	**$10,276**	**$88**
Transfers	**$1,815**	**$1,694**	**$121**
Federal Sources	**$4,000**	**$4,151**	**($151)**
Base Total	**$35,081**	**$35,716**	**($635)**
Refund Fund Transfer	**$300**	**n/a**	**$300**
Value of Lower Refund %	**$65**	**n/a**	**$65**
Total w/ Adjustments	**$35,446**	**$35,716**	**($270)**

GENERAL FUNDS RECEIPTS: MAY
FY 2013 vs. FY 2012
($ million)

Revenue Sources	May FY 2013	May FY 2012	$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	$1,233	$1,400	($167)	-11.9%
Corporate Income Tax (regular)	129	144	($15)	-10.4%
Sales Taxes	639	596	$43	7.2%
Public Utility Taxes (regular)	104	73	$31	42.5%
Cigarette Tax	30	29	$1	3.4%
Liquor Gallonage Taxes	12	12	$0	0.0%
Vehicle Use Tax	3	3	$0	0.0%
Inheritance Tax (Gross)	42	19	$23	121.1%
Insurance Taxes and Fees	4	5	($1)	-20.0%
Corporate Franchise Tax & Fees	18	17	$1	5.9%
Interest on State Funds & Investments	1	3	($2)	-66.7%
Cook County IGT	94	94	$0	0.0%
Other Sources	35	32	$3	9.4%
Subtotal	$2,344	$2,427	($83)	-3.4%
Transfers				
Lottery	61	59	$2	3.4%
Riverboat transfers & receipts	21	22	($1)	-4.5%
Proceeds from Sale of 10th license	0	0	$0	N/A
Other	39	70	($31)	-44.3%
Total State Sources	$2,465	$2,578	($113)	-4.4%
Federal Sources	$225	$458	($233)	-50.9%
Total Federal & State Sources	$2,690	$3,036	($346)	-11.4%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	($120)	($123)	$3	-2.4%
Corporate Income Tax	($18)	(25)	$7	-28.0%
Subtotal General Funds	$2,552	$2,888	($336)	-11.6%
Short-Term Borrowing	$0	$0	$0	N/A
FY'13 Backlog Payment Fund	$0	$0	$0	N/A
Tobacco Liquidation Proceeds	$0	$0	$0	N/A
Pension Contribution Fund Transfer	$0	$0	$0	N/A
Budget Stabilization Fund Transfer	$0	$0	$0	N/A
Total General Funds	$2,552	$2,888	($336)	-11.6%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 4-Jun-13

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2013 vs. FY 2012

($ million)

Revenue Sources	FY 2013	FY 2012	CHANGE FROM FY 2012	% CHANGE
State Taxes				
Personal Income Tax	$16,771	$15,514	$1,257	8.1%
Corporate Income Tax (regular)	3,160	2,498	$662	26.5%
Sales Taxes	6,696	6,599	$97	1.5%
Public Utility Taxes (regular)	956	932	$24	2.6%
Cigarette Tax	324	324	$0	0.0%
Liquor Gallonage Taxes	150	149	$1	0.7%
Vehicle Use Tax	25	26	($1)	-3.8%
Inheritance Tax (Gross)	273	214	$59	27.6%
Insurance Taxes and Fees	270	281	($11)	-3.9%
Corporate Franchise Tax & Fees	192	180	$12	6.7%
Interest on State Funds & Investments	19	20	($1)	-5.0%
Cook County IGT	244	244	$0	0.0%
Other Sources	372	366	$6	1.6%
Subtotal	$29,452	$27,347	$2,105	7.7%
Transfers				
Lottery	586	572	$14	2.4%
Riverboat transfers & receipts	312	313	($1)	-0.3%
Proceeds from Sale of 10th license	15	73	($58)	N/A
Other	504	729	($225)	-30.9%
Total State Sources	$30,869	$29,034	$1,835	6.3%
Federal Sources	$4,008	$3,092	$916	29.6%
Total Federal & State Sources	$34,877	$32,126	$2,751	8.6%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	($1,635)	($1,357)	($278)	20.5%
Corporate Income Tax	($443)	($437)	($6)	1.4%
Subtotal General Funds	$32,799	$30,332	$2,467	8.1%
Short-Term Borrowing	$0	$0	$0	N/A
FY'13 Backlog Payment Fund Transfer	$264	$0	$264	N/A
Tobacco Liquidation Proceeds	$0	$0	$0	N/A
Pension Contribution Fund Transfer	$0	$0	$0	N/A
Budget Stabilization Fund Transfer	$275	$275	$0	0.0%
Total General Funds	$33,338	$30,607	$2,731	8.9%

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

CGFA 4-Jun-13