

December 2, 2002

In lieu of our November Monthly Revenue Briefing, we have sent a report outlining the Commission's revised estimate for FY 2003 and preliminary revenue estimate for FY 2004. In summary, the base FY 2003 General Funds Revenue estimate was reduced by \$385 million to \$23.793 billion. For FY 2004, due to an anticipated backlog of owed income tax refunds, under current statute the income tax refund percentages will increase significantly resulting in net receipts falling by \$350 million.

Also included is the report of General Revenue Funds receipts for November along with the latest indicators of economic activity outlined below. To summarize briefly, base November receipts fell \$170 million for the month. Two less receipting days this November significantly contributed to the decline. Through the first five months of the fiscal year, base revenues are down \$27 million over the same period of last year.

INDICATOR OF ILLINOIS ECONOMIC ACTIVITY			
<u>INDICATORS</u>	<u>OCT. 2002</u>	<u>SEPT. 2002</u>	<u>OCT. 2001</u>
Unemployment Rate (Average)	6.7%	6.3%	5.7%
Annual Rate of Inflation (Chicago)	4.6%	3.3%	2.6%
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	<u>Latest Month</u>	<u>% Change Over Prior Month</u>	<u>% Change Over a Year Ago</u>
Civilian Labor Force (thousands) (October)	6,249	0.1%	-1.4%
Employment (thousands) (October)	5,828	-0.3%	-2.4%
New Car & Truck Registration (October)	62,378	-17.6%	-12.5%
Single Family Housing Permits (October)	4,517	19.1%	24.4%
Total Exports (\$ in Millions) (September)	2,753	-4.6%	12.4%
Chicago Purchasing Managers Index (November)	54.3	18.3%	32.1%

GENERAL FUNDS RECEIPTS: NOVEMBER

*FY 2003 vs. FY 2002
(\$ million)*

Revenue Sources	NOV. FY 2003	NOV. FY 2002	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$531	\$574	(\$43)	-7.5%
Corporate Income Tax (regular)	18	34	(\$16)	-47.1%
Sales Taxes	495	523	(\$28)	-5.4%
Public Utility Taxes (regular)	74	79	(\$5)	-6.3%
Cigarette Tax	33	33	\$0	0.0%
Liquor Gallonage Taxes	12	11	\$1	9.1%
Vehicle Use Tax	4	3	\$1	33.3%
Inheritance Tax (Gross)	17	31	(\$14)	-45.2%
Insurance Taxes and Fees	0	1	(\$1)	-100.0%
Corporate Franchise Tax & Fees	11	21	(\$10)	-47.6%
Interest on State Funds & Investments	5	11	(\$6)	-54.5%
Cook County IGT	22	0	\$22	0.0%
Other Sources	14	16	(\$2)	-12.5%
Subtotal	\$1,236	\$1,337	(\$101)	-7.6%
Transfers				
Lottery	35	34	\$1	2.9%
Gaming Fund Transfer	60	48	\$12	25.0%
Other	15	16	(\$1)	-6.3%
Total State Sources	\$1,346	\$1,435	(\$89)	-6.2%
Federal Sources	\$281	\$366	(\$85)	-23.2%
Total Federal & State Sources	\$1,627	\$1,801	(\$174)	-9.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$43)	(\$44)	\$1	-2.3%
Corporate Income Tax	(5)	(8)	\$3	-37.5%
Subtotal General Funds	\$1,579	\$1,749	(\$170)	-9.7%
Short-Term Borrowing	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$0	\$226	(\$226)	N/A
Total General Funds	\$1,579	\$1,975	(\$396)	-20.1%
IEFC SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				2-Dec-02

GENERAL FUNDS RECEIPTS: YEAR TO DATE				
FY 2003 vs. FY 2002				
(\$ million)				
Revenue Sources	FY 2003	FY 2002	CHANGE FROM FY 2002	% CHANGE
State Taxes				
Personal Income Tax	\$2,886	\$2,974	(\$88)	-3.0%
Corporate Income Tax (regular)	247	282	(\$35)	-12.4%
Sales Taxes	2,562	2,561	\$1	0.0%
Public Utility Taxes (regular)	404	426	(\$22)	-5.2%
Cigarette Tax	166	165	\$1	0.6%
Liquor Gallonage Taxes	54	52	\$2	3.8%
Vehicle Use Tax	16	17	(\$1)	-5.9%
Inheritance Tax (Gross)	118	153	(\$35)	-22.9%
Insurance Taxes and Fees	67	58	\$9	15.5%
Corporate Franchise Tax & Fees	56	67	(\$11)	-16.4%
Interest on State Funds & Investments	30	73	(\$43)	-58.9%
Cook County IGT	152	130	\$22	16.9%
Other Sources	79	80	(\$1)	-1.3%
Subtotal	\$6,837	\$7,038	(\$201)	-2.9%
Transfers				
Lottery	200	199	\$1	0.5%
Gaming Fund Transfer	280	223	\$57	25.6%
Other	329	104	\$225	216.3%
Total State Sources	\$7,646	\$7,564	\$82	1.1%
Federal Sources	\$1,524	\$1,626	(\$102)	-6.3%
Total Federal & State Sources	\$9,170	\$9,190	(\$20)	-0.2%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$231)	(\$226)	(\$5)	2.2%
Corporate Income Tax	(67)	(65)	(\$2)	3.1%
Subtotal General Funds	\$8,872	\$8,899	(\$27)	-0.3%
Short-Term Borrowing	\$700	\$0	\$700	N/A
Budget Stabilization Fund Transfer	\$226	\$226	\$0	N/A
Total General Funds	\$9,798	\$9,125	\$673	7.4%
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
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GENERAL FUNDS GROWTH NEEDED TO MEET ESTIMATE						
FY 2003 ESTIMATE vs. FY 2002 ACTUAL						
(\$ million)						
	Nov-02 ESTIMATE FY 2003	FYTD 2003	AMOUNT NEEDED FY 2003 EST.	FYTD 2002	GROWTH NEEDED	% CHANGE
Revenue Sources						
State Taxes						
Personal Income Tax	\$8,245	\$2,886	\$5,359	\$2,974	\$247	4.8%
Corporate Income Tax (regular)	1,075	247	\$828	282	\$67	8.8%
Sales Taxes	6,275	2,562	\$3,713	2,561	\$223	6.4%
Public Utility Taxes (regular)	1,130	404	\$726	426	\$48	7.1%
Cigarette Tax	400	166	\$234	165	(\$1)	-0.4%
Liquor Gallonage Taxes	125	54	\$71	52	\$1	1.4%
Vehicle Use Tax	39	16	\$23	17	\$2	9.5%
Inheritance Tax (Gross)	270	118	\$152	153	(\$24)	-13.6%
Insurance Taxes and Fees	280	67	\$213	58	(\$1)	-0.5%
Corporate Franchise Tax & Fees	164	56	\$108	67	\$16	17.4%
Interest on State Funds & Investments	90	30	\$60	73	(\$3)	-4.8%
Cook County IGT	395	152	\$243	130	\$128	111.3%
Other Sources	320	79	\$241	80	(\$191)	-44.2%
Subtotal	\$18,808	\$6,837	\$11,971	\$7,038	\$512	4.5%
Transfers						
Lottery	585	200	\$385	199	\$29	8.1%
Gaming Fund Transfer	625	280	\$345	223	\$98	39.7%
Other	650	329	\$321	104	(\$28)	-8.0%
Total State Sources	\$20,668	\$7,646	\$13,022	\$7,564	\$611	4.9%
Federal Sources	\$4,075	\$1,524	\$2,551	\$1,626	(\$81)	-3.1%
Total Federal & State Sources	\$24,743	\$9,170	\$15,573	\$9,190	\$530	3.5%
Nongeneral Funds Distribution:						
Refund Fund						
Personal Income Tax	(\$660)	(\$231)	(\$429)	(\$226)	(\$40)	10.3%
Corporate Income Tax	(290)	(67)	(\$223)	(65)	(\$48)	27.4%
Subtotal General Funds	\$23,793	\$8,872	\$14,921	\$8,899	\$442	3.1%
Short-Term Borrowing	\$700	\$700	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$226	\$226	\$0	\$226	\$0	N/A
Total General Funds	\$24,719	\$9,798	\$14,921	\$9,125	\$442	3.1%
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