

\$SALES TAXES

in

ILLINOIS



Commission on Government Forecasting & Accountability

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TABLE OF CONTENTS

Sales Taxes in Illinois – May 2010

	<u>PAGE</u>
Executive Summary	i
I. Illinois Sales Taxes	1
II. History of Sales Taxes	2
III. Distribution of Funds	3
IV. Revenues and Projections	5
V. History of Exemptions	7
VI. Comparison of States	9
VII. Other Sales Taxes	11
VIII. Sales Tax Base	15
IX. Internet Taxation	19
X. Flow Chart for Sales Taxes	23

TABLES:

1	Historical Illinois Sales Tax Rates	2
2	General Revenue Sales Tax Receipts	5
3	All Appropriated Sales Tax Receipts	6
4	Surrounding States Sales Tax Rates	9
5	2007 State General Sales Tax Revenue for Surrounding States	10
6	County Public Safety Sales Tax Rates	14
7	Top Ten Industries by SIC Code	16
8	Sales Tax Receipts by Sector	17
9	2009 State Sales Tax Receipts by County	18
10	2009 State Sales Tax Revenue by Municipality	18
11	Streamlined Sales Tax Project States	22

CHARTS:

1	Sales and Use Tax Exemptions	8
2	Illinois Sales Tax Flowchart	24-25

APPENDIX:

1	Illinois Sales Tax Exemptions	26
2	Illinois Sales Tax Exemption Statistics	27
3	Sales Tax Rate by State	28
4	State Sales Tax Revenue	29
5	Illinois Home Rule Units	30-33
6	2009 State Sales Tax Receipts by County	34-35

EXECUTIVE SUMMARY

Sales taxes are a prominent factor in Illinois' taxing structure. They are the general revenue fund's second largest revenue-generating source and make up approximately one quarter of total revenues. Sales tax laws within Illinois as well as throughout the nation are diverse, and sometimes confusing. The following report attempts to provide basic facts and information that surround sales tax issues in Illinois. This report builds on the Commission's 2001 report, "Sales Tax Issues in Illinois" by updating the statistics therein and expands the analysis to include an examination of the sales tax base.

- To begin, the report gives definitions for both the sales Use Tax and Occupation Tax. Also, a sales tax rate, revenue, and exemption history is provided. Illinois' sales tax rate has grown from 2% in 1933 to the current rate of 6.25% which was instituted in 1990. Sales tax revenues are divided between State and local governments: 80% of the tax goes into the State's treasury and 20% is directed back to local municipalities in which the sale was made. Local governments also have the option of instituting home-rule taxes, which bring additional revenue to their cities.
- Although general revenue sales taxes have historically grown, fiscal year 2009 yielded a disappointing figure of \$6.77 billion, which was a 6.1% decrease from the previous year. This was the largest decline in sales tax revenue in over 60 years, though FY 2010 revenues are estimated to decline even more. These declines are associated with the extended recession that began in approximately December of 2007. The Commission estimates that the State will see some small growth in FY 2011 as the economy begins to climb out of the recession.
- Total sales tax exemptions were approximately \$3.4 billion in fiscal year 2008. The largest exemption being the Food, Drugs, and Medical Appliance rate reduction which accounted for \$1.4 billion or just over 40% of total exemptions.
- Illinois has one of the highest sales tax rates in the nation. Illinois was tied for 10th highest as of April 2010. Illinois also had the 2nd highest rate when compared to surrounding states. Only Indiana at 7.00% had a higher rate.
- There are numerous other local sales taxes in Illinois including Business District taxes, County Motor Fuel taxes, Home Rule and Non-home rule taxes, Mass Transit District taxes, County Public Safety taxes, among others.
- The Illinois sales tax was designed to primarily tax real property. The largest amount of sales tax revenue comes from the Automotive and Filling Station sector of the economy which provides just below 21% of total sales tax revenue. This

- The majority of the sales tax base is located within Cook and the Collar Counties with pockets of sales tax revenue coming from the larger downstate cities.
- The Internet has greatly affected virtually all facets of economic activity, including states' sales tax revenues. Currently, online retailers are subject to Illinois sales taxes if they have a nexus within the State. The Department of Revenue estimated that over \$143 million of sales taxes related to online commerce went unpaid in FY 2008. The department estimated that this number would grow to \$153 million and \$163 million in fiscal years 2009 and 2010
- Another important issue that will have an impact on sales taxation is the Streamlined Sales Tax Project (SSTP). The SSTP is an effort by states to simplify and modernize sales and use tax collection and administration. The goal of the Project is to substantially reduce or eliminate the costs and burdens of sales tax compliance for businesses via a combination of simplified laws and administrative policies.
- Finally, a sales tax flowchart has been developed in order to depict the intricacies of Illinois sales taxation. Several decisions and many steps are involved in order to determine what the end sales tax will be for a consumer.

Illinois Sales Taxes

A sales tax is a levy placed on a good or service when it is purchased from a company that has a physical presence (or “nexus”) in the same state as the consumer. When a consumer buys a good or service from a retailer that is outside of his or her state, they pay a use tax. Illinois is one of 45 states (plus the District of Columbia) in the nation that requires its residents to pay sales taxes when purchasing retail merchandise. If the seller does not charge Illinois Sales Tax, the purchaser owes the tax directly to the Department.

Illinois sales taxes are actually derived from four different tax acts; the Retailers’ Occupation Tax (ROT) and its complement the Use Tax (UT), the Service Occupation Tax (SOT) and its complement the Service Use Tax (SUT).

The Retailers’ Occupation Tax is generally referred to as the sales tax. The tax is imposed on Illinois retailers on the gross receipts from sales of tangible personal property. Illinois retailers forward the collected Retailers’ Occupation Tax to the Department of Revenue for deposit into the State’s Treasury. The ROT’s partner, the Use Tax, applies to Illinois purchasers who buy property out of state at a lower tax rate or from a vendor who does not have a physical nexus within the State. The difference between the lower tax rate and Illinois’ sales tax rate must be forwarded to the Department of Revenue as a Use Tax. The purpose of the Use Tax is to protect in-state retailers from competition from out-of-state retailers who may not be subject to the Retailers’ Occupation Tax.

The Service Occupation Tax is imposed on service providers when tangible personal property is transferred within the course of performing a service. The tax is measured by the selling price of the tangible personal property transferred as an incident to the sale of the service. Likewise, the Service Use Tax is also imposed upon the purchaser for the privilege of using property that was acquired incident to the purchase of a service. However, this tax would apply when a purchaser obtains property from an out-of-state service provider who does not have a “nexus” within the State and is not obligated to collect Illinois sales taxes.

History of Sales Taxes

State sales taxes originated during the Great Depression, when the main source of revenue for state and local governments, property taxes, collapsed with property values. In 1930, twenty-three states began using the sales tax as an additional revenue source. Due to problems with our own State budget, Illinois adopted a “temporary” 2 percent sales tax in 1933. In 1935, the tax was made permanent, and the rate was raised to 3 percent.

While the State rate ranged between 2 and 3 percent, municipalities and counties were allowed to impose a local sales tax beginning in 1955 and 1959, respectively. Also, in 1955 the Use Tax was added at the same rate as the Retailers’ Occupation Tax. Six years later, the Service Use Tax and Service Occupation Taxes were added to the Illinois sales tax structure. By 1984, the State rate increased to 5 percent and the County Supplementary Tax Act authorized all counties except Cook County to impose a 0.25 percent sales tax. In addition, the State tax on certain food and medical supplies and machinery and parts used in manufacturing was eliminated (local taxes remained on the exempt items).

Effective January 1, 1990, as part of Sales Tax Reform, a uniform State sales and use tax rate on general merchandise of 6.25 percent was established. The local sales tax acts and the County Supplementary Tax Act were repealed and the Department of Revenue began administering Non-Home rule sales taxes in September 1990. Many of these taxes were already in effect but were administered by the locals themselves.

While the number of local municipalities and counties instituting home rule sales tax rates has grown, the State sales tax rate has remained constant at 6.25% for the past twenty years. Table 1 outlines the history of Illinois sales tax rates.

Table 1. HISTORICAL ILLINOIS SALES TAX RATES	
Effective Date	Rate
July 1, 1933	2.00%
July 1, 1935	3.00%
July 1, 1941	2.00%
July 1, 1955	2.50%
July 1, 1959	3.00%
July 1, 1961	3.50%
July 1, 1967	4.25%
October 1, 1969	4.00%
January 1, 1984	5.00%
January 1, 1990 - Current	6.25%
Source: Illinois Department of Revenue	

Distribution of Funds

The current State sales tax rate is 6.25%, of which the State retains 80% of the tax and local governments receive the remaining 20%. Therefore, a 5% sales tax is given to the State, and 1.25% is provided to local governments. Below is the distribution pattern of the Illinois sales and use taxes as described by the Illinois Legislative Research Unit in their March 2010 report, "Illinois Tax Handbook for Legislators" and the Illinois Department of Revenue website.

Proceeds from the 5% portion of the State sales and use taxes (or 80% of total State sales taxes) contribute to the following:

- 1.75% to Build Illinois Fund;
- 3.8% to Build Illinois Fund to retire bonds;
- 0.27% to Illinois Tax Increment Fund;
- 80% of net tax revenue on Illinois coal bought by a new electric generating facility that received state financial aid, to the Energy Infrastructure Fund (for the first 25 years that the facility buys Illinois coal).
- 25% reserved for transfer to Common Schools Special Account Fund;
- Remainder to the General Revenue Fund, with two transfers out:
 - 1) 3/32 of net revenue from counties and municipalities that have Downstate mass transit districts, to the Downstate Public Transportation Fund
 - 2) 3/32 of net revenue from Madison, Monroe, and St. Clair Counties to the Downstate Public Transportation Fund.

Proceeds from the 1.25% portion of the State sales tax (or 20% of the total State sales tax) is returned to local governments in the following manner:

- 80% of net proceeds to the Local Government Tax Fund
- 20% of net revenue to the County and Mass Transit Fund

Proceeds from the 1.25% portion of the State use taxes (or 20% of the total State use tax) are put into the State and Local Sales Tax Reform Fund and distributed in the following manner:

- 20% is distributed to Chicago
- 10% is distributed to the Regional Transportation Authority (RTA)
- 0.6% is distributed to the Metro-East Mass Transit District (MED)
- \$3.15 million is distributed to the Build Illinois Fund
- The remaining balance of the State and Local Sales Tax Reform Fund is distributed to municipal and county governments (except Chicago) based on each one's population in proportion to the total state population.

Recently, new legislation, related to the Illinois Jobs Now! construction program, increased the rate of sales tax on certain types of products. These items were primarily items that previously were taxed at the 1% rate under the Food or Drug exemptions. State sales tax revenue on these products would be used to partially fund the program. As part of Public Act 096-0034, beginning September 1, 2009, each month the Department of Revenue is to pay into the Capital Projects Fund the estimated amount of sales tax that represented 80% of the net revenue realized for the preceding month from the sale of candy, grooming and hygiene products, and soft drinks that were taxed at 1% prior to August 1, 2009 but that are now taxed at 6.25%.

Revenues and Projections

Sales tax revenues are one of Illinois largest revenue sources, second only to the personal income tax. In FY 2009, general revenue fund (GRF) sales taxes were **\$6.77 billion, which was down 6.1%** from the all-time high of \$7.21 billion in FY 2008. This was the **worst decline since 1950**, which is as far back as the Commission has data. It is expected that this **will be surpassed in FY 2010, when sales taxes are expected to be down 8.5%**. To illustrate to the reader how severe the current recession has affected sales tax revenue, **between FY 1950 and FY 2008 GRF sales tax had only declined 5 times previously and never two years in a row**. Prior to FY 2009, the largest declines were -2.9% in FY 1950 and -1.9% in FY 1981.

Between fiscal years 2000 and 2009, sales taxes were quite volatile when compared to the previous decade. GRF sales taxes increased 4.2% per year during the booming 1990's, while they grew at a slower average rate of 2.0% during the turbulent 2000's. Besides growing at a slower rate, GRF sales taxes were much less dependable. From FY 1990 thru FY 1999, sales taxes grew at least 2% every year except FY 1991 when growth was only 1%. In contrast, during the 2000's only four of the ten years had sales tax growth of over 2% and actually had two years of declines (FY 2001 and FY 2009).

It also should be noted that sales tax revenues as a percentage of total general revenues has declined from almost 30% in fiscal year 1990, to less than 23% in fiscal year 2010. It is anticipated that fiscal year 2011 will be a transitional year with slow growth (1.6%) as the economy comes out of the recessionary low to the recovery phase of the business cycle. Table 2 provides historical details and projections of the general revenue sales tax beginning in fiscal year 2000.

Table 2. GENERAL REVENUE SALES TAX RECEIPTS					
(\$ billions)					
Fiscal Year	Sales Tax Revenue	% Growth	Total General Revenue*	% Growth	Sales as a % of Total
2000	\$6.03	7.5%	\$23.25	7.3%	25.9%
2001	\$5.96	-1.1%	\$24.11	3.7%	24.7%
2002	\$6.05	1.6%	\$23.38	-3.0%	25.9%
2003	\$6.06	0.1%	\$22.79	-2.5%	26.6%
2004	\$6.24	2.9%	\$25.43	11.6%	24.5%
2005	\$6.59	5.8%	\$26.16	2.9%	25.2%
2006	\$7.09	7.5%	\$27.36	4.6%	25.9%
2007	\$7.14	0.6%	\$28.64	4.7%	24.9%
2008	\$7.21	1.1%	\$29.66	3.6%	24.3%
2009	\$6.77	-6.1%	\$29.14	-1.7%	23.2%
2010**	\$6.20	-8.5%	\$27.90	-4.3%	22.2%
2011**	\$6.30	1.6%	\$26.56	-4.8%	23.7%

*Total General Revenue excludes cash management transactions including short term borrowing and certain transfers
 ** CGFA estimates
 Source: Illinois Department of Revenue

All Appropriated (AAP) sales tax revenues encompass the entire amount of sales tax revenues that Illinois receives. GRF sales tax amounts were just those that went into the General Revenue Funds which were the General Revenue Fund (0001) and the General Revenue - Common School Special Account Fund (0005). The AAP sales tax revenue amount includes those monies plus the amounts that went into the Home Rule Municipal Retailers' Occupation Tax Fund (0138), the State and Local Sales Tax Reform Fund (0186), the Illinois Tax Increment Fund (0281), the McCormick Place Expansion Project Fund (0377), the Tax Compliance and Administration Fund (0384), the Capital Projects Fund (0694), and the Build Illinois Fund (0960)

AAP sales tax revenues historical trends mirror the general revenue trends. All Appropriated revenues grew steadily between fiscal year 1990 and 2000 but grew slower in the 2000's. Similar to GRF sales tax revenue, AAP revenue declined in FY 2009 and is expected to decline significantly again in FY 2010. For FY 2009, AAP sales tax revenue was \$8.22 billion. A decline to \$7.58 billion is expected in FY 2010 with small growth in FY 2011. Table 3 provides a historical review of AAP sales tax revenues

Table 3. ALL APPROPRIATED SALES TAX RECEIPTS		
(\$ billions)		
Fiscal Year	AAP Sales Tax Revenue	% Growth
2001	\$6.96	-0.8%
2002	\$7.06	1.3%
2003	\$7.05	0.0%
2004	\$7.34	4.1%
2005	\$7.78	6.1%
2006	\$8.43	8.3%
2007	\$8.60	2.1%
2008	\$8.73	1.5%
2009	\$8.22	-5.9%
2010*	\$7.58	-7.8%
2011*	\$7.70	1.7%

* CGFA estimates
Source: Illinois Department of Revenue

History of Exemptions

Upon the inception of the State sales tax, almost all general merchandise was subject to taxation. However, as the years progressed, the amount of allowed exemptions escalated along with the sales tax rate, yielding a smaller tax base but continued revenue growth.

Beginning in 1933 (when the State sales tax was implemented), allowed exemptions included feed and seed for farmers and occasional sales exemptions. Between 1955 and 1979, the number of exemptions continued to grow to include among other things, sales to exempt organizations, newsprint and ink, rolling stock, and farm chemicals. But it wasn't until after 1979 that the amount of exemptions allowed by the State began to proliferate (Appendix 1 at the end of this report provides a list of exemptions and the year they were enacted).

In 1979, sales taxes were eliminated on sales of machinery and equipment to manufacturers. Exemptions for machinery and equipment to printers, coal mines, oil field drillers, distillers of ethanol, and farmers quickly followed in 1980. Also in 1980, the State began to reduce the tax rate on sales of food (grocery), drugs, and medical appliances to individuals. Between 1985 and 2000 sales tax exemptions were added for property used in pollution control facilities, property used with an enterprise zone, legal tender, medallions, and bullion, photo processing machinery, coal and oil machinery, leased property to hospitals or governmental bodies, and many more. In January 1995, manufacturers began earning additional sales tax credit (Manufacturer's Purchase Credit or MPC) that could be applied toward the tax due on purchases of non-exempt items. MPC earned is a percentage of the tax the manufacturer would have paid on the purchase of machinery and equipment if the machinery and equipment had not been exempt from tax.

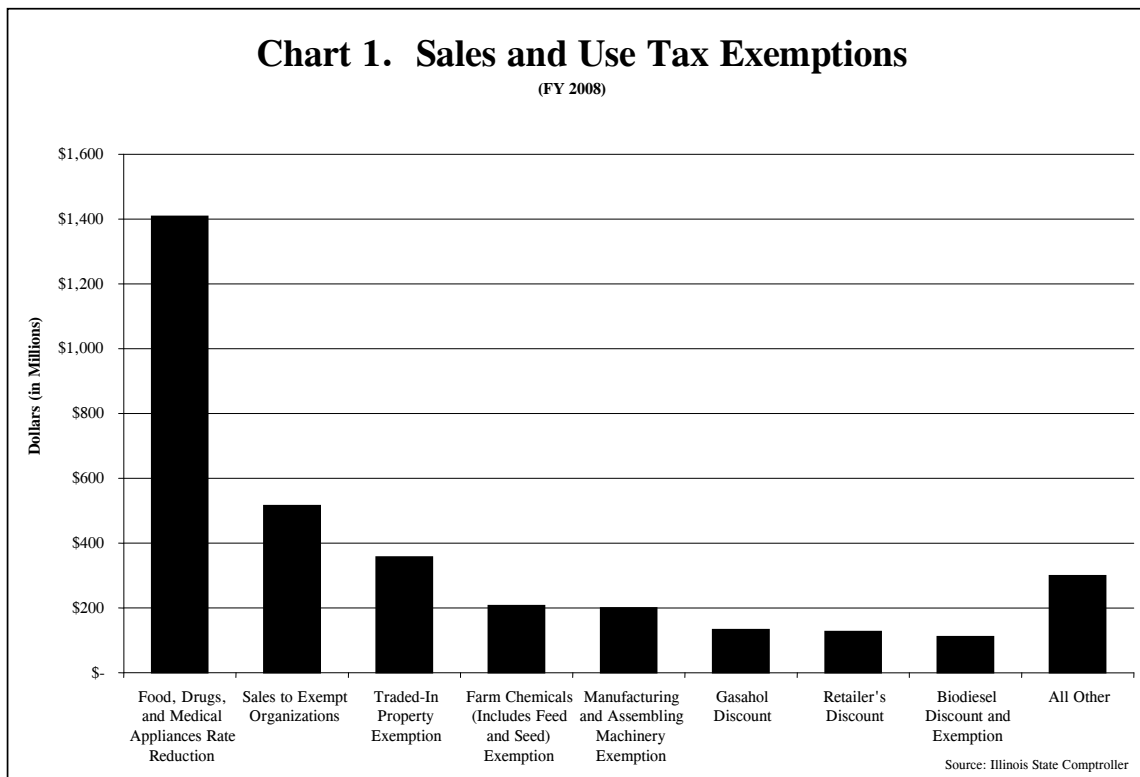
Many organizations that do not have to pay sales taxes on their purchases also increased in number. Certain senior citizen organizations, county fair associations, not-for-profit music or dramatic arts organizations, and certain licensed day care centers are all exempt from sales taxation. In addition, sales by elementary or secondary teacher-sponsored student organizations and certain sales by not-for-profit service organizations operating for the benefit of persons 65 or older are also exempt from sales taxes.

In 2003, two exemptions related to motor fuels were enacted. The first exemption was related to majority blended ethanol fuel. The second was a discount and exemption associated with biodiesel. Legislation exempting sales of jet fuel and petroleum products used or consumed by any aircraft support center directly in the process of maintaining, rebuilding, or repairing aircraft from the sales tax was passed in 2007.

Chart 1 provides estimates for sales tax exemptions for Illinois as estimated by the Illinois State Comptroller in their "Tax Expenditure Report". In FY 2008, exemptions to the Sales and Use taxes were estimated at \$3.4 billion. As depicted in the chart, the

food, drug, and medical appliance sales tax reduction (\$1.4 billion) accounted for the greatest amount of sales tax exemptions, followed by sales to exempt organizations (\$515 million) and the traded-in property exemption (\$357).

Appendix 2 provides historical figures for sales tax exemptions from fiscal years 1996 through 2008. As the appendix indicates, the dollar amount of all exemptions has increased steadily over the past 12 years. Total sales and use tax exemptions have grown by approximately 50% during that time period. Tax exemptions of the sales and use taxes actually peaked in FY 2007 at \$3.9 billion but fell approximately \$570 million in FY 2008. The food, drugs, and medical rate reduction has grown an average of 4.8% per year, while total sales and use tax exemptions have averaged growth of 3.8% between FY 1996 and FY 2008.



Comparison of States

Sales taxes are not unique to Illinois. Virtually every state in the nation has some sort of sales taxation. Table 4 provides sales tax rates for Illinois and its neighboring states. As indicated, Illinois' state sales tax rate at 6.25% is the second highest among all of its neighboring states behind Indiana at 7.00%. In fact, Illinois 6.25% sales tax ranks among the nation's highest tax rates. Currently, Illinois is tied with Texas and Massachusetts for the 10th highest state sales tax rate. Rates range between 0% (for Alaska, Delaware, Montana, New Hampshire, and Oregon) and 7.25% (California). Appendix 3 provides details of each of the states sales tax rates.

Not only do sales tax rates vary widely across the nation, but so do the items taxed and the definition of these items. For example, some states tax necessity items (such as food, clothing, medical appliances, and drugs), while some do not. Others have a reduced tax rate. Even more, the definition of the non-taxable goods may differ among states. Non-taxable food in one state might be defined as only food that is consumable off the sales premises, while another state may exempt all food from sales taxation, regardless of where it will be consumed.

Thus, the diversity of sales tax rates, applied products, and accompanying definitions make it difficult, at best, to form any kind of analytical state comparison of the various states sales tax revenues. Table 5 provides a numerical summation of State sales tax revenues for Illinois and its boundary states and Appendix 4 provides details for every state. Total revenues generated from sales taxation may have a direct relationship with state population, the sales tax rate, as well as the comprehensiveness of the items taxed.

Although Illinois ranks first among its neighboring states for total sales tax revenues at \$7.8 billion, when considering these revenues on a per-capita basis, Illinois is in the lower half. Residents in Illinois paid approximately \$608 in sales tax in 2007 on average which was well below what residents of Indiana paid (\$855). On a per capita basis, the State of Missouri had the lowest amount at \$557.

Table 4. SURROUNDING STATES SALES TAX RATES		
State	State Rate	Range of Local Rates
Missouri	4.225%	.5% - 6.625%
Wisconsin	5.00%	0% - 1.5%
Iowa	6.00%	0% - 2%
Kentucky	6.00%	0%
ILLINOIS	6.25%	0% - 4.25%
Indiana	7.00%	0%
Source: Sales Tax Institute, as of 4/1/2010		

Table 5. 2007 STATE GENERAL SALES TAX REVENUE FOR SURROUNDING STATES

State	Total General Sales Tax Receipts (\$ billion)	State	Total General Sales Tax Receipts per Capita
ILLINOIS	\$7.80	Indiana	\$855
Wisconsin	\$4.16	Wisconsin	\$742
Missouri	\$3.27	Kentucky	\$664
Kentucky	\$2.82	ILLINOIS	\$608
Iowa	\$1.79	Iowa	\$598
Indiana	\$5.42	Missouri	\$557

Source: 2010 Statistical Abstract, U.S. Census Bureau

Other Sales Taxes

The Illinois Department of Revenue also collects other local sales taxes above and beyond the state and local rate of 6.25%. Listed below are these various other local sales taxes as described by the Department of Revenue:

Business District Retailers' Occupation Tax (65 ILCS 5/11-74.3-1 to 11-74.3-6)

Municipalities that have approved a business district development or redevelopment plan and have elected to impose a tax by ordinance may impose a Business District Retailers' Occupation and Service Occupation Tax on sales of general merchandise within the business district. The tax may not be imposed on sales of items that will be titled or registered with an agency of state government or on qualifying food, drugs, and medical appliances. The Tax may be imposed in 0.25% increments and cannot exceed 1%.

Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax (65 ILCS 5/8-11-6b)

The Chicago Home Rule Municipal Soft Drink Occupation Tax is imposed on persons who sell canned or bottled soft drinks at retail in Chicago. The rate is 3% of gross receipts from soft drinks sold at retail. "Soft drinks" include (but are not limited to):

- soda water,
- carbonated water,
- colas, and
- drinks containing less than 50 percent natural fruit or vegetable juice.

The following list includes examples of drinks that are not included in the definition of soft drinks:

Fountain drinks,

- Noncarbonated water,
- Coffee,
- Tea,
- Infant formula,
- Milk or milk products,
- Drinks containing 50 percent or more natural fruit or vegetable juice,
- Nonalcoholic drink mixes, and
- Soft drinks when mixed and sold in an alcoholic drink.
- Drinks containing 50 percent or more natural fruit or vegetable juice,
- Nonalcoholic drink mixes, and
- Soft drinks when mixed and sold in an alcoholic drink.

County Motor Fuel Tax (55 ILCS 5/5-1035.1)

DuPage, Kane, and McHenry counties have imposed a tax on the retail sale of motor fuel at a rate not exceeding 4 cents per gallon. DuPage, McHenry, and Kane counties levy the tax at the maximum rate of 4 cents per gallon.

DuPage County Water Commission Tax (70 ILCS 3720/4)

The DuPage Water Commission Tax of 0.25% is imposed on sales of general merchandise within the boundaries serviced by the DuPage Water Commission. The tax rate is 0.25%. A “use” tax is also imposed at the same rate. The tax revenue is used to support the DuPage County Water Commission which pipes water from Lake Michigan throughout DuPage County.

Home Rule and Non-home Rule Sales and Use Taxes

- Home Rule County Retailers’ Occupation Tax — 55 ILCS 5/5-1006
- Home Rule County Service Occupation Tax — 55 ILCS 5/5-1007
- Home Rule Municipal Retailers’ Occupation Tax — 65 ILCS 5/8-11-1
- Home Rule Municipal Service Occupation Tax — 65 ILCS 5/8-11-5
- Non-home Rule Municipal Retailers’ Occupation Tax — 65 ILCS 5/8-11-1.3
- Non-home Rule Municipal Service Occupation Tax — 65 ILCS 5/8-11-1.4

Home rule units of local government are authorized to impose a Home Rule sales tax and certain non-home rule units of local government are authorized to impose a Non-home Rule sales tax to be collected by the department. Both taxes are imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

The Home Rule sales tax is in 0.25% increments with no maximum rate limit. The Non-home Rule sales tax is in 0.25% increments with a 0.50% maximum rate limit. As of April 2010, Illinois had 200 home rule units of government in Illinois. 125 of these were enacted by referendum, while 75 qualified as a home rule unit due to their population. Cook County is the only home rule county in Illinois. Appendix 5 contains a list of all the home rule units and their combined sales tax rate which range from 6.25% in areas where home rule has passed but have not raised sales taxes to 11.5% in certain business districts in Bellwood.

The department also administers the Chicago Home Rule Use Tax on automobiles and other titled or registered items sold by dealers located in the counties of Cook, Kane, Lake, McHenry, DuPage, and Will selling items that will be registered to an address within the corporate limits of Chicago. The Chicago Home Rule Use Tax is 1.25%.

Mass Transit District Taxes

- Metro-East Mass Transit District (MED) Retailers' Occupation Tax
(70 ILCS 3610/5.01(b))
- Metro-East Mass Transit District (MED) Service Occupation Tax
(70 ILCS 3610/5.01(c))
- Metro-East Mass Transit District (MED) Use Tax
(70 ILCS 3610/5.01(d))
- Regional Transportation Authority (RTA) Retailers' Occupation Tax
(70 ILCS 3615/4.03)
- Regional Transportation Authority (RTA) Service Occupation Tax
(70 ILCS 3615/4.03)
- Regional Transportation Authority (RTA) Use Tax
(70 ILCS 3615/4.03)

The Metro-East Mass Transit District (MED) imposes a sales tax in parts of Madison and St. Clair counties. The Regional Transportation Authority (RTA) is authorized to impose a sales tax in Cook, DuPage, Kane, Lake, McHenry, and Will counties. These tax revenues are used to support public mass transportation systems.

The MED imposes taxes at the following rates:

- 0.25% sales tax on general merchandise and sales of qualifying food, drugs, and medical appliances in Madison County
- 0.75% sales tax on general merchandise (excluding items that are titled or registered) and sales of qualifying food, drugs, and medical appliances in St. Clair County
- 0.25 percent sales tax on sales of titled or registered general merchandise in St. Clair County and Madison County

The RTA imposes taxes at the following rates:

- 1.00% sales tax on general merchandise in Cook County
- 1.25% sales tax on qualifying food, drugs, and medical appliances in Cook County
- 0.75% sales tax on general merchandise and qualifying food, drugs, and medical appliances in DuPage, Kane, Lake, McHenry, and Will counties

Metro-East Park and Recreation District Tax (70 ILCS 1605)

The Metro-East Park and Recreation District tax of 0.10% is imposed on sales of general merchandise within the district's boundaries. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible

personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs and medical appliances.

Metropolitan Pier and Exposition Authority (MPEA) Food and Beverage Tax (70 ILCS 210/13(b))

A retailers' occupation tax on the gross receipts from food prepared for immediate consumption, alcoholic beverages, and soft drinks is imposed on sales within Chicago's Metropolitan Pier and Exposition Authority (MPEA) boundaries. The tax rate is 1%. Revenues from this tax are deposited into the MPEA Trust Fund to pay debt service on all MPEA bonds and refunding bonds.

Special County Retailers' Occupation Tax for Public Safety (55 ILCS 5/5-1006.5)

County governments are authorized to impose, with voter approval, a countywide tax (in 0.25% increments) for public safety expenditures to be collected by the department. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes) and qualifying food, drugs and medical appliances. Thirty five counties in Illinois have county public safety sales taxes. Table 6 shows these counties and their associated tax rates.

Table 6. COUNTY PUBLIC SAFETY SALES TAX RATES			
County	Tax Rate	County	Tax Rate
Boone	0.50%	Macon	0.25%
Brown	0.25%	Marion	0.25%
Bureau	0.50%	Mcdonough	0.50%
Carroll	0.25%	Menard	1.00%
Cass	1.00%	Moultrie	0.50%
Champaign	0.25%	Peoria	0.50%
Clark	1.00%	Perry	0.50%
Clay	0.50%	Pike	0.50%
Effingham	0.25%	Richland	0.50%
Fulton	0.50%	Saline	0.75%
Henderson	1.00%	Stephenson	0.50%
Jefferson	0.25%	Tazewell	0.50%
Jersey	0.50%	Union	0.25%
Kendall	1.00%	Vermilion	0.25%
Knox	0.25%	Wayne	0.75%
LaSalle	0.25%	Winnebago	1.00%
Logan	0.50%	Woodford	1.00%
Marion	0.25%		

Source: Illinois Department of Revenue

Sales Tax Base

The Illinois sales tax base is made up primarily of transfers of tangible personal property. Even though the service sector has become a greater part of the Illinois economy, Illinois is one of the states that taxes services the least. In the Federation of Tax Administrators 2007 update of their Service Tax Survey, Illinois taxed the fifth fewest amount of services. Illinois taxed only 17 out of 168 identified services, the majority of those being related to public utilities. This is in spite of over 40% of Illinois' economy being service related.

Many states have not taxed services as broadly as tangible property due to when sales taxes were originally enacted. Many states sales taxes were enacted in the 1930s. During this time, services accounted for a smaller portion of overall economic activity. Because of this, most states have tangible personal property as their primary base. This has limited the amount of sales tax revenue, as the country's economy has become more service oriented. See the Commission's report, "Service Taxes: 2009 Update" for more information on this topic.

To examine the sales tax base, the Commission analyzed Standard Industrial Classification (SIC) code data from the Illinois Department of Revenue to discover from what sectors of the economy sales tax receipts come from and how these revenues have changed over the last decade. Growth rates for sales tax receipts from individual sectors of the economy were also calculated. Finally, the changes in the make up of the sales tax base were calculated. The results of these calculations can be seen in Tables 7 and 8.

Looking at individual SIC codes, restaurants, car dealerships, and department stores were the three largest industries that collected Illinois state sales taxes in 2009. The Eating Places (SIC Code 5812) was the largest industry at 12.3% of total state sales taxes collected. Two other industries, New and Used Car Dealers (SIC Code 5511) and Department Stores (SIC Code 5311) contributed just over 12% each also. The ten industries that collect the most state sales tax can be found in Table 7. These ten industries accounted for approximately 63% of all the state sales tax revenue received. For data from each of the individual SIC codes please see the Department of Revenue's "The Sales Tax for 2009 Annual Report" which can be found at <http://www.revenue.state.il.us/AboutIdor/TaxStats/SICAnnual09.pdf>.

Table 7. TOP TEN INDUSTRIES BY SIC CODE			
SIC CODE	SIC Code	Percent of Total Sales Tax Receipts, 2009	Rank
Eating Places	5812	12.3%	1
New and Used Car Dealers	5511	12.2%	2
Department Stores	5311	12.1%	3
Gasoline Service Stations	5541	6.4%	4
Lumber and Other Building Materials	5211	5.0%	5
Grocery Stores	5411	4.7%	6
Miscellaneous Retail Stores	5999	3.5%	7
Family Clothing Stores	5651	2.3%	8
Computer and Software Stores	5734	2.3%	9
Auto and Home Supply Stores	5531	1.7%	10
Source: Illinois Department of Revenue			

The Department of Revenue has categorized the SIC codes into 10 categories. Table 8 illustrates the results of this categorization. In 2009, the largest portion of sales tax receipts came from the Automotive and Filling Stations sector. This sector contributed \$1.41 billion, or just fewer than 21%, of the \$6.76 billion in sales tax revenue. This was followed by the Agriculture and All Others category at \$1.15 billion. The Drinking and Eating Places (\$855 million), Drugs and Misc. Retail (\$845 million), and General Merchandise (\$770 million) categories all contribute more than 11% of total state sales tax receipts.

Since 1999, the Food category has increased at the fastest rate. From 1999-2009, the Food category grew an average of 4.4% per year. Drugs & Misc. Retail was the second fastest growing sector at 4.2%. Two categories actually had declining sales tax receipts. The Agriculture and All Other category declined 0.2% per year, while sales tax revenue from Manufacturers dropped an average of 2.9% per year.

In examining the composition of the sales tax base of 1999 and 2009, a few changes were apparent, though in general the composition was much the same in both years. The Automotive and Filling Stations category was the largest portion in both years but accounted for approximately 1.5% less of the total in 2009. The largest change in the sales tax base could be found in the Agriculture and All Others category which went from over 21% in 1999 to 17.1% of the sales tax base in 2009. These declines in proportion of the sales tax base can be accounted for by the approximate increase of 3% by both the Drinking and Eating Places and Drugs & Misc. Retail categories. In fact these two categories surpassed General Merchandise between 1999 and 2009 to become the third and fourth largest contributors to state sales tax receipts.

A break down of the categories by SIC Code can be obtained at <https://www.revenue.state.il.us/app/kob/terms.jsp>.

Table 8. SALES TAX RECEIPTS BY SECTOR						
Sector	Sales Tax Receipts (\$Million)		Average Growth Rate	% of Total		Difference
	1999	2009		1999	2009	
Automotive & Filling Stations	\$1,387.1	\$1,414.2	1.5%	22.44%	20.94%	-1.51%
Agriculture & All Others	\$1,306.5	\$1,153.6	-0.2%	21.14%	17.08%	-4.06%
Drinking and Eating Places	\$603.0	\$854.9	3.9%	9.76%	12.66%	2.90%
Drugs & Misc. Retail	\$598.7	\$845.1	4.2%	9.69%	12.51%	2.82%
General Merchandise	\$718.1	\$770.1	1.5%	11.62%	11.40%	-0.22%
Lumber, Bldg. Hardware	\$384.2	\$436.4	2.6%	6.22%	6.46%	0.24%
Furniture & H.H. & Radio	\$426.7	\$428.0	1.8%	6.90%	6.34%	-0.57%
Food	\$244.6	\$336.8	4.4%	3.96%	4.99%	1.03%
Apparel	\$236.0	\$284.5	2.4%	3.82%	4.21%	0.39%
Manufacturers	\$275.3	\$231.5	-2.9%	4.46%	3.43%	-1.03%
TOTAL	\$6,180.2	\$6,755.1	1.7%	100.0%	100.0%	0.00%

Source: Illinois Department of Revenue

To examine the geographic locale of the sales tax base, the Commission analyzed state sales tax receipts at the county and municipality level for calendar year 2009. The Commission first looked at 2009 state sales tax revenue by county. Cook County and the downstate area each accounted for approximately 36% of the sales tax base, while the collar counties contributed for just over 28%. The largest 20 counties accounted for 86% of the sales tax base, while the remaining 82 counties contributed only 14%. Table 9 shows the results of this analysis. Appendix 6 contains state sales tax data for all 102 Illinois counties.

At the municipality level of government, Chicago had the largest portion accounting for just fewer than 14% (or \$819 million) of the \$5.9 billion dollars in state sales taxes. Nine other municipalities raised more than \$70 million in state sales taxes. These included Schaumburg (\$114M), Springfield (\$99M), Naperville (\$99), Kankakee (\$85M), Peoria (\$84M), Rockford (\$82M), Aurora (\$74M), Orland Park (\$72M), and Bloomington (\$70M). The 20 highest grossing municipalities contributed just over 35% of local sales taxes. As seen in Table 10, the top twenty consists of Chicago (1st), followed by the bigger suburbs and downstate cities (2nd-10th), and ending with more Chicago area suburbs (11th-20th). Based on this analysis, the majority of the sales tax base is located within Cook and the Collar County areas with pockets of sales tax revenue coming from the larger downstate cities.

Table 9. 2009 STATE SALES TAX RECEIPTS BY COUNTY

County	Total	% of Total	Rank
Cook	\$2,131,006,758	35.87%	1
DuPage	\$646,406,595	10.88%	2
Lake	\$400,057,346	6.73%	3
Will	\$281,994,362	4.75%	4
Kane	\$212,539,371	3.58%	5
Winnebago	\$141,986,261	2.39%	6
Kankakee	\$126,910,084	2.14%	7
McHenry	\$126,371,789	2.13%	8
St. Clair	\$124,949,800	2.10%	9
Madison	\$119,142,631	2.01%	10
Rest of State	\$1,629,924,497	27.43%	N/A
State Total	\$5,941,289,493	100.0%	N/A

Source: Illinois Department of Revenue

Table10. 2009 STATE SALES TAX REVENUE BY MUNICIPALITY

Rank	Municipality	Total	%ofTotal
1	Chicago	\$ 818,783,117	13.74%
2	Schaumburg	\$ 114,136,419	1.92%
3	Springfield	\$ 99,215,667	1.67%
4	Naperville	\$ 99,168,385	1.66%
5	Kankakee	\$ 85,019,823	1.43%
6	Peoria	\$ 83,962,775	1.41%
7	Rockford	\$ 82,103,896	1.38%
8	Aurora	\$ 74,367,226	1.25%
9	Orland Park	\$ 72,353,182	1.21%
10	Bloomington	\$ 70,205,572	1.18%
11	Joliet	\$ 69,768,978	1.17%
12	Champaign	\$ 58,458,463	0.98%
13	Sycamore	\$ 49,354,205	0.83%
14	Skokie	\$ 49,235,390	0.83%
15	Glenview	\$ 48,411,098	0.81%
16	Gurnee	\$ 46,541,385	0.78%
17	Vernon Hills	\$ 46,307,551	0.78%
18	Downers Grove	\$ 46,267,905	0.78%
19	Niles	\$ 45,244,293	0.76%
20	Oak Brook	\$ 44,994,598	0.76%
N/A	All Others	\$ 3,853,950,958	64.7%
N/A	Total	\$ 5,957,850,883	100.0%

Source: Illinois Department of Revenue

Internet Taxation

Several issues surround the topic of Internet taxation; however, the primary focus is whether to collect sales and use taxes on goods and services sold over the Internet. Contrary to what some believe, sales and use taxes for sales made on the Internet would not be a new tax. Sales taxes are already in place in most state and local governments and, when the tax is not collected by the internet retailer, it should be reported by the purchaser on his or her State tax returns.

Due to the US Supreme Court *National Bellas Hess* case in 1967 and the *Quill* decision in 1992, it is not required for a seller who does not have a nexus in a state to collect sales taxes because it is considered an undue burden on the seller. Therefore, Internet retailing companies only pay sales taxes in the state in which they have a physical presence. For example, Amazon.com (who has a nexus in the State of Washington) primarily sells books and CD's, pays sales taxes to Washington for only those sales made to Washington residents. The company is not obligated to charge sales taxes on sales made to non-residents. This provides Amazon.com with a tax advantage over main street merchandise stores such as Barnes and Noble, who also sell books via the Internet, but has a nexus in virtually every state. Barnes and Noble must comply with all of the states complicated sales tax regulations, which in itself is costly to administer.

Opponents to Internet taxation believe that forcing online retailers to collect sales taxes will stunt the development of the Net economy. However, other political leaders have become increasingly concerned over the fact that these companies cut into the profits of constituents' main street stores. In addition, it is believed that the tax-free environment of the online retailer is hurting state tax revenues which are becoming more scarce due to the lagging economy.

A recent study conducted by the Illinois Department of Revenue estimated that \$143 million in sales and use taxes due from online sales went unpaid in FY 2008. The department estimated that this number would grow to \$153 million and \$163 million in fiscal years 2009 and 2010. The report, titled "A New Method for Estimating Illinois's E-Commerce Losses," can be found at:

<http://www.revenue.state.il.us/AboutIdor/TaxResearch/InternetSalesTaxLosses.pdf>

Streamlined Sales Tax Project

The Streamlined Sales and Use Tax (SST) Agreement was a reaction by the States to attempts by Congress to prohibit states from collecting taxes on on-line sales in early 2000. Tax collections from on-line sales were seen as not required due to the complexity of doing so as outlined in a 1992 Supreme Court ruling (*Quill Corp. V. North Dakota*, 504 U.S. 298) related to mail order sales.

As described by the Streamlined Sales Tax Governing Board, the purpose of the Streamlined Sales and Use Tax Agreement (SST) is to provide a road map for states who want to simplify and modernize sales and use tax administration in the member states in order to substantially reduce the burden of tax compliance. The Agreement focuses on improving sales and use tax administration systems for all sellers and for all types of commerce through all of the following:

- A. State level administration of sales and use tax collections.
- B. Uniformity in the state and local tax bases.
- C. Uniformity of major tax base definitions.
- D. Central, electronic registration system for all member states.
- E. Simplification of state and local tax rates.
- F. Uniform sourcing rules for all taxable transactions.
- G. Simplified administration of exemptions.
- H. Simplified tax returns.
- I. Simplification of tax remittances.
- J. Protection of consumer privacy.

In short, the SST agreement is a voluntary sales and use tax collection system that allows sellers to collect the required taxes on their sales based on a destination based sourcing scheme. The agreement was to take affect in member states once ten states had passed laws to come into compliance with the agreement. The SST agreement went into affect in October of 2005.

The SST agreement essentially does three things that simplify the collection of sales and use tax from sellers.

- 1). The SST contains thorough tax base definitions that makes these definitions uniform from state to state.
- 2). The SST sets up three technology models using certified sales tax administration software with which sellers can pay required taxes to all the member states in the SST. The three technology models are:

Model 1

A certified Service Provider performs all the seller's sales and use tax functions. The Streamlined Sales Tax Governing Board lists four companies as Certified Service Providers. These providers include Avalara, Exactor, ADP Taxware, and SpeedTax.

Model 2

A Certified Automated System which uses third party sales tax software that is certified under the SST that allows sellers to remit sales and use tax on their own.

Model 3

The final model allows sellers to develop their own sales and use tax software which is certified by the SST.

3). The SST requires registered sellers to source sales of property, services and digital goods on a destination basis. This means that tax revenue would be remitted to the local and state tax districts where the property is delivered or where a service is performed, not where the seller is located.

According to the Streamlined Sales Tax Governing Board, there are nineteen full member states and three associate member states. A full member state is a state that is in compliance with the Streamlined Sales and Use Tax agreement through its laws, rules, regulations, and policies.

An associate member state is either (a) a state that is in compliance with the Streamlined Sales and Use Tax Agreement except that its laws, rules regulations and policies to bring the state into compliance are not in effect but are scheduled to take effect on or before July 1, 2009, or (b) a State that has achieved substantial compliance with the terms of the Streamlined Sales and Use Tax Agreement taken as a whole, but not necessarily each provision, and there is an expectation that the state will achieve compliance by July 1, 2009.

The National Conference of State Legislatures (NCSL) states that six other states have had legislation introduced to come into compliance with the Streamlined Sales and Use Tax Agreement in recent years. These states were Florida, Illinois, Hawaii, Massachusetts, Missouri, and Wisconsin. The recent inclusion of certain candies, grooming and hygiene products, and soft drinks into the category of fully taxed items under the sales tax as part of Public Act 096-0034 was one step by Illinois to more fully conform to the SST.

Table 11, on the following page, lists all the full and associate members of the SST.

**Table 11. STREAMLINED SALES TAX PROJECT
STATES**

Full Member States

Arkansas	North Carolina
Indiana	North Dakota
Iowa	Oklahoma
Kansas	Rhode Island
Kentucky	South Dakota
Michigan	Vermont
Minnesota	Washington
Nebraska	West Virginia
Nevada	Wyoming
New Jersey	

Associate Member States

Ohio
Tennessee
Utah

Source: Streamlined Sales Tax Governing Board

Flow Chart for Sales Taxes

The flow chart provided on the next page is an attempt to provide some organizational review of Illinois sales taxes and the distribution of funds. As the chart depicts, after an item is purchased, one must determine if it is subject to sales taxation. Many items are exempt for sales taxation in Illinois and Appendix 1 provides a list of such items and the dates in which the exemption was enacted. If it is determined that an item is subject to sales taxation, then one must ascertain if it was purchased in Illinois. If the item is purchased from a vendor with a nexus in Illinois, it is subject to an Occupation Tax. If it is purchased from a vendor that does not have a physical presence within Illinois, the consumer is responsible to pay a Use Tax.

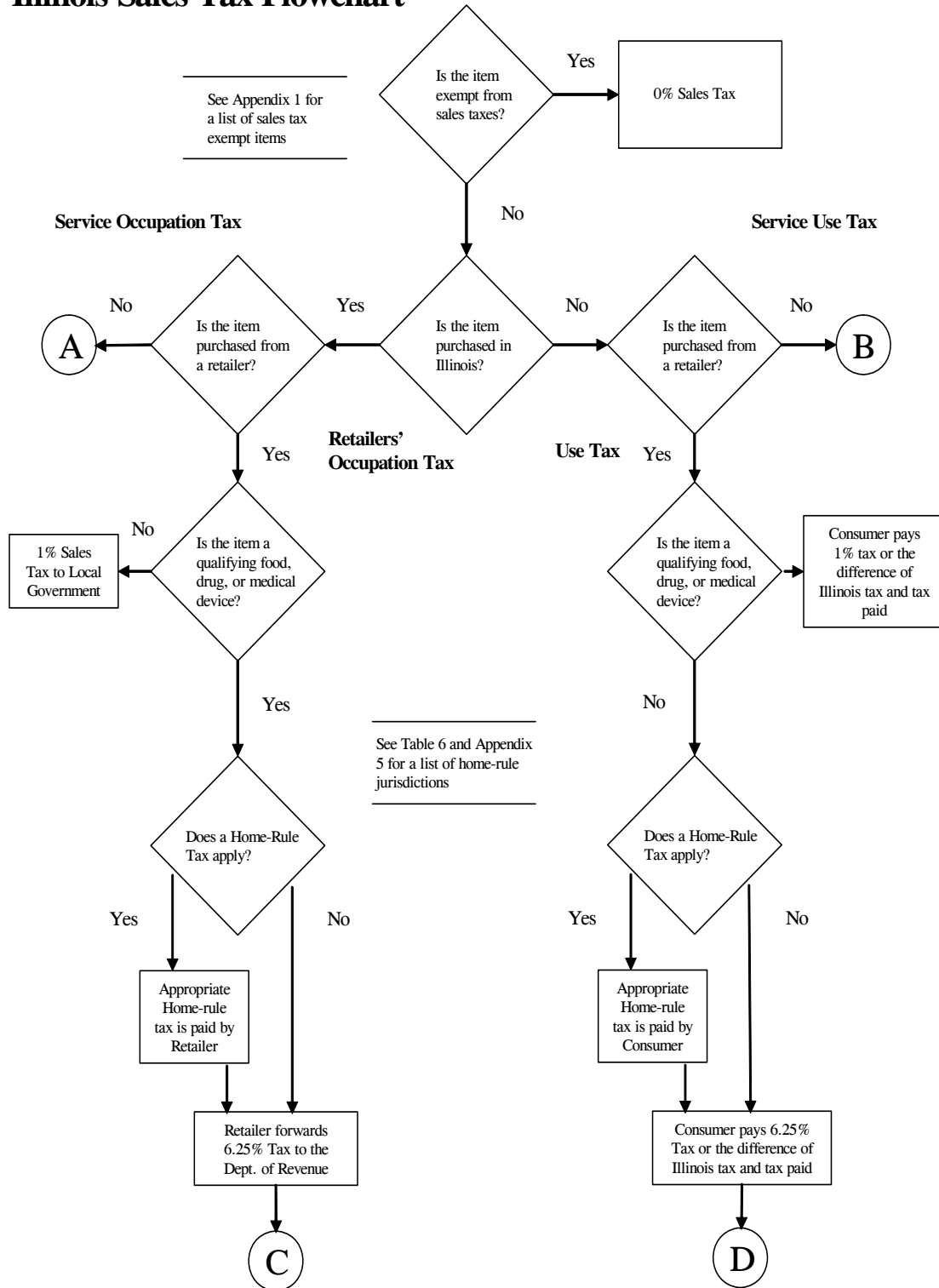
Additional considerations must be made in order to determine the final sales tax. One must decide whether the item is considered a qualified food, drug, or medical appliance. These items are taxed at 1%, which is forwarded to local governments. Also, many local government units have additional home-rule taxes. These units are provided in Table 6 and Appendix 5.

Finally, once the sales tax is paid by either the retailer (Occupation Tax) or purchaser (Use Tax), the funds must be distributed between the State and local governments. Funds received by the State are primarily deposited into the General Revenue Fund. However, some money is given to the Build Illinois Fund, the Illinois Tax Increment Fund, the Capital Projects Fund, and the Common Schools Special Account Fund.

All of the previous considerations, plus some additional issues are depicted in the following Illinois Sales Tax Flowcharts.

CHART 2

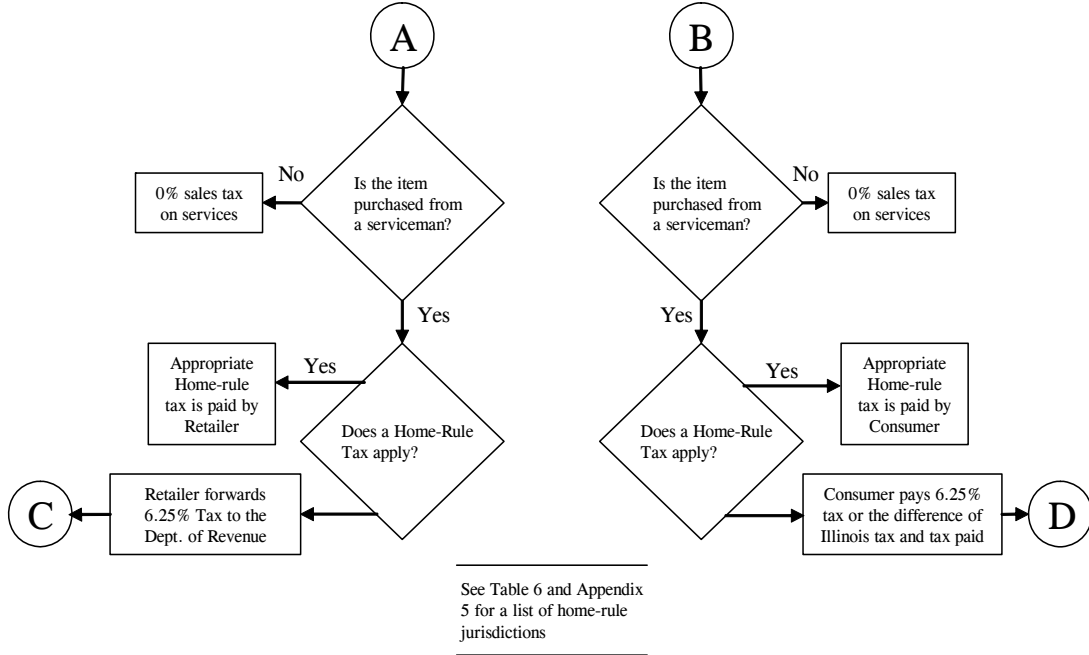
Illinois Sales Tax Flowchart



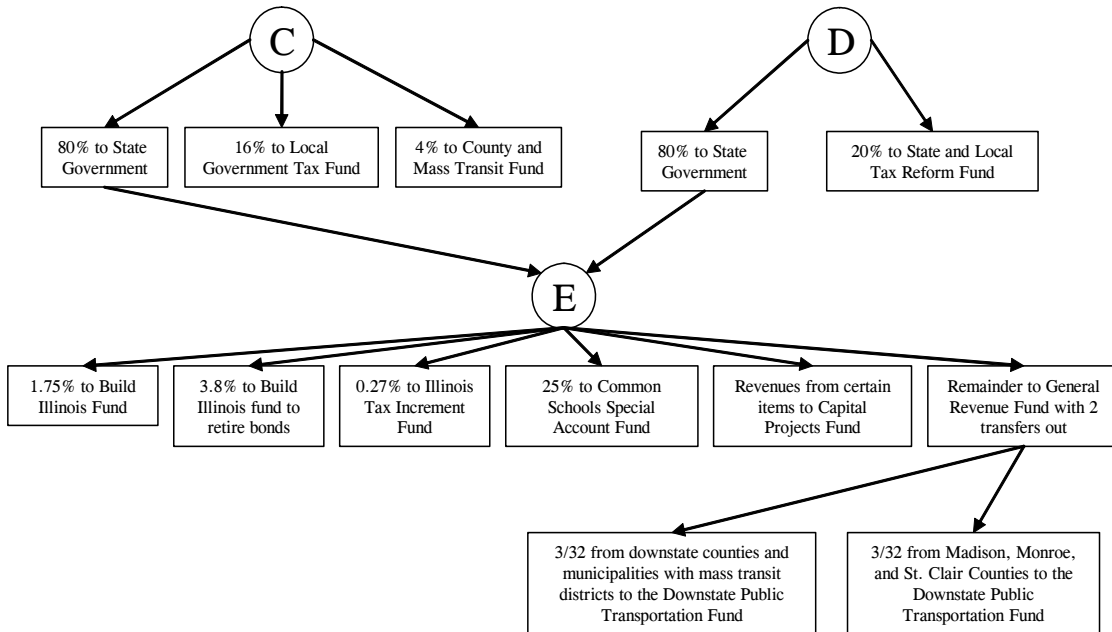
Flowchart continued on next page

CHART 2 (continued)

Illinois Sales Tax Flowchart
(continued)



Distribution



APPENDIX 1: ILLINOIS SALES TAX EXEMPTIONS	
Exemption	Year Enacted
Feed and Seed Exemption	1933
Occasional Sales	1933
Charitable, Religious, Governmental, and Educational Exemption	1953
Demonstration Use Prior to Resale	1955
Interim Use Prior to Sale Exemption	1955
Property Acquired by Non-Resident before Relocating in Illinois Exemption	1955
Traded-In Property Exemption	1955
Use by Nonresidents While Temporarily Passing Through Illinois Exemption	1955
Retailer's Discount	1960
Sales by Exempt Organizations	1961
Newsprint and Ink to Newspapers and Magazines Exemption	1965
Sales of Fuel to Vessels on Bordering Rivers	1968
Rolling Stock Exemption	1968
Pollution Control Facilities Exemption	1970
Sales Through Penny Bulk Vending Machines	1972
Sales of Motor Vehicles to Non-Residents Exemption	1974
Farm Chemicals Exemptions	1975
Nutrition Program for the Elderly Exemption	1975
Manufacturing and Assembling Machinery and Equipment Exemption	1979
Farm Machinery and Equipment Exemption	1980
Food, Drugs, and Medical Appliances Rate Reduction	1980
Gasohol Discount	1980
Low Sulfur Dioxide Emissions Coal Fueled Device Exemption	1980
Distillation Machinery and Equipment Exemption	1981
Graphic Arts Machinery and Equipment Exemption	1981
Building Materials within Enterprise Zone Exemption	1982
Teacher Sponsored Student Organization Exemption	1983
Sales to County Fair Association Exemption	1983
Replacement Vehicles Exemption	1984
Property Used in the Operation of Pollution Control Facilities	1985
Designated Personal Property within Enterprise Zone Exemption	1985
Legal Tender, Medallions, and Bullion Exemption	1985
Building Materials to High Economic Impact Business Exemption	1986
Coal Machinery and Equipment Exemption	1986
Oil Machinery and Equipment Exemption	1986
Photo Processing Machinery and Equipment Exemption	1988
Sales of Vehicles to Automobile Renters Exemption	1988
Sales to Not for Profit Music and Dramatic Arts Organization Exemption	1988
Senior Citizens Service Enterprises Exemption	1988
Specified Photoprocessing Charges Exemption	1988
Fuel and Petroleum Products for International Flight Exemption	1989
Machinery/Equipment for Operation of High Economic Impact Service Facility	1989
Nursing Homes Food Drugs and Medical Appliances Exemption	1991
Sales of Tangible Personal Property Used by Aircraft Maintenance Facilities	1991
Sales of Machinery and Equipment in Operation of Aircraft Maintenance Facilities	1991
Manufacturer's Purchase Credit	1995
Disaster Relief Donation and Infrastructure Repair Exemption	1996
Leased Property to Hospitals or Government Bodies	1996
Vending Machine Exemption	2000
Majority Blended Ethanol	2003
Biodiesel Discount and Exemption	2003
Building Materials within Enterprise Zone Exemption	2006
Aircraft Support Center Exemption	2007

SOURCE: Illinois Tax Expenditure Report, Illinois Comptroller's Office

Appendix 2. ILLINOIS SALES TAX EXEMPTION STATISTICS

(\$ Millions)

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Average % Growth (1996-2008)
Food, Drugs, and Medical Appliances Rate Reduction	\$ 808	\$ 864	\$ 905	\$ 918	\$ 1,050	\$ 1,100	\$ 1,160	\$ 1,169	\$ 1,223	\$ 1,300	\$ 1,371	\$ 1,461	\$ 1,408	4.8%
Sales to Exempt Organizations	\$ 488	\$ 512	\$ 536	\$ 558	\$ 670	\$ 667	\$ 874	\$ 893	\$ 930	\$ 967	\$ 1,012	\$ 1,020	\$ 515	2.5%
Traded-In Property Exemption	\$ 300	\$ 300	\$ 300	\$ 300	\$ 325	\$ 325	\$ 350	\$ 339	\$ 343	\$ 466	\$ 374	\$ 370	\$ 357	2.1%
Farm Chemicals (Includes Feed and Seed) Exemption	\$ 144	\$ 151	\$ 158	\$ 164	\$ 185	\$ 190	\$ 200	\$ 204	\$ 209	\$ 212	\$ 221	\$ 165	\$ 207	3.7%
Manufacturing and Assembling Machinery Exemption	\$ 112	\$ 117	\$ 122	\$ 127	\$ 144	\$ 147	\$ 155	\$ 158	\$ 162	\$ 165	\$ 175	\$ 261	\$ 200	6.0%
Gasahol Discount	\$ -	\$ -	\$ -	\$ 28	\$ 41	\$ 50	\$ 46	\$ 60	\$ 63	\$ 78	\$ 101	\$ 101	\$ 133	20.0%
Retailer's Discount	\$ 82	\$ 86	\$ 88	\$ 90	\$ 103	\$ 102	\$ 104	\$ 107	\$ 113	\$ 119	\$ 126	\$ 126	\$ 127	3.8%
Biodiesel Discount and Exemption	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	\$ 8	\$ 46	\$ 68	\$ 111	203.8%
Rolling Stock Exemption	\$ 56	\$ 50	\$ 85	\$ 70	\$ 128	\$ 70	\$ 92	\$ 104	\$ 42	\$ 50	\$ 68	\$ 108	\$ 52	10.5%
Sales of Motor Vehicles to Non-Residents Exemption	\$ 60	\$ 62	\$ -	\$ 51	\$ 75	\$ 46	\$ 76	\$ 72	\$ 70	\$ 69	\$ 36	\$ 34	\$ 47	5.3%
Newsprint and Ink to Newspapers and Magazines Exemption	N/A	N/A	N/A	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 41	\$ 42	\$ 42	\$ 38	\$ 39	-0.2%
Designated Tangible Personal Property within Enterprise Zone Exemption	N/A	N/A	N/A	\$ 27	\$ 28	\$ 30	\$ 30	\$ 32	\$ 27	\$ 25	\$ 24	\$ 37	\$ 37	4.9%
Farm Machinery and Equipment Exemption	N/A	N/A	N/A	\$ 39	\$ 44	\$ 45	\$ 45	\$ 46	\$ 47	\$ 48	\$ 50	\$ 32	\$ 36	0.3%
Manufacturer's Purchase Credit	N/A	N/A	N/A	N/A	\$ 18	\$ 21	\$ 20	\$ 28	\$ 22	\$ 25	\$ 29	\$ 29	\$ 28	7.4%
Graphic Arts Machinery and Equipment Exemption	N/A	N/A	N/A	N/A	\$ 7	\$ 7	\$ 4	N/A	\$ -	\$ -	\$ 4	\$ 4	\$ 23	124.7%
Sales of Vehicles to Automobile Rentors Exemption	N/A	N/A	N/A	\$ 13	\$ 28	\$ 13	\$ 25	\$ 24	\$ 29	\$ 43	\$ 52	\$ 51	\$ 16	18.3%
Commercial Distribution Fee (CDF) Exemption	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 34	\$ -	\$ -	\$ -	N/A
State Sales Tax Exemption on Motor Fuels	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
All Other	\$ 172	\$ 191	\$ 238	\$ 48	\$ 38	\$ 35	\$ 25	\$ 29	\$ 21	\$ 21	\$ 21	\$ 24	\$ 22	-9.0%
Total Sales and Use Tax Exemptions	\$ 2,221	\$ 2,332	\$ 2,431	\$ 2,473	\$ 2,924	\$ 3,053	\$ 3,245	\$ 3,305	\$ 3,379	\$ 3,672	\$ 3,753	\$ 3,928	\$ 3,357	3.8%

Source: Tax Expenditure Report, Illinois Comptroller's Office

Appendix 3. SALES TAX RATE BY STATE

State	State Rate	Rank	Range of Local Rates
Alabama	4.00%	38	0% - 8%
Alaska	0.00%	47	0% - 7.5%
Arizona	5.60%	27	0 - 5.5%
Arkansas	6.00%	13	0% - 5.50%
California	7.25%	1	1.00% - 3%
Colorado	2.90%	46	0% - 7%
Connecticut	6.00%	13	0%
Delaware	0.00%	47	0%
District of Columbia	6.00%	13	0%
Florida	6.00%	13	0% - 1.50%
Georgia	4.00%	38	1% - 4%
Hawaii	4.00%	38	0% - 0.5%
Idaho	6.00%	13	0% - 3%
ILLINOIS	6.25%	10	0% - 4.25%
Indiana	7.00%	2	0%
Iowa	6.00%	13	0% - 2%
Kansas	5.30%	30	0% - 4%
Kentucky	6.00%	13	0%
Louisiana	4.00%	38	0% - 6.75%
Maine	5.00%	31	0%
Maryland	6.00%	13	0%
Massachusetts	6.25%	10	0%
Michigan	6.00%	13	0%
Minnesota	6.875%	7	0% - 1%
Mississippi	7.00%	2	0% - .25%
Missouri	4.23%	37	.5% - 6.625%
Montana	0.00%	47	0%
Nebraska	5.50%	28	0% - 2%
Nevada	6.85%	8	0% - 1.25%
New Hampshire	0.00%	47	0%
New Jersey	7.00%	2	0%
New Mexico	5.00%	31	.125% - 5.625%
New York	4.00%	38	0% - 5%
North Carolina	5.75%	26	2% - 3%
North Dakota	5.00%	31	0% - 2.50%
Ohio	5.50%	28	0 - 2.25%
Oklahoma	4.50%	36	0% - 6.35%
Oregon	0.00%	47	0%
Pennsylvania	6.00%	13	0% - 2%
Rhode Island	7.00%	2	0%
South Carolina	6.00%	13	0% - 3%
South Dakota	4.00%	38	0% - 2%
Tennessee	7.00%	2	1.5% - 2.75%
Texas	6.25%	10	0% - 2%
Utah	4.70%	35	1% - 5.25%
Vermont	6.00%	13	0% - 1%
Virginia	4.00%	38	1%
Washington	6.50%	9	.5% - 3%
West Virginia	6.00%	13	0%
Wisconsin	5.00%	31	0% - 1.5%
Wyoming	4.00%	38	0% - 4%

Source: Sales Tax Institute, as of 4/1/2010

Appendix 4. STATE SALES TAX REVENUE

(2007)

Rank	State	General Sales Tax	Rank	State	Per Capita
N/A	United States	\$236,333	N/A	United States	\$784
1	California	\$32,669	1	Hawaii	\$1,993
2	Florida	\$21,749	2	Washington	\$1,679
3	Texas	\$20,435	3	Wyoming	\$1,336
4	New York	\$10,880	4	Nevada	\$1,252
5	Washington	\$10,861	5	Florida	\$1,192
6	Pennsylvania	\$8,662	6	Tennessee	\$1,099
7	New Jersey	\$8,346	7	Mississippi	\$1,081
8	Michigan	\$7,983	8	Arkansas	\$1,025
9	ILLINOIS	\$7,817	9	New Jersey	\$961
10	Ohio	\$7,781	10	New Mexico	\$936
11	Tennessee	\$6,764	11	Arizona	\$897
12	Georgia	\$6,382	12	California	\$894
13	Arizona	\$5,684	13	South Dakota	\$893
14	Indiana	\$5,424	14	Connecticut	\$865
15	North Carolina	\$5,202	15	Minnesota	\$860
16	Minnesota	\$4,471	16	Texas	\$855
17	Wisconsin	\$4,159	17	Indiana	\$855
18	Massachusetts	\$4,076	18	Idaho	\$852
19	Virginia	\$3,539	19	Nebraska	\$836
20	Louisiana	\$3,481	20	Rhode Island	\$828
21	Maryland	\$3,448	21	Louisiana	\$811
22	Missouri	\$3,273	22	Kansas	\$808
23	South Carolina	\$3,234	23	Maine	\$801
24	Nevada	\$3,213	24	Michigan	\$793
25	Mississippi	\$3,156	25	North Dakota	\$757
26	Connecticut	\$3,030	26	Wisconsin	\$742
27	Arkansas	\$2,904	27	Utah	\$739
28	Kentucky	\$2,818	28	South Carolina	\$734
29	Hawaii	\$2,558	29	Pennsylvania	\$697
30	Alabama	\$2,278	30	Ohio	\$679
31	Kansas	\$2,242	31	Georgia	\$669
32	Colorado	\$2,219	32	Kentucky	\$664
33	Oklahoma	\$1,964	33	Massachusetts	\$632
34	Utah	\$1,954	34	West Virginia	\$623
35	New Mexico	\$1,844	35	Maryland	\$614
36	Iowa	\$1,787	36	ILLINOIS	\$608
37	Nebraska	\$1,484	37	Iowa	\$598
38	Idaho	\$1,278	38	North Carolina	\$574
39	West Virginia	\$1,130	39	New York	\$564
40	Maine	\$1,055	40	Missouri	\$557
41	Rhode Island	\$876	41	Oklahoma	\$543
42	South Dakota	\$711	42	Vermont	\$538
43	Wyoming	\$698	43	Alabama	\$492
44	North Dakota	\$484	44	Virginia	\$459
45	Vermont	\$334	45	Colorado	\$456
46	Alaska	\$0	46	Alaska	\$0
46	Delaware	\$0	46	Delaware	\$0
46	Montana	\$0	46	Montana	\$0
46	New Hampshire	\$0	46	New Hampshire	\$0
46	Oregon	\$0	46	Oregon	\$0

Source: The 2010 Statistical Abstract, U.S. Census Bureau

Appendix 5. ILLINOIS HOME RULE UNITS

(April 2010)

Home Rule Unit	Combined Sales Tax Rate	Home Rule Unit	Combined Sales Tax Rate
Addison	8.00%	Buffalo Grove (Lake)	8.00%
Alsip	9.75%	Burbank	9.75%
Alton (Alton Square Business District)	8.85%	Burnham	10.00%
Alton (Outside Above District)	7.85%	Cahokia	8.10%
Arlington Heights	10.00%	Calumet City	10.00%
Aurora (DuPage)	8.25%	Calumet Park	10.00%
Aurora (Kane)	8.25%	Carbon Cliff	6.75%
Aurora (Kendall)	8.50%	Carbondale (Jackson)	7.75%
Aurora (Will)	8.25%	Carbondale (Williamson)	8.75%
Bannockburn	7.50%	Carlock	6.75%
Barrington Hills (Cook)	9.00%	Carol Stream	7.75%
Bartlett (Cook)	9.00%	Carpentersville	8.50%
Bartlett (DuPage)	7.00%	Cartersville	8.25%
Bartonville	6.75%	Champaign	8.75%
Batavia (DuPage)	7.50%	Channahon (Grundy)	7.25%
Batavia (Kane)	7.50%	Channahon (Will)	8.00%
Bedford Park	9.75%	Chicago (Cook)	10.25%
Belleville (Business Districts)	8.85%	Chicago (DuPage)	8.25%
Belleville (Outside above Districts)	7.85%	Chicago Heights	10.00%
Bellwood (Business Districts)	11.50%	Chicago Ridge	9.75%
Bellwood (Outside above Districts)	10.50%	Christopher	7.25%
Benton	7.50%	Cicero	10.50%
Berkeley (Outside Business Districts)	10.00%	Collinsville (Madison - Crossing South Business District)	8.60%
Berwyn	10.00%	Collinsville (Madison - Other Business Districts)	9.10%
Bloomington (Business Districts)	8.75%	Collinsville (Madison - Outside Above Districts)	8.10%
Bloomington (Outside Above Districts)	7.75%	Collinsville (St. Clair)	8.60%
Bloomington	7.75%	Cook County	9.00%
Bolingbrook (DuPage)	8.50%	Country Club Hills	10.25%
Bolingbrook (Will)	8.50%	Countryside	9.75%
Bridgeview	10.00%	Crainville	8.25%
Bryant	6.75%	Crystal Lake	7.75%
Buffalo Grove (Cook)	10.00%	Danville	7.75%

Appendix 5. ILLINOIS HOME RULE UNITS

(April 2010)

Home Rule Unit	Combined Sales Tax Rate	Home Rule Unit	Combined Sales Tax Rate
Darien	8.00%	Fairview Heights (Outside Above District)	7.85%
Decatur	8.00%	Flora	7.25%
Deerfield (Cook)	10.00%	Forest View	10.00%
Deerfield (Lake)	8.00%	Freeport	8.00%
DeKalb	8.00%	Galesburg	7.50%
DePue	6.75%	Glen Ellyn	8.25%
Des Plaines	10.00%	Glendale Heights	8.25%
Dolton	9.50%	Glenview	9.75%
Downers Grove	8.00%	Glenwood	9.00%
DuQuoin	8.25%	Golf	9.00%
East Dundee (Cook)	10.50%	Granite City (Business District)	9.10%
East Dundee (Kane - Business Districts)	9.00%	Granite City (Outside Above District)	8.35%
East Dundee (Kane - Outside Above Districts)	8.50%	Gurnee	7.50%
East Hazel Crest	9.50%	Hanover Park (Cook)	9.50%
East St. Louis	8.85%	Hanover Park (DuPage)	7.50%
Edwardsville (Chouteau Township - Business District)	7.85%	Harvey	10.00%
Edwardsville (Chouteau Township - Outside Above District)	6.85%	Harwood Heights	10.25%
Edwardsville (Edwardsville Township - Business District)	7.85%	Hazel Crest	10.00%
Edwardsville (Edwardsville Township - Outside Above District)	6.85%	Herrin	8.50%
Edwardsville (Pin Oak Township - Business District)	7.60%	Highland Park (Lake)	8.00%
Edwardsville (Pin Oak Township - Outside Above District)	6.60%	Highwood	8.50%
Elgin (Cook)	9.75%	Hillside	10.00%
Elgin (Kane)	7.75%	Hodgkins	9.00%
Elk Grove Village (Cook)	10.00%	Hoffman Estates (Cook)	10.00%
Elk Grove Village (DuPage)	8.00%	Hoffman Estate (Kane)	8.00%
Elmhurst (Cook)	10.00%	Homer Glen	8.00%
Elmhurst (DuPage)	8.00%	Hopkins Park	6.25%
Elmwood Park	10.00%	Inverness	9.00%
Elwood	8.00%	Jacksonville	7.00%
Evanston	10.00%	Joliet (Kendall)	8.50%
Evergreen Park	9.75%	Joliet (Will)	8.25%
Fairview Heights (Business District)	8.35%	Kankakee	6.25%

Appendix 5. ILLINOIS HOME RULE UNITS

(April 2010)

Home Rule Unit	Combined Sales Tax Rate	Home Rule Unit	Combined Sales Tax Rate
Lake Barrington	7.00%	Norridge	10.25%
Lake Bluff	8.00%	North Chicago	7.00%
Lake Forest	7.50%	North Utica	6.50%
Lake in th Hills	7.50%	Northbrook (Cook)	9.75%
Lansing	9.50%	Northbrook (Lake)	7.75%
LaSalle	7.00%	Northlake (Cook)	10.00%
Lincolnshire	7.00%	Northlake (DuPage)	8.00%
Lincolnwood	10.00%	Oak Forest	9.00%
Manhattan	8.00%	Oak Lawn	9.50%
Marion	8.50%	Oak Park	10.00%
Mascoutah	7.60%	Oakbrook Terrace (Business District)	9.25%
Maywood	9.00%	Oakbrook Terrace (Outside Above District)	8.25%
McCook	10.00%	O'Fallon	7.85%
McHenry	7.00%	Old Mill Creek	7.00%
Mettawa	7.00%	Onarga	6.25%
Midlothian	9.00%	Orland Park	9.75%
Moline	7.50%	Oswego	7.25%
Monee	8.00%	Palatine	10.00%
Monmouth	7.25%	Park City	8.00%
Morton Grove	10.00%	Park Forest (Cook)	9.00%
Mound City	6.25%	Park Forest (Will)	7.00%
Mount Prospect	10.00%	Park Ridge	10.00%
Mount Vernon	7.50%	Pekin (Peoria)	8.00%
Muddy	7.00%	Pekin (Tazewell)	8.00%
Mundelein	8.00%	Peoria (Business District)	9.25%
Murphysboro	7.25%	Peoria (Outside Above District)	8.25%
Naperville	7.25%	Peoria Heights (Peoria)	7.75%
Naples	6.25%	Peoria Heights (Tazewell)	7.75%
Nauvoo	7.00%	Peru	7.00%
New Lenox	8.00%	Phoenix	9.00%
Niles	10.00%	Plainfield (Kendall)	8.25%
Normal	7.50%	Plainfield (Will)	8.00%

Appendix 5. ILLINOIS HOME RULE UNITS

(April 2010)

Home Rule Unit	Combined Sales Tax Rate	Home Rule Unit	Combined Sales Tax Rate
Posen	9.50%	Tilton	7.50%
Prairie Grove	7.00%	Tinley Park (Cook)	9.00%
Quincy	7.75%	Tinley Park (Will)	7.00%
Rantoul	8.50%	Tuscola	6.75%
Riverdale	9.00%	University Park (Cook)	10.00%
Riverwoods	7.50%	University Park (Will)	8.00%
Robbins	9.00%	Urbana	8.75%
Rock Island	7.00%	Valmeyer	6.50%
Rockdale	7.00%	Volo	8.00%
Rolling Meadows	10.00%	Warrenville	8.50%
Romeoville	8.50%	Washington	8.00%
Rosemont	10.25%	Watseka	7.00%
Round Lake Beach	7.50%	Waukegan	8.00%
Sauget	7.60%	West Chicago	7.75%
Schaumburg (Cook)	10.00%	West City	7.25%
Schaumburg (DuPage)	8.00%	West Dundee	8.50%
Schiller Park	9.75%	West Frankfort	7.25%
Sesser	7.25%	Westmont	7.75%
Sherman	6.75%	Wheaton	8.25%
Skokie	10.00%	Wheeling (Cook)	10.00%
South Barrington	10.00%	Wheeling (Lake)	8.00%
South Holland	9.50%	Williamsville	6.25%
Springfield	8.00%	Wilmette	9.25%
Standard	6.25%	Winnetka	9.00%
Stickney	10.00%	Woodridge (Cook)	9.75%
St. Charles (DuPage)	8.00%	Woodridge (DuPage)	7.75%
St. Charles (Kane)	8.00%	Woodridge (Will)	7.75%
Stone Park	10.25%		
Streamwood	10.00%		
Sycamore	7.50%		
Thornton	9.00%		

Source: Illinois Secretary of State

Appendix 6. 2009 STATE SALES TAX RECEIPTS BY COUNTY

County	State Sales Tax	% of Total	Rank
Adams	\$ 37,434,217	0.63%	23
Alexander	\$ 1,068,109	0.02%	96
Bond	\$ 4,346,807	0.07%	78
Boone	\$ 15,550,608	0.26%	36
Brown	\$ 1,463,014	0.02%	94
Bureau	\$ 10,936,079	0.18%	50
Calhoun	\$ 1,063,358	0.02%	98
Carroll	\$ 6,065,363	0.10%	63
Cass	\$ 4,423,356	0.07%	77
Champaign	\$ 94,795,624	1.60%	13
Christian	\$ 13,842,351	0.23%	39
Clark	\$ 5,378,659	0.09%	70
Clay	\$ 4,745,920	0.08%	75
Clinton	\$ 15,127,380	0.25%	37
Coles	\$ 26,182,110	0.44%	27
Cook	\$ 2,131,006,758	35.87%	1
Crawford	\$ 6,647,083	0.11%	58
Cumberland	\$ 1,852,529	0.03%	91
DeKalb	\$ 78,633,133	1.32%	15
DeWitt	\$ 7,381,889	0.12%	57
Douglas	\$ 8,772,141	0.15%	54
DuPage	\$ 646,406,595	10.88%	2
Edgar	\$ 6,003,635	0.10%	64
Edwards	\$ 2,297,677	0.04%	89
Effingham	\$ 28,994,762	0.49%	26
Fayette	\$ 8,412,503	0.14%	56
Ford	\$ 5,116,839	0.09%	71
Franklin	\$ 13,636,139	0.23%	41
Fulton	\$ 10,789,601	0.18%	52
Gallatin	\$ 991,506	0.02%	100
Greene	\$ 2,936,294	0.05%	86
Grundy	\$ 61,628,248	1.04%	18
Hamilton	\$ 1,788,531	0.03%	92
Hancock	\$ 4,327,786	0.07%	79
Hardin	\$ 657,842	0.01%	101
Henderson	\$ 1,345,113	0.02%	95
Henry	\$ 19,340,918	0.33%	32
Iroquois	\$ 13,362,662	0.22%	44
Jackson	\$ 32,581,143	0.55%	24
Jasper	\$ 3,023,137	0.05%	85
Jefferson	\$ 23,185,573	0.39%	29
Jersey	\$ 8,592,885	0.14%	55
JoDaviess	\$ 10,880,554	0.18%	51
Johnson	\$ 2,492,298	0.04%	87
Kane	\$ 212,539,371	3.58%	5
Kankakee	\$ 126,910,084	2.14%	7
Kendall	\$ 44,021,590	0.74%	21
Knox	\$ 22,871,935	0.38%	30
Lake	\$ 400,057,346	6.73%	3
LaSalle	\$ 58,561,283	0.99%	19
Lawrence	\$ 4,324,315	0.07%	80

Source: Illinois Department of Revenue

Appendix 6. 2009 STATE SALES TAX RECEIPTS BY COUNTY

County	State Sales Tax	% of Total	Rank
Lee	\$ 12,759,716	0.21%	46
Livingston	\$ 16,743,607	0.28%	34
Logan	\$ 10,137,920	0.17%	53
Macon	\$ 56,555,054	0.95%	20
Macoupin	\$ 13,141,340	0.22%	45
Madison	\$ 119,142,631	2.01%	10
Marion	\$ 13,392,946	0.23%	43
Marshall	\$ 3,087,733	0.05%	84
Mason	\$ 5,416,764	0.09%	69
Massac	\$ 3,442,970	0.06%	83
McDonough	\$ 12,466,134	0.21%	47
McHenry	\$ 126,371,789	2.13%	8
McLean	\$ 91,115,002	1.53%	14
Menard	\$ 2,393,553	0.04%	88
Mercer	\$ 3,646,433	0.06%	82
Monroe	\$ 13,588,771	0.23%	42
Montgomery	\$ 13,790,251	0.23%	40
Morgan	\$ 15,588,394	0.26%	35
Moultrie	\$ 4,603,796	0.08%	76
Ogle	\$ 14,357,673	0.24%	38
Peoria	\$ 100,847,021	1.70%	12
Perry	\$ 5,905,119	0.10%	66
Piatt	\$ 4,751,028	0.08%	74
Pike	\$ 4,888,994	0.08%	73
Pope	\$ 507,977	0.01%	102
Pulaski	\$ 1,067,126	0.02%	97
Putnam	\$ 6,593,763	0.11%	59
Randolph	\$ 21,044,700	0.35%	31
Richland	\$ 6,296,968	0.11%	60
Rock Island	\$ 68,946,327	1.16%	17
Saline	\$ 11,166,556	0.19%	49
Sangamon	\$ 117,115,734	1.97%	11
Schuyler	\$ 1,770,451	0.03%	93
Scott	\$ 1,024,248	0.02%	99
Shelby	\$ 5,103,631	0.09%	72
St. Clair	\$ 124,949,800	2.10%	9
Stark	\$ 1,863,728	0.03%	90
Stephenson	\$ 18,580,888	0.31%	33
Tazewell	\$ 69,821,406	1.18%	16
Union	\$ 5,552,100	0.09%	67
Vermilion	\$ 29,246,165	0.49%	25
Wabash	\$ 3,965,716	0.07%	81
Warren	\$ 5,532,220	0.09%	68
Washington	\$ 6,105,687	0.10%	61
Wayne	\$ 6,092,582	0.10%	62
White	\$ 5,995,253	0.10%	65
Whiteside	\$ 23,853,694	0.40%	28
Will	\$ 281,994,362	4.75%	4
Williamson	\$ 40,915,959	0.69%	22
Winnebago	\$ 141,986,261	2.39%	6
Woodford	\$ 11,266,899	0.19%	48

Source: Illinois Department of Revenue

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans;
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- 7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Bonded Indebtedness Report" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320 (217) 782-3513 (FAX)

http://www.ilga.gov/commission/cgfa/cgfa_home.html