2016 Illinois' National Rankings

A State-by-State Comparison of Tax Rates, Tax Revenues, Government Spending, Illinois Employment Trends and Business Climate

Commission on Government Forecasting and Accountability, Illinois General Assembly

Commission on Government Forecasting and Accountability

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TABLE OF CONTENTS

ILLINOIS' NATIONAL RANKINGS - 2016 UPDATE
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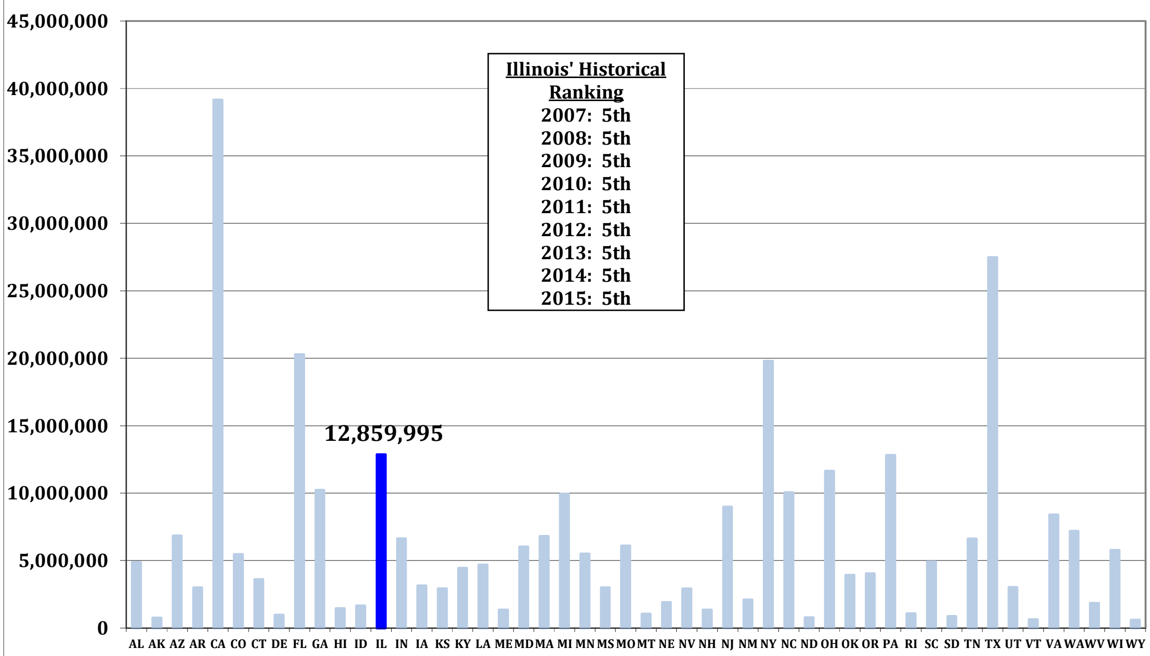
Introduction

The Commission is often asked by lawmakers how the State of Illinois compares nationally in revenue and spending categories. In response, the Commission has created the following report, *Illinois' National Rankings*. This 2016 edition is the latest in a series of updates to the initial rankings report completed by the Commission in 2001.

This report addresses specific State revenue related topics, including current overall tax levels in Illinois, how these levels have changed in recent years, and how these levels compare to other Midwestern industrial states. The report provides a quick guide as to how Illinois stacks up against the other 49 states in the various areas of state government financing. The information comes from a variety of sources including the U.S. Census Bureau and the Bureau of Labor Statistics. Initial reports were based upon the publication series *State Rankings: A Statistical View of the 50 United States*.

Due to its large population size, Illinois ranks high in most areas on a total dollar basis. As shown below in Chart 1, according to the U.S. Census Bureau, Illinois ranks 5th in the nation in total population with 12.9 million people. As a result, Illinois is among the top ten states in nearly every category dealing with total dollars receipted or spent. Because of this, in order to get a better picture of how Illinois compares to other states, the provided information is in two formats: in total dollars and on a per-capita basis. The per-capita format is useful for comparing a highly populated state, like Illinois, with states with much lower populations, such as neighboring Iowa (ranked 30th with approximately 3.1 million people), to account for the population discrepancy.

CHART 1: Population in 2015
(National Total = 321.4 million)



Source: www.census.gov

Whether it is better for a state to be ranked high or low in the rankings is open to interpretation. When observing revenue-related rankings on a per-capita basis, some believe that if a state is able to financially survive on tax rates that create relatively low per-capita figures, the better the financial situation for the people of that state. Others, however, would view low per-capita figures as missed opportunities for revenue growth, and subsequent program spending.

A similar argument holds true for the rankings dealing with government spending. Those benefiting from spending in a particular area would likely view the rankings as the higher the better. On the other hand, those who do not benefit from a specific area of spending would likely view a high ranking negatively, as spending for one source prevents monies from being reallocated to other areas.

In this year's report, there are 23 different categories that compare Illinois with the rest of the nation in various financial areas. The first section looks at the amount of government revenue collected from the various major revenue sources in the State. The second portion looks at where these revenues are spent at the State and local government level.

For each category, a table is provided which displays each state's amount, their amount per-capita, and their specific ranking in each category. On these tables, Illinois' totals are highlighted, along with the states bordering Illinois: Iowa, Wisconsin, Indiana, Kentucky, and Missouri. Ohio and Michigan are also highlighted due to their proximity to Illinois and because of their similarities to Illinois in population and in demographics. For the purpose of this report, this group of states will be considered the *Midwest Region*.

Following each table are charts displaying the figures graphically. Listed on the top of each chart ranked in total dollars is the national total amount of revenue for that particular source. For the charts shown on a per-capita basis, the overall national per-capita figure is included. Each chart also includes a history of how Illinois has ranked in a particular area over the past several years. Most of the revenue data are from 2015, unless stated otherwise. Most of the spending data are from 2013. These years are the most recent years of compiled data available from the U.S. Census Bureau at the time of this report *(The 2014 spending datasets will not be available until December 2016).*

Included in each category of charts is a short synopsis of Illinois' rankings. In most categories, Illinois ranks near the middle of the pack with revenue on a per-capita basis. However, there are a few charts that show Illinois at the high end of the rankings, while some show Illinois near the low end of the national rankings. Examples of this contrast are highlighted throughout the report.

Complicating this year's report is the fact that the revenue comparisons from 2015 will reflect Illinois' FY 2015 income tax revenue figures. In January 2015, Illinois' income tax rates were statutorily lowered from 5% to 3.75% (personal income tax) and from 7.0% to 5.25% (corporate income tax). Due to the timing in which tax receipts are collected, the majority of income tax receipts in FY 2015 reflect the higher tax rates. As a result, tables including income tax revenues will have higher values (and rankings) than what will be shown when comparable data from 2016 and 2017 becomes available.

Tables and charts impacted by these higher tax rates and revenues are noted in the analysis accompanying those categories and this fact should be taken into account when observing and comparing Illinois' rankings. But it also should be noted that due to the budgetary pressures that currently exist in Illinois, many believe that Illinois lawmakers may choose to raise income tax rates in the near future. If this were to occur, the rankings shown in these tables and charts may, very well, offer a good representation of what Illinois' rankings will be in the future, depending, of course, on the income tax rates ultimately chosen by lawmakers.

Comparing Illinois' tax revenue performance with other states can be difficult because of the various taxing structures that each state may impose. Therefore, throughout the report are state-specific tables displaying pertinent information relative to certain taxing categories. This includes several tables identifying the tax rates of states throughout the nation and how these tax rates compare to Illinois.

Following the revenue and spending comparisons is a summary of national studies that attempt to quantify each state's "business climate". These studies are intended to provide a "big picture" look at how a state like Illinois compares with the rest of the nation when considering numerous business-related variables such as tax structures, government and fiscal policies, infrastructure, and various other factors in the business industry. As a whole, the most recent results of these studies tend to rank Illinois in the middle to lower half of these rankings, with an average ranking of 38th. Several tables and graphs are provided to illustrate these results. While the legitimacy of these studies are often scrutinized, their mere existence is noteworthy because of the negative connotation these studies often give Illinois.

Repeated in this year's version of *Illinois' National Rankings* is a comprehensive section providing state-specific statistics and rankings on employment data. Despite recent improvement, Illinois' unemployment rate continues to trail other states in this category. The Commission often receives inquiries on how Illinois' employment situation – job gains and job losses by sector - compares to other states across the nation. In response, the Commission, with the assistance of information from the Bureau of Labor Statistics, has again created an extensive selection of employment data tables and rankings which assist in answering questions regarding Illinois' employment situation. This includes a historical look at Illinois jobs by sector to see which area of employment has been hurt the most over the last twenty years and how Illinois' change in employment compares nationally.

Category 1: State Government Tax Revenue

In the category of state government tax revenue, Illinois had the 4th highest amount of revenues collected in 2015 and was the highest ranked state in the Midwest Region in total dollars with a total of $39.3 billion. This category is primarily composed of each state's total general funds. The Census Bureau notes, however, that it can also include "special revenue funds, sinking funds, public trust funds, bond funds, and all other special funds." *For specific definitions of what is included for each category in this report, please see: www.census.gov/govs/statetax/definitions.html.*

California had the highest dollar amount overall with revenues totaling $151.2 billion. On a per-capita basis, Illinois ranked 15th in the nation with an amount of $3,055 per capita. Illinois' value was notably higher than the national per-capita rate of $2,851. North Dakota had the highest per-capita ranking with an amount of $7,583 per capita.

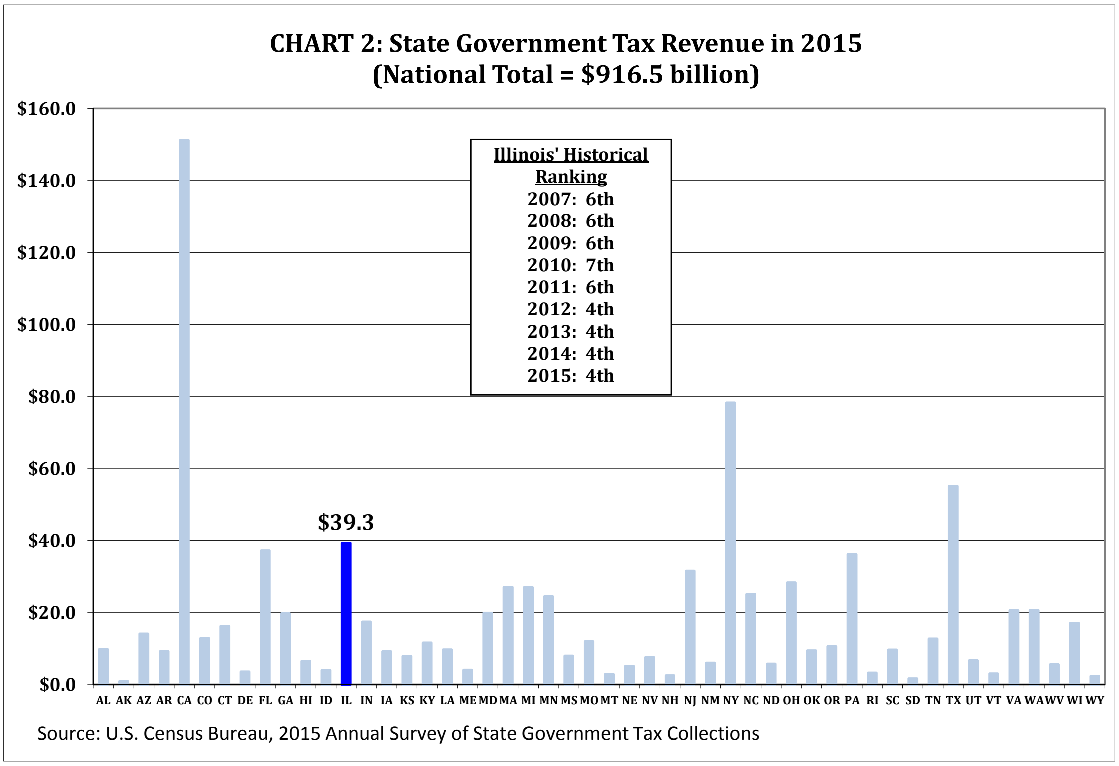
Table 1: State Government Tax Revenue in 2015
$ in billions

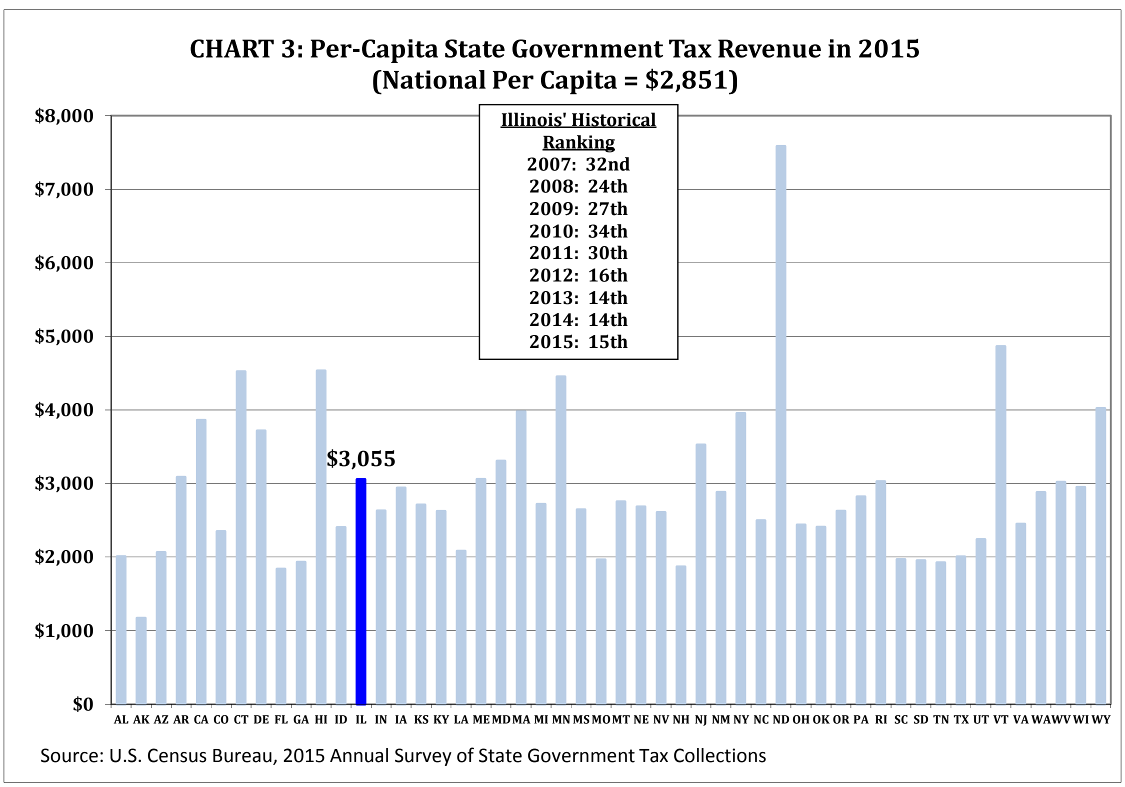
	State Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$916.5	-	$2,851	-	United States	$916.5	-	$2,851	-
Alabama	$9.8	26	$2,008	41	Montana	$2.8	46	$2,753	23
Alaska	$0.9	50	$1,170	50	Nebraska	$5.1	40	$2,683	26
Arizona	$14.1	20	$2,062	40	Nevada	$7.5	34	$2,606	31
Arkansas	$9.2	30	$3,086	13	New Hampshire	$2.5	47	$1,870	48
California	$151.2	1	$3,862	9	New Jersey	$31.6	7	$3,524	11
Colorado	$12.8	21	$2,348	37	New Mexico	$6.0	37	$2,882	20
Connecticut	$16.2	19	$4,520	4	New York	$78.2	2	$3,952	8
Delaware	$3.5	43	$3,715	10	North Carolina	$25.1	11	$2,495	32
Florida	$37.2	5	$1,836	49	North Dakota	$5.7	38	$7,583	1
Georgia	$19.7	16	$1,931	46	Ohio	$28.3	8	$2,437	34
Hawaii	$6.5	36	$4,530	3	Oklahoma	$9.4	29	$2,405	35
Idaho	$4.0	42	$2,402	36	Oregon	$10.6	25	$2,625	29
Illinois	$39.3	4	$3,055	15	Pennsylvania	$36.1	6	$2,821	22
Indiana	$17.4	17	$2,628	28	Rhode Island	$3.2	44	$3,026	16
Iowa	$9.2	31	$2,942	19	South Carolina	$9.6	28	$1,967	43
Kansas	$7.9	33	$2,708	25	South Dakota	$1.7	49	$1,950	45
Kentucky	$11.6	24	$2,621	30	Tennessee	$12.7	22	$1,924	47
Louisiana	$9.7	27	$2,081	39	Texas	$55.1	3	$2,005	42
Maine	$4.1	41	$3,057	14	Utah	$6.7	35	$2,237	38
Maryland	$19.8	15	$3,305	12	Vermont	$3.0	45	$4,861	2
Massachusetts	$27.0	9	$3,976	7	Virginia	$20.5	14	$2,450	33
Michigan	$27.0	10	$2,717	24	Washington	$20.6	13	$2,879	21
Minnesota	$24.4	12	$4,452	5	West Virginia	$5.6	39	$3,018	17
Mississippi	$7.9	32	$2,642	27	Wisconsin	$17.0	18	$2,949	18
Missouri	$12.0	23	$1,965	44	Wyoming	$2.4	48	$4,020	6

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections   *Light Blue Areas= Midwest Region*

As expected, Illinois' rankings in these areas have risen significantly over the past several years. This is primarily because the revenue impact from the 2011 income tax increases are accounted for in these numbers. Between 2010 and 2015, Illinois' revenue total in this category rose from $25.5 billion to $39.3 billion, which has increased Illinois' ranking from 7th to 4th. *(Note: While Illinois' income tax rates were statutorily reduced on January 1, 2015, the full impact of this reduction will not be reflected in this data source until 2016 and 2017).*

The State's per-capita value has risen from $1,988 to $3,055, which has caused the per-capita ranking to rise from 34th to 14th. In 2010, with a per-capita ranking of 34th, Illinois' ranking was behind several other Midwestern states. However, the 2015 per-capita value places Illinois as the highest ranking state in the Midwest.





Category 2: State Government Individual Income Tax Revenue

Illinois ranked 3rd in the nation in the amount collected from state government individual income taxes in 2015 with a total amount of $15.9 billion. On a per-capita basis, Illinois ranked 11th, which is up sharply from its 2010 ranking of 31st, but down slightly from its 2014 ranking of 10th. Illinois' per-capita rate of $1,237 was above the national average of $1,052, but remains well below the 1st ranked state in this category, Connecticut, at $2,279 per capita.

TABLE 2: State Government Individual Income Tax Revenue in 2015

$ in billions

	State Govt Indiv. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Indiv. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$338.1	-	$1,052	-	United States	$338.1	-	$1,052	-
Alabama	$3.3	24	$687	37	Montana	$1.2	38	$1,143	18
Alaska	No Income Tax				Nebraska	$2.2	30	$1,181	14
Arizona	$3.8	21	$551	41	Nevada	No Income Tax			
Arkansas	$2.7	28	$895	28	New Hampshire	$0.1	43	$72	42
California	$77.9	1	$1,991	4	New Jersey	$13.3	5	$1,479	7
Colorado	$6.4	17	$1,168	15	New Mexico	$1.4	36	$662	38
Connecticut	$8.2	14	$2,279	1	New York	$43.7	2	$2,208	2
Delaware	$1.1	39	$1,205	13	North Carolina	$11.2	8	$1,115	20
Florida	No Income Tax				North Dakota	$0.5	41	$709	36
Georgia	$9.7	10	$947	25	Ohio	$8.9	11	$765	34
Hawaii	$2.0	31	$1,389	10	Oklahoma	$3.3	25	$832	31
Idaho	$1.5	35	$893	29	Oregon	$7.3	15	$1,814	6
Illinois	$15.9	3	$1,237	11	Pennsylvania	$11.5	7	$897	27
Indiana	$5.2	19	$791	32	Rhode Island	$1.2	37	$1,151	17
Iowa	$3.5	23	$1,111	21	South Carolina	$3.7	22	$764	35
Kansas	$2.3	29	$777	33	South Dakota	No Income Tax			
Kentucky	$4.1	20	$920	26	Tennessee	$0.3	42	$46	43
Louisiana	$3.0	27	$639	39	Texas	No Income Tax			
Maine	$1.5	34	$1,153	16	Utah	$3.2	26	$1,054	22
Maryland	$8.3	13	$1,390	9	Vermont	$0.7	40	$1,133	19
Massachusetts	$14.5	4	$2,133	3	Virginia	$11.9	6	$1,420	8
Michigan	$8.8	12	$889	30	Washington	No Income Tax			
Minnesota	$10.4	9	$1,889	5	West Virginia	$1.9	32	$1,048	23
Mississippi	$1.8	33	$596	40	Wisconsin	$7.1	16	$1,225	12
Missouri	$5.9	18	$963	24	Wyoming	No Income Tax			

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

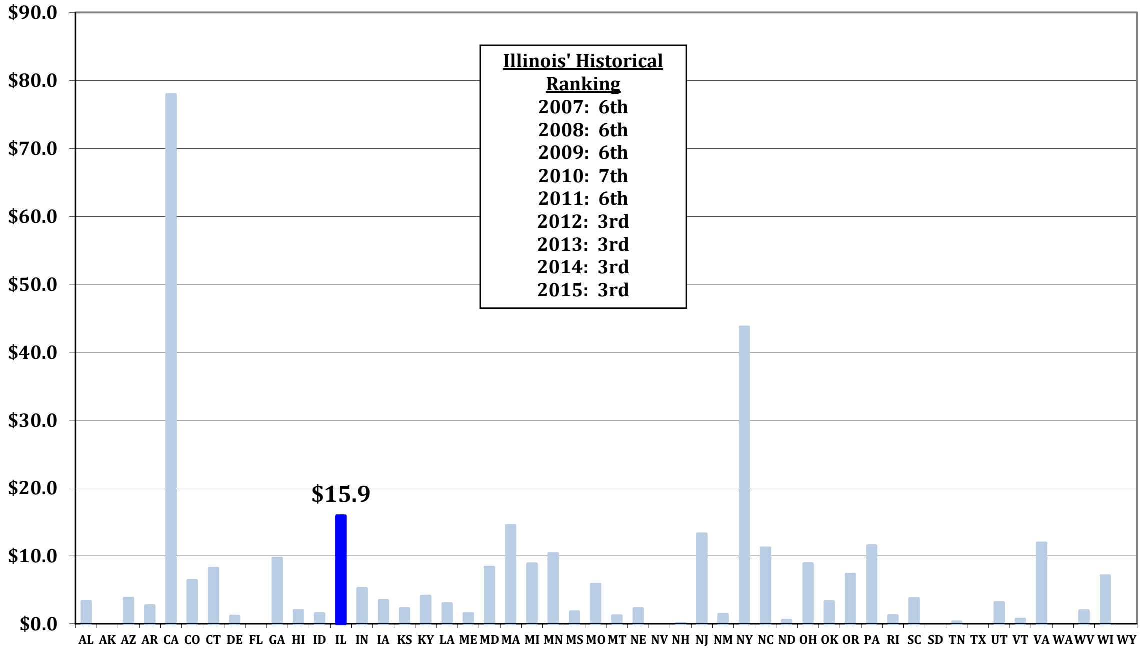
Light Blue Areas= Midwest Region

As shown in Chart 4 and 5, Illinois' total dollars ranking rose from 7th to 3rd between 2010 and 2012 and its per-capita ranking increased from 31st to 10th during this same time frame. Illinois' jump in the rankings is due to P.A. 96-1496, which increased the individual income tax rate from 3% to 5% effective in January 2011. With these higher levels, Illinois claimed the highest total dollar and highest per-capita rankings in the Midwest.

Statutorily, the individual income tax rates fell to 3.75% in Tax Year 2015. Due to the timing of when taxes applicable to the reduced tax rates are receipted, the full impact of these reduced rates is not shown in the above data, but will be reflected in the comparable data for 2016 and 2017. This will cause Illinois' rankings to fall in future comparisons, but not to the 2010 levels because the State only reduced the income tax rate to 3.75% and not back to the 2010 base rate of 3.0%.

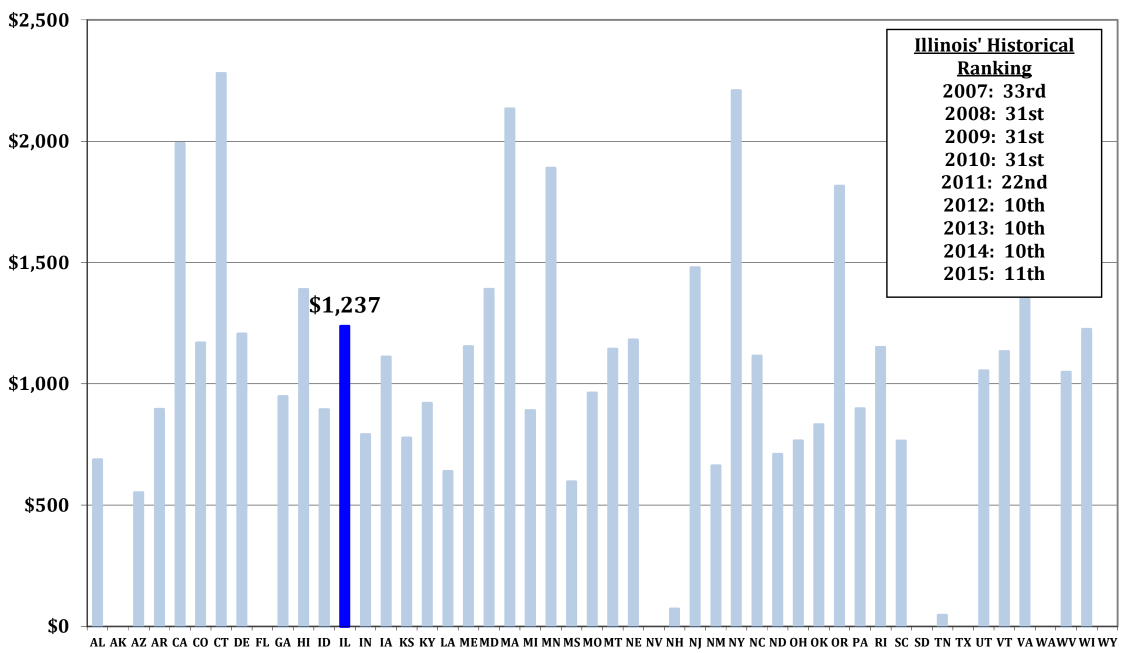
A list of the 2016 personal income tax rates for all of the states is shown in Table 3.

CHART 4: State Government Individual Income Tax Revenue in 2015
(National Total = $338.1 billion)



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

CHART 5: Per-Capita State Government Individual Income Tax Revenue in 2015
(National Per Capita = $1,052)



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

TABLE 3: STATE INDIVIDUAL INCOME TAXES

(Tax rates for tax year 2016 -- as of January 1, 2016)

	TAX RATE RANGE (in percents) Low	High	Number of Brackets	INCOME BRACKETS Lowest	Highest	PERSONAL EXEMPTIONS Single	Married	Dependents	FEDERAL INCOME TAX DEDUCTIBLE
ALABAMA	2.0	5.0	3	500 (b)	3,001 (b)	1,500	3,000	500 (e)	Yes
ALASKA					No State Income Tax				
ARIZONA (a)	2.59	4.54	5	10,163 (b)	152,434 (b)	2,100	4,200	2,300	
ARKANSAS (a)	0.9	6.9	6	4,299	35,100	26 (c)	52 (c)	26 (c)	
CALIFORNIA (a)	1.0	12.3 (f)	9	7,850 (b)	526,443 (b)	109 (c)	218 (c)	337 (c)	
COLORADO	4.63		1	-----Flat rate-----		4,050 (d)	8,100 (d)	4,050 (d)	
CONNECTICUT	3.0	6.99	7	10,000 (b)	500,000 (b)	14,500 (g)	24,000 (g)	0	
DELAWARE	0.0	6.6	7	2,000	60,001	110 (c)	220 (c)	110 (c)	
FLORIDA					No State Income Tax				
GEORGIA	1.0	6.0	6	750 (h)	7,001 (h)	2,700	5,400	3,000	
HAWAII	1.4	8.25	9	2,400 (b)	48,000 (b)	1,144	2,288	1,144	
IDAHO (a)	1.6	7.4	7	1,452 (b)	10,890 (b)	4,050 (d)	8,100 (d)	4,050 (d)	
ILLINOIS	**3.75**		**1**	**-----Flat rate-----**		**2,000**	**4,000**	**2,000**	
INDIANA	3.3		1	-----Flat rate-----		1,000	2,000	2,500 (i)	
IOWA (a)	0.36	8.98	9	1,554	69,930	40 (c)	80 (c)	40 (c)	Yes
KANSAS	2.7	4.6	2	15,000 (b)		2,250	4,500	2,250	
KENTUCKY	2.0	6.0	6	3,000	75,001	20 (c)	40 (c)	20 (c)	
LOUISIANA	2.0	6.0	3	12,500 (b)	50,001 (b)	4,500 (j)	9,000 (j)	1,000	Yes
MAINE (a)	5.8	7.15	3	21,050 (b)	37,500 (b)	4,050 (d)	8,100 (d)	4,050 (d)	
MARYLAND	2.0	5.75	8	1,000 (k)	250,000 (k)	3,200	6,400	3,200	
MASSACHUSETTS	5.10		1	-----Flat rate-----		4,400	8,800	1,000	
MICHIGAN (a)	4.25		1	-----Flat rate-----		3,950	7,900	3,950	
MINNESOTA (a)	5.35	9.85	4	25,180 (l)	155,651 (l)	4,050 (d)	8,100 (d)	4,050 (d)	
MISSISSIPPI	3.0	5.0	3	5,000	10,001	6,000	12,000	1,500	
MISSOURI	1.5	6.0	10	1,000	9,001	2,100	4,200	1,200	Yes (m)
MONTANA (a)	1.0	6.9	7	2,300	17,100	2,330	4,660	2,330	Yes (m)
NEBRASKA (a)	2.46	6.84	4	3,050 (b)	29,460 (b)	131 (c)	262 (c)	131 (c)	
NEVADA					No State Income Tax				
NEW HAMPSHIRE				State Income Tax of 5% on Dividends and Interest Income Only					
NEW JERSEY	1.4	8.97	6	20,000 (n)	500,000 (n)	1,000	2,000	1,500	
NEW MEXICO	1.7	4.9	4	5,500 (o)	16,001 (o)	4,050 (d)	8,100 (d)	4,050 (d)	
NEW YORK (a)	4.0	8.82	8	8,450 (b)	1,070,350 (b)	0	0	1,000	
NORTH CAROLINA	5.75		1	-----Flat rate-----			-----------None-----------		
NORTH DAKOTA (a)	1.10	2.90	5	37,650 (p)	413,350 (p)	4,050 (d)	8,100 (d)	4,050 (d)	
OHIO (a)	0.495	4.997	9	5,200	208,500	2,200 (q)	4,400 (q)	1,700 (q)	
OKLAHOMA	0.5	5.0	6	1,000 (r)	7,200 (r)	1,000	2,000	1,000	
OREGON (a)	5.0	9.9	4	3,350 (b)	125,000 (b)	195 (c)	390 (c)	195 (c)	Yes (m)
PENNSYLVANIA	3.07		1	-----Flat rate-----			-----------None-----------		
RHODE ISLAND (a)	3.75	5.99	3	60,850	138,300	3,900	7,800	3,900	
SOUTH CAROLINA (a)	0.0	7.0	6	2,920	14,600	4,050 (d)	8,100 (d)	4,050 (d)	
SOUTH DAKOTA					No State Income Tax				
TENNESSEE	State Income Tax of 6% on Dividends and Interest Income Only					1,250	2,500	0	
TEXAS					No State Income Tax				
UTAH	5.0		1	-----Flat rate-----		(s)	(s)	(s)	
VERMONT (a)	3.55	8.95	5	37,450 (t)	411,500 (t)	4,050 (d)	8,100 (d)	4,050 (d)	
VIRGINIA	2.0	5.75	4	3,000	17,001	930	1,860	930	
WASHINGTON					No State Income Tax				
WEST VIRGINIA	3.0	6.5	5	10,000	60,000	2,000	4,000	2,000	
WISCONSIN (a)	4.0	7.65	4	11,090 (u)	244,270 (u)	700	1,400	700	
WYOMING					No State Income Tax				

Source: The Federation of Tax Administrators from various sources.

(a) 18 states have statutory provision for automatically adjusting to the rate of inflation the dollar values of the income tax brackets, standard deductions, and/or personal exemptions. Massachusetts, Michigan, and Nebraska index the personal exemption only. Oregon does not index the income brackets for $125,000 and over. Maine has suspended indexing for 2014 and 2015.
(b) For joint returns, taxes are twice the tax on half the couple's income.
(c) The personal exemption takes the form of a tax credit instead of a deduction
(d) These states use the personal exemption amounts provided in the federal Internal Revenue Code.
(e) In Alabama, the per-dependent exemption is $1,000 for taxpayers with state AGI of $20,000 or less, $500 with AGI from $20,001 to $100,000, and $300 with AGI over $100,000.
(f) California imposes an additional 1% tax on taxable income over $1 million, making the maximum rate 13.3% over $1 million.
(g) Connecticut's personal exemption incorporates a standard deduction. An additional tax credit is allowed ranging from 75% to 0% based on state adjusted gross income. Exemption amounts are phased out for higher income taxpayers until they are eliminated for households earning over $71,000.
(h) The Georgia income brackets reported are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $1,000, to $10,000.
(i) In Indiana, includes an additional exemption of $1,500 for each dependent child.
(j) The amounts reported for Louisiana are a combined personal exemption-standard deduction.
(k) The income brackets reported for Maryland are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $1,000, to $300,000.
(l) The income brackets reported for Minnesota are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $36,820 to $259,421.
(m) The deduction for federal income tax is limited to $5,000 for individuals and $10,000 for joint returns in Missouri and Montana, and to $6,350 for all filers in Oregon.
(n) The New Jersey rates reported are for single individuals. For married couples filing jointly, the tax rates also range from 1.4% to 8.97%, with 7 brackets and the same high and low income ranges.
(o) The income brackets reported for New Mexico are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $8,000 to $24,000.
(p) The income brackets reported for North Dakota are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $62,900 to $413,350.
(q) Ohio provides an additional tax credit of $20 per exemption.
(r) The income brackets reported for Oklahoma are for single persons. For married persons filing jointly, the same tax rates apply to income brackets ranging from $2,000, to $12,200.
(s) Utah provides a tax credit equal to 6% of the federal personal exemption amounts (and applicable standard deduction).
(t) Vermont's income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply to income brackets ranging from $62,600 to $411,500.
(u) The Wisconsin income brackets reported are for single individuals. For married taxpayers filing jointly, the same tax rates apply income brackets ranging from $14,820, to $326,330.

Category 3: State Government Corporation Net Income Tax Revenue

Illinois collected $4.1 billion in corporate income tax receipts in 2015, which ranked them 3rd in the nation in this category. It appears that the Census Bureau included revenues from the personal property replacement tax in Illinois' total, less revenues to the income tax refund fund. Again, California had the highest total with $9.0 billion. On a per-capita basis, Illinois ranked 3rd with a per-capita rate of $315, notably higher than the national per-capita rate of $153. Illinois' per-capita value was the highest in the Midwest Region.

TABLE 4: State Government Corporate Income Tax Revenue in 2015

$ in billions

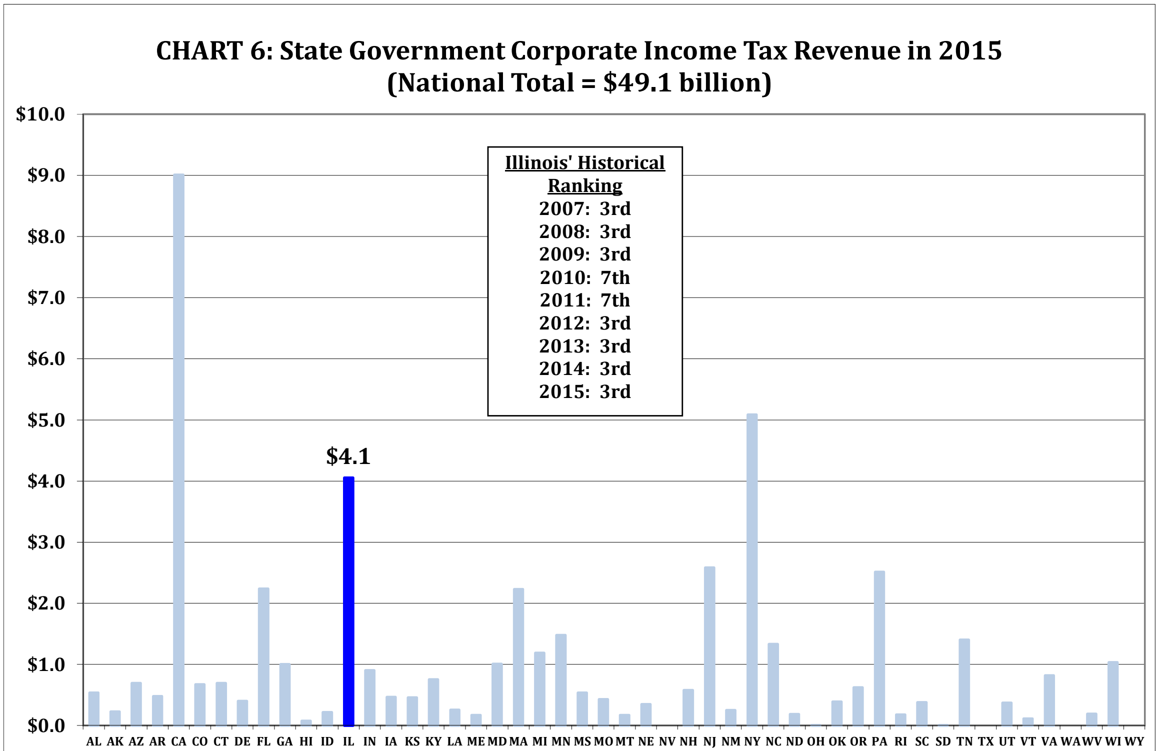
	State Govt Corp. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Corp. Income Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$49.1	-	$153	-	United States	$49.1	-	$153	-
Alabama	$0.5	24	$110	35	Montana	$0.2	42	$163	21
Alaska	$0.2	36	$309	5	Nebraska	$0.3	33	$182	14
Arizona	$0.7	18	$101	37	Nevada	No Income Tax			
Arkansas	$0.5	25	$160	22	New Hampshire	$0.6	22	$433	1
California	$9.0	1	$230	10	New Jersey	$2.6	4	$288	6
Colorado	$0.7	20	$123	30	New Mexico	$0.2	35	$120	32
Connecticut	$0.7	19	$192	13	New York	$5.1	2	$257	8
Delaware	$0.4	29	$424	2	North Carolina	$1.3	10	$132	27
Florida	$2.2	6	$110	34	North Dakota	$0.2	39	$246	9
Georgia	$1.0	14	$98	39	Ohio	$0.0	46	$0	46
Hawaii	$0.1	44	$50	44	Oklahoma	$0.4	30	$99	38
Idaho	$0.2	37	$131	28	Oregon	$0.6	21	$154	24
Illinois	$4.1	3	$315	4	Pennsylvania	$2.5	5	$196	12
Indiana	$0.9	15	$136	26	Rhode Island	$0.2	40	$167	20
Iowa	$0.5	26	$148	25	South Carolina	$0.4	31	$77	41
Kansas	$0.5	27	$157	23	South Dakota	$0.0	45	$5	45
Kentucky	$0.8	17	$170	18	Tennessee	$1.4	9	$212	11
Louisiana	$0.3	34	$54	43	Texas	No Income Tax			
Maine	$0.2	41	$127	29	Utah	$0.4	32	$123	31
Maryland	$1.0	13	$167	19	Vermont	$0.1	43	$180	15
Massachusetts	$2.2	7	$328	3	Virginia	$0.8	16	$98	40
Michigan	$1.2	11	$119	33	Washington	No Income Tax			
Minnesota	$1.5	8	$269	7	West Virginia	$0.2	38	$102	36
Mississippi	$0.5	23	$179	17	Wisconsin	$1.0	12	$179	16
Missouri	$0.4	28	$70	42	Wyoming	No Income Tax			

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

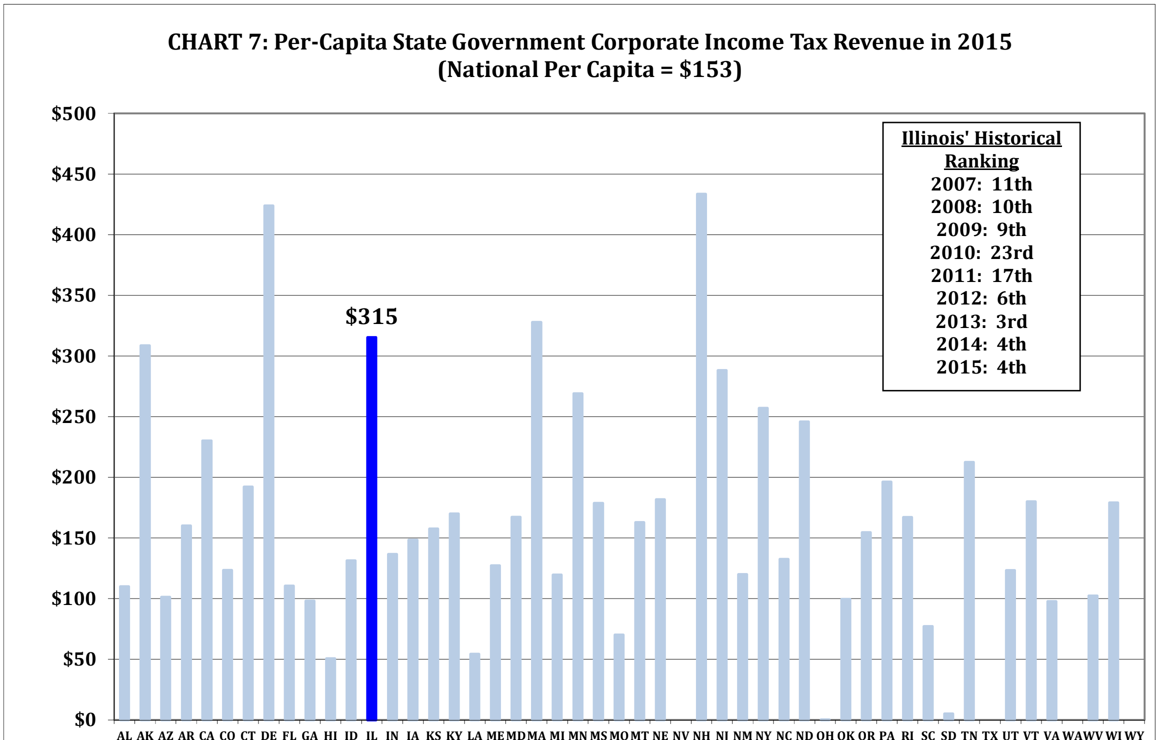
Light Blue Areas= Midwest Region

Illinois' rankings are notably higher than past years. Again, this is due to P.A. 96-1496, which increased the corporate income tax rate from 4.8% to 7.0% in January 2011. In the 2010 Annual Survey of State Government Tax Collections, Illinois had the 7th highest amount of State Government Corporate Income Tax Revenue collected and the 23rd highest per-capita ranking. In 2015, Illinois ranked 3rd in total dollars and 4th in per-capita revenues. But like the personal income tax, it is important to note that Illinois' rankings will fall in upcoming fiscal years once the data reflects the reduced tax rate to 5.25%, which became effective January 2015.

Table 5, on page 8, displays each state's corporate income tax rate. As shown, Illinois is one of thirty-two states with a flat tax. Illinois' 2016 rate of 7.75%, which includes the State's rate of 5.25% and the corporate replacement tax rate of 2.5%, places Illinois in the upper-half of corporate income tax rates in the country.



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

TABLE 5: RANGE OF STATE CORPORATE INCOME TAX RATES

(For tax year 2016 -- as of January 1, 2016)

STATE	TAX RATE (percent)	TAX BRACKETS LOWEST	TAX BRACKETS HIGHEST	NUMBER OF BRACKETS	TAX RATE (a) (percent) FINANCIAL INST.	FEDERAL INCOME TAX DEDUCTIBLE
ALABAMA	6.5	----Flat Rate----		1	6.5	Yes
ALASKA	0 - 9.4	25,000	222,000	10	0 - 9.4	
ARIZONA	5.5 (b)	----Flat Rate----		1	5.5 (b)	
ARKANSAS	1.0 - 6.5	3,000	100,001	6	1.0 - 6.5	
CALIFORNIA	8.84 (c)	----Flat Rate----		1	10.84 (c)	
COLORADO	4.63	----Flat Rate----		1	4.63	
CONNECTICUT	7.5 (d)	----Flat Rate----		1	7.5 (d)	
DELAWARE	8.7	----Flat Rate----		1	8.7-1.7 (e)	
FLORIDA	5.5 (f)	----Flat Rate----		1	5.5 (f)	
GEORGIA	6.0	----Flat Rate----		1	6.0	
HAWAII	4.4 - 6.4 (g)	25,000	100,001	3	7.92 (g)	
IDAHO	7.4 (h)	----Flat Rate----		1	7.4 (h)	
ILLINOIS	**7.75 (i)**	**----Flat Rate----**		**1**	**7.75 (i)**	
INDIANA	6.5 (j)	----Flat Rate----		1	8.5 (j)	
IOWA	6.0 - 12.0	25,000	250,001	4	5.0	Yes (k)
KANSAS	4.0 (l)	----Flat Rate----		1	2.25 (l)	
KENTUCKY	4.0 - 6.0	50,000	100,001	3	--- (a)	
LOUISIANA	4.0 - 8.0	25,000	200,001	5	4.0 - 8.0	Yes
MAINE	3.5 - 8.93	25,000	250,000	4	1.0 (m)	
MARYLAND	8.25	----Flat Rate----		1	8.25	
MASSACHUSETTS	8.0 (n)	----Flat Rate----		1	9.0 (n)	
MICHIGAN	6.0	----Flat Rate----		1	--- (a)	
MINNESOTA	9.8 (o)	----Flat Rate----		1	9.8 (o)	
MISSISSIPPI	3.0 - 5.0	5,000	10,001	3	3.0 - 5.0	
MISSOURI	6.25	----Flat Rate----		1	7.0	Yes (k)
MONTANA	6.75 (p)	----Flat Rate----		1	6.75 (p)	
NEBRASKA	5.58 - 7.81	100,000		2	--- (a)	
NEVADA	--	No corporate income tax				
NEW HAMPSHIRE	8.5 (q)	----Flat Rate----		1	8.5 (q)	
NEW JERSEY	9.0 (r)	----Flat Rate----		1	9.0 (r)	
NEW MEXICO	4.8 - 6.6 (s)	500,000	1 million	3	4.8 - 6.6 (s)	
NEW YORK	6.5 (t)	----Flat Rate----		1	6.5 (t)	
NORTH CAROLINA	4.0 (u)	----Flat Rate----		1	6.0 (t)	
NORTH DAKOTA	1.41 - 4.31 (z)	25,000	50,001	3	--- (a)	
OHIO	(v)				--- (v)	
OKLAHOMA	6.0	----Flat Rate----		1	6.0	
OREGON	6.6 - 7.6 (w)	1 million		2	6.6 - 7.6 (w)	
PENNSYLVANIA	9.99	----Flat Rate----		1	--- (a)	
RHODE ISLAND	7.0 (c)	----Flat Rate----		1	7.0 (c)	
SOUTH CAROLINA	5.0	----Flat Rate----		1	4.5 (x)	
SOUTH DAKOTA	--	No corporate income tax			6.0-0.25% (b)	
TENNESSEE	6.5	----Flat Rate----		1	6.5	
TEXAS	(y)				(y)	
UTAH	5.0 (c)	----Flat Rate----			5.0 (c)	
VERMONT	6.0 - 8.5 (c)	10,000	25,000	3	--- (a)	
VIRGINIA	6.0	----Flat Rate----		1	6.0	
WASHINGTON	--	No corporate income tax				
WEST VIRGINIA	6.5	----Flat Rate----		1	6.5	
WISCONSIN	7.9	----Flat Rate----		1	7.9	
WYOMING	--	No corporate income tax				

Source: Compiled by the Federation of Tax Administrators from various sources.

TABLE 6: Footnotes for Corporate Income Tax Rate Table

(a) Rates listed are the corporate income tax rate applied to financial institutions or excise taxes based on income. Some states have other taxes based upon the value of deposits or shares.

(b) Arizona minimum tax is $100. Tax rate is scheduled to decrease to 4.9% in tax years 2017.

(c) Minimum tax is $800 in California, $100 in District of Columbia, $50 in North Dakota (banks), $500 in Rhode Island, $200 per location in South Dakota (banks), $100 in Utah, $250 in Vermont.

(d) Connecticut's tax is the greater of the 7.5% tax on net income, a 0.31% tax on capital stock and surplus (maximum tax of $1 million), or $250 (the minimum tax). Plus, an additional 20% surtax applies for tax years 2012 and 2016.

(e) The Delaware Bank marginal rate decreases over 4 brackets ranging from $20 to $650 million in taxable income. Building and loan associations are taxed at a flat 8.7%.

(f) An exemption of $50,000 is allowed. Florida's Alternative Minimum Tax rate is 3.3%.

(g) Hawaii taxes capital gains at 4%. Financial institutions pay a franchise tax of 7.92% of taxable income (in lieu of the corporate income tax and general excise taxes).

(h) Idaho's minimum tax on a corporation is $20. The $10 Permanent Building Fund Tax must be paid by each corporation in a unitary group filing a combined return. Taxpayers with gross sales in Idaho under $100,000, and with no property or payroll in Idaho, may elect to pay 1% on such sales (instead of the tax on net income).

(i) The Illinois rate of 7.75% is the sum of a corporate income tax rate of 5.25% plus a replacement tax of 2.5%.

(j) The Indiana tax rate is scheduled to decrease to 6.25% on July 1, 2016.

(k) 50% of the federal income tax is deductible.

(l) In addition to the flat 4% corporate income tax, Kansas levies a 3.0% surtax on taxable income over $50,000. Banks pay a privilege tax of 2.25% of net income, plus a surtax of 2.125% (2.25% for savings and loans, trust companies, and federally chartered savings banks) on net income in excess of $25,000.

(m) The state franchise tax on financial institutions is either (1) the sum of 1% of the Maine net income of the financial institution for the taxable year, plus 8¢ per $1,000 of the institution's Maine assets as of the end of its taxable year, or (2) 39¢ per $1,000 of the institution's Maine assets as of the end of its taxable year.

(n) Business and manufacturing corporations pay an additional tax of $2.60 per $1,000 on either taxable Massachusetts tangible property or taxable net worth allocable to the state (for intangible property corporations). The minimum tax for both corporations and financial institutions is $456.

(o) In addition, Minnesota levies a 5.8% tentative minimum tax on Alternative Minimum Taxable Income.

(p) Montana levies a 7% tax on taxpayers using water's edge combination. The minimum tax per corporation is $50; the $50 minimum applies to each corporation included on a combined tax return. Taxpayers with gross sales in Montana of $100,000 or less may pay an alternative tax of 0.5% on such sales, instead of the net income tax.

(q) New Hampshire's 8.5% Business Profits Tax is imposed on both corporations and unincorporated associations with gross income over $50,000. In addition, New Hampshire levies a Business Enterprise Tax of 0.75% on the enterprise base (total compensation, interest and dividends paid) for businesses with gross income over $150,000 or base over $75,000. The Business Profits Tax is scheduled to decrease to 8.2% for tax years beginning on or after 2017.

(r) In New Jersey small businesses with annual entire net income under $100,000 pay a tax rate of 7.5%; businesses with income under $50,000 pay 6.5%. The minimum Corporation Business Tax is based on New Jersey gross receipts. It ranges from $500 for a corporation with gross receipts less than $100,000, to $2,000 for a corporation with gross receipts of $1 million or more.

(s) New Mexico tax rates are scheduled to decrease for tax year 2017.

(t) New York's General business corporate rate shown. Corporations may also be subject to a capital stocks tax, which is being phased out through 2021. A minimum tax ranges from $25 to $200,000, depending on receipts ($250 minimum for banks). Certain qualified New York manufacturers pay 0%.

(u) In North Carolina financial institutions are also subject to a tax equal to $30 per one million in assets. Tax rate is scheduled to decrease to 3% in tax year 2017, if certain revenue targets are met.

(v) Ohio no longer levies a tax based on income (except for a particular subset of corporations), but instead imposes a Commercial Activity Tax (CAT) equal to $150 for gross receipts sitused to Ohio of between $150,000 and $1 million, plus 0.26% of gross receipts over $1 million. Banks continue to pay a franchise tax of 1.3% of net worth. For those few corporations for whom the franchise tax on net worth or net income still applies, a litter tax also applies.

(w) Oregon's minimum tax for C corporations depends on the Oregon sales of the filing group. The minimum tax ranges from $150 for corporations with sales under $500,000, up to $100,000 for companies with sales of $100 million or above.

(x) South Carolina taxes savings and loans at a 6% rate.

(y) Texas imposes a Franchise Tax, otherwise known as margin tax, imposed on entities with more than $1,110,000 total revenues at rate of 0.75%, or 0.375% for entities primarily engaged in retail or wholesale trade, on lesser of 70% of total revenues or 100% of gross receipts after deductions for either compensation or cost of goods sold.

(z) North Dakota imposes a 3.5% surtax for filers electing to use the water's edge method to apportion income.

Category 4: State Government General Sales Tax Revenue

General sales tax revenue, under this category, does not include special sales taxes such as those on sale of alcohol, gasoline, or tobacco. In 2015, Illinois ranked 10th in the amount of sales tax revenue collected with a total of $9.0 billion. California collected the most, generating $38.5 billion. On a per-capita basis, Illinois ranked 34th in the nation with a value of $696, which was well below the national average per-capita value of $890. As shown in Table 7 below, in the Midwest Region, only Missouri (41st) ranked lower than Illinois on a per-capita basis.

TABLE 7: State Government General Sales Tax Revenue in 2015

$ in billions

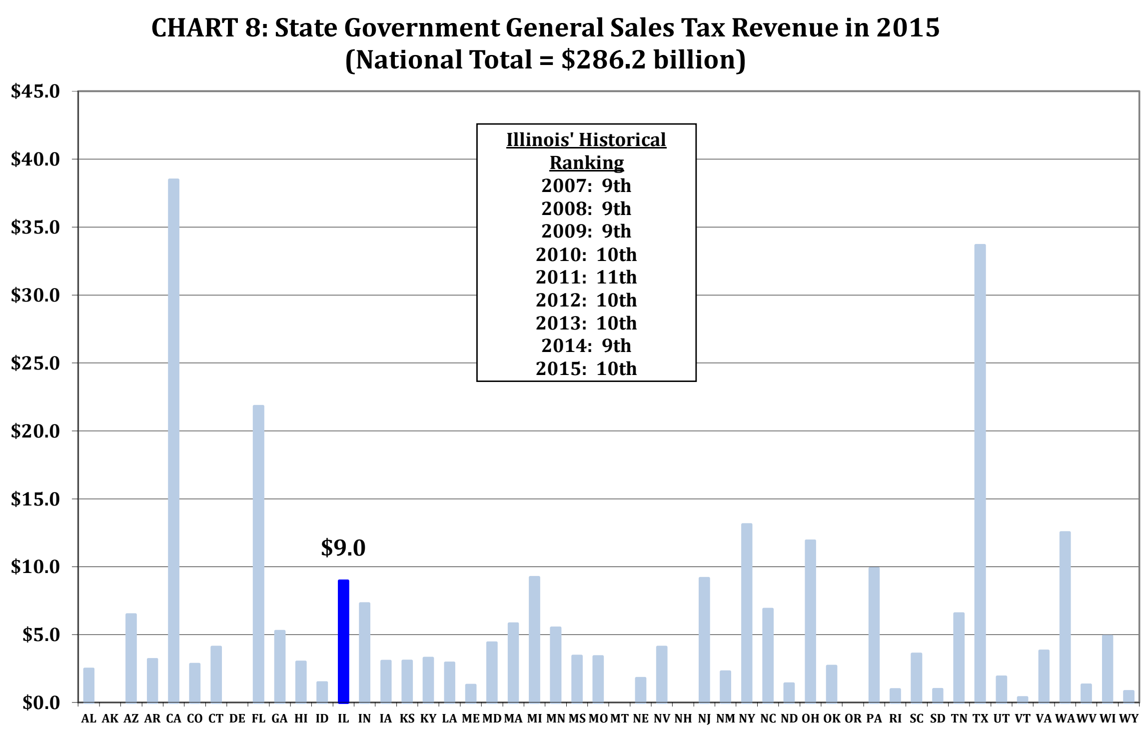
	State Govt General Sales Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt General Sales Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$286.2	-	$890	-	United States	$286.2	-	$890	-
Alabama	$2.5	34	$507	44	Montana	No Sales Tax			
Alaska	No Sales Tax				Nebraska	$1.8	37	$943	23
Arizona	$6.5	14	$947	22	Nevada	$4.1	21	$1,412	4
Arkansas	$3.2	27	$1,069	13	New Hampshire	No Sales Tax			
California	$38.5	1	$983	19	New Jersey	$9.1	9	$1,021	16
Colorado	$2.8	32	$516	42	New Mexico	$2.3	35	$1,082	11
Connecticut	$4.1	20	$1,137	8	New York	$13.1	4	$662	37
Delaware	No Sales Tax				North Carolina	$6.9	12	$683	36
Florida	$21.8	3	$1,075	12	North Dakota	$1.4	39	$1,835	2
Georgia	$5.3	17	$515	43	Ohio	$11.9	6	$1,025	15
Hawaii	$3.0	30	$2,090	1	Oklahoma	$2.7	33	$686	35
Idaho	$1.5	38	$885	26	Oregon	No Sales Tax			
Illinois	$9.0	10	$696	34	Pennsylvania	$9.9	7	$771	29
Indiana	$7.3	11	$1,100	10	Rhode Island	$1.0	43	$908	25
Iowa	$3.0	29	$973	20	South Carolina	$3.6	23	$729	32
Kansas	$3.1	28	$1,049	14	South Dakota	$1.0	42	$1,131	9
Kentucky	$3.3	26	$738	30	Tennessee	$6.5	13	$992	18
Louisiana	$2.9	31	$627	39	Texas	$33.7	2	$1,226	6
Maine	$1.3	41	$963	21	Utah	$1.9	36	$628	38
Maryland	$4.4	19	$734	31	Vermont	$0.4	45	$586	40
Massachusetts	$5.8	15	$854	27	Virginia	$3.8	22	$452	45
Michigan	$9.2	8	$928	24	Washington	$12.5	5	$1,746	3
Minnesota	$5.5	16	$999	17	West Virginia	$1.3	40	$701	33
Mississippi	$3.4	24	$1,144	7	Wisconsin	$4.9	18	$848	28
Missouri	$3.4	25	$556	41	Wyoming	$0.8	44	$1,384	5

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

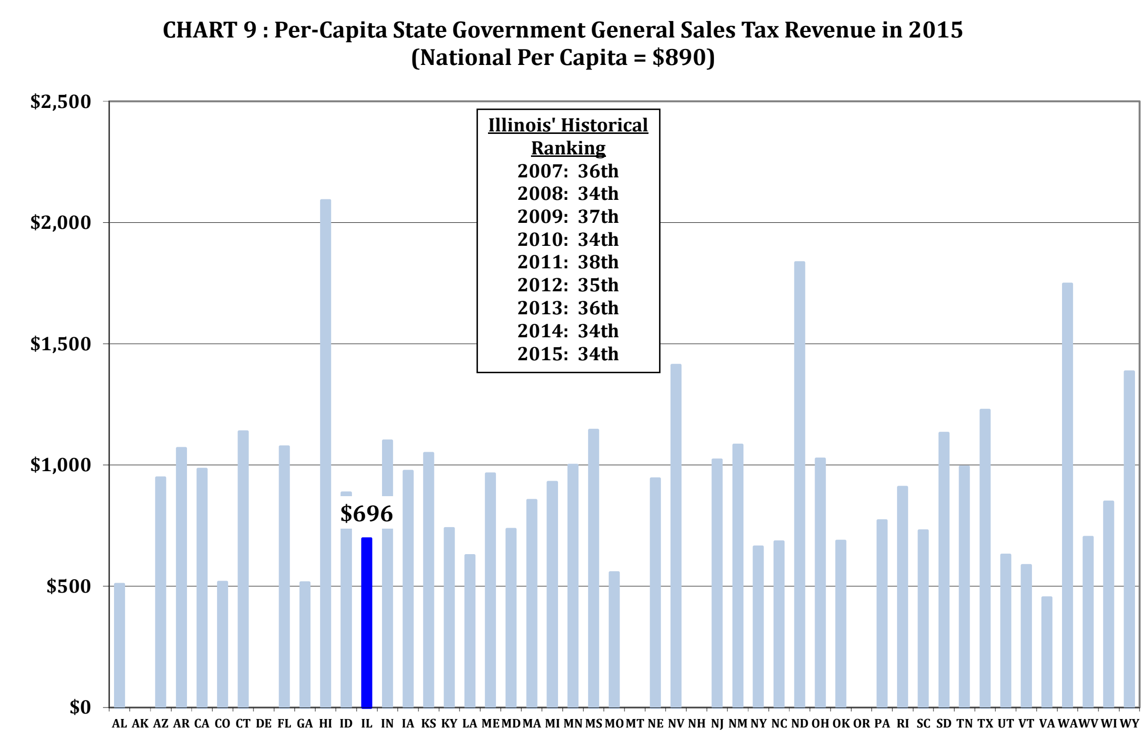
Light Blue Areas= Midwest Region

The last State sales tax rate increase (from 4% to 5%) occurred in 1984. Illinois' sales tax rate is typically shown as 6.25%, in which 5% goes to the State, and the remaining 1.25% goes to local governments. A list of the sales tax rates for all the states is shown on Table 8. Illinois law also authorizes local governments to impose sales taxes, so the sales tax in many communities is often higher than 6.25%, with the highest reaching a combined 11% in suburban Cook County. The City of Chicago currently has an overall sales tax rate of 10.25% when encompassing all of the local sales taxes (6.25% State, 1.75% County Home Rule, 1.25% Home Rule, 1.0% Regional Transportation Authority).

When the combined rate of 6.25% took effect in 1990, a 1% state tax was imposed on food and drugs. As also shown in Table 8, Illinois is currently the only State to impose a sales tax on prescription drugs. Illinois is one of only six states to impose a sales tax on food.



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

TABLE 8: Sales and Use Taxes

(as of January 1, 2016)

	Tax Rate	Food	Prescription Drugs	Non-prescriptions drugs
Alabama	4.00%		Exempt	
Alaska	None			
Arizona	5.60%	Exempt	Exempt	
Arkansas	6.50%	1.50%	Exempt	
California	7.50%	Exempt	Exempt	
Colorado	2.90%	Exempt	Exempt	
Connecticut	6.35%	Exempt	Exempt	Exempt
Delaware	None			
Florida	6.00%	Exempt	Exempt	Exempt
Georgia	4.00%	Exempt	Exempt	
Hawaii	4.00%		Exempt	
Idaho	6.00%		Exempt	
Illinois	**6.25%**	**1.00%**	**1.00%**	**1.00%**
Indiana	7.00%	Exempt	Exempt	
Iowa	6.00%	Exempt	Exempt	
Kansas	6.50%		Exempt	
Kentucky	6.00%	Exempt	Exempt	
Louisiana	4.00%	Exempt	Exempt	
Maine	5.50%	Exempt	Exempt	
Maryland	6.00%	Exempt	Exempt	Exempt
Massachusetts	6.25%	Exempt	Exempt	
Michigan	6.00%	Exempt	Exempt	
Minnesota	6.875%	Exempt	Exempt	Exempt
Mississippi	7.00%		Exempt	
Missouri	4.225%	1.225%	Exempt	
Montana	None			
Nebraska	5.50%	Exempt	Exempt	
Nevada	6.85%	Exempt	Exempt	
New Hampshire	None			
New Jersey	7.00%	Exempt	Exempt	Exempt
New Mexico	5.125%	Exempt	Exempt	
New York	4.00%	Exempt	Exempt	Exempt
North Carolina	4.75%	Exempt	Exempt	
North Dakota	5.00%	Exempt	Exempt	
Ohio	5.75%	Exempt	Exempt	
Oklahoma	4.50%		Exempt	
Oregon	None			
Pennsylvania	6.00%	Exempt	Exempt	Exempt
Rhode Island	7.00%	Exempt	Exempt	
South Carolina	6.00%	Exempt	Exempt	
South Dakota	4.00%		Exempt	
Tennessee	7.00%	5.00%	Exempt	
Texas	6.25%	Exempt	Exempt	Exempt
Utah	5.95%	3.00%	Exempt	
Vermont	6.00%	Exempt	Exempt	Exempt
Virginia	5.30%	2.50%	Exempt	Exempt
Washington	6.50%	Exempt	Exempt	
West Virginia	6.00%	Exempt	Exempt	
Wisconsin	5.00%	Exempt	Exempt	
Wyoming	4.00%	Exempt	Exempt	

** -- indicates exempt from tax, blank indicates subject to general sales tax rate.*

Source: Federation of Tax Administrators

Category 5: State Government Tobacco Product Sales Tax Revenue

In the category of State Government Tobacco Product Sales Tax Revenue, which is mostly made up of cigarette tax revenues, Illinois ranked 6th in total sales in 2015 with a total of $862 million. Texas ranked 1st generating $1.5 billion. On a per-capita basis, Illinois ranked 21st with a value of $67 per capita. New Hampshire is the highest ranked state on a per-capita basis with a value of $178.

TABLE 9: State Government Tobacco Products Tax Revenue in 2015

$ in billions

	State Govt Tobacco Products Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Tobacco Products Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$17.7	-	$55	-	United States	$17.7	-	$55	-
Alabama	$0.1	35	$24	45	Montana	$0.1	41	$82	13
Alaska	$0.1	44	$89	12	Nebraska	$0.1	45	$34	40
Arizona	$0.3	17	$46	33	Nevada	$0.1	34	$40	35
Arkansas	$0.2	24	$76	17	New Hampshire	$0.2	23	$178	1
California	$0.8	7	$21	46	New Jersey	$0.7	9	$80	15
Colorado	$0.2	27	$36	39	New Mexico	$0.1	42	$38	38
Connecticut	$0.4	16	$100	8	New York	$1.3	2	$66	25
Delaware	$0.1	37	$109	6	North Carolina	$0.3	19	$28	44
Florida	$1.2	3	$59	27	North Dakota	$0.0	48	$47	32
Georgia	$0.2	26	$21	48	Ohio	$0.8	8	$70	20
Hawaii	$0.1	33	$91	11	Oklahoma	$0.3	18	$80	14
Idaho	$0.0	47	$29	43	Oregon	$0.3	20	$66	24
Illinois	$0.9	6	$67	21	Pennsylvania	$1.0	4	$76	16
Indiana	$0.4	14	$66	22	Rhode Island	$0.1	31	$131	2
Iowa	$0.2	25	$71	18	South Carolina	$0.0	49	$5	50
Kansas	$0.1	40	$33	41	South Dakota	$0.1	46	$71	19
Kentucky	$0.2	22	$55	29	Tennessee	$0.3	21	$40	36
Louisiana	$0.1	30	$30	42	Texas	$1.5	1	$54	30
Maine	$0.1	32	$103	7	Utah	$0.1	36	$39	37
Maryland	$0.4	15	$65	26	Vermont	$0.1	43	$123	3
Massachusetts	$0.6	11	$95	10	Virginia	$0.2	28	$21	47
Michigan	$1.0	5	$97	9	Washington	$0.5	13	$66	23
Minnesota	$0.7	10	$119	4	West Virginia	$0.1	38	$55	28
Mississippi	$0.1	29	$50	31	Wisconsin	$0.6	12	$111	5
Missouri	$0.1	39	$16	49	Wyoming	$0.0	50	$42	34

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

Light Blue Areas= Midwest Region

In June 2012, Illinois increased the State cigarette tax from $0.98 to $1.98 per pack. This is the primary reason why Illinois' total dollar ranking has increased from 9th in 2011 to its 2015 ranking of 6th and why its per-capita ranking has increased from 33rd to 21st.

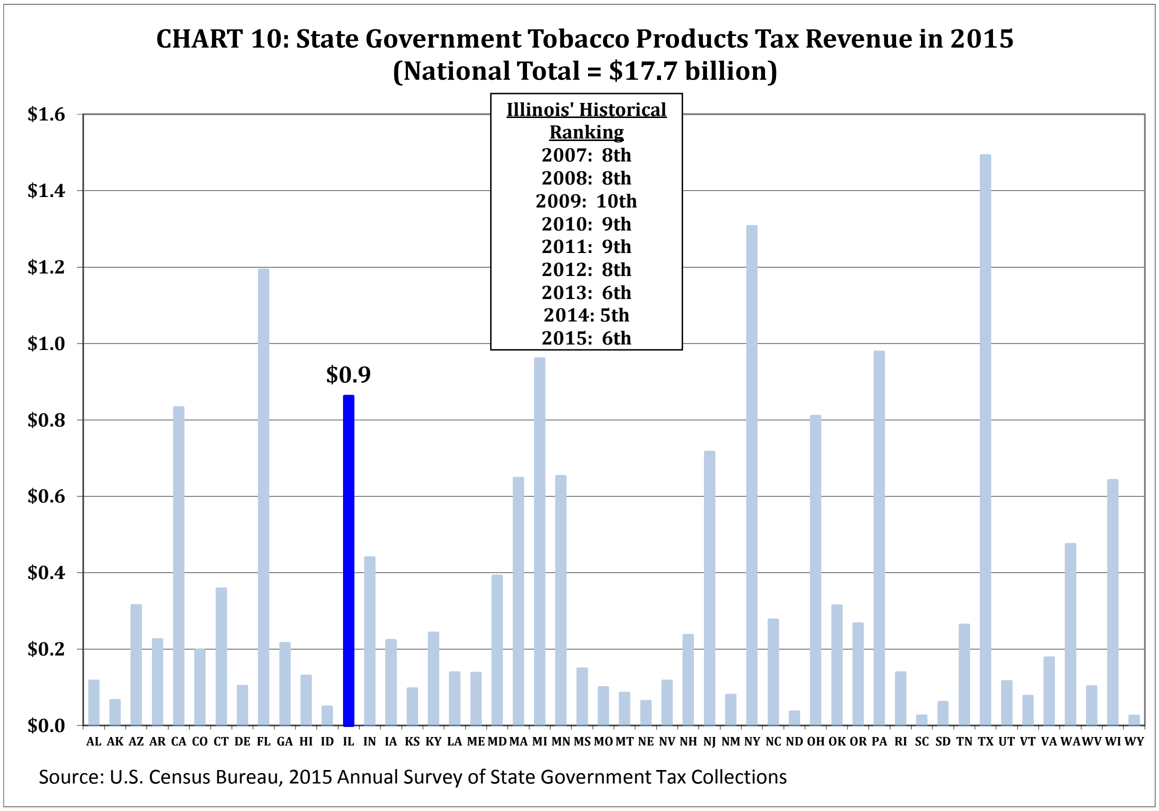


CHART 10: State Government Tobacco Products Tax Revenue in 2015
(National Total = $17.7 billion)
Illinois' Historical Ranking
2007: 8th
2008: 8th
2009: 10th
2010: 9th
2011: 9th
2012: 8th
2013: 6th
2014: 5th
2015: 6th
$0.9
$1.6
$1.4
$1.2
$1.0
$0.8
$0.6
$0.4
$0.2
$0.0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

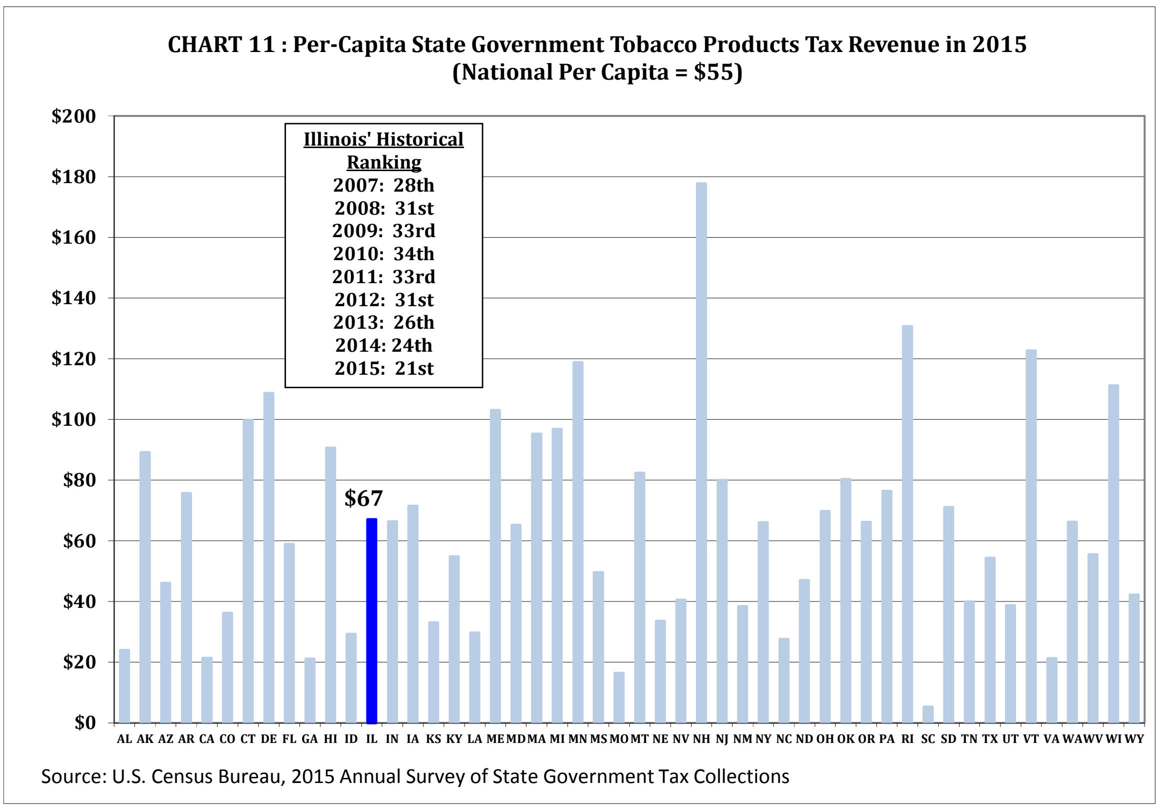


CHART 11 : Per-Capita State Government Tobacco Products Tax Revenue in 2015
(National Per Capita = $55)
Illinois' Historical Ranking
2007: 28th
2008: 31st
2009: 33rd
2010: 34th
2011: 33rd
2012: 31st
2013: 26th
2014: 24th
2015: 21st
$67
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

As shown below, in terms of the cigarette tax rate in 2016, Illinois' recent cigarette rate hike increased the State's ranking from what would have been the 34th highest rate to the 17th highest rate in the country. In addition to the State cigarette tax, Illinois law authorizes a municipal cigarette tax of 1-cent per package of 20 cigarettes, but it cannot be imposed by municipalities for which the state already collects a municipal home-rule retailers' occupation (sales) tax. Home-rule units can collect their own cigarette taxes.

For example, Chicago collects $1.18 per pack of 20 cigarettes, and Cook County collects $3.00. Chicago's combined rate, when including city, county, State, and federal taxes is $7.17 per pack of 20 cigarettes. This ranks Chicago as having the highest combined tax rate of any city in the nation.

TABLE 10: STATE EXCISE TAX RATES ON CIGARETTES

(January 1, 2016)

STATE	TAX RATE (¢ per pack)	RANK	STATE	TAX RATE (¢ per pack)	RANK
Alabama (a)	67.5	39	Nebraska	64	40
Alaska	200	12	Nevada	180	18
Arizona	200	12	New Hampshire	178	19
Arkansas	115	32	New Jersey	270	9
California	87	35	New Mexico	166	22
Colorado	84	37	New York (a)	435	1
Connecticut (b)	365	3	North Carolina	45	47
Delaware	160	23	North Dakota	44	48
Florida (c)	133.9	29	Ohio	160	23
Georgia	37	49	Oklahoma	103	33
Hawaii	320	5	Oregon	132	30
Idaho	57	44	Pennsylvania	160	23
Illinois (a)	**198**	**17**	Rhode Island	375	2
Indiana	99.5	34	South Carolina	57	44
Iowa	136	28	South Dakota	153	26
Kansas	129	31	Tennessee (a) (d)	62	41
Kentucky	60	42	Texas	141	27
Louisiana	86	36	Utah	170	20
Maine	200	12	Vermont	308	6
Maryland	200	12	Virginia (a)	30	50
Massachusetts	351	4	Washington	302.5	7
Michigan	200	12	West Virginia	55	46
Minnesota (e)	300	8	Wisconsin	252	10
Mississippi	68	38	Wyoming	60	42
Missouri (a)	17	51			
Montana	170	20	Dist. of Columbia (f)	250	11
			U. S. Median	**153**	

Source: www.taxadmin.org

*** In Illinois, State law authorizes a municipal cigarette tax of 1-cent per package of 20, but it cannot be imposed by municipalities for which the state already collects a municipal home-rule retailers' occupation (sales) tax. Home-rule units can collect their own taxes on cigarettes. For example, Chicago collects $1.18 per pack of 20, and Cook County collects $3.00. Chicago's combined rate when including city, county, State, and federal taxes is $7.17 per pack of 20 cigarettes, which ranks the City as having one of the highest combined tax rate of any city in the nation.**

(a) Counties and cities may impose an additional tax on a pack of cigarettes: in Alabama, 1¢ to 25¢; Illinois, 10¢ to $4.18; Missouri, 4¢ to 7¢; New York City, $1.50; Tennessee, 1¢; and Virginia, 2¢ to 15¢.

(b) Connecticut tax rate is scheduled to increase to $3.90 per pack on 7/1/16.

(c) Florida's rate includes a surcharge of $1 per pack.

(d) Dealers pay an additional enforcement and administrative fee of 0.05¢ in Tennessee.

(e) In addition, Minnesota imposes an in lieu cigarette sales tax determined annually by the Department. The current rate is 54.3¢ through December 31, 2016.

(f) In addition, District of Columbia imposes an in lieu cigarette sales tax calculated every March 31. The curent rate is 41¢.

Category 6: State Government Alcoholic Beverage Sales Tax Revenue

In 2015, in the category of State Government Alcoholic Beverage Sales Tax Revenue, Illinois ranked 7th in total sales with a total of $283 million. Texas ranked 1st generating $1.148 billion. On a per-capita basis, Illinois ranked 17th in the nation with a value of $22 per capita. Alaska is the highest ranked state on a per-capita basis with a value of $54 per capita.

TABLE 11: State Government Alcoholic Beverage Tax Revenue in 2015

$ in millions

	State Govt Alcoholic Beverage Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Alcoholic Beverage Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$6,430.9	-	$20	-	United States	$6,430.9	-	$20	-
Alabama	$192.5	10	$40	6	Montana	$33.9	36	$33	10
Alaska	$39.8	34	$54	1	Nebraska	$29.9	38	$16	26
Arizona	$71.3	22	$10	37	Nevada	$43.8	31	$15	29
Arkansas	$53.3	26	$18	23	New Hampshire	$12.3	47	$9	40
California	$357.4	5	$9	41	New Jersey	$138.5	15	$15	28
Colorado	$41.3	33	$8	43	New Mexico	$45.7	30	$22	18
Connecticut	$61.6	23	$17	24	New York	$250.9	9	$13	33
Delaware	$20.7	41	$22	19	North Carolina	$359.9	3	$36	7
Florida	$459.0	2	$23	16	North Dakota	$9.5	48	$13	34
Georgia	$184.4	11	$18	22	Ohio	$101.1	19	$9	42
Hawaii	$50.3	28	$35	8	Oklahoma	$116.8	18	$30	12
Idaho	$8.9	49	$5	47	Oregon	$17.8	45	$4	49
Illinois	$283.2	7	$22	17	Pennsylvania	$358.9	4	$28	14
Indiana	$46.1	29	$7	45	Rhode Island	$19.5	42	$18	21
Iowa	$22.7	40	$7	44	South Carolina	$166.5	12	$34	9
Kansas	$132.6	16	$46	3	South Dakota	$16.7	46	$19	20
Kentucky	$132.0	17	$30	13	Tennessee	$159.8	13	$24	15
Louisiana	$57.4	25	$12	35	Texas	$1,147.6	1	$42	4
Maine	$18.3	43	$14	32	Utah	$51.2	27	$17	25
Maryland	$31.0	37	$5	48	Vermont	$24.8	39	$40	5
Massachusetts	$80.8	21	$12	36	Virginia	$257.2	8	$31	11
Michigan	$145.4	14	$15	30	Washington	$331.4	6	$46	2
Minnesota	$85.1	20	$16	27	West Virginia	$18.2	44	$10	39
Mississippi	$42.1	32	$14	31	Wisconsin	$57.6	24	$10	38
Missouri	$36.2	35	$6	46	Wyoming	$1.9	50	$3	50

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections *Light Blue Areas= Midwest Region*

In the Midwest region, Illinois collects the highest amount of tax revenue from alcoholic beverages from a total dollars perspective. On a per-capita basis, Illinois is only behind Kentucky in the Midwest, which is ranked 13th in the nation with a per-capita value of $30.

As shown in the charts on the following page, Illinois' latest rankings have increased since 2009, as the total dollar ranking has risen from 11th to 7th, while the per-capita ranking has risen from 31st to 17th. The reason for this is because in September 2009, the rate and base of Illinois liquor tax was increased to the following amounts (per gallon): $0.231 on beer and cider (up from $0.185); $1.39 on wine (up from $0.73); and $8.55 on distilled liquor (up from $4.50).

Table 12 on page 18 displays a list of each state's tax rate on beer. As shown, Illinois currently has the 22nd highest tax rate on beer in the country.

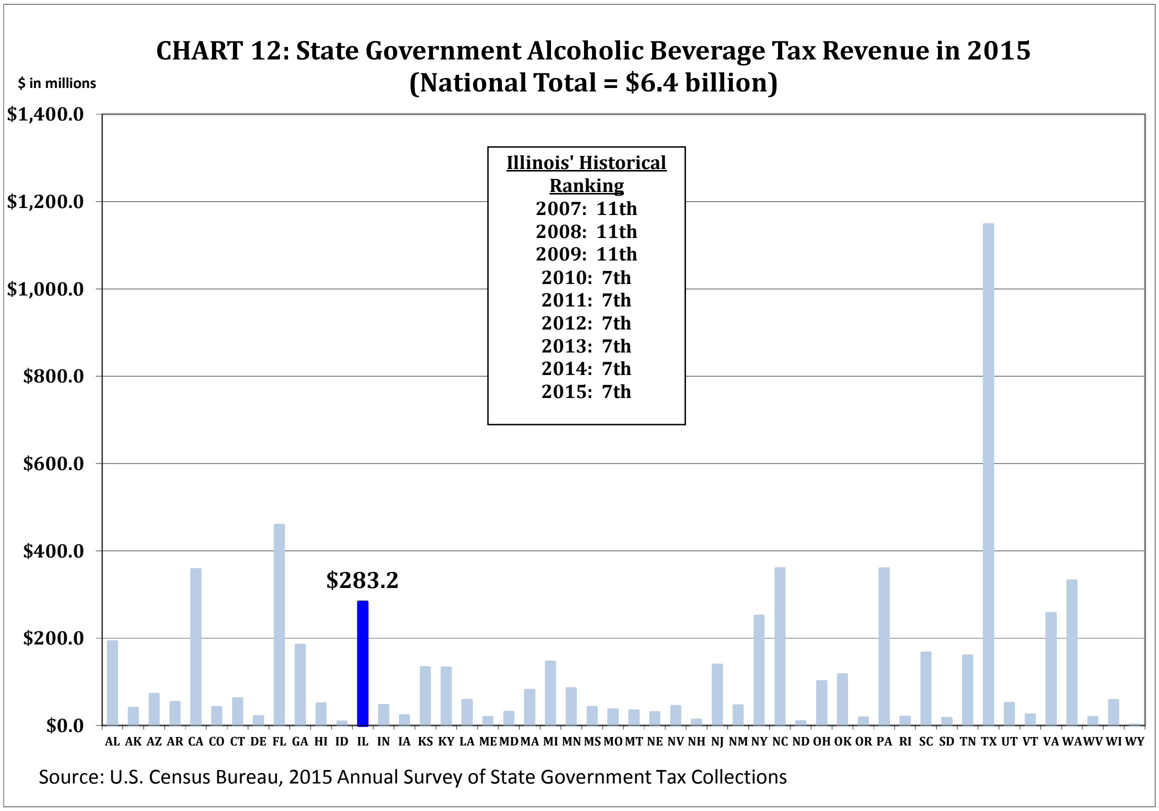


CHART 12: State Government Alcoholic Beverage Tax Revenue in 2015
(National Total = $6.4 billion)
$ in millions
$1,400.0
$1,200.0
$1,000.0
$800.0
$600.0
$400.0
$200.0
$0.0
Illinois' Historical Ranking
2007: 11th
2008: 11th
2009: 11th
2010: 7th
2011: 7th
2012: 7th
2013: 7th
2014: 7th
2015: 7th
$283.2
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

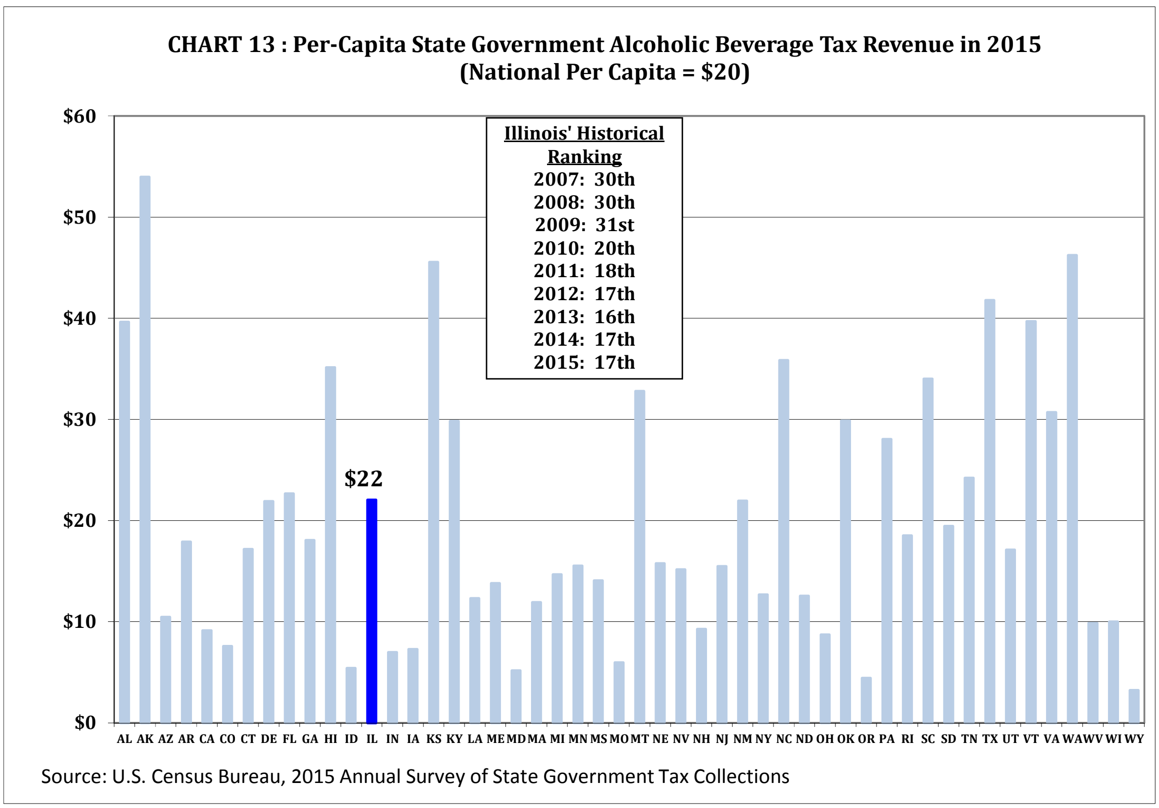


CHART 13 : Per-Capita State Government Alcoholic Beverage Tax Revenue in 2015
(National Per Capita = $20)
$60
$50
$40
$30
$20
$10
$0
Illinois' Historical Ranking
2007: 30th
2008: 30th
2009: 31st
2010: 20th
2011: 18th
2012: 17th
2013: 16th
2014: 17th
2015: 17th
$22
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

TABLE 12: State Tax Rates on Beer

As of January 1, 2016

(Dollars Per Gallon)

State	Beer Excise Tax Rates: Tax Rate	Beer Excise Tax Rates: Rank	General Sales Tax Applies?	Other Taxes
Alabama	$0.53	6	Yes	$0.52/gallon local tax statewide
Alaska	$1.07	2	n.a.	
Arizona	$0.16	31	Yes	
Arkansas	$0.23	23	Yes	3% off- 10% on-premise tax
California	$0.20	24	Yes	
Colorado	$0.08	44	Yes	
Connecticut	$0.24	21	Yes	
Delaware	$0.16	31	n.a.	
Florida	$0.48	7	Yes	
Georgia	$0.32	13	Yes	$0.53/gallon local tax
Hawaii	$0.93	3	Yes	$0.54/gallon draft beer
Idaho	$0.15	35	Yes	over 4% - $0.45/gallon
Illinois	**$0.23**	**22**	**Yes**	**$0.29/gallon in Chicago and $0.09/gallon in Cook County**
Indiana	$0.12	40	Yes	
Iowa	$0.19	27	Yes	
Kansas	$0.18	28	--	over 3.2% - {8% off- and 10% on-premise}, under 3.2% - 4.23% sales tax
Kentucky	$0.08	44	Yes	10.75% wholesale tax
Louisiana	$0.32	13	Yes	$0.048/gallon local tax
Maine	$0.35	12	Yes	7% on-premise saales tax
Maryland	$0.09	43	--	9% sales tax
Massachusetts	$0.11	41		0.57% on private club sales
Michigan	$0.20	24	Yes	
Minnesota	$0.15	35	--	under 3.2% - $0.077/gallon, 9% sales tax
Mississippi	$0.43	8	Yes	
Missouri	$0.06	48	Yes	
Montana	$0.14	37	n.a.	
Nebraska	$0.31	15	Yes	
Nevada	$0.16	31	Yes	
New Hampshire	$0.30	16	n.a.	
New Jersey	$0.12	39	Yes	
New Mexico	$0.41	9	Yes	
New York	$0.14	37	Yes	additional $0.12/gallon in New York City
North Carolina	$0.62	5	Yes	
North Dakota	$0.16	31	--	7% state sales tax, bulk beer $0.08/gal.
Ohio	$0.18	28	Yes	
Oklahoma	$0.40	11	Yes	under 3.2% - $0.36/gallon; 13.5% on-premise
Oregon	$0.08	44	n.a.	
Pennsylvania	$0.08	44	Yes	
Rhode Island	$0.10	42	Yes	$0.04/case wholesale tax
South Carolina	$0.77	4	Yes	
South Dakota	$0.27	17	Yes	
Tennessee	$1.29	1	Yes	Excise Barrelage Tax and Wholesale Tax
Texas	$0.20	24	Yes	14.95% on-premise and $0.05/drink on airline sales
Utah	$0.41	9	Yes	over 3.2% - sold through state store
Vermont	$0.27	18	Yes	more than 6% alcohol - $0.55; 10% on-premise sales tax
Virginia	$0.26	19	Yes	
Washington	$0.26	19	Yes	
West Virginia	$0.18	28	Yes	
Wisconsin	$0.06	48	Yes	
Wyoming	$0.02	50	Yes	
D.C.	$0.09	N/A	Yes	9% off- and on-premise sales tax

For tax rates on wine, go to http://www.taxadmin.org/assets/docs/Research/Rates/wine.pdf
For tax rates on distilled spirits, go to http://www.taxadmin.org/assets/docs/Research/Rates/liquor.pdf

Source: taxfoundation.org

Category 7: State Government Motor Fuel Tax Revenue

In 2015, Illinois ranked 8th in the nation in the amount of motor fuel tax revenue collected with a total of $1.3 billion. Only Ohio collected more in the Midwest Region ($1.9 billion). However, on a per-capita basis, Illinois ranked 43rd in the nation with a per-capita rate of $101, which was lower than the national per-capita rate of $132. Illinois was the lowest ranking state on a per-capita basis in the Midwest Region.

TABLE 13: State Government Motor Fuel Tax Revenue in 2015

$ in billions

	State Govt Motor Fuel Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Motor Fuel Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$42.5	-	$132	-	United States	$42.5	-	$132	-
Alabama	$0.6	24	$115	34	Montana	$0.2	42	$220	3
Alaska	$0.0	50	$57	50	Nebraska	$0.3	36	$173	12
Arizona	$0.8	20	$110	39	Nevada	$0.3	37	$105	41
Arkansas	$0.5	30	$155	17	New Hampshire	$0.1	44	$110	40
California	$5.7	1	$146	20	New Jersey	$0.5	27	$60	49
Colorado	$0.7	22	$122	32	New Mexico	$0.2	40	$115	35
Connecticut	$0.5	29	$134	23	New York	$1.6	7	$83	46
Delaware	$0.1	46	$124	30	North Carolina	$1.9	5	$192	7
Florida	$2.5	4	$122	31	North Dakota	$0.2	41	$307	1
Georgia	$1.0	10	$100	44	Ohio	$1.9	6	$164	14
Hawaii	$0.1	47	$65	48	Oklahoma	$0.5	31	$116	33
Idaho	$0.3	38	$156	16	Oregon	$0.5	28	$130	24
Illinois	$1.3	8	$101	43	Pennsylvania	$2.7	3	$213	4
Indiana	$0.8	17	$126	29	Rhode Island	$0.1	48	$81	47
Iowa	$0.5	26	$173	11	South Carolina	$0.5	25	$112	37
Kansas	$0.4	32	$151	19	South Dakota	$0.1	43	$173	13
Kentucky	$0.9	16	$192	6	Tennessee	$0.9	15	$130	25
Louisiana	$0.6	23	$130	26	Texas	$3.5	2	$126	27
Maine	$0.2	39	$183	8	Utah	$0.4	35	$126	28
Maryland	$0.9	13	$154	18	Vermont	$0.1	49	$137	22
Massachusetts	$0.8	18	$111	38	Virginia	$0.8	19	$90	45
Michigan	$1.0	12	$102	42	Washington	$1.2	9	$174	10
Minnesota	$0.9	14	$161	15	West Virginia	$0.4	33	$235	2
Mississippi	$0.4	34	$143	21	Wisconsin	$1.0	11	$176	9
Missouri	$0.7	21	$114	36	Wyoming	$0.1	45	$202	5

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

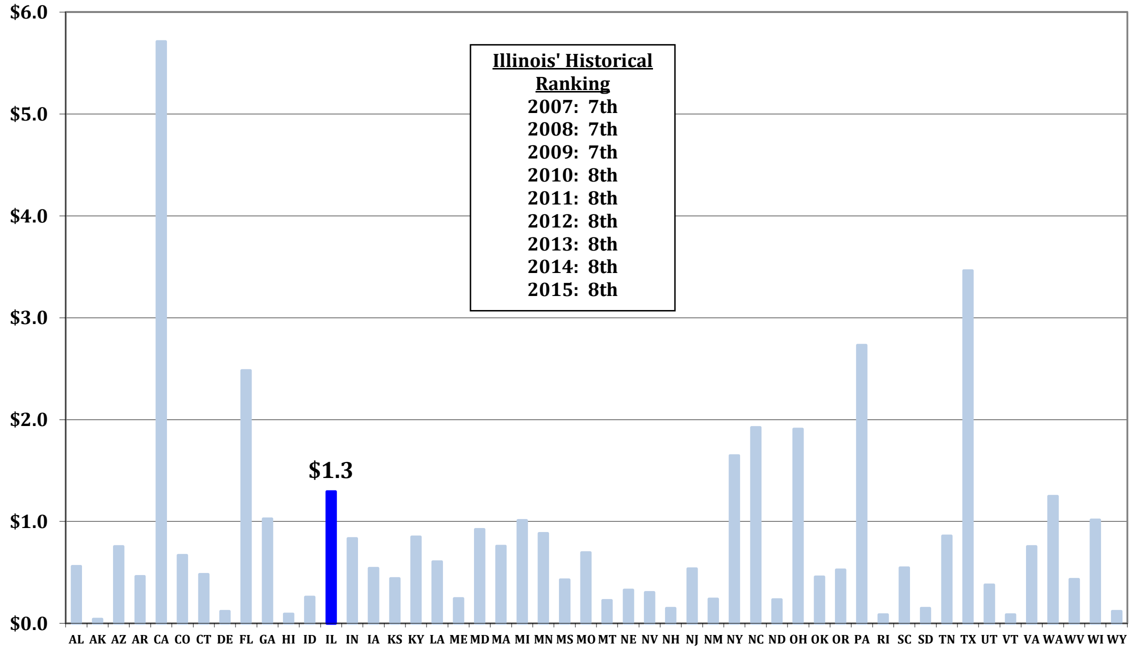
Light Blue Areas= Midwest Region

As shown on page 21, as of January 1, 2016, Illinois had the 35th highest tax rate on gasohol at 20.1 cents per gallon (which includes 1.1 cents in environmental fees). Pennsylvania had the highest gasoline tax at 50.3 cents-per-gallon.

It must be noted that Illinois is among eight states that collect general sales taxes on motor fuel as well (including Indiana and Michigan in the Midwest). These revenues would be included in the sales tax figures and not in the tables and graphs shown in this section. If the sales tax on motor fuel is included, Illinois goes from being one of the lower taxing states, in terms of motor fuel-related taxes, to one of the higher taxing states, especially in years when oil prices are high.

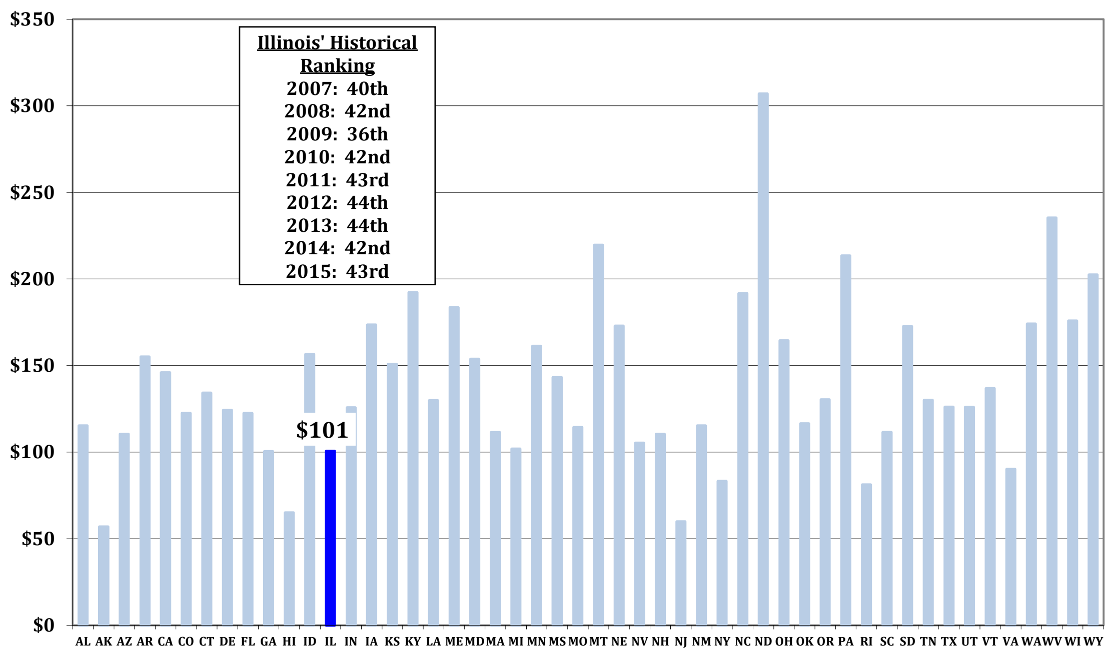
When combining the State motor fuel tax with the sales tax and federal and local taxes on gasoline, the American Petroleum Institute (API) estimates that, on average, Illinois drivers pay 51.9 cents per gallon in taxes, above the national average of 48.2 cents per gallon. For diesel fuel, the API estimates that the combined average tax in Illinois is 59 cents per gallon, which is higher than the national average of 54 cents per gallon.

CHART 14: State Government Motor Fuel Tax Revenue in 2015
(National Total = $42.5 billion)



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

CHART 15 : Per-Capita State Motor Fuel Tax Revenue in 2015
(National Per Capita = $132)



Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

TABLE 14: Motor Fuel Excise Tax Rates
as of January 1, 2016

	----Gasoline----			----Diesel Fuel----			----Gasohol----			
	Excise	Add'l	Total	Excise	Add'l	Total	Excise	Add'l	Total	
State	**Tax**	**Tax**	**Tax**	**Tax**	**Tax**	**Tax**	**Tax**	**Tax**	**Tax**	**Notes**
Alabama /1 /10	16.0	2.0	18.0	19.0		19.0	16.0	2.0	18.0	Inspection fee /10
Alaska	8.0	1.0	9.0	8.0	1.0	9.0	8.0	1.0	9.0	Refining Surcharge
Arizona	18.0	1.0	19.0	26.0	1.0	27.0	18.0	1.0	19.0	/9 LUST Tax
Arkansas	21.5	0.3	21.8	22.5	0.3	22.8	21.5	0.3	21.8	Environmental fee
California	30.0	5.0	35.0	13.0	22.5	35.5	30.0	5.0	35.0	Includes prepaid sales tax /8
Colorado	22.0		22.0	20.5		20.5	20.0		20.0	
Connecticut	25.0		25.0	50.3		50.3	25.0		25.0	Plus a 8.1% Petroleum tax (gas)
Delaware	23.0		23.0	22.0		22.0	23.0		23.0	Plus 0.9% GRT
Florida /2	4.0	24.4	28.4	4.0	27.7	31.7	4.0	24.4	28.4	Sales tax added to excise /2
Georgia /5	26.0		26.0	29.0		29.0	26.0		26.0	/5 Local sales tax additional
Hawaii /1	17.0		17.0	17.0		17.0	17.0		17.0	Sales tax additional
Idaho	32.0	1.0	33.0	32.0	1.0	33.0	32.0	1.0	33.0	Clean water tax /7
Illinois /1	**19.0**	**1.1**	**20.1**	**21.5**	**1.1**	**22.6**	**19.0**	**1.1**	**20.1**	**Sales tax add., env. & LUST fee /3**
Indiana	18.0		18.0	16.0		16.0	18.0		18.0	Sales tax additional /3
Iowa	30.8	1.0	31.8	32.5	1.0	33.5	29.3	1.0	30.3	Environmental fee
Kansas	24.0	1.0	25.0	26.0	1.0	27.0	24.0	1.0	25.0	Environmental & Inspection fees
Kentucky	24.6	1.4	26.0	21.6	1.4	23.0	24.6	1.4	26.0	Environmental fee /4 /3
Louisiana	20.0	0.1	20.1	20.0	0.1	20.1	20.0	0.1	20.1	Inspection fee
Maine	30.0		30.0	31.2		31.2	30.0		30.0	
Maryland /5	32.6		32.6	33.4		33.4	32.6		32.6	/5
Massachusetts	24.0		24.0	24.0		24.0	24.0		24.0	
Michigan	19.0		19.0	15.0		15.0	19.0		19.0	Sales tax additional
Minnesota	28.5	0.1	28.6	28.5	0.1	28.6	28.5	0.1	28.6	Inspect fee
Mississippi	18.0	0.4	18.4	18.0	0.4	18.4	18.0	0.4	18.4	Environmental fee
Missouri	17.0	0.3	17.3	17.0	0.3	17.3	17.0	0.3	17.3	Inspection & Load fees
Montana	27.0		27.0	27.8		27.8	27.0		27.0	
Nebraska	26.8	0.9	27.7	26.8	0.3	27.1	26.8	0.9	27.7	Petroleum fee /5
Nevada /1	23.0	0.8	23.8	27.0	0.8	27.8	23.0	0.8	23.8	Inspection & cleanup fee
New Hampshire	22.2	1.6	23.8	22.2	1.6	23.8	22.2	1.6	23.8	Oil discharge cleanup fee
New Jersey	10.5	4.0	14.5	13.5	4.0	17.5	10.5	4.0	14.5	Petroleum fee
New Mexico	17.0	1.9	18.9	21.0	1.9	22.9	17.0	1.9	18.9	Petroleum loading fee
New York	8.0	17.0	25.0	8.0	15.3	23.3	8.0	17.0	25.0	Petroleum Tax, Sales tax aditional
North Carolina	35.0	0.3	35.3	35.0	0.3	35.3	35.0	0.3	35.3	/5 /10 Inspection tax
North Dakota	23.0		23.0	23.0		23.0	23.0		23.0	
Ohio	28.0		28.0	28.0		28.0	28.0		28.0	
Oklahoma	16.0	1.0	17.0	13.0	1.0	14.0	16.0	1.0	17.0	Environmental fee
Oregon /1	30.0		30.0	30.0		30.0	30.0		30.0	
Pennsylvania	50.3		50.3	64.0		64.0	50.3		50.3	Oil franchise tax only
Rhode Island	33.0	1.0	34.0	33.0	1.0	34.0	33.0	1.0	34.0	LUST tax
South Carolina	16.0	0.8	16.8	16.0	0.8	16.8	16.0	0.8	16.8	Inspection fee & LUST tax
South Dakota /1	28.0	2.0	30.0	28.0	2.0	30.0	28.0	2.0	30.0	Inspection fee
Tennessee /1	20.0	1.4	21.4	17.0	1.4	18.4	20.0	1.4	21.4	Petroleum Tax & Envir. Fee
Texas	20.0		20.0	20.0		20.0	20.0		20.0	
Utah	29.4		29.4	29.4		29.4	29.4		29.4	
Vermont /5	12.1	18.4	30.5	28.0	4.0	32.0	12.1	18.4	30.5	Cleanup Fee & Trans. Fee
Virginia /1	16.2		16.2	20.2		20.2	16.2		16.2	/6
Washington /10	44.5		44.5	44.5		44.5	44.5		44.5	0.5% privilege tax /10
West Virginia	20.5	12.7	33.2	20.5	12.7	33.2	20.5	12.7	33.2	Sales tax added to excise
Wisconsin	30.9	2.0	32.9	30.9	2.0	32.9	30.9	2.0	32.9	Petroleum Insp. Fee
Wyoming	23.0	1.0	24.0	23.0	1.0	24.0	23.0	1.0	24.0	License tax
Dist. of Columbia	23.5		23.5	23.5		23.5	23.5		23.5	
Federal	**18.3**	**0.1**	**18.4**	**24.3**	**0.1**	**24.4**	**13.0**	**0.1**	**13.1**	**/7 LUST tax**

SOURCE: www.taxadmin.org

/1 Tax rates do not include local option taxes. In AL, 1 - 3 cents; HI, 8.8 to 18.0 cent; IL, 5 cents in Chicago and 6 cents in Cook county (gasoline only); NV, 4.0 to 9.0 cents; OR, 1 to 5 cents; SD and TN, one cent; and VA 2.1%.

/2 Local taxes for gasoline and gasohol vary from 11.1 cents to 19.1 cents. Includes Inspection Fee, SCETS, & Additional Local Tax.

/3 Carriers pay an additional surcharge equal to IL-19.3 cents (g) 20.1 cents (d), IN-11 cents, KY-2% (g) 4.7% (d).

/4 Tax rate is based on the average wholesale price and is adjusted annually The actual rates are: KY, 9%; and UT, 12%.

/5 Portion of the rate is adjustable based on maintenance costs, sales volume, cost of fuel to state government, or inflation.

/6 Large trucks pay an additional (d) 3.5 cents (g) 12.6 cents. Actual rates (g) 5.1%, (d) 6%.

/7 Tax rate is reduced by the percentage of ethanol used in blending (reported rate assumes the max. 10% ethanol).

/8 Califonia Gasoline subject to 2.25% sales tax. Diesel subject to a 9.25% sales tax.

/9 Diesel rate specified is the fuel use tax rate on large trucks. Small vehicles are subject to 18 cent tax rate.

/10 Tax rates scheduled to increase to 49.4 cents in WA, 7/1/16, 18 cents in AL (g), 10/1/16. Decrease to 34 cents in NC, 7/1/15.

Category 8: State Government Motor Vehicle and Operators' License Tax Revenue

In 2015, Illinois collected the 3rd highest amount of tax revenue from motor vehicle and operators' licenses. Illinois' total amount of $1.7 billion trailed only California ($3.9 billion) and Texas ($2.1 billion) in this category. Illinois had the 8th highest per-capita ranking in this category, collecting $130 per capita, which was well above the national per-capita value of $76. Only Iowa (ranked 1st) had a higher ranking than Illinois in the Midwest Region.

TABLE 15: State Government Motor Vehicle and Operators' License Tax Revenue in 2015
$ in billions

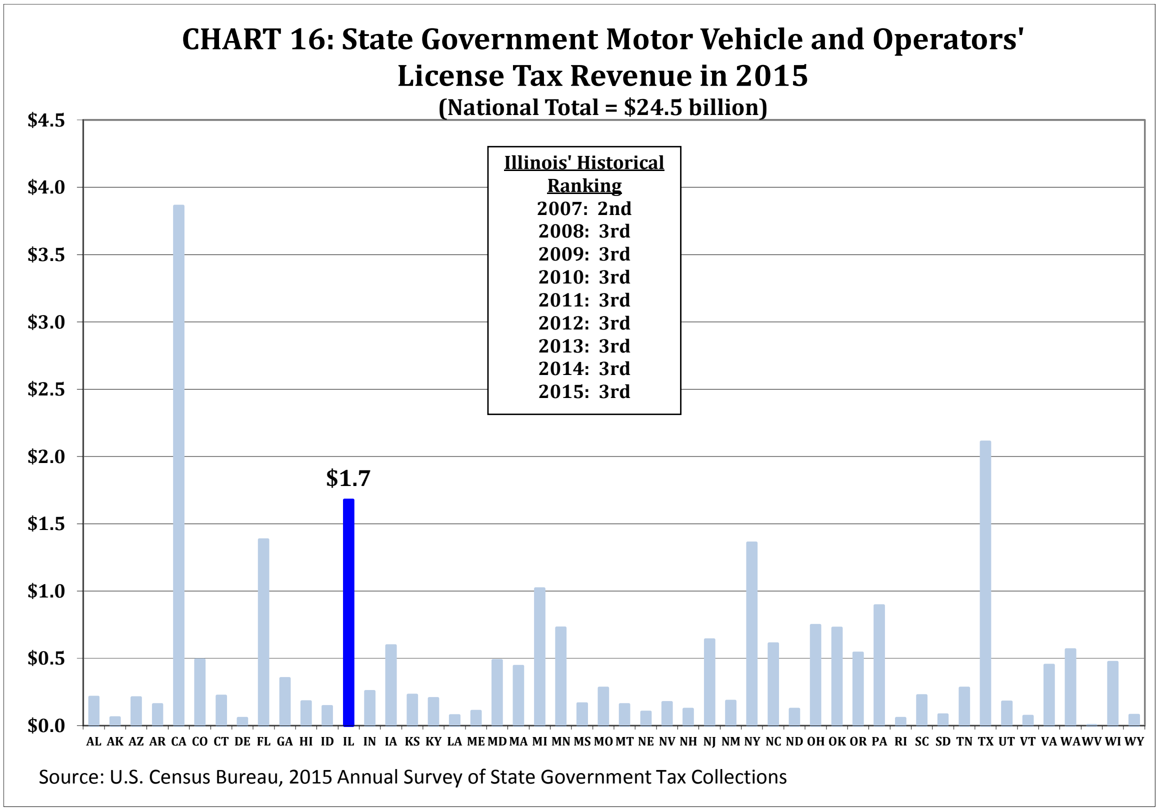
	State Govt Vehicle and License Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Vehicle and License Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$24.5	-	$76	-	United States	$24.5	-	$76	-
Alabama	$0.2	28	$43	44	Montana	$0.2	36	$153	4
Alaska	$0.1	47	$82	18	Nebraska	$0.1	42	$54	37
Arizona	$0.2	29	$30	48	Nevada	$0.2	34	$60	33
Arkansas	$0.2	37	$53	39	New Hampshire	$0.1	40	$92	14
California	$3.9	1	$99	12	New Jersey	$0.6	11	$71	25
Colorado	$0.5	16	$90	15	New Mexico	$0.2	31	$87	16
Connecticut	$0.2	27	$61	31	New York	$1.4	5	$69	27
Delaware	$0.1	49	$58	35	North Carolina	$0.6	12	$60	32
Florida	$1.4	4	$68	28	North Dakota	$0.1	39	$162	3
Georgia	$0.4	21	$34	47	Ohio	$0.7	8	$64	30
Hawaii	$0.2	32	$125	9	Oklahoma	$0.7	10	$185	2
Idaho	$0.1	38	$86	17	Oregon	$0.5	15	$134	5
Illinois	$1.7	3	$130	8	Pennsylvania	$0.9	7	$70	26
Indiana	$0.3	24	$39	46	Rhode Island	$0.1	48	$52	40
Iowa	$0.6	13	$190	1	South Carolina	$0.2	26	$46	43
Kansas	$0.2	25	$78	23	South Dakota	$0.1	43	$94	13
Kentucky	$0.2	30	$46	41	Tennessee	$0.3	22	$42	45
Louisiana	$0.1	45	$16	49	Texas	$2.1	2	$77	24
Maine	$0.1	41	$80	21	Utah	$0.2	33	$59	34
Maryland	$0.5	17	$81	20	Vermont	$0.1	46	$112	10
Massachusetts	$0.4	20	$65	29	Virginia	$0.4	19	$54	38
Michigan	$1.0	6	$103	11	Washington	$0.6	14	$79	22
Minnesota	$0.7	9	$133	6	West Virginia	$0.0	50	$1	50
Mississippi	$0.2	35	$54	36	Wisconsin	$0.5	18	$82	19
Missouri	$0.3	23	$46	42	Wyoming	$0.1	44	$132	7

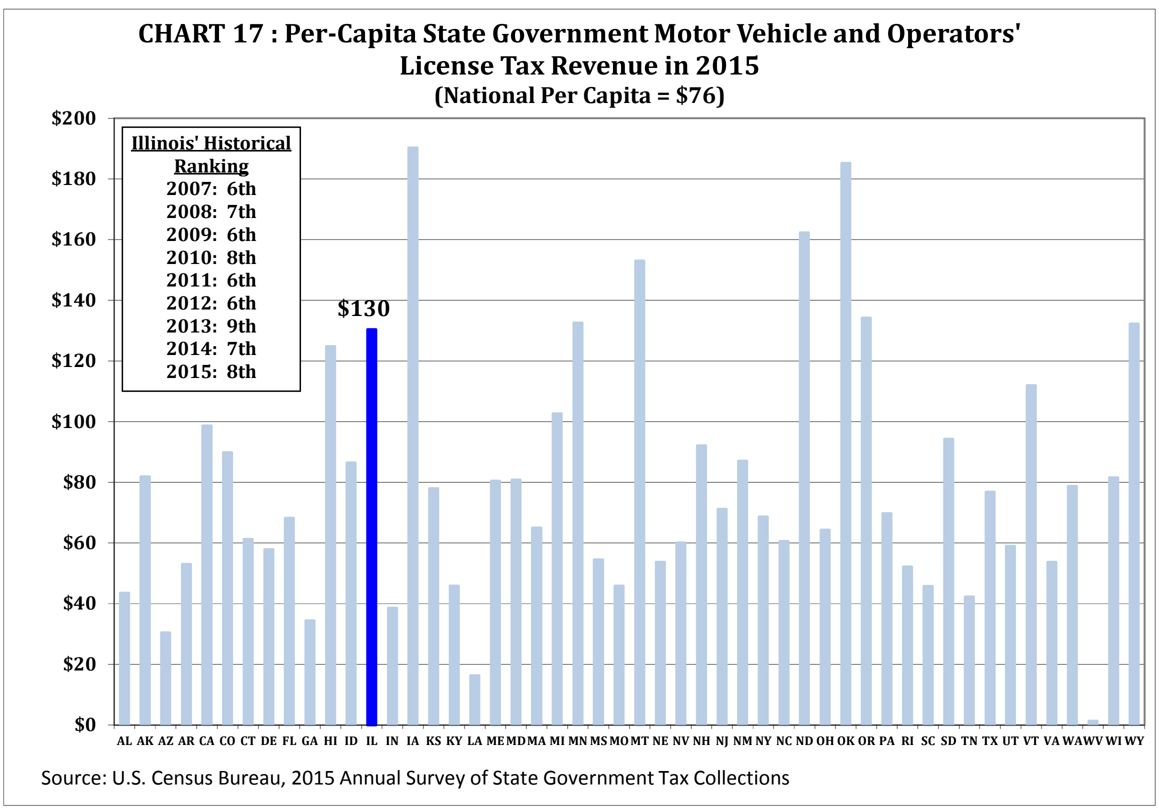
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections *Light Blue Areas= Midwest Region*

The State imposes a wide variety of fees on operators of motor vehicles in Illinois. These fees are administered by the Secretary of State. In 2009, the annual registration fee for passenger cars, motorcycles, and smaller commercial vehicles rose from $78 to $79. Also in that year, as part of the Capital Bill (P.A. 96-0034), the fees for vehicle registrations were raised by $20 to $99. In 2013, the annual registration fee for passenger cars, motorcycles, and commercial vehicles was increased another 2-cents from $99 to $101.

According to the *Illinois Tax Handbook for Legislators*, the original driver's license fee was $1. In 1983, the fee for a 4-year license was $10. On July 1, 2009, this fee was raised to $30 (Capital Bill: P.A. 96-0034).

Additional vehicle taxes may come from local governments. According to the Illinois Tax Handbook for Legislators, "State law allows any municipality to tax motor vehicles owned by its residents at rates set by its governing body (65 ILCS 5/8-11-4). Home-rule units can tax motor vehicles that are registered in their jurisdictions, as some do."





Category 9: State Government Insurance Premium Tax Revenue

In 2015, Illinois ranked 17th in the nation in the amount of insurance tax revenue collected with a value of $380 million. Only Ohio collected more in the Midwest Region ($545 million). On a per-capita basis, Illinois ranked 48th in the nation with a value of $30, well below the national average of $60. Only Nebraska and Oregon had lower per-capita rates than Illinois. Tennessee had the highest per-capita rate of $123.

TABLE 16: State Government Insurance Premium Tax Revenue in 2015

$ in millions

	State Govt Insurance Premium Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		State Govt Insurance Premium Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$19,150.1	-	$60	-	United States	$19,150.1	-	$60	-
Alabama	$312.0	22	$64	25	Montana	$97.4	40	$94	7
Alaska	$66.5	45	$90	11	Nebraska	$31.0	49	$16	49
Arizona	$466.8	11	$68	24	Nevada	$293.9	24	$102	3
Arkansas	$190.9	29	$64	26	New Hampshire	$107.7	38	$81	14
California	$2,444.6	1	$62	27	New Jersey	$648.1	7	$72	21
Colorado	$257.8	25	$47	38	New Mexico	$122.3	35	$59	30
Connecticut	$189.4	30	$53	34	New York	$1,431.4	3	$72	23
Delaware	$93.8	42	$99	5	North Carolina	$529.9	10	$53	33
Florida	$690.2	6	$34	43	North Dakota	$58.0	47	$77	17
Georgia	$419.7	16	$41	40	Ohio	$544.5	9	$47	39
Hawaii	$150.9	33	$105	2	Oklahoma	$326.0	20	$83	13
Idaho	$84.5	43	$51	35	Oregon	$62.3	46	$15	50
Illinois	**$379.8**	**17**	**$30**	**48**	Pennsylvania	$792.9	5	$62	29
Indiana	$221.1	27	$33	44	Rhode Island	$95.2	41	$90	10
Iowa	$109.6	37	$35	42	South Carolina	$248.4	26	$51	36
Kansas	$211.8	28	$73	20	South Dakota	$83.0	44	$97	6
Kentucky	$146.5	34	$33	45	Tennessee	$809.6	4	$123	1
Louisiana	$438.2	14	$94	8	Texas	$1,986.9	2	$72	22
Maine	$98.4	39	$74	19	Utah	$119.3	36	$40	41
Maryland	$444.7	13	$74	18	Vermont	$58.0	48	$93	9
Massachusetts	$367.8	19	$54	31	Virginia	$451.0	12	$54	32
Michigan	$323.0	21	$33	46	Washington	$556.0	8	$78	16
Minnesota	$437.8	15	$80	15	West Virginia	$155.7	32	$84	12
Mississippi	$299.1	23	$100	4	Wisconsin	$184.2	31	$32	47
Missouri	$376.8	18	$62	28	Wyoming	$29.6	50	$51	37

Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections *Light Blue Areas= Midwest Region*

Illinois imposes a number of taxes and fees on insurance companies, including a privilege tax on foreign companies, fire-marshal taxes, and a surplus line produce tax on nonstandard policies. The rate and base of the insurance taxes and fees in Illinois, as provided in the *Illinois Tax Handbook for Legislators*, are as follows:

1) Privilege tax on insurers and HMOs:
   a) 0.4% of net taxable written premiums for accident and health insurance.
   b) 0.5% of net taxable written premiums for all other types of insurance.
2) Fire marshal's tax: 1% of premiums on fire or fire-related insurance policies.
3) Surplus line producers' tax: 3.5% of gross insurance premiums from policies issued in Illinois.
4) Workers' Compensation Commission Operations Fund Surcharge: 1.01% of direct written premiums for workers' compensation liability insurance.
5) Numerous other fees on particular types of insurance activities.

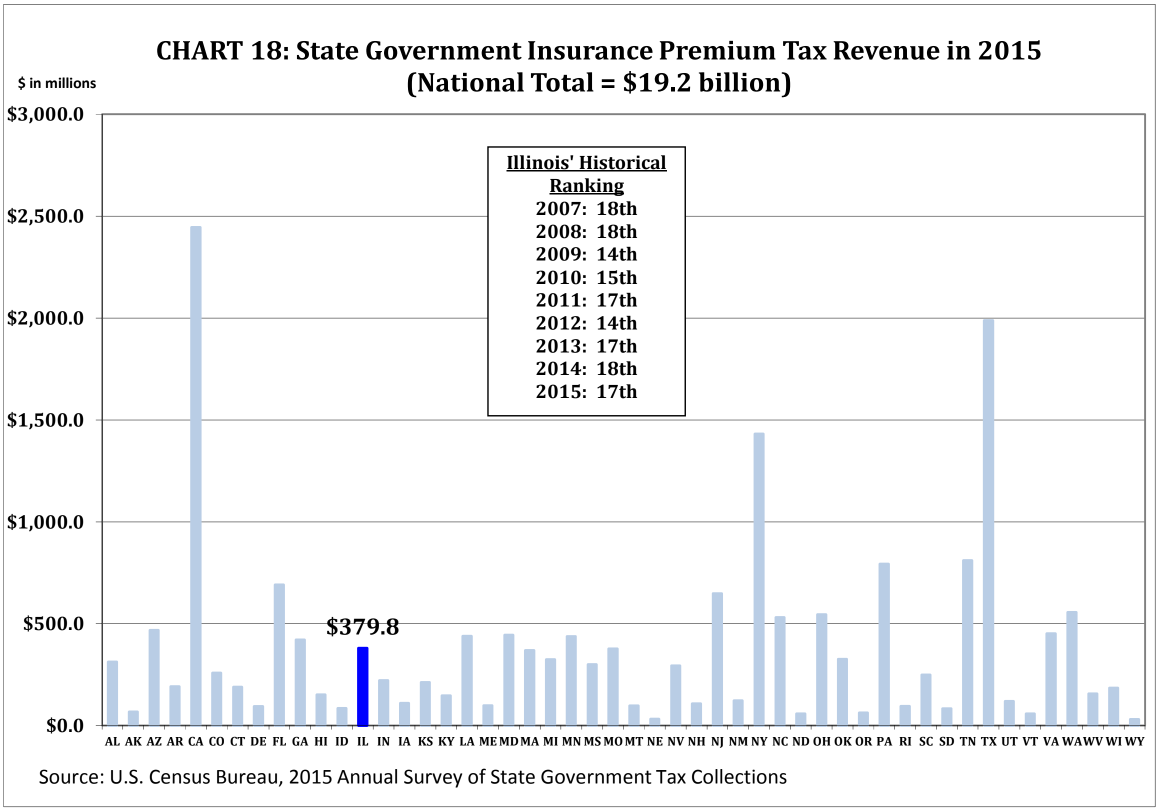


CHART 18: State Government Insurance Premium Tax Revenue in 2015
(National Total = $19.2 billion)
$ in millions
$3,000.0
$2,500.0
$2,000.0
$1,500.0
$1,000.0
$500.0
$0.0
Illinois' Historical Ranking
2007: 18th
2008: 18th
2009: 14th
2010: 15th
2011: 17th
2012: 14th
2013: 17th
2014: 18th
2015: 17th
$379.8
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

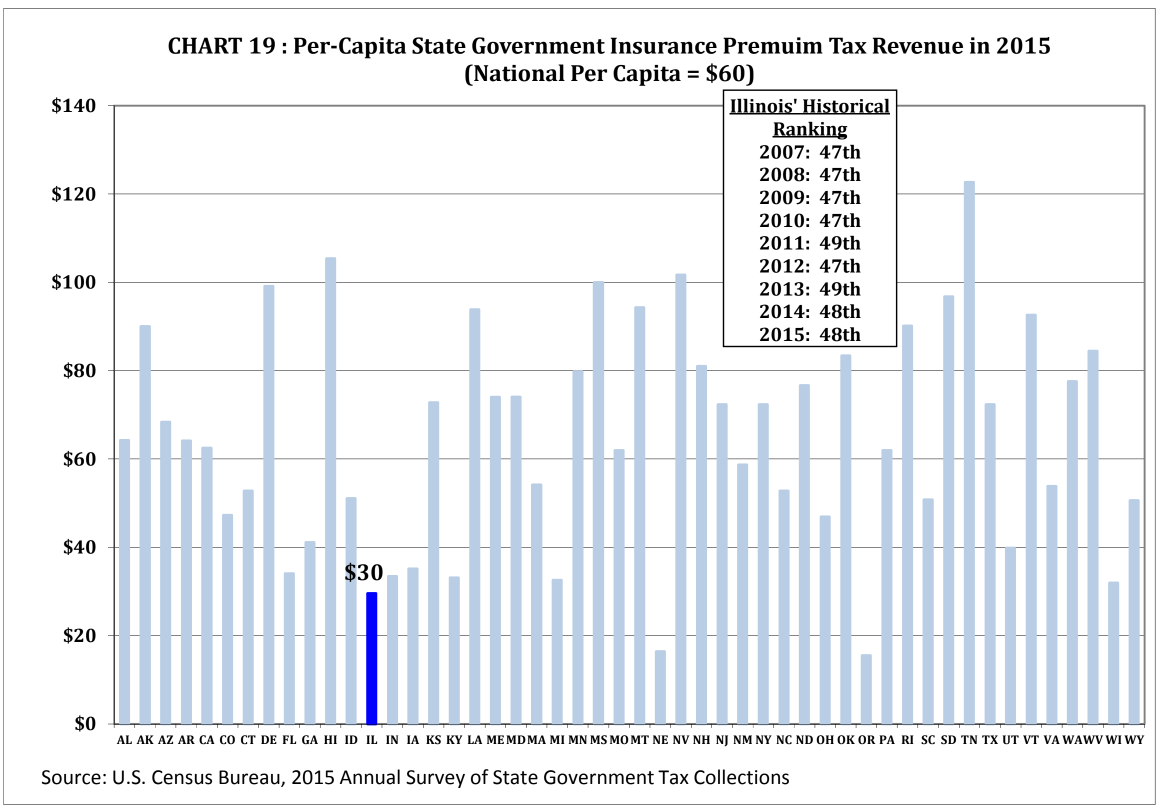


CHART 19 : Per-Capita State Government Insurance Premuim Tax Revenue in 2015
(National Per Capita = $60)
$140
$120
$100
$80
$60
$40
$20
$0
Illinois' Historical Ranking
2007: 47th
2008: 47th
2009: 47th
2010: 47th
2011: 49th
2012: 47th
2013: 49th
2014: 48th
2015: 48th
$30
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections

Category 10: State Government Tax Revenue as a Percent of Personal Income

As shown in Table 17, Illinois ranked 24th in the nation in 2015 in the category of state government tax revenue as a percentage of personal income with a value of 6.2%. This ranking is notably higher than the State's 2010 ranking of 41st, where it had a value of 5.1%. In 2015, the national average percentage was 6.0%. The highest-ranking state was North Dakota at 13.9%

TABLE 17: State Government Tax Revenue as a Percentage of Personal Income in 2015
$ in billions

	Personal Income (2015)	Total Dollars Ranking	Pers. Income % of State Government Revenues	% Ranking		Personal Income (2014)	Total Dollars Ranking	Pers. Income % of State Government Revenues	% Ranking
United States	**$15,324.1**	**-**	**6.0%**	**-**	**United States**	**$15,324.1**	**-**	**6.0%**	**-**
Alabama	$189.4	25	5.2%	39	**Montana**	$42.6	45	6.7%	16
Alaska	$41.3	46	2.1%	50	**Nebraska**	$91.0	36	5.6%	35
Arizona	$266.8	20	5.3%	37	**Nevada**	$122.0	32	6.2%	23
Arkansas	$116.5	34	7.9%	6	**New Hampshire**	$72.9	38	3.4%	49
California	$2,061.3	1	7.3%	10	**New Jersey**	$535.6	7	5.9%	29
Colorado	$275.1	18	4.7%	43	**New Mexico**	$80.2	37	7.5%	8
Connecticut	$240.5	23	6.7%	14	**New York**	$1,142.5	3	6.8%	13
Delaware	$45.1	44	7.8%	7	**North Carolina**	$408.4	13	6.1%	25
Florida	$894.2	4	4.2%	48	**North Dakota**	$41.2	47	13.9%	1
Georgia	$414.3	12	4.8%	41	**Ohio**	$505.0	8	5.6%	34
Hawaii	$68.4	39	9.5%	3	**Oklahoma**	$173.2	27	5.4%	36
Idaho	$62.1	41	6.4%	21	**Oregon**	$173.2	28	6.1%	26
Illinois	**$636.3**	**5**	**6.2%**	**24**	**Pennsylvania**	$629.7	6	5.7%	31
Indiana	$271.4	19	6.4%	20	**Rhode Island**	$52.9	43	6.0%	27
Iowa	$140.5	30	6.5%	17	**South Carolina**	$186.3	26	5.2%	38
Kansas	$133.6	31	5.9%	28	**South Dakota**	$38.6	48	4.3%	46
Kentucky	$172.6	29	6.7%	15	**Tennessee**	$277.7	16	4.6%	45
Louisiana	$202.0	24	4.8%	40	**Texas**	$1,284.3	2	4.3%	47
Maine	$55.9	42	7.3%	12	**Utah**	$117.0	33	5.7%	32
Maryland	$337.2	15	5.9%	30	**Vermont**	$30.0	50	10.2%	2
Massachusetts	$414.7	11	6.5%	18	**Virginia**	$437.1	9	4.7%	42
Michigan	$421.0	10	6.4%	22	**Washington**	$366.8	14	5.6%	33
Minnesota	$277.5	17	8.8%	4	**West Virginia**	$68.3	40	8.1%	5
Mississippi	$106.1	35	7.5%	9	**Wisconsin**	$263.3	21	6.5%	19
Missouri	$260.1	22	4.6%	44	**Wyoming**	$32.4	49	7.3%	11

Source: U.S. Census Bureau, Survey of State Govt Tax Collections, Bureau of Econ Analysis

Light Blue Areas= Midwest Region

Illinois' jump in the rankings is again primarily due to the 2011 tax increases on personal and corporate income. With this tax increase, Illinois went from being one of the lowest taxing states in the nation, in terms of the percentage of personal income that goes to state government tax revenues, to ranking among the upper half of states in this category. Still, despite this increase, Illinois' ranking of 24th places them in the middle of other states in the Midwest region. Once the impact of the 2015 reduced tax rates are reflected in the above numbers, Illinois' ranking will likely fall to somewhere in the 30s.

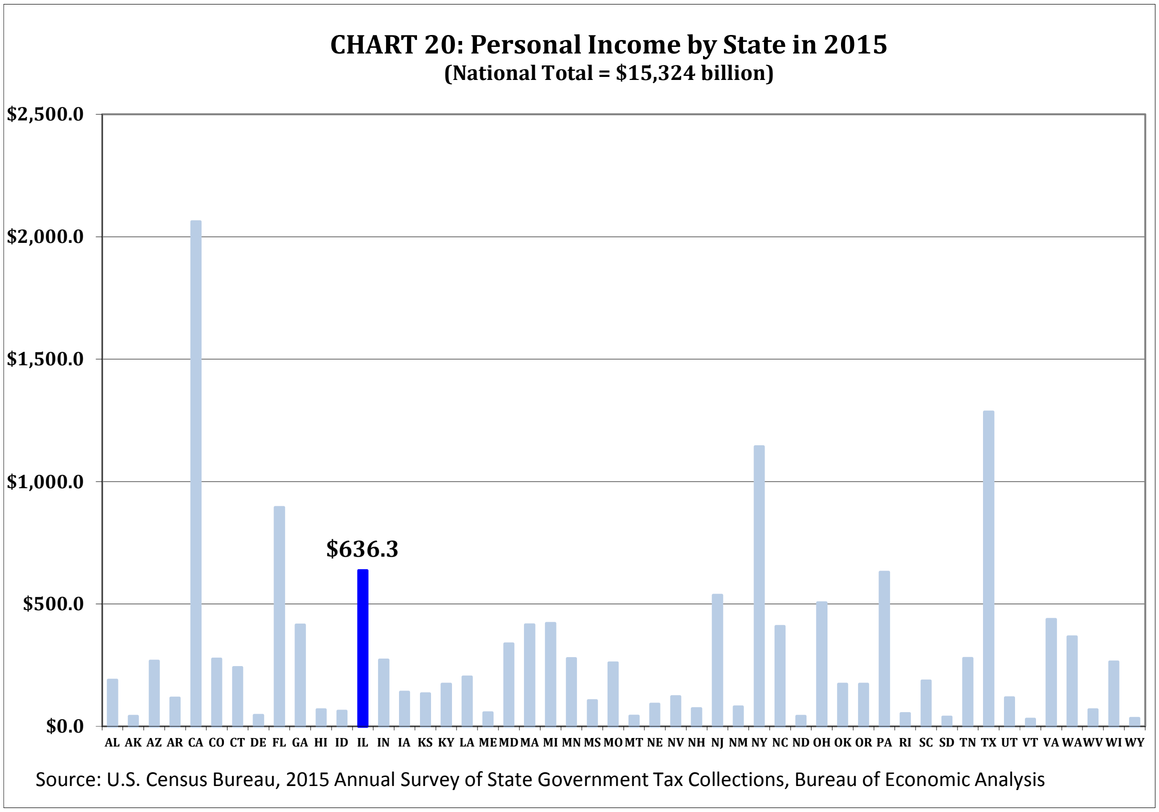


CHART 20: Personal Income by State in 2015
(National Total = $15,324 billion)
$2,500.0
$2,000.0
$1,500.0
$1,000.0
$500.0
$0.0
$636.3
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections, Bureau of Economic Analysis

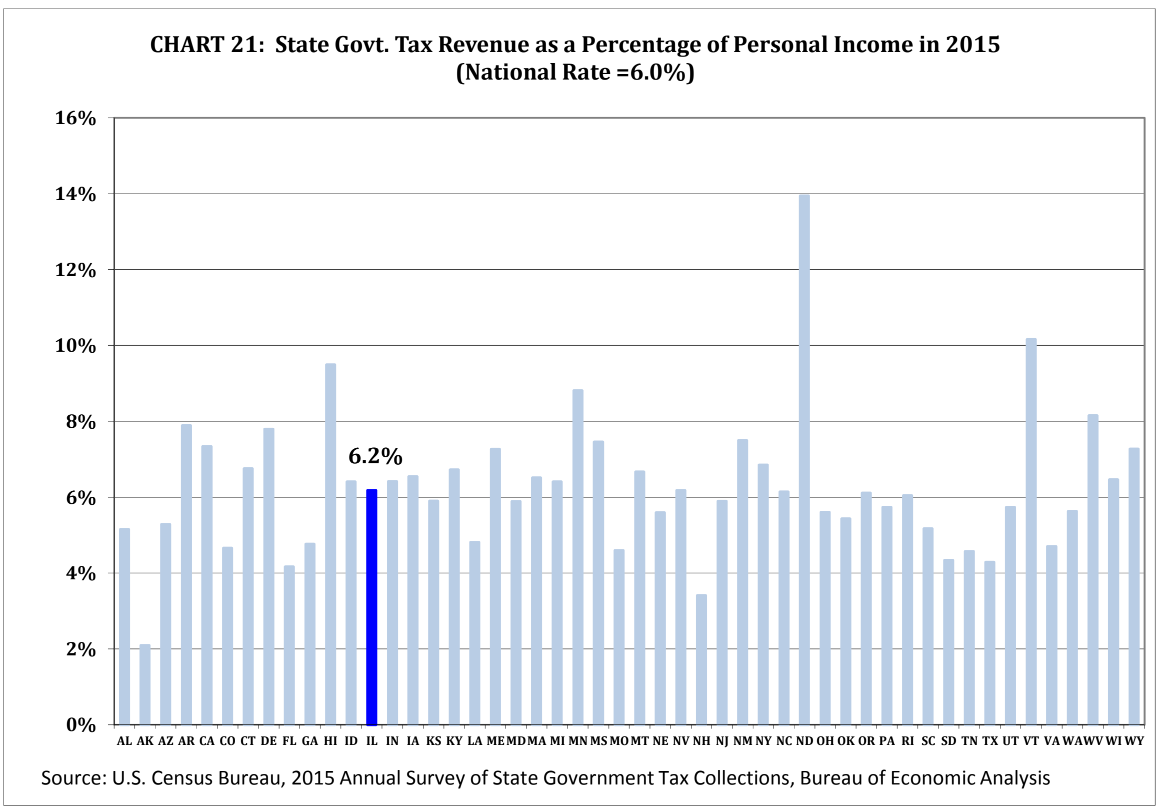


CHART 21: State Govt. Tax Revenue as a Percentage of Personal Income in 2015
(National Rate =6.0%)
16%
14%
12%
10%
8%
6%
4%
2%
0%
6.2%
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2015 Annual Survey of State Government Tax Collections, Bureau of Economic Analysis

Category 11: Local Government Tax Revenue

In 2013 (the most recent year of compiled data available as 2014 datasets are not made available until December 2016), Illinois ranked 5th in the nation in the category of local government tax revenue collected with an amount of $73.0 billion. California ranked 1st with an amount of $277 billion. On a per-capita basis, Illinois ranked 7th at $5,666 per capita and was the highest ranked state in the Midwest Region. New York was first at $9,834 per capita. A major reason for Illinois' high rankings in this area is because Illinois has more units of government (over 6,000) than any other state in the nation.

TABLE 18: Local Government Tax Revenue in 2013

$ in billions

	Local Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Local Government Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$1,709.3	-	$5,407	-	United States	$1,709.3	-	$5,407	-
Alabama	$21.2	24	$4,382	30	Montana	$3.7	47	$3,627	43
Alaska	$5.3	40	$7,165	4	Nebraska	$13.3	32	$7,108	5
Arizona	$28.1	19	$4,237	37	Nevada	$13.3	33	$4,756	23
Arkansas	$9.8	36	$3,318	46	New Hampshire	$5.7	38	$4,296	34
California	$277.4	1	$7,238	3	New Jersey	$47.6	8	$5,349	10
Colorado	$29.8	17	$5,661	8	New Mexico	$8.5	37	$4,076	39
Connecticut	$18.1	26	$5,032	16	New York	$193.3	2	$9,834	1
Delaware	$3.4	49	$3,666	42	North Carolina	$45.8	10	$4,651	27
Florida	$94.5	4	$4,836	19	North Dakota	$3.8	45	$5,267	11
Georgia	$43.3	11	$4,337	33	Ohio	$55.2	7	$4,771	22
Hawaii	$3.7	46	$2,622	50	Oklahoma	$13.6	31	$3,526	45
Idaho	$5.2	41	$3,246	47	Oregon	$18.0	27	$4,586	28
Illinois	$73.0	5	$5,666	7	Pennsylvania	$64.4	6	$5,041	14
Indiana	$28.0	20	$4,266	35	Rhode Island	$4.6	43	$4,359	31
Iowa	$15.8	28	$5,106	13	South Carolina	$20.3	25	$4,244	36
Kansas	$14.6	29	$5,028	17	South Dakota	$3.4	48	$4,024	40
Kentucky	$14.0	30	$3,176	48	Tennessee	$32.7	15	$5,035	15
Louisiana	$22.3	23	$4,816	21	Texas	$124.6	3	$4,713	25
Maine	$4.8	42	$3,586	44	Utah	$11.6	35	$3,989	41
Maryland	$29.8	18	$5,027	18	Vermont	$2.8	50	$4,449	29
Massachusetts	$34.2	14	$5,112	12	Virginia	$38.6	13	$4,678	26
Michigan	$46.9	9	$4,741	24	Washington	$40.7	12	$5,832	6
Minnesota	$30.0	16	$5,538	9	West Virginia	$5.5	39	$2,955	49
Mississippi	$12.5	34	$4,188	38	Wisconsin	$27.8	21	$4,833	20
Missouri	$26.3	22	$4,353	32	Wyoming	$4.6	44	$7,810	2

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances. *Light Blue Areas= Midwest Region*

Because Illinois' ranking in per-capita local government revenue is notably higher than its ranking in state government revenue, many argue that the State should take a larger role in financing programs. They argue that local taxes need to be lowered, while increasing State tax sources to create a more "equitable" system. Others argue that a reliance on property taxes give local governments more local control and promotes a higher degree of accountability to their community. This debate will continue in the years to come, especially in the area of education funding.

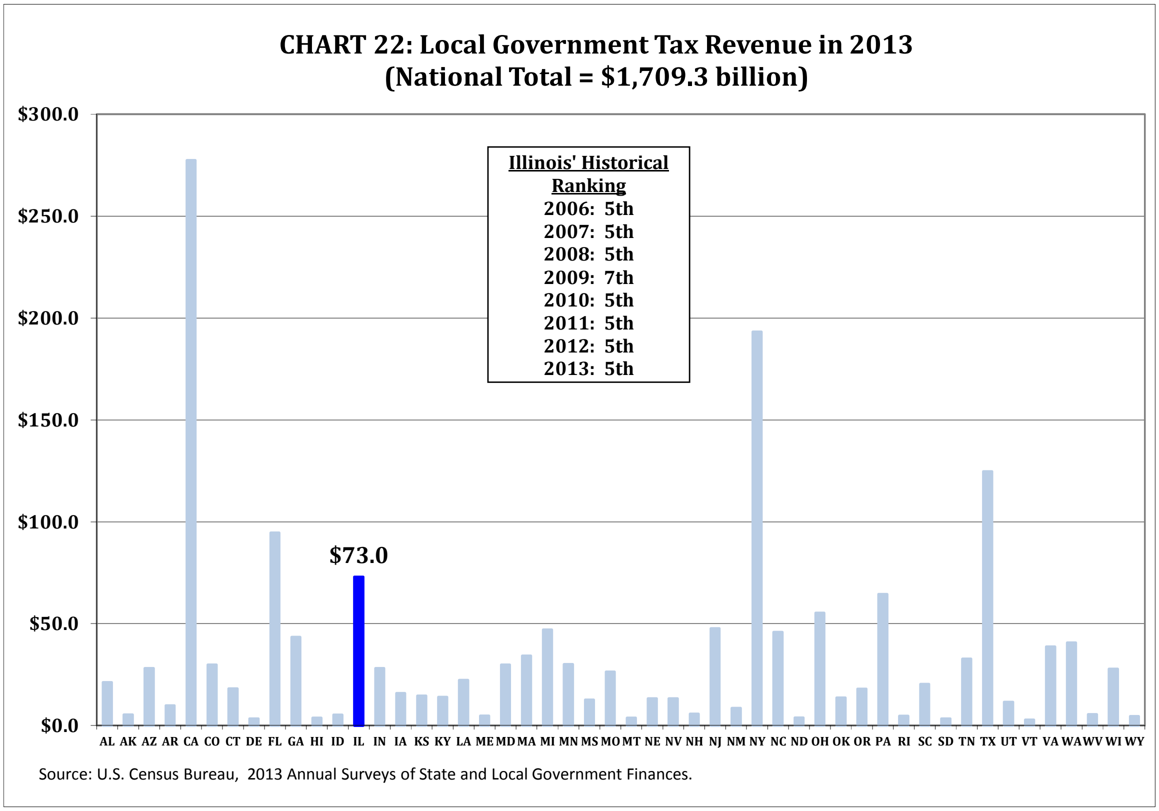


CHART 22: Local Government Tax Revenue in 2013
(National Total = $1,709.3 billion)
Illinois' Historical Ranking
2006: 5th
2007: 5th
2008: 5th
2009: 7th
2010: 5th
2011: 5th
2012: 5th
2013: 5th
$73.0
$300.0
$250.0
$200.0
$150.0
$100.0
$50.0
$0.0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

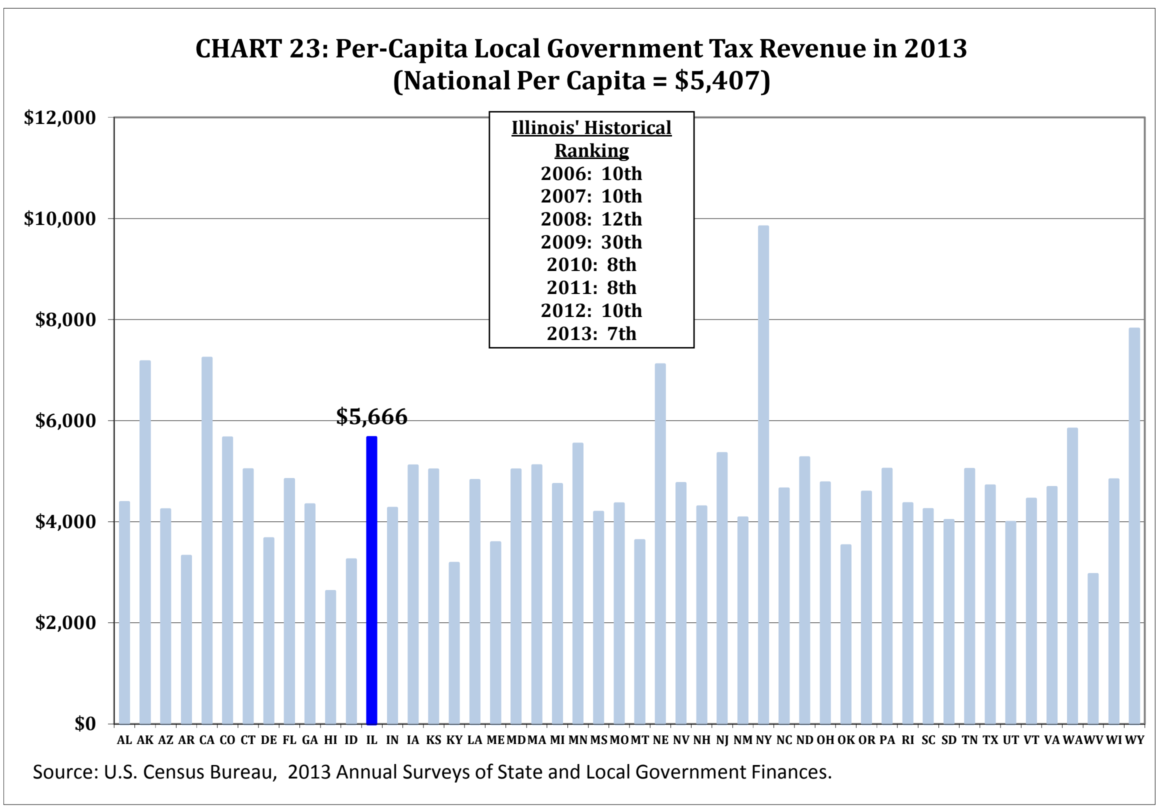


CHART 23: Per-Capita Local Government Tax Revenue in 2013
(National Per Capita = $5,407)
Illinois' Historical Ranking
2006: 10th
2007: 10th
2008: 12th
2009: 30th
2010: 8th
2011: 8th
2012: 10th
2013: 7th
$5,666
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 12: Local Government Property Tax Revenue

The majority of local taxes come from the property tax. Illinois has historically been one of the highest taxing states in the nation in the area of property taxes. As shown below in Table 19, in 2013, Illinois ranked 5th in the nation in the amount of property tax revenue collected. On a per-capita basis, Illinois ranked 7th and was the highest ranked state in this category in the Midwest Region. Illinois' per-capita rate was $1,978, which was well above the national average of $1,399.

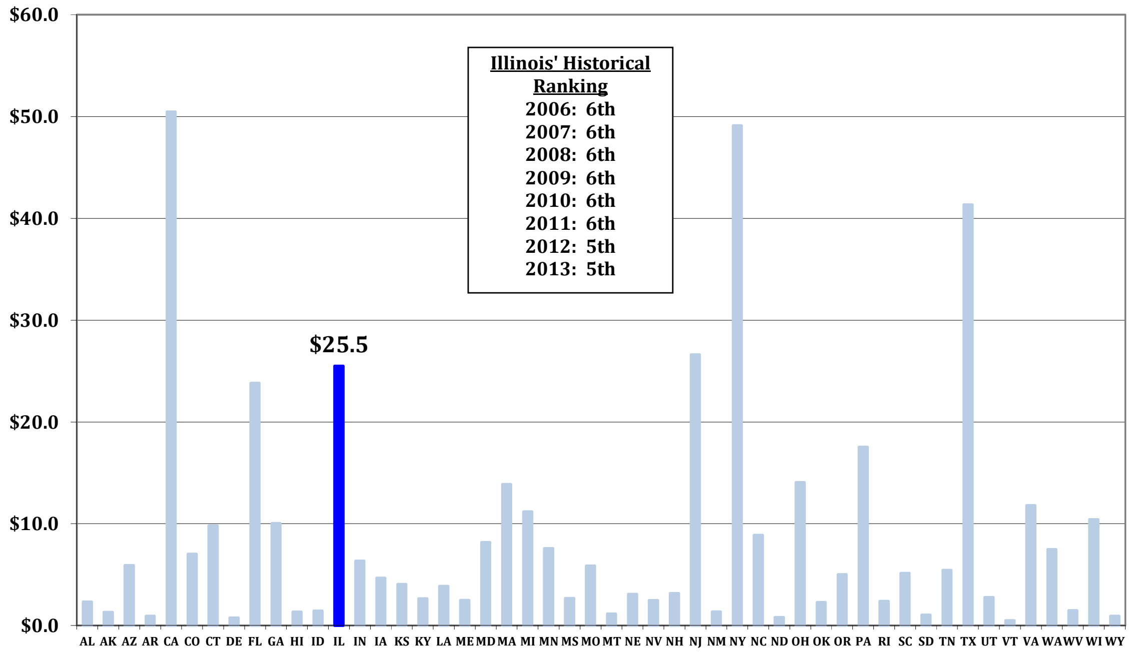
TABLE 19: Local Government Property Tax Revenue in 2013

$ in billions

	Local Government Property Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Local Government Property Tax Revenue	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	**$442.4**	**-**	**$1,399**	**-**	**United States**	**$442.4**	**-**	**$1,399**	**-**
Alabama	$2.3	37	$481	49	**Montana**	$1.2	44	$1,147	26
Alaska	$1.3	43	$1,784	10	**Nebraska**	$3.1	30	$1,649	11
Arizona	$5.9	21	$894	37	**Nevada**	$2.5	35	$888	39
Arkansas	$0.9	47	$313	50	**New Hampshire**	$3.2	29	$2,386	4
California	$50.5	1	$1,316	21	**New Jersey**	$26.6	4	$2,991	1
Colorado	$7.0	19	$1,334	20	**New Mexico**	$1.4	41	$651	46
Connecticut	$9.8	14	$2,727	2	**New York**	$49.1	2	$2,499	3
Delaware	$0.8	49	$825	43	**North Carolina**	$8.9	15	$903	36
Florida	$23.8	6	$1,218	24	**North Dakota**	$0.8	48	$1,137	27
Georgia	$10.0	13	$1,005	31	**Ohio**	$14.1	8	$1,215	25
Hawaii	$1.3	42	$946	35	**Oklahoma**	$2.3	38	$596	48
Idaho	$1.4	40	$888	40	**Oregon**	$5.0	25	$1,279	22
Illinois	**$25.5**	**5**	**$1,978**	**7**	**Pennsylvania**	$17.5	7	$1,373	19
Indiana	$6.4	20	$967	33	**Rhode Island**	$2.4	36	$2,283	5
Iowa	$4.7	26	$1,516	14	**South Carolina**	$5.1	24	$1,074	29
Kansas	$4.0	27	$1,398	16	**South Dakota**	$1.0	45	$1,231	23
Kentucky	$2.7	33	$605	47	**Tennessee**	$5.4	23	$838	42
Louisiana	$3.9	28	$838	41	**Texas**	$41.3	3	$1,563	13
Maine	$2.5	34	$1,879	8	**Utah**	$2.8	31	$953	34
Maryland	$8.2	16	$1,379	18	**Vermont**	$0.5	50	$783	45
Massachusetts	$13.9	9	$2,074	6	**Virginia**	$11.8	10	$1,428	15
Michigan	$11.2	11	$1,131	28	**Washington**	$7.5	18	$1,072	30
Minnesota	$7.6	17	$1,396	17	**West Virginia**	$1.5	39	$794	44
Mississippi	$2.7	32	$891	38	**Wisconsin**	$10.4	12	$1,817	9
Missouri	$5.9	22	$972	32	**Wyoming**	$0.9	46	$1,605	12

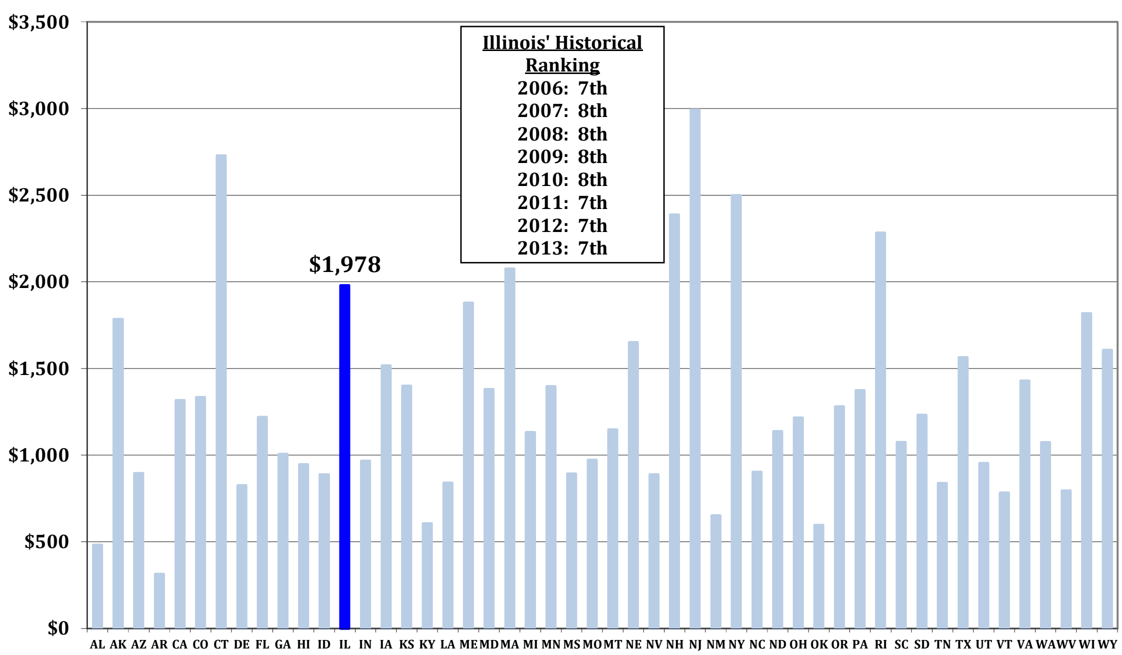
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances. *Light Blue Areas= Midwest Region*

CHART 24: Local Government Property Tax Revenue in 2013
(National Total = $442.4 billion)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

CHART 25: Per-Capita Local Government Property Tax Revenue in 2013
(National Per Capita = $1,399)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 13: State and Local Government Total Expenditures

In terms of State and Local Government Total Expenditures, Illinois ranks 5th in total dollars and ranks 15th in terms of per-capita spending. Total expenditures, in this instance, include all money paid other than for retirement of debt and extension of loans. It includes payments from all sources of funds including current revenues and proceeds from borrowing and prior year fund balances. It also includes intergovernmental transfers and expenditures for government owned utilities and other commercial or auxiliary enterprise and insurance trust expenditures. Illinois' per-capita spending rate was $10,408, which was slightly above the national average rate of $10,137. Illinois had the highest amount of total expenditures in the Midwest in total dollars and on a per-capita basis.

TABLE 20: State and Local Government Total Expenditures in 2013

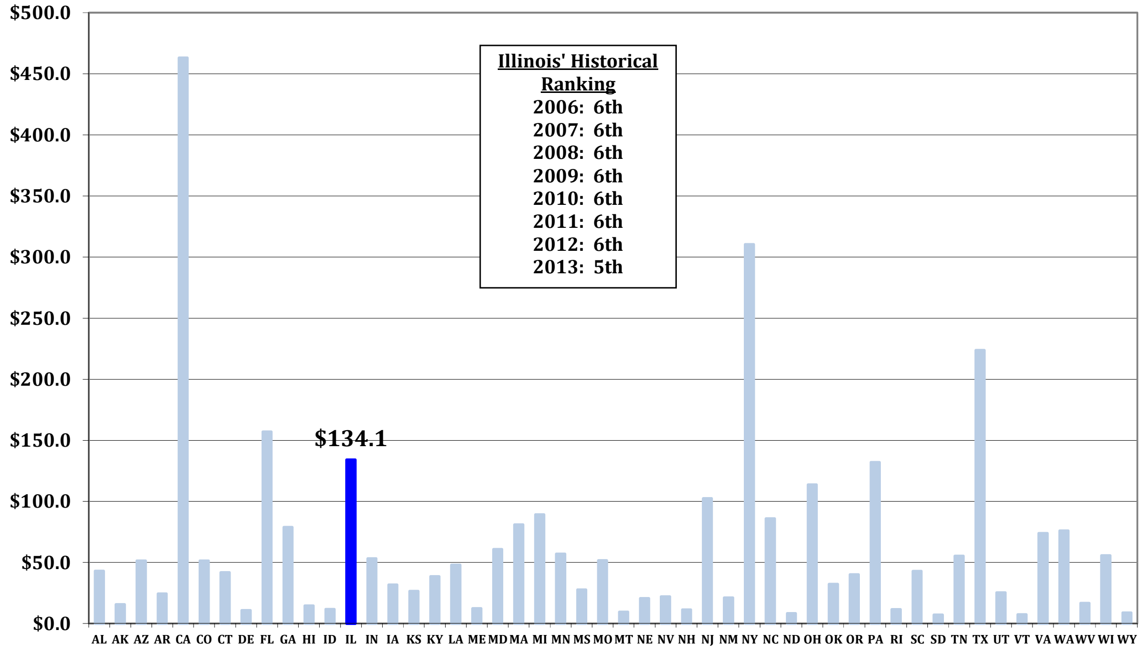
$ in billions

	Total Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Total Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$3,204.5	-	$10,137	-	United States	$3,204.5	-	$10,137	-
Alabama	$43.0	24	$8,904	34	Montana	$9.4	46	$9,234	28
Alaska	$15.6	39	$21,257	1	Nebraska	$20.6	37	$11,038	11
Arizona	$51.5	21	$7,766	49	Nevada	$22.1	35	$7,919	47
Arkansas	$24.4	34	$8,243	44	New Hampshire	$11.4	44	$8,616	38
California	$463.1	1	$12,082	5	New Jersey	$102.4	8	$11,511	10
Colorado	$51.3	22	$9,745	24	New Mexico	$21.1	36	$10,135	22
Connecticut	$41.9	26	$11,648	6	New York	$310.4	2	$15,796	2
Delaware	$10.7	45	$11,586	8	North Carolina	$85.9	10	$8,724	37
Florida	$157.0	4	$8,031	46	North Dakota	$8.3	48	$11,521	9
Georgia	$78.8	12	$7,889	48	Ohio	$113.8	7	$9,832	23
Hawaii	$14.6	40	$10,388	16	Oklahoma	$32.3	29	$8,394	43
Idaho	$11.7	42	$7,286	50	Oregon	$40.0	27	$10,189	21
Illinois	$134.1	5	$10,408	15	Pennsylvania	$131.9	6	$10,328	18
Indiana	$53.1	19	$8,088	45	Rhode Island	$11.5	43	$10,911	12
Iowa	$31.7	30	$10,260	19	South Carolina	$42.8	25	$8,965	32
Kansas	$26.6	32	$9,189	29	South Dakota	$7.1	50	$8,404	42
Kentucky	$38.6	28	$8,778	35	Tennessee	$55.3	18	$8,514	40
Louisiana	$47.9	23	$10,361	17	Texas	$223.8	3	$8,460	41
Maine	$12.4	41	$9,317	26	Utah	$25.4	33	$8,759	36
Maryland	$60.7	15	$10,246	20	Vermont	$7.3	49	$11,594	7
Massachusetts	$80.9	11	$12,094	4	Virginia	$73.9	14	$8,942	33
Michigan	$89.3	9	$9,020	30	Washington	$76.0	13	$10,903	13
Minnesota	$57.1	16	$10,526	14	West Virginia	$16.7	38	$8,992	31
Mississippi	$27.7	31	$9,246	27	Wisconsin	$55.7	17	$9,703	25
Missouri	$51.6	20	$8,543	39	Wyoming	$8.9	47	$15,222	3

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

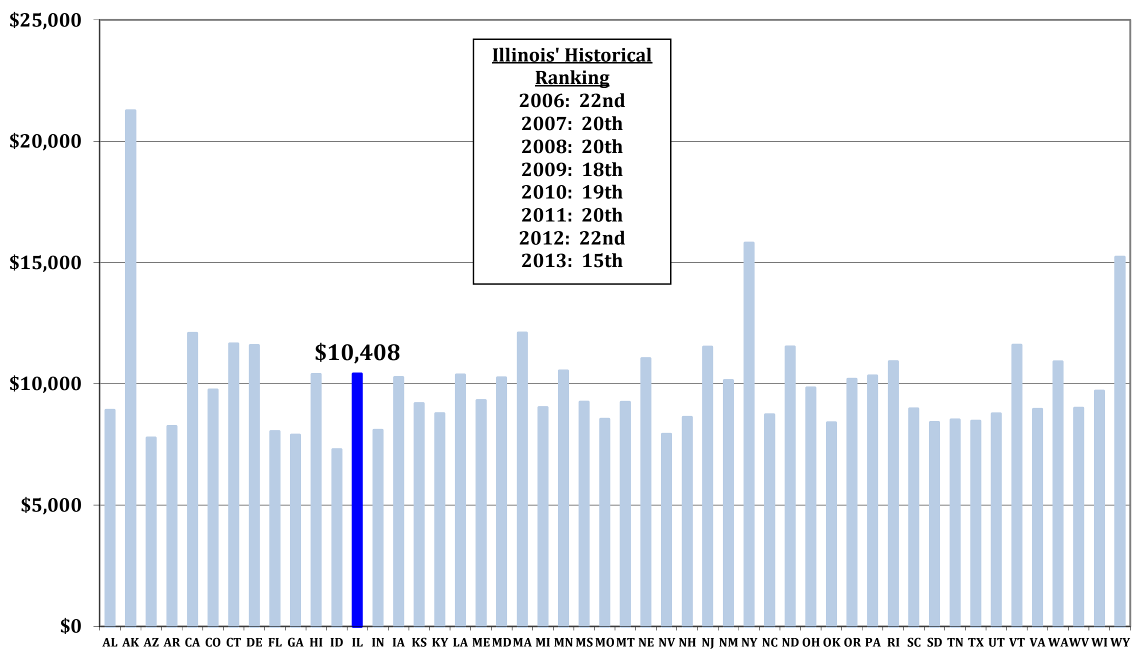
Light Blue Areas= Midwest Region

CHART 26: State and Local Government Total Expenditures in 2013
(National Total = $3,204.5 billion)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

CHART 27: Per-Capita State and Local Government Total Expenditues in 2013
(National Per Capita = $10,137)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 14: Elementary and Secondary Education Expenditures by State and Local Governments

Illinois ranked 5th in the nation in the amount spent on elementary and secondary education in 2013 with an amount of $25.0 billion. This includes money from state and local governments (property tax revenues). California was the highest ranked state with a total expenditure amount of $66.3 billion. On a per-capita basis, Illinois ranked 15th at $1,942 per capita, which was above the national average of $1,802. Alaska was the highest ranked state on a per-capita basis at $3,396. Illinois had the highest Midwest ranking in both total dollars and per-capita.

TABLE 21: Elementary and Secondary Education Expenditures by State and Local Governments in 2013

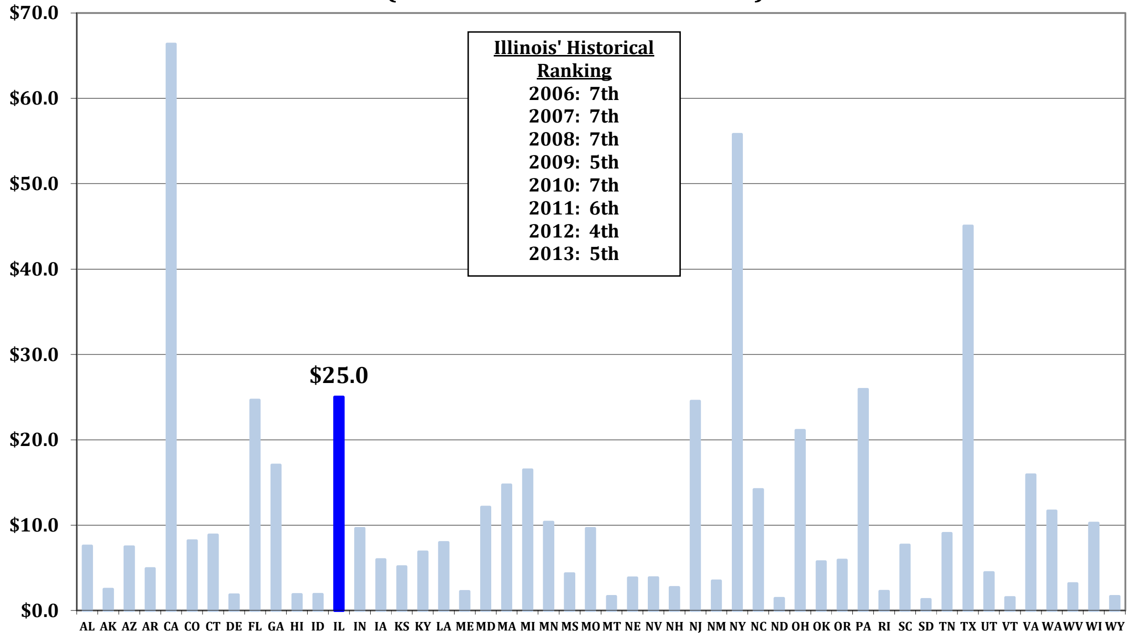
$ in billions

	Elem. & Sec. Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Elem. & Sec. Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$569.8	-	$1,802	-	United States	$569.8	-	$1,802	-
Alabama	$7.5	25	$1,560	36	Montana	$1.6	47	$1,616	32
Alaska	$2.5	40	$3,396	1	Nebraska	$3.8	36	$2,040	10
Arizona	$7.5	26	$1,126	50	Nevada	$3.8	35	$1,378	46
Arkansas	$4.9	32	$1,659	31	New Hampshire	$2.7	39	$2,031	11
California	$66.3	1	$1,731	22	New Jersey	$24.5	7	$2,755	4
Colorado	$8.2	22	$1,556	37	New Mexico	$3.5	37	$1,664	30
Connecticut	$8.8	21	$2,461	5	New York	$55.8	2	$2,838	3
Delaware	$1.8	45	$1,996	13	North Carolina	$14.2	13	$1,440	44
Florida	$24.6	6	$1,260	48	North Dakota	$1.4	49	$1,992	14
Georgia	$17.0	9	$1,706	25	Ohio	$21.1	8	$1,825	19
Hawaii	$1.9	44	$1,344	47	Oklahoma	$5.7	30	$1,484	41
Idaho	$1.9	43	$1,187	49	Oregon	$5.9	29	$1,502	40
Illinois	$25.0	5	$1,942	15	Pennsylvania	$25.9	4	$2,028	12
Indiana	$9.6	19	$1,462	42	Rhode Island	$2.3	41	$2,160	8
Iowa	$6.0	28	$1,929	16	South Carolina	$7.7	24	$1,605	33
Kansas	$5.1	31	$1,778	21	South Dakota	$1.3	50	$1,529	39
Kentucky	$6.9	27	$1,564	35	Tennessee	$9.0	20	$1,392	45
Louisiana	$8.0	23	$1,720	23	Texas	$45.0	3	$1,703	26
Maine	$2.2	42	$1,678	27	Utah	$4.5	33	$1,540	38
Maryland	$12.1	14	$2,042	9	Vermont	$1.5	48	$2,433	6
Massachusetts	$14.7	12	$2,198	7	Virginia	$15.9	11	$1,925	17
Michigan	$16.5	10	$1,665	29	Washington	$11.7	15	$1,675	28
Minnesota	$10.3	16	$1,909	18	West Virginia	$3.2	38	$1,708	24
Mississippi	$4.3	34	$1,441	43	Wisconsin	$10.2	17	$1,783	20
Missouri	$9.6	18	$1,592	34	Wyoming	$1.7	46	$2,848	2

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

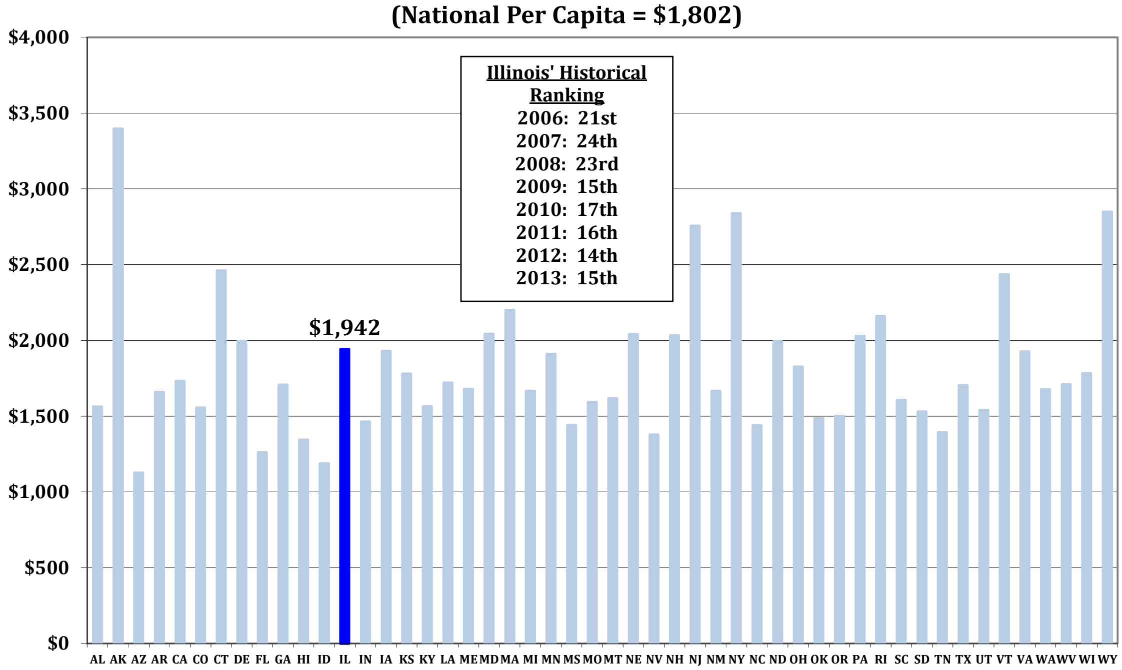
Light Blue Areas= Midwest Region

CHART 28: Elementary and Secondary Education Expenditures by State and Local Governments in 2013 (National Total = $570 billion)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

CHART 29: Per-Capita Elementary and Secondary Education Expenditures by State and Local Governments in 2013 (National Per Capita = $1,802)



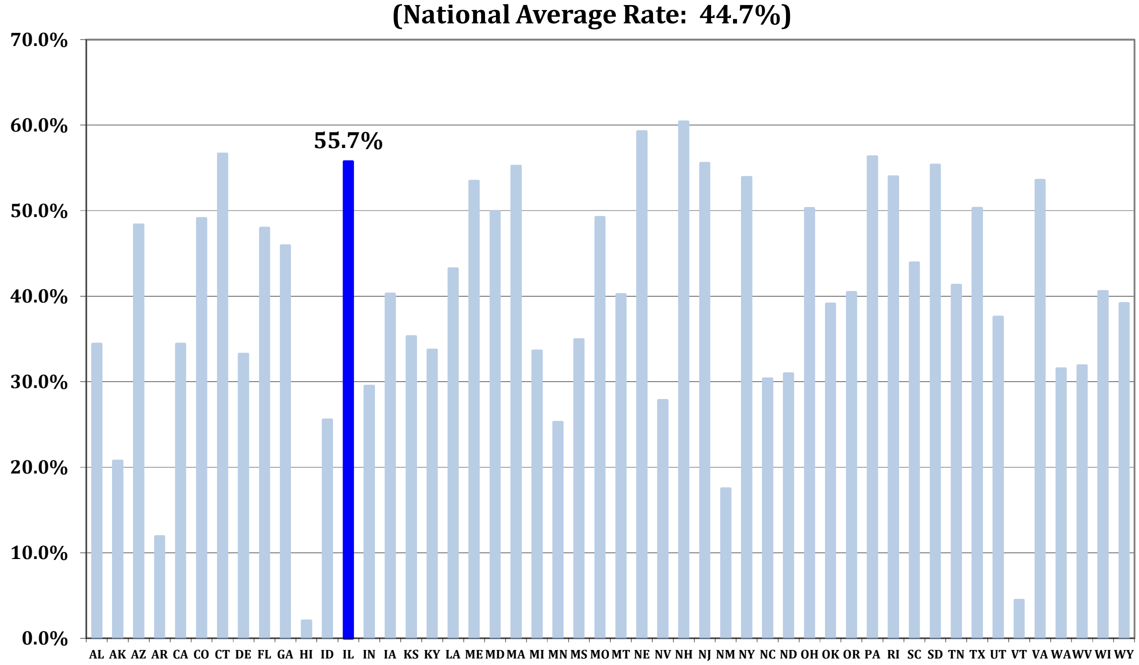
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 15: Source of Elementary and Education Funding

On the following page is a table displaying the amount of revenue that is used for the financing of elementary and secondary education by state. The table shows how much of the education funding came from federal sources, state sources, and from local sources for the 2013-2014 school-year. A closer look shows that 55.7% of Illinois' portion of education funding in this year came from local sources, 36.7% came from state sources, and 7.6% came from federal sources.

As shown in the below chart, Illinois' local government portion of elementary and secondary education is among the highest in the nation. In the year shown, Illinois ranked 5th in the nation, but was ranked 1st in this category as recent as the 2007-2008 school year. Illinois has consistently been ranked above other states in the Midwest region in this area over the last several years.

CHART 30: Percentage of Elementary and Secondary Education Finances by Local Government Sources in Fiscal Year 2014 (National Average Rate: 44.7%)



Source: U.S. Census Bureau, www.census.gov/govs/school.

Note: According to "Public Education Finances: 2014" from the Census Bureau, the authors add the following footnote regarding Illinois' data: "Payments made by the state government into the state's public school retirement systems on behalf of Illinois school districts are included in the tables that display state totals of elementary-secondary education finances. These payments have been estimated for local school systems and appear in the tabular detail for state revenue and expenditure of individual school systems. Illinois corporate personal property replacement tax revenue is included as a state revenue source rather than local revenue in this report."

TABLE 22: Summary of Public Elementary-Secondary School System Finances by State: Fiscal Year 2014

(Revenue Amounts in Thousands of Dollars)

Geographic area	Elementary-secondary revenue [1]				Percentage Breakout		
	Total	From Federal sources	From state sources	From local sources	From Federal sources	From state sources	From local sources
United States	$617,633,773	$52,882,083	$288,584,445	$276,167,245	8.6%	46.7%	44.7%
Alabama	$7,355,547	$794,090	$4,031,547	$2,529,910	10.8%	54.8%	34.4%
Alaska	$2,554,814	$309,525	$1,715,699	$529,590	12.1%	67.2%	20.7%
Arizona	$8,293,591	$1,102,980	$3,182,285	$4,008,326	13.3%	38.4%	48.3%
Arkansas	$5,175,529	$552,738	$4,006,889	$615,902	10.7%	77.4%	11.9%
California	$69,857,908	$7,415,061	$38,410,554	$24,032,293	10.6%	55.0%	34.4%
Colorado	$9,117,534	$681,230	$3,961,719	$4,474,585	7.5%	43.5%	49.1%
Connecticut	$10,516,316	$420,593	$4,141,590	$5,954,133	4.0%	39.4%	56.6%
Delaware	$1,902,776	$133,055	$1,137,764	$631,957	7.0%	59.8%	33.2%
District of Columbia	$1,342,220	$134,959	(X)	$1,207,261	10.1%	N/A	89.9%
Florida	$26,072,680	$3,112,027	$10,460,928	$12,499,725	11.9%	40.1%	47.9%
Georgia	$17,817,933	$1,804,212	$7,837,335	$8,176,386	10.1%	44.0%	45.9%
Hawaii	$2,696,665	$286,988	$2,354,601	$55,076	10.6%	87.3%	2.0%
Idaho	$2,084,312	$232,593	$1,319,582	$532,137	11.2%	63.3%	25.5%
Illinois	**$30,407,109**	**$2,301,827**	**$11,163,462**	**$16,941,820**	**7.6%**	**36.7%**	**55.7%**
Indiana	$12,149,675	$933,891	$7,632,238	$3,583,546	7.7%	62.8%	29.5%
Iowa	$6,194,941	$455,586	$3,247,115	$2,492,240	7.4%	52.4%	40.2%
Kansas	$5,483,708	$402,250	$3,146,977	$1,934,481	7.3%	57.4%	35.3%
Kentucky	$7,228,770	$825,742	$3,966,872	$2,436,156	11.4%	54.9%	33.7%
Louisiana	$8,323,024	$1,272,004	$3,455,315	$3,595,705	15.3%	41.5%	43.2%
Maine	$2,609,930	$182,961	$1,032,280	$1,394,689	7.0%	39.6%	53.4%
Maryland	$13,978,426	$816,033	$6,186,736	$6,975,657	5.8%	44.3%	49.9%
Massachusetts	$16,474,364	$791,029	$6,587,492	$9,095,843	4.8%	40.0%	55.2%
Michigan	$17,529,062	$1,563,397	$10,073,758	$5,891,907	8.9%	57.5%	33.6%
Minnesota	$11,017,479	$630,445	$7,603,409	$2,783,625	5.7%	69.0%	25.3%
Mississippi	$4,467,314	$664,697	$2,243,098	$1,559,519	14.9%	50.2%	34.9%
Missouri	$10,163,998	$895,743	$4,267,069	$5,001,186	8.8%	42.0%	49.2%
Montana	$1,712,493	$201,528	$822,788	$688,177	11.8%	48.0%	40.2%
Nebraska	$3,926,536	$318,176	$1,283,014	$2,325,346	8.1%	32.7%	59.2%
Nevada	$4,201,457	$381,596	$2,651,854	$1,168,007	9.1%	63.1%	27.8%
New Hampshire	$2,939,906	$161,392	$1,003,204	$1,775,310	5.5%	34.1%	60.4%
New Jersey	$27,384,835	$1,141,887	$11,036,760	$15,206,188	4.2%	40.3%	55.5%
New Mexico	$3,601,387	$466,320	$2,505,492	$629,575	12.9%	69.6%	17.5%
New York	$61,081,332	$3,346,420	$24,816,869	$32,918,043	5.5%	40.6%	53.9%
North Carolina	$13,462,754	$1,529,624	$7,849,343	$4,083,787	11.4%	58.3%	30.3%
North Dakota	$1,530,158	$155,894	$901,032	$473,232	10.2%	58.9%	30.9%
Ohio	$22,487,270	$1,692,769	$9,492,461	$11,302,040	7.5%	42.2%	50.3%
Oklahoma	$6,032,331	$690,122	$2,983,860	$2,358,349	11.4%	49.5%	39.1%
Oregon	$6,573,206	$521,463	$3,393,147	$2,658,596	7.9%	51.6%	40.4%
Pennsylvania	$27,647,475	$1,812,609	$10,272,392	$15,562,474	6.6%	37.2%	56.3%
Rhode Island	$2,289,429	$186,551	$867,512	$1,235,366	8.1%	37.9%	54.0%
South Carolina	$8,405,682	$812,536	$3,902,923	$3,690,223	9.7%	46.4%	43.9%
South Dakota	$1,342,877	$186,216	$413,544	$743,117	13.9%	30.8%	55.3%
Tennessee	$9,215,027	$1,095,377	$4,315,952	$3,803,698	11.9%	46.8%	41.3%
Texas	$52,609,018	$5,643,178	$20,510,815	$26,455,025	10.7%	39.0%	50.3%
Utah	$4,400,351	$385,210	$2,363,055	$1,652,086	8.8%	53.7%	37.5%
Vermont	$1,672,580	$102,434	$1,495,453	$74,693	6.1%	89.4%	4.5%
Virginia	$15,083,311	$1,009,659	$5,994,897	$8,078,755	6.7%	39.7%	53.6%
Washington	$12,943,921	$1,030,232	$7,833,024	$4,080,665	8.0%	60.5%	31.5%
West Virginia	$3,502,513	$351,957	$2,033,948	$1,116,608	10.0%	58.1%	31.9%
Wisconsin	$11,001,272	$830,568	$5,709,579	$4,461,125	7.5%	51.9%	40.6%
Wyoming	$1,771,027	$112,709	$965,213	$693,105	6.4%	54.5%	39.1%

[1] Duplicative interschool system transactions are excluded.

SOURCE: 2014 Annual Survey of School System Finances found at www.census.gov/govs/school

Category 16: Higher Education Expenditures by State and Local Governments

In the category of higher education expenditures, Illinois ranked 9th in the nation, spending $9.3 billion in 2013. Again, this includes money from local and state governments. California was the highest ranked state with a total expenditure amount of $34.6 billion. On a per-capita basis, Illinois ranked 38th at $718 per capita, which was below the national average per-capita value of $826. North Dakota was the highest ranked state on a per-capita basis at $1,356. In the Midwest Region, only Missouri (42nd) had a lower ranking than Illinois.

TABLE 23: Higher Education Expenditures by State and Local Governments in 2013

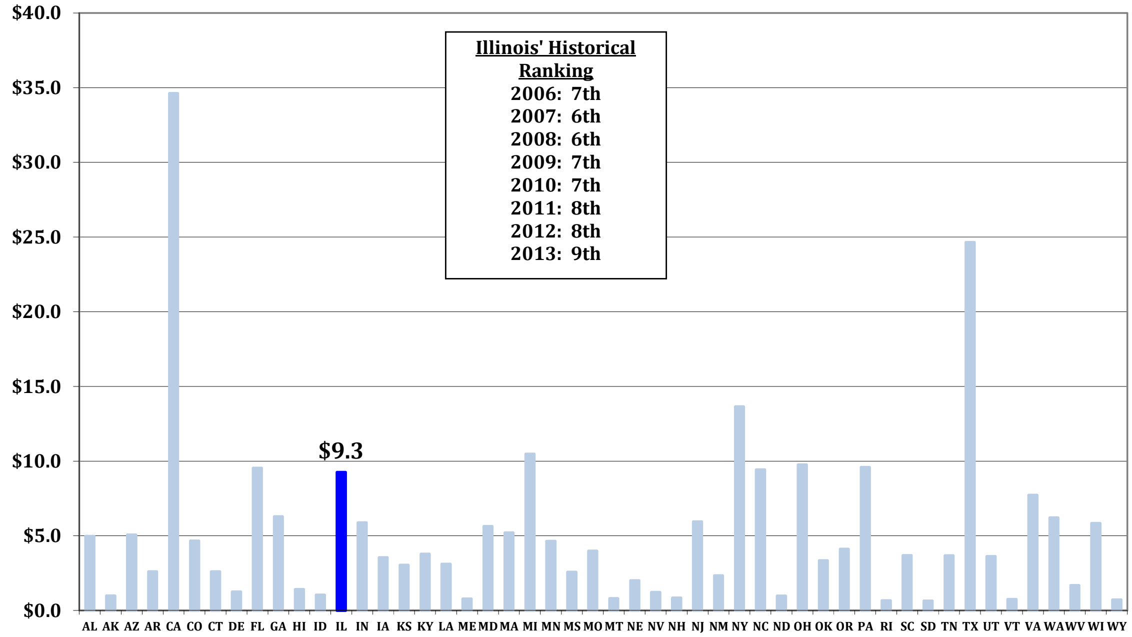
$ in billions

	Higher Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Higher Education Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$261.2	-	$826	-	United States	$261.2	-	$826	-
Alabama	$5.0	19	$1,030	13	Montana	$0.8	45	$798	31
Alaska	$1.0	42	$1,341	3	Nebraska	$2.0	36	$1,078	9
Arizona	$5.1	18	$766	35	Nevada	$1.2	40	$441	50
Arkansas	$2.6	33	$881	25	New Hampshire	$0.8	44	$640	44
California	$34.6	1	$903	21	New Jersey	$5.9	13	$668	41
Colorado	$4.7	20	$885	24	New Mexico	$2.3	35	$1,119	8
Connecticut	$2.6	32	$726	37	New York	$13.6	3	$694	39
Delaware	$1.3	39	$1,353	2	North Carolina	$9.4	8	$958	16
Florida	$9.5	7	$487	49	North Dakota	$1.0	43	$1,356	1
Georgia	$6.3	11	$630	45	Ohio	$9.8	5	$843	30
Hawaii	$1.4	38	$1,005	15	Oklahoma	$3.3	29	$870	26
Idaho	$1.0	41	$649	43	Oregon	$4.1	22	$1,048	12
Illinois	$9.3	9	$718	38	Pennsylvania	$9.6	6	$751	36
Indiana	$5.9	14	$896	22	Rhode Island	$0.7	49	$628	46
Iowa	$3.6	28	$1,150	7	South Carolina	$3.7	25	$774	33
Kansas	$3.1	31	$1,055	11	South Dakota	$0.7	50	$772	34
Kentucky	$3.8	24	$860	27	Tennessee	$3.7	26	$565	48
Louisiana	$3.1	30	$674	40	Texas	$24.6	2	$932	19
Maine	$0.8	46	$596	47	Utah	$3.6	27	$1,248	5
Maryland	$5.6	16	$950	17	Vermont	$0.8	47	$1,209	6
Massachusetts	$5.2	17	$779	32	Virginia	$7.7	10	$934	18
Michigan	$10.5	4	$1,059	10	Washington	$6.2	12	$892	23
Minnesota	$4.6	21	$858	29	West Virginia	$1.7	37	$908	20
Mississippi	$2.6	34	$860	28	Wisconsin	$5.8	15	$1,017	14
Missouri	$4.0	23	$660	42	Wyoming	$0.7	48	$1,258	4

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

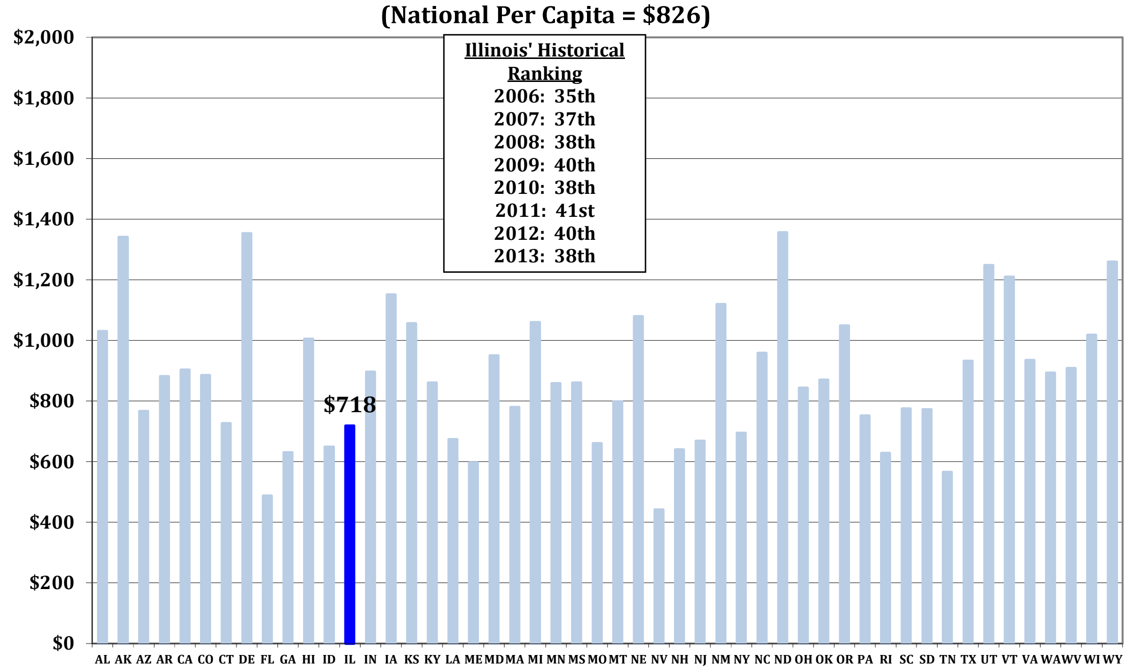
Light Blue Areas= Midwest Region

CHART 31: Higher Education Expenditures by State and Local Governments in 2013
(National Total = $261.2 billion)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

CHART 32: Per-Capita Higher Education Expenditures by State and Local Governments in 2013
(National Per Capita = $826)



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 17: State and Local Government Expenditures for Police Protection

In 2013, Illinois ranked 5th in the nation in the amount of state and local government expenditures for police protection. California ranked 1st. On a per-capita basis, Illinois ranked 7th in the nation with a value of $390 per capita, above the national average of $321. Illinois was the highest ranked state in the Midwest Region in total dollars and on a per-capita basis. The highest ranked state on a per-capita basis was Alaska with a per-capita value of $508.

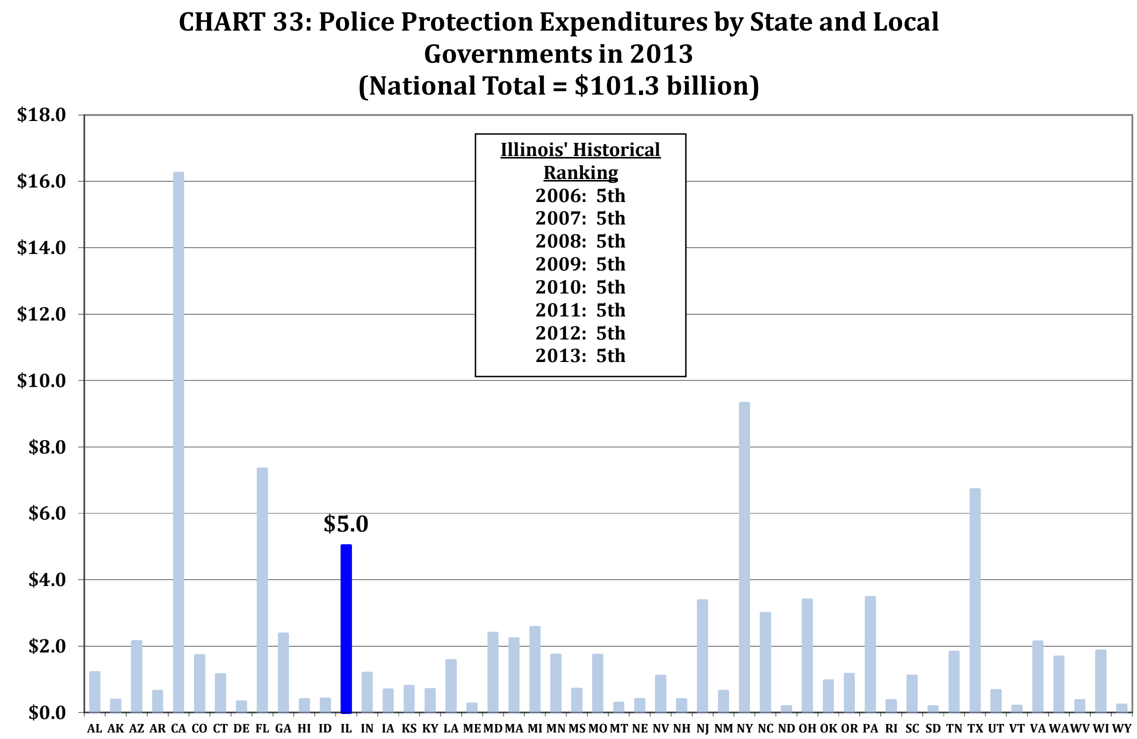
TABLE 24: Police Protection Expenditures by State and Local Governments in 2013

$ in billions

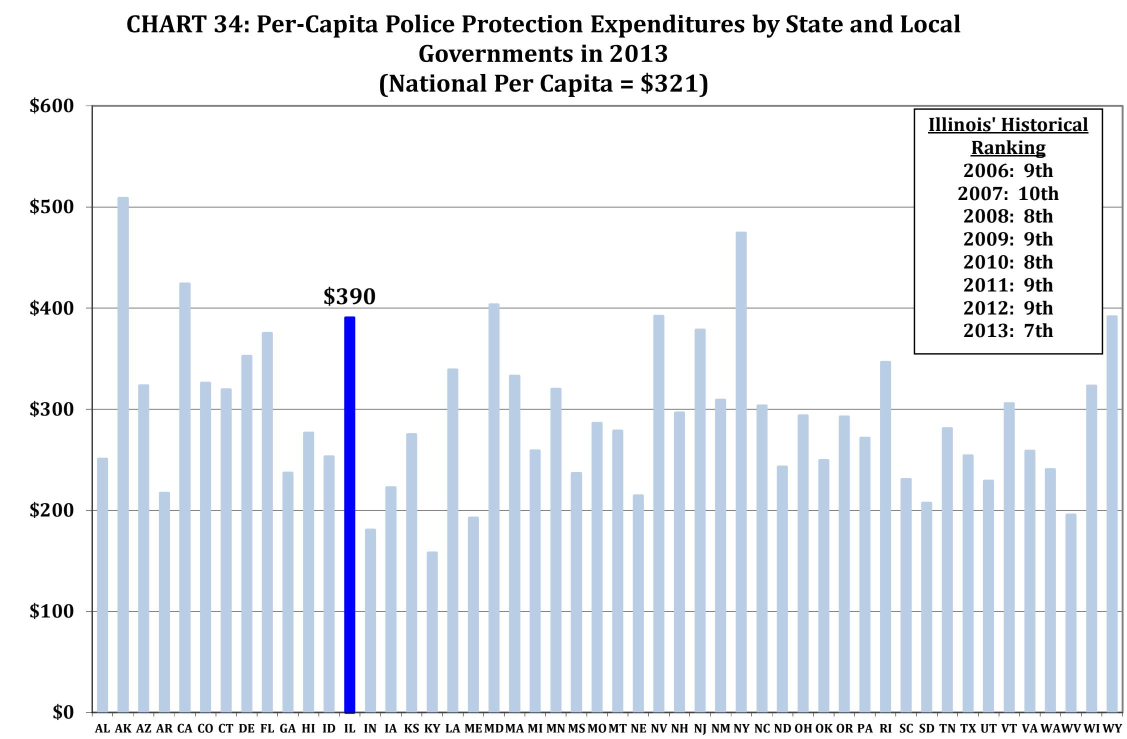
	Police Protection Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Police Protection Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$101.3	-	$321	-	United States	$101.3	-	$321	-
Alabama	$1.2	23	$251	35	Montana	$0.3	45	$279	27
Alaska	$0.4	41	$508	1	Nebraska	$0.4	38	$214	45
Arizona	$2.1	14	$323	15	Nevada	$1.1	28	$392	5
Arkansas	$0.6	36	$217	44	New Hampshire	$0.4	39	$296	22
California	$16.2	1	$424	3	New Jersey	$3.4	8	$378	8
Colorado	$1.7	20	$326	14	New Mexico	$0.6	35	$309	19
Connecticut	$1.1	26	$319	18	New York	$9.3	2	$474	2
Delaware	$0.3	44	$352	10	North Carolina	$3.0	9	$303	21
Florida	$7.3	3	$375	9	North Dakota	$0.2	49	$243	37
Georgia	$2.4	12	$237	39	Ohio	$3.4	7	$294	23
Hawaii	$0.4	40	$276	28	Oklahoma	$1.0	29	$249	36
Idaho	$0.4	37	$253	34	Oregon	$1.1	25	$292	24
Illinois	$5.0	5	$390	7	Pennsylvania	$3.5	6	$271	30
Indiana	$1.2	24	$181	49	Rhode Island	$0.4	42	$346	11
Iowa	$0.7	33	$222	43	South Carolina	$1.1	27	$230	41
Kansas	$0.8	30	$275	29	South Dakota	$0.2	50	$207	46
Kentucky	$0.7	32	$158	50	Tennessee	$1.8	17	$281	26
Louisiana	$1.6	22	$339	12	Texas	$6.7	4	$254	33
Maine	$0.3	46	$192	48	Utah	$0.7	34	$229	42
Maryland	$2.4	11	$403	4	Vermont	$0.2	48	$306	20
Massachusetts	$2.2	13	$333	13	Virginia	$2.1	15	$259	32
Michigan	$2.6	10	$259	31	Washington	$1.7	21	$240	38
Minnesota	$1.7	18	$320	17	West Virginia	$0.4	43	$195	47
Mississippi	$0.7	31	$237	40	Wisconsin	$1.9	16	$323	16
Missouri	$1.7	19	$286	25	Wyoming	$0.2	47	$391	6

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 18: State and Local Government Expenditures for Corrections

Illinois ranked 10th in the nation in the amount of state and local government expenditures for corrections in 2013, spending $2.0 billion. California ranked 1st spending $13.2 billion. On a per-capita basis, Illinois ranked 41st with a value of $157 per capita, which was well below the national per-capita rate of $232. The highest ranked state on a per-capita basis was Alaska with a per-capita value of $462.

Illinois' ranking on a per-capita basis had been on a steady decline over the last several years. Illinois was ranked 29th in 1997, 38th in 2004, 43rd in 2006, and 46th in 2010, before settling to its current position of 41st. Despite Illinois' relatively low ranking, several other states in the Midwest (Ohio: 42nd, Indiana: 43rd, Iowa: 44th, Missouri: 46th) had lower per-capita values than Illinois in this category.

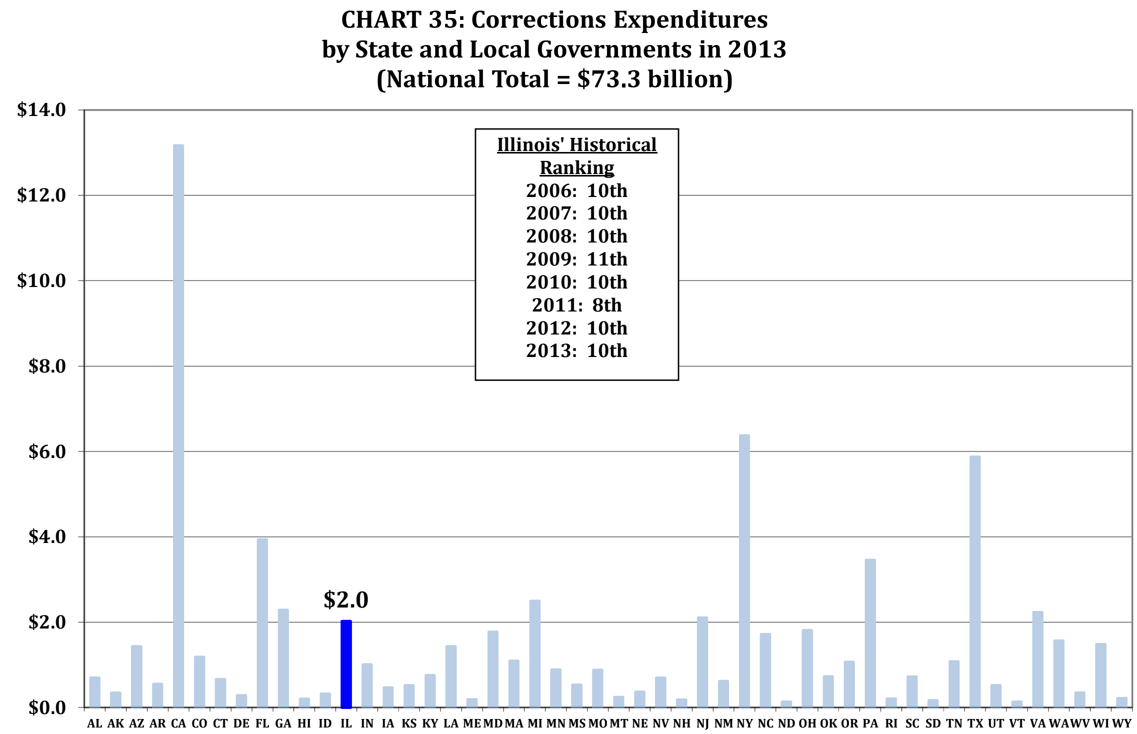
TABLE 25: Corrections Expenditures by State and Local Governments in 2013

$ in billions

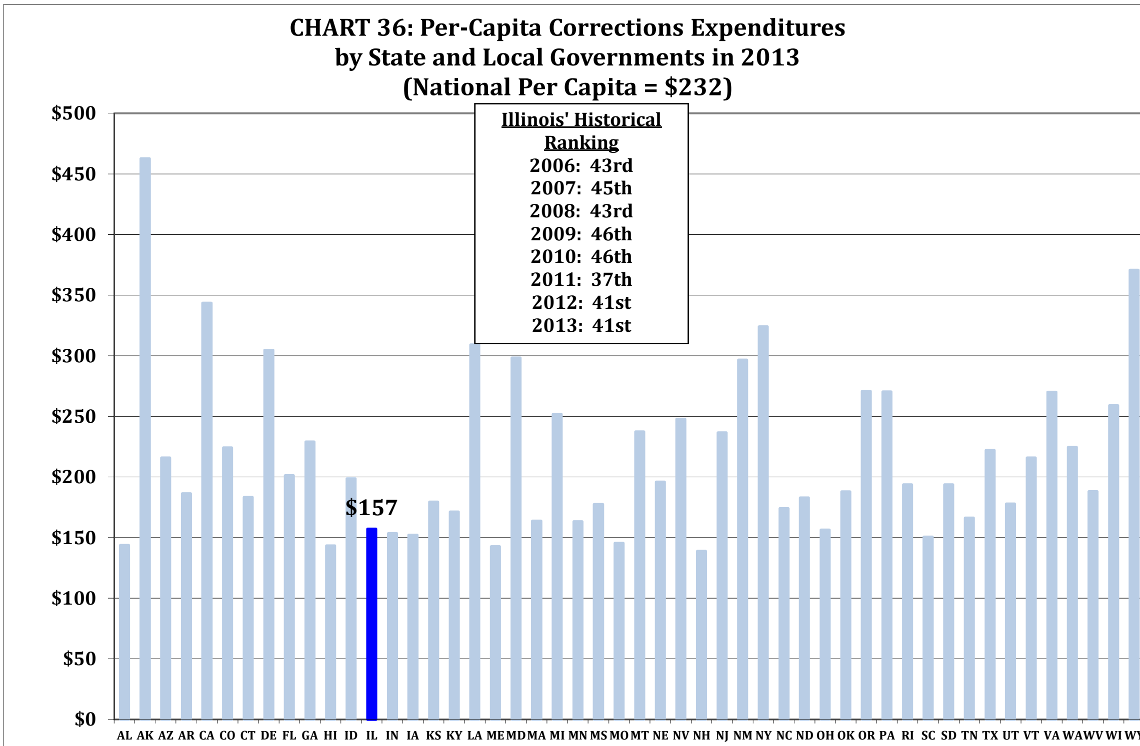
	Corrections Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Corrections Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	**$73.3**	-	**$232**	-	**United States**	**$73.3**	-	**$232**	-
Alabama	$0.7	28	$144	47	**Montana**	$0.2	42	$237	15
Alaska	$0.3	39	$462	1	**Nebraska**	$0.4	37	$196	25
Arizona	$1.4	16	$216	22	**Nevada**	$0.7	29	$248	14
Arkansas	$0.6	32	$186	30	**New Hampshire**	$0.2	47	$139	50
California	$13.2	1	$343	3	**New Jersey**	$2.1	9	$236	16
Colorado	$1.2	18	$224	19	**New Mexico**	$0.6	31	$296	8
Connecticut	$0.7	30	$183	31	**New York**	$6.4	2	$324	4
Delaware	$0.3	41	$305	6	**North Carolina**	$1.7	13	$174	36
Florida	$3.9	4	$201	23	**North Dakota**	$0.1	50	$183	32
Georgia	$2.3	7	$229	17	**Ohio**	$1.8	11	$156	42
Hawaii	$0.2	45	$143	48	**Oklahoma**	$0.7	26	$188	29
Idaho	$0.3	40	$199	24	**Oregon**	$1.1	21	$271	9
Illinois	**$2.0**	**10**	**$157**	**41**	**Pennsylvania**	$3.5	5	$270	10
Indiana	$1.0	22	$153	43	**Rhode Island**	$0.2	44	$194	26
Iowa	$0.5	36	$152	44	**South Carolina**	$0.7	27	$151	45
Kansas	$0.5	34	$179	33	**South Dakota**	$0.2	48	$194	27
Kentucky	$0.8	25	$171	37	**Tennessee**	$1.1	20	$166	38
Louisiana	$1.4	17	$309	5	**Texas**	$5.9	3	$222	20
Maine	$0.2	46	$143	49	**Utah**	$0.5	35	$178	34
Maryland	$1.8	12	$298	7	**Vermont**	$0.1	49	$216	21
Massachusetts	$1.1	19	$164	39	**Virginia**	$2.2	8	$270	11
Michigan	$2.5	6	$252	13	**Washington**	$1.6	14	$224	18
Minnesota	$0.9	23	$163	40	**West Virginia**	$0.3	38	$188	28
Mississippi	$0.5	33	$177	35	**Wisconsin**	$1.5	15	$259	12
Missouri	$0.9	24	$145	46	**Wyoming**	$0.2	43	$371	2

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 19: State and Local Government Expenditures for Housing and Community Development

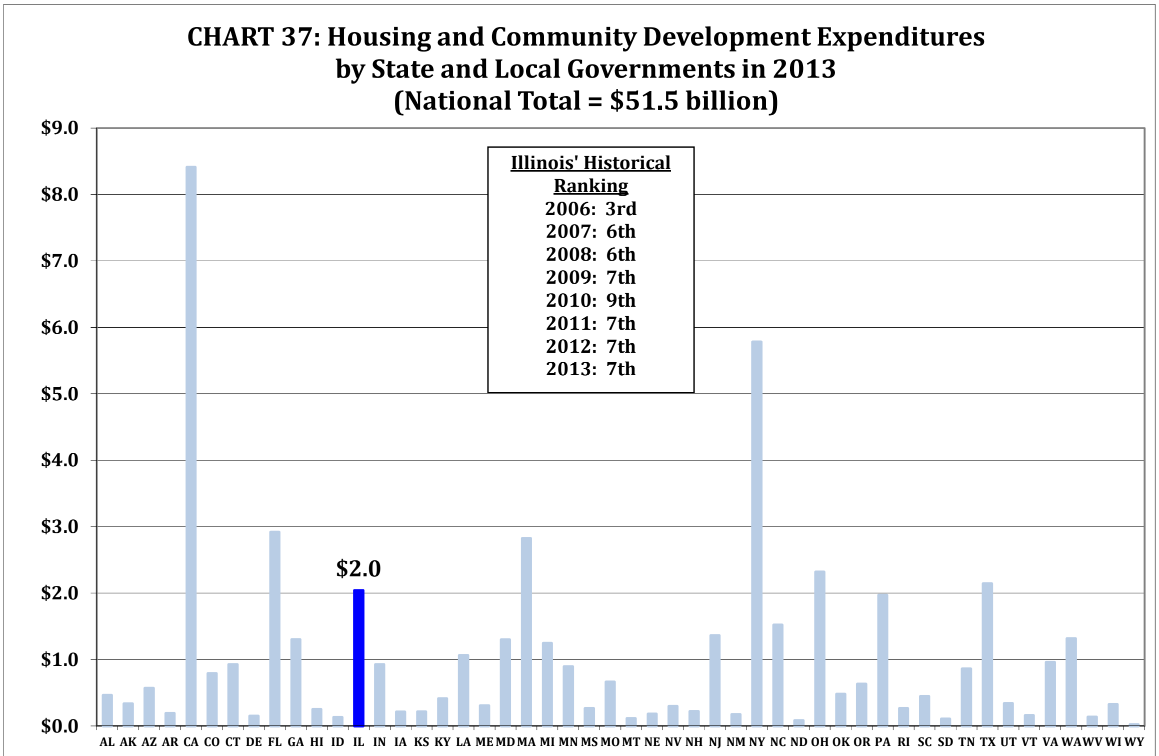
In 2013, Illinois ranked 7th in the nation in the category of state and local government expenditures for housing and community development with an amount of $2.0 billion. Again, California had the highest total at $8.4 billion. On a per-capita basis, Illinois ranked 18th with a value of $158, which was just below the national average of $163. Illinois was the second highest ranked state in the Midwest Region, with Ohio (11th) slightly higher.

TABLE 26: Housing and Community Development Expenditures by State and Local Governments in 2013

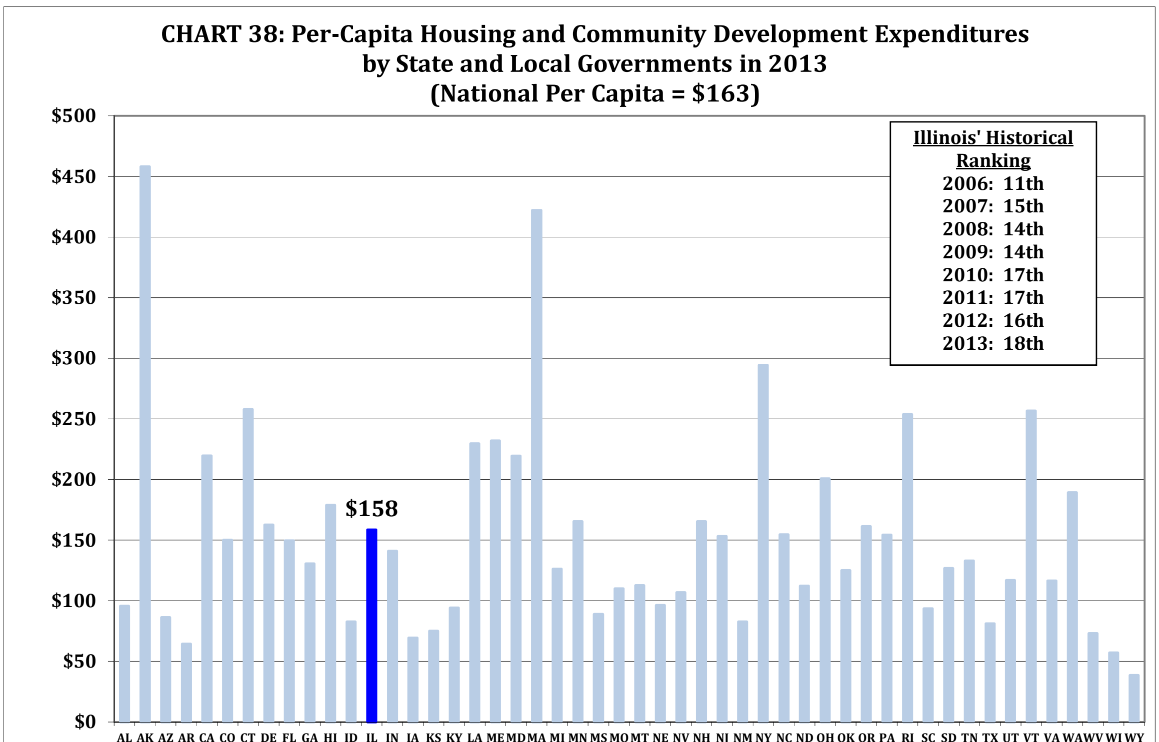
$ in billions

	Housing & Community Development Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Housing & Community Development Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	**$51.5**	-	**$163**	-	**United States**	**$51.5**	-	**$163**	-
Alabama	$0.5	26	$95	37	**Montana**	$0.1	47	$113	32
Alaska	$0.3	30	$458	1	**Nebraska**	$0.2	41	$96	36
Arizona	$0.6	24	$86	41	**Nevada**	$0.3	33	$107	35
Arkansas	$0.2	40	$64	48	**New Hampshire**	$0.2	37	$165	14
California	$8.4	1	$219	9	**New Jersey**	$1.4	10	$153	21
Colorado	$0.8	21	$150	22	**New Mexico**	$0.2	42	$83	42
Connecticut	$0.9	17	$258	4	**New York**	$5.8	2	$294	3
Delaware	$0.2	44	$163	16	**North Carolina**	$1.5	9	$154	19
Florida	$2.9	3	$149	23	**North Dakota**	$0.1	49	$112	33
Georgia	$1.3	12	$130	26	**Ohio**	$2.3	5	$200	11
Hawaii	$0.3	36	$179	13	**Oklahoma**	$0.5	25	$125	29
Idaho	$0.1	46	$83	43	**Oregon**	$0.6	23	$161	17
Illinois	**$2.0**	**7**	**$158**	**18**	**Pennsylvania**	$2.0	8	$154	20
Indiana	$0.9	18	$141	24	**Rhode Island**	$0.3	34	$254	6
Iowa	$0.2	39	$69	47	**South Carolina**	$0.4	27	$93	39
Kansas	$0.2	38	$75	45	**South Dakota**	$0.1	48	$127	27
Kentucky	$0.4	28	$94	38	**Tennessee**	$0.9	20	$133	25
Louisiana	$1.1	15	$230	8	**Texas**	$2.1	6	$81	44
Maine	$0.3	32	$232	7	**Utah**	$0.3	29	$117	30
Maryland	$1.3	13	$219	10	**Vermont**	$0.2	43	$257	5
Massachusetts	$2.8	4	$422	2	**Virginia**	$1.0	16	$116	31
Michigan	$1.2	14	$126	28	**Washington**	$1.3	11	$189	12
Minnesota	$0.9	19	$165	15	**West Virginia**	$0.1	45	$73	46
Mississippi	$0.3	35	$89	40	**Wisconsin**	$0.3	31	$57	49
Missouri	$0.7	22	$110	34	**Wyoming**	$0.0	50	$38	50

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances. *Light Blue Areas= Midwest Region*



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 20: State and Local Government Expenditures for Parks and Recreation

In 2013, in the category of state and local government expenditures for parks and recreation, Illinois ranked 3rd in the nation in total dollars with spending totaling $2.7 billion. California ranked 1st with an amount of $5.5 billion. Illinois, on a per-capita basis, ranked 5th with a per-capita value of $213, which was well above the national average of $119 per capita. Illinois was the highest ranked Midwest Region state. North Dakota had the highest per-capita ranking overall with a value of $270.

TABLE 27: Parks and Recreation Expenditures by State and Local Governments in 2013

$ in billions

	Parks and Recreation Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Parks and Recreation Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$37.8	-	$119	-	United States	$37.8	-	$119	-
Alabama	$0.4	28	$82	38	Montana	$0.1	46	$87	33
Alaska	$0.2	43	$211	6	Nebraska	$0.2	37	$121	20
Arizona	$0.6	19	$98	28	Nevada	$0.6	21	$203	7
Arkansas	$0.2	38	$75	43	New Hampshire	$0.1	47	$61	49
California	$5.5	1	$144	15	New Jersey	$0.7	17	$77	42
Colorado	$1.3	6	$241	3	New Mexico	$0.4	31	$168	11
Connecticut	$0.3	34	$79	39	New York	$2.7	4	$139	17
Delaware	$0.1	49	$73	44	North Carolina	$0.9	13	$89	30
Florida	$2.9	2	$146	14	North Dakota	$0.2	39	$270	1
Georgia	$0.8	14	$84	37	Ohio	$1.2	7	$103	26
Hawaii	$0.3	35	$194	8	Oklahoma	$0.4	26	$110	24
Idaho	$0.1	45	$89	31	Oregon	$0.6	22	$142	16
Illinois	$2.7	3	$213	5	Pennsylvania	$0.9	11	$73	45
Indiana	$0.4	29	$59	50	Rhode Island	$0.1	48	$66	46
Iowa	$0.4	30	$119	21	South Carolina	$0.4	27	$88	32
Kansas	$0.3	32	$100	27	South Dakota	$0.2	40	$220	4
Kentucky	$0.3	33	$65	48	Tennessee	$0.5	23	$78	40
Louisiana	$0.8	16	$170	10	Texas	$2.2	5	$85	35
Maine	$0.2	42	$122	19	Utah	$0.5	24	$161	12
Maryland	$0.9	12	$157	13	Vermont	$0.0	50	$77	41
Massachusetts	$0.4	25	$66	47	Virginia	$1.0	9	$116	22
Michigan	$0.8	15	$84	36	Washington	$0.9	10	$136	18
Minnesota	$1.0	8	$182	9	West Virginia	$0.2	41	$96	29
Mississippi	$0.3	36	$85	34	Wisconsin	$0.6	20	$107	25
Missouri	$0.7	18	$112	23	Wyoming	$0.2	44	$265	2

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region

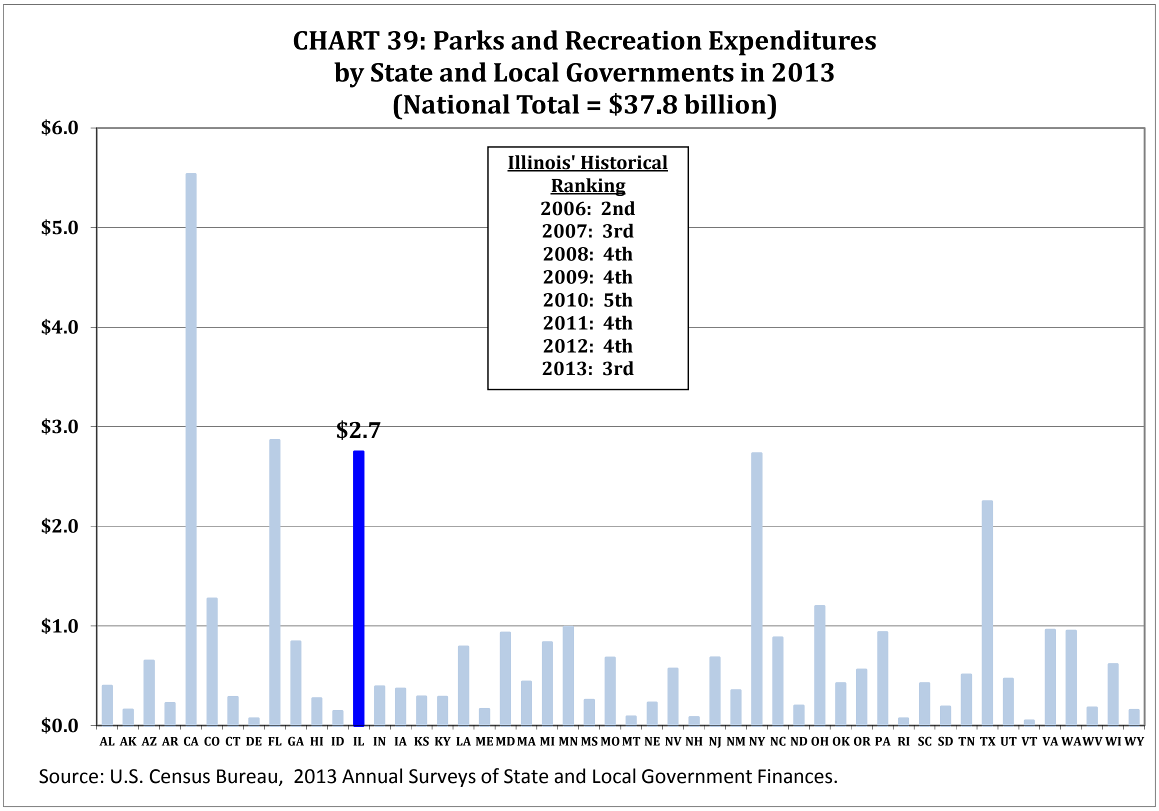


CHART 39: Parks and Recreation Expenditures
by State and Local Governments in 2013
(National Total = $37.8 billion)
Illinois' Historical Ranking
2006: 2nd
2007: 3rd
2008: 4th
2009: 4th
2010: 5th
2011: 4th
2012: 4th
2013: 3rd
$2.7
$6.0
$5.0
$4.0
$3.0
$2.0
$1.0
$0.0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

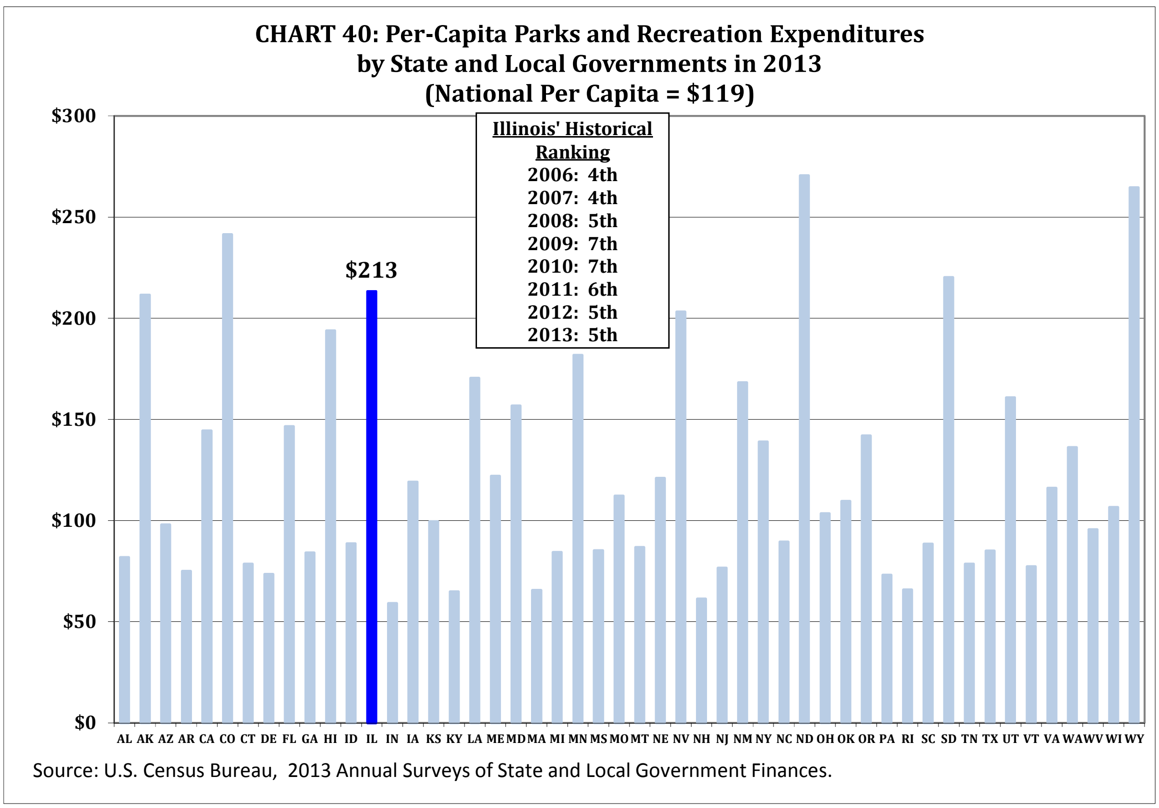


CHART 40: Per-Capita Parks and Recreation Expenditures
by State and Local Governments in 2013
(National Per Capita = $119)
Illinois' Historical Ranking
2006: 4th
2007: 4th
2008: 5th
2009: 7th
2010: 7th
2011: 6th
2012: 5th
2013: 5th
$213
$300
$250
$200
$150
$100
$50
$0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 21: State and Local Government Expenditures for Public Welfare Programs

In 2013, in the category of state and local government expenditures for public welfare programs, Illinois ranked 7th in the nation in total dollars with a value of $19.5 billion. California ranked 1st with spending totaling $68.8 billion. Illinois, on a per-capita basis, ranked 28th with a per-capita value of $1,512, which was below the national average of $1,633 per capita. Ohio (15th) was the highest ranked Midwest Region state with a per-capita value of $1,765. New York had the highest per-capita ranking overall with a value of $3,022.

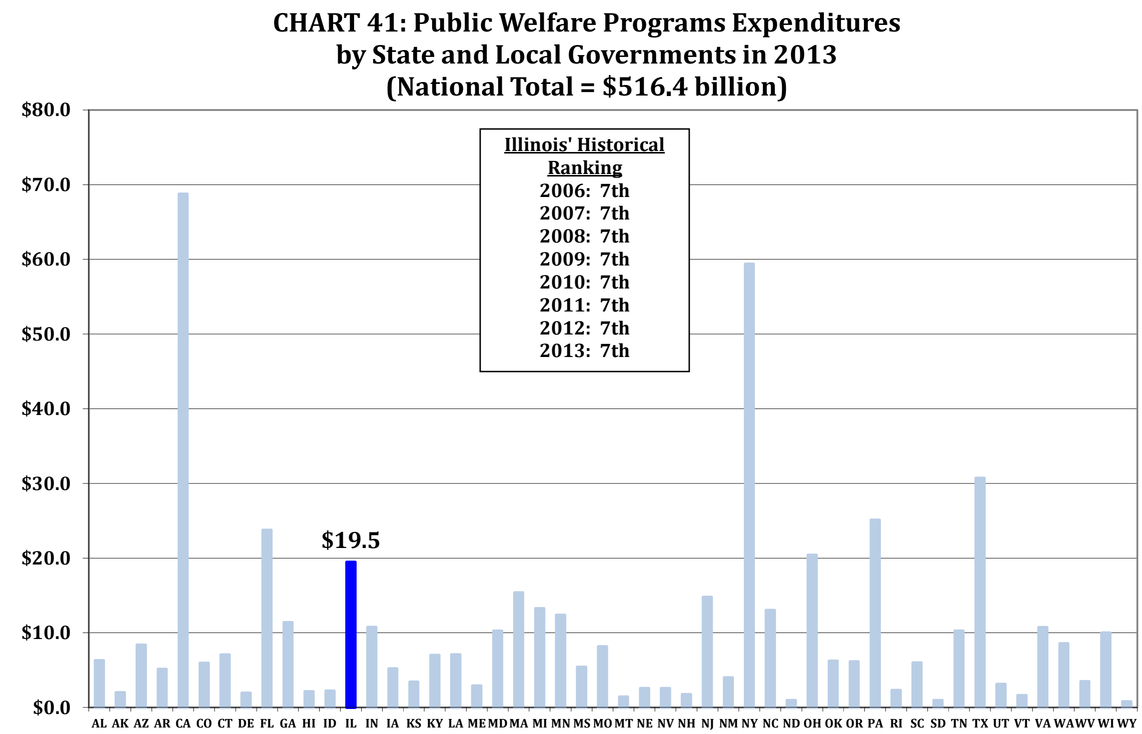
TABLE 28: Public Welfare Program Expenditures by State and Local Governments in 2013

$ in billions

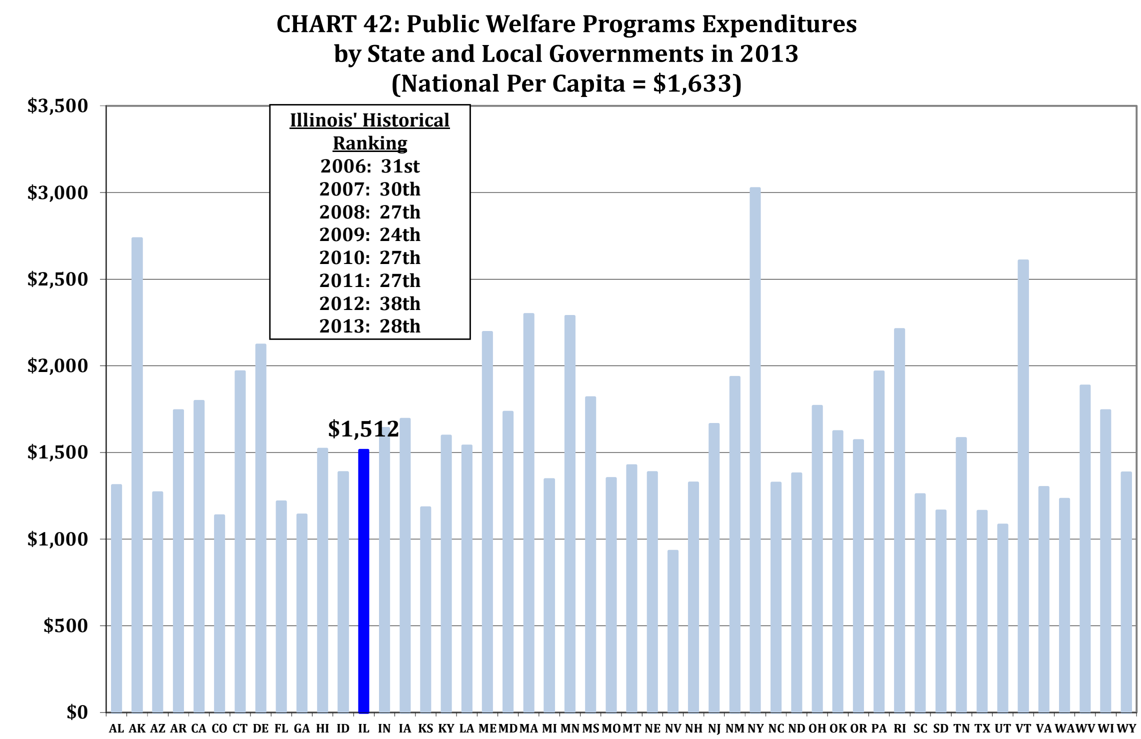
	Public Welfare Programs Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Public Welfare Programs Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$516.4	-	$1,633	-	United States	$516.4	-	$1,633	-
Alabama	$6.3	25	$1,309	38	Montana	$1.4	47	$1,424	29
Alaska	$2.0	43	$2,734	2	Nebraska	$2.6	39	$1,384	30
Arizona	$8.4	20	$1,267	40	Nevada	$2.6	38	$930	50
Arkansas	$5.2	32	$1,742	17	New Hampshire	$1.8	45	$1,324	36
California	$68.8	1	$1,794	14	New Jersey	$14.8	9	$1,661	20
Colorado	$6.0	29	$1,134	48	New Mexico	$4.0	33	$1,933	11
Connecticut	$7.1	23	$1,966	9	New York	$59.4	2	$3,022	1
Delaware	$2.0	44	$2,120	8	North Carolina	$13.0	11	$1,323	37
Florida	$23.8	5	$1,215	43	North Dakota	$1.0	48	$1,376	33
Georgia	$11.4	13	$1,139	47	Ohio	$20.4	6	$1,765	15
Hawaii	$2.1	42	$1,518	27	Oklahoma	$6.2	26	$1,620	22
Idaho	$2.2	41	$1,383	31	Oregon	$6.2	27	$1,569	25
Illinois	$19.5	7	$1,512	28	Pennsylvania	$25.1	4	$1,965	10
Indiana	$10.8	14	$1,638	21	Rhode Island	$2.3	40	$2,210	6
Iowa	$5.2	31	$1,692	19	South Carolina	$6.0	28	$1,256	41
Kansas	$3.4	35	$1,181	44	South Dakota	$1.0	49	$1,162	45
Kentucky	$7.0	24	$1,595	23	Tennessee	$10.3	17	$1,581	24
Louisiana	$7.1	22	$1,537	26	Texas	$30.7	3	$1,161	46
Maine	$2.9	37	$2,193	7	Utah	$3.1	36	$1,081	49
Maryland	$10.3	16	$1,732	18	Vermont	$1.6	46	$2,605	3
Massachusetts	$15.4	8	$2,296	4	Virginia	$10.7	15	$1,298	39
Michigan	$13.3	10	$1,343	35	Washington	$8.6	19	$1,229	42
Minnesota	$12.4	12	$2,286	5	West Virginia	$3.5	34	$1,884	12
Mississippi	$5.4	30	$1,816	13	Wisconsin	$10.0	18	$1,742	16
Missouri	$8.2	21	$1,350	34	Wyoming	$0.8	50	$1,382	32

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 22: State and Local Government Expenditures for Highways

In 2013, Illinois ranked 6th in the nation in the category of state and local government expenditures for highways with an amount of $7.3 billion. California had the highest total at $19.1 billion. On a per-capita basis, Illinois ranked 20th with a value of $569, which was above the national average of $502. Illinois' ranking has fluctuated over the past five years going from a 33rd ranking in 2006 to 15th in 2010 to its current ranking of 20th.

Illinois was the fourth highest ranked state in the Midwest Region on a per-capita basis behind Iowa (ranked 8th), Wisconsin (ranked 13th), and Kentucky (ranked 18th). The highest ranked states on a per-capita basis were North Dakota, Alaska, and Wyoming.

TABLE 29: Highway Expenditures by State and Local Governments in 2013

$ in billions

	Highway Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Highway Expenditures	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	**$158.7**	**-**	**$502**	**-**	**United States**	**$158.7**	**-**	**$502**	**-**
Alabama	$2.3	24	$480	32	**Montana**	$0.9	43	$877	6
Alaska	$1.4	33	$1,848	2	**Nebraska**	$1.3	37	$687	10
Arizona	$2.3	25	$342	47	**Nevada**	$1.3	36	$475	35
Arkansas	$1.5	32	$518	25	**New Hampshire**	$0.8	45	$591	17
California	$19.1	1	$498	28	**New Jersey**	$4.2	8	$477	34
Colorado	$2.6	20	$487	30	**New Mexico**	$1.1	40	$523	24
Connecticut	$1.6	30	$458	37	**New York**	$9.9	3	$505	26
Delaware	$0.7	46	$791	7	**North Carolina**	$4.0	11	$405	43
Florida	$8.2	5	$422	41	**North Dakota**	$1.4	34	$1,873	1
Georgia	$3.4	14	$336	49	**Ohio**	$5.2	7	$453	38
Hawaii	$0.7	49	$489	29	**Oklahoma**	$2.2	26	$570	19
Idaho	$0.9	44	$544	22	**Oregon**	$1.8	28	$452	39
Illinois	**$7.3**	**6**	**$569**	**20**	**Pennsylvania**	$8.6	4	$677	12
Indiana	$2.6	21	$388	45	**Rhode Island**	$0.4	50	$391	44
Iowa	$2.2	27	$704	8	**South Carolina**	$1.3	38	$264	50
Kansas	$1.7	29	$603	15	**South Dakota**	$0.9	41	$1,113	5
Kentucky	$2.6	19	$591	18	**Tennessee**	$2.5	23	$379	46
Louisiana	$2.5	22	$543	23	**Texas**	$12.6	2	$477	33
Maine	$0.9	42	$679	11	**Utah**	$1.4	35	$467	36
Maryland	$2.9	16	$483	31	**Vermont**	$0.7	47	$1,152	4
Massachusetts	$2.8	17	$416	42	**Virginia**	$4.1	10	$500	27
Michigan	$3.4	15	$339	48	**Washington**	$4.2	9	$596	16
Minnesota	$3.8	13	$694	9	**West Virginia**	$1.2	39	$638	14
Mississippi	$1.6	31	$550	21	**Wisconsin**	$3.8	12	$667	13
Missouri	$2.7	18	$442	40	**Wyoming**	$0.7	48	$1,194	3

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region

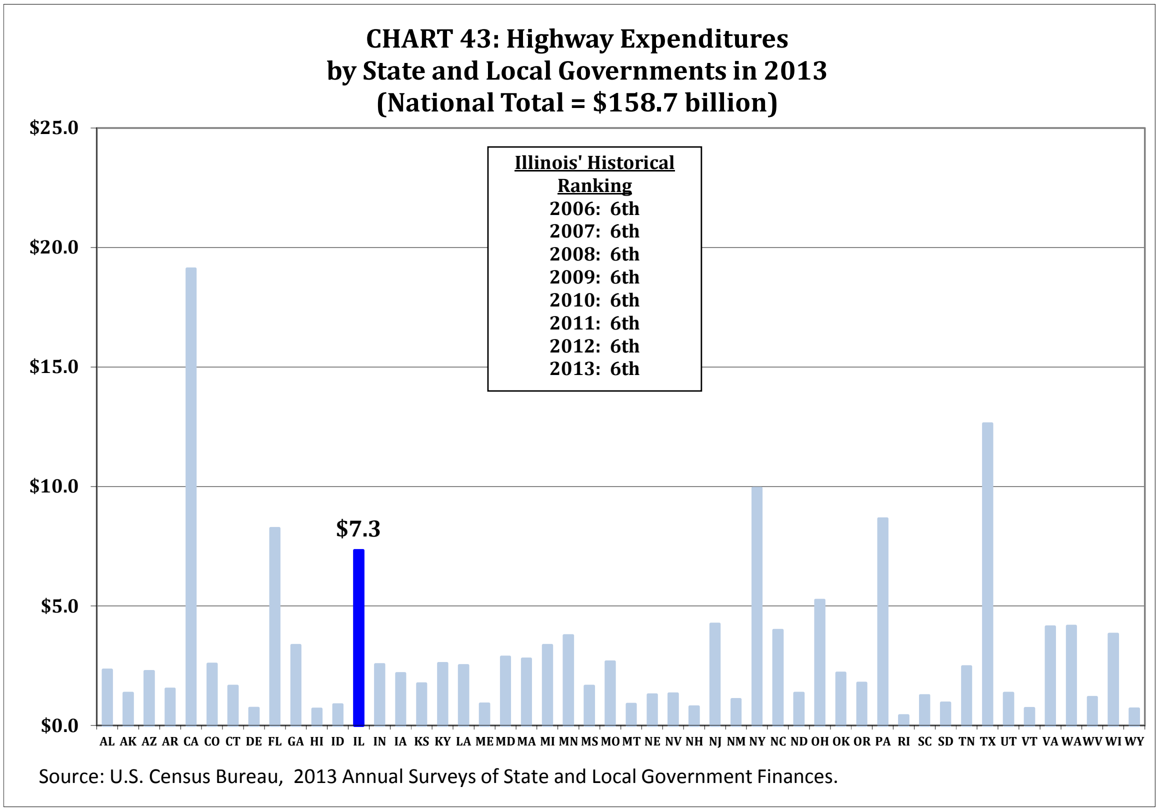


CHART 43: Highway Expenditures
by State and Local Governments in 2013
(National Total = $158.7 billion)
Illinois' Historical Ranking
2006: 6th
2007: 6th
2008: 6th
2009: 6th
2010: 6th
2011: 6th
2012: 6th
2013: 6th
$7.3
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

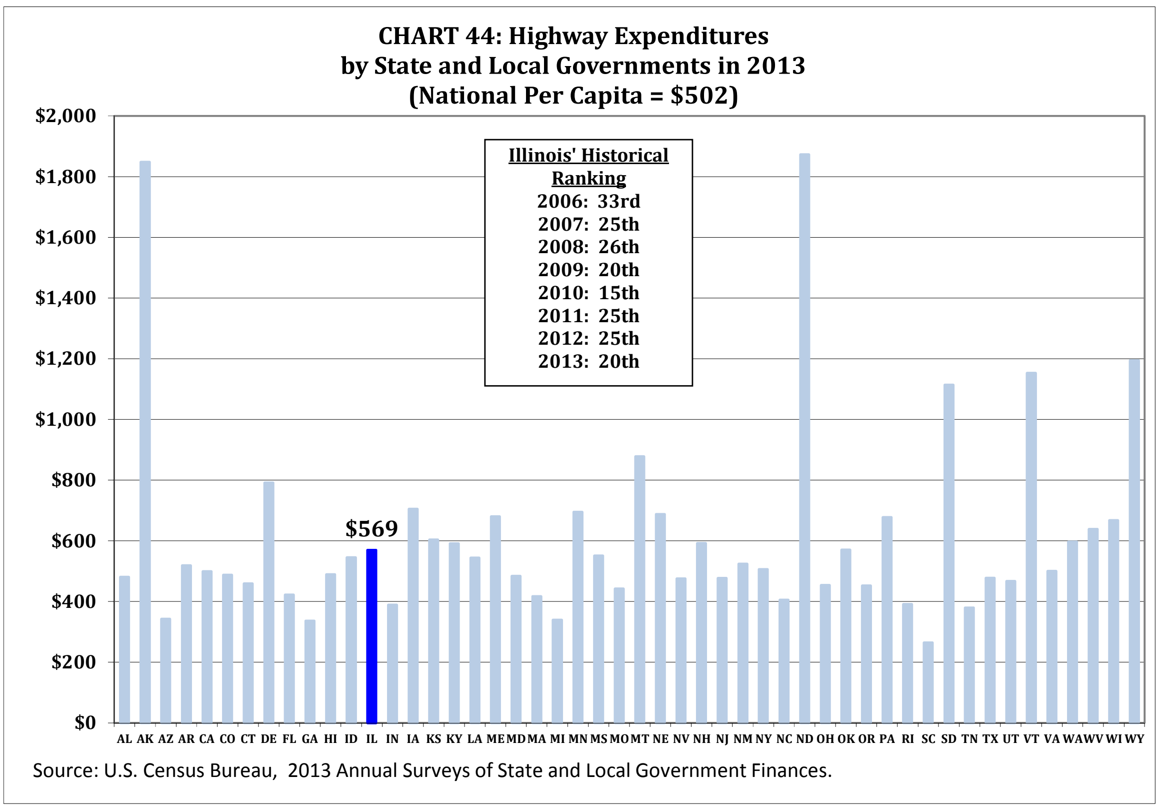


CHART 44: Highway Expenditures
by State and Local Governments in 2013
(National Per Capita = $502)
Illinois' Historical Ranking
2006: 33rd
2007: 25th
2008: 26th
2009: 20th
2010: 15th
2011: 25th
2012: 25th
2013: 20th
$569
$2,000
$1,800
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
AL AK AZ AR CA CO CT DE FL GA HI ID IL IN IA KS KY LA ME MD MA MI MN MS MO MT NE NV NH NJ NM NY NC ND OH OK OR PA RI SC SD TN TX UT VT VA WA WV WI WY
Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Category 23: State and Local Government Debt Outstanding

In 2013, Illinois ranked 4th in the nation with a total debt of $148.7 billion. In this category, state and local government debt outstanding includes short-term, long-term, full faith and credit, non-guaranteed and public debt for private purposes. California had the highest level of debt outstanding with $420.3 billion. On a per-capita basis, Illinois ranked 6th with a value of $11,542. This amount was above the national average of $9,347. Illinois has consistently been the highest ranked state in the Midwest Region in both total dollars and on a per-capita basis over the last several years.

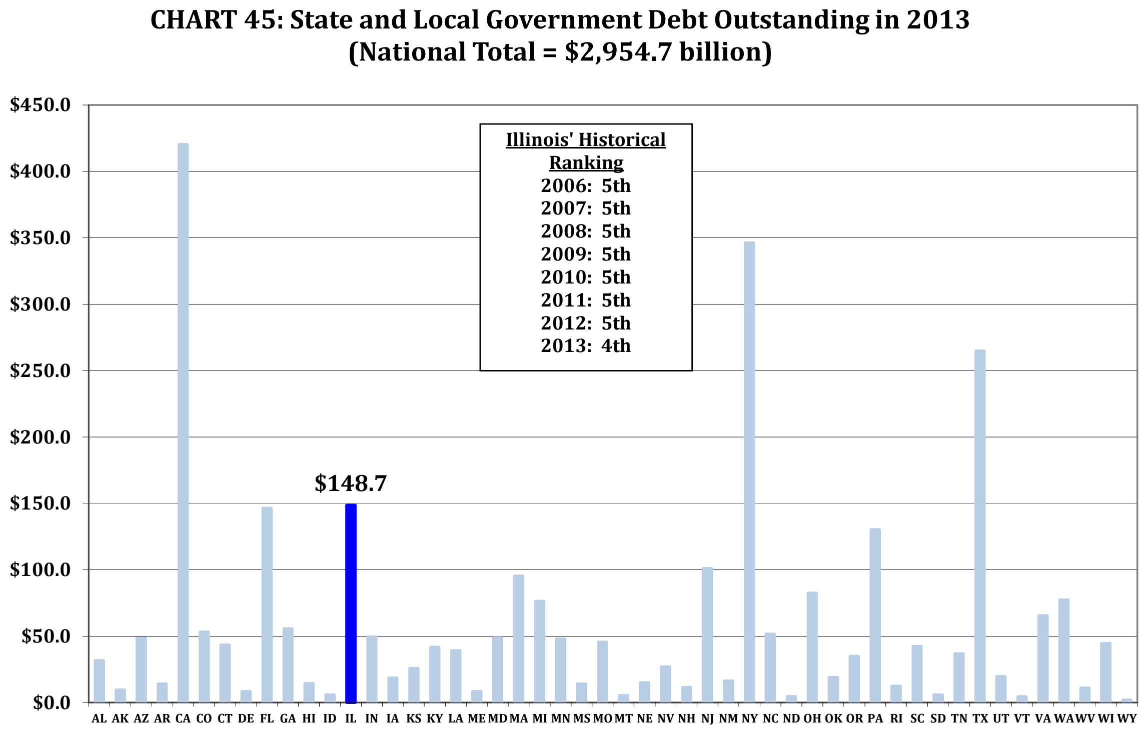
TABLE 30: State and Local Government Debt Outstanding in 2013

$ in billions

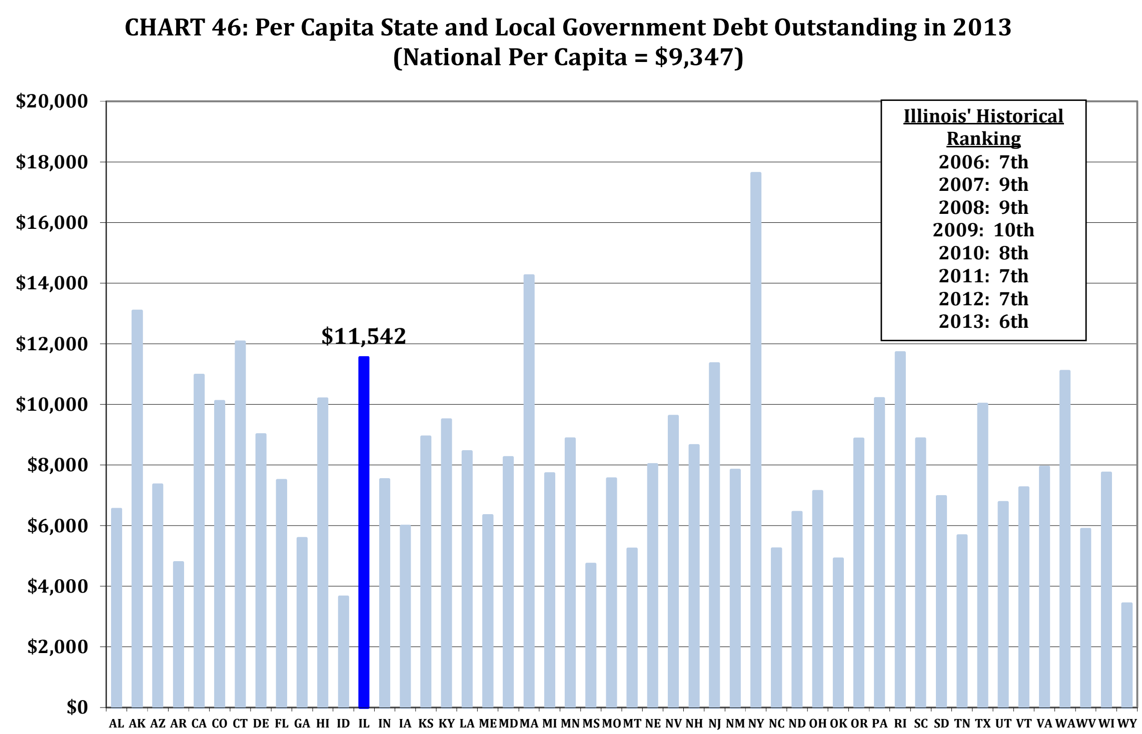
	Debt Outstanding	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking		Debt Outstanding	Total Dollars Ranking	Amount Per Capita	Per Capita Ranking
United States	$2,954.7	-	$9,347	-	United States	$2,954.7	-	$9,347	-
Alabama	$31.6	28	$6,542	37	Montana	$5.3	47	$5,228	45
Alaska	$9.6	42	$13,080	3	Nebraska	$15.0	35	$8,011	24
Arizona	$48.7	18	$7,343	32	Nevada	$26.8	29	$9,607	14
Arkansas	$14.2	37	$4,782	47	New Hampshire	$11.4	40	$8,637	21
California	$420.3	1	$10,964	9	New Jersey	$101.0	7	$11,344	7
Colorado	$53.2	14	$10,098	12	New Mexico	$16.3	34	$7,829	26
Connecticut	$43.4	22	$12,062	4	New York	$346.2	2	$17,619	1
Delaware	$8.3	44	$9,001	16	North Carolina	$51.5	15	$5,232	44
Florida	$146.4	5	$7,489	31	North Dakota	$4.7	48	$6,440	38
Georgia	$55.7	13	$5,572	43	Ohio	$82.5	9	$7,129	34
Hawaii	$14.3	36	$10,185	11	Oklahoma	$18.9	32	$4,902	46
Idaho	$5.9	45	$3,647	49	Oregon	$34.8	27	$8,854	20
Illinois	$148.7	4	$11,542	6	Pennsylvania	$130.2	6	$10,196	10
Indiana	$49.4	16	$7,520	30	Rhode Island	$12.3	39	$11,707	5
Iowa	$18.5	33	$5,985	40	South Carolina	$42.3	23	$8,862	19
Kansas	$25.8	30	$8,927	17	South Dakota	$5.9	46	$6,957	35
Kentucky	$41.7	24	$9,486	15	Tennessee	$36.8	26	$5,667	42
Louisiana	$39.0	25	$8,439	22	Texas	$264.7	3	$10,009	13
Maine	$8.4	43	$6,328	39	Utah	$19.6	31	$6,765	36
Maryland	$48.9	17	$8,248	23	Vermont	$4.5	49	$7,253	33
Massachusetts	$95.4	8	$14,247	2	Virginia	$65.5	12	$7,926	25
Michigan	$76.3	11	$7,712	28	Washington	$77.3	10	$11,087	8
Minnesota	$48.0	19	$8,863	18	West Virginia	$10.9	41	$5,878	41
Mississippi	$14.1	38	$4,724	48	Wisconsin	$44.4	21	$7,738	27
Missouri	$45.6	20	$7,540	29	Wyoming	$2.0	50	$3,423	50

Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Light Blue Areas= Midwest Region



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.



Source: U.S. Census Bureau, 2013 Annual Surveys of State and Local Government Finances.

Business Climate Rankings by State

In past *Illinois' National Ranking* editions, the Commission has included a brief look at how Illinois' business climate compares with other states by providing a summary of the Tax Foundation's *State Business Tax Climate Index*. The Commission took a deeper look into business climate rankings in its January 2014 report entitled, "Illinois Tax Incentives" by looking at four different studies seeking to quantitatively compare states across the nation: *The State Business Tax Climate Index*, the SBE Council's *Small Business Policy Index*, Beacon Hill's *Competitiveness Report*, and the American Legislative Exchange Council's *Economic Competitiveness Index*. This section of the Commission's report includes updated rankings from these four studies.

For Illinois to succeed in attracting and retaining businesses, the State must continuously evaluate their business climate and compare itself to other states across the country. This means reviewing policies, tax structures, and various other factors in the business industry to see how Illinois compares to the nation. If Illinois is perceived inadequate in any area, changes may be necessary to keep the State competitive in the business world. On the other hand, areas where Illinois is shown to be comparatively strong could be looked at as the focus for promoting Illinois to the business community or as an opportunity for revenue growth through the adjustments of perhaps over-zealous tax incentives.

So if business climate is important to most businesses, how does Illinois compare to other states in this area? This is a difficult question to answer because there are numerous factors that could affect the business climate of a state. What may be important to one state may not be as important to another state in attracting jobs. The importance also depends on the type of company that may be seeking to locate their business in a particular area. While difficult, several studies have attempted to answer this question of how states compare by quantifying factors that they consider important to businesses. By quantifying these factors, these studies provide rankings intended to help compare the business climate of one state to another.

This portion of the report will focus on four of these national studies, the State Business Tax Climate Index, The Small Business Policy Index, Beacon Hill's Competitiveness Reports, and the American Legislative Exchange Council's Economic Competitiveness Index. Each of these studies has their own ways of evaluating the business climate of a state. Sometimes the same variables are used in each study, while some studies utilize unique variables in their evaluation. And even if the same variable is used, the weight that each variable holds in comparison to other variables in the study may differ. Because of these factors, the rankings of each state can vary to the point where one state may rank high in one study, but rank poorly in another.

The following pages provide a summary of each study and displays how Illinois ranks in comparison to the rest of the nation. For each of these studies, the overall rankings are shown along with a short synopsis of how these rankings were conceived. Following these summaries is an evaluation of the rankings and a discussion of why some believe these rankings should be viewed with much caution. The first study that will be discussed is the State Business Tax Climate Index.

State Business Tax Climate Index

There are numerous factors that go into a company's decision to headquarter in a particular location. But in a September 2016 background paper promoting their 2017 State Business Tax Climate Index, the Tax Foundation stresses how important it is for states to have a welcoming business tax climate.

> *The modern market is characterized by mobile capital and labor, with all types of businesses, small and large, tending to locate where they have the greatest competitive advantage. The evidence shows that states with the best tax systems will be the most competitive at attracting new businesses and most effective at generating economic and employment growth. It is true that taxes are but one factor in business decision making. Other concerns also matter—such as access to raw materials or infrastructure or a skilled labor pool—but a simple, sensible tax system can positively impact business operations with regard to these resources. Furthermore, unlike changes to a state's health care, transportation, or education systems, which can take decades to implement, changes to the tax code can quickly improve a state's business climate.* ***Source: taxfoundation.org***

While it is difficult to know what each business's deciding factor is for making a decision where to locate, this study by the Tax Foundation attempts to compare the business climate of the fifty states by quantifying several factors into a single index. This index, called the State Business Tax Climate Index (SBTCI), "enables business leaders, government policymakers, and taxpayers to gauge how their states' tax systems compare" and is "designed to show *how well* states structure their tax systems, and provides a roadmap for improvement".

The SBTCI places over 100 different variables into five component indexes that each measures a different sector of a state's business tax climate. The five component indexes are the Corporate Tax Index, Individual Income Tax Index, Sales Tax Index, Unemployment Tax Index, and Property Tax Index. The total score for each state is calculated based on the scores for each of the five component indexes.

The results of the study are shown on the following two pages. **The study ranked Illinois as having the 23rd best State Business Tax Climate in the nation for FY 2017.** The highest ranked states were Wyoming, South Dakota, and Alaska. The lowest ranked states were New Jersey, New York, and California. Rankings of Midwest states include Indiana (8th), Michigan (12th), Missouri (15th), Kentucky (34th), Wisconsin (39th), Iowa (40th), and Ohio (45th). Illinois' ranking of 23rd did not change from the FY 2016 ranking, but is an improvement from their FY 2013 ranking of 30th.

Looking at each component of the index individually, Illinois ranked in the top half in the individual income tax index (10th), but was in the lower half of the rankings for the corporate tax index (26th), sales tax index (35th), unemployment insurance tax index (38th), and property tax index (46th). For more information regarding the findings of this study, please see the Tax Foundation's website at www.taxfoundation.org.

Major Components of the State Business Tax Climate Index FY 2017

State	Overall Rank	Corporate Tax Index Rank	Individual Income Tax Index Rank	Sales Tax Index Rank	Unemployment Insurance Tax Index Rank	Property Tax Index Rank
Alabama	32	14	22	48	14	16
Alaska	3	27	1	5	29	22
Arizona	21	19	19	47	13	6
Arkansas	38	40	29	44	30	24
California	48	33	50	40	16	15
Colorado	16	18	16	39	42	14
Connecticut	43	32	37	27	21	49
Delaware	19	50	34	1	3	20
Florida	4	19	1	28	2	10
Georgia	36	10	42	33	35	21
Hawaii	26	11	31	23	24	17
Idaho	20	24	23	26	46	2
Illinois	**23**	**26**	**10**	**35**	**38**	**46**
Indiana	8	23	11	10	10	4
Iowa	40	47	33	21	34	40
Kansas	22	39	18	30	11	19
Kentucky	34	28	30	13	48	36
Louisiana	41	36	27	50	9	30
Maine	30	41	25	8	44	41
Maryland	42	21	46	14	26	42
Massachusetts	27	37	13	18	49	45
Michigan	12	8	14	9	47	25
Minnesota	46	43	45	25	28	33
Mississippi	28	12	20	38	5	35
Missouri	15	5	28	24	7	7
Montana	6	13	21	3	19	9
Nebraska	25	29	24	12	8	39
Nevada	5	34	1	41	43	8
New Hampshire	7	46	9	2	41	43
New Jersey	50	42	48	45	25	50
New Mexico	35	25	35	42	17	1
New York	49	7	49	43	32	47
North Carolina	11	4	15	19	6	31
North Dakota	29	16	36	34	15	3
Ohio	45	45	47	29	4	11
Oklahoma	31	9	38	36	1	12
Oregon	10	35	32	4	33	18
Pennsylvania	24	44	17	20	45	32
Rhode Island	44	31	39	22	50	44
South Carolina	37	15	41	31	37	26
South Dakota	2	1	1	32	40	23
Tennessee	13	22	8	46	23	29
Texas	14	49	6	37	12	37
Utah	9	3	12	17	22	5
Vermont	47	38	44	16	20	48
Virginia	33	6	40	11	39	28
Washington	17	48	6	49	18	27
West Virginia	18	17	26	15	27	13
Wisconsin	39	30	43	7	36	34
Wyoming	1	1	1	6	31	38

Source: Tax Foundation. Full report can be found at www.taxfoundation.org.

History of the Overall Rank of the State Business Tax Climate Index
Overall Rank: FY 2010 - FY 2017

State	Overall Rank FY 2017	Overall Rank FY 2016	Overall Rank FY 2015	Overall Rank FY 2014	Overall Rank FY 2013	Overall Rank FY 2012	Overall Rank FY 2011	Overall Rank FY 2010
Alabama	32	29	28	21	20	20	28	19
Alaska	3	3	4	4	4	4	2	3
Arizona	21	24	23	22	27	27	34	28
Arkansas	38	38	39	35	32	30	39	40
California	48	48	48	48	48	48	49	48
Colorado	16	18	20	19	19	17	15	13
Connecticut	43	44	42	42	43	41	47	38
Delaware	19	14	14	13	13	12	8	8
Florida	4	4	5	5	5	5	5	5
Georgia	36	39	36	32	35	32	25	29
Hawaii	26	31	30	30	31	34	22	24
Idaho	20	19	19	18	18	18	18	18
Illinois	**23**	**23**	**31**	**31**	**30**	**28**	**23**	**30**
Indiana	8	8	8	10	11	11	10	12
Iowa	40	40	41	40	40	40	45	46
Kansas	22	22	22	20	26	25	35	32
Kentucky	34	28	26	27	25	26	19	20
Louisiana	41	37	35	33	33	33	36	35
Maine	30	34	33	29	29	37	31	34
Maryland	42	41	40	41	41	43	44	45
Massachusetts	27	25	24	25	24	23	32	36
Michigan	12	13	13	14	14	19	17	17
Minnesota	46	47	47	47	45	45	43	43
Mississippi	28	20	18	17	17	16	21	21
Missouri	15	17	17	16	16	15	16	16
Montana	6	6	6	7	7	7	6	6
Nebraska	25	27	29	34	34	35	29	33
Nevada	5	5	3	3	3	3	4	4
New Hampshire	7	7	7	8	8	8	7	7
New Jersey	50	50	50	49	49	50	48	50
New Mexico	35	35	38	38	38	38	33	23
New York	49	49	49	50	50	49	50	49
North Carolina	11	15	16	44	44	44	41	39
North Dakota	29	26	25	28	28	29	20	25
Ohio	45	42	44	39	39	39	46	47
Oklahoma	31	33	32	36	36	31	30	31
Oregon	10	11	12	12	12	14	14	14
Pennsylvania	24	32	34	24	22	21	26	27
Rhode Island	44	45	45	46	47	46	42	44
South Carolina	37	36	37	37	37	36	24	26
South Dakota	2	2	2	2	2	2	1	1
Tennessee	13	16	15	15	15	13	27	22
Texas	14	10	10	11	10	10	13	11
Utah	9	9	9	9	9	9	9	10
Vermont	47	46	46	45	46	47	38	41
Virginia	33	30	27	26	23	24	12	15
Washington	17	12	11	6	6	6	11	9
West Virginia	18	21	21	23	21	22	37	37
Wisconsin	39	43	43	43	42	42	40	42
Wyoming	1	1	1	1	1	1	3	2

Source: Tax Foundation. Full report can be found at www.taxfoundation.org.

The Small Business Policy Index

In February 2016, the Small Business and Entrepreneurship Council released its 20th edition of the "Small Business Policy Index". This report ranks the 50 states according to some of the major government-imposed or government-related costs affecting investment, entrepreneurship, and business. The Council summarizes their comparison tool by stating that "the Index ranks the states according to their public policy climates for the risk taking that drives economic growth and job creation". The Index involves 50 different measuring tools. Of these, 25 are taxes or tax related, 18 relate to rules and regulation, five deal with government spending and debt issues, with the remainder "gauging the effectiveness of various important government undertakings".

Under the Small Business Policy Index (SBPI), the authors state that the lower the index number, the lighter the governmental burdens, and the better the environment for entrepreneurship. They report the SBPI as "a measure by which states can be compared according to how the state and local governments treat small business and entrepreneurs. In essence, it is a comparative measure of economic incentives relating to government policies: the lower the "Small Business Policy Index" number, the greater the incentives to invest and take risks in that particular state."

Overall, Illinois ranked 27th in the nation in the SBPI. The table below displays how Illinois is ranked in each of the main categories that make up the overall ranking.

Small Business Policy Index (SBPI) 2016: State Rankings
(How Illinois Ranked in each of the Major Categories of the Index)

Category of SBSI	Rank
Personal Income Tax Rates	15th
Individual Capital Gains Tax Rates	15th
Individual Dividends and Interest Tax Rates	11th
Corporate Income Tax Rates	34th
Corporate Capital Gains Tax Rates	35th
State and Local Property Taxes	42nd
State and Local Sales, Gross Receipts and Excise Taxes	19th
Adjusted Unemployment Taxes	28th
State Gas Taxes	32nd
State Diesel Taxes	33rd
Wireless Taxes	46th
Energy Regulatory Index	31st
Workers' Compensation Premium Costs	44th
Crime Rate	18th
Number of Government Employees per 100 Residents	15th
State and Local Government Five-Year Spending Trends (thru 2013)	43rd
State and Local Government Expenditures (2012-2013)	36th
Per Capita State and Local Government Debt (2012-2013)	45th
Revenue from Fed Govt as a Share of State and Local Revenue (2012-2013)	8th
OVERALL RANKING	**27th**

Source: http://sbecouncil.org/wp-content/uploads/2016/02/SBPIndex2016SBECouncil.pdf

While Illinois ranks near the middle of the pack in most categories, their ranking is relatively high in the areas such as the "Number of Government Employees per 100 residents" (ranked 15th), "Personal Income Tax Rates" (ranked 15th), and "Revenue from the Federal Government as a Share of State and Local Revenue" (ranked 8th). The state ranks relatively low in categories like "State and Local Property Taxes" (ranked 42nd), "State and Local Government Five-Year Spending Trends" (ranked 43rd), "Workers' Compensation Premium Costs" (ranked 44th), and in the category of "Per Capita State and Local Government Debt" (ranked 45th).

Illinois' ranking in the indexes related to the individual and corporate income tax rate have seen much fluctuation over the last several years. This fluctuation in rankings, of course, coincides with fluctuation of tax rates over the last decade. In 2008, with the individual income tax rate at 3%, the SBPI gave Illinois a favorable sub-index ranking of 10th. After increasing the tax rate to 5%, Illinois' rating in this sub-index fell to 20th. Now, at a rate of 3.75%, the SBSI lists Illinois' ranking as 15th in this category. Similarly, Illinois' ranking for the corporate income tax fell from 28th (2008) to 47th (2013) after increasing this tax rate from 4.8% to 7%. But now that the rate has been reduced to 5.25%, Illinois' ranking in this sub-index has risen to 34th.

Below are the overall 2016 rankings of the Small Business Policy Index for all 50 states.

Small Business Policy Index (SBPI) 2016: State Rankings

(Ranked from the Friendliest to the Least Friendly Policy Environments for Small Business and Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	Nevada	40.322	26	New Mexico	79.373
2	Texas	41.509	27	Illinois	80.994
3	South Dakota	41.580	28	West Virginia	82.247
4	Wyoming	47.090	29	Idaho	83.135
5	Florida	50.567	30	Pennsylvania	83.177
6	Washington	56.200	31	Montana	83.633
7	Alabama	62.206	32	New Hampshire	84.847
8	Arizona	62.799	33	Wisconsin	85.119
9	Ohio	63.758	34	Kentucky	87.728
10	Indiana	64.145	35	Massachusetts	88.635
11	Colorado	64.148	36	Delaware	90.093
12	Michigan	65.499	37	Arkansas	91.345
13	Utah	65.809	38	Nebraska	92.193
14	North Dakota	67.668	39	Rhode Island	94.676
15	Virginia	67.832	40	Maryland	95.122
16	South Carolina	69.547	41	Maine	98.077
17	Mississippi	70.375	42	Iowa	98.110
18	Georgia	71.336	43	Oregon	100.694
19	North Carolina	71.528	44	Connecticut	104.836
20	Oklahoma	71.845	45	Vermont	107.168
21	Kansas	74.186	46	Hawaii	108.654
22	Louisiana	74.358	47	Minnesota	111.836
23	Tennessee	74.634	48	New York	112.044
24	Missouri	75.171	49	New Jersey	118.357
25	Alaska	77.101	50	California	127.458

Source: http://sbecouncil.org/wp-content/uploads/2016/02/SBPIndex2016SBECouncil.pdf

The State Competitiveness Report

Another report comparing the business climate of states across the country comes from the Beacon Hill Institute at Suffolk University with their release of its 15th Annual Competitiveness Report (released April 2016). The Institute claims that their report has "increasingly drawn the attention of policy makers, economists and public officials seeking to identify the strengths and weaknesses in their state's ability to promote economic growth." The author discusses what distinguishes this study from other business climate studies:

> *The BHI Index is different from most state business climate indices. It goes beyond tax policy and regulatory analyses that extend beyond those covered elsewhere. The BHI Index identifies how well a state performs in its ability to cultivate, for example, a solid base of scientists and engineers and groundswell of patents or a positive savings rate while keeping business costs to a minimum. It also underscores the importance of human capital suggesting that the overall health and educational attainment of its workers is as important as fiscal rectitude or natural endowments. Natural resource rich states have no particular advantage over states without substantial endowments. And states that are diverse bring no particular advantage over farm states, for instance. A common thread identifying success is the development of human capital – well educated workers as well as risk takers who can draw venture capital. On the other hand taxes and fiscal policy are not to be discounted. They are of at least equal value when it comes to sustaining advantages.*

In an effort to quantify the level of competitiveness, the Institute classifies indicators into eight groups: Government and fiscal policies, security, infrastructure, human resources, technology, business incubation, openness, and environmental policy. These indicators are used to create a competitiveness indicator index.

As shown on the following page, overall, **Illinois ranked 45th in the nation for this competitiveness index.** Its highest ranking in the sub-indexes came in the area of "security" (ranked 5th) and "openness" (ranked 9th). Illinois' lowest ranking came in the sub index of "Government and Fiscal Policy" (ranked 49th).

The Government and Fiscal Policy Sub-Index Ranking is calculated in the report with the idea that "businesses are more likely to be attracted to areas with moderate tax rates and clear evidence of financial discipline (as evidenced, for instance, by high state and municipal bond ratings, and budgetary balance)". Only New Jersey was rated lower than Illinois under this sub-index.

For this sub-index, while Illinois was rated favorably in the category of full-time equivalent state and local government employees per 100 residents (ranked 15th), the State was considered at a competitive disadvantage in the following sub-categories: State and local taxes per capita / income per capita (ranked 45th); worker's compensation premium rates (ranked 47th); bond rating: composite (ranked 50th); Budget deficit, % of GSP (ranked 44th); and average weekly payment to insured unemployed (ranked 35th).

These rankings and other areas where the study felt that Illinois had a competitive advantage and competitive disadvantages compared to the other states across the nation are laid out in the report, as shown below. The sub-index rankings for all of the states are shown on the following page. For more information on these rankings, see the source's website: http://www.beaconhill.org/Compete15/Compete2015.pdf.

Illinois' Rankings in the 15th Annual Competitiveness Report (April 2016)			
Illinois' Overall National Ranking: 37th			
Competitive Advantages		**Competitive Disadvantages**	
Variable	*Rank*	*Variable*	*Rank*
Government and Fiscal Policy Subindex Ranking: 49th			
Full-time-equivalent state & local govt employees per 100 residents	15	State and local taxes per capita/income per capita	45
		Workers' compensation premium rates	47
		Bond rating: composite	50
		Budget deficit, % of GSP	44
		Average weekly payment to insured unemployed	35
Security Subindex Ranking: 5th			
Crime index, per 100,000 inhabitants	19	Murder index, per 100,000 inhabitants	40
Crime index change 2012-2013, %	3		
The BGA Integrity Index	3		
Infrastructure Subindex Ranking: 11th			
Mobile Phones per 1000	8	Average travel time to work	46
High-speed lines per 1000	14	Average rent of 2 bedroom apartment	31
Air passengers per capita	9		
Electricity Prices per kWh	17		
Human Resources Subindex Ranking: 30th			
% of population without health insurance	20	% of pop > 25 that graduated from high school	31
% of population enrolled in degree-granting institutions	18	Unemployment Rate, non seasonally adjusted	43
Rate of active physicians per 100,000 inhabitants	17	% of students at or above proficient in mathematics, grade 4 - public schools	34
Technology Subindex Ranking: 22nd			
NIH support to institutions per capita	17	Academic Science and engineering R&D per $1,000 GSP	34
Patents per 100,000	16		
Science & Engineering grad students per 100,000 inhabitants	18		
Business Incubation Subindex Ranking: 46th			
Total deposits (Commercial banks and Savings institutions) per capita	8	% of labor force that is represented by unions	40
Venture capital per capita	13	Minimum Wage	35
		Pacific Research Institute Tort Index	47
		Cost of Labor Adjusted for Educ. Attainment	35
Openness Subindex Ranking: 9th			
Exports per capita, dollars	12		
Incoming foreign direct investment per capita, dollars	15		
% of population born abroad	10		
Environmental Policy Subindex Ranking: 39th			
Air Quality Index	18	Toxic release inventory, pounds per sq. miles	44
		Carbon emission per 1000 sq. miles	41
Source: http://www.beaconhill.org/Compete15/Compete2015.pdf			

Beacon Hill's 15th Annual Competitiveness Report
State Rankings 2015 by State

	Overall		Subindexes, Rank in 2015															
			Govt/Fis Policy		Security		InfrStrc		Hum. Res.		Tech		Biz Incub.		Openness		Enviro Plcy	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Alabama	3.24	48	5.47	17	3.31	48	4.61	32	3.25	48	4.54	33	4.76	32	4.58	35	4.57	35
Alaska	4.89	25	6.75	1	3.49	47	5.15	23	4.31	35	4.10	41	3.47	48	5.81	12	6.61	2
Arizona	4.28	40	5.77	11	4.15	40	4.21	38	4.86	31	4.76	26	4.95	29	4.70	30	4.59	34
Arkansas	4.10	42	5.25	24	4.15	41	5.73	13	3.89	43	3.68	49	5.20	22	3.93	42	5.66	14
California	4.54	35	3.07	47	5.37	20	3.23	49	4.27	38	5.82	8	5.81	10	6.49	4	4.66	32
Colorado	5.49	14	4.52	37	4.65	32	6.08	6	5.87	8	5.81	9	5.30	19	4.16	39	4.99	26
Connecticut	4.62	32	2.84	48	6.34	6	4.10	39	5.74	10	5.91	7	3.82	43	6.26	8	3.95	44
Delaware	5.40	17	5.48	16	4.82	28	4.90	27	5.11	27	5.06	21	6.06	8	5.97	11	3.69	46
Florida	4.87	26	6.32	4	4.32	36	4.73	29	4.28	37	4.02	44	5.62	11	5.22	21	5.13	23
Georgia	5.05	24	5.85	9	4.06	43	5.47	20	3.78	46	4.71	29	6.17	7	5.30	19	4.80	30
Hawaii	5.17	23	4.19	42	5.25	21	3.84	44	5.82	9	4.48	36	4.22	38	5.59	14	7.07	1
Idaho	5.24	21	5.25	23	5.70	17	4.75	28	4.85	32	4.52	34	6.45	4	3.64	47	5.51	16
Illinois	4.49	37	2.77	49	6.34	5	5.80	11	4.86	30	4.89	22	3.63	46	6.01	9	4.27	39
Indiana	4.12	41	6.42	2	4.79	30	4.57	33	4.94	29	4.72	28	4.50	34	5.36	18	2.25	50
Iowa	6.29	5	5.00	31	5.98	11	5.68	16	6.70	3	5.56	13	4.80	31	4.45	36	5.45	17
Kansas	5.31	18	4.01	45	5.00	25	5.74	12	5.42	18	4.69	30	5.11	27	5.17	23	5.72	13
Kentucky	4.80	30	4.65	35	6.09	9	6.06	8	4.35	34	4.05	43	4.66	33	5.47	15	4.13	42
Louisiana	3.98	43	5.35	21	2.65	50	6.46	4	3.10	49	3.85	46	5.25	20	6.37	5	4.15	41
Maine	5.27	20	4.44	39	6.05	10	4.08	40	5.46	16	4.27	38	5.55	14	4.62	33	6.29	4
Maryland	4.59	33	5.16	27	4.23	37	3.47	47	5.56	14	7.30	2	3.91	42	4.87	27	4.32	38
Massachusetts	7.91	1	4.77	33	5.93	12	4.54	34	7.05	1	8.83	1	5.82	9	6.29	7	4.90	28
Michigan	4.84	29	5.21	25	4.19	39	5.69	15	4.78	33	5.39	16	3.79	44	5.40	17	5.12	24
Minnesota	6.09	7	4.22	41	5.74	15	6.07	7	6.90	2	5.69	11	3.67	45	4.59	34	6.15	7
Mississippi	2.86	50	5.45	18	4.21	38	3.93	42	2.59	50	3.83	47	5.16	24	3.78	46	5.07	25
Missouri	4.86	28	5.62	14	4.41	35	5.71	14	4.96	28	4.87	24	5.37	16	3.84	43	4.80	29
Montana	4.47	38	4.93	32	4.02	44	5.66	19	5.12	26	4.74	27	5.19	23	2.65	50	6.22	5
Nebraska	6.19	6	5.36	20	5.91	13	5.97	9	5.98	7	4.84	25	5.15	26	4.25	37	5.86	12
Nevada	3.90	44	6.21	5	3.98	45	6.58	2	3.62	47	3.45	50	4.26	36	5.23	20	3.59	47
New Hampshire	6.37	4	5.11	28	6.66	1	3.31	48	6.49	5	5.97	5	4.94	30	5.44	16	5.91	11
New Jersey	3.36	47	2.03	50	6.39	3	4.22	37	5.36	19	4.64	32	3.05	50	6.84	2	2.89	49
New Mexico	3.21	49	5.05	29	2.78	49	3.82	45	3.86	45	5.07	20	5.25	21	3.81	44	5.36	19
New York	4.86	27	3.21	46	5.76	14	4.36	36	5.36	20	5.53	14	3.40	49	6.36	6	5.64	15
North Carolina	5.46	15	5.55	15	4.99	26	4.92	26	4.29	36	5.39	15	6.31	5	5.22	22	4.61	33
North Dakota	7.14	2	5.40	19	5.01	24	7.51	1	6.16	6	4.88	23	6.24	6	4.72	29	6.05	10
Ohio	4.55	34	5.03	30	5.08	23	6.49	3	5.14	25	4.67	31	4.22	37	4.78	28	3.33	48
Oklahoma	3.87	45	4.24	40	4.43	34	5.93	10	4.17	39	3.96	45	5.16	24	3.54	48	5.42	18
Oregon	5.27	19	5.32	22	4.85	27	5.13	24	5.16	24	5.20	19	4.12	39	4.65	32	6.33	3
Pennsylvania	4.49	36	4.19	43	5.51	18	4.97	25	5.22	23	5.58	12	4.08	41	4.89	26	4.12	43
Rhode Island	5.88	8	4.60	36	6.18	7	3.88	43	5.45	17	6.63	4	5.56	13	5.76	13	4.42	36
South Carolina	4.35	39	5.96	7	3.66	46	3.98	41	3.87	44	4.17	40	5.61	12	5.99	10	4.93	27
South Dakota	6.37	3	5.73	12	5.47	19	5.67	18	5.65	13	4.20	39	7.60	1	3.40	49	6.12	9
Tennessee	4.70	31	6.35	3	4.11	42	5.68	17	4.11	40	4.40	37	5.34	17	5.01	24	4.16	40
Texas	5.81	10	6.09	6	4.80	29	5.17	22	3.90	42	4.50	35	5.41	15	7.07	1	5.35	21
Utah	5.67	13	5.69	13	5.23	22	4.46	35	5.72	11	5.80	10	7.01	2	4.20	38	3.75	45
Vermont	5.85	9	4.14	44	6.38	4	3.57	46	6.69	4	6.71	3	4.11	40	4.66	31	6.13	8
Virginia	5.69	12	5.89	8	5.71	16	4.66	31	5.30	21	5.30	17	5.31	18	4.98	25	4.78	31
Washington	5.80	11	4.68	34	4.58	33	5.35	21	5.29	22	5.92	6	3.50	47	6.70	3	6.22	6
West Virginia	3.74	46	5.79	10	6.55	2	3.20	50	4.11	41	4.06	42	4.34	35	4.08	41	4.33	37
Wisconsin	5.24	22	4.45	38	6.10	8	4.73	30	5.70	12	5.21	18	5.08	28	4.10	40	5.31	22
Wyoming	5.45	16	5.18	26	4.66	31	6.19	5	5.55	15	3.78	48	6.74	3	3.80	45	5.36	19

Note: Further information regarding the details of these rankings can be found at the Institute's homepage at www.beaconhill.org.

American Legislative Exchange Council's "Economic Competitiveness Index"

The American Legislative Exchange Council annually issues a publication entitled, "Rich States, Poor States". This publication is an annual economic competitiveness study which is designed to identify which policies can lead a state to economic prosperity. By using these identified policies, the study "makes sound research-based conclusions about which states are poised to achieve greater economic prosperity and those that are stuck on the path to a lackluster economy." From this, the authors created the State Economic Outlook Rankings, which is described in the publication as follows:

> *The Economic Outlook Ranking is a forecast based on a state's current standing in 15 state policy variables. Each of these factors is influenced directly by state lawmakers through the legislative process. Generally speaking, states that spend less—especially on income transfer programs, and states that tax less—particularly on productive activities such as working or investing—experience higher growth rates than states that tax and spend more.*
>
> *The Economic Performance Ranking is a backward-looking measure based on a state's performance on three important variables: State Gross Domestic Product, Absolute Domestic Migration and Non-Farm Payroll Employment—all of which are highly influenced by state policy. This ranking details states' individual performances over the past 10 years based on this economic data.*

ALEC - Laffer State Economic Outlook Rankings 2016			
Rank	State	Rank	State
1	Utah	26	Massachusetts
2	North Carolina	27	Kansas
3	North Dakota	28	Louisiana
4	Wyoming	29	Iowa
5	Arizona	30	South Carolina
6	Indiana	31	Maryland
7	Tennessee	32	Nebraska
8	Florida	33	Kentucky
9	Wisconsin	34	New Mexico
10	Oklahoma	35	Rhode Island
11	South Dakota	36	Washington
12	Texas	37	West Virginia
13	Virginia	38	Maine
14	Nevada	39	Pennsylvania
15	Idaho	40	Montana
16	Colorado	41	Oregon
17	Mississippi	42	Hawaii
18	Ohio	**43**	**Illinois**
19	Georgia	44	Delaware
20	Arkansas	45	Minnesota
21	Alabama	46	California
22	Michigan	47	Connecticut
23	New Hampshire	48	New Jersey
24	Missouri	49	Vermont
25	Alaska	50	New York

Source: https://www.alec.org/app/uploads/2016/04/2016-ALEC-Rich-States-Poor-States-Rankings.pdf

Below is the section on Illinois that is included in the report. The study ranks Illinois as having a ranking of 46th for Economic Performance and a ranking of 43rd for Illinois' Economic Outlook Ranking for 2016. The scores affiliated with the categories influencing this particular index ranking are shown below. Also shown in this graphic is the study's historic ranking for Economic Outlook between 2009 and 2015.

Illinois

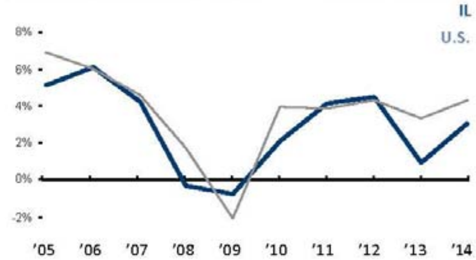
2016 ALEC-LAFFER STATE ECONOMIC COMPETITIVENESS INDEX

46 Economic Performance Rank

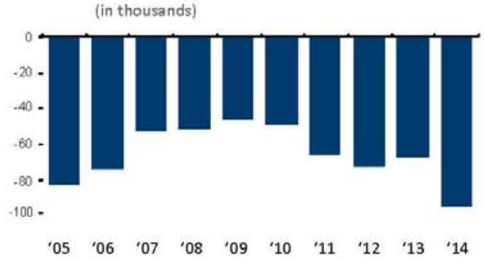
43 Economic Outlook Rank

Economic Performance Rank (1=best 50=worst)
A backward-looking measure based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

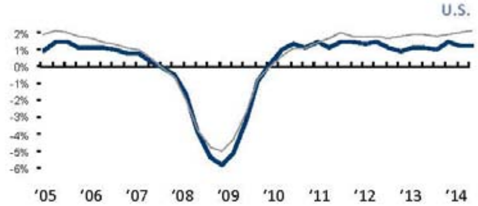
State Gross Domestic Product
Cumulative Growth 2004-2014 31.2% Rank: 39



Absolute Domestic Migration
Cumulative 2005-2014 -669,442 Rank: 48



Non-Farm Payroll Employment
Cumulative Growth 2004-2014 1.0% Rank: 44



Economic Outlook Rank (1=best 50=worst)
A forward-looking forecast based on the state's standing (equal-weighted average) in the 15 important state policy variables shown below. Data reflect state and local rates and revenues and any effect of federal deductibility.

Historical Ranking Comparison	2009	2010	2011	2012	2013	2014	2015
ECONOMIC OUTLOOK RANK	44	47	44	48	48	48	40

Variable	Data	Rank
Top Marginal Personal Income Tax Rate	3.75%	12
Top Marginal Corporate Income Tax Rate	7.75%	31
Personal Income Tax Progressivity (change in tax liability per $1,000 of income)	$1.06	14
Property Tax Burden (per $1,000 of personal income)	$42.74	42
Sales Tax Burden (per $1,000 of personal income)	$16.37	10
Remaining Tax Burden (per $1,000 of personal income)	$21.66	38
Estate/Inheritance Tax Levied?	Yes	50
Recently Legislated Tax Changes (2014 & 2015, per $1,000 of personal income)	-$2.96	1
Debt Service as a Share of Tax Revenue	10.3%	44
Public Employees Per 10,000 of Population (full-time equivalent)	487.7	13
State Liability System Survey (tort litigation treatment, judicial impartiality, etc.)	48.0	48
State Minimum Wage (federal floor is $7.25)	$8.25	30
Average Workers' Compensation Costs (per $100 of payroll)	$2.35	44
Right-to-Work State? (option to join or support a union)	No	50
Number of Tax Expenditure Limits (0=least/worst 3=most/best)	0	34

Source: https://www.alec.org/app/uploads/2016/04/2016-ALEC-Rich-States-Poor-States-Rankings.pdf

What do the Business Climate Rankings Tell Us?

For the studies shown in this report, Illinois' overall ranking ranged from 23rd to 43rd in the nation. On the following page is a summary of all of the final rankings discussed in this report, including their average ranking. As shown, Illinois' average ranking was 32.5 for the four studies, which made them the 38th highest ranked state overall. This is an improvement over their combined ranking of 46th in the 2014 update, likely reflecting these studies favorable ratings associated with Illinois' lowering of the income tax rates in 2015.

When combining all of the rankings together, there are several states that rank high in each study. South Dakota, Utah, and Texas all score in the top 15 of each study. New Jersey was the only state that scored in the bottom 15 of each study.

It should be noted the results of each study present some noticeable differences. For example, although Illinois' ranking stayed somewhat consistent, Massachusetts had very diverse results. In the Small Business Policy Index, Massachusetts ranked 35th. However, in the Competitiveness Report, Massachusetts ranked 1st. The other two studies ranked the state 26th and 27th. Minnesota ranked 7th in the Competitiveness Report, but ranked in the 40s in the other three indices.

Looking at all the studies, 25 different states could brag that they had a top ten ranking in one of the studies. Thirty-eight different states could boast that they are in the top 20 of a study. Since the results of these states vary so much, the question becomes, which of these studies accurately show which state is best for business and do these rankings actually serve a useful purpose? These are questions that were addressed in the May 2013 article entitled, "Grading Places: What Do the Business Climate Rankings Really Tell Us?". The following is an excerpt from this article, which can be found at www.goodjobsfirst.org.

> *Indeed, the underlying frame of these studies—that there is such a thing as a state "business climate" that can be measured and rated—is nonsensical. The needs of different businesses and facilities vary far too widely. Besides, states are not the meaningful unit of competition in economic development: metro areas are, and conditions can vary more among metro areas within a state than they do between states…(W)e question whether the entire enterprise of measuring an overall business tax climate for a state can be valid or useful. State tax systems are complex, and interact in complex ways with the asset structure and geographic characteristics of firms. The favorability of a state's tax system to an economic development project can be measured accurately only when the details of the business and facility are taken into account.*

While the Commission acknowledges that the validity and usefulness of these types of rankings are debatable and often should be discounted, their mere existence must be taken seriously because businesses could look at these rankings for guidance when making business decisions. Recent results have created a perception that Illinois is a below-average "business climate" state. And this is a stigma that Illinois must overcome to attract and retain businesses.

State Rankings of Various "Business Climate" Studies

State	State Business Tax Climate Index Rank (FY 2017)	Small Business Policy Index Rank (2016)	Competitiveness Report Rank (2015)	Economic Outlook Rank (2016)	Overall Average Ranking	Overall Rank
South Dakota	2	3	3	11	4.8	1
Wyoming	1	4	16	4	6.3	2
Utah	9	13	13	1	9.0	3
Texas	14	2	10	12	9.5	4
Florida	4	5	26	8	10.8	5
North Carolina	11	19	15	2	11.8	6
North Dakota	29	14	2	3	12.0	7
Colorado	16	11	14	16	14.3	8
Nevada	5	1	44	14	16.0	9
Indiana	8	10	41	6	16.3	10
New Hampshire	7	32	4	23	16.5	11
Washington	17	6	11	36	17.5	12
Virginia	33	15	12	13	18.3	13
Arizona	21	8	40	5	18.5	14
Tennessee	13	23	31	7	18.5	14
Michigan	12	12	29	22	18.8	16
Alaska	3	25	25	25	19.5	17
Idaho	20	29	21	15	21.3	18
Kansas	22	21	18	27	22.0	19
Massachusetts	27	35	1	26	22.3	20
Missouri	15	24	28	24	22.8	21
Georgia	36	18	24	19	24.3	22
Nebraska	25	38	6	32	25.3	23
Wisconsin	39	33	22	9	25.8	24
Ohio	45	9	34	18	26.5	25
Oklahoma	31	20	45	10	26.5	25
Alabama	32	7	48	21	27.0	27
Mississippi	28	17	50	17	28.0	28
Oregon	10	43	19	41	28.3	29
Montana	6	31	38	40	28.8	30
Delaware	19	36	17	44	29.0	31
Iowa	40	42	5	29	29.0	31
South Carolina	37	16	39	30	30.5	33
Rhode Island	44	39	8	35	31.5	34
Maine	30	41	20	38	32.3	35
Pennsylvania	24	30	36	39	32.3	35
West Virginia	18	28	46	37	32.3	35
Illinois	23	27	37	43	32.5	38
Kentucky	34	34	30	33	32.8	39
Louisiana	41	22	43	28	33.5	40
Arkansas	38	37	42	20	34.3	41
Hawaii	26	46	23	42	34.3	41
New Mexico	35	26	49	34	36.0	43
Minnesota	46	47	7	45	36.3	44
Maryland	42	40	33	31	36.5	45
Vermont	47	45	9	49	37.5	46
Connecticut	43	44	32	47	41.5	47
New York	49	48	27	50	43.5	48
California	48	50	35	46	44.8	49
New Jersey	50	49	47	48	48.5	50

Sources: *State Business Climate Index: www.taxfoundation.org.* *Competitiveness Report: www.beaconhill.org*
Small Business Policy Index: www.sbecouncil.org *Economic Outlook: www.alec.org*

Employment Statistics and Rankings

While the nation's employment levels have seen significant improvement over the last several years, some states continue to struggle to reach levels experienced before the "Great Recession". During this economic collapse, job numbers fell to levels not seen in decades. Many states, in fact, recorded historically high unemployment rates in late 2010. While Illinois did not reach a "record high" during this time, the State was not immune to these job losses as Illinois' unemployment rate surpassed the 11% mark for the first time since August 1983.

The latest figure (October 2016) from the Bureau of Labor Statistics places Illinois' seasonally adjusted unemployment rate at 5.6%. While this is a significant improvement from levels seen in 2010, Illinois' levels remain notably higher than the U.S. rate of 4.9% and behind the majority of states across the country. The latest ranking rates Illinois as having the 43rd highest unemployment rate in the country.

Illinois' unemployment rate remains higher than other states in the Midwest region and well behind neighboring Iowa and Wisconsin's rate of 4.1%. Indiana had an unemployment rate of 4.4%, followed by Michigan (4.7%), Ohio (4.9%), and Missouri (5.1%). The lowest unemployment rate in the country for October 2016 was New Hampshire at 2.8%. The highest unemployment rate belonged to Alaska at 6.8%. These rates can be seen on the following page.

Illinois' comparatively high unemployment rates and its struggles to regain its pre-recession job levels have understandably generated much attention from the media and the general public. Consequently, lawmakers have made numerous inquiries to the Commission regarding the job market in Illinois, asking questions such as, "What types of jobs has Illinois lost?", "How has Illinois' employment situation changed over the years?", and "How does Illinois' employment figures compare to other states throughout the nation?". In an effort to address these questions, the Commission compiled employment statistics from the U.S. Bureau of Labor Statistics over the last two decades. The data used in this analysis can be obtained at the Bureau's website (*www.bls.gov*).

The latest data (total non-farm employment, non-seasonally adjusted) shows that there were approximately 6.090 million Illinois residents employed in October 2016. Illinois employed the 5th most workers during this month and made up approximately 4.2% of the nation's jobs. Considering Illinois is the 5th most populated state in the country, Illinois' high ranking in this category is not necessarily surprising. California, with the largest population, had the most employed at 16.7 million.

October 2016 Unemployment Rates (Seasonally Adjusted) for States and Historical Highs/Lows

NATIONAL RATE = 4.9%

State	Oct 2016 Rate	Rate Ranking	Historical High Date	Historical High Rate	Historical Low Date	Historical Low Rate
New Hampshire	2.8	1	July 1992	7.4	Mar. 1988	2.2
South Dakota	2.8	1	Jan. 1983	5.9	July 2000	2.4
North Dakota	3.0	3	Mar. 1983	6.2	Jan. 1998	2.5
Hawaii	3.2	3	Jan. 1976	10.4	Dec. 2006	2.4
Utah	3.2	5	Mar. 1983	9.6	Mar. 2007	2.3
Massachusetts	3.3	6	Jan. 1976	10.7	Oct. 2000	2.6
Nebraska	3.3	6	Feb. 1983	6.3	Oct. 1990	2.3
Vermont	3.3	8	Feb. 1976	8.8	Mar. 2000	2.6
Colorado	3.5	9	Oct. 2010	8.9	Dec. 2000	2.7
Idaho	3.8	9	Dec. 1982	10.2	June 2007	2.9
Arkansas	4.0	11	Feb. 1983	10.3	May 2016	3.8
Maine	4.0	12	Jan. 1977	9.0	Dec. 2000	3.2
Minnesota	4.0	13	Jan. 1983	8.9	Mar. 1999	2.5
Iowa	4.1	14	Jan. 1983	9.1	Mar. 2000	2.4
Wisconsin	4.1	14	Jan. 1983	11.9	July 1999	3.0
Maryland	4.2	14	Mar. 1982	8.5	Dec. 1999	3.3
Virginia	4.2	14	Dec. 1982	7.9	Nov. 2000	2.1
Delaware	4.3	18	Dec. 1976	9.8	June 1988	3.0
Montana	4.3	19	May-83	8.8	Feb. 2007	2.9
Indiana	4.4	20	Dec. 1982	12.6	Oct. 2000	2.9
Kansas	4.4	21	Sept. 2009	7.3	Aug. 1978	2.9
Michigan	4.7	21	Dec. 1982	16.5	Mar. 2000	3.2
South Carolina	4.7	21	Jan. 1983	11.8	Apr. 1998	3.5
Texas	4.7	24	Nov. 1986	9.2	Dec. 2000	4.0
Florida	4.8	24	Jan. 2010	11.2	Apr. 2006	3.1
Tennessee	4.8	26	Jan. 1983	12.9	Mar. 2000	3.7
North Carolina	4.9	26	Mar. 2010	11.3	Apr. 1999	3.0
Ohio	4.9	26	Jan. 1983	14.0	Apr. 2001	3.8
Connecticut	5.1	29	Jan. 1976	10.0	Oct. 2000	2.2
Kentucky	5.1	29	Feb. 1983	12.1	May 2000	4.0
Missouri	5.1	29	Apr. 1983	10.6	Jan. 2000	3.1
Wyoming	5.1	29	Dec. 1986	9.4	May 1979	2.5
Arizona	5.2	33	Dec. 1982	11.5	July 2007	3.7
Georgia	5.2	34	Dec. 2010	10.5	Nov. 2000	3.4
New Jersey	5.2	34	Jan. 1977	10.7	May 2000	3.5
New York	5.2	36	Jan. 1976	10.4	May-88	4.0
Oklahoma	5.2	36	Apr. 1983	8.9	Dec. 2000	2.9
Oregon	5.3	36	May-09	11.9	May 2016	4.5
Washington	5.4	36	Nov. 1982	12.2	June 2007	4.6
California	5.5	36	Oct. 2010	12.2	Dec. 2000	4.7
Nevada	5.5	41	Nov. 2010	13.7	Jan. 1999	3.7
Rhode Island	5.5	41	Aug. 2009	11.3	May 1988	2.9
Illinois	**5.6**	**43**	**Feb. 1983**	**13.1**	**Feb. 1999**	**4.1**
Alabama	5.7	43	Dec. 1982	15.5	Apr. 2007	3.8
Pennsylvania	5.8	45	Feb. 1983	12.7	May 2000	4.0
Mississippi	5.9	46	Apr. 1983	12.8	Jan. 2001	5.0
West Virginia	6.0	46	Feb. 1983	18.8	Aug. 2008	4.1
District of Columbia	6.1	48	Sept. 1983	11.3	Sept. 1989	4.8
Louisiana	6.3	48	Nov. 1986	13.1	Oct. 2007	3.9
New Mexico	6.7	48	Mar. 1983	10.5	Aug. 2007	3.7
Alaska	6.8	51	Aug. 1986	11.2	June 2007	6.3

Note: The October 2016 figures are preliminary. Rates shown are a percentage of the labor force. Data refer to place of residence. Series begin in January 1976. Historical highs and lows show the most recent month that a rate was recorded in the event of multiple occurrences. Estimates for at least the latest five years are subject to revision early in the following calendar year.

Source: http://www.bls.gov/web/laus/lauhsthl.htm

Looking at October employment levels since 2000 (non-seasonally adjusted); Illinois hit a high of nearly 6.1 million jobs at the beginning of the century in 2000. The state hit its low point in the midst of the Great Recession in 2009 with a total of 5.6 million jobs. As shown in the table below, comparing Illinois' latest 2016 figure with its "lowpoint", employment levels have improved 7.8% since hitting this trough in 2009. At first glance, this improvement may appear encouraging, but compared to other states, Illinois ranks 39th in the nation in the rate of change from a state's "lowpoint" with its current value.

A similar finding was calculated when looking at how Illinois compares to its "highpoint". Illinois' latest employment value is nearly at its highpoint reached in 2000, which is encouraging. But Illinois is one of only sixteen states that are currently below their "employment highpoint". The table below displays the highpoints, lowpoints, and current levels of employment for all of the states in the nation.

Employment "High-Point" and "Low-Point" by State
(2000-2016, Year over Year Comparisons by Current Month of October)
(Employment Values in thousands)

	Current Value (Oct 2016)	% of Country	Ranking of Jobs	2000 to Present Lowpoint	Current vs. Chg. From Lowpoint	Current vs. Change from Lowpoint (%)	Ranking of Change	2000 to Present Highpoint	Current vs. Chg. From Highpoint	Current vs. Change from Highpoint (%)	Ranking of Change
Alabama	1,982.4	1.4%	25	1,868.4	114.0	6.1%	45	2,012.4	-30.0	-1.5%	46
Alaska	333.1	0.2%	49	283.2	49.9	17.6%	13	336.0	-2.9	-0.9%	40
Arizona	2,733.4	1.9%	20	2,271.6	461.8	20.3%	8	2,733.4	0.0	0.0%	1
Arkansas	1,237.8	0.8%	34	1,151.7	86.1	7.5%	41	1,237.8	0.0	0.0%	1
California	16,658.4	11.4%	1	14,351.8	2,306.6	16.1%	16	16,658.4	0.0	0.0%	1
Colorado	2,628.7	1.8%	22	2,159.4	469.3	21.7%	6	2,628.7	0.0	0.0%	1
Connecticut	1,690.6	1.2%	28	1,623.1	67.5	4.2%	50	1,714.3	-23.7	-1.4%	45
Delaware	462.6	0.3%	46	416.1	46.5	11.2%	29	462.6	0.0	0.0%	1
Dist. Of Columbia	785.6	0.5%	38	659.0	126.6	19.2%	10	785.6	0.0	0.0%	1
Florida	8,440.3	5.8%	4	7,102.5	1,337.8	18.8%	11	8,440.3	0.0	0.0%	1
Georgia	4,428.1	3.0%	8	3,868.9	559.2	14.5%	21	4,428.1	0.0	0.0%	1
Hawaii	656.7	0.4%	42	548.1	108.6	19.8%	9	656.7	0.0	0.0%	1
Idaho	704.0	0.5%	40	570.2	133.8	23.5%	5	704.0	0.0	0.0%	1
Illinois	**6,090.0**	**4.2%**	**5**	**5,646.9**	**443.1**	**7.8%**	**39**	**6,090.1**	**-0.1**	**-0.002%**	**36**
Indiana	3,111.5	2.1%	15	2,812.8	298.7	10.6%	30	3,111.5	0.0	0.0%	1
Iowa	1,600.3	1.1%	30	1,457.5	142.8	9.8%	33	1,600.3	0.0	0.0%	1
Kansas	1,411.4	1.0%	32	1,320.9	90.5	6.9%	42	1,416.8	-5.4	-0.4%	38
Kentucky	1,921.9	1.3%	26	1,761.7	160.2	9.1%	37	1,921.9	0.0	0.0%	1
Louisiana	1,988.3	1.4%	24	1,776.0	212.3	12.0%	26	2,009.8	-21.5	-1.1%	41
Maine	620.2	0.4%	43	603.8	16.4	2.7%	51	627.8	-7.6	-1.2%	42
Maryland	2,725.8	1.9%	21	2,481.9	243.9	9.8%	32	2,725.8	0.0	0.0%	1
Massachusetts	3,613.0	2.5%	13	3,228.6	384.4	11.9%	27	3,613.0	0.0	0.0%	1
Michigan	4,402.4	3.0%	9	3,896.2	506.2	13.0%	23	4,728.3	-325.9	-6.9%	50
Minnesota	2,923.1	2.0%	18	2,665.3	257.8	9.7%	34	2,923.1	0.0	0.0%	1
Mississippi	1,145.5	0.8%	35	1,091.3	54.2	5.0%	48	1,160.4	-14.9	-1.3%	43
Missouri	2,862.8	2.0%	19	2,683.9	178.9	6.7%	43	2,862.8	0.0	0.0%	1
Montana	468.6	0.3%	45	395.0	73.6	18.6%	12	468.6	0.0	0.0%	1
Nebraska	1,024.7	0.7%	36	914.4	110.3	12.1%	25	1,024.7	0.0	0.0%	1
Nevada	1,306.6	0.9%	33	1,046.7	259.9	24.8%	4	1,306.6	0.0	0.0%	1
New Hampshire	677.7	0.5%	41	621.0	56.7	9.1%	36	677.7	0.0	0.0%	1
New Jersey	4,104.2	2.8%	11	3,861.4	242.8	6.3%	44	4,104.2	0.0	0.0%	1
New Mexico	828.7	0.6%	37	752.3	76.4	10.2%	31	852.2	-23.5	-2.8%	48
New York	9,466.9	6.5%	3	8,469.7	997.2	11.8%	28	9,466.9	0.0	0.0%	1
North Carolina	4,379.6	3.0%	10	3,820.1	559.5	14.6%	20	4,379.6	0.0	0.0%	1
North Dakota	448.4	0.3%	47	332.9	115.5	34.7%	1	475.1	-26.7	-5.6%	49
Ohio	5,547.1	3.8%	7	5,066.7	480.4	9.5%	35	5,661.2	-114.1	-2.0%	47
Oklahoma	1,667.1	1.1%	29	1,479.1	188.0	12.7%	24	1,678.5	-11.4	-0.7%	39
Oregon	1,871.8	1.3%	27	1,597.6	274.2	17.2%	14	1,871.8	0.0	0.0%	1
Pennsylvania	5,959.2	4.1%	6	5,646.5	312.7	5.5%	47	5,959.2	0.0	0.0%	1
Rhode Island	498.8	0.3%	44	463.2	35.6	7.7%	40	500.7	-1.9	-0.4%	37
South Carolina	2,069.7	1.4%	23	1,800.6	269.1	14.9%	19	2,069.7	0.0	0.0%	1
South Dakota	442.1	0.3%	48	379.4	62.7	16.5%	15	442.1	0.0	0.0%	1
Tennessee	3,007.9	2.1%	16	2,616.2	391.7	15.0%	18	3,007.9	0.0	0.0%	1
Texas	12,153.6	8.3%	2	9,400.2	2,753.4	29.3%	3	12,153.6	0.0	0.0%	1
Utah	1,443.7	1.0%	31	1,080.3	363.4	33.6%	2	1,443.7	0.0	0.0%	1
Vermont	318.4	0.2%	50	301.6	16.8	5.6%	46	318.4	0.0	0.0%	1
Virginia	3,967.5	2.7%	12	3,509.9	457.6	13.0%	22	3,967.5	0.0	0.0%	1
Washington	3,303.8	2.3%	14	2,718.9	584.9	21.5%	7	3,303.8	0.0	0.0%	1
West Virginia	771.0	0.5%	39	739.8	31.2	4.2%	49	781.6	-10.6	-1.4%	44
Wisconsin	2,968.3	2.0%	17	2,744.0	224.3	8.2%	38	2,968.3	0.0	0.0%	1
Wyoming	281.1	0.2%	51	243.1	38.0	15.6%	17	302.9	-21.8	-7.2%	51
Totals	**146,134.4**	**100.0%**									

Source: The Bureau of Labor Statistics at http://www.bls.gov/sae/. Data Compiled by CGFA.

The next table compares the October employment figures of each state with the October employment levels of last year, five years ago, ten years ago, fifteen years ago, and twenty years ago. As shown, throughout these years of comparison, Illinois is consistently in the lower half of improvement compared to other states.

For example, although Illinois' employment levels have improved 6.1% from twenty years ago, this rate of growth only ranks Illinois as 47th in the nation. Only Connecticut (5.2%), Mississippi (4.5%), Ohio (3.5%) and Michigan (-0.6%) have lower rates of growth. The state with the greatest improvement over this time period is Nevada growing 51.2%, followed by Utah (48.8%), Texas (44.8%), North Dakota (42.0%), and Arizona (42.0%). These numbers provide evidence of the migration of jobs from the Midwest to the western parts of the United States over the last two decades.

Total Nonfarm Employment Year-Over-Year Change
(Year over Year Comparisons are Compared to October 2016 Data)
(Employment Values in thousands)

	Current Value (Oct 2016)	Current Value vs. 1-Yr Ago	Rank of Change	Current Value vs. 5-yrs Ago	Rank of Change	Current Value vs. 10-yrs Ago	Rank of Change	Current Value vs. 15-Yrs Ago	Rank of Change	Current Value vs. 20-yrs Ago	Rank of Change
Alabama	1,982.4	1.3%	25	5.8%	38	-0.1%	45	4.1%	41	7.3%	46
Alaska	333.1	0.1%	42	1.4%	49	7.4%	15	14.9%	15	26.2%	13
Arizona	2,733.4	1.8%	18	12.0%	12	2.2%	37	20.3%	7	42.0%	5
Arkansas	1,237.8	1.0%	31	4.5%	39	2.7%	34	7.1%	34	12.7%	36
California	16,658.4	2.3%	8	14.3%	5	7.9%	12	13.5%	17	28.8%	10
Colorado	2,628.7	2.5%	5	15.4%	3	14.6%	4	19.1%	9	36.9%	7
Connecticut	1,690.6	0.2%	40	3.3%	46	-0.2%	46	0.2%	49	5.2%	48
Delaware	462.6	1.8%	19	10.6%	15	4.9%	27	10.5%	25	21.9%	21
Dist. Of Columbia	785.6	1.8%	20	7.6%	21	13.6%	5	18.8%	10	26.5%	12
Florida	8,440.3	3.2%	3	15.9%	2	5.6%	23	18.5%	12	36.0%	8
Georgia	4,428.1	2.2%	10	12.7%	10	6.7%	18	11.9%	22	23.6%	18
Hawaii	656.7	2.2%	9	10.0%	16	6.2%	20	19.8%	8	24.4%	15
Idaho	704.0	2.1%	12	13.2%	9	8.5%	10	23.0%	5	40.5%	6
Illinois	**6,090.0**	**0.5%**	**38**	**6.1%**	**35**	**1.8%**	**39**	**1.9%**	**46**	**6.1%**	**47**
Indiana	3,111.5	1.0%	32	7.6%	22	3.2%	31	5.7%	35	8.9%	43
Iowa	1,600.3	1.1%	27	6.0%	36	5.0%	26	9.0%	29	14.0%	33
Kansas	1,411.4	-0.4%	48	4.0%	42	2.8%	32	4.1%	40	13.2%	35
Kentucky	1,921.9	0.7%	36	6.8%	28	4.2%	30	7.3%	33	14.1%	32
Louisiana	1,988.3	-0.3%	46	3.6%	45	5.7%	22	4.0%	42	8.9%	44
Maine	620.2	0.0%	43	2.3%	48	-0.4%	49	0.9%	48	11.8%	38
Maryland	2,725.8	1.1%	26	6.2%	33	4.7%	28	9.8%	26	21.5%	23
Massachusetts	3,613.0	2.0%	15	9.2%	17	9.2%	8	8.1%	32	16.9%	31
Michigan	4,402.4	2.0%	14	9.1%	18	1.3%	41	-3.5%	51	-0.6%	51
Minnesota	2,923.1	1.1%	28	6.9%	25	5.1%	25	8.1%	31	17.9%	28
Mississippi	1,145.5	-0.2%	45	4.2%	41	-0.6%	50	1.7%	47	4.5%	49
Missouri	2,862.8	1.7%	22	6.4%	32	2.2%	36	4.8%	37	9.8%	42
Montana	468.6	0.7%	34	6.9%	26	6.9%	17	18.6%	11	26.6%	11
Nebraska	1,024.7	0.3%	39	6.2%	34	7.5%	14	11.3%	23	20.6%	24
Nevada	1,306.6	1.9%	16	14.8%	4	1.1%	42	24.7%	4	51.2%	1
New Hampshire	677.7	2.1%	13	6.8%	27	4.4%	29	8.3%	30	20.5%	25
New Jersey	4,104.2	0.7%	35	5.9%	37	0.4%	43	2.3%	45	11.8%	39
New Mexico	828.7	-0.3%	47	2.8%	47	-1.3%	51	9.1%	28	17.9%	27
New York	9,466.9	1.0%	29	7.7%	20	8.8%	9	10.9%	24	17.8%	29
North Carolina	4,379.6	1.9%	17	10.6%	14	6.6%	19	12.7%	20	21.9%	22
North Dakota	448.4	-1.7%	50	8.8%	19	25.0%	1	33.9%	1	42.0%	4
Ohio	5,547.1	0.9%	33	7.2%	23	1.5%	40	0.1%	50	3.5%	50
Oklahoma	1,667.1	-0.7%	49	4.3%	40	5.5%	24	9.8%	27	20.4%	26
Oregon	1,871.8	3.4%	1	14.1%	6	8.1%	11	16.3%	14	23.0%	19
Pennsylvania	5,959.2	0.6%	37	3.7%	44	2.4%	35	4.6%	38	10.5%	41
Rhode Island	498.8	1.5%	24	6.7%	29	-0.4%	48	3.4%	44	11.0%	40
South Carolina	2,069.7	2.1%	11	12.4%	11	7.3%	16	14.9%	16	22.9%	20
South Dakota	442.1	2.3%	7	7.1%	24	9.8%	7	16.5%	13	25.8%	14
Tennessee	3,007.9	2.4%	6	11.5%	13	7.7%	13	12.4%	21	17.3%	30
Texas	12,153.6	1.7%	21	14.0%	7	19.4%	2	28.1%	3	44.8%	3
Utah	1,443.7	3.0%	4	17.7%	1	18.1%	3	33.2%	2	48.8%	2
Vermont	318.4	0.2%	41	3.8%	43	1.9%	38	4.3%	39	13.4%	34
Virginia	3,967.5	1.7%	23	6.5%	30	5.8%	21	13.0%	18	24.4%	17
Washington	3,303.8	3.4%	2	13.7%	8	12.7%	6	20.7%	6	33.0%	9
West Virginia	771.0	0.0%	44	-0.7%	50	0.4%	44	3.5%	43	8.4%	45
Wisconsin	2,968.3	1.0%	30	6.5%	31	2.8%	33	5.3%	36	12.4%	37
Wyoming	281.1	-3.6%	51	-3.8%	51	-0.4%	47	12.9%	19	24.4%	16

Source: The Bureau of Labor Statistics at http://www.bls.gov/sae/. Data Compiled by CGFA.

But even from a more recent time-frame perspective, Illinois has struggled to recover jobs in comparison to other states. As the previous table displays, compared to a year ago (October 2016 vs October 2015), Illinois' employment figures improved 0.5%. However, this rate of growth ranked Illinois 38th in the nation. Similar results are seen when comparing Illinois' numbers from five years ago (+6.1% growth, rank of 35th), ten years ago (+1.8% growth, rank of 39th), and fifteen years ago (+1.9% growth, rank of 46th). The level of job growth, or lack thereof, over the past two decades is concerning, especially as compared to the rate of growth of other states throughout the country. The following tables attempt to answer the question of which types of jobs are experiencing the greatest falloff/slow-down in Illinois.

The Bureau of Labor Statistics categorizes their employment data into 11 sectors. The latest data (as shown in the table below) shows that the "Trade, Transportation, and Utilities" sector had the highest composition of jobs in Illinois at 20.0%. This was followed by the "Professional and Business Services" sector (composing 15.9%) and the "Education and Health Services" sector (composing 15.1%). The table below also shows that this breakout is similar to the U.S. composition, in that the Trade, Transportation, and Utilities" sector has the highest composition (18.8%), but was followed by the "Education and Health Services" sector (comprising 15.8%), and then the Government sector (comprising 15.5%).

Illinois Nonfarm Employment Sector Composition by Year
(Comparing October Year-over-Year Data)

	1990	1995	2000	2005	2010	2015	2016
Mining and Logging	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	**0.1%**
Construction	4.4%	4.2%	4.7%	4.8%	3.8%	3.8%	**3.7%**
Manufacturing	17.0%	15.8%	14.2%	11.6%	10.0%	9.6%	**9.4%**
Trade, Transportation, and Utilities	21.6%	21.2%	20.6%	20.1%	19.9%	20.1%	**20.0%**
Information	2.5%	2.4%	2.4%	2.0%	1.8%	1.7%	**1.6%**
Financial Activities	7.0%	6.6%	6.7%	6.9%	6.6%	6.3%	**6.2%**
Professional and Business Services	10.8%	12.0%	14.0%	14.2%	14.4%	15.4%	**15.9%**
Education and Health Services	10.3%	11.0%	11.2%	12.7%	14.8%	15.1%	**15.1%**
Leisure and Hospitality	7.5%	8.0%	8.0%	8.7%	9.1%	9.7%	**9.9%**
Other Services	3.9%	4.0%	4.0%	4.3%	4.4%	4.2%	**4.2%**
Government	14.6%	14.4%	13.9%	14.4%	15.1%	14.0%	**14.0%**
Total Nonfarm	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	**100.0%**

U.S. Nonfarm Employment Sector Composition by Year
(Comparing October Year-over-Year Data)

	1990	1995	2000	2005	2010	2015	2016
Mining and Logging	0.7%	0.5%	0.5%	0.5%	0.6%	0.6%	**0.5%**
Construction	4.9%	4.7%	5.3%	5.7%	4.4%	4.7%	**4.7%**
Manufacturing	16.1%	14.5%	12.9%	10.5%	8.8%	8.6%	**8.4%**
Trade, Transportation, and Utilities	20.6%	20.2%	19.8%	19.3%	18.8%	18.9%	**18.8%**
Information	2.4%	2.4%	2.8%	2.2%	2.0%	1.9%	**1.9%**
Financial Activities	6.0%	5.8%	5.8%	6.1%	5.8%	5.7%	**5.7%**
Professional and Business Services	9.9%	11.1%	12.7%	12.8%	12.9%	14.0%	**14.1%**
Education and Health Services	10.2%	11.4%	11.6%	13.3%	15.4%	15.6%	**15.8%**
Leisure and Hospitality	8.3%	8.8%	8.9%	9.4%	9.9%	10.6%	**10.6%**
Other Services	3.9%	3.9%	3.9%	4.0%	4.1%	3.9%	**3.9%**
Government	17.0%	16.6%	15.8%	16.4%	17.2%	15.6%	**15.5%**
Total Nonfarm	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	**100.0%**

Source: The Bureau of Labor Statistics at http://www.bls.gov/sae/. Data Compiled by CGFA.

The previous table also shows how the composition of jobs has dramatically changed over the last twenty years. For example, in 1990, the "Manufacturing" sector made up 17.0% of Illinois jobs and was the second largest sector of jobs in the state. The latest data shows this composition percentage has dropped to 9.4% and is now the sixth largest employment sector. Although, it should be pointed out that this trend is also occurring nationally as the "Manufacturing" sector has fallen from 16.1% of the U.S. total in 1990 to its current level of 8.4%.

The "Professional and Business Services" and "Education and Health Services" sectors, on the other hand, have gained the most jobs over the last two decades as their composition in Illinois has risen from 10.8% and 10.3% of the total in 1990, to their current levels of 15.9% and 15.1%, respectively. Again, a similar trend has occurred nationally as the "Professional and Business Services" sector has increased from 9.9% of the nation's jobs to 14.1%, while the "Education and Health Services" sector has increased from 10.2% to 15.8% of total employment in the U.S.

The table below looks at the Illinois data a little closer by displaying actual figures. Again, the largest sector of jobs in Illinois comes from the "Trade, Transportation, and Utilities" sector, employing over 1.2 million Illinois workers in October 2016. The next largest sector is the "Professional and Business Services" sector (966 thousand jobs), followed by the "Education and Health Services" sector (920 thousand), the "Government" sector (851 thousand), "Leisure and Hospitality" (603 thousand), and the "Manufacturing" sector (570 thousand jobs). The table displays these statistics by year since 2010 and shows the annual change of these sectors during that same time period.

Illinois Nonfarm Employment by Sector

(Using data from the month of October, in thousands, non-seasonally adjusted)

	2010	2011	2012	2013	2014	2015	2016
Mining and Logging	9.6	10.1	10.2	9.8	10.2	9.5	9.0
Construction	213.9	206.3	202.1	206.8	220.4	231.0	225.6
Manufacturing	567.9	577.0	585.1	577.0	581.5	579.7	569.7
Trade, Transp., and Util.	1,133.9	1,152.3	1,163.2	1,171.3	1,190.4	1,216.4	1,215.8
Information	100.9	99.8	99.9	97.6	99.0	100.7	96.5
Financial Activities	372.6	373.2	375.6	378.1	377.6	380.8	375.8
Prof. and Bus. Serv.	817.2	844.4	874.9	908.6	929.4	935.0	966.3
Ed. and Health Services	842.4	856.3	869.0	881.5	892.8	916.2	920.8
Leisure and Hospitality	520.2	527.6	540.1	549.6	565.0	586.9	603.4
Other Services	248.4	249.6	248.8	249.7	252.2	254.7	256.1
Government	858.5	844.2	845.8	836.5	842.5	848.4	851.0
Total Nonfarm	**5,685.5**	**5,740.8**	**5,814.7**	**5,866.5**	**5,961.0**	**6,059.3**	**6,090.0**

Annual % Change

	2010	2011	2012	2013	2014	2015	2016
Mining and Logging	5.5%	5.2%	1.0%	-3.9%	4.1%	-6.9%	-5.3%
Construction	-4.6%	-3.6%	-2.0%	2.3%	6.6%	4.8%	-2.3%
Manufacturing	1.3%	1.6%	1.4%	-1.4%	0.8%	-0.3%	-1.7%
Trade, Transp., and Util.	0.4%	1.6%	0.9%	0.7%	1.6%	2.2%	0.0%
Information	-3.2%	-1.1%	0.1%	-2.3%	1.4%	1.7%	-4.2%
Financial Activities	-0.6%	0.2%	0.6%	0.7%	-0.1%	0.8%	-1.3%
Prof. and Bus. Serv.	4.6%	3.3%	3.6%	3.9%	2.3%	0.6%	3.3%
Ed. and Health Services	2.4%	1.7%	1.5%	1.4%	1.3%	2.6%	0.5%
Leisure and Hospitality	1.0%	1.4%	2.4%	1.8%	2.8%	3.9%	2.8%
Other Services	-2.7%	0.5%	-0.3%	0.4%	1.0%	1.0%	0.5%
Government	-1.4%	-1.7%	0.2%	-1.1%	0.7%	0.7%	0.3%
Total Nonfarm	**0.7%**	**1.0%**	**1.3%**	**0.9%**	**1.6%**	**1.6%**	**0.5%**

Source: The Bureau of Labor Statistics at http://www.bls.gov/sae/. Data Compiled by CGFA.

Despite the modest improvement in Illinois jobs over the past year (+0.5%), five sectors have lower employment levels than a year ago: Mining (-5.3%); Information (-4.2%); Construction (-2.3%); Manufacturing (-1.7%); and Financial Activities (-1.3%). The losses from these job categories have been offset by job gains in the other sectors, with the largest increases coming from Professional and Business Services (+3.3%) and Leisure and Hospitality (+2.8%).

Over the last fifteen years, only four of the eleven job sectors in Illinois have seen employment levels grow: Education and Health Services (+31.2%); Leisure and Hospitality (+23.6%); Professional and Business Services (+19.2%); and Other Services (+2.9%). The largest falloff during this time frame, in terms of percentage change, came from the Information sector (-32.8%) and the Manufacturing sector (-28.0%).

The change in jobs for these different sectors over various time frames is shown below.

The question, then, is whether Illinois' changes in job composition "normal" in today's employment environment or is Illinois perhaps falling behind other states in employment activity? The rankings shown below may provide some insight into this question. Along with the percentage changes of the different sectors is Illinois' ranking for each of these rates of change, as it compares to other states. The answer to whether Illinois' job trends are "normal" is tricky as it depends on which sector of employment is being discussed and over what time frame.

Illinois Employment by Subsector Year-Over-Year Change
(Comparisons are by October 2016 vs October of Past Years)
(Employment Values in thousands)

	Current Value (Oct 2016)	Current Value vs. 1-Yr Ago	Ranking of Change	Current Value vs. 2-Years Ago	Ranking of Change	Current Value vs. 3-Years Ago	Ranking of Change	Current Value vs. 4-Years Ago	Ranking of Change
Mining and Logging	9.0	-5.3%	20	-11.8%	25	-8.2%	22	-11.8%	27
Construction	225.6	-2.3%	42	2.4%	35	9.1%	29	11.6%	29
Manufacturing	569.7	-1.7%	43	-2.0%	43	-1.3%	40	-2.6%	41
Trade, Transp., and Util.	1,215.8	0.0%	39	2.1%	28	3.8%	27	4.5%	31
Information	96.5	-4.2%	46	-2.5%	37	-1.1%	26	-3.4%	28
Financial Activities	375.8	-1.3%	45	-0.5%	45	-0.6%	46	0.1%	41
Prof. and Bus. Serv.	966.3	3.3%	13	4.0%	25	6.4%	25	10.4%	22
Ed. and Health Services	920.8	0.5%	49	3.1%	41	4.5%	42	6.0%	30
Leisure and Hospitality	603.4	2.8%	17	6.8%	15	9.8%	15	11.7%	16
Other Services	256.1	0.5%	28	1.5%	31	2.6%	34	2.9%	24
Government	851.0	0.3%	28	1.0%	19	1.7%	18	0.6%	29
Totals	**6,090.0**								

	Current Value (Oct 2016)	Current Value vs. 5-Yrs Ago	Ranking of Change	Current Value vs. 10-Yrs Ago	Ranking of Change	Current Value vs. 15-Yrs Ago	Ranking of Change	Current Value vs. 20-Yrs Ago	Ranking of Change
Mining and Logging	9.0	-10.9%	29	-13.5%	26	-10.9%	23	-29.7%	35
Construction	225.6	9.4%	35	-21.6%	42	-22.5%	49	-8.3%	47
Manufacturing	569.7	-1.3%	41	-16.6%	39	-28.0%	36	-36.6%	40
Trade, Transp., and Util.	1,215.8	5.5%	33	1.1%	31	-0.1%	39	0.5%	47
Information	96.5	-3.3%	25	-16.3%	28	-32.8%	38	-31.9%	48
Financial Activities	375.8	0.7%	42	-9.2%	50	-7.8%	48	-3.4%	48
Prof. and Bus. Serv.	966.3	14.4%	22	11.5%	35	19.2%	39	36.7%	41
Ed. and Health Services	920.8	7.5%	29	20.2%	30	31.2%	38	43.9%	42
Leisure and Hospitality	603.4	14.4%	19	15.1%	24	23.6%	32	32.5%	33
Other Services	256.1	2.6%	31	-0.7%	36	2.9%	37	12.8%	38
Government	851.0	0.8%	27	-0.3%	37	-1.6%	43	4.4%	43
Totals	**6,090.0**								

Source: The Bureau of Labor Statistics at http://www.bls.gov/sae/. Data Compiled by CGFA.

For example, over the last three years, Construction jobs have increased 9.1% in Illinois. This ranks Illinois as having the 29th highest growth rate for this subsector over this time period. But over the last ten years, construction jobs have fallen 21.6%, ranking Illinois 42nd and have fallen 22.5% over the last fifteen years, ranking Illinois 49th.

As mentioned previously, manufacturing jobs throughout the country have been on a downward trend. But Illinois' job losses in manufacturing have been consistently more pronounced than most other states. Over the last year, manufacturing jobs are down 1.7%, ranking Illinois 43rd for the level of losses during this time period. Over the last twenty years, manufacturing jobs have declined 36.6% in Illinois, which ranks Illinois 40th.

For Illinois' highest employing sector, the "Trade, Transportation, and Utilities" sector, Illinois' rate of change has consistently been in the lower half of states in the rankings of job change. Illinois remained essentially flat (-0.05%) in this sector over the last year, which ranked them as having the 39th best rate of change for this time period. Compared to five years ago, Illinois' growth of 5.5% ranks the State 33rd. Illinois ranked 31st for this job sector compared to ten years ago, 39th compared to 15 years ago, and 47th compared to 20 years ago.

Numerous other comparisons could be made by looking at the table. Unfortunately, from an Illinois employment perspective, Illinois ranks in the lower half of job growth for most of the job sectors, especially when comparing employment levels from a decade or more ago.

Employment Earnings

A concern to the economy of Illinois and its long-term financial outlook is the weekly earnings of the subsector of jobs seeing improvement and the earnings of those that the State is unable to retain. As stated earlier, the "Trade, Transportation, and Utilities" sector is the largest source of employment in Illinois, but as shown below, they have one of the lowest average weekly earning totals of any sector (2016 average weekly average earnings value [thru October] of $807).

The "Education and Health Services" and the "Leisure and Hospitality" sectors are two of the categories of employment that have seen growth in the number of jobs over the last several years in Illinois, but are two of the lowest sectors in terms of weekly earnings. Equally troublesome is that those sectors with the highest weekly earnings were the sectors that have lost the most jobs. (Data displaying these statistics can be seen in the following tables).

Average Employment Levels by Subsector in Illinois
Non-Seasonally Adjusted Jan-Oct Averages: 2010 to 2016 (in thousands)

	2010 Avg thru October	2011 Avg thru October	2012 Avg thru October	2013 Avg thru October	2014 Avg thru October	2015 Avg thru October	2016 Avg thru October
Mining	9.1	9.6	10.2	9.7	9.9	9.5	9.1
Construction	198.1	196.0	188.8	190.5	200.0	212.5	215.6
Manufacturing	559.1	573.1	582.5	579.2	579.5	581.7	572.4
Trade, Transportation, and Utilities	1,119.0	1,136.9	1,149.2	1,157.5	1,171.8	1,194.0	1,201.7
Information	102.0	100.6	100.2	99.1	99.0	100.8	97.7
Financial Activities	371.3	371.0	373.9	377.4	376.3	379.5	378.1
Professional and Business Services	789.5	819.9	853.0	878.1	906.2	917.0	932.3
Education and Health Services	827.5	844.7	860.2	872.0	882.6	895.2	908.7
Leisure and Hospitality	516.1	523.0	536.9	547.4	559.1	575.9	596.1
Other Services	249.3	249.7	249.8	249.9	252.3	252.7	255.7
Government	853.3	836.5	829.7	828.3	824.5	826.9	827.7
Totals	**5,594.1**	**5,661.0**	**5,734.5**	**5,788.9**	**5,861.4**	**5,945.8**	**5,995.0**
Illinois' Annual % Change	**-1.1%**	**1.2%**	**1.3%**	**0.9%**	**1.3%**	**1.4%**	**0.8%**

Average Weekly Earnings by Subsector in Illinois
Jan - Oct Averages: 2010 to 2016

	2010 Avg thru October	2011 Avg thru October	2012 Avg thru October	2013 Avg thru October	2014 Avg thru October	2015 Avg thru October	2016 Avg thru October
Mining*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	$1,237	$1,276	$1,282	$1,258	$1,285	$1,336	$1,325
Manufacturing	$915	$977	$977	$995	$1,018	$1,036	$1,047
Trade, Transportation, and Utilities	$689	$729	$765	$790	$804	$806	$807
Information	$1,040	$1,005	$1,020	$1,097	$1,153	$1,152	$1,130
Financial Activities	$1,039	$1,045	$1,132	$1,108	$1,177	$1,240	$1,324
Professional and Business Services	$1,025	$1,010	$1,025	$1,024	$1,035	$1,044	$1,071
Education and Health Services	$723	$754	$791	$810	$810	$800	$809
Leisure and Hospitality	$318	$322	$340	$325	$336	$363	$375
Other Services	$712	$701	$725	$748	$772	$827	$866
Government*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Statewide Average Weekly Earnings*	**$797**	**$817**	**$845**	**$854**	**$872**	**$886**	**$900**
IL % Change in Avg. Weekly Earnings	**0.7%**	**2.6%**	**3.3%**	**1.1%**	**2.1%**	**1.7%**	**1.6%**

* Because the Mining and Government subsectors' weekly earnings for Illinois are not available from the Bureau of Labor Statistics, "Statewide Average Weakly Earnings" is calculated by using the weekly earnings of the other nine subsectors. The statewide value was calculated by multiplying each subsector's average jobs by its average earnings and divided the sum of these figures by the total number of jobs from these nine subsectors.
Source: www.bls.gov

State Rankings of Illinois' Employment Subsectors Employment Values, Non-Seasonally Adjusted (in thousands)						
	2016 thru Oct Avg Employment Totals	2016 Sector Ranking by # Employed	2015 to 2016 % Change in Jobs	Jobs Ranking by 1-Yr Change	2016 thru Aug Avg Weekly Wage	2016 Sector Earnings Ranking
Mining	9.1	11	-4.7%	11	N/A	N/A
Construction	215.6	9	1.5%	4	$1,325	1
Manufacturing	572.4	6	-1.6%	9	$1,047	5
Trade, Transportation, and Utilities	1,201.7	1	0.6%	6	$807	8
Information	97.7	10	-3.1%	10	$1,130	3
Financial Activities	378.1	7	-0.4%	8	$1,324	2
Professional and Business Services	932.3	2	1.7%	2	$1,071	4
Education and Health Services	908.7	3	1.5%	3	$809	7
Leisure and Hospitality	596.1	5	3.5%	1	$375	9
Other Services	255.7	8	1.2%	5	$866	6
Government	827.7	4	0.1%	7	N/A	N/A
Note: Mining and Government subsectors' weekly earnings are not available from the Bureau of Labor Statistics						

For example, one of the sectors with the highest weekly earnings in 2016 (Jan-Oct average) was "Financial Activities", paying, on average, $1,324 per week. However, financial activities jobs are down 0.4% over the past year (CY average) and are down 9.2% over the last ten years (October 2016 vs October 2010), ranking Illinois 50th for this rate of change for this time period.

On the other hand, the highest paying sector is "Construction" jobs, which pay, on average, $1,325 per week. Employment in construction is up 1.5% for the year (CY average), which is the fourth highest rate of growth in any sector in Illinois so far this year. Due to their level of earnings, an increase in construction jobs in Illinois would be beneficial to the State's economy. But construction jobs only make up around 3.6% of jobs in Illinois. For this sector to significantly boost Illinois' economic conditions, many more jobs in the construction and financial activities sectors would need to be added.

Again, Illinois' largest employer is the "Trade, Transportation, and Utilities" sector, employing approximately 1.2 million Illinois residents. But this subsector has the second lowest average weekly earnings figure of any of the subsectors shown (an average of $807 per week). Also concerning is the sector with the largest rate of growth in Illinois over the last year, "Leisure and Hospitality", has the lowest rate of earnings of any sector in Illinois ($375 per week). So while the recent improvement in the higher-paying construction sector is encouraging, the fact remains that the majority of the jobs being added appear to be more of the lower paying jobs.

An improvement in employment levels are important, especially from a State budgetary perspective, because these jobs have a direct correlation with the amount of State revenues collected for the State. The higher the wages paid to the employees, the more money that will be collected from the State's income tax. And of course, the higher the pay, the more money that could be spent in Illinois to increase sales and other related tax revenues. But if the new jobs tend to be lower paying jobs, the increase in employment may not lead to the corresponding increase in Illinois tax revenues that the State has benefitted from in the past.

As always, the Commission will continue to monitor the progress of jobs in Illinois and will provide further updates as more data becomes available.

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:

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