



# Commission on Government Forecasting and Accountability

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## MONTHLY BRIEFING

*For the Month Ended: FEBRUARY 2025*

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COMMISSION ON GOVERNMENT  
FORECASTING & ACCOUNTABILITY

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### Overview of the Commission's FY 2025 Revenue Estimate Update and FY 2026 Forecast

Eric Noggle, Revenue Manager

On March 4th, the Commission released its updated revenue projection for FY 2025 General Funds, as well its FY 2026 revenue forecast. The following article provides an overview of these figures along with a discussion on how these estimates compare to the Governor's February 2025 estimates.

### CGFA's FY 2025 Revised Forecast

When the FY 2025 budget was enacted in May 2024, a total of \$53.281 billion in revenues were assumed for this fiscal year. This total was \$692 million or 1.3% above the FY 2024 actual of \$52.589 billion. A relatively modest level of growth was anticipated in large part because FY 2024 totals included approximately \$881 million in revenues that would not repeat in FY 2025. Excluding these "one-time" revenues, base receipts were projected to grow at a more-typical 3.0% rate.

As highlighted throughout the Commission's monthly briefings, revenues deposited into the State's General Funds through the first two-thirds of the fiscal year, as a whole, have come in mostly as anticipated. Through February, overall receipts are down slightly from last year's levels [-0.5%] with four months remaining, including the important income tax filing months of March and April. While this year-to-date rate is slightly below the 1.3% anticipated by the end of the fiscal year, final tax payments and revenues from "true-up" redistributions over the last third of the fiscal year should provide the needed revenues to reach the enacted budget figures, absent surprises during the volatile final tax season period.

While the overall pace of revenues remains on track to hit and slightly surpass the enacted revenue assumptions, the performance of individual sources has been mixed. This variability is particularly seen when viewing the performance of the income tax-related sources. The Personal Income Tax, for example, has exceeded expectations so far and is currently up 7.2% through February. This growth is due to a combination of moderate improvement in employment and wages, along with a notable increase in the amount of business-related tax revenues flowing through the Personal Income Tax line via Pass-through Entity payments. The modification to this tax segment is also one of the main reasons that Corporate Income Tax receipts have underperformed this fiscal year. As a result, the Commission is increasing its estimate for the Personal Income Tax by a net +\$1.217 billion, but lowering its estimate for the Corporate Income Tax by a net amount of -\$655 million.

Sales Tax receipts have also underperformed so far in FY 2025. Through February, these revenues are down -0.6%. While there has been some encouraging improvement in these tax receipts in recent months, the disappointing start to the fiscal year results in a downward revision of -\$363 million for this revenue source. In terms of the remaining State sources, an upward adjustment in Interest on State Funds & Investments (due to better-than-expected growth as a result of fewer interest rate declines than originally anticipated) and minor growth in a few other State sources has offset slight downward adjustments in other areas, resulting in a categorical net increase of +\$215 million.

In the Transfers In category, the year-to-date totals have mostly been slightly below budgetary expectations, resulting in a downward adjustment of -\$219 million. Base receipts from Federal Sources, on the other hand, appear to be on pace to surpass the May projection, resulting in a modest increase of +\$73 million. Furthermore, \$65 million in one-time federal stimulus-related money trickled in earlier this fiscal year, resulting in a minor adjustment to non-base revenues.

Therefore, in total, CGFA is revising up its General Funds FY 2025 revenue outlook by a total of +\$333 million, or +0.6%, from \$53.281 billion to \$53.614 billion.

<b>FY 2025 Enacted Budget Revenue Assumptions vs. FY 2025 CGFA Revised [March '25]</b>				
<i>(\$ millions)</i>				
<u>Revenue Sources</u>	<u>FY 2025 Enacted Budget Rev Assumptions</u>	<u>FY 2025 CGFA Revised March '25</u>	<u>\$ Change</u>	<u>% Change</u>
Personal Income Taxes [Net]	\$26,507	\$27,724	\$1,217	4.6%
Corporate Income Taxes [Net]	\$5,378	\$4,723	(\$655)	-12.2%
Sales Tax [Net]	\$10,907	\$10,544	(\$363)	-3.3%
All Other State Sources	\$3,904	\$4,119	\$215	5.5%
Transfers In	\$2,561	\$2,342	(\$219)	-8.6%
Federal Sources	\$4,024	\$4,097	\$73	1.8%
<b>General Funds Subtotal [Base]</b>	<b>\$53,281</b>	<b>\$53,549</b>	<b>\$268</b>	<b>0.5%</b>
<b>General Funds Non-Base Subtotal</b>	<b>\$0</b>	<b>\$65</b>	<b>\$65</b>	<b>N/A</b>
<b>Total General Funds Revenues</b>	<b>\$53,281</b>	<b>\$53,614</b>	<b>\$333</b>	<b>0.6%</b>

Note: Some totals may not equal, due to rounding.

## FY 2025 Revised Forecast: CGFA vs GOMB

In February 2025, the Governor’s Office of Management and Budget (GOMB) released its revised outlook for FY 2025 General Funds in the FY 2026 Budget Book, with a FY 2025 total estimate of \$53.900 billion. This figure is \$619 million above the FY 2025 Enacted Budget’s assumed revenue figure of \$53.281 billion. **However, the Commission’s March 2025 estimate of \$53.582 billion is \$286 million or -0.5% below GOMB’s February 2025 revised forecast for FY 2025.** A summary of this difference is shown in the table below, followed by some notes regarding these differences.

<b>FY 2025 Revenue Estimates</b>				
<b>GOMB Feb'25 Revised vs CGFA Mar'25 Revised</b>				
<i>(\$ millions)</i>				
<u>Revenue Sources</u>	<u>FY 2025 GOMB Revised February '25</u>	<u>FY 2025 CGFA Revised March '25</u>	<u>CGFA vs GOMB \$ Change</u>	<u>CGFA vs GOMB % Change</u>
Personal Income Taxes [Net]	\$27,746	\$27,724	(\$22)	-0.1%
Corporate Income Taxes [Net]	\$4,900	\$4,723	(\$177)	-3.6%
Sales Tax [Net]	\$10,696	\$10,544	(\$152)	-1.4%
All Other State Sources	\$4,059	\$4,119	\$60	1.5%
Transfers In	\$2,337	\$2,342	\$5	0.2%
Federal Sources	\$4,097	\$4,097	\$0	0.0%
<b>General Funds Subtotal [Base]</b>	<b>\$53,835</b>	<b>\$53,549</b>	<b>(\$286)</b>	<b>-0.5%</b>
ARPA Reimb. For Essential Gov't Services	\$65	\$65	\$0	0.0%
<b>Total General Funds Revenues</b>	<b>\$53,900</b>	<b>\$53,614</b>	<b>(\$286)</b>	<b>-0.5%</b>

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

- Both CGFA and GOMB made a significant increase to the Personal Income Tax (net) forecast given year-to-date growth. While CGFA’s adjustment is \$22 million lower than GOMB, given the size of this revenue source, the difference [-0.1%] is negligible.
- The Commission’s revised outlook for the Corporate Income Tax (net) is \$177 million lower than GOMB. The difference here is likely due to the Commission’s ability to include the notable declines from January and February actuals into the estimate.
- Both the Commission and GOMB also revised down their Sales Tax (net) estimate due to year-to-date subpar performance. The Commission is not as optimistic as GOMB in its expected improvement in the 2nd half of the fiscal year, resulting in the CGFA estimate being \$152 million lower than GOMB.
- The Commission is a combined \$60 million above GOMB in its estimate for All Other State Sources, mainly due to higher interest income and insurance tax projections.
- The downward adjustments for Transfers In are nearly the same, with CGFA’s revised forecast just \$5 million higher than GOMB.
- The Commission is adopting the GOMB’s FY 2025 Federal Sources figure at this time. Both agencies include the one-time deposit of \$65 million in ARPA receipts in its overall total.

## CGFA's FY 2026 Forecast

In March 2025, the Commission also released its FY 2026 General Funds revenue projection. **The Commission estimates that FY 2026 General Funds revenues will total approximately \$54.224 billion. This figure is \$610 million above CGFA's revised FY 2025 forecast of \$53.614 billion.** When removing the approximate \$65 million in non-base sources in FY 2025 from the equation, base revenues are expected to have a slightly higher gain of \$675 million in FY 2026.

<b>CGFA Revenue Estimates for FY 2025 and FY 2026</b>				
<b>[March 2025]</b>				
<i>(\$ millions)</i>				
<u>Revenue Sources</u>	<u>FY 2025</u> CGFA <u>March '25</u>	<u>FY 2026</u> CGFA <u>March '25</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Personal Income Taxes [Net]	\$27,724	\$28,245	\$521	1.9%
Corporate Income Taxes [Net]	\$4,723	\$4,781	\$58	1.2%
Sales Tax [Net]	\$10,544	\$10,459	(\$85)	-0.8%
All Other State Sources	\$4,119	\$3,999	(\$120)	-2.9%
Transfers In	\$2,342	\$2,470	\$128	5.5%
Federal Sources	\$4,097	\$4,270	\$173	4.2%
<b>General Funds Subtotal [Base]</b>	<b>\$53,549</b>	<b>\$54,224</b>	<b>\$675</b>	<b>1.3%</b>
<b>General Funds Non-Base Subtotal</b>	<b>\$65</b>	<b>\$0</b>	<b>(\$65)</b>	<b>N/A</b>
<b>Total General Funds Revenues</b>	<b>\$53,614</b>	<b>\$54,224</b>	<b>\$610</b>	<b>1.1%</b>

Note: Some totals may not equal, due to rounding.

Some notes regarding this estimate are provided below and on the following page:

- The combination of modest levels of employment growth with higher expected wages should provide a solid level of base growth in FY 2026, Personal Income Tax (net) revenues are only expected to rise +**\$521 million** or +1.9% overall. This is largely because the revenues anticipated from “true-up” receipts (related to the reallocation of business-related tax receipts) in FY 2026 are expected to be roughly \$500 million less than the FY 2025 amounts.
- A slight gain of +**\$58 million** in Corporate Income Tax (net) receipts is anticipated in FY 2026. While base growth is expected to be relatively stagnant, fewer business-related tax receipts being reallocated away from the Corporate Income Tax line in FY 2026 should provide slight improvement.
- Sales tax revenue growth has trended higher in recent months, which should lead to an improvement over the subpar performance of FY 2025, albeit at a relatively modest pace. However, with more sales taxes being statutorily diverted to the Road Fund and to certain transportation funds in FY 2026, an overall net decrease of -**\$85 million** results. (Note: this growth in the amount diverted to the Road Fund is delayed under the Governor’s proposed revenue adjustments [see p.6].)

- The remaining State sources are projected to decline a combined **-\$120 million** in FY 2026. Eventual drops in interest rates should weaken revenue totals recently seen from Interest on State Funds & Investments. Corporate Franchise Taxes are also expected to slip in FY 2026 due to the full implementation of an increased exemption level. Insurance Taxes are expected to fall back from its erratic FY 2025 patterns. A return to historical downward trend levels in Public Utility and Cigarette Tax distributions are also expected. These declines are expected to be only partially offset by growth in the Estate Tax and Other Sources.
- Transfers In are expected to rise a combined **+\$128 million** in FY 2026. While improvement is expected from all of the primary sources, the most significant growth is expected to come from the full implementation of the higher tax on Sports Wagering and its resulting transfers into the State’s General Funds, as well as the expected increase in casino-related Gaming Transfer amounts due to the continued development of newer casinos across the state.
- At this time, the Commission is adopting GOMB’s FY 2026 Federal Sources estimate and its **+\$173 million** growth as this figure is based on anticipated spending in federal matching areas.
- CGFA does not include any “one-time” revenues in its FY 2026 forecast.

**FY 2026 Forecast: CGFA (Current Law) vs GOMB (Budget Book)**

In the FY 2026 Budget Book, GOMB projected a FY 2026 General Funds revenue total of \$55.453 billion. **The Commission’s FY 2026 estimate of \$54.224 billion is \$1.229 billion lower than this figure. However, it should be stressed the Commission’s revenue estimate is based on current law. The FY 2026 revenue projection from GOMB includes approximately \$492 million in net revenue adjustments in its calculation that would require changes to State law.** These adjustments and their reported values are shown on the following page.

<b>FY 2026 Revenue Estimates</b>				
<b>CGFA's Current Law Estimate [Mar'25] vs.</b>				
<b>GOMB Estimate [Feb'25] <u>including</u> Proposed Revenue Changes</b>				
<i>\$ in millions</i>				
<u>Revenue Sources</u>	<b>FY 2026 GOMB February '25</b>	<b>FY 2026 CGFA March '25</b>	<b>CGFA vs GOMB \$ Change</b>	<b>CGFA vs GOMB % Change</b>
Personal Income Taxes [Net]	\$28,726	\$28,245	(\$481)	-1.7%
Corporate Income Taxes [Net]	\$5,253	\$4,781	(\$472)	-9.0%
Sales Tax [Net]	\$10,867	\$10,459	(\$408)	-3.8%
All Other State Sources	\$3,806	\$3,999	\$193	5.1%
Transfers In	\$2,531	\$2,470	(\$61)	-2.4%
Federal Sources	\$4,270	\$4,270	\$0	0.0%
<b>Total General Funds Revenues</b>	<b>\$55,453</b>	<b>\$54,224</b>	<b>(\$1,229)</b>	<b>-2.2%</b>

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

## Revenue Adjustments Assumed in GOMB's FY 2026 Forecast

- **+\$67 million** net increase in the personal income tax. This comes from:
  - +\$50 million net revenue increase from a proposed delinquent tax payment incentive program (tax amnesty period).
  - +\$17 million net revenue increase (\$20 million gross) by eliminating an income tax deduction for “cannabis industry businesses to realign their tax treatment with the federal government” (p. 172 of Budget Book).
- **+\$102 million** net increase from the anticipated increase in corporate income tax revenues as a result of the proposed delinquent tax payment incentive program.
- **+\$221 million** increase in available sales tax revenues. This comes from:
  - +\$50 million from the proposed delinquent tax payment incentive program.
  - +\$171 million from pausing the statutory increase of the shift in State sales taxes on motor fuel and gasohol that are scheduled to be deposited into the Road Fund. This would retain this money for the General Funds.
- **+\$2 million** increase in public utility tax revenues from the proposed delinquent tax payment incentive program.
- **+\$100 million** increase by modifying the graduated tax structure for 15 of the 16 casinos in Illinois to be similar to the tax structure imposed prior to recent gaming expansion. This proposed change would reportedly not affect the tax structure of the Chicago Casino.
- **The total net value of the revenue adjustments in GOMB's FY 2026 Forecast is calculated to be approximately \$492 million.**



**FY 2026 Forecast: CGFA (Current Law) vs GOMB (w/o Proposed Adjustments)**

By removing the estimated \$492 million in revenue adjustments proposed in the FY 2026 Budget Book, GOMB’s FY 2026 General Funds revenue forecast would be reduced from \$55.453 billion to approximately \$54.961 billion. However, the Commission’s FY 2026 estimate of \$54.224 billion would still be \$737 million lower than this “current law” adjusted figure, a difference of -1.3%.

A summarized look at the “apples to apples” comparison between the current law estimates is shown below.

<b>FY 2026 General Funds Revenues: CGFA [Mar'25] vs GOMB [Feb '25] with &amp; without Proposed Revenue Adjustments</b>						
<i>(\$ millions)</i>						
		Without Revenue Adjustments (Current Law)			Including Revenue Adjustments (Budget Book Values)	
<u>Revenue Sources</u>	FY 2026 CGFA March '25	FY 2026 GOMB February '25	FY 2025 vs FY 2026 Difference	Value of Proposed Adjustments	FY 2026 GOMB February '25	FY 2025 vs FY 2026 Difference
Personal Income Taxes [Net]	\$28,245	\$28,659	(\$414)	\$67	\$28,726	(\$481)
Corporate Income Taxes [Net]	\$4,781	\$5,151	(\$370)	\$102	\$5,253	(\$472)
Sales Tax [Net]	\$10,459	\$10,646	(\$187)	\$221	\$10,867	(\$408)
All Other State Sources	\$3,999	\$3,804	\$195	\$2	\$3,806	\$193
Transfers In	\$2,470	\$2,431	\$39	\$100	\$2,531	(\$61)
Federal Sources	\$4,270	\$4,270	\$0	\$0	\$4,270	\$0
<b>Total General Funds Revenues</b>	<b>\$54,224</b>	<b>\$54,961</b>	<b>(\$737)</b>	<b>\$492</b>	<b>\$55,453</b>	<b>(\$1,229)</b>

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

Some notes regarding this estimate are provided below.

- The primary differences between the adjusted GOMB estimate and the CGFA estimate are in the “big three” revenue sources. The Commission is taking a more cautious approach in its outlook for the Personal Income Tax [\$414 million lower], the Corporate Income Tax [\$370 million lower], and the Sales Tax [\$187 million lower] in FY 2026 given the economic uncertainty related to the current volatile geopolitical climate, potential tariffs, changes in the federal workforce, and outcomes of other potential policy changes at the federal level.
- CGFA is slightly more optimistic in its outlook for All Other State Sources [\$195 million higher] and Transfers In [\$39 million higher]. CGFA adopts GOMB’s Federal Sources estimate due to its tie to anticipated spending.

For more details regarding these revenue projections, including a line by line look at the revenue sources included in these estimates, please see the Commission’s “FY 2026 Economic Forecast and Revenue Estimate and FY 2025 Revenue Update” at the Commission’s website: <https://cgfa.ilga.gov/>

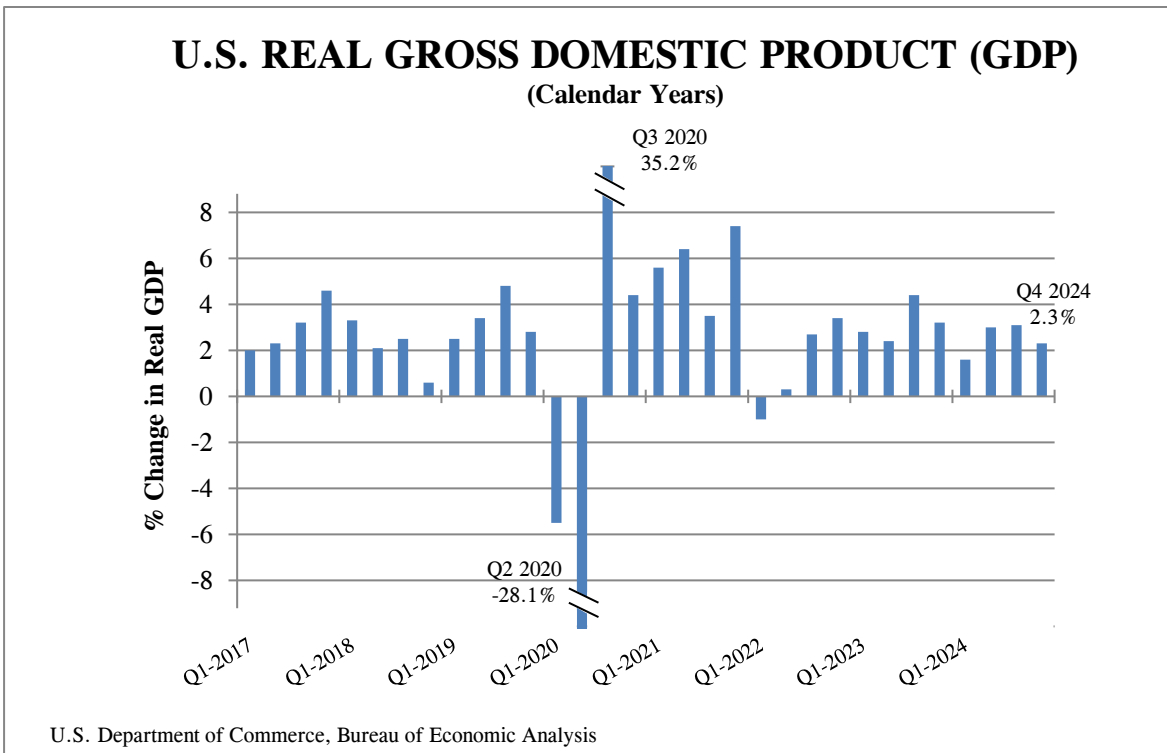
## FY 2026 Economic Outlook

Benjamin L. Varner, Chief Economist

In preparation for the Commission’s FY 2026 revenue estimates, the Commission has prepared an overview of the status of the national and state economy in recent years, as well as a summary of economic estimates for 2025 and 2026 as provided by various economic forecasters.

### National Economy

- Economic growth slowed to 1.6% in Q1 2024 due to weakening consumer demand and a worsening trade balance. This was below the growth rates of Q3 (4.4%) and Q4 (3.2%) in 2023 and the long-term trend.
- The economy rebounded in Q2 and Q3 2024, surpassing 3.0% growth as demand for durable goods increased and exports improved.
- 2024 ended with 2.3% growth, aligning with the long-term trend. While consumer spending remained strong, business investment, particularly in equipment, weighed on the economy in Q4.
- As of February 2025, economic forecasters predict U.S. average real GDP growth of 2.2% in 2025 and 2.0% in 2026. This forecast and all of the following forecasts in this section are from an aggregation of monthly economic forecasts from Consensus Forecasts®.





- The national unemployment rate rose to 4.0% in January 2024, up from 3.7% the previous year, but remains historically low. Forecasters expect it to rise to 4.2% in 2025 and stay at that level through 2026.
- Despite downward revisions to prior employment data, job growth remained positive in 2024, with the economy adding nearly 2.0 million nonfarm payroll jobs compared to the end of 2023—a slower pace than the post-pandemic surge but consistent with pre-pandemic levels.
- After peaking in summer 2022, inflation has slowed but remains above the Fed’s 2.0% target. The Consumer Price Index (CPI) fell to 2.4% in September 2024 but has since risen to 3.0%.
- Due to a summer slowdown in job growth, the Federal Reserve cut interest rates by 0.5% in September 2024, followed by a 0.25% cut in November. However, strengthening job growth and rising inflation expectations have shifted future rate projections.
- Initially, multiple rate cuts were expected in 2025, but with improved labor market data and policy shifts under the Trump administration, the Fed is now projected to begin lowering rates again in mid-2025, with only one or two cuts expected for the year.

S&P Global is one of the economic forecasters included in the Consensus Forecast® report and one of the monthly economic forecasts that the Commission tracks. In their baseline February 2025 forecast, they assume continued economic expansion, though at slightly below long-term trend rates. GDP is projected to grow by 2.0% in both 2025 and 2026 on a fourth-quarter-over-fourth-quarter basis. Recent trade policy changes have accelerated expected tariff-induced inflation, originally anticipated later in the year.

According to S&P Global:

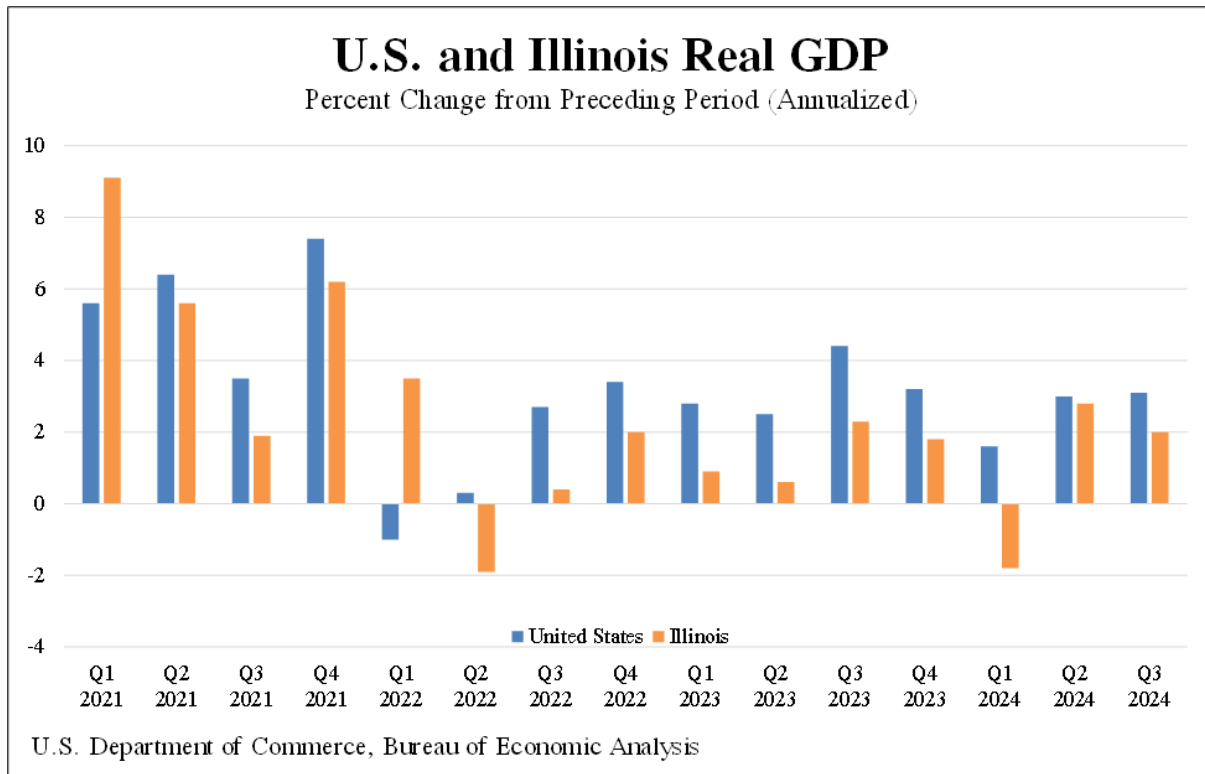
***“Both trade policy and uncertainty about trade policy can impact the real economy. In our forecast, tariffs — trade policy — affect the real economy through the resulting financial fallout: a pause in the Federal Reserve’s easing cycle, higher borrowing costs, a stronger US dollar, and weaker equity values, all relative to a no-tariff counterfactual.”***

### **Illinois Economy**

The Commission also receives a monthly economic forecast from S&P Global for Illinois. The following information is based on their baseline economic forecast for February 2025.

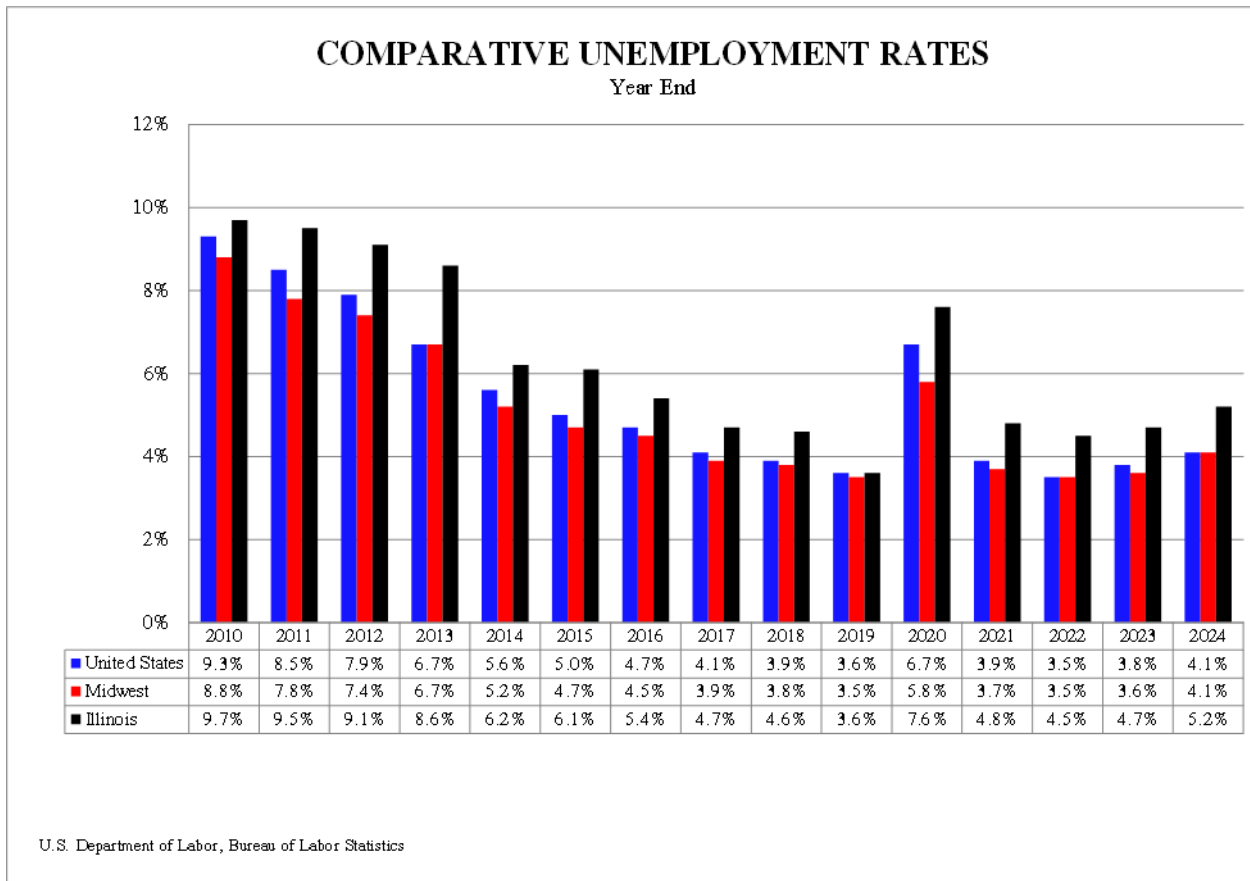
- S&P Global projects that Illinois' economy will show real GDP growth of 1.2% in 2024 (Q4 over Q4) once state-level results are available—significantly slower than the U.S. economy’s estimated 2.5% growth.

- Illinois' economy is expected to grow 1.8% in 2025 and 1.7% in 2026, continuing its trend of lagging behind national economic growth, as shown in the chart on the next page.
- Illinois is projected to continue to see slow job growth (0.4%) in 2025, followed by a 0.3% decline in total employment in 2026.



- S&P forecasts that total personal income will grow by 5.3% in 2025 and 4.9% in 2026. These growth rates lower to 1.9% and 2.0%, respectively, when adjusted for inflation.
- After two years of population growth in 2023 and 2024, driven by increased immigration, Illinois is expected to resume population declines in 2025 and 2026.
- Private housing starts are expected to see some improvement but remain at subdued levels comparable to those seen in the years following the Great Recession.
- As of December 2024, Illinois' seasonally adjusted unemployment rate stood at 5.2%, tying with Kentucky for the fourth highest in the nation. Only California, the District of Columbia, and Nevada had higher rates.
- Throughout most of the 2010s, Illinois' unemployment rate lagged behind both the Midwest and the national average. While the gap had nearly closed by 2019, it widened again during the COVID-19 pandemic. Currently, Illinois' 5.2% unemployment rate remains well above the Midwest (4.1%) and U.S. (4.0%) averages, as shown in the chart on the next page.

- Illinois' unemployment rate is projected to be around 5.3% for most of 2025, before rising to around 5.5% by the end of 2026.



## INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

<u>INDICATORS*</u>	<u>LATEST MONTH</u>	<u>PRIOR MONTH</u>	<u>A YEAR AGO</u>
Unemployment Rate (Average) (Dec.)	5.2%	5.3%	4.7%
Inflation in Chicago (12-month percent change) (Jan.)	4.1%	3.9%	3.3%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (Dec.)	6,553.9	0.1%	1.2%
Employment (thousands) (Dec.)	6,213.5	0.2%	0.7%
Nonfarm Payroll Employment (Dec.)	6,156,600	8,800	56,000
New Car & Truck Registration (Jan.)	39,364	-7.0%	7.2%
Single Family Housing Permits (Jan.)	602	-8.2%	25.9%
Total Exports (\$ bil) (Dec.)	6.43	-9.3%	-4.8%
Chicago Purchasing Managers Index (Feb.)	45.5	15.2%	3.4%

\* Due to monthly fluctuations, trend best shown by % change from a year ago

## General Funds Receipts See Small Dip in February

Eric Noggle, Revenue Manager

Revenues deposited into the State’s General Funds in February were \$152 million below last February’s totals for a year-over-year change of -4.4%. With revenues through January virtually equaling last year’s levels, February’s decline nearly matches the year-to-date difference of -\$153 million with two-thirds of the fiscal year now complete. This month had one less receipting day as compared to last February, which contributed to this month’s decline.

The declining month for revenues in February was in part due to a stagnant month for the State’s biggest revenue source – the Personal Income Tax. These receipts were \$4 million lower than last February on a gross basis and \$3 million lower on a net basis when removing non-General Funds distributions. However, this result was still better than the \$46 million decrease [-\$37 million net] in Corporate Income Tax receipts, which continued its FY 2025 declines.

A bright spot for General Funds this February was another positive month for Sales Tax receipts. For much of FY 2025, this has been an underperforming revenue source. However, despite one less receipting day, Sales Tax receipts were up \$24 million, an increase of +2.9%. On a net basis, after subtracting certain non-general funds distributions, the gain was \$12 million or +1.7%.

It was another mixed month for All Other State Sources, which combined to grow \$21 million. The largest gains came from Insurance Taxes [+\$30 million] and the Estate Tax [+\$13 million]. These gains offset a \$14 million decline in the Corporate Franchise Tax, among other minor declines, including a \$2 million drop in revenues from Interest on State Funds & Investments.

Transfers In fell a combined \$72 million in February due to a \$90 million falloff in Other Transfers. This stemmed from a Capital Projects Fund Transfer that did not repeat this month. Gaming Transfers were also \$5 million lower. Higher revenues from the new Sports Wagering Transfer [+\$22 million] and Lottery Transfers [+\$1 million] offset a portion of these declines. Cannabis Transfers were flat. Federal Sources, after growing \$139 million in January, fell \$73 million in February.

<i>Summary of Receipts</i>				
<b>FEBRUARY</b>				
<i>FY 2024 vs. FY 2025</i>				
<i>(\$ millions)</i>				
<b>Revenue Sources</b>	<b>Feb. FY 2024</b>	<b>Feb. FY 2025</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
Net Personal Income Tax	\$1,691	\$1,688	(\$3)	-0.2%
Net Corporate Income Tax	\$118	\$81	(\$37)	-31.4%
Net Sales Tax	\$708	\$720	\$12	1.7%
All Other State Sources	\$349	\$370	\$21	6.0%
Transfers In	\$207	\$135	(\$72)	-34.8%
Federal Sources [base]	\$372	\$299	(\$73)	-19.6%
<b>Base General Funds</b>	<b>\$3,445</b>	<b>\$3,293</b>	<b>(\$152)</b>	<b>-4.4%</b>
<i>Non-Base Gen Funds Revenues</i>	\$0	\$0	\$0	N/A
<b>Total General Funds</b>	<b>\$3,445</b>	<b>\$3,293</b>	<b>(\$152)</b>	<b>-4.4%</b>

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

3-Mar-25

**FEBRUARY**  
**FY 2024 vs. FY 2025**  
(\$ millions)

<b>Revenue Sources</b>	<b>Feb. FY 2024</b>	<b>Feb. FY 2025</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$1,990	\$1,986	(\$4)	-0.2%
Corporate Income Tax (regular)	148	102	(46)	-31.1%
Sales Taxes	829	853	24	2.9%
Public Utility Taxes (regular)	79	80	1	1.3%
Cigarette Tax	13	10	(3)	-23.1%
Liquor Gallonage Taxes	13	10	(3)	-23.1%
Estate Tax	44	57	13	29.5%
Insurance Taxes and Fees	0	30	30	N/A
Corporate Franchise Tax & Fees	23	9	(14)	-60.9%
Interest on State Funds & Investments	52	50	(2)	-3.8%
Cook County IGT	94	94	0	0.0%
Other Sources	31	30	(1)	-3.2%
<b>Total State Taxes</b>	<b>\$3,316</b>	<b>\$3,311</b>	<b>(\$5)</b>	<b>-0.2%</b>
<b>Transfers In</b>				
Lottery	\$65	\$66	\$1	1.5%
Gaming	10	5	(5)	-50.0%
Sports Wagering	0	22	22	N/A
Cannabis	10	10	0	0.0%
Refund Fund	0	0	0	N/A
Other	122	32	(90)	-73.8%
<b>Total Transfers In</b>	<b>\$207</b>	<b>\$135</b>	<b>(\$72)</b>	<b>-34.8%</b>
<b>Total State Sources</b>	<b>\$3,523</b>	<b>\$3,446</b>	<b>(\$77)</b>	<b>-2.2%</b>
<b>Federal Sources [base]</b>	<b>\$372</b>	<b>\$299</b>	<b>(\$73)</b>	<b>-19.6%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$3,895</b>	<b>\$3,745</b>	<b>(\$150)</b>	<b>-3.9%</b>
<b>Nongeneral Funds Distributions/Direct Receipts:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$182)	(\$182)	\$0	0.0%
Corporate Income Tax	(\$21)	(\$14)	7	-33.3%
<b>Local Government Distributive Fund</b>				
Personal Income Tax	(117)	(117)	0	0.0%
Corporate Income Tax	(9)	(6)	3	-33.3%
<b>Sales Tax Distributions</b>				
Deposits into Road Fund	(51)	(62)	(11)	21.6%
Distribution to the PTF and DPTF	(70)	(71)	(1)	1.4%
<b>General Funds Subtotal [Base]</b>	<b>\$3,445</b>	<b>\$3,293</b>	<b>(\$152)</b>	<b>-4.4%</b>
Transfer of Excess PA 102-700 Funds to GRF	\$0	\$0	\$0	N/A
Prior Year Federal Matching Funds	\$0	\$0	\$0	N/A
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	N/A
<b>Total General Funds</b>	<b>\$3,445</b>	<b>\$3,293</b>	<b>(\$152)</b>	<b>-4.4%</b>

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

3-Mar-25

## Year to Date

Through February, the year-to-date total in General Funds receipts is \$32.797 billion. This figure is \$153 million behind last year's pace. This nearly equals the \$152 million decline shown in February because the cumulative totals through January virtually matched last year's seven-month total. From a base revenue perspective, revenues total \$32.732 billion and are approximately \$663 million higher than last year when subtracting out "one-time" revenues received since FY 2024, including \$65 million received in FY 2025.

With February's minor declines, revenues from the Personal Income Tax are now \$1.289 billion or +7.2% above last year's levels. On a net basis, the gains are slightly weaker at \$1.095 billion. After another month of declines, Corporate Income Tax receipts continue to fall behind last year's pace. These receipts are now down \$523 million through February – a decline of -14.8%. On a net basis, the falloff is -\$419 million. As noted last month, these revenue sources will be monitored closely as we enter into the revenue-heavy final tax payment period.

Sales Tax gross receipts are now down only \$47 million or -0.6% after February's gains. On a net basis, this year-to-date comparison improves to a small gain of \$52 million or +0.7% when accounting for non-General Funds distributions.

In the category of All Other State Sources, revenues are now up a combined \$208 million or +8.8%. The largest increase in this category is currently from Insurance Taxes [+ \$107 million], but this growth is expected to fall somewhat in upcoming months due to last year's receipting patterns. Despite a slight drop in February, revenues from Interest on State Funds & Investments are \$86 million higher year to date. Other increases have come from Public Utility Taxes [+ \$23 million]; and Other Sources [+ \$34 million]. These gains have offset year-to-date declines in the Corporate Franchise Tax [- \$19 million]; the Estate Tax [- \$12 million]; the Cigarette Tax [- \$7 million]; and the Liquor Tax [- \$4 million].

Transfers In are now \$359 million behind last year's eight-month total when including February's decreases. As noted throughout the fiscal year, the main reason for this is because the Income Tax Refund Fund Transfer in FY 2025 was \$302 million less than the FY 2024 amount. Lottery Transfers [- \$54 million] and Other Transfers [- \$121 million] also continue to trail last year's pace. These declines have offset the \$15 million rise in casino-related Gaming Transfers, thanks to a larger casino market; the \$2 million increase in Cannabis Transfers, and the \$101 million in new revenues from the Sports Wagering Transfer. Again, the Commission does not include in this comparison the \$248 million in FY 2024 transfers received from excess P.A. 102-700 funding. These amounts are shown at the bottom of the accompanying tables as part of non-base receipts.

When accounting for February's declines, Federal Sources (base) are now \$86 million or +3.1% above last year's levels. However, if including the \$633 million in one-time federal matching dollars received in FY 2024 and the \$65 million in ARPA funds received this fiscal year, overall federal receipts are a combined \$482 million behind last year's levels through February.



*Summary of Receipts*  
**GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY**  
 FY 2024 vs. FY 2025  
 (\$ millions)

<b>Revenue Sources</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
Net Personal Income Tax	\$15,124	\$16,219	\$1,095	7.2%
Net Corporate Income Tax	\$2,821	\$2,402	(\$419)	-14.9%
Net Sales Tax	\$7,064	\$7,116	\$52	0.7%
All Other State Sources	\$2,353	\$2,561	\$208	8.8%
Transfers In	\$1,950	\$1,591	(\$359)	-18.4%
Federal Sources [base]	\$2,757	\$2,843	\$86	3.1%
<b>Base General Funds</b>	<b>\$32,069</b>	<b>\$32,732</b>	<b>\$663</b>	<b>2.1%</b>
<i>Non-Base Gen Funds Revenues</i>	\$881	\$65	(\$816)	-92.6%
<b>Total General Funds</b>	<b>\$32,950</b>	<b>\$32,797</b>	<b>(\$153)</b>	<b>-0.5%</b>
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				3-Mar-25

# GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY

FY 2024 vs. FY 2025

(\$ millions)

<u>Revenue Sources</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
<b>State Taxes</b>				
Personal Income Tax	\$17,799	\$19,088	\$1,289	7.2%
Corporate Income Tax (regular)	3,522	2,999	(523)	-14.8%
Sales Taxes	7,860	7,813	(47)	-0.6%
Public Utility Taxes (regular)	462	485	23	5.0%
Cigarette Tax	134	127	(7)	-5.2%
Liquor Gallonage Taxes	124	120	(4)	-3.2%
Estate Tax	415	403	(12)	-2.9%
Insurance Taxes and Fees	228	335	107	46.9%
Corporate Franchise Tax & Fees	144	125	(19)	-13.2%
Interest on State Funds & Investments	433	519	86	19.9%
Cook County IGT	150	150	0	0.0%
Other Sources	263	297	34	12.9%
<b>Total State Taxes</b>	<b>\$31,534</b>	<b>\$32,461</b>	<b>\$927</b>	<b>2.9%</b>
<b>Transfers In</b>				
Lottery	\$560	\$506	(\$54)	-9.6%
Gaming	111	126	15	13.5%
Sports Wagering	0	101	101	N/A
Cannabis	73	75	2	2.7%
Refund Fund	555	253	(302)	-54.4%
Other	651	530	(121)	-18.6%
<b>Total Transfers In</b>	<b>\$1,950</b>	<b>\$1,591</b>	<b>(\$359)</b>	<b>-18.4%</b>
<b>Total State Sources</b>	<b>\$33,484</b>	<b>\$34,052</b>	<b>\$568</b>	<b>1.7%</b>
<b>Federal Sources [base]</b>	<b>\$2,757</b>	<b>\$2,843</b>	<b>\$86</b>	<b>3.1%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$36,241</b>	<b>\$36,895</b>	<b>\$654</b>	<b>1.8%</b>
<b>Nongeneral Funds Distributions/Direct Receipts:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$1,629)	(\$1,747)	(\$118)	7.2%
Corporate Income Tax	(493)	(420)	73	-14.8%
<b>Local Government Distributive Fund</b>				
Personal Income Tax	(1,046)	(1,122)	(76)	7.3%
Corporate Income Tax	(208)	(177)	31	-14.9%
<b>Sales Tax Distributions</b>				
Deposits into Road Fund	(389)	(473)	(84)	21.6%
Distribution to the PTF and DPTF	(407)	(224)	183	-45.0%
<b>General Funds Subtotal [Base]</b>	<b>\$32,069</b>	<b>\$32,732</b>	<b>\$663</b>	<b>2.1%</b>
Transfer of Excess PA 102-700 Funds to GRF	\$248	\$0	(\$248)	-100.0%
Prior Year Federal Matching Funds	\$633	\$0	(\$633)	-100.0%
ARPA Reimb. for Essential Gov't Services	\$0	\$65	\$65	N/A
<b>Total General Funds</b>	<b>\$32,950</b>	<b>\$32,797</b>	<b>(\$153)</b>	<b>-0.5%</b>

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

3-Mar-25