



## **ILLINOIS GOVERNMENT SWIMMING IN TAXPAYER DOLLARS**

*By Jim Tobin, ITEF President*

SPRINGFIELD—Analysis of Illinois revenues for the first eight months of fiscal year 2010 shows an increase of \$7.5 billion from the same period in FY2009.

Comparing the same eight months against a healthier FY2008, revenues are still up \$5.3 billion, or 13%.

Whose income has gone up 13% over the past 2 years and demands more money? Only truly dedicated tax-raisers would dare to, like Illinois Governor Pat Quinn and his allies at the Civic Federation.

While individual line items, such as personal and corporate income tax revenues are down, they have more than been made up for by other revenue sources, particularly federal tax dollars. Since ITEF began tracking state revenue in 2003, total state revenue has increased every single year.

Quinn's alleged "budget crisis" is caused by outrageous government spending, only the worst of which is the lavish, gold-plated benefits paid to retired government employees, including downstate and suburban public school teachers and administrators.

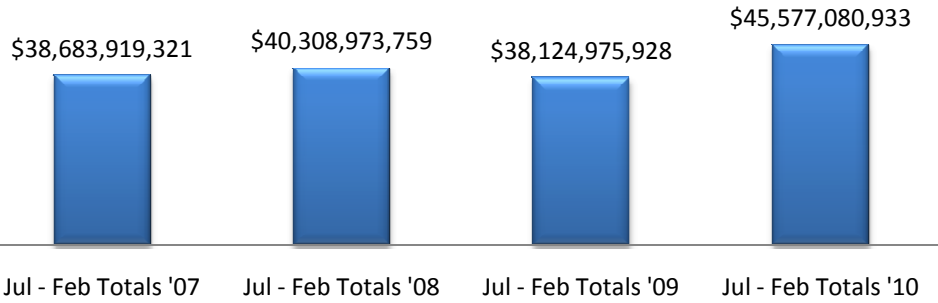
For two decades the Illinois General Assembly has increased state spending at double the rate of inflation. They have also passed numerous regulations, such as the ban on smoking, that have hurt businesses. This has caused our business climate ranking to fall to 30<sup>th</sup> among the states. Our job creation ranking is a disastrous 48<sup>th</sup>. Should we be surprised that personal and corporate income tax revenue is down?

If Springfield wants the Illinois economy to grow again, they will create a business-friendly environment by cutting burdensome taxes and regulations that stand in the way of business growth and job creation.

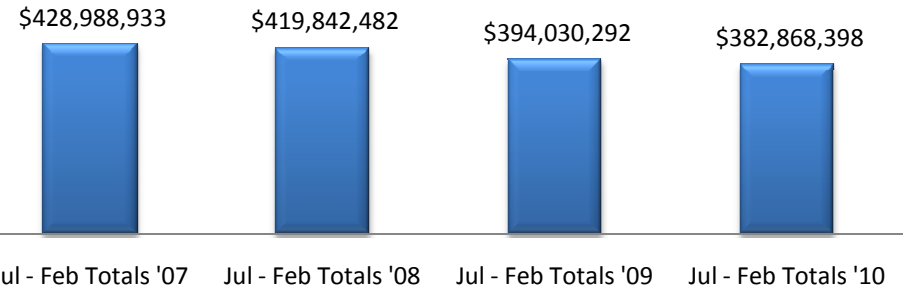
## State of Illinois Revenue Analysis

### July - February Comparision 2007, 2008, 2009, 2010

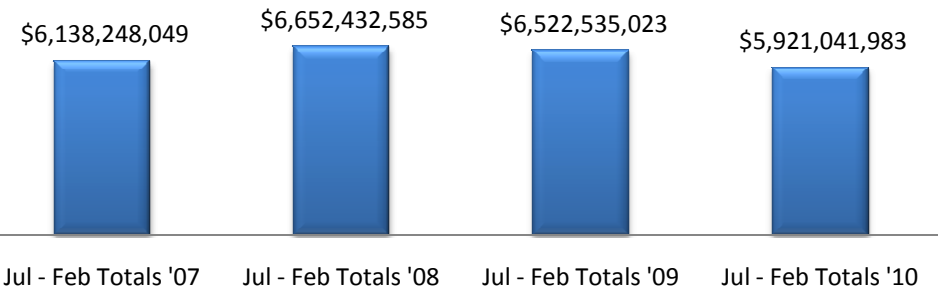
#### Total State Revenue



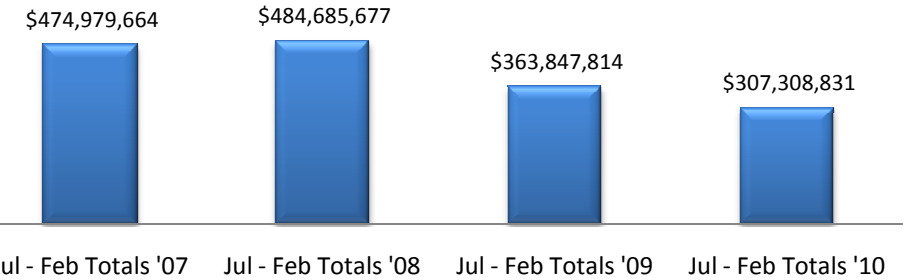
#### State Tobacco Tax Revenue



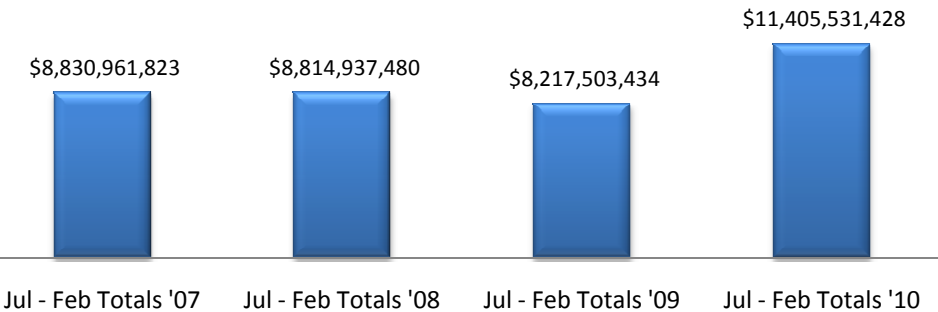
#### Personal Income Tax Revenue



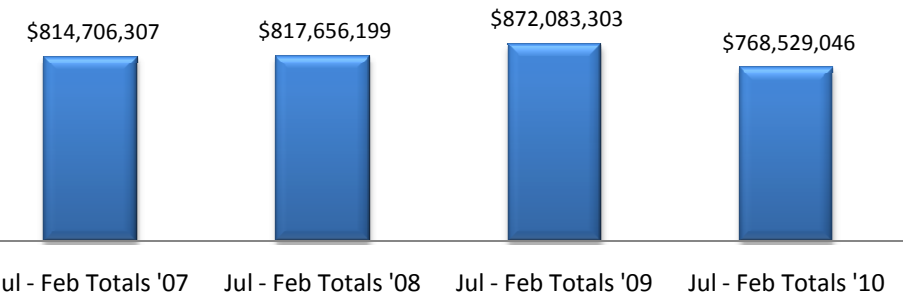
#### Casino Tax Revenues



#### Revenue from Federal Government



#### State Motor Fuel Tax Revenues



**State of Illinois Revenue Analysis  
First 8 Months of FY2010**

**Top 7 State Tax Revenue Sources**

	Jul - Feb Totals '07	Jul - Feb Totals '08	Jul - Feb Totals '09	Jul - Feb Totals '10	% Change	\$ Change
<b>Sales Taxes<sup>1</sup></b>	\$ 6,334,005,228	\$ 6,439,120,503	\$ 6,210,599,831	\$ 5,590,986,422	-9.98%	\$ (619,613,409)
<b>Personal Income Taxes<sup>2</sup></b>	\$ 6,138,248,049	\$ 6,652,432,585	\$ 6,522,535,023	\$ 5,921,041,983	-9.22%	\$ (601,493,040)
<b>Corporate Income Taxes<sup>3</sup></b>	\$ 1,485,829,725	\$ 1,589,428,772	\$ 1,353,655,608	\$ 1,191,729,919	-11.96%	\$ (161,925,689)
<b>Public Utility Taxes<sup>4</sup></b>	\$ 265,837,345	\$ 281,446,315	\$ 282,206,716	\$ 269,490,829	-4.51%	\$ (12,715,887)
<b>Motor Fuel Taxes<sup>5</sup></b>	\$ 814,706,307	\$ 817,656,199	\$ 872,083,303	\$ 768,529,046	-11.87%	\$ (103,554,257)
<b>Casino Taxes<sup>6</sup></b>	\$ 474,979,664	\$ 484,685,677	\$ 363,847,814	\$ 307,308,831	-15.54%	\$ (56,538,983)
<b>Tobacco Taxes<sup>7</sup></b>	\$ 428,988,933	\$ 419,842,482	\$ 394,030,292	\$ 382,868,398	-2.83%	\$ (11,161,894)
<b>Top State Tax Rev. Categories</b>	\$ 15,942,595,251	\$ 16,684,612,534	\$ 15,998,958,587	\$ 14,431,955,427	-9.79%	\$ (1,567,003,160)

**Other Significant Revenue Sources**

	Jul - Feb Totals '07	Jul - Feb Totals '08	Jul - Feb Totals '09	Jul - Feb Totals '10	% Change	\$ Change
<b>Tax Rev. from Fed Gvmt<sup>8</sup></b>	\$ 8,830,961,823	\$ 8,814,937,480	\$ 8,217,503,434	\$ 11,405,531,428	38.80%	\$ 3,188,027,994
<b>Sale of Investments<sup>9</sup></b>	\$ 2,526,026,980	\$ 2,666,800,350	\$ 2,679,755,508	\$ 3,034,541,168	13.24%	\$ 354,785,659
<b>Bond Issue Proceeds<sup>10</sup></b>	\$ 516,129,978	\$ 730,478,303	\$ 480,696,036	\$ 2,402,156,121	399.72%	\$ 1,921,460,085
<b>Lottery - Daily Settlement<sup>11</sup></b>	\$ -	\$ 653,964,923	\$ 630,365,067	\$ 674,297,243	6.97%	\$ 43,932,177
<b>Other Major Rev. Categories</b>	\$ 11,873,118,781	\$ 12,866,181,055	\$ 12,008,320,045	\$ 17,516,525,960	45.87%	\$ 5,508,205,915

**Net Change from Major Revenue Sources \$ 3,941,202,755**

**Revenue Sources That Represent Non-State Tax Revenue**

	Jul - Feb Totals '07	Jul - Feb Totals '08	Jul - Feb Totals '09	Jul - Feb Totals '10	% Change	\$ Change
<b>Short-Term Borrowing<sup>12</sup></b>	\$ 900,000,000	\$ 1,200,000,000	\$ 1,400,000,000	\$ 1,250,000,000	-10.71%	\$ (150,000,000)
<b>Payroll Consolidation<sup>13</sup></b>	\$ 18,327,977,266	\$ 19,355,359,275	\$ 20,428,781,605	\$ 22,490,501,712	10.09%	\$ 2,061,720,107
<b>Contribution by Employer<sup>14</sup></b>	\$ 899,150,744	\$ 1,084,240,414	\$ 1,224,549,738	\$ 968,120,313	-20.94%	\$ (256,429,425)
<b>Transfers<sup>15</sup></b>	\$ 9,288,922,796	\$ 11,226,642,896	\$ 9,770,173,135	\$ 12,818,640,288	31.20%	\$ 3,048,467,153
<b>Pension Transfers<sup>16</sup></b>	\$ 12,000,000	\$ 18,000,000	\$ 19,000,000	\$ 15,000,000	-21.05%	\$ (4,000,000)
<b>Non-State Tax Revenue</b>	\$ 29,428,050,806	\$ 32,884,242,584	\$ 32,842,504,478	\$ 37,542,262,313	14.31%	\$ 4,699,757,834

**Change in Gross Revenue \$ 12,151,862,839**

**Change in Borrow/Duplctd \$ 4,699,757,834**

**NET REVENUE CHANGE \$ 7,452,105,005**

**NET REVENUE % CHANGE<sup>17</sup> 16.35%** or 6.3 times inflation<sup>18</sup>

**Source: Illinois State Comptroller Office (www.ioc.state.il.us)**

<sup>1</sup> RETAILER'S OCCUPATION TAX (Code 481) + ROT QUARTERLY/MONTHLY (483)

<sup>2</sup> INDIVIDUAL (Code 147)

<sup>3</sup> CORPORATE (Code 148) + PPRT-PERSON PROP TAX REPLACE (149)

<sup>4</sup> P.U. TAX-MESSAGE/EXCEL (Code 414)

<sup>5</sup> REGULAR MFT (Code 317)

<sup>6</sup> RIVERBOAT WAGERING TAX (Code 467)

<sup>7</sup> CIGARETTE TAX (Code 49) + C USE TAX (50) + TOBACCO PRODUCTS (51)

<sup>8</sup> FEDERAL GOVERNMENT (Group 26)

<sup>9</sup> SALE OF INVESTMENTS (Code 1286)

<sup>10</sup> BOND ISSUE PROCEEDS (Code 571)

<sup>11</sup> LOTTERY-DAILY SETTLEMENT (Code 302)

<sup>12</sup> SHORT TERM BORROWING (Code 1749)

<sup>13</sup> PAYROLL/COMM CONSOLIDATION (Code 384)

<sup>14</sup> CONTRIBUTIONS BY EMPLOYER (Code 577)

<sup>15</sup> STATUTORY TRNSFR IN (Code TRIN) + GEN REV FUND (0827)

<sup>16</sup> PENSION CONTRI FND- PA 93-665 (Code 1893)

<sup>17</sup> From Jul - Feb 2009 to Jul - Feb 2010

<sup>18</sup> 2.6% inflation from CPI 1/09 - 1/10