

ILLINOIS DEPARTMENT OF REVENUE MONTHLY REVENUE REPORT

January

Research Division

Fiscal Year 2012

<http://tax.illinois.gov/AboutIdor/TaxResearch/TaxResearch.htm>

This report analyzes major revenues the Illinois Department of Revenue (IDOR) Research Division forecasts. It examines how actual revenues compare with the previous year and with current FY 2012 forecasts.

Note: 4/20/12 - Hotel Tax was revised to include a new Chicago Travel and Promo Fund (Fund #624).

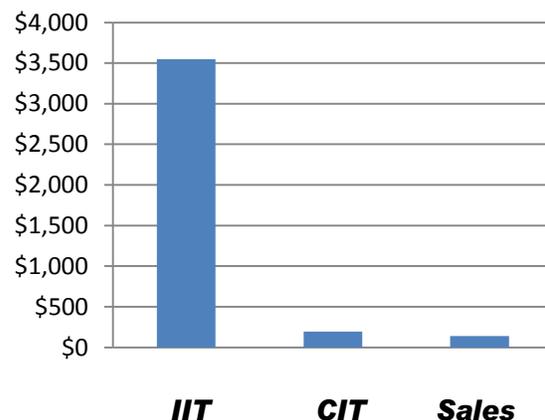
Fiscal Year 2012 revenue receipts through December for individual income, corporate income, and sales taxes ("big three" revenue sources) are \$14,538.5 million. Those receipts are \$3,982.4 million above last year and \$145.6 million above the current forecast.

Individual income tax receipts are \$9,013.5 million. The total is \$3,546.8 million above last year and \$20.9 million below the current forecast.

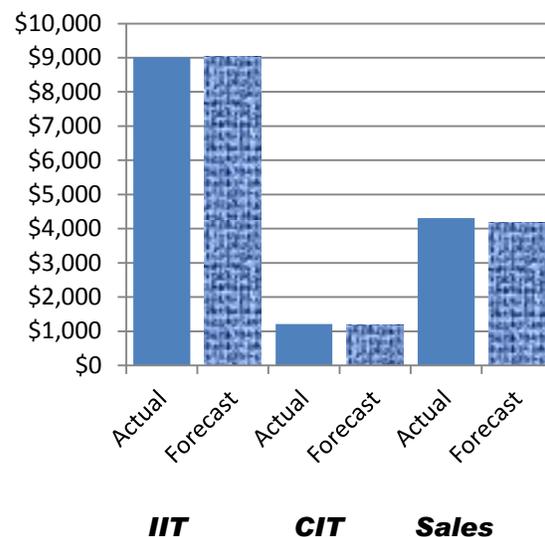
Corporate income tax receipts are \$1,212.8 million. The total is \$196.5 million above last year (an amnesty year) and \$26.7 million above the current forecast.

Sales tax receipts are \$4,312.2 million. The total is \$239.1 million above last year and \$139.8 million above the current forecast.

**Increase in Year-to-Date Revenues
FY 2011 and FY 2012 (in millions)**



**FY 2012 Year-to-Date Revenues versus
Forecasts (in millions)**



FEATURE

Our January report is abbreviated and limits our discussion to the “Big Three” sources, Individual and Corporate Income Taxes and Sales Tax. Our next full analysis of receipts and forecasts will be contained in the Governor’s 2013 Operating Budget, to be presented on February 22, 2013.

TECHNICAL NOTE

The sum of individual tax components may not equal the total due to rounding.

➤ Individual Income Tax (IIT)

Overall, FY 2012 IIT receipts are coming in as forecast.

Withholding (WIT) receipts: January's receipts were 12.6 percent (\$160.6 million) above our forecast. We speculated in last month's report that December withholding payments rolled into January due to the year-end holidays. It appears we were correct. For the first seven months of the fiscal year, the WIT forecast was \$7,850.7 million while actual receipts totaled \$7,945.2 million. WIT receipts are up 1.2 percent (\$94.5 million) compared to our year-to-date forecast.

Non-withholding (non-WIT) receipts: January's non-WIT receipts were 8.1 percent (\$38.0 million) below our monthly forecast. Through seven months, non-WIT receipts are down 9.8 percent (\$115.5 million) from our year-to-date forecast. We should point out that approximately two thirds of total annual non-withholding payments will be made in the remaining five months of the fiscal year, two estimated payments (April and June) for tax year 2012 and final payments for tax year 2011 which are due primarily in April.

Changes in final estimated payments associated with the tax increase and bonus depreciation create some uncertainty in our IIT forecast for the remainder of the year. We will review our forecast in April after IDOR receives the final estimated payments and the majority of tax year 2012 tax returns

Year-to-Date (\$ millions)			Note: FY2011 includes amnesty-related payments	
Actual	Forecast	\$ Difference	% Difference	
\$9,013.5	\$9,034.4	-\$20.9	-0.2%	
FY 2011	FY 2012	\$ Difference	% Difference	
\$5,466.7	\$9,013.5	\$3,546.8	64.9 %	

Components Year-to-Date (\$ millions)				
Note: FY2011 includes amnesty-related payments				
	Actual	Forecast	\$ Difference	% Difference
Withholding	\$7,945.2	\$7,850.7	\$94.5	1.2%
Estimated and final	\$1,068.3	\$1,183.7	-\$115.4	-9.8%
Total	\$9,013.5	\$9,034.4	-\$20.9	-0.2%

Withholding and estimated and final payments are derived from IDOR collection data and in-transit fund data. Totals may not equal individual components due to rounding.

➤ Corporate Income Tax (CIT)

Receipts continue to come in close to forecast levels. For the first seven months of the fiscal year, base growth in CIT is consistent with an underlying forecast growth rate of 5.2 percent.

As noted in our December report, there is a lot of uncertainty in our CIT forecast for the remainder of the year. We will review our forecast in April after IDOR receives the final estimated payments and the first batch of tax year 2011 tax returns.

Year-to-Date comparison (\$ millions)			
Note: FY2011 includes amnesty-related payments			
Actual	Forecast	\$ Difference	% Difference
\$ 1,212.8	\$ 1,186.1	\$ 26.7	2.3 %
FY 2011	FY 2012	\$ Difference	% Difference
\$ 1,016.3	\$ 1,212.8	\$ 196.5	19.3 %

➤ Sales Tax

One-time amnesty-related payments totaling \$163.9 million were deposited across November (\$122.5 million), December (\$36.0 million), and January (\$5.4 million) of last year. Comparisons that exclude FY 2011's amnesty-related payments are a better indicator of changes in actual taxable spending, since they are not skewed by one-time special payments.

The component table below shows that year-to-date growth in FY 2012, excluding FY 2011's amnesty related payments, was 10.3 percent. For the month of January alone, receipts increased 6.0 percent—if we include amnesty-related payments in January FY 2011's total. If we exclude FY 2011's amnesty-related payments, however, state sales/use tax receipts for the month of January were up 6.9 percent (\$42.6 million) compared to January 2011.

The bulk of holiday shopping occurs in November and December each year. The IDOR collects most tax receipts from sales that occur during those months in December and January, respectively. Combined receipts for the December-January period, increased 6.9 percent (\$83.9 million) compared to the same period last year, excluding last year's amnesty-related payments.

Year-to-Date comparison (\$ millions)			
Note: FY2011 includes amnesty-related payments			
Actual	Forecast	\$ Difference	% Difference
\$4,312.2	\$4,172.4	\$139.8	3.4%
FY 2011	FY 2012	\$ Difference	% Difference
\$4,073.1	\$4,312.2	\$239.1	5.9%

Year-to-Date comparison (\$ millions)				
Note: FY2011 excludes amnesty-related				
	FY 2011	FY 2012	\$ Difference	% Difference
Vehicles	\$523.3	\$553.9	\$30.7	5.9%
Motor fuel*	\$391.3	\$479.7	\$88.5	22.6%
All else	\$2,994.7	\$3,278.5	\$283.8	9.5%
Total	\$3,909.2	\$4,312.2	\$403.0	10.3%

**Estimated. IDOR does not have actual data on sales tax from Motor Fuel.*

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January and Year-to-Date Receipts and Forecasts (\$ in millions)

Revenue Source Receipts	January FY2011	January FY2012	FY 2011 YTD	FY 2012 YTD	YTD FY 2012 vs. YTD FY 2011		FY 2012 YTD Forecasts	YTD FY 2012 vs. YTD Forecasts		FY 2008 Total	FY 2009 Total	FY 2010 Total	FY 2011 Total	FY 2012 Forecasts
Individual Income Tax (IIT)	\$1,155.6	\$1,863.7	\$5,466.7	\$9,013.5	\$3,546.8	64.9%	\$9,034.4	-\$20.9	-0.2%	\$11,187.2	\$10,219.4	\$9,429.8	\$12,301.8	\$16,506.2
Corporate Income Tax (CIT)	\$69.9	\$88.0	\$1,016.3	\$1,212.8	\$196.5	19.3%	\$1,186.1	\$26.7	2.3%	\$2,200.9	\$2,072.5	\$1,648.9	\$2,285.7	\$2,852.7
Sales Tax (funds 1, 5, 412 or	\$620.2	\$657.4	\$4,073.1	\$4,312.2	\$239.1	5.9%	\$4,172.4	\$139.8	3.4%	\$7,214.6	\$6,772.8	\$6,308.0	\$6,833.0	\$6,910.0
Public Utilities	\$90.9	\$97.4	\$631.4	\$601.1	-\$30.3	-4.8%	\$600.9	\$0.2	0.0%	\$1,157.1	\$1,167.8	\$1,089.2	\$1,147.2	\$1,082.0
Telecommunications	\$41.9	\$36.7	\$331.2	\$292.6	-\$38.6	-11.7%	\$295.4	-\$2.8	-0.9%	\$578.9	\$593.3	\$549.5	\$586.9	\$509.0
Electricity	\$29.0	\$39.6	\$240.2	\$245.9	\$5.7	2.4%	\$243.5	\$2.4	1.0%	\$410.3	\$402.9	\$381.4	\$401.2	\$409.0
Gas	\$20.0	\$21.0	\$60.0	\$62.6	\$2.6	4.3%	\$62.0	\$0.6	0.9%	\$168.0	\$171.5	\$158.3	\$159.1	\$164.0
Lottery	\$46.1	\$47.5	\$343.1	\$347.5	\$4.4	1.3%	\$347.5	\$0.0	0.0%	\$657.0	\$625.0	\$625.0	\$631.9	\$645.0
Riverboat Gaming	\$32.7	\$26.6	\$220.2	\$306.5	\$86.3	39.2%	\$306.9	-\$0.4	-0.1%	\$564.0	\$430.0	\$430.5	\$324.2	\$451.0
Estate Tax	\$3.7	\$29.2	\$116.3	\$110.7	-\$5.6	-4.8%	\$73.1	\$37.6	51.4%	\$372.8	\$287.7	\$243.4	\$122.2	\$182.1
Cigarette (All Funds)	\$48.0	\$35.5	\$328.1	\$292.4	-\$35.7	-10.9%	\$311.9	-\$19.5	-6.3%	\$592.2	\$564.0	\$557.8	\$560.8	\$532.0
Tobacco Products	\$2.9	\$2.3	\$16.8	\$17.3	\$0.5	3.0%	\$14.2	\$3.1	21.8%	\$21.2	\$21.4	\$24.0	\$27.4	\$24.0
PP Replacement Tax	\$35.4	\$36.4	\$544.1	\$469.6	-\$74.5	-13.7%	\$465.4	\$4.2	0.9%	\$1,486.2	\$1,263.6	\$1,012.6	\$1,334.2	\$1,201.3
Regular Motor Fuel Tax	\$102.5	\$94.4	\$698.3	\$677.6	-\$20.7	-3.0%	\$679.2	-\$1.6	-0.2%	\$1,117.1	\$1,263.6	\$1,165.4	\$1,157.6	\$1,160.0
Motor Fuel - IFTA	\$8.1	\$3.8	\$48.0	\$45.0	-\$3.0	-6.3%	\$48.1	-\$3.1	-6.4%	\$146.5	\$144.0	\$103.0	\$84.9	\$83.0
Ug. Storage Tank	\$6.1	\$5.8	\$42.5	\$40.8	-\$1.7	-4.0%	\$41.2	-\$0.4	-1.0%	\$71.1	\$74.8	\$70.8	\$71.2	\$68.0
Liquor (fund 1 only)	\$17.8	\$18.8	\$99.5	\$103.0	\$3.5	3.5%	\$101.4	\$1.6	1.6%	\$158.1	\$157.6	\$158.5	\$157.4	\$162.0
Insurance Tax	\$4.4	\$3.7	\$147.8	\$151.6	\$3.8	2.6%	\$152.3	-\$0.7	-0.4%	\$294.6	\$334.3	\$322.4	\$316.1	\$316.1
Franchise Tax & Fees	\$13.3	\$13.7	\$125.3	\$113.8	-\$11.5	-9.2%	\$121.1	-\$7.3	-6.0%	\$225.2	\$201.5	\$208.0	\$207.3	\$204.0
Real Estate Transfer Tax	\$4.3	\$2.6	\$22.7	\$23.8	\$1.1	4.8%	\$22.7	\$1.1	4.8%	\$76.8	\$45.6	\$40.3	\$38.0	\$35.0
Private Vehicle Use (fund 1 o	\$2.9	\$1.9	\$16.1	\$14.7	-\$1.3	-8.3%	\$17.0	-\$2.3	-13.4%	\$32.0	\$27.3	\$30.2	\$30.3	\$32.0
Hotel Tax (All Funds)	\$15.1	\$15.0	\$131.7	\$143.6	\$11.9	9.0%	\$141.6	\$2.0	1.4%	\$219.2	\$203.3	\$173.1	\$191.7	\$209.0