

ILLINOIS DEPARTMENT OF REVENUE MONTHLY REVENUE REPORT

March

Research Division

Fiscal Year 2014

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

This report analyzes the major revenues forecast by the Illinois Department of Revenue (IDOR) Research Division. It examines how actual revenues compare with the previous year and with current FY 2014 forecasts.

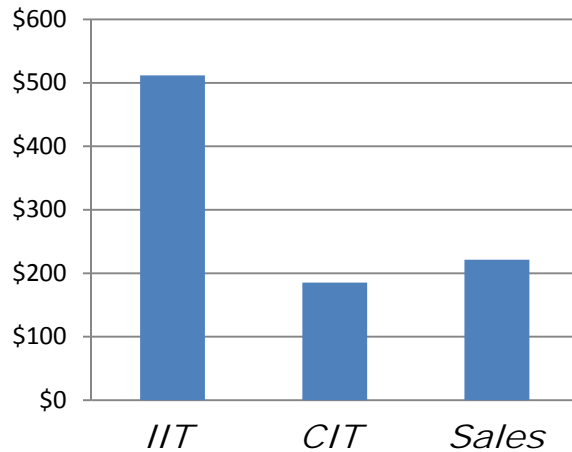
Fiscal year 2014 revenue receipts through March for individual income, corporate income, and sales taxes (the “big three” revenue sources) are \$20,972.5 million. Those receipts are \$918.4 million above last year and \$567.7 million above the current estimate.

Individual income tax receipts are \$12,905.0 million. The total is \$511.8 million above last year and \$495.2 million above the current estimate.

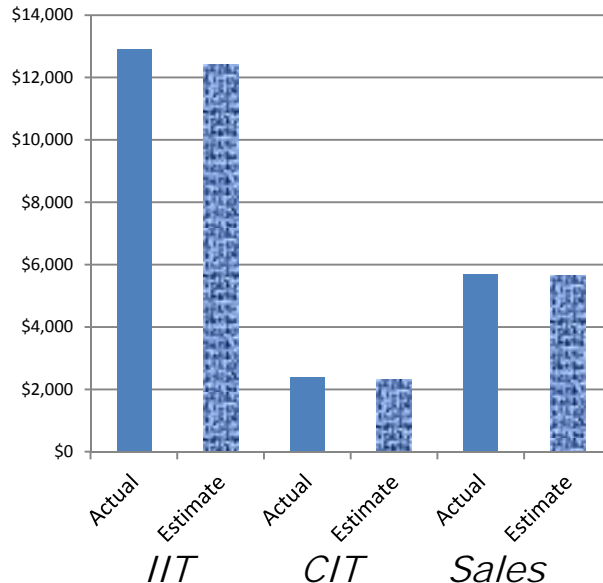
Corporate receipts are \$2,392.1 million. The total is \$185.3 million above last year and \$67.0 million above the current estimate.

Sales tax receipts are \$5,675.5 million. The total is \$221.3 million above last year and \$5.5 million above our current estimate.

Change in Year-to-Date Revenues from FY 2013 to FY 2014 (in millions)



FY 2014 Year-to-Date Revenues versus Forecasts (in millions)



TECHNICAL NOTE: THE SUM OF INDIVIDUAL TAX COMPONENTS MAY NOT EQUAL THE TOTAL DUE TO ROUNDING.

ILLINOIS ECONOMIC INDICATORS

Economic Highlights:

U.S. real gross domestic product (GDP) increased at a 2.6 percent annual rate in the fourth quarter of calendar year 2013, according to the Bureau of Economic Analysis (BEA).¹ This is lower than the 4.1 percent posted in the third quarter. The fourth quarter's slowdown in growth was due to an increase in imports and declines in federal government spending, private inventories, and private fixed investment. GDP growth for the entire year was 1.9 percent, which is a considerable decrease from the 2.8 percent measured in 2012. The main contributors to GDP growth during 2013 were personal consumption expenditures, exports, residential fixed investment, nonresidential fixed investment, and private inventory investment. Federal government spending and imports, on the other hand, contributed negatively to GDP.

The U.S. unemployment rate increased slightly from 6.6 percent to 6.7 percent in February, according to the Bureau of Labor Statistics (BLS).² The report shows that job creation in February was more dynamic than in either of the two prior months. This reading supports the view that labor market weakness observed in late 2013 and early 2014 was probably weather related. Moreover, the increase in the unemployment rate should not be interpreted negatively. Labor market statistics show that it was caused by an increase in the labor force rather than a decrease in employment.

Finally, we must point out that the most recent employment statistics have been revised according to the latest BLS benchmark. These figures, which are derived from the BLS quarterly census of employment and wages, are more accurate because they are taken from unemployment insurance tax records. These records include 97 percent of all establishments in the United States.

The Illinois unemployment rate remained unchanged at 8.7 percent in February, down half a point from the 9.2 percent measured one year ago. According to data from the Illinois Department of Employment Security, more than 26,000 jobs were added to the state economy during the 12 months ending in February 2014.³ The most significant gains came from the professional and business services sector followed by gains in educational and health services and leisure and hospitality. The gains are quite different in magnitude to those reported in our last report because the aforementioned BLS benchmarking process revised state employment figures down. Significant downward revisions were made in the trade, transportation, and utilities sector, the educational and health services sector, and the leisure and hospitality sector.

Illinois personal income grew 2.6 percent during calendar year 2013 and is expected to increase nearly 4.0 percent in calendar year 2014.⁴ The main contributor to this growth so far has been non-wage income, thanks to strong stock market results and the associated capital gains. Wage income, measured by average weekly earnings, has also shown growth, particularly in the wholesale trade sector and the information and financial activities sector.

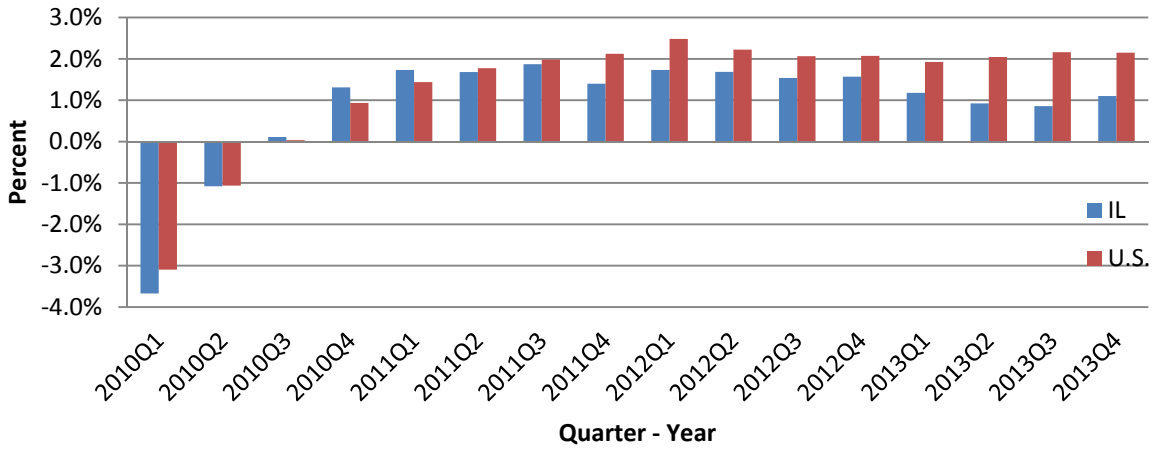
¹ Bureau of Economic Analysis, News Release March 27, 2014.

² Bureau of Labor Statistics, News Release March 7, 2014.

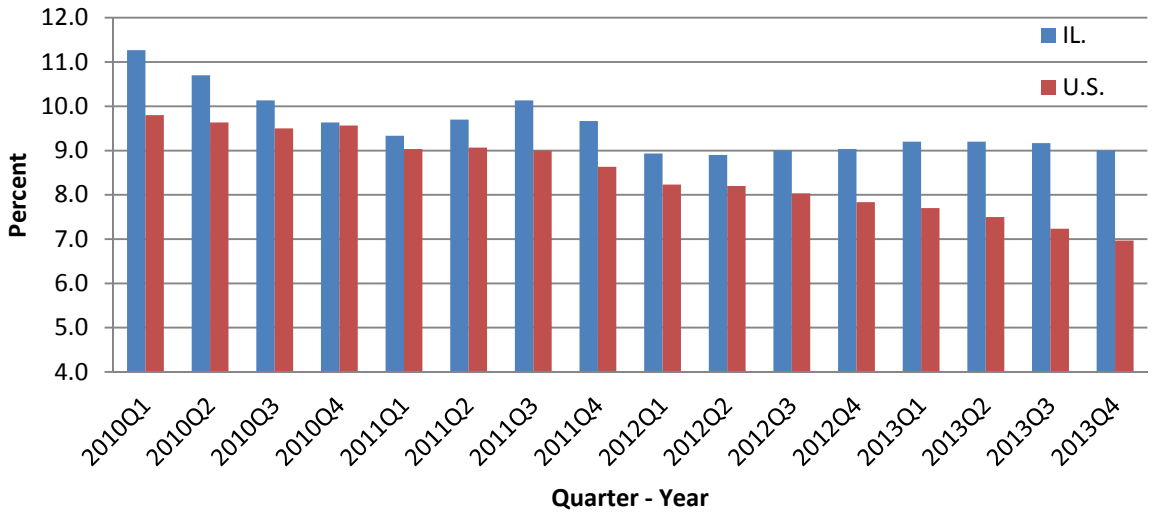
³ Illinois Department of Employment Security, Current Employment Statistics.

⁴ IHS Connect, baseline forecast, February 2014.

Private employment growth for U.S. and IL.



Unemployment rate for U.S. and IL.



| U.S. & Illinois Labor Market News | | | | | | | |
|--|----------|---------|----------|---------------------|---------|----------------------|---------|
| U.S. (Seasonally adjusted, thousands) | February | January | February | Change from January | | Change from year ago | |
| | 2014 | 2014 | 2013 | Number | Percent | Number | Percent |
| Labor Force | 155,724 | 155,460 | 155,511 | 264 | 0.2% | 213 | 0.1% |
| Employment | 145,266 | 145,224 | 143,464 | 42 | 0.0% | 1,802 | 1.3% |
| Unemployment | 10,459 | 10,236 | 12,047 | 223 | 2.2% | -1,588 | -13.2% |
| Unemployment Rate | 6.7 | 6.6 | 7.7 | 0.1 | 1.5% | 1.0 | -13.0% |

| Illinois (Seasonally adjusted) | February | January | February | Change from January | | Change from year ago | |
|-----------------------------------|-----------|-----------|-----------|---------------------|---------|----------------------|---------|
| | 2014 | 2014 | 2013 | Number | Percent | Number | Percent |
| Labor Force | 6,568,500 | 6,549,900 | 6,576,400 | 18,600 | 0.3% | -7,900 | -0.1% |
| Employment | 5,999,300 | 5,982,700 | 5,972,600 | 16,600 | 0.3% | 26,700 | 0.4% |
| Unemployment | 569,100 | 567,200 | 603,800 | 1,900 | 0.3% | -34,700 | -5.7% |
| Unemployment Rate | 8.7 | 8.7 | 9.2 | 0.0 | 0.0% | -0.5 | -5.4% |

Source: Bureau of Labor Statistics, Illinois Department of Employment Security (Household data)

| Illinois wage and salary employment | | | | | | | |
|---|-----------|-----------|-----------|---------------------|---------|----------------------|---------|
| Industry Title (Seasonally adjusted) | February | January | February | Change from January | | Change from year ago | |
| | 2014 | 2014 | 2013 | Number | Percent | Number | Percent |
| Total Nonfarm | 5,816,200 | 5,809,800 | 5,789,700 | 6,400 | 0.1% | 26,500 | 0.5% |
| Mining | 9,700 | 9,800 | 10,000 | -100 | -1.0% | -300 | -3.0% |
| Construction | 194,500 | 194,300 | 193,000 | 200 | 0.1% | 1,500 | 0.8% |
| Manufacturing | 574,000 | 575,100 | 583,300 | -1,100 | -0.2% | -9,300 | -1.6% |
| Trade, Transportation, & Utilities | 1,156,400 | 1,162,500 | 1,161,100 | -6,100 | -0.5% | -4,700 | -0.4% |
| Information | 96,900 | 97,600 | 99,100 | -700 | -0.7% | -2,200 | -2.2% |
| Financial Activities Professional and Business Services | 368,400 | 368,300 | 367,700 | 100 | 0.0% | 700 | 0.2% |
| Educational and Health Services | 904,700 | 894,300 | 879,500 | 10,400 | 1.2% | 25,200 | 2.9% |
| Leisure and Hospitality | 878,800 | 878,400 | 872,000 | 400 | 0.0% | 6,800 | 0.8% |
| Other Services | 549,000 | 545,000 | 542,400 | 4,000 | 0.7% | 6,600 | 1.2% |
| Government | 252,800 | 254,100 | 249,600 | -1,300 | -0.5% | 3,200 | 1.3% |
| | 831,000 | 830,400 | 832,000 | 600 | 0.1% | -1,000 | -0.1% |

Source: Bureau of Labor Statistics, Illinois Department of Employment Security (Establishment data)

➤ Individual Income Tax (IIT)

Withholdings and non-withholdings performed better than expected during the third quarter of fiscal year 2014, boosting combined third-quarter gross receipts 9.1 percent above forecast. Year-to-date gross receipts were 4.0 percent above IDOR's forecast and 3.7 percent above the forecast in HR389.

Withholding receipts (WIT): Third-quarter withholding receipts were 5.5

percent above IDOR's forecast, in part because a portion of collections from the second quarter were received in the third quarter. Third-quarter growth put year-to-date withholdings just 0.1 percent above IDOR's year-to-date forecast.

Non-withholding receipts (non-WIT): Third quarter non-WIT receipts were 31.0 percent above IDOR's forecast. This put year-to-date non-WIT receipts 35.5 percent above IDOR's year-to-date forecast and 9.3 percent above the same period last fiscal year. Having said this, we must emphasize that the fourth quarter of the fiscal year typically represents more than half of all non-WIT receipts, since this is when we receive final payments for the previous tax year. Up to now, non-WIT receipts have done very well in response to stock market gains. However, we expect a large decline in non-WIT during the fourth quarter because of last year's "April Surprise" (see our April FY 2013 report for details). We expect that this decline in fourth-quarter non-WIT receipts will erase all of the growth observed so far in fiscal year 2014.

| Year-to-Date (\$ millions) | | | |
|----------------------------|------------------------|----------------------|---------------------|
| Actual | IDOR Forecast | \$ Difference | % Difference |
| \$12,905.0 | \$12,409.8 | \$495.2 | 4.0% |
| Actual | HR 389 Forecast | \$ Difference | % Difference |
| \$12,905.1 | \$12,444.7 | \$460.3 | 3.7% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$12,393.2 | \$12,905.0 | \$511.8 | 4.1% |

| Components Year-to-Date (\$ millions) | | | | |
|---------------------------------------|-------------------|-------------------|----------------------|---------------------|
| | Actual | Forecast | \$ Difference | % Difference |
| Withholding | \$11,057.8 | \$11,046.7 | \$11.1 | 0.1% |
| Non-Withholding | \$1,847.2 | \$1,363.1 | \$484.1 | 35.5% |
| Total | \$12,905.0 | \$12,409.8 | \$495.2 | 4.0% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| Withholding | \$10,703.4 | \$11,057.8 | \$354.4 | 3.3% |
| Non-Withholding | \$1,689.8 | \$1,847.2 | \$157.4 | 9.3% |
| Total | \$12,393.2 | \$12,905.0 | \$511.8 | 4.1% |

Payment totals match the Comptroller's receipts. 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)

Gross receipts were \$2,392.1 million through the first three quarters of fiscal year 2014, 2.9 percent above IDOR's revised forecast and 16.2 percent above the HR389 forecast. Compared with last fiscal year, gross receipts were up \$185.3 million, or 8.4 percent.

| Year-to-Date Comparison (\$ millions) | | | |
|---------------------------------------|-------------------------|----------------------|---------------------|
| Actual | IDOR Forecast | \$ Difference | % Difference |
| \$2,392.1 | \$2,325 | \$67.0 | 2.9% |
| Actual | HR 389 Forecast* | \$ Difference | % Difference |
| \$2,392.1 | \$2,058.5 | \$333.5 | 16.2% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$2,206.8 | \$2,392.1 | \$185.3 | 8.4% |

*Gross CIT receipts calculated for comparison using the 13.4 percent refund rate. The HR 389 forecast is \$2,937 net of refunds.

The Bureau of Economic Analysis (BEA) recently released its first

estimate of corporate profits for calendar year 2013, showing that profits continued to grow during the year, albeit at a slower rate than in 2012. The BEA's first estimate of corporate profits for calendar year 2013 is for growth of 5.7 percent over 2012, in line with the growth we have been forecasting in profits for fiscal year 2014.

➤ Sales & Use Tax

Sales and use tax receipts for the first three quarters of fiscal year 2014 increased 4.1 percent over the same period last year. First quarter growth of 7.7 percent was inflated by a shift of fiscal year 2013 receipts into fiscal year 2014. Second quarter growth was 3.3 percent, while third quarter growth was only 1.2 percent thanks to the negative impact of severe winter weather.

| Year-to-Date Comparison (\$ millions) | | | |
|---------------------------------------|------------------------|----------------------|---------------------|
| Actual | IDOR Forecast | \$ Difference | % Difference |
| \$5,675.5 | \$5,669.9 | \$5.5 | 0.1% |
| Actual | HR 389 Forecast | \$ Difference | % Difference |
| \$5,675.5 | \$5,449.4 | \$226.1 | 4.1% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$5,454.2 | \$5,675.5 | \$221.3 | 4.1% |

Year-to-date receipts are just 0.1 percent above IDOR's year-to-date forecast. We expect to end fiscal year 2014 very close to our forecast of \$7,610.0 million.

Year-to-date receipts were 4.1 percent above the year-to-date forecast in HR389.

| Year-to-Date Comparison (\$ millions) | | | | |
|---------------------------------------|------------------|------------------|----------------------|---------------------|
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| Vehicles | \$760.3 | \$830.5 | \$70.2 | 9.2% |
| Motor fuel* | \$569.6 | \$557.4 | -\$12.2 | -2.1% |
| All else | \$4,124.2 | \$4,287.6 | \$163.4 | 4.0% |
| Total | \$5,454.2 | \$5,675.5 | \$221.3 | 4.1% |

**Estimated. IDOR does not have actual data on sales/use tax from motor fuel.*

➤ Public Utilities Taxes

Public Utility Taxes – Public utility tax receipts into the General Revenue Fund were \$774.3 million through the first three quarters of fiscal year 2014, 2.7 percent above IDOR’s revised forecast and 0.5 percent below the HR 389 forecast.

Telecommunications – Telecommunication Excise Tax is currently beating IDOR’s revised forecast by \$19.2 million, largely due to a delay in issuing credit memos to taxpayers who collected tax in prior years on telecom charges that were not taxable under Illinois law. Even absent the use of the credit memos, Telecom Excise Tax has declined 7.6 percent year to date when compared to the same period in FY 2013. The estimated General Revenue Fund impact of the credit memos remains \$35 million. Due to the delay there is a chance that the taxpayers may not be able to use all of the credit memos available in fiscal year 2014.

Electricity – Electricity excise tax receipts were \$308.1 million, \$10.7 million below the IDOR forecast of \$318.8 through the first three quarters of fiscal year 2014.

Natural Gas – Natural gas tax receipts have continued to outperform IDOR’s revised forecast of \$167 million due to the prolonged period of unusually cold weather this winter. Receipts are currently 10.8

percent (\$12.0 million) above IDOR’s year-to-date forecast. Continued cold weather during February and March, which will affect revenue in April and May, should increase receipts above forecast for the remainder of the fiscal year.

| Year-to-Date Comparison (\$ millions) | | | | |
|---------------------------------------|----------------|-----------------|---------------|--------------|
| | Actual | IDOR Forecast | \$ Difference | % Difference |
| Telecommunications | \$343.1 | \$323.9 | \$19.2 | 5.9% |
| Electricity | \$308.1 | \$318.8 | -\$10.7 | -3.4% |
| Natural gas | \$123.2 | \$111.2 | \$12.0 | 10.8% |
| Total | \$774.3 | \$753.9 | \$20.4 | 2.7% |
| | Actual | HR 389 Forecast | \$ Difference | % Difference |
| Public Utility Taxes | \$774.3 | \$778.4 | -\$4.1 | -0.5% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| Telecommunications | \$371.5 | \$343.1 | -\$28.4 | -7.6% |
| Electricity | \$306.7 | \$308.1 | \$1.4 | 0.4% |
| Natural gas | \$87.1 | \$123.2 | \$36.1 | 41.4% |
| Total | \$765.3 | \$774.3 | \$9.0 | 1.2% |

➤ Cigarette Taxes

All Funds receipts through the third quarter of fiscal year 2014 were 1.8 percent below forecast and 7.6 percent above the same period last fiscal year. The year-to-date growth over last year is due to the stamp stockpiling that occurred during fiscal year 2012 and subsequently reduced receipts in fiscal

| Year-to-Date (\$ millions) | *Includes the General Revenue Fund | | | |
|----------------------------|------------------------------------|----------|---------------|--------------|
| | Actual | Estimate | \$ Difference | % Difference |
| All Funds* | \$613.1 | \$624.5 | -\$11.4 | -1.8% |
| General Revenue Fund | \$265.1 | \$266.3 | -\$1.2 | -0.5% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| All Funds* | \$569.6 | \$613.1 | \$43.5 | 7.6% |
| General Revenue Fund | \$265.0 | \$265.1 | \$0.1 | 0.0% |

year 2013. Please see our July 2014 Monthly Revenue Report for an explanation of this stockpiling and its effect on fiscal year 2014 receipts.

➤ Tobacco Products Tax

Receipts through the third quarter of fiscal year 2014 were 4.9 percent below forecast and 20.1 percent below the same period last fiscal year. The large drop below last year is due to a change in the tax rate for moist snuff, which was taxed at 36 percent of the wholesale price prior to January 1, 2013. On that date, moist snuff became subject to a lower tax rate of \$0.30 per ounce, leading to a significant drop in receipts.⁵

| Year-to-Date (\$ millions) | | | | |
|----------------------------|----------|---------------|---------------|--------------|
| Actual | Estimate | \$ Difference | % Difference | |
| \$27.0 | \$28.4 | -\$1.4 | -4.9% | |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$33.8 | \$27.0 | -\$6.8 | -20.1% | |

⁵ IDOR Informational Bulletin FY 2013-07, November 2012. <http://tax.illinois.gov/Publications/Bulletins/2013/FY-2013-07.pdf>

➤ Estate Tax

Gross All Funds estate-tax receipts for the first nine months greatly exceeded expectations, declining only 13.6 percent from \$227.1 million in the same period a year ago to \$196.3 million. Compared with forecasts, these receipts were 45.4 percent higher than

| Year-to-Date Comparison (\$ millions) | | | | |
|---------------------------------------|----------------|------------------------|----------------------|---------------------|
| | Actual | IDOR Forecast | \$ Difference | % Difference |
| All Funds | \$196.3 | \$135.0 | \$61.3 | 45.4% |
| General Revenue | \$184.5 | \$126.9 | \$57.6 | 45.4% |
| | Actual | HR 389 Forecast | \$ Difference | % Difference |
| All Funds | \$196.3 | \$167.6 | \$28.8 | 17.2% |
| General Revenue | \$184.5 | \$157.5 | \$27.0 | 17.2% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| All Funds | \$227.1 | \$196.3 | -\$30.8 | -13.6% |
| General Revenue | \$216.0 | \$184.5 | -\$31.5 | -14.6% |

the IDOR's forecast and 17.2 percent higher than the current budget set by HR389.

Revenue in the first quarter was actually below the budgeted amount by 12.9 percent. Then, in the second and third quarters of fiscal year 2014, a small number of large estates unexpectedly remitted \$51.9 million of estate-tax payments, moderating the anticipated decrease caused by the one-time payments of \$41.8 million that occurred in July 2012 as a result of P.A.097-0732 and by higher exemptions.

Excluding this one-time revenue of \$41.8 million in fiscal year 2013 and \$51.9 million so far in fiscal year 2014, actual receipts in the first six months of fiscal year 2014 represent a decrease of \$69.7 million or 37.6 percent below the same period last fiscal year.

The first three quarters of fiscal year 2013 mostly reflects payments for deaths in 2011 and 2012 when the exemptions were \$2.0 million and \$3.5 million, respectively. Estate-tax payments in the first three quarters of fiscal year 2014 were mostly for deaths in 2012 and 2013 with the \$3.5 million and \$4.0 million exemptions. The increased exemption has reduced both the number of taxed estates and the tax basis for those estates that do get taxed, resulting in lower estate-tax revenue. There were about 710 estate-tax payments during the first nine months of fiscal year 2013 compared with around 430 payments in fiscal year 2014 by the end of March 2014.

With the unanticipated large payments of \$51.9 million in the first nine months and an additional significant payment pending, estate-tax receipts are likely to exceed the budgeted level of \$223.4 million by \$30.0 million to \$35.0 million for fiscal year 2014.

➤ Liquor Tax

Year-to-date General Revenue Fund receipts were flat compared to the same period last fiscal year, 0.7 percent below IDOR's year-to-date forecast, and 0.1 percent below the year-to-date forecast in HR389.

With tax return reporting now complete for fiscal year 2013, we can examine the composition of taxable product

| | Year-to-Date (\$ millions) | | *Includes General Revenue Fund | |
|----------------------|----------------------------|-----------------|--------------------------------|--------------|
| | Actual | IDOR Forecast | \$ Difference | % Difference |
| All Funds* | \$212.0 | \$213.4 | -\$1.4 | -0.7% |
| General Revenue Fund | \$124.8 | \$125.7 | -\$0.9 | -0.7% |
| | Actual | HR 389 Forecast | \$ Difference | % Difference |
| General Revenue Fund | \$124.8 | \$124.9 | -\$0.1 | -0.1% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| All Funds* | \$211.9 | \$212.0 | \$0.1 | 0.1% |
| General Revenue Fund | \$124.8 | \$124.8 | \$0.0 | 0.0% |

for the year. Hard liquor generated 55 percent of liquor tax revenue, beer and cider together generated 29 percent, and wine generated 16 percent. Note that these shares apply only to General Revenue Fund receipts (i.e., they exclude receipts earmarked for the Capital Projects Fund).

➤ Hotel Operators' Occupation Tax (HOOT)

In January, IDOR increased its HOOT forecast (All Funds) from \$218 million to \$230 million to reflect stronger-than-expected growth during the first half of fiscal year 2014.

All Funds receipts through the third quarter of fiscal year 2014 were 1.8 percent below forecast and 4.6 percent above the same period last fiscal year.

The third quarter of each fiscal year is typically when the Illinois hotel market sees its lowest level of activity. This fiscal year's extended period of unusually cold winter weather pushed third-quarter activity lower than expected, contributing to the negative deviation from our forecast.

The large drop in receipts to the General Revenue Fund (GRF) is the result of an accounting change required by statute. Beginning in fiscal year 2014, the Illinois Sports Facility Fund (225) will receive \$42,730,000 in the advance account. Before this change, the advance account received \$33,100,000. Because the Illinois Sports Facility Fund comes before the GRF in the distribution of HOOT receipts, the GRF receives less revenue after this accounting change than it otherwise would have.

| Year-to-Date (\$ millions) | | *Includes the General Revenue Fund | | |
|----------------------------|---------|------------------------------------|---------------|--------------|
| | Actual | Estimate | \$ Difference | % Difference |
| All Funds* | \$177.8 | \$181.1 | -\$3.3 | -1.8% |
| General Revenue Fund | \$18.9 | \$20.9 | -\$2.0 | -9.6% |
| | FY 2013 | FY 2014 | \$ Difference | % Difference |
| All Funds* | \$170.0 | \$177.8 | \$7.8 | 4.6% |
| General Revenue Fund | \$25.7 | \$18.9 | -\$6.8 | -26.5% |

➤ Motor Fuel Taxes

| Year-to-Date (\$ millions) | | Regular MFT | |
|----------------------------|----------|---------------|--------------|
| Actual | Forecast | \$ Difference | % Difference |
| \$851.3 | \$853.0 | -\$1.7 | -0.2% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$839.7 | \$851.3 | \$11.5 | 1.4% |

| Year-to-Date (\$ millions) | | IFTA | |
|----------------------------|----------|---------------|--------------|
| Actual | Forecast | \$ Difference | % Difference |
| \$53.1 | \$50.9 | \$2.2 | 4.4% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$49.5 | \$53.1 | \$3.6 | 7.4% |

| Year-to-Date (\$ millions) | | UST | |
|----------------------------|----------|---------------|--------------|
| Actual | Forecast | \$ Difference | % Difference |
| \$51.2 | \$51.2 | \$0.0 | -0.1% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$49.1 | \$51.2 | \$2.1 | 4.2% |

Combined motor fuel tax receipts (regular MFT, IFTA, and UST) year to date were 1.8 percent (\$17.2 million) above the same period last fiscal year and 0.1 percent (\$0.5 million) above IDOR's year-to-date forecast.

➤ Real Estate Transfer Tax (RETT)

Receipts for the first three quarters of fiscal year 2014 were in line with IDOR's revised forecast and 12.3 percent above the same period last fiscal year.

Recent housing data from CoreLogic, a data and analytics company, continue to show a steady recovery in the Illinois housing market.

| Year-to-Date (\$ millions) | | | |
|----------------------------|---------------|---------------|--------------|
| Actual | IDOR Forecast | \$ Difference | % Difference |
| \$42.1 | \$42.0 | \$0.1 | 0.2% |
| FY 2013 | FY 2014 | \$ Difference | % Difference |
| \$37.5 | \$42.1 | \$4.6 | 12.3% |

CoreLogic's February 2014 Home Price Index Report indicates that Illinois' real estate market has experienced year-over-year price growth of 10.0 percent for all residential sales in February 2014. Residential prices in Illinois are still 26.4 percent below their 2006 peak, however.

Illinois Department of Revenue, Research Division

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

March 2014 and Year-to-Date Receipts and Forecasts (\$ in millions)

Illinois Department of Revenue
Research Division

March Monthly Revenue Report
FY 2014

Table 1. Comparisons with Last Fiscal Year and with IDOR Forecasts

| Revenue Source Receipts (millions) | Actual for the Month | | Year-to-Date Actual | | | | Year-to-Date Forecast vs. Actual | | | Year | | |
|------------------------------------|----------------------|---------------------|---------------------|--------------------|-----------------------------|--------|----------------------------------|------------------------------------|-------|---------------|---------------|-----------------------|
| | March FY2013 Actual | March FY2014 Actual | FY 2013 YTD Actual | FY 2014 YTD Actual | YTD FY 2014 vs. YTD FY 2013 | | FY 2014 YTD IDOR Forecasts | YTD FY 2014 vs. YTD IDOR Forecasts | | FY 2012 Total | FY 2013 Total | FY 2014 IDOR Estimate |
| Individual Income Tax (All Funds) | \$1,505.1 | \$1,595.0 | \$12,393.2 | \$12,905.0 | \$511.8 | 4.1% | \$12,409.8 | \$495.2 | 4.0% | \$16,999.8 | \$18,323.8 | \$17,663.0 |
| Corporate Income Tax (All Funds) | \$624.8 | \$645.5 | \$2,206.8 | \$2,392.1 | \$185.3 | 8.4% | \$2,325.0 | \$67.0 | 2.9% | \$2,983.0 | \$3,679.1 | \$3,830.0 |
| Sales Tax (GRFs) | \$568.7 | \$586.5 | \$5,454.2 | \$5,675.5 | \$221.3 | 4.1% | \$5,669.9 | \$5.5 | 0.1% | \$7,225.6 | \$7,354.5 | \$7,610.0 |
| Public Utilities (GRFs) | \$96.2 | \$114.1 | \$765.3 | \$774.3 | \$9.0 | 1.2% | \$753.9 | \$20.4 | 2.7% | \$994.7 | \$1,033.0 | \$1,006.0 |
| Telecommunications | \$41.2 | \$42.1 | \$371.5 | \$343.1 | -\$28.4 | -7.6% | \$323.9 | \$19.2 | 5.9% | \$459.6 | \$491.4 | \$430.0 |
| Electricity | \$33.2 | \$36.9 | \$306.7 | \$308.1 | \$1.4 | 0.4% | \$318.8 | -\$10.7 | -3.4% | \$390.0 | \$397.8 | \$409.0 |
| Gas | \$21.8 | \$35.1 | \$87.1 | \$123.2 | \$36.1 | 41.4% | \$111.2 | \$12.0 | 10.8% | \$145.2 | \$143.8 | \$167.0 |
| Estate Tax (GRF) | \$16.3 | \$17.4 | \$216.0 | \$184.5 | -\$31.5 | -14.6% | \$126.9 | \$57.6 | 45.4% | \$234.8 | \$293.3 | \$169.2 |
| Cigarette (All Funds) | \$70.3 | \$62.4 | \$569.6 | \$613.1 | \$43.5 | 7.6% | \$624.5 | -\$11.4 | -1.8% | \$577.4 | \$813.4 | \$836.0 |
| Tobacco Products | \$3.4 | \$2.8 | \$33.8 | \$27.0 | -\$6.8 | -20.1% | \$28.4 | -\$1.4 | -4.9% | \$29.0 | \$43.0 | \$38.0 |
| Regular Motor Fuel Tax | \$93.6 | \$76.7 | \$839.7 | \$851.3 | \$11.5 | 1.4% | \$853.0 | -\$1.7 | -0.2% | \$1,145.3 | \$1,123.3 | \$1,134.0 |
| Motor Fuel - IFTA | \$3.5 | \$3.1 | \$49.5 | \$53.1 | \$3.6 | 7.4% | \$50.9 | \$2.2 | 4.4% | \$75.1 | \$67.6 | \$68.0 |
| Ug. Storage Tank | \$4.2 | \$3.8 | \$49.1 | \$51.2 | \$2.1 | 4.2% | \$51.2 | \$0.0 | -0.1% | \$69.5 | \$68.6 | \$69.0 |
| Liquor (GRF) | \$11.2 | \$11.0 | \$124.8 | \$124.8 | \$0.0 | 0.0% | \$125.7 | -\$0.9 | -0.7% | \$164.4 | \$164.8 | \$166.0 |
| Insurance Tax (GRF) | \$34.8 | \$32.8 | \$213.1 | \$206.8 | -\$6.3 | -3.0% | \$207.4 | -\$0.6 | -0.3% | \$344.6 | \$333.9 | \$325.0 |
| Corp. Franchise Tax (GRF) | \$15.3 | \$15.7 | \$159.0 | \$159.5 | \$0.5 | 0.3% | \$157.8 | \$1.7 | 1.1% | \$191.6 | \$204.6 | \$203.0 |
| Real Estate Transfer Tax | \$3.4 | \$2.9 | \$37.5 | \$42.1 | \$4.6 | 12.3% | \$42.0 | \$0.1 | 0.2% | \$42.0 | \$54.0 | \$60.0 |
| Private Vehicle Use Tax (GRF) | \$21.0 | \$2.4 | \$17.8 | \$20.5 | \$2.7 | 15.1% | \$19.1 | \$1.5 | 7.8% | \$28.7 | \$25.3 | \$27.0 |
| Hotel Tax (All Funds)* | \$10.2 | \$9.1 | \$170.0 | \$177.8 | \$7.8 | 4.6% | \$181.1 | -\$3.3 | -1.8% | \$207.9 | \$221.0 | \$230.0 |

Table 2. Comparisons with HR389 Forecasts

| Revenue Source Receipts (millions) | FY 2014 YTD Actual | FY 2014 YTD HR389 Forecasts | YTD FY 2014 vs. YTD HR389 Forecasts | | FY 2014 HR389 Estimate |
|------------------------------------|--------------------|-----------------------------|-------------------------------------|-------|------------------------|
| Individual Income Tax (All Funds) | \$12,905.0 | \$12,444.7 | \$460.3 | 3.7% | \$17,713.0 |
| Corporate Income Tax (All Funds) | \$2,392.1 | \$2,058.5 | \$333.5 | 16.2% | \$3,391.0 |
| Sales Tax (GRFs) | \$5,675.5 | \$5,449.4 | \$226.1 | 4.1% | \$7,348.0 |
| Public Utilities (GRFs) | \$774.3 | \$778.4 | -\$4.1 | -0.5% | \$1,032.0 |
| Estate Tax (GRF) | \$184.5 | \$157.5 | \$27.0 | 17.2% | \$210.0 |
| Liquor (GRF) | \$124.8 | \$124.9 | -\$0.1 | -0.1% | \$165.0 |
| Insurance Tax (GRFs) | \$206.8 | \$223.4 | -\$16.6 | -7.4% | \$350.0 |
| Corp. Franchise Tax (GRF) | \$159.5 | \$157.8 | \$1.7 | 1.1% | \$203.0 |
| Private Vehicle Use Tax (GRF) | \$20.5 | \$19.1 | \$1.5 | 7.8% | \$27.0 |

*IDOR forecast for the Hotel Tax was revised in January.

Each month this table will be updated. Each quarter, we will provide a written report.

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