

ILLINOIS DEPARTMENT OF REVENUE MONTHLY REVENUE REPORT

May

Research Division

Fiscal Year 2013

<http://tax.illinois.gov/AboutIdor/TaxResearch/TaxResearch.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 2013 forecasts.

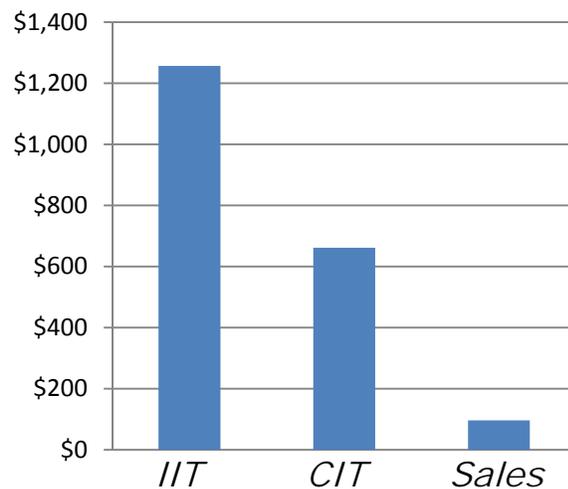
Fiscal year 2013 revenue receipts through May for individual income, corporate income, and sales taxes ("big three" revenue sources) are \$26,626.1 million. Those receipts are \$2,014.8 million above last year and \$1,382.4 million above current estimate.

Individual income tax receipts are \$16,770.7 million. The total is \$1,256.8 million above last year and \$921.0 million above the current estimate.

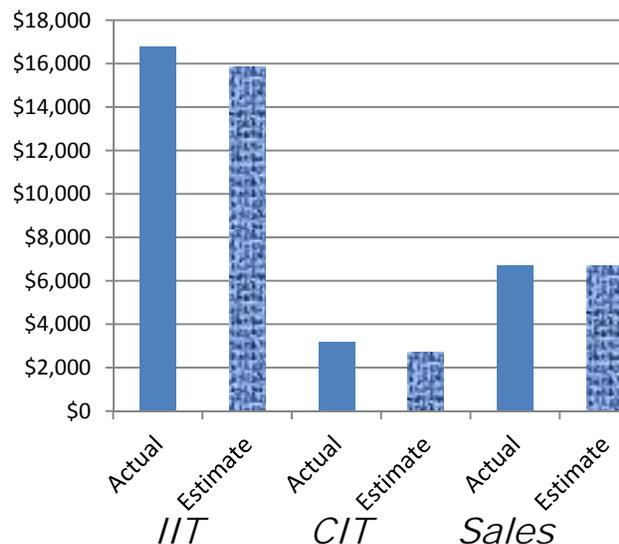
Corporate receipts are \$3,159.8 million. The total is \$661.7 million above last year and \$465.0 million above the current estimate.

Sales tax receipts are \$6,695.6 million. The total is \$96.3 million above last year and \$3.6 million below our current estimate.

**Increase in Year-to-Date Revenues
FY 2012 and FY 2013 (in millions)**



**FY 2013 Year-to-Date Revenues
versus Forecasts (in millions)**



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

➤ Individual Income Tax (IIT)

With just one month of the fiscal year remaining, IIT receipts are 5.8 percent above our year-to-date estimate and 8.1 percent above the first eleven months last year.

May receipts were 10.6 percent (\$146.5 million) below our forecast for the month. We estimate that

more than \$100 million of May's collections were received in June because of payments collected at the end of the month.

Year-to-Date (\$ millions)			
Actual	Forecast	\$ Difference	% Difference
\$16,770.7	\$15,849.7	\$921.0	5.8%
FY 2012	FY 2013	\$ Difference	% Difference
\$15,513.9	\$16,770.7	\$1,256.8	8.1%

Components Year-to-Date (\$ millions)				
	Actual	Forecast	\$ Difference	% Difference
Withholding	\$12,962.7	\$12,955.7	\$7.1	0.1%
Non-Withholding	<u>\$3,808.0</u>	<u>\$2,894.0</u>	<u>\$914.0</u>	<u>31.6%</u>
Total	\$16,770.7	\$15,849.7	\$921.0	5.8%
	FY 2012	FY 2013	\$ Difference	% Difference
Withholding	\$12,656.2	\$12,962.7	\$306.5	2.4%
Non-Withholding	<u>\$2,857.7</u>	<u>\$3,808.0</u>	<u>\$950.3</u>	<u>33.3%</u>
Total	\$15,513.9	\$16,770.7	\$1,256.8	8.1%

Payment totals match the Comptroller's receipts. Withholding and non-withholding 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)

CIT receipts were \$129.1 million in May, slightly below receipts of \$143.4 million in May 2012.

Year-to-date CIT receipts are \$3,159.8 million, compared with a revised year-to-date forecast of \$2,694.8 million. Year-to-date CIT receipts have already exceeded the full fiscal year 2013 revised forecast of \$3,088.0 million by about \$72 million.

Year-to-Date Comparison (\$ millions)

Actual	Estimate	\$ Difference	% Difference
\$3,159.8	\$2,694.8	\$465.0	17.3%
FY 2012	FY 2013	\$ Difference	% Difference
\$2,498.1	\$3,159.8	\$661.7	26.5%

We are still working to understand the effects of the April surprise for CIT receipts. April CIT receipts came in at \$824.3 million, \$190.6 million above forecast. We are trying to separate the one-time effects related to taxpayers' response to changes in federal tax law from the underlying growth that we saw in April.

➤ Sales & Use Tax

State sales and use tax receipts for the first eleven months of fiscal year 2013 were 1.5 percent above the same period in fiscal year 2012 and just 0.1 percent below our year-to-date forecast.

May 2013 sales and use tax receipts increased 7.1 percent, or \$42.5 million, compared to May receipts last year. Nearly \$17 million of the May

increase was due to a one-time accounting adjustment to the allocation of state sales tax.

Year-to-Date Comparison (\$ millions)			
Actual	Forecast	\$ Difference	% Difference
\$6,695.6	\$6,699.2	-\$3.6	-0.1%
FY 2012	FY 2013	\$ Difference	% Difference
\$6,599.3	\$6,695.6	\$96.3	1.5%

Year-to-Date Comparison (\$ millions)				
	FY 2012	FY 2013	\$ Difference	% Difference
Vehicles	\$885.1	\$961.0	\$76.0	8.6%
Motor fuel*	\$717.8	\$709.6	-\$8.1	-1.1%
<u>All else</u>	<u>\$4,996.4</u>	<u>\$5,024.9</u>	<u>\$28.4</u>	<u>0.6%</u>
Total	\$6,599.3	\$6,695.6	\$96.3	1.5%

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

➤ Public Utilities Taxes

Telecommunications –

General Revenue Fund year-to-date receipts were \$454.2 million, which was \$21.5 million below forecast.

Electricity – Receipts

through May were \$369.9 million, 2.3 percent below forecast.

Natural Gas – Year-to-

date receipts were \$132.3 million, which is \$24.5 million (15.6 percent) below forecast. Taxpayers have used approximately \$10.0 million in credits for overpayments to meet their fiscal year 2013 tax liabilities, helping to push receipts below forecast. The overpayments were due to last year’s unusually warm weather, which led to less natural gas usage than providers expected when making their estimated tax payments.

Year-to-Date (\$ millions)				
	Actual	Forecast	\$ Difference	% Difference
Telecommunications	\$454.2	\$475.6	-\$21.5	- 4.5%
Electricity	\$369.9	\$378.5	- \$8.7	- 2.3%
Natural gas	\$132.3	\$156.8	-\$24.5	-15.6%

	FY 2012	FY 2013	\$ Difference	% Difference
Telecommunications	\$428.0	\$454.2	\$26.2	6.1%
Electricity	\$364.4	\$369.9	\$5.5	1.5%
Natural gas	\$139.4	\$132.3	- \$7.1	-5.1%

➤ Cigarette Taxes

Cigarette tax receipts pulled ahead of our year-to-date forecast for all funds in May thanks to stronger-than-expected stamp sales during the month.

Year-to-Date (\$ millions)		*Includes general revenue funds		
	Actual	Forecast	\$ Difference	% Difference
All Funds	\$723.8	\$699.7	\$ 24.1	3.4%
General Revenue Fund	\$321.2	\$325.4	- \$4.2	-1.3%
	FY 2012	FY 2013	\$ Difference	% Difference
All Funds	\$481.6	\$723.8	\$242.2	50.3%
General Revenue Fund	\$325.0	\$321.2	- \$3.8	-1.2%

➤ Tobacco Products Tax

Year-to-date receipts are still slightly ahead of forecast.

Year-to-Date (\$ millions)			
Actual	Forecast	\$ Difference	% Difference
\$39.6	\$38.1	\$1.5	3.9%
FY 2012	FY 2013	\$ Difference	% Difference
\$26.4	\$39.6	\$13.2	50.0%

➤ Estate Tax

May estate tax receipts for all funds were \$44.9 million, which was \$24.7 million above the May forecast of \$20.2 million. This modest bump in revenue was due to a small number of estates unexpectedly remitting a

combined \$30 million for estate closures that occurred in 2012. This \$30 million, combined with the one-time remittance of \$41.8 million from all counties in July (discussed in previous reports), contributed to year-to-date receipts exceeding the year-to-date forecast by \$66.2 million for all funds. As receipts return to the normal level in June, we expect year-end receipts will be about \$60 million above our fiscal year 2013 forecast for all funds.

FY2013 Year-to-Date (millions)				
	Actual	Forecast	\$ Difference	% Difference
All Funds	\$288.1	\$221.8	\$66.2	29.9%
General Revenue Fund	\$273.3	\$208.5	\$64.8	31.1%
	FY 2012	FY 2013	\$ Difference	% Difference
All Funds	\$214.1	\$288.1	\$74.0	34.6%
General Revenue Fund	\$201.3	\$273.3	\$72.0	35.8%

➤ Liquor Tax

Receipts for the first eleven months of fiscal year 2013 increased 0.2 percent compared to the same period last year and were 0.9 percent below our revised year-to-date forecast.

Year-to-Date (\$ millions)	*Includes General Revenue Fund			
	Actual	Forecast	\$ Difference	% Difference
All Funds*	\$254.0	\$256.4	-\$2.4	-0.9%
General Revenue Fund	\$149.6	\$150.9	-\$1.4	-0.9%
	FY 2012	FY 2013	\$ Difference	% Difference
All Funds*	\$253.5	\$254.0	\$0.5	0.2%
General Revenue Fund	\$149.3	\$149.6	\$0.3	0.2%

➤ Hotel Operators' Occupation Tax (HOOT)

May's monthly receipts of \$20.9 million (All Funds) were 24.3 percent above our May forecast. This result was due in part to some April collections being receipted in May. HOOT receipts are still just slightly above our year-to-date forecast.

Year-to-Date (\$ millions)	*Includes general revenue funds			
	Actual	Forecast	\$ Difference	% Difference
All Funds*	\$201.0	\$198.1	\$2.9	1.5%
General Revenue Fund	\$37.4	\$36.5	\$0.9	2.5%
	FY 2012	FY 2013	\$ Difference	% Difference
All Funds*	\$191.8	\$201.0	\$9.2	4.8%
General Revenue Fund	\$33.8	\$37.4	\$3.6	10.7%

➤ Motor Fuel Taxes

Year-to-Date (\$ millions)		IFTA	
Actual	Forecast	\$ Difference	% Difference
\$62.5	\$59.9	\$2.6	4.4%
FY 2012	FY 2013	\$ Difference	% Difference
\$66.9	\$62.5	-\$4.4	-6.6%

Year-to-Date (\$ millions)		Regular MFT	
Actual	Forecast	\$ Difference	% Difference
\$1,029.6	\$1,042.4	-\$12.9	-1.2%
FY 2012	FY 2013	\$ Difference	% Difference
\$1,047.8	\$1,029.6	-\$18.3	-1.7%

Year-to-Date (\$ millions)		UST	
Actual	Forecast	\$ Difference	% Difference
\$64.2	\$63.2	\$1.1	1.7%
FY 2012	FY 2013	\$ Difference	% Difference
\$63.5	\$64.2	\$0.7	1.1%

Combined motor fuel tax receipts (regular MFT, IFTA, and UST) for the first eleven months of fiscal year 2013 were 1.9 percent (\$22.0 million) below the same period last year and 0.8 percent (\$9.2 million) below our revised year-to-date forecast.

➤ Real Estate Transfer Tax (RETT)

As described in last month's report, the receipts adjustment that was made in May 2012 to account for the \$4.5 million in receipts that were incorrectly deposited into the Rental Housing Support Fund is now a part of the fiscal year 2012 year-to-date calculation.

Year-to-Date (\$ millions)			
Actual \$48.9	Forecast \$39.0	\$ Difference \$9.9	% Difference 25.4%
FY 2012 \$37.2	FY 2013 \$48.9	\$ Difference \$11.7	% Difference 31.5%

May's fiscal year 2013 receipts of \$9.2 million were significantly higher than our monthly forecast of \$4.2 million. Accounting for some of this difference was \$2 million of April receipts posted in May. The rest of the increase can be attributed to a much healthier real estate market in Illinois. The Illinois Association of Realtors' most recent report states that April home sales were up by 25.3 percent over last April, with a median price increase of 7.7 percent. Receipts now outpace the year-to-date forecast by 25.4 percent.

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

Revenue Source Receipts (millions)	May FY2012	May FY2013	FY 2012 YTD	FY 2013 YTD	YTD FY 2013 vs. YTD FY 2012		FY 2013 YTD Forecasts	YTD FY 2013 vs. YTD Forecasts		FY 2011 Total	FY 2012 Total	FY 2013 Estimate
Individual Income Tax (IIT)	\$1,399.9	\$1,232.9	\$15,513.9	\$16,770.7	\$1,256.8	8.1%	\$15,849.7	\$921.0	5.8%	\$12,301.8	\$16,999.8	\$17,359.0
Corporate Income Tax (CIT)	\$143.4	\$129.1	\$2,498.1	\$3,159.8	\$661.7	26.5%	\$2,694.8	\$465.0	17.3%	\$2,285.7	\$2,983.0	\$3,088.0
Sales Tax (GRFs)	\$596.4	\$638.9	\$6,599.3	\$6,695.6	\$96.3	1.5%	\$6,699.2	-\$3.6	-0.1%	\$6,833.0	\$7,225.6	\$7,335.0
Public Utilities (GRFs)	\$72.5	\$104.0	\$931.8	\$956.4	\$24.6	2.6%	\$1,011.0	-\$54.6	-5.4%	\$1,147.2	\$994.7	\$1,101.0
Telecommunications	\$26.4	\$50.9	\$428.0	\$454.2	\$26.2	6.1%	\$475.6	-\$21.5	-4.5%	\$586.9	\$459.6	\$525.0
Electricity	\$29.6	\$32.6	\$364.4	\$369.9	\$5.5	1.5%	\$378.5	-\$8.7	-2.3%	\$401.2	\$390.0	\$409.0
Gas	\$16.4	\$20.5	\$139.4	\$132.3	-\$7.1	-5.1%	\$156.8	-\$24.5	-15.6%	\$159.1	\$145.2	\$167.0
Estate Tax (GRFs)	\$17.5	\$42.2	\$201.3	\$273.3	\$72.0	35.8%	\$208.5	\$64.8	31.1%	\$122.2	\$234.8	\$228.0
Cigarette (All Funds)	\$53.8	\$88.7	\$481.6	\$723.8	\$242.2	50.3%	\$699.7	\$24.1	3.4%	\$560.8	\$577.4	\$788.0
Tobacco Products	\$2.3	\$3.0	\$26.4	\$39.6	\$13.2	50.0%	\$38.1	\$1.5	3.9%	\$27.4	\$29.0	\$40.0
Regular Motor Fuel Tax	\$96.8	\$109.2	\$1,047.8	\$1,029.6	-\$18.3	-1.7%	\$1,042.4	-\$12.9	-1.2%	\$1,157.6	\$1,145.3	\$1,140.0
Motor Fuel - IFTA	\$6.7	\$10.4	\$66.9	\$62.5	-\$4.4	-6.6%	\$59.9	\$2.6	4.4%	\$84.9	\$75.1	\$68.0
Ug. Storage Tank	\$5.3	\$9.7	\$63.5	\$64.2	\$0.7	1.1%	\$63.2	\$1.1	1.7%	\$71.2	\$69.5	\$69.0
Liquor (GRF)	\$12.4	\$12.1	\$149.3	\$149.6	\$0.3	0.2%	\$150.9	-\$1.4	-0.9%	\$157.4	\$164.4	\$166.0
Insurance Tax (GRFs)	\$5.1	\$3.7	\$281.0	\$270.0	-\$11.0	-3.9%	\$255.5	\$14.5	5.7%	\$316.1	\$344.6	\$315.0
Franchise Tax (Corp Division)	\$17.5	\$18.6	\$179.3	\$192.5	\$13.2	7.4%	\$187.7	\$4.8	2.6%	\$207.3	\$191.6	\$203.0
Real Estate Transfer Tax	\$8.7	\$9.2	\$37.2	\$48.9	\$11.7	31.5%	\$39.0	\$9.9	25.4%	\$38.0	\$42.0	\$43.0
Private Vehicle Use (GRFs)	\$2.7	\$2.9	\$26.4	\$23.0	-\$3.4	-12.8%	\$24.8	-\$1.8	-7.3%	\$30.3	\$28.7	\$27.0
Hotel Tax (All Funds)	\$17.8	\$20.9	\$191.8	\$201.0	\$9.2	4.8%	\$198.1	\$2.9	1.5%	\$191.7	\$207.9	\$216.0