Commission on Government Forecasting and Accountability

802 Stratton Ofc. Bldg., Springfield, IL 62706

MONTHLY BRIEFING FOR THE MONTH ENDED: APRIL 2022

http://cgfa.ilga.gov

INSIDE THIS ISSUE

Stagflation: A Stagnating Economy with High Inflation

Benjamin L. Varner, Senior Analyst and Economic Specialist

With recent economic events, some economic prognosticators are becoming concerned that the U.S. economy may be beginning to go through a period of stagflation. According to Business Insider, stagflation is a combination of the words stagnation and inflation. It describes an economic condition characterized by slow growth and high unemployment (economic stagnation) mixed with rising prices (inflation). The origination of the term stagflation is often credited to British Conservative Party politician Ian Macleod in a speech to the House of Commons in November of 1965. He stated "We now have the worst of both worlds — not just inflation on the one side or stagnation on the other, but both of them together. We have a sort of 'stagflation' situation. And history, in modern terms, is indeed being made."

Stagflation is also usually associated with economic shocks which can apply to both the supply and the demand for goods and services. The Federal Reserve Bank of St. Louis defines a supply shock as an unexpected event that changes the aggregate (i.e., total) supply of goods and services in a market, up or down. In the context of history, supply shocks have been caused by things like weather, war, and labor strikes. COVID-19's supply chain disruptions could be seen as a supply shock as well. Demand shocks can also affect prices. For example, the COVID-19 pandemic greatly increased the demand for hand sanitizer and respirators which led to higher prices.

The best example of stagflation in the U.S. occurred in the 1970s. Multiple events led to a long period of slow growth with high inflation and high unemployment. The post-World War II economic boom had begun to fade by the late 1960s. Greater international economic competition, a loss of manufacturing jobs, and the expensive war in Vietnam had led to a state of increasing unemployment and higher prices. To counteract this, the Nixon administration introduced several policies in 1971 including a 90-day freeze on wages and prices and the removal of the U.S. from the gold standard. These policy changes have been called the "Nixon Shock." Another event that set the stage for stagflation was the oil embargo by the members of the Organization of Arab Petroleum Exporting Countries (OPEC) in 1973. This was a supply shock that increased the price of oil. The cost of a barrel of oil had nearly quadrupled by the time the embargo ended. Another oil supply shock would occur in 1979 related to the Iranian Revolution. In addition to these supply shocks, the Federal Reserve implemented accommodative monetary policy to try and ensure full employment which led to an expansion of the money supply and higher prices.

The 1970s and early 1980s were a period of time with slow growth with higher than normal unemployment rates and inflation. This state of stagflation in the economy was finally broken by concerted effort to get inflation under control by the Federal Reserve, directed by its Chairman, Paul Volcker. The Fed raised the federal funds rate to a peak of around 20% in June of 1981 which led to an eventual decline in inflation rates. Unfortunately, the U.S. economy went through a double-dip recession in the early 1980s as Volker was implementing his tight money and high interest rate policies.

Some economists have suggested that the U.S. economy is potentially entering a period of stagflation. In an opinion piece in the Washington Post in March, Lawrence Summers, a former Secretary of the Treasury during the Clinton Administration and an economic advisor to the Obama Administration, indicated that the conditions for stagflation were present. He stated that "The Fed's current policy trajectory is likely to lead to stagflation, with average unemployment and inflation both averaging over 5 percent over the next few years — and ultimately to a major recession." He indicated that he believed that current Fed policy did not fully comprehend the risks of high inflation. He went on to write that "With extraordinarily tight labor markets getting tighter by the best available measures, and wage inflation running at 6 percent and accelerating, high inflation was a major risk even before the events of recent weeks. We now face major new inflation pressures from higher energy prices, sharp run-ups in grain prices due to the Ukraine war, and potentially many more supply-chain interruptions as [COVID-19] forces lockdowns in China." Similarly, the World Bank recently warned that the increase in energy prices over the last two years and the supply shock in food commodities associated with the war in Ukraine have raised the specter of stagflation around the world. The World Bank stated that prices will remain at historically high levels through the end of 2024.

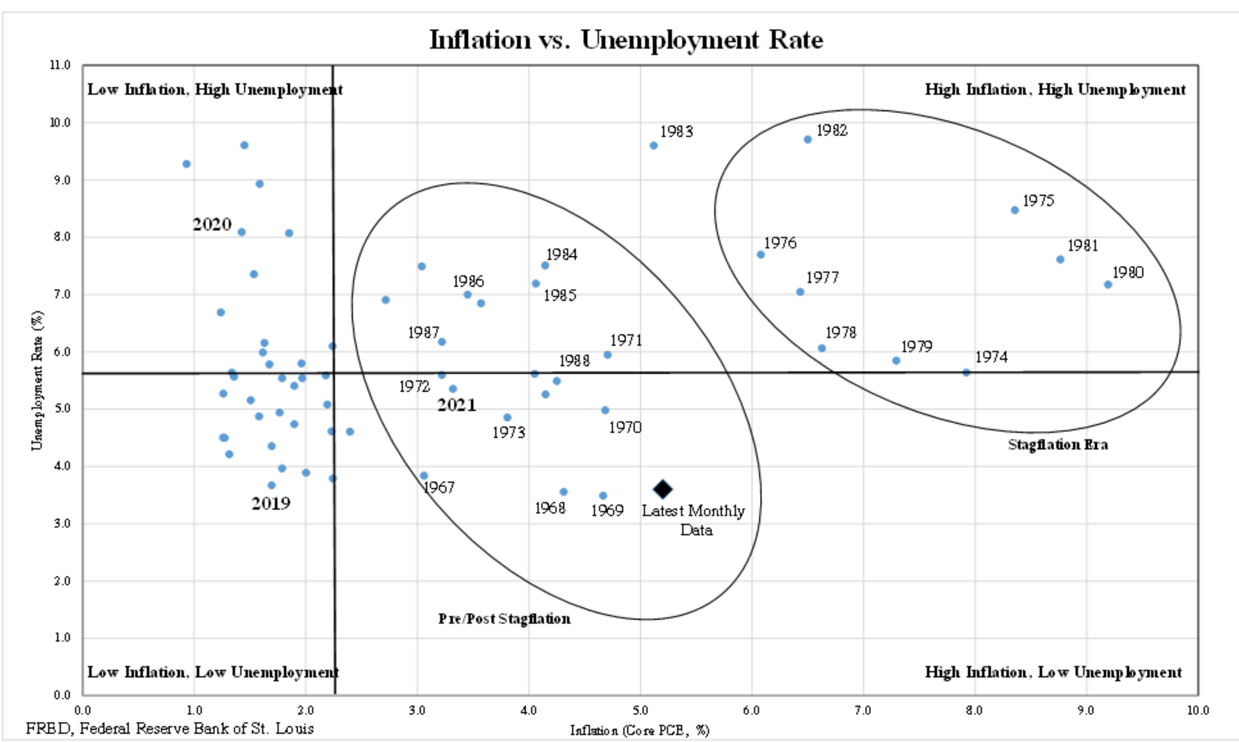
Looking at the current economic environment and expectations for economic indicators that are associated with stagflation tells a mixed story. Similar to the early 1970s, the current economic environment is volatile. The COVID-19 pandemic has led to supply shocks associated at all levels of the product value chain as well as shortages in the supply of labor. Current health measures to curtail the pandemic in China will likely lead to continued supply chain issues. Added to this unstable mix is the shock associated with the war in Ukraine which will likely maintain upward pressure on prices especially energy and food-related products.

Recent growth in the economy as measured by real Gross Domestic Product (GDP) has been greatly affected by the rise and fall of COVID-19 cases. The first half of 2021 saw growth of over 6% as the virus abated. This growth was dampened by the Delta variant which slowed growth to 2.3% in the third quarter. With a decline in cases, the pace of growth quickened to 6.9% in the fourth quarter. The advance estimate for the first quarter of 2022 shows a decline of -1.4% as continued strong consumer and business spending despite the onset of the Omicron variant could not offset a large increase in the trade deficit, a decline in inventories, and a slow-down in government spending. Current expectations are for a rebound in growth in the second quarter, followed by moderate growth for the rest of the year and into 2023.

Economic projections in recent months have been indicating a higher risk of recession, often associated with inflation and the policy direction the Federal Reserve will have to take in dealing with inflation. Numerous measures of inflation have been indicating that current price increases are the highest since the early 1980s. Inflation levels are forecast to continue to be extremely high for most of the year before falling off in 2023. The Federal Reserve's Open Market Committee raised interest rates 0.25% for the first time since December of 2018 in March to begin to counteract the high levels of inflation. Expectations are for the Fed to continue to raise interest rates throughout the year and into 2023.

While these previous aspects of the economy seem to indicate that stagflation could be present, the unemployment rate is telling a different story. The unemployment rate for the U.S. was 3.6% in March. This was up from the 3.5% rate in February but remains one of the lowest rates since just before the pandemic and the late 1960s prior to that. Illinois' unemployment rate sat at 4.7% in March which is higher than the country as a whole but still quite low when compared to historical data for the State.

The table below shows the interaction of inflation and the employment rate on an annual basis. As shown in the table, the latter years associated with stagflation stand apart from the rest of the data. The years 1974 to 1982 are located in the upper right quadrant which indicates high levels of inflation and a high unemployment rate. The most recent years are located throughout the other quadrants. There was low inflation and low unemployment prior to the pandemic (2019). The unemployment rate jumped in 2020 but inflation remained in check. In 2021, the unemployment rate lowered back down but inflation increased. The latest monthly readings of core personal consumption expenditure (PCE) inflation (5.2%) and unemployment (3.6%) would put the current state of the economy among a group of years with moderately high levels of inflation with both high and low unemployment. The years leading into the stagflation era would be associated with the low unemployment portion of this grouping, while the years following the stagflation era would make up the high unemployment years of the grouping.



Overall, the economy is in a volatile state but is not currently experiencing the depths of stagflation seen in the late 1970s. However, the economy does appear to be at levels similar to the years leading into that time period. The future of where the economy actually goes likely depends how well the Fed implements a changing policy from a more accommodative stance, seeking to ensure full employment, to a more restrictive monetary policy, designed to curtail the rise in prices. It will be a difficult task to get inflation under control without throwing the economy into recession (often referred to as a "hard landing"). In addition to the change in direction of monetary policy, the continuation or abatement of supply chain issues will have an impact on the economy. In April, economic forecasters predicted economic growth of 3.2% for the U.S. in 2022 with an average unemployment rate of 3.6% and inflation of 5.0%. For this scenario to come to fruition, the Fed's policy transition would likely have to be implemented somewhat smoothly with no large decrease in demand which could lead to an increase in the unemployment rate.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

INDICATORS*	LATEST MONTH	PRIOR MONTH	A YEAR AGO
Unemployment Rate (Average) (Mar.)	4.7%	4.8%	6.7%
Inflation in Chicago (12-month percent change) (Mar.)	7.8%	7.1%	2.6%

	LATEST MONTH	CHANGE OVER PRIOR MONTH	CHANGE OVER A YEAR AGO
Civilian Labor Force (thousands) (Mar.)	6,430.8	0.4%	2.2%
Employment (thousands) (Mar.)	6,131.5	0.6%	4.5%
Nonfarm Payroll Employment (Mar.)	5,994,400	18,300	238,300
New Car & Truck Registration (Mar.)	35,846	35.5%	-31.9%
Single Family Housing Permits (Mar.)	1,037	67.0%	0.5%
Total Exports ($ mil) (Feb.)	5,698.9	1.5%	18.1%
Chicago Purchasing Managers Index (Apr.)	56.4	-10.3%	-21.8%

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

Moody's Upgrades Illinois' Bond Ratings to Baa1

By Lynnae Kapp, Senior Analyst

Moody's upgraded Illinois General Obligation bonds and Build Illinois bonds to Baa1 with a stable outlook in April 2022. This comes after Moody's upgraded the State in June of 2021 to Baa2 from Baa3, where the State had been since June 2017.

"The upgrade to Baa1 reflects the state's solid tax revenue growth over the past year, which expanded its capacity to rebuild financial reserves and increase payments towards unfunded liabilities. The state is on track to close the current fiscal 2022 with its strongest fund balance in over a decade, which is net of complete repayment of borrowing from the US Federal Reserve's Municipal Liquidity Facility and reflects continued progress towards paying down accounts payable. The state is also increasing pension contributions, indicating increased commitment to paying its single-largest long-term liability.

"The rating balances the state's recent financial progress with underlying challenges that will remain in place for some time. These challenges include heavy long-term liability and fixed cost burdens that constrain the state's financial flexibility and contribute to a weak financial position compared to other states, despite the recent improvement in fund balance. Moreover, the Illinois economy has for the past decade expanded at a slower pace than most states and will likely continue to do so given a weak population trend.

"The stable outlook balances the financial progress being made by the state with the uncertainty of the present economic climate. The state's lean financial reserves, and heavy long-term liability and fixed cost burdens make it more vulnerable than other states to a negative shift in the national or global economy, which presently limits the probability of further rating improvement." [*Moody's upgrades the State of Illinois to Baa1; outlook stable*, Moody's Investor Service, 21 April 2022]

ILLINOIS GENERAL OBLIGATION BOND RATINGS

Rating Agencies	June 2010	Jan 2012	Aug 2012	Jan 2013	June 2013	Oct 2015	Jun 2016	Sep 2016	Feb 2017	Jun 2017	Apr 2020	Jun-Jul 2021	April 2022
Fitch Ratings	A	A	A	A	A-	BBB+	BBB+	BBB+	BBB	BBB	BBB-	BBB-	BBB-
Standard & Poor's	A+	A+	A	A -	A -	A -	BBB+	BBB	BBB	BBB-	BBB-	BBB	BBB
Moody's	A1	A2	A2	A2	A3	Baa1	Baa2	Baa2	Baa2	Baa3	Baa3	Baa2	Baa1

BUILD ILLINOIS BOND RATINGS HISTORY

Rating Agencies	Mar-Apr 2010*	June 2010	Jan 2012	June 2013	Oct 2015	Jun 2016	Jun 2017	May 2018	Oct 2018	Apr 2020	Jun-Jul 2021	April 2022
Fitch Ratings	AA+	AA+	AA+	AA+	AA+	AA+	AA+	A-	A-	BBB+	BBB+	BBB+
Standard & Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AA-	AA-	BBB	BBB	BBB+	BBB+
Moody's	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Baa3	Baa3	Baa3	Baa2	Baa1
Kroll									AA+		AA+	AA+

The Continuing Volatility of April Tax Receipts

Eric Noggle, Senior Revenue Analyst

Last year at this time, the Commission offered a discussion of the volatility of April income tax receipts due to the wide swings of revenues that have occurred over the last decade for this particular month. As is highlighted in the revenue portion of the monthly, April's revenue volatility has continued in 2022 with net personal income tax receipts growing a massive 99.4% this month and net corporate income tax receipts rising 61.5%. In light of this, it seems appropriate to revisit the reasons behind the ups and downs of April receipts over the last decade and to provide some details behind the April 2022 substantial increase. This section concludes with a discussion why a revenue swing in the opposite direction is anticipated for April 2023.

Historically, the month of April is one of the most important months for State tax revenues. Over the last decade, on average, nearly 14% of personal income taxes and 22% of corporate income taxes are receipted during this single month. Normally, the outcome of April tax collections goes a long way in deciding how the overall revenue performance of a particular fiscal year is judged. However, over the last decade, there have been very few "normal" years, which has made revenue estimating extremely challenging.

From the revenue-positive "April surprises" to the pandemic-laden "perfect storm" of FY 2020, over the last decade April's income tax receipts have experienced significant fluctuation. The following charts and accompanying tables on pages 8 and 9 illustrate those significant swings in revenues since FY 2010, along with a brief explanation of the keys behind that volatility. In essence, the largest contributors to those swings can be attributed to:

- The multiple changes in the State's income tax rates—both increases and decreases—and the multiple year-over-year effect that these changes have had on April receipts.
- Substantial federal tax policy changes that encouraged filing changes in taxpayer behavior and timing of receipts. While those periods may create a positive "April Surprise" of revenues in the initial year, an accompanying falloff in revenues in April of the following year can result.
- Pandemic inspired delays in final payment deadlines over the last couple of years have moved revenues that typically are receipted in April to instead fall into subsequent months. The tax deadline in 2020 was shifted to July 15th, which caused approximately $1.3 billion in revenues that would have been receipted in FY 2020 to fall into early FY 2021.
- The tax deadline for 2021 was also delayed. However, the deadline for individual tax filers was moved back only one month—to May 17th. [The tax deadline for corporate tax filers was not extended this time]. Although a May deadline meant that final payments remained in FY 2021 (thereby, effectively giving FY 2021 two periods of final payments), this one-month delay meant that April receipts in FY 2021 were again "not normal".

In 2022, the tax deadline returned to its typical mid-April date. This meant that the final push of individual tax filings in this year was completed in April, as opposed to May, as was done last year. Because of this, it comes as no surprise that April 2022 receipts are higher than the previous year. However, the magnitude of the 99.4% net increase indicates that the strong performance has been enhanced by other factors.

Throughout FY 2022, income tax receipts from individual withholding-related revenues have been quite impressive. Through the first nine months of the fiscal year, withholding receipts were up approximately 9%. In addition, taxable capital gains of the higher earners in Illinois were likely well-above average as market conditions in 2021 were exceptionally strong. [For example, the S&P 500 rose 26.89% for the year, the Dow gained 18.73%, and the NASDAQ increased 21.39% during 2021].

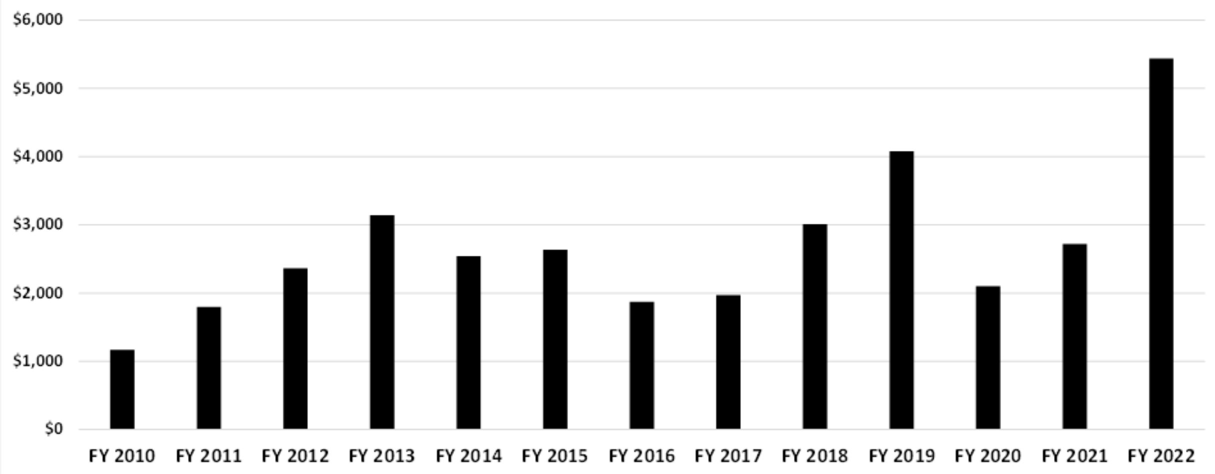
The significant growth in withholding taxes, coupled with the expected boost in capital gains-related tax revenue has likely led to increased levels of final payments for this April filing period. [Data confirming this assumption will be released by the Department of Revenue in the coming months]. When these receipts are compared to April 2021 figures that did not contain its full allotment of final payments, extraordinary growth results.

In terms of corporate revenues, strong economic performance with the aid of federal stimulus dollars also lead to robust levels of corporate profits in Tax Year 2021. The Bureau of Economic Analysis in March announced that corporate pretax profits surged 25% year over year in 2021, which marked the largest annual increase since 1976, according to the Federal Reserve. These high levels of corporate profits have led to significant growth in Illinois' corporate income tax revenues throughout FY 2022. In light of this growth, it comes as no surprise that April 2022 receipts, which include the final tax payments of many corporations for Tax Year 2021, are up 61.5% on a net basis compared to April 2021. It should be noted that, unlike the individual tax deadline, the corporate filing deadline date in 2021 was not delayed to May. This means that this final payment activity seen for corporations this April is an "apples to apples" comparison, providing more credence to the exceptional performance of corporate profits and resulting revenues in FY 2022.

The negative aspect of this robust performance of income tax receipts in FY 2022 is that it will be extremely difficult to repeat. Furthermore, there are several factors that could potentially limit income tax revenue growth entering into FY 2023, including the impact of rising inflation on the economic activity; the lack of repeated federal stimulus dollars; the potential economic impact of additional COVID-19 variants; and the possible fallout of continued geopolitical uncertainty involving Russia and the Ukraine. The Commission has kept these potential mitigating factors in mind when projecting next fiscal year's revenue estimates. This is why stagnant to negative growth is expected in FY 2023 from income tax related sources, despite the sensational performance of tax receipts in FY 2022. For these reasons, it would not be surprising to see another swing in April receipts in 2023, this time in the negative direction, especially when considering the extraordinary base to which it will be compared.

The Recent Volatility of April Individual Income Tax Receipts {Gross}

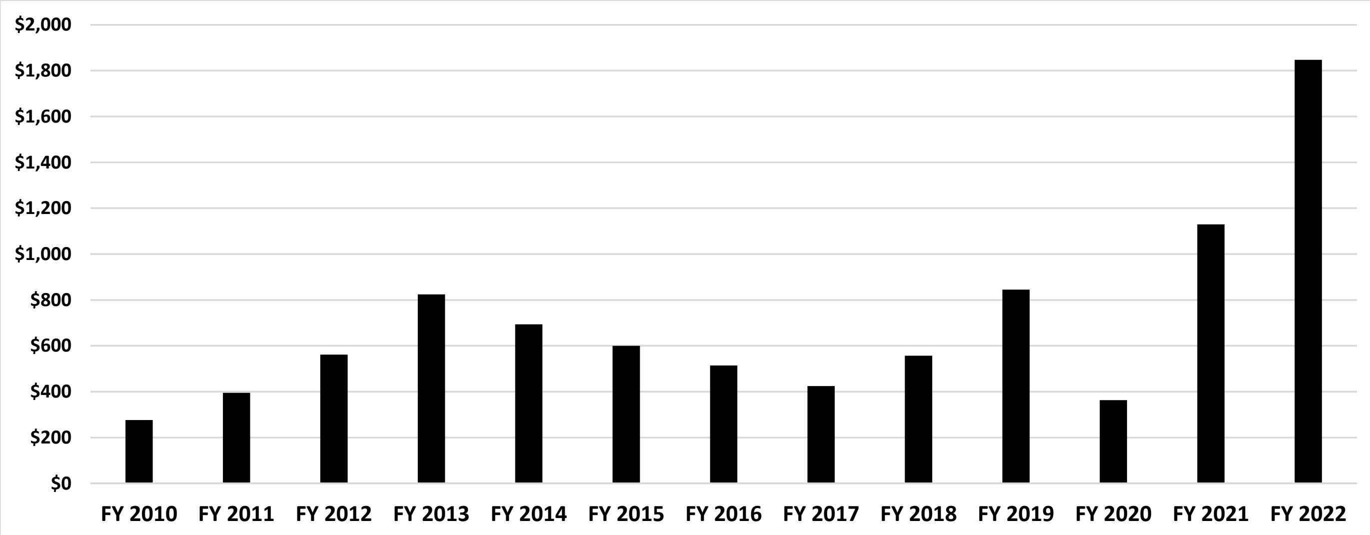
$ in millions



Fiscal Year	April Tax Receipts (Gross) ($ in mil)	Yr/Yr Difference ($ in mil)	April % of Fiscal Year Total	Applicable Final Payment Tax Rate	Applicable Withholding Payment Tax Rate	Reason for Volatility
FY 2010	$1,169	($103)	12.4%	3.00%	3.00%	Last fiscal year with income tax rate at 3%, as State struggles to recover from the Great Recession.
FY 2011	$1,797	$628	14.6%	3.00%	5.00%	Tax rate increased from 3% to 5% on January 1, 2011.
FY 2012	$2,364	$567	13.9%	5.00%	5.00%	Higher tax rate fully imposed in both final payments and withholding payments.
FY 2013	$3,145	$781	17.2%	5.00%	5.00%	"April Surprise" due to taxpayer behavior in anticipation of higher federal taxes in Tax Year 2013.
FY 2014	$2,538	($607)	13.8%	5.00%	5.00%	"Falloff" due to tax receipts being compared to prior year "April Surprise".
FY 2015	$2,634	$96	14.9%	5.00%	3.75%	Tax rate lowered from 5% to 3.75% on Jan 1, 2015. However, strong base performance offset effects of lower tax rate.
FY 2016	$1,872	($761)	12.2%	3.75%	3.75%	Lower tax rate fully imposed in both final and withholding payments.
FY 2017	$1,971	$99	12.8%	3.75%	3.75%	No major year-over-year tax changes.
FY 2018	$3,012	$1,040	14.5%	4.35%	4.95%	Tax rate increased from 3.75% to 4.95% on July 1, 2017. Tax Year 2017 with a blended final payment rate of 4.35%.
FY 2019	$4,079	$1,068	18.0%	4.95%	4.95%	Another "April Surprise" due to non-wage income and timing of tax payments as a result of more Federal tax modifications.
FY 2020	$2,102	($1,977)	9.7%	4.95%	4.95%	Due to pandemic, tax deadline was delayed from April 15th to July 15th, thereby lowering April's receipts.
FY 2021	$2,721	$618	10.3%	4.95%	4.95%	Tax deadline again delayed from April 15th to May 17th. Fewer filers delaying payment results in yr/yr growth, but monthly totals still below "typical" April.
FY 2022	$5,440	$2,719	N/A	4.95%	4.95%	Tax deadline returns to a more typical mid-April deadline. However, compared to the previous fiscal year when many returns were not filed until May, yr/yr growth is high. Strong year of wages & capital gains have contributed to this growth.

The Recent Volatility of April Corporate Income Tax Receipts {Gross}

$ in millions



Fiscal Year	April Tax Receipts (Gross) ($ in mil)	Yr/Yr Difference ($ in mil)	April % of Fiscal Year Total	Applicable Final Payment Tax Rate	Applicable Withholding Payment Tax Rate	Reason for Volatility
FY 2010	$276	($246)	16.8%	4.80%	4.80%	Last fiscal year with income tax rate at 4.8%, as State struggles to recover from the Great Recession.
FY 2011	$395	$119	17.4%	4.80%	7.00%	Tax rate increased from 4.8% to 7% on January 1, 2011.
FY 2012	$562	$166	18.8%	7.00%	7.00%	Higher tax rate fully imposed on both estimated and final payments.
FY 2013	$825	$263	22.4%	7.00%	7.00%	"April Surprise" due to taxpayer behavior in anticipation of higher federal taxes in Tax Year 2013.
FY 2014	$694	($131)	19.1%	7.00%	7.00%	"Falloff" due to tax receipts being compared to prior year "April Surprise".
FY 2015	$600	($94)	19.2%	7.00%	5.25%	Tax rate lowered from 7% to 5.25% on Jan 1, 2015.
FY 2016	$515	($86)	22.1%	5.25%	5.25%	Lower tax rate fully imposed in both estimated and final payments.
FY 2017	$424	($90)	26.4%	5.25%	5.25%	No major year-over-year tax changes.
FY 2018	$557	$133	21.4%	6.13%	7.00%	Tax rate increased from 5.25% to 7% on July 1, 2017. Tax Year 2017 with a blended final payment rate of 6.13%.
FY 2019	$845	$288	27.9%	7.00%	7.00%	Another "April Surprise" due to timing of tax payments as a result of more Federal tax modifications.
FY 2020	$363	($482)	14.0%	7.00%	7.00%	Due to pandemic, tax deadline was delayed from April 15th to July 15th, thereby lowering April's receipts.
FY 2021	$1,130	$767	25.4%	7.00%	7.00%	Tax deadline returns to April 15th, resulting in significant year over year growth. Highest April ever for CIT.
FY 2022	$1,847	$717	N/A	7.00%	7.00%	CIT Tax deadline remaining in mid-April provides "apples to apples" filing comparison. However, extremely strong year of revenues (corporate profits) creates significant yr/yr growth.

Record Month of Income Tax Revenues Creates $3.024 billion General Funds Revenue Increase in April - though Receipt Timing Will Likely Cause a Portion of these Gains to be Offset in May

Eric Noggle, Senior Revenue Analyst

General Funds receipts grew an astonishing $3.024 billion in April. While a notable year-over-year increase was expected because of last year's delay in the individual income tax deadline from April to May, the extent of the increase surpassed even the most optimistic of expectations. The $8.037 billion receipted in April was the highest base revenue total in any month in the State's history. This is despite April having one less receipting day than last year.

A record month of income tax revenues was the primary reason for the huge increase. Gross personal income tax receipts increased $2.719 billion, or $2.312 billion on a net basis. While the specifics of this increase will be dissected in the weeks ahead, the significant gains are likely due to a combination of factors, including: the previously mentioned tax deadline factor, a continuation of solid withholding tax receipts, and the result of 2021's robust tax year of revenues culminating in the form of huge final tax payments. In addition, the strong tax year of corporate profits appears to have manifested into substantial growth in final tax payments, as corporate income tax revenues grew another $717 million in April, or $557 million net. This is despite corporations having a similar mid-April tax deadline as last year. [A more detailed discussion on the factors behind the growth in income tax revenues was provided on page 6].

Sales tax receipts continued its strong fiscal year, adding another $49 million, or $26 million on a net basis. Other increases from State sources came from: inheritance taxes [up $64 million]; insurance taxes [up $11 million]; vehicle use tax [up $5 million]; interest on State funds and investments [up $2 million], and liquor taxes [up $1 million]. A few of the smaller State sources experienced monthly year-over-year declines, including other miscellaneous sources with a $17 million decline; cigarette taxes dropping $9 million; public utility taxes falling $8 million; and corporate franchise taxes down $2 million in April.

Overall transfers into the general funds were collectively up $10 million in April. Small gains for the month were experienced from casino transfers [up $5 million], miscellaneous transfers [up $4 million] and lottery proceeds [up $1 million]. Capping off the incredible month was a $72 million increase in federal source revenues.

Year to Date

With two months of the fiscal year remaining, overall base receipts are up an astonishing $5.965 billion. Much of this growth is due to personal income taxes being up $3.910 billion, or $3.284 billion on a net basis. However, because next month's personal income tax revenues will be compared to May 2021 figures containing delayed final payments, a notable revenue reduction in May 2022 revenues should be anticipated. Therefore, it will not be until May's revenues are included that a more "apples to apples" comparison of year-to-date fiscal year totals of personal tax receipts can be made. Last year's April to May tax deadline delay did not impact corporate income tax receipts. This makes the corporate income tax growth of $1.973 billion (or $1.529 billion net) thru April even more impressive, especially when considering FY 2022 totals are being compared to FY 2021 receipts that benefitted from two sets of final tax payments.

Sales tax receipts continue to improve on its stellar year, now up $852 million on a net basis. The remaining State tax revenue sources are down a combined $22 million thru April. Overall transfers continue to rise above last year's levels and are now up $472 million. A $39 million reduction in refund fund transfers has been offset by increases in other areas, including $354 million in gains from miscellaneous transfers; $121 million from the return of casino transfers and related proceeds; and $36 million in lottery transfer increases.

Federal sources, when not including the revenues from the ARPA Reimbursement for Essential Government Services, are $150 million below last year's levels with two months of the fiscal year remaining. [If the $439 million of ARPA money that has been receipted in FY 2022 is included, total federal sources are up $289 million].

APRIL

FY 2022 vs. FY 2021

($ million)

Revenue Sources	April FY 2022	April FY 2021	$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	$5,440	$2,721	$2,719	99.9%
Corporate Income Tax (regular)	1,847	1,130	717	63.5%
Sales Taxes	937	888	49	5.5%
Public Utility Taxes (regular)	57	65	(8)	-12.3%
Cigarette Tax	19	28	(9)	-32.1%
Liquor Gallonage Taxes	17	16	1	6.3%
Vehicle Use Tax	8	3	5	166.7%
Inheritance Tax	84	20	64	320.0%
Insurance Taxes and Fees	74	63	11	17.5%
Corporate Franchise Tax & Fees	19	21	(2)	-9.5%
Interest on State Funds & Investments	3	1	2	200.0%
Cook County IGT	0	0	0	N/A
Other Sources	15	32	(17)	-53.1%
Subtotal	$8,520	$4,988	$3,532	70.8%
Transfers				
Lottery	$76	$75	$1	1.3%
Riverboat transfers & receipts	5	0	5	N/A
Proceeds from Sale of 10th license	0	0	0	N/A
Refund Fund transfer	0	0	0	N/A
Other	68	64	4	6.3%
Total State Sources	$8,669	$5,127	$3,542	69.1%
Federal Sources [base]	$625	$553	$72	13.0%
Total Federal & State Sources	$9,294	$5,680	$3,614	63.6%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($503)	($245)	($258)	105.3%
Corporate Income Tax	(278)	(158)	(120)	75.9%
Local Government Distributive Fund				
Personal Income Tax	(299)	(150)	(149)	99.3%
Corporate Income Tax	(107)	(67)	(40)	59.7%
Sales Tax Distributions				
Deposits into Road Fund	(15)	0	(15)	N/A
Distribution to the PTF and DPTF	(55)	(47)	(8)	17.0%
Subtotal General Funds	$8,037	$5,013	$3,024	60.3%
Treasurer's Investments	$0	$0	$0	N/A
Interfund Borrowing	$0	$0	$0	N/A
ARPA Reimb. for Essential Gov't Services	$0	$0	$0	N/A
Short Term Borrowing [MLF]	$0	$0	$0	N/A
Total General Funds	$8,037	$5,013	$3,024	60.3%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 2-May-22

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2022 vs. FY 2021

($ million)

Revenue Sources	**FY 2022**	**FY 2021**	**$ CHANGE**	**% CHANGE**
State Taxes				
Personal Income Tax	$24,744	$20,834	$3,910	18.8%
Corporate Income Tax (regular)	5,464	3,491	1,973	56.5%
Sales Taxes	9,039	7,912	1,127	14.2%
Public Utility Taxes (regular)	622	641	(19)	-3.0%
Cigarette Tax	211	234	(23)	-9.8%
Liquor Gallonage Taxes	157	150	7	4.7%
Vehicle Use Tax	49	30	19	63.3%
Inheritance Tax	518	399	119	29.8%
Insurance Taxes and Fees	379	409	(30)	-7.3%
Corporate Franchise Tax & Fees	181	278	(97)	-34.9%
Interest on State Funds & Investments	13	48	(35)	-72.9%
Cook County IGT	244	244	0	0.0%
Other Sources	217	180	37	20.6%
Subtotal	$41,838	$34,850	$6,988	20.1%
Transfers				
Lottery	$667	$631	$36	5.7%
Riverboat transfers & receipts	117	0	117	N/A
Proceeds from Sale of 10th license	10	6	4	66.7%
Refund Fund transfer	242	281	(39)	-13.9%
Other	761	407	354	87.0%
Total State Sources	$43,635	$36,175	$7,460	20.6%
Federal Sources [base]	$4,177	$4,327	($150)	-3.5%
Total Federal & State Sources	$47,812	$40,502	$7,310	18.0%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($2,289)	($1,875)	($414)	22.1%
Corporate Income Tax	(821)	(489)	(332)	67.9%
Local Government Distributive Fund				
Personal Income Tax	(1,361)	(1,149)	(212)	18.5%
Corporate Income Tax	(318)	(206)	(112)	54.4%
Sales Tax Distributions				
Deposits into Road Fund	(102)	0	(102)	N/A
Distribution to the PTF and DPTF	(497)	(324)	(173)	53.4%
Subtotal General Funds	$42,424	$36,459	$5,965	16.4%
Treasurer's Investments	$0	$400	($400)	N/A
Interfund Borrowing	$0	$0	$0	N/A
ARPA Reimb. for Essential Gov't Services	$439	$0	$439	N/A
Short Term Borrowing [MLF]	$0	$1,998	($1,998)	N/A
Total General Funds	$42,863	$38,857	$4,006	10.3%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 2-May-22