



**STATE OF ILLINOIS
EXECUTIVE OFFICE OF THE GOVERNOR
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
SPRINGFIELD 62706**

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FISCAL YEAR 2025 THIRD QUARTER FINANCIAL REVIEW

THIRD QUARTER RESULTS

Fiscal Year 2025's (FY25) third quarter saw a year-over-year increase of \$22 million in total revenues due to stronger-than-expected receipts from individual income taxes and other sources, offsetting declines in sales taxes, transfers in and federal sources. Third quarter expenditures decreased by \$142 million compared to FY24 third quarter expenditures.

Detailed third-quarter and year-to-date information is presented on the following pages.

SECOND QUARTER REPORT HIGHLIGHT: SPORTS WAGERING

Legalized in 2019, Illinois has become a thriving market for sports wagering, spurred by the proliferation of online and mobile betting. Sports betting has seen a steady climb in revenue since its inception and is projected to continue rising. Sports wagering can be measured through the number of wagers placed, the handle (total money wagered, also referred to as stake), the total payout to bettors, the adjusted gross receipts (AGR) from sports wagering, and the tax revenues, deposited into the Sports Wagering Fund and then transferred to the Capitol Projects Fund and the General Revenue Fund. The number of wagers increased from 304.7 million in FY23 to 336 million in FY24. Handles, payouts, and the adjusted gross receipts from sports wagering all continued to increase, with AGR totaling \$1.1 billion in FY24. In FY25 as of December 2024, Statewide AGR was already at \$609 million, on track to surpass FY24 totals, and \$127 million in tax revenues for the State. A new progressive tax system was enacted for sports wagering starting July 1, 2024. The sports wagering tax system was changed from a flat rate to a graduated rate in calendar year 2024.

ILLINOIS ECONOMIC INDICATORS

Overall, the state's economic conditions continue to track rather closely to the United States economy. Illinois continues to show signs of growth in some areas such as labor force participation and consumer spending. Inflation particularly in Chicago continues to increase above the regional and national averages.

The housing market in Illinois continues to struggle due to lower inventory and constant demand the average home price continues to increase. 30-year fixed mortgage interest rates increased slightly but sales figures have remained higher than anticipated.

Total nonfarm payroll employment dipped to end the third quarter but has overall maintained a positive direction. The unemployment rate continues to hover around 4.8 percent.

GENERAL FUNDS OVERVIEW

GENERAL FUNDS CASH FLOW Third Quarter and Year-to-Date Review				
(\$ in millions)				
	Third Quarter		Year-to-date	
	FY24 Actual	FY25 Actual	FY24 Actual	FY25 Actual
Beginning Backlog at Comptroller	\$ (1,199)	\$ (2,056)	\$ (341)	\$ (966)
Beginning Cash Balance	\$ 3,544	\$ 3,045	\$ 3,852	\$ 4,671
Revenues				
Individual Income Tax	\$ 6,784	\$ 7,255	\$ 17,719	\$ 19,193
Corporate Income Tax	654	502	3,079	2,661
Sales Tax	2,382	2,365	7,850	7,897
Other Sources/Transfers In	1,898	1,763	5,106	4,753
State Source Revenues	\$ 11,716	\$ 11,885	\$ 33,753	\$ 34,504
Federal Sources	1,196	1,049	3,882	3,120
ARPA Reimbursement for Government Services	0	0	0	65
Total Revenues	\$ 12,912	\$ 12,934	\$ 37,633	\$ 37,689
Expenditures				
Current Year Vouchers	\$ 12,424	\$ 12,282	\$ 35,641	\$ 36,707
Prior Year Vouchers	0	0	1,671	1,748
Subtotal, Vouchers Presented	\$ 12,423	\$ 12,282	\$ 37,312	\$ 38,455
Posted Transfers Out	55	52	385	411
Transfer to GO Bond Debt Service Fund	334	479	1,027	1,454
Prior Year Adjustments	(16)	(12)	(41)	(50)
Total Expenditures	\$ 12,796	\$ 12,801	\$ 38,683	\$ 40,270
End of Quarter Cash Balance	\$ 3,769	\$ 3,314	\$ 3,769	\$ 3,314
End of Quarter Backlog at Comptroller	\$ (1,308)	\$ (2,191)	\$ (1,308)	\$ (2,191)

Source: Illinois Office of the Comptroller

Note: Backlog figures do not include bills held at agencies. For information on bills held at agencies please refer to the Backlog Report at budget.illinois.gov or the Office of the Comptroller's Debt Transparency Report.

GENERAL FUNDS CASH FLOW Comparison: Projected versus Actual		
(\$ in millions)		
	Third Quarter	
	Projected	Actual
Cash Balance, Beginning	\$ 3,971	\$ 3,045
Receipts	\$ 37,433	\$ 37,625
IIT	18,924	19,193
CIT	2,695	2,661
Sales	7,902	7,897
Other Sources	2,955	2,978
Transfers In	1,794	1,776
Federal Sources	3,163	3,120
Cash Expenditures	(40,234)	(39,610)
Cash Balance - Budget Stabilization Fund	\$ 2,231	\$ 2,254
Cash Balance - All other General Funds	\$ 1,170	\$ 1,060

Based on revenue projections revised in February 2025.

GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES Third Quarter and Year-to-Date Review

(\$ in millions)

	Third Quarter		Change: FY24 Actual to FY25 Actual		Year-to-Date		Change: FY24 Actual to FY25 Actual	
	FY24 Actual	FY25 Actual	Dollar Change	Percent Change	FY24 Actual	FY25 Actual	Dollar Change	Percent Change
Gross Individual Income Tax	\$ 7,985	\$ 8,538	\$ 553	6.9%	\$ 20,853	\$ 23,870	\$ 3,017	14.5%
Income Tax Refund Fund	(731)	(781)	(50)	6.8%	(1,909)	(2,848)	(939)	49.2%
Local Government Distributive Fund Deposit	(469)	(502)	(33)	6.9%	(1,226)	(1,830)	(604)	49.3%
Net Individual Income Tax	\$ 6,784	\$ 7,255	\$ 470	6.9%	\$ 17,719	\$ 19,193	\$ 1,474	8.3%
Gross Corporate Income	\$ 816	\$ 627	\$ (189)	(23.2%)	\$ 3,843	\$ 3,322	\$ (521)	(13.6%)
Income Tax Refund Fund	(114)	(88)	26	(23.1%)	(538)	(466)	(72)	13.5%
Local Government Distributive Fund Deposit	(48)	(37)	(11)	13.4%	(226)	(196)	(31)	6.8%
Net Corporate Income Tax	\$ 654	\$ 502	\$ (152)	(23.2%)	\$ 3,079	\$ 2,661	\$ (418)	(13.6%)
Gross Sales Tax	\$ 2,750	\$ 2,782	\$ 31	1.1%	\$ 8,519	\$ 8,593	\$ 74	0.9%
Downstate Public Trans/Public Trans Deposits	(216)	(229)	(14)	6.4%	(230)	(159)	70	(30.6%)
Road Fund Deposit	(153)	(187)	(34)	22.5%	(439)	(536)	(97)	22.1%
Net Sales Tax	2,382	2,365	(17)	(0.7%)	7,850	7,897	47	0.6%
Public Utility	\$ 225	\$ 221	(4)	(1.8%)	\$ 533	\$ 553	19	3.7%
Cigarette	42	39	(3)	(7.3%)	149	141	(8)	(5.5%)
Inheritance	142	144	2	1.6%	478	466	(12)	(2.5%)
Liquor	38	41	3	6.8%	132	132	0	0.3%
Insurance	124	162	38	30.6%	299	399	99	33.2%
Corporate Franchise	51	47	(3)	(6.5%)	156	148	(8)	(4.9%)
Investment Income	184	168	(16)	(8.8%)	492	557	65	13.1%
Cook County IGT	244	244	0	0.0%	244	244	0	0.0%
Other	120	127	7	5.9%	294	339	44	15.1%
TOTAL STATE REVENUES	\$ 10,988	\$ 11,315	\$ 326	3.0%	\$ 31,424	\$ 32,728	\$ 1,304	4.1%
Federal Revenues	\$ 1,196	\$ 1,049	\$ (147)	(12.3%)	\$ 3,882	\$ 3,120	\$ (761)	(19.6%)
Transfers In	\$ 728	\$ 570	\$ (158)	(21.7%)	\$ 2,328	\$ 1,775	\$ (553)	(23.7%)
Lottery	215	225	10	4.5%	635	590	(45)	(7.1%)
Gaming/Gaming Taxes	44	51	7	16.8%	125	142	17	13.8%
Adult-Use Cannabis	29	30	1	2.0%	83	85	2	1.8%
Sports Wagering	0	82	82	100.0%	0	133	133	100.0%
Other	440	182	(258)	(58.7%)	1,485	826	(659)	(44.4%)
TOTAL REVENUES	\$ 12,912	\$ 12,934	\$ 22	0.2%	\$ 37,633	\$ 37,624	\$ (9)	(0.0%)
ARPA Reimbursement for Government Services	0	0	0	100.0%	0	65	65	100.0%
TOTAL REVENUES	\$ 12,912	\$ 12,934	\$ 22	0.2%	\$ 37,633	\$ 37,689	\$ 55	0.1%

Source: Illinois Office of the Comptroller

Income Taxes: FY25 year-to-date (YTD) Individual Income Tax net receipts increased by \$1,474 million, or 8.3% from FY24, while FY25 YTD Corporate Income Tax (CIT) net receipts decreased by \$418 million, or 13.6%. \$539 million of income taxes were directly deposited into the Local Government Distributive Fund in the third quarter of FY25.

Sales Taxes: FY25 YTD Sales Tax net receipts increased by \$47 million, or 0.6%, compared to the FY24 YTD level.

Federal Revenues: FY25 YTD base Federal Revenues decreased by \$761 million, or 19.6%, compared to the FY24 YTD level.

Transfers In: FY25 YTD Transfers In decreased by \$553 million, or 37.7%, compared to the FY24 YTD level. This decrease is largely attributable to the timing and amount of the Income Tax Refund Fund transfer in. This transfer can be initiated at any time throughout the fiscal year.

GENERAL FUNDS REVENUES BUDGETED VERSUS ACTUALS SUMMARY

The table below sets forth General Funds year-to-date budgeted revenues versus year-to-date actual revenues for FY25. Total State Revenues (not including Transfers In) were \$253 million, or 0.8%, above the February 2025 budgeted level. Federal Revenues were \$43 million, or 1.3%, below the February 2025 budgeted level.

GENERAL FUNDS REVENUES Year-to-Date Budgeted versus Actual				
	(\$ in millions)			
	FY25 YTD Budgeted*	FY25 YTD Actual	Dollar Change	Percent Change
Gross Individual Income Tax	\$ 20,954	\$ 23,870	\$ 2,916	13.9%
Income Tax Refund Fund	(1,236)	(2,848)	(1,612)	130.4%
Local Government Distributive Fund Deposit	(794)	(1,830)	(1,036)	130.4%
Net Individual Income Tax	\$ 18,924	\$ 19,193	\$ 269	1.4%
Gross Corporate Income	\$ 3,265	\$ 3,322	\$ 57	1.8%
Income Tax Refund Fund	(401)	(466)	(65)	16.1%
Local Government Distributive Fund Deposit	(169)	(196)	(27)	15.8%
Net Corporate Income Tax	\$ 2,695	\$ 2,661	\$ (34)	(1.3%)
Gross Sales Tax	\$ 8,335	\$ 8,593	\$ 258	3.1%
Downstate Public Trans/Public Trans Deposits	(85)	(159)	(74)	87.6%
Road Fund Deposits	(348)	(536)	(188)	54.1%
Net Sales Tax	\$ 7,902	\$ 7,897	\$ (5)	(0.1%)
Public Utility	\$ 534	553	19	3.5%
Cigarette	144	141	(3)	(2.0%)
Inheritance	464	466	2	0.4%
Liquor	132	132	0	0.1%
Insurance	412	399	(13)	(3.2%)
Corporate Franchise	138	148	10	7.6%
Investment Income	546	557	11	1.9%
Cook County IGT	244	244	(0)	0.0%
Other	341	339	(2)	(0.6%)
TOTAL STATE REVENUES	\$ 32,475	\$ 32,728	\$ 253	0.8%
Federal Revenues	\$ 3,163	\$ 3,120	\$ (43)	(1.3%)
Transfers In	\$ 1,794	\$ 1,776	\$ (18)	(1.0%)
Lottery	577	590	13	2.2%
Gaming/Gaming Taxes	141	142	1	0.9%
Adult-Use Cannabis	87	85	(2)	(2.9%)
Sports Wagering	118	133	15	12.7%
Other	871	826	(45)	(5.2%)
TOTAL REVENUES	\$ 37,431	\$ 37,624	\$ 192	0.5%
ARPA Reimbursement for Government Services	65	65	0	0.0%
TOTAL REVENUES	\$ 37,496	\$ 37,689	\$ 192	0.5%

Source: Illinois Office of the Comptroller and Governor's Office of Management and Budget

*Budgeted figures are based on information from the Department of Revenue on timing of income tax deposits.

Income Taxes: Individual Income Tax net receipts through the third quarter were \$269 million, or 1.4%, higher than budgeted levels. Corporate Income Tax net receipts through the third quarter were \$34 million, or 1.3%, lower than budgeted levels.

Sales Taxes: Sales Tax net receipts through the third quarter were \$5 million, or 0.1%, lower than the budgeted levels.

Transfers In: Transfers In through the third quarter were \$18 million, or 1.0%, lower than budgeted levels.

OUTLOOK FOR FUTURE GENERAL FUNDS REVENUES

The table below reflects the anticipated revenues expected to be receipted during FY25 compared against year-to-date collections. Estimates are updated throughout the fiscal year to reflect changes in information.

PROJECTED GENERAL FUNDS REVENUES Year-to-Date Actuals versus Annual Forecast			
(\$ in millions)			
	FY25 YTD Actual	FY25 Annual Forecast*	Remainder of Forecast*
Receipts	\$ 37,625	\$ 53,837	\$ (16,212)
IIT	19,193	27,746	(8,553)
CIT	2,661	4,900	(2,239)
Sales	7,897	10,696	(2,799)
Other Sources	2,978	4,061	(1,083)
Transfers In	1,776	2,337	(561)
Federal Sources	3,120	4,097	(977)
Total Base Revenues	37,624	53,837	(16,212)

Source: Illinois Office of the Comptroller and Governor's Office of Management and Budget

*Fiscal year 2025 forecast data as of February 2025.

Using historical averages, national and regional economic activity and tax-related information from the Department of Revenue, GOMB updated its annual revenue forecast in February 2025.

Through the third quarter of FY25, the state collected 69% of its total base State General Funds revenue estimate. Through the third quarter, the state collected \$19.2 billion or 69% of its estimated amount of individual income taxes. Throughout the fiscal year, individual income tax receipts have grown above the forecast amount, resulting in an increase to that annual estimate. FY25 collections for corporate income taxes have come in below the forecast amount, resulting in a decrease in that annual forecast amount. Collections for sales taxes have varied throughout the fiscal year. The annual estimate remains unchanged at this time.

These three sources account for around 80% of annual revenues and variances in collections can have significant impact on projected totals. GOMB continues to monitor both state and national economic conditions to ensure that revenue forecasts reflect the most accurate data possible.

GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth FY24 and FY25 third quarter and year-to-date General Funds spending from appropriations for those fiscal years. General Funds expenditures for the third quarter of FY25 totaled \$12,282 million, a decrease of \$142 million, or 1.1%, from the FY24 level.

GENERAL FUNDS EXPENDITURES Third Quarter and Year-to-Date Review				
(\$ in millions)				
Agency	Third Quarter		Year-to-Date	
	FY24 Actual Spending	FY25 Actual Spending	FY24 Actual Spending	FY25 Actual Spending
Constitutional Officers ¹	\$ 115	\$ 119	\$ 342	\$ 369
DHFS	2,307	1,927	\$ 7,317	\$ 6,368
ISBE	2,803	2,874	\$ 7,393	\$ 7,713
DHS	1,705	1,858	\$ 4,307	\$ 4,860
Higher Education	596	619	\$ 2,244	\$ 2,267
SERS	419	440	\$ 1,356	\$ 1,582
TRS	1,604	1,664	\$ 4,827	\$ 5,008
SURS	535	484	\$ 1,669	\$ 1,685
Corrections	459	434	\$ 1,197	\$ 1,206
CMS	614	397	\$ 1,530	\$ 1,745
DCFS	340	355	\$ 976	\$ 1,044
Aging	363	428	\$ 925	\$ 1,040
ISP	80	108	\$ 233	\$ 282
Revenue	12	13	\$ 34	\$ 35
DPH	58	91	\$ 136	\$ 199
DNR	16	20	\$ 48	\$ 53
DCEO	38	45	\$ 96	\$ 103
All Others	358	409	\$ 1,010	\$ 1,150
Agency Totals	\$ 12,423	\$ 12,282	\$ 35,641	\$ 36,707

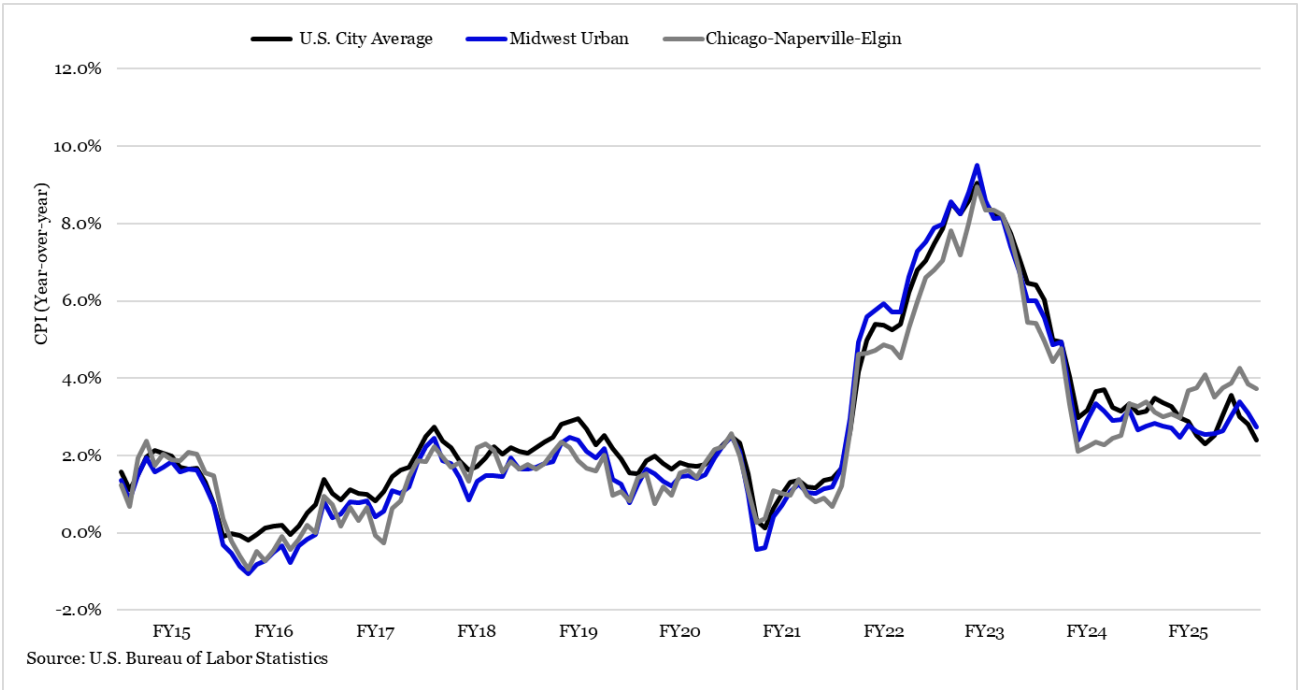
Source: Illinois Office of the Comptroller and Governor's Office of Management and Budget. Totals may not add due to rounding.

Note: Lapse period spending is not included in this table.

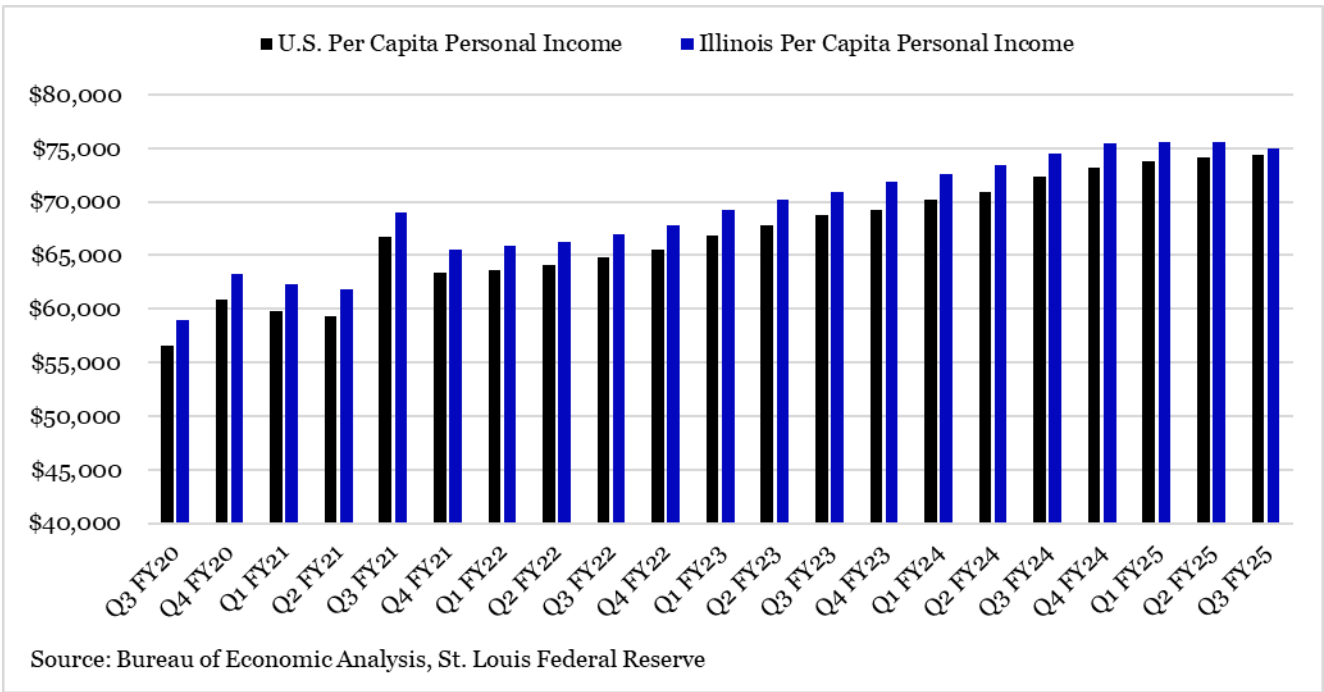
¹ Constitutional Officers exclude Auditor General.

KEY ECONOMIC INDICATORS

The graph below shows the year-over-year increase in the Consumer Price Index (CPI) for All Urban Consumers, all items, in the U.S., Chicago metropolitan area, and Midwest from January FY14 to March FY25. In March FY25, the U.S. city average CPI increased 2.4% year-over-year, an uptick compared to second quarter CPI increases. The CPI for Chicago metropolitan area increased 3.7% and the CPI for Midwest region increased 2.7%.



The graph below compares the per capita personal income between the U.S. and Illinois from the third quarter of FY20 to the third quarter of FY25. The U.S. per capita personal income increased \$182, or 0.25%, from \$74,167 in the second quarter of FY25 to \$74,350 in the third quarter of FY25. Year-over-year, U.S. per capita personal income increased \$1,963, or 2.7%. In Illinois, per capita personal income decreased by \$506 or 0.67% from \$75,536 in the second quarter of FY25 to \$75,030 in the third quarter of FY25. Year-over-year, Illinois per capita personal income increased \$576, or 0.76%.



EMPLOYMENT HIGHLIGHTS

The table below shows recent Illinois and national employment highlights. Illinois' unemployment rate decreased 0.2% from March FY24 to March FY25 to 4.8%. Illinois' labor force participation rate remained the same, year-over-year at 64.9%. is 2.7% higher than the national rate. Total nonfarm employment grew by 3,400 during the quarter.

EMPLOYMENT HIGHLIGHTS State and National Review			
EMPLOYMENT STATISTICS	<u>January FY24</u>	<u>January FY25</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,123,900	6,156,600	32,700
Unemployment Rate, Illinois	4.9%	4.9%	0.0
Unemployment Rate, United States	3.7%	4.0%	0.3
Labor Force Participation Rate, Illinois	64.8%	65.1%	0.3
Labor Force Participation Rate, United States	62.5%	62.6%	0.1
EMPLOYMENT STATISTICS	<u>February FY24</u>	<u>February FY25</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,131,000	6,157,500	26,500
Unemployment Rate, Illinois	4.9%	4.8%	(0.1)
Unemployment Rate, United States	3.9%	4.1%	0.2
Labor Force Participation Rate, Illinois	64.8%	65.0%	0.2
Labor Force Participation Rate, United States	62.6%	62.4%	(0.2)
EMPLOYMENT STATISTICS	<u>March FY24</u>	<u>March FY25</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,131,100	6,172,300	41,200
Unemployment Rate, Illinois	5.0%	4.8%	(0.2)
Unemployment Rate, United States	3.9%	4.2%	0.3
Labor Force Participation Rate, Illinois	64.9%	64.9%	0.0
Labor Force Participation Rate, United States	62.7%	62.5%	(0.2)

Source: Illinois Department of Employment Security and United States Department of Labor.

ILLINOIS REAL ESTATE

Year-over-year home sales decreased during March, median prices rose and slightly more homes were available, according to data from Illinois REALTORS. In March 2025, statewide home sales were down 4.3% than last year, with the available inventory up 1.7%. The monthly median price of \$295,000 in March 2025 was 5.0% more than March 2024.