



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

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FISCAL YEAR 2026 FOURTH QUARTER FINANCIAL REVIEW

FOURTH QUARTER RESULTS

Fiscal Year 2026's (FY26) fourth quarter saw a year-over-year increase of \$733 million in total revenues, spurred by strong individual income taxes, sales taxes and estate taxes. Fourth quarter expenditures increased by \$1.118 billion compared to FY25 fourth quarter expenditures.

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

FOURTH QUARTER REPORT HIGHLIGHT: TOURISM IN ILLINOIS

Continuing growth in Illinois' visitor economy fuels state and local tax revenues, sustains jobs, and generates consumer spending across the food and beverage, recreation, retail, and lodging industries. The number of visitors to Illinois totaled 112.9M in CY 2024, following the upward trajectory of visitor volume since CY 2020. Visitors to the state spent \$48.5B in CY 2024 which is a 2.9% increase from 2023. The primary driver of this increase was spending on lodging, which includes monies spent on hotels, short-term rentals, and second homes which increased by 8.9% in CY 2024.

Taxes on Hotel Operators in Illinois help fund tourism initiatives by depositing a portion of revenues from the Hotel Operator's Occupation Tax into the Local Tourism Fund, International Tourism Fund, and the Tourism Promotion Fund. Tourism also buttresses several other state and local revenue streams. The visitor-generated state and local taxes in CY 2024 totaled \$6.8B with sales taxes contributing the largest portion of this sum.¹

GENERAL FUNDS OVERVIEW

GENERAL FUNDS CASH FLOW Fourth Quarter and Year-to-Date Review				
(\$ in millions)				
	Fourth Quarter		Year-to-date	
	FY25 Actual	FY26 Actual	FY25 Actual	FY26 Actual
Beginning Backlog at Comptroller	\$ (2,251)	\$ (2,860)	\$ (174)	\$ (1,608)
Beginning Cash Balance	\$ 3,314	\$ 3,952	\$ 4,671	\$ 5,456
Revenues				
Individual Income Tax	\$ 8,981	\$ 9,226	\$ 28,174	\$ 29,365
Corporate Income Tax	2,068	2,047	4,729	4,543
Sales Tax	2,677	2,836	10,574	10,835
Other Sources/Transfers In	1,990	2,032	6,742	7,697
State Source Revenues	\$ 15,716	\$ 16,141	\$ 50,218	\$ 52,440
Federal Sources	594	901	3,715	3,858
Transfers to Repay Payroll Borrowing	0	0	0	3
ARPA Reimbursement for Government Services	0	0	65	0
Total Revenues	\$ 16,310	\$ 17,040	\$ 53,998	\$ 56,300
Expenditures				
Current Year Vouchers	\$ 12,647	\$ 14,173	\$ 49,354	\$ 51,830
Prior Year Vouchers	0	0	1,748	1,806
Subtotal, Vouchers Presented	\$ 12,647	\$ 14,173	\$ 51,102	\$ 53,636
Posted Transfers Out	234	52	646	542
Transfer to GO Bond Debt Service Fund	307	237	1,762	1,758
Vouchers Payable Adjustment	-	(17)	853	577
Transfers to Fund for Illinois' Future	351	277	351	277
Prior Year Adjustments	(19)	(13)	(69)	(65)
Total Expenditures	\$ 13,521	\$ 14,708	\$ 54,644	\$ 56,725
End of Quarter Cash Balance	\$ 5,456	\$ 5,106	\$ 5,456	\$ 5,106
End of Quarter Backlog at Comptroller	\$ (1,604)	\$ (1,683)	\$ (1,604)	\$ (1,683)

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)		
	Year-to-date	
	Projected	Actual
Cash Balance, Beginning	\$ 5,527	\$ 5,456
Receipts	\$ 55,877	\$ 56,299
IIT	29,228	29,365
CIT	4,401	4,543
Sales	10,730	10,835
Other Sources	4,534	4,576
Transfers In	3,134	3,121
Federal Sources	3,850	3,858
Cash Expenditures	(59,404)	(59,168)
Cash Balance - Budget Stabilization Fund	\$ 2,518	\$ 2,518
Cash Balance - All other General Funds	\$ 2,000	\$ 2,587

GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES Fourth Quarter and Year-to-Date Review								
(\$ in millions)								
	Fourth Quarter		Change: FY25 Actual to FY26 Actual		Year-to-Date		Change: FY25 Actual to FY26 Actual	
	FY25 Actual	FY26 Actual	Dollar Change	Percent Change	FY25 Actual	FY26 Actual	Dollar Change	Percent Change
Gross Individual Income Tax	\$ 10,567	\$ 10,855	\$ 288	2.7%	\$ 34,438	\$ 34,557	\$ 119	0.3%
Income Tax Refund Fund	(964)	(991)	(27)	2.8%	(3,812)	(3,160)	652	(17.1%)
Local Government Distributive Fund Deposit	(621)	(638)	(17)	2.7%	(2,451)	(2,032)	420	(17.1%)
Net Individual Income Tax	\$ 8,981	\$ 9,226	\$ 245	2.7%	\$ 28,174	\$ 29,365	\$ 1,191	4.2%
Gross Corporate Income	\$ 2,581	\$ 2,541	\$ (40)	(1.6%)	\$ 5,904	\$ 5,656	\$ (249)	(4.2%)
Income Tax Refund Fund	(361)	(345)	17	(4.7%)	(827)	(780)	(47)	5.7%
Local Government Distributive Fund Deposit	(152)	(150)	2	13.4%	(348)	(333)	(15)	6.8%
Net Corporate Income Tax	\$ 2,068	\$ 2,047	\$ (21)	(1.0%)	\$ 4,729	\$ 4,543	\$ (186)	(3.9%)
Gross Sales Tax	\$ 3,055	\$ 3,226	\$ 171	5.6%	\$ 11,647	\$ 12,327	\$ 681	5.8%
Downstate Public Trans/Public Trans Deposits	(217)	(229)	(13)	6.0%	(376)	(836)	(461)	122.7%
Road Fund Deposit	(162)	(160)	2	(1.1%)	(698)	(656)	41	(5.9%)
Net Sales Tax	2,677	\$ 2,836	\$ 160	6.0%	10,574	\$ 10,835	\$ 261	2.5%
Public Utility	\$ 164	\$ 166	2	1.3%	\$ 717	\$ 720	3	0.5%
Cigarette	50	47	(3)	(5.6%)	191	178	(12)	(6.5%)
Inheritance	137	188	51	37.3%	603	871	268	44.5%
Liquor	41	41	0	1.0%	173	168	(5)	(2.9%)
Insurance	175	131	(45)	(25.5%)	574	621	47	8.2%
Corporate Franchise	49	53	4	8.0%	197	209	12	6.1%
Investment Income	184	172	(12)	(6.7%)	741	730	(10)	(1.4%)
Cook County IGT	0	0	0	0.0%	244	244	0	0.0%
Other	456	513	58	12.6%	793	835	42	5.2%
TOTAL STATE REVENUES	\$ 14,981	\$ 15,420	\$ 439	2.9%	\$ 47,708	\$ 49,319	\$ 1,611	3.4%
Federal Revenues	\$ 594	\$ 901	\$ 307	51.6%	\$ 3,715	\$ 3,858	\$ 143	3.9%
Transfers In	\$ 735	\$ 721	\$ (14)	(1.9%)	\$ 2,511	\$ 3,121	\$ 610	24.3%
Lottery	188	170	(18)	(9.6%)	778	776	(2)	(0.3%)
Gaming/Gaming Taxes	44	58	14	31.8%	186	262	76	40.9%
Adult-Use Cannabis	29	31	2	6.9%	113	110	(3)	(2.7%)
Sports Wagering	70	108	38	54.3%	203	386	183	90.1%
Other	404	354	(50)	(12.4%)	1,231	1,587	356	28.9%
SUBTOTAL REVENUES	\$ 16,310	\$ 17,043	\$ 733	4.5%	\$ 53,933	\$ 56,298	\$ 2,365	4.4%
Transfers to Repay Payroll Borrowing	0	0	0	0.0%	0	3	3	100.0%
ARPA Reimbursement for Government Services	0	0	0	100.0%	65	0	(65)	(100.0%)
TOTAL REVENUES	\$ 16,310	\$ 17,043	\$ 733	4.5%	\$ 53,998	\$ 56,300	\$ 2,302	4.3%

Source: Illinois Office of the Comptroller

Income Taxes: FY26 year-to-date (YTD) Individual Income Tax net receipts increased by \$1,191 million, or 4.2% from FY25, while FY26 YTD Corporate Income Tax (CIT) net receipts decreased by \$186 million, or 3.9%. \$788 million income taxes were directly deposited into the Local Government Distributive Fund in the fourth quarter of FY26.

Sales Taxes: FY26 YTD Sales Tax net receipts increased by \$261 million, or 2.5%, compared to the FY25 YTD level.

Federal Revenues: FY26 YTD base Federal Revenues increased by \$143 million, or 3.9%, compared to the FY25 YTD level.

Transfers In: FY26 YTD Transfers In increased by \$610 million, or 24.3%, compared to the FY25 level. This increase is largely attributable to the timing and amount of the Income Tax Refund Fund transfer in.

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 FY26. Total State Revenues (not including Transfers In and federal revenues) were \$426 million, or 0.9%, above FY26 budgeted levels. Federal Revenues were \$8 million, or 0.2%, above the FY26 budgeted level.

GENERAL FUNDS REVENUES Year-to-Date Budgeted versus Actual				
	(\$ in millions)			
	FY26 YTD Budgeted*	FY26 YTD Actual	Dollar Change	Percent Change
Gross Individual Income Tax	\$ 34,396	\$ 34,557	\$ 161	0.5%
Income Tax Refund Fund	(3,147)	(3,160)	(13)	0.4%
Local Government Distributive Fund Deposit	(2,021)	(2,032)	(11)	0.5%
Net Individual Income Tax	\$ 29,228	\$ 29,365	\$ 137	0.5%
Gross Corporate Income	\$ 5,494	\$ 5,656	\$ 162	2.9%
Income Tax Refund Fund	(769)	(780)	(11)	1.5%
Local Government Distributive Fund Deposit	(324)	(333)	(9)	2.8%
Net Corporate Income Tax	\$ 4,401	\$ 4,543	\$ 142	3.2%
Gross Sales Tax	\$ 12,234	\$ 12,327	\$ 93	0.8%
Downstate Public Trans/Public Trans Deposits	(846)	(836)	10	(1.1%)
Road Fund Deposits	(658)	(656)	2	(0.3%)
Net Sales Tax	\$ 10,730	\$ 10,835	\$ 105	1.0%
Public Utility	719	720	1	0.1%
Cigarette	174	178	4	2.5%
Inheritance	820	871	51	6.2%
Liquor	168	168	0	0.0%
Insurance	659	621	(38)	(5.7%)
Corporate Franchise	202	209	7	3.3%
Investment Income	750	730	(20)	(2.6%)
Cook County IGT	244	244	(0)	0.0%
Other	798	835	37	4.6%
TOTAL STATE REVENUES	\$ 48,893	\$ 49,319	\$ 426	0.9%
Federal Revenues	\$ 3,850	\$ 3,858	\$ 8	0.2%
Transfers In	\$ 3,134	\$ 3,121	\$ (13)	(0.4%)
Lottery	804	776	(28)	(3.5%)
Gaming/Gaming Taxes	250	262	12	4.8%
Adult-Use Cannabis	108	110	2	1.9%
Sports Wagering	369	386	17	4.6%
Other	1,603	1,587	(16)	(1.0%)
TOTAL REVENUES	\$ 55,877	\$ 56,298	\$ 421	0.8%

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 fourth quarter were \$137 million, or 0.5%, higher than budgeted levels. Corporate Income Tax net receipts through the fourth quarter were \$142 million, or 3.2%, higher than budgeted levels.

Sales Taxes: Sales Tax net receipts through the fourth quarter were \$105 million, or 1.0%, higher than the budgeted levels.

Transfers In: Transfers In through the fourth quarter were \$13 million, or 0.4%, lower than budgeted levels.

OUTLOOK FOR FUTURE GENERAL FUNDS REVENUES

The table below reflects the anticipated revenues expected to be receipted during FY26 compared against year-to-date collections. Annual forecasts were derived using historical averages, assessing national and regional economic activity, and gathering tax-related information from the Department of Revenue. 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)			
	FY26 YTD Actual	FY26 Annual Forecast	Remainder of Forecast
Receipts	\$ 56,298	\$ 55,877	\$ 421
IIT	29,365	29,228	137
CIT	4,543	4,401	142
Sales	10,835	10,730	105
Other Sources	4,576	4,534	42
Transfers In	3,121	3,134	(13)
Federal Sources	3,858	3,850	8
Total Base Revenues	56,298	55,877	421

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

Through the fiscal year, actual revenue performance exceeded forecast amounts by \$421 million or 100.8% above expectations. Most of the overperformance was in sources strongly linked to the economy. Transfers in were \$13 million under forecast, reflecting the volatile nature of that revenue source. Through prudent monitoring of national and statewide economic factors and tax-related information, Illinois closed fiscal year 2026 in positive territory.

GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth FY25 and FY26 fourth quarter and year-to-date General Funds spending from appropriations for those fiscal years. General Funds expenditures for the fourth quarter of FY26 totaled \$14,173 million, an increase of \$1,526 million, or 12.1%, from the FY25 level.

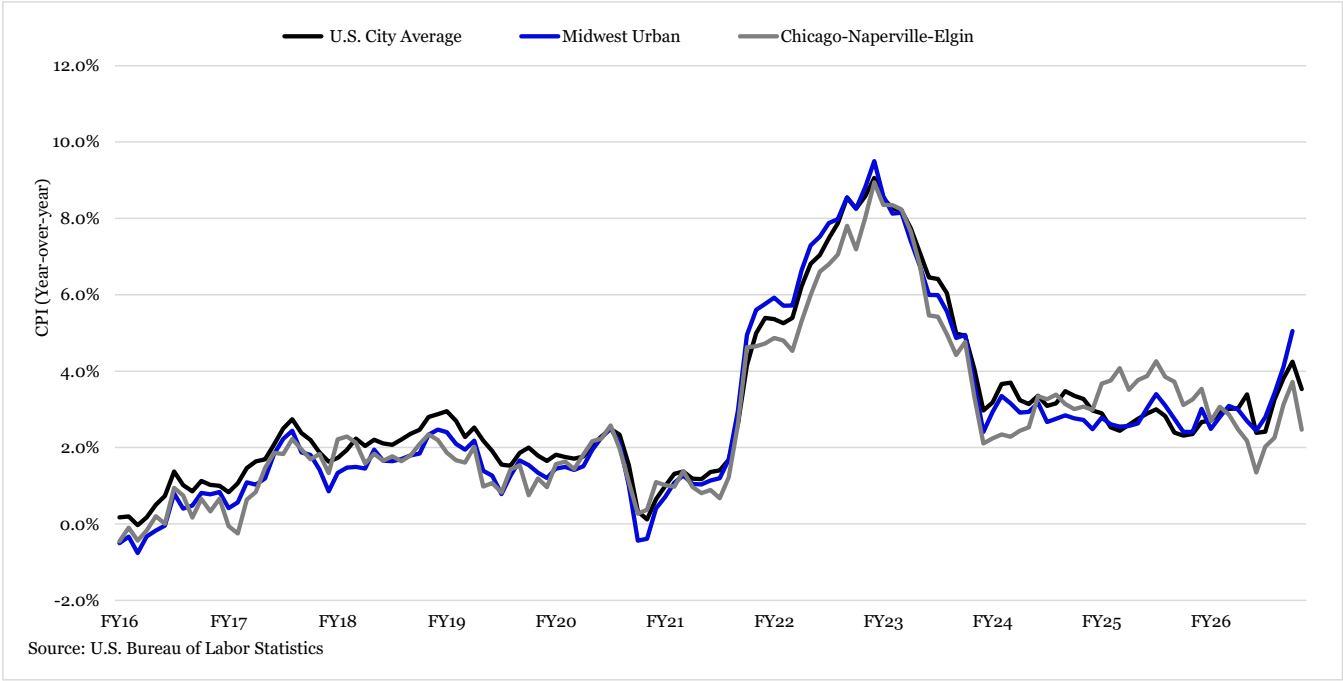
GENERAL FUNDS EXPENDITURES Fourth Quarter and Year-to-Date Review				
(\$ in millions)				
Agency	Fourth Quarter		Year-to-Date	
	FY25 Actual Spending	FY26 Actual Spending	FY25 Actual Spending	FY26 Actual Spending
Constitutional Officers ¹	\$ 159	\$ 163	\$ 528	\$ 565
DHFS	2,715	3,294	9,083	9,256
ISBE	2,866	2,943	10,579	10,942
DHS	1,747	2,028	6,607	7,139
Higher Education	223	363	2,491	2,542
SERS	440	648	2,021	2,296
TRS	1,664	1,742	6,672	6,982
SURS	322	355	2,007	2,080
Corrections	480	471	1,687	1,769
CMS	631	724	2,377	2,584
DCFS	288	300	1,332	1,408
Aging	450	445	1,490	1,670
ISP	102	107	383	400
Revenue	13	12	48	48
DPH	76	68	275	225
DNR	27	25	80	87
DCEO	32	25	134	126
All Others	411	459	1,561	1,712
Agency Totals	\$ 12,647	\$ 14,173	\$ 49,354	\$ 51,830

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

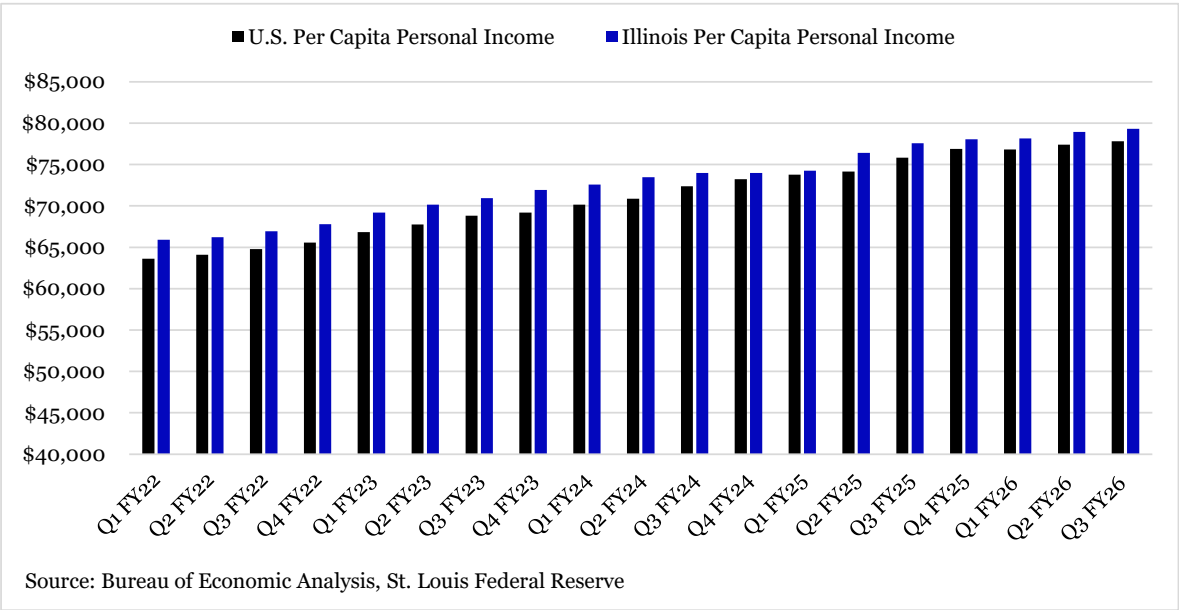
Note: Lapse period spending is not included in this table.

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 July FY16 to June FY26. CPI rates greatly fluctuated, with rates reaching over 4% nationally and regionally throughout the quarter, caused by the continuing conflict in Iran. CPI rates noticeably ticked back down after its quarterly highs in May, cooling off to under 3.5% in June.



The graph below compares the per capita personal income between the U.S. and Illinois from the first quarter of FY22 to the third quarter of FY26. The U.S. per capita personal income increased \$407, or 0.05%, from \$77,409 in the second quarter of FY26 to \$77,816 in the third quarter of FY26. Year-over-year, U.S. per capita personal income increased \$2,004, or 2.6%. In Illinois, per capita personal income increased by \$368 or 0.04% from \$78,936 in the second quarter of FY26 to \$79,304 in the third quarter of FY26. Year-over-year, Illinois per capita personal income increased \$1,717, or 2.2%.



EMPLOYMENT HIGHLIGHTS

The table below shows quarterly Illinois and national employment highlights. The Illinois unemployment rate remained at 5.1% throughout quarter 4, while total non-farm employment experienced slight increases over the quarter. Illinois labor force participation rates continued to hover or reach 2 percentage points higher than the national participation rate.

EMPLOYMENT HIGHLIGHTS State and National Review			
EMPLOYMENT STATISTICS	<u>April FY25</u>	<u>April FY26</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,163,300	6,158,800	(4,500)
Unemployment Rate, Illinois	4.5%	5.1%	0.6
Unemployment Rate, United States	4.2%	4.3%	0.1
Labor Force Participation Rate, Illinois	64.5%	63.8%	(0.7)
Labor Force Participation Rate, United States	62.6%	61.8%	(0.8)
EMPLOYMENT STATISTICS	<u>May FY25</u>	<u>May FY26</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,167,100	6,162,900	(4,200)
Unemployment Rate, Illinois	4.4%	5.1%	0.7
Unemployment Rate, United States	4.3%	4.3%	0.0
Labor Force Participation Rate, Illinois	64.3%	63.7%	(0.6)
Labor Force Participation Rate, United States	62.4%	61.8%	(0.6)
EMPLOYMENT STATISTICS	<u>June FY25</u>	<u>June FY26</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,155,200	6,164,400	9,200
Unemployment Rate, Illinois	4.3%	5.1%	0.8
Unemployment Rate, United States	4.1%	4.2%	0.1
Labor Force Participation Rate, Illinois	64.2%	63.5%	(0.7)
Labor Force Participation Rate, United States	62.3%	61.5%	(0.8)

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

*March Labor Force Participation Rate Data for Illinois has not been released.

ILLINOIS REAL ESTATE

The Illinois real estate market finished fiscal year 2026 with year-over-year increases in home prices and homes sold in June, but concerns remain on the horizon. Illinois Realtors has acknowledged limited housing inventory and ongoing affordability challenges risk constraining homebuying activity into the months ahead. Median prices continue to increase, with May and June seeing over 6% year-over-year increases in median sale prices. On top of increases in home values, mortgage rates continued to elevate throughout the quarter. The monthly average 30 year fixed-rate mortgage rose from 6.3% in April to 6.5% in June. Compared to the fiscal year low of 6.05% in February 2026, the 45-basis point increase shows no signs of slowing down, exacerbating continuing problems with home affordability.

BALANCED BUDGET AND FISCAL NOTES

The table below lists the fiscal year 2026 balanced budget and fiscal notes prepared and filed pursuant to Public Act 87-688 otherwise known as the Balanced Budget Note Act. Balanced budget and fiscal notes may be requested on any supplemental appropriation bill or on any amendment to a supplemental appropriation bill.

Fiscal Year 2026 Report on Balanced Budget and Fiscal Notes	
104th General Assembly Spring 2026 Balanced Budget Notes	
Bill	Description
HB5909	Changes to Tier 2 benefits
HB2584 HCA1	Insurance coverage of various prescription types
HB3350	Pharmaceutical regulation
HB2827 HCA1	Homeschooling
SB1784 HFA1	Clean Slate task force (ISP)
SB1950 HFA1	Terminally ill patients
104th General Assembly Spring 2026 Fiscal Notes	
Bill	Description
None filed	