



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

**JB PRITZKER**  
GOVERNOR

**ALEXIS STURM**  
DIRECTOR

## **FISCAL YEAR 2024 FOURTH QUARTER FINANCIAL REVIEW**

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### **FOURTH QUARTER RESULTS**

Fiscal Year 2024's (FY24) fourth quarter saw a year-over-year increase of \$593 million in state source revenues due to strong receipts from individual income taxes, estate taxes, and investment income. Fourth quarter expenditures increased by \$1,359 million compared to FY23 fourth quarter expenditures.

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

### **FOURTH QUARTER REPORT HIGHLIGHT: INDIVIDUAL INCOME TAXES**

First enacted in 1969, individual income taxes consistently account for around 50% of all resources into the State's general funds. Individual income taxes (IIT) are imposed on the taxable income of individuals, trusts, and estates at a rate of 4.95% based on a given taxpayer's federally adjusted gross income. A taxpayer's rate is dependent on a myriad of factors, including taxable items that can add or subtract to an individual's base income, credits that can reduce tax liabilities based on specific eligibility, and specific gains or losses on an individual's investments or assets.

Once IIT are received by the state, gross receipts are distributed as follows: an initial percentage, set by statute each year through formula or by specifically naming a rate in statute, to the Income Tax Refund Fund to pay taxpayer refunds (9.15% in FY24); of the remainder, 6.47% to the Local Government Distributive Fund and the remaining amounts are deposited to the general funds.

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### **ILLINOIS ECONOMIC INDICATORS**

The state's economic conditions have largely reflected trends seen nationwide throughout the fiscal year. While employment and consumer spending continue to breathe life into the economy, a rising unemployment rate and persistent inflation continue to cool optimism for the future. Unemployment rose to 5% in June 2024. This continued a month-over-month trend of increasing UI rates.

This trend tracks with the nation, where the UI rate has continued to increase over the calendar year. Most of the increases in the UI rate can be tracked to a slowdown in the growth of jobs but a steady increase in the number of workers available for and looking for work have also contributed to a growth in the national UI rate. Job layoffs have not grown over the same period, indicated that workers with a job are not in immediate danger. A slowdown in the labor market may be enough for the Federal Reserve to fully begin tapering off interest rates. The current expectation is that the FOMC will initiate a .25 reduction during its September meeting before initiating further cuts over the next year. These decisions will be dependent on if the data suggests that a rate cut is what will help the economy. As the Fed moves to finally get inflation within 2%, they will have to be mindful of throwing of inadvertently throwing the economy into a recession.

# GENERAL FUNDS OVERVIEW

## GENERAL FUNDS CASH FLOW Fourth Quarter and Year-to-Date Review

(\$ in millions)

	Fourth Quarter		Year-to-date	
	FY23 Actual	FY24 Actual	FY23 Actual	FY24 Actual
<b>Beginning Backlog at Comptroller</b>	\$ (1,846)	\$ (1,308)	\$ (1,348)	\$ (300)
Beginning Cash Balance	\$ 2,007	\$ 3,769	\$ 2,063	\$ 3,852
<b>Revenues</b>				
Individual Income Tax	\$ 7,028	\$ 7,886	\$ 23,750	\$ 25,605
Corporate Income Tax	2,500	2,148	5,828	5,227
Sales Tax	2,644	2,615	10,451	10,465
Other Sources/Transfers In	1,544	1,662	6,876	6,766
<b>State Source Revenues</b>	\$ 13,718	\$ 14,311	\$ 46,905	\$ 48,061
Federal Sources	952	646	3,744	4,526
ARPA Reimbursement for Government Services	1,663	0	2,485	0
<b>Total Revenues</b>	\$ 16,333	\$ 14,956	\$ 53,134	\$ 52,589
<b>Expenditures</b>				
Current Year Vouchers	\$ 10,683	\$ 12,042	\$ 45,025	\$ 47,684
Prior Year Vouchers	0	0	1,384	1,671
<b>Subtotal, Vouchers Presented</b>	\$ 10,683	\$ 12,042	\$ 46,409	\$ 49,355
Posted Transfers Out	43	51	459	474
Transfer to GO Bond Debt Service Fund	221	490	1,149	1,517
Transfers to fund tax relief programs	0	0	125	0
Transfers to Pension Stabilization Fund	200	0	400	0
Transfers to Build Illinois Bond Fund	424	0	424	0
Transfers to State CURE Fund	1,239	0	1,239	0
Transfers to Budget Stabilization Fund	550	0	550	0
Transfers to Large Business Attraction Fund	400	0	400	0
Transfers to Fund for Illinois' Future	0	349	0	349
Prior Year Adjustments	(16)	(11)	(54)	(52)
<b>Total Expenditures</b>	\$ 13,744	\$ 12,920	\$ 51,102	\$ 51,643
End of Quarter Cash Balance	\$ 3,852	\$ 4,671	\$ 3,852	\$ 4,671
<b>End of Quarter Backlog at Comptroller</b>	\$ (1,103)	\$ (174)	\$ (1,103)	\$ (174)

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](http://budget.illinois.gov) or the Office of the Comptroller's Debt Transparency Report.

## GENERAL FUNDS CASH FLOW Comparison: Projected versus Actual

(\$ in millions)

	Fourth Quarter	
	Projected	Actual
<b>Cash Balance, Beginning</b>	\$ 3,007	\$ 3,769
<b>Receipts</b>	\$ 15,370	\$ 14,956
IIT	8,278	7,886
CIT	1,970	2,148
Sales	2,611	2,615
Other Sources	1,068	1,192
Transfers In	543	470
Federal Sources	900	646
<b>Cash Expenditures</b>	(16,611)	(16,155)
<b>Cash Balance - Budget Stabilization Fund</b>	\$ 2,035	\$ 2,101
<b>Cash Balance - All other General Funds</b>	\$ 1,766	\$ 2,570

Based on revenue projections revised in May 2024.

# GENERAL FUNDS REVENUES SUMMARY

## GENERAL FUNDS REVENUES Fourth Quarter and Year-to-Date Review

(\$ in millions)

	Fourth Quarter		Change: FY23 Actual to FY24 Actual		Year-to-Date		Change: FY23 Actual to FY24 Actual	
	FY23 Actual	FY24 Actual	Dollar Change	Percent Change	FY23 Actual	FY24 Actual	Dollar Change	Percent Change
<b>Gross Individual Income Tax</b>	\$ 8,253	\$ 9,281	\$ 1,028	12.5%	\$ 27,889	\$ 30,133	\$ 2,244	8.0%
Income Tax Refund Fund	(763)	(849)	(86)	11.2%	(2,580)	(2,757)	(177)	6.8%
Local Government Distributive Fund Deposit	(461)	(546)	(84)	18.3%	(1,559)	(1,771)	(212)	13.6%
<b>Net Individual Income Tax</b>	\$ 7,028	\$ 7,886	\$ 858	12.2%	23,750	25,605	\$ 1,855	7.8%
<b>Gross Corporate Income</b>	\$ 3,412	\$ 2,682	\$ (730)	(21.4%)	\$ 8,035	\$ 6,525	\$ (1,510)	(18.8%)
Income Tax Refund Fund	(728)	(376)	352	(48.4%)	(1,778)	(914)	(865)	48.6%
Local Government Distributive Fund Deposit	(184)	(158)	(26)	13.4%	(429)	(384)	(44)	6.8%
<b>Net Corporate Income Tax</b>	\$ 2,500	\$ 2,148	\$ (352)	(14.1%)	\$ 5,828	\$ 5,227	\$ (601)	(10.3%)
<b>Gross Sales Tax</b>	\$ 2,939	\$ 2,936	\$ (3)	(0.1%)	\$ 11,589	\$ 11,709	\$ 120	1.0%
Downstate Public Trans/Public Trans Deposits	(182)	(191)	(9)	4.8%	(654)	(675)	(21)	3.2%
Road Fund Deposit	(112)	(130)	(18)	16.0%	(484)	(570)	(85)	17.7%
<b>Net Sales Tax</b>	2,644	2,615	(29)	(1.1%)	10,451	10,465	13	0.1%
Public Utility	\$ 173	\$ 162	(11)	(6.1%)	\$ 751	\$ 695	(55)	(7.4%)
Cigarette	63	55	(8)	(12.8%)	235	204	(31)	(13.0%)
Inheritance	123	150	27	21.9%	503	627	125	24.8%
Liquor	44	47	3	7.2%	181	179	(3)	(1.5%)
Insurance	180	186	6	3.6%	492	486	(7)	(1.4%)
Corporate Franchise	52	46	(6)	(11.1%)	225	202	(23)	(10.3%)
Investment Income	156	162	6	3.7%	407	654	247	60.7%
Cook County IGT	0	0	0	0.0%	244	244	0	0.0%
Other	270	384	114	42.5%	590	677	86	14.6%
<b>TOTAL STATE REVENUES</b>	\$ 13,234	\$ 13,841	\$ 607	4.6%	\$ 43,657	\$ 45,264	\$ 1,607	3.7%
<b>Federal Revenues</b>	\$ 952	\$ 646	\$ (306)	(32.2%)	\$ 3,744	\$ 4,526	\$ 782	20.9%
<b>Transfers In</b>	\$ 485	\$ 470	\$ (15)	(3.1%)	\$ 3,248	\$ 2,798	\$ (450)	(13.8%)
Lottery	240	242	2	1.0%	726	877	151	20.9%
Gaming/Gaming Taxes	27	33	6	21.9%	157	158	1	0.3%
Adult-Use Cannabis	28	31	3	9.2%	111	114	3	2.7%
Other	190	164	(26)	(13.6%)	2,254	1,649	(605)	(26.8%)
<b>SUBTOTAL REVENUES</b>	\$ 14,669	\$ 14,957	\$ 288	2.0%	\$ 50,649	\$ 52,589	\$ 1,939	3.8%
ARPA Reimbursement for Government Services	1,663	0	(1,663)	(100.0%)	2,485	0	(2,485)	(100.0%)
<b>TOTAL REVENUES</b>	\$ 16,332	\$ 14,957	\$ (1,375)	(8.4%)	\$ 53,134	\$ 52,589	\$ (546)	(1.0%)

Source: Illinois Office of the Comptroller

**Income Taxes:** FY24 year-to-date (YTD) Individual Income Tax net receipts increased by \$1,855 million, or 7.8% from FY23, while FY24 YTD Corporate Income Tax (CIT) net receipts decreased by \$601 million, or 10.3%. \$704 million of income taxes were directly deposited into the Local Government Distributive Fund in the fourth quarter of FY24.

**Sales Taxes:** FY24 YTD Sales Tax net receipts increased by \$13 million, or 0.1%, from the FY23 YTD level.

**Federal Revenues:** FY24 YTD base Federal Revenues increased by \$782 million, or 20.9%, compared to the FY23 YTD level.

**Transfers In:** FY24 YTD Transfers In decreased by \$450 million, or 13.8%, compared to the FY23 YTD level. This is due to a lower Income Tax Refund Fund transfer in for FY24 compared to FY23.

## 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 FY24. Total State Revenues (not including Transfers In) were \$52 million, or 0.1%, above the revised May 2024 budgeted level. While individual income and corporate income taxes exceeded expectations, the state's net sales tax collected \$51 million below its budgeted amount.

<b>GENERAL FUNDS REVENUES</b>				
<b>Year-to-Date Budgeted versus Actual</b>				
	(\$ in millions)			
	FY24 YTD Budgeted*	FY24 YTD Actual	Dollar Change	Percent Change
<b>Gross Individual Income Tax</b>	\$ 30,058	\$ 30,133	\$ 75	0.2%
Income Tax Refund Fund	(2,750)	(2,757)	(7)	0.2%
Local Government Distributive Fund Deposit	(1,767)	(1,771)	(4)	0.3%
<b>Net Individual Income Tax</b>	<b>\$ 25,541</b>	<b>\$ 25,605</b>	<b>\$ 64</b>	<b>0.2%</b>
<b>Gross Corporate Income</b>	\$ 6,452	\$ 6,525	\$ 73	1.1%
Income Tax Refund Fund	(903)	(914)	(11)	1.2%
Local Government Distributive Fund Deposit	(380)	(384)	(4)	1.2%
<b>Net Corporate Income Tax</b>	<b>\$ 5,169</b>	<b>\$ 5,227</b>	<b>\$ 58</b>	<b>1.1%</b>
<b>Gross Sales Tax</b>	\$ 11,757	\$ 11,709	\$ (48)	(0.4%)
Downstate Public Trans/Public Trans Deposits	(671)	(675)	(4)	0.6%
Road Fund Deposits	(570)	(570)	0	(0.0%)
<b>Net Sales Tax</b>	<b>\$ 10,516</b>	<b>\$ 10,465</b>	<b>\$ (51)</b>	<b>(0.5%)</b>
Public Utility	\$ 700	695	(5)	(0.7%)
Cigarette	205	204	(1)	(0.4%)
Inheritance	628	627	(1)	(0.1%)
Liquor	184	179	(5)	(2.9%)
Insurance	514	486	(28)	(5.5%)
Corporate Franchise	218	202	(16)	(7.2%)
Investment Income	640	654	14	2.2%
Cook County IGT	244	244	(0)	0.0%
Other	653	677	24	3.6%
<b>TOTAL STATE REVENUES</b>	<b>\$ 45,212</b>	<b>\$ 45,264</b>	<b>\$ 52</b>	<b>0.1%</b>
<b>Federal Revenues</b>	\$ 4,488	\$ 4,526	\$ 38	0.9%
<b>Transfers In</b>	\$ 2,766	\$ 2,798	\$ 32	1.2%
Lottery	873	877	4	0.5%
Gaming/Gaming Taxes	155	158	3	1.6%
Adult-Use Cannabis	116	114	(2)	(1.7%)
Other	1,622	1,649	27	1.7%
<b>TOTAL REVENUES</b>	<b>\$ 52,466</b>	<b>\$ 52,589</b>	<b>\$ 123</b>	<b>0.2%</b>

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

\*Budgeted figures are based on historical averages as well as information from the Department of Revenue on timing of income tax deposits. Estimates were compiled in May 2024.

**Income Taxes:** Individual Income Tax net receipts through the fourth quarter were \$64 million, or 0.2%, higher than budgeted levels. Corporate Income Tax net receipts through the fourth quarter were \$58 million, or 1.1%, higher than the budgeted levels.

**Sales Taxes:** Sales Tax net receipts through the fourth quarter were \$51 million, or 0.5%, lower than the budgeted levels.

**Transfers In:** Transfers In through the fourth quarter were \$32 million, or 1.2%, higher than budgeted levels.

## OUTLOOK FOR FUTURE GENERAL FUNDS REVENUES

The table below reflects the anticipated revenues expected to be received during FY24 compared against year-to-date collections. Estimates are updated throughout the fiscal year to reflect changes in information.

<b>PROJECTED GENERAL FUNDS REVENUES</b>			
<b>Year-to-Date Actuals versus Annual Forecast</b>			
(\$ in millions)			
	<b>FY24 YTD Actual</b>	<b>FY24 Annual Forecast*</b>	<b>Remainder of Forecast*</b>
<b>Receipts</b>	<b>\$ 52,589</b>	<b>\$ 52,466</b>	<b>\$ 122</b>
IIT	25,605	25,541	64
CIT	5,227	5,169	58
Sales	10,465	10,516	(51)
Other Sources	3,967	3,986	(19)
Transfers In	2,798	2,766	32
Federal Sources	4,526	4,488	38
<b>Total Base Revenues</b>	<b>52,589</b>	<b>52,466</b>	<b>123</b>

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

\*Fiscal year 2024 forecast was updated in May 2024 using historical averages, national and regional economic activity data, and tax-related information provided by the Department of Revenue.

Through the fourth quarter of FY24, total base State General Funds revenues ended the fiscal year \$123 million or 0.2% higher than the May 2024 annual estimate. Income taxes (individual and corporate) overperformed estimates, while sales taxes fell below its forecasted amount by \$51 million or .49%. Other sources, transfers in and federal sources combined for a \$52 million overperformance when compared to forecast, essentially showing that forecast to actuals were within an acceptable margin of error.

## GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth FY23 and FY24 fourth quarter and year-to-date General Funds spending from appropriations for those fiscal years. General Funds expenditures for the fourth quarter of FY24 totaled \$12,042 million, an increase of \$1,358 million, or 12.7%, from the FY23 level. Year-to-date, FY24 actual spending ended \$2,659 million greater than FY23 actual spending (lapse spending is not included in the table), an increase of 5.9% from the prior fiscal year.

<b>GENERAL FUNDS EXPENDITURES</b>				
<b>Fourth Quarter and Year-to-Date Review</b>				
(\$ in millions)				
<b>Agency</b>	<b>Fourth Quarter</b>		<b>Year-to-Date</b>	
	<b>FY23 Actual Spending</b>	<b>FY24 Actual Spending</b>	<b>FY23 Actual Spending</b>	<b>FY24 Actual Spending</b>
Constitutional Officers <sup>1</sup>	\$ 131	\$ 153	\$ 439	\$ 495
DHFS	2,064	2,562	8,424	9,879
ISBE	2,590	2,762	9,570	10,155
DHS	1,299	1,586	4,867	5,893
Higher Education	172	184	2,173	2,429
SERS	416	419	1,697	1,775
TRS	1,574	1,604	6,309	6,432
SURS	252	257	1,934	1,926
Corrections	381	463	1,505	1,660
CMS	350	542	1,879	2,073
DCFS	289	281	1,144	1,257
Aging	345	402	1,174	1,327
ISP	76	110	300	343
Revenue	11	24	45	58
DPH	45	62	187	198
DNR	15	19	61	67
DCEO	109	39	127	135
All Others	563	570	3,188	1,582
<b>Agency Totals</b>	<b>\$ 10,683</b>	<b>\$ 12,042</b>	<b>\$ 45,025</b>	<b>\$ 47,684</b>

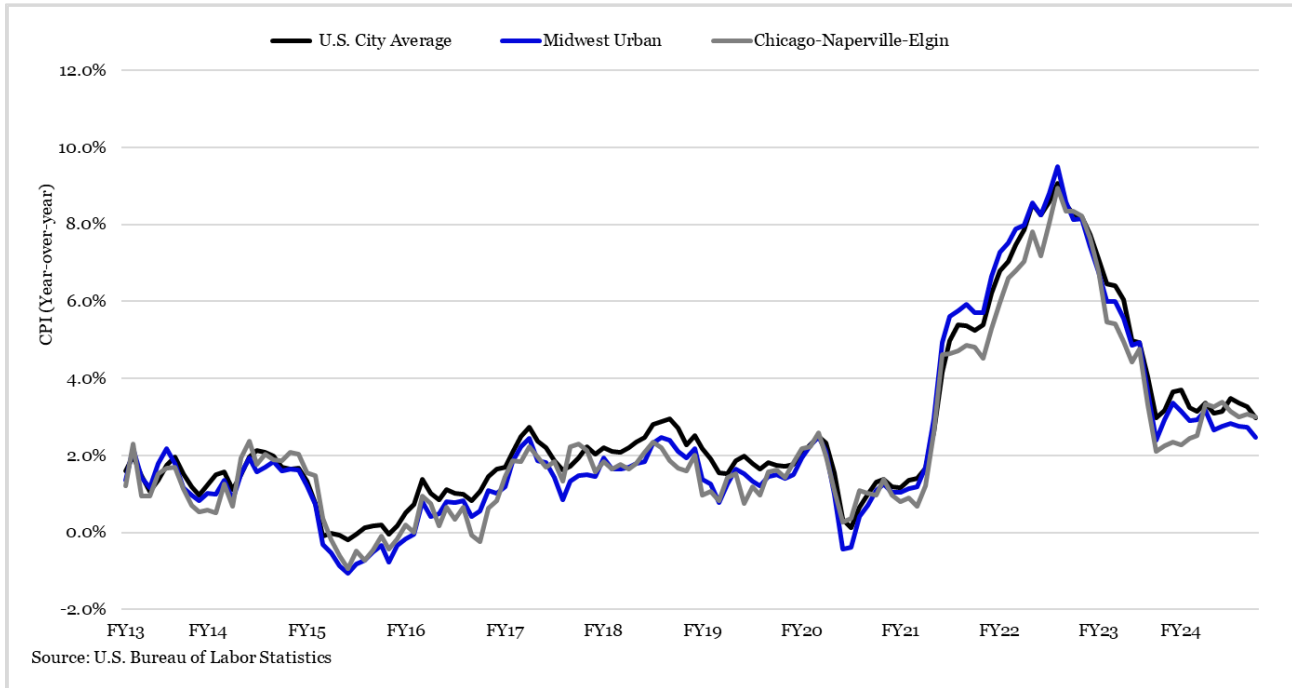
Source: Illinois Office of the Comptroller and Governor's Office of Management and Budget. Totals may not add due to rounding.

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

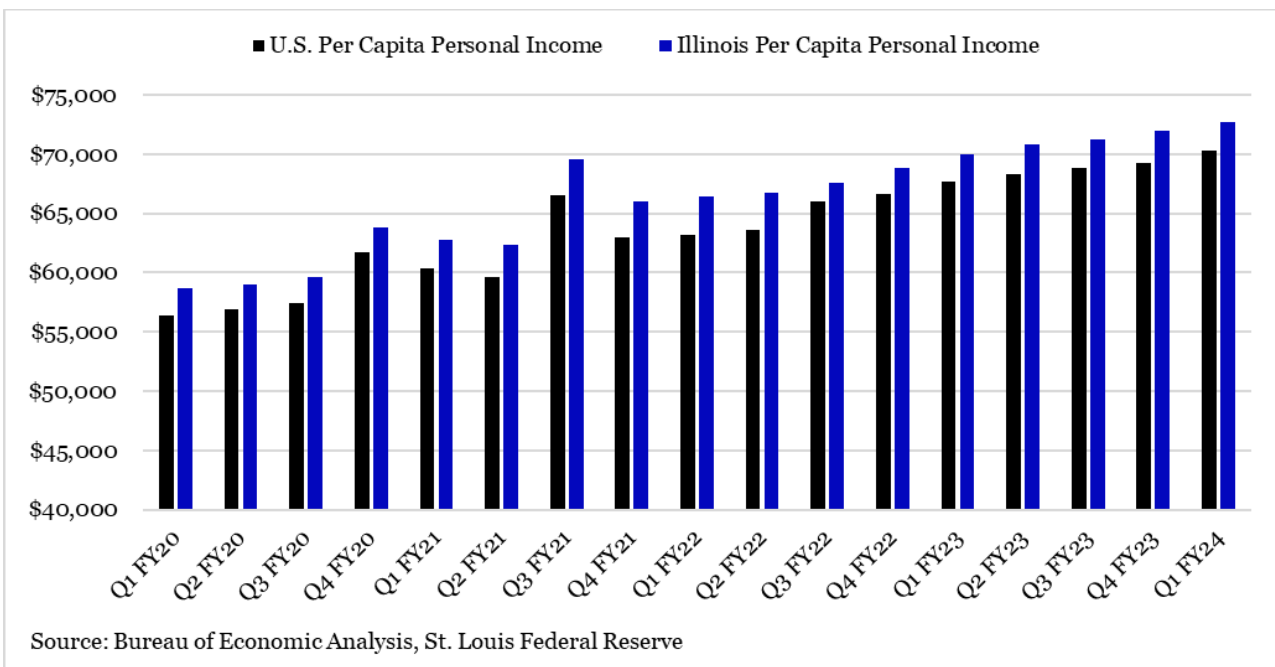
<sup>1</sup> Constitutional Officers exclude Auditor General.

## 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 FY13 to June FY24. In June FY24, the U.S. city average CPI increased 3.0% year-over-year. The CPI for Chicago metropolitan area increased 3.0% and the CPI for Midwest region increased 2.5%.



The graph below compares the per capita personal income between the U.S. and Illinois from the first quarter of FY20 to the first quarter of FY24. The U.S. per capita personal income increased \$1,101 or 1.6% from \$69,205 in the fourth quarter of FY23 to \$70,306 in the first quarter of FY24. Year-over-year, U.S. per capita personal income increased \$2,621 or 3.7%. In Illinois, per capita personal income increased by \$738 or 1% from \$72,010 in the fourth quarter of FY23 to \$72,748 in the first quarter of FY24. Year-over-year, Illinois per capita personal income increased \$2,775 or 3.8%.



## EMPLOYMENT HIGHLIGHTS

The table below shows recent Illinois and national employment highlights. Nationally, the unemployment rate in June of FY24 was 4.1%, up from 3.6% during the same period last fiscal year. Illinois' unemployment rate of 5.0% in June of FY24 reflected an increase of 0.7 percentage points from the state's unemployment rate of 4.3% during the same period last fiscal year.

<b>EMPLOYMENT HIGHLIGHTS</b>			
<b>State and National Review</b>			
<b>EMPLOYMENT STATISTICS</b>	<b><u>April FY23</u></b>	<b><u>April FY24</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	6,106,300	6,143,700	37,400
Unemployment Rate, Illinois	4.2%	4.8%	0.6
Unemployment Rate, United States	3.4%	3.9%	0.5
Labor Force Participation Rate, Illinois	64.0%	64.7%	0.7
Labor Force Participation Rate, United States	62.6%	62.7%	0.1
<b>EMPLOYMENT STATISTICS</b>	<b><u>May FY23</u></b>	<b><u>May FY24</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	6,107,000	6,151,000	44,000
Unemployment Rate, Illinois	4.2%	4.9%	0.7
Unemployment Rate, United States	3.7%	4.0%	0.3
Labor Force Participation Rate, Illinois	64.1%	64.9%	0.8
Labor Force Participation Rate, United States	62.6%	62.5%	(0.1)
<b>EMPLOYMENT STATISTICS</b>	<b><u>June FY23</u></b>	<b><u>June FY24</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	6,134,100	6,158,300	24,200
Unemployment Rate, Illinois	4.3%	5.0%	0.7
Unemployment Rate, United States	3.6%	4.1%	0.5
Labor Force Participation Rate, Illinois	64.2%	64.9%	0.7
Labor Force Participation Rate, United States	62.6%	62.6%	0.0

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

## ILLINOIS REAL ESTATE

Despite near record-low housing availability, Illinois home sales rose throughout the fourth quarter of FY24. In comparison with last April, April 2024 statewide home sales were 6.9% higher than the year before, in spite of the 8.1% increase in median housing prices year-over-year. The Chicago metro area saw a rebound as well, with a 5% increase in the number of homes sold in April. Another slightly positive month followed suit in May, with a 0.2% increase in homes sold throughout the state. This trend did not follow suit in June, with a 16.7% drop in homes sold statewide in June, coupled with an 8.6% increase in median price. All in all, the Illinois Real Estate market has continued to reflect the nationwide housing market trend of low supply and rising home prices that have stagnated home sales growth. More available housing is still needed at all levels of the housing market. To make market conditions worse, the monthly average 30 year fixed-rate mortgage rose to 7.06%, eclipsing 7% for the first time this year. In comparison, June 2023 saw an average rate of 6.71%



**BALANCED BUDGET AND FISCAL NOTES**

The table below lists the fiscal year 2023 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.

<b>Fiscal Year 2024 Report on Balanced Budget and Fiscal Notes</b>	
<b>103rd General Assembly Spring 2024 Balanced Budget Notes</b>	
<b>Bill</b>	<b>Description</b>
HB5395 HA1	Distance and wait times for Medicare and Medicaid services
SB867	Land transfer and land management agreement
<b>103rd General Assembly Spring 2024 Fiscal Notes</b>	
<b>Bill</b>	<b>Description</b>
None filed	