Commission on Government Forecasting and Accountability

MONTHLY BRIEFING

For the Month Ended: MARCH 2025

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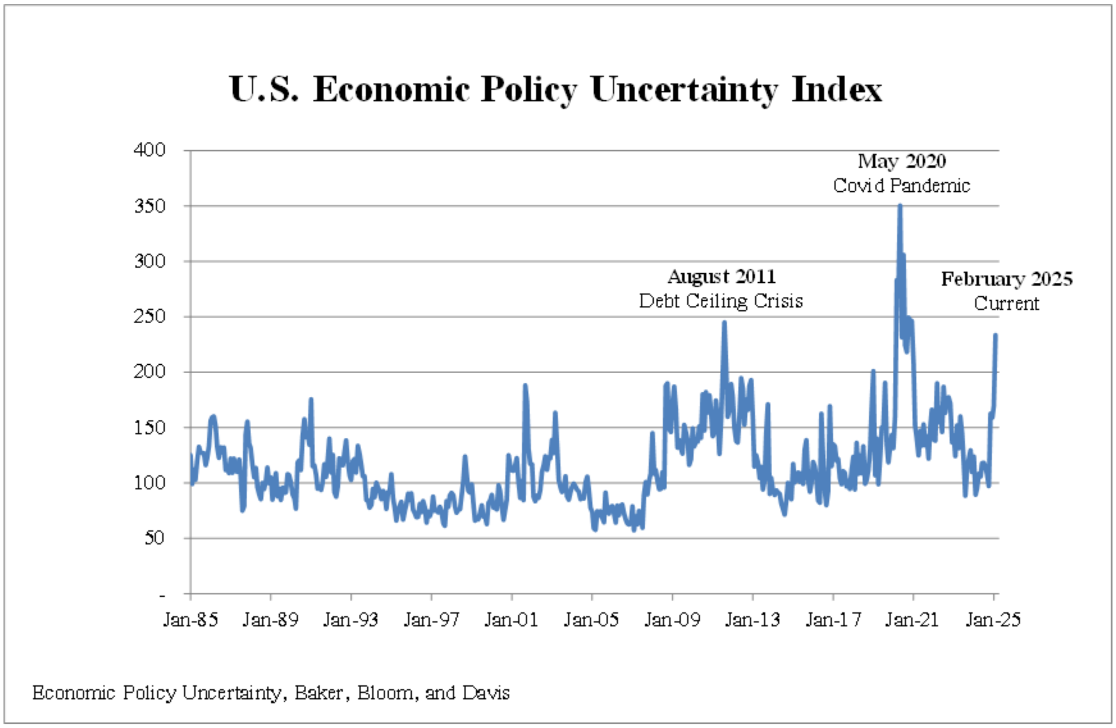
Economy: Uncertainty Reigns

Benjamin L. Varner, Chief Economist

The U.S. economy in March was unsettled, driven by high uncertainty and abrupt policy shifts. The Trump administration's frequent trade policy adjustments have heightened economic unpredictability. Both market analysts and consumers have reacted accordingly: Federal Reserve forecasts for the year have been downgraded, inflation expectations have risen, and consumer confidence has tumbled to its lowest level in over a decade.

March saw the introduction of sweeping tariffs on key trade partners. On March 4, the U.S. imposed a 25% tariff on non-USMCA-compliant goods from Canada and Mexico, while a 10% tariff was levied on select energy products and potash. Additionally, tariffs on Chinese imports were raised from 10% to 20%, followed by a March 12 announcement of a 25% tariff on all steel and aluminum imports. Further trade policy changes are expected in early April, potentially expanding to include additional Canadian and Mexican products, imports from countries that purchase Venezuelan oil, automotive goods, and reciprocal tariffs on other nations. However, delays and exemptions have fueled speculation that these tariffs are merely negotiation tools to secure more favorable trade agreements, adding to business uncertainty and complicating long-term planning. In response to these measures, several affected countries have discussed potential counter tariffs, which could further disrupt global trade and escalate economic tensions.

Beyond trade policy, federal tax and spending policies remain in flux. Key provisions of the Tax Cuts and Jobs Act of 2017 are set to expire at the end of 2025, while the administration pursues

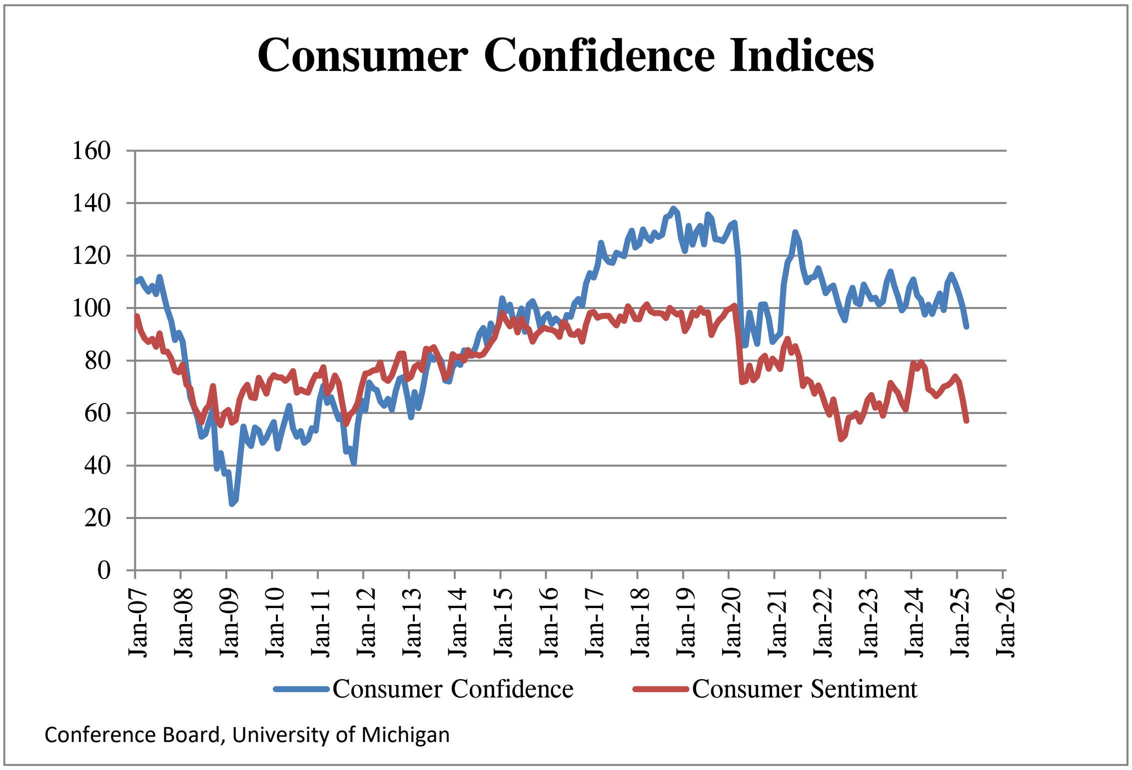


significant federal workforce reductions and departmental downsizing. The outcomes of these policy shifts remain unclear as legislative and judicial processes unfold. Economic uncertainty is currently among the highest recorded levels, as measured by the U.S. Economic Uncertainty Index—a three-component gauge developed by economists Scott R. Baker, Nick Bloom, and Steven J. Davis. This index, which tracks economic-related uncertainty in media coverage, temporary federal tax code provisions, and variations in economic forecasts, reached its third-highest level in February, surpassed only by the COVID-19 pandemic and the 2011 debt ceiling crisis.

Economic projections have adjusted in response to this uncertainty. In the Federal Reserve's March meetings, officials revised their forecasts downward, anticipating slower economic growth over the next three years. Real GDP growth projections for 2025 fell from 2.1% to 1.7%, while 2026 and 2027 estimates dropped to 1.8%. Unemployment projections remained stable, with a slight uptick to 4.4% in 2025 before holding steady at 4.3% for the subsequent years. Inflation expectations increased from 2.5% to 2.7% in 2025, with a projected decline to 2.2% in 2026 and 2.0% in 2027.

Consumers have also felt the turbulence. The Index of Consumer Sentiment declined sharply to 57.0 in March, a 12% month-over-month drop and a 28% decrease compared to the previous year. Similarly, the Consumer Confidence Index fell for the fourth consecutive month, declining 7.2 points to 92.9—levels not seen since 2014-2015. While consumer opinions on present economic conditions have remained relatively stable, consumer expectations for income, business, and labor markets in the future have plummeted to a 12-year low. Inflation expectations for the next year have also worsened significantly in both surveys.

The U.S. economy faces significant uncertainty driven by unpredictable trade policies, impending tax and spending changes, and fluctuating consumer confidence. The economic outlook remains fragile, with forecasts indicating slower growth, persistent inflationary pressures, and heightened uncertainty. As policymakers navigate these challenges, businesses and consumers alike must brace for continued volatility, underscoring the need for strategic planning and adaptability in the months ahead.



INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

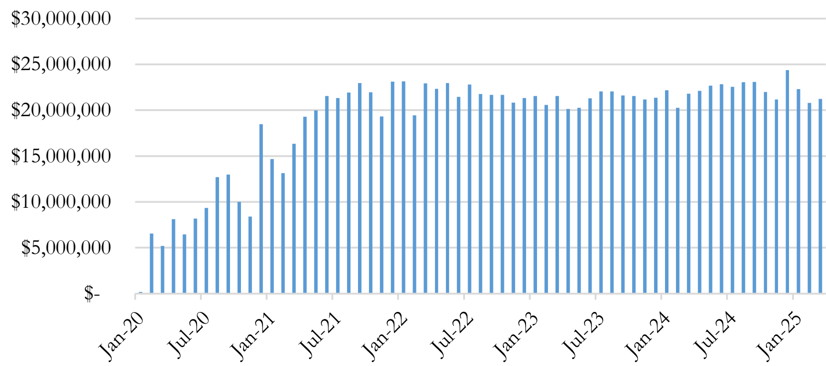
INDICATORS*	LATEST MONTH	PRIOR MONTH	A YEAR AGO
Unemployment Rate (Average) (Feb.)	4.8%	4.9%	4.9%
Inflation in Chicago (12-month percent change) (Feb.)	3.8%	4.3%	3.4%

	LATEST MONTH	CHANGE OVER PRIOR MONTH	CHANGE OVER A YEAR AGO
Civilian Labor Force (thousands) (Feb.)	6,642.5	-0.2%	0.9%
Employment (thousands) (Feb.)	6,321.5	-0.1%	1.0%
Nonfarm Payroll Employment (Feb.)	6,150,100	-6,500	19,100
New Car & Truck Registration (Feb.)	30,323	-23.0%	7.0%
Single Family Housing Permits (Feb.)	635	5.5%	-3.3%
Total Exports ($ bil) (Jan.)	6.40	-0.4%	0.1%
Chicago Purchasing Managers Index (Feb.)	47.6	4.6%	8.2%

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

Cannabis Quarterly – 3rd Quarter FY 2025

MONTHLY CANNABIS EXCISE TAXES



Illinois State Comptroller

CANNABIS REGULATION FUND REVENUE

($ millions)

Revenue Source	FY24 Q3	FY25 Q3	$ Change	% Change	FY24 YTD	FY25 YTD	$ Change	% Change
State Cannabis Excise Taxes	$64.3	$64.3	$0.1	0.1%	$194.1	$200.6	$6.5	3.4%
Licenses and Registration Fees	$10.1	$4.2	($5.9)	-58.3%	$14.1	$9.1	($5.0)	-35.6%
Other Revenue	$0.1	$0.0	($0.0)	-83.6%	$0.1	$0.1	$0.1	86.9%
Total	**$74.4**	**$68.6**	**($5.9)**	**-7.9%**	**$208.3**	**$209.8**	**$1.5**	**0.7%**

Illinois State Comptroller, CGFA

CANNABIS REGULATION FUND EXPENDITURES

($ millions)

Object of Expenditure	FY24 Q3	FY25 Q3	$ Change	% Change	FY24 YTD	FY25 YTD	$ Change	% Change
Transfer - General Revenue Fund	$22.8	$22.9	$0.0	0.1%	$64.9	$65.7	$0.8	1.2%
Transfer - Professional Services	$0.0	$0.0	$0.0	n/a	$0.0	$0.0	$0.0	30.0%
Transfer - Workers' Compensation Revolving	$0.0	$0.0	$0.0	n/a	$0.0	$0.1	$0.0	27.4%
Transfer - Criminal Justice Info Projects	$16.3	$16.3	$0.0	0.1%	$46.4	$46.9	$0.6	1.2%
Transfer - Drug Treatment	$1.3	$1.3	$0.0	0.1%	$3.7	$3.8	$0.0	1.2%
Transfer - DHS Community Services	$13.1	$13.1	$0.0	0.1%	$37.1	$37.6	$0.5	1.2%
Transfer - Local Government Distributive Fund	$5.2	$5.2	$0.0	0.1%	$14.8	$15.0	$0.2	1.2%
Transfer - Budget Stabilization	$6.5	$6.5	$0.0	0.1%	$18.5	$18.8	$0.2	1.2%
Transfer - Cannabis Expungement	$0.7	$0.7	$0.0	0.0%	$2.1	$2.1	$0.0	0.0%
Transfer Total	**$66.0**	**$66.1**	**$0.1**	**0.1%**	**$187.7**	**$190.0**	**$2.3**	**1.2%**
Operations - Agriculture	$1.8	$2.3	$0.5	28.4%	$4.6	$7.3	$2.8	61.2%
Operations - Commerce and Econ. Opportunity	$0.2	$0.3	$0.1	57.7%	$0.5	$0.6	$0.1	28.8%
Operations - Financial Professional Regulation	$1.9	$1.5	($0.4)	-22.7%	$4.5	$4.3	($0.2)	-4.4%
Operations - Public Health	$0.0	$0.0	$0.0	n/a	$0.0	$0.0	$0.0	n/a
Operations - Revenue	$0.0	$0.0	$0.0	n/a	$1.5	$1.5	$0.0	2.9%
Operations - State Police	$0.7	$0.9	$0.2	27.0%	$1.7	$2.3	$0.6	32.7%
Operations - Criminal Justice Information Authority	$0.0	$0.0	$0.0	n/a	$0.0	$0.0	$0.0	n/a
Operations Total	**$4.6**	**$5.1**	**$0.4**	**9.5%**	**$12.8**	**$16.2**	**$3.3**	**26.1%**
Grand Total	**$70.6**	**$71.1**	**$0.5**	**0.7%**	**$200.5**	**$206.2**	**$5.7**	**2.8%**

Illinois State Comptroller, CGFA

Overview of Gaming Related Revenues in CY 2024

Robin Thompson, Revenue Analyst

Calendar Year 2024 established a number changes for gaming related revenues within Illinois. More of the components of the gaming expansion package that was enacted in 2019 (P.A. 101-0031) are starting to take full effect. This includes the continuing implementation of sports wagering in Illinois, an expansion of Illinois' video gaming industry, and the development of new casinos across the state.

While some of the major components of this expansion are still yet to materialize, such as the opening of the 4,000-position permanent Chicago Casino, the activity that has taken place was a primary contributor behind the 9.6% increase in taxable revenues from gaming-related sources in CY 2024. Several other important changes were made to the tax structure of gaming-related sources as a result of recently enacted P.A. 103-0592. Most notably, the sports wagering tax rate was changed from a flat 15% tax on adjusted gross receipts (AGR) to a privilege (graduated) tax structure. Additionally, the 34% tax rate on video gaming terminals was increased to 35% as a result of the same Act.

The AGR of Illinois' casinos grew 11.0% in CY 2024. Much of the reason for this is due to a full calendar year of operations for the four casinos that opened during the previous calendar year (Chicago, Danville, Waukegan, and Carterville). Additionally, the opening of two new permanent casinos (Rockford and the South Suburbs) in CY 2024 helped further enhance casino revenue totals.

The Net Terminal Income from the over 48,000 video gaming terminals across Illinois boosted video gaming revenue totals from $2.884 billion in CY 2023 to $3.004 billion in CY 2024, an increase of 4.2%. This growth is part due to the 2019 change raising the maximum number of terminals eligible for placement in a single location, raising the maximum wager per hand, and allowing video gaming terminals at the Illinois State Fair. Sports Wagering, now in its fifth fiscal year of operations, grew 23.0% in CY 2024, increasing its AGR totals from $1.002 billion to $1.233 billion.

In total, gaming related AGR in Illinois increased 9.6% from $5.408 billion to $5.926 billion in CY 2024, while tax revenues from these sources grew 13.9% from $1.540 billion to $1.754 billion. Tax revenues grew at a higher percentage than the taxable base because of the modified tax rates at a higher level.

The following paragraphs provide a closer look at each gaming source's CY 2024 performance.

Casinos

The overall AGR of Illinois casinos increased by 11.0% in CY 2024 – indicating a substantial level of growth from the previous year. Although, it should be noted that some of the elevated AGR numbers in CY 2024 can be attributed to a full calendar year of operations from four casinos established in the prior year (Chicago, Danville, Waukegan, and Carterville). Furthermore, the commencement of operations at two permanent casino facilities (Rockford and the South Suburbs) in Calendar Year 2024 contributed to sustained growth in aggregate casino revenues. The highest generator of adjusted gross receipts in Illinois continues to be Des Plaines' Rivers Casino, with a CY 2024 AGR total of $516.1 million. The CY 2024 AGR total of $1.689 billion is the highest tally recorded in more than 10 years, although this total remains below historical levels seen before the proliferation of Illinois' video gaming industry.

Many Illinois casinos are in the process of transitioning from temporary locations to permanent facilities. At the time of this publication Waukegan and the City of Chicago are in the process of building a permanent casino. Once these casinos are built, the expanded gaming positions should provide a notable bump in casino AGR figures in future years. Overall, the graduated casino tax structure generated a total of $451 million in tax revenues, including approximately $345 million in State revenues across CY 2024. From this tally, administrative expenses incurred by the Illinois Gaming Board are subtracted and a number of distributions to the State Gaming Fund, Chicago State University, School Infrastructure Fund, Cook County Criminal Justice System, and Illinois Department of Human Services are made. Further information regarding the distribution of casino gaming revenues can be found in the Commission's *Wagering in Illinois 2024 Update*.

ADJUSTED GROSS RECEIPTS OF ILLINOIS CASINOS

$ IN MILLIONS	CY 2019 AGR	CY 2020 AGR	CY 2021 AGR	CY 2022 AGR	CY 2023 AGR	CY 2024 AGR	1-Yr. Change	3-Yr. Change	Dec. '24 Positions	AGR/ Pos/Day
ALTON ARGOSY - Alton	$39.0	$17.3	$31.7	$31.4	$34.3	$34.0	-0.7%	7.5%	505	$185
HOLLYWOOD - Aurora	$114.6	$48.7	$95.2	$99.4	$97.6	$99.3	1.7%	4.3%	976	$279
WALKER'S BLUFF - Carterville	$0.0	$0.0	$0.0	$0.0	$10.7	$32.0	200.3%	N/A	665	$132
BALLY'S - Chicago	$0.0	$0.0	$0.0	$0.0	$30.4	$124.9	311.0%	N/A	952	$360
GOLDEN NUGGET - Danville	$0.0	$0.0	$0.0	$0.0	$22.1	$37.2	68.3%	N/A	497	$205
RIVERS CASINO - Des Plaines	$450.5	$230.7	$458.2	$528.7	$538.7	$516.1	-4.2%	12.6%	1,999	$707
PAR-A-DICE - E. Peoria	$72.8	$31.2	$61.0	$60.7	$63.5	$60.5	-4.7%	-0.8%	605	$274
CASINO QUEEN - E. St. Louis	$99.5	$39.5	$70.6	$79.5	$79.7	$86.0	7.8%	21.8%	979	$241
GRAND VICTORIA - Elgin	$156.0	$71.1	$143.3	$154.4	$150.1	$138.8	-7.5%	-3.1%	909	$418
HARRAH'S - Joliet	$171.6	$73.9	$137.5	$135.2	$131.4	$124.6	-5.1%	-9.3%	778	$439
HOLLYWOOD - Joliet	$115.6	$47.1	$82.2	$87.1	$91.3	$90.3	-1.1%	9.9%	898	$276
HARRAH'S - Metropolis	$68.4	$34.4	$57.6	$62.8	$65.0	$58.0	-10.8%	0.5%	636	$250
BALLY'S - Rock Island	$66.3	$24.0	$41.6	$54.6	$61.6	$60.4	-1.9%	45.3%	788	$210
HARD ROCK - Rockford	$0.0	$0.0	$8.5	$54.7	$69.1	$97.6	41.2%	1052.7%	1,432	$187
AMERICAN PLACE - Waukegan	$0.0	$0.0	$0.0	$0.0	$76.1	$108.1	41.9%	N/A	1,076	$275
WIND CREEK - South Suburbs	$0.0	$0.0	$0.0	$0.0	$0.0	$21.4	N/A	N/A	1,271	$330
TOTALS	**$1,354.4**	**$617.8**	**$1,187.3**	**$1,348.7**	**$1,521.5**	**$1,689.2**	**11.0%**	**42.3%**	**14,965**	**$309**
CHICAGO REGION TOTALS	$1,008.4	$471.5	$916.4	$1,004.9	$1,115.6	$1,223.6	9.7%	21.8%	6,766	$495
ST. LOUIS REGION TOTALS	$138.5	$56.7	$102.3	$111.0	$114.0	$120.0	5.2%	17.3%	2,505	$131

Source: Illinois Gaming Board

Video Gaming

In CY 2024, video gaming revenues grew moderately from the historic high recorded during the previous year. Net terminal income (NTI) levels were documented as rising a total of 4.2% from $2.884 billion to $3.004 billion; resulting in tax revenues of $1.037 billion, of which $884 million went to the Capital Projects Fund and $152 million went to local governments.

There are several factors likely driving this growth: the legislative changes resulting from P.A. 101-0031 (as mentioned earlier in this article), continued expansion into municipalities that had previously banned video gaming, and economic conditions favorably impacting bettors. A further partial impact resulted from P.A. 103-0592 raising the tax rate collected from Net Terminal Income from 34% to 35%. This change took place on July 1, 2024, which resulted in a higher tax rate during a portion of the Calendar Year.

Illinois Video Gaming Statistics by Calendar Year

Fiscal Year	Terminals in Operation at end of CY	Net Terminal Income ($ in mil)	NTI per Terminal per Day	Tax Revenue* ($ in mil)	State Share of Total* ($ in mil)	Local Share of Total* ($ in mil)
CY 2014	19,182	$659.5	$94.20	$197.9	$164.9	$33.0
CY 2015	22,135	$913.6	$113.08	$274.1	$228.4	$45.7
CY 2016	24,840	$1,108.1	$122.22	$332.4	$277.0	$55.4
CY 2017	28,271	$1,302.8	$126.25	$390.8	$325.7	$65.1
CY 2018	30,694	$1,500.0	$133.89	$450.0	$375.0	$75.0
CY 2019	33,294	$1,676.7	$137.97	$528.2	$444.4	$83.8
CY 2020**	37,159	$1,134.4	$117.87	$381.9	$325.2	$56.7
CY 2021**	41,826	$2,474.9	$192.74	$841.4	$717.7	$123.7
CY 2022	45,008	$2,710.3	$164.98	$895.0	$786.0	$135.5
CY 2023	47,047	$2,884.3	$167.96	$980.7	$836.5	$144.2
CY 2024	48,706	$3,004.4	$169.00	$1,036.5	$884.2	$152.4

* Prior to July 1, 2019, tax imposed on video gaming net terminal income was at 30% in which 5/6 of the tax revenues went to the Capital Projects Fund and the remaining 1/6 went to local governments. Beginning on July 1, 2019, an additional tax of 3% began, bringing the tax to 33%. On July 1, 2020, the tax increased to 34%. The tax rate further increased to 35% on July 1, 2024. Revenues from the additional tax are to be deposited into the Capital Projects Fund.

**Due to COVID-19, play was suspended between March 16, 2020 and June 30, 2020 and then again from November 19, 2020 thru January 15, 2021. After January 15, 2021, play was allowed to resume in a region once its region met certain COVID-19 guidelines.

Sports Wagering

The table at the bottom of this page provides an overview of Illinois' sports wagering statistics in its first five years of operation. As shown, over 1.2 billion wagers have been made during this time. More than $44.2 billion in bets have been handled with almost $40.6 billion in payouts. This resulted in nearly $3.7 billion in adjusted gross receipts from sports wagering, thereby generating approximately $634 million in tax revenues.

The 23.0% AGR increase between CY 2023 and CY 2024, from $1.002 billion to $1.233 billion, is a result of several factors – the most significant being the new privilege tax structure implemented by P.A. 103-0592 on July 1, 2024. The percentage of tax collected varies depending on the adjusted gross sports wagering receipts collected by that particular licensee in a given fiscal year. In this structure, receipts collected in-person and online are taxed in different brackets. This tax structure means that the graduated tax for online and in-person sports wagering revenues are collected independently from each other. As such, although both tax brackets have the same AGR thresholds and tax rates, a sports wagering licensee could pay one tax rate for online sports wagering and another for in-person sports wagering if the licensee records different AGR totals amongst the two categories. The following table outlines the specific rates of the sports wagering graduated tax structure:

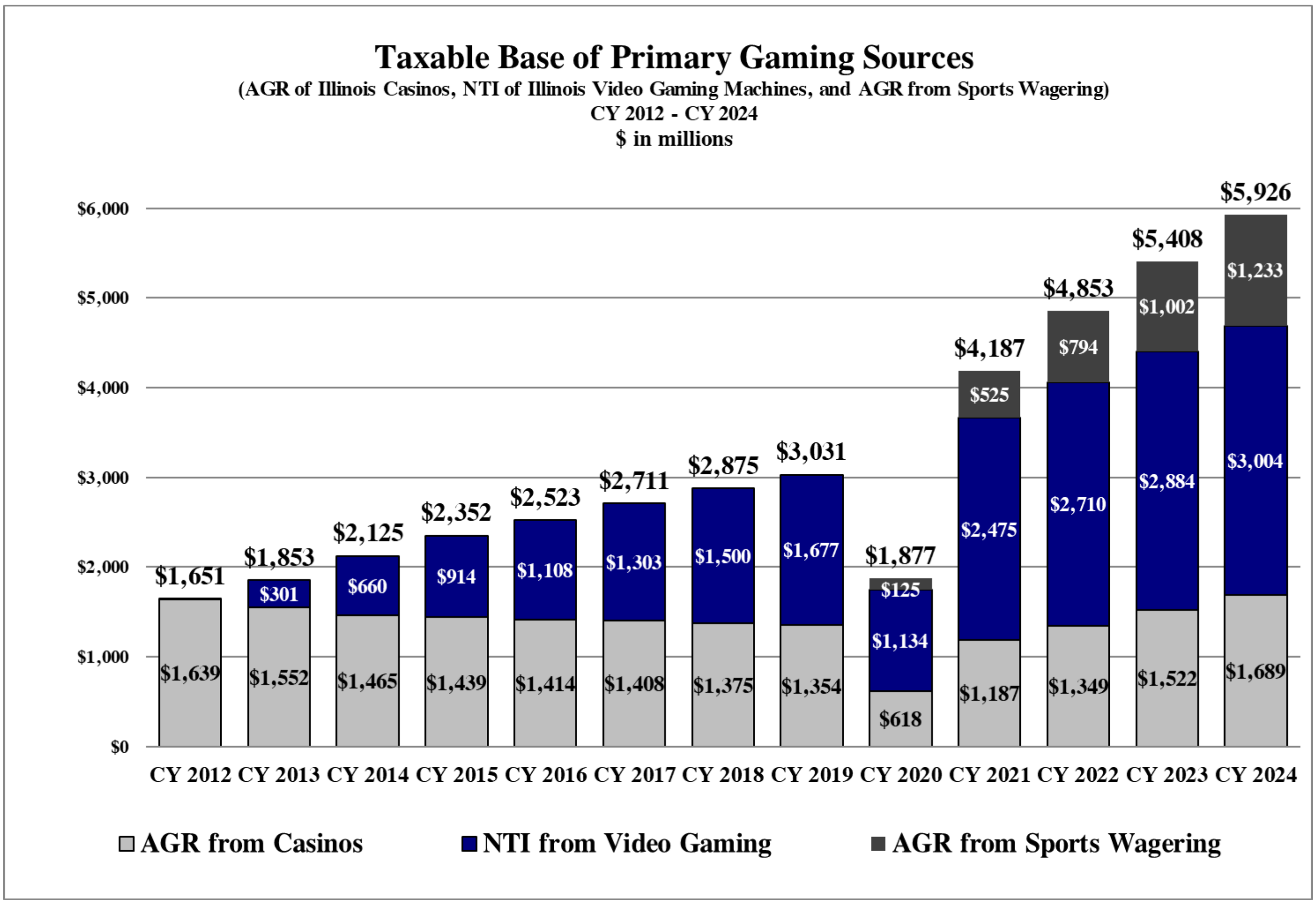
Sports Wagering Graduated Tax Structure		
AGR Range	In-Person Tax Rate	Online Tax Rate
≤ $30 million	20%	20%
>$30 million to $50 million	25%	25%
>$50 million to $100 million	30%	30%
>$100 million to $200 million	35%	35%
>$200 million	40%	40%

P.A. 103-0592 also made a change to sports wagering distributions. Under prior law, all revenue collected was transferred to the Capital Projects Fund (after first being aggregated in the Sports Wagering Fund). The new change will result in 42% of sports wagering revenue being transferred to the Capital Projects Fund and the remaining 58% being transferred to the State's General Revenue Fund. Also, a substantial advertising effort to drive further sports betting activity helped boost sports wagering revenues. A more detailed look at the components of the rise in sports wagering figures are provided in the Commission's Wagering in Illinois 2024 Update. In CY 2024, $267 million in tax revenues were generated from sports wagering.

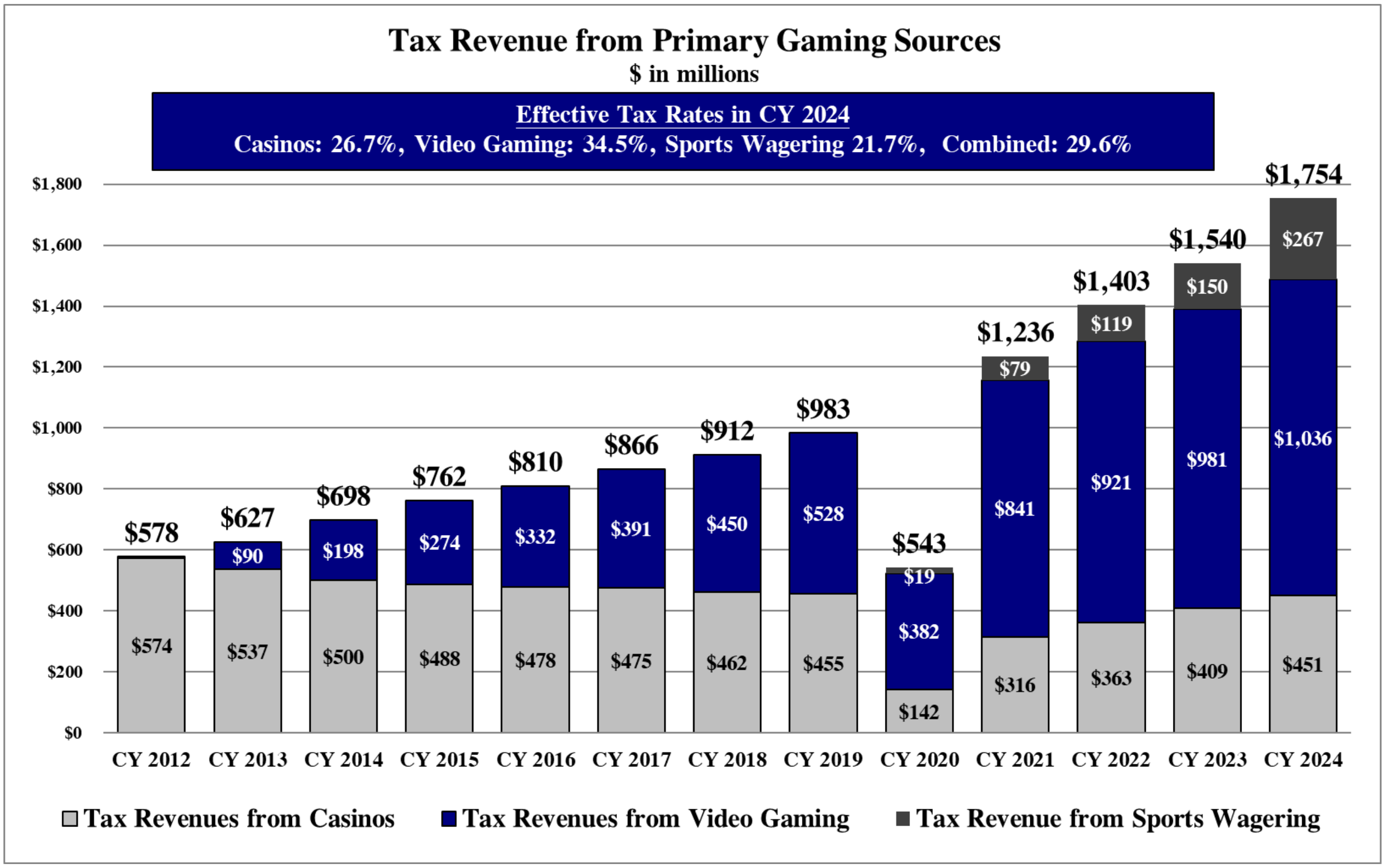
ILLINOIS SPORTS WAGERING STATISTICS BY CALENDAR YEAR *$ in millions*					
Fiscal Year	Wagers	Handle	Payout	AGR	Tax Revenue
CY 2020	52,167,874	$1,871	$1,745	$125	$19
CY 2021	188,919,374	$7,012	$6,488	$525	$79
CY 2022	270,670,993	$9,739	$8,945	$794	$119
CY 2023	324,454,897	$11,613	$10,611	$1,002	$150
CY 2024	375,412,326	$14,013	$12,813	$1,233	$267
Total	1,211,625,464	$44,249	$40,603	$3,680	$634
Source: Illinois Gaming Board					

Gaming Figures in Total

Since video gaming was implemented in CY 2012, the AGR from established casinos has been on a downward trend. However, this trend seems to be reversing somewhat. The AGR collected from casinos is now 3.1% above the amount collected in Calendar Year 2012. When combined with other gaming sources, overall wagering revenues are up 258.9% during this time period (from $1.651 billion in CY 2012 to $5.926 billion in CY 2024) and are up 9.6% over the last year. The proliferation of video gaming across the state, along with the other additional gambling dollars brought in from sports wagering and new casinos, has boosted overall gaming revenues. Although, some cannibalization amongst wagering sources appears to have detrimentally affected casino AGR collections in certain areas, the expansion of new casinos has helped to offset this reduction overall.



From a tax revenue perspective, the annual tax receipts collected from Illinois casinos has dropped 27.3% since video gaming was implemented in CY 2012. This is due to both the previously mentioned cannibalization effect, as well as the reduced tax structure that was put into place by P.A. 101-0031. However, as illustrated in the following chart, when combining casino tax revenues with video gaming and sports wagering tax revenues, overall tax revenues grew from $578 million in CY 2012 to $1.754 billion in CY 2024, an increase of 203.4%. The current figure of $1.754 billion represents a 13.9% increase over the tally of $1.540 billion in CY 2023.



Due to differences in tax rate structure between the various forms of wagering, each wagering category contributes a different level of tax contribution to the State. Casinos and sports wagering follow a graduated tax structure system where they are assigned tax rates for table games and electronic gaming devices depending on the total AGR received (in the case of sports wagering, the tax rates are separated into in-person and online categories). Therefore, the effective tax rates of 26.7% for casinos and 21.7% for sports wagering, as shown in the chart below, represent an average effective tax rate for all of Illinois' casinos and sports licensees. This is in contrast to video gaming, which has a flat tax rate of 35.0% on net terminal income.

Illinois tax revenue is likely to grow higher as the final components of P.A. 101-0031 are implemented over the next several calendar years.

Revenues Rebound in March to Offset Last Month's Declines

Eric Noggle, Revenue Manager

After falling $152 million in February, General Funds receipts bounced back nicely in March with growth of $209 million for an increase of +4.5%. This now places year-to-date receipts, with three months remaining in the fiscal year, slightly ahead of last year's pace. The growth in March was mostly due to a strong month for the Personal Income Tax, though other gains were scattered throughout the State's revenue streams. This month had the same number of receipting days as last March.

The vast majority of the revenue growth came from the Personal Income Tax, which grew $445 million on a gross basis, an increase of +14.6%. This resulted in a net gain of $379 million when subtracting out non-General Funds distributions. The magnitude of the growth, while impressive, was mostly as anticipated as the gains included the third of five "true-up" installments in which certain business-related income tax payments are being reallocated to the Personal Income Tax revenue line. As initially discussed in the September Revenue Briefing, each of the five "true-up" installments results in a positive monthly adjustment of approximately $258 million to the Personal Income Tax at the expense of the Corporate Income Tax (negative adjustment of -$54 million) and the Personal Property Replacement Tax (non-General Fund negative adjustment of -$204 million). Another adjustment will occur next month in April with the final adjustment occurring in June. These adjustments should help boost Personal Income Tax revenues during the final quarter of the fiscal year.

Even when removing the gains from the true-up adjustments, Personal Income Taxes still rose approximately $187 million in March. While some of this increase is likely due to continued growth in withholding tax payments (as recent job data indicate an uptick in wages), much of the gains likely stem from the initial influx of final tax payments. (The specifics of these gains will be dissected as more tax data is released later this month.) As always, the performance of next month's receipts will be watched closely as the glut of final tax receipts in April will heavily influence the overall revenue picture for General Funds revenues in FY 2025.

Throughout the fiscal year, Corporate Income tax receipts have mostly underperformed initial revenue expectations. While receipts did rise slightly in March (up $3 million on a gross basis and $2 million on a net basis for a gain of +0.8%), this month's results did little to change the overall subpar trend this fiscal year. With that being said, this month's total is slightly better than what appears on the surface because it contains the -$54 million true-up adjustment. Still, more improvement in Corporate Income Tax payments will be needed to even reach the recently revised-down forecasts.

It was a positive month for Sales Tax receipts as gross receipts were $9 million higher than last March's levels. However, when accounting for non-General Funds distributions to the Road Fund and certain transportation funds, Sales Tax net revenues were $5 million below last year's figures. Similar to the Corporate Income Tax, more growth in the final quarter is needed to reach recently adjusted forecasts. However, this progression is challenged by the fact that it must occur amid weakening consumer confidence (see page 2).

In terms of All Other State Sources, revenues were collectively down $8 million for the month. Increases from Other Sources [+$11 million]; the Corporate Franchise Tax [+$10 million]; and the Liquor Tax [+$4 million] offset declines from Interest on State Funds & Investments [-$21 million]; Insurance Taxes [-$7 million]; Public Utility Taxes [-$3 million]; and the Cigarette Tax [-$2 million].

Revenues from Transfers In grew a combined $54 million in March. The Sports Wagering Transfer, in its first fiscal year of contributing to the State's General Funds, had its largest month of receipts so far by adding $32 million to the revenue total. Other Transfers also had a solid month growing $11 million in March. In addition, Lottery Transfers increased $9 million while casino-related Gaming Transfers added $2 million. Cannabis Transfers were flat this month.

Counterbalancing a portion of the growth seen from State sources was a decline in the amount of Federal Sources deposited into the State's General Funds. This month's total was $213 million below last March's revenue total. After two consecutive months of declines, this revenue source will, too, have to finish the fiscal year strong to reach projected revenue totals for FY 2025.

Summary of Receipts
MARCH
FY 2024 vs. FY 2025
($ millions)

Federal Sources [base]	**FY 2024**	**FY 2025**	**$ CHANGE**	**% CHANGE**
Net Personal Income Tax	$2,595	$2,974	$379	14.6%
Net Corporate Income Tax	$257	$259	$2	0.8%
Net Sales Tax	$786	$781	($5)	-0.6%
All Other State Sources	$424	$416	($8)	-1.9%
Transfers In	$131	$185	$54	41.2%
Federal Sources [base]	$490	$277	($213)	-43.5%
Base General Funds	$4,683	$4,892	$209	4.5%
Transfer of Excess PA 102-700 Funds to GRF	$0	$0	$0	N/A
Prior Year Federal Matching Funds	$0	$0	$0	N/A
Total General Funds	**$4,683**	**$4,892**	**$209**	**4.5%**

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 1-Apr-25

MARCH

FY 2024 vs. FY 2025

($ millions)

Revenue Sources	March FY 2024	March FY 2025	$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	$3,054	$3,499	$445	14.6%
Corporate Income Tax (regular)	321	324	3	0.9%
Sales Taxes	915	924	9	1.0%
Public Utility Taxes (regular)	71	68	(3)	-4.2%
Cigarette Tax	16	14	(2)	-12.5%
Liquor Gallonage Taxes	8	12	4	50.0%
Estate Tax	62	62	0	0.0%
Insurance Taxes and Fees	71	64	(7)	-9.9%
Corporate Franchise Tax & Fees	13	23	10	76.9%
Interest on State Funds & Investments	59	38	(21)	-35.6%
Cook County IGT	94	94	0	0.0%
Other Sources	30	41	11	36.7%
Total State Taxes	$4,714	$5,163	$449	9.5%
Transfers In				
Lottery	$75	$84	$9	12.0%
Gaming	14	16	2	14.3%
Sports Wagering	0	32	32	N/A
Cannabis	10	10	0	0.0%
Refund Fund	0	0	0	N/A
Other	32	43	11	34.4%
Total Transfers In	$131	$185	$54	41.2%
Total State Sources	$4,845	$5,348	$503	10.4%
Federal Sources [base]	$490	$277	($213)	-43.5%
Total Federal & State Sources	$5,335	$5,625	$290	5.4%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($280)	($320)	($40)	14.3%
Corporate Income Tax	($45)	($45)	0	0.0%
Local Government Distributive Fund				
Personal Income Tax	(179)	(206)	(27)	15.1%
Corporate Income Tax	(19)	(19)	0	0.0%
Sales Tax Distributions				
Deposits into Road Fund	(51)	(62)	(11)	21.6%
Distribution to the PTF and DPTF	(78)	(81)	(3)	3.8%
General Funds Subtotal [Base]	**$4,683**	**$4,892**	**$209**	**4.5%**
Transfer of Excess PA 102-700 Funds to GRF	$0	$0	$0	N/A
Prior Year Federal Matching Funds	$0	$0	$0	N/A
ARPA Reimb. for Essential Gov't Services	$0	$0	$0	N/A
Total General Funds	**$4,683**	**$4,892**	**$209**	**4.5%**

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 1-Apr-25

Year to Date

With three quarters of FY 2025 now complete, revenues into the General Funds are now $56 million or +0.1% above last year's pace. When factoring out the $881 million in one-time receipts from FY 2024 and the $65 million in Federal Stimulus funds that trickled in to FY 2025, base revenues have risen approximately $872 million, an increase of +2.4% through March.

Personal Income Tax receipts are now up $1.735 billion or +8.3% through the first nine months of the fiscal year. On a net basis, the growth is $1.474 billion. This is in contrast to Corporate Income Tax receipts which are down $521 million [-$417 million net], for a year-to-date decline of -13.5%. As discussed throughout the fiscal year, much of this difference is because more business-related income tax receipts are flowing through the Personal Income Tax line instead of the Corporate Income Tax line (via True-Up reallocations and updated allocation rates).

Sales Tax receipts grew for the fifth time in the last six months. However, the year-to-date gross total remains $34 million below last year's total through March due to the weak quarter of receipts to start the fiscal year. Sales Tax receipts on a net basis are up $47 million year-to-date because of fewer tax receipts being distributed out of the General Funds to certain transportation funds in FY 2025.

A bright spot for State revenues continues to come from the All Other State Sources category, which is collectively up $200 million through March. This is mainly due to the strong showing from Insurance Taxes and Fees [+$100 million], as well as year-to-date growth from Interest on State Funds & Investments [+$64 million]; Other Sources [+$44 million]; and Public Utility Taxes [+$20 million]. These gains have outweighed weaker revenues from the Estate Tax [-$12 million]; the Cigarette Tax [-$8 million]; and the Corporate Franchise Tax [-$8 million].

Transfers In are now collectively $304 million behind last year's pace with three months remaining. As discussed throughout the year, this decline is mostly because the Income Tax Refund Fund Transfer in FY 2025 was $302 million less than the FY 2024 amount. Despite the uptick in March, Lottery Transfers remain $45 million behind last year's levels, while Other Transfers are $109 million behind. Offsetting a portion of these declines is a $17 million increase in Gaming Transfers; a $2 million rise in Cannabis Transfers; and growth of $133 million from the new Sports Wagering Transfers.

When including March's declines, base Federal Sources are now $128 million or -3.9% below last year's levels. When including one-time federal dollars into the equation (the $633 million in prior year matching funds received in FY 2024 and the $65 million in ARPA funds received this fiscal year), overall federal receipts fall to a combined $696 million behind last years' pace through March. These "one-time" revenues are shown at the bottom of the accompanying tables as part of non-base receipts, along with $248 million in FY 2024 transfers received from excess P.A. 102-700 funding.

Summary of Receipts ***GENERAL FUNDS RECEIPTS: THROUGH MARCH*** ***FY 2024 vs. FY 2025*** ***($ millions)***				
Revenue Sources	**FY 2024**	**FY 2025**	**$ CHANGE**	**% CHANGE**
Net Personal Income Tax	$17,719	$19,193	$1,474	8.3%
Net Corporate Income Tax	$3,078	$2,661	($417)	-13.5%
Net Sales Tax	$7,850	$7,897	$47	0.6%
All Other State Sources	$2,777	$2,977	$200	7.2%
Transfers In	$2,080	$1,776	($304)	-14.6%
Federal Sources [base]	$3,248	$3,120	($128)	-3.9%
Base General Funds	$36,752	$37,624	$872	2.4%
Non-Base Gen Funds Revenues	$881	$65	($816)	-92.6%
Total General Funds	**$37,633**	**$37,689**	**$56**	**0.1%**
CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding				1-Apr-25

Revenue Outlook

As highlighted in last month's Monthly Briefing, the Commission revised its FY 2025 revenue forecast up slightly to $53.614 billion, as compared to the Enacted Budget revenue total of $53.281 billion. While the $209 million growth in March was a positive result for State coffers, the relatively modest increase this month was mostly on par with the Commission's current revenue projections. Therefore, March's results do not alter the Commission's revenue outlook at this time. With that being said, the largest month for tax collections is upcoming in April, which history has shown can significantly alter the end-of-year revenue outlook (both good and bad). Once these final tax payments are received, a better assessment of the revenue picture for FY 2025 and FY 2026 can occur.

GENERAL FUNDS RECEIPTS: THROUGH MARCH *FY 2024 vs. FY 2025* *($ millions)*				
Revenue Sources	**FY 2024**	**FY 2025**	**$ CHANGE**	**% CHANGE**
State Taxes				
Personal Income Tax	$20,853	$22,588	$1,735	8.3%
Corporate Income Tax (regular)	3,843	3,322	(521)	-13.6%
Sales Taxes	8,773	8,739	(34)	-0.4%
Public Utility Taxes (regular)	533	553	20	3.8%
Cigarette Tax	149	141	(8)	-5.4%
Liquor Gallonage Taxes	132	132	0	0.0%
Estate Tax	478	466	(12)	-2.5%
Insurance Taxes and Fees	299	399	100	33.4%
Corporate Franchise Tax & Fees	156	148	(8)	-5.1%
Interest on State Funds & Investments	492	556	64	13.0%
Cook County IGT	244	244	0	0.0%
Other Sources	294	338	44	15.0%
Total State Taxes	$36,246	$37,626	$1,380	3.8%
Transfers In				
Lottery	$635	$590	($45)	-7.1%
Gaming	125	142	17	13.6%
Sports Wagering	0	133	133	N/A
Cannabis	83	85	2	2.4%
Refund Fund	555	253	(302)	-54.4%
Other	682	573	(109)	-16.0%
Total Transfers In	$2,080	$1,776	($304)	-14.6%
Total State Sources	$38,326	$39,402	$1,076	2.8%
Federal Sources [base]	$3,248	$3,120	($128)	-3.9%
Total Federal & State Sources	$41,574	$42,522	$948	2.3%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($1,908)	($2,067)	($159)	8.3%
Corporate Income Tax	(538)	(466)	72	-13.4%
Local Government Distributive Fund				
Personal Income Tax	(1,226)	(1,328)	(102)	8.3%
Corporate Income Tax	(227)	(196)	31	-13.7%
Sales Tax Distributions				
Deposits into Road Fund	(439)	(536)	(97)	22.1%
Distribution to the PTF and DPTF	(484)	(306)	178	-36.8%
General Funds Subtotal [Base]	**$36,752**	**$37,624**	**$872**	**2.4%**
Transfer of Excess PA 102-700 Funds to GRF	$248	$0	($248)	-100.0%
Prior Year Federal Matching Funds	$633	$0	($633)	-100.0%
ARPA Reimb. for Essential Gov't Services	$0	$65	$65	N/A
Total General Funds	**$37,633**	**$37,689**	**$56**	**0.1%**

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 1-Apr-25