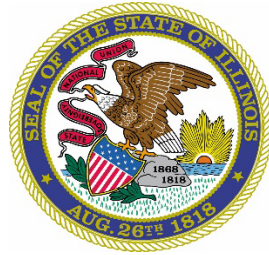


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March 5, 2026

MEMORANDUM

TO: CGFA Members

FROM: Clayton Klenke, Executive Director

RE: FY 2026 and FY 2027 Updated Revenue Estimates

The following document presents the Commission's updated General Funds revenue forecasts for FY 2026 and FY 2027. The report includes a series of tables detailing revenue estimates by major category and by individual revenue source, along with an explanatory narrative discussing the factors contributing to increases or declines within specific revenue areas. It also contains sections comparing the Commission's revised projections with the revenue estimates released in February by the Governor's Office of Management and Budget (GOMB) in its FY 2027 Budget Book.

The report begins with an overview of recent national and Illinois economic conditions, followed by a summary of economic projections for 2026 and 2027 from various forecasting organizations. These economic assumptions form the foundation for the revenue estimates presented in this report.

Economic Outlook

Benjamin L. Varner, Chief Economist

The following section provides a summary of recent developments in both the national and Illinois economies. It also highlights key economic projections for 2026 and 2027 as prepared by various economic forecasting organizations, which serve as an important tool in developing the revenue estimates presented in this report.

National Economy

- The first half of 2025 was marked by elevated uncertainty as businesses adjusted to evolving federal trade and immigration policies, contributing to volatility in trade flows, supply chains, and broader economic activity.
- Real GDP contracted at a 0.6% annualized rate in the first quarter of 2025, largely reflecting a surge in front-loaded imports that weighed heavily on net exports, while domestic demand continued to expand at a slower pace.
- Growth rebounded to 3.8% in the second quarter as import levels normalized and the drag from net exports diminished.
- Real GDP accelerated further to 4.4% in the third quarter, supported by a 3.5% increase in consumer spending and continued modest support from net exports.
- Advance estimates for the fourth quarter of 2025 indicate that real GDP increased at an annualized rate of 1.4%, reflecting a moderation in overall growth. While most private-sector components remained solid, a nearly 17% annualized decline in federal government spending associated with the October and November shutdowns reduced overall growth by approximately 1.2 percentage points. A partial rebound in federal spending could support growth in early 2026 as deferred activity resumes.
- On an annual basis, real GDP grew 2.2% in 2025, down from 2.8% in 2024 but broadly in line with the economy's longer-term trend rate of growth.
- As of February 2026, economic forecasters project U.S. real GDP growth of 2.6% in 2026 and 2.1% in 2027. These projections, as well as the forecasts cited below, reflect the average of monthly surveys compiled by Consensus Forecasts®.
- The national unemployment rate declined to 4.3% in January 2026. Although higher than the 4.0% rate recorded at the start of 2025, the current level remains low by historical standards. Forecasters expect the unemployment rate to average 4.5% in 2026 before easing to 4.3% in 2027.

- Recent downward revisions to payroll employment data indicate that job growth slowed significantly in 2025. A total of approximately 181,000 payroll jobs were added during the year, or roughly 15,000 per month. This compares to nearly 1.5 million jobs, or 122,000 per month, in 2024. Preliminary data for January 2026 showed stronger-than-expected gains of 130,000 jobs.
- Inflation has remained above the Federal Reserve's 2% target but moderated in January. The Consumer Price Index (CPI) had ranged between 2.7% and 3.0% during the second half of 2025 before declining to 2.4% in January 2026. Despite this improvement, forecasters expect inflation to average approximately 2.6% in 2026 before sliding to 2.4% in 2027.
- In response to moderating inflation and signs of cooling labor market conditions, the Federal Reserve reduced the federal funds target range three times in late 2025, lowering it from 4.25%–4.50% to 3.50%–3.75%.
- Earlier expectations had called for additional rate cuts in the first half of 2026. However, following mixed inflation and employment data and more cautious guidance from the Federal Reserve, market expectations have shifted toward the possibility of one rate reduction in mid-to-late 2026, with a second cut later in the year remaining contingent on incoming economic data.

S&P Global Economic Outlook for the U.S.

S&P Global is one of the economic forecasters included in the Consensus Forecasts® report. The table below presents key elements of S&P Global's February 2026 baseline forecast for the U.S. economy. The February forecast reflects improved near-term momentum following stronger-than-expected growth at the end of 2025.

GDP growth is projected to remain slightly above its long-term trend in 2026 at 2.3% before slowing to 1.7% in 2027 on a fourth-quarter-over-fourth-quarter basis. Real personal consumption is expected to remain relatively steady in 2026 before moderating to 1.8% in 2027 as household spending growth slows. Business investment strengthened in 2025 but is forecast to decelerate over the next two years as financial conditions remain restrictive. Lower-than-expected inventory levels at the end of 2025 suggest that inventory rebuilding could provide some support to production in the first half of 2026. Housing activity has stabilized as mortgage rates have declined from prior-year highs; however, affordability constraints remain significant. The unemployment rate is projected to rise slightly in 2026 before easing back toward current levels in 2027.

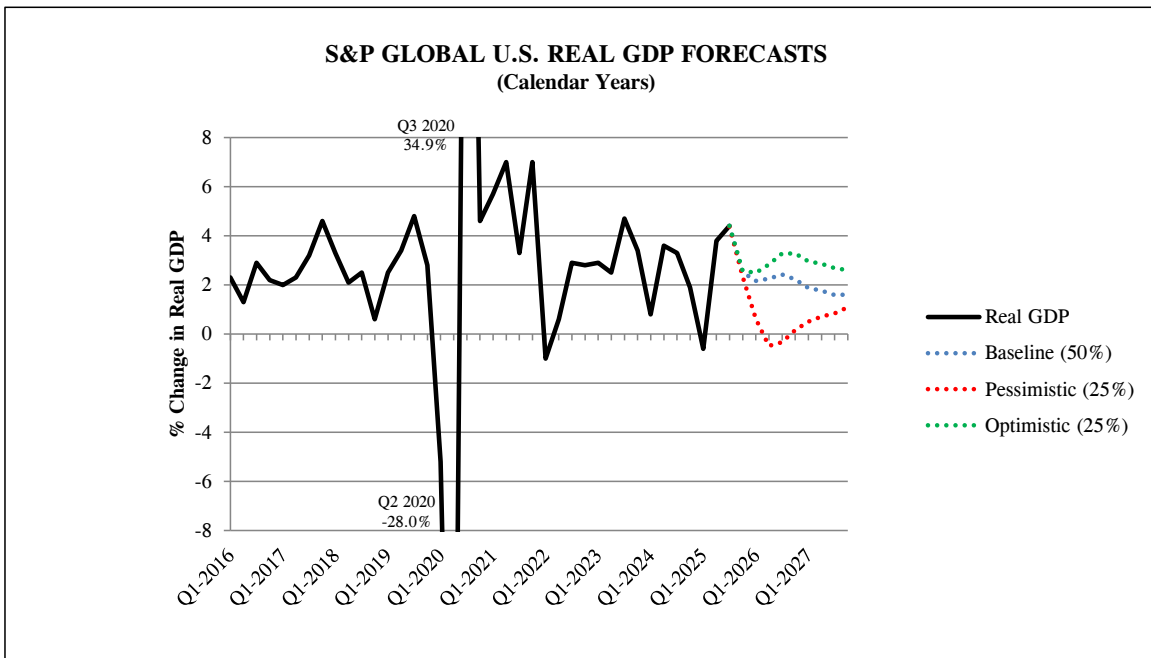
BASELINE U.S. FORECASTS -- FEBRUARY 2026						
(Percent Change of Real 2017 \$ on Calendar Year Basis, Q4/Q4 for Annual Rates)						
	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Est.	Est.	Est.
Gross Domestic Product	1.3%	3.4%	2.4%	2.5%	2.3%	1.7%
Personal Consumption	1.6%	3.0%	3.4%	2.4%	2.6%	1.8%
Durable	-1.9%	5.9%	7.0%	0.7%	6.0%	5.9%
Nondurable	-1.7%	2.2%	2.8%	2.8%	1.8%	0.8%
Services	3.3%	2.8%	3.0%	2.6%	2.3%	1.5%
Fixed Investment (Nonresidential)	8.1%	6.6%	0.9%	5.8%	2.1%	1.9%
Exports	4.9%	2.2%	3.3%	2.4%	3.1%	4.4%
Imports	2.3%	1.3%	6.2%	-2.4%	6.0%	4.3%
Government Purchases	0.3%	4.3%	3.6%	-0.6%	2.2%	0.0%
Federal	-1.2%	3.6%	4.5%	-4.7%	5.1%	-0.4%
State & Local	1.2%	4.8%	3.1%	2.0%	0.5%	0.2%
OTHER MEASURES						
Personal Consumption (Current \$)	7.7%	6.0%	6.0%	5.2%	5.3%	4.3%
Before Tax Profits (Current \$)	-0.3%	13.7%	10.1%	4.0%	0.0%	-1.5%
Unemployment Rate (Average Q4)	3.6%	3.8%	4.1%	4.5%	4.6%	4.5%
S&P GLOBAL						

The following chart from S&P Global presents three alternative quarterly forecasts for real GDP through 2027.

The **BASELINE** forecast (50% probability) reflects continued economic expansion at a gradually slowing pace. Under this scenario, productivity gains associated with gradual adoption of artificial intelligence (AI) support output growth and limit labor market disruption. Inflation remains modestly above the Federal Reserve’s long-run target in the near term. The unemployment rate is projected to rise moderately to 4.6% by the end of 2026.

The **PESSIMISTIC** scenario (25% probability) assumes stricter trade and immigration policies combined with mild financial stress associated with a partial correction in AI-related asset valuations. Under this outlook, the economy contracts in the second and third quarters of 2026 before returning to modest growth in 2027. The unemployment rate rises to approximately 6.5% by the end of 2027 under this scenario.

The **OPTIMISTIC** scenario (25% probability) assumes stronger AI-driven productivity gains that boost business investment and support higher equity valuations. Sustained productivity improvements keep GDP growth above long-term trend throughout the forecast period. In this scenario, the unemployment rate rises temporarily to 4.6% in mid-2026 before declining to approximately 4.3% by late 2027.



Illinois Economy

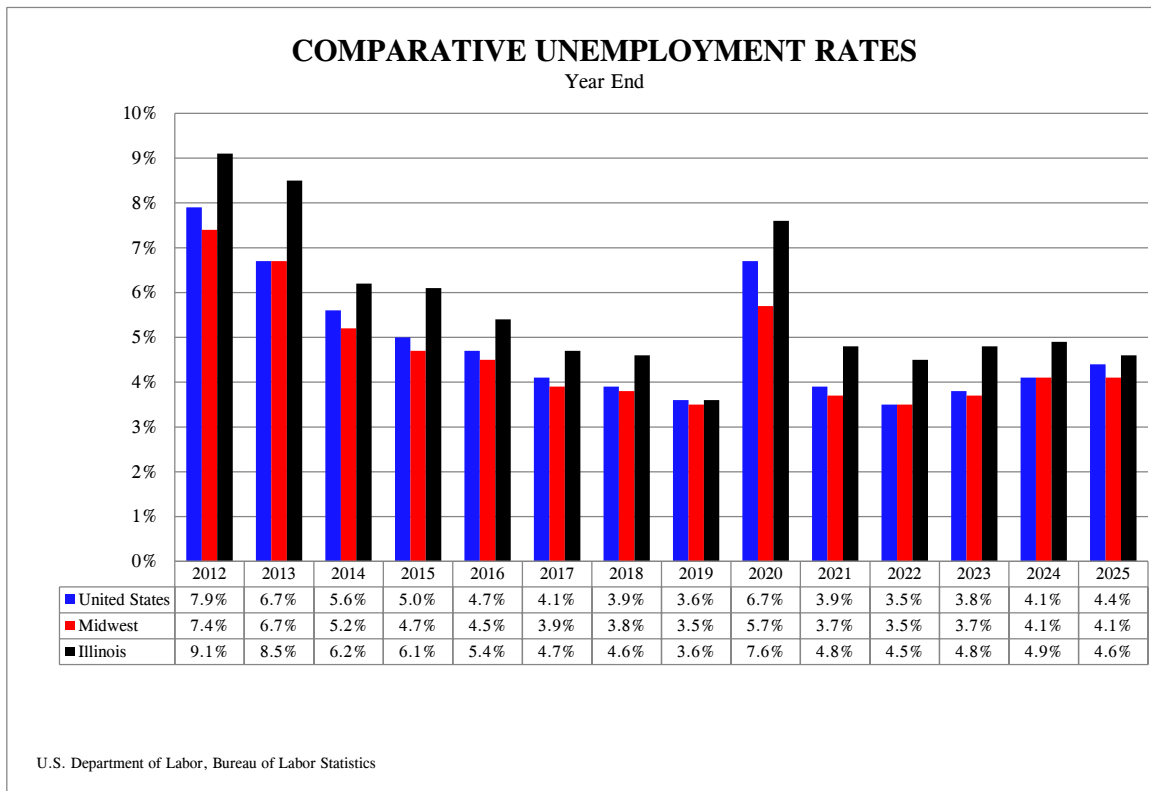
The table below shows S&P Global's latest baseline forecast for the State of Illinois from February, 2026.

- S&P Global projects that Illinois' real Gross State Product (GSP) will have grown 2.4% in 2025 on a fourth-quarter-over-fourth-quarter basis once final data are available. This is just below the U.S. economy's estimated 2.5% growth rate for 2025 but remains well above Illinois' longer-term average growth rate.
- Illinois' economic growth has generally lagged the national pace in recent years. Since the first quarter of 2018, the State's average quarterly annualized growth rate has been approximately 1.2 percentage points below that of the U.S. (1.6% versus 2.8%), a difference reflected in the chart on the following page.
- Total nonfarm payroll employment is projected to remain essentially unchanged in 2026 (up 0.1%) before declining modestly by 0.2% in 2027.
- After two years of population growth driven largely by increased international migration in 2023 and 2024, Illinois is projected to resume gradual population declines beginning in 2025 and continuing throughout the forecast period.
- After a slight slowdown in personal income growth in 2024, Illinois personal income is estimated to increase by approximately 4.4% in 2025 when final results are released. This growth rate is projected to rise to 5.7% in 2026 before moderating to 5.0% in 2027. Although these rates remain below the elevated

ILLINOIS FORECASTS -- FEBRUARY 2026						
(Calendar Years, Q4/Q4 for Annual Rates)						
	2022	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Est.	Est.	Est.
Real Gross State Product (Billions 2017\$)	876.9	893.5	902.8	924.1	939.1	949.5
% Change	0.8%	1.9%	1.0%	2.4%	1.6%	1.1%
Total Employment (1,000's)	6,073.9	6,117.8	6,153.4	6,154.0	6,162.9	6,152.8
% Change	2.5%	0.7%	0.6%	0.0%	0.1%	-0.2%
Population (1,000's)	12,606.2	12,668.1	12,714.6	12,711.8	12,684.9	12,647.0
% Change	-0.4%	0.5%	0.4%	0.0%	-0.2%	-0.3%
Personal Income (Billions \$)	877.9	923.7	960.2	1,002.3	1,059.7	1,113.2
% Change	4.4%	5.2%	3.9%	4.4%	5.7%	5.0%
Private Housing Starts (1,000's)	18.7	17.2	19.7	18.9	19.1	18.5
% Change	-10.9%	-8.0%	14.5%	-3.9%	1.1%	-3.5%
Unemployment Rate Average % (Q4)	4.5	4.8	4.9	4.5	5.2	5.1
S&P GLOBAL						

levels experienced during the immediate post-pandemic recovery, projected income growth continues to exceed the average pace observed prior to 2020.

- Private housing starts are expected to remain subdued, comparable to levels observed in the years following the Great Recession.
- As of December 2025, Illinois' seasonally adjusted unemployment rate stood at 4.6%, tied with New York and West Virginia for the eleventh-highest rate in the nation.
- Throughout most of the 2010s, Illinois' unemployment rate lagged behind both the Midwest and the national average. While the gap had nearly closed by 2019, it widened again during the COVID-19 pandemic. Currently, Illinois' 4.6% unemployment rate remains a little above the Midwest (4.1%) and U.S. (4.3%) averages, as shown in the chart below.
- Illinois' unemployment rate improved from 4.8% in the spring of 2025 to 4.4% in the fall. However, this improvement reflected a decline in the labor force that outpaced a smaller decline in total employment.
- Illinois' unemployment rate is projected to rise to approximately 5.2% by the end of 2026 and remain near that level in 2027.



General Funds Revenue Updated Forecasts

Eric Noggle, Revenue Manager

FY 2026 GENERAL FUNDS REVENUE YEAR-TO-DATE PERFORMANCE VS. ENACTED BUDGET

The table below summarizes the revenue assumptions underlying the FY 2026 General Funds budget enacted in May 2025. The enacted budget anticipated total revenues of approximately \$55.3 billion, representing an increase of roughly \$1.3 billion, or 2.4%, above the FY 2025 actual total of \$54.0 billion.

<i>General Funds Revenues</i>				
<i>FY 2025 Actuals vs. FY 2026 Enacted Budget Revenue Assumptions</i>				
(\$ millions)				
Revenue Sources	FY 2025 Actuals	FY 2026 Revenue Assumptions	\$ Change	% Change
Personal Income Taxes [Net]	\$28,174	\$28,420	\$246	0.9%
Corporate Income Taxes [Net]	\$4,729	\$5,238	\$509	10.8%
Sales Tax [Net]	\$10,574	\$10,717	\$143	1.4%
All Other State Sources	\$4,232	\$3,954	(\$278)	-6.6%
Transfers In	\$2,510	\$2,768	\$258	10.3%
Federal Sources [Base]	\$3,715	\$4,200	\$485	13.1%
General Funds Subtotal [Base]	\$53,933	\$55,297	\$1,364	2.5%
Non-Base Revenues	\$65	\$0	(\$65)	-100.0%
Total General Funds Revenues	\$53,998	\$55,297	\$1,299	2.4%

*Source: GOMB: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

With two-thirds of FY 2026 now complete, General Funds receipts are currently \$1.337 billion above last year's year-to-date totals through February. This represents growth of 4.1%, which exceeds the 2.4% increase required to meet the revenue assumptions incorporated into the enacted FY 2026 budget. The year-to-date gains reflect positive growth in the Personal Income Tax, Sales Tax, All Other State Sources, and Transfers In, which have more than offset declines in the Corporate Income Tax and Federal Sources. Additional detail on these revenue categories is provided in the following pages.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY				
FY 2025 vs. FY 2026				
(\$ millions)				
Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$16,219	\$16,904	\$685	4.2%
Net Corporate Income Tax	\$2,402	\$2,244	(\$158)	-6.6%
Net Sales Tax	\$7,116	\$7,204	\$88	1.2%
All Other State Sources	\$2,561	\$2,869	\$308	12.0%
Transfers In	\$1,591	\$2,240	\$649	40.8%
Federal Sources [base]	\$2,843	\$2,671	(\$172)	-6.0%
Base General Funds	\$32,732	\$34,132	\$1,400	4.3%
Non-Base Gen Funds Revenues	\$65	\$2	(\$63)	-96.9%
Total General Funds	\$32,797	\$34,134	\$1,337	4.1%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 2-Mar-26

GENERAL FUNDS RECEIPTS: THROUGH FEBRUARY

FY 2025 vs. FY 2026

(\$ millions)

Revenue Sources	FY 2025	FY 2026	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$19,088	\$19,893	\$805	4.2%
Corporate Income Tax (regular)	2,999	2,800	(199)	-6.6%
Sales Taxes	7,813	8,151	338	4.3%
Public Utility Taxes (regular)	485	472	(13)	-2.7%
Cigarette Tax	127	118	(9)	-7.1%
Liquor Gallonage Taxes	120	115	(5)	-4.2%
Estate Tax	403	618	215	53.3%
Insurance Taxes and Fees	335	449	114	34.0%
Corporate Franchise Tax & Fees	125	136	11	8.8%
Interest on State Funds & Investments	519	528	9	1.7%
Cook County IGT	150	154	4	2.7%
Other Sources	297	279	(18)	-6.1%
Total State Taxes	\$32,461	\$33,713	\$1,252	3.9%
Transfers In				
Lottery	\$506	\$552	\$46	9.1%
Gaming	126	185	59	46.8%
Sports Wagering	101	238	137	135.6%
Cannabis	75	71	(4)	-5.3%
Refund Fund	253	700	447	176.7%
Other	530	494	(36)	-6.8%
Total Transfers In	\$1,591	\$2,240	\$649	40.8%
Total State Sources	\$34,052	\$35,953	\$1,901	5.6%
Federal Sources [base]	\$2,843	\$2,671	(\$172)	-6.0%
Total Federal & State Sources	\$36,895	\$38,624	\$1,729	4.7%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$1,747)	(\$1,820)	(\$73)	4.2%
Corporate Income Tax	(420)	(391)	29	-6.9%
Local Government Distributive Fund				
Personal Income Tax	(1,122)	(1,169)	(47)	4.2%
Corporate Income Tax	(177)	(165)	12	-6.8%
Sales Tax Distributions				
Deposits into Road Fund	(473)	(439)	34	-7.2%
Distribution to the PTF and DPTF	(224)	(508)	(284)	126.8%
General Funds Subtotal [Base]	\$32,732	\$34,132	\$1,400	4.3%
ARPA Reimb. for Essential Gov't Services	\$65	\$0	(\$65)	-100.0%
Transfers to Repay Payroll Borrowing	\$0	\$2	\$2	N/A
Total General Funds	\$32,797	\$34,134	\$1,337	4.1%

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

2-Mar-26

CATEGORICAL OVERVIEW OF YEAR-TO-DATE PERFORMANCE AND FY 2026 UPDATED OUTLOOK

Personal Income Tax: Receipts from the State’s largest revenue source are currently up \$805 million through February on a gross basis and \$685 million on a net basis, after accounting for distributions to the Income Tax Refund Fund (ITRF) and the Local Government Distributive Fund (LGDF). The year-to-date growth rate of 4.2% currently exceeds the 0.9% increase assumed in the Enacted Budget. Strong wage growth throughout the fiscal year has more than offset relatively flat employment levels, supporting steady gains in withholding-related collections.

However, nearly \$300 million in year-over-year declines in net true-up adjustments have yet to be realized, and the volatile final payment period still lies ahead. Additional uncertainty surrounds the potential impact of recent federal tax changes enacted under the One Big Beautiful Bill Act (OBBBA). While most of the anticipated effects are expected to fall within the Corporate Income Tax, some impact on business-related Personal Income Tax liabilities cannot be ruled out.

Despite these concerns, year-to-date performance has been sufficiently strong for the Commission to **increase its FY 2026 Personal Income Tax estimate by \$779 million on a gross basis and \$661 million on a net basis** relative to the Enacted Budget.

Corporate Income Tax: Through February, Corporate Income Tax receipts are approximately \$199 million below last year’s pace on a gross basis and \$158 million lower on a net basis. The year-to-date decline of 6.6% stands in sharp contrast to the 10.8% growth assumed in the Enacted Budget.

The budgeted growth was largely predicated on revenue-enhancing provisions enacted during the 2025 spring session under P.A. 104-0006, including changes to tax apportionment rules and the elimination of certain deductions for 80/20 companies. However, provisions contained in the OBBBA—enacted after the State budget was finalized—are likely offsetting much of the anticipated gain from those State-level changes.

Several provisions of the federal Act are expected to reduce federal taxable income. Because Illinois conforms to significant portions of the federal tax code, these changes will likely reduce State Corporate Income Tax receipts relative to earlier expectations. During the Fall Veto Session, Illinois partially decoupled from the federal Act under P.A. 104-0453 by disallowing a new bonus depreciation deduction for certain non-residential real property used in qualified production activities. Nonetheless, other federal changes are expected to continue exerting downward pressure on collections.

As a result, Corporate Income Tax revenues are now projected to fall well below the levels assumed in the Enacted Budget. The extent of the shortfall remains uncertain, with

the March–April final payment period expected to provide greater clarity. Based on current trends and the potential for additional weakness, **the Commission is reducing its FY 2026 Corporate Income Tax estimate by \$1.044 billion on a gross basis and \$837 million on a net basis** relative to the Enacted Budget.

Sales Tax: Sales Tax receipts concluded FY 2025 at elevated levels, and this momentum has largely continued into FY 2026. Through February, gross Sales Tax receipts are up \$338 million, or 4.3%, exceeding the 2.7% growth assumption incorporated into the FY 2026 revenue forecast.

On a net basis, however, receipts are up only \$88 million, or 1.2%, after accounting for statutory distributions to the Road Fund and certain transportation funds. This divergence was anticipated, as a larger share of Sales Tax revenues is being redirected to transportation-related funds in FY 2026 compared to FY 2025.

Recent strength appears to reflect a combination of elevated price levels and sustained disposable income. Absent a marked slowdown in the final third of the fiscal year, Sales Tax receipts are well positioned to meet or exceed budgeted targets. Accordingly, the Commission is **increasing its FY 2026 Sales Tax estimate by \$150 million on a gross basis and \$78 million on a net basis** relative to the Enacted Budget.

All Other State Sources: Receipts from All Other State Sources are performing well above last year’s levels, with year-to-date growth totaling \$308 million, or 12.0%. This performance is primarily driven by a \$215 million increase in Estate Tax receipts, which are significantly exceeding initial projections. Insurance Taxes and Fees have also contributed meaningfully, rising by \$114 million.

Despite recent reductions in core interest rates, Interest on State Funds and Investments remains \$9 million above last year’s pace through February. Offsetting these gains are anticipated declines in certain areas, including Cigarette Taxes (down \$9 million) and Public Utility Taxes (down \$13 million).

Even after accounting for these declines, the 12.0% year-to-date growth rate contrasts sharply with the 6.6% decline projected for this category in the Enacted Budget. In light of this stronger-than-expected performance, the Commission is **increasing its FY 2026 estimate for All Other State Sources by \$557 million** relative to the Enacted Budget.

Transfers In: Transfers In are up \$649 million through February, driven primarily by a significant increase in the Income Tax Refund Fund transfer. The \$700 million transferred from this Fund in FY 2026 is \$447 million above the FY 2025 total of \$253 million and \$250 million higher than assumed in the budget.

Additional strength has come from wagering-related revenues. The Sports Wagering Transfer is up \$137 million, reflecting continued industry growth and the implementation of a new per-wager tax at the beginning of the fiscal year. The Gaming Transfer has increased by \$59 million due to the continued development of permanent casino facilities across the State and the reallocation of a portion of video gaming tax revenues to this transfer.

Based on year-to-date performance and ongoing growth in wagering-related sources, the Commission is **increasing its FY 2026 Transfers In estimate by \$409 million** relative to the Enacted Budget.

Federal Sources: Federal Sources continue to display significant month-to-month volatility. Following the first quarter, federal receipts deposited into the General Funds were up 13.7%, generally consistent with the 13.1% increase assumed in the FY 2026 budget. However, receipts are now down 6.0% year-to-date after declining in three of the last five months.

While uncertainty persists regarding future federal funding levels under the current administration, recent volatility appears primarily attributable to the timing of Medicaid-related matching payments affecting the General Funds. Because Federal Sources are closely tied to spending levels, the Commission typically adopts the Governor's Office of Management and Budget (GOMB) forecast at this stage of the fiscal year. **The Governor's Office recently reduced its FY 2026 estimate by \$184 million, and the Commission will make the same adjustment.**

FY 2026 CGFA GENERAL FUNDS REVISED ESTIMATE (MAR-25)

Incorporating the revenue adjustments discussed in the preceding sections, **the Commission is revising its FY 2026 General Funds revenue estimate upward by \$686 million, or 1.2%, to \$55.983 billion.** This compares to the FY 2026 Enacted Budget assumption of \$55.297 billion. The revised estimate is \$1.984 billion, or 3.7%, above the FY 2025 actual total of \$53.998 billion.

A more detailed comparison of these revised figures to the Enacted Budget assumptions is provided on the following page.

It should be noted that the Commission’s prior official FY 2026 forecast (May 2025) contributed to the foundation for the revenue assumptions incorporated by those creating the Enacted Budget. The Enacted Budget revenue values shown below and on the following page also include the revenue adjustments that were enacted as part of the FY 2026 Budget via P.A. 104-0002 and P.A. 104-0006.

FY 2026 Revenue Estimates				
Enacted Budget Revenue Assumptions vs FY 2026 CGFA Revised March '26				
<i>(\$ millions)</i>				
	FY 2026	FY 2026	\$	%
Revenue Sources	Enacted Budget	CGFA Revised	Change	Change
	Rev Assumptions	March '26		
Personal Income Taxes [Net]	\$28,420	\$29,081	\$661	2.3%
Corporate Income Taxes [Net]	\$5,238	\$4,401	(\$837)	-16.0%
Sales Tax [Net]	\$10,717	\$10,795	\$78	0.7%
All Other State Sources	\$3,954	\$4,511	\$557	14.1%
Transfers In	\$2,768	\$3,177	\$409	14.8%
Federal Sources	\$4,200	\$4,016	(\$184)	-4.4%
General Funds Subtotal [Base]	\$55,297	\$55,981	\$684	1.2%
Transfers to Repay Payroll Borrowing	\$0	\$2	\$2	N/A
Total General Funds Revenues	\$55,297	\$55,983	\$686	1.2%

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

FY 2026 Revenue Estimates
Enacted Budget Revenue Assumptions vs FY 2026 CGFA Revised March '26
(\$ millions)

Revenue Sources	FY 2026 Enacted Budget Rev Assumptions	FY 2026 CGFA Revised March '26	\$ Change	% Change
State Taxes				
Personal Income Tax	\$33,446	\$34,225	\$779	2.3%
Corporate Income Tax (regular)	\$6,538	\$5,494	(\$1,044)	-16.0%
Sales Taxes	\$12,113	\$12,263	\$150	1.2%
Public Utility (regular)	\$686	\$700	\$14	2.0%
Cigarette Tax	\$183	\$175	(\$8)	-4.4%
Liquor Gallonage Taxes	\$178	\$167	(\$11)	-6.2%
Estate Tax	\$600	\$830	\$230	38.3%
Insurance Taxes & Fees	\$475	\$659	\$184	38.7%
Corporate Franchise Tax & Fees	\$183	\$202	\$19	10.4%
Interest on State Funds & Investments	\$600	\$730	\$130	21.7%
Cook County Intergovernmental Transfer	\$244	\$244	\$0	0.0%
Other Sources	<u>\$805</u>	<u>\$804</u>	<u>(\$1)</u>	<u>-0.1%</u>
Total State Taxes	\$56,051	\$56,493	\$442	0.8%
Transfers In				
Lottery	\$802	\$823	\$21	2.6%
Gaming	\$178	\$262	\$84	47.2%
Sports Wagering	\$281	\$390	\$109	38.8%
Cannabis	\$122	\$108	(\$14)	-11.5%
Refund Fund	\$450	\$700	\$250	55.6%
Other	<u>\$935</u>	<u>\$894</u>	<u>(\$41)</u>	<u>-4.4%</u>
Total Transfers In	\$2,768	\$3,177	\$409	14.8%
Total State Sources	\$58,819	\$59,670	\$851	1.4%
Federal Sources [Base]	<u>\$4,200</u>	<u>\$4,016</u>	<u>(\$184)</u>	<u>-4.4%</u>
Total Federal & State Sources	\$63,019	\$63,686	\$667	1.1%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax [9.15% '26]	(\$3,060)	(\$3,132)	(\$72)	2.4%
Corporate Income Tax [14.0% '26]	(\$915)	(\$769)	\$146	-16.0%
Local Government Distributive Fund				
Personal Income Tax	(\$1,966)	(\$2,012)	(\$46)	2.3%
Corporate Income Tax	(\$385)	(\$324)	\$61	-15.8%
Sales Tax Distributions				
Sales Tax Deposits into Road Fund	(\$695)	(\$647)	\$48	-6.9%
Sales Tax Distribution to the PTF and DPTF	(\$701)	(\$821)	(\$120)	17.1%
General Funds Subtotal [Base]	\$55,297	\$55,981	\$684	1.2%
Transfers to Repay Payroll Borrowing	\$0	\$2	\$2	N/A
Total General Funds Revenues	\$55,297	\$55,983	\$686	1.2%

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

GOMB's FY 2026 REVISED REVENUE OUTLOOK

As Presented in FY 2027 Budget Book

In February, the Governor's Office released a revised FY 2026 revenue outlook in the FY 2027 Budget Book, increasing its projection to \$55.228 billion. This update follows the \$54.848 billion estimate presented in the five-year budget forecast issued in October. The October projection was \$449 million below the FY 2026 Enacted Budget revenue assumption. **The GOMB February revision represents a \$380 million increase relative to the October estimate. Even with this upward adjustment, however, the revised February forecast remains \$69 million below the FY 2026 Enacted Budget estimate of \$55.297 billion.**

The differences between the Governor's Office projections and the Enacted Budget assumptions by revenue category are summarized in the table below.

FY 2026 Revenue Estimates				
Enacted Rev. Assump. vs GOMB Oct'25 Updated vs GOMB Feb'26 Revised				
<i>(\$ millions)</i>				
	FY 2026 Enacted Budget <u>Rev Assumptions</u>	FY 2026 GOMB Updated <u>October '25</u>	FY 2026 GOMB Revised <u>February '26</u>	Enacted vs GOMB Feb'26 <u>Difference</u>
Revenue Sources				
Personal Income Taxes [Net]	\$28,420	\$28,166	\$28,686	\$266
Corporate Income Taxes [Net]	\$5,238	\$4,510	\$4,314	(\$924)
Sales Tax [Net]	\$10,717	\$10,872	\$10,827	\$110
All Other State Sources	\$3,954	\$4,067	\$4,276	\$322
Transfers In	\$2,768	\$3,033	\$3,108	\$340
Federal Sources	\$4,200	\$4,200	\$4,016	(\$184)
General Funds Subtotal [Base]	\$55,297	\$54,848	\$55,226	(\$71)
General Funds Non-Base Subtotal	\$0	\$0	\$2	\$2
Total General Funds Revenues	\$55,297	\$54,848	\$55,228	(\$69)
\$ Difference from Enacted		(\$449)	(\$69)	

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

FY 2026 FORECAST COMPARISON
GOMB Revised (Feb'26) vs. CGFA Revised (Mar'26)

As shown below, the Commission’s revised FY 2026 estimate of \$55.983 billion is \$755 million, or 1.4%, higher than the Governor’s Office February 2026 revised estimate of \$55.228 billion. The variance is primarily attributable to the Commission’s more optimistic outlook for Personal Income Tax receipts, as well as stronger projections within several components of the All Other State Sources and Transfers-In category. Specifically, the Commission’s estimates are notably higher for the Estate Tax, Insurance Taxes and Fees, the Corporate Franchise Tax, Interest on State Funds and Investments, and the Sports Wagering Transfer reflecting the strong performance of these revenue sources in recent months.

It is important to note that the Commission’s estimate incorporates actual revenue data through February. Due to the timing of the release of its forecast, GOMB was not able to include these more recent figures, which contributes in part to the difference between the two projections.

A detailed comparison of these differences by revenue source is provided on the following page.

FY 2026 Revenue Estimates				
GOMB Revised (Feb'26) vs. CGFA Revised (Mar'26)				
<i>(\$ millions)</i>				
Revenue Sources	FY 2026 GOMB Revised February '26	FY 2026 CGFA Revised March '26	\$ Change	% Change
Personal Income Taxes [Net]	\$28,686	\$29,081	\$395	1.4%
Corporate Income Taxes [Net]	\$4,314	\$4,401	\$87	2.0%
Sales Tax [Net]	\$10,827	\$10,795	(\$32)	-0.3%
All Other State Sources	\$4,276	\$4,511	\$235	5.5%
Transfers In	\$3,108	\$3,177	\$69	2.2%
Federal Sources	\$4,016	\$4,016	\$0	0.0%
General Funds Subtotal [Base]	\$55,226	\$55,981	\$755	1.4%
General Funds Non-Base Subtotal	\$2	\$2	\$0	0.0%
Total General Funds Revenues	\$55,228	\$55,983	\$755	1.4%

Source for GOMB figures: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

FY 2026 Revenue Estimates
GOMB Revised (Feb'26) vs. CGFA Revised (Mar'26)
(\$ millions)

Revenue Sources	FY 2026 GOMB Revised February '26	FY 2026 CGFA Revised March '26	\$ Change	% Change
State Taxes				
Personal Income Tax	\$33,759	\$34,225	\$466	1.4%
Corporate Income Tax (regular)	\$5,385	\$5,494	\$109	2.0%
Sales Taxes	\$12,320	\$12,263	(\$57)	-0.5%
Public Utility (regular)	\$707	\$700	(\$7)	-1.0%
Cigarette Tax	\$174	\$175	\$1	0.6%
Liquor Gallonage Taxes	\$169	\$167	(\$2)	-1.2%
Estate Tax	\$789	\$830	\$41	5.2%
Insurance Taxes & Fees	\$571	\$659	\$88	15.4%
Corporate Franchise Tax & Fees	\$167	\$202	\$35	21.0%
Interest on State Funds & Investments	\$658	\$730	\$72	10.9%
Cook County Intergovernmental Transfer	\$244	\$244	\$0	0.0%
Other Sources	<u>\$797</u>	<u>\$804</u>	<u>\$7</u>	<u>0.9%</u>
Total State Taxes	\$55,740	\$56,493	\$753	1.4%
Transfers In				
Lottery	\$815	\$823	\$8	1.0%
Gaming	\$250	\$262	\$12	4.8%
Sports Wagering	\$322	\$390	\$68	21.1%
Cannabis	\$117	\$108	(\$9)	-7.7%
Refund Fund	\$700	\$700	\$0	0.0%
Other	<u>\$904</u>	<u>\$894</u>	<u>(\$10)</u>	<u>-1.1%</u>
Total Transfers In	\$3,108	\$3,177	\$69	2.2%
Total State Sources	\$58,848	\$59,670	\$822	1.4%
Federal Sources [Base]	<u>\$4,016</u>	<u>\$4,016</u>	<u>\$0</u>	<u>0.0%</u>
Total Federal & State Sources	\$62,864	\$63,686	\$822	1.3%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax [9.15%]	(\$3,089)	(\$3,132)	(\$43)	1.4%
Corporate Income Tax [14.0%]	(\$754)	(\$769)	(\$15)	2.0%
Local Government Distributive Fund				
Personal Income Tax	(\$1,984)	(\$2,012)	(\$28)	1.4%
Corporate Income Tax	(\$317)	(\$324)	(\$7)	2.2%
Sales Tax Distributions				
Sales Tax Deposits into Road Fund	(\$657)	(\$647)	\$10	-1.5%
Sales Tax Distribution to the PTF and DPTF	(\$836)	(\$821)	\$15	-1.8%
General Funds Subtotal [Base]	\$55,226	\$55,981	\$755	1.4%
Transfers to Repay Payroll Borrowing	\$2	\$2	\$0	0.0%
Total General Funds Revenues	\$55,228	\$55,983	\$755	1.4%

Source for GOMB figures: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

FY 2027 CGFA GENERAL FUNDS REVISED ESTIMATE (MAR-25)

The Commission estimates that FY 2027 General Funds revenues will total approximately \$55.525 billion. This represents a decline of \$458 million, or 0.8%, from the Commission’s revised FY 2026 forecast of \$55.983 billion. A categorical breakdown of this forecast is provided in the table below. The Commission’s projection is based on current law and does not incorporate the “revenue enhancements” included in GOMB’s estimates (discussed on page 21).

CGFA Revenue Estimates for FY 2026 and FY 2027				
March 2026				
(\$ millions)				
Revenue Sources	FY 2026	FY 2027	\$	%
	CGFA Revised	CGFA		
	March '26	March '26	Change	Change
Personal Income Taxes [Net]	\$29,081	\$28,959	(\$122)	-0.4%
Corporate Income Taxes [Net]	\$4,401	\$4,432	\$31	0.7%
Sales Tax [Net]	\$10,795	\$10,942	\$147	1.4%
All Other State Sources	\$4,511	\$4,237	(\$274)	-6.1%
Transfers In	\$3,177	\$2,884	(\$293)	-9.2%
Federal Sources	\$4,016	\$4,071	\$55	1.4%
General Funds Subtotal [Base]	\$55,981	\$55,525	(\$456)	-0.8%
Transfers to Repay Payroll Borrowing	\$2	\$0	(\$2)	-100.0%
Total General Funds Revenues	\$55,983	\$55,525	(\$458)	-0.8%

Note: Some totals may not equal, due to rounding.

The underlying assumptions supporting this forecast are summarized below.

Personal Income Tax: Economists anticipate flat to slightly declining employment and population levels in Illinois in the coming months. While this environment may constrain revenue growth, projected gains in personal income driven by higher wages should partially offset a stagnant employment outlook. As a result, moderate underlying base growth in Personal Income Tax receipts is expected in FY 2027.

However, several offsetting factors are projected to limit overall growth. In recent fiscal years, Personal Income Tax revenues have benefitted from sizeable “true-up” reallocations of prior year receipts, including an expected \$806 million boost in FY 2026. Preliminary estimates from the Department of Revenue indicate the overall FY 2027 true-up will be much smaller. The impact to Personal Income Tax revenues will likely be negative, creating a significant year-over-year decline for this revenue component. In addition, FY 2027 will not benefit from one-time amnesty revenues (as occurred in FY 2026), and the full-year implementation of new tax credits (such as the child tax credit) will further temper net growth.

After accounting for these factors, the Commission estimates that FY 2027 Personal Income Tax gross revenues will **decline by \$145 million, with net revenues decreasing by \$122 million (-0.4%)**, despite modest growth in the underlying tax base.

Corporate Income Tax: Considerable uncertainty remains regarding how businesses will respond to recent federal tax changes and evolving federal trade and immigration policies. The latest S&P Global forecast projects only modest growth in Illinois’ Gross State Product over the coming year. Given these conditions, the Commission is maintaining a cautious outlook.

While base growth is expected to remain relatively subdued, the “true-up” adjustments that constrained Corporate Income Tax growth in prior years are projected to produce a modest positive impact in FY 2027. Taken together, these factors are expected to yield slight year-over-year growth in this revenue source. The Commission estimates that FY 2027 Corporate Income Tax gross revenues will **increase by \$39 million, with net revenues rising \$31 million, or 0.7%**, from the reduced FY 2026 level.

Sales Tax: Sales Tax revenues demonstrated solid growth in the first half of FY 2026 but moderated in the latter portion of the year. Looking ahead, lower interest rates could stimulate economic activity and support continued, albeit modest, growth in FY 2027.

The Commission projects gross Sales Tax revenues to increase by \$354 million, or 2.9%. However, net General Funds growth is expected to be more limited—**an increase of \$147 million, or 1.4%**—due to the continued statutory diversion of a larger share of Sales Tax revenues to transportation-related funds in FY 2027.

All Other State Sources: Collectively, the remaining State revenue sources are projected to **decline by \$274 million in FY 2027**. Anticipated reductions in interest rates are expected to lower revenues from Interest on State Funds and Investments. While Estate Tax receipts were a notable strength in FY 2026, collections are projected to retreat from recent elevated levels. In addition, ongoing declines in Public Utility Taxes and Cigarette Taxes are expected to persist.

Transfers In: Transfers In are forecast to **decline by \$293 million in FY 2027** compared to the Commission’s revised FY 2026 estimate. The primary driver of this decrease is the unusually large \$700 million Income Tax Refund Fund transfer received in FY 2026, reflecting excess balances carried over from FY 2025. For FY 2027, the Commission assumes a transfer of \$350 million, which is near the ten-year historical average.

Growth in wagering-related transfers—specifically the Casino Transfer and Sports Wagering Transfer—is expected to continue and partially offset this decline. However, minimal growth is projected for the remaining transfer categories.

Federal Sources: At this time, the Commission is adopting GOMB’s FY 2027 Federal Sources estimate of \$4.071 billion, as this projection is largely driven by anticipated expenditures in federally matched programs. This figure is **\$55 million above the revised FY 2026 estimate of \$4.016 billion**. These projections remain subject to change pending federal policy developments.

The Commission’s detailed FY 2027 forecast and how the figures compare to the FY 2026 revised estimates is shown below.

CGFA Revenue Estimates for FY 2026 and FY 2027				
March 2026				
(\$ millions)				
Revenue Sources	FY 2026 CGFA Revised March '26	FY 2027 CGFA March '26	\$ Change	% Change
State Taxes				
Personal Income Tax	\$34,225	\$34,080	(\$145)	-0.4%
Corporate Income Tax (regular)	\$5,494	\$5,533	\$39	0.7%
Sales Taxes	\$12,263	\$12,617	\$354	2.9%
Public Utility (regular)	\$700	\$695	(\$5)	-0.7%
Cigarette Tax	\$175	\$165	(\$10)	-5.7%
Liquor Gallonage Taxes	\$167	\$165	(\$2)	-1.2%
Estate Tax	\$830	\$685	(\$145)	-17.5%
Insurance Taxes & Fees	\$659	\$675	\$16	2.4%
Corporate Franchise Tax & Fees	\$202	\$170	(\$32)	-15.8%
Interest on State Funds & Investments	\$730	\$600	(\$130)	-17.8%
Cook County Intergovernmental Transfer	\$244	\$244	\$0	0.0%
Other Sources	<u>\$804</u>	<u>\$838</u>	<u>\$34</u>	<u>4.2%</u>
Total State Taxes	\$56,493	\$56,467	(\$26)	0.0%
Transfers In				
Lottery	\$823	\$827	\$4	0.5%
Gaming	\$262	\$283	\$21	8.0%
Sports Wagering	\$390	\$400	\$10	2.6%
Cannabis	\$108	\$107	(\$1)	-0.9%
Refund Fund	\$700	\$350	(\$350)	-50.0%
Other	<u>\$894</u>	<u>\$917</u>	<u>\$23</u>	<u>2.6%</u>
Total Transfers In	\$3,177	\$2,884	(\$293)	-9.2%
Total State Sources	\$59,670	\$59,351	(\$319)	-0.5%
Federal Sources [Base]	<u>\$4,016</u>	<u>\$4,071</u>	<u>\$55</u>	<u>1.4%</u>
Total Federal & State Sources	\$63,686	\$63,422	(\$264)	-0.4%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax [9.15% '26 & '27 (est.)]	(\$3,132)	(\$3,118)	\$14	-0.4%
Corporate Income Tax [14.0% '26 & '27 (est.)]	(\$769)	(\$775)	(\$6)	0.8%
Local Government Distributive Fund				
Personal Income Tax	(\$2,012)	(\$2,003)	\$9	-0.4%
Corporate Income Tax	(\$324)	(\$326)	(\$2)	0.6%
Sales Tax Distributions				
Sales Tax Deposits into Road Fund	(\$647)	\$0	\$647	-100.0%
Sales Tax Distribution to the PTF and DPTF	(\$821)	(\$1,675)	(\$854)	104.0%
General Funds Subtotal [Base]	\$55,981	\$55,525	(\$456)	-0.8%
Transfers to Repay Payroll Borrowing	\$2	\$0	(\$2)	-100.0%
Total General Funds Revenues	\$55,983	\$55,525	(\$458)	-0.8%

Note: Some totals may not equal, due to rounding.

GOMB's FY 2027 REVISED OUTLOOK

As Presented in FY 2027 Budget Book

In February, the Governor's Office released their FY 2027 Budget Book which reported their FY 2027 General Funds revenue estimate at \$56.055 billion. This value is an \$827 million increase over their revised FY 2026 estimate of \$55.228 billion. As shown in the table below, GOMB's estimate anticipates higher revenues in FY 2027 (as compared to their FY 2026 revised estimate) from the Personal Income Tax [up \$946 million]; the Sales Tax [up \$296 million]; and Federal Sources [up \$55 million]. Lower revenues in FY 2027 are projected from All Other State Sources [down \$313 million]; Transfers In [down \$147 million]; and the Corporate Income Tax [down \$9 million].

The FY 2027 total, however, includes several proposed revenue adjustments to reach the \$56.055 billion total. In its review of the FY 2027 Budget Book, **the Commission finds these proposed adjustments amount to approximately \$728 million.** Therefore, the "current law" value, which would remove these proposed adjustments, would calculate to approximately \$55.327 billion. This figure would only be \$99 million above GOMB's revised FY 2026 projection of \$55.228 billion. The following table and dot points summarize these proposed changes.

GOMB General Funds Revenue Forecasts							
FY 2026 Revised vs FY 2027 Est. [Feb '26] with & without Proposed Adjustments							
\$ in millions							
		Without Proposed Revenue Adjustments				Including Proposed Revenue Adjustments	
	FY 2026 GOMB Revised February '26	FY 2027 GOMB Revised February '26	FY 2026 vs FY 2027 Difference	Value of Proposed Adjustments	FY 2027 GOMB Revised February '26	FY 2026 vs FY 2027 Difference	
Revenue Sources							
Personal Income Taxes [Net]	\$28,686	\$29,572	\$886	\$60	\$29,632	\$946	
Corporate Income Taxes [Net]	\$4,314	\$4,036	(\$278)	\$269	\$4,305	(\$9)	
Sales Tax [Net]	\$10,827	\$11,044	\$217	\$79	\$11,123	\$296	
All Other State Sources	\$4,276	\$3,963	(\$313)	\$0	\$3,963	(\$313)	
Transfers In	\$3,108	\$2,641	(\$467)	\$320	\$2,961	(\$147)	
Federal Sources	\$4,016	\$4,071	\$55	\$0	\$4,071	\$55	
Total General Funds Revenues	\$55,228	\$55,327	\$99	\$728	\$56,055	\$827	

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

Proposed Changes Impacting General Funds Revenues in FY 2027

- **Distribution Change to Personal Income Tax Receipts to LGDF** – Under current law, 6.47% of income tax receipts (net of refunds) are distributed to the Local Government Distributive Fund (LGDF). The Governor's proposal would lower this percentage to 6.28%. Using GOMB's gross Personal Income Tax estimate, this change would lower the amount distributed to the LGDF by \$60 million, thereby allowing the General Funds to retain this same \$60 million for FY 2027. This proposal is discussed on page 178 of the Budget Book.
- **NOL Deduction Change** – Under current law, the Net Operating Loss (NOL) deduction limit is \$500,000 per year. This limit will expire on January 1, 2027. When that occurs, businesses will be able to deduct accumulated losses from prior years without limitation. The Governor is proposing that, starting in FY 2027,

businesses will be able to apply a NOL deduction to their current-year tax liabilities, but only until they reach a cap of 20% of current earnings. The Budget Book states that over the next three fiscal years, that cap will increase to 40%, 60%, and 80% of current income. The estimated net impact on Corporate Income Tax receipts from this proposal for FY 2027, according to the Budget Book, is an additional \$269 million to the General Funds. This proposal is discussed on pages 71 and 179 of the Budget Book.

- **Sales Tax Distribution Change** – The Governor is proposing to redirect the State share of sales tax receipts from the sale of candy, soft drinks, and grooming products from the Capital Projects Fund to the General Funds during FY 2027. The Budget Book states that this change is estimated to increase net General Funds receipts by \$79 million. This proposal is discussed on page 180 of the Budget Book.
- **Casino Graduated Tax Change** – The FY 2027 forecast for the Casino Transfer to the Education Assistance Fund includes a proposal to realign the taxing structure on Illinois casinos to what was in place prior to enactment of P.A. 101-0648. The Governor’s Office estimates that this will increase this transfer amount by \$120 million in FY 2027. This proposal is discussed on page 72 and 187 of the Budget Book.
- **Social Media Fee** – Also in the “Transfers In” category, the Governor is proposing a fee for social media companies that collect consumer data and sell to third-party buyers. The amount of the fee would be between \$0.10 and \$0.50 per active user, depending on the number of users per month of that particular company. The Budget Book states that for the first year of implementation, this proposal will generate an estimated \$200 million for the General Funds “to support K-12 education”. This proposal is discussed on page 72 of the Budget Book.

When including all of these items, the total impact of the proposed changes is approximately \$728 million.

In addition, the Budget Book also proposes a pause for any new data center tax credits authorized under 20 ILCS 605/605-1025, effective July 1, 2026. However, no fiscal impact is provided with this proposal (see page 72 of Budget Book).

There is also a proposal to redirect 10% of video gaming terminal receipts from the Capital Projects Fund, estimated at \$92 million, to the new State Facilities Repair and Maintenance Fund (see page 187 of Budget Book). It appears that this proposed change would not impact the State’s General Funds.

FY 2027 FORECAST COMPARISON GOMB (Feb '26) vs. CGFA (Mar '26)

As discussed in the previous section, GOMB projects FY 2027 General Funds revenues totaling \$56.055 billion. **The Commission's FY 2027 estimate of \$55.526 billion is \$529 million below that figure.**

It is important to emphasize, however, that the Commission's forecast is based strictly on current law. GOMB's FY 2027 projection incorporates approximately \$728 million in net revenue adjustments that would require statutory changes. **When those proposed enhancements are removed, GOMB's current-law estimate falls below the Commission's projection, making the Commission's forecast effectively \$199 million higher on a comparable basis.**

On a current-law basis, the difference between the two agencies' estimates is approximately 0.4%. Nonetheless, there are notable variations by revenue category. The Commission's Personal Income Tax estimate is \$613 million lower than GOMB's, primarily because it incorporates the anticipated negative impact of significantly smaller true-up adjustments. Conversely, the Commission's Corporate Income Tax projection is \$396 million higher, reflecting a somewhat more favorable view of base receipts and the expected positive effect of the FY 2027 true-up adjustment on this revenue source.

The Commission's Sales Tax forecast is \$102 million below GOMB's, consistent with a slightly more conservative growth assumption. In contrast, the Commission projects higher totals for All Other State Sources (\$274 million higher) and Transfers In (\$243 million higher), largely due to the stronger FY 2026 revenue base from which the FY 2027 estimates are derived. For Federal Sources, the Commission is adopting GOMB's estimate, given that this category is closely tied to projected expenditure levels.

These differences are summarized in the following table, with a more detailed breakdown by revenue source provided on the subsequent page.

FY 2027 General Funds Revenues CGFA [Mar'26] vs GOMB [Feb '26] with & without Proposed Adjustments (\$ millions)						
		Without Proposed Revenue Adjustments			Including Proposed Revenue Adjustments	
Revenue Sources	FY 2027 CGFA March '26	FY 2027 GOMB Revised February '26	CGFA vs GOMB Difference	Value of Proposed Adjustments	FY 2027 GOMB Revised February '26	CGFA vs GOMB Difference
Personal Income Taxes [Net]	\$28,959	\$29,572	(\$613)	\$60	\$29,632	(\$673)
Corporate Income Taxes [Net]	\$4,432	\$4,036	\$396	\$269	\$4,305	\$127
Sales Tax [Net]	\$10,942	\$11,044	(\$102)	\$79	\$11,123	(\$181)
All Other State Sources	\$4,237	\$3,963	\$274	\$0	\$3,963	\$274
Transfers In	\$2,884	\$2,641	\$243	\$320	\$2,961	(\$77)
Federal Sources	\$4,071	\$4,071	\$0	\$0	\$4,071	\$0
General Funds Subtotal [Base]	\$55,526	\$55,327	\$199	\$728	\$56,055	(\$529)
General Funds Non-Base Subtotal	\$0	\$0	\$0	\$0	\$0	\$0
Total General Funds Revenues	\$55,526	\$55,327	\$199	\$728	\$56,055	(\$529)

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

FY 2027 General Funds Revenues
CGFA [Mar '26] vs GOMB [Feb '26] with & without Proposed Adjustments
(\$ millions)

	Without Proposed Revenue Adjustments			Value of Proposed Adjustments	Including Proposed Revenue Adjustments	
	FY 2027 CGFA March '26	FY 2027 GOMB Revised February '26	CGFA vs GOMB Difference		FY 2027 GOMB Revised February '26	CGFA vs GOMB Difference
Revenue Sources						
State Taxes						
Personal Income Tax	\$34,080	\$34,802	(\$722)	\$0	\$34,802	(\$722)
Corporate Income Tax (regular)	\$5,533	\$5,038	\$495	\$336	\$5,374	\$159
Sales Taxes	\$12,617	\$12,703	(\$86)	\$79	\$12,782	(\$165)
Public Utility (regular)	\$695	\$704	(\$9)	\$0	\$704	(\$9)
Cigarette Tax	\$165	\$166	(\$1)	\$0	\$166	(\$1)
Liquor Gallonage Taxes	\$165	\$167	(\$2)	\$0	\$167	(\$2)
Estate Tax	\$685	\$600	\$85	\$0	\$600	\$85
Insurance Taxes & Fees	\$675	\$577	\$98	\$0	\$577	\$98
Corporate Franchise Tax & Fees	\$170	\$162	\$8	\$0	\$162	\$8
Interest on State Funds & Investments	\$600	\$500	\$100	\$0	\$500	\$100
Cook County Intergovernmental Transfer	\$244	\$244	\$0	\$0	\$244	\$0
Other Sources	\$838	\$843	(\$5)	\$0	\$843	(\$5)
Total State Taxes	\$56,467	\$56,506	(\$39)	\$415	\$56,921	(\$454)
Transfers In						
Lottery	\$827	\$832	(\$5)	\$0	\$832	(\$5)
Gaming	\$283	\$250	\$33	\$120	\$370	(\$87)
Sports Wagering	\$400	\$344	\$56	\$0	\$344	\$56
Cannabis	\$107	\$120	(\$13)	\$0	\$120	(\$13)
Refund Fund	\$350	\$150	\$200	\$0	\$150	\$200
Other	\$917	\$945	(\$28)	\$200	\$1,145	(\$228)
Total Transfers In	\$2,884	\$2,641	\$243	\$320	\$2,961	(\$77)
Total State Sources	\$59,351	\$59,147	\$204	\$735	\$59,882	(\$531)
Federal Sources [Base]	\$4,071	\$4,071	\$0	\$0	\$4,071	\$0
Total Federal & State Sources	\$63,422	\$63,218	\$204	\$735	\$63,953	(\$531)
Nongeneral Funds Distribution:						
Refund Fund						
Personal Income Tax [9.15%]	(\$3,118)	(\$3,184)	\$66	\$0	(\$3,184)	\$66
Corporate Income Tax [14.0%]	(\$775)	(\$705)	(\$70)	(\$47)	(\$752)	(\$23)
Local Government Distributive Fund						
Personal Income Tax	(\$2,003)	(\$2,046)	\$43	\$60	(\$1,986)	(\$17)
Corporate Income Tax	(\$326)	(\$297)	(\$29)	(\$20)	(\$317)	(\$9)
Sales Tax Distributions						
Sales Tax Deposits into Road Fund	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Distribution to the PTF and DPTF	(\$1,675)	(\$1,659)	(\$16)	\$0	(\$1,659)	(\$16)
General Funds Subtotal [Base]	\$55,526	\$55,327	\$199	\$728	\$56,055	(\$529)
Transfers to Repay Payroll Borrowing	\$0	\$0	\$0	\$0	\$0	\$0
Total General Funds Revenues	\$55,526	\$55,327	\$199	\$728	\$56,055	(\$529)

Budget Source: <https://budget.illinois.gov/> Note: Some totals may not equal, due to rounding.

Appendix 1: Development of CGFA Estimates

Econometric Firms—The Commission utilizes the services of IHS Markit, Moody’s Analytics, and Consensus Economics Inc. They provide a wealth of economic measures and forecasts, both on a national and state specific basis, which are utilized to varying degrees during the estimating process.

Data Sources—The Commission utilizes actual receipt data via the Comptroller’s warehouse. Additionally, tax collection data reports prepared by the IDoR, as well as employment and earning reports produced by the Bureau of Labor Statistics and IDES are also utilized, as are other pertinent data that may be necessary and available.

Forecasting models—Depending on the revenue source being forecasted, model complexity can range from the very simple to fairly complex. Several smaller sources with relatively low volatility need nothing more than simple trend analysis to produce accurate forecasts, while the estimates of the larger more economically driven revenue sources such as income and sales benefit from more sophisticated econometric models which utilize regressions and various time series techniques.

Application of Adjustments—Often times a base forecast must be adjusted by factors such as tax changes made at either the federal or state level that will disrupt historical receipt patterns, either by acceleration or delay. A clear example of this was seen during the pandemic as a one-time delay in the tax deadline date resulted in tax receipts shifting to other fiscal years. Also, as has been the case in recent years, impacts related to IDOR accounting procedures must also be included. These are usually one-time phenomena, but must be accounted for by adjusting the estimate. Examples include tax rates, credits, deductions, exemptions, amnesty, etc.

Review Process and Tests of Reasonableness— Before a forecast is presented, it must pass internal review. In other words, the forecast must make sense. Any questionable forecast is re-examined for error. Accuracy of the estimates is reviewed during each forecasting period and, if necessary, appropriate revisions to the models are made in an effort to improve accuracy.

Appendix 2: Detailed General Funds Revenue History with FY 2026 and FY 2027 Estimates

DETAILED GENERAL FUNDS REVENUE HISTORY FY 2018 - FY 2027 est.											
(\$ millions)											
Revenue Sources	Actual Receipts FY 2018	Actual Receipts FY 2019	Actual Receipts FY 2020	Actual Receipts FY 2021	Actual Receipts FY 2022	Actual Receipts FY 2023	Actual Receipts FY 2024	Actual Receipts FY 2025	Estimated Receipts FY 2026	Estimated Receipts FY 2027	
State Taxes											
Personal Income Tax	\$20,784	\$22,604	\$21,657	\$26,350	\$29,137	\$27,889	\$30,134	\$33,154	\$34,225	\$34,080	
Corporate Income Tax (regular)	2,607	3,026	2,596	4,450	6,831	7,318	6,525	5,904	5,494	5,533	
Sales Taxes	8,256	8,897	8,691	9,799	10,984	11,389	11,710	11,794	12,263	12,617	
Public Utility Taxes (regular)	896	863	831	752	750	751	695	716	700	695	
Cigarette Tax	344	361	267	281	281	235	204	191	175	165	
Liquor Gallonage Taxes	172	172	177	177	183	181	179	181	173	167	
Estate Tax	358	388	283	450	603	503	603	603	627	685	
Insurance Taxes and Fees	432	396	361	480	455	492	486	574	659	675	
Corporate Franchise Tax & Fees	207	247	210	322	216	225	202	197	202	170	
Interest on State Funds & Investments	79	145	137	57	30	407	654	741	730	600	
Cook County Intergovernmental Transfer	244	244	244	244	244	244	244	244	244	244	
Other Sources	679	710	761	339	443	590	677	793	804	838	
Total State Taxes	\$35,058	\$38,053	\$36,215	\$43,701	\$50,130	\$50,424	\$52,337	\$55,084	\$56,493	\$56,467	
Transfers In											
Lottery	719	731	630	777	820	726	877	777	823	827	
Gaming	272	269	195	140	140	157	158	186	262	283	
Sports Wagering	0	0	0	0	0	0	0	203	390	400	
Cannabis	0	0	18	71	115	111	114	113	108	107	
Refund Fund	1	327	617	282	282	1,481	555	253	700	350	
Other	1,185	208	971	420	733	773	846	978	894	917	
Total Transfers In	\$2,177	\$2,035	\$2,431	\$1,550	\$2,092	\$3,248	\$2,550	\$2,510	\$3,177	\$2,884	
Total State Sources	\$37,235	\$40,088	\$38,646	\$45,251	\$52,222	\$53,672	\$54,887	\$57,594	\$59,670	\$59,351	
Federal Sources	\$5,238	\$3,600	\$3,551	\$4,744	\$4,584	\$3,802	\$3,893	\$3,715	\$4,016	\$4,071	
Total Federal & State Sources	\$42,473	\$43,688	\$42,197	\$49,995	\$56,806	\$57,474	\$58,780	\$61,309	\$63,686	\$63,422	
Nongeneral Funds Distribution:											
Refund Fund											
Personal Income Tax	(\$2,037)	(\$2,193)	(\$2,058)	(\$2,372)	(\$2,696)	(\$2,580)	(\$2,758)	(\$3,031)	(\$3,132)	(\$3,118)	
Corporate Income Tax	(457)	(470)	(370)	(625)	(1,026)	(1,062)	(914)	(827)	(769)	(775)	
Local Government Distributive Fund											
Personal Income Tax	(1,022)	(1,175)	(1,128)	(1,453)	(1,602)	(1,559)	(1,771)	(1,949)	(2,012)	(2,003)	
Corporate Income Tax	(133)	(167)	(145)	(262)	(398)	(429)	(384)	(348)	(324)	(326)	
Sales Tax Distributions											
Deposits into Road Fund	0	0	0	0	(132)	(484)	(570)	(698)	(647)	0	
Distribution to the PTF and DPTF	(446)	(488)	(436)	(431)	(618)	(654)	(675)	(622)	(621)	(1,675)	
General Funds Subtotal [Base]	\$38,378	\$39,195	\$38,060	\$44,852	\$50,334	\$50,707	\$51,708	\$53,933	\$55,981	\$55,525	
Change from Prior Year	\$8,973	\$817	(\$1,135)	\$6,792	\$3,482	\$373	\$1,001	\$2,225	\$2,048	(\$450)	
Percent Change	30.5%	2.1%	-2.9%	17.8%	12.2%	0.7%	2.0%	4.3%	3.8%	-0.8%	
Transfers to Repay Payroll Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$0	
Transfer of Excess P.A. 102-700 Funds to GRF	\$0	\$0	\$0	\$0	\$0	\$0	\$248	\$0	\$0	\$0	
Prior Year Federal Matching Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$633	\$0	\$0	\$0	
ARPA Reimb. for Essential Gov't Services	\$0	\$0	\$0	\$0	\$736	\$1,064	\$0	\$65	\$0	\$0	
SLFRF Allocation Transfer	\$0	\$0	\$0	\$0	\$0	\$1,363	\$0	\$0	\$0	\$0	
Short-Term Borrowing/MLF	\$0	\$0	\$1,198	\$1,998	\$0	\$0	\$0	\$0	\$0	\$0	
Treasurer's Investments	\$0	\$750	\$400	\$400	\$0	\$0	\$0	\$0	\$0	\$0	
Interfund Borrowing	\$533	\$250	\$462	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Income Tax Bond Fund Transfer	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer to Commitment Human Services	\$40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total General Funds	\$41,451	\$40,195	\$40,120	\$47,250	\$51,070	\$53,134	\$52,589	\$53,998	\$55,983	\$55,525	
Change from Prior Year	\$12,046	(\$1,256)	(\$75)	\$7,130	\$3,820	\$2,064	(\$545)	\$1,409	\$1,985	(\$458)	
Percent Change	41.0%	-3.0%	-0.2%	17.8%	8.1%	4.0%	-1.0%	2.7%	3.7%	-0.8%	

Appendix 3: Detailed All Appropriated Funds Revenue History with FY 2026 and FY 2027 Estimates

ALL APPROPRIATED FUNDS REVENUE ACTUALS [FY 2018 TO FY 2025] & CURRENT LAW ESTIMATES [FY 2026 TO FY 2027] (\$ millions)											
REVENUE SOURCES	ACTUAL RECEIPTS FY 2018	ACTUAL RECEIPTS FY 2019	ACTUAL RECEIPTS FY 2020	ACTUAL RECEIPTS FY 2021	ACTUAL RECEIPTS FY 2022	ACTUAL RECEIPTS FY 2023	ACTUAL RECEIPTS FY 2024	ACTUAL RECEIPTS FY 2025	Mar'26 ESTIMATE FY 2026	Mar'26 ESTIMATE FY 2027	
State Sources											
CASH RECEIPTS:											
Personal Income Tax (gross)	\$20,785	\$22,604	\$21,658	\$26,352	\$29,137	\$27,890	\$30,136	\$33,156	\$34,227	\$34,082	
Corporate Income Tax (gross)	\$2,610	\$3,029	\$2,599	\$4,456	\$6,833	\$7,320	\$6,527	\$5,906	\$5,496	\$5,535	
Sales Taxes	\$9,297	\$10,094	\$9,937	\$11,374	\$12,332	\$13,105	\$13,168	\$13,025	\$13,543	\$13,934	
Fund Transfers	\$3,413	\$4,236	\$4,176	\$3,697	\$5,219	\$5,050	\$6,546	\$7,014	\$7,307	\$7,285	
Health Care Provider Assessment Fees & Taxes	\$2,343	\$2,496	\$3,590	\$3,918	\$3,834	\$4,361	\$4,641	\$5,044	\$6,511	\$6,836	
State Employees Retirement System	\$2,607	\$2,774	\$0	\$0	\$0	\$3,154	\$0	\$3,435	\$0	\$0	
Motor Fuel Tax (gross)	\$1,368	\$1,351	\$2,319	\$2,380	\$2,523	\$2,565	\$2,817	\$2,947	\$3,024	\$3,097	
Corporate Personal Property Replacement Taxes	\$1,790	\$1,935	\$1,881	\$2,761	\$5,243	\$5,220	\$3,406	\$2,485	\$2,555	\$3,017	
Motor Vehicle & Operators Licenses	\$1,483	\$1,599	\$1,458	\$1,691	\$1,596	\$1,606	\$1,646	\$1,648	\$1,653	\$1,658	
Lottery Tickets & Licenses	\$1,510	\$1,330	\$1,164	\$1,528	\$1,397	\$2,322	\$1,867	\$1,630	\$1,704	\$1,713	
Interest on State Funds & Investments	\$163	\$256	\$237	\$101	\$81	\$715	\$1,186	\$1,387	\$1,325	\$1,090	
Public Utility Taxes	\$1,409	\$1,415	\$1,347	\$1,262	\$1,260	\$1,280	\$1,273	\$1,284	\$1,316	\$1,346	
Video Gaming Tax	\$417	\$474	\$444	\$593	\$901	\$961	\$1,002	\$1,029	\$1,110	\$1,165	
Revolving Funds	\$533	\$666	\$579	\$614	\$821	\$998	\$1,028	\$825	\$830	\$840	
Insurance Tax & Fees	\$552	\$512	\$470	\$625	\$609	\$648	\$644	\$736	\$809	\$825	
Cigarette Taxes	\$764	\$769	\$851	\$917	\$841	\$785	\$708	\$661	\$728	\$684	
Estate Tax	\$381	\$301	\$301	\$479	\$642	\$535	\$668	\$641	\$883	\$729	
Riverboat Gambling Taxes & Fees	\$482	\$469	\$370	\$225	\$411	\$465	\$597	\$528	\$531	\$571	
Optional Health Insurance Deductions	\$332	\$340	\$345	\$409	\$429	\$455	\$445	\$507	\$527	\$549	
Sports Wagering	\$0	\$0	\$7	\$113	\$111	\$149	\$201	\$371	\$375	\$590	
Hotel Tax	\$281	\$296	\$251	\$94	\$228	\$311	\$325	\$303	\$366	\$366	
Liquor Gallonage Taxes	\$296	\$297	\$303	\$312	\$320	\$316	\$311	\$303	\$295	\$292	
Recreational Cannabis	\$0	\$0	\$67	\$199	\$276	\$263	\$281	\$281	\$267	\$265	
Tobacco Settlement	\$227	\$138	\$128	\$145	\$663	\$167	\$267	\$251	\$247	\$245	
County Intergovernmental Transfers	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	
Corporate Franchise Tax & Fees	\$216	\$257	\$219	\$332	\$224	\$234	\$211	\$205	\$210	\$180	
Short-Term Borrowing	\$0	\$0	\$1,198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Taxes, Licenses, Fees & Earnings	\$4,757	\$4,322	\$4,535	\$5,651	\$6,291	\$6,878	\$8,021	\$7,909	\$7,686	\$7,569	
Total, State Source Cash Receipts	\$58,260	\$62,316	\$60,678	\$70,472	\$82,466	\$87,997	\$88,166	\$93,849	\$93,969	\$94,707	
Transfers in from Other State Funds:	\$339	\$456	\$324	\$370	\$284	\$308	\$234	\$279	\$349	\$286	
TOTAL, STATE SOURCES	\$58,599	\$62,772	\$61,002	\$70,842	\$82,750	\$88,305	\$88,400	\$94,128	\$94,318	\$94,993	
Federal Sources	\$20,940	\$19,468	\$25,410	\$28,731	\$40,723	\$33,724	\$34,374	\$34,969	\$36,717	\$38,553	
Sale of Bonds	\$8,342	\$2,005	\$1,975	\$4,500	\$3,054	\$3,545	\$3,542	\$2,712	\$3,500	\$3,448	
TOTAL, REVENUES - APPROPRIATED FUNDS	\$87,881	\$84,245	\$88,387	\$104,073	\$126,527	\$125,574	\$126,316	\$131,809	\$134,535	\$136,994	
Short Term Borrowing	\$0	\$0	\$1,198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TOTAL BASE REVENUE - ALL APPROPRIATED	\$87,881	\$84,245	\$87,189	\$104,073	\$126,527	\$125,574	\$126,316	\$131,809	\$134,535	\$136,994	