

CENTER FOR TAX AND BUDGET ACCOUNTABILITY

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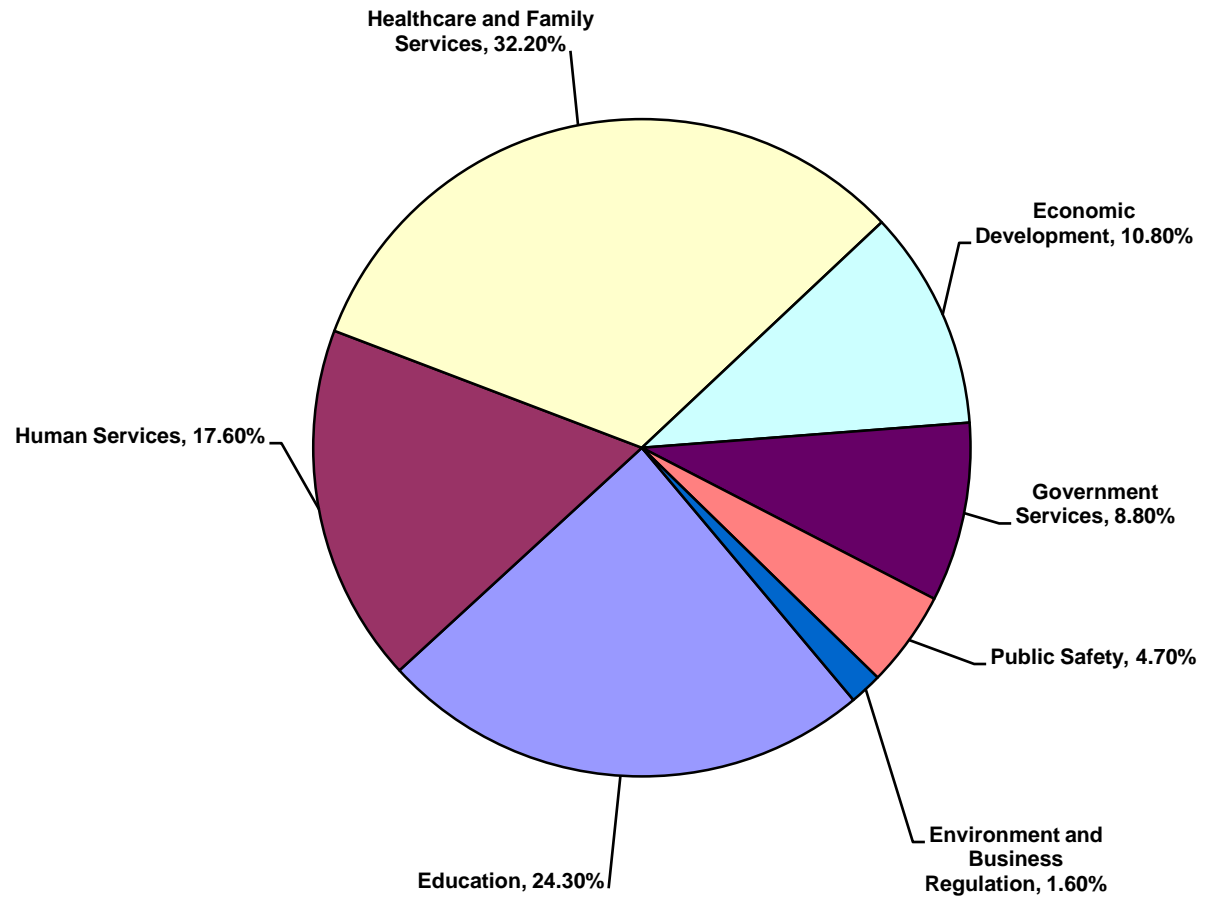
State of Illinois Budget Outlook

For:

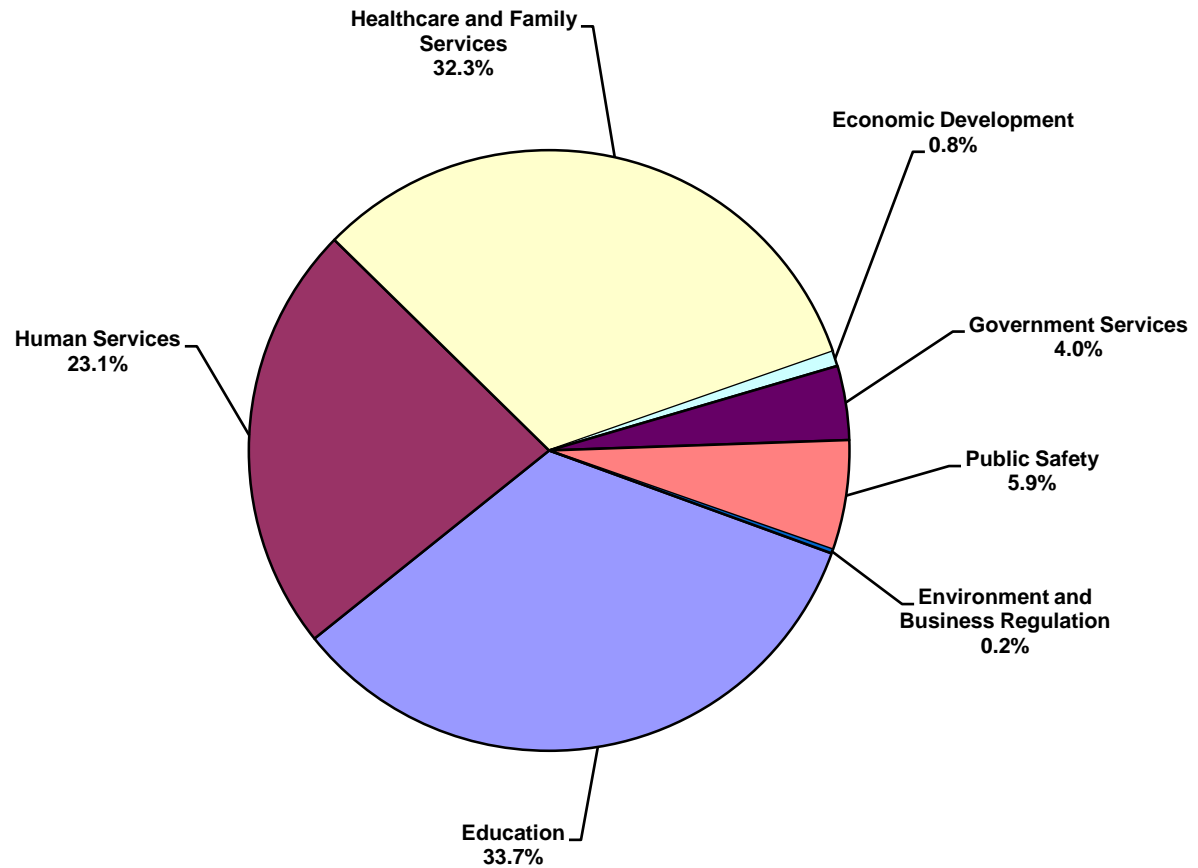
Saturday, November 13, 2010
Lutheran Social Services of Illinois
Lutheran School of Theology
Hyde Park, Illinois

Presented by:
Ralph Martire
Executive Director

Appropriations by Major Category, All Funds, FY 2011

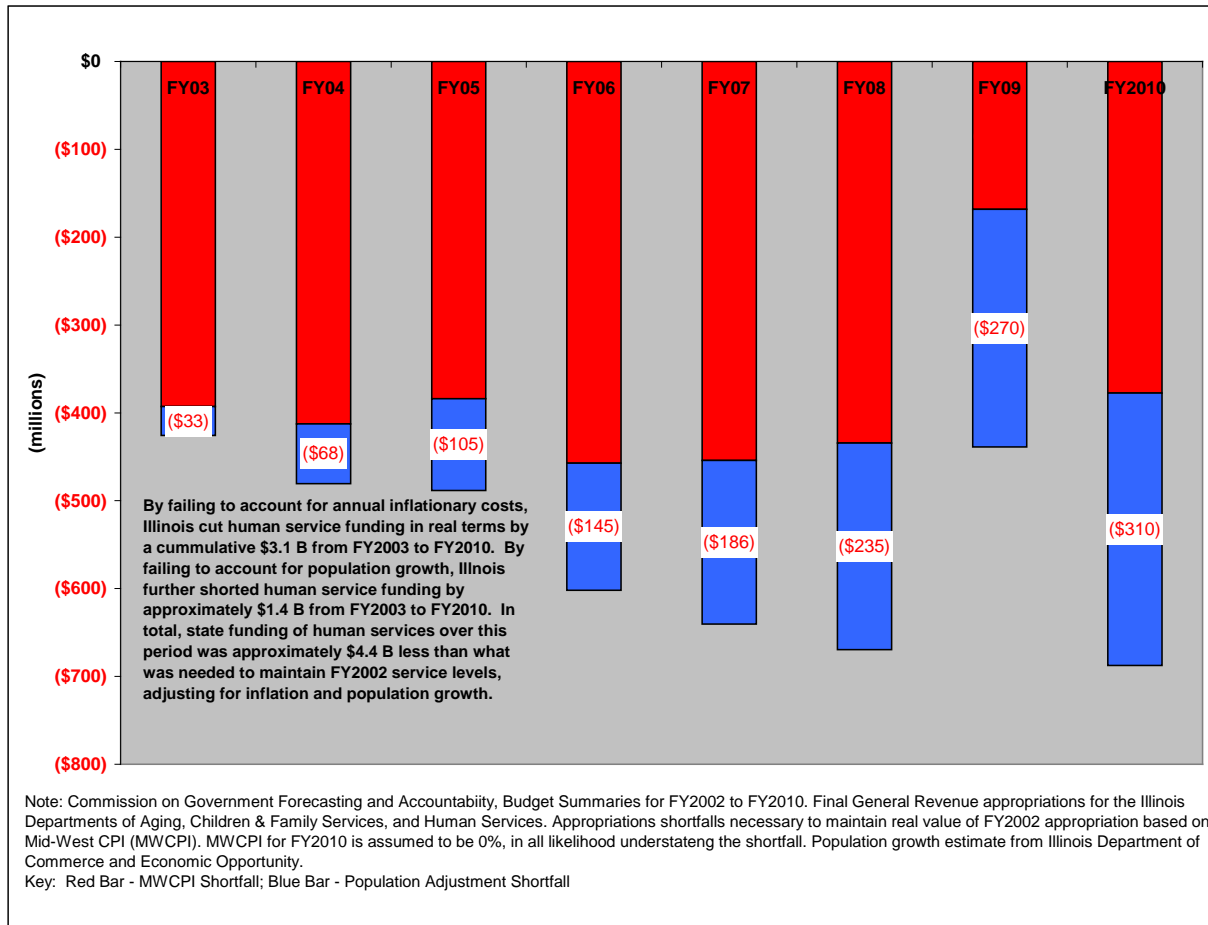


Appropriations by Major Category, General Revenue Fund, FY 2011



THE REAL IMPACT: \$4.4 BILLION LOST

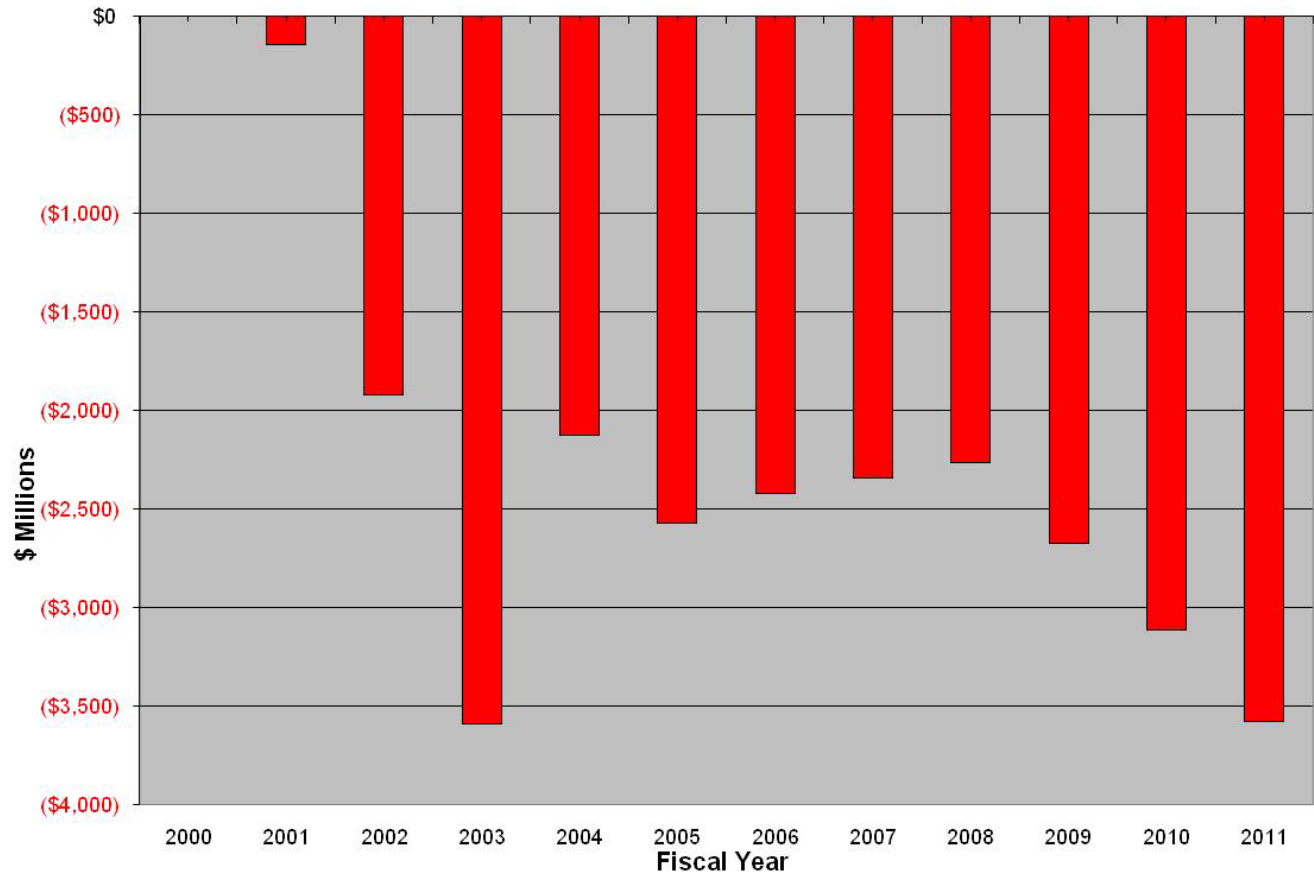
Amount by Which Illinois General Fund State Spending on Human Service Programs Falls Short of Keeping Pace with Inflationary Costs and Population Growth From FY2002 to FY2010



THE REAL PROBLEM:

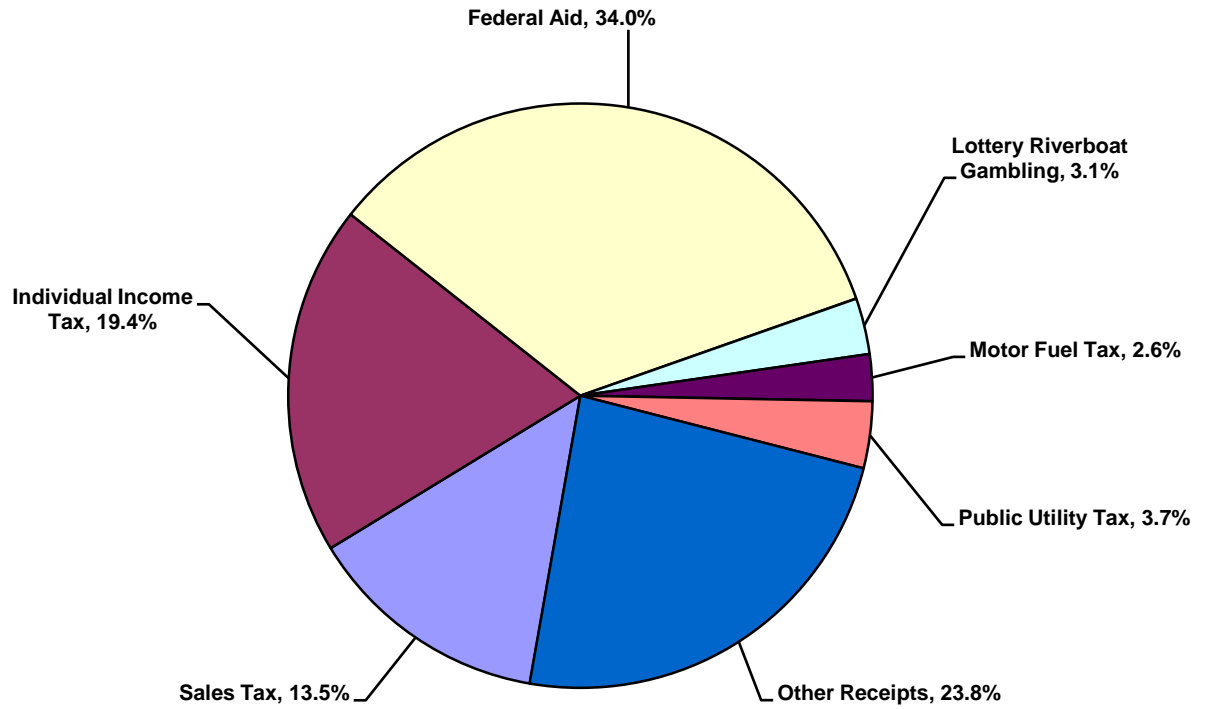


ILLINOIS STRUCTURAL DEFICIT ASSUMING FY2000 TO FY2008 ECONOMIC CONDITIONS AND FY 2000 BALANCED BUDGET APPROPRIATION (ADJUSTED FOR INFLATION AND POPULATION GROWTH)



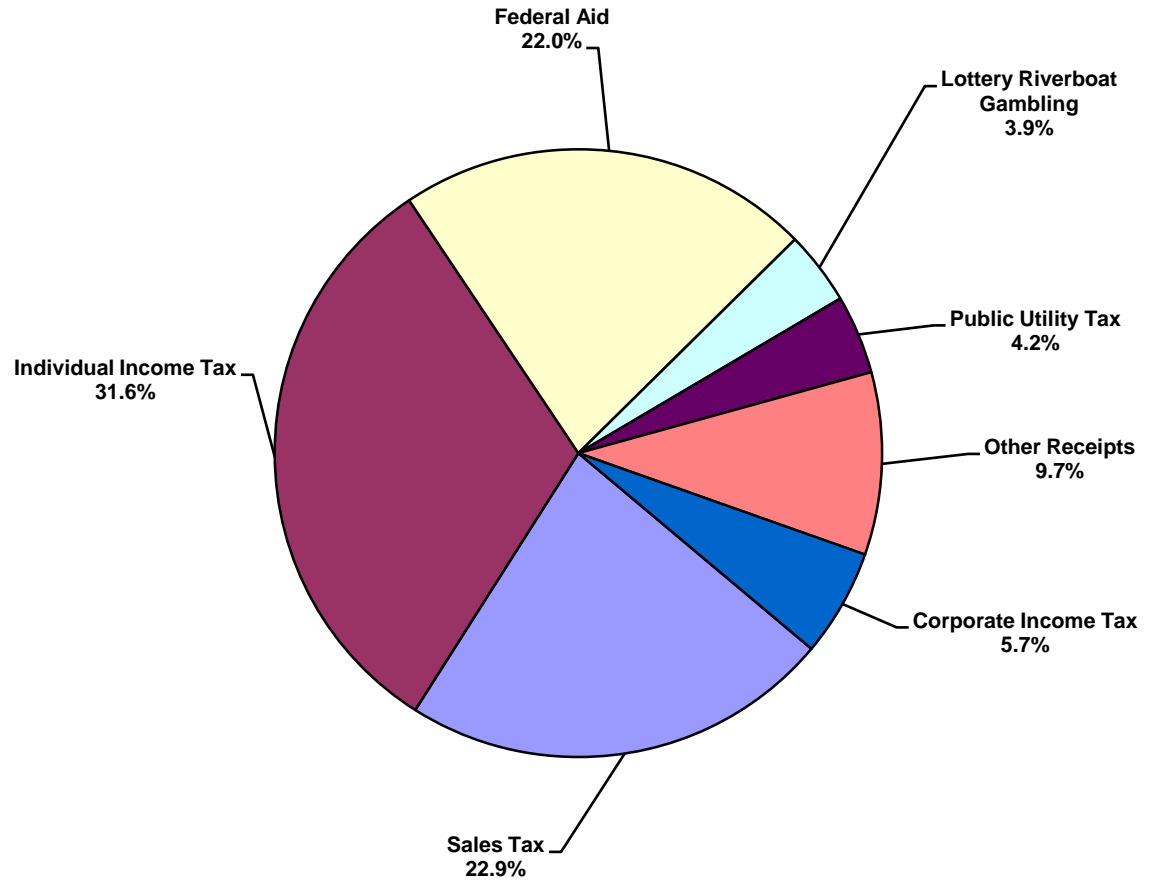


Revenues by Source, All Funds, FY 2011





Revenues by Source, General Revenue Fund, FY 2011



ESTIMATED FY2011 NET REVENUE FROM CTBA RECOMMENDATIONS (ALL DOLLARS IN MILLIONS)



<u>Revenue Source/Adjustment</u>	<u>Revenue Impact</u>
Increase Personal Income Tax Rate from 3% to 5% (Net of Refund Fund)	\$5,806
Amount Local Government Distributive Fund (LGDF)	(-\$581)
New General Fund Revenue from Personal Income Tax Rate Increase from 3% to 5% on Existing Income Tax Base	\$5,225
Add Retirement Income of Filers with over \$50,000 in Adjusted Gross Income (top 18% in income of such filers) Into Income Tax Base at 5% rate (Net of Refund Fund and LGDF)	\$905
Net New Revenue from Personal Income Tax Changes	\$6,130
Increase Corporate Income Tax Rate from 4.8% to 8% (Net of Refund Fund)	\$937
Corporate Income Tax Revenue to LGDF	(-\$94)
Net New Corporate Income Tax Revenue	\$843
Revenue from Sales Tax Base Expansion	\$2,400
GROSS NEW REVENUE TO GENERAL FUND	\$9,373
Create Refundable Income Tax Credit to Offset Income and Sales Tax Increases for Bottom 60% in Household Income	(-\$750)
Double Residential Property Tax Credit from 5% to 10%	(-\$493)
Increase State EITC from 5% to 20% of Federal	(-\$315)
NET TAX INCREASE/REVENUE TO GENERAL FUND	\$7,815
<p>i CTBA Analysis of Commission on Government Forecasting and Accountability Data, FY 2011. ii William, Erica and & Nicholas Johnson. November 12, 2009. "How Much Would an Earned Income Tax Credit Cost in 2010?" Center for Budget and Policy Priorities.</p>	

FOR MORE INFORMATION:

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