

ILLINOIS 2023 GENERAL FUNDS BUDGET (in millions; source: Governor's OMB)

	Illinois	Alloc%	New Illinois
Individual Income Taxes	22,577	57.29	12,934
Corporate Income Taxes	4,608	52.45	2,417
Net Sales Taxes	10,080	61.66	6,215
Public Utility Taxes	720	59.38	428
All Other Sources	2,431	59.38	1,444
Lottery	665	59.38	395
Gaming	157	59.38	93
Cannabis	142	59.38	84
Other Receipts	1,049	59.38	623
Federal Sources	<u>4,000</u>	<u>59.38</u>	<u>2,375</u>
TOTAL RECEIPTS	46,429	58.17	27,008
Education PreK-12	9,758	56.97	5,559
Education Higher Ed	2,242	56.97	1,277
Economic Development	243	59.38	144
Public Safety	2,228	59.38	1,323
Human Services	8,832	59.38	5,244
Healthcare	8,165	48.75	3,980
Environment	89	59.38	53
<u>Govt Services:</u>			
Group Health	1,831	59.38	1,087
Chicago Teacher's Pension	309	0	0
Govt Services	1,509	59.38	896
Unspent Appropriations	-1,145	56.52	-647
Pensions K-12	5,894	59.38	3,500
Pensions State University	1,904	59.38	1,131
Pensions Employees	1,835	59.38	1,090
Debt Service, etc	<u>2,292</u>	<u>59.38</u>	<u>1,361</u>
TOTAL EXPENDITURES	45,986	56.54	25,999
NET GENL FUNDS SURPLUS	443		1,010

Allocation Methods

- Most of the categories were allocated to New Illinois based on the population percentage without Cook County, which is 59.38% based on the 2022 population numbers from worldpopulationreview.com.
- Individual income taxes: Based on personal income allocation. Censusreporter.org.
- Corporate income taxes: Based on real GDP allocation. FRED Economic Data.
- Sales/Use taxes: Based on retail sales allocation from 2017, the latest year I could find - numbers from Census.gov. Note: The 2011 s/u receipts show a slightly lower Cook

County percent (36.57% vs 38.34%) - source: County Data Book July 2013, from the Legislative Research Unit of the Illinois General Assembly.

- Education expenditures: Based on spending allocation from the 2011 budget, which is the last year for which I have such numbers (source: County Data Book July 2013).
- Healthcare spending: Also based on 2011 budget expense allocations. This is basically Medicaid. Note: In 2021 47.2% of Medicaid recipients were from Cook County but I assume the healthcare costs in Cook County are higher than downstate, so I used the 51.25% figure from the 2011 healthcare spending (County Data Book July 2013). If we use the 47.2% the total surplus goes down by about 320m.
- Govt Services: I used population to allocate. Note: About 77% of Illinois employees were located outside of Cook County in 2011 (County Data Book July 2013).

Real GDP Comparison

The 2021 Real GDP per capita for Illinois (74,959) ranks 11th among the states. The Real DGP per capita for New Illinois would rank 21st (66,476), which would put us ahead of Wisconsin, Indiana, Missouri, Kentucky and Michigan. The total GDP of New Illinois would rank 15th.

Source: FRED Economic Data.

Notes on Motor Fuel Taxes

In 2011, 31.1% of the motor fuel taxes came from Cook County. That's significantly less than their 40.6% share of the population. However, I don't have data on spending from the road fund by county.

Notes on Illinois Taxes

According to Moneygeek.com (8/11/22), Illinois has the highest burden in the U.S., with an estimated tax amount of 13,894 for the hypothetical family.

According to the Tax Foundation Illinois has the 7th highest tax burden when measuring taxes as a percentage of the state GDP and they have been climbing in the rankings: Illinois ranked 13th in 2019, and 9th in 2020.

Notes on the Collar Counties

There are five Collar Counties that border Cook (DuPage, Kane, Lake, McHenry & Will). The total population is just over 3.1 million. If none of these counties joined New Illinois, we would see a budget deficit of about \$2.7 billion - 1.4 billion coming from DuPage, 743 million from Lake, 310 million from Will, 246 million from McHenry, and 46 million from Kane. The main reasons for the deficit: changes in income and sales tax revenue and education spending.

The population without Cook and the five collar counties would be 4.3 million, which would rank us 27th in population in the country. The total GDP would rank 28th and the per capita GDP of the new state would rank 40th (54,774), ahead of states such as Kentucky and South Carolina. Source FRED Economic Data.