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Issue Brief: The Pending FY2016 Fiscal Cliff

RELEASED: DECEMBER 22, 2014

CTBA's issue brief, [The Pending FY2016 Fiscal Cliff \(/reports/issue-brief-pending-fy2016-fiscal-cliff\)](/reports/issue-brief-pending-fy2016-fiscal-cliff) details the significant—potentially over \$12 billion—fiscal shortfall facing the next General Assembly and Governor-elect Bruce Rauner as they work to craft a General Fund budget for Fiscal Year 2016. The issue brief delineates the amount of recurring income tax revenue the state stands to lose when the temporary income tax increases under the Taxpayer Accountability and Budget Stabilization Act of 2011 phase down on January 1, 2015, as well as the worsening of other fiscal pressures that are projected to occur under current law.

Assuming no tax policy changes, if spending on services in FY2016 is held constant in nominal, non-inflation adjusted dollars at FY2015 levels, the state's accumulated deficit in its General Fund will almost double, increasing from an estimated \$6.8 billion in FY2015, to \$12.7 billion by the end of FY2016.

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RELEASED: SUNDAY, AUGUST 31, 2014

This Issue Brief provides CTBA's analysis of gubernatorial candidate Bruce Rauner's position paper on fiscal policy, "Bring Back Blueprint: Jobs and Growth Agenda" (the "**Blueprint**"). The Blueprint represents candidate Rauner's most complete policy statement on how to resolve the very real and serious fiscal problems that have plagued Illinois state government for decades. After taking into account all of the Blueprint's proposals, the Illinois budget would be \$5.9 billion short in FY2016, and that is before factoring in the current projected deficit from FY2015, which would increase the total accumulated deficit to \$12.4 billion in FY2016. The Blueprint presents no data, plan, or policy proposal as to how to balance the budget.

Fact Sheet: The High Cost of Doing Nothing (/reports/fact-sheet-high-cost-doing-nothing)

RELEASED: MONDAY, JUNE 9, 2014

Because the Illinois legislature failed to act during the spring 2014 legislative session, both of the temporary state income tax increases that became law under the Taxpayer Accountability and Budget Stabilization Act of 2011 (TABSA) will begin to phase down halfway through Fiscal Year (FY) 2015, which begins on July 1, 2014. Under TABSA, the personal income tax rate will decline from 5 percent to 3.75 percent, and the corporate income tax rate will drop from 7 percent to 5.25 percent beginning on January 1, 2015.

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