

STATEWIDE ACCOUNTING MANAGEMENT SYSTEM

**** PROCEDURE BULLETIN ****

Procedure Bulletin Number 52

Date: September 15, 2000

Effective Date: October 16, 2000

SAMS MANUAL

Material Transmitted: 27 and 33

Purpose: The purpose of this revision is to (1) inform the agencies of revised procedures, (2) make certain procedures are clearer through revision and exhibits and (3) issue revised charts and other listings which reflect current codes and descriptions.

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PROCEDURE	SERVICE EFFORTS AND ACCOMPLISHMENTS (SEA) REPORTING	REVISION NUMBER 01-002

PURPOSE

The purpose of the Service Efforts and Accomplishments (SEA) Report is to provide information on the service efforts, costs, and accomplishments of the agency or its major programs.

This form is to be completed annually and sent to the Comptroller's Office as part of the year-end reporting package. The Service Efforts and Accomplishments Report is due to the Comptroller's Office by October 15.

GENERAL

The Governmental Accounting Standards Board (GASB) is the highest source of accounting and financial reporting guidance for state and local governments and retains ultimate authority over all external financial reporting by governmental entities. Through its due process procedures, GASB is in the process of establishing standards for service efforts and accomplishments (SEA) reporting. Illinois is a pilot state, assisting GASB in defining the requirements it will adopt for SEA reporting.

In its Concepts Statement No. 1, *Objectives of Financial Reporting*, GASB stated that governmental financial reporting should "provide information to assist users in (a) assessing accountability and (b) making economic, social, and political decisions." One of three objectives established by the Board in this document is that "financial reporting should provide information to assist users in assessing the service efforts, costs, and accomplishments of the governmental entity."

The practical effect of this objective is to make information available in financial reports not only about how much and on what state government spends its resources, but also what citizens and taxpayers are getting for their money and how efficiently and effectively those funds are being used. The basis for this thinking is the concern that financial reports do not provide complete information about the 'results of operations' of the governmental entity. GASB's Concepts Statement No. 2, *Service Efforts and Accomplishments Reporting*, emphasizes this point when it states, "The assessment of a governmental entity's performance requires information not only about the acquisition and use of resources, but also about the outputs and outcomes of the services provided and the relationship between the use of resources and their outputs and outcomes."

Currently, financial reporting provides information on whether funds are being used legally and for the purpose intended, but not whether they are being used efficiently and with the intended results. Both GASB and the Comptroller's Office recognize that (1) in the absence of SEA information, financial

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reports cannot meet the test of sufficient accountability, and (2) a change in this situation would call for an extension of the very concept of financial reporting itself.

As stipulated in Public Act 86-1415 (15 ILCS 405/6.01), effective September 11, 1990, the Comptroller is responsible for defining financial reporting requirements for Illinois state agencies:

The Comptroller shall specify and establish the financial accounting and reporting standards and principles to be used by all State government and State agencies....These standards and principles shall be known as the Generally Accepted Accounting Standards and Principles for Illinois State Government, and shall, whenever possible, be compatible with any similar nationally existing generally accepted accounting standards and principles for government.

The core mission of the Comptroller's Office is "to provide quality fiscal information" (15 ILCS 405/1 *et seq.*). It is the position of the Comptroller's Office that fiscal information that consists solely of *financial* information is lacking an acceptable level of quality. Such financial information must be coupled with *non-financial* information (i.e., information on service efforts and accomplishments) if the financial information is to be meaningful.

Because service efforts and accomplishments reporting is in an experimental stage, this procedure will help establish standards for SEA reporting until GASB completes its due process activities. The following general principles and guidelines, which may be modified from time to time as new information or experience becomes available, will govern service efforts and accomplishments reporting in Illinois for the present:

- These guidelines are consistent with expectations and other reporting requirements regarding performance measurement already existing in Illinois State statutes. The Fiscal Control and Internal Auditing Act (30 ILCS 10/1001-3004) requires controls to assure that "resources are utilized efficiently, effectively, and in compliance with applicable law." (See Procedure 02.00.00.) It is not possible to demonstrate efficiency or effectiveness without appropriate measures of efforts, costs, and accomplishments. Additionally, the Civil Administrative Code of Illinois (Part 2) requires "annual accountability reports" from each Code agency, "based on criteria, goals and objectives established by the Department" (15 ILCS 20/38.2).
- These procedures establish principles for *reporting* information about state government's performance, including the categories and characteristics of SEA information. They do not establish the performance indicators, measures, or standards themselves. While the Comptroller's Office has

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no intention of establishing performance standards, it may, from time to time, work with agencies in a technical assistance capacity in developing generally accepted performance indicators for reporting on specific programs or services.

- Within the framework established by these principles and procedures, state agencies are expected to develop their own valid and generally accepted SEA indicators; gather the data required for the indicators; and report performance results in the form prescribed herein. Based on statutory provisions and requirements previously cited above, it is assumed that a significant amount of information is already available for SEA reporting.
- State agencies may use judgment and discretion in reporting SEA information. Generally speaking SEA measures should be reported for all major goals or objectives, divisions, functions, or programs of the agency, as defined by the reporting entity. It is assumed that not every agency function will be included in such reporting. At the same time, reporting on the smallest, discrete program within an agency is probably not sufficient. Part of the challenge in SEA reporting is rationalizing the program structure as a framework for SEA measurement. Where possible, agencies may report at the 'corporate' or 'enterprise' level for the department as a whole. Another approach would be to report on the highest organizational level possible or the programs or functions with the largest funding.
- Agencies should not intermingle SEA information from different programs or services, but should prepare separate SEA reports for each distinct agency function, program, or service being reported.
- Agencies should be able to substantiate their reports by maintaining adequate and appropriate documentation to support their mission statements, goals, objectives and performance measures. This would include such elements as statutory or other authoritative sources for programs, mission statements, goals and objectives, definitions of performance indicators and data, the data collection and reporting process, the data storage and retrieval environment, etc.
- In *Concepts Statement No. 2, Service Efforts and Accomplishments Reporting*, the GASB has provided guidance on the characteristics that agencies should strive for in performance data:

Characteristics Performance Information Should Possess

57. Performance information should meet the characteristics of relevance, understandability, comparability, timeliness, consistency, and reliability. The application of these characteristics to performance information is discussed below.

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Relevance

58. Performance information should include data that are essential to provide a basis for understanding the accomplishment of goals and objectives of the entity that have potentially significant decision-making or accountability implications....Performance information should be management's representations of the performance of the entity and its agencies, departments, programs, and services. Because the purpose of governmental entities is to establish and enforce laws, regulate activities, and provide services economically, effectively, and efficiently—not to earn profits—no single measure of performance is readily available to assist users in assessing accountability and in making economic, political, and social decisions...

Understandability

59. Performance information should be communicated in a readily understandable manner. It should communicate the performance of the agency, department, program, or service to any reasonably informed interested party. To enhance user understanding, different forms of reporting such as tables, charts, and graphs may be needed by different state and local governmental entities and for different agencies, departments, programs, and services.

60. Performance information should be concise yet comprehensive with regard to which (and how many) measures of performance are reported. Both conciseness and comprehensiveness in reporting performance measures are important because of the number, diversity, and complexity of state and local governmental agencies, departments, programs, and services. Performance information should be provided at the most appropriate level of aggregation or disaggregation. A balance should be achieved among the number of services reported, the performance measures reported, and the capability of users to understand and act on the information.

61. Performance information should include explanations about important underlying factors and existing conditions that may have affected performance. Explanatory information (including narrative explanations) should be reported with the measures of performance both for important factors that are substantially outside the control of the entity and for factors over which the entity has some control, which could affect performance. Narrative explanations about performance measures and any important factors that are known to have affected the reported results should be presented.

62. Performance information may be accompanied by a description of the way in which the performance measures should be used. This could include comments on the need to consider performance measures in conjunction with explanatory information, the need to consider the

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multiple aspects of performance when assessing results, instances where surrogate measures...are being reported because of an inability to measure an outcome of a service, and the difficulty of using performance information to assess policy accountability. The descriptions could also contain additional information about performance measures that could assist users in understanding the reasons for the reported level of performance and actions planned or being taken to change results.

Comparability

63. Performance information should provide a clear frame of reference for assessing the performance of the entity and its agencies, departments, programs, and services. Performance measures, when presented alone, do not provide a basis for assessing or understanding the level of performance of an agency, department, program, or service. Therefore, performance information should include comparative information. This information may take various forms; for example, depending on the type of agency, department, program, or service being reported on, reported measures of performance could include comparisons with (a) several earlier fiscal years, (b) targets established by the entity such as targets established as part of the budgetary process, (c) externally established norms or standards of performance, (d) other parts or subunits of the same entity, or (e) other, comparable entities.

Timeliness

64. Performance information should be reported in a timely manner so that it will be available to users before it loses its capacity to be of value in assessing accountability and making decisions.

Consistency

65. Performance information should be reported consistently from period to period to allow users to have a basis for comparing performance over time and to gain an understanding of the measures being used and their meaning. However, performance measures also need to be reviewed regularly and modified or replaced as needed to reflect changing circumstances.

Reliability

66. For performance information to be of value to users, it is essential that it be reliable. To be reliable, the information should be verifiable and free from bias and should faithfully represent what it purports to represent. Therefore, performance information should be derived from

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systems that produce controlled and verifiable data. The value of a strong internal control structure has long been recognized when dealing with financial information.

State agencies are to report SEA information annually by October 15, as prescribed below, as part of the annual GAAP financial reporting process.

INSTRUCTIONS

State agencies should use the enclosed form in reporting SEA information. Specific instructions on preparing the SEA report follow.

- 1) Agency: Indicate the name of the agency, department, board, or commission submitting the report.
- 2) Program: Identify the program under which the performance data are grouped or classified.
- 3) Fund(s): Identify the state fund or funds supporting the program or service.
- 4) Mission Statement: Provide a general statement of the program's purpose and reason for being as derived from its origin (statute or other authoritative source). A mission statement should define what the program aims to do, why and for whom. Also, cite (parenthetically) the statute or other authoritative source from which the statement is derived.
- 5) Goals: Provide broad, but clear statements of intent that project the general outcomes the program was designed to accomplish. Goals anticipate the outcome indicators (see below) but are not as specific or measurable.
- 6) Objectives: Provide specific measurable objectives in support of the goals which describe the end results that a service or program is expected to accomplish in a given time period.
- 7) Performance Indicators: The report form provides for definition of performance indicators and reporting of performance data. In the left-hand column indicate the specific performance indicators for each category of indicator (input, output, outcome, etc.). In the right-hand column provide the specific data for each performance indicator for each year applicable. Also report the targets that were set for each indicator for the current fiscal year and establish targets for the ensuing fiscal year. The categories of indicators include:

Measures of Accomplishments

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- 8) Outcome Indicators: These are measures of the results achieved, at least in part, because of the services provided (e.g., percentage of lane-miles of road maintained in a certain condition, the change in students' test scores, level of customer satisfaction, etc.).
- 9) Output Indicators: These are measures of the number of units produced or services provided by a program (sometimes referred to as activity or workload measures). They are measures of the quantity of the work produced (e.g., the number of students enrolled or clients served, number of projects completed, etc.).

Measures of Efforts

- 10) Input Indicators: These are measures of the financial and non-financial resources applied in providing services (e.g., total costs, number of personnel, employee-hours, etc.). All SEA reports should identify at a minimum the total dollar value of resources provided to the program or service being reported.

Measures Relating Efforts to Accomplishments

- 11) Efficiency/Cost-Effectiveness Indicators: These are measures of the cost per unit of output or outcome (e.g., cost per lane-mile of road repaired, cost per student graduated, etc.).

Other Measures

- 12) External Benchmarks: For comparative purposes, a program's outcome and efficiency/cost-effectiveness indicators should be presented, where possible, in conjunction with similar measures of a comparable program, a regional or national average or an established industry or federal standard. These measures should come from an authoritative source.
- 13) Explanatory Information: On the bottom portion of the form provide any explanatory information that helps clarify the specific performance information reported. Particular emphasis should be placed on outcomes. This might include:
- environmental, external, or other factors which can influence performance or help explain the context for the reported performance, including factors over which the agency has little or no control (e.g., demographics) and factors substantially within the control of the agency (e.g., staffing patterns);
 - the limitations of the performance measurement system or specific performance measures;
 - information which comments on or helps explain the specific level of performance;

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- information on actions which may alter or affect performance in the future.

14) Agency Narrative: On a separate sheet, provide a brief narrative comprised of:

- a) A brief description of the agency's mission as a whole; and
- b) A brief (paragraph or two) explanation of the key performance indicators (measures) discussed above: inputs, outputs, outcomes, efficiency/effectiveness, and external benchmarks.

Each agency should submit one narrative only for all programs. Do not complete this section of the form for each program.

15) Signature: The report should be dated and signed by the director or chief operating officer of the agency.

**State of Illinois
Office of the Comptroller
Service Efforts and Accomplishments (SEA)**

Exhibit 27.20.98-A
(01-002)

1 Agency: 3 Fund(s):					
2 Program:					
4 Program Mission Statement:					
5 6 PROGRAM GOALS AND OBJECTIVES:					
7 PERFORMANCE INDICATORS	PERFORMANCE MEASURES				
	FY 1998*	FY 1999*	FY 2000*	FY 2000*	FY 2001*
	Actual	Actual	Target	Actual	Target
8 OUTCOME INDICATORS:					
12 External Benchmarks:					
9 OUTPUT INDICATORS:					
10 INPUT INDICATORS:					
11 EFFICIENCY/COST-EFFECTIVENESS INDICATORS:					
12 External Benchmarks:					
13 EXPLANATORY INFORMATION:					
14 AGENCY NARRATIVE:					
On a separate sheet, please provide a brief narrative on the agency and its programs' key performance indicators: Inputs, Outputs, Outcomes, Efficiency Measures and External Benchmarks. Submit only one narrative for all programs; do not complete this section of the form for each program.					
* If most recent data is prior to these fiscal years, please substitute the correct year.					
15 Signature of Responsible Official	Date	Telephone Number			

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**CONTINGENCIES, COMMITMENTS AND
RELATED PARTY TRANSACTIONS (SCO-599)**

PURPOSE

The purpose of this form is to gather information on contingencies, commitments, and related party transactions in order to provide appropriate disclosure in the Statewide financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

This form should be prepared annually and submitted to the Comptroller's Office regardless of whether there are amounts to be reported. Two copies of SCO-599 should be retained by the agency: one to provide an internal record and one for the Auditor General or his representative.

GENERAL

A contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible gain (gain contingency) or loss (loss contingency) to the State that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the acquisition of an asset, reduction of a liability, loss or impairment of an asset or the incurrance of a liability. The agency should report any significant contingencies of which they are aware which should include: (1) the nature of the contingency (including whether the contingency is a gain or a loss); (2) the probability that a loss contingency will result in a loss (probable, possible or remote); and (3) the estimated amount of gain or loss or the range of gain or loss. It should be noted that probable loss on contingencies should be accrued in the appropriate GAAP reporting package by the agency. All amounts on this form should be rounded to the nearest thousand.

Commitments for GAAP reporting purposes relate to contracts or projects authorized, but in the pre-contract stage or unobligated.

Related party transactions occur between the agency and an individual or other organization whose relationship with the agency is such that the transactions cannot be presumed to be carried out on an "arm's length" basis. The nature of the relationship may preclude the requisite conditions

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necessary for competitive, free-market dealings. Examples of individuals with whom the agency may have a related party transaction include employees or governing board members. Examples of organizations with whom the agency may have a related party transaction include foundations or other affiliated organizations.

All contingencies, commitments and related party transactions should be reported on the SCO-599 form.

INSTRUCTIONS

Contingencies -

The Comptroller's Office intends to include a list of pending or threatened litigation as well as a list of unasserted claims or assessments in the letter of audit inquiry to the Office of the Attorney General for the purpose of ensuring a timely response from the Attorney General. In order for this to be accomplished, this information must be obtained from the respective agencies. If there is a situation where there is an unasserted claim or assessment that management considers probable of assertion, and that, if asserted, would have at least a reasonable possibility of an unfavorable outcome, the assertion must be reported as a contingency. If there are no such situations, management must state, in the contingency section of the form, that they are not aware of any unasserted claims or assessments.

If there is a contingency reported where the agency feels they need to protect their client privilege rights, this should be indicated so that the Comptroller's Office can take appropriate action.

Contingencies (i.e., grant audits, lawsuits) for purposes of disclosure on this form should be reviewed by the agency GAAP Coordinator and legal counsel before being approved by the agency director.

Commitments -

Commitments that impair current funds and are either not subject to an appropriation that was signed into law after year end or excluded from reported encumbrances should be included on Form SCO-599.

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Related Party Transactions

Related party disclosures should include the following:

- a. The nature of the relationship involved;
- b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed for the reporting period and such other information deemed necessary to an understanding of the effects of the transactions on the GAAP packages and financial statements;
- c. The dollar amounts of transactions for the reporting period and the effects of any change in the method of establishing the terms from that used in the preceding period; and
- d. Amounts due from or to related parties as of the end of the reporting period and, if not otherwise apparent, the terms and manner of settlement.

CONTENTS

Refer to Exhibit 27.20.99-B.

REFERENCE

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- | | |
|-----|---|
| (1) | Enter the last two digits of the fiscal year for which this form is being completed. |
| (2) | Enter the official agency name. |
| (3) | Enter the three-digit Comptroller assigned agency number. |
| (4) | Indicate whether the contingency is a "gain contingency" or a "loss contingency". |
| (5) | Enter a description of the contingency. |
| (6) | Indicate whether the contingency is related to pending or threatened litigation or unasserted claims or assessments. This |

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is not a required entry. This would apply only to contingencies related to litigation or probable litigation.

(7) If the contingency is a “loss contingency” enter the probability of loss (probable, reasonably possible, remote).

(8) Enter the estimated amount or range if probable or reasonably possible.

(9) Enter a description of the commitment.

(10) Enter the amount of the commitment.

(11) Enter the descriptions of any related party transactions. Additional pages should be attached when the space on the form is not sufficient to adequately describe the situation.

(12) Signature of agency director.

(13) Date of approval.

State of Illinois
Contingencies and Commitments
June 30, 20_____

Agency _____

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<u>Contingency</u> Gain _____ Loss _____ (1) Description _____ _____ _____ _____ _____ _____ _____ _____ <u>Pending or Threatened</u> <u>Unasserted Claim</u> Probability of Loss ☐ Probable ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... <u>Nearest Thousand</u> <u>From</u> <u>To</u> \$ _____ \$ _____	<u>Contingency</u> Gain _____ Loss _____ (2) Description _____ _____ _____ _____ _____ _____ _____ _____ <u>Pending or Threatened</u> <u>Unasserted Claim</u> Probability of Loss ☐ Probable ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... <u>Nearest Thousand</u> <u>From</u> <u>To</u> \$ _____ \$ _____	<u>Contingency</u> Gain _____ Loss _____ (3) Description _____ _____ _____ _____ _____ _____ _____ _____ <u>Pending or Threatened</u> <u>Unasserted Claim</u> Probability of Loss ☐ Probable ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... <u>Nearest Thousand</u> <u>From</u> <u>To</u> \$ _____ \$ _____
<u>Commitments</u> (1) Description _____ _____ _____ _____ _____ _____ _____ _____ _____ Amount (Nearest Thousand) \$ _____	<u>Commitments</u> (2) Description _____ _____ _____ _____ _____ _____ _____ _____ _____ Amount (Nearest Thousand) \$ _____	<u>Commitments</u> (3) Description _____ _____ _____ _____ _____ _____ _____ _____ _____ Amount (Nearest Thousand) \$ _____
Related Party Disclosures: (Attach additional pages as necessary) _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ 		
Agency Director _____ Date _____ SCO-599		

State of Illinois

Contingencies and Commitments

June 30, 20____ (1)

Agency____ (2) (3)
□□□

<u>Contingency</u> Gain _____ Loss _____ (4) (1) Description _____ (5) <u>Audit of Federally-</u> <u>assisted programs</u> <u>administered by this</u> <u>agency.</u> _____ _____ _____ _____ <u>Pending or Threatened</u> __ (6) <u>Unasserted Claim</u> _____ Probability of Loss ☐ Probable (7) ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... (8) Nearest Thousand <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">From</td> <td style="text-align: center;">To</td> </tr> <tr> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">\$ _____</td> </tr> </table>	From	To	\$ _____	\$ _____	<u>Contingency</u> Gain _____ Loss _____ (4) (2) Description _____ (5) _____ _____ _____ _____ _____ <u>Pending or Threatened</u> __ (6) <u>Unasserted Claim</u> _____ Probability of Loss ☐ Probable (7) ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... (8) Nearest Thousand <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">From</td> <td style="text-align: center;">To</td> </tr> <tr> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">\$ _____</td> </tr> </table>	From	To	\$ _____	\$ _____	<u>Contingency</u> Gain _____ Loss _____ (4) (3) Description _____ (5) _____ _____ _____ _____ _____ <u>Pending or Threatened</u> __ (6) <u>Unasserted Claim</u> _____ Probability of Loss ☐ Probable (7) ☐ Reasonably Possible ☐ Remote Estimated Loss (Range)..... (8) Nearest Thousand <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">From</td> <td style="text-align: center;">To</td> </tr> <tr> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">\$ _____</td> </tr> </table>	From	To	\$ _____	\$ _____
From	To													
\$ _____	\$ _____													
From	To													
\$ _____	\$ _____													
From	To													
\$ _____	\$ _____													
<u>Commitments</u> (1) Description _____ (9) _____ _____ _____ _____ _____ _____ _____ _____ _____ <u>Amount</u> (10) (Nearest Thousand) \$ _____	<u>Commitments</u> (2) Description _____ (9) _____ _____ _____ _____ _____ _____ _____ _____ _____ <u>Amount</u> (10) (Nearest Thousand) \$ _____	<u>Commitments</u> (3) Description _____ (9) _____ _____ _____ _____ _____ _____ _____ _____ _____ <u>Amount</u> (10) (Nearest Thousand) \$ _____												
<u>Related Party Disclosures: (Attach additional pages as necessary)</u> _____ (11) <u>During 20x5, the agency made a \$10,000 salary advance to John Doe, an Associate Director,</u> <u>as part of a new employment contract that required Doe to relocate to Chicago, Illinois.</u> <u>According to the terms of the contract, Doe is required to repay the loan at \$5,000 per year</u> <u>for the next two years, beginning in 20x6.</u> _____ _____ _____ _____ _____ _____ _____ _____ 														
(12) _____ (13) 9/30/00 Agency Director Date SCO-599														



Tax Expenditure Report

Agency Name _____

Agency Number

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Fiscal Year 20____

Tax Receipt				
Statutory Authority		Annual Receipts (in thousands)		
Citation	__ __ __ ILCS _____	PFY		
Year Enacted	_____	CFY		
Year Effective	_____	CFY+1		
Description				
Tax Expenditure				
Statutory Authority		Estimated Cost (in thousands)		
Citation	__ __ __ ILCS _____	Fund No.	CFY	CFY+1

Year Enacted	_____	_____		

Year Effective	_____	_____		

Description				
Methodology				
Assessment				

Tax Expenditure Report

Agency Name Revenue (1)
Fiscal Year 2000 (3)

Agency Number

4	9	2
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 (2)

Tax Receipt Corporate Income Tax (4)			
Statutory Authority		Annual Receipts (in thousands)	
Citation	<u> 3 </u> <u> 5 </u> ILCS <u> 5/101 </u> , et seq. (5)	PFY	\$1,316,000 (8)
Year Enacted	<u> 1 </u> <u> 9 </u> <u> 7 </u> <u> 0 </u> (6)	CFY	1,402,000 (8)
Year Effective	<u> 1 </u> <u> 9 </u> <u> 7 </u> <u> 0 </u> (7)	CFY+1	1,407,000 (8)

Description

The tax is imposed on the privilege of earning or receiving income in or as a resident of Illinois. The tax is a flat rate percent of net income. Net income is federal taxable income (before losses) modified by additions, subtractions and less the standard exemption. The corporate tax rate is 4.8%.

(9)

Tax Expenditure Enterprise Zone Investment Credit (10)			
Statutory Authority		Estimated Cost (in thousands)	
Citation	<u> 3 </u> <u> 5 </u> ILCS <u> 5/201(f) </u> (11)	<u> Fund No. </u> <u> 0 </u> <u> 0 </u> <u> 1 </u>	<u> CFY </u> \$6,333 (15)
Year Enacted	<u> 1 </u> <u> 9 </u> <u> 8 </u> <u> 3 </u> (12)	<u> 0 </u> <u> 0 </u> <u> 7 </u> <u> 2 </u> <u> 7 </u> <u> 8 </u>	499 1,602
Year Effective	<u> 1 </u> <u> 9 </u> <u> 8 </u> <u> 3 </u> (13)	<u> </u> <u> </u>	<u> </u> <u> </u>

Description This tax credit is provided to taxpayers that invest, and place in service, qualified property in an Illinois enterprise zone. The credit is equal to .5% of the property placed in service during the taxable year. The tax credit cannot reduce income tax liability below zero. If the credit amount exceeds tax liability, then the excess credit amount can be carried forward five years. (14)

Methodology

A 1998 study reviewed the 1299-D credits claimed by taxpayers for tax year 1996. Based on the 1998 study, there were \$8.4 million in Enterprise Zone Investment tax credits claimed for tax year 1996.

(16)

Assessment

This tax expenditure only has a minor impact on Corporate Income Tax revenues with a cost of \$8.4 million accounting for only 0.6% of tax receipts.

(17)

(18)

Signature of Responsible Official

(19)

2/01/00

Date



Fiscal Year
— — — —

Agency Fee Imposition Report Form

Complete one form for **each** fee that your agency is authorized to charge

1. Agency Name		Agency Number	— — —
2. Fee Name		Internal fee number, if any	
Description			
3. Purpose of fee.		Fee rate(s)	
4. General population affected by the fee.		Number who were charged the fee.	
5. Use of fee revenue, if earmarked.			
6. Authority to charge fee Statute (Provide citations)			
Administrative rules			
Other			



7. Cost of administering activities associated with the fee.	\$	8. Fee Revenue	\$
9. How is the fee rate determined?			
10. What programs are funded in part by revenues from this fee?			
11. Authority to fund program Statute with fee revenues. (Provide citations)			
Administrative rules			
Other			
12. Degree to which program goals were met.			
12.a. For self supporting, to what degree has the goal been met? please explain.		% of program costs	
13. Fee Deposit Fund Name (Use back page for additional funds)			
SAMS Fund Number			
SAMS revenue class and source code			
Amount	\$	\$	\$



Fiscal Year

2 0 0 0 (1)

Agency Fee Imposition Report Form

Complete one form for **each** fee that your agency is authorized to charge

1. Agency Name	(2) Department of Automobiles	Agency Number	<u>4</u> <u>0</u> <u>1</u> (3)
2. Fee Name	(4) Race car license fee	Internal fee number, if any	12 (5)
Description	(6) Charged for formula 1 racing cars		
3. Purpose of fee.	(7) Cover administrative and technicians' cost of inspecting race cars.	Fee rate(s)	\$220 per year (8)
4. General population affected by the fee.	(9) Professional race car owners must pay license fee.	Number who were charged the fee. 102 paid the license fee.	
5. Use of fee revenue, if earmarked.	(11) Revenue can only be used to pay for race car inspections and related administration.		
6. Authority to charge fee Statute (Provide citations)	(12) 625 ILCS 900.6a		
Administrative rules	(13) 93 IAC 34.56f		
Other	(14)		



7. Cost of administering activities associated with the fee.	\$20,000 (15)	8. Fee Revenue	\$ 22,440 (16)
9. How is the fee rate determined?	(17) Set by administrative rule to support the estimated cost of operating the inspection program.		
10. What programs are funded in part by revenues from this fee?	(18) Auto racing inspection program		
11. Authority to fund program Statute with fee revenues. (Provide citations)	(19) 625 ILCS 900.6b		
Administrative rules	(20)		
Other	(21)		
12. Degree to which program goals were met.	(22) The program's goal of ensuring race cars meet pollution, noise and safety standards was generally achieved.		
12.a. For self supporting, to what degree has the goal been met? please explain.	(23) Sufficient revenues were collected to pay for the inspection program.	% of program costs	100% (24)
13. Fee Deposit Fund Name (Use back page for additional funds)	(25) Race Car Fund	Sports Car Fund	
SAMS Fund Number	(26) 0987	1234	
SAMS revenue class and source code	(27) 123-0456	987-0654	
Amount	\$ 21,000 (28)	\$ 1,440	\$