

✓ MOMENTUM WE CANNOT AFFORD TO LOSE:

Tourism Grows State Tax Revenue

- While most state revenue sources are flat or declining, Illinois' investment in tourism has resulted in 9% growth in hotel tax revenues over the past three years, the fastest growing state tax revenue source.
- Illinois' funding for tourism is **100% funded by the state's hotel tax** revenues.
- Just 1/3 of state hotel tax revenue is dedicated to tourism.
- Even after paying for tourism, hotel taxes alone will generate \$200M of revenue for other state purposes, with another \$2.3 billion in other forms of state and local tax revenue generated by visitor spending.
- Illinois has more travel-related jobs (320,000) than bordering Wisconsin & Missouri combined.
- Governor Pritzker has proposed tourism spending in FY2020 at FY2019 levels.

The **Tourism Promotion Fund**, which was established to provide a consistent, long term funding for tourism advertising and marketing Illinois by the Illinois Office of Tourism, has been diluted by diversions for non-tourism related purposes. These diversions are crippling the state's ability to remain competitive with other states, as they increase their tourism spending.

Today, the Tourism Promotion Fund is **diverted** to cover such non-tourism related payments, including:

- The entire <u>administrative budget</u> of the Department of Commerce and Economic Opportunity (DCEO), (\$11M)
- Illinois' international (non-tourism) trade offices (\$2.7M)
- The Illinois Department of Agriculture (\$3M)
- The Illinois Department of Natural Resources (\$5M)

These growing diversions from our core tourism marketing mission continue to weaken our state's ability to maintain the fast-growing, jobs-creating Illinois tourism industry. Illinois continued investment in tourism is necessary to the health and vitality of Illinois jobs and economic growth.

