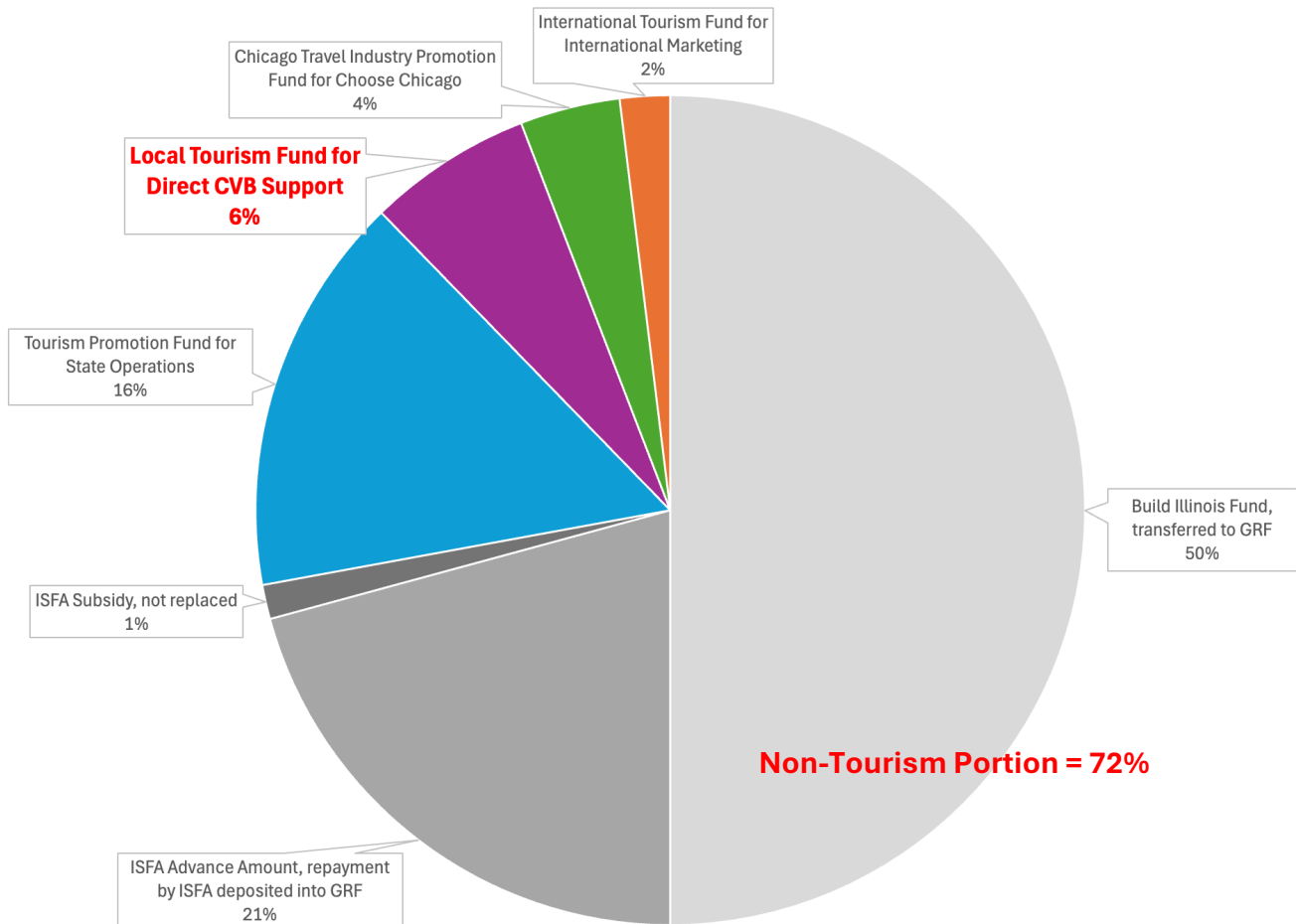


Problem #1: Less than 30% of the Hotel Tax supports Tourism; Over 70% goes to GRF



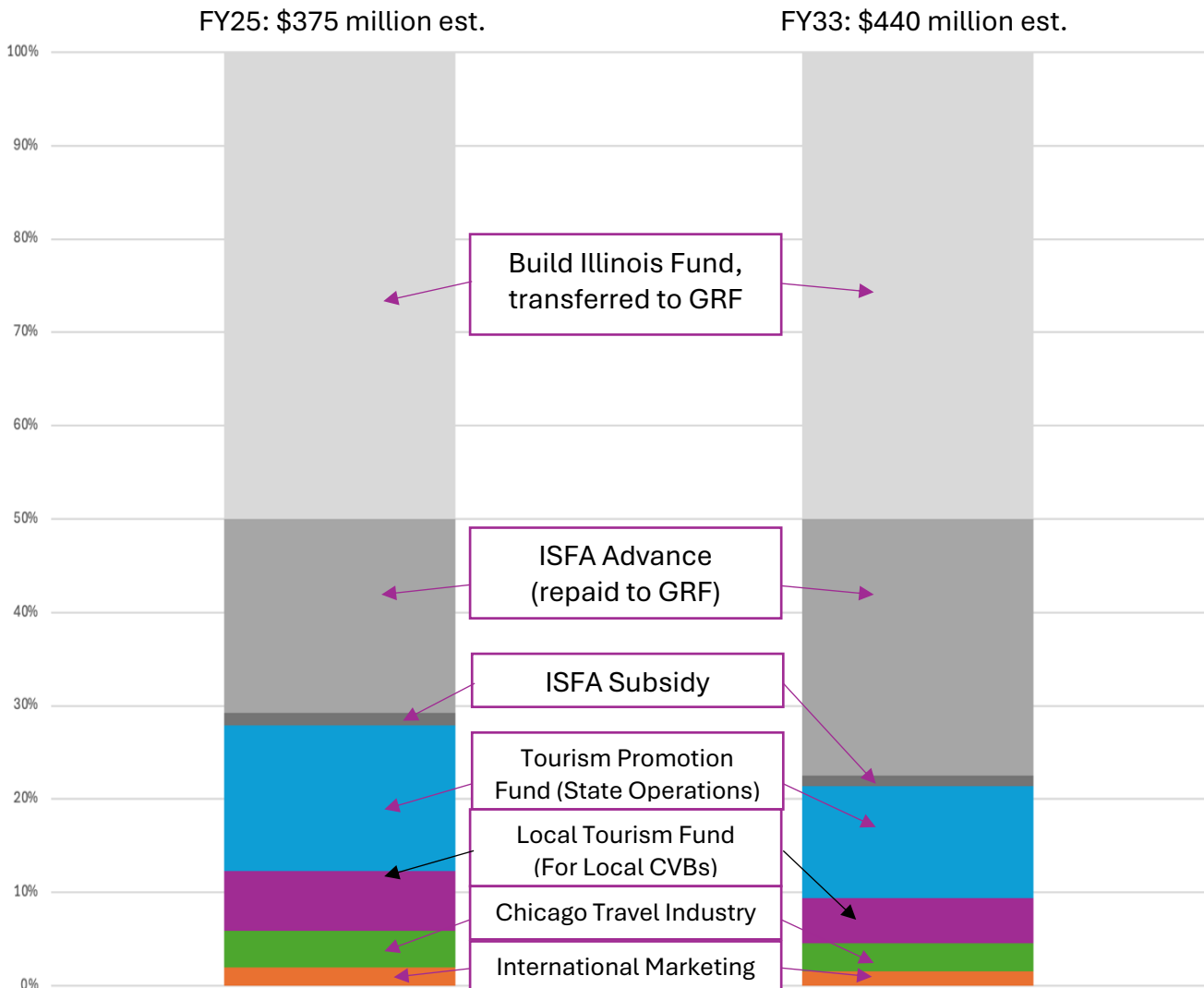
When the Hotel Tax was increased to its current level of 6% in 1984, the increase was intended to fund a 1992 World's Fair; when that was cancelled, the increased revenue was earmarked for the Build Illinois Capital Program, originally authorized in 1985.

The Build Illinois Fund receives 50% of the Hotel Tax, but none of that revenue is used for debt service today; instead, it is transferred to the General Revenue Fund (GRF).

A portion (which increases annually) of the Hotel Tax is diverted to the Illinois Sports Facilities Authority (ISFA) for debt service payments. This amount is considered an "advance" and is ultimately repaid to the state, but that amount does not return to tourism funds.

The ISFA Advance Amount is repaid to GRF, rather than being deposited into Tourism Funds for Tourism purposes.

Problem #2: The portion of the Hotel Tax supporting Tourism continues to erode over time



The portion of the Hotel Tax that is diverted to the Illinois Sports Facilities Authority (ISFA) for debt service payments increases by 5.615% each year. This increase is greater than the anticipated annual increase in the Hotel Tax. As the ISFA diversion increases at a faster pace, the portion left for tourism purposes will continue to decrease.

The ISFA Advance Amount is a growing diversion, decreasing the portion of Hotel Tax available for Tourism purposes.