CONTEXT

DEDICATED REVENUE

ENGAGE

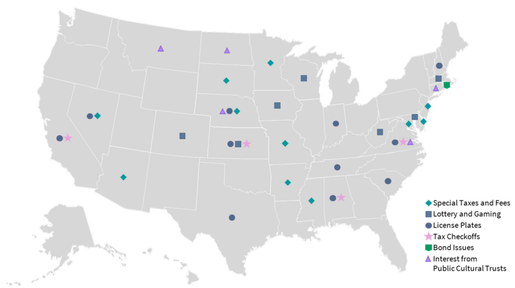
What is Dedicated Revenue for Arts & Culture?

Dedicated revenue is public money that comes from a specific revenue source, like a tax or a fee, that is used for a specific purpose or agency.

Every year, state arts funding in Illinois comes from general fund dollars, which can be moved from agency to agency or program to program during budgeting. Because dedicated revenue is not part of the general fund, it is essentially protected from changes in budget allocations. This means that grant dollars are more predictable and that revenue will be available every year.

Currently, Illinois does not have a state-level dedicated revenue program for the arts, outside of the Capital Development Board's Art-in-Architecture program.

Existing Approaches to Dedicated Revenue for Arts & Culture



Source: State Arts Agency Revenues Dedicated Revenue Strategies Policy Brief, National Assembly of State Arts Agencies

There are six different kinds of dedicated revenue sources being used across the country:

Bond Issues
These are state-level bonds, typically issued for capital improvements, which have been used in Rhode Island, Massachusetts, and Mississippi.

Cultural Trusts
These combine dedicated public revenue with incentivized private contributions, like state tax credits.

Income Tax Checkoffs
Residents can check a box on their state income tax returns for funds to be used for specific uses, like for state arts agencies. California consistently receives around $250,000 each year from income tax checkoffs.

Lottery and Gaming Taxes
States with legalized gaming often tax this activity, which becomes a state revenue source that can be used for arts & culture funding. Maryland, Massachusetts, and Oregon all have lottery and/or gaming taxes that help fund the arts.

Specialty License Plates
The sale of specialty license plates provides dedicated revenue for the arts in several states. In California and Tennessee, this generates more than $1M each year.

Special Taxes and Fees
These revenue sources involve dedicating a percentage of certain tax revenue sources and filing fees. Examples include hotel/motel and tourism taxes (Nevada, New Jersey, and South Dakota); income taxes collected from out-of-state entertainers and athletes (Missouri); and a percentage of the state sales tax (District of Columbia, Minnesota, and Mississippi).

POLICY & ACTIONS

Building Public Will for Dedicated Revenue for Arts & Culture in Illinois

Winning a dedicated revenue source for arts &culture in Illinois would require a large, coordinated coalition of advocates statewide.

Before we can convince legislators to allocate a portion of existing tax revenue for arts & culture purposes or approve a new mechanism for dedicated revenue, we will need to convince our friends, families, and neighbors that dedicated revenue for arts & culture will tangibly improve the quality of life in their communities.

Every arts & culture practitioner knows that this is an uphill battle.

Arts Alliance is currently exploring feasibility, including public opinion polling, for different dedicated revenue options.

Illinois Creative Economy's Contribution to the Tax Base

Illinois' creative economy generates $20.6B in fiscal impact at all levels of government, including:

- **$2.9B in sub-county revenue**
- **$320.3M in county revenue**
- **$4.2B in state revenue**
- **$13.2B in federal tax revenue**

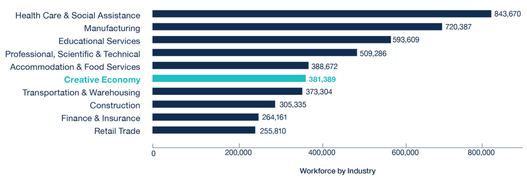
The state invests $25.7M in the Illinois Arts Council (FY26), and the creative economy returns $4.2B in state tax revenue.

Using Creative Economy of Illinois: Impact and Assets Findings to Shift Public Will

The Creative Economy of Illinois: Impact and Assets studies clearly reveal the power and importance of the creative economy to Illinois' overall economic vitality. The findings emphasize that public funding for arts & culture generates a tremendous return on investment at both local and state levels.

Arts & Culture is the 6th Biggest Jobs Creator in Illinois

Perhaps the most compelling finding of these reports is that the creative economy is the 6th largest sector for direct employment in Illinois.



The Creative Economy as an Economic Multiplier

Multiplier Effect

1 : 1.95

For every $1 of output of the creative economy, there is an additional output of $0.95 in the rest of the economy.

What is an economic multiplier?

Broadly, an economic multiplier is any economic factor that, when implemented, creates changes in many other related economic variables.

When a dollar is invested in a sector, the economic impact of that dollar is multiplied by the numerous transactions it triggers as it gets spent in other organizations and sectors.

Because the Creative Economy of Illinois: Impact and Assets reports deliberately exclude external consumer expenditures such as off-site dining, transit, and retail purchases, the true output multiplier for the creative economy is likely higher than reported. These metrics represent a conservative baseline of the sector's total economic ripple effect across Illinois.

Read about the creative economy's role as an especially effective hyperlocal economic multiplier

Minnesota: A Leader in State Dedicated Revenue

- The Clean Water, Land and Legacy Amendment put dedicated funding for the arts & culture into Minnesota's state constitution for the next 25 years.
- It established a 0.375% sales tax increase to fund clean water, outdoor heritage, arts and cultural heritage, and parks and trails. The Arts and Cultural Heritage Fund receives 19.75% of this sales tax revenue, which, as of 2025, has generated nearly $500 million for the Minnesota State Arts Board, a portion of which is made available through grants.
- Since 2010, the program has funded nearly 30,000 arts & culture, cultural history and heritage, and environmental projects.

What do you think about trying to get dedicated revenue for arts & culture at the state level? Or locally?

What information would help you turn out your community to vote for a percentage tax for arts & culture?

NEXT STEPS

Already organizing locally for dedicated revenue in your community or want to get involved in Arts Alliance's future efforts?

Leave your email on the clipboard below!