BUDGET AND DEMOGRAPHIC ISSUES

CURRENT AND LONG-TERM TRENDS

REQUESTED BY

HOUSE WAYS AND MEANS COMMITTEE

September 19, 2016

South Carolina Revenue and Fiscal Affairs Office
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BUDGET ISSUES AND TRENDS

Board of Economic Advisors Revenue Plan Summary: FY 2015-16

Revenues vs. 02/10/16 BEA Adjusted Estimate of $7,856.2 Million in FY 2015-16 1/

JULY - 13th MONTH FY 2015-16

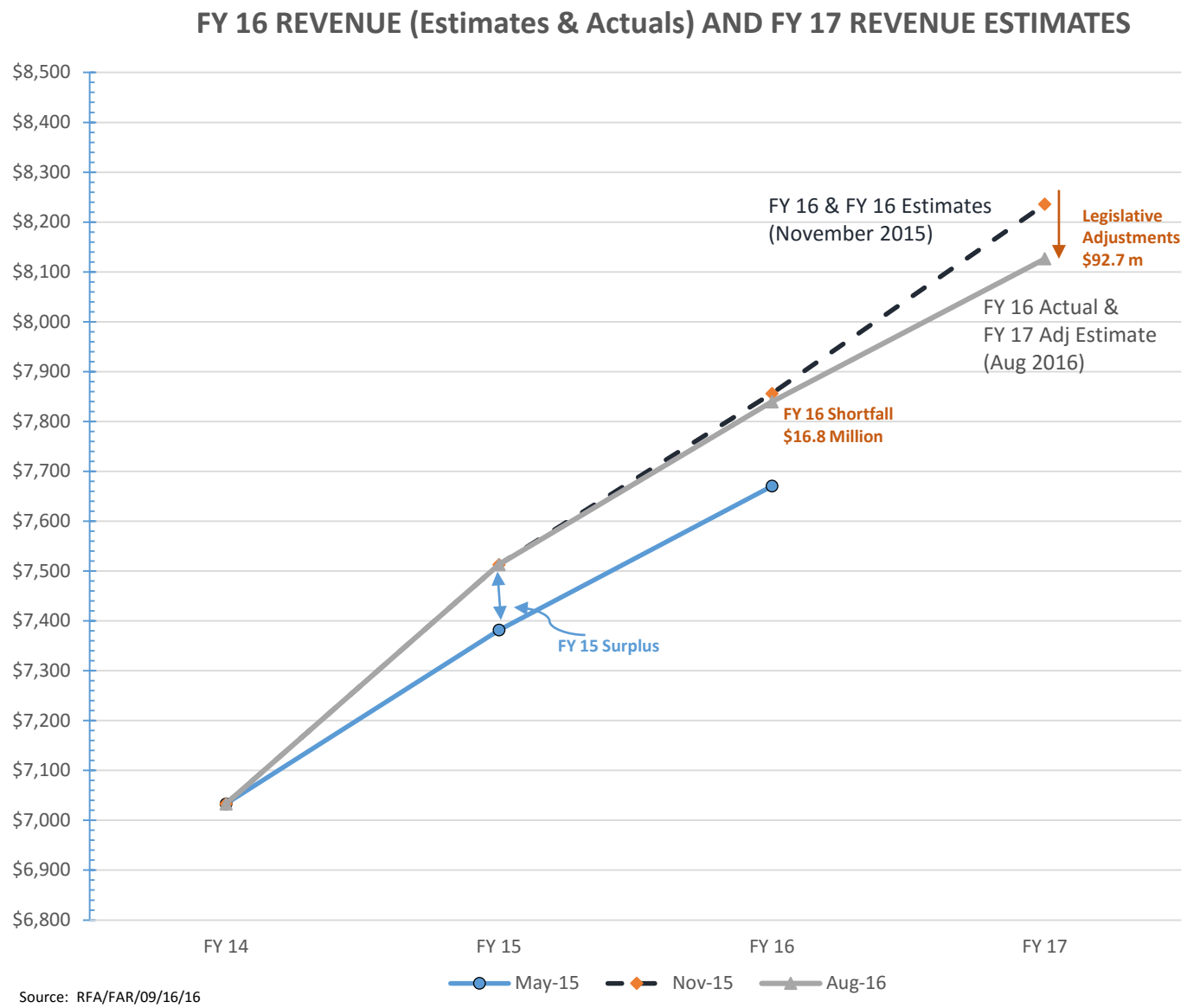
	($ in Millions)			Revenue Growth Rates (%)	
	Actual Revenues	Expected Revenues	Excess / (Shortfall)	Estimate Full Fiscal Yr.	Actual Yr. to Date
Total General Fund Revenue	**7,839.4**	**7,856.2**	**(16.8)**	**4.6**	**4.3**
Sales Tax	2,818.6	2,799.4	19.2	5.4	6.1
Individual Income Tax	3,832.9	3,888.1	(55.1)	6.2	4.7
Corporate Income Tax	411.2	393.2	18.0	4.1	8.9
Other Revenue Sources 2/	777.4	775.6	1.8	(5.1)	(4.9)
Select Tax Revenues, Sub-Total	*641.5*	639.2	*2.2*	*(4.5)*	*(4.2)*
Admissions Tax - Total	30.9	33.4	(2.5)	1.9	(5.8)
Alcoholic Liquors Tax	73.5	72.2	1.4	2.6	4.5
Bank Tax	29.4	32.5	(3.1)	4.0	(5.9)
Beer and Wine Tax	107.3	106.4	0.8	1.5	2.3
Corporation License Tax	88.7	103.2	(14.5)	(20.5)	(31.7)
Documentary Tax	46.2	44.7	1.4	10.1	13.6
Earnings on Investments	25.2	16.0	9.2	(9.7)	42.2
Insurance Tax	212.2	205.6	6.5	(5.1)	(2.0)
Tobacco Tax	28.1	25.1	3.0	(1.5)	10.3
Residual Revenue, Sub-Total 3/	*136.0*	136.4	*(0.4)*	*(7.7)*	*(7.9)*

1/: BEA format: includes certified adjustments and excludes non-recurring cash transfers and certain 'other source' revenues, where applicable.

2/: May include nominal amounts from former recurring revenues.

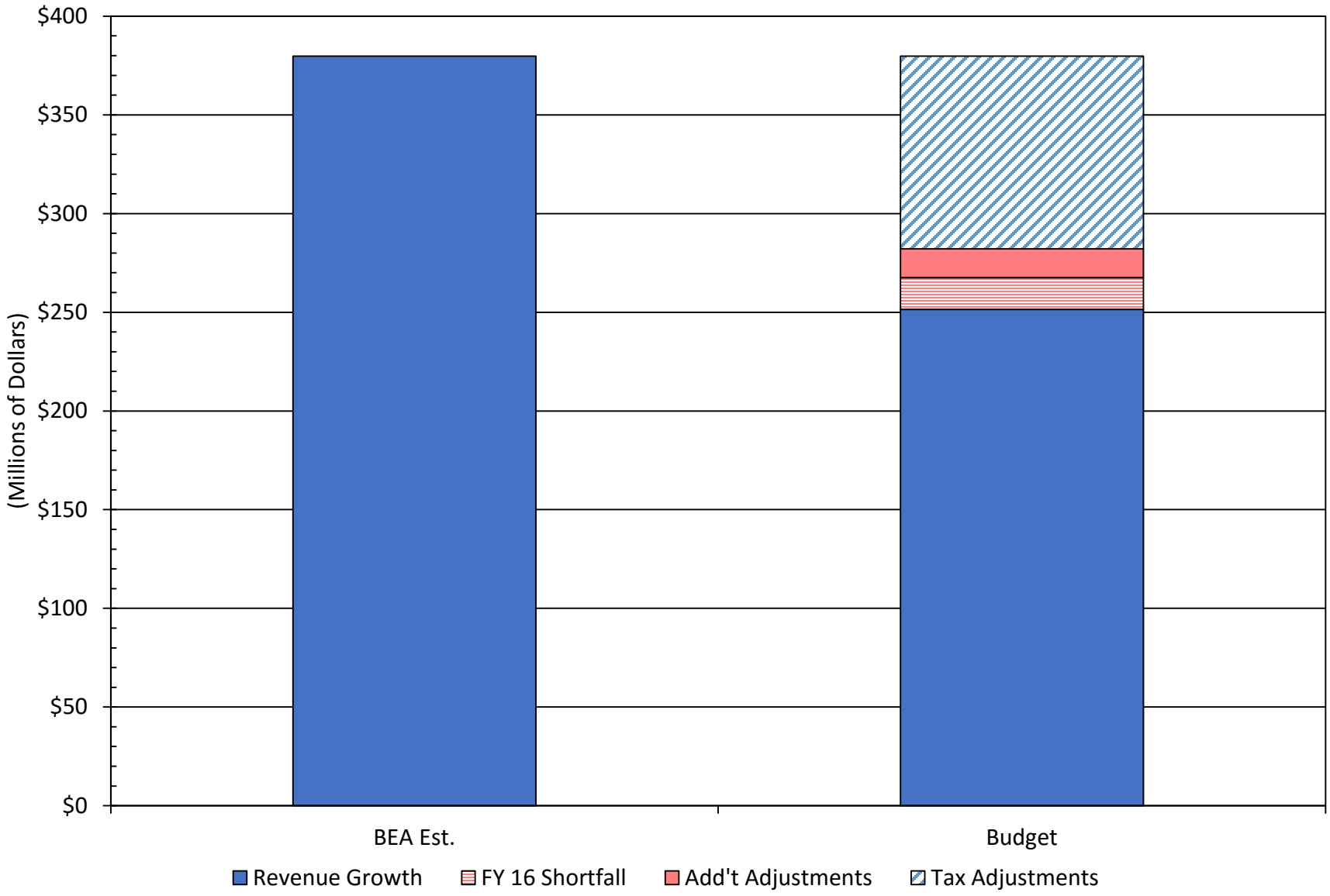
3/: Refer to p. 15, Residual Revenue, for list of components in this subcategory.

Note: Detail may not sum to total due to rounding.



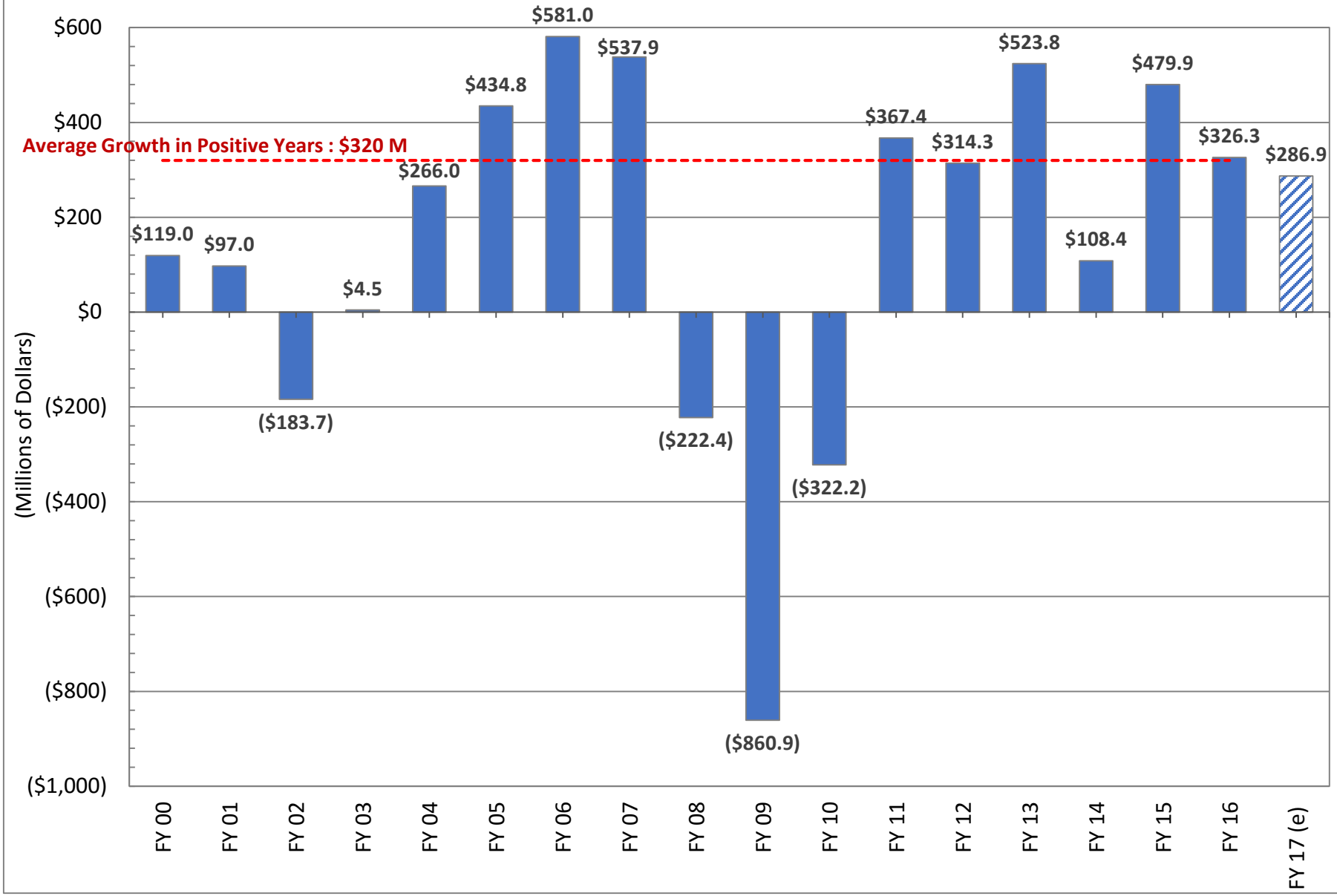
Source: RFA/FAR/09/16/16

FY 2016-17 BUDGET REVIEW



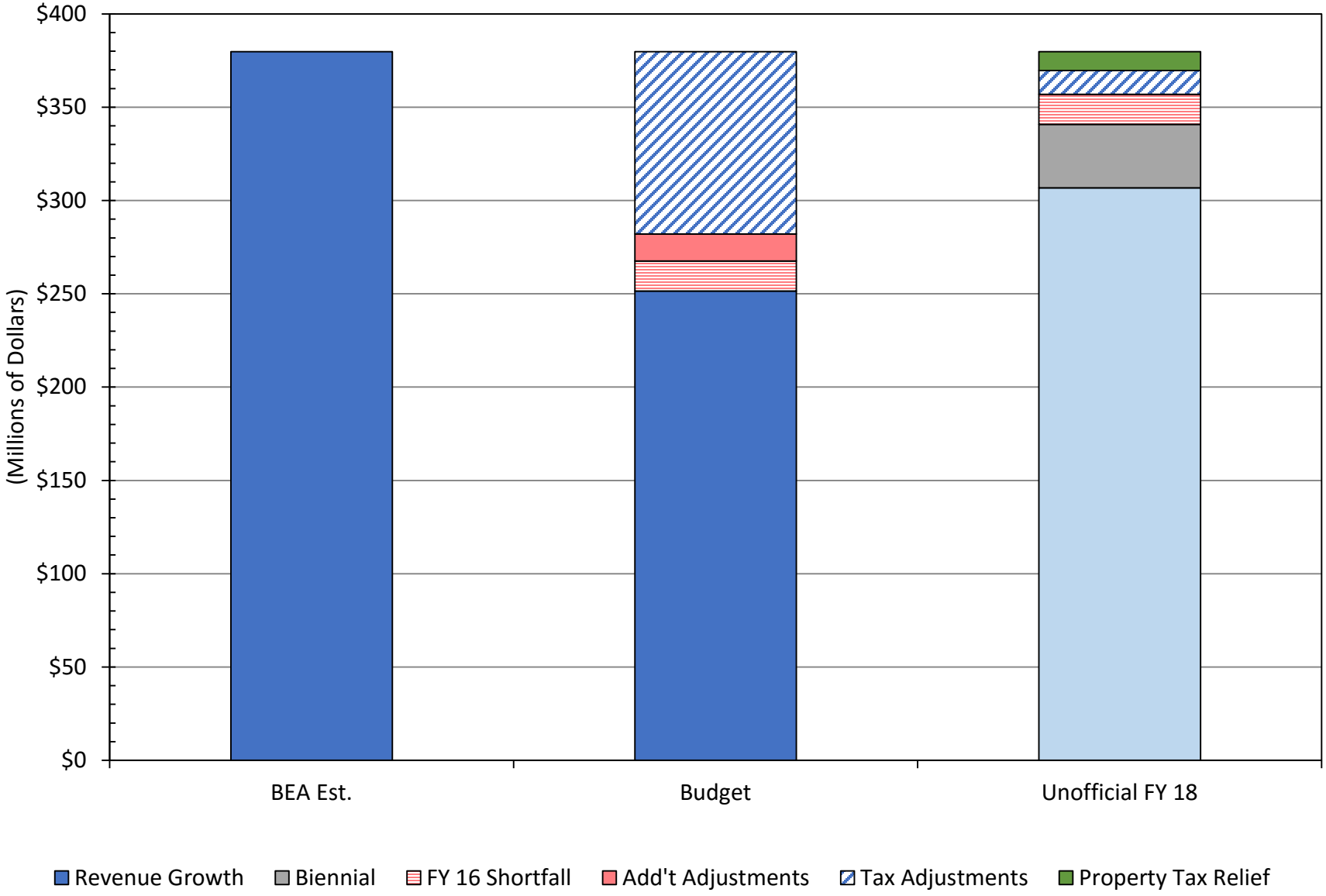
Source: S.C. Revenue and Fiscal Affairs –FAR/09/16/16

ANNUAL GENERAL FUND REVENUE GROWTH



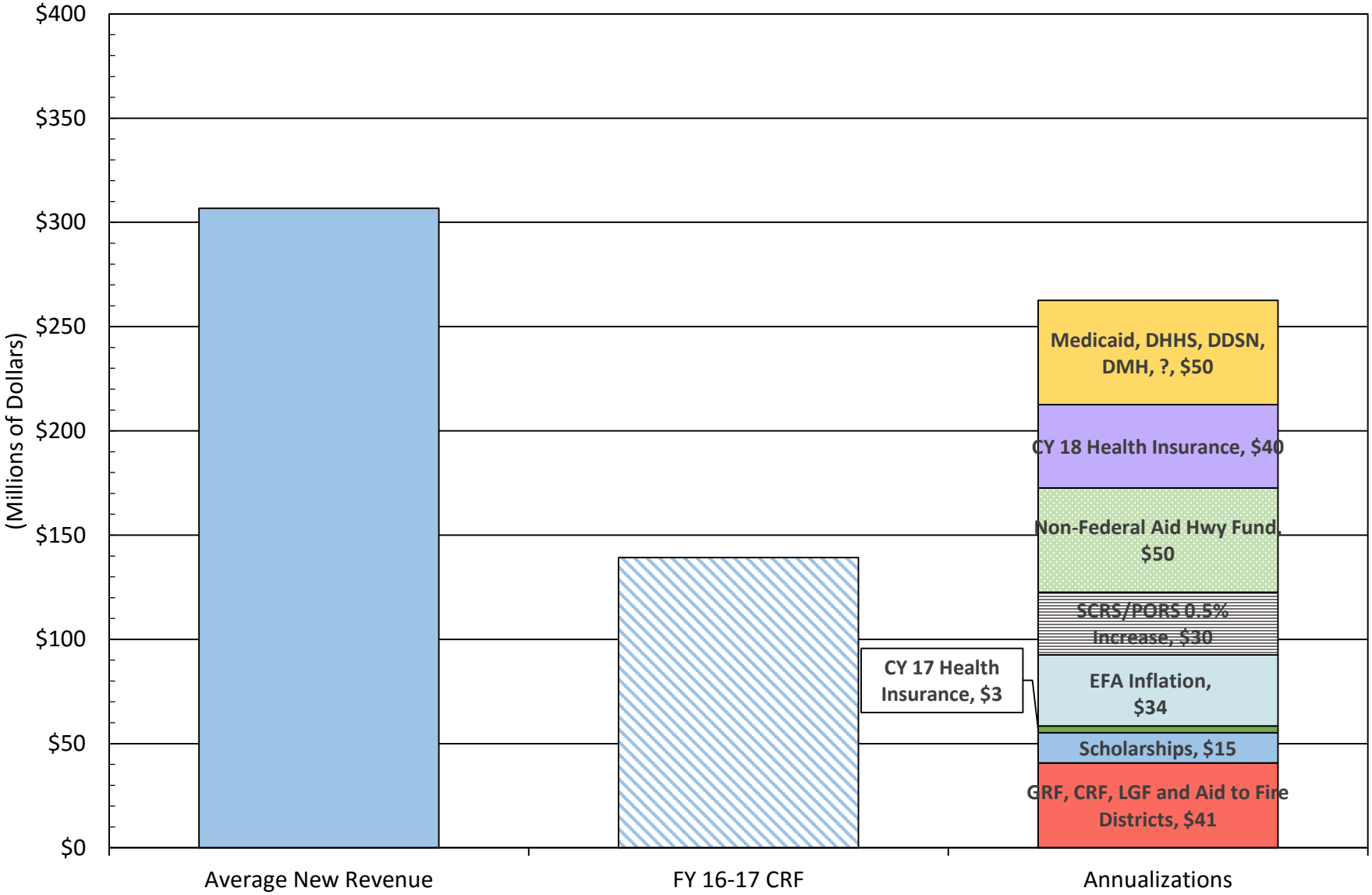
Source: S.C. Revenue and Fiscal Affairs – 169 LJ/09/16/16

UNOFFICIAL FY 2017-18 VS. FY 2016-17



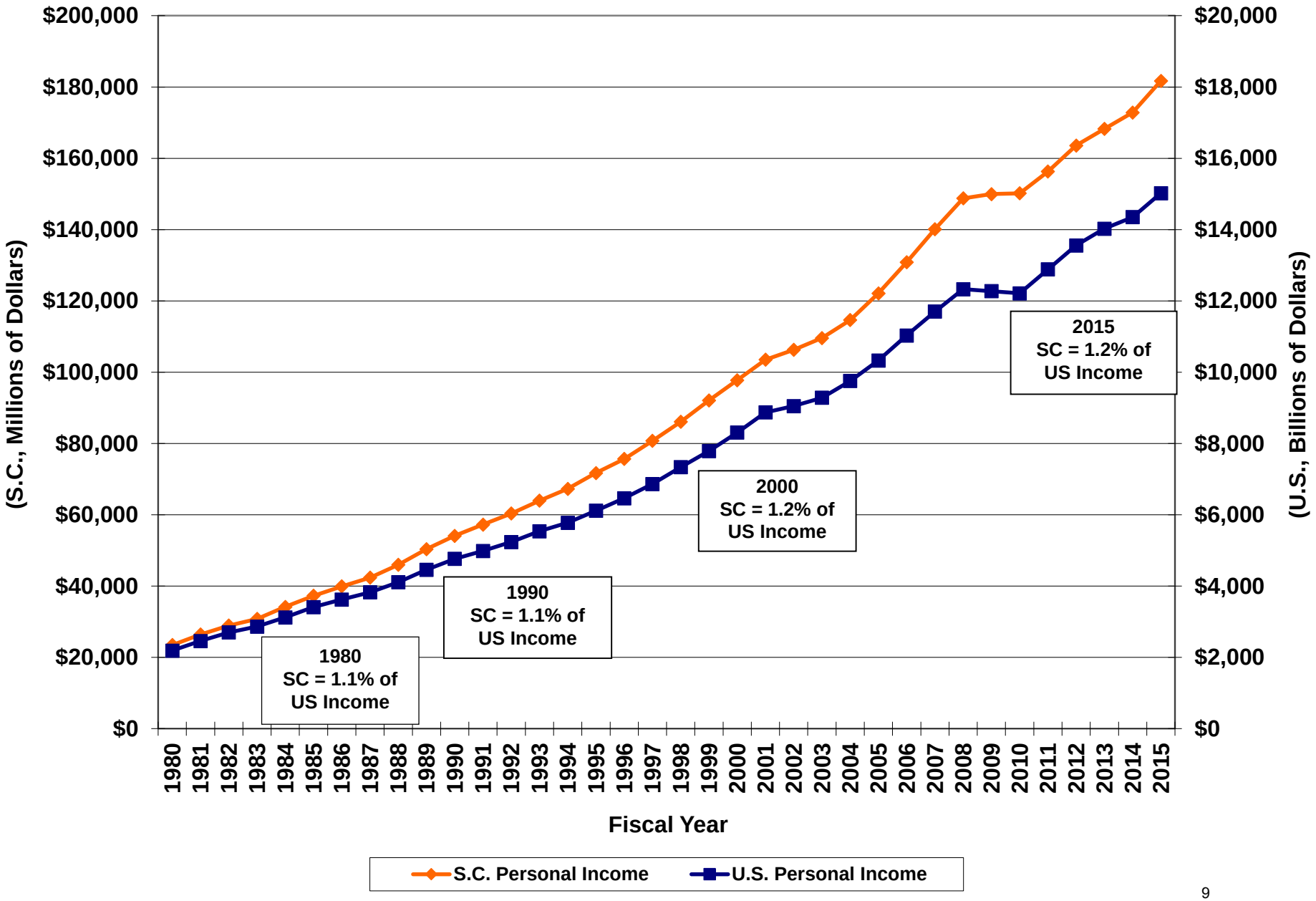
Source: S.C. Revenue and Fiscal Affairs –FAR/09/16/16

FY17-18 "PRELIMINARY" OUTLOOK
(Annualizations based on Formulas and Historic Average Growth)

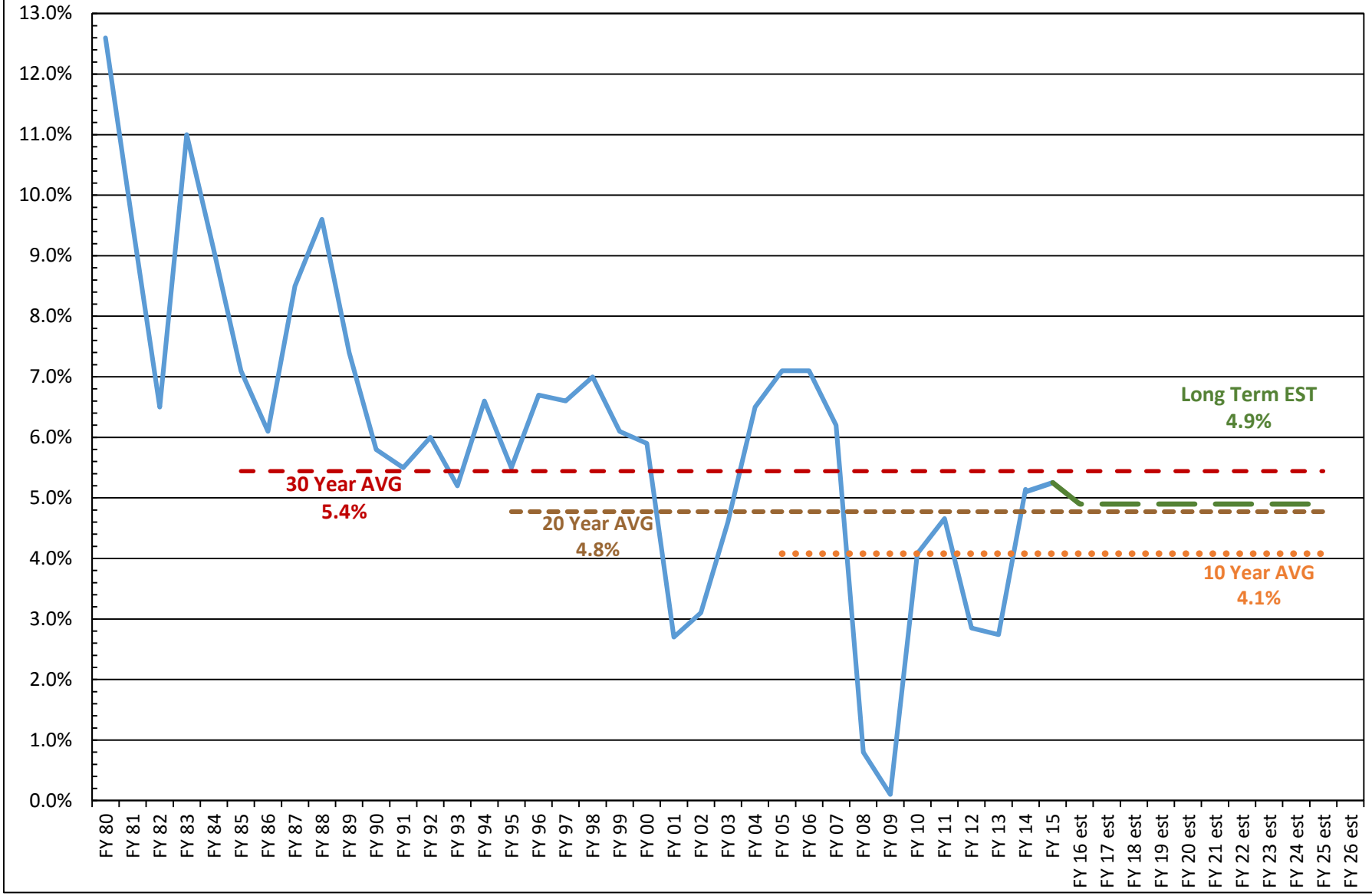


Source: Revenue and Fiscal Affairs Office JCS/09/16/16

Personal Income in the United States and South Carolina

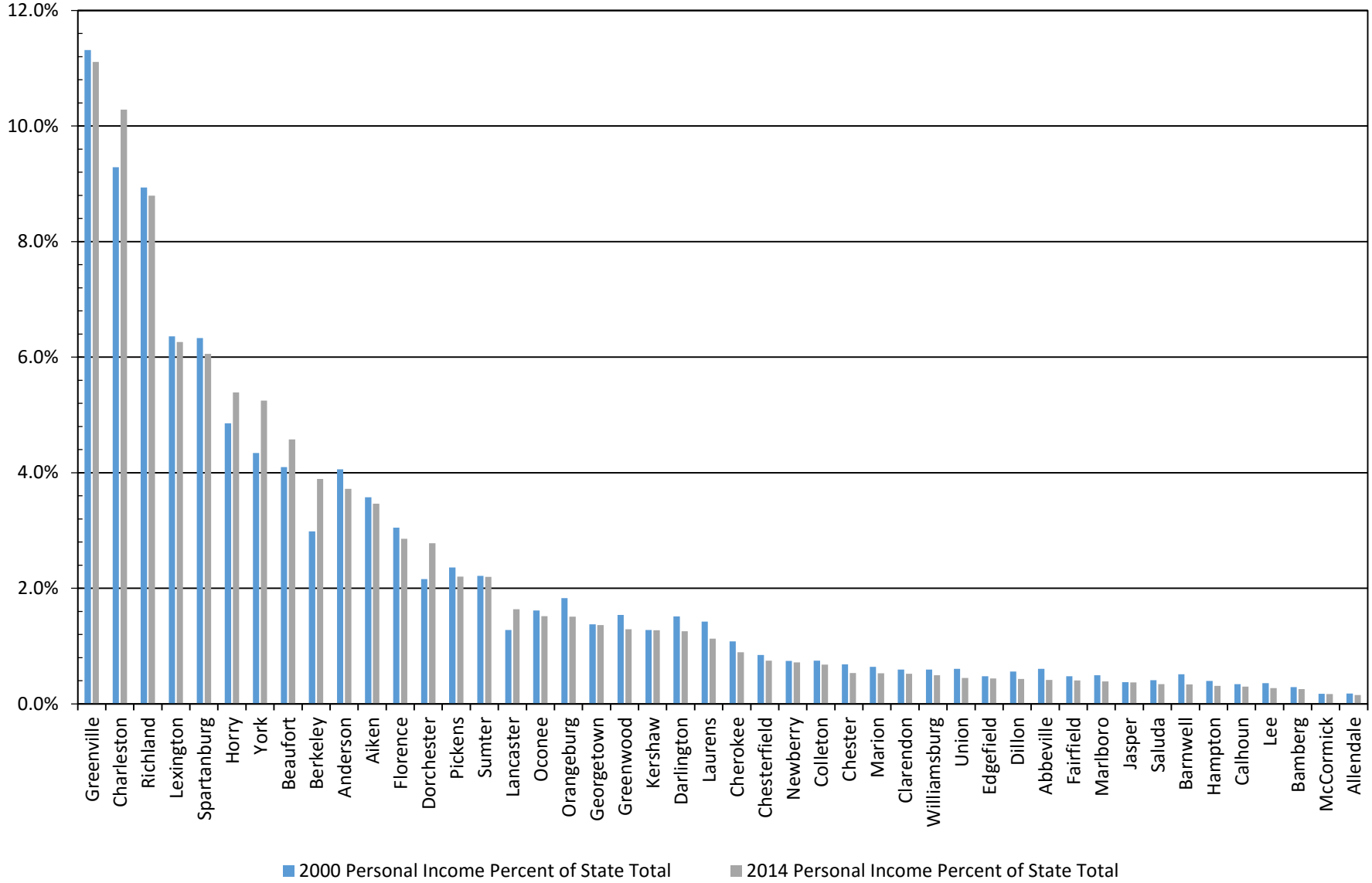


SC PERSONAL INCOME FY GROWTH RATES
Actuals, Estimates, and Averages



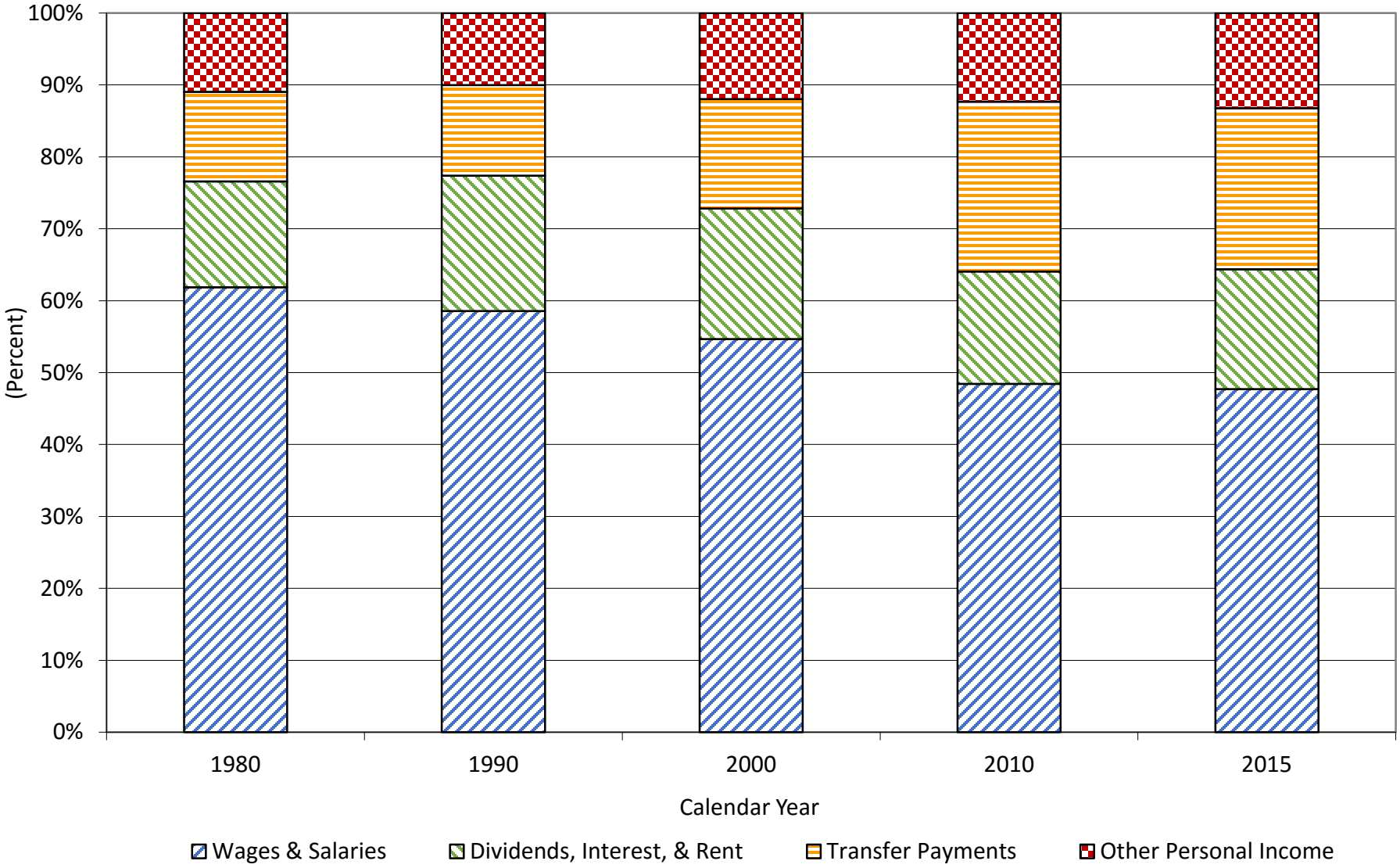
Source: US Department of Commerce, Bureau of Economic Analysis RFA-LJ/08/19/16

PERSONAL INCOME BY COUNTY AS A PERCENT OF STATE TOTAL
2000 AND 2014



Data Source: U.S. Bureau of Economic Analysis lpw 6/30/16

SHARES OF PERSONAL INCOME COMPONENTS
In South Carolina

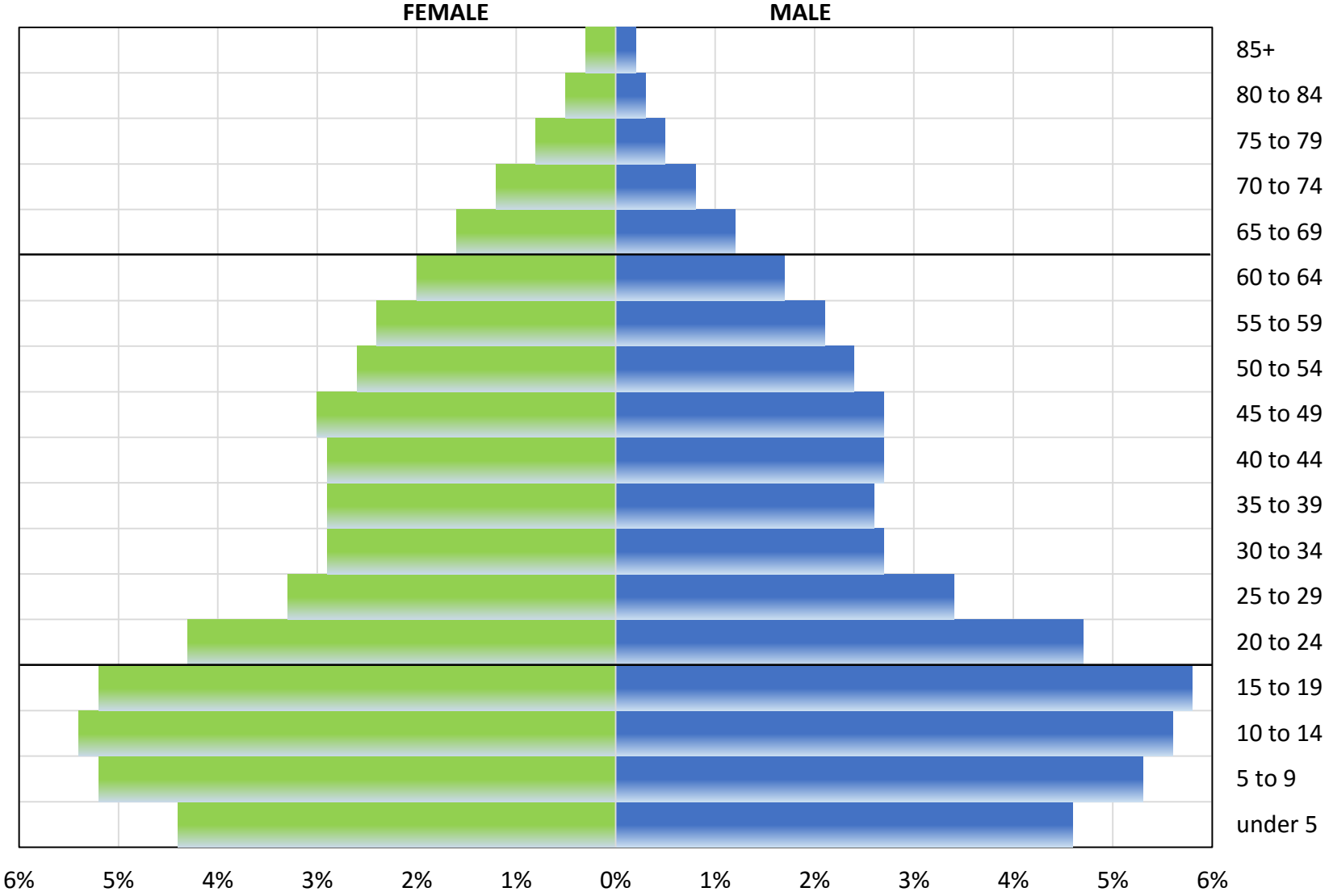


Source: U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C.
BEA/RWM/09/14/15

TRENDS:

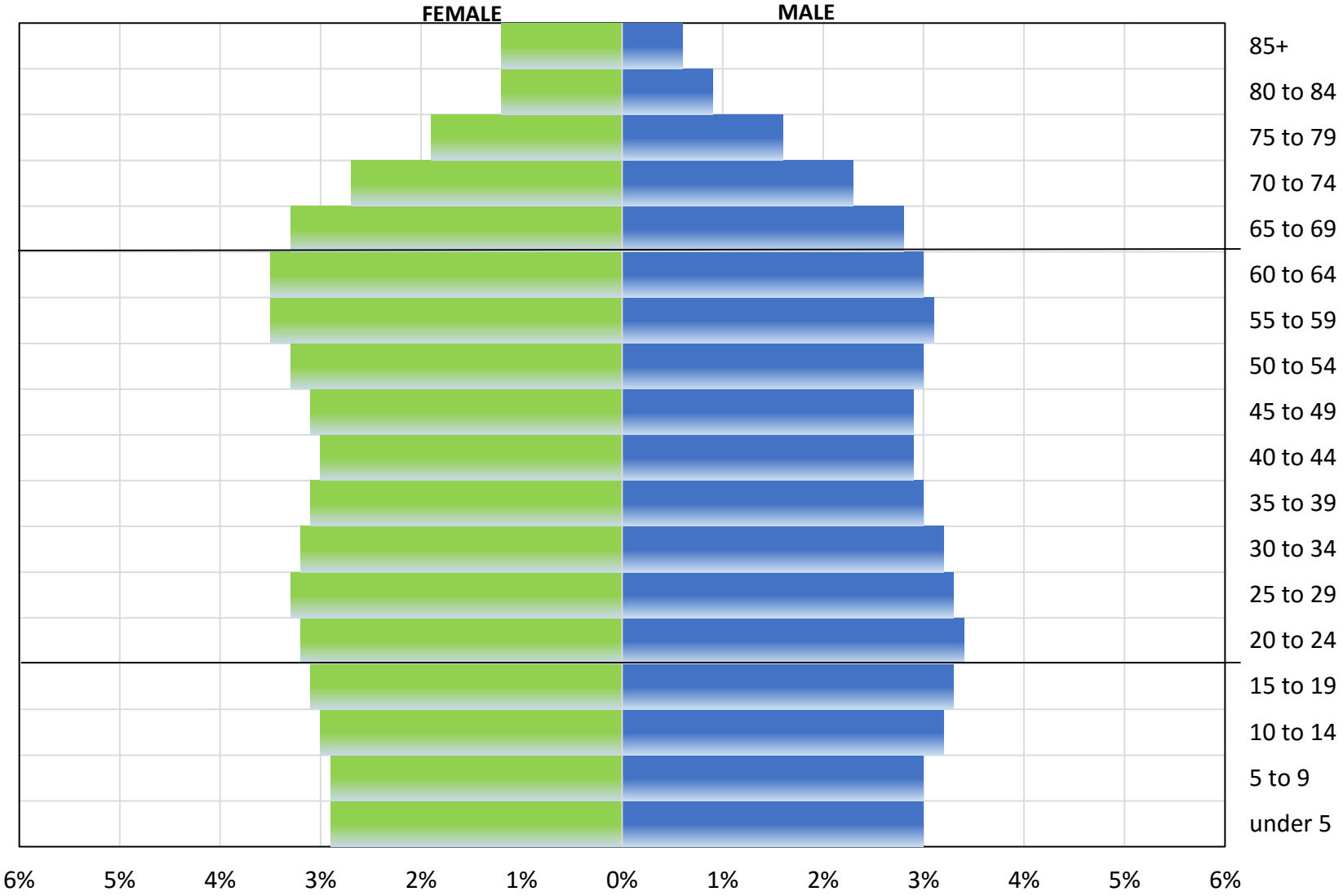
IMPACTING THE FUTURE

SOUTH CAROLINA POPULATION PYRAMID
1970

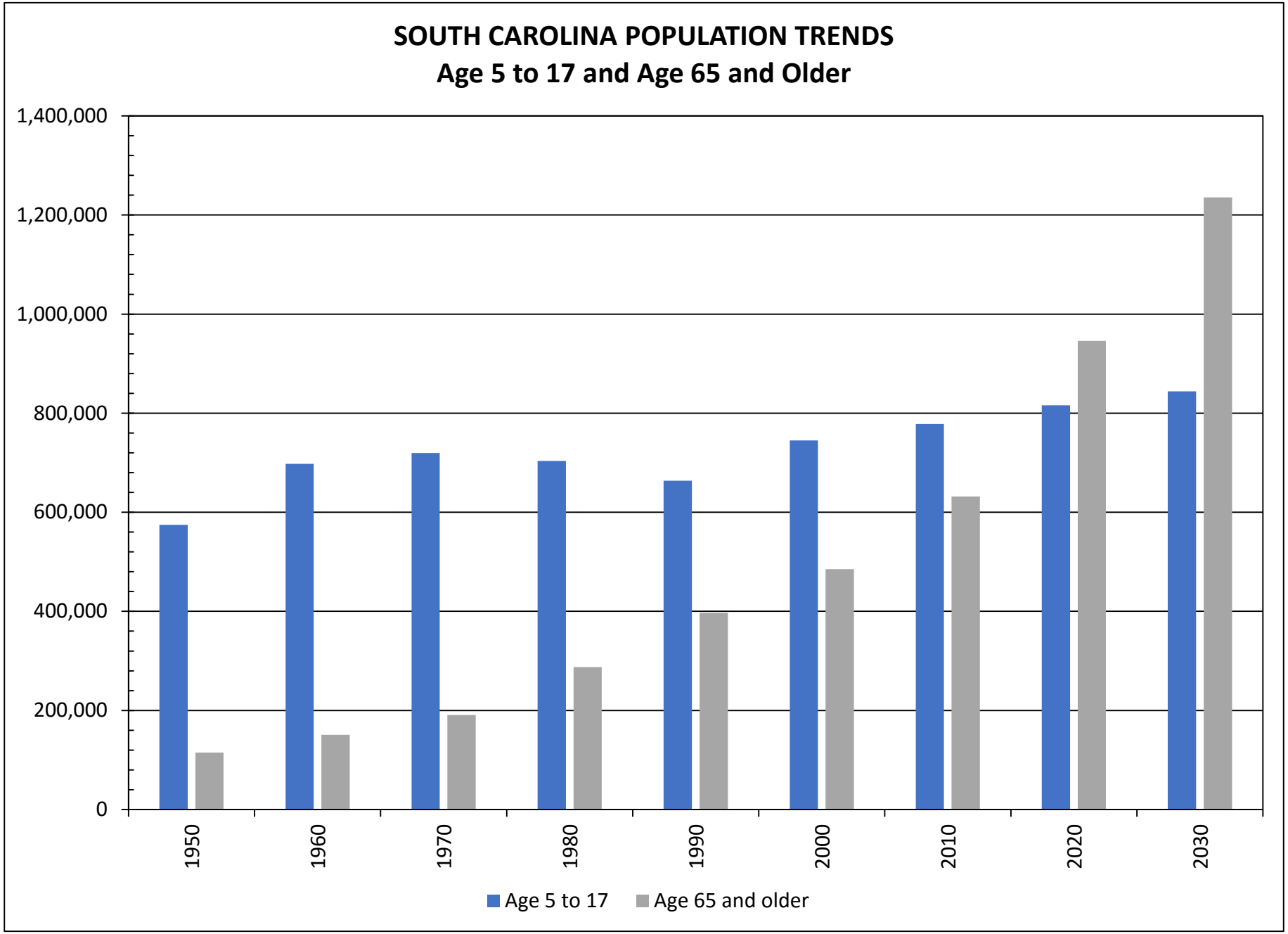


Source: Revenue and Fiscal Affairs Office: CPA 1/20/2016

SOUTH CAROLINA POPULATION PYRAMID
Estimated 2020

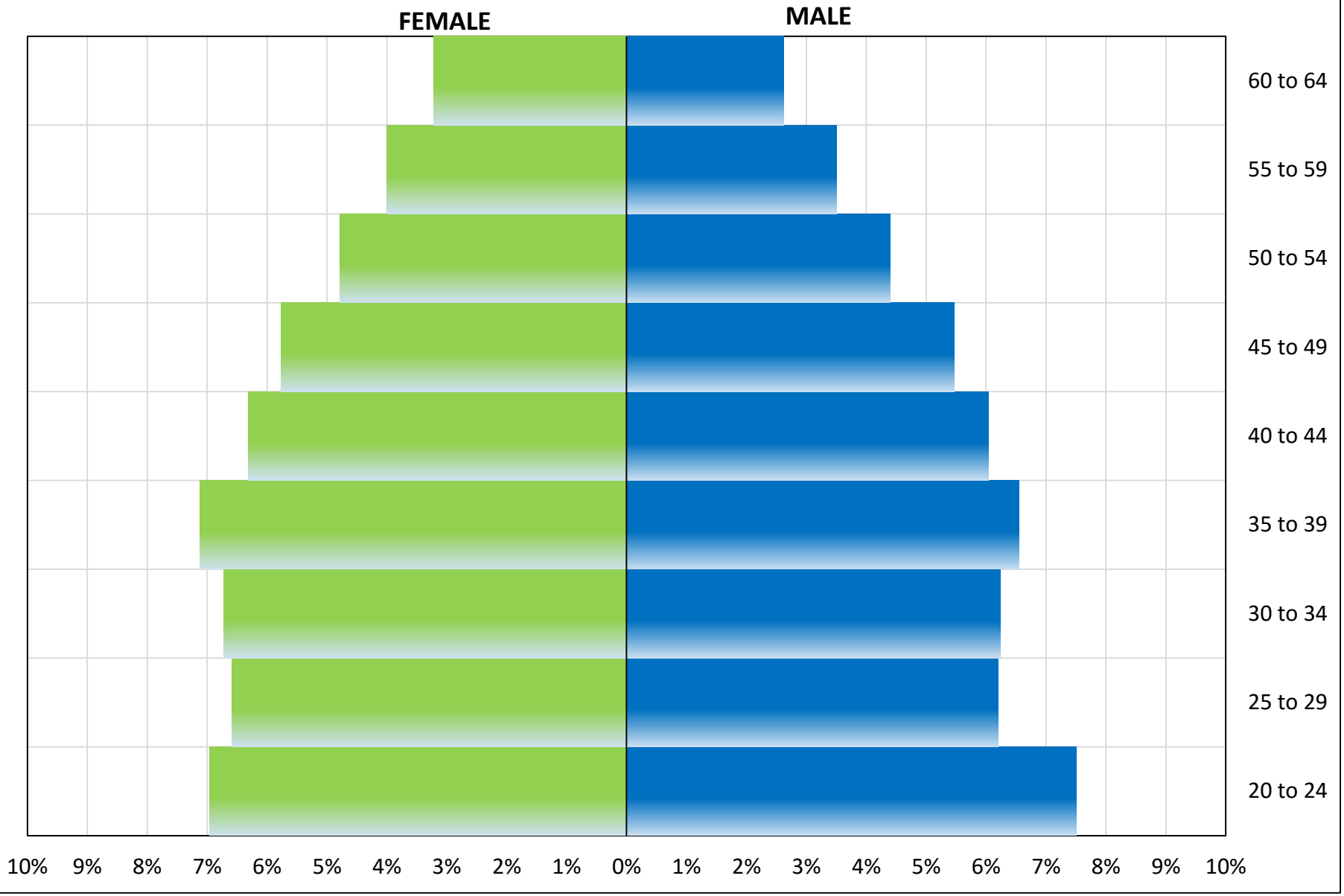


Source: Revenue and Fiscal Affairs Office: CPA 1/20/2016



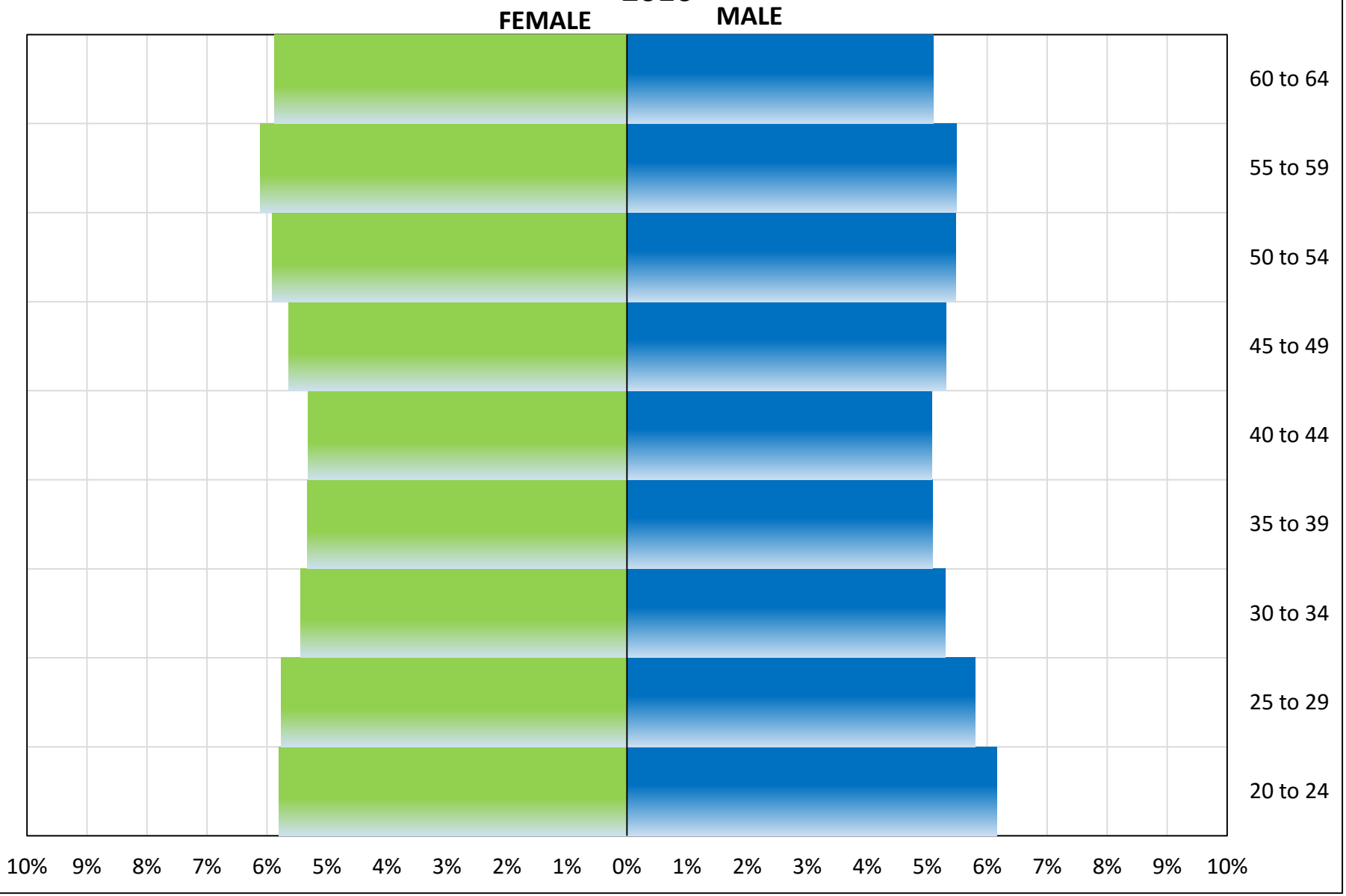
Source: Revenue and Fiscal Affairs Office: LPW

SHARE OF SOUTH CAROLINA WORKFORCE POPULATION BY AGE GROUP 1960

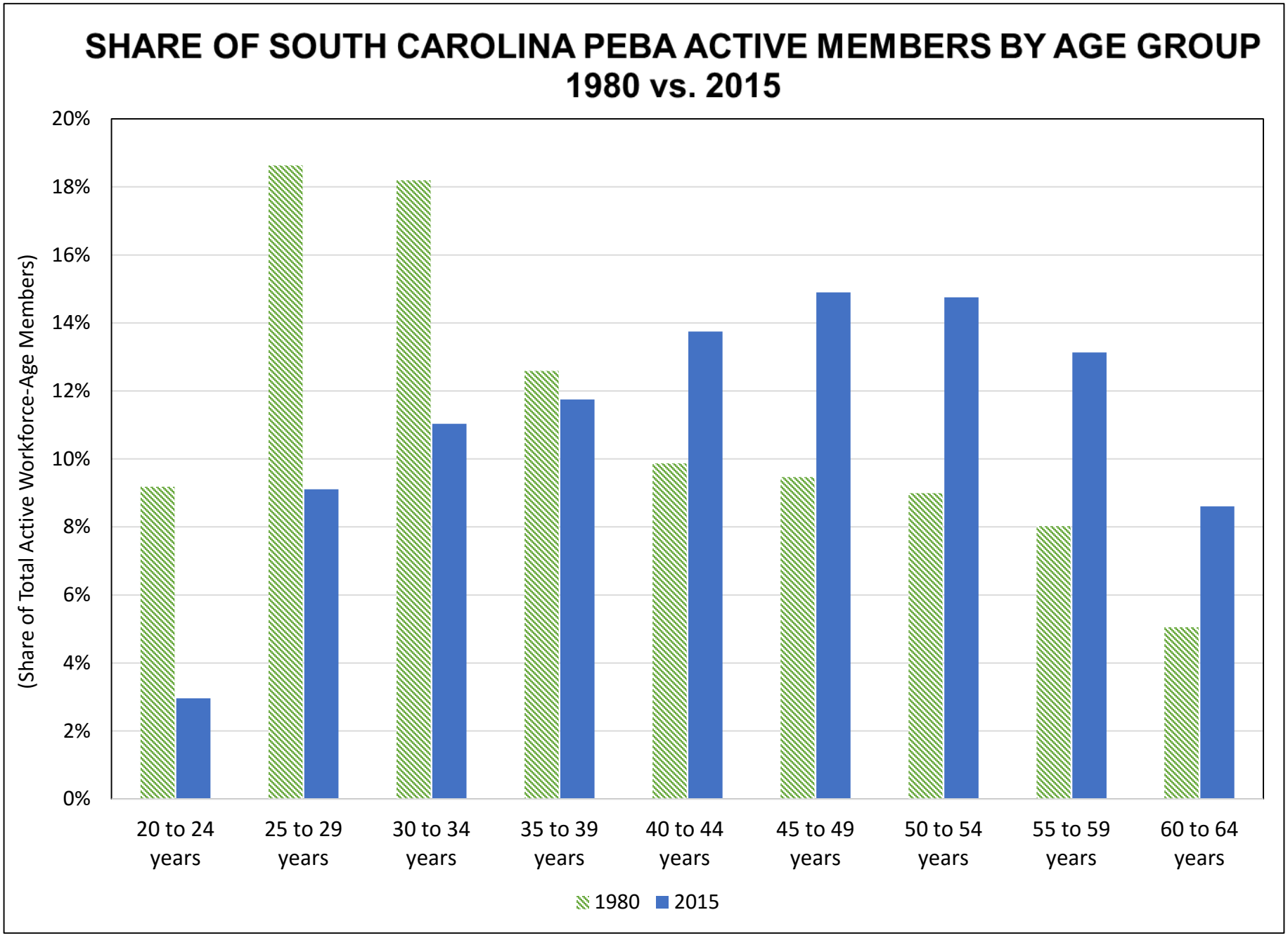


Source: Revenue and Fiscal Affairs Office BW/09/16/16

SHARE OF SOUTH CAROLINA WORKFORCE POPULATION BY AGE GROUP 2016



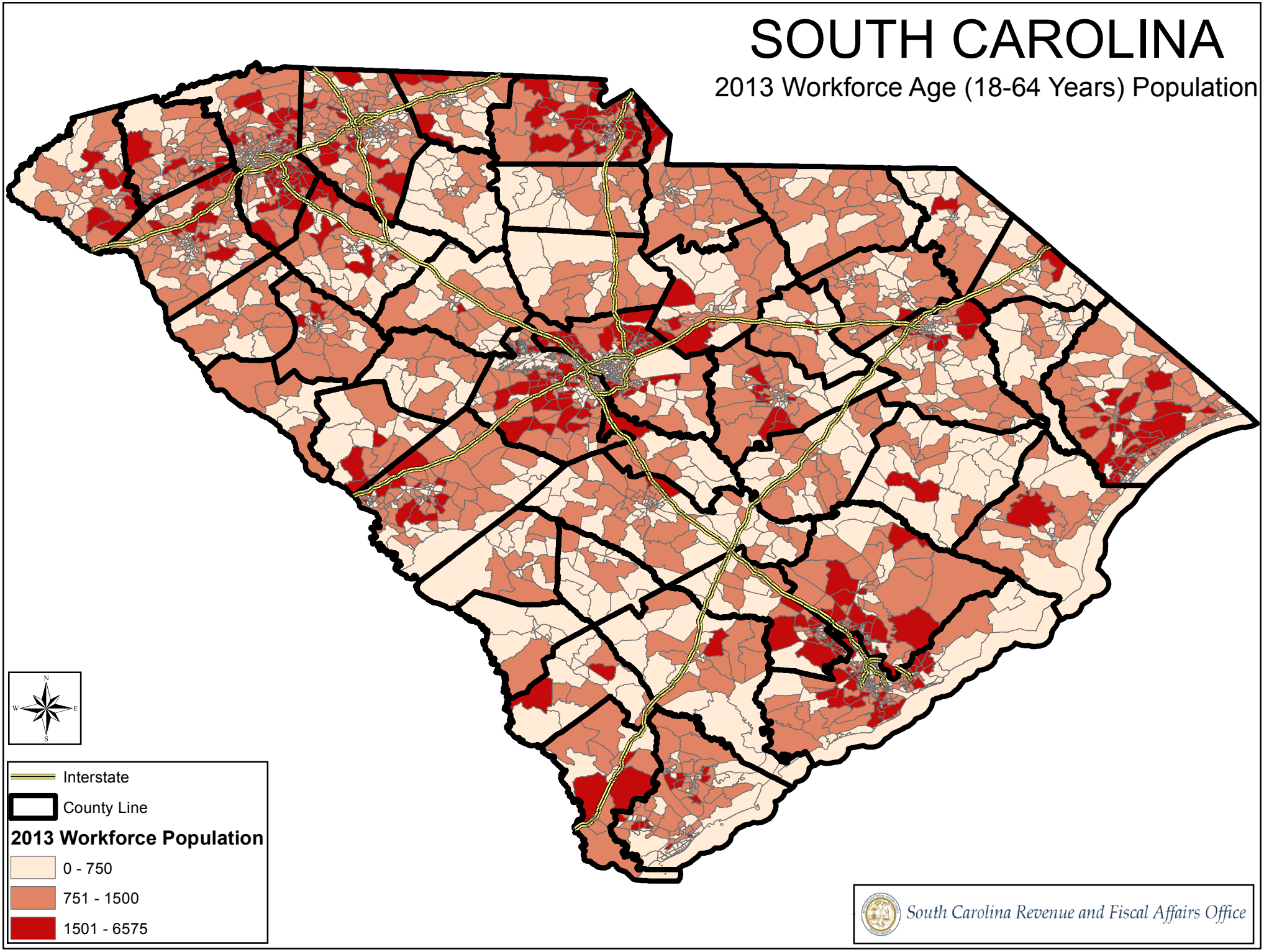
Source: Revenue and Fiscal Affairs Office BW/09/16/16



Source: SC PEBA

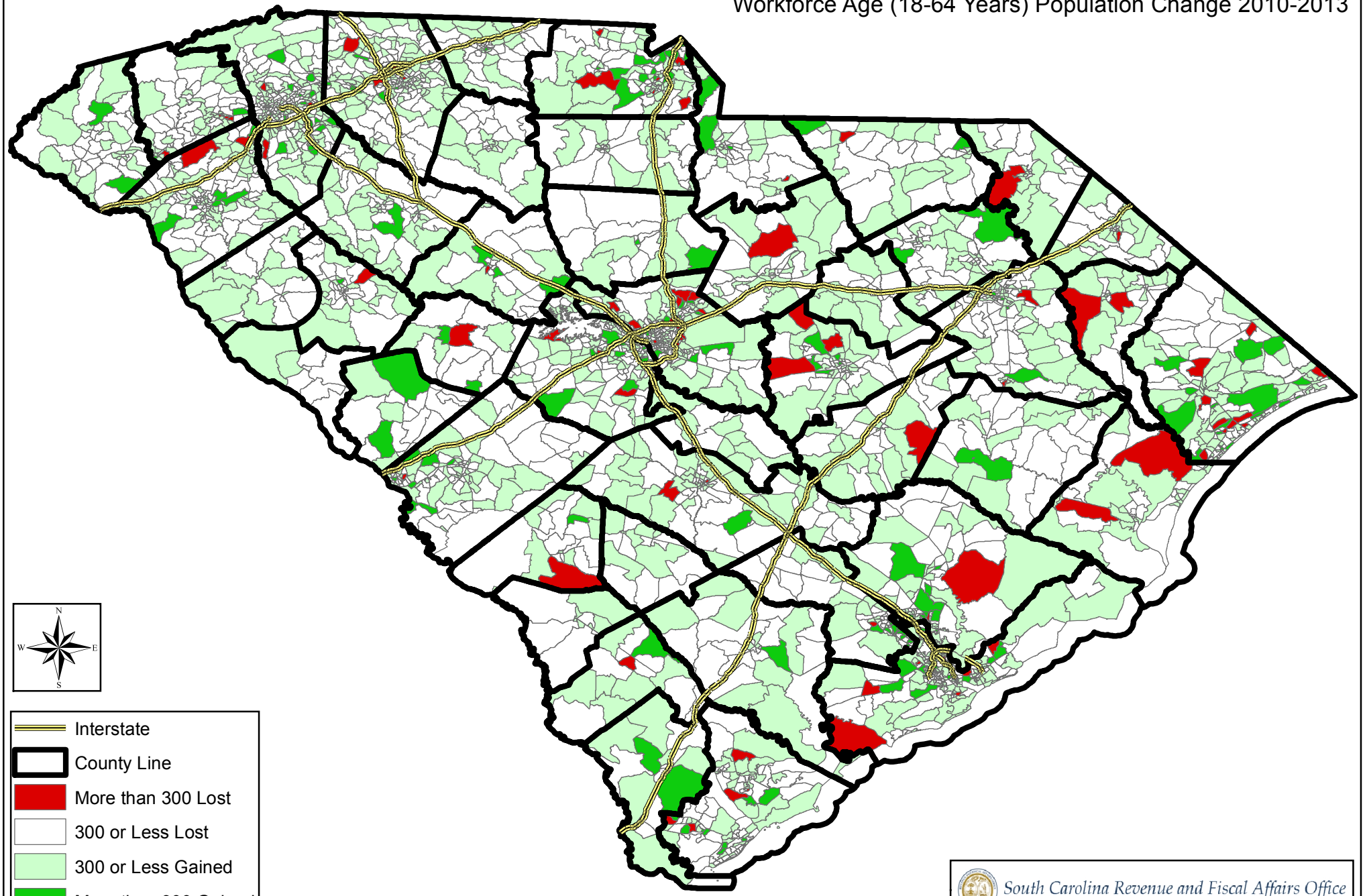
SOUTH CAROLINA

2013 Workforce Age (18-64 Years) Population

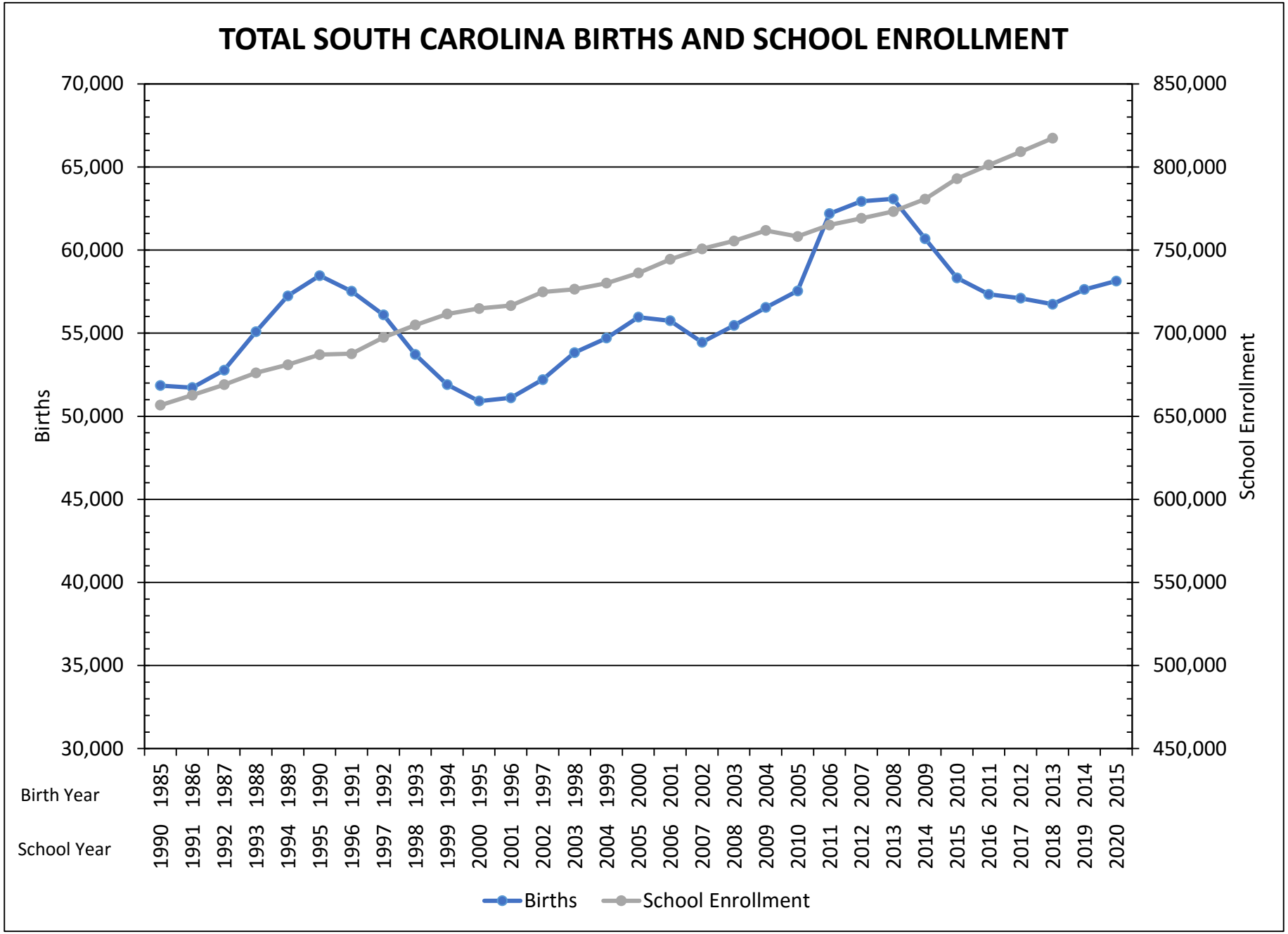


SOUTH CAROLINA

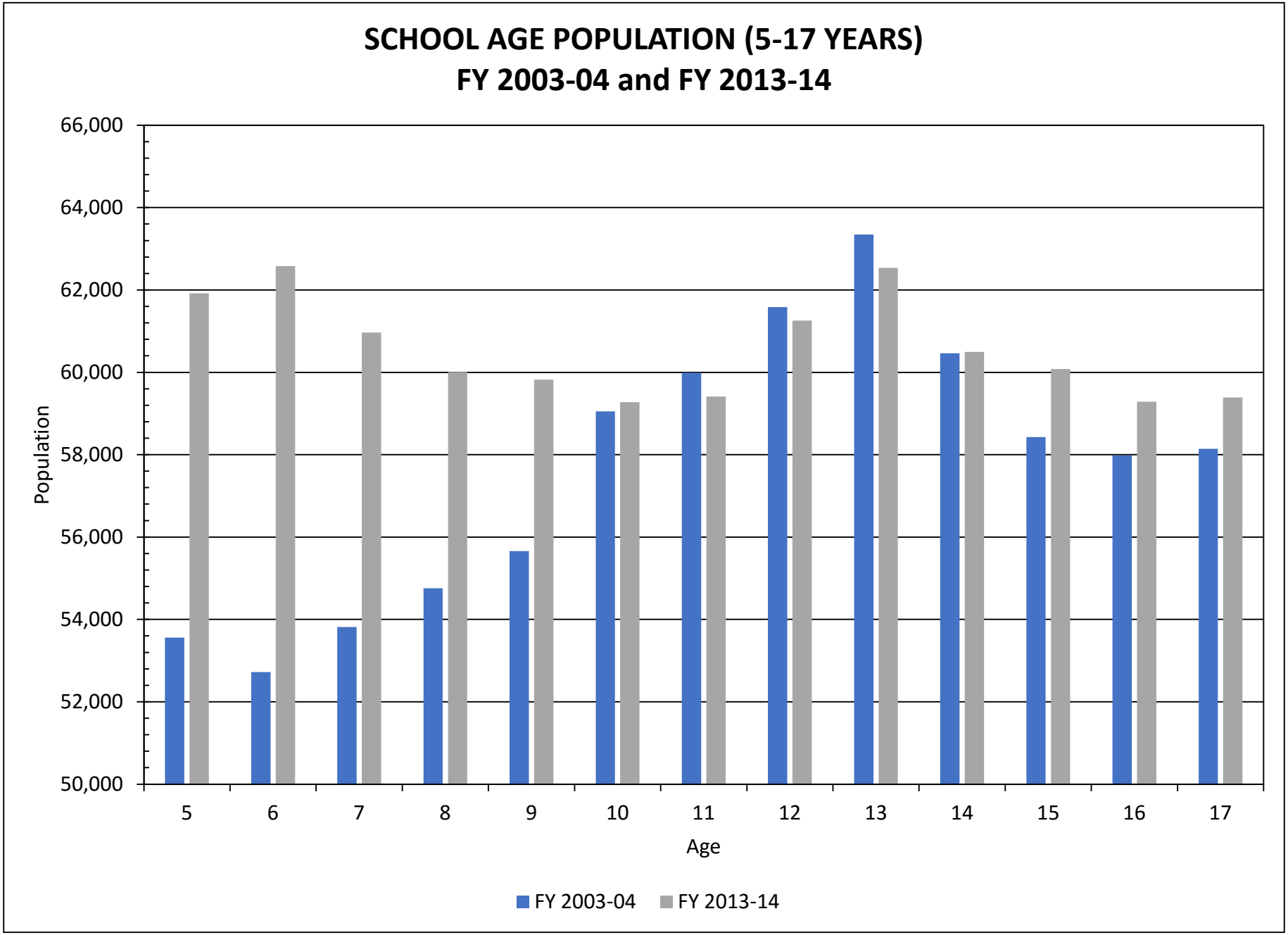
Workforce Age (18-64 Years) Population Change 2010-2013



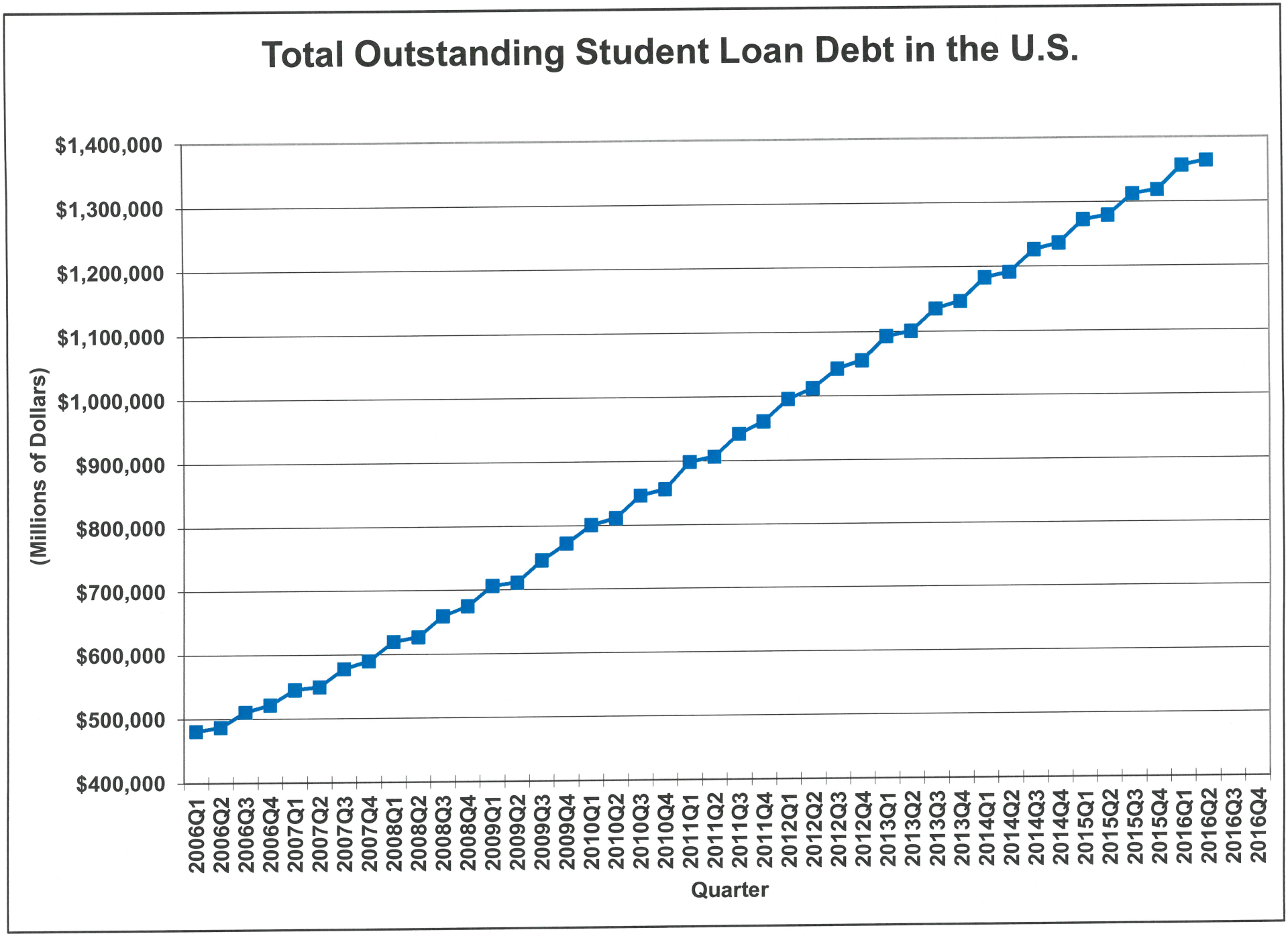
South Carolina Revenue and Fiscal Affairs Office



Source: Revenue and Fiscal Affairs Office: LPW

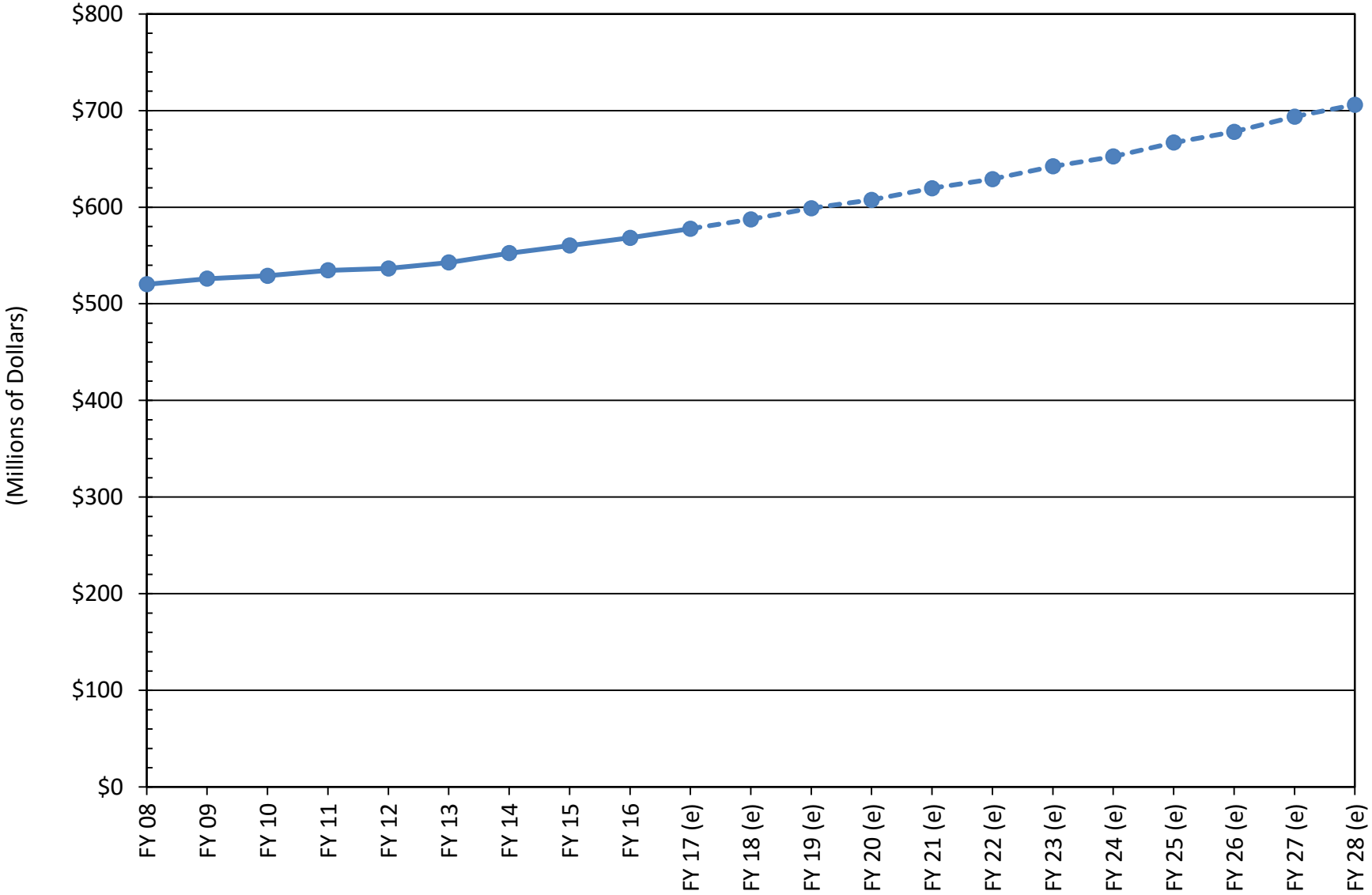


Source: Revenue and Fiscal Affairs Office: LPW



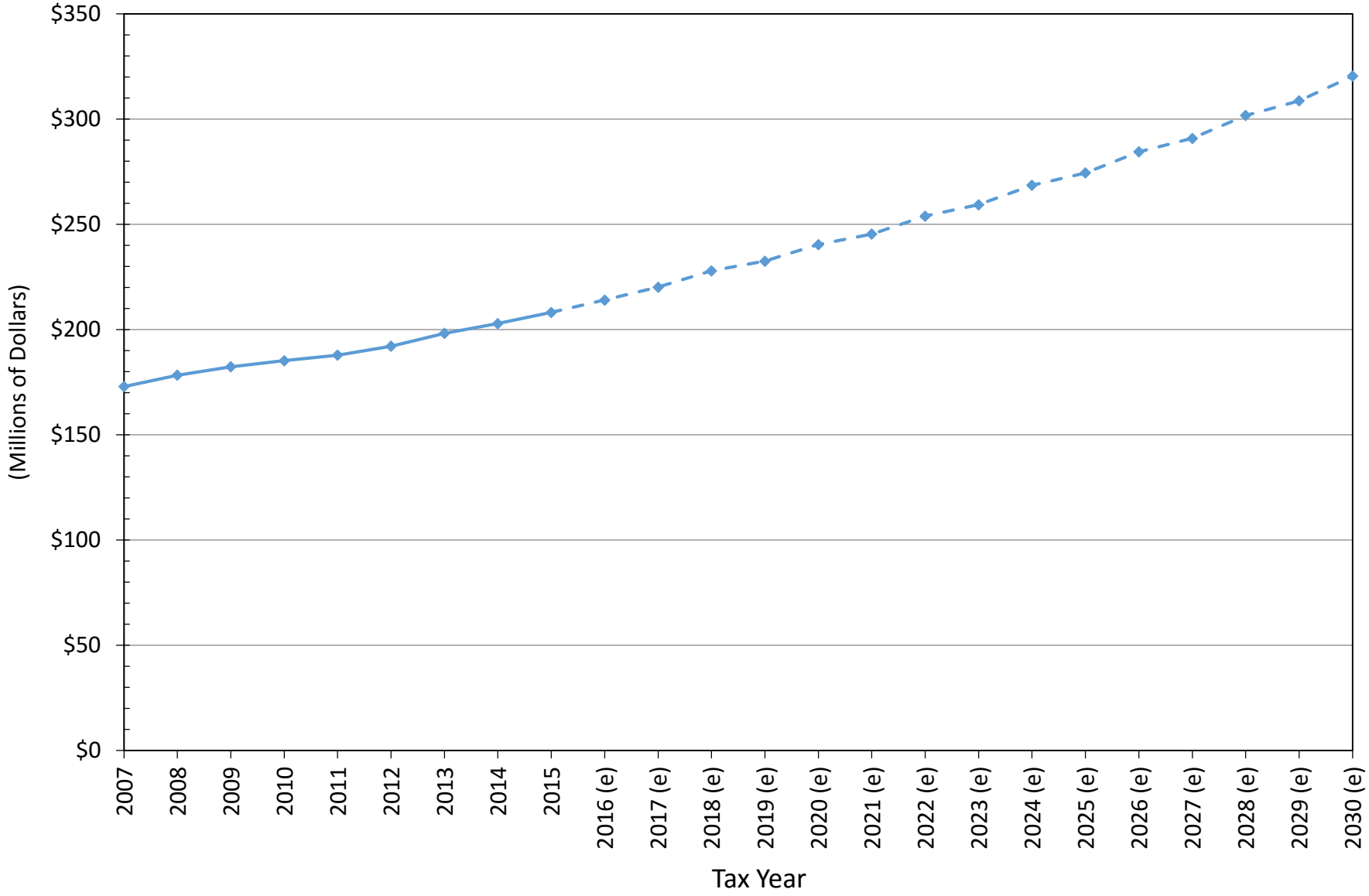
Source: The Board of Governors of the Federal Reserve System
SCBEA/RWM/08/25/16

TRUST FUND FOR TAX RELIEF



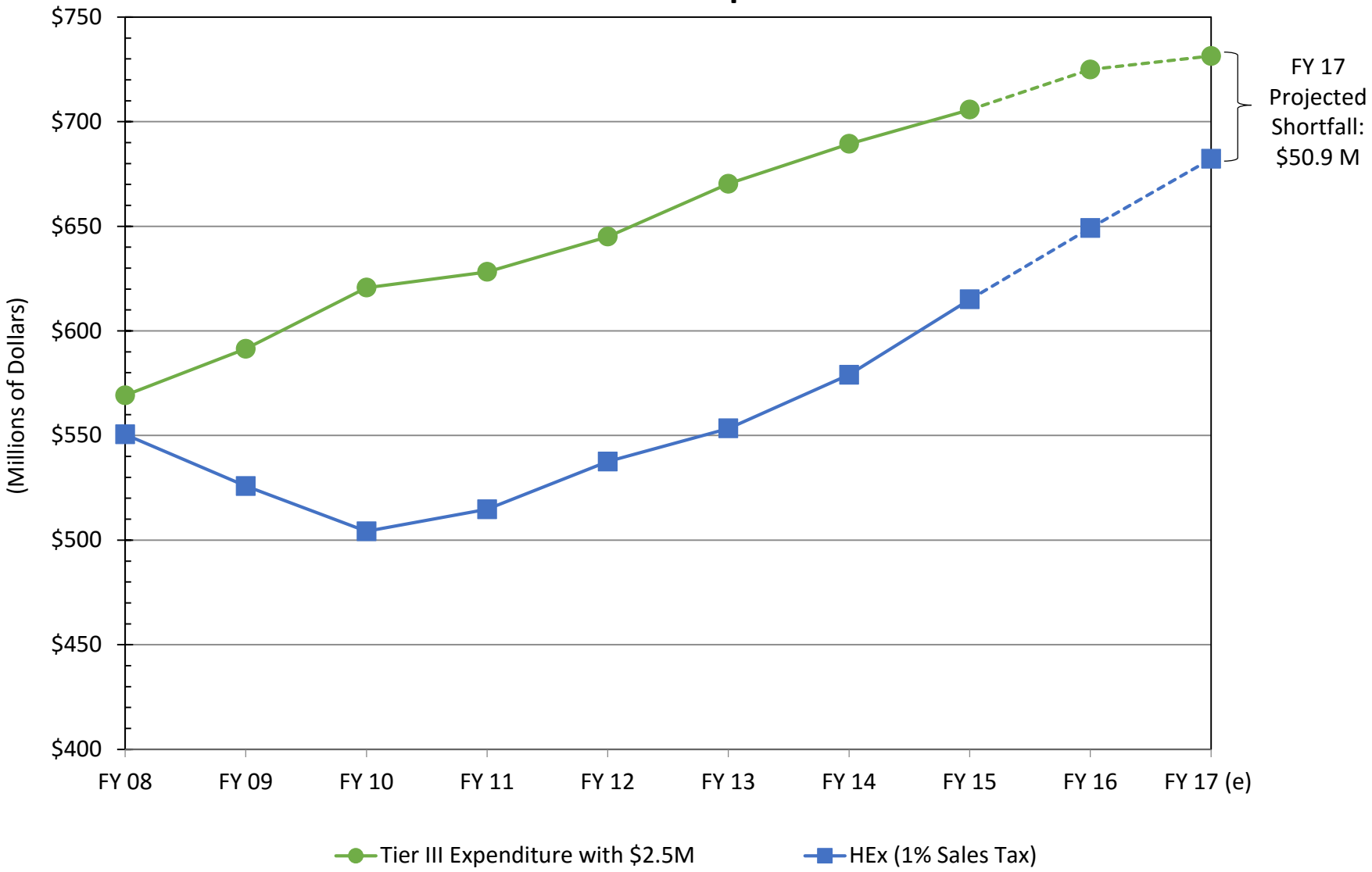
Source: Revenue and Fiscal Affairs Office – LJ/09/016/16

PROJECTED OVER 65 HOMESTEAD EXEMPTION REIMBURSEMENTS
2007 to 2030



Source: Revenue and Fiscal Affairs Office – LJ/09/09/16

HOMESTEAD EXEMPTION FUND (TIER III)
Revenues and Expenditures



Note: Tier III Expenditure includes $2.5M minimum disbursements and lease purchase lawsuit revisions. Revenue projection based upon 02/10/16 BEA forecast.

Source: Revenue and Fiscal Affairs Office 40- LJ/09/09/16

Q&A