



November 8, 2018 Release

# General Fund Revenue

October  
Fiscal Year 2018-19





Table 1

October

General Fund Revenue	FY 2017-18	FY 2018-19	\$ Change	% Change
Sales and Use Tax	\$243,235,290	\$248,613,183	\$5,377,893	2.2
Individual Income Tax	432,973,559	450,771,596	17,798,037	4.1
Corporation Income Tax	(6,723,101)	(37,860,906)	(31,137,805)	(463.1)
Insurance Taxes	1,750,341	6,997,243	5,246,902	299.8
Admissions Tax	3,036,260	3,103,008	66,748	2.2
Aircraft Tax	0	1,551,269	1,551,269	---
Alcoholic Liquor Tax	6,631,524	5,561,732	(1,069,792)	(16.1)
Bank Tax	895,383	732,555	(162,828)	(18.2)
Beer and Wine Tax	8,976,291	8,446,117	(530,174)	(5.9)
Bingo Tax	(226,903)	64,265	291,168	128.3
Business Filing Fees	490,005	542,545	52,540	10.7
Circuit/Family Court Fines	530,390	598,289	67,899	12.8
Corporation License Tax	26,298,224	55,743,621	29,445,397	112.0
Documentary Tax	6,354,125	6,134,990	(219,135)	(3.4)
Earned on Investments	72,687	8,046,082	7,973,395	10,969.5
Indirect Cost Recoveries	2,953,461	2,005,255	(948,206)	(32.1)
Motor Vehicle Licenses	732,365	1,242,980	510,615	69.7
Nursing Home Fees	894,608	0	(894,608)	---
Parole and Probation Fees	282,734	282,734	0	---
Private Car Lines Tax	9,697	1,206,474	1,196,777	12,341.7
Public Service Authority	0	0	0	---
Purchasing Card Rebates	3,034,527	3,171,665	137,138	4.5
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	(421,639)	(11,121)	410,518	97.4
Security Dealer Fees	1,025,015	1,078,169	53,154	5.2
Surcharge on Vehicle Rentals	831,464	2,204,444	1,372,980	165.1
Tobacco Tax	4,049,339	2,163,027	(1,886,312)	(46.6)
Uncashed Checks	(969)	3,585,622	3,586,591	370,133.2
Unclaimed Property Fund	3,750,000	0	(3,750,000)	---
Workers' Comp. Insurance Tax	(799,375)	(999,475)	(200,100)	(25.0)
Other Source Revenues	82,996	397,681	314,685	379.2
<b>Gross General Fund Revenue</b>	<b>\$740,718,301</b>	<b>\$775,373,043</b>	<b>\$34,654,742</b>	<b>4.7</b>

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred for Property Tax Relief Trust Fund pursuant to §11-11-150.



Table 2

July - October

General Fund Revenue	FY 2017-18	FY 2018-19	\$ Change	% Change
Sales and Use Tax	\$743,772,728	\$774,256,913	\$30,484,185	4.1
Individual Income Tax	1,726,741,796	1,806,152,374	79,410,578	4.6
Corporation Income Tax	67,396,338	86,944,994	19,548,656	29.0
Insurance Taxes	59,660,840	85,197,124	25,536,284	42.8
Admissions Tax	1,250,647	2,394,737	1,144,090	91.5
Aircraft Tax	2,262	1,552,462	1,550,200	68,532.3
Alcoholic Liquor Tax	17,161,588	18,399,438	1,237,850	7.2
Bank Tax	9,876,257	15,616,814	5,740,557	58.1
Beer and Wine Tax	27,673,568	29,085,147	1,411,579	5.1
Bingo Tax	(77,385)	(146,589)	(69,204)	(89.4)
Business Filing Fees	1,701,958	1,846,924	144,966	8.5
Circuit/Family Court Fines	2,487,916	2,166,750	(321,166)	(12.9)
Corporation License Tax	37,666,809	63,410,291	25,743,482	68.3
Documentary Tax	20,870,437	21,471,249	600,812	2.9
Earned on Investments	5,696,012	22,834,448	17,138,436	300.9
Indirect Cost Recoveries	3,453,651	2,545,399	(908,252)	(26.3)
Motor Vehicle Licenses	2,697,532	3,113,228	415,696	15.4
Nursing Home Fees	894,608	0	(894,608)	---
Parole and Probation Fees	1,130,936	1,130,936	0	---
Private Car Lines Tax	10,891	1,237,889	1,226,998	11,266.2
Public Service Authority	0	0	0	---
Purchasing Card Rebates	3,034,527	3,171,665	137,138	4.5
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	174,620	83,046	(91,574)	(52.4)
Security Dealer Fees	1,508,088	1,584,281	76,193	5.1
Surcharge on Vehicle Rentals	1,003,905	1,396,369	392,464	39.1
Tobacco Tax	6,884,141	7,039,545	155,404	2.3
Uncashed Checks	(37,237)	3,163,240	3,200,477	8,594.9
Unclaimed Property Fund	3,750,000	3,750,000	0	---
Workers' Comp. Insurance Tax	866,100	919,895	53,795	6.2
Other Source Revenues	5,028,457	3,514,644	(1,513,813)	(30.1)
<b>Gross General Fund Revenue</b>	<b>\$2,752,281,991</b>	<b>\$2,963,833,212</b>	<b>\$211,551,221</b>	<b>7.7</b>

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred for Property Tax Relief Trust Fund pursuant to §11-11-150.



# Revenue Digest

## October 2018

General Fund revenue increased 4.7 percent during the month of October 2018 from October 2017. The monthly revenues were mainly affected by the filing of income tax return extensions from April 2018 that were due by October 2018. The monthly revenue gain is also attributable to the Corporate License tax, the biennial collection of insurance agent's licenses, Earnings on Investments, and a host of assorted Other Revenue sources. Also, the effects of Hurricane Florence distorted the timing and collection of tax revenues in October. Revenues through October 2018 have grown 7.7 percent year-to-date.

Revenue Category	Month-to-Date Growth (percent change)	Year-to-Date Growth (percent change)
Sales and Use Tax	2.2	4.1
Individual Income Tax	4.1	4.6
Corporate Income Tax	-463.1	29.0
Corporate License Tax	112.0	68.3
Other Revenues	29.3	31.9
<b>Total General Fund</b>	<b>4.7</b>	<b>7.7</b>

- Sales and Use tax revenue increased 2.2 percent for the month of October resulting in year-to-date growth of 4.1 percent. Nationally, total retail sales have increased 5.4 percent fiscal year-to-date. After adjusting for those items that are subject to the sales and use tax rate in South Carolina, comparable retail sales have increased 4.3 percent fiscal year-to-date within the state. The cumulative Sales and Use tax revenue growth through October 2018 is running slightly below of the 4.2 percent revenue forecast for FY2018-19.
- The Individual Income tax revenue increased 4.1 percent during the month of October mainly from the processing of six-month individual income tax return extensions from April 2018. In addition, three hurricanes – Harvey, Irma, and Maria – wreaked havoc across much of the state last October causing a distortion in monthly revenue comparisons. Taxpayers were granted tax relief on taxes owed until February 2018. The growth in Individual Income tax withholdings, Individual Income paid with returns, and Individual Income tax refunds combined for the strong monthly revenue gain. Total Individual Income tax revenue growth is 4.6 percent year-to-date through October 2018 and is above the 3.0 percent revenue forecast for FY2018-19.





- Corporate Income tax revenue decreased 463.1 percent in October 2018. The processing of Corporate Income tax return extensions from April 2018 increased Corporation Income tax paid with income tax returns, but also caused a shift of nearly \$28 million from the Corporation Income tax to Corporation License tax revenue. The Corporate License tax required reporting due date was amended from September to October last year requiring corporations to meet the new statutorily defined due date causing a shift of revenue into the Corporate License tax. The Corporation Income tax has increased 29.0 percent year-to-date through October 2018 and is above the 8.0 percent revenue forecast for FY2018-19.
- Other Revenues increased 29.3 percent in October 2018 from one year ago and have increased 31.9 percent year-to-date from a variety of sources and timing of receipts. The licensure of insurance agents and brokers are paid every two years with the majority of the licenses coming due in odd-numbered fiscal years. This timing pattern results in unusual growth rates when comparing one fiscal year to another fiscal year. This was the case this fiscal year with Insurance Tax revenue up 42.8 percent through the first four months of the fiscal year. Other Revenues have also benefitted from continued strong Interest Earnings on state General Fund investments of over \$8 million in October, the largest monthly deposit in a decade. Documentary stamp tax (real estate deed tax) was adversely affected by Hurricane Florence and the aftermath of severe flooding in the northeastern part of the State, but is expected to recover as the increase in home sales in the state remains healthy.

## Summary

The Board of Economic Advisors (BEA) met on November 8, 2018 to reconsider the General Fund revenue estimate for the current fiscal year and to adopt a preliminary General Fund revenue estimate for FY2019-20. The BEA unanimously adopted a revised growth rate of General Fund revenues of 4.0 percent in FY2018-19 and a preliminary growth rate of General Fund revenues of 3.0 percent in FY2019-20.

Through the first four months of FY2018-19, General Fund revenues have increased 7.7 percent and are trending above the growth rate of 4.0 percent needed to meet the estimate for FY2018-19. As the economy begins to slow during the second half of the fiscal year, we expect the year-to-date revenue growth rate to converge to the forecast estimate of 4.0 percent for FY2018-19. The current BEA revenue forecast is based upon an employment growth rate of 1.5 percent and a personal income growth rate of 4.25 percent in FY2018-19.

