

SOUTH CAROLINA UPDATES

**PRESENTED TO
SOUTH CAROLINA ASSOCIATION OF AUDITORS, TREASURERS
AND TAX COLLECTORS**

February 06, 2015

**By
Frank A. Rainwater
Executive Director**

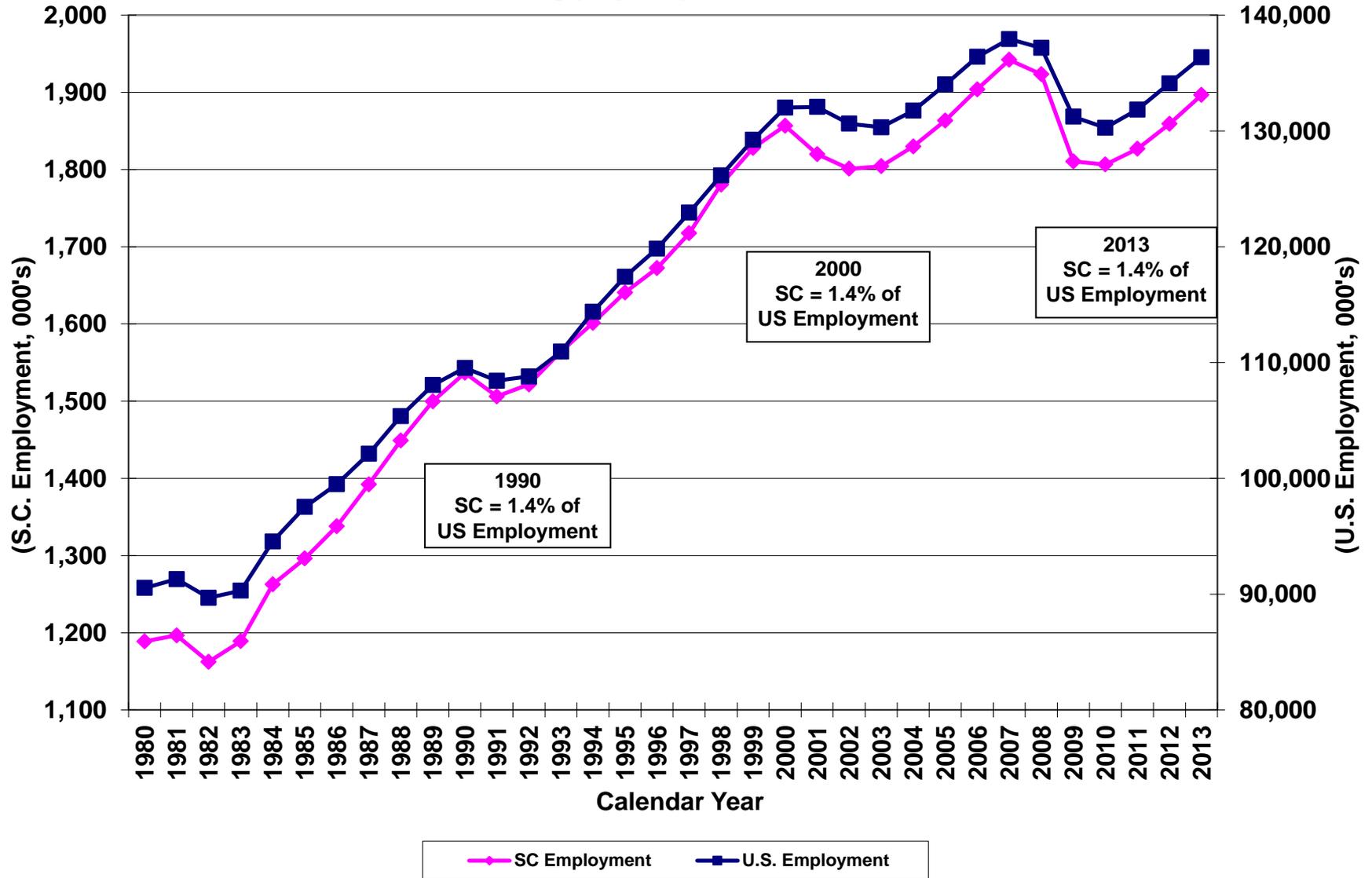
**South Carolina Revenue and Fiscal Affairs Office
1000 Assembly St.
Rembert Dennis Building, Suite 402
Columbia, SC 29201
(803) 734-2265**



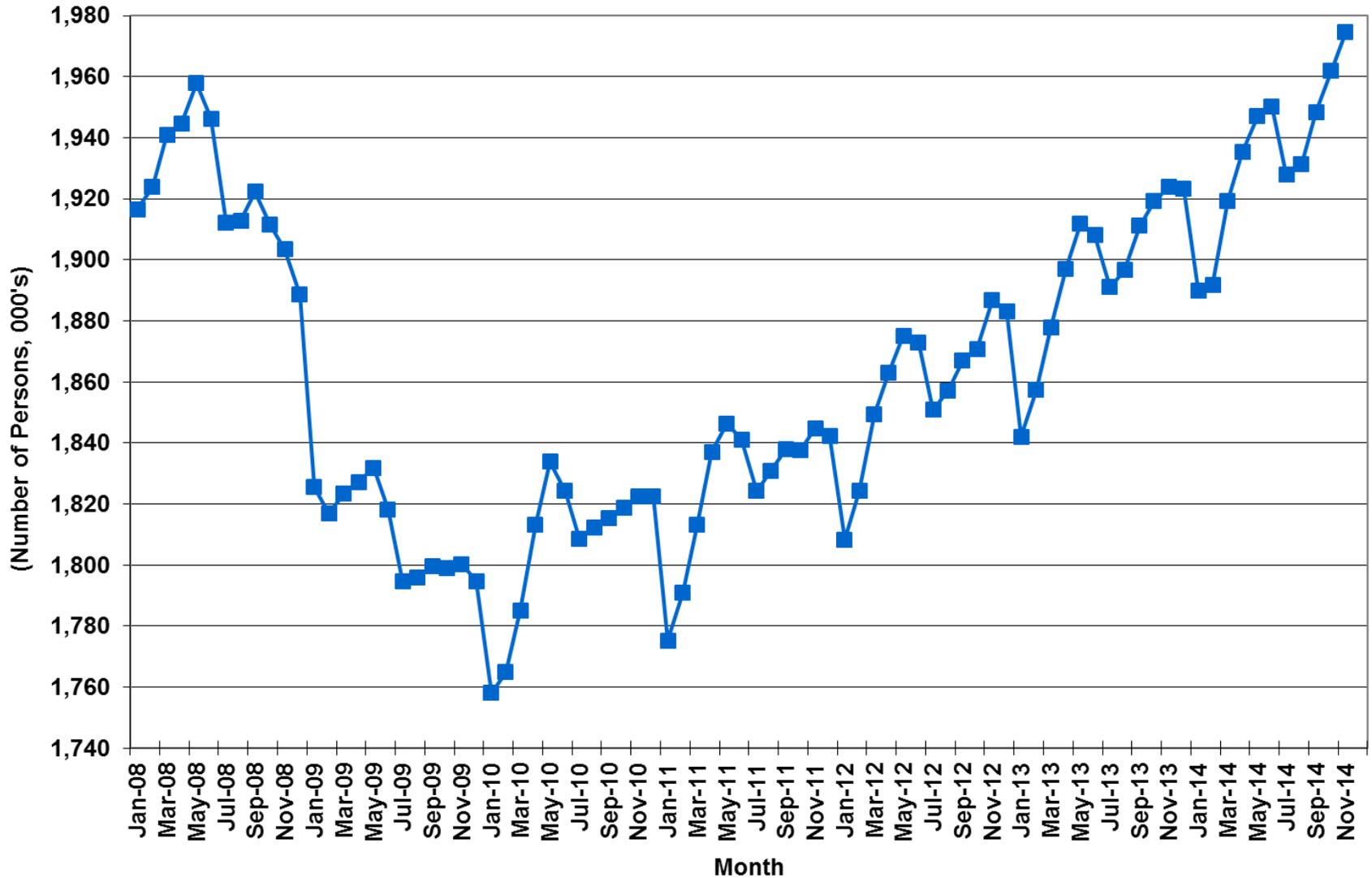
A cityscape featuring a mix of modern and historic architecture. In the foreground, there are lush green trees and a historic red brick building with white trim and a gabled roof. Behind it, several modern skyscrapers of varying heights and designs are visible, including one with a distinctive glass and metal facade and another with a curved top. The sky is overcast with light clouds. The text 'ECONOMIC TRENDS' is overlaid in the center in a large, black, serif font.

ECONOMIC TRENDS

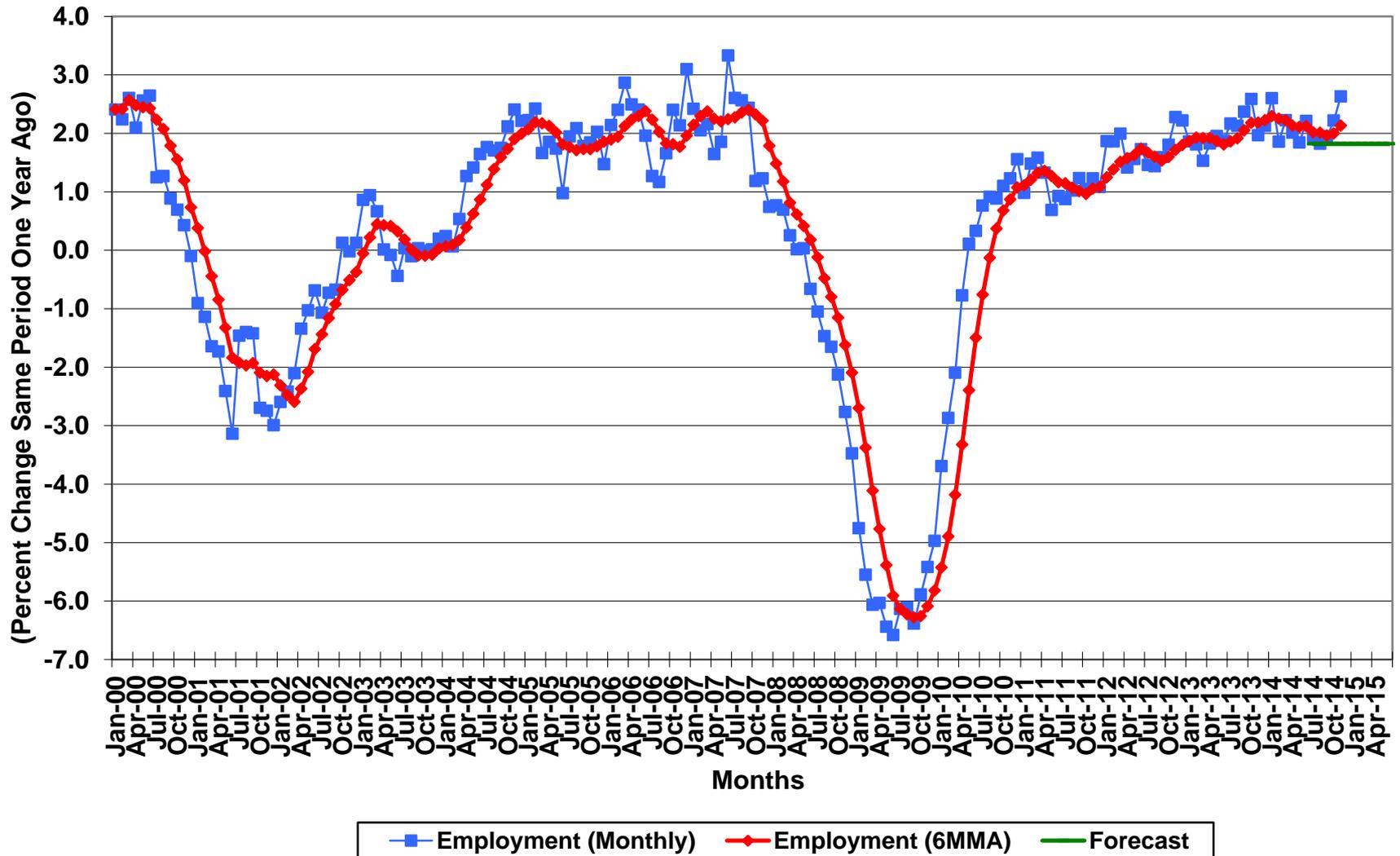
Total Nonfarm Employment in the United States & South Carolina



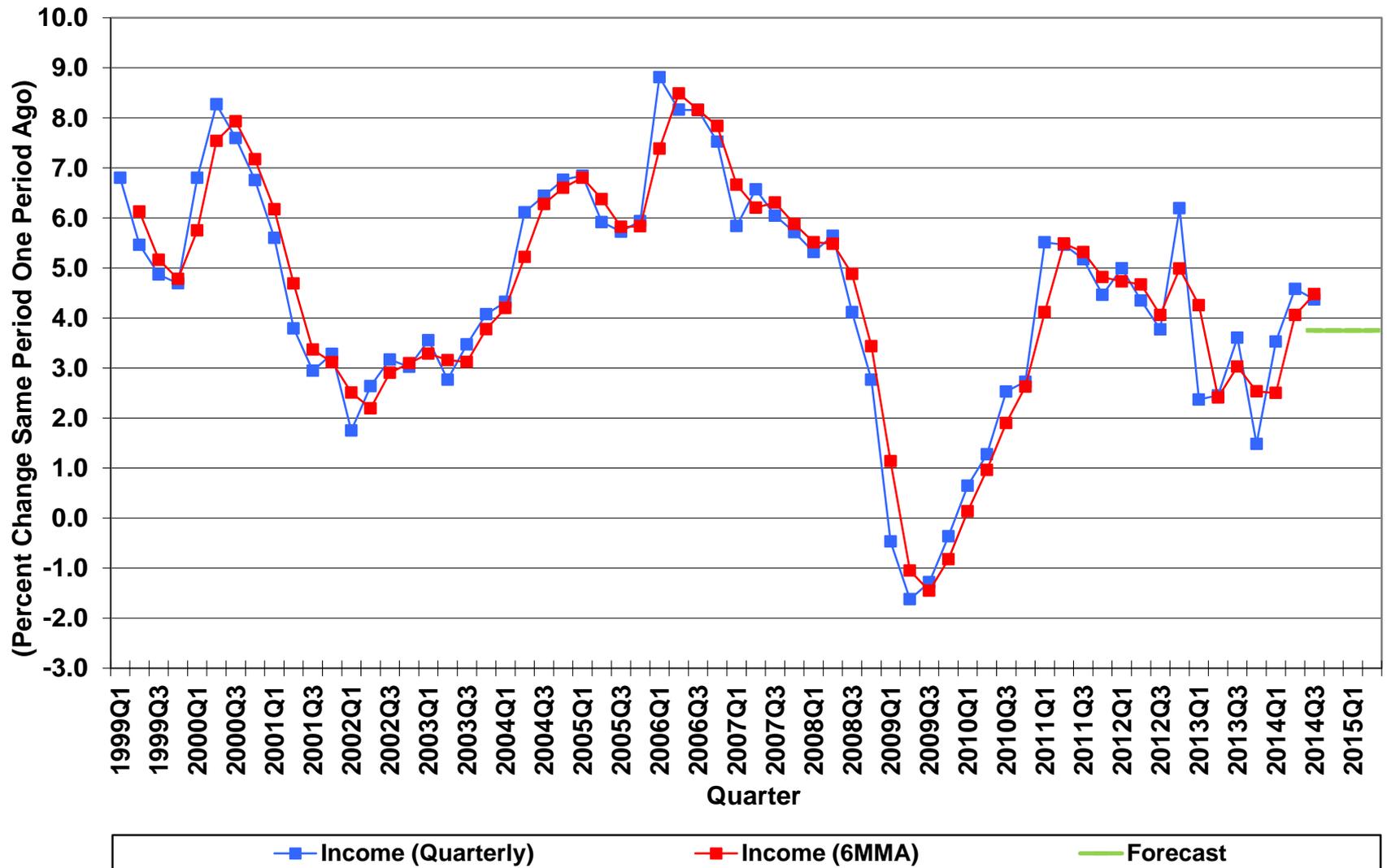
Total Nonfarm Employment in South Carolina



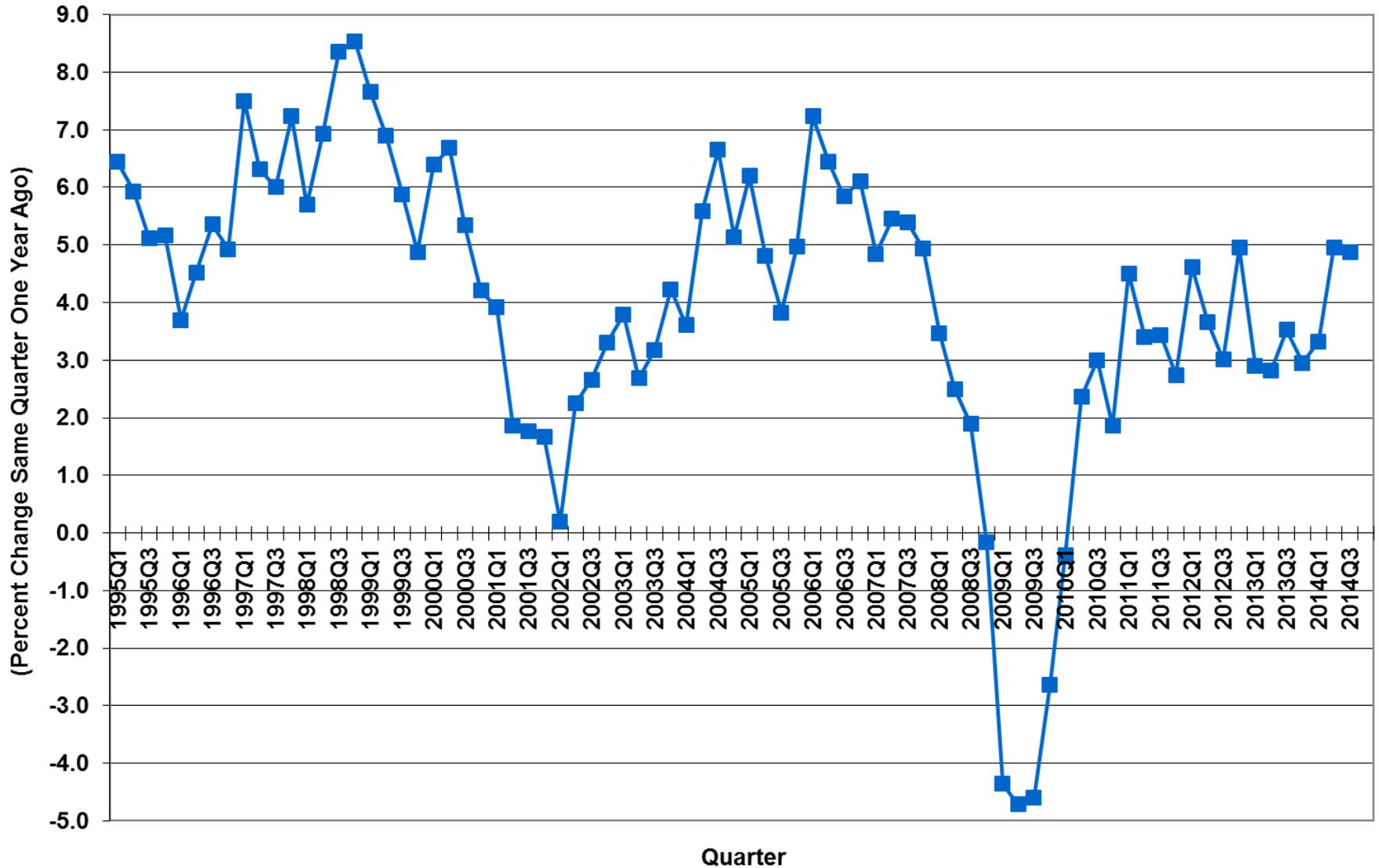
South Carolina Employment Trends



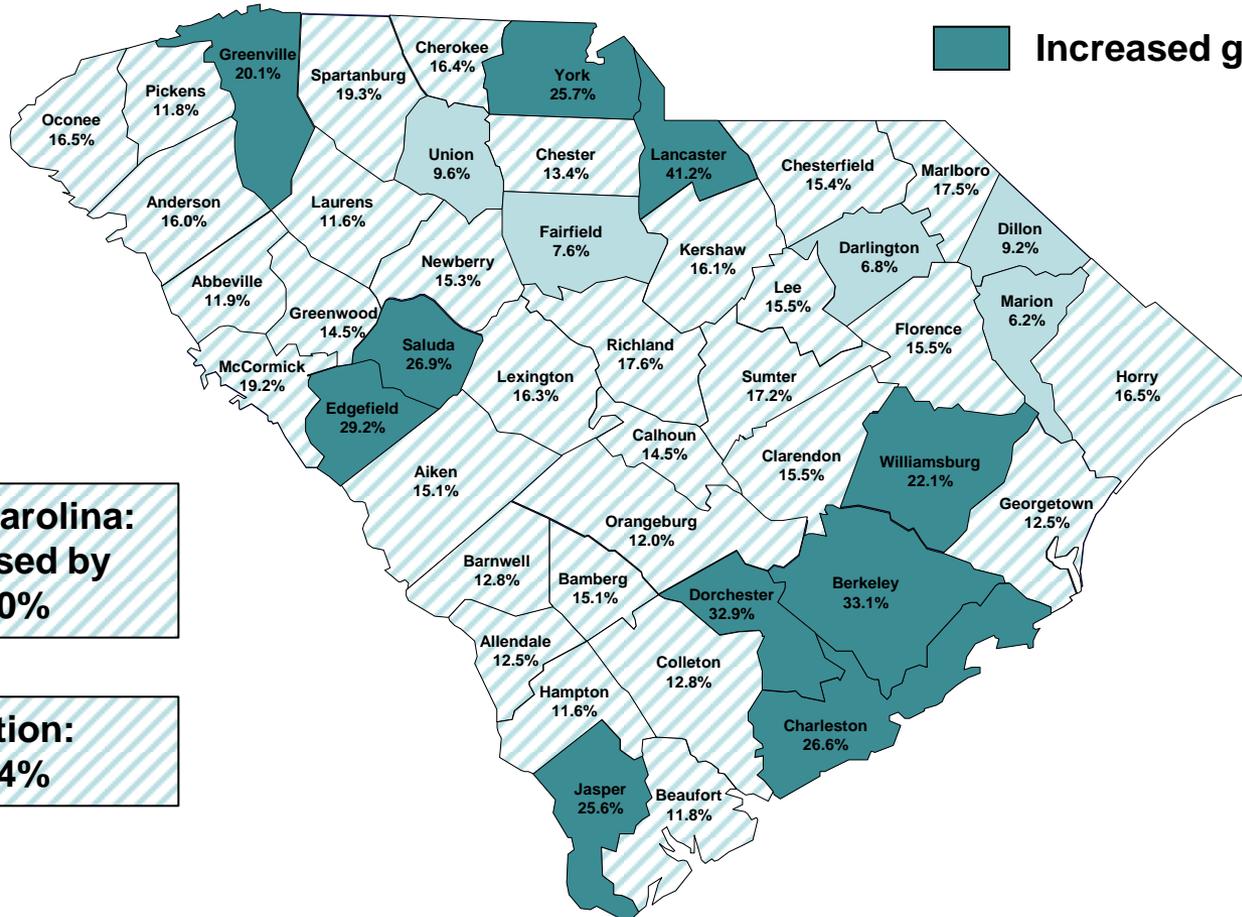
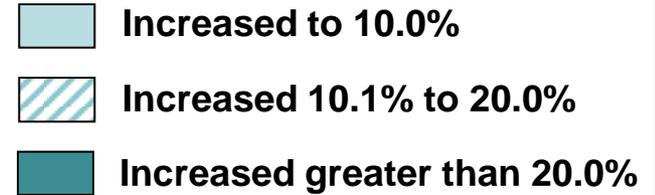
South Carolina Personal Income Trends



Growth in Wages and Salaries in South Carolina



South Carolina Personal Income Percent Change by County 2007 to 2013



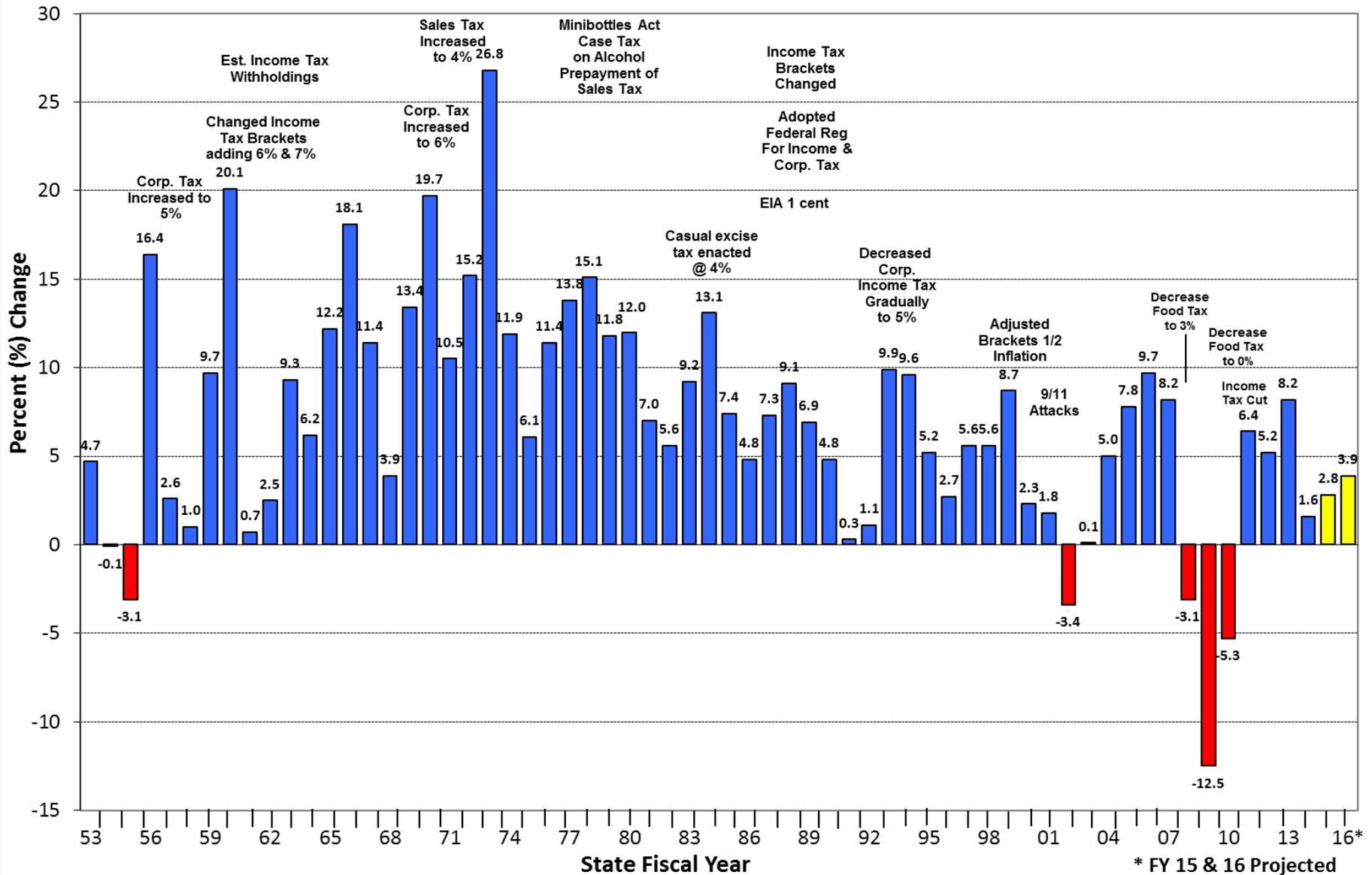
**South Carolina:
Increased by
19.0%**

**Inflation:
12.4%**

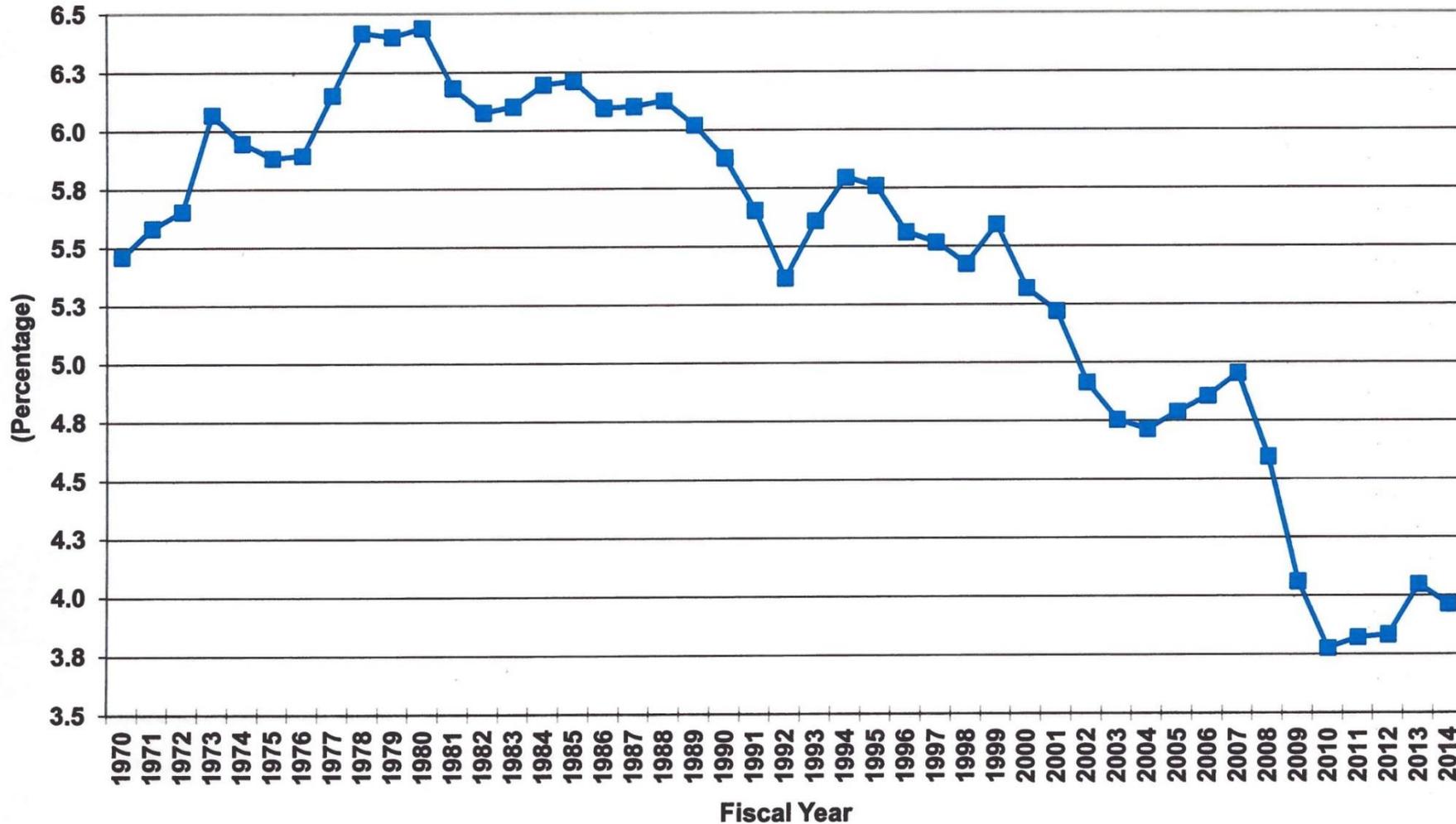
STATE REVENUES



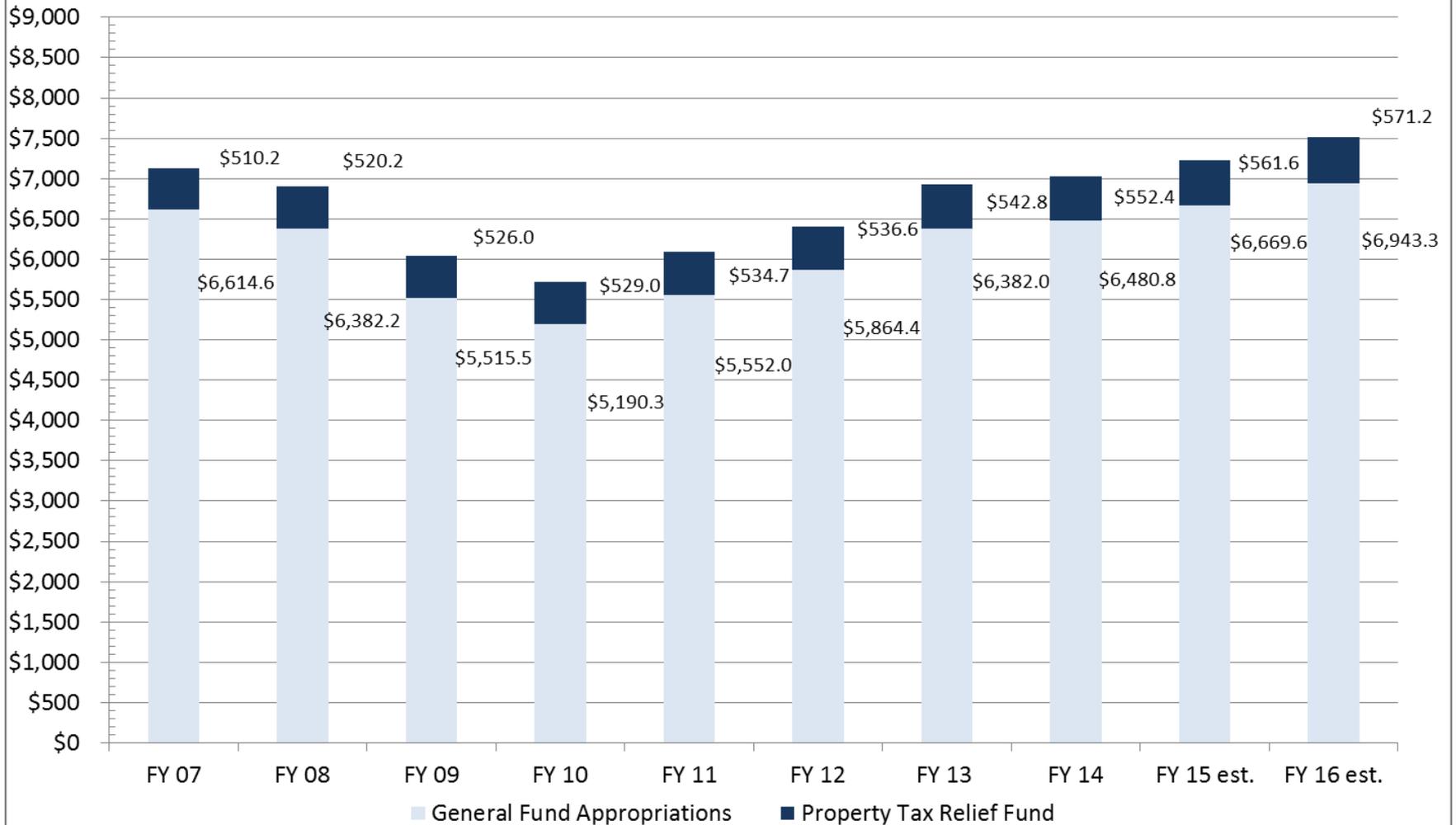
PERCENT CHANGE IN S.C. GENERAL FUND REVENUE



Total General Fund Revenue As A Percentage Of Total Personal Income in South Carolina



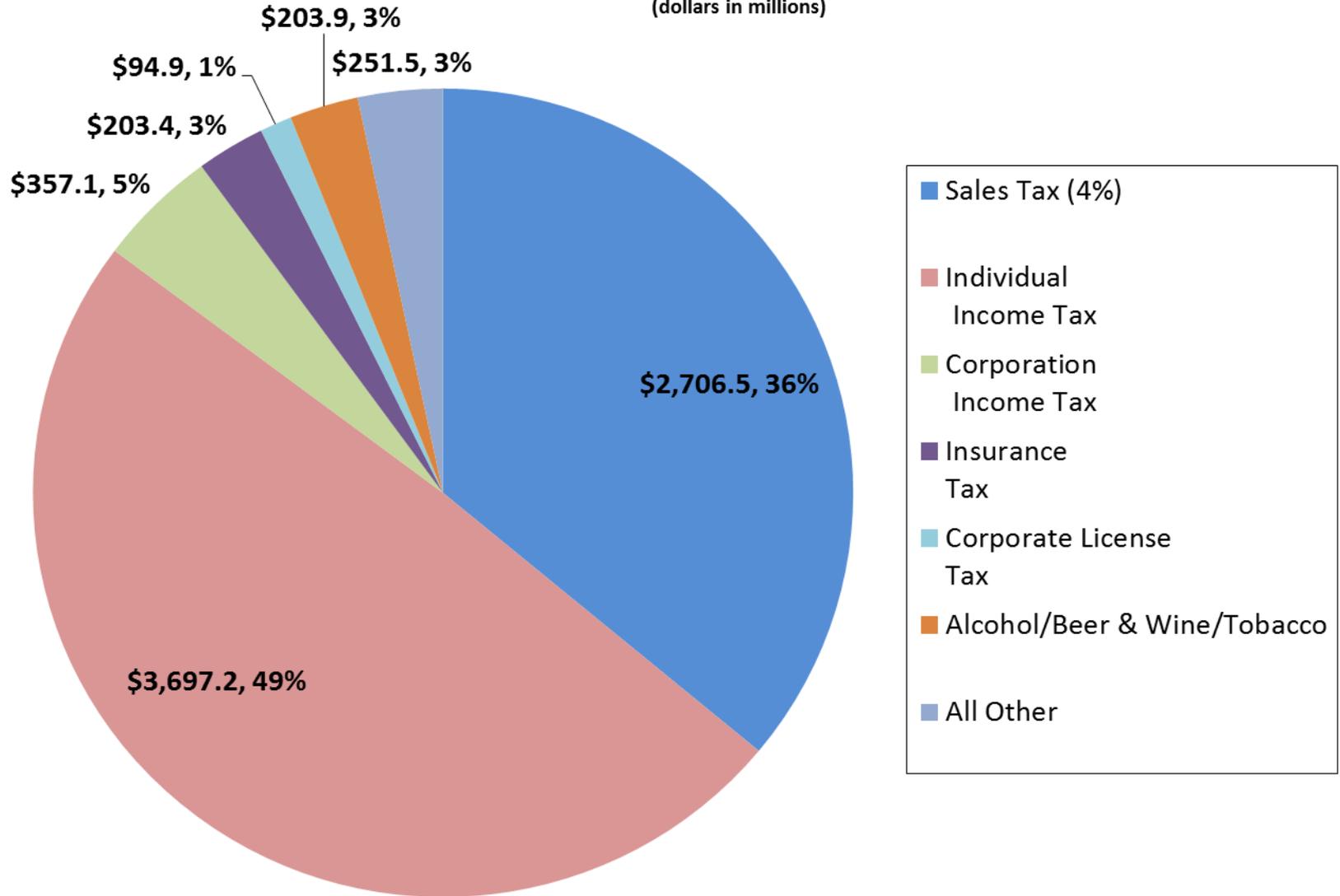
GENERAL FUND REVENUE WITH TAX ADJUSTMENTS General Fund Appropriations & Property Tax Relief



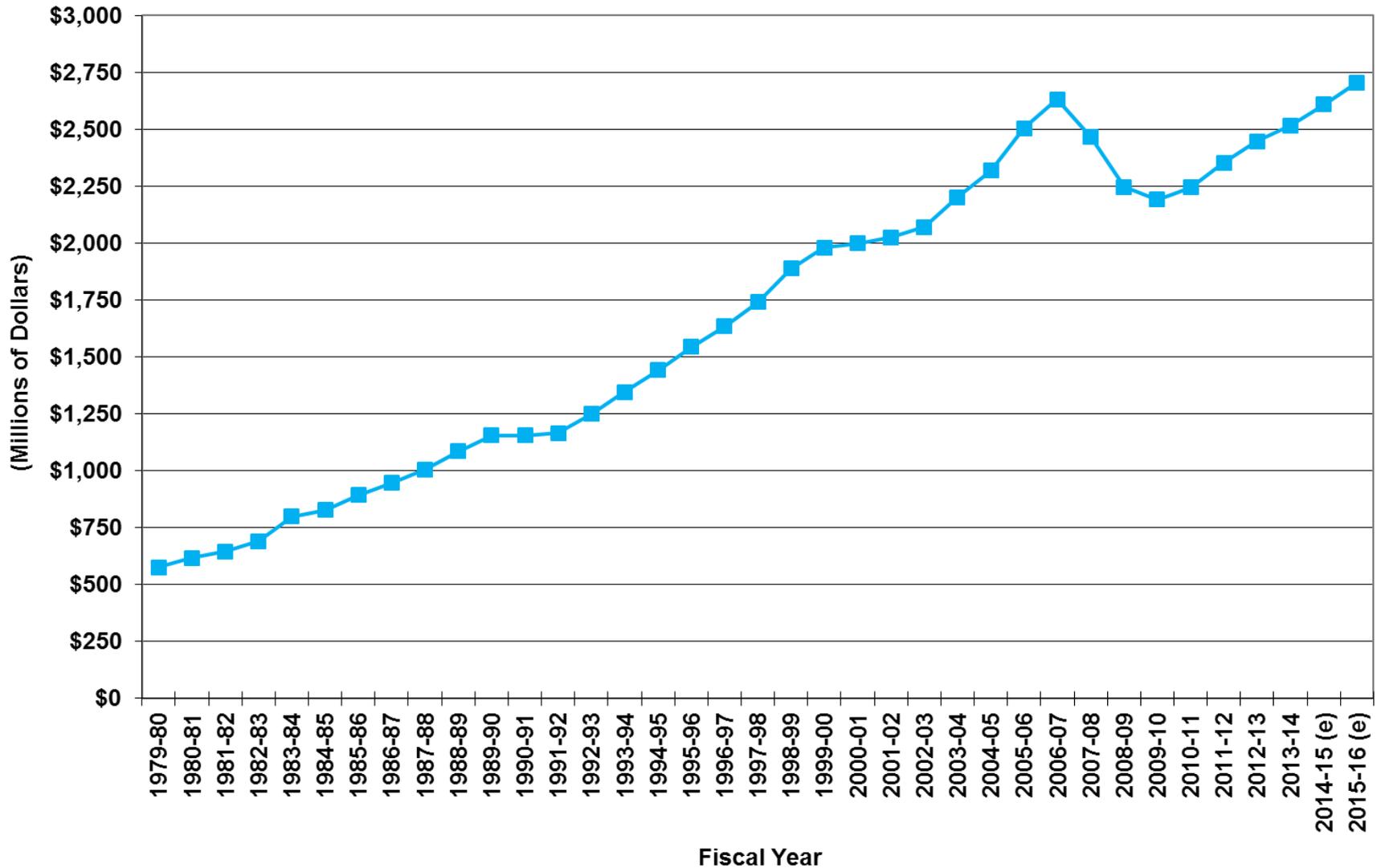
FY 2015-16 GENERAL FUND REVENUE

Percentage Distribution By Revenue Type

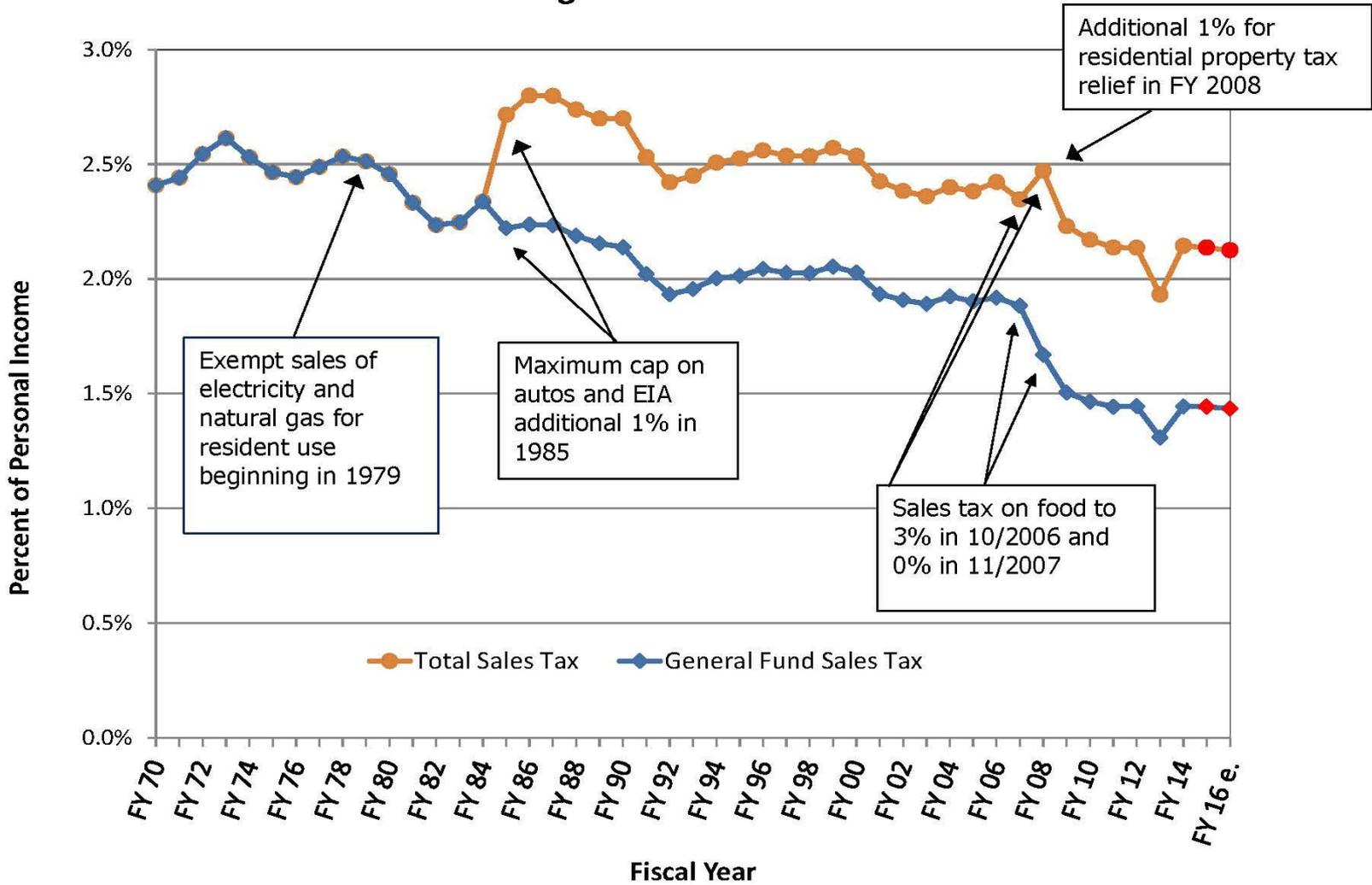
(dollars in millions)



South Carolina Sales Tax Revenue

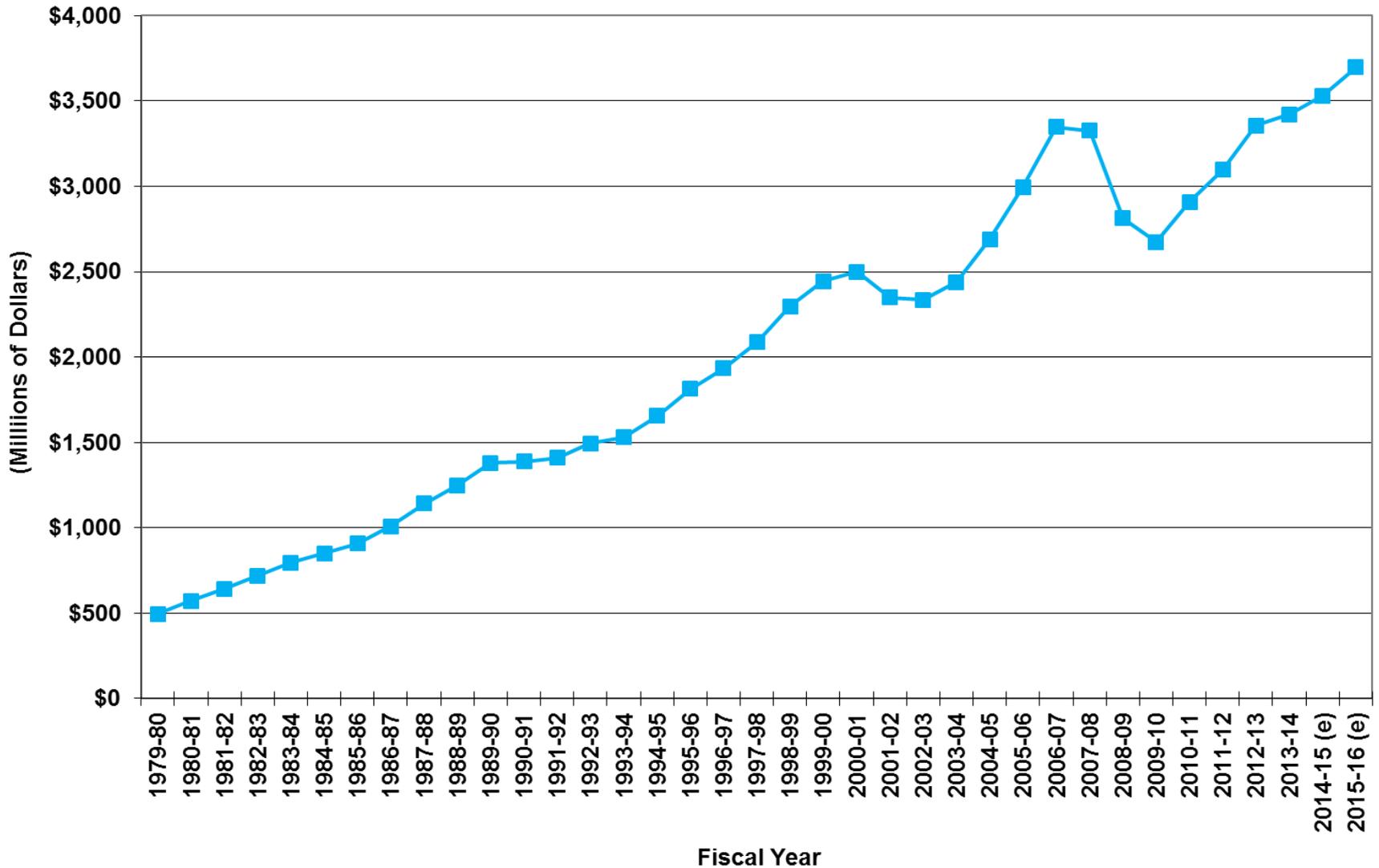


SOUTH CAROLINA TOTAL AND GENERAL FUND SALES TAX COLLECTIONS as a Percentage of Total Personal Income

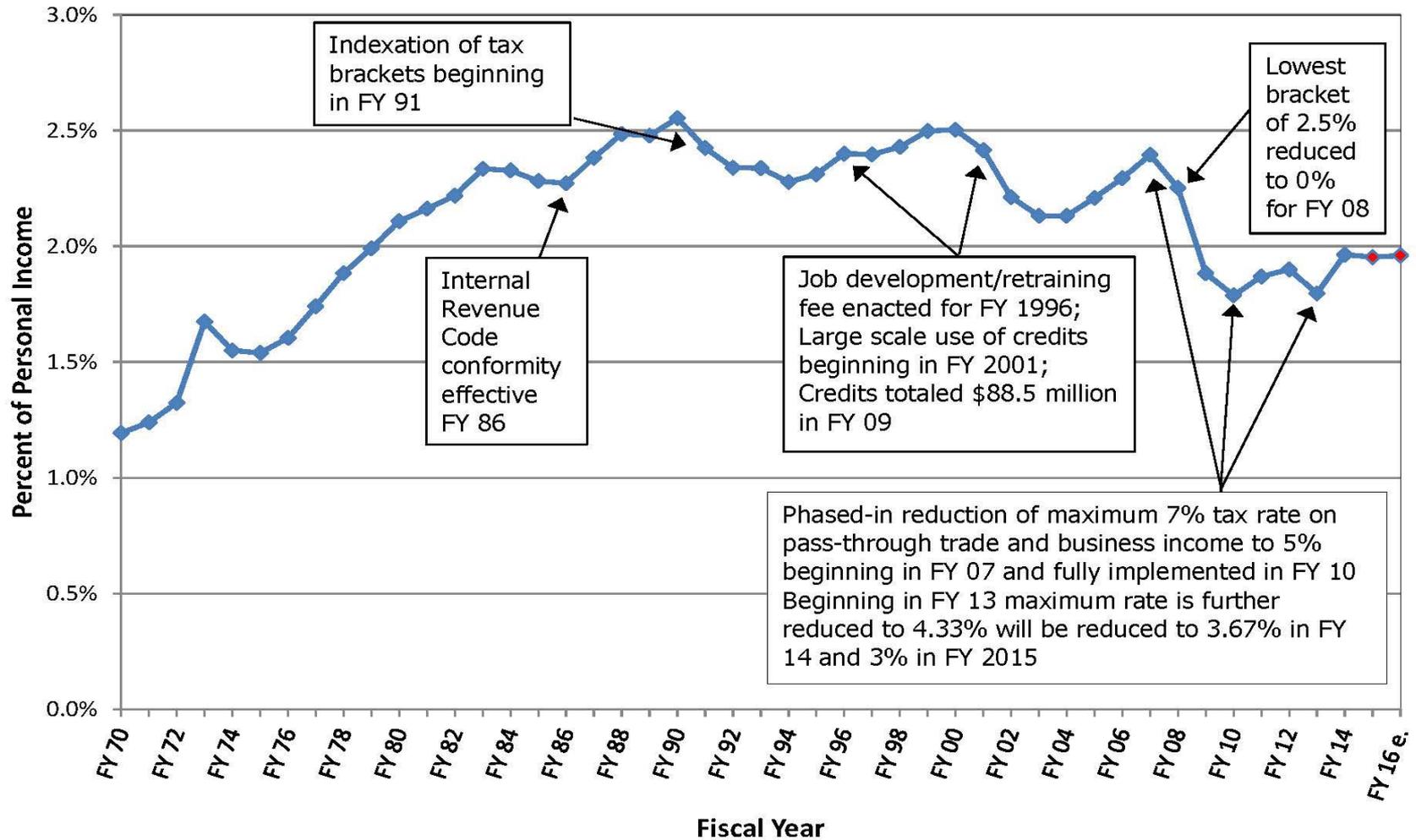


Source: SC sales tax collections and U.S. Department of Commerce, Bureau of Economic Analysis. GOS 32- 10/24/14

South Carolina Individual Income Tax Revenue



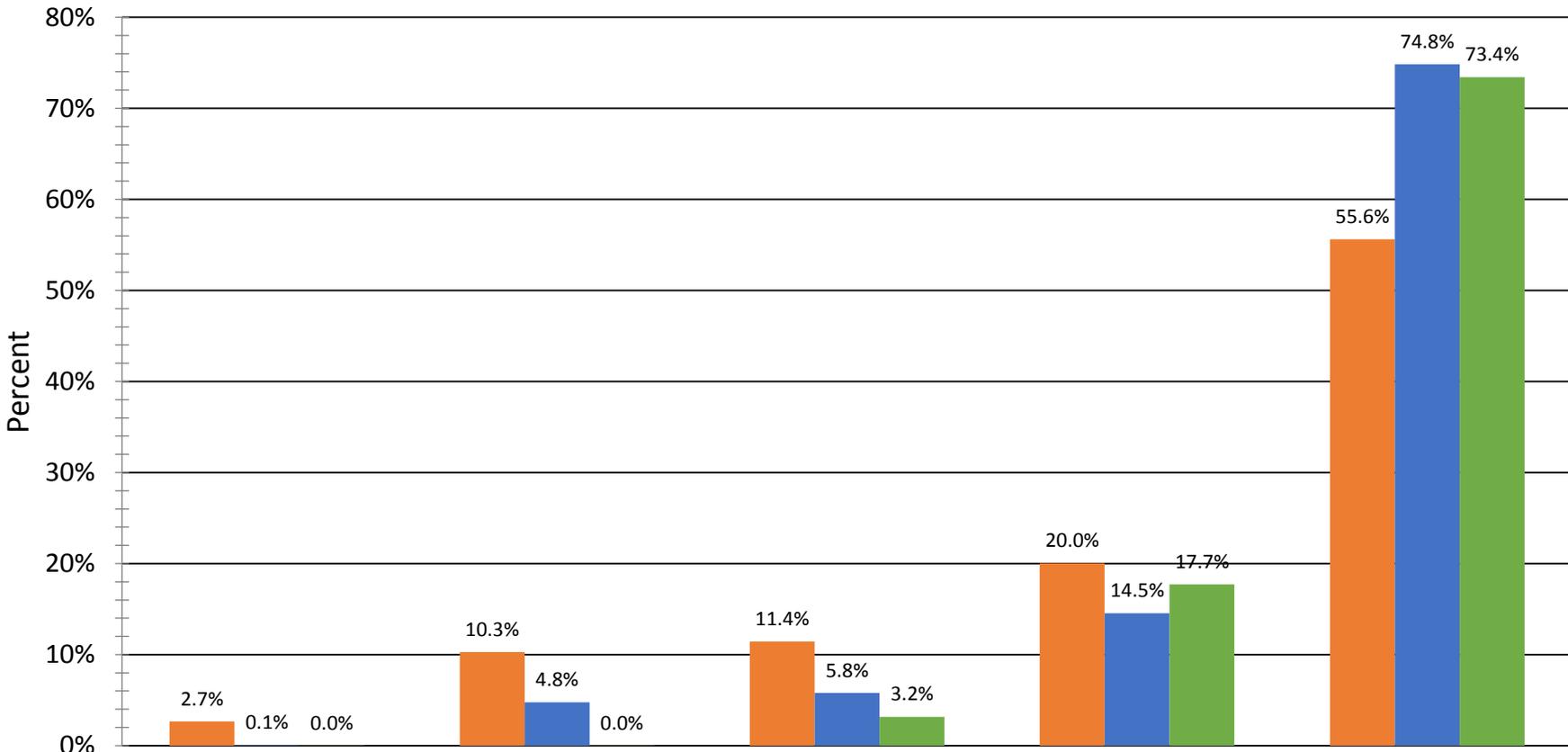
SOUTH CAROLINA INCOME TAX COLLECTIONS as a Percentage of Total Personal Income



Source: SC General Fund individual income tax collections and U.S. Department of Commerce, Bureau of Economic Analysis. GOS-34, 10/24/14

DISTRIBUTION OF INCOME AND TAXES, 2012

■ Percent of Federal AGI
 ■ Percent of Federal Taxes
 ■ Percent of SC Taxes



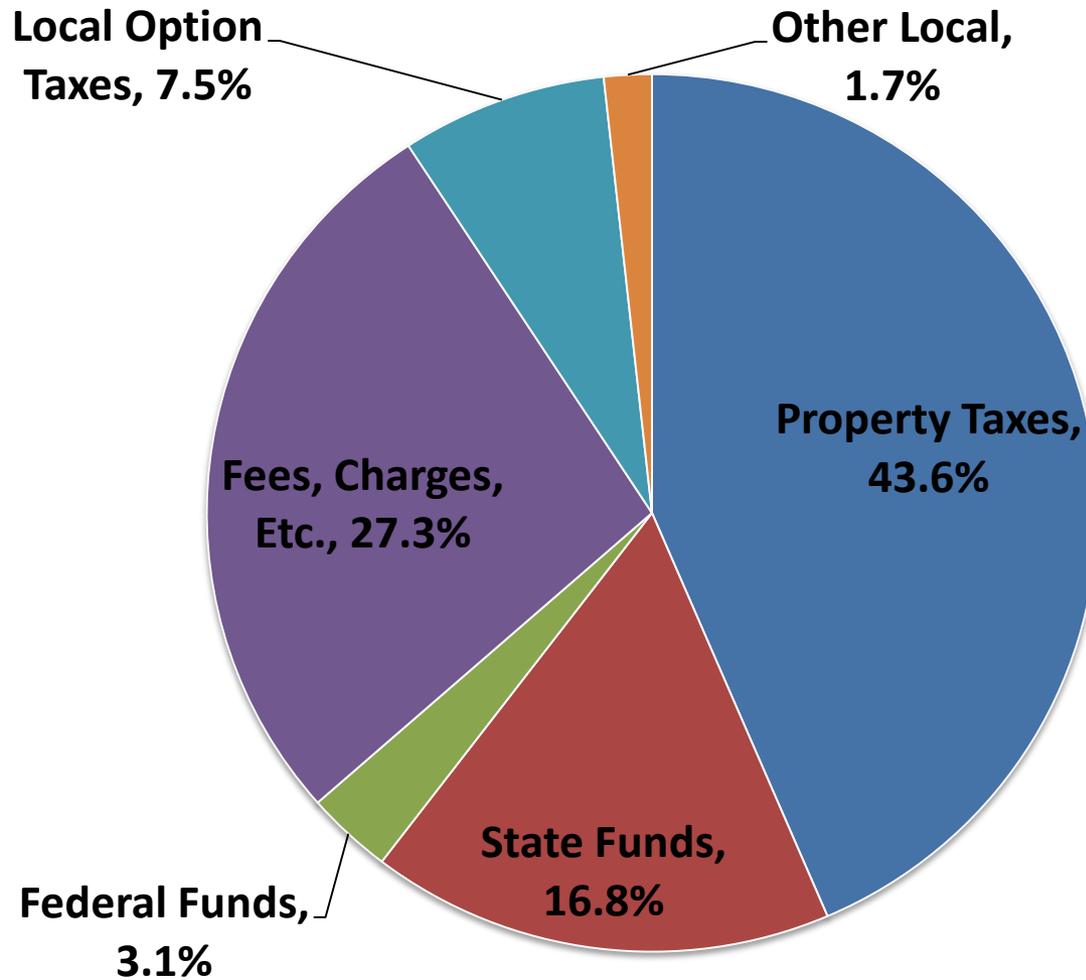
% of Returns	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%
Average Fed. AGI	\$6,716	\$26,006	\$28,941	\$50,734	\$140,878
SC Taxable Inc. Rge.	\$0 - \$0	\$0 - \$2,897	\$2,897 - \$16,338	\$16,338 - \$41,454	\$41,454 - \$2M +
Average SC Tax	\$0	\$0	\$237	\$1,327	\$5,933

Returns Ranked by SC Taxable Income

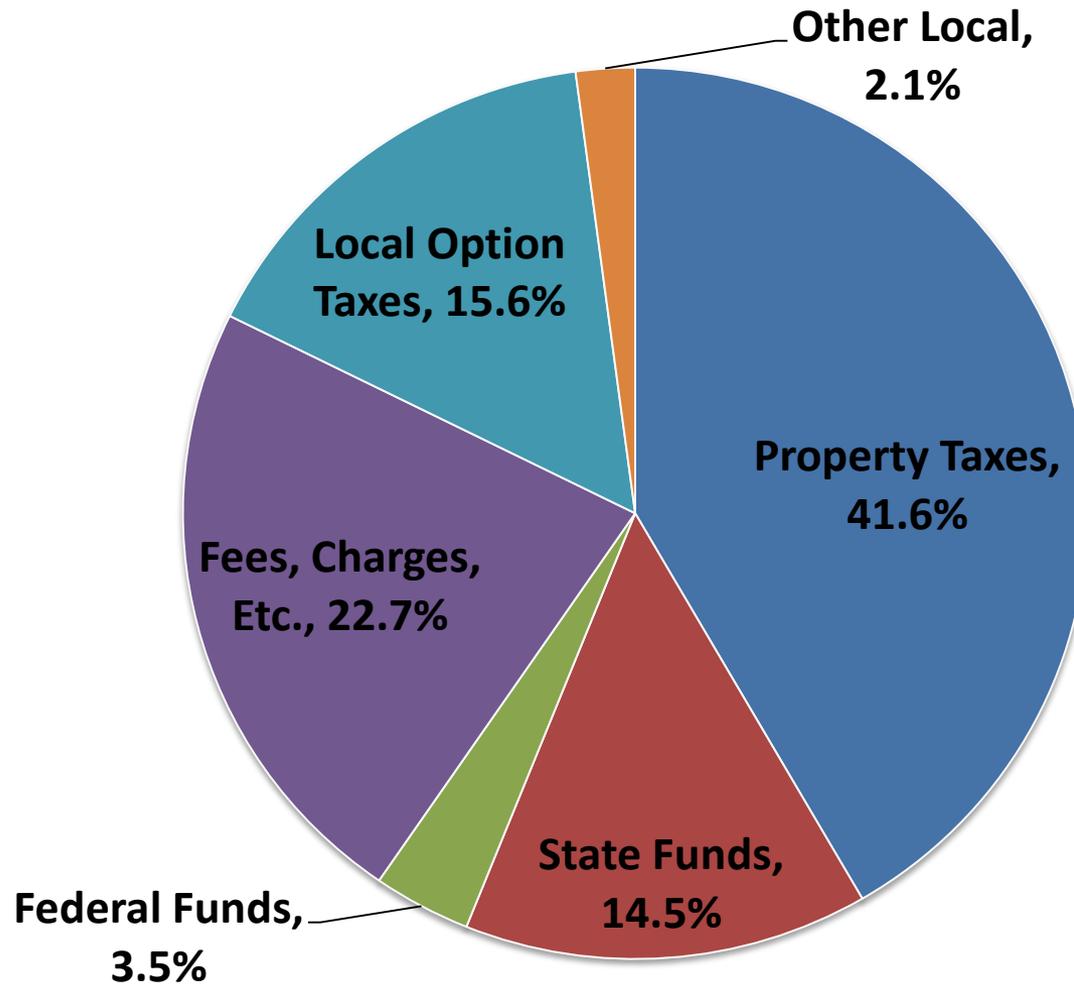


COUNTY REVENUES

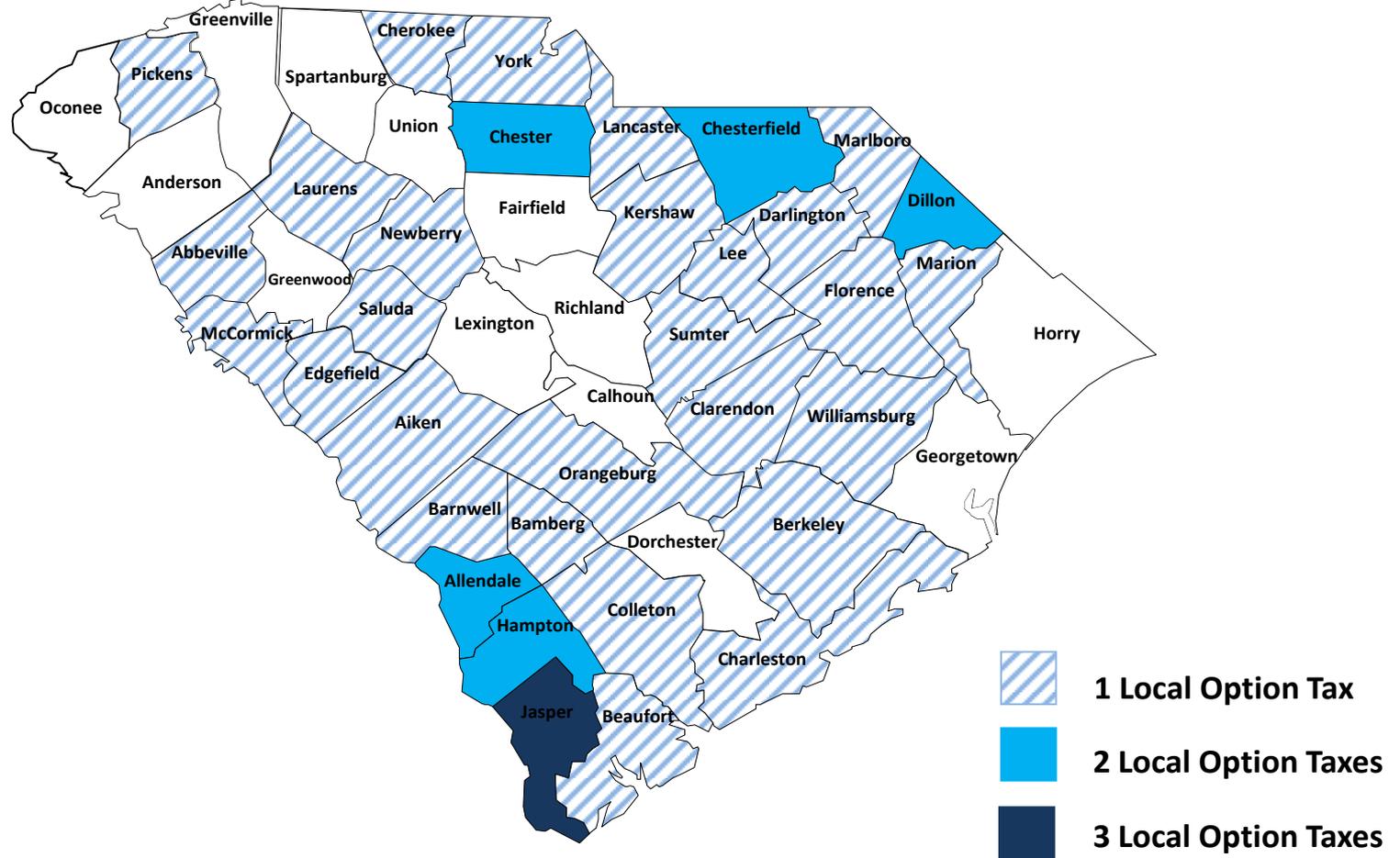
County Revenues – FY 2003



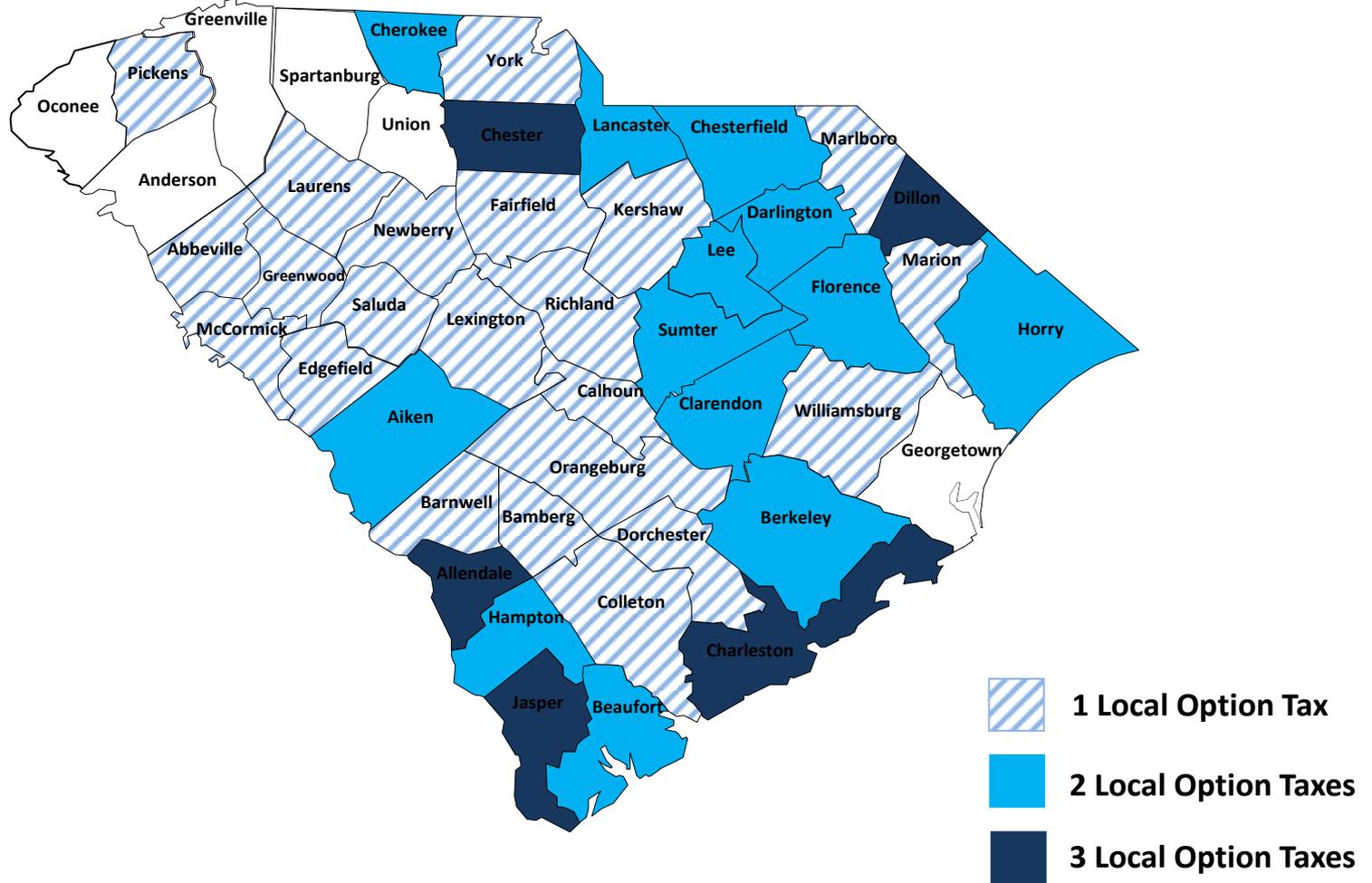
County Revenues – FY 2013



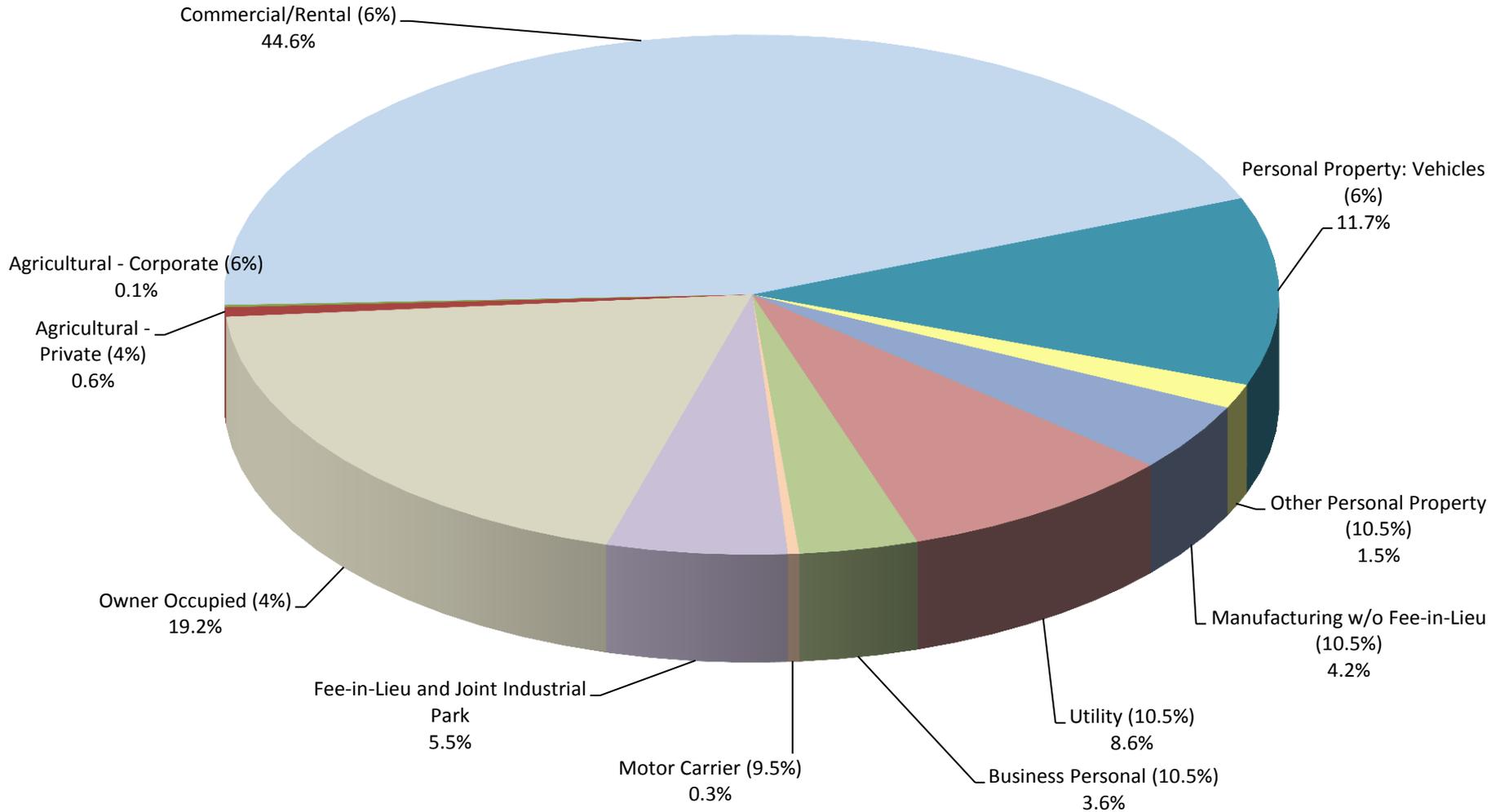
SC Local Option Taxes By County – FY 2003



SC Local Option Taxes By County – FY 2013

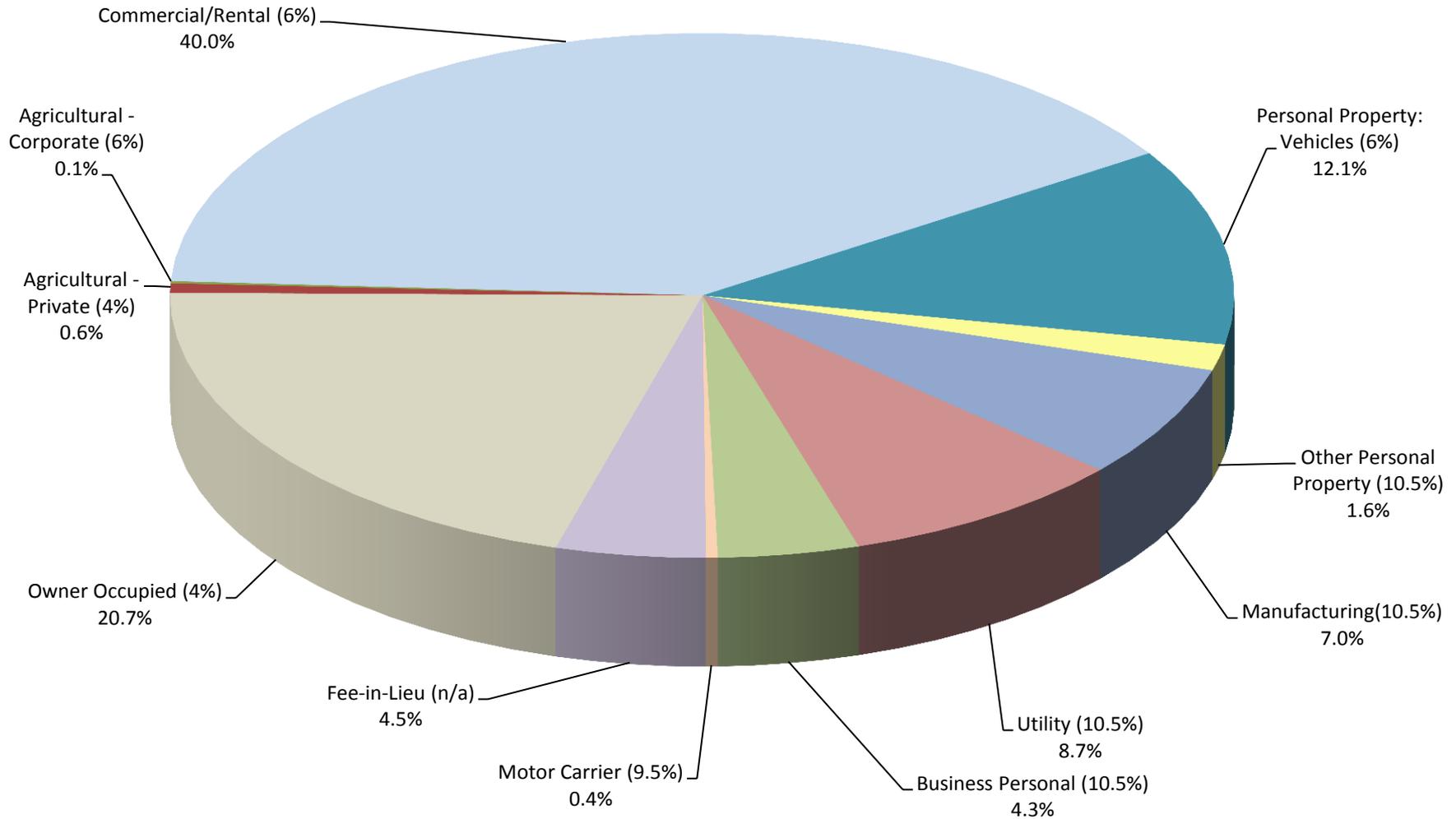


PROJECTED DISTRIBUTION OF PROPERTY TAX REVENUE BY ASSESSMENT CLASSIFICATION FOR FY 2015-16



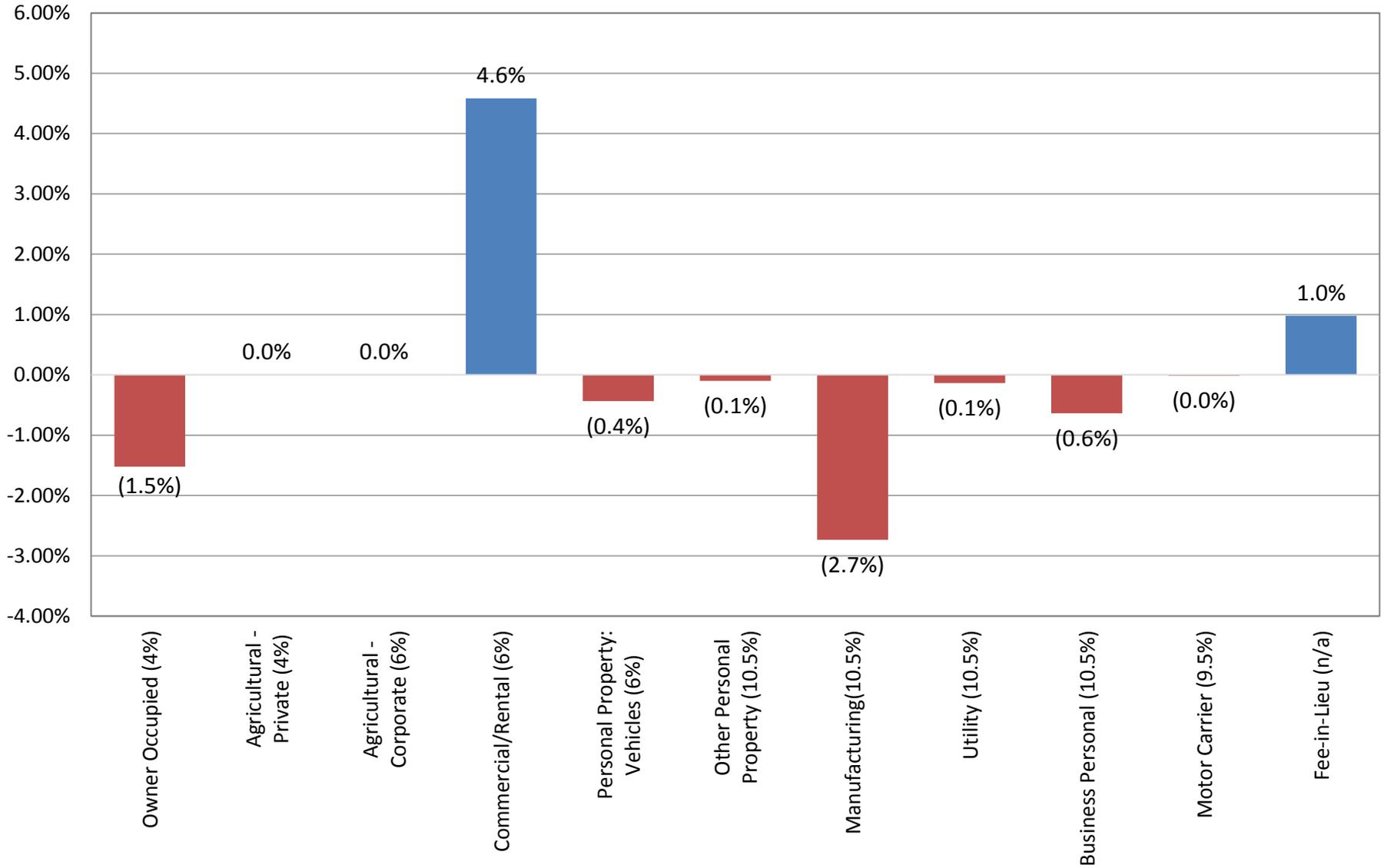
Note: Figures do not include the estimated \$1,283,773,839 in property tax relief reimbursed by the State.
(Assessment ratio in parentheses.)

PROJECTED DISTRIBUTION OF PROPERTY TAX REVENUE BY ASSESSMENT CLASSIFICATION FOR FY 2005-06

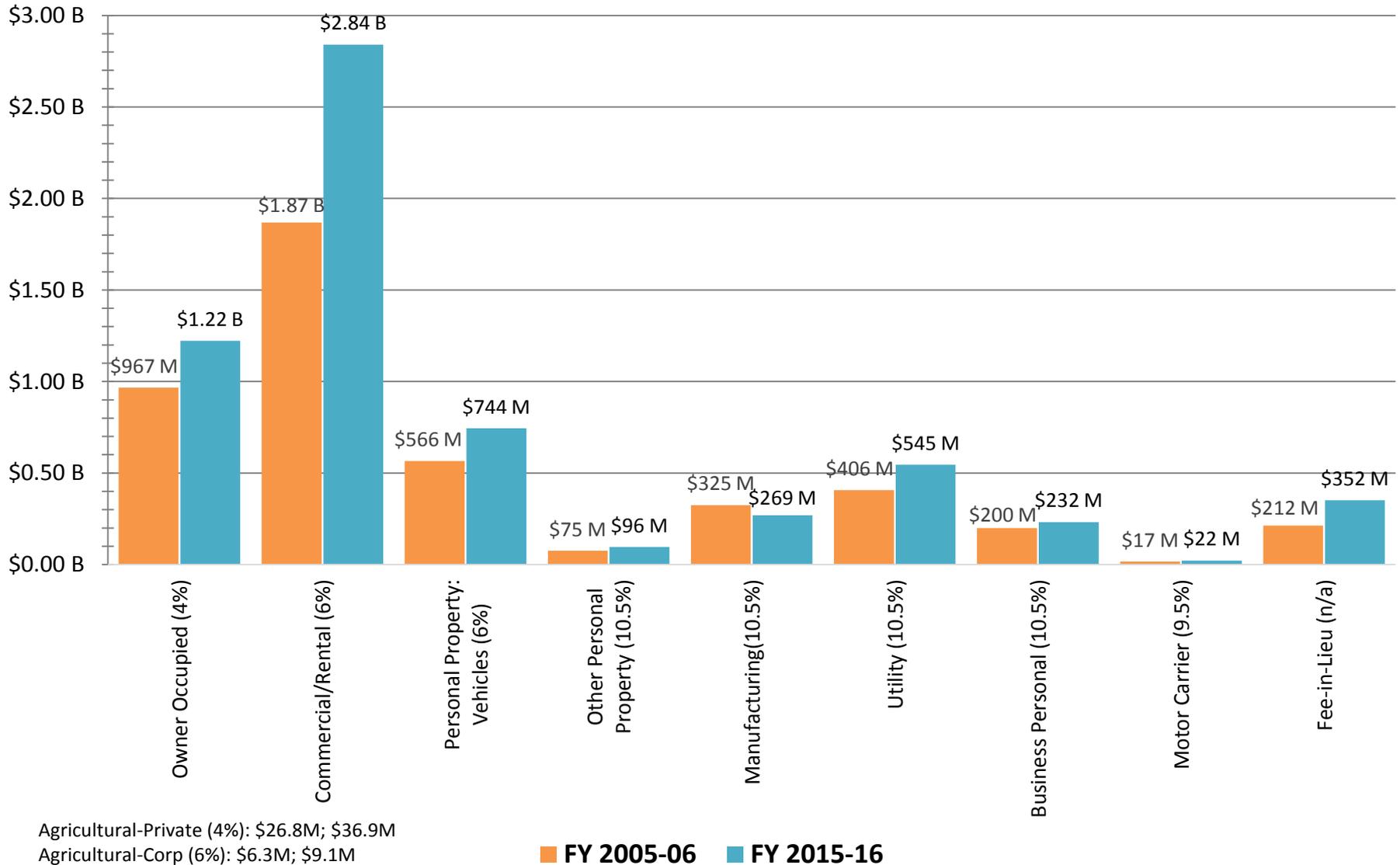


Note: Figures do not include the estimated \$500,073,073 in property tax relief reimbursed by the State.
(Assessment ratio in parentheses.)

CHANGE IN SHARE OF PROPERTY TAX REVENUE FY 2005-06 to FY 2015-16

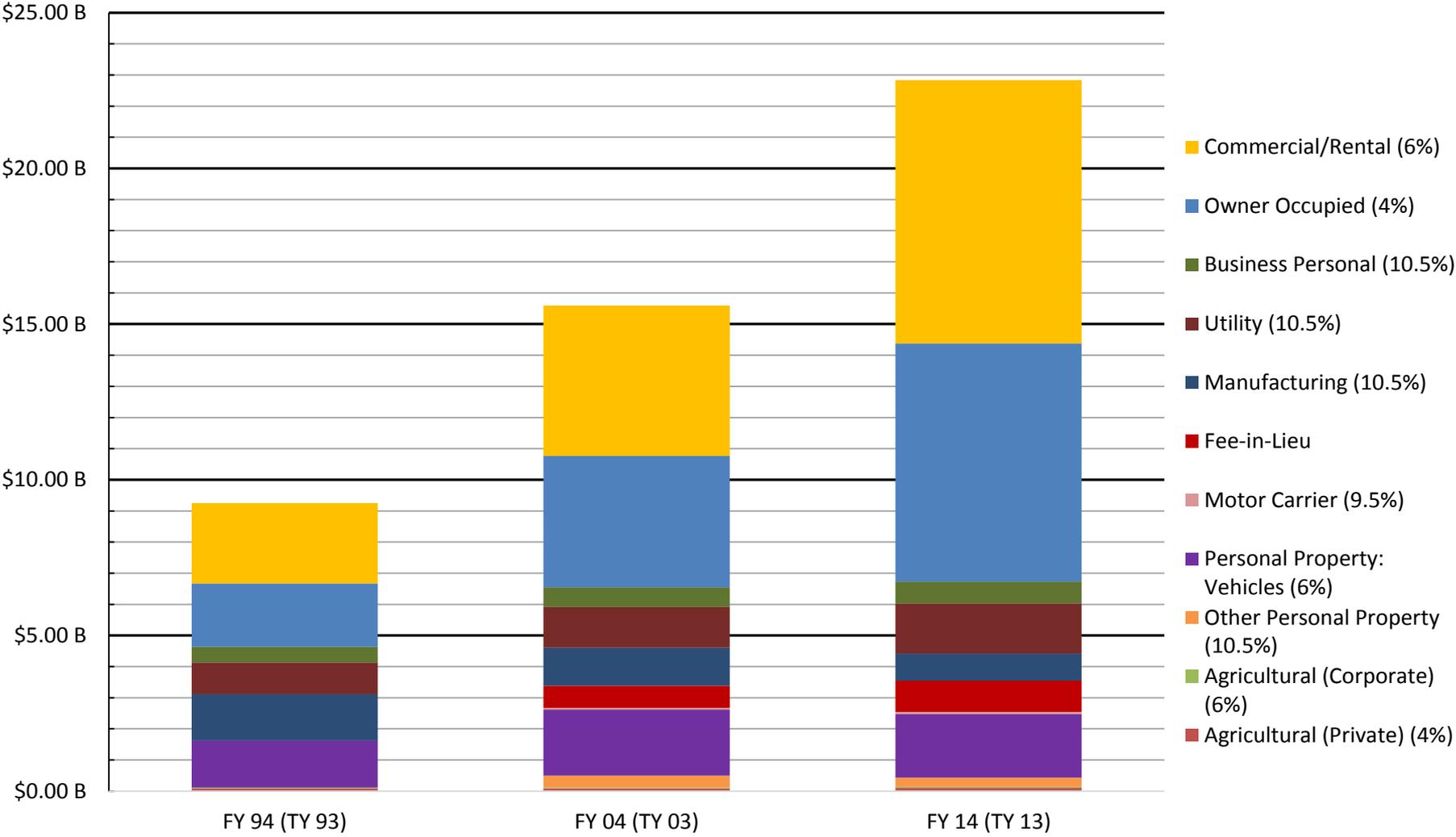


ESTIMATED PROPERTY TAX REVENUE FY 2005-06 and FY 2015-16



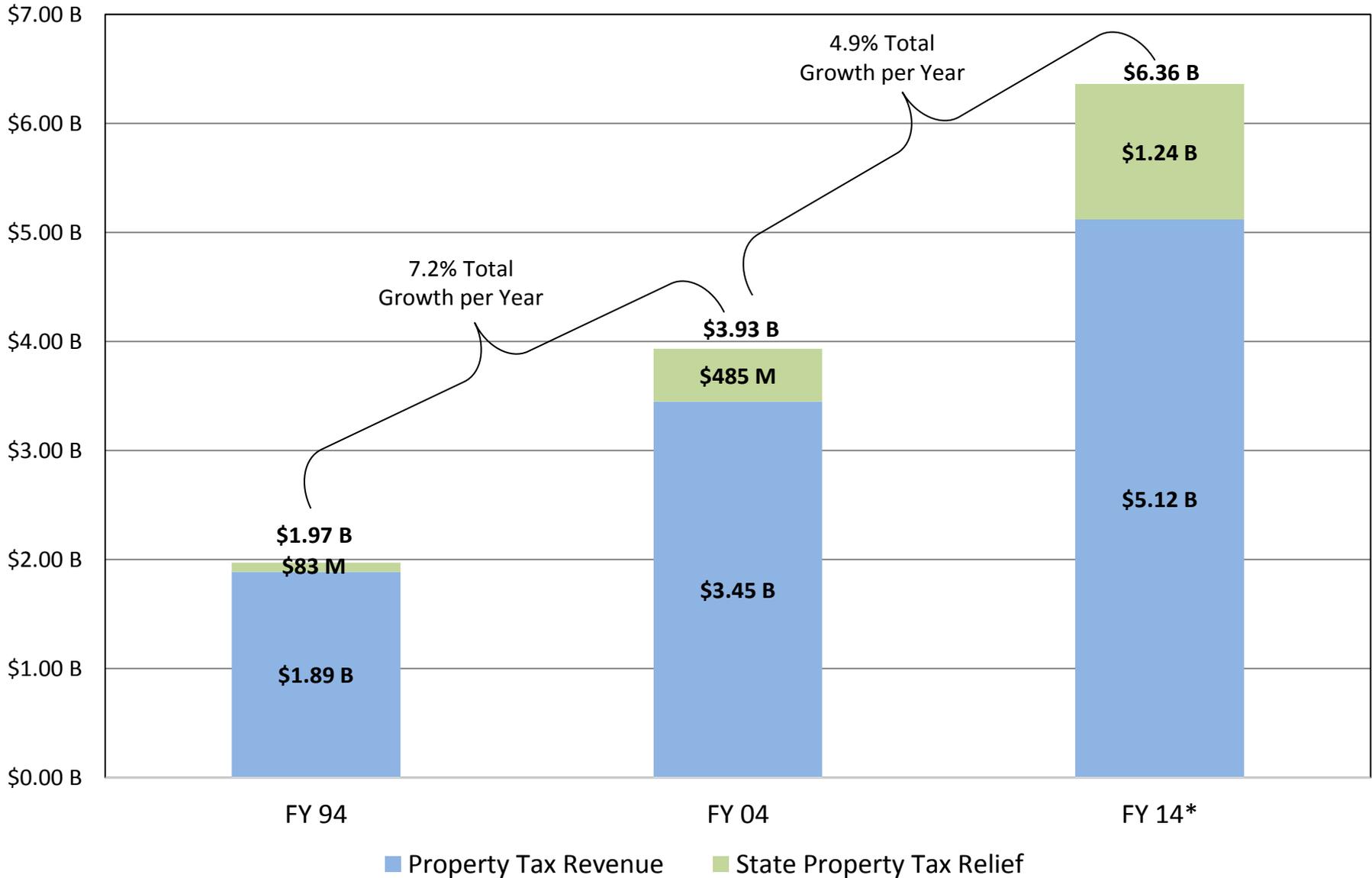
PROPERTY ASSESSED VALUE

FY 1993-94, FY 2003-04, and FY 2013-14



Notes: Personal property vehicles separated in FY 2004 and FY 2014 (assessment ratio phase-down from 10.5% to 6% from TY02 to TY07); Motor Carrier in Personal Property for FY 1994; Fee-in-Lieu in manufacturing for FY 1994.

PROPERTY TAX REVENUE AND STATE PROPERTY TAX RELIEF

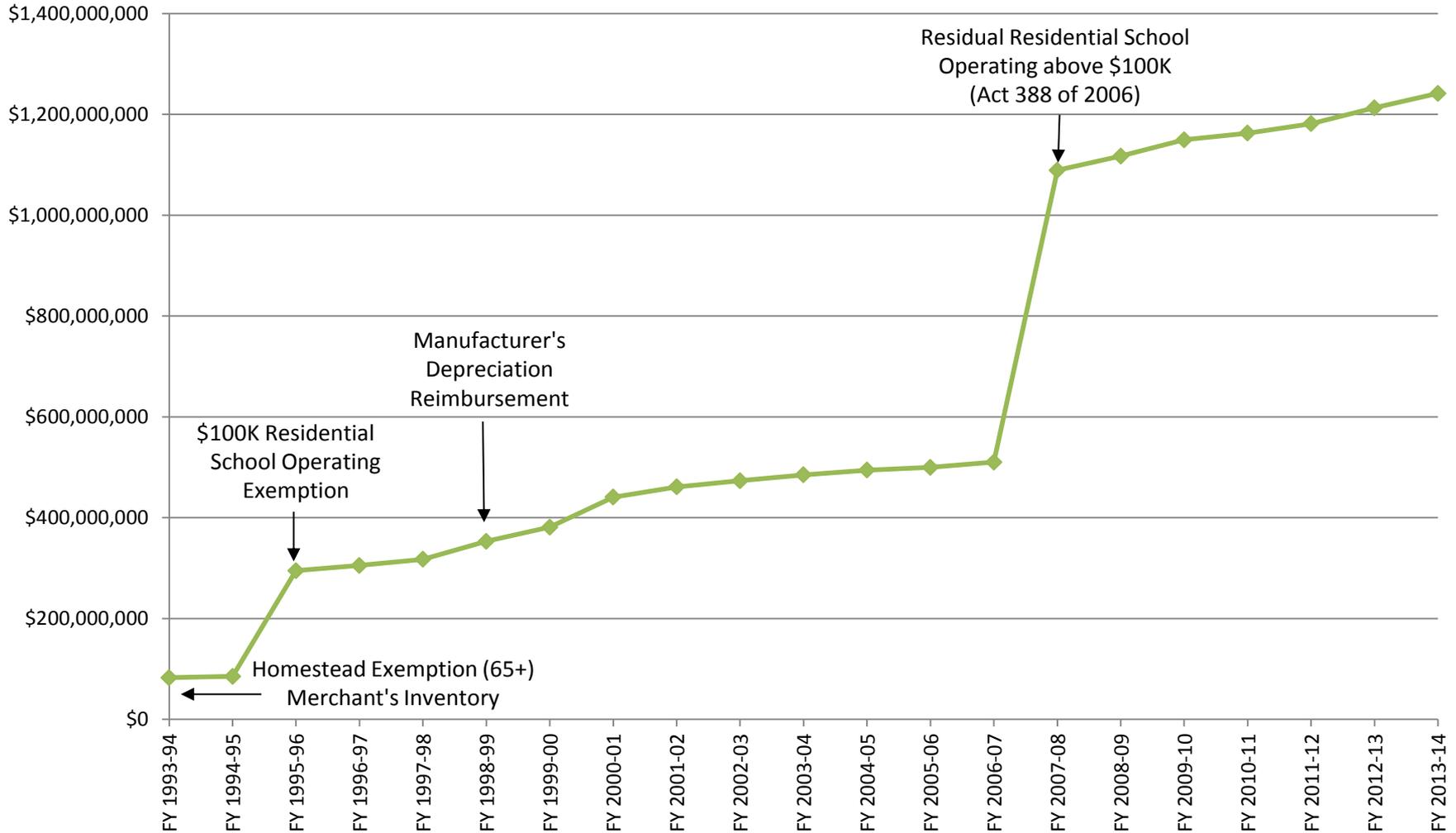


Note: Revenue collections for school districts, counties, and municipalities as reported in the Local Government Finance Report

*estimate

STATE PROPERTY TAX EXEMPTION REIMBURSEMENTS

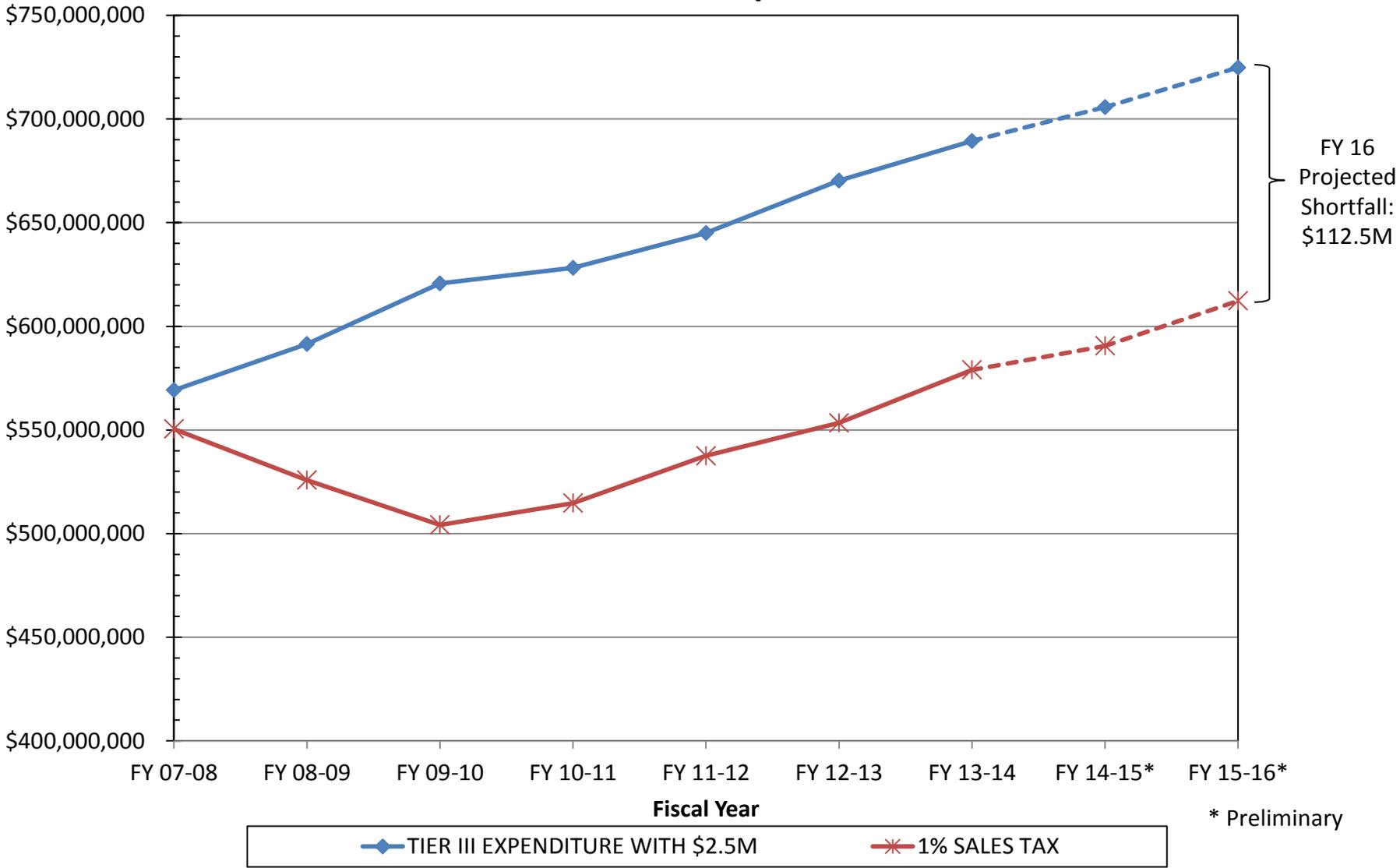
Trust Fund for Tax Relief and Homestead Exemption Fund



State property tax exemption reimbursements include: \$100K residential school operating exemption, Homestead Exemption (age 65+), residual residential school operating exemption above \$100K (Act 388 of 2006), \$2.5M minimum disbursement, Manufacturer's Depreciation Reimbursement, and Merchant's Inventory Tax Exemption

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 11/10/14 BEA forecast.



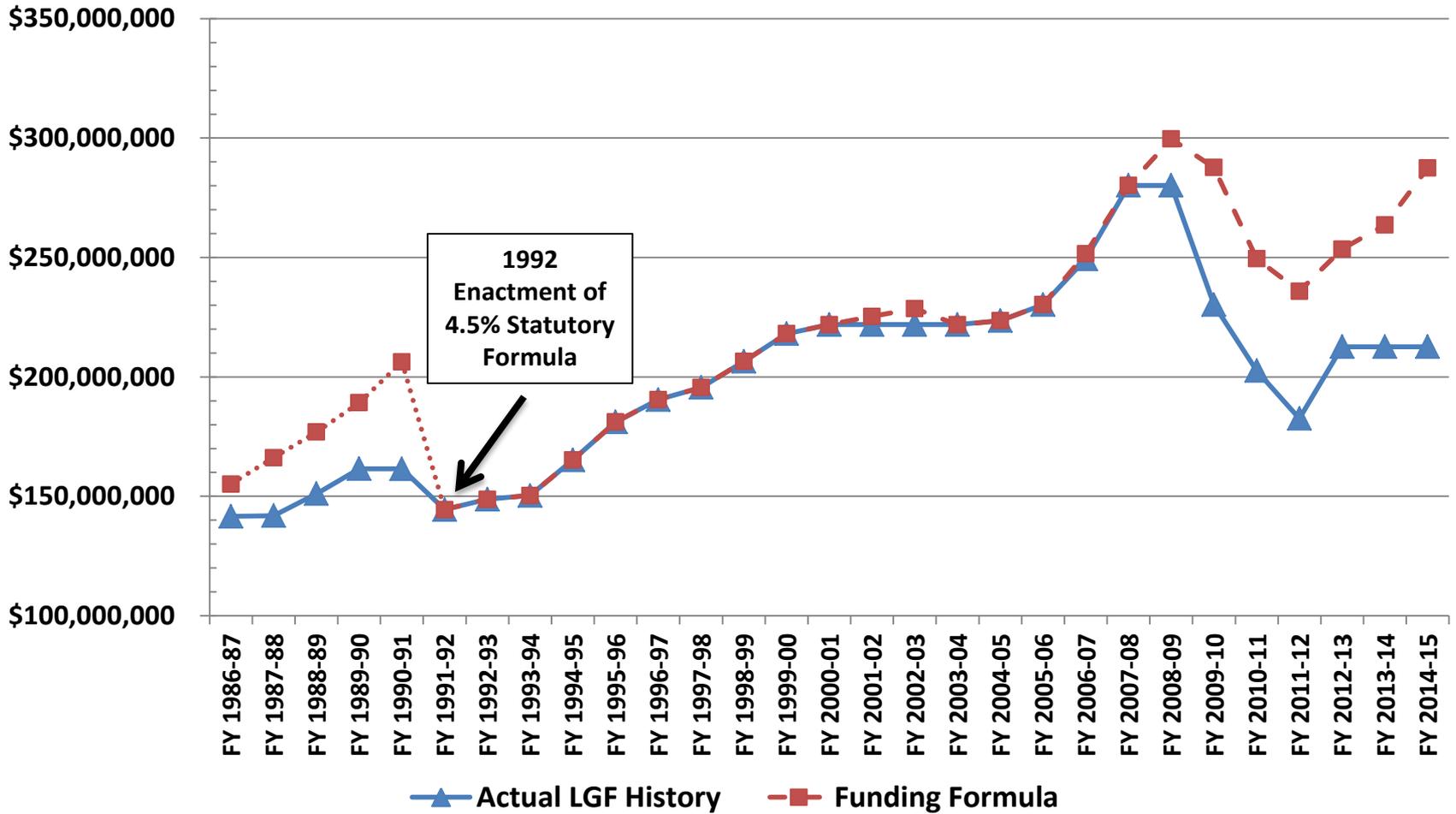
LEGISLATIVE ISSUES

Revenue

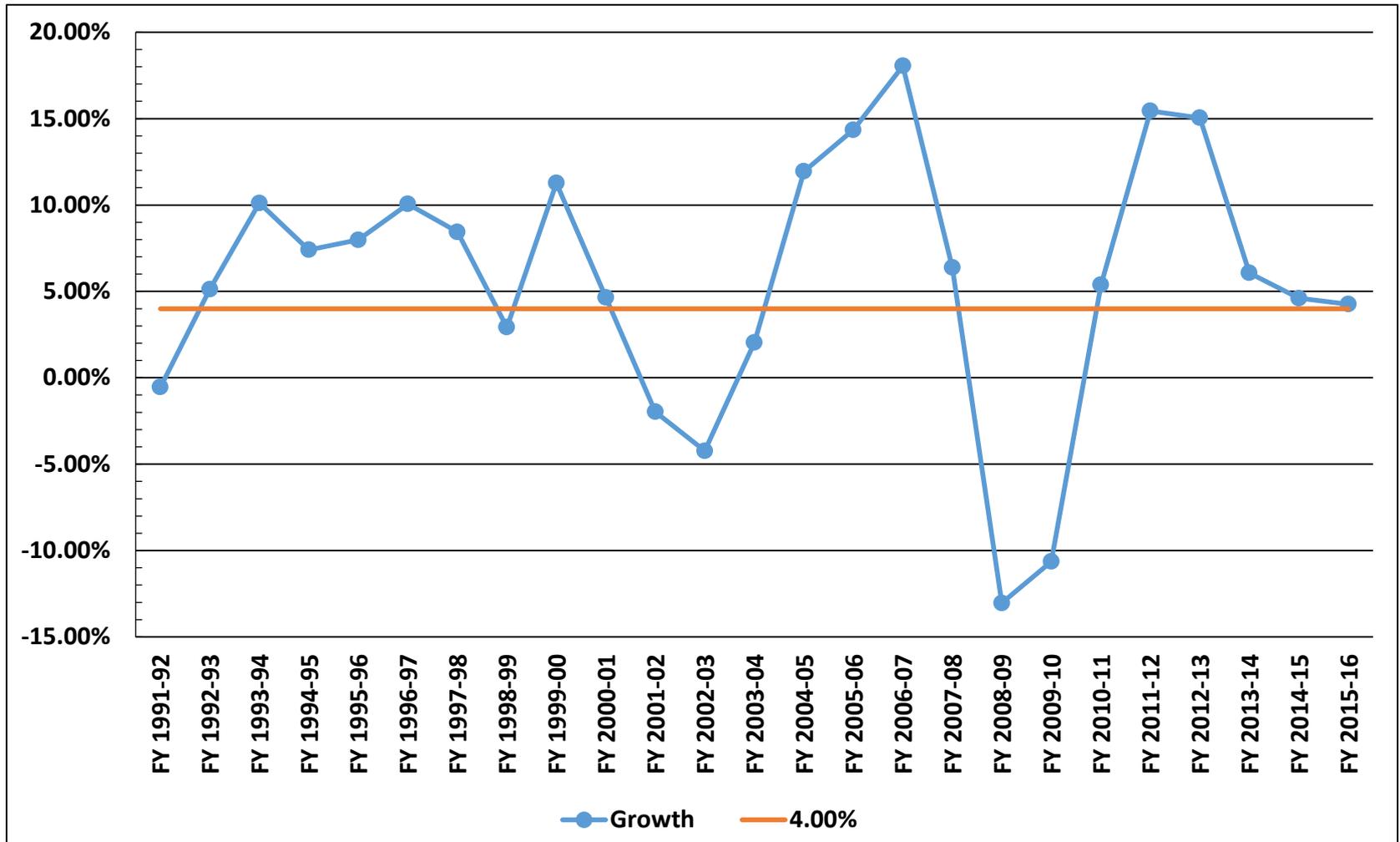
Revenue Summary FY 14-15 and FY 15-16

	FY 2014-15 Act	FY 2015-16 Projection	Difference FY16 vs FY15	Percent Change
General Fund (net Tax Relief Trust Fund)	6,659,488,052	6,947,065,837	287,577,785	4.32%
EIA	647,596,267	677,698,500	30,102,233	4.65%
General Fund Surplus	235,675,449	38,796,043	(196,879,406)	-83.54%
Capital Reserve Fund	114,867,392	127,791,525	12,924,133	11.25%
Lottery Proceeds	345,070,643	298,925,000	(46,145,643)	-13.37%
Tobacco Settlement Revenue	88,000,000	70,000,000	(18,000,000)	-20.45%
Cigarette Surtax	130,814,351	125,608,453	(5,205,898)	-3.98%
Grand Total	8,221,512,154	8,285,885,358	64,373,204	0.78%

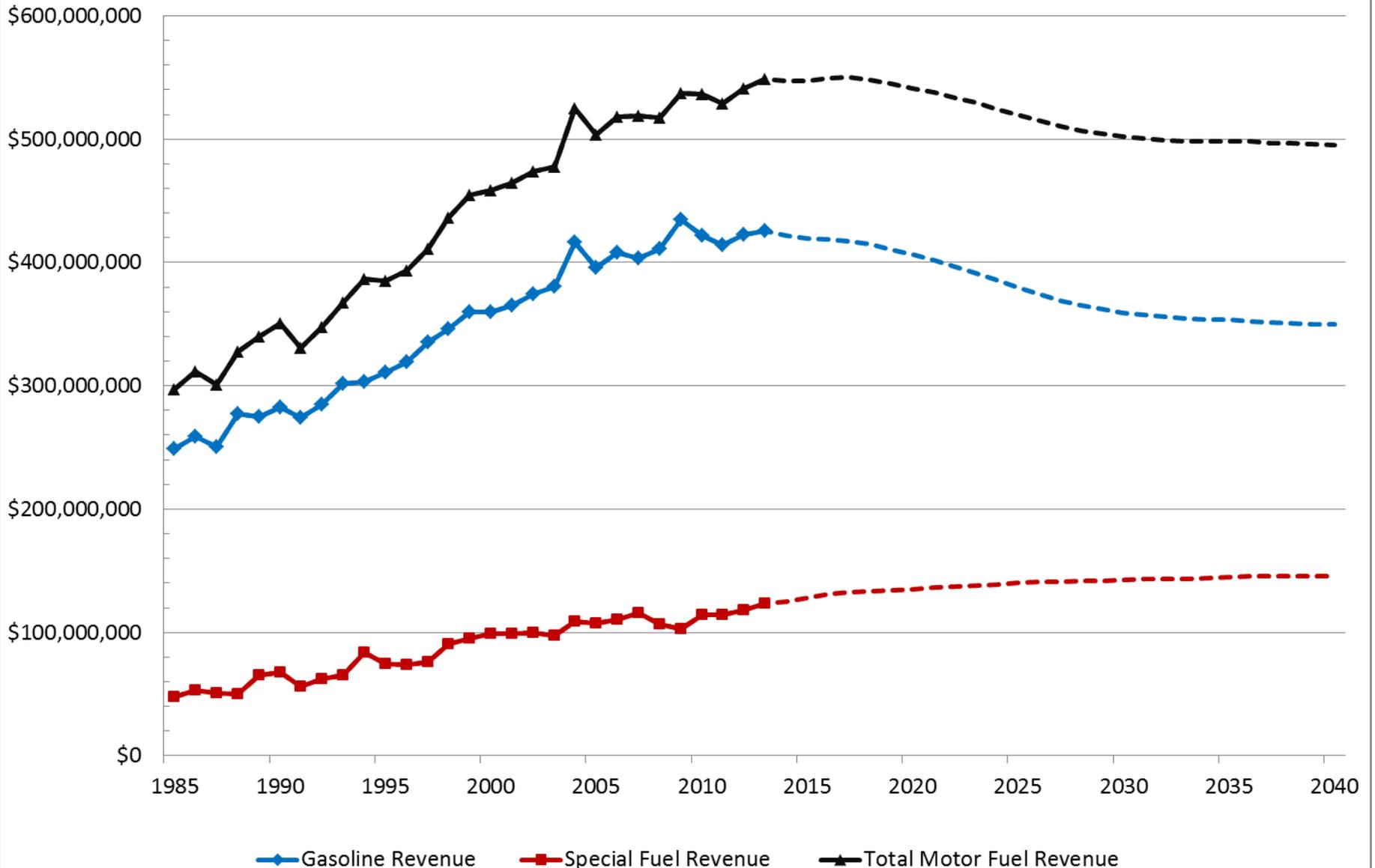
Local Government Fund Actual History and Funding Formula FY 1986-87 to FY 2013-14



Growth in the BEA General Fund Forecast Over the Recurring Expenditure Base FY 1991-92 to FY 2015-16

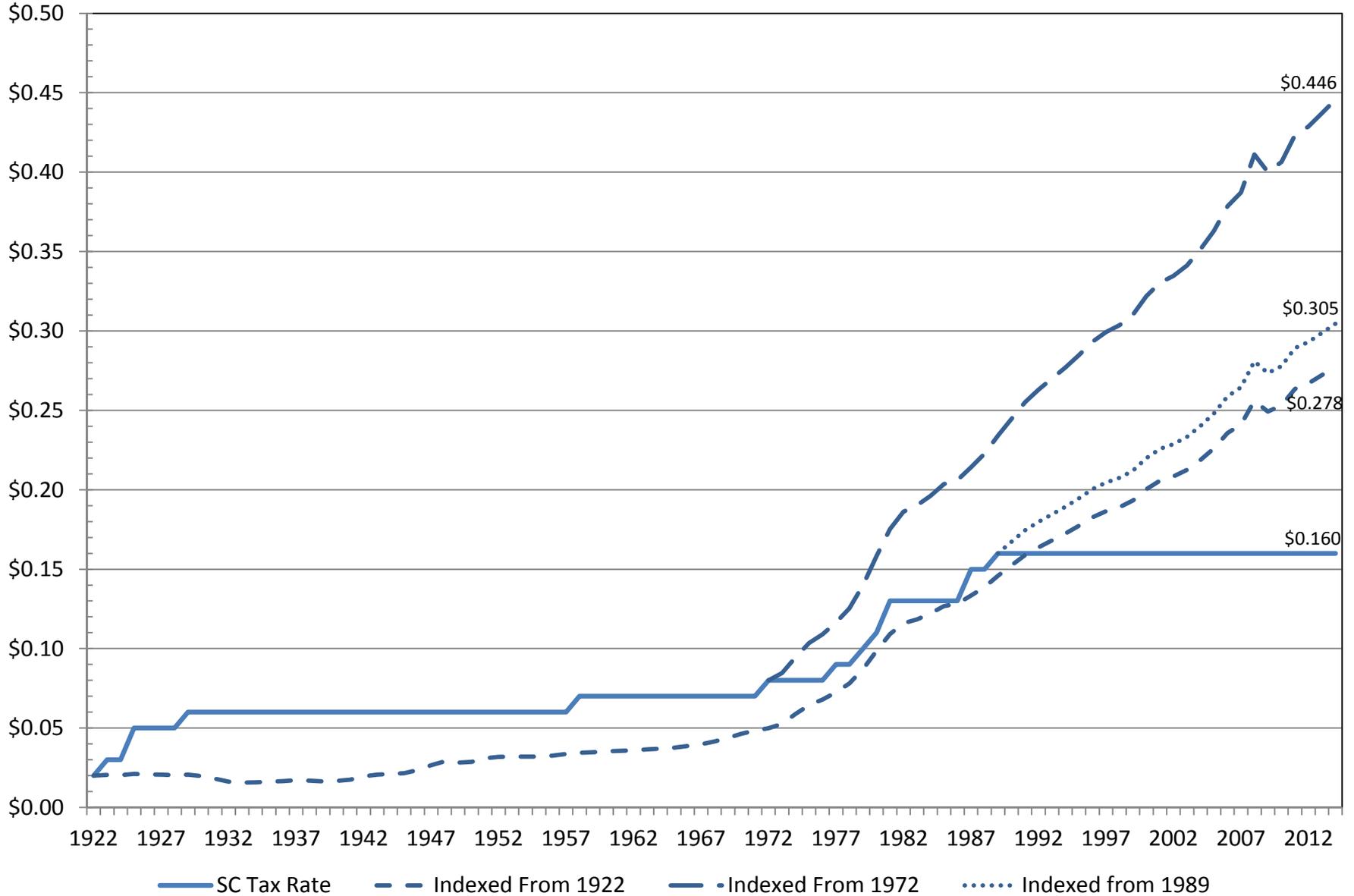


Motor Fuel User Fee Revenue in South Carolina



Data source: U.S. Department of Transportation, Federal Highway Administration, Washington, D.C.; U.S. Energy Information Administration, Annual Energy Outlook 2014
 Source: S.C. RFA; CJD 1/20/15

SC ACTUAL USER FEE AND INDEXED FEES



Data Sources: Bureau of Labor Statistics, CPI Detailed Report Data for July 2014
 Source: S.C. RFA; CJD 1/29/15