SOUTH CAROLINA UPDATE
Economic and Other Trends

PRESENTED TO

County Council Coalition
SC Association of Counties

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SC PERSONAL INCOME FISCAL YEAR GROWTH RATES

Actuals, Estimates, and Averages

Source: US Department of Commerce, Bureau of Economic Analysis  RFA-173 FAR/09/30/18
Total Nonfarm Employment Growth in South Carolina

Source: U.S. Department of Labor, Bureau of Labor Statistics
SOUTH CAROLINA POPULATION BY AGE GROUP
2010 TO 2020

Note: US Census Bureau, population estimates 2010 to 2016; Revenue and Fiscal Affairs Office, population projections 2017 to 2020
SOUTH CAROLINA GENERAL FUND REVENUE as a Percentage of Total Personal Income

Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34F-EM/09/25/18
SOUTH CAROLINA TOTAL AND GENERAL FUND SALES TAX COLLECTIONS

Source: Revenue and Fiscal Affairs Office 32A-EM/09/20/18
SOUTH CAROLINA TOTAL AND GENERAL FUND SALES TAX COLLECTIONS as a Percentage of Total Personal Income

- Maximum cap on autos and EIA additional 1% in 1985
- Additional 1% for residential property tax relief in FY 2007-08
- Sales tax on food to 3% in 10/2006 and 0% in 11/2007

The Wayfair decision allows SC to start collecting additional sales tax on E-commerce sales

DOR is issuing policy and will begin collecting sales tax in November

Latest estimate of additional collections with the smaller seller exemptions is $74.4M for a full year; $40.2 M in General Fund

Actual collections will be for the last half of FY 2018-19
ESTIMATED ANNUAL INCREASE IN E-COMMERCE SALES AND USE TAX - $74.4 MILLION

Source: S.C. Revenue and Fiscal Affairs Office

- General Fund: $40.2 million
- Local Sales Tax: $14.0 million
- Education Improvement Act Fund: $10.1 million
- Homestead Exemption Fund: $10.1 million
- Uncollected Sales Tax with Small Seller Exemption: $29.5 million
**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.  RFA 34-EM/09/25/18

- **Indexation of tax brackets beginning in FY 91**
- **Lowest bracket of 2.5% reduced to 0% for FY 08**
- **Internal Revenue Code conformity effective FY 86**
- **Job development/retraining fee enacted for FY 96; Large scale use of credits beginning in FY 2001; Credits totaled $88.5 million in FY 09**
- **Phased-in reduction of maximum 7% tax rate on pass-through trade and business income to 5% beginning in FY 07 and fully implemented in FY 10**
  - Beginning in FY 13 maximum rate is further reduced to 4.33% will be reduced to 3.67% in FY 14 and 3% in FY 15
LOCAL GOVERNMENT FUND
Comparison of Actual Funding to Statutory Formula

Source: S.C. Revenue and Fiscal Affairs Office - 214 -LPW/9/10/18
SOUTH CAROLINA ASSESSED PROPERTY VALUE GROWTH
2010 - 2016

Source: Department of Revenue, Local Government Finance Report
217 – SC Assessed Property 2010 - 2016 RFA/MKM 08/03/2018
MILLAGE RATE INCREASE LIMITATIONS
From FY 2012-13 TO FY 2017-18

Note: Population estimates based upon Census Bureau estimates from 2010 to 2016

218 – Millage Rate Increase Limitations  2012-13 to 2017-18 RFA-mkg/08/02/2018