

# FY 2017-18 FISCAL YEAR-END CLOSEOUT

PRESENTED TO  
SENATE FINANCE COMMITTEE

September 26, 2018



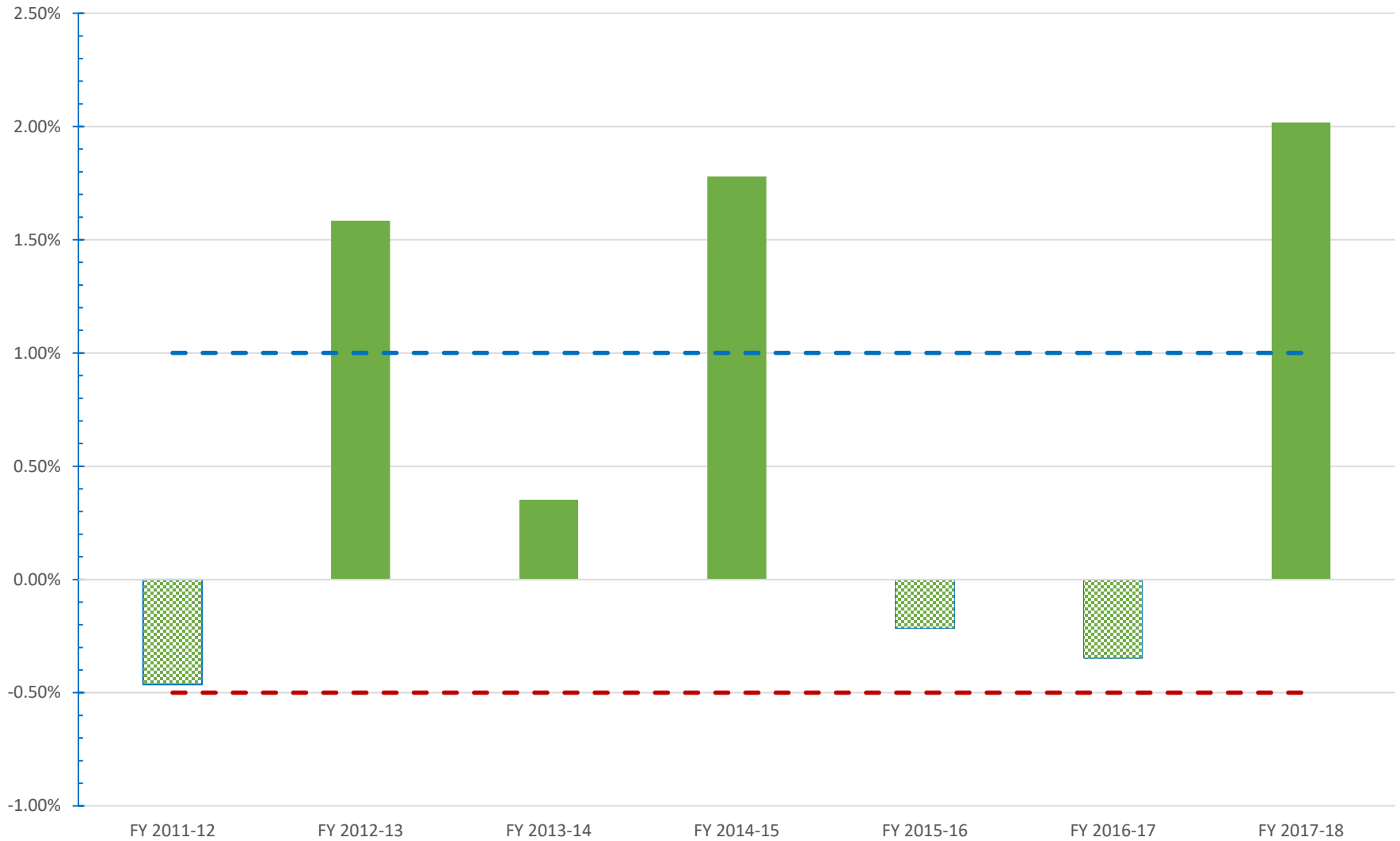
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[www.rfa.sc.gov](http://www.rfa.sc.gov)

# FY 2017-18 YEAR END RESULTS

\$177.1 Million Budget Surplus

- Revenue Surplus of \$173.6 million
- Lapse, Veto, Open-Ended Appropriations Net Surplus of \$3.5 million

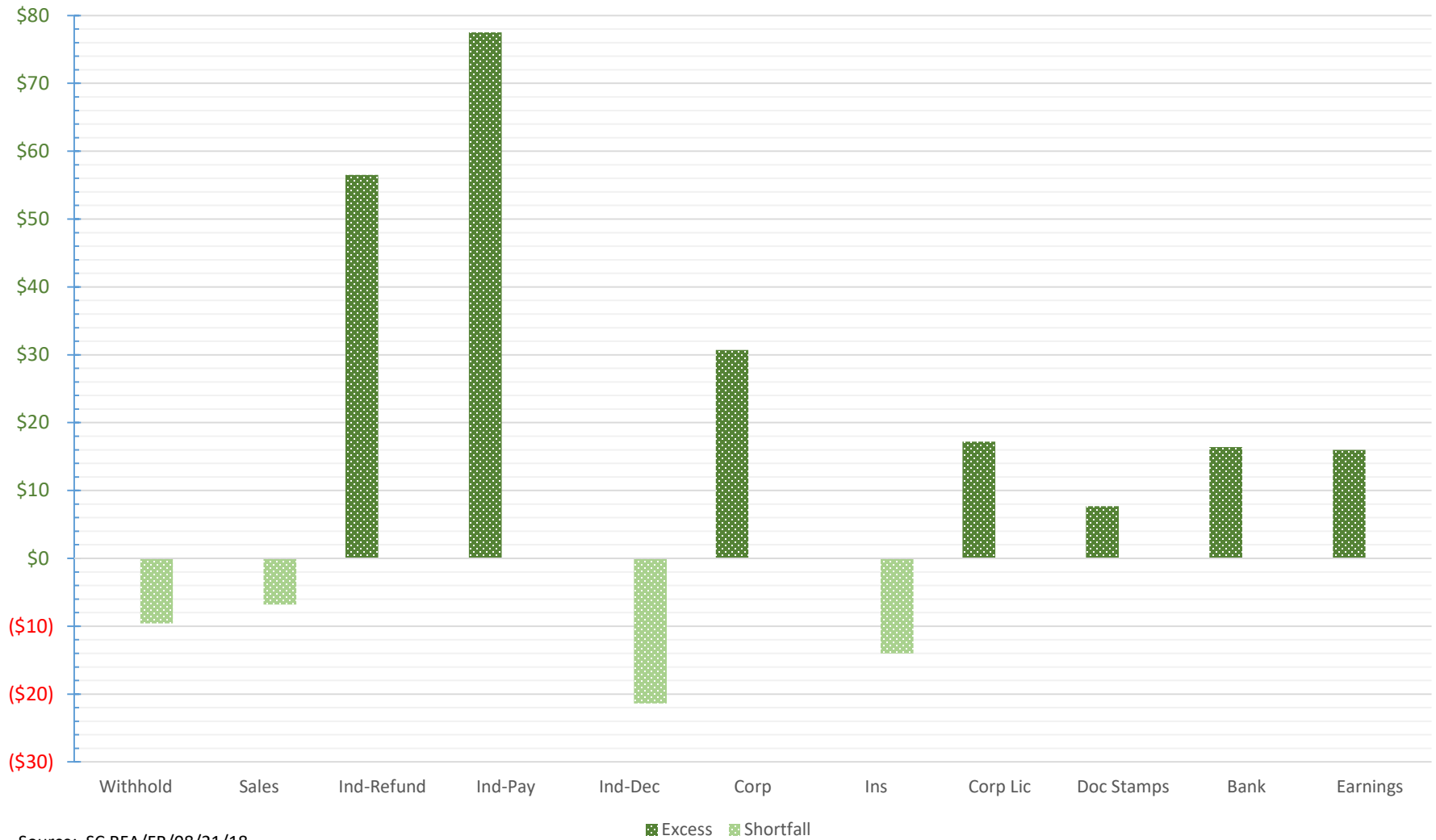
## GENERAL FUND FORECAST ACCURACY Last Estimate as a Percent of Actual



Source: SC RFA/FR/08/21/18



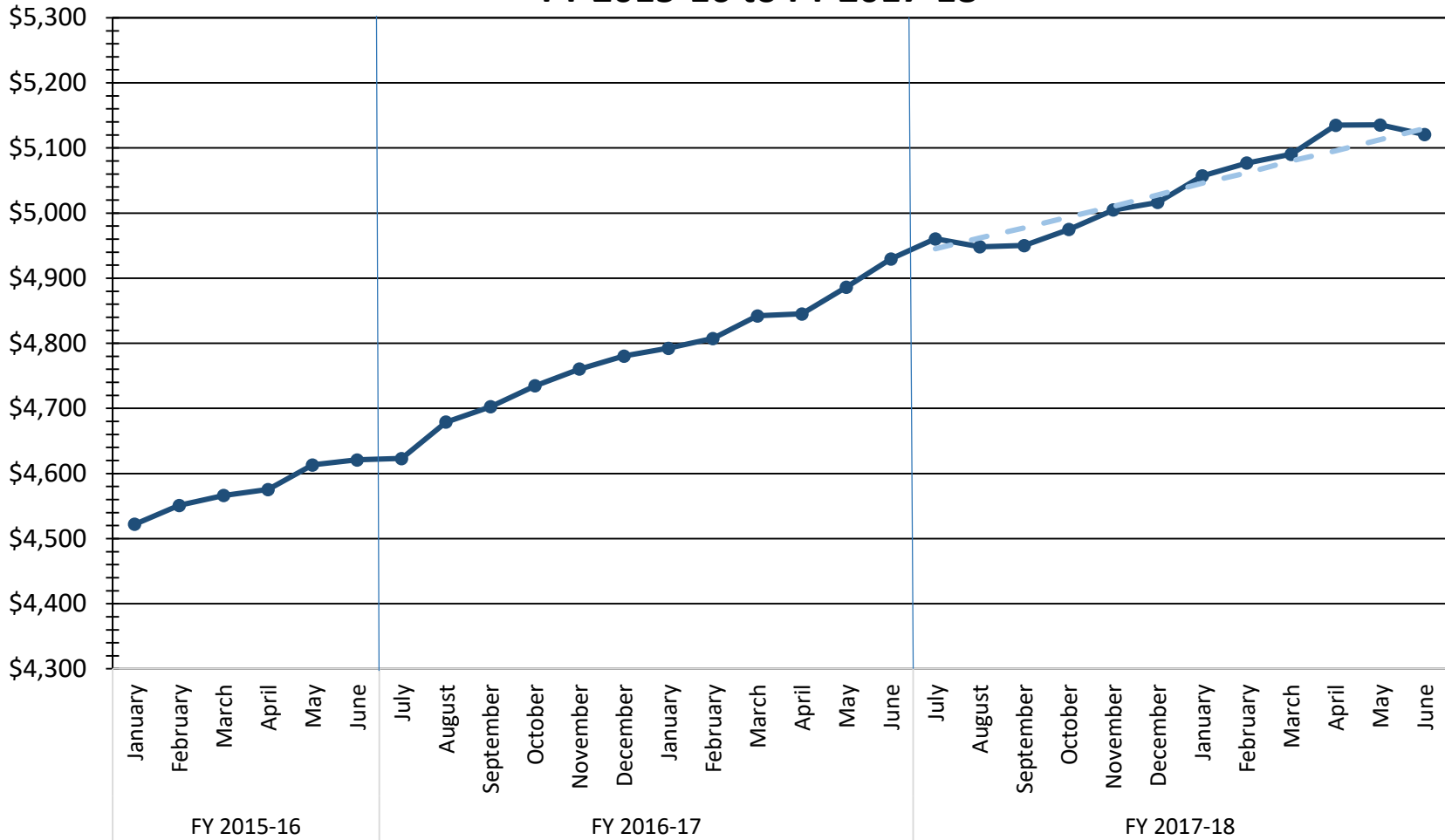
## FY 2017-18 GENERAL FUND REVENUE Surplus/Shortfall in Millions of Dollars



# TOTAL INDIVIDUAL WITHHOLDINGS

## Rolling Fiscal Year Totals

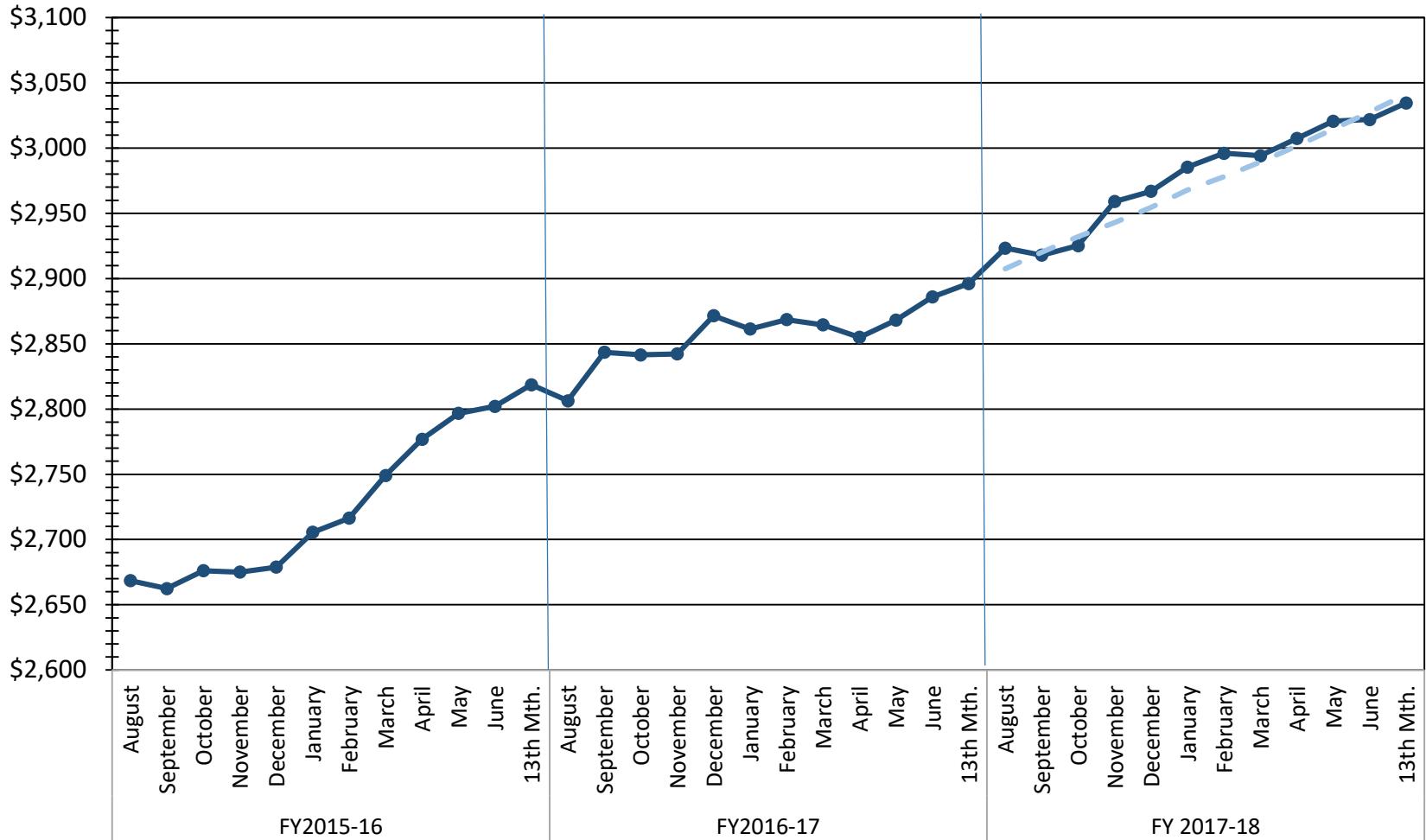
### FY 2015-16 to FY 2017-18



Source: SC RFA/FR/08/21/18

● Actual Collections    
 --- FY18 Guide

# TOTAL SALES & USE TAX Rolling Fiscal Year Totals FY 2015-16 to FY 2017-18

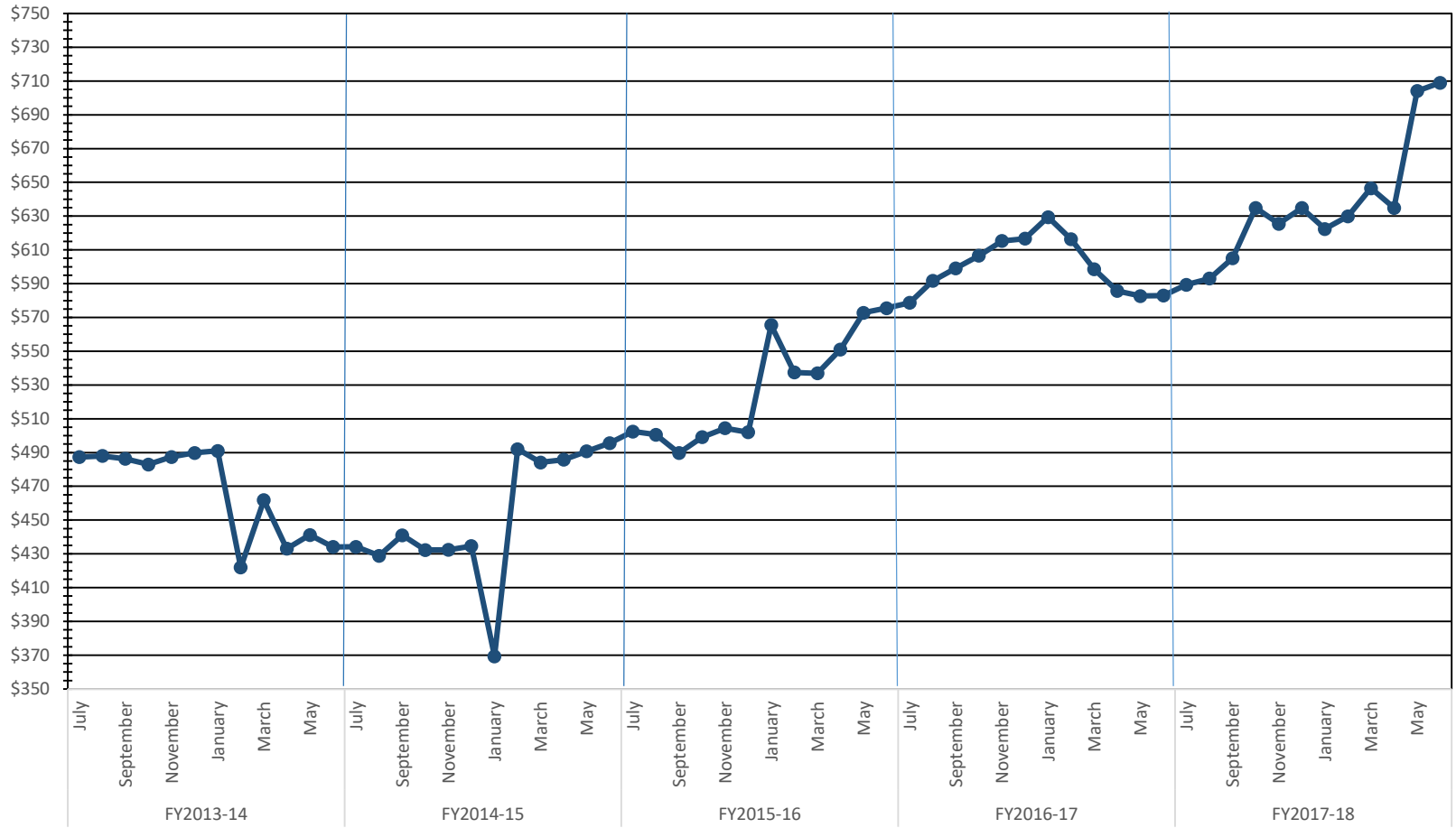


Source: SC RFA/FR/08/21/18

—●— Actual Collections    - - - - FY 18 Estimate

# INDIVIDUAL INCOME TAX PAID WITH RETURNS

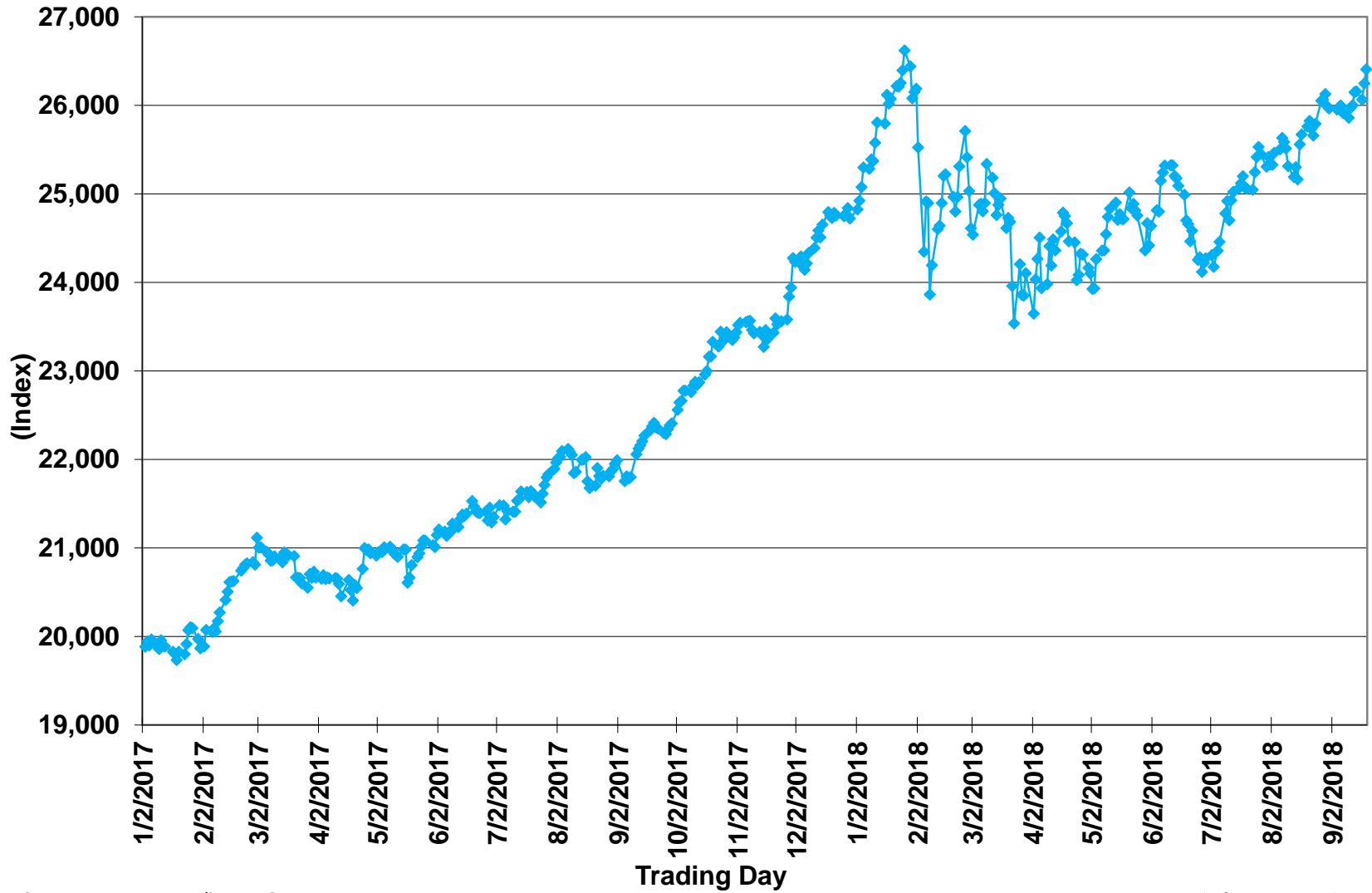
## Rolling Fiscal Year Totals - FY 2013-14 to FY 2017-18



Source: SC RFA/FR/08/21/18

Series1

# Dow Jones Industrial Average



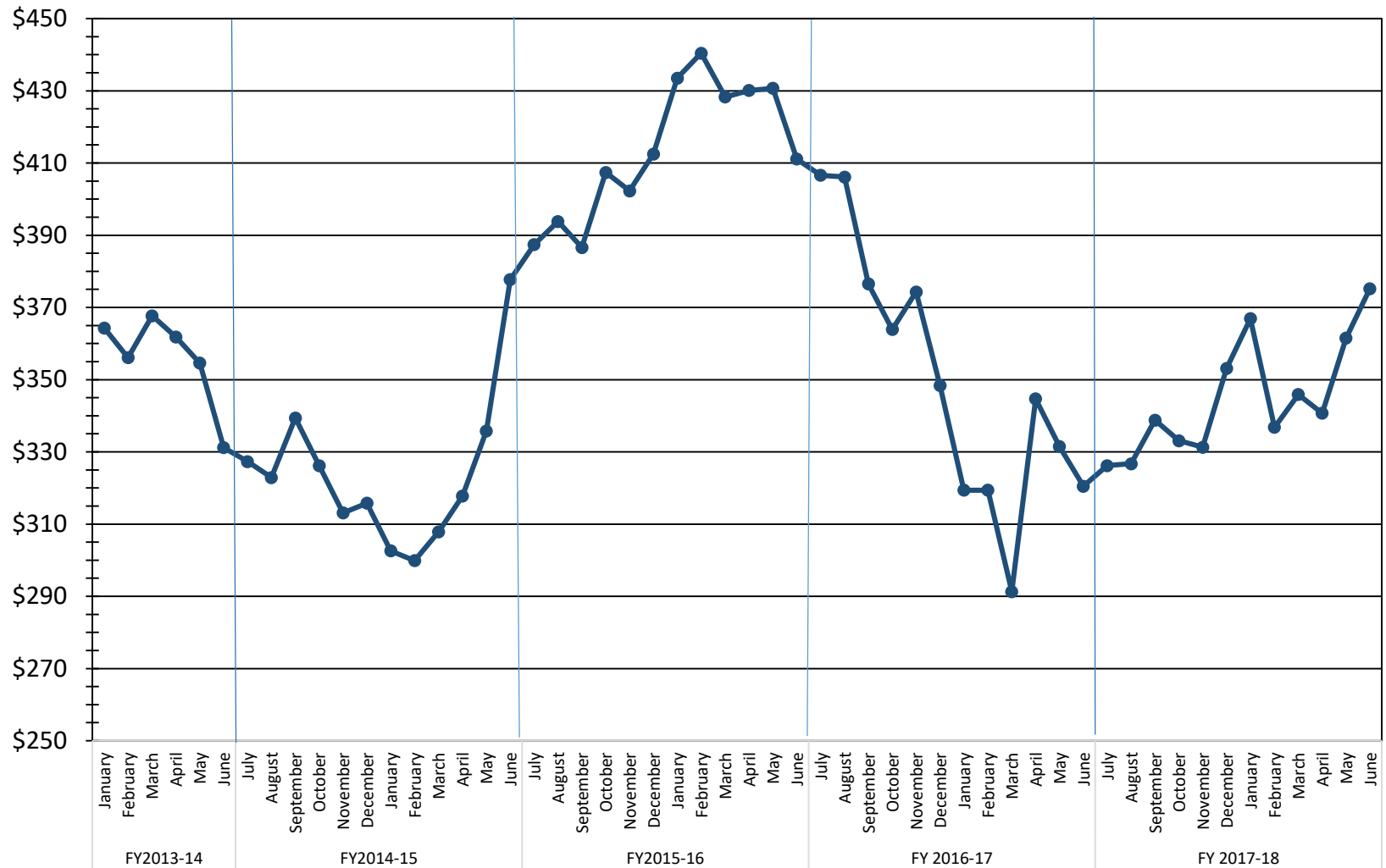
Source: Dow Jones Indices, LLC

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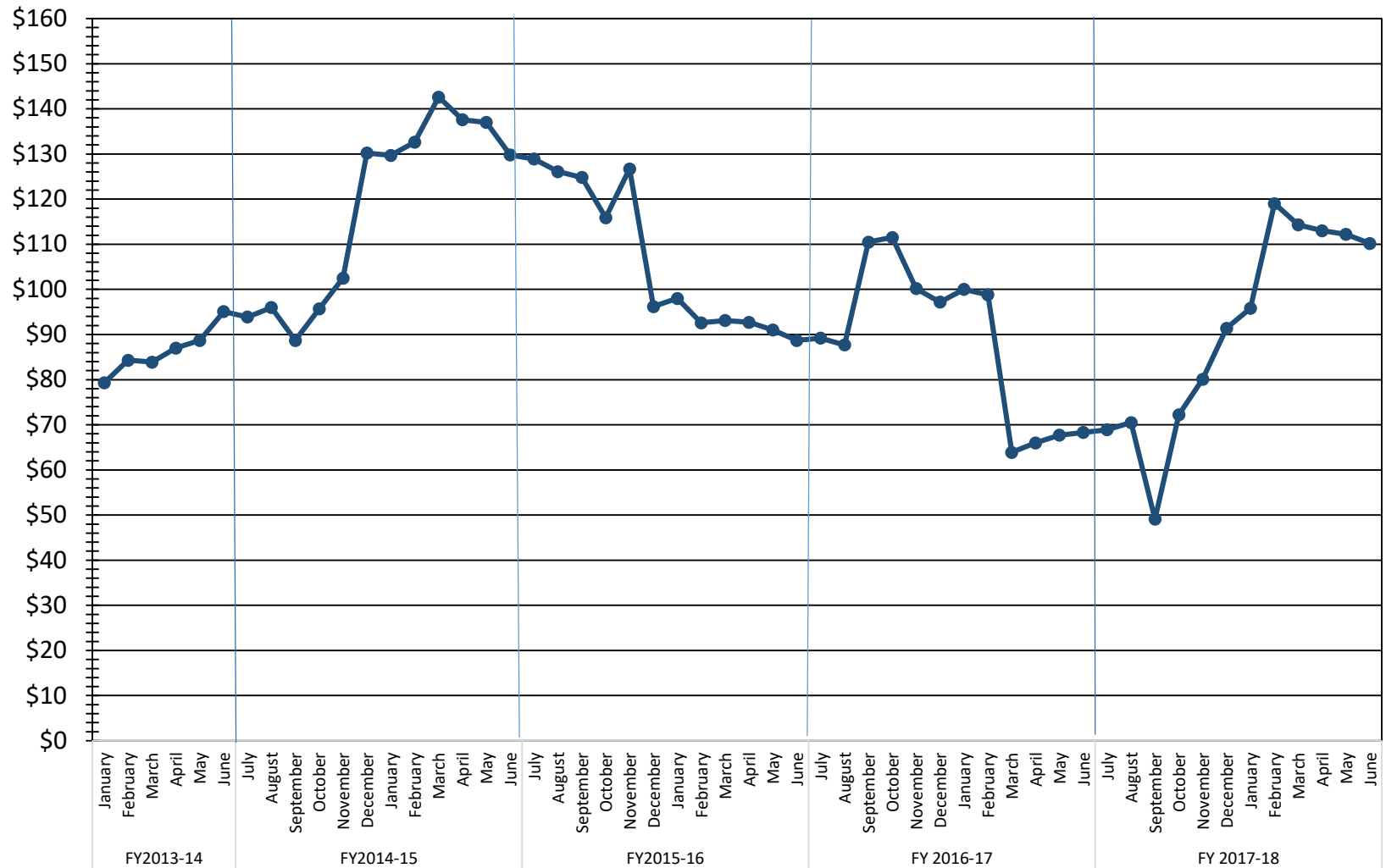
# TOTAL CORPORATE INCOME TAX

## Rolling Fiscal Year Totals - FY 2013-14 to FY 2017-18



Source: SC RFA/FR/08/21/18

## TOTAL CORPORATE LICENSE TAX Rolling Fiscal Year Totals - FY 2013-14 to FY 2017-18



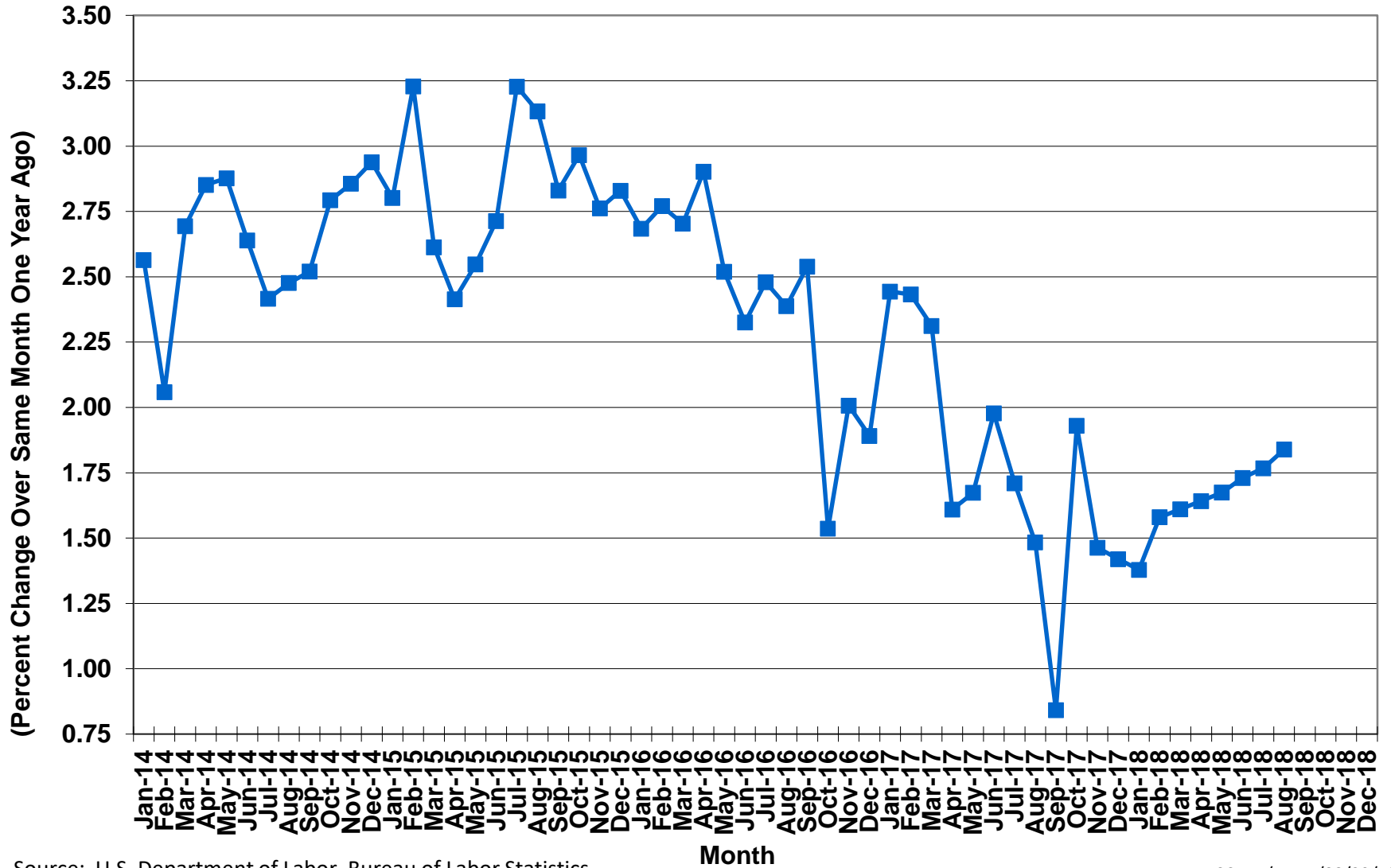
Source: SC RFA/FR/08/21/18

# UPDATE ON CURRENT FISCAL YEAR 2018-19

# ISSUES FOR FY 2018-19

- Identify Recurring v. Non-recurring portions of FY 2017-18 Surplus
- Economic Conditions and Outlook remain unchanged
- Other Issues and Potential Factors (Wayfair Decision)

# Total Nonfarm Employment Growth in South Carolina

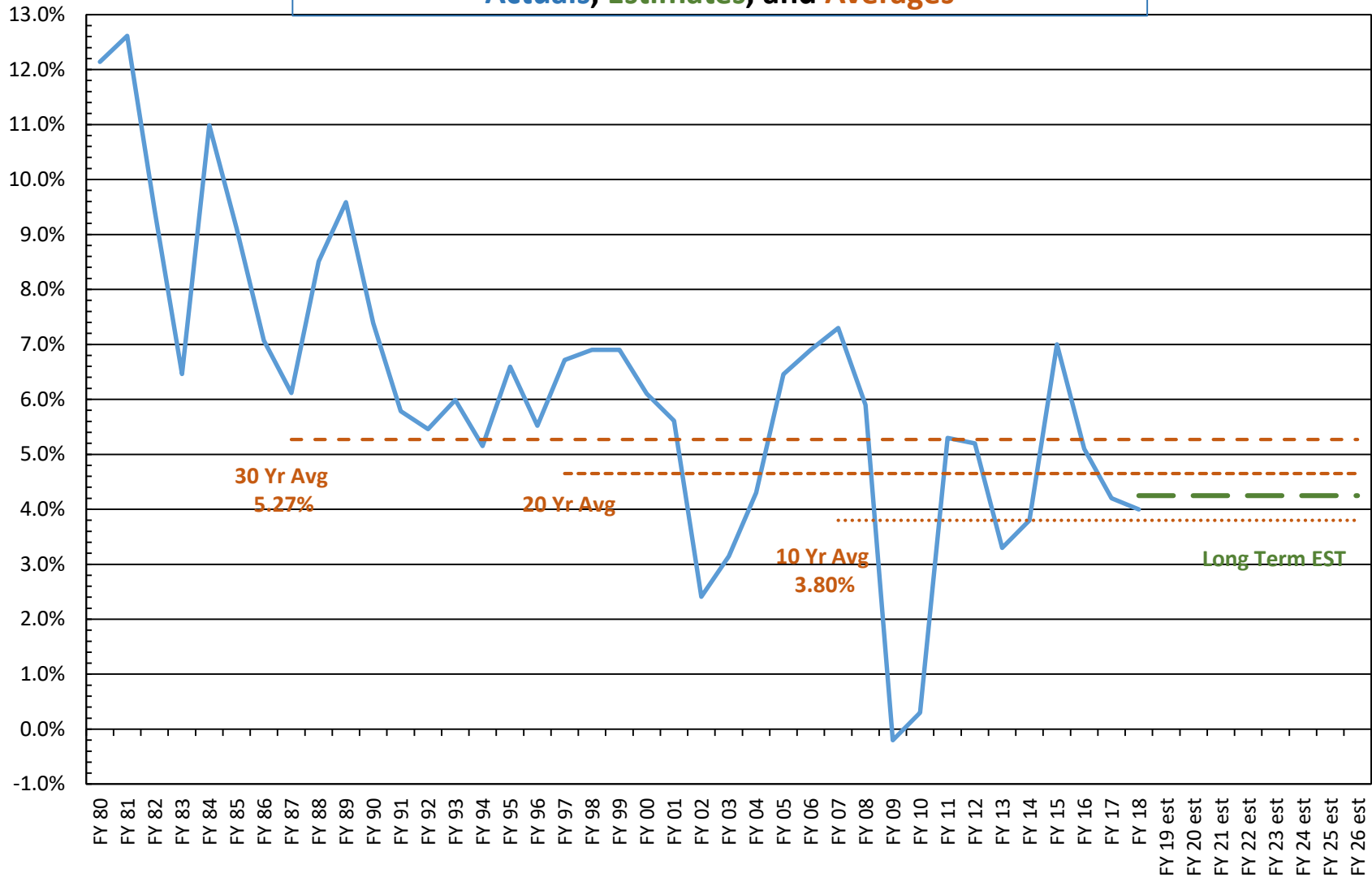


Source: U.S. Department of Labor, Bureau of Labor Statistics

SCBEA/RWM/08/29/18

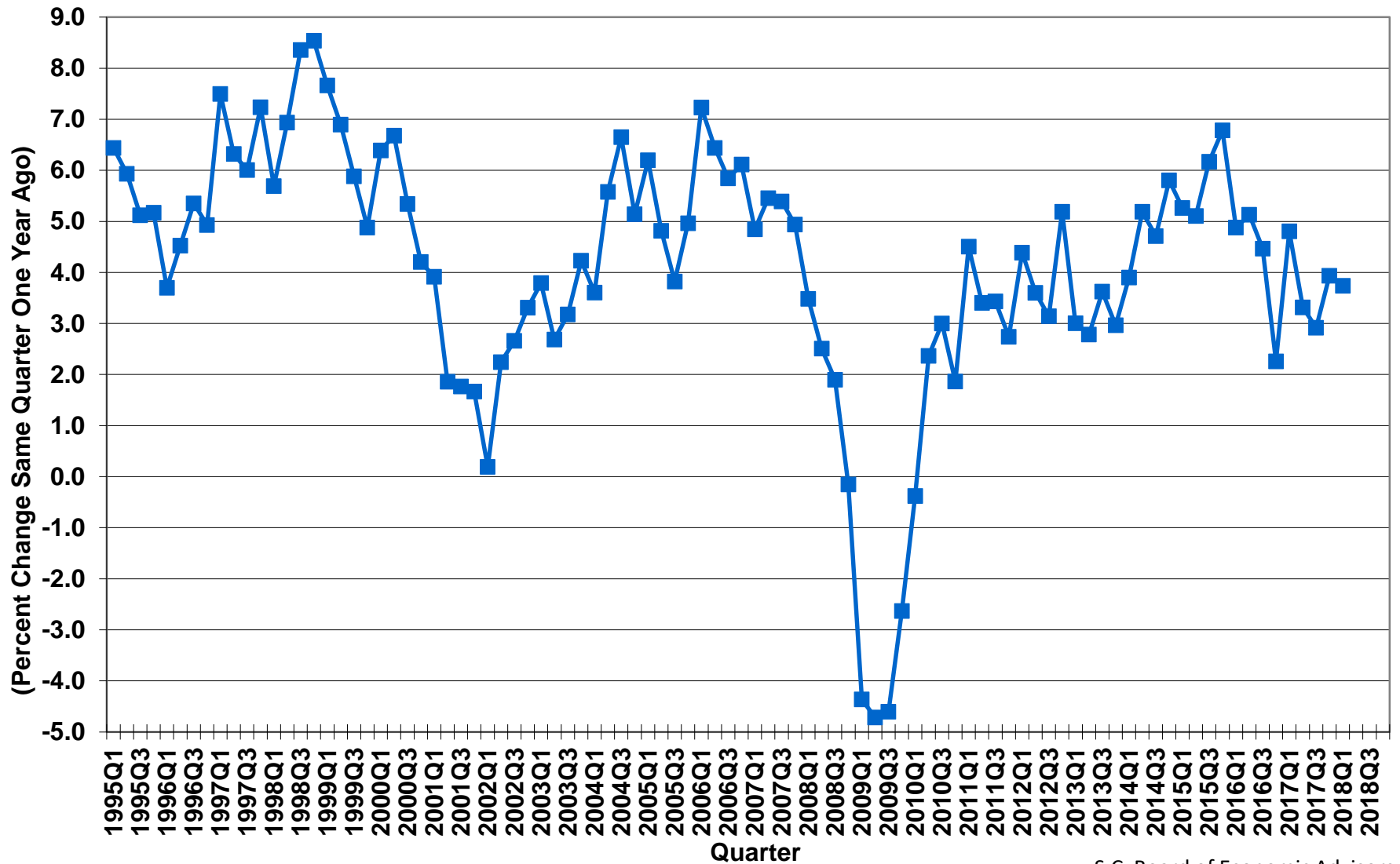
# SC PERSONAL INCOME FISCAL YEAR GROWTH RATES

Actuals, Estimates, and Averages



Source: US Department of Commerce, Bureau of Economic Analysis RFA-173 LJ/10/05/17

# Growth in Wages and Salaries in South Carolina



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C.

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# OTHER ECONOMIC ISSUES

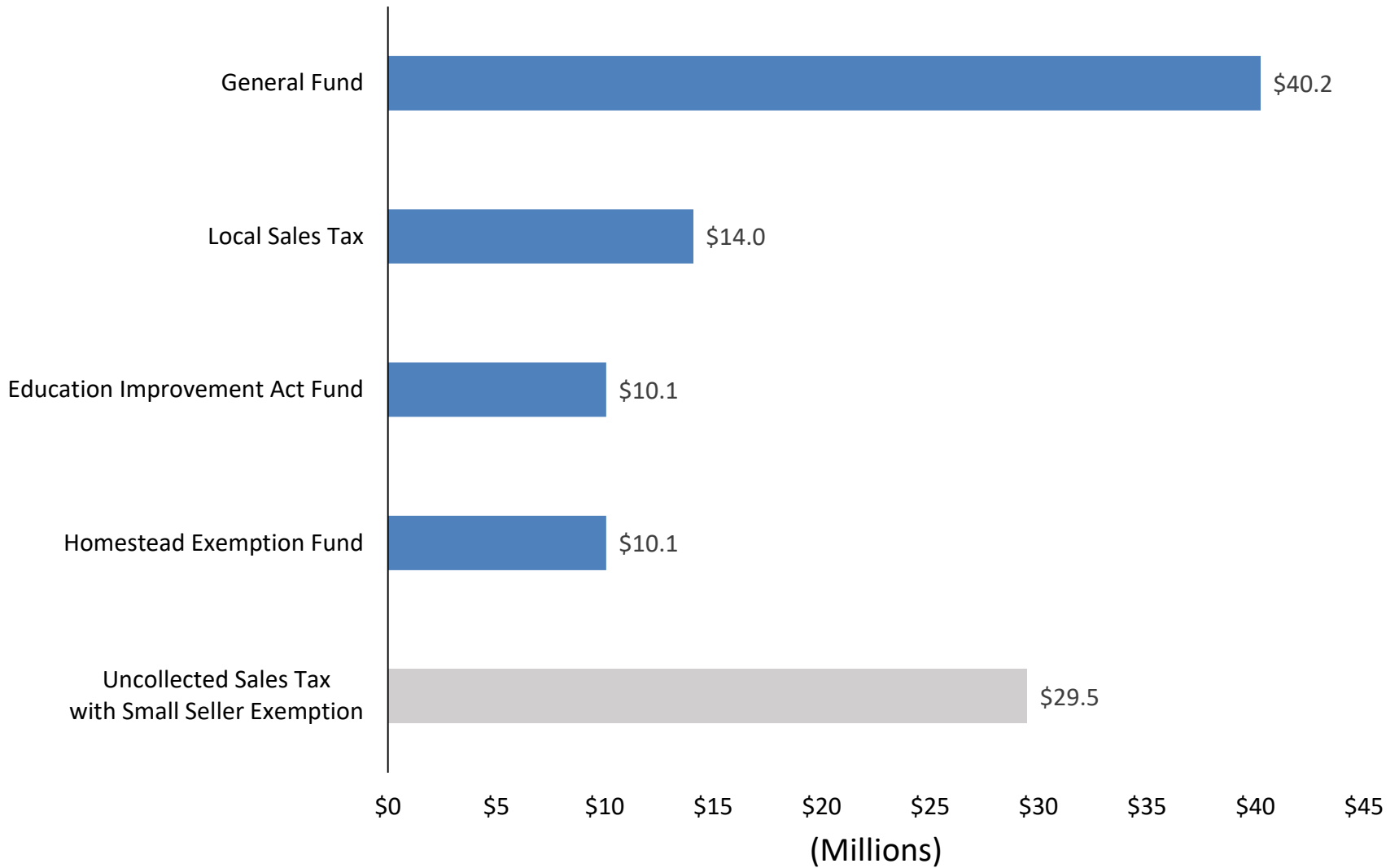
- Tariffs
- European - Debt Crisis
- Oil
- Federal Reserve



# Wayfair Decision and Sales Tax

- 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; \$40.2M 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

