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

Source: SC RFA/FR/08/21/18
TOTAL INDIVIDUAL WITHHOLDINGS
Rolling Fiscal Year Totals
FY 2015-16 to FY 2017-18

Source: SC RFA/FR/08/21/18
Dow Jones Industrial Average

Trading Day

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

(Percent Change Over Same Month One Year Ago)

Source: U.S. Department of Labor, Bureau of Labor Statistics
Growth in Wages and Salaries in South Carolina


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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

- 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

Source: S.C. Revenue and Fiscal Affairs Office
QUESTIONS?