



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

EDWARD B. GRIMBALL, Chairman
C. CURTIS HUTTO
G. MICHAEL MIKOTA, Ph.D.

FRANK A. RAINWATER
Executive Director

For Immediate Release

May 20, 2024

For further information, please contact Frank Rainwater at (803) 734-3793.

The BEA Increases FY 2023-24 and FY 2024-25 Revenue Forecasts *Revenue Adjustments Reflect Varying Performance Across Categories*

COLUMBIA – Following a solid tax filing season last month, the South Carolina Board of Economic Advisors (BEA) voted today to increase the revenue forecast for the current fiscal year, FY 2023-24 (FY 24), and next fiscal year, FY 2024-25 (FY 25). General Fund revenues in April 2024 continued to exceed expectations in a number of categories, but not all, prompting both upward and downward revisions in several key categories. Overall, these revisions will provide the General Assembly with an additional \$143 million in recurring revenue and \$467 million in non-recurring revenue above previous estimates to appropriate in the FY 25 budget that is currently being debated by the General Assembly.

The BEA increased the FY 24 General Fund revenue estimate by \$467 million, from \$12.885 billion to \$13.352 billion. Revenue collections for FY 24 through April 2024 exceeded expectations by \$648 million in total, largely due to strong corporate income tax revenue and earnings on investments. This revision is the first change to the estimates adopted in November 2023 as the Board decided in previous meetings to wait for tax filing season results before making adjustments. The largest adjustments were made in corporate income tax and earnings on investments by \$380 million and \$90 million, respectively. Revenue receipts in other categories such as sales tax were also ahead of expectations, but by much lower amounts and smaller adjustments were made to those categories.

Individual income tax overall, however, is expected to be slightly lower in total due to larger refunds that offset strong growth in withholdings collections and payments (non-withholdings). Collections in other categories such as bank and insurance taxes were below expectations as well, and estimates in those items were also reduced.

The BEA raised the FY 25 estimate of \$13.214 billion by \$136 million to \$13.350 billion. These changes resulted mostly from higher FY 24 collections but still reflected similar growth patterns as previously expected.

Overall, South Carolina is still experiencing and is expected to experience economic growth from increasing employment and personal income levels through FY 25. Additional explanation of the key factors affecting the major tax categories can be found in the BEA’s meeting materials of May 20, 2024, which are posted on the agency’s website (www.rfa.sc.gov).

With today’s actions, lawmakers will have a total of \$816 million in new recurring revenue for the FY 25 budget process and \$1.337 billion from forecasted surpluses and available reserves last fiscal year and this year, providing a total of \$2.153 billion in additional revenue available to appropriate.

FY 2024-25 Budget Outlook
(Millions of Dollars)

	BEA Estimate 11/16/2023	BEA Revised 5/20/2024	Change
Net New Recurring General Fund Revenue <i>(less Tax Relief Trust Fund and Reserve Fund Contributions)</i>	\$673	\$816	\$143
Non-recurring Revenue			
FY 2022-23 Contingency Reserve Fund <i>(Prior year surplus)</i>	\$58	\$58	\$0
FY 2023-24 Capital Reserve Fund	\$390	\$390	\$0
Projected FY 2023-24 General Fund Surplus	\$422	\$889	\$467
Total Non-recurring Revenue	\$870	\$1,337	\$467
Estimated Additional Revenue for Appropriation	\$1,543	\$2,153	\$610

Note: Figures may not add to totals due to rounding. November figures are updated to include FY 2023-24 non-recurring appropriation transfer.

These figures do not include any adjustments for legislative changes adopted or pending adoption by the General Assembly this year.

###