

# South Carolina General Fund Revenue FY 2023-24 Year-End Update

August 22, 2024



# FY 2023-24 Final Revenue



## REVENUES V. BEA MONTHLY ESTIMATES

### FINAL FY 2023-24

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / <sup>1</sup>	Actual YTD / <sup>2</sup>	Estimate Full Yr. / <sup>3</sup>		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / <sup>1</sup>	Actual YTD / <sup>2</sup>	Estimate Full Yr. / <sup>3</sup>
<b>Total General Fund Revenue</b>	<b>\$13,352.4</b>	<b>\$13,707.7</b>	<b>\$355.3</b>	<b>2.0%</b>	<b>4.7%</b>	<b>2.0%</b>	<b>Other Revenue Items, Sub-Total</b>	<b>\$1,094.9</b>	<b>\$1,167.3</b>	<b>\$72.4</b>	<b>4.5%</b>	<b>11.4%</b>	<b>4.5%</b>
Sales Tax	4,754.8	4,786.4	31.5	2.0%	2.7%	2.0%	Admissions Tax	42.7	47.0	4.3	(5.8%)	3.6%	(5.8%)
Individual Income Tax	6,009.9	6,113.2	103.3	4.4%	6.2%	4.4%	Alcoholic Liquors Tax	120.6	119.0	(1.6)	2.2%	0.8%	2.2%
Withholdings	6,749.6	6,764.5	14.9	(2.2%)	(2.0%)	(2.2%)	Bank Tax	51.1	55.0	3.9	(46.2%)	(42.1%)	(46.2%)
Non-withholdings	1,604.8	1,636.3	31.5	(5.0%)	(3.1%)	(5.0%)	Beer and Wine Tax	112.7	111.5	(1.2)	(0.6%)	(1.7%)	(0.6%)
Refunds	2,344.4	2,287.6	(56.8)	(17.3%)	(19.3%)	(17.3%)	Corporate License Tax	184.4	188.1	3.7	8.4%	10.6%	8.4%
Corporate Income Tax	1,162.1	1,293.1	131.0	(7.9%)	2.4%	(7.9%)	Deed Rec. (Doc. Tax)	108.5	117.2	8.7	(12.0%)	(4.9%)	(12.0%)
Insurance Tax	330.7	347.8	17.1	(9.7%)	(5.0%)	(9.7%)	Earned on Investments	280.0	322.9	42.9	55.1%	78.9%	55.1%
Other Revenue Items, Sub-Total	1,094.9	1,167.3	72.4	4.5%	11.4%	4.5%	Residual Revenue	194.8	206.4	11.7	(3.4%)	2.3%	(3.4%)

Based on BEA Forecast as of May 20, 2024

/1 Estimate year-to-date reflects expected growth in collections fiscal year-to-date over prior fiscal year-to-date based on anticipated monthly collection patterns.

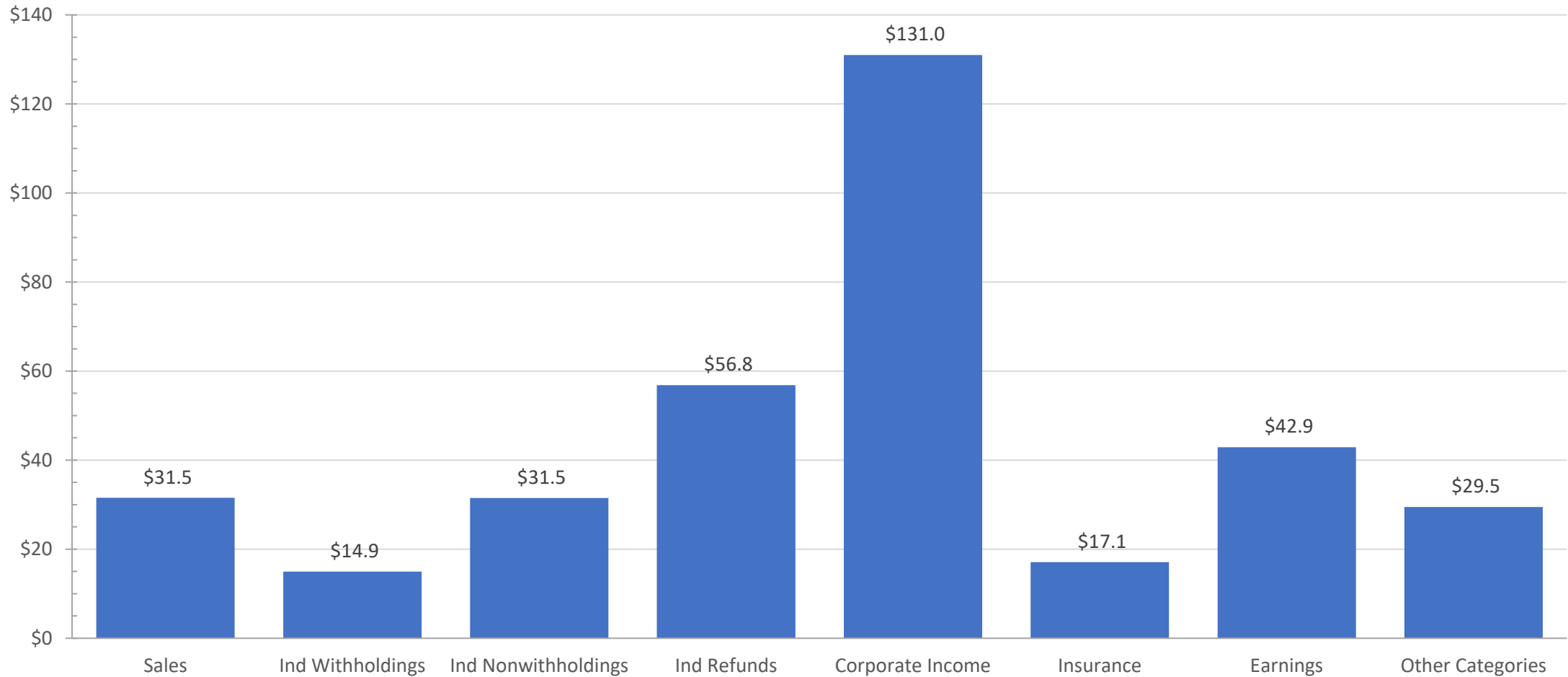
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

/3 Estimate full year reflects projected growth for the full fiscal year over the prior year.



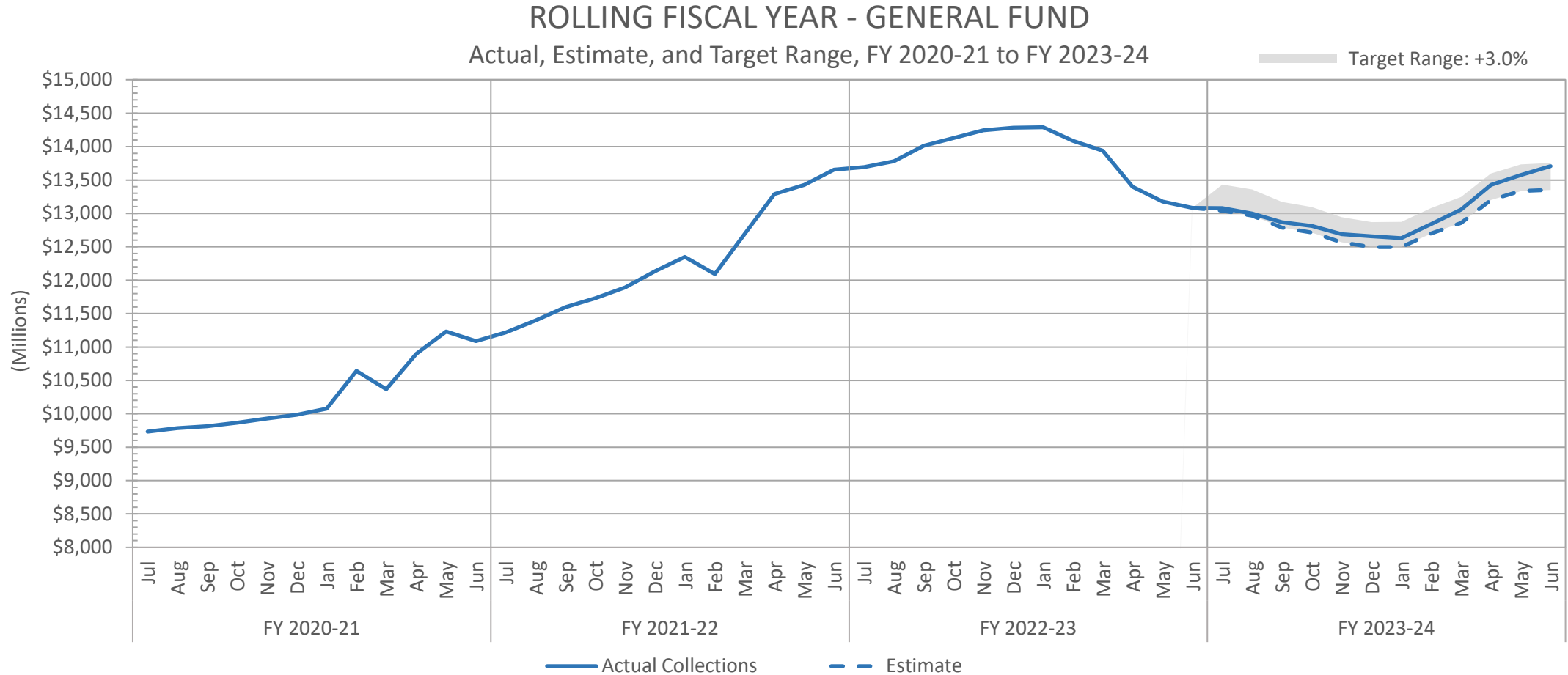
# Final FY 2023-24 Revenue Versus May Estimate

EXCESS REVENUE BY CATEGORY COMPARED TO MAY 2024 ESTIMATE



# General Fund – Actuals vs. Estimates

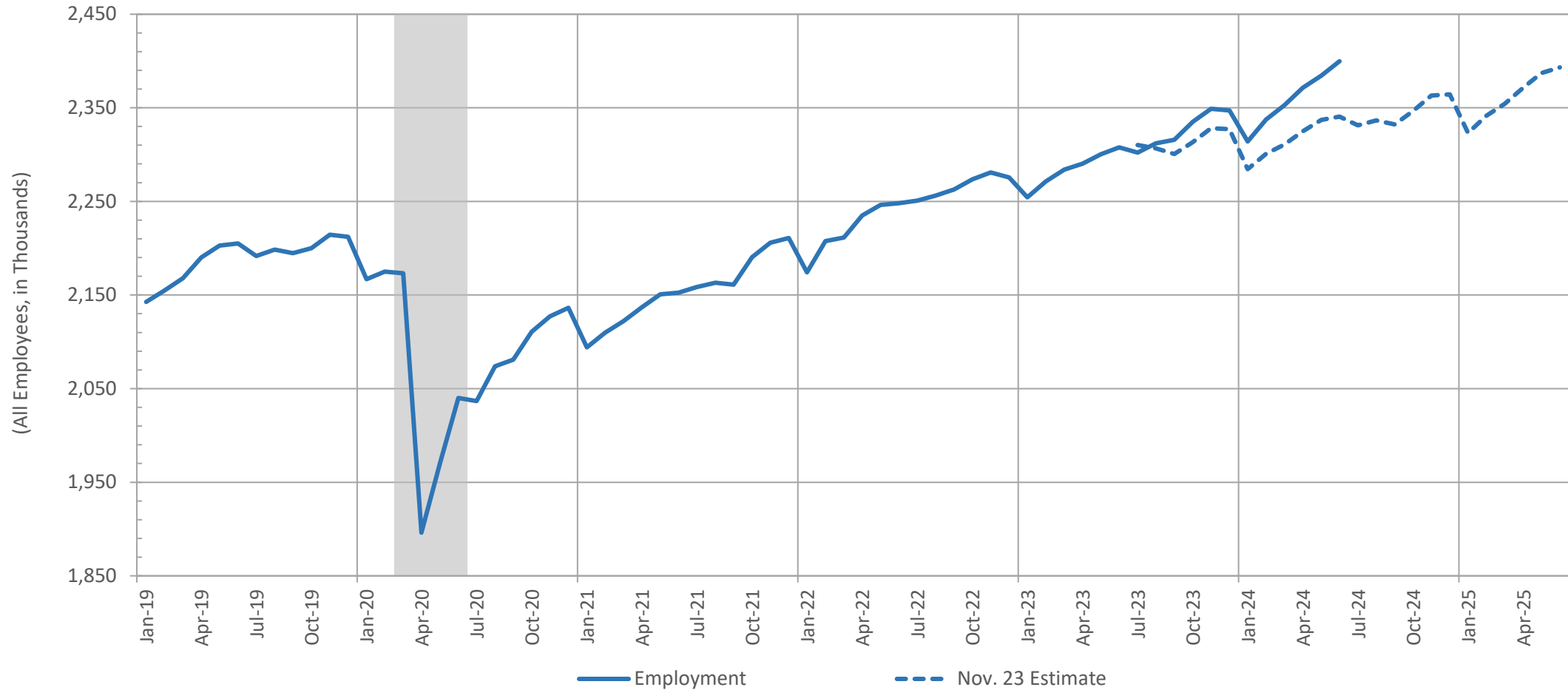
Revenues ended \$355.3 million above the estimate for FY 2023-24, growing 4.7% compared to 2.0% estimated



# Employment

Total employment grew 3.0% for FY 24 compared to estimated growth of 1.8%

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



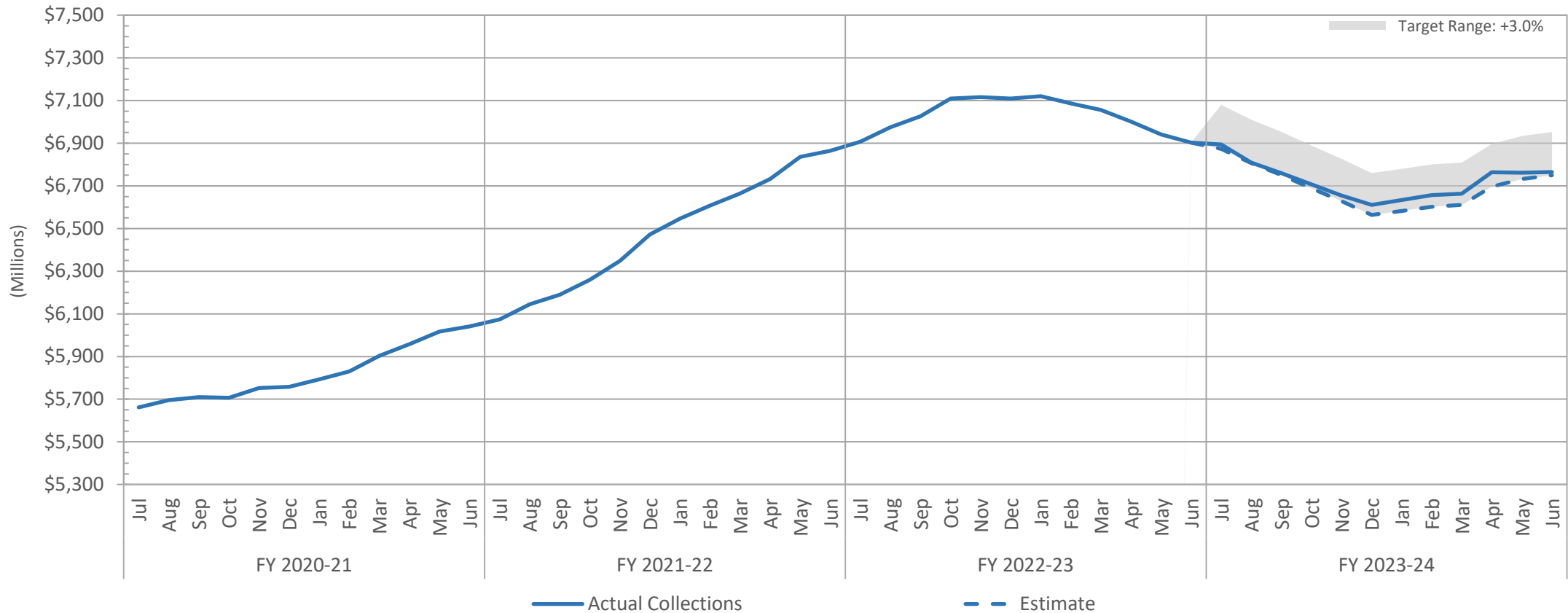
Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/08/12/2024

# Withholdings – Actuals vs. Estimates

Though total Withholdings declined due to the tax table adjustment for 2023, revenues ended \$14.9 million above the estimate for FY 2023-24

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

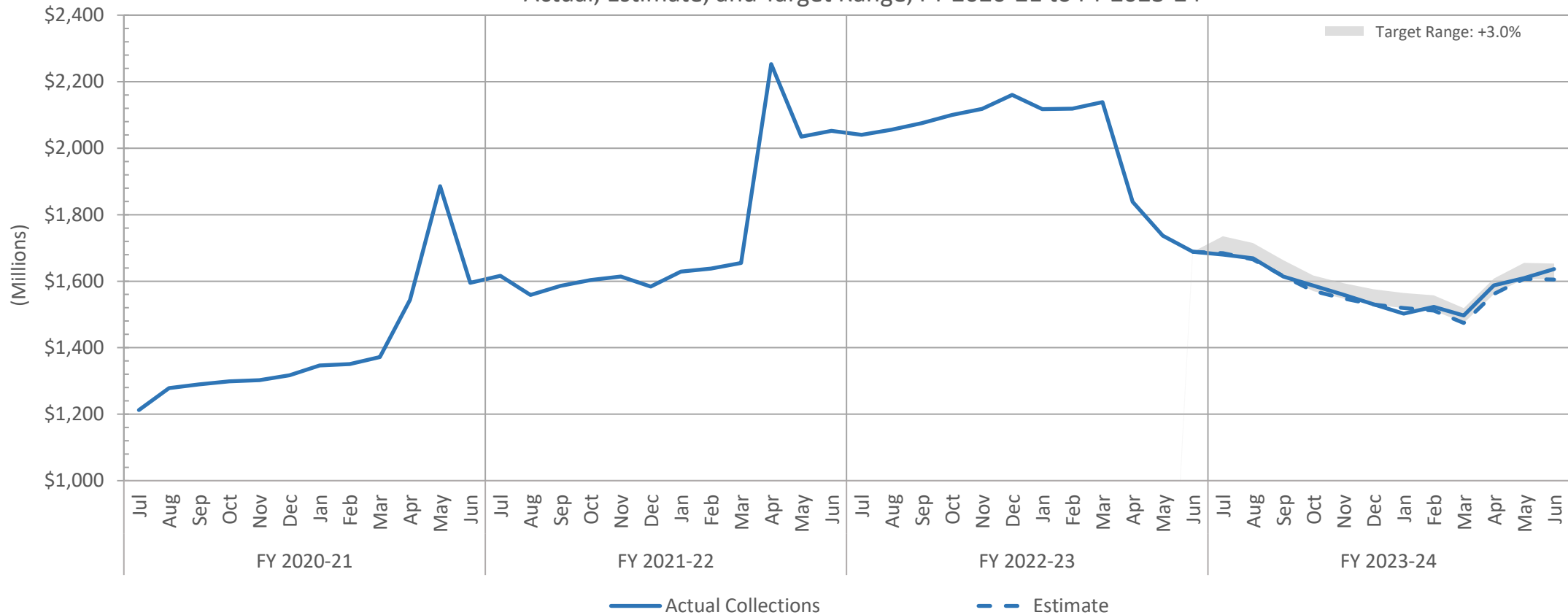


# Non-withholdings – Actuals vs. Estimates

Revenues ended \$31.5 million above the estimate for FY 2023-24 following strong growth in June declarations of 19.5%

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

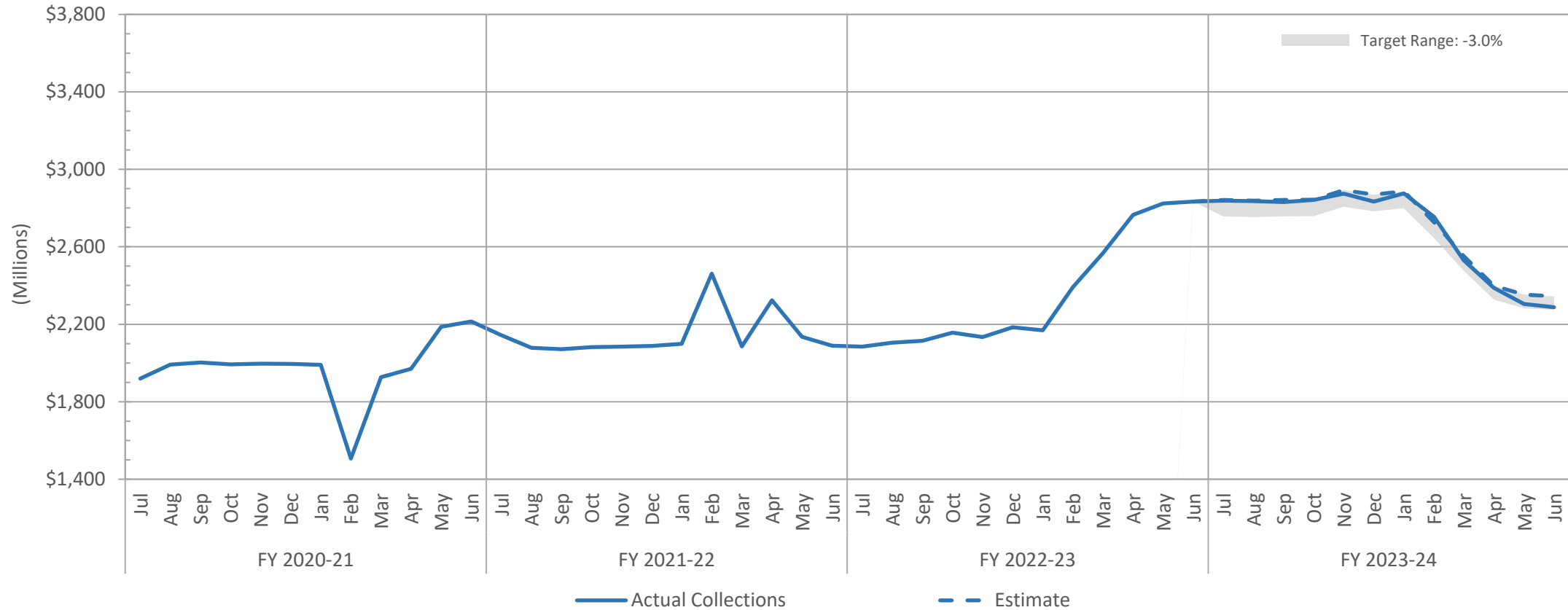


# Refunds – Actuals vs. Estimates

Refunds ended \$56.8 million below the estimate for FY 2023-24

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

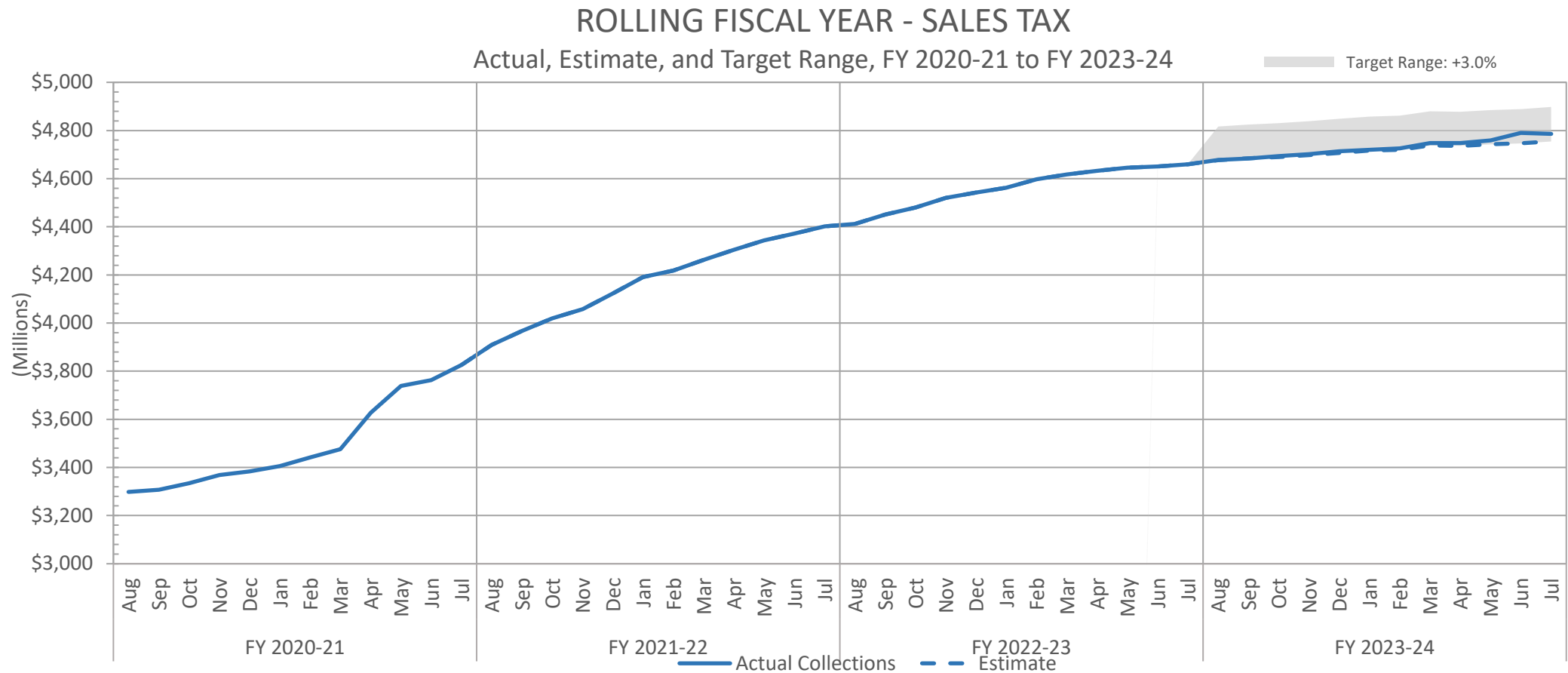
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24





# Sales Tax – Actuals vs. Estimates

Revenues ended \$31.5 million above the estimate for FY 2023-24, growing at 2.7% compared to 2.0% estimate

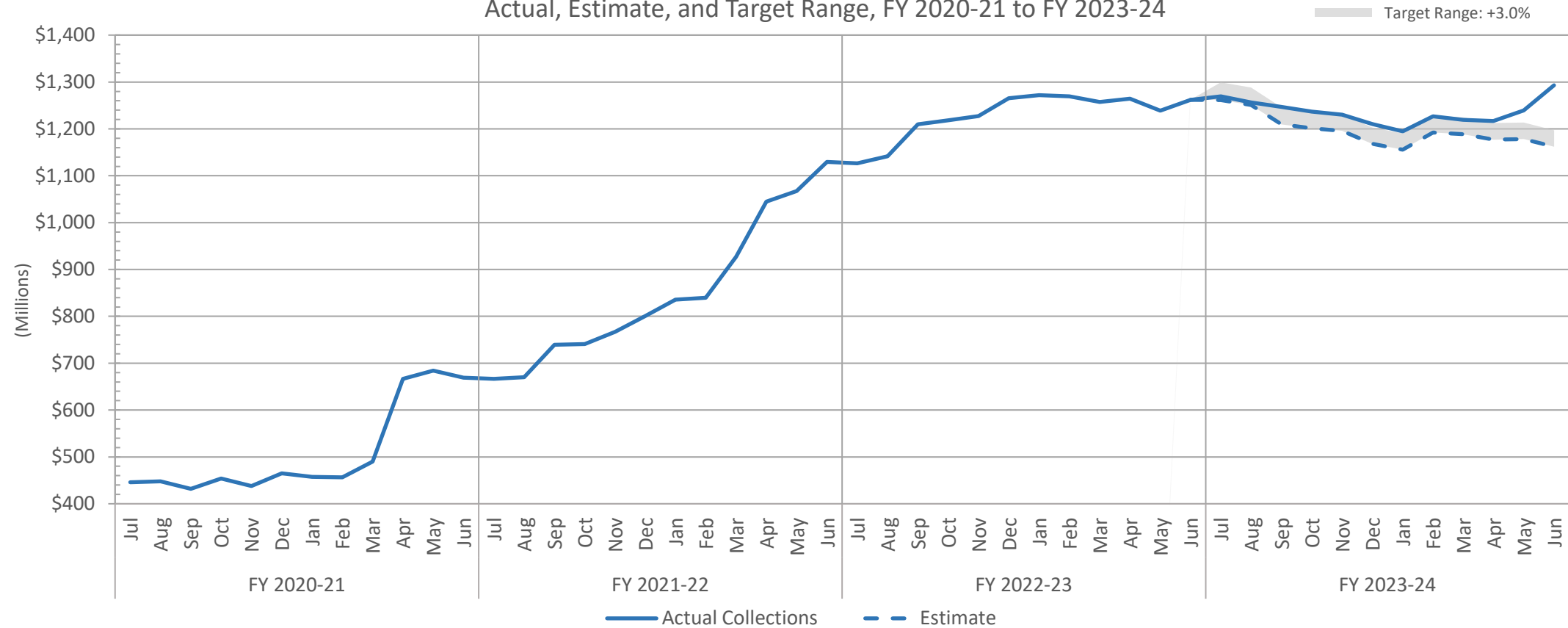


# Corporate Income – Actuals vs. Estimates

Following strong collections in June, revenue ended \$131 million above the estimate for FY 2023-24, growing 2.4% compared to the estimate of 7.9% decline

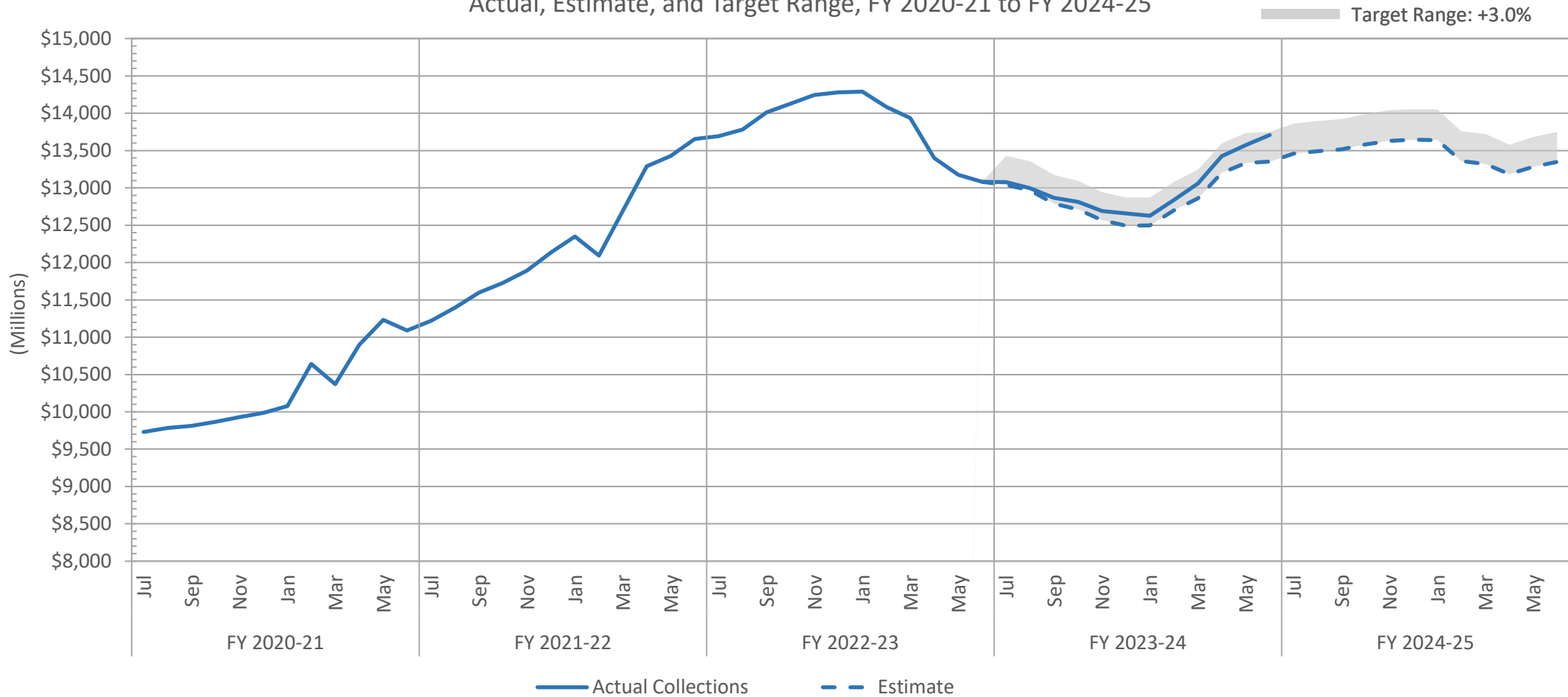
## ROLLING FISCAL YEAR - CORPORATE INCOME TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



# General Fund - FY 2024-25 May Estimate

ROLLING FISCAL YEAR - GENERAL FUND  
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25



# Summary of FY 2023-24 Results

- Total General Fund revenue finished \$355.3 million above expectations, or within 2.7% of estimates
- After final accounting adjustments, FY 24 finished with a budgetary excess balance of \$331.6 million, which will be transferred to the Contingency Reserve Fund
- Actual collections were slightly better than estimated in Withholdings and Sales tax, the two largest categories
- However, the majority of the excess is in Corporate Income tax and Earnings on Investments; Individual Income tax declarations (Non-withholdings) in June and lower than expected Refunds also contributed to the excess in the final quarter
- Based on an initial review, the FY 24 excess is not expected to result in a base revenue adjustment for FY 25

## Issues Affecting FY 2024-25 and FY 2025-26

- Returns with extensions for tax year 2023 that were due October 2024 now have until February 2025 to file
- Impact of accelerated income tax rate reduction for FY 26 budget
- Tax Cuts and Jobs Act expiration
- Manufacturing Value Exemption to reach \$170 million cap in FY 26

# Reports from Working Group Members

# Other Business



# Future Meetings

- September 19, 2024
  - Full review of FY 2023-24 revenues and potential impact on forecast for FY 2024-25
  - Review of July and August FY 2024-25 revenue
- October 14, 2024
  - Review of FY 2024-25 first quarter revenue and performance
  - Initial consideration of economic assumptions for FY 2024-25 and FY 2025-26
  - Annual Economic Advisory Meeting – discussion of SC economy with guest economists
- November 19, 2024
  - Adoption of revised forecast for FY 2024-25 and initial forecast for FY 2025-26 based on comments and assumptions



**Presentation  
by Mr. Nick Clerkin  
Economist, NC General Assembly**

