



REVENUE DIGEST

FEBRUARY 2025, FY 2024-25

Released March 20, 2025

General Fund Revenue Summary

Revenue collections decreased 0.7 percent in February 2025 compared to last February, better than the expected decline of 16.0 percent (Figure 1, Table 3). Collections for February 2025 were forecasted to decline compared to last year due to an audit payment that boosted Corporate Income tax collections in February 2024 and the forecasted overall decline in Corporate Income tax for FY 2024-25 (FY 25). Fiscal year-to-date General Fund collections for FY 25 are 10.3 percent higher than during the same period in FY 2023-24 (FY 24) and are \$306.4 million ahead of the FY 25 estimate, which was updated by the Board of Economic Advisors on February 13, 2025 (Table 2, Table 4).

Figure 1. General Fund Revenue Growth Summary

Revenue Category	Growth Rates		
	Monthly	Fiscal Year to Date	FY 2024-25 Annual Forecast
Sales Tax	2.4%	4.5%	2.1%
Individual Income Tax	55.4%	11.1%	(0.4%)
Corporation Income Tax	(84.7%)	19.2%	(12.7%)
Other Revenue Items	2.7%	19.6%	10.4%
Total General Fund Revenue	(0.7%)	10.3%	0.5%

For additional revenue figures, see attached tables.

The following is a brief synopsis of monthly revenue performance. Additional analysis of the economic and revenue trends affecting February collections will be discussed during the next meeting of the Board of Economic Advisors on April 10, 2025.

Revenue Categories

Sales Tax

- Sales tax revenue grew 2.4 percent for the month of February 2025 over the same month last year and was \$1.0 million above expectations, slowing down close to the forecasted growth rate of 2.1 percent for the month following three months of 7.4 percent average growth due to holiday sales and increased spending from Hurricane Helene recovery.
- Fiscal year-to-date Sales tax growth for FY 25 is now 4.5 percent over last fiscal year, primarily driven by the three months of large growth that led up to February collections, and total collections are \$46.0 million above expectations.





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Individual Income Tax

- Total Individual Income tax was above expectations for the month by approximately \$94 million, largely from Refunds, which were \$58.6 million below expectations. This monthly pattern may be due to changes in timing of tax return processing or total Refunds may be lower than expected, but the net result will not be known until tax filing is completed on May 1.
- Fiscal year-to-date, total Individual Income tax revenue has grown 11.1 percent from the same period in FY 24. Fiscal year-to-date, total collections are \$184.2 million above expectations, which is mainly driven by stronger-than-expected Withholdings (\$62.8 million) as well as lower-than-expected Refunds (\$149.0 million).

Corporate Income Tax

- Corporate Income tax revenue collections totaled \$6.3 million for the month of February, \$0.9 million above the monthly estimate. Fiscal year-to-date collections are \$37.9 million above expectations.

Conclusion

South Carolina continues to experience economic and revenue growth that is slightly above expectations. While the current \$306.4 million revenue excess is partly because revenues grew faster than expected in the first half of FY 25, approximately \$121.4 million, or 40 percent, is due to income tax filings in the Refunds and Non-withholdings categories. Income tax processing will be monitored monthly to determine if the revenue excess in these two categories is due to changes in the timing of tax filings or because of the underlying assumptions on total Refunds and Non-withholding payments.

Future Meetings

- The next scheduled meeting of the Board of Economic Advisors will be April 10, 2025, via web conference.





February

Table 1

General Fund Revenue	FY 2023-24	FY 2024-25	\$ Change	% Change
Sales and Use Tax	\$351,121,578	\$359,618,678	\$8,497,100	2.4%
Individual Income Tax	\$36,596,936	\$56,884,261	\$20,287,325	55.4%
Corporation Income Tax	\$40,938,215	\$6,266,593	(\$34,671,622)	(84.7%)
Insurance Taxes	\$3,760,362	\$2,548,317	(\$1,212,045)	(32.2%)
Admissions Tax	\$2,905,508	\$1,873,402	(\$1,032,106)	(35.5%)
Alcoholic Liquor Tax	\$8,546,796	\$7,999,451	(\$547,346)	(6.4%)
Bank Tax	\$539,459	\$2,197,978	\$1,658,520	307.4%
Beer and Wine Tax	\$8,121,943	\$7,641,859	(\$480,084)	(5.9%)
Business Filing Fees	\$1,120,630	\$1,013,476	(\$107,154)	(9.6%)
Circuit/Family Court Fines	\$562,059	\$580,623	\$18,565	3.3%
Corporation License Tax	\$6,803,246	\$6,306,498	(\$496,748)	(7.3%)
Deed Recording Fees	\$7,454,726	\$8,407,809	\$953,083	12.8%
Earned on Investments	\$37,485,202	\$41,506,351	\$4,021,149	10.7%
Indirect Cost Recoveries	\$798,069	\$369,616	(\$428,453)	(53.7%)
Motor Vehicle Licenses	\$1,003,495	\$943,539	(\$59,957)	(6.0%)
Nursing Home Fees	\$0	\$0	\$0	---
Parole and Probation Fees	\$282,734	\$282,734	\$0	0.0%
Private Car Lines Tax	\$4,049	\$13,725	\$9,676	238.9%
Public Service Authority	\$0	\$0	\$0	---
Purchasing Card Rebates	\$0	\$0	\$0	---
Record Search Fees	\$0	\$0	\$0	---
Savings and Loan Assoc. Tax	\$39,780	(\$702,300)	(\$742,080)	---
Security Dealer Fees	\$879,848	\$857,259	(\$22,589)	(2.6%)
Tobacco Tax	\$2,098,074	\$2,020,290	(\$77,784)	(3.7%)
Unclaimed Property Fund	\$3,750,000	\$3,750,000	\$0	0.0%
Workers' Comp. Insurance Tax	(\$994,075)	(\$405,082)	\$588,993	---
Other Source Revenues	\$635,718	\$871,529	\$235,811	37.1%
Gross General Fund Revenue	\$514,454,352	\$510,846,608	(\$3,607,744)	(0.7%)

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred to the Property Tax Relief Trust Fund pursuant to §11-11-150.



July - February

Table 2

General Fund Revenue	FY 2023-24	FY 2024-25	\$ Change	% Change
Sales and Use Tax	\$2,760,252,112	\$2,883,536,752	\$123,284,639	4.5%
Individual Income Tax	\$4,089,945,649	\$4,545,016,808	\$455,071,159	11.1%
Corporation Income Tax	\$469,285,119	\$559,319,072	\$90,033,952	19.2%
Insurance Taxes	\$157,124,952	\$215,242,056	\$58,117,103	37.0%
Admissions Tax	\$18,077,548	\$14,297,681	(\$3,779,867)	(20.9%)
Alcoholic Liquor Tax	\$69,587,535	\$68,978,061	(\$609,474)	(0.9%)
Bank Tax	\$27,933,386	\$36,872,420	\$8,939,034	32.0%
Beer and Wine Tax	\$65,683,199	\$65,504,076	(\$179,123)	(0.3%)
Business Filing Fees	\$7,485,753	\$7,055,882	(\$429,871)	(5.7%)
Circuit/Family Court Fines	\$4,212,470	\$4,244,351	\$31,881	0.8%
Corporation License Tax	\$169,764,255	\$165,758,656	(\$4,005,599)	(2.4%)
Deed Recording Fees	\$65,418,129	\$72,157,743	\$6,739,614	10.3%
Earned on Investments	\$203,037,128	\$313,925,719	\$110,888,591	54.6%
Indirect Cost Recoveries	\$8,703,272	\$5,444,948	(\$3,258,324)	(37.4%)
Motor Vehicle Licenses	\$6,606,180	\$6,649,926	\$43,745	0.7%
Nursing Home Fees	\$1,546,822	\$759,424	(\$787,398)	(50.9%)
Parole and Probation Fees	\$2,261,872	\$2,261,872	\$0	0.0%
Private Car Lines Tax	\$6,422,126	\$7,102,647	\$680,520	10.6%
Public Service Authority	\$10,005,000	\$9,996,000	(\$9,000)	(0.1%)
Purchasing Card Rebates	\$4,169,474	\$4,366,750	\$197,276	4.7%
Record Search Fees	\$0	\$0	\$0	---
Savings and Loan Assoc. Tax	\$1,398,277	(\$171,478)	(\$1,569,755)	---
Security Dealer Fees	\$31,098,988	\$32,045,961	\$946,973	3.0%
Tobacco Tax	\$16,281,686	\$15,589,466	(\$692,220)	(4.3%)
Unclaimed Property Fund	\$11,250,000	\$11,250,000	\$0	0.0%
Workers' Comp. Insurance Tax	\$780,912	\$3,547,421	\$2,766,509	354.3%
Other Source Revenues	\$16,325,683	\$19,448,882	\$3,123,199	19.1%
Gross General Fund Revenue	\$8,224,657,529	\$9,070,201,094	\$845,543,566	10.3%

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred to the Property Tax Relief Trust Fund pursuant to §11-11-150.



Revenues and BEA Monthly Estimates

Table 3

February

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth /1	Actual Growth /2
Total General Fund Revenue	\$432.3	\$510.8	\$78.5	(16.0%)	(0.7%)
Sales Tax	358.6	359.6	1.0	2.1%	2.4%
Individual Income Tax	(37.2)	56.9	94.0	(201.5%)	55.4%
Withholdings	572.5	612.5	39.9	3.1%	10.3%
Non-withholdings	37.0	32.5	(4.5)	(23.5%)	(32.8%)
Refunds	646.7	588.1	(58.6)	14.1%	3.7%
Corporate Income Tax	5.4	6.3	0.9	(86.9%)	(84.7%)
Insurance Tax	3.4	2.5	(0.9)	(9.2%)	(32.2%)
Admissions Tax	2.4	1.9	(0.6)	(15.7%)	(35.5%)
Alcoholic Liquors Tax	8.7	8.0	(0.7)	2.0%	(6.4%)
Bank Tax	0.6	2.2	1.6	15.8%	307.4%
Beer and Wine Tax	8.0	7.6	(0.4)	(1.0%)	(5.9%)
Corporate License Tax	10.1	6.3	(3.7)	47.8%	(7.3%)
Deed Rec. (Doc. Tax)	8.0	8.4	0.4	6.8%	12.8%
Earned on Investments	51.1	41.5	(9.6)	36.2%	10.7%
Residual Revenue	13.2	9.6	(3.6)	29.2%	(5.7%)

Based on BEA Forecast as of February 13, 2025

/1 Expected growth reflects expected growth in collections for the month over same month prior fiscal based on anticipated monthly collection patterns.

/2 Actual growth reflects actual growth in collections for the month over same month prior fiscal year collections.



Revenues and BEA Monthly Estimates

Table 4

July - February

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD Growth /1	Actual YTD Growth /2
Total General Fund Revenue	\$8,763.8	\$9,070.2	\$306.4	6.6%	10.3%
Sales Tax	2,837.5	2,883.5	46.0	2.8%	4.5%
Individual Income Tax	4,360.9	4,545.0	184.2	6.6%	11.1%
Withholdings	4,732.1	4,794.8	62.8	5.5%	6.9%
Non-withholdings	702.6	675.0	(27.7)	10.4%	6.1%
Refunds	1,073.8	924.8	(149.0)	4.1%	(10.3%)
Corporate Income Tax	521.4	559.3	37.9	11.1%	19.2%
Insurance Tax	207.4	215.2	7.8	32.0%	37.0%
Admissions Tax	14.6	14.3	(0.3)	(19.4%)	(20.9%)
Alcoholic Liquors Tax	70.8	69.0	(1.8)	1.7%	(0.9%)
Bank Tax	27.6	36.9	9.3	(1.2%)	32.0%
Beer and Wine Tax	66.1	65.5	(0.5)	0.6%	(0.3%)
Corporate License Tax	167.0	165.8	(1.2)	(1.7%)	(2.4%)
Deed Rec. (Doc. Tax)	69.2	72.2	3.0	5.8%	10.3%
Earned on Investments	292.5	313.9	21.4	44.1%	54.6%
Residual Revenue	128.9	129.6	0.7	0.3%	0.8%

Based on BEA Forecast as of February 13, 2025

/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.