

South Carolina General Fund Revenue Update and Forecasts for FY 2024-25 and FY 2025-26

May 20, 2025



General Fund Revenues – April 2025



REVENUES V. BEA MONTHLY ESTIMATES

APRIL

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}
Total General Fund Revenue	\$1,229.2	\$1,494.3	\$265.1	(17.4%)	0.4%
Sales Tax	422.9	440.1	17.2	2.0%	6.1%
Individual Income Tax	464.0	591.7	127.6	(26.1%)	(5.7%)
Withholdings	629.9	606.1	(23.8)	2.5%	(1.3%)
Non-withholdings	564.9	616.6	51.7	(13.6%)	(5.6%)
Refunds	730.8	631.1	(99.7)	14.2%	(1.4%)
Corporate Income Tax	233.6	325.9	92.3	(28.6%)	(0.4%)
Insurance Tax	1.5	1.2	(0.3)	(7.8%)	(28.6%)
Other Revenue Items, Sub-Total	107.2	135.5	28.3	(8.1%)	16.2%

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}
Other Revenue Items, Sub-Total	\$107.2	\$135.5	\$ 28.3	(8.1%)	16.2%
Admissions Tax	4.7	5.0	0.3	(17.0%)	(11.5%)
Alcoholic Liquors Tax	10.9	11.8	0.8	2.5%	10.4%
Bank Tax	10.3	34.0	23.7	(23.6%)	152.2%
Beer and Wine Tax	8.9	8.9	0.0	1.0%	1.1%
Corporate License Tax	6.1	12.6	6.5	(7.3%)	91.6%
Deed Rec. (Doc. Tax)	9.6	10.9	1.2	4.9%	18.3%
Earned on Investments	46.2	44.3	(1.9)	(11.5%)	(15.1%)
Residual Revenue	10.5	8.2	(2.3)	4.0%	(19.2%)

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.



General Fund Revenues – Fiscal Year-to-date



REVENUES V. BEA MONTHLY ESTIMATES

JULY - APRIL

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD ^{/1}	Actual YTD ^{/2}	Estimate Full FY ^{/3}		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD ^{/1}	Actual YTD ^{/2}	Estimate Full FY ^{/3}
Total General Fund Revenue	\$10,809.9	\$11,581.9	\$772.0	1.1%	8.4%	0.5%	Other Revenue Items, Sub-Total	\$1,033.6	\$1,117.7	\$84.2	10.1%	19.1%	9.9%
Sales Tax	3,619.5	3,699.1	79.6	2.4%	4.6%	2.1%	Admissions Tax	22.4	22.0	(0.4)	(18.8%)	(20.3%)	(16.6%)
Individual Income Tax	4,944.7	5,390.1	445.4	(0.5%)	8.5%	(0.4%)	Alcoholic Liquors Tax	89.3	87.9	(1.4)	1.9%	0.3%	2.0%
Withholdings	5,993.5	6,085.1	91.6	5.0%	6.6%	5.1%	Bank Tax	45.1	79.2	34.1	(2.8%)	70.7%	(2.6%)
Non-withholdings	1,358.3	1,376.0	17.7	(0.9%)	0.4%	0.5%	Beer and Wine Tax	82.8	81.5	(1.3)	0.4%	(1.1%)	0.6%
Refunds	2,407.1	2,071.0	(336.1)	14.0%	(1.9%)	16.4%	Corporate License Tax	181.7	189.9	8.2	(0.1%)	4.4%	(0.0%)
Corporate Income Tax	905.4	1,072.7	167.4	(8.0%)	9.0%	(12.7%)	Deed Rec. (Doc. Tax)	87.7	91.2	3.4	5.5%	9.6%	4.3%
Insurance Tax	306.8	302.3	(4.5)	18.3%	16.6%	12.0%	Earned on Investments	370.4	405.8	35.4	35.0%	47.9%	39.4%
Other Revenue Items, Sub-Total	1,033.6	1,117.7	84.2	10.1%	19.1%	9.9%	Residual Revenue	154.0	160.2	6.1	(0.9%)	3.0%	(5.0%)

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.

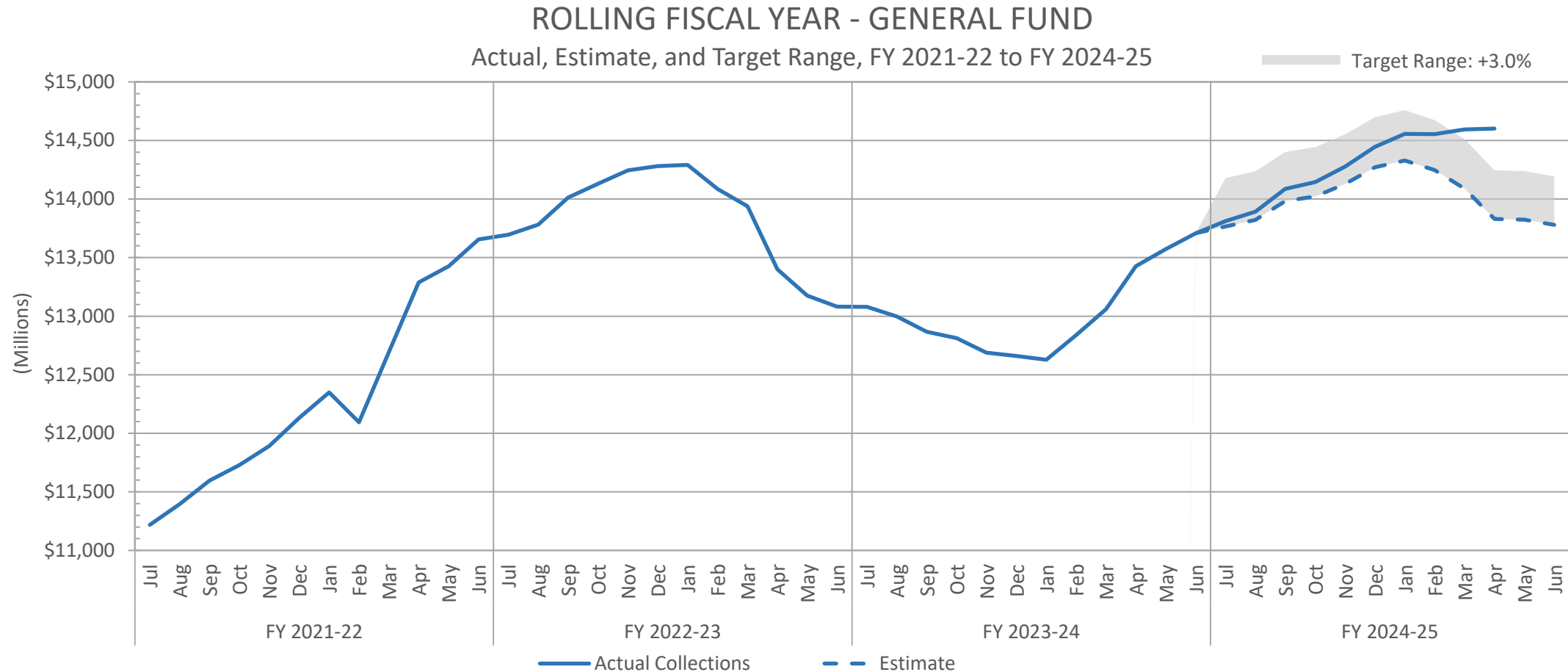
^{/2} Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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



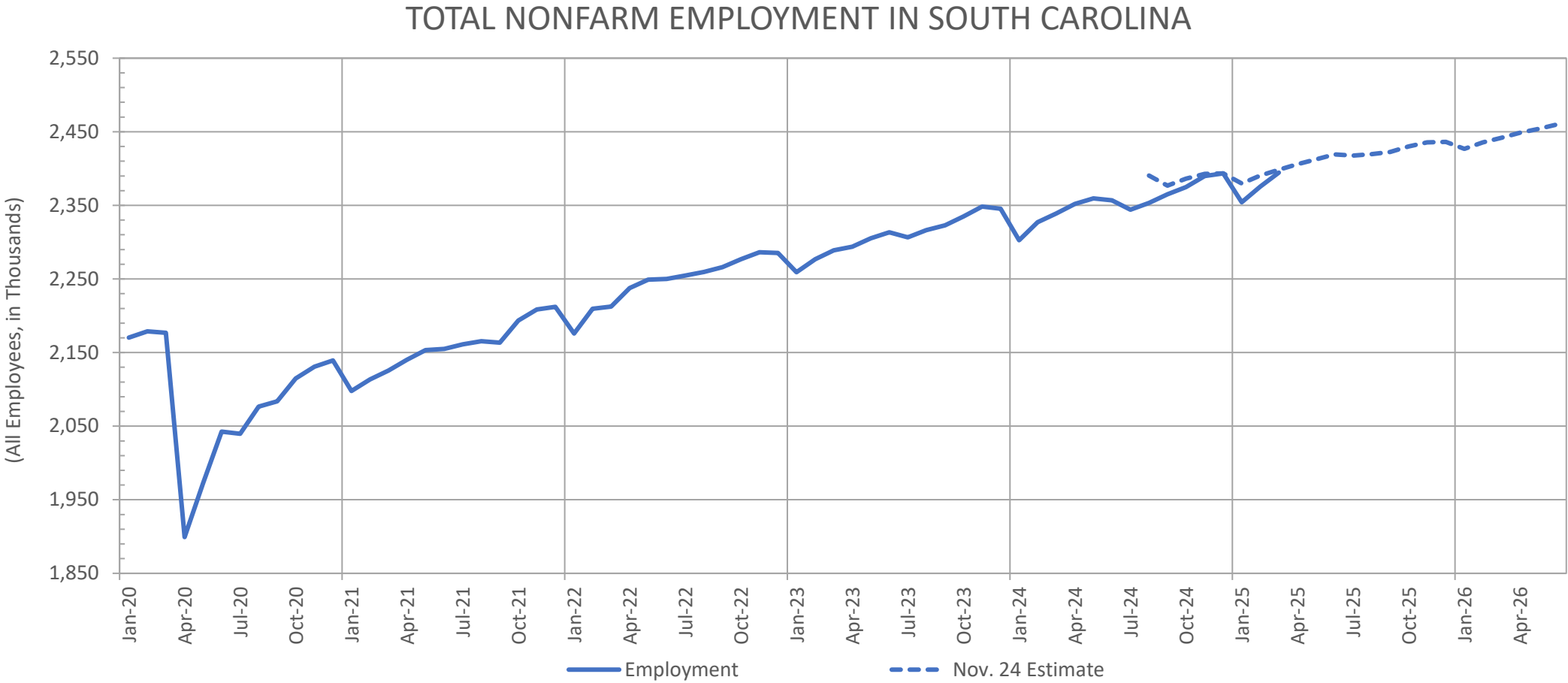
General Fund Revenue – February 2025 Estimate

Collections are \$772 million ahead of the current forecast; revenue growth has been greater than anticipated



South Carolina Employment

March 2025 employment growth is up 2.4% on a year-over-year basis and is now running close to the estimate



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/5/6/2025

Increased Economic Concerns

- Though the initial concerns have lessened, tariff changes have added uncertainty to the economic outlook and could impact the major revenue items differently
- Tariffs may be distorting current economic data
 - US GDP fell at an annualized rate of 0.3% from Q4 2024 to Q1 2025 because imports of goods rose dramatically, distorting the quarterly growth
- US employment rose more than expected in April, but firms indicate that they may slow hiring in the future due to uncertainty
- The financial markets have seen increased volatility since January
- Federal Reserve Chair Powell noted that there is a “strong likelihood” that higher prices and higher unemployment may occur in the short-run

Summary of Economic Assumptions

(No Change from February 2025)

FISCAL YEAR GROWTH RATES			
Fiscal Year	Personal Income	Employment	Inflation
2024-25	5.7%	2.2%	2.6%
2025-26	4.6%	1.7%	2.5%

- Working estimates assume that increased economic uncertainty will lead to lower economic activity in 2025 but not a recession

Individual Income Tax

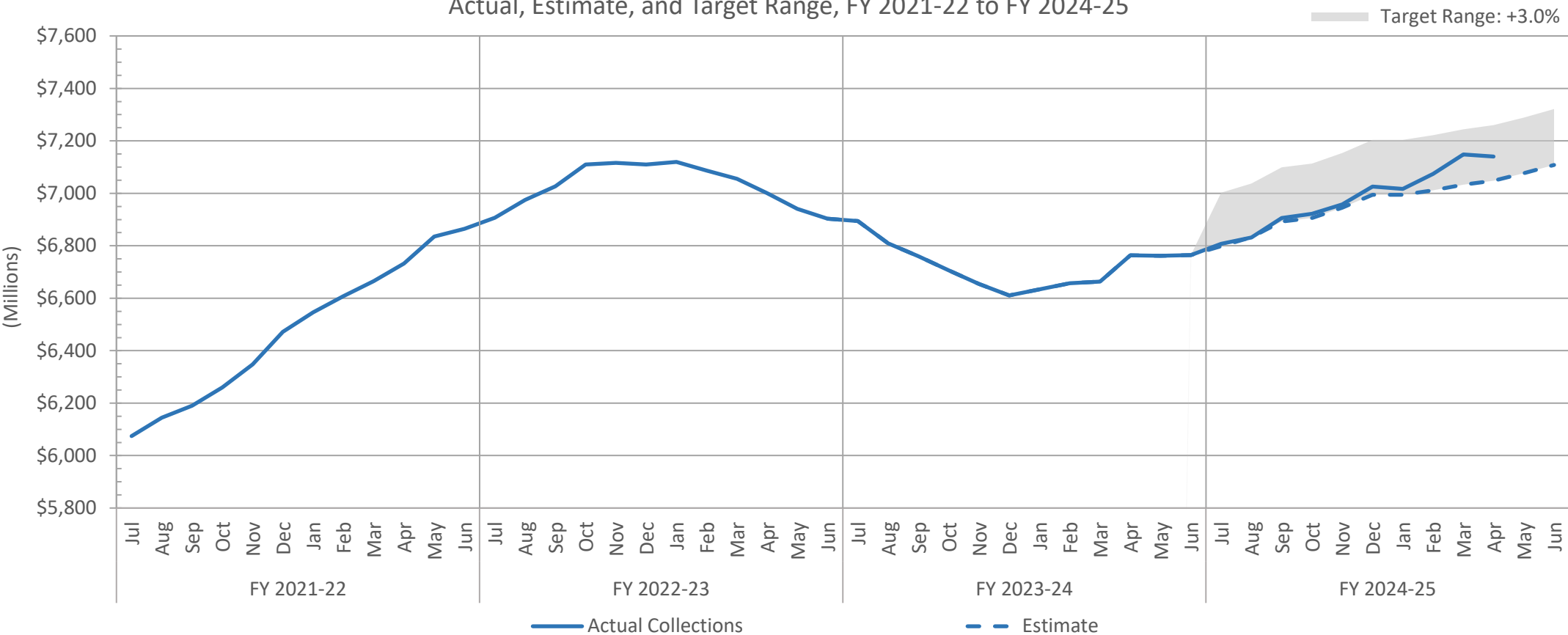


Withholdings - Actual vs. Current Estimate

Withholdings are \$23.8 million behind the estimate for April but are cumulatively \$91.6 million above the forecast; year-to-date collections are 6.6% higher than in FY 24 reflecting higher-than-expected wage growth

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2021-22 to FY 2024-25



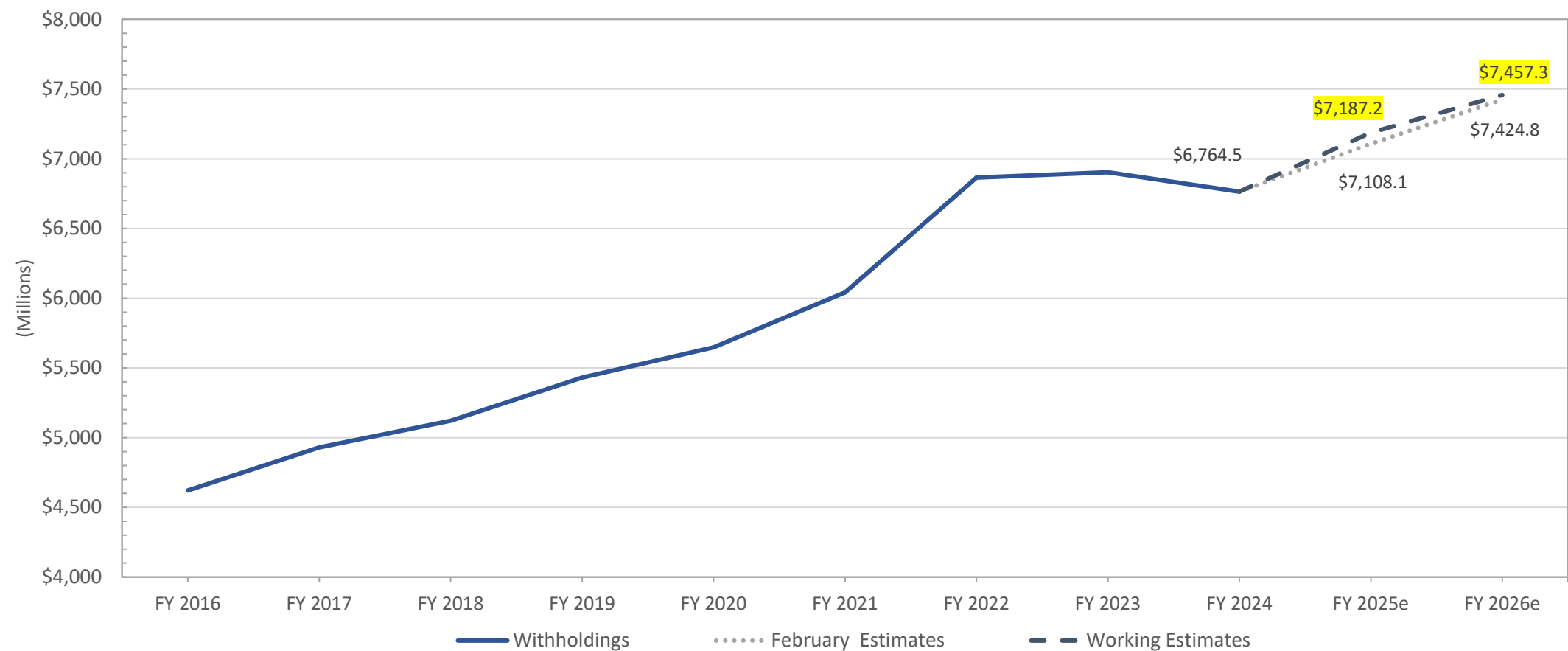
Individual Income Withholdings Tax Forecast

- Working estimates expect wage growth to be close to 4.9% for FY 25 and slow to 4% for FY 26
- Working estimates have also been adjusted downward based on the anticipated slowdown in economic activity resulting from tariff policy shifts and increased risk of inflation

Individual Income Withholdings – Working Estimates

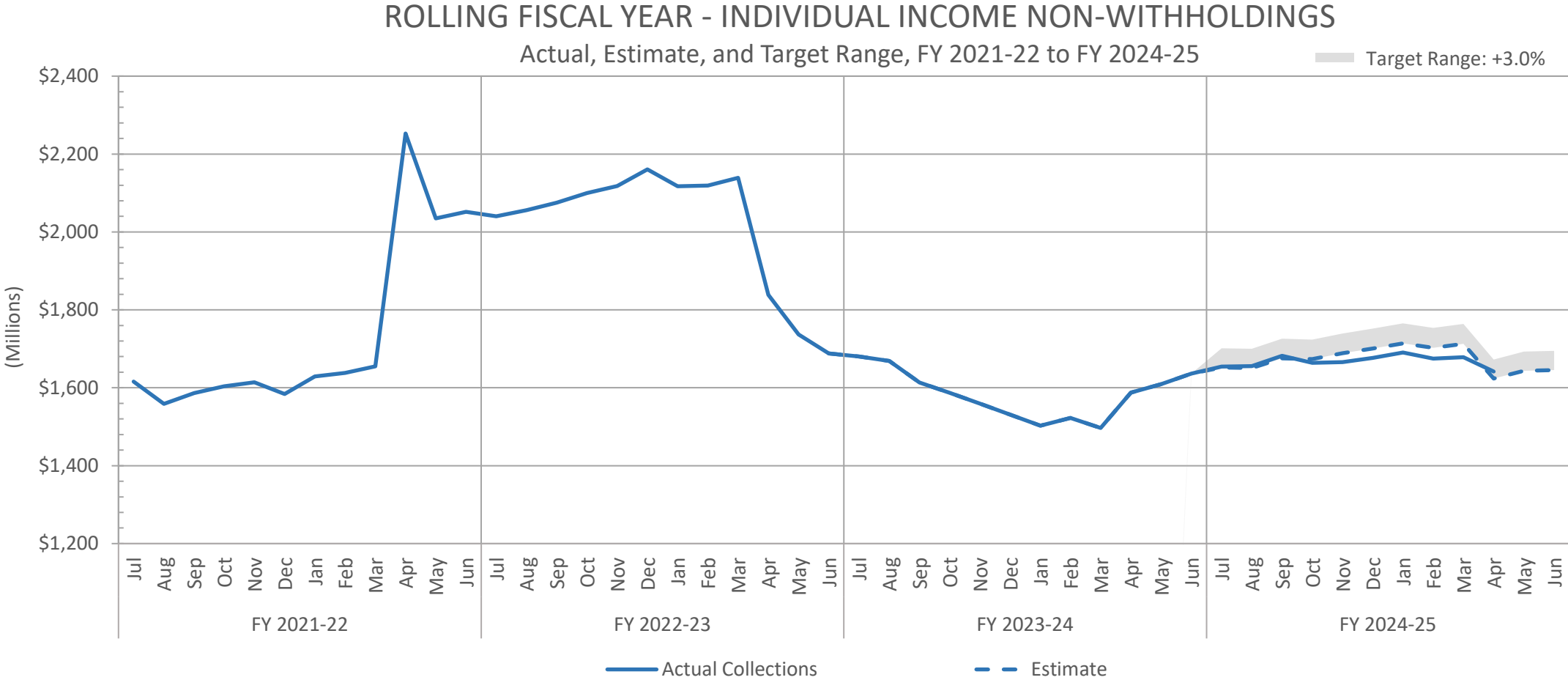
Growth has exceeded expectations for FY 25 (6.6% vs 5% projected through April); growth is expected to slow in FY 26 to slightly below normal of about 3.8% mainly due to lower wage growth resulting from the anticipated slower economic activity

INDIVIDUAL INCOME TAX - WITHHOLDINGS



Non-Withholdings - Actual vs. Current Estimate

Collections improved in April and are now ahead of expectations by \$17.7 million fiscal year-to-date

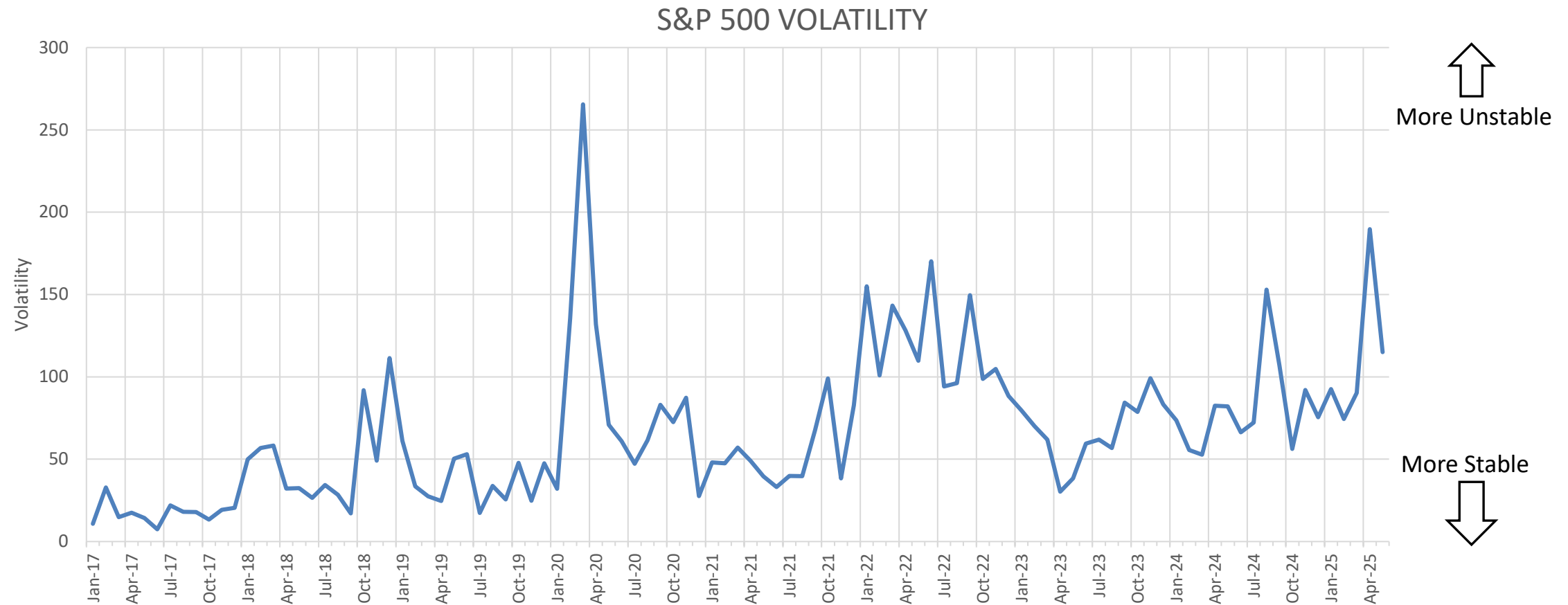


Individual Income Non-Withholdings Forecast

- Non-withholdings are currently ahead of the February estimate
- Collections increased significantly in April for 2024 tax filings, but the remainder of the fiscal year continues to be a potential concern due to the combination of the tax filing extension to May 1st and the payments in June reflecting 2025 economic activity
- Financial markets exhibited very strong performance in 2024 but have experienced high volatility since the announcement of the new tariffs in early April
- The FY 25 working estimate slight downward revision reflects increased financial market risks and expectations for the remainder of the year
- We expect interest rates and interest income to remain mostly unchanged during the rest of 2025 based on the Fed's more cautious monetary policy; also, stock market investment income is expected to grow modestly due to the overall economic uncertainty during the rest of 2025, resulting in lower expected collections growth in FY 26

Financial Market Volatility: S&P 500

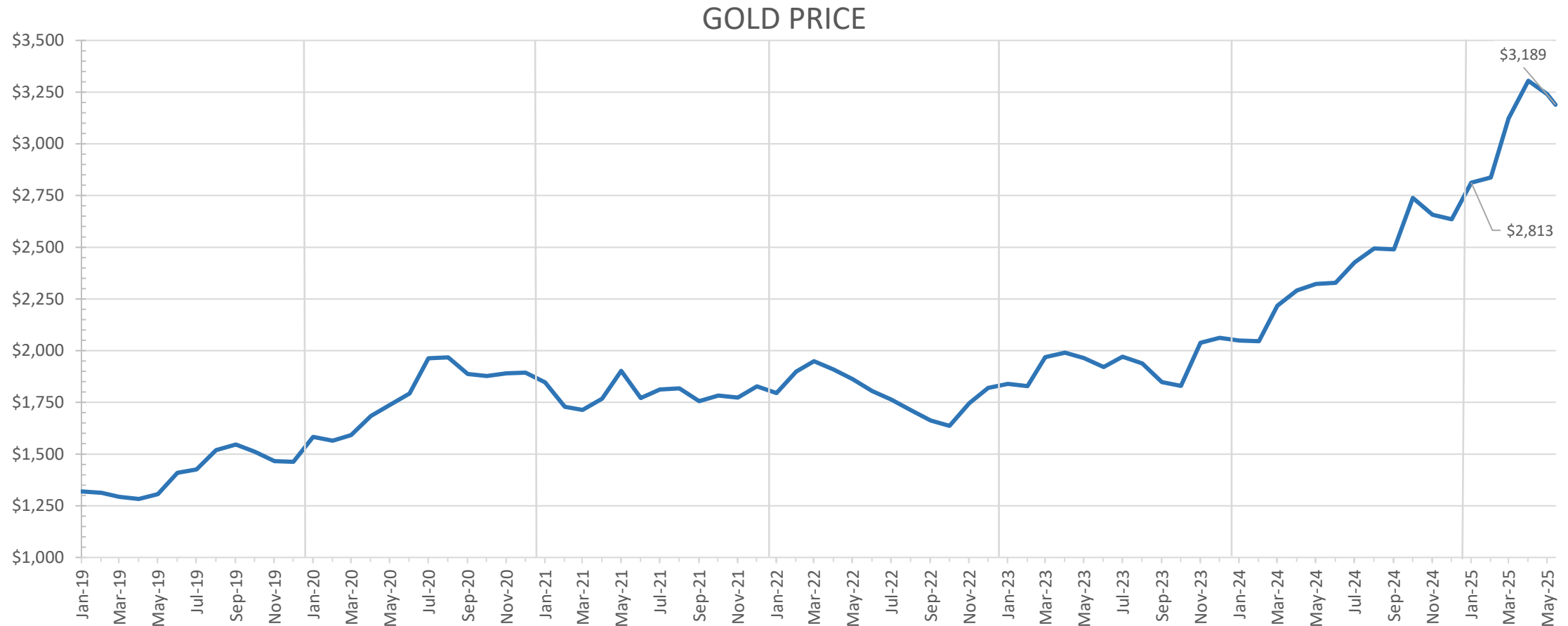
The value of the S&P 500 market index has become significantly more unstable in April after the tariff policy changes



Data Source: Yahoo Finance, S&P 500 Index 337D - RFA/mam/5/15/2025

Financial Market Volatility: Gold

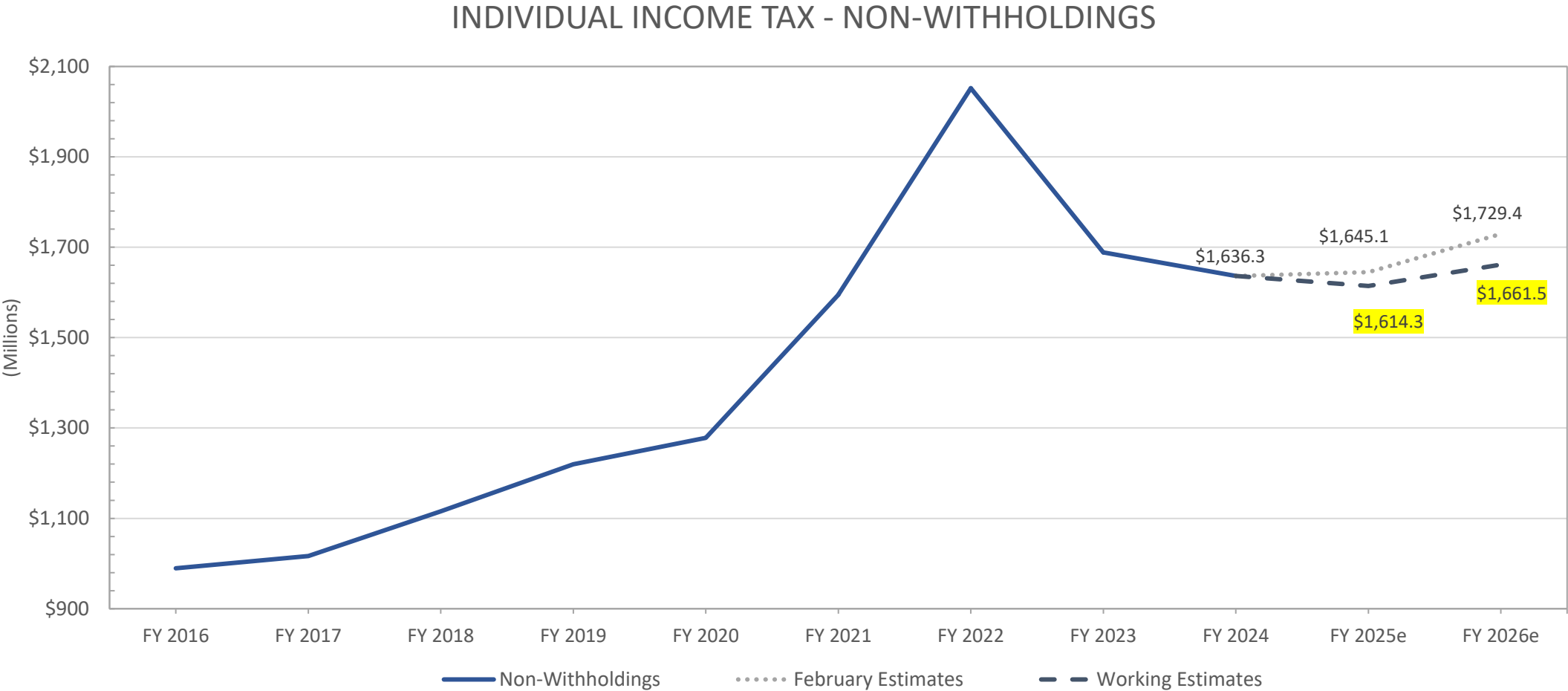
Gold is usually considered a safe asset during increased financial market volatility; the price of gold increased approximately 13.4% since the start of the year due to increased demand



Data Source: Yahoo Finance, Gold Continuous Contract Futures 337E - RFA/mam/5/14/2025

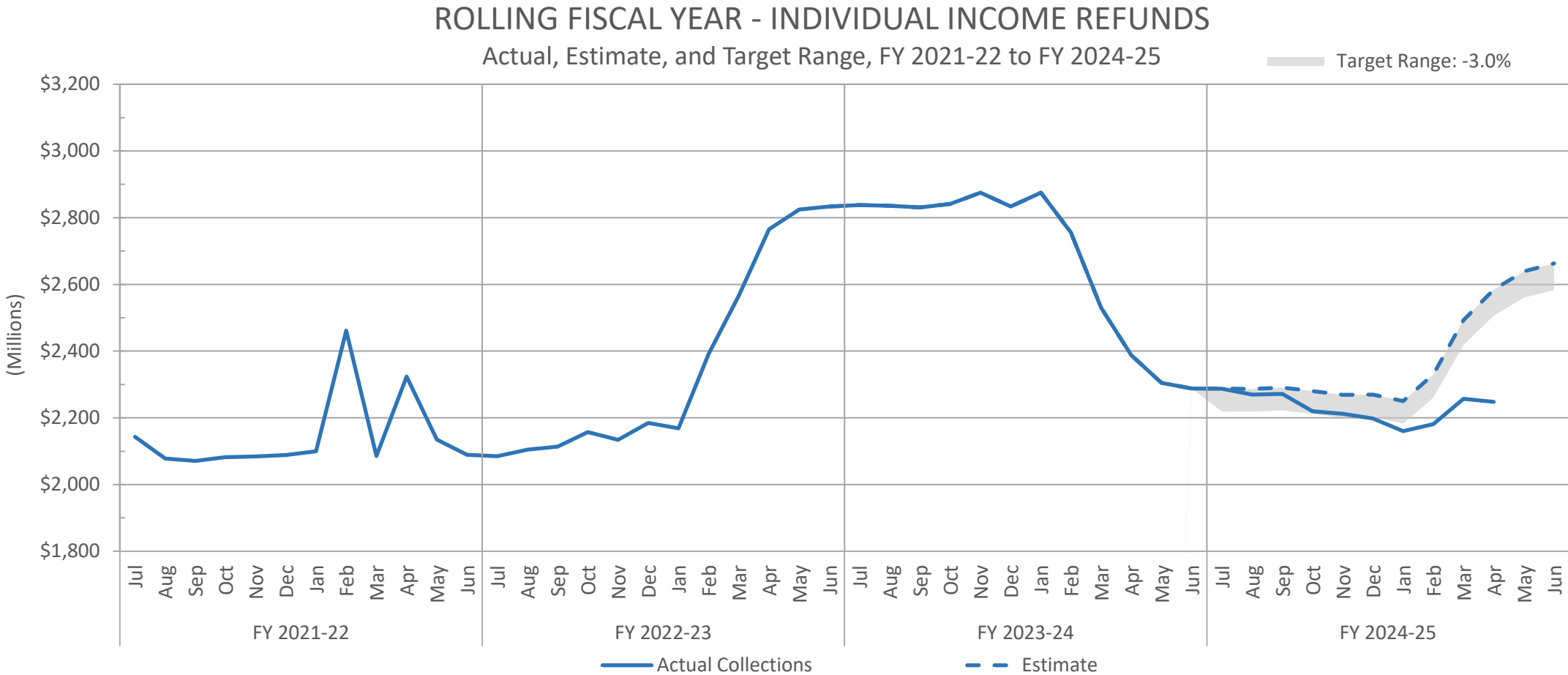
Non-Withholdings – Working Estimates

FY 26 is expected to grow slower than previously estimated (down from 5.1% to 2.9%) due to financial market volatility in the wake of tariff policy shifts; interest income is expected to remain largely unchanged as the Federal Reserve announced a more cautious monetary policy



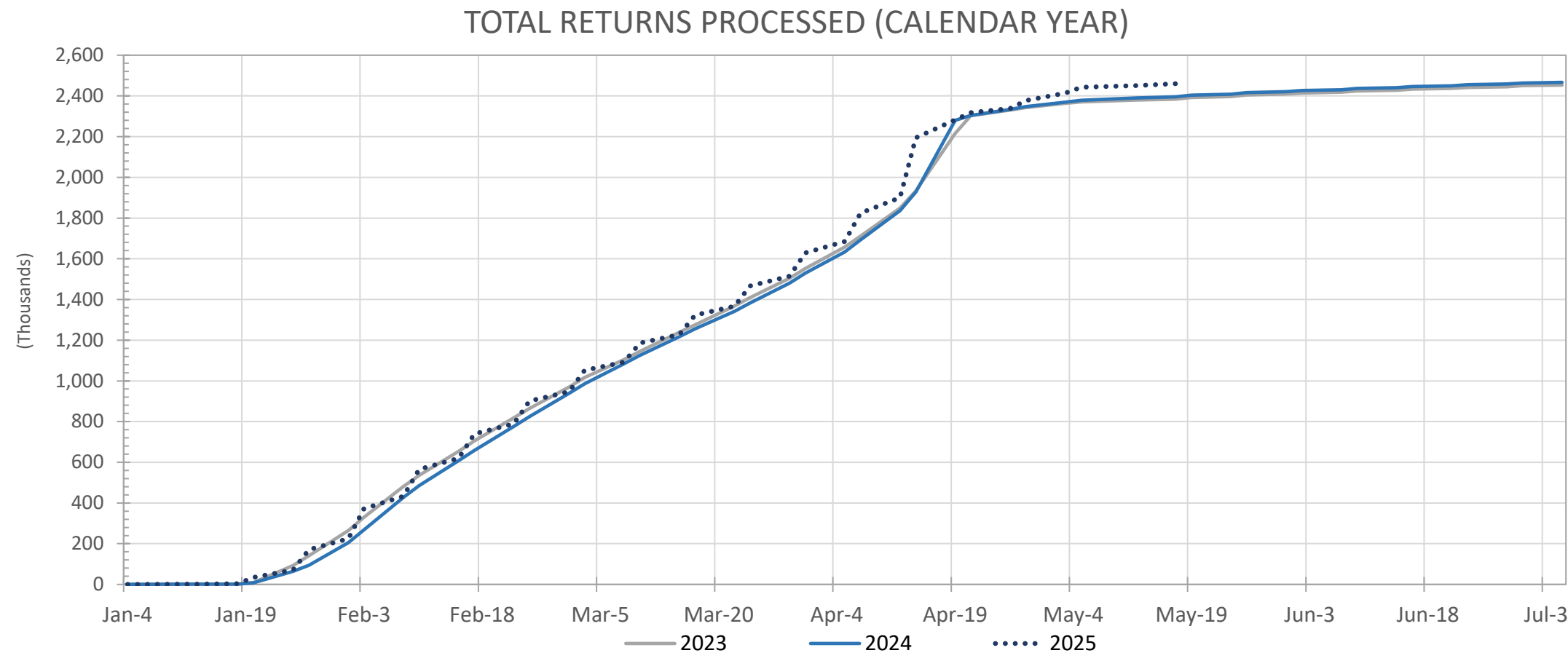
Refunds - Actual vs. Current Estimate

Refunds fell further behind expectations to \$336.1 million below the forecast; more than half of the gap is due to considerably lower-than-expected Refunds in March and April (\$87.3 million and \$99.7 million lower than expected, respectively)



Refunds Processing - Returns

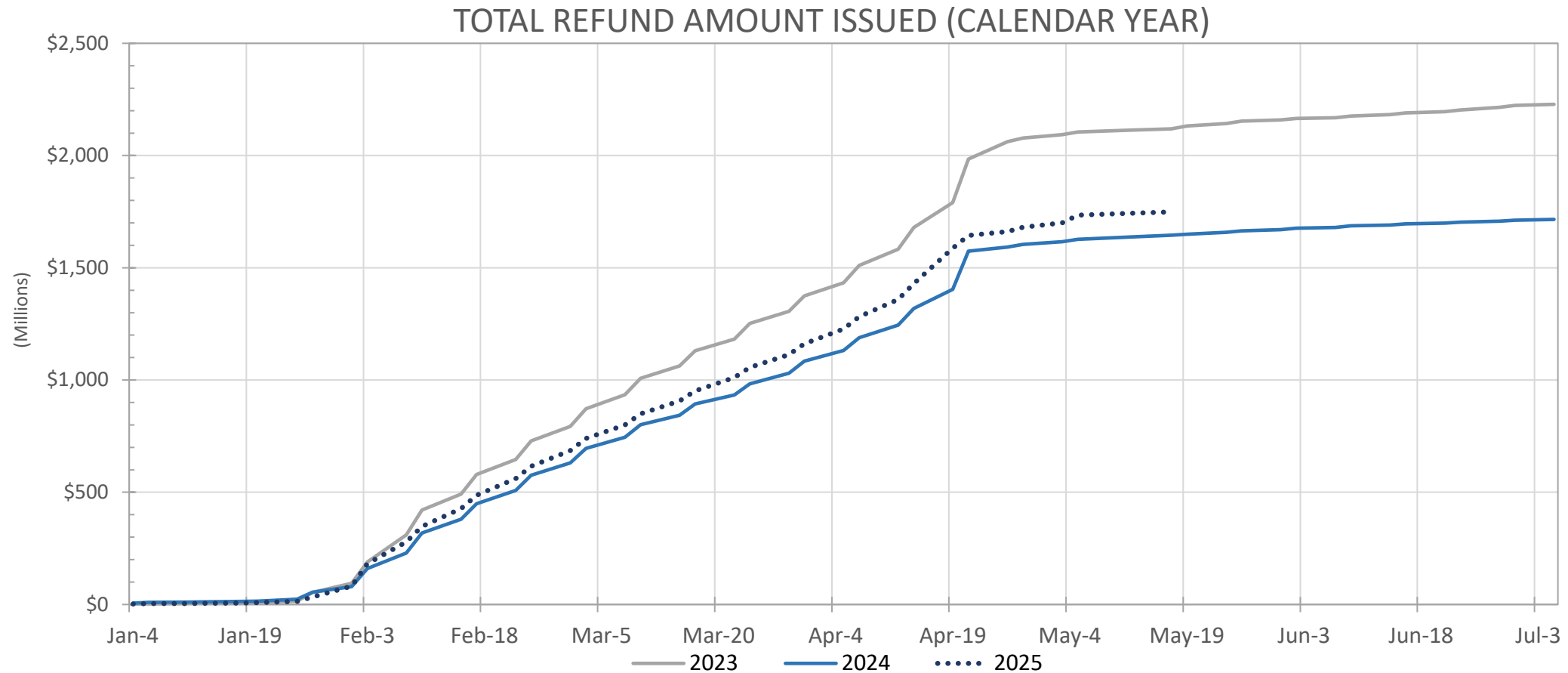
Total number of returns processed is slightly above 2024, in line with expectations



Data Source: S.C. Department of Revenue, 5/14/2025

Refunds Processing - Amount

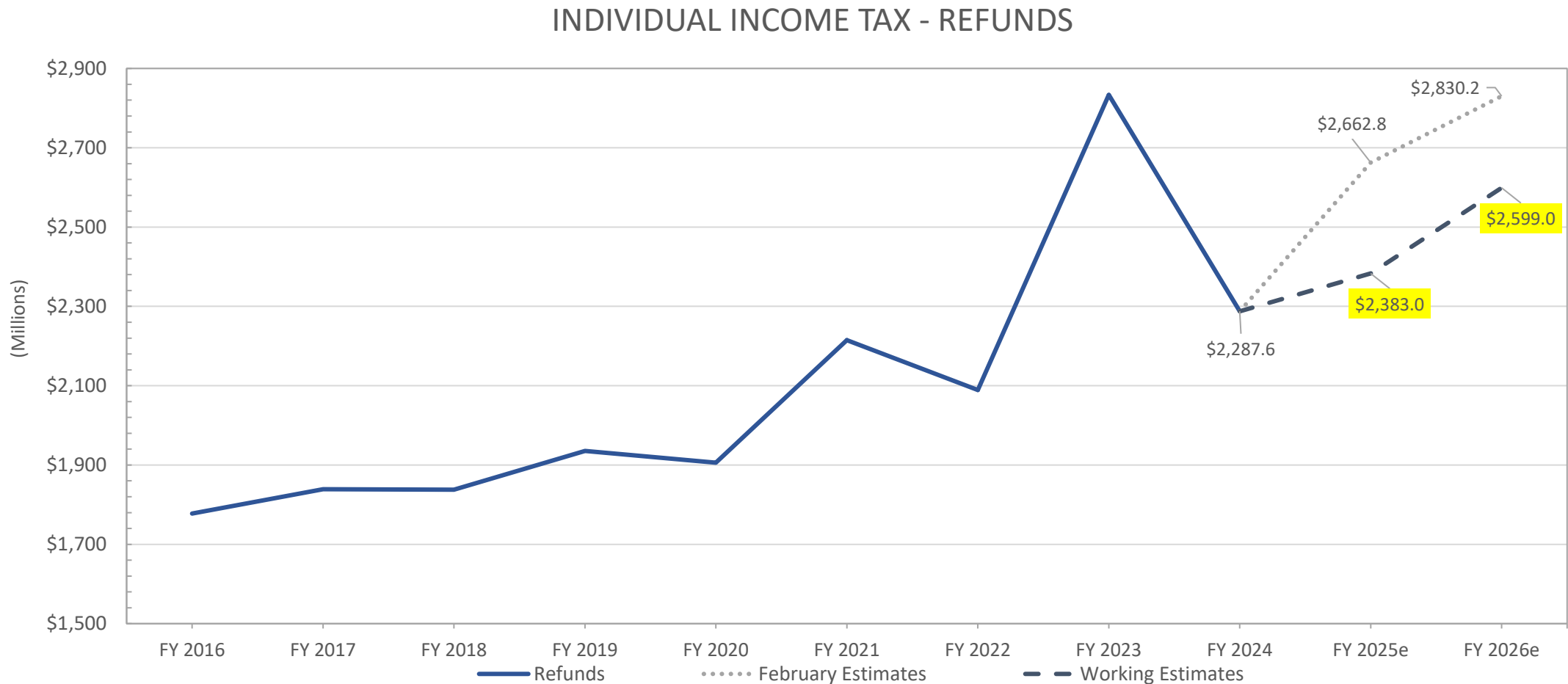
The increase in the total Refunds in the first week of May is lower than anticipated; Refunds are expected to remain at the lower level for the rest of the fiscal year



Data Source: S.C. Department of Revenue, 5/14/2025

Refunds – Working Estimates

Refunds are significantly lower than expected; changes reflect year-to-date Refunds and the increase in Withholdings expectations for FY 25, which translates to higher Refunds for FY 26

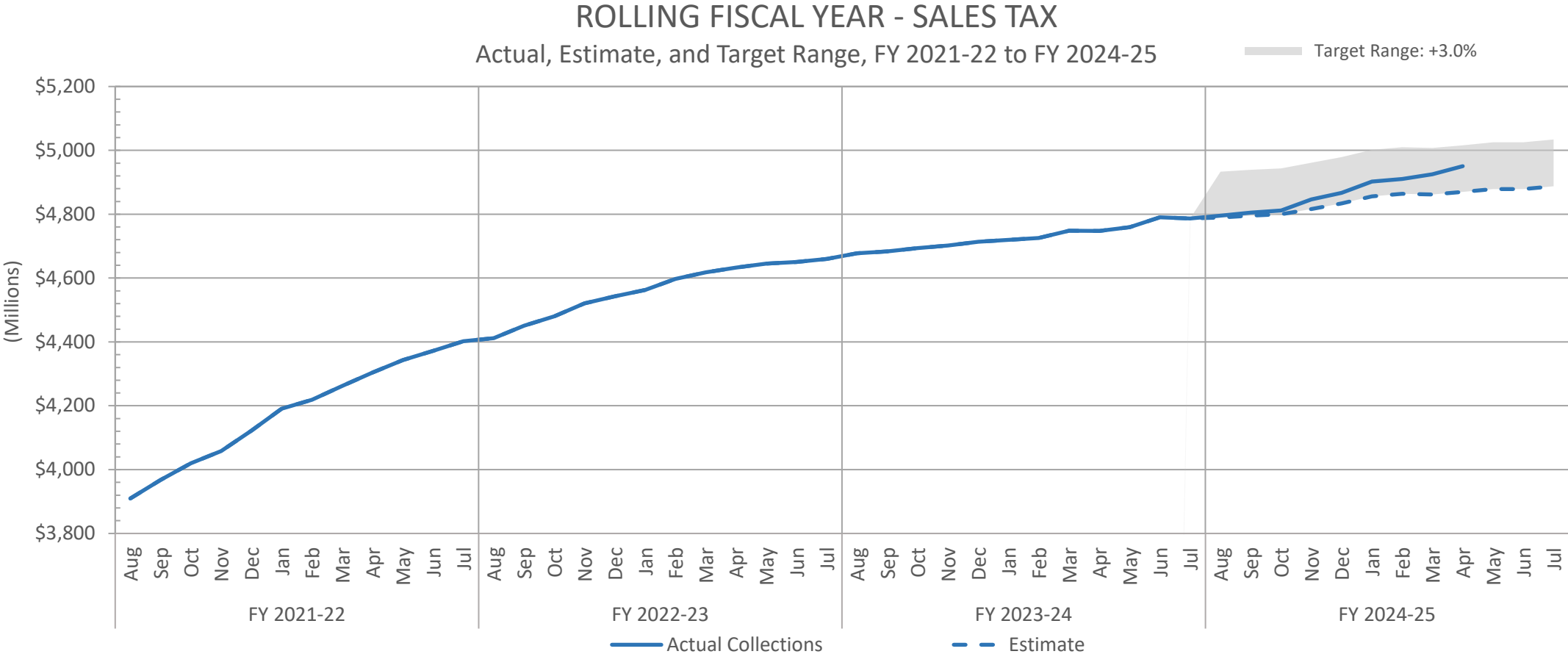


Consumption Taxes



Sales Tax - Actual vs. Current Estimate

Sales tax continued to accelerate as April collections grew 6.1% for the month over last year; fiscal year-to-date collections are growing 4.6% and are \$79.6 million above the February estimate



US Imports of Goods

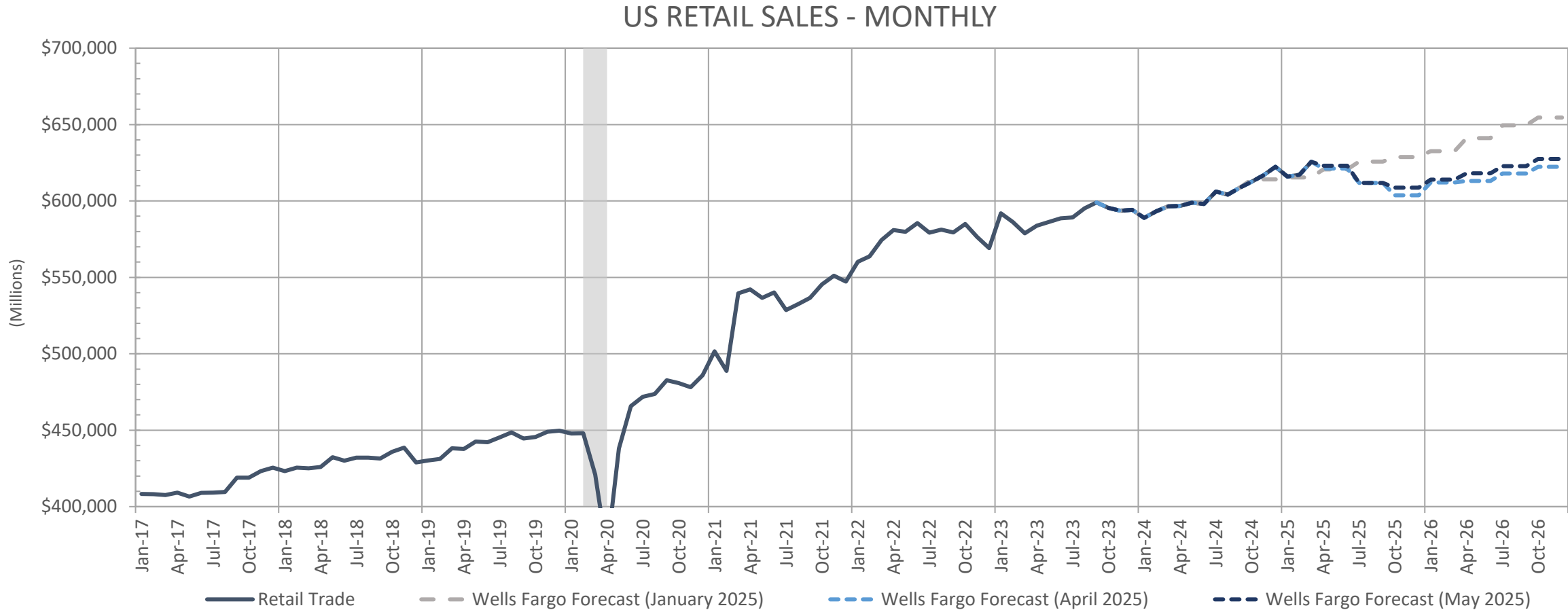
U.S. imports of goods rose by 26.6% in Q1 2025 over last year, the fastest pace since Q2 2021, as imports were pulled forward in light of tariff uncertainty



Source: U.S. Bureau of Economic Analysis; U.S. Census Bureau via FRED, U.S. Imports of Goods by Customs Basis from World [IMP0004], RFA/mad/05/06/2025

US Retail Sales

May retail sales expectations have improved slightly since the steep drop in April expectations that followed initial tariff announcements; Wells Fargo is now anticipating growth of 2.0% in 2025 and 0.8% in 2026 (April: 1.5% and 0.4%) (January: 3.4% and 3.5%)



Source: U.S. Census Bureau, Advance Retail Sales: Retail Trade [RSXFS], retrieved from FRED, Federal Reserve Bank of St. Louis; Wells Fargo US Economic Outlook, January 16, 2025, April 8, 2025 & May 8, 2025; 323-RFA/mad/05/12/2025

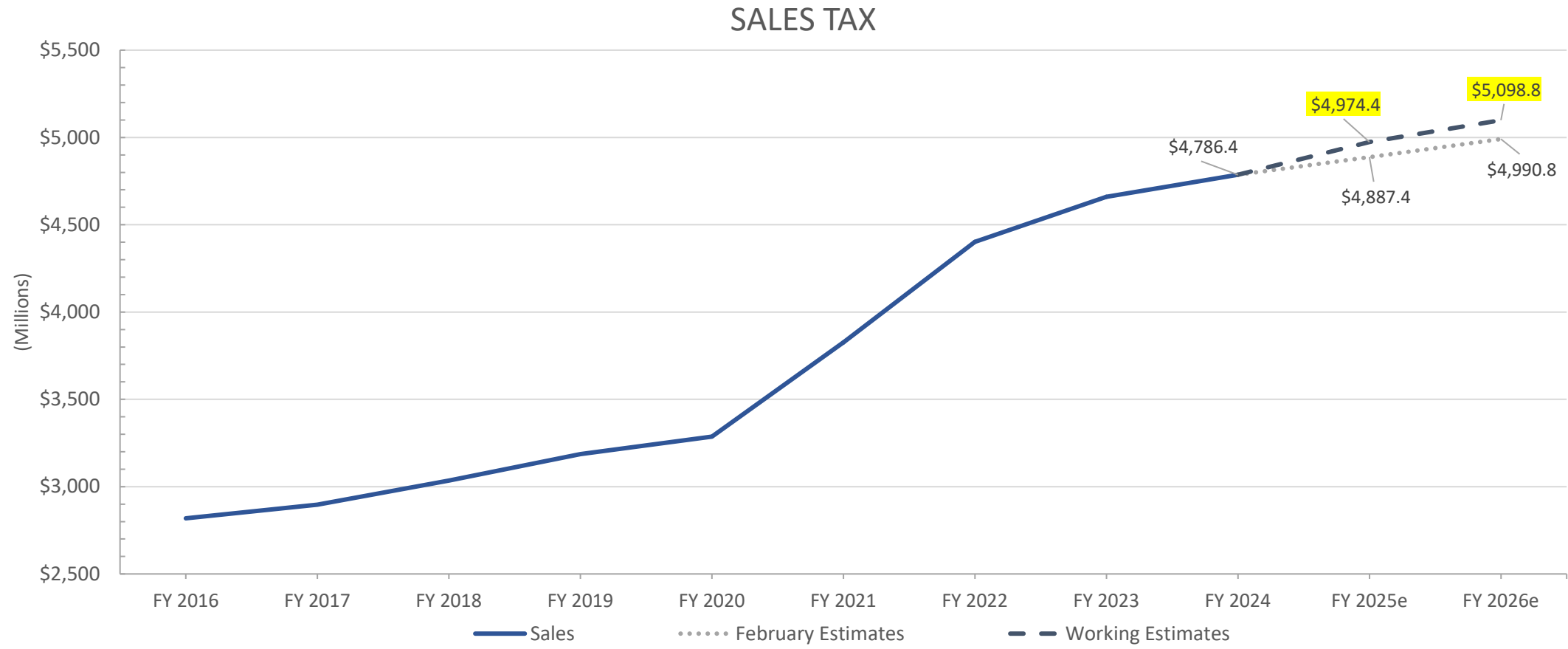


Sales Tax Forecast Assumptions

- FY 25 collections have exceeded expectations, driven by strong growth in retail sales and a declining savings rate observed over the past two quarters; FY 25 collections are translating into a higher base for FY 26, prompting upward revisions to both years
- Tariff uncertainty has prompted an influx of goods imports, which may keep prices stable for the remainder of FY 25; FY 26 revisions reflect the potential for increased prices in 2026, though FY 26 collections are expected to grow at a slower pace than FY 25
- As prices rise, consumers may spend more, though their spending may not grow at the same rate as the price increases
- Further, FY 26 revisions consider the risk of weaker consumption patterns compared to recent collections; reports of consumers front-loading purchases pose the risk of a potential pullback in spending in FY 26; this behavior may be influenced by expectations of future price increases, policy uncertainty, or supply chain concerns
- Based on Federal Reserve manufacturing surveys, new orders by manufacturers have started to decline and expectations for new orders have also dropped, further signaling uncertainty for the upcoming fiscal year

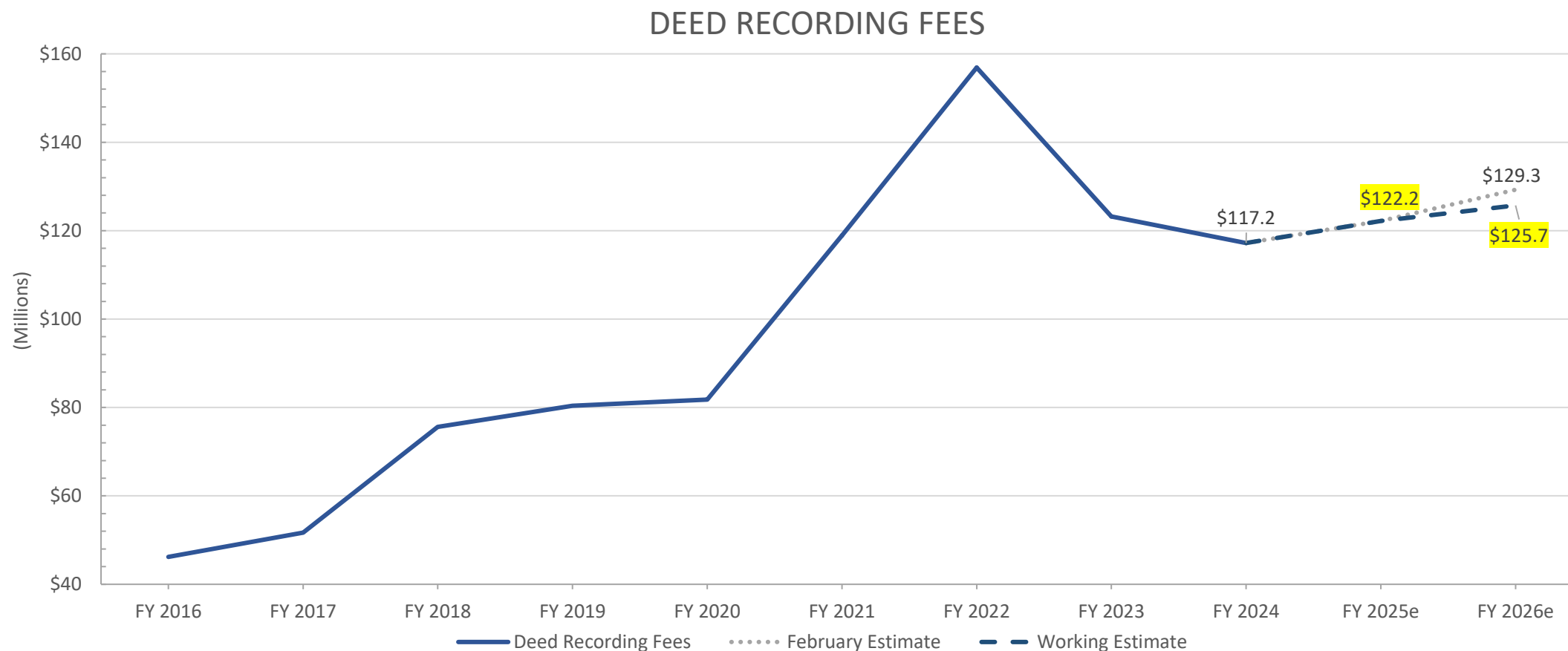
Sales Tax – Working Estimates

FY 25 growth expectations are revised up to 3.9% from 2.1%, reflecting stronger-than-expected collections; FY 26 revisions reflect a base adjustment, potential for higher prices, and underlying uncertainty; FY 26 growth expectations are revised up to 2.5% from 2.1% to match inflation



Deed Recording Fees – Working Estimates

Collections have been running close to the February estimate; no revisions to the FY 25 estimate are recommended; FY 26 may fare better, but the working estimate reflects slower growth due to uncertainty surrounding increased building costs and changes in the housing market

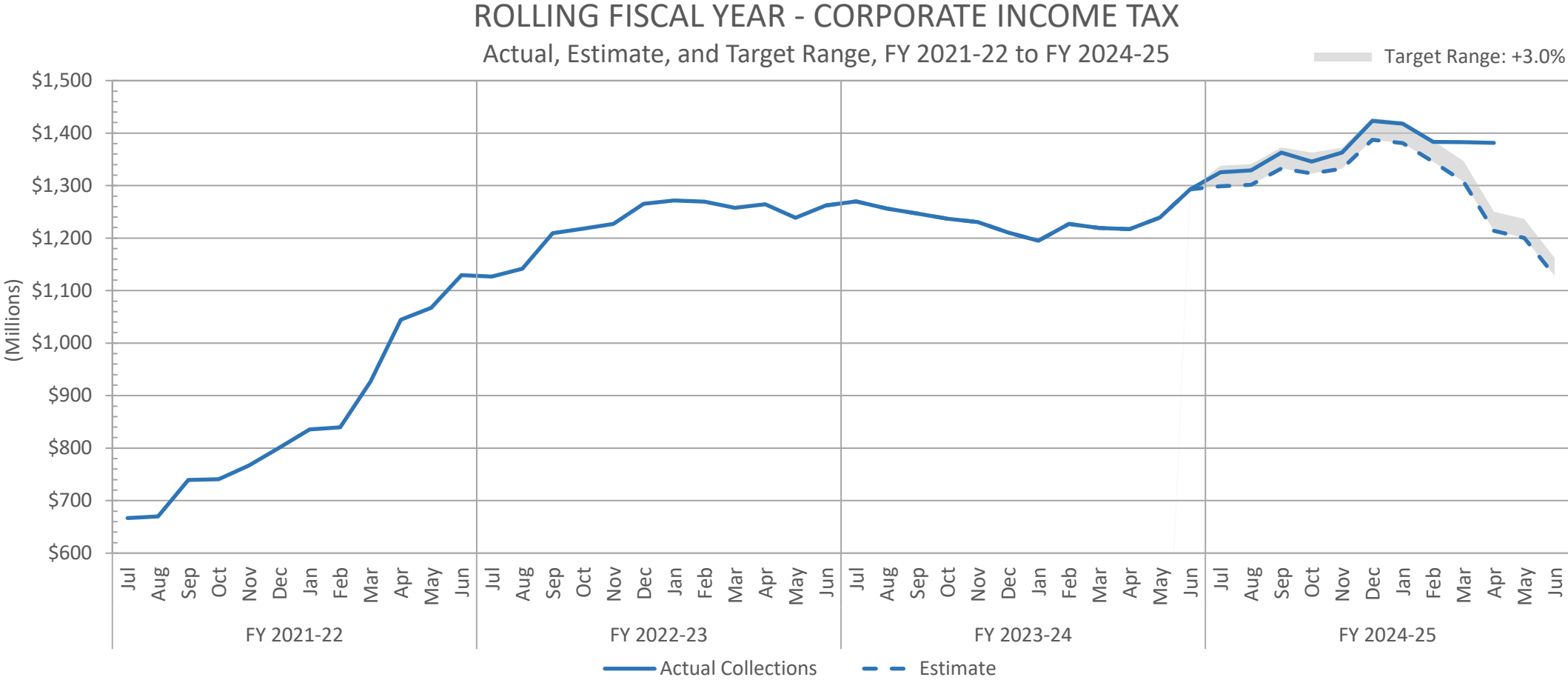


Corporate Income Tax and License Fees



Corporate Income Tax – Actual vs. Current Estimate

Collections did not decline as forecasted and continue to exceed expectations; in total, revenues are \$167.4 million above the forecast and 9% above last year

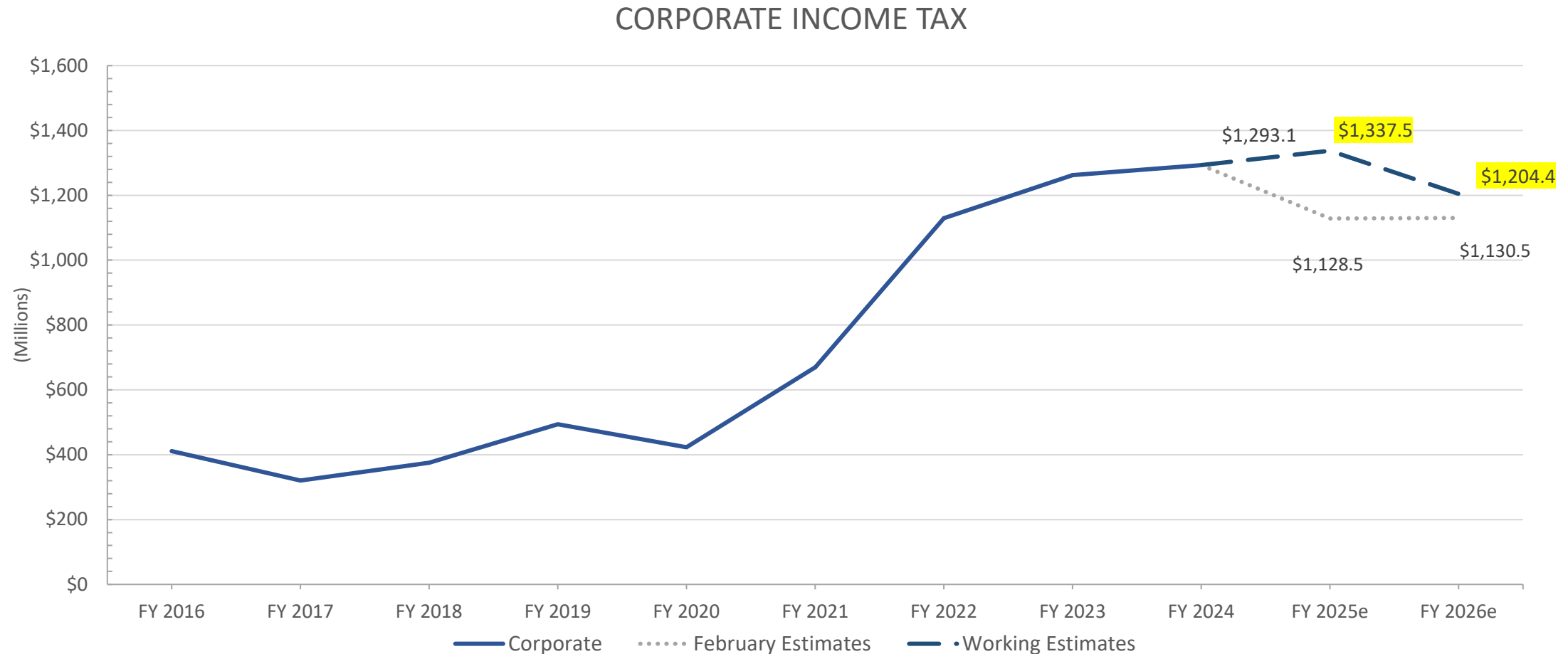


Corporate Income Tax Forecast

- Corporate Income tax has continued to improve, and FY 25 collections are ahead of expectations
- Concerns about a potential decline in collections remain an issue for FY 26 as retail sales growth is expected to slow during FY 26 and increased uncertainty and delayed investment may stifle growth
- Both S&P and Wells Fargo are projecting a slight decline in corporate profits in 2025, which would have more of an impact in FY 26
- Estimates for FY 25 reflect year-to-date collections and expectations for the remainder of the year
- FY 26 working estimate reflects a more cautious approach; with the increase in FY 25, the working estimate for FY 26 reflects a higher base level of collections but a 10% decline from the revised FY 25 estimate

Corporate Income Tax – Working Estimates

Corporate income taxes are running well ahead of the current forecast (+9% versus -12.7% projected); working estimates reflect better performance for FY 25 and a higher base for FY 26 but maintain a 10% decline for FY 26 due concerns about a decline in performance



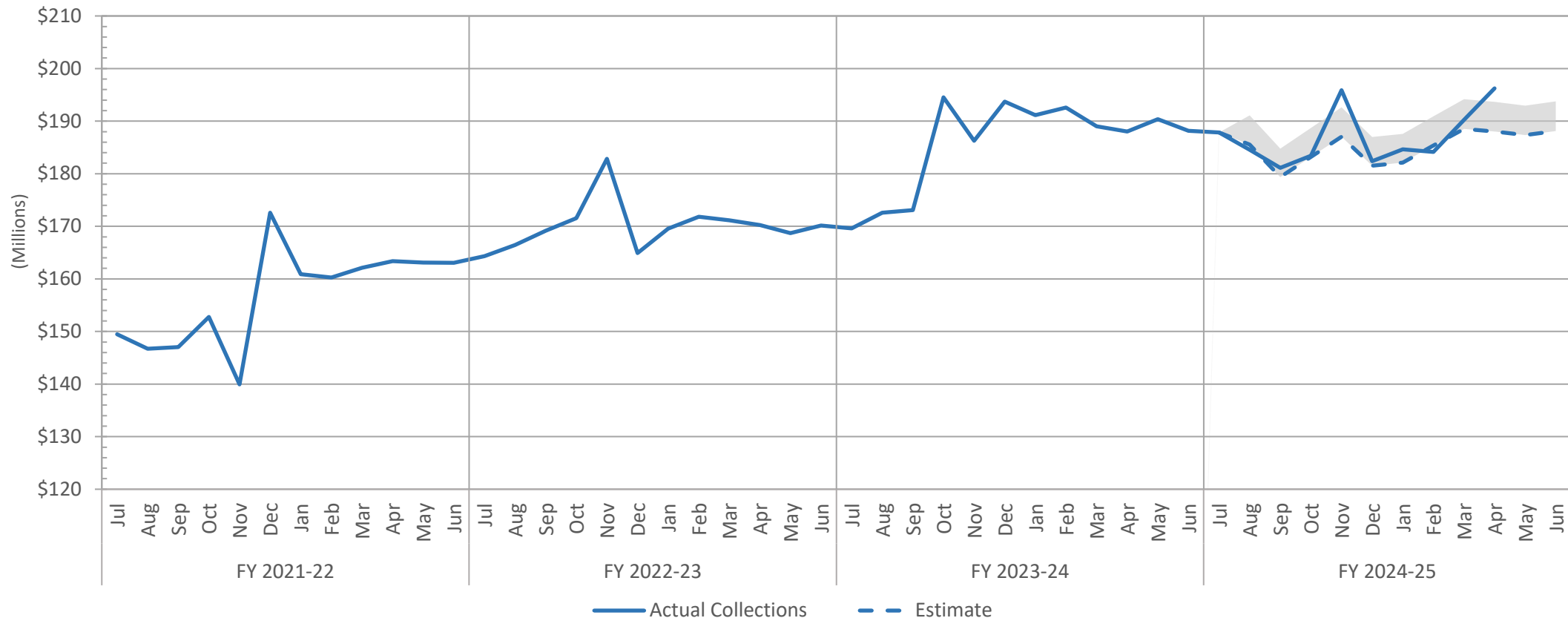
Corporate License Tax – Actual vs. Current Estimate

Collections are currently running ahead of expectations by \$8.2 million following strong April collections and are now growing in line with historical growth

ROLLING FISCAL YEAR - CORPORATE LICENSE TAX

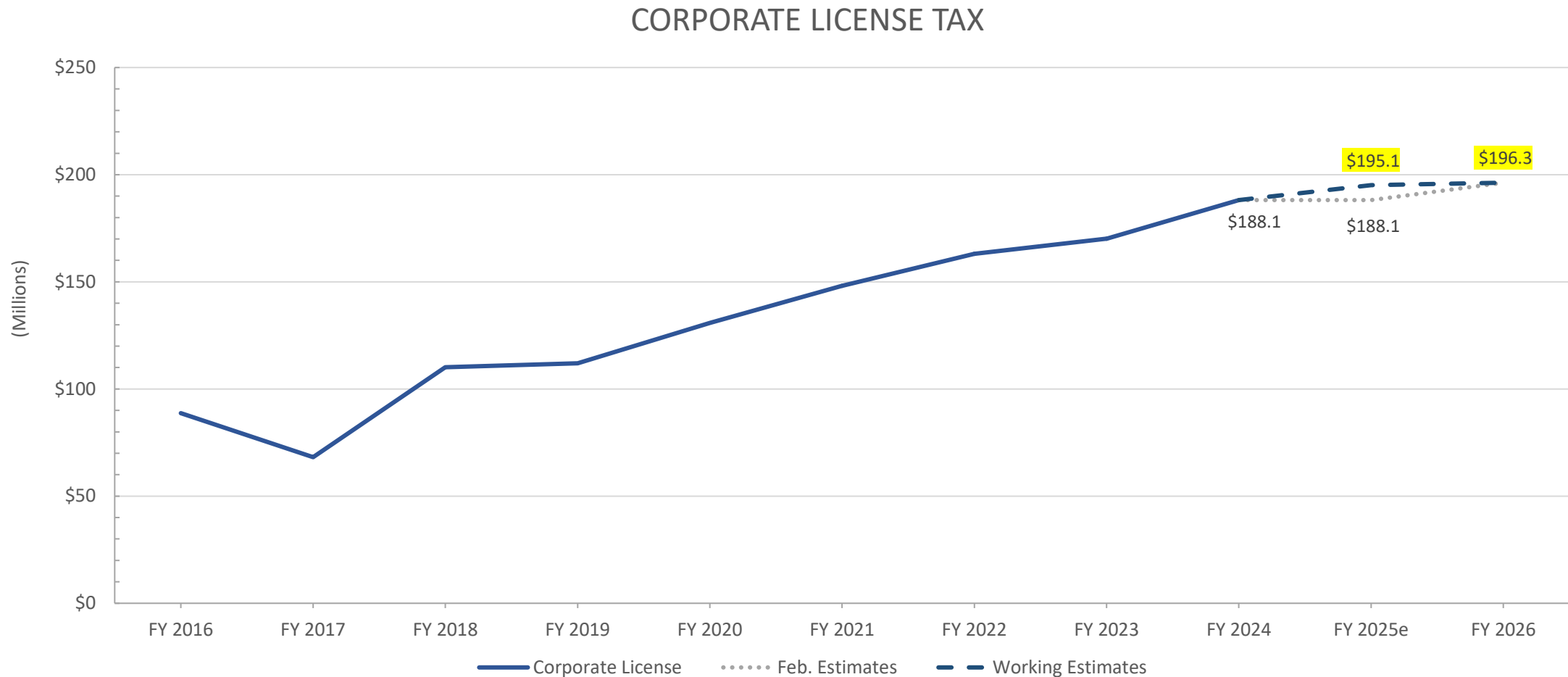
Actual, Estimate, and Target Range, FY 2021-22 to FY 2024-25

Target Range: +3.0%



Corporate License Tax – Working Estimates

The working estimates reflect collections for FY 25 and no change to FY 26, which results in lower-than-historical growth next fiscal year

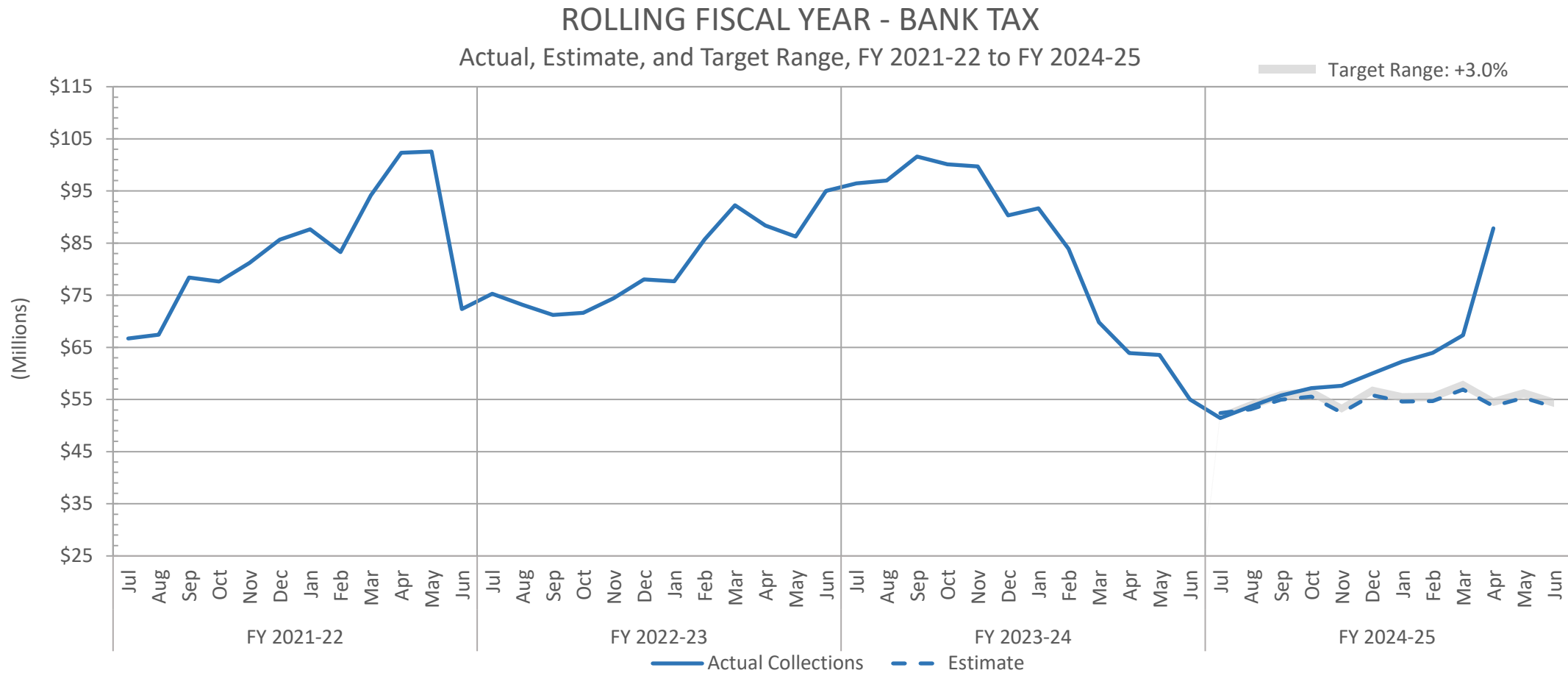


Other General Fund Revenues



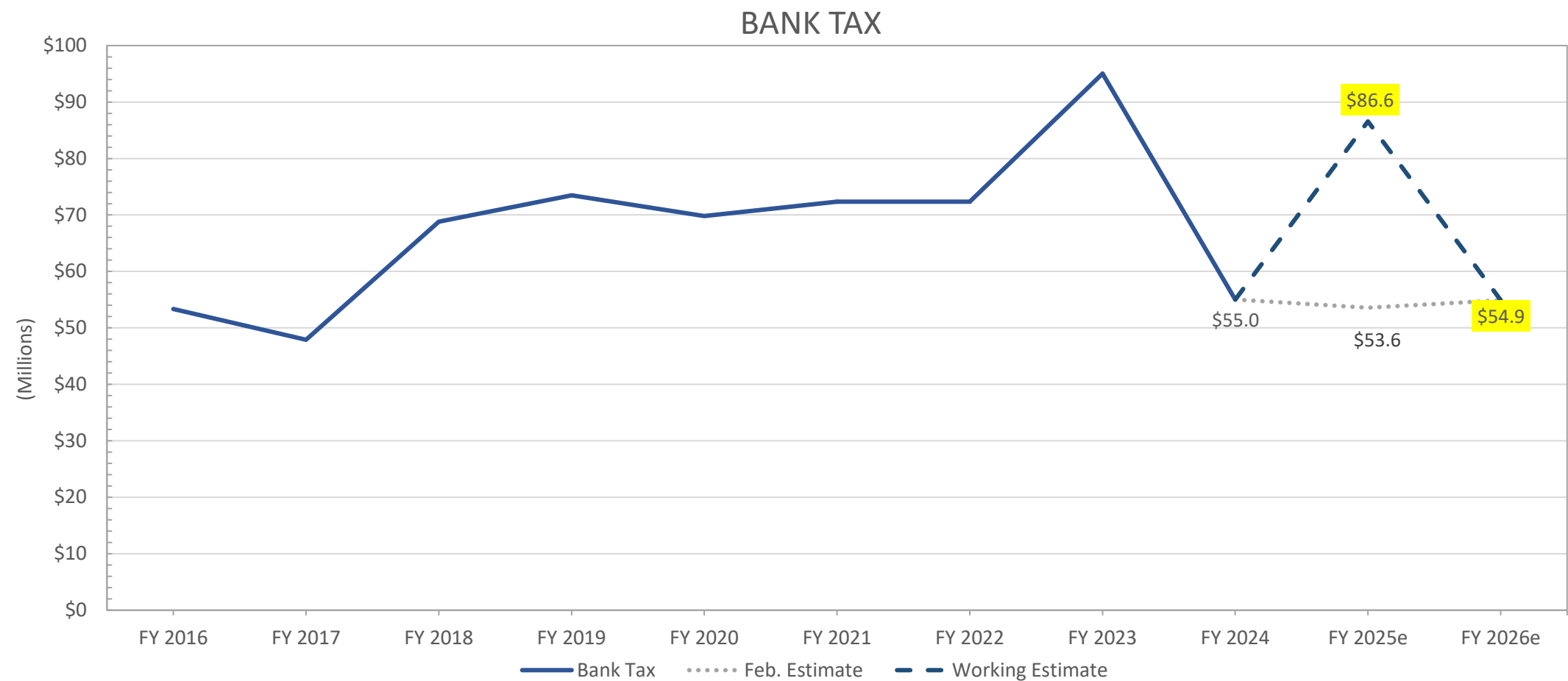
Bank Tax – Actual vs. Current Estimate

Bank tax revenues are running \$34.1 million ahead of expectations due almost entirely from \$22.6M in bank tax audit revenue



Bank Tax – Working Estimates

Working estimates reflect audit revenue collected in FY 25 and better performance in April tax filings, but no change to FY 26 is recommended



Other Categories

- The Treasurer's Office recommended no change to the Earnings on Investments expectations for FY 25 and FY 26
- Minor change to Other Source Revenues of \$5 million in FY 25 and \$3 million in FY 26

Consideration of Revenue Forecasts for FY 2024-25 and FY 2025-26



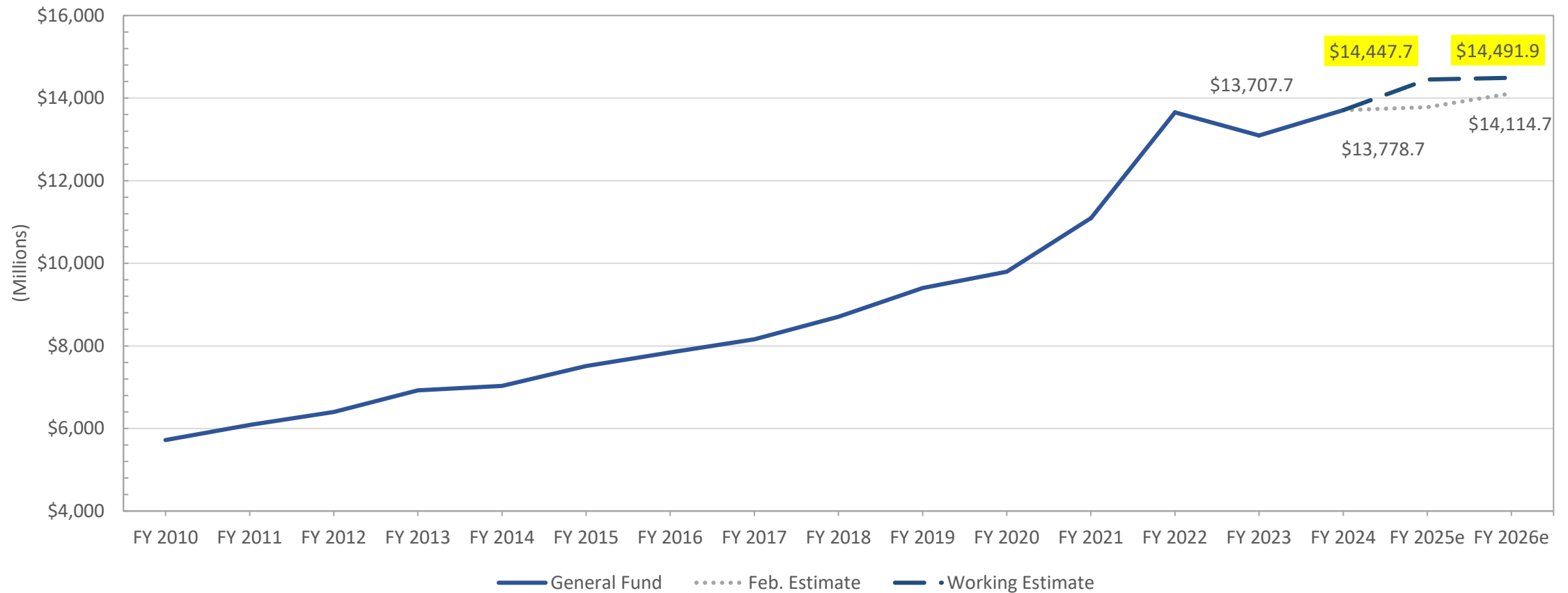
General Fund Working Estimates – Summary

- The FY 25 working estimate is an increase of \$669.0 million over the February estimate
- Key factors driving the increase are:
 - Significantly lower Refunds
 - Strong Corporate Income tax collections
 - Sales tax also contributed to the increase as spending has accelerated in recent months
- FY 26 is an increase of \$377.2 million from February estimate, largely due to base revenue adjustments from FY 25
- However, the FY 26 working estimate expects modest growth of 0.3% over the revised FY 25 estimate as long-term Corporate Income tax remains a concern

General Fund Revenue – Working Estimates

FY 25: +\$669.0 million, FY 26: +\$377.2 million

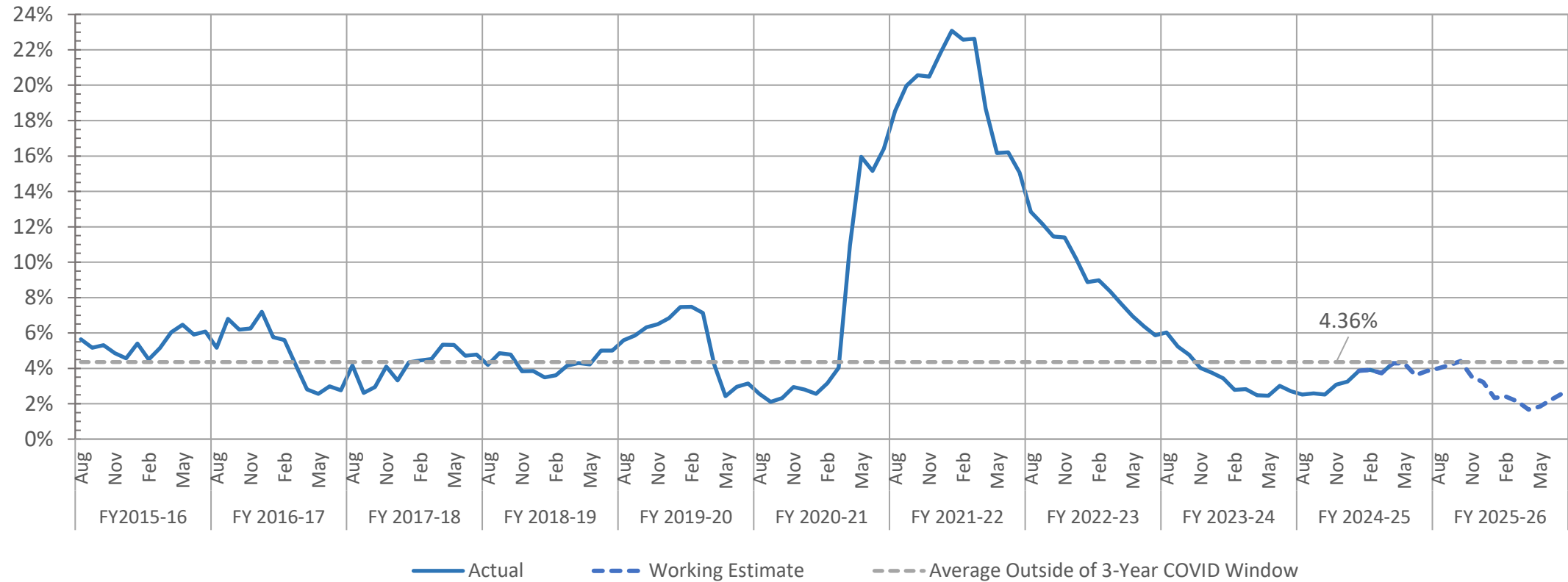
TOTAL GENERAL FUND REVENUE



Sales Tax – Rolling Fiscal Year Average Percent Change

The FY 25 working estimate rolling fiscal year percent change is near the historical average, in line with current collections; FY 26 is close to inflation

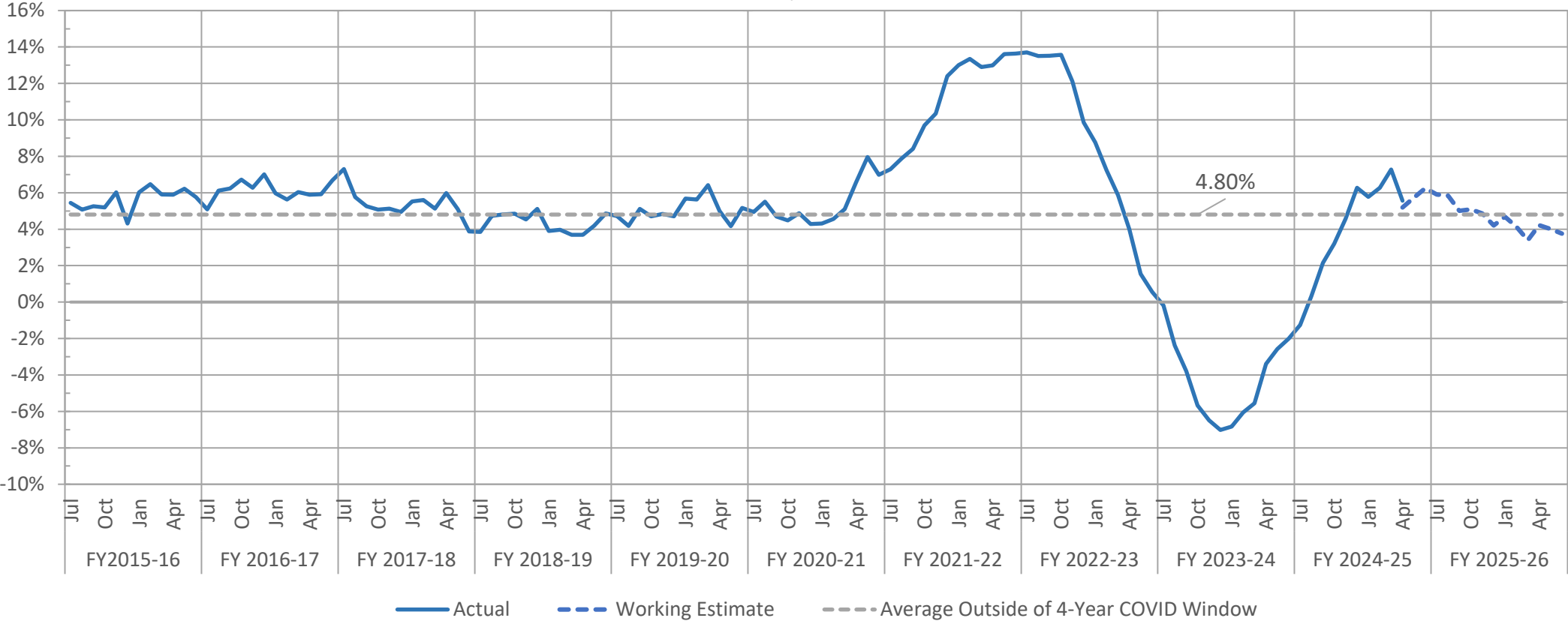
ROLLING FISCAL YEAR 12 MONTH PERCENT CHANGE - SALES TAX
Actuals and Estimates, FY 2015-16 to FY 2024-25



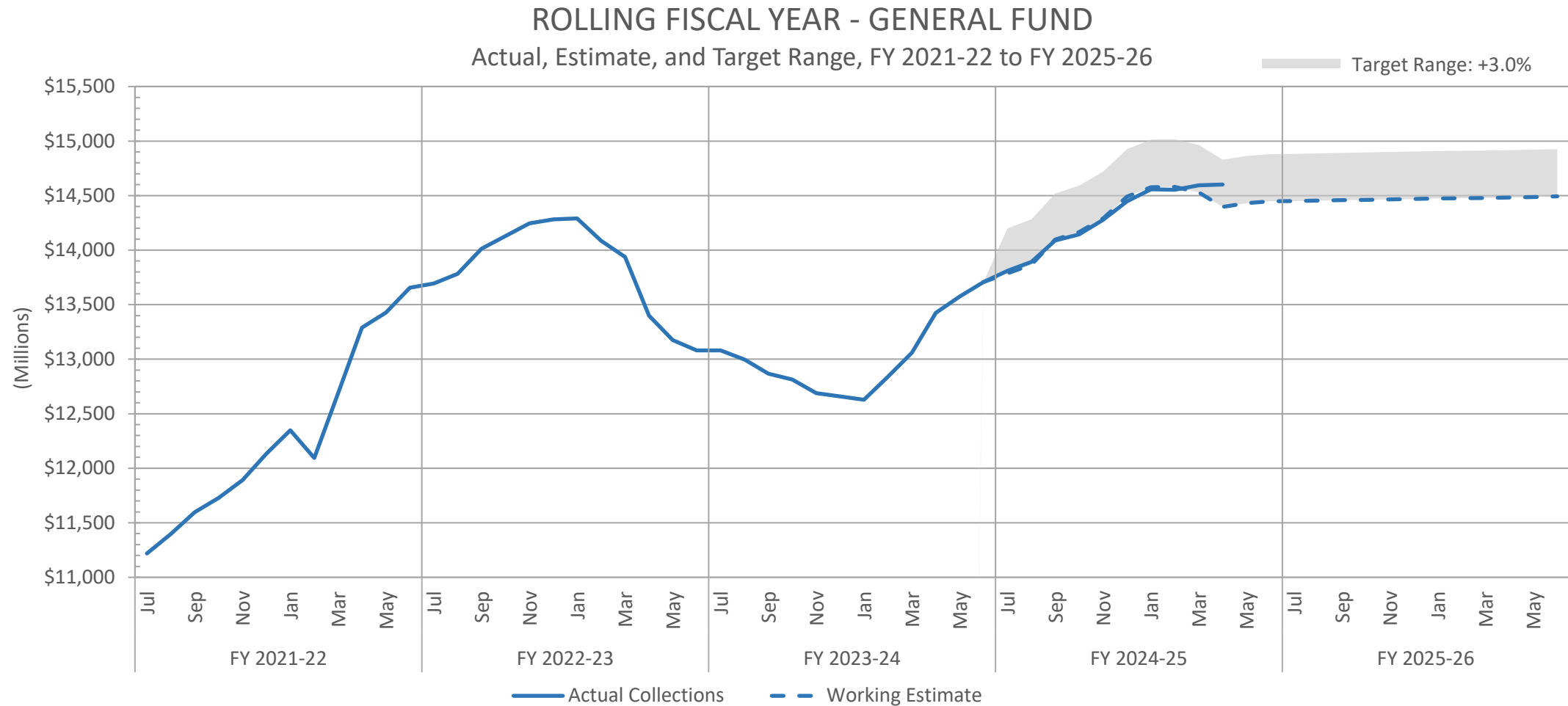
Withholdings - Rolling Fiscal Year Average Percent Change

Working estimate for Withholdings rolling fiscal year growth is expected to decline in FY 26

ROLLING FISCAL YEAR 12 MONTH PERCENT CHANGE - WITHHOLDINGS
Actuals and Estimates, FY 2015-16 to FY 2025-26



General Fund Revenue – May Working Estimate



General Fund Revenue Forecast – Working Estimates

Revenue Category	Final FY 2023-24	2/13/2025 Estimate FY 2024-25	5/20/2025 Estimate FY 2024-25	2/13 vs 5/20 Estimate Change	2/13/2025 Estimate FY 2025-26	5/20/2025 Estimate FY 2025-26	2/13 vs 5/20 Estimate Change	FY 25 to FY 26 Change	Pct. Chg. FY 2023-24	2/13/2025 Pct. Chg. FY 2024-25	5/20/2024 Pct. Chg. FY 2024-25	2/13/2025 Pct. Chg. FY 2025-26	5/20/2024 Pct. Chg. FY 2025-26
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14
Sales and Use Tax	\$4,786,379,944	\$4,887,414,000	\$4,974,414,000	87,000,000	\$4,990,806,000	\$5,098,774,000	\$107,968,000	\$124,360,000	2.7	2.1	3.9	2.1	2.5
Individual Income Tax	6,113,184,871	6,090,423,000	6,418,430,000	328,007,000	6,323,900,000	6,519,820,000	195,920,000	101,390,000	6.2	(0.4)	5.0	3.8	1.6
Withholdings	6,764,522,327	7,108,130,000	7,187,180,000	79,050,000	7,424,750,000	7,457,310,000	32,560,000	270,130,000	(2.0)	5.1	6.2	4.5	3.8
Non-Withholdings	1,636,252,564	1,645,083,000	1,614,250,000	(30,833,000)	1,729,358,000	1,661,510,000	(67,848,000)	47,260,000	(3.1)	0.5	(1.3)	5.1	2.9
Refunds	2,287,590,020	2,662,790,000	2,383,000,000	(279,790,000)	2,830,208,000	2,599,000,000	(231,208,000)	216,000,000	(19.3)	16.4	4.2	6.3	9.1
Corporation Income Tax	1,293,063,734	1,128,489,000	1,337,489,000	209,000,000	1,130,482,000	1,204,382,000	73,900,000	(133,107,000)	2.4	(12.7)	3.4	0.2	(10.0)
Insurance Taxes	347,790,248	389,626,000	389,626,000	0	362,995,000	362,995,000	0	(26,631,000)	(5.0)	12.0	12.0	(6.8)	(6.8)
Admissions Tax	47,019,723	39,215,000	39,215,000	0	42,170,000	42,170,000	0	2,955,000	3.6	(16.6)	(16.6)	7.5	7.5
Alcoholic Liquor Tax	119,042,816	121,480,000	121,480,000	0	123,052,000	123,052,000	0	1,572,000	0.8	2.0	2.0	1.3	1.3
Bank Tax	55,024,068	53,572,000	86,572,000	33,000,000	54,911,000	54,911,000	0	(31,661,000)	(42.1)	(2.6)	57.3	2.5	(36.6)
Beer and Wine Tax	111,485,612	112,133,000	112,133,000	0	112,737,000	112,737,000	0	604,000	(1.7)	0.6	0.6	0.5	0.5
Business Filing Fees	12,052,409	11,826,000	11,826,000	0	11,604,000	11,604,000	0	(222,000)	(4.4)	(1.9)	(1.9)	(1.9)	(1.9)
Circuit/Family Court Fines	6,743,555	6,422,000	6,422,000	0	6,013,000	6,013,000	0	(409,000)	5.8	(4.8)	(4.8)	(6.4)	(6.4)
Corporation License Tax	188,147,592	188,108,000	195,108,000	7,000,000	196,255,000	196,255,000	0	1,147,000	10.6	(0.0)	3.7	4.3	0.6
Deed Recording Fees	117,212,465	122,218,000	122,218,000	0	129,264,000	125,713,000	(3,551,000)	3,495,000	(4.9)	4.3	4.3	5.8	2.9
Earned on Investments	322,890,729	450,000,000	450,000,000	0	450,000,000	450,000,000	0	0	78.9	39.4	39.4	0.0	0.0
Indirect Cost Recoveries	17,263,306	16,110,000	16,110,000	0	16,542,000	16,542,000	0	432,000	(6.7)	(6.7)	(6.7)	2.7	2.7
Motor Vehicle Licenses	11,694,640	11,897,000	11,897,000	0	12,010,000	12,010,000	0	113,000	6.8	1.7	1.7	0.9	0.9
Nursing Home Fees	3,057,068	2,968,000	2,968,000	0	2,923,000	2,923,000	0	(45,000)	(2.3)	(2.9)	(2.9)	(1.5)	(1.5)
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	0	3,393,000	3,393,000	0	0	0.0	0.0	0.0	0.0	0.0
Private Car Lines Tax	6,435,646	7,082,000	7,082,000	0	7,280,000	7,280,000	0	198,000	(2.8)	10.0	10.0	2.8	2.8
Public Service Authority	19,420,000	19,674,000	19,674,000	0	19,985,000	19,985,000	0	311,000	2.4	1.3	1.3	1.6	1.6
Purchasing Card Rebates	4,169,474	4,367,000	4,367,000	0	4,411,000	4,411,000	0	44,000	8.4	4.7	4.7	1.0	1.0
Record Search Fees	4,461,000	4,461,000	4,461,000	0	4,461,000	4,461,000	0	0	0.0	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	3,073,094	980,000	980,000	0	1,005,000	1,005,000	0	25,000	--	(68.1)	(68.1)	2.6	2.6
Security Dealer Fees	34,446,267	35,312,000	35,312,000	0	36,684,000	36,684,000	0	1,372,000	0.9	2.5	2.5	3.9	3.9
Tobacco Tax	27,642,434	27,219,000	27,219,000	0	27,055,000	27,055,000	0	(164,000)	(0.4)	(1.5)	(1.5)	(0.6)	(0.6)
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	0	15,000,000	15,000,000	0	0	0.0	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	12,207,910	13,430,000	13,430,000	0	13,698,000	13,698,000	0	268,000	14.8	10.0	10.0	2.0	2.0
Other Source Revenues	25,379,221	15,919,000	20,919,000	5,000,000	16,057,000	19,057,000	3,000,000	(1,862,000)	(1.1)	(37.3)	(17.6)	0.9	(8.9)
Gross General Fund Revenue	\$13,707,680,634	\$13,778,738,000	\$14,447,745,000	\$669,007,000	\$14,114,693,000	\$14,491,930,000	\$377,237,000	\$44,185,000	4.7	0.5	5.4	2.4	0.3



General Fund Revenue Forecast – Working Estimates (Continued)

Revenue Category	Final FY 2023-24	2/13/2025 Estimate FY 2024-25	5/20/2025 Estimate FY 2024-25	2/13 vs 5/20 Estimate Change	2/13/2025 Estimate FY 2025-26	5/20/2025 Estimate FY 2025-26	2/13 vs 5/20 Estimate Change	FY 25 to FY 26 Change	Pct. Chg. FY 2023-24	2/13/2025 Pct. Chg. FY 2024-25	5/20/2025 Pct. Chg. FY 2024-25	2/13/2025 Pct. Chg. FY 2025-26	5/20/2025 Pct. Chg. FY 2025-26
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14
Gross General Fund Revenue	\$13,707,680,634	\$13,778,738,000	\$14,447,745,000	\$669,007,000	\$14,114,693,000	\$14,491,930,000	\$377,237,000	\$44,185,000	4.7	0.5	5.4	2.4	0.3
Less: Tax Relief Trust Fund (Act)	795,942,732	800,815,175	800,815,175	0	814,021,523	814,021,523	0	13,206,348	3.6	0.6	0.6	1.6	1.6
Net General Fund Revenue	\$12,911,737,902	\$12,977,922,825	\$13,646,929,825	\$669,007,000	\$13,300,671,477	\$13,677,908,477	\$377,237,000	\$30,978,652	4.8	0.5	5.7	2.5	0.2
Education Improvement Act (EIA)	1,268,470,095	1,283,041,000	1,303,085,000	20,044,000	1,309,298,000	1,335,237,000	25,939,000	32,152,000	3.7	1.1	2.7	2.0	2.5
EIA Fund	1,240,755,453	1,266,041,000	1,286,085,000	20,044,000	1,292,298,000	1,318,237,000	25,939,000	32,152,000	2.8	2.0	3.7	2.1	2.5
EIA Interest	27,714,643	17,000,000	17,000,000	0	17,000,000	17,000,000	0	0	77.2	(38.7)	(38.7)	0.0	0.0
S.C. Education Lottery Fund	602,655,309	538,200,000	538,200,000	0	502,700,000	502,700,000	0	(35,500,000)	(0.5)	(10.7)	(10.7)	(6.6)	(6.6)
Lottery Proceeds	556,500,000	501,200,000	501,200,000	0	468,200,000	468,200,000	0	(33,000,000)	(1.2)	(9.9)	(9.9)	(6.6)	(6.6)
Unclaimed Prizes	35,541,424	26,000,000	26,000,000	0	23,500,000	23,500,000	0	(2,500,000)	2.3	(26.8)	(26.8)	(9.6)	(9.6)
Lottery Interest	10,613,885	11,000,000	11,000,000	0	11,000,000	11,000,000	0	0	48.1	3.6	3.6	0.0	0.0
Homestead Exemption Fund (HEX)	1,155,656,286	1,177,736,000	1,195,541,000	17,805,000	1,202,709,000	1,224,930,000	22,221,000	29,389,000	3.9	1.9	3.5	2.1	2.5
HEX Revenue	1,137,040,264	1,157,736,000	1,175,541,000	17,805,000	1,182,709,000	1,204,930,000	22,221,000	29,389,000	3.2	1.8	3.4	2.2	2.5
HEX Interest	18,616,022	20,000,000	20,000,000	0	20,000,000	20,000,000	0	0	88.9	7.4	7.4	0.0	0.0
Expenditure Estimate	1,004,627,422	1,066,155,639	1,066,155,639	0	1,115,089,670	1,115,089,670	0	48,934,031	10.0	6.1	6.1	4.6	4.6
HEX Fund Excess/(Shortfall)	151,028,864	111,580,361	129,385,361	17,805,000	87,619,330	109,840,330	22,221,000	(19,545,031)	(24.2)	(26.1)	(14.3)	(21.5)	(15.1)
Tax Relief Trust Fund (Act)	795,942,732	800,815,175	800,815,175	0	814,021,523	814,021,523	0	13,206,348	3.6	0.6	0.6	1.6	1.6
Revised Estimate/ Actual	772,102,288	805,634,504	805,634,504	0	814,021,523	814,021,523	0	8,387,019	2.8	4.3	4.3	1.0	1.0
Excess/(Shortfall) (Excl. Fund Balance)	23,840,444	(4,819,329)	(4,819,329)	0	0	0	0	4,819,329	42.2	n/a	n/a	n/a	n/a
Budgetary Estimates													
Gross Appropriation Act Revenue	12,458,688,000	13,121,591,600	13,121,591,600	0	14,114,693,000	14,491,930,000	377,237,000	1,370,338,400	10.5	5.3	5.3	7.6	10.4
Less: Tax Relief Trust Fund (Act)	795,942,732	800,815,175	800,815,175	0	814,021,523	814,021,523	0	13,206,348	3.6	0.6	0.6	1.6	1.6
Appropriation Act Excluding Trust Fund	11,662,745,268	12,320,776,425	12,320,776,425	0	13,300,671,477	13,677,908,477	377,237,000	1,357,132,052	11.1	5.6	5.6	8.0	11.0
Capital Reserve Fund	390,131,763	369,783,882	369,783,882	0	387,352,137	387,352,137	0	17,568,255	86.5	(5.2)	(5.2)	4.8	4.8
General Reserve Fund	715,241,566	739,567,764	739,567,764	0	839,262,964	839,262,964	0	99,695,200	24.3	3.4	3.4	13.5	13.5
Total Reserve Funds	1,105,373,329	1,109,351,646	1,109,351,646	0	1,226,615,101	1,226,615,101	0	117,263,455	40.9	0.4	0.4	10.6	10.6



FY 2025-26 Budget Outlook – Summary

- The Budget Conference Committee will have an additional \$377.2 million in recurring revenue and \$669.0 million in non-recurring revenue to appropriate in the FY 26 budget

Reports from Working Group Members



Other Business



Appendix



Personal Income, Employment, and Inflation History

Fiscal Year Growth Rates

Fiscal Year	South Carolina Employment	South Carolina Personal Income	U.S. Inflation	U.S. Employment	U.S. Personal Income
FY 2010-11	1.20%	5.24%	1.98%	0.61%	5.84%
FY 2011-12	1.37%	5.14%	2.94%	1.59%	5.04%
FY 2012-13	1.76%	2.79%	1.69%	1.60%	2.97%
FY 2013-14	2.44%	3.53%	1.56%	1.74%	2.58%
FY 2014-15	2.70%	6.71%	0.72%	2.09%	5.60%
FY 2015-16	2.82%	5.08%	0.67%	1.91%	3.24%
FY 2016-17	2.18%	4.71%	1.86%	1.68%	3.66%
FY 2017-18	2.36%	4.53%	2.25%	1.53%	5.22%
FY 2018-19	2.09%	6.01%	2.07%	1.48%	5.25%
FY 2019-20	(1.60%)	7.02%	1.59%	(1.90%)	5.59%
FY 2020-21	(1.17%)	8.73%	2.29%	(2.77%)	8.87%
FY 2021-22	4.21%	4.81%	7.16%	4.75%	3.86%
FY 2022-23	3.51%	7.61%	6.29%	3.15%	6.19%
FY 2023-24	2.36%	7.02%	3.31%	1.60%	5.53%
FY 2024-25 Est.	2.21%	5.69%	2.61%		
FY 2025-26 Est.	1.69%	4.63%	2.47%		
Avg. 2010-2019	2.10%	4.86%	1.75%	1.58%	4.38%
Avg. 2015-2019	2.36%	5.08%	1.71%	1.65%	4.34%

1. Employment is calculated as the change in nonseasonally adjusted nonfarm payrolls average over the fiscal year from the average over the prior fiscal year.

2. Personal income is calculated as the average over the fiscal year over the average of the prior fiscal year.

3. Inflation is calculated as the average of the year-over-year rate of CPI inflation over the fiscal year.

Data as of: May 7, 2025

FY 2025-26 Budget Outlook – Legislative Adjustments

- The growth in the FY 26 revenue estimate over the base budget as of February 2025 was sufficient to enact the next reduction in the top marginal individual income tax rate for tax year 2025
- The rate was lowered an additional 0.1% to 6.2% for one year in the FY 25 budget (tax year 2024) ahead of the statutory schedule but reverted to 6.3% for tax year 2025
- This rate reduction for FY 26 (tax year 2025) will maintain the tax rate at the 6.2% rate currently in effect
- The impact of the rate reduction from 6.3% to 6.2% is included in the following figures
- Budget figures do not include any adjustments for additional rate reductions below 6.2% or other legislative changes adopted or pending adoption by the General Assembly this year, which will be handled by the budget committees