

SOUTH CAROLINA GENERAL FUND REVENUE

**FY 2024-25 Revenue Update
through May 2025**

June 26, 2025



General Fund FY 2024-25 – May 2025 Revenue Update

- Overall, revenue collections in May were generally in line with the updated May forecast, although a few items had notable variations
- For the month, revenues were above expectations by \$132 million
 - Withholdings were within 0.4% of expectations
 - Sales taxes were 2.7% above monthly expectations
 - Corporate Income tax and Earned on Investments were below expectations
 - Insurance tax exceeded expectations by \$20.3 million due to a change in timing
 - The most notable variances occurred in Non-withholdings and Refunds, which included tax filings delayed to May due to Hurricane Helene tax relief; these items added \$67.6 million and \$39.9 million to the excess, respectively

General Fund Revenue – May 2025



REVENUES V. BEA MONTHLY ESTIMATES

MAY

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}
Total General Fund Revenue	\$1,085.7	\$1,217.7	\$132.0	3.1%	15.6%
Sales Tax	429.1	440.7	11.6	3.9%	6.7%
Individual Income Tax	529.9	638.9	109.0	3.0%	24.2%
Withholdings	570.3	572.4	2.1	6.5%	6.8%
Non-withholdings	118.9	186.6	67.6	17.3%	84.1%
Refunds	159.4	120.1	(39.3)	29.9%	(2.2%)
Corporate Income Tax	39.0	35.0	(4.0)	(14.2%)	(23.0%)
Insurance Tax	1.8	22.1	20.3	31.7%	1516.1%
Other Revenue Items, Sub-Total	85.9	81.1	(4.9)	8.9%	2.7%

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}
Other Revenue Items, Sub-Total	\$85.9	\$81.1	\$(4.9)	8.9%	2.7%
Admissions Tax	6.2	7.1	0.8	(13.3%)	(1.9%)
Alcoholic Liquors Tax	10.8	12.3	1.5	2.6%	17.1%
Bank Tax	0.7	3.8	3.1	N/A	N/A
Beer and Wine Tax	9.8	10.4	0.6	1.3%	7.3%
Corporate License Tax	2.8	3.7	0.9	(17.4%)	7.3%
Deed Rec. (Doc. Tax)	11.1	11.5	0.4	(1.0%)	2.2%
Earned on Investments	34.0	19.6	(14.4)	72.2%	(0.8%)
Residual Revenue	10.5	12.9	2.3	(42.6%)	(29.8%)

Based on BEA Forecast as of May 20, 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 FY 2024-25 – Fiscal year-to-date Revenue Update

For the fiscal year through May,

- Total General Fund revenues are above expectations but within the 3% target range; the excess is \$336.7 million
- Individual Refunds and Non-withholdings account for \$233.3 million or 69% of the excess
- Withholdings and Sales taxes are within 0.5% and 0.7% of estimates, respectively

General Fund Revenue – Fiscal Year-to-date



REVENUES V. BEA MONTHLY ESTIMATES

JULY - MAY

(\$ 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	\$12,462.9	\$12,799.6	\$336.7	6.1%	9.0%	5.4%	Other Revenue Items, Sub-Total	\$1,158.0	\$1,198.8	\$40.8	13.8%	17.8%	13.8%
Sales Tax	4,113.0	4,139.8	26.7	4.2%	4.8%	3.9%	Admissions Tax	28.7	29.1	0.4	(17.7%)	(16.5%)	(16.6%)
Individual Income Tax	5,768.7	6,029.0	260.3	5.2%	9.9%	5.0%	Alcoholic Liquors Tax	100.0	100.1	0.1	2.0%	2.1%	2.0%
Withholdings	6,630.5	6,657.5	27.0	6.2%	6.6%	6.2%	Bank Tax	73.7	83.0	9.4	62.7%	83.4%	57.3%
Non-withholdings	1,451.8	1,562.6	110.8	(1.4%)	6.1%	(1.3%)	Beer and Wine Tax	92.6	91.9	(0.7)	0.5%	(0.2%)	0.6%
Refunds	2,313.6	2,191.1	(122.5)	3.6%	(1.9%)	4.2%	Corporate License Tax	191.3	193.6	2.3	3.3%	4.5%	3.7%
Corporate Income Tax	1,114.6	1,107.7	(6.9)	8.2%	7.6%	3.4%	Deed Rec. (Doc. Tax)	98.8	102.6	3.8	4.7%	8.7%	4.3%
Insurance Tax	308.6	324.4	15.8	18.4%	24.5%	12.0%	Earned on Investments	404.4	425.4	21.0	37.5%	44.7%	39.4%
Other Revenue Items, Sub-Total	1,158.0	1,198.8	40.8	13.8%	17.8%	13.8%	Residual Revenue	168.5	173.0	4.6	(3.0%)	(0.4%)	(2.6%)

Based on BEA Forecast as of May 20, 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.

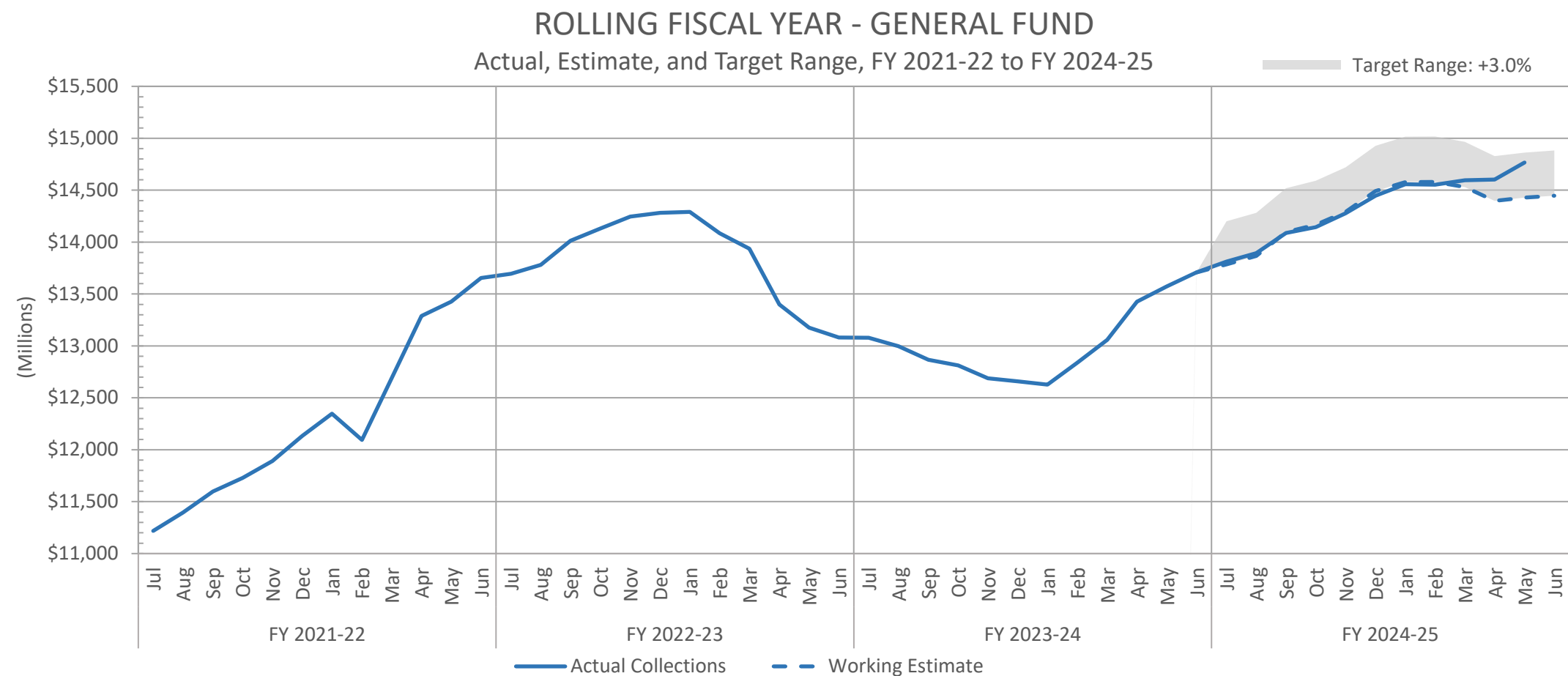
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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



General Fund Revenue – Actual vs. May Estimate

Through May, revenues are within the target range and \$336.7 million, or 2.7%, above the recently revised estimate

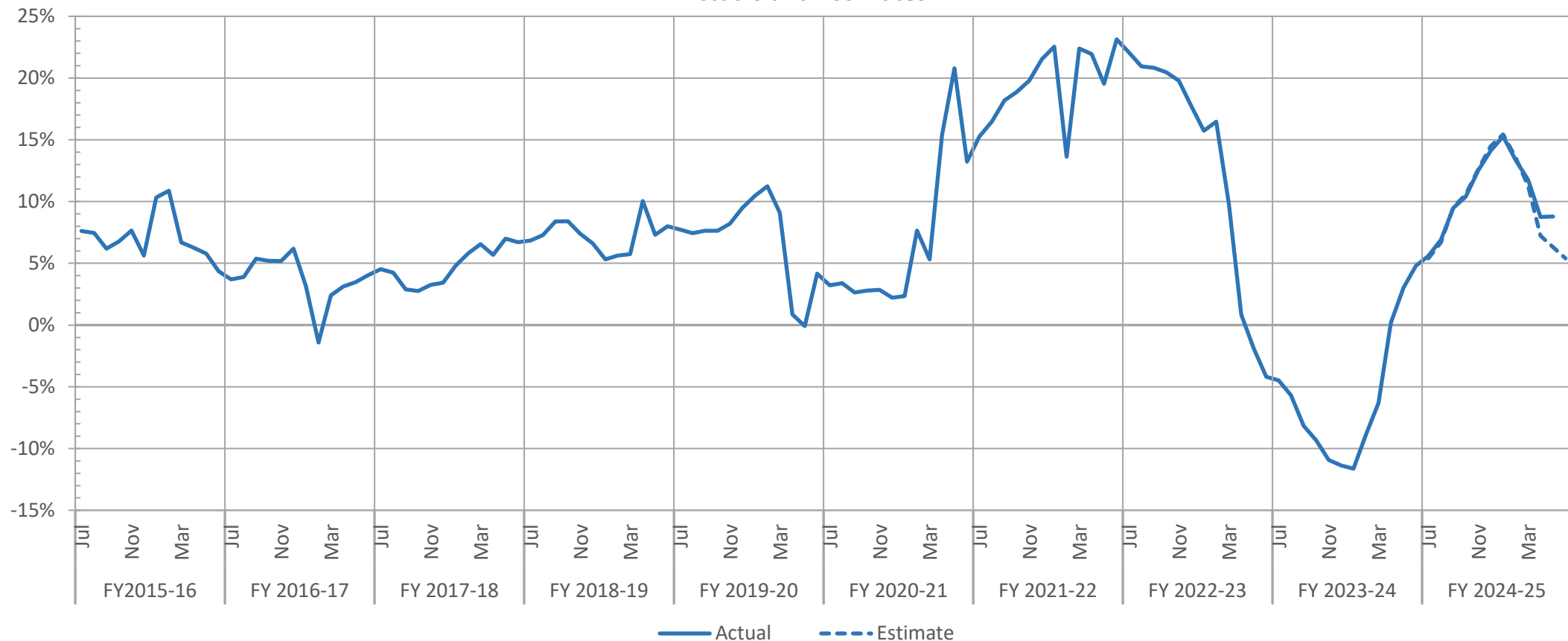


Total General Fund – Rolling Fiscal Year Percent Change

The declining trend in the rolling fiscal year growth was halted for the month due to stronger-than-anticipated final tax filings that were delayed to May due to Hurricane Helene tax relief

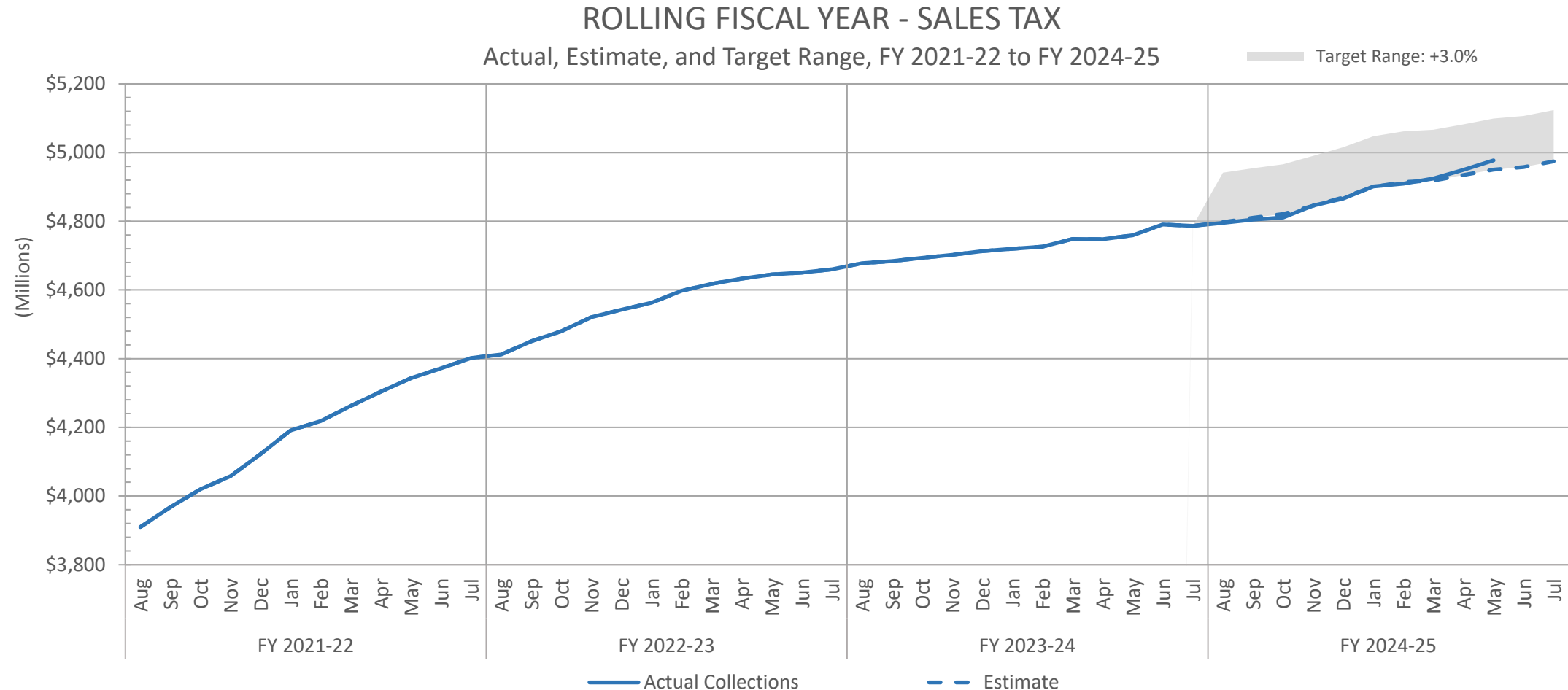
ROLLING FISCAL YEAR PERCENT CHANGE - GENERAL FUND

Actuals and Estimates



Sales Tax - Actual vs. Estimate

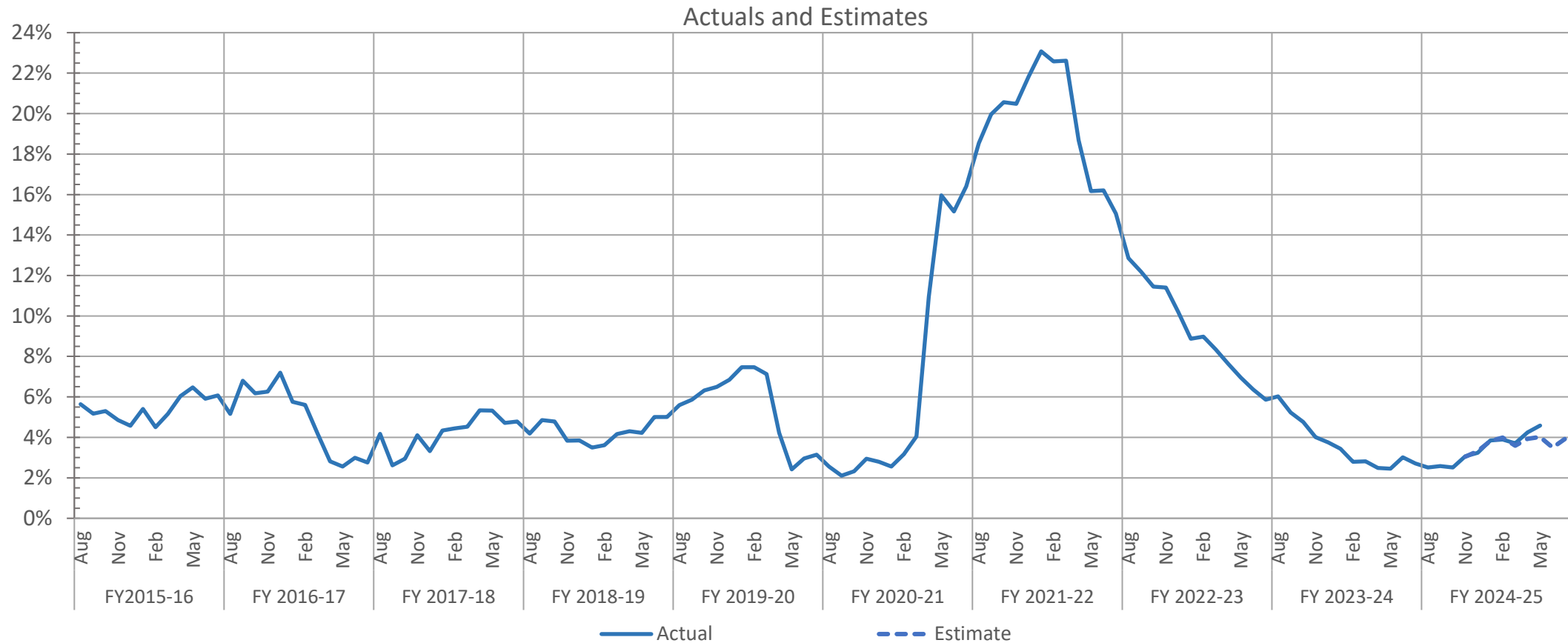
May Sales tax collections grew 6.7% over last year; fiscal year-to-date collections are growing 4.8% and are \$26.7 million above the May estimate



Sales Tax – Rolling Fiscal Year Percent Change

The rolling fiscal year growth rate is slightly above current expectations

ROLLING FISCAL YEAR 12 MONTH PERCENT CHANGE - SALES TAX

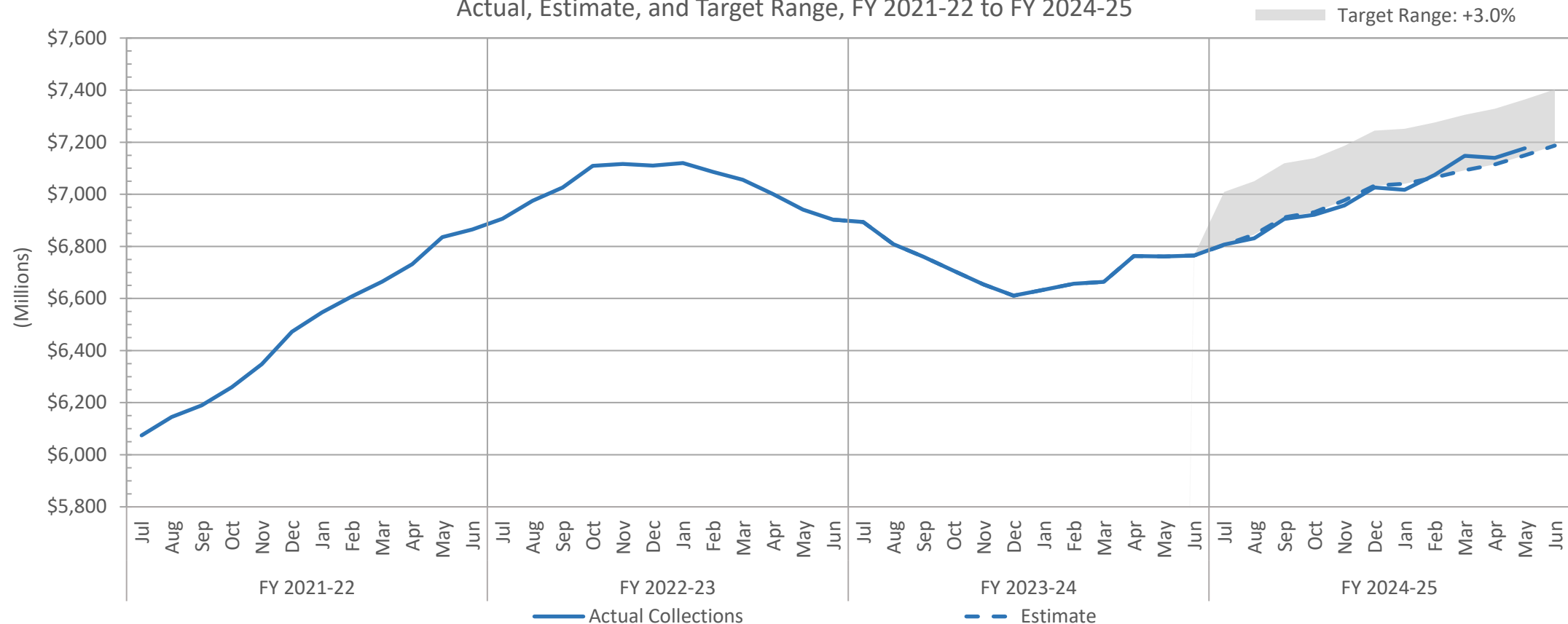


Withholdings - Actual vs. Estimate

Withholdings are \$27 million ahead of expectations in total; May collections were 6.8% larger than last year, and fiscal year-to-date collections are 6.6% higher than those for the same period last year

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

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

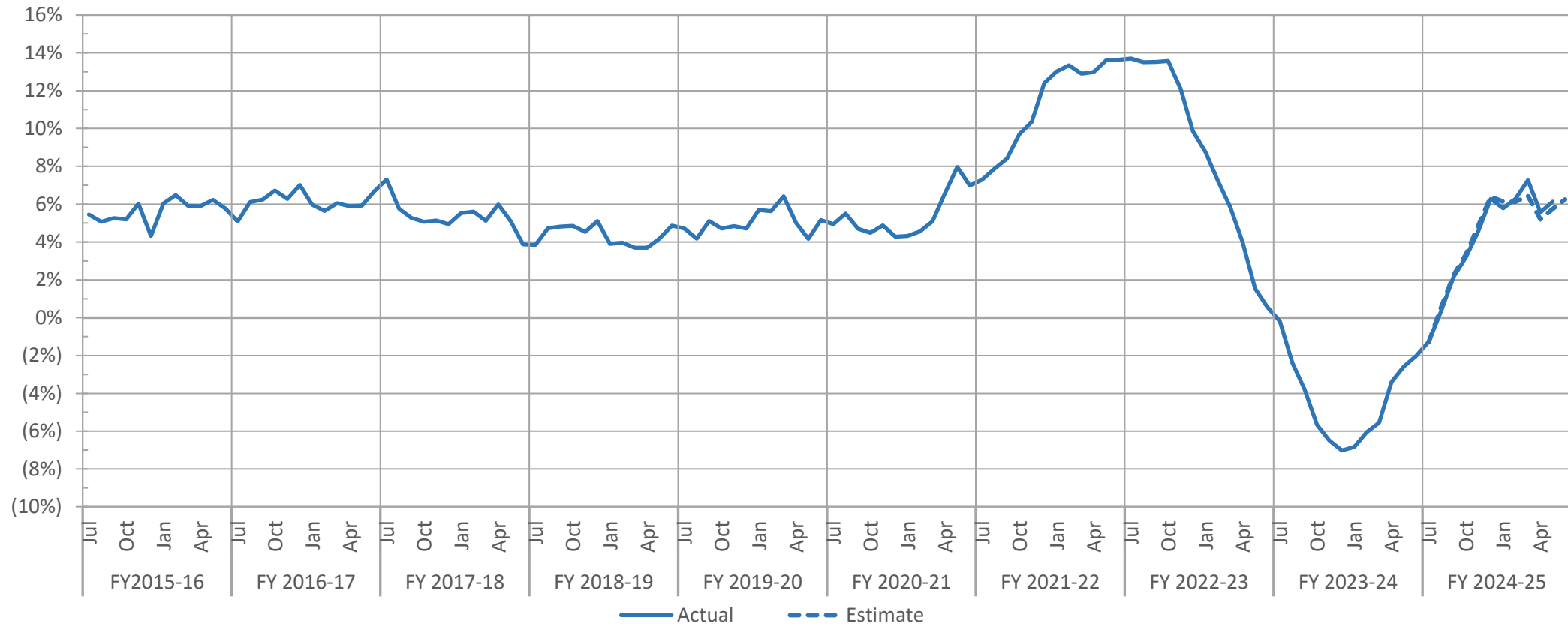


Withholdings – Rolling Fiscal Year Percent Change

The rolling fiscal year growth rate is matching current expectations

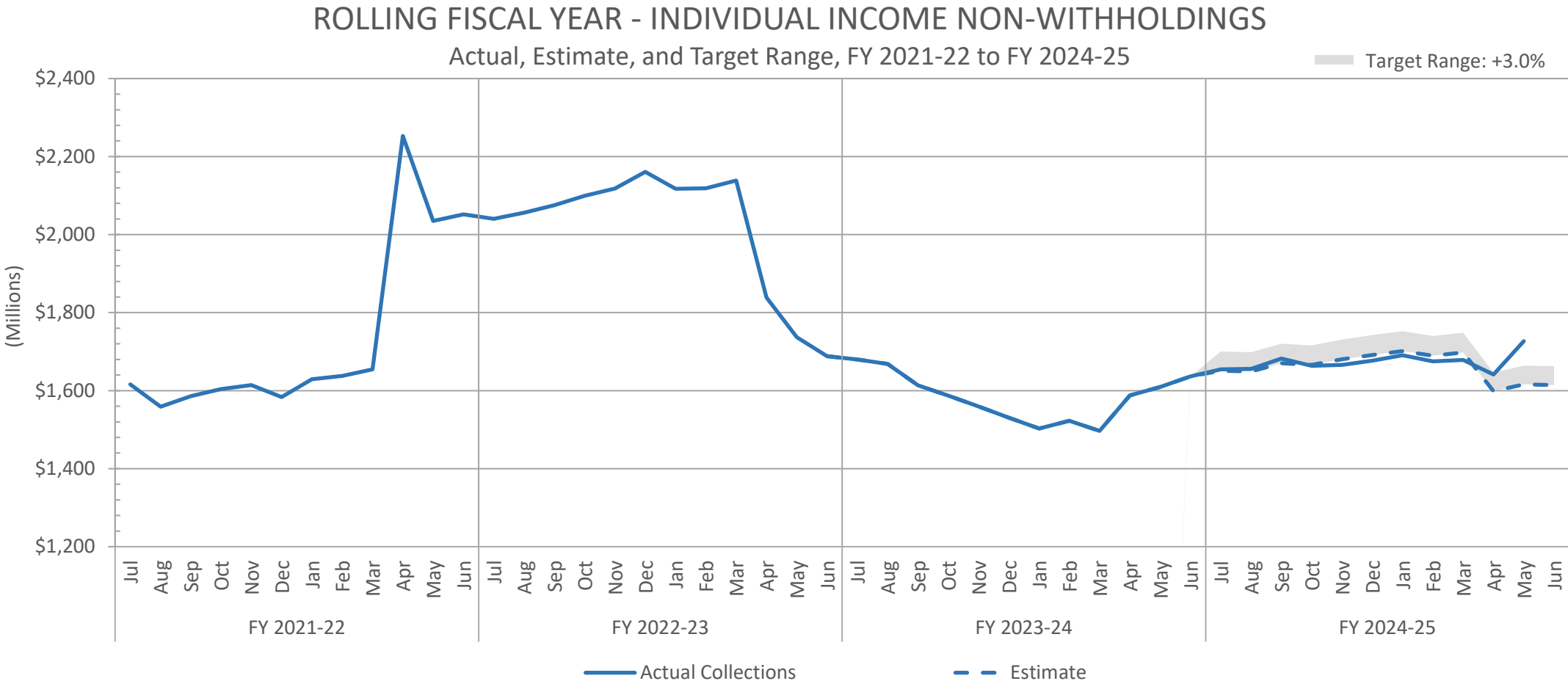
ROLLING FISCAL YEAR PERCENT CHANGE - INDIVIDUAL INCOME WITHHOLDINGS

Actuals and Estimates



Non-withholdings - Actual vs. Estimate

May tax filings that include payments delayed due to Hurricane Helene tax relief exceeded expectations and were \$67.6 million ahead of the monthly estimate and 84.1% over the same month last year; total collections are 6.1% higher than last year

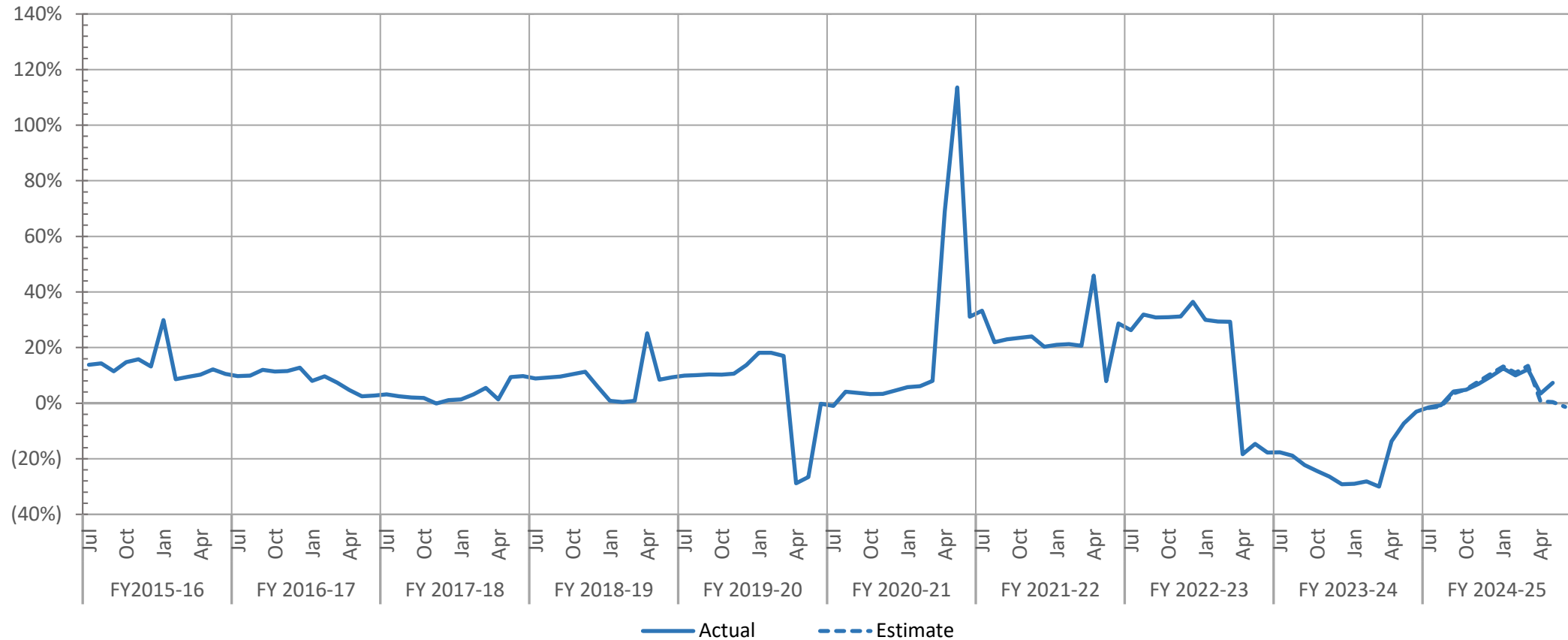


Non-withholdings – Rolling Fiscal Year Percent Change

The rolling fiscal year growth rate is a bit erratic but closer to historical ranges

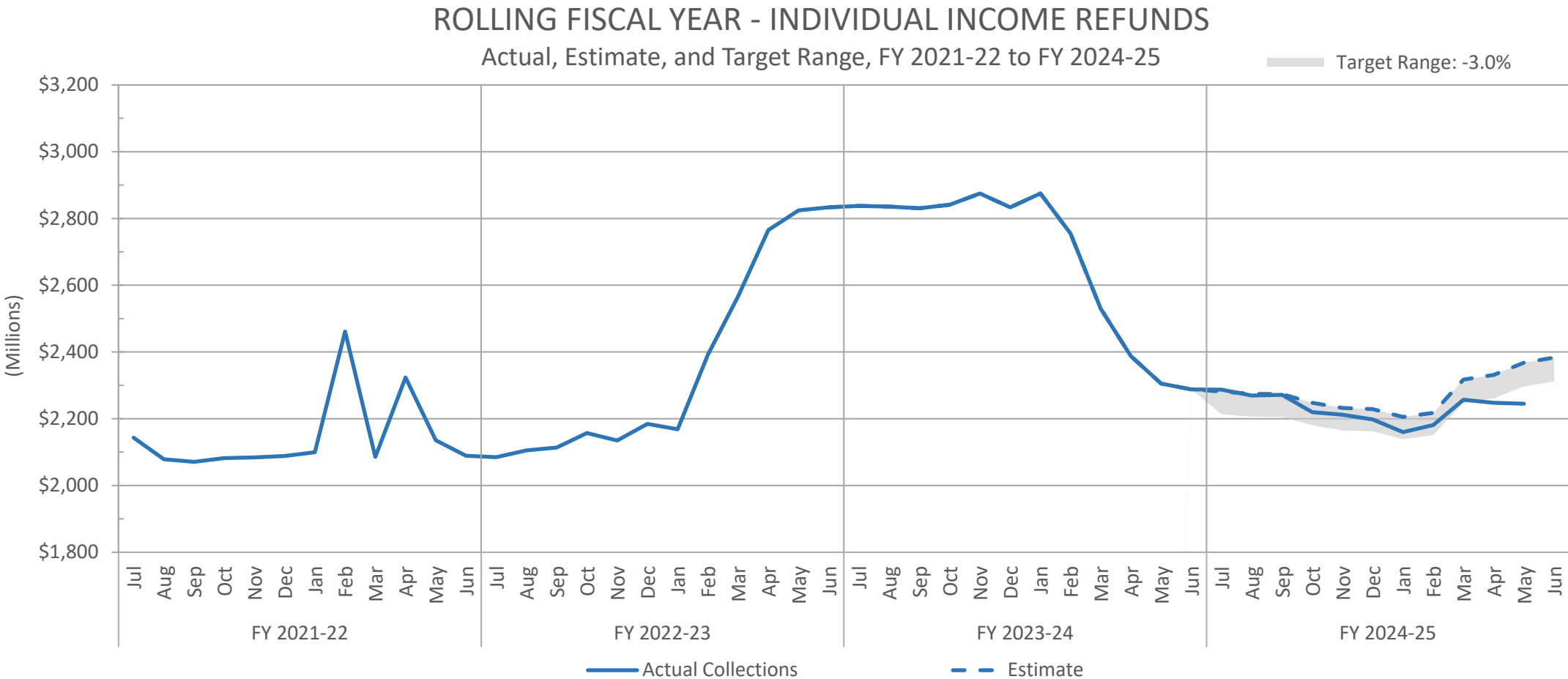
ROLLING FISCAL YEAR PERCENT CHANGE - INDIVIDUAL INCOME NON-WITHHOLDINGS

Actuals and Estimates



Refunds - Actual vs. Estimate

Final Refund processing for May was less than expected by \$39.3 million; through May, Refunds are \$122.5 million below the revised estimate and 1.9% lower than last year

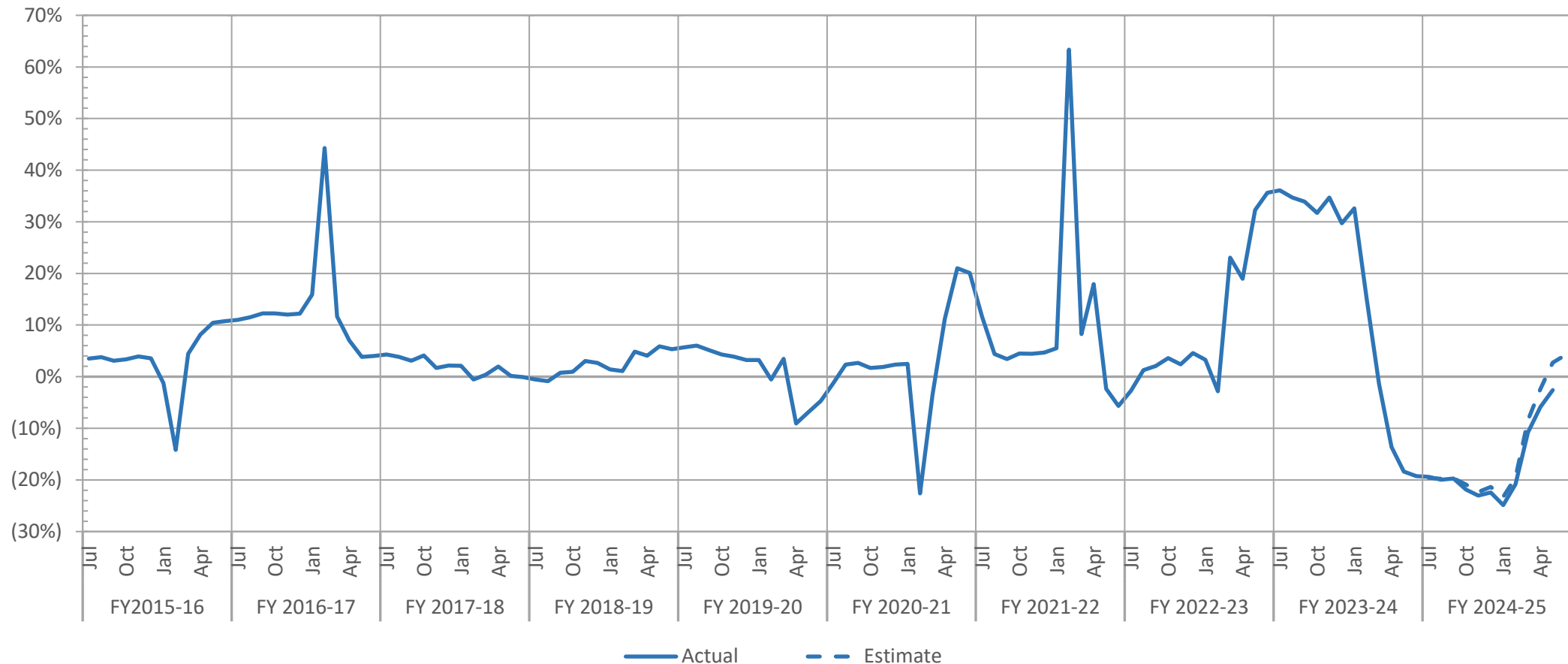


Refunds – Rolling Fiscal Year Percent Change

The rolling fiscal year growth rate is still below zero following final tax filings in May

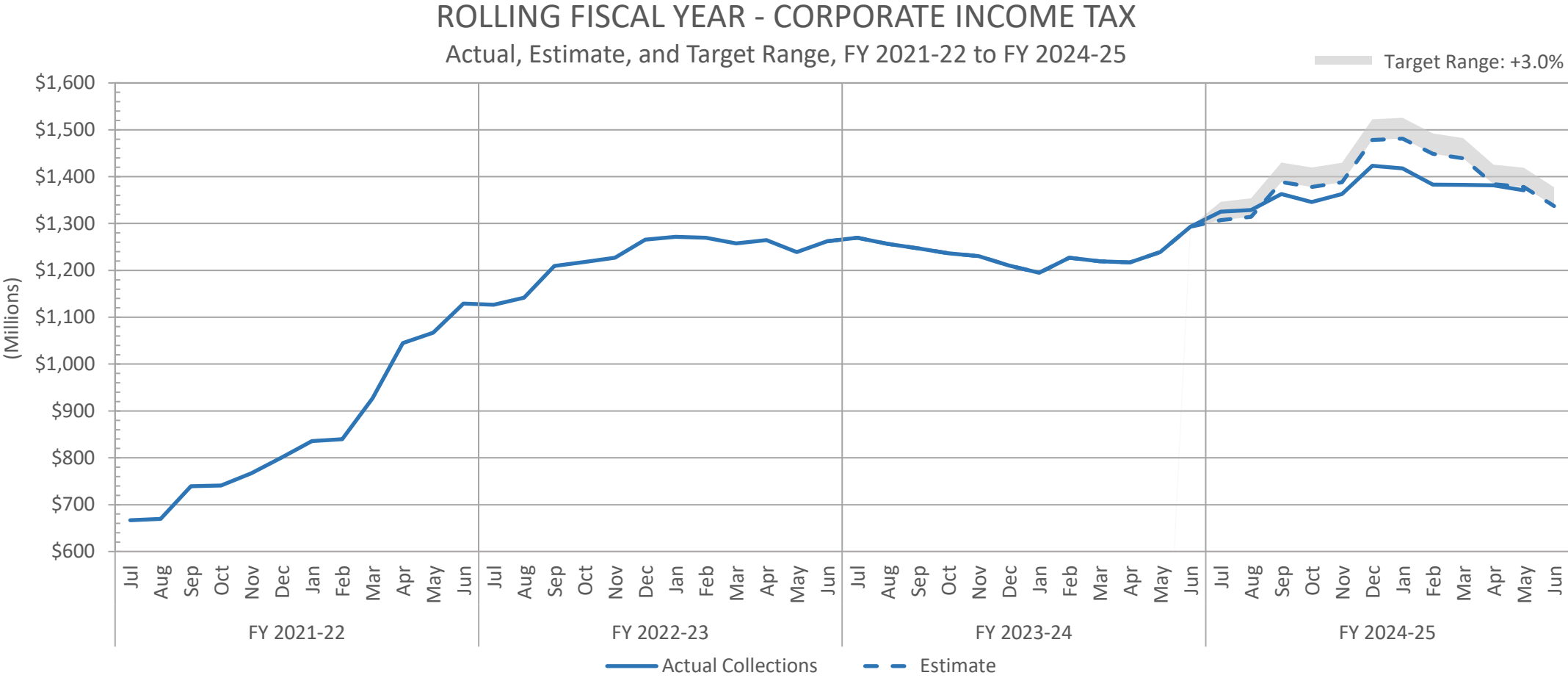
ROLLING FISCAL YEAR PERCENT CHANGE - INDIVIDUAL INCOME REFUNDS

Actuals and Estimates



Corporate Income Tax - Actual vs. Estimate

Collections for May were \$4.0 million below expectations; in total, Corporate Income tax is \$6.9 million below the May forecast and has flattened

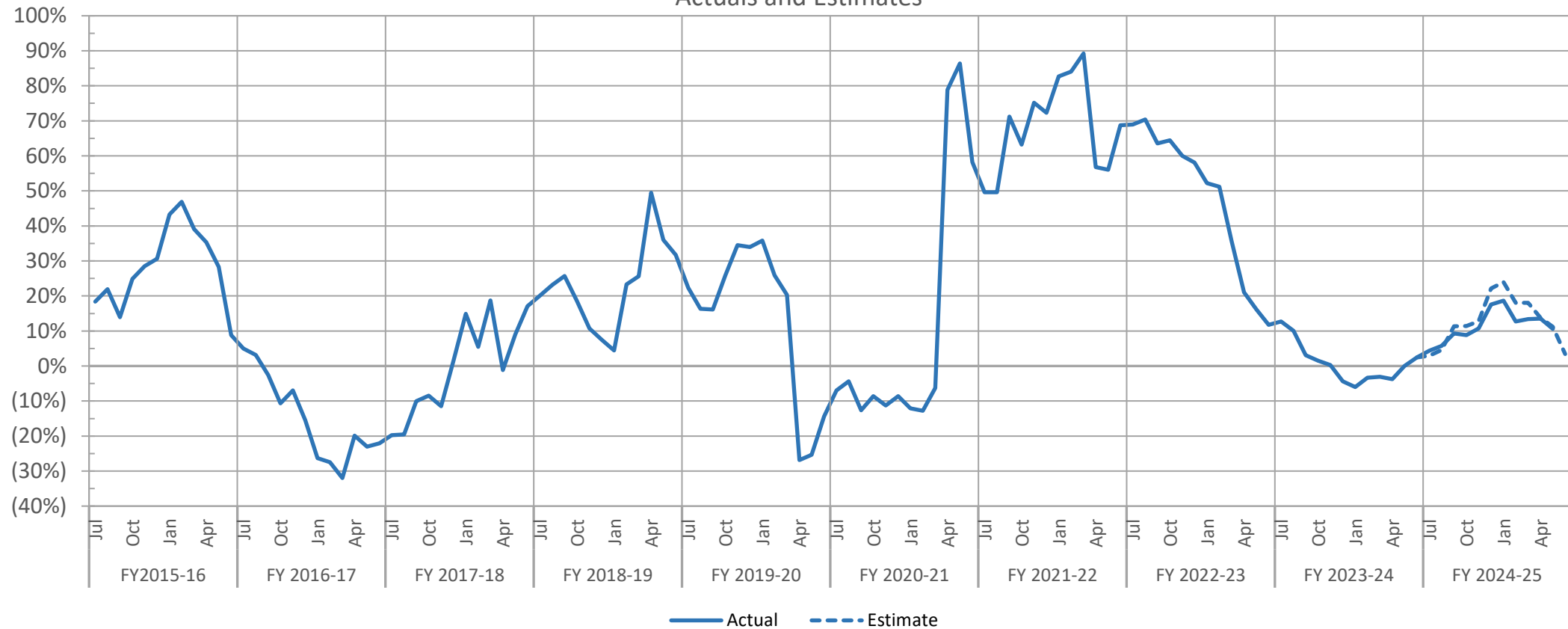


Corporate Income Tax – Rolling Fiscal Year Percent Change

The rolling fiscal year growth rate is declining as collections have started to flatten

ROLLING FISCAL YEAR PERCENT CHANGE - CORPORATE INCOME TAX

Actuals and Estimates



FY 2024-25 Revenue Outlook

- Collections for June will include final fiscal year payments for income taxes and most revenue categories
- Consumption taxes, like Sales tax, that are reported on an accrual basis from Aug. to Jul. will include an additional month (13th month) to close the fiscal year

Legislative Revenue Adjustments



Major Legislative Revenue Adjustments

The Budget Conference Committee accounted for these adjustments

Bill Number	Description	FY 2025-26 General Fund Impact
H. 3800 (A. 48)	Sales Tax Exemption on Durable Medical Equipment	-\$12,633,000
Proviso 118.21	Income Tax Rate Reduction from 6.3% to 6.0%*	-\$290,532,000
Proviso 109.17	Emergency Commodity Assistance Program Tax Exemption	-\$3,000,000
Total		-\$306,165,000

*Note: 6.0% target reached; no further adjustment needed

Note: Bills and provisos with a minimal or undetermined impact are not listed

Reports from Working Group Members



Other Business

