



MEMORANDUM FOR THE RECORD

Date: June 26, 2025, 9:00 a.m.

Location: Revenue and Fiscal Affairs Office, Conference Room 417/Web Conference

Subject: Minutes of Board of Economic Advisors Meeting

Participants: *Board Members* – Edward Grimball - Chairman, Curtis Hutto, Dr. Michael Mikota, and Hartley Powell (*via web conference*). Frank Rainwater – Executive Director, *Staff* – Lisa Jolliff, Dr. Marian Manic, and Karl Vesely; **Attendees:** *RFA* – Paul Athey, Chris Finney, Kathryn Kelley, and Emily Prosser; *Forty-five additional participants via web conference.*

Note: Guests were invited to attend in-person or virtually. An email invitation was sent to the Distribution list and Working Group list members, and the meeting notification was posted on the RFA website and in the Rembert Dennis Building. Meeting information and log-in instructions were posted online. Meeting materials were posted online 15 minutes prior to the start of the meeting, and the documents were also shared via web conference.

- I. Chairman Grimball welcomed everyone to the meeting at 9:00 a.m.
- II. Chairman Grimball presented the May 20, 2025, meeting minutes, which previously had been shared with the Members, and asked if any Member had edits or questions. Hearing no amendments or objections, Chairman Grimball declared the minutes approved as written. ([See minutes](#))

Chairman Grimball noted that during the May meeting, the Board voted to increase the forecast by \$669 million of non-recurring funds for FY 25, and by \$377 million of recurring funds for FY 26, which will be reflected in the forecast presented today and going forward.

- III. FY 2024-25 General Fund Revenue and Economic Updates ([See materials](#))

Mr. Rainwater began the presentation by summarizing the results of General Fund Revenue collections for May 2025, which were:

- 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 percent of expectations.
 - Sales taxes were 2.7 percent 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 of receipts.
 - 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.

For the fiscal year-to-date, Mr. Rainwater stated that:

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

Mr. Rainwater then reviewed the recent patterns in rolling fiscal year actual collections and percentage growth data for the major categories. In general, he noted how the variations in collections increased dramatically during and after the pandemic but appear to be settling within historical ranges.

Ms. Jolliff explained the revenue adjustments enacted by the legislature this year and noted that while these were incorporated in the Appropriations Act, they will be reflected in the BEA November 2026 estimate:

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

Members asked questions throughout the presentation, which generated further discussions between Members and staff.

Chairman Grimball commended staff on the detailed information presented.

IV. Reports from Working Group Members

No Working Group members offered comments.

V. Other Items for Discussion

VI. The next scheduled meeting is July 24, 2025.

VII. Dr. Mikota moved to adjourn the meeting, and Mr. Hutto seconded the motion. All voted aye, and the meeting adjourned at 9:30 a.m.

Public notice of this meeting was posted at <http://rfa.sc.gov> and the Rembert Dennis Building.

These minutes were approved on 8/28/2025

Emily Prosser *Emily Prosser*