



REVENUE DIGEST

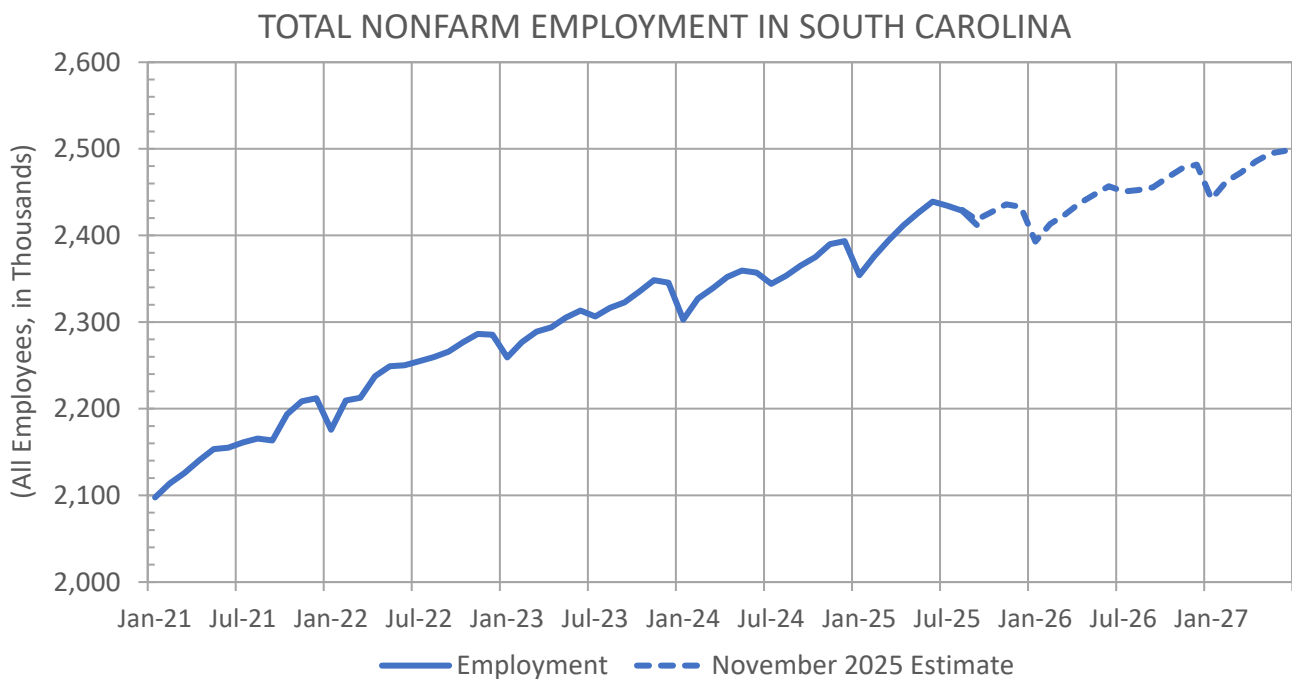
NOVEMBER 2025, FY 2025-26

Released December 18, 2025

South Carolina Economy

Total employment grew 2.0 percent in September 2025 above the same month last year, slightly below our anticipated growth of 2.2 percent for the month (Figure 1). All sectors have grown over the past year, except Durable Goods Manufacturing, which has declined 2.0 percent, and Nondurable Goods Manufacturing, which is flat on a year-over-year basis. (The October employment data release has been delayed due to the federal government shutdown.)

Figure 1. South Carolina Employment, Not Seasonally Adjusted



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/12/11/2025

General Fund Revenue

Revenues were expected to grow 0.9 percent in November 2025, but actual collections declined 0.9 percent compared to last November (Table 3). While Sales and Individual Income taxes were close to expectations, Corporate Income tax, Corporate License fees, and Earnings on Investments were lower than anticipated, leading to the shortfall in projected collections overall. Although November was weaker than expected, fiscal year-to-date General Fund collections for FY 2025-26 (FY 26) are 3.7 percent higher than during the same period in FY 2024-25 (FY 25) and are \$78.8 million ahead of fiscal year-to-date expectations (Figure 2; Table 4).



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Figure 2. South Carolina General Fund Revenue, Rolling 12-Month Average

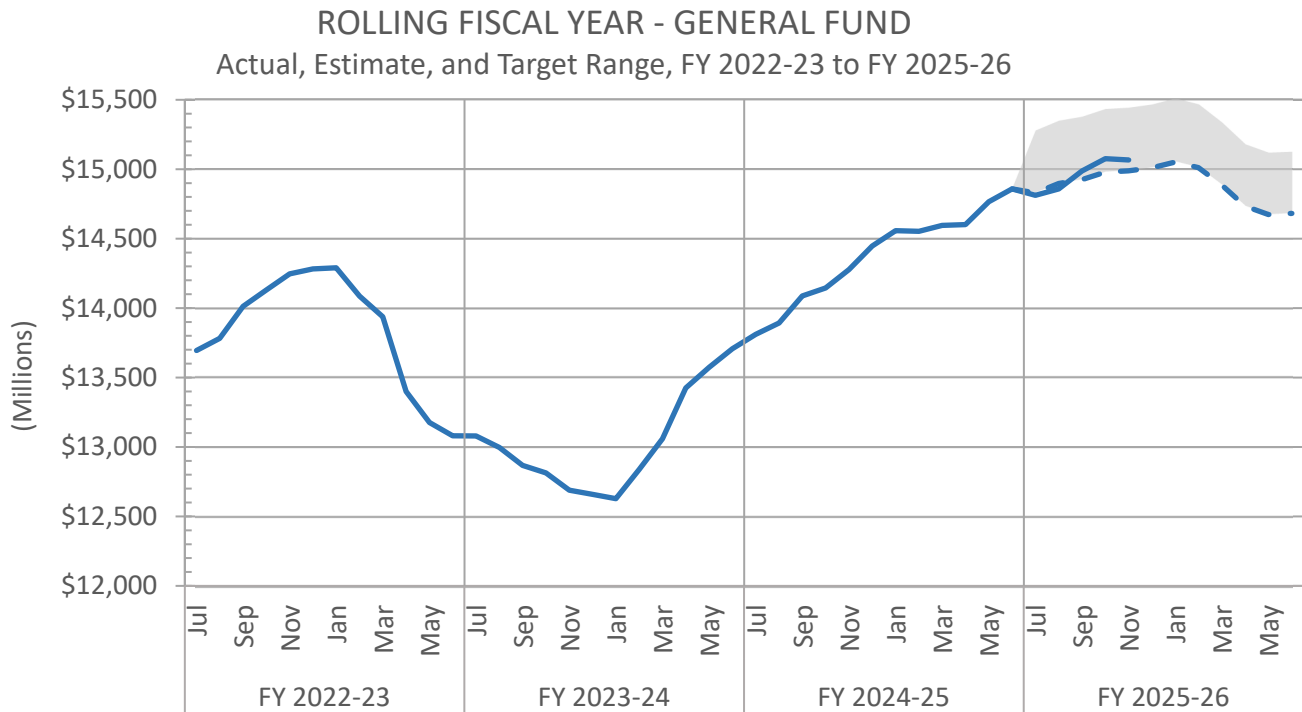


Figure 3. General Fund Revenue Growth Summary

Revenue Category	Growth Rates		
	Monthly	Fiscal Year to Date	FY 2025-26 Annual Forecast
Sales Tax	1.9%	5.8%	4.0%
Individual Income Tax	3.8%	5.2%	(3.6%)
Corporation Income Tax	N/A	(25.6%)	(8.9%)
Other Revenue Items	(39.2%)	5.2%	(1.2%)
Total General Fund Revenue	(0.9%)	3.7%	(1.2%)

For additional revenue figures, see attached tables.

Revenue Categories

Sales Tax

- Sales tax revenue grew 1.9 percent for the month of November over the same month last year, in line with the 1.9 percent growth anticipated for the month.
- Fiscal year-to-date Sales tax growth for FY 26 is now 5.8 percent over last fiscal year, and total collections are \$2.2 million above expectations. Growth is expected to slow to 4.0 percent overall for FY 26.





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- November collections growth was much lower than the growth experienced from August through October of 7.2 percent. This change is likely due to two main factors:
 - 1) There was an unusually large spike in collections in November of last year, when spending was temporarily boosted in response to Hurricane Helene. Consequently, growth this month appears lower due to the high comparison base.
 - 2) The federal government shutdown has also likely contributed to weaker growth in collections for November compared to the same month last year.
- Looking ahead to holiday sales season, which will be reflected in December and January collections, the National Retail Federation is forecasting holiday sales growth of 3.7 percent to 4.2 percent this year. In comparison, based on the November estimate, expectations are for Sales tax collections to grow by 3.7 percent.

Individual Income Tax

- Total Individual Income tax collections for November 2025 were \$4.7 million ahead of expectations, largely due to lower-than-expected Refunds. Fiscal year-to-date, total Individual Income tax revenue has grown 5.2 percent from the same period in FY 25, despite slow growth in Withholdings of 2.6 percent. Fiscal year-to-date, total collections are \$66.7 million above expectations due to the tax filing categories, Non-withholdings and Refunds.
- Withholdings came in \$3.7 million below the estimate for November 2025, growing only 2.6 percent compared with the same month last year. Overall, collections have grown 2.6 percent for the first five months of the fiscal year. Total fiscal-year-to-date Withholdings are tracking very close to expectations but are \$1 million behind our projections for this period.
- Growth in wages and salaries appears to have weakened faster than expected this fiscal year as evidenced by the slow growth in Withholdings. Although Q3 2025 personal income data for South Carolina have not been published yet, the latest national average hourly earnings data for production and non-supervisory employees on private nonfarm payrolls (published by the U.S. Bureau of Labor Statistics) indicate that wage growth hovered around 4.0 percent throughout FY 25 but has started to show signs of weakness with a recent decline to 3.8 percent in the third quarter of 2025. The federal government shutdown during October and part of November may have also had a negative impact on wage growth during this period.
- Non-withholdings collections for November were \$7.2 million behind expectations. However fiscal-year-to-date collections are \$54.1 million above the estimate, mainly due to very strong collections in October from tax filings. Fiscal-year-to-date collections are 33.1 percent higher over the same period last year, but growth is expected to slow considerably during tax filing season in the second half of the fiscal year as a result of the decrease in the top marginal tax rate from 6.2 percent for tax year 2024 (FY 25) to 6.0 percent for tax year 2025 (FY 26), which will lower payments during tax filing.





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- Refunds decreased by 6.1 percent in November compared with last year and were \$15.7 million behind expectations for the month. As a result, total Refunds fiscal year-to-date, which were \$2.1 million ahead of expectations through October tax filing, are now \$13.6 million below the estimate. Refunds are expected to increase in FY 26 by approximately 21.4 percent due to strong Withholdings growth in FY 25 as well as the marginal tax rate reduction mentioned above.

Corporate Income Tax and License Fees

- Corporate Income tax collections were \$10.3 million below expectations for November 2025. While first quarter collections in FY 26 were above expectations, tax filings for October and November were lower than expected, which has eliminated that excess. Fiscal year-to-date collections are now \$3.7 million below expectations.
- Corporate License fees were \$7.7 million lower than expected for November and are now \$8.0 million behind expectations for FY 26.
- Overall, Corporate Income tax and License fees have been lower than expected during tax filing in the last two months. The next significant collection period will occur in December with second quarter payments and may provide a better indication of how businesses are performing this year.

Conclusion

November collections were weaker than expected in some major tax categories (Withholdings and Corporate Income tax). However, this month's collections were impacted by special circumstances including the federal shutdown and other factors that are not expected to have an on-going impact. The economic data and other indicators continue to show a growing economy in our employment and wages, and although growth is at slower pace than last year, this change was expected. Despite the performance this month, in total, General Fund revenue is \$78.8 million, or 1.4 percent, ahead of year-to-date expectations for FY 26.

Next month's quarter-end collections for the second quarter of the fiscal year, which will be reviewed during the January Board meeting, will give a better indication of how many revenue categories are performing compared to the current forecast in advance of the required forecast update by the Board of Economic Advisors in February 2026. Future employment and personal income data releases for South Carolina have not been scheduled by the Bureau of Labor Statistics or the Bureau of Economic Analysis, but any updated data will be reviewed during the upcoming meeting as well.

Future Meetings

- The next scheduled meeting of the Board of Economic Advisors will be January 22, 2026, via web conference.





November

Table 1

General Fund Revenue	FY 2024-25	FY 2025-26	\$ Change	% Change
Sales and Use Tax	\$424,143,099	\$432,398,414	\$8,255,315	1.9%
Individual Income Tax	\$571,900,994	\$593,800,662	\$21,899,668	3.8%
Corporation Income Tax	(\$1,068,335)	\$7,301,540	\$8,369,876	---
Insurance Taxes	\$1,809,220	\$2,268,325	\$459,105	25.4%
Admissions Tax	\$3,308,013	\$3,435,189	\$127,176	3.8%
Alcoholic Liquor Tax	\$10,909,797	\$11,095,369	\$185,573	1.7%
Bank Tax	\$797,783	\$1,465,521	\$667,738	83.7%
Beer and Wine Tax	\$9,995,888	\$9,682,815	(\$313,072)	(3.1%)
Business Filing Fees	\$788,783	\$670,959	(\$117,824)	(14.9%)
Circuit/Family Court Fines	\$595,808	\$637,219	\$41,411	7.0%
Corporation License Tax	\$42,643,495	\$5,734,531	(\$36,908,965)	(86.6%)
Deed Recording Fees	\$11,618,321	\$11,845,786	\$227,465	2.0%
Earned on Investments	\$30,656,914	\$18,965,168	(\$11,691,746)	(38.1%)
Indirect Cost Recoveries	\$426,982	\$325,427	(\$101,555)	(23.8%)
Motor Vehicle Licenses	\$983,912	\$1,058,755	\$74,843	7.6%
Nursing Home Fees	\$759,424	\$0	(\$759,424)	---
Parole and Probation Fees	\$282,734	\$282,734	\$0	0.0%
Private Car Lines Tax	\$227,526	\$338,469	\$110,943	48.8%
Public Service Authority	\$0	\$0	\$0	---
Purchasing Card Rebates	\$0	\$0	\$0	---
Record Search Fees	\$0	\$0	\$0	---
Savings and Loan Assoc. Tax	\$881	(\$326,379)	(\$327,260)	---
Security Dealer Fees	\$738,905	\$745,722	\$6,817	0.9%
Tobacco Tax	\$2,239,123	\$2,097,164	(\$141,960)	(6.3%)
Unclaimed Property Fund	\$3,750,000	\$3,750,000	\$0	0.0%
Workers' Comp. Insurance Tax	(\$782,986)	(\$738,806)	\$44,180	---
Other Source Revenues	\$760,756	\$660,891	(\$99,865)	(13.1%)
Gross General Fund Revenue	\$1,117,487,038	\$1,107,495,478	(\$9,991,560)	(0.9%)

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 - November

Table 2

General Fund Revenue	FY 2024-25	FY 2025-26	\$ Change	% Change
Sales and Use Tax	\$1,648,648,280	\$1,744,719,757	\$96,071,476	5.8%
Individual Income Tax	\$3,008,347,318	\$3,164,665,967	\$156,318,650	5.2%
Corporation Income Tax	\$306,998,000	\$228,281,290	(\$78,716,710)	(25.6%)
Insurance Taxes	\$132,392,722	\$108,317,062	(\$24,075,660)	(18.2%)
Admissions Tax	\$6,303,257	\$6,596,016	\$292,759	4.6%
Alcoholic Liquor Tax	\$41,952,316	\$43,005,883	\$1,053,568	2.5%
Bank Tax	\$23,218,436	\$21,156,682	(\$2,061,754)	(8.9%)
Beer and Wine Tax	\$39,883,827	\$38,375,201	(\$1,508,626)	(3.8%)
Business Filing Fees	\$3,969,082	\$4,512,335	\$543,253	13.7%
Circuit/Family Court Fines	\$2,716,292	\$2,892,718	\$176,426	6.5%
Corporation License Tax	\$133,158,157	\$128,248,796	(\$4,909,361)	(3.7%)
Deed Recording Fees	\$43,348,974	\$46,644,369	\$3,295,395	7.6%
Earned on Investments	\$194,484,141	\$242,853,598	\$48,369,457	24.9%
Indirect Cost Recoveries	\$3,152,795	\$4,041,706	\$888,911	28.2%
Motor Vehicle Licenses	\$4,012,125	\$4,101,416	\$89,291	2.2%
Nursing Home Fees	\$759,424	\$741,200	(\$18,224)	(2.4%)
Parole and Probation Fees	\$1,413,670	\$1,413,670	\$0	0.0%
Private Car Lines Tax	\$1,512,954	\$711,542	(\$801,412)	(53.0%)
Public Service Authority	\$0	\$0	\$0	---
Purchasing Card Rebates	\$0	\$0	\$0	---
Record Search Fees	\$0	\$0	\$0	---
Savings and Loan Assoc. Tax	\$258,088	\$507,273	\$249,185	96.6%
Security Dealer Fees	\$2,751,660	\$2,913,725	\$162,065	5.9%
Tobacco Tax	\$9,169,133	\$8,706,085	(\$463,049)	(5.1%)
Unclaimed Property Fund	\$7,500,000	\$7,500,000	\$0	0.0%
Workers' Comp. Insurance Tax	\$1,501,636	\$2,447,919	\$946,283	63.0%
Other Source Revenues	\$17,240,265	\$29,762,175	\$12,521,910	72.6%
Gross General Fund Revenue	\$5,634,692,549	\$5,843,116,384	\$208,423,835	3.7%

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.



Revenues and BEA Monthly Estimates

Table 3

November

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth /1	Actual Growth /2
Total General Fund Revenue	\$1,127.1	\$1,107.5	(\$19.6)	0.9%	(0.9%)
Sales Tax	432.3	432.4	0.1	1.9%	1.9%
Individual Income Tax	589.1	593.8	4.7	3.0%	3.8%
Withholdings	604.5	600.7	(3.7)	3.2%	2.6%
Non-withholdings	44.9	37.6	(7.2)	32.9%	11.5%
Refunds	60.3	44.6	(15.7)	27.0%	(6.1%)
Corporate Income Tax	17.6	7.3	(10.3)	N/A	N/A
Insurance Tax	2.2	2.3	0.1	20.4%	25.4%
Admissions Tax	3.2	3.4	0.2	(2.4%)	3.8%
Alcoholic Liquors Tax	11.0	11.1	0.1	0.7%	1.7%
Bank Tax	0.7	1.5	0.7	(9.9%)	83.7%
Beer and Wine Tax	9.9	9.7	(0.2)	(1.1%)	(3.1%)
Corporate License Tax	13.4	5.7	(7.7)	(68.5%)	(86.6%)
Deed Rec. (Doc. Tax)	12.1	11.8	(0.2)	4.1%	2.0%
Earned on Investments	25.8	19.0	(6.8)	(15.8%)	(38.1%)
Residual Revenue	9.8	9.5	(0.3)	(9.3%)	(11.8%)

Forecast as of November 18, 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 - November

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD Growth /1	Actual YTD Growth /2
Total General Fund Revenue	\$5,764.4	\$5,843.1	\$78.8	2.3%	3.7%
Sales Tax	1,742.5	1,744.7	2.2	5.7%	5.8%
Individual Income Tax	3,097.9	3,164.7	66.7	3.0%	5.2%
Withholdings	2,960.5	2,959.5	(1.0)	2.6%	2.6%
Non-withholdings	416.9	471.1	54.1	17.8%	33.1%
Refunds	279.5	265.9	(13.6)	20.9%	15.0%
Corporate Income Tax	232.0	228.3	(3.7)	(24.4%)	(25.6%)
Insurance Tax	107.0	108.3	1.3	(19.2%)	(18.2%)
Admissions Tax	6.1	6.6	0.4	(2.5%)	4.6%
Alcoholic Liquors Tax	42.2	43.0	0.8	0.6%	2.5%
Bank Tax	17.8	21.2	3.3	(23.2%)	(8.9%)
Beer and Wine Tax	38.3	38.4	0.1	(3.9%)	(3.8%)
Corporate License Tax	136.3	128.2	(8.0)	2.4%	(3.7%)
Deed Rec. (Doc. Tax)	46.1	46.6	0.6	6.2%	7.6%
Earned on Investments	243.8	242.9	(0.9)	25.3%	24.9%
Residual Revenue	54.3	70.3	16.0	(3.0%)	25.5%

Forecast as of November 18, 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.