

South Carolina Updates

Presented to

**SOUTH CAROLINA ASSOCIATION OF AUDITORS, TREASURERS,
AND TAX COLLECTORS**



February 6, 2026



*South Carolina Revenue and Fiscal Affairs Office
1000 Assembly Street
Rembert Dennis Building, Suite 421
Columbia, SC 29201
(803) 734-3793
rfa.sc.gov*

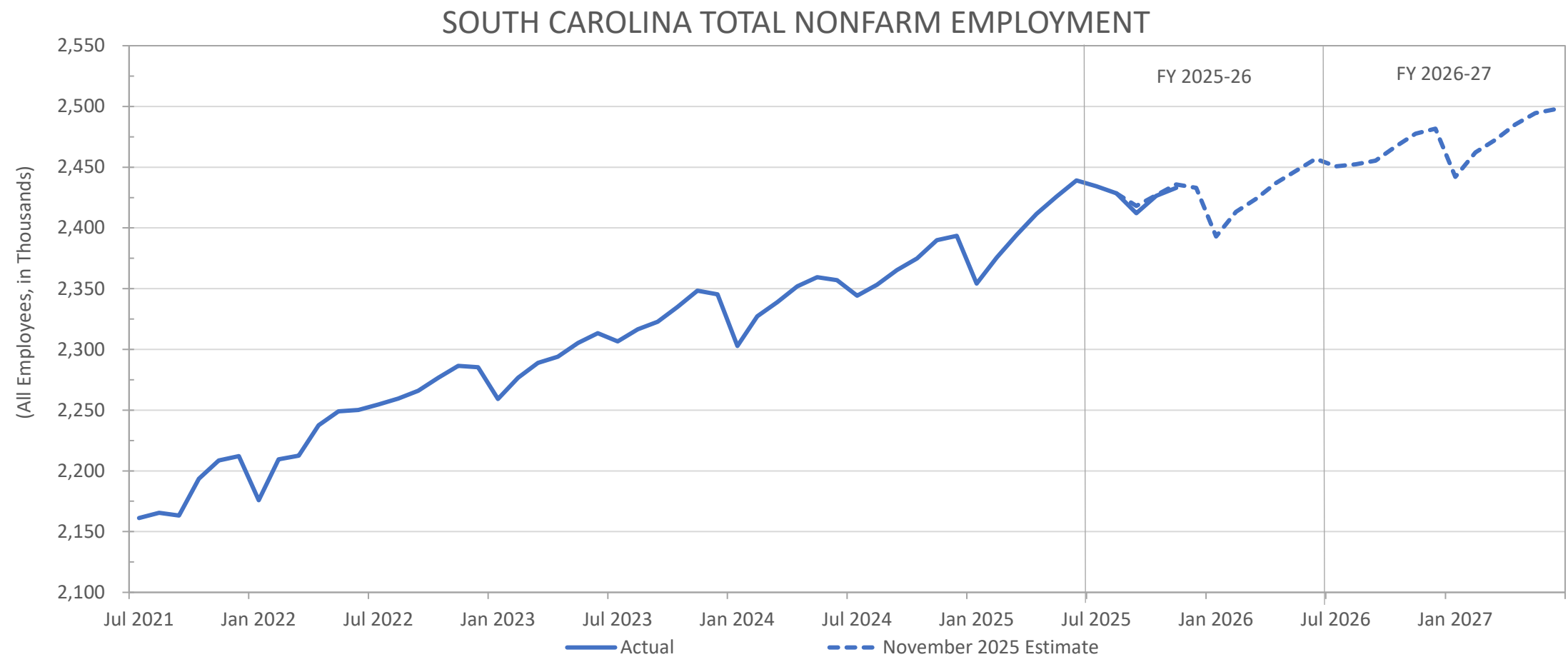
State and National Economy



Employment – November 2025 Forecast

Employment growth will continue to slow to below the long-term trend over our two-year forecast period

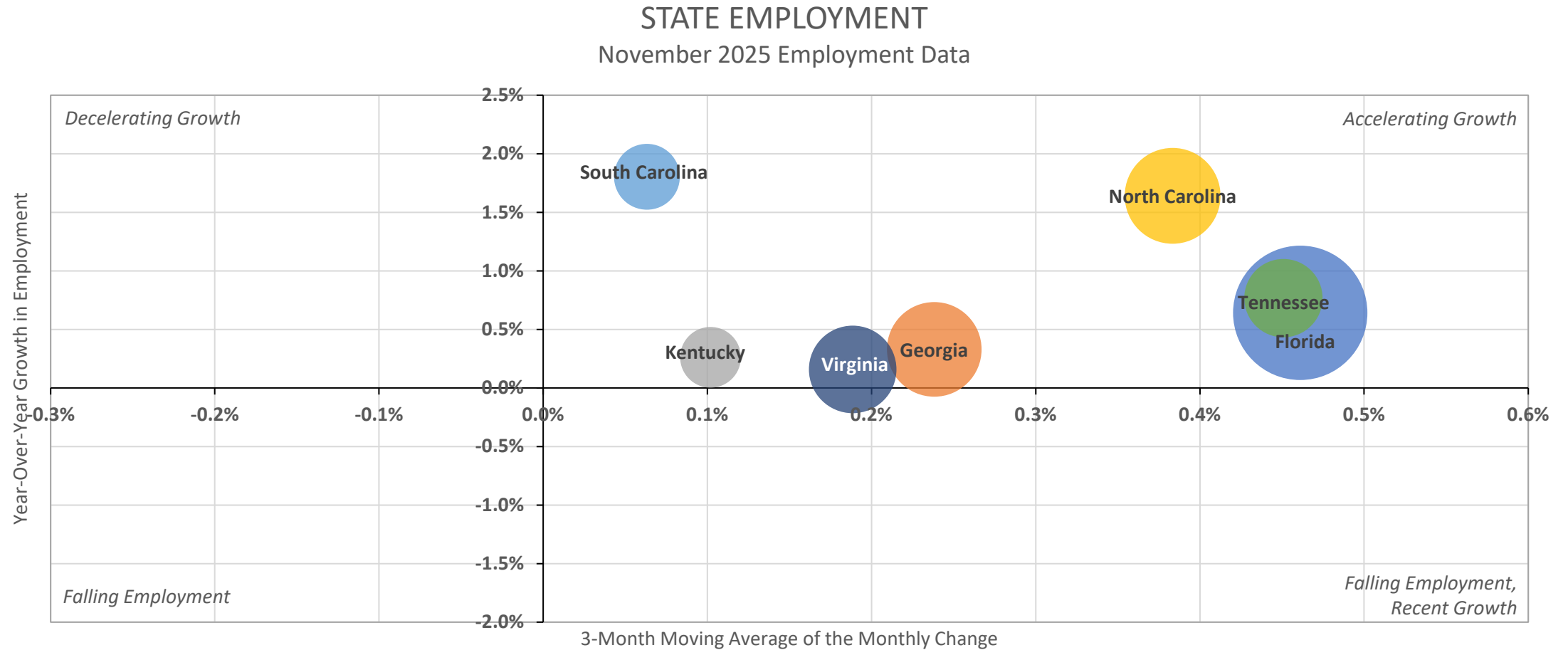
FY 25: 2.2%; FY 26: 1.8%; FY 27: 1.7%



Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kav/1/9/2026

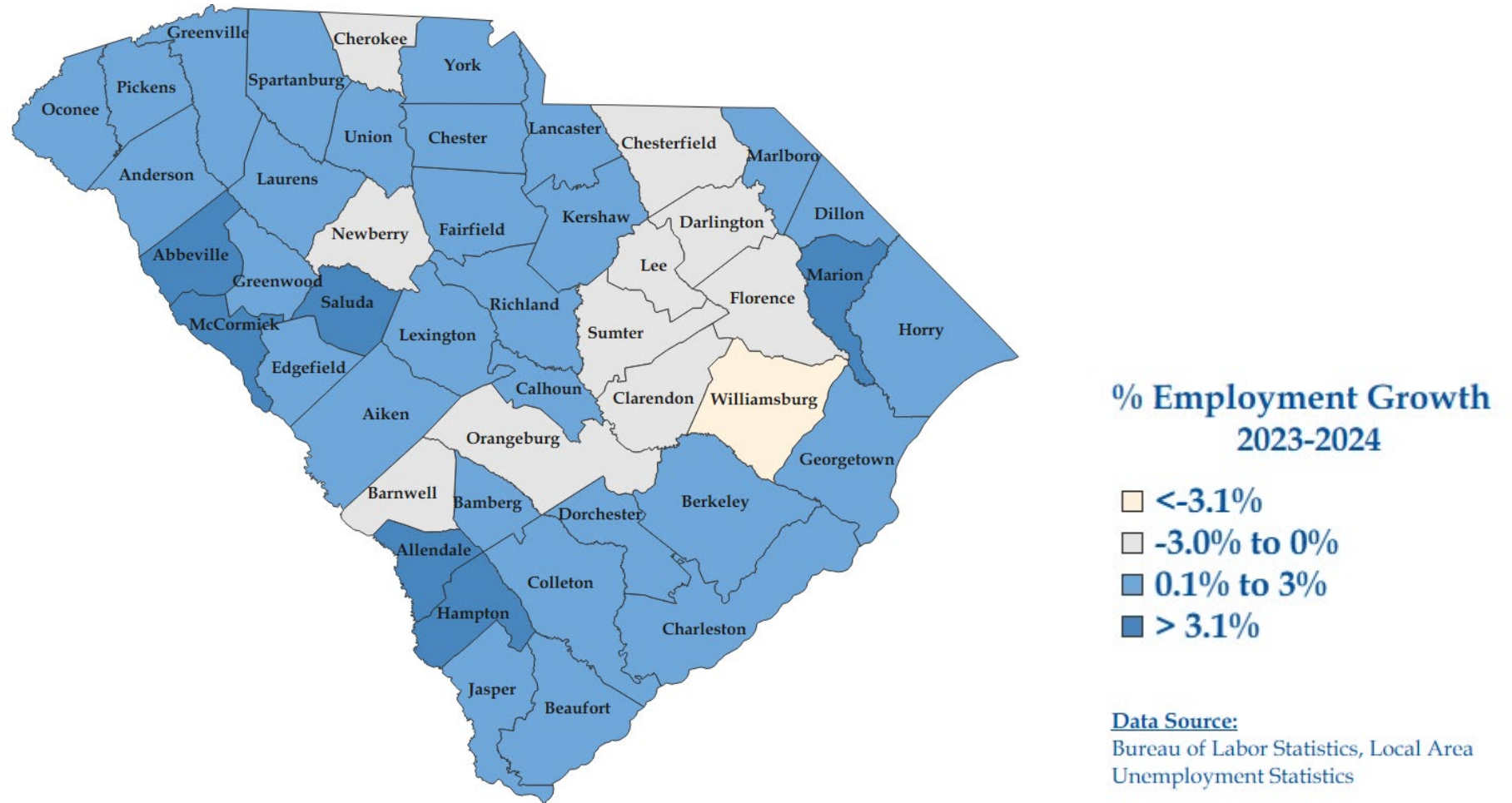
Southeastern States Employment Growth – November 2025

SC employment grew the fastest over last year, but growth has slowed more than other SE states in the last three months



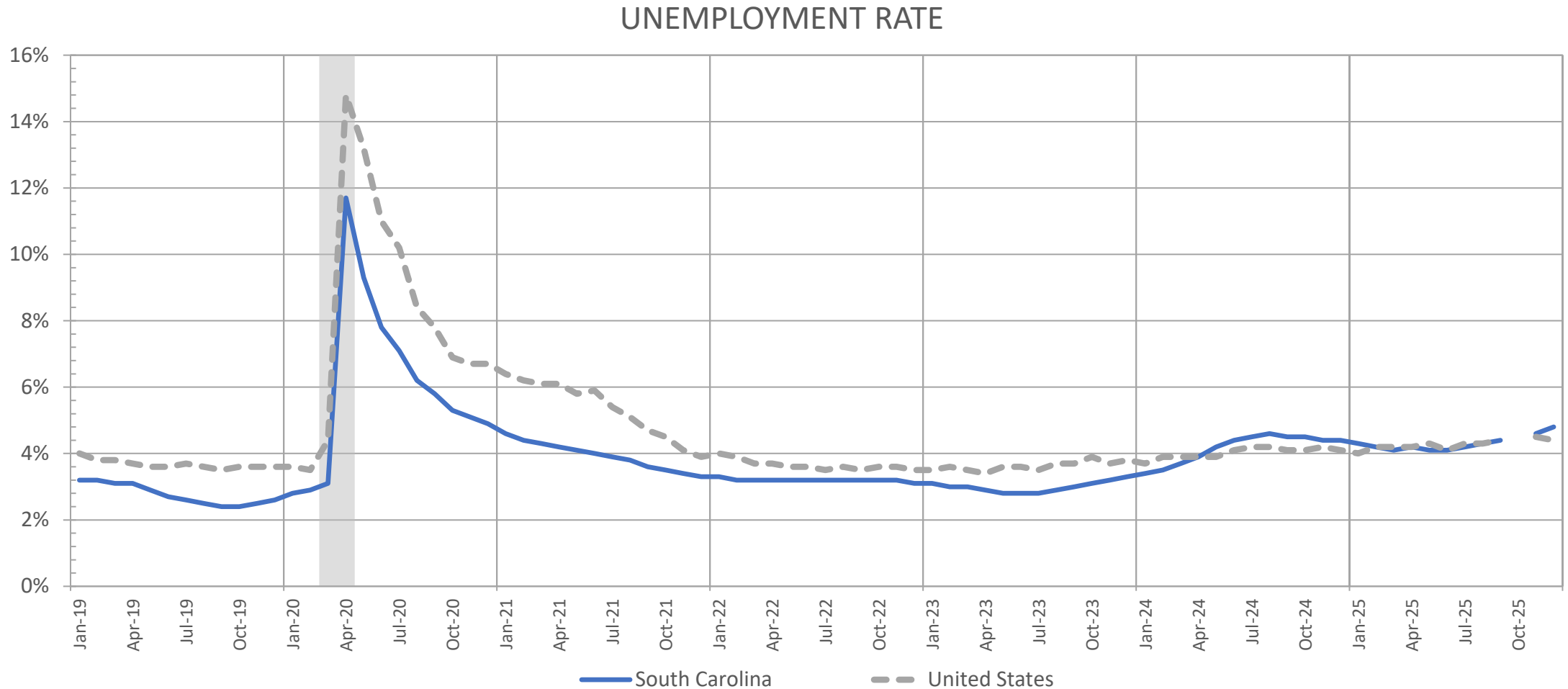
Employment Growth by County

The change in employment by county from 2023 to 2024 ranged from -7.2% to +5.0%



SC Unemployment

South Carolina's unemployment rate rose to 4.8% in December, above the national average of 4.4%



Source: U.S. Department of Labor, Bureau of Labor Statistics 129-RFA/kav/1/30/2026

Oct. 2025 not reported due to government shutdown



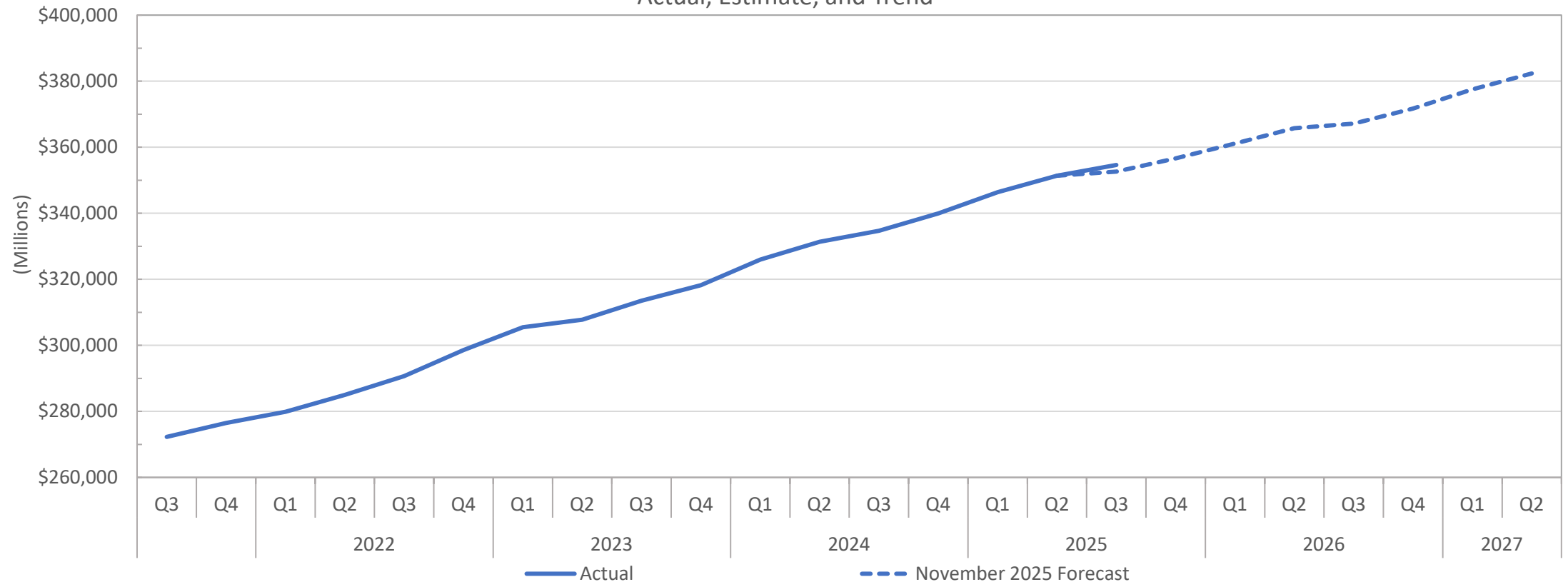
Personal Income – November 2025 Forecast

Personal income growth is expected to slow over the next two fiscal years

FY 25: 6.5%; FY 26: 4.6%; FY 27: 4.4%

SOUTH CAROLINA PERSONAL INCOME

Actual, Estimate, and Trend

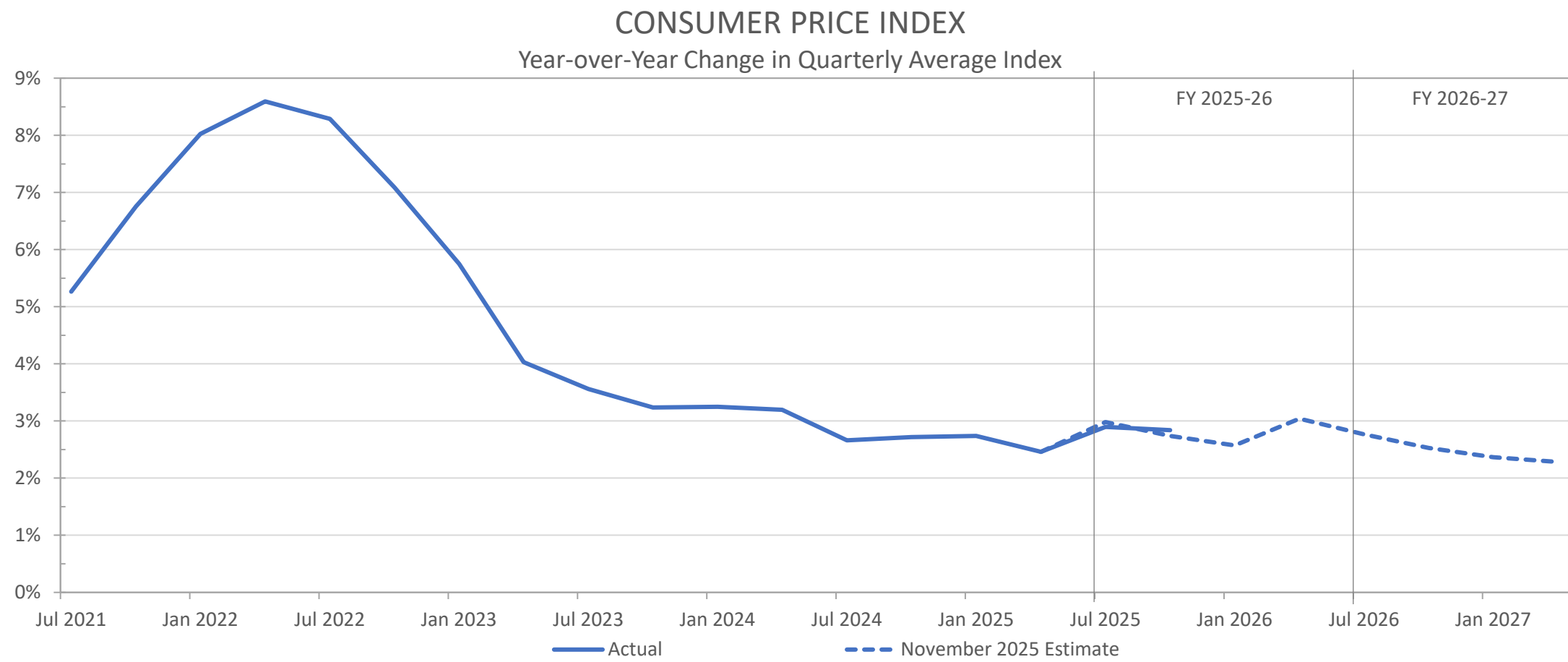


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kv/1/23/2026



Consumer Price Index

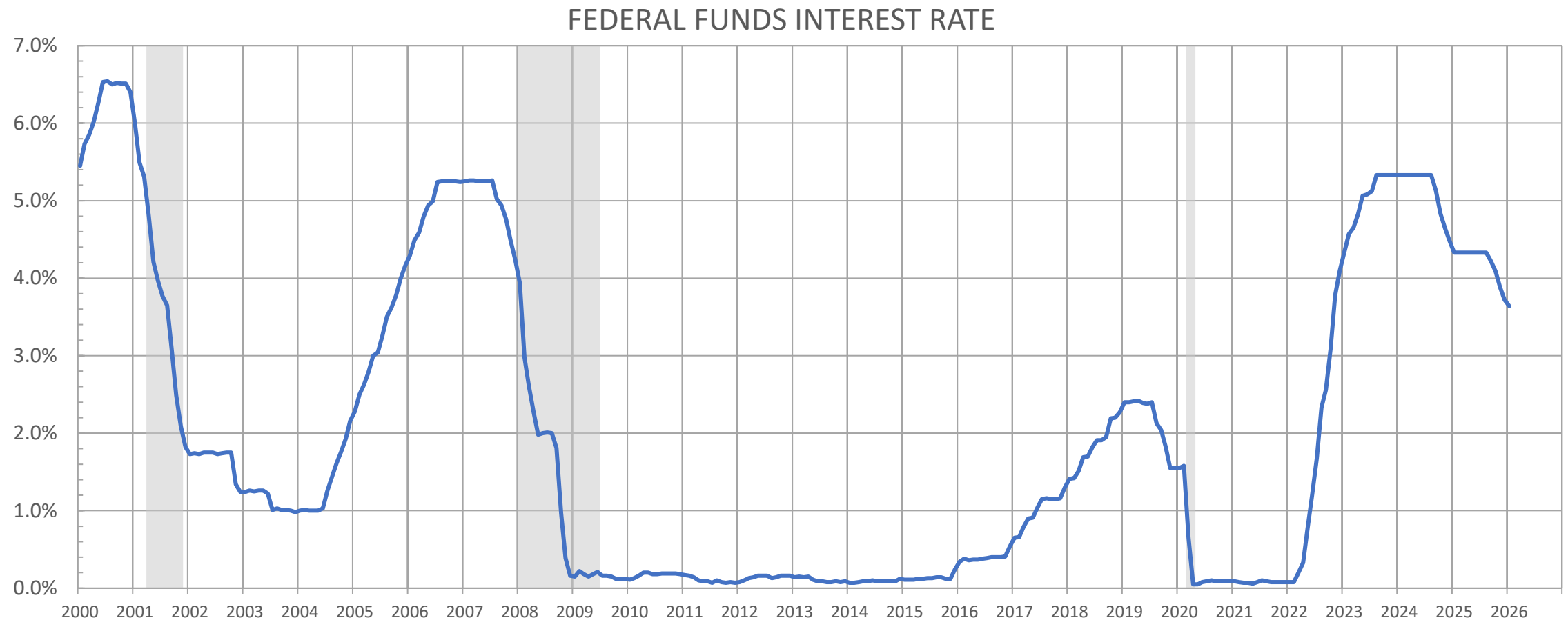
Inflation has come down, but is expected to remain above 2.0% over FY 2025-26
FY 25: 2.6%; FY 26: 2.8%; FY 27: 2.5%



Source: Bureau of Labor Statistics, U.S. Department of Labor; S&P Global; Wells Fargo Economics RFA kv/1/13/2026

Interest Rates

The increase in the federal funds that started in 2022 peaked at 5.33% and has fallen since August 2024 to 3.64% as of January 2026



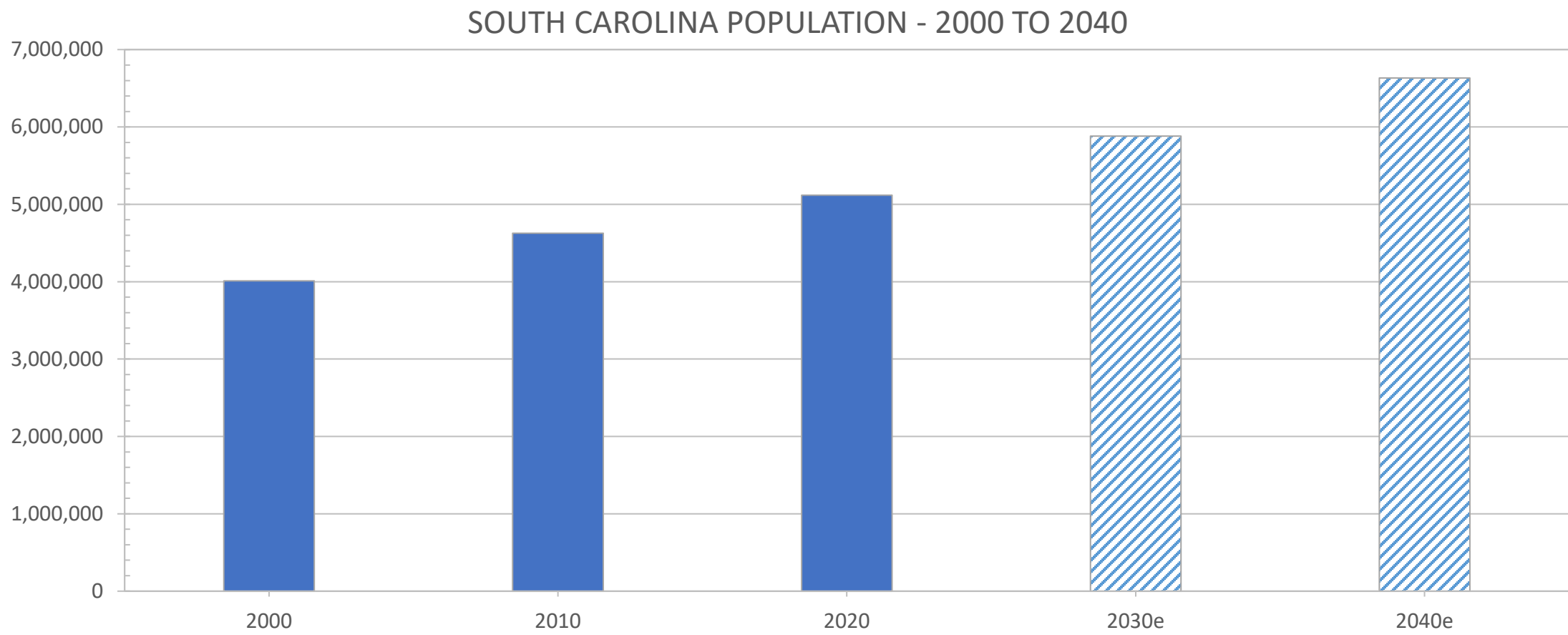
Source: Board of Governors of the Federal Reserve System via FRED Economic Data 277A -RFA/lhj/1/26/2026

Factors Affecting Road Infrastructure Demand



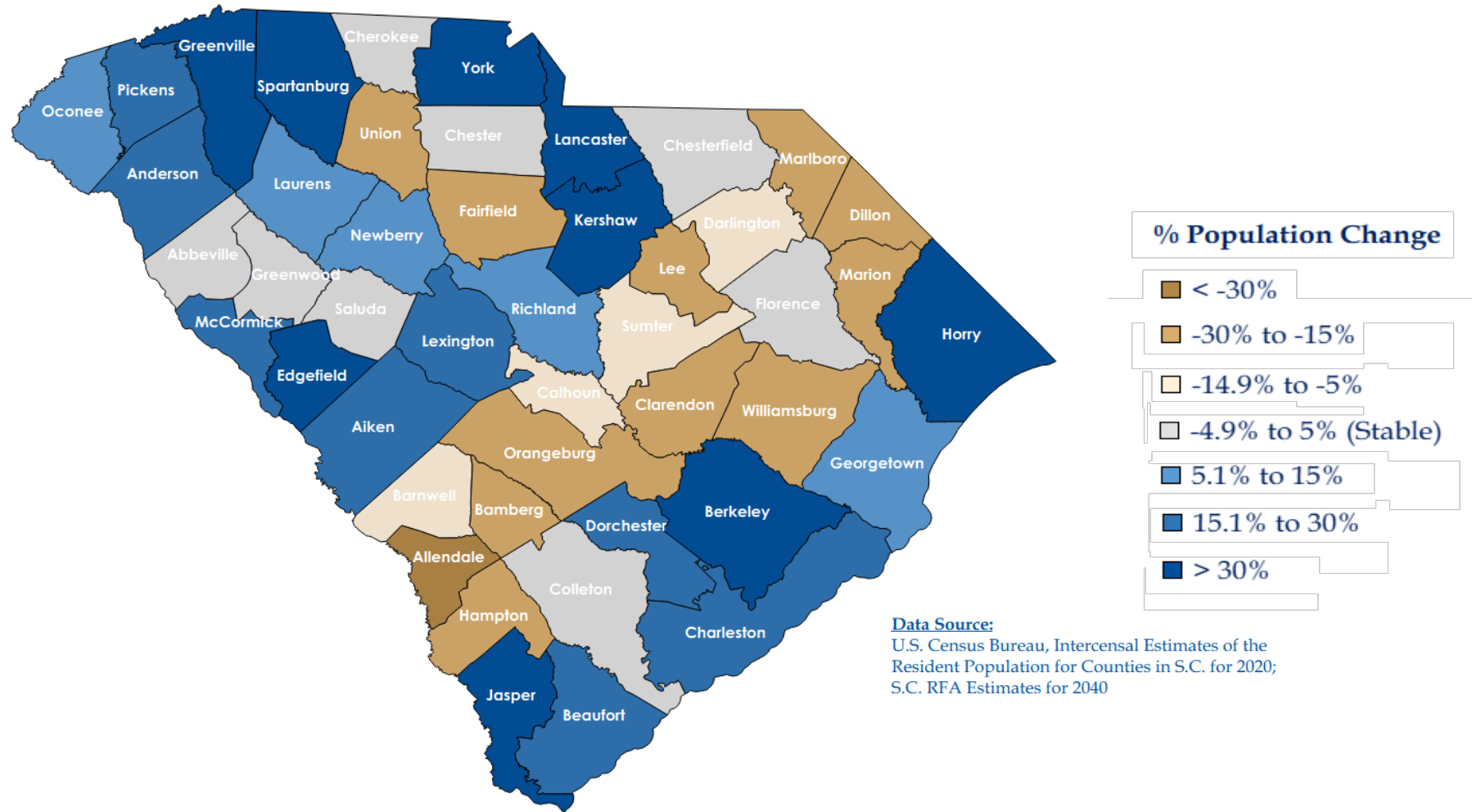
SC Population Growth

Population is estimated to grow 29% from 5.1 million in 2020 to 6.6 million in 2040



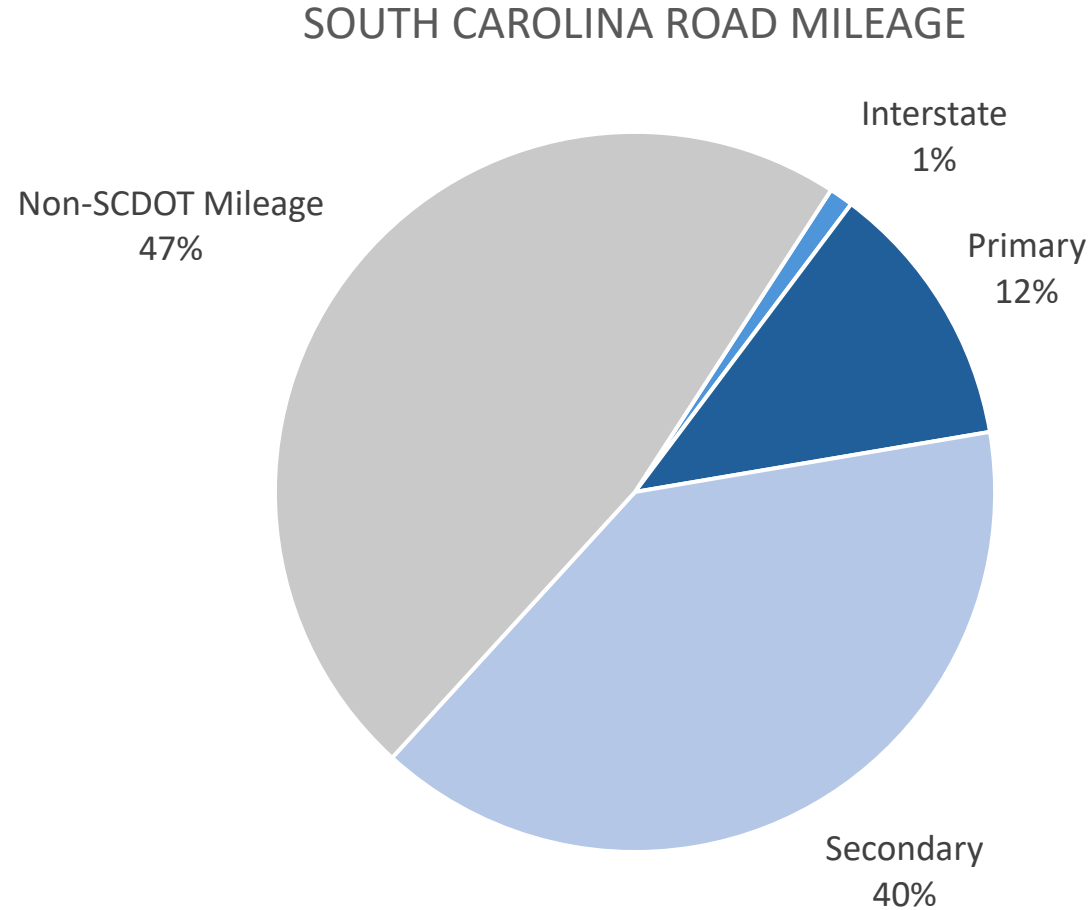
Source: U.S. Census Bureau, Intercensal Estimates of the Resident Population, 2000, 2010, and 2020; S.C. RFA Population Estimates 2030 and 2040. S.C. RFA - 372/lpw/9/11/2025

Projected Population Change by County, 2020 to 2040



Road Mileage by Type of Road

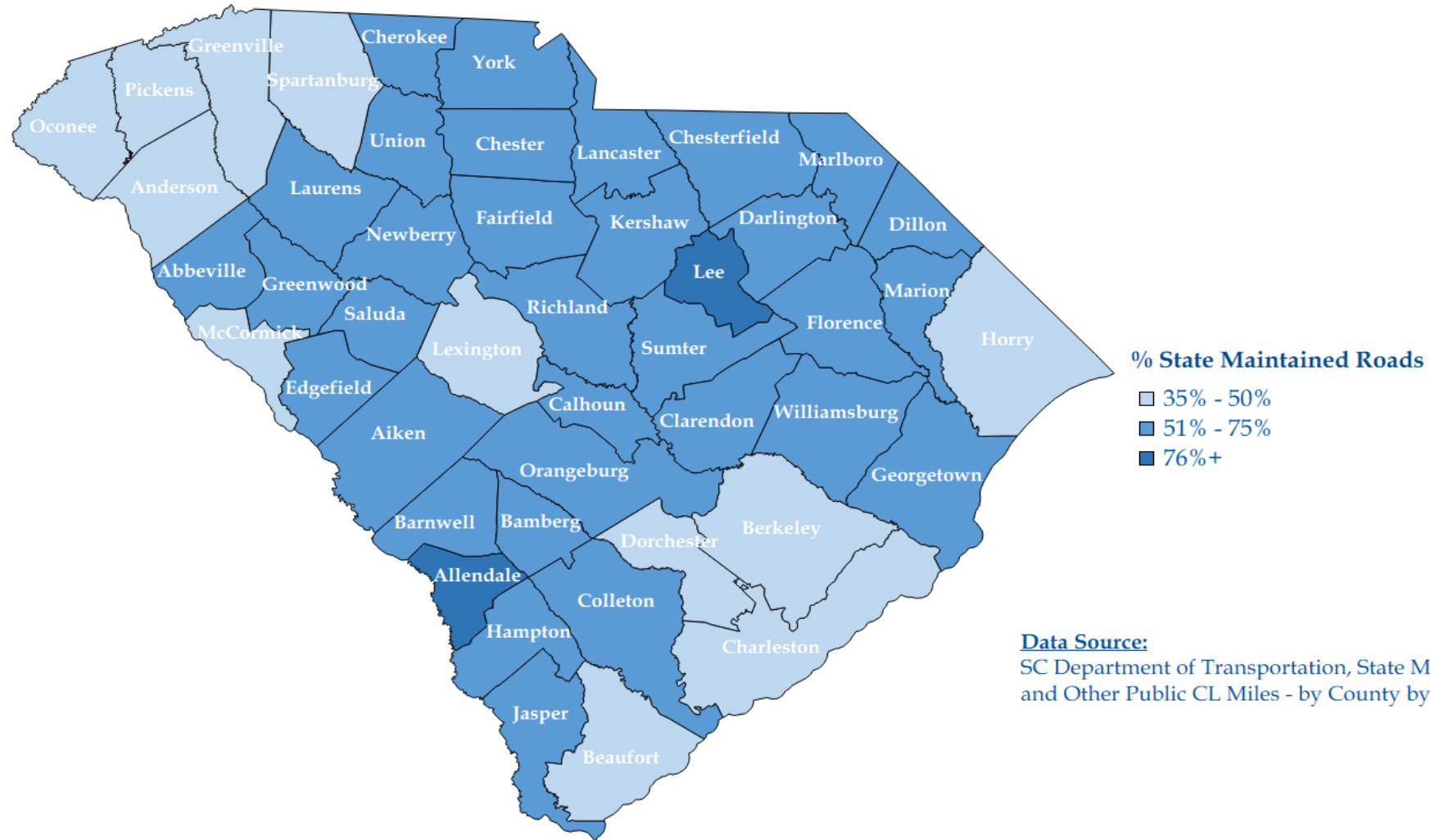
SCDOT maintains approximately 53% of the road mileage in SC



Source: SCDOT State Maintained and Other Public Center Line Miles

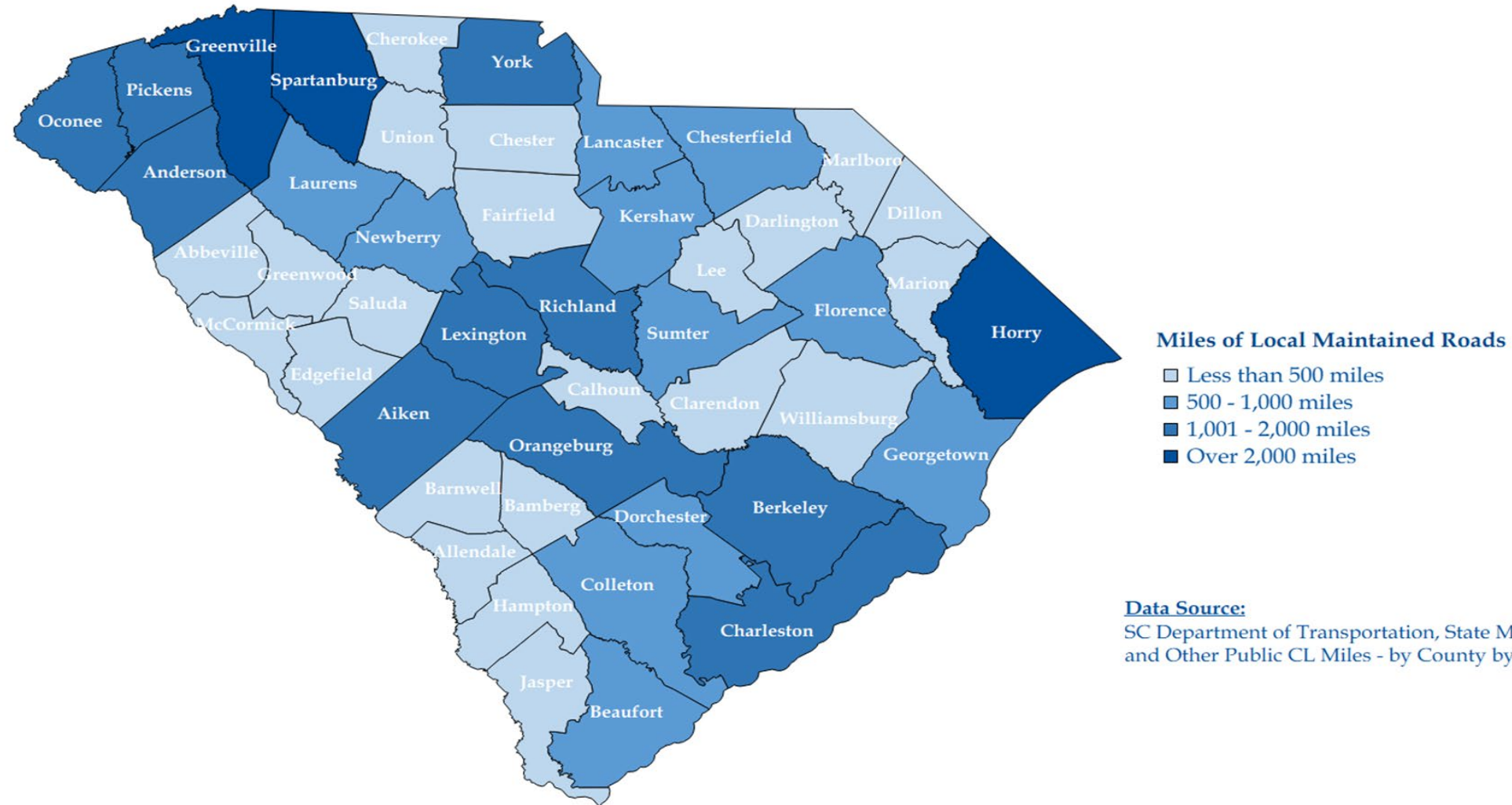
Percentage of State Maintained Roads in Each County

Ranges from 35% (Berkeley) to 80% (Lee)



Locally Maintained Roads in Each County

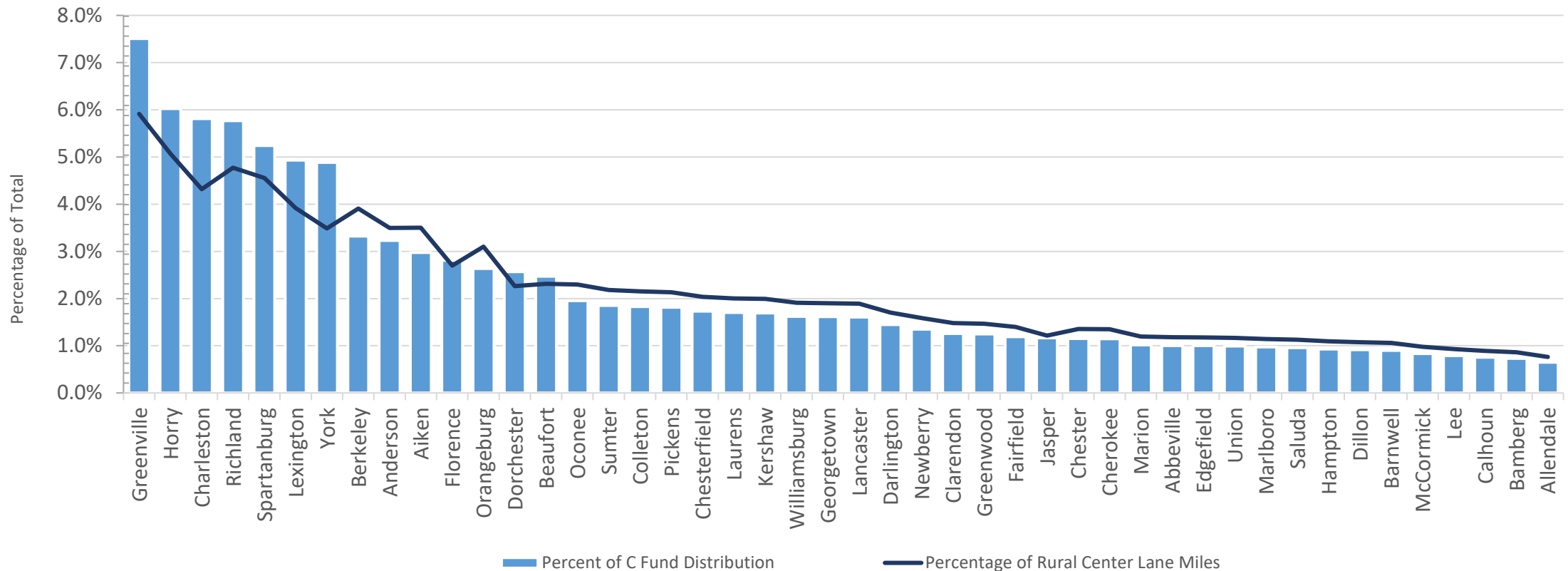
Ranges from 123 miles (Allendale) to 2,621 miles (Greenville)



Percentage of C Funds by County versus Rural Center Lane Miles

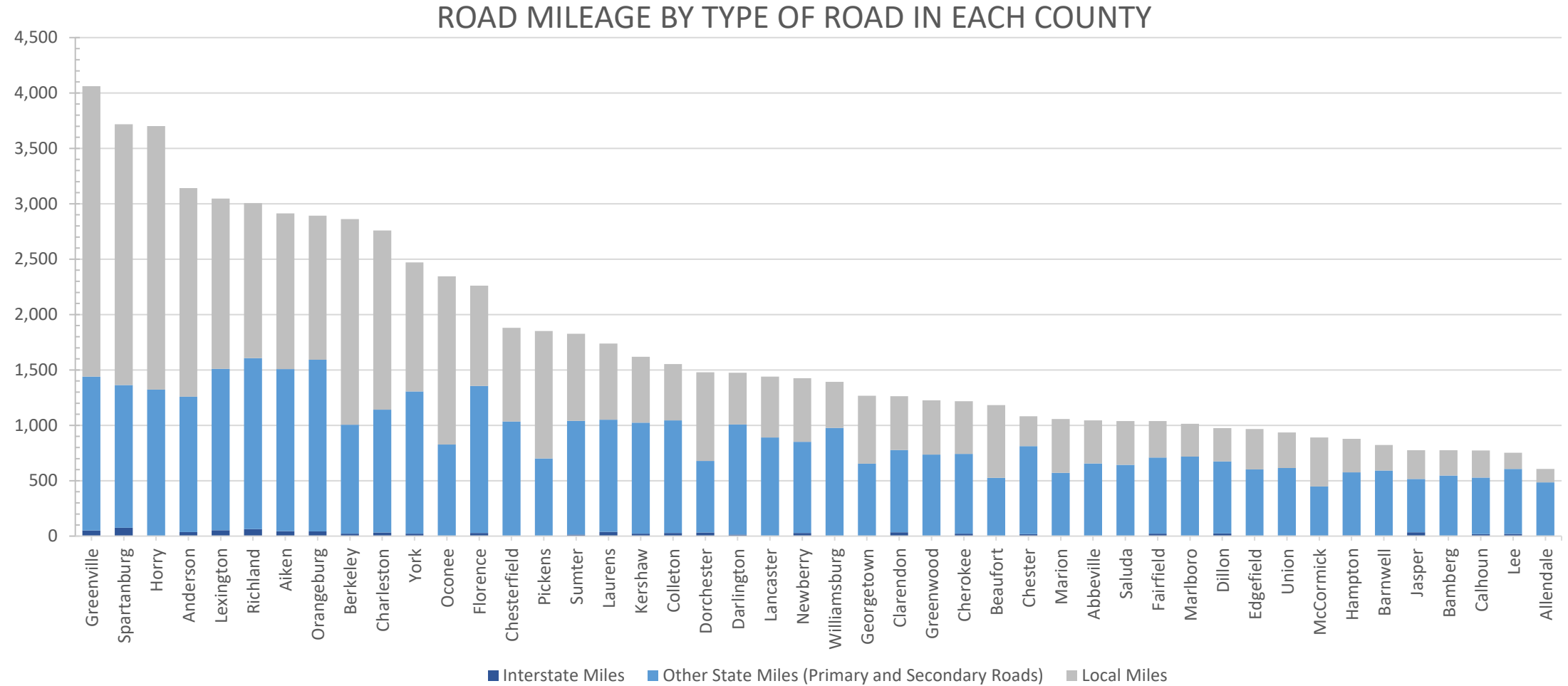
C Funds are distributed to each county based on population, land area, and rural road mileage

PERCENTAGE OF C FUNDS AND RURAL CENTER LANE MILES



Source: S.C. Department of Transportation ; Based on SCDOT FY 2024-25 Forecast, Includes Donor Funds RFA - mad/11/06/2025

Road Mileage by Type of Road in Each County

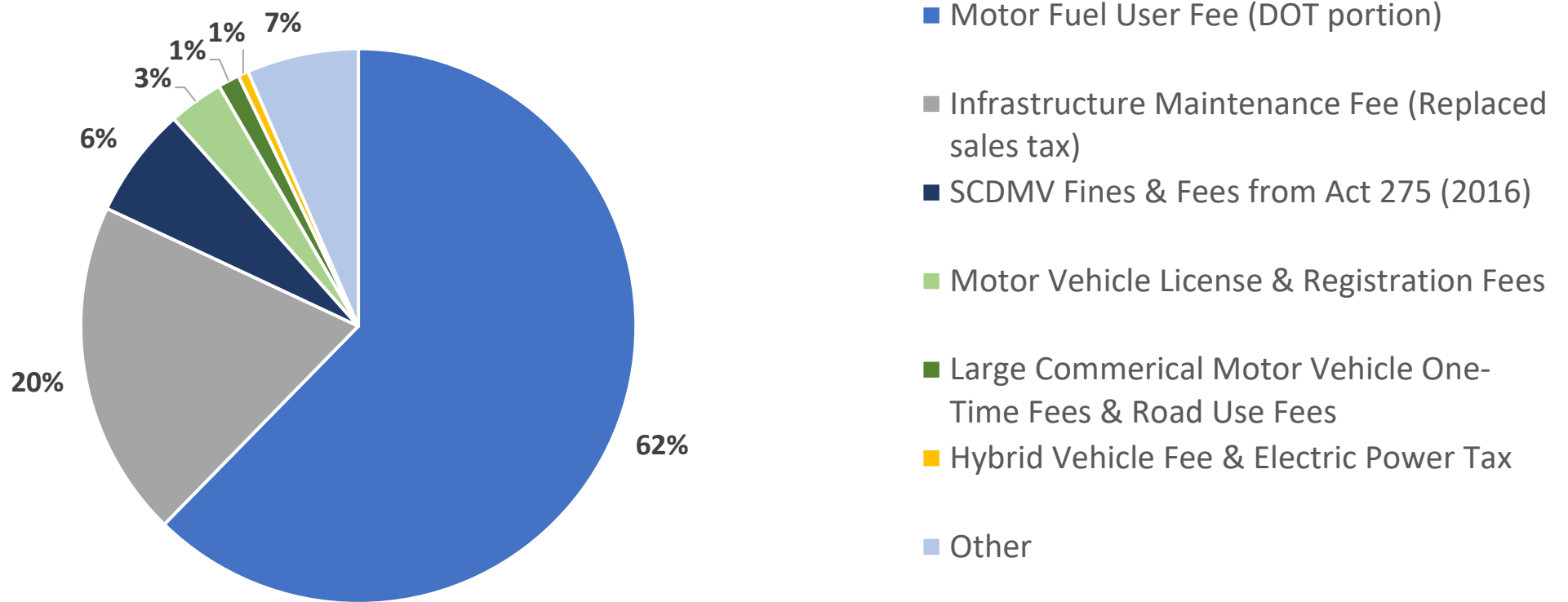


Data Source: S.C. Department of Transportation, State Maintained and Other Public CL Miles; S.C. Revenue and Fiscal Affairs Office 11/10/2025

SCDOT State Revenues – FY 2023-24

Motor fuel user fees are 62% of SCDOT's state funding; the Infrastructure Maintenance Fee (IMF) provides 20%

SC DEPARTMENT OF TRANSPORTATION FUNDING SOURCES
FY 2023-24

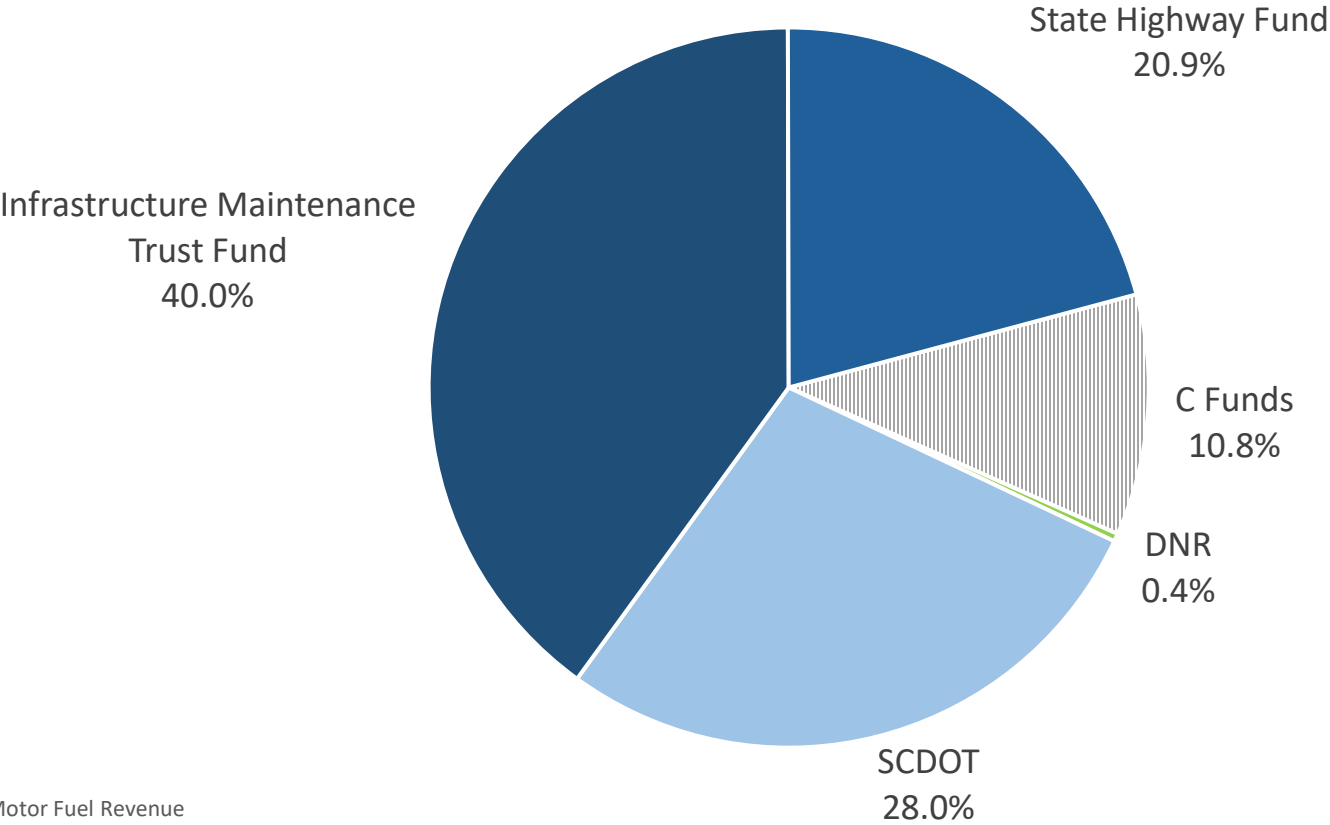


Source: SCDOT, FY 2024 Annual Revenues Report/reg/9/16/25

Distribution of Motor Fuel Revenue – FY 2024-25

88.9% of the \$0.28 motor fuel user fee funds various state transportation costs through SCDOT; 10.8% goes to C Funds for local governments

FY 2024-25 MOTOR FUEL USER FEE REVENUE DISTRIBUTION

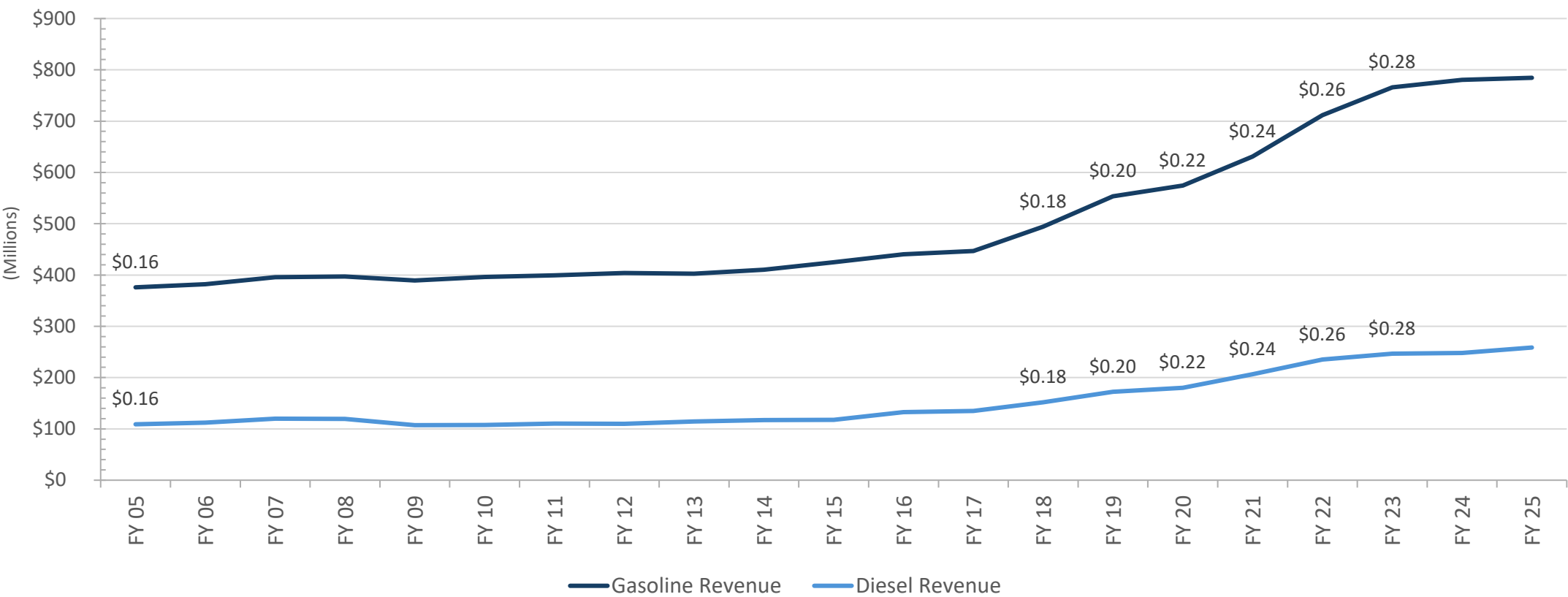


Source: SCDOT Monthly Motor Fuel Revenue

Motor Fuel Revenue History – FY 2004-05 to FY 2024-25

Collections remained relatively flat until fee increases beginning in FY 2017-18 and have now flattened again

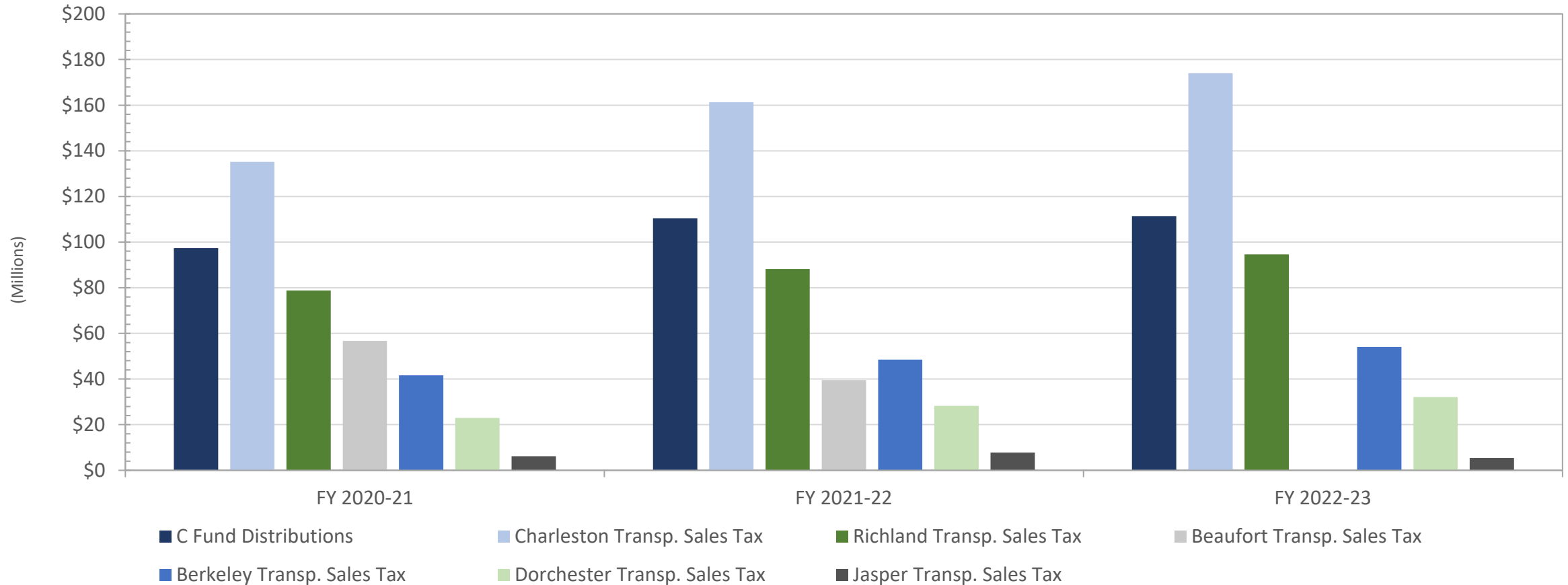
MOTOR FUEL REVENUE HISTORY
Including Per Gallon Motor Fuel User Fee



Funding for Locally Maintained Roads

Local governments use C-Funds and local transportation sales taxes to fund expenses for roads

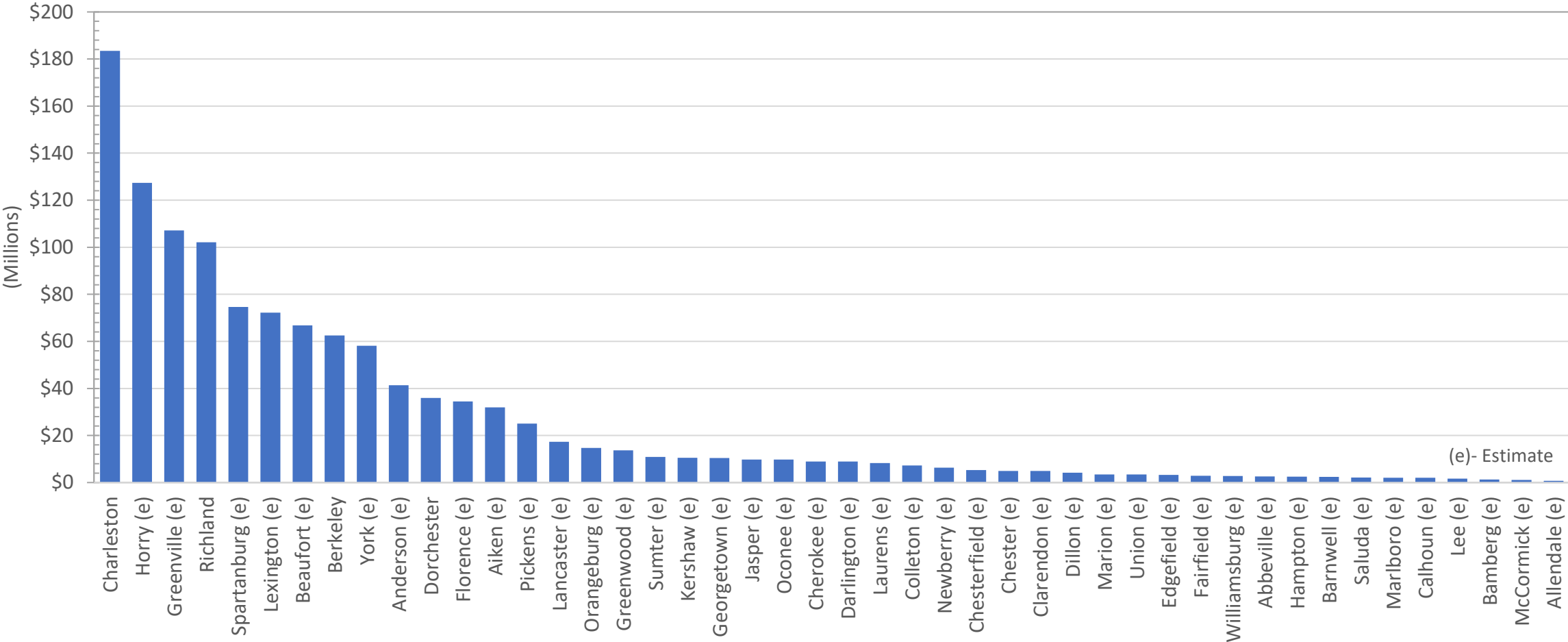
FUNDING SOURCES FOR LOCALLY MAINTAINED ROADS



Source: S.C. Department of Revenue, Local Option Transportation Tax Data ; S.C. Department of Transportation RFA- mad/11/06/2025
Beaufort transportation sales tax ended in 2023

Potential Revenue from 1% Local Option Transportation Sales Tax

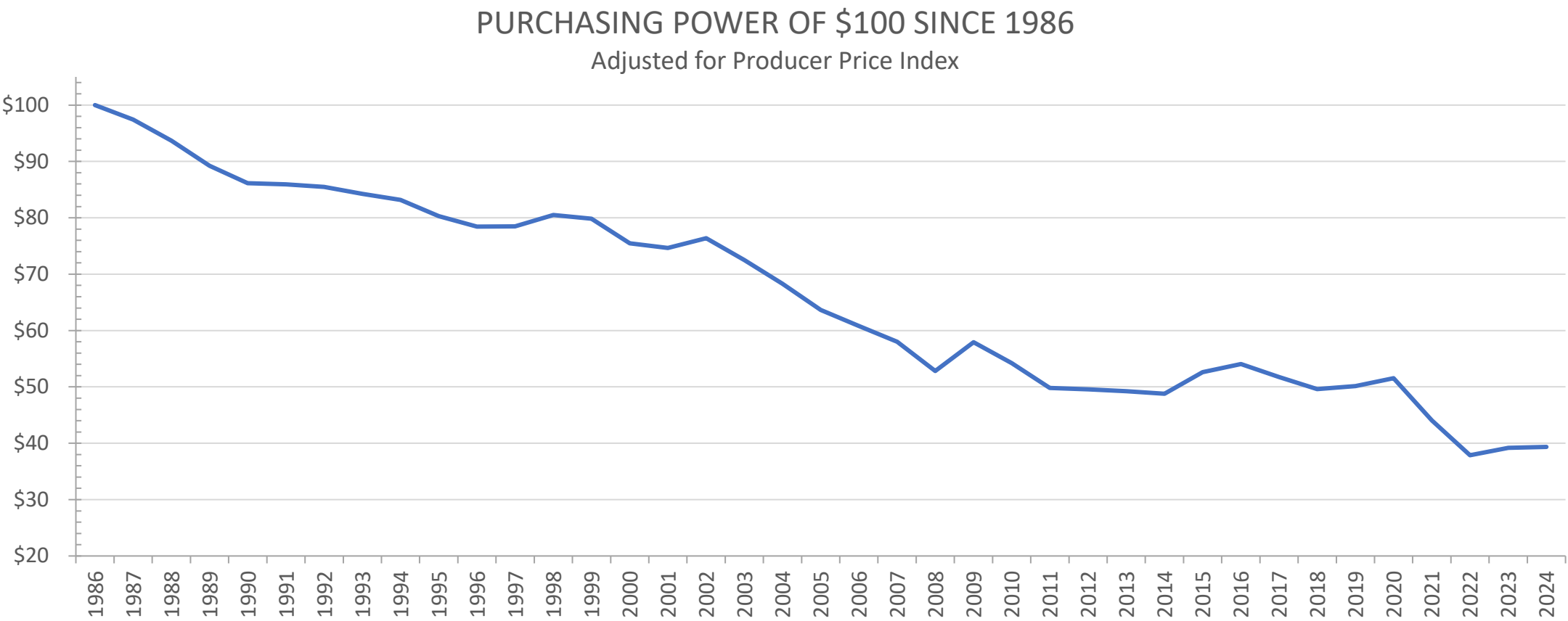
1% LOCAL OPTION TRANSPORTATION SALES TAX REVENUE
FY 2024-25 Potential Collections Based on Actual Tax or Estimates



Source: SC Dept. of Revenue local option sales tax revenue and net taxable sales by county; RFA estimates based on other local option sales tax or net taxable sales.
Note: Actual tax revenue may include sales tax on unprepared food as applicable, but estimates do not. 376 - RFA/md/01/27/2026

Purchasing Power of \$100 Since 1986

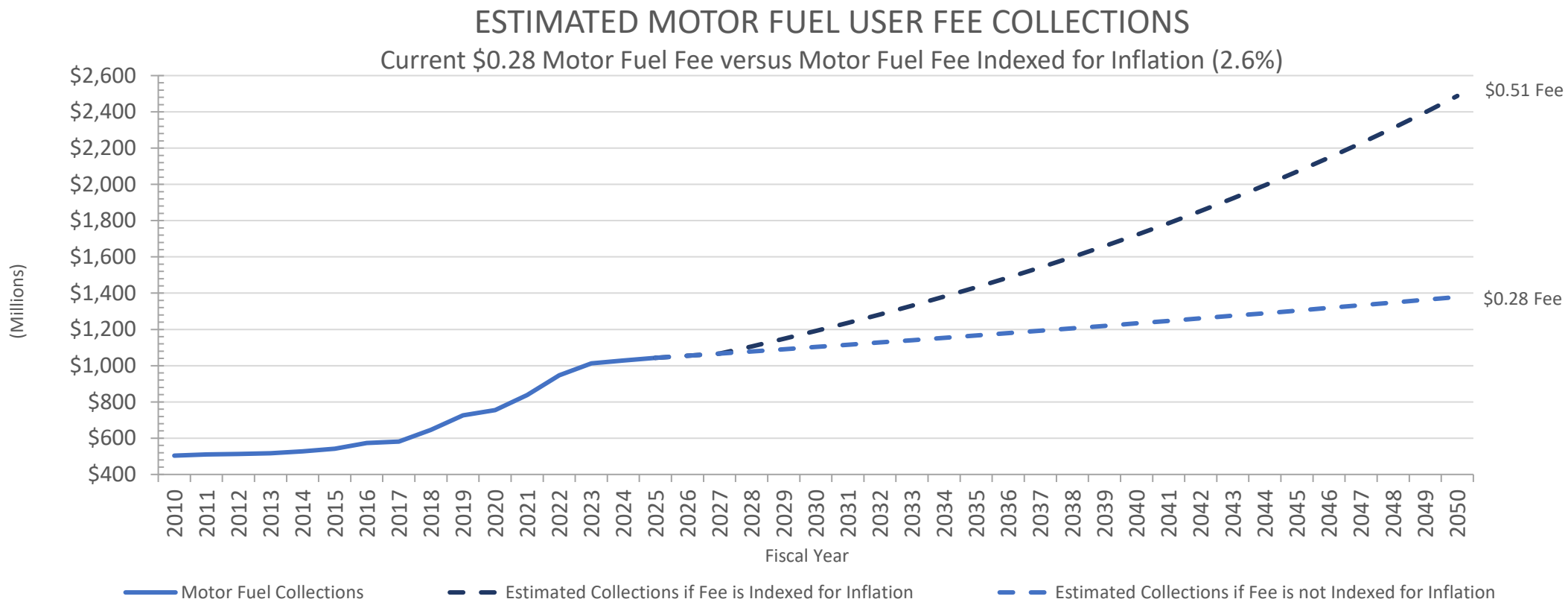
Due to inflation, purchasing power has declined, and it would cost about \$254 in 2024 to buy what \$100 could purchase in 1986



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: All Commodities [PPIACO], RFA-mad/10/24/2025

Motor Fuel User Fee Revenue Indexed for Inflation to 2050

Cumulatively, from FY 2027-28 through FY 2049-50, indexing the motor fuel user fee each year would increase the fee from \$0.28 to \$0.51 and generate approximately \$11.2 billion in additional revenue over this period

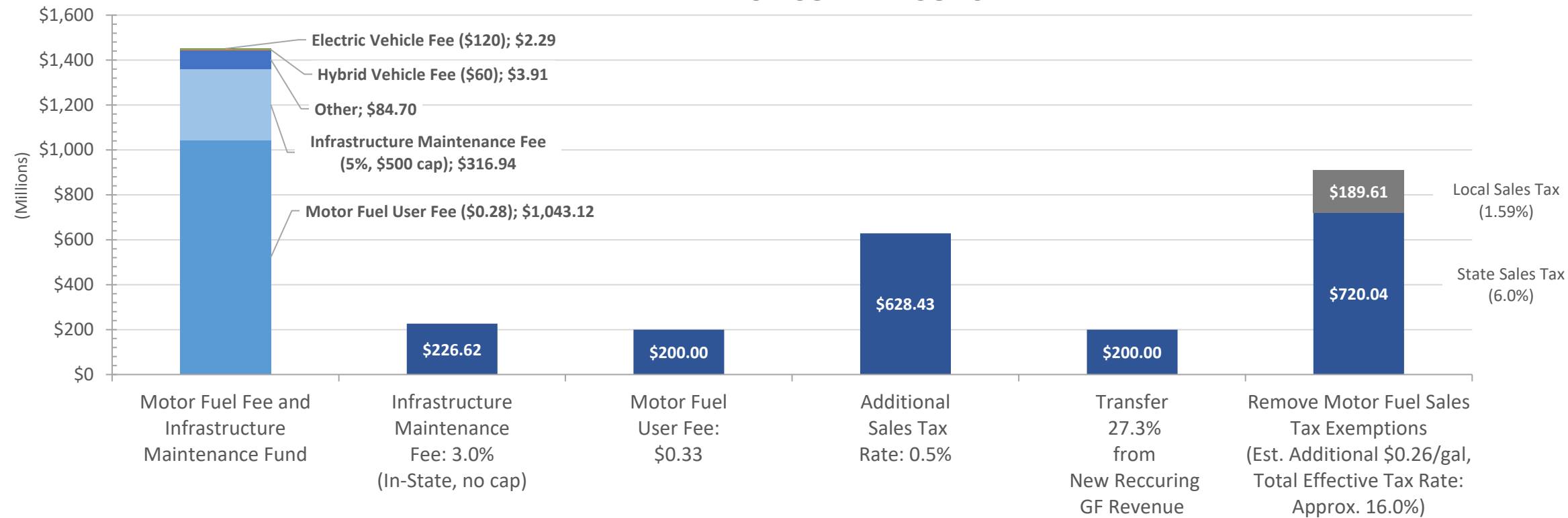


Source: U.S. Department of Transportation Federal Highway Administration Highway Statistics Series, S.C. Department of Transportation Motor Fuel Revenue Data, U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: All Commodities [PPIACO] RFA-mad/11/20/2025

Comparisons of Estimated Revenues

Examples of sales taxes, increasing motor fuel user fees, and removing sales tax exemptions

REVENUE COMPARISONS



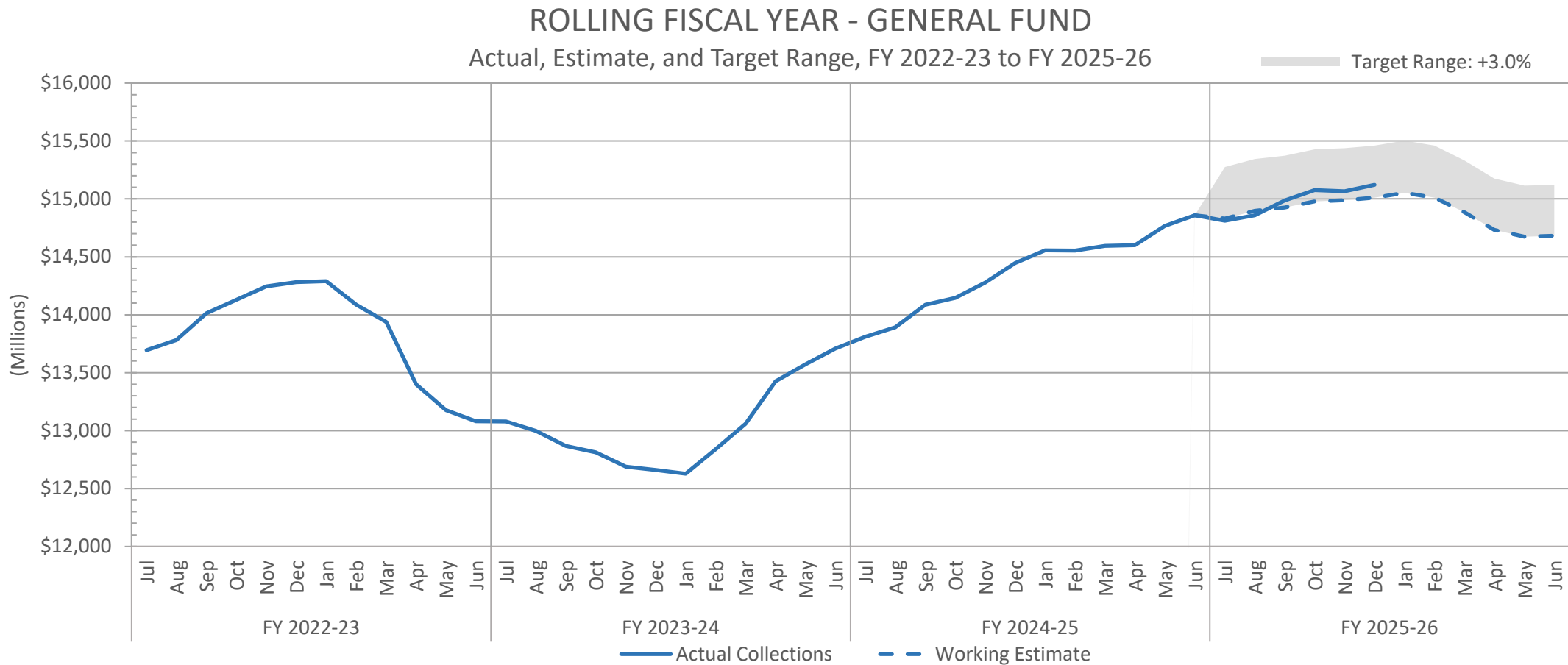
Notes: (1) Additional revenue from new IMF rate and Motor Fuel User Fee illustrates additional revenue collections, after covering revenue generated from current respective rates and fees. (2) Revenue from removing exemptions and an increase in the Sales tax rate illustrate new revenue, and would not cover current revenue as well. (3) Removing exemptions from the motor fuel user fee would result in an average effective tax rate of approximately 16.0% per gallon of motor fuel based on the current \$0.28 fee, state Sales tax rate of 6%, and the average local Sales tax rate of 1.59%

State Revenues and the Budget



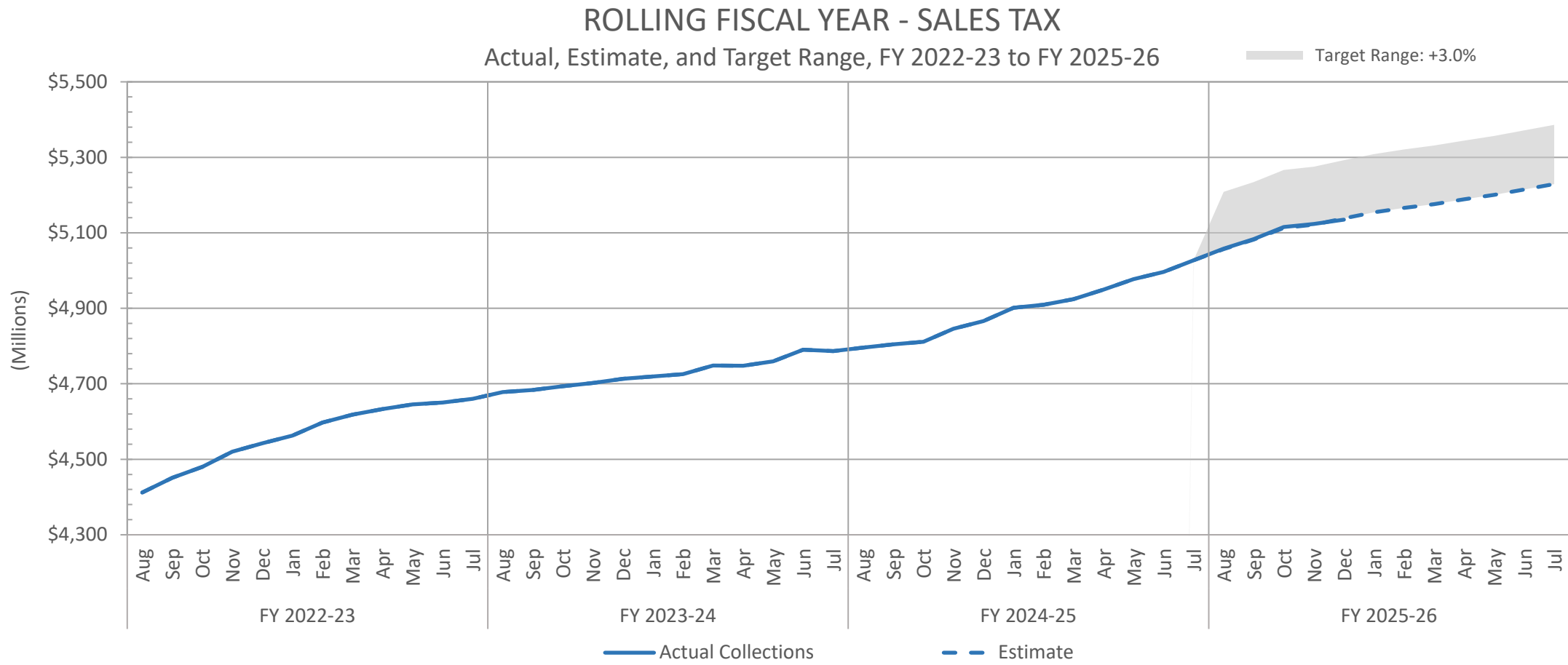
General Fund Revenue – Actual vs. November Estimate

Through December, collections are 3.7% above last year, or \$111.1 million ahead of year-to-date expectations, and within 3% of the estimate



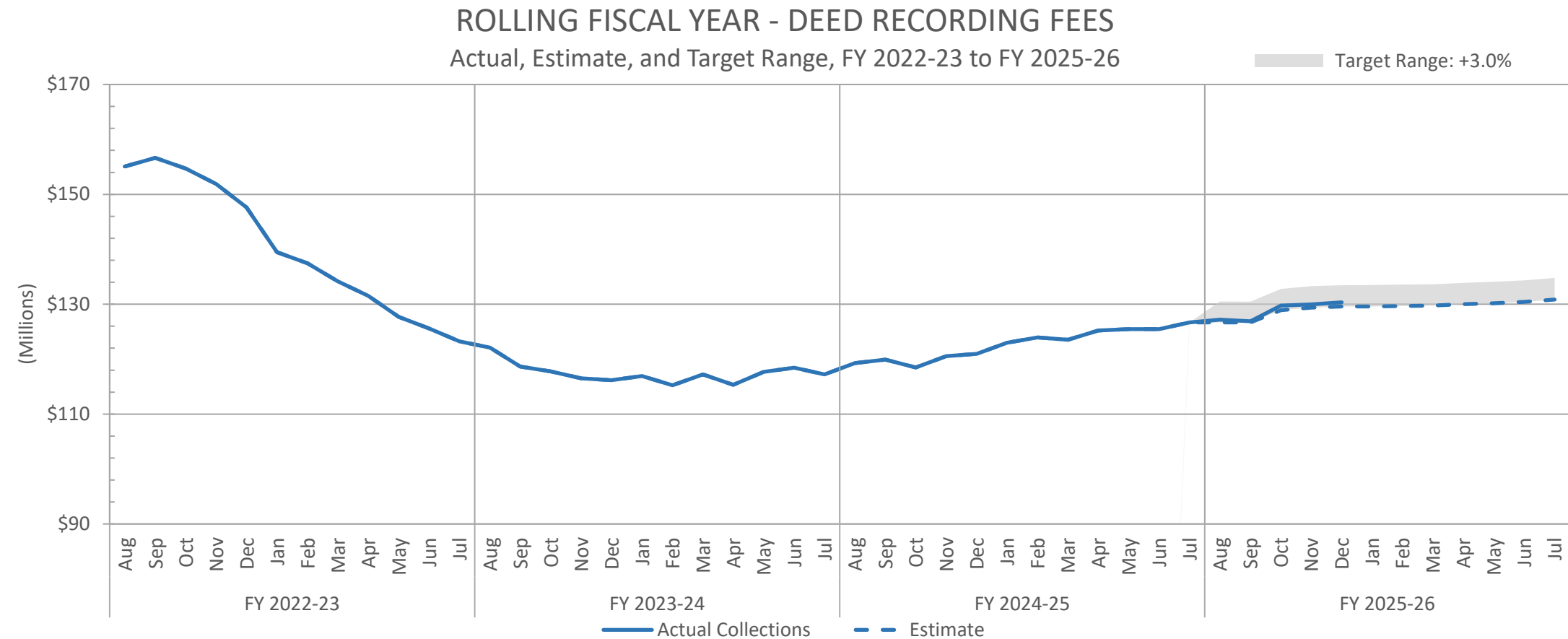
Sales Tax - Actual vs. Estimate

Sales tax revenue growth has slowed in recent months and is tracking very close to expectations (FY 25: 5.0%, FY 26: 4.0%, FY 27: 3.4%)



Deed Recording Fees - Actual vs. Estimate

Fiscal year-to-date collections are growing by 7.0% over last year and are \$0.8 million above expectations (FY 25: 8.1%, FY 26: 3.3%, FY 27: 3.0%)

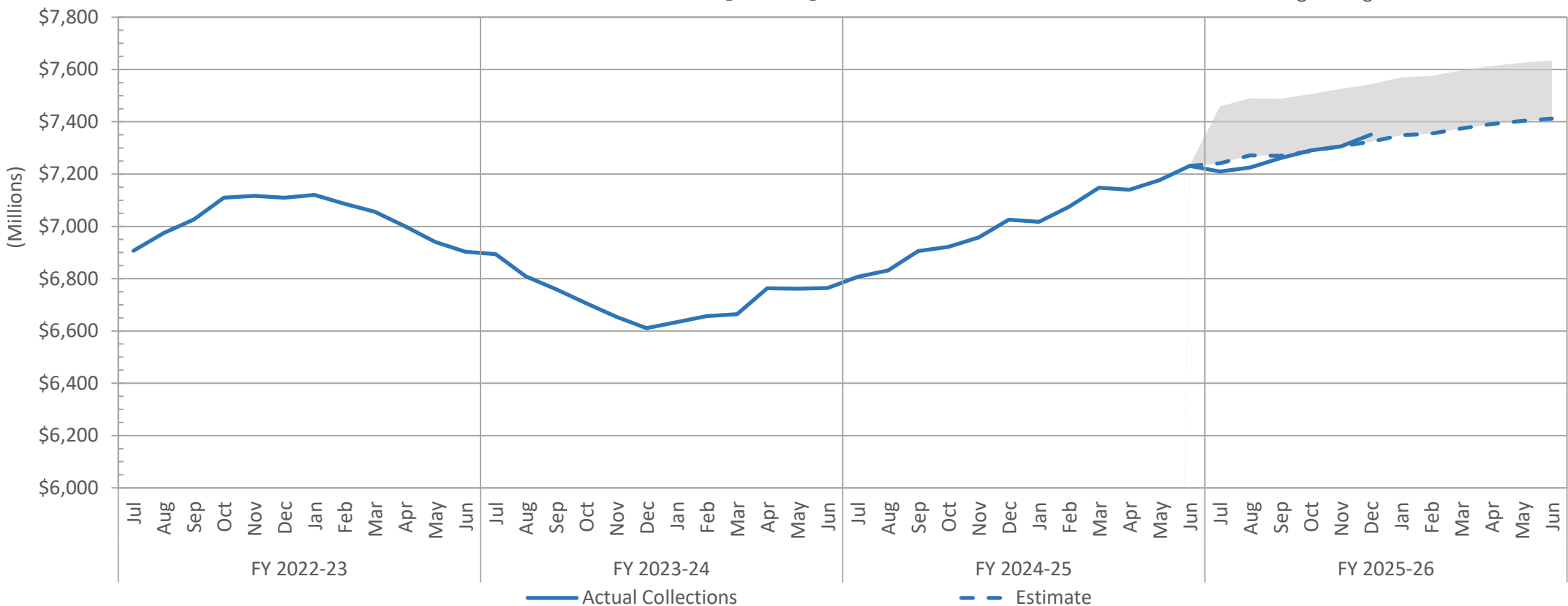


Withholdings - Actual vs. Estimate

Withholdings are \$27.4 million above the estimate in total through December, growing 3.4% over the same period last year, although growth for the whole year is expected to slow to 2.5% (FY 25: 6.9%, FY 26: 2.5%, FY 27: 3.9%)

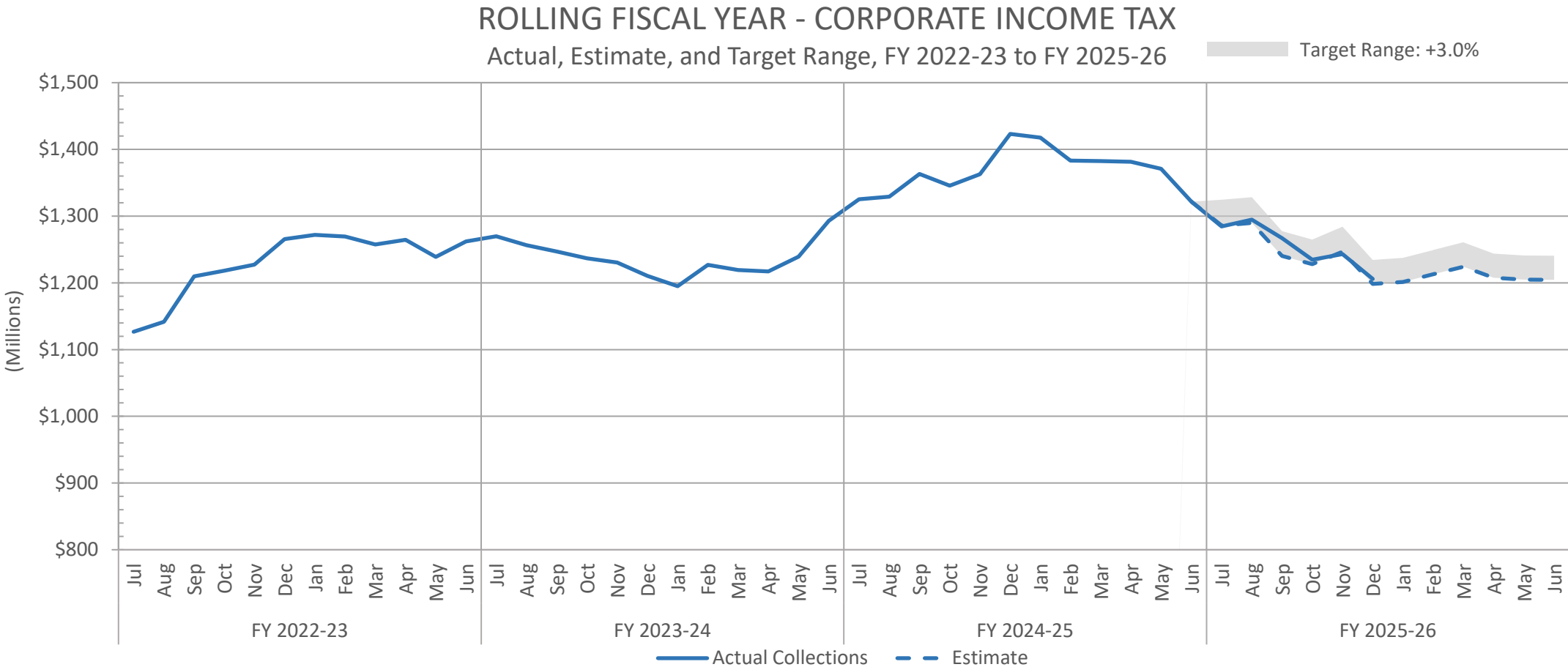
ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26



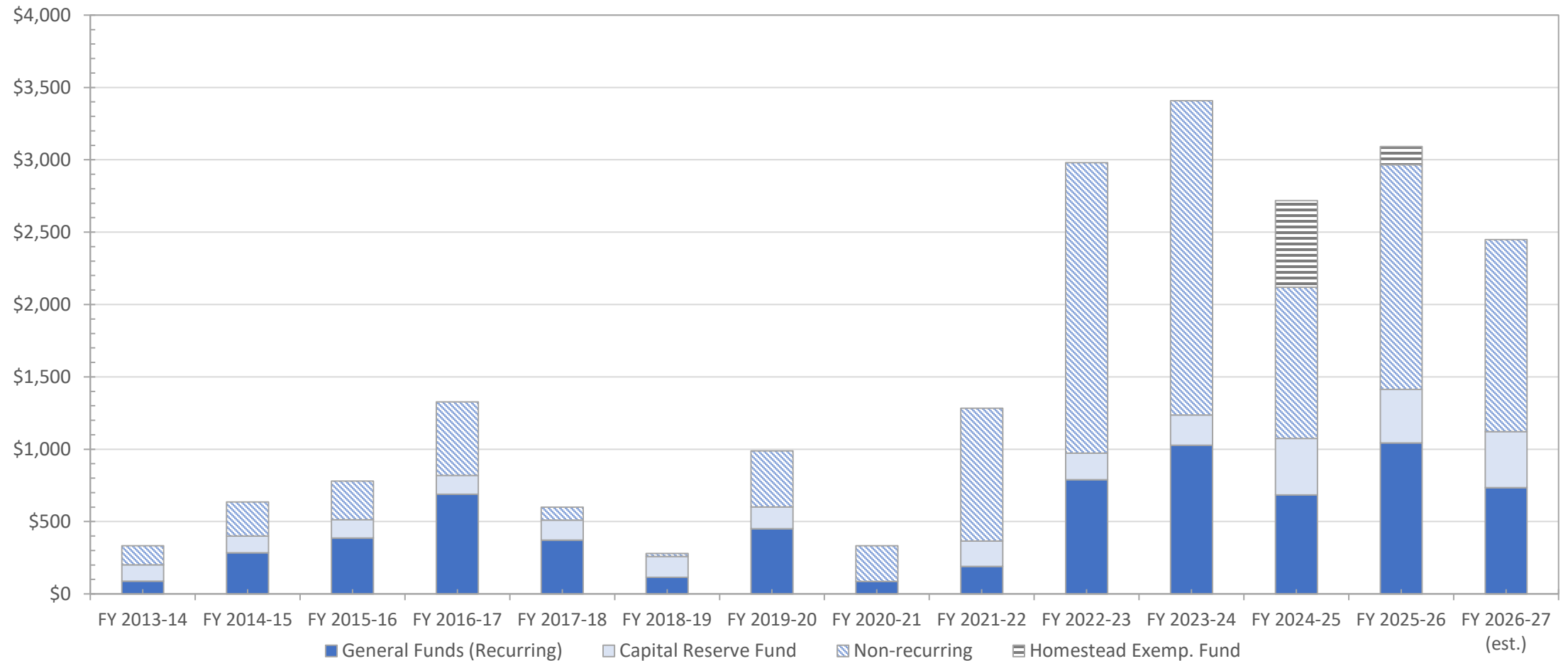
Corporate Income Tax – Actual vs. Estimate

December collections from quarterly payments exceeded expectations by \$11.4 million; in total, revenues are above the November estimate by \$7.6 million



Revenue Available for Budget Process

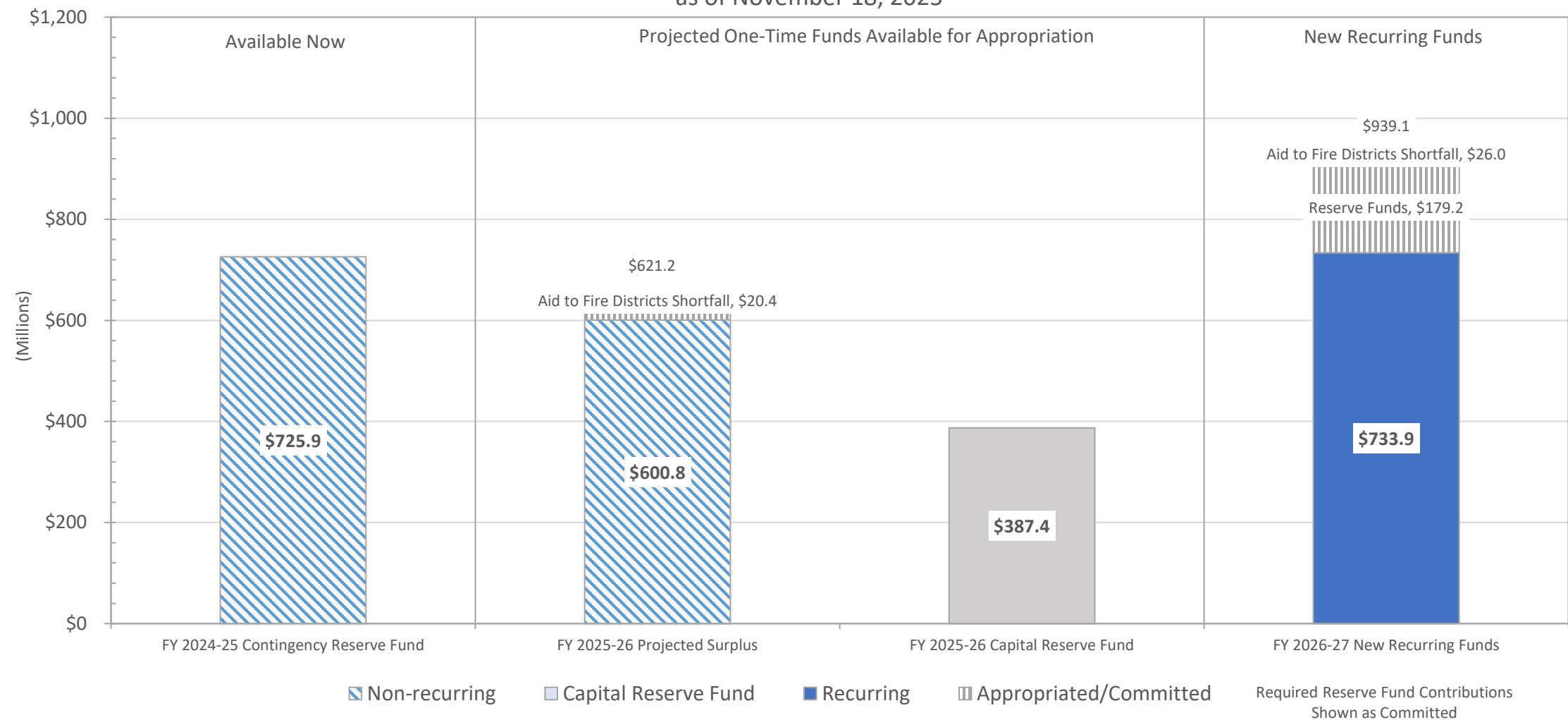
AVAILABLE "NEW" FUNDS BY BUDGET YEAR



Source: Revenue and Fiscal Affairs Office 333 - lhj/01/20/2026

FY 2026-27 Budget - Available Funds

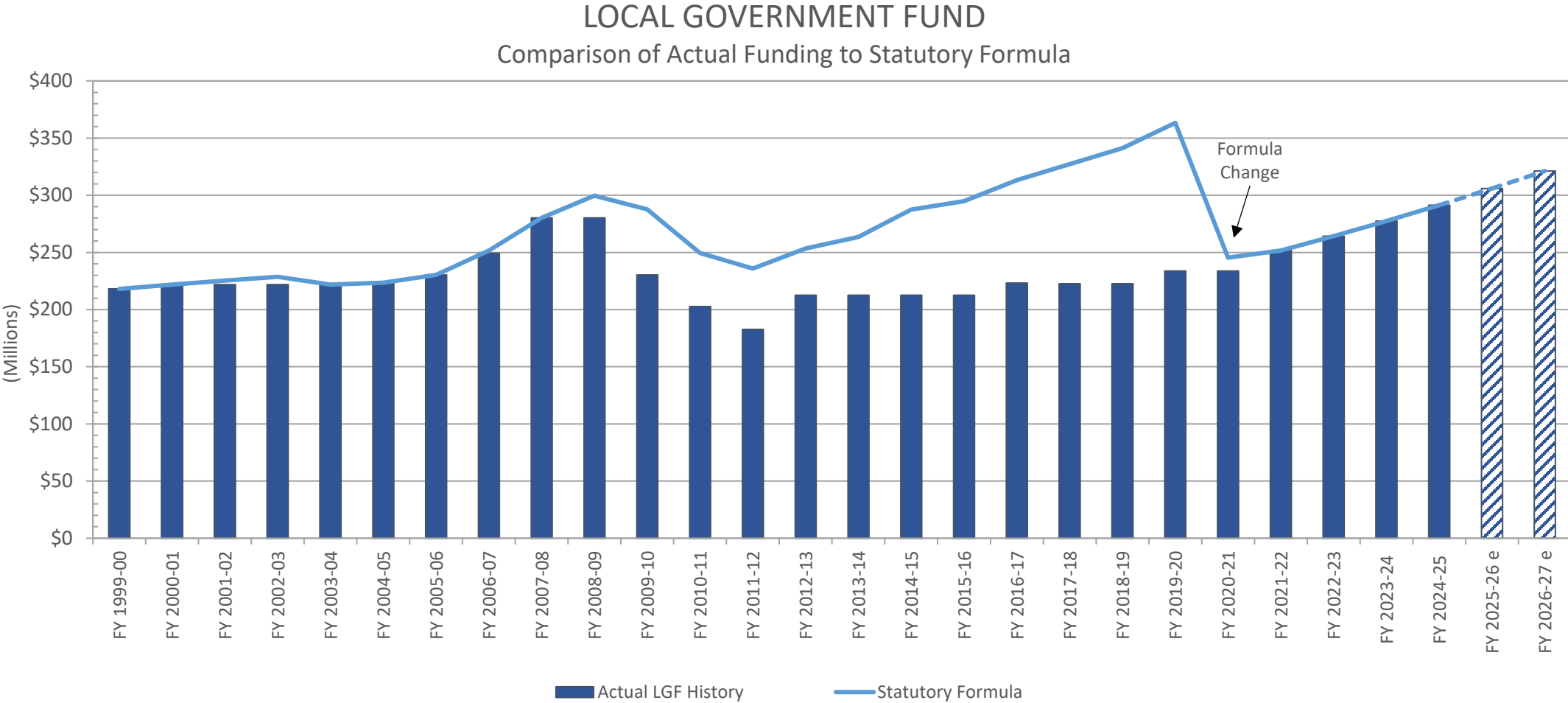
AVAILABLE FUNDS - FY 2026-27 BUDGET PROCESS
as of November 18, 2025



Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/18/2025

Local Government Fund

Under the statutory formula, the Local Government Fund is set to increase 5% in FY 27 (\$15.3 million)

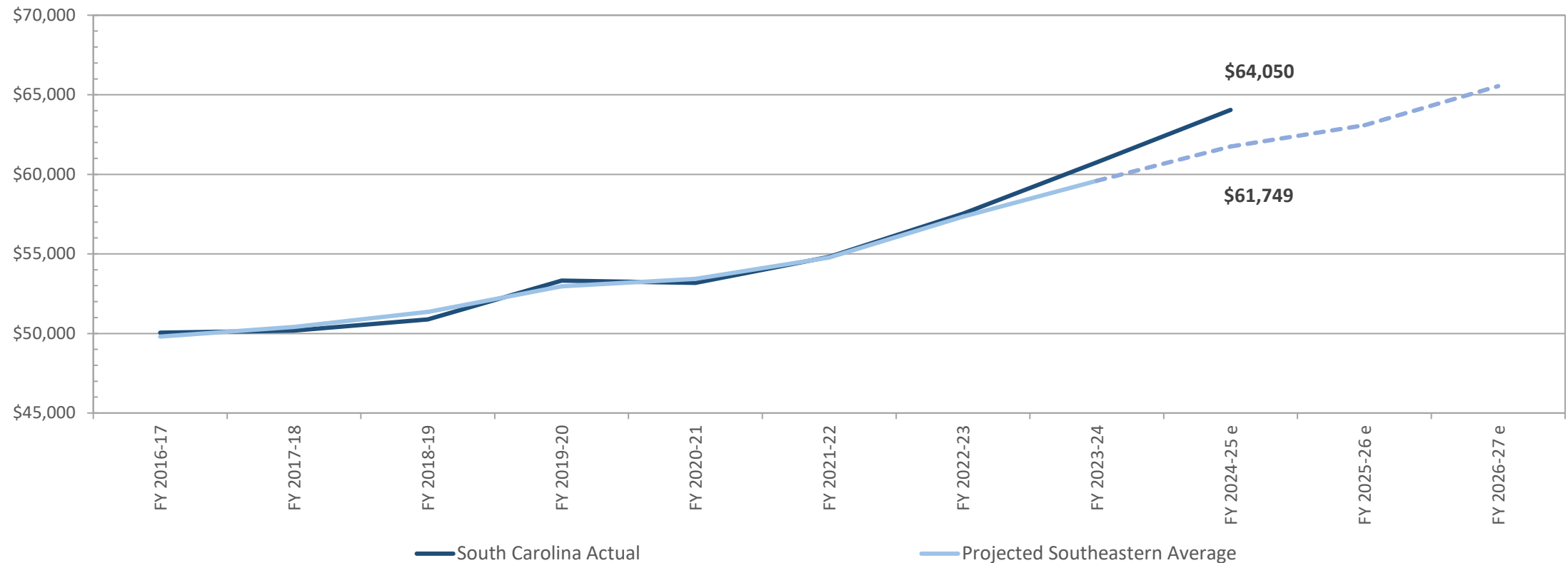


Source: S.C. Revenue and Fiscal Affairs Office - 193/lpw/11/19/2025

SC and Southeastern Average Teacher Salary

In FY 25, the average teacher salary in SC was about 3.7% higher than the SE average

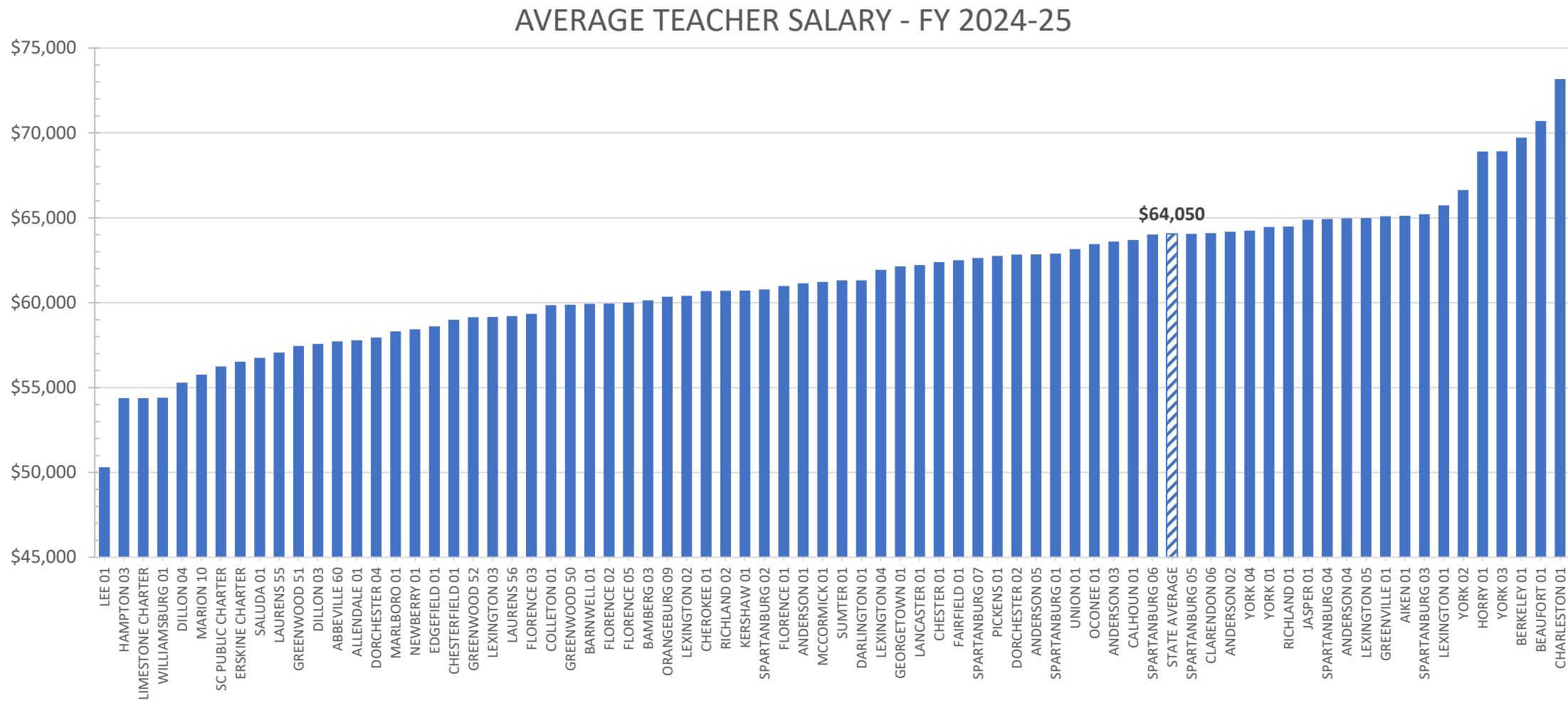
SOUTH CAROLINA AND SOUTHEASTERN AVERAGE TEACHER SALARY



Data Source: S.C. Department of Education, S.C. teacher salary; S.C. Revenue and Fiscal Affairs Office, Southeastern average salary estimates
Source: S.C. Revenue and Fiscal Affairs Office - 301 - 11/7/2025

Average Teacher Salary by District – FY 2024-25

Twenty districts paid more than the state average in FY 25



Data Source: S.C. Department of Education, S.C. teacher salary; RFA 346 – 11/19/2025

South Carolina Individual Income Tax



Individual Income Tax Proposals

- The Governor's FY 2026-27 Executive Budget proposes reducing the top rate from 6% to 5.9% in 2026 at an estimated cost of \$101.8 million for tax year 2026
- H. 4216 as passed by the House in 2025 proposes changing the tax structure by taxing federal adjusted gross income, changing deductions, and changing the tax rates at a cost of \$119.1 million for tax year 2026
- The bill is currently up for debate in the Senate

Estimated SC Income – Different Measures

SC taxable income is approximately 28% of personal income

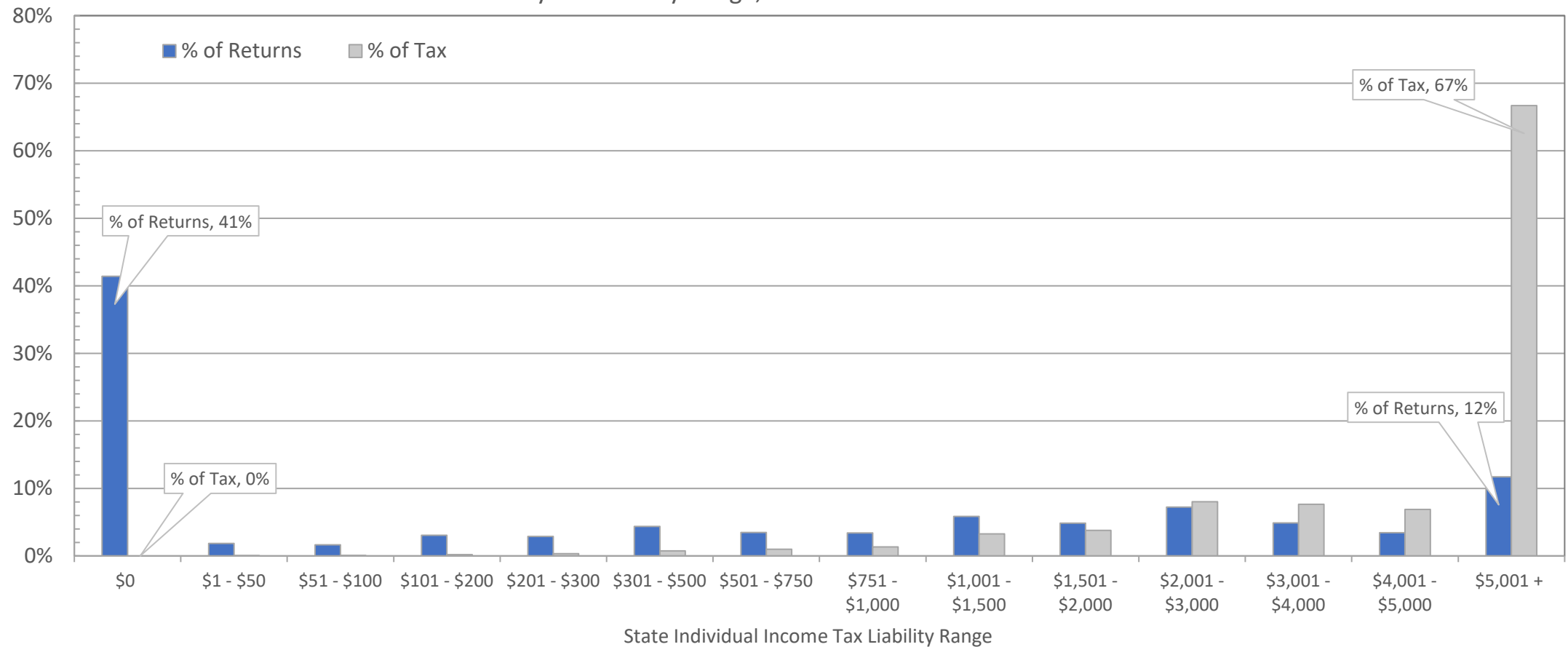
MEASURES OF SOUTH CAROLINA INCOME
Estimates for Resident Tax Filers - Tax Year 2022



Source: U.S. Dept. of Commerce, Bureau of Economic Analysis; I.R.S. Statistics of Income; S.C. Dept. of Revenue Individual Income Tax Returns
S.C. Revenue and Fiscal Affairs 186B-lhj/01/24/2025

Estimated South Carolina Tax Liability for Tax Year 2024

ESTIMATED SC INDIVIDUAL INCOME TAX RETURNS AND TAX LIABILITY
By Tax Liability Range, Tax Year 2024



Data Source: S.C. Department of Revenue Individual Income Tax Returns; compiled by S.C. Revenue and Fiscal Affairs 131/lhj/2/5/2026

H. 4216 – Income Tax Proposal

- H. 4216 proposes taxing federal adjusted gross income, instead of federal taxable income, replacing the federal standard/itemized deduction with a state deduction based on income, and changing the tax rates from 0%, 3%, and 6% to 1.99% and 5.39%
- Link to bill and fiscal impact:

<https://www.scstatehouse.gov/billsearch.php?billnumbers=4216>

Tax Year 2025	
Tax Bracket	Tax Rate
\$0 to \$3,560	0%
\$3,560 to \$17,830	3%
Over \$17,830	6%

H. 4216 Proposed Tax Year 2026	
Tax Bracket	Tax Rate
\$0 to \$30,000	1.99%
Over \$30,000	5.39%

H. 4216 AS AMENDED BY THE HOUSE ON 5.06.2025 - ESTIMATED SOUTH CAROLINA INDIVIDUAL INCOME TAX IMPACT
Tax Year 2026 - Updated 1.13.2026

Proposal: Apply a tax rate of 1.99% on taxable income up to \$30,000 and 5.39% over, eliminate the federal standard or itemized deduction, allow a new SC deduction at certain income levels, and maintain all other state adjustments, exemptions, and credits. (See notes below)
Impact: With this tax structure, 38.7% of taxpayers have a lower tax liability, 26.7% have a higher tax liability, and 34.6% are unchanged. The General Fund impact is (\$119,100,000).

Estimated Federal Adjusted Gross Income Range	Estimated Tax Return Distribution				Estimated Tax Change (Returns with a Change)						Returns with a Change								Tax Returns with No Change		Tax Returns with Zero Tax Liability	
	Estimated # of Returns	Estimated % of Returns	Old Avg. Tax Liability	New Avg. Tax Liability	Returns with Tax Change	% of Returns in Range	Old Avg. Tax Liability	New Avg. Tax Liability	Average Tax Change	Total Dollar Increase/ (Decrease)	Tax Returns with a Decrease in Liability				Tax Returns with an Increase in Liability				No Tax Change # of Returns	No Change % of Returns	Zero Tax # of Returns	Zero Tax % of Returns
											Tax Decrease # of Returns	Tax Decrease % of Returns in Range	Total Decrease Amount	Average Decrease Amount	Tax Increase # of Returns	Tax Increase % of Returns in Range	Total Increase Amount	Average Increase Amount				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
\$0*	78,854	2.9%	\$50	\$43	1,080	1.4%	\$3,683	\$3,154	(\$529)	(\$571,000)	575	0.7%	(\$606,000)	(\$1,054)	505	0.6%	\$35,000	\$69	77,774	98.6%	77,824	98.7%
\$1 to \$10,000	286,253	10.4%	\$3	\$9	43,699	15.3%	\$20	\$58	\$38	\$1,655,000	834	0.3%	(\$76,000)	(\$91)	42,865	15.0%	\$1,731,000	\$40	242,554	84.7%	243,249	85.0%
\$10,001 to \$20,000	310,122	11.2%	\$16	\$26	75,652	24.4%	\$67	\$105	\$38	\$2,872,000	5,591	1.8%	(\$360,000)	(\$64)	70,060	22.6%	\$3,232,000	\$46	234,471	75.6%	235,107	75.8%
\$20,001 to \$30,000	275,560	10.0%	\$107	\$110	140,713	51.1%	\$210	\$216	\$5	\$769,000	51,548	18.7%	(\$2,676,000)	(\$52)	89,165	32.4%	\$3,445,000	\$39	134,847	48.9%	134,332	48.7%
\$30,001 to \$40,000	269,566	9.8%	\$288	\$216	160,474	59.5%	\$483	\$362	(\$121)	(\$19,360,000)	131,750	48.9%	(\$21,067,000)	(\$160)	28,724	10.7%	\$1,707,000	\$59	109,091	40.5%	110,638	41.0%
\$40,001 to \$50,000	234,386	8.5%	\$569	\$390	174,112	74.3%	\$767	\$526	(\$241)	(\$41,986,000)	127,503	54.4%	(\$46,301,000)	(\$363)	46,609	19.9%	\$4,315,000	\$93	60,274	25.7%	61,884	26.4%
\$50,001 to \$75,000	407,593	14.8%	\$1,192	\$990	351,715	86.3%	\$1,381	\$1,148	(\$234)	(\$82,146,000)	286,705	70.3%	(\$93,552,000)	(\$326)	65,010	15.9%	\$11,406,000	\$175	55,877	13.7%	61,644	15.1%
\$75,001 to \$100,000	250,437	9.1%	\$2,020	\$1,874	225,176	89.9%	\$2,247	\$2,085	(\$162)	(\$36,461,000)	173,939	69.5%	(\$51,076,000)	(\$294)	51,237	20.5%	\$14,615,000	\$285	25,261	10.1%	27,341	10.9%
\$100,001 to \$150,000	298,343	10.8%	\$3,258	\$3,269	289,966	97.2%	\$3,352	\$3,363	\$11	\$3,115,000	175,398	58.8%	(\$35,022,000)	(\$200)	114,568	38.4%	\$38,137,000	\$333	8,377	2.8%	8,450	2.8%
\$150,001 to \$200,000	143,398	5.2%	\$5,518	\$5,873	141,749	98.9%	\$5,582	\$5,942	\$359	\$50,933,000	19,752	13.8%	(\$6,653,000)	(\$337)	121,997	85.1%	\$57,586,000	\$472	1,649	1.1%	1,210	0.8%
\$200,001 to \$300,000	109,340	4.0%	\$8,741	\$9,077	108,086	98.9%	\$8,842	\$9,182	\$340	\$36,718,000	29,527	27.0%	(\$10,562,000)	(\$358)	78,560	71.8%	\$47,280,000	\$602	1,253	1.1%	791	0.7%
\$300,001 to \$500,000	56,123	2.0%	\$14,926	\$14,844	55,098	98.2%	\$15,204	\$15,120	(\$84)	(\$4,627,000)	36,199	64.5%	(\$25,411,000)	(\$702)	18,898	33.7%	\$20,784,000	\$1,100	1,025	1.8%	688	1.2%
\$500,001 to \$1,000,000	25,664	0.9%	\$25,969	\$25,338	24,764	96.5%	\$26,912	\$26,258	(\$654)	(\$16,195,000)	18,325	71.4%	(\$32,991,000)	(\$1,800)	6,439	25.1%	\$16,796,000	\$2,608	900	3.5%	649	2.5%
Over \$1,000,000	11,936	0.4%	\$78,228	\$77,074	11,163	93.5%	\$83,646	\$82,413	(\$1,233)	(\$13,767,000)	8,187	68.6%	(\$62,365,000)	(\$7,617)	2,975	24.9%	\$48,598,000	\$16,334	773	6.5%	666	5.6%
Total	2,757,573	100.0%	\$2,321	\$2,277	1,803,447	65.4%	\$3,548	\$3,482	(\$66)	(\$119,100,000)	1,065,834	38.7%	(\$388,700,000)	(\$365)	737,613	26.7%	\$269,600,000	\$366	954,126	34.6%	964,473	35.0%

Figures may not add to totals due to rounding. For non-residents, federal AGI is only the amount applicable to South Carolina.

*Returns may have \$0 federal AGI but positive state taxable income due to provisions not adopted by South Carolina or out-of-state income adjustments.

Current 2026 Marginal Tax Rates:	Taxable Income Range:	Proposed Tax Rates :	SC Deduction	Phase-out Start	Phase-out End	Other Notes:
0%	up to \$3,640	1.99% up to \$30,000	Single \$15,000	\$40,000	\$95,000	No federal standard or itemized deductions.
3%	\$3,640-\$18,230	5.39% over \$30,000	Married Joint \$30,000	\$80,000	\$190,000	New SC deduction is pro-rated for non-residents.
6.0%	over \$18,230		Head of Household \$22,500	\$60,000	\$142,500	All other current state adjustments to income (federal conformity provisions), deductions, exemptions, and credits are maintained.
						Active trade or business rate at 3% is maintained.
						Earned Income Tax credit is capped at \$200.

SC deduction is phased-out based on federal AGI levels shown.

Disclaimer: Estimates are based on current assumptions at the time of the analysis. Changes in growth rates, base year tax data, or other assumptions may have a positive or negative impact on these estimates and the budget.



Impact of Federal Income Tax Law Changes - Select Provisions

(Impact of more than +/- \$5 million)

Provision	Tax Year 2025	Tax Year 2026
Temporary senior deduction (\$6,000)	(\$62.7)	(\$63.8)
Increase to standard deduction (Single: \$750, Married: \$1,500, Head of Household: \$1,125)	(\$80.8)	(\$82.2)
No tax on overtime	(\$47.1)	(\$49.2)
No tax on tips	(\$18.2)	(\$18.4)
No tax on car loan interest	(\$13.0)	(\$19.4)
Full expensing of domestic research and experimental expenditures	(\$50.4)	(\$11.8)
Increased dollar limitations for expensing of certain depreciable business assets	(\$6.1)	(\$5.1)
0.5% floor on deduction of charitable contributions made by individuals	\$0	\$8.7
Exceptions from limitations on deduction for business meals	\$0	\$7.9

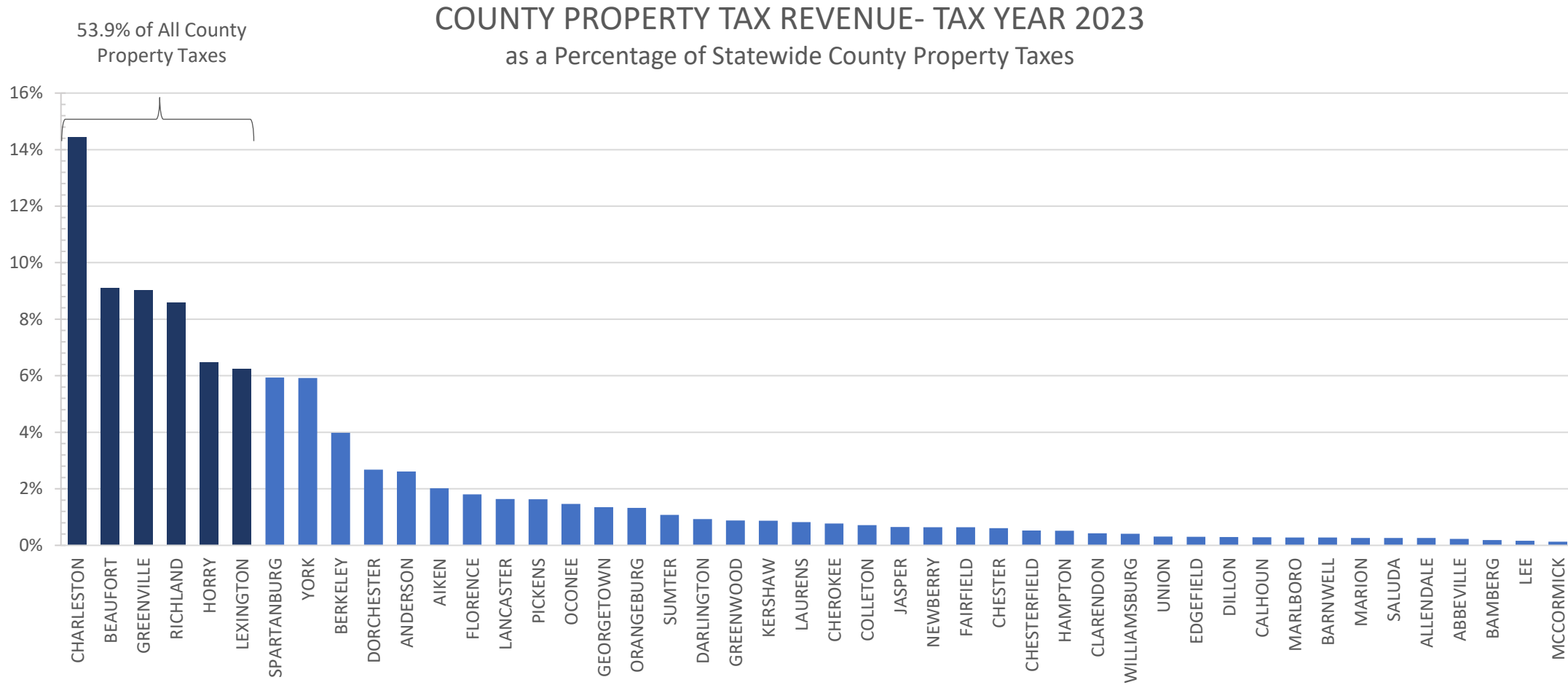
For a complete listing see: <https://rfa.sc.gov/programs-services/fiscal-analysis/economic-analyses>

Property Tax Issues



County Property Tax Revenue

The top 6 counties make up almost 54% of statewide property taxes

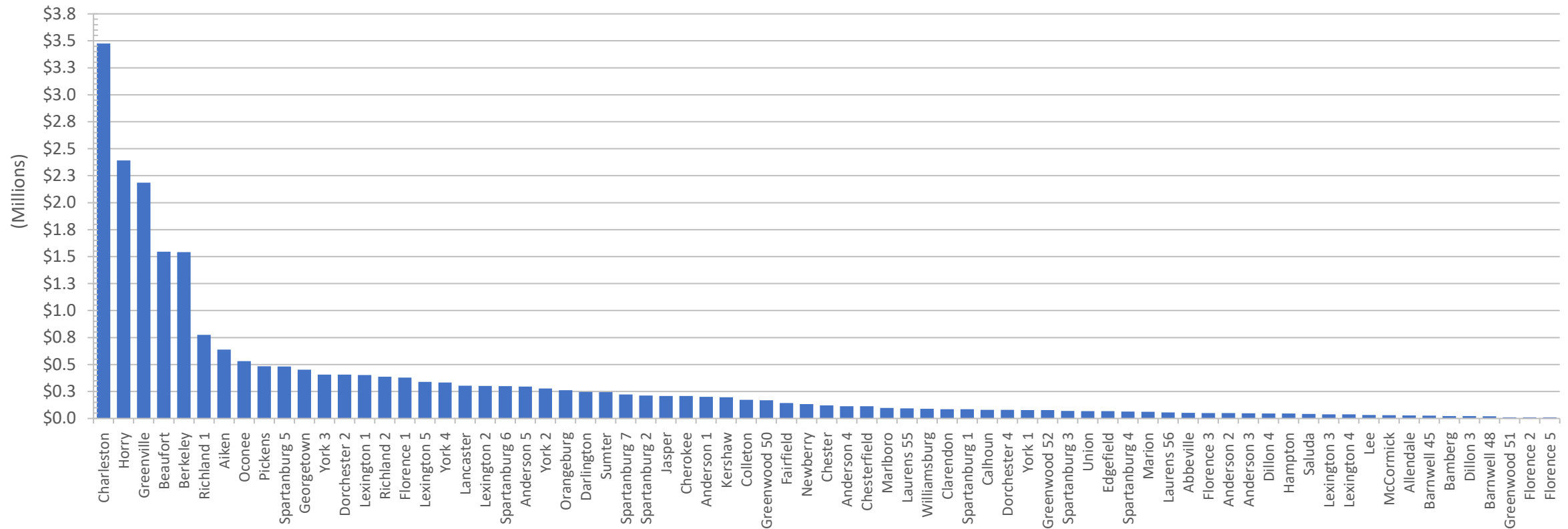


Source: S.C. Department of Revenue; Tax Collections by County Report - 377 RFA-mkm/01/30/2025

Value of One Mill - 2023

One mill generates between \$10,635 and \$3.47 million for school district operating expenses

ESTIMATED VALUE OF A MILL - SCHOOL OPERATIONS
Tax Year 2023



Note: Includes Fee-in-lieu

Source: Department of Revenue 2025 Index of Taxpaying Ability; calculations by Revenue and Fiscal 378-mkm/08/27/25

Millage Rate Increase Limitation

Inflation component

- The inflation component for the millage rate increase limitation for FY 2026-27 is 2.63%
- Census Bureau Population Release Dates:
 - Counties and School Districts– March 2026
 - Incorporated Places (Municipalities) – May 2026

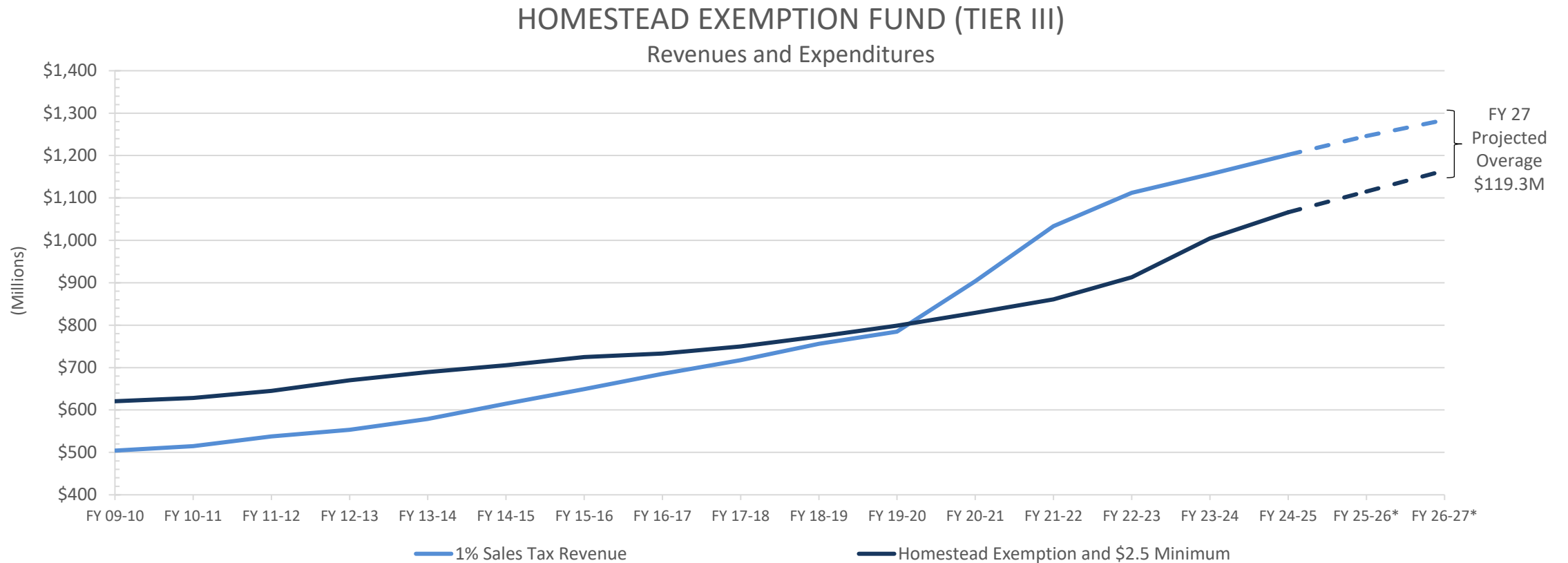
Property Tax Exemptions and Reimbursements

Tiers I, II, and III

Property Tax Exemption	Reimbursement Title	Reimbursement Amount
\$100,000 Residential School Operating Property Tax Exemption	Tier I	Capped at \$249,069,750
Homestead Exemption (65+)	Tier II	School operating - capped at \$80,892,729 All other - dollar for dollar match
Exemption for Residential School Operating Millage above \$100,000 (Act 388 of 2006)	Tier III	Formula driven based on population and inflation

Homestead Exemption Fund

Sales tax revenue projection continues to cover expenditures



*Does not include fund balance or appropriations.

Note: Tier III Expenditure includes \$2.5M minimum disbursements and lease purchase lawsuit revisions. BEA expenditure estimates as of 12/15/2025 and revenue estimates as of 11/18/2025.

Source: SC Revenue and Fiscal Affairs Office MKM-40- 01/20/2026

Homestead Exemption Fund– Appropriation of Fund Balance

- Proviso 118.20 of the FY 2025-26 Appropriations Act appropriated \$124.3 million of the balance in the HEX Fund for income tax relief, allowing for an acceleration of lowering the top income tax bracket from 6.2% to 6.0%

Manufacturers Valuation Exemption

42.8571% of the value of the property is exempt

- The Comprehensive Tax Cut Act of 2022 increased the manufacturing property tax exemption to 42.8571% of the appraised value
 - Essentially, this exemption lowers the assessment ratio from 10.5% to 6%
- Per statute, In any year that the reimbursements are projected by RFA to exceed the \$170 million limit, the exemption amount will be proportionally reduced so as not to exceed the limit
- Based on RFA's current projections, the reimbursement projection may exceed the cap beginning in FY 2026-27
- However, Proviso 117.202 of FY 2025-26 allows up to \$300 million to be used for the reimbursements despite the cap in statute

Homestead Exemption – Proposed Legislation

Increase the exemption amount to \$150,000 with a 5-year residency requirement

- S. 768 effectively increases the homestead exemption to \$150,000 for those who are eligible for the exemption in tax year 2025
 - For those who become eligible after tax year 2025, they must also have resided in the state for at least the 5 years immediately prior to the application to qualify for the exemption
- The exemption will continue be reimbursed by the Trust Fund for Tax Relief on a dollar-for-dollar basis
- Also, by ordinance, a governing body may increase the exemption amount; any property taxes not collected due to this increase by ordinance will not be reimbursed by the State

Business Personal Property – Proposed Legislation

Exemption for first \$10,000 of net depreciated value for small businesses

- H. 5006 establishes a business personal property tax exemption for the first \$10,000 of net depreciated value for business personal property for small businesses
- Small business is defined as a commercial retail service, industry entity, or nonprofit corporation, including affiliates, that:
 - the business' ownership is comprised of taxpayers who pay income taxes in this state;
 - is independently owned and operated; and
 - employs fewer than one hundred full-time employees or has gross annual sales of less than \$10 million dollars.

State Aid to Fire Districts

Proviso 117.213 – Review of open-ended status

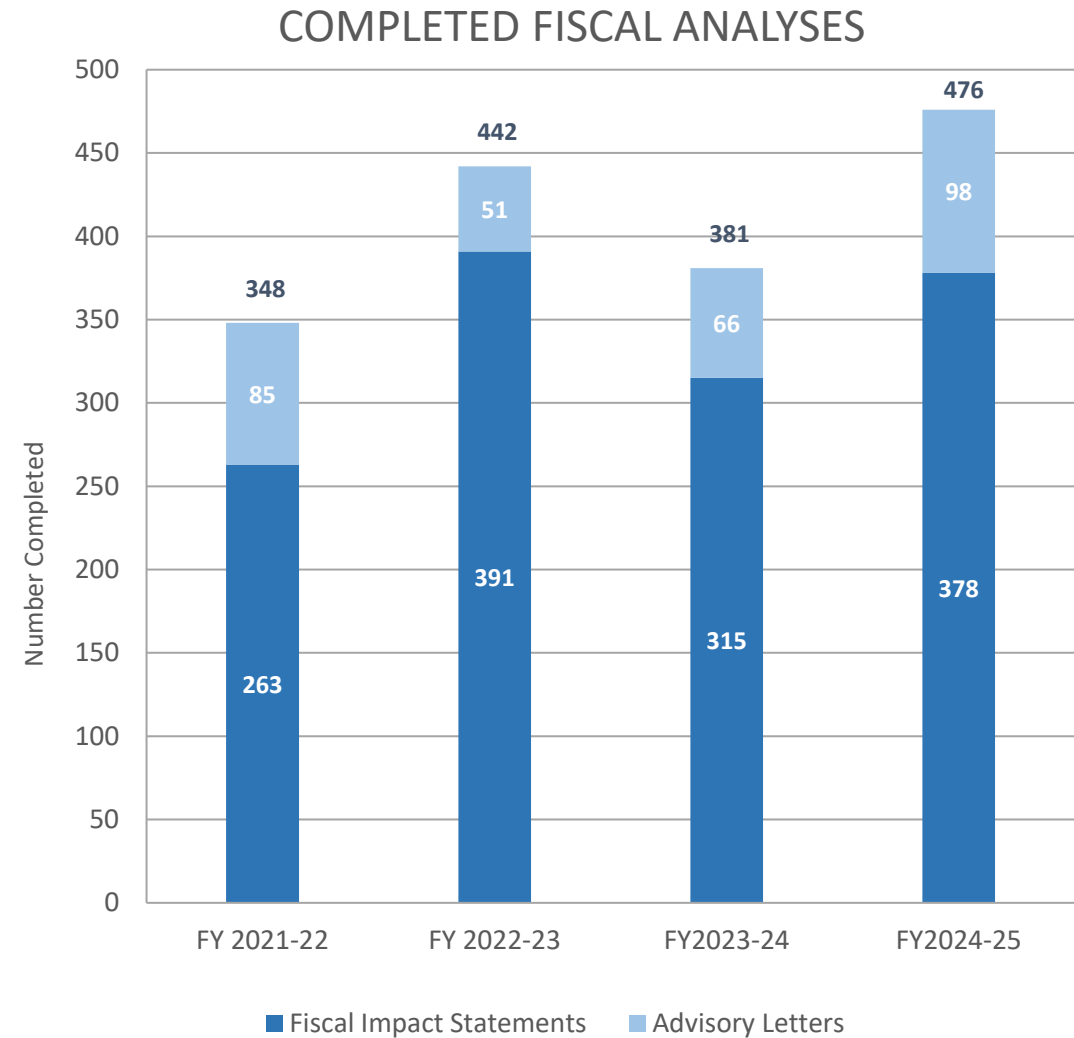
- The State Aid to Fire Districts appropriation distributes certain insurance tax revenue to local fire departments
- Proviso 117.213 of the FY 2025-26 Appropriations Act tasked RFA, in conjunction with the Executive Budget Office, to provide options to address the State Aid to Fire Districts open-ended status
- The General Fund acts as a clearing account for the tax revenue that is collected in one fiscal year and distributed the next, and the appropriation has not been increased to keep up with the distribution, resulting in an open-ended appropriation
- The Executive Budget moves this process out of the State's General Fund to a separate fund and allocates sufficient funding for the distribution as recommended
- The change should have ***no impact*** on the amount or the timing of the distributions for State Aid to Fire Districts

Fiscal Impact Statements



Fiscal Analysis

- The Fiscal Analysis Division provides analytical services to the General Assembly and statewide constitutional officers regarding the economy, revenues, and expenditures. The Division is also responsible for fiscal impact statements and a variety of calculations and reports related to education, property tax, local governments, and statutory inflation adjustments.



Fiscal Impact Statements

Local property tax impacts

- [H. 3585 2025-04-30 amended](#)
- [H. 5006 2026-01-26 introduced](#)
- [S. 768 2026-01-21 amended](#)

Questions

For additional information please visit our website: www.rfa.sc.gov

Contact Information:

Frank Rainwater	frank.rainwater@rfa.sc.gov
Lisa Jolliff	lisa.jolliff@rfa.sc.gov
Mary Katherine Miller	marykatherine.miller@rfa.sc.gov