

South Carolina General Fund Revenue Update and Forecast Review FY 2025-26 and FY 2026-27



February 12, 2026

General Fund Revenue – January 2026

Figures are as of February 9, 2026, and are subject to change with final month-end adjustments.



REVENUES V. BEA MONTHLY ESTIMATES

JANUARY

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth ^{/1}	Actual Growth ^{/2}
Total General Fund Revenue	\$1,438.7	\$1,417.6	(\$21.1)	3.0%	1.5%	Other Revenue Items, Sub-Total	\$120.5	\$133.7	\$13.2	(9.4%)	0.5%
Sales Tax	484.3	478.9	(5.4)	3.3%	2.2%	Admissions Tax	2.8	3.0	0.2	3.0%	8.8%
Individual Income Tax	796.9	782.3	(14.6)	4.6%	2.7%	Alcoholic Liquors Tax	11.0	11.5	0.5	1.9%	6.3%
Withholdings	646.8	614.3	(32.5)	4.0%	(1.2%)	Bank Tax	1.5	0.2	(1.3)	(65.2%)	(95.2%)
Non-withholdings	185.9	192.3	6.4	18.8%	22.9%	Beer and Wine Tax	9.2	9.6	0.4	1.0%	5.3%
Refunds	35.8	24.3	(11.5)	117.7%	47.7%	Corporate License Tax	9.7	14.2	4.5	3.4%	51.4%
Corporate Income Tax	35.4	21.1	(14.3)	9.6%	(34.7%)	Deed Rec. (Doc. Tax)	11.3	13.5	2.3	0.2%	20.5%
Insurance Tax	1.6	1.5	(0.0)	23.1%	20.4%	Earned on Investments	42.7	34.5	(8.1)	3.8%	(16.0%)
Other Revenue Items, Sub-Total	120.5	133.7	13.2	(9.4%)	0.5%	Residual Revenue	32.3	47.1	14.8	(27.0%)	6.3%

Forecast as of November 18, 2025

^{/1} Expected growth reflects expected growth in collections for the month over same month prior fiscal year 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 Revenue – Fiscal Year-to-date

Figures are as of February 9, 2026, and are subject to change with final month-end adjustments.



REVENUES V. BEA MONTHLY ESTIMATES

JULY - JANUARY

(\$ 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	\$8,753.0	\$8,843.1	\$90.0	2.3%	3.3%	(1.2%)	Other Revenue Items, Sub-Total	\$831.2	\$876.2	\$45.0	6.3%	12.1%	0.1%
Sales Tax	2,650.6	2,641.6	(8.9)	5.0%	4.7%	4.0%	Admissions Tax	12.2	12.9	0.7	(1.6%)	4.1%	1.1%
Individual Income Tax	4,637.9	4,701.9	64.0	3.3%	4.8%	(3.6%)	Alcoholic Liquors Tax	61.6	63.1	1.5	1.0%	3.4%	0.7%
Withholdings	4,299.5	4,294.4	(5.1)	2.8%	2.7%	2.5%	Bank Tax	28.2	30.8	2.5	(18.6%)	(11.3%)	(24.3%)
Non-withholdings	683.9	738.1	54.3	19.3%	28.7%	2.6%	Beer and Wine Tax	56.5	55.8	(0.8)	(2.3%)	(3.6%)	(1.0%)
Refunds	345.5	330.7	(14.8)	29.1%	23.6%	21.4%	Corporate License Tax	172.0	173.5	1.5	7.9%	8.8%	3.7%
Corporate Income Tax	432.9	426.2	(6.6)	(21.7%)	(22.9%)	(8.9%)	Deed Rec. (Doc. Tax)	66.7	69.7	3.0	4.6%	9.3%	3.3%
Insurance Tax	200.5	197.1	(3.4)	(5.7%)	(7.3%)	(5.7%)	Earned on Investments	314.6	331.8	17.2	15.5%	21.8%	2.6%
Other Revenue Items, Sub-Total	831.2	876.2	45.0	6.3%	12.1%	0.1%	Residual Revenue	119.3	138.7	19.4	(0.6%)	15.6%	(0.2%)

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.

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



FY 2025-26 General Fund Results through January 2026

- While fiscal year-to-date revenue growth is slightly better than expected, growth over the last 3 months has slowed faster than anticipated in some categories
- Total General Fund revenue is \$90.0 million above expectations
 - Sales tax is \$8.9 million below expectations
 - Withholdings is \$5.1 million below expectations
 - Corporate Income tax is \$6.6 million below expectations
 - Non-withholdings is \$54.3 million above expectations
 - Earned on Investments is \$17.2 million above expectations

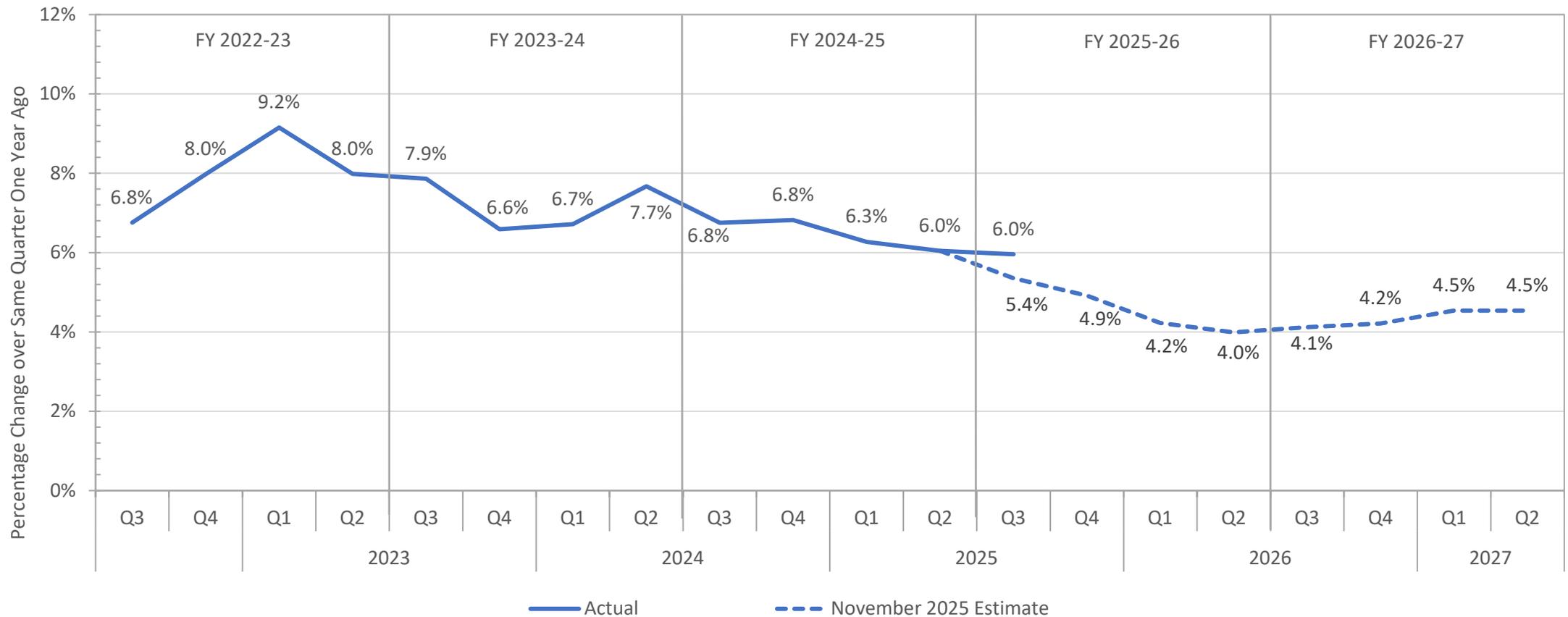
* All figures are as of February 9, 2026, and are subject to change with final month-end adjustments.



Personal Income – Actual versus Estimate

Year-over-year growth stayed at 6.0% versus 5.4% expected in Q3 2025

SOUTH CAROLINA PERSONAL INCOME
Actual and Estimate



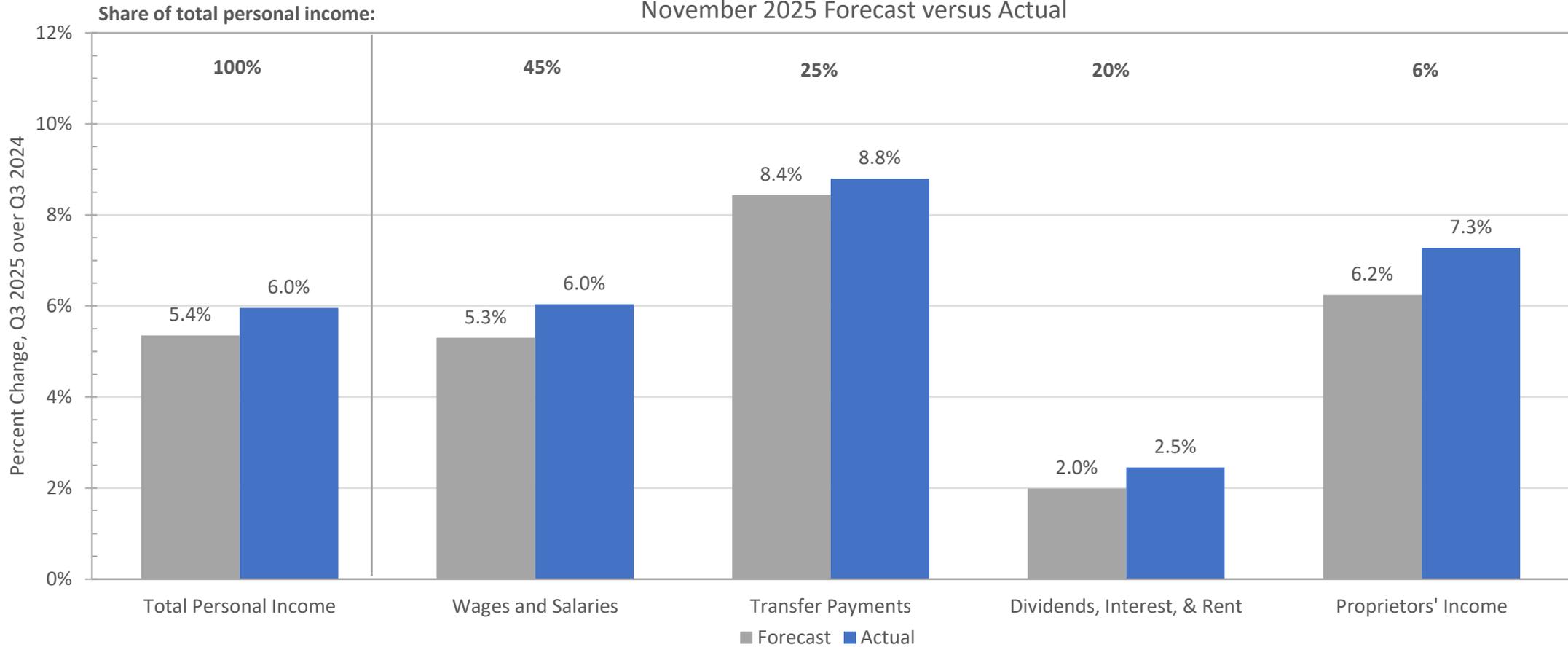
Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kv/1/26/2026

Personal Income Components – Actual versus Estimate

All major categories grew slightly faster than anticipated in Q3 2025

PERSONAL INCOME GROWTH BY COMPONENT– Q3 2025

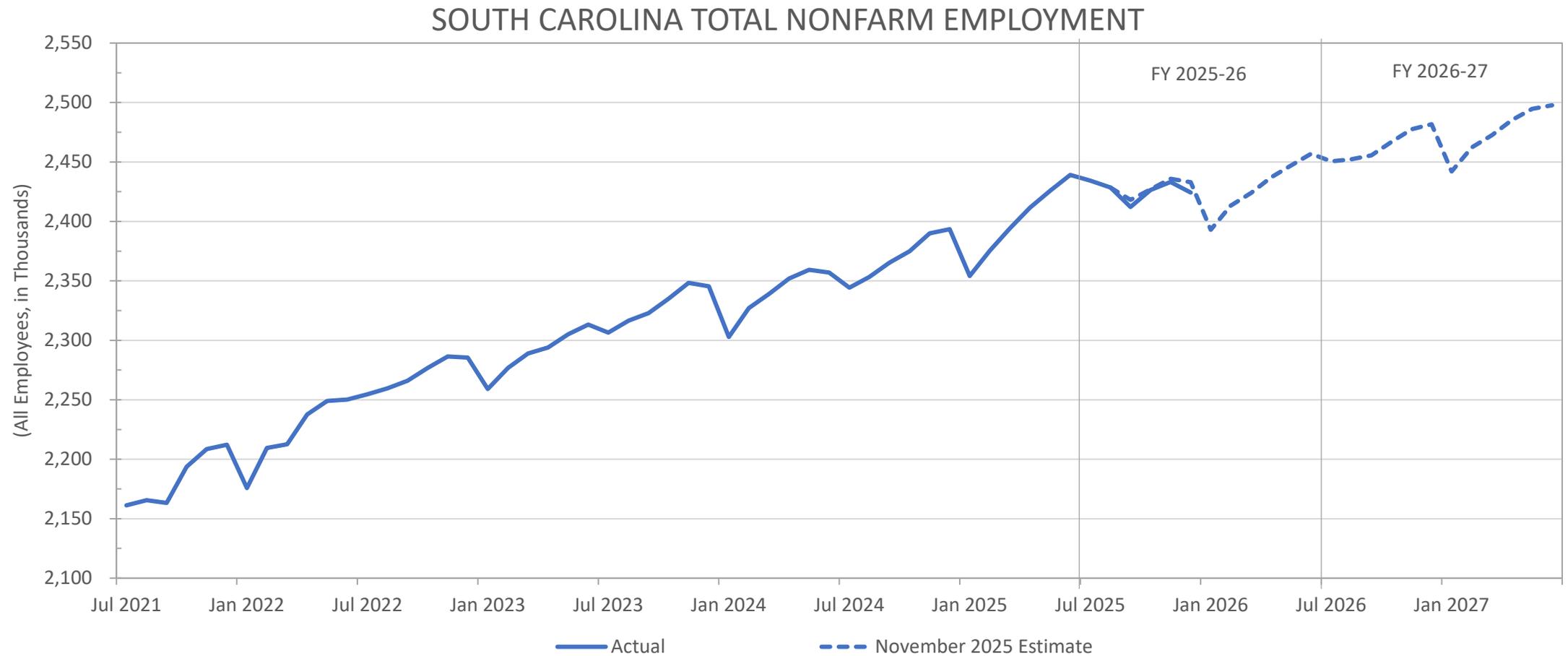
November 2025 Forecast versus Actual



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

Employment – Actual versus Estimate

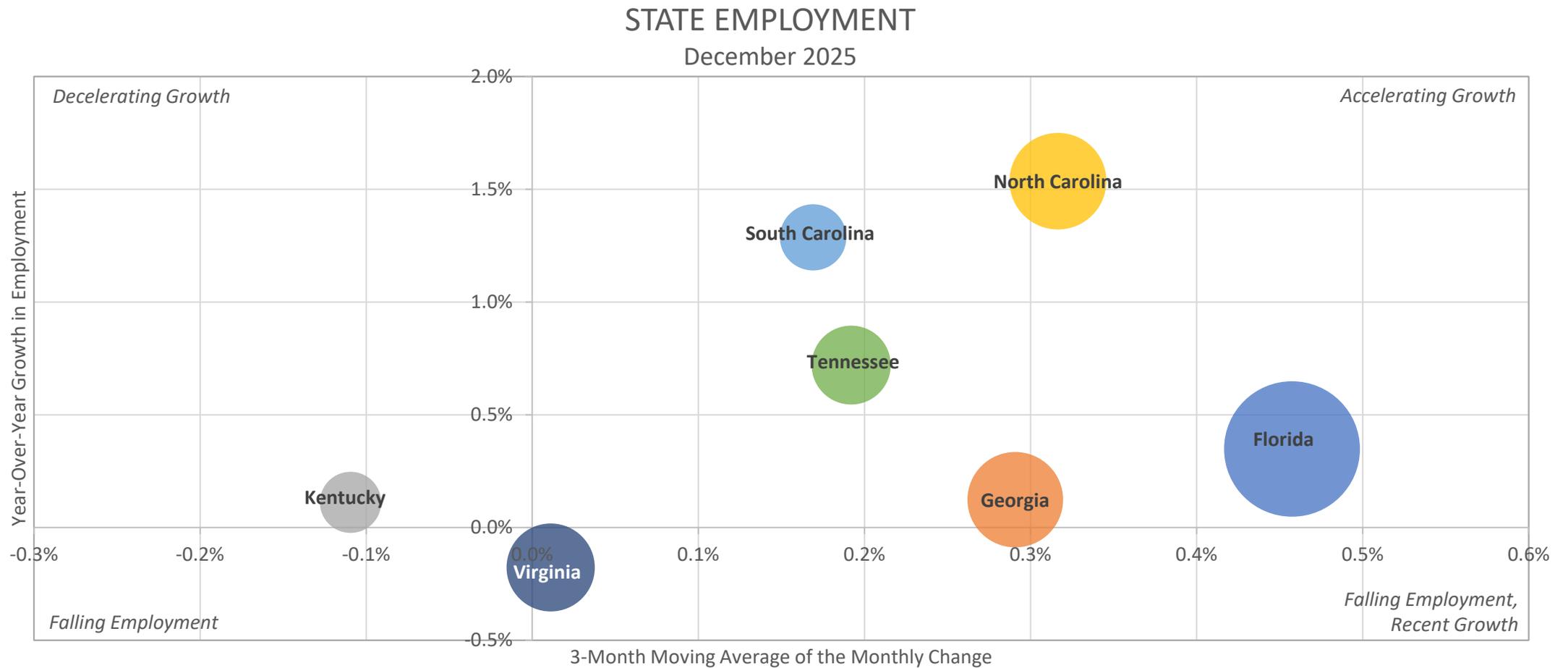
December 2025 employment growth fell to 1.3% year-over-year; employment remains close to estimates



Source: U.S. Bureau of Labor Statistics, U.S. Department of Labor RFA/kav/1/27/2026

Employment Across the Southeast

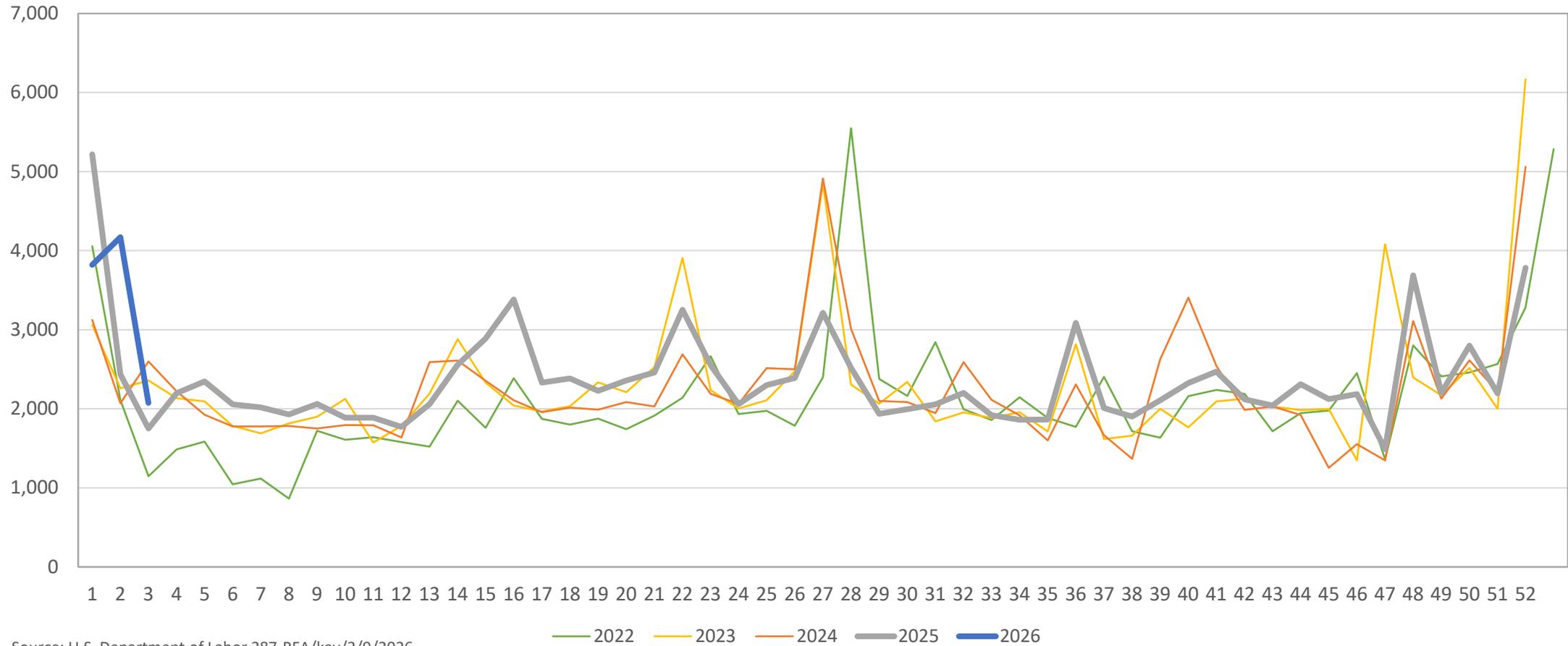
While year-over-year growth slowed in December 2025, South Carolina employment growth remains higher than its neighbors except for North Carolina



South Carolina Unemployment Claims

Initial unemployment claims are above the same week of 2025

SOUTH CAROLINA INITIAL CLAIMS BY WEEK OF THE YEAR



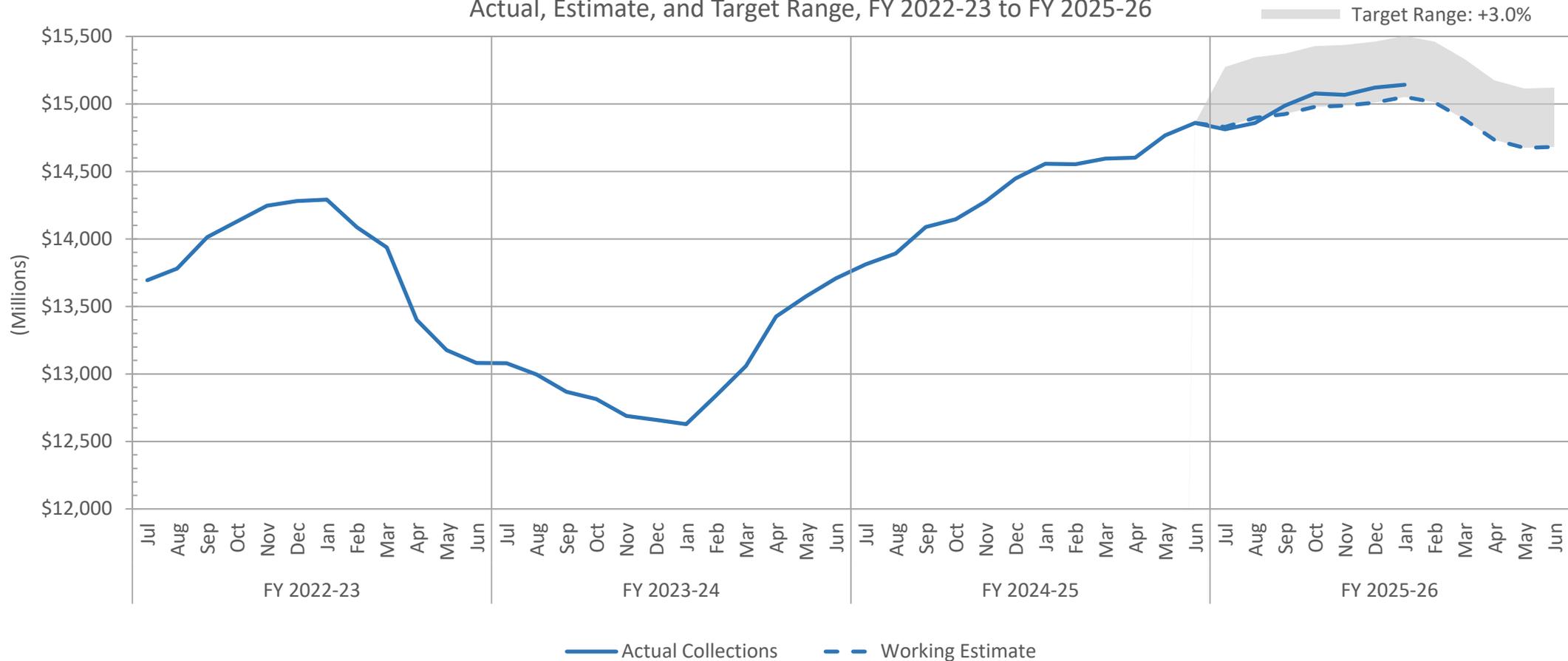
Source: U.S. Department of Labor 287-RFA/kav/2/9/2026

FY 2025-26 General Fund Revenue Updates

General Fund – Actual versus Estimate

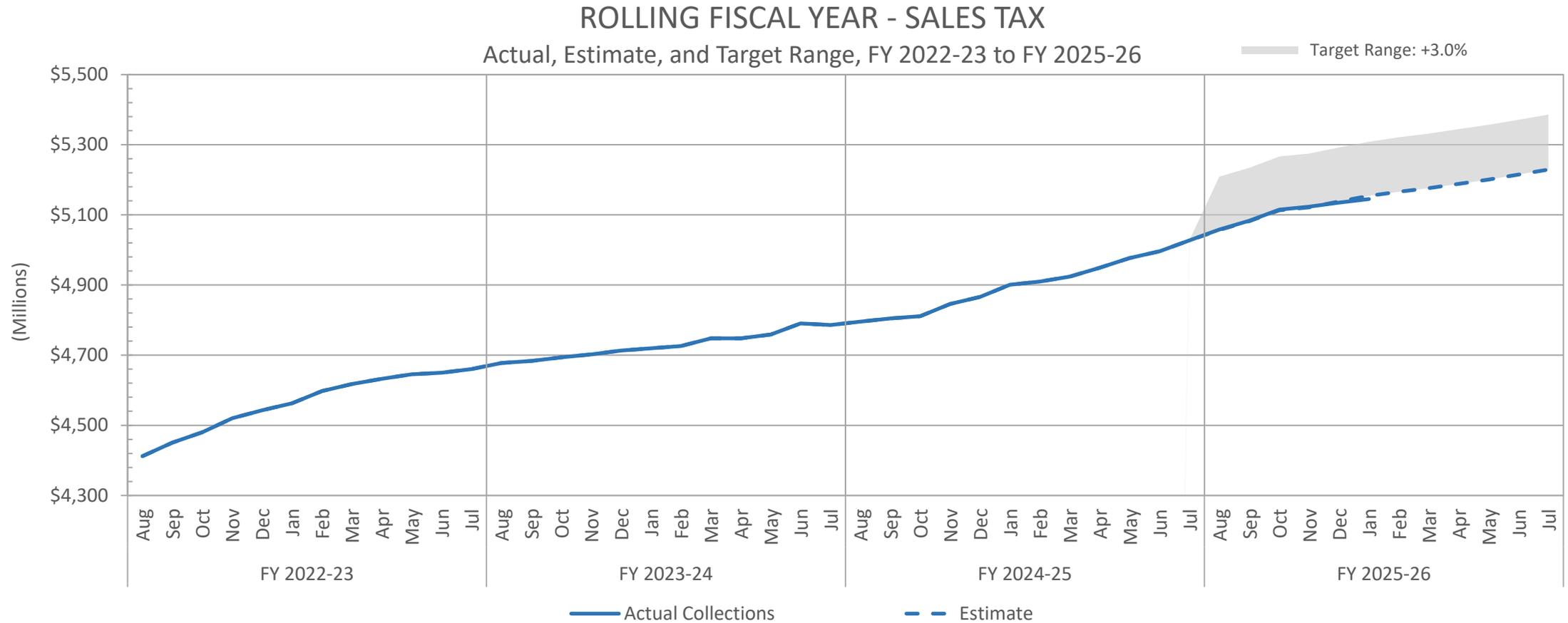
Revenues are \$90 million ahead of expectations and within the target range

ROLLING FISCAL YEAR - GENERAL FUND
Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26



Sales Tax - Actual versus Estimate

Collections grew by 2.2% over last January; fiscal year-to-date collections are still running close to expectations (4.7% versus 5.0% expected) and are \$8.9 million below the estimate; holiday sales grew by 2.5% versus 3.7% anticipated

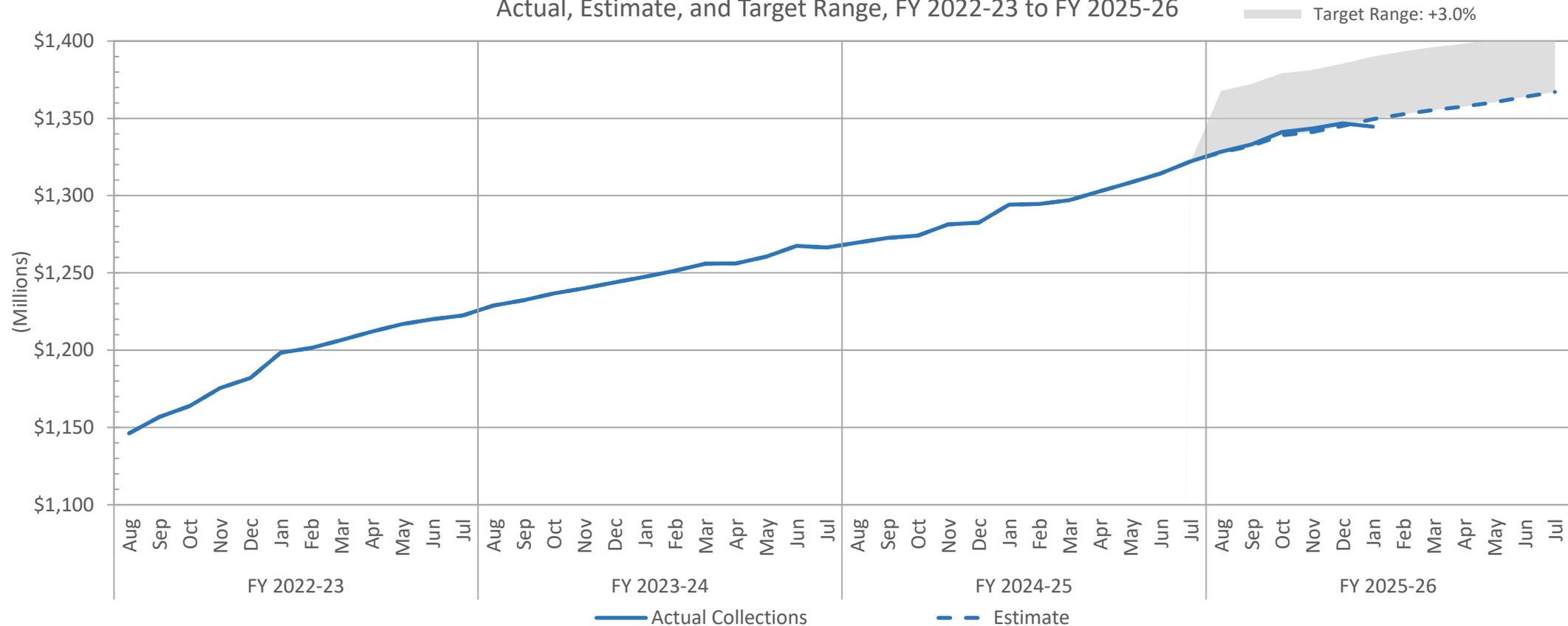


Education Improvement Act – Actual versus Estimate

Fiscal year-to-date EIA sales tax collections are running close to expectations, growing by 3.3% compared to anticipated growth of 4.0%, and are \$4.8 million below expectations

ROLLING FISCAL YEAR - EDUCATION IMPROVEMENT ACT FUND

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



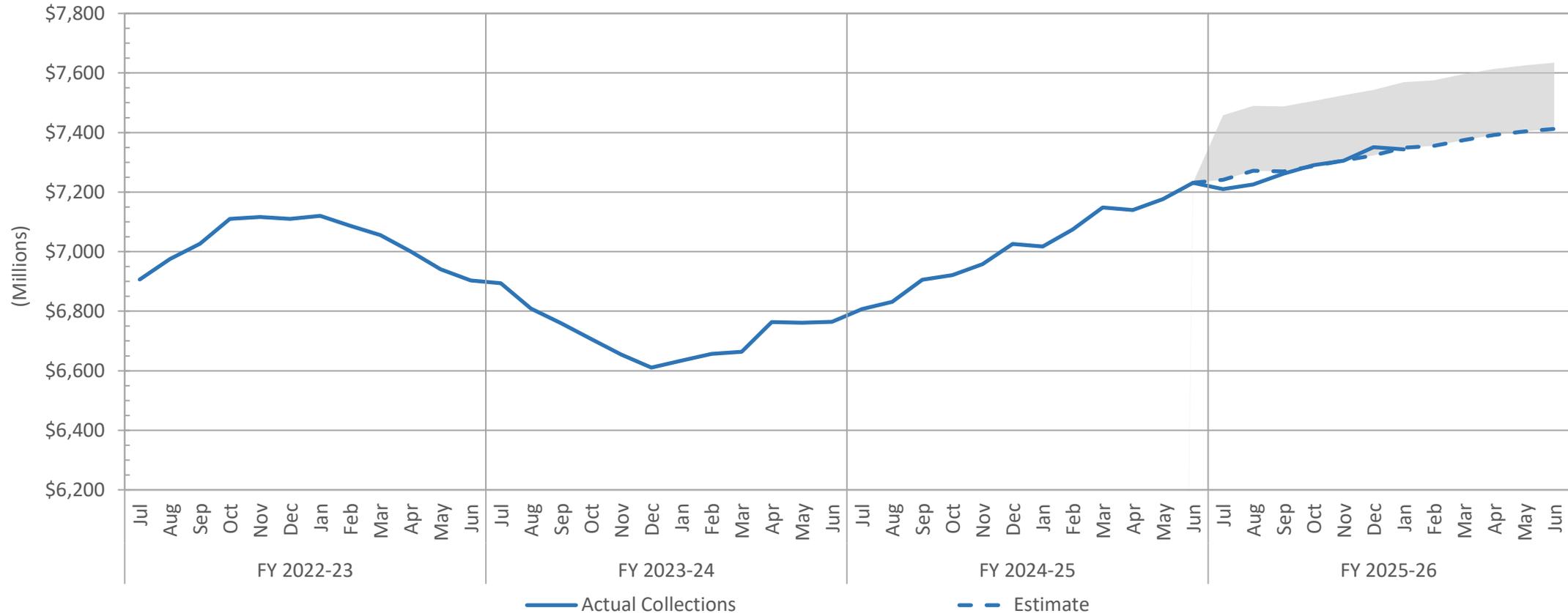
Withholdings - Actual versus Estimate

January collections are \$32.5 million behind expectations; cumulatively, withholdings are growing 2.7% versus 2.8% anticipated and are \$5.1 million below expectations

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

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

Target Range: +3.0%



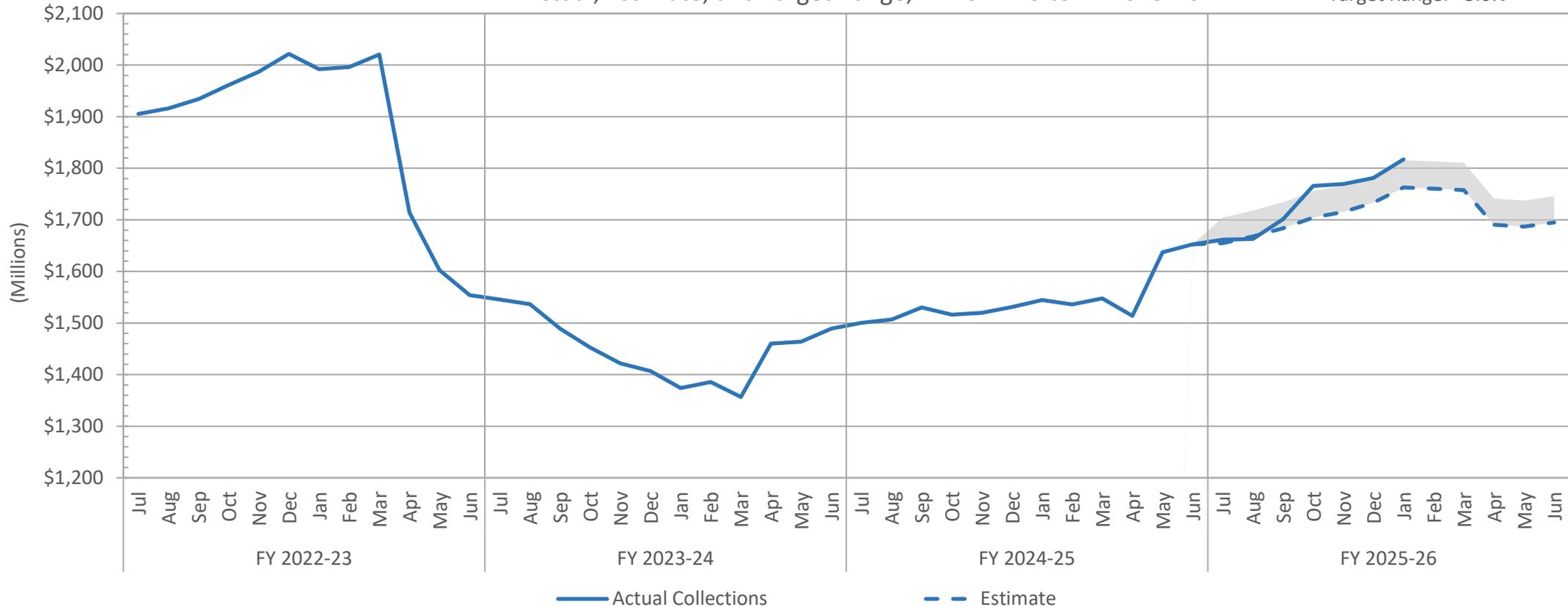
Non-withholdings - Actual versus Estimate

January collections grew 22.9% for the month and are \$6.4 million ahead of expectations; fiscal year-to-date collections are \$54.3 million above expectations

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

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

Target Range: +3.0%

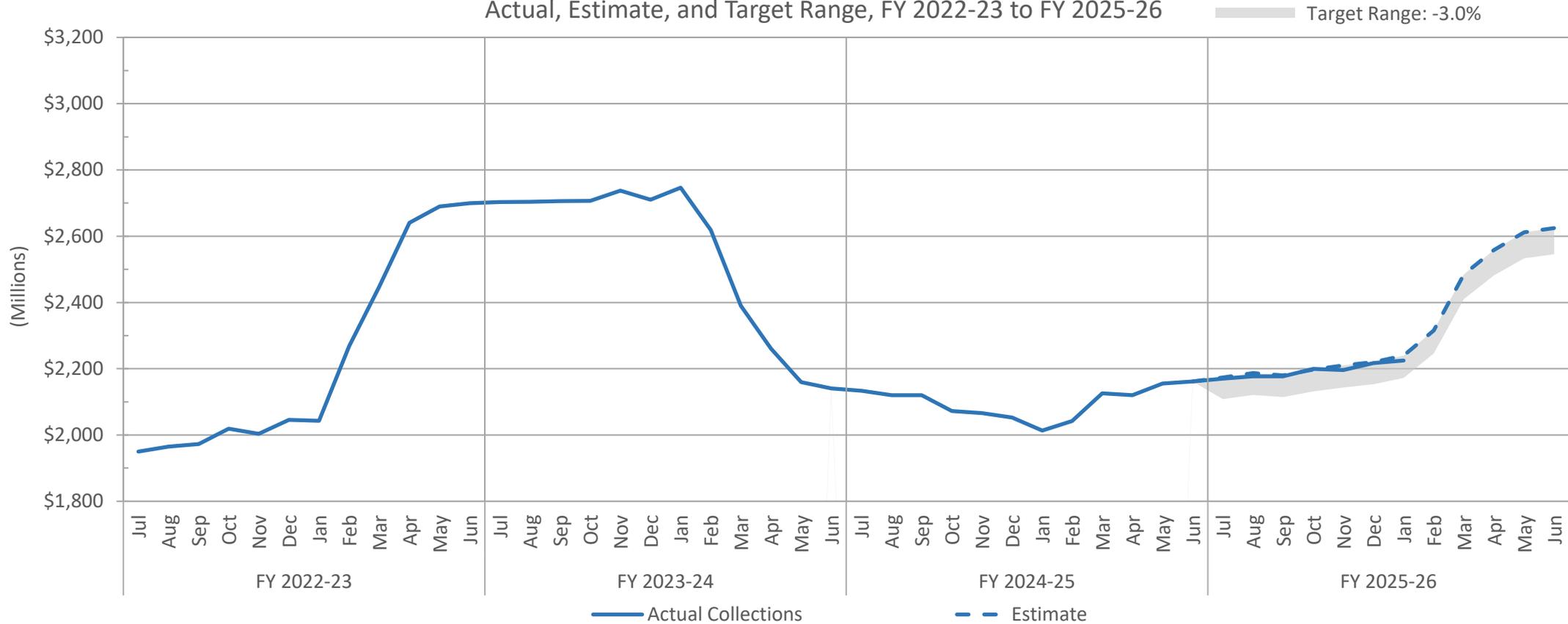


Refunds - Actual versus Estimate

Refunds are \$11.5 million behind expectations in January; cumulatively, Refunds are \$14.8 million lower than anticipated fiscal year-to-date

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

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



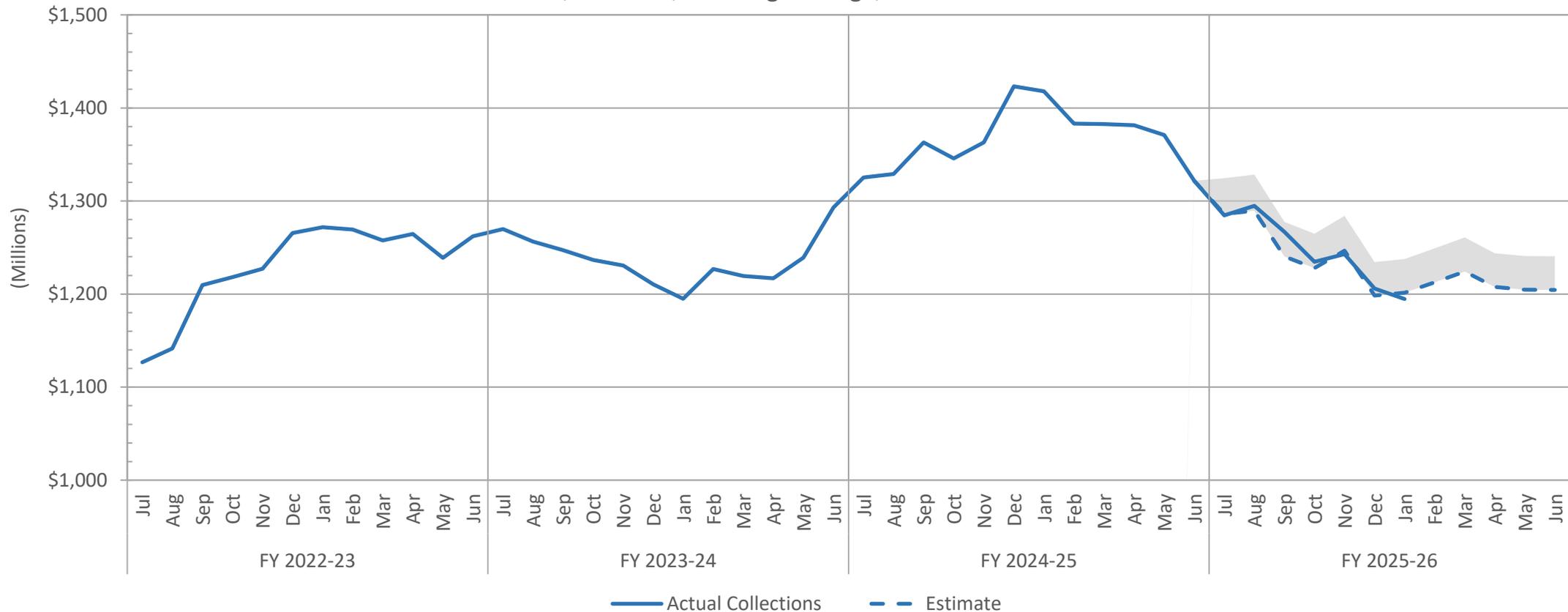
Corporate Income Tax – Actual versus Estimate

January Corporate Income tax collections were below expectations by \$14.3 million; overall, revenues are \$6.6 million below the fiscal year-to-date estimate

ROLLING FISCAL YEAR - CORPORATE INCOME TAX

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

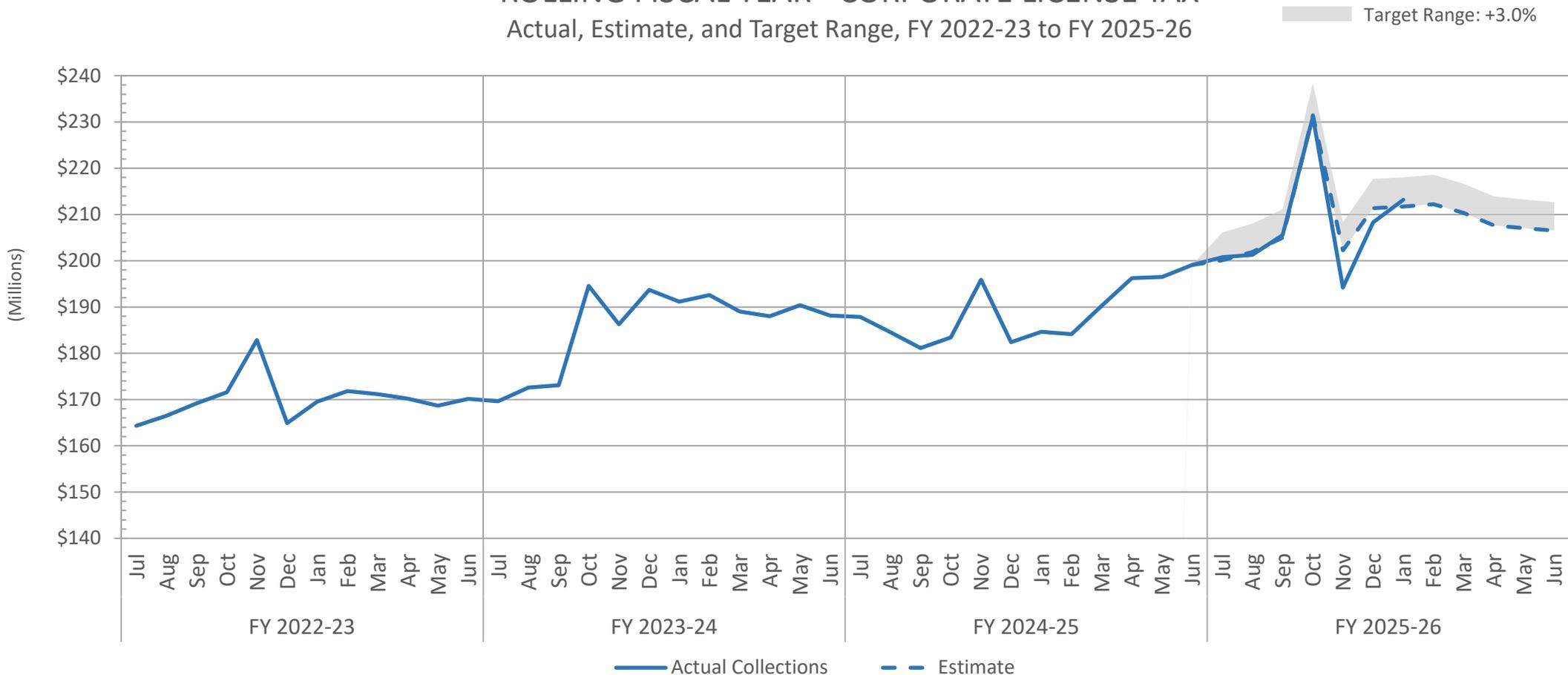
Target Range: +3.0%



Corporate License Tax – Actual versus Estimate

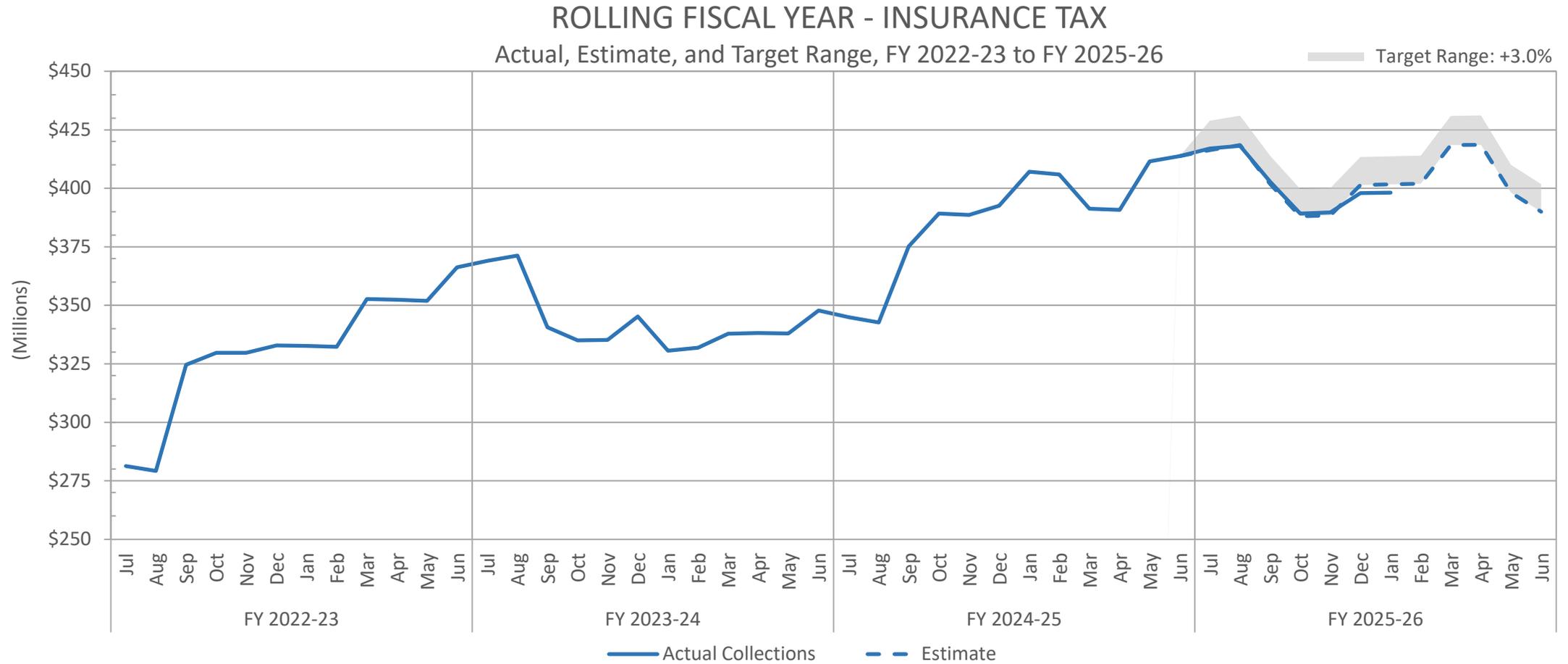
Collections exceeded January’s estimate by \$4.5 million and cumulatively are above expectations by \$1.5 million

ROLLING FISCAL YEAR - CORPORATE LICENSE TAX
Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26



Insurance Tax – Actual versus Estimate

Insurance tax remains \$3.4 million below expectations



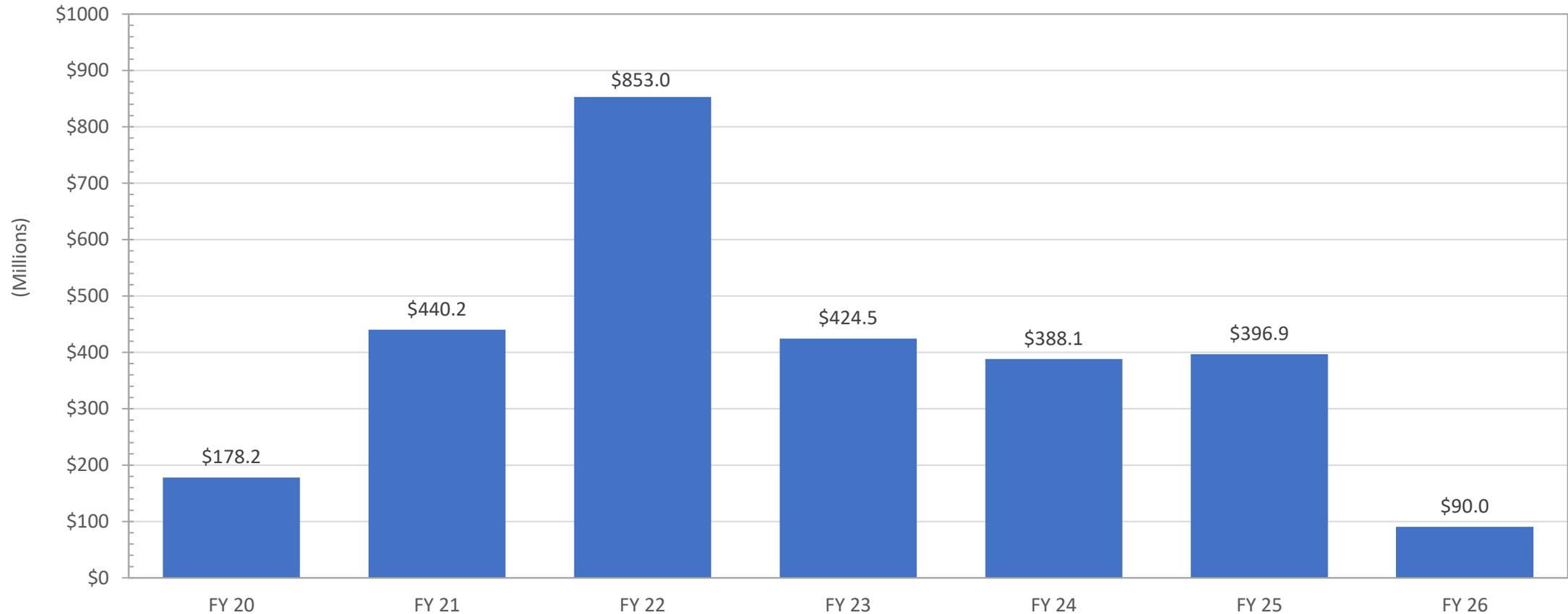
Review of FY 2025-26 and FY 2026-27 Forecasts



General Fund Revenue – January Excess

The cumulative revenue excess in January over the November forecast expectations has been at least \$380 million in 5 of the last 7 years; FY 26 excess is the lowest at \$90.0 million

FYTD JANUARY EXCESS ABOVE THE NOVEMBER FORECAST



Forecast Recommendations

- Economic expectations have not changed significantly since November
- Although growth has slowed slightly faster than anticipated, revenues are very close to expectations overall
- Tax season remains a significant factor in revenues for the remaining months of the fiscal year
- There is no clear justification to change the forecasts for FY 2025-26 or FY 2026-27 at this time
- Both estimates will be reviewed again following tax season

Discussion and Consideration of Updates to Forecast



Reports from Working Group Members

Other Items for Discussion



Appendix

Summary of Economic Assumptions – November 2025

FISCAL YEAR GROWTH RATES			
Fiscal Year	Personal Income	Employment	Inflation
FY 2024-25 Actual	6.5%	2.2%	2.6%
FY 2025-26	4.6%	1.8%	2.8%
FY 2026-27	4.4%	1.7%	2.5%