

South Carolina General Fund Revenue Update and Forecasts for FY 2025-26 and FY 2026-27

May 19, 2026



General Fund Revenues – April 2026



REVENUES V. BEA MONTHLY ESTIMATES

APRIL

(\$ 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	\$1,246.1	\$1,599.0	\$352.9	(16.6%)	7.0%	Other Revenue Items, Sub-Total	\$110.9	\$135.1	\$24.2	(18.2%)	(0.4%)
Sales Tax	452.6	481.4	28.8	2.9%	9.4%	Admissions Tax	5.1	4.6	(0.5)	2.5%	(6.9%)
Individual Income Tax	371.8	640.8	269.0	(37.2%)	8.3%	Alcoholic Liquors Tax	11.7	11.3	(0.4)	(0.5%)	(3.9%)
Withholdings	622.9	627.5	4.6	2.8%	3.5%	Bank Tax	17.9	23.3	5.4	(47.5%)	(31.6%)
Non-withholdings	498.2	718.4	220.2	(18.6%)	17.4%	Beer and Wine Tax	8.9	9.0	0.1	0.1%	1.4%
Refunds	749.3	705.1	(44.2)	19.6%	12.6%	Corporate License Tax	9.9	12.5	2.7	(21.3%)	(0.1%)
Corporate Income Tax	309.5	339.7	30.3	(5.0%)	4.2%	Deed Rec. (Doc. Tax)	11.1	11.8	0.7	2.4%	8.7%
Insurance Tax	1.3	1.9	0.6	13.4%	68.3%	Earned on Investments	36.3	51.8	15.5	(18.0%)	17.1%
Other Revenue Items, Sub-Total	110.9	135.1	24.2	(18.2%)	(0.4%)	Residual Revenue	9.9	10.6	0.7	21.5%	30.1%

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.

General Fund Revenues – Fiscal Year-to-date



(\$ in Millions)

REVENUES V. BEA MONTHLY ESTIMATES

JULY - APRIL

	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	\$11,572.8	\$12,215.9	\$643.1	(0.1%)	5.5%	(1.2%)	Other Revenue Items, Sub-Total	\$1,138.9	\$1,256.0	\$117.1	1.9%	12.4%	0.1%
Sales Tax	3,860.4	3,877.9	17.5	4.4%	4.8%	4.0%	Admissions Tax	22.1	23.2	1.2	0.3%	5.5%	1.1%
Individual Income Tax	5,307.8	5,817.7	509.9	(1.5%)	7.9%	(3.6%)	Alcoholic Liquors Tax	88.5	90.3	1.8	0.7%	2.7%	0.7%
Withholdings	6,245.2	6,282.2	37.1	2.6%	3.2%	2.5%	Bank Tax	57.9	69.7	11.8	(27.0%)	(12.1%)	(24.3%)
Non-withholdings	1,224.1	1,572.0	347.9	(5.9%)	20.9%	(6.2%)	Beer and Wine Tax	80.4	79.6	(0.8)	(1.4%)	(2.3%)	(1.0%)
Refunds	2,161.5	2,036.6	(125.0)	8.3%	2.1%	14.7%	Corporate License Tax	198.5	202.5	4.0	4.5%	6.6%	3.7%
Corporate Income Tax	958.7	961.4	2.6	(10.6%)	(10.4%)	(8.9%)	Deed Rec. (Doc. Tax)	94.5	99.3	4.8	3.6%	9.0%	3.3%
Insurance Tax	307.1	302.9	(4.1)	1.6%	0.2%	(5.7%)	Earned on Investments	438.1	512.8	74.6	8.0%	26.4%	2.6%
Other Revenue Items, Sub-Total	1,138.9	1,256.0	117.1	1.9%	12.4%	0.1%	Residual Revenue	159.0	178.6	19.6	(0.8%)	11.5%	(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.

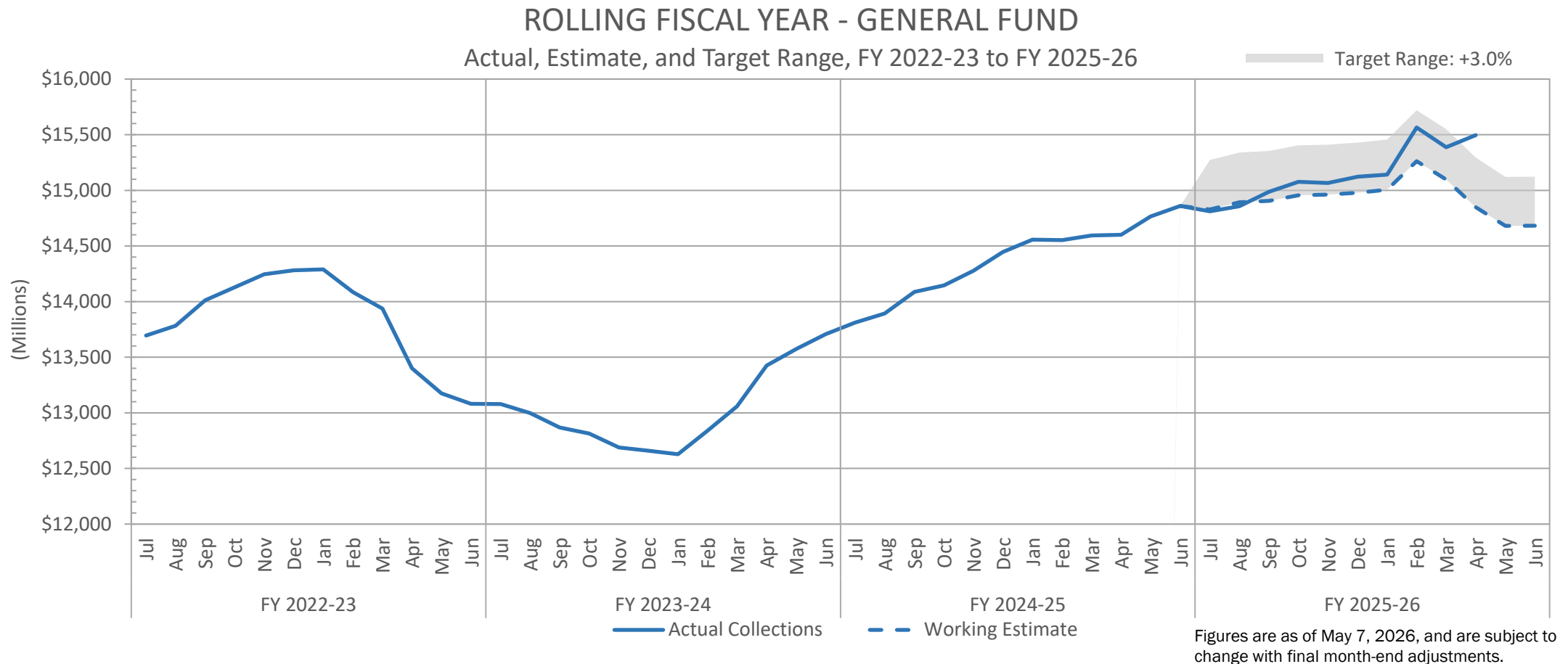
^{/2} Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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



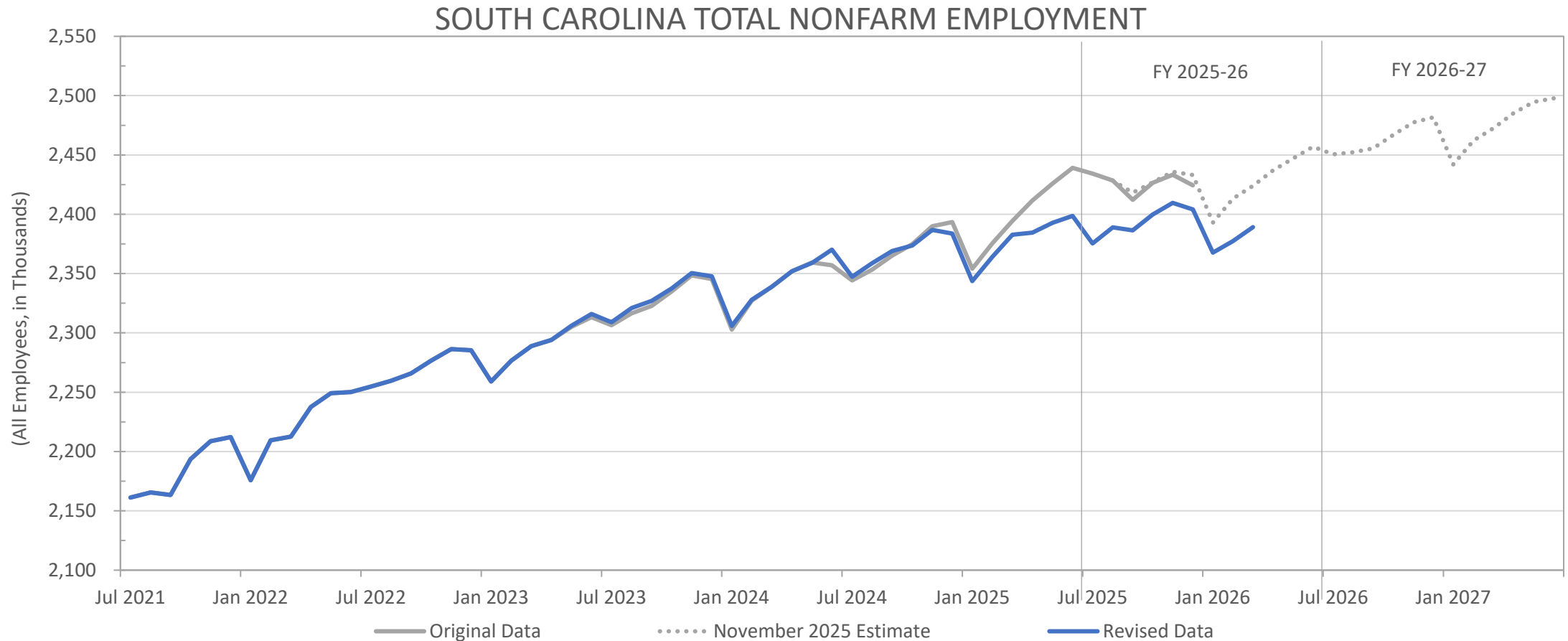
General Fund Revenue – November 2025 Estimate

Collections are \$643.1 million ahead of the November forecast; revenue growth has been faster than anticipated in a few categories while others are tracking closely with expectations



South Carolina Employment – November Estimate

The BLS released revised employment data last month, and growth is much lower than expected in the November forecast; March 2026 employment was 0.3% on a year-over-year basis compared to 1.2% expected

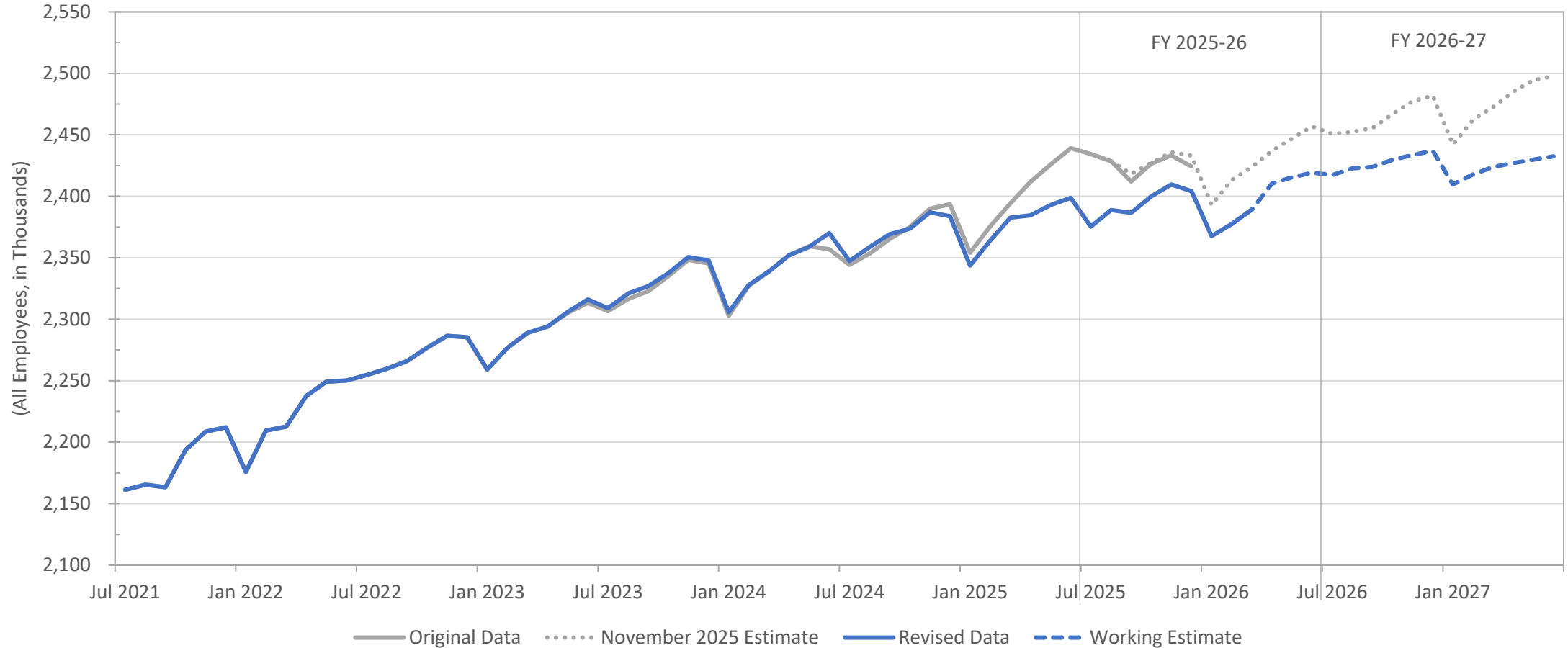


Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/5/6/2026

South Carolina Employment – Working Estimate

Based on the latest data and expectations, the working estimates for employment are revised down from 1.8% to 0.9% for FY 26 and from 1.7% to 1.3% for FY 27

SOUTH CAROLINA TOTAL NONFARM EMPLOYMENT



Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/5/6/2026

Increased Economic Concerns

- Geopolitical issues in the Middle East have introduced additional uncertainty and risk to the economic outlook
- Inflation rose in March, driven by gas prices; it is unclear how long gas prices may remain elevated
- The financial markets have seen increased volatility since February
- SC employment growth is slower than previously expected
- Despite the slowdown in employment growth, personal income is growing as expected

Summary of Economic Assumptions – Revised May 2026

FISCAL YEAR GROWTH RATES			
Fiscal Year	Personal Income	Employment	Inflation
2025-26	4.6%	1.8% 0.9%	2.8%
2026-27	4.4%	1.7% 1.3%	2.5%

- Staff reached out to the panel of economists for comments regarding any changes in their expectations since October 2025 and received a few comments; no significant changes were noted

Key Factors Affecting Forecast Recommendations for FY 26 and FY 27

- With the majority of this year's income tax filing completed, the current revenue excess of \$643.1 million provides sufficient growth to increase the FY 26 estimate
- However, \$547.5 million of the excess is in three categories: Non-withholdings, Refunds, and Earnings on Investments
- The excess in two of the largest categories, Sales and Withholdings, as well as Corporate Income tax is small and slightly ahead of expectations
- Weaker economic conditions at the end of FY 26 are expected to impact the start of FY 27

Sales Tax

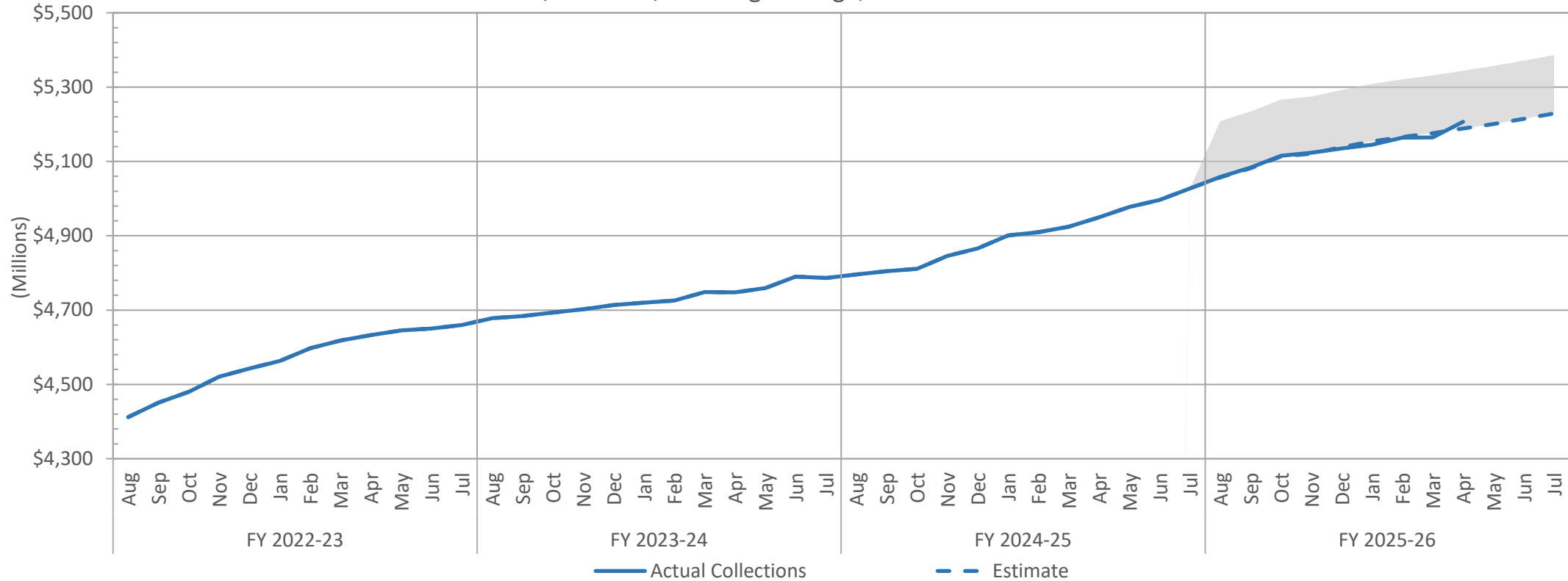
Sales Tax - Actual versus November Estimate

Collections grew by 9.4% in April over the same month last year; fiscal year-to-date collections are tracking within 0.5% of the overall estimate, at 4.8% cumulative growth this fiscal year, and are now \$17.5 million above expectations

ROLLING FISCAL YEAR - SALES TAX

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

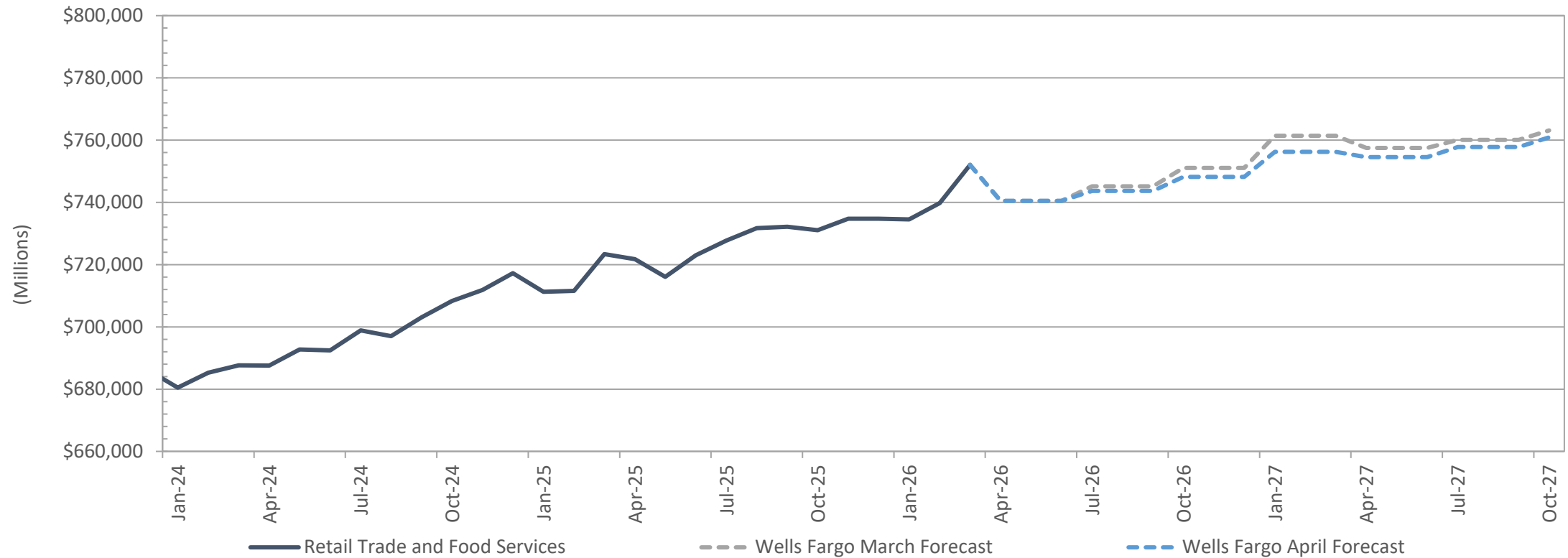
Target Range: +3.0%



US Retail Sales

Slight downward adjustments to retail sales expectations from the March to April forecast were predominately for FY 27; growth is expected to slow down in the last quarter of FY 26 and further in FY 27 (FY 26: 3.4% FY 27: 1.9%)

US RETAIL SALES - MONTHLY



Source: U.S. Census Bureau, Advance Retail Sales: Retail Trade and Food Services [RSAFS]; Wells Fargo US Economic Outlook, March 11, 2026 & April 8, 2026 [Accessed 5/6/2026] ; 323-RFA/mad/5/6/2026

Sales Tax Forecast Assumptions

- FY 26 collections have tracked very closely to expectations, within 0.5% of the fiscal year-to-date forecast, and therefore, there is no change recommended to the FY 26 estimate
- FY 26 collections growth began to slow down in November, and cumulative collections growth from November to April has been 3.7%; collections are expected to continue to slow and remain below the historical average growth rate of 4% into next fiscal year
- Economic models now forecast sales tax collections to grow at 3.0% in FY 27 compared to the November estimate of 3.4%
- The downward adjustment to the FY 27 growth expectation is driven by heightened risks to consumer spending behavior, including increased inflation, a steady decrease in the personal saving rate, and soft employment growth alongside moderating growth in personal income
- FY 27 working estimate incorporates the lower growth expectations and is a reduction of \$19.9 million

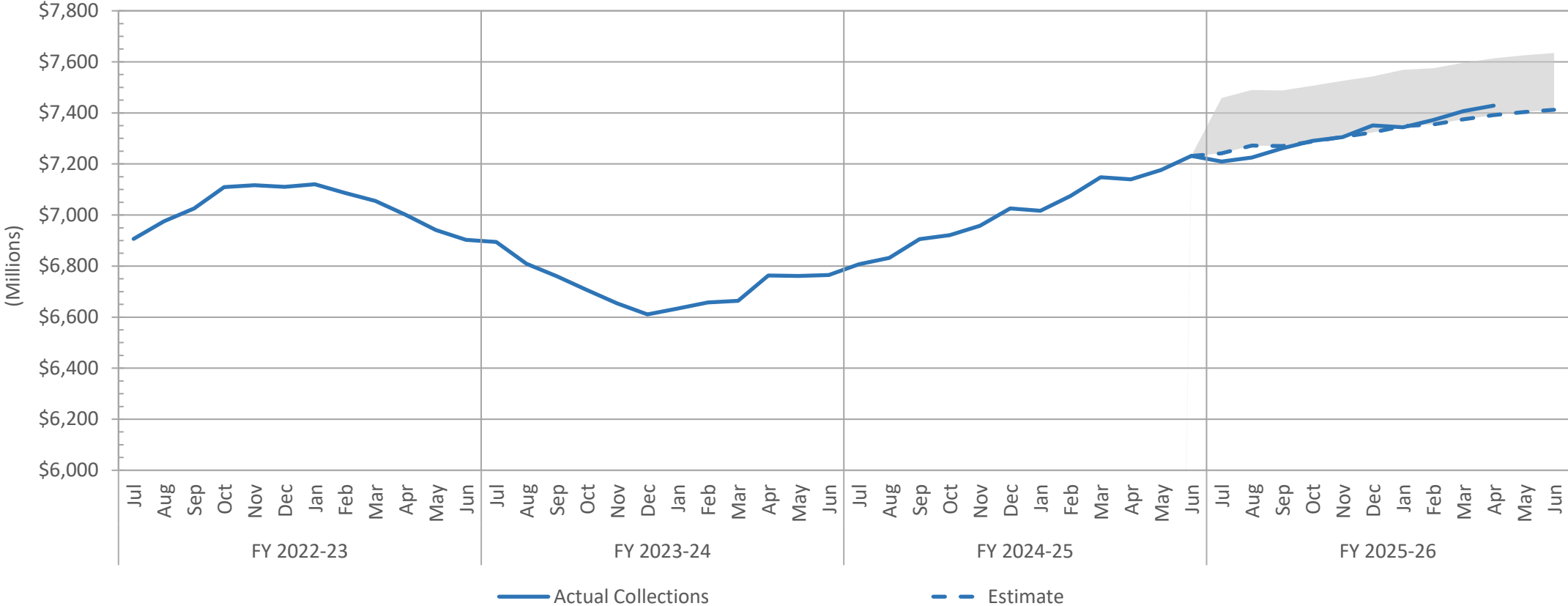
Individual Income Tax

Withholdings - Actual versus November Estimate

Withholdings are \$37.1 million ahead of expectations through April; growth fiscal year-to-date is averaging 3.2% compared to 2.5% projected overall for FY 26

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26 Target Range: +3.0%



Individual Income Withholdings Tax Forecast

- Withholdings are within 0.6% of expectations, and no change to FY 26 or FY 27 is recommended
- Although employment growth is slower than expected, personal income growth and withholdings collections remain close to expectations
- Current estimate for FY 27 is 3.9%; total growth is based upon underlying growth of approximately 2.8% and a base adjustment to account for the additional refunds from Withholdings that occurred in the first quarter of FY 26
- Estimated growth for FY 27 is well below personal income growth but consistent with current collections, and no change to FY 27 is recommended

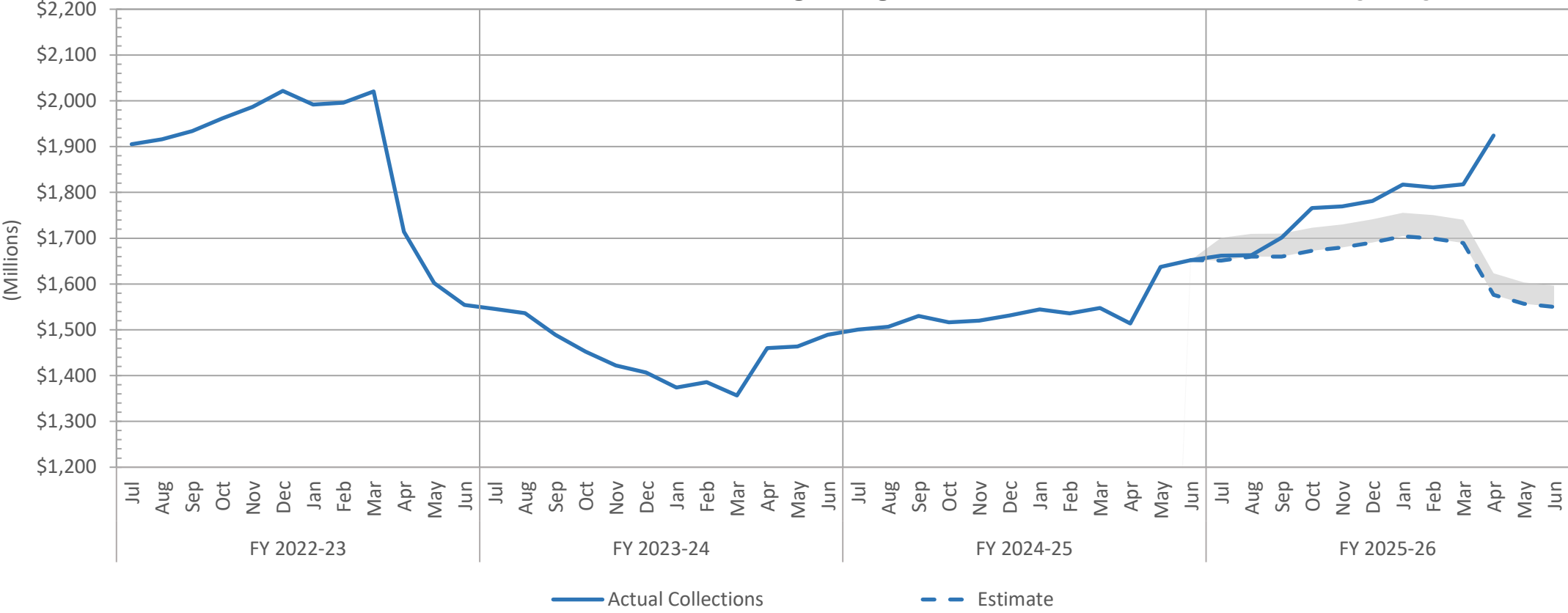
Non-Withholdings - Actual versus November Estimate

Collections in April were \$220.2 million better than anticipated due to strong tax filings and are now \$347.9 million ahead of fiscal year-to-date expectations

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

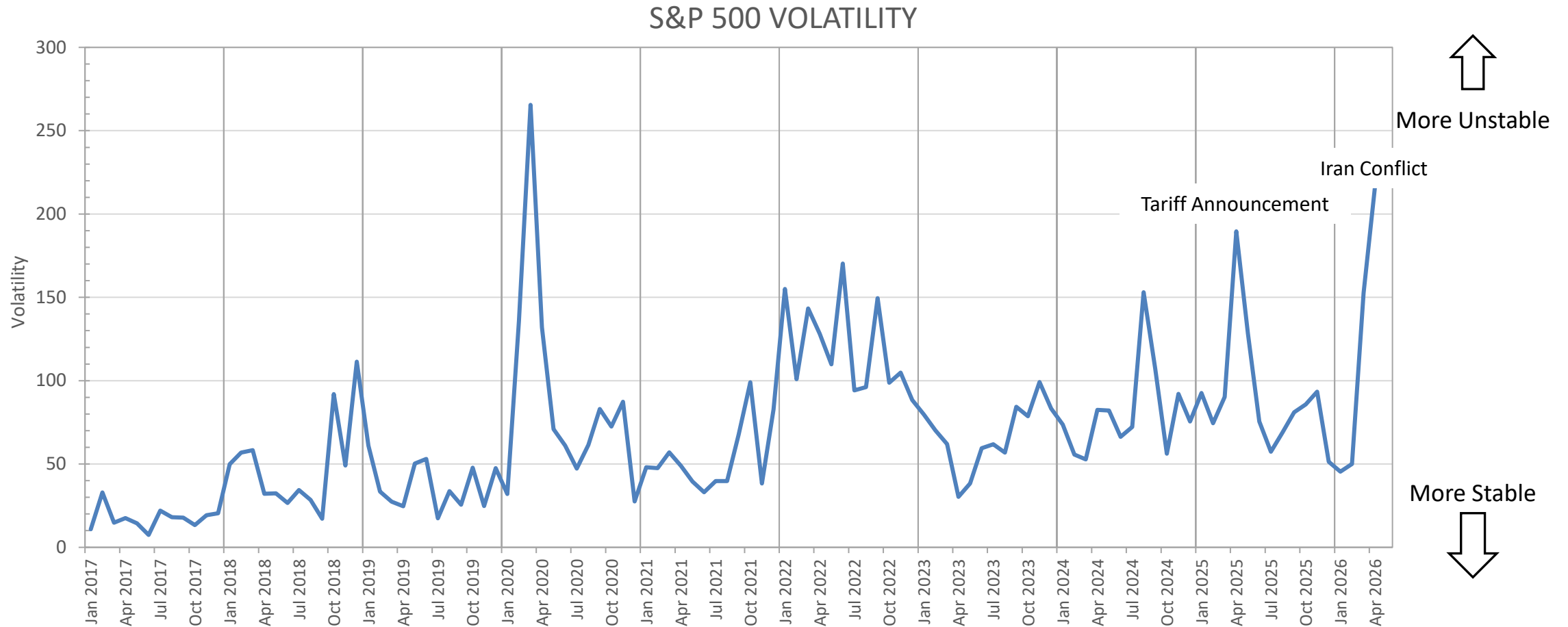
Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26

Target Range: +3.0%



Financial Market Volatility: S&P 500

The value of the S&P 500 market index has become significantly more unstable since February and the beginning of the conflict with Iran

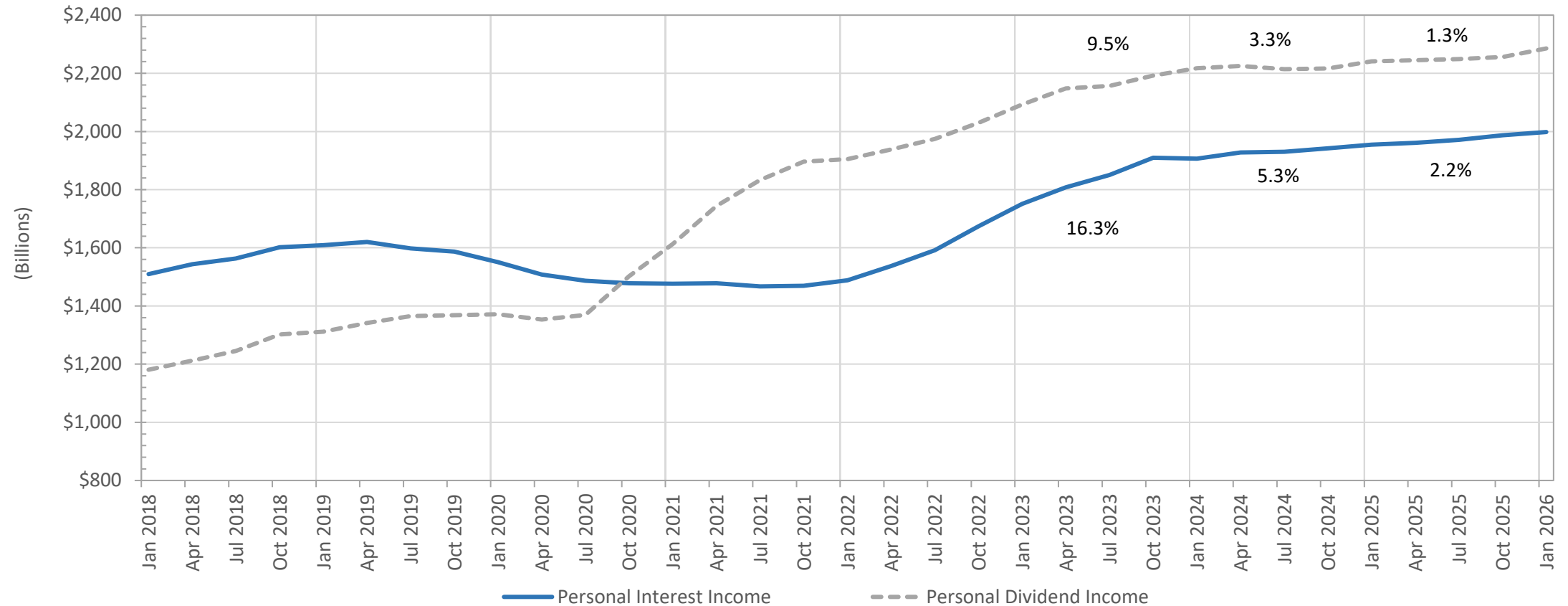


Source: S&P Dow Jones Indices LLC, S&P 500 [SP500], retrieved from FRED, Federal Reserve Bank of St. Louis; 337D - RFA/lhj/5/6/2026

Interest and Dividend Income

The slowdown in both interest and dividend income growth is expected to continue into 2026

US PERSONAL INTEREST AND DIVIDEND INCOME



Source: U.S. Bureau of Economic Analysis (retrieved from FRED) 338 - RFA/lhj/05/06/2026

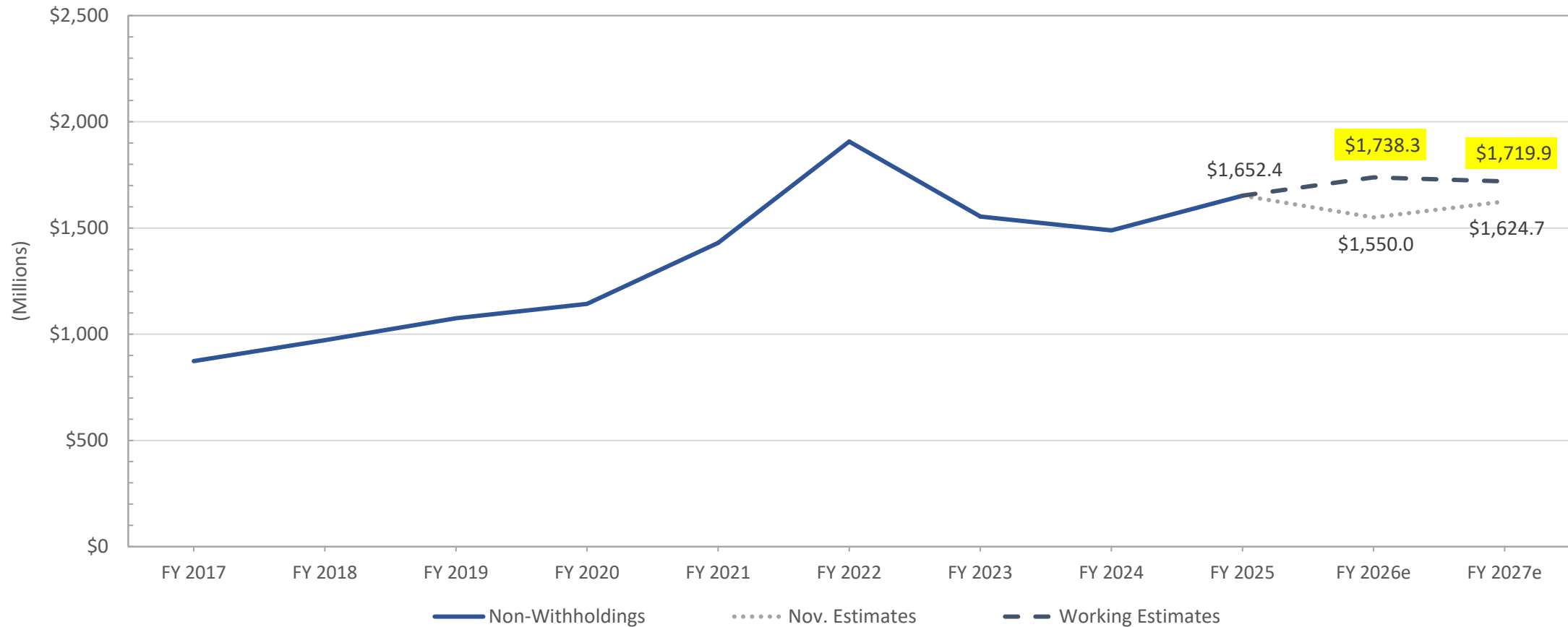
Individual Income Non-Withholdings Forecast

- Non-withholdings are currently ahead of the November estimate, largely due to strong tax filings in October and April, which reflect previous year's economic activity
- Collections were anticipated to decline by 6.2%, but FY 26 working estimate is increased by \$188.4 million and reflects growth of 5.2%, based on current revenues and expected growth for the remaining two months of the fiscal year
- The growth in FY 26 is largely based on economic activity from 2025, whereas 2026 is expected to be weaker, resulting in reduced collections in FY 27
- FY 27 working estimate is an increase of \$95.2 million but a decline of 1.1% from the FY 26 working estimate (November FY 27 estimate anticipated 4.8% growth over the 6.2% projected decline in FY 26)
- Lower FY 27 growth expectations incorporate half of the revenue base growth but increased downside risk due to geopolitical uncertainty, rising energy prices, slowing growth in dividend and interest income, and stock market fluctuations

Non-Withholdings – Working Estimates

FY 26 working estimate reflects latest collections; FY 27 reflects FY 26 base growth, but slower employment and economic growth than previously estimated

INDIVIDUAL INCOME TAX - NON-WITHHOLDINGS



Data series revised for offsetting adjustments to Refunds and Non-withholdings.

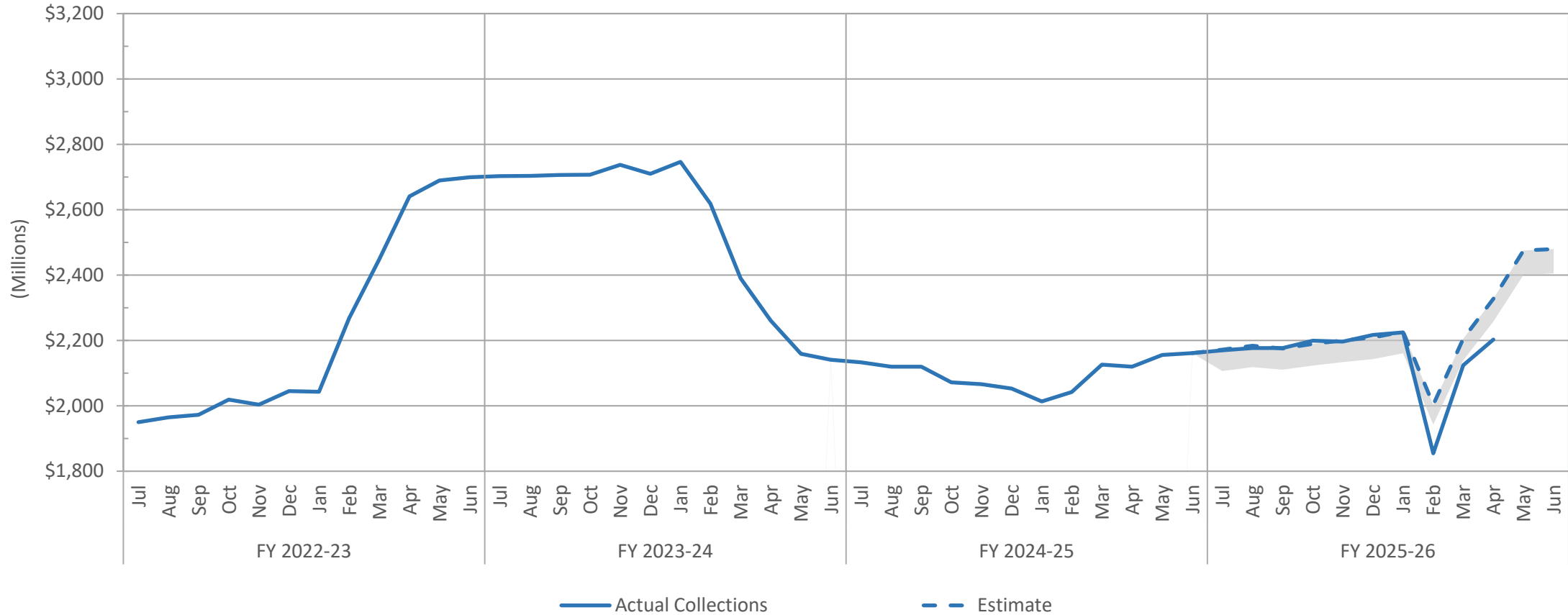
Refunds - Actual versus November Estimate

Refunds were \$44.2 million less than expected for April and are now cumulatively \$125.0 million lower than anticipated

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

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

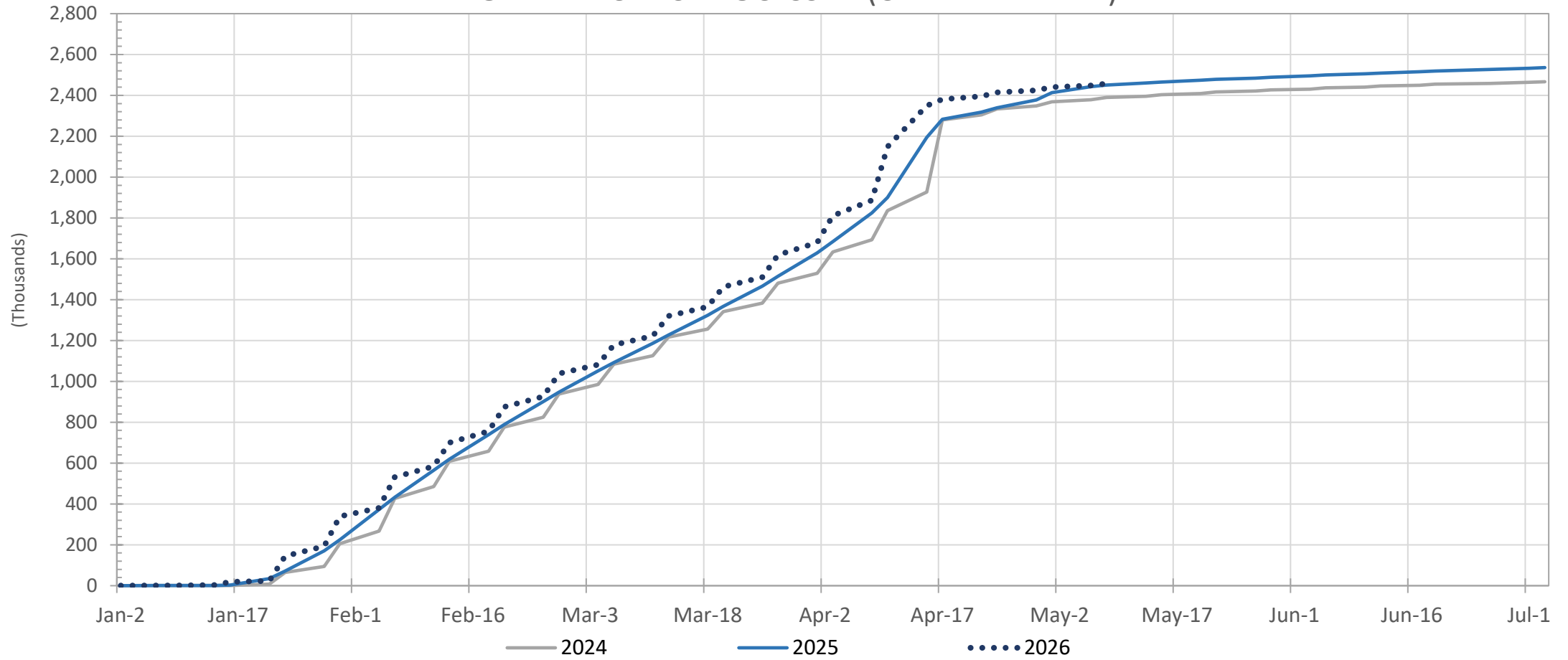
Target Range: -3.0%



Individual Income Tax Return Processing

Total number of returns processed is slightly above 2025 and in line with expectations

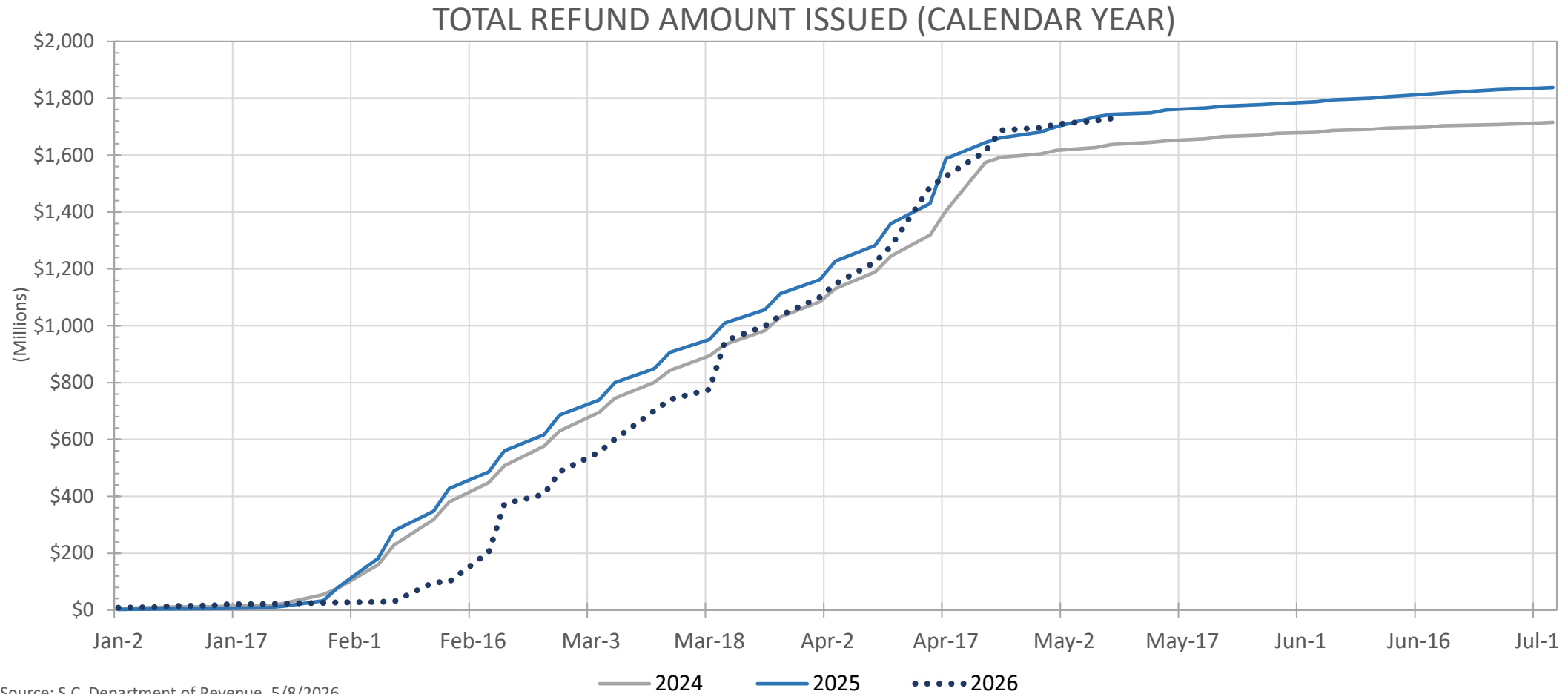
TOTAL RETURNS PROCESSED (CALENDAR YEAR)



Source: S.C. Department of Revenue, 5/8/2026

Refund Processing – Dollar Amount

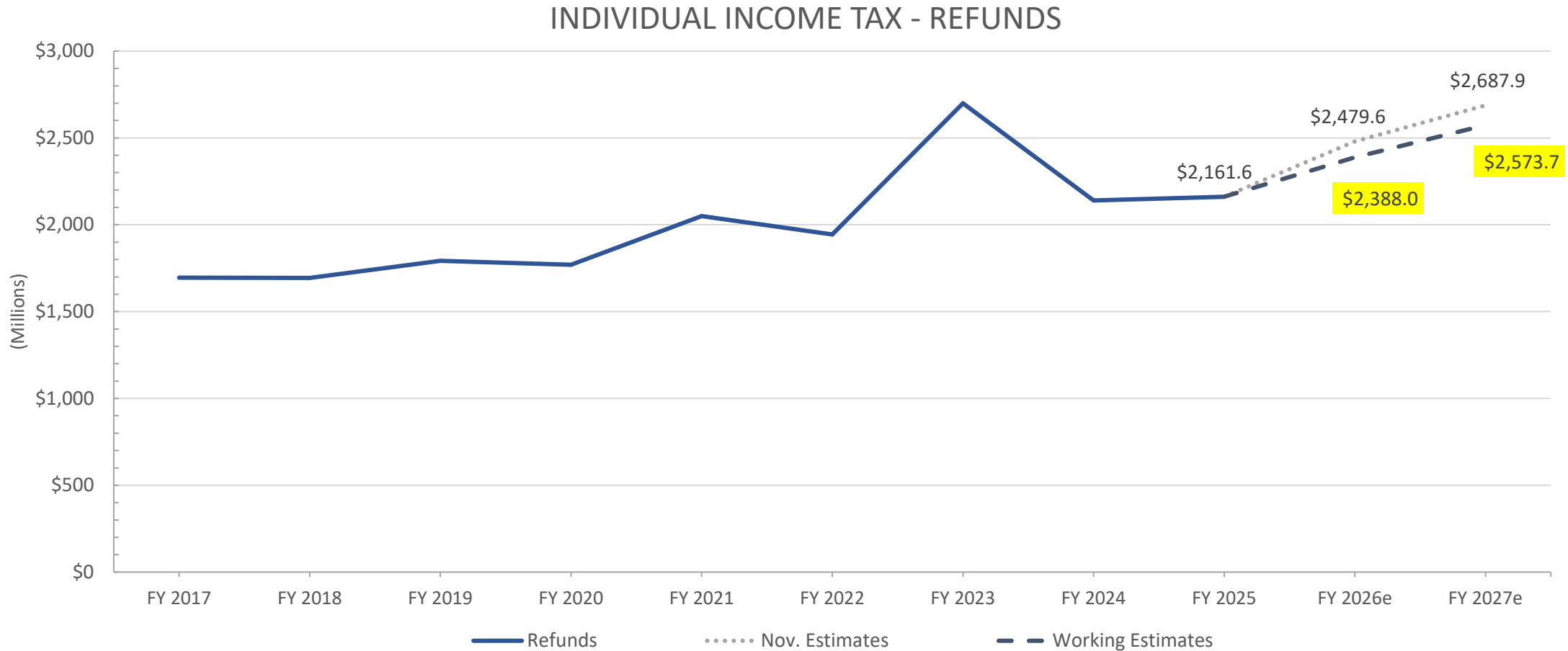
The dollar amount of Refunds issued is slightly behind expectations based on return processing and is expected to catch up in May



Source: S.C. Department of Revenue, 5/8/2026

Refunds – Working Estimates

FY 26 reduction of \$91.6 million reflects latest processing and expectations for the remainder of the fiscal year, and FY 27 is adjusted down by \$114.1 million to account for FY 26 base



Data series revised for offsetting adjustments to Refunds and Non-withholdings.

Corporate Income Tax

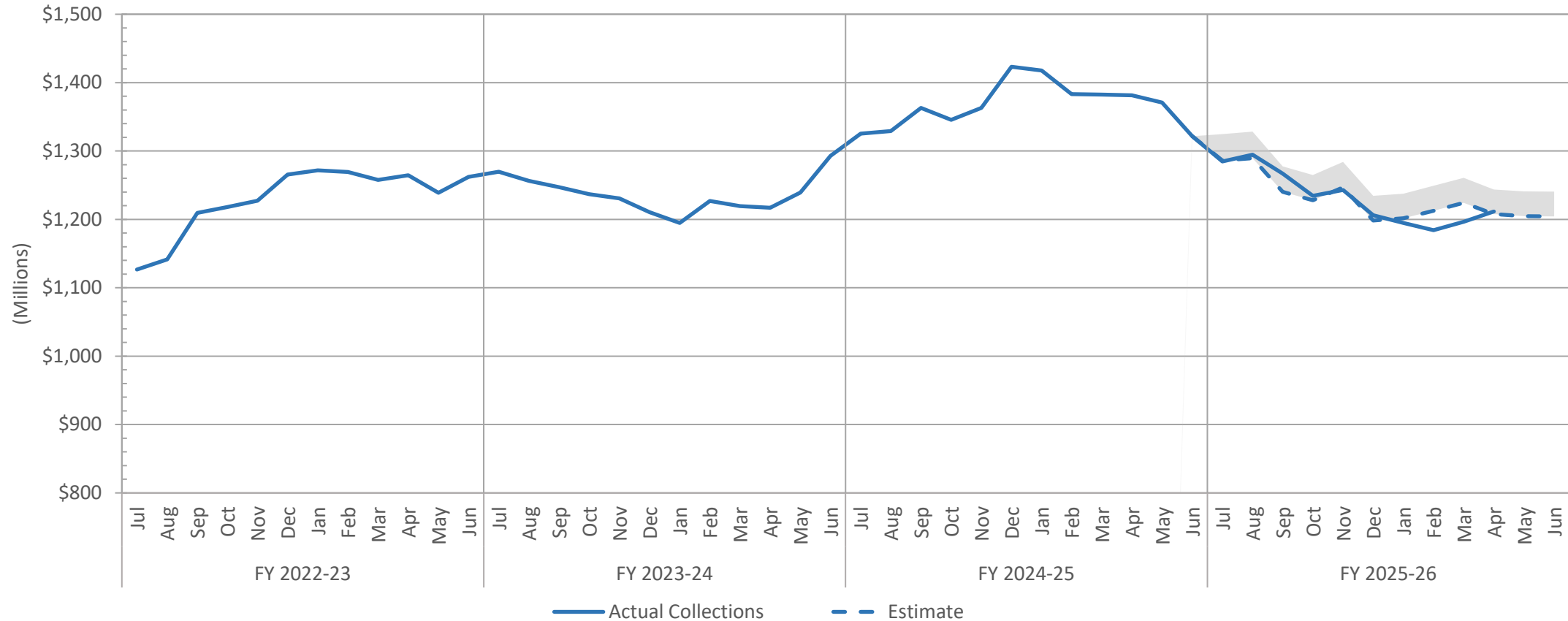
Corporate Income Tax – Actual versus November Estimate

Although Corporate Income tax was behind expectations by \$27.6 million through March, collections improved in April and are now \$2.6 million above expectations

ROLLING FISCAL YEAR - CORPORATE INCOME TAX

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

Target Range: +3.0%



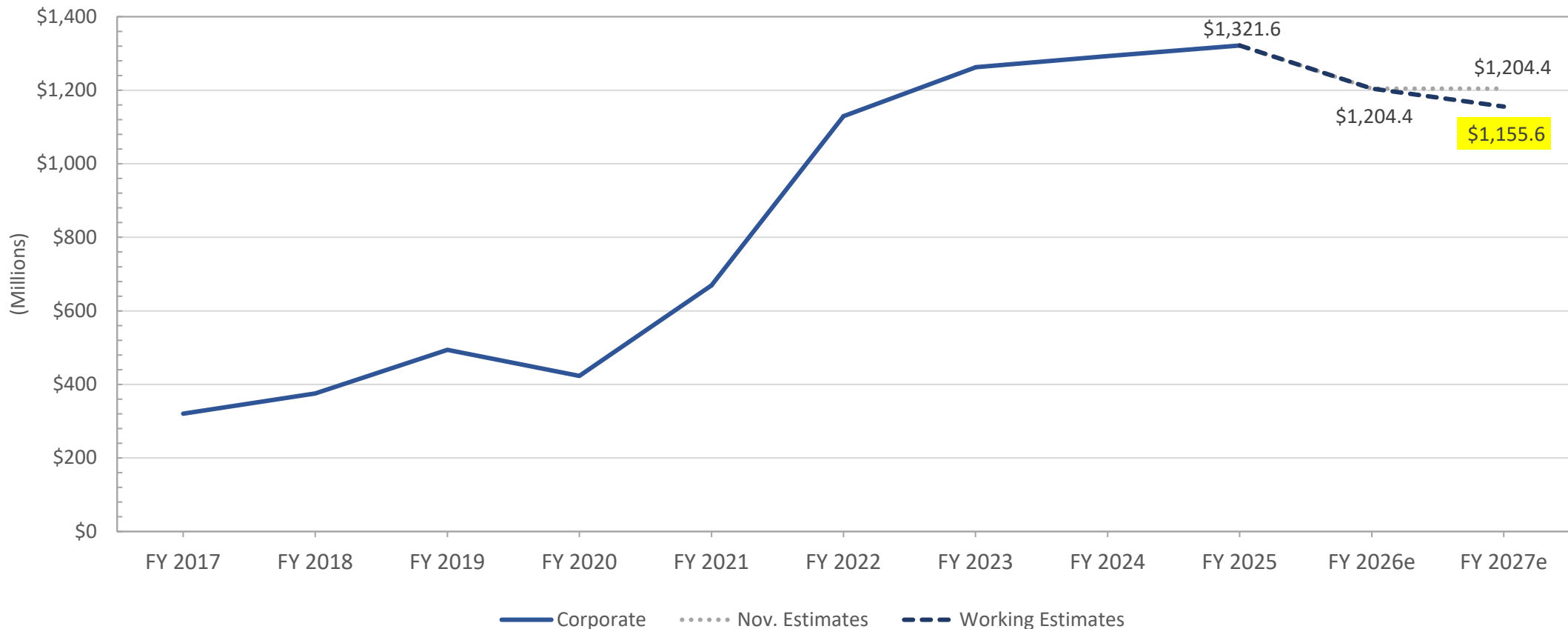
Corporate Income Tax Forecast

- Corporate Income tax improved in April due to stronger tax filings than expected, and collections are now close to expectations
- Although April tax filings were stronger than anticipated, quarterly payments have been lower than expected throughout FY 26
- Working estimate for FY 26 is unchanged because collections are close to expectations, but given recent quarterly payments, lower retail sales growth expectations, and slower economic growth overall, expectations for FY 27 are lower than previously estimated
- Working estimate for FY 27 is revised down by \$48.8 million from flat growth to a 4.1% decline

Corporate Income Tax – Working Estimates

Corporate income taxes are running close to current expectations; working estimate for FY 26 is unchanged, and FY 27 is lowered based on recent quarterly performance and updated expectations for slower economic growth

CORPORATE INCOME TAX



Other General Fund Revenues



Other Categories

- The Treasurer's Office recommended increasing Earnings on Investments expectations for FY 26 by \$70 million and FY 27 by \$60 million due to updated expectations for interest rates, balances, and investment performance
- Changes to remaining categories to reflect updated performance and expectations since November estimate are:
 - The net change in FY 26 across other categories is an increase of \$19.5 million, primarily due to an increase of \$5.5 million in Bank tax and \$6 million in Other Source Revenues from uncashed checks
 - The net change in FY 27 is an increase of \$10.1 million largely due to an increase of \$5.6 million in Deed Recording fees due to a base adjustment over FY 26

Consideration of Revenue Forecasts for FY 2025-26 and FY 2026-27



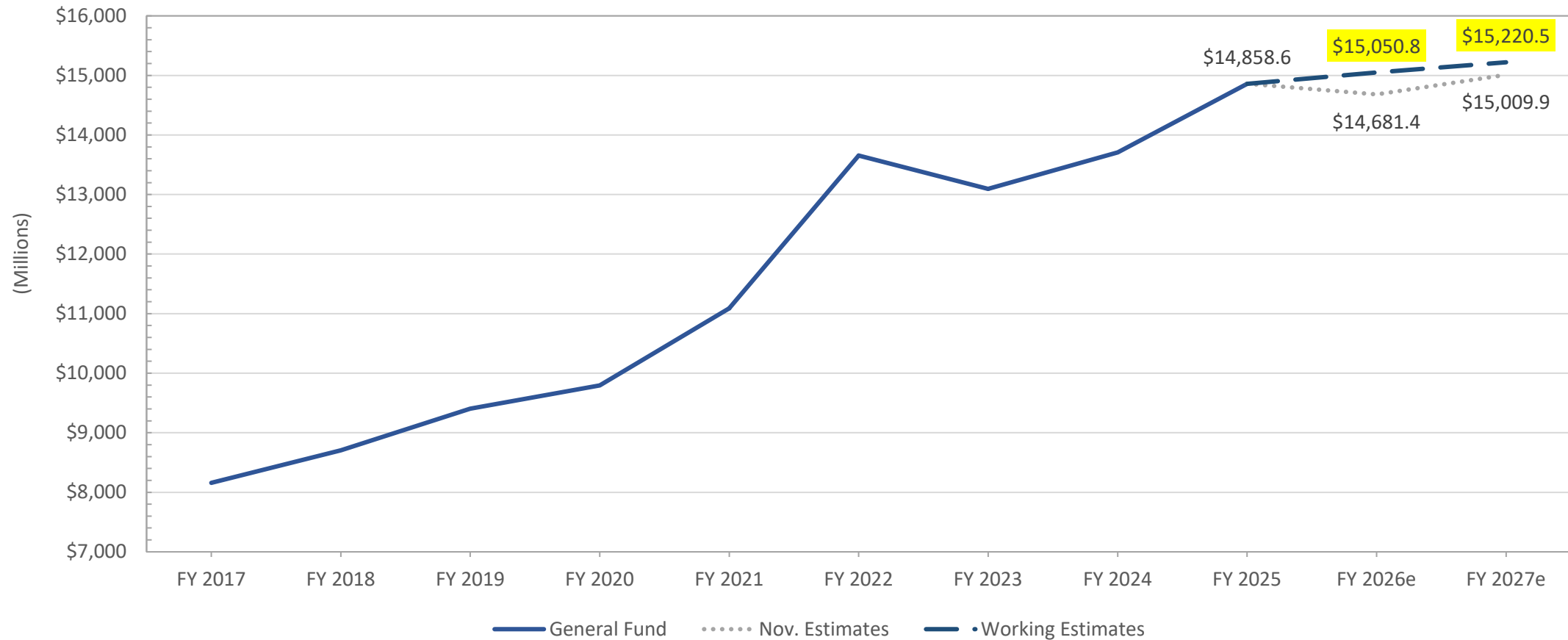
General Fund Working Estimates – Summary

- The FY 26 working estimate is an increase of \$369.4 million over the November estimate
- Key factors driving the increase are:
 - Significantly lower Refunds
 - Stronger-than-expected Non-withholdings
 - Increase to Earned on Investments recommended by the Treasurer’s Office
- FY 27 is an increase of \$210.7 million from November estimate, largely due to base revenue adjustments from FY 26
- The FY 27 working estimate expects modest growth of 1.1% over the revised FY 26 estimate
- These modest changes to the November forecast reflect a more measured pace of growth compared to the large increases in recent years
- Estimates exclude the income tax reform bill (Act 110) and other legislative adjustments that will be addressed by the Budget Committees

General Fund Revenue – May Working Estimates

FY 26: +\$369.4 million, FY 27: +\$210.7 million

TOTAL GENERAL FUND REVENUE



General Fund Revenue Forecast – Working Estimates

Revenue Category	Final	11/18/2025	5/19/2026	11/18 v 5/19	FY 25	11/18/2025	5/19/2026	11/18 v 5/19	FY 26	Pct. Chg. FY 2024-25	11/18/2025	5/19/2026	11/18/2025	5/19/2026
	FY 2024-25	Estimate FY 2025-26	Estimate FY 2025-26	Estimate Change	to FY 26 Change	Estimate FY 2026-27	Estimate FY 2026-27	Estimate Change	to FY 27 Change		Pct. Chg. FY 2025-26	Pct. Chg. FY 2025-26	Pct. Chg. FY 2026-27	Pct. Chg. FY 2026-27
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sales and Use Tax	5,027,440,427	5,229,200,000	5,229,200,000	0	201,759,573	5,408,120,000	5,388,206,000	(19,914,000)	159,006,000	5.0	4.0	4.0	3.4	3.0
Individual Income Tax	6,722,186,938	6,482,631,000	6,762,575,000	279,944,000	40,388,062	6,638,154,000	6,847,487,000	209,333,000	84,912,000	10.0	(3.6)	0.6	2.4	1.3
<i>Withholdings</i>	7,231,433,542	7,412,219,000	7,412,219,000	0	180,785,458	7,701,296,000	7,701,296,000	0	289,077,000	6.9	2.5	2.5	3.9	3.9
<i>Non-Withholdings</i>	1,652,359,560	1,549,971,000	1,738,349,000	188,378,000	85,989,440	1,624,724,000	1,719,924,000	95,200,000	(18,425,000)	10.9	(6.2)	5.2	4.8	(1.1)
<i>Refunds</i>	2,161,606,164	2,479,559,000	2,387,993,000	(91,566,000)	226,386,836	2,687,866,000	2,573,733,000	(114,133,000)	185,740,000	1.0	14.7	10.5	8.4	7.8
Corporation Income Tax	1,321,628,460	1,204,382,000	1,204,382,000	0	(117,246,460)	1,204,382,000	1,155,550,000	(48,832,000)	(48,832,000)	2.2	(8.9)	(8.9)	0.0	(4.1)
Insurance Taxes	413,800,577	390,039,000	390,039,000	0	(23,761,577)	448,569,000	448,569,000	0	58,530,000	19.0	(5.7)	(5.7)	15.0	15.0
Admissions Tax	39,964,393	40,393,000	42,021,000	1,628,000	2,056,607	43,304,000	43,304,000	0	1,283,000	(15.0)	1.1	5.1	7.2	3.1
Alcoholic Liquor Tax	121,759,241	122,656,000	124,357,000	1,701,000	2,597,759	125,223,000	127,095,000	1,872,000	2,738,000	2.3	0.7	2.1	2.1	2.2
Bank Tax	90,873,576	68,806,000	74,309,000	5,503,000	(16,564,576)	71,105,000	72,038,000	933,000	(2,271,000)	65.2	(24.3)	(18.2)	3.3	(3.1)
Beer and Wine Tax	110,671,374	109,558,000	107,584,000	(1,974,000)	(3,087,374)	109,020,000	106,304,000	(2,716,000)	(1,280,000)	(0.7)	(1.0)	(2.8)	(0.5)	(1.2)
Business Filing Fees	11,777,178	11,690,000	12,099,000	409,000	321,822	12,296,000	12,296,000	0	197,000	(2.3)	(0.7)	2.7	5.2	1.6
Circuit/Family Court Fines	6,813,526	7,067,000	7,067,000	0	253,474	7,208,000	7,208,000	0	141,000	1.0	3.7	3.7	2.0	2.0
Corporation License Tax	199,095,857	206,506,000	207,815,000	1,309,000	8,719,143	213,627,000	215,404,000	1,777,000	7,589,000	5.8	3.7	4.4	3.4	3.7
Deed Recording Fees	126,683,894	130,866,000	134,822,000	3,956,000	8,138,107	134,767,000	140,317,000	5,550,000	5,495,000	8.1	3.3	6.4	3.0	4.1
Earned on Investments	477,512,013	490,000,000	560,000,000	70,000,000	82,487,987	405,000,000	465,000,000	60,000,000	(95,000,000)	47.9	2.6	17.3	(17.3)	(17.0)
Indirect Cost Recoveries	15,772,642	14,565,000	13,329,000	(1,236,000)	(2,443,642)	15,025,000	13,329,000	(1,696,000)	0	(8.6)	(7.7)	(15.5)	3.2	0.0
Motor Vehicle Licenses	11,749,299	11,843,000	11,843,000	0	93,701	11,832,000	11,832,000	0	(11,000)	0.5	0.8	0.8	(0.1)	(0.1)
Nursing Home Fees	2,980,449	2,889,000	2,889,000	0	(91,449)	2,801,000	2,801,000	0	(88,000)	(2.5)	(3.1)	(3.1)	(3.0)	(3.0)
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	0	192	3,393,000	3,393,000	0	0	0.0	0.0	0.0	0.0	0.0
Private Car Lines Tax	7,147,252	8,148,000	7,712,000	(436,000)	564,748	8,461,000	8,025,000	(436,000)	313,000	11.1	14.0	7.9	3.8	4.1
Public Service Authority	20,865,000	21,225,000	22,968,000	1,743,000	2,103,000	21,936,000	23,334,000	1,398,000	366,000	7.4	1.7	10.1	3.3	1.6
Purchasing Card Rebates	4,366,750	4,647,000	4,455,000	(192,000)	88,250	4,946,000	4,741,000	(205,000)	286,000	4.7	6.4	2.0	6.4	6.4
Record Search Fees	4,461,000	4,461,000	4,461,000	0	0	4,461,000	4,461,000	0	0	0.0	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	730,853	580,000	1,130,000	550,000	399,147	997,000	1,273,000	276,000	143,000	(76.2)	(20.6)	54.6	71.9	12.7
Security Dealer Fees	35,469,671	36,382,000	36,842,000	460,000	1,372,329	37,693,000	38,185,000	492,000	1,343,000	3.0	2.6	3.9	3.6	3.6
Tobacco Tax	26,572,104	25,983,000	25,470,000	(513,000)	(1,102,104)	25,777,000	26,043,000	266,000	573,000	(3.9)	(2.2)	(4.1)	(0.8)	2.2
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	0	0	15,000,000	15,000,000	0	0	0.0	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	13,812,761	14,089,000	14,643,000	554,000	830,239	14,371,000	14,936,000	565,000	293,000	13.1	2.0	6.0	2.0	2.0
Other Source Revenues	26,030,651	24,411,000	30,411,000	6,000,000	4,380,349	22,411,000	24,411,000	2,000,000	(6,000,000)	2.6	(6.2)	16.8	(8.2)	(19.7)
Gross General Fund Revenue	\$14,858,558,693	\$14,681,410,000	\$15,050,816,000	\$369,406,000	192,257,307	\$15,009,879,000	\$15,220,542,000	\$210,663,000	\$169,726,600	8.4	(1.2)	1.3	2.2	1.1

General Fund Revenue Forecast – Working Estimates (Continued)

Revenue Category	Final	11/18/2025	5/19/2026	11/18 v 5/19	FY 25	11/18/2025	5/19/2026	11/18 v 5/19	FY 26	Pct. Chg.	11/18/2025	5/19/2026	11/18/2025	5/19/2026
	FY 2024-25	Estimate FY 2025-26	Estimate FY 2025-26	Estimate Change	to FY 26 Change	Estimate FY 2026-27	Estimate FY 2026-27	Estimate Change	to FY 27 Change		FY 2024-25	FY 2025-26	FY 2025-26	FY 2026-27
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross General Fund Revenue	\$14,858,558,693	\$14,681,410,000	\$15,050,816,000	\$369,406,000	\$192,257,307	\$15,009,879,000	\$15,220,542,000	\$210,662,500	\$169,725,500	8.4	(1.2)	1.3	2.2	1.1
Less: Tax Relief Trust Fund (Act)	800,815,175	814,021,523	814,021,523	0	13,206,348	824,641,979	824,641,979	0	10,620,456	0.6	1.6	1.6	1.3	1.3
Net General Fund Revenue	\$14,057,743,518	\$13,867,388,477	\$14,236,794,477	\$369,406,000	\$179,050,959	\$14,185,237,021	\$14,395,900,021	\$210,662,500	\$317,848,544	8.9	(1.4)	1.3	2.3	1.1
Education Improvement Act (EIA)	1,324,569,670	1,368,854,000	1,364,025,202	(4,828,798)	39,455,532	1,410,011,000	1,401,452,000	(8,559,000)	41,157,000	4.4	3.3	3.0	3.0	2.7
EIA Fund	1,302,079,365	1,353,054,000	1,353,054,000	0	50,974,635	1,398,511,000	1,393,452,000	(5,059,000)	45,457,000	4.9	3.9	3.9	3.4	3.0
EIA Interest	22,490,305	15,800,000	10,971,202	(4,828,798)	(11,519,103)	11,500,000	8,000,000	(3,500,000)	(4,300,000)	(18.9)	(29.7)	(51.2)	(27.2)	(27.1)
S.C. Education Lottery Fund	559,756,304	529,173,000	549,173,000	20,000,000	(10,583,304)	503,200,000	503,200,000	0	(25,973,000)	(7.1)	(5.5)	(1.9)	(4.9)	(8.4)
Lottery Proceeds	518,000,000	494,673,000	512,624,000	17,951,000	(5,376,000)	473,200,000	473,200,000	0	(21,473,000)	(6.9)	(4.5)	(1.0)	(4.3)	(7.7)
Unclaimed Prizes	28,841,212	23,500,000	23,500,000	0	(5,341,212)	22,000,000	22,000,000	0	(1,500,000)	(18.9)	(18.5)	(18.5)	(6.4)	(6.4)
Lottery Interest	12,915,092	11,000,000	13,049,000	2,049,000	133,908	8,000,000	8,000,000	0	(3,000,000)	21.7	(14.8)	1.0	(27.3)	(38.7)
Homestead Exemption Fund (HEX)	1,201,834,214	1,246,016,000	1,248,460,000	2,444,000	46,625,786	1,283,918,000	1,285,873,000	1,955,000	37,902,000	3.9	3.7	3.9	3.0	3.0
HEX Revenue	1,183,916,948	1,230,516,000	1,237,661,000	7,145,000	53,744,052	1,272,618,000	1,275,873,000	3,255,000	42,102,000	4.0	3.9	4.5	3.4	3.1
HEX Interest	17,917,265	15,500,000	10,799,000	(4,701,000)	(7,118,265)	11,300,000	10,000,000	(1,300,000)	(4,200,000)	(3.8)	(13.5)	(39.7)	(27.1)	(7.4)
Expenditure Estimate	1,066,194,100	1,115,089,670	1,115,089,670	0	48,895,570	1,164,578,346	1,159,176,996	(5,401,350)	49,488,676	6.1	4.6	4.6	4.4	4.0
HEX Fund Excess/(Shortfall)	135,640,114	130,926,330	133,370,330	2,444,000	(2,269,784)	119,339,654	126,696,004	7,356,350	(11,586,676)	(10.8)	(3.5)	(1.7)	(8.8)	(5.0)
Tax Relief Trust Fund (Act)	800,815,175	814,021,523	814,021,523	0	13,206,348	824,641,979	824,641,979	0	10,620,456	0.6	1.6	1.6	1.3	1.3
Revised Estimate/ Actual	788,325,913	809,415,534	809,415,534	0	21,089,621	824,641,979	824,641,979	0	15,226,445	2.1	2.7	2.7	1.9	1.9
Excess/(Shortfall) (Excl. Fund Balance)	12,489,262	4,605,989	4,605,989	0	(7,883,273)	0	0	0	(4,605,989)	(47.6)	(63.1)	(63.1)	n/a	n/a
Reserve Funds														
Capital Reserve Fund	369,783,882	387,352,137	387,352,137	0	17,568,255	421,732,306	421,732,306	0	34,380,168	(5.2)	4.8	4.8	8.9	8.9
General Reserve Fund	739,567,764	839,262,964	839,262,964	0	99,695,200	984,042,046	984,042,046	0	144,779,083	3.4	13.5	13.5	17.3	17.3
Total Reserve Funds	1,109,351,646	1,226,615,101	1,226,615,101	0	117,263,455	1,405,774,352	1,405,774,352	0	179,159,251	0.4	10.6	10.6	14.6	14.6

FY 2026-27 Budget Outlook – Summary

- The Budget Conference Committee will have an additional \$210.7 million in recurring General Fund revenue and \$369.4 million in non-recurring revenue to appropriate in the FY 27 budget
- The Education Improvement Act (EIA) sales tax forecast is reduced by \$4.8 million for FY 26 due to lower interest earnings and by \$8.6 million for FY 27 due to lower growth and interest earnings
- The Education Lottery forecast for FY 26 is increased by \$20 million with no change to FY 27; although FY 26 revenues are expected to be \$50.7 million more than the November 2025 forecast, additional funding for LIFE, HOPE, and Palmetto Fellows Scholarships is needed for FY 26, and Proviso 3.7(K) will direct the un-certified surplus to fund the scholarship shortfall at fiscal year-end

Notes: Figures are rounded; see slide 36 for details

Estimates exclude the income tax reform bill (Act 110) and other legislative adjustments that will be addressed by the Budget Committees

Reports from Working Group Members

Other Business



Appendix



Personal Income, Employment, and Inflation History

Fiscal Year Growth Rates

Fiscal Year	South Carolina Employment	South Carolina Personal Income	U.S. Inflation	U.S. Employment	U.S. Personal Income
FY 2010-11	1.2%	5.2%	2.0%	0.6%	5.8%
FY 2011-12	1.4%	5.1%	2.9%	1.6%	5.0%
FY 2012-13	1.8%	2.8%	1.7%	1.6%	3.0%
FY 2013-14	2.4%	3.5%	1.6%	1.7%	2.6%
FY 2014-15	2.7%	6.7%	0.7%	2.1%	5.6%
FY 2015-16	2.8%	5.1%	0.7%	1.9%	3.2%
FY 2016-17	2.2%	4.7%	1.8%	1.7%	3.7%
FY 2017-18	2.4%	4.5%	2.3%	1.5%	5.2%
FY 2018-19	2.1%	6.0%	2.1%	1.5%	5.3%
FY 2019-20	(1.6%)	7.0%	1.6%	(1.9%)	5.6%
FY 2020-21	(1.2%)	8.9%	2.3%	(2.8%)	9.1%
FY 2021-22	4.2%	5.0%	7.2%	4.7%	4.0%
FY 2022-23	3.5%	8.0%	6.3%	3.2%	6.3%
FY 2023-24	2.5%	7.2%	3.3%	1.6%	5.9%
FY 2024-25	1.6%	6.4%	2.6%	0.8%	5.2%
FY 2025-26 November Est.	1.8%	4.7%	2.8%		
FY 2026-27 November Est.	1.7%	4.4%	2.5%		
Avg. 2010-2019	2.1%	4.9%	1.7%	1.6%	4.4%
Avg. 2015-2019	2.4%	5.1%	1.7%	1.6%	4.3%

1. Employment is calculated as the change in non-seasonally adjusted nonfarm payrolls average over the fiscal year from the average over the prior fiscal year.
2. Personal income is calculated as the average over the fiscal year over the average of the prior fiscal year.
3. Inflation is calculated as the average of the CPI over the fiscal year over the average of the prior fiscal year.

Data as of: May 6, 2026

