

SOUTH CAROLINA GENERAL FUND REVENUE

FY 2025-26 Revenue Update through May 2026

June 25, 2026



General Fund FY 2025-26 – May 2026 Revenue Update

- Overall, revenue collections in May for most items were generally in line with the updated May forecast, with one notable exception
- Excluding Individual Income Tax Refunds, revenues were \$39.9 million below monthly expectations
- Individual Income Tax Refunds were \$97.9 million below monthly estimates, which has a positive revenue impact
- For the month, revenues were above expectations by \$58.0 million in total

General Fund Revenue – May 2026



REVENUES V. BEA MONTHLY ESTIMATES

MAY

(\$ 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	\$981.6	\$1,039.6	\$58.0	(19.4%)	(14.6%)	Other Revenue Items, Sub-Total	\$85.7	\$75.2	(\$10.5)	5.8%	(7.2%)
Sales Tax	452.7	459.2	6.5	2.7%	4.2%	Admissions Tax	7.5	6.2	(1.3)	6.6%	(12.0%)
Individual Income Tax	409.5	496.9	87.4	(35.9%)	(22.2%)	Alcoholic Liquors Tax	12.6	11.9	(0.7)	2.5%	(3.2%)
Withholdings	589.2	590.8	1.6	2.9%	3.2%	Bank Tax	1.2	0.5	(0.7)	(69.6%)	(87.1%)
Non-withholdings	82.6	70.5	(12.2)	(55.5%)	(62.1%)	Beer and Wine Tax	9.9	9.8	(0.2)	(4.4%)	(5.8%)
Refunds	262.3	164.4	(97.9)	119.9%	37.8%	Corporate License Tax	3.1	3.6	0.5	(17.1%)	(2.8%)
Corporate Income Tax	32.1	6.8	(25.2)	(8.4%)	(80.5%)	Deed Rec. (Doc. Tax)	12.0	11.6	(0.4)	4.7%	0.8%
Insurance Tax	1.6	1.5	(0.2)	(92.6%)	(93.3%)	Earned on Investments	25.0	18.4	(6.6)	27.8%	(6.1%)
Other Revenue Items, Sub-Total	85.7	75.2	(10.5)	5.8%	(7.2%)	Residual Revenue	14.5	13.4	(1.2)	13.0%	3.9%

Forecast as of May 19, 2026

/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 FY 2025-26 – Fiscal Year-to-date Revenue Update

For the fiscal year through May,

- Total General Fund revenues are above expectations by \$314.9 million, but within the 3% target range
- The Individual Income tax filing categories, Non-withholdings and Refunds, account for \$233.1 million or 74% of the excess
- Withholdings and Sales taxes are above and within 0.5% and 0.6% of estimates, respectively
- Corporate Income Tax is \$22.6 million below expectations

General Fund Revenue – Fiscal Year-to-date



REVENUES V. BEA MONTHLY ESTIMATES

JULY - MAY

(\$ 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	\$12,940.6	\$13,255.5	\$314.9	1.1%	3.6%	1.3%	Other Revenue Items, Sub-Total	\$1,291.3	\$1,331.2	\$39.9	7.7%	11.0%	6.6%
Sales Tax	4,313.0	4,337.1	24.1	4.2%	4.8%	4.0%	Admissions Tax	30.5	29.5	(1.0)	4.9%	1.3%	5.1%
Individual Income Tax	6,049.9	6,314.5	264.6	0.3%	4.7%	0.6%	Alcoholic Liquors Tax	102.3	102.1	(0.1)	2.1%	2.0%	2.1%
Withholdings	6,841.5	6,873.1	31.6	2.8%	3.2%	2.5%	Bank Tax	63.6	70.2	6.5	(23.4%)	(15.5%)	(18.2%)
Non-withholdings	1,546.8	1,642.5	95.6	4.1%	10.5%	5.2%	Beer and Wine Tax	88.8	89.4	0.5	(3.3%)	(2.7%)	(2.8%)
Refunds	2,338.5	2,201.0	(137.5)	10.6%	4.1%	10.5%	Corporate License Tax	202.8	206.1	3.3	4.7%	6.4%	4.4%
Corporate Income Tax	990.8	968.2	(22.6)	(10.6%)	(12.6%)	(8.9%)	Deed Rec. (Doc. Tax)	109.3	110.9	1.6	6.5%	8.0%	6.4%
Insurance Tax	295.5	304.4	8.9	(8.9%)	(6.2%)	(5.7%)	Earned on Investments	508.5	531.1	22.6	19.5%	24.9%	17.3%
Other Revenue Items, Sub-Total	1,291.3	1,331.2	39.9	7.7%	11.0%	6.6%	Residual Revenue	185.4	192.0	6.5	7.1%	10.9%	3.3%

Forecast as of May 19, 2026

/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.

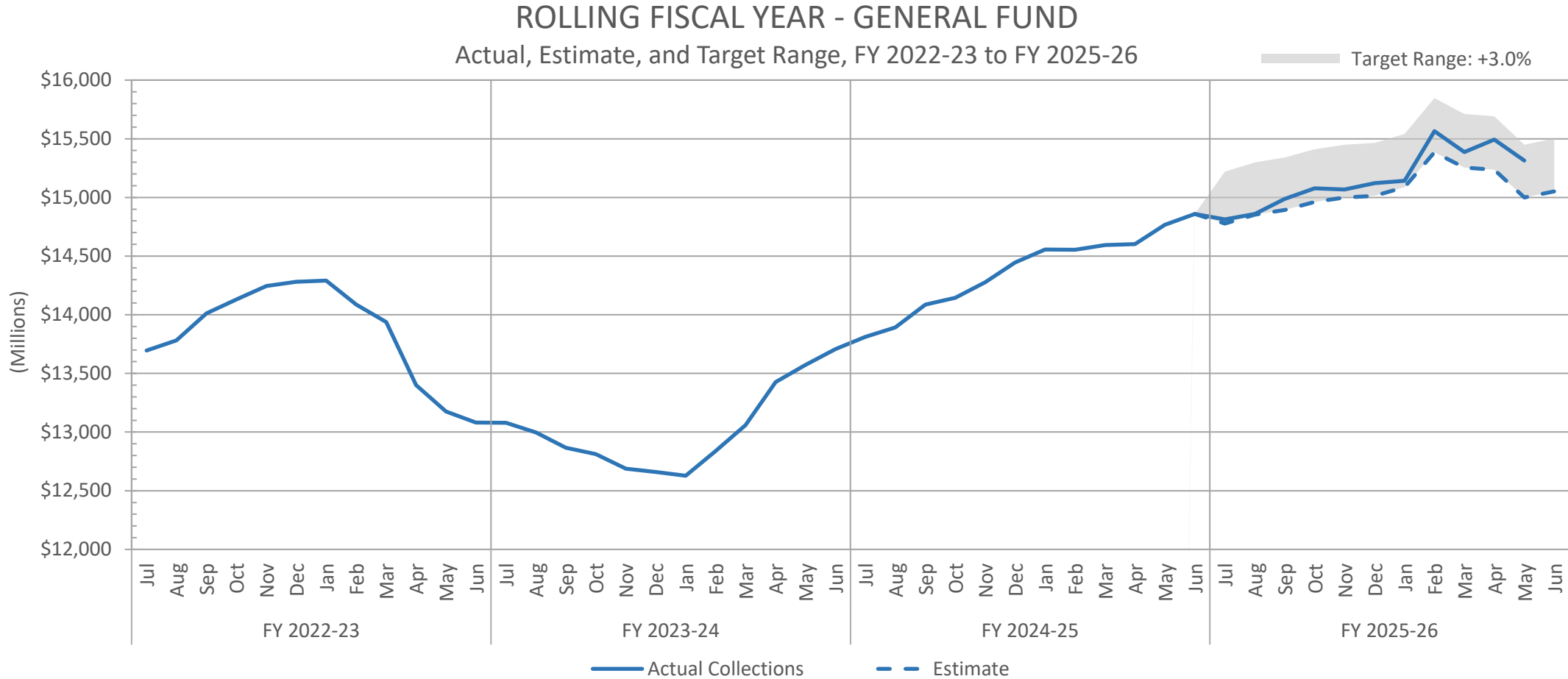
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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



General Fund Revenue – Actual versus May Estimate

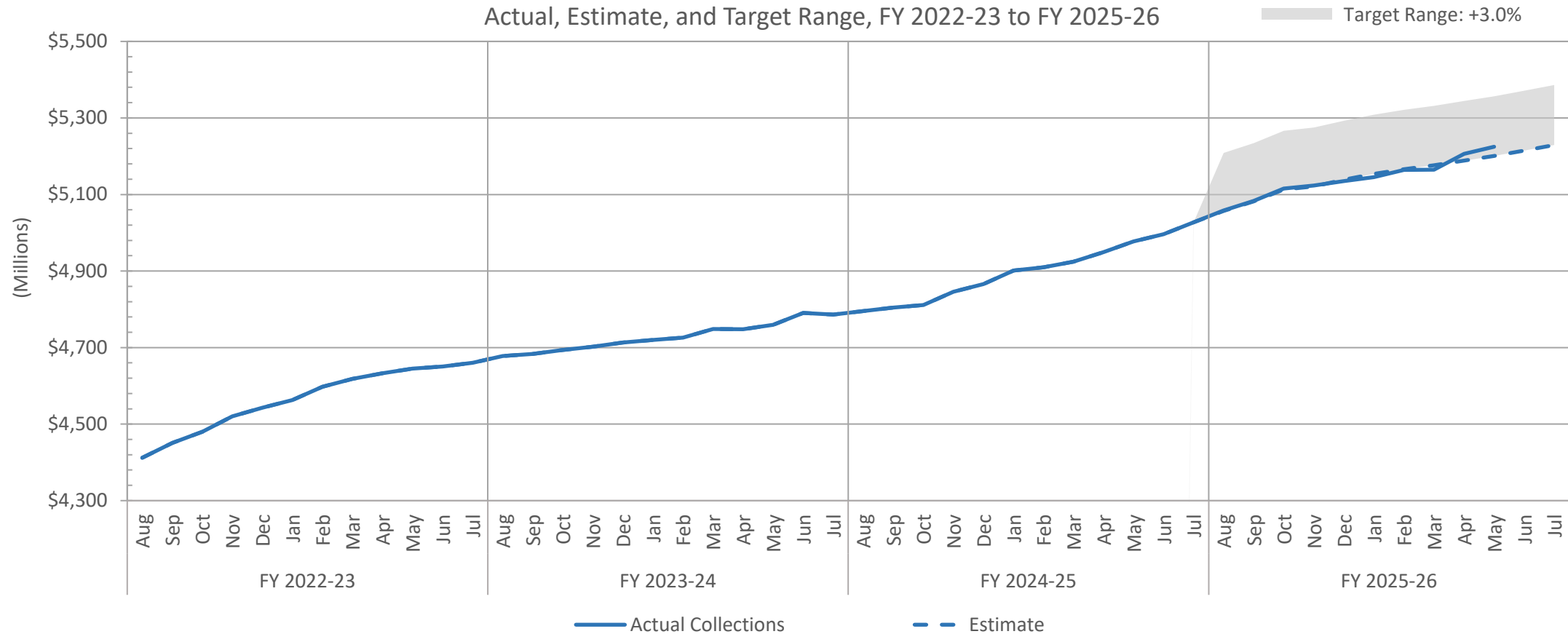
Through May, revenues are within the target range and \$314.9 million, or 2.4%, above the May estimate



Sales Tax - Actual versus Estimate

May Sales tax collections grew 4.2% over last year; fiscal year-to-date collections are growing 4.8% and are \$24.1 million above the May estimate

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

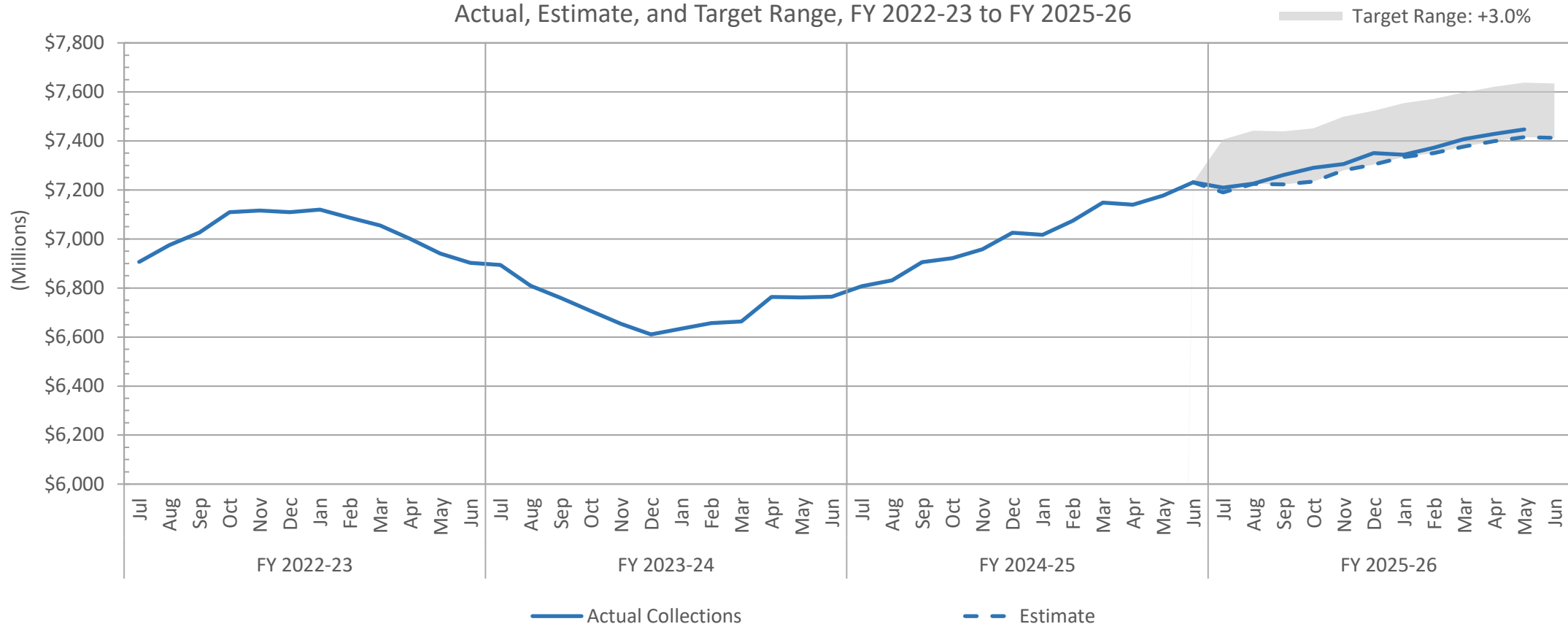


Withholdings - Actual versus Estimate

Withholdings totaled \$590.8 million for May, which was \$1.6 million more than anticipated, and grew 3.2% for the month over last year; cumulatively, collections are \$31.6 million ahead of expectations and growing 3.2% on average for FY 26

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

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

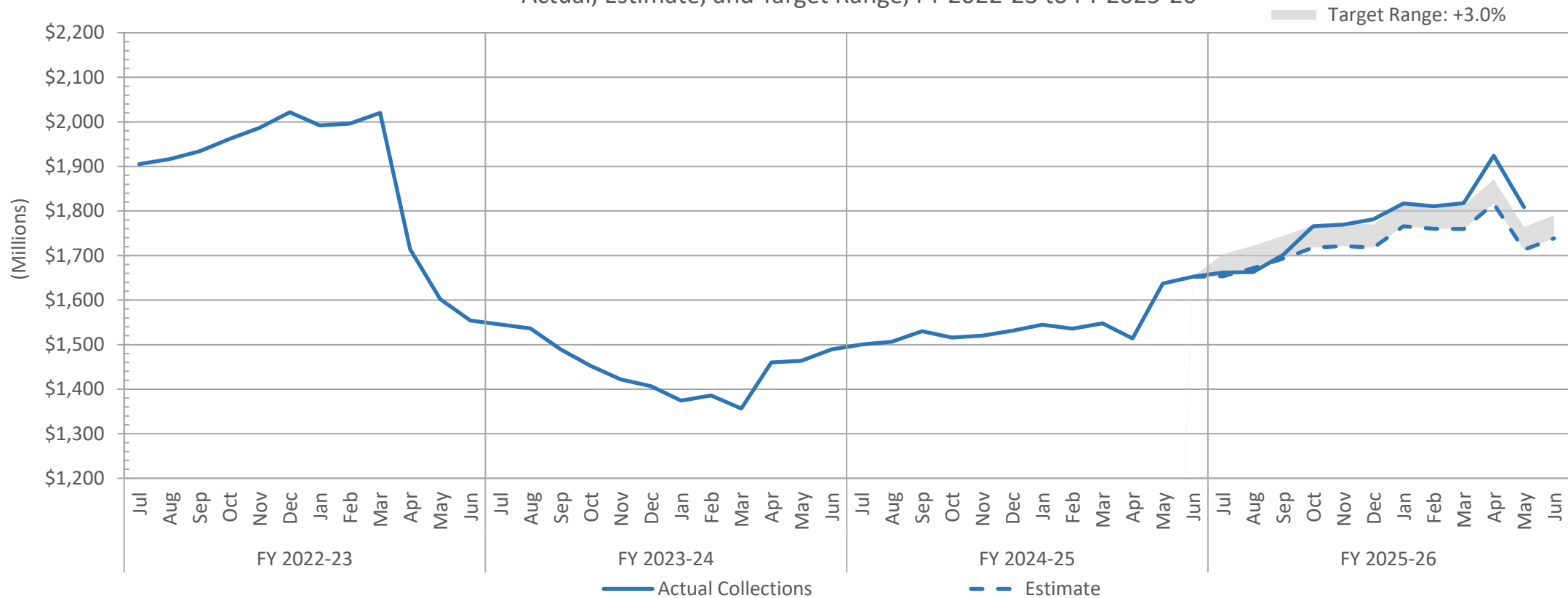


Non-withholdings - Actual versus Estimate

Non-withholdings were \$70.5 million for May, \$12.2 million less than expected; this month lowered the excess to \$95.6 million with one month remaining in the fiscal year

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

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

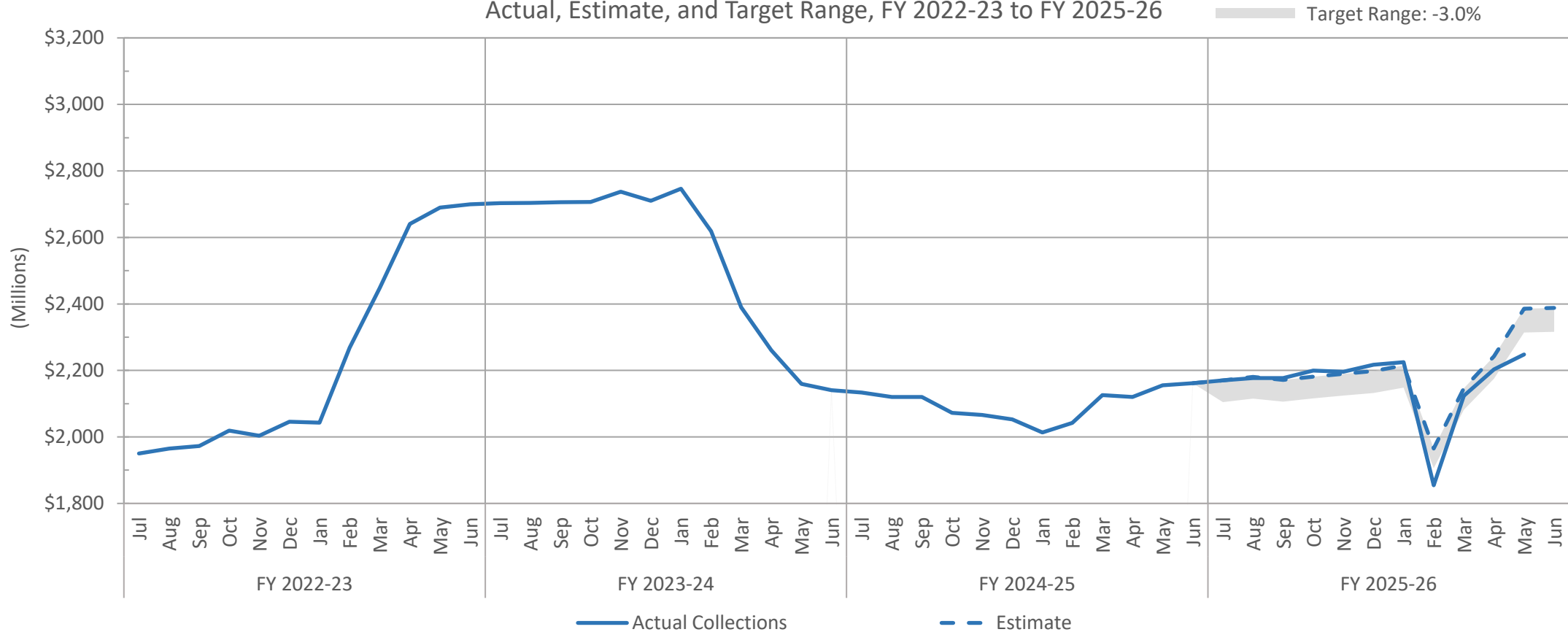


Refunds - Actual versus Estimate

Refunds for May totaled \$164.4 million, \$97.9 million less than expected for the month, which raised the fiscal year-to-date excess to \$137.5 million

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

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

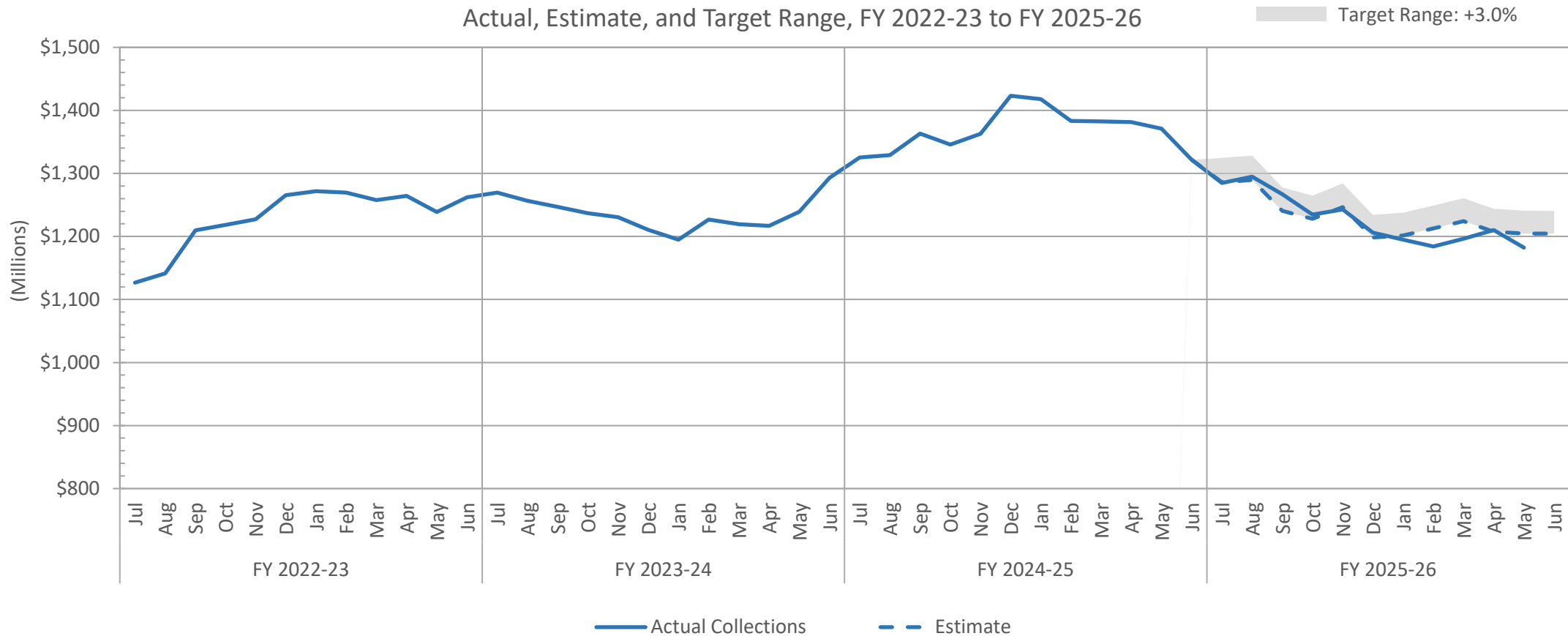


Corporate Income Tax - Actual versus Estimate

Collections for May totaled \$6.8 million, which was \$25.2 million below monthly expectations due to higher-than-normal refunds and lower-than-normal Non-withholdings; in total, Corporate Income tax is \$22.6 million below the May forecast

ROLLING FISCAL YEAR - CORPORATE INCOME TAX

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



FY 2025-26 Revenue Outlook

- Collections for June will include final fiscal year payments for income taxes and most revenue categories
- Consumption taxes, like Sales tax, that are reported on an accrual basis from Aug. to Jul. will include an additional month (13th month) to close the fiscal year

Legislative Revenue Adjustments



Major Legislative Revenue Adjustments

The Budget Conference Committee will account for these adjustments, and they will be incorporated into the BEA working estimate this fall

Bill Number	Description	FY 2026-27 General Fund Impact
H. 3551	Poll Worker Pay	(\$190,000)
H. 4216	Individual Income Tax Reform	(\$308,700,000)
H. 5006	Corporate License Tax Exclusion	(\$869,000)
H. 5093	Admissions Tax Exemption for 501(c)(6) Chambers of Commerce	(\$7,600)
H. 5122	Internet and Communications Service Providers Equipment Sales Tax Exemption (also impacts EIA and HEX sales taxes by \$1.32 million each)	(\$5,280,000)
S. 287	Electronic Nicotine Delivery System Regulation - Registration Fees	\$87,700
S. 32	Pregnancy Care Income Tax Credit	(\$3,500,000)
S. 556	Renewable Natural Gas Corporate Income and License Tax Credit	(\$3,875,000)
Total		(\$322,333,900)

Note: Subject to change with final budget and any bills in conference committee.

Reports from Working Group Members



Other Business

