REVENUE DIGEST

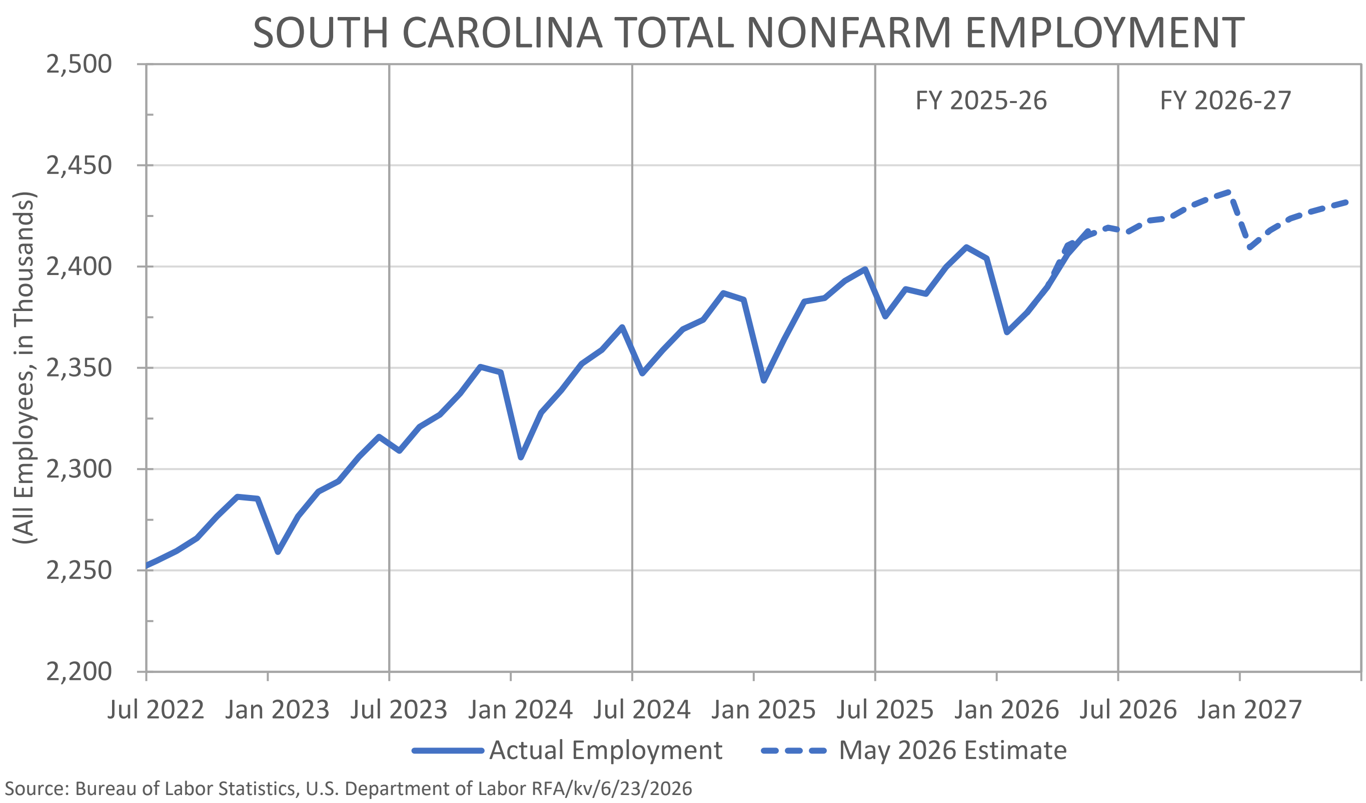
JUNE 2026, FY 2025-26

Released July 23, 2026

South Carolina Economy

The U.S. Bureau of Labor Statistics reported that nonfarm employment in South Carolina netted an additional 11,400 jobs in May 2026. On an annual basis, nonfarm employment is now 1 percent above its level last May and continues to grow close to our May estimate of 0.9 percent as seen in Figure 1 below. The fastest growing sector over the 12-month period was the Private Education & Healthcare sector, which grew 3.1 percent year-over-year for May, adding 9,700 jobs.

Figure 1. South Carolina Employment



General Fund Revenue[1]

Revenue collections increased more than expected in June 2026, growing by 5.4 percent over last June and above the expected growth rate of 2.6 percent, which added an additional $43.4 million to the expected surplus (Table 3). Over half of the increase in the surplus for June, $35.7 million, is due to higher-than-expected Corporate Income tax collections. Individual Income tax also added $22 million to the excess in June, and Sales tax added an additional $6.9 million. However, Insurance tax was $26.5 million less than expected due to significant growth in tax

[1] Figures are as of July 13, 2026, and subject to change during fiscal year-end.

credits above expectations. Fiscal year-to-date General Fund revenues for FY 2025-26 (FY 26) are 3.8 percent higher than last year and now $358.3 million, or 2.5 percent, ahead of the revised May 2026 estimate (Table 4).

Figure 2. General Fund Revenue Growth Summary

Revenue Category	Growth Rates		
	Monthly	Fiscal Year-to-Date	FY 2025-26 Annual Forecast
Sales Tax	4.8%	4.8%	4.0%
Individual Income Tax	7.3%	5.0%	0.6%
Corporation Income Tax	16.6%	(7.9%)	(8.9%)
Other Revenue Items	(10.0%)	5.2%	3.8%
Total General Fund Revenue	**5.4%**	**3.8%**	**1.3%**

For additional revenue figures, see attached tables.

Revenue Categories

Sales Tax

- Sales tax revenue grew 4.8 percent in June 2026 over June 2025 and was $6.9 million more than expected for the month.
- Fiscal year-to-date growth totaled 4.8 percent as compared to the 4.1 percent projected, bringing total collections to $31 million above the May estimate.
- While most General Fund revenues are final in June for FY 26, Sales tax and other consumption taxes will not be finalized until next month with July collections, as these taxes are accounted for on an accrual basis (August to July).

Individual Income Tax

- Individual Income tax revenue grew 7.3 percent in June driven by higher-than-expected Withholdings collections. Total Individual Income tax revenue collections for FY 26 finished $286.7 million above expectations, growing by 5 percent relative to the expected growth of 0.6 percent.
- Withholdings were $46 million above expectations in June and finished $77.6 million above the estimate for the fiscal year. Collections grew 3.7 percent for the full fiscal year, higher than the expected growth of 2.5 percent.
- Growth in June Withholdings was dramatically higher than expected at 9 percent compared to the fiscal year-to-date growth of 3.2 percent through May. More review is ongoing, but it seems that timing issues including changes in processing of rebates from Withholdings taxes may be impacting growth this month more than a change in the underlying wage growth.

- Non-withholdings revenue was $5 million less than expected from final payments in June and finished a total of $90.6 million above the estimate. This excess was due to very strong collections in April, which accounted for 55 percent of the total excess. For the fiscal year, revenue increased by 10.7 percent, compared to projected growth of 5.2 percent.
- Although Refunds were below expectations by $137.5 million through May, June Refunds were $19 million more than anticipated as the timing of tax filings continues to differ from expectations. Total Refunds for FY 26 finished at $2.27 billion, $118.4 million below the estimate of $2.39 billion for the fiscal year.
- Historically, Individual Income tax returns grow an average of 2 percent per year. Return growth for calendar 2026 over the same period in 2025 slowed from approximately 3 percent as of mid-April to just 0.1 percent by the end of the fiscal year. This average growth in tax returns contributed to lower-than-expected total Refunds.

Corporate Income Tax

- Corporate Income tax ended FY 26 with higher-than-expected collections in June to finish the fiscal year slightly above the estimate. Payments in the last month of the final quarter of FY 26 totaled $249.3 million, $35.7 million more than anticipated.
- Collections for the fiscal year totaled $1,217.5 million, a decline of 7.9 percent from FY 25 but $13.1 million above the forecast, which anticipated a decline of 8.9 percent.

Earnings on Investments

- Earnings on Investments totaled $45.7 million in June, $5.8 million less than anticipated. However, total FY 26 collections are now $576.9 million, reflecting a year-over-year growth rate of 20.8 percent versus 17.3 percent anticipated, and are $16.9 million above expectations.

Insurance Tax

- Insurance tax collections totaled $68 million in June compared to an expected $94.5 million. Although Insurance taxes were running ahead during the fiscal year, collections finished FY 26 $17.6 million below expectations due to tax credits that are processed annually in June. Tax credits increased from $67 million in FY 25 to $96.9 million in FY 26 versus $76.9 million expected, resulting in the shortfall in collections for the year.

Conclusion

General Fund collections through June are now $358.3 million ahead of the revised May forecast. Withholdings and Sales tax, the two largest categories, were above expectations but within 1 percent, exceeding estimates by 1 percent and 0.7 percent, respectively. The two Individual Income tax filling categories, Non-withholdings and Refunds, make up 58 percent of the current surplus in collections, accounting for $209.1 million of the excess. These dynamics will be reviewed further along with final revenue performance in preparation for any potential revisions to FY 2026-27 expectations this fall.

Revenue results for FY 26 will be finalized next month with the 13th month accrual processing for Sales tax and other consumption taxes and any final accounting adjustments to close the fiscal year. The Comptroller General will report final revenues for the fiscal year in August. The final actual budget surplus will depend not only on final revenues, but also final expenditures.

Future Meetings

- The next scheduled meeting of the Board of Economic Advisors will be on August 27, 2026, via web conference.
- For additional information, please visit www.rfa.sc.gov.

June

Table 1

General Fund Revenue	FY 2024-25	FY 2025-26	$ Change	% Change
Sales and Use Tax	$438,913,664	$459,864,133	$20,950,469	4.8%
Individual Income Tax	$684,770,559	$734,683,312	$49,912,752	7.3%
Corporation Income Tax	$213,861,278	$249,273,765	$35,412,487	16.6%
Insurance Taxes	$89,425,792	$67,987,112	($21,438,680)	(24.0%)
Admissions Tax	$5,196,491	$6,388,367	$1,191,875	22.9%
Alcoholic Liquor Tax	$9,797,333	$10,301,905	$504,572	5.2%
Bank Tax	$7,823,629	$13,799,393	$5,975,764	76.4%
Beer and Wine Tax	$9,605,480	$8,924,845	($680,636)	(7.1%)
Business Filing Fees	$1,379,624	$1,649,512	$269,888	19.6%
Circuit/Family Court Fines	$524,565	$457,216	($67,349)	(12.8%)
Corporation License Tax	$5,480,580	$2,931,943	($2,548,637)	(46.5%)
Deed Recording Fees	$11,867,140	$12,751,383	$884,243	7.5%
Earned on Investments	$52,116,877	$45,723,618	($6,393,259)	(12.3%)
Indirect Cost Recoveries	$2,505,301	$4,680,545	$2,175,244	86.8%
Motor Vehicle Licenses	$2,002,287	$1,994,407	($7,880)	(0.4%)
Nursing Home Fees	$0	$0	$0	---
Parole and Probation Fees	$282,734	$565,468	$282,734	100.0%
Private Car Lines Tax	$3,735	$9,455	$5,720	153.2%
Public Service Authority	$10,869,000	$12,806,446	$1,937,446	17.8%
Purchasing Card Rebates	$0	$0	$0	---
Record Search Fees	$0	$0	$0	---
Savings and Loan Assoc. Tax	$485,715	$1,042,400	$556,685	114.6%
Security Dealer Fees	$910,950	$977,100	$66,150	7.3%
Tobacco Tax	$2,656,989	$2,186,295	($470,694)	(17.7%)
Unclaimed Property Fund	$0	$0	$0	---
Workers' Comp. Insurance Tax	$3,915,141	$4,025,005	$109,864	2.8%
Other Source Revenues	$5,040,415	$496,377	($4,544,038)	(90.2%)
Gross General Fund Revenue	**$1,559,435,281**	**$1,643,520,002**	**$84,084,721**	**5.4%**

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.

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July - June

Table 2

General Fund Revenue	FY 2024-25	FY 2025-26	$ Change	% Change
Sales and Use Tax	$4,578,666,359	$4,796,984,054	$218,317,695	4.8%
Individual Income Tax	$6,713,735,966	$7,049,226,674	$335,490,707	5.0%
Corporation Income Tax	$1,321,605,478	$1,217,468,100	($104,137,378)	(7.9%)
Insurance Taxes	$413,800,532	$372,400,521	($41,400,011)	(10.0%)
Admissions Tax	$34,275,804	$35,842,731	$1,566,926	4.6%
Alcoholic Liquor Tax	$109,931,293	$112,435,452	$2,504,159	2.3%
Bank Tax	$90,873,576	$83,960,667	($6,912,909)	(7.6%)
Beer and Wine Tax	$101,479,140	$98,290,023	($3,189,117)	(3.1%)
Business Filing Fees	$11,777,178	$13,433,449	$1,656,271	14.1%
Circuit/Family Court Fines	$6,813,526	$7,115,146	$301,620	4.4%
Corporation License Tax	$199,095,820	$209,031,858	$9,936,038	5.0%
Deed Recording Fees	$114,492,013	$123,633,770	$9,141,757	8.0%
Earned on Investments	$477,492,910	$576,867,004	$99,374,094	20.8%
Indirect Cost Recoveries	$15,136,809	$15,574,589	$437,780	2.9%
Motor Vehicle Licenses	$11,748,949	$10,629,804	($1,119,145)	(9.5%)
Nursing Home Fees	$2,242,224	$2,188,920	($53,304)	(2.4%)
Parole and Probation Fees	$3,392,808	$3,392,808	$0	0.0%
Private Car Lines Tax	$7,147,252	$7,732,807	$585,554	8.2%
Public Service Authority	$20,865,000	$24,421,446	$3,556,446	17.0%
Purchasing Card Rebates	$4,366,750	$4,454,574	$87,824	2.0%
Record Search Fees	$4,461,000	$4,461,000	$0	0.0%
Savings and Loan Assoc. Tax	$730,853	$3,124,701	$2,393,848	327.5%
Security Dealer Fees	$35,469,671	$36,926,615	$1,456,944	4.1%
Tobacco Tax	$24,667,007	$23,628,269	($1,038,739)	(4.2%)
Unclaimed Property Fund	$15,000,000	$15,000,000	$0	0.0%
Workers' Comp. Insurance Tax	$13,812,761	$16,597,969	$2,785,208	20.2%
Other Source Revenues	$25,990,551	$34,116,120	$8,125,569	31.3%
Gross General Fund Revenue	**$14,359,071,230**	**$14,898,939,067**	**$539,867,837**	**3.8%**

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.

File generated on July 13, 2026

Revenues and BEA Monthly Estimates

Table 3

June

($ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth /1	Actual Growth /2
Total General Fund Revenue	**$1,600.1**	**$1,643.5**	**$43.4**	**2.6%**	**5.4%**
Sales Tax	452.9	459.9	6.9	3.2%	4.8%
Individual Income Tax	712.7	734.7	22.0	4.1%	7.3%
Withholdings	570.7	616.7	46.0	0.9%	9.0%
Non-withholdings	191.5	186.5	(5.0)	15.3%	12.3%
Refunds	49.5	68.6	19.0	5.5%	46.0%
Corporate Income Tax	213.6	249.3	35.7	(0.1%)	16.6%
Insurance Tax	94.5	68.0	(26.5)	5.7%	(24.0%)
Admissions Tax	5.5	6.4	0.9	5.6%	22.9%
Alcoholic Liquors Tax	10.0	10.3	0.3	2.2%	5.2%
Bank Tax	10.7	13.8	3.1	36.3%	76.4%
Beer and Wine Tax	9.7	8.9	(0.8)	1.2%	(7.1%)
Corporate License Tax	5.0	2.9	(2.1)	(8.6%)	(46.5%)
Deed Rec. (Doc. Tax)	12.5	12.8	0.3	5.3%	7.5%
Earned on Investments	51.5	45.7	(5.8)	(1.2%)	(12.3%)
Residual Revenue	21.5	30.9	9.4	(29.4%)	1.4%

Forecast as of May 19, 2026

/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 collectionsfor the month over same month prior fiscal year collections.

Revenues and BEA Monthly Estimates

Table 4

July - June

($ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD Growth /1	Actual YTD Growth /2
Total General Fund Revenue	**$14,540.6**	**$14,899.0**	**$358.3**	**1.3%**	**3.8%**
Sales Tax	4,766.0	4,797.0	31.0	4.1%	4.8%
Individual Income Tax	6,762.6	7,049.2	286.7	0.6%	5.0%
Withholdings	7,412.2	7,489.8	77.6	2.5%	3.7%
Non-withholdings	1,738.3	1,829.0	90.6	5.2%	10.7%
Refunds	2,388.0	2,269.5	(118.4)	10.5%	5.0%
Corporate Income Tax	1,204.4	1,217.5	13.1	(8.9%)	(7.9%)
Insurance Tax	390.0	372.4	(17.6)	(5.7%)	(10.0%)
Admissions Tax	36.0	35.8	(0.1)	5.0%	4.6%
Alcoholic Liquors Tax	112.3	112.4	0.1	2.1%	2.3%
Bank Tax	74.3	84.0	9.7	(18.2%)	(7.6%)
Beer and Wine Tax	98.6	98.3	(0.3)	(2.9%)	(3.1%)
Corporate License Tax	207.8	209.0	1.2	4.4%	5.0%
Deed Rec. (Doc. Tax)	121.8	123.6	1.8	6.4%	8.0%
Earned on Investments	560.0	576.9	16.9	17.3%	20.8%
Residual Revenue	206.9	222.8	15.9	1.7%	9.5%

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.