South Carolina General Fund Revenue

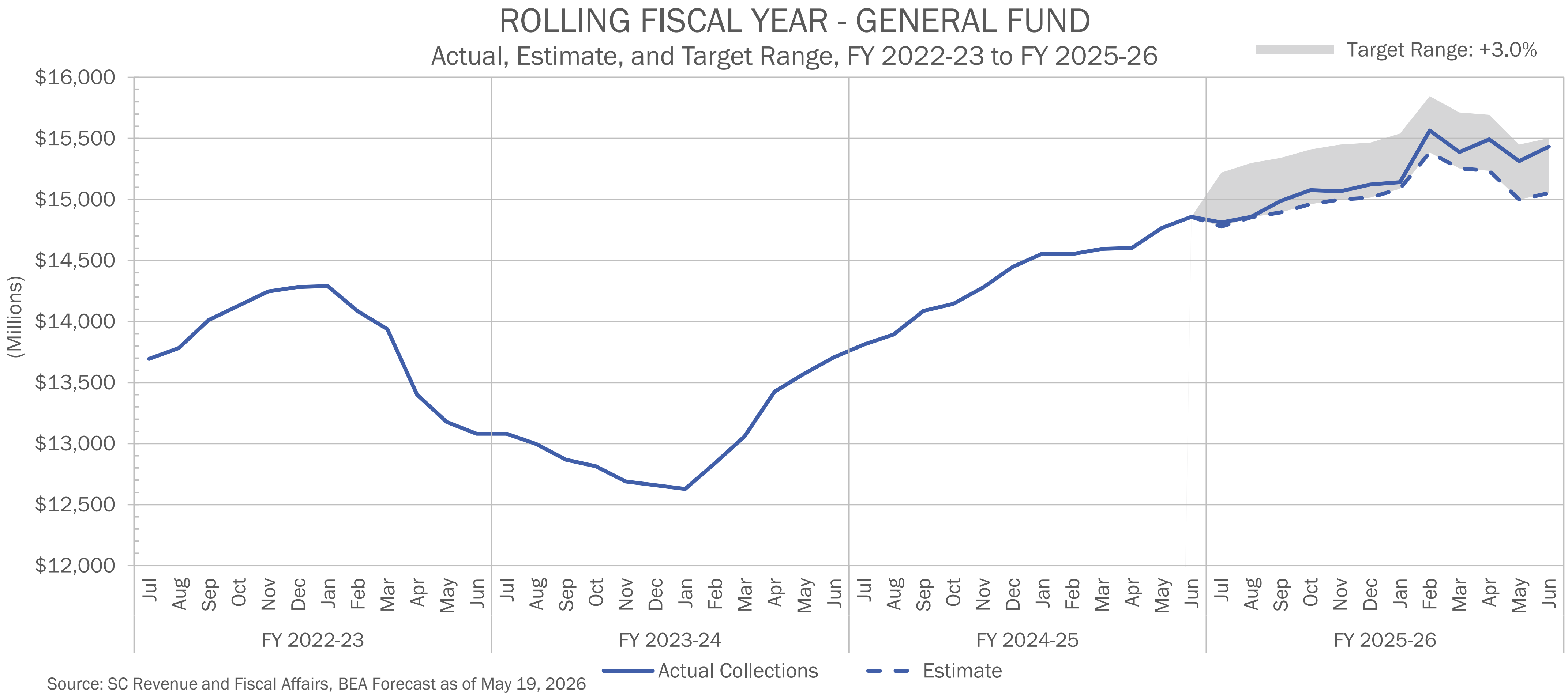
FY 2025-26 Year-End Update

August 27, 2026

South Carolina Revenue and Fiscal Affairs Office
Rembert C. Dennis Building, 1000 Assembly Street, Suite 400, Columbia, SC 29201
(803) 734-3793 | WWW.RFA.SC.GOV

General Fund – Actuals versus Estimate

Revenues ended $381.8 million above the estimate for FY 2025-26, growing 3.9% compared to 1.3% estimated



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026

FY 2025-26 Final Revenue

REVENUES V. BEA MONTHLY ESTIMATES

FINAL FY 2025-26

($ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD /1	Actual YTD /2	Estimate Full FY /3
Total General Fund Revenue	**$15,050.8**	**$15,432.6**	**$381.8**	**1.3%**	**3.9%**	**1.3%**
Sales Tax	5,229.2	5,283.9	54.7	4.0%	5.1%	4.0%
Individual Income Tax	6,762.6	7,047.4	284.9	0.6%	4.8%	0.6%
Withholdings	7,412.2	7,489.9	77.7	2.5%	3.6%	2.5%
Non-withholdings	1,738.3	1,827.1	88.7	5.2%	10.6%	5.2%
Refunds	2,388.0	2,269.5	(118.5)	10.5%	5.0%	10.5%
Corporate Income Tax	1,204.4	1,217.5	13.1	(8.9%)	(7.9%)	(8.9%)
Insurance Tax	390.0	372.4	(17.7)	(5.7%)	(10.0%)	(5.7%)
Other Revenue Items, Sub-Total	1,464.6	1,511.5	46.9	6.6%	10.1%	6.6%

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD /1	Actual YTD /2	Estimate Full FY /3
Other Revenue Items, Sub-Total	$1,464.6	$1,511.5	$46.9	6.6%	10.1%	6.6%
Admissions Tax	42.0	42.4	0.4	5.1%	6.1%	5.1%
Alcoholic Liquors Tax	124.4	124.2	(0.2)	2.1%	2.0%	2.1%
Bank Tax	74.3	84.0	9.7	(18.2%)	(7.6%)	(18.2%)
Beer and Wine Tax	107.6	107.3	(0.2)	(2.8%)	(3.0%)	(2.8%)
Corporate License Tax	207.8	209.0	1.2	4.4%	5.0%	4.4%
Deed Rec. (Doc. Tax)	134.8	138.4	3.6	6.4%	9.3%	6.4%
Earned on Investments	560.0	576.9	16.9	17.3%	20.8%	17.3%
Residual Revenue	213.7	229.3	15.6	3.3%	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.

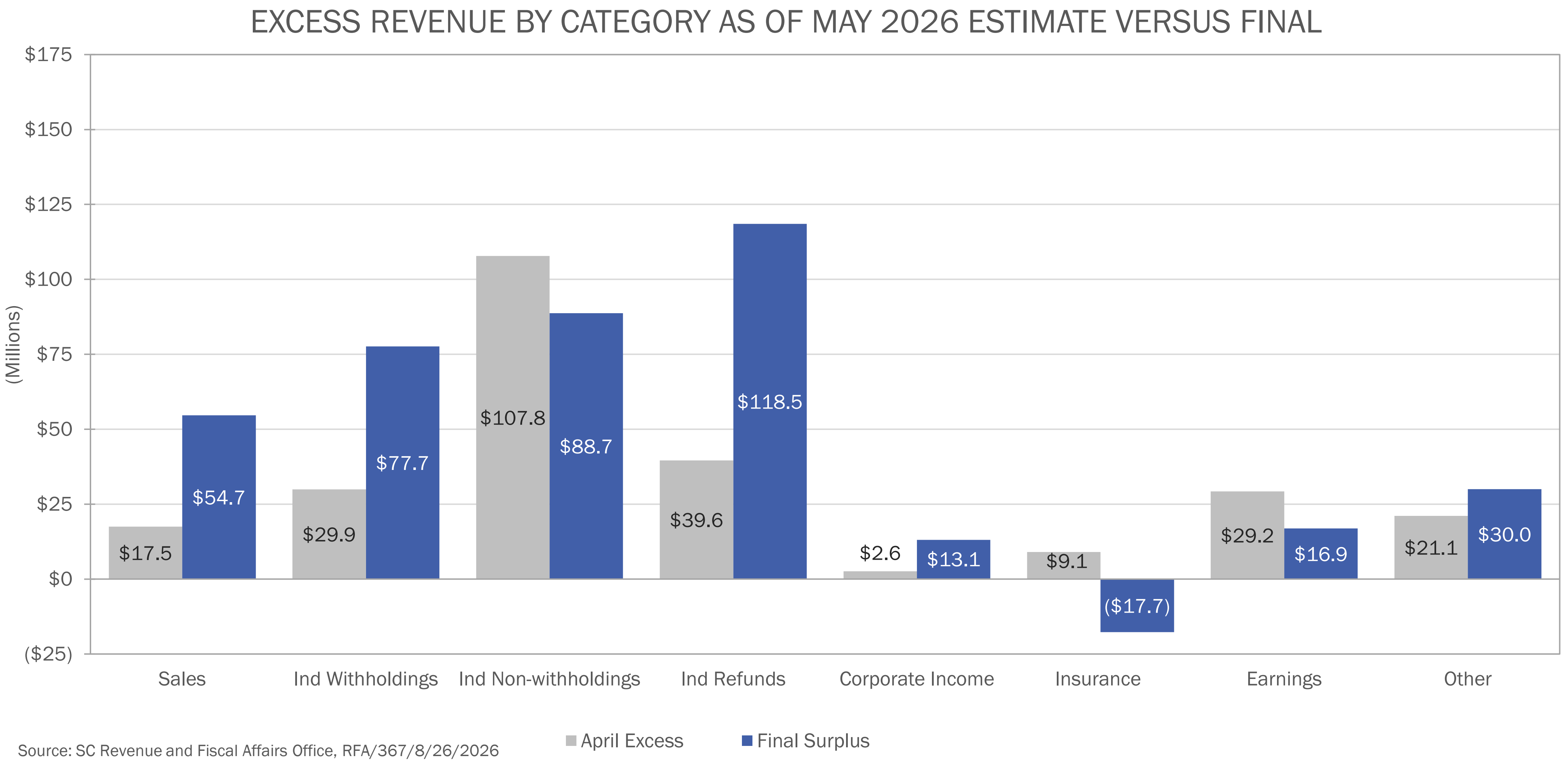
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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

Working Group Report

- No formal meeting was held in July or August – waiting on close of fiscal year
- Monthly accounting reports and analysis were received from and discussed with the Comptroller General's Office, State Treasurer's Office, Executive Budget Office, Dept. of Revenue, Dept. of Insurance, and Lottery Commission
- Updates were shared with Governor's and legislative staff

FY 2025-26 May 2026 Estimated Revenue Excess versus Final

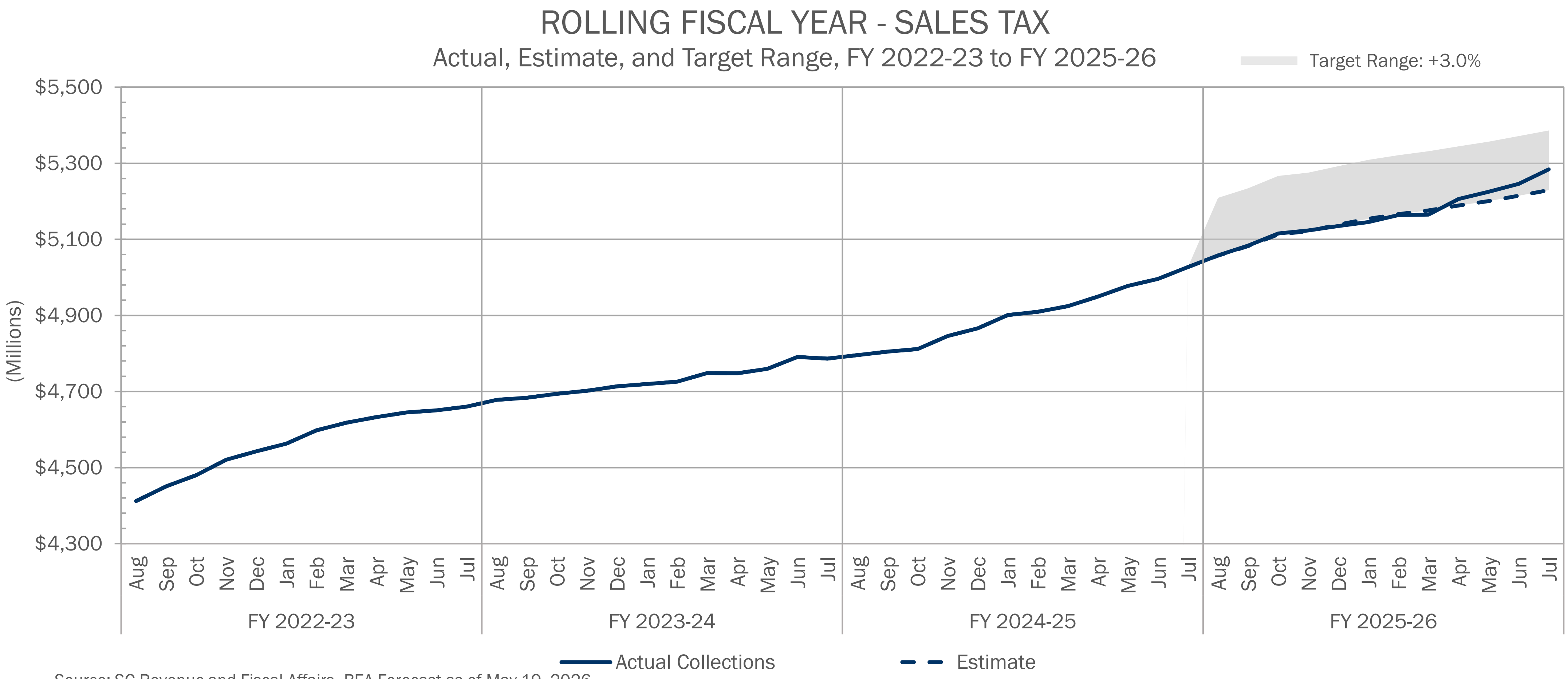


Source: SC Revenue and Fiscal Affairs Office, RFA/367/8/26/2026

General Fund Revenue Categories

Sales Tax – Actuals versus Estimate

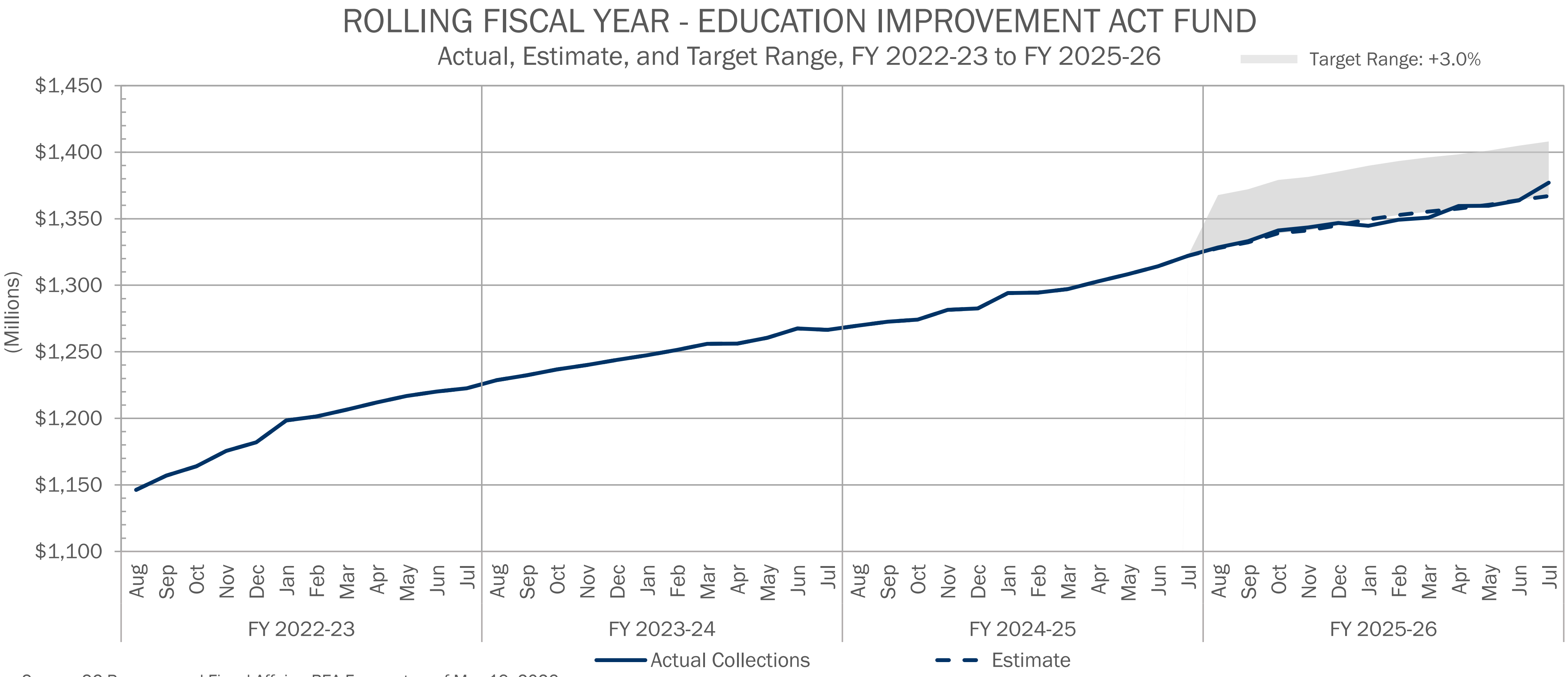
Revenues ended $54.7 million above the estimate for FY 2025-26, growing at 5.1% compared to 4.0% estimated; growth accelerated in the final quarter



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026

Education Improvement Act (EIA) Sales Tax

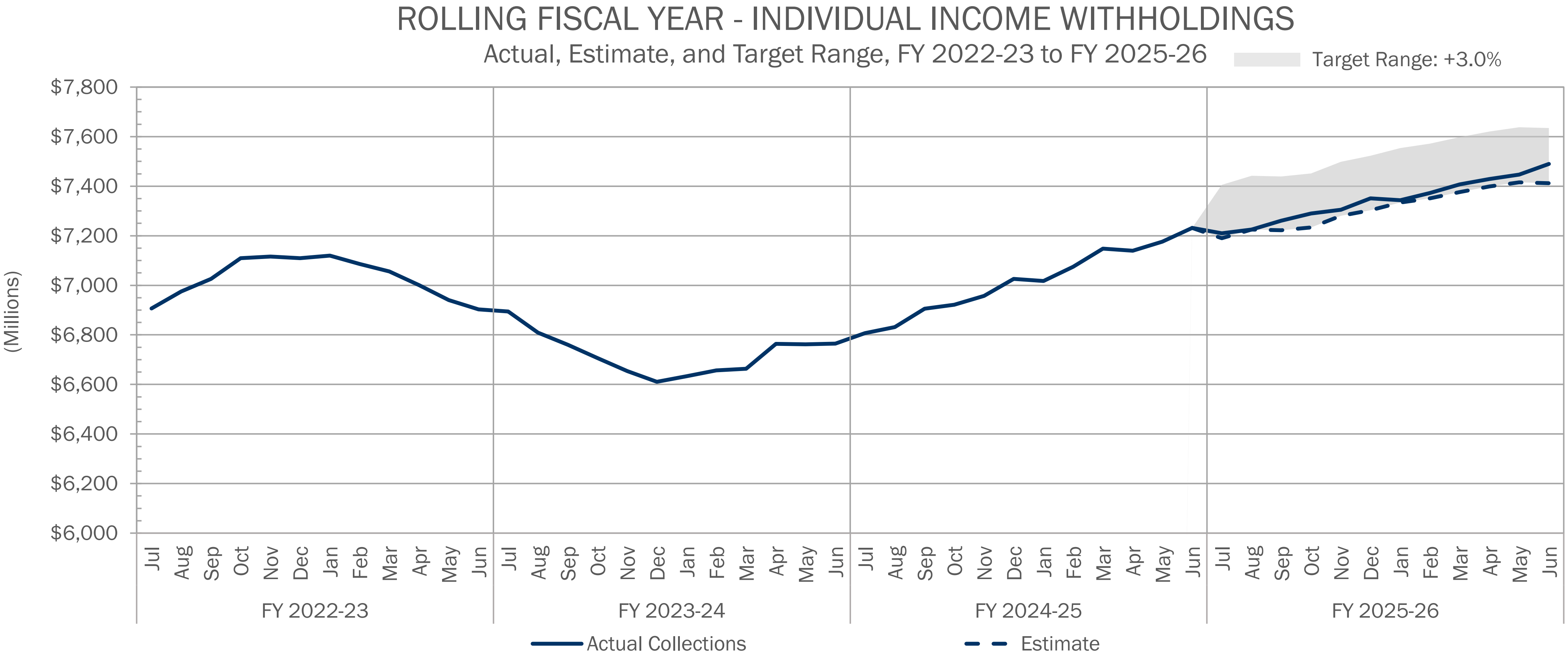
EIA Fund revenues ended $14.9 million above the FY 2025-26 estimate, growing at 4.1% versus 3.0% estimated



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026

Withholdings – Actuals versus Estimate

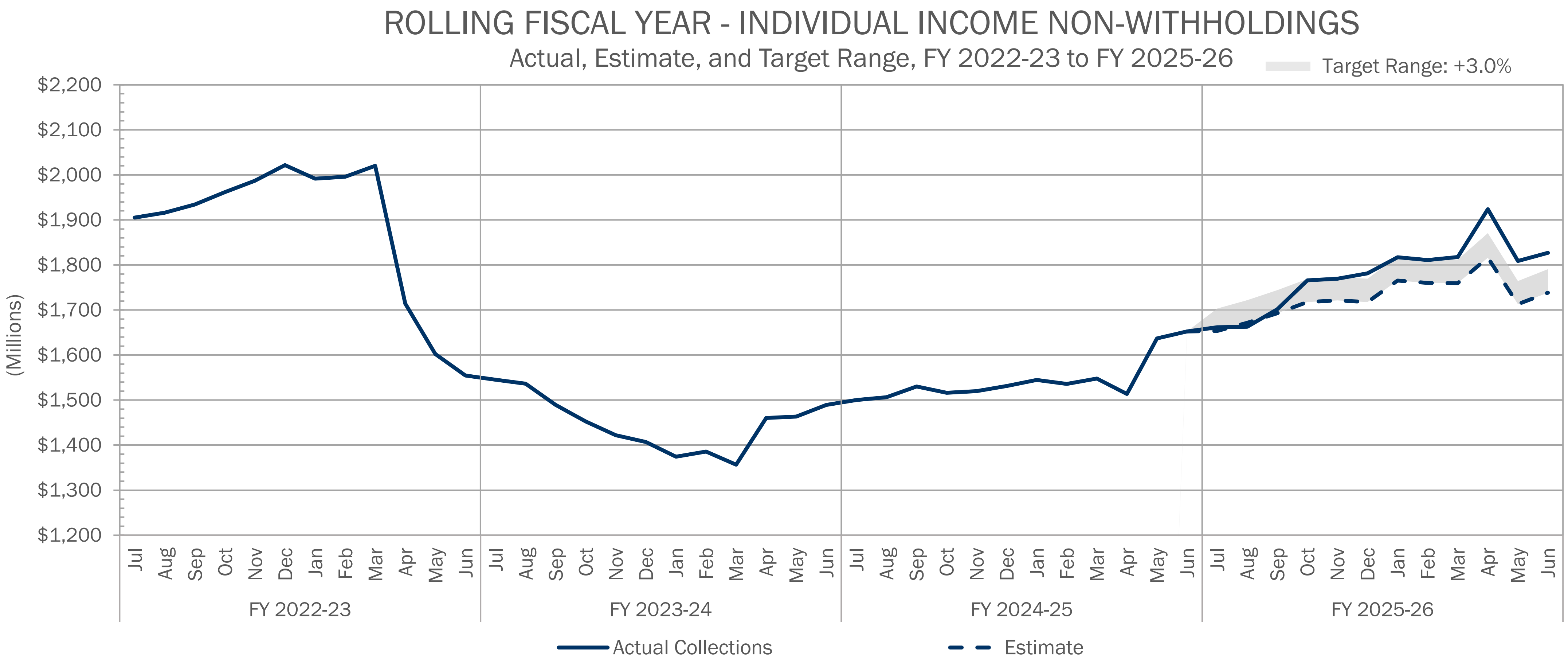
June Withholdings were $46.1 million ahead of expectations; FY 26 finished $77.7 million above the estimate, and growth was 3.6% versus the 2.5% expected for the fiscal year



Source: SC Revenue and Fiscal Affairs, SC Board of Economic Advisors, May 19, 2026 Forecast

Non-withholdings – Actuals versus Estimate

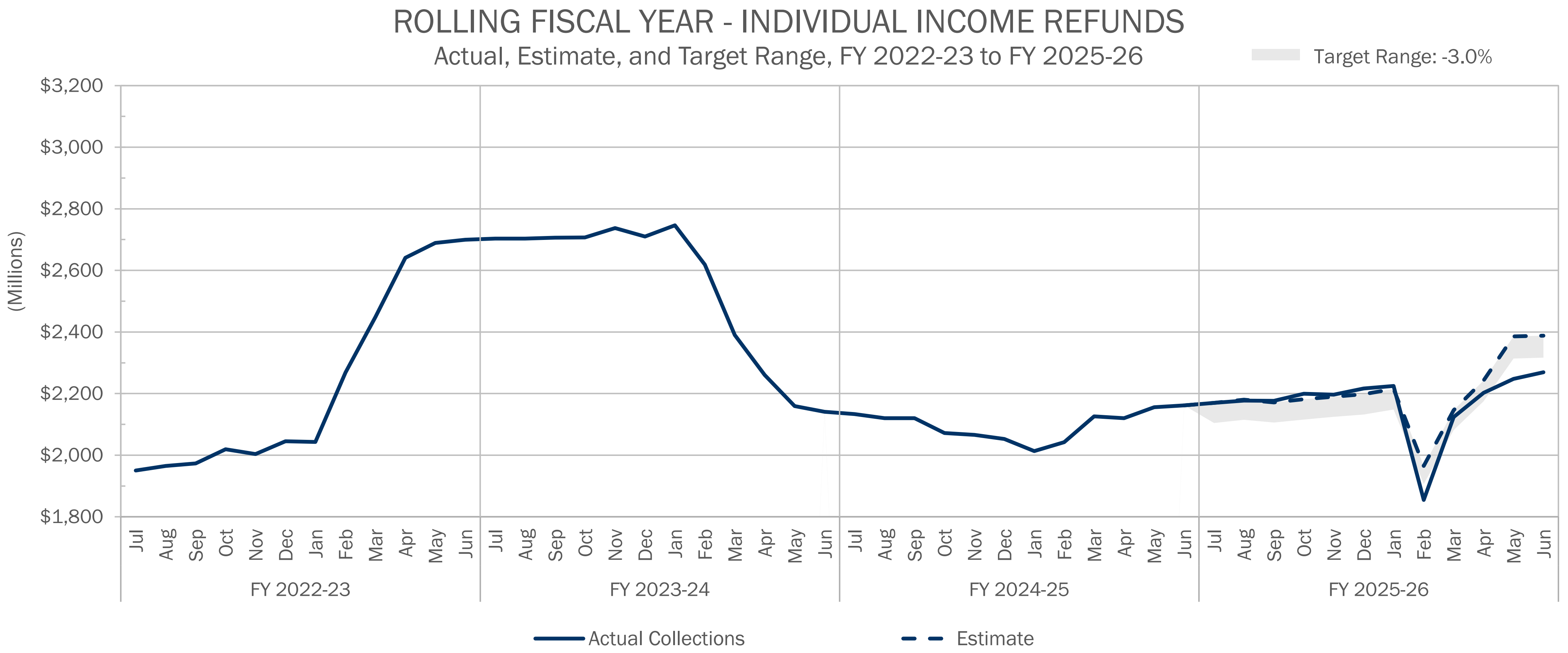
FY 26 Non-withholdings ended $88.7 million ahead of expectations and account for 23.2% of the excess; collections have remained elevated since October and grew by 10.6% in FY 26, compared with an expected increase of 5.2%



Source: SC Revenue and Fiscal Affairs; SC Board of Economic Advisors May 19, 2026 Forecast

Refunds – Actuals versus Estimate

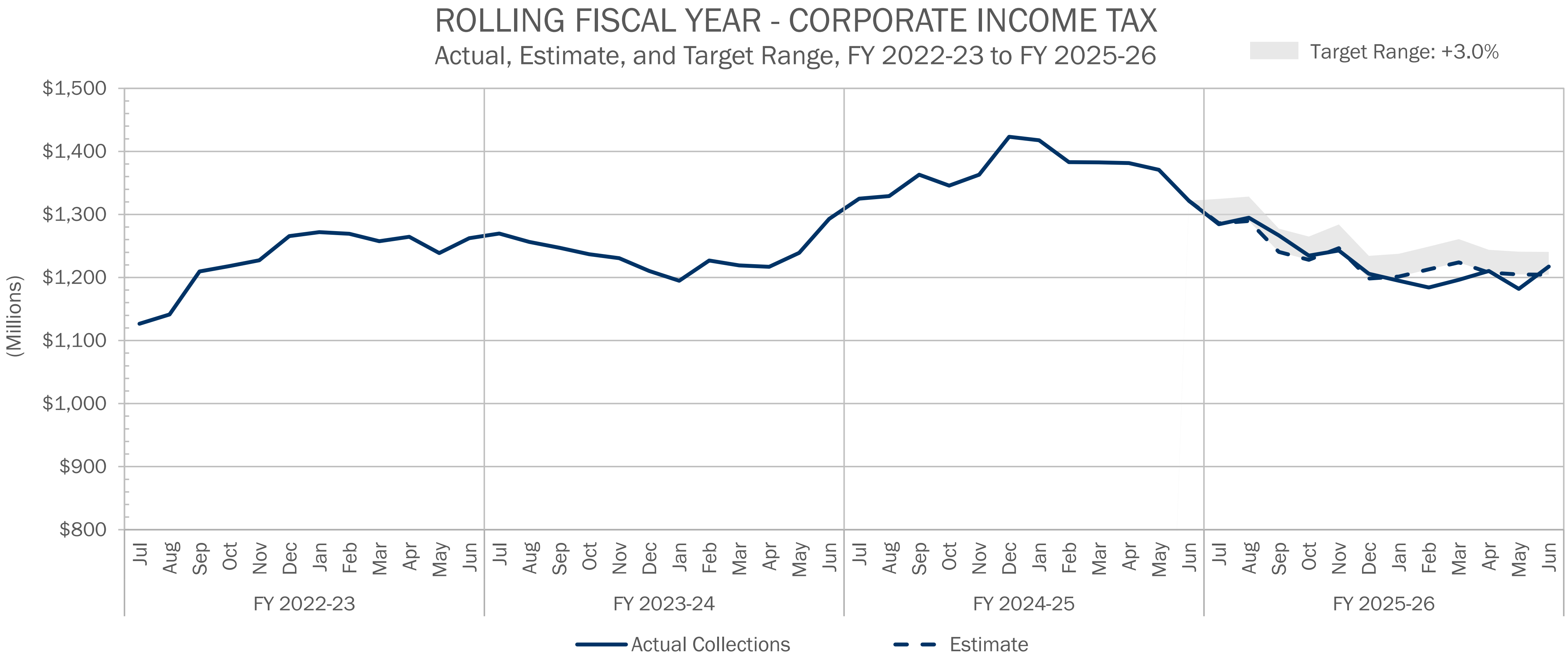
Although June Refunds were $19.0 million above expectations, total FY 26 Refunds were $2.27 billion, or $118.5 million below the estimate, and grew 5% for the fiscal year compared to 10.5% expected



Source: SC Revenue and Fiscal Affairs; SC Board of Economic Advisors May 19, 2026 Forecast

Corporate Income – Actuals versus Estimate

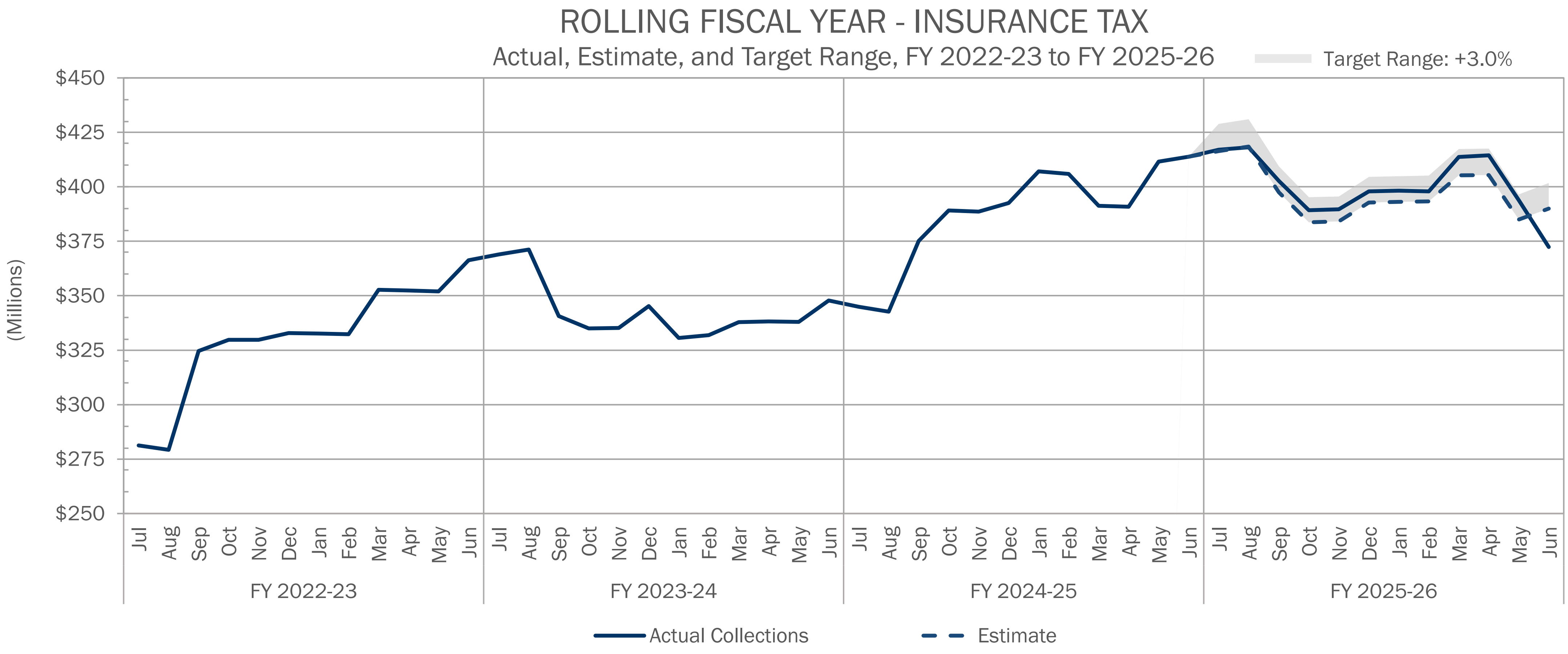
Corporate Income tax collections were higher than expected for June by approximately $35.7 million; revenues ended $13.1 million above the estimate for FY 26, declining 7.9% for the fiscal year versus 8.9% expected



Source: SC Revenue and Fiscal Affairs; SC Board of Economic Advisors May 19, 2026 Forecast

Insurance – Actuals versus Estimate

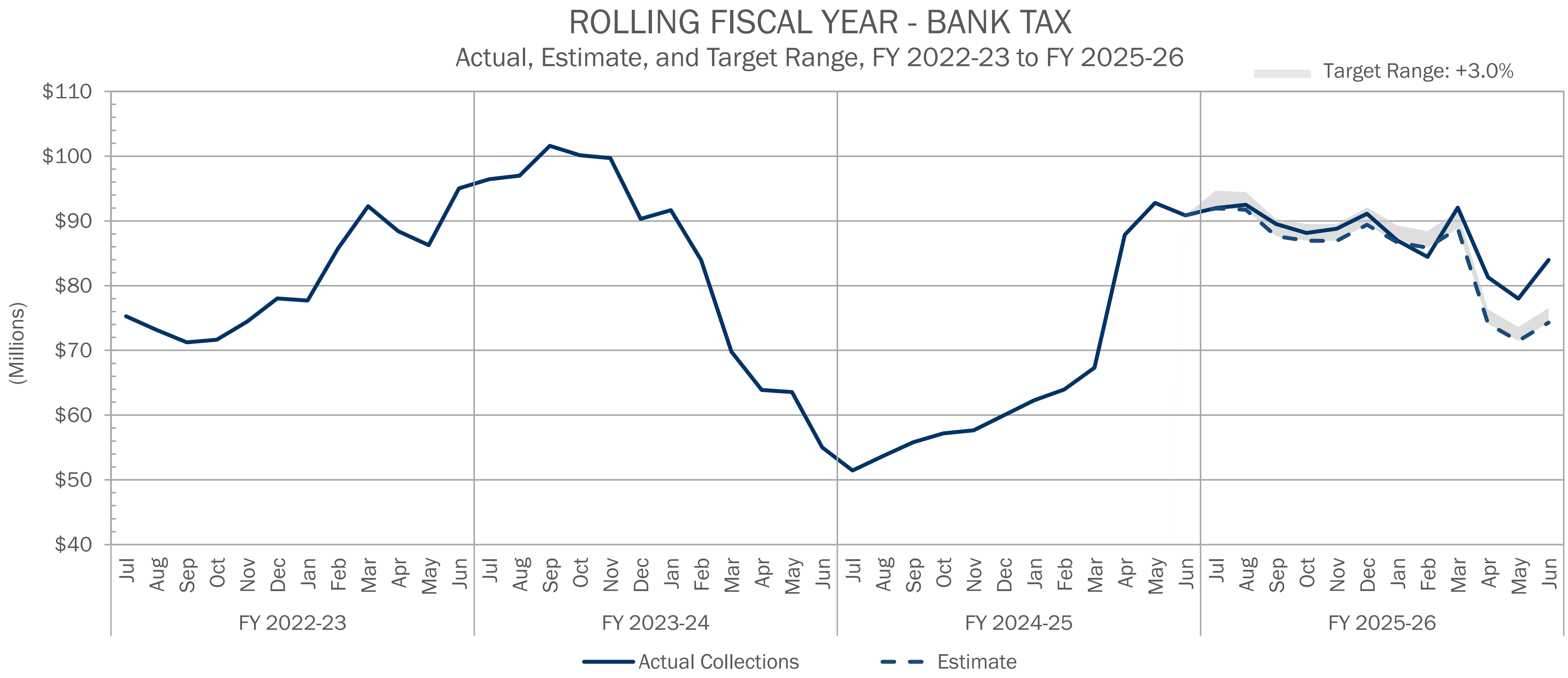
Insurance Premiums tax revenue had its smallest fourth quarter collections since FY 23 due to higher than anticipated tax credits; total insurance tax ended the year $17.7 million below the estimate



Source: SC Revenue and Fiscal Affairs; SC Board of Economic Advisors May 19, 2026 Forecast

Bank Tax – Actuals versus Estimate

Bank tax collections ended the year with $9.7 million more than anticipated; total year-over-year decline was 7.6% versus 18.2% expected



Source: SC Revenue and Fiscal Affairs; SC Board of Economic Advisors May 19, 2026 Forecast

Estimated Growth based on Actual FY 26 Revenue

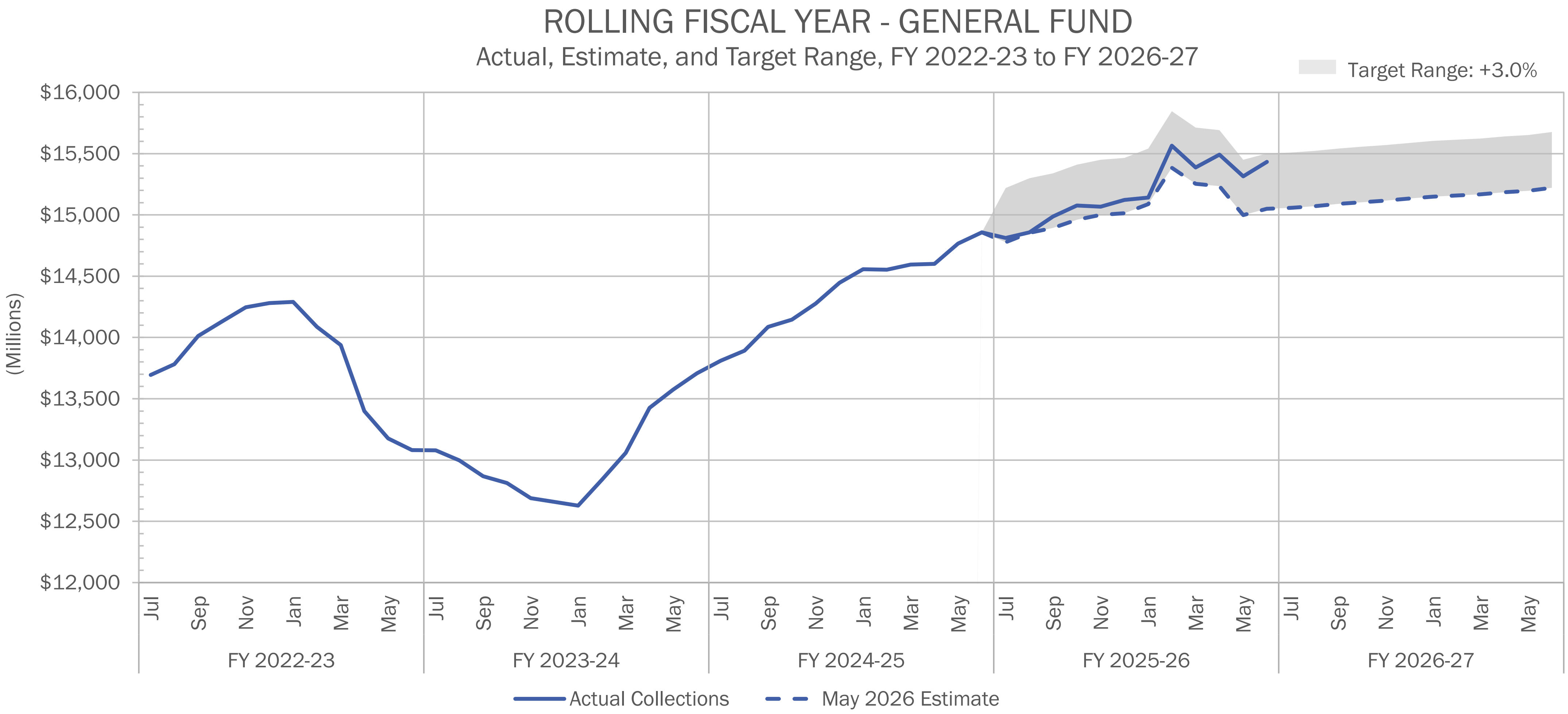
Category	FY 2025-26 May Estimate	FY 2025-26 Actual	FY 2026-27 May Estimate Over FY 26 Estimate	FY 2026-27 May Estimate Over FY 26 Actual
General Fund	**1.3%**	**3.9%**	**1.1%**	**(1.4%)**
Sales Tax	4.0%	5.1%	3.0%	2.0%
Individual Income Tax	0.6%	4.8%	1.3%	(2.8%)
Withholdings	2.5%	3.6%	3.9%	2.8%
Non-withholdings	5.2%	10.6%	(1.1%)	(5.9%)
Refunds	10.5%	5.0%	7.8%	13.4%
Corporate Income Tax	(8.9%)	(7.9%)	(4.1%)	(5.1%)

*Growth rates do not include legislative adjustments from the FY 2026-27 budget.

Summary of FY 2025-26 Results

- Total General Fund revenue finished $381.8 million above expectations, or 2.5% above the May 2026 estimate
- Actual collections were slightly better than estimated in Withholdings and Sales tax, the two largest categories
- 54.3% of the excess is due to Individual Income tax payments and declarations (Non-withholdings) and lower than expected Refunds
- After final accounting adjustments, FY 26 finished with a budgetary excess balance of $925.6 million, which will be transferred to the Contingency Reserve Fund; $377.7 million of the excess is from one-time funds that were not appropriated
- Based on an initial review, the FY 26 excess will likely result in a base revenue adjustment for FY 27, before accounting for legislative changes (tax rate cut)

General Fund - FY 2026-27 May Estimate
(Before legislative adjustments)



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026 Forecast

Revenue Issues Affecting FY 2026-27

- Impact of individual income tax rate reduction in FY 27 budget ($308.7 million)
- Impact of Withholdings table adjustment (amount to be determined)
- Other major legislative adjustments include two new income tax credits ($7.4 million total) and one sales tax exemption ($5.3 million GF, $1.3 million EIA, $1.3 million HEX)

Other Business

Future Meetings

- September 24, 2026
  - Review of July and August FY 2026-27 revenue
  - Presentation by NC Legislative Fiscal Research Division
  - Presentation by guest economist Mark Vitner, Piedmont Crescent Consulting
- October 21, 2026
  - Review of FY 2026-27 first quarter revenue and performance
  - Initial consideration of economic assumptions for FY 2026-27 and FY 2027-28
  - Annual Economic Advisory Meeting – discussion of SC economy with guest economists
- November 19, 2026
  - Adoption of revised forecast for FY 2026-27 and initial forecast for FY 2027-28 based on comments and assumptions