



**SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE**

CHAD WALLDORF, Chairman  
HOWELL CLYBORNE, JR.  
EMERSON F. GOWER, JR.

FRANK A. RAINWATER  
Executive Director

**BOARD OF ECONOMIC ADVISORS  
WORKING GROUP MEETING  
AGENDA  
April 23, 2015  
Upon adjournment of RFA Meeting  
Room 417, Rembert C. Dennis Building**

1. Welcome
2. Adoption of Meeting Minutes for February 13, 2015
3. Review of General Fund Collections March 2015 (F. Rainwater)
4. Review of Economic Indicators (R. Martin)
5. Reports from Working Group Members
  - A. Governor's Office
  - B. Senate Finance Office
  - C. Ways & Means Office
  - D. Treasurer's Office
  - E. Comptroller General's Office
6. Other Items (F. Rainwater)
7. Future Meeting Schedule:
  - A. May 21, 2015, upon adjournment of RFA meeting
  - B. June 18, 2015 (phone-in meeting for Members), upon adjournment of RFA meeting - if needed
  - C. NO July Meeting
  - D. 2015 Calendar at <http://www.rfa.sc.gov/calendar?m=01&y=2015>
8. Adjournment

**Please note that the Agenda is subject to change.**

For further information, please contact Karen Rhinehart at (803) 734-2265,  
or visit the RFA webpage at [www.rfa.sc.gov](http://www.rfa.sc.gov)



*South Carolina Revenue and Fiscal Affairs Office*

## **March 2015 End of Third Quarter**

- **Total General Fund Revenue of \$5,141.5 million exceeded estimated revenues of \$4,991.3 million by \$150.2 million**
- **Revenue continues to grow higher than estimated; but timing issues are still a major influence on the size of the surplus**
- **Uneven growth in major categories is a sign for caution**
- **Economic conditions continue to be much better than forecast, but difference is not having a major impact on revenue**
- **Revenue situation will become more clear after tax filing season ends**

Board of Economic Advisors Revenue Plan Summary: FY 2014-15

SCEIS PRELIMINARY

Revenues vs. 02/13/15 BEA Revised Estimate of \$7,231.5 Million in FY 2014-15 1/

	JULY - MARCH Of FY 2014-15			Revenue Growth Rates (%)		March Collections Excess / (Shortfall) Versus Monthly Guideline
	(\$ in Millions)			Estimate Full Fiscal Yr.	Actual Yr. to Date	
	Actual Revenues	Expected Revenues	Excess / (Shortfall)			
<b>Total General Fund Revenue</b>	<b>5,141.5</b>	<b>4,991.3</b>	<b>150.2</b>	<b>2.8</b>	<b>6.2</b>	<b>137.6</b>
Sales Tax	1,717.2	1,692.4	24.8	4.5	6.0	6.7
Individual Income Tax	2,641.0	2,572.1	68.9	2.9	7.6	79.6
Corporate Income Tax	203.2	193.9	9.4	(4.8)	(10.2)	34.0
<b>All Other Revenues #</b>	<b>553.9</b>	<b>507.2</b>	<b>46.7</b>	<b>0.8</b>	<b>8.0</b>	<b>17.5</b>
Admissions Tax - Total	17.9	14.7	3.2	1.4	23.0	1.0
Alcoholic Liquors Tax	44.2	45.5	(1.3)	4.2	1.2	(0.7)
Bank Tax	13.6	16.6	(3.0)	(21.5)	(35.6)	1.8
Beer and Wine Tax	67.5	68.4	(0.9)	2.0	0.7	(0.3)
Business License Tax	16.9	16.9	(0.0)	(1.5)	(1.6)	0.1
Corporation License Tax	118.6	81.1	37.6	26.0	66.8	15.0
Departmental Revenue 2/	32.7	25.2	7.5	(56.4)	(51.0)	1.9
Documentary Tax	25.6	23.9	1.7	6.6	14.1	0.3
Earnings on Investments	13.4	13.1	0.3	(13.0)	(11.1)	0.3
Insurance Tax	172.0	169.5	2.6	14.6	21.2	(1.6)
Workers' Comp. Insurance Tax	4.3	4.5	(0.2)	(6.4)	(10.5)	0.4
All Other Balance	20.3	20.9	(0.6)	3.3	(0.2)	(0.8)
Residual Revenue not shown #	6.7	7.0	(0.2)	5.7	(0.7)	0.1
<b>Miscellaneous Revenue</b>	<b>26.1</b>	<b>25.7</b>	<b>0.4</b>	<b>(7.3)</b>	<b>(8.0)</b>	<b>(0.2)</b>
Unclaimed Property Fund	11.3	11.3	0.0	0.0	0.0	0.0
Miscellaneous Revenue Balance	14.8	14.4	0.4	(11.5)	(13.3)	(0.2)

1/: BEA format: includes certified adjustments and excludes non-recurring cash transfers and certain 'other source' revenues, where applicable.

2/: Includes nominal amounts from former recurring revenues.

Notes: Detail may not sum to total due to rounding. #: Residual Revenue includes Coin-Op., Estate and Motor Vehicle Licenses.

**Gross General Fund Revenue**  
(\$ millions)

(Accrual Basis Comparison) 2/

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes: Actual FY 13-14 to Actual FY 14-15		1/ Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Monthly	Cumulative	
July	309.1	314.3	345.2	365.0	354.1	387.1	(33.0)	(33.0)	(3.0)	(3.0)	(3.4)
August	529.0	559.7	575.4	574.2	607.2	584.9	22.3	(10.7)	5.7	2.4	(5.7)
September	658.7 4/	690.3 5/	758.1	778.8	842.0	823.9	18.1	7.5	8.1	5.0	(4.6)
October	531.4	554.3	600.1	612.3	621.0	637.6	(16.5)	(9.1)	1.4	4.0	7.6
November	478.6	507.5	520.8	573.6	551.1	524.8	26.3	17.3	(3.9)	2.5	(31.9)
December	656.1 4/	703.9 5/	756.2	743.4	852.7	765.6	87.2	104.4	14.7	5.0	(4.4)
January	618.3	628.6	727.9	774.4	654.3	816.7	(162.5)	(58.0)	(15.5)	1.4	(3.7)
February	57.7	(44.4)	98.4	(60.9)	118.9	48.3	70.6	12.6	295.3	5.5	0.6
March	338.8 4/	471.8 5/	368.7	481.9	540.0	402.5	137.6	150.2	12.1	6.2	(5.8)
April	424.6	539.7	639.9	570.8		539.0					(0.8)
May	575.1	534.7	529.3	560.8		582.7					1.0
June Prelim.	658.0 4/	692.1 5/	752.4	793.1		838.5					0.1
Mth13 Close	251.3	248.5	252.4	265.8		280.0					0.0
Fiscal Year	6,086.7 4/	6,401.0 5/	6,924.8	7,033.2	5,141.5	7,231.5					(50.9)

1/ The growth rate needed to meet the BEA estimate 2.8% ; whereas growth, adjusted for net pattern change, = 3.6%

2/ Accounting basis for Sales taxes changed from cash to modified accrual in FY 1990-91.

The Business License (tobacco), Alcoholic Liquor, Beer and Wine, Electric Power, Soft Drinks (eliminated after FY'01), and gasoline/motor fuel user fees changed to modified accrual in FY 1992-93 (Section 11-9-85 of S. C. Code of Laws).

The Documentary Stamp Tax changed to modified accrual in FY 2001-02 (Part 1B, Proviso 24.12, Act 66 of 2001).

3/ Collections are net of \$102,664,983 "transferred-out" for Increased Enforcement (Part 1B Proviso 90.16 of Act 291 of 2010).

4/ Collections are net of \$48,865,512 "transferred-out" for Increased Foreign Enforcement (Part 1B Prov. 90.21 of Act 73 of 2011).

Note: BEA gross revenue format includes estimated net Property Tax Relief Trust Fund allocations of \$552,691,659 in FY'15 per Appropriation Act.

N.A.: Not available.

# GENERAL FUND REVENUE: MARCH 2015

## Overview:

- **March revenues grew 12.1% and were \$137.6 million above expectations; For the FYTD, revenues are \$150.2 million above expectations**
- **Growth was enhanced by timing in several categories**
- **The impact of timing issues may reverse in April and close the gap between the FYTD 6.2% rate and 2.8% growth forecast.**

**Total Sales Tax 1/**  
(\$ millions)

(Accrual Basis Comparison) 2/

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes:		3/ Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 to Actual FY 14-15 Monthly	Cumulative	
July	0.0005	0.002	0.0	0.1	(0.1)	0.1	(0.2)	(0.2)	(242.9)	(242.9)	0.0
August	200.2	201.2	210.4	217.9	226.9	222.4	4.6	4.4	4.2	4.1	(5.0)
September	182.4 4/	196.1 5/	205.6	216.4	222.0	220.7	1.3	5.7	2.6	3.3	(5.2)
October	188.2	195.7	204.2	214.5	224.2	218.8	5.4	11.0	4.5	3.7	(5.1)
November	171.0	179.6	191.2	205.1	215.0	209.1	6.0	17.0	4.9	4.0	(4.9)
December	172.4 4/	177.0 5/	186.6	192.0	202.6	196.0	6.6	23.6	5.5	4.3	(4.4)
January	209.2	220.7	221.9	240.8	245.9	247.3	(1.4)	22.2	2.1	3.9	(4.1)
February	150.9	164.1	175.9	153.9	186.5	190.6	(4.1)	18.1	21.2	5.7	28.6
March	169.6 4/	180.5 5/	181.6	179.4	194.2	187.5	6.7	24.8	8.2	6.0	0.0
April	199.8	218.7	216.8	225.4		235.5					0.0
May	193.9	199.2	210.0	217.2		226.9					0.0
June Prelim.	189.4 4/	202.4 5/	215.4	220.2		230.1					0.0
<u>Mth13 Close</u>	<u>217.8</u>	<u>219.2</u>	<u>228.7</u>	<u>234.2</u>		<u>244.6</u>					<u>0.0</u>
Fiscal Year	2,244.7 4/	2,354.5 5/	2,448.3	2,517.1	1,717.2	2,629.5					0.0

1/ The growth rate needed to meet the BEA estimate = 4.5% ; whereas growth, adjusted for net pattern change, = 4.5%

Includes Casual Sales Excise Tax and the Retail Sales and Use Tax at yield of 4% to General Fund. Excludes 1% tax for the Education Improvement Fund, 1% Homestead Exemption Fund, 2% Accommodations Tax, and 'local option' taxes.

2/ For General Fund only, accounting basis changed from cash to modified accrual of June revenue beginning in FY 1990-91.

3/ The Working Estimate includes base adjustments for law changes: Act 172 of 2014; no sales tax on additional guest charges, -\$715,170.

4/ Collections are net of \$27,059,405 "transferred-out" pursuant to Part 1B Proviso 90.16 of Act 291 of 2010 (Increased Enforcement).

5/ Collections are net of \$7,215,598 "transferred-out" pursuant to Part 1B Prov. 90.21 of Act 73 of 2011 (Increased Foreign Enforcement).

N.A.: Not available.

## Sales:

- **Total receipts for March grew 8.2% over last March and were \$6.7 million above estimates**
- **6.0% growth FYTD exceeds FY15 estimate of 4.5%, and puts FYTD surplus at \$24.8 million; FYTD growth is no longer affected by timing differences in car sales tax transfers.**
- **Sales tax growth appears to be solid; The current FYTD surplus has stayed close to the December FYTD surplus of \$23.6 million**



**Individual Withholdings**  
(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes Actual FY 13-14 to Actual FY 14-15		Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Monthly	Cumulative	
July	290.4	300.1	328.1	348.1	346.6	362.3	(15.7)	(15.7)	(0.4)	(0.4)	
August	300.8	318.6	327.2	319.7	344.2	332.7	11.5	(4.1)	7.7	3.4	
September	285.6 <sup>2/</sup>	300.5	300.1	334.2	342.8	347.8	(4.9)	(9.1)	2.6	3.2	
October	298.1	316.6	340.8	357.1	369.3	371.6	(2.3)	(11.3)	3.4	3.2	
November	310.1	307.1	314.1	316.2	323.3	329.0	(5.7)	(17.0)	2.3	3.0	
December	355.0 <sup>2/</sup>	357.9	376.9	373.2	430.8	388.4	42.4	25.4	15.4	5.3	
January	309.3	308.6	341.2	385.5	368.2	401.2	(33.0)	(7.6)	(4.5)	3.8	
February	294.3	317.7	311.5	346.4	355.8	360.5	(4.7)	(12.2)	2.7	3.6	
March	327.4 <sup>2/</sup>	343.2 <sup>3/</sup>	358.0	360.5	398.0	375.2	22.9	10.6	10.4	4.4	
April	316.5	333.1	344.5	361.5		376.2					
May	305.3	315.0	328.6	326.9		340.2					
June Prelim.	297.6 <sup>2/</sup>	290.6	298.3	344.5		358.5					
<u>Mth13 Close</u>	<u>(5.7)</u>	<u>(0.002)</u>	<u>1.0</u>	<u>0.0</u>		<u>0.0</u>					
Fiscal Year	3,684.8 <sup>2/</sup>	3,808.9 <sup>3/</sup>	3,970.3	4,173.7	3,279.1	4,343.3					0.0

1/ The growth rate needed to meet the BEA estimate = 4.1% ; whereas growth, adjusted for net pattern change, = 4.1%

The guideline includes reduction of \$2.0 Million from enhanced Jobs Tax Credits applied against employer withholdings (Act 279 of 2014).

2/ Collections are net of \$7,023,946 "transferred-out" pursuant to Part 1B Proviso 90.16 of Act 291 of 2010 (Increased Enforcement).

3/ Collections are net of \$98,681 "transferred-out" pursuant to Part 1B Proviso 90.21 of Act 73 of 2011 (Increased Foreign Enforcement).

Note: Withholdings are net of Tax Credits for Job Development and Job Retraining Fees, Transfers of Redevelopment

Authority, Refunds of Rural Infrastructure Fund, and Motion Picture Incentives.

N.A.: Not available.

**Individual Declarations (BEA/CG)**  
(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes		Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 to Actual FY 14-15 Monthly	Cumulative	
July	5.3	4.3	5.7	6.2	6.5	6.6	(0.1)	(0.1)	5.7	5.7	
August	4.1	5.2	6.0	5.9	11.0	6.3	4.7	4.6	87.1	45.4	
September	65.6	74.2	77.4	80.3	82.0	86.2	(4.2)	0.4	2.1	7.7	
October	5.7	4.7	9.2	13.6	8.0	14.6	(6.6)	(6.2)	(41.2)	1.5	
November	2.4	3.9	4.1	4.4	3.6	4.7	(1.1)	(7.3)	(16.8)	0.7	
December	32.7	34.1	31.0	30.1	44.5	32.3	12.2	5.0	48.0	10.9	
January	79.3	69.5	99.8	90.6	98.1	97.2	0.9	5.9	8.3	9.9	
February	2.1	2.3	3.4	3.0	2.7	3.2	(0.5)	5.3	(10.8)	9.6	
March	3.9	4.2	4.7	3.6	5.2	3.9	1.3	6.6	42.7	10.1	
April	41.5	48.2	50.3	47.3		50.8					
May	6.0	5.1	4.6	5.6		6.0					
June Prelim.	62.9	68.7	72.7	70.5		75.6					
Mth13 Close	0.0	0.0	0.0	0.0		0.0					
Fiscal Year	311.4	324.5	368.9	361.0	261.7	387.4					0.0

1/ The growth rate needed to meet the BEA estimate = 7.3%

N.A.: Not available.

**Individual Paid With Returns (BEACG)**

(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes		Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 Monthly	Actual FY 13-14 Cumulative	
July	20.0	17.0	16.1	18.1	17.3	31.2	(13.9)	(13.9)	(4.7)	(4.7)	
August	12.5	11.9	20.2	21.0	16.1	10.5	5.6	(8.3)	(23.6)	(14.9)	
September	6.8 <sup>3/</sup>	17.7	10.4	8.9	21.2	24.2	(3.0)	(11.3)	137.7	13.4	
October	30.9	34.2	45.0	41.3	32.1	32.3	(0.3)	(11.5)	(22.3)	(3.1)	
November	13.6	14.1	14.7	39.5	20.0	8.1	11.9	0.4	(49.3)	(17.3)	
December	(1.1) <sup>3/</sup>	13.9	11.0	13.6	16.0	13.2	2.7	3.1	17.7	(13.9)	
January	18.8	16.9	18.7	20.2	(45.2)	26.0	(71.2)	(68.1)	(324.1)	(52.4)	
February	7.0	5.9	(3.6)	(73.8)	45.4	7.1	38.3	(29.8)	161.5	38.2	
March	18.6 <sup>3/</sup>	13.3	20.8	55.3	48.2	8.5	39.7	9.9	(12.8)	18.6	
April	141.4	183.9	267.3	231.7		177.0					
May	86.3	45.2	43.1	49.6		48.0					
June Prelim.	7.1 <sup>3/</sup>	17.7 <sup>4/</sup>	22.5	15.4		18.9					
<u>Mth13 Close</u>	<u>0.3</u>	<u>0.3</u>	<u>(2.4)</u>	<u>(1.4)</u>		<u>2.1</u>					
Fiscal Year	362.1 <sup>3/</sup>	391.8 <sup>4/</sup>	483.9	439.6	171.1	407.1					0.0

1/ The growth rate needed to meet the BEA estimate = **-7.4%** ; whereas growth, adjusted for net pattern change, = -7.4%

The guideline includes reduction of \$34,800 from a \$3,000 personal tax deduction by state constables (Act 134 of 2014).

3/ Collections are net of \$46,218,641 "transferred-out" pursuant to Part 1B Proviso 90.16 of Act 291 of 2010 (Increased Enforcement).

4/ Collections are net of \$11,397 "transferred-out" pursuant to Part 1B Proviso 90.21 of Act 73 of 2011 (Increased Foreign Enforcement).

Note: Data imputed by BEA from revenue reports of Comptroller General (CG) and Dept. of Revenue (DOR).

N.A.: Not available.

**Individual Refunds**

(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes		Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 to Actual FY 14-15 Monthly	Cumulative	
July	26.8	24.1	23.2	27.5	24.6	28.7	(4.1)	(4.1)	(10.7)	(10.7)	
August	17.0	17.4	21.3	24.2	22.5	25.2	(2.7)	(6.8)	(6.9)	(8.9)	
September	17.6	17.1	13.1	19.6	23.2	20.4	2.8	(4.0)	18.6	(1.4)	
October	34.9	33.3	50.6	46.5	42.7	48.5	(5.7)	(9.7)	(8.1)	(4.0)	
November	40.4	28.1	25.4	54.8	40.2	57.1	(17.0)	(26.6)	(26.7)	(11.2)	
December	13.7	23.2	10.5	12.7	18.0	13.2	4.8	(21.8)	42.2	(7.6)	
January	78.5	39.6	17.0	16.7	53.7	17.4	36.2	14.4	220.9	11.3	
February	429.3	565.2	426.9	524.0	505.6	546.0	(40.4)	(26.0)	(3.5)	0.6	
March	351.0	264.1	389.9	341.6	340.3	356.0	(15.7)	(41.7)	(0.4)	0.3	
April	342.7	312.9	340.9	375.9		391.6					
May	69.1	73.6	114.2	77.9		81.2					
June Prelim.	29.7	29.8	32.6	30.2		31.4					
<u>Mth13 Close</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		<u>0.0</u>					
Fiscal Year	1,450.6	1,428.4	1,465.6	1,551.6	1,070.8	1,616.7					0.0

1/ Growth rate needed to meet the BEA estimate = 4.2%

N.A.: Not available.

## Individual Income:

- **March revenues grew 42.9%, led by \$37.5 million gain in Withholdings and a lack of growth in Refunds; collections exceeded estimates by \$79.6 million**
- **7.6% growth FYTD exceeds 3.2% revised estimate in FY15 and the FYTD surplus is now \$68.9 million**
- **Revenue from Paid with Returns is not following the expected pattern; impact on estimate will be seen in April collections and could range between \$0 to \$30 million**
- **Timing issues appear to include Refunds which were \$41.7 million below estimate**

**Corporation Income Tax - Gross**  
(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes		2/ Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 Monthly	Actual FY 14-15 Cumulative	
July	3.9	5.1	7.8	7.6	3.7	4.7	(1.0)	(1.0)	(51.1)	(51.1)	0.0
August	3.1	10.4	2.8	3.7	(0.7)	8.5	(9.2)	(10.3)	(118.9)	(73.2)	0.0
September	43.1 3/	44.4 4/	71.2	61.9	78.4	57.5	20.8	10.6	26.6	11.2	0.0
October	(8.5)	4.5	2.5	4.0	(9.2)	(0.5)	(8.7)	1.9	(330.8)	(6.5)	0.0
November	(9.0)	1.7	(6.1)	9.8	(3.3)	(3.4)	0.1	2.0	(133.9)	(20.8)	1.1
December	29.3 3/	47.5 4/	61.9	37.9	40.6	43.8	(3.2)	(1.2)	7.1	(12.3)	0.0
January	18.2	(1.7)	18.7	11.6	(1.6)	14.4	(16.0)	(17.1)	(114.0)	(21.0)	0.3
February	2.3	0.4	7.7	(0.5)	(3.2)	4.3	(7.5)	(24.6)	(482.2)	(23.0)	0.0
March	66.4 3/	58.7 4/	78.9	90.5	98.5	64.5	34.0	9.4	8.9	(10.2)	0.0
April	27.5	35.0	49.8	43.9		57.6					(0.8)
May	12.7	(4.4)	13.1	5.9		5.3					0.0
June Prelim.	27.1 3/	51.3 4/	78.3	54.9		57.9					0.1
Mth13 Close	0.002	0.0	0.003	0.0		0.6					0.0
Fiscal Year	216.1 3/	252.9 4/	386.7	331.1	203.2	315.4					0.7

1/ The growth rate needed to meet the BEA estimate = -4.8% ; whereas growth, adjusted for net pattern change, = -5.0%

The monthly revenue estimate is the sum of estimates for Withholdings, Declarations, and Paid with Returns, as net of refunds.

2/ Changes to the monthly pattern include changes to Withholdings, Declarations, Paid with Returns and Refunds. Refer to separate worksheets for detail, where applicable.

3/ Receipts are net of \$18,999,477 "transferred-out" pursuant to Part 1B Proviso 90.16 of Act 291 of 2010 (Increased Enforcement).

4/ Receipts are net of \$40,644,357 "transferred-out" pursuant to Part 1B Prov. 90.21 of Act 73 of 2011 (Increased Foreign Enforcement).

Note: Gross estimate includes \$50,701,131 as 'net' share of total Property Tax Relief Trust Fund allocation from General Fund.

N.A.: Not available.

## Corporate Income:

- Revenues were up \$8 million from last March led by a total gain of \$11.1 million from declarations and payments with tax returns
- For the FYTD, CIT has a surplus of \$9.4 million even though the FYTD growth rate is below the annual growth rate; timing differences in collection patterns could account for \$21.9 million, resulting in a \$12.5 shortfall



**Corporation License Tax**  
(\$ millions)

Month	Actual					1/ Guide FY 14-15	Excess Revenue +/- Est.	Cumulative Revenue +/- Est.	Percent Changes:		Changes to Monthly Pattern
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15				Actual FY 13-14 to Actual FY 14-15 Monthly	Cumulative	
July	3.0	3.5	1.5	3.1	1.9	4.0	(2.1)	(2.1)	(39.0)	(39.0)	
August	4.1	2.6	1.3	3.4	5.5	5.5	(0.0)	(2.2)	61.0	13.0	
September	4.3 <sup>2/</sup>	1.0 <sup>3/</sup>	10.1	13.7	6.4	5.8	0.6	(1.5)	(52.9)	(31.6)	
October	10.3	2.5	1.5	4.1	11.1	13.9	(2.8)	(4.4)	172.4	2.6	
November	4.3	2.1	3.2	(3.4)	3.4	5.8	(2.4)	(6.8)	200.0	35.5	
December	6.5 <sup>2/</sup>	7.2 <sup>3/</sup>	6.3	7.7	35.4	8.8	26.6	19.8	358.1	122.7	
January	5.4	5.4	1.4	1.6	1.1	7.3	(6.2)	13.7	(28.8)	114.6	
February	0.4	6.1	1.6	6.6	9.5	0.6	8.9	22.5	43.6	101.9	
March	21.7 <sup>2/</sup>	48.6 <sup>3/</sup>	34.7	34.3	44.3	29.3	15.0	37.6	29.0	66.8	
April	4.5	2.4	5.5	8.6		6.1					
May	4.9	17.3	1.9	3.6		6.7					
June Prelim.	19.2 <sup>2/</sup>	3.0 <sup>3/</sup>	5.4	11.8		26.0					
<u>Mth13 Close</u>	<u>0.01</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		<u>0.0</u>					
Fiscal Year	88.7 <sup>2/</sup>	101.7 <sup>3/</sup>	74.2	95.1	118.6	119.9					0.0

1/ The growth rate needed to meet the BEA estimate = 26.0%

2/ Collections are net of \$1,827,295 "transferred-out" pursuant to Part 1B Proviso 90.16 of Act 291 of 2010 (Increased Enforcement).

3/ Collections are net of \$895,479 "transferred-out" pursuant to Part 1B Prov. 90.21 of Act 73 of 2011 (Increased Foreign Enforcement).

N.A.: Not available.



## Other Tax/License/Fee Transfers:

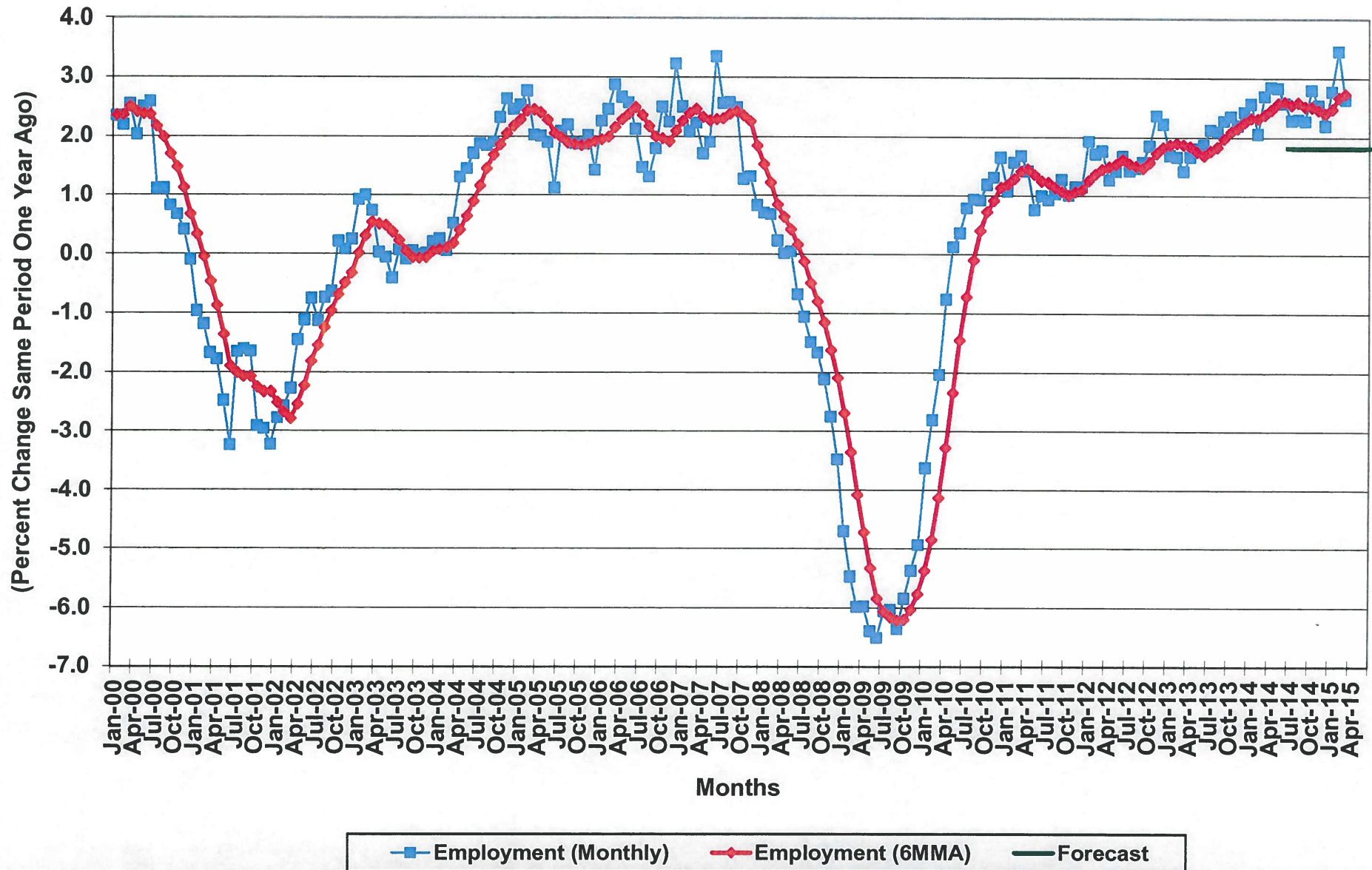
- **Corporate License taxes were \$10 million above last March and, in the last two months, the FYTD excess has grown by \$23.9 million to \$37.6 million, which includes \$33 million from audits**



## Estimated Surplus

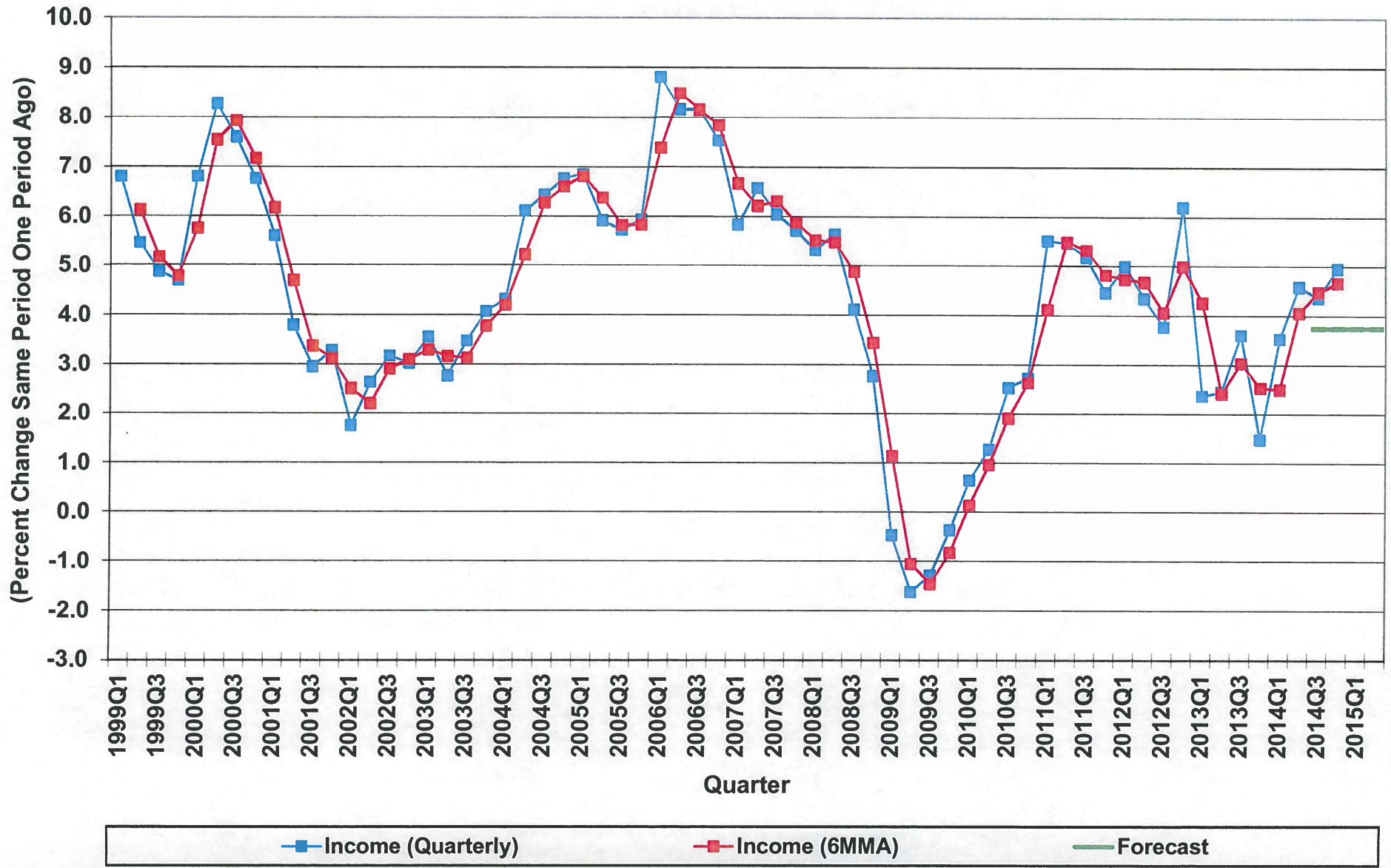
	<u>MARCH</u>	<u>TIMING</u>	<u>ESTIMATE</u>
<b>SALES</b>	24.8	0	24.8
<b>INDIVIDUAL</b>	68.9	(41.7 – 71.7)	27.2 – (2.8)
<b>CORPORATE</b>	9.4	(21.9)	(12.5)
<b>CORPORATE LIC.</b>	37.6	(15.0)	22.6
<b>DEPT. REV.</b>	7.5	(2.0)	(5.0)
<b>TOTAL GFR</b>	150.2	80.6 – 110.6	69.4 – 39.6

# South Carolina Employment Trends



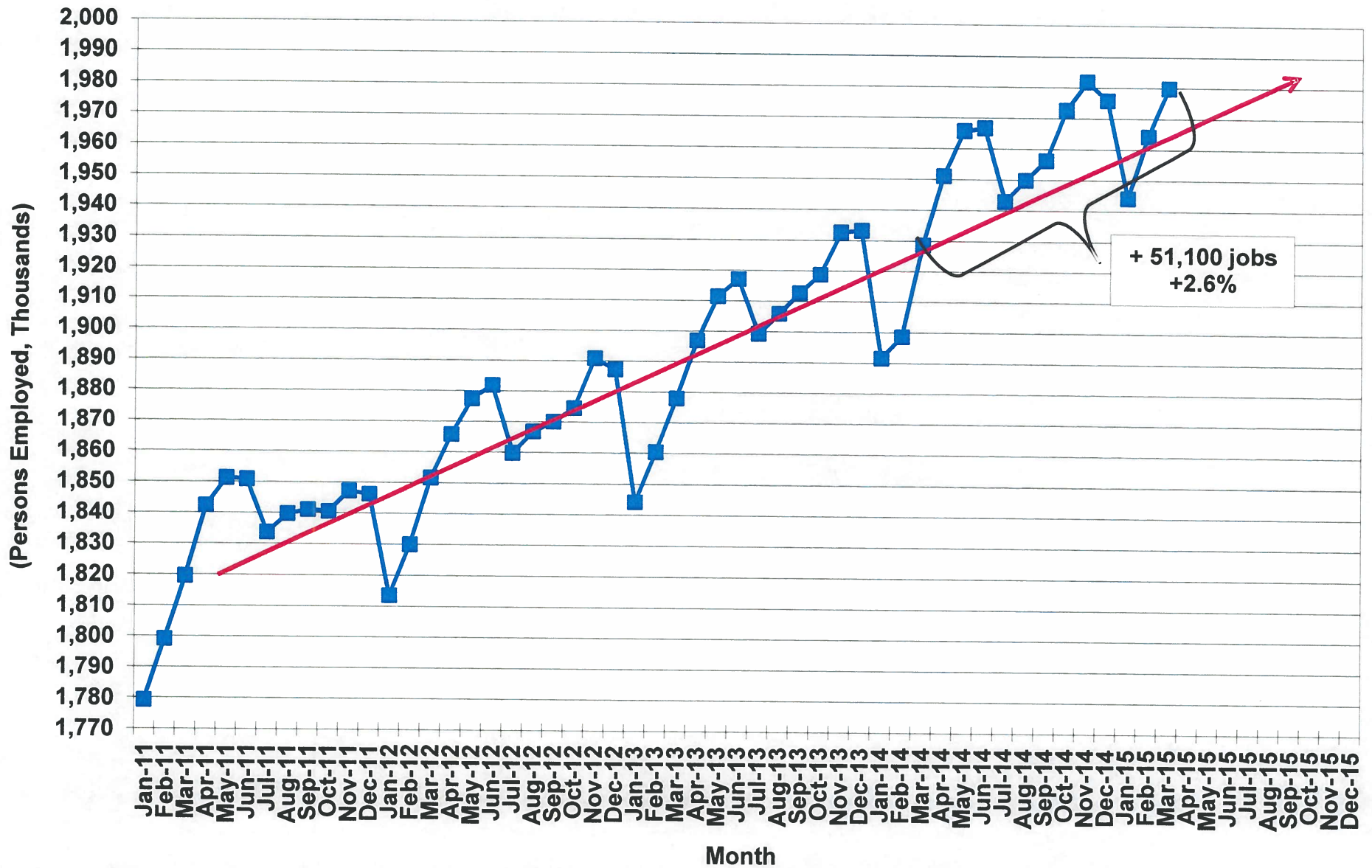
Source: Board of Economic Advisors  
BEA/RWM/04/09/15

# South Carolina Personal Income Trends



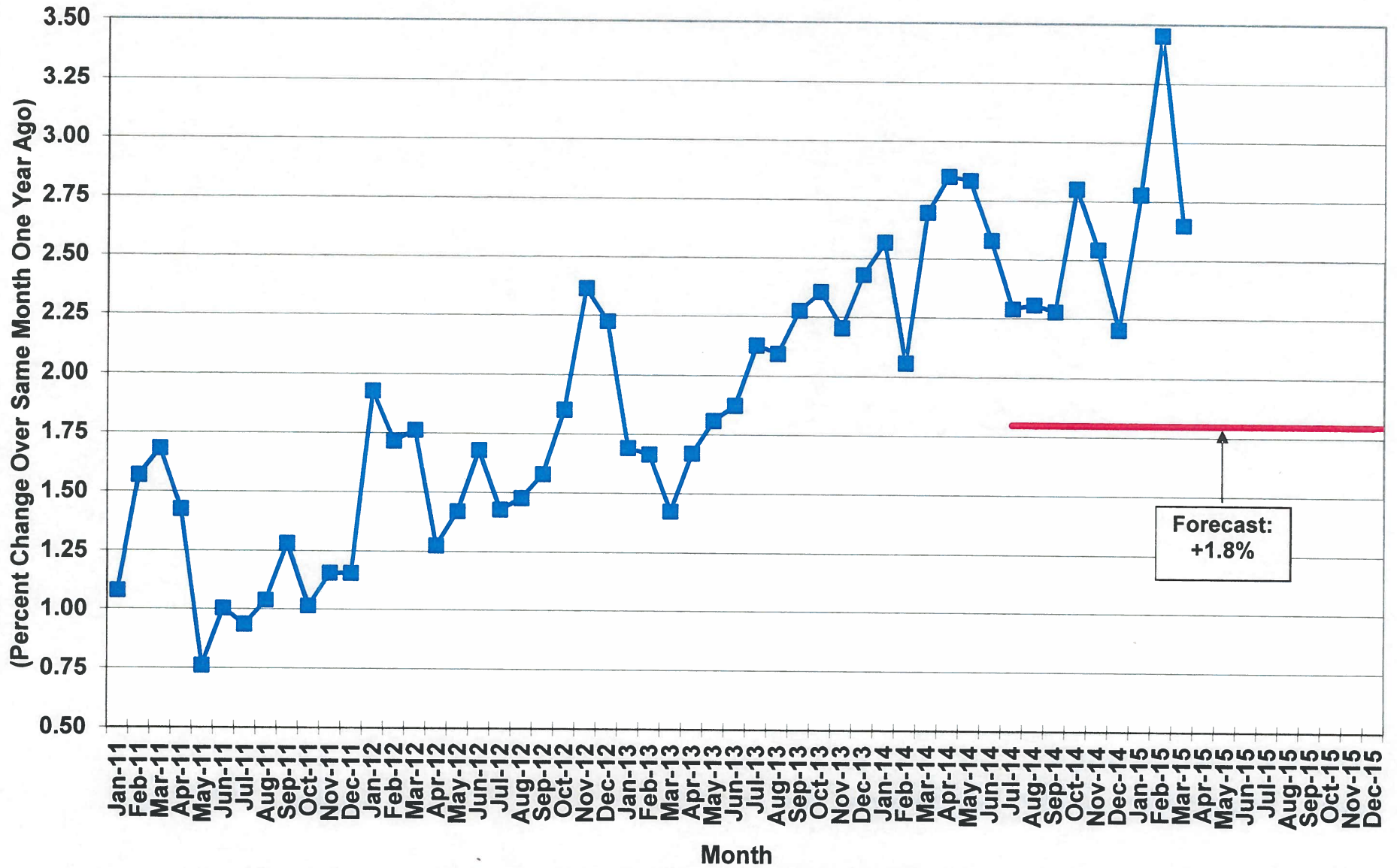
Source: Board of Economic Advisors  
BEA/RWM/04/09/15

# Total Nonfarm Employment in South Carolina



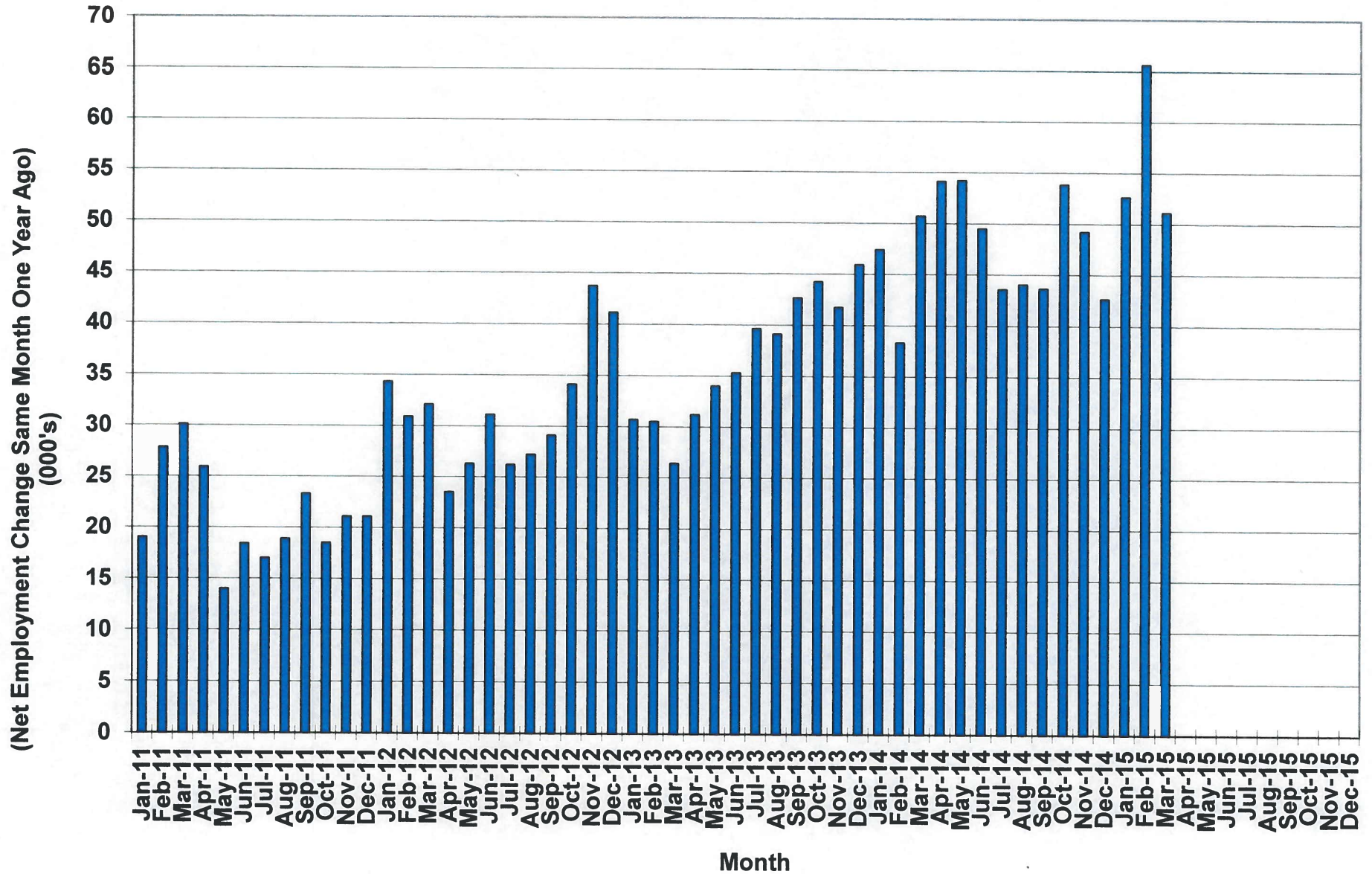
Source: U.S. Department of Labor, Bureau of Labor Statistics  
 SCBEA/RWM/04/23/15

# Total Nonfarm Employment Growth in South Carolina



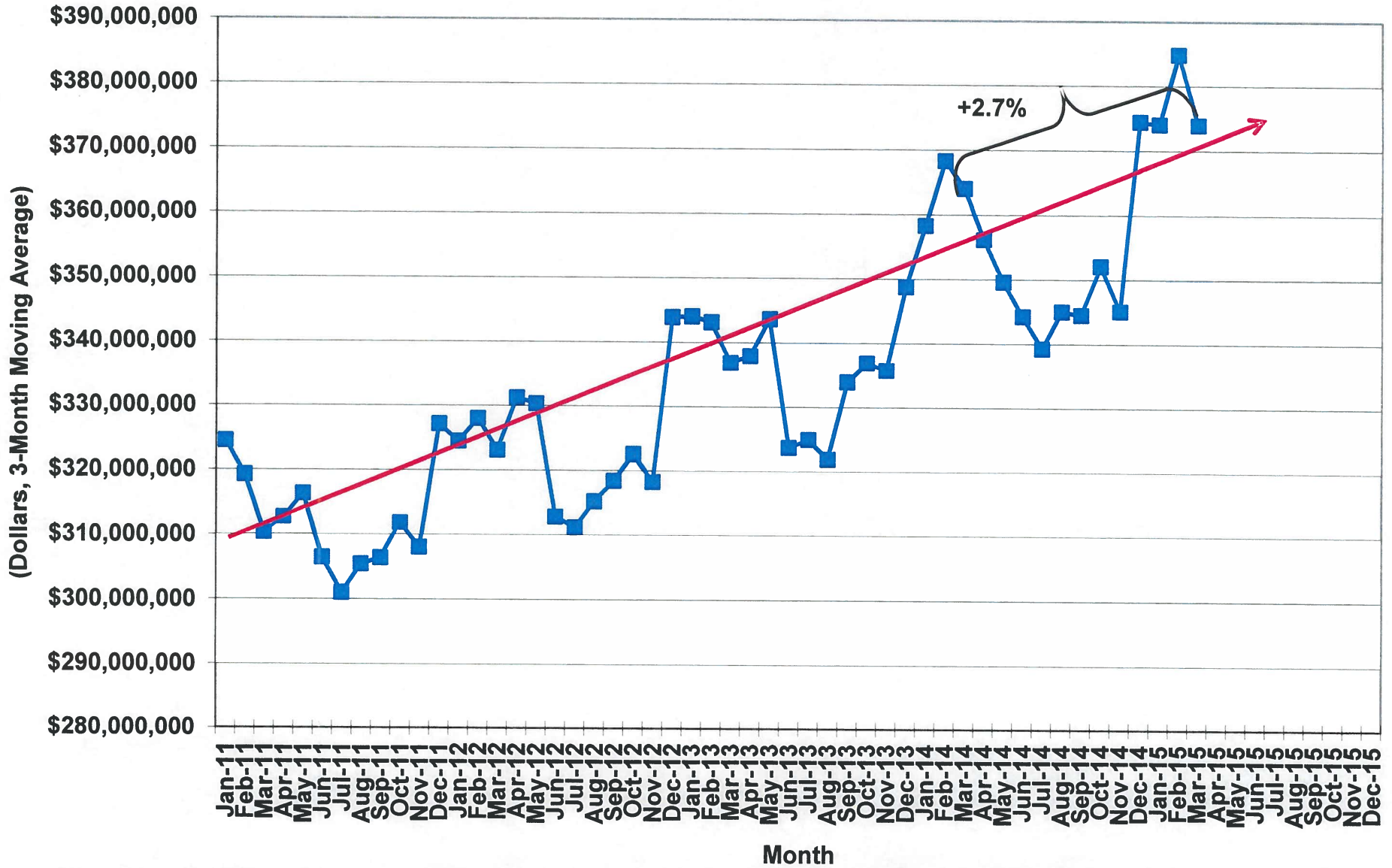
Source: U.S. Department of Labor, Bureau of Labor Statistics  
SCBEA/RWM/04/23/15

## Net Nonfarm Employment Increase/Decrease in South Carolina



Source: U.S. Department of Labor, Bureau of Labor Statistics  
SCBEA/RWM/04/23/15

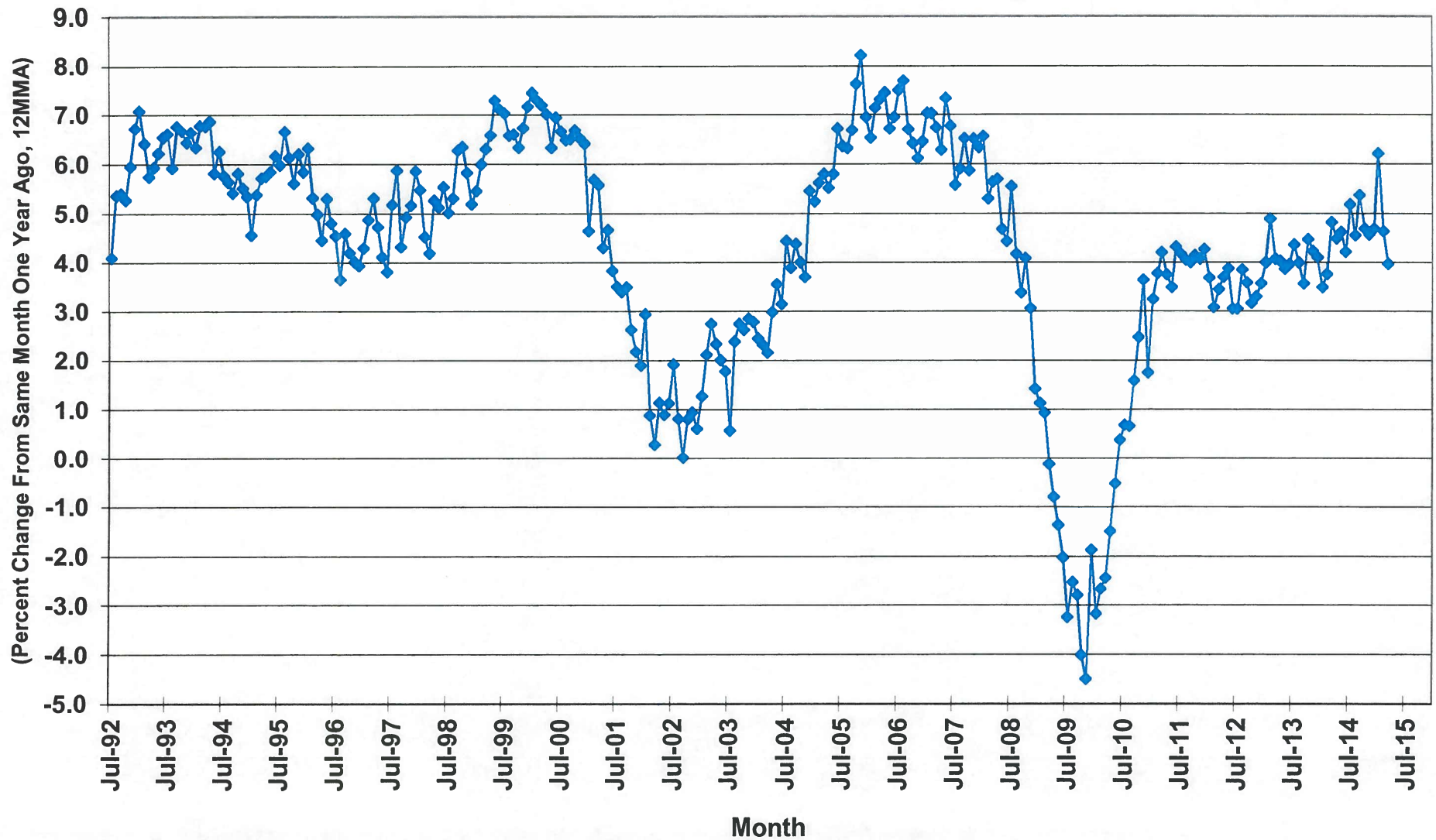
# South Carolina Income Tax Withholdings



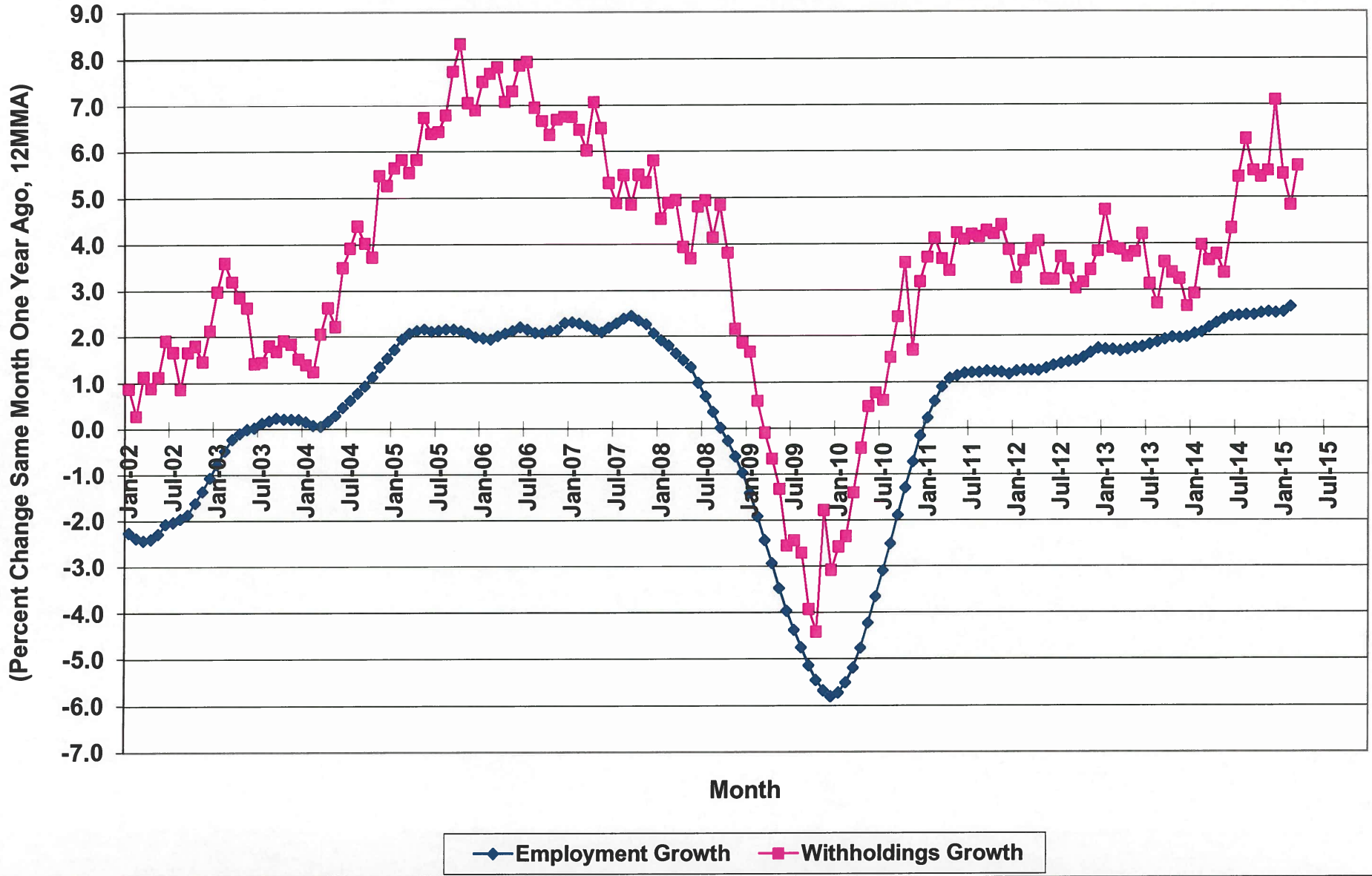
Source: South Carolina Department of Revenue  
SCBEA/RWM/04/23/15



## Growth in General Fund Individual Income Tax Withholdings in South Carolina

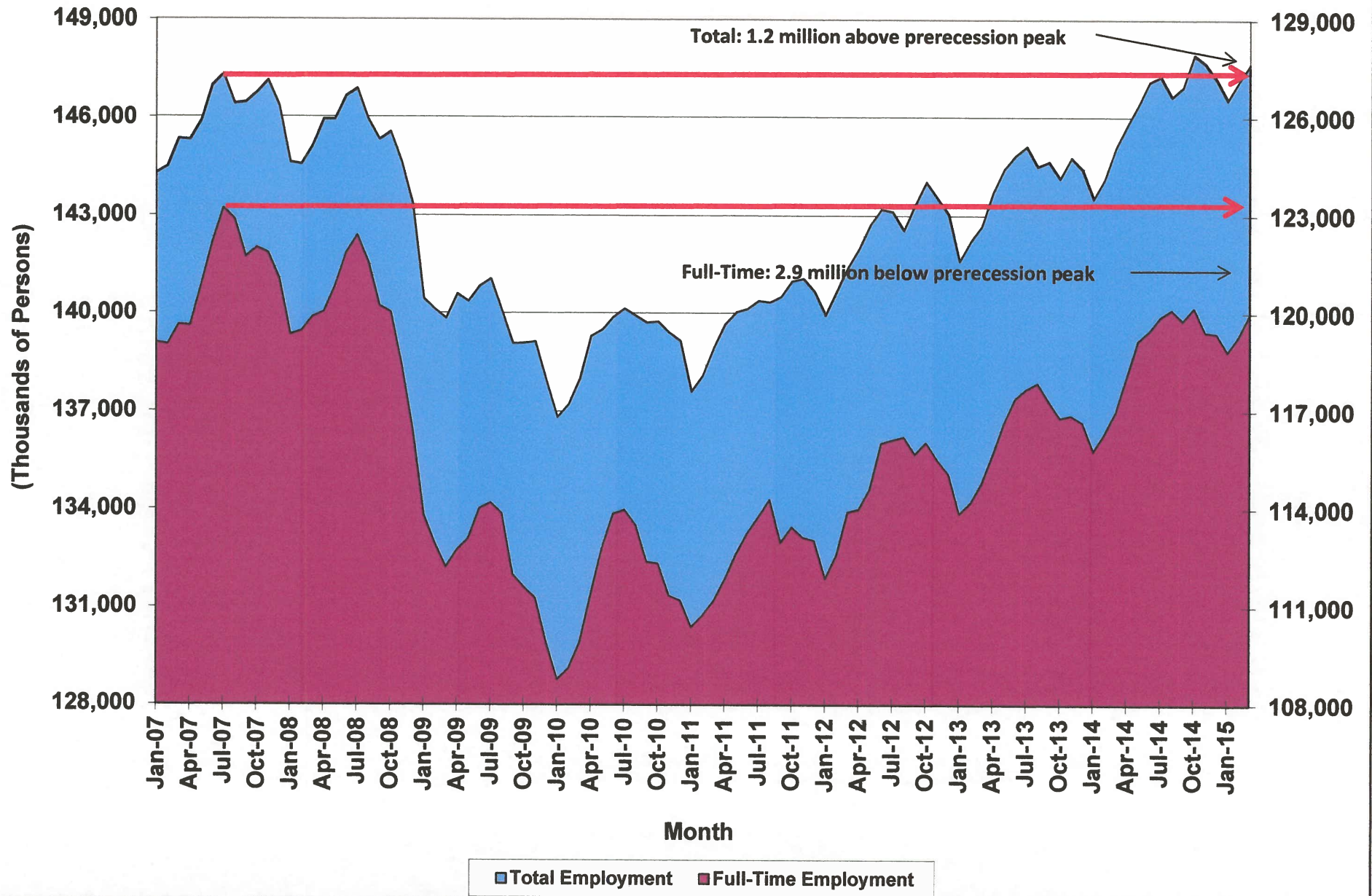


# Growth in Employment and Individual Income Tax Withholdings in South Carolina



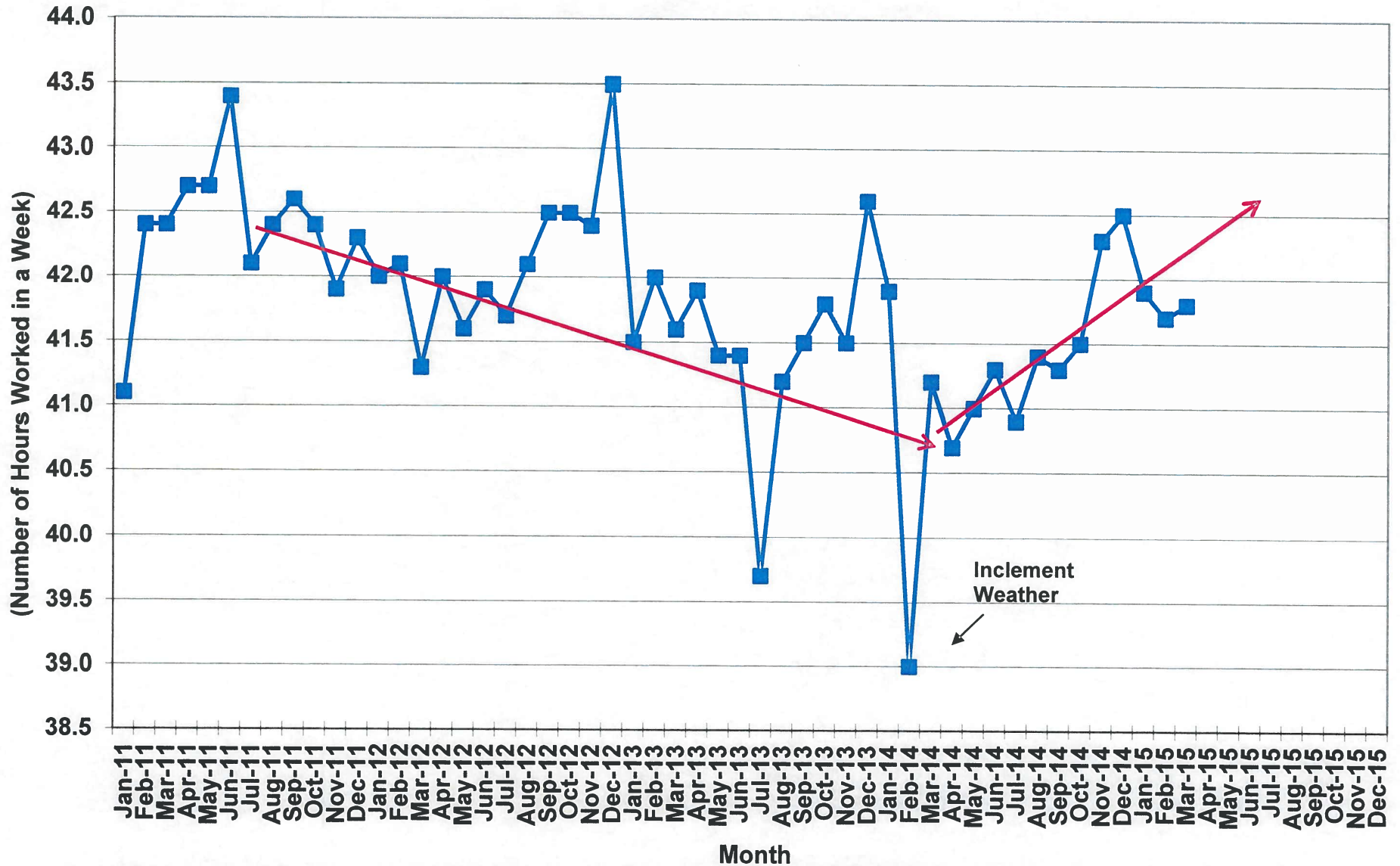
Sources: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.  
 S.C. Department of Revenue, Columbia, SC

# Full-Time vs. Part-Time Employment in the U.S.



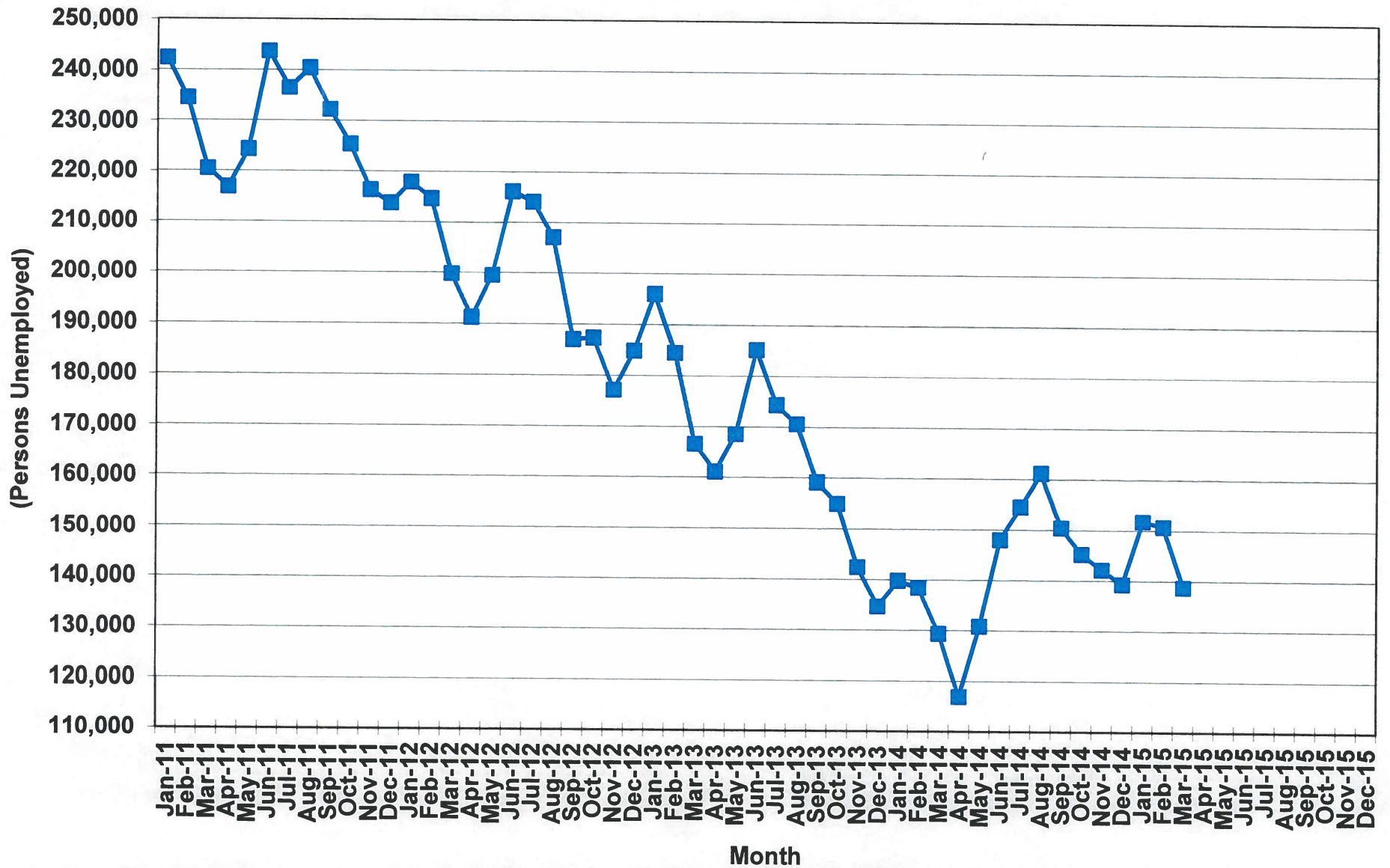
Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.

## Average Work Week of Manufacturing Employees in South Carolina



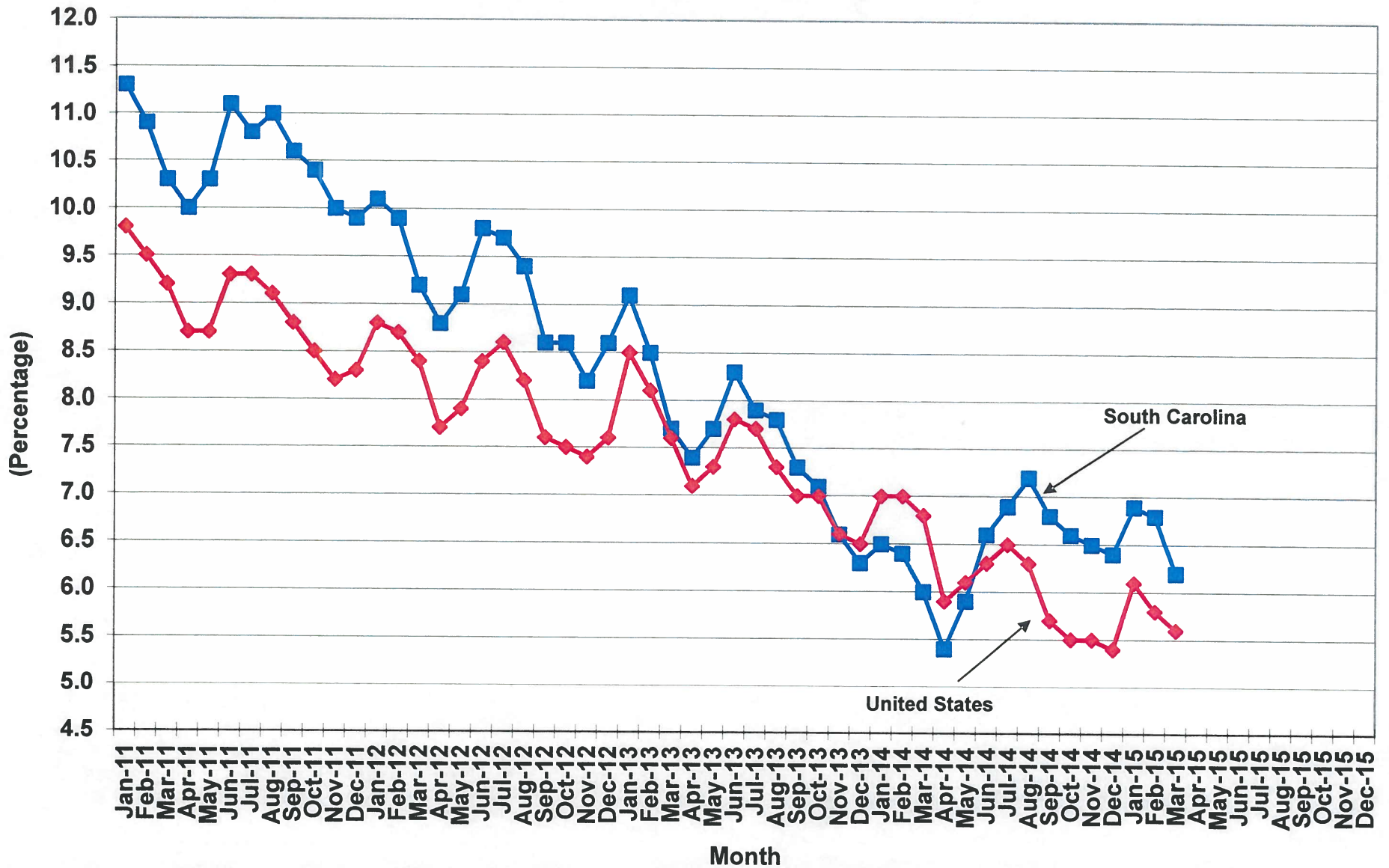
Source: U.S. Department of Labor, Bureau of Labor Statistics  
SCBEA/RWM/04/23/15

## Total Unemployment in South Carolina (Unadjusted)



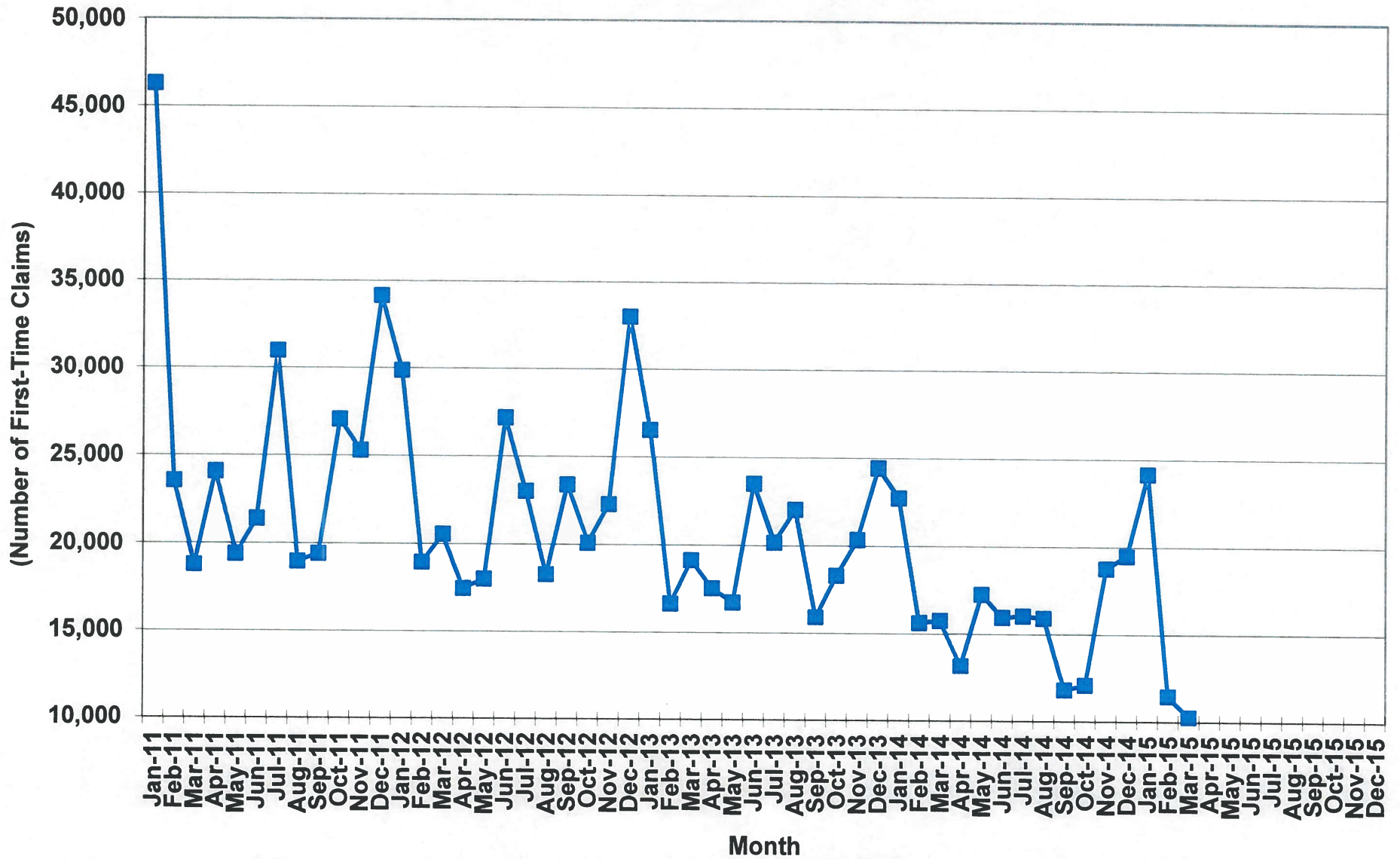
Source: U.S. Department of Labor, Bureau of Labor Statistics  
SCBEA/RWM/04/23/15

## Unemployment Rate in South Carolina (Unadjusted)



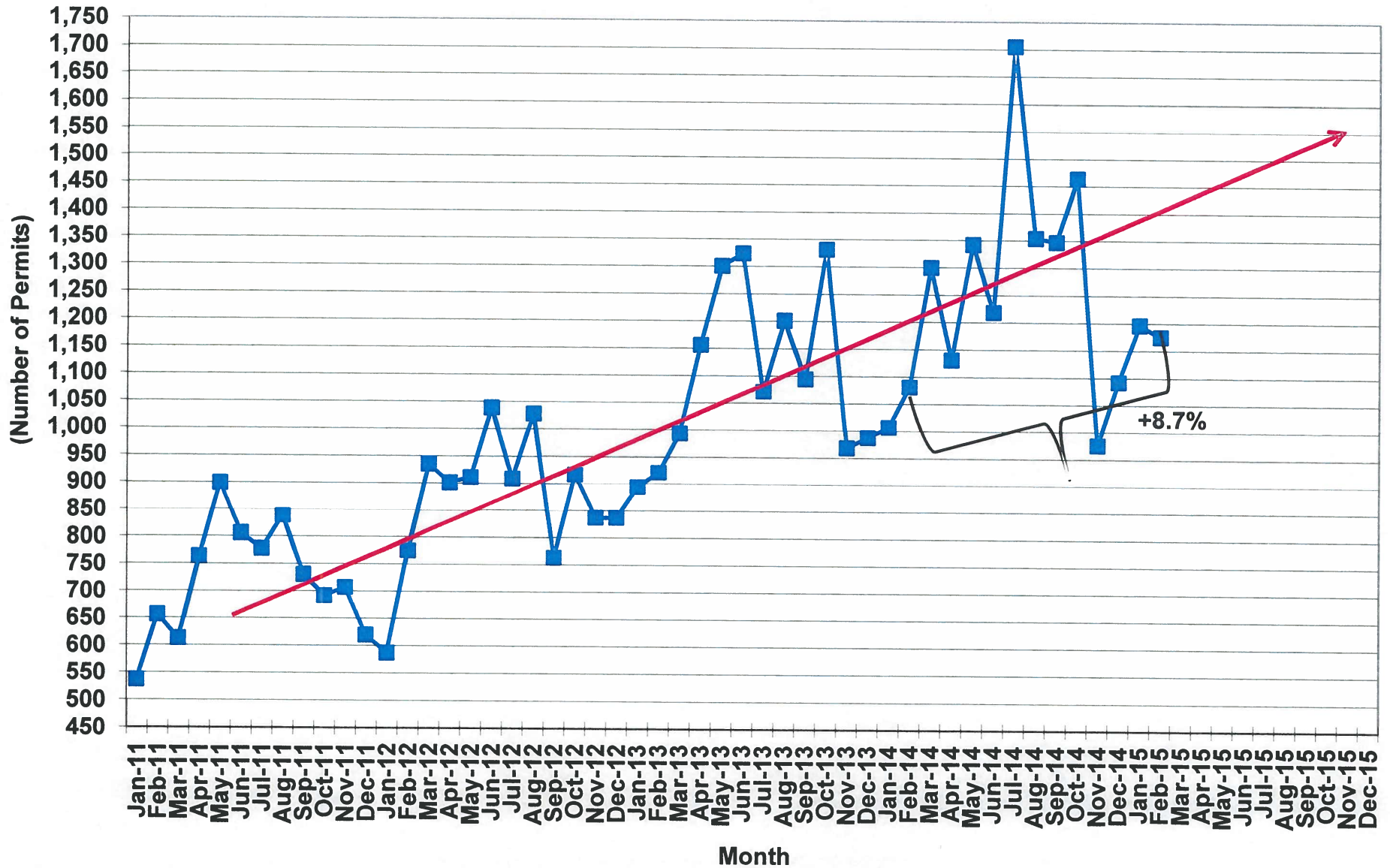
Source: U.S. Department of Labor, Bureau of Labor Statistics  
SCBEA/RWM/04/23/15

## Initial Claims for Unemployment Insurance in South Carolina



Source: U.S. Department of Labor, Employment and Training Administration  
SCBEA/RWM/04/23/15

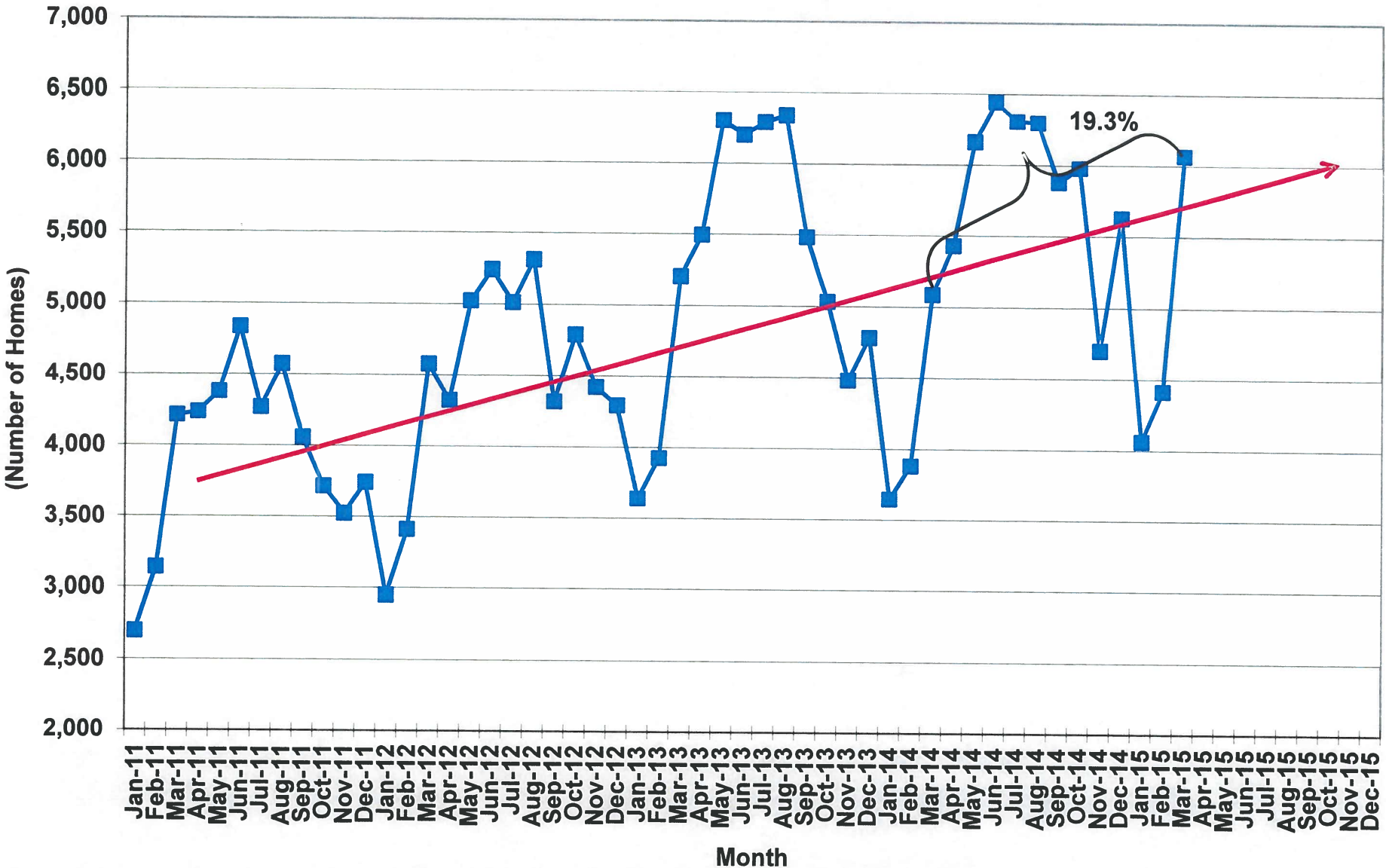
# Residential Building Permits in South Carolina



Source: U.S. Department of Commerce, Bureau of the Census  
 SCBEA/RWM/04/23/15

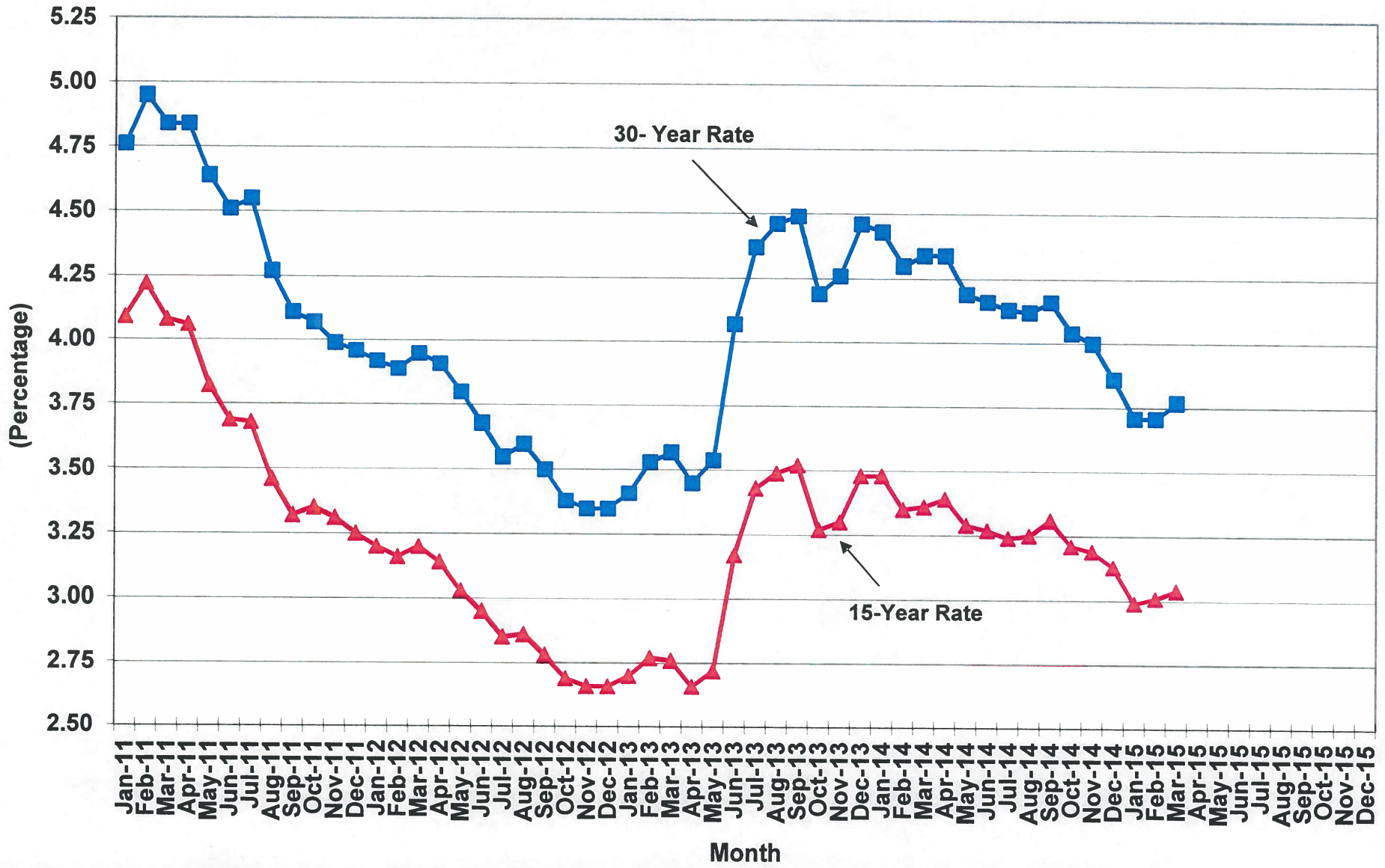


# Number of Homes Sold in South Carolina



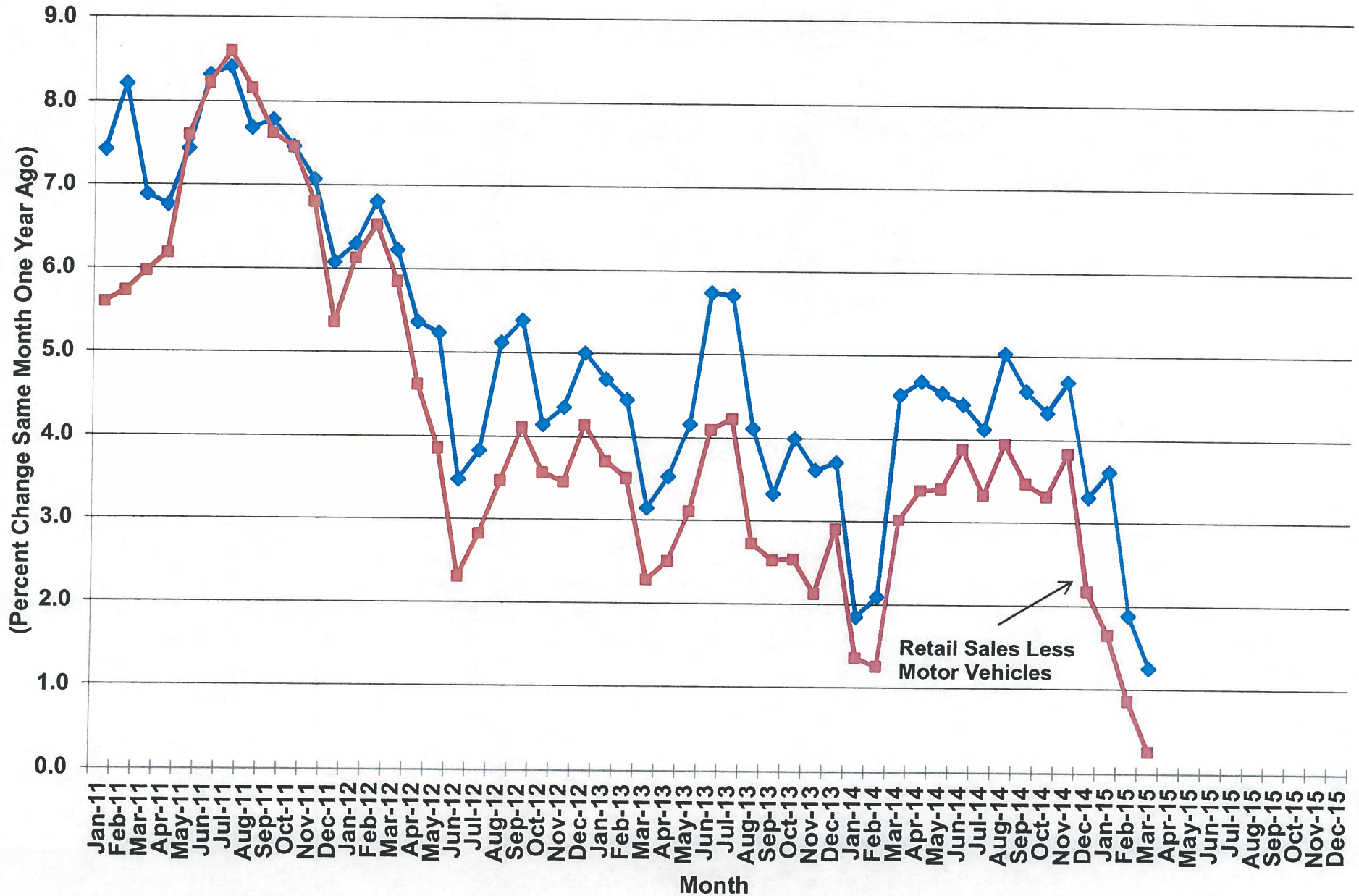
Source: South Carolina Association of Realtors  
 SCBEA/RWM/04/23/15

# Mortgage Rates



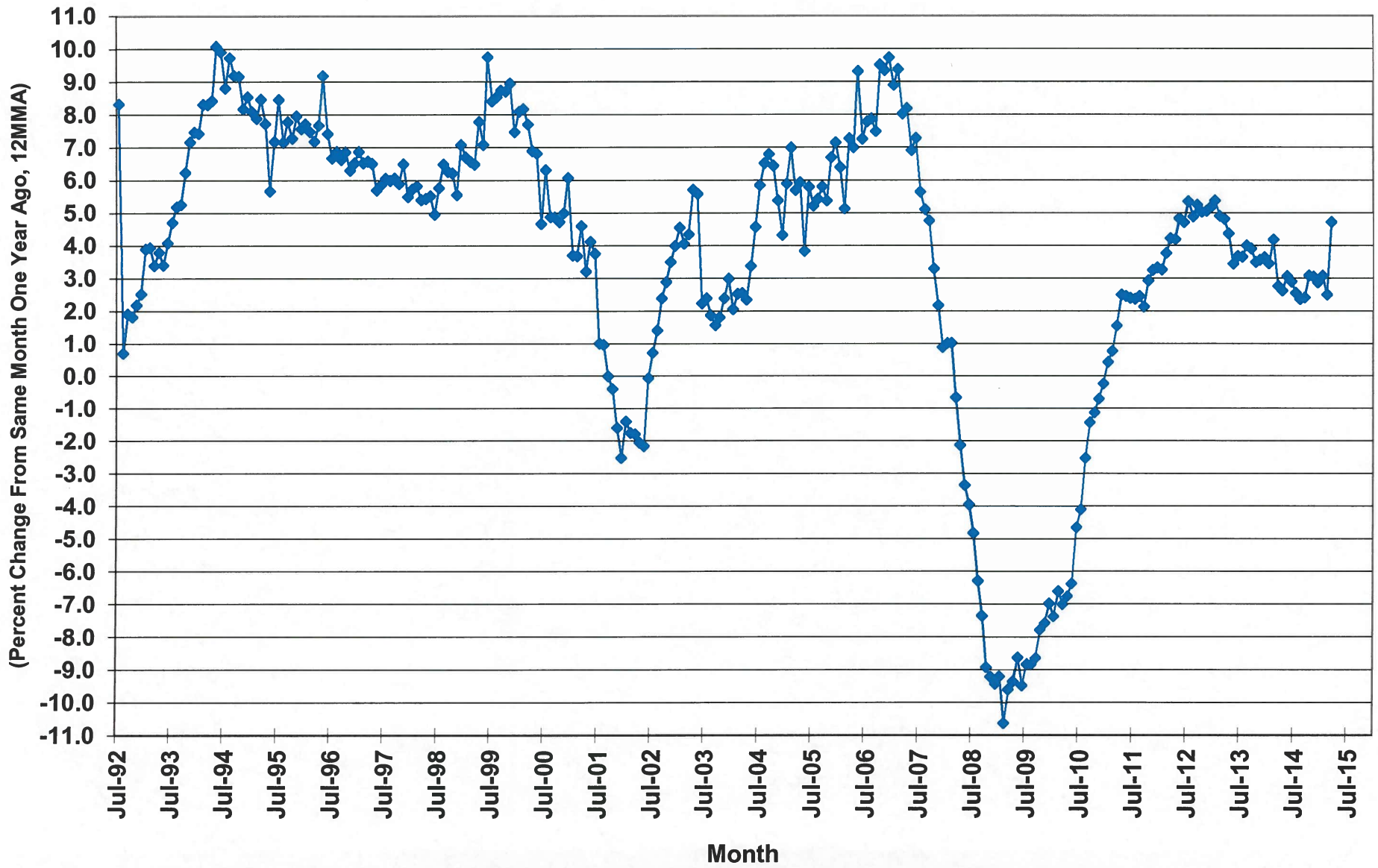
Source: The Board of Governors of the Federal Reserve System  
 SCBEA/RWM/04/23/15

# U.S. Retail & Food Service Sales



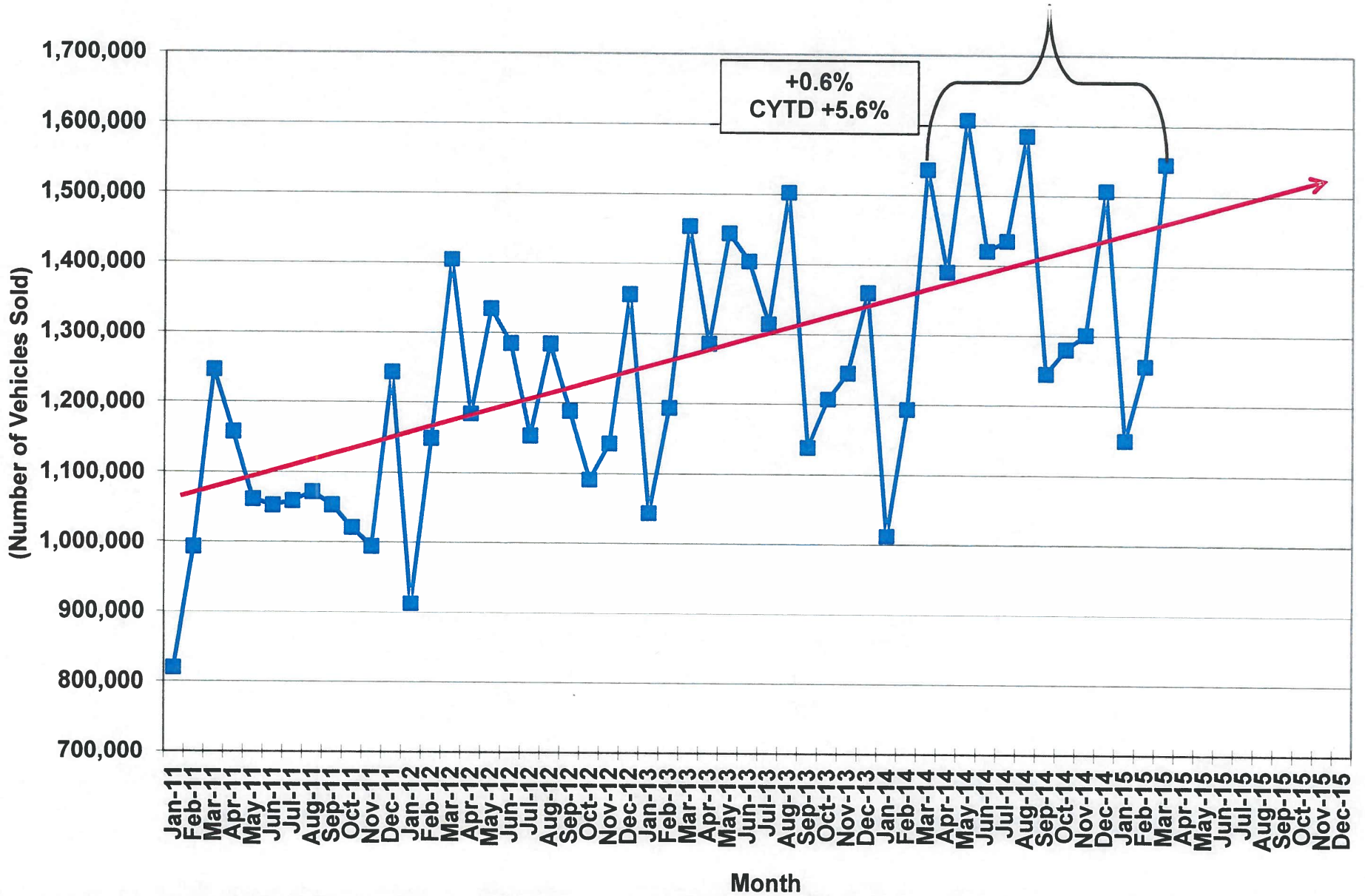
Source: U.S. Department of Commerce, Bureau of the Census, Washington, D.C.

# Growth in General Fund Sales Tax Revenue in South Carolina



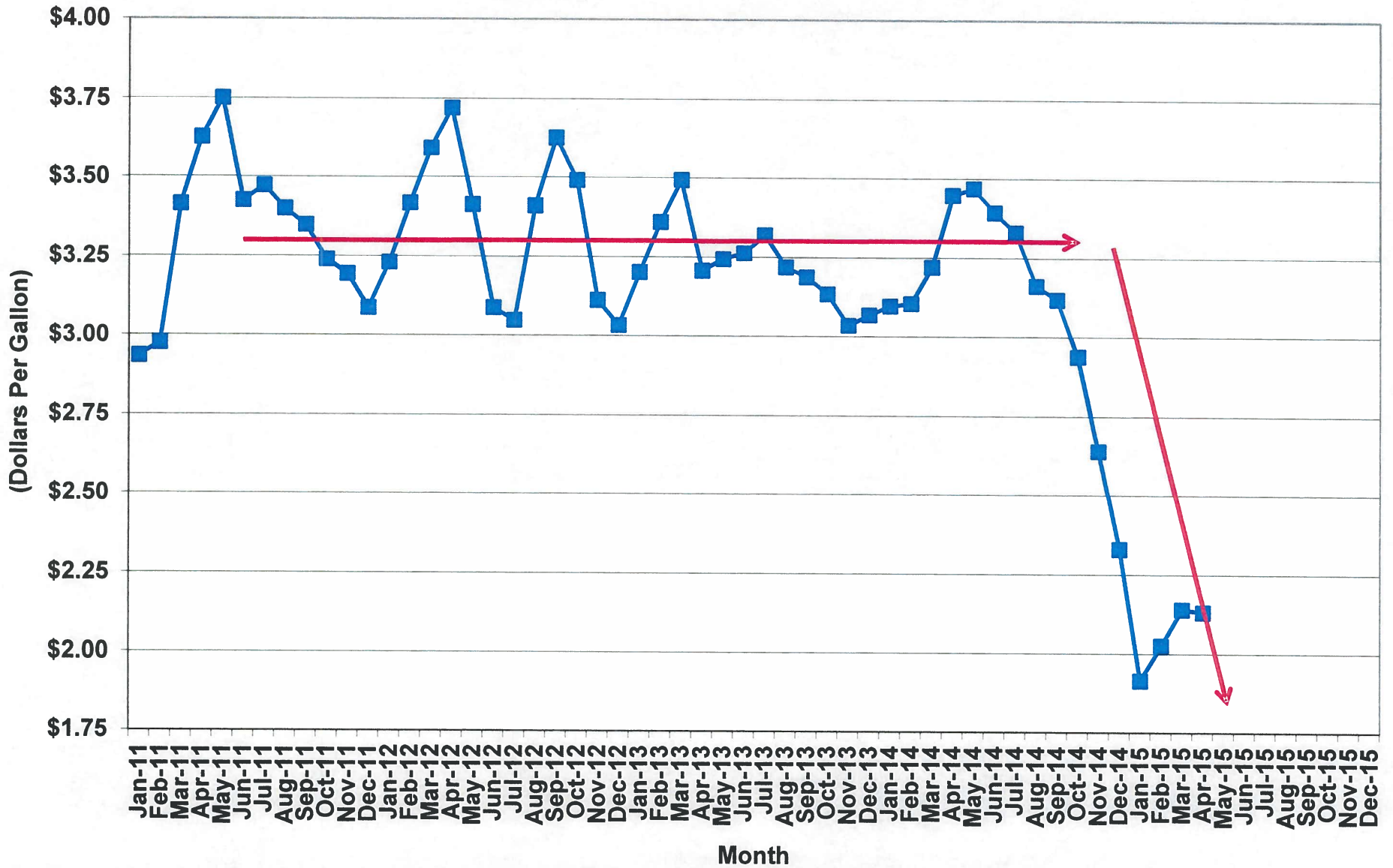
Source: S.C. Board of Economic Advisors  
BEA/RWM/04/10/15

# Total Light Vehicle Sales in the United States



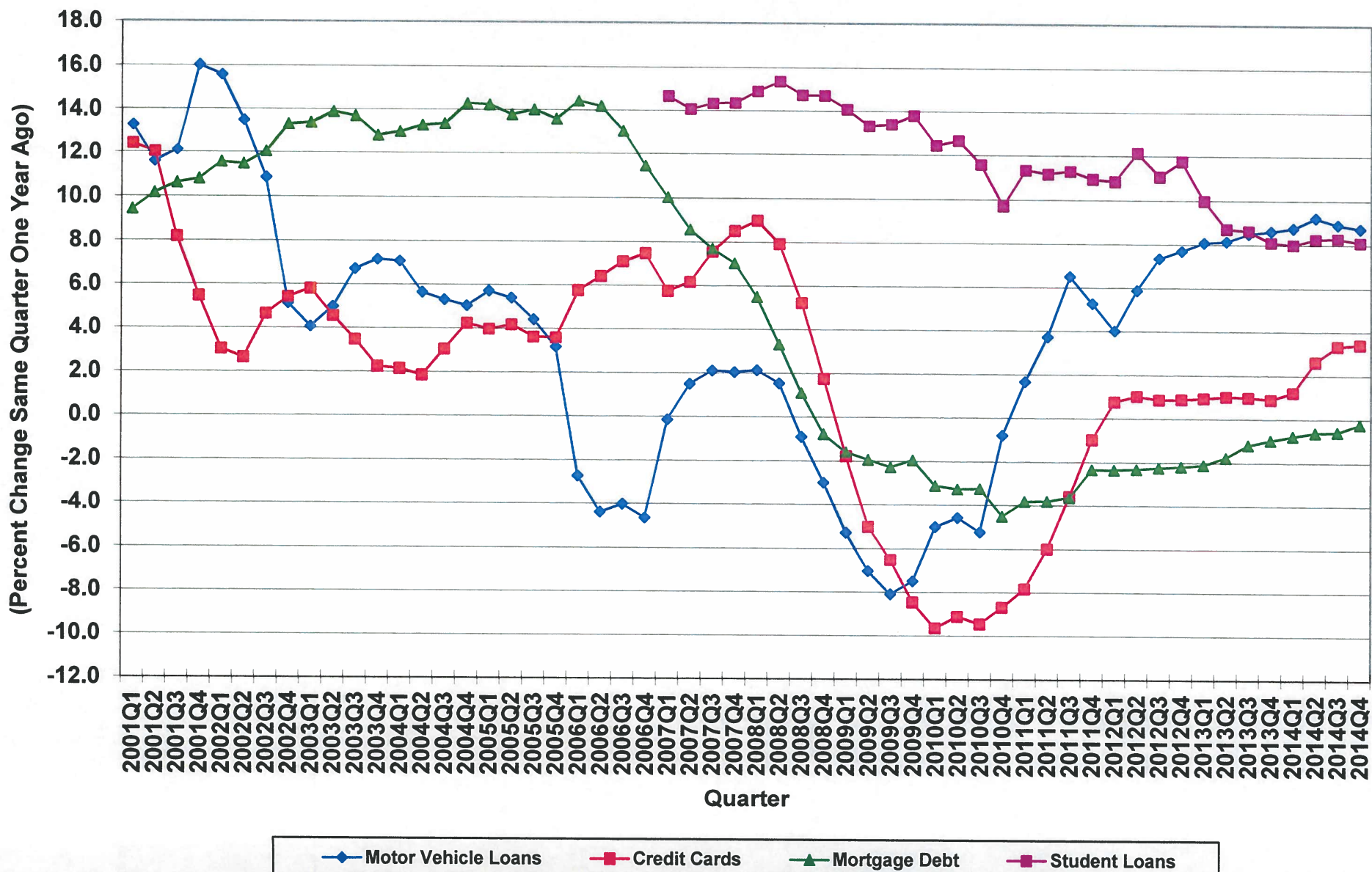
Source: Autodata Corporation and WardsAuto  
 SCBEA/RWM/04/23/15

# Gasoline Prices in South Carolina



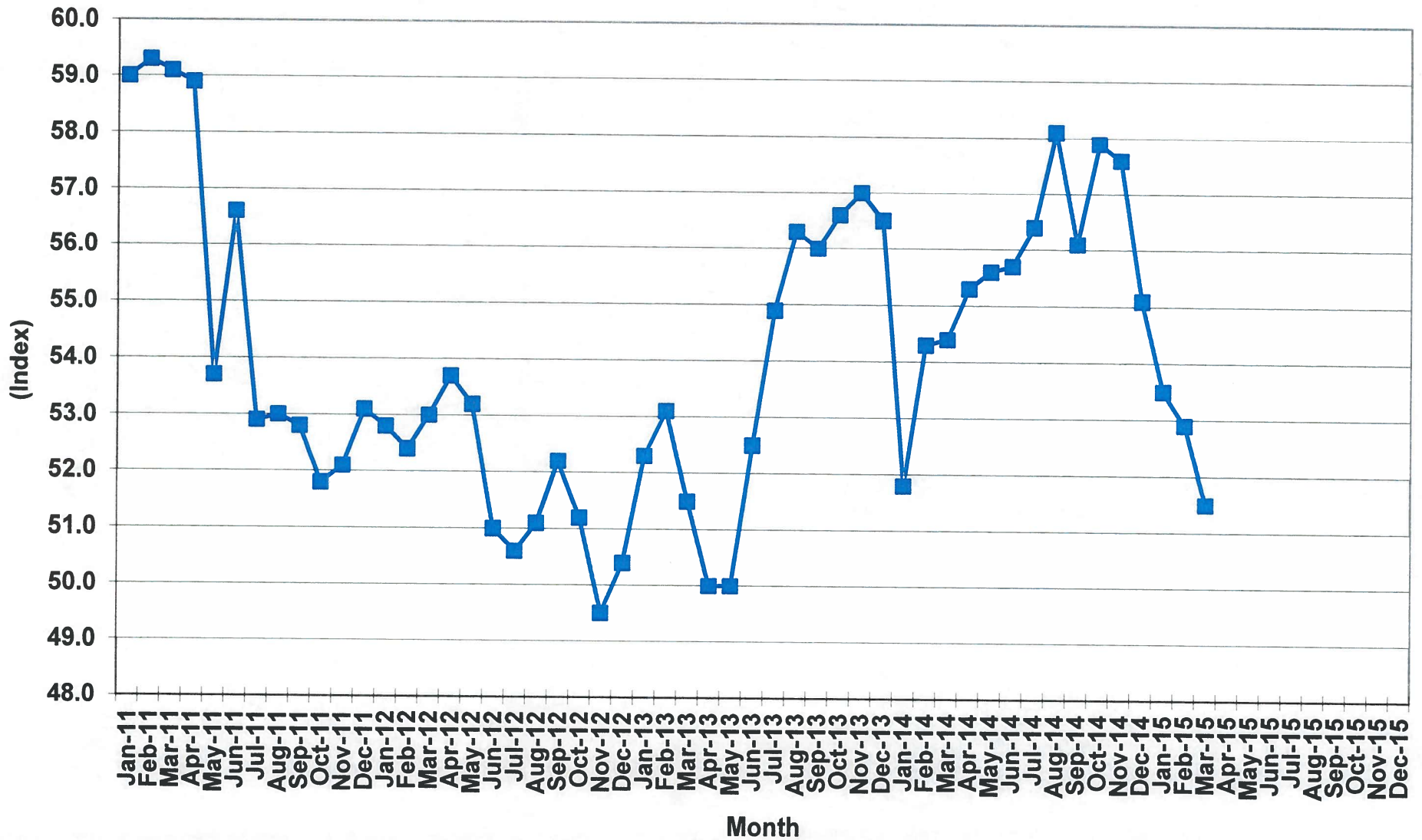
Source: AAA of the Carolina's  
SCBEA/RWM/04/23/15

# Growth in Major Types of Household Debt



Source: The Board of Governors of the Federal Reserve System  
BEA/RWM/04/23/15

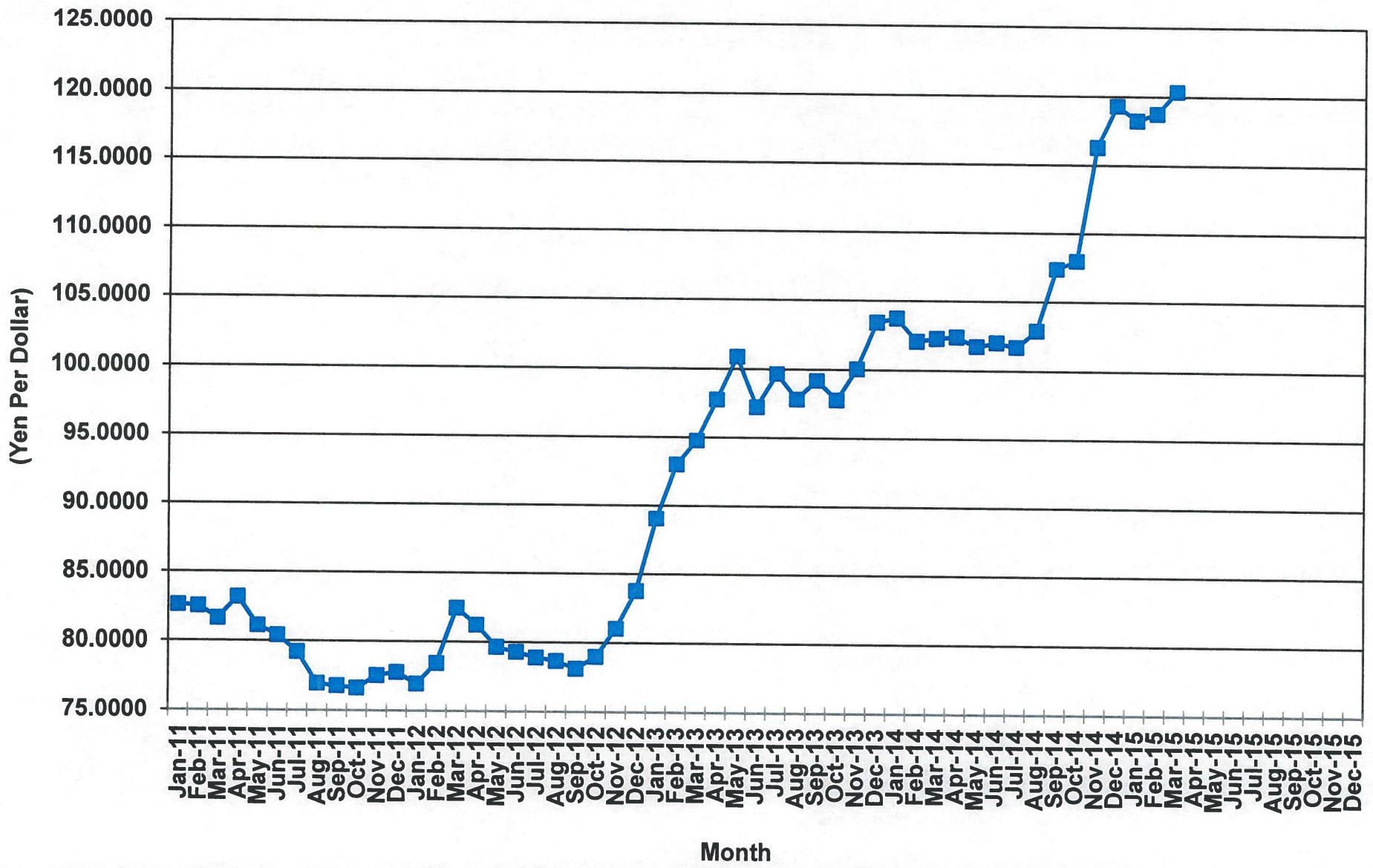
# Index of Manufacturing Purchasing Managers Index (NAPM)



Source: The Institute for Supply Management  
 SCBEA/RWM/04/23/15



## Value of the Yen vs. the U.S. Dollar



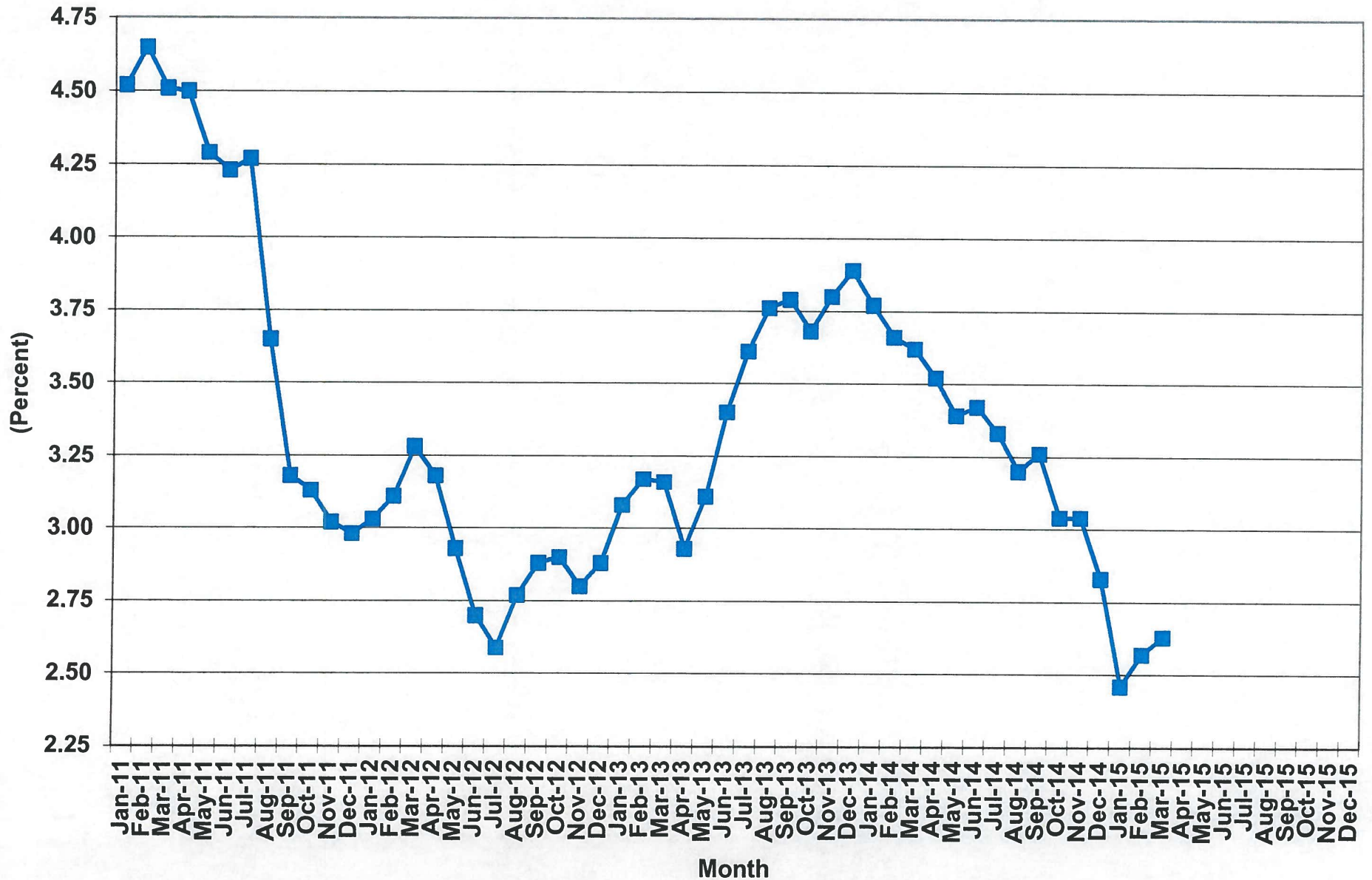
Source: The Board of Governors of the Federal Reserve System  
 SCBEA/RWM/04/23/15

## Value of the Euro vs. the U.S. Dollar



Source: The Board of Governors of the Federal Reserve System  
 SCBEA/RWM/04/23/15

# Thirty Year Treasury Bond



# South Carolina Economic Indicators

## March 2015

- **Payrolls expanded by 51,100 jobs, or 2.6%, in March, above forecast growth of 1.8%, boosted by part-time work**
- **Follows the largest one-month job gain in 8 years**
- **Revised annual employment data added over 11,000 jobs to payrolls not included in forecast**
- **Personal income increased 4.4% during CY2014 and increased 5.0% in the 4Q2014. These rates are above forecast**
- **Building activity & home sales continue growth in early spring**
- **Congress to reconsider Dodd-Frank legislation**

- **Gasoline prices have dropped sharply from oversupply of oil – OPEC maintaining production levels**
- **Crude oil has remained below \$60 for four months**
- **Nationally, retail sales have slowed each month since December 2014 mainly from drop in gasoline prices**
- **Auto sales topped 16.5 million units, or 5.9%, in CY2014 to mark 5<sup>th</sup> consecutive annual sales gain**
- **Truck sales have outpaced car sales for more than one year**
- **Household debt continues a rapid rise led by auto loans while credit card usage is at the highest pace in six (6) years**

## Long Term Concerns

- **Euro is weakening (the US\$ is getting stronger) – exports to Europe will cost more for Europeans and reduce demand for goods**
- **30-Year bond rate is falling – will hurt capital investment**