



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 September 24, 2015, 2:00 p.m. Room 417, Rembert C. Dennis Building

- I. Welcome
- II. Review of July and August Revenue (F. Rainwater)
- III. Review and Adoption of FY 2015-16 Monthly Revenue Plan (F. Rainwater)
- IV. Forecast Review – Five Areas (R. Martin)
- V. 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
- VI. Future Meeting Schedule:
 - A. October 22, 2015, upon adjournment of RFA meeting – Quarterly Review
 - B. October 22, 2015, 12:45 – 3:45 – Regional Advisory Committee
 - C. November 10, 2015, upon adjournment of RFA meeting – Forecast Meeting
 - D. December 15, 2015, upon adjournment of RFA meeting
 - E. 2015 Calendar at <http://www.rfa.sc.gov/calendar>
- VII. 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



South Carolina Revenue and Fiscal Affairs Office

General Fund Revenues Overview

July to August, FY16

- Collections exceed monthly estimates by \$32.4 million or 3.3%
- General Fund Revenues for July through August grew 7.1%
- Revenue growth needed to meet estimate is 2.0%
- Bulk of excess attributable mostly to better than expected growth
- Continuation of faster growth noted in May

Actual Forecast July to August FY16

Sales Tax

- Excess revenue of \$2.4 million or 1.0%
- Actual growth of 5.1% compared to estimate of 4.0%

Individual

- Actual growth of 5.7% compared to 2.8% growth needed to meet forecast
- Revenue exceeds estimate by \$11.4 million or 1.6%
- Withholdings grew 5.8%

Corporate

- Revenue exceeds estimate by \$18.4 million or 2628.6%

Other Revenue

- Revenue exceeds estimate by \$0.4 million or 1.0%

Board of Economic Advisors Revenue Plan Summary: FY 2015-16

Revenues vs. 09/15 BEA Adjusted Estimate of \$7,665.9 Million in FY 2015-16 1/
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	JULY - AUGUST FY 2015-16			Revenue Growth Rates (%)	
	(\$ in Millions)			Estimate Full Fiscal Yr.	Actual Yr. to Date
	Actual Revenues	Expected Revenues	Excess / (Shortfall)		
Total General Fund Revenue	1,029.8	997.2	32.6	2.0	7.1
Sales Tax	238.3	235.9	2.4	4.0	5.1
Individual Income Tax	734.1	722.7	11.4	2.8	5.7
Corporate Income Tax	19.1	0.7	18.4	(5.7)	531.4
Other Revenue Sources	38.3	37.8	0.4	(4.3)	3.7
<i>Select Tax Revenues, Sub-Total</i>	<i>28.8</i>	<i>34.1</i>	<i>(5.3)</i>	<i>(5.0)</i>	<i>(12.6)</i>
Admissions Tax - Total	(3.8)	(3.7)	(0.1)	(3.0)	43.7
Alcoholic Liquors Tax	5.0	5.5	(0.5)	2.8	(6.7)
Bank Tax	(1.8)	1.0	(2.9)	(9.9)	(259.8)
Beer and Wine Tax	9.9	10.7	(0.7)	1.7	(5.0)
Corporation License Tax	3.7	6.0	(2.3)	(19.2)	(49.7)
Documentary Tax	4.1	3.7	0.4	4.9	15.6
Earnings on Investments	2.8	3.3	(0.4)	7.3	(6.9)
Insurance Tax	6.5	5.2	1.3	(5.2)	212.8
Tobacco Tax	2.3	2.5	(0.2)	(2.4)	(8.8)
<i>Residual Revenue, Sub-Total</i>	<i>9.3</i>	<i>3.7</i>	<i>5.6</i>	<i>(1.0)</i>	<i>38.8</i>

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

GENERAL FUND REVENUE CUMULATIVE SUMMARY: FISCAL YEARS 2014-15 & 2015-16

JULY - AUGUST

REVENUE CATEGORIES	FY 2014-15	FY 2015-16	\$ CHANGE	% CHANGE
Sales, Use, and Excise Taxes	\$226,824,714	\$238,338,085	\$11,513,371	5.1
Individual Income Tax - Net	694,586,929	734,103,461	39,516,532	5.7
Withholdings	690,808,058	730,842,324	40,034,266	5.8
Declarations	17,533,228	15,156,211	(2,377,017)	(13.6)
Payments	<u>32,770,715</u>	<u>37,754,478</u>	<u>4,983,763</u>	<u>15.2</u>
Refunds	(46,525,072)	(49,649,552)	(3,124,480)	(6.7)
Corporation Income Tax - Net	3,021,362	19,076,344	16,054,982	531.4
Insurance Taxes	2,086,538	6,526,166	4,439,628	212.8
Admissions and Bingo Taxes	(2,650,906)	(3,810,485)	(1,159,579)	(43.7)
Alcoholic Liquor Tax	5,346,211	4,988,580	(357,631)	(6.7)
Bank Tax	1,153,880	(1,844,305)	(2,998,185)	(259.8)
Beer and Wine Tax	10,468,362	9,945,286	(523,076)	(5.0)
Corporation License Tax	7,382,761	3,712,292	(3,670,469)	(49.7)
Documentary Tax	3,572,718	4,129,578	556,860	15.6
Earned on Investments **	3,060,217	2,849,253	(210,964)	(6.9)
Tobacco Tax	2,544,305	2,321,401	(222,904)	(8.8)
Other Source Revenues	3,928,110	9,436,248	5,508,138	140.2
Gross General Fund Revenue 3/	\$961,325,201	\$1,029,771,904	\$68,446,703	7.1



Forecast Review- 5 Areas

1. Economic Growth
2. S.C. Personal Income
3. S.C. Employment
4. Inflation
5. Interest Rates

Insights About Economic Forecasting

Yogi Berra (1925-2015)

- You can observe a lot by just watching.
- It ain't over til it's over.
- We made too many wrong mistakes.
- The future ain't what it used to be.
- If you ask me anything I don't know, I'm not going to answer.

Appendix



SOUTH CAROLINA GENERAL FUND REVENUE

**JULY -- AND -- AUGUST
FISCAL YEAR
2015-16**

**BEA REVENUE RELEASE
SEPTEMBER 24, 2015**



South Carolina Revenue and Fiscal Affairs Office

GENERAL FUND REVENUE SUMMARY: FISCAL YEARS 2014-15 & 2015-16

MONTH OF JULY

TABLE 1

REVENUE CATEGORIES	FY 2014-15	FY 2015-16	\$ CHANGE	% CHANGE
Sales and Use Tax 2/	(\$120,082)	(\$1)	\$120,081	100.0
Individual Income Tax	345,842,094	380,905,696	35,063,602	10.1
Corporation Income Tax	3,718,253	13,367,206	9,648,953	259.5
Insurance Taxes	1,034,266	1,729,721	695,455	67.2
Admissions Tax	0	0	0	---
Aircraft Tax	112,644	281	(112,363)	(99.8)
Alcoholic Liquor Tax	(1,245,155)	(1,490,253)	(245,098)	(19.7)
Bank Tax	143,017	(818,543)	(961,560)	(672.3)
Beer and Wine Tax	473,601	280,698	(192,903)	(40.7)
Bingo Tax	(590)	12,001	12,591	2,134.1
Business Filing Fees	240,169	248,567	8,398	3.5
Circuit/Family Court Fines	645,913	710,682	64,769	10.0
Corporation License Tax	1,911,501	983,845	(927,656)	(48.5)
Documentary Tax	0	0	0	---
Earned on Investments	1,626,349	1,514,959	(111,390)	(6.8)
Indirect Cost Recoveries	138,406	429,306	290,900	210.2
Motor Vehicle Licenses	(185,367)	(265,782)	(80,415)	(43.4)
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	282,734	282,734	0	0.0
Private Car Lines Tax	0	(1,835)	(1,835)	---
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	174,580	10,025	(164,555)	(94.3)
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	20,804	1,823	(18,981)	---
Tobacco Tax	1	0	(1)	(100.0)
Uncashed Checks	0	0	0	---
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(999,550)	(799,650)	199,900	20.0
Other Source Revenues	265,711	1,484,594	1,218,883	458.7
Gross General Fund Revenue 3/	\$354,079,299	\$398,586,074	\$44,506,775	12.6

1/: Data displayed in BEA format, which includes "net" Property Tax Relief funds of \$552,691,659 in FY15 per Budget and \$571,182,163 in FY16 per BEA.

2/: Excludes (1%) Education Improvement Act, (2%) Accommodations, (1%) Homestead Exemption, and any Local Option sales taxes.

3/: Data format corresponds to BEA Official Revenue Estimate.

Source: S. C. Board of Economic Advisors (BEA) 09/24/15/mgd

File: WGM0915_July_Act Format_MTH-YTD_FY16.xlsx

GENERAL FUND REVENUE SUMMARY: FISCAL YEARS 2014-15 & 2015-16

MONTH OF AUGUST

TABLE 2

REVENUE CATEGORIES	FY 2014-15	FY 2015-16	\$ CHANGE	% CHANGE
Sales and Use Tax 2/	\$226,944,796	\$238,338,086	\$11,393,290	5.0
Individual Income Tax	348,744,835	353,197,765	4,452,930	1.3
Corporation Income Tax	(696,891)	5,709,138	6,406,029	919.2
Insurance Taxes	1,052,272	4,796,445	3,744,173	355.8
Admissions Tax	(2,942,643)	(4,142,714)	(1,200,071)	(40.8)
Aircraft Tax	474,398	0	(474,398)	(100.0)
Alcoholic Liquor Tax	6,591,366	6,478,833	(112,533)	(1.7)
Bank Tax	1,010,863	(1,025,762)	(2,036,625)	(201.5)
Beer and Wine Tax	9,994,761	9,664,588	(330,173)	(3.3)
Bingo Tax	292,327	320,228	27,901	9.5
Business Filing Fees	372,720	444,223	71,503	19.2
Circuit/Family Court Fines	683,998	604,932	(79,066)	(11.6)
Corporation License Tax	5,471,260	2,728,447	(2,742,813)	(50.1)
Documentary Tax	3,572,718	4,129,578	556,860	15.6
Earned on Investments	1,433,868	1,334,294	(99,574)	(6.9)
Indirect Cost Recoveries	889,327	670,252	(219,075)	(24.6)
Motor Vehicle Licenses	705,368	791,967	86,599	12.3
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	282,734	282,734	0	0.0
Private Car Lines Tax	43,266	50,131	6,865	15.9
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	252,553	(2,000)	(254,553)	(100.8)
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	0	(30)	(30)	---
Tobacco Tax	2,544,304	2,321,401	(222,903)	(8.8)
Uncashed Checks	0	4,757,961	4,757,961	---
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(799,225)	(999,525)	(200,300)	(25.1)
Other Source Revenues	326,927	734,858	407,931	124.8
Gross General Fund Revenue 3/	\$607,245,902	\$631,185,830	\$23,939,928	3.9

1/: Data displayed in BEA format, which includes "net" Property Tax Relief funds of \$552,691,659 in FY15 per Budget and \$571,182,163 in FY16 per BEA.

2/: Excludes (1%) Education Improvement Act, (2%) Accommodations, (1%) Homestead Exemption, and any Local Option sales taxes.

3/: Data format corresponds to BEA Official Revenue Estimate.

Source: S. C. Board of Economic Advisors (BEA) 09/24/15/mgd

File: WGM0915_August_Act Format_MTH-YTD_FY16.xlsx

GENERAL FUND REVENUE SUMMARY: FISCAL YEARS 2014-15 & 2015-16

JULY - AUGUST

TABLE 3

REVENUE CATEGORIES	FY 2014-15	FY 2015-16	\$ CHANGE	% CHANGE
Sales and Use Tax 2/	\$226,824,714	\$238,338,085	\$11,513,371	5.1
Individual Income Tax	694,586,929	734,103,461	39,516,532	5.7
Corporation Income Tax	3,021,362	19,076,344	16,054,982	531.4
Insurance Taxes	2,086,538	6,526,166	4,439,628	212.8
Admissions Tax	(2,942,643)	(4,142,714)	(1,200,071)	(40.8)
Aircraft Tax	587,042	281	(586,761)	(100.0)
Alcoholic Liquor Tax	5,346,211	4,988,580	(357,631)	(6.7)
Bank Tax	1,153,880	(1,844,305)	(2,998,185)	(259.8)
Beer and Wine Tax	10,468,362	9,945,286	(523,076)	(5.0)
Bingo Tax	291,737	332,229	40,492	13.9
Business Filing Fees	612,889	692,790	79,901	13.0
Circuit/Family Court Fines	1,329,911	1,315,614	(14,297)	(1.1)
Corporation License Tax	7,382,761	3,712,292	(3,670,469)	(49.7)
Documentary Tax	3,572,718	4,129,578	556,860	15.6
Earned on Investments	3,060,217	2,849,253	(210,964)	(6.9)
Indirect Cost Recoveries	1,027,733	1,099,558	71,825	7.0
Motor Vehicle Licenses	520,001	526,185	6,184	1.2
Nursing Home Fees	0	0	0	---
Parole and Probation Fees	565,468	565,468	0	0.0
Private Car Lines Tax	43,266	48,296	5,030	11.6
Public Service Authority	0	0	0	---
Purchasing Card Rebates	0	0	0	---
Record Search Fees	0	0	0	---
Savings and Loan Assoc. Tax	427,133	8,025	(419,108)	(98.1)
Security Dealer Fees	0	0	0	---
Surcharge on Vehicle Rentals	20,804	1,793	(19,011)	(91.4)
Tobacco Tax	2,544,305	2,321,401	(222,904)	(8.8)
Uncashed Checks	0	4,757,961	4,757,961	---
Unclaimed Property Fund	0	0	0	---
Workers' Comp. Insurance Tax	(1,798,775)	(1,799,175)	(400)	(0.02)
Other Source Revenues	592,638	2,219,452	1,626,814	274.5
Gross General Fund Revenue 3/	\$961,325,201	\$1,029,771,904	\$68,446,703	7.1

1/: Data displayed in BEA format, which includes "net" Property Tax Relief funds of \$552,691,659 in FY15 per Budget and \$571,182,163 in FY16 per BEA.

2/: Excludes (1%) Education Improvement Act, (2%) Accommodations, (1%) Homestead Exemption, and any Local Option sales taxes.

3/: Data format corresponds to BEA Official Revenue Estimate.

Source: S. C. Board of Economic Advisors (BEA) 09/24/15/mgd

File: WGM0915_July_Act Format_MTH-YTD_FY16.xlsx

S. C. GENERAL FUND REVENUE: 09/15 ADJUSTED BEA ESTIMATES, FY 2015-16 -v- FINAL FY 2014-15

WORKING PAPER	1/ FY 2014-15 FINAL	1/ FY 2015-16 BEA ESTIMATE (09/15 PENDING)	\$ CHANGE	% CHANGE
REVENUE CATEGORIES				
Sales and Use Tax 2/	\$2,656,946,677	\$2,763,480,794	\$106,534,117	4.0
Individual Income Tax	3,661,194,579	3,764,166,000	102,971,421	2.8
Corporation Income Tax	377,669,258	356,218,375	(21,450,883)	(5.7)
Insurance Taxes	216,589,904	205,353,000	(11,236,904)	(5.2)
Admissions Tax	29,693,736	28,818,000	(875,736)	(2.9)
Aircraft Tax	4,492,414	4,536,000	43,586	1.0
Alcoholic Liquor Tax	70,363,644	72,334,000	1,970,356	2.8
Bank Tax	31,268,111	28,170,000	(3,098,111)	(9.9)
Beer and Wine Tax	104,865,231	106,691,000	1,825,769	1.7
Bingo Tax	3,049,018	2,953,000	(96,018)	(3.1)
Business Filing Fees	4,702,012	4,540,000	(162,012)	(3.4)
Circuit/Family Court Fines	8,446,184	8,779,000	332,816	3.9
Corporation License Tax	129,851,012	104,916,000	(24,935,012)	(19.2)
Documentary Tax	40,640,174	42,638,000	1,997,826	4.9
Earned on Investments	17,711,197	19,000,000	1,288,803	7.3
Indirect Cost Recoveries	13,511,580	11,061,000	(2,450,580)	(18.1)
Motor Vehicle Licenses	10,602,698	10,711,000	108,302	1.0
Nursing Home Fees	3,654,252	3,800,000	145,748	4.0
Parole and Probation Fees	3,392,808	3,392,800	(8)	(0.0)
Private Car Lines Tax	4,020,484	3,672,000	(348,484)	(8.7)
Public Service Authority	20,116,000	22,130,000	2,014,000	10.0
Purchasing Card Rebates	2,420,903	2,400,000	(20,903)	(0.9)
Record Search Fees	4,461,000	4,461,000	0	0.0
Savings and Loan Assoc. Tax	1,994,090	2,240,000	245,910	12.3
Security Dealer Fees	23,974,063	23,500,000	(474,063)	(2.0)
Surcharge on Vehicle Rentals	2,801,612	2,900,031	98,419	3.5
Tobacco Tax	25,482,166	24,869,000	(613,166)	(2.4)
Uncashed Checks	4,180,819	2,000,000	(2,180,819)	(52.2)
Unclaimed Property Fund	15,000,000	15,000,000	0	0.0
Workers' Comp. Insurance Tax	8,171,254	8,354,000	182,746	2.2
Other Source Revenues	11,814,238	12,776,794	962,556	8.1
Gross General Fund Revenue 3/	\$7,513,081,118	\$7,665,860,794	\$152,779,676	2.0

1/: Data displayed in BEA format, which includes "net" Property Tax Relief funds of \$552,691,659 in FY15 per Budget and \$571,182,163 in FY16 per BEA.

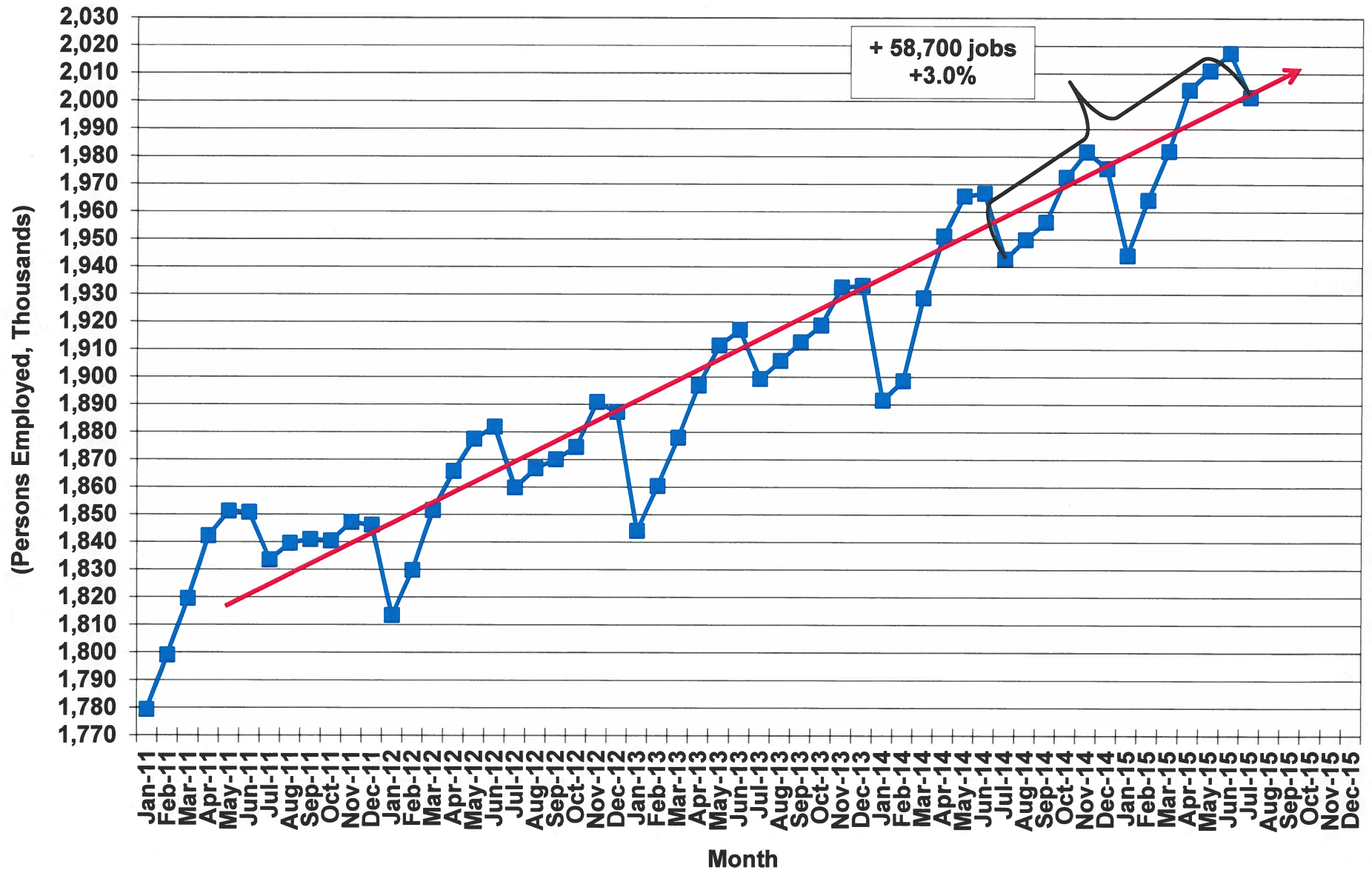
2/: Excludes (1%) Education Improvement Act, (2%) Accommodations, (1%) Homestead Exemption, and any Local Option sales taxes.

3/: Data format corresponds to BEA Official Revenue Estimate.

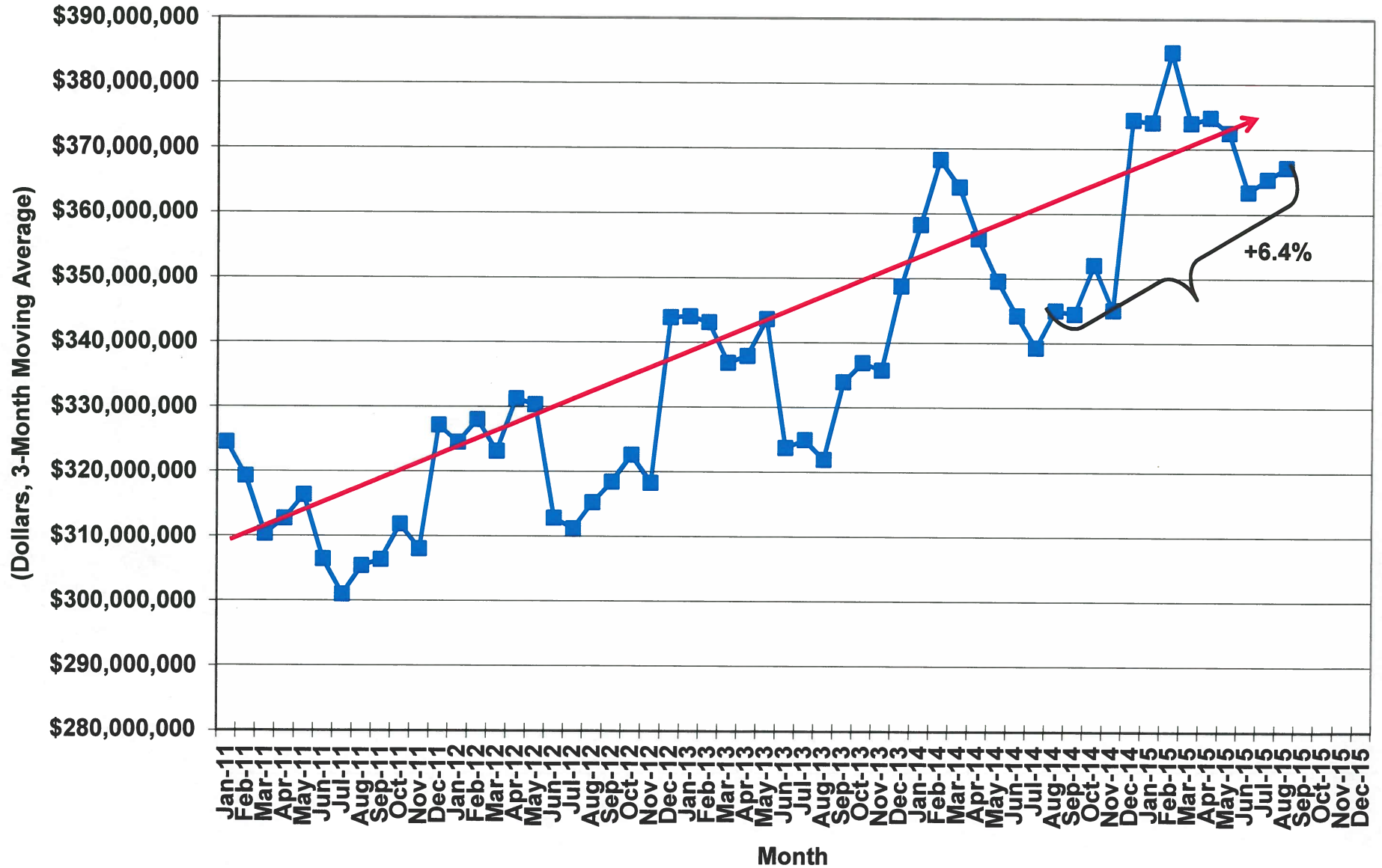
Source: S. C. Board of Economic Advisors (BEA) 09/08/15/mgd

File: F16BEA 0915 Adj. Ests_v_F15 Final_RPp22_New Format.xlsx

Total Nonfarm Employment in South Carolina



South Carolina Income Tax Withholdings



U.S. Retail & Food Service Sales

