

# South Carolina General Fund Revenue Forecast FY 2022-23 and FY 2023-24



# General Fund Revenues



## REVENUES V. BEA MONTHLY ESTIMATES

JULY - OCTOBER FY 2022-23

(\$ in Millions)

	Actual Revenues	Expected Revenues	Over/ (Under) Expected	Estimate Full Yr.	Actual YTD		Actual Revenues	Expected Revenues	Over/ (Under) Expected	Estimate Full Yr.	Actual YTD
<b>Total General Fund Revenue</b>	<b>\$4,347.4</b>	<b>\$3,779.5</b>	<b>\$567.9</b>	<b>(18.9%)</b>	<b>12.3%</b>	<b>Other Revenue Items, Sub-Total</b>	<b>\$289.5</b>	<b>\$228.0</b>	<b>\$61.5</b>	<b>(14.4%)</b>	<b>14.9%</b>
Sales Tax	1,166.1	936.1	230.0	(12.5%)	7.2%	Admissions Tax	2.6	2.8	(0.2)	(17.5%)	(55.3%)
Individual Income Tax	2,490.4	2,405.8	84.6	(20.3%)	9.9%	Alcoholic Liquors Tax	30.0	21.3	8.7	(13.7%)	7.5%
Withholdings	2,339.7	2,260.9	78.8	0.4%	11.7%	Bank Tax	15.2	13.1	2.1	(18.3%)	(4.4%)
Nonwithholdings	454.0	339.3	114.6	(34.2%)	11.8%	Beer and Wine Tax	30.9	30.9	(0.0)	(0.4%)	(1.2%)
Refunds	303.2	194.5	108.8	33.9%	28.9%	Corporate License Tax	70.8	63.9	6.9	2.5%	13.6%
Corporate Income Tax	280.9	93.4	187.5	(50.4%)	46.2%	Deed Rec. (Doc. Tax)	35.9	25.0	10.9	(34.4%)	(5.7%)
Insurance Tax	120.4	116.2	4.2	22.0%	62.3%	Earned on Investments	61.1	27.2	33.9	20.6%	120.3%
Other Revenue Items, Sub-Total	289.5	228.0	61.5	(14.4%)	14.9%	Residual Revenue	43.1	43.8	(0.7)	(26.6%)	(0.2%)

(Revenues as of November 8, 2022 – subject to minor revisions during final closing days)

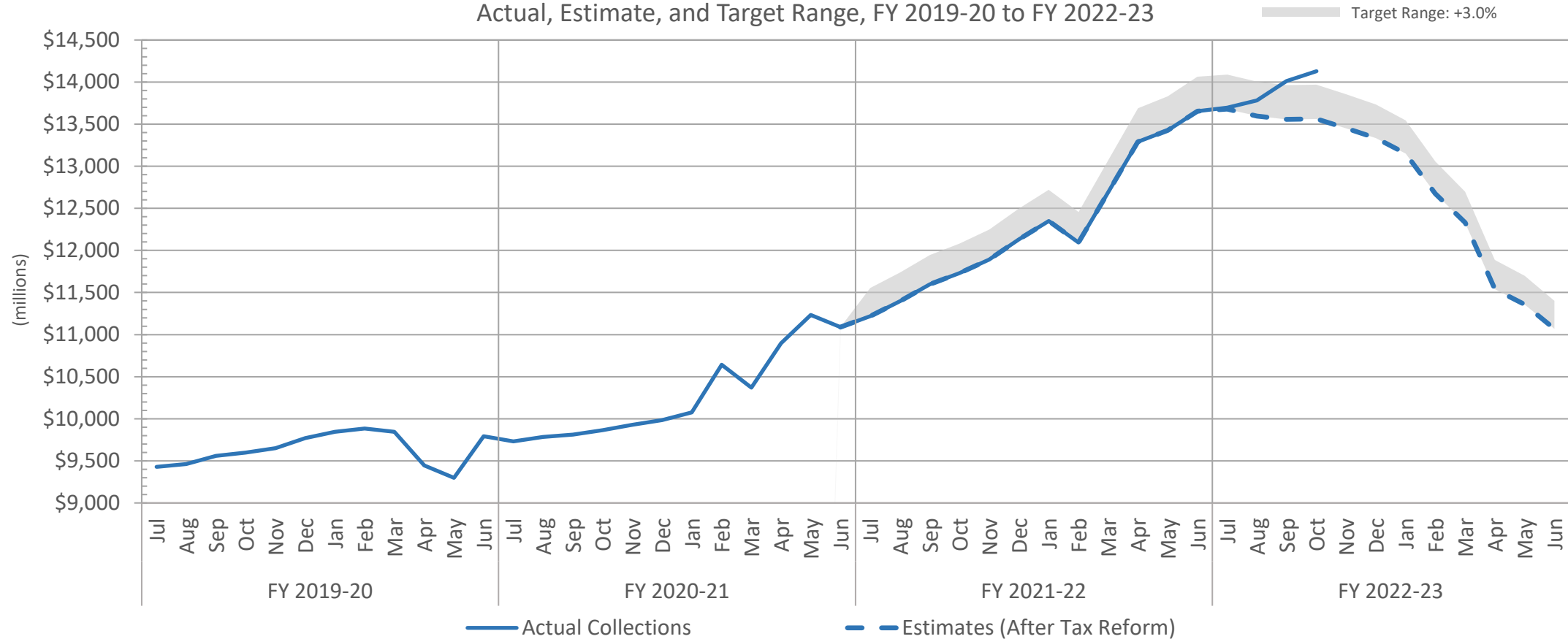
Based on BEA Forecast as of May 24, 2022



# General Fund Revenue – May 2022 Estimate (with Tax Reform)

Collections are up 12.3% over last year and \$567.9 million ahead of the current forecast; anticipated slow down has not yet occurred

ROLLING FISCAL YEAR - GENERAL FUND  
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



# Review of Revenue Estimates and Assumptions for FY 2022-23 and FY 2023-24

# Key Assumptions for FY 2022-23 and FY 2023-24

## General Assumptions

- Economic Assumptions
  - SC Employment and Personal Income are expected to grow in FY 2022-23 and FY 2023-24
  - Though a “recession” is expected by most economists within the next twelve months, the definition and degree vary widely
  - However, based on comments received at the October meeting with our panel of economists, the working assumption is that a potential downturn will be relatively mild, and SC should fare better than the nation

# Key Assumptions for FY 2022-23 and FY 2023-24

## South Carolina Economic Estimates

- Personal Income
  - Wage base is expected to be stable; while growth may slow, we do not anticipate negative growth
  - Above-average wage growth in calendar year Q3 and Q4 2022, followed by a slower period for 9 months and a return to historical growth rates in Q4 2023
  - Other personal income components are generally expected to grow more slowly than wages in FY 23
  - Social Security income is anticipated to be impacted by higher cost-of-living adjustments in both FY 23 and FY 24
- Employment
  - Employment is expected to grow without significantly affecting income growth
  - Above average growth in employment in FY 23 and below average growth in FY 24
- Consumer Behavior
  - Consumers are expected to continue the recent trend toward a more historical mix of services and goods

# Risks and Considerations for FY 2022-23 and FY 2023-24

- Although General Fund revenues through the first four months of FY 23 continue to show stronger growth than expected, there are ***significant potential risks*** to the economy over the forecast period
- While the state's economy and revenues are expected to continue to perform better than the nation, ***concerns over a looming recession are widespread***, stemming from the Federal Reserve's goal of reducing inflation by raising interest rates to slow the economy
  - This concern is further magnified by the uncertain magnitude of a potential recession
- Finally, continued supply-chain issues, the war in Ukraine, and looming recession concerns for other countries also present significant risks over the coming fiscal years
- Given these uncertainties, ***the risk of overestimating economic performance and revenue are much greater than usual and additional caution is required*** in setting a prudent expectation for the upcoming budget

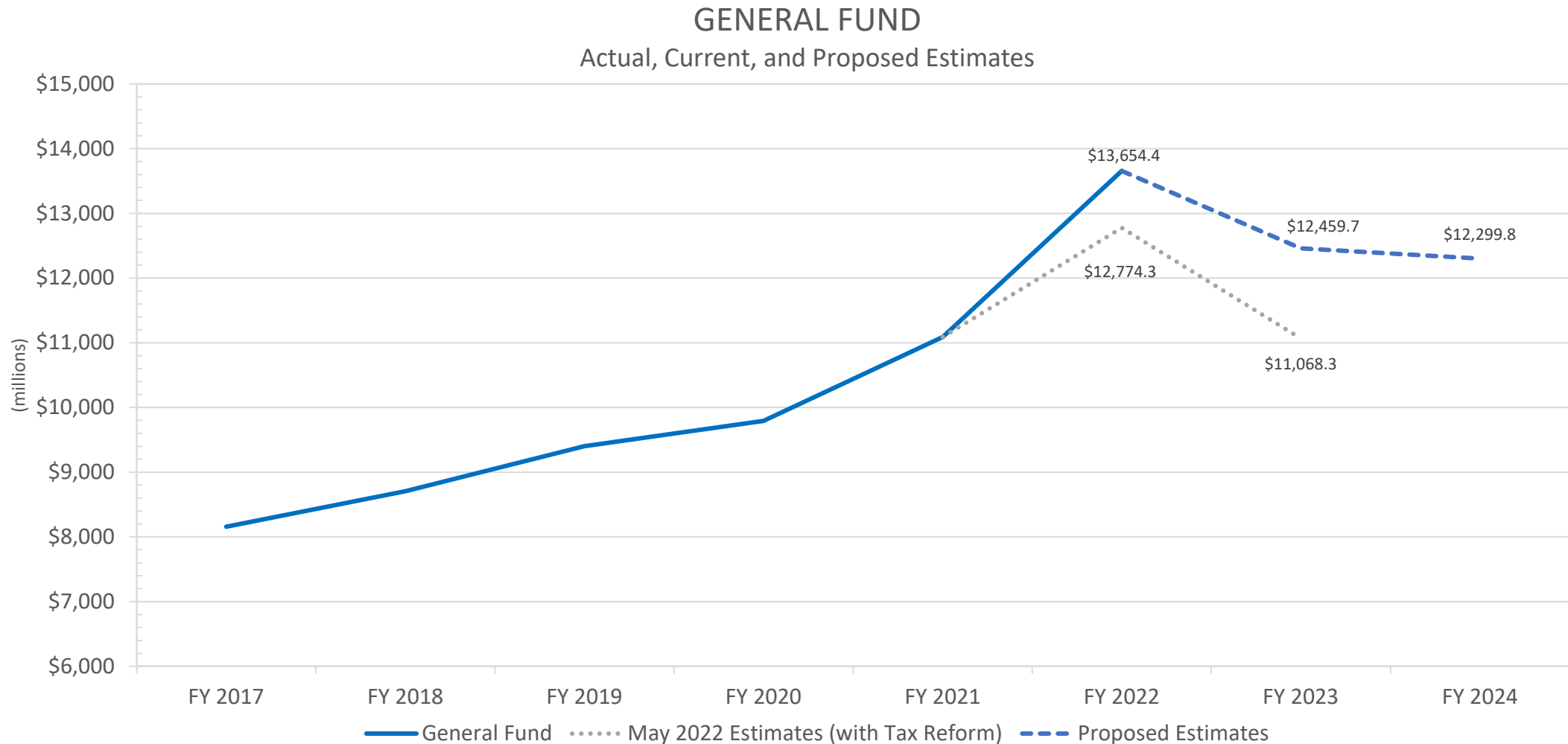
# Consideration of Revenue Forecasts for FY 2022-23 and FY 2023-24





# General Fund Revenue – Proposed Estimates

Higher base in FY 22 results in a decline of 8.7% for FY 23 and a 1.3% decline for FY 24

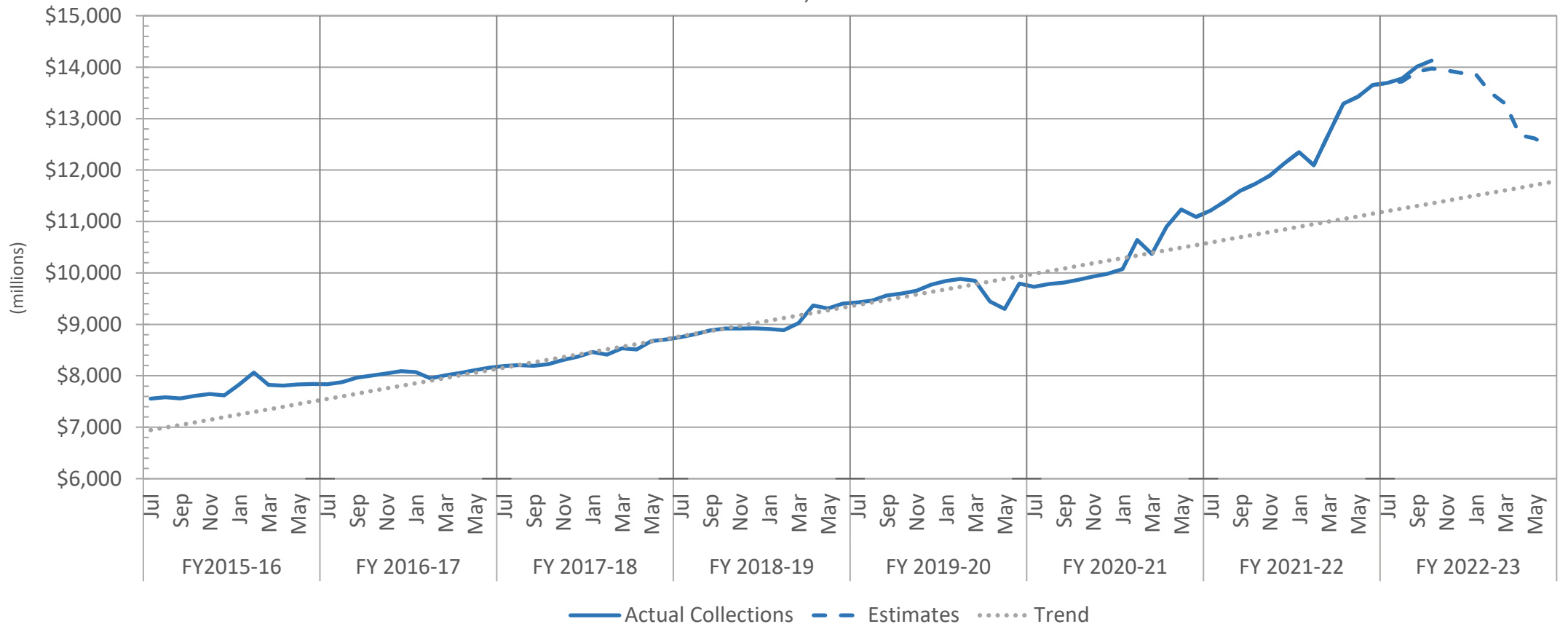


# General Fund

## Proposed FY 23 estimate compared to 3-year pre-pandemic trend

### ROLLING FISCAL YEAR - GENERAL FUND

Actuals and Estimates, FY 2015-16 to FY 2022-23



# General Fund Revenue Forecast – Proposed

Revenue Category	Final FY 2021-22	5/24/2022 Estimate <sup>1</sup> FY 2022-23	11/16/2022 Estimate FY 2022-23	5/24 vs 11/16 Estimate Change	11/16/2022 Estimate FY 2023-24	Pct. Chg. FY 2021-22	5/24/2022 Pct. Chg. FY 2022-23	11/16/2022 Pct. Chg. FY 2022-23	11/16/2022 Pct. Chg. FY 2023-24
Sales and Use Tax	\$4,401,993,179	\$3,852,456,000	\$4,500,469,000	\$648,013,000	\$4,432,962,000	15.1	(12.5)	2.2	(1.5)
Individual Income Tax	6,827,560,100	5,443,729,415	5,923,746,000	480,016,585	5,969,316,000	25.9	(20.3)	(13.2)	0.8
<i>Withholdings</i>	6,864,765,402	6,889,645,415	6,979,664,000	90,018,585	6,854,512,000	13.6	0.4	1.7	(1.8)
<i>Non-Withholdings</i>	2,051,932,498	1,350,450,457	1,687,528,000	337,077,543	1,558,987,000	28.7	(34.2)	(17.8)	(7.6)
<i>Refunds</i>	2,089,137,801	2,796,366,457	2,743,446,000	(52,920,457)	2,444,183,000	(5.7)	33.9	31.3	(10.9)
Corporation Income Tax	1,129,375,124	560,448,000	751,436,000	190,988,000	626,057,000	68.8	(50.4)	(33.5)	(16.7)
Insurance Taxes	283,503,195	345,761,000	345,761,000	0	338,773,000	(3.3)	22.0	22.0	(2.0)
Admissions Tax	45,742,736	37,741,000	40,988,000	3,247,000	41,587,000	54.9	(17.5)	(10.4)	1.5
Aircraft Tax	1,250,000	0	0	0	0	(56.6)	--	--	--
Alcoholic Liquor Tax	112,482,415	97,061,000	114,732,000	17,671,000	110,143,000	10.7	(13.7)	2.0	(4.0)
Bank Tax	72,352,457	59,092,000	64,868,000	5,776,000	60,844,000	3.6	(18.3)	(10.3)	(6.2)
Beer and Wine Tax	116,942,161	116,461,000	116,020,000	(441,000)	117,630,000	0.1	(0.4)	(0.8)	1.4
Business Filing Fees	12,616,189	10,839,000	12,053,000	1,214,000	12,315,000	(1.2)	(14.1)	(4.5)	2.2
Circuit/Family Court Fines	6,089,254	5,670,000	5,226,000	(444,000)	4,992,000	13.5	(6.9)	(14.2)	(4.5)
Corporation License Tax	163,071,712	167,072,000	147,080,000	(19,992,000)	134,198,000	10.1	2.5	(9.8)	(8.8)
Deed Recording Fees	156,850,909	102,878,000	124,255,000	21,377,000	118,042,000	31.9	(34.4)	(20.8)	(5.0)
Earned on Investments	69,656,950	84,000,000	130,000,000	46,000,000	150,000,000	(4.1)	20.6	86.6	15.4
Indirect Cost Recoveries	22,097,929	28,640,000	28,474,000	(166,000)	25,627,000	(5.0)	29.6	28.9	(10.0)
Motor Vehicle Licenses	11,178,619	11,150,000	12,027,000	877,000	12,074,000	(7.8)	(0.3)	7.6	0.4
Nursing Home Fees	3,230,655	3,174,000	3,174,000	0	3,149,000	(3.7)	(1.8)	(1.8)	(0.8)
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	0	3,393,000	0.0	0.0	0.0	0.0
Private Car Lines Tax	6,878,649	7,032,000	8,472,000	1,440,000	8,968,000	3.1	2.2	23.2	5.9
Public Service Authority	17,675,000	16,700,000	17,489,000	789,000	17,489,000	3.2	(5.5)	(1.1)	0.0
Purchasing Card Rebates	3,541,021	3,689,000	3,689,000	0	3,842,000	14.6	4.2	4.2	4.1
Record Search Fees	4,461,000	4,461,000	4,461,000	0	4,461,000	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	2,448,449	2,340,000	1,102,000	(1,238,000)	1,463,000	113.4	(4.4)	(55.0)	32.8
Security Dealer Fees	31,897,230	32,336,000	31,385,000	(951,000)	31,738,000	9.3	1.4	(1.6)	1.1
Tobacco Tax	28,935,834	27,693,000	28,204,000	511,000	29,261,000	0.5	(4.3)	(2.5)	3.7
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	0	15,000,000	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	9,795,065	12,807,000	9,845,000	(2,962,000)	10,429,000	(21.7)	30.7	0.5	5.9
Other Source Revenues	94,396,685	16,721,000	16,306,000	(415,000)	16,088,000	131.0	(82.3)	(82.7)	(1.3)
<b>Gross General Fund Revenue</b>	<b>\$13,654,415,325</b>	<b>\$11,068,344,415</b>	<b>\$12,459,655,000</b>	<b>\$1,391,310,585</b>	<b>\$12,299,841,000</b>	<b>23.1</b>	<b>(18.9)</b>	<b>(8.7)</b>	<b>(1.3)</b>

<sup>1</sup> Includes adjustments for legislative tax reform pursuant to Act 228 of 2022 adopted after May 2022 forecast.



# General Fund Revenue Forecast - Proposed (Continued)

Revenue Category	Final FY 2021-22	5/24/2022 Estimate <sup>1</sup> FY 2022-23	11/16/2022 Estimate FY 2022-23	Change	11/16/2022 Estimate FY 2023-24	Pct. Chg. FY 2021-22	5/24/2022 Pct. Chg. FY 2022-23	11/16/2022 Pct. Chg. FY 2022-23	11/16/2022 Pct. Chg. FY 2023-24
<b>Gross General Fund Revenue</b>	\$13,654,415,325	\$11,068,344,415	\$12,459,655,000	\$1,391,310,585	\$12,299,841,000	23.1	(18.9)	(8.7)	(1.3)
Less: Tax Relief Trust Fund (Act)	650,023,221	661,952,631	768,072,631	106,120,000	795,942,732	3.3	1.8	18.2	3.6
Net General Fund Revenue	\$13,004,392,104	\$10,406,391,784	\$11,691,582,369	1,285,190,585	\$11,503,898,268	24.3	(20.0)	(10.1)	(1.6)
<b>Education Improvement Act (EIA)</b>	1,138,972,300	1,004,596,000	1,170,338,000	165,742,000	1,153,395,000	14.3	(11.8)	2.8	(1.4)
EIA Fund	1,138,342,432	1,004,491,000	1,164,338,000	159,847,000	1,147,395,000	14.2	(11.8)	2.3	(1.5)
EIA Interest	629,868	105,000	6,000,000	5,895,000	6,000,000	643.6	(83.3)	852.6	0.0
<b>S.C. Education Lottery Fund</b>	568,684,685	522,800,000	542,600,000	19,800,000	532,500,000	(7.1)	(8.1)	(4.6)	(1.9)
Lottery Proceeds	533,500,000	497,600,000	517,300,000	19,700,000	507,200,000	(7.3)	(6.7)	(3.0)	(2.0)
Unclaimed Prizes	30,501,385	20,000,000	20,000,000	0	20,000,000	(5.1)	(34.4)	(34.4)	0.0
Lottery Interest	4,683,300	5,200,000	5,300,000	100,000	5,300,000	5.8	11.0	13.2	0.0
<b>Homestead Exemption Fund (HEX)</b>	1,033,264,216	917,165,000	1,059,670,000	142,505,000	1,044,223,000	14.4	(11.2)	2.6	(1.5)
HEX Revenue	1,029,360,778	913,465,000	1,053,870,000	140,405,000	1,038,423,000	14.3	(11.3)	2.4	(1.5)
HEX Interest	3,903,438	3,700,000	5,800,000	2,100,000	5,800,000	24.8	(5.2)	48.6	0.0
Expenditure Estimate	860,983,490	912,852,708	912,890,744	38,035	948,386,760	3.8	6.0	6.0	3.9
HEX Fund Excess/(Shortfall)	172,280,726	4,312,292	146,779,256	142,466,965	95,836,240	131.4	(97.5)	(14.8)	(34.7)
<b>Tax Relief Trust Fund (Act)</b>	650,023,221	661,952,631	768,072,631	106,120,000	795,942,732	3.3	1.8	18.2	3.6
Revised Estimate/Actual	643,954,085	661,952,631	772,671,553	110,718,922	795,942,732	2.9	2.8	20.0	3.0
Excess/(Shortfall) (Excl. Fund Balance)	6,069,136	0	(4,598,922)	(4,598,922)	0	80.6	n/a	n/a	n/a
<b>Budgetary Estimates</b>									
Gross Appropriation Act Revenue	9,925,428,000	11,164,023,415	11,270,143,415	106,120,000	12,299,841,000	4.5	12.5	13.5	9.1
Less: Tax Relief Trust Fund (Act)	650,023,221	661,952,631	768,072,631	106,120,000	795,942,732	3.3	1.8	18.2	3.6
Appropriation Act Excluding Trust Fund	9,275,404,779	10,502,070,784	10,502,070,784	0	11,503,898,268	4.6	13.2	13.2	9.5
Capital Reserve Fund	183,584,490	209,194,431	209,194,431	0	390,131,763	4.3	13.9	13.9	86.5
General Reserve Fund	458,961,225	522,986,077	575,284,684	52,298,607	715,241,566	4.3	13.9	25.3	24.3
Total Reserve Funds	642,545,715	732,180,508	784,479,115	52,298,607	1,105,373,329	4.3	13.9	22.1	40.9

<sup>1</sup> Includes adjustments for legislative tax reform pursuant to Act 228 of 2022 adopted after May 2022 forecast  
 Note: General Reserve Fund for FY 2022-23 includes additional funding of \$52.3 million; FY 2022-23 Trust Fund for Tax Relief revised to reflect Act 228 of 2022.

# Budget Outlook

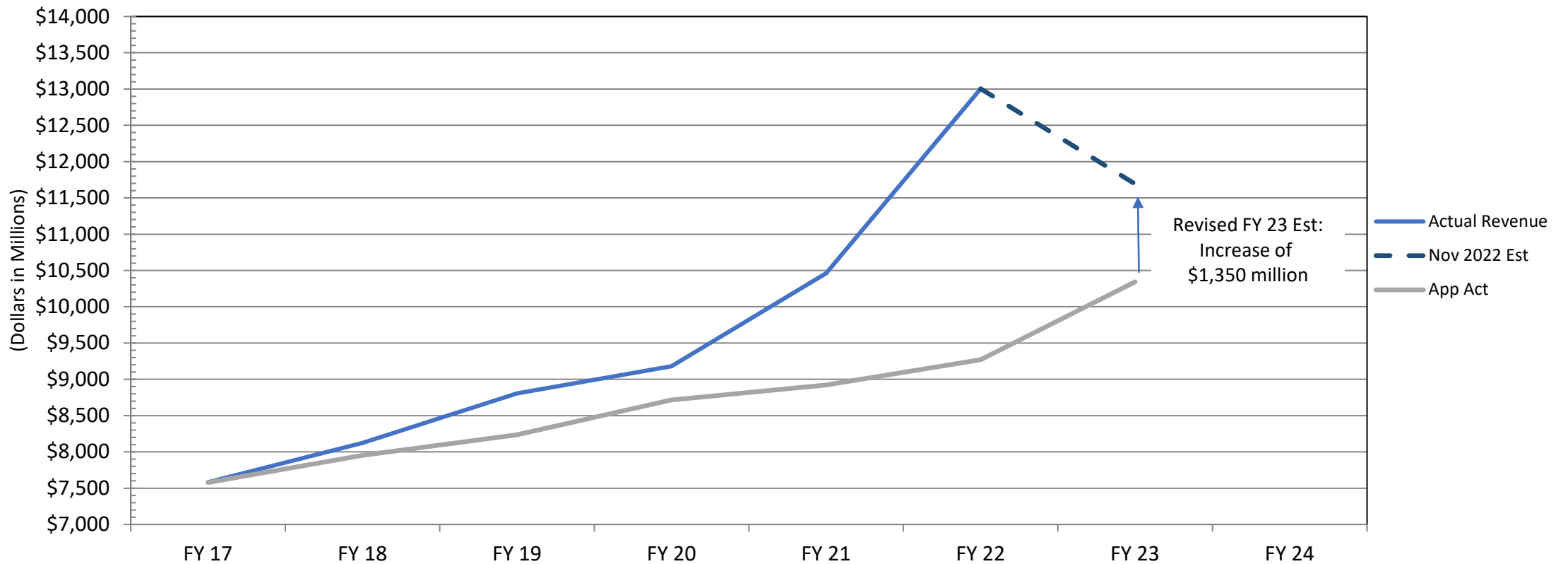
## FY 2023-24 Budget Outlook

- The expenditure base remains substantially lower than actual and projected revenues
  - The FY 22 and FY 23 budgets were adopted before the significant revenue growth was realized
  - Further, \$160.7 million of projected revenue was not appropriated in FY 23
- The FY 22 revenue surplus of \$880 million and current FY 23 surplus add significantly more ability to increase the estimates while still guarding against a worse than expected downturn
- Even with an estimated decline in FY 24 revenue, the growth in the revenue estimate over the base budget is sufficient to trigger the next reduction in the individual income tax rates for tax year 2023

# General Fund Revenue – FY 2022-23 Budget

## Net budgetary revenue

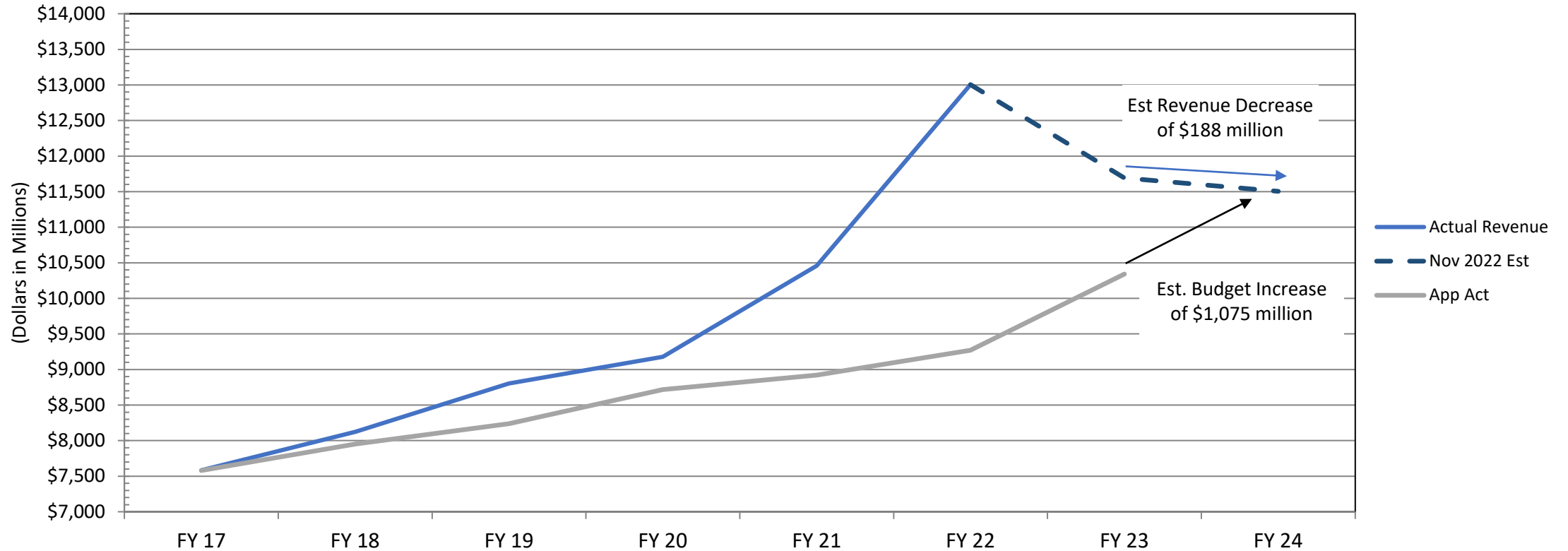
### FY 2022-23 BUDGET CATCH-UP, NOVEMBER 2022



# General Fund Revenue – FY 2023-24 Budget

## Net budgetary revenue

FY 2023-24 BUDGET OUTLOOK, NOVEMBER 2022



Note: Includes anticipated incremental income tax rate reduction for tax year 2023



# FY 2023-24 Budget Outlook – Recurring General Fund

(Dollars in Millions)

BEA Revenue Estimate (11/16/2022)	\$12,299.8
FY 2022-23 Appropriation Act Revenue	(\$10,341.3)
Tax Relief Trust Fund	(\$795.9)
Incremental Income Tax Rate Reduction	<u>(\$87.5)</u>
Estimated “New” General Fund Revenue	\$1,075.0
Reserve Fund Contributions	
Incremental General Reserve Fund (5.5%)	(\$140.0)
Incremental Capital Reserve Fund (3%)	<u>(\$180.9)</u>
<b>Estimated “New” General Fund Revenue Available for Appropriation (less Reserve Fund Contributions)</b>	<b>\$754.1</b>

# FY 2023-24 Budget Outlook

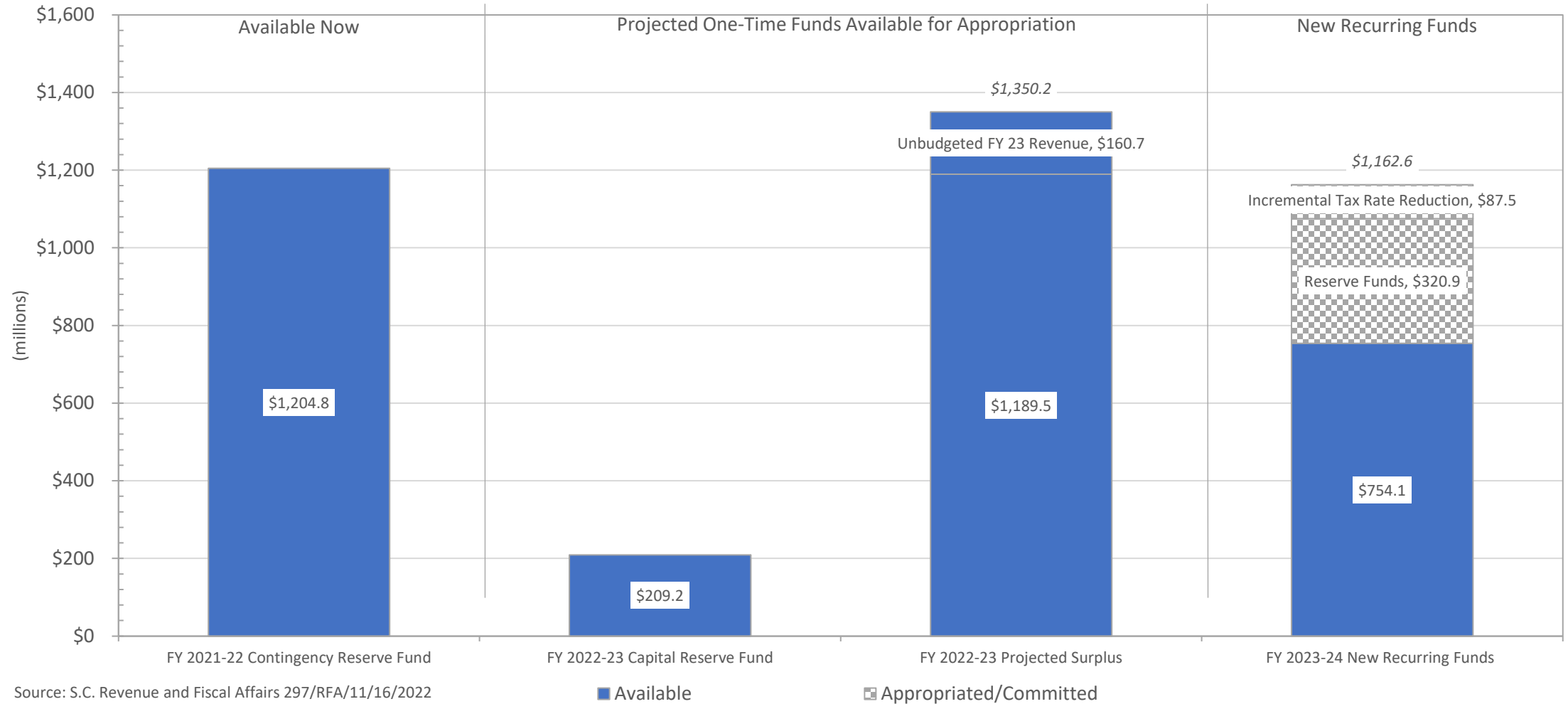
## Nonrecurring Revenue

(Dollars in Millions)

Projected FY 2022-23 General Fund Surplus (11/16/2022)	\$1,350.2
FY 2022-23 Capital Reserve Fund	\$209.2
FY 2021-22 Contingency Reserve Fund	<u>\$1,204.8</u>
<b>Total Non-Recurring Revenue</b>	<b>\$2,764.3</b>
<b>Other Non-Recurring Revenue</b>	
Litigation Recovery (preliminary)	\$72.8

# FY 2023-24 Available Funds

AVAILABLE FUNDS - FY 2023-24 BUDGET PROCESS  
as of November 16, 2022



# Adoption of Long-Range Forecast (Pursuant to §11-11-350 )



# Long-Range Forecast

Personal Income Growth - FY23: 4.92%; FY24: 4.88%

Revenue Category	Final FY 2021-22	Long-Range Estimates					Pct. Chg. FY 2021-22	Long-Range Estimates			
		11/16/2022 Estimate FY 2022-23	11/16/2022 Estimate FY 2023-24	11/16/2022 Estimate FY 2024-25	11/16/2022 Estimate FY 2025-26	11/16/2022 Pct. Chg. FY 2022-23		11/16/2022 Pct. Chg. FY 2023-24	11/16/2022 Pct. Chg. FY 2024-25	11/16/2022 Pct. Chg. FY 2025-26	
Sales and Use Tax	\$4,401,993,179	\$4,500,469,000	\$4,432,962,000	\$4,630,975,000	\$4,854,605,000	15.1	2.2	(1.5)	4.5	4.8	
Individual Income Tax	6,827,560,100	5,923,746,000	5,969,316,000	6,293,706,000	6,665,386,000	25.9	(13.2)	0.8	5.4	5.9	
<i>Withholdings</i>	6,864,765,402	6,979,664,000	6,854,512,000	7,195,044,000	7,583,576,000	13.6	1.7	(1.8)	5.0	5.4	
<i>Non-Withholdings</i>	2,051,932,498	1,687,528,000	1,558,987,000	1,650,780,000	1,756,430,000	28.7	(17.8)	(7.6)	5.9	6.4	
<i>Refunds</i>	2,089,137,801	2,743,446,000	2,444,183,000	2,552,118,000	2,674,620,000	(5.7)	31.3	(10.9)	4.4	4.8	
Corporation Income Tax	1,129,375,124	751,436,000	626,057,000	649,957,000	720,801,000	68.8	(33.5)	(16.7)	3.8	10.9	
Insurance Taxes	283,503,195	345,761,000	338,773,000	395,868,000	381,899,000	(3.3)	22.0	(2.0)	16.9	(3.5)	
Admissions Tax	45,742,736	40,988,000	41,587,000	42,348,000	43,208,000	54.9	(10.4)	1.5	1.8	2.0	
Aircraft Tax	1,250,000	0	0	0	0	(56.6)	--	--	--	--	
Alcoholic Liquor Tax	112,482,415	114,732,000	110,143,000	115,485,000	119,596,000	10.7	2.0	(4.0)	4.9	3.6	
Bank Tax	72,352,457	64,868,000	60,844,000	63,512,000	63,512,000	3.6	(10.3)	(6.2)	4.4	0.0	
Beer and Wine Tax	116,942,161	116,020,000	117,630,000	119,239,000	120,924,000	0.1	(0.8)	1.4	1.4	1.4	
Business Filing Fees	12,616,189	12,053,000	12,315,000	12,743,000	13,480,000	(1.2)	(4.5)	2.2	3.5	5.8	
Circuit/Family Court Fines	6,089,254	5,226,000	4,992,000	4,768,000	4,553,000	13.5	(14.2)	(4.5)	(4.5)	(4.5)	
Corporation License Tax	163,071,712	147,080,000	134,198,000	143,047,000	152,480,000	10.1	(9.8)	(8.8)	6.6	6.6	
Deed Recording Fees	156,850,909	124,255,000	118,042,000	126,266,000	134,489,000	31.9	(20.8)	(5.0)	7.0	6.5	
Earned on Investments	69,656,950	130,000,000	150,000,000	106,000,000	106,000,000	(4.1)	86.6	15.4	(29.3)	0.0	
Indirect Cost Recoveries	22,097,929	28,474,000	25,627,000	24,345,000	23,615,000	(5.0)	28.9	(10.0)	(5.0)	(3.0)	
Motor Vehicle Licenses	11,178,619	12,027,000	12,074,000	12,369,000	12,798,000	(7.8)	7.6	0.4	2.4	3.5	
Nursing Home Fees	3,230,655	3,174,000	3,149,000	3,140,000	3,147,000	(3.7)	(1.8)	(0.8)	(0.3)	0.2	
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	3,393,000	3,393,000	0.0	0.0	0.0	0.0	0.0	
Private Car Lines Tax	6,878,649	8,472,000	8,968,000	9,524,000	10,081,000	3.1	23.2	5.9	6.2	5.8	
Public Service Authority	17,675,000	17,489,000	17,489,000	17,489,000	17,489,000	3.2	(1.1)	0.0	0.0	0.0	
Purchasing Card Rebates	3,541,021	3,689,000	3,842,000	4,003,000	4,170,000	14.6	4.2	4.1	4.2	4.2	
Record Search Fees	4,461,000	4,461,000	4,461,000	4,461,000	4,461,000	0.0	0.0	0.0	0.0	0.0	
Savings and Loan Assoc. Tax	2,448,449	1,102,000	1,463,000	1,463,000	1,463,000	113.4	(55.0)	32.8	0.0	0.0	
Security Dealer Fees	31,897,230	31,385,000	31,738,000	32,421,000	33,538,000	9.3	(1.6)	1.1	2.2	3.4	
Tobacco Tax	28,935,834	28,204,000	29,261,000	29,896,000	30,642,000	0.5	(2.5)	3.7	2.2	2.5	
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	0.0	0.0	0.0	0.0	0.0	
Workers' Comp. Insurance Tax	9,795,065	9,845,000	10,429,000	10,472,000	10,447,000	(21.7)	0.5	5.9	0.4	(0.2)	
Other Source Revenues	94,396,685	16,306,000	16,088,000	16,540,000	16,256,000	131.0	(82.7)	(1.3)	2.8	(1.7)	
<b>Gross General Fund Revenue</b>	<b>\$13,654,415,325</b>	<b>\$12,459,655,000</b>	<b>\$12,299,841,000</b>	<b>\$12,888,430,000</b>	<b>\$13,567,433,000</b>	<b>23.1</b>	<b>(8.7)</b>	<b>(1.3)</b>	<b>4.8</b>	<b>5.3</b>	



# Long-Range Forecast

Revenue Category	Final FY 2021-22	Long-Range Estimates					Pct. Chg. FY 2021-22	Pct. Chg. FY 2022-23	Long-Range Estimates		
		11/16/2022 Estimate FY 2022-23	11/16/2022 Estimate FY 2023-24	11/16/2022 Estimate FY 2024-25	11/16/2022 Estimate FY 2025-26	11/16/2022 Pct. Chg. FY 2023-24			11/16/2022 Pct. Chg. FY 2024-25	11/16/2022 Pct. Chg. FY 2025-26	
<b>Gross General Fund Revenue</b>	<b>\$13,654,415,325</b>	<b>\$12,459,655,000</b>	<b>\$12,299,841,000</b>	<b>\$12,888,430,000</b>	<b>\$13,567,433,000</b>	23.1	(8.7)	(1.3)	4.8	5.3	
Less: Tax Relief Trust Fund (Act)	650,023,221	768,072,631	795,942,732	807,396,783	817,529,248	3.3	18.2	3.6	1.4	1.3	
Net General Fund Revenue	\$13,004,392,104	\$11,691,582,369	\$11,503,898,268	\$12,081,033,217	\$12,749,903,752	24.3	(10.1)	(1.6)	5.0	5.5	
<b>Education Improvement Act (EIA)</b>	<b>1,138,972,300</b>	<b>1,170,338,000</b>	<b>1,153,395,000</b>	<b>1,199,094,000</b>	<b>1,255,222,000</b>	14.3	2.8	(1.4)	4.0	4.7	
EIA Fund	1,138,342,432	1,164,338,000	1,147,395,000	1,197,094,000	1,253,222,000	14.2	2.3	(1.5)	4.3	4.7	
EIA Interest	629,868	6,000,000	6,000,000	2,000,000	2,000,000	643.6	852.6	0.0	(66.7)	0.0	
<b>S.C. Education Lottery Fund</b>	<b>568,684,685</b>	<b>542,600,000</b>	<b>532,500,000</b>	<b>532,200,000</b>	<b>532,200,000</b>	(7.1)	(4.6)	(1.9)	(0.1)	0.0	
Lottery Proceeds	533,500,000	517,300,000	507,200,000	507,200,000	507,200,000	(7.3)	(3.0)	(2.0)	0.0	0.0	
Unclaimed Prizes	30,501,385	20,000,000	20,000,000	20,000,000	20,000,000	(5.1)	(34.4)	0.0	0.0	0.0	
Lottery Interest	4,683,300	5,300,000	5,300,000	5,000,000	5,000,000	5.8	13.2	0.0	(5.7)	0.0	
<b>Homestead Exemption Fund (HEX)</b>	<b>1,033,264,216</b>	<b>1,059,670,000</b>	<b>1,044,223,000</b>	<b>1,087,732,000</b>	<b>1,138,901,000</b>	14.4	2.6	(1.5)	4.2	4.7	
HEX Revenue	1,029,360,778	1,053,870,000	1,038,423,000	1,083,732,000	1,134,901,000	14.3	2.4	(1.5)	4.4	4.7	
HEX Interest	3,903,438	5,800,000	5,800,000	4,000,000	4,000,000	24.8	48.6	0.0	(31.0)	0.0	
Expenditure Estimate	860,983,490	912,890,744	948,386,760	985,488,574	1,024,253,015	3.8	6.0	3.9	3.9	3.9	
HEX Fund Excess/(Shortfall)	172,280,726	146,779,256	95,836,240	102,243,426	114,647,985	131.4	(14.8)	(34.7)	6.7	12.1	
<b>Tax Relief Trust Fund (Act)</b>	<b>650,023,221</b>	<b>768,072,631</b>	<b>795,942,732</b>	<b>807,396,783</b>	<b>817,529,248</b>	3.3	18.2	3.6	1.4	1.3	
Revised Estimate/ Actual	643,954,085	772,671,553	795,942,732	807,396,783	817,529,248	2.9	20.0	3.0	1.4	1.3	
Excess/(Shortfall) (Excl. Fund Balance)	6,069,136	(4,598,922)	0	0	0	80.6	n/a	n/a	n/a	n/a	
<b>Budgetary Estimates</b>											
Gross Appropriation Act Revenue	9,925,428,000	11,270,143,415	12,299,841,000	12,888,430,000	13,567,433,000	4.5	13.5	9.1	4.8	5.3	
Less: Tax Relief Trust Fund (Act)	650,023,221	768,072,631	795,942,732	807,396,783	817,529,248	3.3	18.2	3.6	1.4	1.3	
Appropriation Act Excluding Trust Fund	9,275,404,779	10,502,070,784	11,503,898,268	12,081,033,217	12,749,903,752	4.6	13.2	9.5	5.0	5.5	
Capital Reserve Fund	183,584,490	209,194,431	390,131,763	350,747,471	345,116,948	4.3	13.9	86.5	(10.1)	(1.6)	
General Reserve Fund	458,961,225	575,284,684	715,241,566	701,494,942	747,753,387	4.3	25.3	24.3	(1.9)	6.6	
Total Reserve Funds	642,545,715	784,479,115	1,105,373,329	1,052,242,413	1,092,870,335	4.3	22.1	40.9	(4.8)	3.9	

Note: General Reserve Fund for FY 2022-23 includes additional funding of \$52.3 million; FY 2022-23 Trust Fund for Tax Relief revised to reflect Act 228 of 2022.



# APPENDIX



# Summary

## Fiscal Year Growth Rates

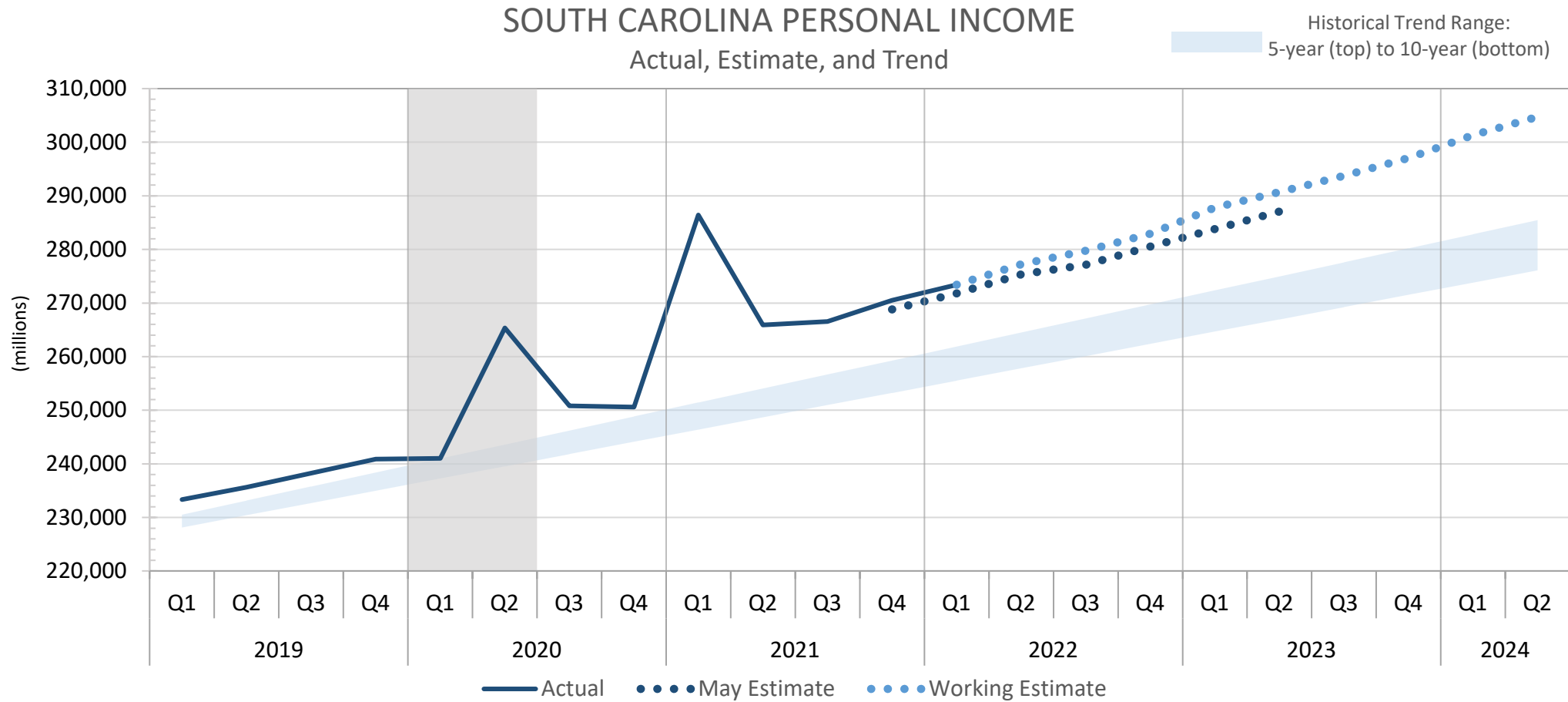
FISCAL YEAR GROWTH RATES			
Fiscal Year	Personal Income	Employment	Inflation
2022-23	4.92%	2.8%	6.3%
2023-24	4.88%	1.1%	3.2%

*\*Based on comments from advisors, employment forecast is adjusted to incorporate slightly lower growth in both years; inflation is adjusted up in FY 24*



# Personal Income Working Estimates

Working estimates are above historical levels primarily due to wage gains, and growth is expected to be near the long-term average through FY 2023-24

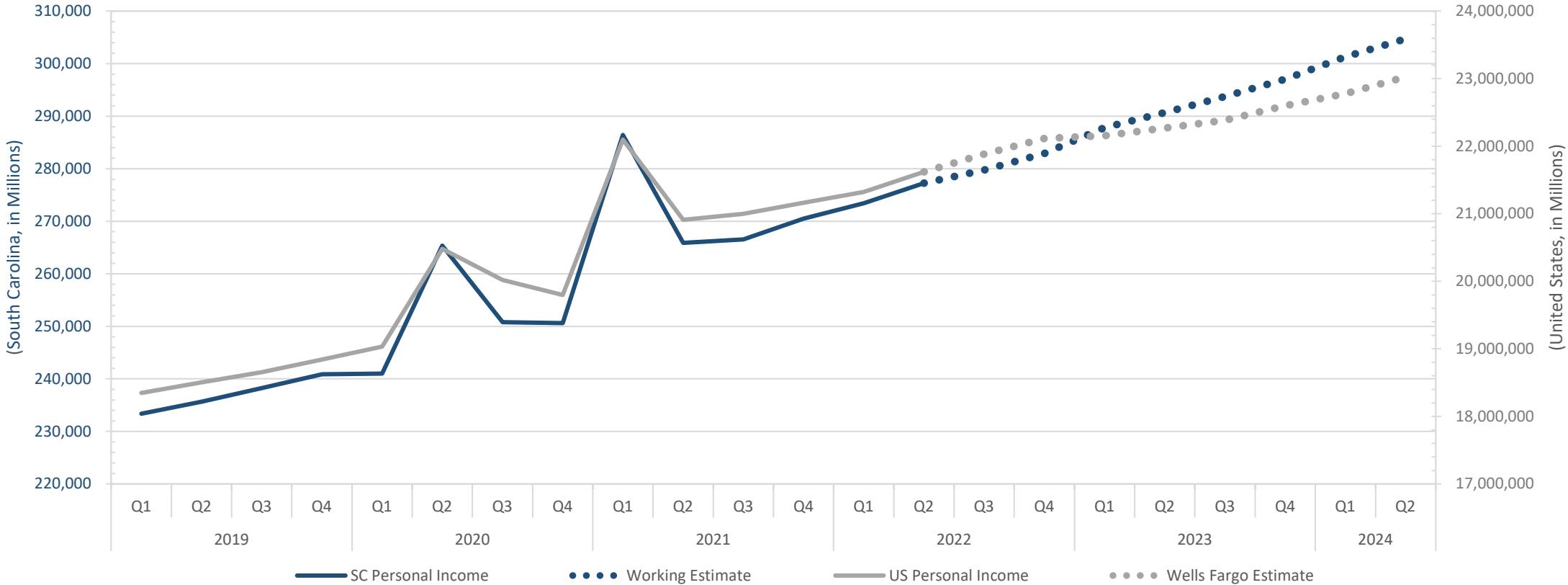


Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/bdc/10/3/2022

# US and SC Personal Income Comparison

Working estimate for SC personal income growth is faster than the estimate for the nation

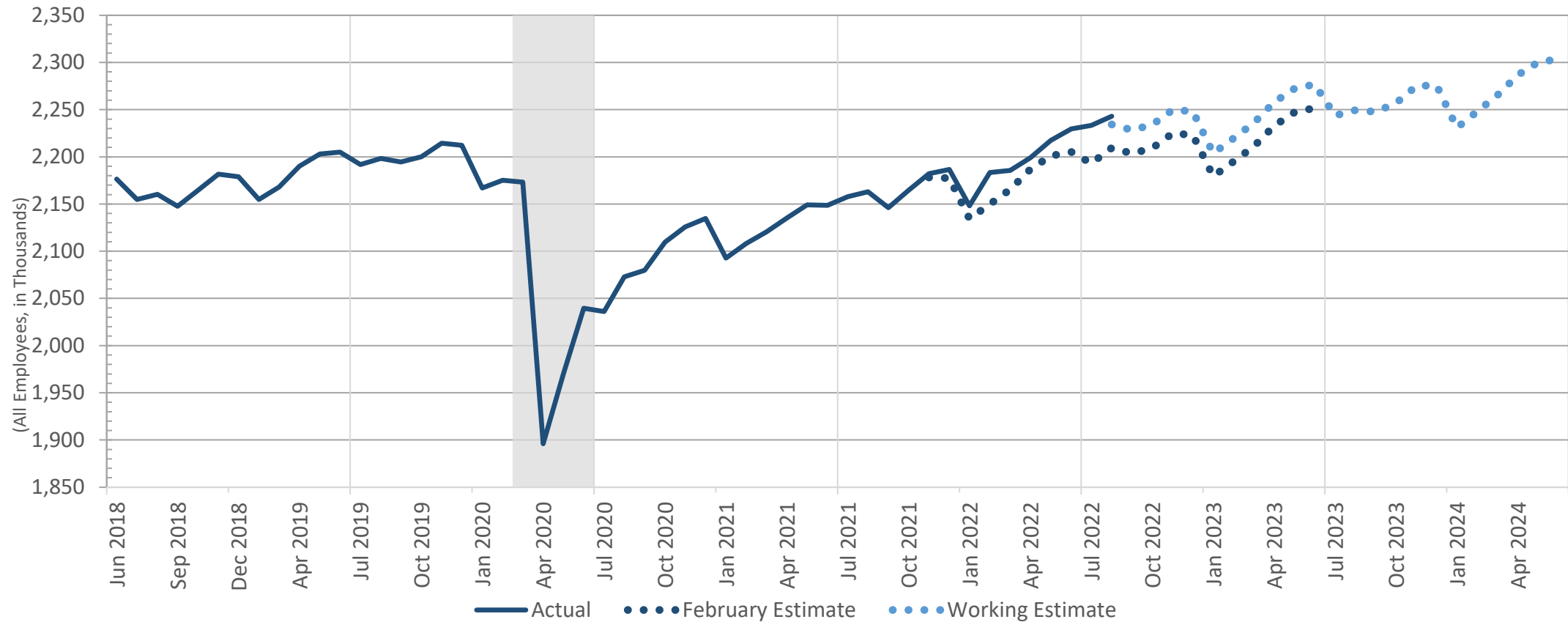
## PERSONAL INCOME



# Employment Working Estimate

Working estimate assumes above-average growth in FY 23 followed by a slowdown in job gains in FY 24 but no recessionary decline

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/bdc/10/3/2022

**Trust Fund for Property Tax Relief**

		\$100,000 Residential Property Tax Exemption (Tier I)	Homestead Exemption County/City (Tier II part1)	School Operations (Tier II part 2)	65 and Over \$50,000 Homestead Exemption (Total Tier II)	Manufacturers Depreciation Reimbursement from 20% to 10%	Manufacturers Percentage Exemption of Assessed Value	Merchants Inventory Tax Exemption (originally passed 1984)	Total
		1	2	3	4	5	6	7	8
<b>DOLLARS</b>									
FY 2015	(TY 2014)	\$249,069,750	\$121,962,048	\$80,892,729	\$202,854,777	\$67,843,626	n/a	\$40,557,257	\$560,325,409
FY 2016	(TY 2015)	\$249,069,750	\$127,312,126	\$80,892,729	\$208,204,855	\$70,482,653	n/a	\$40,557,257	\$568,314,514
FY 2017	(TY 2016)	\$249,069,750	\$131,346,479	\$80,892,729	\$212,239,208	\$73,406,912	n/a	\$40,557,257	\$575,273,126
FY 2018	(TY 2017)	\$249,069,750	\$136,140,414	\$80,892,729	\$217,033,143	\$75,373,252	n/a	\$40,557,257	\$582,033,401
FY 2019	(TY 2018)	\$249,069,750	\$140,693,810	\$80,892,729	\$221,586,539	\$83,927,859	\$6,476,615	\$40,557,257	\$601,618,020
FY 2020	(TY 2019)	\$249,069,750	\$147,955,837	\$80,892,729	\$228,848,565	\$82,342,990	\$12,968,848	\$40,557,257	\$613,787,410
FY 2021	(TY 2020)	\$249,069,750	\$147,917,877	\$80,892,729	\$228,810,606	\$86,281,708	\$21,324,579	\$40,557,257	\$626,043,899
FY 2022*	(TY 2021)	\$249,069,750	\$151,808,797	\$80,892,729	\$232,701,526	\$89,085,272	\$51,815,376	\$40,557,257	\$663,229,181
FY 2022*	Appropriation Act Est.	\$249,069,750	\$157,162,738	\$80,892,729	\$238,055,467	\$88,974,466	\$33,366,281	\$40,557,257	\$650,023,220
FY 2022*	Surplus/(Shortfall)	\$0	\$5,353,941	\$0	\$5,353,941	(\$110,806)	(\$18,449,095)	\$0	(\$13,205,960)
<b>GROWTH RATES</b>									
FY 2015	(TY 2014)	0.00%	3.98%	0.00%	2.35%	5.03%	n/a	0.00%	1.43%
FY 2016	(TY 2015)	0.00%	4.39%	0.00%	2.64%	3.89%	n/a	0.00%	1.43%
FY 2017	(TY 2016)	0.00%	3.17%	0.00%	1.94%	4.15%	n/a	0.00%	1.22%
FY 2018	(TY 2017)	0.00%	3.65%	0.00%	2.26%	2.68%	n/a	0.00%	1.18%
FY 2019	(TY 2018)	0.00%	3.34%	0.00%	2.10%	11.35%	n/a	0.00%	3.36%
FY 2020	(TY 2019)	0.00%	5.16%	0.00%	3.28%	-1.89%	100.24%	0.00%	2.02%
FY 2021	(TY 2020)	0.00%	-0.03%	0.00%	-0.02%	4.78%	64.43%	0.00%	2.00%
FY 2022*	(TY 2021)	0.00%	2.63%	0.00%	1.70%	3.25%	142.98%	0.00%	5.94%
	10 Year Growth Rate	0.00%	3.56%	0.00%	2.16%	4.18%	n/a	0.00%	2.14%
	5 Year Growth Rate	0.00%	2.94%	0.00%	1.86%	3.95%	n/a	0.00%	2.89%
	3 Year Growth Rate	0.00%	2.57%	0.00%	1.64%	2.01%	100.00%	0.00%	3.30%
<b>PROJECTIONS</b>									
	FY23 & FY24 Applied Growth Rates	0.00%	2.94%	0.00%	n/a	3.95%	8.50%	0.00%	n/a
FY 2023	Appropriation Act Est.	\$249,069,750	\$157,065,580	\$80,892,729	\$237,958,309	\$93,552,054	\$40,815,261	\$40,557,257	\$661,952,631
FY 2023 (e)	Revised Estimate**	\$249,069,750	\$156,268,930	\$80,892,729	\$237,161,659	\$92,601,858	\$153,281,029	\$40,557,257	\$772,671,553
FY 2023 (e)	Projected Surplus/(Shortfall)	\$0	\$796,650	\$0	\$796,650	\$950,196	(\$112,465,768)	\$0	(\$110,718,922)
FY 2024 (e)	Projection	\$249,069,750	\$160,860,102	\$80,892,729	\$241,752,831	\$96,257,259	\$168,305,635	\$40,557,257	\$795,942,732
FY 2025 (e)	Long-range Projection	\$249,069,750	\$166,592,148	\$80,892,729	\$247,484,877	\$100,284,899	\$170,000,000	\$40,557,257	\$807,396,783
FY 2026 (e)	Long-range Projection	\$249,069,750	\$172,528,448	\$80,892,729	\$253,421,177	\$104,481,064	\$170,000,000	\$40,557,257	\$817,529,248

\*In FY 2022 the Manufacturers Exemption reimbursements includes \$21,529,244 for the utilities settlement for TYs 2018, 2019, and 2020; Act 39 of 2021 transferred \$67,055,000 from the Contingency Reserve Fund to the Trust Fund for Tax Relief to cover the utilities settlements.

\*\*Beginning in FY 2023 (TY 2022) the Manufacturers' Exemption reimbursement percentage is 42.8571 percent.