

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

May 9, 2023



FY 2022-23 General Fund Revenue Updates

FY 2022-23 Results through April 2023

(preliminary figures as of May 3, 2023)

- Total General Fund revenue is \$736.7 million above expectations
 - Sales tax growth through April fell to 7.2%, as April's revenue only increased 3.7% over last year, and collections are \$137.9 million above the estimate
 - Individual Withholdings is growing 2.4% above last fiscal year and behind expectations by \$73.8 million following larger than estimated tax table adjustments
 - Non-Withholdings is \$91.2 million ahead of the estimate through April, but \$28.6 million below monthly expectations, reducing the prior month's larger surplus
 - Refunds finished April \$129.2 million below expectations, increasing the excess revenue
 - Corporate Income tax is growing 15.1% and is \$403.8 million above the estimate, accounting for more than half of the total excess

April Revenue – as of May 3, 2023



REVENUES V. BEA MONTHLY ESTIMATES

JULY - APRIL FY 2022-23

(\$ in Millions)

| | Actual Revenues | Expected Revenues | Over/ (Under) Expected | Estimate YTD / ¹ | Actual YTD / ² | Estimate Full Yr. / ³ | | Actual Revenues | Expected Revenues | Over/ (Under) Expected | Estimate YTD / ¹ | Actual YTD / ² | Estimate Full Yr. / ³ |
|-----------------------------------|-------------------|-------------------|------------------------|-----------------------------|---------------------------|----------------------------------|---------------------------------------|-----------------|-------------------|------------------------|-----------------------------|---------------------------|----------------------------------|
| Total General Fund Revenue | \$10,343.6 | \$9,606.9 | \$736.7 | (9.4%) | (2.4%) | (8.7%) | Other Revenue Items, Sub-Total | \$814.8 | \$780.7 | \$34.1 | 4.1% | 8.7% | (2.8%) |
| Sales Tax | 3,447.9 | 3,310.0 | 137.9 | 2.9% | 7.2% | 2.2% | Admissions Tax | 26.4 | 23.7 | 2.7 | (14.2%) | (4.4%) | (10.4%) |
| Individual Income Tax | 4,763.9 | 4,617.3 | 146.6 | (16.3%) | (13.7%) | (13.8%) | Alcoholic Liquors Tax | 85.2 | 82.1 | 3.2 | 0.4% | 4.3% | 2.0% |
| Withholdings | 5,848.9 | 5,922.8 | (73.8) | 3.7% | 2.4% | 2.9% | Bank Tax | 77.6 | 57.0 | 20.5 | (7.3%) | 26.1% | (10.3%) |
| Non-withholdings | 1,471.3 | 1,380.1 | 91.2 | (18.1%) | (12.7%) | (15.2%) | Beer and Wine Tax | 83.3 | 84.3 | (1.1) | (2.4%) | (3.6%) | (0.8%) |
| Refunds | 2,556.4 | 2,685.6 | (129.2) | 42.8% | 36.0% | 39.4% | Corporate License Tax | 164.0 | 155.6 | 8.4 | (0.8%) | 4.6% | (0.9%) |
| Corporate Income Tax | 1,029.7 | 625.9 | 403.8 | (30.0%) | 15.1% | (33.5%) | Deed Rec. (Doc. Tax) | 94.4 | 89.9 | 4.5 | (22.8%) | (18.9%) | (22.9%) |
| Insurance Tax | 287.3 | 273.0 | 14.3 | 25.0% | 31.5% | 22.0% | Earned on Investments | 125.9 | 145.8 | (19.8) | 142.9% | 109.8% | 144.1% |
| Other Revenue Items, Sub-Total | 814.8 | 780.7 | 34.1 | 4.1% | 8.7% | (2.8%) | Residual Revenue | 158.1 | 142.4 | 15.7 | (10.7%) | (0.9%) | (29.3%) |

Based on BEA Forecast as of February 15, 2023

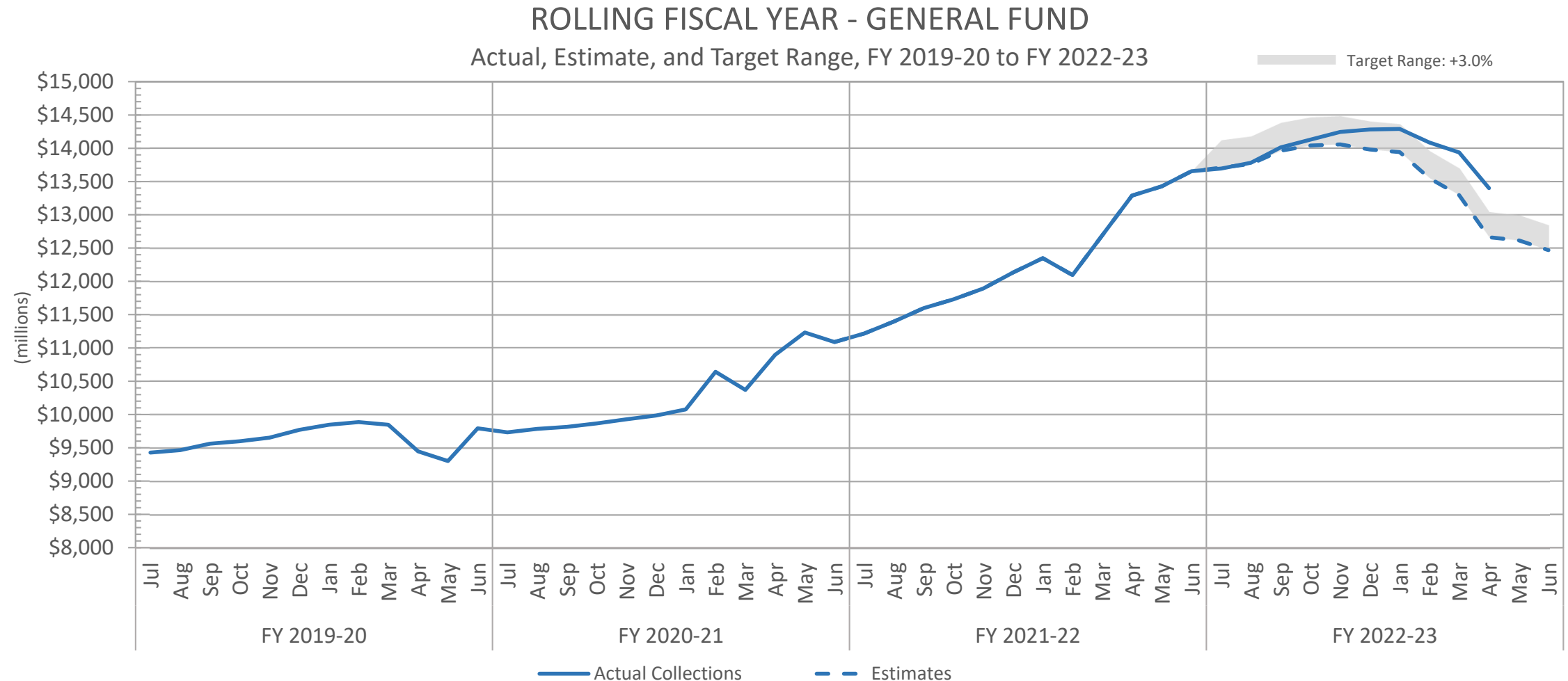
/1 Estimate year-to-date reflects expected growth in collections fiscal year-to-date over prior fiscal year-to-date based on anticipated monthly collection patterns.

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

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

General Fund – Actuals vs. Estimates

Revenues continue to grow faster than expected and are \$736.7 million above the estimate year-to-date

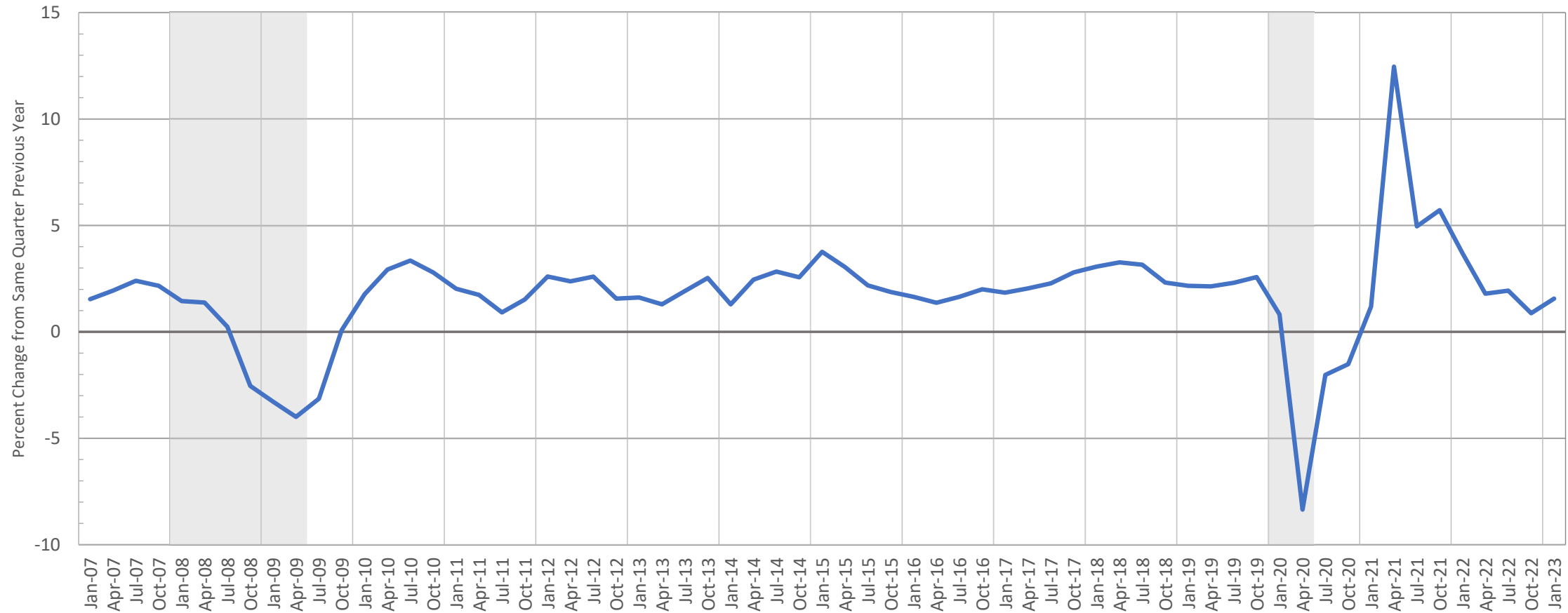


Economic Updates

US Real GDP

Q1 2023 GDP growth increased to 1.6% over Q1 2022

US REAL GROSS DOMESTIC PRODUCT GROWTH

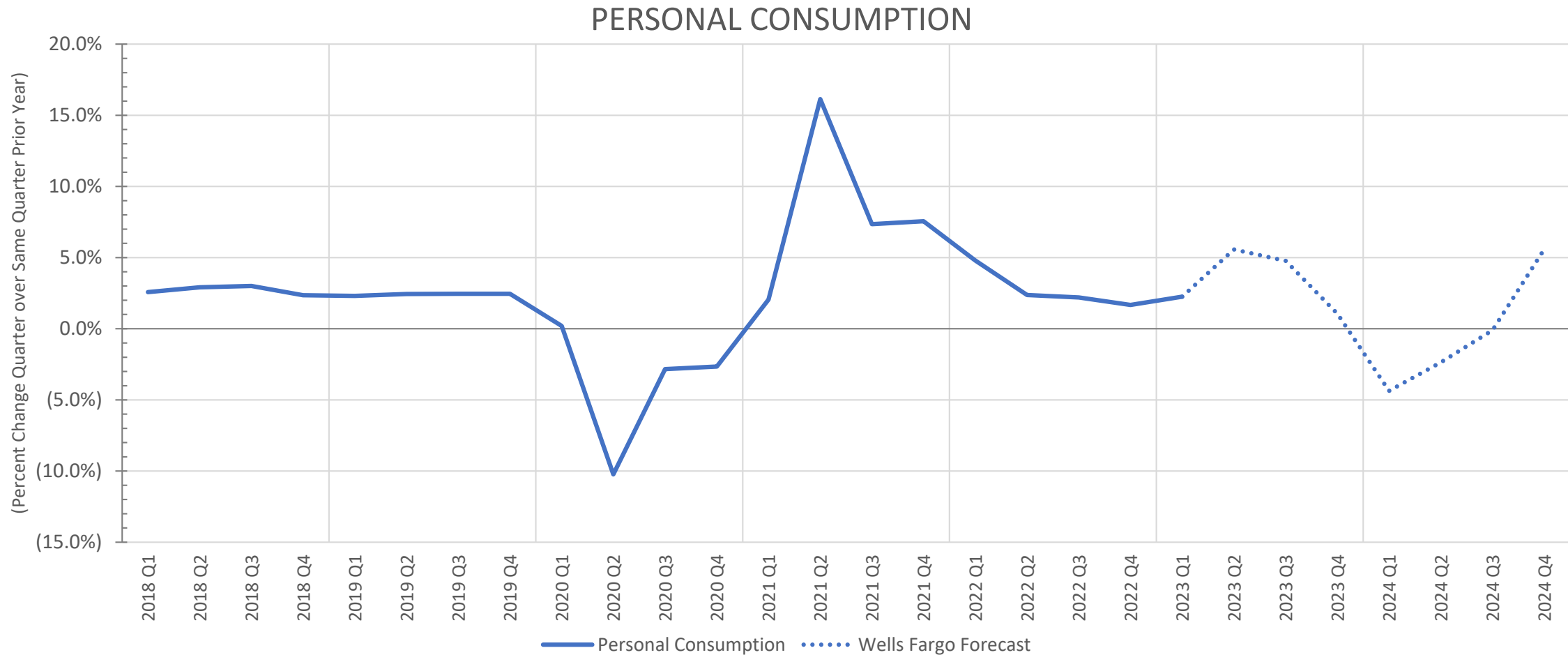


Source: U.S. Dept. of Commerce, Bureau of Economic Analyses RFA/lhj/266/04/28/2023



Personal Consumption

Growth in personal consumption component of GDP is expected to slow in late 2023

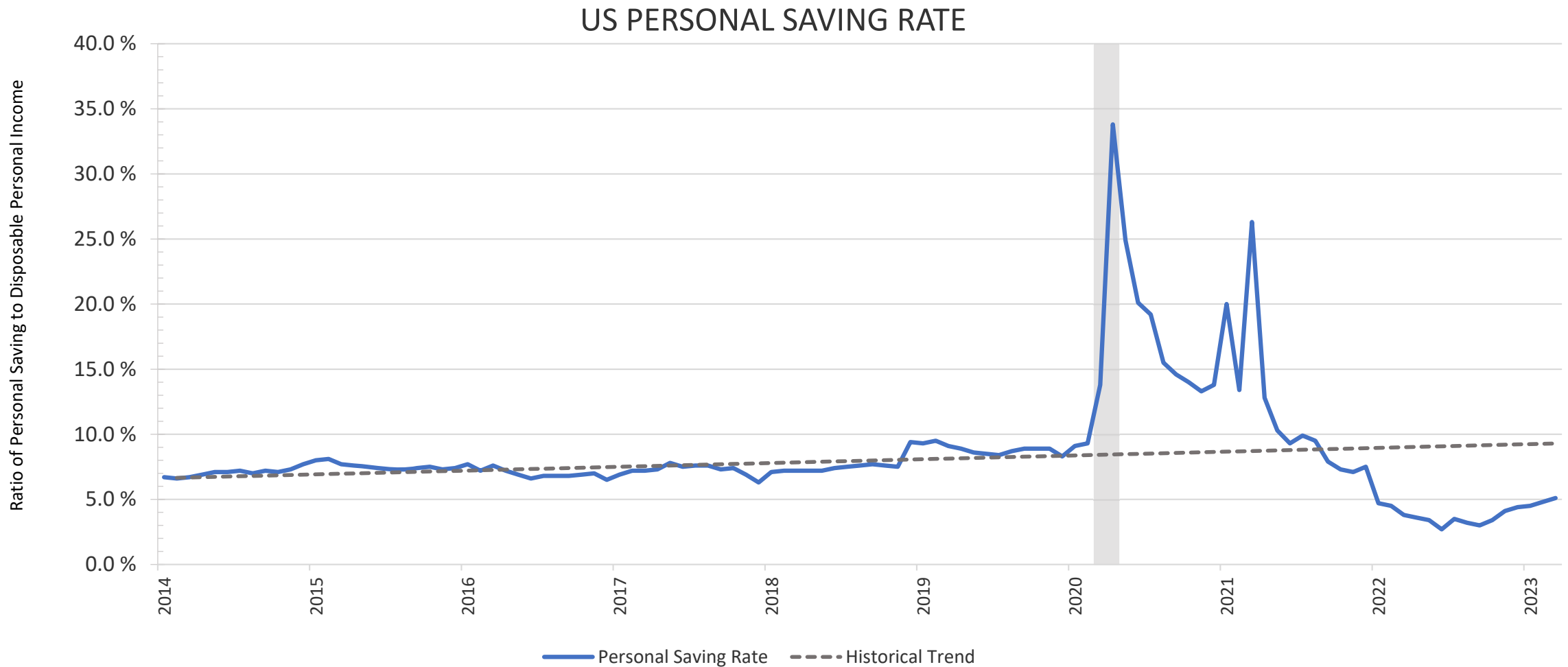


Source: Bureau of Economic Analyses; Wells Fargo US Economic Outlook, April 13, 2023 292A RFA/lhj/05/03/2023



Personal Saving Rate

Saving rate remains below historical trend after stimulus impact wears off

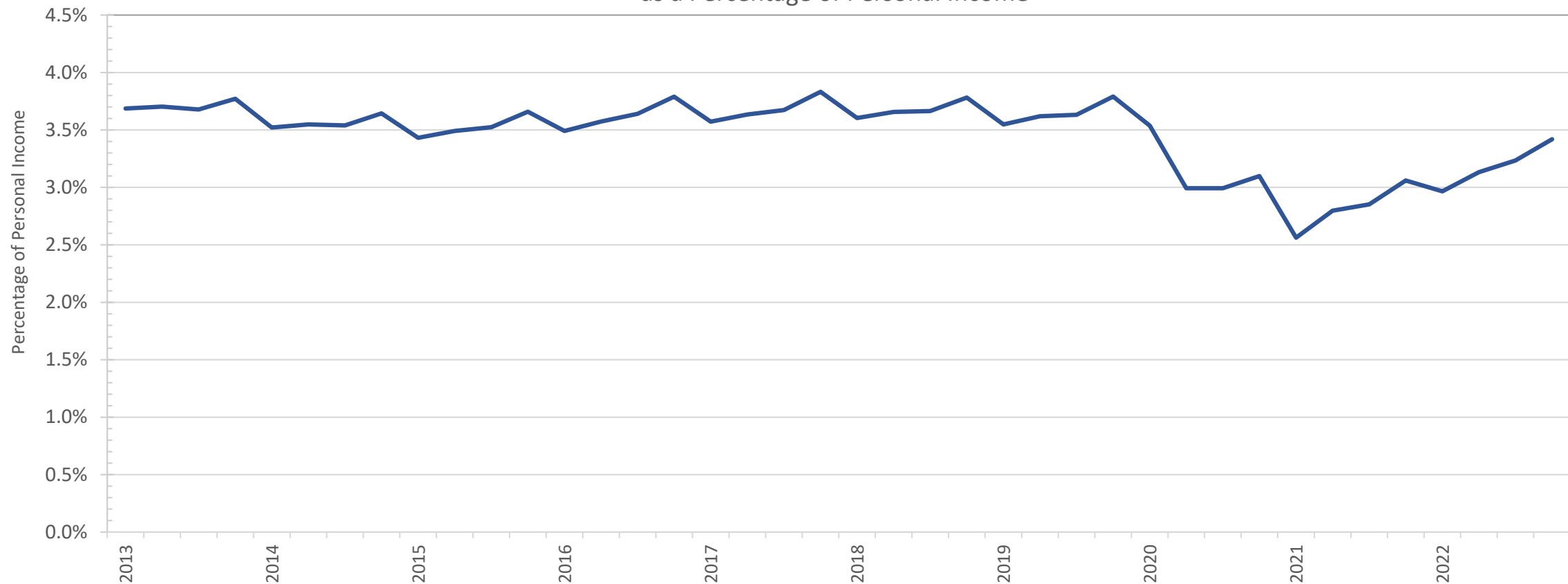


Source: U.S. Bureau of Economic Analysis, Personal Saving Rate [PSAVERT], retrieved from FRED, Federal Reserve Bank of St. Louis; 330-RFA/lhj/5/3/2023

US Consumer Credit Card Debt

Credit card debt as a percentage of personal income is below pre-pandemic levels but rising closer to normal levels

US CONSUMER CREDIT CARD DEBT
as a Percentage of Personal Income

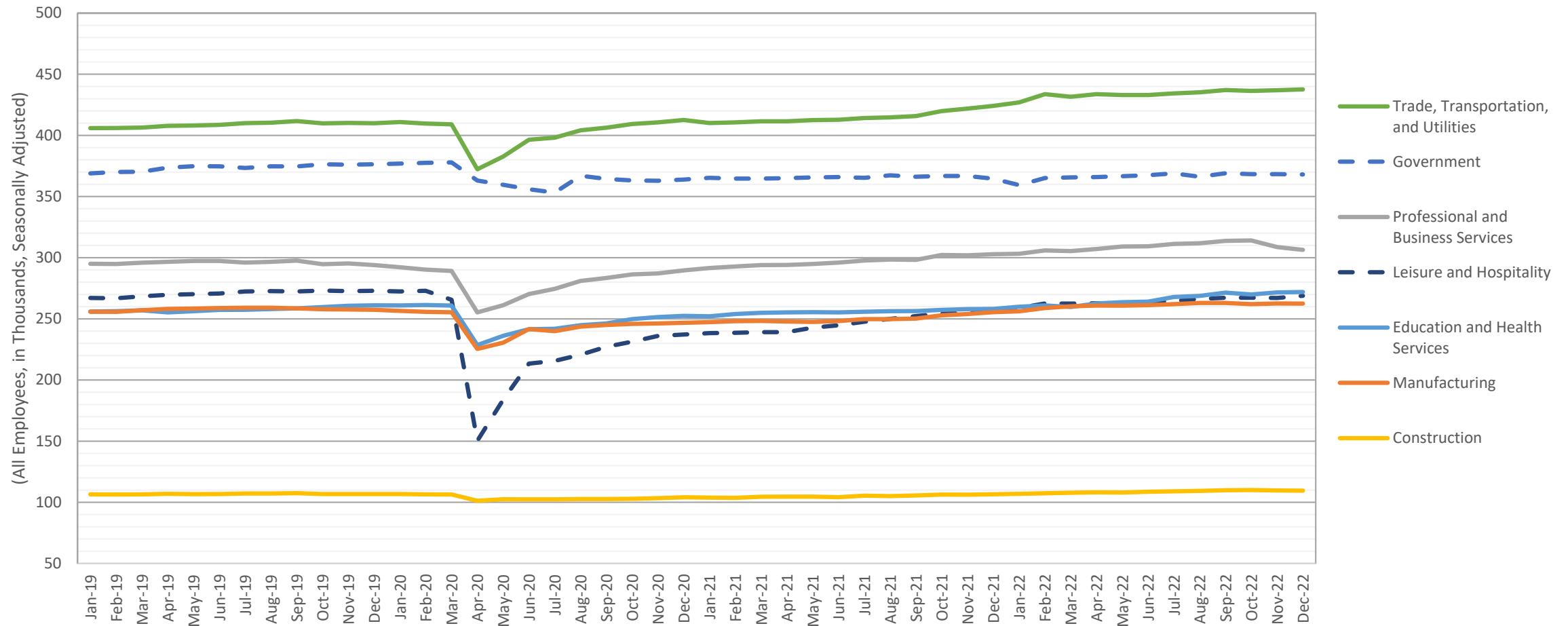


Source: U.S. Bureau of Economic Analysis, Personal Income [PI]; Federal Reserve Bank of Philadelphia, Large Bank Consumer Credit Card Balances: Total Balances [RCCCBALTOT]; retrieved from FRED, Federal Reserve Bank of St. Louis; RFA/330/lhj/05/03/2023

SC Employment by Industry

Employment growth by sector varies; Government and Leisure & Hospitality sectors remain below pre-pandemic levels

SOUTH CAROLINA EMPLOYMENT BY INDUSTRY SECTOR



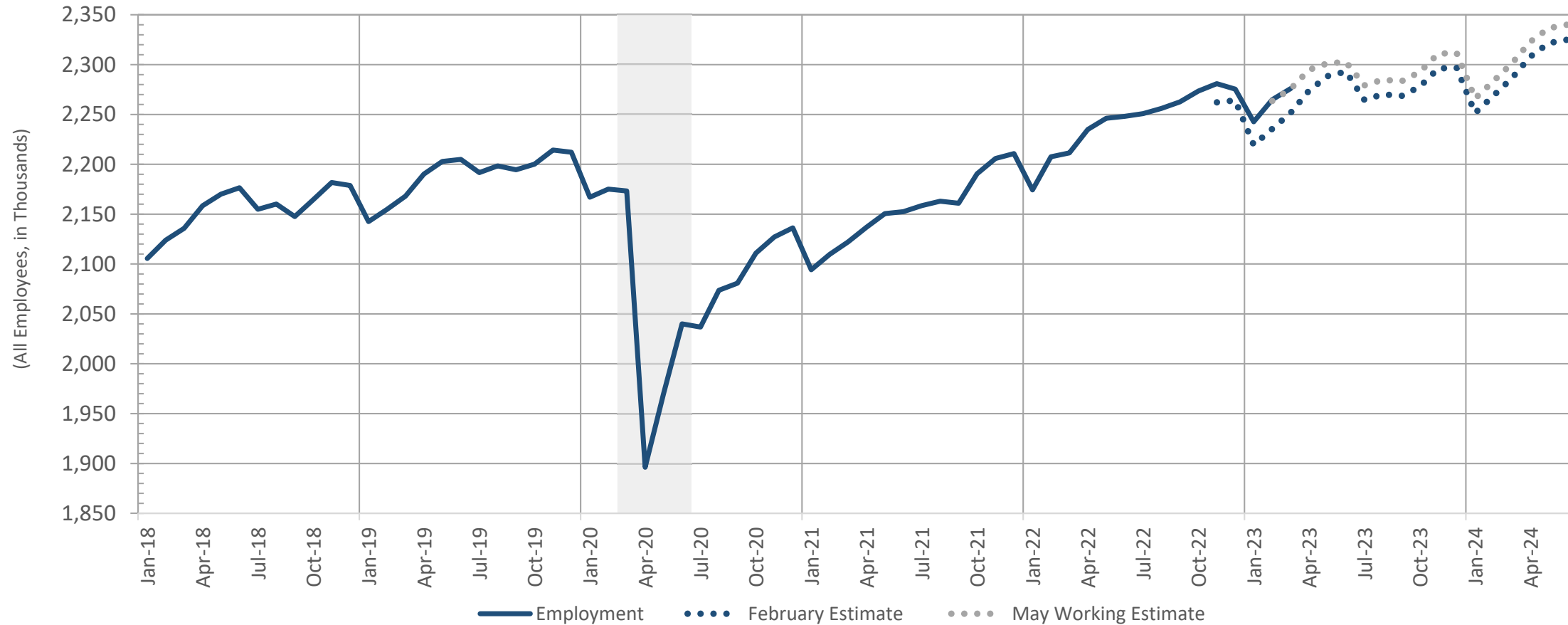
Source: U.S. Bureau of Labor Statistics 325-RFA/lhj/4/4/2023

Review of FY 2022-23 and FY 2023-24 Forecasts and Assumptions

SC Employment - Proposal

Proposed changes in FY 2022-23 and FY 2023-24 incorporate growth year-to-date and BLS revisions that increased base employment

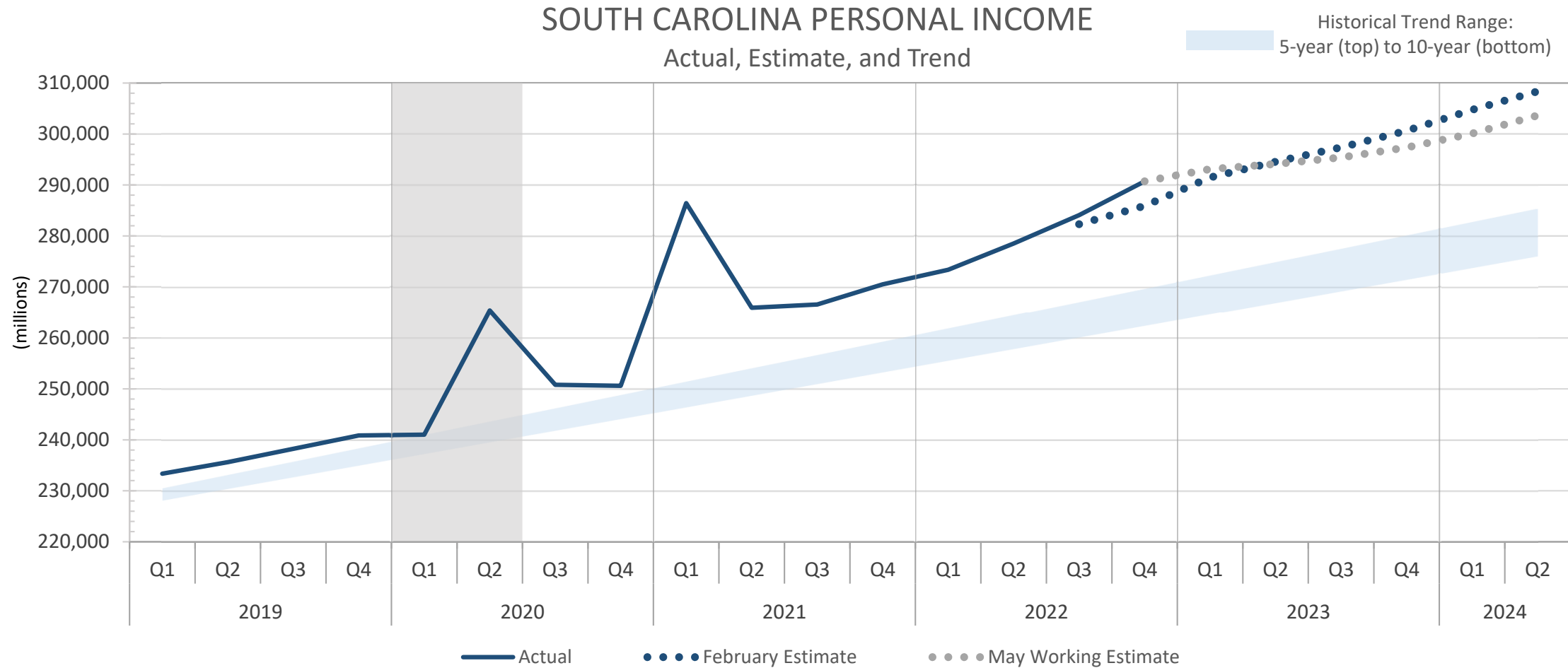
TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/lhj/5/3/23

SC Personal Income - Proposal

Proposed increase in the FY 2022-23 estimate takes into account higher than anticipated wage growth year-to-date; slower growth anticipated for FY 2023-24



Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/04/14/2023

Summary

Fiscal Year Growth Rates

| FISCAL YEAR GROWTH RATES February Estimates and Proposed Changes | | | |
|---|---|---|-----------------|
| Fiscal Year | Personal Income | Employment | Inflation |
| 2022-23 | 5.98% <i>(Feb. estimate is 6.60% with latest qtrs.)</i> | 3.4% <i>(Feb. estimate is 2.7% with revised base)</i> | 6.3% |
| | 6.72% | 3.3% | 6.4% |
| 2023-24 | 4.93% <i>(Feb. estimate is 4.33% with latest qtrs.)</i> | 1.4% <i>(Feb. estimate is 1.1% with revised base)</i> | 3.2% |
| | 2.96% | 1.2% | 3.1% |

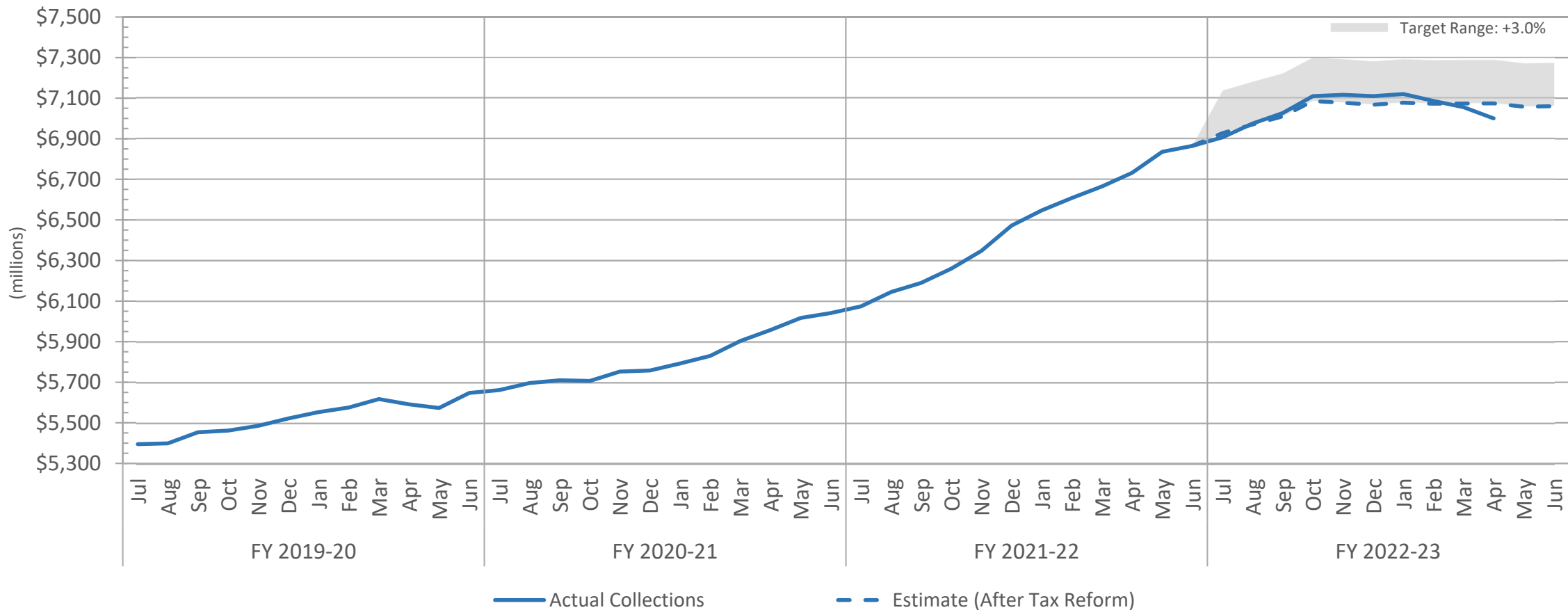
Forecast Issues

- Since the February forecast, revenues have performed better than expected, particularly Sales and Corporate Income tax
- Growth in wages has continued longer than previously expected, but wage growth and consumption are expected to slow in FY 24, pushing the potential slowdown further out than previously predicted
- Concerns about the likelihood of a recession in FY 24 are growing
- The impact of the adjustment to Withholdings tax tables is larger than previously estimated, and Withholdings is likely to be below the current estimate for FY 23, despite stronger than expected wage growth; however, this issue will not affect FY 24 as lower Withholdings will result in lower Refunds and higher Non-withholdings

Withholdings - Actual vs. Estimate

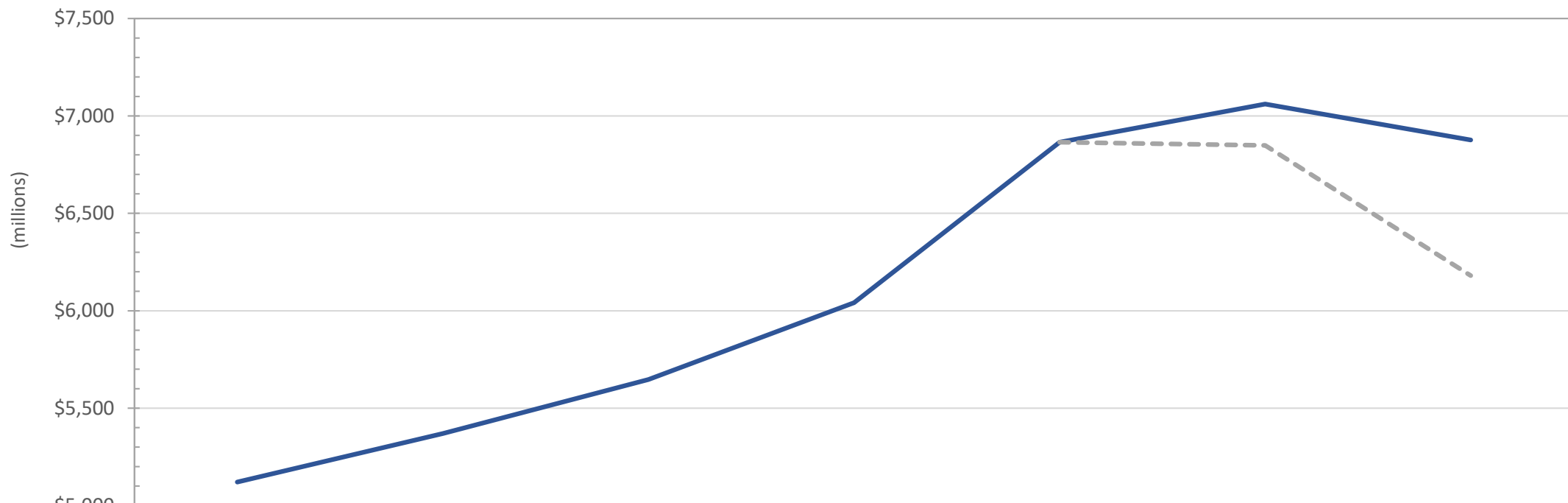
Withholdings are running \$73.8 million below the estimate; adjustments to the tax tables are reducing Withholdings more than anticipated

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Withholdings - Working estimates reflect revised estimates for tax table adjustments and revised income growth projections (Proposed Changes FY 23: -\$212m; FY 24: -\$697m)

WITHHOLDINGS



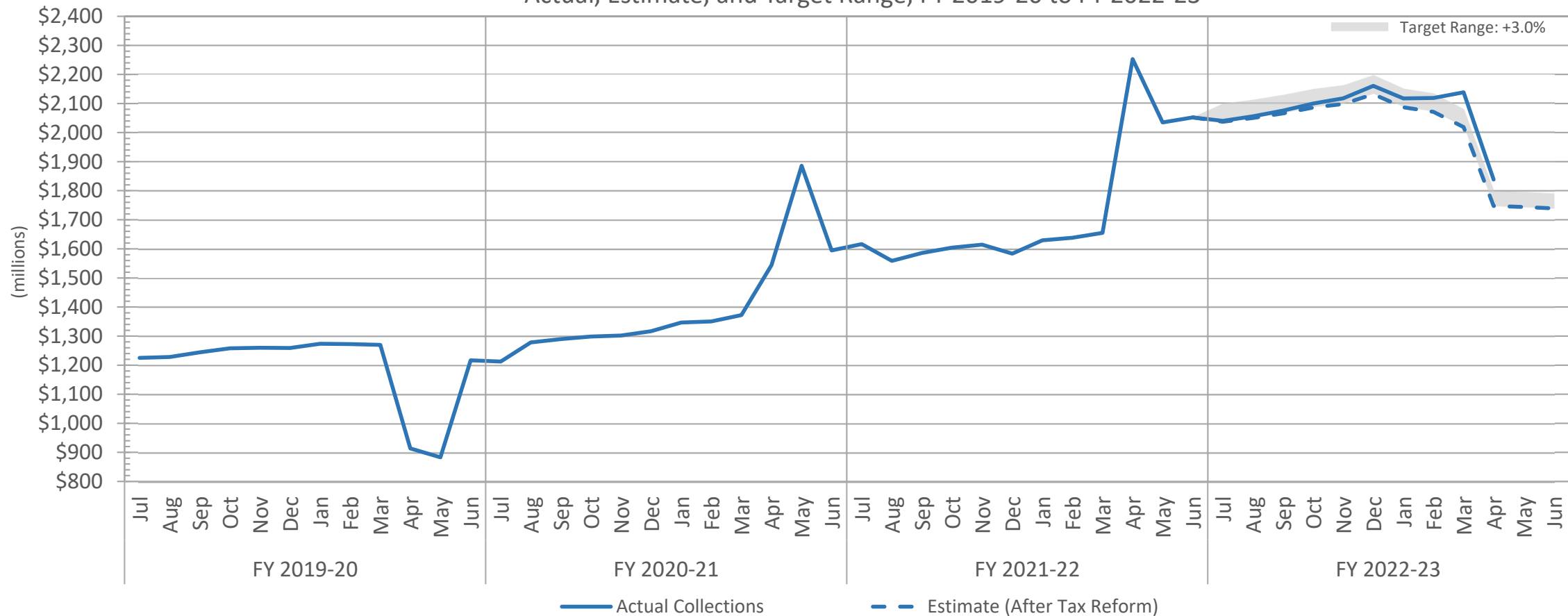
| | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 est. | FY 24 est. |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2.23 Forecast | 5,120,600,002 | 5,369,779,998 | 5,647,000,002 | 6,041,221,303 | 6,864,748,978 | 7,060,690,000 | 6,876,620,000 |
| 5.23 Working Estimate | | | | | 6,864,748,978 | 6,848,500,000 | 6,180,099,000 |

— 2.23 Forecast - - - 5.23 Working Estimate

Non-withholdings - Actual vs. Estimate

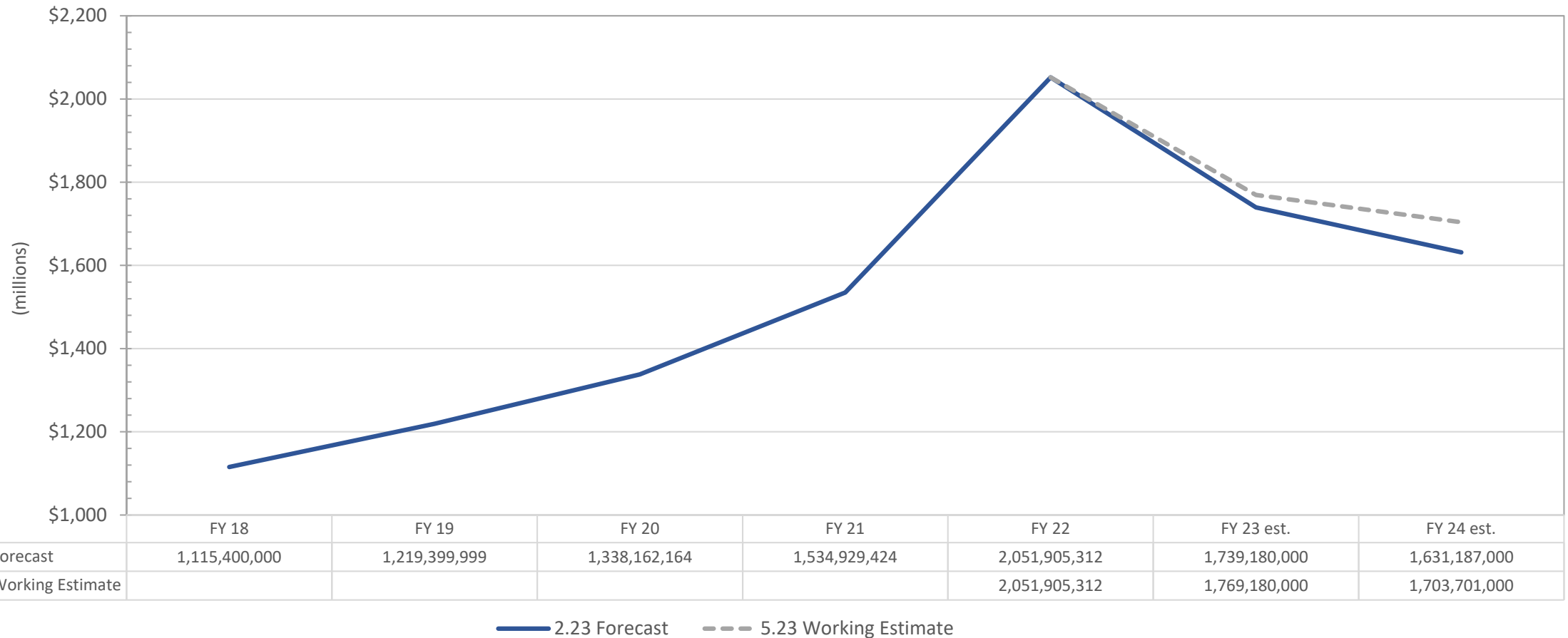
Collections are \$91.2 million above the estimate year-to-date following April tax filings

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Non-withholdings - Working estimates reflect FY 23 performance and updated expectations for the adjustment to tax tables (Proposed Changes FY 23: +\$30m; FY 24: +\$73m)

NON-WITHHOLDINGS

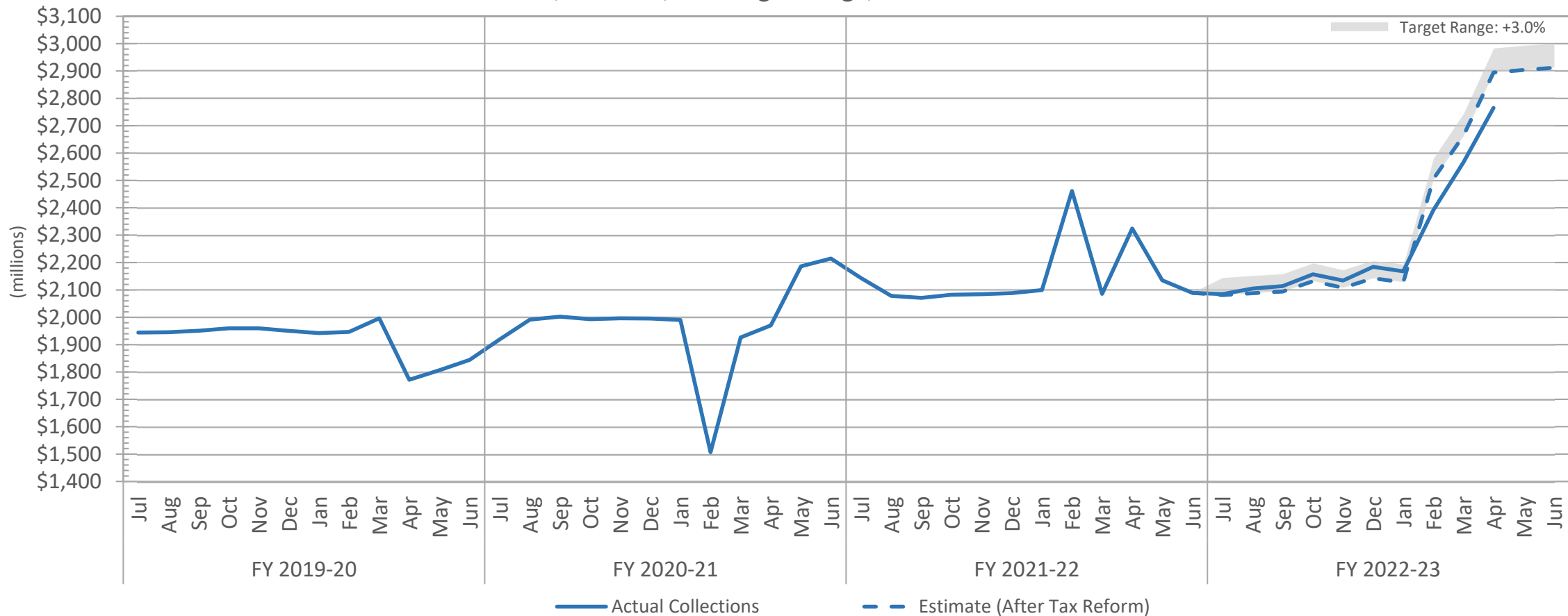


Refunds - Actual vs. Estimate

Refunds are \$129.2 million below the estimate after April tax filings

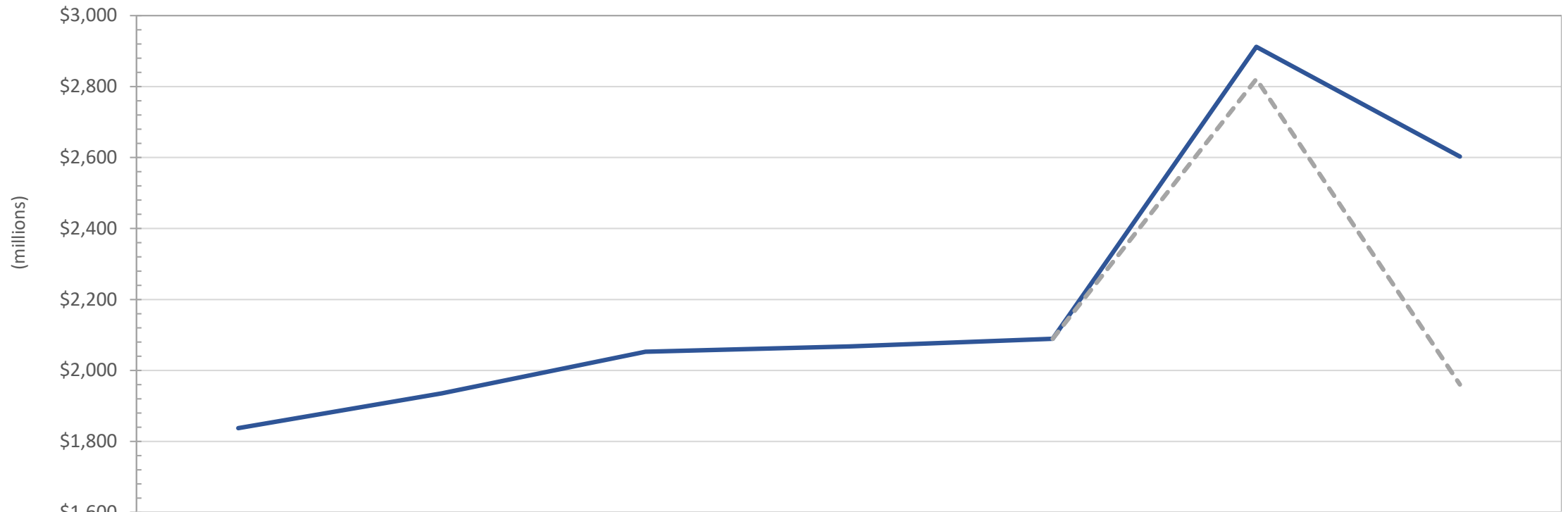
ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Refunds - Working estimates are based on FY 23 refund processing and updated adjustments for tax table changes (Proposed Changes FY 23: -\$91m; FY 24: -\$642m)

REFUNDS



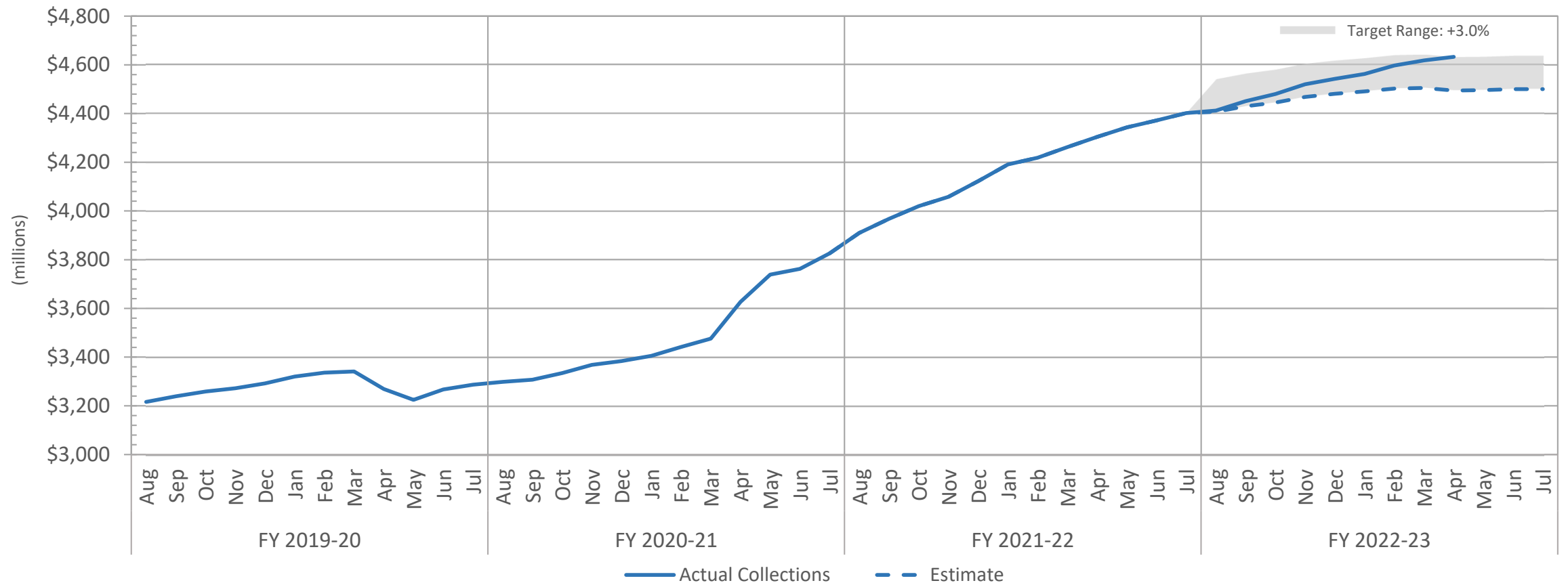
| | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 est. | FY 24 est. |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2.23 Forecast | 1,837,500,000 | 1,935,500,000 | 2,052,800,000 | 2,067,804,352 | 2,089,190,481 | 2,911,924,000 | 2,602,660,000 |
| 5.23 Working Estimate | | | | | 2,089,190,481 | 2,821,170,000 | 1,960,174,000 |

— 2.23 Forecast - - - 5.23 Working Estimate

Sales Tax - Actual vs. Estimate

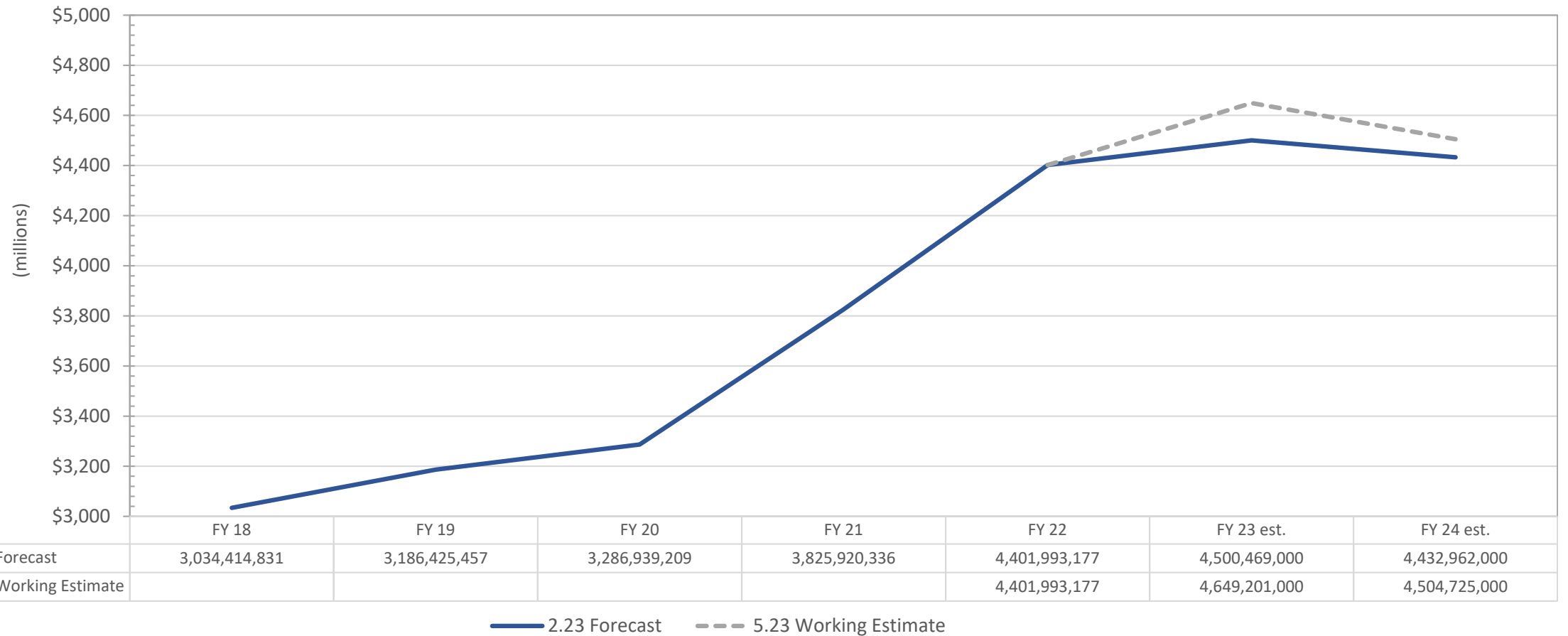
Collections are \$137.9 million above the estimate although growth slowed in April

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



Sales Tax - Working estimates reflect higher base revenue for FY 23 and potential reduction in personal consumption in FY 24 (Proposed Change FY 23: \$149m; FY 24 \$72m)

SALES TAX

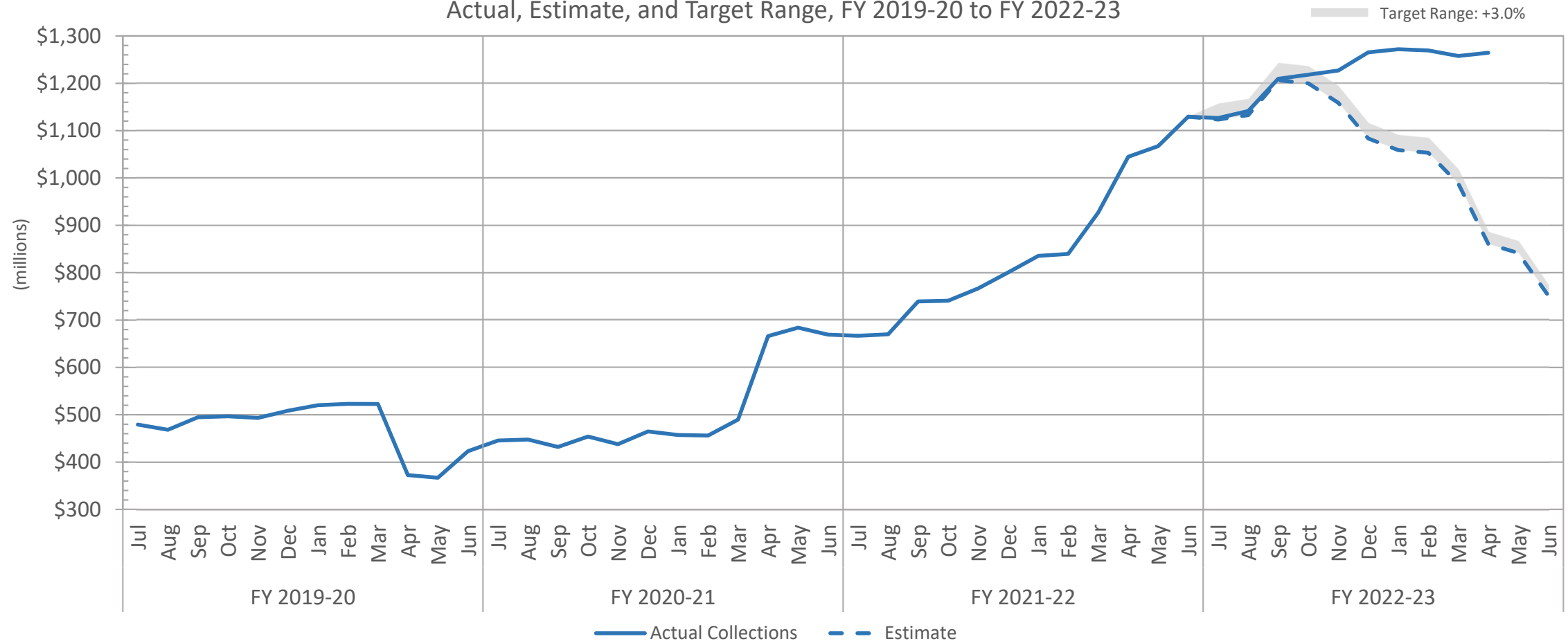


Corporate Income Tax – Actual vs. Estimate

Collections are above the estimate by \$403.8 million year-to-date following strong tax filings

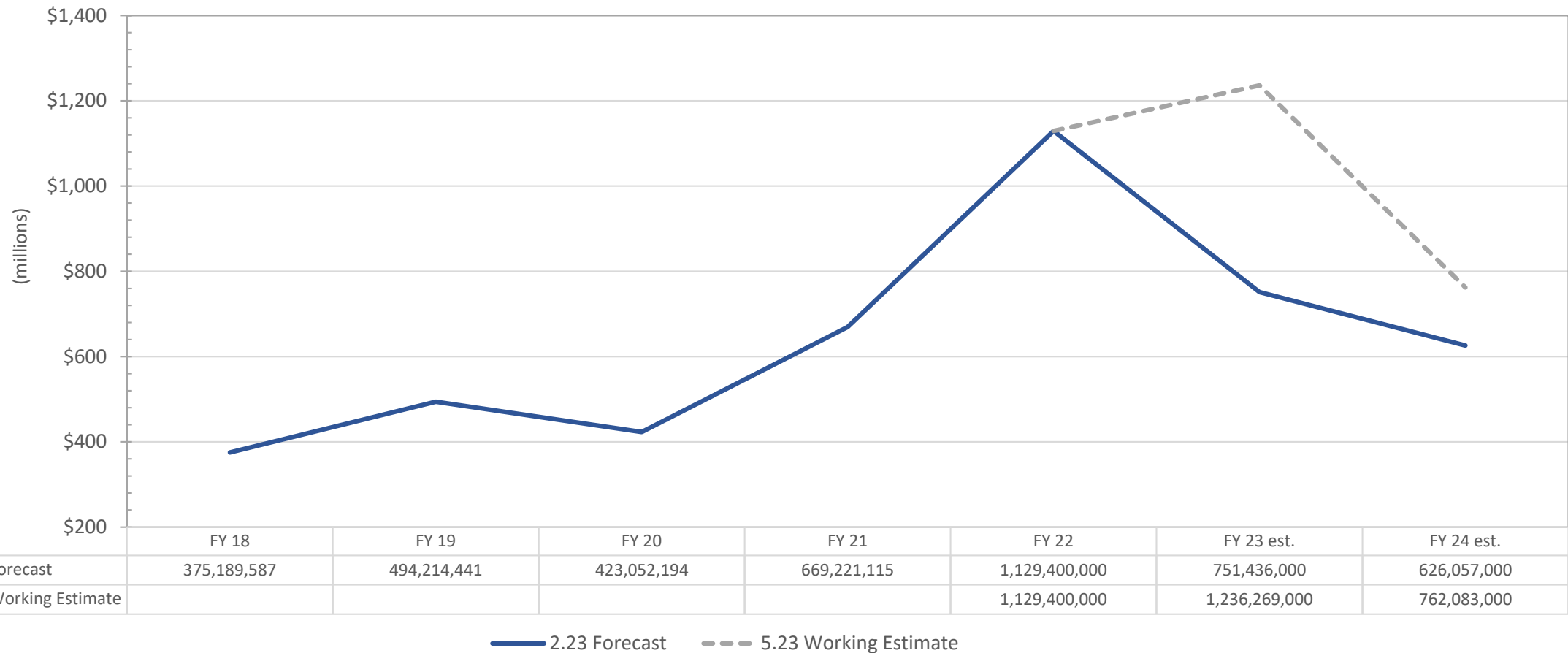
ROLLING FISCAL YEAR - CORPORATE INCOME TAX

Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Corporate Income - Working estimates reflect latest income expectations and collections for FY 23 but maintain the potential for a sharp decline in FY 24 (Proposed Changes FY 23: \$485m; FY 24 \$136m)

CORPORATE INCOME TAX



Forecast Considerations

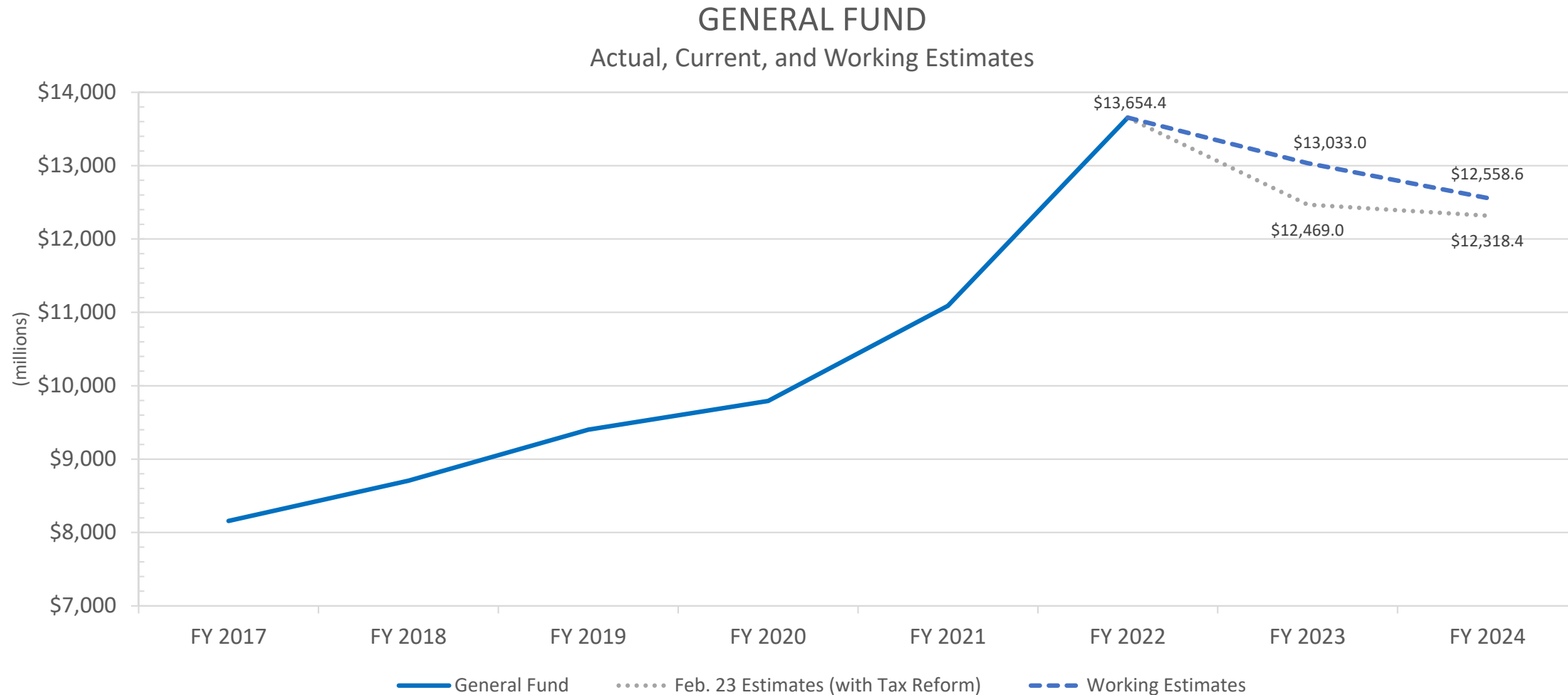
- FY 23 revenues are running ahead of expectations, particularly in Sales tax and Corporate Income tax
- Based on data provided by the Dept. of Employment and Workforce, strong wage growth in SC has continued into the first calendar quarter of 2023, as the state's economy has continued to grow longer than previously predicted, boosting FY 23 collections
- However, concerns about the potential for a recession within the next year have deepened as a result of persistent inflation, continued Federal Reserve interest rate increases, and issues within the banking industry
- In reviewing national expectations and through discussions with regional economists, wage growth is expected to slow and personal consumption is expected to decline in the later half of 2023

Working Estimates

- Working estimates reflect an increase of \$564 million in FY 23 and \$240 million in FY 24
- The impact of Withholdings tax tables adjustments has been updated
 - The adjustment will decrease Withholdings in FY 23
 - The adjustment for FY 24 will also decrease Withholdings but will be offset completely by lower Refunds and higher Non-withholdings
- Although the FY 24 working estimate is an increase from the current forecast, it reflects a 3.6% decline from the FY 23 working estimate
- FY 24 estimates are based on personal income growth slowing to 3% and lower expectations for personal consumption and retail activity
- Other Adjustments:
 - Sales tax adjustments also impact EIA and HEx Sales tax estimates
 - Increase to Insurance tax reflects stronger premiums growth seen in March collections for the new filing year
 - Increase to Corporate License based on excess collections through April
 - Adjustment to Private Car Lines tax reflects taxpayer revised returns

General Fund

Increase FY 2022-23: \$564 million; FY 2023-24: \$240 million



Discussion and Consideration of Updates to Forecast



General Fund Revenue Forecast - Proposed



PROPOSED CHANGES - GENERAL FUND REVENUE FORECAST AS OF MAY 9, 2023

Personal Income Growth - FY23: 6.72%; FY24: 2.96%

| Revenue Category | Final FY 2021-22 | 2/15/2023 Estimate FY 2022-23 | 5/9/2023 Estimate FY 2022-23 | 2/15 vs 5/9 Estimate Change | 2/15/2023 Estimate FY 2023-24 | 5/9/2023 Estimate FY 2023-24 | 2/15 vs 5/9 Estimate Change | Pct. Chg. FY 2021-22 | 2/15/2023 Pct. Chg. FY 2022-23 | 5/9/2023 Pct. Chg. FY 2022-23 | 2/15/2023 Pct. Chg. FY 2023-24 | 5/9/2023 Pct. Chg. FY 2023-24 |
|-----------------------------------|-------------------------|-------------------------------------|------------------------------------|-----------------------------------|-------------------------------------|------------------------------------|-----------------------------------|-------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| Sales and Use Tax | \$4,401,993,179 | \$4,500,469,000 | \$4,649,201,000 | \$148,732,000 | \$4,432,962,000 | \$4,504,725,000 | \$71,763,000 | 15.1 | 2.2 | 5.6 | (1.5) | (3.1) |
| Individual Income Tax | 6,827,560,100 | 5,887,946,000 | 5,796,510,000 | (\$91,436,000) | 5,905,147,000 | 5,923,626,000 | \$18,479,000 | 25.9 | (13.8) | (15.1) | 0.3 | 2.2 |
| <i>Withholdings</i> | 6,864,765,402 | 7,060,690,000 | 6,848,500,000 | (\$212,190,000) | 6,876,620,000 | 6,180,099,000 | (\$696,521,000) | 13.6 | 2.9 | (0.2) | (2.6) | (9.8) |
| <i>Non-Withholdings</i> | 2,051,932,498 | 1,739,180,000 | 1,769,180,000 | \$30,000,000 | 1,631,187,000 | 1,703,701,000 | \$72,514,000 | 28.7 | (15.2) | (13.8) | (6.2) | (3.7) |
| <i>Refunds</i> | 2,089,137,801 | 2,911,924,000 | 2,821,170,000 | (\$90,754,000) | 2,602,660,000 | 1,960,174,000 | (\$642,486,000) | (5.7) | 39.4 | 35.0 | (10.6) | (30.5) |
| Corporation Income Tax | 1,129,375,124 | 751,436,000 | 1,236,269,000 | \$484,833,000 | 626,057,000 | 762,083,000 | \$136,026,000 | 68.8 | (33.5) | 9.5 | (16.7) | (38.4) |
| Insurance Taxes | 283,503,195 | 345,761,000 | 362,984,000 | \$17,223,000 | 338,773,000 | 352,379,000 | \$13,606,000 | (3.3) | 22.0 | 28.0 | (2.0) | (2.9) |
| Admissions Tax | 45,742,736 | 40,988,000 | 40,988,000 | \$0 | 41,587,000 | 41,587,000 | \$0 | 54.9 | (10.4) | (10.4) | 1.5 | 1.5 |
| Aircraft Tax | 1,250,000 | 0 | 0 | \$0 | 0 | 0 | \$0 | (56.6) | -- | -- | -- | -- |
| Alcoholic Liquor Tax | 112,482,415 | 114,732,000 | 114,732,000 | \$0 | 110,143,000 | 110,143,000 | \$0 | 10.7 | 2.0 | 2.0 | (4.0) | (4.0) |
| Bank Tax | 72,352,457 | 64,868,000 | 64,868,000 | \$0 | 63,187,000 | 63,187,000 | \$0 | 3.6 | (10.3) | (10.3) | (2.6) | (2.6) |
| Beer and Wine Tax | 116,942,161 | 116,020,000 | 116,020,000 | \$0 | 117,630,000 | 117,630,000 | \$0 | 0.1 | (0.8) | (0.8) | 1.4 | 1.4 |
| Business Filing Fees | 12,616,189 | 12,053,000 | 12,053,000 | \$0 | 12,315,000 | 12,315,000 | \$0 | (1.2) | (4.5) | (4.5) | 2.2 | 2.2 |
| Circuit/Family Court Fines | 6,089,254 | 5,963,000 | 5,963,000 | \$0 | 4,992,000 | 4,992,000 | \$0 | 13.5 | (2.1) | (2.1) | (16.3) | (16.3) |
| Corporation License Tax | 163,071,712 | 161,567,000 | 168,021,000 | \$6,454,000 | 170,453,000 | 173,120,000 | \$2,667,000 | 10.1 | (0.9) | 3.0 | 5.5 | 3.0 |
| Deed Recording Fees | 156,850,909 | 120,871,000 | 120,871,000 | \$0 | 118,042,000 | 118,042,000 | \$0 | 31.9 | (22.9) | (22.9) | (2.3) | (2.3) |
| Earned on Investments | 69,656,950 | 170,000,000 | 170,000,000 | \$0 | 200,000,000 | 200,000,000 | \$0 | (4.1) | 144.1 | 144.1 | 17.6 | 17.6 |
| Indirect Cost Recoveries | 22,097,929 | 23,166,000 | 23,166,000 | \$0 | 20,212,000 | 20,212,000 | \$0 | (5.0) | 4.8 | 4.8 | (12.8) | (12.8) |
| Motor Vehicle Licenses | 11,178,619 | 11,581,000 | 11,581,000 | \$0 | 11,836,000 | 11,836,000 | \$0 | (7.8) | 3.6 | 3.6 | 2.2 | 2.2 |
| Nursing Home Fees | 3,230,655 | 3,160,000 | 3,160,000 | \$0 | 3,092,000 | 3,092,000 | \$0 | (3.7) | (2.2) | (2.2) | (2.2) | (2.2) |
| Parole and Probation Fees | 3,392,808 | 3,393,000 | 3,393,000 | \$0 | 3,393,000 | 3,393,000 | \$0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Private Car Lines Tax | 6,878,649 | 8,472,000 | 6,616,000 | (\$1,856,000) | 8,968,000 | 6,616,000 | (\$2,352,000) | 3.1 | 23.2 | (3.8) | 5.9 | 0.0 |
| Public Service Authority | 17,675,000 | 17,866,000 | 17,866,000 | \$0 | 18,059,000 | 18,059,000 | \$0 | 3.2 | 1.1 | 1.1 | 1.1 | 1.1 |
| Purchasing Card Rebates | 3,541,021 | 3,845,000 | 3,845,000 | \$0 | 3,940,000 | 3,940,000 | \$0 | 14.6 | 8.6 | 8.6 | 2.5 | 2.5 |
| Record Search Fees | 4,461,000 | 4,461,000 | 4,461,000 | \$0 | 4,461,000 | 4,461,000 | \$0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Savings and Loan Assoc. Tax | 2,448,449 | 92,000 | 92,000 | \$0 | 1,223,000 | 1,223,000 | \$0 | 113.4 | (96.2) | (96.2) | 1229.3 | 1229.3 |
| Security Dealer Fees | 31,897,230 | 32,022,000 | 32,022,000 | \$0 | 32,382,000 | 32,382,000 | \$0 | 9.3 | 0.4 | 0.4 | 1.1 | 1.1 |
| Tobacco Tax | 28,935,834 | 28,204,000 | 28,204,000 | \$0 | 29,070,000 | 29,070,000 | \$0 | 0.5 | (2.5) | (2.5) | 3.1 | 3.1 |
| Unclaimed Property Fund | 15,000,000 | 15,000,000 | 15,000,000 | \$0 | 15,000,000 | 15,000,000 | \$0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Workers' Comp. Insurance Tax | 9,795,065 | 9,644,000 | 9,644,000 | \$0 | 10,138,000 | 10,138,000 | \$0 | (21.7) | (1.5) | (1.5) | 5.1 | 5.1 |
| Other Source Revenues | 94,396,685 | 15,423,000 | 15,423,000 | \$0 | 15,383,000 | 15,383,000 | \$0 | 131.0 | (83.7) | (83.7) | (0.3) | (0.3) |
| Gross General Fund Revenue | \$13,654,415,325 | \$12,469,003,000 | \$13,032,953,000 | \$563,950,000 | \$12,318,445,000 | \$12,558,634,000 | \$240,189,000 | 23.1 | (8.7) | (4.6) | (1.2) | (3.6) |

General Fund Revenue Forecast (continued)– Proposed



PROPOSED CHANGES - GENERAL FUND REVENUE FORECAST AS OF MAY 9, 2023

| Revenue Category | Final FY 2021-22 | 2/15/2023 Estimate FY 2022-23 | 5/9/2023 Estimate FY 2022-23 | Change | 2/15/2023 Estimate FY 2023-24 | 5/9/2023 Estimate FY 2023-24 | Change | Pct. Chg. FY 2021-22 | 2/15/2023 Pct. Chg. FY 2022-23 | 5/9/2023 Pct. Chg. FY 2022-23 | 2/15/2023 Pct. Chg. FY 2023-24 | 5/9/2023 Pct. Chg. FY 2023-24 |
|---|-------------------------|-------------------------------------|------------------------------------|----------------------|-------------------------------------|------------------------------------|----------------------|-------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| Gross General Fund Revenue | \$13,654,415,325 | \$12,469,003,000 | \$13,032,953,000 | \$563,950,000 | \$12,318,445,000 | \$12,558,634,000 | \$240,189,000 | 23.1 | (8.7) | (4.6) | (1.2) | (3.6) |
| Less: Tax Relief Trust Fund (Act) | 650,023,221 | 768,072,631 | 768,072,631 | 0 | 795,942,732 | 795,942,732 | 0 | 3.3 | 18.2 | 18.2 | 3.6 | 3.6 |
| Net General Fund Revenue | \$13,004,392,104 | \$11,700,930,369 | \$12,264,880,369 | \$563,950,000 | \$11,522,502,268 | \$11,762,691,268 | \$240,189,000 | 24.3 | (10.0) | (5.7) | (1.5) | (4.1) |
| Education Improvement Act (EIA) | 1,138,972,300 | 1,174,338,000 | 1,211,668,000 | 37,330,000 | 1,159,395,000 | 1,177,407,000 | 18,012,000 | 14.3 | 3.1 | 6.4 | (1.3) | (2.8) |
| EIA Fund | 1,138,342,432 | 1,164,338,000 | 1,201,668,000 | 37,330,000 | 1,147,395,000 | 1,165,407,000 | 18,012,000 | 14.2 | 2.3 | 5.6 | (1.5) | (3.0) |
| EIA Interest | 629,868 | 10,000,000 | 10,000,000 | 0 | 12,000,000 | 12,000,000 | 0 | 643.6 | 1487.6 | 1487.6 | 20.0 | 20.0 |
| S.C. Education Lottery Fund | 568,684,685 | 572,300,000 | 572,300,000 | 0 | 533,000,000 | 533,000,000 | 0 | (7.1) | 0.6 | 0.6 | (6.9) | (6.9) |
| Lottery Proceeds | 533,500,000 | 547,200,000 | 547,200,000 | 0 | 507,200,000 | 507,200,000 | 0 | (7.3) | 2.6 | 2.6 | (7.3) | (7.3) |
| Unclaimed Prizes | 30,501,385 | 20,000,000 | 20,000,000 | 0 | 20,000,000 | 20,000,000 | 0 | (5.1) | (34.4) | (34.4) | 0.0 | 0.0 |
| Lottery Interest | 4,683,300 | 5,100,000 | 5,100,000 | 0 | 5,800,000 | 5,800,000 | 0 | 5.8 | 8.9 | 8.9 | 13.7 | 13.7 |
| Homestead Exemption Fund (HEX) | 1,033,264,216 | 1,060,070,000 | 1,094,102,000 | 34,032,000 | 1,045,423,000 | 1,061,844,000 | 16,421,000 | 14.4 | 2.6 | 5.9 | (1.4) | (2.9) |
| HEX Revenue | 1,029,360,778 | 1,053,870,000 | 1,087,902,000 | 34,032,000 | 1,038,423,000 | 1,054,844,000 | 16,421,000 | 14.3 | 2.4 | 5.7 | (1.5) | (3.0) |
| HEX Interest | 3,903,438 | 6,200,000 | 6,200,000 | 0 | 7,000,000 | 7,000,000 | 0 | 24.8 | 58.8 | 58.8 | 12.9 | 12.9 |
| Expenditure Estimate | 860,983,490 | 912,890,744 | 912,890,744 | 0 | 1,004,624,152 | 1,004,624,152 | 0 | 3.8 | 6.0 | 6.0 | 10.0 | 10.0 |
| HEX Fund Excess/(Shortfall) | 172,280,726 | 147,179,256 | 181,211,256 | 34,032,000 | 40,798,848 | 57,219,848 | 16,421,000 | 131.4 | (14.6) | 5.2 | (72.3) | (68.4) |
| Tax Relief Trust Fund (Act) | 650,023,221 | 768,072,631 | 768,072,631 | 0 | 795,942,732 | 795,942,732 | 0 | 3.3 | 18.2 | 18.2 | 3.6 | 3.6 |
| Revised Estimate/Actual | 643,954,085 | 772,671,553 | 772,671,553 | 0 | 795,942,732 | 795,942,732 | 0 | 2.9 | 20.0 | 20.0 | 3.0 | 3.0 |
| Excess/(Shortfall) (Excl. Fund Balance) | 6,069,136 | (4,598,922) | (4,598,922) | 0 | 0 | 0 | 0 | 80.6 | n/a | n/a | n/a | n/a |
| Budgetary Estimates | | | | | | | | | | | | |
| Gross Appropriation Act Revenue | 9,925,428,000 | 11,270,143,415 | 11,270,143,415 | 0 | 12,318,445,000 | 12,558,634,000 | 240,189,000 | 4.5 | 13.5 | 13.5 | 9.3 | 11.4 |
| Less: Tax Relief Trust Fund (Act) | 650,023,221 | 768,072,631 | 768,072,631 | 0 | 795,942,732 | 795,942,732 | 0 | 3.3 | 18.2 | 18.2 | 3.6 | 3.6 |
| Appropriation Act Excluding Trust Fund | 9,275,404,779 | 10,502,070,784 | 10,502,070,784 | 0 | 11,522,502,268 | 11,762,691,268 | 240,189,000 | 4.6 | 13.2 | 13.2 | 9.7 | 12.0 |
| Capital Reserve Fund | 183,584,490 | 209,194,431 | 209,194,431 | 0 | 390,131,763 | 390,131,763 | 0 | 4.3 | 13.9 | 13.9 | 86.5 | 86.5 |
| General Reserve Fund | 458,961,225 | 575,284,684 | 575,284,684 | 0 | 715,241,566 | 715,241,566 | 0 | 4.3 | 25.3 | 25.3 | 24.3 | 24.3 |
| Total Reserve Funds | 642,545,715 | 784,479,115 | 784,479,115 | 0 | 1,105,373,329 | 1,105,373,329 | 0 | 4.3 | 22.1 | 22.1 | 40.9 | 40.9 |

Budget Outlook for FY 2023-24

FY 2023-24 Budget Outlook – Recurring General Fund

(Dollars in Millions)

| | |
|---|------------------|
| BEA Revenue Estimate (5/9/2023) | \$12,558.6 |
| FY 2022-23 Appropriation Act Revenue | (\$10,341.3) |
| Tax Relief Trust Fund | (\$795.9) |
| Incremental Income Tax Rate Reduction (updated est.) | <u>(\$96.2)</u> |
| Estimated “New” General Fund Revenue | \$1,325.1 |
| Reserve Fund Contributions | |
| Incremental General Reserve Fund (5.5%) | (\$140.0) |
| Incremental Capital Reserve Fund (3%) | <u>(\$180.9)</u> |
| Estimated “New” General Fund Revenue Available for Appropriation (less Reserve Fund Contributions) | \$1,004.2 |

FY 2023-24 Budget Outlook

Nonrecurring Revenue

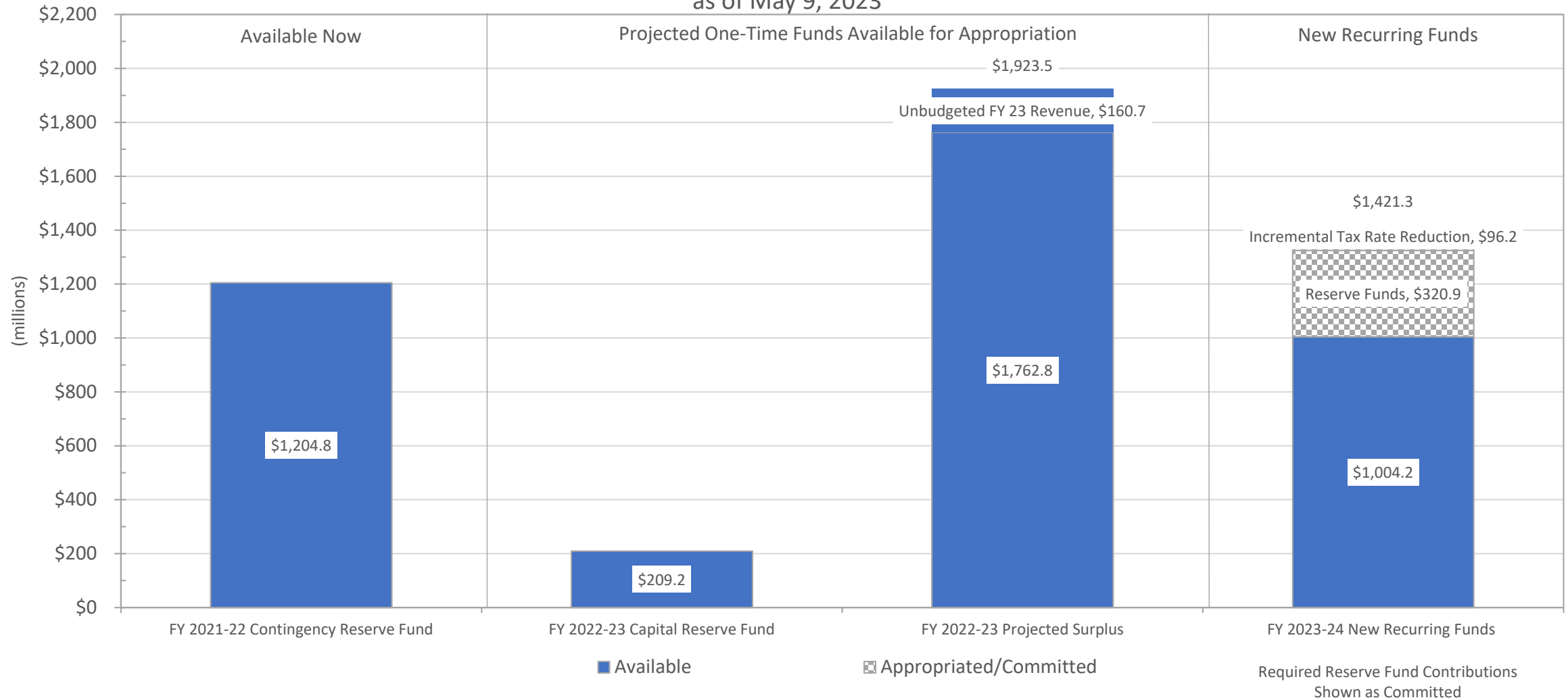
(Dollars in Millions)

| | |
|--|------------------|
| Projected FY 2022-23 General Fund Surplus (5/9/2023) | \$1,923.5 |
| FY 2022-23 Capital Reserve Fund | \$209.2 |
| FY 2021-22 Contingency Reserve Fund | <u>\$1,204.8</u> |
| Total Non-Recurring Revenue* | \$3,337.6 |
| | |
| Other Non-Recurring Revenue | |
| Litigation Recovery | \$81.9 |

* \$1,291 million in non-recurring revenue was appropriated in H. 3604

FY 2023-24 Available Funds

AVAILABLE FUNDS - FY 2023-24 BUDGET PROCESS
as of May 9, 2023



Source: S.C. Revenue and Fiscal Affairs 297/RFA/05/09/2023

Reports from Working Group Members

*Special thanks to Department of Revenue staff who provided daily revenue updates to help with the analysis as final April figures were not yet available.



Other Items for Discussion

